



REN 

**ANNUAL
REPORT
2014**

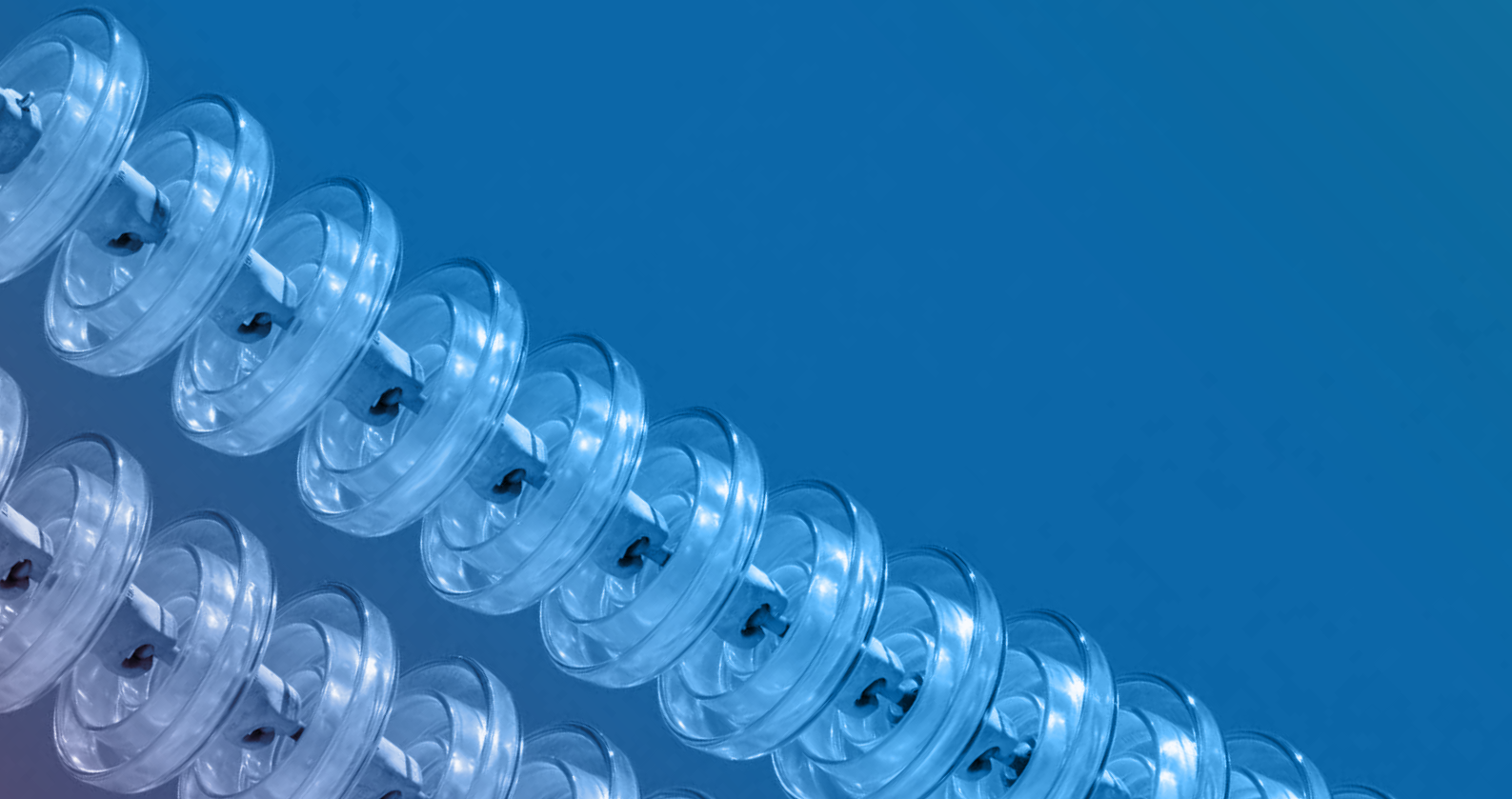
REN 

ANNUAL
REPORT
2014

**A FORMULA
FOR SUCCESS** ²⁰
YEARS

REN HAS BEEN PERFECTING A FORMULA
FOR SUCCESS THAT HAS ENSURED
US A PLACE AMONG THE BEST IN THE
SECTOR AROUND THE WORLD.

A formula ingrained in our DNA, which combines an increasingly international vision with the talent of our team of professionals and a continued emphasis on innovation and technology, without ever forgetting the community and the environment, which we strive to support and protect. Our dedication perfectly complements our competence and 20 years of experience to ensure success



01 ◆ MESSAGE FROM THE CHAIRMAN

01. MESSAGE FROM THE CHAIRMAN	6
-------------------------------	---

02 ◆ REN AT A GLANCE

02. REN AT A GLANCE	10
2.1 PROFILE	10
2.2 CORPORATE BODIES AND MANAGEMENT	12
2.3 SHAREHOLDER STRUCTURE	14
2.4 MILESTONES IN 2014	16
2.5 MAIN PERFORMANCE INDICATORS	18
2.6 REGULATED ASSETS	24
2.7 TECHNICAL INFRASTRUCTURES	29

03 ◆ MANAGEMENT REPORT

03. MANAGEMENT REPORT	37
3.1 ENVIRONMENT	37
3.2 ELECTRICITY	47
3.3 NATURAL GAS	55
3.4 OTHER BUSINESS	61
3.5 FINANCIAL PERFORMANCE	66
3.6 PERSPECTIVES FOR 2015	77
3.7 PROPOSAL ALLOCATION OF NET PROFIT	78

04 ◆ SUSTAINABILITY AT REN

04. SUSTAINABILITY AT REN	83
4.1 SUSTAINABILITY APPROACH	83
4.2 MAIN ACTIONS UNDERTAKEN	86
4.3 PERFORMANCE INDICATORS	89
4.4 AWARDS	124

05 ◆ CONSOLIDATED AND INDIVIDUAL ACCOUNTS

05. CONSOLIDATED AND INDIVIDUAL ACCOUNTS	129
5.1 CONSOLIDATED FINANCIAL STATEMENTS	130
5.2 DEMONSTRAÇÕES FINANCEIRAS INDIVIDUAIS	246

06 ◆ CORPORATE GOVERNANCE

06. CORPORATE GOVERNANCE	320
6.1 INFORMATION ON VOTING RIGHTS, ORGANIZATION AND CORPORATE GOVERNANCE	320
6.2 ASSESSMENT OF CORPORATE GOVERNANCE	385

Annexes

MANAGEMENT REPORT	396
CORPORATE GOVERNANCE	400
SUSTAINABILITY	420

Glossary

FINANCIAL GLOSSARY	442
TECHNICAL GLOSSARY	443
UNITS	452

Contacts

CONTACTS	454
----------	-----



EMÍLIO RUI VILAR
Chairman of the Board of Directors

REN REDES ENERGÉTICAS NACIONAIS

The improvement in the Company's financial structure was recognized in June 2014, with the awarding of an 'investment grade' rating by Moody's

Dear shareholders, in 2014, the Portuguese economy was marked by the end of the Economic and Financial Assistance Programme and the appearance of signs of an upturn. GDP grew by 0.9% and the effort to consolidate public finances continued. The deficit stood at 4% but public debt reached 128.7% of GDP. A fall was also seen in unemployment figures for 2014 (from 15.4% to 13.9%). Despite these signs, power consumption continued to drop: -0.7% with regard to electricity and -5.4% for natural gas. This situation most likely contributed to a pro-cyclical stance by authorities in relation to investment in the sector.

On a broader level in the European Union, at the European Council on 23 and 24 October 2014 an important step was taken in the building of the European energy market and defence of European energy security.

01

MESSAGE FROM THE CHAIRMAN

Member States (ME) agreed to strengthen interconnection capacity between countries, establishing a minimum 10% before 2020, as a key stage in achieving the 15% planned for 2030. Also considered as an urgent matter was the development of the projects on the already approved list of 'Projects of Common Interest (PCIs)' and new priority projects will be added if those on the list prove to be insufficient to reach the 10%.

With regard to energy security, priority was given to the gas platform in the south of Europe, through the PCI projects in this sector. This platform is seen as essential to ensuring European Union supply and for diversifying gas routes and suppliers.

At the start of 2015, a joint document was signed in Brussels in which the electricity network management companies of Portugal, Spain and France, REN, REE and RTE respectively, agreed on a common strategy for interconnecting the Iberian Peninsula with the centre of Europe.

For REN, the year started with the unexpected resignation of the Chairman and CEO, Rui Cartaxo, less than one year from the end of his term in office.

I took on the responsibility of ensuring transition. Transition periods, even when actively undertaken as was my approach, are always either too short or too long. Too short for significant strategic and structural changes; too long for the efficient management of expectations. I sought never to delay any decision which had to be made or preclude any options with deeper considerations requiring a more long-term perspective. It was also possible to prepare an agreement with the main shareholders on a new governance model for the Company and recruit a new CEO, Rodrigo Costa. Co-opted as a Director in December, he took up duties at the start of February 2015.

My first task was to conclude the privatization process with the sale of the shares (11%) still held by the State through Parpública and the Caixa Geral de Depósitos. Performance had been penalized by its limited liquidity, largely as a result of the shares' low free-float. This difficulty was significantly attenuated with sales to international investors and the average daily volume of negotiated shares more than tripled. Another aspect, which was no less relevant, was the finalizing of the institutional framework. Full separation of functions now exists between the grantor (the Portuguese State) and the concession holder (REN), now wholly owned by private shareholders.

Also of note on an institutional level was the progress made in the REN certification process as a TSO, in accordance with European Union and Portuguese law, with the publication on 4 September 2014 of the decision by the Energy Services Regulatory Authority (ERSE). Certification continued to be subject to a series of conditions, some of which have already been resolved, while others will be deliberated at the Company's General Meeting.

Strict compliance with concession obligations continued to be an overriding concern in our approach. Once again we sought to maintain high standards of quality at the best price for services provided to producers, distributors and suppliers. Other priority aims included efficient management of systems on a national level and in our interaction with outside markets, more specifically the Iberian market.

In 2014, we registered our second best performance ever in quality of service for electricity, with an Equivalent Interruption Time (EIT) of 1.2 seconds.

Also of note was the inauguration, during the first semester, of the Tavira electrical connection to Andalusia in Spain. This is an important contribution to the integration of the Iberian electricity market benefiting customers in both countries.

The improvement in the Company's financial structure was recognized in June 2014, with the awarding of an 'investment grade' rating by Moody's. REN already had an identical rating from Fitch, in effect since January 2013, but this new rating contributed to a more favourable climate among our creditors and opened the doors for future issues of debt securities at significantly lower costs.

A decision proving to be relevant with regard to infrastructure was the signing of the contract for the partial transfer of the natural gas storage concession held by Galp. At the moment, the only remaining step is government authorization, as favourable opinions have already been issued by the Competition Authority and ERSE. With this deal, REN's role in the natural gas value chain will be fully defined, with the Company becoming the only player in this regulated area and national storage infrastructures will be provided for all agents under identical conditions.

In December, ERSE approved the tariff regulation for 2015-2017. The new regulatory framework largely reflects the previous framework but salient changes include the shrinking of some incentives and the drastic reduction in the rate of return - as a result of the evolution in sovereign interest rates - demanding challenges to increase efficiency and reduce costs without affecting the quality of service provided by REN. As the reduction in financial costs is not processed in the same time frame, the impact on the return of regulated assets inevitably leads to a drop in revenue. This effect, partly predictable, together with the also expected more restrictive policy on new investment in Portugal, reinforces the need to find new sources of generating income by geographically diversifying REN's

business. This will be achieved by taking full advantage of our recognized technical capabilities and know-how. As such, we have strengthened our ability to track down and assess new business opportunities, both with regard to investment as well as provision of services.

At the start of 2015, we concluded the negotiations for a new Collective Labour Agreement (ACT) which was signed by all the unions representing REN workers. The previous ACT, which covered only a part of Company employees, ended in 2012 and as differing legislation and other divergent factors existed, a search was undertaken for a solution which would lead to equality and a strengthening of identity and the feeling of belonging to REN. The new ACT also contributes to a more suitable adjustment to Group needs in the management of human resources and work organization.

The 2014 Budget Law approved an Extraordinary Contribution on the Energy Sector (CESE) which meant that three companies in the REN Group - REN-Rede Eléctrica Nacional, REN Gasodutos and REN Armazenagem - were subject to this contribution.

Given the well-founded questions about this law and aware of the significant impact which CESE would have on Group results, a in-depth evaluation process was started on the legality of this measure.

As this process has not as yet been concluded, REN decided to notify the Portuguese Securities Market Commission that it would not be paying this contribution.

In 2015, further to the notification sent by the tax authorities, REN paid the CESE and informed that, given the well-founded questions on legality, the Company would be submitting a legal challenge.

The cumulative negative effect of the new regulatory framework for electricity and the CESE (since renewed for this year through the 2015 Budget Law) will impact considerably on REN profits. This is a situation which substantially alters the assumptions on which REN investors based their decisions and is contrary to their legitimate expectations with regard to how the public sector would act.

This is a further challenge which management will have to face in 2015 and reinforces the reasons behind our relentless search for gains in operating and financial efficiency and the diversification of REN business into other countries.



António Almeida

02

REN

AT A GLANCE

2.1 PROFILE

BRIEF DESCRIPTION OF COMPANY BUSINESS

A REN's core business consists of the management of energy transmission systems and we are present in the electricity and natural gas markets

One of the few operators in Europe with this characteristic:

- ◆ Electricity - the transmission of very high voltage (VHV) and the overall technical management of the national electricity system through REN - Rede Eléctrica, S.A., a company wholly owned by REN and the public service concession holder. The concession is for a period of 50 years and started in 2007; and

REN'S BUILDING

Bucelas



A REN's core business consists of the management of energy transmission systems and we are present in the electricity and natural gas markets.



- ◆ Natural gas - the high pressure (HP) transmission and the overall technical management of the national natural gas system, the reception, storage and regasification of liquefied natural gas and the underground storage of gas, REN Gasodutos, S.A., REN Atlântico - Terminal de GNL, S.A. and REN Armazenagem, S.A. (respectively), companies from the REN Group, have been public service concession holders since 2006, and the licence is for a period of 40 years.

Through REN Trading, S.A., REN manages the energy to be acquired from two electrical power plants, as part of energy acquisition contracts which were not subject to early termination.

Since 2002, REN has also been present in the telecommunications sector through RENTELECOM - Comunicações, S.A., established with the aim of using the surplus capacity of the safety telecommunications networks which are vital to electricity and natural gas transmission.

In October 2010, the Portuguese state awarded ENONDAS, Energia das Ondas, S.A., a company wholly owned by REN, a concession for wave energy production in a pilot area to the north of São Pedro de Moel. The concession has been granted for a period of 45 years and includes authorization to build the infrastructures required to connect to the public power grid.

Group business functions are conducted by REN Serviços S.A. (REN Serviços). More specifically, this includes support for the concession holders and back-office services. In addition to this support work, REN Serviços also operates as a commercial extension of REN, providing consultancy and/or engineering services to third parties within the energy sector.



2.2 CORPORATE BODIES AND MANAGEMENT (31.12.2014)

Board of the General Meeting¹

Pedro Maia, *president*

The Board of Directors

Emílio Rui Vilar², *president*

Rodrigo Costa³, *member*

João Faria Conceição, *member*

Gonçalo Morais Soares, *member*

Guangchao Zhu⁴, *vice-president*

Mengrong Cheng, *member*

Longhua Jiang⁵, *member*

Hilal Al Kharusi, *member*

Manuel Champalimaud⁶, *member*

José Folgado Blanco⁷, *member*⁶

Francisco João Oliveira⁸, *member*

José Luís Arnaut, *member*

José Luís Alvim, *member*

José Frederico Jordão, *member*

Aníbal Durães dos Santos⁹, *member*

Executive Committee

Emílio Rui Vilar¹⁰, *president*

Rodrigo Costa¹¹, *president*

João Faria Conceição, *member*

Gonçalo Morais Soares, *member*

Audit Committee

José Luís Alvim Marinho, *president*

José Frederico Jordão, *member*

Aníbal Durães dos Santos, *member*

Statutory Auditor

Deloitte & Associados, SROC, S.A., *effective*

Carlos Luís Oliveira de Melo Lourenço, ROC, *substitute*

Company Secretary

Pedro Cabral Nunes, *effective*

Mafalda Rebelo de Sousa, *substitute*

The Remunerations Committee

Paulo Pimenta, *president*

Manuel Lancastre, *member*

Fernando Neves de Almeida, *member*

¹ The vice-president of the Board of the General Meeting, Duarte Vieira Pestana de Vasconcelos resigned from this position on 29 May 2014.

² Resigned from the position of President of the REN Executive Committee on 17 December 2014, effective as of 31 January 2015, retaining duties as President of the REN Board of Directors.

³ Started position as of 17 December 2014, further to the co-opting undertaken at the Board Meeting held on that date, subject to ratification at the next REN General Shareholders' Meeting. Bearing in mind that Emílio Rui Vilar resigned as President of the REN Executive Committee on 17 December 2014, effective as of 31 January 2015, the Board of Directors decided on the same date to appoint Rodrigo Costa as President of the Executive Committee, effective as of 1 February 2015.

⁴ Representing State Grid International Development Limited

⁵ Became a member of the Board of Directors as of 17 December 2014, further to the co-opting undertaken at the Board Meeting held on that date, subject to ratification at the next REN General Shareholders' Meeting.

⁶ Appointed by Gestmin, SGPS, S.A. on 6 May 2013.

⁷ Appointed by Red Eléctrica Corporación, S.A. on 26 June 2012, having, however, resigned the position on 31 December 2014. This resignation was submitted on 21 January 2015 jointly with the resignation submitted by Red Eléctrica Corporación, S.A.

⁸ Appointed by Oliren, SGPS, S.A. on 8 May 2014, further to the co-opting by this company to exercise the position of member of the Board of Directors in their own name, subject to ratification at the next REN General Shareholders' Meeting.

⁹ The REN General Meeting of 3 April 2014 appointed Parpública - Participações Públicas (SGPS), S.A., as a member of the Audit Committee, and this company put forward Aníbal Durães dos Santos to exercise the position in his own name.

¹⁰ Resigned as President of the REN Executive Committee on 17 December 2014, effective as of 31 January 2015. The Board of Directors decided on the same date to appoint Rodrigo Costa as President of the Executive Committee, effective as of 1 February 2015.

¹¹ Description under 'Corporate Bodies'

COMPANY GOVERNANCE, GENERAL MANAGERS AND MANAGERS

Corporate Governance

Board of Directors¹¹

Executive Committee¹¹

Company Secretary¹¹

Audit Committee¹¹

Internal Audit: Gil Vicente Marcelino

CTO and General Managers:

Haibin Wan (CTO)

Maria José Clara

Jorge Borrego

Victor Baptista

Concession Support Services

European Energy Agenda: Jamila Madeira

Operational Services: Isabel Figueira

Studies and Regulation: Pedro Furtado

Support Duties

Accounts: Brígida Palma

Buildings and General Services: João Botelho

Business Development: Hugo Domingos

Communication and Sustainability: Margarida Ferreirinha

Financial Management: Nuno Rosário

Human Resources: Elsa Carvalho

Information Systems: Tiago Azevedo

Investor Relations: Ana Fernandes

Legal Services: Elvira Borges

Electricity Unit

Investment: Nuno Ribeiro

Operation: Albertino Meneses

Planning and Engineering: João Afonso

System Management: Albino Marques

UN Gás Natural

Asset Planning and Management: Rui Marmota

Investment and Operation: Luís Ferreira

LNG Terminal: Paulo Mestre

System Management: Rui Marmota

Other Business

Enondas: Tiago Andrade e Sousa

I&D: Nuno Souza e Silva

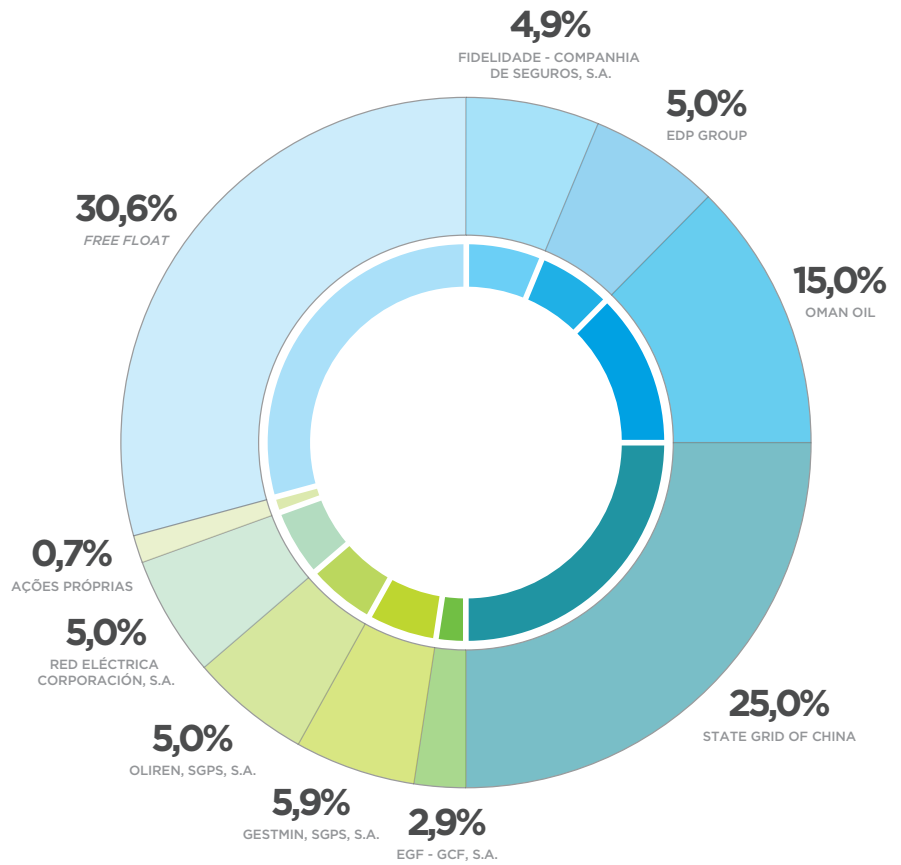
REN Trading: Nelson Cardoso

RENTELECOM: Rui Franco

¹¹ Description under 'Corporate Bodies'

2.3 SHAREHOLDER STRUCTURE (31.12.2014)

SHAREHOLDER STRUCTURE





1ST SEMESTER



FITCH AND SANDP IMPROVED THE REN RATING OUTLOOK

The Fitch ratings agency changed the REN outlook from negative to stable and maintained the rating at BBB, two levels above that of the Portuguese Republic.

The Standard & Poor's ratings agency changed the REN outlook from negative to stable and maintained the rating at BB+/B, one level above that of the Portuguese Republic.



REN GENERAL MEETING

At the General Meeting held on 3 April, Emilio Rui Vilar was elected President of the Board of Directors and President of the Executive Committee, to complete the term of office underway (2012-2014), replacing Rui Manuel Janes Cartaxo who resigned from the abovementioned positions.

At the same General Meeting, a new member of the Board of Directors was elected, Luís Amado. Also elected to the Audit Committee was the member of the Board of Directors Anibal Santos.

REN signed financing contract with Bank of China for 200 million euros, with maturity of five years. This agreement is to finance general company activity while also diversifying the base of financiers to locations outside Europe.

JAN

APR

JUL

AUG

SEP



ACQUISITION OF 2 UNDERGROUND STORAGE OF NATURAL GAS

Moody's raised the REN rating to 'Investment Grade Baa3', with a stable outlook, further to the increase in the rating of the Portuguese Republic from Ba2 to Ba1.

REN agrees the partial transfer of the natural gas underground storage concession from Galp Energia, including the transmission of the two existing caverns, the rights to construct two new caverns and other entitlements and obligations associated to these assets.



MOST SOCIALLY OR ENVIRONMENTALLY RESPONSIBLE COMPANY OF THE YEAR

REN won the category of 'Most Socially or Environmentally Responsible Company of the Year', at the Best Biz Awards 2014.



CERTIFICATION AS OPERATORS OF THE RNT AND RNTGN

REN was elected to represent Portugal in the category of Environmental & Corporate Sustainability at the European Business Awards 2014/15.

ERSE issued a decision on the certification of REN - Rede Eléctrica Nacional and REN - Gasodutos as operators of the RNT and the RNTGN, respectively, in full ownership unbundling, through compliance with a series of certification conditions, within a stated deadline, aimed at ensuring the independence of those operators.

2ND SEMESTER

MILESTONES IN 2014



NEW COMPOSITION OF THE BOARD OF DIRECTORS

The company EGF – Gestão e Consultoria Financeira, S.A. and Filipe de Botton (put forward by EGF for appointment to the position in his own name) resigned as member of the Board of Directors. On 8 May 2014, the Board of Directors decided to replace them, through co-opting by the company OLIREN, SGPS, S.A., which put forward Francisco João Oliveira for appointment to the position in his own name.

Moody's placed REN's Ba1 rating on review for possible upgrade.



2ND STAGE OF REN PRIVATISATION CONCLUDED SUCCESSFULLY

The 2nd stage of REN privatisation was concluded with the sale of the 11% of capital still held by the Portuguese State through the companies Parpública and CGD. The operation, which was conducted through a Public Offering on the national market and a direct institutional sale for qualified national and international investors, allowed an increase of the company's free-float to around 30%.

The Energy Research Centre, R&D Nester signed partnership agreements with the National Laboratory of Energy and Geology (LNEG) and the Association of Renewable Energies (APREN) which will bring about technical, scientific, and institutional synergies in energy sector projects, particularly in the optimising and integration of renewable energies into the electricity network.

REN won the award for 'Best Innovation' at this year's ITOMS edition, an international consortium which compares best practices and identifies the most sustainable processes for this industry. ITOMS brings together utilities from all over the world and this year more than 27 countries met in Prague in the Czech Republic.

MAY

OCT | NOV

JUN

DEC



AWARDS WON

REN won the Silver Award at the Galaxy Awards 2014 in the category of 'Online Annual Report'.

RENEWED CERTIFICATION

REN won the category of Risk Management - Large Corporations at the second edition of the Açoreana Risk Management Awards.

Audits were conducted for certification renewal of quality, environment and safety management systems at companies already certified in the REN Group, also extended to ENONDAS and R&D Nester.



NEW TARIFF REGULATION

REN Website won award 'Best in Class' in the category of 'Best Website', at the Interactive Media Awards 2014.

REN signed new Collective Labour Agreement (ACT), which covers nine wholly owned companies.

Luís Amado and Haibin Wan, members of the REN Board of Directors resigned their positions. On 17 December 2014, Rodrigo Costa and Longhua Jiang were co-opted to complete the term of office underway, 2012-2014.

At the same meeting it was also unanimously decided to appoint Rodrigo Costa as president of the REN SGPS Executive Committee, effective as of 1 February 2015 further to the resignation of Emilio Rui Vilar effective as of 31 January 2015, who shall, however, remain as President of the Board of Directors.

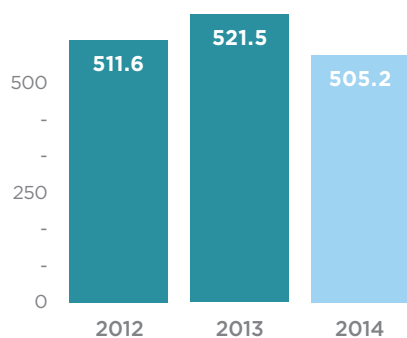
ERSE published the final document on 'Tariffs and prices for electrical power and other services in 2015 and parameters for the regulatory period of 2015-2017'.

2.5 MAIN PERFORMANCE INDICATORS

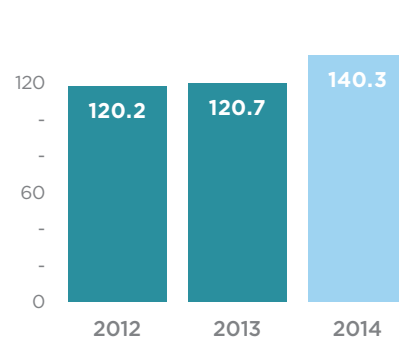
2.5.1 FINANCIAL INDICATORS

OPERATING PROFITS (MILLIONS OF EUROS)	'10	'11	'12	'13	'14	Δ% '14-'13
EBITDA	431.4	472.5	511.6	521.5	505.2	-3%
EBIT	250.5	283.2	314.2	320.3	302.6	-6%
FINANCIAL PROFITS	-83.9	-103.4	-136.0	-142.2	-113.8	20%
PRE-TAX PROFITS	166.6	179.8	178.2	178.0	188.8	6%
NET PROFIT	110.3	120.6	123.6	121.3	112.8	-7%
RECURRENT NET INCOME	119.8	131.0	120.2	120.7	140.3	16%

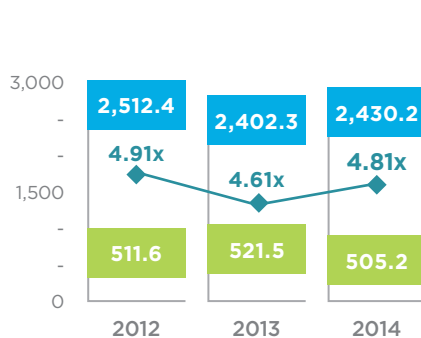
EBITDA | M€



RECURRENT NET INCOME | M€



NET DEBT/EBITDA | M€



- ◆ EBITDA
- ◆ NET DEBT
- ◆ NET DEBT / EBITA

ASSETS, INVESTMENT AND DEBT (MILLIONS OF EUROS)	'10	'11	'12	'13	'14	Δ% '14-'13
RAB AVERAGE RATE OF RETURN, %	6.89%	7.61%	8.79%	7.97%	7.47%	
INVESTMENT (CAPEX), MILLIONS OF EUROS	443.0	349.4	201.1	187.8	163.3	-13%
NET DEBT, MILLIONS OF EUROS	2,100.0	2,311.3	2,512.4	2,402.3	2,430.1	1%
NET DEBT/EBITDA, X	4.87 X	4.89 x	4.91 x	4.61 x	4.81 x	

CAPEX (MILLIONS OF EUROS)	'10	'11	'12	'13	'14
ELECTRICITY	293.9	267.9	155.5	157.6	137.4
GAS	148.5	81.4	45.0	29.9	25.8
OTHER	0.7	0.1	0.5	0.4	0.1
TOTAL INVESTMENT	443.0	349.4	201.1	187.8	163.3

AVERAGE RAB (MILLIONS OF EUROS)	'10	'11	'12	'13	'14
ELECTRICITY	1,624.5	1,806.1	1,973.6	2,069.1	2,128.0
LAND	349.0	334.8	321.2	307.6	294.3
GAS	996.7	1,044.9	1,086.9	1,114.1	1,107.0
TOTAL AVERAGE RAB	2,970.1	3,185.8	3,381.6	3,490.8	3,529.2

INVESTMENT
(MILLIONS OF €)

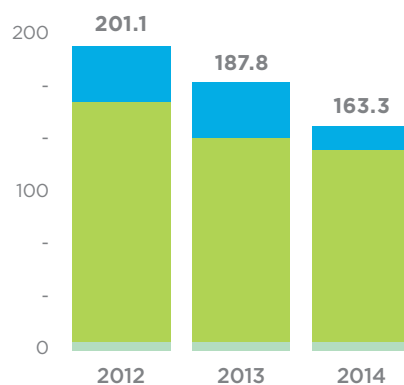
163.3

AVERAGE RAB
(MILLIONS OF €)

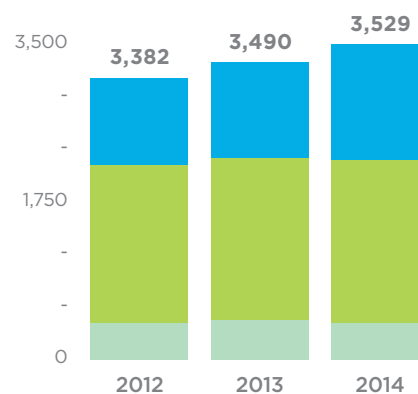
3,529.2

Includes the value of ENONDAS regulated asset base, which is now considered materially relevant. For comparison purposes, the values for the previous year were adjusted in accordance.

CAPEX | M€



AVERAGE RAB | M€

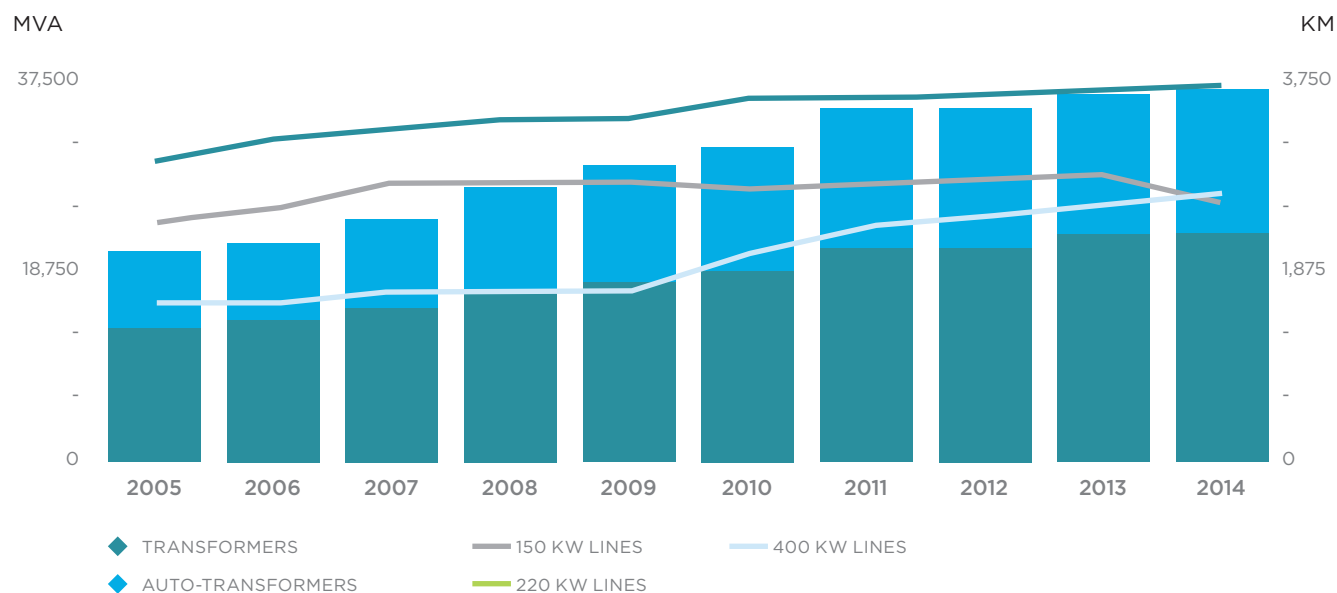


- ◆ ELECTRICITY
- ◆ GAS
- ◆ OTHER

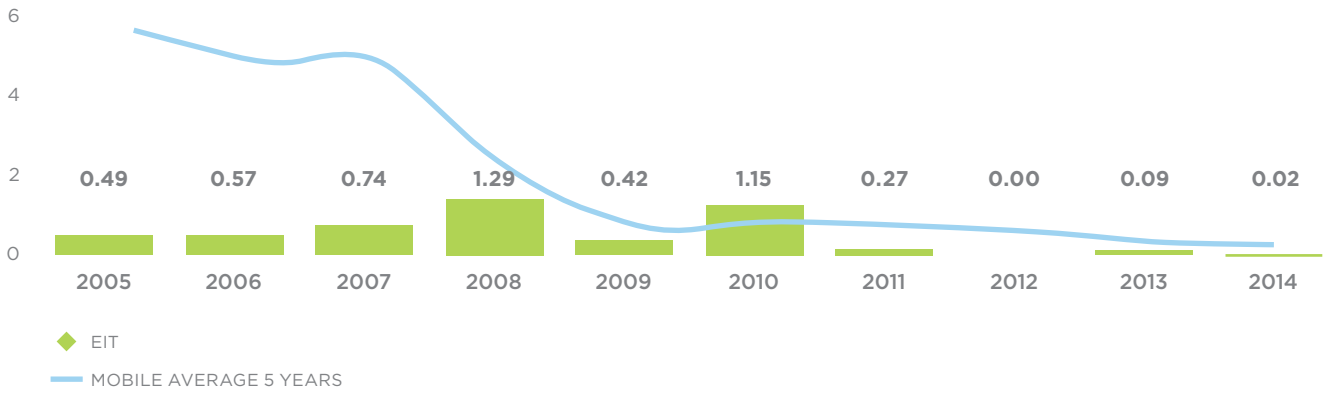
2.5.2 ELECTRICITY INDICATORS

TECHNICAL INDICATORS ELECTRICITY	'10	'11	'12	'13	'14
CONSUMPTION, TWH	52.2	50.5	49.1	49.2	48.8
ANNUAL VARIATION IN ELECTRICITY CONSUMPTION, %	4,6%	-3,3%	-2,9%	0,2%	-0,7%
INSTALLED CAPACITY, MW	17,798	18,793	18,481	17,758	17,841
POWER TRANSMITTED ON THE RNT, TWH	42.6	42.2	41.0	41.5	41.9
LENGTH OF LINES, KM	8,049	8,371	8,534	8,733	8,630
TRANSFORMER CAPACITY, MVA	30,205	33,777	33,915	34,984	35,754
ENERGY TRANSMISSION LOSSES, %	1.83%	1.54%	1.56%	1.75%	1.89%
EQUIVALENT INTERRUPTION TIME, MINUTES	1.15	0.27	0.00	0.09	0.02

LINE LENGTH AND TRANSFORMATION POWER



EVOLUTION OF EQUIVALENT INTERRUPTION TIME (EIT) | MINUTES



DESTAQUES 2014



EQUIVALENT INTERRUPTION TIME

0.02 Min



TECHNICAL ELECTRICITY

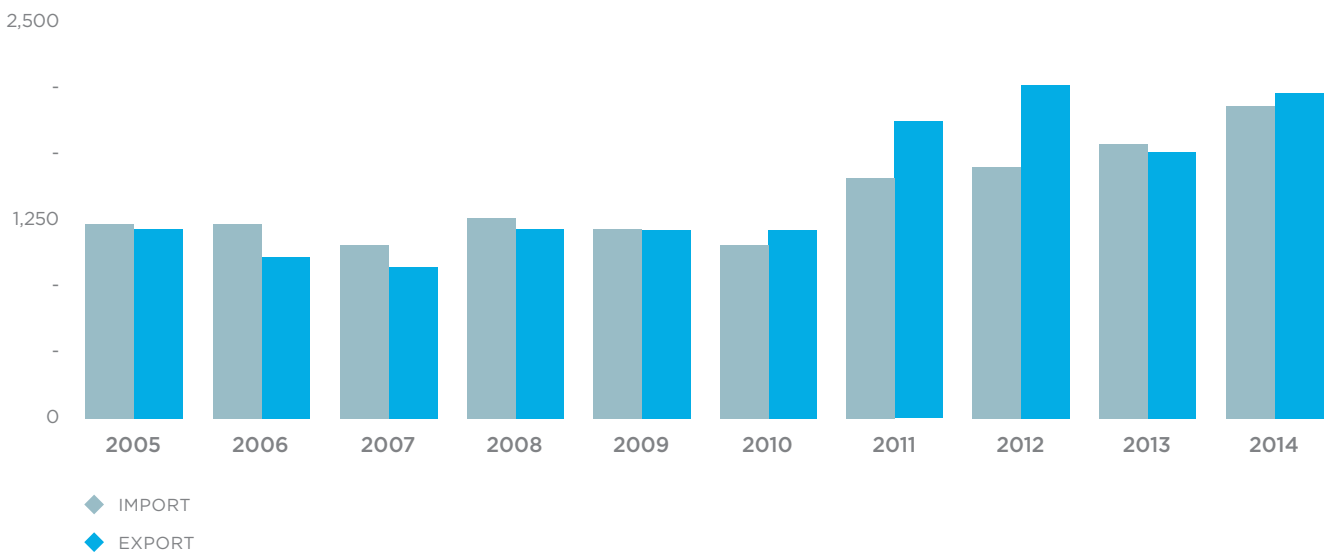
48.8 TWh



POWER TRANSMITTED ON THE RNT

41.9 TWh

AVERAGE IMPORT AND EXPORT CAPACITY | MW

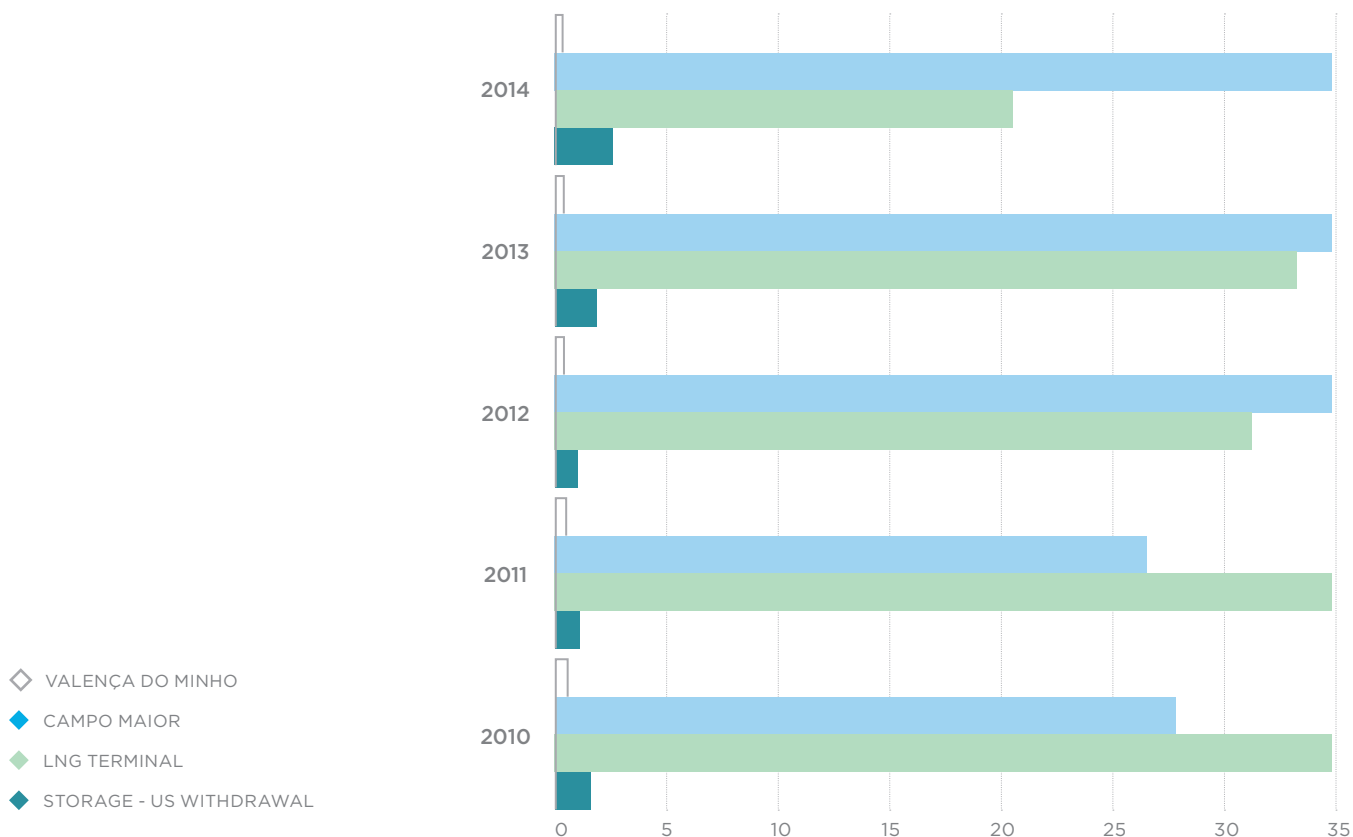


2.5.3 NATURAL GAS INDICATORS

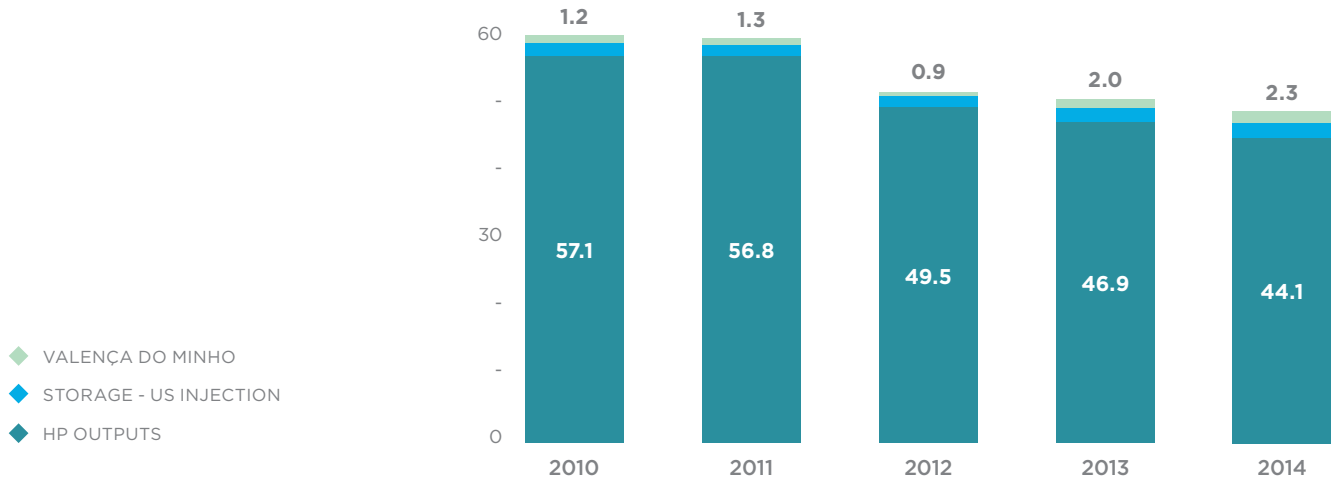
TECHNICAL INDICATORS NATURAL GAS	'10	'11	'12	'13	'14
CONSUMPTION, TWH	57.8	57.5	50.2	47.9	45.3
ANNUAL VARIATION IN NATURAL GAS CONSUMPTION, %	9.1%	-0.5%	-12.7%	-4.6%	-5.4%
OUTPUTS FROM RNTGN, TWH	58.3	58.2	50.3	48.9	45.5
LENGTH OF HIGH-PRESSURE GAS PIPELINES, KM	1,296	1,298	1,298	1,375	1,375
UNDERGROUND GAS STORAGE CAPACITY, MM ³ (*)	138.2	132.7	132.7	138.0	170.3
EQUIVALENT INTERRUPTION TIME, MINUTES	0.00	0.00	0.00	0.00	11.60

(*)The volume indicated expresses the maximum capacity available for commercial purposes, which is conditioned by the specific thermodynamics of high-pressure, natural gas storage in salt caverns.

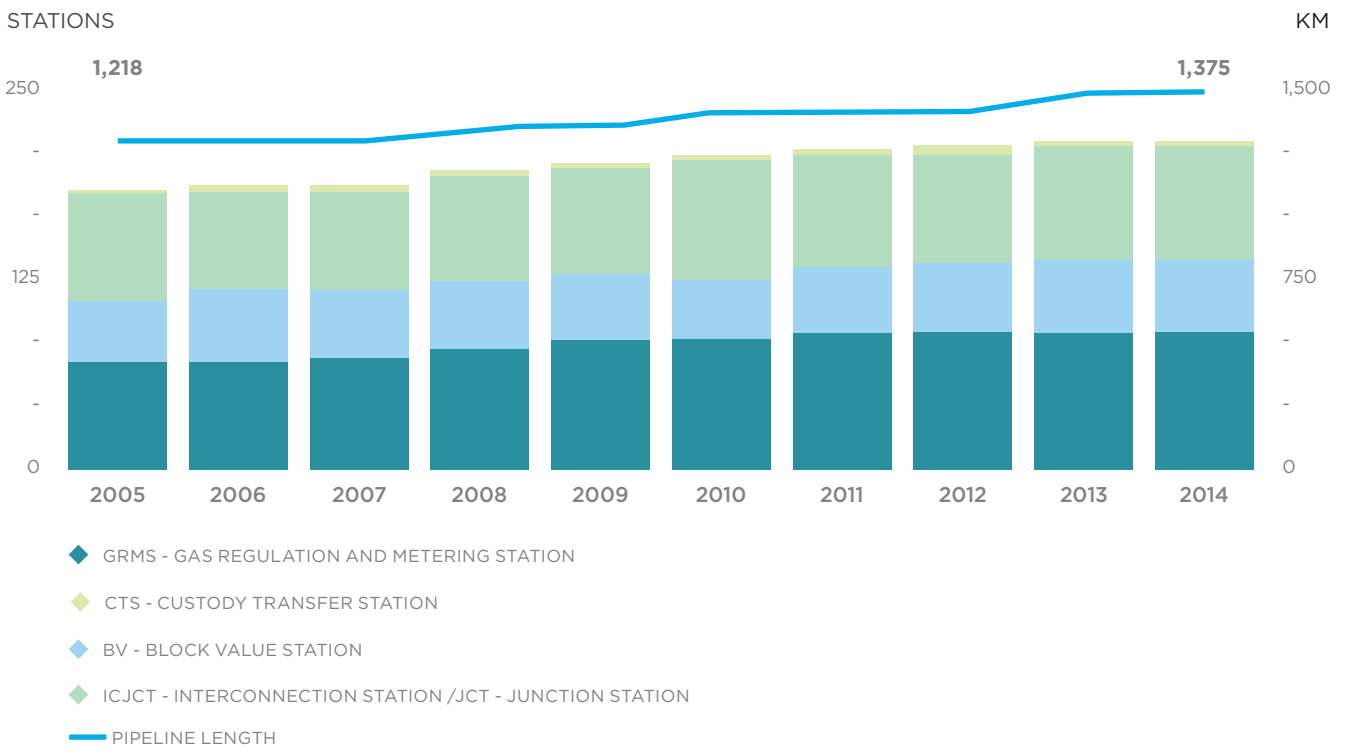
INPUTS TO RNTGN | TWH



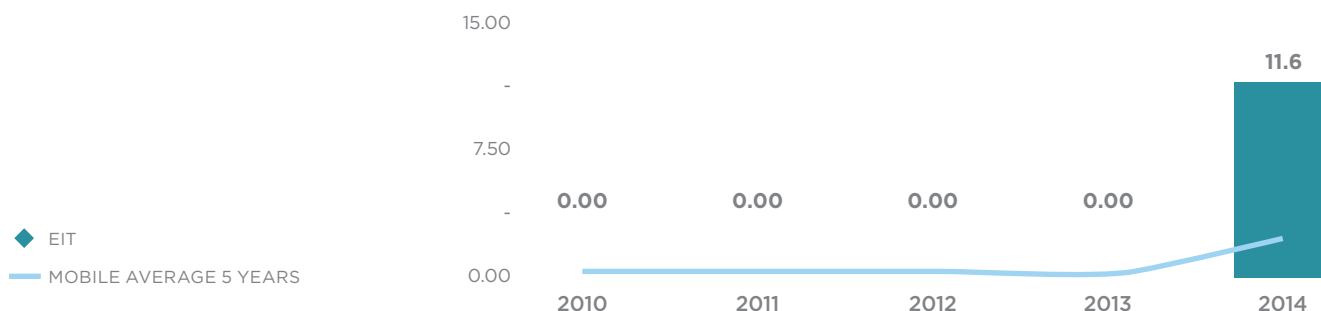
OUTPUTS TO RNTGN | TWH



RNTGN - INFRASTRUCTURES



EVOLUTION OF EQUIVALENT INTERRUPTION TIME (EIT) | MINUTES



2.6 REGULATED ASSETS

2.6.1 ELECTRICITY

ELECTRICITY BUSINESS

Through REN S.A., REN works in two regulated areas: General System Management (GGS) and Transmission of Electrical Power (TEE). The revenue allowed from GGS and TEE is received by applying two regulated tariffs: the tariff for the General Use of the System (UGS) and the tariff for the Use of the Transmission Network (URT).

Both tariffs are defined annually by the ERSE based on forecasts for demand, costs, revenues and investment.

In 2012, a new regulation period was started which terminated in 2014. While no changes were made to the actual form of the regulation, the regulatory parameters were updated. The efficiency factor applied to operating costs for the transmission of electrical power was altered to 3.5% (2013 and 2014) and the remuneration rate is now indexed to the 5 year Portuguese Republic Credit Default Swap Rating. Also maintained were limits to the remuneration base rate for the 2012-2014 period of between 7.5% and 10.5%.

REGULATION OF ACTIVITIES

Activity relating to the General Use of the System is regulated by a remuneration rate applied to the assets allocated to the activity, net of depreciations, subsidies and accepted operating costs.

Activity relating to the TEE is regulated by incentives for: (i) efficient investment in the transmission network; (ii) efficiency in operating costs by establishing a maximum limit for these costs plus a component based on the level of company activity; (iii) maintaining equipment at the end of its service life in operation; and (iv) increasing the availability of the elements of the RNT.

The aim of the investment incentive is to reward, as additional remuneration, the efficiency obtained in investment subject to reference costs and which falls within specified parameters.

In 2014 the remuneration rate was 7.76%

The value of operating costs set for the 1st year of the regulation period evolves in subsequent years in line with the variation rate of the Implicit Price Index of GDP, and with an efficiency target determined by ERSE, which for 2013 and 2014 was 3.5%. Added to this amount is the change in the OPEX due to the annual growth in the transmission network (in kilometres of lines and in the number of panels at substations), calculated with the corresponding incremental costs, also set by ERSE.

The aim of the incentive to maintain equipment in service which has reached the end of its working life is to stimulate continuity in service of assets which are still technically viable but fully amortised. For 2014, this incentive stood at 8.6 million Euros.

The aim of the incentive to increase the availability of the rnt, which was introduced in 2009, is to promote quality of service in the network's infrastructure and is calculated based on values that have already occurred. For 2014, this incentive stood at approximately 1 million Euros.

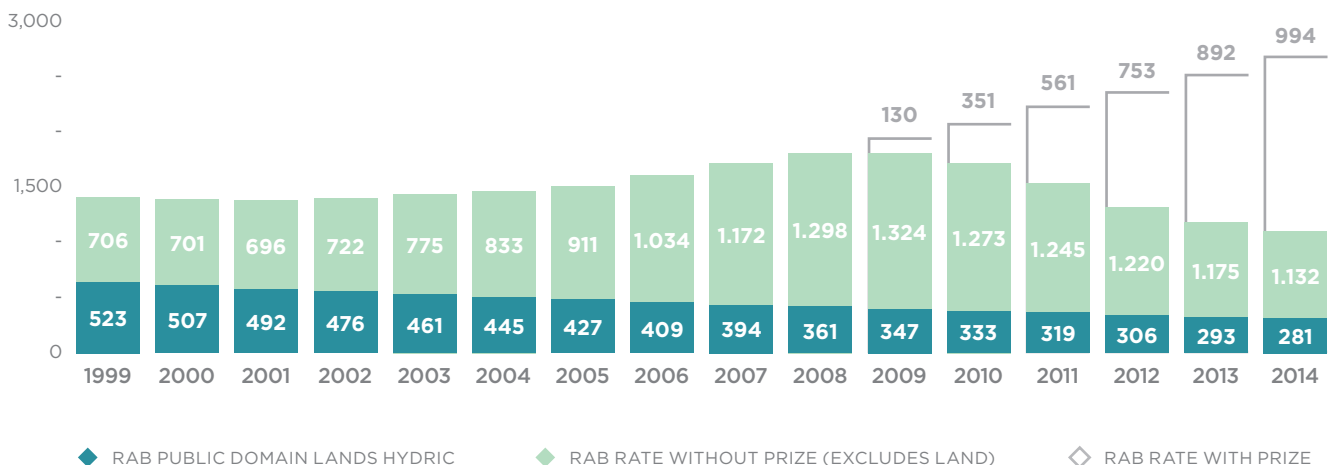
The electricity Regulated Assets Base (RAB) consists of the assets net of amortizations and subsidies allocated to the activities of TEE and GGS. For the tTEE, as already mentioned, through the publication of ERSE Official Order No 14430/2010 of 15 September, the assets base to be remunerated is based on the application of the valuation mechanism for new investment in the RNT, at reference costs with effect from 1 January 2009. Therefore, in 2014, the average RAB on which the premium rate of 9.26% was applied, was 994 million Euros, while the remaining 1,090 million Euros was remunerated at a non premium rate of 7.76%.

In the activity of GGS, the principle of RAB valuation is based on historical costs. In these cases, the remuneration rate of 7.76% is applied.

In 2014, the average RAB for the activity of GGS stood at 42 million Euros. Assets used in this activity also include land in the public water domain used in hydro power remuneration which, in accordance with Implementing Order No 301-A/2013 of 14 October, depends on the classification allocated to the performance of the RNT concession holder. The rate may vary between -1.5% and +1.5%. For 2014, and on a transitional basis, the rate of 0.56% was applied to a sum of 281 million Euros.

The following graph shows the RAB for the different asset groups:

EXTENSION OF THE TRANSPORT NETWORK IN AP



The efficiency targets for the current regulatory period vary between 1.5% and 3% per year

The tariffs set by ERSE also reflect tariff deviations which, after two years, reconcile the (to the extent they are justified and accepted by ERSE) forecast and real values of income and costs and differences in demand.

The adjustments arising from the differences are recovered or returned two years after they have occurred. This sum is remunerated at a regulated rate equal to the one year Euribor average seen each year, plus a spread published annually by ERSE for the year in question.

At the end of 2014, the balance of differences is 31 million Euros to be recovered by REN.

REN TRADING

REN Trading places production from non-terminated Electricity Acquisition Contracts (CAE) relating to the Tejo Energia and Turbogás thermal power plants on the market (MIBEL).

The difference between the contract cost within the scope of the CAE and the income from the market sale of power and system services supplied by the respective power plants, plus the incentives to optimise their management and the efficient management of the CO₂ emission licences, is reflected in the General System Use tariff supported by electricity consumers.

REN Trading income derives from incentives defined by ERSE which have an underlying sharing of the benefits of the optimising and management of supply from these power plants with electricity consumers. The final value of the incentives is a result of company work, both through the optimising of energy sales from the power plants and by minimizing acquisition costs for fuel and CO₂ emission licences.

In 2014, the balance of the tariff difference account from the Purchase and Sale of Electrical Power, within the scope of CAE management, is 48 million Euros to be recovered by REN Trading.

2.6.2 NATURAL GAS

NATURAL GAS BUSINESS

The natural gas activities listed below are subject to economic regulation by ERSE:

- ◆ The high-pressure transmission of natural gas – through REN Gasodutos
- ◆ General technical management of the SNGN – through REN Gasodutos
- ◆ Reception, storage and regasification of LNG – through REN Atlântico
- ◆ Underground storage of natural gas – through REN Armazenagem
- ◆ Management of the supplier switching process – through REN Gasodutos.

In July 2013, a new three year regulatory period started. The main changes introduced by the regulator were: (i) indexation of the remuneration rate to evolution in earnings on Portuguese Treasury Bonds, with a maturity of 10 years and the introduction of limits to the remuneration rate for the 2013-2016 period of between 7.33% and 10,50%, (ii) the introduction of a mechanism to attenuate tariff adjustments at the LNG terminal with the aim of reducing the impact of these adjustments on the tariffs defined annually for that activity and

(iii) the extension of incentives based regulation to underground storage in a similar manner to that for the high-pressure transmission of natural gas and LNG reception, storage and regasification.

Currently, the level of eligible operating costs (cap) to calculate income in activities regulated by incentives has a maximum permitted value and includes a fixed part, subject to a regulatory revenue cap approach and one or more variable parts, subject to a price cap approach, indexed to the cost variables for the size of the infrastructure and the extent to which it is used.

The value approved for OPEX in the first year of the current regulation period evolves in following years in line with the efficiency targets set and published by ERSE for these years and with the variation rate of the Implicit Price Index of Gross Domestic Product (GDP). The variable associated with the consumption of electricity at the LNG terminal (energy component) evolves in line with the average annual variation in the price of electricity on the futures market, published by OMIP, and with the efficiency target set by ERSE.

The efficiency targets for the current regulatory period vary between 1.5% and 3% per year.

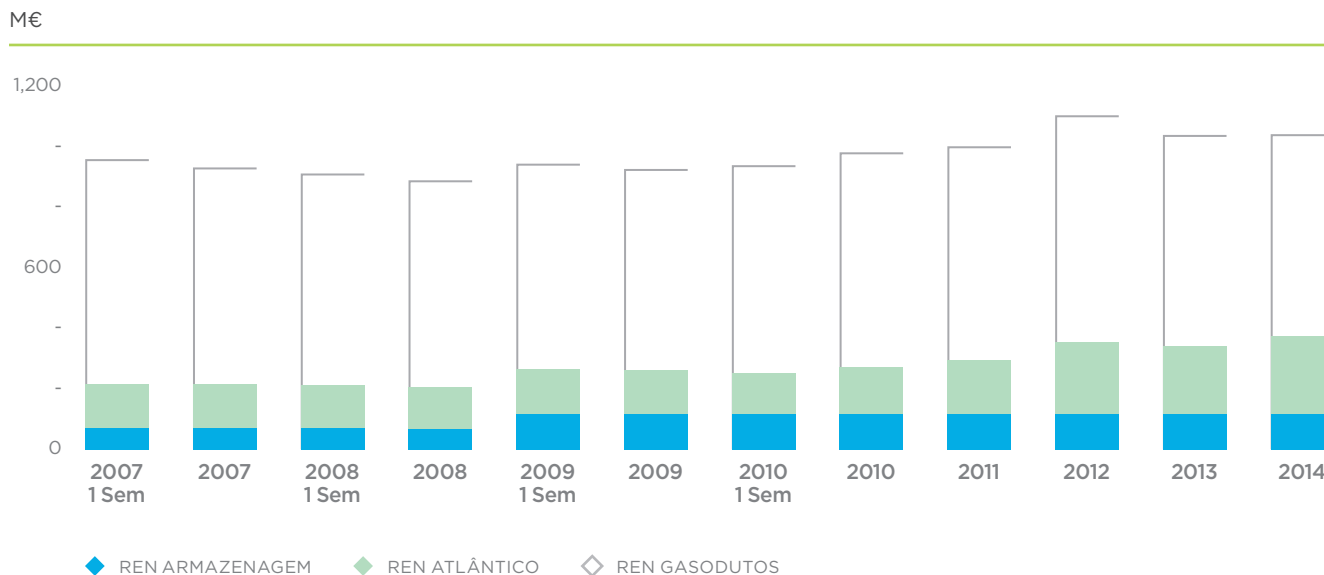
General Use of the System and management of the supplier switching process are not subject to efficiency targets. This is also the case with some expenditure considered outside company control.

REGULATION OF ACTIVITIES

Income relating to invested capital stems from the return on fixed assets in operation, net of amortisations and subsidies (RAB), at a rate set by the Regulator at the start of every regulatory period, plus the corresponding amortisations.



Up to the end of 2014, the six monthly RAB for the natural gas companies had the following evolution:



Tariffs are set based on estimates of quantities and the total income allowed, calculated for each activity. This income includes return on assets, recovery of the value of amortizations and established operating costs, per activity, as well as the tariff adjustments for previous years.

The adjustments are recovered or returned on a transitional basis every year based on estimates. The real value of adjustments arising from the differences are recovered or returned two years after they have occurred based on the comparison of provisional adjustments. This sum is remunerated at a regulated rate equal to the 12 month Euribor average seen each year, plus a spread published annually by ERSE for the year in question.

At the end of 2014, the balance of differences is 68.7 million Euros to be recovered by REN.

2.7 TECHNICAL INFRASTRUCTURES

2.7.1 ELECTRICITY

At the end of 2014, the RNT (National Transmission Grid) consisted of 8,630 km in lines and 67 transformer substations and 14 step down, switching and transition substations.

NATIONAL TRANSMISSION NETWORK	'14	'13	VARIAÇÃO
LENGTH OF LINES IN SERVICE (KM)	8,630	8,733	-103
400 KV	2,467	2,434	33
220 KV	3,601	3,565	36
150 KV	2,561	2,734	-173
TRANSFORMATION POWER IN SERVICE (KM)	35,754	34,984	770
AUTOTRANSFORMATION	14,040	13,410	630
400/220 KV	7,200	6,750	450
400/150 KV	5,990	5,540	450
220/150 KV	700	970	-270
150/130 KV	150	150	0
TRANSFORMATION	21,714	21,574	140
400/60 KV	3,910	3,910	0
220/60 KV	11,542	11,512	30
220/30 KV	320	320	0
150/60 KV	5,802	5,692	110
150/130 KV	140	140	0

The RNT enables power flow from production plants to the transformer substations where it is fed to the National Distribution Network at 60 kV.

The RNT also connects to the European Transmission Grid through ten interconnection points with the Spanish Transmission Network as well as delivering VHV directly to numerous consumers.

Interconnection with the Spanish Transmission Network was provided by one 130 kV line between Minho and Galicia, three 220 kV lines at Douro International and by six 400 kV lines, two between Minho and Galicia, one at Douro International, one at Tejo International, one between the Alentejo and Extremadura and one between the Algarve and Andalusia.

The National Dispatch Centre in Sacavém (Loures) coordinates general operations and ensures balance in the National Electricity System. The Network Operations Centre in Vermoim (Maia) is responsible for the monitoring and remote operation of all National Transmission Network equipment.

The Corporate Telecommunications Network uses this infrastructure extensively (fibre optic and hertzian beams) to provide data transmission services, control commands to network elements and the communications facilities required for operating the RNT.

2.7.2 NATURAL GAS

REN's natural gas infrastructures include:

- ◆ The National Natural Gas Transmission Network (RNTGN);
- ◆ The Sines Natural Gas Liquefaction terminal (NGL);
- ◆ The Carriço natural gas underground storage facilities (4 caverns and 1 surface station).

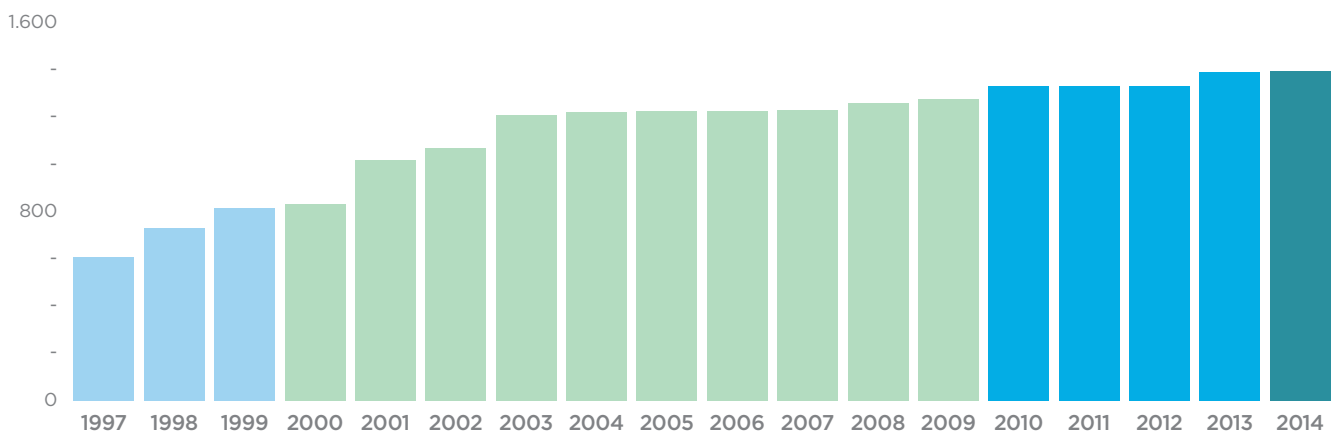
In 2014, work was concluded and 2 new delivery points were placed into service, Santa Margarida da Coutada (Constância) and Sines. The Loures delivery point was also upgraded.

Therefore, at the end of 2014, the RNTGN consisted of the following infrastructures:

- ◆ 1,375 km of high-pressure gas pipelines;
- ◆ 66 junction stations for pipeline branching (JCT);
- ◆ 45 block valve stations (BV);
- ◆ 5 T-branch interconnection stations (ICJCT);
- ◆ 85 gas pressure regulating and metering stations (GRMS);
- ◆ 2 custody transfer stations (CTS).

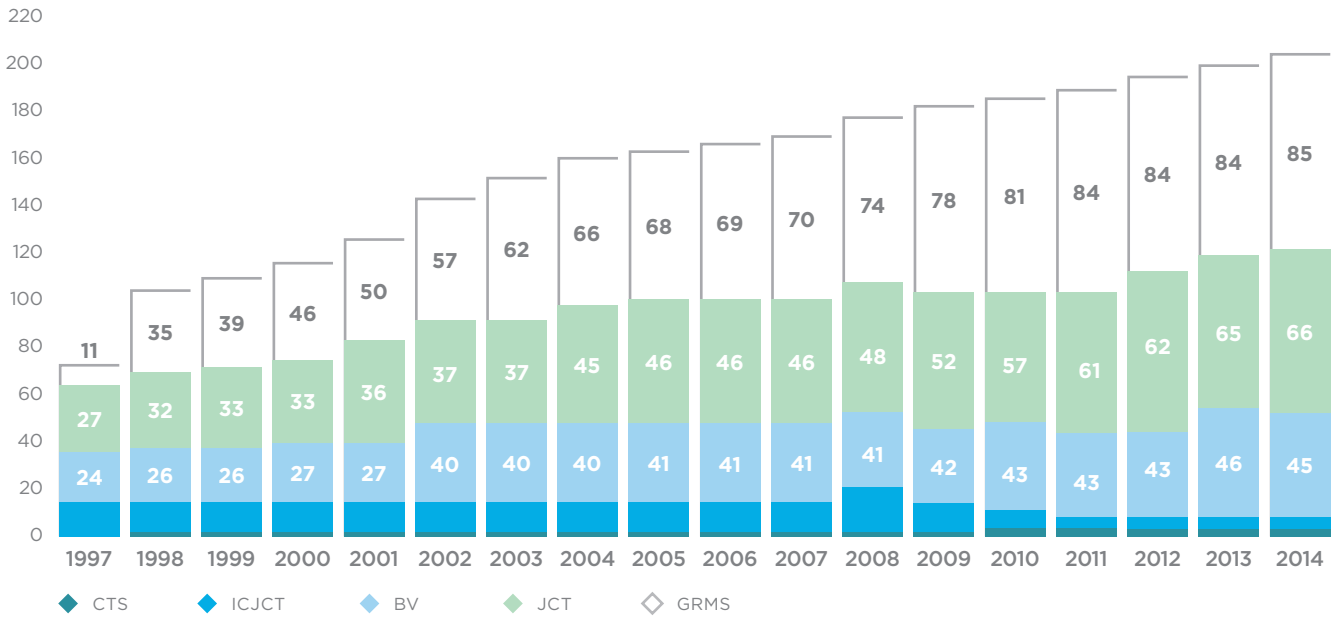
Since the start of operations in 1997, the transmission network has undergone the following developments:

LENGTH OF THE HP TRANSMISSION NETWORK | KM



THE NATIONAL NATURAL GAS TRANSMISSION NETWORK

RNTGN STATIONS | Nr.



THE NATIONAL NATURAL GAS TRANSMISSION NETWORK

Ø (MM)

KM

BATCH 1	Setúbal - Leiria	700	173
BATCH 2	Leiria - Gondomar	700	164
	Gondomar - Braga	500	50
BATCH 3	Campo Maior - Leiria	700	220
BATCH 4	Braga - Valença	500	74
BATCH 5	Monforte - Guarda	300	184
BATCH 6	Mealhada - Viseu	500	68
BATCH 7	Sines - Setúbal	800	87
BATCH 8	Mangualde - Celorico - Guarda	700/300	76
HIGH-PRESSURE LINES		150-700	278
TOTAL			1 374

As of 31 December 2014, the available capacity for commercial purposes of relevant points of the RNTGN was as follows:

AVAILABLE CAPACITY FOR COMMERCIAL PURPOSES OF RELEVANT POINTS	GWH PER DAY	MM ³ (N) PER DAY
INPUT		
SINES	193	16,2
CARRIÇO (WITHDRAWAL US)	85	7,1
CAMPO MAIOR (IP39)	134	11,3
VALENÇA DO MINHO (IP40)	40	3,4
OUTPUT		
SINES	143	12,0
CARRIÇO (INJECTION US)	24	2,0
CAMPO MAIOR (IP39)	70	5,9
VALENÇA DO MINHO (IP40)	25	2,1
PONTOS DE ENTREGA (TOTAL)	652	54,8
DELIVERY POINTS (TOTAL)	652	54.8

Supervised from a state-of-the-art National Dispatch Centre using redundant fibre-optic technology telecommunication systems, the RNTGN connects the gas pipeline stations with the Sines LNG Terminal and the Carrico underground storage facility in Pombal. All systems are equipped with digital communication, especially with regard to the reading of network input and output flows. This allows for the best practices to be adopted both in relation to information quality and supervision response.

During 2014, only small investment projects were undertaken to the LNG Terminal. The most relevant was the acquisition of two spare edges for the sea unloading arms.

As such, the Terminal maintained its main operating capacities:

- ◆ Annual natural gas regasification capacity of 8 bcm (95 TWh);
- ◆ Storage capacity of 390,000 m³ (2.5 TWh);
- ◆ Mooring adapted for methane tankers with capacities ranging from 40,000 to 216,000 m³;
- ◆ Maximum output to the RNTGN of 1,350,000 m³(n)/h;
- ◆ Tanker loading capacity: 36 tankers/day.

Gas is stored at great depth in underground salt caverns which connect to a gas station allowing the management of gas stored by injection through natural gas compressors and withdrawal through natural gas dehydration systems for subsequent injection into the transmission network.

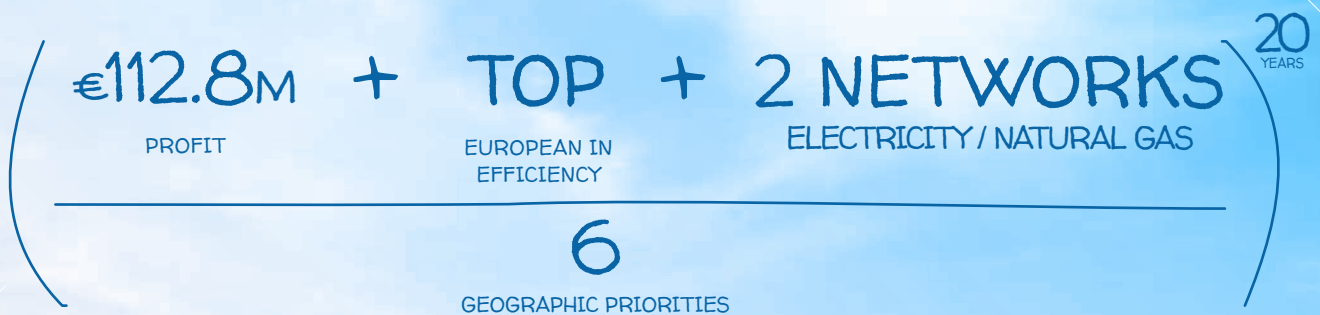
The REN gas station also interconnects with another concession holder's caverns*. REN constructs salt caverns using a leaching station which, together with a water collection system and a system which rejects brine into the sea.

At the end of 2014, the natural gas underground storage facilities within the REN Armazenagem concession were as follows:

- ◆ Four operational caverns;
- ◆ Maximum capacity: 2,455 TWh <> 206 Mm³(n);
- ◆ Nominal capacities of the surface station:
 - Injection: 84,000 m³(n)/h (24 GWh/day);
 - Withdrawal: 300,000 m³(n)/h (85 GWh/day);
- ◆ REN Armazenagem is responsible for the operation of the surface station.

* REN agrees the partial transfer of the natural gas underground storage concession from Galp Energia, including the transmission of the two existing caverns, the rights to construct two new caverns and other entitlements and obligations associated to these assets.

INTERNATIONAL VISION



The excellence we have achieved in Portugal has generated a unique set of capacities which, when combined with an above-average operating efficiency, has opened new frontiers for international business. Expertise, experience and performance come together in a winning combination.

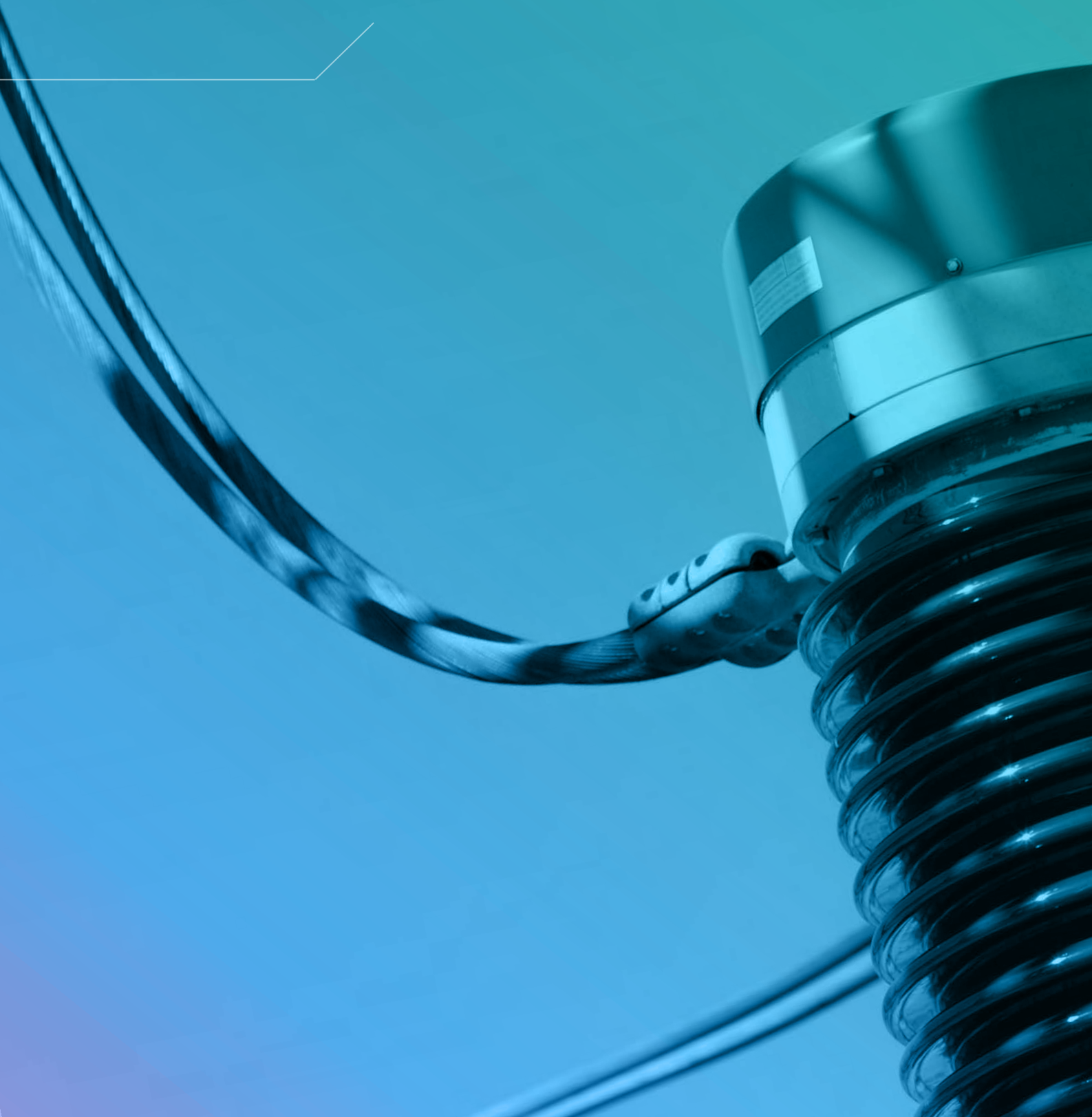
**THIS IS OUR FORMULA
FOR SUCCESS**



03

**MANAGEMENT
REPORT**

European Union has an expected growth of 1,3% following zero growth in 2013.



03 MANAGEMENT REPORT

THE RECOVERY OF THE GLOBAL ECONOMY CONTINUED IN 2014

However, this fairly modest growth involves significant differences between regions.

3.1 ENVIRONMENT

3.1.1 ECONOMIC ENVIRONMENT

WORLD ECONOMY¹

The recovery of the global economy continued in 2014. The forecast for growth in economic activity is +3.3% (vs. +3.1% in 2013). However, this fairly modest growth involves significant differences between regions.

Focusing the analysis on advanced economies, of note are the improvements seen in the European Union (expected growth of +1.3%), following zero growth in 2013. Major factors contributing to this performance were the stabilisation of the Euro zone, which is expected to grow +0.8% in 2014 (after contracting -0.5% in 2013), and the strong performance of other EU member states (such as the United Kingdom, with a +3.1% growth in 2014 (+1.7% in 2013)). The USA is expected to post growth similar to that of 2013 (+2.2%, the highest among advanced economies, benefiting from improvements in the labour market and favourable financing conditions). In Japan, the implementation of fiscal consolidation measures contributed to a reduction in GDP growth from +1.5% in 2013 to +1.1% in 2014.

Emerging economies have had differing performances. On the negative side, of note was the impact of geopolitical tension in Russia (growth of only +0.3% in 2014, after an increase of +1.3% in 2013) and the impact of the reduction in the price of raw materials in Latin America (expected growth of +1.4% in 2014, half of the increase of +2.7% recorded in 2013). On the positive side, Sub-Saharan Africa grew +5.2% in 2014 (+4.9% in 2013) and Asia (excluding Japan) +6.1% (the same as in 2013). It should be noted that growth in Asia remains constant despite the rebalancing underway in the Chinese economy (increase in the weighting of domestic consumption offset by reductions in investment). Growth in GDP is expected to fall from the +7.6% of 2013 to 7.3% in 2014.

EURO ZONE²

After a contraction in GDP of -0.5% in 2013, the Euro Zone is expected to grow by +0.8% in 2014. Despite this improvement, growth continues below that of the European Union as a whole, and other developed economies. This is due to the relatively high level of unemployment, persistent macro-economic imbalances in several countries and the slow rate of implementation of structural reforms. Despite these effects, private consumption (growth of +0.7% in 2014 vs. -0.6%

GDP EURO ZONE

+0.8%
IN 2014

¹European Commission: European Economic Forecast, Autumn 2014

²European Commission: European Economic Forecast, Autumn 2014 – Euro Zone

EXPORTS

+2.6%

IMPORTS

+6.3%

in 2013) and investment (+0.6% in 2014 vs. -2.5% in 2013) inverted the negative trend; public spending is expected to pick up (+0.6% in 2014 vs. +0.2% in 2013) and net exports continue to help growth (positive contribution of +0.1% in 2014). Although unemployment continues to be high, it fell from 11.9% in 2013 to 11.6% in 2014.

INTEREST RATES^{3, 4}

During 2014, the ECB cut the reference rate twice, from 0.25% to 0.05%, while the United States Federal Reserve kept the Fed Funds Target Rate between 0% and 0.25%. In line with the reduction in the reference rate, Euribor rates hit new lows. At 31 December 2014, Euribor rates for 3, 6 and 12 months stood at 0.078% (compared to 0.287% at the end of 2013), 0.171% (vs. 0.389%) and 0.325% (vs. 0.556%).

THE PORTUGUESE ECONOMY^{5, 6, 7}

2014 saw continued recovery in the Portuguese economy. This turnaround started at the end of 2013 and is expected to lead to growth in 2014 of +0.9%, thus inverting the fall seen in 2013 (-1.4%). This evolution is a result of a recovery in private consumption (+2.2% in 2014, vs. -1.7% in 2013) and investment (+2.2% in 2014 vs. -6.6% in 2013), as well as a reduction of the contraction in public spending (-0.5% in 2014, vs. -1.8% in 2013).

Internal demand will thus provide the main contribution to growth in GDP (+2.3%). However, the growth in internal demand will lead to an increase in imports of +6.3% over figures for 2013, clearly higher than the increase in exports of only +2.6%. As a result, net exports will provide a negative contribution to growth in GDP of -1.5%.

Finally, also of note is the continued (at a slower rate) effort to consolidate public accounts, and the expectation for the public deficit to fall from 4.9% in 2013 to 4.8% in 2014 (6.5% in 2012). Public debt is expected to fall from 129.0% of GDP in 2013 to 127.2%.



³ Reference Rates: ECB and FED (www.ecb.int; www.federalreserve.gov)

⁴ European Money Markets Institute

⁵ Bank of Portugal: Economic Bulletin Winter 2014

⁶ Ministry of Finance: Budget Strategy Document 2014-2018

⁷ European Commission: European Economic Forecast, Autumn 2014 - Portugal

3.1.2 SECTORAL ENVIRONMENT

Instability in some countries of the Middle East and the conflict between Russia and the Ukraine impacted on the energy year of 2014. In economic terms, of special note was the significant drop in the price of oil during the 2nd semester, which at the end of the year, came close to values seen only five years ago. After hitting a high of \$115 a barrel in June, the price of oil fell to around \$55 a barrel at the end of December.

The evolution of oil prices will have a significant impact on natural gas prices, which will be relevant throughout 2015.

Despite the improvements in energy efficiency and efforts to innovate and reduce the costs of emerging renewable technologies, concerns continue with regard to the security and sustainability of energy on an international level.

The International Energy Agency (IEA), in its New Policies Scenario, presented the evolution of energy markets up to 2040, maintaining current policies and measures and cautiously adopting new proposals and the most recent developments in energy policy.

According to IEA forecasts - New Policies Scenario - world energy demand is expected to grow by more than 37% up to 2040. Long-term, the evolution in energy related CO₂ emissions points to an increase of 3.6°C in the average temperature

(above the target limit of 2°C for average global temperature increase).

The IEA estimates that growth in energy demand up to 2040 will be in non-OECD countries. In 2040, Asia will account for 60% of energy consumption. China will lead the way in the demand for energy in Asia during the next decade, until India assumes this position from around 2025.

Up to 2025, non-OPEC countries (the USA, Canada and Brazil) will play an important role as sources of oil supply. However, long-term, the countries of the Middle East will retake their leading role.

With regard to the use of different energy sources in 2040, and despite the growth in low carbon emission energy sources (mainly renewables and nuclear), fossil fuels will continue to dominate. The fossil fuel share in the global mix will be around 75%, broken down into almost equal parts of oil, coal and natural gas.

Demand for coal will continue to grow (annual growth rate of 0.5%), although much lower than that seen in the last 30 years, due to climate policies and environmental restrictions in the main markets.

Demand for natural gas will grow by more than 50% up to 2040 as a result of the greater growth in emerging economies such as those of China (as a replacement for coal) and the Middle East (as a replacement for oil). After 2030, natural gas will represent the largest share in the energy mix of OECD countries.



World demand for electricity will continue to grow. An increase of around 80% is expected between 2012 and 2040. The IEA also expects renewable energy, including hydro power, to practically triple production in the same period. With this growth, renewables will overtake coal and have the largest share in the production of electricity. Variable energy sources - wind and photovoltaic solar - represent more than 50% of this growth.

In Europe, the weighting of renewables will practically double in this period, reaching 46% in 2040. Wind energy will have a 20% share. As such, continued supply security will be dependent on investment in new thermal capacity.

Nuclear energy, in spite of a reduction in the construction of new plants due to regulatory restrictions, still accounts for 12% of global production (due to expansion in countries such as China, Korea, India and Russia).

In this period, the IEA estimates that the electricity sector will require global investment of approximately 21 billion dollars, with 40% of this amount dedicated to transmission and distribution networks.

Improvements in approach and a new political focus on energy efficiency will lead to a slowdown in growth for energy demand, reducing the need for investment in supply and also reducing energy prices internationally.

ELECTRICITY DEMAND AND PRODUCTION

In 2014, consumption of electrical power fell by 0.7% over figures for the previous year. In the first semester, some recovery was seen in consumption with year on year growth of 0.4%. However, in the latter part of the year, this trend was inverted. Once the correction for the effects of temperature and the number of working days is taken into consideration, the variation is in fact zero. This has now been the case for two consecutive years. The consumption of 48.8 TWh seen this year is 6.5% lower than the maximum historic of 2010.

TWH CONSUMPTION VARIATION CORRECTED

2010	52.2	4.6%	3.3%
2011	50.5	-3.3%	-2.3%
2012	49.1	-2.9%	-3.6%
2013	49.2	0.2%	0.0%
2014	48.8	-0.7%	0.0%

On 4 February, the maximum power required by the public network was 8,313 MW. This figure is practically identical to last year's and around 1,000 MW less than the maximum historic value recorded in 2010. However, on the same day, national production recorded an historic maximum of 10,349 MW, because at that time the national system was exporting more than 2,000 MW. At the end of the year, installed power at ordinary regime power plants totalled 10,855 MW and 6,980 MW in special status production. Also of note in special status production was some growth in wind farms, with an increase in network connected power of 176 MW, now totalling 4,541 MW. There was also an increase of 111 MW in photovoltaic to a total of 393 MW at the end of the year.



ELECTRICITY CONSUMPTION

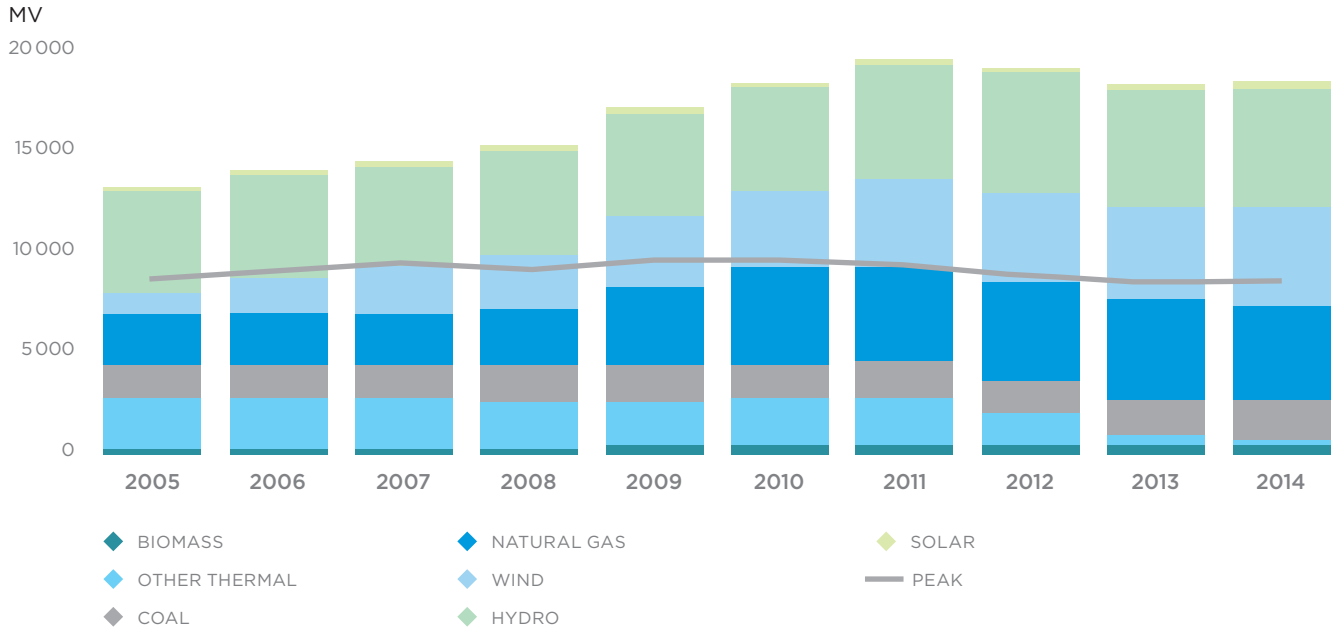
48.8 TWh



MAXIMUM HISTORIC

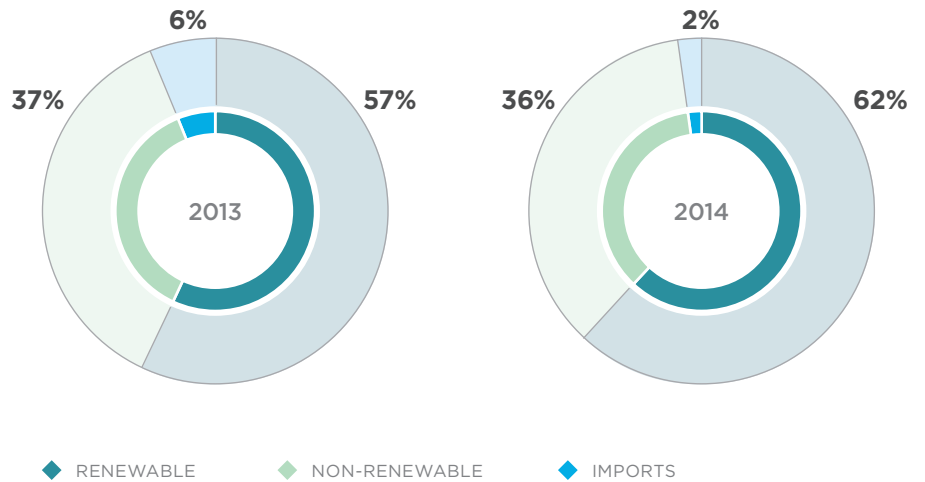
8,313 MW

EVOLUTION OF INSTALLED POWER



In 2014, exceptional conditions were again seen for the production of both hydro and wind power and the respective Capability Indexes stood at 1.27 and 1.11. These are unusual figures, which in the case of wind, is the second most favourable ever, only surpassed by that seen in 2013. Production from renewables reached 62% of consumption, which is the highest annual value since 1979 when production, around 30% of current levels, had a particularly high hydro component. In 2014, hydropower plants supplied 31% of consumption while wind plants supplied 24%, biomass plants 5.5% and photovoltaic plants 1.2%.

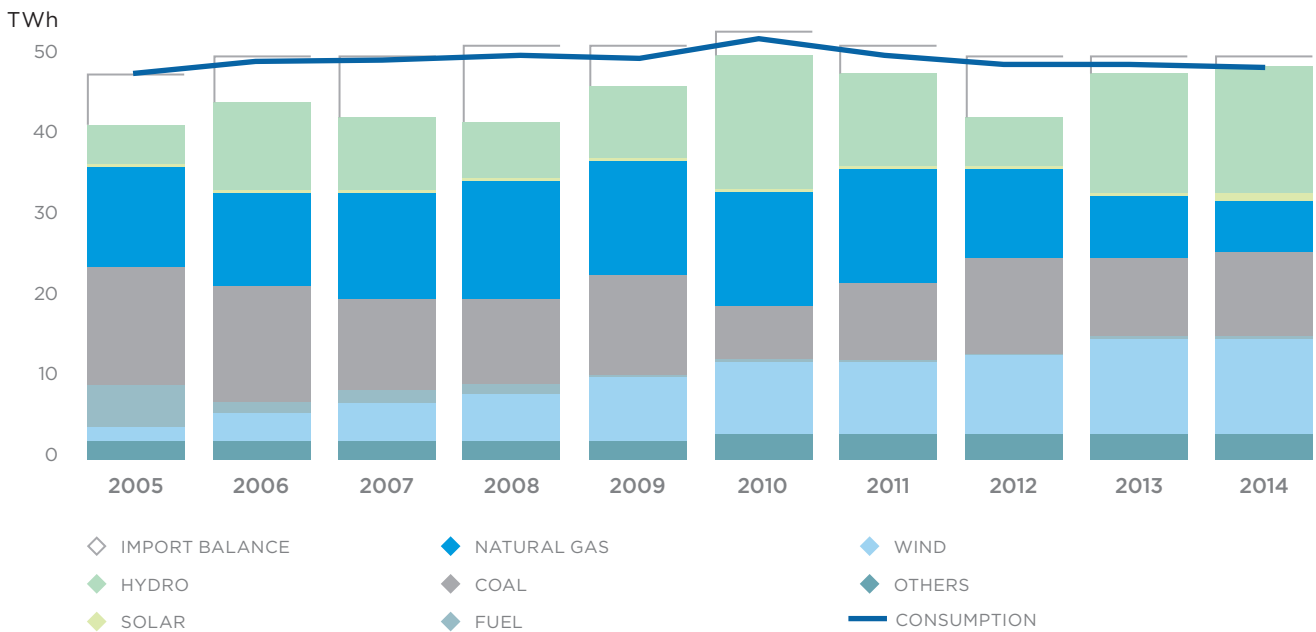
RENEWABLE AND NON-RENEWABLE PRODUCTION



Coal fired thermal plants continued to represent the basis of thermal power, supplying 23% of consumption. Combined-cycle natural gas plants had reduced use for most of the year, not representing more than 3% of consumption. Cogeneration plants using non-renewable fuel, almost all natural gas fired, supplied 10% of consumption.

Exchanges with foreign producers changed over the course of the year. Exports took place in the wetter months and imports in the drier months. The result at the end of the year was an import balance equivalent to 2% of national consumption, which is the lowest since 2001.

MEETING DEMAND



In 2014, 41.9 TWh entered the transmission network, an increase of 1% compared to the previous year.

NATURAL GAS DEMAND AND SUPPLY

In 2014, consumption of natural gas totalled 45.3 TWh, a reduction of 5.4% compared to the previous year. Consumption seen this year was 22% lower than the maximum historic level recorded in 2010. This was due to the severe contraction experienced in recent years in the electrical power market.

	CONVENTIONAL MARKET		ELECTRICITY MARKET		TOTAL CONSUMPTION	
	TWh	Variation	TWh	Variation	TWh	Variation
2010	35,5	20,5%	22,3	-5,1%	57,8	9,1%
2011	36,2	2,0%	21,3	-4,4%	57,5	-0,5%
2012	38,3	5,7%	11,9	-44,0%	50,2	-12,7%
2013	44,5	16,2%	3,4	-71,3%	47,9	-4,6%
2014	42,1	-5,4%	3,2	-5,5%	45,3	-5,4%

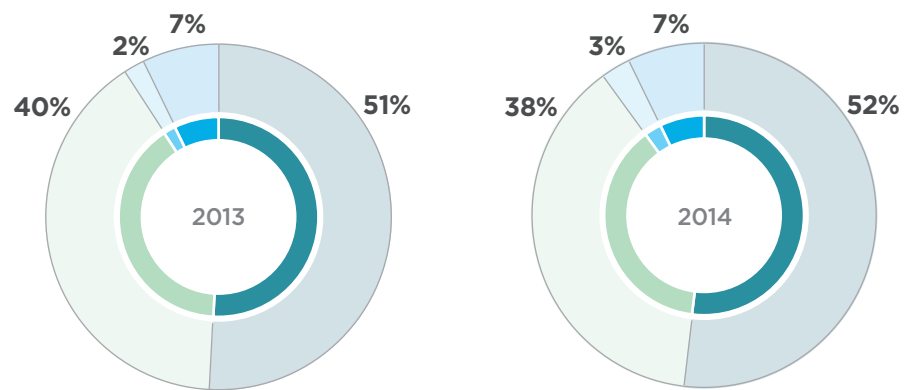
In 2014, as was the case in 2013, the exceptional conditions seen for the production of both wind and hydro power had a significant impact on the use of the four large combined-cycle power plants operating in the ordinary market. This market segment, which used 3.2 TWh of natural gas, the lowest figure since 1998, was responsible for only 7% of total consumption.

CONSUMPTION



CONVENTIONAL MARKET CONSUMPTION

42.1 TWh

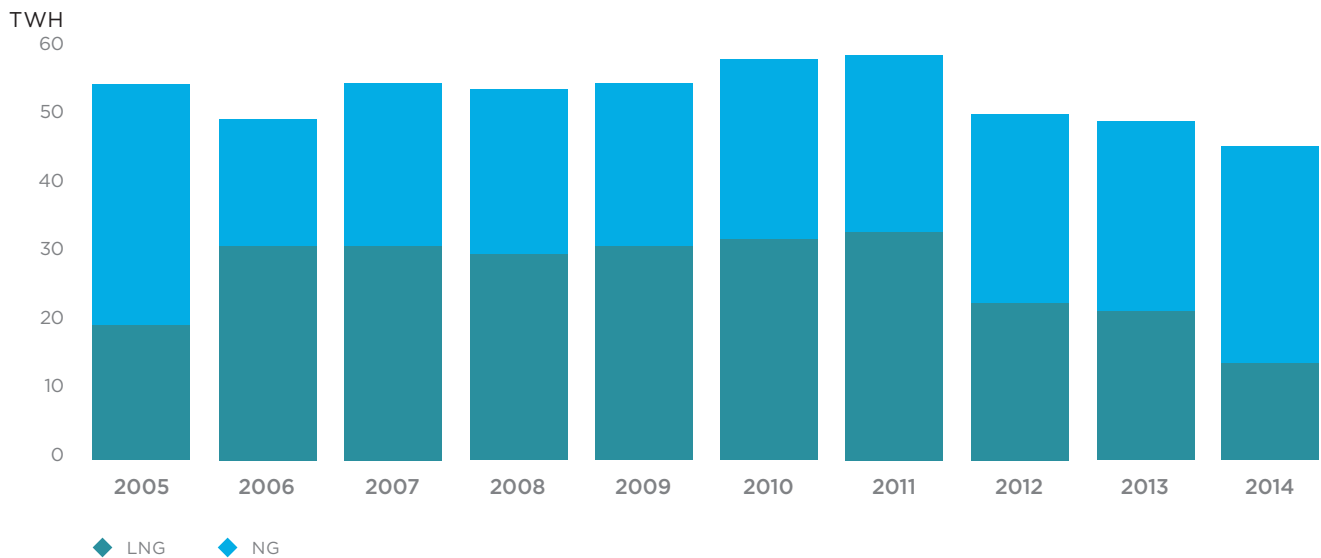


- ◆ DISTRIBUTION
- ◆ ELECTRICITY MARKET
- ◆ AUTONOMOUS GAS UNIT
- ◆ HIGH-PRESSURE CUSTOMERS

In the conventional market, which totalled 42.1 TWh, a fall of 5.4% was seen. This is the first time that this market segment has experienced negative annual evolution. Accompanying this trend was the reduction in consumption from cogeneration facilities, which in previous years had been driving the consumption of gas. Positive evolution was only seen in consumption supplied by Autonomous Gasification Units, due to supply for Madeira from the Sines Terminal, which started this year.

The supply of the national system was ensured in 2014 mostly by the Campo Maior and Valença interconnections, accounting for around 68% of the total, while the remaining 32% was input through the Sines LNG Terminal. Gas received through the interconnections came principally from Algeria, while that received at Sines originated mostly in Qatar and Nigeria.

SUPPLY GROWTH



3.1.3. REGULATORY ENVIRONMENT

EUROPEAN ENERGY POLICY

During 2014, the European Union continued to guide its policies towards concluding the internal energy market and the development of interconnections so as to overcome the isolation of Member States with regard to European gas and electricity networks.

The new EU 2030 climate and energy policy framework was approved by the European Council on 23 and 24 October. The programme seeks to achieve a reduction of 40% in greenhouse gas emissions over 1990 levels. This is a binding objective requiring all the countries of the European Union to increase the use of renewable energies to at least 27% of total consumption. There are also more ambitious policies with regard to energy efficiency, a new system of governance and a series of new indicators to ensure safe and competitive energy supply.

In relation to the internal energy market, the European Council restated that this aim is to be achieved as soon as possible and, as such, all efforts have to be made. Of note in this regard are the measures seeking to establish minimum levels of integration in European energy markets. Reference was made to the need to reinforce interconnections in peripheral areas, specifically mentioning the cases of Portugal/Spain and the Baltic States.

The European interconnection mechanism (CEF) provides funding for projects in trans-European infrastructures which bring clear benefits to Europe and which do not receive suitable support or financing from the market. For the 2014-2020 period, a total of 5.85 billion Euros has been allocated for trans-European energy infrastructures. In order to receive funding, actions must feature on a list of 'projects of common interest'.

NATIONAL ENERGY POLICY

During 2014 in Portugal, the XIX Constitutional Government implemented an 'energy model based on economic rationality and sustainability, through, on one hand, the adoption of energy efficiency measures and the use of energy from endogenous renewable sources, and on the other hand, through the reduction of additional costs borne by energy prices'.

With regard to renewable energy, in June 2014, Decree-Law No 94/2014 laid down the rules applicable to additional power and energy, to over-equipping and energy from the over-equipping of wind farms, the power from which is remunerated by a guaranteed remuneration scheme.

In October, with the publication of Decree-Law No 153/2014, the Government set out the new legal regime applicable to the production of electricity for self-consumption from renewable and non-renewable sources.

In September 2014, ERSE published its decision on TSO certification, in which it considered compliance with national and Community legislation to be suitably guaranteed to grant REN – Rede Eléctrica Nacional and REN Gasodutos certification as the SEN and SNGN transmission system operators, respectively, through full ownership unbundling, provided that the conditions required in this decision are fully complied with in a period of eight months, non extendible. Final certification shall be considered as attributed after notification of compliance with the abovementioned conditions and respective formal recognition by ERSE.

The proposal for Commitment to Green Growth, presented by the Ministry of the Environment, Spatial Planning and Energy, seeks to promote a development model capable of conciliating required economic growth with lower consumption of natural resources and with social justice and quality of life.

In the field of energy, this proposal puts forward a number of initiatives, including:

- ◆ Increasing the production of renewable energy (with the weighting of end energy use rising from 31% in 2020 to 40% in 2030) and promoting self-production of energy, reaching 300 MW in 2020.
- ◆ Europe-wide reinforcement of energy interconnections, both by promoting projects for the export of renewable energy so as to comply with European targets for third-countries, and by positioning Portugal as an entry point for LNG in the EU (the Iberian Peninsula with its current LNG terminals, once suitable interconnections have been established, can handle a substantial percentage of European imports of gas from Russia).
- ◆ Promoting electricity mobility, expanding and introducing greater competition into the public network, giving preference to loading methods at homes and the workplace and implementing sustainable mobility programmes at an administrative level.
- ◆ Liberalized market in Portugal.

In September
REN acquired
ORT
certification

Neste contexto, em dezembro de 2014, o Conselho de Ministros aprovou a alteração da forma de fixação do período de aplicação das tarifas transitórias para fornecimentos de gás natural e eletricidade aos clientes finais com consumos anuais inferiores ou iguais a 10 000 m³ e com consumos em baixa tensão normal, adiando a extinção das tarifas transitórias para data a definir dando continuidade à progressiva adesão dos consumidores ao mercado livre.

ELETRICIDADE

Entre dezembro de 2013 e dezembro de 2014 o número de clientes do mercado livre de eletricidade cresceu cerca de 57%, totalizando mais de 3 563 000.

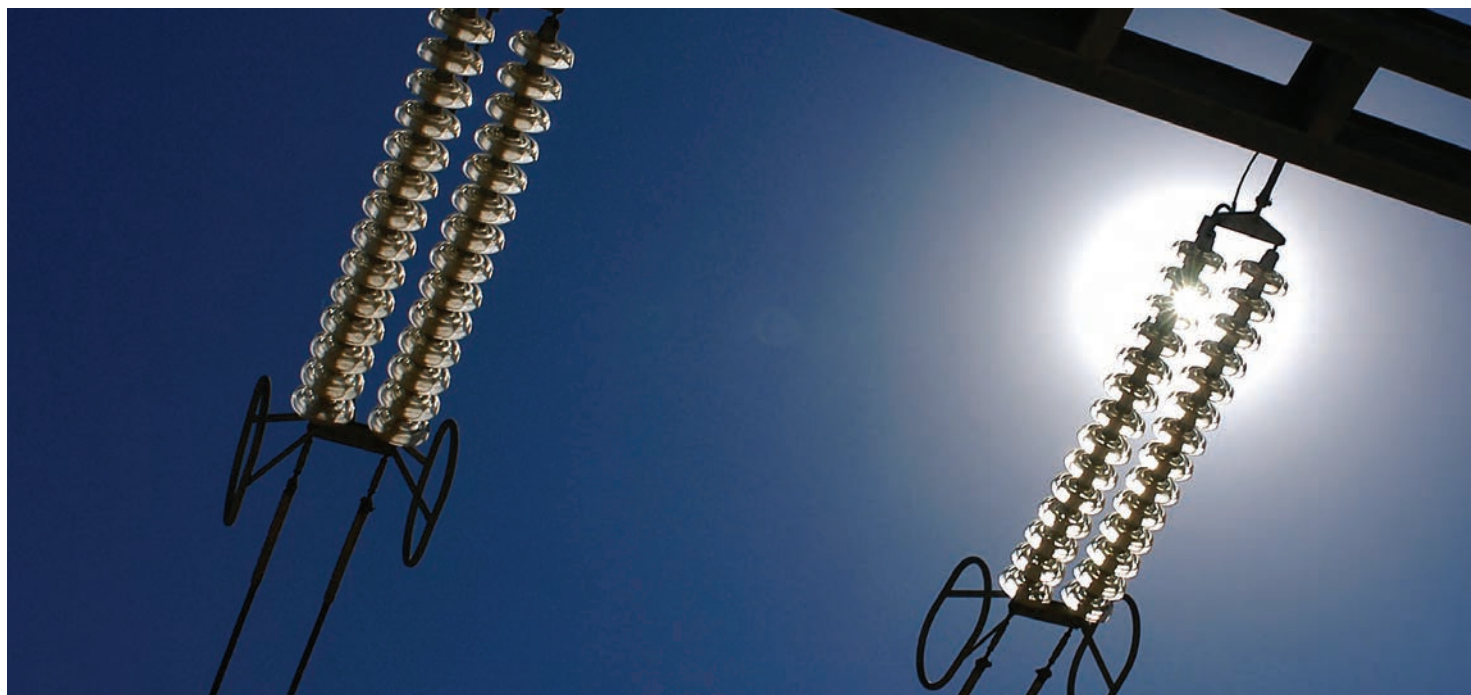
O consumo médio em 12 meses atribuído a clientes do mercado liberalizado no último dia de dezembro de 2014 ultrapassa os 36 807 GWh . Em termos globais o consumo do mercado liberalizado atingiu, em dezembro, mais de 83% do consumo total no país, o que representa um aumento de 10,6 p.p. face ao período homólogo de 2013.

A quase totalidade do consumo dos grandes consumidores está no mercado livre. No caso do consumo dos domésticos, verificou-se um crescimento significativo durante 2014, estando no mercado livre cerca de 60% do total do segmento.

GÁS NATURAL

No final de setembro de 2014 o número acumulado de clientes em atividade no mercado livre atingia os 744 000. Sendo que o número de clientes no final de setembro de 2014 representava um aumento de cerca de 64% face a setembro de 2013.

Em termos globais o mercado livre representa cerca de 96% do consumo global de gás natural. Sendo que os fornecimentos em mercado livre representam 100% do consumo do segmento, no caso dos grandes clientes, e cerca de 94% no caso dos consumidores industriais.



3.2 ELETRICIDADE

3.2.1 EXPLORAÇÃO DA REDE NACIONAL DE TRANSPORTE

UTILIZAÇÃO DA REDE DE TRANSPORTE

Em 2014, a RNT transportou 41,9 TWh, o que corresponde a um aumento de 1% face ao ano anterior. A potência máxima na rede de transporte atingiu 8 114 MW, 3% acima do máximo do ano anterior, embora ainda cerca de 700 MW inferior ao máximo histórico ocorrido na rede. As perdas totalizaram 792 GWh, correspondentes a 1,89% da energia entrada na rede.

TWH	'13	'14
ENERGIA ENTRADA NA REDE	41,5	41,9
CENTROS PRODUTORES	31,1	32,2
INTERLIGAÇÕES	8,1	7,2
REDE DE DISTRIBUIÇÃO	2,3	2,5
ENERGIA SAÍDA DA REDE	40,7	41,1
CENTROS PRODUTORES / CLIENTES DIRETOS	3,3	2,9
INTERLIGAÇÕES	5,3	6,3
REDE DE DISTRIBUIÇÃO	32,2	31,8
CONSUMOS PRÓPRIOS	0,0	0,0
PERDAS (GWH)	726	792
PERDAS (%)	1,75%	1,89%

As capacidades de interligação oferecidas ao mercado cresceram 11% no sentido importador e 20% no sentido exportador. Em média, a capacidade importadora situou-se em 1 993 MW e a capacidade exportadora em 2 069 MW. Estes valores permitiram igualar os preços do Mercado Diário entre Portugal e Espanha em 94% dos períodos de 2014, que representa o valor mais elevado desde o início do MIBEL em 2007.

QUALIDADE DE SERVIÇO

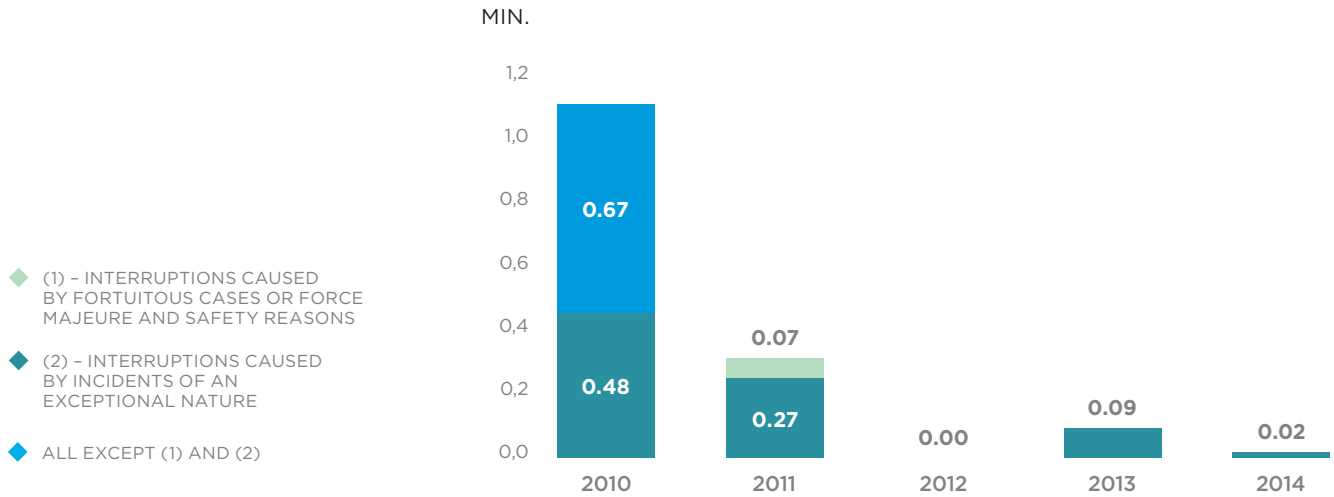
A Qualidade de Serviço prestada, entendida como segurança e continuidade do abastecimento de energia elétrica com características técnicas adequadas, manteve e consolidou a tendência verificada em anos anteriores de uma progressiva e sustentada melhoria do desempenho da RNT.

Os valores registados em cinco (ENF, TIE, SAIFI, SAIDI e SARI) dos seis indicadores gerais de continuidade de serviço, estabelecidos no Regulamento de Qualidade de Serviço, foram os segundos melhores de sempre, perspetivando, deste modo, que as linhas gerais de orientação que a REN tem vindo a adotar sustentam a manutenção de um desempenho adequado e otimizado face aos riscos inerentes à operação e exploração deste tipo de infraestrutura, em paridade com as suas congéneres. O outro indicador (MAIFI) registou o terceiro melhor valor de sempre.

O Tempo de Interrupção Equivalente (TIE), indicador de desempenho global usualmente utilizado pelas *utilities* elétricas, foi de 1,2 segundos, o segundo melhor valor de sempre (apenas superado pelo valor nulo alcançado em 2012), correspondendo a uma energia não fornecida de 1,8 MWh.



EVOLUTION OF EQUIVALENT INTERRUPTION TIME - EIT

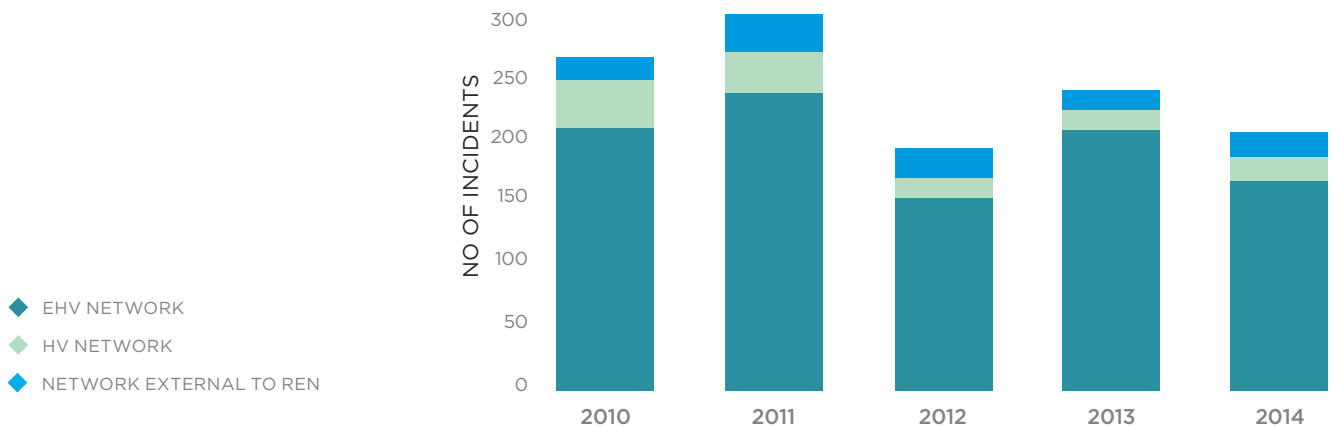


In 2014, the monitoring of voltage waveform quality continued at delivery and interconnection points on the RNT.

The measurements carried out continued to show results that, with a reduced number of exceptions in individual and localised cases, comply with the figures recommended in the Quality of Service Regulations.

