

**REN Finance B.V.
Amsterdam**

**Annual accounts
for the year 2014**

REN Finance B.V.
Amsterdam

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Management Board's report

Management herewith presents to the shareholder the annual accounts of REN Finance Finance B.V. (hereinafter "the Company") for the year 2014.

General

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

The objects of the Company are:

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

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

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

Overview of activities

On 15 October 2013, the Company has issued its EUR 400,000,000 4.750% fixed rate Notes, due 16 October 2020, under the EUR 5,000,000,000 Euro Medium Term Programme (the "Programme") (the "Notes") at a price equal to 99.86% of the aggregate nominal amount of the Notes. Both the Company and REN SGPS act as issuer under the programme. The issued Notes bear a fixed interest rate of 4.75% per annum. The interest is payable on 16 October, commencing 16 October 2014. The issued Notes will mature on 16 October 2020. The Notes issued by the Company will not be guaranteed by REN SGPS. The Company has the benefit of the Keep Well Agreement executed by REN SGPS.

The proceeds of the issued Notes were used to subscribe internal Notes issued by REN SGPS according to the EUR 400,000,000 Subscription Agreement between the Company (Sole Subscriber) and REN SGPS (Issuer). The internal subscribed Notes bears an interest rate of 5.2821% per annum. The interest is receivable on 16 October, commencing 16 October 2014. The subscribed Notes will mature on 16 October 2020.

More details about the EUR 5,000,000,000 Euro Medium Term Programme can be found in the prospectus which discloses information on the terms of the Notes, including, without limitation, redemption and repurchase prices, covenants and transfer restrictions.

Notes issued by the Company will be issued in bearer form (which may initially be in the form of a temporary global note, exchangeable for a permanent global note, which is exchangeable for definitive bearer Notes or a registered Note in definitive form in certain limited circumstances) or registered form (which may initially be in the form of registered global note, exchangeable for registered Notes in definitive form in certain limited circumstances) ("Non-Book-Entry Notes"). The provisions governing the exchange of interests in Global Notes are described in "Form of the Notes, Clearing Systems, Exercise of Rights and Listing".

The Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under Directive 2003/71/EC (the "Prospectus Directive") will be EUR 1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in a final terms document (the "Final Terms") which, with respect to Notes to be listed on the London Stock Exchange, will be delivered to the UK Listing Authority and the London Stock Exchange. Each of Moody's Investors Service Ltd ("Moody's"), Standard & Poor's Credit Market Services, SAS France ("Standard & Poor's") and Fitch Ratings Ltd. ("Fitch") has rated REN and the Programme.

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The admission of the Notes to the regulated market of the London Stock Exchange is not an indication of the merits of the Company, the Guarantor or the Notes. The Notes have not been and will not be registered under the U.S. Securities Exchange Act of 1933, as amended (the "Securities Act"), and the Notes may not be offered or sold in the United States or to U.S. persons (as defined in Regulation S of the Securities Act) unless so registered, or an exemption from the registration requirements of the Securities Act is available. The Company does not intend to register any portion of the offering of the Notes in the United States or to conduct a public offering of the Notes in the United States.

The Notes are being offered and sold by the Company outside the United States to non-U.S. persons in reliance on Regulation S of the Securities Act, and within the United States in reliance on Section 4(2) of the Securities Act. Any resale of the Notes to any person within the United States or to a U.S. person may be made only in reliance on an exemption from, or a transaction not subject to, the registration requirements of the Securities Act.

The Company has appointed Deutsche Bank AG, London Branche as issue and paying agent.

On 11 November 2013 the Company furthermore entered with REN SGPS into an EUR 160,000,000 facility agreement with Industrial and Commercial Bank of China (Europe) S.A. Sucursal Espana ("ICBC"). On 31 December 2013 the Company utilized EUR 10,000,000 under the facility. The proceeds of the loan received were used to subscribe internal Notes issued by REN SGPS according to the EUR 160,000,000 Programme Agreement between the Company and REN SGPS.

On 23 November 2013 the Company also entered with REN SGPS into an EUR 400,000,000 facility agreement with China Development Bank Corporation ("CDB"). On 6 December 2013 the Company utilized EUR 100,000,000 under the facility. The proceeds of the loan received were used to subscribe internal Notes issued by REN SGPS according to the EUR 400,000,000 Subscription Agreement between the Company and REN SGPS.

On 10 April 2014 the Company subscribed internal Notes issued by REN SGPS according to the EUR 200,000,000 Programme Agreement between the Company and REN SGPS.

The Company has concluded an Advance Pricing Agreement (APA) with the Dutch Tax Authorities concerning the minimum margin required between the proceeds as received from the loans (Notes) and the loans granted to REN SGPS. The APA was signed on 10 July 2013. According to the APA 8% of the loans provided to Shareholder should be held as equity on the balance sheet of the Company. Therefore the Company received for a total amount of EUR 40,800,000 share premium from REN SGPS. EUR 35,850,000 of the proceeds were used to subscribe CP issued by REN SGPS according to the EUR 300,000,000 Commercial paper programme between the Company and REN SGPS.

In order to meet minimum margin required between the proceeds as received from the loans (Notes) and the loans granted to REN SGPS, the Company received share premium from REN SGPS for a total amount of EUR 6,000,000 during 2014. The proceeds were used to subscribe CP issued by REN SGPS according to the EUR 300,000,000 Commercial paper programme between the Company and REN SGPS.

