

15

ANNUAL REPORT
AND ACCOUNTS 2015

cmip

ACRONYMS:

OMI

OMI – Operador do Mercado Ibérico

OMIP

OMIP – Pólo Português, S.G.M.R., S.A.

OMIClear

OMIClear, C.C., S.A.

OMIE

OMI – Polo Español, S.A.

OMIP SGPS

OMIP – Operador do Mercado Ibérico (Portugal), SGPS, S.A.

OMEL

Operador del Mercado Iberico de Energía, Polo Español, S.A.

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MESSAGE FROM THE CHAIRMAN

2015 was a particularly difficult year for the activity of OMIP.

The alleviation of the financial and economic crisis, price stability in a substantial part of the year, the fact that some banks and investment funds withdrew from commodities markets, and the uncertainties linked to the new MiFID II/MiFIR legislation, together contributed much to a waning of the MIBEL Derivatives Market participants' interest and to the decline in trading and hedging. As a result of this, there was a substantial drop in offset volumes, reversing the growth trend seen in the four previous years.

The numbers speak for themselves: while the total energy demand in the Iberian Peninsula dropped about 0.84 % to 289.8 TWh, the volume traded through the exchange fell by about 43.5 % to 29.85 TWh. Comparatively, note that the OTC market, according to CNMC data, reached 139.96 TWh, making for a reduction of 49.2 % compared to 2014 (275.45 TWh).

With its core business strongly affected, OMIP continued to aim high and diversify its activities, and was thus able to finish the year with a positive net result.

In 2015, we continued with our strategy to expand the portfolio of products available to market participants, and were finally able to list for continuous trading the day-ahead contracts with financial settlement. The German and French instruments were less fortunate, as after nearly a year they are still awaiting to be registered with CMVM. Notwithstanding the above, we also intend to list the Italian and natural gas contracts for trading and registration of bilateral operations, thereby giving a major boost to the development of the Iberian gas market.

Together with the strategy above and the high level of service always provided to market participants, OMIP looks forward with the trust and courage needed to face the challenges ahead, in particular the fierce increase in competition. The increasing volatility in the prices of the major commodities, seen since December 2015, gave the necessary impetus for the traded volumes in early 2016 to be frankly encouraging; however, we should not conclude that the pace will continue in the future.

Our strategy will therefore be one to continue to diversify in order to mitigate risks that are beyond our control, and to maintain a very tight cost structure, yet flexible enough to efficiently respond to any opportunity.

We should not like to end this message without recognising and thanking the OMIP team for their excellent work in these hard times, and to express our thanks to all the shareholders for their constant support and trust.

Lisbon, 15 March 2016

Pedro Jesus Mejía Gómez
Chairman of the Board of Directors

José Isidoro d'Oliveira Carvalho Netto
Deputy Chairman of the Board

A large, light gray, three-dimensional looking number '02' with a subtle drop shadow, centered on the page.

Y E A R 2 0 1 5

2.1 Framework

The Iberian Electricity Market (MIBEL), a joint venture of the governments of the Republic of Portugal and the Kingdom of Spain, aims to build a regional market that is consistent with and a facilitator of a much broader market: the Internal Energy Market.

Both countries designated OMIP as the managing entity of the futures markets, alongside OMIE, to which the management of the daily and intra-day market sessions was assigned.

It is in this capacity that OMIP, founded in June 2003, manages MIBEL's Derivatives Market together with OMIClear, founded in April 2004, and which functions as Central Counterparty for market transactions.

OMIP and OMIClear function under Portuguese legislation and are, under this scope, recognised respectively as operator of the regulated market and as Central Counterparty, both registered with *CMVM - Comissão do Mercado de Valores Mobiliários*, the Portuguese Securities Market Commission).

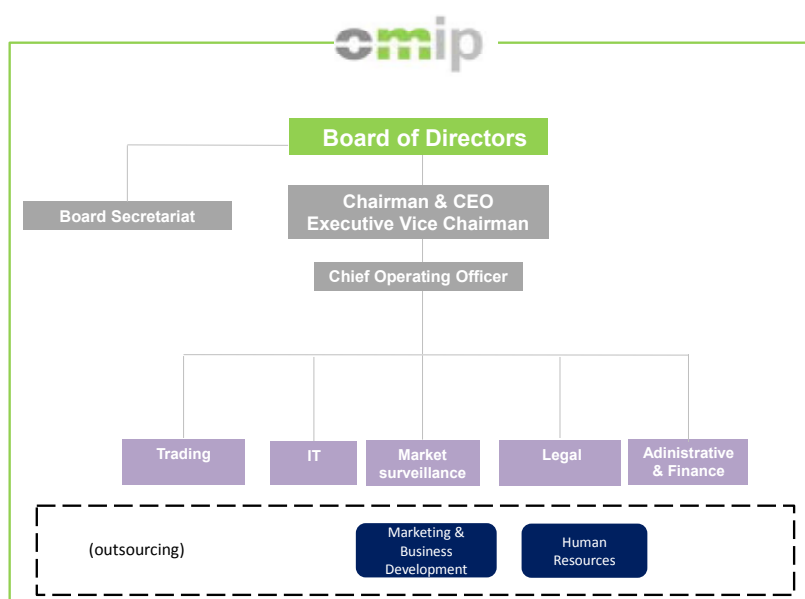
In accordance with the International Agreement of Santiago, MIBEL's supervision is the responsibility of a Board of Regulators comprised of regulators from the financial sector (CMVM and *Comisión Nacional del Mercado de Valores*) and from the energy sector (*Entidade Reguladora dos Serviços Energéticos* and *Comisión Nacional de los Mercados y la Competencia*) of both countries.

2.2 Organisational structure

OMIP's organisational structure is designed so as to ensure the regular and effective market operation and, at the same time, to resolve all inquiries received from participants, supervisory authorities and the general public.

In addition to its own resources, agreements were concluded with other OMI group companies concerning the provision of services, which, to the extent provided for in the law, enables the better allocation and management of available human resources.

Figure 1 OMIP's operational structure



On 31 December 2015, the company had 12 staff (four female and eight male), plus the Chairman and Deputy Chairman of the Board of Directors, as members with executive duties.

2.3 OMI

In 2011, OMI's final corporate structure was implemented, as provided for in Article 4 of the International Agreement of Santiago, revised and amended by the Braga Agreement, which states that OMI "shall comprise two holding companies, with head-office in Portugal and Spain respectively, with cross-shareholdings of 10 % and where both companies will hold 50 % of each of the market managing companies ...". Figure 2 illustrates the agreed model.

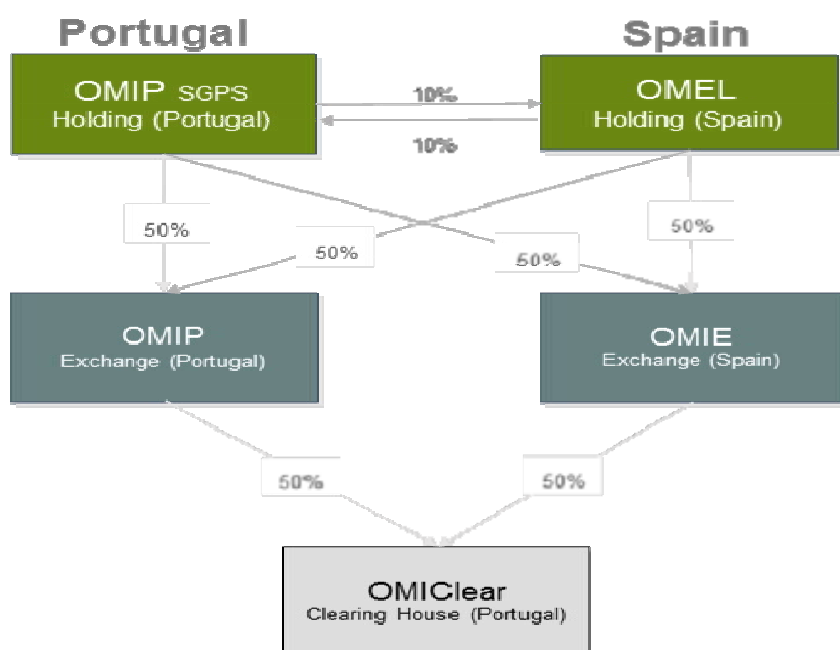
In this context, on 18 October 2011 the holding companies OMIP SGPS and OMEL became shareholders in the equity capital of the market managing companies OMIP and OMIE. Moreover, as previously envisaged, the corporate governance model was implemented, consisting of a Board of Directors common to both market managing companies, OMIP and OMIE.

On 12 September 2013, OMIE became part of OMIClear's shareholding structure through capital increase, thus completing OMI's model laid down in the International Agreement.

Both 2014 and 2015 were years of consolidation and internal reorganisations with the purpose of adapting to prudential organisational and risk management requirements applicable to OMIClear's activity, a situation that also impacted on OMIP.

For 2016, the main objectives and challenges involve the strengthening of the integration within the OMI Group so as to create synergies for business development.

Figure 2 OMI's organisational chart



The year 2015 represented the ninth complete year of activity in the fulfilment of the functions entrusted to the Portuguese division of the Iberian Electricity Market Operator.

03

DEVELOPMENT IN THE
MIBEL'S DERIVATIVES MARKET

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In line with the OTC negotiation, traded volumes in the MIBEL Derivatives Market plummeted in 2015.

A number of factors played a part in this drop: the development of the economic and financial situations, the stabilisation of market prices, the refocusing of activity by credit institutions and investment funds, among other. This had an impact on the negotiation strategies and hedging of market participants.

As noted in 2015, traded volumes dropped 43.5 % compared to 2014. The continuous trading volume reached 29.85 TWh, compared to 52.86 TWh in 2014, while electrical energy consumption in the Iberian Peninsula dropped 1.06 % in Portugal and increased a mere 0.31% in Spain compared to 2014, totaling an overall drop of 0.84 % in the Iberian Peninsula.

