



November, 2015

RESULTS AND CONSOLIDATED INFORMATION NINE MONTHS OF 2015

*An integrated energy player focused on
exploration and production*



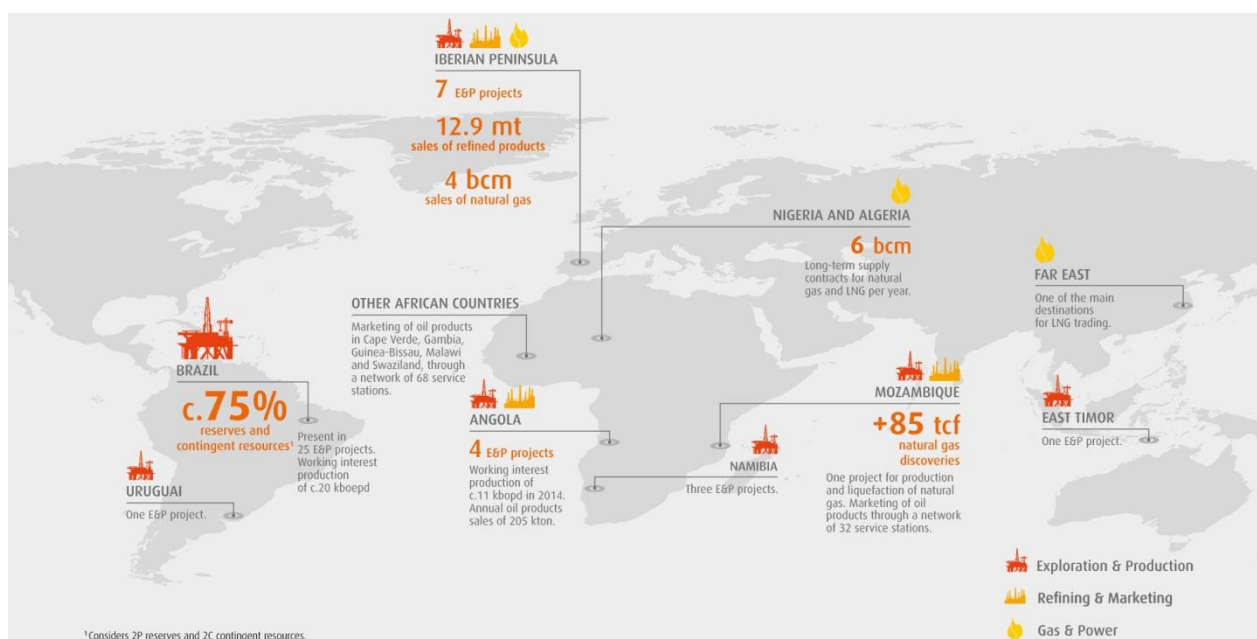
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TABLE OF CONTENTS

Executive summary	4
Key figures.....	5
Exploration & Production activities.....	6
Operating and financial performance	9
1. Market environment	9
2. Operating performance.....	10
Exploration & Production	10
Refining & Marketing.....	11
Gas & Power	13
3. Financial Performance.....	14
3.1. Profit & Loss	14
3.2. Capital expenditure	15
3.3. Cash flow	16
3.4. Financial position.....	17
3.5. Financial debt	18
Galp Energia share	19
Additional Information.....	20
1. Basis of presentation	20
2. Replacement cost adjusted turnover	21
3. Reconciliation of IFRS and replacement cost adjusted figures	21
3.1. Replacement cost adjusted Ebitda by segment	21
3.2. Replacement cost adjusted Ebit by segment	21
4. Non-recurring items	22
5. Consolidated financial statements	23
Definitions	79

Galp Energia: energy on the move



WHO WE ARE

- An integrated energy player focused on exploration and production, with a portfolio of assets with a unique growth profile within the industry.
- Exploration and production activities anchored in three core countries: Brazil, Angola and Mozambique.
- Significant presence in the downstream oil and gas businesses in the Iberian Peninsula and in Africa.
- Distribution and marketing of natural gas and electricity in Iberia, with a solid LNG structured trading activity.

Our vision and purpose

To be an integrated energy player recognised for its exploration and production activities, creating sustainable value for its stakeholders.

Our strategy

To strengthen our exploration and production activities, complemented by efficient and competitive downstream and gas businesses and supported by a solid financial capacity and sustainable practices.

Our strategic drivers

- Efficient business development.
- Financial discipline and value creation.
- Organisational effectiveness.
- Human capital development.
- Commitment to sustainability.