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Balanced distribution of seats on the Management Board

With effect from 1 January 2013, the Management and Supervision Act came into force, which means that certain major companies must aim for a balanced distribution between men and women with respect to the number of seats on the Management Board. From 10 May 2013 until 31 December 2013 the Management Board consisted of two women and two men. Currently, the Management Board consist of four men. In the future, we will try to realize a balanced distribution. It is essential in this context that the quality of potential candidates is foremost.

Risk management

Reference is made to note 5 Financial Instruments on page 14 through page 15 of the annual accounts.

Results

The profit for the year 2014 amounts to EUR 2,682,905 (2013: EUR 118,428). The net income was caused by the margin between the interest income and interest expense and the incurring of costs like fees.

Audit committee

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

Future outlook

On 12 February 2015, the Company has issued its EUR 300,000,000 2.50% fixed rate Notes, due 12 February 2025, under the EUR 5,000,000,000 Euro Medium Term Programme (the "Programme") (the "Notes") at a price equal to 100% of the aggregate nominal amount of the Notes. Both the Company and REN SGPS act as issuer under the programme. The issued Notes bear a fixed interest rate of 2.50% per annum. The interest is payable on 12 February, commencing 12 February 2016. The Issued Notes will mature on 12 February 2025. The Notes issued by the Company will not be guaranteed by REN SGPS. The Company has the benefit of the Keep Well Agreement executed by REN SGPS.

The proceeds of the Issued Notes were used to subscribe internal Notes issued by REN SGPS according to the EUR 300,000,000 Subscription Agreement between the Company (Sole Subscriber) and REN SGPS (Issuer). The internal subscribed Notes bears an interest rate of 3.0089% per annum. The interest is receivable on 12 February, commencing 12 February 2015. The subscribed Notes will mature on 12 February 2025.

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

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

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

Amsterdam, 25 February 2015

Board of Managing Directors:


Mr. R. Posthumus (appointed as per 30 December 2014)


Mr. P.M. Blöte (appointed as per 15 December 2014)


Mr. N.M. da Silva Alves do Rosario


Mr. G.J. Figueira Morais Soares

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Financial statements

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

Statement of comprehensive Income for year 2014

	Note	2014	10 May 2013 until 31 December 2013
		EUR	EUR
Continuing operations:			
Interest income gross		31,108,608	5,021,722
Interest income net	6	31,108,608	5,021,722
Interest expense	7	(27,291,321)	(4,405,441)
Gross margin		3,817,287	616,281
Foreign exchange result	8	(8)	(71)
Other income	9	893,750	763,261
Financial expenses	10	(893,750)	(58,583)
General and administrative expenses	11	(253,406)	(1,173,533)
Profit before taxation		3,563,873	147,355
Corporate Income tax	12	(880,968)	(29,607)
Net Profit for the year		2,682,905	118,428
Other comprehensive income, net of income tax		-	-
Total comprehensive Income for the year		2,682,905	118,428
Profit attributable to owners of the company		2,682,905	118,428
Total comprehensive income attributable to owners of the company		2,682,905	118,428

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

Statement of financial position as at 31 December 2014
(Before appropriation of current year's result)

	Note	31-Dec-14 EUR	31-Dec-13 EUR
Assets			
Non-current assets			
Long-term loans to group companies	13	571,380,640	510,000,000
Current assets			
Current-term loans to group companies	14	58,625,000	35,850,000
Receivables on group companies	15	5,258,241	4,807,099
Other receivables and prepaid expenses	16	3,626,559	835,482
Cash and cash equivalents	17	143,366	272,034
Total current assets		67,653,166	41,764,615
Total assets		639,033,806	551,764,615
Shareholder's equity and liabilities			
Capital and reserves			
Share capital		20,000	20,000
Share premium		46,800,000	40,800,000
Other reserves		118,428	-
Profit for the year		2,682,905	118,428
Total equity		49,621,333	40,938,428
Non-current liabilities			
Long-term borrowings (Loans)	18	171,380,640	108,800,680
Long-term borrowings (Bond)	19	397,716,198	397,322,066
		569,096,838	506,122,746
Current liabilities			
Taxation	20	910,737	204,916
Short-term borrowings (Loans)	21	11,250,000	0
Accrued interest	22	4,336,103	4,126,929
Intercompany payables	23	3,546,391	71,541
Other liabilities and accrued expenses	24	272,404	300,056
Total current liabilities		20,315,635	4,703,441
Total equity and liabilities		639,033,806	551,764,615

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

Statement of changes in equity for the year 2014

	Share Capital	Share premium	Other reserves	Profit for the year	Total
31-Dec-13	20,000	40,800,000	-	118,428	40,938,428
Capital contributions	-	6,000,000	-	-	6,000,000
Appropriation of profit	-	-	118,428	(118,428)	-
Profit for the year	-	-	-	2,682,905	2,682,905
31-Dec-14	20,000	46,800,000	118,428	2,682,905	49,621,333

The authorized share capital of the Company amounts to EUR 20,000 and is divided into 20,000 common shares of EUR 1 each. Issued and paid in are 20,000 shares. During 2014 the Company also received share premium for a total amount of EUR 6,000,000. In the general meeting of shareholders, held on the 24th of April 2014, it was decided to add the profit for the year 2013 to the other reserves.