The overall level of the electrical energy quality depends on the number of incidents recorded or which impact on the transmission grid. In 2014, there were 215 incidents and interruptions (14% less than in 2013), 167 of which originated in EHV Network, 27 in the High HV Network and 21 in other networks but impacting on the REN EHV and HV networks. Only 4 incidents (1.9% of the total) actually caused interruptions to the supply of electricity to customers, having caused 5 interruptions at delivery points

EVOLUTION IN THE NUMBER OF INCIDENTS

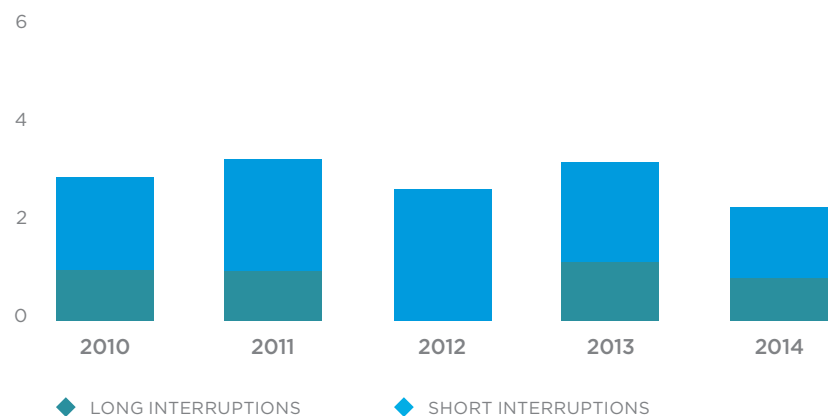


Another way of highlighting the performance of the transmission grid is through an indicator referred to as “Vulnerability”, which expresses the capability of the transmission grid to not discontinue the supply of electrical power to consumers following an incident, regardless of its origin (including incidents caused by Force Majeure). This indicator is a ratio of the number of supply interruptions to the number of incidents.

In 2014, the transmission network registered on average 0.0093 long interruptions (> 3 minutes) and 0.0140 short interruptions (between 1 sec and 3 minutes) per incident.

EVOLUTION IN THE VULNERABILITY OF THE TRANSMISSION NETWORK

RATE [%]



In 2014, electricity consumption in mainland Portugal remained identical to figures for 2013

NETWORK BEHAVIOUR

During 2014, the major congestions that occurred in the RNT were associated with grid element outages, which were solved through the generation of network constraints and through the introduction of topological changes to the network. In this regard, of special note are the outages which occurred in the 150 and 400 kV network in Minho. These outages were the result of the construction of dedicated lines for power flow from new hydro plants which, in addition to topological measures, constrained hydro power production in the Cávado basin. On occasion in the summer, it was also necessary to reduce hydroelectrical production at the Zêzere / Tejo pplants so as to avoid network bottlenecks on the power flowing from these plants.

In 2014, electricity consumption in mainland Portugal remained identical to figures for 2013. Despite three new shunts coming online, RNT excess reactance continued and as a consequence, difficulties were experienced in controlling voltage. To overcome these difficulties, measures were implemented such as turning the Sines plant into the technical verification headquarters for the day market, limiting output on subsequent intraday markets, disconnecting EHV lines or requesting that the operator of the National Distribution Network disconnect their capacitor banks. It is expected that the stopgap solutions which have been employed can be reduced and even eliminated as reactive management resources are put into operation, as set out in development and investment plans for the transmission network.

Finally, also of note in 2014 was the fact that new maximums for wind energy production were once again recorded, both with regard to energy and peak production. Moreover, the national electricity system managed to store all this production without having to introduce reductions.

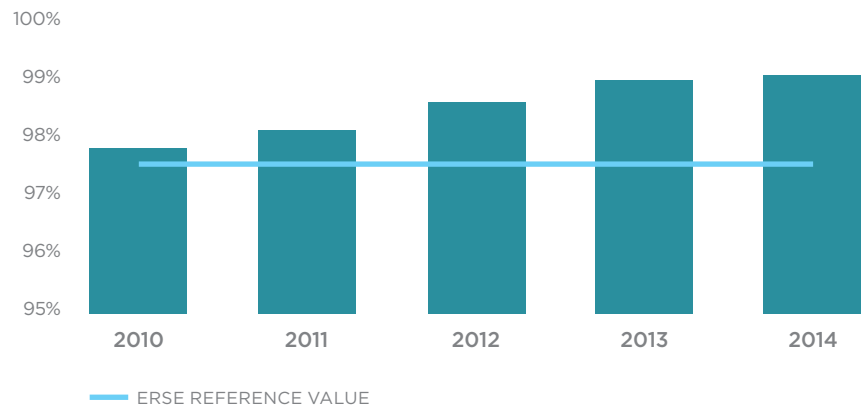
PERFORMANCE OF TRANSMISSION NETWORK ASSETS

AVAILABILITY

The Combined Availability Rate, a regulatory indicator introduced by ERSE in 2009, reached, a new historic record in 2014, with a value of 98.94%. The following graph shows the annual evolution of this indicator over the last five years. This performance represents a positive evolution in terms of coordination and planning of grid outages during the period in question.

COMBINED AVAILABILITY RATE

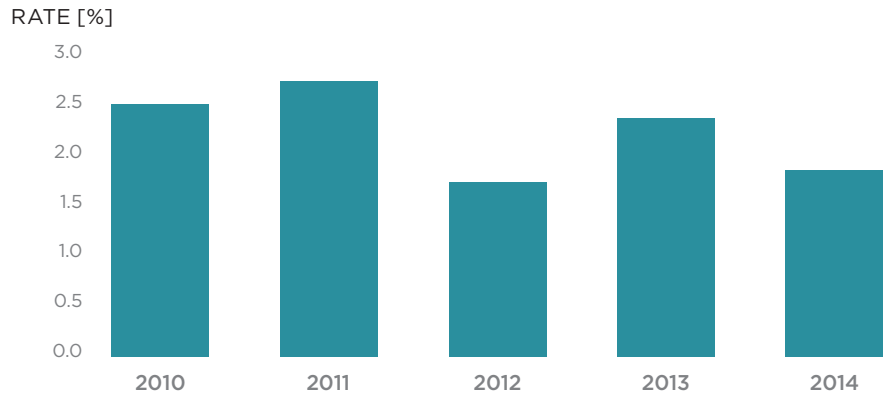
RATE [%]



RELIABILITY

In 2014, RNT lines showed an overall improvement. The number of faults per 100 kilometres of circuit fell by 18.8% over figures for 2013. The graph below illustrates the performance of lines in the last five years, with regard to the number of faults per 100 km of circuit.

EVOLUTION IN THE NUMBER OF FAULTS ORIGINATING IN RNT LINES PER 100 KM OF CIRCUIT



The overall availability rate for line circuits, including terminal panels, was 98.99%, a figure which was practically identical to that for the previous year (-0.03%).

In general, sub-stations performed suitably. In spite of this, there was a slight increase in the number of break downs in transformers and circuit breakers compared with the 2013 figures, although without impact on network operation in the majority of cases. The overall availability rate for transformers and auto-transformers (including the respective panels) stood at 98.81%, a figure higher than that seen in 2013 (+0.33%). This indicator was mainly affected by remodelling and replacement work on HV equipment and transformers during 2014.

More in-depth technical detail is available in the Quality of Service Report published annually by REN.

3.2.2 RNT INVESTMENT

PROJECTS CONCLUDED IN 2014

In 2014, the projects concluded in the RNT improved the flow of power from new renewable energy production centres, reinforced feeding to distribution networks, improved international exchange capability with Spain, and contributed to the greater safety and reliability of the general operation of the system.

In the Minho region, to deal with the flow of the new production injected in this area of the network from the Venda Nova (Venda Nova III) and Salamonde (Salamonde II) power upgrades, the new Vieira do Minho 400 kV switching station came online as did the new connection, also at 400 kV, between this point and the Pedralva substation. To improve feeding to consumers, of note was the opening of the new Fafe 150/60 kV substation, which will feed the municipalities of Fafe, Guimarães, Vizela and Felgueiras. This will allow, in the short-term, the closure of the current REN substation in Guimarães, which is limited and not possible to expand.

In the Douro region, to deal with the flow of the production injected by the new Baixo Sabor hydropower development, a 220 kV connection was established between the Baixo Sabor Power Plant and the Pocinho substation.

On the coastal region to the south of Metropolitan Porto and to deal with the flow of production, the Carrapatelo - Estarreja 3,220 kV line came into service. This was a result of the full remodelling of the old Carrapatelo - Estarreja 1,220 kV line (which required extensive maintenance), on part of its stretch for the double 400+220 kV line. This work will also form part of the future axis for the flow of production from the Alto Tâmega Power Plants.

In the Lisbon area, with the aim of feeding the Alto de São João substation, the overhead stretch (between the Fanhões substation and the Prior Velho switching station) was concluded on the future Alto de São João - Fanhões 220 kV connection.

Strengthening the interconnection capacity between Portugal and Spain, particularly for export, the Spanish stretch of the Tavira - Puebla de Guzmán 400 kV overhead line was concluded. This allowed this new 400 kV interconnection with Spain in the south of Portugal to be placed into service.

To control RNT tension profiles, three ballast shunts were installed: one 150 kV at 75 Mvar at the Tavira substation and two 400 kV at 150 Mvar each, at the Portimão and Rio Maior substations.

A new 150/60 kV at 170 MVA transformer in Fafe, a new 400/220 kV at 450 MVA autotransformer in Vermoim and a 400/150 kV at 450 MVA autotransformer in Fernão Ferro (this latter transferred from the Palmela substation) were also placed into service.

MAIN INVESTMENTS UNDERWAY

Reinforcement of the interconnection capacity between Portugal and Spain

- ◆ In order to reinforce the exchange capacities between Portugal and Spain, a new 400 kV interconnection is planned in the Minho region, connecting the future Ponte de Lima substations on the Portuguese side with Fontefria on the Spanish side.

Connection of special status producers to the RNT (except Grande Hídrica)

- ◆ Improvements to transformation power at various substations.

Connection of Grande Hídrica to the RNT

- ◆ Construction of a second 400kV switching station between Vieira do Minho and the Pedralva substation, reinforcing flow guarantee from the high level of production resulting from the power upgrades at the Venda Nova (Venda Nova III) and Salamonde (Salamonde II) hydroelectric plants.
- ◆ Construction of a new 400kV axis between the Porto region and the Pedralva substation, passing through the Ponte de Lima area. This axis, as well as proving important in ensuring the flow of the high level of production from the new generation of hydropower plants under construction in Cávado/Alto Minho (Venda Nova III and Salamonde II), will also form an integral part of the new interconnection with Spain in that region, thereby facilitating international exchanges. At the same time, the new RNT substation at Vila Nova de Famalicão which forms part of this axis, will provide improved safety in the power supply to consumers in the coastal Minho region.

Connection to the distribution networks to supply large load centres

- ◆ In Lisbon, the opening of the 220/60 kV Alto de São João substation, fed by two underground circuits, one from Sacavém and the other from Fanhões (overhead stretch to Prior Velho).
- ◆ In the Setúbal Peninsula, the opening of the Alcochete 400/60 V injector, feeding consumers in the municipalities of Montijo and Alcochete and the completion of the second 150 kV line between the Fernão Ferro and Trafaria substations.
- ◆ In the Alentejo, construction of a new 400 kV line between the Estremoz substation and the area of the future Divor substation (operating temporarily at 60 kV integrated into the RND).

3.2.3 NETWORK CONNECTIONS

Within the scope of activity relating to connections to Public Service Power Networks (RESP), REN coordinates connection and integration processes for consumer and producer facilities which connect to the RNT, so as to ensure the safety and quality of service of the RNT and the effective integration of renewable energy sources into the National Electricity System. This activity has focused on several different areas:

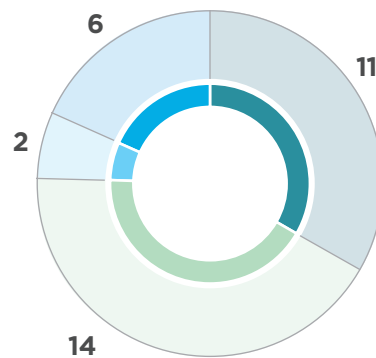
- ◆ The planning of reception capacity for new production, the planning of necessary network upgrades and the definition of technical connection requirements for producer facilities;
- ◆ The definition of technical connection conditions and the carrying out of integration studies for VHV clients with a high level of reliability requirement in the feeding of electrical power and quality of service;
- ◆ The development of projects, the planning of work, the execution of work under the responsibility of REN and the monitoring of work under the responsibility of the promoters to be integrated into the RNT;
- ◆ Participation and monitoring of inspections and the execution of connections to the network; the definition of communication, command, control and protection systems;
- ◆ The definition of metering systems and border systems with the markets and the operational control of the execution of this operation through the dispatch control centres;
- ◆ The definition of technical adaptations to the RNT arising from the specific needs of production or consumer installations already connected to the network;
- ◆ The forecasting of energy volumes produced and the resolution of management problems in the production of electrical power required to satisfy consumption;
- ◆ The technical analysis of proposals for new European connection codes and in support for the comitology process.

Furthermore, recent amendments and reviews to national legislation and regulations have introduced a number of adaptations to the process to connect to the National Transmission Network and interaction between the different players. As such, Decree-Law No 215-A/2012 of 8 October has broadened the concept of Special Status Production (PRE), which now is considered to be 'all production activity subject to special legislative regimes, such as the production of electricity through cogeneration or endogenous resources, renewable or non-renewable, microproduction, miniproduction and production that does not feed power into the grid, as well as the production of electricity through endogenous resources, renewable or non-renewable, that is not subject to a special legislative regime.'

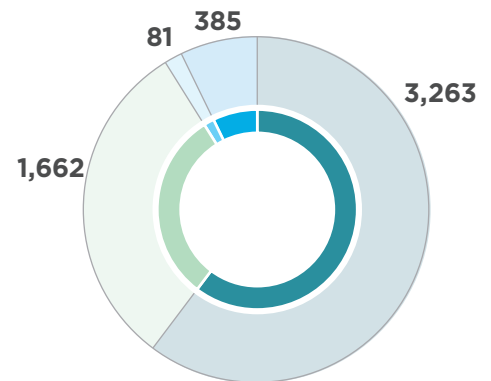
The following graphs provide a summary of REN activity in 2014 for new processes and processes underway for connection to the RNT, identifying by type of installation and source, the number of connection requests and power (MW) involved.

RNT CONNECTION PROCESSES

NUMBER OF CONNECTION REQUESTS UNDERWAY



POWER OF THE CONNECTION REQUESTS (MW)



- ◆ PRODUCERS (WIND)
- ◆ PRODUCERS (HYDRO)
- ◆ PRODUCERS (SOLAR)
- ◆ CUSTOMERS

With respect to PRE, in 2014, the Beira Interior Wind Farm was connected to the National Transmission Network, with connection power of 48 MW. 23.5 MW were also connected at different wind farms which were already in operation.

At the end of 2014, power connected to the RESP totalled around 17,834 MW. The large hydro power plants accounted for 5,270 MW while the remaining PRE stood at close to 7 GW.

3.3 NATURAL GAS

3.3.1 RNTIAT OPERATION

QUALITY OF SERVICE

The indicators set out in the Natural Gas Quality of Service Regulations (QSR) had the following annual values.

GENERAL QUALITY OF SERVICE INDICATORS FOR REN GASODUTOS

AVERAGE NUMBER OF INTERRUPTIONS PER OUTPUT POINT	0.01
AVERAGE TIME OF INTERRUPTIONS PER OUTPUT POINT (MINUTOS)	0.81
AVERAGE DURATION OF INTERRUPTION (MINUTES)	74

Notes:

- ◆ Average number of interruptions per output point - ratio between the total number of interruptions at output points during a specific period, divided by the total number of output points at the end of the period under consideration.
- ◆ Average duration of interruptions per output point - ratio between the sum of interruption durations at output points during a specific period, divided by the total number of output points at the end of the period under consideration.
- ◆ Average duration of interruption - ratio between the sum of interruption durations at output points, divided by the total number of interruptions at output points, in the period under consideration.

LNG TERMINAL
- STORAGE



The remaining indicators for the supply and characteristics of natural gas fell within the limits set by the QSR.



The aggregate indicator for the frequency of incident occurrence per year per 1,000 km of high-pressure transmission infrastructure for 2014 stood at 0.049, based on total infrastructure exposure time. Considering only the last 5 years it is 0.152. The value of the same indicator published by the European Gas Pipeline Incident Data Group (EGIG) for all TSOs participating in the scheme is 0.162 for the last 5 years.

GENERAL QUALITY OF SERVICE INDICATORS FOR REN ARMazenagem

COMPLIANCE WITH NOMINATIONS FOR NATURAL GAS WITHDRAWAL	100.0%
COMPLIANCE WITH NOMINATIONS FOR NATURAL GAS INJECTION	100.0%
COMPLIANCE WITH ENERGY STORAGE	99.8%

Notes:

- ◆ Compliance with nominations for natural gas withdrawal - the ratio between the number of nominations complied with and the total number of nominations;
- ◆ Compliance with nominations for natural gas injection - the ratio between the number of nominations complied with and the total number of nominations;
- ◆ Compliance with energy storage - determined based on the mean square error between nominated and real energy values resulting from the total requests by the users of both injection and withdrawal of gas.

GENERAL QUALITY OF SERVICE INDICATORS FOR REN Atlântico

Total unavailability was 6 hours 05 minutes, of which 5 hours 29 minutes was planned, corresponding to facility availability of 99.97%.

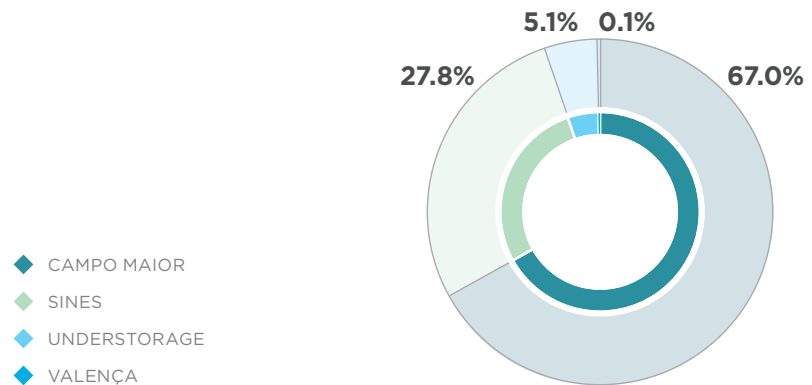
Internally, 59,507 hours of work were carried out and one accident took place which did not require sick leave.

In terms of subcontracted workers, 30,294 hours of work were carried out, also with one accident taking place which did not require sick leave.

COMPLIANCE WITH COMMERCIAL SERVICE (NOMINATIONS)	100.0%
INJECTION OF NATURAL GAS INTO THE NETWORK (INJECTED/REQUESTED)	99.51%
AVAILABILITY OF FACILITY	99.97%

SYSTEM OPERATION

In 2014, the intake of natural gas into the infrastructure operated by the RNTGN concession holder was mostly through Campo Maior (67.0%), which connects with the Maghreb gas pipeline and supplies Portugal with gas mainly from Algeria. The intake from the regasification of liquefied natural gas at the REN Atlântico Sines Terminal stood at 27.8%. Grid input points via underground storage and Valença were equivalent to 5.1% and 0.1%, respectively, of the total intake into the national system. The following graph shows the weighting of intakes into the system.



In 2014, the 46,337 GWh (around 3.99 bcm) of natural gas transported by the RNTGN included domestic high-pressure consumption and the injection of natural gas into underground storage. This latter activity reached a figure of 2,269 GWh (around 0.19 bcm), 75.7 GWh of which were injected for the commissioning of the new cavern at the underground storage facilities. There was no offtake of natural gas to Spain through the Valença do Minho interconnection.

With regard to the usage of system capacities, in 2014, the maximum daily intake figure through Campo Maior was 120.2 GWh and 94.9 GWh through Sines. The peak values thus recorded corresponded to maximum usage of 90% at Campo Maior and 49% at Sines. With regard to the interface with underground storage, maximum daily withdrawal reached 77.4GWh while the injection reached 26.7GWh, equivalent to almost 100% usage of the maximum infrastructure capacity.

With regard to system management of the infrastructures in the National Natural Gas System (SNGN), in 2014, different activities were carried out which required intervention in relation to the coordination of natural gas flows. This had significant impact on several entities in the SNGN, also involving the operator of the interconnected network. Of special note: (i) the conditioned operation due to pressure limitation, caused by the incident at the Souselas gas pipeline network, and the respective repair (January to July); (ii) the preparation and commissioning of the new REN C6 cavern in the joint underground storage cavern park. This new cavern ensures suitable availability, both for the surface station and SNGN operating conditions (December).

Seeking to optimise resources, meet audit requirements and add value to the services provided to internal and external clients, a search was undertaken to find a management model for the industrial information systems which support activities for the supervision and control of the natural gas transmission network, management of third-party access to the network and other activities associated with the management of the natural gas transmission network. This search culminated in the definition of management policies and processes which are in line with business requirements and best sector practices.

As a result of the different regulatory amendments implemented in 2014, several adjustments/adaptations to the platform for third-party access to the network (ATR) were carried out. Of note among these changes were the specification process, development and implementation of the new rules arising from the introduction of slot/operational storage concepts, related to access by Market Agents to the berthing and dispatch of gas carrying tankers.

LNT Terminal
received a total
of 27 ships in
2014

As part of the South Gas Regional Initiative (S-GRI) and in compliance with requirements set out in European regulations, System Management participated, in liaison with the Spanish counterpart Enagas, in specification processes and the implementation of a nominations model for the virtual interconnection point at the border for the Iberian market (VIP Ibérico), based on Edig@s messages.

At the same time, System Management maintained the monitoring of activities carried out by the European Network of Transmission System Operators for Gas (ENTSO-G) relating to: (i) the development of the interoperability network and data exchange code, also collaborating with the DGEG in the preparation of the respective comitology process; (ii) the monitoring of the implementation status of the Third Energy Package and network codes already published.

OPERATION OF THE SINES LNG TERMINAL

With regard to operations, the LNG Terminal received a total of 27 ships in 2014 (20 unloading operations, 1 cooling operation and 6 loading operations), corresponding to total unloaded energy of 18.13 TWh and issue of 12.86 TWh to the network. In the same period, 4,253 tankers were loaded, of which 1,072 were for the Island of Madeira and 4 for Spain, corresponding to total energy of 1.23 TWh.

Eight audits were conducted, all with positive results, three of which under the SEVESO directive, two in connection with the verification of the integrated quality, environment, occupational health and safety management system, one internal audit relating to the ISPS Code and one within the scope of the APS concession contract.

A safety drill was conducted with the participation of external entities, which tested the response capacity of REN Atlântico and other bodies involved in the protection of the facility (ISPS) and Safety (PEI-SEVESO).

OPERATION OF REN ARMazenAGEM

In total, in 2014, 1,043 GWh of natural gas were withdrawn and 1,547 GWh were injected into REN Armazenagem caverns, with domestic consumption of around 11 GWh. With regard to the operation of the surface facility, total processed natural gas was 4,645 GWh, broken down into 2,376 GWh of withdrawals and 2,269 of injection, 75.7 GWh of which correspond to the first filling of the REN-Armazenagem REN C6 cavity. Overall self consumption by the Gas Station in 2014 corresponded to 16.4 GWh.

At the end of the year, compared with 2013, the following balance of stocks was seen:

NATURAL GAS STOCKS AT REN ARMazenAGEM (GWH)*

AT 31 DECEMBER 2013	AT 31 DECEMBER 2014	VARIATION 13/14 (ENERGY)
443	936	111%

* the figures indicated do not include cushion gas

**AVERAGE DAILY LEVEL OF NATURAL GAS STOCKS
AT REN ARMAZENAGEM (GWH)***

'13	'14	VARIATION 14/13 (ENERGY)
1,218	852	-30%

* the figures indicated do not include cushion gas

At 31 December 2014, the nominal capacity figures for REN Armazenagem's four caverns in operation were as follows:

INFRASTRUCTURE CAPACITIES [GWH]

	'13	'14
MAXIMUM CAPACITY	1,642	2,455
EFFECTIVE MAXIMUM CAPACITY AFTER TECHNICAL RESTRICTIONS	1,478	2,209
COMMERCIALY AVAILABLE CAPACITY	1,398	2,129
CUSHION GAS	1,591	1,660

Notes:

- ◆ Cushion gas - permanent volume of gas maintained in cavities in order to ensure the minimum pressure required to safeguard their structural stability;
- ◆ Maximum capacity - total capacity minus the cushion gas volume;
- ◆ Maximum effective capacity after technical restrictions - maximum capacity minus the volume restrictions for using the caverns due to technical constraints;
- ◆ Commercially available capacity - maximum effective capacity after technical restrictions minus the capacity allocated to the SNGN technical system manager for operational reserves.

3.3.2 INVESTMENT IN RNTIAT

In 2014, REN continued with the implementation of the development and investments plan in the National Transmission Network, in the Underground Storage Infrastructures and in the LNG Terminals (RNTIAT). This plan, which includes development and expansion projects, such as those for internal reinforcement, remodelling and connection to the RNDGN and to customers, represented investment in 2014 in the field of natural gas of 21.0 million euros, with the respective entry into operation totalling 40.3 million euros.

REN GASODUTOS

As part of RNTGN expansion projects, REN Gasodutos put two new delivery points into operation, Santa Margarida da Coutada (Constância) and Sines. In addition to these points, an upgrade was also carried out to the Loures delivery point, reinforcing the capacity to supply Natural Gas to distributor companies at these points.

With regard to the IT infrastructure for the industrial systems and in response to the requirement to comply with national and European regulatory amendments, REN Gasodutos made numerous investments with the goal of defining a management model for the industrial IT systems and automating processes for third-party access to the network.

REN ARMAZENAGEM

In 2014, REN Armazenagem made a series of investments with a view to ensuring supply security and the availability capacity of natural gas storage. This included:

Conclusion and placing into service of Cavern REN C,6 which underwent leaching and commissioning in 2014. A final geometric volume of around 581,000 m³ was achieved.

Installation of a subsidence monitoring system for recording and assessing, over time, of possible changes to the topography of land surrounding the Carriço facilities. This system seeks to comply with Regulations on the Underground Storage of Natural Gas in Natural Saline Formations, Implementing Order No 181/2012, Article 64.

REN ATLÂNTICO

In 2014, only small investment projects were undertaken. The most relevant was the acquisition of two spare edges for the sea unloading arms. In total, REN Atlântico invested 1.7 million Euros.

3.4 OTHER BUSINESS

3.4.1 REN TRADING

ENERGY ACQUISITION CONTRACT (CAE) MANAGEMENT

Energy Acquisition Contracts (CAE) not subject to early termination in accordance with Decree-Law No 172/2006 of 23 August, are managed until they end by REN Trading, a company wholly owned by REN - Redes Energéticas Nacionais, SGPS.

As such, REN Trading manages the CAE with Tejo Energia for groups 1 and 2 of the Pego Thermal Power Plant (576 MW), and the CAE with Turbogás, for the Tapada do Outeiro Thermal Power Plant (990 MW). The company's aim is to maximize profits from the sale of power and system services on the market as well as to minimize CAE costs, in compliance with Directive No 2/2014 of 3 January issued by the Energy Services Regulatory Authority (ERSE).

In the management of the CAE, REN Trading acquires all the energy and system services from the Pego and Tapada do Outeiro Power Plants. In this field, in addition to the Natural Gas Consumption Management Agreement (AGC) established with GALP Gás Natural, S.A., it is also necessary to accompany the markets in fuels (coal and natural gas) and their respective indexes.

During 2014, intermittent negotiations continued with Galp with the aim of reducing the quantity of gas required to be consumed at the Tapada do Outeiro Power Plant, so as to adapt the plant's production to real market needs, with the resulting benefits of a reduction in costs to be borne by the consumer.

With regard to operating in the European market for emissions licences (ETS - Emissions Trading Scheme), there was active trading on the ICE Intercontinental Exchange.

REN Trading is responsible for acquiring all CO₂ emissions licences required for the two abovementioned power plants, taking into account their production. This consists of acquiring the CO₂ emissions licences on the secondary market through futures contracts, in other words the EUAs (European Unit Allowances) required to comply with environmental obligations.

The sale of electric power on the market is mainly carried out through the Iberian Electricity Market (placing daily and intraday sales and repurchase offers on the OMIE) and on the System Services market, operated by the System Manager. The company continued to participate actively in the Portuguese System Services market, with good overall results.

Through its Financial Products area, REN Trading accompanies trends in the CO₂ emission licences markets. Futures purchase operations are conducted, with the physical handover of CO₂ licences issued by the plants.

As it is a regulated company, in its Directive No 2/2014 of 3 January, ERSE established the economic incentive mechanism for the optimised management of CAE plants. The final value of the incentives is derived from the margin between income (Iberian Market and System Services) and the variable costs of both plants. The aim is thus to optimise the sales of power from the plants and minimize the costs of acquiring fuel (coal and natural gas) and the CO₂ emissions licences.

The operating results of the company in 2014 therefore correspond to the value calculated for the incentives defined by ERSE, which are listed below:

ICAE - Annual value of the incentive for optimising management of CAE from the Turbogás and Tejo Energia Power Plants; (limited to 3 million euros, having reached 2.75 million euros in 2014, provisional value to be approved by ERSE);

PAM – corresponds to the annual value of the market suitability premium for CAE management (limited to 0.3 million euros, fully reached in 2014).

The total value of incentives obtained in 2014 was therefore 3.05 million euros (provisional value to be approved by ERSE), a sum slightly higher than that recorded last year.

3.4.2 RENTELECOM

The REN Group is present in the Information and Communication Technologies market through RENTELECOM, a company wholly owned by the Group and certified by APCER in accordance with the NP EN ISO 9001, NP EN ISO 14001 and OHSAS 18001 standards.

RENTELECOM was incorporated in 2002 with the primary goal of deriving profits from the surplus capacity of the REN – Rede Eléctrica Nacional secure telecommunications network and it subsequently expanded the scope of its activity to the REN Gasodutos infrastructure when this company was integrated into the REN Group in 2007.

RENTELECOM works in various activities, including infrastructure (rental of fibre optics and communication towers), data transmission services, data centres, maintenance, projects and consulting.

In a difficult economic scenario, RENTELECOM strengthened its commercial activity and maintained turnover, reinforcing its presence in the corporate market (75%) and reducing exposure to the telecommunications operators market (25%).

In the area of data centre services, the company extended its contract with its largest client and also saw growth of 2% in 2014. Further growth is expected for 2015, a result of an increase in commercial activity and another important contract signed in 2014 which will impact on results as of mid 2015.

In the field of rental of fibre optics, the company maintained results but also signed two important contracts with international clients for Iberian networks which will impact on results in 2015.

In relation to projects, the company won four important telecommunications projects contracts for hydroelectric power plants in Portugal. These contracts have already impacted on 2014 results accounting for almost 10% of turnover. With the conclusion of all of the projects in 2015, it is estimated that turnover will be similar.

In 2014, RENTELECOM also continued to develop international commercial activities with special focus on telecommunications infrastructures in Africa.

3.4.3 ENONDAS

BRIEF DESCRIPTION OF BUSINESS

The ENONDAS mission is centred on the management of a maritime area of around 320 km², providing it with the necessary infrastructure for the development of marine energy.

It is a company dedicated to public service based on a concession contract awarded by the Portuguese State.

ENONDAS ACTIVITY

Over the last year, ENONDAS implemented and concluded the environmental projects in the Pilot Zone and the respective access regulations. After a public

The ENONDAS mission is managing a maritime area of around 320 km²

consultation stage which included the geophysical characterization concluded in 2013, the abovementioned regulations were approved by the government, as laid down in the concession contract.

Furthermore, dissemination and promotion actions were undertaken through the launching of the official website (www.oceanplug.pt) and participation at wave power forums including the annual WAVEC conference, the cycle of colloquiums at the Legal Institute of the Coimbra Faculty of Law and the workshop organized by the Luso-American Foundation. Of special note was the invitation sent to ENONDAS to participate in the making of the commemorative book to celebrate the 20th anniversary of the UN Convention on the Law of the Sea.

With the aim of promoting the Pilot Zone, ENONDAS joined WAVEC - Offshore Renewables and OEF - Ocean Energy Forum, umbrella organizations for numerous national and European entities working in the sector, more specifically, promoters, manufacturers and peer companies.

Joining OEF also allows the company to contribute to the support that this body provides to the European Commission in the development of legislation, which in turn allows faster development of wave power.

With the goal of promoting the Pilot Zone, ENONDAS also established a Memorandum of Understanding with a European promoter. This promoter is developing a system to generate power from waves and is almost at the trial stage.

ENONDAS has also undertaken the necessary steps for its integration and certification within the REN Group Integrated Quality, Environment and Occupational Safety and Health Management System.

With regard to commercial activity, ENONDAS has maintained contacts with potential clients and sector companies with the aim of keeping their interest active in the Portuguese Pilot Zone.

As Decree-Law Nos 5/2008 and 238/2008 were not amended by the Government in 2014, it was not possible to start any infrastructure investment projects.

In light of this constraint, ENONDAS launched a study on technical alternatives which allow the setting up of prototypes in the Pilot Zone, even without the installation of the underwater electrical grid connection cable.

FUTURE PERSPECTIVES

Continuing with compliance with obligations arising from the Concession Contract, the plans and regulations required for operating the the Pilot Zone will be developed. More specifically, this will involve the maritime operation and maintenance safety plan and the regulations on the use of common infrastructures.

The infrastructure project will also be promoted (electrical connection and respective underwater cable). However, this project is dependent on the review of legislation by the Government. At the same time, technical alternatives will be explored allowing development projects to be attracted.

Commercial activity will be maintained through dissemination of the Pilot Zone at sector events and in key publications.

ENONDAS will continue to maintain solid interaction with the public entities responsible for the areas in question. These include the Directorate-General of Energy and Geology, the Portuguese Environment Agency, the Directorate-General of Maritime Authority, the Directorate-General of Natural Resources, Safety and Maritime Services, the Portuguese Sea and Atmosphere Institute and the Institute for the Conservation of Nature and Forests.

3.4.4 BUSINESS DEVELOPMENT

During 2014, REN continued to develop its international expansion plan. As such, a series of organizational changes were undertaken, more specifically the merger of corporate units for business development and consultancy and commercial services. The resulting benefits and synergies will allow the company's technical competences to be maximized and applied to international growth.

The international expansion programme started in 2011, and in 2012 the company reviewed its strategic plan for 2012-2016. Internationalisation is one of the main pillars in the Group's strategy.

A set of guidelines have been defined, notably the objective, based on the company's core business, of reducing exposure to a single regulated market, through the diversification of investment and revenue sources. In carrying out its internationalisation plan, REN will ensure a balanced use of its resources between acquisition opportunities – projects generating immediate cashflow – and greenfield opportunities – projects implemented over a longer term. Taking into consideration the inherent risks and competitive nature of the target markets, internationalisation will be carried out in phases and on a case-by-case basis. Projects will be implemented preferably in partnership with experienced entities and with complementary execution models. International investment will be guided by an attitude of financial prudence, so as to ensure suitable returns.

Geographical priorities for international expansion have been defined in accordance with economic and sector criteria. Therefore, REN has an active policy in place for the development of projects in the countries of Central and South America, as well as in Africa. Furthermore, the company is seeking to develop projects in certain European markets, the Middle East and Asia, as well as in the USA based on a logic of identifying specific opportunities.

Over the last three years, REN has undertaken negotiations to acquire holdings in companies and other entities which operate energy infrastructures. Further to exploratory work, the company also participated in formal development processes for greenfield projects.

At the same time, REN has undertaken consultancy work in engineering, through international tenders and direct commercial actions. Specialised services have been provided both in Portugal and abroad. The knowledge and experience gained provide the company with the engineering capabilities enabling it to offer services to other entities in the transmission of both electricity and gas. This is a strategic activity for the internationalisation of the Group. This knowledge represents an important competitive advantage over other consultancy service providers.

Of note among the main developments with regard to international investment and consultancy services are:

- ◆ Central and South America

Identification and monitoring of acquisition and greenfield project development opportunities with short-term prospects (Mexico, Peru and Chile).

During 2014
REN continued
to develop its
internationalization
plan

- ◆ Southern Africa

Collaboration in the development of the project Sociedade Transmissão de Energia (STE) in Mozambique, the goal of which is to design, build, operate and maintain the future 'backbone' of the Mozambique Electricity Network. This infrastructure will be approximately 2,000 km in length and include a connection to South Africa and future hydro and thermal power plants.

Development of relationships with local stakeholders through participation in consultancy tenders.

Participation in the project to develop the Mozambique network code, jointly developed by REN with the Ministry of Energy and Electricity of Mozambique. This document, which outlines the basis of the country's electricity sector, was published by the competent administrative authorities.

- ◆ Europe

Participation in the Eastern Europe consultancy market. Numerous support services were supplied to an operator in this region.

Provision of supervision services in Portugal for a project to construct connection lines from power plants to the National Electricity Network.

REN will implement a logic of sustainability for the Group, employing its recognised experience as the operator of electricity and natural gas transmission systems, seeking to:

- ◆ Develop partnerships with power network operators on an international level, which can result in cooperation agreements for the technical exchange of information and evaluation of business of common interest;
- ◆ Establish and formalise relationships with multilateral agencies providing support in the development and financing of infrastructures, with the aims of identifying business opportunities, facilitating access to financing and finalising engineering consultancy proposals.

3.5 FINANCIAL PERFORMANCE

3.5.1 RESULTS IN 2014

In the 2014 fiscal year, REN group net income reached 112.8 million euros, a decrease of 8.5 million euros (-7.0%) when compared to the previous year. This evolution was strongly influenced by the extraordinary levy on the energy sector established in the 2014 State Budget Law (-25.1 million euros), offset by the good performance of financial income. However, excluding extraordinary effects, recurrent net income grew 19.6 million euros (+16.3%), standing at 140.3 million euros.

Investment and Transfers to RAB decreased by 24.6 million euros (-13.1%) and 50.8 million euros (-20.7%), respectively, particularly in the electricity segment. Nevertheless, average RAB increased by 38.4 million euros (+1.1%), standing at 3,529.2 million euros.

Financing conditions evolved positively, with the average cost of debt standing at 4.67%, (-87bp when compared to 2013). On the other hand, net debt grew 1.4% (+33.9 million euros), reaching 2,436.2 million euros at the end of 2014

MAIN INDICATORS (MILLION EUROS)	'14	'13	VAR.%
EBITDA	505.2	521.5	-3.1%
FINANCIAL INCOME ⁸	-113.8	-142.2	20.0%
NET INCOME	112.8	121.3	-7.0%
RECURRENT NET PROFIT	140.3	120.7	16.3%
TOTAL CAPEX	163.3	187.8	-13.1%
TRANSFERS TO RAB (AT HISTORICAL COSTS) ⁹	194.2	245.0	-20.7%
AVERAGE RAB (AT REFERENCE COSTS) ¹⁰	3,529.2	3,490.8	1.1%
NET DEBT	2,436.2	2,402.3	1.4%
AVERAGE DEBT COST	4.7%	5.5%	-0.87 P.P.

⁸ 2014 excludes the financial cost from the interconnection capacity auctions between Spain and Portugal (0.4M€) - known as FTR (Financial Transaction Rights), that were reclassified to Revenues.

⁹ Includes direct acquisitions (RAB related).

¹⁰ Includes the value of ENONDAS regulated asset base, which is now considered materially relevant. For comparison purposes, the values for the previous year were adjusted in accordance.

OPERATIONAL RESULTS - EBITDA

EBITDA stood at 505.2 million euros, a decrease of 16.3 million euros (-3.1%) with regard to 2013.

EBITDA (MILLION EUROS)	'14	'13	VAR.%
1) REVENUES OF ASSETS	469.7	476.0	-1.3%
RETURN ON RAB	262.8	269.2	-2.3%
SMOOTHING DIFFERENCES AND NEUTRALITY EFFECT (GAS)	-5.5	-11.5	52.4%
HYDRO LAND REMUNERATION	0.2	8.3	-98.1%
LEASE REVENUES FROM HYDRO PROTECTION ZONE	0.7	0.7	-1.1%
REMUNERATION OF FULLY DEPRECIATED ASSETS	8.6	8.3	4.2%
RECOVERY OF DEPRECIATION (NET FROM SUBSIDIES)	185.0	181.9	1.7%
SUBSIDY DEPRECIATION	17.8	19.1	-6.9%
2) REVENUES FROM OPEX	103.1	104.6	-1.5%
3) OTHER REVENUES	19.7	20.7	-4.9%
4) OWN WORKS (CAPITALISED IN INVESTMENT)	20.4	25.3	-19.4%
5) EARNINGS ON CONSTRUCTION (EXCL. OWN WORKS) - CONCESSION ASSETS	142.8	162.2	-12.0%
6) OPEX	106.2	110.7	-4.1%
PERSONNEL COSTS ¹¹	53.4	54.4	-1.8%
EXTERNAL COSTS	52.8	56.3	-6.2%
7) CONSTRUCTION COSTS - CONCESSION ASSETS	142.8	162.2	-12.0%
8) PROVISIONS/ (REVERSAL)	1.4	-0.2	
9) IMPAIRMENT OF RECEIVABLE DEBTS/ (REVERSAL)	0.0	-5.3	-100.5%
10) EBITDA (1+2+3+4+5-6-7-8-9)	505.2	521.5	-3.1%

This result is mainly explained by the following factors:

- ◆ The reversal of an impairment of receivable debts in 2013, a non-recurrent effect (-5.3 million euros);
- ◆ The reduction of 8.2 million euros (-98.1%) in hydro land remuneration, due to the regulatory changes to the calculation methodology of the rate of return. In 2013, the rate was calculated based on the interbank mid-swap rate with the term closest to the hydro land legal amortization period. However, the new legislation establishes a 0.06% transitory rate of return for 2014 and a variable rate of return from 2015 onwards associated to REN's performance level as system operator;
- ◆ The decrease of 6.3 million euros (-2.3%) in RAB remuneration, of which return on natural gas accounted for -6.1 million euros. The rate of return for natural gas is indexed to the evolution of the daily average of 10 year Portuguese Bonds;

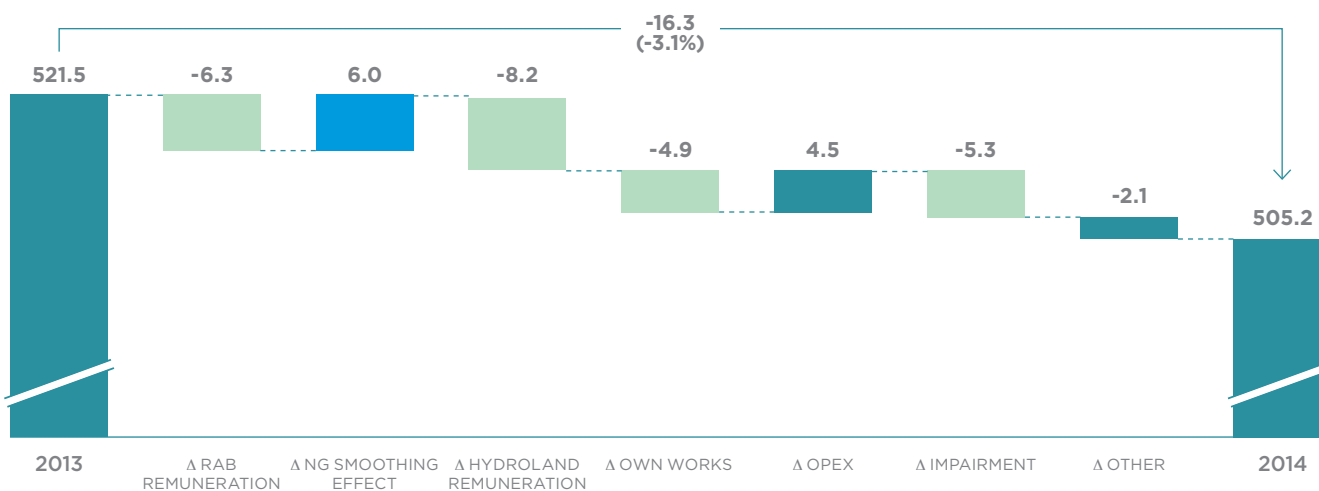
¹¹ Includes training costs. Additionally, this heading includes the sum of 2.7 million euros relating to bonuses for distribution to employees of REN SGPS, S. A. (0.3 million euros) and its subsidiary companies (2.4 million euros).

- ◆ The reduction of 4.9 million euros (-19.4%) in own works revenues, as a consequence of the drop in financial own works due to the decrease in the average value of assets in progress and the average cost of debt;
- ◆ The increase of 1.6 million euros in provisions, in which we highlight the provision of 0.6 million euros for the payment of interest and penalties which may result from REN's default on energy sector levy payment deadline.

These negative results were partially offset by:

- ◆ The reduction of 4.5 million euros (-4.1%) in Opex, reflecting a continued effort towards optimization and operational efficiency. Regarding this reduction, -5.0 million euros is due to a decrease in core external costs and -0.8 million euros in personnel costs, partially offset by an increase of 1.3 million euros in pass-through costs;
- ◆ The positive evolution of the Natural Gas smoothing effect accounted for +6.0 million euros (+52.4%);
- ◆ The increase of 1.8 million euros (+0.9%) in the recovery of amortization (including amortization of subsidies), aligned with the growth in the regulatory asset base.

EVOLUTION OF 2013-2014 EBITDA



NET INCOME

REN group net income decreased by 8.5 million euros (-7.0%) when compared to 2013, standing at 112.8 million euros. This decrease is mainly due to the effect of the extraordinary levy on the energy sector established in the 2014 State Budget Law (-25.1 million euros), as well as the decrease of 16.3 million euros (-3.1%) in EBITDA. These effects were partially offset by the good performance of financial results, which increased by 28.4 million euros (+20.0%), aligned with the decrease of average cost of debt, which dropped from 5.54% to 4.67%.

Recurring net income (i.e. net income less non-recurring items) increased by 19.6 million euros (+16.3%). The non-recurring items considered in 2013 and 2014 were as follows:

- ◆ In 2014: i) cost of carry of European Investment Bank escrow account of 3.6 million euros (2.5 million euros after tax); and ii) Energy sector extraordinary levy, as established in 2014 State Budget Law (25.1 million euros);
- ◆ In 2013: i) cost of carry of European Investment Bank escrow account of 4.6 million euros (3.2 million euros after taxes); ii) annulment of the provision for impairment of receivables worth 5.3 million euros (3.8 million euros after tax);

NET INCOME (MILLION EUROS)	'14	'13	VAR.%
EBITDA	505.2	521.5	-3.1%
DEPRECIATION	202.6	201.2	0.7%
FINANCIAL INCOME	-113.8	-142.2	20.0%
INCOME TAX EXPENSES	51.0	56.7	-10.2%
ENERGY SECTOR LEVY	25.1	0.0	
NET INCOME	112.8	121.3	-7.0%
NON RECURRING ITEMS	27.6	-0.6	
RECURRENT NET INCOME	140.3	120.7	16.3%

3.5.2 CAPEX AND AVERAGE RAB

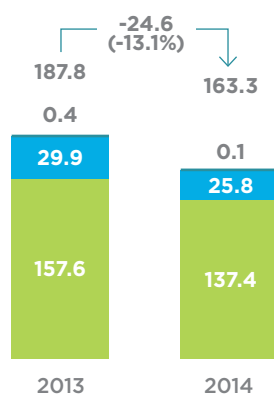
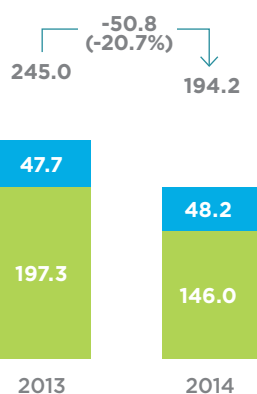
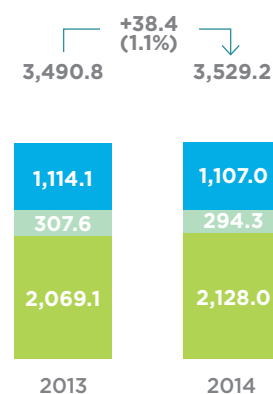
CAPEX AND AVERAGE RAB

Investment stood at 163.3 million euros, a decrease of 24.6 million euros (-13.1%), of which, -20.2 million euros (-12.8%) was in the electricity sector and -4.1 million euros in natural gas (-13.7%). In the electricity segment we highlight the development of the network in the Porto region and on the coast to the south of the Douro (39.0 million euros), as well as the development of the network in the Minho-Cávado region (26.9 million euros). In natural gas, we emphasize the conclusion of the underground storage cavern REN C6, with an investment of 16.2 million euros in 2014.

¹² 2014 exclude the financial cost resulting from the energy auctions and electrical interconnection between Spain and Portugal - designated FTR (Financial Transaction Rights), reclassified to projects.

Aligned with investment reduction, transfers to RAB decreased by 50.8 million euros (-20.7%), from 245.0 million euros in 2013 to 194.2 million euros in 2014.

Average RAB increased by 38.4 million euros (+1.1%), standing at 3 529.2 million euros. In electricity, the regulated asset base grew by 45.5 million euros (+1.9%), of which 102.0 million euros (+11.4%) was in assets with premium. However, in natural gas, average RAB dropped by 7.1 million euros (-0.6%).

CAPEX (M€)**TRANSFER TO RAB (M€)****RAB (M€)**

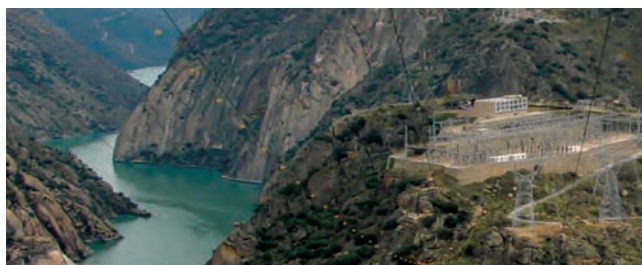
- ◆ OTHER
- ◆ GAS
- ◆ ELECTRICITY
- ◆ LAND

INVESTMENT

In the electricity segment, of note were the projects for energy flow from new production plants, the reinforcement of power supply to distribution networks, the improvement of international exchange capacity with Spain, and the safety and reliability of the system's overall functioning. Of special note: i) the development of the network in the Minho region, in which 26.9 million euros was invested in the Cávado region and 17.0 million euros in the Fafe region, ii) the reinforcement of the network in the Porto region and on the coast to the south of the Douro (39.0 million euros) and iii) the development of the network in Lisbon/Setúbal Peninsula (10.4 million euros).

Of note in the natural gas sector was the conclusion of the underground storage cavern REN C6, with an investment of 16.2 million euros in 2014, and the upgrade/construction of Loures, Sines and Santa Margarida da Coutada (Constância) GRMS.

MAIN PROJECTS IN 2014



ELECTRICITY (MAIN PROJECTS)

39.0 M€	DEVELOPMENT OF THE NETWORK IN PORTO AND THE COAST TO THE SOUTH OF THE DOURO
26.9 M€	DEVELOPMENT OF THE NETWORK IN MINHO (CÁVADO)
17.0 M€	DEVELOPMENT OF THE NETWORK IN MINHO (FAFE)
10.4 M€	DEVELOPMENT OF THE NETWORK IN LISBON AREA / SETÚBAL PENINSULA
44.1 M€	OTHER PROJECTS

GAS (MAIN PROJECTS)

16.7 M€	UNDERGROUND STORAGE CAVERN 06 [REN ARMAZENAGEM]
2.9 M€	GRMS [REN GASODUTOS]
6.7 M€	OTHER PROJECTS

ELECTRICITY: 137.4 M€

GAS: 25.8 M€

OTHER BUSINESS: 0.1 M€

GROUP'S INVESTMENT IN 2014: 163.3M€

ELECTRICITY

Investment in electricity segment stood at 137.4 million euros (-12.8%) and transfers to RAB reached 146.0 million euros (-26.0%).

In the Minho region, the new 400 kV Vieira do Minho switching station and the new 400 kV connection between this point and the Pedralva substation came into service, in order to facilitate production flow injected into Vieira do Minho through Venda Nova (Venda Nova III) and Salamonde (Salamonde II) power reinforcements. Also in this region, and in order to reinforce supply to consumers, of note was the opening of the new 150/60 kV substation in Fafe, which is also going to be used by the neighboring regions of Guimarães, Vizela and Felgueiras. This will allow the permanent closure of the current REN injector point in Guimarães, which was limited and could not be expanded.

In the Douro region, a 220 kV connection between Pocinho substation and Baixo Sabor hydroelectric power station was built to enable production flow from this new project.

In the coastal region to the south of the Douro, the 220 kV Carrapeto-Estarreja 3 line came into operation resulting from the renovation of the 220 kV Carrapeto-Estarreja 1 old line, part of it as a double line (400 kV + 220 kV). This reinforcement will also be used in the future as a means to flow production from the Alto Tâmega hydroelectric power plant.

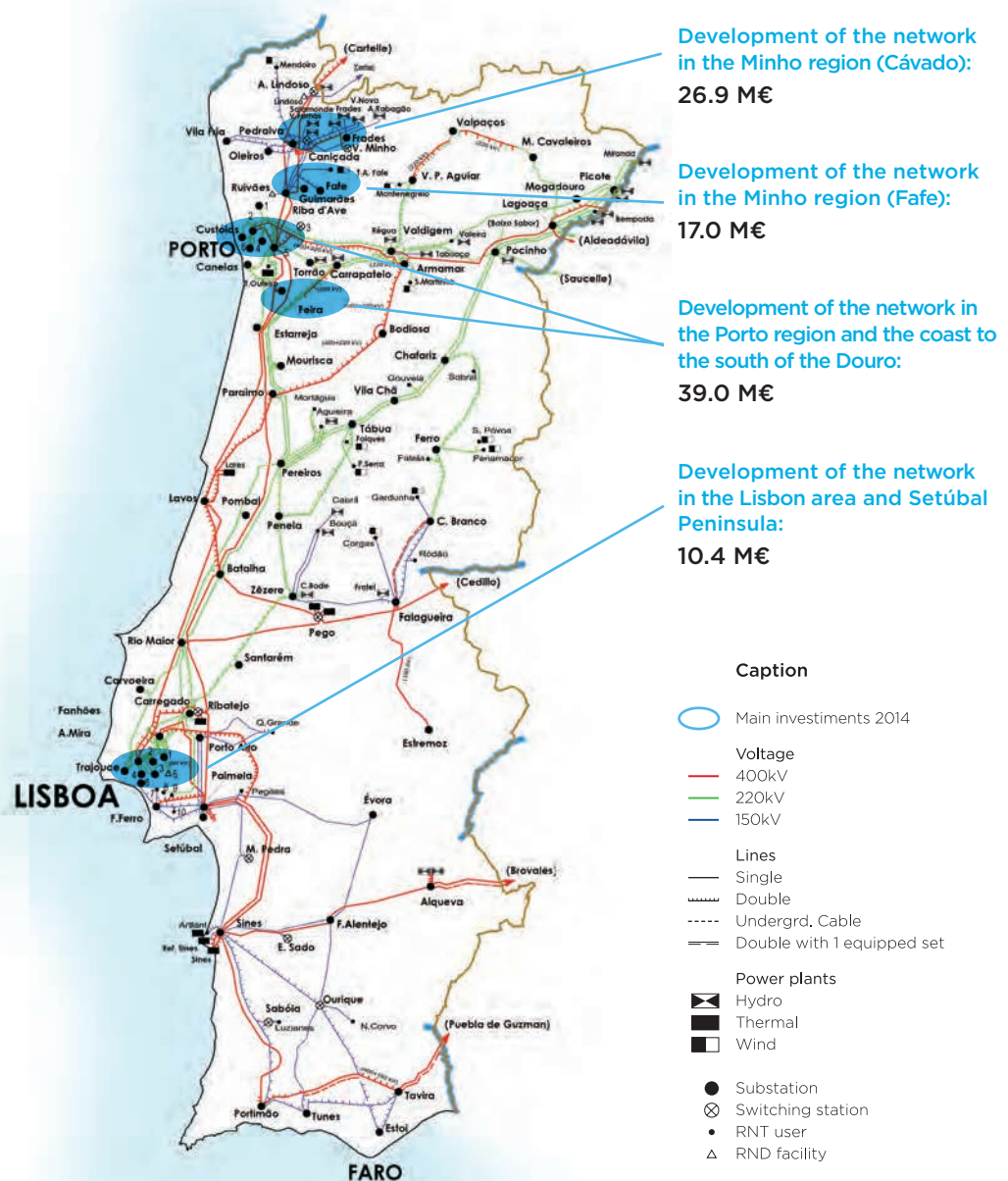
With regard to the conclusion of Alto São João substation in Lisbon, the overhead section (between Fanhões substation and Prior Velho switching station) for the future 220 kV Alto de São João – Fanhões connection was completed.

In the Algarve, the Spanish section of the 400 kV Távira – Puebla de Guzmán line was completed, which allowed this new 400 kV interconnection with Spain to be put into operation.

In order to control the voltage profile in the RNT, three shunt reactors were installed: one of 75 Mvar at 150 kV in the Távira Substation, and two of 150 Mvar at 400 kV in the Portimão and Rio Maior substations.

Transformers and autotransformers were also put into operation: a new 150/60kV 170MVA transformer in Fafe, a new 400/220 kV 450 MVA autotransformer in Vermoim and a 400/150 kV 450 MVA autotransformer in Fernão Ferro (this latter one was transferred from Palmela substation).

MAIN GROUP INVESTMENT - ELECTRICITY



NATURAL GAS

Investment in natural gas stood at 25.8 million euros (-13.7%) and transfers to RAB amounted to 48.2 million euros (+1.0%).

In 2014, REN continued with the implementation of the National Transmission Network development and investment plan, in the Underground Storage Infrastructures and LNG Terminals (RNTIAT). This plan included development and expansion projects, internal reinforcement, remodeling investments and projects for connection to the distribution network and customers.

With regard to National Natural Gas Transportation Grid expansion projects, REN Gasodutos put two new delivery points into operation in Santa Margarida da Coutada (Constância) and Sines, and also upgraded the delivery point in Loures. As a result, the delivery capability to distribution companies has been reinforced at these points.

In relation to the industrial systems IT infrastructure and in response to the need for compliance with national and European regulatory changes, REN Gasodutos made several investments to define a management model for industrial information systems and to automate computer system processes for third party access.

In 2014, REN Armazenagem investment focused on assuring security of supply to consumers and increasing natural gas storage capacity. Of note with regard to the latter was the conclusion of underground storage cavern C6, as well as the installation of a subsidence monitoring system for recording and assessing, over time, possible changes to the topography of land surrounding the Carricho facilities. This system seeks to comply with Regulations on the Underground Storage of Natural Gas in Natural Saline Formations, Implementing Order No 181/2012, Article 64.

In 2014, REN Atlântico only undertook small investment projects. The most relevant was the acquisition of two spare edges for the sea unloading arms.

MAIN GROUP INVESTMENT - GAS

National Transmission Network, storage infrastructures and LNG Terminals



3.5.3 FINANCING AND DEBT

2014 saw a substantial reduction in the cost of REN's debt from 5.54% to 4.67%. This was the result of the improvement in the country's macro-economic environment, allowing debt to be refinanced under clearly more competitive terms. REN's financing strategy has placed special emphasis on the flexibility of the financial instruments contracted, thus allowing the Company to quickly adjust the cost of debt to the improvement seen in credit market conditions.

REN has taken advantage of the improved environment to reorganize its debt, reinforcing liquidity and financial solidity, promoting the diversification of its sources of financing and base of financiers while also reducing the risk of refinancing.

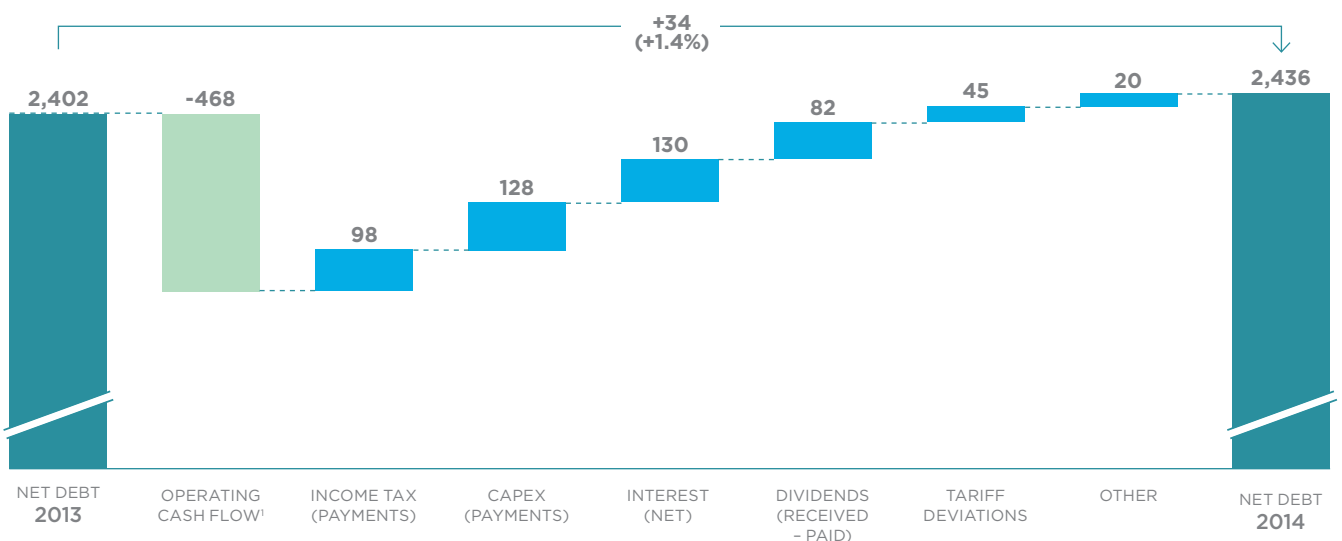
During 2014, the following operations were undertaken:

- ◆ In April, a credit line was established with Bank of China for 200 million euros, with maturity of five years.
- ◆ In September, the EIB - European Investment Bank approved a new long-term financing agreement for 200 million euros, divided into two parcels of 100 million euros.
- ◆ Four commercial paper programmes were also renegotiated, with a total amount of 650 million euros.

The amount of funding operations negotiated in 2014 stood at approximately 1,050 million euros.

At the end of 2014, REN Group consolidated net debt was 2,436.2 million euros. This is 33.9 million euros more than for 2013. This increase is due to the amounts paid for tariff deviations, the scope of which was only partially offset by a decrease in interest expenses for 2013.

NET DEBT M€



1. EBITDA - NON CASH ITEMS

FINANCIAL DEBT

(MILLION EUROS)

VARIATION

(IFRS)	'14	'13	ABSOL.	%
GROSS DEBT	2,604.5	2,680.5	-76.0	-2.8%
MINUS HEDGING SWAPS	17.9	-12.0	29.8	249.3%
MINUS CASH AND CASH EQUIVALENTS	114.3	181.9	-67.6	-37.1%
MINUS FINANCIAL PLEDGES	99.4	108.3	-8.9	-8.2%
LESS OTHERS *	-63.3	0.0	-63.3	
NET DEBT	2,436.2	2,402.3	33.9	1.4%

*1 See note 23 on the amount received by REN to be returned to SEN..

Bond issues were the primary source of funding during 2014, representing almost 52% of the gross debt, followed by bank loans with a weighting of almost 33%.

SOURCES OF FINANCING
CAPITAL OWED (MILLION EUROS)

VARIATION

WEIGHTING

	'14	'13	ABSOL.	%	'14	'13
BOND ISSUES	1,336.4	1,606.4	-270	-16.8%	51.9%	59.6%
BANK LOANS	859.0	855.2	3.8	0.4%	33.4%	31.7%
COMMERCIAL PAPER	377.0	230.0	147	63.9%	14.6%	8.5%
OTHER	3.3	2.4	0.9	37.5%	0.1%	0.1%
TOTAL	2,575.7	2,694.0	-118.3	-4.4%	100.0%	100.0%

Net financing costs fell by 26 million euros over figures for 2013, from 148.8 million euros to 122.8 million euros. This fall can be explained by the improvement in credit market conditions which allowed debt to be refinanced in conditions which were clearly more competitive. Among the refinancing operations undertaken, of note was the 800 million euros bond issue with a 6.875% coupon which matured on 10 December 2013. This bond issue was refinanced at significantly lower interest rates, the impact of which was felt mainly in 2014.

The average cost of gross debt in 2014 was 4.67%. This is 0.87% less than in 2013.

Interest rate risk management policy continues to focus on reducing the volatility of financial charges. REN's fixed rate debt represented 44.6% of total debt.

With regard to the Company's liquidity, continuation was given to ensuring that financing needs were covered for a minimum period of two years.

In relation to the Company's rating, of note was REN's return to Moody's investment grade, with a rating of Baa3 with stable outlook being given in July.

At the end of 2014, REN's credit risk ratings with Fitch, S&P and Moody's were BBB (stable outlook), BB+ (stable outlook) and Baa3 (stable outlook), respectively.

3.6 PERSPECTIVES FOR 2015

The management of electricity and gas power transmission infrastructure at the highest level of safety and operational and financial efficiency is at the top of our list of priorities

In 2015, REN's Board of Directors will start a new three-year term of office. As is normally the case, this new Board will consist of directors who are following on from the previous term of office, as well as new members joining the Company for the first time.

In addition to the focus on operations and management as a clear priority for everyone involved in our organization, one of the new Board's first tasks will be to review and submit the strategic plan for coming years. Without wishing to reveal our ideas just yet, we'll be maintaining the main pillars of how we operate while also revisiting and fine tuning some of our ambitions, more specifically in the area of international business development.

REN's business has been centred on Portugal and our work in this country will never be called into question. The management of the electricity and gas power transmission infrastructure at the highest level of safety and operational and financial efficiency is at the top of our list of priorities. This is the greatest responsibility we have and we are fully aware that it may never be compromised.

Our outlook for the future is positive but, as should be expected, we also have our concerns. Given the characteristics of our work and the better short and medium-term macroeconomic expectations for Portugal, we see evolution as being positive, but not without its challenges. These challenges will be from both a regulatory as well as a fiscal standpoint.

Some of the challenges we face are critical. Our approach with the Portuguese State is one of cooperation. However, we must also defend the principles on which the concessions we manage are based. These principles are vital for the sustainability of a model ensuring the highest operational standards where the stability of the infrastructures we are entrusted with can never be jeopardised.

We are fully committed to continuing on a dynamic path, building the future on the work we have done while also maintaining attractiveness as an investment. We hope to continue to maximize the advantages presented by the sharp reduction in sovereign risk and REN's good financial position and rating to create value for shareholders by reducing the average cost of Company debt and through the expected sustainability of our business model.

We will continue to focus on improving our efficiency through the ongoing review of processes and constant innovation. Operating efficiency will continue to be a constant concern, but always ensuring that employees follow best practices and that a preventive approach be adopted with regard to environmental challenges. All our work will continue to be undertaken with full consideration for the principles of the Global Compact initiative.

Finally, we can count on an important basis of national and international shareholders who are highly committed to our success. This support provides an important catalyst and leverage, allowing us to look to the future with confidence.

3.7 PROPOSED ALLOCATION OF NET PROFIT

The consolidated net profit of REN SGPS, S.A. in the 2014 financial year amounted to 112,777,355.64 euros (one hundred and twelve million, seven hundred and seventy seven thousand, three hundred and fifty five euros and sixty four cents).

Considering the above stated, the Board of Directors, pursuant to article 28 of the Articles of Association of REN SGPS, S.A. and Articles 31 to 33, paragraph f) of number 5 of Article 66, Articles 294 and 295 and numbers 1 paragraph b) and 2 of Article 376, all from the Portuguese Companies Code, proposes that the net profit for the financial year of 2014, verified in the individual financial statements according to the National Accounting System's norms and rules, amounting to 106,256,906.40 euros (one hundred and six million, two hundred and fifty six thousand, nine hundred and six euros and forty cents) has the following implementation:

- ◆ For legal reserve – 5,312,845.32 euros (five million, three hundred and twelve thousand, eight hundred and forty five euros and thirty two cents);
- ◆ For dividends 91,314,000.00 euros (ninety one million, three hundred and fourteen thousand euros), corresponding to a distribution of 80.97% of the consolidated net profit of REN SGPS, S.A. in the 2014 fiscal year, amounting to 112,777,355.64 euros (one hundred and twelve million, seven hundred and seventy seven thousand, three hundred and fifty five euros and sixty four cents), which corresponds to the distribution of a gross dividend per share value of 0.171€;
- ◆ To retained earnings: 9,630,061.08 euros (nine million, six hundred and thirty thousand, sixty one euros and eight cents).
- ◆ As distribution to REN's and its subsidiaries employees: 2,700,000 euros (two million and seven hundred thousand euros). Due to the accounting rules in force, this amount is already reflected in the net profit of the financial year ended on 31 December 2014 of REN, S.G.P.S., S.A.



SUSTAINABILITY

€3.9M + 516.5 + RATING AAA

ENVIRONMENTAL
CONSERVATION

HOURS OF
VOLUNTEER WORK

IN CORPORATE GOVERNANCE

20
YEARS

AGIR AWARD

Improving the quality of life by respecting the environment. Investing in the training and development of employees and promoting a relationship of trust with all stakeholders. This is the contribution REN hopes to bequeath to future generations. A formula based on a strong commitment to sustainable development, appreciating the importance of natural resources for the well-being of communities.

**THIS IS OUR FORMULA
FOR SUCCESS**

04

SUSTAINABILITY



REN respects the commitment arising from having joined, in 2005, the United Nations Global Compact (UNGC) initiative to provide information on its progress in implementing the ten principles regarding human rights, employment protection, environmental protection and anti-corruption measures.



04 SUSTAINABILITY

BIODIVERSITY IS THEREFORE ONE OF THE MOST IMPORTANT VALUES

to REN in the assessment of the impact of its infrastructures on the environment.

4.1 SUSTAINABILITY APPROACH

The sustainability information provided in this annual report refers to 2014 and encompasses the activities of the companies of the REN Group - Rede Eléctrica Nacional S.A., REN Gasodutos S.A., REN Armazenagem S.A., REN Atlântico S.A., REN Trading S.A., REN Serviços S.A., REN Telecom S.A. and ENONDAS S.A.

This report was prepared in compliance with the third version of the Global Reporting Initiative (GRI) guidelines, based on the protocols for general indicators and on the sectoral supplement for the electricity sector, having adopted and fully responded to the requirements corresponding to the A+ level of application of the GRI and the principles of the AA1000APS standard.

C C+ B B+ A A+

SELF-DECLARED



EXTERNAL VERIFICATION



AA1000APS ACCOUNTABILITY PRINCIPLES STANDARD (2008)

The application of the principles of the AA1000APS standard, which are summarized below, was also reflected in the strategic drivers and in the contents of this report.

- ◆ Inclusion (participation of stakeholders in the development and implementation of the sustainability strategy): methodologies and processes for involvement and participation of various stakeholders were defined. The results were integrated into the REN sustainability strategy review, a fact also mentioned in Chapter 3;
- ◆ Relevance (definition of the relevant issues for REN and its stakeholders): in order to identify relevant topics, a benchmark analysis of leading national and international companies and the main industry trends in the sector was carried out. The results of stakeholder consultations held in 2011 and 2013 were also considered.
- ◆ Response (REN's response to relevant issues, through its decisions, actions, performance and communication): REN seeks to meet the expectations and concerns raised specifically by each stakeholder, either individually or generally. In general terms, this report and the REN website are the main forms of communication used to disseminate the company's strategy, initiatives and performance achieved.

4.1.1 COMMITMENTS

REN respects the commitment arising from having joined, in 2005, the United Nations Global Compact (UNGC) initiative to provide information on its progress in implementing the ten principles regarding human rights, employment protection, environmental protection and anti-corruption measures. Further information on this initiative can be consulted on the REN website at www.ren.pt¹.

The annex contains a table showing the correspondence between the contents of this report and the GRI and UNGC guidelines.

This document was verified by an external independent entity, PricewaterhouseCoopers Associados SROC, Lda, according to the principles of standard ISAE 3000 (International Standard on Assurance Engagements), likewise considering the principles of standard AA1000AS (AccountAbility Assurance Standard - 2008), and the GRI and AA1000APS (AccountAbility Principles Standard - 2008) guidelines.

REN interacts with stakeholders on a regular basis throughout the year. Within the scope of this commitment to stakeholders, at the end of 2013 a consultation was carried out as was an national and international benchmarking exercise. This led to a review of the REN sustainability strategy, bringing it closer to that of the business and reflecting the priorities identified by all of the stakeholders. The definition of the sustainability strategy, approved at the end of 2014, is based on the three pillars of sustainable development (economic, environmental and social). It focuses on implementing aims and measures which promote the involvement and satisfaction of stakeholders, internal well-being and environmental protection.

¹ See REN>Sustainability>REN Approach

4.1.2 STAKEHOLDERS

REN periodically identifies and assesses its relevant stakeholders, in accordance with the principles of standard AA1000APS - Assurance Principle Standards - 2008.

In 2013, stakeholder mapping was reviewed through a consultation of stakeholder representatives considered as critical, and as a result, materially relevant issues were identified. In 2014, stakeholders considered as relevant to REN were identified and broken down into relationship priority clusters. As part of this work, a monitoring group was formed and relationship managers were chosen for all the stakeholders.

For detailed information on the review process, please consult the REN website at www.ren.pt².

REN regularly evaluates the quality perception and level of satisfaction of its clients, understood to be the users of its infrastructure or customers of the services it provides in the electricity and natural gas sectors and our own internal clients. To this end, in addition to studies in compliance with the European Customer Satisfaction Index (ECSI) methodologies, in the case of the users/ customers of the infrastructures (available on the REN website³), a further study is also currently underway on internal client satisfaction with regard to the support and response capacity of the Support Areas and Concession Support.

The results of the latest study are available on the REN website at www.ren.pt⁴.

² See REN>Sustainability>REN Approach

Social Responsibility Policy Statement see at www.ren.pt/sustentabilidade/abordagem_da_ren/

³ REN>Sustainability>Stakeholders.

⁴ REN>Sustainability>Stakeholders>Clients> Satisfaction Assessment.



4.2 MAIN ACTIONS UNDERTAKEN

Biodiversity is
one of the most
important values
to REN.

The growing relevance of the role of companies in society means that REN, in line with the company mission statement, has special responsibilities not only with regard to technical performance, guaranteeing supply and the reliability and safety of the transmission networks, but also on an environmental and social level.

It is REN's commitment to meet all the challenges it faces, both in relation to management as well as from an economic point of view and with regard to operating infrastructures. This approach is based on a philosophy of sustainability, with clear concern for the environment, historic and cultural heritage and the legitimate interests of the communities affected. This commitment was once again recognized in the OEKOM Corporate Rating which in 2014 awarded the REN sustainability performance with a rating of B+. The company also retained its 'Prime' status, which was first awarded in 2011.

Biodiversity is therefore one of the most important values to REN in the assessment of the impact of its infrastructures on the environment. Example of this approach include the protection of birds, during the construction of extra high voltage lines and afterwards, during operation, through the installation of bird anti-collision devices and platforms for nesting in suitable locations.

Within the scope of environmental protection is the Company partnership with the newspaper Público, Bio3 and FCCN, the department of the Foundation for Science and Technology responsible for the management of the communications network. This partnership focuses on research, science and teaching. Another partnership, established in 2009, which has allowed the day-to-day life of two white stork nests (*ciconia ciconia*) to be monitored in the Porto Alto area, Ribatejo. In June 2014, REN also provided a page on its site where it is possible to follow the trajectory of five storks. GPS technology allows the storks to be followed all over the world providing valuable insight into their migratory habits. (http://www.ren.pt/sustentabilidade/cegonhas_na_web/).

Also in the field of environmental and scientific education, REN provided support for the MEDEA Project, now for the sixth year running. This is an initiative by the Portuguese Physical Society (SPF) directed at students in secondary and higher education all over the country. The project promotes scientific research into very low frequency electrical and magnetic fields and their measurement. Medea has involved 100 schools from all over the country, around 500 students and 150 teachers.

Also with regard to conservation, REN continues to run its reforestation programme, in line buffer zones. This programme has led to the planting of 420,000 trees since 2009 and our target is to reach 925,000 before 2017. With regard to forest preservation, REN continues to support the movement ECO - Companies Against Fires. This is a national civil society initiative which enjoys the involvement of numerous companies and has the aim of preventing forest fires and raising public awareness about risk behaviour.

Also of note was the Company's renewed support for the Green Project Awards and APAI- Portuguese Association for the Impact Assessment.

In our relationship with local communities and partners, REN maintains its support and involvement in civil society initiatives in numerous different areas. Such initiatives range from culture and education to sports and seek to reward entrepreneurship and projects which are socially relevant for effective and sustainable development. The most striking example of this commitment, within our policy of involvement with the community and social innovation, was the launching of the REN AGIR Award which every year recognizes initiatives which provide solutions to problems and issues which are of most concern to society. The first edition of the award, for creating employment, received 130 applications from all over the country. Further information is available at http://www.ren.pt/sustentabilidade/premio_agir/.

⁵ http://www.ren.pt/sustentabilidade/cegonhas_na_web/

⁶ Mais informação em http://www.ren.pt/sustentabilidade/premio_agir/

Also in the field of social responsibility, REN has joined the Zero Waste Movement (MZD) of the Dariatcordar Association and has committed to donating any excess from its canteens and events to specific institutions with the support of MZD, thus ensuring that food is not wasted.

Below are some of the social initiatives supported by REN in 2014:

- ◆ Friends without Borders Association, providing tuition payment for a Mozambican student attending a university in the city of Beira;
- ◆ Santa Maria Hospital Friends Association;
- ◆ Portuguese Federation of Food Banks;
- ◆ Grão Project, supporting voluntary missions undertaken by a group of university students in Africa (St. Tomé, Angola and Mozambique);
- ◆ Charity actions promoted by CEDEMA - Association of Parents and Friends of Mentally Handicapped Adults;
- ◆ Salvador Association Adapted Sports Arena;
- ◆ O Século Foundation;
- ◆ Quercus;
- ◆ Portuguese Disabled Association;
- ◆ Activities carried out to promote healthy living by the Professor Fernando de Pádua National Preventive Cardiology National Institute and Foundation;
- ◆ Campo Grande Social Centre, an institution which free meals to the elderly, kindergartens and provides home support;
- ◆ Food Bank Against Hunger;
- ◆ The Vida and Paz Community Christmas Party;
- ◆ Boys' Home, REN Father Christmas event;
- ◆ Alvalade Local Council, through a campaign to collect toys for families in need;
- ◆ Vale Grande Association, through work to collect clothing for children;
- ◆ National Wheelchair Basketball Championship;
- ◆ '3rd REN Tournament' - Wheelchair Tennis.

Through the REN - Share corporate volunteer programme, REN employees used 331 hours of their work timetable to undertake voluntary work. This figure increases to 367 hours when out of work hours are included. As this programme is also open to the families of employees, the number of voluntary hours stands at 435, and if out of work hours are added, the final total rises to 516.5 hours.

In line with our policy to support social causes and fight inequalities, actions which were of note included forest cleaning at the Tapada Nacional de Mafra, work with the Vida e Paz Community, participation in the Junior Achievement Portugal programmes and the 'Atelier Vocation Workshop' promoted in partnership with EPIS - Businessmen for Social Inclusion.

The Nós Programme was recognized internationally at the Best in Biz Awards in the category of 'Most Socially or Environmentally Responsible Company of the Year'

Support for the first Oncology UMAD (Home Support Mobile Units) – a project run by the Gil Foundation with the IPO (Portuguese Oncology Institute). This project seeks to provide assistance for children suffering from chronic illness and for their families after they have spent time in hospital. Clinical and social accompaniment is also provided on their return home and when going back to school. These units are seen as a pioneering initiative, recognized nationally and internationally and work in partnership with Portuguese hospitals in several different districts.

In 2014, the Nós Programme was launched. This is a programme for REN employees for inclusion and diversity which is based on three areas of action - Balance, Equality and Inclusion. As part of this programme, several different initiatives have been undertaken. The Nós Programme was recognized internationally at the Best in Biz Awards in the category of 'Most Socially or Environmentally Responsible Company of the Year'.

With regard to our work in the field of culture, our support for the National Museum of Ancient Art was renewed.

This contribution to help in preservation work and the promotion of national museums started in 2012 and has led to REN winning the Patronage Award, a distinction bestowed by the Portuguese Association of Museology (APOM).

In the academic and scientific field, also of note is the REN Award, which is the oldest scientific prize in Portugal. It is given to the best Masters' theses at Portuguese universities relating to electrical and gas networks and systems, mathematics, information system sciences, communications and physics.

Support for the Olympic cause, which goes back to the London Olympic Games, continued in 2014 with the sponsoring of the Portuguese Olympic Committee (COP) and the Portuguese Olympic team, which will be maintained until the end of 2015. Support was also provided for the Portuguese Paralympics Committee (CPP), to help with preparation for the Rio 2016 Paralympics Games and the Ankara Deaflympics Games in 2017.

Also in the area of corporate citizenship responsibility, more specifically in our support for sports initiatives, REN renewed its partnership with the main surf schools in Sines. The aims of this project are to help develop surfing in the region, creating an ongoing relationship with the local community while also providing REN employees with special conditions for learning how to surf. The Company also continued with its policy, which has been in place for many years, to support employees in their sporting activities, very often at a competitive level, including triathlon, mountain biking and running.

REN is part of the Transparency Register, a platform created and managed by the European Parliament and European Commission. This platform provides citizens with unique and direct access to information on activities intended to influence the European Union decision-making process, the interests which are being promoted and the resources invested in such activities.

REN is a founding member of the GestaoTransparente.org project which seeks to raise awareness in corporate circles and civil society to the problems associated with corruption. It also highlights the advantages of prior identification of risks and implementation of policies and internal and external actions to promote transparency and fight corruption.

4.3 PERFORMANCE INDICATORS

4.3.1 SOCIAL PERFORMANCE

MANAGEMENT AND DEVELOPMENT OF HUMAN RESOURCES

During 2014, the Human Resources department took an important step in consolidating general and integrated human resource management policies, with the signature of a new Collective Labour Agreement covering most REN employees.

This new agreement will allow a unique system of collective labour relations to be created, increasing internal equality and adjusting practices to the REN Group's current management needs with regard to work organization, remuneration, social benefits and health and safety at work.

In addition to achieving this strategic objective, the 2014 activities plan also sought to consolidate the Human Resources strategy which has been implemented over recent years, with the promotion of structural programmes for the sustained development of REN:

- ◆ Continuation of organizational alignment and clarification with a view to adjusting to the requirements of REN's current business, creating new opportunities through internal mobility;
- ◆ Reinforcement of development programmes for REN's current and future leaders, accelerating their learning curve so that they can take on new challenges. These programmes also seek to disseminate critical knowledge within the Group;
- ◆ Improvement of policies to identify and recognize talent and performance, taking into account the opportunities identified and best market practices;
- ◆ Development of programmes to motivate employees and for organizational sustainability. Actions to bring the Company closer to the community through initiatives for balance, equality and inclusion which achieve significant impact as well as internal and external recognition;
- ◆ Continuation of recognition of organizational and individual merit.

HUMAN RESOURCES PROFILE

Number of employees

At the end of 2014, there was a reduction of 5.2% in the number of employees as compared to 2013. The average age and length of service have remained stable in the last four years as a result of the efforts by the REN Group to rejuvenate the workforce.

NUMBER OF EMPLOYEES	'10	'11	'12	'13	'14
EMPLOYEES WITH PERMANENT AND TERM CONTRACTS	728	734	733	671	640
INTERNS	14	5	2	5	1
TOTAL	742	739	735	676	641

	'10	'11	'12	'13	'14
AVERAGE AGE	43.8	44.4	44.6	44.4	44.3
AVERAGE LENGTH OF SERVICE	16.2	16.7	16.9	16.8	16.7

Rotation rate

ROTATION RATE	'10	'11	'12	'13	'14
MEN	6.9%	2.9%	3.4%	9.1%	6.2%
WOMEN	1.8%	1.3%	1.3%	2.4%	0.3%
TOTAL	8.7%	4.2%	4.7%	11.5%	6.5%

ROTATION RATE BY AGE GROUP	'10	'11	'12	'13	'14
UP TO 30 YEARS OLD	0.4%	1.2%	0.5%	1.4%	0.3%
FROM 30 TO 50 YEARS OLD	1.4%	1.1%	1.2%	2.3%	0.3%
OVER 50	6.9%	2.0%	3.0%	7.8%	5.9%
TOTAL	8.7%	4.3%	4.7%	11.5%	6.5%

In 2014, the Rotation Rate fell in relation to 2013 as a result of a gradual deceleration of the the pre-retirement programme undertaken that year.

This Rotation Rate was less in age groups below 50 years old, demonstrating the effectiveness of the programmes for increasing REN's ability to retain talent.

Diversity

DIVERSITY	'10	'11	'12	'13	'14
MEN	582	580	576	527	492
WOMEN	160	159	159	149	149
TOTAL	742	739	735	676	641
RATIO MEN / WOMEN	21.6%	21.5%	21.6%	22.0%	23.2%

DIVERSITY (MANAGEMENT)	'10	'11	'12	'13	'14
MEN	26	28	31	22	22
WOMEN	7	8	8	8	9
TOTAL	33	36	39	30	31
RATIO MEN / WOMEN	21.2%	22.2%	20.5%	26.7%	29.0%

It is important to note the growing presence of women employees at REN in recent years, especially in management, where the figure has risen 8.5% in the last three years.

In fact, our focus on equality has been one of REN's commitments in recent years and this was recognized when the Company formally joined IGEN - Company Forum for Gender Equality in 2014. REN's membership of the IGEN forum represents the Company's participation in a culture that recognizes gender equality as a pillar for development and sustainability.

Distribution of employees by professional category

FUNCTIONAL GROUP	'10	'11	'12	'13	'14
TOP MANAGEMENT	33	36	39	30	31
MEN	26	28	31	22	22
WOMEN	7	8	8	8	9
MANAGEMENT	49	60	59	48	48
MEN	39	50	49	38	39
WOMEN	10	10	10	10	9
TECHNICAL / OPERATIONAL COORDINATION	66	43	45	27	25
MEN	61	42	44	25	23
WOMEN	5	1	1	2	2
TECHNICAL EMPLOYEES	300	298	300	307	297
MEN	224	217	217	227	217
WOMEN	76	81	83	80	80
OPERATIONAL	201	211	206	189	168
MEN	197	208	203	186	165
WOMEN	4	3	3	3	3
ADMINISTRATIVE	93	91	86	75	72
MEN	35	35	32	29	26
WOMEN	58	56	54	46	46
TOTAL	742	739	735	676	641

The REN organizational structure is being gradually aligned with new needs and the challenges of business and greater weighting in technical staff has been seen in the Company, especially over the last two years.

Employee distribution by age group

DISTRIBUTION BY AGE GROUP (TOP MANAGEMENT)	'10	'11	'12	'13	'14
UP TO 30 YEARS OLD	0	0	0	0	0
FROM 30 TO 50 YEARS OLD	11	13	16	14	16
OVER 50	22	23	23	16	15
TOTAL	33	36	39	30	31

DISTRIBUTION BY AGE GROUP (MANAGEMENT)	'10	'11	'12	'13	'14
UP TO 30 YEARS OLD	0	0	0	1	0
FROM 30 TO 50 YEARS OLD	24	34	37	29	31
OVER 50	25	26	22	18	17
TOTAL	49	60	59	48	48

DISTRIBUTION BY AGE GROUP (REMAINING EMPLOYEES)	'10	'11	'12	'13	'14
UP TO 30 YEARS OLD	88	86	81	72	65
FROM 30 TO 50 YEARS OLD	335	318	318	316	307
OVER 50	237	239	238	210	190
TOTAL	660	643	637	598	562

The need to align the Company with future challenges can also be seen in the gradual rejuvenation of top and middle management. In the current two functional groups, most employees are aged between 30 and 50. Also of note is the gradual reduction in the over 50 age group.

ACADEMIC QUALIFICATIONS	'10	'11	'12	'13	'14
PHD	1	1	1	1	2
MEN	1	1	1	1	2
WOMEN	0	0	0	0	0
MASTER'S DEGREE	59	59	67	78	81
MEN	47	44	50	55	56
WOMEN	12	15	17	23	25
DEGREE	315	318	322	294	290
MEN	227	228	231	211	209
WOMEN	88	90	91	83	81
BACHELOR	28	27	26	22	17
MEN	24	25	25	21	16
Women	4	2	1	1	1
Secondary	220	225	223	207	185
Men	186	194	193	179	157
Women	34	31	30	28	28
9th grade	76	74	63	49	45
Men	58	57	47	38	34
WOMEN	18	17	16	11	11
6th GRADE	24	18	18	15	14
MEN	20	14	14	12	11
WOMEN	4	4	4	3	3
4th GRADE	19	17	15	10	7
MEN	19	17	15	10	7
WOMEN	0	0	0	0	0
TOTAL	742	739	735	676	641
DEGREE HOLDERS	54%	55%	57%	58%	61%
NON-DEGREE HOLDERS	46%	45%	43%	42%	39%

Of note in the last four years, is the sustained increase in the level of academic qualifications of REN staff.

Hiring

NUMBER OF EMPLOYEES	'10	'11	'12	'13	'14
FULL-TIME	686	696	692	651	627
FIXED-TERM CONTRACTS	42	38	41	20	13
INTERNS	14	5	2	5	1
TOTAL	742	739	735	676	641

REN's hiring policy, as well as the consistency and maturity of our business, is reflected in the type of contracts offered. Most REN workers are full-time.

PERSONAL AND PROFESSIONAL DEVELOPMENT

REN trainee programme

In 2014, REN continued the REN Trainee Programme, which seeks to provide the company with the best and most suitable human resources. The programme consists of professional, academic and summer internships, where interns have the opportunity to work on specific projects, creating value for different areas while enhancing their own skills.

With regard to professional internships in job rotation, an extra challenge is launched every year to the internship plan. In 2014, the challenge was the development of Cidade REN (an internal virtual platform) with a view to facilitating the integration of new employees, provide support for internal mobility, communicate with the different areas of the company and inform on the main projects undertaken.

Trainee Witness:

"The job rotation scheme allows us to have contact with different areas of the Company and as such provide the drive for training and challenges which are not only versatile but highly comprehensive as well- It's also an opportunity for recently graduated staff to gain valuable experience and knowledge and then develop a career. REN provides the transition from university to the professional world".

Patrícia Branquinho

SATISFACTION RATE

99%

Relevant data form the 2014 trainee programme:

INDICATORS	'14
PROFESSIONAL INTERNSHIPS	15
ACADEMIC INTERNSHIPS	14
SUMMER INTERNSHIPS	16
TOTAL	45

VIVA Programme

The REN VIVA Programme (Welcome and Integration) has been a huge success and has had a highly positive effect on new employees joining the Company. In addition to informing on the different areas of Company business, it also promotes good networking between new and established staff.

INDICATORS	'14
NO OF SESSIONS	2
SATISFACTION RATE (%)	99%

REN training

REN Training is a critical factor in the success of the Company. An Annual Training Programme has been defined as a process for the ongoing learning and development of employees. This programme includes specific across-the-board actions, seminars, conferences and congresses.

In general terms in 2014, of note was the continued implementation of development programmes in alignment with the Company's values and organizational strategy, more specifically: 'Energy Academy', 'General Management Programme', 'Coaching for Leasers' and "Mentoring for Talents". The aim of these programmes is to develop the management and leadership skills which are vital to ensuring that REN retains and develops talent, providing experiences which inspire employees to do more and better. It is REN's goal to expand and continue this type of programme in coming years, never forgetting the specificities and characteristics of the groups covered.

The 'REN Conference Cycle' also took place with speakers of recognized academic and professional merit sharing their experience on relevant topics in a perspective of continuous learning and ongoing transformation. The focus on training through e-learning continues on topics relating to across the board company interests.

REN Training is a critical factor in the success of the Company

Specific training focused on specific technical areas of the business, complemented by behavioural training. Of note as a technical programme was the training course for electricians (beginner and advanced), which allowed new staff to gain valuable knowledge and more experienced staff could brush up on their skills.

TRAINING	'10	'11	'12	'13	'14
NO OF HOURS OF TRAINING	14,118	31,241	46,882	41,225	29,939
NO OF PARTICIPANTS	1,896	2,256	3,324	3,576	2,883
NO OF HOURS OF TRAINING PER EMPLOYEE	19	42	63	59	45
AVERAGE NO OF EMPLOYEES	735	746	743	702	659

AREA OF TRAINING (NO OF HOURS)	'10	'11	'12	'13	'14
BEHAVIOURAL	4,373	13,551	4,909	8,635	1,542
TECHNICAL	4,547	15,079	37,308	28,161	23,768
QUALITY, ENVIRONMENT AND SAFETY	5,199	2,611	4,665	4,430	1,413
MANAGEMENT	0	0	0	0	3,217
TOTAL	14,119	31,241	46,882	41,226	29,939

AREA OF TRAINING (NO OF PARTICIPANTS)	'10	'11	'12	'13	'14
BEHAVIOURAL	1,112	1,017	425	1,409	340
TECHNICAL	274	783	2,552	1,357	1,762
QUALITY, ENVIRONMENT AND SAFETY	510	456	347	810	242
MANAGEMENT	0	0	0	0	539
TOTAL	1,896	2,256	3,324	3,576	2,883

FUNCTIONAL GROUP (NO OF HOURS)	'10	'11	'12	'13	'14
TOP MANAGEMENT	361	1,862	1,751	1,508	1,639
MANAGEMENT	781	3,825	3,504	2,686	3,106
TECHNICAL / OPERATIONAL COORDINATION	1,386	2,144	2,340	1,405	1,398
TECHNICAL EMPLOYEES	7,510	11,385	22,968	25,371	16,493
OPERATIONAL	3,145	9,255	13,179	7,126	6,602
ADMINISTRATIVE	936	2,769	3,141	3,130	701
TOTAL	14,119	31,240	46,883	41,226	29,939

STAR programme – performance management

Four years after it was started, the STAR Programme was the target of improvements with impact on the 2014 assessment process.

All the improvements implemented are the result of suggestions made by employees and current market practices. Of note among the new developments are:

- ◆ Separation of the assessment of objectives from the assessment of competences, thus allowing a distinction between performance and potential;
- ◆ 360° assessment in the Competences component which will allow REN employee knowledge to be maximized, not only through the vision of superiors but also through the vision of the teams and peers the employee works with;
- ◆ Introduction of a qualitative analysis in the assessment of objectives, allowing flexibility of management and differentiation of Teams and individual contributions.

INDICATORS	STAR '13
NUMBER OF EMPLOYEES COVERED	672
% OF ASSESSMENTS CONCLUDED	100%
AVERAGE - FINAL ASSESSMENTS	3.82
% OF BONUSES CALCULATED AS COMPARED TO THE NUMBER OF ASSESSMENTS	99%

2014 WAS MARKED BY THE SIGNING OF THE FIRST COLLECTIVE LABOR AGREEMENT WHICH COVERS ALL EMPLOYEES IN COMPANIES WHICH ARE

100%

OWNED BY THE REN GROUP

Benefits and social dialogue

2014 was marked by the signing of the first Collective Labour Agreement which covers all employees in companies which are wholly owned by the REN Group. After two years of negotiations, REN reached an agreement with 14 unions.

The negotiations took place in an atmosphere of constructive dialogue without any disruptions or social conflict. During the year, union representatives held more than 20 meetings with workers in the different REN companies which sought to involve everyone in building and negotiating the new agreement.

Regular meetings with the Workers' Commission were held as usual. Issues such as psychosocial risk assessment, volunteer policy and internal regulations were presented, analysed and debated in a constructive manner with a view to a better and closer relationship between the parties. Of note was the presence of the Chairman of the Board of Directors at the meetings held throughout the year. The Chairman's presence transmitted an idea of commitment and importance to the representatives of REN workers.

Union membership at REN is 45%.

	'10	'11	'12	'13	'14
% STAFF WHO ARE UNION MEMBERS	45.6%	46.8%	47.3%	46.3%	45.1%
% FULL-TIME ACT WORKERS	60.2%	59.3%	57.1%	54.6%	52.0%

The REN benefits policy, centred on supporting its employees in important areas of family and personal life, includes a series of additional supports and benefits with regard to health, education and culture, etc.

The following benefits were applied across the company in 2014:

BENEFITS	COLLECTIVE LABOUR AGREEMENT (ACT)	INDIVIDUAL WORK CONTRACT (CIT)
WORK ACCIDENT INSURANCE		x
PERSONAL ACCIDENT INSURANCE		x
HEALTH PLAN		x
PENSION FUND		x
ELECTRICITY AT REDUCED PRICES		x

In 2014, with the aim of increasing the perceived value of the REN benefits policy and matching it to the different stages of life of employees, a new flexible benefits programme has started to be designed. This new programme will be implemented during 2015.

Health & Safety

Aware that a safe and healthy environment is a decisive factor for the satisfaction of stakeholders, REN is committed to the effective management of occupational health and safety.

The occupational health and safety management system is certified by an accredited entity and encompasses most Group companies. Its main objective is to prevent work related accidents and illnesses involving Company employees or the employees of contractors and service providers collaborating with REN.

Safety

REN considers that its main asset is its people, and as such, does not accept activity which poses a high level of risk to the health and safety of employees or the employees of contractors and service providers. For this reason, REN is committed to developing and promoting measures to eliminate or mitigate such risks.

With the aim of fighting accidents in the workplace, policies are implemented, safety procedures are followed and the best practices in this area are closely adhered to. This is achieved through numerous training courses and strict monitoring of activities so as to ensure demanding operational control. An analysis of the accidents allows reassessment of the risks inherent to the activities in which they occur.

Data relating to 2014 were as follows:

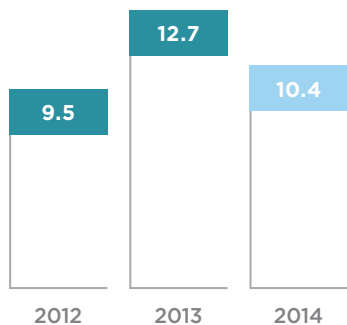
COMPANY	AVERAGE NO OF EMPLOYEES	NO OF HOURS WORKED	NO OF FATAL ACCIDENTS	NO OF NON-FATAL ACCIDENTS	NO OF DAYS LOST
REN ELÉCTRICA	251	437,827	0	2	164
REN SERVIÇOS	228	372,711	0	1	42
REN GASODUTOS	93	165,101	0	2	234
REN ATLÂNTICO	32	59,507	0	0	0
REN ARMAZENAGEM	6	10,910	0	2	64
REN TRADING	5	8,336	0	0	0
RENTELECOM	4	4,949	0	0	0
ENONDAS	1	1,698	0	0	0
REN SGPS	40	65,583	0	0	0
RD NESTER	15	22,203	0	0	0
TOTAL REN	674	1,148,825	0	7	504
TOTAL NO OF SERVICE PROVIDERS AND CONTRACTORS	928	1,916,125	0	14	410

*This is the average number of workers in the year and not the actual number at 31 December 2014.

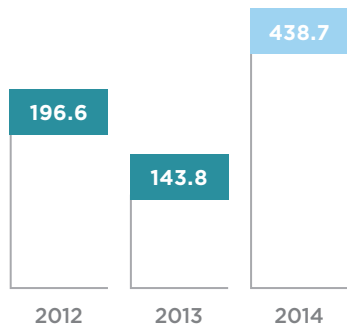
In 2014, there were two less accidents involving REN workers than in 2013. No fatal accidents occurred.

INCIDENCE AND SEVERITY INDEXES

INCIDENCE INDEX



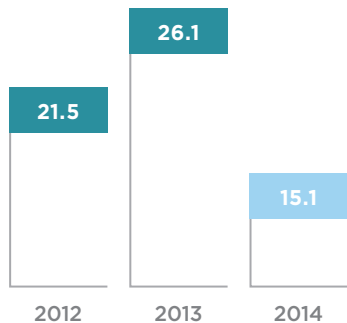
SEVERITY INDEX



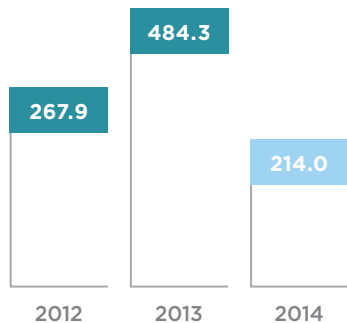
Note: The differences between the REN indicators presented here for 2013 and those reported in previous reports are justified by the fact that RD Nester data are now included.

INCIDENCE AND SEVERITY INDEXES – SERVICE PROVIDERS AND CONTRACTORS

INCIDENCE INDEX



SEVERITY INDEX



Note: The differences between the indicators for service providers and contractors presented here for 2012 and 2013 and those reported in previous reports, are justified by the fact that additional information was obtained at a later date.

While the REN Incidence Index improved over 2013, the Severity Index increased due to the rise (+200%) in days lost.

The Incidence and Severity Indexes for service providers and contractors improved considerably as a result of a significant decrease in the number of accidents (-62%) and the number of days lost (-67%).

In 2014, approximately 29% of REN contractors and service providers had safety management systems in place and certified in compliance with the OHSAS 18001/NP 4397 standard.

During 2014, REN ran training courses and safety awareness actions, involving 166 service providers and contractors.

All full-time REN employees are covered by a health system

ABSENTEEISM RATE

2.9%

With the aims of complying with specific legislation which requires that periodic drills be carried out, determining the effectiveness of emergency response procedures and identifying divergences and improvement opportunities, complementing the training of all those involved and ensuring compliance with regulations as a group of certified companies, 2014, eight safety drills were undertaken. Three of these drills were at electrical installations, three at natural gas installations and two were in services buildings. In general, these exercises were completed as expected.

Further information on this topic can be consulted on the REN website⁷.

Health

All full-time REN employees are covered by a health system.

Guaranteeing good conditions and health at work are a constant concern at REN. As such, the Company provides complementary clinical examinations and analyses within the occupational health programme. This approach allows preventive action to be taken with regard to employee health.

Highlighted below are the most relevant aspects in 2014:

- ◆ Compliance with obligatory plan of medical examinations;
- ◆ 548 auxiliary diagnoses and nursing interventions;
- ◆ 573 medical interventions;
- ◆ Visits by doctors to the different places of work.

As a result of this approach, the absenteeism rate has remained constant in recent years, standing at approximately 3%.

	'10	'11	'12	'13	'14
ABSENTEEISM RATE	2.2%	3.1%	2.9%	2.7%	2.9%

NÓS programme

The REN NÓS programme, launched in 2014, is based on three areas of intervention - Balance, Equality and Inclusion.

The overall aims of the Programme are to:

- ◆ Promote Balance throughout the companies, creating an atmosphere of development and maximizing of potential, improving corporate image and increasing employee satisfaction as well as the commitment of the employees to the Company.
- ◆ Promote Equality by impeding any distinction in the enjoyment of human rights for reasons of race, colour, sex, language, religion, opinion, politics or of any other nature, whether national or social in origin, wealth or birth related or with regard to any other situation.
- ◆ Promote the professional Inclusion of the disabled thus contributing better employability.

⁷ See REN>Sustentabilidade>Partes Interessadas>Recursos Humanos>Segurança

In 2014, different initiatives were undertaken including various workshops, yoga lessons, psychology and nutrition consultations, social support fund assistance, maternity coaching, academic merit award, wedding and baby gifts, and internships for disabled workers.

Witness:

“This was a kind gesture to me by REN, at a stage in life when any help is welcome to help build a home. It is proof that REN cares about the well-being of its employees beyond the workplace, which is vital in a modern company.”

Miguel Graça, Wedding Presents

Witness:

“This was an excellent initiative and I hope that it will be repeated more times. It was a good way of releasing built up stress.”

Jorge Paulos, Exercise in the workplace

INDICATORS	'14
NO OF INITIATIVES	27
NO OF PARTICIPATIONS	197
SATISFACTION RATE	81%

POP – Personal Opinion Programme

In order to gather the opinion of REN employees and their levels of job satisfaction, the company held the POP - Personal Opinion Programme for the second time.

It was thanks to the positive involvement of REN employees that a 76% participation rate was possible.

With a significant improvement on POP 2010, the results will be disclosed during the first half of 2015 together with a plan to improve and strengthen priority areas.

INDICATORS	'14
PARTICIPATION RATE	76%
'I'M SATISFIED WORKING AT REN'	66.1%
OVERALL SATISFACTION INDEX	49.4%

19,700
landowners
contacted

RELATIONS WITH THE COMMUNITY

Land Owners

In 2014, 19,700 landowners were contacted as their property is crossed by our electricity and gas transmission lines. A further 19 properties were acquired for the installation of other electricity and gas infrastructure. With the inclusion of new properties as a result of newly installed infrastructure, the REN landowner database contained AROUND 70,000 records at the end of 2014. This in itself shows the importance of this group of stakeholders for the company, considering Portugal's small geographical size compared with most European countries.

It should be noted that setting up compensatory arrangements for the establishment of easements is not always simple. REN is at times obliged, in the common interest, to resort to impasse release mechanisms provided for in legislation, in particular the subpoena process in the case of power lines, and to request support from public authorities to move forward with work in the case of pipelines. In 2014, REN had to resort to these arrangements only three times in the case of power line projects for electricity transmission. REN always tries to reconcile both the installation and the operation of their infrastructure with the legitimate interests of other stakeholders.

Further information on this topic can be consulted on the REN website at www.ren.pt⁷

INNOVATION, RESEARCH AND TECHNOLOGY

Participation in European Projects 7th Framework Programme (2007-2013)

REN is one of the Portuguese companies with the greatest participation in FP7 in the field of Energy

After the Seventh Framework Programme (FP7), in force between 2007 and 2013, GPPQ carried out and published a Review of National Participation, which revealed which Portuguese companies and institutions had the greatest participation in FP7.

With regard to R&D projects in Energy, REN-Rede Eléctrica Nacional, S.A. comes 2nd in the ranking, participating in five projects: PEGASE and MERGE are now complete⁽¹⁾ and E-Highway2050, EUPORIAS and iTESLA projects are still ongoing⁽²⁾.

The participation of REN in European projects under these Community programmes has brought the company 'excellent direct networking opportunities with other stakeholders and added technical value, particularly in terms of state-of-the-art activities such as TSO'.

⁷ See http://www.ren.pt/en-GB/sustentabilidade/partes_interessadas/comunidade/

REN Participation in the Seventh European Framework Programme (7th FP)

(1) CONCLUDED PROJECTS

PEGASE (2008- 2012)

([HTTP://FP7.PEGASE.EU/](http://fp7.pegase.eu/)).

OBJECTIVE: DEMONSTRATE THAT IT IS POSSIBLE TO HAVE A EUROPEAN NETWORK STATUS ESTIMATOR AND CARRY OUT DYNAMIC STUDIES AT EUROPEAN LEVEL IN REAL TIME. THE PROJECT IS STRUCTURED INTO WORK PACKAGES (WP), AND REN IS PART OF WP1 AND WP6

TYPE OF REN PARTICIPATION: PROJECT PARTNER.

PROJECT COORDINATION: SUEZ TRACTEBEL SA, (BÉLGICA)

TOTAL PARTICIPANTS: 21

MERGE (2009-2011)

([HTTP://CORDIS.EUROPA.EU/PROJECTS/RCN/94380_EN.HTML](http://cordis.europa.eu/projects/rcn/94380_en.html))

OBJECTIVE: PREPARE THE EUROPEAN ELECTRICAL SYSTEM FOR THE WIDESPREAD USE OF ELECTRIC VEHICLES, DUE TO THE NEED TO REDUCE GREENHOUSE GAS EMISSIONS AND FUTURE OIL SHORTAGE. THIS IS ONE OF THE LARGEST RESEARCH PROJECTS FINANCED BY THE EUROPEAN UNION WITH A BUDGET OF 4.5 MILLION EUROS.

TYPE OF REN PARTICIPATION: PROJECT PARTNER.

PROJECT COORDINATION: INESC PORTO (PORTUGAL)

TOTAL PARTICIPANTS: 16

(2) PROJECTS UNDERWAY

E-HIGHWAY2050 (2012-2015)

[HTTP://WWW.E-HIGHWAY2050.EU/E-HIGHWAY2050/](http://www.e-highway2050.eu/e-highway2050/)

OBJECTIVE: DEVELOP THE BASIS FOR THE ROBUST, MODULAR EXPANSION OF THE PAN-EUROPEAN POWER TRANSMISSION SYSTEM BETWEEN 2020 AND 2050, BASED ON THE THREE PILLARS OF EUROPEAN ENERGY POLICY. REN TOGETHER WITH 7 OTHER TSOS (TRANSMISSION SYSTEM OPERATORS) AND THE ENTSO-E, WILL DEFINE THE TYPE OF INFRASTRUCTURE THAT EUROPE WILL HAVE IN 2050 AND THE RESPECTIVE EXPANSION MODEL, IN LINE WITH EUROPEAN ENERGY POLICY IN THE FIELD OF RENEWABLES AND A SINGLE MARKET SCENARIO. REN IS RESPONSIBLE FOR COORDINATING A WORK PACKAGE (WP4 - MODULAR DEVELOPMENT & OPERATIONS) AS WELL AS PARTICIPATING IN WP1 - SETTING THE BOUNDARY CONDITIONS FOR 2020-2050 GRID PLANNING AND IN WP2 - DEVELOPING THE GRID ARCHITECTURE OPTIONS AS A FUNCTION OF THE RETAINED SCENARIOS...

TYPE OF REN PARTICIPATION: PROJECT PARTNER

PROJECT COORDINATION: RTE (FRANCE)

TOTAL PARTICIPANTS: 28

(2) PROJECTS UNDERWAY (CONT.)

EUPORIAS (2012-2017)

[HTTP://WWW.EUPORIAS.EU/](http://www.euporias.eu/)

OBJECTIVE: EXPLORE THE VALUE OF SEASONAL WEATHER FORECASTS AND BY DECADE FOR THE EUROPEAN ECONOMY, GIVING USERS ACCESS TO THIS INFORMATION IN ORDER TO DEVELOP METHODOLOGIES TO USE THESE FORECASTS APPROPRIATELY IN DIFFERENT SECTORS. IN THE CASE OF PORTUGAL, USERS REPRESENT KEY SECTORS OF THE NATIONAL ECONOMY, CLEARLY EXPOSED TO WEATHER FACTORS, ALBEIT WITH DIFFERENT LEVELS OF SENSITIVITY. THE PARTICIPATION OF PORTUGUESE USERS IS SEEN AS CRUCIAL IN THE EUROPEAN CONTEXT, GIVEN THE WIDE RANGE OF SECTORS SELECTED AND THEIR INTER-REGIONAL INFLUENCE.

TYPE OF REN PARTICIPATION: STAKEHOLDER

PROJECT COORDINATION: MET OFFICE (UK).

TOTAL PARTICIPANTS: 24

ITESLA (2012-2015)

[HTTP://WWW.ITESLA-PROJECT.EU/](http://www.itesla-project.eu/)

OBJECTIVE: DEVELOP AND VALIDATE A FLEXIBLE TOOLBOX WHICH, WITH 2015 ON THE HORIZON, WOULD SUPPORT THE FUTURE OPERATION OF A PAN-EUROPEAN POWER TRANSMISSION NETWORK, PROMOTING GREATER COORDINATION/HARMONISATION OF PROCEDURES AMONG NETWORK OPERATORS. REN TAKES PART IN WORK PACKAGE 1 - TOOL BOX ARCHITECTURE AND END-USE CASES, WP6 - DEFENCE AND RESTORATION PLANS AND WP7 - INTEGRATION AND GLOBAL VALIDATION OF THE RESULTING TOOLS.

TYPE OF REN PARTICIPATION: PROJECT PARTNER

PROJECT COORDINATION: RTE (FRANCE)

TOTAL PARTICIPANTS: 20

APPLICATIONS TO SIFIDE

Tax Incentive System for Corporate R&D

As in previous years, in 2013 REN incurred Research and Development (R&D) expenditure, which in the Company's understanding was eligible for tax benefits under the SIFIDE/SIFIDE II programmes.

It is in this context that for the fiscal year 2013 two applications were presented for this programme of tax incentives - by Rede Eléctrica Nacional, S.A. and REN Serviços, S.A.

For these two companies overall, the REN Value of Investment in R&D calculated for the fiscal year 2013 totalled 991,500 euros (15% above the average for the last 2 years).

This amount came from expenses related to activities arising from the development of seven projects with the participation of 26 employees.

Start of the project “Performance of operational RNT lines during atmospheric discharges”

Three of these research projects are being developed in partnership with R&D Nester, namely in i) Methodologies for optimum integration of electricity production obtained from renewable energy; ii) Energy storage, iii) and future-generation smart+ substations, where one uses research that will result in a real-time test platform. More detailed information about these projects is in the section of this report dedicated to the Centro de Investigação em Energia Ren- State Grid, S.A (R&D Nester).

Internally, a new project was begun ‘Performance of operational RNT lines during atmospheric discharges’, to study the relevant factors influencing atmospheric discharges, to determine the concentrated areas of network most sensitive to lightning, and seek possible solutions to minimize their impact on quality of service.

The ‘Lions’ project continues with the specialist support of the Albatroz Engenharia company. This project falls within the context of developing advanced methodologies, operations management and maintenance of overhead power lines incorporated into National Power Transmission Networks (RNT).

Another ongoing project is ‘Stochastic forecasting of the magnitude and duration of voltage dips in power transmission networks’, part of a PhD thesis in partnership with the Instituto Superior Técnico (IST), to assess the quality of electricity delivered and the reduction of economic damage resulting from disturbances - short circuits - to which the Power Systems (ESS) are subjected;

R&D Partnership and collaboration with Cotec Portugal

In the development of R&D projects, REN, in line with the company’s policies in this area, continues to establish partnerships with academic institutions and other specialised consulting firms in the engineering field. This is the case of the aforementioned projects, which include the participation of Portuguese organisations such as the IST and Albatroz Engenharia.

Also with regard to R,D&I, REN, as an associated company of COTEC Portugal [Business Association for Innovation], regularly participates in events organised by the association, as well as other initiatives. The latest include our participation in the Community of Knowledge Management Practice, for which information and results will be made available on the COTEC Innovation Barometer website.

PARTICIPATION IN INTERNATIONAL WORKING GROUPS

I-ENTSOs

The implementation of the 3rd EU legislative package for the energy sector has continued to entail intense cooperation and ties between REN and European associations of transmission systems operators (ENTSO-E and ENTSO-G). This cooperation takes place through the participation of REN personnel in the most diverse activities of these two entities.

REN strengthened its participation in ENTSO-G

1.1 ENTSO-E (European Network of Transmission System Operators for Electricity):

With the framework of Regulation (EC) 714/2009, REN has continued to participate in the activities of the European Network of Transmission System Operators for Electricity - ENTSO-E - namely through a constant and active presence on various committees and groups of this institution: System Development Committee, System Operations Committee, Market Committee, Research and Development Committee and the Legal and Regulatory Group. Of particular note was that REN took on the presidency of the abovementioned System Development Committee in June 2013. In addition, it has started to be represented on the newly created European Affairs Expert Group. As in the previous year, REN has also continued its collaboration in the preparation of the ten European network codes in the areas of planning, operation and markets, in the comment to the guidelines from ACER, the drafting of these codes and in support of codes that ENTSO-E has provided to the European Commission. The most important achievements include: i) delivery to ACER of the Ten-Year Network Development Plan 2014; (ii) contributions to the wording for the adoption of the Code Allocation for Capacity and Congestion Management (CACM NC) for comitology; (iii) delivery to ACER of a new version of the Review Code in Electricity (EB NC); and (iv) the wording of the Emergency Code and System Recovery (ER NC).

At the same time, and as a follow up to work carried out on ENTSO-E, REN continued its pioneering role among its European counterparts disseminating the electricity network codes among the different national and regional stakeholders, driving and organising work sessions and workshops to provide clarification on the codes which are at the final stage of wording. It should be noted that in 2014, a workshop was held on the High Voltage Direct Current Connections Code (NC HVDC) the wording of which was concluded at ENTSO-E during this year. As such, nine sessions have now been concluded from a total of ten planned codes.

1.2 ENTSO-G (European Network of Transmission System Operators for Gas):

The European Network of Transmission System Operators for Natural Gas - ENTSO-G - continued its extensive activities during 2014 through the working groups that are part of its three main business areas, viz. Market, System Development and System Operation. In terms of the most important achievements it is possible to highlight the delivery of the Network Code on Harmonised Transmission Tariff Structures (TAR NC) and the proposal to change the Network Code on Capacity Allocation Mechanisms (CAM NC) and also the publication of the Energy System-Wide Cost-Benefit Analysis (ESW-CBA) Methodology, delivered to the European Commission for approval.

Also of note was that REN strengthened its participation in ENTSO-G. In addition to the previously mentioned representation at the General Meeting, in the Liaison Group and on the Legal Team, this year REN participated regularly in the following Business Areas, Working Groups and others: BA System Development - WG Investment; BA Market - WG Capacity, WG Balancing, WG CAM Implementation, WG Tariffs and TF Incremental Capacity; BA System Operations - WG Transparency and WG Interoperability; Regional Cooperation; Target Model - Platform TF; PDWS (Professional Datawarehouse System); CAM/CMP BRS Development and in the restricted Audit Team, through its corresponding members.

As a follow up to work carried out on ENTSO-G, REN also continued to disseminate the gas network codes among the different national and regional stakeholders, driving and organising work sessions and workshops to provide clarification on the codes which are at the final stage of wording. It should be noted that in 2014, REN organized a workshop on the Network Code Tariff (NC TAR), which was submitted to ACER by ENTSO-G. As such, four sessions have now been concluded from a total of five planned codes.