Figure 3 Electricity consumption in the Iberian Peninsula (GWh)

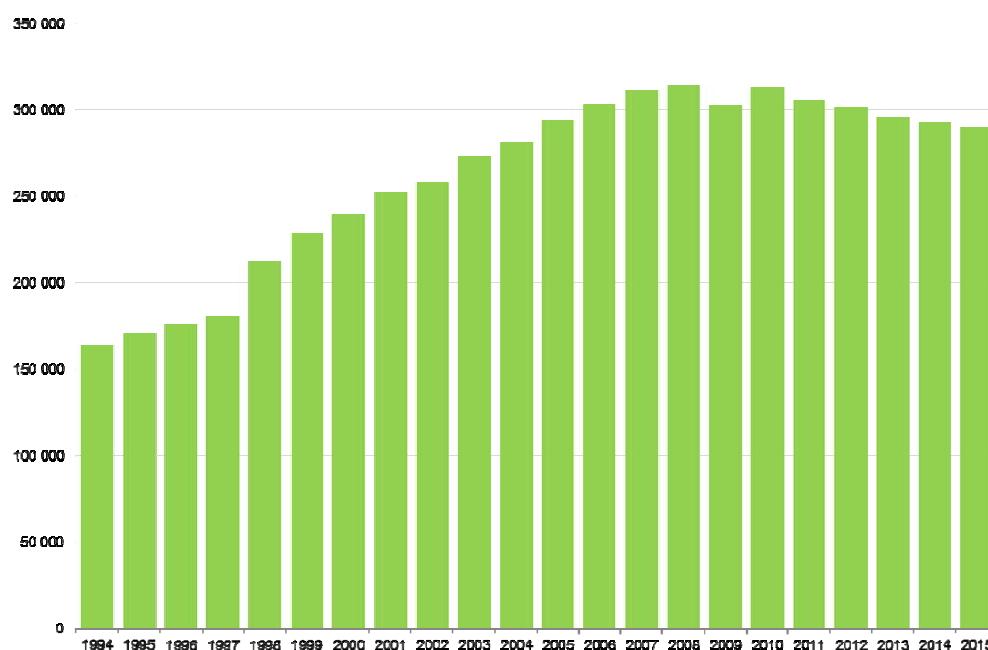


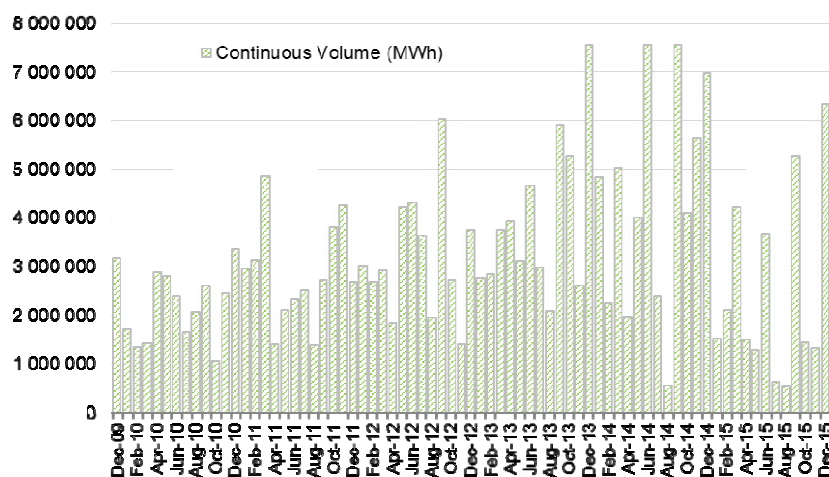
Table 1 Main activity indicators

	2015	2014
Traded volume (TWh)	30	53
Notional traded volume (M€)	1 003	2 037
Number of participants	63	60

Regarding the number of participants, and as shown in detail below, in 2015 the market saw a slight growth, with three new trading members admitted.

As regards traded volumes, Figure 4 shows that the months of September and December were clearly higher than the rest. Note also that, on average, about 2.49 TWh were traded each month compared to 4.41 TWh in 2014.

Figure 4 Volume of energy traded on the market (MWh)



The analysis of volumes traded every year shows a downturn in the growth trend compared to the previous four years, and the values for 2015 are between those recorded in 2010 and 2011.

Figure 5 Annual volume traded on the market (TWh)

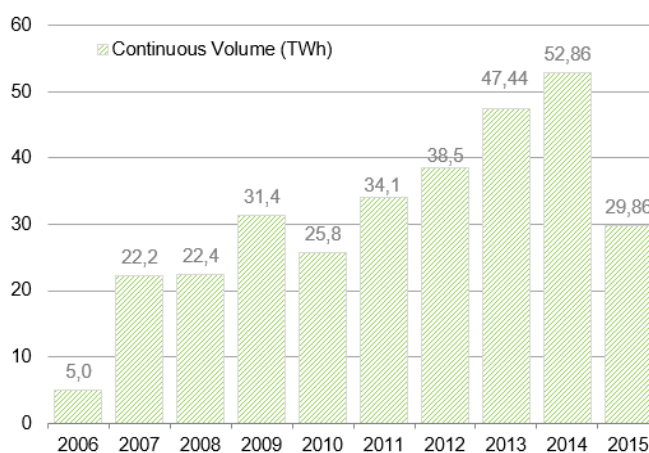
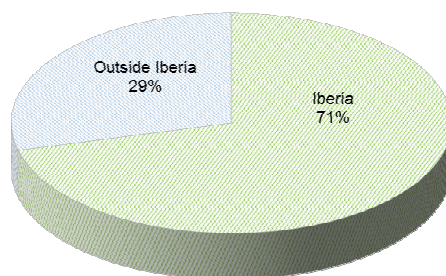


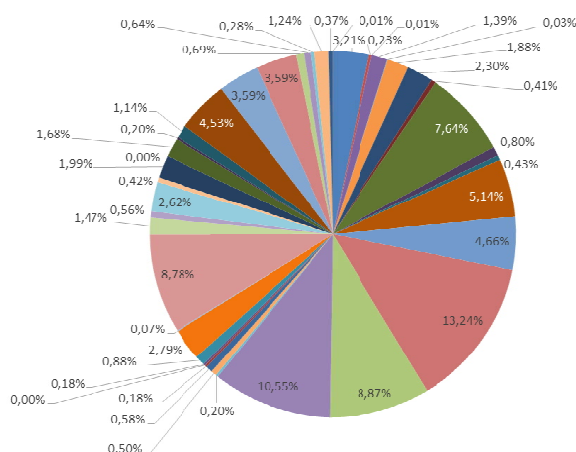
Figure 6 shows that 71% of the total volume was traded by companies domiciled in the Iberian Peninsula, a percentage much higher than that in 2014 (57 %). Attention should be drawn to the fact that this percentage is due to the sharp decline in the values traded by companies established outside the Iberian Peninsula.

Figure 6 Market share according to the location of the trading member



The distribution of market share among all trading members in 2015 (see figure 7) is similar to last year's, where the volume continues to be distributed amongst the different market members, the three most active ones of which represent 32.66 % (33.5 % in 2014) of total volume traded. This indicator should be highlighted as it confirms that the electricity market in the Iberian Peninsula is still competitive.

Figure 7 Market share by trading member



As regards contracts listed for trading, and in terms of equivalent energy, the quarterly contracts were once again the most traded, with about 48 % of the total portfolio available at OMIP, as shown in Figure 8, followed by the annual and monthly contracts. Short term maturity financial instruments recorded an increase in the number of transactions, especially the weekly and daily contracts, the latter because the Day-Ahead contracts were available for continuous trading since 2 September 2015.

Figure 8 Share of traded volume for each type of contract in 2015

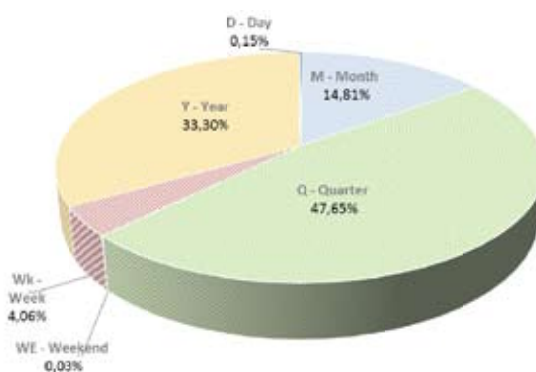


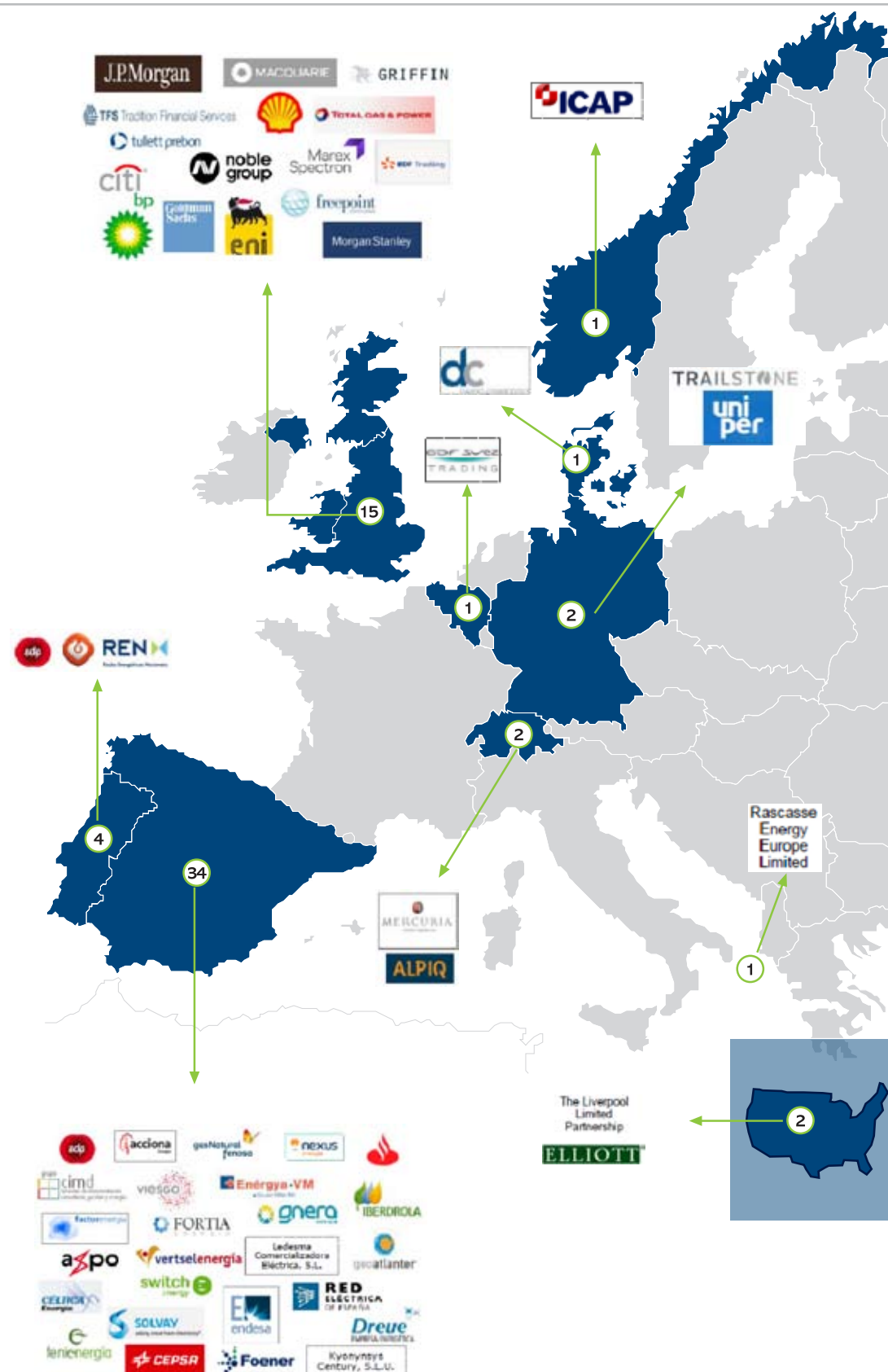
Table 2 lists all the OMIP members, as at 31 December 2015, indicating the trading members for their own account (OA), trading member for third party accounts (TPA) and OTC brokers.