Statement of cash flows for the year 2014

	2014	10 May 2013 until
	EUR	31 December 2013
		EUR
Cash flows from operating activities:		
Interest received	30,227,503	214,623
Interest paid	(26,258,054)	(195,767)
General and administrative expenses	(421,376)	(54,683)
Corporate Income Tax paid	(29,607)	-
Value Added Tax paid	(22,812)	-
Payment for debt issue costs	-	(702,138)
Proceeds from issue of notes and long-term borrowings	75,000,000	506,040,000
Long-term loans provided to group companies	(75,000,000)	(510,000,000)
Short-term loans provided to group companies	(62,125,000)	(35,850,000)
Repayments short-term loans to group companies	50,600,000	-
Income from other fees received	4,256,594	-
Expense from other fees paid	(2,355,917)	-
Net cash used in operating activities	(6,128,669)	(40,547,965)
Cash flows from financing activities:		
Capital increases	6,000,000	40,820,000
Net cash generated by financing activities	6,000,000	40,820,000
Net change in cash and cash equivalents	(128,669)	272,035
Foreign exchange fluctuations	-	-
Cash and cash equivalents at the beginning of the year	272,035	-
Cash and cash equivalents at the end of the year	143,366	272,035

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

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Notes to the financial statements

1. General

REN Finance, B.V. (referred to in this document as "the Company"), with head office in De Cuserstraat 93, 1083 CN Amsterdam, The Netherlands, were established by deed of incorporation executed on 10 May 2013 with legal seat in Amsterdam.

The objects of the Company are:

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

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

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

2.1 Functional currency

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

2.2 Comparability

If deemed necessary, comparative amounts have been reclassified or restated to conform to the current year's presentation.

3. Summary of significant accounting policies

Basis of preparation

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

The financial statements have been prepared under the historical cost convention.

The financial statements are presented in euro.

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

IFRS 9	Financial Instruments ²
IFRS 10	Consolidated Financial Statements ¹
IFRS 11	Joint Arrangements ¹
IFRS 12	Disclosure of Interests in Other Entities ¹
IFRS 13	Fair Value Measurement ¹
Amendments to IFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities ¹
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures ²
IAS 27 (as revised in 2011)	Separate Financial Statements ¹

² Effective for annual periods beginning on or after 1 January 2015

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

Notes to the financial statements - Continued

3.1 Transactions in foreign currencies

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

Financial assets

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

Financial instruments

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

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

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

Interest bearing loans and borrowings are subsequently measured at cost.

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

Other receivables

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

Cash and cash equivalents

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

Statement of cash flows

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

Loans and borrowings

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

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

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

Liabilities and other payables

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

Notes to the financial statements - Continued

Revenue recognition

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

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

Expenses recognition

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

Corporate income tax

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

4. Significant accounting judgments and estimates and key sources of estimation uncertainty

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

Key sources of estimation uncertainty

Management is not aware of any key sources of estimation uncertainty.

5. Financial instruments

The Company's principal financial instruments comprise loans granted, borrowings and bank balances. During the financial year 2014 the Company did not undertake trading in financial instruments.

Currency risk

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

Interest rate risk

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

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

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

Notes to the financial statements - Continued

Credit risk

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

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

As the net equity of these group companies as per 31 December 2014 is higher than the amount of the loans receivable, there is no indication that the loans given to the group companies will be impaired in the near future or that the loans receivable will not be received.

Liquidity risk management

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

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

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

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

Liquidity and interest risk tables

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

	Weighted average effective interest rate	Less than 1 year	1-5 years	5+ years	Total
		EUR	EUR	EUR	EUR
December 31, 2014:					
Fixed interest rate instruments (Note)	4.750%	19,000,000	76,000,000	416,677,778	511,677,778
Floating interest rate instruments (CDB)	4.878%	7,317,000	29,268,000	164,877,900	201,462,900
Floating interest rate instruments (ICBC)	3.379%	337,900	10,977,094	-	11,314,994
Floating interest rate instruments (ICBC)	3.382%	507,300	16,466,943	-	16,974,243
Floating interest rate instruments (BOC)	3.332%	333,200	11,103,262	-	11,436,462
		27,495,400	143,815,299	581,555,678	752,866,377

Fair values

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

6. Interest income net
Specification:

	2014	10 May 2013 until 31 December 2013
	EUR	EUR
Bank interest current account	97	-
Interest Subscribed Internal Notes to REN SGPS (Bond)	21,128,455	4,399,338
Interest Subscribed Internal Notes to REN SGPS (CDB)	7,437,622	395,390
Interest Subscribed Internal Notes to REN SGPS (ICBC)	452,880	1,113
Interest Subscribed Internal Notes to REN SGPS (BOC)	211,126	-
Interest 1st CP subscribed to REN SGPS in 2013	694,642	203,833
Interest 2nd CP subscribed to REN SGPS in 2013	-	2,780
Interest 3rd CP subscribed to REN SGPS in 2013	173,142	17,381
Interest 4th CP subscribed to REN SGPS in 2013	353	1,837
Interest 5th CP subscribed to REN SGPS in 2013	1,783	50
Interest 6th CP subscribed to REN SGPS in 2014	994	-
Interest 7th CP subscribed to REN SGPS in 2014	1,262	-
Interest 8th CP subscribed to REN SGPS in 2014	3,258	-
Interest 9th CP subscribed to REN SGPS in 2014	39,008	-
Interest 10th CP subscribed to REN SGPS in 2014	6,884	-
Interest 11th CP subscribed to REN SGPS in 2014	54,977	-
Interest 12th CP subscribed to REN SGPS in 2014	6,814	-
Interest 13th CP subscribed to REN SGPS in 2014	8,355	-
Interest 14th CP subscribed to REN SGPS in 2014	7,613	-
Interest 15th CP subscribed to REN SGPS in 2014	419,090	-
Interest 16th CP subscribed to REN SGPS in 2014	6,452	-
Interest 17th CP subscribed to REN SGPS in 2014	14,881	-
Interest 18th CP subscribed to REN SGPS in 2014	4,753	-
Interest 19th CP subscribed to REN SGPS in 2014	3,635	-
Interest 20th CP subscribed to REN SGPS in 2014	574	-
Capitalized arrangement fee from REN SGPS (ICBC)	248,018	680
Capitalized arrangement fee from REN SGPS (BOC)	181,943	-
	<u>31,108,608</u>	<u>5,021,722</u>