II - EUROPEAN INSTITUTIONS

REN is on the European Transparency Register and as such plays a part in the different stages of the European legislative process at the different institutions (European Commission, European Parliament, European Council, etc.). With a view to structuring its positioning at these institutions, since the start of 2014 REN has promoted, within its 'EUROPEAN AGENDA Forum', internal debates with a view to structuring its strategic message on the European dossiers and studies on the agenda, particularly with regard to: Energy & Climate Goals for 2030; Energy prices and costs in Europe; Guidelines on Environmental and Energy Aid; Long-term Vision on Infrastructure for Europe and Beyond; European Energy Security Strategy; Guidelines on Environmental and Energy Aid-2020; Clean Power for transport - Alternative fuels sustainable mobility in Europe; Conclusions of the European Council of 23 and 24 October - 2014; Progress towards completing the Internal Energy Market; and Stress Tests - On the short-term resilience of the European gas system.

III - WORKING GROUPS PRESIDED OVER BY THE EUROPEAN COMMISSION

Within the framework of legislative proposals relating to lines for implementing priority European energy infrastructure, REN continued with its active participation in the Western Europe Electricity Working Group and Western Europe Gas Working Group, both overseen by the European Commission and aimed at the ad-hoc and informal implementation of the said legislative proposals, while identifying and selecting energy infrastructure projects of common interest (PCI). As a result of this participation, REN took part in five projects - three in a cluster to reinforce internal connections and another two for gas and electricity interconnections - corresponding to three PCI on the final list of projects of common interest approved by European Union legislation (in 2013) and with permanent monitoring of its implementation during 2014 (in accordance with Reg. No 347/2013).

IV - MED-TSO, MEDGRID AND FRIENDS OF THE SUPERGRID

Further to the integration of an employee on the Supervisory Team in 2013, REN as a founding member of this association for Mediterranean Electricity Transmission System Operators, ensured a role of strategic and close participation in MED-TSO activities. Of note among these activities is the preparation of the Mediterranean Master Plan, which essentially seeks to strengthen the security and integration of electricity systems in this region. REN also ensured representation in all working groups set up by Med-TSO in 2014: planning, regulations and institutions, international exchanges of electricity and market studies. Active participation was also continued in the Regional Group West.

In the same year, REN continued to strengthen its participation in MEDGRID. Of note was the representation through a member to the Advisory Board and who is also Vice-Chairman of the association. Representation of REN on MEDGRID was also assured through the participation of employees in two working groups, Economic Analysis and Planning. These networking groups drafted the economic study and network planning respectively, which were necessary for the integration of Mediterranean electricity systems. Of note

was REN's organisation and hosting of the MEDGRID seminar 'Which Electrical interconnections should there be between Europe and North Africa?', to present studies and debate on the electricity interconnections between Europe and North Africa, with the participation of senior representatives from MEDGRID and REN.

MEDGRID brought together power generation, transmission, distribution and financing companies of electricity infrastructure in the Mediterranean region with the aim of promoting the development of interconnections between the North, the South and the East of this region.

Finally, REN also continued its participation in Friends of the Supergrid (FOSG), actively intervening in the Working Groups of this association responsible for communication and institutional and regulatory relations.

FOSG is an association of companies and organizations which have a mutual interest in promoting and influencing policy and the regulatory framework required for large-scale European interconnection - the Supergrid. This association seeks to promote, develop and create the Supergrid through an association of companies from sectors which develop HVDC infrastructures and related technology, together with companies which will develop, install, own and operate such infrastructures.

V - ECONOMIC COOPERATION COUNCIL (CCE), GIE (GAS INFRASTRUCTURE EUROPE), GTBI (GAS TRANSMISSION BENCHMARKING INITIATIVE), MARCOGAZ and FLORENCE SCHOOL OF REGULATION (FSR):

REN has maintained its participation in CCE, providing multiple contributions to the work the council does. This work focused on the areas of energy, interconnections, competitiveness, large critical infrastructures and long-term financing.

The CCE is a non-profit organization which acts as an advisory body to European institutions and is sponsored by the governments of the four Latin Arc countries (Spain, France, Italy and Portugal).

With regard to the GIE, the representative association of European gas infrastructure companies for European institutions and other stakeholders, REN has continued to participate in and monitor the activities and meetings of this body. It also took part in its annual conference on the prospects for natural gas and its infrastructures, the challenges of investing in gas structures, innovations and technologies, among others.

In 2014-2016, REN will preside over the GTBI- Gas Transmission Benchmarking Initiative. This is a platform for ten European gas transmission network operators to structure and publish performance indicators for natural gas transmission systems for circulation among members, as a tool for exchanging best practices for continuous improvement in operating efficiency.

REN is a member of the Executive Board and has a seat at the General Meeting of MARCOGAZ, the technical association of the European gas industry, with particular importance in the development of standards and sharing best practices in technical subjects.

Finally, REN, as an associate donor of FSR, continued to attend (both in person and through webinars) the different training courses provided by this high-level school, cooperating with the institution and sponsoring events it which it also participated. The Company also accessed the high-level studies and information produced by FSR, such as at the annual conference, celebrating its tenth anniversary, on: '2004-2014- The EU internal energy market: today and beyond.'

In 2014-2016,
REN will
preside
over the
GTBI

REN has thus continued to strengthen its presence in the most varied international forums for the electricity and natural gas sectors. It participates in policy-making, technical studies and interest groups of the various entities that promote their activities here, and this presence is one of the components that furthers the strategic plan to internationalise the company.

VI – OPEN DAYS OF THE REGIONS 2014

As part of the Open Days of the Regions 2014, in partnership with the Spanish Electricity Network and Enagas, REN held a workshop in Brussels to demonstrate the relevance of energy interconnections for market integration and price convergence.

On the theme of 'Energy Transmission Networks – An Investment for Consumers – The Way to Achieve Full Market Integration and Price Convergence', this event was intended to demonstrate that an adequate level of energy interconnections is essential for the Iberian Peninsula to be able to develop its full potential in integration of renewable energy sources and achieve convergence of electricity and gas prices, support energy solidarity, support and contribute to the achievement of the Europe 2020 Strategy objectives, and thereby make it possible to create a fully integrated, secure, sustainable and competitive market.

With regard to the participation of REN Atlântico in international organisations, there were appearances at the GIIGNL (Group Internationale des Importateurs Naturel Gas Liquéfié), and at the GLE (Gas LNG Europe), due to the participation of REN in GIE (Gas InfraStructure Europe).



4.3.2 ENVIRONMENTAL PERFORMANCE

ENVIRONMENTAL MANAGEMENT

Minimizing its environmental impact has always been a core concern at REN, both in terms of implementing new investment projects as well as with regard to its activities of operating and maintaining diverse infrastructure used to transmit electricity and to store and transport natural gas. Environmental topics mean far more to REN than just complying with legal obligations, instead they represent a long-term commitment and the goal to live in harmony with surroundings.

The Company approach on this topic can be consulted on the REN⁹ website.

Environmental Assessment and Impact

Information and further details on Strategic Environmental Assessment and Environmental Project Assessment can be consulted on the REN¹⁰ website .

Strategic Environmental Assessment

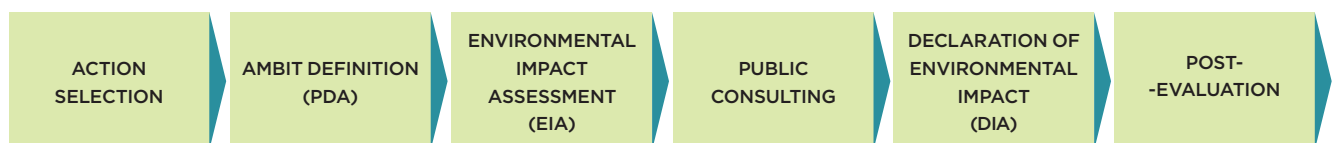
Strategic Environmental Assessment is an environmental policy instrument (Decree-Law No 232/2007 of 15 June 2007, amended by Decree-Law No 58/2011 of 4 May) which seeks to ensure an assessment of the environmental consequences of specific plans and programmes and its respective prior implementation. During the operating and maintenance of the network, monitoring and supervision actions are undertaken to ensure compliance with objectives and targets defined both by REN and the Environmental Impact Statement.

REN conducted a different environmental analysis with relation to the previous Strategic Environmental Assessment (AAE), on the PDIRT proposal for electricity for the 2014-2023 period. The proposed methodology was welcomed positively by the different stakeholders.

REN also concluded the first AAE with regard to the Development and Investment Plan for the national network for liquefied natural gas transmission, storage and terminals 2014 - 2023 (PDIRGN 2014-2023).

Project Assessment

Environmental Impact Assessment (AIA) is a tool which can be used on certain public utility infrastructure projects where REN is the promoter. The AIA process consists of different stages:



Minimizing its
environmental
impact has always
been a core
concern at REN

⁹ www.ren.pt

¹⁰ www.ren.pt/sustentabilidade/abordagem_da_ren

Given the specificity of the sector, in 2008, REN drew up an AIA methodological guide for the National Electricity Transmission Network - Overhead Lines. This guide was drawn up in partnership with the Portuguese Environment Agency and the Portuguese Association for Impact Assessment and is a reference document for the preparation of environmental impact studies for this type of infrastructure and the respective AIA processes. Numerous entities intervening in the AIA process took part in this working group, more specifically the Portuguese Institute of Archaeology, the Nature and Biodiversity Conservation Institute and the Coordination and Regional Development Commissions.

Moreover, and with the aim of standardising AIA process procedures and methodologies, in 2011, REN published another methodological guide, in this case for Assessing the Environmental Impact of RNT substations.

Within the scope of its activities to expand and improve energy transmission networks, REN has developed a significant set of environmental assessment processes, in the planning phase:

	'11	'12	'13	'14
ENVIRONMENTAL IMPACT ASSESSMENT PROCESSES	5	7	12	4
ENVIRONMENTAL IMPACT POST-ASSESSMENT PROCESSES	0	0	1	2
ENVIRONMENTAL IMPACT STATEMENTS ISSUED	6	2	8	3
ENVIRONMENTAL PROJECT STUDIES	8	5	3	0
ENVIRONMENTAL IMPACT STUDIES (EIA)	3	5	7	0
ENVIRONMENTAL COMPLIANCE REPORT ON THE EXECUTION PROJECT (RECAPE)	1	1	1	2

In 2014, monitoring actions were also undertaken at different REN infrastructures, covering the following descriptors:

NUMBER OF PROJECTS MONITORED DESCRIPTORS	'11	'12	'13	'14
BIRDLIFE	5	12	12	12
SOUNDSCAPE	0	7	9	11
WATER RESOURCES	6	2	2	3
FLORA	8	2	1	2
IBERIAN WOLF	0	0	1	3
ELECTROMAGNETIC FIELDS	0	0	0	3

In 2014, 15 REN projects were subject to environmental monitoring and supervision.

SOME ENVIRONMENTAL INDICATORS

REN monitors a series of environmental indicators which represent Company performance in this area. Presented below are those which refer to consumption, effluents and waste produced.

CONSUMPTION OF MATERIALS ¹¹	'11	'12	'13	'14
NITROGEN (M ³) ¹²	1,127	885	634	1,627
ETHYLENE GLYCOL (T)	4	0	0	0
LUBRICATING OILS (T)	1.7	0.2	10.3	7.3
LUBRICATING GREASES (T)	0.01	0	0	0
OIL FOR TRANSFORMERS (T)	11	8	11	7
PH REGULATOR (H ₂ SO ₄ AT 38%) (LITRES)	330	775	925	425
CAUSTIC SODA (T)	0,1	0,3	0,13	0,32
SODIUM HYPOCHLORITE (T)	412	0,3	108,4	90,7
NATURAL GAS ODORANTS (THT) (T)	54	57	56,5	56,5
REUSED OIL (TRANSFORMERS) (T)	4	0,6	1,95	0,40
INK CARTRIDGES AND TONERS (NO)	1,092	1,080	358	-
PAPER FOR ADMINISTRATIVE USE (T)	11.4	18,7	10,5	12.1
RECYCLED PAPER FOR INTERNAL USE ¹³ (T)	0.7	2.5	0	0.6

¹¹ The consumption of materials in some cases corresponds to quantities acquired to replace stocks and may not correspond to actual consumption.

¹² The increase in the consumption of nitrogen was due to the need to render a section of gas pipeline inert for repair work.

¹³ The consumption of paper includes the acquisition of new paper, recycled paper and stationery (envelopes, cards, etc.).

WATER AND EFFLUENTS	'11	'12	'13	'14
CONSUMPTION OF WATER FROM THE PUBLIC NETWORK (M ³)	86,784	102,563	109,780	118,666
WATER UPTAKE FROM UNDERGROUND SOURCES (M ³)	1,703,726	1,540,600	1,977,901	748,580
USE OF SEA WATER (M ³) ¹	75,976,708	61,176,762	54,196,445	45,358,514
DISCHARGE OF BRINE INTO THE SEA (M ³) ²	1,330,500	1,307,929	2,255,297	620,328
DISCHARGE OF BRINE FOR TREATMENT (M ³)	270,639	233,571	193,079	133,337
FREE CHLORINE - ANNUAL AVERAGE VALUE (MG/L) ³	0.15	0.12	0.32	0.32

¹ Uptake and discharge of sea water used in the liquefied natural gas regasification process.

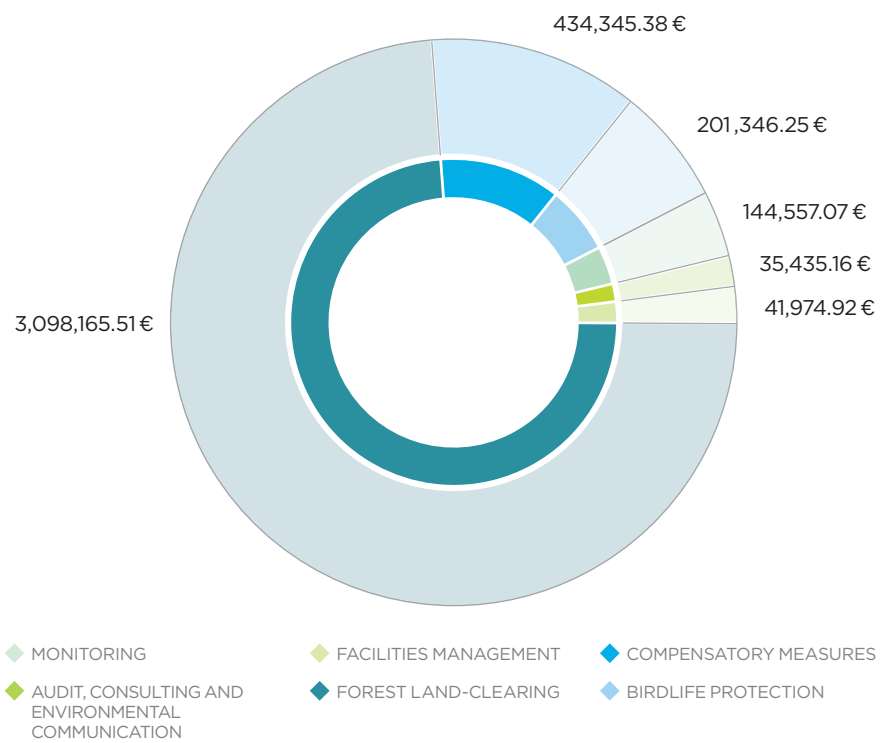
² Discharge of water resulting from the process of building salt caverns to store natural gas.

³ Only refers to REN Atlântico.

The use of sea water in vaporisers to regasify LNG was reduced significantly due to the reduction of market agent appointments as compared to similar periods.

In 2014 a total of 962 tonnes of waste were sent to a final destination, of which 44% was hazardous. The increase in the amount of hazardous waste sent to final destination was the result of an increase in conservation work on power transformers, intended to prolong the working life of this equipment. During this work, approximately 382 tons of insulating oil were replaced. Around 88% of waste was sent to waste utilisation operations.

The following graph shows the breakdown of the environmental costs in 2014 according to type.



CLIMATE CHANGE AND ENERGY CHALLENGES

REN is among the companies that best provides information on the company’s policies and activities in the area of climate change, according to the Carbon Disclosure Project Iberia 125 Climate Change Report 2014.

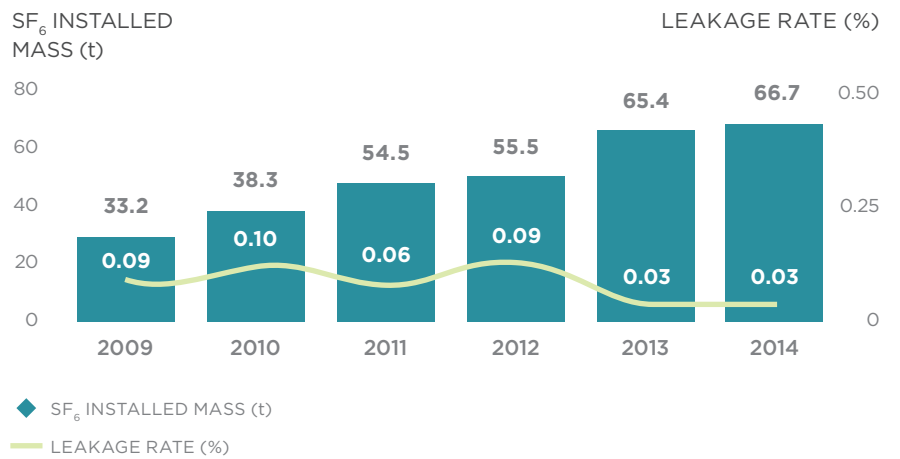
REN was invited to participate, for the sixth consecutive year, in the CDP’s annual questionnaire. The company had a classification of 87 points in terms of the level of information made available and compliance with report guideline rules. The company was also classified at level B with regard to the assessment of its performance in the area of combating climate change.

REN has been implementing an action plan to reduce its direct emissions

The CDP is a non-profit organisation that compiles information on the performance of the main global companies with regard to climate change, providing this information to a broad set of institutional investors, helping them to identify potential risks related to their investments.

It should be noted that, in terms of disseminating information, REN's response was above the average in the Iberia 125 index (the average score for provision of information was 84).

In the area of preventing and controlling greenhouse gas emissions, over the course of recent years REN has been implementing an action plan to reduce its direct emissions, namely with regard to emissions of sulphur hexafluoride (SF₆), a gas used as an electrical insulator (dielectric) in different high and very high voltage equipment. In 2014, despite the increase in installed mass, the leak rate was maintained at the same level. The company's efforts to reduce SF₆ leakages is reflected in the evolution of the leakage rates for this gas, with results considered to be highly positive from a technically viewpoint on an international level.



GREENHOUSE GAS EMISSIONS (T CO ₂ eq)	'11	'12	'13	'14
DIRECT EMISSIONS	17,288	32,490	20,890	26,665
NATURAL GAS PURGES (CH ₄)	853	11,590	1,275	4,296
FLARE BURN	1,030	4,685	4,243	6,393
OWN CONSUMPTION BY BOILERS	11,089	12,353	12,305	12,269
COGENERATION	1,590	1,229	641	816
SULPHUR HEXAFLUORIDE (SF ₆)	780	1,133	468	460
NATURAL GAS (BUILDINGS)	7	55	483	530
PROPANE GAS (BUILDINGS)	5	12	11	11
DIESEL EQUIPMENT	38	1	77	15
FLEET FUEL	1,896	1,432	1,387	1,875
INDIRECT EMISSIONS	171,988	164,972	132,832	118,742
ELECTRICITY	16,885	17,070	11,162	9,149
ELECTRICITY LOSSES IN THE NETWORK	153,402	147,541	121,165	108,906
AIR TRAVEL	1,701	361	505	687

The increase in emissions associated with natural gas purges was due to the need to conduct repair work on the gas pipeline.

In 2014, the number of videoconferences fell slightly. Employees instead continue to use corporate collaboration software which makes it possible to exchange instant messages and hold video-calls. This is an important tool to reduce the Company's carbon footprint.

GREENHOUSE GAS EMISSIONS (T CO ₂ eq)	'11	'12	'13	'14
NUMBER OF TRAIN TRIPS (LISBON-PORTO)	780	974	1,028	979
NUMBER OF VIDEOCONFERENCES	601	1,069	1,747	740

REN continued to encourage the use of trains instead of cars, especially for transport on the Lisbon-Porto route.

Main activities relating to initiatives to reduce GG emissions, particularly SF₆ in 2014 were as follows:

1) **Deactivation of a series of SF₆** circuit breakers replaced as part of remodelling work in or in replacement programmes for families of obsolete equipment or equipment which is less reliable, in accordance with technical procedures relating to end-of-working-life. All operating, assembly, maintenance and deactivation work is carried out by specialized REN teams. Team members are qualified in accordance with legislation.

2) Implementation of SF₆ continuous monitoring systems in armoured substation buildings (GIS):

REN has always taken very seriously the security of personnel accessing GIS rooms after a leak alarm has been triggered. Although SF₆ is not toxic in good conditions, this gas fills breathable air space and thus presents a potential choking hazard, with serious consequences for any person involved.

In order to improve safety conditions, in 2013 a pilot project was successfully implemented to install a system which continuously monitors SF₆ in the GIS 60 kV equipment room at the Ermesinde sub-station, including the respective cable gallery.

The system proposes continuously monitors for the presence of SF₆ inside the substation, and should the gas be detected, visual and audible alarms are triggered at the main entrances of the affected area. A ventilation system is also activated to remove the gas from inside the substation.

Further to the success of the pilot project, in 2014 the broadening of the implementation stage was started. REN proposes to equip around three installations per year so as to ensure coverage in this area before the end of 2016. For this purpose, the implementation of this system at the Ermesinde (conclusion in the 220 kV sector), Carriche and Sacavém Sub-Stations was adjudicated in 2014.

MANAGING CO₂ EMISSIONS FROM PLANTS WITH CAES

Within the scope of its regulated activity as a Commercial Agent, REN Trading is a company that plays an active role in the area of climate change. The management of plants which maintain Energy Acquisition Contracts (CAEs), viz. Tejo Energia and Turbogás, is conditioned by the rules of the European Emissions Trading Scheme (EU ETS).

This situation is the result of an international negotiation process which culminated in 1997 in the signing of an international treaty, the Kyoto Protocol, signed by Portugal as a member of the EU (European Union). The aim is to mitigate climate change and global warming by reducing emissions of greenhouse gases.

As of 2005, the ETS has been the tool used in the UE to comply with the aims of Kyoto. Through the allocation of a price on CO₂ (one of the main greenhouse gases, and this is the measurement unit for remaining gases, in accordance with the UN Technical Committee on Climate Change), the goal is to reduce the emissions of the main industrial facilities and covers sectors such as the production of electricity from fossil fuels, steel making, ceramics, petrol refineries and aviation (from 2012) among others.

Legislation which transposed ETS to national law includes Decree-Law No 233/2004 of 14 December 2004, and later legislation which came about further to the transposition of Community Directive No 2003/87/EC of the European Parliament and of the Council of 13 October 2003.

With the aim of minimising annual expenditure on the purchase of allowances (on the total amount of emissions made by CAE stations, with the end of free allocations), the total costs incurred by consumers with the purchase of electricity, in compliance with ERSE regulations, REN Trading was active on the futures market in 2014, as a member of the ICE (Intercontinental Exchange), the most important market in futures trading and carbon derivatives. It is the responsibility of REN Trading to purchase CO₂ emission licenses in line with the environmental requirements of the two CAE plants, which will mean buying EUA (European unit allowance) licenses.

REN Trading is a company that plays an active role in the area of climate change

The decision taken by REN Trading with regard to the sale of production from these plants, has always taken into account forecast emissions and the associated cost, measured through the EUA market price. In order to explain further, in certain circumstances the incorporation of CO₂ costs into total production costs for the Pego plant (coal fired, a more polluting fuel) could alter its position in the order of merit of supply in the electricity market, making it less competitive. This would therefore require it to be replaced with a less polluting alternative such as Turbogás (natural gas fired). In essence, through this mechanism created by EU ETS, the operation of the Iberian electricity market is affected and the influence in this case of this mechanism on the emissions of plants and the country's electrical power programme can be seen.

In 2014, there was an increase in activity compared with the previous year. REN Trading was active in the futures market, with transactions for the purchase of about 3.1 million tons of CO₂.

Despite the adverse macroeconomic situation (with a surplus of licences due to the economic slowdown) there was a significant price rise compared to 2013, taking the average price of the spot market up about 34%.

The significant rise in the price of allowances was due mainly to supply reduction, the result of the backloading process (withdrawal of offers to auction off in 2014-2016). Backloading assumes the placement of quantities of EUAs from 2019. However, with the discussion of the reserve mechanism for market stability, they may be placed immediately in the reserve, therefore reinforcing the bullish trend of market prices.

It is expected that the reserve mechanism will strengthen the correct functioning of the EU ETS, contributing to the creation of a clear price signal for the cost of greenhouse gas emissions into the atmosphere. This will subsequently be reflected in production and investment decisions (by the internalisation of environmental externalities), helping to achieve the goal of a less carbon-intensive society.

ISSUING ENTITY FOR GUARANTEES AND CERTIFICATES OF ORIGIN

With the publication of Decree-Law No 23/2010 of 25 March 2010 which adapts the system for cogeneration activities in Portugal establishing the respective legal and remuneratory system, the rules for issuing guarantees and certificates of origin for electricity produced by means of cogeneration are also defined. Furthermore, the competences regarding the Issuing Entity for Guarantees of Cogeneration Origin (in Portuguese EEGO) are attributed to the RNT concessionaire.

During 2013, with the publication of Decree-Law No 39/2013 of 18 March 2013, REN's competences were extended with regard to EEGO, to the production of electricity and energy for heating and cooling through renewable energy sources, namely:

- a) Implementation and management of a system of guarantees of origin of electricity and power for heating and cooling from renewable sources of energy, including the electronic register, issue, transmission and cancellation of the respective documents;
- b) Direct or external audit and monitoring of facilities and equipment for the production of energy from renewable sources, as well as inspection of energy metering equipment which ensures the correct qualification of the facilities and the guarantee or certification of origin of the electricity and power for heating and cooling;
- c) Provision for public consultation of the relevant and non-confidential information on the issue of guarantees of origin, for public consultation on an Internet site.

During 2014, further to the competences attributed within the scope of EEGO, REN conducted 38 audits on cogeneration plants

EEGO was established in October 2012 and currently has 148 cogeneration facilities registered. In 2014, 4,614,577 guarantees of origin were issued for the production of high efficiency cogeneration electrical power and 75,455 certificates of origin were issued for the production of efficient cogeneration electrical power. Every guarantee or certificate of origin corresponds to a face value of 1 MWh.

During 2014, further to the competences attributed within the scope of EEGO, REN conducted 38 audits on cogeneration plants.

INTENSIVE ENERGY CONSUMPTION

With regard to measures to rationalize energy consumption implemented within the scope of SGCIE, during 2014 at REN Atlântico - LNG Terminal, it is important to note the following.

In December 2014, REN Atlântico was audited by DGEG, with a view to verifying the implementation of the recommendations set out in the Execution and Progress Report. Findings of this audit included the non-compliance with the main recommendation which provided for terminal emission at a minimum value of 174,000 m³(n)/h.

In a similar manner to that seen in 2013, 2014 saw long periods of reduced NG flow. Long periods were also seen with flows below the minimum technical level (117,000 m³(n)/h).

This fact was mainly due to a combination of two factors:

- ◆ Significant drop in the consumption of NG for the electricity market due to the increase in production of renewable power (hydro and wind) and also as a result of the fall in competitiveness of NG with regard to other sources of energy, such as coal;
- ◆ The high prices of LNG allowed it to be sold on the international market without passing through the Terminal. National consumption was provided for by NG from the gas pipeline

REN Atlântico's commitment was one again reaffirmed to, in liaison with the system's technical manager, continue to attempt to achieve this goal, as considerable improvement in energy efficiency could be seen.

Taking into account the lowering of LNG prices internationally and the subsequent resumption of Terminal activity in December 2014, it is expected that 2015 will see a significant increase of activity in terms of flow along the RNTGN [Portuguese Natural Gas Transmission Network].

If this assumption materializes, it will be possible to minimize flow periods of less than 174,000 m³(n)/h, to comply with the recommendation laid down in the SGCIE framework and, consequently, increase the energy efficiency of the LNG Terminal.

Measures to rationalize energy consumption were concluded in December 2013 and implemented in 2014. The results obtained in 2014 will be collated before March 2015 for later assessment with regard to the base year of 2008.

CONSUMPTION MANAGEMENT

ENERGY CONSUMPTION (GJ)	'11	'12	'13	'14
ELECTRICAL ENERGY OF INFRASTRUCTURE AND BUILDINGS	259,733	268,748	240,978	236,446
NATURAL GAS (COGENERATION, BOILERS, PILOTS AND CONTROLLED FLARES)	242,902	325,620	306,402	344,137
PROPANE GAS	81	187	178	172
NATURAL GAS	130	987	8,024	9,361
REN FLEET FUEL	25,916	19,616	18,807	25,302
LOSSES IN THE ELECTRICITY TRANSMISSION NETWORK	2,360,030	2,306,602	2,616,509	2,814,536
LOSSES IN THE GAS TRANSMISSION NETWORK (PURGES)	2,221	32,755	3,603	9,106

ENERGY PRODUCED/SOLD (GJ)	'11	'12	'13	'14
PRIMARY ENERGY PRODUCED (COGENERATION)	8,447	10,173	5,519	6,990
PRIMARY ENERGY SOLD (COGENERATION)	5,806	6,930	6,927	4,638

BIODIVERSITY AND ECOSYSTEM MANAGEMENT

Biodiversity¹¹ is one of the most important environmental descriptors considered in the systematic assessment of possible impacts of REN's activities on the different phases of the life cycle of its infrastructure.

Despite the constant concern with protecting and promoting biodiversity, a small percentage of REN's infrastructure is integrated into sensitive areas in national territory: sites that are part of the Natura 2000 Network, Special Protection Zones and other protected areas, including national parks, reserves, parks and natural monuments.

OCCUPATION IN SENSITIVE AREAS	AREA/LENGTH	% OF TOTAL OCCUPATION
STATIONS/FACILITIES	0.37 km ²	10%
LENGTH OF GAS PIPELINES/LINES	1,209.5 km	12%

The occupation of these areas by REN infrastructure is essentially due to historical reasons (the integration of infrastructure was prior to the classification of these protected areas) as well as the need to enable or reinforce the flow of renewable energy from production plants located in these sensitive areas. Whenever these facilities are modified, such as changes in the paths of lines and gas pipelines, such changes are optimised so as to reduce the impact on biodiversity.

¹¹ www.ren.pt/sustentabilidade/ambiente/biodiversidade_e_gestao_dos_ecossistemas/

Currently, the sites where the infrastructure of the National Transmission Network (RNT) is located are potentially the habitat for classified species on the Red List of the International Union for Conservation Nature (IUCN), in the following categories:

IUCN CLASSIFICATION	'11	'12	'13	'14 ¹
CRITICALLY THREATENED	3	6	4	3
THREATENED	4	4	6	5
VULNERABLE	17	24	19	17

¹ As new gas pipelines have not been built, the figure shown only refers to the National Electricity Network.

Information on compensatory measures developed during 2014 may be consulted on the REN website at [em www.ren.pt](http://www.ren.pt)

FLORA AND SOIL USE

As a result of its construction and maintenance activities, REN has a direct impact on flora and soil use.

This impact occurs, for example, at the time when the line buffer corridors associated with REN's infrastructure (electricity lines and gas pipelines) are created or maintained. As a way of offsetting this impact, since 2007 REN has been carrying out diverse tree planting projects within the scope of building its new facilities and in 2013, extended this methodology to lines already in operation.

Through its easement reforestation programme, REN has already planted more than 420,000 trees in recent years in an area greater than 630 hectares.

In 2013, a total of 63,000 trees were planted in an area of approximately 230 hectares, in the following geographic regions:

CENTRE/INTERIOR REGION (FALAGUEIRA-CASTELO BRANCO AXIS)	53.3 ha	53,646 plantas
MINHO REGION (PEDRALVA-OLEIROS AXIS)	21.5 ha	5,924 plantas
ALGARVE REGION (SINES-PORTIMÃO AXIS)	14.6 ha	4,062 plantas

In the course of 2014, there were still a total about 3,300 ha of our pipeline rights-of-way, particularly within forest areas, many of which are included in the National Forest Defence System against fires.

In order to help implement the European strategy for green infrastructure, through the transformation of existing public utility easements associated with the transmission of electricity and gas, via a multi-service delivery network creating connection corridors and buffer zones between hazardous areas, a tender was submitted to the EU LIFE programme, called GREEN CONNECT. For this project REN had two partners, QUERCUS [National Association for Nature Conservation] and CIBIO (ICETA) [Research Centre in Biodiversity and Genetic Resources/ Instituto de Ciências e Tecnologias Agrárias e Agroalimentares].

The aim of this project is to prove that the abandonment of passive approaches and the adoption of more active approaches to the management of existing pipeline rights-of-way, which are environmentally sustainable, can bring benefits in terms of reducing maintenance costs, through:

- ◆ Increased maintenance cycles
- ◆ Owners' joint liability

In 2014, maintenance was also carried out in areas under company management for a period of 20 years: in the Soajo-Peneda Forest Perimeter (Plot 14), the parish of Couso, the municipality of Melgaço, the Serra da Estrela Natural Park, Baldio de Folgoso, the municipality of Gouveia, as well as in the areas annexed to Tavira substation, the parish of Cachopo and the municipality of Tavira.

After having compiled the information available on the different construction projects, below is a calculation of the number of trees felled, per construction for REN Eléctrica, REN Gasodutos and REN Armazenagem. This calculation takes into account not only the number of trees felled but also the area covered. In the latter case the figure is based on an average density estimate (trees/ha) for each region.

In 2014, approximately 470,000 trees were felled in REN construction work, representing a forest area of around 290 ha.

In 2014, the major projects were:

L.CLEJ1 400KV + 220KV, DOUBLE WITH OPGW	34%
L. MODIFICATIONS OF THE L.CLEJ2/MC, AT 220KV	16%
L. CANIÇADA-RIBA D'AVE/GUIM. OPEN TO FAFE	17%
VIEIRA DO MINHO-PEDRALVA LINE 1, AT 400 KV	16%

NUMBER OF TREES FELLED IN THE CONSTRUCTION OF NEW REN INFRASTRUCTURES

'12		'13		'14	
Total area felled	Total No of trees felled	Total area felled	Total No of trees felled	Total area felled	Total No of trees felled
± 115 ha	± 136,000	± 90 ha	± 120,000	± 290 ha	± 470,000

BIRDLIFE

Offsetting Measures

A very important area for REN is the implementation of offsetting measures, arising from the Environmental Impact Assessment process for new infrastructure. The measures underway and the main results are available for consultation on the REN¹³ website.

Compatibility between REN's infrastructures and the white stork population

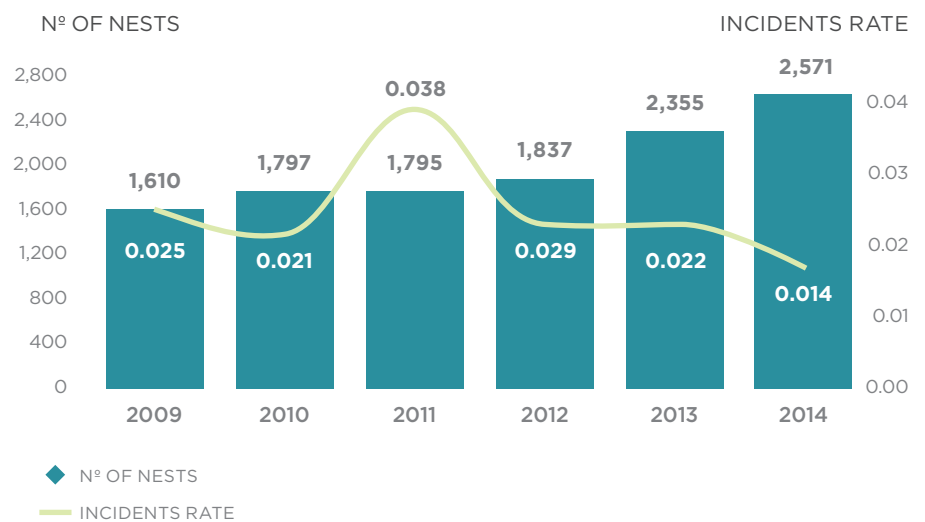
For more than ten years, REN has monitored the nesting patterns of the white stork population in its infrastructure, creating nesting conditions for this bird in favourable habitats and installing devices that minimize the risk of accidents of electrical origin.

More actions were implemented in 2014 as compared to the previous year, described below according to type:

	'11	'12	'13	'14'
NUMBER OF PLATFORMS INSTALLED	150	155	97	178
NUMBER OF ANTI-PERCHING DEVICES INSTALLED	481	975	649	600
NUMBER OF NESTS TRANSFERRED	43	51	51	250

During the year, there was a fall in the rate of incidents involving white storks as compared to 2013.

The installation of fans and platforms prevents nesting in the most dangerous sites, with a higher probability of incidents, helping ensure that an increase in nests does not result in an increase in incidents.



4.4 AWARDS

Silver in the category 'Interactive Annual Report: Energy', at the ARC Awards 2014

Silver at the Galaxy Awards 2014 in the category of 'Online Annual Report'

Bronze in the category of 'Best Annual Report - Online/Electronic', at the Stevie Awards 2014

'Best website - Best in Class Award', at the Interactive Media Awards 2014.

'Prime Company' with rating B+ in sustainability, according to the OEKOM 2014 Corporate Rating

Bronze in the category of 'Most Socially or Environmentally Responsible Company of the Year', at the Best Biz Awards 2014

Patronage Award, from the Portuguese Association of Museology (APOM)

AAA Rating in Corporate Governance - AEM





REN 

**ANNUAL
REPORT
2014**

**CONSOLIDATED
AND INDIVIDUAL
ACCOUNTS**

REN 

**ANNUAL
REPORT
2014**

**CONSOLIDATED
AND INDIVIDUAL
ACCOUNTS**

TALENT



At REN we discovered our winning formula many years ago. Our equation involves more than 600 professional staff which make up our highly competent and motivated multi-disciplinary team. A key asset which makes us grow towards an ever more efficient, safe and competitive energy system, capable of ensuring access to energy for everyone.

**THIS IS OUR FORMULA
FOR SUCCESS**

05

**CONSOLIDATED
AND INDIVIDUAL
ACCOUNTS**



1. CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statements of financial position
as of 31 December 2014 and 2013

(TRANSLATION OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ORIGINALLY ISSUED IN PORTUGUESE - NOTE 38)

(AMOUNTS EXPRESSED IN THOUSANDS OF EUROS - tEuros)

ASSETS	NOTES	31 DECEMBER	
		'14	'13
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	8	682	934
GOODWILL	9	3,774	3,774
INTANGIBLE ASSETS	8	3,838,228	3,877,420
INVESTMENTS IN ASSOCIATES AND JOINT VENTURES	10	12,575	12,155
AVAILABLE-FOR-SALE FINANCIAL ASSETS	12 AND 13	144,443	156,886
DERIVATIVE FINANCIAL INSTRUMENTS	12 AND 16	21,970	-
OTHER FINANCIAL ASSETS	12	93,482	102,274
TRADE AND OTHER RECEIVABLES	12 AND 14	86,182	81,588
DEFERRED TAX ASSETS	11	65,982	67,800
		4,267,320	4,302,831
CURRENT ASSETS			
INVENTORIES	15	1,779	1,880
TRADE AND OTHER RECEIVABLES	12 AND 14	459,785	565,923
AVAILABLE-FOR-SALE FINANCIAL ASSETS	12 AND 13	62,530	-
CURRENT INCOME TAX RECOVERABLE	11 AND 12	10,219	-
OTHER FINANCIAL ASSETS	12	8,864	22,728
CASH AND CASH EQUIVALENTS	12 AND 17	114,258	167,987
		657,435	758,518
TOTAL ASSETS	7	4,924,755	5,061,349
EQUITY			
SHAREHOLDERS' EQUITY:			
SHARE CAPITAL	18	534,000	534,000
OWN SHARES	18	(10,728)	(10,728)
RESERVES	19	315,621	271,634
RETAINED EARNINGS		183,896	163,356
NET PROFIT FOR THE YEAR		112,777	121,303
TOTAL EQUITY		1,135,567	1,079,566
LIABILITIES			
NON-CURRENT LIABILITIES			
BORROWINGS	12 AND 20	2,207,514	2,430,159
LIABILITY FOR RETIREMENT BENEFITS AND OTHERS	21	126,617	126,231
DERIVATIVE FINANCIAL INSTRUMENTS	12 AND 16	24,581	34,320
PROVISIONS	22	4,947	4,690
TRADE AND OTHER PAYABLES	23	328,228	370,298
DEFERRED TAX LIABILITIES	11	92,270	73,956
		2,784,157	3,039,654
CURRENT LIABILITIES			
BORROWINGS	12 AND 20	396,952	250,325
PROVISIONS	22	2,369	1,213
TRADE AND OTHER PAYABLES	23	605,710	642,973
INCOME TAX PAYABLE	11 AND 12	-	44,935
DERIVATIVE FINANCIAL INSTRUMENTS	12 AND 16	-	2,683
		1,005,031	942,129
TOTAL LIABILITIES	7	3,789,188	3,981,783
TOTAL EQUITY AND LIABILITIES		4,924,755	5,061,349

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2014.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

Consolidated statements of profit and loss for the years ended 31 December 2014 and 2013

(TRANSLATION OF CONSOLIDATED STATEMENTS OF PROFIT AND LOSS ORIGINALLY ISSUED IN PORTUGUESE - NOTE 38)

(AMOUNTS EXPRESSED IN THOUSANDS OF EUROS - tEuros)

	NOTES	YEAR ENDED	
		'14	'13
SALES	7 AND 24	575	112
SERVICES RENDERED	7 AND 24	570,275	575,886
REVENUE FROM CONSTRUCTION OF CONCESSION ASSETS	7 AND 25	163,186	187,464
GAINS FROM ASSOCIATES AND JOINT VENTURES	10	421	(361)
OPERATING GRANTS		10	-
OTHER OPERATING INCOME	26	21,576	25,744
OPERATING INCOME		756,042	788,845
COST OF GOODS SOLD		(802)	(303)
COST WITH CONSTRUCTION OF CONCESSION ASSETS	25	(142,794)	(162,179)
EXTERNAL SUPPLIES AND SERVICES	27	(40,537)	(44,028)
PERSONNEL COSTS	28	(53,049)	(53,599)
DEPRECIATION AND AMORTIZATIONS	8	(202,628)	(201,242)
PROVISIONS	22	(1,449)	212
IMPAIRMENT	14 AND 15	(28)	5,296
OTHER EXPENSES	29	(11,795)	(12,750)
OPERATING COSTS		(453,082)	(468,593)
OPERATING RESULTS		302,960	320,252
FINANCIAL COSTS	30	(131,735)	(162,703)
FINANCIAL INCOME	30	9,001	12,917
INVESTMENT INCOME - DIVIDENDS	13	8,569	7,558
FINANCIAL RESULTS		(114,165)	(142,228)
PROFIT BEFORE INCOME TAX		188,795	178,024
INCOME TAX EXPENSE	11	(50,953)	(56,721)
ENERGY SECTOR EXTRAORDINARY CONTRIBUTION (ESEC)	35	(25,065)	-
NET PROFIT FOR THE YEAR		112,777	121,303
ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE COMPANY		112,777	121,303
NON-CONTROLLED INTEREST		-	-
CONSOLIDATED PROFIT FOR THE YEAR		112,777	121,303
EARNINGS PER SHARE (EXPRESSED IN EURO PER SHARE)	31	0.21	0.23

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 DECEMBER 2014.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

Consolidated statements of other comprehensive income for the years ended 31 December 2014 and 2013

(TRANSLATION OF CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME ORIGINALLY ISSUED IN PORTUGUESE - NOTE 38)

(AMOUNTS EXPRESSED IN THOUSANDS OF EUROS - tEuros)

	NOTES	YEAR ENDED	
		'14	'13
CONSOLIDATED NET PROFIT FOR THE PERIOD		112,777	121,303
OTHER INCOME AND COST RECORDED IN EQUITY:			
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS:			
ACTUARIAL GAINS / (LOSSES) - GROSS OF TAX	21	(2,652)	(21,987)
TAX EFFECT ON ACTUARIAL GAINS / (LOSSES)	11	(1,658)	8,955
ITEMS THAT ARE OR MAY BE RECLASSIFIED TO PROFIT OR LOSS:			
INCREASE/(DECREASE) IN HEDGING RESERVE - DERIVATIVE FINANCIAL INSTRUMENTS	16	(1,282)	12,069
TAX EFFECT ON HEDGING RESERVES	11 AND 16	(198)	(3,445)
FAIR VALUE RESERVE - AVAILABLE-FOR-SALE ASSETS	13	49,987	25,784
TAX EFFECT ON FAIR VALUE RESERVES	11 AND 13	(10,560)	(805)
OTHER COMPREHENSIVE INCOME FROM ASSOCIATES, NET OF TAX EFFECTS		-	223
EFFECT OF THE TAX RATE ON ITEMS RECOGNIZED DIRECTLY IN EQUITY	11	237	-
COMPREHENSIVE INCOME FOR THE YEAR		146,652	142,097
ATTRIBUTABLE TO:			
SHAREHOLDERS OF THE COMPANY		146,652	142,097
NON-CONTROLLING INTERESTS		-	-
		146,652	142,097

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2014.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

Consolidated statements of changes in equity for the years ended 31 December 2014 and 2013

(TRANSLATION OF CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY ORIGINALLY ISSUED IN PORTUGUESE - NOTE 38)

(AMOUNTS EXPRESSED IN THOUSANDS OF EUROS - tEuros)

ATTRIBUTABLE TO SHAREHOLDERS											
CHANGES IN THE PERIOD	NOTES	SHARE CAPITAL	OWN SHARES	LEGAL RESERVE	FAIR VALUE RESERVE (NOTE 13)	HEDGING RESERVES (NOTE 16)	OTHER RESERVES	RETAINED EARNINGS	PROFIT FOR THE PERIOD	NON-CONTROLLING INTERESTS	TOTAL
AT 1 JANUARY 2013		534,000	(10,728)	85,437	(4,093)	(26,612)	177,022	149,002	123,561	-	1,027,589
NET PROFIT OF THE PERIOD AND OTHER COMPREHENSIVE INCOME		-	-	-	24,979	8,624	223	(13,032)	121,303	-	142,097
TRANSFER TO OTHER RESERVES		-	-	6,055	-	-	-	117,507	(123,561)	-	-
DISTRIBUTION OF DIVIDENDS	32	-	-	-	-	-	-	(90,120)	-	-	(90,120)
AT 31 DECEMBER 2013		534,000	(10,728)	91,492	20,886	(17,989)	177,245	163,356	121,303	-	1,079,566
AT 1 JANUARY 2014		534,000	(10,728)	91,492	20,886	(17,989)	177,245	163,356	121,303	-	1,079,566
NET PROFIT OF THE PERIOD AND OTHER COMPREHENSIVE INCOME		-	-	-	39,427	(1,480)	237	(4,310)	112,777	-	146,652
TRANSFER TO OTHER RESERVES		-	-	5,804	-	-	-	115,500	(121,303)	-	-
DISTRIBUTION OF DIVIDENDS	32	-	-	-	-	-	-	(90,650)	-	-	(90,650)
AT 31 DECEMBER 2014		534,000	(10,728)	97,295	60,313	(19,468)	177,482	183,896	112,777	-	1,135,567

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014.

THE ACCOUNTANT THE BOARD OF DIRECTORS

Consolidated statements of cash flow for the years ended
31 December 2014 and 2013

(TRANSLATION OF CONSOLIDATED STATEMENTS OF CASH FLOW ORIGINALLY ISSUED IN PORTUGUESE - NOTE 38)

(AMOUNTS EXPRESSED IN THOUSANDS OF EUROS - tEuros)

	NOTES	YEAR ENDED	
		'14	'13
CASH FLOW FROM OPERATING ACTIVITIES:			
CASH RECEIPTS FROM CUSTOMERS		a) 2,459,521	a) 2,056,635
CASH PAID TO SUPPLIERS		a) (1,841,765)	a) (1,391,110)
CASH PAID TO EMPLOYEES		(62,993)	(63,160)
INCOME TAX RECEIVED/PAID		(98,159)	(8,510)
OTHER (PAYMENTS)/RECEIPTS RELATING TO OPERATING ACTIVITIES		(87,190)	(87,567)
NET FLOWS FROM OPERATING ACTIVITIES		369,413	506,288
CASH FLOW FROM INVESTING ACTIVITIES:			
RECEIPTS RELATED TO:			
OTHER FINANCIAL ASSETS	17	22,728	207,264
INVESTMENT GRANTS	23	1,154	5,051
INTERESTS AND OTHER SIMILAR INCOME		7,510	8,160
DIVIDENDS	13	8,422	7,493
PAYMENTS RELATED TO:			
OTHER FINANCIAL ASSETS	17	-	(210,000)
CAPITAL CONTRIBUTIONS IN ASSOCIATES AND JOINT VENTURES	10	-	(2,910)
AVAILABLE-FOR-SALE	13	(100)	(100)
PROPERTY, PLANT AND EQUIPMENT		(8)	(498)
INTANGIBLE ASSETS		(127,510)	(162,687)
NET CASH (USED IN)/FROM INVESTING ACTIVITIES		(87,806)	(148,227)
CASH FLOW FROM FINANCING ACTIVITIES:			
RECEIPTS RELATED TO:			
BORROWINGS	18	4,580,500	2,404,391
INTERESTS AND OTHER SIMILAR INCOME		73	17
PAYMENTS RELATED TO:			
BORROWINGS		(4,700,564)	(2,403,135)
INTERESTS AND OTHER SIMILAR EXPENSE		(125,493)	(163,334)
DIVIDENDS	32	(90,650)	(90,120)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES		(336,134)	(252,180)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(54,527)	105,880
CASH AND CASH EQUIVALENTS AT DE BEGINNING OF THE YEAR	17	167,126	61,246
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	17	112,599	167,126
DETAIL OF CASH AND CASH EQUIVALENTS			
BANK OVERDRAFTS	17	(1,659)	(861)
BANK DEPOSITS	17	114,258	167,987
		112,599	167,126

a) These amounts include payments and receipts relating to activities in which the Group acts as agent, income and costs being reversed in the consolidated statement of profit and loss.

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THE CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2014.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

2. NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2014

(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE - NOTE 38)
(AMOUNTS EXPRESSED IN THOUSANDS OF EUROS - tEuros)

1 GENERAL INFORMATION

REN - Redes Energéticas Nacionais, SGPS, S.A. (referred to in this document as "REN" or "the Company" together with its subsidiaries, referred to as "the Group" or "the REN Group"), with head office in Avenida Estados Unidos da América, 55 - Lisbon, resulted from the spin-off of the EDP Group, in accordance with Decree-Laws 7/91 of 8 January and 131/94 of 19 May, approved by the Shareholders' General Meeting held on 18 August 1994, with the objective of ensuring the overall management of the Public Electric Supply System (PES).

Up to 26 September 2006 the REN Group's operations were concentrated on the electricity business through REN - Rede Eléctrica Nacional, S.A. On 26 September 2006, as a result of the unbundling transaction of the natural gas business, the Group went through a significant change with the purchase of assets and financial participations relating to the transport, storage and re-gasification of natural gas activities, comprising a new business.

In the beginning of 2007 the Company was transformed into a holding company and, after the transfer of the electricity business to a new company incorporated on 26 September 2006, renamed REN - Serviços de Rede, S.A., changed its name to REN - Rede Eléctrica Nacional, S.A.

The Group presently has two main business segments, Electricity and Gas, and a secondary business of Telecommunications.

The Electricity business includes the following companies:

- a) REN - Rede Eléctrica Nacional, S.A., incorporated on 26 September 2006, whose activities are carried out under a concession contract for a period of 50 years as from 2007 which establishes the overall management of the Public Electricity Supply System;
- b) REN Trading, S.A., was incorporated on 13 June 2007, whose main function is the management of Power Purchase Agreements ("PPA") from Turbogás, S.A. and Tejo Energia, S.A., which did not terminate on 30 June 2007, date of the entry into force of the new Contracts for the Maintenance of the Contractual Equilibrium (Contratos para a Manutenção do Equilíbrio Contratual - CMEC). The operations of this company include the trading of electricity produced and of the installed production capacity, to domestic and international distributors;
- c) ENONDAS, Energia das Ondas, S.A. was incorporated on 14 October 2010, its capital being fully owned by REN - Redes Energéticas Nacionais, SGPS, S.A., with the main activity being management of the concession to operate a pilot area for the production of electric energy from sea waves.

The Gas business includes the following companies:

- a) REN Gás, S.A. was incorporated on 29 March 2011, with the corporate purpose of promoting, developing and carrying out projects and developments in the natural gas sector, as well as defining the overall strategy and coordination of the companies in which it has direct interests;

- b) REN Gasodutos, S.A., was incorporated on 26 September 2006, the capital of which was paid up through carve-in of the gas transport infrastructures (network, connections and compression);
- c) REN Armazenagem, S.A., was incorporated on 26 September 2006, the capital of which was paid up through integration into the company of the gas underground storage assets;
- d) REN Atlântico, Terminal de GNL, S.A., acquired under the acquisition of the gas business, previously designated "SGNL - Sociedade Portuguesa de Gás Natural Liquefeito". The operations of this company comprise the supply, reception, storage and re-gasification of natural liquefied gas through the GNL marine terminal, being responsible for the construction, utilization and maintenance of the necessary infrastructures.

The operations of REN Gasodutos, S.A., REN Armazenagem S.A. and REN Atlântico S.A. are made in accordance with the three concession contracts separately granted for periods of 40 years as from 26 September 2006 onwards.

The telecommunications business is managed by RENTELECOM - Comunicações, S.A. whose activity is the establishment, management and operation of telecommunications infrastructures and systems, the rendering of telecommunications services and optimizing the optical fibre excess capacity of the installations owned by REN Group.

REN SGPS fully owns REN Serviços, S.A., a company whose purpose is the rendering of services in the energetic area and the general services of business development support to group companies and third parties, receiving a fee for the services rendered, as well as the management of financial participations in other companies.

On 10 May 2013 REN Finance, B.V., a company based in Netherlands and fully owned by REN SGPS, whose purpose is to participate, finance, collaborate and lead the management of group companies, was incorporated.

Additionally on 24 May 2013, together with China Electric Power Research Institute, a State Grid Group company, Centro de Investigação em Energia REN - State Grid, S.A. ("Centro de Investigação") was incorporated under a Joint Venture Agreement on which REN holds 1,500,000 shares representing 50 of the total share capital.

The purpose of this company is to implement a Research and Development centre in Portugal, dedicated to the research, development, innovation and demonstration in the areas of electricity transmission and systems management, the rendering of advisory services and education and training services as part of these activities, as well as performing all related activities and complementary services to its object.

As of 31 December 2014 REN SGPS also holds:

- a) 40% interest in the share capital of OMIP - Operador do Mercado Ibérico (Portugal), SGPS, S.A. ("OMIP SGPS"), being its purpose the management of participations in other companies as an indirect way of exercising economic activities. The company is shareholder of OMIP - Operador do Mercado Ibérico de Energia (Portuguese Pole), SGMR, S.A. ("OMIP"), which function is the management of the MIBEL derivatives market together with OMIClear - Sociedade de Compensação de Mercados de Energia, S.A., a company fully owned by OMIP, which acts as the clearing house and central counterparty for transactions in the futures market;

- b) 10% interest in the share capital of OMEL - Operador do Mercado Ibérico de Energia, S.A., the Spanish pole of the Sole Operator;
- c) Two participations of 1% each, in the share capital of Enagás, S.A. and Red Electrica Corporation, S.A. ("REE"); e
- d) 5.45% interest in the share capital in Medgrid, SAS and 7.5% interest in the share capital of Hidroeléctrica de Cahora Bassa, S.A. ("HCB").

2 INFORMATION ON THE CONCESSION CONTRACTS AWARDED TO REN

2.1. ELECTRICITY CONCESSION CONTRACT

The concession for the National Transmission Network operator ("NTN") was granted to REN - Rede Eléctrica Nacional, S.A. in accordance with Decree-Law 182/95 of 27 July 1995 (art. 64) to manage the PES system, using the National Transmission Network as well as development of the necessary infrastructures.

The objective of this concession contract consists of the following activities:

I) PURCHASE AND SALE OF ELECTRICITY

In this activity REN, S.A. operated up to 30 June 2007 as an agent between electricity producers and distributors. The electricity was acquired based on purchase and sale contracts entered into with producers and sold in accordance with tariffs defined by the regulator, ERSE (Entidade Reguladora de Serviços Energéticos). REN was agent in the sale of the available excess production. In these intermediary operations, REN had the right to retain 50% of the commercial profits.

As from 1 July 2007, upon termination of the majority of power purchase agreements ("PPA"), REN has managed the two remaining PPA's not terminated, with Tejo Energia (Pego power plant) and Turbogás (Tapada do Outeiro CCGT power plant), through REN Trading, selling the energy of these producers into the market.

II) ELECTRICITY TRANSMISSION

This activity, the object being to transmission of electricity through the National Transmission Network to distributors in HT (high tension) and MT (medium tension), to consumers connected to the National Transmission Network and VHT networks (very high tension), networks to which REN is connected. This activity also includes the planning and development of the National Transmission Network, the construction of new infrastructures and the operation and maintenance of the National Transmission Network.

III) GLOBAL MANAGEMENT OF THE SYSTEM

The objective of this activity is global management of the electricity system, REN being responsible for the technical management through systematic coordination, of the National Transmission System installations, in order to ensure its integrated functionality and harmonization and continuity and security of the electricity delivery.

REN can carry out other activities directly, or through subsidiary companies, when authorized by the Government, if this is in the best interests of the concession or its clients.

The concession of the electric transmission activity which includes the global management of the system is performed in an exclusive concession regime through the exploration of the National Transmission Network. The concession was granted for a period of 50 years as from 15 June 2007.

The model of the concession contract ensures the contractual equilibrium, in the conditions of an efficient management, through the recognition of investment costs, operation and maintenance costs and adequate remuneration of the concession assets, to be reflected in the tariffs applicable to the operator.

The Assets considered as concession assets are the very high tension lines, connections and locations of the system manager, which includes:

- ◆ the lines, substations, sectioning points and related installations;
- ◆ the installations related to the central dispatch and overall management of SEP, including all the equipment essential for its operations;
- ◆ the installation of generating station sites, which the ownership belongs to REN; and
- ◆ the telecommunications, telemetry and remote control installations relating to the transmission and coordination of the electricity producer system.

In addition, the following are also considered as concession assets:

- ◆ the real estate belonging to REN on which the assets referred to above are installed, as well as the related land rights;
- ◆ other moveable or immovable assets necessary for the operation of the activities under concession;
- ◆ the locations for the installation of the electricity producers, the ownership of which belongs to REN;
- ◆ the legal relationships directly related with the concession, such as labour, works, lease, the rendering of services, the reception and delivery of electricity, as well as the rights to use hydric resources and transport through networks located outside the concession area.

REN must, during the concession period, maintain the assets and related means a good operating performance, maintenance and security of the assets and related means, carrying out all the repairs, renewals and adaptations necessary to maintain the assets in the required technical conditions.

REN has the right to explore the concession's assets up to termination of the concession. The assets can only be used for the purposes of the concession. On the maturity date of the concession, concession assets will revert to the State in accordance with the terms of the contract, which include the receipt of an indemnity corresponding to the net book value of the concession assets.

The concession can be terminated by agreement between the parties, by early termination, by redemption and by maturity date term. Termination of the concession involves transmission to the State of the concession assets.

The concession contract can be terminated by the conceding entity if any of the following situations with a significant impact on the operations of the concession occurs: non-compliance with the principles of the concession; opposition to supervision and disobedience of the decisions of the conceding entity; refusal to carry out the repairs and maintenance of the concession's assets, as well as their development; application of higher tariffs than those defined by the regulator;

and the unauthorized transmission or sub-concession of the transmission concession.

The conceding entity can cancel the concession whenever motives of public interest justify this, 10 years having elapsed since the date of the beginning of its term. By cancelling the concession, the operator has the right to an indemnity in accordance with the book value of the assets as of the date they revert as well as to possible profit losses.

If, upon termination of the concession, it is not renewed or the new form or entity responsible for the concession has not been decided, this concession contract can be extended for the maximum period of one year, as a lease contract, rendering of services or any other contractual legal form.

In accordance with ERSE Order 14.430/2010 of 15 September 2010, REN S.A. became subject to a new remuneration mechanism for the electricity segment, referred to as standard prices, which is applicable to for all investment in lines and substations which start operating from 1 January 2009 onwards.

2.2. GAS TRANSPORT AND GLOBAL MANAGEMENT OF THE SYSTEM

The concession for the use the National Natural Gas Transport Network was granted to REN - Gasodutos, S.A., with a 40 years period, under Decree-Law 140/2006 of 26 July 2006, for the purpose of managing the National Natural Gas System (Sistema Nacional de Gás Natural - SNGN), operation of the high pressure gas transport network and development of the necessary infrastructures, under the public service regime.

The concession contract of REN Gasodutos, S.A. consists in the following activities:

I) GLOBAL MANAGEMENT OF THE GAS SYSTEM

The objective of this activity is to manage the National Gas Supply System (Sistema Nacional de Abastecimento de Gás - SNGN) through coordination of the national and international connections to the National Natural Gas Transport Network, planning and preparation of the expansion necessary of the high pressure gas transport network, and control of the natural gas safety reserves. The operators which perform any activity integrated in the SNGN, as well as the users are subject to this activity.

II) GAS TRANSPORT

The concession of this activity has the objective to ensure gas transport through the infrastructures that make up the high pressure national network, as well as the construction, maintenance, operation and exploration of all the infrastructures of the National Natural Gas Transport Network and the connections to the network and infrastructures that might be connected, as well, of the installations necessary for its operations.

The model of the concession contract ensures contractual equilibrium, in the conditions of an efficient management, through recovery of the eligible investment costs, operating and maintenance costs and adequate remuneration of the assets, to be reflected in the tariffs applicable to the operator.

The concession assets considered include:

- ◆ the high pressure gas pipelines used to transport gas, and related pipes and equipment's;

- ◆ the infrastructures related to the compression, transport and gas pressure reduction for delivery to medium pressure gas pipelines;
- ◆ equipment related to the overall technical management of the National Gas Supply System; and
- ◆ telecommunications, telemetry and remote control infrastructures used to manage the reception, transport and delivery networks, including telemetry equipment's on the users installations.

In addition, the concession assets also include:

- ◆ the real estate assets owned by REN Gasodutos, S.A., on which the above mentioned equipment is installed, as well as the related land way rights;
- ◆ other assets necessary for carrying out the activities of the concession;
- ◆ any intellectual or industrial rights owned by REN Gasodutos, S.A.; and
- ◆ all the legal relationships related to the concession, such as labour contracts, subcontracts, leasing and external services.

REN Gasodutos, S.A. must, during the concession period, maintain the assets and related means in good operational performance, maintenance and security, carrying out all the repairs, renewals and adaptations necessary to maintain the assets in the required technical condition.

REN Gasodutos, S.A. has the right to explore the concession's assets until the concession maturity. The assets can only be used for the purposes of the concession. On the concession date termination, the concession assets will revert to the State in accordance with the terms of the contract, which include an indemnity corresponding to the net book value of the concession.

The concession can be terminated by agreement between the parties, early termination, by redemption and by maturity date term. Termination of the concession involves transmission to the State of the assets related to the concession.

The concession contract can be terminated by the conceding entity if any of the following situations with a significant impact on the operations of the concession occurs: imminent failure or interruption of the activity; deficiencies in the management and operation of the concession operations; or deficiencies in the maintenance and repair of the infrastructures that compromise the quality of the services, application of higher tariffs than those authorised by the regulator, and the unauthorized transmission of the concession.

The conceding entity can cancel the concession whenever for public interest reasons, 15 years having elapsed since the date of the beginning of its term. By cancelling the concession, the operator has the right to an indemnity in accordance with the net book value of the assets as of the date they revert as well as to possible loss of future profits.

If, upon termination of the concession, it is not renewed or the new form or entity responsible for the concession has not been decided, the concession contract can be extended for the maximum period of one year, as rendering of services or any other legal form of contract.

2.3. RECEPTION, STORAGE AND REGASIFICATION OF LIQUID NATURAL GAS (LNG)

The concession of the operations of the LNG terminal was granted to REN Atlântico, Terminal de GNL, S.A., for a 40 years period, under Decree-Law 140/2006 of 26 July 2006, to carry out the following activities under the rendering of public services regime:

- I) reception, storage, treatment and regasification of liquid natural gas unloaded;
- II) the injection of high pressure natural gas into the National Natural Gas Transport Network (Rede Nacional de Transporte de Gás Natural - RNTGN) or its dispatch by specialised trucks; and
- III) the construction, utilization, maintenance and expansion of the LNG Terminal infrastructures (buildings, tanks, gas pipelines, etc.).

The model of the concession contract ensures contractual equilibrium in the conditions of an efficient management, through recovery of the eligible investment costs, operating and maintenance costs and adequate remuneration of concession assets, to be reflected in the tariffs applicable to REN.

The concession assets considered are as follows:

- ◆ the LNG terminal and related infrastructures installed in the port of Sines;
- ◆ the infrastructures related to liquefied natural gas reception, storage, treatment and regasification, including all the equipment necessary to control, regulate and measure all the infrastructures and LNG terminal operations;
- ◆ the infrastructures used to inject natural gas into the National Natural Gas Transport Network or the loading and dispatch of LNG through trucks or methane vessels; and
- ◆ the infrastructures related to telecommunications, telemetry and remote control, used to manage all the infrastructures and the LNG terminal.

In addition, the following are also considered as concession assets:

- ◆ the real estate owned by REN Atlântico Terminal de GNL, SA, where the above mentioned equipment is installed as well as the related rights of way;
- ◆ other assets necessary for the operations of the concession;
- ◆ any intellectual or industrial rights owned by REN Atlântico Terminal de GNL, SA; and
- ◆ all the legal relationships established during the concession, such as: labour contracts, subcontracts, leasing and external services.

REN Atlântico Terminal de GNL, S.A. must, during the concession period maintain the assets in good operating condition, ensure the maintenance and security of the assets and related means, carrying out the necessary repairs, renewals and adaptations needed to keep the assets in the required technical conditions.

REN Atlântico Terminal de GNL, S.A. has the right to operate the assets of the concession until its maturity. These assets may only be used for the purposes of the concession. At the termination of the concession the concession assets revert to the State in accordance with the contract, which provides for an indemnity to be paid corresponding to the net book value of the concession assets.

The concession can be cancelled by agreement between the parties, through early termination, redemption or maturity date term. Cancellation of the concession results in transmission of all the concession assets and related means to the State.

The Concession contract can be terminated by the conceding entity when any one of following events occurs, with a significant impact on the operations of the concession: non-application of the concession principles, eminent failure or interruption of the concession operations; deficiencies in the management and of the concession's operations; or deficiencies in the maintenance and repair of the infrastructure that compromises the quality of the service; application of higher tariffs than those authorized by the regulator; and the unauthorized transmission of the concession.

The conceding entity can cancel the concession, whenever the public interest justifies, but only after a 15 year period as from the date of the beginning of the concession. By cancelling the concession, the operator has the right to an indemnity in accordance with the book value of the assets as of the date they revert, as well as to possible future profit losses.

If, upon termination of the concession, it is not renewed or the new form or entity responsible for the concession has not been decided, the concession contract can be extended for the maximum period of one year, rendering of services or any other legal form of contract.

2.4. NATURAL UNDERGROUND GAS STORAGE

The concession to operate the underground storage was granted to REN - Armazenagem, S.A., for a period of 40 years, under Decree-law 140/06 of 26 July of 2006, to carry out the following activities, under a rendering of public service regime:

- I) reception, injection, underground storage, extraction, treatment and delivery of natural gas, so as to create or maintain a natural gas security reserve or for delivery to the National Natural Gas Transport Network; and
- II) construction, utilization, maintenance and expansion of the underground storage tanks.

The model of the concession contract ensures contractual equilibrium, in the conditions of an efficient management, through recovery of the eligible investment costs, operating and maintenance costs and adequate remuneration of the concession assets, to be reflected in the tariffs applicable to REN.

The concession assets considered include:

- ◆ the underground natural gas tanks acquired or constructed during the period of the concession contract;
- ◆ the infrastructures used for gas injection, extraction, compression, drying, and pressure reduction used for distribution to the National Natural Gas Transport Network, including the equipment necessary to control, regulate and measure the remaining infrastructures;
- ◆ infrastructures and equipment for leaching operations; and
- ◆ the infrastructures necessary for telecommunications, telemetry and remote control, used to manage all the infrastructures and underground caves.

In addition, the following are also considered as concession assets:

- ◆ the property owned by REN – Armazenagem, S.A., in which the above mentioned equipment is installed as well as the related rights of way;
- ◆ other assets necessary for the operations of the concession activities;
- ◆ construction rights or increase in the underground caves;
- ◆ the cushion gas relating to each underground cave;
- ◆ any intellectual or industrial rights owned by REN Armazenagem, S.A.; and
- ◆ all the legal relationships established during the concession, such as: labour contracts, subcontracts, leasing and external services.

REN Armazenagem, S.A. must, during the concession period, maintain the assets in good operating condition, maintenance and security, carrying out the needed repairs, renewals and adaptations necessary to keep the assets in the required technical conditions.

REN – Armazenagem, S.A. has the right to operate the assets of the concession until its maturity. These assets may only be used for the purposes of the concession. At the termination date of the concession the concession assets revert to the State in accordance with the contract, which provides for an indemnity to be paid corresponding to the net book value of the concession assets.

The concession can be cancelled by agreement between the parties, through early termination, redemption or maturity date term. Cancellation of the concession results in transmission of all the concession assets to the State.

The Concession contract can be terminated by the conceding entity when any one of following events occurs, with a significant impact on the operations of the concession: non-application of the concession principles, imminent failure or interruption of the concession operations; deficient management of the concession's operations; or deficiencies in the maintenance and repair of the infrastructure that compromises the quality of the service; application of higher tariffs than those authorized by the regulator; and the unauthorized transmission of the concession.

The conceding entity can redeem the concession, whenever the public interest justifies it, but only after at least a 15 year period as from the date of the beginning of the concession. By cancelling the concession, the operator has the right to an indemnity in accordance with the book value of the assets as of the date they revert, as well as to possible futures profit losses.

If, upon termination of the concession, it is not renewed or the new form or entity responsible for the concession has not been decided, the concession contract can be extended for the maximum period of one year, rendering of services or any other legal form of contract.

2.5. OPERATION OF A PILOT SITE FOR THE ENERGY OF OCEAN WAVES

The Portuguese State has granted a concession to ENONDAS, Energia das Ondas, S.A. (“ENONDAS” or “the Operator”), a wholly owned subsidiary of REN, under the terms of item 3, article 5 of Decree-Laws 5/2008 of 8 January and 238/2008 of 15 December, to operate a pilot area to produce electricity from ocean waves.

In accordance with Decree-Law 238/2008 of 15 December the concession has a period of 45 years and includes authorization to install the infrastructures to connect to the public electricity network and utilization of the public hydro resources, and monitoring of the use by third parties of the water resources necessary to produce electricity from waves, as well as competency to grant licences for the establishment and operation of the production of electric energy and related monitoring.

In accordance with the concession contract and applicable legislation, REN will have the right to an adequate remuneration from the concession through recognition of the costs of the investment, operation and maintenance, provided that they are approved in advance by the Government member responsible for the energy area, after the binding opinion of ERSE.

AMENDMENTS TO CONCESSION CONTRACTS

On February 21, 2012, the following amendments to the concession agreements in effect between the Portuguese State and the Group companies were signed, namely: i) the concession of transport activity of electricity through the National Network of Transport of Electricity signed with REN - Rede Eléctrica Nacional, S.A.; ii) the concession of transport activity of natural gas through the National Network of Natural Gas Transportation, signed with REN Gasodutos, S.A.; iii) the concession activity of reception, storage and regasification of liquefied natural gas to the terminal in Sines, signed with REN Atlântico, terminal GNL, S.A.; and iv) the concession of the activity of underground storage of natural, signed with REN Armazenagem, S.A..

These concession contracts were amended with the main purposes of: i) detailing the functions of the operators of the national networks of electricity and natural gas transportation; ii) develop arrangements for monitoring and supervising the activities of dealers by the Portuguese State and iii) specify the terms applicable to provide information by each of the dealers, adapting the respective contractual clauses to the legal provisions and regulations in force, in particular Decree-Law No. 77/2011 and No. 78/2011, both of 20 June.

3 MAIN ACCOUNTING POLICIES

The main accounting policies used by the Group in the preparation of the consolidated financial statements are described below. The policies have been applied consistently in the periods presented.

3.1. BASIS OF PRESENTATION

The consolidated financial statements were prepared on a going concern basis, as from the books and accounting records of the companies included in the consolidation (Note 6), maintained in accordance with generally accepted accounting principles in Portugal, adjusted in the consolidation process so that the consolidated financial statements be in accordance with the International Financial Reporting Standards as endorsed by the European Union ("IAS/IFRS"), in force for the years starting on 1 January 2014.

Such standards includes the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board ("IASB"), International Accounting Standards (IAS), issued by the International Accounting Standards Committee ("IASC") and respective SIC and IFRIC interpretations, issued by the International Financial Reporting Interpretation Committee ("IFRIC") and Standard Interpretation Committee ("SIC"), that have been adopted by the European Union. The standards and interpretations are hereinafter referred generically to as IFRS.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates, assumptions and judgements in the process of adopting REN's accounting policies, with a significant impact on the carrying amounts of assets, liabilities as well as expenses and income for the reporting period.

Although the estimates are based in the best experience of the Board of Directors and their best expectations in relation to current and future events and actions, the current and future results may differ from the estimates. The areas involving a higher degree of judgement or complexity, or areas in which the assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

The consolidated financial statements are presented in thousands of Euros - tEuros.

These consolidated financial statements were approved by the Board of Directors at a meeting held on 19 March 2015. The Board of Directors understands that the consolidated financial statements fairly present the financial position of the companies included in the consolidation, the consolidated results of their operations, their consolidated comprehensive income, the consolidated changes in their equity and their consolidated cash flows in accordance with the International Financial Reporting Standards as endorsed by the European Union ("IFRS").

ADOPTION OF NEW STANDARDS, INTERPRETATIONS, AMENDMENTS AND REVISIONS

The following standards, interpretations, amendments and revisions endorsed by the European Union are mandatory applicable for the financial year ended 31 December 2014:

- ◆ IFRS 10 "Consolidated Financial Statements" (new) - This standard establishes the requirements for presenting consolidated financial statements by a parent company, replacing on these matters IAS 27 - Consolidated and Separate Financial Statements and SIC 12 - Consolidation - Special Purpose Entities. This standard introduces as well new rules for control definition and consolidation perimeter determination.

From the adoption of this standard did no significant impacts on REN's consolidated financial statements occurred.

- ◆ IFRS 11 "Joint Arrangements" (new) - This standard supersedes IAS 31 and SIC 13 - Jointly Controlled Entities and mainly address: (i) the definition of "jointly arrangements" empathizing the rights and obligations instead of its legal form; (ii) reduces the types of jointly agreements prevailing the following: "joint operations" and "joint ventures"; and (iii) eliminates the possibility of using the proportional consolidation model for "joint ventures".
From the adoption of this standard did no significant impacts on REN's consolidated financial statements occurred.
- ◆ IFRS 12 "Disclosure of interests in other entities" (new) - This standard provides expanded disclosures requirements relating to entity's interests in subsidiaries, joint arrangements and non-consolidating entities.
The additional disclosures requirements were incorporated.
- ◆ IAS 27 "Separate financial statements" (amendment) - This amendment was reviewed following the emission of IFRS 10, and restricts the IAS 27 scope of application to the separate financial statements.
From this amendment no impacts on REN's consolidated financial statements occurred.
- ◆ IAS 28 "Investments in associates and joint ventures" (amendment) - IAS 28 was reviewed following the issue of IFRS 11 and IFRS 12 and provides guidance on accounting for interests in associates and joint ventures in accordance with equity method.
From the adoption of this amendment no significant impacts on REN's consolidated financial statements occurred.
- ◆ IAS 32 'Financial Instruments: Presentation' (amendment) - This amendment clarifies the requirements that could allow an Entity to compensate financial assets and liabilities in the statement of financial position.
From the adoption of this amendment no significant impacts on REN's consolidated financial statements occurred.
- ◆ IFRS 10, IFRS 11 and IFRS 12 (amendment) - Amendments to IFRS 10, IFRS 11 and IFRS 12 to clarify the rules of the transition to those standards.
From the adoption of the amendments to these standards no significant impacts on REN's consolidated financial statements occurred.
- ◆ IFRS 10, IFRS 12 and IAS 27 (amendment) - Amendment to IFRS 10 clarifies the business model of Investment Entities and, on the other hand, requires that its subsidiaries be measured at fair value through profit or loss, thereby creating an exception to the application of consolidation procedures. Consequently, IAS 27 and IFRS 12 standards were amended accordingly, being eliminated the option to measure at cost or fair value (established in IAS 27) and created a set of specific disclosures for investment entities (through IFRS 12).
From the adoption of this amendment did no significant impacts on REN's consolidated financial statements occurred.
- ◆ IAS 36 "Impairment of assets" (amendment) - This amendment introduces additional disclosure requirements for assets and cash generating units, in the periods on which, impairment losses or reversal of impairments and the recoverable amount were recorded based on fair value less costs to sell.
From the adoption of this amendment did no significant impacts on REN's consolidated financial statements occurred.

- ◆ IAS 39 “ Financial Instruments: Recognition and Measurement “ (amendment)
- This amendment will allow, under certain circumstances, the continuation of hedge accounting when a derivative designated as a hedging instrument is modified.
From the adoption of this amendment no significant impacts on REN's consolidated financial statements occurred.
- ◆ IFRIC 21 “Levies” (new) - It is an interpretation of IAS 37 - Provisions, Contingent Liabilities and Contingent Assets and provides guidance on the timing of the recognition of a liability for a levy imposed by a government as a result of a specific event, when the payment is not made as result of the rendering of services or the sale of goods.

The following standards, interpretations, amendments and revisions have been endorsed by the European Union with mandatory application in future economic exercises:

- ◆ Annual improvements to IFRS (2010-2012 cycle) (amendment) - (to be applied for annual periods beginning on or after 1 February 2015) - Cyclically are introduced improvements which aim to clarify and simplify the application of international standards. The amendments of the 2010-2012 cycle focused on the review, namely of, IAS 16 (clarifies the accounting treatment to apply when the entity adopts the revaluation method in the subsequent measurement of property, plant and equipment, IFRS 3 (clarification of some aspects in the record of a contingent payment included in a business combination) and IFRS 8 (introduces new disclosure requirements: (i) management judgment for aggregation of operating segments, and (ii) reconciliation of segment assets and the assets of the company).
From the future adoption of these amendments no significant impacts are expected on the consolidated financial statements of REN.
- ◆ Annual improvements to IFRS (2011-2013 cycle) (amendment) - (to be applied for annual periods beginning on or after 1 January 2015) - As part of the cyclical review carried out for the period 2011-2013 the following standards have been changed: IAS 40 (clarifies the need to apply separately IFRS 3 and IAS 40 to determine whether the acquisition of an investment property is an acquisition of an asset or group of assets or a business combination); IFRS 3 (excludes from the scope of IFRS 3 the initial accounting for a Joint Agreement under IFRS 11 in its own financial statements); and IFRS 13 (clarifies that the exception to the fair value measurement set out in paragraph 48 should be applied to all financial assets, financial liabilities and other contracts covered by IAS 39, either fulfil or not the financial asset and financial liability definitions contained in IAS 32).
From the future adoption of these amendments no significant impacts are expected on the consolidated financial statements of REN.
- ◆ IAS 19 “Employee Benefits” (amendment) (effective for annual periods beginning on or after February 1, 2015) - This amendment clarifies the circumstances under which employee contributions for post-employment benefit plans reduce the costs with short-term benefits.
From the future adoption of this amendment no significant impacts are expected on the consolidated financial statements of REN.

The Company did not use any early adoption option of any of the above standards in the consolidated financial statements for the year ended 31 December 2014.

The following standards, interpretations, amendments and revisions, with mandatory application in future years, were not, until the date of preparation of these consolidated financial statements, been endorsed by the European Union:

STANDARD	APPLICABLE FOR FINANCIAL YEARS BEGINNING ON OR AFTER	RESUME
IFRS 9 - Financial instruments	01-Jan-18	This standard sets out requirements for the classification and mensuration of financial instruments and for the application of hedge accounting.
Amendments to IFRS 10 - Consolidated financial statements, IFRS 12 - Disclosure of investments in other entities and IAS 28 - Investments in associates and join ventures	01-Jan-16	These amendments include the clarification of several aspects related to the application of the consolidation exception by investment entities.
Amendments to IAS 1 - Presentation of financial statements	01-Jan-16	This amendment is part of an extensive project to reform the principles and requirements of presentation and disclosure of financial reporting (disclosure initiative). This review consists the first step of this project. Consequently, this amendment changes a set of disclosures contained in IAS 1.
IFRS 14 - Regulatory deferral accounts	01-Jan-16	IFRS 14 establish the requirements for reporting by entities adopting IFRS for the first time, to regulatory items, allowing the continuation of previous generally accepted accounting policy for the recognition, measurement , impairment, and derecognition of regulatory deferral balances. IFRS requires the presentation of regulatory deferral balances recognized separately from other assets and liabilities as well as expenses and income.
IFRS 15 - Revenue from Contracts with Customers	1-Jan-17	This standard intended to replace the revenue standards (IAS 11 and IAS 18) and clarifies the principles of revenue recognition, consistently making its application to various transactions and economic activities.
Amendments to IAS 16 - Property, plant and equipment and IAS 41 - Agriculture	1-Jan-16	This amendment intends to change measurement of bearer plants. Under the proposal, bearer plants would be in the scope of IAS 16 allowing the use of the cost method instead of fair value. Nevertheless, the agricultural products growing on bearer plants would continue to be measured at fair value less costs to sell under IAS 41.

STANDARD	APPLICABLE FOR FINANCIAL YEARS BEGINNING ON OR AFTER	RESUME
Amendments to IAS 16 - Property, plant and equipment and IAS 38 - Intangible assets	01-Jan-16	The amendments clarify which methods of depreciation and amortization of tangible fixed assets and intangible assets are allowed.
Amendments to IFRS 11 - Joint arrangements	01-Jan-16	This amendment require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 Business Combinations) (i) apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11, and (ii) disclose the information required by IFRS 3 and other IFRSs for business combinations.
Annual improvements to IFRS (2012 - 2014 cycle)	01-Jan-16	These improvements involve the review of several standards, including IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 Financial Instruments: Disclosures, IAS 19 Employee Benefits, and IAS 34 Interim Financial Reporting.
Amendments to IFRS 10 - Consolidated financial statements and IAS 28 - Investments in associates and joint ventures	01-Jan-16	This amendment arises from a inconsistency between IAS 28 and IFRS 10 in recognition of the gain from the sale of a subsidiary (with loss of control) to a purchaser who is both an Associate company or a Joint venture from the investor. This amendment establishes that the gains should, first, be recognized in full in the case of a sale fit on a business combination), under IFRS 3 , and on the other side, recognize only its share of the gain when it is a purchase of assets or group of assets.
Amendments to IAS 27 - Separated financial statements	01-Jan-16	This amendment aims to reestablish the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in a separated financial statements of entity that already presents consolidated financial statements.

These standards and interpretations issued by the IASB, were not yet endorsed by the European Union and consequently REN has not adopted them on the 31 December 2014 consolidated financial statements.

3.2. CONSOLIDATION PRINCIPLES

The consolidation methods used by the Group are as follows:

a) INVESTMENTS IN GROUP COMPANIES (SUBSIDIARIES)

Subsidiaries are all entities (including special purpose entities) over which REN has cumulatively the following elements of control: (i) the ability to manage the relevant activities (activities that significantly affect the investee's results); (ii) exposure or rights to variable results of the investee; and (iii) the ability to affect those results through the power REN holds, which is usually associated with the control, directly or indirectly, of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

REN reassesses power over a subsidiary when there is evidence of changes in one or more control elements indicated above.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are excluded from the consolidation as from the date that control ceases. The net income of the subsidiaries acquired or sold during the period is included in the consolidated financial statement from the date of acquisition or until the date it has been sold. Subsidiaries are included in the accompanying financial statements in accordance with the full consolidation method.

Equity and net profit for the year corresponding to third party participation in subsidiaries are reflected separately in the consolidated statement of financial position and income statement in the caption "Non-controlling interests".

The comprehensive income is attributable to the company's shareholders and to the non-controlling interests, even if that results in a negative balance of the non-controlling interests.

Whenever necessary, adjustments are made to the financial statements of subsidiaries for consistency with Group accounting policies. Transactions, balances and dividends distributed between Group companies are eliminated in the consolidation process.

The entities that qualify as subsidiaries are listed in Note 6.

b) INVESTMENTS IN ASSOCIATES AND JOINT-VENTURES

Associates

Investments in associates (companies in which the Group has significant influence but does not have control or joint control through participation in the company's financial and operating decisions, normally where it holds between 20% to 50% of the share capital) are recorded in accordance with the equity method.

In accordance with the equity method investments are recorded at cost and subsequently, adjusted by the Group's share of the investee's post acquisition changes in net equity (including net result) of the associated company by corresponding entry to the income statement.

Additionally, dividends received are recorded as a decrease on the carrying amount of the associate, and proportional portion in the equity variations is recorded as a variation in the Group's equity and as an increase or decrease of the investment.

The excess of cost in relation to the fair value of the identifiable assets and liabilities of the associated company at the date of acquisition is recognised as goodwill and included in the value of the investment. If the difference between cost and fair value of the assets and liabilities acquired is negative, it is recognised as a gain in the period.

Valuations are made of investments in associates when there are facts that might indicate that the participation is impaired, being recorded an impairment losses in the income statement, if exists.

When the Groups proportion on the accumulated losses of an associate exceeds its carrying amount, the investment is recorded at a nil amount, except when the Group has assumed commitments to cover the losses of the associate, when the additional losses require the recognition of a liability. If these companies subsequently report net profits, the Group only starts recognizing its share on those profits only after its profit share equals the unrecorded losses.

Unrealized gains on transactions with associates are eliminated proportionally to the Group's interests, by corresponding entry to the investment caption. Unrealized losses are also eliminated but only up to the point that such loss does not result from the transferred asset being impaired.

The interests in associates are detailed in Note 10.

Joint ventures

Investments in joint ventures are a joint agreement whereby the parties have rights to the net assets of the agreement, by a binding contractual agreement that should give the parties joint control. Conceptually, joint control is the sharing of the decisions of the relevant activities, on which it is required unanimous consent of the parties.

The recognition and measurement of joint ventures included in the consolidated financial statements is made using the equity method. The Group's share of the earnings or losses of the joint venture is recognised in the income statement as operating income and the share of movements in reserves of the joint venture, if any, is recognised in reserves. The unrealized gains and losses on transactions with jointly controlled entities are eliminated in proportion to the Group's interest in the jointly controlled company, against the investment in the entity.

The accounting policies of joint ventures are standardized, when necessary, to ensure that they are consistently applied in the consolidated financial statements.

Investments in joint ventures are detailed in Note 10.

Associates with no significant influence

Investments in associates (companies in which the Group does not have significant influence or control, normally where it holds less than 20% of the share capital) are recorded at cost, since the companies are not listed in any stock exchange and the fair value cannot be measured with reliability.

The investments in associates are classified as assets available-for-sale in accordance with IAS 39, being presented as non-current assets when considered strategic to the Group.

Associates with no significant influence are presented in Note 13.

c) GOODWILL

Differences between the cost of acquisition of investments in subsidiaries and the fair value of the identifiable assets and liabilities of these companies as of the date of the acquisition or during a period of 12 months after that date, if positive, are recorded as goodwill (in the case of subsidiaries). If this difference is negative, they are immediately recorded in the consolidated profit and loss statement.

Goodwill generated on acquisitions after 1 January 2004 (date of transition to IFRS) is not amortised, but is subject to impairment tests at least annually to verify the existence of impairment losses.

Goodwill impairment test is based on the recoverable amount of the cash generating unit, comparing the recoverable amount with the carrying amount. If the carrying amount exceeds the recoverable amount an impairment loss is recorded immediately in the consolidated financial statements, reducing the asset value and recording an impairment loss on the consolidated statement of profit and loss which is not reversible. The recoverable amount is determined based on the use value of the cash generating unit, being this value calculated by discounting the future cash flows, considering the business risks, the temporal value as well as market conditions.

3.3. BALANCES AND TRANSACTIONS IN FOREIGN CURRENCY

Items included in the financial statements of each of the REN Group entities are recorded using the currency of the primary economic environment in which the entity operates ('the functional currency'), the Euro. The consolidated financial statements including these notes are presented in thousands of Euros, unless otherwise indicated, the Group's functional currency.

Foreign currency transactions are translated to the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation of foreign currency monetary assets and liabilities at the year-end exchange rates are recognised as financial costs in the statement of profit and loss if relating to borrowings and in other operating income and costs in the case of all the other balances/ transactions.

The foreign currency exchange rates used for the translation of the foreign currency balances are as follows.

CURRENCY	'14	'13
US DOLLAR (USD)	1.21	1.38
SWISS FRANC (CHF)	1.20	1.23
POUND STERLING (GBP)	0.78	0.83
REAL BRAZILIAN (BRL)	3.22	3.26
JAPAN (YEN-JPY)	145.23	144.72

3.4. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Intangible assets and property, plant and equipment are stated at cost less accumulated amortization / depreciation and accumulated impairment losses. Cost includes the cost of assets considered as of the transition date to IFRS and the acquisition or construction cost of assets acquired/constructed after that date.

Acquisition or construction cost includes the purchase price of the asset and costs incurred directly to prepare the asset to start operating. Borrowing costs incurred during the construction phase are recognised as acquisition/ construction costs. Financial expenses incurred during the construction period with loans obtained are recorded as a component of the acquisition/ construction cost of the asset, being amortized over the useful life period of the correspondent asset.

Subsequent costs, including renewals and major overhauls, that extend the useful life of the assets is recognised as cost of the asset, after write off of the component replaced.

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

The fixed assets are depreciated on a straight line basis over the estimated period of useful life of the assets, from the moment they are available for use in the necessary conditions to operate in accordance with management objectives.

Whenever there are impairment indicators of fixed assets, impairment tests are made to estimate the recoverable amount of the asset and impairment losses, if any, are recorded. The recoverable amount is defined as the higher amount between the net sale price of an asset and its value in use. The value in use is calculated based on a discounted future cash flows resulting from continued use of the asset and its sale at the end of its useful life.

The useful life of the assets is reviewed at the end of each year so that the depreciation or amortization recorded is in accordance with the consumption standards of the assets. Changes in useful life are treated as changes in accounting estimates and are applied prospectively.

Gains and losses on the sale of intangible assets and property, plant and equipment are determined by the difference between the sale amount and the carrying amount of the asset, being recorded in the consolidated statement of profit and loss.

CONCESSION/REGULATED ASSETS - IFRIC 12 - SERVICE CONCESSION ARRANGEMENTS

The Group has: (i) four concessions for the operations and development of the National Transmission Network, for the global management of the national electric system, as well as utilization and development of the National Natural Gas Transport Network, of the Liquid Natural Gas terminal, the underground storage of natural gas and global management of the natural gas system and (ii) a concession to explore a pilot zone for the electricity production from ocean waves. The assets acquired / constructed by REN under these concession contracts are referred to below as assets relating to the concession.

IFRIC 12 – Service Concession Arrangements was issued by the IASB in November 2006, for application in years starting on or after 1 January 2008. IFRIC 12 was endorsed by the European Union on 25 March 2009, being of mandatory application for years beginning on or after 1 January 2010.

IFRIC 12 applies to public service concession contracts in which the conceding entity controls/regulates:

- ◆ The services to be rendered by the operator (through utilization of the infrastructure), to whom and at what price; and
- ◆ Any residual interest over the infrastructure at the end of the contract.

IFRIC 12 applies to infrastructures:

- ◆ constructed or acquired by the operator from third parties;
- ◆ already existing to which the operator is given access.

Therefore, considering the above the REN Group's concessions are covered by this IFRIC for the following reasons:

- (I) the REN Group companies (REN – Rede Eléctrica Nacional, S.A., REN Gasodutos, S.A., REN Armazenagem, S.A., S.A., REN Atlântico, Terminal de GNL, S.A. and ENONDAS, Energia das Ondas, S.A.) have a public service concession contract signed with the Portuguese State (“Conceding Entity”) for a predefined period;
- (II) the companies render public transport services, reception and storage of gas and transmission of electricity through utilization of gas pipelines, branches and underground tanks, in the case of gas, and lines, stations and substations in the case of electricity;
- (III) the conceding entity controls the services rendered and the conditions under which they are rendered, through the regulator ERSE; and
- (IV) the assets used to render the services revert to the conceding entity at the end of the concession contracts.

This interpretation establishes the general principles for the recognition and measurement of the rights and obligations under the concession contracts with the features mentioned earlier and define the following models:

- (I) Financial asset model – when the operator has the unconditional contractual right to receive cash or other financial asset from the conceding entity, corresponding to specific or determinable amounts, the operator must record a financial asset (receivable). In this model the conceding entity has few or no discretionary power to avoid the payment, as the agreement is usually legally binding.

(II) Intangible asset model – when the operator receives from the conceding entity the right to collect a tariff based on use of the structure, it must record an intangible asset.

(III) Bifurcated/mixed model – this model applies when the concession includes simultaneously commitments of guaranteed remuneration by the conceding entity and commitments of remuneration dependent on the level of utilization of the concession infrastructures.

Considering the nature of concession of the REN Group, as regards the legal nature of its concessions, REN decided that the best model for its business case is the intangible model due essentially to the risk of changes in the tariff regulation imposed by the regulator ERSE.

In this respect and in relation to the residual value of the assets relating to the concession (in accordance with the concession contracts, REN has the right to be reimbursed at the end of the concession contract for the net book value of the conceded assets), they were also considered as part of the intangible assets. The residual value of the conceded assets was not significant as of 31 December 2014.

Attending to the above, concession assets (intangible assets) are valued at its acquisition cost or production cost which include financial costs incurred during the construction period. The revaluations that were recorded in the concessions assets on the date of transition to IFRS are part of its cost.

For amortization purposes of the concession assets, REN Group follows IAS 38 – Intangible assets, that states in paragraph 98 that: “ A variety of amortization methods can be used to allocate the depreciable amount of an asset on a systematic basis over its useful life. These methods include the straight-line method and production unit method. The method used is selected based on the expected consumption model of future economic benefits included in the asset and is applied consistently from period to period, unless there is a change in the expected consumption model of these future economic benefits”. Therefore considering this, REN understands that the amortization method that best reflects the expected standard of consumption of future benefits of this asset is amortization based on the rate of amortization of the gas and electricity infrastructures approved by the regulator ERSE, as this is the basis of its annual income, that is the conceded assets are amortized based on the remuneration model underlying the Tariff Regulations.

Therefore, in accordance with IFRIC 12 the right granted under the concession contract consists of the possibility of REN charging tariffs based on the costs incurred with the infrastructures. However, considering the methodology for determining REN's tariffs, the remuneration base is determined considering each concession asset, specifically, which implies the need to componentize the right. Consequently, in the case of REN's concessions it is considered that the right is componentized by separate parts as the various remuneration bases are established.

Therefore the intangible asset is:

(I) increased as the various projects relating to the concession are concluded (increase in the concession rights), being recorded based on cost; and

(II) decreased as the future economic benefits are consumed.

In accordance with IFRIC 12 construction of the infrastructure by the operator is a service that it provides to the conceding entity, distinct from the operation and maintenance service and, as such, will be remunerated by it. However, in applying IFRIC 12 the REN Group assumes that there is no margin in the

construction but only in the operation business. Nevertheless, construction costs and income relating to construction are recorded in the consolidated statement of profit and loss for the year, considering the requirements of IFRIC 12 in the captions “revenue from construction of concession assets” and “costs with construction of concession assets”.

The REN Group makes impairment tests of the assets relating to the concessions whenever events or circumstances indicate that book value exceeds its recoverable amount, being that difference, if any, recorded in the statement of profit and loss. The cash generating units defined for the purpose are directly associated with each concession contract, considering that the conceded assets relating to them belong to the same cash generating unit.

Lands relating to the electricity producing plants are covered by the Concession Contracts entered into between REN and the Portuguese State and are remunerated based on its amortization, not being disassociated, as such from the other assets of the concession, being an integral part of a common cash generating unit.

Investment grants relating to assets are recognised in the statement of profit and loss at the same rate as amortization of the assets. IAS 20 in paragraphs 24 and 25 states that: “Government grants relating to assets, including non-monetary grants at fair value must be presented in the statement of financial position considering the grant as deferred income or deducting the grant to the cost of the asset”. Therefore given the existence of these two alternatives for the presentation of grants in the financial statements and IFRIC 12 not mentioning the treatment of investment grants received, REN maintained the grants recorded as liabilities.

Considering this, and as a result of applying IFRIC 12, the REN Group classifies assets relating to the concessions in accordance with the intangible asset model, being amortized on a straight line basis as from the date in which they become available for use in accordance with the expected consumption of future benefits model, which corresponds to the regulatory period defined by ERSE and considering that at the end of the concession the Group has the right to receive the net book value of the assets.

Intangible assets in progress reflect the concession’s assets still under construction, being recorded at cost less any impairment losses, being amortized as from the time the investment projects are completed or available for use.

3.5. LEASES

Classifying a lease as finance or an operating lease depends upon the substance of transaction rather than the legal form of the lease arrangement.

Leases, in which REN has substantially all the risks and rewards of ownership of an asset, are classified as finance leases. Agreements in which an analysis of one or more of the conditions of the contract point a finance lease are also classified as such. All other leases are classified as operating leases.

Finance lease contracts are initially recognised at the lower of the fair value of the leased assets or the present value of the minimum lease payments, determined at the inception date. The lease liability is recognised net of interest costs in the caption Borrowings. Interest costs included in the lease payments and depreciation of the leased assets are recognised in the consolidated statement of profit and loss in the period they refer to.

The assets acquired under finance lease contracts, are depreciated by the lower period between the useful life period of the asset and the maturity of the lease contract, when the company don't have a purchase option on the maturity date, or by the useful life period estimated, when the Company has the commitment to acquire the asset by the end period of the contract.

In operating lease contracts, the lease payments due are recognised as expenses in the statement of profit and loss, on a straight-line basis over the lease term.

3.6. FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS

The Board of Directors determines the classification of financial assets at the time of initial recognition, in accordance with the purpose for which the financial assets are acquired.

Financial assets may be classified under the following categories:

- a) Financial assets at fair value through profit or loss – includes non-derivative financial assets held for short-term trading and assets designated at fair value through profit and loss at the inception date;
- b) Loans granted and receivables – includes non-derivative financial assets with fixed or determinable payments that are not listed in an active market;
- c) Investments held to maturity – includes non-derivative financial assets with fixed or determinable payments and fixed maturities, that the entity intends and has the capacity to hold until the maturity date; and
- d) Available-for-sale financial assets – includes non-derivative financial assets designated as available-for-sale at the inception date or other financial assets not classified in any of the other financial asset categories. Available-for-sale financial assets are recognised as non-current assets unless management intends to sell them within 12 months of the statement of financial position date.

Purchases and sales of investments in financial assets are recognised on the transaction date – the date on which REN commits itself to purchase or sell the asset.

Financial assets at fair value through profit and loss are initially recognised at fair value being the transaction costs expensed in the consolidated statement of profit and loss. Such assets are subsequently adjusted to fair value, gains and losses arising from changes in fair value being recorded in the consolidated statement of profit and loss caption “Financial costs” for the period in which they arise, which also includes interest income and dividends received.

Available-for-sale assets are initially recognised at fair value including transaction costs. In subsequent periods these assets are adjusted to fair value, the changes in fair value being recognised in a fair value reserve within Equity until the investment be sold or received or until the fair value of the investment be below the acquisition cost on a longstanding perspective, situations on which the loss is recorded in the statement of profit and loss. Dividends and interest income from available-for-sale financial assets are recognised in the statement of profit and loss caption financial income for the period in which the right to receive them is established.

The fair value of listed investments is based on current market prices (“bid”). If the market for a financial asset is not active, REN establishes fair value by using valuation techniques. These include the use of recent transactions, provided that they are at market prices, reference to other instruments that are substantially the same and discounted cash flow analysis when information is available, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

In the situations where the investments are equity instruments not valued under active market quotations, and for which is not possible to estimate with reliability its fair value, these investments are measured at the acquisition cost deducted of impairments losses, if any, being the impairment losses recorded in the profit and loss statement of the year.

Financial assets held to maturity are measured at amortized cost using the effective interest rate method.

Loans and receivables are classified as “Trade and other receivables” in the statement of financial position, are initially recorded at fair value, and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due in accordance with the original terms of the transactions that gave rise to the receivables.

Financial assets are derecognised when the rights to receive cash flows from the investments expire or are transferred, as well as all the risks and rewards of ownership.

Cash and cash equivalents includes cash on hand, bank deposits, other short-term highly liquid investments with initial maturities of up to three months, and bank overdrafts. Bank overdrafts are presented in the “Borrowings” caption in current liabilities in the statement of financial position, and are included in the consolidated statement of cash flows, as cash and cash equivalents

FINANCIAL LIABILITIES

A financial instrument is classified as a financial liability when a contractual obligation exists to the issuer to liquidate capital and/or interests, by the delivery of cash or other financial asset, independently on its legal form.

IAS 39 establishes the classification of financial liabilities in two categories:

I) Financial liabilities at fair value through profit and loss;

II) Other financial liabilities.

The caption other financial liabilities includes "Borrowings" and "Trade and other payables".

Trade and other payables are initially measured at fair value and subsequently at amortised cost, using the effective interest rate method.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost, the difference between the nominal value and the initial fair value being recognised in the consolidated statement of profit and loss over the term of the borrowing, using the effective interest rate method; or at fair value, whenever REN decides, in its initial recognition, to designate the financial liability at fair value through profit and loss, using the fair value option.

Financial liabilities are classified as current liabilities unless REN has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date, in which case they are classified as non-current liabilities.

Financial liabilities are derecognised when the related obligations are extinguished through payment, are cancelled or expire.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are initially recorded at fair value at the date of the transaction being subsequently measured at fair value. The method for the recognition of fair value gains or losses depends on the designation made of the derivative financial instruments. If they are designated as derivative financial instruments for trading, gains or losses resulting from fair value changes are recorded in the consolidated statement of profit and loss captions "Finance income" or "Finance costs". If they are designated as hedging derivative financial instruments, gains or losses resulting from fair value changes depends on the nature of the hedged item, which can be a fair value hedge or a cash flow hedge.

The fair value of derivative financial instruments corresponds to its market value. In the absence of market value, the fair value is determined by external independent entities, thought valuation techniques accepted in the market.

Derivative financial instruments are recognised in the caption "Derivative financial instruments", and if they have a positive or negative fair value they are recorded as financial assets or liabilities, respectively.

Derivative financial instruments are classified and presented as non-current when their remaining period to maturity exceeds twelve months and they are not expected to be realized or settled within twelve months.

HEDGE ACCOUNTING

Within the scope of the Group risk policies of interest rate and foreign exchange rate risk management, the Group contracts a series of financial derivative instruments, namely swaps.

The criteria for applying hedge accounting are the following:

- ◆ Adequate documentation of the hedging operation;
- ◆ The risk to be covered is one of the risks described in IAS 39;
- ◆ It is expected that the changes in the fair value or cash flows of the hedged item, attributable to the risk hedged, are virtually offset by changes in fair value or cash flows of the hedging instrument.

At the inception of the hedge operation, the Company documents the relationship between the hedging instrument and the hedged item, its risk management objectives and strategy for managing the risk. Additionally, the Group assess, at the inception of the hedge and as of the reporting date, if the derivative financial instruments designated as highly effective in the compensation of changes in the fair value or cash flows of the corresponding hedged items.

The fair value of the derivative financial instruments contracted and the movements in the hedging reserves are disclosed in Note 16.

In the fair value hedge of an asset or liability, the book value of the asset or liability, determined based on the accounting policy used, is adjusted so as to reflect the variation of its fair value attributable to the risk hedged. Variations in the fair value of the hedging instruments are recognised in the statement of profit and loss together with variations in the fair value of the assets or liabilities hedged attributable to the risk hedged.

In a hedging operation on the exposure to variations of high probability in future cash flows (cash flow hedge) the effective part of the fair value variation of the hedging instrument is recognised in hedging reserves, being transferred to the statement of profit and loss in the period the item hedged affects results. The ineffective part of the hedge is recorded in the consolidated statement of profit and loss.

Any amount recorded in the caption "Other reserves - hedging reserves" is only reclassified to the statement of profit and loss when the hedged position affects results. When the hedged position relates to a future transaction which is not expected to occur, any amount recorded as "Other reserves - hedge reserves" is immediately reclassified to the statement of profit and loss.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires, is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

3.7. BORROWING COSTS

Borrowing costs are recorded as expense when incurred.

Borrowing costs related directly to the acquisition, construction or production of intangible assets and property, plant and equipment are capitalised as part of the cost of the qualified asset (assets that need a substantial period of time to be prepared for its intended use). Borrowing costs are capitalised from the time of preparation of the activities to construct or develop the asset to the time the production or construction is completed or when the project is suspended.

Any eventual financial income derived from a loan obtained earlier and allocable to a qualifying account, are deducted from the financial expenses that qualify for capitalisation.

3.8. GOVERNMENT GRANTS AND OTHERS

These refer to grants received for investment in intangible assets and are recorded as deferred income in the caption "Trade and other payables".

Grants received from the Portuguese State and the European Union are recorded when there is reasonable certainty that the grant will be received.

Operating assets delivered to REN by new producers connected to the National Transmission Network or others are also recorded as grants received.

Grants are subsequently recorded to the consolidated statement of profit and loss on a systematic basis in accordance with amortization of the related assets.

Exploration grants are recognised in the consolidated statement of profit and loss in the period in which the related costs are incurred.

3.9. IMPAIRMENT OF ASSETS, EXCEPT GOODWILL

FINANCIAL ASSETS

The Group evaluates at each reporting date, if there are indicators that a financial asset or a group of financial assets, have any impairment, namely from which results an adverse impact on the estimated cash flows of the financial asset or group of financial assets, and always if it can be measured reliably.

For financial assets measured at amortized cost, the impairment loss to be recognised corresponds to the difference between the carrying amount and its present value on the reporting date of the new future cash flows discounted at the respective original effective interest rate.

In the case of financial assets classified as "held for sale", a significant and longstanding decrease of its fair value below the acquisition cost is considered an indicator that the financial asset is impaired. If evidence of impairment on the financial asset held for sale exists, the accumulated loss - determined by the difference between the acquisition cost and the actual fair value, less any impairment losses previously recorded - is transferred from the fair value reserve in equity into profit and loss of the period. Impairment losses of equity instruments recorded in profit and loss are not reversible.

NON-FINANCIAL ASSETS

Whenever events or changes in circumstances indicates that the amount by which the asset is recorded may not be recovered, impairment tests are undertaken in order to determine the recoverable amount of the asset, and when necessary an impairment loss recorded. An impairment loss is considered by the excess of the carrying amount of an asset when compared with its recoverable amount. The recoverable amount is the higher amount between the asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if this is not possible, for the cash-generating unit to which the asset belongs.

Group REN makes impairment tests for the concession assets whenever events or circumstances indicate that the carrying amount exceeds the recoverable amount, in which case the difference, if any, is recognised in the income statement. The cash generating units were identified considering the concession agreements in place, considering that all assets belonging to these agreements are to be included in the same unit.

Assets with no undefined useful life are not subject to amortization but are subject to annual impairment tests. Assets with useful life are subject to impairment tests whenever events or changes in the conditions indicate that the carrying amount may not be recovered.

This way whenever fair value is below the carrying amount of the assets, the Group should evaluate if this situation will be permanent in which case an impairment loss should be recognised. If it is assessed that the situation is not permanent the reasons that support such judgment should be disclosed.

Non-financial assets, except Goodwill, for which impairment losses have been recognised are reviewed at the end of each period evaluating the possibility of its reversal.

Reversal of impairment losses recognised in prior years is recorded in the consolidated profit and loss statement. However, the reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciations) had no impairment loss been recognised for that asset in prior years.

The amortization and depreciation of the assets are recalculated prospectively in accordance with the recoverable amount adjusted by the impairment recognised.

3.10. EMPLOYEE BENEFITS

REN grants supplementary retirement, pre-retirement and survivor pensions (hereinafter referred to as pension plan), provides its retirees and pensioners with a medical assistance plan and grants other benefits such as long service bonuses, retirement bonus, and death subsidy.

I) REN - REDE ELÉCTRICA NACIONAL, S.A. PENSION PLAN

The supplementary retirement and survivor pensions granted to employees consist of a defined benefit plan, with an autonomous plan assets established, to which all the liabilities are transferred and contributions are made to cover the liabilities which are vested on each period.

Employees who meet certain conditions of age and seniority pre-defined and chose to take early retirement, as well as those that agree with the Company to take pre-retirement, are also included in the plans.

This liabilities assumed by the Group are annually estimated by independent actuaries using the projected unit credit method. The present value of the defined benefit liability is determined by discounting future payments of the benefits using the appropriate discount rate. The liability is recognised, when applicable, deducted from the past service costs.

The source used to determine the annual discount rate, was based on the high quality risk bonds (Aa risk notation from Bloomberg). The credit risk notation is attributed by two rating agencies being its approach consistent with yield curve model for each maturity group. The discount rate used results from the conversion of the interest rate curve in to a spot interest rate. A bond is considered to have AA risk notation if receives its notation (or equivalent) from one, or both, the two main rating agencies: Standard and Poor's and Moody's.

The liability for retirement benefits recognised in the consolidated statement of financial position corresponds to the present value of the liability for the benefits as of the reporting date less the fair value of the plan assets, together with any adjustments for past service costs, if applicable.

Actuarial gains and losses yearly determined, for each plan of benefits granted, resulting from adjustments to actuarial assumptions, experience adjustments or in the benefits scheme are recorded directly in equity.

The cost with retirement benefits is determined taking into account: i) current service costs, which corresponds to the increase in the present value of the liability resulting from employee service in the current year; ii) past service cost, change in the actual responsibility for employee service in prior periods (as a result of changes to the plan or significant reduction in the number of employees covered by the plan "curtailments"); iii) any gain or loss on settlement; and iv) net interest on the liability (assets) net of defined benefit, applying a discount rate to the net liabilities of the plan.

II) REN - REDE ELÉCTRICA NACIONAL, S.A. HEALTH PLAN AND OTHER BENEFITS

The liabilities assumed relating to healthcare are not funded by an autonomous plan assets, being covered by a specific provision.

Measurement and recognition of the liability for healthcare are the same as those for retirement supplements referred to above, except as regards assets of the plan.

REN recognises all the actuarial gains and losses on all the plans directly in equity.

III) LIFE INSURANCE CONTRACTS

The Group companies provide their employees life insurance benefits. The costs are recognised during the period in which they render services to each company. This liability is covered by a specific provision.

Actuarial gains and losses determined in the year are recognised directly in equity.

3.11. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions are recognised when the Group has: i) a present legal or constructive obligation as a result of past events; ii) it is more likely than not that an outflow of internal resources will be required to settle the obligation; and iii) the amount can be reliably estimated. When one of these criteria is not fulfilled or the existence of the liability is dependent upon the occurrence (or not) a future event, REN discloses it as a contingent liability, except if the outflow of resources to settle it is considered to be remote.

Restructuring provisions are recognised by the Group when there is a formal and detailed restructuring plan and that such plan has been communicated to the involved parties. In the measurement of the restructuring provision, are only considered the expected outflows that directly result from the implementation of such plan, not considering, the current activities of the Group.

Provisions are measured at the present value of the estimated outflows required to settle the liability using a pre-tax rate that reflects the market assessment of the discount period and the risk of the provision.

Contingent assets are probable assets which probability of becoming certain depend of the occurrence of one or more uncertain future events that are not fully controlled by the Company. The probability of the inflow of the economic benefit is subject to the occurrence of such events.

The Group discloses contingent assets when it is estimated as probable the inflow of the corresponding economic benefit. However in exceptional circumstances on which REN estimates as virtually certain the probability the revenue is recognised in the consolidated financial statements.

3.12. INVENTORIES

Inventories are stated at the lower of cost or net realisable value. Inventories include materials used in internal maintenance and repair operations. Inventories are initially recorded at cost, which includes purchase cost and all the expenses relating to their acquisition. Cost is determined using the weighted average cost method.

Gas in the gas pipelines and gas stored in the LNG terminal and underground tanks, is property of the infrastructure users. The REN Group does not buy, sell or hold any gas inventories.

3.13. CAPITAL AND OWN SHARES

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares or options are shown net of tax, as a deduction in equity from the amount issued.

Own shares acquired through contract or directly on the stock market are recognised as a deduction in equity. In accordance with Portuguese Commercial law, REN SGPS must ensure at all times that there are reserves in Equity to cover the value of treasury shares, constraining the amount of reserves available for distribution.

Own shares are recorded at cost if they are acquired in a spot transaction or at estimated fair value if acquired in a deferred purchase.

3.14. INCOME TAX

REN is taxed based on the special regime for the taxation of group companies ("RETGS"), which includes all REN group companies located in Portugal, and which REN owns directly or indirectly at least 75% of the share capital and equally, being resident in Portugal and taxed in terms of Corporate Income Tax ("CIT").

Income tax for the year includes current income tax and deferred income tax. Income tax is recognised in the statement of profit and loss, except when it relates to items recognised directly in equity. The amount of income tax payable is determined based on net profit before tax, adjusted in accordance with tax rules for the entities included in the consolidation perimeter.

The taxable profit differs from the net profit determined by accounting rules, as several costs and revenues are excluded, that will only be deducted or taxed in future periods, and costs and revenues that will never be considered for tax purposes in accordance do the tax law in place.

Deferred tax is recognised using the liability method based on the statement of financial position considering the temporary differences between the tax base of assets and liabilities and their carrying amount in the consolidated financial statements.

Deferred taxes are calculated using the tax rates in force or substantially enacted at the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be used. Deferred tax liabilities are provided for on every temporary tax difference, except those relating to: i) the initial recognition of goodwill; or ii) the initial recognition of assets or liabilities in transactions that do not result from a business combination and at the time of the transaction affect neither accounting profit nor taxable profit. However, taxable temporary differences relating to investments in subsidiaries should not be recognised to the extent that: i) the parent company is able to control the timing of the reversal of the temporary difference; and ii) it is probable that the temporary difference will not revert in the near future.

3.15. ACCRUALS BASIS

Revenue and expenses are recognised in the period to which they relate, independently of the date they are received or paid, in accordance with the accrual basis of accounting. Differences between the amounts received and paid and the related income and costs are recognised as assets or liabilities, if they qualify so.

3.16. REVENUE

Revenue is measured by the fair value of the benefit received or be received. Revenue is deducted by the amount from devolutions, discounts and other rebates and it does not include VAT or other taxes related to the sale.

The revenue from the sale of goods is recorded when all the following conditions are met:

- ◆ The significant risks and rewards related with the property were transferred to the buyer;
- ◆ The Group does not maintain any control on the goods sold;
- ◆ The amount of revenue can be reliably measured;
- ◆ It's probable that future economic benefits related with the transaction will flow to the Group; and
- ◆ The expenses incurred or to be incurred with the transaction can be reliably estimated.

Revenue from services of non-regulated activities is recognised, by the percentage of completion of the respective transaction or services at the reporting date, when all the following conditions are met:

- ◆ The amount of revenue can be reliably measured;
- ◆ It's probable that future economic benefits related with the transaction will flow to the Group;
- ◆ The expenses incurred or to be incurred with the services can be reliably estimated; and
- ◆ The stage of completion of the transaction/service rendered can be reliably measured.

The revenue from interests is recognised using the effective interest method, provided that it is probable that economic benefits flow to the Group and its amount can be reliably measured.

The revenue from dividends are recognised when it is established the right of the Group to receive the correspondent amount.

Revenue from services rendered on the Group regulated activities are recorded in the consolidated statement of profit and loss in accordance with the criteria defined in IFRIC 12, described in greater detail in Note 3.4 - Intangible assets and property, plant and equipment, and in accordance the description of each business segments.

Electricity segment

Revenue recognition for concession activities is determined based on the revenue cap set by the regulator, on the electricity transmitted by producers to distributors and the implicit services provided, considering the tariffs defined annually by the regulator, for transmission of electricity and global management of the system.

Revenue obtained from these activities is regulated by ERSE, the Portuguese electricity regulator. In accordance with the regulatory terms and conditions,

the tariffs to be charged to final customers (domestic consumers, industry customers and others), are determined annually for each component of the system value chain, such as: generation, transmission and distribution. REN – Rede Eléctrica Nacional, S.A. income relates mainly to electricity transmission and global management of the electricity system.

The tariff for electricity transmission aims to recover:

- I) amortization of the concession assets related with the electricity transmission activity;
- II) a return on the average net book value of the assets relating to this activity, in accordance with the rates determined annually by the regulator; and
- III) operating costs relating with the activity.

The tariff for global management of the system aims to recover:

- I) amortization of the concession assets relating to global management of the system;
- II) amortization of the concession assets relating to the generating station sites;
- III) a return on the average net book value of the generating station sites (land);
- IV) a return on the average net book value of the assets relating to this activity, in accordance with the rates determined annually by the regulator;
- V) operating costs related with the activity.

The “Commercial Agent” activity, carried out by the group company REN Trading which is responsible for the management of the electricity produced under the two PPA’s (power purchase agreements) that have not been terminated (Tejo Energia and Turbogás), is remunerated through an incentive mechanism established by ERSE in the beginning of 2008.

Revenue obtained by use of these mechanisms, are the main part of the results obtained from the “Commercial Agent” activity. This entity operates completely independently of the REN group within the rules established by the regulator.