Table 2 MIBEL Derivatives Market members

Membros 2015	Trading Member (OA)	Trading Member (TPA)	OTC Broker
Acciona Green Energy Developments, S.L.			
Alpiq AG			
AXPO Iberia, S.L.			
Banco Santander, S.A.			
BP Gas Marketing Limited			
Céltica Energía, S.L.			
Cepsa Gas y Electricidad, S.A.			
CIMD - Corretaje e Información Monetaria y de Divisas, S. V., S.A.			
Citigroup Global Markets Ltd.			
Membro Não Divulgado			
Danske Commodities, A/S			
Dreue Electric, S.L.			
EDF Trading Markets Limited			
EDP - Energias de Portugal, S.A.			
EDP - Serviço Universal, S.A.			
EDP Comercializadora de Último Recurso, S.A.			
Elliot International, L.P.			
Endesa Energía XXI, S.L.			
Endesa Generación, S.A.			
Enérgya VM Gestión de Energía, S.L.U.			
Eni Trading & Shipping S.p.A.			
Factor Energía, S.A.			
Fenie Energía S.A.			
Foener Comercialización, S.L.U.			
Fortia Energía, S.L.			
Fortia Energía Servicios S.L.			
Freepoint Commodities Europe LLP			
Galp Power, S.A.			
Gás Natural SUR SDG, S.A.			
Gás Natural SDG, S.A.			
GDF Suez Trading, S.A.S.			
GeoAtlante S.L.			
Gnera Energía y Tecnología, S.L.			
Goldman Sachs International			
Griffin Markets			
Hidroeléctrica del Cantábrico, S.A.			
Iberdrola Comercialización de Último Recurso, S.A.U.			
Iberdrola Generación, S.A.U.			
Iberdrola Generación España, S.A.U.			
ICAP Energy, AS			
J.P. Morgan Securities, plc			
Kyonynsys Century S.L.U.			
Ledesma Comercializadora Eléctrica, S.L.			
Macquarie Bank Limited			
Mercuria Energy Trading, S.A.			
Morgan Stanley & Co. International plc.			
Nexus Energía, S.A.			
Noble Clean Fuels Limited			
Rascasse Energy Europe Limited			
Red Eléctrica de España, S.A.			
REN - Rede Eléctrica Nacional, S.A.			
Shell Energy Europe Ltd.			
Solvay Energy Services Ibérica S.L.			
Spectron Energy Services			
Switch Energy, S.L.			
The Liverpool Limited Partnership			
Total Gas & Power Ltd.			
Tradition Financial Services Derivatives Ltd.			
Tradition Financial Services Ltd.			
TrailStone GmbH			
Tullett Prebon (Europe) Limited			
Tullett Prebon (Securities) Limited			
Uniper Global Commodities SE			
Vertsel Energía, S.L.U.			
Viesgo Comercializadora de Referencia, S.L.			
Viesgo Generación, S.L.			
Viesgo Renovables, S.L.			

The geographical distribution of members, in Figure 9, shows two distinct and highly representative divisions. One is in the Iberian Peninsula (Spain, in particular), where companies with assets and stakes in the production and sale of electricity stand out, and the other is in the United Kingdom, mostly involving financial institutions – banks and investment funds.

Figure 9 Origin of members (December 2015)



As at 31 December 2015, the MIBEL Derivatives Market consisted of 58 AO members (Own Account), eight TPA (Third Party Account) members and six OTC brokers, as shown in Table 3.

In the OA group of trading members, Iberian members prevail, whereas in the TPA members and OTC brokers the majority continue to be from outside the Iberian Peninsula.

As a result of the marketing effort in 2015, the following companies were admitted as trading members: Noble Clean Fuels Limited (15 April); BP Gas Marketing Limited (17 June); Ledesma Comercializadora Eléctrica, S.L. (13 July); Viesgo Renovables, S.L. (14 October), and Alpiq, AG (22 October).

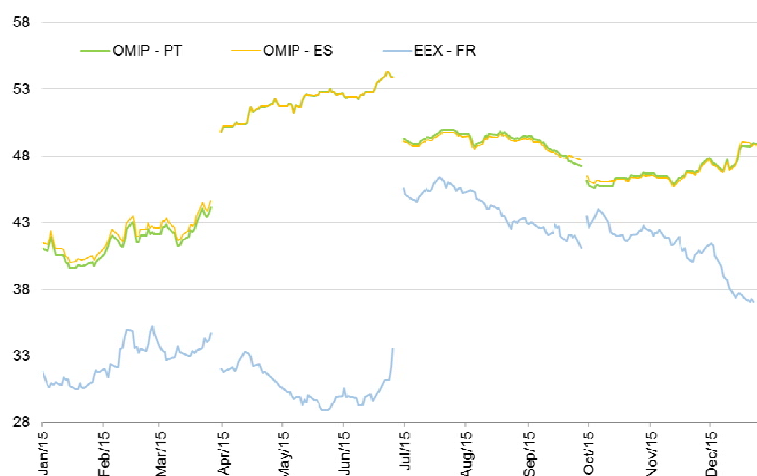
Table 3 Members at the end of 2015

Country	Trading Member Dealer	Trading Member Broker	OTC Broker
Spain	33	2	1
Portugal	4	0	0
United Kingdom	12	4	4
Germany	2	0	0
Norway	0	1	1
USA	2	0	0
Belgium	1	0	0
Denmark	1	0	0
Malta	1	0	0
Switzerland	2	0	0
Total	58	7	6
Iberian	37	2	1
Non-Iberian	20	5	5

In terms of price rates relating to the first-quarter contracts of the two MIBEL zones listed for trading, as shown in Figure 10, the seasonal nature that characterises the Iberian Peninsula is evident. This is even more striking when compared to the French market, which is far more sensitive to consumption issues and technology at their production plants.

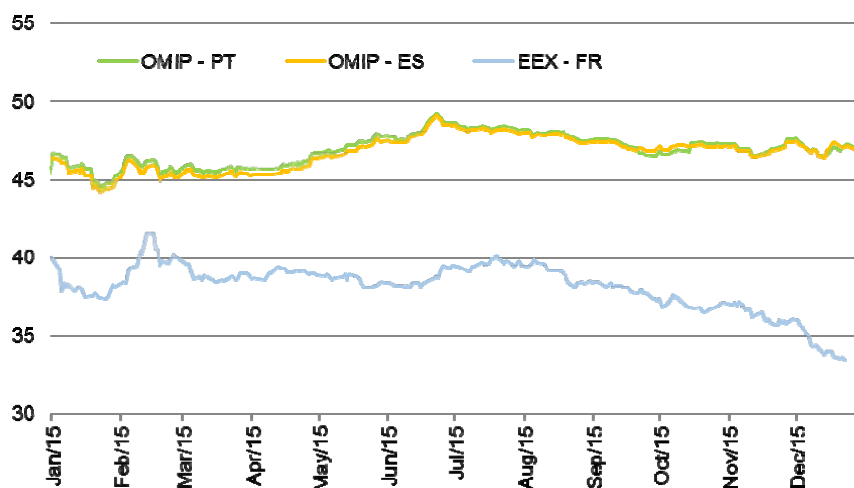
During the course of 2015, the quarterly contracts reached their maximum values on 23 June for the Portuguese zone, at a price of 54.35 EUR/MWh, and on the same day for the Spanish zone, at a price of 54.35 EUR/MWh.

Figure 10 Evolution of price rates for first-quarter trading contracts (EUR/MWh)



The annual contracts (cfr. Figure 11) show that the stable trend continues – Portuguese and Spanish prices ranging between 44 and 52 EUR/MWh. Even so, the maximum prices were recorded on 23 June, at 49.13 EUR/MWh in Spain, and on the same day in Portugal at 49.28 EUR/MWh. The price difference for the French market was no longer stable from the second half-year, showing a successive decline in market prices.

Figure 11 Evolution of price rates for the first annual trading contract (EUR/MWh)



The Table below summarises some of the major events that marked 2015.

Table 4 Summary of 2015

Date	Event
1 January	Axpo Energía Iberia (quarterly and annually) and EDF Trading Limited (monthly) are announced as market makers to develop activities throughout 2015.
12 March	23 rd Trading and Products Committee meeting, in London.
19 March	OMIP successfully carried out the sixth auction of financial contracts for capacity rights in the interconnection Portugal – Spain. The 600 MW of capacity offered for sale (300 MW in each direction of the interconnection) for the 2Q 2015, were purchased at a price of 0.07 EUR/MWh for the direction Portugal-Spain, and at a price of 0.03 EUR/MWh for the direction Spain-Portugal; and 100 MW of capacity for the 3Q 2015, at a price of 0.03 EUR/MWh (S-P) and 0.05 EUR/MWh (P-S).
24 March	The fourteenth Special Regime Placement Auction for delivery in the Portuguese MIBEL market, with an energy equivalent to 878 400 MWh. Closing prices were of 43.65 EUR/MWh for the 2Q 2015 and 49.75 EUR/MWh for the 3Q 2015.
23 April	Introduction of a new feature in the options trading system, which allows the inclusion of a Boolean statement to distinguish the delta hedging of businesses.
9 June	OMIP successfully carried out the seventh auction of financial contracts for capacity rights in the interconnection Portugal – Spain. The 400 MW of capacity offered for sale in each direction (200 MW each) of the interconnection for the 3Q 2015 were purchased at a price of 0.04 EUR/MWh for the direction Portugal-Spain, and at a price of 0.02 EUR/MWh for the direction Spain-Portugal; and also the 100 MW of capacity offered for the 4Q 2015, at a price of 0.06 EUR/MWh (S-P) and at 0.12 EUR/MWh (P-S).
19 June	27 th Trading and Products Committee meeting, in Lisbon.

Date	Event
24 June	The fifteenth Special Regime Placement Auction for delivery in the Portuguese MIBEL market, with an energy equivalent to 1 542 200 MWh. Closing prices were of 54.15 EUR/MWh for the 3Q 2015; 49.10 EUR/MWh for the 4Q 2015, and 48.65 EUR/MWh for the 2016 contract.
1 September	Extension of the trading session closing time by thirty more minutes, trading being thus allowed up to 17:00 CET.
2 September	Launch of continuous trading in day ahead contracts with financial delivery.
14 September	Launch of Mini Swap SPEL Solar and Mini SWAP PTEL contracts.
17 September	The sixteenth Special Regime Placement Auction for delivery in the Portuguese MIBEL market, with an energy equivalent to 1 756 800 MWh. Closing prices were of 47.45 EUR/MWh for the 4Q 2015; 45.70 EUR/MWh for the 1Q 2016 and 46.57 EUR/MWh for the 2016 contract.
22 September	OMIP successfully carried out the eighth auction of financial contracts for capacity rights in the interconnection Portugal – Spain. The 400 MW of capacity offered for sale in each direction (200 MW each) of the interconnection for the 4Q 2015, at a price of 0.05 EUR/MWh for the direction Portugal-Spain, and at a price of 0.01 EUR/MWh for the direction Spain-Portugal; and also the 100 MW of capacity offered for the 1Q 2016, at a price of 0.02 EUR/MWh (S-P) and at 0.07 EUR/MWh (P-S); and 100 MW for the 2016 contract, for each direction, at a price of 0.01 EUR/MWh (S-P) and at 0.05 EUR/MWh (P-S).
29 September	OMIP successfully carried out the first auction of a product indexed to solar production. 12 000 contracts for the Mini Swap Solar product were auctioned for the 4Q 2015, corresponding to an energy volume of 333 024 MWh. Twelve members qualified for this auction, and volumes were assigned to six agents. The balance price was of 51.94 EUR/MWh.
25 November	28 th Clearing and Settlement Committee meeting, in Barcelona.
25 November	The OMI Group was Platinum-level sponsor of the EMART Energy 2015 event in Barcelona, the largest energy e-commerce fair in Europe.
10 December	OMIP successfully carried out the ninth auction of financial contracts for capacity rights in the interconnection Portugal – Spain. The 800 MW of capacity offered for sale in each direction (400 MW each) of the interconnection for the 1Q 2016 were purchased at a price of 0.09 EUR/MW for the direction Portugal-Spain, and at a price of 0.06 EUR/MW for the direction Spain-Portugal; and also the 200 MW of capacity offered for the 2016 contract, at a price of 0.05 EUR/MW (S-P) and 0.1 EUR/MW (P-S).
15 December	The seventeenth Special Regime Placement Auction for delivery in the Portuguese MIBEL market, with an energy equivalent to 1 532 200 MWh. Closing prices were of 47.60 EUR/MWh for the 1Q 2016; 43.40 EUR/MWh for the 2Q 2016, and 46.50 EUR/MWh for the 2016 contract.
17 December	OMIP concludes the second solar auction, which was, however, cancelled due to a member's error.