7. Interest expense
Specification:

	2014	10 May 2013 until 31 December 2013
	EUR	EUR
Interest loan received from CDB	6,873,790	365,533
Interest loan received from ICBC	405,109	998
Interest loan received from BOC	188,274	-
Interest issued Note	19,000,055	3,956,164
Capitalized arrangement fee ICBC loan	248,018	680
Capitalized arrangement fee BOC loan	181,943	-
Capitalized Deferred fees Note issue	314,163	65,415
Capitalized Deferred interest Note issue	79,969	16,651
	<u>27,291,321</u>	<u>4,405,441</u>

8. Foreign exchange result

This item represents mainly the exchange result on payable invoices denominated in foreign currencies.
See also note 15 - receivables on group companies. The exchange rate EUR-GBP moved between 1 January 2014 and 31 December 2014 between 0.83220 and 0.77970.

9. Other income
Specification:

	2014	10 May 2013 until 31 December 2013
	EUR	EUR
Initial fee from REN SGPS (ICBC)	-	52,000
Initial fee from REN SGPS (BOC)	15,000	-
Commitment fee from SGPS (ICBC)	452,000	6,583
Commitment fee from SGPS (BOC)	426,750	-
Invoices recharged to REN SGPS	-	704,678
	<u>893,750</u>	<u>763,261</u>

10. Financial expenses
Specification:

	2014	10 May 2013 until 31 December 2013
	EUR	EUR
Initial fee ICBC loan	445,417	52,000
Commitment fee ICBC loan	6,583	6,583
Commitment fee BOC loan	441,750	-
	<u>893,750</u>	<u>58,583</u>

11. General and administrative expenses
Specification:

	2014	10 May 2013 until 31 December 2013
	EUR	EUR
Salary	38,319	253
Performance bonus	3,000	-
Wage Tax	31,684	127
Office rent	12,476	1,518
Audit fees(*)	51,474	22,000
Tax advise fees	21,553	520
Law firm fees	24,761	213,311
Notary fees	-	12,606
Management fees	8,930	5,633
Administration fees	64,240	76,506
Other professional fees	-	8,254
Travel expenses	1,303	-
Rating agency fees	-	656,000
Bank charges	3,757	1,579
Interest taxation	862	-
Chamber of Commerce fees	35	44
Invoices recharged by REN SGPS	116,249	-
Reversed VAT charge	(125,236)	175,182
	<u>253,406</u>	<u>1,173,533</u>

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

	Deloitte Auditors	Other Auditors	Total network
	EUR	EUR	EUR
2013			
Audit of the financial statements	22,000	-	22,000
Other audit engagements	-	-	-
	<u>22,000</u>	<u>-</u>	<u>22,000</u>
2014			
Other audit engagements	20,234	-	20,234
Audit of the financial statements	31,240	-	31,240
	<u>51,474</u>	<u>-</u>	<u>51,474</u>

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12. Income tax
Specification:

	2014	10 May 2013 until 31 December 2013
	EUR	EUR
2013 CIT	-	29,607
2014 CIT	880,968	-
	<u>880,968</u>	<u>29,607</u>

The Company has concluded an Advance Pricing Agreements (APA) with the Dutch Tax Authorities concerning the minimum margin required between the proceeds as received from the loans (Notes) and the loans granted to group companies. The APA was signed on 10 July 2013. Furthermore, 8% of the loans provided to group companies should be held as equity on the balance sheet of the Company. The 2014 income tax due has been calculated based on the results reported in these financial statements and the APA as concluded with the Dutch Tax Authorities.

A taxable income for 2014 was calculated of EUR 3,563,874, 20% corporate income tax has been calculated for the first EUR 200,000 and 25% income tax has been calculated for the remainder of EUR 3,363,874, which resulted in a payable CIT of EUR 880,968.

13. Long-term loans to group companies

Specification long-term:

	Maturity date	Interest rate per annum	31-Dec-14	31-Dec-13
			EUR	EUR
Subscribed Internal Notes to REN SGPS (Bond)	16-Oct-20	5.282%	400,000,000	400,000,000
Subscribed Internal Notes to REN SGPS (CDB)	6-Dec-21	5.291%	138,750,000	100,000,000
Subscribed Internal Notes to REN SGPS (ICBC)	1-Nov-18	3.792%	10,000,000	10,000,000
Subscribed Internal Notes to REN SGPS (ICBC)	1-Nov-18	3.795%	15,000,000	-
Subscribed Internal Notes to REN SGPS (BOC)	1-Apr-19	3.745%	10,000,000	-
			<u>573,750,000</u>	<u>510,000,000</u>
Less:				
Capitalized Deferred fees			(2,799,321)	-
Amortization Capitalized Deferred fees			429,961	-
			<u>571,380,640</u>	<u>510,000,000</u>

On 15 October 2013 the Company subscribed internal Notes issued by REN SGPS according to the EUR 400,000,000 Subscription Agreement between the Company (Sole Subscriber) and REN SGPS (Issuer). The subscribed internal Notes bears an interest rate of 5.2821% per annum. The interest is receivable on 16 October, commencing 16 October 2014. The subscribed internal Notes will mature on 16 October 2020.

