

06. ANNUAL ACCOUNTS

CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014

THOUSANDS OF EUROS

	NOTES	2015	2014
Revenues	6	1,349,605	1,153,126
Income from institutional partnerships in U.S. wind farms	7	197,442	123,582
		1,547,047	1,276,708
Other income	8	161,560	45,667
Supplies and services	9	-292,728	-256,645
Personnel costs and employee benefits	10	-84,268	-66,093
Other expenses	11	-189,316	-96,441
		-404,752	-373,512
		1,142,295	903,196
Provisions		172	-20
Amortisation and impairment	12	-564,629	-480,767
		577,838	422,409
Financial income	13	61,476	101,527
Financial expenses	13	-346,959	-351,406
Share of net profit in joint ventures and associates	18	-1,517	21,756
Profit before tax		290,838	194,286
Income tax expense	14	-45,347	-16,399
Net profit for the year		245,491	177,887
Attributable to:			
Equity holders of EDP Renováveis	28	166,614	126,007
Non-controlling interests	29	78,877	51,880
Net profit for the year		245,491	177,887
Earnings per share basic and diluted - Euros	28	0.19	0.14

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED AT 31 DECEMBER 2015 AND 2014

THOUSANDS OF EUROS

	2015		2014	
	EQUITY HOLDERS OF THE PARENT	NON- CONTROLLING INTERESTS	EQUITY HOLDERS OF THE PARENT	NON- CONTROLLING INTERESTS
Net profit for the year	166,614	78,877	126,007	51,880
Items that will never be reclassified to profit or loss	-	-	-	-
Actuarial gains/(losses)	-	-	-	-
Tax effect of actuarial gains/(losses)	-	-	-	-
Items that are or may be reclassified to profit or loss	-	-	-	-
Fair value reserve (available for sale financial assets)	399	32	-639	-409
Tax effect of fair value reserve				
Fair value reserve (cash flow hedge)	14,891	1,230	-11,173	-5,404
Tax effect from the fair value reserve	-4,152	-469		
Fair value reserve (cash flow hedge) net of taxes of	201	-	-	-
Share of other comprehensive income	-9,404	-	-15,463	-
Reclassification to profit or loss due to ENEOP transaction	11,954	-	-	-
Exchange differences arising on consolidation	21,054	16,415	28,706	26,913
	34,943	17,208	1,970	22,021
Other comprehensive income for the year, net of income tax	34,943	17,208	1,970	
Total comprehensive income for the year	201,557	96,085	127,977	73,901

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015 AND 2014

THOUSANDS OF EUROS

	NOTES	2015	2014
Assets			
Property, plant and equipment	15	12,612,452	11,012,976
Intangible assets	16	172,128	117,704
Goodwill	17	1,362,017	1,287,716
Investments in joint ventures and associates	18	333,800	369,791
Available for sale financial assets		6,257	6,336
Deferred tax assets	19	47,088	46,488
Trade receivables	21	4,407	4,879
Debtors and other assets from commercial activities	22	35,166	36,320
Other debtors and other assets	23	75,655	396,980
Collateral deposits associated to financial debt	30	65,299	65,597
Total Non-Current Assets		14,714,269	13,344,787
Inventories	20	22,762	21,320
Trade receivables	21	217,135	141,145
Debtors and other assets from commercial activities	22	42,823	41,564
Other debtors and other assets	23	66,033	294,646
Current tax assets	24	118,658	89,093
Collateral deposits associated to financial debt	30	8,054	15,141
Cash and cash equivalents	25	436,732	368,623
Assets held for sale	26	109,691	-
Total Current Assets		1,021,888	971,532
Total Assets		15,736,157	14,316,319
Equity			
Share capital	27	4,361,541	4,361,541
Share premium	27	552,035	552,035
Reserves	28	-36,938	-64,256
Other reserves and Retained earnings	28	927,748	806,319
Consolidated net profit attributable to equity holders of the parent		166,614	126,007
Total Equity attributable to equity holders of the parent		5,971,000	5,781,646
Non-controlling interests	29	863,109	549,113
Total Equity		6,834,109	6,330,759
Liabilities			
Medium / Long term financial debt	30	3,832,413	3,716,434
Provisions	31	120,514	98,911
Deferred tax liabilities	19	316,497	270,392
Institutional partnerships in U.S. wind farms	32	1,956,217	1,801,963
Trade and other payables from commercial activities	33	466,296	464,367
Other liabilities and other payables	34	712,505	431,435
Total Non-Current Liabilities		7,404,442	6,783,502
Short term financial debt	30	387,857	185,489
Provisions	31	919	-
Trade and other payables from commercial activities	33	787,357	687,904
Other liabilities and other payables	34	201,782	271,961
Current tax liabilities	35	64,285	56,704
Liabilities held for sale	26	55,406	-
Total Current Liabilities		1,497,606	1,202,058
Total Liabilities		8,902,048	7,985,560
Total Equity and Liabilities		15,736,157	14,316,319

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED AT 31 DECEMBER 2015 AND 2014