04

INFORMATION SYSTEMS

In 2015, work in the field of information systems focused on three essential components: (i) the management of contracts with external suppliers, business applications, internal applications, and the hosting of systems and infrastructures which support the company's activities; (ii) the design, specification and implementation of new solutions and features, and improvements to software applications in use; and (iii) the continued development and maintenance of the business continuity plan and information security system.

The first case includes the commercial and technical management (new versions, incident management, etc.) of systems and services related with market trading and other activities provided by OMIP, such as:

- > Hosting of the trading platform, auction platforms, corporate website and other internal use applications;
- > Trading system (Trayport ETS);
- > Application for OMIPlus-A Clock Auctions to support the auctions of special regime generation, auctions of financial rights on the interconnection capacity (FTR), and also auctions of gas capacity usage rights (DUCg);
- > Application for SMRA auctions (Simultaneous Multiple Round Ascending) to handle the bidding process of the UKE (Polish telecommunications regulatory authority) frequency spectrum;
- > Application for monitoring market makers' activities;
- > Application for the management of the change in natural gas suppliers in Portugal (e_Switch);
- > Company website (www.omip.eu);
- > File system for gathering market information (FTP);
- > Internal document management system;
- > Internal accounting and invoicing system;
- > Internal platforms for the management of infrastructures, such as the backup platform, the services and network assets monitoring platform, and the Helpdesk platform;
- > Management of telecommunication service supplier contracts, namely the voice service contract and mobile and fixed data services;
- > Maintenance of telecommunication equipment, in particular the router/firewall that supports data communication and the telephone switchboard system which guarantees the company's voice communications.

With regard to new developments, we highlight the following features as being the most important:

- a) In-house developments:
 - (i) Installation of a platform for reporting information to the ACER, under the REMIT European regulation, the first phase of which came into force on 7 October 2015;
 - (ii) Restructuring of the application for disseminating OMIP information (FTP);
- b) Specification and implementation of features using external suppliers:
 - (i) Review of current flows in line with the revision of the rules issued by ERSE on the e_Switch platform (Group 1 and 1b of Phase 1).

Finally, we highlight the continuation of the Disaster Recovery plan, in terms of both the application and of human resources. Several policies were prepared for the security management system, which support the company's information security risk management system.

05

OTHER ACTIVITIES

5.1 Special regime production placement auctions

The terms and conditions governing the special regime production placement auctions, published in an annex to Directive 5/2011 of ERSE (the Energy Services Regulatory Authority), of 24 November, define OMIP as the entity responsible for organising auctions. This is a regulated mechanism for the sale of electricity production by EDP - Serviço Universal, S.A., within its function as Last Resort Supplier, which involves the auctioning of futures contracts with delivery in the Portuguese zone of the Iberian Electricity Market (MIBEL). The above Directive establishes that auctions follow the Clock auction model. For the purpose, OMIP decided to include these auctions as part of the MIBEL Derivatives Market, running them during the course of a special trading session. Four auctions were held in 2015, with all the contracts offered for sale by the Last Resort Supplier being sold.

5.2 Auction of capacity in the electrical interconnection between Portugal and Spain

Following the standardization work done by MIBEL's Board of Regulators, energy sector regulators, ERSE and CNMC, set up a mechanism for the concerted management of the interconnection Portugal-Spain, based on the auctioning of financial contracts for capacity rights (internationally designated as Financial Transmission rights - FTR), which allow electricity suppliers to safeguard themselves against the risk of price differences between Portugal and Spain, in both directions of the interconnection. It was decided that auctions would be integrated into MIBEL and carried out on OMIP's trading platform. Four auctions were held in 2015, in which both directions of the interconnection were negotiated.

5.3 Auctioning of the new product indexed to solar capability indexes

OMIP also began to offer auctioner services on a quarterly sales auction, open to any agent that meets the requirements of the solar energy production in Spain, where Endesa acts as counterparty and contracting buyer through descending-price auction rounds. The auction focuses on products listed for trading at OMIP – SPEL Solar Product (Solar Zone IV) with financial clearing and settlement at OMIClear. Two auctions were held in 2015.

5.4 Multiband spectrum auction in Poland

The auction for the granting of rights of access to radio frequencies in the 800MHz and 2.6GHz bands, in Poland, was formally initiated on 30 December 2013. However, because of legal problems raised by some entities the initial process was cancelled and later resumed, therefore the first round began on 10 February 2015. Before its operational start-up, OMIP provided full support to UKE (Regulator) in preparing the auction, by setting up training actions (with UKE and other agents) and running a series of trial auctions with each auction member. The auction ran for 116 days, ending on 16 October, fetching a total of 9.23 billion PLN (about 2.1 billion EUR), and representing a growth of 477% compared to the auction start prices. Throughout the 116 days of the auction, the commitment and the constant support given by OMIP's team of experts was essential to the successful conclusion of this project, later recognised by UKE's Chairman UKE, Magdalena Gaj. Once the project was concluded, it became clear that OMIP was quite capable of planning, organising and developing projects related to radiofrequency auctions, as had been shown in a similar auction held in Portugal and promoted by Anacom.

5.5 Capacity rights of use (gas)

Natural gas requires complex network and terminal infrastructures where energy flows occur associated with its transport, as well as the centralised management of the systems thus built. As such, for the markets to work properly, the calculation of the allocation and the technical and economic management of the rights of those capacities (DUCg) are of utmost importance.

In this sense, OMIP was contacted by REN – Gasodutos, S.A. in 2013 aiming to work towards the operationalisation of the new capacity allocation mechanisms in the various infrastructures of the National LNG Transpot, Storage and Infrastructure and Terminal Network (RNTIAT), exploring the concept of ex-ante contracting of Capacity Rights of Use (DUC) in the natural gas infrastructures, in primary issuance and on a secondary market. In accordance with Article 33 of the Regulation on Access to Networks, Infrastructures and Interconnections of the natural gas sector (RARI), objective, transparent and non-discriminatory mechanisms based on market criteria should be used to give adequate economic signs to market agents involved and to comply with other principles laid down in Regulation (EU) 715/2009, of 13 July. The Regulation also provides for the use of products and rules for capacity allocation consistent and in harmony with the practices advocated by the Commission at European level, in particular the European Grid Code for allocating capacity of infrastructures. Since September 2013, OMIP has provided the following services to REN in this area (DUCg): active participation in the initial solution design and installation, in close cooperation with REN, ensuring thereon all activities and functions concerned, in particular agent training, setup and availability of technological platforms, as well as the operation of the primary and secondary markets.

In 2014 and 2015, OMIP has continued to ensure the above functions.

5.6 Development of the GPMC Project

OMIP continued to ensure the operational management of e_Switch, the IT platform it has developed to support in a quick, transparent and secure manner requests for supplier change in the gas market in Portugal, as a result of the agreement with REN – Gasodutos, S.A., the entity designated by ERSE to be responsible for the facilitation procedure of changing supplier in the natural gas market. In 2015, the following improvements were introduced in connection with the first group of the first phase for the installation of new changing supplier procedures in the natural gas sector: new B2 processes (change of supplier), D11 (change of contract holder), B5 and B6 (change Cancellation by the new supplier and outgoing supplier, respectively), which profoundly changed the existing processes.



P R O S P E C T S F O R 2 0 1 6

PROSPECTS FOR 2016

2016 has again thrown up major challenges for OMIP.

At institutional level, because their integration in the OMI contexts needs to be furthered urgently, providing a number of comparative advantages vis-à-vis its competitors.

As regards business development, we expect:

- > To maintain the same registered volumes as in 2015;
- > An increase in the number of market participants;
- > The expansion of the portfolio of products listed for trading and registration and the registration of bilateral operations, futures contracts on electricity in Germany, France and Italy, and futures contracts on natural gas in the Iberian Peninsula;
- > To continue organising auctions of financial rights for capacity in the interconnection Portugal-Spain;
- > To continue organising special regime production placement auctions for the Portuguese MIBEL zone;
- > Ensure the high level of service that has been provided to market participants, including the development of new solutions and functionalities specifically requested by these participants, for e.g., the Solar auction;
- > Preserve the recognition and reputation of OMIP as a reference exchange.

OMIP will therefore continue to operate with high standards of efficiency and innovation, seeking to meet the growing needs of its members and the requirements of the business sector in which the company operates.

In terms of international cooperation, OMIP will continue to participate actively in the activities undertaken by the various international bodies of which it is a member.



PROPOSED APPROPRIATION
OF PROFITS

PROPOSED APPROPRIATION OF PROFITS

The Board of Directors, under the terms and for the purposes of Article 25 of the Company Statutes, decided to propose that the net profit for the year 2015, in the amount of 59 071.68 EUR (fifty-nine thousand, seventy-one EUR and sixty-eight cents), be appropriated as follows:

To legal reserve	5 907,17 Euros
To dividends	53 164,51 Euros

Lisbon, 15 March 2016

The Board of Directors,

Pedro Jesus Mejía Gómez

José Isidoro d'Oliveira Carvalho Netto

Abengoa, S.A.

Ana Raquel Díaz Vázquez

Banco Santander, S.A.

Carlos Martin de los Santos Bernardos

EDP – Energias de Portugal, S.A.

Carlos Manuel Sola Pereira da Mata

Endesa Generación Portugal, S.A.

Adolfo Javier de Rueda Villén

Gas Natural, SDG, S.A.

Rosa María Sanz García

Iberdrola Generación España, S.A.U.

Gregorio Relaño Cobián

Parcaixa, SGPS, S.A.

Paulo Alexandre da Rocha Henriques

REN – Redes Energéticas Nacionais, SGPS, S.A.

Maria José Menéres Duarte Pacheco Clara

REN Serviços, S.A.

Pedro Henriques Gomes Cabral

Viesgo Infraestructuras Energéticas, S.L.

Javier Anzola Pérez



SHAREHOLDERS, GOVERNING
BODIES AND SUBSIDIARY

8.1 Shareholders

OMIP – Operador do Mercado Ibérico (Portugal), SGPS, S.A. (50%)

OMEL – Operador del Mercado Ibérico de Energía, Polo Español, S.A. (50%)

8.2 Governing Bodies (Triennium 2015 – 2017)

Board of the Shareholder's General Meeting

Manuela Lopes dos Santos.....Chairman

Board of Directors

Pedro Jesus Mejía GómezChairman

José Isidoro d'Oliveira Carvalho Netto.....Deputy Chairman

Abengoa, S.A. (Ana Raquel Díaz Vázquez).....Member

Banco Santander, S.A. (Carlos Martin de los Santos Bernardos).....Member

EDP – Energias de Portugal, S.A. (Carlos Manuel Sola Pereira da Mata).....Member

Endesa Generación Portugal, S.A. (Adolfo Javier de Rueda Villén).....Member

Gas Natural, SDG, S.A. (Rosa María Sanz García).....Member

Iberdrola Generación España, S.A.U (Gregorio Relaño Cobián).....Member

Parcaixa, SGPS, S.A. (Paulo Alexandre da Rocha Henriques).....Member

REN – Redes Energéticas Nacionais, SGPS, S.A. (Maria José Menéres Duarte Pacheco Clara).....Member

REN Serviços, S.A. (Pedro Henriques Gomes Cabral).....Member

Viesgo Infraestructuras Energéticas, S.L. (Javier Anzola Pérez).....Member

Fiscal and Supervisory Body

PricewaterhouseCoopers & Associados, Lda. (SROC).....Executive member

José Manuel Henriques Bernardo (ROC).....Alternate member

8.3 Subsidiary

OMIClear, C.C., S.A. – Fifty percent (50 %) share in the equity capital of 7 500 000.00 EUR.