On 23 November 2013 the Company subscribed internal Notes issued by REN SGPS according to the EUR 400,000,000 Subscription Agreement between the Company and REN SGPS. The subscribed internal Notes bears an interest rate of 6 Months Euribor + Spread of 5.1134%. The interest is receivable on 20 June and 20 December, commencing 20 December 2013. The subscribed internal Notes will be repaid in installments of 7.5% semi-annually on 20 June and 20 December, commencing 20 December 2015. The subscribed internal notes will mature on 6 December 2021.

On 11 November 2013 the Company subscribed internal Notes issued by REN SGPS according to the EUR 160,000,000 Programme Agreement between the Company and REN SGPS. The subscribed internal Notes bears an interest rate of 6 months EURIBOR + Spread of 3.7134%. The interest is receivable on 31 March, 30 June, 30 September and 31 December, commencing 31 March 2014. Furthermore, also a commitment fee of 0.3% is charged over the outstanding amount. The subscribed internal Notes will mature on 1 November 2018.

On 10 April 2014 the Company subscribed internal Notes issued by REN SGPS according to the EUR 200,000,000 Programme Agreement between the Company and REN SGPS. The subscribed internal Notes bears an interest rate of 3 months EURIBOR + Spread of 3.6634%. The interest is receivable on 16 March, 16 June, 16 September and 16 December, commencing 16 September 2014. Furthermore, also a commitment fee of 0.3% is charged over the outstanding amount. The subscribed internal Notes will mature on 1 April 2019.

Fair value

The fair value of the internal Notes is:

	Maturity date	31-Dec-14	31-Dec-13
		EUR	EUR
Subscribed internal Notes to REN SGPS (Bond)	16-Oct-20	457,812,000	415,628,000
Subscribed internal Notes to REN SGPS (CDB)	6-Dec-21	138,750,000	100,000,000
Subscribed internal Notes to REN SGPS (ICBC)	1-Nov-18	10,000,000	10,000,000
Subscribed internal Notes to REN SGPS (ICBC)	1-Nov-18	15,000,000	-
Subscribed internal Notes to REN SGPS (BOC)	1-Apr-19	10,000,000	-

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

Credit risk

The Company's maximum exposure of credit risk relates to subscribed internal Notes and CP to REN SGPS (note 12 and 13).

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

	Maturity date	Interest rate per annum %	31-Dec-14	31-Dec-13
			EUR	EUR
1st CP subscribed to REN SGPS in 2013	17-Sep-14	3.511%	-	27,500,000
3rd CP subscribed to REN SGPS in 2013	17-Sep-14	3.438%	-	7,000,000
4th CP subscribed to REN SGPS in 2013	6-Jan-14	3.180%	-	800,000
5th CP subscribed to REN SGPS in 2013	6-Feb-14	3.241%	-	550,000
15th CP subscribed to REN SGPS in 2014	17-Sep-15	3.349%	42,500,000	-
17th CP subscribed to REN SGPS in 2014	17-Sep-15	3.313%	2,100,000	-
18th CP subscribed to REN SGPS in 2014	19-Jan-15	3.042%	1,250,000	-
19th CP subscribed to REN SGPS in 2014	28-Jun-15	3.207%	1,200,000	-
20th CP subscribed to REN SGPS in 2014	19-Jan-15	3.030%	325,000	-
Subscribed Internal Notes to REN SGPS (CDB)	6-Dec-15	5.291%	11,250,000	-
			<u>59,625,000</u>	<u>35,850,000</u>

During 2013 the Company subscribed CP issued to REN SGPS according to the EUR 300,000,000 Commercial paper programme between the Company and REN SGPS. The CP for a total amount of EUR 27,500,000 ("1st CP") bears an interest rate of 11 Months Euribor + Spread of 3.00% and matured on 17 September 2014. The CP for a total amount of EUR 1,000,000 ("2nd CP") bears an interest rate of 1 Month Euribor + Spread of 3.00% and matured on 18 November 2013. The CP for a total amount of EUR 7,000,000 ("3rd CP") bears an interest rate of 12 Months Euribor + Spread of 3.00% and matured on 17 September 2014. The CP for a total amount of EUR 800,000 ("4th CP") bears an interest rate of 1 Month Euribor + Spread of 3.00% and matured on 6 January 2014. The CP for a total amount of EUR 550,000 ("5th CP") bears an interest rate of 2 Months Euribor + Spread of 3.00% and matured on 6 February 2014.

The CP for a total amount of EUR 800,000 ("6th CP") bears an interest rate of 2 Weeks Euribor + Spread of 3.00% and matured on 20 January 2014. The CP for a total amount of EUR 800,000 ("7th CP") bears an interest rate of the interpolated 2 Weeks Euribor and 1 Month Euribor + Spread of 3.00% and matured on 6 February 2014. The CP for a total amount of EUR 1,300,000 ("8th CP") bears an interest rate of 1 Month Euribor + Spread of 3.00% and matured on 6 March 2014.

The CP for a total amount of EUR 1,950,000 ("9th CP") bears an interest rate of the interpolated 6 Months Euribor and 9 Months Euribor + Spread of 3.00% and matured on 17 September 2014. The CP for a total amount of EUR 1,250,000 ("10th CP") bears an interest rate of 2 Months Euribor + Spread of 3.00% and matured on 6 May 2014. The CP for a total amount of EUR 4,000,000 ("11th CP") bears an interest rate of the interpolated 3 Months Euribor and 6 Months Euribor + Spread of 3.00% and matured on 17 September 2014.