THOUSANDS OF EUROS

	TOTAL EQUITY	SHARE CAPITAL	SHARE PREMIUM	RESERVES AND RETAINED EARNINGS	EXCHANGE DIFFERENCES	HEDGING RESERVE	FAIR VALUE RESERVE	EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF EDP RENÓVÁVEIS	NON- CONTROLLING INTERESTS
Balance as at 31 December 2013	6,089,323	4,361,541	552,035	827,295	-43,733	-29,114	3,242	5,671,266	418,057
Comprehensive income:									
Fair value reserve (available for sale financial assets) net of taxes	-1,048	-	-	-	-	-	-639	-639	-409
Fair value reserve (cash flow hedge) net of taxes	-15,117	-	-	-	-	-10,634	-	-10,634	-4,483
Share of other comprehensive income of joint ventures and associates, net of taxes	-15,463	-	-	-	-10,975	-4,488	-	-15,463	-
Exchange differences arising on consolidation	55,619	-	-	-	28,706	-	-	28,706	26,913
Net profit for the year	177,887	-	-	126,007	-	-	-	126,007	51,880
Total comprehensive income for the year	201,878	-	-	126,007	17,731	-15,122	-639	127,977	73,901
Dividends paid	-34,892	-	-	-34,892	-	-	-	-34,892	-
Dividends attributable to non-controlling interests	-34,382	-	-	-	-	-	-	-	-34,382
Sale without loss of control of EDPR France	6,773	-	-	8,738	-	1,070	-	9,808	59,163
Sale without loss of control of EDPR France subsidiaries	27,645	-	-	3,199	-	2,100	-	5,299	22,346
Sale without loss of control of South Dundas (EDPR NA)	15,494	-	-	2,255	209	-	-	2,464	13,030
Other changes resulting from acquisitions/ sales and equity increases	-3,317	-	-	-282	-	-	-	-282	-3,035
Other	39	-	-	6	-	-	-	6	33
Comprehensive income:									
Balance as at 31 December 2014	6,330,759	4,361,541	552,035	932,326	-25,793	-41,066	2,603	5,781,646	549,113
Comprehensive income:									
Fair value reserve (available for sale financial assets) net of taxes	431	-	-	-	-	-	399	399	32
Fair value reserve (cash flow hedge) net of taxes	11,500	-	-	-	-	10,739	-	10,739	761
Fair value reserve (cash flow hedge) net of taxes of non-current assets	201	-	-	-	-	201	-	201	-
Share of other comprehensive and associates, net of taxes	-9,404	-	-	-	-12,498	3,094	-	-9,404	-
Reclassification to profit and loss due to ENEOP transaction	11,954	-	-	-	-	11,954	-	11,954	-
Exchange differences arising on consolidation	37,469	-	-	-	21,054	-	-	21,054	16,415
Net profit for the year	245,491	-	-	166,614	-	-	-	166,614	78,877
Total comprehensive income for the year	297,642	-	-	166,614	8,556	25,988	399	201,557	96,085
Dividends paid	-34,892	-	-	-34,892	-	-	-	-34,892	-
Dividends attributable to non-controlling interests	-43,184	-	-	-	-	-	-	-	-43,184
Acquisitions without changes of control of EDPR Spain subsidiaries	-25,722	-	-	46,484	-	-5,806	1,344	42,022	-67,744
Sale without loss of control of EDPR North America subsidiaries	330,183	-	-	-10,558	-7,493	-1,472	-	-19,523	349,706
Sale without loss of control of EDPR Brazil subsidiaries	61,280	-	-	10,096	4,704	-	-	14,800	46,480
Other changes resulting from acquisitions/sales and equity increases	-81,957	-	-	-15,708	1,098	-	-	-14,610	-67,347
Balance as at 31 December 2015	6,834,109	4,361,541	552,035	1,094,362	-18,928	-22,356	4,346	5,971,000	863,109

(*) Restated for IFRS 10 and 11 purposes

The following Notes form an integral part of these Consolidated Annual Accounts

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014

THOUSANDS OF EUROS		
	2015	2014
Operating activities		
Cash receipts from customers	1,308,708	1,180,865
Payments to suppliers	-340,271	-301,046
Payments to personnel	-79,981	-66,245
Other receipts / (payments) relating to operating activities	-131,311	-39,602
Net cash from operations	757,145	773,972
Income tax received / (paid)	-55,704	-66,880
Net cash flows from operating activities	701,441	707,092
Investing activities		
Cash receipts relating to:		
Changes in cash resulting from perimeter variations (*)	98,507	35
Property, plant and equipment and intangible assets	9,106	1,464
Interest and similar income	11,021	26,283
Dividends	13,481	17,389
Loans to related parties	183,079	118,891
Other receipts from investing activities	4,765	23,147
	319,959	187,209
Cash payments relating to:		
Acquisition of assets / subsidiaries	-159,318	-19,790
Property, plant and equipment and intangible assets	-876,386	-536,618
Loans to related parties	-30,171	-241,654
Other payments in investing activities	-537	-661
	-1,066,412	-798,688
Net cash flows from investing activities	-746,453	-611,514
Financing activities		
Sale of assets / subsidiaries without loss of control (**)	394,851	79,432
Receipts/ (payments) relating to loans	-45,353	50,207
Interest and similar costs	-215,894	-190,976
Governmental grants received	-	-
Dividends paid	-78,076	-67,884
Receipts / (payments) from wind activity institutional partnerships - USA	68,474	147,860
Other cash flows from financing activities	-13,151	-15,442
Net cash flows from financing activities	110,851	3,197
Changes in cash and cash equivalents	65,839	98,775
Effect of exchange rate fluctuations on cash held	2,270	14,386
Cash and cash equivalents at the beginning of the period	368,623	255,462
Cash and cash equivalents at the end of the period (***)	436,732	368,623

(*) Includes 99,147 thousands of Euros related with the full consolidation of Eneop portfolio as a result of the Eneop Consortium 's deal (see note 43).

(**) Includes 315,945 thousands of Euros related to the sale by EDPR NA of 49% of its interests in several American companies, and 78,906 thousands of Euros related to the sale by EDPR Brasil of 49% of its interests in several Brazilian companies (see note 5).

(***) See Note 25 of the consolidated financial statements for a detailed breakdown of Cash and cash equivalents.