Gas segment

Revenue from gas concession operations is determined based on the revenue cap allowed by the regulator based on: i) information relating to the gas units unloaded, stored and re-gasification of gas units in the LNG terminal and the number of tanker loads ii) the gas units injected and extracted in the underground tanks and the used capacity storage; and iii) the used capacity and gas units transmitted through the high pressure transmission network.

Telecommunications segment

Revenue from the telecommunications segment results from services rendered by the group company RENTELECOM, through the lease of fibre optics capacity, benefiting from the excess capacity of the telecommunications equipment installed. In this area services relating to management of private voice networks are also rendered. Revenue is recognised in the period the services are rendered, based on the percentage of the stage of completion of each specific transaction, valued considering the actual services already rendered and the total services to be rendered.

TARIFF DEVIATIONS

The Tariff Regulations for the electricity and gas business, issued by ERSE, define the formula for calculating the revenue cap for the regulated activities and consider in the calculation formula, the determination of the tariff deviations that are recovered up to the second year after the date in which they were generated, the period on which the tariff deviations are recovered.

In this way the REN Group determines at each reporting date, in accordance with the criteria defined by the tariff regulations published by ERSE, the deviations determined between the revenue cap defined and actual revenue invoiced.

Considering the legislation and the regulatory environment in force, the tariff deviations determined by REN each year comply with a series of characteristics (measurement reliability, right of recovery, transmissibility, identification of the debtor and interest base) that support their recognition as revenue and as an asset, in the year in which they are determined, as being reliably measurable and for it being virtually certain that the financial benefits relating to the transaction(s) will flow to the Company. This rationale is also valid when negative tariff deviations are determined, which are considered as liabilities and revenue deduction.

Despite the IFRS don't cover the recording of tariff deviations, paragraph 12 of IAS 8 and the SFAS 71 - Accounting for the effects of certain types of regulation, strengthen the position of recording assets and liabilities tariff deviations under conditions on which the electricity and gas regulations are established for REN.

The Decree-law n.º 165/2008 dated 21 August for the electricity segment and the Decree-Law 87/2011 dated 18 July for the gas segment, reinforce the exposed, establishing the applicable regime to the recognition and transmission of tariff deviations, within the scope of the Concession contracts held by the Group.

3.17. SEGMENT REPORTING

An operational segment is a component of an entity which;

- a) develops business activities from which can obtain revenue and incur in expenses (including revenue and expenses related with transactions and other components of the same entity);
- b) operating results are regularly reviewed by the main responsible for the operational decision making process of the entity of for the purpose of decision making regarding the recourses imputation to the segment and the evaluation of its performance; and
- c) the financial data available is distinct.

The operating segments are reported consistently with the internal model of management information made available to the main responsible for the operational decision making of the Entity.

REN identified the Executive Committee as the entity responsible for the operating making decisions. The Executive Committee reviews the information prepared internally so as to assess the Group's performance and the allocation of resources.

The REN Group is organized in two main business segments: Electricity and Gas and one secondary segment, the telecommunications. The Electricity segment includes the transmission of very high tension electricity and overall management of the public electricity supply system and management of power purchase agreements ("PPA") not terminated on 30 June 2007, as well as the management of the Concession pilot zone for electricity production based on sea waves. The Gas segment includes the transport of very high pressure gas and overall management of the national natural gas system, as well as operation of the LNG regasification terminal and underground storage of natural gas.

The telecommunications segment is presented separately although it does not qualify for disclosure.

The column "Others" includes the operations of REN SGPS, REN Serviços, S.A. and REN Finance, B.V.

Financial information relating to income of the identified business segments is included in Note 7.

3.18. CASH FLOW STATEMENT

The cash flow statement is prepared under the direct method, being presented the collections and payments in operational activities, investment activities and financing activities.

The Company classifies interests and dividends received as investment activities and interests and dividends paid as financing activities.

3.19. SHARE-BASED PAYMENTS

The benefits granted under the medium-term variable remuneration policy are recorded in accordance with the provisions of IFRS 2 - Share-based Payments ("IFRS 2").

The payments settled in cash or cash equivalents (“cash settled”), which are based on the company shares quotation, give rise to the recognition of a liability initially measured at fair value, determined on the date on which the corresponding benefits are awarded. The benefits are recorded as personnel costs against liabilities, as the beneficiaries rendered the service. The fair value of the liability is reviewed at each reporting date, with the effect of any changes recognised in the consolidated statement of profit and loss.

The share-based payments are not material for the purpose of disclosure in the notes to the consolidated financial statements.

3.20. SUBSEQUENT EVENTS

Events that occur after the statement of financial position date that provide additional information on conditions that existed at the date of the statement of financial position (“adjusting events” or events after the statement of financial position date that lead to adjustments) are recognised in the financial statements. Events that occur after the statement of financial position date that provide information on conditions that exist after that date (“non-adjusting events” or events after the statement of financial position date that do not lead to adjustments) are disclosed in the notes to the consolidated financial statements, if material.

Financial risk management policies are also described in a specific section for this matter in the Management report.

4.1. FINANCIAL RISK FACTORS

The Group’s activities are exposed to a variety of financial risks including: credit risk, liquidity risk and cash flow risk relating to interest rate, among others.

The Group has developed and implemented a risk management program that, together with permanent monitoring of the financial markets, aiming to minimise potential adverse effects on the REN Group’s financial performance.

Risk management is carried out by the financial management department under policies approved by the Board of Directors. The financial management department identifies, assesses and realises operations to minimise the financial risks, in strict cooperation with REN’s operating units. The Board of Directors defines the principles for overall risk management and policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivatives and other non-derivative financial instruments, and the investment of liquidity excess.

I) FOREIGN EXCHANGE RATE RISK

REN has limited exposure to foreign exchange rate risk. The risk of fluctuation of foreign exchange rates on the bonds totalling 10,000 million Yens (“JPY”) is fully hedged by a cross currency swap of the same notional amount.

An increase of 5% in the exchange rate of Euro/JPY, all other factors remaining constant, would lead to a decrease on equity in the amount of 940 thousand Euros as of 31 December 2014 (836 thousand Euros as of 31 December 2013), while a decrease of that exchange rate would lead to an increase on equity in the amount of 1,037 thousand Euros as of 31 December 2014 (928 thousand Euros as of 31 December 2013).

4 FINANCIAL RISK MANAGEMENT POLICIES

II) CREDIT RISK

REN's exposure to credit risk is not significant, since a substantial portion of services rendered are recorded through amounts invoiced to electricity and natural gas distributors in regulated markets. In addition, in general, contracts with clients establish guarantees (Note 33.4), to cover the collection and default risk.

The Group's counterparty risk on bank deposits, financial applications, and financial derivative instruments is mitigated by the selection of top rating international institutions with solid credit ratings and well known national institutions.

III) LIQUIDITY RISK

REN's liquidity risk management is carried out through the dynamic and flexible management of commercial paper programs, with subscription guarantee, as well as by negotiating credit limits that enable it, not only to ensure that the current treasury needs of the REN Group are met, but also provide some flexibility. For that effect we highlight the 523,000 thousand Euros available in commercial paper programmes (from which 373,000 thousand Euros with subscription guarantee) and 400,000 thousand Euros available in different credit lines.

The Group has also credit lines negotiated and not used in the amount of 80,000 thousand Euros, maturing up to one year, which are automatically renewable periodically (if they are not resigned in the contractually specified period for that purpose), and from the total amount, 70,000 thousands of Euros, respects to a group line, which can be used in total or in portions by several group companies, namely REN - Rede Eléctrica Nacional, S.A., REN Gasodutos, S.A.; REN Gás, S.A.; REN Serviços, S.A.; RENTELECOM, S.A.; REN Trading S.A.; REN Armazenagem S.A. and ENONADS, S.A. (Note 20).

The following table shows the Group's liabilities by intervals of residual contracted maturity and includes derivative financial instruments whose financial liquidation of the related flows is made at the net amount. The amounts shown in the table are non-discounted cash flows contracted and include future interests; as so, do not correspond to the respective carrying amounts:

31 DECEMBER 2014				
	LESS THAN 1 YEAR	1 - 5 YEARS	OVER 5 YEARS	TOTAL
BORROWINGS:				
BANK BORROWINGS	138,402	494,824	337,129	970,355
BONDS	175,864	864,803	524,500	1,565,167
COMMERCIAL PAPER	151,305	227,000	-	378,305
OTHERS	1,139	2,323	-	3,462
	466,710	1,588,950	861,629	2,917,289
DERIVATIVE FINANCIAL INSTRUMENTS	8,679	14,292	-	22,971
TRADE AND OTHERS PAYABLES	532,265	27,788	-	560,053

31 DECEMBER 2013				
	LESS THAN 1 YEAR	1 - 5 YEARS	OVER 5 YEARS	TOTAL
BORROWINGS:				
BANK BORROWINGS	91,694	436,321	439,449	967,463
BONDS	230,351	1,046,814	661,791	1,938,957
COMMERCIAL PAPER	39,271	210,038	-	249,309
OTHERS	795	1,768	-	2,563
	362,110	1,694,941	1,101,240	3,158,292
DERIVATIVE FINANCIAL INSTRUMENTS	4,916	(2,033)	(7,544)	(4,661)
TRADE AND OTHERS PAYABLES	595,861	28,058	-	623,919

The following table shows the derivative financial instruments, financial settlement of which is made at gross amounts:

31 DECEMBER 2014				
	LESS THAN 1 YEAR	1 - 5 YEARS	OVER 5 YEARS	TOTAL
CROSS CURRENCY INTEREST RATE SWAP				
OUTFLOWS	(4,169)	(15,363)	(79,794)	(99,325)
INFLOWS	1,866	7,464	77,253	86,583
	(2,303)	(7,899)	(2,540)	(12,742)

31 DECEMBER 2013				
	LESS THAN 1 YEAR	1 - 5 YEARS	OVER 5 YEARS	TOTAL
CROSS CURRENCY INTEREST RATE SWAP				
OUTFLOWS	(4,169)	(16,686)	(83,446)	(104,301)
INFLOWS	1,873	7,490	79,398	88,761
	(2,296)	(9,196)	(4,048)	(15,540)

IV) INTEREST RATE RISK

The risk relating to interest rate variation has two major impacts on REN's financial statements: remuneration of the company's assets, in accordance with the tariff regulations, and interest on the borrowings.

Since a significant part of the REN Group's assets have a guaranteed return through the tariffs, definition of which depends in part on market rates of interest, its operating cash flows are significantly affected by changes in the market interest rates. Increases in the interest market rates, generates significant increases in cash flows and vice-versa.

In terms of financial liabilities, REN is exposed to interest rate risk, mainly due to borrowings.

Borrowings at variable interest rates expose REN to cash flow risk resulting from changes in interest rates. Borrowing at fixed rates exposes the REN Group to fair value risk, as a result of changes in interest rates. Risk management is performed centrally aiming to avoid volatility in financial costs, using simple derivative financial instruments such as interest rate swaps. In this kind of operation REN Group exchanges with banking counterparties in specific dates and with defined maturities, the difference between the fixed interest rates and the variable rates with reference to the notional amounts contracted. All operations undertaken with this purpose can, mostly, be considered perfect interest rate hedging operations.

A sensitivity analysis was made based on the REN Group's total debt less applications in funds and cash and cash equivalents as of 31 December 2014 and 2013, with the following assumptions:

- ◆ Changes in market interest rates affect interest income and costs of variable financial instruments;
- ◆ Changes in market interest rates only affect results or equity in relation to fixed interest rate financial instruments if they are recognised at fair value (or remeasured by the interest rate risk in a fair value hedge);
- ◆ Changes in market interest rates affect the fair value of derivative financial instruments and other financial assets and liabilities; and
- ◆ Changes in the fair value of derivative financial instruments and other financial assets and liabilities are estimated discounting future cash flows, using market rates at the year end.

Using these assumptions a 0.25% increase in market interest rates for all the currencies in which the Group has borrowings or derivative financial instruments at 31 December 2014 would result in a decrease of profit before tax of, approximately, 3,565 thousand Euros (3,221 thousand Euros as of 31 December 2013), from which 313 thousand Euros correspond to the impact on financial instruments (as of 31 December 2013 the impact was 360 thousand Euros).

The increase in equity resulting from an increase in interest rates of 0.25% would be, approximately, 2,570 thousand Euros, this impact entirely attributed to derivatives (on 31 December 2013 corresponded to an increase of 1,550 thousand Euros).

The sensitivity analysis is merely projected, and do not represent any present real gain or loss, neither other real variations in the net results nor in equity.

V) PRICE RISK

REN's exposure to price risk results essentially from its investment in REE and Enagás. A negative variation of 10% in the price of shares of REE and Enagás at 31 December 2014 would have an impact on equity of 16,163 thousand Euros (11,102 thousand Euros in 2013).

VI) REGULATED ACTIVITY RISK

Gains recognised by REN in each period result directly from the assumptions considered by the regulator, ERSE, in defining the regulated tariffs for the electricity and gas sectors.

4.2. CAPITAL RISK MANAGEMENT

The REN Group's 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 analysed periodically considering the Group financing needs and its liquidity position.

REN also monitors its total capital based on the gearing ratio, which is calculated as net debt over the total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as presented in the consolidated statement of financial position), adjusted by the amounts of cash and cash equivalents and hedge derivatives. Total capital is calculated as equity (as presented in the consolidated statement of financial position) plus net debt. The Group's Gearing ratio comfortably meets the limits set by contract, being on 31 December 2014 above the minimum in 97% (on 31 December 2013 was 86% above the limit).

5 MAIN ESTIMATES AND JUDGEMENTS

The estimates and assumptions with impact on REN's consolidated financial statements are continuously evaluated, representing at each reporting date the Board of Directors best estimates, considering historical performance, past accumulated experience and expectations about future events that, under the circumstances, are believed to be reasonable.

The intrinsic nature of these estimates may cause different impacts on financial statements from those previously estimated. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

SIGNIFICANT ACCOUNTING ESTIMATES

5.1. PROVISIONS

The REN Group periodically analyses the existence of possible liabilities resulting from past events that should be recognised or disclosed.

The subjectivity inherent to the determination of the probability and amount of the resources necessary to settle these liabilities may result in significant adjustments, due to variations in the assumptions used or because previously disclosed contingent liabilities may have to be recognised as provisions.

5.2. ACTUARIAL ASSUMPTIONS

Determination of the liability for retirement pensions and healthcare plans requires the use of assumptions and estimates of a demographic and financial nature, which may significantly affect the liability calculated at each reporting date. The most sensitive assumptions refer to: the discount rates used to update the liability and the mortality tables.

5.3. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Determination of the periods of useful life of the assets, as well as the amortization and depreciation method to be used are essential for determining the amount of amortization and depreciation to be recognised in the consolidated statement of profit and loss for each year.

These two parameters are defined in accordance with Management's best judgement for the assets and business.

5.4. IMPAIRMENT

The recognition of possible impairment loss may be identified by the occurrence of events, many outside the control of the REN Group, such as: Future availability of financing; the cost of debt; or maintenance of the current market regulatory structure, as well as other changes of the REN Group, both internal and external.

The identification of impairment indicators, the estimate of future cash flows and the determination of the fair value of assets imply a high degree of judgement by the Board of Directors, as regards the evaluation of impairment indicators, estimated cash flows, discount rates used, useful lives and residual values.

In REN's specific activities there are other factors to consider in impairment testing, since commitments to increase the network of infrastructures, changes in expected tariffs, or changes in the strategy of the shareholders of REN, which together with other factors can result in changes in the future cash flow trends and amounts.

6 CONSOLIDATION PERIMETER

The following companies were included in the consolidation perimeter as of 31 December 2014 and 2013:

DESIGNATION / ADDRESS	ACTIVITY	'14		'13	
		% OWNED		% OWNED	
		GROUP	INDIVIDUAL	GROUP	INDIVIDUAL
PARENT COMPANY:					
REN - REDES ENERGÉTICAS NACIONAIS, SGPS, S.A.	HOLDING COMPANY	-	-	-	-
SUBSIDIARIES:					
ELECTRICITY SEGMENT:					
REN - REDE ELECTRICA NACIONAL, S.A. AV. ESTADOS UNIDOS DA AMÉRICA, 55 LISBOA	NATIONAL ELECTRICITY TRANSMISSION NETWORK OPERATOR (HIGH AND VERY HIGH TENSION)	100%	100%	100%	100%
REN TRADING, S.A. AV. ESTADOS UNIDOS DA AMÉRICA, 55 LISBOA	PURCHASE AND SALE, IMPORT AND EXPORT OF ELECTRICITY AND NATURAL GAS	100%	100%	100%	100%
ENONDAS-ENERGIA DAS ONDAS, S.A. MATA DO URSO - GUARDA NORTE - CARRIÇO - POMBAL	MANAGEMENT OF THE CONCESSION TO OPERATE A PILOT AREA FOR THE PRODUCTION OF ELECTRIC ENERGY FROM OCEAN WAVES	100%	100%	100%	100%
TELECOMMUNICATIONS SEGMENT:					
RENTELECOM - COMUNICAÇÕES S.A. AV. ESTADOS UNIDOS DA AMÉRICA, 55 LISBOA	TELECOMMUNICATIONS NETWORK OPERATION	100%	100%	100%	100%
OTHER SEGMENTS:					
REN - SERVIÇOS, S.A. AV. ESTADOS UNIDOS DA AMÉRICA, 55 LISBOA	BACK OFFICE AND MANAGEMENT OF PARTICIPATIONS	100%	100%	100%	100%
REN FINANCE, B.V. PRINS BERNHARDPLEIN 200, 1097 JB AMSTERDAM, THE NETHERLANDS	PARTICIPATE, FINANCE, COLLABORATE, CONDUCT MANAGEMENT OF COMPANIES RELATED TO REN GROUP.	100%	100%	100%	100%
NATURAL GAS SEGMENT:					
REN ATLÂNTICO , TERMINAL DE GNL, S.A. TERMINAL DE GNL - SINES	LIQUIFIED NATURAL GAS TERMINAL MAINTENANCE AND REGASIFICATION OPERATION	100%	100%	100%	100%
OWNED BY REN SERVIÇOS, S.A.:					
REN GÁS, S.A. AV. ESTADOS UNIDOS DA AMÉRICA, 55 -12º - LISBOA	MANAGEMENT OF PROJECTS AND VENTURES IN THE NATURAL GAS SECTOR	100%	-	100%	-
OWNED BY REN GAS, S.A.:					
REN - ARMAZENAGEM, S.A. MATA DO URSO - GUARDA NORTE - CARRIÇO - POMBAL	UNDERGROUND STORAGE DEVELOPEMENT, MAINTENANCE AND OPERATION	100%	-	100%	-
REN - GASODUTOS, S.A. ESTRADA NACIONAL 116, KM 32,25 VILA DE REI - BUCELAS	NATIONAL NATURAL GAS TRANSPORT OPERATOR AND NATURAL GAS OVERALL MANAGER	100%	-	100%	-

7 SEGMENT REPORTING

The REN Group is organised in two main business segments, Electricity and Gas and one secondary segment. The electricity segment includes the transmission of electricity in very high voltage, overall management of the public electricity system, management of the power purchase agreements (PPA) not terminated at 30 June 2007 and the pilot zone for electricity production from sea waves. The gas segment includes high pressure gas transmission and overall management of the national natural gas supply system, as well as the operation of regasification at the LNG Terminal and the underground storage of natural gas.

Although the activities of the LNG Terminal and underground storage can be seen as separate from the transport of gas and overall management of the national natural gas supply system, since these operations provide services to the same users and they are complementary services, it was considered that it is subject to the same risks and benefits.

The telecommunications segment is presented separately although it does not qualify for disclosure.

Management of external loans are centrally managed by REN SGPS, S.A. for which the Company choose to present the assets and liabilities separate from its eliminations that are undertaken in the consolidation process, as used by the main responsible operating decision maker.

The results by segment for the year ended 31 December 2014 were as follows:

DECEMBER 2014

	ELECTRICITY	GAS	TELECOMMUNICATIONS	OTHERS	ELIMINATIONS	CONSOLIDATED
SALES AND SERVICES PROVIDED	397,051	168,700	5,519	41,078	(41,498)	570,850
INTER-SEGMENTS	904	409	61	40,125	(41,498)	-
REVENUES FROM EXTERNAL CUSTOMERS	396,147	168,291	5,458	953	-	570,850
REVENUE FROM CONSTRUCTION OF CONCESSION ASSETS	137,410	25,776	-	-	-	163,186
COST WITH CONSTRUCTION OF CONCESSION ASSETS	(120,574)	(22,220)	-	-	-	(142,794)
GAINS/(LOSSES) FROM ASSOCIATES AND JOINT VENTURES	-	-	-	421	-	421
EXTERNAL SUPPLIES AND SERVICES	(47,497)	(24,272)	(1,713)	(19,833)	52,778	(40,537)
EMPLOYEE COMPENSATION AND BENEFIT EXPENSE	(24,055)	(7,718)	(225)	(21,051)	-	(53,049)
OTHER EXPENSES AND OPERATING INCOME	18,061	1,902	(319)	626	(11,280)	8,989
OPERATING CASH FLOW	360,396	142,166	3,262	1,240	-	507,065
INVESTMENT INCOME - DIVIDENDS	-	-	-	8,569	-	8,569
NON REIMBURSABLE EXPENSES						
DEPRECIATION AND AMORTIZATIONS	(146,794)	(55,567)	(12)	(255)	-	(202,628)
PROVISIONS	(940)	(397)	-	(112)	-	(1,449)
IMPAIRMENT	(22)	(5)	-	-	-	(28)
FINANCIAL RESULTS						
FINANCIAL INCOME	1,287	15,277	106	174,035	(181,704)	9,001
FINANCIAL COSTS	(76,702)	(37,018)	(2)	(199,717)	181,704	(131,735)
PROFIT BEFORE INCOME TAX	137,226	64,456	3,355	(16,241)	-	188,795
INCOME TAX EXPENSE	(40,077)	(17,332)	(872)	7,329	-	(50,953)
ENERGY SECTOR EXTRAORDINARY CONTRIBUTION (ESEC)	(17,940)	(7,125)	-	-	-	(25,065)
PROFIT FOR THE YEAR	79,208	39,999	2,483	(8,913)	-	112,777

Results by segment for the year ended 31 December 2013 were as follows:

DECEMBER 2013						
	ELECTRICITY	GAS TELECOMMUNICATIONS	OTHERS	ELIMINATIONS	CONSOLIDATED	
SALES AND SERVICES PROVIDED	399,175	172,043	5,575	42,024	(42,819)	575,998
INTER-SEGMENTS	944	125	157	41,593	(42,819)	-
REVENUES FROM EXTERNAL CUSTOMERS	398,231	171,918	5,418	432	-	575,998
REVENUE FROM CONSTRUCTION OF CONCESSION ASSETS	157,581	29,883	-	-	-	187,464
COST WITH CONSTRUCTION OF CONCESSION ASSETS	(137,210)	(24,969)	-	-	-	(162,179)
GAINS/(LOSSES) FROM ASSOCIATES AND JOINT VENTURES	-	-	-	(361)	-	(361)
EXTERNAL SUPPLIES AND SERVICES	(48,678)	(26,057)	(1,789)	(20,905)	53,402	(44,028)
EMPLOYEE COMPENSATION AND BENEFIT EXPENSE	(23,729)	(8,212)	(256)	(21,401)	-	(53,599)
OTHER EXPENSES AND OPERATING INCOME	18,974	2,983	(18)	1,334	(10,583)	12,691
OPERATING CASH FLOW	366,113	145,670	3,513	691	-	515,986
INVESTMENT INCOME - DIVIDENDS	-	-	-	7,558	-	7,558
NON REIMBURSABLE EXPENSES						
DEPRECIATION AND AMORTIZATIONS	(141,974)	(59,013)	(20)	(235)	-	(201,242)
(PROVISIONS) / REVERSALS	439	(76)	-	(150)	-	212
REVERSAL OF IMPAIRMENT OF TRADE RECEIVABLES	5,296	-	-	-	-	5,296
FINANCIAL RESULTS						
FINANCIAL INCOME	578	16,061	141	149,945	(153,807)	12,917
FINANCIAL COSTS	(72,940)	(36,923)	(1)	(206,645)	153,807	(162,703)
PROFIT BEFORE INCOME TAX	157,511	65,718	3,633	(48,837)	-	178,024
INCOME TAX EXPENSE	(48,317)	(19,455)	(1,030)	12,081	-	(56,721)
PROFIT FOR THE YEAR	109,194	46,263	2,602	(36,756)	-	121,303

Inter-segment transactions are carried out under normal market conditions, equivalent to transactions with third parties.

Revenue included in the segment "Others" is essentially related to the services provided by the management and *back office* to Group entities as well as third parties.

Assets and liabilities by segment at 31 December 2014 as well as investments on intangible assets and property, plant and equipment were as follows:

DECEMBER 2014						
	ELECTRICITY	GAS	TELECOMMUNICATIONS	OTHERS	ELIMINATIONS	CONSOLIDATED
SEGMENT ASSETS						
GROUP INVESTMENTS HELD	-	533,578	-	1,474,138	(2,007,716)	-
PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	2,650,718	1,187,541	13	638	-	3,838,910
OTHER ASSETS	511,054	441,173	6,357	4,001,118	(3,873,857)	1,085,844
TOTAL ASSETS	3,161,773	2,162,292	6,370	5,475,894	(5,881,573)	4,924,755
TOTAL LIABILITIES	2,559,108	959,718	2,655	4,141,563	(3,873,857)	3,789,188
CAPITAL EXPENDITURE - TOTAL	137,411	25,776	-	64	-	163,251
CAPITAL EXPENDITURE - PROPERTY, PLANT AND EQUIPMENT (NOTE 8)	1	-	-	64	-	65
CAPITAL EXPENDITURE - INTANGIBLE ASSETS (NOTE 8)	137,410	25,776	-	-	-	163,186
INVESTMENTS IN ASSOCIATES	-	-	-	10,828	-	10,828
INVESTMENTS IN JOINT VENTURES	-	-	-	1,747	-	1,747

Assets and liabilities by segment at 31 December 2013 as well as investments on intangible assets and property, plant and equipment were as follows:

DECEMBER 2013						
	ELECTRICITY	GAS	TELECOMMUNICATIONS	OTHERS	ELIMINATIONS	CONSOLIDATED
SEGMENT ASSETS						
GROUP INVESTMENTS HELD	-	541,564	-	1,456,412	(1,997,976)	-
PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	2,660,102	1,217,353	24	875	-	3,878,354
OTHER ASSETS	621,027	448,016	5,505	3,931,271	(3,822,824)	1,182,994
TOTAL ASSETS	3,281,129	2,206,933	5,529	5,388,558	(5,820,800)	5,061,349
TOTAL LIABILITIES	2,656,583	995,035	1,825	4,151,164	(3,822,824)	3,981,783
CAPITAL EXPENDITURE - TOTAL	157,584	29,883	-	374	-	187,841
CAPITAL EXPENDITURE - PROPERTY, PLANT AND EQUIPMENT (NOTE 8)	3	-	-	374	-	377
CAPITAL EXPENDITURE - INTANGIBLE ASSETS (NOTE 8)	157,581	29,883	-	-	-	187,464
INVESTMENTS IN ASSOCIATES	-	-	-	10,610	-	10,610
INVESTMENTS IN JOINT VENTURES	-	-	-	1,545	-	1,545

The liabilities included in the segment "Others" are essentially related to external borrowings obtained directly by REN SGPS, S.A. and REN Finance, BV for financing the several activities of the Group.

The captions of the statement of financial position and profit and loss for each segment result of the amounts considered directly in the individual financial statements of each company that belongs to the Group included in the perimeter of each segment, corrected with the eliminations of the inter-segment transactions.

8 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

The changes in intangible assets and property, plant and equipment in the in the year ended 31 December 2014 were as follows:

	JANUARY 2014				
	COST	ACCUMULATED DEPRECIATION	NET BOOK VALUE	ADDITIONS	DISPOSALS AND WRITE-OFFS
PROPERTY, PLANT AND EQUIPMENT					
TRANSMISSION AND ELECTRONIC EQUIPMENT	103	(96)	6	-	-
TRANSPORT EQUIPMENT	1,386	(579)	806	57	(112)
OFFICE EQUIPMENT	231	(131)	100	7	(3)
PROPERTY, PLANT AND EQUIPMENT IN PROGRESS	21	-	21	1	-
	1,740	(806)	934	65	(115)
INTANGIBLE ASSETS					
INTANGIBLE ASSETS					
CONCESSION ASSETS	6,806,422	(3,014,064)	3,792,358	3,883	(1,870)
CONCESSION ASSETS IN PROGRESS	85,062	-	85,062	159,303	-
	6,891,483	(3,014,064)	3,877,420	163,186	(1,870)
TOTAL OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	6,893,224	(3,014,870)	3,878,354	163,251	(1,985)

CHANGES			DECEMBER 2014			
TRANSFERS	DEPRECIATION CHARGE	DEPRECIATION - DISPOSALS, WRITE-OFFS AND OTHER RECLASSIFICATIONS	COST	ACCUMULATED DEPRECIATION	NET BOOK VALUE	
-	(4)	-	103	(100)	2	
-	(233)	67	1,330	(746)	585	
22	(34)	3	257	(162)	95	
(22)	-	-	-	-	-	
-	(272)	70	1,690	(1,008)	682	

CHANGES			DECEMBER 2014			
TRANSFERS	AMORTIZATION CHARGE	AMORTIZATION - DISPOSALS, WRITE-OFFS AND OTHER RECLASSIFICATIONS	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	
190,634	(202,357)	1,849	6,999,069	(3,214,571)	3,784,498	
(190,634)	-	-	53,730	-	53,730	
-	(202,357)	1,849	7,052,799	(3,214,571)	3,838,228	
-	(202,628)	1,919	7,054,489	(3,215,579)	3,838,910	

The changes in intangible assets and property, plant and equipment in the in the year ended 31 December 2013 were as follows:

	JANUARY 2013				
	COST	ACCUMULATED DEPRECIATION	NET BOOK VALUE	ADDITIONS	DISPOSALS AND WRITE-OFFS
PROPERTY, PLANT AND EQUIPMENT					
TRANSMISSION AND ELECTRONIC EQUIPMENT	103	(83)	19	-	-
TRANSPORT EQUIPMENT	1,170	(502)	668	358	(142)
OFFICE EQUIPMENT	222	(102)	120	18	(10)
PROPERTY, PLANT AND EQUIPMENT IN PROGRESS	20	-	20	1	-
	1,515	(688)	827	377	(151)
INTANGIBLE ASSETS					
INTANGIBLE ASSETS					
CONCESSION ASSETS	6,563,836	(2,814,944)	3,748,892	4,454	(2,389)
CONCESSION ASSETS IN PROGRESS	142,572	-	142,572	183,011	-
	6,706,408	(2,814,944)	3,891,464	187,464	(2,389)
TOTAL OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	6,707,923	(2,815,632)	3,892,291	187,841	(2,541)

CHANGES			DECEMBER 2013		
TRANSFERS	DEPRECIATION CHARGE	DEPRECIATION - DISPOSALS, WRITE-OFFS AND OTHER RECLASSIFICATIONS	COST	ACCUMULATED DEPRECIATION	NET BOOK VALUE
-	(13)	-	103	(96)	6
-	(219)	142	1,386	(579)	806
-	(38)	9	231	(131)	100
-	-	-	21	-	21
-	(270)	151	1,740	(806)	934

CHANGES			DECEMBER 2013		
TRANSFERS	AMORTIZATION CHARGE	AMORTIZATION - DISPOSALS, WRITE-OFFS AND OTHER RECLASSIFICATIONS	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
240,521	(200,973)	1,854	6,806,422	(3,014,064)	3,792,358
(240,521)	-	-	85,062	-	85,062
-	(200,973)	1,854	6,891,483	(3,014,064)	3,877,420
-	(201,242)	2,004	6,893,224	(3,014,870)	3,878,354

The additions in the year ended 31 December 2014 and 2013 refers essentially to rights over the investments on construction/renovation and expansion of electrical and gas transportation grid.

The main additions verified in the periods ended 2014 and 2013 are made up as follows:

	'14	'13
ELECTRICITY SEGMENT		
POWER LINE CONSTRUCTION (220 KV)	11,046	64,462
POWER LINE CONSTRUCTION (400 KV)	37,003	708
OTHER POWER LINE CONSTRUCTIONS	12,930	6,072
CONSTRUCTION OF NEW SUBSTATIONS	20,779	19,011
SUBSTATION EXPANSION	40,806	53,918
OTHER RENOVATIONS IN SUBSTATIONS	5,185	3,363
TELECOMMUNICATIONS AND INFORMATION SYSTEM	5,290	6,949
PILOT ZONE CONSTRUCTION - WAVE ENERGY	299	394
BUILDINGS RELATED TO CONCESSION	1,106	1,172
OTHER ASSETS	2,966	1,534
GAS SEGMENT		
EXPANSION AND IMPROVEMENTS TO GAS TRANSMISSION NETWORK	6,987	23,288
CONSTRUCTION PROJECT OF CAVITY UNDERGROUND STORAGE OF NATURAL GAS IN POMBAL	16,842	5,645
CONSTRUCTION PROJECT AND OPERATING UPGRADE - LNG FACILITIES	1,947	950
OTHERS SEGMENT		
OTHER ASSETS	65	374
TOTAL OF ADDITIONS	163,251	187,841

The main transfers that were concluded and began activity during the periods ended 2014 and 2013 are made up as follows:

	'14	'13
ELECTRICITY SEGMENT		
POWER LINE CONSTRUCTION (220 KV)	11,033	71,044
POWER LINE CONSTRUCTION (400 KV)	36,841	289
OTHER POWER LINE CONSTRUCTIONS	12,255	6,652
CONSTRUCTION OF NEW SUBSTATIONS	19,421	32,576
SUBSTATION EXPANSION	50,662	71,762
OTHER RENOVATIONS IN SUBSTATIONS	4,251	6,226
TELECOMMUNICATIONS AND INFORMATION SYSTEM	7,775	-
OTHER ASSETS UNDER CONCESSION	1,135	5,090
OTHER ASSETS	22	-
GAS SEGMENT		
EXPANSION AND IMPROVEMENTS TO NATURAL GAS TRANSMISSION NETWORK	7,260	44,920
CONSTRUCTION PROJECT OF CAVITY UNDERGROUND STORAGE OF NATURAL GAS IN POMBAL	38,166	1,273
CONSTRUCTION PROJECT AND OPERATING UPGRADE - LNG FACILITIES	1,835	689
TOTAL OF TRANSFERS	190,656	240,521

The intangible assets in progress at 31 December 2014 and 2013 are as follows:

	'14	'13
ELECTRICITY SEGMENT		
POWER LINE CONSTRUCTION (150KV/220KV E 400KV)	17,132	16,281
SUBSTATION EXPANSION	13,078	22,000
NEW SUBSTATIONS PROJECTS	11,359	10,001
OTHER PROJECTS	1,889	4,411
IMPROVEMENTS IN BUILDINGS RELATED TO CONCESSION	2,353	2,046
GAS SEGMENT		
EXPANSION AND IMPROVEMENTS TO NATURAL GAS TRANSMISSION NETWORK	6,018	7,172
CONSTRUCTION PROJECT OF CAVITY UNDERGROUND STORAGE OF NATURAL GAS IN POMBAL	1,598	22,925
CONSTRUCTION PROJECT AND OPERATING UPGRADE - LNG FACILITIES	303	226
TOTAL OF ASSETS IN PROGRESS	53,730	85,062

Borrowing costs capitalized on intangible assets in progress in the year ended 31 December 2014 amounted to 5,360 thousand Euros (9,126 thousand Euros in 2013), while overhead and management costs capitalized amounted to 15,032 thousand Euros (16,160 thousand Euros in 2013) (Note 25). The average rate of the borrowing costs capitalized was of 0.3949%.

The net book value of the intangible assets acquired through finance lease contracts at 31 December 2014 and 2013 was as follows:

	'14	'13
COST	4,656	4,270
ACCUMULATED DEPRECIATION AND AMORTIZATION	(1,149)	(1,750)
NET BOOK VALUE	3,507	2,521

9 GOODWILL

Goodwill represents the difference between the amount paid for the acquisition and the net assets fair value of REN Atlântico, S.A. on the acquisition date under the natural gas business unbundling process. At 31 December 2014 Goodwill was as follows:

SUBSIDIARIES	YEAR OF ACQUISITION	ACQUISITION COST	PERCENTAGE INTEREST HELD		GOODWILL			
			%	AMOUNT	2013	INCREASES	DECREASES	2014
REN ATLÂNTICO, TERMINAL DE GNL, S.A.	2006	32,580	100%	28,806	3,774	-	-	3,774

IMPAIRMENT TEST OF GOODWILL

REN made the impairment test of goodwill at 31 December 2014 and 2013, at the cash generating unit level to which REN Atlântico belongs. The business of REN Atlântico is subject to a concession contract and regulated tariffs so that the recoverable amount was determined based on value-in-use calculations. The cash flow projections considered the expected regulatory terms in place for the remaining term of the concession (concession for a period of 40 years beginning on the 26 September 2006), which cash inflows associated to cash-generating unit correspond to the regulated remuneration obtained over the net book value of the underlying investments, which is decreasing along the projections from the year ended 2014 until end the of concession.

The cash flow was discounted considering an average market pre-tax interest rate, adjusted for the natural gas regasification activities risk, of 7.48% (post-tax discount rate of 5.54%, 5.79% in 2013).

CASH GENERATION UNIT	METHOD	ASSUMPTIONS		
		CASH FLOW	GROWING FACTOR	DISCOUNTED RATE
REN ATLÂNTICO, TERMINAL DE GNL, S.A.	DFC (DISCOUNTED CASH FLOW)	OPERATING FLOW PROJECTED TO THE REMAINING CONCESSION PERIOD	DECREASING RATE IN ACCORDANCE WITH THE AVERAGE RATE OF ASSETS DEPRECIATION	7.48% (PRE-TAX) 5.54% (POST-TAX)

In accordance with the assumptions followed no impairment losses were noted in the caption "Goodwill".

The Group made sensitivity analysis considering a variation of 10% on the return rate of the assets, and no impairment was identified.

10 INVESTMENTS IN ASSOCIATES AND JOIN VENTURES

At 31 December 2014 and 2013, the financial information regarding the financial interest held is as follows:

COMPANY	ACTIVITY	HEAD OFFICE	CURRENT ASSETS	NON-CURRENT ASSETS	CURRENT LIABILITIES
EQUITY METHOD:					
ASSOCIATE:					
OMIP - OPERADOR DO MERCADO IBÉRICO (PORTUGAL), SGPS, S.A.	HOLDING COMPANY	LISBON	436	29,349	259
JOINT VENTURE					
CENTRO DE INVESTIGAÇÃO EM ENERGIA REN - STATE GRID, S.A.	RESEARCH & DEVELOPMENT	LISBON	8,873	36	5,401

COMPANY	ACTIVITY	HEAD OFFICE	CURRENT ASSETS	NON-CURRENT ASSETS	CURRENT LIABILITIES
EQUITY METHOD:					
ASSOCIATE:					
OMIP - OPERADOR DO MERCADO IBÉRICO (PORTUGAL), SGPS, S.A.	HOLDING COMPANY	LISBON	868	29,450	680
JOINT VENTURE					
CENTRO DE INVESTIGAÇÃO EM ENERGIA REN - STATE GRID, S.A.	RESEARCH & DEVELOPMENT	LISBON	7,599	-	4,509

FINANCIAL INFORMATION

CAPITAL OWNED

31 DECEMBER 2014

NON-CURRENT LIABILITIES	REVENUES	NET PROFIT/(LOSS)	OTHER COMPREHENSIVE INCOME	TOTAL COMPREHENSIVE INCOME	%	CARRYING AMOUNT	GROUP SHARE OF PROFIT / (LOSS)
1,667	1,086	546	-	546	40	10,829	218
13	2,229	405	-	405	50	1,747	202
						12,575	421

FINANCIAL INFORMATION

CAPITAL OWNED

31 DECEMBER 2013

NON-CURRENT LIABILITIES	REVENUES	NET PROFIT/(LOSS)	OTHER COMPREHENSIVE INCOME	TOTAL COMPREHENSIVE INCOME	%	CARRYING AMOUNT	GROUP SHARE OF PROFIT / (LOSS)
2,292	1,356	744	557	1,301	40	10,610	(405)
-	841	90	-	90	50	1,545	45
						12,155	(361)

ASSOCIATES

The changes in the caption “Investments in associates” during the period ended 31 December 2014 and 2013 was as follows:

INVESTMENTS IN ASSOCIATES

AT 1 JANUARY 2013	9,382
EFFECT OF APPLYING THE EQUITY METHOD	(405)
5% ACQUISITION OF OMIP (MAY 2013)	1,410
OTHER CHANGES IN THE EQUITY OF THE ASSOCIATE	223
AT 31 DECEMBER 2013	10,610
EFFECT OF APPLYING THE EQUITY METHOD	218
AT 31 DECEMBER 2014	10,829

The Group currently holds 40% of the OMIP, SGPS, S.A. shares.

The proportional value of the OMIP, SGPS income, in the year ended 31 December 2013, includes the effect of the adjustment resulting of changes to the Financial Statement of the previous year, made after the equity method application. This participation is recorded as an Associate.

In accordance with the Agreement between the Republic of Portugal and the Kingdom of Spain regarding the foundation of an Iberian market of electric energy, REN should sell more 30% of the share capital in OMIP, in order to accomplish a 10% of the share capital in OMIP. Additionally, despite the existence of intentions between entities involved in the referred Iberian agreement, were not identified, concrete, potential buyers than could enable the realization of the operation.

JOINT VENTURES

The movement in the caption “Investments in joint ventures” during the year ended 31 December 2014 and 2013 was as follows:

JOIN VENTURES

AT 1 JANUARY 2013	-
SHARE CAPITAL SUBSCRIBED	1,500
EFFECT OF APPLYING THE EQUITY METHOD (NOTE 19)	45
AT 1 JANUARY 2014	1,545
EFFECT OF APPLYING THE EQUITY METHOD (NOTE 19)	202
AT 31 DECEMBER 2014	1,747

Following a joint agreement of technology partnership between REN - Redes Energéticas Nacionais and the State Grid International Development (SGID), an R&D centre in Portugal dedicated to power systems designed - Centro de Investigação em Energia REN - STATE GRID, SA ("Centro de Investigação") was incorporated on May 2013, being jointly controlled by the above mentioned two entities.

The Research Centre aims to become a platform for international knowledge, a catalyst for innovative solutions and tools, applied to the planning and operation of transmission power.

At 31 December 2014 and 2013 the financial information of the joint venture was as follows.

OTHER FINANCIAL INFORMATION

31 DECEMBER 2014

	CASH AND CASH EQUIVALENTS	CURRENT FINANCIAL LIABILITIES	NON-CURRENT FINANCIAL LIABILITIES	DEPRECIATIONS AND AMORTIZATIONS	FINANCIAL INCOME	FINANCIAL COSTS	INCOME TAX-(COST)/INCOME
JOINT VENTURE							
CENTRO DE INVESTIGAÇÃO EM ENERGIA REN - STATE GRID, S.A.	3,695	6	13	(9)	47	(3)	(128)

OTHER FINANCIAL INFORMATION

31 DECEMBER 2013

	CASH AND CASH EQUIVALENTS	CURRENT FINANCIAL LIABILITIES	NON-CURRENT FINANCIAL LIABILITIES	DEPRECIATIONS AND AMORTIZATIONS	FINANCIAL INCOME	FINANCIAL COSTS	INCOME TAX-(COST)/INCOME
JOINT VENTURE							
CENTRO DE INVESTIGAÇÃO EM ENERGIA REN - STATE GRID, S.A.	2,966	-	-	-	-	-	(32)

11 INCOME TAX

REN is taxed based on the special regime for the taxation of group companies ("RETGS"), which includes all companies located in Portugal that REN detains directly or indirectly at least 75% of the share capital, which should give at more than 50% of the voting rights, and comply with the conditions of the article 69º of the Corporate Income Tax law.

In accordance with current legislation, tax returns are subject to review and correction by the tax authorities for a period of four years (five years for social security), except when there are tax losses, tax benefits granted or tax inspections, claims or appeals in progress, in which case the period can be extended or suspended, depending on the circumstances. Consequently, the Company's tax returns for the years from 2011 to 2014 are still subject to review.

The Company's Board of Directors understands that possible corrections to the tax returns resulting from tax reviews /inspections carried out by the tax authorities will not have a significant effect on the financial statements as of 31 December 2014 and 2013.

In 2014 the Group is taxed in Corporate Income Tax rate of 23%, increased by a municipal surcharge up the maximum of 1.5% over the taxable profit, and a State surcharge of an additional (i) 3% of taxable profit between 1,500 thousand Euros and 7,500 thousand Euros (ii) of 5% over the taxable profit in excess of 7,500 thousand Euros and up to 35,000 thousand Euros and (iii) 7% for taxable profits in excess of 35,000 thousand Euros, which results in a maximum aggregate tax rate of 31.5%.

The deferred taxes, as of 31 December 2014, were updated considering the new rates established under the Law n. 82-C/2014 of 31 December, which establishes a Corporate Income Tax rate of 21% and a municipal surcharge up to a maximum of 1.5% of taxable profit, and a State surcharge of an additional (i) 3% of taxable profit between 1,500 thousand Euros and 7,500 thousand Euros (ii) of 5% over the taxable profit in excess of 7,500 thousand Euros and up to 35,000 thousand Euros; and (iii) 7% for taxable profits in excess of 35,000 thousand Euros. The referred tax rates are applicable for taxable profits generated on periods after the period started on 1 January 2015.

Consequently, the tax rate used in the valuation of temporary taxable and deductible differences as of 31 December 2014, were calculated using the average tax rate expected in accordance with future perspective of taxable profits of the Company recoverable in the next periods.

Income tax of the years ended 31 December 2014 and 2013 was as follows:

	'14	'13
CURRENT INCOME TAX	46,859	67,941
ADJUSTMENTS OF INCOME TAX FROM PREVIOUS YEARS	(3,858)	(499)
DEFERRED TAX	7,952	(10,721)
INCOME TAX	50,953	56,721

Reconciliation between tax calculated at the nominal tax rate and tax recorded in the consolidated statement of profit and loss is as follows:

	'14	'13
CONSOLIDATED PROFIT BEFORE INCOME TAX	188,795	178,024
PERMANENT DIFFERENCES		
POSITIVE NET WORTH VARIATION	(8)	(139)
NON DEDUCTIBLE COSTS	1,392	223
NON TAXABLE INCOME	(2,165)	(800)
TIMING DIFFERENCES		
TARIFF DEVIATIONS	(44,600)	31,752
PROVISIONS	665	(6,211)
REVALUATIONS	5,153	6,675
PENSION, MEDICAL ASSISTENCE AND LIFE INSURANCE PLANS	(2,266)	(1,566)
DERIVATIVE FINANCIAL INSTRUMENTS	-	(156)
TAXABLE INCOME	146,965	207,803
INCOME TAX	33,863	51,901
STATE SURCHARGE TAX	9,716	11,770
MUNICIPAL SURCHARGE	2,692	3,834
AUTONOMOUS TAXATION	588	437
CURRENT INCOME TAX	46,859	67,941
DEFERRED INCOME TAX	7,952	(10,721)
DEFERRED INCOME TAX	7,952	(10,721)
ADJUSTMENTS OF INCOME TAX FROM PREVIOUS YEARS	(3,858)	(499)
INCOME TAX	50,953	56,721
EFFECTIVE TAX RATE	26.99%	31.86%

INCOME TAX

The caption "Income tax" payable and receivable at 31 December 2014 and 2013 is made up as follows:

	'14	'13
INCOME TAX:		
CORPORATE INCOME TAX - ESTIMATED TAX	(46,859)	-
CORPORATE INCOME TAX - PAYMENTS ON ACCOUNT	53,301	-
INCOME WITHHOLDING TAX BY THIRD PARTIES	3,837	-
INCOME TAX RELATED TO PREVIOUS YEARS	(60)	-
INCOME TAX RECEIVABLE	10,219	-
CORPORATE INCOME TAX - ESTIMATED TAX	-	(67,941)
CORPORATE INCOME TAX - PAYMENTS ON ACCOUNT	-	19,987
INCOME WITHHOLDING TAX BY THIRD PARTIES	-	3,020
INCOME TAX PAYABLE	-	(44,935)

DEFERRED TAXES

The effect of the changes in the deferred tax captions in the years presented was as follows:

	'14	'13
IMPACT ON THE STATEMENT OF PROFIT AND LOSS		
DEFERRED TAX ASSETS	38	1,076
DEFERRED TAX LIABILITIES	(7,990)	9,645
	(7,952)	10,721
IMPACT ON EQUITY		
DEFERRED TAX ASSETS	(1,856)	5,509
DEFERRED TAX LIABILITIES	(10,323)	(805)
	(12,179)	4,705
NET IMPACT OF DEFERRED TAXES	(20,131)	15,425

The changes in deferred tax by nature were as follows:

CHANGE IN DEFERRED TAX ASSETS – DECEMBER 2014

	PROVISIONS / IMPAIRMENTS	PENSIONS	TARIFF DEVIATIONS	DERIVATIVE FINANCIAL INSTRUMENTS	OTHERS	TOTAL
AT 1 JANUARY 2014	1,749	39,128	21,548	5,373	2	67,800
INCREASE/DECREASE THROUGH RESERVES	-	(1,658)	-	(198)	-	(1,856)
REVERSAL THROUGH PROFIT AND LOSS	(48)	(755)	-	-	(2)	(806)
INCREASE THROUGH PROFIT AND LOSS	117	-	727	-	-	844
CHANGE IN THE PERIOD	69	(2,413)	727	(198)	(2)	(1,818)
AT 31 DECEMBER 2014	1,818	36,715	22,275	5,175	-	65,982

CHANGE IN DEFERRED TAX ASSETS – DECEMBER 2013

	PROVISIONS / IMPAIRMENTS	PENSIONS	TARIFF DEVIATIONS	DERIVATIVE FINANCIAL INSTRUMENTS	OTHERS	TOTAL
AT 1 JANUARY 2013	3,483	30,684	18,185	8,858	5	61,215
INCREASE/DECREASE THROUGH RESERVES	-	8,955	-	(3,445)	-	5,509
REVERSAL THROUGH PROFIT AND LOSS	(1,775)	(1,519)	(726)	(39)	(2)	(4,062)
INCREASE THROUGH PROFIT AND LOSS	41	1,009	4,088	-	-	5,138
CHANGE IN THE PERIOD	(1,735)	8,444	3,362	(3,484)	(2)	6,585
AT 31 DECEMBER 2013	1,749	39,128	21,548	5,373	2	67,800

Deferred tax assets at 31 December 2014 correspond mostly to liabilities for benefit plans granted to employees and tariff deviations liabilities to be settled in subsequent years.

EVOLUTION OF DEFERRED TAX LIABILITIES - DECEMBER 2014

	TARIFF DEVIATIONS	REVALUATIONS	AVAILABLE- FOR-SALE (FAIR VALUE)	TOTAL
AT 1 JANUARY 2014	44,666	28,486	805	73,956
INCREASE/DECREASE THROUGH EQUITY	-	(237)	10,560	10,323
INCREASE THROUGH PROFIT AND LOSS	9,581	-	-	9,581
REVERSAL THROUGH PROFIT AND LOSS	-	(1,591)	-	(1,591)
CHANGE IN THE PERIOD	9,581	(1,828)	10,560	18,313
AT 31 DECEMBER 2014	54,246	26,659	11,365	92,270

EVOLUTION OF DEFERRED TAX LIABILITIES - DECEMBER 2013

	TARIFF DEVIATIONS	REVALUATIONS	AVAILABLE- FOR-SALE (FAIR VALUE)	TOTAL
AT 1 JANUARY 2013	52,373	30,424	-	82,797
INCREASE/DECREASE THROUGH EQUITY	-	-	805	805
REVERSAL THROUGH PROFIT AND LOSS	(7,708)	(1,937)	-	(9,645)
CHANGE IN THE PERIOD	(7,708)	(1,937)	805	(8,840)
AT 31 DECEMBER 2013	44,666	28,486	805	73,956

Deferred tax liabilities relating to revaluations result from revaluations made in preceding years under legislation. The effect of these deferred taxes reflects the non tax deductibility of 40% of future depreciation of the revaluation component (included in the assets considered cost at the time of the transition to IFRS).

The legal documents that establish these revaluations were the following:

LEGISLATION (REVALUATION)

ELECTRICITY SEGMENT	NATURAL GAS SEGMENT
DECREE-LAW N° 430/78	DECREE-LAW N° 140/2006
DECREE-LAW N° 399-G/81	
DECREE-LAW N° 219/82	
DECREE-LAW N° 171/85	
DECREE-LAW N° 118-B/86	
DECREE-LAW N° 111/88	
DECREE-LAW N° 7/91	
DECREE-LAW N° 49/91	
DECREE-LAW N° 264/92	

12 FINANCIAL ASSETS AND LIABILITIES CLASSIFIED IN ACCORDANCE WITH IAS 39

The accounting policies for financial instruments in accordance with the IAS 39 categories have been applied to the following financial assets and liabilities:

	NOTES	CREDITS AND OTHER RECEIVABLES	FAIR VALUE - HEDGING DERIVATIVE FINANCIAL INSTRUMENTS
ASSETS			
CASH AND CASH EQUIVALENTS	17	-	-
TRADE AND OTHER RECEIVABLES	14	545,967	-
OTHER INVESTMENTS	12 AND 33	-	-
AVAILABLE-FOR-SALE FINANCIAL ASSETS	13	-	-
INCOME TAX RECEIVABLE	11	10,219	-
DERIVATIVE FINANCIAL INSTRUMENTS	16	-	21,970
TOTAL FINANCIAL ASSETS		556,186	21,970

LIABILITIES			
BORROWINGS	20	-	-
TRADE AND OTHER PAYABLES	23	-	-
DERIVATIVE FINANCIAL INSTRUMENTS	16	-	24,581
TOTAL FINANCIAL LIABILITIES		-	24,581

	NOTES	CREDITS AND OTHER RECEIVABLES	FAIR VALUE - HEDGING DERIVATIVE FINANCIAL INSTRUMENTS
ASSETS			
CASH AND CASH EQUIVALENTS	17	-	-
TRADE AND OTHER RECEIVABLES	14	647,510	-
OTHER INVESTMENTS	12 AND 33	-	-
AVAILABLE-FOR-SALE FINANCIAL ASSETS	13	-	-
TOTAL FINANCIAL ASSETS		647,510	-
LIABILITIES			
BORROWINGS	20	-	-
TRADE AND OTHER PAYABLES	23	-	-
INCOME TAX PAYABLE	11	-	-
DERIVATIVE FINANCIAL INSTRUMENTS	16	-	36,661
TOTAL FINANCIAL LIABILITIES		-	36,661

'14

FAIR VALUE - NEGOTIABLE DERIVATIVES	AVAILABLE- FOR-SALE	FAIR VALUE - THROUGH PROFIT AND LOSS	OTHER FINANCIAL ASSETS/ LIABILITIES	TOTAL CARRYING AMOUNT	FAIR VALUE
-	-	-	114,258	114,258	114,258
-	-	-	-	545,967	545,967
-	-	2,910	99,436	102,346	102,346
-	206,973	-	-	206,973	206,973
-	-	-	-	10,219	10,219
-	-	-	-	21,970	21,970
-	206,973	2,910	213,694	1,001,734	1,001,734

-	-	-	2,604,466	2,604,466	2,730,714
-	-	-	618,679	618,679	618,679
-	-	-	-	24,581	24,581
-	-	-	3,223,145	3,247,726	3,373,974

'13

FAIR VALUE - NEGOTIABLE DERIVATIVES	AVAILABLE- FOR-SALE	FAIR VALUE - THROUGH PROFIT AND LOSS	OTHER FINANCIAL ASSETS/ LIABILITIES	TOTAL CARRYING AMOUNT	FAIR VALUE
-	-	-	167,987	167,987	167,987
-	-	-	-	647,510	647,510
-	-	2,839	122,163	125,002	125,002
-	156,886	-	-	156,886	156,886
-	156,886	2,839	290,150	1,097,386	1,097,386

-	-	-	2,680,483	2,680,483	2,807,253
-	-	-	681,371	681,371	681,371
-	-	-	44,935	44,935	44,935
342	-	-	-	37,003	37,003
342	-	-	3,406,790	3,443,793	3,570,563

The caption "Fair value through profit and loss", in the amount of 2,910 thousand Euros corresponds to the Group's investment in the closed fund "Luso Carbon Fund" with a maturity of 10 years.

The caption "Financial Assets" includes a pledge bank deposit given to the EIB (Note 33.3) of 99,435 thousand Euros.

Loans obtained, as mentioned in Note 3.6 are measured, initially at fair value and subsequently at amortized cost, except for those which it has been contracted derivative fair value hedges (Note 16) which are measured at fair value. Nevertheless, REN proceeds to the disclosure of the fair value of the caption Borrowings, based on a set of relevant observable data, which fall within Level 2 of the fair value hierarchy.

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

The range of market rates used to calculate the fair value ranges between 0.144 % and 1.186 % (maturities of one day and fifteen years, respectively).

The fair value of borrowings contracted by the Group at 31 December 2014 is 2,703,714 thousand Euros (at 31 December 2013 was 2,807,253 thousand euros), of which 421,906 thousand Euros are recorded partly at amortized cost and includes an element of fair value resulting from movements in interest rates (at 31 December 2013 was 391,841 thousand Euros).

ESTIMATED FAIR VALUE - ASSETS MEASURED AT FAIR VALUE

The following table presents the Group's assets and liabilities measured at fair value at 31 December 2014 in accordance with the following hierarchy levels of fair value:

- ◆ Level 1: the fair value of financial instruments is based on net market prices as of the date of the statement of financial position;
- ◆ Level 2: the fair value of financial instruments is not based on active market prices but rather on valuation models;
- ◆ Level 3: the fair value of financial instruments is not based on active market prices, but rather on valuation models, for which the main inputs are not taken from the market.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

		LEVEL1	LEVEL2	LEVEL3	TOTAL
ASSETS:					
AVAILABLE-FOR-SALE FINANCIAL ASSETS	Shares	161,634	41,572	-	203,206
FINANCIAL ASSETS AT FAIR VALUE	Fair value hedge derivatives	-	21,970	-	21,970
OTHER FINANCIAL ASSETS	Treasury funds	2,910	-	-	2,910
		164,544	63,542	-	225,176
LIABILITIES:					
FINANCIAL LIABILITIES AT FAIR VALUE	Loans	-	421,906	-	421,906
FINANCIAL LIABILITIES AT FAIR VALUE	Cash flow hedge derivatives	-	24,581	-	24,581
		-	446,487	-	446,487

During the year ended 31 December 2014 the company proceeded to a valuation of the interests held in Hidroeléctrica de Cahora Bassa, S.A. ("HCB"), which is classified as an available-for-sale financial asset (Note 13). The fair value of this asset reflects its current exit selling price. This price was determined on the basis of revenue approach, which reflects the current market expectations about those future amounts. Despite not listed, the data used in the price calculation is observable in the market. The fair value of this share amounts to 41,572 thousand Euros in the year ended on 31 December 2014.

QUALITY OF FINANCIAL ASSETS

The credit quality of the financial assets that have not yet matured or are impaired can be valued by reference to external credit ratings disclosed by Standard & Poor's or historical information about the entities to which they refer:

	'14	'13
TRADE AND OTHER RECEIVABLES		
BB+	229,081	410,227
OTHERS WITHOUT RATING	316,886	237,283
TOTAL TRADE AND OTHER RECEIVABLES	545,967	647,510
CASH AND CASH EQUIVALENTS		
A+ TO A-	1,218	1,268
BBB+ TO BBB-	108,076	2,579
BB+ TO B-	4,907	164,122
WITHOUT RATING	57	18
TOTAL CASH AND CASH EQUIVALENTS	114,258	167,987
OTHER FINANCIAL ASSETS		
A+ TO A-	99,435	117,163
BB+ TO B-	-	5,000
WITHOUT RATING	2,912	2,839
TOTAL OTHER FINANCIAL ASSETS	102,346	125,002

Trade and other receivables refer mainly to regulated electricity and gas services rendered.

The main transactions are carried out with authorised distributors in each of the businesses, such as EDP, GALP and some European distributors.

Overdue credits or with impairment at 31 December 2014 are as follows:

- I) Trade and other receivables include 844 thousand Euros (Note 14) which have been adjusted for impairment, for which a pending litigation in process exists;
- II) There are some aged receivables relating to transactions with EDP group companies, for which the credit risk is considered as nil.

With respect to the current receivables and payables balances, its carrying amount corresponds to a reasonable approximation of its fair value.

The non-current accounts receivable and accounts payable refers, essentially, to tariff deviations which amounts are communicated by ERSE, being its carrying amount a reasonable approximation of its fair value, given that they include the time value of money, being incorporated in the next two years tariffs.

13 AVAILABLE FOR SALE FINANCIAL ASSETS

The assets recognised in this caption at 31 December 2014 and 2013 corresponds to equity interests held on strategic entities for the Group, which can be detailed as follows:

	HEAD OFFICE			BOOK VALUE	
	CITY	COUNTRY	% OWNED	'14	'13
OMEL - OPERADOR DEL MERCADO IBÉRICO DE ENERGIA (POLO ESPANHOL)	MADRID	SPAIN	10.00%	3,167	3,167
RED ELÉCTRICA CORPORACIÓN, S.A. ("REE")	MADRID	SPAIN	1.00%	99,104	65,654
ENAGÁS, S.A.	MADRID	SPAIN	1.00%	62,530	45,360
MED GRID SAS	PARIS	FRANCE	5.45%	600	500
HIDROELÉCTRICA DE CAHORA BASSA ("HCB")	MAPUTO	MOZAMBIQUE	7.50%	41,572	42,205
				206,973	156,886

The changes in this caption in 2014 and 2013 were as follows:

	OMEL	MED GRID	HCB	REE	ENAGAS	TOTAL
AT 1 JANUARY 2013	3,167	400	38,400	50,493	38,542	131,002
ACQUISITIONS	-	100	-	-	-	100
FAIR VALUE ADJUSTMENTS	-	-	3,805	15,161	6,818	25,784
AT 31 DECEMBER 2013	3,167	500	42,205	65,654	45,360	156,886
AT 1 JANUARY 2014	3,167	500	42,205	65,654	45,360	156,886
ACQUISITIONS	-	100	-	-	-	100
FAIR VALUE ADJUSTMENTS	-	-	(633)	33,450	17,170	49,987
AT 31 DECEMBER 2014	3,167	600	41,572	99,104	62,530	206,973

The interests held in REE and Enagás are recorded at fair value determined based on the shares closing quotations as of 31 December 2014.

Red Eléctrica de España, S.A. ("REE") is the transmission system operator of electricity in Spain. The Group acquired 1% of equity interests in REE as part of the agreement signed by the Portuguese and Spanish Governments. REE is a listed company in Madrid's index IBEX 35- Spain and the financial asset was recorded on the statement of financial position at the market price on 31 December 2014.

ENAGÁS is the transmission system operator of natural gas in Spain. REN acquired a 1% stake in Enagás as part of a strategic partnership agreement. Enagás is a listed company in Madrid's index IBEX 35- Spain and the financial asset was recorded on the statement of financial position at the market price on 31 December 2014.

During the year ended 31 December 2014 the Group reclassified the amount relating to ENAGÁS available for sale to current assets, considering that the future sale of those shares in the next twelve months is highly probable.

REN holds interests representing 5.45% of the share capital of Medgrid, S.A.S. This project is an international partnership to promote and develop interconnection electric network of the Mediterranean, allowing the transportation of clean electricity produced in Africa to Europe.

REN SGPS holds 2,060,661,943 shares representative of 7.5% of Hidroeléctrica de Cahora Bassa S.A. share capital and voting rights, as a result of the conditions established in the agreement signed on 9 April 2012, between REN, Parpublica - Participações Públicas, SGPS, S.A. ("Parpublica"), CEZA - Companhia Eléctrica do Zambeze, S.A. and EDM - Electricidade de Moçambique. This participation was initially recorded at its acquisition cost (38,400 thousand Euros) and subsequently adjusted to its fair value (Note 12).

Within the scope of the creation of a sole operator in the electricity Iberian market (OMI), in 2011 and as agreed between the Portuguese republic and the Kingdom of Spain regarding the creation of the Iberian electrical energy market, the Group acquired 10% of the share capital of OMEL, Operador del Mercado Ibérico de Energia, S.A., in the amount of 3,167 thousand Euros.

As there are no available market price for the above referred investments (MedGrid and OMEL), and as it is not possible to determine the fair value of the period using comparable transactions, these shares are recorded at its acquisition cost deducted of impairment losses as described in Note 3.6, being REN understanding that there is no evidence of impairment loss of these investments on 31 December 2014.

The adjustments to fair value of available-for-sale financial assets are recognised in the equity caption "Fair value reserve". This caption at 31 December 2014 and 2013 is made up as follows:

FAIR VALUE RESERVE (NOTE 19)	
1 JANUARY 2013	(4,093)
CHANGES IN FAIR VALUE	25,784
TAX EFFECT	(805)
31 DECEMBER 2013	20,886
1 JANUARY 2014	20,886
CHANGES IN FAIR VALUE	49,987
TAX EFFECT	(10,560)
31 DECEMBER 2014	60,313

In the year ended 31 December 2014 the total amount of associated companies' dividends recognised in the consolidated statement of profit and loss amounted to 8,569 thousand Euros, of which 8,422 thousand Euros were received and included in the cash flow statement.

The detail of dividends by entity is as follows:

	'14	'13
RED ELECTRICA CORPORACION, S.A. ("REE")	3,588	3,266
ENAGÁS, S.A.	3,065	2,836
HIDROELÉCTRICA DE CAHORA BASSA, S.A ("HCB")	1,858	1,405
OMEL - OPERADOR DEL MERCADO IBÉRICO DE ENERGIA (POLO ESPANHOL)	57	50
	8,569	7,558

14 TRADE AND OTHER RECEIVABLES

Trade and other receivables at 31 December 2014 and 2013 are made up as follows:

	'14			'13		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
TRADE RECEIVABLES	326,935	155	327,090	488,794	155	488,949
IMPAIRMENT OF TRADE RECEIVABLES	(844)	-	(844)	(822)	-	(822)
TRADE RECEIVABLES NET	326,090	155	326,246	487,972	155	488,127
TARIFF DEVIATIONS	120,538	86,027	206,565	74,631	81,432	156,063
STATE AND OTHER PUBLIC ENTITIES	13,157	-	13,157	3,320	-	3,320
TRADE AND OTHER RECEIVABLES	459,785	86,182	545,967	565,923	81,588	647,510

The most significant amount included in trade receivables caption is the receivable from EDP – Distribuição de Energia, SA in the amount of 216,736 thousand Euros (398,712 thousand Euros at 31 December 2013) and Galp in the amount of 19,304 thousand Euros (20,216 thousand Euros at 31 December 2013).

The receivable from EDP - Distribuição de Energia, SA includes the billing related to CMEC in the amount of 128,676 thousand Euros (299,917 thousand Euros as of 31 December 2013), which are also reflected in the "Trade and other payables" caption (Note 23) due to EDP Gestão da Produção de Energia, S.A. invoicing. This transaction consists in a pass-through, being off set in the Group consolidated financial statement of profit and loss.

Changes to the impairment losses for trade receivable and other accounts receivable are made up as follows:

	'14	'13
BEGINING BALANCE	(822)	(6,118)
INCREASES	(22)	-
REVERSING	-	5,296
ENDING BALANCE	(844)	(822)

During the year ended 31 December 2013, Group REN reversed the impairment loss related to the tariff deficit interests recorded in the period of 2008, in the amount of 5,296 thousand Euros, due to the commitment of the Portuguese Estate for the liquidation the above mentioned receivable. REN Group received this amount on 3 January 2014.

The ageing of trade receivables, net of impairment, is as follows:

AGEING OF RECEIVABLES	'14	'13
30 DAYS OR LESS	319,478	484,051
31-60 DAYS	553	1,099
61-90 DAYS	2,797	212
91-120 DAYS	370	79
MORE THAN 120 DAYS	3,047	2,686
	326,246	488,127

15 INVENTORIES

Inventories at 31 December 2014 and 2013 are made up as follows:

	'14	'13
OTHER MATERIALS	1,784	1,880
INVENTORIES ADJUSTMENT	(5)	-
INVENTORIES	1,779	1,880

This caption includes an impairment loss for the net realizable value in the amount of 5 thousand Euros.

16 DERIVATIVE FINANCIAL INSTRUMENTS

At 31 December 2014 and 2013 the REN Group had the following derivative financial instruments contracted:

						31 DECEMBER 2014			
			ASSETS		LIABILITIES				
			CURRENT	NON-CURRENT	CURRENT	NON-CURRENT			
	NOTIONAL								
DERIVATIVES DESIGNATED AS CASH FLOW HEDGES									
INTEREST RATE SWAPS	275,000,000 EUR		-	-	-	14,282			
INTEREST RATE AND CURRENCY SWAPS	10,000,000,000 JPY		-	-	-	10,300			
DERIVATIVES DESIGNATED AS FAIR VALUE HEDGES									
INTEREST RATE SWAPS	400,000,000 EUR		-	21,970	-	-			
			-	21,970	-	24,581			
DERIVATIVE FINANCIAL INSTRUMENTS			-	21,970	-	24,581			

						31 DECEMBER 2013			
			ASSETS		LIABILITIES				
			CURRENT	NON-CURRENT	CURRENT	NON-CURRENT			
	NOTIONAL								
DERIVATIVES DESIGNATED AS CASH FLOW HEDGES									
INTEREST RATE SWAPS	425,000,000 EUR		-	-	2,341	15,997			
INTEREST RATE AND CURRENCY SWAPS	10,000,000,000 JPY		-	-	-	10,847			
DERIVATIVES DESIGNATED AS FAIR VALUE HEDGES									
INTEREST RATE SWAPS	400,000,000 EUR		-	-	-	7,476			
			-	-	2,341	34,320			
NEGOTIABLE DERIVATIVES			-	-	342	-			
DERIVATIVE FINANCIAL INSTRUMENTS			-	-	2,683	34,320			

The valuation of the derivatives financial instruments portfolio is based on fair value valuations made by external specialized entities.

The amount recorded in this caption relates to five interest rate swaps and one cross currency swap, contracted by REN SGPS to hedge the risk of fluctuation of future interest and foreign exchange rates (Note 4.1), whose counterpart are foreign and national financial entities with a solid credit rating.

The amounts presented above include the amount of interest receivable or payable at 31 December 2014 relating to these derivatives financial instruments, in the total net amount receivable of 614 thousand Euros (1,781 thousand Euros payable at 31 December 2013).

The main features of the derivatives financial instruments contracted associated with financing operations at 31 December 2014 and 2013 is detailed as follows:

	REFERENCE VALUE	CURRENCY	REN'S PAYMENTS	REN'S RECEIPTS	MATURITY	FAIR VALUE AT	
						'14	'13
CASH FLOW HEDGE:							
INTEREST RATE SWAPS	275,000 tEuros	EUR	[1.89%; 2.77%]	[0.0%;0.1%] FLOATING RATES	[DEC-2016; SEP-2017]	(14,282)	(18,338)
INTEREST RATE AND CURRENCY SWAPS	10,000,000 tJPY / 72,899 tEuros	EUR / JPY	5.64% (TFLOATING RATE STARTING 2019)	2.71%	2024	(10,300)	(10,847)
						(24,581)	(29,185)
FAIR VALUE HEDGE:							
INTEREST RATE SWAPS	400,000 tEuros	EUR	[0.5%;0.6%] FLOATING RATES	1.72%	2020	21,970	(7,476)
						21,970	(7,476)
TOTAL						(2,611)	(36,661)

The periodicity of paid and received flows of the derivative financial instruments portfolio is quarterly and semi-annual contracts to the cash flow hedge contracts and biannual and annual basis for derivative designated as a fair value hedge.

The detail of the notional reference of cash flows and fair value hedge derivatives is presented in the following table:

	'15	'16	'17	'18	'19	FOLLOWING YEARS	TOTAL
INTEREST RATE SWAP (CASH FLOW HEDGE)	5,769	205,769	63,462	-	-	-	275,000
INTEREST RATE AND CURRENCY SWAP (CASH FLOW HEDGE)	-	-	-	-	-	72,899	72,899
INTEREST RATE SWAP (FAIR VALUE HEDGE)	-	-	-	-	-	400,000	400,000
TOTAL	5,769	205,769	63,462	-	-	472,899	747,899

SWAPS:

CASH FLOW HEDGES

The Group hedges part of its future payments of interests on borrowings and bond issues through the designation of interest rate swaps, on which REN pays a fixed rate and receives a variable rate with a total notional amount of 275,000 thousand Euros (425,000 thousand Euros at 31 December 2013). This is the hedging of the interest rate risk on payments of interest at variable rates on recognised financial liabilities. The risk covered is the variable rate index to which the borrowing interest relates. The objective of this hedging is to convert loans at variable interest rates to fixed interest rates, the credit risk not being hedged. The fair value of the interest rate swaps at 31 December 2014 was 14,282 thousand Euros negative (18,338 thousand Euros negative at 31 December 2013).

In addition, the Group hedges its exposure to cash flow risk on its bond issue of 10,000 million JPY resulting from foreign exchange rate risk, through a cross currency swap with the main features equivalent to the debt issued. The same hedging instrument is used to hedge the fair value of the exchange rate risk of the bond issue through the forward start swap component which will only start in June 2019. The variations in the fair value of the hedging instrument are also recognised in hedging reserves. As from June 2019 the object will be to hedge exposure to JPY and the interest rate risk, transforming the operation into a fair value hedge, the changes in fair value of the debt issued resulting from the risks covered becoming recognised in the statement of profit and loss. The credit risk is not hedged.

The amounts resulting from the hedging instrument are recognised in the statement of profit and loss when the transaction hedged affects results for the year.

The fair value of the cross currency swap at 31 December 2014 was 10,300 thousand Euros negative (10,847 thousand Euros negative at 31 December 2013). The underlying exchange variation (borrowing) for 2014, in the amount of, approximately, 243 thousand Euros (18,921 as of 31 December 2013), was offset by a similar variation in the hedging instrument in the statement of profit and loss. The inefficient component of the fair value hedge amounted to 4,463 thousand Euros positive (926 thousand Euros negative at 31 December 2013).

The amount recorded in reserves relating to the above mentioned cash flow hedges was 24,644 thousand Euros (23,362 thousand Euros in 31 December 2013).

The movements recorded in the hedging reserve (Note 19) were as follows:

	FAIR VALUE	DEFERRED TAXES IMPACT	HEDGING RESERVES
1 JANUARY 2013	(35,431)	8,819	(26,612)
CHANGES IN FAIR VALUE AND INEFFECTIVENESS	12,069	(3,445)	8,624
31 DECEMBER 2013	(23,362)	5,373	(17,989)
1 JANUARY 2014	(23,362)	5,373	(17,989)
CHANGES IN FAIR VALUE AND INEFFECTIVENESS	(1,282)	(198)	(1,480)
31 DECEMBER 2014	(24,644)	5,175	(19,468)

FAIR VALUE HEDGE

During the year 2013, the company issued debt in the amount of 400,000 thousand Euros at a fixed rate. To manage the fair value floating of this issue debt, the company contracted two swaps on which REN pays a variable rate and receives a fixed rate, with a notional amount of 400,000 thousand Euros. The risk covered is the fixed rate index to debt issued. The covered risk is related with fair value floating of the debt issues according to the interest rate fluctuations. The objective of this hedging is to convert loans at fixed interest rates to variable interest rates, the credit risk not being hedged. The fair value of these interest rate swaps at 31 December 2014 was 21,970 thousand Euros positive (7,476 thousand Euros negative as of 31 December 2013).

Changes in the fair value of the debt issued resulting from the interest rate risk are recorded in the income statement to offset changes in the fair value of the hedge instrument recorded in the income statement. In the year ended 31 December 2014, the debt fair value changes related to the interest rates risk recorded in the income statement was 30,065 thousand Euros (negative) (8,150 thousand Euros (positive) as of 31 December 2013), resulting in an inefficient component of 1,276 thousand Euros (negative) (368 thousand Euros (positive) as of 31 December 2013).

FUTURES

REN SGPS through its subsidiary REN Trading, S.A., has carried out some financial operations in the energy, coal and carbon emission licenses futures market, through entering into standard contracts of International Swaps and Derivatives Association Inc. ("ISDA") as well as through participation in futures trading exchanges.

REN SGPS and REN Trading entered into an agreement under which REN Trading manages the financial derivative contracts on account and for the benefit of REN SGPS, therefore ensuring a clear and transparent separation between these businesses, always on a predefined basis, continuously monitored as being of low exposure to risk.

These financial derivatives contracts in the futures market does not imply any physical liquidation of the underlying assets, being an activity of a purely financial nature, merely the financial management of assets, not being viewed as a regulated activity of the Commercial Agent.

The fair value of the futures energy contracts and carbon licenses at 31 December 2013 was as follows:

	'13	
	CURRENT ASSETS	CURRENT LIABILITIES
FINANCIAL CONTRACTS IN THE ENERGY MARKET FOR 2013	-	-
CO ₂ LICENSES	-	342
FAIR VALE AT 31 DECEMBER 2013	-	342

As of 31 December 2014, the Company does not hold any open position in futures contracts. To that extent, it was not recognised in the income any amount on the change in fair value in the period ended 31 December 2014 (on 31 December 2013 was 1,469 thousand Euros negative).

17 CASH AND CASH EQUIVALENTS

The amounts considered as cash and cash equivalents in the consolidated statements of cash flows for the years ended 31 December 2014 and 2013 are made up as follows:

	'14	'13
BANK DEPOSITS	114,258	167,987
CASH AND CASH EQUIVALENTS IN THE STATEMENT OF FINANCIAL POSITION	114,258	167,987
BANK OVERDRAFTS (NOTE 20)	(1,659)	(861)
CASH AND CASH EQUIVALENTS IN CASH FLOW STATEMENT	112,599	167,126

As of 31 December 2013, the captions of Receipts and Payments related to Financial investments in the cash flow statement in the amounts of 207,264 thousand Euros and 210,000 thousand Euros respectively, include, essentially amounts related to financial applications whit maturity above three months.

18 EQUITY INSTRUMENTS

As of 31 December 2014 and 2013 REN's subscribed and paid up share capital was made up of 534,000,000 shares of 1 euro each:

	NUMBER OF SHARES	SHARE CAPITAL
SHARE CAPITAL	534,000,000	534,000

At 31 December 2014 REN SGPS had the following own shares:

	NUMBER OF SHARES	PROPORTION	AMOUNT
AÇÕES PRÓPRIAS	3,881,374	0.73%	(10,728)

No own shares were acquired or sold in the years ended 31 December 2014 and 2013.

In accordance with the Commercial Company Code (Código das Sociedades Comerciais) REN SGPS must at all times ensure that there are sufficient Equity Reserves to cover the value of own shares, in order to limit the amount of reserves available for distribution.

19 RESERVES AND RETAINED EARNINGS

The caption "Reserves" in the amount of 315,621 thousand Euros includes:

- ◆ Legal reserves: The Commercial Company Code in place requires that at least 5% of the net profit must be transferred to this reserve until it has reached 20% of the share capital. The reserve can only be used to cover losses or to increase capital. At 31 December 2014 this caption amounts to 97,295 thousand Euros;
- ◆ Fair value reserves: includes changes in the fair value of available for sale financial assets (60,313 thousand Euros positive), as detailed in Note 13;
- ◆ Hedging reserve: includes changes in the fair value of hedging derivative financial instruments when cash flow hedge is effective (negative 19,468 thousand Euros) as detailed in Note 16;
- ◆ Free reserves: This caption is changed by (i) application of the results of previous years, being available for distribution to shareholders, except for the limitation set by the Companies Code in respect of own shares (Note 18), and (ii) changes in equity of associates registered under the equity method. On December 31, 2014, this caption amounts to 177,482 thousand Euros.

In accordance with the Portuguese legislation, increases in equity as a result of the incorporation of positive fair value (fair value reserves and hedging reserves) can only be distributed to shareholders when the correspondent assets have been sold, exercised, extinct, settled or used.

20 BORROWINGS

The segregation of borrowings between current and non-current and by nature, at 31 December 2014 and 2013 was as follows:

	'14			'13		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
BONDS	113,500	1,240,762	1,354,262	150,000	1,444,440	1,594,440
BANK BORROWINGS	111,654	747,388	859,042	71,194	784,042	855,236
COMMERCIAL PAPER	150,000	227,000	377,000	30,000	200,000	230,000
BANK OVERDRAFTS (NOTE 17)	1,659	-	1,659	861	-	861
FINANCE LEASE	1,049	2,231	3,280	719	1,676	2,395
	377,862	2,217,381	2,595,243	252,774	2,430,159	2,682,933
ACCRUED INTEREST	25,787	-	25,787	24,778	-	24,778
DEFERRED BORROWING COSTS	(6,697)	(9,867)	(16,564)	(27,227)	-	(27,227)
BORROWINGS	396,952	2,207,514	2,604,466	250,325	2,430,159	2,680,483

At 31 December 2014 borrowings settlement plan was as follows:

	'15	'16	'17	'18	'19	FOLLOWING YEARS	TOTAL
DEBT - NON CURRENT	-	481,536	176,650	421,716	253,833	883,646	2,217,381
DEBT - CURRENT	377,862	-	-	-	-	-	377,862
	377,862	481,536	176,650	421,716	253,833	883,646	2,595,243

Detailed information regarding bond issues as of 31 December 2014 is as follows:

31 DECEMBER 2014

EMISSION DATE	MATURITY	INITIAL AMOUNT	OUTSTANDING AMOUNT	INTEREST RATE	SCHEDULE OF INTEREST PAYMENTS
'Euro Medium Term Notes' programme emissions					
26-06-2009	26-06-2024	tJPY 10,000,000 (i)	tJPY 10,000,000	Fixed rate (ii)	Bianual
08-03-2012	09-03-2015	tEUR 63,500 (i)	tEUR 63,500	Fixed rate	Bianual
21-09-2012	21-09-2016	tEUR 300,000	tEUR 300,000	Fixed rate EUR 6.25%	Bianual
28-09-2012	28-09-2015	tEUR 50,000 (i)	tEUR 50,000	Fixed rate	Annual
16-01-2013	16-01-2020	tEUR 150,000 (i)	tEUR 150,000	Floating rate	Quarterly
31-01-2013	31-01-2018	tEUR 300,000	tEUR 300,000	Fixed rate EUR 4.125%	Annual
17-10-2013	16-10-2020	tEUR 400,000 (ii)	tEUR 400,000	Fixed rate EUR 4.75%	Annual

(i) These emissions correspond to private placements.

(ii) These emissions have interest and currency rate swaps associated

In 2014 two bond issues in the amount of 150,000 thousand Euros reached their maturity, and the Company also proceeded to early repayment of bonds in the amount of 120,000 thousand Euros.

As of 31 December 2014, the Company has five commercial paper programs in the amount of 900,000 thousand Euros, of which 523,000 thousand Euros are available for utilization.

The bank loans are mainly (539,395 thousand Euros) represented by EIB - European Investment Bank loans.

In 2014 the Group agreed a credit line with the Bank of China in the amount of 200,000 thousand Euros.

As a result of the fair value hedge related to the debt emission in the amount of 400,000 thousand Euros, fair value changes concerning interest rate risk were recognised directly in statement of profit and loss, in a negative amount of 30,065 thousand Euros (8,159 thousand Euros (positive) as of 31 December 2013) (Note 16).

The Company has also credit lines negotiated and not used in the amount of 80,000 thousand Euros, maturing up to one year, which are automatically renewable periodically (if they are not resigned in the contractually specified period for that purpose).

The Company holds a bank loan to which gave as collateral the participations held by the Group in Red Eléctrica Corporación and Enagás. The Group has all the rights attached to such participations, including voting rights and the right of dividends.

The Company's financial liabilities have the following main types of covenants: Cross default, Pari Passu, Negative Pledge, Gearing (ratio of total consolidated equity to the amount of the Group's total concession assets). The Gearing ratio comfortably meets the limits defined being 97% above the minimum (86% above the limit as of 31 December 2013). The borrowings from EIB - European Investment Bank include ratings covenants. In the event of ratings below the levels specified, REN can be called to provide a guarantee acceptable to EIB (Note 33.3).

Following the legal standards and usual market practices, contractual terms and free market competition, establish that neither REN nor its counterparts in borrowing agreements are authorized to disclose further information regarding the content of these financing agreements.

REN and its subsidiaries are a part of certain financing agreements and debt issues, which include change in control clauses typical in this type of transactions (including, though not so expressed, changes in control as a result of takeover bids) and essential to the realization of such transactions on the appropriate market context. In any case, the practical application of these clauses is limited to considering the legal ownership of shares of REN restrictions.

The exposure of the Group's borrowings to changes in interest rates on the contractual re-pricing dates is as follows:

	'14	'13
6 MONTH OR LESS	1,041,151	1,081,350
6 - 12 MONTH	100,000	150,000
1 - 5 YEARS	875,000	1,288,500
OVER 5 YEARS	583,135	166,882
	2,599,286	2,686,732

The effect of the foreign exchange rate exposure was not considered as this exposure is totally covered by the hedge derivate in place.

The average interest rates for borrowings including commissions and other expenses were 4.67% in 2014 and 5.54% in 2013.

LEASES

Minimal payments regarding lease contacts and the carrying amount of the finance lease liabilities as of 31 December 2014 and 2013 are made up as follows:

	'14	'13
FINANCE LEASE LIABILITIES - MINIMUM LEASE PAYMENTS		
NO LATER THAN 1 YEAR	1,133	795
LATER THAN 1 YEAR AND NO LATER THAN 5 YEARS	2,309	1,768
	3,442	2,563
FUTURE FINANCE CHARGES ON FINANCE LEASES	(162)	(168)
PRESENT VALUE OF FINANCE LEASE LIABILITIES	3,280	2,395

	'14	'13
THE PRESENT VALUE OF FINANCE LEASE LIABILITIES IS AS FOLLOWS		
NO LATER THAN 1 YEAR	1,049	719
LATER THAN 1 YEAR AND NO LATER THAN 5 YEARS	2,231	1,676
	3,280	2,395

21 POS- EMPLOYMENT BENEFITS AND OTHERS BENEFITS

As explained in Note 3.10 REN - Rede Eléctrica Nacional, S.A. grants supplementary retirement, early-retirement and survivor pensions (hereinafter referred to as pension plan), provides its retirees and pensioners with a health care plan on a similar basis to that of its serving personnel, and grants other benefits such as long service bonuses, retirement bonuses and a death grant (referred to as "other benefits" in Note 21.2). The Group also grants their employees life assurance plans. There were no changes in relation to 31 December 2013 in the benefits granted to the employees.

At 31 December 2014 and 2013 the Group had the following amounts recorded relating to liabilities for retirement and other benefits:

	'14	'13
LIABILITY ON THE STATEMENT OF FINANCIAL POSITION		
PENSION PLAN	86,465	90,579
HEALTHCARE PLAN AND OTHER BENEFITS	39,996	35,514
LIFE ASSURANCE PLAN	157	138
	126,617	126,231

During the years ended 31 December 2014 and 2013, the following operating expenses were recorded regarding benefit plans with employees:

	'14	'13
CHARGES TO THE STATEMENT OF PROFIT AND LOSS (NOTE 28)		
PENSION PLAN	5,714	4,742
HEALTHCARE PLAN AND OTHER BENEFITS	1,663	1,838
LIFE ASSURANCE PLAN	17	5
	7,395	6,585

The actuarial assumptions used to calculate the post-employment benefits, which are considered by the REN Group and the entity specialized in actuarial studies to be those that best meet the commitments established in the pension plan and related retirement benefit liabilities, are as follows:

	'14	'13
ANNUAL DISCOUNT RATE	2.00%	3.25%
EXPECTED PERCENTAGE OF SERVING EMPLOYEES ELEGIBLE FOR EARLY RETIREMENT (MORE THAN 60 YEARS OF AGE AND 36 YEARS IN SERVICE) - BY COLLECTIVE WORK AGREEMENT (ACT)	20.00%	20.00%
EXPECTED PERCENTAGE OF SERVING EMPLOYEES ELEGIBLE FOR EARLY RETIREMENT - BY MANAGEMENT ACT	20.00%	20.00%
RATE OF SALARY INCREASE	2.70%	3.30%
PENSION INCREASE	1.20%	1.70%
FUTURE INCREASES OF SOCIAL SECURITY PENSION AMOUNT	0%	0%
INFLATION RATE	1.20%	2.00%
MEDICAL TREND	3.50%	3.50%
MANAGEMENT COSTS (PER EMPLOYEE/YEAR)	€223	€219
EXPENSES MEDICAL TREND	1.20%	2.00%
RETIREMENT AGE (NUMBER OF YEARS)	66	66
MORTALITY TABLE	TV 88/90	TV 88/90

The annual discount rate of 2% used in the valuation of liabilities, was obtained through an analysis of rates of return on bonds considered appropriate and in line with the duration of the obligations associated with different benefit plans (see discount rate determination in note 3.10).

Employees who meet certain predefined conditions of age and seniority and who choose to take early retirement, as well as those that agree with the Company to take early retirement, are also included in the plans.

SENSITIVITY ANALYSIS

In the scenario where a discount rate of 3% and 1% have been considered in determination of the responsibilities with pension plan and healthcare and other benefits plan, the following variations would occur:

	DISCOUNT RATE FOR SENSITIVITY ANALYSIS		
	1.00%	2.00%	3.00%
PENSION PLAN			
LIABILITIES	143,503	130,887	120,273
IMPACT ON LIABILITIES	12,616	-	(10,614)
HEALTHCARE PLAN			
LIABILITIES	27,603	23,511	20,305
IMPACT ON LIABILITIES	4,092	-	(3,206)
OTHER BENEFITS			
LIABILITIES	19,956	16,484	13,850
IMPACT ON LIABILITIES	3,472	-	(2,634)

The evolution of the eligible population for the pension plan and the healthcare and other benefits plan is as follows:

	'14	'13
ACTIVE	342	376
PRE-RETIRES AND EARLY RETIRES	211	195
RETIRES	598	592

21.1. PENSION PLAN

To cover its liability for supplementary retirement pensions, REN contributes to an autonomous pension fund.

In the years ended 31 December 2014 and 2013 no contributions were made to the REN Pension Fund. No contributions are expected for the following year.

The expected payments plan, given its maturity, of the obligations of the pension plan is in the following table:

	'15	'16	'17	'18	'19	'20-'24
EXPECTED BENEFITS PAYMENTS	12,444	12,313	12,119	11,773	11,043	38,340

The weighted average duration of the obligations of the pension plan is 9 years.

The portfolio of assets of the REN Pension Fund as of 31 December 2014 and 2013 were as follows, in accordance with information provided by the financial institution in charge for the management of REN's Pension Fund:

PLAN ASSETS	'14	%	'13	%
BONDS	38,042	86%	37,105	86%
SHARES	5,497	12%	5,904	14%
READILY AVAILABLE DEPOSITS	687	2%	116	0%
OTHERS	196	0%	179	0%
TOTAL	44,423	100.0%	43,304	100.0%

The assets effective rate of return in 2014 was 7.9% (3.9% in 2013).

Evolution of the assets of the Pension Fund in 2014 and 2013 was as follows:

	'14	'13
AT 1 JANUARY	43,304	43,794
ACTUARIAL GAIN / (LOSS)	1,956	268
BENEFITS PAID	(2,209)	(2,146)
RETURN ON PLAN ASSETS (i)	1,371	1,388
AT 31 DECEMBER	44,423	43,304

(i) Single rate applied to the obligation and assets pension plan

The liabilities and corresponding annual costs are determined by annual actuarial calculations, using the projected unit credit method, made by an independent actuary based on assumptions that reflect the demographic conditions of the population covered by the plan and the economic and financial conditions at the moment of the actuarial calculations.

The amount of the liability recognised in the consolidated statement of financial position was determined as follows:

	'14	'13
PRESENT VALUE OF THE PENSION PLAN OBLIGATIONS	(130,887)	(133,883)
FAIR VALUE OF PLAN ASSETS	44,423	43,304
	(86,465)	(90,579)

The reconciliation of the remeasurement of liability net of benefits is as follows:

	'14	'13
AT 1 JANUARY	90,579	68,208
CURRENT SERVICE COSTS	2,927	2,644
NET INTEREST ON NET DEFINED BENEFIT LIABILITY	2,787	2,098
ACTUARIAL GAINS/(LOSSES)	(1,389)	24,645
BENEFITS PAID	(8,439)	(7,016)
AT 31 DECEMBER	86,465	90,579

The changes in the present value of the underlying liability of the pension plan were as follows:

RECONCILIATION OF THE OBLIGATION OF THE PENSION PLAN

	'14	'13
AT 1 JANUARY	133,883	112,002
CURRENT SERVICE COSTS	2,927	2,644
INTEREST COSTS	4,158	3,486
BENEFITS PAID	(10,648)	(9,162)
ACTUARIAL(GAINS)/LOSSES	567	24,913
AT 31 DECEMBER	130,887	133,883

The impact on the consolidated statement of profit and loss for the year was as follows:

	'14	'13
CURRENT SERVICE COSTS	2,927	2,644
NET INTEREST ON NET DEFINED BENEFIT LIABILITY	2,787	2,098
TOTAL INCLUDED IN PERSONNEL COSTS	5,714	4,742

HISTORICAL ANALYSIS OF THE ACTUARIAL GAINS AND LOSSES ON PENSION PLAN

The actuarial gains and losses that result from the adjustments made to de actuarial assumptions, experience assumptions (difference between the actuarial assumptions and what effectively occurred) or in the defined benefits for the year and for the previous year are as follows:

	'14	'13
DISCOUNT RATE	2.00%	3.25%
LIABILITIES AMOUNT	(130,887)	(133,883)
VALUE OF THE FUND	44,423	43,304
ACTUARIAL GAINS/(LOSSES) ON LIABILITIES	(567)	(24,913)
- FOR CHANGE IN ASSUMPTIONS	335	(22,938)
- FROM EXPERIENCE	(902)	(1,975)
ACTUARIAL GAINS/(LOSSES) ON FUND ASSETS	1,956	268

21.2. HEALTHCARE AND OTHER BENEFITS

The healthcare and other benefits plan does not have a fund, the liability being covered by a specific provision.

The amounts of the liability recognised in the statements of financial position were as follows:

	'14	'13
PRESENT VALUE OF THE OBLIGATION	39,996	35,514
LIABILITY IN THE STATEMENT OF FINANCIAL POSITION	39,996	35,514

The changes in the amount of the obligation for healthcare and other benefits were as follows:

	'14	'13
AT 1 JANUARY	35,514	37,476
CURRENT SERVICE COSTS	531	641
INTEREST COSTS	1,133	1,197
BENEFITS PAID	(1,373)	(1,276)
ACTUARIAL (GAIN)/LOSS	4,040	(2,670)
OTHER BENEFITS	152	145
AT 31 DECEMBER	39,996	35,514

The effects of the plan on the consolidated statements of profit and loss were as follows:

	'14	'13
CURRENT SERVICE COSTS	531	641
INTEREST COSTS	1,133	1,197
TOTAL INCLUDED IN PERSONNEL COSTS	1,663	1,838

MEDICAL EXPENSES TREND RATE IN THE HEALTHCARE PLAN

The medical cost increase rate adopted by the Group assessed by reference to historical series statistics expenses increases was 3.5%.

The effect of an increase of one percentage point of the healthcare expenses growth rate, represents a 14% increase in liabilities, where a decrease of one percentage point results in a decrease of 11% in liabilities as shown below:

GROWTH RATE FOR SENSITIVITY ANALYSIS

	2.50%	3.50%	4.50%
CURRENT SERVICE AND INTEREST COSTS	701	825	989
IMPACT ON CURRENT SERVICE AND INTEREST COSTS	(124)	-	164
PAST SERVICE LIABILITIES	20,933	23,511	26,725
IMPACT ON PAST SERVICE LIABILITIES	(2,578)	-	3,214

HISTORICAL ANALYSIS OF THE ACTUARIAL GAINS AND LOSSES IN THE HEALTHCARE AND OTHER BENEFITS PLAN

The actuarial gains and losses that result from the adjustments made to de actuarial assumptions, experience assumptions (difference between the actuarial assumptions and what effectively occurred) or in the defined benefits are as follows:

	'14	'13
DISCOUNT RATE	2.00%	3.25%
LIABILITIES AMOUNT	(39,996)	(35,514)
ACTUARIAL (GAINS)/LOSSES ON LIABILITIES	(4,040)	2,670
- FOR CHANGE IN ASSUMPTIONS	(4,782)	(191)
- FROM EXPERIENCE	742	2,860

The expected payments plan, given its maturity, of the obligations of the healthcare and other benefits is in the following table:

	'15	'16	'17	'18	'19	'20-'24
EXPECTED BENEFITS PAYMENTS	1,377	1,405	1,442	1,497	1,580	8,130

The weigh average duration of these liabilities is 16 years for healthcare and 18 years for other benefits.

21.3. LIFE INSURANCE

The amount of the liability recognised on the consolidated statement of financial position was determined as follows:

	'14	'13
PROVISION	157	138
TOTAL LIABILITIES	157	138

The impact of the life insurance plan on the consolidated statement of profit and loss was as follows:

	'14	'13
INCREASE IN THE PROVISION FOR THE LIABILITY	17	5
TOTAL INCLUDED IN PERSONNEL COSTS	17	5

HISTORICAL ANALYSIS OF THE ACTUARIAL GAINS AND LOSSES IN LIFE INSURANCES

The actuarial gains and losses that result from the adjustments made to de actuarial assumptions, experience assumptions (difference between the actuarial assumptions and what effectively occurred) or in the defined benefits are as follows:

	'14	'13
DISCOUNT RATE	2.00%	3.25%
LIABILITIES AMOUNT	(157)	(138)
ACTUARIAL (GAINS)/LOSSES ON LIABILITIES	(1)	(11)

22 PROVISIONS FOR OTHER RISKS AND CHARGES

The changes in provisions for other risks and charges in the years ended 31 December 2014 and 2013 were as follows:

	'14	'13
BEGINING BALANCE	5,903	7,220
INCREASES	1,449	226
REVERSING	-	(438)
UTILIZATION	(35)	(1,105)
ENDING BALANCE	7,316	5,903
CURRENT PROVISION	2,369	1,213
NON-CURRENT PROVISION	4,947	4,690
	7,316	5,903

At 31 December 2014 the caption "Provisions" corresponds essentially to estimates of the payments to be made by REN resulting from legal processes in progress for damage caused to third parties and a restructuring provision amounting to 1,213 thousand Euros related to the on-going restructuring process.

23 TRADE AND OTHER PAYABLES

The caption "Trade and other payables" at 31 December 2014 and 2013 was made up as follows:

	'14			'13		
	CURRENT	NON CURRENT	TOTAL	CURRENT	NON CURRENT	TOTAL
TRADE PAYABLES						
CURRENT SUPPLIERS (NOTE 12)	263,608	-	263,608	436,441	-	436,441
OTHER CREDITORS						
OTHER CREDITORS (NOTE 12)	145,500	27,788	173,288	50,456	28,058	78,514
TARIFF DEVIATIONS (NOTE 12)	55,650	2,975	58,625	23,265	29,459	52,724
FIXED ASSETS SUPPLIERS (NOTE 12)	99,813	-	99,813	83,065	-	83,065
TAX PAYABLES (NOTE 12) (i)	18,615	-	18,615	25,898	-	25,898
DEFERRED INCOME						
GRANTS RELATED TO ASSETS	17,795	297,465	315,259	19,119	312,781	331,901
ACCRUED COSTS						
HOLIDAYS AND HOLIDAYS SUBSIDIES (NOTE 12)	4,729	-	4,729	4,728	-	4,728
TRADE AND OTHER PAYABLES	605,710	328,228	933,938	642,973	370,298	1,013,272

(i) Tax payables refer to VAT, personnel income taxes and other taxes

The caption "Current suppliers" includes the correction of the "CMEC" invoiced by EDP - Gestão da Produção de Energia, S.A., in the amount of 128,676 thousand Euros (299,917 thousand Euros at 31 December 2014), also reflected under caption "Trade and other receivables" (Note 14) through the invoice issued to EDP - Distribuição de Energia, S.A. This transaction sets a pass-through, being offset in the Group consolidated financial statement of profit and loss.

The caption "Other creditors" includes on 31 December 2014, mainly: (i) an amount of 4,229 thousand Euros (4,505 thousand Euros at 31 December 2013), relating to the concession contract of private use of the Sines terminal land; (ii) the recognition of the obligation with the Energy Sector Extraordinary Contribution ("ESEC") in the amount of 25,065 thousand Euros (Note 35); and (iii) the amount of 63,281 thousand Euros on the transference received from the Portuguese Government and applied by REN, who will return it to SEN, to reduce the effects of the tariff deficit and mitigate the impact of tariff costs with energy policy, under applicable law.

The ageing of trade suppliers, other creditors and fixed assets suppliers is as follows:

AGEING OF DEBTS	'14	'13
30 DAYS OR LESS	497,597	466,460
31-60 DAYS	25,320	103,126
61-90 DAYS	95	55
91-120 DAYS	74	-
MORE THAN 120 DAYS	13,624	28,380
	536,709	598,021

The movement in the caption "Grants related to assets" current and non-current, in the years ended 31 December 2014 and 2013 was as follows:

GRANTS	
AT 1 JANUARY 2013	344,024
INCREASES	7,010
RECOGNITION OF GRANTS (NOTE 26)	(19,119)
DECREASES	(15)
AT 31 DECEMBER 2013	331,901
INCREASES	1,154
RECOGNITION OF GRANTS (NOTE 26)	(17,795)
AT 31 DECEMBER 2014	315,259

24 SALES AND SERVICES RENDERED

Sales and services rendered recognised in the consolidated statement of profit and loss is made up as follows:

	'14	'13
GOODS:		
DOMESTIC MARKET	575	112
	575	112
SERVICES:		
ELECTRICITY TRANSMISSION AND OVERALL SYSTEMS MANAGEMENT	391,070	393,972
NATURAL GAS TRANSMISSION	122,415	121,939
REGASIFICATION	31,596	36,692
UNDERGROUND GAS STORAGE	14,169	13,192
TELECOMMUNICATIONS NETWORK	4,994	5,401
TRADING	4,704	3,927
OTHERS	1,326	764
	570,275	575,886
TOTAL SALES OF GOODS AND SERVICES	570,850	575,998

25 REVENUE AND COSTS FOR CONSTRUCTION ACTIVITIES

As part of the concession contracts treated under IFRIC 12, the construction activity is subcontracted to specialized suppliers. Therefore the Group obtains no margin in the construction of these assets. The detail of the revenue and expenses with the acquisition of concession assets as of 31 December 2014 and 2013 were made up as follows:

	'14	'13
REVENUE FROM CONSTRUCTION OF CONCESSION ASSETS		
ACQUISITIONS	142,794	162,179
OWN WORK CAPITALISED :		
FINANCIAL EXPENSES (NOTE 8)	5,360	9,126
OVERHEAD AND MANAGEMENT COSTS (NOTE 8)	15,032	16,160
	163,186	187,464
COST OF CONSTRUCTION OF CONCESSION ASSETS		
ACQUISITIONS	142,794	162,179
	142,794	162,179

26 OTHER OPERATING INCOME

The caption "Other operating income" is made up as follows:

	'14	'13
RECOGNITION OF GRANTS (NOTE 23)	17,795	19,119
SUPPLEMENTARY INCOME	1,729	1,823
FINANCIAL CONTRACTS (i)	-	1,469
DISPOSAL OF UNUSED MATERIALS	299	2,729
OTHERS	1,753	604
	21,576	25,744

i) The caption "Financial contracts" corresponds to gain on financial operations in the futures energy market, coal, and carbon emission licences, through the operations managed under standardized by International Swaps and Derivatives Association Inc. ("ISDA"), as well as participation in futures trading exchanges. The operations are merely financial not involving physical deliveries (Note 16).

27 EXTERNAL SUPPLIES AND SERVICES

The caption "External supplies and services" for the years ended 31 December 2014 and 2013 is made up as follows:

	'14	'13
MAINTENANCE COSTS	12,168	10,507
FEES RELATING TO EXTERNAL ENTITIES (i)	8,919	10,809
ELECTRIC ENERGY COSTS	4,179	4,555
INSURANCE COSTS	2,989	2,816
GAS TRANSPORT SUBCONTRACTS	2,959	2,849
SECURITY AND SURVEILLANCE	1,659	1,757
ADVERTISEMENT AND COMMUNICATION COSTS	1,280	1,616
CROSS BORDER INTERCONNECTION COSTS (ii)	766	1,573
RESERVE CAPACITY COSTS	-	1,359
OTHER (LESS THAN 1,000 THOUSAND EUROS)	5,618	6,185
EXTERNAL SUPPLIES AND SERVICES	40,537	44,028

i) The fees paid to external entities refer to specialized work and fees paid by REN for contracted services and specialized studies.

ii) The cross border interconnection costs refer to the cost assumed on cross-border trade in electricity. The decrease in the period ended 31 December 2014, when compared with the same period of last year reflects the reduction of the flows of electricity imported.

This caption includes financial statements audit services as well as consulting services rendered by audit companies recorded as expenses in 2014, as follows:

	'14	'13
AUDIT AND REVISION OF ACCOUNTS	336	276
OTHER SERVICES OF RELIABILITY GUARANTEE	77	106
TAX CONSULTANCY SERVICES	8	17
SERVICES OTHER THAN THE LEGAL REVIEW OF ACCOUNTS	77	106
	497	505

28 PERSONNEL COSTS

Personnel costs are made up as follows:

	'14	'13
REMUNERATION		
BOARD OF DIRECTORS	1,788	2,130
PERSONNEL	33,421	34,945
	35,209	37,074
SOCIAL CHARGES AND OTHER EXPENSES		
POST-EMPLOYMENT AND OTHER BENEFITS COST (NOTE 21)	7,395	6,585
SOCIAL SECURITY COSTS	7,303	7,494
SOCIAL SUPPORT COSTS	1,976	1,944
OTHER	1,166	502
	17,840	16,525
TOTAL PERSONNEL COSTS	53,049	53,599

The Corporate bodies' remuneration includes remunerations paid to the Board of Directors as well as the General Shareholders meeting attendance.

The average number of employees of the Group in 2014 was 659 (702 in 2013).

29 OTHER OPERATING COSTS

Other operating costs are made up as follows:

	'14	'13
ERSE OPERATING COSTS (i)	8,995	8,761
DONATIONS AND CONTRIBUTIONS	1,121	1,197
TAXES	979	1,141
OTHERS (LESS THEN 700 THOUSAND EUROS)	699	1,651
	11,795	12,750

i) The caption "ERSE operating costs" corresponds to ERSE's operating costs, to be recovered through electricity and gas tariffs.

30 FINANCIAL COSTS AND FINANCIAL INCOME

Financial costs and financial income are made up as follows:

	'14	'13
FINANCIAL COSTS		
INTERESTS ON BONDS ISSUED	84,323	130,984
INTERESTS ON COMMERCIAL PAPER	6,698	7,637
OTHER BORROWING INTERESTS	37,847	21,461
OTHER FINANCING EXPENDITURE	2,868	1,650
OTHER FINANCIAL INVESTMENTS	-	971
	131,735	162,703
FINANCIAL INCOME		
INTEREST INCOME	3,305	10,989
DERIVATIVE FINANCIAL INSTRUMENTS	5,625	1,928
OTHER FINANCIAL INVESTMENTS	71	-
	9,001	12,917

31 EARNINGS PER SHARE

Earnings per share for the years ended 31 December 2014 and 2013 were calculated as follows:

		'14	'13
CONSOLIDATED NET PROFIT USED TO CALCULATE EARNINGS PER SHARE	(1)	112,777	121,303
NUMBER OF ORDINARY SHARES OUTSTANDING DURING THE PERIOD (NOTE 18)	(2)	534,000,000	534,000,000
EFFECT OF OWN SHARES (NOTE 18)		3,881,374	3,881,374
NUMBER OF SHARES IN THE PERIOD	(3)	530,118,626	530,118,626
BASIC EARNINGS PER SHARE (EURO PER SHARE)	(1)/(3)	0.21	0.23

The basic earnings per share are the same as the diluted earnings as there are no situations that could origin dilution effects.

32 DIVIDENDS PER SHARE

During the Shareholders General Assembly meeting held on 3 April 2014, the Shareholders approved the distribution of dividends, with respect to the net profit of 2013, in the amount of 91,314 thousand Euros (0.171 Euros per share) including the dividends attributable to own shares amounted to 664 thousand Euros, being paid to the shareholders a total amount of 90,650 thousand of Euros.

The dividends paid during the year ended 31 December 2013, determined on the 2012 net profit amounted to 90,780 thousand Euros (0.171 Euros per share). The dividends attributable to own shares amounted to 660 thousand Euros, being paid to the shareholders a total amount of 90,120 thousand of Euros.

33 CONTINGENT ASSETS AND LIABILITIES

33.1. COMMITMENTS

The commitments assumed by REN Group relating to investments contracted but not yet realized, not reflected in the statement of financial position as of 31 December 2014 and 2013, were as follows:

	'14	'13
POWER LINES	1,526	3,726
SUBSTATIONS	26,954	26,328
GAS PIPELINES	513	294
SINES TERMINAL	323	12,513
UNDERGROUND GAS STORAGE	5,765	269
	35,081	43,130

33.2. GUARANTEES GIVEN

At 31 December 2014 and 2013 the REN Group had given the following bank guarantees:

BENEFICIARY	SCOPE	'14	'13
EUROPEAN INVESTMENT BANK (EIB)	LOANS	272,404	318,225
GENERAL DIRECTORATE OF ENERGY AND GEOLOGY	TO GUARANTEE COMPLIANCE WITH THE OBLIGATIONS ASSUMED RESULTING FROM THE CONTRACT RELATING TO THE PUBLIC SERVICE CONCESSION	20,500	20,500
JUDGE OF DISTRICT COURT	GUARANTEE FOR EXPROPRIATION PROCESSES	5,549	5,549
MUNICIPAL COUNCIL OF SEIXAL	GUARANTEE FOR LITIGATION	4,079	4,079
ELECTRICITY IBERIAN MARKET (OMI)	TO GUARANTEE PAYMENTS RESULTING FROM TRADING PARTICIPATION AS PURCHASER IN THE SPANISH MARKET	2,000	2,000
MUNICIPAL COUNCIL OF ODIVELAS	GUARANTEE FOR LITIGATION	1,119	1,119
SOCIAL SECURITY INSTITUTION	ENSURE COMPLIANCE WITH OBLIGATIONS	511	-
MUNICIPAL COUNCIL OF SILVES	GUARANTEE FOR EXPROPRIATION PROCESSES	352	352
TAX AUTHORITY AND CUSTOMS	ENSURE THE SUSPENSION OF TAX ENFORCEMENT PROCEEDINGS	205	205
NORSCUT - CONCESSIONÁRIA DE AUTO-ESTRADAS, SA	TO GUARANTEE PROMPT PAYMENT OF LIABILITIES ASSUMED BY REN IN THE CONTRACT CEDING UTILIZATION	200	200
EUROPEAN UNION	TO COMPLY WITH THE CONTRACTUAL REQUIREMENTS OF THE GRANT AGREEMENT	177	-
LABOUR COURT OF LISBON	GUARANTEE FOR LITIGATION	153	-
EP - ESTRADAS DE PORTUGAL	TO GUARANTEE COMPLIANCE WITH THE OBLIGATIONS ASSUMED	84	84
MUNICIPAL COUNCIL OF AVEIRO	GUARANTEE FOR LITIGATION	43	43
MUNICIPAL COUNCIL OF VILA NOVA DE GAIA	GUARANTEE THE SUSPENSION OF PROCESS Nº 412/13	2	2
FORTIA - ENERGIA PARA GRANDES CONSUMIDORES	FINANCIAL CONTRACT UNDER THE ISDA CONTRACT (INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION, INC.)	-	1,000
		307,377	353,359

The given guarantees have the following maturities:

	DECEMBER 2014			
	LESS 1 YEAR	1 - 5 YEARS	OVER 5 YEARS	TOTAL
LOANS	36,984	82,110	153,309	272,404
OTHERS	-	-	34,973	34,973
	36,984	82,110	188,282	307,377

	DECEMBER 2013			
	LESS 1 YEAR	1 - 5 YEARS	OVER 5 YEARS	TOTAL
LOANS	49,964	164,880	103,382	318,225
OTHERS	-	-	35,133	35,133
	49,964	164,880	138,515	353,359

33.3. ASSETS GIVEN AS COLLATERAL

BANK DEPOSIT COLLATERAL

On November 2012 a guarantee was given to EIB, as a pledge bank deposit, in the amount of 117,163 thousands of Euros. As of 31 December 2014, and following the reduction of the capital outstanding to EIB, the amount of the pledge bank deposit is 99,435 thousand Euros.

This guarantee is required until the reestablishment of the rating of the Company, or by the replacement of other similar guarantee acceptable (including bank guarantees presented by financial institutions acceptable by EIB).

BORROWING COLLATERAL

The Company holds a bank loan to which gave as collateral the participations held by the Group in Red Eléctrica Corporación and Enagás. The Group has all the rights attached to such participations, including voting rights and the right of dividends.

33.4. GUARANTEES RECEIVED

REN has collateral guarantees regarding accounts receivable, namely bank guarantees, which amount to, approximately, 81,340 thousand Euros as of 31 December 2014 (48,214 thousand Euros as of 31 December 2013).

34 RELATED PARTIES

MAIN SHAREHOLDERS AND SHARES HELD BY CORPORATE BODIES

At 31 December 2014 and 2013, the shareholder structure of Group REN was as follows:

	'14		'13	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%
STATE GRID EUROPE LIMITED (STATE GRID GROUP)	133,500,000	25.00%	133,500,000	25.00%
MAZOOON B.V. (OMAN OIL COMPANY S.A.O.C. GROUP)	80,100,000	15.00%	80,100,000	15.00%
GESTMIN, SGPS, S.A.	31,326,951	5.87%	31,326,951	5.87%
EDP - ENERGIAS DE PORTUGAL, S.A.	26,707,335	5.00%	26,707,335	5.00%
OLIREN, SGPS, S.A.	26,700,000	5.00%	26,700,000	5.00%
RED ELÉCTRICA CORPORACIÓN, S.A.	26,700,000	5.00%	26,700,000	5.00%
FIDELIDADE - COMPANHIA DE SEGUROS, S.A.	26,421,424	4.95%	-	-
EGF - GESTÃO E CONSULTORIA FINANCEIRA, S.A.	15,667,174	2.93%	45,019,666	8.43%
PARPUBLICA - PARTICIPAÇÕES PÚBLICAS (SGPS), S.A.	-	-	52,871,340	9.90%
CAIXA GERAL DE DEPÓSITOS, S.A.	-	-	6,290,967	1.18%
OWN SHARES	3,881,374	0.73%	3,881,374	0.73%
FREE FLOAT	162,995,742	30.52%	100,902,367	18.90%
	534,000,000	100.00%	534,000,000	100.00%

The number of shares held by corporate bodies at 31 December 2014 and 2013 is detailed in the Management report.

MANAGEMENT REMUNERATION

The Board of Directors of REN, SGPS was considered in accordance with IAS 24 to be the only key entity in the management of the Group.

Remuneration of the Board of Directors of REN, SGPS in the year ended 31 December 2014 amounted to 1,788 thousand Euros (2,130 thousand Euros in 2013), as shown in the following table:

	'14	'13
REMUNERATION AND OTHER SHORT TERM BENEFITS	1,523	1,395
MANAGEMENT BONUSES (ESTIMATE)	265	735
	1,788	2,130

ACQUISITION OF BONDS BY THE MEMBERS OF THE BOARD OF DIRECTORS

On June 2014, within the public offering of shares of REN, Board of Directors' President Emilio Rui Vilar, acquired 10,000 shares of the company.

Besides the event mentioned above, no other cases of transactions made by board members, compared to the consolidated financial statements of REN, on 31 December 2013, were made.

TRANSACTIONS WITH GROUP OR DOMINATED COMPANIES

In its activity REN maintains transactions with Group entities or with dominated parties. The terms in which these transactions are held are substantially identical to those practiced between independent parties in similar operations.

In the consolidation process the amounts related to such transactions or open balances are eliminated (Note 3.2) in the financial statements.

The main transactions held between Group companies were: (i) borrowings and shareholders loans; and (ii) shared services namely, legal services, administrative services and informatics.

BALANCES AND TRANSACTIONS HELD WITH SHAREHOLDERS, ASSOCIATES AND OTHER RELATED PARTIES

During the periods ended 31 December 2014 and 2013, Group REN carried out the following transactions with reference shareholders, qualified shareholders and related parties:

REVENUE

	'14	'13
SALES AND SERVICES PROVIDED		
INVOICING ISSUED - EDP	1,425,495	1,520,092
INVOICING ISSUED - OMIP	4	18
INVOICING ISSUED - STATE GRID	86	-
INVOICING ISSUED - NORTH CHINA INTERNATIONAL POWER (STATE GRID GROUP)	140	20
INVOICING ISSUED - REE	550	3
INVOICING ISSUED - CENTRO DE INVESTIGAÇÃO EM ENERGIA REN - STATE GRID	221	108
FINANCIAL INCOME		
INTEREST ON FINANCIAL APLICATIONS-CGD ¹	-	1,156
DIVIDENDS RECEIVED		
REE	3,588	3,266
	1,430,083	1,524,663

¹ Within the reprivatization process this entity is no longer part of the shareholder structure since 17 June.

The amounts shown as invoicing issued relate to the overall management of the electricity system tariff (UGS) and electricity transmission tariff (TEE) that includes the same pass through amounts reversed in the consolidated statement of profit and loss.