FINANCIAL STATEMENTS
AND ANNEXES
AS AT 31 DECEMBER 2015

FINANCIAL STATEMENTS AND ANNEXES

AS AT 31 DECEMBER 2015

Balance Sheet

		Currency: Euros	
	Note	31-12-2015	31-12-2014
Assets			
Non-current			
Property, plant and equipment	6	13.524	32.360
Investments - Equity method	7	5.233.807	5.358.343
Other financial assets	8	929	-
		5.248.260	5.390.703
Current			
Clients	9	108.546	205.256
State and other public entities	10	-	85.350
Other receivables	11	1.156.231	420.232
Deferrals	12	26.670	27.424
Cash and bank deposits	4	342.322	846.209
		1.633.769	1.584.471
Total assets		6.882.029	6.975.174
Equity Capital			
Paid-up capital	13	2.500.000	2.500.000
Issue premium	14	1.193.711	1.193.711
Legal reserves	15	184.528	165.345
Adjustments in financial assets	16	1.114.928	1.114.928
Retained earnings		1.025.810	1.025.810
		6.018.977	5.999.795
Net result for the period		59.072	191.829
Total Equity Capital		6.078.049	6.191.623
Liabilities			
Current			
Suppliers	17	127.952	139.804
State and other public entities	10	56.365	65.464
Other accounts payable	18	619.665	578.283
		803.982	783.551
Total liabilities		803.982	783.551
Total equity capital and liabilities		6.882.031	6.975.174

Notes on pages 26 to 47 are an integral part of the above financial statements.

Profit and Loss Account / Income Statement

	Note	Currency: Euros	
		31-12-2015	31-12-2014
Sales and services	19	1.928.986	1.823.546
Gains/losses charged to subsidiaries	7	16.450	156.651
Supplies and external services	20	(955.379)	(784.488)
Staff costs	21	(1.097.482)	(1.105.638)
Other income and gains	22	367.028	416.033
Other expenses and losses	23	(112.976)	(188.389)
Results before depreciation, financial expenses and taxes		146.627	317.716
(Expenses) / reversals depreciation and amortisation	6	(21.692)	(92.513)
Operational results (before financial expenses and taxes)		124.935	225.202
Interest and similar earnings	24	17.025	25.352
Interest and similar costs incurred	24	(311)	(436)
Pre-tax results		141.649	250.118
Income tax for the period	25	(82.577)	(58.289)
Net result		59.072	191.830

Notes on pages 26 to 47 are an integral part of the above financial statements.

Statement of Changes in Equity

	Note	Share capital	Issue Premium	Legal Reserves	Adjustments in Financial Assets	Retained Earnings	Net Result for the Period	Total
As at 1 January 2014		2.500.000	1.193.711	105.812	1.114.928	1.025.810	595.329	6.535.591
Changes in the period								
Appropriation of results from 2013		-	-	59.533	-	535.796	(595.329)	-
		-	-	59.533	-	535.796	(595.329)	-
Net result for the period		-	-	-	-	-	191.829	191.829
Integral result		-	-	-	-	-	191.829	191.829
Operations with equity holders in the period	26							
Distributions		-	-	-	-	(535.796)	-	(535.796)
Other variations		-	-	-	-	-	-	-
		-	-	-	-	(535.796)	-	(535.796)
As at 31 January 2014		2.500.000	1.193.711	165.345	1.114.928	1.025.810	191.829	6.191.623
Changes in the period								
Appropriation of results from 2014		-	-	19.183	-	172.646	(191.829)	-
		-	-	19.183	-	172.646	(191.829)	-
Net result for the period		-	-	-	-	-	59.072	59.072
Integral result		-	-	-	-	-	59.072	59.072
Operations with equity holders in the period	26							
Distributions		-	-	-	-	(172.646)	-	(172.646)
Other variations		-	-	-	-	-	-	-
		-	-	-	-	(172.646)	-	(172.646)
As at 31 January 2015		2.500.000	1.193.711	184.528	1.114.928	1.025.810	59.072	6.078.049

Notes on pages 26 to 47 are an integral part of the above financial statements.

Cash Flow Statement

	Note	Currency: Euros	
		31-12-2015	31-12-2014
Cash flow of operating activities			
Receivables from clients		1.844.669	2.573.423
Payments to suppliers		(1.071.621)	(1.385.418)
Payments to staff		(1.014.859)	(1.226.229)
Cash flow generated by the operations		(241.811)	(38.224)
(Payment) / refund of income tax		50.294	(119.681)
Other (payments) / receipts		(25.791)	(37.714)
Net cash flow of operating activities		(217.309)	(195.617)
Cash flow of investment activities			
Payments regarding:			
Property, plant and equipment		-	(4.914)
Intangible fixed assets			
Other assets		(500.000)	-
Receipts from:			
Property, plant and equipment		-	27.000
Other assets		250.000	
Dividends	26	105.740	254.049
Interest and similar income		8.747	17.813
Net cash flow of investment activities		(135.513)	293.948
Cash flows of financial activities			
Payments regarding:			
Interest and similar expenses		-	(66)
Dividends	26	(151.065)	(535.798)
Net cash flows of financial activities		(151.065)	(535.864)
Varition of cash flow and its equivalents		(503.887)	(437.533)
Cash and cash equivalents at the start of the period	4	846.209	1.283.742
Cash and cash equivalents at the end of the period	4	342.322	846.209

Notes on pages 26 to 47 are an integral part of the above financial statements.

ANNEX TO THE FINANCIAL STATEMENTS

1 General information

OMIP – Pólo Português, S.G.M.R., S.A., whose previous name was OMIP – Operador do Mercado Ibérico de Energia (Pólo Português), S.G.M.R., S.A. was constituted under Order 360/ME/2003 of the Ministry of Economic Affairs, of 6 June, and had its public deed signed on 16 June 2003.

The company began its activity on 10 December 2003, its purpose being the organisation and management of a support system for conducting transactions and settlements in the Iberian Energy Market, and thus being responsible for:

- a) the management of organised energy forward contracts;
- b) the mediation of agents with the purpose of establishing commercial relationships in the Iberian Electricity Market;
- c) the management of other markets of energy-based products;
- d) the provision of settlement services within the organised electricity markets;
- e) the provision of settlement services for standard transactions in non-organised energy markets; and;
- f) the organisation of market services within the operational electricity system.

On 18 October 2011, OMIP's share capital became 50 % held by OMIP – Operador

On 18 October 2011, OMIP's share capital became 50 % held by OMIP – Operador do Mercado Ibérico (Portugal), SGPS, S.A. (OMIP SGPS), and 50 % by OMEL – Operador del Mercado Iberico de Energía, Polo Español, S.A. (OMEL).

Until 12 September 2013, OMIP held the entire share capital of OMIClear, C.C., S.A. (OMIClear), whose corporate purposes are the management of a clearing house as central counterparty, and of the settlement system.

These financial statements were approved by the Board of Directors at its meeting held on 15 March 2016 and are subject to the approval of the shareholders. In the opinion of the Board, these financial statements reflect a true and fair view of the operations carried out by OMIP, as well as its financial position, performance and cash flows.

2 Accounting standards for financial reporting

2.1. Basis of preparation

These financial statements were prepared in agreement with the ruling accounting and financial reporting standards (IFRS), issued and in force or issued and adopted on 31 December 2015.

The preparation of financial statements in agreement with the SNC calls for the use of estimates, assumptions and critical judgements when determining the accounting policies to be adopted by OMIP, with a significant impact on the accounting value of assets and liabilities, and on income and expenses for the reporting period.

Although these estimates are based on the Board's best knowledge and expectations of current and future events and activities, the current and future results may be different. Note 3.18 presents the areas involving

greater judgement calls and complexity, or the areas in which the assumptions and estimates are relevant to the financial statements.

2.2. Derogation to the SNC provision (Accounting Standardisation System)

During the period covered by these financial statements there were no exceptional cases directly requiring the derogation to any SNC provision.

2.3. Comparability of financial statements

All the information in these financial statements is comparable to that of the previous year.

3 Main accounting policies

The main accounting policies used to prepare the financial statements are described below. Unless otherwise stated, these policies have consistently been applied to all topics presented.

3.1. Shareholdings – Subsidiaries

Subsidiaries are all entities (including those created for special purposes) in which OMI has the power to decide on financial or operating policies. This is usually associated with the direct or indirect control 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 OMI is in control of an entity.

Shareholdings in subsidiaries or associates are recorded as the value resulting from applying the equity accounting method. According to this method, the portion of results achieved in subsidiaries and associates, in proportion to the shareholding, are included in the profit and loss account / income statement, and the portion of their net worth, considering any implicit added values resulting from fair value adjustments and goodwill is reflected in the balance sheet. These values are calculated from the approved financial statements of the subsidiaries and associates, or in the absence thereof, on the basis of the best possible estimates, having the financial year of the Company as a reference date.

3.2. Currency translation

3.2.1 FUNCTIONAL AND PRESENTATION CURRENCY

Unless clearly stated otherwise, the financial statements of OMIP and the notes to this annex are presented in EUR.

3.2.2 TRANSACTIONS AND BALANCES

Transactions made other than in a currency other than EUR are translated into the functional currency at the exchange rates at the dates of the transactions. Exchange gains or losses arising from the payment/receipt of transactions and of the translation by the currency rate at the balance sheet date of the cash assets and liabilities denominated in a foreign currency are recorded in the income statement, under Interest and similar income obtained and Interest and similar expenses incurred, if related to loans or Other income and gains or Other expenses and losses, for all other balances / transactions.

3.2.3 EXCHANGE RATES USED

Foreign currency exchange rates used in the translation of balances denominated in foreign currency are the following:

Currency	2015	2014
USD	1,0925	1,2155
GBP	0,7369	0,7825

3.3. Property, plant and equipment

Property, plant and equipment are valued at cost deducted from accumulated depreciation and accumulated impairment losses. This cost includes the estimated cost at the date of transition to IFRS, and the acquisition costs for assets acquired after that date.

The acquisition cost includes the purchase price of the asset, costs directly attributable to its acquisition and those incurred in preparing the asset for its commissioning.

Subsequent expenses incurred with renovations and major repairs that may extend the lifespan of the assets are accounted for in the asset cost.

The cost of repairs and maintenance services of a current nature are recorded as expenses in the period in which they occurred.

Property, plant and equipment are depreciated systematically for the duration of their estimated lifespan according to the straight line method.

	Years
Vehicles	Between 3 and 5 years
Office equipment	Between 3 and 10 years

The lifespan of each asset is reviewed at the end of every year so as to ensure that the depreciation is in accordance with its consumption patterns. Changes in lifespan are treated as alterations to the accounting estimate and are applied prospectively.

Gains or losses resulting from the disposal of assets are calculated as the difference between the net realizable value and the book value of the asset and are recorded in the income statement.

3.4. Impairment of assets

Assets with a finite useful life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Whenever the determined recoverable amount is less than the book value of assets, the company will assess whether the loss situation is permanent or definite, and if so it will record the impairment loss. In cases where the loss is not considered permanent and definite, the grounds for this conclusion must be disclosed.

The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. To determine whether or not there is impairment, the assets are allocated to the lowest level for which there are separate identifiable cash flows (cash generating units).

Non-financial assets, other than goodwill, for which impairment losses were recorded, are calculated at each reporting date on the possible reversal of impairment losses.

When impairment is recorded or reversed, asset amortisation and depreciation is recalculated prospectively based on the recoverable amount.