The CP for a total amount of EUR 1,200,000 ("12th CP") bears an interest rate of 2 Months Euribor + Spread of 3.00% and matured on 7 July 2014. The CP for a total amount of EUR 1,000,000 ("13th CP") bears an interest rate of 3 Months Euribor + Spread of 3.00% and matured on 17 September 2014. The CP for a total amount of EUR 1,200,000 ("14th CP") bears an interest rate of the interpolated 2 Months Euribor and 3 Months Euribor + Spread of 3.00% and matured on 17 September 2014. The CP for a total amount of EUR 42,500,000 ("15th CP") bears an interest rate of 12 Months Euribor + Spread of 3.00% and matures on 17 September 2015. The CP for a total amount of EUR 1,250,000 ("16th CP") bears an interest rate of 2 Months Euribor + Spread of 3.00% and matured on 17 November 2014.

The CP for a total amount of EUR 2,100,000 ("17th CP") bears an interest rate of the interpolated 9 Months Euribor and 12 Months Euribor + Spread of 3.00% and matures on 17 September 2015. The CP for a total amount of EUR 1,250,000 ("18th CP") bears an interest rate of 2 Months Euribor + Spread of 3.00% and matures on 19 January 2015. The CP for a total amount of EUR 1,200,000 ("19th CP") bears an interest rate of the interpolated 6 Months Euribor and 9 Months Euribor + Spread of 3.00% and matures on 28 June 2015. The CP for a total amount of EUR 325,000 ("20th CP") bears an interest rate of the interpolated 1 Month Euribor and 2 Months Euribor + Spread of 3.00% and matures on 19 January 2015.

More details about the Subscribed Internal Notes to REN SGPS (CDB) can be found under Note 13.

Fair value

The fair value of the loans is:

	Maturity date	31-Dec-14	31-Dec-13
		EUR	EUR
1st CP subscribed to REN SGPS in 2013	17-Sep-14	-	27,500,000
3rd CP subscribed to REN SGPS in 2013	17-Sep-14	-	7,000,000
4th CP subscribed to REN SGPS in 2013	6-Jan-14	-	800,000
5th CP subscribed to REN SGPS in 2013	20-Feb-14	-	550,000
15th CP subscribed to REN SGPS in 2014	17-Sep-15	42,500,000	-
17th CP subscribed to REN SGPS in 2014	17-Sep-15	2,100,000	-
18th CP subscribed to REN SGPS in 2014	19-Jan-15	1,250,000	-
19th CP subscribed to REN SGPS in 2014	28-Jun-15	1,200,000	-
20th CP subscribed to REN SGPS in 2014	19-Jan-15	325,000	-
Subscribed Internal Notes to REN SGPS (CDB)	6-Dec-15	11,250,000	-

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

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15. Receivables on group companies

Specification:

	31-Dec-14	31-Dec-13
	EUR	EUR
Interest receivable Subscribed Internal Notes to REN SGPS (Bond)	4,457,222	4,399,338
Interest receivable Subscribed Internal Notes to REN SGPS (CDB)	286,618	183,547
Interest receivable Subscribed Internal Notes to REN SGPS (ICBC)	54,822	1,113
Interest receivable Subscribed Internal Notes to REN SGPS (BOC)	16,646	-
Interest receivable 1st CP subscribed to REN SGPS in 2013	-	203,833
Interest receivable 3rd CP subscribed to REN SGPS in 2013	-	17,381
Interest receivable 4th CP subscribed to REN SGPS in 2013	-	1,837
Interest receivable 5th CP subscribed to REN SGPS in 2013	-	50
Interest receivable 15th CP subscribed to REN SGPS in 2014	419,090	-
Interest receivable 17th CP subscribed to REN SGPS in 2014	14,881	-
Interest receivable 18th CP subscribed to REN SGPS in 2014	4,753	-
Interest receivable 19th CP subscribed to REN SGPS in 2014	3,635	-
Interest receivable 20th CP subscribed to REN SGPS in 2014	574	-
	<u>5,258,241</u>	<u>4,807,099</u>
Less: Interest withholding tax	-	-
	<u>5,258,241</u>	<u>4,807,099</u>

16. Other receivables and prepaid expenses

	31-Dec-14	31-Dec-13
	EUR	EUR
Receivable arrangement fee from REN SGPS	-	680
Receivable Initial fee from REN SGPS	-	52,000
Receivable Commitment fee from REN SGPS (ICBC)	50,750	6,583
Receivable Commitment fee from REN SGPS (BOC)	145,667	-
Receivable recharged invoices from SGPS	-	704,678
Receivable Portuguese withholding tax	3,430,142	71,541
	<u>3,626,559</u>	<u>835,482</u>

17. Cash and equivalents

	31-Dec-14	31-Dec-13
	EUR	EUR
ING Bank current account EUR	116,000	251,730
Deutsche Bank current account EUR	27,366	20,304
	<u>143,366</u>	<u>272,034</u>

The funds maintained in the current account are freely available.