COSTS

	'14	'13
EXTERNAL SUPPLIES AND SERVICES		
INVOICING RECEIVED - EDP	647,198	693,186
INVOICING RECEIVED - OMIP	768	349
INVOICING RECEIVED - REE	3,507	43
INVOICING RECEIVED - CENTRO DE INVESTIGAÇÃO EM ENERGIA REN - STATE GRID	116	-
INVOICING RECEIVED - NORFIN - SERVIÇOS, S.A. ¹	3	1
INVOICING RECEIVED - CMS RUI PENA & ARNAUT ²	141	94
FINANCIAL COSTS		
INTERESTS ON BORROWINGS - CGD ³	-	302
FEES ON COMMERCIAL PAPER AND OTHER BORROWINGS - CGD ³	-	1,222
DERIVATIVE FINANCIAL INSTRUMENTS - CGD ³	-	2,594
	651,732	697,791

¹ Entities related to EGF - Gestão e Consultoria Financeira, S.A. Group.

² Entity related to the board member José Luis Arnaut

³ Within the reprivatization process this entity is no longer part of the shareholder structure since 17 June.

The amounts shown as invoicing received relate to the intermediation role of REN in the purchase and sale of electricity, the income and costs of which are reversed in the statement of profit and loss, since they are pass through amounts in the income recognition.

BALANCES

The balances at 31 December 2014 and 2013 resulting from transactions with related parties were as follows:

	'14	'13
TRADE AND OTHER RECEIVABLES		
EDP - TRADE RECEIVABLES	227,448	408,798
EDP - OTHER RECEIVABLES	1,633	1,429
OMIP - OTHER RECEIVABLES	2	915
OMIP - GUARANTEES	700	1,173
OMAN OIL - OTHER RECEIVABLES	1	1
FIDELIDADE - COMPANHIA DE SEGUROS - OTHER RECEIVABLES	1	1
CENTRO DE INVESTIGAÇÃO EM ENERGIA REN - STATE GRID - OTHER RECEIVABLES	211	186
CENTRO DE INVESTIGAÇÃO EM ENERGIA REN - STATE GRID - TRADE RECEIVABLE	15	301
REE - TRADE RECEIVABLES	35	3
CASH AND CASH EQUIVALENTS		
CGD - BANK DEPOSITS ¹	-	1,710
	230,044	414,517
TRADE AND OTHER PAYABLES		
EDP - TRADE PAYABLES	132,979	304,178
OMIP - OTHER PAYABLES	183	1,128
OMIP - GUARANTEES	27	27
CENTRO DE INVESTIGAÇÃO EM ENERGIA REN - STATE GRID - OTHER PAYABLES	7	15
REE - TRADE PAYABLES	248	-
NORFIN SOCIEDADE GESTORA DE FUNDOS - GUARANTEES ²	9	9
NORFIN SERVIÇOS, S.A. ²	-	5
CMS - RUI PENA & ARNAUT - TRADE PAYABLES ³	20	27
BORROWINGS		
CGD - BORROWINGS (COMMERCIAL PAPER) ¹	-	30,000
CGD - BORROWINGS (FINANCE LEASE) ¹	-	1,841
	133,472	337,230

1 Within the reprivatization process this entity is no longer part of the shareholder structure since 17 June.

2 Entities related to EGF - Gestão e Consultoria Financeira, S.A. Group.

3 Entity related to the board member José Luis Arnaut

35 ENERGY SECTOR EXTRAORDINARY CONTRIBUTION

Law No. 83-C / 2013 of 31 December introduced a specific contribution of entities operating in the energy field, called Energy Sector Extraordinary Contribution ("ESEC").

The regime introduced is aimed at financing mechanisms that promote systemic sustainability of the sector through the setting up of a fund with the main objective of reducing the tariff deficit. Are subject to this regime, among others, the entities that are dealers of transport activities or distribution of electricity and natural gas.

The calculation of the amount to be paid in the case of regulated companies is levied on the higher of value of regulated assets and net assets, as of 1 January 2014, on which is applied the rate of 0.85%.

To this end, the Group recognised a liability in the amount of 25,065 thousand Euros (Note 23), against an expense for the year ended 31 December 2014.

The ESEC was settled by REN on 10 February 2015 (Note 37).

36 OTHER MATTERS

REN AGREES TO THE PARTIAL TRANSFER OF GALP ENERGIA NATURAL GAS UNDERGROUND STORAGE CONCESSION BUSINESS

REN carries out through REN Armazenagem, a company fully owned by REN, the concession business for a natural gas underground storage activity in Portugal.

Galp Energia also carries out, through its fully owned company Transgás Armazenagem, a natural gas underground storage concession business located in Carriço, Pombal, Portugal.

REN and Galp Energia have agreed on July 2014 to the partial transfer of the concession business owned by the latter, including the transmission of its two existing caves, the rights for the construction of two additional ones, and rights and obligations associated with these assets, through an operation to be made by a partial business transfer in favour of REN Armazenagem of Transgás Armazenagem natural gas underground storage concession business.

This transaction is subjected to the applicable legal and contractual approvals and the confirmation that from this transaction no regulatory changes will occur. The Competition Authority issued on 6 January 2015 a decision not to opposing to this business, considering that this transaction is not likely to cause significant barriers to effective competition in the storage market. The transaction is pending the decision of other organisms.

The price to be paid for the partial concession business transfer is 71,742 thousand Euros with the 30th of June 2014 as reference date, this value is subject to an adjustment dependent on the transaction actual closing date.

As a result of this transaction, REN will own the total underground storage capacity and infrastructures in operation in the national territory at the transaction closing date.

ERSE'S DECISION ON THE CERTIFICATION OF REN - REDE ELÉCTRICA NACIONAL, S.A. AND REN - GASODUTOS, S.A. AS TRANSMISSION GRID OPERATORS

ERSE has issued on 9 September 2014 a decision regarding the Certification of REN - Rede Eléctrica Nacional, S.A. and REN - Gasodutos, S.A. as electricity transmission and natural gas grid operators, under a full ownership unbundling, in the condition of observing, within eight months, a set of certification conditions meant to grant the operators independence ("Decision").

The conditions imposed by ERSE's Decision include:

- ◆ Restrictions concerning shareholders of REN - Redes Energéticas Nacionais, SGPS, S.A. ("REN SGPS"): the shareholders that control companies whose object is the generation or supply of electricity or the production or supply of natural gas, are prevented from exercising any rights held in REN SGPS, notwithstanding their right to receive dividends, unless when the absence of conflicts of interests is recognised by the certifying entity.
- ◆ Restrictions concerning members of the Board of Directors or Supervisory Board of REN SGPS and the Transmission Grid Operators (TGO), which:
 - a) Cannot be appointed by shareholders that control or hold rights over companies whose object is the generation or supply of electricity or the production or supply of natural gas;
 - b) Are not allowed to be part of corporate bodies in companies whose object is the production and supply of electricity or the production or supply of natural gas.
- ◆ Amendment to the REN SGPS's by-laws, in order to comply with the restrictions included in the two bullets above.
- ◆ Communication to ERSE, in a timely manner, of any material change that involves the conditions that were analysed within the certification proceedings.

ERSE's Decision defines additional measures of functional unbundling, as per the situation of REN Trading, S.A., and of supervision of the activities developed by REN Group and also makes reference to the current shareholders of REN SGPS and the members of the Board of Directors and Supervisory Board of REN SGPS and the TGOs.

ERSE will proceed with the analysis of the compliance with the certification conditions that are set forth in the Decision within an eight-month period.

37 SUBSEQUENT EVENTS

BOND ISSUE

On February 2015, the Company issued debt instruments (Notes), pursuant to its EMTN (European Medium Term Notes) programme in the amount of 300.000 thousand Euros, with a maturity of 10 years and a fixed interest coupon rate of 2.5%.

ENERGY SECTOR EXTRAORDINARY CONTRIBUTION ("ESEC")

Following the tax assessment notice of the Energy Sector Extraordinary Contribution relating to 2014 received by REN group companies, those companies have paid, on 10 February of 2015, the mentioned contribution within the established deadline.

REN will challenge the ESEC, using the applicable legal mechanisms, since it has justified reasons to doubt the lawfulness of such contribution.

38 EXPLANATION ADDED FOR TRANSLATION

These consolidated financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards as endorsed by the European Union at 1 January 2014. In the event of discrepancies, the Portuguese language version prevails

STATEMENT PROVIDED FOR IN ARTICLE 245, NO. 1, PARAGRAPH C) OF THE SECURITIES CODE

Pursuant to and for the purposes of Article 245, No. 1, paragraph c) of the Securities Code, each member of the Board of Directors of REN - Redes Energéticas Nacionais, SGPS, SA, identified on next page by their name, endorsed the statement which is transcribed herein¹:

"I solemnly declare, pursuant to and for the purposes specified in Article 245, No. 1, paragraph c) of the Securities Code, to the best of my knowledge, and serving as and in the scope of the functions assigned to me, based on the information made available to me within the Board of Directors and / or Executive Committee, as applicable, the condensed financial statements have been prepared in accordance with the applicable accounting standards, thus providing a true and fair view of assets and liabilities, financial position and results of REN - Redes Energéticas Nacionais, SGPS, S.A. and of the companies included in its scope of consolidation, and that the management report for the fiscal year of 2014 faithfully describes the occurrences in that period and the impact in the respective financial statements, also containing a description of the principal risks and uncertainties for the following year."

Lisbon, 19th March 2015

¹ THE ORIGINALS OF THE INDIVIDUAL STATEMENTS ARE AVAILABLE FOR CONSULTATION AT THE HEAD OFFICE OF THE COMPANY.

The Accountant

Maria Teresa Martins

The Board of Directors

Emílio Rui Vilar

(Chairman of the Board of Directors)

Rodrigo Costa

(Member of the Board of Directors
and Chief Executive Officer - CEO)

Guangchao Zhu

(Vice-Chairman of the Board of Directors
designated by State Grid International
Development Limited)

João Faria Conceição

(Member of the Board of Directors
and Chief Operational Officer - COO)

Mengrong Cheng

(Member of the Board of Directors)

Gonçalo Morais Soares

(Member of the Board of Directors
and Chief Financial Officer - CFO)

Longhua Jiang

(Member of the Board of Directors)

José Luís Alvim

(Member of the Board of Directors
and President of the Audit Committee)

Hilal Al-Kharusi

(Member of the Board of Directors)

José Frederico Jordão

(Member of the Board of Directors
and of the Audit Committee)

Manuel Champalimaud

(Member of the Board of Directors designated
by Gestmin, SGPS, S.A.)

Aníbal Durães dos Santos

(Member of the Board of Directors and of the Audit
Committee designated by Parública - Participações
Públicas (SGPS), S.A.)

Francisco João Oliveira

(Member of the Board of Directors designated by
OLIREN, SGPS, S.A.)

José Luis Arnaut

(Member of the Board of Directors)

REN – REDES ENERGÉTICAS NACIONAIS, SGPS, S.A.

REPORT AND OPINION OF THE AUDIT COMMITTEE

CONSOLIDATED ACCOUNTS

Within the scope of its duties, the Audit Committee has monitored the development of the activity of REN – REDES ENERGÉTICAS NACIONAIS, SGPS, S.A. and its subsidiaries, supervised compliance with the law, regulations and the Articles of Association, supervised compliance with accountancy policies and practices, and supervised the process of preparation and disclosure of financial information, the legal review of accounts and the effectiveness of the internal control and risk management systems. It further supervised the activity of the Statutory Auditor and the External Auditor, including their independence and impartiality.

The Audit Committee also examined the consolidated financial information comprised within the Management Report and the financial statement of REN – REDES ENERGÉTICAS, SGPS, S.A. and its subsidiaries attached thereto in relation to the financial year ended on December 31, 2014 which consist of the Consolidated Financial Statement, evidencing a total of 4,924,755 thousand Euros and 1,135,567 thousand Euros of Equity Capital, including a Consolidated Net Profit of 112,777 thousand Euros, the Consolidated Profit and Loss Accounts, Comprehensive Income, Changes in Equity Capital and Cash Flows in relation to the financial year closed on the abovementioned date and the respective Annex.

The Audit Committee analysed the Legal Certification of Accounts and the Audit Report on the consolidated financial information, prepared by the Statutory Auditor and the External Auditor, which has been agreed by the Audit Committee.

Within the context of the analysis undertaken, the Audit Committee further supervised the compliance and adequacy of the accounting policies, procedures, practices and adopted valuation criteria, as well as the regulatory and quality of the Company's accounting information.

In light of the above, it is the opinion of the Audit Committee that the Consolidated Financial Statements and Consolidated Management Report, as well as proposal expressed therein, abide by applicable accounting, legal and statutory provisions, wherefore it recommends its approval by the General Meeting of Shareholders.

Lisbon, 19 March 2015

José Luís Alvim (Chairman)

José Frederico Jordão (Member)

Aníbal Durães dos Santos (Member)

STATUTORY AUDIT REPORT AND AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS

(Translation of a report originally issued in Portuguese – Note 38)

Introduction

1. In accordance with the applicable legislation, we hereby present the Statutory Audit Report and Auditors' Report on the consolidated financial information contained in the Directors' Report and the consolidated financial statements of REN – Redes Energéticas Nacionais, S.G.P.S., S.A. ("the Company") and subsidiaries ("the Group") which comprise the Consolidated Statement of Financial Position as of 31 December 2014 that presents total assets of 4,924,755 thousand Euros and total equity of 1,135,567 thousand Euros, including a consolidated net profit of 112,777 thousand Euros, the Consolidated Statements of Profit and Loss, Comprehensive Income, Changes in Equity and Cash Flows for the year then ended and the corresponding Notes.

Responsibilities

2. The Board of Directors is responsible for: (i) the preparation of consolidated financial statements that present a true and fair view of the financial position of the companies included in the consolidation, the consolidated results and comprehensive income from their operations, the consolidated changes in their equity and their consolidated cash flows; (ii) the preparation of historical financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and that is complete, true, timely, clear, objective and licit, as required by the Securities Market Code; (iii) the adoption of adequate accounting policies and criteria and the maintenance of an appropriate system of internal control; and (iv) informing any significant facts that have influenced its operations and the operations of the companies included in the consolidation, their financial position and comprehensive income.
3. Our responsibility is to examine the financial information contained in the above mentioned documents of account, including verifying if, in all material respects, the information is complete, true, timely, clear, objective and licit, as required by the Securities Market Code, and issue a professional and independent opinion, based on our audit.

Scope

4. Our audit was performed in accordance with the auditing standards ("Normas Técnicas e as Directrizes de Revisão/Auditoria") issued by the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas"), which require that the audit be planned and performed with the objective of obtaining reasonable assurance about whether the consolidated financial statements are free of material misstatement. Our audit included verifying, on a sample basis, evidence supporting the amounts and disclosures in the financial statements and assessing the significant estimates, based on judgments and criteria defined by the Board of Directors, used in their preparation. Our audit also included verifying the consolidation procedures used and that the financial statements of the companies included in the consolidation have been appropriately examined, assessing the adequacy of the accounting policies used and their uniform application and disclosure, taking into consideration the circumstances, verifying the applicability of the going concern concept and assessing the adequacy of the overall presentation of the consolidated financial statements and assessing if, in all material respects, the information is complete, true, timely, clear, objective and licit. Our audit also included verifying that the consolidated financial information contained in the Directors' Report is in accordance with the other consolidated documents of account, and making the verifications required by items 4 and 5 of article 451 of Commercial Companies Code. We believe that our audit provides a reasonable basis for expressing our opinion.

Opinion

5. In our opinion, the consolidated financial statements referred to in paragraph 1 above, present fairly, in all material respects, the consolidated financial position of REN – Redes Energéticas Nacionais, S.G.P.S., S.A. and subsidiaries as of 31 December 2014, the consolidated results and comprehensive income from their operations, the consolidated changes in their equity and their consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, and that the financial information contained in them is, in the terms defined in the standards mentioned in the paragraph 4 above, complete, true, timely, clear, objective and licit.

Report on other legal requirements

6. It is also our opinion that the financial information contained in the consolidated Directors' Report is in accordance with the consolidated financial statements of the year and the report on corporate governance practices includes the items required of the Company in accordance with article 245-A of the Securities Market Code.

Lisbon, __ March 2015

Deloitte & Associados, SROC S.A.
Represented by Jorge Carlos Batalha Duarte Catulo



3. INDIVIDUAL FINANCIAL STATEMENTS

Statements of financial position as of 31 December 2014 and 2013

(TRANSLATION OF STATEMENTS OF FINANCIAL POSITION ORIGINALLY ISSUED IN PORTUGUESE - NOTE 31)

(AMOUNTS EXPRESSED IN THOUSAND OF EUROS)

ASSETS	NOTES	'14	'13
NON-CURRENT ASSETS:			
TANGIBLE ASSETS	5	478	642
INVESTMENTS - EQUITY METHOD	7	906,217	879,938
AVAILABLE-FOR-SALE FINANCIAL ASSETS	11	45,339	45,871
OTHER RECEIVABLES	9	2,157,694	2,232,287
OTHER FINANCIAL ASSETS	9	93,481	102,274
DERIVATIVE FINANCIAL INSTRUMENTS	10	21,970	-
DEFERRED TAX ASSETS	8	5,233	5,414
TOTAL NON-CURRENT ASSETS		3,230,413	3,266,427
CURRENT ASSETS:			
TRADE RECEIVABLES	9	-	329
STATE AND OTHER PUBLIC ENTITIES	16	11,102	-
OTHER RECEIVABLES	9	524,638	470,800
DEFERRALS	12	51	78
OTHER FINANCIAL ASSETS	9	8,864	8,864
CASH AND BANK DEPOSITS	4	67,319	158,002
TOTAL CURRENT ASSETS		611,973	638,073
TOTAL ASSETS		3,842,386	3,904,500
EQUITY AND LIABILITIES			
EQUITY:			
SHARE CAPITAL	13	534,000	534,000
OWN SHARES	13	(10,728)	(10,728)
LEGAL RESERVE	13	97,295	91,492
OTHER RESERVES	13	163,893	166,005
ADJUSTMENTS TO FINANCIAL ASSETS	13	54,433	14,137
RETAINED EARNINGS		266,789	247,172
		1,105,683	1,042,078
NET PROFIT FOR THE PERIOD		106,257	116,071
TOTAL EQUITY		1,211,940	1,158,149
LIABILITIES :			
NON-CURRENT LIABILITIES:			
PROVISIONS	14	230	134
BORROWINGS	15	2,104,948	2,354,797
POST EMPLOYMENT BENEFIT LIABILITIES		7	5
DERIVATIVE FINANCIAL INSTRUMENTS	10	24,581	34,320
TOTAL NON-CURRENT LIABILITIES		2,129,766	2,389,256
CURRENT LIABILITIES:			
PROVISIONS	14	40	40
TRADE PAYABLES	15	1,574	2,299
STATE AND OTHE PUBLIC ENTITIES	16	1,157	45,642
DERIVATIVE FINANCIAL INSTRUMENTS	10	-	2,683
BORROWINGS	15	435,440	246,294
OTHER PAYABLES	15	61,895	59,563
DEFERRALS	17	574	574
TOTAL CURRENT LIABILITIES		500,680	357,095
TOTAL LIABILITIES	7	2,630,446	2,746,351
TOTAL EQUITY AND LIABILITIES		3,842,386	3,904,500

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THE STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2014.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

Statements of Profit and Loss by Nature for the years ended 31 and December 2014 and 2013

(TRANSLATION OF STATEMENTS OF PROFIT AND LOSS ORIGINALLY ISSUED IN PORTUGUESE - NOTE 31)

(AMOUNTS EXPRESSED IN THOUSAND OF EUROS)

REVENUES AND EXPENSES	NOTE S	'14	'13
SERVICES RENDERED	18	13,486	14,663
GAINS / (LOSSES) FROM SUBSIDIARIES AND ASSOCIATES	7 AND 19	105,053	121,709
SUPPLIES AND SERVICES	20	(7,538)	(8,280)
PERSONNEL COSTS	21	(6,419)	(6,544)
PROVISIONS (INCREASES) /DECREASES	14	(96)	(115)
OTHER INCOME	22	322	16,096
OTHER EXPENSES	23	(1,083)	(987)
PROFIT BEFORE AMORTIZATION, DEPRECIATION, FINANCE COSTS AND TAXES		103,724	136,543
DEPRECIATION (CHARGE) / REVERSAL	5	(183)	(158)
OPERATING PROFIT (BEFORE FINANCE COSTS AND TAXES)		103,541	136,385
INTEREST AND SIMILAR INCOME	24	128,344	130,766
INTEREST AND SIMILAR COSTS	24	(131,906)	(164,057)
DIVIDENDS	25	1,915	6,578
PROFIT BEFORE TAXES		101,895	109,671
INCOME TAX FOR THE PERIOD	8	4,362	6,400
NET PROFIT FOR THE PERIOD		106,257	116,071
BASIC EARNINGS PER SHARE		0.20	0.22

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THE STATEMENT OF PROFIT AND LOSS AS OF 31 DECEMBER 2014.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

Statement of Changes in Equity for the Years
Ended 31 December 2014 and 2013

(TRANSLATION OF STATEMENTS OF CHANGES IN EQUITY ORIGINALLY ISSUED IN PORTUGUESE - NOTE 31)

	NOTES	CAPITAL	OWN SHARES	LEGAL RESERVE	HEDGING RESERVE (NOTE 10)
BALANCES AT THE BEGINNING OF 2013		534,000	(10,728)	85,437	(26,612)
CHANGES IN THE YEAR:					
CHANGES IN FAIR VALUE	10 AND 11	-	-	-	8,624
DISPOSALS ON AVAILABLE-FOR-SALE FINANCIAL ASSETS	11	-	-	-	-
APPROPRIATION OF THE PROFIT FOR THE PRECEDING YEAR	13	-	-	6,055	-
ADJUSTMENTS IN FINANCIAL ASSETS	7 AND 13	-	-	-	-
		-	-	6,055	8,624
OPERATIONS DURING THE YEAR WITH SHAREHOLDERS					
DISTRIBUTION OF DIVIDENDS	13	-	-	-	-
		-	-	-	-
NET PROFIT FOR THE PERIOD					
COMPREHENSIVE INCOME		-	-	-	8,624
BALANCES AT THE END OF 2013		534,000	(10,728)	91,492	(17,989)

	NOTES	CAPITAL	OWN SHARES	LEGAL RESERVE	HEDGING RESERVE (NOTE 10)
BALANCES AT THE BEGINNING OF 2014		534,000	(10,728)	91,492	(17,989)
CHANGES IN THE YEAR:					
CHANGES IN FAIR VALUE	10 AND 11	-	-	-	(1,480)
APPROPRIATION OF THE PROFIT FOR THE PRECEDING YEAR	13	-	-	5,804	-
ADJUSTMENTS IN FINANCIAL ASSETS	7	-	-	-	-
		-	-	5,804	(1,480)
OPERATIONS DURING THE YEAR WITH SHAREHOLDERS					
DISTRIBUTION OF DIVIDENDS	13	-	-	-	-
		-	-	-	-
NET PROFIT FOR THE PERIOD					
COMPREHENSIVE INCOME		-	-	-	(1,480)
BALANCES AT THE END OF 2014		534,000	(10,728)	97,295	(19,468)

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THE STATEMENT OF CHANGES IN EQUITY AS OF 31 DECEMBER 2014.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

(AMOUNTS EXPRESSED IN THOUSAND OF EUROS)

'13

FAIR VALUE RESERVE (NOTE 11)	OTHER RESERVES	ADJUSTMENT TO FINANCIAL ASSETS (NOTE 13)	RETAINED EARNINGS	NET PROFIT FOR THE PERIOD	TOTAL EQUITY
(4,093)	180,189	(3,167)	222,252	121,095	1,098,372
22,285	-	-	-	-	30,909
(14,387)	-	-	-	-	(14,387)
-	-	-	24,920	(30,975)	-
-	-	17,304	-	-	17,304
7,898	-	17,304	24,920	(30,975)	33,826
-	-	-	-	(90,120)	(90,120)
-	-	-	-	(90,120)	(90,120)
-	-	-	-	116,071	116,071
22,285	-	17,304	-	116,071	164,284
3,805	180,189	14,137	247,172	116,071	1,158,149

'14

FAIR VALUE RESERVE (NOTE 11)	OTHER RESERVES	ADJUSTMENT TO FINANCIAL ASSETS (NOTE 13)	RETAINED EARNINGS	NET PROFIT FOR THE PERIOD	TOTAL EQUITY
3,805	180,189	14,137	247,172	116,071	1,158,149
(633)	-	-	-	-	(2,112)
-	-	-	19,617	(25,421)	-
-	-	40,296	-	-	40,296
(633)	-	40,296	19,617	(25,421)	38,184
-	-	-	-	(90,650)	(90,651)
-	-	-	-	(90,650)	(90,651)
-	-	-	-	106,257	106,257
(633)	-	40,296	-	106,257	144,441
3,172	180,189	54,433	266,789	106,257	1,211,940

Statements of Cash Flow for the Years Ended 31 December 2014 and 2013

(TRANSLATION OF STATEMENTS OF CASH FLOW ORIGINALLY ISSUED IN PORTUGUESE – NOTE 31)

(AMOUNTS EXPRESSED IN THOUSAND OF EUROS)

	NOTES	'14	'13
CASH FLOW FROM OPERATING ACTIVITIES:			
CASH RECEIPTS FROM CUSTOMERS		20,597	28,390
CASH PAID TO SUPPLIERS		(12,490)	(22,047)
CASH PAID TO PERSONNEL		(5,973)	(6,510)
CASH GENERATED BY OPERATIONS		2,134	(168)
INCOME TAX (PAID)/ RECEIVED		(22,729)	14,069
OTHER (PAYMENTS)/RECEIPTS RELATING TO OPERATING ACTIVITIES		(2,735)	(4,338)
FLOWS GENERATED BY /(USED IN) OPERATIONS [1]		(23,330)	9,563
FLOWS FROM INVESTING ACTIVITIES:			
PAYMENTS RELATING TO:			
FINANCIAL INVESTMENTS	7	(6,000)	(44,730)
BORROWINGS		-	(800,000)
OTHER FINANCIAL ASSETS		-	(210,000)
AVAILABLE-FOR-SALE FINANCIAL ASSETS	11	(100)	(100)
TANGIBLE ASSETS	13	(8)	(20)
		(6,108)	(1,054,851)
RECEIPTS RELATING TO:			
AVAILABLE-FOR-SALE FINANCIAL ASSETS		-	107,516
OTHER FINANCIAL ASSETS	4 AND 9	22,728	207,264
BORROWINGS		84,147	884,147
INTEREST AND SIMILAR INCOME		100,407	127,560
DIVIDENDS	7 AND 25	126,985	125,645
		334,266	1,452,131
FLOWS GENERATED BY INVESTING ACTIVITIES [2]		328,158	397,280
FLOWS FROM FINANCING ACTIVITIES:			
RECEIPTS RELATING TO:			
BORROWINGS	4	4,642,625	2,444,001
INTEREST AND SIMILAR INCOME		7,055	-
		4,649,680	2,444,001
PAYMENTS RELATING TO:			
BORROWINGS	4	(4,814,606)	(2,511,166)
INTEREST AND SIMILAR COSTS		(126,071)	(160,349)
DIVIDENDS	13	(90,650)	(90,120)
		(5,031,328)	(2,761,634)
FLOWS USED IN FINANCING ACTIVITIES [3]		(381,648)	(317,633)
CHANGES IN CASH AND CASH EQUIVALENTS [4]=[1]+[2]+[3]		(76,819)	89,209
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4	144,138	54,929
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	4	67,319	144,138

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THE STATEMENT OF CASH FLOW AS OF 31 DECEMBER 2014.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

4. NOTES

TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2014

(TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS ORIGINALLY ISSUED IN PORTUGUESE - NOTE 31)
(AMOUNTS EXPRESSED IN THOUSANDS OF EUROS)

1

INTRODUCTORY NOTE

REN - Redes Energéticas Nacionais, SGPS, S.A. (hereinafter referred to as "REN SGPS" or "the Company"), with head office in Avenida Estados Unidos da América, 55 - Lisbon, resulted from the transformation on 5 January 2007 of REN - Rede Eléctrica Nacional, S.A. into an investment holding company.

At the same time a spin-off was made of the electricity business from REN - Rede Eléctrica Nacional, S.A. to the group company REN - Serviços de Rede, S.A., the name of which was subsequently changed to REN - Rede Eléctrica Nacional, S.A.

As part of the second phase of the re-privatization's approved by Decree-Law 106-B/2011, of November 3 (Privatization Decree-Law), Parpública - Participações Públicas (SGPS), S.A. and Caixa Geral de Depósitos, S.A., sold on 17 June of 2014, 58,740,000 ordinary shares, with nominal value of 1 Euro, representing 11% of REN SGPS's share capital.

REN SGPS is the parent company of the REN Group, being organized into two main business segments, Electricity and Gas, and one secondary business, in the area of Telecommunications.

The Electricity business includes the following companies:

- a) REN - Rede Eléctrica Nacional, S.A., was incorporated on 26 September 2006, whose activities are carried out under a concession contract for a period of 50 years as from 2007, which establishes the overall management of the Public Electricity Supply System (Sistema Eléctrico de Abastecimento Público - SEP);
- b) REN Trading, S.A., was incorporated on 13 June 2007, whose main function is the management of Power Purchase Agreements (PPA) from Turbogás, S.A. and Tejo Energia, S.A., which did not terminate on 30 June 2007, date of the entry into force of the new Contracts for the Maintenance of the Contractual Equilibrium (Contratos para a Manutenção do Equilíbrio Contratual - CMEC). The operations of this company include the trading of electricity produced and of the installed production capacity, to domestic and international distributors;
- c) ENONDAS, Energia das Ondas, S.A. was incorporated on 14 October 2010, its capital being fully owned by REN - Redes Energéticas Nacionais, S.A., which the main activity being the management of the concession to operate a pilot area for the production of electric energy from sea waves. The Portuguese government awarded the Company the concession to operate a pilot area for the production of electricity from sea waves in accordance with paragraph 3, Article 5 of Decree -Law 5 / 2008 of 8 January and Decree-Law 238/2008 of 15 December. In accordance with Decree-Law 238/2008 of 15 December, the concession has a duration of 45 years, and includes the authorization to install the infrastructures necessary to connect to the public electricity network and use the water resources of the public water area, monitoring the use by others of the water resources needed to produce electricity from waves energy, as well as competence to award

licenses for the establishment and operation of the business of electricity generation and its monitoring.

The Gas business includes the following companies:

- a) REN Gás, S.A. was incorporated on 29 March 2011, with the corporate objective of promoting, developing and carrying out projects and developments in the natural gas sector, as well as defining the overall strategy and coordination of the companies in which has direct interests;
- b) REN Gasodutos, S.A., was incorporated on 26 September 2006, the capital of which was paid up through carve-in of the gas transport infrastructures (network, connections and compression). The company's purpose is the high pressure transportation of natural gas and the overall technical management of the National Natural Gas System, considering the security and continuity of supply of natural gas in Portugal. This includes especially the management and operation of the National Natural Gas Transportation Network, including the transport of natural gas, the planning, construction, maintenance and operation of the necessary infrastructures and installations, in accordance with the law and its public service concession, as well as any other related services;
- c) REN Armazenagem, S.A., was incorporated on 26 September 2006, the capital of which was paid up through integration into the company of the gas underground storage assets. The company's purpose is the underground storage of natural gas and the construction, operation and maintenance of the infrastructures and facilities necessary for that purpose, in accordance with the law and the company's public service concession, and any other related activities;
- d) REN Atlântico, Terminal de GNL, S.A., acquired under the acquisition of the gas business, previously designated "SGNL - Sociedade Portuguesa de Gás Natural Liquefeito". The operations of this company comprise the supply, reception, storage and re-gasification of natural liquefied gas through the GNL marine terminal, being responsible for the construction, utilization and maintenance of the necessary infrastructures.

The operations of REN Gasodutos, S.A., REN Armazenagem S.A. and REN Atlântico S.A. are made in accordance with the three concession contracts separately granted for periods of 40 years from 26 September 2006 onwards.

The telecommunications business is managed by RENTELECOM - Comunicações, S.A. whose activity is the establishment, management and operation of telecommunications infrastructures and systems, the rendering of telecommunications services and optimizing the optical fibre excess capacity of the installations owned by REN Group.

REN SGPS fully owns REN Serviços, S.A., a company whose purpose is the rendering of services in the energetic area and the general services of business development support to group companies and third parties, receiving a fee for the services rendered, as well as the management of financial participations in other companies.

The subsidiaries REN Gás, S.A., REN Gasodutos, S.A. and REN Armazenagem, S.A. are indirectly fully owned by REN SGPS, S.A. through its subsidiary REN Serviços, S.A. (fully owned by REN SGPS).

On 10 May 2013 REN Finance, B.V., a company based in Netherlands and fully owned by REN SGPS, whose purpose is to participate, finance, collaborate and lead the management of group companies, was incorporated.

Additionally on 24 May 2013, together with China Electric Power Research Institute, a State Grid Group company, Centro de Investigação em Energia REN – State Grid, S.A. (“Centro de Investigação”) was incorporated under a Joint Venture Agreement on which REN holds 1,499,997 shares representing 49.99% of the total share capital. The purpose of this company is to implement a Research and Development centre in Portugal, dedicated to the research, development, innovation and demonstration in the areas of electricity transmission and systems management, the rendering of advisory services and education and training services as part of these activities, as well as performing all related activities and complementary services to its object.

As of 31 December 2014, REN SGPS also holds:

- a) 40% interest in the share capital of OMIP - Operador do Mercado Ibérico (Portugal), SGPS, S.A. (“OMIP SGPS”), being its purpose the management of participations in other companies as an indirect way of exercising economic activities. The company is shareholder of OMIP - Operador do Mercado Ibérico de Energia (Portuguese Pole), SGMR, S.A. (“OMIP”), which function is the management of the MIBEL derivatives market together with OMIClear - Sociedade de Compensação de Mercados de Energia, S.A., a company fully owned by OMIP, which acts as the clearing house and central counterparty for transactions in the futures market;
- b) 10% interest in the share capital of OMEL - Operador do Mercado Ibérico de Energia, S.A., the Spanish pole of the Sole Operator;
- c) 5.45% interest in the share capital in Medgrid, SAS; and
- d) 7.5% interest in the share capital of Hidroeléctrica de Cahora Bassa, S.A. (“HCB”).

The accompanying financial statements were approved by the Board of Directors meeting held on 19 March 2015. However, they are still subject to approval by the Shareholders’ Meeting under the terms of current Portuguese legislation.

The Board of Directors understands that the financial statements fairly reflect the Company’s financial position, the results of its operations, changes in its equity and its cash flows.

2 ACCOUNTING FRAMEWORK FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements have been prepared in accordance with the requirements of Decree-Law 158/2009 of 13 July, and the conceptual framework, accounting and financial reporting standards and interpretations applicable (generally accepted accounting principles in Portugal).

The accompanying financial statements are presented in thousands of Euros.

3 MAIN ACCOUNTING POLICIES

The main accounting policies used to prepare these financial statements are as follows:

3.1. BASES OF PRESENTATION

The accompanying financial statements were prepared on a going concern basis from the accounting records of the Company, maintained in accordance with generally accepted accounting principles in Portugal.

The accompanying financial statements reflect only the Company's individual financial statements, prepared as required by law for approval by the Shareholders' Meeting. As explained in Note 3.2 investments are recorded in accordance with the equity method.

In accordance with Decree Law 158/2009 of 13 July, the Company also prepared consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), for approval in separate, which reflects, as of 31 December 2014, in relation to the accompanying individual financial statements, the following differences:

	(INCREASE) / DECREASE
TOTAL NET ASSETS	(1,082,370)
TOTAL LIABILITIES	(1,158,743)
NET PROFIT FOR THE PERIOD	(6,520)
TOTAL REVENUE	(637,181)
TOTAL EQUITY	76,373

As of 31 December 2014, the differences between net profit and equity (individual and consolidated financial statements) results essentially from: (i) subsidiaries record actuarial gains and losses relating to employee benefits in accordance with the "corridor" method, this effect being reflected on the Company by applying the equity method to measure subsidiaries in the individual financial statements, while in the consolidated financial statements prepared in accordance with IFRS, actuarial gains and losses are recorded directly in equity; and (ii) the investment in OMIP SGPS in the IFRS

consolidated financial statements, has been revalued in 2011, following the loss in control from subsidiary to associate.

3.2. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Investments in subsidiaries and associates are recorded by the equity method, under which they are initially recorded at cost and then adjusted based on the post-acquisition changes in the Company's share of the net assets of these companies. The Company's results include the proportion of the results of these entities. In addition dividends received from these companies are recorded as decreases in the amount of investments.

The excess of cost in relation to the fair value of identifiable assets and liabilities of each entity acquired on the acquisition date is recognized as goodwill and is maintained in the amount of the investment. If the difference between cost and the fair value of assets and liabilities is negative, it is recognized as gain of the period.

A valuation of investments is made when there are indications that an asset can be impaired, any impairment losses being recorded as cost in the statement of profit and loss.

When the Company's proportion on the accumulated losses of a subsidiary or associate exceeds its carrying amount, the investment is recorded at a nil amount, except when the Company has assumed commitments to cover the losses of the subsidiary or associate, when the additional losses require the recognition of a liability. If these companies subsequently report net profits, the Company only starts recognizing its share on those profits only after its profit share equals the unrecorded losses.

Unrealized gains on transactions with subsidiaries and associates are eliminated proportionally to the Company's interests, by corresponding entry to the investment caption. Unrealized losses are also eliminated but only up to the point that such loss does not result from the transferred asset being impaired.

3.3. TANGIBLE ASSETS

Tangible assets are stated at cost less accumulated depreciation and impairment losses.

The cost includes the purchase price of the asset, costs directly attributable to its acquisition and costs incurred to prepare the asset to start operating.

Repairs and maintenance costs are charged to the statement of profit and loss in the period in which they are incurred.

Tangible assets are depreciated on a straight-line basis over their estimated useful life period, from the date they are ready for use.

The estimated periods of useful life of tangible assets are as follows:

	YEARS
TRANSPORT EQUIPMENT	From 4 to 6 years
ADMINISTRATIVE EQUIPMENT	From 3 to 10 years

The useful life of the assets is reviewed annually. A change in useful life period is treated as an accounting estimate change and therefore is applied prospectively.

Gains and losses on the sale of assets are determined by the difference between the proceeds of the sale and the net carrying amount of the asset, these being recorded in the statement of profit and loss of the period.

3.4. LEASES

Lease agreements are classified as finance leases or operating leases taking into consideration the substance of the transaction rather than the legal form of the agreement.

Leases agreements on which REN has substantially all the risks and rewards of ownership of an asset, are classified as finance leases. Agreements in which an analysis of one or more of the conditions of the contract indicate a finance lease are also classified as such. All other leases are classified as operating leases.

Finance lease contracts are initially recognized at the lower of the fair value of the leased assets or the present value of the minimum lease payments, determined at the inception date. The lease liability is recognized net of borrowing costs in the caption Borrowings. Borrowing costs included in the lease payments and the depreciation of the leased assets are both recognized in the statement of profit and loss in the period they refer to.

Tangible assets acquired under finance lease contracts, are depreciated considering the lower period between the useful life period of the asset and the maturity of the lease contract, when the company does not have a purchase option on the maturity date, or by the useful life period estimated, when the Company has the commitment to acquire the asset by the end period of the contract.

Under operating lease contracts, the lease payments due are recognized as expenses in the statement of profit and loss, on a straight-line basis over the lease term.

3.5. FINANCIAL ASSETS AND LIABILITIES

The Company choose to fully apply IAS 32 - Financial Instruments: Presentation, IAS 39 - Financial Instruments Recognition and Measurement and IFRS 7 - Financial Instruments: Disclosures, in accordance with paragraph 2 of NCRF 27.

The Board of Directors determines the classification of financial assets at the time of their initial recognition in accordance with the purpose of its acquisition.

FINANCIAL ASSETS

Financial assets can be classified into the following categories:

- (I) Financial assets at fair value through profit and loss – includes non-derivative financial assets acquired for short-term trading and assets designated at fair value through profit and loss at the inception date;
- (II) Loans granted and receivables – includes non-derivative financial assets with fixed or determinable payments that are not listed in an active market;
- (III) Investments held to maturity – includes non-derivative financial assets with fixed or determinable payments and fixed maturities, that the entity intends and has the capacity to hold until the maturity date; and
- (IV) Available-for-sale financial assets – includes non-derivative financial assets designated as available-for-sale at inception date or other financial assets not classified in any of the other financial asset categories. Available-for-sale financial assets are recognized as non-current assets unless management intends to sell them within 12 months of the statement of financial position date.

Purchases and sales of investments in financial assets are recognized on the transaction date – the date on which the Company commits itself to purchase or sell the asset.

Financial assets at fair value through profit and loss are initially recognized at fair value, being the transaction costs expensed in the statement of profit and loss. Such assets are subsequently adjusted to fair value, being gains and losses arising from changes in fair value recorded in the statement of profit and loss caption “net financial costs” of the period, which also includes interest income and dividends received.

Available-for-sale financial assets are initially recognized at fair value including transaction costs. In subsequent periods these assets are adjusted to fair value, the changes in fair value being recognized in the fair value reserve caption in Equity, until the investment been sold or received or until the fair value be below its acquisition cost over a long period, situation on which the loss is recorded in the statement of profit and loss. Dividends and interest income from available-for-sale financial assets are recognized in the statement of profit and loss caption “other financial income” in the period on which the right to receive them is established.

The fair value of listed investments is based on current market prices (“bid”). If the market for a financial asset is not active, the Company establishes fair value through valuation techniques. These include the use of recent transactions, provided that they have been made at market price, reference to other instruments that are substantially the same and discounted cash flow analysis when information is available, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Non listed investments for which is not possible to reliability estimate the fair value are measured at the acquisition cost deducted of impairments losses, if any, being the impairment losses recorded in the profit and loss statement of the period.

Financial assets held to maturity are measured at amortised cost using the effective interest rate method.

Loans and receivables are classified as "Trade and other receivables" in the statement of financial position, are initially recorded at fair value and subsequently carried at amortized cost using the effective interest rate method, less any impairment loss. An impairment loss of trade receivables is established when there is objective evidence that the Group will not be able to collect the amounts due in accordance with the original terms of the transactions that gave rise to the receivables, being recorded in the statement of profit and loss in the caption "Impairment for receivables".

Financial assets are derecognized when the rights to receive cash flows from the investments expire or are transferred, as well as all the risks and rewards of their ownership.

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets included in the category "at cost or amortized cost" are subject to impairment testing at each financial reporting date. Such financial assets are impaired when there is objective evidence that, as a result of one or more events that occur after their initial recognition, their estimated future cash flows are affected.

Impairment losses to be recognized for financial assets measured at amortized cost corresponds to the difference between the carrying amount of the asset and its present value as of the date of the new estimated future cash flow discounted at the original effective interest rate.

Impairment losses to be recognized on financial assets measured at cost correspond to the difference between the carrying amount of the asset and the best estimate of the fair value of the asset as of the financial reporting date.

Impairment losses are recorded in the statement of profit and loss caption "Impairment losses" in the period they are determined.

If subsequently the impairment loss decreases and such decrease can be objectively related to an event that occurred after the loss recognition, it must be reversed through profit and loss. The reversal must be recognized up to the amount that would have been recorded (amortized cost) if the loss had not been initially recognized. The reversal of impairment losses is recorded in the statement of profit and loss caption "Reversal of impairment losses".

In the case of financial assets classified as "available for sale", a significant and longstanding decrease of its fair value below the acquisition cost is considered an indicator that the financial asset is impaired. If evidence of impairment on the available for sale asset exists, the accumulated loss is determined by the difference between the acquisition cost and the actual fair value, less any impairment losses previously recorded is transferred from the fair value reserve in equity into profit and loss of the period. Impairment losses of equity instruments recorded in profit and loss are not reversible.

CASH AND BANK DEPOSITS

Cash and bank deposits in balance include cash on hand, bank deposits, other short-term highly liquid investments with initial maturities of up to twelve months.

These assets are measured at amortized cost. Usually, the amortized cost does not differ from the nominal amount.

FINANCIAL LIABILITIES

A financial instrument is classified as a financial liability when a contractual obligation exists by the issuer to liquidate capital and/or interests, by the delivery of cash or other financial asset, independently on its legal form.

IAS 39 establishes the classification of financial liabilities in two categories:

(I) Financial liabilities at fair value through profit and loss; and

(II) Other financial liabilities.

Other financial liabilities include "Borrowings", "Trade payables" and "Other payables".

Trade payables and Other payables are initially recognized at fair value and subsequently adjusted to amortized cost, using the effective interest rate method.

Borrowings are initially measured at fair value, net of transaction incremental costs incurred. The subsequent measurement of these borrowings is made at amortised cost, being the difference between the nominal value and the initial fair value recognised in the in profit and loss statement over the loan maturity, using the effective interest rate method.

Financial liabilities are classified as current, except when the Company has an unconditional right to defer the payment of the correspondent liability for, at least, 12 months after the reporting date, being this liability, in these circumstances classified as non-current.

Financial liabilities are derecognized when the related obligations are settled, cancelled or expire.

3.6. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are measured at the inception date and subsequently at fair value. The method for the recognition of fair value gains and losses depend upon the designation made of the derivative financial instruments. If they are trading financial derivative instruments, gains and losses are recognized in the statement of profit and loss captions financial income and financial costs, respectively. When they are designated as hedging derivative financial instruments, the recognition of gains and losses depends on the nature of the item hedged, and could be a fair value hedge or a cash flow hedge.

The fair value of derivative financial instruments corresponds to its market value. In the absence of market value, the fair value is determined by external independent entities, through valuation techniques accepted in the market.

Derivative financial instruments are recognized in the caption "Derivative financial instruments", and if they have a positive or negative fair value they are recognized as financial assets or liabilities, respectively.

A derivative financial instrument is recorded and presented as non-current if its remaining maturity period is over twelve months and it is not expected to be realized or settled within the next twelve months.

HEDGE ACCOUNTING

In the scope of the risk management policy for interest rate risk and foreign exchange rate risk, the Company contracts derivative financial instruments, namely swaps.

The criteria for applying hedge accounting are as follows:

- ◆ Adequate documentation of the hedging operation;
- ◆ The risk to be covered is one of the risks described in IAS 39; and
- ◆ It is expected that the changes in fair value or cash flows of the hedged item, attributable to the hedged risk, are virtually offset by changes in fair value of the hedging instrument.

At the inception of the hedge operation, the Company documents the hedge relationship between the hedging instrument and the hedged item, its risk management objectives and its strategy for managing the risk. Additionally, in the beginning of the operation and at each reporting period it is assessed the effectiveness of the hedging instrument to offset variations in the fair value and cash flows of the hedged item.

The fair value of the derivative financial instruments contracted and the changes recorded in the hedging reserve are disclosed in Note 10.

In the fair value hedge of an asset or liability (fair value hedge), the carrying amount of the asset or liability, determined based on the accounting policy used, is adjusted so as to reflect the variation of its fair value attributable to the risk hedged.

Variations in the fair value of the hedging instruments are recognized in the statement of profit and loss together with variations in the fair value of the assets or liabilities hedged attributable to the risk hedged.

An hedging operation for the exposure to variations of high probability in future cash flows (cash flow hedge) the effective part of the fair value variation of the hedging instrument is recognized in hedging reserves, being transferred to the statement of profit and loss in the period the item hedged affects results. The ineffective part of the hedge is recognized in the statement of profit and loss in the period in which occurs.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires, is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

Any amount recorded in the caption as "Other reserves - hedge reserves" is only reclassified to the statement of profit and loss when the hedged position affects results. When the hedged position relates to a future transaction which is not expected to occur, any amount recorded as "Hedging reserve" is immediately reclassified to the statement of profit and loss.

3.7. REVENUE

Revenue includes the fair value of the consideration received or receivable from services rendered, net of tax and discounts, returns and other deductions.

Revenue relating to services rendered refers to debits made to subsidiaries corresponding to management costs.

Revenue relating to investments in subsidiaries and associates is recognized in accordance with the equity method.

Interest revenue is recognized in accordance with the effective interest method provided that it is probable that economic benefits flow to the company and they can be reliably measured.

The revenue from dividends is recognised as gain in the year they are assigned to the shareholders.

3.8. CRITICAL ACCOUNTING JUDGMENTS AND MAIN SOURCES OF UNCERTAINTIES RELATING TO ESTIMATES

In the preparation of the accompanying financial statements, judgments and estimates were made using assumptions that affect the amounts recognized as assets and liabilities, as well as the amounts recorded relating to gains and losses of the period.

The estimates and underlying assumptions were determined with reference to the reporting date based on the best knowledge available as of the date of approval of the financial statements of the events and transactions in process, as well as experience of past and/or current events. However, situations can occur in subsequent periods that were not predictable as of the date of approval of the financial statements and so were not considered in the estimates. Changes in the estimates that occur after the date of the financial statements will be corrected on a prospective basis. Therefore, given the degree of uncertainty, actual results of the transactions can differ from the corresponding estimates.

SIGNIFICANT ACCOUNTING ESTIMATES

3.8.1. PROVISIONS

Provisions are recognized when the Company has: I) a present legal or constructive obligation as a result of past events; II) for which it is more likely than not that an outflow of resources will be required to settle the obligation; and III) the amount can be reliably estimated. When one of these criteria is not fulfilled or the existence of the liability is dependent upon a future event, the Company discloses it as a contingent liability, except if the outflow of resources to settle it is considered to be remote.

Provisions for restructuring expenses are recognised by the Company when there is a formal and detailed restructuring plan and that such plan has been communicated to the involved parties. In the measurement of the restructuring provision, only the expected outflows that directly result from the implementation of such plan are considered, not being, consequently, related with the current activities of the Company.

Provisions are measured at the present value of the estimated expenditure required to settle the liability using a pre-tax rate that reflects the market assessment of the discount period and the risk of the provision.

3.8.2. FAIR VALUE

The fair value of listed investments is based on current market prices (“bid”). If an active market does not exist, the Company establishes the fair value by using valuation techniques. These techniques include the consideration of recent transactions, provided that they reflect market conditions, reference to other instruments that are substantially the same and discounted cash flow analysis when information is available, making maximum use of market inputs and residually relying on entity-specific inputs.

The fair value of derivative financial instruments refers to its market value. In the absence of market value, its fair value is determined by external independent entities making use of valuation techniques accepted in the market.

3.9. INCOME TAX

Income tax for the year recognized in the statement of profit and loss includes current income tax and deferred tax. Current and deferred tax are recognized in the statement of profit and loss, except when deferred tax relates to items recognized directly in equity, in which case it is also recognized in equity.

Current tax payable is computed based on the Company’s taxable profit. Taxable profit differs from the accounting profit, given it excludes revenue or expenses items that will be taxable or deductible in other years and items that will never be taxable or deductible.

Deferred tax refers to temporary differences between the amounts of assets and liabilities for accounting purposes and the amounts for tax purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the temporary differences revert, based on tax rates (and tax laws) that have been enacted on the date of the financial statements.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized, or temporary taxable differences that revert in the same period as the deductible temporary differences. At the end of each reporting period a revision is made of the deductible temporary differences and they are adjusted based on the expectation of their future utilization.

3.10. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Foreign currency transactions are translated to Euros, the functional currency, using the exchange rates prevailing at the dates of the transactions. Exchange gains and losses resulting from the settlement of such transactions and from the translation of foreign currency monetary assets and liabilities at the year-end exchange rates are recognized as “finance costs” in the statement of profit and loss if relating to borrowings and in “other operating income or costs” in the case of all the other balances/ transactions.

3.11. ACCRUAL BASIS OF ACCOUNTING

Income and expenses are recognised on an accruals basis, under which income and expenses are recorded in the period to which they relate, independently of when the correspondent amounts are collected or paid. Differences between the amounts received and paid and the related income and expenses are recorded as assets or liabilities.

3.12. DISTRIBUTION OF DIVIDENDS

The distribution of dividends to shareholders is recognized as a liability in the Company's financial statements in the period the dividends are approved by the shareholders and up to the moment of their payment.

3.13. SHARE CAPITAL AND OWN SHARES

Ordinary shares are classified in equity. Incremental costs directly attributable to the issuance of new shares or options are presented net of tax effects, as a deduction in equity.

Own shares acquired through contract or directly on the stock market are recognized as a deduction in equity. In accordance with the Portuguese Commercial Company Code, REN SGPS must at any time ensure that there enough reserves in Equity to cover the value of own shares, limiting the amount of reserves available for distribution.

Own shares are recorded at cost if they are acquired in a spot transaction or at estimated fair value if acquired in a deferred purchase.

3.14. CASH FLOW STATEMENT

The caption cash and cash equivalents includes cash on hand, bank deposits, other short-term highly liquid investments with initial maturities of up to three months, and bank overdrafts. Bank overdrafts are shown in the current liabilities "Borrowings" caption on the statement of financial position, and are included in the statement of cash flows as cash and cash equivalents.

The cash flow statement is prepared according with the direct method, being presented the collections and payments in operating activities, investment and financing activities.

The Company classifies interests and dividends received as investment activities and interests and dividends paid as financing activities.

3.15. BORROWING COSTS

Borrowings costs are recognized as costs in the period they are incurred.

3.16. FINANCIAL RISK MANAGEMENT POLICIES

FINANCIAL RISK FACTORS

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk and cash flow risk relating to interest rate, among others risk factors.

The Company developed and implemented a risk management program that, together with permanent monitoring of the financial markets, seeks to minimise potential adverse effects on the REN's financial performance.

Risk management is carried out by the financial management department under policies approved by the Board of Directors. The financial management department identifies, assesses and realises operations to minimise the financial risks. The Board of Directors defines the principles for overall risk management and policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivatives and other non-derivative financial instruments, and the investment of excess liquidity.

I) FOREIGN EXCHANGE RATE RISK

The Company has limited exposure to foreign exchange rate risk. The risk of fluctuation of foreign exchange rates on the bond issued totalling 10,000 million Yens ("JPY") is fully hedged by a cross currency swap of the same notional amount. An increase of 5% in the exchange rate of Euro/JPY, all other factors remaining constant, would lead to a decrease on equity in the amount of 940 thousand Euros as of 31 December 2014 (836 thousand Euros as of 31 December 2013), while a decrease of that exchange rate would lead to an increase on equity in the amount of 1,037 thousand Euros as of 31 December 2014 (928 thousand Euros as of 31 December 2013).

II) CREDIT RISK

REN's exposure to credit risk is not significant, since the services rendered are invoiced to group companies.

REN's counterparty risk on bank deposits, financial applications, and contracting of derivative instruments is mitigated by the selection of top rating international institutions with solid credit rating and top national financial institutions.

III) LIQUIDITY RISK

REN SGPS manages Group's liquidity risk (except for REN Atlântico) through central treasury management. All the liquidity excess and needs of each group company are transferred to REN SGPS, which manages the consolidated balances with financial institutions.

In order to guarantee the current treasury needs of the Group and to have the necessary dynamic and flexible to fulfil the current liquidity needs, the Company, as of 31 December 2014, has credit lines contracted and not used in the amount of 80,000 thousand Euros and five commercial paper programmes, in the amount of 900,000 thousand Euros, being available 523,000 thousand Euros as of 31 December 2014. From the total amount of commercial paper programmes, 600,000 thousand Euros have subscription guarantee.

The following table presents the Company liabilities by residual contracted maturity intervals and includes derivative financial instruments, the financial liquidation of the related cash flows of which is made by the net amount. The amounts shown in the table are non-discounted cash flows contracted, including undiscounted future interest, as therefore, do not correspond to its carrying amounts:

	31 DECEMBER 2014			
	LESS THAN 1 YEAR	1 - 5 YEARS	OVER 5 YEARS	TOTAL
BORROWINGS:				
BANK BORROWINGS	106,889	258,673	255,072	620,635
BONDS	204,694	1,049,839	860,523	2,115,056
COMMERCIAL PAPER	153,064	275,875	-	428,939
OTHERS	142	200	-	342
	464,789	1,584,587	1,115,596	3,164,971
DERIVATIVE FINANCIAL INSTRUMENTS	8,679	14,292	-	22,971
TRADE AND OTHERS PAYABLES	63,469	-	-	63,469
TOTAL	536,937	1,598,878	1,115,596	3,251,411

	31 DECEMBER 2013			
	LESS THAN 1 YEAR	1 - 5 YEARS	OVER 5 YEARS	TOTAL
BORROWINGS:				
BANK BORROWINGS	74,584	308,201	297,746	680,531
BONDS	238,519	1,138,513	718,342	2,095,374
COMMERCIAL PAPER	40,732	250,355	-	291,088
OTHERS	186	305	-	491
	354,022	1,697,374	1,016,088	3,067,483
DERIVATIVE FINANCIAL INSTRUMENTS	4,916	(2,033)	(7,544)	(4,661)
TRADE AND OTHERS PAYABLES	61,862	-	-	61,862
TOTAL	420,800	1,695,340	1,008,544	3,124,684

The following table shows the derivative financial instruments, which cash settlement is made at gross amounts.

				31 DECEMBER 2014
	LESS THAN 1 YEAR	1 - 5 YEARS	OVER 5 YEARS	TOTAL
CROSS CURRENCY INTEREST RATE SWAP				
OUTFLOWS	(4,169)	(15,363)	(79,794)	(99,325)
INFLOWS	1,866	7,464	77,253	86,583
	(2,303)	(7,899)	(2,540)	(12,742)

				31 DECEMBER 2013
	LESS THAN 1 YEAR	1 - 5 YEARS	OVER 5 YEARS	TOTAL
CROSS CURRENCY INTEREST RATE SWAP				
OUTFLOWS	(4,169)	(16,686)	(83,446)	(104,301)
INFLOWS	1,873	7,490	79,398	88,761
	(2,296)	(9,196)	(4,048)	(15,540)

IV) INTEREST RATE RISK

The Company presents exposure to interest rates risk mainly on borrowings.

Borrowings at variable interest rates expose REN to cash flow risk resulting from changes in interest rates. Borrowings at fixed rates expose REN Group to fair value risk, as a result of changes in interest rates. Risk management is performed centrally aiming to avoid volatility in financial costs; using simple derivative financial instruments such as interest rate swaps. In this kind of operations REN exchanges with banking counterparties in specific dates and with defined maturities, the difference between the contractual fixed interest rates and the variable rates with reference to the notional amounts covered. All operations undertaken with this purpose can, in the most part of the hedges, be considered perfect interest rate hedging operations.

A sensitivity analysis was made based on the Company's total debt as of 31 December 2014 and 2013, using the following assumptions:

- ◆ Changes in market interest rates affect interest income and costs of variable financial instruments;
- ◆ Changes in market interest rates only affect results or equity in relation to fixed interest rate financial instruments if they are recognized at fair value (or remeasured by the interest rate risk in a fair value hedge);
- ◆ Changes in market interest rates affect the fair value of derivative financial instruments and other financial assets and liabilities; and
- ◆ Changes in the fair value of derivative financial instruments and other financial assets and liabilities are estimated discounting future cash flows, using market rates at the year end.

Under these assumptions, a 0.25% increase in market interest rates for all the currencies in which the Company has borrowings or derivative financial instruments at 31 December 2014 would result in a decrease of profit before tax of, approximately, 3,747 thousand Euros, (3,374 thousand Euros as of 31 December 2013) of which 313 thousand Euros correspond to the impact on financial instruments (360 thousand Euros as of 31 December 2013).

The increase in equity resulting from an increase in interest rates of 0.25% would be, approximately, 2,570 thousand Euros, this impact entirely attributed to derivatives (on 31 December 2013 corresponded to an increase of 1,550 thousand Euros).

The sensitivity analysis is merely illustrative and does not represent an actual gain or loss, neither other variations in the income statement or in equity.

3.17. SHARE-BASED PAYMENT

The benefits granted under the medium-term variable remuneration policy are recorded in accordance with the provisions of IFRS 2 - Share-based Payment ("IFRS 2").

The payments settled in cash or cash equivalents ("cash settled"), which are based on the share quotations, give rise to the recognition of a liability initially measured at fair value, determined on the date on which the corresponding benefits are awarded. The benefits are recorded as personnel costs against liabilities, as the beneficiaries rendered the service. The fair value of the liability is reviewed at each reporting date, with the effect of any changes recognized in net income of the period.

The share-based payments assume no material amounts for the purpose of disclosure in the notes to the financial statements.

3.18. SUBSEQUENT EVENTS

Events that occur subsequently to balance sheet date that provide additional information on conditions that existed at the date of the statement of financial position ("adjusting events" or events after the statement of financial position date that lead to adjustments) are recognized in the financial statements. Events that occur after the statement of financial position date that provide information on conditions that exist after that date ("non-adjusting events" or events after the statement of financial position date that do not lead to adjustments) are disclosed in the notes to the individual financial statements, if material.

4 CASH FLOW

For the purpose of the statement of cash flow, the caption cash and cash deposits equivalents includes cash, bank deposits readily available (with terms not exceeding three months) and treasury securities in the monetary market, net of bank overdrafts and other short-term financing equivalents.

The caption cash and cash equivalents at 31 December 2014 and 2013 is made as follows:

	'14	'13
BANK DEPOSITS REPAYABLE ON DEMAND	9,424	4,138
TERM DEPOSITS UP TO 3 MONTHS	57,894	140,000
CASH AND CASH EQUIVALENTS	67,319	144,138
TERM DEPOSITS OVER 3 MONTHS	-	13,864
CASH AND BANK DEPOSITS IN BALANCE	67,319	158,002

Receipts and payments relating to borrowings mainly include emissions and reimbursements of commercial paper.

5 TANGIBLE ASSETS

The changes in tangible assets, accumulated depreciation and impairment losses in the years ended 31 December 2014 and 2013 were as follows:

			'14
	TRANSPORT EQUIPMENT	ADMINISTRATIVE AND IT EQUIPMENT	TOTAL
ASSETS			
BEGINNING BALANCE	904	196	1,100
ACQUISITIONS	57	7	64
SALES/WRITE OFFS	(112)	(3)	(115)
ENDING BALANCE	848	200	1,048
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES			
BEGINNING BALANCE	348	110	457
DEPRECIATION FOR THE YEAR	154	29	183
DEPRECIATION SALES/WRITE OFFS	(67)	(3)	(70)
ENDING BALANCE	434	136	570
NET ASSETS	414	64	478

			'13
	TRANSPORT EQUIPMENT	ADMINISTRATIVE AND IT EQUIPMENT	TOTAL
ASSETS			
BEGINNING BALANCE	825	189	1,014
ACQUISITIONS	220	16	236
SALES/WRITE OFFS	(142)	(8)	(150)
ENDING BALANCE	904	196	1,100
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES			
BEGINNING BALANCE	364	85	449
DEPRECIATION FOR THE YEAR	125	33	158
DEPRECIATION SALES/WRITE OFFS	(142)	(8)	(150)
ENDING BALANCE	348	110	457
NET ASSETS	556	86	642

6 FINANCE LEASES

The Company had the following assets under finance lease agreements at 31 December 2014 and 2013:

	'14			'13
	COST	DEPRECIATION	CARRYING AMOUNT	CARRYING AMOUNT
TRANSPORT EQUIPMENT	603	(228)	375	553
	603	(228)	375	553

The minimum payments under finance lease contracts at 31 December 2014 and 2013 are as follows:

	PRESENT VALUE OF MINIMUM PAYMENTS		MINIMUM PAYMENTS	
	'14	'13	'14	'13
UP TO 1 YEAR (NOTE 15)	132	171	142	186
FROM 1 TO 5 YEARS (NOTE 15)	194	291	200	305
	326	462	342	491

7 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

The Company's investments in subsidiaries and associates as of 31 December 2014 and 2013 are as follows:

ENTITY	31 DECEMBER 2014					INVESTMENT HELD		
	HEAD OFFICE	ASSETS	LIABILITIES	REVENUE	NET RESULT	% INVESTMENT	PROPORTIONAL AMOUNT OF RESULT (NOTE 19)	
EQUITY METHOD:								
SUBSIDIARIES:								
REN - REDE ELÉCTRICA NACIONAL, S.A.	LISBON	3,060,842	2,383,467	392,518	68,341	100	677,375	68,341
REN TRADING, S.A.	LISBON	94,130	87,745	5,094	4,276	100	6,385	4,276
REN ATLÂNTICO, TERMINAL DE GNL, S.A.	SINES	356,052	266,761	42,197	6,558	100	(i) 93,065	6,558
RENTELECOM - COMUNICAÇÕES, S.A.	LISBON	6,370	2,655	5,519	2,483	100	3,715	2,483
REN SERVIÇOS, S.A.	LISBON	985,394	917,765	61,293	20,317	100	67,629	20,317
ENONDAS, ENERGIA DAS ONDAS, S.A.	POMBAL	2,670	2,252	373	72	100	417	72
REN FINANCE, BV	AMSTERDAM	639,034	589,412	32,128	2,683	100	49,621	(ii) 2,587
							898,208	104,633
ASSOCIATES:								
OMIP - OPERADOR DO MERCADO IBÉRICO (PORTUGAL), SGPS, S.A.	LISBON	29,785	1,926	1,029	546	40	6,262	218
CENTRO DE INVESTIGAÇÃO EM ENERGIA REN - STATE GRID, S.A.	LISBON	8,909	5,415	13,451	405	50	1,747	202
							8,009	421
							906,217	105,053

(i) As of 31 December 2014 the financial investment in REN Atlântico includes a goodwill of 3,774 thousand Euros.

(ii) The proportional value of the result in Ren Finance, B.V. includes the effect of the adjustment arising from changes to the financial statements of the previous year made after application of the equity method by REN SGPS.

ENTITY	31 DECEMBER 2013					INVESTMENT HELD			
	HEAD OFFICE	ASSETS	LIABILITIES	REVENUE	NET RESULT	% INVESTMENT	PROPORTIONAL AMOUNT OF RESULT (NOTE 19)		
EQUITY METHOD:									
SUBSIDIARIES:									
REN - REDE ELÉCTRICA NACIONAL, S.A.	LISBON	3,222,384	2,516,570	420,929	101,874	100	705,814	101,874	
REN TRADING, S.A.	LISBON	55,990	53,880	4,330	2,023	100	2,109	2,023	
REN ATLÁNTICO, TERMINAL DE GNL, S.A. (A)	SINES	359,812	227,316	46,477	2,501	100	(i) 86,271	2,501	
RENTELECOM - COMUNICAÇÕES, S.A.	LISBON	5,839	2,134	5,575	2,602	100	3,704	2,602	
REN SERVIÇOS, S.A.	LISBON	977,867	944,796	71,384	27,177	100	33,071	(ii) 12,789	
ENONDAS, ENERGIA DAS ONDAS, S.A.	POMBAL	2,611	2,265	333	66	100	346	66	
REN FINANCE, BV	AMSTERDAM	551,765	510,730	705	215	100	41,035	215	
							872,349	122,070	
ASSOCIATES:									
OMIP - OPERADOR DO MERCADO IBÉRICO (PORTUGAL), SGPS, S.A.	LISBON	30,318	2,971	1,298	744	40	6,044	(iii) (405)	
CENTRO DE INVESTIGAÇÃO EM ENERGIA REN - STATE GRID, S.A.	LISBON	7,599	4,509	841	90	50	1,544	45	
							7,588	(361)	
							879,938	121,709	

(i) As of 31 December 2013, the financial investment in REN Atlântico includes a goodwill of 3,774 thousand Euros.

(ii) The proportional value of the result in REN Services is presented net for cancellation of capital gains realized between group companies in the amount of 14,387 thousand euros.

(iii) The proportional value of the result in OMIP SGPS includes the effect of the adjustment arising from changes to the financial statements of the previous year, in that associated, made after application of the equity method by REN SGPS.

The changes in these captions in 2014 and 2013 were as follows:

'14

INVESTMENT - EQUITY METHOD

	PROPORTION OF CAPITAL HELD (ASSETS)	GOODWILL	TOTAL
BEGINNING BALANCE	876,165	3,774	879,938
RESULT APPROPRIATED BY THE EQUITY METHOD (NOTE 19)	105,053	-	105,053
DISTRIBUTION OF DIVIDENDS BY SUBSIDIARIES AND ASSOCIATES	(125,070)	-	(125,070)
APPROPRIATION OF CHANGES IN EQUITY IN SUBSIDIARIES	40,296	-	40,296
CAPITAL INCREASE ON REN FINANCE BV	6,000	-	6,000
ENDING BALANCE	902,444	3,774	906,217

'13

INVESTMENT - EQUITY METHOD

	PROPORTION OF CAPITAL HELD (ASSETS)	GOODWILL	PROPORTION OF EQUITY HELD - PROVISIONS (NOTE 14)	TOTAL
BEGINNING BALANCE	812,059	3,774	(913)	814,919
RESULT APPROPRIATED BY THE EQUITY METHOD (NOTE 19)	120,796	-	913	121,709
CAPITAL SUBSCRIBED-REN FINANCE	20	-	-	20
SUPPLEMENTARY CAPITAL - REN FINANCE	40,800	-	-	40,800
PURCHASE 5% OMIP SGPS (MAY 2013)	837	-	-	837
CAPITAL SUBSCRIBED - CENTRO DE INVESTIGAÇÃO EM ENERGIA REN - STATE GRID, S.A.	1,500	-	-	1,500
SUPPLEMENTARY CAPITAL - REN TRADING	1,000	-	-	1,000
APPROPRIATION OF CHANGES IN EQUITY IN SUBSIDIARIES	17,304	-	-	17,304
DISTRIBUTION OF DIVIDENDS BY SUBSIDIARIES AND ASSOCIATES	(118,151)	-	-	(118,151)
ENDING BALANCE	876,165	3,774	-	879,938

On 10 May 2013 REN Finance, B.V. was incorporated, a company based in Netherlands and fully owned by REN SGPS, whose purpose is to participate, finance, collaborate and lead the management of group companies, was incorporated.

Following a joint agreement for a technology partnership between REN - Redes Energéticas Nacionais and the State Grid International Development (SGID), an R&D centre in Portugal, dedicated to power systems designed - Centro de Investigação em Energia REN - STATE GRID, SA ("Centro de Investigação") jointly controlled by the above mentioned two entities, was incorporated in May 2013.

The Research & Development Centre aims to become a platform for international knowledge, a catalyst for innovative solutions and tools, applied to the planning and operation of transmission power.

The investment in the subsidiary REN Atlântico, includes a goodwill in the amount of 3,744 thousand Euros.

The "Goodwill" represents the difference between the amount paid on the acquisition of the participation in subsidiaries and the fair value of the equity of REN Atlântico, S.A. on the acquisition date, under the natural gas business unbundling process. At 31 December 2014 and 2013 goodwill included in the caption "Investments - Equity method" was made up as follows:

ENTITY	YEAR OF ACQUISITION	ACQUISITION COST	PERCENTAGE INTEREST HELD		'14	'13
			%	AMOUNT		
REN ATLÂNTICO, TERMINAL DE GNL, S.A.	2006	32,580	100%	28,806	3,774	3,774

GOODWILL IMPAIRMENT TEST

REN made an impairment test of goodwill as of 31 December 2014, at the level of the cash generating unit to which REN Atlântico belongs. The business of REN Atlântico is subject to a concession contract and regulated tariffs so that the recoverable amount was determined based on value-in-use calculations. The cash flow projections considered the expected regulatory terms in place for the remaining term of the concession (concession for a period of 40 years beginning on the 26 September 2006), which cash inflows correspond to the regulated remuneration obtained over the net book value of the corresponding regulated assets which will have a negative trend in the projections after the period ended 2014, and until the Concession maturity period.

The cash flow was discounted considering an average market pre-tax interest rate, adjusted for the natural gas regasification activities risk, of 7.48% (post-tax discount rate of 5.54%, 5.79% in 2013).

CASH GENERATION UNIT	METHOD	ASSUMPTIONS		
		CASH FLOW	GROWING FACTOR	DISCOUNTED RATE
REN ATLÂNTICO , TERMINAL DE GNL, S.A.	DFC (DISCOUNTED CASH FLOW)	OPERATING FLOW PROJECTED TO THE REMAINING CONCESSION PERIOD	DECREASING RATE ACCORDING OF AVERAGE RATE OF ASSETS DEPRECIATION	7.48% (PRE-TAX) 5.54% (POST-TAX)

In accordance with the assumptions used no impairment losses were identified.

The Group made sensitivity analysis considering a variation of 10% on the discount rate of the remunerations of the assets and no impairments were noted.

8 INCOME TAX

The companies belonging to the REN group are taxed based on the special regime for the taxation of group companies ("RETGS"). Consequently, estimated income tax, tax amounts withheld by third parties and corporate income tax paid in advance are recorded in the statement of financial position as accounts payable to and receivable from REN SGPS.

In accordance with current legislation, tax returns are subject to review and correction by the tax authorities for a period of four years (five years for social security), except when there are tax losses, tax benefits granted or tax inspections, claims or contestations in progress, in which case the period can be extended or suspended, depending on the circumstances. Consequently, the Company's tax returns for the years from 2011 to 2014 are still subject to review.

The Company's Board of Directors understands that any correction to the tax returns resulting from tax reviews /inspections carried out by the tax authorities will not have a significant effect on the financial statements as of 31 December 2014 and 2013.

The Company is taxed for Corporate Income Tax at 23% rate, increased by a municipal surcharge up the maximum of 1.5% over the taxable profit; and a State surcharge of an additional (i) 3% of taxable profit between 1,500 thousand Euros and 7,500 thousand Euros; (ii) of 5% over the taxable profit in excess of 7,500 thousand Euros and up to 35,000 thousand Euros; and (iii) 7% for taxable profits in excess of 35,000 thousand Euros, which results in a maximum aggregate tax rate of 31.5%.

The deferred taxes, as of 31 December 2014, were updated considering the new rates established under the Law n. 82-C/2014 of 31 December, which establishes a Corporate Income Tax rate of 21% and a municipal surcharge up to a maximum of 1.5% of taxable profit, and a State surcharge of an additional (i) 3% of taxable profit between 1,500 thousand Euros and 7,500 thousand Euros (ii) of 5% over the taxable profit in excess of 7,500 thousand Euros and up to 35,000 thousand Euros; and (iii) 7% for taxable profits in excess of 35,000 thousand Euros. The referred tax rates are applicable for taxable profits generated on periods after the period started on 1 January 2015.

Consequently, the tax rate used in the valuation of temporary taxable and deductible differences as of 31 December 2014, were calculated using the average tax rate expected in accordance with future perspective of taxable profits of the Company recoverable in the next periods.

Income tax credit / (expense) of the years ended 31 December 2014 and 2013 was as follows:

	'14	'13
CURRENT TAX	777	6,727
ADJUSTMENTS RELATING TO PREVIOUS YEARS INCOME TAX	3,568	(214)
DEFERRED TAX	17	(113)
INCOME TAX	4,362	6,400

The amount of 3,568 thousand Euros, include essentially corporate income tax of previous years recovered, related with municipal surcharge from the years 2008 to 2011.

The reconciliation of current income tax for 2014 and 2013 is made up as follows.

	'14	'13
PROFIT BEFORE INCOME TAX	101,895	109,671
POSITIVE NET WORTH VARIATION	-	(131)
PERMANENT DIFFERENCES		
NON TAX DEDUCTIBLE COSTS	48	69
NON TAXABLE INCOME	(106,004)	(136,419)
TIMING DIFFERENCES		
PROVISION FOR LIFE ASSURANCE AND LEGAL PROCESSES	2	2
PROVISION FOR LEGAL PROCESSES	96	(284)
DERIVATIVE FINANCIAL INSTRUMENTS	-	(156)
TAXABLE PROFIT	(3,962)	(27,247)
COST/(CREDIT) OF INCOME TAX AT THE RATE OF 23% (25% IN 2013)	(911)	(6,812)
AUTONOMOUS TAXATION	134	85
CURRENT TAX	(777)	(6,727)
DEFERRED TAX	(17)	113
ADJUSTMENTS RELATING TO PREVIOUS YEARS INCOME TAX	(3,568)	214
INCOME TAX	4,362	6,400

The non-taxable income amounts respect essentially to gains from the equity method in the measurement of investments in subsidiaries and associates.

DEFERRED TAXES

The amounts of deferred tax assets and liabilities as of 31 December 2014 and 2013, in accordance with the underlying temporary differences are made up as follows:

NATURE	31 DECEMBER		31 DECEMBER		INCREASE / (DECREASE) IN THE PERIOD	
	'14		'13		RESULTS	EQUITY (NOTE 10)
	BASE	DEFERRED TAX	BASE	DEFERRED TAX		
DEFERRED TAX ASSETS						
PROVISION FOR LEGAL PROCESSES	230	48	134	31	18	-
RESTRUCTURING PROVISION	40	8	40	9	(1)	-
PROVISION FOR LIFE ASSURANCE	7	1	5	1	-	-
DERIVATIVE FINANCIAL INSTRUMENTS	24,644	5,175	23,362	5,373	-	(198)
	24,921	5,233	23,541	5,414	17	(198)

9 FINANCIAL ASSETS

TRADE RECEIVABLES AND OTHER RECEIVABLES

Trade receivables and other receivables at 31 December 2014 and 2013 are made up as follows:

	'14	'13
NON CURRENT:		
OTHER RECEIVABLES:		
GROUP COMPANIES - SHAREHOLDERS LOANS (NOTE 26)	2,157,694	2,232,287
CORRENT:		
TRADE RECEIVABLES	-	329
OTHER RECEIVABLES:		
GROUP COMPANIES - SHAREHOLDERS LOANS (NOTE 26)	76,683	84,147
GROUP COMPANIES - TREASURY MANAGEMENT (NOTE 26)	349,319	278,522
GROUP COMPANIES - RETGS (NOTE 26)	54,288	80,155
GROUP COMPANIES - OTHER DEBTORS (NOTE 26)	6,017	4,138
GROUP COMPANIES - INTEREST RECEIVABLE FROM SHAREHOLDERS LOANS (NOTE 26)	38,181	23,559
OTHER	150	280
	524,638	470,800
	2,682,332	2,703,416

As of 31 December 2014 the Company made shareholders loans to its subsidiaries in the total amount 2,234,337 thousand Euros (2,316,434 thousand Euros as of 31 December 2013), which terms and conditions reflect actual market conditions.

The Company agreed a Central Cash pooling agreement. This agreement is valid for annual periods, renewable for equal periods, with market conditions.

The caption "Other receivables - Group companies - RETGS" includes income tax charged to subsidiaries resulting from the adoption of the CIT special regime for taxation of groups companies.

OTHER FINANCIAL ASSETS

The caption "Other financial assets" as of 31 December 2014 and 2013 is made up as follows:

	'14	'13
CURRENT:		
PLEGGED DEPOSIT	8,864	8,864
NON CURRENT:		
PLEGGED DEPOSIT	90,571	99,435
LUSO CARBON FUND	2,910	2,839
	93,481	102,274
OTHER FINANCIAL ASSETS	102,345	111,138

Luso Carbon Fund corresponds to a financial investment of 126 participating units in the closed investment fund "Luso Carbon Fund", with a maturity of 10 years. This investment is recorded at fair value through profit and loss using the market value of each participating unit.

The caption "Pledged deposit" includes essentially a guarantee given to EIB on November 2012, as a pledge bank deposit, in the amount of 117,162 thousands of Euros. As of 31 December 2014, and following the reduction of the capital outstanding to EIB, the amount of the pledge bank deposit is 99,435 thousand Euros. This guarantee is required until the reestablishment of the rating of the Company, or by the replacement of other similar guarantee acceptable by the EIB (including bank guarantees given by financial institutions accepted by EIB).

10

DERIVATIVE FINANCIAL INSTRUMENTS

As of 31 December 2014 and 2013 the Company had the following derivative financial instruments contracted:

						31 DECEMBER 2014				
						ASSETS		LIABILITIES		
						NOTIONAL	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
DERIVATIVES DESIGNATED AS CASH FLOW HEDGES:										
INTEREST RATE SWAPS		275,000,000 EUR	-	-	-	-	-	-	-	14,282
CROSS CURRENCY SWAP		10,000,000,000 JPY	-	-	-	-	-	-	-	10,300
						-	-	-	-	24,581
DERIVATIVES DESIGNATED AS FAIR VALUE HEDGES:										
INTEREST RATE SWAPS		400,000,000 EUR	-	21,970	-	-	-	-	-	-
						-	21,970	-	-	-
DERIVATIVE FINANCIAL INSTRUMENTS						-	21,970	-	-	24,581
						31 DECEMBER 2013				
						ASSETS		LIABILITIES		
						NOTIONAL	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
DERIVATIVES DESIGNATED AS CASH FLOW HEDGES:										
INTEREST RATE SWAPS		425,000,000 EUR	-	-	-	-	-	2,341	15,997	
CROSS CURRENCY SWAP		10,000,000,000 JPY	-	-	-	-	-	-	10,847	
						-	-	2,341	26,844	
DERIVATIVES DESIGNATED AS FAIR VALUE HEDGES:										
INTEREST RATE SWAPS		400,000,000 EUR	-	-	-	-	-	-	7,476	
						-	-	-	7,476	
NEGOTIABLE DERIVATIVES						-	-	-	342	-
DERIVATIVE FINANCIAL INSTRUMENTS						-	-	-	2,683	34,320

The valuation of the derivatives financial instruments portfolio is based on fair value valuations made by external entities.

The amount recorded in this caption relates to five interest rate swaps and one cross currency swap, contracted to hedge the risk of fluctuation of future interest and foreign exchange rates, whose counterpart are financial foreign and internal entities with a solid credit rating.

The amounts presented above include the amount of interest receivable or payable at 31 December 2014 relating to these derivatives financial instruments, in the total net amount of 614 thousand Euros (1,781 thousand Euros at 31 December 2013).

The main features of the derivatives financial instruments used for REN's major financing operations as of 31 December 2014 and 2013 are detailed as follows:

	REFERENCE VALUE	CURRENCY	REN'S PAYMENTS	REN'S RECEIPTS	MATURITY	FAIR VALUE AT	
						'14	'13
CASH FLOW HEDGE:							
INTEREST RATE SWAPS	275,000 tEuros	EUR	[1.89%; 2.77%]	[0.0%; 0.1%] - FLOATING RATE	[DEC-2016; SEPT-2017]	(14,282)	(18,338)
INTEREST RATE AND CURRENCY SWAPS	10,000,000 tJPY / 72,899 tEuros	EUR / JPY	5.64% (FLOATING RATE STARTING 2019)	2.71%	2024	(10,300)	(10,847)
						(24,581)	(29,185)
FAIR VALUE HEDGE:							
INTEREST RATE SWAPS	400,000 tEuros	EUR	[0.5%; 0.6%] - FLOATING RATES	1.72%	2020	21,970	(7,476)
						21,970	(7,476)
TOTAL						(2,611)	(36,661)

The schedule of the cash flows of the derivative financial instruments portfolio is quarterly and half-yearly for cash flow hedge contracts and semi-annual and annual basis for derivatives designated as a fair value hedge.

The notional reference of cash flows and fair value hedge derivatives is presented in the following table:

	'15	'16	'17	FOLLOWING YEARS	TOTAL
INTEREST RATE SWAP (CASH FLOW HEDGE)	5,769	205,769	63,462		275,000
INTEREST RATE AND CURRENCY SWAP (CASH FLOW HEDGE)	-	-	-	72,899	72,899
INTEREST RATE SWAP (FAIR VALUE HEDGE)	-	-	-	400,000	400,000
TOTAL	5,769	205,769	63,462	472,899	747,899

SWAPS:

CASH FLOW HEDGES

The Company hedges part of its future payments of interests on borrowings and bond issues through the designation of interest rate swaps, on which REN pays a fixed rate and receives a variable rate with a total notional amount of 275,000 thousand Euros (425,000 thousand Euros at 31 December 2013). This is the hedging of the interest rate risk on payments of interest at variable rates on recognized financial liabilities. The risk covered is the variable rate index to which the borrowing interest relates. The objective of this hedging is to convert loans at variable interest rates into fixed interest rates, the credit risk not being hedged. The fair value of the interest rate swaps at 31 December 2014 is 14,282 thousand Euros negative (18,338 Euros negative at 31 December 2013).

In addition, the Company hedges its exposure to cash flow risk on its bond issue of 10,000 million JPY resulting from foreign exchange rate risk, through a cross currency swap with the main features equivalent to the debt issued. The same hedging instrument is used to hedge the fair value of the exchange rate risk of the bond issue through the forward start swap component which will only start in June 2019. The variations in the fair value of the hedging instrument are also recognized in hedging reserves. As from June 2019 the object will be to hedge exposure to JPY and the interest rate risk, transforming the operation into a fair value hedge, the changes in fair value of the debt issued resulting from the risks covered becoming recognized in the statement of profit and loss. The credit risk is not hedged.

The amounts resulting from the hedging instrument are recognized in the statement of profit and loss when the transaction hedged affects results for the year.

The fair value of the cross currency swap at 31 December 2014 was 10,300 thousand Euros negative (10,847 thousand Euros negative at 31 December 2013). The underlying foreign exchange variation (borrowing) for 2014, in the amount of, approximately, 243 thousand Euros (18,921 as of 31 December 2013), was offset by a similar variation in the hedging instrument in the statement of profit and loss. The inefficient component of the fair value hedge amounted to 4,463 thousand Euros positive (926 thousand Euros negative at 31 December 2013).

The amount recorded in the hedging reserve relating to the above mentioned cash flow hedge was 24,644 thousand Euros (23,362 thousand Euros in 31 December 2013).

The movements recorded in the hedging reserve were as follows:

	FAIR VALUE	DEFERRED TAXES IMPACT	HEDGING RESERVES
1 JANUARY 2013	(35,431)	8,819	(26,612)
CHANGES IN FAIR VALUE	12,069	(3,446)	8,624
31 DECEMBER 2013	(23,362)	5,373	(17,989)
1 JANUARY 2014	(23,362)	5,373	(17,989)
CHANGES IN FAIR VALUE	(1,282)	(198)	(1,480)
31 DECEMBER 2014	(24,644)	5,175	(19,468)

FAIR VALUE HEDGE

To manage the fair value variation of debt issues, the company contracted interest rate swaps on which REN pays a variable rate and receives a fixed rate, with a notional amount of 400,000 thousand Euros. The risk covered is the fixed rate indexer to debt issued. The covered risk is related with fair value variation of the debt issues according to the interest rate fluctuations. The objective of this hedging is to convert loans at fixed interest rates into variable interest rates, the credit risk not being hedged. The fair value of these interest rate swaps at 31 December 2014 was 21,970 thousand Euros positive (7,476 thousand Euros negative as of 31 December 2013).

Changes in the fair value of the debt issued resulting from the interest rate risk are recorded in the income statement in order to offset changes in the fair value of the hedge instrument recorded in the income statement. In the year ended 31 December 2014, the debt fair value changes related to the interest rates risk recorded in the income statement was 30,065 thousand Euros (negative), resulting in an inefficient component of, approximately, 1,276 thousand Euros (negative) (368 thousand Euros (positive) as of 31 December 2013).

11 AVAILABLE- -FOR-SALE FINANCIAL ASSETS

The assets recognised in this caption at 31 December 2014 and 2013 corresponds to equity interests held on strategic entities in the electricity and gas market, which can be detailed as follows:

	HEAD OFFICE		% OWNED		BOOK VALUE	
	CITY	COUNTRY	'14	'13	'14	'13
OMEL - OPERADOR DEL MERCADO IBÉRICO DE ENERGIA (POLO ESPANHOL)	MADRID	SPAIN	10.0%	10.0%	3,167	3,167
MED GRID SAS	PARIS	FRANCE	5.5%	5.5%	600	500
HIDROELÉCTRICA DE CAHORA BASSA	MAPUTO	MOZAMBIQUE	7.5%	7.5%	41,572	42,205
					45,339	45,871

The changes in this caption were as follows:

	OMEL	MED GRID	HCB	REE	ENAGAS	TOTAL
AT 1 JANUARY 2013	3,167	400	38,400	50,493	38,542	131,002
ACQUISITIONS	-	100	-	-	-	100
FAIR VALUE ADJUSTMENTS	-	-	3,805	12,630	5,851	22,285
DISPOSALS	-	-	-	(63,123)	(44,393)	(107,516)
AT 31 DECEMBER 2013	3,167	500	42,205	-	-	45,871
AT 1 JANUARY 2014	3,167	500	42,205	-	-	45,871
ACQUISITIONS	-	100	-	-	-	100
FAIR VALUE ADJUSTMENTS	-	-	(633)	-	-	(633)
DISPOSALS	-	-	-	-	-	-
AT 31 DECEMBER 2014	3,167	600	41,572	-	-	45,339

On 19 December 2013, the participations in REE and Enagás were sold to the group company, REN Serviços, S.A. at its fair value determined based on the shares closing quotations as of that date. This sale generated a gain in the amount of 14,387 thousand Euros (Note 22), whose value was previously reflected in the caption "Fair value reserve".

REN SGPS holds 7.5% representative shares of Hidroeléctrica de Cahora Bassa S.A., Mozambican company, transmitted following the contract signed at 9 April 2012, between REN, Parpublica – Participações Públicas, SGPS, S.A. (“Parpublica”), CEZA – Companhia Eléctrica do Zambeze, S.A. and EDM – Electricidade de Moçambique, EP for the acquisition from Parpublica of 2,060,661,943 shares, representing 7.5% of the capital and voting rights of HCB. This participation was initially recorded at its acquisition cost (38,400 thousand Euros) and subsequently adjusted to its fair value (Note 28).

As of 31 December 2014, REN SGPS also holds the following interests in non-listed entities:

- (I) Medgrid, S.A.S.: The Company holds interests representing 5.45% of the share capital of Medgrid. This project is an international partnership to promote and develop interconnection electric network of the Mediterranean, allowing the transportation of clean electricity produced in Africa to Europe.
- (II) OMEL, Operador del Mercado Ibérico, S.A. (“OMEL”): In the process to create the Sole Operator of the Iberian Electricity Market (Operador Único do Mercado Ibérico de Electricidade - OMI) in 2011, and in accordance with the Agreement between the Portuguese Republic and the Kingdom of Spain regarding the creation Iberian electric energy market, REN SGPS acquired 10% of the shares of OMEL for 3,167 thousand Euros.

As there are no available market price for the above referred investments (MedGrid and OMEL), and as it is not possible to determine the fair value using comparable transactions, these investments are recorded at acquisition cost deducted by impairment losses. At this date no evidences of impairment losses exist.

Adjustments to the fair value of assets held for sale are recorded in equity under the caption “fair value reserve”, which as of 31 December 2014 and 2013 presents the following amounts:

	FAIR VALUE RESERVE
1 JANUARY 2013	(4,093)
CHANGES IN FAIR VALUE	22,285
SALE OF AVAILABE-FOR-SALE FINANCIAL ASSETS	(14,387)
31 DECEMBER 2013	3,805
1 JANUARY 2014	3,805
CHANGES IN FAIR VALUE	(633)
31 DECEMBER 2014	3,172

The dividends distributed are detailed in Note 25.

12 DEFERRALS

At 31 December 2014 and 2013 the caption "Deferrals" was made up as follows:

	'14	'13
DEFERRED COSTS		
PREPAID INSURANCE	51	51
OTHER COSTS	-	27
	51	78

13 EQUITY INSTRUMENTS

SHARE CAPITAL

As of 31 December 2014 the Company's subscribed and paid up capital was made up of 534,000,000 shares with nominal value of 1 euro each.

Share capital at 31 December 2014 and 2013 is made up as follows:

	NUMBER OF SHARES	CAPITAL
	534,000,000	534,000,000
CAPITAL	534,000,000	534,000,000

The main shareholders at 31 December 2014 and 2013 and were as follows:

	'14		'13	
	SHARES	%	SHARES	%
STATE GRID EUROPE LIMITED (STATE GRID GROUP)	133,500,000	25%	133,500,000	25%
MAZOOON B.V. (OMAN OIL COMPANY S.A.O.C. GROUP)	80,100,000	15%	80,100,000	15%
GESTMIN, SGPS, S.A.	31,326,951	6%	31,326,951	6%
EDP - ENERGIAS DE PORTUGAL, S.A.	26,707,335	5%	26,707,335	5%
OLIREN, SGPS, S.A.	26,700,000	5%	26,700,000	5%
RED ELETRICA CORPORACIÓN, S.A.	26,700,000	5%	26,700,000	5%
FIDELIDADE - COMPANHIA DE SEGUROS, S.A.	26,421,424	5%	-	-
EGF - CGF, S.A.	15,667,174	3%	45,019,666	8%
PARPÚBLICA - PARTICIPAÇÕES PÚBLICAS (SGPS), S.A.	-	-	52,871,340	10%
CAIXA GERAL DE DEPÓSITOS, S.A.	-	-	6,290,967	1%
OWN SHARES	3,881,374	1%	3,881,374	1%
FREE FLOAT	162,995,742	31%	100,902,367	19%
	534,000,000	100%	534,000,000	100%

At 31 December 2014 and 2013 the Company had the following own shares:

	NUMBER OF SHARES	INTERESTS HELD	AMOUNT
OWN SHARES	3,881,374	0.7268%	10,728

There were no purchases or sales of own shares in 2014.

In accordance with the Commercial Company Code (Código das Sociedades Comerciais) REN SGPS must permanently ensure the existence of sufficient equity reserves to cover the value of own shares, in order to limit the amount of reserves available for distribution.

LEGAL RESERVE

In accordance with the Commercial Company Code (Código das Sociedades Comerciais) the Company must transfer a minimum of 5% of its annual net profit to a legal reserve until the reserve reaches 20% of share capital. The legal reserve cannot be distributed to the shareholders but may in certain circumstances be used to increase capital or to absorb losses after all the other reserves have been used up.

At 31 December 2014 the caption "Legal reserve" amounted to 97,295 thousand Euros (91,492 thousand Euros in 2013).

OTHER RESERVES

The caption "Other Reserves" includes changes in the fair value of assets held for sale, derivative financial instruments hedging cash flows and other reserves.

In accordance with the Commercial Company Code, increases resulting from the adoption of fair value can only be distributed to shareholders when the assets or liabilities that originated the fair value are sold, executed, extinguished, liquidated or when they are used. At 31 December 2014, the Company had in equity a negative amount of 16,296 thousand Euros (14,184 thousand Euros negative in 2013) relating to decreases resulting from the application of fair value.

The caption "Other Reserves" includes free reserves in the amount of 180,189 thousand Euros. This caption is increased with the application of net profits, being eligible for distribution to the shareholders, except for the limitation set on the Commercial Company Code in relation to own shares.

ADJUSTMENTS TO FINANCIAL ASSETS

The caption "Adjustments to financial assets" reflects changes in the subsidiaries equity when applying the equity method.

On 31 December 2014 this caption amounted to 54,433 thousand Euros and includes mainly the effect of changes in fair value of the investments held by REN Serviços, S.A. in Rede Elétrica Corporación and Enagás, incorporated by the Company thorough the equity method, which in 2014 amounted to 40,059 thousand Euros.

DIVIDENDS DISTRIBUTIONS

During the Shareholders General Assembly meeting held on 3 April 2014, the Shareholders approved the distribution of dividends, with respect to the net profit of 2013, in the amount of 91,314 thousand Euros (0.17 Euros/share). The dividends attributable to own shares amounted to 664 thousand Euros, being paid to the shareholders a total amount of 90,650 thousand of Euros.

The dividends paid during the year ended 31 December 2013, determined on the 2012 net profit amounted to 90,780 thousand Euros (0.17 Euros per share). The dividends attributable to own shares amounted to 660 thousand Euros, being paid to the shareholders a total amount of 90,120 thousand of Euros.

14 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

GUARANTEES GIVEN

At 31 December 2014 and 2013 the Company had given the following bank guarantees:

BENEFICIARY	OBJECT	'14	'13
EUROPEAN INVESTMENT BANK	FOR LOAN OUTSTANDING BALANCES	175,240	214,844
GENERAL DIRECTORATE OF ENERGY AND GEOLOGY	GUARANTEE COMPLETE FULFILLMENT OF THE OBLIGATIONS OF THE CONCESSION CONTRACT	10,000	10,000
FORTIA	FINANCIAL CONTRACTS UNDER THE ISDA CONTRACT (INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION, INC.)	-	1,000
MUNICIPAL COUNCIL OF VILA NOVA DE GAIA	ENSURE THE SUSPENSION OF TAX ENFORCEMENT PROCEEDINGS N.º412/13	2	2
LABOUR COURT OF LISBON	GUARANTEE FOR LITIGATION	153	-
		185,395	225,846

The guarantees given have the following maturities:

	31 DECEMBER 2014			
	LESS 1 YEAR	1 - 5 YEARS	OVER 5 YEARS	TOTAL
LOANS	30,409	51,803	93,029	175,240
OTHERS	-	-	10,155	10,155
	30,409	51,803	103,183	185,395

PROVISIONS

At 31 December 2014 and 2013 the caption "Provisions" was made up as follows:

	'14			'13		
	OTHER PROVISIONS	PROVISION FOR INVESTMENTS	TOTAL	OTHER PROVISIONS	PROVISION FOR INVESTMENTS	TOTAL
BEGINNING BALANCE	174	-	174	458	913	1,372
INCREASES	96	-	96	115	-	115
UTILIZATION	-	-	-	(399)	-	(399)
DECREASES	-	-	-	-	(913)	(913)
ENDING BALANCE	270	-	270	174	-	174

15 FINANCIAL LIABILITIES

TRADE AND OTHER PAYABLES

At 31 December 2014 and 2013 the captions "Trade payables" and "Other payables" were made up as follows:

	'14	'13
CURRENT		
TRADE PAYABLES:		
GROUP (NOTE 26)	100	126
NATIONAL	951	1,339
FOREIGN	523	834
	1,574	2,299
OTHER PAYABLES:		
CAPEX SUPPLIERS	-	1
GROUP COMPANIES - RETGS (NOTE 26)	8,909	5,553
GROUP COMPANIES - TREASURY MANAGEMENT (NOTE 26)	49,843	50,167
ACCRUED COSTS:		
REMUNERATIONS	469	377
OTHER	1,653	1,978
OTHER CREDITORS (NOTE 26)	1,020	1,488
	61,895	59,563
	63,469	61,862

The Company agreed a central cash pooling agreement with its subsidiaries. This agreement is valid for one year and is renewable for equal periods. The terms and conditions of this agreement are market conditions.

BORROWINGS

The borrowings are made up, in terms of maturity (current and non-current) and nature, as of 31 December 2014 and 2013 as follows:

	'14	'13
NON-CURRENT		
COMMERCIAL PAPER	227,000	200,000
BONDS	840,762	1,044,440
BANK LOANS	471,219	564,216
FINANCE LEASES (NOTE 6)	194	291
GROUP COMPANIES - COMMERCIAL PAPER (NOTE 26)	-	35,850
GROUP COMPANIES - BONDS (NOTE 26)	573,750	510,000
OTHER DEFERRED BORROWING COSTS	(6,190)	-
OTHER DEFERRED BORROWING COSTS - GROUP COMPANIES (NOTE 26)	(1,787)	-
	2,104,948	2,354,797
CURRENT		
COMMERCIAL PAPER	150,000	30,000
COMMERCIAL PAPER - GROUP COMPANIES (NOTE 26)	47,375	-
BONDS	113,500	150,000
BONDS - GROUP COMPANIES (NOTE 26)	11,250	-
BANK LOANS	92,997	64,191
FINANCE LEASES (NOTE 6)	132	171
GROUP COMPANIES - INTERESTS AND OTHER SIMILAR COSTS (NOTE 26)	4,872	4,866
INTEREST PAYABLE	21,054	23,788
INTEREST RECEIVABLE AND OTHER DEFERRED BORROWING COSTS	(5,740)	(26,723)
	435,440	246,294
	2,540,387	2,601,091

The company external borrowings have the following capital repayment schedule:

	'15	'16	'17	'18	'19	FOLLOWING YEARS	TOTAL
DEBT - NON CURRENT	-	450,365	145,045	365,045	212,045	366,676	1,539,175
DEBT - CURRENT	356,629	-	-	-	-	-	356,629
	356,629	450,365	145,045	365,045	212,045	366,676	1,895,804

Detailed information regarding bond issues as of 31 December 2014 is as follows:

31 DECEMBER 2014

EMISSION DATE	MATURITY	AMOUNT	OUTSTANDING AMOUNT	INTEREST RATE	SCHEDULE OF INTEREST PAYMENTS
'Euro Medium Term Notes' programme emissions					
26-06-2009	26-06-2024	(i) tJPY 10,000,000	tJPY 10,000,000	(ii) Fixed rate	Bi-annual
08-03-2012	09-03-2015	(i) tEUR 63,500	tEUR 63,500	Fixed rate	Bi-annual
21-09-2012	21-09-2016	tEUR 300,000	tEUR 300,000	Fixed rate EUR 6.25%	Bi-annual
28-09-2012	28-09-2015	(i) tEUR 50,000	tEUR 50,000	Fixed rate	Annual
16-01-2013	16-01-2020	(i) tEUR 150,000	tEUR 150,000	Floating rate	Quarterly
31-01-2013	31-01-2018	tEUR 300,000	tEUR 300,000	Fixed rate EUR 4.125%	Annual

(i) These emissions correspond to private placements.

(ii) These emissions has interest and currency rate swaps associated

In 2014 two bond issues in the amount of 150,000 thousand Euros reached their maturity, and the Company also proceeded to early repayment of bonds in the amount of 120,000 thousand Euros.

As of 31 December 2014, the Company has five commercial paper programs in the amount of 900,000 thousand Euros, of which 523,000 thousand Euros are available and 377,000 thousand Euros were used. Out of the total commercial paper programs there are 600,000 thousand Euros with subscription guarantee. The bank loans are mainly (451,000 thousand Euros) represented by EIB - European Investment Bank loans.

As of 31 December 2014, the Company issued commercial paper programs in the amount of 47,375 thousand Euros (35,850 thousand Euros in 31 December 2013) and bonds in the amount of 585,000 thousand Euros (510,000 thousand Euros in 31 December 2013) contracted within the Group. The terms and conditions of these borrowings are market conditions.

As a result of the fair value hedge related to the debt issues in the amount of 400,000 thousand Euros (Note 10), fair value changes were recognized directly in statement of profit and loss, in a negative amount of 30,065 thousand Euros (8,159 thousand Euros (positive) as of 31 December 2013).

The Company has also credit lines negotiated and not used in the amount of 80,000 thousand Euros, maturing up to one year, which are automatically renewable periodically (if they are not resigned in the contractually specified period for that purpose), and from the total amount, 70,000 thousands of

Euros, respects to a group line, which can be used in total or in portions by several group companies, namely REN - Rede Eléctrica Nacional, S.A., REN Gasodutos, S.A.; REN Gás, S.A.; REN Serviços, S.A.; RENTELECOM, S.A.; REN Trading S.A.; REN Armazenagem S.A. and ENONDAS, S.A..

The Company holds a bank loan for which, collateral of the participations held in Red Eléctrica Corporación and Enagás was given. The Group has all the rights on such participations, including voting rights and the right to dividends.

The Company's financial liabilities have the following main types of covenants: Cross default, Pari Passu, Negative Pledge, Gearing (ratio of total consolidated equity to the amount of the Group's total concession assets). The Gearing ratio comfortably meets the limits defined being 97% above the minimum (86% above the limit as of 31 December 2013).

The borrowings from EIB - European Investment Bank include ratings covenants. In the event of ratings below the levels specified, REN can be called to provide a guarantee acceptable to EIB (Note 9).

REN and its subsidiaries are a part of certain financing agreements and debt issues, which include change in control clauses typical in this type of transactions (including, though not so expressed, changes in control as a result of takeover bids) and essential to the realization of such transactions on the appropriate market context. In any case, the practical application of these clauses is limited to considering the legal ownership of shares of REN restrictions.

Following the legal standards and usual market practices, contractual terms and free market competition, establish that neither REN nor its counterparts in borrowing agreements are authorized to disclose further information regarding the content of these financing agreements.

16 STATE AND OTHER PUBLIC ENTITIES

At 31 December 2014 and 2013 the caption "State and other public entities" was made up as follows:

	'14	'13
CURRENT ASSETS		
INCOME TAX	11,100	-
VAT RECEIVABLE FROM OTHER STATES	2	-
STATE AND OTHER PUBLIC ENTITIES - ASSET	11,102	-
	'14	'13
CURRENT LIABILITIES		
INCOME TAX	-	44,930
VAT PAYABLE	395	452
RETAINED TAX	626	167
SOCIAL SECURITY	136	93
STATE AND OTHER PUBLIC ENTITIES - LIABILITY	1,157	45,642

The REN group entities are included in the CIT - RETGS regime (Note 8).

17 DEFERRALS (LIABILITIES)

At 31 December 2014 and 2013 the liability caption "Deferrals" was made up as follows:

	'14	'13
DEFERRALS (LIABILITIES)		
OTHER INCOME TO BE RECOGNISED	574	574
	574	574

18 REVENUE

The revenue recognized by the Company in the year ended 31 December 2014 and 2013 was as follows:

	'14	'13
SERVICES RENDERED		
TECHNICAL AND ADMINISTRATIVE MANAGEMENT OF REN GROUP (NOTE 26)	13,336	14,663
OTHER SERVICES	150	-
	13,486	14,663

19 GAINS AND LOSSES FROM SUBSIDIARIES AND ASSOCIATES

The gains and losses from subsidiaries and associates in the years ended 31 December 2014 and 2013 were made up as follows:

	'14	'13
SUBSIDIARIES:		
REN REDE ELÉCTRICA NACIONAL, S.A.	68,341	101,874
REN ATLÂNTICO, S.A.	6,558	2,501
RENTELECOM - COMUNICAÇÕES, S.A.	2,483	2,602
REN SERVIÇOS, S.A.	20,317	12,789
ENONDAS - ENERGIA DAS ONDAS, S.A.	72	66
REN TRADING, S.A.	4,276	2,023
REN FINANCE, B.V.	2,587	215
ASSOCIATES:		
OMIP, SGPS, S.A.	218	(405)
CENTRO DE INVESTIGAÇÃO EM ENERGIA REN-STATE GRID, S.A.	202	45
	105,053	121,709

20 SUPPLIES AND SERVICES

The caption "Supplies and services" for the years ended 31 December 2014 and 2013 is made up as follows:

	'14	'13
SPECIALIZED SERVICES	3,431	3,299
SERVICES RENDERED TO GROUP COMPANIES (NOTE 26)	2,399	2,991
ADVERTISING AND PROMOTIONAL EXPENSES	529	561
TRAVEL AND LODGING	455	673
OTHER SERVICES	725	756
	7,538	8,280

21 PERSONNEL COSTS

The caption "Personnel costs" for the years ended 31 December 2014 and 2013 is made up as follows:

	'14	'13
BOARD OF DIRECTORS	1,788	2,130
PERSONNEL	3,429	3,383
CHARGES ON REMUNERATION	1,058	930
OTHER	75	27
INSURANCE	69	74
	6,419	6,544

The board of Directors caption includes the Board of Directors members' remunerations and the General Assembly members' remunerations.

PERSONNEL EMPLOYED

During the years ended 31 December 2014 and 2013 the average number of personnel employed by the Company was 40 and 43, respectively.

22 OTHER INCOME

The caption "Other income" for the years ended 31 December 2014 and 2013 is made up as follows:

	'14	'13
FINANCIAL CONTRACTS IN THE ENERGY MARKET	-	1,469
SUPPLEMENTARY INCOME	128	161
CAPITAL GAINS ON REE AND ENAGAS SALE (NOTE 11)	-	14,387
OTHER INCOME	194	79
	322	16,096

23 OTHER EXPENSES

The caption "Other expenses" for the years ended 31 December 2014 and 2013 is made up as follows:

	'14	'13
DONATIONS	134	195
SUBSCRIPTIONS	147	181
TAXES	777	599
OTHER EXPENSES	26	12
	1,083	987

24 INTEREST AND SIMILAR INCOME AND EXPENSES

The caption "Interest and similar income and expenses" for the years ended 31 December 2014 and 2013 is made up as follows:

	'14	'13
INTEREST AND SIMILAR COSTS		
BONDS	64,929	126,577
BANK LOANS	23,712	19,777
COMMERCIAL PAPER	6,698	7,637
CENTRALIZED TREASURY MANAGEMENT (NOTE 26)	2,813	2,611
COMMERCIAL PAPER -GROUP COMPANIES (NOTE 26)	1,448	227
BONDS -GROUP COMPANIES (NOTE 26)	30,482	4,926
OTHER FINANCIAL ASSETS- LUSO CARBON	-	971
OTHER FINANCIAL COSTS	1,822	1,331
	131,906	164,057
INTEREST AND SIMILAR INCOME		
INTEREST ON SHAREHOLDERS LOANS (NOTE 26)	109,708	112,046
INTEREST ON CENTRALIZED TREASURY MANAGEMENT (NOTE 26)	9,803	5,946
INTEREST ON BANK DEPOSITS	2,779	10,805
DERIVATIVE FINANCIAL INSTRUMENTS	5,625	1,928
OTHER INCOME	428	41
	128,344	130,766

Interest cash flows of derivative financial instruments (swaps) are presented net of flows related with borrowings that are being hedged.

25 DIVIDENDS

During the years ended 31 December 2014 and 2013 the Company received the following dividends from financial assets held for sale:

	'14	'13
DIVIDENDS RECEIVED:		
REE	-	2,286
ENAGÁS	-	2,836
HCB	1,858	1,405
OMEL	57	50
	1,915	6,578

The total amount of dividends received from subsidiaries, associates and financial assets held for sale amounted to 126,985 thousand Euros.

26 RELATED PARTIES

During the years ended 31 December 2014 and 2013 the following transactions were carried out with related parties:

GROUP

RELATED PARTY	SERVICES RENDERED (NOTE 18)	INTEREST AND SIMILAR INCOME - SHAREHOLDERS LOANS (NOTE 24)	INTEREST AND SIMILAR INCOME - TREASURY MANAGEMENT (NOTE 24)
REN - REDE ELÉCTRICA NACIONAL, S.A.	7,286	74,916	262
REN TRADING, S.A.	169	-	948
ENONDAS, S.A.	7	-	69
REN SERVIÇOS, S.A.	1,752	32,706	6,067
RENTELECOM - COMUNICAÇÕES, S.A.	110	-	-
REN GÁS, S.A.	-	-	-
REN GASODUTOS, S.A.	2,767	-	1,403
REN ARMAZENAGEM, S.A.	278	-	1,054
REN ATLÂNTICO, TERMINAL DE GNL, S.A.	968	2,087	-
REN FINANCE, B.V.	-	-	-
	13,336	109,708	9,803

RELATED PARTY	SERVICES RENDERED (NOTE 18)	INTEREST AND SIMILAR INCOME - SHAREHOLDERS LOANS (NOTE 24)	INTEREST AND SIMILAR INCOME - TREASURY MANAGEMENT (NOTE 24)
REN - REDE ELÉCTRICA NACIONAL, S.A.	8,029	74,712	644
REN TRADING, S.A.	186	-	1,466
ENONDAS, S.A.	7	-	69
REN SERVIÇOS, S.A.	1,893	35,319	2,277
RENTELECOM - COMUNICAÇÕES, S.A.	123	-	-
REN GÁS, S.A.	-	-	-
REN GASODUTOS, S.A.	3,051	-	461
REN ARMAZENAGEM, S.A.	308	-	1,029
REN ATLÂNTICO, TERMINAL DE GNL, S.A.	1,067	2,015	-
REN FINANCE, B.V.	-	-	-
	14,663	112,046	5,946

'14

SUPPLIES AND SERVICES (NOTE 20)	INTEREST AND OTHER SIMILAR COSTS - TREASURY MANAGEMENT (NOTE 24)	INTEREST AND OTHER SIMILAR COSTS - COMMERCIAL PAPER (NOTE 24)	INTEREST AND OTHER SIMILAR COSTS - BONDS (NOTE 24)
1,170	1,282	-	-
390	-	-	-
-	-	-	-
839	-	-	-
-	106	-	-
-	1,425	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	1,448	30,482
2,399	2,813	1,448	30,482

'13

SUPPLIES AND SERVICES (NOTE 20)	INTEREST AND OTHER SIMILAR COSTS - TREASURY MANAGEMENT (NOTE 24)	INTEREST AND OTHER SIMILAR COSTS - COMMERCIAL PAPER (NOTE 24)	INTEREST AND OTHER SIMILAR COSTS - BONDS (NOTE 24)
1,079	575	-	-
390	-	-	-
-	-	-	-
817	-	-	-
-	141	-	-
-	1,709	-	-
-	186	-	-
-	-	-	-
-	-	-	-
705	-	227	4,926
2,991	2,611	227	4,926

OTHER RELATED PARTIES

	'14	'13
FINANCIAL INCOME		
INTEREST ON FINANCIAL APLICATIONS - CGD ²	-	1,156
DIVIDENDS RECEIVED		
REE	-	2,286
FINANCIAL COSTS		
BORROWINGS INTERESTS - CGD ²	-	278
BORROWINGS FEES - CGD ²	-	1,141
DERIVATIVE FINANCIAL INSTRUMENTS - CGD ²	-	2,594
	-	4,013
EXTERNAL SUPPLIES AND SERVICES		
CMS - RUI PENA & ARNAUT ¹	52	53

1 Entity related with the Member of the Board Directors, José Luis Arnaut.

2 Within the reprivatization process this entity is no longer part of the shareholder structure since 17 June.

At 31 December 2014 and 2013 the Company had the following balances with related parties:

GROUP

RELATED PARTY	OTHER RECEIVABLES - SHAREHOLDERS LOANS (NOTE 9)	OTHER RECEIVABLES - TREASURY MANAGEMENT (NOTE 9)
REN - REDE ELÉCTRICA NACIONAL, S.A.	26,731	6,260
REN TRADING, S.A.	-	34,099
REN SERVIÇOS, S.A.	49,952	204,467
REN GASODUTOS, S.A.	-	66,684
REN ARMAZENAGEM, S.A.	-	35,836
REN ATLÂNTICO, TERMINAL DE GNL, S.A.	-	-
REN GÁS, S.A.	-	-
ENONDAS, S.A.	-	1,973
RENTELECOM - COMUNICAÇÕES, S.A.	-	-
REN FINANCE, B.V.	-	-
	76,683	349,319

RELATED PARTY	OTHER PAYABLES - TREASURY MANAGEMENT (NOTE 15)	OTHER PAYABLES - RETGS (NOTE 15)	OTHER PAYABLES - BONDS (NOTE 15)
REN - REDE ELÉCTRICA NACIONAL, S.A.	-	-	-
REN TRADING, S.A.	-	3,719	-
REN SERVIÇOS, S.A.	-	5,191	-
REN GASODUTOS, S.A.	-	-	-
REN GÁS, S.A.	46,369	-	-
ENONDAS, S.A.	-	-	-
RENTELECOM - COMUNICAÇÕES, S.A.	3,474	-	-
REN FINANCE, B.V.	-	-	11,250
	49,843	8,909	11,250

'14

CURRENT ASSETS			NON CURRENT ASSETS
OTHER RECEIVABLES - INTEREST RECEIVABLES FROM SHAREHOLDERS LOANS (NOTE 9)	OTHER RECEIVABLES - RETGS (NOTE 9)	OTHER DEBTORS (NOTE 9)	OTHER RECEIVABLES - SHAREHOLDERS LOANS (NOTE 9)
23,028	34,749	1,048	1,434,808
-	-	78	-
14,979	-	561	629,976
-	11,645	518	-
-	2,313	107	-
173	4,399	136	92,910
-	325	-	-
-	16	5	-
-	841	19	-
-	-	3,546	-
38,181	54,288	6,017	2,157,694

'14

CURRENT LIABILITIES				NON CURRENT LIABILITIES	
OTHER PAYABLES - INTEREST PAYABLES (NOTE 15)	OTHERS CREDITORS (NOTE 15)	SUPPLIERS (NOTE 15)	OTHER PAYABLES - COMMERCIAL PAPER (NOTE 15)	OTHER PAYABLES - BONDS (NOTE 15)	DEFERRED BORROWING COSTS (NOTE 15)
-	244	-	-	-	-
-	382	-	-	-	-
-	-	100	-	-	-
-	-	-	-	-	-
-	80	-	-	-	-
-	-	-	-	-	-
-	6	-	-	-	-
4,872	-	-	47,375	573,750	(1,787)
4,872	712	100	47,375	573,750	(1,787)

RELATED PARTY	OTHER RECEIVABLES - SHAREHOLDERS LOANS (NOTE 9)	OTHER RECEIVABLES - TREASURY MANAGEMENT (NOTE 9)
REN - REDE ELÉCTRICA NACIONAL, S.A.	19,231	32,031
REN TRADING, S.A.	-	3,280
REN SERVIÇOS, S.A.	64,916	175,102
REN GASODUTOS, S.A.	-	36,189
REN ARMAZENAGEM, S.A.	-	29,798
REN ATLÂNTICO, TERMINAL DE GNL, S.A.	-	-
REN GÁS, S.A.	-	-
ENONDAS, S.A.	-	2,121
RENTELECOM - COMUNICAÇÕES, S.A.	-	-
REN FINANCE, B.V.	-	-
	84,147	278,522

RELATED PARTY	OTHER PAYABLES - TREASURY MANAGEMENT (NOTE 15)	OTHER PAYABLES - RETGS (NOTE 15)	OTHER PAYABLES - BONDS (NOTE 15)
REN - REDE ELÉCTRICA NACIONAL, S.A.	-	-	-
REN TRADING, S.A.	-	-	-
REN SERVIÇOS, S.A.	-	5,522	-
REN GASODUTOS, S.A.	-	-	-
REN GÁS, S.A.	46,574	-	-
ENONDAS, S.A.	-	31	-
RENTELECOM - COMUNICAÇÕES, S.A.	3,592	-	-
REN FINANCE, B.V.	-	-	4,643
	50,167	5,553	4,643

'13

CURRENT ASSETS			NON CURRENT ASSETS	
OTHER RECEIVABLES - INTEREST RECEIVABLES FROM SHAREHOLDERS LOANS (NOTE 9)	OTHER RECEIVABLES - RETGS (NOTE 9)	OTHER DEBTORS (NOTE 9)	OTHER RECEIVABLES - SHAREHOLDERS LOANS (NOTE 9)	
7,863	59,533	2,025	1,461,538	
-	1,517	112	-	
15,521	-	729	679,928	
-	13,209	821	-	
-	1,681	158	-	
176	2,783	248	90,820	
-	431	-	-	
-	-	8	-	
-	1,002	34	-	
-	-	4	-	
23,559	80,155	4,138	2,232,287	

'13

CURRENT LIABILITIES			NON CURRENT LIABILITIES	
OTHER PAYABLES - INTEREST PAYABLES FROM COMMERCIAL PAPER (NOTE 15)	OTHERS CREDITORS (NOTE 15)	SUPPLIERS (NOTE 15)	OTHER PAYABLES - COMMERCIAL PAPER (NOTE 15)	OTHER PAYABLES - BONDS (NOTE 15)
-	177	-	-	-
-	467	-	-	-
-	3	126	-	-
-	-	-	-	-
-	127	-	-	-
-	-	-	-	-
-	9	-	-	-
223	705	-	35,850	510,000
223	1,488	126	35,850	510,000

OTHER RELATED PARTIES

	'14	'13
ASSETS		
CGD - BANK DEPOSITS ²	-	2,544
OTHER RECEIVABLES - OMIP	-	8
OTHER RECEIVABLES- OMAN OIL	1	1
OTHER RECEIVABLES - CENTRO DE INVESTIGAÇÃO EM ENERGIA REN - STATE GRID, S.A.	87	178
	88	2,731
LIABILITIES		
BORROWINGS		
CGD - LOANS (COMMERCIAL PAPER)	-	30,000
CGD - LOANS (LEASINGS)	-	462
SUPPLIERS		
EDP	1	1
CMS - RUI PENA & ARNAUT ¹	-	2
	1	30,465

¹ Entity related with the Member of the Board Directors, José Luis Arnaut.