3.5. Financial assets

The Board of Directors determines the classification of financial assets on the date of initial record, according to the purpose of their purchase, and reassesses this classification at each reporting date.

Financial assets can be classified as:

- a) Financial assets at fair value through profit or loss – include non-derivative financial assets held for trading regarding short-term investments and assets at fair value through profit or loss on the date on which they were first recognised;
- b) Loans granted and accounts receivable – include non-derivative financial assets with fixed or determinable payments not quoted in an active market;
- c) Investments held to maturity – include non-derivative financial assets with fixed or determinable payments and fixed maturities for which the entity has the intention and capacity to hold until maturity;
- d) Financial assets held for sale – they include available-for-sale non-derivative financial assets that are designated as available for sale on initial recognition or that do not fit the above categories. They are recorded as non-current assets except if there is intention to sell them within 12 months after the balance sheet date.

Purchases and sales of investments in financial assets are recorded on the date of the transaction, that is, on the date on which OMIP undertakes to purchase or sell the asset.

Financial assets at fair value through profit or loss are initially recorded at fair value, with transaction costs recorded in profit and loss. These assets are subsequently measured at fair value, and the gains and losses resulting from the change in fair value are posted in profit or loss for the period in which they arise under the heading “Net financial costs”, which also includes interest and dividends received.

Available-for-sale financial assets are initially recorded at fair value plus transaction costs. In the subsequent periods, they are measured at fair value and the fair value variation is posted in fair value reserve in equity. Interest and dividends from available-for-sale financial assets are recorded in profit or loss in the period in which they arise under the heading “Other operating gains”, where the right to receive it is established.

The fair value of listed investments is based on market prices (“bid”). If there is no active market, OMIP establishes the fair value through valuation techniques. These techniques include using recent arm’s length transactions, as long as market conditions allow for the comparison with instruments that are substantially similar, and the calculation of “cash flow” discounted when information is available, favouring market information at the expense of the target entity’s internal information.

Accounts receivable are classified on the balance sheet as “Other receivables”. A provision for the impairment of accounts receivable is established when there is objective evidence that the company will not be able to collect all amounts due in accordance with the original terms of the transactions that gave rise to them.

3.6. Clients and other accounts receivable

The items “Clients” and “Trade receivables” constitute rights receivable for the sale of assets or services in the normal course of OMIP’s business, and are initially recorded at fair value and subsequently measured at amortised cost, less impairment adjustments (where applicable). If there is a formal agreement for the deferral of amounts receivable, the fair value is determined in line with the effective interest rate method, which is the rate that exactly discounts estimated future cash payments through the expected repayment date.

Impairment losses on Clients and Trade receivables are recorded when there is objective evidence that they will not be recovered under the initial terms of the transaction. The identified impairment losses are

recorded in the income statement, under Impairment in accounts receivable, and are subsequently reversed through profit or loss if the impairment indicator ceases to exist.

3.7. Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits, other short-term high liquidity financial investments with original maturities of up to three months and overdrafts. These are presented in the Balance Sheet in the current liabilities under the heading “Loans granted” and are taken into consideration in the preparation of the statements of cash flow, as cash or cash equivalents.

3.8. Share capital

Ordinary shares are classified under equity capital.

Costs directly attributable to the issuing of new shares or options are presented in own capital as a deduction, net of taxes, to the amount issued.

3.9. Suppliers and Other accounts payable

The items “Suppliers” and “Other accounts payable” constitute obligation to pay for the procurement of assets or services and are initially recorded at fair value, and subsequently measured at amortised cost using the effective interest rate method.

3.10. Financial liabilities

The Board of Directors determines the classification of financial liabilities on the date when they are first recorded, in accordance with IFRS 27 – Financial instruments.

Financial liabilities may be classified / measured as:

- (a) At cost or at amortized cost deducted of any impairment loss;
- (b) At fair value with changes in fair value being recorded in the income statement.

OMIP classifies and measures at cost or at amortized cost, financial liabilities: *i)* that are short-term or have a defined maturity; *ii)* whose interest yield may be flat-rated, fixed-rated or variable-rated as indexed to market indices; and *iii)* where there is no contractual clause which could alter the liability of refunding the nominal value and the accrued interest payable.

For liabilities recorded at amortized cost, the interest earned in each period, is determined according to the effective interest rate method, which is the rate that deducts exactly the estimated future cash payments throughout the expected lifespan of the financial instrument.

Financial liabilities which result from financing obtained, accounts payable (suppliers, other creditors, etc.) and equity capital instruments as well as any associated derivative contracts not traded on an active market or whose fair value cannot be accurately determined, are recorded at cost or amortized cost.

An entity must derecognise a financial liability (or part of a financial liability) only when it is extinguished, that is, when the obligation set up under contract is paid, is cancelled or expires.

3.11. Income tax

The company is subject to corporate income tax (IRC) at a rate of 17 % over the taxable amount up to 15 000.00 EUR, with the 21 % rate applying to the remaining taxable amount. To the corporate income tax thus obtained is added a surplus applicable to the taxable income, whose rate can vary up to 1.5 %, as well as the autonomous tax on charges, in agreement with the rates stated in Article 88 of the Corporate

Income Tax Code. To determine the taxable amount, to which the mentioned tax rate is applied, the amounts not accepted fiscally are added to and subtracted from the accounting result. The difference between the accounting and tax result may be temporary or permanent.

Income tax for the period comprises current taxes and deferred taxes. Taxes on income are recorded in the income statement, except if they relate to items directly recorded in the equity capital. The amount of current income tax payable is determined based on total income before tax, adjusted in agreement with tax regulations.

Deferred tax is recorded using the liability method, which is based on the balance sheet and takes into account temporary differences arising from the difference between the tax bases of assets and liabilities and their carrying values in the financial statements.

Deferred taxes are calculated according to the tax rates in force or officially announced at the balance sheet date, and which are expected to be applicable on the effective date of deferred tax assets, or on the date when the deferred tax liabilities are paid.

Deferred tax assets are recorded to the extent that it is likely that future taxable profits will be available to cover the temporary difference. Deferred tax liabilities are recorded for all temporary taxable differences, except for those relating to: (i) the initial recognition of goodwill; or (ii) the initial recording of assets and liabilities that do not result from a concentration of activities, and that, at the time of transaction, will affect neither the accounting nor the tax results. However, in relation to temporary taxable differences related to investments in subsidiaries, these must not be recorded because: (i) the parent company is able to control the timing for reversal of the temporary difference; and (ii) it is likely that the temporary difference will not be reversed in the near future.

3.12. Provisions, contingent liabilities and contingent assets

Provisions are recorded when OMIP has: i) a present legal or constructive liability resulting from past events; ii) for which it is more likely that an outflow of internal funds will be required to pay that liability; and iii) the amount can be reasonably estimated. Whenever one of the criteria is not met or the liability is conditional on the occurrence (or non-occurrence) of a future event, OMIClear discloses it as a contingent liability, unless the evaluation of the enforceability of the outflow of funds for the payment thereof is unlikely to occur.

Provisions are measured at the current value of estimated expenses needed to pay the liability using a pre-tax rate that reflects market evaluation for the discount period and for the risk of provisions in question.

Contingent liabilities are not recorded in the financial statements, but are always disclosed when an outflow of funds embodying economic benefits is likely to occur.

Contingent liabilities are not recorded in the financial statements, but are disclosed when a future inflow of funds is likely to occur.

3.13. Leases

Leases of property, plant and equipment in relation to which OMIP substantially holds all the risks and benefits inherent to asset ownership are classified as financial leases. Agreements where the analysis of one or more specific situations of the contract point to that nature are also classified as financial leases. All other leases are classified as operating leases.

Financial leases are capitalised at the beginning of the lease for the current value of minimum lease payments, each determined at the start of the contract. The resulting debt of a financial lease contract is recorded net of financial charges under the heading "Loans". Financial charges included in the rent and the depreciation of leased assets are recorded in the income statement in the period to which they relate.

Property, plant and equipment acquired through financial leases are depreciated over the shorter of the lifespan of the asset and the leasing period when OMIP has no purchase option at the end of the contract, or for the estimated lifespan of the asset when the company has intention to acquire the assets at the end of the contract.

In operating leases, rents payable are recorded as a cost in the income statement on a straight-line basis over the lease term.

3.14. Expenses and income

Expenses and income are recorded in the period to which they relate, regardless of having been paid or received, in agreement with the principles of accrual accounting periods. The differences between the amounts received and paid and the corresponding income and expenses are recorded as assets or liabilities if they qualify as such.

3.15. Revenue

Revenue is the fair value of the amount received or receivable for the sale of goods and/or services in the normal course of OMIClear's activity. Revenue is presented net of any real or estimated amounts, or both, for sales returns, commercial discounts, quantity discounts, and pre or cash payments. These amounts are estimated based on historical information, specific contractual terms, or future expectations regarding the evolution of revenue, which are deducted when the revenue is recorded, by recording the appropriate liabilities. Where there is a formal agreement for the deferral of amounts receivable, the fair value of the revenue is determined based on the effective interest rate method, which is the rate that exactly discounts estimated future cash payments or receipts for the reimbursement period provided.

Revenue from the sale of products is recorded when: i) the revenue amount can be reliably estimated; ii) the economic benefits are likely to flow to OMIP; and iii) a significant part of risks and benefits have been transferred to the buyer.

Revenue from services provided is recorded according to the percentage of completion or based on the contract period, when the service provision is not associated with the performance of specific activities, but rather to the continuing provision of service.

3.16. Distribution of dividends

The distribution of dividends to OMIP shareholders is recorded as a liability in the financial statements in the period in which the dividends are approved by its members.

3.17. Netting of balances and transactions

Assets, liabilities, income and expenses are not netted unless required or permitted by the IFRS.

3.18. Critical estimates and assumptions presented

Estimates and assumptions with impact on OMIP's financial statements are continually evaluated, representing at each reporting date the Board's best estimate, taking into account the historical performance, accumulated experience and expectations about future events that, under the circumstances, are believed to be reasonable.

The intrinsic nature of the estimates may cause the actual reflection of the estimated situations, for financial reporting purposes, to differ from the estimated amounts. The estimates and assumptions with a significant risk of causing a material adjustment to the carrying amount of assets and liabilities during the subsequent period are the following:

RELEVANT ACCOUNTING ESTIMATES**3.18.1. Provisions**

OMIP periodically analyses any liabilities arising from past events that should be recorded or disclosed.

The subjectivity inherent to the determination of probability and of the internal resources required to pay the liabilities may lead to significant adjustments, because of the varying assumptions used or due to the future recording of provisions previously disclosed as contingent liabilities.

3.18.2. Tangible and intangible fixed assets

The determination of the lifespan of assets and the depreciation/amortisation method to use is key to determining the amount of depreciation/amortisation recorded in the income statement for each period.

These two parameters are defined according to the Board's best discretion for assets and businesses in question, taking into account, where possible, the practices adopted by sector companies at international level.

3.18.3. Impairment

The determination of an eventual impairment loss may be triggered by various events, many of which outside OMIP's sphere of influence, such as: i) future availability of funding; and ii) the cost of capital or any other changes internal or external to OMIP.

The identification of impairment indicators, the estimation of future cash flows and the determination of the fair value of assets imply a high degree of judgement by the Board as regards the identification and evaluation of the different impairment indicators, expected cash flows, applicable discount rates, lifespan and residual values.

3.19. Events after the balance sheet date

The events after the financial statement dates that provide additional information about the existing conditions at the time of the financial statements are shown in the company's financial statements. Material events after the date of the financial statements that provide information about the conditions occurring after the financial statements are disclosed in the notes to the financial statements.