18. Non-current liabilities

Specification long-term borrowings third parties:

	Maturity date	Interest rate per annum	31-Dec-14	31-Dec-13
			EUR	EUR
Loan received from CDB	6-Dec-21	4.8780%	138,750,000	100,000,000
Loan received from ICBC	1-Nov-18	3.3790%	10,000,000	10,000,000
Loan received from ICBC	1-Nov-18	3.3820%	15,000,000	-
Loan received from BOC	1-Apr-19	3.3320%	10,000,000	-
			<u>173,750,000</u>	<u>110,000,000</u>
Less:				
Capitalized Deferred Arrangement fee ICBC			(1,199,321)	(1,200,000)
Amortization			248,018	680
Capitalized Deferred Arrangement fee BOC			(1,600,000)	-
Amortization			181,943	-
			<u>171,380,640</u>	<u>108,800,680</u>

On 11 November 2013 the Company entered with REN SGPS into an EUR 160,000,000 facility agreement with ICBC. On 31 December 2013 the Company utilized EUR 10,000,000 under the facility. On 28 November 2014 the Company utilized another EUR 15,000,000 under the facility. The loan received bears an interest rate of 6 months EURIBOR + Spread of 3.30%. The interest is payable on 31 March, 30 June, 30 September and 31 December, commencing 31 March 2014. Furthermore, also a commitment fee of 0.3% is charged quarterly over the outstanding amount. The loan will mature on 1 November 2018. Finally, an arrangement fee in the amount of EUR 1,200,000 was paid to ICBC. The arrangement fees are amortised over the term of the loan in accordance with the effective interest rate method. The loan will not be guaranteed by REN SGPS but the Company has the benefit of the Keep Well Agreement executed by REN SGPS.

On 23 November 2013 the Company also entered with REN SGPS into an EUR 400,000,000 facility agreement with China Development Bank Corporation ("CDB"). On 6 December 2013 the Company utilized EUR 100,000,000 under the facility. The loan received bears an interest rate of 6 Months Euribor + Spread of 4.70%. The interest is payable on 20 June and 20 December, commencing 20 December 2013. The loan received will be repaid in instalments of 7.5% semi-annually on 20 June and 20 December, commencing 20 December 2015. The loan will mature on 6 December 2021. The proceeds of the loan received were used to subscribe CP issued by REN SGPS according to the EUR 300,000,000 Commercial paper programme between the Company and REN SGPS. The CP bears an interest rate of 6 Months Euribor + Spread of 5.1134%. The interest is receivable on 20 June and 20 December, commencing 20 December 2013. The CP will mature on 6 December 2021. The loan will not be guaranteed by REN SGPS but the Company has the benefit of the Keep Well Agreement executed by REN SGPS.

On 1 April 2014 the Company entered with REN SGPS into an EUR 200,000,000 facility agreement with Bank of China Limited, Luxembourg Branch. On 16 June 2014 the Company utilized EUR 10,000,000 under the facility. The loan received bears an interest of 3 months EURIBOR + Spread of 3.25%. The interest is payable on 16 March, 16 June, 16 September and 16 December, commencing 16 September 2014. The loan will mature on 1 April 2019. Furthermore, a commitment fee of 0.3% is charged quarterly over the outstanding amount. Finally, an arrangement fee in the amount of EUR 1,600,000 was paid to BOC. The arrangement fees are amortised over the term of the loan in accordance with the effective interest rate method. The loan will not be guaranteed by REN SGPS but the Company has the benefit of the Keep Well Agreement executed by REN SGPS.

19. Non-current liabilities

Specification long-term borrowings:

	Maturity date	Interest rate per annum	31-Dec-14	31-Dec-13
			EUR	EUR
Notes placed at price:				
99.86% - tranche 1	16-Oct-20	4.75%	400,000,000	400,000,000
			<u>400,000,000</u>	<u>400,000,000</u>
Less:				
Capitalized Deferred fees			(2,134,585)	(2,200,000)
Amortization Capitalized Deferred fee			314,163	65,415
Capitalized Deferred interest			(543,349)	(560,000)
Amortization Capitalized Deferred interest			79,969	16,651
			<u>397,716,198</u>	<u>397,322,066</u>

On 15 October 2013, the Company has issued its EUR 400,000,000 4.750% fixed rate Notes under the EUR 5,000,000,000 Euro Medium Term Programme due 16 October 2020 (the "Notes") at a price equal to 99.86% of the aggregate nominal amount of the Notes which resulted in a discount of EUR 560,000. The charges fees concerning the Note issued were 0.55% (EUR 2,200,000) of the aggregate nominal amount. The issued Notes bears a fixed interest rate of 4.75% per annum. The interest is payable on 16 October, commencing 16 October 2014. The issued Notes will mature on 16 October 2020. The Notes issued by the Company will not be guaranteed by REN SGPS but the Company has the benefit of the Keep Well Agreement executed by REN SGPS. Finally, costs related to the note issuance are amortised over the term of the note in accordance with the effective interest rate method.

The fair value of the issued Notes is:

	Maturity date	31-Dec-14	31-Dec-13
		EUR	EUR
Notes placed at price:			
99.86% - tranche 1	16-Oct-20	457,812,000	415,628,000

The market values of the issued Notes are obtained from Bloomberg using BGN as the pricing source.

Market (interest) risk:

The interest is fixed and, therefore, change in market interest will not affect any income or expense.

20. Taxation
Specification:

	31-Dec-14	31-Dec-13
	EUR	EUR
Wage Tax		
2013 CIT	2,635	127
2014 CIT	-	29,607
2014 CTT	880,968	-
VAT	27,134	175,182
	<u>910,737</u>	<u>204,916</u>

21. Short-term borrowings (Loans)
Specification:

	31-Dec-14	31-Dec-13
	EUR	EUR
Loan received from CDB (short term)		
	11,250,000	-
	<u>11,250,000</u>	<u>0</u>

More details about this loan can be found under Note 18.