² Within the reprivatization process this entity is no longer part of the shareholder structure since 17 June.

INFORMATION ON SHARE TRANSACTIONS BY MEMBERS
OF THE BOARD OF DIRECTORS

On June 2014, within the public offering of shares of REN, Board of Directors' President Emilio Rui Vilar, acquired 10,000 shares of the company.

Besides the above situation, no other transactions were made by Board of Directors members as compared to the financial statements ended 31 December 2013.

27 REMUNERATION OF THE BOARD OF DIRECTORS

The Board of Directors of REN were considered in accordance with NCRF 5 to be the only key members of the management of the Group. Remuneration of the Board of Directors of REN in the years ended 31 December 2014 and 2013 was as follows:

	'14	'13
REMUNERATION AND OTHER SHORT TERM BENEFITS	1,523	1,395
MANAGEMENT BONUSES (ESTIMATED)	265	735
	1,788	2,130

There are no loans granted to the members of the Board of Directors

28 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES IN ACCORDANCE WITH IAS 39

The accounting policies for financial instruments in accordance with the IAS 39 categories have been applied to the following financial assets and liabilities:

	NOTES	CREDITS AND OTHER RECEIVABLES	- HEDGING DERIVATIVE FINANCIAL INSTRUMENTS	FAIR VALUE
ASSETS				
CASH AND CASH EQUIVALENTS	4	-	-	-
TRADE AND OTHER RECEIVABLES	9	2,682,332	-	-
OTHER INVESTMENTS	9 AND 12	-	-	-
AVAILABLE-FOR-SALE FINANCIAL ASSETS	11	-	-	-
INCOME TAX RECEIVABLE	16	-	-	-
DERIVATIVE FINANCIAL INSTRUMENTS	10	-	-	21,970
TOTAL FINANCIAL ASSETS		2,682,332		21,970
LIABILITIES				
BORROWINGS	15	-	-	-
TRADE AND OTHER PAYABLES	15 AND 17	-	-	-
INCOME TAX PAYABLE	16	-	-	-
DERIVATIVE FINANCIAL INSTRUMENTS	10	-	-	24,581
TOTAL FINANCIAL LIABILITIES		-		24,581

	NOTES	CREDITS AND OTHER RECEIVABLES	- HEDGING DERIVATIVE FINANCIAL INSTRUMENTS	FAIR VALUE
ASSETS				
CASH AND CASH EQUIVALENTS	4	-	-	-
TRADE AND OTHER RECEIVABLES	9	2,703,416	-	-
OTHER INVESTMENTS	9 AND 12	-	-	-
AVAILABLE-FOR-SALE FINANCIAL ASSETS	11	-	-	-
TOTAL FINANCIAL ASSETS		2,703,416		-
LIABILITIES				
BORROWINGS	15	-	-	-
TRADE AND OTHER PAYABLES	15 AND 17	-	-	-
INCOME TAX PAYABLE	16	-	-	-
DERIVATIVE FINANCIAL INSTRUMENTS	10	-	-	36,661
TOTAL FINANCIAL LIABILITIES		-		36,661

'14

FAIR VALUE - NEGOTIABLE DERIVATIVES	AVAILABLE- FOR-SALE FINANCIAL ASSETS	FAIR VALUE - THROUGH PROFIT AND LOSS	OTHER FINANCIAL ASSETS/ LIABILITIES	TOTAL CARRYING AMOUNT	FAIR VALUE
-	-	-	67,319	67,319	67,319
-	-	-	-	2,682,332	2,682,332
-	-	2,910	99,485	102,396	102,396
-	45,339	-	-	45,339	45,339
-	-	-	11,102	11,102	11,102
-	-	-	-	21,970	21,970
-	45,339	2,910	177,906	2,930,457	2,930,457
-	-	-	2,540,387	2,540,387	2,671,794
-	-	-	64,043	64,043	64,043
-	-	-	1,157	1,157	1,157
-	-	-	-	24,581	24,581
-	-	-	2,605,587	2,630,168	2,761,575

'13

FAIR VALUE - NEGOTIABLE DERIVATIVES	AVAILABLE- FOR-SALE FINANCIAL ASSETS	FAIR VALUE - THROUGH PROFIT AND LOSS	OTHER FINANCIAL ASSETS/ LIABILITIES	TOTAL CARRYING AMOUNT	FAIR VALUE
-	-	-	158,002	158,002	158,002
-	-	-	-	2,703,416	2,703,416
-	-	2,839	108,377	111,216	111,216
-	45,871	-	-	45,871	45,871
-	45,871	2,839	266,379	3,018,506	3,018,506
-	-	-	2,601,091	2,601,091	2,742,393
-	-	-	62,436	62,436	62,436
-	-	-	45,642	45,642	45,642
342	-	-	-	37,003	37,003
342	-	-	2,709,169	2,746,172	2,887,474

ESTIMATED FAIR VALUE - ASSETS MEASURED AT FAIR VALUE

The following table presents the Company assets and liabilities measured at fair value at 31 December 2014 in accordance with the following levels of fair value hierarchy:

- ◆ Level 1: the fair value of financial instruments is based on net liquid market prices as of the date of the balance sheet;
- ◆ Level 2: the fair value of financial instruments is not based on active market prices but rather on valuation models. The main inputs of the models used are taken from the market, the discount rate intervals used for the Euro curve being between 0.144% to 1.186% (maturities of one week and twenty years respectively) with respect to financial derivative instruments;
- ◆ Level 3: the fair value of financial instruments is not based on active market prices, but rather on valuation models, for which the main inputs are not taken from the market observations.

During the year ending 31 December 2014, no financial assets or liabilities transfers were made between fair value hierarchy levels.

'14		LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
ASSETS:					
AVAILABLE-FOR-SALE FINANCIAL ASSETS	SHARES	-	41,572	-	41,572
FINANCIAL ASSETS AT FAIR VALUE	FAIR VALUE HEDGE DERIVATIVES	-	21,970	-	21,970
OTHER FINANCIAL ASSETS	TREASURY FUNDS	2,910	-	-	2,910
LIABILITIES:					
FINANCIAL LIABILITIES AT FAIR VALUE	BORROWINGS	-	421,906	-	421,906
FINANCIAL LIABILITIES AT FAIR VALUE	CASH FLOW HEDGE DERIVATIVES	-	24,581	-	24,581
		2,910	(382,945)	-	(380,035)

During the year ended 31 December 2014 the company performed the valuation of Hidroeléctrica de Cahora Bassa, S.A. ("HCB"), which is classified as an available-for-sale financial asset (Note 11). The fair value of this asset reflects its current price. This price was determined based on an income approach, which reflects the current market expectations about those future amounts. Despite not listed, the data used in the price calculation is observable and available in the market.

QUALITY OF FINANCIAL ASSETS

The credit quality of the financial assets that have not yet matured or are impaired can be valued by reference to external credit ratings based on Standard & Poor's historical information about the entities to which they refer:

	'14	'13
CASH AND CASH EQUIVALENTS		
A+ A A-	80	9,837
BBB+ A BBB-	63,555	2,578
BB+ A B-	3,643	145,568
WITHOUT RATING	41	18
TOTAL CASH AND CASH EQUIVALENTS	67,319	158,002
OTHER FINANCIAL ASSETS		
A+ A A-	99,435	108,299
WITHOUT RATING	2,910	2,839
TOTAL OTHER FINANCIAL ASSETS	102,345	111,138

Trade and other receivables and Trade and other payables refer mainly to receivables and payables from and to group companies, as noted in Notes 9 and 15, respectively.

With respect to the current receivables and payables balances, its carrying amount corresponds to a reasonable approximation of its fair value.

29 DISCLOSURES REQUIRED BY LAW

30 SUBSEQUENT EVENTS

31 EXPLANATION ADDED FOR TRANSLATION

FEES INVOICED BY THE STATUTORY AUDITOR

Information regarding fees paid to the statutory auditor is disclosed in the REN Group's Consolidated Report and Accounts.

BOND ISSUE

On February 2015, the Company issued debt instruments (Notes), pursuant to its EMTN (European Medium Term Notes) programme in the amount of 300,000 thousand Euros, with a maturity of 10 years and a fixed interest coupon rate of 2.5%.

These financial statements are a translation of financial statements originally issued in Portuguese in accordance with the Financial Accounting and Reporting Standards ("NCRF"). In the event of discrepancies, the Portuguese language version prevails.

The Accountant

Maria Teresa Martins

The Board of Directors

Emílio Rui Vilar

(Chairman of the Board of Directors)

Rodrigo Costa

(Member of the Board of Directors
and Chief Executive Officer - CEO)

Guangchao Zhu

(Vice-Chairman of the Board of Directors
designated by State Grid International
Development Limited)

João Faria Conceição

(Member of the Board of Directors
and Chief Operational Officer - COO)

Mengrong Cheng

(Member of the Board of Directors)

Gonçalo Morais Soares

(Member of the Board of Directors
and Chief Financial Officer - CFO)

Longhua Jiang

(Member of the Board of Directors)

José Luís Alvim

(Member of the Board of Directors
and President of the Audit Committee)

Hilal Al-Kharusi

(Member of the Board of Directors)

José Frederico Jordão

(Member of the Board of Directors
and of the Audit Committee)

Manuel Champalimaud

(Member of the Board of Directors designated
by Gestmin, SGPS, S.A.)

Aníbal Durães dos Santos

(Member of the Board of Directors and of the Audit
Committee designated by Parpública - Participações
Públicas (SGPS), S.A.)

Francisco João Oliveira

(Member of the Board of Directors designated by
OLIREN, SGPS, S.A.)

José Luis Arnaut

(Member of the Board of Directors)

REN – REDES ENERGÉTICAS NACIONAIS, SGPS, SA

REPORT AND OPINION OF THE AUDIT COMMITTEE

INDIVIDUAL ACCOUNTS

Within the scope of its duties, the Audit Committee has monitored the development of the activity of REN – REDES ENERGÉTICAS NACIONAIS, SGPS, S.A. and its subsidiaries, supervised compliance with the law, regulations and the Articles of Association, supervised compliance with accountancy policies and practices, and supervised the process of preparation and disclosure of financial information, the legal review of accounts and the effectiveness of the internal control and risk management systems. It further supervised the activity of the Statutory Auditor and the External Auditor, including their independence and impartiality.

The Audit Committee also examined the individual financial information included in the Management Report and the financial statement of REN – REDES ENERGÉTICAS, SGPS, S.A. attached thereto in relation to the financial year ended on December 31, 2014 which consist of the Balance Sheet as of December 31, 2014, evidencing a total of 3,842,385 thousand Euros and 1,211,940 thousand Euros of Equity Capital, including Net Profit of 106,257 thousand Euros, the Profit and Loss Accounts by Categories, Changes in Equity Capital and Cash Flows in relation to the financial year closed on the abovementioned date and the respective Annex.

The Audit Committee analysed the Legal Certification of Accounts and the Audit Report on the individual financial information, prepared by the Statutory Auditor and the External Auditor, which has been agreed by the Audit Committee.

Within the context of the analysis undertaken, the Audit Committee further supervised the compliance and adequacy of the accounting policies, procedures, practices and adopted valuation criteria, as well as the regulatory and quality of the Company's accounting information.

In light of the above, it is the opinion of the Audit Committee that the individual Financial Statements and Consolidated Management Report, as well as proposal expressed therein, abide by applicable accounting, legal and statutory provisions, wherefore it recommends its approval by the General Meeting of Shareholders.

Lisbon, 19 March 2015

José Luís Alvim (Chairman)

José Frederico Jordão (Member)

Aníbal Durães Santos (Member)

STATUTORY AUDIT REPORT AND AUDITORS' REPORT
SEPARATE FINANCIAL STATEMENTS

(Translation of a report originally issued in Portuguese - Note 31)

Introduction

1. In accordance with the applicable legislation, we hereby present the Statutory Audit Report and Auditors' Report on the financial information contained in the Directors' Report and the accompanying financial statements of REN – Redes Energéticas Nacionais, S.G.P.S., S.A. ("the Company") which comprise the Statement of Financial Position as of 31 December 2014 that presents total assets of 3,842,386 thousand Euros and total equity of 1,211,940 thousand Euros, including a net profit of 106,257 thousand Euros, the Statements of Profit and Loss by Nature, Changes in Equity and Cash Flows for the year then ended and the corresponding Notes.

Responsibilities

2. The Board of Directors is responsible for: (i) the preparation of financial information that presents a true and fair view of the financial position of the Company, the results from its operations, the changes in its equity and its cash flows; (ii) the preparation of historical financial information in accordance with generally accepted accounting principles in Portugal and that is complete, true, timely, clear, objective and licit, as required by the Securities Market Code; (iii) the adoption of adequate accounting policies and criteria and the maintenance of an appropriate system of internal control; and (iv) informing any significant facts that have influenced its operations, its financial position and results.
3. Our responsibility is to examine the financial information contained in the above mentioned documents of account, including verifying if, in all material respects, the information is complete, true, timely, clear, objective and licit, as required by the Securities Market Code, and issue a professional and independent opinion, based on our audit.

Scope

4. Our audit was performed in accordance with the auditing standards ("Normas Técnicas e as Directrizes de Revisão/Auditoria") issued by the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas"), which require that the audit be planned and performed with the objective of obtaining reasonable assurance about whether the financial statements are free of material misstatement. Our audit included verifying, on a sample basis, evidence supporting the amounts and disclosures in the financial statements and assessing the significant estimates, based on judgements and criteria defined by the Board of Directors, used in their preparation. Our audit also included assessing the adequacy of the accounting policies used and their disclosure, taking into consideration the circumstances, verifying the applicability of the going concern concept and assessing the adequacy of the overall presentation of the financial statements and assessing if, in all material respects, the information is complete, true, timely, clear, objective and licit. Our audit also included verifying that the financial information contained in the Directors' Report is in accordance with the other documents of account, as well as the verifications required by items 4 and 5 of article 451 of the Commercial Companies Code. We believe that our audit provides a reasonable basis for expressing our opinion.

Opinion

5. In our opinion the financial statements referred to in paragraph 1 above, present fairly, for the purposes of the paragraph 6 below, in all material respects, the financial position of REN – Redes Energéticas Nacionais, S.G.P.S., S.A. as of 31 December 2014, the results and the comprehensive results of its operations, the changes in its equity and its cash flows for the year then ended, in accordance with generally accepted accounting principles in Portugal and the information contained therein is, in the terms of the definitions included in the standards referred to in paragraph 4 above, complete, true, timely, clear, objective and licit.

Emphasis

6. The financial statements referred to in paragraph 1 above refer to the Company on an individual basis and were prepared in accordance with generally accepted principles in Portugal for approval and publication in accordance with current legislation. As mentioned in Note 3.2 to the financial statements, investments in subsidiaries and associates are recorded in accordance with the equity method. As required by current legislation the Company has prepared consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, for separate publication.

Report on other legal requirements

7. It is also our opinion that the financial information contained in the Directors' Report is in agreement with the financial statements for the year and the report on corporate governance practices includes the matters required of the Company in accordance with article 245-A of the Securities Market Code (Código dos Valores Mobiliários).

Lisbon, 19 March 2015

Deloitte & Associados, SROC S.A.
Represented by Jorge Carlos Batalha Duarte Catulo



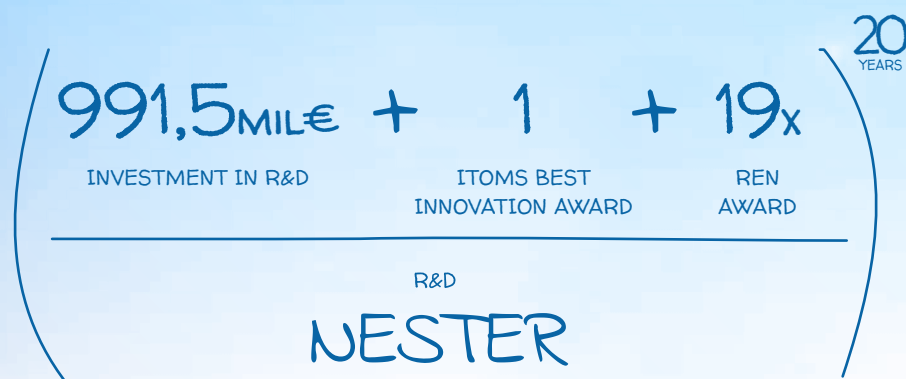
REN

REDES ENERGÉTICAS NACIONAIS, SGPS, S.A.

Avenida Estados Unidos da América, 55
1749-061 Lisboa
Telephone: +351 210 013 500

www.ren.pt

INNOVATION



Through the REN R&D NESTER Award and our close ties with academia and industry, REN creates the solutions to the great technological and environmental challenges, innovating to achieve smart, clean and efficient growth and a sustainable energy system.

**THIS IS OUR FORMULA
FOR SUCCESS**

06

**CORPORATE
GOVERNANCE**



06

CORPORATE GOVERNANCE

PART I

6.1 INFORMATION ON VOTING RIGHTS, ORGANIZATION AND CORPORATE GOVERNANCE

6.1.1 A VOTING RIGHTS

I. Capital Structure

I.1. Voting rights (capital, number of shares, distribution of capital among shareholders, etc.), including information on shares not admitted to trading, different classes of shares, inherent rights and duties and percentage of capital which each class represents (art. 245(A)(1)(a)).

The share capital of REN - Redes Energéticas Nacionais, SGPS, S.A. (REN or the company) in the amount of €534,000,000 is represented by 534,000,000 Class A shares with a face value of €1.00, in the form of nominative book-entry shares.

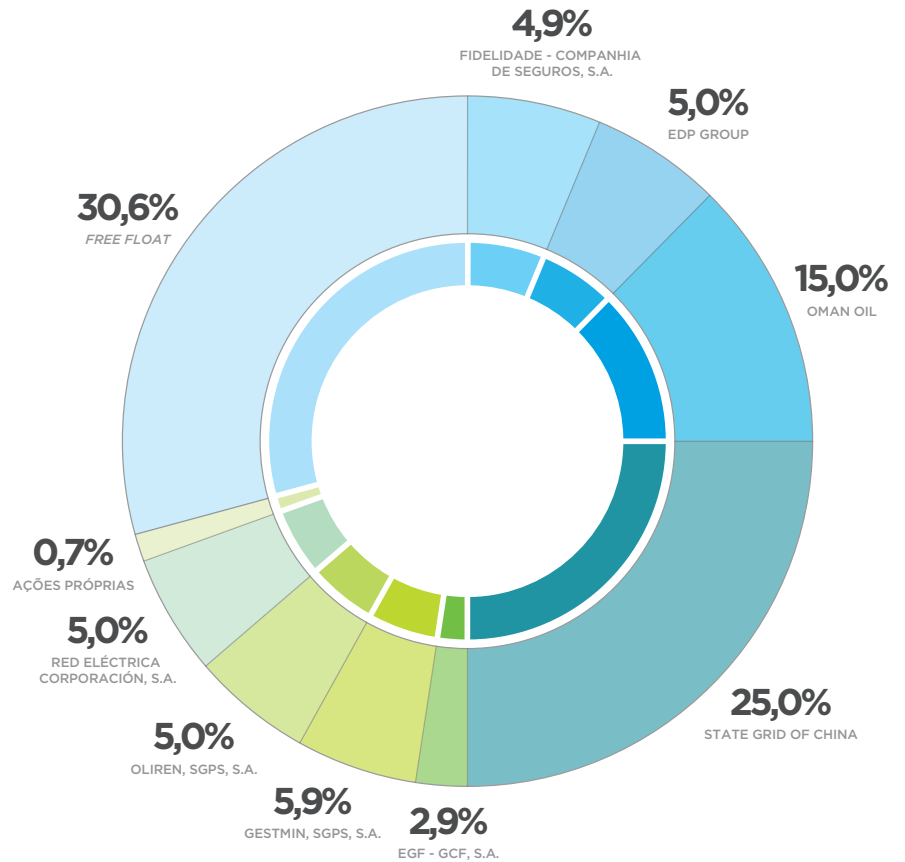
Class A shares are ordinary shares that do not grant special rights to their holders, beyond the general rights inherent as a shareholder, under the terms of legislation.

Until the conclusion of the second REN privatization phase in June 2014, 58,740,000 Class B shares existed, and not admitted to trading, representing 11% of REN capital and which corresponded to shares to be privatized held by Parpública - Participações Públicas (SGPS) S.A. and the Caixa Geral de Depósitos, S.A. and the only special entitlement they had was that they did not subject holders, on their own behalf or when representing other shareholders, to the voting limitation set out in Article 12(3) of the Articles of Association (see I.5)

After the second REN privatization phase was concluded, these shares were automatically converted into Class A shares, as in accordance with Article 4 of the Articles of Association, the transfer of Class B shares to non-public entities, pursuant to the conclusion of a phase of REN's privatization process, determines the automatic conversion of Class B shares into Class A shares. This conversion does not require the approval of the holders or deliberation by any of the company's bodies.

On 31 December 2014, all of REN's class A shares, corresponding to code PTRELOAM0008, were admitted to trading on NYSE Euronext Lisbon (Eurolist by Euronext), with the exception of 213,600,000 shares held by State Grid Europe Limited and Mazoon B.V. (see I.2)

VOTING RIGHTS AS OF 31 DECEMBER 2014



I.2. Restrictions on the transferability of shares, such as consent clauses for disposal, or limitations on ownership of shares (art. 245(A)(1)(b)).

No restrictions exist and REN has not implemented any measures which hinder the transferability of shares. REN shares are freely tradable on the regulated market, without prejudice to legal restrictions (lock up) laid down within the scope of the second phase of REN privatization and applicable to State Grid International Development Limited (133,500,000 shares acquired by the vehicle company State Grid Europe Limited - 'SGEL') and to Oman Oil Company (80,100,000 shares acquired by the vehicle company B.V.). These shareholders acquired their holdings in the direct reference sale process concluded in 2012. In accordance with Article 5 of Decree-Law No 106-B/2011 of 3 November, and Council of Ministers Resolutions No 10/2012 of 19 January and No 13/2012 of 8 February, the shares acquired by SGEL and Mazoon B.V. were subject to periods of unavailability. In accordance with the abovementioned laws and the legal instruments laid down with regard to shares, these periods of unavailability shall remain in effect until 00.00 on 25 May 2016 (in the case of State Grid International Development Limited and SGEL) and until 23.59 on 24 May 2016 (in the case of Oman Oil Company and Mazoon B.V.). The unavailability of the shares in question includes any situations relating to their transfer or partial or total encumbrance, directly or indirectly (even when coming into effect in the future, more specifically through promissory and options contracts). Other unavailability includes the establishing of legal business with regard to the shares which require the exercising of the respective voting rights

in a specific manner or through an intermediary, with certain exceptions set out in the legal instruments established with the acquiring parties.

With respect to ownership limitations on shares, in accordance with legislation, no entity, including entities which conduct business in the respective sector in Portugal or abroad, can have direct or indirect holdings greater than 25% of REN equity capital¹.

These limitations on the ownership of REN shares were introduced further to the transposition of community directives applicable to the electricity and natural gas sectors with regard to the legal and ownership separation between the transmission operator using those assets and the operators who conduct other activities in each of the sectors. The aim of these directives is to promote competition in the market and equal access by operators to the transmission infrastructures.

Therefore, limitations on the transferability and ownership of shares are exclusively due to legal and regulatory requirements, and the CMVM Corporate Governance Code does not apply. As such, the non-implementation of recommendation I.4. of the CMVM Corporate Governance Code is fully justified.

With regard to limitations on voting rights, see I.5 below on the limitations expressed in the Articles of Association arising from the legal system applicable to the electricity and gas sectors.

I.3. Number of own shares, percentage of corresponding capital and percentage of voting rights to which own shares would correspond (art. 245(A)(1)(a)).

REN has 3,881,374 own shares, with a face value of 10,728,000.00 euros, representing 0.7% of its capital. These shares would correspond to 0.7 % of voting rights.

I.4. Significant agreements to which REN is a party that would come into force, be amended or terminate in the event of a change in control over the Company, as the result of a takeover bid, as well as the respective effects, except if, due to their nature, the disclosure of which would be seriously prejudicial for the Company, except if the Company is specifically required to disclose this information due to other legal requirements (Art. 245(A)(1)(j)).

REN and its subsidiaries are party to a number of financing contracts and debt issues which include clauses on change in control which are typical of such transactions (covering, although not expressly stated, changes to control arising from takeover bids) and essential for carrying out such transactions on the market.

However, the practical application of these clauses is limited, considering the legal restrictions on the ownership of REN shares as explained in I.2.

There are no significant agreements to which REN is a party that would come into force, be amended or terminate in the event of a change in control over the Company or as the result of a takeover bid.

In summary, REN has not adopted any measures aimed at requiring payment or the taking on of charges by the Company in the event of changes in control or to the composition of the Board of Directors and which would be liable to prejudice the free transferability of shares or the free appreciation by shareholders of the performance of members of the Board of Directors, and the recommendation I.5 of the CMVM Corporate Governance Code has thus been complied with.

¹ Cf. Article 25(2)(i) of Decree-Law No 29/2006 of 15 February (with its current wording), and Article 20-A(3)(b) and Article 21(3)(h) of Decree-Law No 30/2006, of 15 February (with its current wording).

I.5. System which is subject to renewal or repeal of defensive measures, particularly those which limit the number of votes liable to be held or exercised by a sole shareholder in an individual manner or jointly with other shareholders

The only provision in the REN Articles of Association which limits votes liable to be held or exercised by a sole shareholder in an individual manner or jointly with other shareholders, is Article 12(3).

This Article stipulates that the votes attached to Class A shares shall not be counted if issued by any shareholder, on their own behalf or as the representative of another shareholder, which exceed 25% of the total votes corresponding to REN share capital. Considered for this purpose are the rights to vote inherent to Class A shares which, pursuant to Article 20(1) of the Securities Code, are attributable to them.

Article 12(3) of the Articles of Association is the result of the legal requirement set out in I.2. and does not seek to limit voting rights, but rather to ensure the existence of a penalty system for breaching the legal limit on the ownership of the abovementioned shares, and therefore, recommendation I.3. of the CMVM Corporate Governance Code is fully complied with.

As such, there is no mechanism in the Articles of Association to renew or repeal this statute, as it exists in compliance with legal requirements. Therefore, recommendation I.4. of the CMVM Corporate Governance Code is fully complied with.

There are no other defensive measurements.

I.6. Shareholder Agreements which the company is aware of and which could lead to restrictions with regard to the transfer of securities or voting rights (Art. 245(A)(1)(g))

The Board of Directors is not aware of any shareholders agreements in relation to REN that may result in any restrictions to the transfer of securities or exercising of voting rights.

II. Holdings and bonds held

II.7. Identification of natural or legal persons which, directly or indirectly, own qualified holdings (Art. 245(A)(1)(c) and (d) and Art. 16, with detailed information on the percentage of capital and attributable votes and the source and causes of such attribution

Taking into account the communications submitted to the Company in accordance with Article 447 of the Portuguese Companies Code, Article 16 of the Portuguese Securities Code and Article 14 of CMVM Regulation No 5/2008, with reference to December 31, 2014, shareholders holding qualified shareholdings representing at least 2% of REN's share capital, calculated in accordance with Article 20 of the Portuguese Securities Code, were as follows:

STATE GRID CORPORATION OF CHINA	Nº OF SHARES	% CAPITAL WITH VOTING RIGHTS
DIRECTLY	0	0%
THROUGH STATE GRID EUROPE LIMITED (SGEL), WHICH IS CONTROLLED BY STATE GRID INTERNATIONAL DEVELOPMENT LIMITED (SGID), WHICH IS CONTROLLED BY THE STATE GRID CORPORATION OF CHINA	133,500,000	25.0%
TOTAL ATTRIBUTABLE	133.500.000	25,0%

OMAN OIL COMPANY SAOC	Nº OF SHARES	% CAPITAL WITH VOTING RIGHTS
DIRECTLY	0	0%
THROUGH MAZOOON BV, WHICH IS CONTROLLED BY THE OMAN OIL COMPANY SAOC	80,100,000	15.0%
TOTAL IMPUTÁVEL	80,100,000	15.0%

GESTMIN, SGPS, S.A. (GESTMIN) ²	Nº OF SHARES	% CAPITAL WITH VOTING RIGHTS
DIRECTLY	31,046,951	5.81%
THROUGH MANUEL CARLOS DE MELO CHAMPALIMAUD, AS MAJORITY SHAREHOLDER OF GESTMIN AND CHAIRMAN OF THE BOARD OF DIRECTORS.	280,000	0.05%
TOTAL IMPUTÁVEL	31,326,951	5.86%

EDP - ENERGIAS DE PORTUGAL, S.A. (EDP)	Nº OF SHARES	% CAPITAL WITH VOTING RIGHTS
DIRECTLY	18,690,000	3,5%
THROUGH THE EDP PENSION FUND, WHICH IS CONTROLLED BY EDP	8,017,335	1,5%
TOTAL IMPUTÁVEL	26,707,335	5,0%

² The voting rights inherent to the REN shares held by Gestmin are also attributable to Manuel Carlos de Melo Champalimaud, holder of the controlling interest in Gestmin.

OLIREN, SGPS, S.A.	Nº OF SHARES	% CAPITAL WITH VOTING RIGHTS
DIRECTLY	26,700,000	5.0%
TOTAL ATTRIBUTABLE	26,700,000	5.0%

RED ELÉCTRICA CORPORACIÓN, S.A.	Nº OF SHARES	% CAPITAL WITH VOTING RIGHTS
DIRECTLY	26,700,000	5.0%
TOTAL ATTRIBUTABLE	26,700,000	5.0%

FIDELIDADE COMPANHIA DE SEGUROS, SA ³	Nº OF SHARES	% CAPITAL WITH VOTING RIGHTS
DIRECTLY	26,165,975	4.90%
THROUGH VIA DIRECTA - COMPANHIA DE SEGUROS, S.A., WHICH IS CONTROLLED BY FIDELIDADEE	95,816	0.018%
THROUGH COMPANHIA PORTUGUESA DE RESSEGUROS, S.A., WHICH IS CONTROLLED BY FIDELIDADE	30,000	0.006%
THROUGH CARES - COMPANHIA DE SEGUROS, S.A., WHICH IS CONTROLLED BY THE COMMON SHAREHOLDER LONGRUN ⁴	78,907,00	0.015%
THROUGH MULTICARE - SEGUROS DE SAÚDE, S.A., WHICH IS CONTROLLED BY THE COMMON SHAREHOLDER LONGRUN ⁵	50,726,00	0.009%
TOTAL ATTRIBUTABLE	26,421,424	4.94%

EGF, GESTÃO E CONSULTORIA FINANCEIRA, S.A. (EGF) ⁶	Nº OF SHARES	% CAPITAL WITH VOTING RIGHTS
DIRECTLY	5,809,991	1.09%
THROUGH LOGOFINANCE, S.A., WHICH IS CONTROLLED BY EGF	9,857,183	1.85%
TOTAL ATTRIBUTABLE	15,667,174	2.94%

³ 80% of the share capital and voting rights of Fidelidade Companhia de Seguros, S.A. is owned by LongRun Portugal, SGPS, S.A. (LongRun), which is wholly owned by Millennium Gain Limited, which is wholly owned by Fosun Financial Holdings Limited, which in turn is wholly owned by Fosun International Limited. On 11 February 2015, Fidelidade informed REN that it had obtained 5.008% of the share capital and the respective REN voting rights of, as described at:

http://web3.cmv.m.pt/sdi2004/emitentes/emit_part.cfm?num_ent=%24%21%24%3FT%23%40%20%20%0A

³ LongRun also owns 80% of the share capital of Cares - Companhia de Seguros, S.A..

³ LongRun also owns 80% of the share capital of Multicare - Seguros de Saúde, S.A..

⁶ The voting rights inherent to the REN shares held by EGF are also attributable to the company Nikky Investments, S.A., holder of the entire EGF capital and to Mr. Filipe Maurício de Botton, holder of the controlling interest in Nikky Investments, S.A.

II.8. Information on the number of shares and bonds held by members of management and supervisory bodies

In accordance with and for the purposes of Article 447 of the Portuguese Companies Code, in particular paragraph 5 thereof, the number of shares held by the members of the REN management and supervisory bodies and by the persons related to them pursuant to paragraph 2 of the abovementioned article, as well as all their acquisitions, encumbrances or disposals with reference to the financial year 2014 were as follows:

AUDIT COMMITTEE	ACQUISITION	ENCUMBRANCES	DISPOSALS	Nº OF SHARES AT 31.12.2014
JOSÉ LUÍS ALVIM	-	-	-	0 (zero)
JOSÉ FREDERICO JORDÃO	-	-	-	0 (zero)
ANÍBAL SANTOS - APPOINTED BY PARPÚBLICA - PARTICIPAÇÕES PÚBLICAS (SGPS), S.A.	-	-	-	10,250 ⁸

BOARD OF DIRECTORS	ACQUISITION	ENCUMBRANCES	DISPOSALS	Nº OF SHARES AT 31.12.2014
EMÍLIO RUI VILAR	10,000	-	-	10,390
GONÇALO MORAIS SOARES	-	-	-	0 (ZERO)
JOÃO FARIA CONCEIÇÃO	-	-	-	500
GUANGCHAO ZHU - EM REPRESENTAÇÃO DA SGID	-	-	-	133,500,000 ⁹
MENGRONG CHENG	-	-	-	0 (ZERO)
LONGHUA JIANG	-	-	-	0 (ZERO)
HILAL AL-KHARUSI	-	-	-	0 (ZERO)
RODRIGO COSTA	-	-	-	0 (ZERO)
MANUEL CHAMPALIMAUD - INDICADO PELA GESTMIN	-	-	-	31,326,951 ¹⁰
JOSÉ FOLGADO BLANCO - INDICADO PELA RED ELÉCTRICA CORPORACIÓN, S.A.	-	-	-	26,700,000 ¹¹
JOSÉ LUÍS ARNAUT	-	-	-	0 (ZERO)
FRANCISCO JOÃO OLIVEIRA - INDICADO PELA OLIREN, SGPS, S.A.	-	-	-	26,700,000 ¹²

BOARD OF DIRECTORS	ACQUISITION	ENCUMBRANCES	DISPOSALS	Nº OF SHARES AT 31.12.2014 ¹³
RUI CARTAXO	-	-	-	19,162 ¹⁴

BOARD OF DIRECTORS	ACQUISITION	ENCUMBRANCES	DISPOSALS	Nº OF SHARES AT 31.12.2014 ¹⁵
FILIPPE DE BOTTON (INDICADO PELA EGF)	-	-	963,493	44,056,173

BOARD OF DIRECTORS	ACQUISITION	ENCUMBRANCES	DISPOSALS	Nº OF SHARES AT 31.12.2014 ¹⁶
HAIBIN WAN	-	-	-	0 (zero)
LUÍS AMADO	-	-	-	0 (zero)

A 3 de abril de 2014, os membros dos órgãos de administração e de fiscalização da REN detinham as seguintes obrigações emitidas pela REN:

BOARD OF DIRECTORS	ACQUISITION	ENCUMBRANCES	DISPOSALS	Nº OF SHARES AT 31.12.2014 ¹⁷
RUI CARTAXO	-	-	-	1

⁷ This comprises the shares held by members of the REN management and supervisory bodies and, if applicable, (i) of the spouse not judicially separated, regardless of the matrimonial property regime; (ii) of under aged descendants; (iii) of persons in whose name shares are registered, in the event that they have been acquired on behalf of a member of the management or supervisory bodies and of persons referred to in (i) and (ii); and (iv) the shares held by companies of which a member of the management or supervisory bodies and the persons referred to in (i) and (ii) are shareholders with unlimited responsibility, are engaged in the management or exercise any management or supervisory duties or hold, alone or together with the persons referred to in (i) to (iii), at least half of the share capital or corresponding voting rights.

⁸ It includes the following shares: (i) 10,000 directly held shares and (ii) 250 shares held by his spouse;

⁹ Guangchao Zhu is Chairman, CEO and member of the Board of Directors of SGID and Director of SGEL, which has qualified holdings corresponding to 133,500,000 REN shares.

¹⁰ Consists of 280,000 shares held directly and 31 046 951 shares held by the shareholder Gestmin, which, due to the exercising of the position of Chairman of the management body of that company and the majority holding of the respective capital, are attributable to it.

¹¹ Corresponds to the shares held by Red Eléctrica Corporación, S.A., which are attributable pursuant to Article 447 of the Portuguese Companies Code, due to the exercising of the duties of Chairman of the management body of this company.

¹² Corresponds to the shares held by Oliren, SGPS, S.A., which are attributable pursuant to Article 447 of the Portuguese Companies Code, due to the exercising of the duties of member of the management body of this company.

¹³ On 3 March 2014, resigned from all duties at REN. The General Meeting of 3 April 2014 elected Emilio Rui Vilar as the new Chairman of the Board of Directors for the remainder of the current term of office (2012-2014).

¹⁴ Consists of (i) 18,672 shares held directly and (ii) 490 shares held by his spouse.

¹⁵ 'EGF - Gestão e Consultoria Financeira, S.A.' and Filipe de Botton (put forward by EGF for appointment to the position in his own name) resigned as member of the Board of Directors on 21 April 2014. On 8 May 2014, the Board of Directors decided to replace them, through co-opting by the company OLIREN, SGPS, S.A., which put forward Francisco João Oliveira for appointment to the position in his own name.

This co-opting shall be subject for ratification at the next REN General Shareholders' Meeting.

¹⁶ On 16 December 2014, Haibin Wan and Luís Amado resigned as members of the REN Board of Directors.

On 17 December 2014, the Board decided to replace them and co-opt for Rodrigo Costa and Longhua Jiang.

for the remainder of the current term of office, 2012-2014. This co-opting shall be subject for ratification at the next REN General Shareholders' Meeting.

¹⁷ On 3 March 2014, resigned from all duties at REN. The General Meeting of 3 April 2014 elected Emilio Rui Vilar as the new Chairman of the Board of Directors for the remainder of the current term of office (2012-2014).

Without prejudice to that noted in the table above, as of December 31, 2014, the members of the REN management and supervisory bodies and those related to them pursuant to Article 447(2) of the Portuguese Companies Code did not hold any other bonds issued by REN nor shares or bonds issued by companies in a group or controlling relationship with REN, nor did they carry out any transactions relating to those securities in 2014, in both cases pursuant to and for the purposes of the abovementioned Article 447.

II.9 Special powers of the management body with regard to deliberations on increasing capital (Art. 245(A)(1)(i), with information on the deliberations referring to the data on which they were attributed, time limit until such competence may be exercised, maximum quantitative limit on capital increase, amount already issued under the attribution of such powers and method of applying the powers attributed

The Board of Directors has the competences and powers conferred by the Portuguese Companies Code and the Articles of Association¹⁸ (see summary of these competences and powers in II.21), and as such the management body does not have special powers.

In particular, with regard to deliberations on increasing capital, it should be noted that the REN's Articles of Association do not authorize the Board of Directors to increase the Company's share capital.

II.10. Information on significant relationships of a commercial nature between the owners of qualified holdings and the Company

In accordance with internal regulations on the appreciation and control of transactions with related parties¹⁹ and prevention of conflict of interests²⁰, significant transactions with related parties are considered to be those which:

- a) are based on the purchase and/or sale of assets, provision of services or a contracted project with an economic value greater than one million euros;
- b) based on the acquisition or disposal of shareholdings;
- c) require new loans, financing or subscription of financial investments resulting in an overall annual indebtedness exceeding €100,000,000, except when referring to a simple renewal of existing circumstances or operations undertaken within the framework of pre-existing contractual conditions;
- d) should none of the materiality criteria set out in the subparagraphs above be met, (i) which have a value exceeding €1,000,000 or (ii) are considered relevant for this purpose by the management body, by virtue of its nature or its particular susceptibility to giving rise to a conflict of interests.

The Board of Directors is required to submit significant transactions with related parties (a concept which, in accordance with those regulations, includes owners of qualified holdings pursuant to Article 20 of the Securities Market Code) to the Audit Committee for prior appreciation²¹. Therefore, transactions considered significant are subject to prior opinion from the Audit Committee, while others are only subject to subsequent appreciation.

Moreover, in accordance with the Board of Directors internal regulations, transactions with related parties for sums exceeding €500,000 or, regardless of the sum, and transaction which may be considered as not being executed under market conditions are matters which may not be delegated to the Executive Committee.

¹⁸ Cf. Article 15(1) of the Articles of Association and Article 3(2) and (3) of the Board of Directors Regulations.

¹⁹ The definition of related party in accordance with this regulation includes owners of qualified holdings.

²⁰ Cf. section II, paragraph I., p. 3.

²¹ Cf. section III, p. 3 and section VI, p.5.

In light of the abovementioned criteria – set out in Board of Directors regulations and in internal regulations on the appreciation and control of transactions with related parties and prevention of conflicts of interests – during 2014, six significant commercial transactions with related parties were seen, which were subject to prior control by the Audit Committee, as detailed below in I.90.

6.1.2 CORPORATE BODIES AND COMMITTEES

I. General Meeting

a) Composition of the Board of the General Meeting in the year of reference

I.11. Identification and position of the members of the Board of the General Meeting and respective term of office (start and end)

The following members of the Board of the General Meeting were elected for the term of office 2012-2014:

NAME	POSITION	DATE OF 1 ST APPOINTMENT	TERM OF OFFICE IN COURSE
PEDRO MAIA	Chairman	27.03.2012	2012-2014
DUARTE VASCONCELOS	Vice-Chairman	24.10.2008	2012-2014

The Annual General Meeting of 27 March 2012 deliberated that 2012 would be specified as a time reference for the start of subsequent terms of office, the first of which corresponds to the three year period of 2012-2014.

On 29 May 2014, Duarte Vasconcelos resigned as Vice-Chairman of the REN General Meeting, effective immediately. A new Vice-Chairman will be elected at the next General Meeting.

In the performance of his duties, the Chairman of the Board of the General Meeting has the support of the Company Secretary, Pedro Cabral Nunes, within their respective legal powers.

b) Exercício do direito de voto

I.12. Possible restrictions with regard to voting rights, such as limitations on exercising voting rights depending on the ownership of a number or percentage of shares, times imposed for exercising voting rights or systems for detaching ownership content (Art. 245(A)(1)(f))

Following best practices on shareholder participation in the general meetings of companies with shares admitted to trading in a regulated market, REN's Articles of Association set out the principle of 'one share one vote'.

Without prejudice to that referred to in 1.2 and 1.5, there are no restrictions on voting rights, such as limitations on exercising voting rights depending on the number or percentage of shares.

Owners of one or more shares on the 'Record Date' may attend, participate in and vote at the REN General Meeting, as long as they comply with the following requirements:

- a) Shareholders wishing to participate in the General Meeting should express this intention in writing to the Chairman of the Board of the General Meeting and the financial intermediary, with whom they have opened the relevant individual securities account, up to the day before the 'Record Date'. This communication may be sent by e-mail²²;
- b) In turn, the abovementioned financial intermediary shall send to the Chairman of the Board of the General Meeting, up to the end of the day corresponding to the 'Record Date', information on the number of shares registered in the name of the shareholder on that date. This communication may be sent by e-mail²³.

Shareholders with voting rights may be represented at a General Meeting by means of a person with full legal capacity, by written document addressed to the Chairman of the Board of the General Meeting, communicating the name(s) of the representative(s), under the terms of law and of the notice to convene. This communication may be sent by e-mail²⁴.

REN's shareholders who hold shares on a professional basis in their own name but on behalf of clients, may cast votes as required with their shares, as long as they submit this fact to the Chairman of the Board of the General Meeting before the 'Record Date' and using proportional and sufficient proof: (a) the identification of each client and the corresponding number of shares that will be voted on his behalf; and (b) the specific voting instructions on each of the items on the agenda as provided by each of their clients.

REN's shareholders may submit their votes by correspondence for each item on the agenda, by letter signed with the same signature as on their identification document, enclosing a legible photocopy of such document, if the shares are held by an individual shareholder, or duly notarized signature of the proxy, in the event that the shares are held by a legal person²⁵.

This letter should be addressed to the Chairman of the Board of the General Meeting and sent by post with acknowledgement of receipt to REN's registered office at least three business days prior to the date of the General Meeting, except if the relevant notice to convene establishes a different time. The Chairman of the Board of the General Meeting shall verify the authenticity and regularity of the votes cast by correspondence as well as ensure that they remain confidential until the voting takes place²⁶.

It is also established that these votes are considered to be votes against, in the case of resolution proposals submitted after the date on which they were cast.

In order to facilitate votes by correspondence, REN provides a voting ballot on its website²⁷ which may be used for such purpose, and upon request, may also send a voting ballot and an envelope to shareholders for the purpose of postal submission.

²² Cf. article 12(8) of the Articles of Association.

²³ Cf. article 12(9) of the Articles of Association.

²⁴ Cf. article 12(10) of the Articles of Association.

²⁵ Cf. article 12(5) of the Articles of Association.

²⁶ Cf. Article 12(5) and (6) of the Articles of Association.

²⁷ www.ren.pt

There are currently no plans for the implementation of voting by electronic means, as REN considers the participation of its shareholders to be fully ensured through vote by correspondence and methods of representation (as outlined above). Moreover, REN considers that voting by electronic means would not represent

added value to its shareholders, especially taking into account its voting rights, the reduced breakdown of capital and the fact that REN has not received a single vote by correspondence in its recent general meetings.

In summary, REN considers that it provides all the necessary mechanisms to encourage its shareholders to participate and vote in general meetings.

REN's Articles of Association do not provide for any systems for detaching ownership content and there is no mechanism in place to cause any conflict between the right to receive dividends or the underwriting of new securities and the principle of 'one share, one vote', with the exception of the provision set out in the Articles of Association as described in 1.2 and 1.5 above, which seeks to make current regulations and the legal regime effective.

I.13. Information on the maximum percentage of voting rights that can be exercised by a sole shareholder or by shareholders with whom they maintain a relationship pursuant to paragraph 1 of Article 20

As referenced above in 1.5, the maximum percentage of voting rights that can be exercised by a sole shareholder or by shareholders with whom they maintain a relationship pursuant to Article 20(1) of the Portuguese Securities Code, on his behalf or as representative of another shareholder, is 25% of the votes corresponding to REN share capital.

I.14. Identification of shareholder resolutions that, in accordance with Articles of Association, shall only be passed with a qualified majority, aside from those legally provided for, and indication of these majorities.

In accordance with paragraph 1 of Article 11 of the Articles of Association, the attendance or representation of shareholders holding at least 51% of capital is essential in order that the General Meeting can be held and can deliberate on the first call.

In accordance with paragraph 2 of Article 11 of the Articles of Association, the quorum for adopting resolutions on amendments to the Articles of Association, splits, mergers, transformation or dissolution of the company shall be two thirds of the votes issued, both for the first call and the second.

Furthermore, in accordance with No 3 of the same Article in the Articles of Association, resolutions for changes relating to Articles 7(A), 12(3) and 11 of the Articles of Association require the approval of three quarters of the votes issued.

The aim of this requirement for such majorities is to ensure adequate representation of shareholders in light of the nature of the activities carried out by the Company and its voting rights.

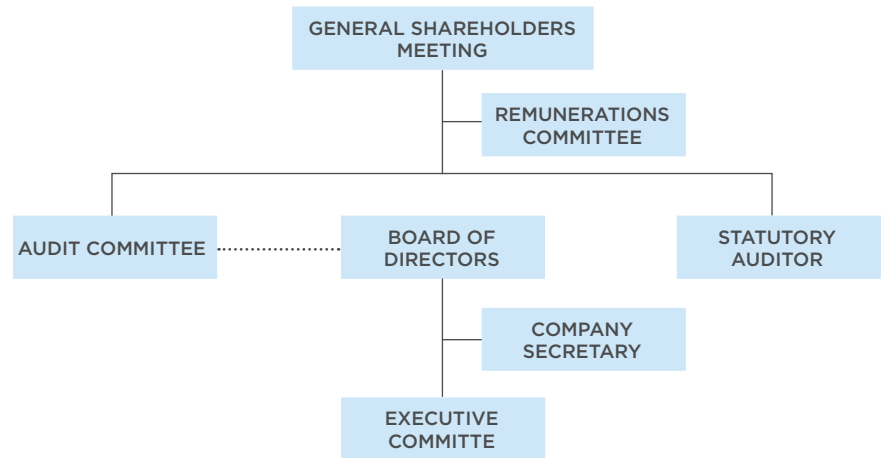
II. Management and supervision

(Board of Directors, Executive Board of Directors and General and Supervisory Board)

a) Composition

II.15. Identification of the model of governance adopted

REN has adopted a corporate governance model based on an Anglo-Saxon model which consists of the following corporate bodies elected by the General Meeting²⁸: (i) a Board of Directors, responsible for the management of the Company's business, which delegates the day-to-day management of the Company to the Executive Committee²⁹, and (ii) an Audit Committee and the Statutory Auditor, as supervision bodies. The Audit Committee consists exclusively of non-executive directors³⁰.



II.16. Statutory rules relating to the procedural requirements and applicable provisions for the appointment and substitution of members of, where appropriate, the Board of Directors, Executive Management Board and General and Supervisory Board (art. 245 - A, paragraph 1, h).

In accordance with the legislation and the Articles of Association³¹, the appointment and dismissal of members of the Board of Directors is the responsibility of the General Meeting, being carried out through lists of candidates selected by the nominating shareholder(s). With these lists put to the vote, the shareholders assume a very important role in the respective candidate selection process, without any interference from the directors in this process. It is also the responsibility of the General Meeting to elect the Chairman and Vice-Chairman of the Board of Directors.

According to the Articles of Association³², a minority of shareholders who voted against the winning proposal may appoint at least one director, provided that this minority represents at least 10% of the Company's share capital.

CSC rules apply³³ with regard to the substitution of members of the Board of Directors, given that neither the Company's Articles of Association, nor the Board of Directors or Audit Committee Regulations have special rules on this matter. The replacement of directors through co-opting is a competence of the Board of Directors which cannot be delegated. All directors participate in the co-opting deliberation, except in the event of conflicts of interest.

²⁸ Cf. article 8(2)(b) of the Articles of Association.

²⁹ Cf. article 8(1) of the Board of Directors regulations.

³⁰ Cf. article 3(3) of the Audit Committee regulations.

³¹ Cf. Article 8(2)(b), and Article 14(3), both in the Articles of Association; and Article 2(1) of the Board of Directors Regulations.

³² Cf. article 14(2).

³³ Cf. article 393(3).

The Company's Articles of Association³⁴ state that the unjustified absence of any director at more than half of the ordinary meetings of the Board of Directors during one financial year, whether consecutive or non-consecutive absences, equates to the permanent absence of said director. Permanent absence must be declared by the Board of Directors, and they must also substitute the director in question.

II.17. Composition of the Board of Directors, Executive Management Board and General and Supervisory Board, with indication of the minimum and maximum members and duration of term of office in accordance with the Articles of Association, number of full members, date of first appointment and date of termination of term of office of each member

The Board of Directors, including the Audit Committee, consists of a minimum of seven and maximum of fifteen members, as determined by the General Meeting that elects the said members³⁵.

Currently, The Board of Directors consists of 15 members, including a total of 12 non-executive members.

At 31 December 2014, the REN Board of Directors consisted of the following members, who have been appointed for the 2012-2014 term of office:

NAME	POSITION	YEAR OF FIRST APPOINTMENT	YEAR OF ENDING OF TERM OF OFFICE
EMÍLIO RUI VILAR	CHAIRMAN OF THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE	2012	2014
GONÇALO MORAIS SOARES	EXECUTIVE DIRECTOR	2012	2014
JOÃO FARIA CONCEIÇÃO	EXECUTIVE DIRECTOR	2009	2014
GUANGCHAO ZHU (REPRESENTING STATE GRID INTERNATIONAL DEVELOPMENT LIMITED)	VICE-CHAIRMAN	2012	2014
MENGRONG CHENG	DIRECTOR	2012	2014
HILAL AL-KHARUSI	DIRECTOR	2012	2014
MANUEL CHAMPALIMAUD (INDICADO PELA GESTMIN, SGPS, S.A.)	DIRECTOR	2012	2014
JOSÉ FOLGADO BLANCO	DIRECTOR	2012	2014
JOSÉ LUÍS ARNAUT	DIRECTOR	2012	2014
FRANCISCO JOÃO OLIVEIRA - INDICADO PELA OLIREN, SGPS, S.A.	DIRECTOR	2014	2014
LONGHUA JIANG	DIRECTOR	2014	2014
RODRIGO COSTA	DIRECTOR	2014	2014
JOSÉ LUÍS ALVIM	DIRECTOR/CHAIRMAN OF THE AUDIT COMMITTEE	2007	2014
JOSÉ FREDERICO JORDÃO	DIRECTOR/MEMBER OF THE AUDIT COMMITTEE	2007	2014
ANÍBAL SANTOS (APPOINTED BY PARPÚBLICA - PARTICIPAÇÕES PÚBLICAS (SGPS), S.A.)	DIRECTOR/MEMBER OF THE AUDIT COMMITTEE	2001	2014

³⁴ Cf. article 8(19) and (9).

³⁵ Cf. Articles 8(2)(b) and 14(1) both of the Articles of Association.

In accordance with the Articles of Association³⁶, members of corporate bodies carry out their respective duties for periods of three calendar years, a period which is renewable, calculating as complete, the calendar year of appointment.

II.18. Distinction of the executive and non-executive members of the Board of Directors and, with regard to the non-executive members, identification of the members who can be considered independent, or, if applicable identification of the independent members of the General and Supervisory Board

The Board of Directors shall include a number of non-executive members ensuring effective ability to supervise, monitor and assess the activity of the executive members, particularly bearing in mind the voting rights and breakdown of REN capital. Therefore, on 31 December 2014 and on this date, 12 of the 15 members of the REN Board of Directors were non-executive directors.

Taking into account the assessment criteria on independence laid down in Article 414(5) of the Portuguese Companies Code with regard to members of the Audit Committee, and in 18.1 of Regulation 4/2013 of the Portuguese Securities Market Commission, and based on the respective internal assessment, the REN Board of Directors and Audit Committee consider the following directors which performed duties during the 2014 financial year (or during a considerable part of it) to be independent:

NOME	POSITION
JOSÉ LUÍS ALVIM	CHAIRMAN OF THE AUDIT COMMITTEE
JOSÉ FREDERICO JORDÃO	MEMBER OF THE AUDIT COMMITTEE
JOSÉ LUÍS ARNAUT	DIRECTOR
LUÍS AMADO ³⁷	DIRECTOR

Furthermore, all non-executive members of the Board of Directors (in addition, naturally, to the directors that are also members of the Audit Committee) would comply, if applicable, with all incompatibility rules stipulated in Article 414-A(1) of the Portuguese Companies Code, save as provided for in sub-paragraphs b) and h).

Taking into account the governance model adopted, the size of the Company, its voting rights and the respective free float (of only 18.9% of capital up to June 2014 and 30.5% after that date), REN considers that the proportion of independent directors is suitable given the number of executive directors and the total number of directors.

In light of the above, REN fully complies with Securities Market recommendations II.1.6 and II.1.7, as the Board of Directors consists of an adequate number of non-executive members and, among these, independent members

Moreover, Article 7(A) of the Articles of Association governs the special system of incompatibilities applicable to the performance of duties at any REN corporate body. The aim of this new proposal is to establish a system of incompatibilities relating to the potential conflicts of interest arising from the direct or indirect exercising of activities in the electric or natural gas sectors, either in Portugal or abroad. It should be noted that the system established in this provision would not apply to the members elected at the same General Meeting. It will only be fully applied for the election of members of future corporate bodies.

³⁶ Cf. Article 27(1)

³⁷ Carried out the duties of the position in question between 3 April 2014 and 17 December 2014, the date on which his resignation became effective.

ACCUMULATION OF THE POSITIONS OF CHAIRMAN OF THE BOARD OF DIRECTORS AND CHAIRMAN OF THE EXECUTIVE COMMITTEE

During the financial year of 2014, the positions of Chairman of the Board of Directors and Chairman of the Executive Committee were held by the same person (Rui Cartaxo until the Annual General Meeting which was held on 3 April and Emílio Rui Vilar after that date).

According to the Board of Directors Regulations, this corporate body established efficient mechanisms for the coordination of the work of its members having non-executive functions, in particular in order to facilitate the exercising of their right to information, as follows³⁸.

- a) Without prejudice to the exercising of powers not delegated to the Executive Committee, Company directors having a non-executive function assume a supervisory role of executive management;
- b) In order to make independent and informed decisions, the directors with non-executive functions may obtain the information they deem necessary or appropriate to perform their roles, powers and duties (in particular, information relating to the powers delegated to the Executive Committee and its performance), by requesting such information from any member of the Executive Committee, and the answer should be provided in an adequate and timely manner;

Whenever they consider it necessary or convenient, directors with non-executive duties also hold ad hoc meetings with the aim of analysing company management.

In addition, all supporting documentation for meetings of the Board of Directors will be provided in a timely fashion to the non-executive members of the Board of Directors and the Executive Committee's resolutions shall be always available for consultation³⁹.

Therefore, through the mechanisms described above, all the conditions are established in order for the directors with non-executive functions to discharge their functions in order to make independent and informed decisions.

As per the communication issued on 17 December 2014, at the Board of Directors' meeting on that date, Emílio Rui Vilar resigned from the position as Chairman of the REN Executive Committee, effective as of 31 January 2015. He continues to perform duties as Chairman of the REN Board of Directors. Further to the abovementioned resignation, the Board of Directors decided unanimously, effective as of 1 February 2015, to appoint Rodrigo Costa as Chairman of the Executive Committee. The two remaining members of the Executive Committee, Gonçalo Morais Soares and João Faria Conceição will continue to perform their duties.

As such, it is important to note that since 1 February 2015, Emílio Rui Vilar no longer carries out the duties of both Chairman of the Board of Directors and Chairman of the Executive Committee. He is now exclusively Chairman of the Board of Directors and Rodrigo Costa is now Chairman of the Executive Committee, until the General Shareholders' Meeting of 2015.

³⁸ Cf. article 11 of the Board of Directors Regulations.

³⁹ Cf. Article 5 of the Executive Committee Regulations.

II.19. Professional Qualifications and other relevant information on the résumés of each of the members of the Board of Directors, the General and Supervisory Boards and the Executive Management Board in office at 31.12.2014

Emílio Rui Vilar

Graduated in Law from the University of Coimbra and was awarded an honorary doctorate by the University of Lisbon. Holds the positions of Member of the Bank of Portugal Advisory Board, non-executive Director of the Calouste Gulbenkian Foundation and Partex Oil and Gas (Holdings) Corporation. He was Chairman of the Calouste Gulbenkian Foundation Board of Directors from 2002 to 2012, and has been a director since 1996. Chairman of the Partex Oil and Gas (Holdings) Corporation from 2002 to 2012. He was President of the European Foundation Centre (EFC), from 2008 to 2011 and also presided over the Portuguese Foundation Centre between 2006 and 2012. He was founder and President of the General Council of the Portuguese Institute of Corporate Governance from 2007 to 2010.

Gonçalo Morais Soares

Holds a degree in Economy from the Universidade Nova de Lisboa. Also awarded an MBA at Georgetown University (Washington) and completed an Advanced Management Program at the Kellogg Business School (Chicago) and the Lisbon Catholic University. Was director at ZON TV Cabo and ZON Lusomundo Audiovisuais from 2007 to 2012. Member of the REN Board of Directors and member of the Executive Committee since 2012.

João Faria Conceição

Holds a degree in Aerospace Engineering from the Instituto Superior Técnico, and completed his Master's Degree in Aerodynamics at the Von Karman Institute for Fluid Dynamics (Belgium) and an MBA at Insead (France). From 2000 to 2007 he was a consultant at the Boston Consulting Group. Between 2007 and 2009 he was a consultant to the Minister for the Economy and Innovation. Since 2009 he has been a member of the REN Board of Directors and member of the Executive Committee.

Rodrigo Costa

Participated in the setting up of several technology and retail companies and was a technological consultant at national and international companies. Manager at Microsoft Corporation, carrying out different duties over a period of 15 years: founder and General Director of Microsoft Portugal, General Manager of Microsoft Brazil and, from 2001 to 2005, Corporate Vice-President of the Microsoft at the main Seattle office. He was also Director and Executive Vice-Chairman of the PT Group and Executive Chairman of PTC between 2006 and 2007. He was Chairman of the Executive Committee of the ZON Multimédia - ZON Group between 2007 and 2013. He also held the position of Chairman of the Board of Directors and Executive Chairman of Unicre, having resigned from these duties in December 2014. He was also non-executive director at NOS SGPS, having resigned from this position on 1 February 2015. He was appointed REN non-executive director on 17 February 2015 and put forward for the position of Chairman of the Executive Committee effective as of February 2015.

Guangchao Zhu

Holds a degree in Relay Protection from the University of Shandong (China), and completed his Master's Degree in Electrical Systems and Automation at the same faculty. He later concluded an MBA at Baylor University (USA). Between 2007 and 2009 he was Vice-Chairman of the preparatory group for the National Grid Corporation of the Philippines, and Consultative Chairman, Chief Executive Advisor and in 2009 a member of the Board of Directors of the National Grid Corporation of the Philippines. From that date until 2010, he was General Director at the Department of International Cooperation at the State Grid Corporation of China. From 2010 to 2011, he was senior executive Vice-Chairman and member of the Board of Directors of State Grid Development Limited. He is currently Chairman and

CEO and member of the Board of Directors of State Grid International Development Limited and Chairman of the Board of Directors of State Grid Brazil Holding S.A.

Mengrong Cheng

Holds a degree in English Literature from the Beijing Second Foreign Language Institute and concluded a Master's Degree in Company Management at the Tsinghua University (Beijing, China). Between 2006 and 2011, Mengrong Cheng carried out the duties of General Director of the Department of International Cooperation at the State Grid Corporation of China. Currently, she is a Member of the Chinese Expert Committee of IEC MSB; Co-Director of the Department of International Cooperation and Member of the Foreign Investment Management Committee at the State Grid Corporation of China.

Longhua Jiang

Holds a degree in Electrical Insulation Technologies from the Xi'an Jiaotong University (China), and completed his Master's Degree in the same subject at the same university. He was appointed as a non-executive REN director on 17 February and is deputy Director-General of the European Branch of State Grid. Between 2012 and 2014 he was deputy General Director of the State Grid Corporation of China Representative Office in Australia.

Hilal Al-Kharusi

Holds a degree in Geo-Sciences/Economic Geography, and concluded an MBA at the Henley Management College (United Kingdom). His professional experience includes the development, implementation and management of local and international oil and gas projects. In 1991, he started his professional career at Petroleum Development Oman. In 2001, he worked in business development at Shell International in Holland, collaborating on projects in the Middle East, CIS and Africa. In 2003, he was project director for several projects in Russia and on the Caspian Sea. His collaboration with the Oman Oil Company started in 2005 where he carried out the duties of Director of the Oil Engineering Department. He then went on to become Director for Business Development and was responsible for upstream investment management and new business opportunity development in the energy sector, with emphasis on the areas of refining and petrochemicals. In 2011, he was appointed as Group Director for Business Development at the Oman Oil Company, coordinating new investment and business in the energy sector. In 2012, further to the re-structuring of the Oman Oil Company, he was appointed Vice-Chairman, responsible for emerging business and investment management. He is also a member of the Oman Oil Company executive committee.

Manuel Champalimaud

Chairman of the Board of Directors of Gestmin SGPS, S.A., Chairman of the Board of Directors of Sogestão - Administração e Gerência, S.A., Deputy Manager of Sogolfe - Empreendimentos Turísticos, Sociedade Unipessoal, Lda., Deputy Manager of Sociedade Agrícola São Barão - Unipessoal, Lda., Manager of Da Praia - Promoção Imobiliária, Lda., and member of the Board of Directors of Winreason, S.A. and Prodimed, S.A.

José Folgado Blanco

Holds a degree and a PhD in Economy awarded by Autonomous University of Madrid. Currently Professor of Public Finance and tax Systems at the Autonomous University of Madrid, Consultant to the Board of Governors at the Autonomous University of Madrid and Chairman of the Board of Directors of Red Eléctrica Corporación, S.A.. He has been Director of the Department of the Economy at CEOE, Member of the Economic and Social Council, as representative of the Spanish Confederation of Corporate Organizations and was Secretary of State for the Budget. He performed duties at the Ministry of Finances and the Ministry of the Economy, he was Secretary of State for the Economy, Energy, and Small and Medium Enterprises, Member of Parliament for the Province of Zamora in the Congress of Members and Vice-President of the Tax Office. He was also the Mayor of Tres Cantos (Madrid).

José Luís Arnaut

Graduated in Law from the Lisbon Lusíada University and in 1999 was awarded the D.E.S.S. (Diploma of Higher Specialized Studies) from the Robert Schuman University, in Strasbourg. He has specialized as a lawyer working mainly in Intellectual Property Law, with special focus on Patent Law, Trade Marks, Dominion Names, New Technologies and Competition Law. Since 1992, he has been a European Patent Attorney at the European Patent Office (Munich) and since 1996, European Trade Mark Attorney at the European Union Office for Harmonization in the Internal Market (Alicante) and Official Industrial Property Agent at the I.N.P.I., National Industrial Property Institute. He first started working as a lawyer in 1989 at the practice of Pena, Machete & Associates. He was a founding Partner of Rui Pena, Arnaut & Associates, in 2002, where he is currently Managing Partner. He is a member of the REN Board of Directors, member of the AON Advisory Board, a member of the MOP, S.A.. Board of Directors, Chairman of the LIDE Law and Justice Sub-committee, member of the Conseil des Sages of the Foundation - Doha Freedom of Information Center, Chairman of the Portugal-Qatar Friendship Association; member of the Advisory Board of the European Observatory on Infringements of Intellectual Property Rights (OHIM - Office for Harmonization in the Internal Market), Chairman of the General Meeting of the Portuguese Football Federation, President of the General Meeting of ÚNICA - União Cervejeira de Angola (UNICER Group), President of the General Meeting of ANA - Aeroportos de Portugal (VINCI Airports), President of the General Meeting of PORTWAY - Handling de Portugal, S.A. (VINCI Airports), Advisor of VINCI Concessions, President of the General Meeting of SIEMENS Portugal, member of the Board of Directors of Discovery Portugal Real Estate Fund and member of the Goldman Sachs International Advisory Board. In 1999, he was elected general secretary of the Social Democratic Party, led by José Manuel Durão Barroso and became a member of the Portuguese Parliament, where he presided over the Committee on Foreign Affairs and the National Defence Committee. He was Deputy Prime Minister to the Prime Minister José Manuel Durão Barroso in the XV Portuguese Constitutional Government. He was Minister of Cities, Local Administration, Housing and Regional Development in the XVI Portuguese Constitutional Government. He was Commissioner for LISBOA 94 - European Capital of Culture, representing the government, having been appointed in November 1993. In 1995, he was awarded the 'Commend of Great Officer of Henry the Navigator Order' by the President of the Portuguese Republic; in 2004, he was conferred with the Grand Cross of the National Order of the Southern Cross by the President of the Republic of Brazil; in 2005, he was conferred with the Grand Cross of Henry the Navigator Order, by the President of the Portuguese Republic. In 2006, he was bestowed with the insignia of 'Chevalier de la Legion d' Honneur' by the President of the French Republic and conferred with the Grand Cross of the Order of Merit by the President of the Lithuanian Republic.

Francisco João Oliveira

B.A.A. in Business Administration and Marketing (Double Major) from the American College in London, England, 1991. He is currently CEO at Imorendimento, Sociedade Gestora de Fundos de Investimento Imobiliários, S.A., Portugal, performing executive duties on the Board of Directors for the Real Estate Investment Funds Natura, Historic Lodges, Prime Value, Continental Retail, Imorent, Gestimo and Imolux, he is a member of the Board of Directors at Oliren, S.G.P.S., S.A, Sociedade de Investimentos Imobiliários (S.I.I.), S.A., Cosoli, S.G.P.S., and TWT, Planificação do Transporte, S.A. He is also manager at MSR, Mediação de Seguros.

José Luís Alvim

Holds a degree in Economics from the Faculty of Economy at Porto University. Has held the position of Manager in the company JLALVIM - Consultoria Estratégica e Formação Avançada, Lda. since 2011. Was (non-executive) Chairman of the Board of Directors of Microprocessador - Sistemas Digitais, S.A. between 2008 and May 2012 and (non-executive) Director of Microprocessador - Sistemas Digitais, S.A. between May and October 2012 and (non-executive) Director of CUF SGPS between 2007 and December 2012. Professor at the Porto Business School.

José Frederico Jordão

He holds a degree in Finance from the Instituto Superior de Ciências Económicas e Financeiras. Was member of the Board of Directors of RAR (Holding) and Chairman of the Board of Directors of Iberholding, RAR Imobiliária, RAR Genève and RAR London. Has worked in the CUF Group, Shell, Mobil and Dow Chemical. Member of the REN Board of Directors and member of the Audit Committee since 2007.

Aníbal Santos

Holds a degree in Finance from ISCEF, and a PhD in Economy from the Portuguese Catholic University (UCP), where he is also a Professor in the Economy Department. In addition to being a member of the REN Board of Directors, he has also been a member of the Elecpor Governing Board and a member of the Portugal Telecom, SGPS, S.A. Advisory Board.

The professional address of each of the abovementioned members of the Board of Directors is that of the REN registered office, located at Avenida Estados Unidos da América, n.º 55, Alvalade, Lisbon.

II.20. Common and significant family, professional and commercial relationships of the members of the Board of Directors, the General and Supervisory Boards and the Executive Management Board at 31.12.2014

DIRECTOR	OWNER OF QUALIFIED HOLDINGS	BREAKDOWN
EMÍLIO RUI VILAR	-	-
GONÇALO MORAIS SOARES	-	-
JOÃO FARIA CONCEIÇÃO	-	-
GUANGCHAO ZHU (REPRESENTING DA STATE GRID INTERNATIONAL DEVELOPMENT LIMITED)	STATE GRID OF CHINA	CHAIRMAN OF THE BOARD OF DIRECTORS OF COMPANIES IN THE STATE GRID GROUP (SEE II.19 AND 26)
MENGRONG CHENG	STATE GRID OF CHINA	CO-DIRECTOR OF THE INTERNATIONAL COOPERATION DEPARTMENT AND MEMBER OF THE MANAGEMENT COMMITTEE FOR FOREIGN INVESTMENT
HILAL AL-KHARUSI	OMAN OIL	MANAGEMENT DUTIES AT SEVERAL COMPANIES IN THE OMAN OIL GROUP (SEE II.19 AND 26)
ANÍBAL SANTOS (APPOINTED BY PARPÚBLICA - PARTICIPAÇÕES PÚBLICAS (SGPS), S.A.)	-	-
MANUEL CHAMPALIMAUD (INDICADO PELA GESTMIN, SGPS, S.A.)	GESTMIN, SGPS, S.A.	CHAIRMAN OF THE BOARD OF DIRECTORS OF GESTMIN, SGPS, SA AND MANAGEMENT DUTIES AT OTHER COMPANIES IN THE GESTMIN GROUP (SEE II.26)

DIRECTOR	OWNER OF QUALIFIED HOLDINGS	BREAKDOWN
JOSÉ FOLGADO BLANCO	RED ELÉCTRICA CORPORACIÓN, S.A.	CHAIRMAN OF THE BOARD OF DIRECTORS OF THIS COMPANY
JOSÉ LUÍS ARNAUT	-	-
FRANCISCO JOÃO OLIVEIRA (APPOINTED BY OLIREN, SGPS, S.A.)	-	MEMBER OF THE BOARD OF DIRECTORS OF THIS COMPANY
LONGHUA JIANG	STATE GRID OF CHINA	ASSISTANT GENERAL DIRECTOR OF THE EUROPEAN STATE GRID BODY
RODRIGO COSTA	-	-
JOSÉ LUÍS ALVIM	-	-
ANÍBAL SANTOS (APPOINTED BY PARPÚBLICA - PARTICIPAÇÕES PÚBLICAS (SGPS), S.A.)	-	-
JOSÉ FREDERICO JORDÃO	-	-

II.21. Flowcharts or functional maps on the breakdown of competences among the different corporate bodies, committees and/or departments of the Company, including information on delegation of competences, particularly with regard to delegation of the day-to-day management of the Company

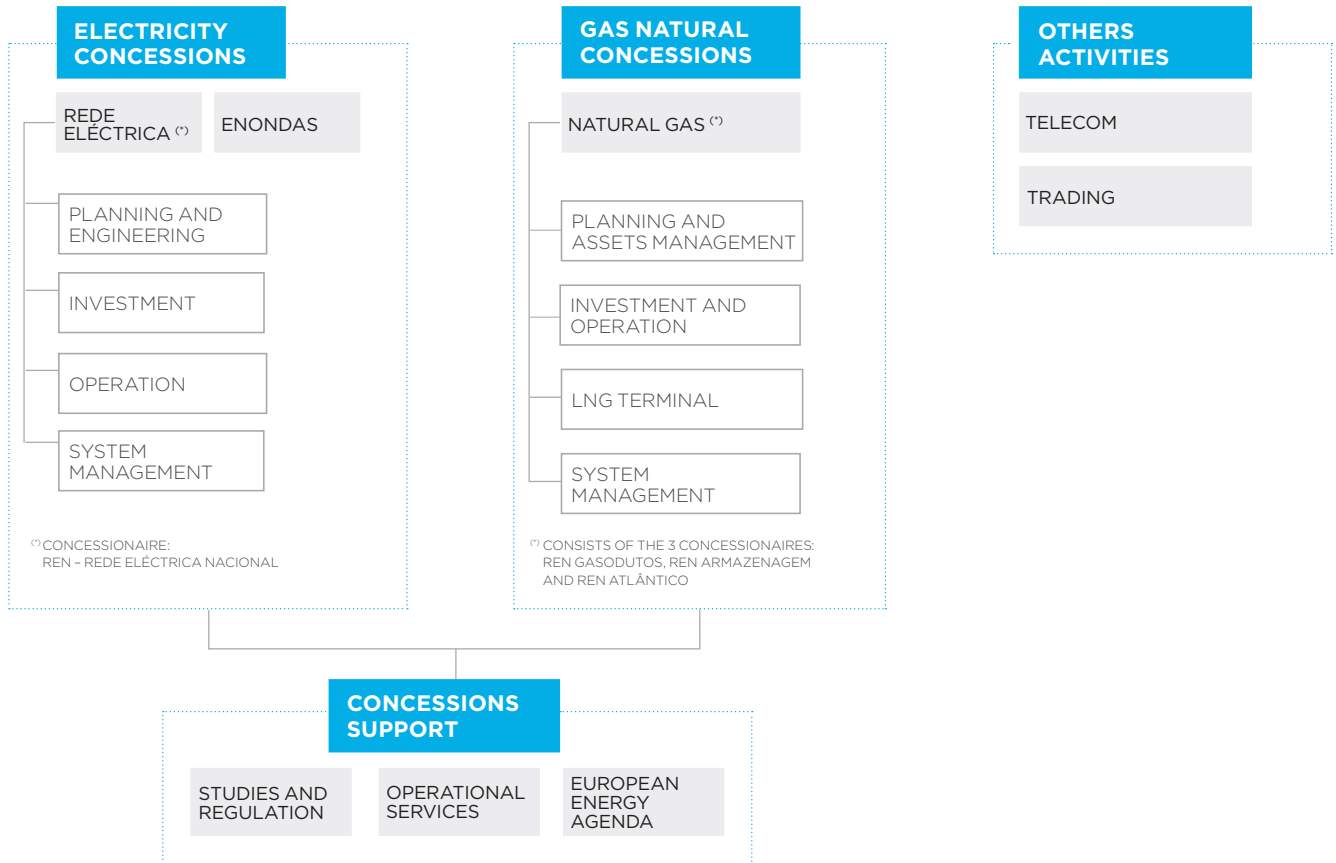
As can be seen in the flowchart in II.15, REN has adopted a corporate governance model based on an Anglo-Saxon model which consists of the following corporate bodies elected by the General Meeting⁴⁰: (i) a Board of Directors, responsible for the management of the Company's business, which delegates the day-to-day management of the Company to the Executive Committee⁴¹, and (ii) an Audit Committee and the Statutory Auditor, as supervision bodies. The Audit Committee consists exclusively of non-executive directors.. The General Meeting also elects a Remunerations Committee.

⁴⁰ Cf. article 8(2)(b) of the Articles of Association.

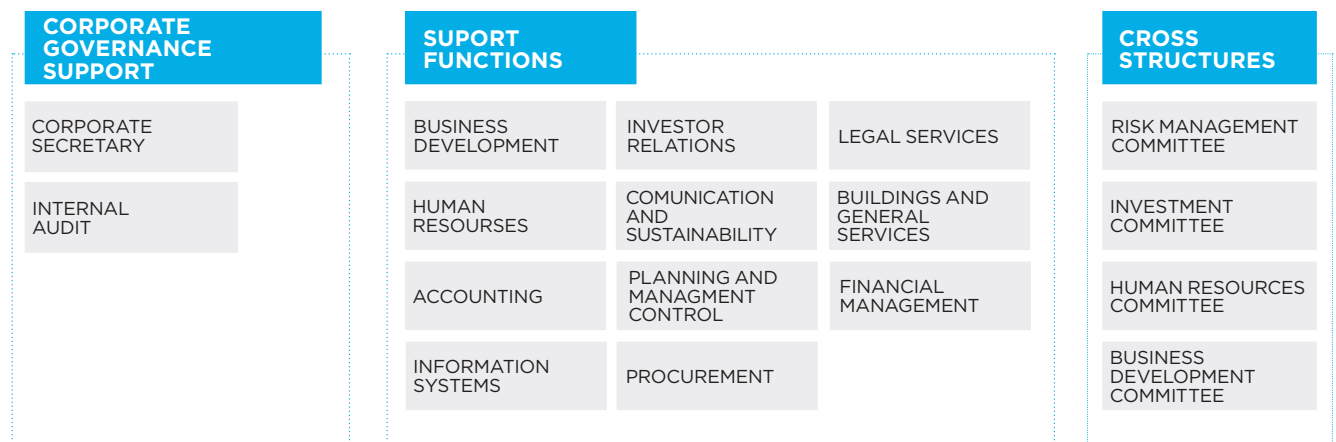
⁴¹ Cf. article 8(1) of the Board of Directors regulations.

In order to better understand the division of competencies amongst the various corporate bodies, the organization chart below outlines REN's business units.

BUSINESS UNITS



CORPORATIVE AND SUPPORT STRUCTURES



General Meeting

The General Meeting is a corporate body comprising all the company shareholders, and its responsibilities are namely:

- a) Appraise the Board of Director's report, discuss and vote on the balance sheet, accounts and opinions of the Audit Committee and statutory auditor and decide on the appropriation of profits for the year;
- b) Elect the officers of the General Meeting, the directors and the statutory auditor;
- c) Deliberate on any amendments to the Articles of Association;
- d) Deliberate on the remuneration of the members of the corporate bodies, with the power to appoint a remunerations committee; and
- e) Deliberate on any other matter falling within its power and for which it has been summoned.

The Board of Directors

Pursuant to CSC and REN's Articles of Association, the Board of Directors is particularly empowered to:⁴² Among these, of special note are:

- a) Define the Company's goals and management policies;
- b) Draw up the annual financial and business plans;
- c) Manage business and carry out all actions and operations relating to the corporate object which do not fall within the competences attributed to other Company bodies;
- d) Represent the Company actively and passively, in and out of court, and propose and pursue lawsuits or arbitrations, with the power to confess, waiver and settle, as well as to enter into arbitration agreements;
- e) Acquire, sell or by any other form dispose of or encumber rights or assets, whether real estate or not;
- f) Incorporate companies and subscribe for, acquire, encumber and dispose of shareholdings;
- g) Submit proposals to the General Meeting on the acquisition and disposal of own shares, in compliance with the applicable legal restrictions;
- h) Determine the technical and administrative organization of the Company and the rules for internal operation, more specifically with regard to its personnel and the corresponding remuneration; and
- i) Perform any other functions granted by law or by the General Meeting.

In accordance with the Board of Directors regulations, approved on 27 March 2012⁴³, matters which cannot be legally delegated to the Executive Committee include the co-option of directors, requests to convene General Meetings, approval of the annual report and accounts to be submitted to the General Meeting, the granting of deposits and personal or guarantees in rem by the Company, the

⁴² Cf. article 15(1) of the Articles of Association.

⁴³ Cf. Article (3) and 3(5).

transfer of the registered office, the increase of the Company's registered share capital and the approval of merger, demerger and transformation projects;.

In turn, the acquisition and transfer of assets, rights or shareholdings with an economic value greater than 10% of the Company's fixed assets is subject to prior approval from the General Meeting⁴⁴.

Executive Committee

On 3 April 2014, powers for the day-to-day management of the Company were delegated to the Executive Committee, which include the following competences, to be exercised under the terms and within the limits stipulated every year in the operating budget and strategic plan submitted by the Executive Committee and approved by Board of Directors:

- a) Manage normal company business and conduct all matters covered by the company's object which are not the exclusive competence of the Board of Directors;
- b) Approve the disposal of assets and the investment to be made by the Company and its subsidiaries, the individual or joint value of which is equal to or less than €15,000,000 or approved in the annual budget and value of which is equal to or less than €25,000,000;
- c) Constitute companies and acquire, pledge and dispose of holdings when it relates to companies which are a vehicle to realize specific investments with a value of not more than €7,500,000 or which are already approved in the annual budget;
- d) Indicate the people to appoint to the corporate bodies of the two operators of the transmission networks and the investment vehicle companies referred to in the previous point;
- e) Implement the Company's functional and administrative organization, its internal rules, including those governing human resources and their remuneration, as well as its internal control systems and procedures;
- f) Prepare and implement the annual budget, the business plan and medium and long-term development plans;
- g) Negotiate, sign, amend and terminate any agreements of a sum equal to or less than €5,000,000 and short-term financing contracts (i.e. with maturity equal to or less than three years);
- h) Lease or let any property or parts thereof;
- i) Coordinate the activity of the companies in a control relationship with REN, being also allowed, with regard to the companies in relationships of total control, to issue binding instructions, under the terms legally permitted;
- j) Deliberate to provide technical or financial support to subsidiary companies;
- k) Represent the Company actively and passively, in and out of court, and propose and pursue lawsuits or arbitrations, with the power to confess, waiver and settle, as well as to enter into arbitration agreements;
- l) Open, use and close bank accounts; and
- m) Appoint attorneys with the powers deemed convenient.

⁴⁴ Cfr. n.º 2 do artigo 15.º do Contrato de Sociedade.

The delegation of powers to the Executive Committee does not, however, exclude the power of the Board of Directors to pass resolutions on delegated matters.

Moreover, in accordance with the Board of Directors Regulations approved on 27 March 2012⁴⁵, the following matters cannot be delegated to the Executive Committee:

- a) Matters which cannot be legally delegated include the co-option of directors, requests to convene General Meetings, approval of the annual report and accounts to be submitted to the General Meeting, the granting of deposits and personal or guarantees in rem by the Company, the transfer of the registered office, the increase of the Company's registered share capital and the approval of merger, demerger and transformation projects;
- b) Definition of the REN Group general strategy and policy, the corporate structure and the management aims and policies;
- c) Approval of the annual budget, the business plan and other long-term development plans;
- d) Contracting of debt on the national or international financial markets, without prejudice to that stipulated in delegation of powers above;
- e) Proposal to the General Meeting to acquire or dispose of own securities;
- f) Approval of internal control systems, risk management systems and internal audit systems;
- g) Appointment of the Company Secretary and respective substitute;
- h) Designation of the REN representative at the General Meetings of subsidiaries;
- i) Indication of those to be designated by REN to form the lists of corporate bodies to be elected at subsidiaries, with the exception of the corporate bodies of the two operators of the transmission networks and the vehicle companies referred to in the point l. below;
- j) Appointment of the REN Chief Technical Officer, through a proposal from the Executive Committee;
- k) Approval of disposal of assets and/or investment rights and the constitution of encumbrances to be made by REN and/or by its subsidiaries, the value of which is greater than €15,000,000, except if already included in the Company's annual budget and the respective individual or joint value does not exceed €25,000,000;
- l) Constitution of companies and the subscription, acquisition, holding, encumbrance and disposal of holdings, except in cases in which those companies are, or the holdings refer to companies which are a vehicle for realizing specific investment with an individual or joint value which does not exceed €7,500,000 or which have been approved in the annual budget;
- m) Intervention of the Company or any of its subsidiaries in activities which are not part of their main activities;
- n) Participation by REN or any of its subsidiaries in joint ventures, partnerships or strategic cooperation agreements and selection of relevant partners;
- o) Enter into transactions with related parties the value of which exceeds €500,000,000 or which, regardless of the value, may be considered as not having been executed based on market conditions; and

⁴⁵ Cf. article 3(3) and (5).

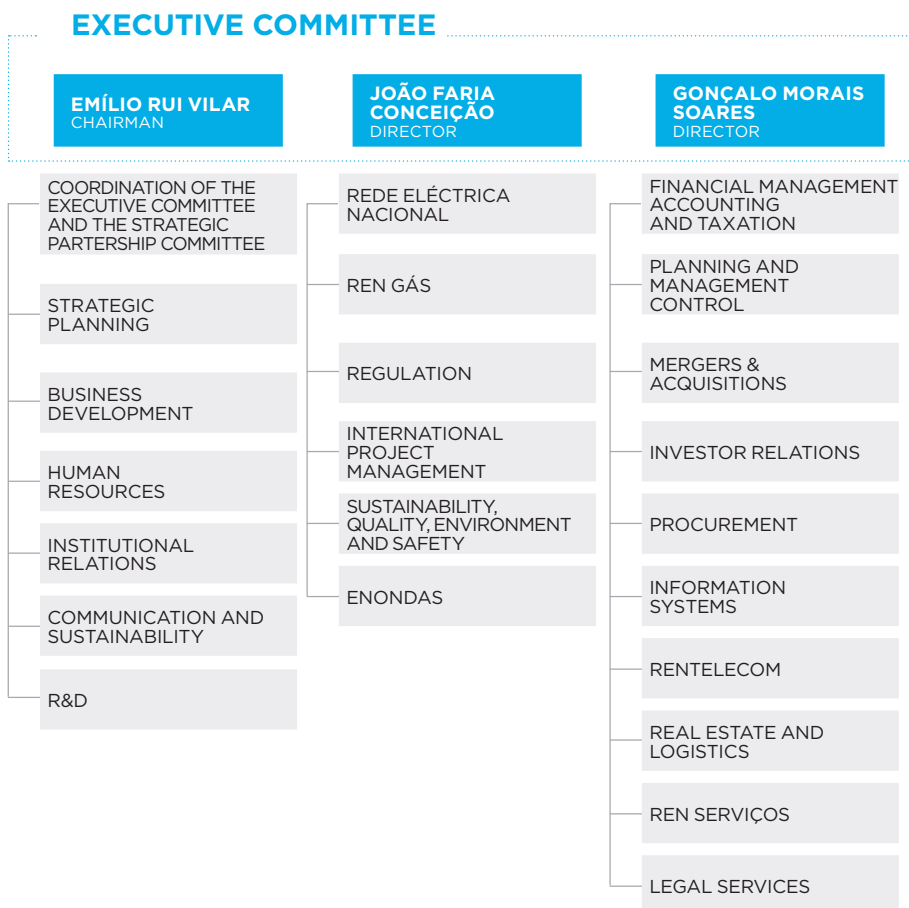
p) All other resolutions on strategic matters, particularly with regard to strategic agreements, their risk or special characteristics.

The responsibilities of the Chairman of the Executive Committee include especially:

- a) Coordinate the activity of the Executive Committee;
- b) Convene and direct Executive Committee meetings and exercise the casting vote;
- c) Ensure that all information is provided to other members of the Board of Directors on the activity and resolutions of the Executive Committee; and
- d) Ensure compliance with the limits of delegation and the Company strategy.

Distribution of responsibilities In the Board Of Directors

With a view to optimizing management efficiency, the members of the Executive Committee distributed among themselves, during the financial year of 2014, the responsibility for the direct monitoring of specific performance areas of the Company, under the terms evidenced in the following chart:



Audit committee and statutory auditor

The Audit Committee and the Statutory Auditor are the Company's supervisory bodies, and their main competences are set out in III.38.

The remunerations committee

The Remunerations Committee is responsible for setting the remuneration and for submitting the annual declaration on the remuneration policy for members of the management and supervisory bodies.

Within its responsibilities, the Remunerations Committee has also actively participated in performance assessment, particularly for purposes of setting the variable remuneration of executive directors.

b) Operation

II.22. Existence and place where the operating regulations can be found for the Board of Directors, the General and Supervisory Boards and the Executive Management Board

The Board of Directors Regulations and the Executive Committee Regulations are available on the REN website⁴⁶ in Portuguese and English.

II.23. Number of meetings held and attendance by each member of the Board of Directors, the General and Supervisory Boards and the Executive Management Board.

The Board of Directors

The meetings of the Board of Directors are convened and presided over by the respective Chairman. It is the responsibility of the Board of Directors to determine the frequency of their ordinary meetings. However, bimonthly meetings are obligatory.

As such, the Board of Directors meets on an ordinary basis at least bimonthly, on dates to be determined every year by members, except during the 18 initial months of its terms of office, during which time the meetings shall be monthly⁴⁷.

Moreover, the Board of Directors is required to meet on an extraordinary basis whenever convened by the Chairman, two directors or at the request of the Statutory Auditor⁴⁸.

In 2014, the Board of Directors held ten meetings.

The following table shows the number of meetings of the REN Board of Directors at which directors were present or duly represented.

⁴⁶ www.ren.pt

⁴⁷ Cf. Article 19(1) of the Articles of Association and Article 4(1) and (3) of the Board of Directors Regulations.

⁴⁸ Cf. Article 19(1) of the Articles of Association.

Attendance of members of the board of directors at meetings

NOME	PRESENCE	REPRESENTATION	ABSENT	ATTENDANCE %
EMÍLIO RUI VILAR	10	0	0	100%
GONÇALO MORAIS SOARES	10	0	0	100%
JOÃO FARIA CONCEIÇÃO	10	0	0	100%
GUANGCHAO ZHU (REPRESENTING STATE GRID INTERNATIONAL DEVELOPMENT LIMITED)	8	2	0	100%
MENGRONG CHENG	6	4	0	100%
HILAL AL-KHARUSI	6	4	0	100%
MANUEL CHAMPALIMAUD (APPOINTED BY GESTMIN, SGPS, S.A.)	8	1	1	90%
JOSÉ FOLGADO BLANCO	2	8	0	100%
JOSÉ LUÍS ARNAUT	9	1	0	100%
FRANCISCO JOÃO OLIVEIRA (APPOINTED BY OLIREN, SGPS, S.A.)	6	0	0	100%
JOSÉ LUÍS ALVIM	10	0	0	100%
JOSÉ FREDERICO JORDÃO	10	0	0	100%
ANÍBAL SANTOS (APPOINTED BY PARPÚBLICA - PARTICIPAÇÕES PÚBLICAS (SGPS), S.A.)	9	1	0	100%
RUI CARTAXO ⁴⁹	2	0	0	100%
FILIFE DE BOTTON (APPOINTED BY EGF - GESTÃO E CONSULTORIA FINANCEIRA, S.A.) ⁵⁰	3	0	0	100%
HAIBIN WAN ⁵¹	9	1	0	100%
LUÍS AMADO ⁵¹	8	0	0	100%

⁴⁹ On 3 March 2014, resigned from all duties at REN. The General Meeting of 3 April 2014 elected Emílio Rui Vilar as the new Chairman of the Board of Directors for the remainder of the current term of office (2012-2014).

⁵⁰ 'EGF - Gestão e Consultoria Financeira, S.A.' and Filife de Botton (put forward by EGF for appointment to the position in his own name) resigned as member of the Board of Directors on 21 April 2014. On 8 May 2014, the Board of Directors decided to replace them, through co-opting by the company OLIREN, SGPS, S.A., which put forward Francisco João Oliveira for appointment to the position in his own name. This co-opting shall be subject for ratification at the next REN General Shareholders' Meeting.

⁵¹⁻⁴⁸ On 16 December 2014, Haibin Wan and Luís Amado (who had been elected to the position at the General Meeting of 3 April 2014) resigned as members of the REN Board of Directors. On 17 December 2014, the Board decided to replace them and co-opt for Rodrigo Costa and Longhua Jiang, for the remainder of the current term of office, 2012-2014. This co-opting shall be subject for ratification at the next REN General Shareholders' Meeting.

Executive committee

Meetings of the Executive Committee are convened and presided over by the respective Chairman and are held, as a rule, once a week⁵³.

In 2014, the Executive Committee held 44 meetings.

The Chairman of the Executive Committee (who, as already mentioned, is also Chairman of the Board of Directors, referring to 31 December 2014) sends to the Chairman of the Audit Committee the minutes of the Executive Committee's meetings, as well as the respective convening notices, when applicable. Moreover, whenever requested by members of the other corporate bodies, the Executive Committee provides timely and appropriate information⁵⁴.

Attendance of members of the executive committee at meetings

NAME	PRESENCE	REPRESENTATION	ABSENT	ATTENDANCE &
EMÍLIO RUI VILAR	34	0	0	100%
GONÇALO MORAIS SOARES	44	0	0	100%
JOÃO FARIA CONCEIÇÃO	44	0	0	100%
RUI CARTAXO ⁵⁵	10	0	0	100%

II.24 Indication of the competent corporate bodies to conduct the performance assessment of executive directors

The assessment of the performance of the Executive Committee members is conducted by the Non-Executive Directors, in order to create an adequate internal balance and an effective performance of non-executive tasks by all members of the Board of Directors and not just by a number of directors. Within its responsibilities, the Remunerations Committee has also actively participated in performance assessment, particularly for purposes of setting the variable remuneration of executive directors.

Performance assessment of members of the Executive Committee is carried out by the Remunerations Committee, with the support of the Company's non-executive directors. Of note is the role played by the Audit Committee in the verification of the quantitative elements of the assessment.

II.25. Predetermined criteria for the performance assessment of executive directors

The annual performance assessment of executive directors will be based on predetermined criteria, under the terms outlined in III.71 infra.

⁵³ Cf. article 1(2) of the Audit Committee regulations.

⁵⁴ Cf. Article 5 of the Executive Committee Regulations

⁵⁵ On 3 March 2014, Rui Cartaxo resigned from all duties at REN. The General Meeting of 3 April 2014 elected Mr. Emilio Rui Vilar as the new Chairman of the Board of Directors for the remainder of the current term of office (2012-2014).

II.26. Duties of each member of the Board of Directors, Executive Management Board and General and Supervisory Board, indicating roles carried out concurrently with other companies, both within and outside the group, and other relevant activities carried out by the members of the aforementioned bodies

Shown here are the duties carried out on administrative, management or supervisory bodies by members of REN's Board of Directors and Audit Committee in office at 31.12.2014:

DIRECTOR	DUTIES CARRIED OUT ON MANAGEMENT OR SUPERVISORY BODIES
EMÍLIO RUI VILAR	Chairman of the REN Rede Eléctrica Nacional, S.A. Board of Directors. Chairman of the REN - Gasodutos, S.A. Board of Directors. Chairman of the REN Atlântico - Terminal de GNL, S.A. Board of Directors. Chairman of the REN - Armazenagem, S.A. Board of Directors. Chairman of the REN Serviços, S.A. Board of Directors. Chairman of the REN Telecom - Comunicações, S.A. Board of Directors. Chairman of the ENONDAS, Energia das Ondas, S.A. Board of Directors. Chairman of the REN Gás, S.A. Board of Directors. Non-executive Director of the Calouste Gulbenkian Foundation Non-executive Director of Partex Oil and Gas (Holdings) Corporation
GONÇALO MORAIS SOARES	Member of the REN - Rede Eléctrica Nacional, S.A. Board of Directors. Member of the REN Gasodutos, S.A. Board of Directors. Member of the REN Atlântico - Terminal de GNL, S.A. Board of Directors. Member of the REN - Armazenagem, S.A. Board of Directors. Member of the REN Serviços, S.A. Board of Directors. Member of the REN Telecom - Comunicações, S.A. Board of Directors. Member of the ENONDAS, Energia das Ondas, S.A. Board of Directors. Member of the REN Gás, S.A. Board of Directors. Chairman of the REN Finance BV Board of Directors.
JOÃO FARIA CONCEIÇÃO	Member of the REN - Rede Eléctrica Nacional, S.A. Board of Directors. Member of the REN Gasodutos, S.A. Board of Directors. Member of the REN Atlântico - Terminal de GNL, S.A. Board of Directors. Member of the REN - Armazenagem, S.A. Board of Directors. Member of the REN Serviços, S.A. Board of Directors. Member of the REN RENTELECOM - Comunicações, S.A. Board of Directors. Member of the ENONDAS, Energia das Ondas, S.A. Board of Directors. Member of the REN Gás, S.A. Board of Directors.

Duties of executive directors

As a result of the framework above, the REN executive directors mainly carry out duties on governing bodies of companies that are either directly or indirectly subsidiaries or partly owned by REN. Thus, they are completely dedicated to carrying out their role. Seeking at all times to develop the business and advance the interests of the company and the Group to its full potential.

Moreover, it should be noted that, upon their appointment, the directors declared their full dedication to carrying out their role and realising the objectives laid out, and have proven this through their attendance at Board of Directors and Executive commission meetings and through their work carried out within REN.

DUTIES OF NON-INDEPENDENT NON-EXECUTIVE DIRECTORS IN OFFICE AT 31.12.2014⁵⁵

DIRECTOR	DUTIES CARRIED OUT ON MANAGEMENT OR SUPERVISORY BODIES
GUANGCHAO ZHU	Chairman of the Board of Directors and CEO of the Sate Grid International Development Limited Chairman of the State Grid Brazil Holding S.A. Board of Directors.
MENGRONG CHENG	Member of the Chinese Expert Committee of IEC MSB Co-Director of the Department of International Cooperation at the State Grid Corporation of China. Member of the Foreign Investment Management Committee at the State Grid Corporation of China.
HILAL AL-KHARUSI	Chairman of Oman Rolling Mill Company Vice-chairman of the Takamul Investment Company Vice-chairman of Bharat Oman Refineries Limited Company Director of the Oman Gas Company Director of the Oman India Fertilizers Company Director of the Sohar Aluminum Company
ANÍBAL SANTOS	Does not carry out any duties of director/inspection at other companies beyond his duties at REN
MANUEL CHAMPALIMAUD	Chairman of the Gestmin, SGPS, S.A. Board of Directors. Delegated Manager of Agrícola São Barão, Unipessoal, Lda. Manager of Da Praia – Promoção Imobiliária, Lda. Chairman of the Sogestão – Administração e Gerência, S.A. Board of Directors. Delegated Manager of Sogolfe – Empreendimentos Turísticos, Sociedade Unipessoal, Lda. Prodimed, S.A. Board Member Winreason, S.A. Board Member
JOSÉ FOLGADO BLANCO	Chairman of the REN Rede Eléctrica Corporación, S.A. Board of Directors.
FRANCISCO JOÃO OLIVEIRA	Member of the Board of Directors for the Real Estate Investment Funds Natura, Historic Lodges, Prime Value, Continental Retail, Imorent, Gestimo and Imolux. Member of the Board of Directors – Oliren, S.G.P.S., S.A. Member of the Board of Directors – Sociedade de Investimentos Imobiliários (S.I.I.), S.A. Member of the Board of Directors – Cosoli, S.G.P.S. Manager at MSR, Insurance Brokers. Member of the Board of Directors – TWT, Planificação do Transporte, S.A..
RODRIGO COSTA	At 31 December 2014, he still held the following positions: Chairman of the Board of Directors and Chairman of the Executive Committee at Unicre. He resigned in December 2014 from these positions Non-executive director at NOS SGPS, having resigned from this position on 1 February 2015.
LONGHUA JIANG	Assistant General Director of the European State Grid Body

Upon their appointment, the non-executive directors named above declared themselves to have the necessary dedication to carry out their role and to realise the objectives laid out. This dedication has been proven through their attendance at Board of Directors meetings and through their work carried out within REN.

⁵⁵ None of the companies identified belong to the REN Group.

DUTIES OF INDEPENDENT NON-EXECUTIVE DIRECTORS IN OFFICE AT 31.12.2014⁵⁶

DIRECTOR	DUTIES CARRIED OUT ON MANAGEMENT OR SUPERVISORY BODIES
JOSÉ LUÍS ARNAUT	Member of the MOP, S.A. Board of Directors. Member of the Discovery Portugal Real Estate Fund Board of Directors, Chairman of the General Meeting of the Portuguese Football Federation, Chairman of the General Meeting of ÚNICA – União Cervejeira de Angola (UNICER Group), Chairman of the General Meeting of ANA - Aeroportos de Portugal (VINCI Airports) Chairman of the General Meeting of PORTWAY - Handling de Portugal, S.A. (VINCI Airports), Chairman of the General Meeting of SIEMENS Portugal
JOSÉ LUÍS ALVIM	Manager of Sociedade J. L. Alvim – Consultoria Estratégica e Formação Avançada, Lda.
JOSÉ FREDERICO JORDÃO	Does not carry out any duties of director/inspection at other companies beyond his duties at REN

Upon their appointment, the non-executive directors and members of the Audit Commission (where applicable) named declared themselves to have the necessary availability to carry out their role and to realise the objectives laid out. This availability has been proven through their attendance at meetings of the management and supervisory bodies and through their work carried out within REN.

II.27. Identification of committees set up within, where appropriate, the Board of Directors, the General and Supervisory Boards and the Executive Management Board, and place where the operating regulations may be found

During this term of office, the REN Board of Directors did not see as suitable to its specificities nor necessary, the 'formal setting up' of specialist committees with competences in performance assessment and corporate governance, or otherwise, particularly due to: (i) the composition of the management body, with only three executive members in a total of 15 members; (ii) the model of corporate governance implemented, integrating an Audit Committee within the Board of Directors composed mainly of independent members (including its Chairman); and (iii) the company's shareholder structure, with the presence of several shareholders with knowledge of the sector and with the vocation of strategic partners. Furthermore, it has been our position that the setting up of specialist committees is not justified, bearing in mind the supervisory activity carried out by the Audit Committee and the non-executive members of the Board of Directors.

In 2014, Company Non-Executive Directors monitored issues relating to: (i) the model and principles of Company governance; (ii) the assessment of the overall performance of the Board of Directors and the analysis of the appropriate profile to perform the functions of a REN director; as well as (iii) the assessment of the performance of the Executive Directors, supporting the Board of Directors and the Remuneration Committee in the exercising of their duties.

Likewise, Non-Executive Directors monitor the global performance of the Board of Directors and analyse the functioning of the corporate governance system

⁵⁶ None of the companies identified belong to the REN Group.

Moreover, as referred to above⁵⁷, executive directors shared among themselves the responsibility and the monitoring of specific areas of operation.

With respect to the next term of office for REN corporate bodies (2015-2017), and as the REN privatization was concluded in the financial year of 2014, the implementation of measures to develop the REN corporate governance system are being considered. More specifically, the setting up of specialized committees within the REN Board of Directors.

II.28. Composition, if applicable, of the Executive Committee and/or identification of delegated directors

At 31 December 2014, the Executive Committee consisted of the members indicated in II.17.

II.29. Indication of the competencies of each committee set up and summary of the activities undertaken whilst carrying out these competencies

As stated in II.27, specialist committees with competences in performance assessment and corporate governance, or otherwise were not set up within REN's Board of Directors.

With regard to the Executive Committee, see II.21.

III. Supervision

(Supervisory Board, Audit Committee or General and Supervisory Board)

a) Composition

III.30. Identification of the supervisory bodies (Supervisory Board, Audit Committee or General and Supervisory Board), corresponding to the adopted model

As stated above⁵⁸, REN has adopted an Anglo-Saxon model of corporate governance with supervisory bodies consisting of the Audit Committee and the Statutory Auditor. The Audit Commission is made up solely of independent and non-executive directors⁵⁹ and a majority of independent directors (including the Chairman), possessing the necessary competences to perform their duties.

III.31. Composition of, where appropriate, the Supervisory Board, Audit Committee or General and Supervisory Board or the Financial Matters Committee, with indication of the minimum and maximum members and duration of term of office in accordance with the Articles of Association, number of full members, date of first appointment and date of termination of term of office of each member

At 31 December 2014, the Audit Committee consisted of three members as identified in II.17. This structure has proven adequate for carrying out their functions, taking into account the Company's size and business and the complexity of the associated risks.

REN's Articles of Association do not stipulate a minimum or maximum number of Audit Commission members.

As regards the remaining appropriate information, please refer to the information included in point II.17.

⁵⁷ Cf. II.21.

⁵⁸ See II.15. above.

⁵⁹ Cf. Article 3(3) of the Audit Committee regulations.

III.32. Identification, where appropriate, of the members of the Supervisory Board, Audit Committee or General and Supervisory Board or the Financial Matters Committee considered to be independent, in accordance with Article 414(5) of the Portuguese Companies Code

See II.18. above.

III.33. Professional Qualifications and other relevant information on the résumés of each of the members of the Supervisory Board, Audit Committee or General and Supervisory Board or the Financial Matters Committee

See II.19. above.

b) Operation

III.34. Existence and place where the operating regulations can be consulted for the Supervisory Board, the General and Supervisory Boards and the Financial Matters Committee

Audit Committee regulations can be consulted on the official REN website⁶⁰ in Portuguese and English.

III.35. Number of meetings and attendance for each member of the Supervisory Board, the Audit Committee, General and Supervisory Boards and the Financial Matters Committee

Audit Committee meetings are convened and presided over by the respective Chairman and are held monthly. In addition to its ordinary meetings, the Audit Committee may meet whenever convened by its Chairman or by the remaining two members⁶¹.

In 2014, the Audit Committee held 13 meetings.

Attendance of members of the audit committee at meetings

NOME	PRESENCE	REPRESENTATION	ABSENT	ATTENDANCE %
JOSÉ LUÍS ALVIM	13	0	0	100%
JOSÉ FREDERICO JORDÃO	13	0	0	100%
ANÍBAL SANTOS (APPOINTED BY PARPÚBLICA - PARTICIPAÇÕES PÚBLICAS (SGPS), S.A.	8	0	0	100%
EMÍLIO RUI VILAR ⁶²	5	0	0	100%

⁶⁰ www.ren.pt.

⁶¹ Cf. Article 8(1) and (2) of the Audit Committee Regulations.

⁶² Mr. Emílio Rui Vilar resigned as member of the REN Audit Committee on 6 March 2014. On 3 April 2014, the REN General Meeting elected Parpública – Participações Públicas (SGPS), S.A., represented by Prof. Aníbal Durães dos Santos (REN director appointed by Parpública - Participações Públicas (SGPS), S.A.) to replace him.

III.36. Duties of each member of the Audit Committee, General and Supervisory Boards and the Financial Matters Committee, indicating roles carried out concurrently with other companies, both within and outside the group, and other relevant activities carried out by the members of the aforementioned bodies

With regard to this matter, see II.26.

c) Competences and duties

III.37. Description of the procedures and criteria applicable to the intervention of the supervisory bodies for the purposes of contracting additional services from the external auditor

In accordance with Audit Committee regulations, the Company is granted prior approval for the contracting of different audit services from the external auditor or from any entity with a participating interest with said auditor or which is part of the same network (see also point V.46.).

In 2014 the Audit Committee granted prior approval to the contracting of different audit services from the external auditor or from the entities referred to above on the part of REN or companies in a group or controlling relationship.

III.38. Other functions of the supervisory bodies and, where applicable, the Financial Matters Committee

The Audit Committee is, alongside the Statutory Auditor, a supervisory body, consisting of non-executive directors. It is, therefore, an integral body of the Board of Directors, while consisting mainly of independent members (including its Chairman).

The Audit Committee supervises and oversees management activity in an independent and autonomous manner. The dual capacity of its members, as members of both the supervisory body and the management body, renders the control process even more transparent, notably due to the special access afforded to the members of the Audit Committee to information and decision-making processes.

The Audit Committee, as a supervisory body, has the powers and the duties stipulated by law and in the REN Articles of Association, therefore being particularly responsible for⁶⁴:

- a) Supervising the management of the Company and compliance with the law, the Articles of Association and principles of governance;
- b) Drawing up an annual report on their supervisory action and issue an opinion on the report, accounts and proposal to distribute profits presented by management;
- c) Supervising the effectiveness of the risk management, internal control and internal audit systems;
- d) Verifying the accuracy of books, accounting records and documents they use as support;
- e) Verifying, when and in the manner they see fit, cash in all its forms and stocks of any type of assets or values belonging to REN or received by REN as a guarantee, deposit or in other form;

⁶³ Cfr. alinea l) do n.º 3 do artigo 6.º.

⁶⁴ Cfr. artigo 6.º do regulamento da Comissão de Auditoria.

- f) Verifying if the accounting policies and the valuation criteria adopted by REN lead to a correct evaluation of property and results;
- g) Verifying the accuracy of the accounting documents prepared by the Board of Directors and overseeing the respective review;
- h) Supervising the preparation and disclosure of financial information;
- i) Receiving whistleblowing communications submitted by shareholders, company employees or third parties;
- j) Proposing the appointment of the Statutory Auditor to the General Meeting (particularly with regard to proposing the external auditor and the respective remuneration);
- k) Inspecting the independence of the Statutory Auditor, more specifically with regard to the provision of additional services;
- l) Inspecting the review of accounts in accounting documentation;
- m) Contracting the services of experts who will assist one or several of its members in exercising their duties; and
- n) Convening the General Meeting whenever the Chairman of the Board of the General Meeting fails to do so, despite this obligation.

The Audit Committee draws up an annual report on its supervisory activities (including references to any detected constraints). It also submits an opinion on the management report, the financial statements, as well as on the Corporate Governance of the company, which are available together with accounting documents on the REN website⁶⁴, and which remain available for five years.

The Audit Committee is the Company's main discussion partner and the first recipient of reports from the Statutory Auditor and external auditor, representing it in relation to the Statutory Auditor and seeking to ensure that, within the Company, suitable conditions are provided for them to carry out their work.

The Audit Committee is responsible for regularly monitoring the activities of the external auditors and the Statutory Auditor by analysing their periodic reports and overseeing the audit and review processes. It also assesses any changes in procedures recommended by the external auditors or the Statutory Auditor⁶⁵.

REN has adopted a corporate governance model based on an Anglo-Saxon model and the supervisory body consists of non-executive directors who are on the Board of Directors, so in addition to the competences referred to above, the Audit Committee, acting as supervisory body, also has the general competences of the non-executive directors.

In turn, in accordance with the CSC⁶⁶, the Statutory Auditor is responsible for the examination and verification required for the review and legal certification of the accounts. He is also responsible for verifying the correctness of books, accounting records and documents used as support, the accuracy of documents providing accounting information and if the accounting policies and valuation criteria adopted by REN lead to a correct evaluation of its property and results.

The external auditor and the Statutory Auditor also verify the implementation of the remuneration policies and systems, the effectiveness and functioning of the internal control mechanisms and are obliged to report any significant deficiencies to the Company's Audit Committee. The Statutory Auditor also verifies the Corporate Governance Report, under the legally applicable terms.

⁶⁴ www.ren.pt

⁶⁵ Cf. Article 6(3)(j) of the Audit Committee Regulations.

⁶⁶ Cf. Article 420.

IV. Statutory Auditor

IV.39. Identification of the Statutory Auditor and the auditor partner representing the Statutory Auditor

The office of permanent Statutory Auditor of the Company is carried out by the auditors Deloitte & Associados, SROC, S.A., registered with the Portuguese Institute of Statutory Auditors under No 43 and registered at CMVM under number 231, represented by Jorge Carlos Batalha Duarte Catulo (C.A. N° 992), who also carries out the duties of external auditor.

The substitute Statutory Auditor of the Company is Carlos Luís Oliveira de Melo Loureiro, a Chartered Accountant registered with the Portuguese Institute of Statutory Auditors under N° 572.

IV.40. Indication of the number of years which the Statutory Auditor has consecutively carried out duties for the Company and/or group

The REN Statutory Auditor (Deloitte & Associados, SROC S.A.) was initially contracted to carry out these duties in 2009.

IV.41. Description of other services provided by the Statutory Auditor to the Company

In addition to services as Statutory Auditor detailed in III.38., the services referred to in V.46 were also provided.

V. External Auditor

V.42. Identification of the external auditor for the purposes of Article 8 and of the respective Statutory Auditor representing them in the carrying out of these duties, along with the relevant CMVM registration number

REN's external auditor, as with the Statutory Auditor, is Deloitte & Associados, SROC, S.A., registered with the Portuguese Institute of Statutory Auditors under N° 43 and registered at CMVM under number 231, represented by Jorge Carlos Batalha Duarte Catulo (C.A. N° 992).

V.43. Indication of the number of years which the external auditor and respective Statutory Auditor have carried out duties for the Company and/or group

REN's external auditor (Deloitte & Associados, SROC S.A.), and the respective partner, were initially hired to carry out these duties in 2009..

V.44. Rotation frequency and policy for the external auditor and respective Statutory Auditor representing them in the carrying out of these duties

REN's external auditor (Deloitte & Associados, SROC S.A.) was initially hired to carry out these duties in 2009. Therefore, the period corresponding to three terms in office is still in effect. When this period is over, the Company shall rotate this work in accordance with CMVM Recommendation IV.3.

Moreover, in accordance with Audit Committee regulations⁶⁸, the aforementioned body must issue a duly justified opinion regarding possible renewals of the contract of the external auditor for a fourth term-of-office which must weigh the conditions for the external auditor's independence and the advantages and costs of a replacement.

V.45. Indication of the body responsible for assessing the external auditor and frequency with which this assessment is undertaken

The Audit Committee is responsible for undertaking an annual assessment of the external auditor and has the power to propose the dismissal of the external auditor to the General Meeting if there are grounds to do so and to propose the respective remuneration.

The Audit Committee is responsible for regularly monitoring the activities of the external auditor by analysing their periodic reports and overseeing the audit and review processes. It also assesses any changes in procedures recommended by the external auditor.

The Audit Committee is also responsible for overseeing the independence of the external auditor and issuing prior approval of the contracting of different audit services from the external auditor or from any entity with a participating interest with the said external auditor or which is part of the same network.

In 2014, the Audit Committee carried out its evaluation of the service provided to the Company by the external auditor. Consequently, the Audit Committee considers that the external auditor has provided its services in a positive way and has complied with the applicable standards and regulations, including international standards on auditing, and that they performed their activities with extreme technical accuracy.

V.46. Identification of non-audit services provided by the external auditor to the Company and/or companies in a controlling relationship, as well as an indication of internal procedures for the approval of contracting these services and an indication of the reasons for their contracting

Non-audit services provided to REN by the external auditor/Statutory Auditor consisted of translation, as well as tax consultancy and operational services.

Within the compliance with the independence rules established in relation to the External Auditor/Statutory Auditor, REN's Audit Committee accompanied, in 2014, the provision of non-audit services by Deloitte & Asociados, SROC, S.A., in order to ensure that situations of conflicts of interest would not arise. The Audit Committee approved the provision of these services by the External Auditor, due to fact that they were matters in relation to which the specific knowledge of Deloitte in terms of auditing, as well its complementarity regarding audit services, would justify such approval, based on the associated cost control.

REN considers that it fully complies with CMVM Recommendation IV.2., as the services other than audit services do not extend beyond the limit of 30%, given that 83% of the total services provided by the External Auditor are services consisting of the legal review of accounts, as well as audit related services.

⁶⁸ Cf. Article 6(3) and (2) of the Audit Committee regulations..

V.47. Indication of the annual amount of remuneration paid by the Company and/or by companies in a group or controlling relationship to the auditor or to other companies or individuals belonging to the same network and breakdown of the percentages allocated to the respective services below (for the purposes of this information, the concept of a network is that arising from the EU Recommendation C (2002) 1873 of 16 May.)