4 Cash flows

4.1. Cash and cash equivalents not available for use

OMIP has no cash balance or cash equivalent with restrictions on their use for the year under review.

4.2. Breakdown of values posted in “Cash and bank deposits

As at 31 December 2015 and 31 December 2014, the breakdown of cash and bank deposits is the following:

	31-12-2015	31-12-2014
Cash	2.056	1.099
Bank deposits	340.266	845.110
	<u>342.322</u>	<u>846.209</u>

The breakdown of the amount considered as final balance under “Cash and cash equivalents” for the purpose of preparing the cash flow statement for the year ending 31 December 2015 and 31 December 2014 is as follows:

	31-12-2015	31-12-2014
Cash resources		
- Cash	2.056	1.099
	<u>2.056</u>	<u>1.099</u>
Bank deposits		
- Checking accounts	340.266	158.110
- Savings accounts	-	687.000
	<u>340.266</u>	<u>845.110</u>
	<u>342.322</u>	<u>846.209</u>

On 31 December 2015, the company no longer has any term deposit, as it made a loan to the shareholder OMIP SGPS in the amount of 500 000 EUR in March 2015.

5 1. Accounting policies, changes in accounting estimates and errors

5.1. Changes in rules

During the period in question, no new rules, changes or interpretations of existing rules were published that should be considered by OMIP.

5.2. Changes in accounting policies

During the period in question, there were no changes in the accounting policies considered in the preparation of these financial statements.

5.3. Changes in accounting estimates

During the period in question, there were no changes in the accounting estimates considered in the preparation of these financial statements.

5.4. Prior period errors

During the period in question, no errors were identified that concerned prior periods.

6 Property, plant and equipment

During the period ending 31 December 2014 the movements recorded under the heading of property, plant and equipment were as follows:

	Vehicles	Office Equipment	Total
1 January 2014			
Acquisition cost	170.000	1.729.952	1.899.952
Accumulated depreciation	(126.042)	(1.650.553)	(1.776.595)
Net book value	43.958	79.399	123.358
Additions	-	5.682	5.682
Disposals	(50.000)	-	(50.000)
Depreciation - period	(23.750)	(68.763)	(92.513)
Depreciation - disposals	45.834	-	45.834
Net book value	16.042	16.318	32.360
31 December 2014			
Acquisition cost	120.000	1.735.634	1.855.634
Accumulated depreciation	(103.958)	(1.719.316)	(1.823.274)
Net book value	16.042	16.318	32.360

During the period ending 31 December 2015, the movements recorded under the heading of property, plant and equipment were as follows:

	Vehicles	Other Property, Plant and Equipment	Total
1 January 2015			
Acquisition cost	120.000	1.735.634	1.855.634
Accumulated depreciation	(103.958)	(1.719.316)	(1.823.274)
Net book value	16.042	16.318	32.360
Additions	-	2.857	2.857
Depreciation - period	(16.333)	(5.359)	(21.692)
Net book value	(291)	13.816	13.524
31 December 2015			
Acquisition cost	120.000	1.729.197	1.849.197
Accumulated depreciation	(120.000)	(1.715.673)	(1.835.673)
Net book value	(0)	13.524	13.524

Depreciation of property, plant and equipment are fully recorded under the heading Expenses/ reversals of depreciation and amortisation in the income statement.

Additions to property, plant and equipment made in the period ending 31 December 2015 relate mainly to administrative equipment.

7 Investments – Equity method

On 31 December 2015 and 31 December 2014, the investment in associated companies corresponds to 50 % of the share capital of OMIClear – C.C., S.A.

The breakdown of the associated company is as follows:

	31-12-2015	31-12-2014
	OMIClear	OMIClear
Assets		
Non-current	75.280	58.024
Current	210.261.170	209.161.125
	210.336.450	209.219.149
Liabilities		
Non-current	14.635	24.468
Current	199.854.202	198.477.995
	199.868.837	198.502.463
Equity Capital	10.467.613	10.716.686
Activity in the year		
Income/Revenue	2.261.808	2.714.153
Expenses	(2.228.907)	(2.400.851)
Net book value	32.899	313.303
% shareholding	50%	50%
	16.450	156.651

Investments in the periods are detailed below:

	OMIClear
1 January 2014	5.540.424
Acquisitions	-
Dividends received	(338.732)
Gains / (Losses)	156.651
31 December 2014	5.358.343
Acquisitions	-
Dividends received	(140.986)
Gains / (Losses)	16.450
31 December 2015	5.233.807

Dividends received from Omiclear were subject to a withholding tax at the rate of 25 % borne by Omiclear

8 Other financial assets

The amounts shown in this heading refer to the monthly contributions made by the company to the Labour Compensation Fund (FCT – Fundo de Compensação do Trabalho), under Law 70/2013.

9 Other receivables

In the periods ended 31 December 2015 and 31 December 2014, the heading “Other receivables” is broken down as follows:

	31-12-2015			31-12-2014		
	Current	Non-current	Total	Current	Non-current	Total
Other debtors						
OMIClear (Note 30)	439.936	-	439.936	225.521	-	225.521
OMIP SGPS (Note 30)	288.904	-	288.904	120.638	-	120.638
REN - Gasodutos (Note 30)	21.516	-	21.516	21.516	-	21.516
REN - Serviços (Note 30)	5.250	-	5.250	5.250	-	5.250
Outros	277	-	277	12.438	-	12.438
Accrued income						
Other	400.348	-	400.348	34.869	-	34.869
	1.156.231	-	1.156.232	420.232	-	420.232
Impairment	-	-	-	-	-	-
	1.156.231	-	1.156.232	420.232	-	420.232

Breakdown of “Other income accruals”:

GPMC accruals	264.072
DUCs accruals	99.247
Business fee increase 2015	13.574
EEX - Q4-15 accrual	22.019
Sundry	1.436
TOTAL	400.348

In December 2015, OMIP SGPS settled half the loan it had received in March of the same year.

During these periods, there were no differences between book values and their fair value.

10 Clients

The breakdown of the heading “Clients” for the periods ending 31 December 2015 and 31 December 2014 is as follows:

	31-12-2015			31-12-2014		
	Current	Non-current	Total	Current	Non-current	Total
Clients - Related parties (note 30)	61.918	-	61.918	180.648	-	180.648
Clients - Third parties	46.628	-	46.628	24.608	-	24.608
	108.546	-	108.546	205.256	-	205.256
Impairment	-	-	-	-	-	-
	108.546	-	108.546	205.256	-	205.256

During these periods, there were no differences between the book values and their fair value.

11 State and other public entities

In the periods ended 31 December 2015 and 31 December 2014, the balances of the heading “State and other public entities” are as follows:

	31-12-2015		31-12-2014	
	Debtor	Creditor	Debtor	Creditor
Corporate tax - IRC	-	10.813	85.350	-
Income tax - IRS	-	21.955	-	19.797
Value added tax - IVA	-	5.195	-	28.383
Contributions to social security	-	18.402	-	17.284
	-	56.365	85.350	65.464

For these periods, the balance of Corporate tax (IRC) is broken down as follows:

	31-12-2015	31-12-2014
Payments on account	-	54.118
Withholding tax	36.707	-
Recoverable corporate tax	-	89.522
Corporate tax estimate	(47.520)	(58.289)
	(10.813)	85.350

12 Deferrals

On 31 December 2015 and 31 December 2014, OMIP recorded the following balances under the heading “Deferrals”:

ACTIVE DEFERRALS

	31-12-2015	31-12-2014
Insurance	6.751	8.136
Membership fees	196	592
Bloomberg	3.840	3.710
Other	15.884	14.986
	26.670	27.424

13 Share capital

On 31 December 2015 and 31 December 2014, OMIP's share capital, in the amount of 2 500 000 EUR, was fully subscribed and paid for, represented by 250 000 shares, each with a nominal value of 10 EUR.

On 31 December 2015 and 31 December 2014 the share capital is broken down as follows:

	% share	Capital
OMIP SGPS	50,00%	1.250.000
OMEL	50,00%	1.250.000
	100,00%	2.500.000

14 Issue premium

Issue premiums in the amount of 1 193 711 EUR resulted from a share capital increase in 2004 with OMEL's entry into the capital of the company, a capital increase from the previous shareholder REN. Later, part of this amount was used to cover a capital increase.

15 Legal reserves

In agreement with the corporate law in force, the company is required to transfer to legal reserves at least 5 % of the net annual income until it represents 20 % of capital. This reserve cannot be distributed unless the company is liquidated, and can only be used to cover losses after other reserves are used, or added to capital.

On 31 December 2015, this reserve amounted to 184 528 EUR (2014: 165 343), therefore short of the 20 % of share capital.

16 Adjustment in financial assets

The amount of 1 114 928 EUR under this heading corresponds to the re-evaluation of OMIClear following the sale of 50 % made by OMIP to OMIE in September 2013.

17 Suppliers

During the periods ended 31 December 2015 and 31 December 2014, the heading including all current "Suppliers" is as follows:

	31-12-2015	31-12-2014
Suppliers	127.952	139.804
	<u>127.952</u>	<u>139.804</u>

18 Other accounts payable

As at 31 December 2015 and 31 December 2014, the breakdown of the heading "Other accounts payable" is as follows:

	31-12-2015			31-12-2014		
	Current	Non-current	Total	Current	Non-current	Total
Other creditors						
OMIClear (Note 30)	320.324	-	320.324	258.882	-	258.882
OMIP SGPS (Note 30)	33.963	-	33.963	28.400	-	28.400
Other	5.276	-	5.276	20.143	-	20.143
	<u>359.563</u>	<u>-</u>	<u>359.563</u>	<u>307.425</u>	<u>-</u>	<u>307.425</u>
Staff						
Staff	488	-	488	-	-	-
	<u>488</u>	<u>-</u>	<u>488</u>	<u>-</u>	<u>-</u>	<u>-</u>
Creditors due to accrued expenses						
Staff costs	209.969	-	209.969	167.506	-	167.506
Other	49.643	-	49.643	103.352	-	103.352
	<u>259.612</u>	<u>-</u>	<u>259.612</u>	<u>270.858</u>	<u>-</u>	<u>270.858</u>
	<u>619.663</u>	<u>-</u>	<u>619.663</u>	<u>578.283</u>	<u>-</u>	<u>578.283</u>

19 Services rendered

Services rendered and recognised in the income statement are broken down as follows:

	31-12-2015	31-12-2014
Services rendered		
Services rendered - Natural gas	510.437	389.162
Admission and maintenance fees	429.544	413.300
Variable fees	320.918	700.141
Licences	272.018	173.681
Services rendered - Electricity	266.779	100.000
Other	129.290	47.262
	1.928.986	1.823.546

Management systems maintenance services were recorded under “Other Income and Profits”.

20 Supplies and external services

The breakdown of costs incurred with “Supplies and external services” is as follows:

	31-12-2015	31-12-2014
Specialised works	716.271	515.613
Travel and accommodation	47.589	17.834
Representation fees	40.010	89.170
Rentals (includes condominium)	41.321	41.731
Materials	30.291	33.607
Insurance	17.896	17.097
Communications	15.935	9.094
Water and energy	13.299	15.266
Fees	18.193	26.035
Other (each under 5 000 EUR)	14.574	19.041
	955.379	784.488

The most relevant items under “Supplies and external services” are specialised tasks that essentially include (i) the maintenance of systems and access to IT platforms and (ii) the management fees that offset the efforts/work in favour of OMIP by collaborators of other Group companies.