22. Accrued interest
Specification:

	31-Dec-14	31-Dec-13
	EUR	EUR
Payable interest on Loan received from CDB	48,850	998
Payable interest on Loan received from ICBC	264,225	169,767
Payable interest on Loan received from BOC	14,809	-
Payable interest Note issued	4,008,219	3,956,164
	<u>4,336,103</u>	<u>4,126,929</u>

23. Intercompany payables
Specification:

	31-Dec-14	31-Dec-13
	EUR	EUR
Payable withholding tax to REN SGPS	3,430,142	71,541
Payable recharged invoices by SGPS	116,249	-
	<u>3,546,391</u>	<u>71,541</u>

24. Other liabilities and accrued expenses
Specification:

	31-Dec-14	31-Dec-13
	EUR	EUR
Payable commitment fee to ICBC	50,750	58,583
Payable commitment fee to BOC	145,666	-
Tax advisor fees	10,391	-
Audit fees	26,620	22,000
Law firm fees	-	133,299
Administration fees	35,966	76,506
Notary fee	-	5,393
Other expenses	10	4,022
Salary	-	252
Performance bonus	3,000	-
	<u>272,404</u>	<u>300,056</u>

25. Contingent liabilities

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

26. Related-party transactions

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

During the year, there were various related party transactions between the Company and its Shareholder, REN SGPS. The related party transactions are disclosed under Note 6, 9, 11, 13, 14, 15, 16 and 23.

Intertrust (Netherlands) B.V. provides administrative services to the Company. During the year, Intertrust (Netherlands) B.V. charged EUR 35,966 (2013: 76,506) for administrative services.

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

27. Personnel

The Company has one employee and hence incurred wages, salaries and related social security charges during 2014.

28. Directors

The Board of Managing Directors consists of:

Mr. R. Posthumus

Mr. P.M. Blöte

Mr. N.M. da Silva Alves do Rosario

Mr. G.J. Figueira Morais Soares

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

29. Approval of the financial statements

The financial statements were approved by the Board of Managing Directors and authorized for issue on 25 February 2015.

Board of Managing Directors:

Amsterdam, 25 February 2015

Mr. R. Posthumus (appointed as per 30 December 2014)

Mr. P.M. Blöte (appointed as per 15 December 2014)


Mr. N.M. da Silva Alves do Rosario


Mr. G.J. Figueira Morais Soares

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Amsterdam

Other Information

Independent auditor's report

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

Statutory rules concerning appropriation of the profit

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

Proposed appropriation of the profit

Management proposes to add the net profit for the year 2014 amounting to EUR 2,682,905 (2013: 118,428) to the retained earnings.

Post balance sheet event

On 12 February 2015, the Company has issued its EUR 300,000,000 2.50% fixed rate Notes, due 12 February 2025, under the EUR 5,000,000,000 Euro Medium Term Programme (the "Programme") (the "Notes") at a price equal to 100% of the aggregate nominal amount of the Notes. Both the Company and REN SGPS act as issuer under the programme. The issued Notes bear a fixed interest rate of 2.50% per annum. The interest is payable on 12 February, commencing 12 February 2016. The issued Notes will mature on 12 February 2025. The Notes issued by the Company will not be guaranteed by REN SGPS. The Company has the benefit of the Keep Well Agreement executed by REN SGPS.

The proceeds of the Issued Notes were used to subscribe Internal Notes issued by REN SGPS according to the EUR 300,000,000 Subscription Agreement between the Company (Sole Subscriber) and REN SGPS (Issuer). The internal subscribed Notes bears an interest rate of 3.0089% per annum. The interest is receivable on 12 February, commencing 12 February 2015. The subscribed Notes will mature on 12 February 2025.

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Independent auditor's report

To: the Shareholders of REN Finance B.V.

Report on the Audit of the Financial Statements 2014

Our Opinion

We have audited the accompanying financial statements 2014 of REN Finance B.V. (the Company), based in Amsterdam.

In our opinion, the company financial statements give a true and fair view of the financial position of REN Finance B.V. as at December 31, 2014, and of its result and its cash flows for 2014 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The company financial statements comprise:

1. The company statement of financial position as at December 31, 2014.
2. The following statements for 2014: statements of comprehensive income, changes in equity and cash flows for the year then ended.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our Opinion

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

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

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

Materiality

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

Based on our professional judgment we determined the materiality for the financial statements as a whole at EUR 6,300,000. The materiality is based on 1% of the loans issued to group companies. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Board of Directors that misstatements in excess of EUR 315,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Our Key Audit Matters

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

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

Key Audit Matter

The risk associated with the possible impairment of the receivables on the (ultimate) parent company, which are measured against amortized cost, and the disclosure of the fair value of these receivables. Reference is made to note 13, 14 and 15 of the financial statements of REN Finance B.V. as per December 31, 2014.

Response

We obtained information from the group auditor, and based on the information received we evaluated the impairment analysis of management. For the fair value disclosures we challenged management assumptions used.

Based on the work performed, as mentioned above, we observed that the impairment analysis for these receivables is appropriate. We also determined that the disclosure of the fair value in relation to these receivables is appropriate.

Responsibilities of the Directors for the Financial Statements

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

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

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

Our Responsibilities for the Audit of the Financial Statements

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

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

Report on other legal and regulatory requirements

Report on the management board report and the other information

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

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



Engagement

We were engaged by the Board of Directors as auditor of REN Finance B.V. for 2014 on December 1, 2014, and we have been the auditor of REN Finance B.V. as of year 2013.

Amsterdam, February 25, 2015

Deloitte Accountants B.V.

A handwritten signature in blue ink, appearing to be "A.J. Kernkamp", written over a horizontal line.

A.J. Kernkamp

Appendix A

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

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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