	COMPANY (REN SGPS) ⁶⁹	OTHER COMPANIES ⁷⁰	TOTAL	%
AUDIT AND LEGAL REVIEW OF ACCOUNTS	102,858	232,742	335,600	67.5%
OTHER RELIABILITY GUARANTEE SERVICES	72,000	4,900	76,900	15.5%
TAX CONSULTANCY SERVICES	-	8,000	8,000	1.6%
	174,858	245,642	420,500	
OTHER SERVICES	47,000	29,720	76,720	
	47,000	29,720	76,720	15.4%
			497,220	

6.1.3 INTERNAL ORGANIZATION

I. Articles of Association

I.48. Rules applicable to changes to the Company's Articles of Association (Art. 245(A)(1)(h))

Changes to the Articles of Association are subject to the relevant rules as stipulated by law⁷¹ and in the Articles of Association themselves⁷². See note in point I.14.

II. Whistleblowing Policy

II.49. Whistleblowing Policy and Methods for irregularities occurring in the Company

Shareholders, members of corporate bodies, employees, service providers, clients, suppliers and other stakeholders in REN or Group companies may communicate any irregular practices they have knowledge of or which are duly founded to the Audit Committee, in order to prevent, stop or sanction irregularities which could adversely affect the REN Group.

This system covers the communication of irregular practices by shareholders, members of corporate bodies, employees or service providers of the REN Group.

Communications must be submitted in writing to the registered office or by sending an email to comissao.auditoria@ren.pt, which is only accessible by the Audit Committee. Communications must contain all the information the author has and considers necessary for assessing the irregularity.

⁶⁹ Including individual and consolidated accounts.

⁷⁰ Including individual and consolidated accounts.

⁷¹ Cfr. artigo 383.º do CSC.

⁷² Cfr. artigo 11.º do Contrato de Sociedade.

Communications will be dealt with confidentially, except if the whistleblower wishes to reveal his or her identification in the communication of the irregularity, which will only be disclosed for the purposes of investigations should the whistleblower give his or her consent.

The Audit Committee must assess the situation described and determine or propose actions that, in each specific case, are deemed appropriate, in accordance with the Internal Regulations approved by the Board of Directors, under a proposal by the Audit Committee.

The investigation process by the Audit Committee includes a preliminary stage with the aim of (i) conducting an in-depth investigation which may use contracted external consultants, (ii) rejection of the communication, or (iii) presentation of a proposal for corrective measures to the Board of Directors or the Audit Committee.

III. Internal control and risk management

III.50. People, bodies or committees responsible for internal audit and/or for the implementation of internal control systems

The management and supervisory bodies of the Company have attributed growing importance to the development and improvement of the internal control and risk management systems, with a significant impact on the activities of the Group's companies. This approach has been in line with national and international recommendations, the Company's size and business and the complexity of the associated risks.

The Executive Committee and, ultimately, the Board of Directors, are responsible for creating and managing the internal control and risk management systems, including the setting of objectives.

The Audit Committee is responsible for assessing the Executive Committee in the analysis of the integrity and efficiency REN's internal control and governance and risk management systems, including the introduction of resolutions to improve operations and amendments in accordance with REN's requirements⁷³. Therefore, in its action plan for activities to be carried out in 2014, the Audit Commission considered a range of investigations and assessments into the operation and suitability of the internal control and governance and risk management systems, having held several meetings with the Statutory Auditor and external auditor and with the heads of different departments, namely: information systems, procurement, management planning and control, accounts, research and regulation.

The external auditor verifies the efficiency and operation of the internal control mechanisms, as part of its legal review of financial statements, and reports any significant deficiencies to the Audit Committee.

On 13 May 2009, the Executive Committee passed a resolution to set up GSAD-AI (Internal Audit), with the mission of supervising the creation, operation and effectiveness of the Group's risk management control model and internal control and governance systems, through objective, independent and systematic monitoring.

⁷³ Cf. Article 3(6)(a) of the Audit Committee regulations.

Of note, among GSAD-AI's various tasks are the following:

- ◆ Review of risk management and internal control policies in force;
- ◆ Assess the degree of implementation of internal control (organizational structure and governance, delegation of powers, ethics and code of conduct, policies and procedures);
- ◆ Implementation of financial, IT, operational and management audits in the various areas of the REN Group, confirming compliance with the policies, laws and regulations (compliance services);
- ◆ Definition, jointly with the various areas, of measures to correct any weaknesses or non-compliances identified during the audits
- ◆ Monitoring the implementation of corrective measures, through follow-up reports; and
- ◆ Support high-level management in defining and/or implementing control and governance measures.

In addition, the mission of the Risk Management Committee, created in 2011, is to support the Board of Directors in monitoring the Group's risks, as well as ensuring the enforcement of risk management policies common to the entire REN Group and the internal disclosure of best practices for Risk Management. To carry out this mission, the Risk Management Committee's main functions are to:

- ◆ Promote the identification and systematic assessment of business risks and their impact on REN's strategic objectives;
- ◆ Categorize and prioritize the risks to be addressed, as well as the corresponding preventive opportunities identified;
- ◆ Identify and define the persons responsible for risk management;
- ◆ Monitor significant risks and REN's general risk profile;
- ◆ Approve regular risk reporting mechanisms by different businesses areas; and
- ◆ Approve, or submit to the Executive Committee, recommendations for prevention, mitigation, sharing or transfer of material risks.

In 2014, the Risk Management Committee continued to support the Board of Directors in monitoring the Group's risks, as well as ensuring the enforcement of risk management policies common to the entire Group and the internal disclosure of best practices for Risk Management.

III.51. Explanation, also including organizational chart, of the hierarchical and/or functional relationships of other Company bodies or committees

GSAD-AI reports in terms of functions and hierarchy to the Audit Committee, notwithstanding its relationship with the Company's Executive Committee.

As part of its supervisory function and the competences expressly prescribed in the internal regulations, the Audit Commission supervises the internal audit procedure, namely through the introduction of resolutions to improve their operation. To this effect, the Audit Committee carries out an appraisal of the work plans and resources available to GSAD-AI, supervises the activity and has access to all reports prepared by the GSAD-AI including, amongst others,

⁷⁴ Cfr. alíneas a), b) e m) no n.º 3 do artigo 6.º do regulamento da Comissão de Auditoria.

matters relating to accounts, potential conflicts of interest and the detection of possible irregular practices.

The Risk Management Committee is coordinated by Gonçalo Morais Soares, an executive director, and is responsible for the first line of defence, reporting to the Executive Committee.

III.52. Existence of other functional areas with competences for risk control

There are no other functional areas with competences for risk control other than the referred in III.50.

III.53. Identification and description of the main kinds of risks (economical, financial and legal) that the company is subject when conducting business

When conducting business in all of its areas of operation or those of its subsidiaries, REN is subject to multiple risks. These have been identified with the aim of mitigating and controlling them.

The 'appetite for risk' reflects the amount of risk the company is willing to take on or to retain in pursuing its goals. REN adopts a prudent position with regard to its appetite for risk.

In 2013, the Risk Management Committee, with support from 'risk owners', reviewed the various risks to which REN is exposed, thereby updating the Group's risk profile.

The most serious risks for the REN Group are shown in detail below, with their category and subcategory:

#	CATEGORY	SUB-CATEGORY	NATURE	RISK EVENT
1	ENVIRONMENT	EXTERNAL CONTEXT	REGULATORY	CHANGE IN THE REGULATORY MODEL AND PARAMETERS
2			FINANCIAL MARKETS	EVOLUTION IN REN RATING
3				EVOLUTION IN INTEREST RATES
4	PROCESES	OPERATIONAL	INTERRUPTION OF BUSINESS	OCCURRENCE OF GENERALIZED INCIDENTE
5			INVESTMENT PROJECTS	NON-APPROVAL OF INVESTMENT PLANS
6				NON-ENTRY OF ASSETS INTO OPERATION WITHIN PLANNED PROJECT DEADLINES
7			HEALTH AND SAFETY	OCCURRENCE OF SERIOUS WORK ACCIDENTS
8			INFORMATION TECHNOLOGY	NON-AVAILABILITY OF IT SYSTEMS
9			INVESTMENT PROJECTS	INSOLVENCY OF SUPPLIERS
10			ASSET SECURITY	CRITICALITY OF INSTALLATIONS

Changes to the regulatory model and parameter

O The risk of changes to the regulatory model and/or regulator decisions may affect the company's ability to run its business efficiently and is linked to the fact that the activity carried out by REN is a regulated activity.

REN manages such risk by systematically monitoring the progress of the regulatory strategy as well as European regulatory trends in relation to activities carried out by REN.

Evolution of ren's rating

Changes to REN' rating could have an impact in terms of access to financing as well as the cost of such financing.

REN manages this risk by building a position of sound liquidity and through efficient management of its financing needs combined with effective initiatives for communicating with both the market and the various financial agents.

It should be noted that the company's rating may be affected by any deterioration in Portugal's rating.

Evolution of interest rates

The fluctuation of interest rates can have an impact on remuneration from regulated assets and on servicing REN's debt. A change to relevant benchmarks of market interest rates could result in higher financing expenses for the REN Group.

REN manages exposure to the risk of changes in interest rates by contracting financial derivatives, in order to achieve a balanced ratio of fixed and variable interest rate and to minimize financial burdens in the medium and long-term.

Occurrence of a generalized incident

The company's performance could be influenced by the occurrence of events causing an interruption in the electricity and/or gas supply service and by any difficulty in restoring the service in a timely manner. The infrastructures supporting REN's operations are exposed to a series of conditions (pollution, atmospheric conditions, fires, birds, among others), which could cause interruptions to the service.

The plan for restoring service following a generalized incident implemented by REN and the organization of drills to test the ability to restore the service in the event of an incident, are some of the initiatives adopted for managing this risk.

Non-approval of investment plans

The existence of delays in the approval of investment plans by the Regulator or by other authorities can cause significant delays in implementing new infrastructures and/or loss of the investment made, with an impact on the quality of the service provided.

REN has adopted procedures for managing this risk that involve monitoring actions by the regulatory authority with approval responsibilities and other competent entities in the process of authorizing the investment to be made.

Non-entry into operation of assets within planned deadlines

Economic and financial conditions together with the difficulty in obtaining financing to allow providers of services and suppliers to do business, and also other factors of an operational nature including processes for environmental licensing/authorization, may compromise the entry into operation of assets within planned deadlines.

REN carries out a series of actions which allow the ongoing monitoring and mitigation of all factors which could increase this risk.

Occurrence of serious work accidents

Non-compliance with safety and operational procedures for equipment could result in the occurrence of serious work accidents with damage to people and property during work organized by REN.

REN manages this risk through the safety management system, with specific training for operations involving risks and training for employees of REN's service providers on safety awareness.

Unavailability of information systems

REN's activities rely heavily on the information systems and technologies used within the Group. Therefore, the availability of information systems and their capacity to meet Company needs are crucial to REN's good performance.

To manage this risk, REN maintains its communication systems and the respective support services up to date by performing periodic inspections of the configurations of network and security equipment. At the same time, security measures are in place for systems deemed to be critical, such as the existence of redundant communications and the shielding of such systems from potentially dangerous traffic.

Insolvency of suppliers

The unavailability or untimely or inefficient availability of resources/services provided by third parties may influence REN's ability to achieve its objectives.

Therefore, it has become necessary to improve the model for supplier assessment and qualification and to put mechanisms in place to continually follow and monitor the performance of the contractors and service providers throughout the execution of projects, so that REN can ensure its clients' needs are met and achieve the key performance indicators of quality, cost and time.

The key tools for managing this risk are the supplier qualification and assessment system implemented at REN, the financial assessment of suppliers and contract workers during the market consultation process and the monitoring of corporate information on suppliers and service providers.

Critical nature of the installations

Protection and efficient asset management has always been REN's priority, and has become an ever more crucial factor in the pursuit of its activities in order to ensure service quality and value creation.

To manage this risk, REN has developed new methodologies that pave the way for increased efficiency in asset management as well as guaranteeing their physical protection, through the implementation of integrated security systems for installations, in order to avoid unforeseen circumstances or incidents that may put the integrity of infrastructures or equipment at risk.

III.54. Description of the risk identification, assessment, monitoring, control and management process

It is considered that a risk management and internal control system – as implemented by REN – should meet the following objectives:

- ◆ Guarantee and supervise compliance with the objectives previously set by the Board of Directors;
- ◆ Identify the risk factors, the consequences of the occurrence of risk and the mechanisms for dealing with and minimizing risk;
- ◆ Align admissible risk with REN Group strategy;
- ◆ Ensure that information is reliable and complete;
- ◆ Ensure the complete, reliable and timely preparation and reporting of financial and accounting information and apply an appropriate management information system;
- ◆ Guarantee the safeguarding of assets;
- ◆ Ensure prudent, appropriate valuation of assets and liabilities;
- ◆ Improve the quality of decisions; and
- ◆ Promote the rational and efficient use of resources.

As such, in pursuing the objectives stated above, REN's Risk Committee is responsible for identifying and evaluating the inherent risks involved in REN's activities stated in III. 53., also seeking to support the monitoring of significant risks and REN's general risk profile.

That is to say that, at the first stage, the Risk Committee, with the collaboration of its members who are the heads of the different departments and with the assistance of all other department heads within the Company, analysed any aspects related to REN's business that could constitute a risk to its activity.

The Risk Committee then assesses existing risks (severity and probability of occurrence for each potential risk) and classifies them by order of importance and by categories and subcategories. The assessment of risks inherent to REN's activities, as well as to the Internal Control System, is carried out according to the following principles:

- ◆ To strengthen and improve effectiveness and efficiency in the use of resources;
- ◆ Safeguarding assets;
- ◆ To analyse the information processing system;
- ◆ Checking of the reliability and accuracy of financial, accounting and other kinds of information;
- ◆ To prevent and detect fraud and errors;
- ◆ To check for compliance of the Group's operations and business with applicable legal and regulatory provisions, as well as with general policies and Company regulations; and
- ◆ To promote operational effectiveness and efficiency.

Following the identification and assessment of inherent risks, the Risk Committee identifies the relevant measures to eliminate, mitigate or control the risks and reports the result of the analysis to the Board of Directors. The Risk Committee further seeks to apply preventive and protective measures, through the formulation of a priority plan, and communicates risk management best practices internally.

Risk assessment is reviewed regularly in order to ensure that it is always up to date. Therefore, within the scope of the Group risk management system, the following activities were undertaken in 2014:

- ◆ Review and updating of the list of greatest risks;
- ◆ Definition of the action plan to mitigate the greatest risks; and
- ◆ Definition of a dashboard to monitor Key Risk Indicators (KRI).

As part of the risk monitoring, control and management, also of note was that on 8 November 2012, the REN Board of Directors approved the review of the regulations on 'Appreciation and Control of Transactions with Related Parties and Prevention of Conflicts of Interests' and 'Procedures Applicable to the Processing of Whistleblowing Communications and the Inspection of Irregularities'.

It should further be noted that REN has implemented a series of changes to its internal control and risk management systems, involving the components provided for in CMVM Recommendations. It has also been guided by the rules of the International Organization for Standardization (ISO) .

In 2014, the company continued to implement a homogeneous and integrated corporate risk management strategy across the entire organization, aligned and structured in accordance with the specific priorities and features of each of the company's areas.

III.55. Main elements in the internal control and risk management systems implemented at the Company with regard to the financial information disclosure process (Art. 245(A)(1) (m))

REN regularly provides management information, to strictly monitor its operations. In this regard, all management information provided both for internal use and for disclosure to other organizations, is prepared on the basis of sophisticated IT systems. REN carries out initiatives that seek to continually improve the support information processes and systems that produce financial and management information.

It is the Audit Committee's responsibility to supervise the process for the preparation and disclosure of financial information; As such, the Audit Committee held meetings to monitor these processes with the members of the Executive Committee, the Statutory Auditor and external auditor and with those responsible for accounts and management planning and control.

IV. Investor support

IV.56. Service responsible for investor support, composition, functions, information provided by this service and contact information

The service responsible for investor support is the Investor Relations Office (DRI), founded in July 2007, and devoted exclusively to the preparation, management and coordination of all activities necessary to achieve REN's objectives in its relations with shareholders, investors and analysts, and ensure a communication that offers a full, coherent and comprehensive vision of REN, thereby facilitating investment decisions and creating sustained value for shareholders, providing information and clarification on information published by REN.

IRO contacts:

E-mail: ir@ren.pt

Ana Fernandes – Director: ana.fernandes@ren.pt

Alexandra Martins – alexandra.martins@ren.pt

Telma Mendes – telma.mendes@ren.pt

Address: REN – Redes Energéticas Nacionais, SGPS, S.A.

A/C: Investor Relations Office

Avenida dos Estados Unidos da América, 55

1749-061 Lisboa - Portugal

Telephone: +351 210 013 546 | **Fax:** +351 210 013 150

The IRO has the following main duties:

- a) To act on REN's behalf with shareholders, investors and financial analysts, ensuring equality of service for shareholders and preventing incorrect information;
- b) Ensure that feedback from institutional investors is communicated to the Executive Committee;
- c) Guarantee timely compliance with CMVM obligations and other financial authorities;
- d) Coordinate, prepare and disclose all information made available by the REN Group with regard to disclosure of privileged information and other communications to the market, and in relation to the publication of periodic financial statements;
- e) Systematically monitor the content of analyst research work with the aim of contributing to a correct evaluation of the Company's strategy and results;
- f) To prepare and continuously monitor the financial and operational benchmark of competitors and peer group;
- g) Attract the interest of potential institutional investors, as well as a greater number of financial analysts;

- h) Draw up an annual activities plan for the IRO, including road-shows, visits to investors and the organization of Investor Day; and
- i) Develop and maintain the Investor Relations page on the Company's⁷⁵ website.

IV.57. Representative for market relations

Since 28 March 2012, the REN Representative for Market Relations has been the Director Gonçalo Morais Soares who is also the Chief Financial Officer (CFO) of the REN Group.

IV.58. Information about the proportion of, and response time to, requests for information received this year and in previous years

Investor requests were responded to in a timely manner, usually on the same day or, in such case as the request required the receipt of information from third parties, soon after they were received. In 2014, almost 340 requests were attended to by telephone, 358 by email and 308 in person at conferences and roadshows, with both debt and equity investors.

Another form of contact with capital markets was through conference calls commenting on the results of each quarter of the year, in which both analysts and institutional investors participated.

Also in relation to information duties, REN published, in line with the stipulated terms, press releases on the Portuguese Securities Market Commission and London Stock Exchange websites, amongst other entities.

REN maintains an updated record of requests for information lodged, as well as the treatment they received.

V. Internet site

V.59. Address(es)

The Company's website⁶⁹ is available in Portuguese and English, in accordance with CMVM recommendation VI.1.

V.60. Place where information on the firm can be found, the quality of open company, its registered office and all other information mentioned in article 171 of the Portuguese Companies Code

On the REN website⁶⁹, under the tab marked 'Investors', there is a tab marked 'Corporate Information', where information on the firm, the quality of open company, the registered office and other information mentioned in Article 171 of the Portuguese Companies Code may be found.

www.ren.pt/investidores/informacao_da_sociedade/

⁷⁵ www.ren.pt

⁷⁶ www.ren.pt

⁷⁷ www.ren.pt

V.61. Place where the Articles of Association and operating regulations for the bodies and committees can be found

On the REN website⁷⁸, under the tab marked 'Investors', there is a tab marked 'Corporate Governance' under which, in turn, there is a tab marked 'Statutes, Regulations and Reports'. This latter tab provides access to the Articles of Association, as well as the following regulations and documents:

- ◆ Board of Directors Regulations;
- ◆ Audit Committee Regulations;
- ◆ Executive Committee Regulations;
- ◆ Regulations on transactions with related parties;
- ◆ Regulations on transactions of securities by REN directors; and
- ◆ Procedures applicable to the processing of whistleblowing communications and the inspection of irregularities.

www.ren.pt/investidores/governo_da_sociedade/estatutos_regulamentos_e_relatorios/

V.62. Place where information is made available on the identity of members of the corporate bodies, the Representative for Market Relations, the Investor Support department or similar structure, their respective functions and means of access

On the REN website, under the tab marked 'Investors', there is a tab marked 'Corporate Governance' under which there is in turn, a tab marked 'Corporate Governance', under which the composition of the corporate bodies can be consulted:

www.ren.pt/investidores/governo_da_sociedade/

Furthermore, on the REN website, under the tab marked 'Investors', there is a tab marked 'Investor Relations' which has information on the identity of the Representative for Market Relations and the Office for Investor Relations, as well as their contact details and powers.

www.ren.pt/investidores/relacoes_com_investidores/

V.63. Place where accounting records are made available, which must be accessible for at least five years, as well as a half-yearly calendar of company events, announced at the start of each semester, including, amongst others, General Meetings, publishing of annual, half yearly and, where applicable, quarterly reports

On the REN website⁷⁹, under the tab marked 'Investors', there is a tab marked 'Results', where documents are published on accounting records, which remain accessible for a period of five years.

www.ren.pt/investidores/resultados/

On the same website⁸⁰, a calendar of company events is also available.

⁷⁸ www.ren.pt

⁷⁹ www.ren.pt

⁸⁰ www.ren.pt

⁸¹ www.ren.pt

V.64. Place where the notice to convene a General Meeting is published as well as all the preparatory documents and documents resulting from said meeting

On the REN website, under the tab marked 'Investors', there is a tab marked 'Corporate Governance', under which, in turn, there is a tab marked 'General Meetings', holding the Notice to Convene, the proposed resolutions and the minutes of the General Meeting.

www.ren.pt/investidores/governo_da_sociedade/assembleias_gerais/

V.65. Place where a historic record is made available with all the resolutions adopted at the company's General Meetings, the represented share capital and voting results for the previous three years

On the website⁸¹, REN provides extracts from the minutes of General Meetings.

On the website, REN maintains a historic record of notices to convene, points of order and resolutions adopted at General Meetings, as well as information on the represented share capital and voting results for the previous 5 years.

See V.64. with regard to where this information is provided.

6.1.4 REMUNERATION

I. Competence to determine remuneration

I.66. Indication with regard to competence to determine the remuneration of corporate bodies, members of the Executive Committee or delegated director and the Company's managers

The REN General Meeting is responsible for the appointment of the members of the Remunerations Committee⁸², which is responsible for setting the remuneration and for submitting the annual declaration on the remuneration policy for members of management and supervisory bodies. The Remunerations Committee is responsible for presenting and submitting to the shareholders the principles of the remuneration policy for corporate bodies, as well as for determining the respective remunerations, including the respective complements⁸³. Moreover, this proposed declaration will be subject to assessment and deliberation by the shareholders of the Annual General Meeting.

The abovementioned declaration on the remuneration policy covers all company officers (within the meaning of the provision of Article 248-B(3) of the Securities Code, given that the REN Board of Directors understands that those officers correspond only to the members of the company's Management and Supervisory Bodies.

⁸¹ www.ren.pt

⁸² Cf. Article 8(2)(d) of the Articles of Association.

⁸³ Cf. Article 26 of REN's Articles of Association.

II. Remuneration Committee

II.67. Composition of the Remuneration Committee, including identification of natural or legal persons hired to provide support and declaration on the independence of each of the members and consultants

At 31 December 2014, the following three members, appointed at the annual General Meeting of 3 April 2014, were on the Remunerations Committee (three-year period of 2012-2014):

NAME	POSITION
PAULO PIMENTA	CHAIRMAN
MANUEL DE LANCASTRE	MEMBER
FERNANDO NEVES DE ALMEIDA	MEMBER

The current Remunerations Committee is comprised by members who are independent from the management. To such extent, the Remunerations Committee does not include any member of another corporate body for which it determines the respective remuneration, and its three members in office do not have any family relationship with members of such other bodies, notably spouses, relatives and kin, in a direct line, up to the 3rd degree, inclusive.

It should be noted that, through a letter dated 29 November 2013, the Remunerations Committee members appointed at the Annual General Meeting of 27 March 2012 for the 2012-2014 term of office (Mr Carlos Rodrigues, Rui Horta e Costa and Pedro de Sommer Carvalho) tendered their resignations. These resignations only came into effect upon the appointment of the new members of the Remunerations Committee at the Annual General Meeting of 3 April 2014.

At the Annual General Meeting of 2014 held on 3 April 2014, the Chairman of the Remunerations Committee was present, Mr. Carlos Rodrigues, as representative of that committee.

II.68. Expertise and experience of the Remunerations Committee in matters or remuneration policy

All members of the Remunerations Committee have the necessary knowledge, acquired through their academic training and professional experience, required to reflect and decide upon all matters under the Remuneration Committee remit, taking into account that set out below.

Each member of the Remunerations Committee has a specific academic background in management, and one of the members (Fernando Neves de Almeida), holds a degree in human resource management. This training provides them with the necessary and relevant theoretical expertise to perform their duties. It should also be noted that Fernando Neves de Almeida continues his academic work in the field of human resources, lecturing on the strategic management of human resource at the Universidade Europeia. He has also published several papers and books on this area.

Moreover, the Remunerations Committee consists of three members with vast professional experience, working for consultancies, the government and in numerous different sectors of activity, both in Portugal and abroad. Therefore,

all the members of the Remunerations Committee have continued to perform duties as (i) members of the management body of several national and international entities in highly varied sectors of activity, (ii) in the government, as Secretary of State for Economic Development (in the case of Manuel Corrêa de Barros de Lancastre), and (iii) at consultancies in the field of human resources (in the case of Fernando Neves de Almeida), thus consolidating relevant practical knowledge with regard to remunerations policy, performance assessment systems and complementary areas.

III. Remuneration structure

III.69. Description of the remuneration policy for management and supervisory bodies as referred to in Article 2 of Law No 28/2009 of June 19 2009

As an issuer of shares admitted to trading on the regulated market, REN is subject to Law N° 28/2009 of June 19 2009 as well as to CMVM recommendations;

Therefore, on one hand, in the interest of transparency and legitimacy of the setting of remuneration policy (according to the principle of say-on-pay, internationally recognized with regard to good corporate governance) and, on the other hand, for purposes of compliance with the legal provisions and recommendations described above, the Remuneration Committee submits for the appraisal of the Annual General Meeting, a declaration on the remuneration policy for corporate bodies for the 2012-2014 term of office, the terms of which were subject to prior resolutions by this Committee.

The conclusion of the second stage of the REN privatization process reduced the state's holdings in Company capital, meaning that REN went from being a public company to an invested company and as such, the system for state companies with its specificities and limitations, ceased to apply to the company in most circumstances. Given that REN, as a result of the abovementioned privatization came to be a company of mostly private capital and issues shares admitted to trading on the regulated Euronext Lisbon market, the Remunerations Committee carried out an in-depth review of the remunerations policy and conditions applicable to members of the REN Board of Directors, Audit Committee and Board of the General Meeting, for the term of office underway corresponding to the three-year period of 2012-2014. For this purpose, the abovementioned Committee conducted several joint studies with specialized and independent consultants, more specifically with regard to market analyses and a study of the legal recommended framework applicable to remunerations.

Further to these checks, the REN Remunerations Committee approved a new remuneration policy which has been in effect since 1 June 2012.

On 3 April 2014, a declaration by the Remunerations Committee on the remuneration policy for members of corporate bodies was unanimously approved at the General Meeting. This declaration includes the information set out in Article 2 of law N° 28/2009 of 19 June 2009. In accordance with the recommendation II.3.3 of CMVM, the abovementioned declaration also contains: (i) identification and explanation of the criteria to determine the remuneration to be awarded to members of corporate bodies; (ii) information on the potential maximum amount, individually, and on the potential maximum aggregate amount, to be paid to the members of the REN corporate bodies, and identification of the circumstances in which such maximum amounts shall be due; and (iii) information on the enforceability or non-enforceability of payments for the dismissal or termination of duties of directors.

The remuneration policy for Executive Directors follows the guidelines set out below:

- ◆ To be simple clear, transparent and aligned with REN culture;
- ◆ To be suitable and fitting to the size, nature, scope and specificity of REN's business;
- ◆ To ensure total remuneration which is competitive and equitable and in line with the best practices and latest trends seen nationally and in Europe, particularly with regard to REN's peers;
- ◆ To incorporate a fixed component which matches the duties and responsibility of the directors;
- ◆ To incorporate a variable component which is reasonable overall in relation to the fixed remuneration, with one short-term component and another medium-term component, both with maximum limits;
- ◆ To establish a variable remuneration indexed to individual performance assessment and that of the company, in accordance with achievement of specific quantifiable aims which are in line with Company and shareholder interests; and
- ◆ To establish a variable remuneration component based on the medium-term indexed to the evolution of the REN share price, thus ensuring that the remuneration of executive directors is bound to the sustainability of results and the creation of wealth for shareholders.

Based on these principles, the remuneration of executive directors is mainly determined based on four general criteria: (i) competitiveness, taking into consideration the practices of the Portuguese market; (ii) equity, in that remuneration must be based on uniform, consistent, fair and balanced criteria; (iii) assessment of performance, in accordance with duties and the level of responsibility of the person in question, as well as the assumption of suitable levels of risk and compliance with the rules applicable to REN business; and (iv) alignment of directors' interests with the Company's and its sustainability and creation of long-term wealth.

The remuneration of the executive directors includes a fixed component and a variable component. The variable component consists of a parcel which seeks to remunerate short-term performance and another with the same objective based on medium-term performance, as described in further detail below.

The non-executive directors (including the members of the Audit Committee) are entitled to fixed monthly remuneration, defined in line with the best practices observed at large-scale companies in the Portuguese market.

The remuneration of the members of the General Meeting corresponds to an annual fixed sum.

There are no approved variable remuneration plans or programmes that consist of the allocation of shares, options to acquire shares or other incentive schemes based on a variation of the price of shares for members of the management or supervisory bodies (or persons discharging managerial functions, within the meaning of Article 248-B(3) of the Portuguese Securities Code), without prejudice to the method of calculating medium-term variable remuneration (MTVR)

Furthermore, there is no system of retirement benefits for the members of the management or supervisory bodies (or persons discharging managerial functions, within the meaning of Article 248-B(3) of the Portuguese Securities Code).

III.70. Information on how remuneration is structured so as to allow alignment of the interests of members of the management body with the Company's long-term interests, as well as how it is based on performance assessment and discourages taking on excessive risk

As mentioned in III.69 above, non-executive directors' remuneration (including the members of the Audit Committee) consists exclusively of a fixed component, paid in 12 monthly instalments over the year, and is not connected to the performance or value of REN, meeting the applicable recommendations on this matter.

The remuneration structure of executive directors consists of a fixed component and a variable component. There is an adequate proportionality between both components, as explained in III.69 above.

In accordance with the remuneration policy approved for the three year period of 2012-2014 and described in the Remuneration Committee declaration approved by the Annual General Meeting of 2014, the variable component of remuneration for 2014 may include a short-term parcel ('STVR') and a medium-term parcel ('MTVR'), both based on a performance assessment with weighting on key individual performance indicators of the director and the performance of the Company itself. Such indicators, described in more detail in III.71 above, seek to bring the interests of the executive directors closer to the long-term interests of REN and its shareholders.

Particularly, MTVR has the following characteristics which contribute to the alignment of the interests of REN executive directors with those of the Company and shareholders:

- ◆ MTVR is set in Remuneratory Units (RU) which refer to every financial year in the term of office in which each executive director has performed duties
- ◆ Each Remuneratory Unit has a value corresponding to the REN share price at the date the MTVR is set and this value evolves in a manner equal to that of the Total Shareholder Return (TSR) for REN shares

The main aims of the proportionality between the fixed and variable components and the limits to variable remuneration (i.e. between 20% and 120% of fixed remuneration, in a gradual manner, without prejudice to the evolution in RU) are to discourage taking on excessive risk and to stimulate the adoption of a suitable risk management strategy.

III.71. Reference, if applicable, to the existence of a variable remuneration component and information on possible impact of performance assessment on this component

As has already been mentioned, the remuneration structure of the Executive Committee consists of fixed and variable components, and in accordance with the remuneration policy approved for the 2012-2014 term of office and described in the Remuneration Committee declaration approved by the Annual General Meeting of 2014, the variable component of remuneration for 2014 may include short and medium-term parcels – STVR and MTVR⁸⁵.

⁸⁵ Cf. points III.69. and III.70 above.

The awarding of STVR and MTRV is subject to the following common requirements:

- ◆ The awarding of the variable component of remuneration only takes place after approval of the accounts for each financial year, after the performance assessment for the year to which the payment refers and only when predefined objectives have been complied with, measured with individual and company performance indicators indexed to targets in the REN strategic plan.
- ◆ The degree of achievement of defined goals is measured through an annual performance assessment, based on a predefined model. Therefore, if compliance with goals falls below 80% (minimum performance level), no payment of variable remuneration takes place. However, if compliance with goals lies between 80% and 120% or greater, the corresponding total variable remuneration will equate, in a gradual manner, to between 20% and 120% of the fixed remuneration.

The abovementioned annual performance assessment, for purposes of awarding STVR and MTRV during the term of office, is carried out based on the following REN Key Performance Indicators (KPI) on a consolidated basis (weighting of 80%) and the individual performance assessment (weighting of 20%), which, if negative, will result in the non-awarding of Short-Term Variable Remuneration:

- i) Average Cost of Debt;
- ii) Return on Invested Capital;
- iii) EBITDA abroad;
- iv) Earnings per Share (compound annual growth rate - CAGR); and
- v) EBITDA CAGR.

Short-term variable remuneration

- a) Short-Term Variable Remuneration (STVR) is paid in cash, depending on the annual performance assessment, with the sum being paid varying in accordance with the degree of achievement of goals relating to Key Performance Indicators.
- b) Therefore, if the annual performance assessment falls below 80% (minimum performance level), no payment of STVR takes place. However, if the annual performance assessment lies between 80% and 120% or greater, the corresponding STVR will equate to between 10% and 60% of fixed remuneration.

Medium-term variable remuneration

Medium-Term Variable Remuneration (MTRV) aims to strengthen the alignment of the interests of REN executive directors with those of the Company and shareholders. This payment will vary depending on the annual performance assessment (already described in the previous point) and will follow the same model as that for STVR.

III.72. Deferral of the payment of the variable remuneration component, with mention of the deferral period

The awarding of STVR will correspond to a sum of up to 50% of total variable remuneration awarded with regard to each financial year in question.

In turn, MTVR is set in RU which refer to every financial year of the term of office and is structured to ensure deferral of payment and is conditioned to continued positive performance, through the following channels:

- ◆ Each RU has a value corresponding to the REN share price at the date the MTVR is set and this value evolves in a manner equal to that of TSR for REN shares;
- ◆ The entitlement executive directors have to convert their RUs is attained on a successive basis. The units are broken down into thirds and the first 1/3 is consolidated at the end of the first financial year while the remaining 2/3 are consolidated at the end of subsequent financial years, provided that the director performs executive duties in the respective financial year. The entitlement executive directors have to convert their RUs will be maintained even if their duties terminate as a result of a change in REN shareholder control. This is due to the fact that the director has been in office in the period in question (such conversion thus not being seen as compensatory in nature), and as a result of the non-voluntary nature of termination of duties (unlike that which takes place in the event of dismissal);
- ◆ RUs will be automatically converted into cash or, should the REN General Meeting come to deliberate (and in accordance with the terms thereby established), into REN shares, either partially or totally, when three years have elapsed since the date on which they were awarded. Therefore, and although entitlement to convert RUs into cash is progressive, in accordance with that set out above, payment is always deferred for three years from the date of awarding

Bearing in mind the above, payment of MTVR for 2013 is awarded in 2014 and deferred for a period of three years, to be paid in 2017, if the corresponding assumptions are met.

III.73. Criteria on which the awarding of variable remuneration in shares is based, as well as on the maintaining, by the executive directors, of these shares, on possible signing of contracts which refer to the shares, more specifically hedging contracts or risk transfer contracts, the respective limit, and their relation to the value of total annual remuneration

At present, no plans to award variable remuneration in shares exist, and as such REN considers that CMVM recommendation III.6. does not apply.

Therefore, despite the remuneration policy approved by the Remuneration Committee for the term of office determining that, within the scope of MTVR, RU can be converted into REN shares, either partially or totally, should the REN General Meeting so deliberate, this has not as yet taken place. Should the General Meeting make such a decision, this deliberation shall govern the conditions for awarding the shares in question, including the potential requirement to maintain the shares or part of them until the end of the term of office.

Furthermore, bearing in mind the objectives sought through the remuneration model stipulated herein, executive directors of the Company shall not take out contracts either with the company or with third parties, designed to mitigate the risk inherent to the variability of their remuneration.

III.74. Criteria on which the awarding of variable remuneration in options is based and indication of the deferral period and the price

There are no variable remuneration plans or programmes that consist of the allocation of shares, options to acquire shares or other incentive systems based on a variation of the price of shares for members of the management or supervisory bodies or persons discharging managerial functions, within the meaning of Article 248-B(3) of the Portuguese Securities Code.

III.75. Main parameters and basis of any system of annual bonuses and any other non-monetary benefits

In 2014, Executive Directors were entitled to the use of a car, a cell phone, health insurance, life insurance and personal accident insurance for the performance of their duties. It is estimated that the value of these benefits is €20,000/director.

There is no system of annual bonuses or any other non-monetary benefits, beyond the variable component of remuneration described above and in the previous paragraph.

III.76. Main characteristics of the complementary pensions or early retirement schemes for directors and the date on which they were approved at the General Meeting, in individual terms

There is no system of retirement benefits or pensions for the members of the management and supervisory bodies.

IV. Disclosure of remuneration

IV.77. Indication of the annual amount of remuneration earned, jointly and individually, by the members of Company management bodies, paid by the Company, including fixed and variable remuneration and, with regard to the latter, mention of the different components

In 2014, the remuneration of the members of REN's management body, individually and collectively, was as follows:

⁸⁶ Entre 1 de janeiro de 2014 e 3 de abril de 2014, Emílio Rui Vilar foi remunerado enquanto vogal da Comissão de Auditoria, tendo passado a ser remunerado como Presidente do Conselho de Administração e da Comissão Executiva a partir dessa última data.

⁸⁷ Desempenhou o cargo em causa entre 1 de janeiro de 2014 e 17 de Dezembro de 2014, data da produção dos efeitos da renúncia previamente apresentada.

NAME		FIXED REMUNERATION	VARIABLE REM.	TOTAL
EMÍLIO RUI VILAR ⁸⁶	CHAIRMAN OF THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE/MEMBER OF THE AUDIT COMMITTEE	301,944 €		301,944 €
JOÃO FARIA CONCEIÇÃO	EXECUTIVE COMMITTEE	305,000 €	144,875 €	449,875 €
GONÇALO MORAIS SOARES	EXECUTIVE COMMITTEE	305,000 €	144,875 €	449,875 €
GUANGCHAO ZHU	VICE-CHAIRMAN OF THE BOARD OF DIRECTORS	80,000 €		80,000 €
MENGRONG CHEN	BOARD OF DIRECTORS	36,000 €		36,000 €
HAIBIN WAN ⁸⁷	BOARD OF DIRECTORS	34,645 €		34,645 €
HILAL AL-KHARUSI	BOARD OF DIRECTORS	36,000 €		36,000 €
MANUEL CHAMPALIMAUD	BOARD OF DIRECTORS	36,000 €		36,000 €
RED ELÉCTRICA CORPORACIÓN, S.A.	BOARD OF DIRECTORS	36,000 €		36,000 €
JOSÉ LUÍS ARNAUT	BOARD OF DIRECTORS	36,000 €		36,000 €
FRANCISCO JOÃO OLIVEIRA (INDICADO PELA OLIREN, SGPS, S.A.) ⁸⁸	BOARD OF DIRECTORS	23,300 €		23,300 €
LONGHUA JIANG ⁸⁹	BOARD OF DIRECTORS	1,355 €		1,355 €
RODRIGO COSTA ⁹⁰	BOARD OF DIRECTORS	1,355 €		1,355 €
JOSÉ LUÍS ALVIM	AUDIT COMMITTEE	75,000 €		75,000 €
JOSÉ FREDERICO JORDÃO	AUDIT COMMITTEE	60,000 €		60,000 €
ANÍBAL SANTOS ⁹¹	BOARD OF DIRECTORS/AUDIT COMMITTEE	53,867 €		53,867 €
RUI CARTAXO ⁹²	CHAIRMAN OF THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE	99,458 € ⁹³	182,875 €	282,333 €
EGF, S.A. ⁹⁴	BOARD OF DIRECTORS	12,700 €		12,700 €
LUÍS AMADO ⁹⁵	BOARD OF DIRECTORS	25,445 €		25,445 €
TOTAL		1,559,069 €	472,625 €	2,031,694 €

⁸⁶ Between 1 January 2014 and 3 April 2014, Emilio Rui Vilar was remunerated as a member of the Audit Committee. After 3 April 2014, he was remunerated as a Chairman of the Board of Directors and Chairman of the Executive Committee.

⁸⁹ Carried out the duties of the position in question between 1 January 2014 and 17 December 2014, the date on which his resignation became effective.

⁹⁰ Started position as of 8 May 2014 (put forward by OLIREN, SGPS, S.A. to carry out duties in his own name), further to the co-opting undertaken at the Board Meeting held on that date, subject to ratification at the next REN General Shareholders' Meeting.

⁹¹ Started position as of 17 December 2014, further to the co-opting undertaken at the Board Meeting held on that date, subject to ratification at the next REN General Shareholders' Meeting.

⁹² Started position as of 17 December 2014, further to the co-opting undertaken at the Board Meeting held on that date, subject to ratification at the next REN General Shareholders' Meeting.

⁹³ Between 1 January 2014 and 3 April 2014, Anibal Santos was remunerated as a member of the Board of Directors. After 3 April 2014 he was remunerated as a member of the Audit Committee.

⁹⁴ Carried out the duties of the position in question between 1 January 2014 and 3 April 2014, the date on which his resignation became effective.

⁹⁵ This sum includes €43,106.16 paid by the subsidiary Red Eléctrica Corporación, S.A., a Company incorporated under Spanish Law, in which he inherently holds the office of member of the Board of Directors.

⁹⁶ Carried out the duties of the position in question between 1 January 2014 and 8 May 2014, the date on which his resignation became effective.

⁹⁷ Carried out the duties of the position in question between 3 April 2014 and 17 December 2014, the date on which his resignation became effective.

STVR paid in 2014, as indicated in the table above, refers to the financial year of 2013. Members of the Executive Committee were also awarded (but not paid) an additional remuneration parcel, for MTVR referring to the 2013 financial year, set in RU. Considering that the REN share price on the date MTVR was set was 2.753 euros, the number of RUs to be awarded to each member of the Executive Committee is as follows:

- i) João Faria Conceição – 52,624.4 RU;
- ii) Gonçalo Morais Soares – 52,624.4 RU;
- iii) Rui Cartaxo – 66,427.5 RU;

IV.78. Sums paid for any reason by other companies in a controlling or group relationship or which are subject to common control

The members of the corporate bodies of REN did not receive any amounts paid by other companies in a controlling or group relationship with REN..

IV.79. Remuneration paid in the form of profit sharing and/or payment of bonuses and the reasons why such bonuses and/or profit sharing were granted

There are no payments in the form of profit sharing and/or payment of bonuses, beyond the variable component of remuneration described above.

IV.80. Compensation paid or due to Ex-Executive Directors for the termination of their duties during office

There were no amounts due or paid in the form of compensation to Ex-Executive Directors for the termination of their duties during office.

IV.81. Indication of the annual amount of remuneration earned, jointly and individually, by the members of the Company's consulting bodies, for the purposes of Law 28/2009, of 19 July

With regard to the members of the Audit Commission, please refer to IV.77. above, and with regard to the Statutory Auditor, please refer to V.47. above.

IV.82. Indication of the annual remuneration of the Chairman of the General Meeting

In 2014, the Chairman and Vice Chairman of the General Meeting received, respectively, the fixed annual amount of €5 000 and €3 000 for carrying out their respective functions.

V. Agreements with remuneration implications

V.83. Contractual limitation for compensation to be paid for unfair dismissal of a director and its relation to the variable remuneration component

In accordance with the remuneration policy approved by the Remunerations Committee with regard to the financial year of 2014, in the event of termination of management duties through agreement or unfair dismissal, no compensation will be paid, beyond that legally required, if the termination or dismissal is due to the unsuitable performance of the director. No other provision exists in the REN remuneration policy or in contractual clauses applicable to this matter, and as such, only the legal rules apply.

The legally owed compensation, in the event of unfair dismissal, corresponds to the compensation for damages suffered, which must not exceed the amount of compensation that they would otherwise have received up to the end of their elected term.

V.84. Reference to the existence and description, with the amounts involved indicated, of agreements between the Company and the members of the management body or other officers, in the meaning of Article 248(B)(3) of the Portuguese Securities Code, that would award compensation in the event of resignation, unfair dismissal or termination of the employment relationship, following a change in control over the Company. (Art. 245(A)(1)(I))

There are no agreements between REN and the members of the management body or other officers (in the meaning of Article 248-B(3) of the Portuguese Securities Code) that would award compensation in the event of resignation or unfair dismissal or termination of the employment relationship, following a change in control over the Company.

VI. Plans to allocate shares or stock options

VI.85. Identification of the plan and the respective recipients

There are no variable remuneration programmes or plans that consist of the allocation of shares, options to acquire shares or other incentive systems based on a variation of the price of shares for members of the management or supervisory bodies or persons discharging managerial functions, within the meaning of Article 248-B(3) of the Portuguese Securities Code.

However, the remuneration policy approved by the Remuneration Committee and which came into effect on 1 June 2012, determines that, within the scope of MTRV, RU can be converted into REN shares, either partially or totally, should the REN General Meeting so deliberate (which has not happened so far).

VI.86. Characteristics of the plan (conditions of allocation, shares non-transferability clauses, criteria relating to the share price and exercise price, period during which options can be exercised, characteristics of the allocated shares or options to be awarded, existence of incentives for the acquisition of shares and/or the exercising of options)

See VI.85. above.

VI.87. Option rights allocated for the acquisition of stock options to be assigned to Company workers or employees

See VI.85. above.

VI.88. Control Mechanisms available in a possible scheme for worker participation in capital, in that voting rights shall not be directly exercised by said workers (Art. 245(A)(1)(e))

There are no schemes for worker participation in the share capital of the Company.

6.1.5 TRANSACTIONS WITH RELATED PARTIES

I. Control mechanisms and procedures

I.89. Mechanisms implemented by the Company for purposes of controlling transactions with related parties (please see the concept resulting from IAS 24)

So as to facilitate control by the Audit Committee of transactions concluded or to be concluded by REN or its subsidiaries with related parties and the methodology to be adopted in the event of potential conflict of interests, the REN Audit Committee proposed internal regulations to the Board of Directors for the 'Analysis and Control of Transactions with Related Parties and Prevention of Conflict of Interest', which were approved by the Board of Directors on 8 November 2012.

In accordance with the internal regulations on 'Analysis and Control of

⁹⁶ That is, a) a member of a REN management or supervisory body or of any other company in a controlling or group relationship with REN, pursuant to Article 21 of the Portuguese Securities Code ('Affiliates') or b) any individual who, due to the post he or she holds in REN or in the affiliates, serves in a senior or managerial capacity, or who has regular or occasional access to privileged information; or c) a shareholder who holds a qualified shareholding of at least 2% of REN's share capital or of that of the affiliates, calculated in accordance with Article 20 of the Portuguese Securities Code, or d) a third-party body, related to an Official or a Relevant Shareholder by means of any relevant commercial or personal interest.

⁹⁷ Cf. Point III.(a) of the abovementioned internal regulations.

Transactions with Related Parties and Prevention of Conflict of Interest', which are in line with IAS 24 and the recommendation V.2 of CMVM, transactions conducted between a related party⁹⁶ and REN or its subsidiaries, which are covered by the following situations, shall be submitted by the management body for prior opinion by the Audit Committee⁹⁷:

- ◆ The purchase and/or sale of goods, provision of services or contract work valued at over €1,000,000;
- ◆ The acquisition or disposal of shareholdings;
- ◆ New loans, financing and subscription of financial investments resulting in an overall annual indebtedness exceeding €100,000,000, except when dealing with a simple renewal of existing circumstances or operations undertaken within the framework of pre-existing contractual conditions; and
- ◆ Any transaction which, though not covered by the above criteria, has a value that exceeds €1,000,000 or must be considered relevant for this purpose by the Board of Directors, by virtue of its nature or its particular susceptibility to giving rise to a conflict of interests.

In turn, any business between a Related Party and REN or one of its Affiliates, which does not fall into any of the above circumstances, must be submitted by the management body to the Audit Committee for its consideration⁹⁸.

If the Audit Committee issues an unfavourable prior expert opinion, approval of the transaction by the Board of Directors must be particularly well-grounded so as to demonstrate that the completion of the transaction is in line with pursuing the corporate interest of REN or of its Affiliates and that the resulting advantages for them outweigh in a positive manner the disadvantages identified by the Audit Committee⁹⁹.

Finally, the Audit Committee also submits recommendations to the Board of Directors with regard to measures to prevent and identify conflicts of interest¹⁰⁰.

Moreover, in accordance with the Board of Directors internal regulations, transactions with related parties for sums exceeding €500,000 or, regardless of the sum, any transaction which may be considered as not being executed under market conditions are matters which may not be delegated to the Executive Committee.

I.90. Indication of the transactions which were subject to control in the reference year

In accordance with internal regulations on the appreciation and control of transactions with related parties and the prevention of conflicts of interest, the Audit Committee intervened in the following transactions, carried out between the Company and the holders of qualified shareholdings or entities with which they are in a relationship pursuant to Article 20 of the Portuguese Securities Code having issued a prior favourable opinion to the carrying out of the aforementioned:

A – Acquisitions of goods or services:

⁹⁸ Cf. Point III(b) of the abovementioned internal regulations.

⁹⁹ Cf. Points 4 and 5 of the abovementioned internal regulations.

¹⁰⁰ Cf. Point IX(I)(a) of the abovementioned internal regulations.

1 - Taking out Insurance for the REN Group:

- a) **Objective:** Taking out of insurance for material damage and operating losses, general civil liability, maritime civil liability and terrorism, for a period of three years.
- b) **Date of approval:** On 2 July 2014, by the REN Executive Committee (conditional approval), on 23 July 2014, by the REN Executive Committee (inclusion of coverage for overhead lines) (conditional approval), on 31 July 2014, by the REN Board of Directors, having been subject to prior favourable opinion from the Audit Committee.
- c) **Material criteria for its appreciation:** Business conducted between a related party, Consórcio Fidelidade (REN shareholder)/AIG/AON, and REN Group companies.
- d) **Selection criteria:** Most economically advantageous proposal.
- e) **Type of procedure:** Public tender.
- f) **Amount:** € 8,145,000.00 plus VAT.

2 - Supply of electricity to REN Group installations:

- a) **Objective:** Supply of low, medium and high voltage to REN Group installations for a period of 18 months.
- b) **Date of approval:** On 23 July 2014, by the REN Executive Committee (conditional approval), on 31 July 2014, by the REN Board of Directors, having been subject to prior favourable opinion from the Audit Committee.
- c) **Material criteria for its appreciation:** Business conducted with a related party, EDP Comercial - Comercialização de Energia, S.A. (EDP Group company - a REN shareholder) and the following REN subsidiaries: REN - Rede Eléctrica Nacional, S.A., REN Gasodutos, S.A., REN Armazenagem, S.A. and REN Atlântico - Terminal de GNL, S.A..
- d) **Selection criteria:** Lowest price.
- e) **Type of procedure:** Direct award, further to the invitation sent to five entities to submit proposals.
- f) **Amount:** € 4,160,572.28 plus VAT at the applicable rate and networks access fees.

3 - Supply of a power transformer for the Valdigem Sub-station (REN - Rede Eléctrica Nacional, S.A.):

- a) **Objective:** Acquisition of a 220/63 kV 170 MVA power transformer for the Valdigem Sub-station.
- b) **Date of approval:** On 30 July 2014, by the REN – Rede Eléctrica Nacional, S.A. Board of Directors (conditional approval), on 31 July 2014, by the REN Board of Directors, having been subject to prior favourable opinion from the Audit Committee.
- c) **Material criteria for its appreciation:** Business conducted between a related party, SPECO (a State Grid group company – a REN shareholder), and a REN subsidiary, REN – Rede Eléctrica Nacional, S.A..
- d) **Selection criteria:** Most economically advantageous proposal (80% commercial + 15% technical + 5% guarantee). Adjudicated at the lowest price.
- e) **Type of procedure:** Limited tender, with use of the qualification system.
- f) **Amount:** €1,379,660.13 plus VAT at the applicable rate.

B – Provision of Services:

4 – Contract granting rights of use of fibre optics to Red Eléctrica Internacional, S.A.:

- a) **Objective:** Granting of rights of use of fibre optics and associated infrastructures.
- b) **Date of approval:** On 22 January 2014, by the REN Board of Directors, having been subject to prior favourable opinion from the Audit Committee, and on 29 January 2014, by the RENTELECOM – COMUNICAÇÕES, S.A. Board of Directors.
- c) **Material criteria for its appreciation:** Business conducted with a related party, REI – Red Eléctrica Internacional, S.A., a company wholly owned by Red Eléctrica Corporación, S.A., a REN shareholder, and a REN subsidiary, RENTELECOM – COMUNICAÇÕES, S.A. This was a transaction negotiated in accordance with normal market conditions, applicable to all interested parties.
- d) **Amount:** €1,70,232.00.

5 – Provision of services contract to EDP – Energias de Portugal, S.A.:

- a) **Objective:** 3rd supplementary agreement to the housing contract for the Ermesinde

Data Processing Centre, so as to allow (i) the extension of the contract's validity period, (now in force until December 2018), (ii) an increase in its current net value, (iii) the extent of the contract and client in question to be reflected in the contract conditions, within the scope of RENTELECOM – COMUNICAÇÕES, S.A. business, and (iv) the adaptation of the said contract to the expected evolution in the telecommunications market, thus aligning this transaction with market conditions.

- b) **Date of approval:** On 30 July 2014, by the REN Executive Committee (conditional approval), on 31 July 2014, by the REN Board of Directors,

having been subject to prior favourable opinion from the Audit Committee, and on 16 December 2014, by the RENTELECOM – COMUNICAÇÕES, S.A. Board of Directors (final terms of the supplementary agreement).

- c) **Material criteria for its appreciation:** Business conducted between a related party, EDP – Energias de Portugal, S.A. (EDP Group company – a REN shareholder) and a REN subsidiary, RENTELECOM – COMUNICAÇÕES, S.A.. This was a transaction negotiated in accordance with normal market conditions, applicable to all interested parties.

- d) **Amount:** €4,000,000.00 – estimated value for 4 years.

6 – Provision of services contract to EDP – Gestão de Produção de Energia, S.A.:

- a) **Objective:** Construction of three 400 kV line panels at the Vieira do Minho step down station to connect to the Salamonde II and Venda Nova III Hydro Power Plants.

- b) **Date of approval:** On 10 September 2014, by the REN Executive Committee (conditional approval), on 18 September 2014, by the REN Board of Directors, having been subject to prior favourable opinion from the Audit Committee.

- c) **Material criteria for its appreciation:** Business conducted with a related party, EDP – Gestão da Produção de Energia, S.A. (EDP Group company – a REN shareholder), a company wholly owned by EDP and the following REN subsidiaries: REN – Rede Eléctrica Nacional, S.A. and REN Serviços, S.A.. This was a transaction negotiated in accordance with normal market conditions, applicable to all interested parties.

- d) **Amount:** €1,792,052.00 (Salamonde II) and €3,584,104.00 (Venda Nova III) – estimated values.

I.91. Description of the procedures and criteria applicable to the intervention of the supervisory bodies for the purposes of assessing business between the Company and the holders of qualified shareholdings or entities with which they are in any relationship pursuant to Article 20 of the Portuguese Securities Code

See I.89. above. The procedures and criteria outlined herein are applicable to transactions with the holders of qualified shareholdings or entities with which they are in any relationship pursuant to Article 20 of the Portuguese Securities Code, given that these are by definition considered to be related parties in accordance with the internal regulations for the 'Analysis and Control of Transactions with Related Parties and Prevention of Conflict of Interest'.

II. Information relating to business

II.92. Indication of the location of accounting documents providing information regarding business with Related Parties, in accordance with IAS 24 or, alternatively, reproductions of this information

Point 34 of the Appendix to the financial statements of the 2014 Management Report, in accordance with IAS 24, includes a description of the principal elements of business with Related Parties, including business and operations carried out between the Company and holders of qualified shareholdings or associated entities.

Business between the Company and the holders of qualified shareholdings or entities with which they are in any relationship pursuant to Article 20 of the Portuguese Securities Code was conducted under normal market conditions, during normal REN business, and was largely a result of regulatory obligations, and as such, the recommendation V.1. of CMVM was adopted.

PART II

6.2 ASSESSMENT OF CORPORATE GOVERNANCE

1. IDENTIFICATION OF THE MODEL OF CORPORATE GOVERNANCE ADOPTED

The Corporate Governance Code to which the company is subject or has decided voluntarily to abide by shall be identified, under the terms and pursuant to Article 2 of these regulations.

The place where the texts of the Corporate Governance Code to which the Company is subject are made available to the public shall also be indicated ((Article 245(1)

In 2013, the regulatory and advisory framework for matters of corporate governance was subject to a major overhaul.

Under the terms of this overhaul, and as a Company issuing shares that were admitted for trading on the Euronext Lisbon regulated market, REN finds itself subject to, in matters of disclosure of information relating to corporate governance, to the regime established by the Portuguese Securities Code, in Law 28/2009, of 19 June, and the Securities Market Commission regulations 4/2013 (the latter was approved in 2013 and is applicable to governance reports referred to in this exercise).

Amongst the many amendments to the Securities Market Commission regulations 4/2013, it is worth noting the possibility for issuing companies to opt for the adoption of the CMVM governance code or an alternative code issued by a dedicated entity.

Also in this respect, and in an advisory sense, the Securities Market Commission and the Portuguese Institute for Corporate Governance (IPCG) approved, respectively, in 2013 and 2014, new corporate governance codes. This outcome was the result of a long process of discussion and consultation with various market players.

Considering the fact that at the next General Meeting with the election of the new corporate bodies for the term of office of 2015-2017, the current term of office for REN's corporate bodies will end, REN has only referred to the Securities Market Commission's Corporate Governance Code. This code has governed how the current governing bodies have implemented their operating principles.

Therefore, only in 2015 with the start of the new term of office, will REN consider the possible adoption of an alternative code, in that this may result in a strengthening of the corporate governance model, especially with regard to the IPCG initiative. In any case, the Company understands that the current model and principles of corporate governance are already in line with a significant number of the recommendations included in the IPCG's Governance Code.

In summary, for the purposes of this report, REN took the decision to adopt the recommendations laid out in the Corporate Governance Code of the Securities Market Commission, approved in 2013, which can be viewed at www.cmvm.pt.

2. ANALYSIS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE ADOPTED

Pursuant to Article 245-A(1)(a) of the Corporate Governance Code a statement shall be included on the acceptance of the Corporate Governance Code to which the issuer is subject, stating any divergence from the said code and the reasons for the said divergence.

The information submitted should include, for each recommendation:

- a) Information that enables the verification of compliance with the recommendation or referring to the part of the report where the issue is discussed in detail (chapter, title, paragraph, page);
- b) Grounds for the non-compliance or partial compliance thereof;
- c) In the event of non-compliance or partial compliance, the details of any alternative mechanism adopted by the company for the purpose of pursuing the same objective of the recommendation.

As discussed above, REN took the decision to adopt all recommendations laid out in the Corporate Governance Code of the Securities Market Commission, approved in 2013.

Therefore, REN hereby declares that it fully adopts all the abovementioned CMVM recommendations on corporate governance laid down in the said Code, except for Recommendations I.1. (partially), I.2. to I.4 and II.1.4, which are not met for the reasons described below.

The chart below identifies CMVM recommendations and individually mentions those that have been fully adopted by REN and those that have not. Also indicated are the chapters in this report where a more detailed description of measures taken for their adoption may be found with the aim of complying with the said CMVM recommendations.

RECOMMENDATION / CHAPTER ¹⁰¹	INDICATION ON THE ADOPTION OF THE RECOMMENDATION	CHAPTER OF THE REPORT
<p>I. Voting and Company control</p> <p>I.1. Companies shall encourage shareholders to attend and vote at general meetings and shall not set an excessively large number of shares required for the entitlement of one vote, and implement the means necessary to exercise the right to vote by mail and electronically.</p>	<p>Partially adopted</p> <p>(Currently, electronic voting is not possible at present as REN considers that the participation of shareholders at General Meetings is fully provided for through vote by correspondence and representation mechanisms - as described above in the respective chapter. Furthermore, bearing in mind particularly its voting rights, the reduced dispersion of capital and the fact no correspondence votes have been received at recent General Meetings, REN considers that electronic voting would not provide any benefits for shareholders. In summary, the Company considers that correspondence vote and the possibility of representation are sufficient mechanisms to comply with the aim of this recommendation to promote active shareholder participation at General Meetings.)</p>	<p>Part 1, Chapter 6.1.2.I.12.</p>
<p>I.2. Companies shall not set a resolution-fixing quorum that outnumbers that which is prescribed by law.</p>	<p>Not adopted</p> <p>(The quorum required to constitute at first call, is 51% of capital. Moreover, the quorum for adopting resolutions on changes to the Articles of Association, merger, demerger, transformation or dissolution is two thirds of votes issued, whether at first or second call. The aim of the mechanisms set out in Art.11(1) and (2) of the Articles of Association is to ensure adequate representation of shareholders in light of the nature of the activities carried out by the Company and its voting rights. In accordance with No 3 of the same Article, resolutions for changes relating to Articles 7(A), 12(3) and 11 of the Articles of Association require the approval of three quarters of the votes issued. In summary, the rules in the Articles of Association in question are best suited to the specificities of the Company, bearing in mind the underlying aim of this recommendation and that this related to a matter which is strictly within the realm of shareholder decision.)</p>	<p>Part 1, Chapters 6.1.2.I.14. and 6.1.3.I.48.</p>
<p>I.3. Companies shall not establish mechanisms intended to cause mismatching between the right to receive dividends or the subscription of new securities and the voting right of each common share, unless duly justified in terms of long-term interests of shareholders.</p>	<p>Not Adopted</p> <p>(Article 12(3) of the Articles of Association stipulates that the votes attached to Class A shares shall not be counted if issued by any shareholder, on their own behalf or as representative of another shareholder, which exceed 25% of the total votes corresponding to REN share capital. Considered for this purpose are the rights to vote inherent to Class A shares which, pursuant to Article 20(1) of the Securities Code, are attributable to them. Nevertheless, Article 12(3) of the Articles of Association is the result of legal requirements and does not seek to limit voting rights, but rather to ensure the existence of a penalty system for breaching the legal limit on the ownership of the abovementioned shares.)</p>	<p>Part 1, Chapters 6.1.1.I.12.</p>

¹⁰¹ 'Chapter' refers to CMVM's Corporate Governance Code.

RECOMMENDATION / CHAPTER ¹⁰¹	INDICATION ON THE ADOPTION OF THE RECOMMENDATION	CHAPTER OF THE REPORT
<p>I.4. Companies' Articles of Association which set out a limitation on the number of votes that may be held or exercised by a single shareholder, individually or jointly with other shareholders, shall also establish that at least every five years the amendment or maintenance of this provision shall be subject to a resolution at the General Meeting – without aggravated quorum requirements vis-à-vis that legally established – and that upon such resolution, all votes cast shall be counted without applying such limitation.</p>	<p>Not Adopted (Article 12(3) of the Articles of Association stipulates that the votes attached to Class A shares shall not be counted if issued by any shareholder, on their own behalf or as representative of another shareholder, which exceed 25% of the total votes corresponding to REN share capital. Considered for this purpose are the rights to vote inherent to Class A shares which, pursuant to Article 20(1) of the Securities Code, are attributable to them. Nevertheless, Article 12(3) of the Articles of Association is the result of legal requirements and does not seek to limit voting rights, but rather to ensure the existence of a penalty system for breaching the legal limit on the ownership of the abovementioned shares. As such, there is no mechanism in the Articles of Association to renew or repeal this statute, as it exists in compliance with legal requirements.</p>	<p>Part 1, Chapter 6.1.1.1.5.</p>
<p>I.5. Measures that have the automatic effect of requiring payment or the taking on of charges by the Company in the event of change of control or change in the composition of the management body, thus hindering the free transferability of shares and free assessment of the performance of the members of the management body by shareholders, shall not be adopted.</p>	<p>Adopted</p>	<p>Part 1, Chapter 6.1.1.1.4.</p>
<p>II. Supervision, Management and Oversight II. 1. Supervision and Management II.1.1. Within the legal limits established, and unless due to the reduced size of the Company, the Board of Directors shall delegate the day-to-day management of the Company. The delegated competences shall be identified in the Company's annual Corporate Governance Report.</p>	<p>Adopted</p>	<p>Part 1, Chapter 6.1.2.II.21.</p>
<p>II.1.2. The Board of Directors shall ensure that the Company acts in accordance with its aims and not delegate its competence, more specifically with regard to: i) the definition of the Company's strategy and general policies; ii) the definition of the Group's corporate structure; iii) decisions that should be considered as strategic due to their value, risk or special characteristics.</p>	<p>Adopted</p>	<p>Part 1, Chapter 6.1.2.II.21.</p>
<p>II.1.3. The General and Supervisory Board, in addition to its supervisory duties supervision, shall take full responsibility at corporate governance level, whereby through the statutory provision or by equivalent means, shall set out the requirement for this body to decide on the strategy and major policies of the company, the definition of the corporate structure of the group and the decisions that shall be considered strategic due to the amount or risk involved. This body shall also assess compliance with the strategic plan and the implementation of key policies of the Company</p>	<p>Not Applicable (This recommendation is not applicable given the corporate governance model adopted by REN)</p>	<p>Part 1, Chapter 6.1.2.II.15.</p>

RECOMMENDATION / CHAPTER ¹⁰¹	INDICATION ON THE ADOPTION OF THE RECOMMENDATION	CHAPTER OF THE REPORT
<p>II.1.4. Except by virtue of the reduced dimension of the Company, the Board of Directors and the General and Supervisory Board, depending on the corporate governance model adopted, shall create the necessary committees in order to:</p> <p>a) Ensure competent and independent assessment of the performance of executive directors and their overall performance, as well as that of the different committees;</p> <p>b) Reflect on the system structure and governance practices adopted, verify their effectiveness and propose to the competent bodies, measures to be implemented with a view to their improvement.</p>	<p>Not adopted</p> <p>(During the current term of office and considering the composition of the management body, the governance model and the company's shareholder structure until June 2014, the Board of Directors does not understand it to be suitable to its specificities, nor is the 'formal setting up' necessary of specialized committees with such competences.</p> <p>The processes for performance assessment, identification of profile and selection, as well as those for analysis of the governance system, have been undertaken in a manner suitable to the company's interests, by the non-executive directors of REN as a group and, more particularly, by the members of the Audit Committee (consisting exclusively of independent directors). Moreover, within its responsibilities, the Remunerations Committee has also actively participated in the performance assessment of directors.</p> <p>Therefore, although it is not a 'formal committee' of the Board of Directors, substantially, these matters have been duly dealt with by REN, as fully described in this report.</p> <p>Aware of the above, and relating to the the term of office 2012-2014 REN has been implementing effective mechanisms for ensuring the performance of a supervisory duty within the management body, particularly with regard to matters of corporate governance, assessment and remuneration - the underlying aim of this recommendation. Such mechanisms have been those best suited to the specificities of the Company and the structure of the respective management body, relating to the current term of office. Regarding the next term of office of REN corporate bodies of (2015-2017), and as the REN reprivatization process was concluded during the financial year of 2014, the adoption of new measures for the development of the REN corporate governance system are being measured, namely the implementation of specialized commissions within the REN Board of Directors .)</p>	<p>Part 1, Chapter 6.1.2.II.27.</p>
<p>II.1.5. The Board of Directors or the General and Supervisory Board, depending on the applicable model, should set goals in terms of risk-taking and create systems for its control to ensure that the risks effectively incurred are consistent with those goals.</p>	<p>Adopted</p>	<p>Part 1, Chapters 6.1.3.III.50 to 55.</p>
<p>II.1.6. The Board of Directors shall include a number of non-executive members ensuring effective ability to supervise, monitor and assess the activity of the remaining members of the management body.</p>	<p>Adopted</p>	<p>Part 1, Chapter 6.1.2.II.18.</p>

RECOMMENDATION / CHAPTER ¹⁰¹	INDICATION ON THE ADOPTION OF THE RECOMMENDATION	CHAPTER OF THE REPORT
<p>II.1.7. Non-executive members shall include an appropriate number of independent members, taking into account the adopted governance model, the size of the company, its shareholder structure and the relevant free float.</p> <p>The independence of the members of the General and Supervisory Board and members of the Audit Committee shall be assessed as per the law in force. The other members of the Board of Directors are considered independent if the member is not associated with any specific group of interests in the Company nor is under any circumstance likely to affect an exempt analysis or decision, particularly due to:</p> <p>a. Having been an employee at the Company or at a company holding a controlling or group relationship within the last three years;</p> <p>b. Having, in the past three years, provided services or established commercial relationship with the company or company with which it is in a controlling or group relationship, either directly or as a partner, board member, manager or director of a legal person;</p> <p>c. Being paid by the company or by a company with which it is in a control or group relationship besides the remuneration arising from exercising the duties of a board member</p> <p>d. Living with a partner or a spouse, relative or any first degree next of kin and up to and including the third degree of collateral affinity of board members or natural persons that are directly and indirectly holders of qualifying holdings;</p> <p>e. Being a qualifying shareholder or representative of a qualifying shareholder.</p>	Adopted	Part 1, Chapter 6.1.2.II.18.
<p>II.1.8. Directors performing executive duties, when so requested by other corporate body members, shall provide any information requested by them in a timely and appropriate manner.</p>	Adopted	Part 1, 6.1.2.II.18. and 23.
<p>II.1.9. The Chair of the Executive Board or of the Executive Committee shall submit, as applicable, to the Chair of the Board of Directors, the Chair of the Supervisory Board, the Chair of the Audit Committee, the Chair of the General and Supervisory Board and the Chairman of the Financial Matters Board, the convening notices and minutes of the relevant meetings.</p>	Adopted	Part 1, Chapter 6.1.2.II. 23.
<p>II.1.10. If the chair of the board of directors carries out executive duties, said body shall appoint, from among its members, an independent member to ensure the coordination of the work of other non-executive members and the conditions so that said can make independent and informed decisions or to ensure the existence of an equivalent mechanism for such coordination.</p>	Adopted	Part 1, Chapter 6.1.2.II. 18.

RECOMMENDATION / CHAPTER ¹⁰¹	INDICATION ON THE ADOPTION OF THE RECOMMENDATION	CHAPTER OF THE REPORT
<p>II. 2. Supervision II.2.1. Depending on the applicable model, the Chairman of the Supervisory Board, the Audit Committee and the Financial Matters Committee shall be independent in accordance with legal criteria and be appropriately qualified to carry out his or her duties.</p>	<p>Adopted</p>	<p>Part 1, Chapter 6.1.2.II. 18.</p>
<p>II.2.2. The supervisory body shall be the main representative of the external auditor and the first recipient of the relevant reports, and is responsible, inter alia, for proposing the relevant remuneration and ensuring that the proper conditions for the provision of services are provided within the company.</p>	<p>Adopted</p>	<p>Part 1, Chapters 6.1.2.III. 38. e 6.1.2.V. 45.</p>
<p>II.2.3. The supervisory board shall assess the external auditor and propose to the competent body its dismissal or termination of the contract as to the provision of their services when there is a valid basis for said dismissal</p>	<p>Adopted</p>	<p>Part 1, Chapter 6.1.2.V. 45.</p>
<p>II.2.4. The supervisory board shall assess the functioning of the internal control systems and risk management and propose adjustments as may be deemed necessary.</p>	<p>Adopted</p>	<p>Part 1, Chapters 6.1.2.III.38. e 6.1.3.III. 50.</p>
<p>II.2.5. The Audit Committee, the General and Supervisory Board and the Supervisory Board decide on the work plans and resources concerning the internal audit services and services that ensure compliance with the rules applicable to the Company (compliance services), and should be recipients of reports made by these services at least when it concerns matters related to accountability, identification or resolution of conflicts of interest and detection of potential improprieties.</p>	<p>Adopted</p>	<p>Part 1, Chapter 6.1.3.III. 51.</p>
<p>II. 3. Setting of Remuneration II.3.1. All members of the Remunerations Committee, or equivalent, shall be independent in regard to the management bodies and such committee shall include, at least, one member with know-how and experience in remuneration policy matters.</p>	<p>Adopted</p>	<p>Part 1, Chapters 6.1.4.II. 67. e 68.</p>
<p>II.3.2. Any natural or legal person which provides or has provided, over the past three years, services to any structure reporting to the management body or to the Board of Directors or has a current relationship with the Company or a consultant to the Company, shall not be engaged to assist the Remunerations Committee on the performance of its functions. This recommendation also applies to any natural or legal person which has an employment or services agreement with the abovementioned persons.</p>	<p>Adopted</p>	<p>Part 1, Chapter 6.1.4.II. 67.</p>

RECOMMENDATION / CHAPTER ¹⁰¹	INDICATION ON THE ADOPTION OF THE RECOMMENDATION	CHAPTER OF THE REPORT
<p>II.3.3. The declaration on the remuneration policy for the management and supervisory bodies referred to under Article 2 of Law No 28/2009 of June 19 2009, shall, in addition to the content referred to therein, contain information on:</p> <p>a) Identification and details of the criteria for determining the remuneration to be paid to the members of the governing bodies;</p> <p>b) Information on the maximum potential, in individual terms, and the maximum potential, in aggregate form, to be paid to members of corporate bodies, and identify the circumstances whereby these maximum amounts may be payable;</p> <p>d) Information on the enforceability or unenforceability of payments for the dismissal or termination of appointment of board members.</p>	Adopted	Part 1, Chapter 6.1.4.III.69.
<p>II.3.4. A proposal shall be submitted to the General Meeting on the approval of plans for the allocation of shares, and/or share options or based on variations in share price, to members of the management bodies. The proposal shall contain all the necessary information for the proper evaluation of the plan.</p>	Not applicable	Part 1, Chapter 6.1.4.VI.85.
<p>II.3.5. Approval of any retirement benefit scheme established for members of corporate members shall be submitted to the General Meeting. The proposal shall contain all the necessary information for the proper evaluation of the system.</p>	Not applicable	Part 1, Chapter 6.1.4.III.76.
<p>III. Remuneration</p> <p>III.1. The remuneration of the executive members of the board shall be based on actual performance and shall discourage taking on excessive risk.</p>	Adopted	Part 1, Chapters 6.1.4.III. 69. and 70.
<p>III.2. The remuneration of non-executive board members and the remuneration of the members of the supervisory board shall not include any component whose value depends on the performance of the Company or of its value.</p>	Adopted	Part 1, Chapters 6.1.4.III. 69., 70. e 77.
<p>III.3. The variable component of the remuneration shall be globally reasonable vis-à-vis the fixed component, and maximum limits shall be set out for all components.</p>	Adopted	Part 1, Chapters 6.1.4.III. 69., 70. and 71.
<p>III.4. A significant part of the variable remuneration shall be deferred for no less than three-years and its payment shall depend of the Company's steady positive performance during said period.</p>	Adopted	Part 1, Chapter 6.1.4.III. 72.
<p>III.5. Members of the Board of Directors shall not enter into contracts, either with the Company or with third parties, which have the effect of mitigating the risk inherent to the variability of the remuneration established for them by the Company.</p>	Adopted	Part 1, Chapter 6.1.4.III. 73.

RECOMMENDATION / CHAPTER ¹⁰¹	INDICATION ON THE ADOPTION OF THE RECOMMENDATION	CHAPTER OF THE REPORT
III.6. Until the end of their term of office, the Executive Directors shall hold the Company shares that were allocated to them by virtue of variable remuneration schemes, up to twice the value of the total annual remuneration, with the exception of those shares that are required to be sold for the payment of taxes on the gains of said shares.	Not Applicable	Part 1, Chapter 6.1.4.III.73.
III.7. When the variable remuneration includes stock options, such exercise period shall be deferred for at least three years.	Not applicable	Part 1, Chapters 6.1.4.III.69. and 74.
III.8. When the removal of board member is not due to serious breach of their duties nor to their unfitness for the normal exercise of their functions but is yet due on inadequate performance, the company shall be endowed with the adequate and necessary legal instruments so that any damages or compensation, beyond that which is legally due, is unenforceable	Adopted	Part 1, Chapter 6.1.4.V.83.
III. Auditing IV.1. Within the scope of its competences, the external auditor shall verify the implementation of the remuneration policies and systems for corporate bodies, the effectiveness and functioning of the internal control mechanisms and report any deficiencies to the Company's supervisory body.	Adopted	Part 1, Chapters 6.1.2.III.38. and 6.1.3.III.50.
IV.2. The Company or any entities with which it maintains a controlling interest shall not engage the external auditor or any entities in a group relationship with the said external auditor or which are part of the same network, for services other than audit services. Should there be reasons for the engagement of such services - which shall be approved by the supervisory body and explained in the annual Corporate Governance Report - then such services shall not exceed 30% of the total value of the services provided to the Company.	Adopted	Part 1, Chapter 6.1.2.V.46.
IV.3. Companies shall promote the rotation of the auditor at the end of two or three terms of office, as they respectively are of four or three years. Their maintenance beyond this period shall be grounded on a specific opinion of the supervisory body, which shall expressly consider the auditor's independence conditions and the advantages and costs arising out of its substitution.	Adopted	Part 1, Chapter 6.1.2.V.44.
V. Conflicts of Interests and Transactions with Related Parties VI. Deals entered into between the Company and qualified shareholders, or with entities in a relationship with such shareholders as set out in Article 20 of the Portuguese Securities Code, shall be carried out under normal market conditions.	Adopted	Part 1, Chapter 6.1.5.II.92.

RECOMMENDATION / CHAPTER ¹⁰¹	INDICATION ON THE ADOPTION OF THE RECOMMENDATION	CHAPTER OF THE REPORT
V.2. The supervisory or oversight board shall establish procedures and criteria that are required to define the relevant level of significance of business with holders of qualifying holdings - or entities with which they are in any of the relationships described in Article 20(1) of the Portuguese Securities Code – thus significant relevant business is dependent upon prior opinion of that body.	Adopted	Part 1, Chapters 6.1.2.II.II and 6.1.5.I.89.
VI. Information VI.1. Companies shall provide, via their websites in both Portuguese and English, access to information on their progress as regards the economic, financial and governance state of play.	Adopted	Part 1, Chapter 6.1.3.V.59. a 65.
VI.2. Companies shall ensure the existence of an investor support and market liaison office, which responds to requests from investors in a timely fashion and a record of the submitted requests and their processing, shall be kept.	Adopted	Part 1, Chapter 6.1.3.IV.56. a 58.

3. OTHER INFORMATION

The company shall provide any additional information which, not covered by the previous points, is relevant for understanding the governance model and practices implemented.

REN is not in the possession of any additional information which is relevant for understanding the governance model and practices implemented.

¹⁰¹ 'Chapter' refers to CMVM's Corporate Governance Code.

ANNEXES



1 MANAGEMENT REPORT

1.1 LEGISLATION ON ENERGY PUBLISHED IN 2014

1.1.1 ELECTRICITY

Directive No 1/2014 (ERSE) of 3 January, Portuguese Official Journal No 2, Series II
Amends the Tariff Regulations for the Electricity Sector.

Directive No 2/2014 (ERSE) of 3 January, Portuguese Official Journal No 2, Series II

Approves the incentives for the optimised management of non-terminated CAE and CO₂ licences.

Implementing Order No 3-A/2014 of 7 January, Portuguese Official Journal No 4, Series I

Lays down the procedures for the division of income generated from auctions of greenhouse gas emission licences, as well as the sum to be deducted from the tariff for overall use of the National Electrical System.

Directive No 5/2014 (ERSE) of 16 January, Portuguese Official Journal No 11, Series II

Approves the profiles for losses, consumption and production applicable in 2014.

Official Order No 1873/2014 (Secretary of State for Energy - SEE) of 6 February, Portuguese Official Journal No 26, Series II

Sets out the payment to be made by power plants.

Directive No 7/2014 (ERSE) of 10 February, Portuguese Official Journal No 28, Series II

Sets out the parameters defined within the scope of Implementing Order No 279/2011 of 17 October.

Regulation (EU) No 256/2014 of the European Parliament and of the Council of 26 February, Official Journal of the European Union L 84 (20 March 2014)

Concerning the notification to the Commission of investment projects in energy infrastructure within the European Union.

Directive 2014/25/EU of the European Parliament and of the Council of 26 February, Official Journal of the European Union L 94 (28 March 2014)

Sets out regulations on procurement by entities operating in the water, energy, transport and postal services sectors.

Decree-Law No 32/2014 of 28 February, Portuguese Official Journal No 42, Series I

Approval of the passing on to electricity tariffs for 2014 of the sum not passed on from the annual adjustment of compensation due for the early termination of energy acquisition contracts, referring to 2012.

Regulation No 87/2014 (SEE) of 3 March, Portuguese Official Journal No 43, Series II

Approves Regulations on Procedures for Obtaining Dispensation from or Reduction of Fines, in accordance with Law No 9/2013 of 28 January.

Implementing Order No 57/2014 of 7 March, Official Journal No 47, Series I

Sets the percentages for 2013 and 2014 which the Competition Authority receives for own income from different regulatory entities for fees charged relating to services rendered.

Official Order No 4694/2014 (SEE) of 1 April, Portuguese Official Journal No 64, Series II

Lays down the general lines for procedures to be followed when calculating the revisable mechanism for participation of power plants with CMEC in the market with secondary regulation.

Decree-Law No 55/2014 of 9 April, Portuguese Official Journal No 70, Series I

Creates, at the Ministry of the Environment, Spatial Planning and Energy, the Fund for the Systemic Sustainability of the Energy Sector.

Directive No 9/2014 (ERSE) of 15 April, Portuguese Official Journal No 74, Series II

Amends Procedure No 13 in the Procedures Manual for the Overall Management of the Electricity Sector System.

Decree-Law No 94/2014 of 24 June, Portuguese Official Journal No 119, Series I

Lays down the discipline applicable to power and additional energy, to over-equipping and energy from over-equipping of wind farms the power from which is remunerated by a guaranteed remuneration scheme.

Implementing Order No 208/2014 of 10 October, Portuguese Official Journal No 196, Series I

Approves the declaration form for the extraordinary contribution on the energy sector (declaration form No 27), as well as the respective completion instructions.

Official Order No 12597-A/2014 (SEE) of 14 October, Portuguese Official Journal No 198, Series II

Sets out the distribution percentages of the sum available from the economic-financial balance arising from the transmission by the NTN concession holder of rights of use of the public water domain to companies operating the power plants.

Official Order No 12597-B/2014 (SEE) of 14 October, Portuguese Official Journal No 198, Series II

Sets out the distribution percentages of the product from the extraordinary contribution on the energy sector, which are allocated to cover expenditure arising from the reduction of the National Electricity System tariff debt.

Implementing Order No 212-A/2014 of 14 October, Portuguese Official Journal No 198, Series I

Defines the distribution criteria for General Economic Interest Costs (CIEG) per level of tension or type of supply and its allocation.

Directive No 20/2014 (ERSE) of 23 October, Portuguese Official Journal No 205, Series II

Approves the amendment to Procedure No 6 in the Procedures Manual on the Quality of Service in the Electricity Sector with regard to the incentives mechanism for the improvement of service continuity.

Directive No 15/2014 (ERSE) of 15 December

Approves tariffs and prices for electricity and other services in 2015 and parameters for the regulatory period of 2015-2017.

Regulation No 551/2014 (ERSE) of 15 December, Portuguese Official Journal No 241, Series II

Approves the Tariff Regulations for the Electricity Sector.

Directive No 21/2014 (ERSE) of 17 December, Portuguese Official Journal No 243, Series II

Approves the registration in Balance Areas for the Ribeiradio and Baixo Sabor Hydroelectric Power Plants.

Regulation No 557/2014 (ERSE) of 19 December, Portuguese Official Journal No 245, Series II

Approves the Regulations for the Operation of Electricity Sector Networks.

Regulation No 560/2014 (ERSE) of 22 December, Portuguese Official Journal No 246, Series II

Approves the Regulations for Access to Networks and Electricity Sector Interconnections.

Regulation No 561/2014 (ERSE) of 22 December, Portuguese Official Journal No 246, Series II

Approves the Regulations for Commercial Relationships in the Electricity Sector.

Directive No 16/2014 (ERSE) of 23 December

Approves the profiles for losses, consumption and production applicable in 2015.

Implementing Order No 278-B/2014 of 29 December, Portuguese Official Journal No 250, Series I

Sets the percentage of extraordinary social support on energy consumers to be applied to electricity and natural gas bills for eligible end customers and respective allocation procedures.

Implementing Order No 278-C/2014 of 29 December, Portuguese Official Journal No 250, Series I

Sets out the procedures and other conditions necessary for the allocation, application and maintenance of the social tariff established in Decree-Law No 138-A/2014 of 28 December.

1.1.2 NATURAL GAS

Decision No 1/2014 (ERSE) of 3 March, Portuguese Official Journal No 43, Series II

Approves the 'Information Memorandum 2014-2015' on capacity allocation processes at the natural gas virtual inter-connection point between Portugal and Spain.

Directive No 8/2014 (ERSE) of 3 March, Portuguese Official Journal No 43, Series II

Sets out the coordinated mechanisms for capacity allocation at the virtual inter-connection point.

Implementing Order No 57/2014 of 7 March, Official Journal No 47, Series I

Sets the percentages for 2013 and 2014 which the Competition Authority receives for own income from fees charged for services rendered to different regulatory entities.

Regulation (EU) No 312/2014 of the European Parliament and of the Council of 26 February, Official Journal of the European Union L 91 (20 March 2014)

Approves the network code for the compensation of gas transmission networks (Balance).

Directive No 12/2014 (ERSE) of 14 June, Portuguese Official Journal No 133, Series II

Sets the parameter values for passing on sub-soil use rates in effect in 2015 and following years.

Directive No 10/2014 (ERSE) of 23 June, Portuguese Official Journal No 118, Series II

Amends the Tariff Regulations for the Natural Gas Sector.

Directive No 11/2014 (ERSE) of 23 June, Portuguese Official Journal No 118, Series II

Approves the tariffs and prices of natural gas for the 2014-2015 gas year.

Directive No 14/2014 (ERSE) of 4 August, Portuguese Official Journal No 148, Series II

Approves the amendments to the Procedures Manual for Access to Infrastructures and times for notice, request and allocation of capacity and forecast times for consumption and use of capacity for 2014-2015.

Directive No 15/2014 (ERSE) of 8 August, Portuguese Official Journal No 152, Series II

Approves the report form for procedures in unforeseeable circumstances or in cases of force majeure in natural gas.

Directive No 17/2014 (ERSE) of 18 August, Portuguese Official Journal No 157, Series II

Approves Procedures Manual for the Overall Technical Management of the SNGN and the IGU Supply Logistics Management Manual.

Decision on certification of the TNO (ERSE) of 9 September 2014

Decision on certification of the National Electricity Transmission Network and the National Natural Gas Transmission Network.

Directive No 18/2014 (ERSE) of 13 October, Portuguese Official Journal No 197, Series II

Approves the commercial margins for market agents.

2 CORPORATE GOVERNANCE

During the year of 2014, REN was informed of the following transactions regarding REN's shares, carried out by members of the corporate bodies:

1. The Chairman and President of the Executive Committee of REN Emilio Rui Vilar, in the context of the public offering of the sale of REN's shares, conducted between June 2 and June 12 of 2014, has carried out the following transactions regarding REN's shares, which are relevant for the purposes of article 14 of CMVM's Regulation 5/2008:

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Purchase	Euronext Lisbon	10,000	2.68	17-06-2014

2. EGF - Gestão e Consultoria Financeira, S.A. (EGF), holder of a qualified holding and being related party with Mr. Filipe de Botton, member of the Board of Directors of REN until 8th of May 2014, has carried out, until that date, the following transactions regarding REN's shares, which are relevant for the purposes of article 14 of CMVM's Regulation 5/2008:

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	1,750	2833	22-04-2014
Sale	Euronext Lisbon	2,179	2833	22-04-2014
Sale	Euronext Lisbon	5,600	2833	22-04-2014
Sale	Euronext Lisbon	1,300	2833	22-04-2014
Sale	Euronext Lisbon	450	2833	22-04-2014
Sale	Euronext Lisbon	3,721	2833	22-04-2014
Sale	Euronext Lisbon	1,279	2833	22-04-2014
Sale	Euronext Lisbon	1,000	2833	22-04-2014
Sale	Euronext Lisbon	221	2833	22-04-2014
Sale	Euronext Lisbon	279	2833	22-04-2014
Sale	Euronext Lisbon	1,000	2833	22-04-2014
Sale	Euronext Lisbon	1,201	2833	22-04-2014
Sale	Euronext Lisbon	20	2833	22-04-2014
Sale	Euronext Lisbon	1,000	2835	22-04-2014
Sale	Euronext Lisbon	1,000	2835	22-04-2014
Sale	Euronext Lisbon	500	2835	22-04-2014
Sale	Euronext Lisbon	34	2832	22-04-2014
Sale	Euronext Lisbon	774	2831	22-04-2014
Sale	Euronext Lisbon	1,157	2831	22-04-2014
Sale	Euronext Lisbon	35	2831	22-04-2014
Sale	Euronext Lisbon	210	2840	22-04-2014
Sale	Euronext Lisbon	2,290	2840	22-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	1,055	2840	22-04-2014
Sale	Euronext Lisbon	1,324	2840	22-04-2014
Sale	Euronext Lisbon	3,253	2840	22-04-2014
Sale	Euronext Lisbon	2,000	2840	22-04-2014
Sale	Euronext Lisbon	1,562	2840	22-04-2014
Sale	Euronext Lisbon	1,058	2840	22-04-2014
Sale	Euronext Lisbon	500	2840	22-04-2014
Sale	Euronext Lisbon	1,690	2840	22-04-2014
Sale	Euronext Lisbon	500	2840	22-04-2014
Sale	Euronext Lisbon	3,369	2840	22-04-2014
Sale	Euronext Lisbon	23	2840	22-04-2014
Sale	Euronext Lisbon	2,344	2840	22-04-2014
Sale	Euronext Lisbon	2,376	2840	22-04-2014
Sale	Euronext Lisbon	1,000	2840	22-04-2014
Sale	Euronext Lisbon	600	2843	22-04-2014
Sale	Euronext Lisbon	600	2843	22-04-2014
Sale	Euronext Lisbon	1,300	2843	22-04-2014
Sale	Euronext Lisbon	1,300	2845	22-04-2014
Sale	Euronext Lisbon	760	2845	22-04-2014
Sale	Euronext Lisbon	1,300	2845	22-04-2014
Sale	Euronext Lisbon	1,300	2845	22-04-2014
Sale	Euronext Lisbon	340	2845	22-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	1,281	2,845	22-04-2014
Sale	Euronext Lisbon	4,803	2,845	22-04-2014
Sale	Euronext Lisbon	4,983	2,845	22-04-2014
Sale	Euronext Lisbon	5,100	2,845	22-04-2014
Sale	Euronext Lisbon	1,804	2,845	22-04-2014
Sale	Euronext Lisbon	3,096	2,845	22-04-2014
Sale	Euronext Lisbon	6,904	2,845	22-04-2014
Sale	Euronext Lisbon	935	2,845	22-04-2014
Sale	Euronext Lisbon	711	2,845	22-04-2014
Sale	Euronext Lisbon	1,450	2,845	22-04-2014
Sale	Euronext Lisbon	3,550	2,845	22-04-2014
Sale	Euronext Lisbon	659	2,845	22-04-2014
Sale	Euronext Lisbon	2,000	2,845	22-04-2014
Sale	Euronext Lisbon	3,368	2,845	22-04-2014
Sale	Euronext Lisbon	5,423	2,845	22-04-2014
Sale	Euronext Lisbon	413	2,842	22-04-2014
Sale	Euronext Lisbon	495	2,842	22-04-2014
Sale	Euronext Lisbon	1,747	2,842	22-04-2014
Sale	Euronext Lisbon	1,038	2,841	22-04-2014
Sale	Euronext Lisbon	223	2,841	22-04-2014
Sale	Euronext Lisbon	452	2,841	22-04-2014
Sale	Euronext Lisbon	5,000	2,841	22-04-2014
Sale	Euronext Lisbon	1,805	2,841	22-04-2014
Sale	Euronext Lisbon	1,773	2,841	22-04-2014
Sale	Euronext Lisbon	2,000	2,850	22-04-2014
Sale	Euronext Lisbon	500	2,850	22-04-2014
Sale	Euronext Lisbon	5,000	2,850	22-04-2014
Sale	Euronext Lisbon	105	2,850	22-04-2014
Sale	Euronext Lisbon	2,373	2,850	22-04-2014
Sale	Euronext Lisbon	500	2,850	22-04-2014
Sale	Euronext Lisbon	12	2,850	22-04-2014
Sale	Euronext Lisbon	4,000	2,850	22-04-2014
Sale	Euronext Lisbon	3,127	2,850	22-04-2014
Sale	Euronext Lisbon	1,500	2,850	22-04-2014
Sale	Euronext Lisbon	2,000	2,850	22-04-2014
Sale	Euronext Lisbon	1,000	2,850	22-04-2014
Sale	Euronext Lisbon	439	2,850	22-04-2014
Sale	Euronext Lisbon	897	2,850	22-04-2014
Sale	Euronext Lisbon	1,920	2,850	22-04-2014
Sale	Euronext Lisbon	12,183	2,850	22-04-2014
Sale	Euronext Lisbon	2,740	2,850	22-04-2014
Sale	Euronext Lisbon	7,100	2,850	22-04-2014
Sale	Euronext Lisbon	17,260	2,850	22-04-2014
Sale	Euronext Lisbon	6,645	2,850	22-04-2014
Sale	Euronext Lisbon	1,255	2,850	22-04-2014
Sale	Euronext Lisbon	1,200	2,850	22-04-2014
Sale	Euronext Lisbon	1,403	2,850	22-04-2014
Sale	Euronext Lisbon	10,000	2,850	22-04-2014
Sale	Euronext Lisbon	7,397	2,850	22-04-2014
Sale	Euronext Lisbon	650	2,850	22-04-2014
Sale	Euronext Lisbon	1,379	2,850	22-04-2014
Sale	Euronext Lisbon	7,100	2,850	22-04-2014
Sale	Euronext Lisbon	7,097	2,850	22-04-2014
Sale	Euronext Lisbon	1,924	2,850	22-04-2014
Sale	Euronext Lisbon	9,508	2,850	22-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	3,510	2,850	22-04-2014
Sale	Euronext Lisbon	12,903	2,850	22-04-2014
Sale	Euronext Lisbon	1,048	2,850	22-04-2014
Sale	Euronext Lisbon	262	2,850	22-04-2014
Sale	Euronext Lisbon	3,077	2,850	22-04-2014
Sale	Euronext Lisbon	856	2,850	22-04-2014
Sale	Euronext Lisbon	4,010	2,850	22-04-2014
Sale	Euronext Lisbon	10,000	2,850	22-04-2014
Sale	Euronext Lisbon	700	2,850	22-04-2014
Sale	Euronext Lisbon	12,202	2,850	22-04-2014
Sale	Euronext Lisbon	200,000	2,850	22-04-2014
Sale	Euronext Lisbon	1,340	2,855	22-04-2014
Sale	Euronext Lisbon	1,340	2,855	22-04-2014
Sale	Euronext Lisbon	858	2,855	22-04-2014
Sale	Euronext Lisbon	1,340	2,855	22-04-2014
Sale	Euronext Lisbon	122	2,855	22-04-2014
Sale	Euronext Lisbon	2,316	2,855	22-04-2014
Sale	Euronext Lisbon	650	2,855	22-04-2014
Sale	Euronext Lisbon	944	2,855	22-04-2014
Sale	Euronext Lisbon	143	2,855	22-04-2014
Sale	Euronext Lisbon	678	2,855	22-04-2014
Sale	Euronext Lisbon	596	2,855	22-04-2014
Sale	Euronext Lisbon	460	2,855	22-04-2014
Sale	Euronext Lisbon	600	2,855	22-04-2014
Sale	Euronext Lisbon	688	2,855	22-04-2014
Sale	Euronext Lisbon	612	2,855	22-04-2014
Sale	Euronext Lisbon	1,057	2,855	22-04-2014
Sale	Euronext Lisbon	618	2,855	22-04-2014
Sale	Euronext Lisbon	1,057	2,855	22-04-2014
Sale	Euronext Lisbon	566	2,855	22-04-2014
Sale	Euronext Lisbon	534	2,855	22-04-2014
Sale	Euronext Lisbon	1,057	2,855	22-04-2014
Sale	Euronext Lisbon	600	2,855	22-04-2014
Sale	Euronext Lisbon	1,719	2,855	22-04-2014
Sale	Euronext Lisbon	581	2,855	22-04-2014
Sale	Euronext Lisbon	606	2,855	22-04-2014
Sale	Euronext Lisbon	2,680	2,855	22-04-2014
Sale	Euronext Lisbon	43	2,855	22-04-2014
Sale	Euronext Lisbon	562	2,855	22-04-2014
Sale	Euronext Lisbon	1,057	2,855	22-04-2014
Sale	Euronext Lisbon	2,769	2,855	22-04-2014
Sale	Euronext Lisbon	84	2,855	22-04-2014
Sale	Euronext Lisbon	632	2,855	22-04-2014
Sale	Euronext Lisbon	689	2,855	22-04-2014
Sale	Euronext Lisbon	402	2,855	22-04-2014
Sale	Euronext Lisbon	147	2,855	22-04-2014
Sale	Euronext Lisbon	1,290	2,855	22-04-2014
Sale	Euronext Lisbon	540	2,855	22-04-2014
Sale	Euronext Lisbon	579	2,855	22-04-2014
Sale	Euronext Lisbon	1,057	2,855	22-04-2014
Sale	Euronext Lisbon	114	2,862	22-04-2014
Sale	Euronext Lisbon	1,000	2,862	22-04-2014
Sale	Euronext Lisbon	86	2,862	22-04-2014
Sale	Euronext Lisbon	518	2,862	22-04-2014
Sale	Euronext Lisbon	604	2,862	22-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	178	2862	22-04-2014
Sale	Euronext Lisbon	2,041	2870	22-04-2014
Sale	Euronext Lisbon	834	2870	22-04-2014
Sale	Euronext Lisbon	325	2870	22-04-2014
Sale	Euronext Lisbon	628	2870	22-04-2014
Sale	Euronext Lisbon	837	2870	22-04-2014
Sale	Euronext Lisbon	1,735	2870	22-04-2014
Sale	Euronext Lisbon	365	2870	22-04-2014
Sale	Euronext Lisbon	3,200	2870	22-04-2014
Sale	Euronext Lisbon	35	2870	22-04-2014
Sale	Euronext Lisbon	313	2870	22-04-2014
Sale	Euronext Lisbon	544	2870	22-04-2014
Sale	Euronext Lisbon	3,168	2870	22-04-2014
Sale	Euronext Lisbon	289	2870	22-04-2014
Sale	Euronext Lisbon	534	2870	22-04-2014
Sale	Euronext Lisbon	165	2870	22-04-2014
Sale	Euronext Lisbon	2,000	2870	22-04-2014
Sale	Euronext Lisbon	2,000	2870	22-04-2014
Sale	Euronext Lisbon	132	2870	22-04-2014
Sale	Euronext Lisbon	46	2870	22-04-2014
Sale	Euronext Lisbon	14,000	2870	22-04-2014
Sale	Euronext Lisbon	1,000	2870	22-04-2014
Sale	Euronext Lisbon	163	2870	22-04-2014
Sale	Euronext Lisbon	5,991	2870	22-04-2014
Sale	Euronext Lisbon	4,765	2870	22-04-2014
Sale	Euronext Lisbon	2,917	2870	22-04-2014
Sale	Euronext Lisbon	378	2870	22-04-2014
Sale	Euronext Lisbon	278	2870	22-04-2014
Sale	Euronext Lisbon	660	2870	22-04-2014
Sale	Euronext Lisbon	3,500	2870	22-04-2014
Sale	Euronext Lisbon	647	2870	22-04-2014
Sale	Euronext Lisbon	2,119	2870	22-04-2014
Sale	Euronext Lisbon	400	2870	22-04-2014
Sale	Euronext Lisbon	168	2870	22-04-2014
Sale	Euronext Lisbon	423	2870	22-04-2014
Sale	Euronext Lisbon	677	2870	22-04-2014
Sale	Euronext Lisbon	1,000	2870	22-04-2014
Sale	Euronext Lisbon	100	2870	22-04-2014
Sale	Euronext Lisbon	1,100	2870	22-04-2014
Sale	Euronext Lisbon	365	2870	22-04-2014
Sale	Euronext Lisbon	735	2870	22-04-2014
Sale	Euronext Lisbon	531	2870	22-04-2014
Sale	Euronext Lisbon	569	2870	22-04-2014
Sale	Euronext Lisbon	695	2870	22-04-2014
Sale	Euronext Lisbon	405	2870	22-04-2014
Sale	Euronext Lisbon	504	2870	22-04-2014
Sale	Euronext Lisbon	596	2870	22-04-2014
Sale	Euronext Lisbon	18	2870	22-04-2014
Sale	Euronext Lisbon	1,100	2870	22-04-2014
Sale	Euronext Lisbon	753	2870	22-04-2014
Sale	Euronext Lisbon	100	2870	22-04-2014
Sale	Euronext Lisbon	247	2870	22-04-2014
Sale	Euronext Lisbon	82	2870	22-04-2014
Sale	Euronext Lisbon	988	2874	22-04-2014
Sale	Euronext Lisbon	1,112	2874	22-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	5,000	2874	22-04-2014
Sale	Euronext Lisbon	237	2874	22-04-2014
Sale	Euronext Lisbon	2,410	2874	22-04-2014
Sale	Euronext Lisbon	2,410	2874	22-04-2014
Sale	Euronext Lisbon	1,626	2874	22-04-2014
Sale	Euronext Lisbon	2,410	2874	22-04-2014
Sale	Euronext Lisbon	2,410	2874	22-04-2014
Sale	Euronext Lisbon	2,503	2874	22-04-2014
Sale	Euronext Lisbon	1,231	2874	22-04-2014
Sale	Euronext Lisbon	205	2872	22-04-2014
Sale	Euronext Lisbon	600	2872	22-04-2014
Sale	Euronext Lisbon	650	2872	22-04-2014
Sale	Euronext Lisbon	583	2872	22-04-2014
Sale	Euronext Lisbon	1,267	2872	22-04-2014
Sale	Euronext Lisbon	490	2872	22-04-2014
Sale	Euronext Lisbon	2,261	2872	22-04-2014
Sale	Euronext Lisbon	349	2872	22-04-2014
Sale	Euronext Lisbon	517	2872	22-04-2014
Sale	Euronext Lisbon	199	2872	22-04-2014
Sale	Euronext Lisbon	1,481	2872	22-04-2014
Sale	Euronext Lisbon	313	2872	22-04-2014
Sale	Euronext Lisbon	870	2872	22-04-2014
Sale	Euronext Lisbon	237	2872	22-04-2014
Sale	Euronext Lisbon	4,263	2872	22-04-2014
Sale	Euronext Lisbon	658	2872	22-04-2014
Sale	Euronext Lisbon	70	2872	22-04-2014
Sale	Euronext Lisbon	709	2872	22-04-2014
Sale	Euronext Lisbon	1,663	2872	22-04-2014
Sale	Euronext Lisbon	337	2872	22-04-2014
Sale	Euronext Lisbon	1,920	2872	22-04-2014
Sale	Euronext Lisbon	563	2872	22-04-2014
Sale	Euronext Lisbon	756	2872	22-04-2014
Sale	Euronext Lisbon	752	2872	22-04-2014
Sale	Euronext Lisbon	753	2872	22-04-2014
Sale	Euronext Lisbon	776	2872	22-04-2014
Sale	Euronext Lisbon	363	2872	22-04-2014
Sale	Euronext Lisbon	604	2871	22-04-2014
Sale	Euronext Lisbon	100	2871	22-04-2014
Sale	Euronext Lisbon	1,350	2871	22-04-2014
Sale	Euronext Lisbon	400	2871	22-04-2014
Sale	Euronext Lisbon	8,000	2869	22-04-2014
Sale	Euronext Lisbon	2,000	2869	22-04-2014
Sale	Euronext Lisbon	756	2869	22-04-2014
Sale	Euronext Lisbon	544	2869	22-04-2014
Sale	Euronext Lisbon	711	2869	22-04-2014
Sale	Euronext Lisbon	695	2869	22-04-2014
Sale	Euronext Lisbon	1,633	2869	22-04-2014
Sale	Euronext Lisbon	645	2869	22-04-2014
Sale	Euronext Lisbon	642	2869	22-04-2014
Sale	Euronext Lisbon	326	2869	22-04-2014
Sale	Euronext Lisbon	443	2869	22-04-2014
Sale	Euronext Lisbon	1,231	2869	22-04-2014
Sale	Euronext Lisbon	752	2869	22-04-2014
Sale	Euronext Lisbon	644	2869	22-04-2014
Sale	Euronext Lisbon	544	2869	22-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	142	2.869	22-04-2014
Sale	Euronext Lisbon	1,047	2.869	22-04-2014
Sale	Euronext Lisbon	1,193	2.869	22-04-2014
Sale	Euronext Lisbon	1,215	2.869	22-04-2014
Sale	Euronext Lisbon	2,592	2.869	22-04-2014
Sale	Euronext Lisbon	116	2.869	22-04-2014
Sale	Euronext Lisbon	1,199	2.869	22-04-2014
Sale	Euronext Lisbon	934	2.869	22-04-2014
Sale	Euronext Lisbon	1,219	2.869	22-04-2014
Sale	Euronext Lisbon	365	2.869	22-04-2014
Sale	Euronext Lisbon	595	2.867	22-04-2014
Sale	Euronext Lisbon	1,136	2.867	22-04-2014
Sale	Euronext Lisbon	669	2.867	22-04-2014
Sale	Euronext Lisbon	1,891	2.867	22-04-2014
Sale	Euronext Lisbon	275	2.867	22-04-2014
Sale	Euronext Lisbon	1,953	2.867	22-04-2014
Sale	Euronext Lisbon	618	2.867	22-04-2014
Sale	Euronext Lisbon	645	2.867	22-04-2014
Sale	Euronext Lisbon	747	2.867	22-04-2014
Sale	Euronext Lisbon	551	2.867	22-04-2014
Sale	Euronext Lisbon	1,208	2.864	22-04-2014
Sale	Euronext Lisbon	392	2.864	22-04-2014
Sale	Euronext Lisbon	627	2.875	22-04-2014
Sale	Euronext Lisbon	700	2.875	22-04-2014
Sale	Euronext Lisbon	670	2.865	22-04-2014
Sale	Euronext Lisbon	1,700	2.865	22-04-2014
Sale	Euronext Lisbon	4,980	2.865	22-04-2014
Sale	Euronext Lisbon	484	2.865	22-04-2014
Sale	Euronext Lisbon	2,466	2.865	22-04-2014
Sale	Euronext Lisbon	28	2.865	22-04-2014
Sale	Euronext Lisbon	351	2.865	22-04-2014
Sale	Euronext Lisbon	696	2.865	22-04-2014
Sale	Euronext Lisbon	605	2.865	22-04-2014
Sale	Euronext Lisbon	1,176	2.865	22-04-2014
Sale	Euronext Lisbon	897	2.865	22-04-2014
Sale	Euronext Lisbon	694	2.865	22-04-2014
Sale	Euronext Lisbon	1,210	2.865	22-04-2014
Sale	Euronext Lisbon	123	2.865	22-04-2014
Sale	Euronext Lisbon	1,210	2.865	22-04-2014
Sale	Euronext Lisbon	123	2.865	22-04-2014
Sale	Euronext Lisbon	778	2.865	22-04-2014
Sale	Euronext Lisbon	691	2.865	22-04-2014
Sale	Euronext Lisbon	642	2.865	22-04-2014
Sale	Euronext Lisbon	749	2.865	22-04-2014
Sale	Euronext Lisbon	905	2.865	22-04-2014
Sale	Euronext Lisbon	212	2.865	22-04-2014
Sale	Euronext Lisbon	10,590	2.865	22-04-2014
Sale	Euronext Lisbon	1,900	2.863	22-04-2014
Sale	Euronext Lisbon	1,911	2.863	22-04-2014
Sale	Euronext Lisbon	1,000	2.863	22-04-2014
Sale	Euronext Lisbon	2,000	2.860	22-04-2014
Sale	Euronext Lisbon	4,750	2.860	22-04-2014
Sale	Euronext Lisbon	2,760	2.860	22-04-2014
Sale	Euronext Lisbon	1,000	2.860	22-04-2014
Sale	Euronext Lisbon	2,000	2.860	22-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	1,444	2.860	22-04-2014
Sale	Euronext Lisbon	2,324	2.860	22-04-2014
Sale	Euronext Lisbon	1,755	2.860	22-04-2014
Sale	Euronext Lisbon	3,500	2.860	22-04-2014
Sale	Euronext Lisbon	596	2.860	22-04-2014
Sale	Euronext Lisbon	2,000	2.860	22-04-2014
Sale	Euronext Lisbon	665	2.860	22-04-2014
Sale	Euronext Lisbon	657	2.860	22-04-2014
Sale	Euronext Lisbon	668	2.860	22-04-2014
Sale	Euronext Lisbon	906	2.860	22-04-2014
Sale	Euronext Lisbon	1,198	2.860	22-04-2014
Sale	Euronext Lisbon	740	2.860	22-04-2014
Sale	Euronext Lisbon	603	2.860	22-04-2014
Sale	Euronext Lisbon	2,477	2.860	22-04-2014
Sale	Euronext Lisbon	3,150	2.860	22-04-2014
Sale	Euronext Lisbon	489	2.860	22-04-2014
Sale	Euronext Lisbon	1,764	2.860	22-04-2014
Sale	Euronext Lisbon	2,444	2.860	22-04-2014
Sale	Euronext Lisbon	458	2.860	22-04-2014
Sale	Euronext Lisbon	582	2.860	22-04-2014
Sale	Euronext Lisbon	5,000	2.860	22-04-2014
Sale	Euronext Lisbon	785	2.860	22-04-2014
Sale	Euronext Lisbon	4,328	2.860	22-04-2014
Sale	Euronext Lisbon	331	2.860	22-04-2014
Sale	Euronext Lisbon	660	2.860	22-04-2014
Sale	Euronext Lisbon	361	2.860	22-04-2014
Sale	Euronext Lisbon	330	2.860	22-04-2014
Sale	Euronext Lisbon	411	2.860	22-04-2014
Sale	Euronext Lisbon	2,870	2.860	22-04-2014
Sale	Euronext Lisbon	786	2.860	22-04-2014
Sale	Euronext Lisbon	4,678	2.860	22-04-2014
Sale	Euronext Lisbon	680	2.860	22-04-2014
Sale	Euronext Lisbon	478	2.860	22-04-2014
Sale	Euronext Lisbon	635	2.860	22-04-2014
Sale	Euronext Lisbon	1,234	2.860	22-04-2014
Sale	Euronext Lisbon	4,072	2.860	22-04-2014
Sale	Euronext Lisbon	768	2.860	22-04-2014
Sale	Euronext Lisbon	1,192	2.860	22-04-2014
Sale	Euronext Lisbon	3,110	2.860	22-04-2014
Sale	Euronext Lisbon	698	2.860	22-04-2014
Sale	Euronext Lisbon	474	2.860	22-04-2014
Sale	Euronext Lisbon	3,845	2.860	22-04-2014
Sale	Euronext Lisbon	1,155	2.860	22-04-2014
Sale	Euronext Lisbon	8,346	2.860	22-04-2014
Sale	Euronext Lisbon	772	2.860	22-04-2014
Sale	Euronext Lisbon	871	2.860	22-04-2014
Sale	Euronext Lisbon	356	2.860	22-04-2014
Sale	Euronext Lisbon	500	2.860	22-04-2014
Sale	Euronext Lisbon	1,209	2.860	22-04-2014
Sale	Euronext Lisbon	902	2.860	22-04-2014
Sale	Euronext Lisbon	390	2.860	22-04-2014
Sale	Euronext Lisbon	3,950	2.859	22-04-2014
Sale	Euronext Lisbon	323	2.859	22-04-2014
Sale	Euronext Lisbon	610	2.859	22-04-2014
Sale	Euronext Lisbon	61	2.849	22-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	1102	2.849	22-04-2014
Sale	Euronext Lisbon	1.607	2.849	22-04-2014
Sale	Euronext Lisbon	718	2.849	22-04-2014
Sale	Euronext Lisbon	892	2.849	22-04-2014
Sale	Euronext Lisbon	66	2.849	22-04-2014
Sale	Euronext Lisbon	110	2.848	22-04-2014
Sale	Euronext Lisbon	289	2.848	22-04-2014
Sale	Euronext Lisbon	623	2.848	22-04-2014
Sale	Euronext Lisbon	3.250	2.848	22-04-2014
Sale	Euronext Lisbon	329	2.848	22-04-2014
Sale	Euronext Lisbon	1.500	2.848	22-04-2014
Sale	Euronext Lisbon	1.950	2.848	22-04-2014
Sale	Euronext Lisbon	5.728	2.846	22-04-2014
Sale	Euronext Lisbon	338	2.846	22-04-2014
Sale	Euronext Lisbon	311	2.846	22-04-2014
Sale	Euronext Lisbon	1.670	2.846	22-04-2014
Sale	Euronext Lisbon	1.400	2.846	22-04-2014
Sale	Euronext Lisbon	644	2.846	22-04-2014
Sale	Euronext Lisbon	1.406	2.847	22-04-2014
Sale	Euronext Lisbon	2.231	2.853	22-04-2014
Sale	Euronext Lisbon	69	2.853	22-04-2014
Sale	Euronext Lisbon	1.118	2.853	22-04-2014
Sale	Euronext Lisbon	2.190	2.853	22-04-2014
Sale	Euronext Lisbon	110	2.853	22-04-2014
Sale	Euronext Lisbon	765	2.853	22-04-2014
Sale	Euronext Lisbon	2.234	2.853	22-04-2014
Sale	Euronext Lisbon	66	2.853	22-04-2014
Sale	Euronext Lisbon	1.162	2.853	22-04-2014
Sale	Euronext Lisbon	2.300	2.853	22-04-2014
Sale	Euronext Lisbon	600	2.853	22-04-2014
Sale	Euronext Lisbon	1.538	2.853	22-04-2014
Sale	Euronext Lisbon	475	2.853	22-04-2014
Sale	Euronext Lisbon	779	2.853	22-04-2014
Sale	Euronext Lisbon	800	2.853	22-04-2014
Sale	Euronext Lisbon	3.723	2.853	22-04-2014
Sale	Euronext Lisbon	1.277	2.853	22-04-2014
Sale	Euronext Lisbon	1.750	2.853	22-04-2014
Sale	Euronext Lisbon	617	2.852	22-04-2014
Sale	Euronext Lisbon	2.400	2.852	22-04-2014
Sale	Euronext Lisbon	1.100	2.857	22-04-2014
Sale	Euronext Lisbon	800	2.857	22-04-2014
Sale	Euronext Lisbon	14.200	2.857	22-04-2014
Sale	Euronext Lisbon	1.183	2.857	22-04-2014
Sale	Euronext Lisbon	717	2.857	22-04-2014
Sale	Euronext Lisbon	683	2.857	22-04-2014
Sale	Euronext Lisbon	1.130	2.857	22-04-2014
Sale	Euronext Lisbon	87	2.857	22-04-2014
Sale	Euronext Lisbon	100	2.857	22-04-2014
Sale	Euronext Lisbon	1.234	2.868	22-04-2014
Sale	Euronext Lisbon	904	2.868	22-04-2014
Sale	Euronext Lisbon	646	2.868	22-04-2014
Sale	Euronext Lisbon	778	2.868	22-04-2014
Sale	Euronext Lisbon	895	2.868	22-04-2014
Sale	Euronext Lisbon	1.643	2.868	22-04-2014
Sale	Euronext Lisbon	1.857	2.868	22-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	686	2.868	22-04-2014
Sale	Euronext Lisbon	490	2.868	22-04-2014
Sale	Euronext Lisbon	830	2.868	22-04-2014
Sale	Euronext Lisbon	1.970	2.868	22-04-2014
Sale	Euronext Lisbon	1.021	2.868	22-04-2014
Sale	Euronext Lisbon	600	2.868	22-04-2014
Sale	Euronext Lisbon	503	2.868	22-04-2014
Sale	Euronext Lisbon	114	2.868	22-04-2014
Sale	Euronext Lisbon	1.166	2.868	22-04-2014
Sale	Euronext Lisbon	775	2.868	22-04-2014
Sale	Euronext Lisbon	2.900	2.868	22-04-2014
Sale	Euronext Lisbon	658	2.868	22-04-2014
Sale	Euronext Lisbon	330	2.868	22-04-2014
Sale	Euronext Lisbon	1.236	2.868	22-04-2014
Sale	Euronext Lisbon	3.964	2.868	22-04-2014
Sale	Euronext Lisbon	1.236	2.868	22-04-2014
Sale	Euronext Lisbon	771	2.868	22-04-2014
Sale	Euronext Lisbon	763	2.868	22-04-2014
Sale	Euronext Lisbon	1.223	2.868	22-04-2014
Sale	Euronext Lisbon	2.358	2.868	22-04-2014
Sale	Euronext Lisbon	85	2.868	22-04-2014
Sale	Euronext Lisbon	636	2.868	22-04-2014
Sale	Euronext Lisbon	3.469	2.868	22-04-2014
Sale	Euronext Lisbon	1.731	2.868	22-04-2014
Sale	Euronext Lisbon	2.528	2.868	22-04-2014
Sale	Euronext Lisbon	583	2.868	22-04-2014
Sale	Euronext Lisbon	660	2.868	22-04-2014
Sale	Euronext Lisbon	679	2.868	22-04-2014
Sale	Euronext Lisbon	593	2.868	22-04-2014
Sale	Euronext Lisbon	9.530	2.866	22-04-2014
Sale	Euronext Lisbon	2.000	2.866	22-04-2014
Sale	Euronext Lisbon	805	2.866	22-04-2014
Sale	Euronext Lisbon	636	2.866	22-04-2014
Sale	Euronext Lisbon	613	2.861	22-04-2014
Sale	Euronext Lisbon	611	2.861	22-04-2014
Sale	Euronext Lisbon	611	2.861	22-04-2014
Sale	Euronext Lisbon	2.130	2.861	22-04-2014
Sale	Euronext Lisbon	608	2.861	22-04-2014
Sale	Euronext Lisbon	544	2.861	22-04-2014
Sale	Euronext Lisbon	744	2.861	22-04-2014
Sale	Euronext Lisbon	685	2.861	22-04-2014
Sale	Euronext Lisbon	1.208	2.856	22-04-2014
Sale	Euronext Lisbon	688	2.856	22-04-2014
Sale	Euronext Lisbon	679	2.856	22-04-2014
Sale	Euronext Lisbon	537	2.856	22-04-2014
Sale	Euronext Lisbon	288	2.856	22-04-2014
Sale	Euronext Lisbon	391	2.856	22-04-2014
Sale	Euronext Lisbon	605	2.856	22-04-2014
Sale	Euronext Lisbon	1.460	2.856	22-04-2014
Sale	Euronext Lisbon	599	2.856	22-04-2014
Sale	Euronext Lisbon	1.000	2.854	22-04-2014
Sale	Euronext Lisbon	2.347	2.851	22-04-2014
Sale	Euronext Lisbon	10.000	2.851	22-04-2014
Sale	Euronext Lisbon	2.414	2.843	23-04-2014
Sale	Euronext Lisbon	1.458	2.843	23-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	619	2.845	23-04-2014
Sale	Euronext Lisbon	91	2.845	23-04-2014
Sale	Euronext Lisbon	9	2.845	23-04-2014
Sale	Euronext Lisbon	710	2.845	23-04-2014
Sale	Euronext Lisbon	511	2.845	23-04-2014
Sale	Euronext Lisbon	171	2.845	23-04-2014
Sale	Euronext Lisbon	22	2.845	23-04-2014
Sale	Euronext Lisbon	5	2.845	23-04-2014
Sale	Euronext Lisbon	1	2.845	23-04-2014
Sale	Euronext Lisbon	710	2.845	23-04-2014
Sale	Euronext Lisbon	1,290	2.845	23-04-2014
Sale	Euronext Lisbon	606	2.845	23-04-2014
Sale	Euronext Lisbon	96	2.845	23-04-2014
Sale	Euronext Lisbon	8	2.845	23-04-2014
Sale	Euronext Lisbon	92	2.845	23-04-2014
Sale	Euronext Lisbon	642	2.845	23-04-2014
Sale	Euronext Lisbon	68	2.845	23-04-2014
Sale	Euronext Lisbon	32	2.845	23-04-2014
Sale	Euronext Lisbon	564	2.845	23-04-2014
Sale	Euronext Lisbon	146	2.845	23-04-2014
Sale	Euronext Lisbon	672	2.845	23-04-2014
Sale	Euronext Lisbon	38	2.845	23-04-2014
Sale	Euronext Lisbon	62	2.845	23-04-2014
Sale	Euronext Lisbon	572	2.845	23-04-2014
Sale	Euronext Lisbon	138	2.845	23-04-2014
Sale	Euronext Lisbon	671	2.845	23-04-2014
Sale	Euronext Lisbon	16	2.845	23-04-2014
Sale	Euronext Lisbon	20	2.845	23-04-2014
Sale	Euronext Lisbon	2	2.845	23-04-2014
Sale	Euronext Lisbon	1	2.845	23-04-2014
Sale	Euronext Lisbon	700	2.845	23-04-2014
Sale	Euronext Lisbon	8	2.845	23-04-2014
Sale	Euronext Lisbon	1	2.845	23-04-2014
Sale	Euronext Lisbon	1	2.845	23-04-2014
Sale	Euronext Lisbon	563	2.845	23-04-2014
Sale	Euronext Lisbon	144	2.845	23-04-2014
Sale	Euronext Lisbon	3	2.845	23-04-2014
Sale	Euronext Lisbon	534	2.845	23-04-2014
Sale	Euronext Lisbon	155	2.845	23-04-2014
Sale	Euronext Lisbon	18	2.845	23-04-2014
Sale	Euronext Lisbon	3	2.845	23-04-2014
Sale	Euronext Lisbon	97	2.845	23-04-2014
Sale	Euronext Lisbon	674	2.845	23-04-2014
Sale	Euronext Lisbon	28	2.845	23-04-2014
Sale	Euronext Lisbon	7	2.845	23-04-2014
Sale	Euronext Lisbon	1	2.845	23-04-2014
Sale	Euronext Lisbon	632	2.845	23-04-2014
Sale	Euronext Lisbon	74	2.845	23-04-2014
Sale	Euronext Lisbon	3	2.845	23-04-2014
Sale	Euronext Lisbon	1	2.845	23-04-2014
Sale	Euronext Lisbon	636	2.845	23-04-2014
Sale	Euronext Lisbon	72	2.845	23-04-2014
Sale	Euronext Lisbon	1	2.845	23-04-2014
Sale	Euronext Lisbon	1	2.845	23-04-2014
Sale	Euronext Lisbon	681	2.845	23-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	28	2.845	23-04-2014
Sale	Euronext Lisbon	1	2.845	23-04-2014
Sale	Euronext Lisbon	444	2.845	23-04-2014
Sale	Euronext Lisbon	248	2.845	23-04-2014
Sale	Euronext Lisbon	15	2.845	23-04-2014
Sale	Euronext Lisbon	1	2.845	23-04-2014
Sale	Euronext Lisbon	1	2.845	23-04-2014
Sale	Euronext Lisbon	1	2.845	23-04-2014
Sale	Euronext Lisbon	581	2.845	23-04-2014
Sale	Euronext Lisbon	106	2.845	23-04-2014
Sale	Euronext Lisbon	22	2.845	23-04-2014
Sale	Euronext Lisbon	1	2.845	23-04-2014
Sale	Euronext Lisbon	623	2.845	23-04-2014
Sale	Euronext Lisbon	73	2.845	23-04-2014
Sale	Euronext Lisbon	13	2.845	23-04-2014
Sale	Euronext Lisbon	1	2.845	23-04-2014
Sale	Euronext Lisbon	615	2.845	23-04-2014
Sale	Euronext Lisbon	78	2.845	23-04-2014
Sale	Euronext Lisbon	16	2.845	23-04-2014
Sale	Euronext Lisbon	294	2.845	23-04-2014
Sale	Euronext Lisbon	7	2.845	23-04-2014
Sale	Euronext Lisbon	3,965	2.845	23-04-2014
Sale	Euronext Lisbon	35	2.845	23-04-2014
Sale	Euronext Lisbon	65	2.845	23-04-2014
Sale	Euronext Lisbon	3,908	2.845	23-04-2014
Sale	Euronext Lisbon	92	2.845	23-04-2014
Sale	Euronext Lisbon	508	2.845	23-04-2014
Sale	Euronext Lisbon	3,058	2.845	23-04-2014
Sale	Euronext Lisbon	846	2.845	23-04-2014
Sale	Euronext Lisbon	96	2.845	23-04-2014
Sale	Euronext Lisbon	4	2.845	23-04-2014
Sale	Euronext Lisbon	3,925	2.845	23-04-2014
Sale	Euronext Lisbon	75	2.845	23-04-2014
Sale	Euronext Lisbon	25	2.845	23-04-2014
Sale	Euronext Lisbon	132	2.845	23-04-2014
Sale	Euronext Lisbon	3,868	2.845	23-04-2014
Sale	Euronext Lisbon	1,288	2.845	23-04-2014
Sale	Euronext Lisbon	296	2.845	23-04-2014
Sale	Euronext Lisbon	200	2.845	23-04-2014
Sale	Euronext Lisbon	150	2.845	23-04-2014
Sale	Euronext Lisbon	628	2.845	23-04-2014
Sale	Euronext Lisbon	9,850	2.845	23-04-2014
Sale	Euronext Lisbon	3,539	2.845	23-04-2014
Sale	Euronext Lisbon	461	2.845	23-04-2014
Sale	Euronext Lisbon	3,982	2.845	23-04-2014
Sale	Euronext Lisbon	18	2.845	23-04-2014
Sale	Euronext Lisbon	544	2.845	23-04-2014
Sale	Euronext Lisbon	3,149	2.845	23-04-2014
Sale	Euronext Lisbon	600	2.845	23-04-2014
Sale	Euronext Lisbon	251	2.845	23-04-2014
Sale	Euronext Lisbon	3,525	2.845	23-04-2014
Sale	Euronext Lisbon	475	2.845	23-04-2014
Sale	Euronext Lisbon	218	2.845	23-04-2014
Sale	Euronext Lisbon	182	2.845	23-04-2014
Sale	Euronext Lisbon	40	2.845	23-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	3,978	2,845	23-04-2014
Sale	Euronext Lisbon	20	2,845	23-04-2014
Sale	Euronext Lisbon	1	2,845	23-04-2014
Sale	Euronext Lisbon	1	2,845	23-04-2014
Sale	Euronext Lisbon	3,587	2,845	23-04-2014
Sale	Euronext Lisbon	413	2,845	23-04-2014
Sale	Euronext Lisbon	3,240	2,845	23-04-2014
Sale	Euronext Lisbon	600	2,845	23-04-2014
Sale	Euronext Lisbon	139	2,845	23-04-2014
Sale	Euronext Lisbon	20	2,845	23-04-2014
Sale	Euronext Lisbon	1	2,845	23-04-2014
Sale	Euronext Lisbon	3,520	2,845	23-04-2014
Sale	Euronext Lisbon	480	2,845	23-04-2014
Sale	Euronext Lisbon	3,979	2,845	23-04-2014
Sale	Euronext Lisbon	21	2,845	23-04-2014
Sale	Euronext Lisbon	79	2,845	23-04-2014
Sale	Euronext Lisbon	51	2,845	23-04-2014
Sale	Euronext Lisbon	1,083	2,845	23-04-2014
Sale	Euronext Lisbon	7	2,845	23-04-2014
Sale	Euronext Lisbon	2,279	2,845	23-04-2014
Sale	Euronext Lisbon	600	2,845	23-04-2014
Sale	Euronext Lisbon	31	2,845	23-04-2014
Sale	Euronext Lisbon	69	2,845	23-04-2014
Sale	Euronext Lisbon	1	2,845	23-04-2014
Sale	Euronext Lisbon	3,754	2,845	23-04-2014
Sale	Euronext Lisbon	245	2,845	23-04-2014
Sale	Euronext Lisbon	355	2,845	23-04-2014
Sale	Euronext Lisbon	3,962	2,845	23-04-2014
Sale	Euronext Lisbon	38	2,845	23-04-2014
Sale	Euronext Lisbon	3,269	2,845	23-04-2014
Sale	Euronext Lisbon	731	2,845	23-04-2014
Sale	Euronext Lisbon	3,176	2,845	23-04-2014
Sale	Euronext Lisbon	733	2,845	23-04-2014
Sale	Euronext Lisbon	79	2,845	23-04-2014
Sale	Euronext Lisbon	11	2,845	23-04-2014
Sale	Euronext Lisbon	1	2,845	23-04-2014
Sale	Euronext Lisbon	3,430	2,845	23-04-2014
Sale	Euronext Lisbon	566	2,845	23-04-2014
Sale	Euronext Lisbon	2	2,845	23-04-2014
Sale	Euronext Lisbon	1	2,845	23-04-2014
Sale	Euronext Lisbon	1	2,845	23-04-2014
Sale	Euronext Lisbon	3,989	2,845	23-04-2014
Sale	Euronext Lisbon	10	2,845	23-04-2014
Sale	Euronext Lisbon	1	2,845	23-04-2014
Sale	Euronext Lisbon	3,558	2,845	23-04-2014
Sale	Euronext Lisbon	442	2,845	23-04-2014
Sale	Euronext Lisbon	40	2,845	23-04-2014
Sale	Euronext Lisbon	2	2,845	23-04-2014
Sale	Euronext Lisbon	3,263	2,845	23-04-2014
Sale	Euronext Lisbon	600	2,845	23-04-2014
Sale	Euronext Lisbon	95	2,845	23-04-2014
Sale	Euronext Lisbon	3,786	2,845	23-04-2014
Sale	Euronext Lisbon	178	2,845	23-04-2014
Sale	Euronext Lisbon	31	2,845	23-04-2014
Sale	Euronext Lisbon	3,395	2,845	23-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	600	2,845	23-04-2014
Sale	Euronext Lisbon	3	2,845	23-04-2014
Sale	Euronext Lisbon	2	2,845	23-04-2014
Sale	Euronext Lisbon	3,829	2,845	23-04-2014
Sale	Euronext Lisbon	161	2,845	23-04-2014
Sale	Euronext Lisbon	9	2,845	23-04-2014
Sale	Euronext Lisbon	1	2,845	23-04-2014
Sale	Euronext Lisbon	3,972	2,845	23-04-2014
Sale	Euronext Lisbon	23	2,845	23-04-2014
Sale	Euronext Lisbon	3	2,845	23-04-2014
Sale	Euronext Lisbon	1	2,845	23-04-2014
Sale	Euronext Lisbon	1	2,845	23-04-2014
Sale	Euronext Lisbon	1,494	2,845	23-04-2014
Sale	Euronext Lisbon	600	2,845	23-04-2014
Sale	Euronext Lisbon	1,906	2,845	23-04-2014
Sale	Euronext Lisbon	508	2,845	23-04-2014
Sale	Euronext Lisbon	2,520	2,845	23-04-2014
Sale	Euronext Lisbon	600	2,845	23-04-2014
Sale	Euronext Lisbon	867	2,845	23-04-2014
Sale	Euronext Lisbon	11	2,845	23-04-2014
Sale	Euronext Lisbon	2	2,845	23-04-2014
Sale	Euronext Lisbon	719	2,845	23-04-2014
Sale	Euronext Lisbon	3,093	2,845	23-04-2014
Sale	Euronext Lisbon	188	2,845	23-04-2014
Sale	Euronext Lisbon	3,071	2,845	23-04-2014
Sale	Euronext Lisbon	264	2,845	23-04-2014
Sale	Euronext Lisbon	600	2,845	23-04-2014
Sale	Euronext Lisbon	65	2,845	23-04-2014
Sale	Euronext Lisbon	35	2,845	23-04-2014
Sale	Euronext Lisbon	3,736	2,845	23-04-2014
Sale	Euronext Lisbon	264	2,845	23-04-2014
Sale	Euronext Lisbon	3,248	2,845	23-04-2014
Sale	Euronext Lisbon	600	2,845	23-04-2014
Sale	Euronext Lisbon	152	2,845	23-04-2014
Sale	Euronext Lisbon	748	2,845	23-04-2014
Sale	Euronext Lisbon	3,808	2,845	23-04-2014
Sale	Euronext Lisbon	192	2,845	23-04-2014
Sale	Euronext Lisbon	2,988	2,845	23-04-2014
Sale	Euronext Lisbon	600	2,845	23-04-2014
Sale	Euronext Lisbon	193	2,845	23-04-2014
Sale	Euronext Lisbon	1,591	2,845	23-04-2014
Sale	Euronext Lisbon	14	2,845	23-04-2014
Sale	Euronext Lisbon	1,048	2,845	23-04-2014
Sale	Euronext Lisbon	6	2,845	23-04-2014
Sale	Euronext Lisbon	496	2,845	23-04-2014
Sale	Euronext Lisbon	60	2,845	23-04-2014
Sale	Euronext Lisbon	3,444	2,845	23-04-2014
Sale	Euronext Lisbon	956	2,845	23-04-2014
Sale	Euronext Lisbon	60	2,845	23-04-2014
Sale	Euronext Lisbon	60	2,845	23-04-2014
Sale	Euronext Lisbon	60	2,845	23-04-2014
Sale	Euronext Lisbon	1,053	2,845	23-04-2014
Sale	Euronext Lisbon	2,767	2,845	23-04-2014
Sale	Euronext Lisbon	60	2,845	23-04-2014
Sale	Euronext Lisbon	60	2,845	23-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	2,279	2,845	23-04-2014
Sale	Euronext Lisbon	9	2,845	23-04-2014
Sale	Euronext Lisbon	1,560	2,845	23-04-2014
Sale	Euronext Lisbon	122	2,845	23-04-2014
Sale	Euronext Lisbon	97,806	2,845	23-04-2014
Sale	Euronext Lisbon	50,406	2,845	23-04-2014
Sale	Euronext Lisbon	2,892	2,845	23-04-2014
Sale	Euronext Lisbon	1	2,845	23-04-2014
Sale	Euronext Lisbon	60	2,845	23-04-2014
Sale	Euronext Lisbon	60	2,845	23-04-2014
Sale	Euronext Lisbon	60	2,845	23-04-2014
Sale	Euronext Lisbon	60	2,845	23-04-2014
Sale	Euronext Lisbon	2,500	2,845	23-04-2014
Sale	Euronext Lisbon	1,260	2,845	23-04-2014
Sale	Euronext Lisbon	621	2,845	23-04-2014
Sale	Euronext Lisbon	60	2,845	23-04-2014
Sale	Euronext Lisbon	2,212	2,845	23-04-2014
Sale	Euronext Lisbon	278	2,845	23-04-2014
Sale	Euronext Lisbon	320	2,845	23-04-2014
Sale	Euronext Lisbon	299	2,845	23-04-2014
Sale	Euronext Lisbon	725	2,845	23-04-2014
Sale	Euronext Lisbon	581	2,845	23-04-2014
Sale	Euronext Lisbon	1,271	2,845	23-04-2014
Sale	Euronext Lisbon	3	2,845	23-04-2014
Sale	Euronext Lisbon	1,050	2,845	23-04-2014
Sale	Euronext Lisbon	370	2,845	23-04-2014
Sale	Euronext Lisbon	2,130	2,845	23-04-2014
Sale	Euronext Lisbon	60	2,845	23-04-2014
Sale	Euronext Lisbon	60	2,845	23-04-2014
Sale	Euronext Lisbon	3,000	2,845	23-04-2014
Sale	Euronext Lisbon	757	2,845	23-04-2014
Sale	Euronext Lisbon	4,000	2,845	23-04-2014
Sale	Euronext Lisbon	1,798	2,845	23-04-2014
Sale	Euronext Lisbon	700	2,845	23-04-2014
Sale	Euronext Lisbon	57	2,845	23-04-2014
Sale	Euronext Lisbon	4,000	2,845	23-04-2014
Sale	Euronext Lisbon	10,817	2,845	23-04-2014
Sale	Euronext Lisbon	60	2,845	23-04-2014
Sale	Euronext Lisbon	3,940	2,845	23-04-2014
Sale	Euronext Lisbon	4,000	2,845	23-04-2014
Sale	Euronext Lisbon	41,653	2,845	23-04-2014
Sale	Euronext Lisbon	60	2,845	23-04-2014
Sale	Euronext Lisbon	60	2,845	23-04-2014
Sale	Euronext Lisbon	60	2,845	23-04-2014
Sale	Euronext Lisbon	3,240	2,845	23-04-2014
Sale	Euronext Lisbon	11	2,845	23-04-2014
Sale	Euronext Lisbon	4,000	2,845	23-04-2014
Sale	Euronext Lisbon	1,613	2,845	23-04-2014
Sale	Euronext Lisbon	60	2,845	23-04-2014
Sale	Euronext Lisbon	703	2,842	23-04-2014
Sale	Euronext Lisbon	3,000	2,842	23-04-2014
Sale	Euronext Lisbon	73	2,842	23-04-2014
Sale	Euronext Lisbon	810	2,842	23-04-2014
Sale	Euronext Lisbon	1,414	2,842	23-04-2014
Sale	Euronext Lisbon	655	2,842	23-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	978	2,842	23-04-2014
Sale	Euronext Lisbon	75	2,842	23-04-2014
Sale	Euronext Lisbon	1,053	2,842	23-04-2014
Sale	Euronext Lisbon	595	2,842	23-04-2014
Sale	Euronext Lisbon	613	2,842	23-04-2014
Sale	Euronext Lisbon	30	2,842	23-04-2014
Sale	Euronext Lisbon	1	2,842	23-04-2014
Sale	Euronext Lisbon	12	2,842	23-04-2014
Sale	Euronext Lisbon	1,996	2,842	23-04-2014
Sale	Euronext Lisbon	294	2,842	23-04-2014
Sale	Euronext Lisbon	600	2,842	23-04-2014
Sale	Euronext Lisbon	6	2,846	23-04-2014
Sale	Euronext Lisbon	640	2,846	23-04-2014
Sale	Euronext Lisbon	300	2,846	23-04-2014
Sale	Euronext Lisbon	336	2,846	23-04-2014
Sale	Euronext Lisbon	74	2,846	23-04-2014
Sale	Euronext Lisbon	254	2,846	23-04-2014
Sale	Euronext Lisbon	300	2,846	23-04-2014
Sale	Euronext Lisbon	435	2,846	23-04-2014
Sale	Euronext Lisbon	16	2,846	23-04-2014
Sale	Euronext Lisbon	2,265	2,846	23-04-2014
Sale	Euronext Lisbon	4,637	2,846	23-04-2014
Sale	Euronext Lisbon	7	2,846	23-04-2014
Sale	Euronext Lisbon	4,860	2,846	23-04-2014
Sale	Euronext Lisbon	2,543	2,846	23-04-2014
Sale	Euronext Lisbon	297	2,850	23-04-2014
Sale	Euronext Lisbon	1,753	2,850	23-04-2014
Sale	Euronext Lisbon	725	2,850	23-04-2014
Sale	Euronext Lisbon	300	2,850	23-04-2014
Sale	Euronext Lisbon	1,025	2,850	23-04-2014
Sale	Euronext Lisbon	1,393	2,850	23-04-2014
Sale	Euronext Lisbon	560	2,850	23-04-2014
Sale	Euronext Lisbon	97	2,850	23-04-2014
Sale	Euronext Lisbon	2,003	2,850	23-04-2014
Sale	Euronext Lisbon	47	2,850	23-04-2014
Sale	Euronext Lisbon	2,077	2,850	23-04-2014
Sale	Euronext Lisbon	300	2,850	23-04-2014
Sale	Euronext Lisbon	300	2,850	23-04-2014
Sale	Euronext Lisbon	300	2,850	23-04-2014
Sale	Euronext Lisbon	100	2,850	23-04-2014
Sale	Euronext Lisbon	3,100	2,850	23-04-2014
Sale	Euronext Lisbon	10,041	2,850	23-04-2014
Sale	Euronext Lisbon	300	2,850	23-04-2014
Sale	Euronext Lisbon	4	2,850	23-04-2014
Sale	Euronext Lisbon	100	2,850	23-04-2014
Sale	Euronext Lisbon	4,000	2,850	23-04-2014
Sale	Euronext Lisbon	1,589	2,850	23-04-2014
Sale	Euronext Lisbon	307	2,849	23-04-2014
Sale	Euronext Lisbon	6	2,849	23-04-2014
Sale	Euronext Lisbon	1	2,849	23-04-2014
Sale	Euronext Lisbon	101	2,849	23-04-2014
Sale	Euronext Lisbon	499	2,849	23-04-2014
Sale	Euronext Lisbon	60	2,849	23-04-2014
Sale	Euronext Lisbon	60	2,849	23-04-2014
Sale	Euronext Lisbon	60	2,849	23-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	1,053	2,849	23-04-2014
Sale	Euronext Lisbon	60	2,849	23-04-2014
Sale	Euronext Lisbon	4,322	2,848	23-04-2014
Sale	Euronext Lisbon	88	2,848	23-04-2014
Sale	Euronext Lisbon	317	2,848	23-04-2014
Sale	Euronext Lisbon	2,668	2,841	23-04-2014
Sale	Euronext Lisbon	646	2,841	23-04-2014
Sale	Euronext Lisbon	642	2,841	23-04-2014
Sale	Euronext Lisbon	309	2,841	23-04-2014
Sale	Euronext Lisbon	570	2,841	23-04-2014
Sale	Euronext Lisbon	1,000	2,840	23-04-2014
Sale	Euronext Lisbon	2,500	2,840	23-04-2014
Sale	Euronext Lisbon	597	2,840	23-04-2014
Sale	Euronext Lisbon	2,500	2,840	23-04-2014
Sale	Euronext Lisbon	1,666	2,840	23-04-2014
Sale	Euronext Lisbon	2,371	2,840	23-04-2014
Sale	Euronext Lisbon	2,371	2,840	23-04-2014
Sale	Euronext Lisbon	284	2,840	23-04-2014
Sale	Euronext Lisbon	293	2,840	23-04-2014
Sale	Euronext Lisbon	15	2,840	23-04-2014
Sale	Euronext Lisbon	5,545	2,840	23-04-2014
Sale	Euronext Lisbon	300	2,840	23-04-2014
Sale	Euronext Lisbon	1,056	2,840	23-04-2014
Sale	Euronext Lisbon	89	2,840	23-04-2014
Sale	Euronext Lisbon	10	2,840	23-04-2014
Sale	Euronext Lisbon	4,704	2,840	23-04-2014
Sale	Euronext Lisbon	23	2,840	23-04-2014
Sale	Euronext Lisbon	500	2,840	23-04-2014
Sale	Euronext Lisbon	17	2,840	23-04-2014
Sale	Euronext Lisbon	617	2,840	23-04-2014
Sale	Euronext Lisbon	9,500	2,840	23-04-2014
Sale	Euronext Lisbon	308	2,840	23-04-2014
Sale	Euronext Lisbon	6	2,840	23-04-2014
Sale	Euronext Lisbon	500	2,840	23-04-2014
Sale	Euronext Lisbon	5	2,840	23-04-2014
Sale	Euronext Lisbon	4,500	2,840	23-04-2014
Sale	Euronext Lisbon	600	2,840	23-04-2014
Sale	Euronext Lisbon	1	2,840	23-04-2014
Sale	Euronext Lisbon	262	2,840	23-04-2014
Sale	Euronext Lisbon	157	2,840	23-04-2014
Sale	Euronext Lisbon	157	2,840	23-04-2014
Sale	Euronext Lisbon	600	2,840	23-04-2014
Sale	Euronext Lisbon	450	2,840	23-04-2014
Sale	Euronext Lisbon	281	2,840	23-04-2014
Sale	Euronext Lisbon	37	2,840	23-04-2014
Sale	Euronext Lisbon	200	2,840	23-04-2014
Sale	Euronext Lisbon	4,000	2,840	23-04-2014
Sale	Euronext Lisbon	2,422	2,840	23-04-2014
Sale	Euronext Lisbon	1,415	2,840	23-04-2014
Sale	Euronext Lisbon	3,898	2,840	23-04-2014
Sale	Euronext Lisbon	1,580	2,840	23-04-2014
Sale	Euronext Lisbon	2,500	2,840	23-04-2014
Sale	Euronext Lisbon	300	2,840	23-04-2014
Sale	Euronext Lisbon	5,200	2,840	23-04-2014
Sale	Euronext Lisbon	30	2,840	23-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	1,169	2,840	23-04-2014
Sale	Euronext Lisbon	336	2,840	23-04-2014
Sale	Euronext Lisbon	2	2,840	23-04-2014
Sale	Euronext Lisbon	1,866	2,840	23-04-2014
Sale	Euronext Lisbon	627	2,840	23-04-2014
Sale	Euronext Lisbon	2,204	2,840	23-04-2014
Sale	Euronext Lisbon	4,000	2,840	23-04-2014
Sale	Euronext Lisbon	2,232	2,840	23-04-2014
Sale	Euronext Lisbon	42	2,840	23-04-2014
Sale	Euronext Lisbon	1,000	2,840	23-04-2014
Sale	Euronext Lisbon	1,000	2,840	23-04-2014
Sale	Euronext Lisbon	2,892	2,840	23-04-2014
Sale	Euronext Lisbon	1,108	2,840	23-04-2014
Sale	Euronext Lisbon	955	2,840	23-04-2014
Sale	Euronext Lisbon	565	2,840	23-04-2014
Sale	Euronext Lisbon	9	2,840	23-04-2014
Sale	Euronext Lisbon	1,108	2,840	23-04-2014
Sale	Euronext Lisbon	1,000	2,840	23-04-2014
Sale	Euronext Lisbon	28	2,840	23-04-2014
Sale	Euronext Lisbon	2,485	2,840	23-04-2014
Sale	Euronext Lisbon	1,010	2,840	23-04-2014
Sale	Euronext Lisbon	6	2,840	23-04-2014
Sale	Euronext Lisbon	566	2,840	23-04-2014
Sale	Euronext Lisbon	264	2,840	23-04-2014
Sale	Euronext Lisbon	591	2,840	23-04-2014
Sale	Euronext Lisbon	1	2,840	23-04-2014
Sale	Euronext Lisbon	60	2,840	23-04-2014
Sale	Euronext Lisbon	60	2,840	23-04-2014
Sale	Euronext Lisbon	60	2,840	23-04-2014
Sale	Euronext Lisbon	60	2,840	23-04-2014
Sale	Euronext Lisbon	675	2,840	23-04-2014
Sale	Euronext Lisbon	60	2,840	23-04-2014
Sale	Euronext Lisbon	60	2,840	23-04-2014
Sale	Euronext Lisbon	60	2,840	23-04-2014
Sale	Euronext Lisbon	60	2,840	23-04-2014
Sale	Euronext Lisbon	60	2,840	23-04-2014
Sale	Euronext Lisbon	447	2,840	23-04-2014
Sale	Euronext Lisbon	2,730	2,840	23-04-2014
Sale	Euronext Lisbon	3,500	2,840	23-04-2014
Sale	Euronext Lisbon	4,100	2,840	23-04-2014
Sale	Euronext Lisbon	1,491	2,840	23-04-2014
Sale	Euronext Lisbon	460	2,840	23-04-2014
Sale	Euronext Lisbon	60	2,840	23-04-2014
Sale	Euronext Lisbon	60	2,840	23-04-2014
Sale	Euronext Lisbon	60	2,840	23-04-2014
Sale	Euronext Lisbon	60	2,840	23-04-2014
Sale	Euronext Lisbon	60	2,840	23-04-2014
Sale	Euronext Lisbon	60	2,840	23-04-2014
Sale	Euronext Lisbon	60	2,840	23-04-2014
Sale	Euronext Lisbon	60	2,840	23-04-2014
Sale	Euronext Lisbon	642	2,847	23-04-2014
Sale	Euronext Lisbon	2,558	2,847	23-04-2014
Sale	Euronext Lisbon	1,666	2,847	23-04-2014
Sale	Euronext Lisbon	600	2,847	23-04-2014
Sale	Euronext Lisbon	33	2,847	23-04-2014
Sale	Euronext Lisbon	3175	2,847	23-04-2014
Sale	Euronext Lisbon	137	2,847	23-04-2014
Sale	Euronext Lisbon	30	2,847	23-04-2014
Sale	Euronext Lisbon	542	2,847	23-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	16	2.847	23-04-2014
Sale	Euronext Lisbon	632	2.847	23-04-2014
Sale	Euronext Lisbon	422	2.847	23-04-2014
Sale	Euronext Lisbon	3	2.847	23-04-2014
Sale	Euronext Lisbon	2,778	2.847	23-04-2014
Sale	Euronext Lisbon	543	2.844	23-04-2014
Sale	Euronext Lisbon	2,602	2.844	23-04-2014
Sale	Euronext Lisbon	676	2.844	23-04-2014
Sale	Euronext Lisbon	7	2.844	23-04-2014
Sale	Euronext Lisbon	172	2.844	23-04-2014
Sale	Euronext Lisbon	160	2.844	23-04-2014
Sale	Euronext Lisbon	978	2.844	23-04-2014
Sale	Euronext Lisbon	1,158	2.844	23-04-2014
Sale	Euronext Lisbon	1,864	2.844	23-04-2014
Sale	Euronext Lisbon	275	2.844	23-04-2014
Sale	Euronext Lisbon	462	2.844	23-04-2014
Sale	Euronext Lisbon	600	2.844	23-04-2014
Sale	Euronext Lisbon	600	2.844	23-04-2014
Sale	Euronext Lisbon	1,296	2.844	23-04-2014
Sale	Euronext Lisbon	12	2.844	23-04-2014
Sale	Euronext Lisbon	2,602	2.844	23-04-2014
Sale	Euronext Lisbon	460	2.844	23-04-2014
Sale	Euronext Lisbon	125	2.844	23-04-2014
Sale	Euronext Lisbon	575	2.844	23-04-2014
Sale	Euronext Lisbon	3	2.844	23-04-2014
Sale	Euronext Lisbon	2,329	2.844	23-04-2014
Sale	Euronext Lisbon	1,947	2.844	23-04-2014
Sale	Euronext Lisbon	11	2.844	23-04-2014
Sale	Euronext Lisbon	1,226	2.844	23-04-2014
Sale	Euronext Lisbon	5,000	2.844	23-04-2014
Sale	Euronext Lisbon	30	2.844	23-04-2014
Sale	Euronext Lisbon	8,520	2.844	23-04-2014
Sale	Euronext Lisbon	6	2.844	23-04-2014
Sale	Euronext Lisbon	2,602	2.844	23-04-2014
Sale	Euronext Lisbon	612	2.844	23-04-2014
Sale	Euronext Lisbon	2,892	2.844	23-04-2014
Sale	Euronext Lisbon	299	2.844	23-04-2014
Sale	Euronext Lisbon	434	2.844	23-04-2014
Sale	Euronext Lisbon	1	2.844	23-04-2014
Sale	Euronext Lisbon	53	2.844	23-04-2014
Sale	Euronext Lisbon	432	2.839	23-04-2014
Sale	Euronext Lisbon	8,156	2.839	23-04-2014
Sale	Euronext Lisbon	4,225	2.839	23-04-2014
Sale	Euronext Lisbon	9,460	2.839	23-04-2014
Sale	Euronext Lisbon	589	2.839	23-04-2014
Sale	Euronext Lisbon	74	2.839	23-04-2014
Sale	Euronext Lisbon	12	2.839	23-04-2014
Sale	Euronext Lisbon	121	2.839	23-04-2014
Sale	Euronext Lisbon	12	2.839	23-04-2014
Sale	Euronext Lisbon	356	2.839	23-04-2014
Sale	Euronext Lisbon	5,000	2.838	23-04-2014
Sale	Euronext Lisbon	3,000	2.838	23-04-2014
Sale	Euronext Lisbon	2,510	2.838	23-04-2014
Sale	Euronext Lisbon	102	2.838	23-04-2014
Sale	Euronext Lisbon	13	2.838	23-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	541	2.838	23-04-2014
Sale	Euronext Lisbon	3	2.838	23-04-2014
Sale	Euronext Lisbon	60	2.838	23-04-2014
Sale	Euronext Lisbon	60	2.838	23-04-2014
Sale	Euronext Lisbon	60	2.838	23-04-2014
Sale	Euronext Lisbon	175	2.838	23-04-2014
Sale	Euronext Lisbon	2,626	2.838	23-04-2014
Sale	Euronext Lisbon	60	2.838	23-04-2014
Sale	Euronext Lisbon	60	2.838	23-04-2014
Sale	Euronext Lisbon	60	2.838	23-04-2014
Sale	Euronext Lisbon	60	2.838	23-04-2014
Sale	Euronext Lisbon	60	2.838	23-04-2014
Sale	Euronext Lisbon	60	2.838	23-04-2014
Sale	Euronext Lisbon	60	2.855	23-04-2014
Sale	Euronext Lisbon	8,200	2.852	23-04-2014
Sale	Euronext Lisbon	60	2.852	23-04-2014
Sale	Euronext Lisbon	2,500	2.852	23-04-2014
Sale	Euronext Lisbon	3,000	2.852	23-04-2014
Sale	Euronext Lisbon	60	2.852	23-04-2014
Sale	Euronext Lisbon	44	2.852	23-04-2014
Sale	Euronext Lisbon	1,000	2.837	23-04-2014
Sale	Euronext Lisbon	1,350	2.837	23-04-2014
Sale	Euronext Lisbon	556	2.837	23-04-2014
Sale	Euronext Lisbon	482	2.837	23-04-2014
Sale	Euronext Lisbon	1,500	2.836	23-04-2014
Sale	Euronext Lisbon	5,000	2.836	23-04-2014
Sale	Euronext Lisbon	1,167	2.836	23-04-2014
Sale	Euronext Lisbon	4,158	2.836	23-04-2014
Sale	Euronext Lisbon	900	2.836	23-04-2014
Sale	Euronext Lisbon	2,000	2.836	23-04-2014
Sale	Euronext Lisbon	100	2.836	23-04-2014
Sale	Euronext Lisbon	9	2.836	23-04-2014
Sale	Euronext Lisbon	220	2.836	23-04-2014
Sale	Euronext Lisbon	329	2.836	23-04-2014
Sale	Euronext Lisbon	250	2.835	23-04-2014
Sale	Euronext Lisbon	3,000	2.835	23-04-2014
Sale	Euronext Lisbon	130,000	2.835	23-04-2014
Sale	Euronext Lisbon	8,168	2.835	23-04-2014
Sale	Euronext Lisbon	3,000	2.835	23-04-2014
Sale	Euronext Lisbon	1,750	2.835	23-04-2014
Sale	Euronext Lisbon	4,731	2.835	23-04-2014
Sale	Euronext Lisbon	2,025	2.835	23-04-2014
Sale	Euronext Lisbon	9	2.835	23-04-2014
Sale	Euronext Lisbon	705	2.835	23-04-2014
Sale	Euronext Lisbon	1,863	2.835	23-04-2014
Sale	Euronext Lisbon	60	2.835	23-04-2014
Sale	Euronext Lisbon	100	2.835	23-04-2014
Sale	Euronext Lisbon	750	2.834	23-04-2014
Sale	Euronext Lisbon	592	2.834	23-04-2014
Sale	Euronext Lisbon	9	2.834	23-04-2014
Sale	Euronext Lisbon	320	2.833	23-04-2014
Sale	Euronext Lisbon	3	2.833	23-04-2014
Sale	Euronext Lisbon	604	2.833	23-04-2014
Sale	Euronext Lisbon	60	2.833	23-04-2014
Sale	Euronext Lisbon	60	2.833	23-04-2014
Sale	Euronext Lisbon	1,500	2.833	23-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	60	2.833	23-04-2014
Sale	Euronext Lisbon	60	2.833	23-04-2014
Sale	Euronext Lisbon	60	2.833	23-04-2014
Sale	Euronext Lisbon	1,053	2.833	23-04-2014
Sale	Euronext Lisbon	60	2.833	23-04-2014
Sale	Euronext Lisbon	60	2.833	23-04-2014
Sale	Euronext Lisbon	4,500	2.832	23-04-2014
Sale	Euronext Lisbon	10,000	2.832	23-04-2014
Sale	Euronext Lisbon	264	2.832	23-04-2014
Sale	Euronext Lisbon	264	2.832	23-04-2014
Sale	Euronext Lisbon	1,187	2.832	23-04-2014
Sale	Euronext Lisbon	2,120	2.831	23-04-2014
Sale	Euronext Lisbon	2,000	2.831	23-04-2014
Sale	Euronext Lisbon	1,082	2.831	23-04-2014
Sale	Euronext Lisbon	918	2.831	23-04-2014
Sale	Euronext Lisbon	706	2.831	23-04-2014
Sale	Euronext Lisbon	5,000	2.831	23-04-2014
Sale	Euronext Lisbon	3,600	2.831	23-04-2014
Sale	Euronext Lisbon	3,900	2.830	23-04-2014
Sale	Euronext Lisbon	14,134	2.830	23-04-2014
Sale	Euronext Lisbon	1,000	2.830	23-04-2014
Sale	Euronext Lisbon	3,000	2.830	23-04-2014
Sale	Euronext Lisbon	1,450	2.830	23-04-2014
Sale	Euronext Lisbon	1,000	2.830	23-04-2014
Sale	Euronext Lisbon	2,000	2.830	23-04-2014
Sale	Euronext Lisbon	2,000	2.830	23-04-2014
Sale	Euronext Lisbon	5,101	2.830	23-04-2014
Sale	Euronext Lisbon	761	2.823	23-04-2014
Sale	Euronext Lisbon	300	2.823	23-04-2014
Sale	Euronext Lisbon	1,000	2.823	23-04-2014
Sale	Euronext Lisbon	3,000	2.822	23-04-2014
Sale	Euronext Lisbon	2,500	2.822	23-04-2014
Sale	Euronext Lisbon	1,099	2.822	23-04-2014
Sale	Euronext Lisbon	415	2.822	23-04-2014
Sale	Euronext Lisbon	2,000	2.821	23-04-2014
Sale	Euronext Lisbon	10,000	2.821	23-04-2014
Sale	Euronext Lisbon	1,801	2.821	23-04-2014
Sale	Euronext Lisbon	120	2.821	23-04-2014
Sale	Euronext Lisbon	500	2.820	23-04-2014
Sale	Euronext Lisbon	5,000	2.820	23-04-2014
Sale	Euronext Lisbon	75	2.820	23-04-2014
Sale	Euronext Lisbon	2,000	2.820	23-04-2014
Sale	Euronext Lisbon	10,000	2.820	23-04-2014
Sale	Euronext Lisbon	313	2.820	23-04-2014
Sale	Euronext Lisbon	100	2.820	23-04-2014
Sale	Euronext Lisbon	100	2.820	23-04-2014
Sale	Euronext Lisbon	2,343	2.820	23-04-2014
Sale	Euronext Lisbon	13	2.820	23-04-2014
Sale	Euronext Lisbon	3	2.820	23-04-2014
Sale	Euronext Lisbon	1,500	2.820	23-04-2014
Sale	Euronext Lisbon	1,200	2.820	23-04-2014
Sale	Euronext Lisbon	250	2.820	23-04-2014
Sale	Euronext Lisbon	13,000	2.820	23-04-2014
Sale	Euronext Lisbon	134	2.826	23-04-2014
Sale	Euronext Lisbon	13	2.826	23-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	957	2.826	23-04-2014
Sale	Euronext Lisbon	2,800	2.826	23-04-2014
Sale	Euronext Lisbon	9	2.826	23-04-2014
Sale	Euronext Lisbon	430	2.826	23-04-2014
Sale	Euronext Lisbon	2	2.826	23-04-2014
Sale	Euronext Lisbon	2,100	2.826	23-04-2014
Sale	Euronext Lisbon	2	2.826	23-04-2014
Sale	Euronext Lisbon	137	2.826	23-04-2014
Sale	Euronext Lisbon	2	2.826	23-04-2014
Sale	Euronext Lisbon	378	2.826	23-04-2014
Sale	Euronext Lisbon	234	2.826	23-04-2014
Sale	Euronext Lisbon	268	2.826	23-04-2014
Sale	Euronext Lisbon	711	2.826	23-04-2014
Sale	Euronext Lisbon	287	2.826	23-04-2014
Sale	Euronext Lisbon	1,590	2.819	23-04-2014
Sale	Euronext Lisbon	9	2.819	23-04-2014
Sale	Euronext Lisbon	5,000	2.816	23-04-2014
Sale	Euronext Lisbon	2,567	2.816	23-04-2014
Sale	Euronext Lisbon	840	2.825	23-04-2014
Sale	Euronext Lisbon	3,000	2.825	23-04-2014
Sale	Euronext Lisbon	544	2.825	23-04-2014
Sale	Euronext Lisbon	2,118	2.825	23-04-2014
Sale	Euronext Lisbon	922	2.824	23-04-2014
Sale	Euronext Lisbon	34	2.827	23-04-2014
Sale	Euronext Lisbon	16	2.827	23-04-2014
Sale	Euronext Lisbon	205	2.827	23-04-2014
Sale	Euronext Lisbon	100	2.827	23-04-2014
Sale	Euronext Lisbon	72	2.827	23-04-2014
Sale	Euronext Lisbon	876	2.818	23-04-2014
Sale	Euronext Lisbon	1,066	2.815	23-04-2014
Sale	Euronext Lisbon	400	2.812	23-04-2014
Sale	Euronext Lisbon	322	2.812	23-04-2014
Sale	Euronext Lisbon	300	2.810	23-04-2014
Sale	Euronext Lisbon	1,000	2.810	23-04-2014
Sale	Euronext Lisbon	5,000	2.810	23-04-2014
Sale	Euronext Lisbon	2,500	2.810	23-04-2014
Sale	Euronext Lisbon	319	2.810	23-04-2014
Sale	Euronext Lisbon	353	2.810	23-04-2014
Sale	Euronext Lisbon	327	2.810	23-04-2014
Sale	Euronext Lisbon	571	2.810	23-04-2014
Sale	Euronext Lisbon	1,058	2.810	23-04-2014
Sale	Euronext Lisbon	60	2.810	23-04-2014
Sale	Euronext Lisbon	882	2.810	23-04-2014
Sale	Euronext Lisbon	918	2.810	23-04-2014
Sale	Euronext Lisbon	60	2.810	23-04-2014
Sale	Euronext Lisbon	299	2.810	23-04-2014
Sale	Euronext Lisbon	100	2.810	23-04-2014
Sale	Euronext Lisbon	1,541	2.810	23-04-2014
Sale	Euronext Lisbon	321	2.810	23-04-2014
Sale	Euronext Lisbon	800	2.810	23-04-2014
Sale	Euronext Lisbon	304	2.810	23-04-2014
Sale	Euronext Lisbon	60	2.810	23-04-2014
Sale	Euronext Lisbon	836	2.810	23-04-2014
Sale	Euronext Lisbon	201	2.810	23-04-2014
Sale	Euronext Lisbon	60	2.810	23-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	271	2.800	23-04-2014
Sale	Euronext Lisbon	2,600	2.800	23-04-2014
Sale	Euronext Lisbon	291	2.800	23-04-2014
Sale	Euronext Lisbon	496	2.800	23-04-2014
Sale	Euronext Lisbon	1,713	2.800	23-04-2014
Sale	Euronext Lisbon	13,287	2.800	23-04-2014
Sale	Euronext Lisbon	2,432	2.800	23-04-2014
Sale	Euronext Lisbon	68	2.800	23-04-2014
Sale	Euronext Lisbon	318	2.800	23-04-2014
Sale	Euronext Lisbon	312	2.800	23-04-2014
Sale	Euronext Lisbon	282	2.800	23-04-2014
Sale	Euronext Lisbon	318	2.800	23-04-2014
Sale	Euronext Lisbon	268	2.800	23-04-2014
Sale	Euronext Lisbon	313	2.800	23-04-2014
Sale	Euronext Lisbon	638	2.800	23-04-2014
Sale	Euronext Lisbon	120	2.800	23-04-2014
Sale	Euronext Lisbon	249	2.800	23-04-2014
Sale	Euronext Lisbon	204	2.800	23-04-2014
Sale	Euronext Lisbon	2,500	2.800	23-04-2014
Sale	Euronext Lisbon	12,500	2.800	23-04-2014
Sale	Euronext Lisbon	2,500	2.800	23-04-2014
Sale	Euronext Lisbon	2168	2.800	23-04-2014
Sale	Euronext Lisbon	1,487	2.800	23-04-2014
Sale	Euronext Lisbon	1,013	2.800	23-04-2014
Sale	Euronext Lisbon	18,987	2.800	23-04-2014
Sale	Euronext Lisbon	2,500	2.800	23-04-2014
Sale	Euronext Lisbon	12,500	2.800	23-04-2014
Sale	Euronext Lisbon	1,735	2.800	23-04-2014
Sale	Euronext Lisbon	765	2.800	23-04-2014
Sale	Euronext Lisbon	4,735	2.800	23-04-2014
Sale	Euronext Lisbon	873	2.800	23-04-2014
Sale	Euronext Lisbon	404	2.800	23-04-2014
Sale	Euronext Lisbon	1,223	2.800	23-04-2014
Sale	Euronext Lisbon	66	2.800	23-04-2014
Sale	Euronext Lisbon	130	2.800	23-04-2014
Sale	Euronext Lisbon	10	2.800	23-04-2014
Sale	Euronext Lisbon	327	2.800	23-04-2014
Sale	Euronext Lisbon	1,967	2.800	23-04-2014
Sale	Euronext Lisbon	533	2.800	23-04-2014
Sale	Euronext Lisbon	328	2.800	23-04-2014
Sale	Euronext Lisbon	1,053	2.800	23-04-2014
Sale	Euronext Lisbon	450	2.800	23-04-2014
Sale	Euronext Lisbon	295	2.800	23-04-2014
Sale	Euronext Lisbon	273	2.800	23-04-2014
Sale	Euronext Lisbon	101	2.800	23-04-2014
Sale	Euronext Lisbon	4,699	2.800	23-04-2014
Sale	Euronext Lisbon	330	2.800	23-04-2014
Sale	Euronext Lisbon	496	2.800	23-04-2014
Sale	Euronext Lisbon	1,674	2.800	23-04-2014
Sale	Euronext Lisbon	114	2.796	23-04-2014
Sale	Euronext Lisbon	325	2.796	23-04-2014
Sale	Euronext Lisbon	280	2.796	23-04-2014
Sale	Euronext Lisbon	310	2.796	23-04-2014
Sale	Euronext Lisbon	606	2.796	23-04-2014
Sale	Euronext Lisbon	10,001	2.795	23-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	3,800	2.795	23-04-2014
Sale	Euronext Lisbon	693	2.795	23-04-2014
Sale	Euronext Lisbon	320	2.795	23-04-2014
Sale	Euronext Lisbon	2,180	2.795	23-04-2014
Sale	Euronext Lisbon	655	2.795	23-04-2014
Sale	Euronext Lisbon	345	2.795	23-04-2014
Sale	Euronext Lisbon	19,655	2.795	23-04-2014
Sale	Euronext Lisbon	649	2.795	23-04-2014
Sale	Euronext Lisbon	351	2.795	23-04-2014
Sale	Euronext Lisbon	339	2.795	23-04-2014
Sale	Euronext Lisbon	329	2.795	23-04-2014
Sale	Euronext Lisbon	1,700	2.795	23-04-2014
Sale	Euronext Lisbon	308	2.795	23-04-2014
Sale	Euronext Lisbon	618	2.795	23-04-2014
Sale	Euronext Lisbon	74	2.795	23-04-2014
Sale	Euronext Lisbon	636	2.795	23-04-2014
Sale	Euronext Lisbon	88	2.795	23-04-2014
Sale	Euronext Lisbon	8,600	2.814	23-04-2014
Sale	Euronext Lisbon	40	2.814	23-04-2014
Sale	Euronext Lisbon	109	2.814	23-04-2014
Sale	Euronext Lisbon	691	2.814	23-04-2014
Sale	Euronext Lisbon	4,659	2.809	23-04-2014
Sale	Euronext Lisbon	15	2.809	23-04-2014
Sale	Euronext Lisbon	100	2.809	23-04-2014
Sale	Euronext Lisbon	561	2.809	23-04-2014
Sale	Euronext Lisbon	135	2.809	23-04-2014
Sale	Euronext Lisbon	252	2.808	23-04-2014
Sale	Euronext Lisbon	307	2.808	23-04-2014
Sale	Euronext Lisbon	322	2.808	23-04-2014
Sale	Euronext Lisbon	302	2.808	23-04-2014
Sale	Euronext Lisbon	947	2.807	23-04-2014
Sale	Euronext Lisbon	460	2.794	23-04-2014
Sale	Euronext Lisbon	966	2.794	23-04-2014
Sale	Euronext Lisbon	2,000	2.794	23-04-2014
Sale	Euronext Lisbon	69	2.794	23-04-2014
Sale	Euronext Lisbon	190	2.799	23-04-2014
Sale	Euronext Lisbon	306	2.799	23-04-2014
Sale	Euronext Lisbon	192	2.799	23-04-2014
Sale	Euronext Lisbon	588	2.799	23-04-2014
Sale	Euronext Lisbon	351	2.799	23-04-2014
Sale	Euronext Lisbon	3,150	2.799	23-04-2014
Sale	Euronext Lisbon	703	2.797	23-04-2014
Sale	Euronext Lisbon	232	2.797	23-04-2014
Sale	Euronext Lisbon	1,500	2.797	23-04-2014
Sale	Euronext Lisbon	593	2.797	23-04-2014
Sale	Euronext Lisbon	607	2.797	23-04-2014
Sale	Euronext Lisbon	589	2.797	23-04-2014
Sale	Euronext Lisbon	592	2.797	23-04-2014
Sale	Euronext Lisbon	599	2.797	23-04-2014
Sale	Euronext Lisbon	273	2.797	23-04-2014
Sale	Euronext Lisbon	2,285	2.797	23-04-2014
Sale	Euronext Lisbon	608	2.797	23-04-2014
Sale	Euronext Lisbon	531	2.797	23-04-2014
Sale	Euronext Lisbon	2,451	2.797	23-04-2014
Sale	Euronext Lisbon	500	2.793	23-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	611	2.793	23-04-2014
Sale	Euronext Lisbon	800	2.792	23-04-2014
Sale	Euronext Lisbon	400	2.792	23-04-2014
Sale	Euronext Lisbon	1189	2.792	23-04-2014
Sale	Euronext Lisbon	830	2.792	23-04-2014
Sale	Euronext Lisbon	1,848	2.792	23-04-2014
Sale	Euronext Lisbon	2,089	2.792	23-04-2014
Sale	Euronext Lisbon	449	2.792	23-04-2014
Sale	Euronext Lisbon	1,823	2.792	23-04-2014
Sale	Euronext Lisbon	672	2.792	23-04-2014
Sale	Euronext Lisbon	606	2.792	23-04-2014
Sale	Euronext Lisbon	629	2.792	23-04-2014
Sale	Euronext Lisbon	607	2.792	23-04-2014
Sale	Euronext Lisbon	299	2.792	23-04-2014
Sale	Euronext Lisbon	607	2.792	23-04-2014
Sale	Euronext Lisbon	725	2.791	23-04-2014
Sale	Euronext Lisbon	1,000	2.791	23-04-2014
Sale	Euronext Lisbon	10,000	2.791	23-04-2014
Sale	Euronext Lisbon	632	2.791	23-04-2014
Sale	Euronext Lisbon	821	2.791	23-04-2014
Sale	Euronext Lisbon	10,000	2.790	23-04-2014
Sale	Euronext Lisbon	510	2.790	23-04-2014
Sale	Euronext Lisbon	700	2.790	23-04-2014
Sale	Euronext Lisbon	1,000	2.790	23-04-2014
Sale	Euronext Lisbon	5,000	2.790	23-04-2014
Sale	Euronext Lisbon	800	2.790	23-04-2014
Sale	Euronext Lisbon	200	2.790	23-04-2014
Sale	Euronext Lisbon	6,000	2.790	23-04-2014
Sale	Euronext Lisbon	7,000	2.790	23-04-2014
Sale	Euronext Lisbon	2,500	2.790	23-04-2014
Sale	Euronext Lisbon	355	2.790	23-04-2014
Sale	Euronext Lisbon	523	2.790	23-04-2014
Sale	Euronext Lisbon	3,000	2.790	23-04-2014
Sale	Euronext Lisbon	1,000	2.798	23-04-2014
Sale	Euronext Lisbon	1,000	2.798	23-04-2014
Sale	Euronext Lisbon	3,500	2.798	23-04-2014
Sale	Euronext Lisbon	1,053	2.798	23-04-2014
Sale	Euronext Lisbon	300	2.798	23-04-2014
Sale	Euronext Lisbon	315	2.798	23-04-2014
Sale	Euronext Lisbon	278	2.798	23-04-2014
Sale	Euronext Lisbon	54	2.798	23-04-2014
Sale	Euronext Lisbon	264	2.798	23-04-2014
Sale	Euronext Lisbon	329	2.798	23-04-2014
Sale	Euronext Lisbon	1,053	2.798	23-04-2014
Sale	Euronext Lisbon	305	2.798	23-04-2014
Sale	Euronext Lisbon	313	2.798	23-04-2014
Sale	Euronext Lisbon	255	2.798	23-04-2014
Sale	Euronext Lisbon	1,745	2.798	23-04-2014
Sale	Euronext Lisbon	1,055	2.798	23-04-2014
Sale	Euronext Lisbon	298	2.798	23-04-2014
Sale	Euronext Lisbon	1,500	2.798	23-04-2014
Sale	Euronext Lisbon	202	2.798	23-04-2014
Sale	Euronext Lisbon	1,526	2.798	23-04-2014
Sale	Euronext Lisbon	191	2.798	23-04-2014
Sale	Euronext Lisbon	283	2.798	23-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	99	2.798	23-04-2014
Sale	Euronext Lisbon	1,000	2.798	23-04-2014
Sale	Euronext Lisbon	1,800	2.798	23-04-2014
Sale	Euronext Lisbon	500	2.798	23-04-2014
Sale	Euronext Lisbon	2,800	2.788	23-04-2014
Sale	Euronext Lisbon	1,030	2.788	23-04-2014
Sale	Euronext Lisbon	601	2.788	23-04-2014
Sale	Euronext Lisbon	655	2.787	23-04-2014
Sale	Euronext Lisbon	10,000	2.786	23-04-2014
Sale	Euronext Lisbon	860	2.785	23-04-2014
Sale	Euronext Lisbon	5,000	2.785	23-04-2014
Sale	Euronext Lisbon	500	2.785	23-04-2014
Sale	Euronext Lisbon	1,000	2.785	23-04-2014
Sale	Euronext Lisbon	5,000	2.781	23-04-2014
Sale	Euronext Lisbon	345	2.781	23-04-2014
Sale	Euronext Lisbon	281	2.781	23-04-2014
Sale	Euronext Lisbon	600	2.780	23-04-2014
Sale	Euronext Lisbon	2,000	2.780	23-04-2014
Sale	Euronext Lisbon	2,000	2.780	23-04-2014
Sale	Euronext Lisbon	1,500	2.780	23-04-2014
Sale	Euronext Lisbon	1,500	2.780	23-04-2014
Sale	Euronext Lisbon	1,072	2.780	23-04-2014
Sale	Euronext Lisbon	500	2.780	23-04-2014
Sale	Euronext Lisbon	441	2.780	23-04-2014
Sale	Euronext Lisbon	283	2.780	23-04-2014
Sale	Euronext Lisbon	4,500	2.780	23-04-2014
Sale	Euronext Lisbon	65,046	2.780	23-04-2014
Sale	Euronext Lisbon	377	2.780	23-04-2014
Sale	Euronext Lisbon	2,544	2.756	23-04-2014
Sale	Euronext Lisbon	2,500	2.756	23-04-2014
Sale	Euronext Lisbon	75	2.756	23-04-2014
Sale	Euronext Lisbon	2,425	2.756	23-04-2014
Sale	Euronext Lisbon	200	2.756	23-04-2014
Sale	Euronext Lisbon	1,550	2.756	23-04-2014
Sale	Euronext Lisbon	22	2.756	23-04-2014
Sale	Euronext Lisbon	610	2.756	23-04-2014
Sale	Euronext Lisbon	87	2.756	23-04-2014
Sale	Euronext Lisbon	8,990	2.755	23-04-2014
Sale	Euronext Lisbon	5,000	2.755	23-04-2014
Sale	Euronext Lisbon	2,544	2.755	23-04-2014
Sale	Euronext Lisbon	6,400	2.755	23-04-2014
Sale	Euronext Lisbon	1,510	2.750	23-04-2014
Sale	Euronext Lisbon	5,000	2.750	23-04-2014
Sale	Euronext Lisbon	2,000	2.750	23-04-2014
Sale	Euronext Lisbon	150	2.750	23-04-2014
Sale	Euronext Lisbon	2,500	2.750	23-04-2014
Sale	Euronext Lisbon	200	2.750	23-04-2014
Sale	Euronext Lisbon	250	2.750	23-04-2014
Sale	Euronext Lisbon	350	2.750	23-04-2014
Sale	Euronext Lisbon	2,500	2.750	23-04-2014
Sale	Euronext Lisbon	1,100	2.750	23-04-2014
Sale	Euronext Lisbon	400	2.750	23-04-2014
Sale	Euronext Lisbon	5,000	2.750	23-04-2014
Sale	Euronext Lisbon	500	2.750	23-04-2014
Sale	Euronext Lisbon	900	2.750	23-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	1,000	2,750	23-04-2014
Sale	Euronext Lisbon	4,000	2,750	23-04-2014
Sale	Euronext Lisbon	325	2,750	23-04-2014
Sale	Euronext Lisbon	3,675	2,750	23-04-2014
Sale	Euronext Lisbon	4,000	2,750	23-04-2014
Sale	Euronext Lisbon	1,000	2,750	23-04-2014
Sale	Euronext Lisbon	1,353	2,750	23-04-2014
Sale	Euronext Lisbon	2,457	2,750	23-04-2014
Sale	Euronext Lisbon	190	2,750	23-04-2014
Sale	Euronext Lisbon	909	2,750	23-04-2014
Sale	Euronext Lisbon	17,700	2,750	23-04-2014
Sale	Euronext Lisbon	3,681	2,750	23-04-2014
Sale	Euronext Lisbon	319	2,750	23-04-2014
Sale	Euronext Lisbon	2,050	2,750	23-04-2014
Sale	Euronext Lisbon	3,323	2,750	23-04-2014
Sale	Euronext Lisbon	677	2,750	23-04-2014
Sale	Euronext Lisbon	1,685	2,750	23-04-2014
Sale	Euronext Lisbon	4,000	2,750	23-04-2014
Sale	Euronext Lisbon	669	2,750	23-04-2014
Sale	Euronext Lisbon	1,190	2,776	23-04-2014
Sale	Euronext Lisbon	2,583	2,776	23-04-2014
Sale	Euronext Lisbon	2,583	2,775	23-04-2014
Sale	Euronext Lisbon	2,583	2,774	23-04-2014
Sale	Euronext Lisbon	1,046	2,774	23-04-2014
Sale	Euronext Lisbon	2,583	2,771	23-04-2014
Sale	Euronext Lisbon	394	2,771	23-04-2014
Sale	Euronext Lisbon	2,351	2,771	23-04-2014
Sale	Euronext Lisbon	1,000	2,770	23-04-2014
Sale	Euronext Lisbon	1,163	2,770	23-04-2014
Sale	Euronext Lisbon	2,583	2,770	23-04-2014
Sale	Euronext Lisbon	2,500	2,770	23-04-2014
Sale	Euronext Lisbon	2,500	2,770	23-04-2014
Sale	Euronext Lisbon	2,500	2,770	23-04-2014
Sale	Euronext Lisbon	66	2,770	23-04-2014
Sale	Euronext Lisbon	2,449	2,770	23-04-2014
Sale	Euronext Lisbon	50	2,770	23-04-2014
Sale	Euronext Lisbon	1	2,770	23-04-2014
Sale	Euronext Lisbon	2,450	2,770	23-04-2014
Sale	Euronext Lisbon	295	2,770	23-04-2014
Sale	Euronext Lisbon	271	2,770	23-04-2014
Sale	Euronext Lisbon	171	2,770	23-04-2014
Sale	Euronext Lisbon	297	2,770	23-04-2014
Sale	Euronext Lisbon	319	2,770	23-04-2014
Sale	Euronext Lisbon	625	2,770	23-04-2014
Sale	Euronext Lisbon	559	2,770	23-04-2014
Sale	Euronext Lisbon	566	2,770	23-04-2014
Sale	Euronext Lisbon	607	2,770	23-04-2014
Sale	Euronext Lisbon	327	2,770	23-04-2014
Sale	Euronext Lisbon	2,316	2,765	23-04-2014
Sale	Euronext Lisbon	999	2,765	23-04-2014
Sale	Euronext Lisbon	1,000	2,765	23-04-2014
Sale	Euronext Lisbon	2,501	2,765	23-04-2014
Sale	Euronext Lisbon	15,500	2,765	23-04-2014
Sale	Euronext Lisbon	1,115	2,765	23-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	2,800	2,765	23-04-2014
Sale	Euronext Lisbon	545	2,765	23-04-2014
Sale	Euronext Lisbon	1,075	2,764	23-04-2014
Sale	Euronext Lisbon	2,316	2,764	23-04-2014
Sale	Euronext Lisbon	67	2,764	23-04-2014
Sale	Euronext Lisbon	8	2,764	23-04-2014
Sale	Euronext Lisbon	2,316	2,763	23-04-2014
Sale	Euronext Lisbon	1,502	2,763	23-04-2014
Sale	Euronext Lisbon	715	2,763	23-04-2014
Sale	Euronext Lisbon	1,500	2,754	23-04-2014
Sale	Euronext Lisbon	1,713	2,754	23-04-2014
Sale	Euronext Lisbon	2,412	2,754	23-04-2014
Sale	Euronext Lisbon	3,000	2,753	23-04-2014
Sale	Euronext Lisbon	1,758	2,753	23-04-2014
Sale	Euronext Lisbon	2,412	2,753	23-04-2014
Sale	Euronext Lisbon	13,000	2,752	23-04-2014
Sale	Euronext Lisbon	2,000	2,752	23-04-2014
Sale	Euronext Lisbon	3,000	2,752	23-04-2014
Sale	Euronext Lisbon	200	2,752	23-04-2014
Sale	Euronext Lisbon	1,550	2,752	23-04-2014
Sale	Euronext Lisbon	1,110	2,752	23-04-2014
Sale	Euronext Lisbon	100	2,752	23-04-2014
Sale	Euronext Lisbon	2,400	2,752	23-04-2014
Sale	Euronext Lisbon	569	2,773	23-04-2014
Sale	Euronext Lisbon	1,758	2,761	23-04-2014
Sale	Euronext Lisbon	1,000	2,772	23-04-2014
Sale	Euronext Lisbon	977	2,772	23-04-2014
Sale	Euronext Lisbon	23	2,772	23-04-2014
Sale	Euronext Lisbon	754	2,772	23-04-2014
Sale	Euronext Lisbon	798	2,772	23-04-2014
Sale	Euronext Lisbon	202	2,772	23-04-2014
Sale	Euronext Lisbon	1,603	2,772	23-04-2014
Sale	Euronext Lisbon	273	2,772	23-04-2014
Sale	Euronext Lisbon	292	2,772	23-04-2014
Sale	Euronext Lisbon	435	2,772	23-04-2014
Sale	Euronext Lisbon	16,726	2,772	23-04-2014
Sale	Euronext Lisbon	1,000	2,772	23-04-2014
Sale	Euronext Lisbon	550	2,772	23-04-2014
Sale	Euronext Lisbon	1,000	2,772	23-04-2014
Sale	Euronext Lisbon	19,499	2,772	23-04-2014
Sale	Euronext Lisbon	2,510	2,772	23-04-2014
Sale	Euronext Lisbon	24,385	2,772	23-04-2014
Sale	Euronext Lisbon	384	2,772	23-04-2014
Sale	Euronext Lisbon	850	2,772	23-04-2014
Sale	Euronext Lisbon	6,346	2,772	23-04-2014
Sale	Euronext Lisbon	7,471	2,772	23-04-2014
Sale	Euronext Lisbon	715	2,768	23-04-2014
Sale	Euronext Lisbon	800	2,768	23-04-2014
Sale	Euronext Lisbon	408	2,768	23-04-2014
Sale	Euronext Lisbon	220	2,768	23-04-2014
Sale	Euronext Lisbon	571	2,768	23-04-2014
Sale	Euronext Lisbon	1,200	2,751	23-04-2014
Sale	Euronext Lisbon	50	2,751	23-04-2014
Sale	Euronext Lisbon	2,000	2,751	23-04-2014
Sale	Euronext Lisbon	1,200	2,751	23-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	2,646	2,751	23-04-2014
Sale	Euronext Lisbon	584	2,751	23-04-2014
Sale	Euronext Lisbon	2,739	2,758	23-04-2014
Sale	Euronext Lisbon	1,351	2,757	23-04-2014
Sale	Euronext Lisbon	2,739	2,757	23-04-2014
Sale	Euronext Lisbon	2,696	2,746	23-04-2014
Sale	Euronext Lisbon	2,581	2,746	23-04-2014
Sale	Euronext Lisbon	1,923	2,746	23-04-2014
Sale	Euronext Lisbon	335	2,746	23-04-2014
Sale	Euronext Lisbon	3,750	2,745	23-04-2014
Sale	Euronext Lisbon	1,450	2,745	23-04-2014
Sale	Euronext Lisbon	2,581	2,745	23-04-2014
Sale	Euronext Lisbon	280	2,745	23-04-2014
Sale	Euronext Lisbon	6,000	2,745	23-04-2014
Sale	Euronext Lisbon	366	2,745	23-04-2014
Sale	Euronext Lisbon	215	2,745	23-04-2014
Sale	Euronext Lisbon	494	2,745	23-04-2014
Sale	Euronext Lisbon	314	2,745	23-04-2014
Sale	Euronext Lisbon	500	2,745	23-04-2014
Sale	Euronext Lisbon	500	2,741	23-04-2014
Sale	Euronext Lisbon	5,000	2,741	23-04-2014
Sale	Euronext Lisbon	1,000	2,741	23-04-2014
Sale	Euronext Lisbon	2,498	2,741	23-04-2014
Sale	Euronext Lisbon	2,000	2,740	23-04-2014
Sale	Euronext Lisbon	5,500	2,740	23-04-2014
Sale	Euronext Lisbon	1,300	2,740	23-04-2014
Sale	Euronext Lisbon	1,000	2,740	23-04-2014
Sale	Euronext Lisbon	2,000	2,740	23-04-2014
Sale	Euronext Lisbon	5,000	2,740	23-04-2014
Sale	Euronext Lisbon	120	2,740	23-04-2014
Sale	Euronext Lisbon	500	2,740	23-04-2014
Sale	Euronext Lisbon	1,606	2,740	23-04-2014
Sale	Euronext Lisbon	3,019	2,740	23-04-2014
Sale	Euronext Lisbon	534	2,740	23-04-2014
Sale	Euronext Lisbon	4,960	2,740	23-04-2014
Sale	Euronext Lisbon	520	2,740	23-04-2014
Sale	Euronext Lisbon	4,213	2,740	23-04-2014
Sale	Euronext Lisbon	511	2,740	23-04-2014
Sale	Euronext Lisbon	1,192	2,740	23-04-2014
Sale	Euronext Lisbon	298	2,740	23-04-2014
Sale	Euronext Lisbon	69	2,740	23-04-2014
Sale	Euronext Lisbon	6,000	2,740	23-04-2014
Sale	Euronext Lisbon	1,000	2,740	23-04-2014
Sale	Euronext Lisbon	3,500	2,740	23-04-2014
Sale	Euronext Lisbon	1,000	2,740	23-04-2014
Sale	Euronext Lisbon	41,500	2,740	23-04-2014
Sale	Euronext Lisbon	361	2,740	23-04-2014
Sale	Euronext Lisbon	500	2,740	23-04-2014
Sale	Euronext Lisbon	3,000	2,740	23-04-2014
Sale	Euronext Lisbon	1,000	2,740	23-04-2014
Sale	Euronext Lisbon	363	2,740	23-04-2014
Sale	Euronext Lisbon	1,000	2,740	23-04-2014
Sale	Euronext Lisbon	406	2,766	23-04-2014
Sale	Euronext Lisbon	152	2,766	23-04-2014
Sale	Euronext Lisbon	434	2,762	23-04-2014

TYPE OF TRANSACTION	PLACE	AMOUNT	PRICE (€)	TRANSACTION DATE
Sale	Euronext Lisbon	1,206	2,762	23-04-2014
Sale	Euronext Lisbon	1,177	2,762	23-04-2014
Sale	Euronext Lisbon	1,278	2,762	23-04-2014
Sale	Euronext Lisbon	432	2,762	23-04-2014
Sale	Euronext Lisbon	1,034	2,762	23-04-2014
Sale	Euronext Lisbon	616	2,762	23-04-2014
Sale	Euronext Lisbon	443	2,762	23-04-2014
Sale	Euronext Lisbon	293	2,762	23-04-2014
Sale	Euronext Lisbon	9,500	2,760	23-04-2014
Sale	Euronext Lisbon	1,800	2,760	23-04-2014
Sale	Euronext Lisbon	1,085	2,759	23-04-2014
Sale	Euronext Lisbon	2,646	2,743	23-04-2014
Sale	Euronext Lisbon	3,000	2,743	23-04-2014
Sale	Euronext Lisbon	1,000	2,743	23-04-2014
Sale	Euronext Lisbon	322	2,743	23-04-2014
Sale	Euronext Lisbon	2,678	2,743	23-04-2014
Sale	Euronext Lisbon	322	2,743	23-04-2014
Sale	Euronext Lisbon	1,000	2,743	23-04-2014
Sale	Euronext Lisbon	1,053	2,743	23-04-2014
Sale	Euronext Lisbon	1,947	2,743	23-04-2014
Sale	Euronext Lisbon	553	2,743	23-04-2014
Sale	Euronext Lisbon	1,669	2,743	23-04-2014
Sale	Euronext Lisbon	1,053	2,743	23-04-2014
Sale	Euronext Lisbon	1,278	2,743	23-04-2014
Sale	Euronext Lisbon	1,053	2,743	23-04-2014
Sale	Euronext Lisbon	600	2,743	23-04-2014
Sale	Euronext Lisbon	1,053	2,743	23-04-2014
Sale	Euronext Lisbon	1,053	2,743	23-04-2014
Sale	Euronext Lisbon	1,200	2,742	23-04-2014
Sale	Euronext Lisbon	2,228	2,742	23-04-2014
Sale	Euronext Lisbon	1,500	2,742	23-04-2014

3 SUSTAINABILITY

3.1 GRI CORRESPONDENCE TABLE

Captions:

GC – Global Compact

	INDICATOR	GC	LOCATION + EVALUATION
STRATEGY AND ANALYSIS			
1.1	Message from the Chairman		Pages 5-7
1.2	Impacts, risks and opportunities		Pages 8; 34-35; 39-41; 64-68
ORGANIZATIONAL PROFILE			
2.1	Name		REN - Redes Energéticas Nacionais, SGPS, S.A.
2.2	Brands and services		Pages 21; 23-24
2.3	Operational structure		Pages 13; 280
2.4	Registered office		Av. Estados Unidos da América, 55 - 1749-061 Lisbon
2.5	Countries in which the Company operates		Portugal
2.6	Type and legal nature of ownership		Page 8
2.7	Markets covered		Page 8
2.8	Size		Pages 8-11; 66; 68
2.9	Main changes		No changes have occurred with regard to previous report.
2.10	Premiums		Page 118
EU1	Installed capacity (MW), broken down by energy source and by country or regulatory system		REN's activity does not include the production of energy, and therefore it is not seen as an applicable indicator.
EU2	Net energy exports, broken down by energy source and by country or regulatory system		REN's activity does not include the production of energy, and therefore it is not seen as an applicable indicator.
EU3	Number of domestic, industrial and commercial clients		REN's activity does not include the production of energy, and therefore it is not seen as an applicable indicator.
EU4	Length of transmission lines		Page 17
EU5	Distribution of CO2 allowances, by country and by system		REN's activity does not include the production of energy, and therefore it is not subject to the allocation of emission allowances, and as such it is not seen as an applicable indicator.
PARAMETERS FOR THE REPORT			
Report Profile			
3.1	Period covered		1 January 2014 to 31 December 2014
3.2	Date of last report		2013 Report & Accounts
3.3	Publishing cycle		Annual
3.4	Contacts		Page 432, sustentabilidade@ren.pt
Report Scope and Limits			
3.5	Definition of content		Page 74

INDICATOR	GC	LOCATION + EVALUATION
3.6	Limits	Page 74
3.7	Specific limitations	Page 74
3.8	Basis for preparation	Page 74
3.9	Measurement techniques and calculation bases	Page 74, Methodological notes - pages 413-414
3.10	Reformulations	No changes have occurred with regard to previous report.
3.11	Significant changes	No changes have occurred with regard to previous report.
GRI Table of Contents		
3.12	GRI Table of Contents	This table
Verification		
3.13	Current policy and practice relating to external control of the report	Page 74, Verification Report
GOVERNANCE		
Governance		
4.1	Governance structure	Pages 9-11; 295-300; 316-317
4.2	Role of the Chairman	Pages 317-320
4.3	Independent and/or Non-executive Directors	Pages 311-315
4.4	Mechanisms for communicating with shareholders and employees	REN Website: www.ren.pt
4.5	Relation between remuneration and organizational performance	Pages 348-355
4.6	Conflicts of interests	Pages 309; 338-339; 360-361
4.7	Qualifications and skills of the directors	Pages 311-315
4.8	Mission statement, values, codes of conduct, and principles	REN's mission, vision and values can be seen at: http://www.ren.pt/en-GB/quem_somos/missao_e_valores/
4.9	Procedures for overseeing the economic, environmental and social performance	Page 370
4.10	Processes for assessing management performance	Pages 352-356
Commitments to External Initiatives		
4.11	Approach to the precautionary principle	7 Pages 164-165; 336-344
4.12	Participation in initiatives subscribed by the organisation	7 Page 74, UN Global Compact
4.13	Participation in associations and national / international bodies	Pages 96-103
Relations with Stakeholders		
4.14	List of stakeholders	Pages 75-76 http://www.ren.pt/en-GB/sustentabilidade/partes_interessadas/
4.15	Basis for identification of stakeholders	Pages 75-76 http://www.ren.pt/en-GB/sustentabilidade/partes_interessadas/
4.16	Approaches to the relation with stakeholders	Pages 75-76 http://www.ren.pt/en-GB/sustentabilidade/partes_interessadas/
4.17	Issues and concerns of stakeholders and response	Pages 75-76 http://www.ren.pt/en-GB/sustentabilidade/partes_interessadas/

ECONOMIC PERFORMANCE

INDICATOR		GC	LOCATION - EVALUATION
FORMS OF MANAGEMENT			Pages 15-20; 41-58; 60; 74-75; 316-317
ASPECT: AVAILABILITY AND RELIABILITY			
EU6	Sectoral	Availability and reliability of energy supply	Pages 21-25; 41-44; 49-50
ASPECT: DEMAND MANAGEMENT			
EU7	Sectoral	Demand management programs, including residential, commercial and industrial programs	The nature of REN's business does not allow it to develop demand management programs.
ASPECT: RESEARCH & DEVELOPMENT			
EU8	Sectoral	Approach to research and development	Pages 96-103
ASPECT: PLANT DECOMMISSIONING			
EU9	Sectoral	Provisions for decommissioning nuclear plants	There are no nuclear power plants in Portugal.
ASPECT: ECONOMIC PERFORMANCE			
EC1	Essential	Creation and distribution of value	Direct economic value generated: 375 million euros Direct economic value distributed: 353 million euros Direct economic value of shareholders retained: 22 million euros
EC2	Essential	Financial implications, risk assessment and opportunities posed by climate change	7 For further information on risks and implications derived from climate change, please see the CDP questionnaire (2014), available at: https://www.cdp.net/sites/2014/55/15655/Investor%20CDP%202014/Pages/DisclosureView.aspx Pages 108-110
EC3	Essential	Coverage of Retirement Plans in the organisation	Page 98 Pensions plan - 5 714 (thousand Euros) Medical assistance plan - 953 (thousand Euros)
EC4	Essential	Financial contributions to investment	Pages 96-103 In 2014, REN received 1 154 (thousand Euros) in investment funding.
ASPECT: MARKET PRESENCE			
EC5	Complementary	Ratio between the minimum wage earned at REN and the national minimum wage	6 The amount of the minimum wage earned at REN is 1.6 times the national minimum wage for 2014.

INDICATOR		GC	LOCATION - EVALUATION
EC6	Essential		Contracting suppliers The contracting process for the procurement of goods, services and construction work is based on the public procurement rules in force, more specifically the Public Procurement Code. This process is based on limited tendering, involving companies included on a list of qualified suppliers for various classes of relevant supplies. In 2014, REN had an average payment time of 41 days.
EC7	Essential	6	Contracting top managers REN does not have a policy that limits the hiring of top managers to a specific region of Portugal, to which it confines its business.
ASPECT: INDIRECT ECONOMIC IMPACTS			
EC8	Essential		Development and impact of investment in the community, of a commercial nature, Pro Bono or in kind Pages 94-96 Initiatives are undertaken based on an assessment of community needs and spontaneous actions in response to the requests made by the institutions referred to.
EC9	Complementary		Description of significant indirect economic impacts for public benefit Pages 41-58; 65; 108-110
ASPECT: AVAILABILITY AND RELIABILITY			
EC10	Sectoral		Coverage of long-term demand (including reserves) REN collaborates with the Directorate General of Energy and Geology (DGEG) in the monitoring of SEN and SNGN supply security. Based on prospective reference information on the medium and long-term evolution of the electricity production and the national natural gas systems, the monitoring of supply security consists of assessing the supply-demand balance, taking into account supply and demand evolution and available supplies. This includes capacity increases under which are construction or planned, information necessary for drawing up draft reports on the monitoring of electricity and natural gas supply security.
ASPECT: DEMAND MANAGEMENT			
EC11	Sectoral		Average generation efficiency, broken down by energy source and by country or regulatory system REN has no energy production activities and so it is not affected by this type of analysis.
ASPECT: SYSTEM EFFICIENCY			
EC12	Sectoral		Efficiency in energy transmission and distribution Pages 21-25; 41-44; 49-50

ENVIRONMENTAL PERFORMANCE

INDICATOR		GC	LOCATION + EVALUATION	
FORMS OF MANAGEMENT			Pages 15-20; 41-58; 71; 74-75; 104-105; 316-317	
ASPECT: MATERIALS				
EN1	Essential	Consumption of materials	8	Page 106 REN no longer directly acquires ink cartridges or toners as this is now included in a contract with the printer company.
EN2	Essential	Percentage of materials used that are recycled	8,9	Page 114
ASPECT: ENERGY				
EN3	Essential	Direct energy consumption		Page 114 All energy consumed by REN comes from fossil sources Only the consumption of fuel used during service in the REN fleet is calculated.
EN4	Essential	Indirect energy consumption		Page 114 REN's electricity supplier is EDP Serviço Universal and all information on the primary energy for electricity production can be found at the following link: www.edpsu.pt/pt/origemdaenergia/Pages/OrigensdaEnergia.aspx
EN5	Complementary	Energy conservation and efficiency	8,9	Pages 108-113
EN6	Complementary	Initiatives to provide products and services based on energy efficiency or on renewable energies and reductions in the consumption achieved	8,9	Pages 108-113
EN7	Complementary	Initiatives to reduce indirect energy consumption and reductions achieved	8,9	Pages 108-113

INDICATOR		GC LOCATION + EVALUATION		
ASPECT: WATER				
EN8	Essential	Total water consumption	8	Page 107
EN9	Complementary	Water resources affected	8	Page 107 There are no water resources which are significantly affected by REN operations in accordance with the criteria defined by GRI.
EN10	Complementary	Reused water	8,9	Page 107
ASPECT: BIODIVERSITY				
EN11	Essential	Land in protected areas or areas with high biodiversity value outside protected areas	8	Pages 114-118
EN13	Sectoral	Comparison between the biodiversity of restored habitats and that of original habitats		Pages 114-118 Monitoring plans have been implemented in work being done on lines and substations, in relation to environmental aspects with greater impact. REN has no way of measuring the original state of habitats as this relates to old facilities for which no information on the original state exists
EN12	Essential	Significant impacts on protected areas or areas with high biodiversity value outside protected areas		Pages 114-118 Further information at: http://www.ren.pt/en-GB/sustentabilidade/ambiente/biodiversidade_e_gestao_dos_ecossistemas/ and http://www.ren.pt/en-GB/sustentabilidade/ambiente/avaliacao_ambiental/medidas_compensatorias/
EN13	Complementary	Protected or restored habitats	8	Pages 114-118 Further information at: http://www.ren.pt/en-GB/sustentabilidade/ambiente/biodiversidade_e_gestao_dos_ecossistemas/ and http://www.ren.pt/en-GB/sustentabilidade/ambiente/avaliacao_ambiental/medidas_compensatorias/
EN14	Complementary	Managing impacts on biodiversity	8	Pages 114-118 Further information at: http://www.ren.pt/en-GB/sustentabilidade/ambiente/biodiversidade_e_gestao_dos_ecossistemas/ and http://www.ren.pt/en-GB/sustentabilidade/ambiente/avaliacao_ambiental/medidas_compensatorias/
EN15	Complementary	Number of species listed on the IUCN Red List and on the national conservation list of species with habitats in areas affected by REN	8	Page 115

INDICATOR		GC LOCATION + EVALUATION	
ASPECT: EMISSIONS, EFFLUENTS AND WASTE			
EN16	Essential	Direct and indirect emissions of greenhouse gases	Page 109
EN17	Essential	Other indirect emissions of greenhouse gases	8 Page 109
EN18	Essential	Initiatives to reduce the emissions of greenhouse gases	8,9 Pages 109-111
EN19	Essential	Emissions of ozone layer depleting substances	8 REN does not produce any products or services that use any ozone layer depleting substances Over time, all climate control equipment containing ozone layer depleting gases has been replaced in accordance with REN's equipment replacement plan.
EN20	Essential	NOx, SOx and other significant emissions into the atmosphere	8 As a result of REN activity, the level of NOx and SOx emissions is considered irrelevant Moreover, this indicator was not considered relevant by our stakeholders.
EN21	Essential	Waste water rejection	8 Pages 107 7,820.07 m ³ were rejected by the Bucelas WWTP.
EN22	Essential	Production of waste by type and by final destination	8 Pages 107
EN23	Essential	Occurrence of spills during work	8 In 2014, one spill of hazardous substances took place or around 40 litres of insulating oil. From a perspective of continuous improvement, it is REN's aim to enhance the awareness of its employees and of the environmental monitoring teams to always record the amounts of hazardous substances spilled.
EN24	Complementary	Production of waste according to the Basel Convention	8 This indicator is not applicable, since the waste produced by REN is all sent to national waste management operators.
EN25	Complementary	Water resources and respective habitats affected by the rejection of waste water	8 Pages 107

INDICATOR		GC LOCATION + EVALUATION	
ASPECT: PRODUCTS AND SERVICES			
EN26	Essential	Initiatives to assess and mitigate environmental impacts	8,9 Pages 104-105; 114-116 Further information at: http://www.ren.pt/en-GB/sustentabilidade/abordagem_da_ren/ , http://www.ren.pt/en-GB/sustentabilidade/ambiente/avaliacao_ambiental/avaliacao_ambiental_estrategica/ and http://www.ren.pt/en-GB/sustentabilidade/ambiente/avaliacao_ambiental/avaliacao_de_projectos/
EN27	Essential	Percentage that has been recovered from products sold and the respective packaging	8,9 This indicator is not applicable to REN's activity as the Company does not produce products with packaging.
ASPECT: COMPLIANCE			
EN28	Essential	Legal proceedings and penalties for breach of legislation on environmental issues	8 In 2014, 25 proceedings relating to administrative environmental offences were brought, 44 cases were concluded and none considered REN culpable. 40 cases were carried forward from previous years. Sum paid in fines: 0 euros
ASPECT: TRANSPORT			
EN29	Complementary	Environmental impacts resulting from transportation	8 Pages 110-113
ASPECT: GENERAL			
EN30	Complementary	Costs and investments relating to environmental protection	8,9 Page 107

SOCIAL PERFORMANCE - LABOUR PRACTICES

INDICATOR		GC	LOCATION + EVALUATION
FORMS OF MANAGEMENT			Pages 15-20; 41-58; 71; 74-75; 80-81; 316-317
ASPECT: EMPLOYMENT			
EU14	Sectoral	Retention and renewal of skilled labor	Pages 86-90
LA1	Essential	Employees per type of job	There are no part-time employees. All work contracts are full-time. REN does not have supervised employees. Pages 81-86
LA2	Essential	Rate of employee rotation by age, gender and region	The rotation rate by region is not applicable, as REN's operations are centred in Portugal. Pages 81-86
EU15	Sectoral	Percentage of employees eligible for retirement in the next 5 to 10 years	Page 81
EU16	Sectoral	Policies and requirements relating to the health and safety of employees, contractors and subcontractors	Pages 91-95
EU17	Sectoral	Average of subcontracted employees	Page 92
EU18	Sectoral	Training of subcontracted employees	Pages 93-94
LA3	Complementary	Benefits for full time employees	6 Page 91
ASPECT: RELATIONS BETWEEN EMPLOYEES AND MANAGEMENT			
LA4	Essential	Employees covered by collective bargaining agreements	3 Page 90
LA5	Essential	Minimum periods of notice in relation to operational changes	3 The notice periods follow those of the General Labor Law

INDICATOR		GC LOCATION + EVALUATION	
ASPECT: HEALTH AND SAFETY AT WORK			
LA6	Complementary	Employees represented on safety and occupational health committees	Page 90 Percentage of total labor represented on formal health and safety committees 54%.
LA7	Essential	Rates of injuries, occupational diseases, lost days, absenteeism and deaths resulting from work activities	Pages 92-94 No of accidents resulting in Sick Leave for REN workers: 4 No of accidents not resulting in Sick Leave for REN workers: 3 No of occupational diseases: 0
LA8	Essential	Programmes relating to serious illnesses	Pages 91-92; 93-94
LA9	Complementary	Topics related to health and safety, covered in formal agreements with trade unions	The topics covered are described under Title XV and under Annex IV of the Collective Bargaining Agreement.
ASPECT: TRAINING			
LA10	Essential	Annual training per employee	Pages 87-89
LA11	Complementary	Skills management programmes	Pages 86-90
LA12	Complementary	Employees with performance evaluation and career development	100% Pages 89-90
ASPECT: DIVERSITY AND EQUAL OPPORTUNITIES			
LA13	Essential	Number of employees per diversity indicator	1,6 REN has two disabled employees. Pages 83-84
LA14	Essential	Ratio between men's and women's base-salaries by functional category	1,6 The amount of salary earned at REN does not depend on gender but on the professional category and on the skills shown.

SOCIAL PERFORMANCE - HUMAN RIGHTS

INDICATOR		GC	LOCATION + EVALUATION
FORMS OF MANAGEMENT		Pages 15-20; 41-58; 71; 74-75; 80-81; 316-317	
ASPECT: INVESTMENT PRACTICES AND PROCUREMENT PROCEDURES			
HR1	Essential	Investment agreements with clauses on human rights	1, 2, 4, 5, 6 In Portugal, aspects relating to human rights are covered by the Constitution and in the General Labour Law. However, REN is preparing a specification to be included in the lists of specifications, which will address requirements on social responsibility to be fulfilled in undertakings and in contracts for the provision of services, which will include human rights.
HR2	Essential	Suppliers evaluated on human rights	1, 2, 4, 5, 6 Legal compliance is validated during the supervision of subcontractors and during audits REN complies with Portuguese law, more specifically by ensuring human rights as reflected in the company's Code of Conduct (see answer HR1).
HR3	Complementary	Training of employees on human rights	1, 4, 5, 0% Although REN has not promoted any specific training initiative on human rights, the Company's Code of Conduct covers compliance with human rights, and is known to all employees. Additionally, REN is a signatory to the principles of the UN Global Compact.
ASPECT: NON-DISCRIMINATION			
HR4	Essential	Incidents involving discrimination and actions taken	1, 6 REN complies with Portuguese legislation ensuring human rights and is a signatory to the principles of the UN Global Compact. No incidents involving discrimination were identified in 2014.
ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
HR5	Essential	Freedom of association and collective bargaining	1, 3 REN guarantees freedom of association and collective negotiation in accordance with the ethical principles and rules of behaviour set out in the Code of Conduct. In 2014, no situations were identified in which the right to freedom of association and collective negotiation was at risk. The mechanisms relating to the right to strike are guaranteed by national legislation.
ASPECT: CHILD LABOUR			
HR6	Essential	Risk of child labour	1, 5 REN complies with Portuguese legislation prohibiting the contracting of child labour and is a signatory to the principles of the UN Global Compact. Legal compliance is validated during supervision and audits.
ASPECT: FORCED AND SLAVE LABOUR			
HR7	Essential	Risk of forced and slave labour	1, 4 REN complies with Portuguese legislation prohibiting the contracting of child labour and is a signatory to the principles of the UN Global Compact. Legal compliance is validated during supervision and audits.
ASPECT: SAFETY PRACTICES			
HR8	Complementary	Security personnel trained in human rights	1, 2 0% REN complies with Portuguese legislation ensuring human rights and is a signatory to the principles of the UN Global Compact. Legal compliance is validated during the supervision of subcontractors and during audits.

INDICATOR		GC LOCATION + EVALUATION	
ASPECTO: DIREITOS INDÍGENAS			
HR9	Complementary	Cases of violation of the rights of indigenous people	1 REN's business is conducted in Portugal and so this indicator is not applicable.

SOCIAL PERFORMANCE - SOCIETY

INDICATOR		GC LOCATION + EVALUATION	
FORMS OF MANAGEMENT		Pages 15-20; 41-58; 71; 74-79; 316-317	
ASPECT: COMMUNITY			
EU19	Sectoral	Decision-making processes participated in by communities	http://www.ren.pt/en-GB/sustentabilidade/ambiente/avaliacao_ambiental/avaliacao_ambiental_estrategica/
EU20	Sectoral	Management of impacts resulting from involuntary changes / displacement	The notice periods follow those of the General Labour Law, and the measures set out in Chapter II, Section I of the ACT are complied with.
EU21	Sectoral	Planning and response to disasters / emergencies	Pages 91-93 Further information is available at: http://www.ren.pt/en-GB/sustentabilidade/partes_interessadas/recursos_humanos/Pages
SO1	Sectoral	Managing impacts on communities	Pages 95-96
EU22	Sectoral	Movement of persons as a result of expansion or construction of production facilities and transmission lines, from an economic and physical standpoint	A significant part of construction of infrastructure on a national level is outsourced. Most construction takes place at a local level.
ASPECT: CORRUPTION			
SO2	Essential	Assessment of corruption risks	10 The Group's accounts are audited by an independent auditor and are subject to external legal certification in accordance with applicable regulations, and it is not therefore our practice to carry out a risk analysis for corruption within REN's units or business areas. It should be noted that, to date, there have been no cases against REN companies.
SO3	Essential	Training of employees in anti-corruption practices	10 0% Although the REN has not promoted any specific training initiative on anti-corruption policies and procedures, the company's Code of Conduct defines the mechanisms for reporting any possible irregularities and violations of the Code (Article 20).
SO4	Essential	Actions taken in the event of corruption	10 No case of corruption was identified at any of the REN companies, as such, it was not necessary to apply measures in this regard. See SO ₂ .

INDICATOR		GC	LOCATION + EVALUATION
FORMS OF MANAGEMENT			Pages 11-13, 24, 44-45, 50-53,60, 252-254
ASPECT: PUBLIC POLICY			
S05	Position on public policies and lobbying practices	10	REN is registered on the European Transparency Register (Transparency Register ID: 36820998995-30) REN collaborates in the preparation of studies and in discussion forums for the sector at government level, more specifically: <ul style="list-style-type: none"> - Active follow-up in the drafting of EU legislation and establishment of contacts with its institutions (European Commission, European Council and European Parliament). - Regular participation in different projects and working groups of international organizations in the electricity and natural gas sectors, more specifically in ENTSO-E, ENTSO-G, MedGrid, Med-TSO, FOSG, CCE, GTBI, Marcogaz and GIE, which actively influence European policies and promote good practices for the sector - Promotion of European sessions to debate current and innovating topics at the Open Days of Regions. - Combined work with DGEG and ERSE in the establishing of new European network codes for the natural gas and electricity sectors - With a view to structuring its positioning at these institutions, since the start of 2014 REN has promoted a 'EUROPEAN AGENDA Forum', to debate the European dossiers and studies on the agenda.
	Essential		
S06	Funding of political parties		REN does not fund any political parties, and this is an activity forbidden by law in Portugal.
	Complementary		
ASPECT: UNFAIR COMPETITION			
S07	Lawsuits for unfair competition, antitrust and monopoly practices		The REN is the sole concession holder for the transmission of energy in Portugal. Our work is regulated, and therefore it has no interference in setting prices.
	Complementary		
ASPECT: COMPLIANCE			
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations		In 2014, there were no fines or non-monetary sanctions.
	Essential		

SOCIAL PERFORMANCE - PRODUCT

INDICATOR		GC	LOCATION - EVALUATION
FORMS OF MANAGEMENT			Pages 15-20; 41-58; 71; 74-75; 316-317
ASPECT: ACCESSIBILITIES			
EU23	Sectoral	Programmes, partnerships with the Government, to improve and maintain access to electrical services.	Please see answer for indicator SO5.
ASPECT: AVAILABILITY OF INFORMATION			
EU24	Sectoral	Practices for dealing with language, cultural, educational and physical barriers to access and the safe use of electrical services.	REN does not distribute power to retail or end-user consumers. However, where appropriate, the Company publishes information to clarify the general public on relevant issues on the impact of energy transmission.
ASPECT: HEALTH AND SAFETY OF THE CLIENT			
PR1	Essential	Health and safety relating to products and services.	Pages 42-54
PR2	Complementary	Cases of legal non-compliance relating to impacts of products and services on health and safety.	In 2014, in the audit for the renewal of certification conducted by APCER (Portuguese Certification Association), no cases of legal non-compliance were identified relating to standard NP 4379:2008 Health and Safety at Work Management Systems.
EU25	Sectoral	Number of deaths and injuries, including diseases caused by REN's infrastructures to people outside the Company.	Zero. There were no occurrences in 2014.
ASPECT: LABELLING OF PRODUCTS AND SERVICES			
PR3	Essential	Information on products and services required by regulations.	Pages 21-25; 41-44; 49-50
PR4	Complementary	Cases of legal non-compliance relating to information on products and services and labelling.	There were no cases of non-compliance recorded on the information available in 2014.
PR5	Complementary	Client satisfaction	Page 76 Further information at: http://www.ren.pt/en-GB/sustentabilidade/partes_interessadas/fornecedores/

INDICATOR		GC	LOCATION - EVALUATION
ASPECT: ADVERTISING			
PR6	Essential	Programmes of voluntary codes relating to marketing communications, including advertising, promotion and sponsorship.	The principles by which REN is governed in terms of communication are covered in the Company's Code of Conduct (Article 14).
PR7	Complementary	Cases of legal non-compliance concerning voluntary codes related to marketing communications, including advertising, promotion and sponsorship.	There were no recorded cases of non-compliances relating to communication, marketing, advertising, promotion and sponsorship in 2014.
ASPECT: CLIENT PRIVACY			
PR8	Complementary	Complaints regarding breaches of client privacy.	REN complies with Portuguese legislation regarding the confidentiality of information, this principle is covered in the Company's Code of Conduct. No complaints have been identified regarding breaches of client privacy.
ASPECT: COMPLIANCE			
PR9	Essential	Fines for legal non-compliance relating to the provision and use of products and services.	No fines were recorded in 2014 for legal non-compliance relating to the provision and use of products and services.
ASPECT: ACCESSIBILITIES			
EU26	Sectoral	Percentage of population not supplied in areas of concessioned distribution, by rural and urban area.	REN's activity does not include power distribution, so this indicator is not applicable.
EU27	Sectoral	Interruptions to domestic supply and respective duration due to non-payment.	REN's activity does not include distribution, so this indicator is not applicable.
EU28	Sectoral	Interruption of supply.	Pages 42-44; 49-50
EU29	Sectoral	Average duration of supply interruptions.	Pages 42-44; 49-50
EU30	Sectoral	Average coefficient of availability of a plant per energy source, country and regulatory system.	REN's activity does not include distribution, so this indicator is not applicable.

METHODOLOGICAL NOTES

INDICATOR	DEFINITION / CALCULATION CRITERIA
EC1	Direct economic value generated:
	Economic value distributed
	Accumulated economic value
EN1	Lubricating oils
EN3	Diesel
	Petrol
	Natural Gas
	Propane
EN16	Direct and indirect emissions of greenhouse gases
	Electricity
	Diesel
	Petrol
	Natural Gas
	Propane
	CH ₄ (purges)
	SF ₆ (leaks)

INDICATOR		DEFINITION / CALCULATION CRITERIA
EN17	Other indirect emissions of greenhouse gases	<p>Use of data from the travel agency on the calculation of greenhouse gas emissions. The calculation of CO₂ is based on the trip/number of miles multiplied by 0.289 (carbon footprint reference value): 319 x 0.289 = 92.19 (CO₂ Kg)</p> <p>The reference value of 0.289 was calculated in accordance with the GHG Protocol, e.g.: the number of miles flown is multiplied by 1.61 to determine the number of kilometres travelled. In order to determine greenhouse gas emissions, the number of kilometres is multiplied by the emission factor equal to 0.18 kg CO₂ per km.</p>
EN21	Waste water rejection	Rejection of waste water associated with the LNG regasification process and leaching of the cavities for underground storage of natural gas.
LA2	Rotation rate	Σ people leaving the company / average headcount (full contract workers + term + interns).
LA7	Absenteeism rate	Ratio of the sum of paid leaves of absence (due to illness, accident, maternity and other reasons) and unpaid absences, divided by the total number of theoretical working hours.
	Incidence rate	Measures the number of fatal and non-fatal occupational accidents occurring in a given period per one thousand employees at risk in that same period.
	Severity rate	Measures the number of days lost through non-fatal accidents that occur in a given period of time per every million hours worked during the same period.
LA10	No of Hours of training per Employee	Σ Hours of training / average headcount (full contract workers + term + interns).
EU28	Average frequency of system interruption (SAIFI)	<p>Ratio of the total number of interruptions at delivery points, during a specific period, divided by the total number of delivery points in the same period.</p> <p>Electricity: SAIFI corresponds to the average number of accidental interruptions greater than three minutes seen at delivery points during a specific period of time.</p> <p>Gas: Average No of interruptions per output point - ratio between the total number of interruptions at output points during a specific period, divided by the total number of output points at the end of the period under consideration.</p>
EU29	Average duration of supply interruptions (SAIDI)	<p>Ratio of the sum of interruption times at delivery points, during a specific period, divided by the total number of delivery points in the same period.</p> <p>Electricity: SAIDI for a specific period of time (generally, one year) is the average accidental interruption time greater than three minutes at delivery points.</p> <p>Gas: Average duration of interruptions per output point (min/output point): ratio between the sum of interruption durations at output points during a specific period, divided by the total number of output points at the end of the period under consideration.</p>



To the board of Directors of
REN - Redes Energéticas Nacionais, SGPS, S.A.

***Independent verification of sustainability information included in the
Annual Report 2014 of REN - Redes Energéticas Nacionais, SGPS, SA
(Free translation from the original in Portuguese)***

Introduction

In accordance with the request of the board of Directors of REN - Redes Energéticas Nacionais, SGPS, S.A. (REN), we performed an independent verification of sustainability information included in the Annual Report 2014 (Report), in particular the chapter "04 Sustainability at REN" and respective "GRI Index". Independent verification was performed according to instructions and criteria established by REN, as referred in the Report, and according to the principles and extent described in the Scope below.

Responsibility

REN's Board of Directors is responsible for all the information presented in the Report, as well as for the assessment criteria and for the systems and processes supporting information collection, consolidation, validation and reporting. Our responsibility is to conclude on the adequacy of the information, based upon our independent verification standards and agreed reference terms. We do not assume any responsibility over any purpose, people or organization.

Scope

Our procedures were planned and executed using the International Standard on Assurance Engagements 3000 (ISAE 3000) and having the Global Reporting Initiative, version 3 (GRI3) and AA1000APS Accountability Principles Standard 2008 as reference, in order to obtain a moderate level of assurance on both the performance information reported and the underlying processes and systems. The extent of our procedures, consisting of inquiries, analytical tests and some substantive work, was less significant than in a full audit. Therefore, the level of assurance provided is also lower.

For the GRI3 and AA1000APS standard, our work consisted on the verification of the management's self declaration on the application level of the GRI3 and level of adherence to the AA1000APS principles.

The following procedures were performed:

- (i) Inquiries to management and senior officials responsible for areas under analysis, with the purpose of understanding how the information system is structured and their awareness of issues included in the Report;
- (ii) Identify the existence of internal management procedures leading to the implementation of economical, environmental and social policies;

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda.
Sede: Palácio Sottomayor, Rua Sousa Martins, 1 - 3º, 1069-316 Lisboa, Portugal
Tel +351 213 599 000, Fax +351 213 599 999, www.pwc.com/pt
Matriculada na Conservatória do Registo Comercial sob o NUPC 506 628 752, Capital Social Euros 314.000

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda. pertence à rede de entidades que são membros da PricewaterhouseCoopers International Limited, cada uma das quais é uma entidade legal autónoma e independente. Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na Comissão do Mercado de Valores Mobiliários sob o nº 9077





- (iii) Testing the efficiency of process and systems in place for collection, consolidation, validation and reporting of the performance information previously mentioned;
- (iv) Confirming, through visits to sites, that operational units follow the instructions on collection, consolidation, validation and reporting of performance indicators;
- (v) Executing substantive procedures, on a sampling basis, in order to collect sufficient evidence to validate reported information;
- (vi) Comparing financial and economical data with the audited by the external financial auditor to assess on the external validation of the information reported;
- (vii) Assess the level of adherence to the principles of inclusivity, materiality and responsiveness set by AA1000APS 2008, by analyzing the contents of the report and the internal stakeholder engagement plan in accordance with AA1000APS; and
- (viii) Confirming the existence of data and information required to reach level A of compliance with GRI3, self declared by REN on the Report.

Confidentiality and Independence

Internally, PwC SROC is governed by ethical and deontological rules of confidentiality and independence quite rigid. Thus, in all aspects of our collaboration, the Firm and its employees maintain strict confidentiality of information obtained in the performance of their duties and complete independence regarding the interests of the companies of REN Group.

Additionally, we develop our work in line with standard ISAE 3000 independence requirements, including compliance with PwC's independence policies and code of ethics of the International Ethics Standards Board of Accountants (IESBA).

Conclusions

Based on our work described in this report, nothing has come to our attention that causes us to believe that internal control related to the collection, consolidation, validation and reporting of the performance information referred above is not effective, in all material respects.

Based on the assumptions described on the scope, we conclude that the Report includes the data and information required for level A, according to GRI3.

Comments/Remarks

During the verification process, we identified areas and opportunities for improvement, which will be included in a report to management. Notwithstanding the above findings, we believe that the REN should consider the following comments, which aim to improve the sustainability reporting of REN:

- It stands out as a positive aspect, new improvements made on the Sustainability Information System, implemented in 2012 by REN, for collecting, monitoring and reporting the sustainability information. It is recommended to ensure the collection and reporting of sustainability information with the periodicity established in the system, as well as the maintenance of evidence that supports the data reported, in order to allow regular and systematic monitoring of REN in this matter.
- Principle of inclusivity: REN revised in 2013/14 the stakeholder mapping and conducted a consultation process in terms of sustainability, which results were considered in the review of the strategic sustainability priorities. Additionally, REN has several periodic or continuous



communication/engagement mechanisms with its stakeholders, thus ensuring regular interaction with them.

- Principle of materiality: REN periodically reviews the relevant sustainability issues in which focus its management and communication, using objective criteria and processes for the purpose. REN conducted in 2013/14 a new stakeholder consultation, whose results should be disclosed to all stakeholders in the next sustainability reporting and in REN's corporate website.
- Principle of responsiveness: REN seeks to address the information needs and concerns of their stakeholders and define sufficient mechanisms for this purpose. The adoption of international standards and guidelines of reference in its management and reporting of information ensures the comprehensiveness and relevance of sustainability information managed and communicated. It is recommended a greater alignment of sustainability reporting with the issues identified as relevant in this matter.

Lisbon, April 6th, 2015

PricewaterhouseCoopers & Associados SROC, Lda.

Represented by:

A handwritten signature in dark ink, appearing to read 'António Joaquim Brochado Correia', written in a cursive style.

António Joaquim Brochado Correia, ROC





GLOSSARY

FINANCIAL GLOSSARY

ACRONYMS

CAPEX

Capital expenditure on acquisitions and upgrades of tangible fixed assets

DEBT TO EQUITY RATIO

Net debt/equity

NET DEBT

Short and long-term financial debt – cash balances

DIVIDEND PER SHARE

Ordinary dividend / total number of shares outstanding

EBIT

Earnings before interest and taxes

EBITDA

Earnings before interest, taxes, depreciation and amortisation (operating profit, excluding amortisation and depreciation)

OPEX

Operational expenditure

PAYOUT RATIO

Ordinary dividend/net profit

RAB

Regulated Asset Base

RCCP

Current ROE

RETURN ON ASSETS (ROA)

EBIT/total assets

RETURN ON EQUITY (ROE)

Net profit/Equity

TURNOVER

Sales plus services provided

VAB

Gross Value Added

TECHNICAL GLOSSARY

ACRONYMS

AA1000AS

AccountAbility Assurance Standard - 2008

AA1000APS

Accountability Principles Standard (2008)

AAE

Strategic Environmental Assessment

ACER

Agency for the Cooperation of Energy Regulators

ACT

Collective Labour Agreement

AGC

Natural Gas Consumption Management Agreement

AIA

Environmental Impact Assessment

APAI

Portuguese Association for Impact Assessment

APOM

Portuguese Association of Museology

BV

Block Valve Station

CAE

Energy Emission Contracts

CAM NC

Code on Capacity Allocation Mechanisms

CCE

Economic Cooperation Council

CDP

Carbon Disclosure Project

CEF

European interconnection mechanism

CGD

Caixa Geral de Depósitos

CELE

European Union Emission Trading Scheme

CMEC

Contracts for the Maintenance of the Contractual Equilibrium

CEM

Electric and Magnetic Fields

CEO

Chief Executive Officer

CESE

Extraordinary Contribution on the Energy Sector

CFO

Chief Financial Officer

CIBIO

Research Center in Biodiversity and Genetic Resources

CIT

Individual Employment Contract

CMVM

Portuguese Securities Market Regulator

CO₂

Carbon dioxide (greenhouse gas)

COP

Portuguese Olympic Committee

COTEC PORTUGAL

Business Association for Innovation

CPP

Portuguese Paralympics Committee

CSC

Commercial Companies Code

CTS

Custody Transfer Station

DGEG

Department of Energy and Geology

ECB

European Central Bank

ECSI

European Customer Satisfaction Index

EDP

Energias de Portugal, S.A.

EEGO

Issuing Entity for Cogeneration Guarantees of Origin

EGIG

European Gas pipeline Incident Data Group

EIA

Environmental Impact Assessment

EIB

European Investment Bank

EIT

Equivalent Interruption Time

ELECPOR

Portuguese Association of Companies in the Electricity Sector

EMTN

Euro Medium Term Notes

ENF

Non Supplied Energy

ENTOS-E

European Network of Transmission System Operators for Electricity

ENTSO-G

European Network of Transmission System Operators for Gas

EPIS

Entrepreneurs for Social Inclusion

EUPORIAS

European Provision of Regional Impacts Assessments and Decadal Timescales

ERSE

Energy Services Regulatory Authority

ESOMAR

European Society for Opinion and Marketing Research Association

ESS

Power Systems

ETS

Emissions Trading Scheme

EUA

European Unit Allowances

ESW-CBA

Energy System-Wide Cost-Benefit Analysis

FED

Federal Reserve System

FCCN

Foundation for National Scientific Foundation

FOSG

Friends of the Supergrid

FP7

7th Framework Program of the European Community on research, technological development and demonstration activities

FSR

Florence School of Regulation

GDP

Gross Domestic Product

GGS

Global System Management

GHG

Greenhouse gases

GIE

Gas Infrastructure Europe

GIIGNL

Group Internationale des Importateurs de Gas Naturel Liquéfié

GIS

Armoured Substation Buildings

GLE

Gas LNG Europe

GNL

Liquefied Natural Gas

GPPQ

Gabinete de Promoção do Programa Quadro de I&DT

GRI

Global Reporting Initiative

GRMS

Gas Regulating and Metering Station

GSAD-AI

Corporate Governance Audit-Internal Audit

GTBI

Gas Transmission Benchmarking Initiative

GSE

Gas Storage Europe

GVA

Gross Value Added

HICP

Harmonised Index of Consumer Prices

HV

High Voltage

ICE

Intercontinental Exchange

ICJCT

Interconnection Junction Station

ICETA

Institut of Agricultural Science and Technology and Agro-food of University of Porto

IEA

International Energy Agency

IES

Independent Electricity System

IFRS

International Financial Reporting Standards

IGEN

Company Forum for Gender Equality

IGU

Independent Gasification Units

INERPA

National Inventory of Atmospheric Emissions

INESC

Institute of Systems and Computer Engineering

IPCG

Portuguese Institute for Corporate Governance

ISAE 3000

INTERNATIONAL Standard on Assurance Engagements 3000

ISDA

International Swap and Derivatives Association

ISO

International Organization for Standardization

ISPS

International Ship and Port Security Code

IST - Instituto Superior Técnico

Higher Technical Institute

ITELSA

Innovative Tools for Electrical System security within Large Areas

ITOMS

International Transmission Operations & Maintenance Study

IUCN

International Union for conservation of Nature

JCT

Junction Station

KPI

Key Performance Indicator

LNEG

National Laboratory for Energy and Geology

LNG

Liquefied natural gas

MAIFI

Momentary Average Interruption Frequency Index

MBA

Master of Business Administration

MC

Market Committee

MEC

Portuguese Ministry of Science and Education

MTVR

Medium-term Parcel

MEDGRID

Consortium with the goal of promoting the development of electrical interconnections between the North, South and East Mediterranean

MERGE

Mobile Energy Resources for Grids of Electricity

METSO

Mediterranean Transmission System Operators

MIBEL

Iberian Electricity Market

MODPEHS

Modular Development of a pan-European Electricity Highway System

MOVEMENT ECO

Companies Against Fires

NC TAR

Network Code Tariff

NG

Natural Gas

OECD

Organisation for Economic Co-operation and Development

OHSAS

Occupational Health and Safety Advisory Services

OMEL

Operador del Mercado Ibérico de Energía – Polo Español, S.A. [Spanish Cluster]

OMI

Iberian Market Operator

OMICLEAR

Sociedade de Compensação de Mercados de Energia, S.A.

OMIP

Operador do Mercado Ibérico de Energia (Pólo Português), S.A. [Portuguese Cluster]

OPEC

Organization of the Petroleum Exporting Countries

PDIRGN

Development and Investment Plan of the RNTIAT

PDIRT

Development and Investment Plan of the RNT

PEGASE

Pan European Grid Advanced Simulation and state Estimation

PICS

Projects of Common Interest

PRE

Subsidised producers

QAS

Quality, Environment and Safety

QP

Permanent Staff

QSR

Quality of Service Regulation

QUERCUS

National Association for Nature Conservation

REE

Red Eléctrica de España

RETGS

Special Regime for the Taxation of Group Companies

R&D

Research & Development

RECAPE

Environmental Compliance Report on the Execution Project

RENTELECOM

RENTELECOM – Comunicações, S.A.

RESP

Public Service Power Networks

RTE

Reseau de Transport d'Electricité

RH

Human Resources

RNDGN

National Natural Gas Distribution Network
RNT
National Electricity Transmission Network

RNTGN

National Natural Gas Transmission Network

RNTIAT

National Natural Gas Transmission Network, Storage Infrastructure and LNG Terminals

S.A.

Corporacion

SAIDI

System Average Interruption Duration Index

SAIFI

System Average Interruption Frequency Index

SARI

System Average Restoration Index

SDC

System Development Committee

SDH

Synchronous Digital Hierarchy

SEN

National Electricity System

SEP

Public Electricity Supply System

SEVESO

Decree-Law No. 254/2007, of 12 July 2007, transposes Directive SEVESO II 2003/105/EC (which amends Council Directive 96/82/EC of 9 December 1996) into national law, and reconfigures the regime for the prevention and control of major-accident hazards involving dangerous substances and the limitation of their consequences for man and the environment, repealing Decree-Law No. 164/2001 of 23 May 2001 and Implementing Order (Portaria) No. 193/2002 of 4 March 2002.

SGCIE

Intensive Energy Consumption Management System

SGNL

Sociedade Portuguesa de Gás Natural Liquefeito, S.A.

SGPS

Holding Company

S-GRI

South Gas Region Initiative

SIFIDE

System of Tax Incentives for Research and Development

SNGN

National Natural Gas System

SPF

Portuguese Physical Society

SS

Substation

STVR

Short-term Parcel

TEE

Transmission of Electrical Power

TGO

Transmission Grid Operators

TSO

Transmission System Operators

UGS

Tariff of Global Use of the System

URT

Tariff of Use of the Transmission Network

US

Underground Storage

VHV

Very High Voltage

UNITS

bcm	109 metros cúbicos
bcm	10 ⁹ cubic metres
cent	Euro cents
CO₂	carbon dioxide
EUR	Euro
€	Euro
GHz	gigahertz
GJ	gigajoule
GW	gigawatt
GWh	gigawatt hour
k€	thousand of Euro
km	kilometre
kV	kilovolt
kWh	kilowatt hour
m³	cubic metre
m³(n)	normal cubic metre (volume of gas measured at 0° Celsius and at the pressure of 1 atmosphere)
M€	million Euros
MVA	megavolt-ampere
Mvar	megavolt-ampere reactive
MW	megawatt
MWh	megawatt hour
p.p.	percentage points
s	second
t	tonne
tcm	10 ¹² cubic metres
tCO₂eq	Tonne of CO ₂ equivalent
tEuros	thousand of Euro
TWh	terawatt-hour

CONTACTS



INVESTOR RELATIONS OFFICE

Ana Fernandes

(Head)

Alexandra Martins

Telma Mendes

**REN - Redes Energéticas Nacionais, SGPS, S.A.
Relações com o Investidor**

Avenida dos Estados Unidos da América, 55
1749-061 LISBOA - Portugal

Telephone: +351 210 013 546

Telefax: +351 210 013 150

E-mail: ir@ren.pt

COMMUNICATION AND SUSTAINABILITY

Margarida Ferreirinha

(Head)

**REN - Redes Energéticas Nacionais, SGPS, S.A.
Direção Comunicação e Sustentabilidade**

Avenida dos Estados Unidos da América, 55
1749-061 LISBOA - Portugal

Telephone: +351 210 013 500

Telefax: +351 210 013 490

E-mail: comunicacao@ren.pt



REDES ENERGÉTICAS NACIONAIS, SGPS, S.A.

Avenida Estados Unidos da América, 55
1749-061 Lisboa
Telephone: +351 210 013 500

www.ren.pt