21 Staff costs

Staff costs incurred during the periods ended 31 December 2015 and 2014 were as follows:

	31-12-2015	31-12-2014
Remunerations		
Governing bodies	317.940	335.978
Staff	590.827	554.796
	908.767	890.774
Social charges	174.016	198.666
Other	14.698	16.219
	188.715	214.865
	1.097.482	1.105.638

In 2015, the average number of OMIP staff was 12 (2014: 13).

22 Other income and gains

The heading “Other income and gains” is broken down as follows:

	31-12-2015	31-12-2014
Business fees	77.740	152.444
Management fees	238.437	205.037
Corrections of previous year's accounts	-	2.380
Other	50.851	56.171
	367.028	416.033

The heading “Business fees” includes the business fees charged to OMIClear, as all OMIP businesses are cleared by OMIClear.

The heading “Management fees” includes the amounts charged by OMIP to other Group companies for providing them with human resources to carry out the work arising from the activities of those companies.

In 2015, the business fee recorded a negative change because market values also dropped significantly.

23 Other expenses and losses

The breakdown of “Other expenses and losses” is as follows:

	31-12-2015	31-12-2014
Market operation costs	60.214	152.100
Contributions/levies	25.859	20.362
Taxes	3.475	6.981
Other	23.428	8.946
	112.976	188.389

Costs with market operations include fixed monthly fees/commissions charged by market makers. These members ensure adequate levels of liquidity and depth of market offers. The variations recorded result from the renegotiation of commissions in the year under review.

“Contributions / Levies” includes the costs borne by the company in 2015 as a result of being a member of representative entities in the sector, namely the APE (Association of Power Exchanges), EUROPEX, among others.

24 Expenses and financial income

The breakdown of expenses and financial income in the periods of 2014 and 2013 is as follows:

	31-12-2015	31-12-2014
Financial income		
Interest income	17.025	25.352
	17.025	25.352
Financial costs/expenses		
Interest on financing	-	31
Interest paid on leasing contract	-	363
Other financial costs	311	42
	311	436

In 2015, the company's financial income was lower than that of 2014, due to the low interest rates on investments paid by the banks.

25 Income tax

On 31 December 2015 and 31 December 2014, the heading "Income tax" is as follows:

	31-12-2015	31-12-2014
Current income tax	47.520	58.289
Tax relating to prior periods (2011 and 2012)	48.926	-
Excess tax estimate	(13.869)	-
	82.577	58.289

The tax rate used for the valuation of taxable differences at the balance sheet date for the year ended 31 December 2015 was 17 % for taxable values up to 15 000 EUR, and 21 % for values in excess of this amount, in addition to a surcharge of 1.5 % (2014: 17 % for taxable values up to 15 000 EUR, and 23 % for values in excess of this amount, in addition to a surcharge of 1.5 %). The shortfall in tax estimate was due to a tax adjustment on profits that the company had to make for the years 2011 and 2012.

25.1. Deferred taxes

As at 31 December 2015 and 31 December 2014, no situations generated deferred tax assets or liabilities.

25.2. Reconciliation of tax rate

The reconciliation of the effective tax rate for the periods ended 31 December 2015 and 2014 is shown below:

	31-12-2015		31-12-2014	
Pre-tax results	15.000	126.649	15.000	235.117
Tax rate	17,0%	21,0%	17,0%	23,0%
	2.550	26.596	2.550	54.077
	29.146		56.627	
Non-deductable expenses	4.953		11.865	
Non-taxable income	(3.747)		(39.317)	
Surcharge	2.211		2.071	
Separate settlement	14.957		25.363	
Additional corporate tax (2011 and 2012)	48.926		-	
Excess corporate tax estimate	(13.869)		-	
	82.578		56.609	
Current income tax	47.520		58.289	
Additional corporate tax (2011 and 2012)	48.926		-	
Excess corporate tax estimate	(13.869)		-	
Income tax	82.577		58.289	
Effective tax rate	58,3%		23,3%	

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

	2015	2014
Tax rate up to 15 000 EUR	17,00%	17,00%
Remaining tax rate	21,00%	23,00%
Surcharge	1,50%	1,50%
	20,50%	21,50%

26 Dividends

OMIP paid dividends during the period ended 31 December 2015 in the amount of 172 646 EUR to the OMIP SGPS and OMEL shareholders, in the proportion to their shares in the company's capital (2014: 535 796 EUR).

Dividends paid were subject to a 25 % withholding tax rate.

27 Commitments

As at 31 December 2015 and 31 December 2014, there were no other commitments undertaken by the company and not reflected in the financial statements.

28 Contingencies

CONTINGENT LIABILITIES

As at 31 December 2015 and 31 December 2014, OMIP did not record any contingent liabilities.

CONTINGENT ASSETS

As at 31 December 2015 and 31 December 2014, OMIP did not record any contingent assets.

29 Information required by law

Under paragraph 1 of Article 21 of Decree-law 411/91, of 17 October, OMIP confirms that it does not owe any contributions to Social Security or to Treasury.

30 Related companies

On 31 December 2015, OMIP was 50 % owned by OMIP – Operador do Mercado Ibérico (Portugal), SGPS, SA and 50 % by OMEL – Operador del Mercado Ibérico de Energia, Polo Espanõl, SA:

NATURE OF THE RELATIONSHIP WITH THE RELATED PARTIES:

Shareholders:

- OMIP, SGPS
- OMEL

Subsidiaries:

- OMIClear – C.C., SA

Other related parties:

- OMI – Polo Espanõl, SA
- REN – Rede Electrica Nacional, SA.
- REN – Gasodutos, SA
- REN – Serviços, SA.
- Caixa Geral de Depósitos
- Banco Comercial Português, SA
- EDP – Energias de Portugal, SA
- Gás Natural SDG, SA
- Iberdrola Generacion Espanã, SAU

30.1. Transactions with shareholders:

In the periods concerned, OMIP made the following transactions with its shareholders:

Services acquired		
OMIP SGPS	25.350	15.866
	<u>25.350</u>	<u>15.866</u>
	31-12-2015	31-12-2014
Services rendered		
OMIP SGPS	55.437	19.930
	<u>55.437</u>	<u>19.930</u>

30.2. Debit and credit balances with shareholders

As at 31 December 2015 and 31 December 2014, the balances resulting from transactions made with shareholders were the following:

	31-12-2015	31-12-2014
Other accounts receivable		
OMIP SGPS (note 11)	288.904	120.638
	<u>288.904</u>	<u>120.638</u>
Other accounts payable		
OMIP SGPS (note 18)	33.963	28.400
	<u>33.963</u>	<u>28.400</u>

30.3. Transactions with subsidiaries:

During the periods concerned, OMIP made the following transactions with the following subsidiaries:

Services acquired		
OMIClear	145.344	92.025
	<u>145.344</u>	<u>92.025</u>
Services rendered		
OMIClear	237.764	337.552
	<u>237.764</u>	<u>337.552</u>

30.4. Debit and credit balances with shareholders:

As at 31 December 2015 and 31 December 2014, the balances resulting from transactions made with subsidiaries were the following:

	<u>31-12-2015</u>	<u>31-12-2014</u>
Other accounts receivable		
OMIClear (note 9)	439.936	225.521
	<u>439.936</u>	<u>225.521</u>
Other accounts payable		
OMIClear (note 18)	320.324	258.882
	<u>320.324</u>	<u>258.882</u>

30.5. Transactions with other related parties:

During the periods concerned, OMIP made the following transactions with the entities below:

	<u>31-12-2015</u>	<u>31-12-2014</u>
Services rendered		
REN - Gasodutos	173.078	351.816
REN - Rede Energética Nacional	62.500	75.000
REN - Serviços	-	38.556
	<u>235.578</u>	<u>465.372</u>

30.6. Debit and credit balances with other related parties:

At the end of the periods ending 31 December 2015 and 31 December 2014, the balances resulting from transactions made with other related parties are as follows:

	<u>31-12-2015</u>	<u>31-12-2014</u>
Other accounts receivable		
REN - Gasodutos	61.918	180.648
	<u>61.918</u>	<u>180.648</u>
Clients		
REN - Gasodutos	21.516	21.516
REN - Serviços	5.250	5.250
	<u>26.766</u>	<u>26.766</u>

30.7. Management remunerations

During the periods ended 31 December 2015 and 2014, the remunerations earned by OMIP's Board of Directors were as follows:

	<u>31-12-2015</u>	<u>31-12-2014</u>
Salaries and other short-term remunerations	317.940	335.978
	<u>317.940</u>	<u>335.978</u>

31 Subsequent events

Until the date when these financial statements were approved, the Board of Directors had no knowledge of any subsequent events that should be recorded or disclosed therein.

Lisbon, 15 March 2016

Manuela Lopes dos Santos
Certified Accountant, no. 85946

The Board of Directors,

Pedro Jesus Mejía Gómez

José Isidoro d'Oliveira Carvalho Netto

Abengoa, S.A.
Ana Raquel Díaz Vázquez

Banco Santander, S.A.
Carlos Martin de los Santos Bernardos

EDP – Energias de Portugal, S.A.
Carlos Manuel Sola Pereira da Mata

Endesa Generación Portugal, S.A.
Adolfo Javier de Rueda Villén

Gas Natural, SDG, S.A.
Rosa María Sanz García

Iberdrola Generación España, S.A.U.
Gregorio Relaño Cobián

Parcaixa, SGPS, S.A.
Paulo Alexandre da Rocha Henriques

REN – Redes Energéticas Nacionais, SGPS, S.A.
Maria José Menéres Duarte Pacheco Clara

REN Serviços, S.A.
Pedro Henriques Gomes Cabral

Viesgo Infraestructuras Energéticas, S.L.
Javier Anzola Pérez

10

A N N E X

AUDITOR'S REPORT



Statutory Audit Report

(Free translation from the original in Portuguese)

Introduction

1 We have audited the financial statements of OMIP – Polo Português, S.G.M.R., S.A., comprising the balance sheet as at December 31, 2015 (which shows total assets of Euro 6,882,029 and total shareholder's equity of Euro 6,078,049, including a net profit of Euro 59,072), the statement of income by nature, the statement of changes in equity and the statement of cash flows for the year then ended, and the corresponding notes to the accounts.

Responsibilities

2 It is the responsibility of the Board of Directors to prepare the Directors' Report and the financial statements which present fairly, in all material respects, the financial position of the Company, the results of its operations, the changes in equity and the cash flows, as well as to adopt appropriate accounting policies and criteria and to maintain an appropriate system of internal control.

3 Our responsibility is to express an independent and professional opinion on these financial statements based on our audit.

Scope

4 We conducted our audit in accordance with the Standards and Technical Recommendations issued by the Institute of Statutory Auditors which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Accordingly, our audit included: (i) verification, on a sample basis, of the evidence supporting the amounts and disclosures in the financial statements and assessing the reasonableness of the estimates, based on the judgements and criteria of the Board of Directors used in the preparation of the financial statements; (ii) assessing the appropriateness of the accounting principles used and their disclosure, as applicable; (iii) assessing the applicability of the going concern basis of accounting; and (iv) assessing the overall presentation of the financial statements.

5 Our audit also covered the verification that the information included in the Directors' Report is consistent with the financial statements.

6 We believe that our audit provides a reasonable basis for our opinion.

Opinion

7 In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of OMIP – Polo Português, S.G.M.R., S.A. as at December 31, 2015, the results of its operations, the changes in equity and the cash flows for the year then ended, in accordance with generally accepted accounting principles in Portugal.

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda.

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Report on other legal requirements

8 It is also our opinion that the information included in the Directors' Report is consistent with the financial statements for the year.

April 13, 2016

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Rui Jorge dos Anjos Duarte, R.O.C.

(This is a translation, not to be signed)



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