Our competitive advantages

- Participation in some of the most promising projects worldwide.
- Successful and enduring partnerships with leading companies.
- Integrated skills and know-how of the business.
- Financial capacity and flexible organisation.

To learn more, visit www.galpennergia.com

Executive summary

MAIN OPERATING HIGHLIGHTS DURING THE FIRST NINE MONTHS OF 2015

- Working interest production of oil and natural gas amounted to 43.7 kboepd, with the production increase in Brazil contributing to this result;
- Galp Energia's refining margin reached \$6.6/boe, following the favourable refining margins in the international markets; the marketing of oil products maintained its positive contribution to results, supported by the stability of the volumes sold and operational performance optimisation;
- Natural gas sold reached 5,973 million cubic metres (mm³), mainly due to the increase in volumes sold in the trading segment;
- The Group's consolidated Ebitda rose to €1,255 million (m), up 37% year-on-year (YoY), on a replacement cost adjusted (RCA) basis, supported by the contribution of the Refining & Marketing (R&M) business;
- Capital expenditure during the quarter amounted to €852 m, of which 92% was allocated to exploration and production activities;
- Net debt at the end of September 2015 amounted to €1,606 m considering the loan to Sinopec as cash and equivalents.

During the first nine months of 2015, Galp Energia continued to implement its strategy focused on the execution of its Exploration & Production (E&P) projects and on the optimisation of its Refining & Marketing (R&M) and Gas & Power (G&P) businesses.

Development activities proceeded in the Lula/Iracema fields in Brazil, with the start of operations of FPSO Cidade de Itaguaí (FPSO #4) in the Iracema North area, and with the ramp-up of FPSO Cidade de Mangaratiba (FPSO #3), which reached an average production of c.130 kbopd, with only four producer wells connected. FPSOs Cidade de Angra dos Reis (FPSO #1) and Cidade de Paraty (FPSO #2) continued to produce at plateau levels in the Lula area.

Regarding exploration and appraisal activities, the consortium of block BM-S-8 concluded the second drilling stage of the Carcará Northwest (NW) appraisal well, which confirmed the extension of the Carcará discovery, and started the DST preliminary activities in the Carcará North well.

In the Potiguar basin, the drilling of the Pitú North appraisal well has started.

Regarding R&M and G&P activities, Galp Energia continues to focus on increasing the return on capital employed. It is worth highlighting the contribution of the refining activity during the period, supported by the positive evolution of international margins, and the high availability of the refining system together with the positive performance of the marketing of oil products business. The G&P activity was impacted by the lower performance of the power business, and by the downward revision of the rate of return in the regulated infrastructure business.

Key figures

FINANCIAL DATA

€ m (RCA)

	Nine Months			
	2014	2015	Chg. YoY	% Chg. YoY
Ebitda	915	1,255	340	37.1%
Exploration & Production	342	304	(39)	(11.3%)
Refining & Marketing	221	635	414	n.m.
Gas & Power	337	295	(42)	(12.5%)
Ebit	516	816	300	58.0%
Net income	236	490	254	n.m.
Capex	776	852	75	9.7%
Net debt including loan to Sinopec¹	1,630	1,606	-	-
Net debt to Ebitda	1.2x	1.1x²	-	-

¹Considering loan to Sinopec as cash and equivalents. The information in 2014 is as of December 31.

²Ratio considers net debt including loan to Sinopec as cash equivalent, plus €168 m Sinopec Shareholder Loan to Petrogal Brasil as debt, and LTM Ebitda RCA €1,661 m.

OPERATIONAL DATA

	Nine Months			
	2014	2015	Chg. YoY	% Chg. YoY
Average working interest production (kboepd)	28.5	43.7	15.1	53.1%
Average net entitlement production (kboepd)	24.9	41.2	16.3	65.3%
Oil and gas average sale price (USD/boe)	98.8	49.0	(49.8)	(50.4%)
Raw materials processed (kboe)	65,272	85,809	20,537	31.5%
Galp Energia refining margin (USD/boe)	2.0	6.6	4.6	n.m.
Oil sales to direct clients (mton)	6.8	6.9	0.1	1.8%
NG supply sales to direct clients (mm ³)	2,791	2,851	61	2.2%
NG/LNG trading sales (mm ³)	2,796	3,122	326	11.7%

MARKET INDICATORS

	Nine Months			
	2014	2015	Chg. YoY	% Chg. YoY
Dated Brent price ¹ (USD/bbl)	106.5	55.3	(51.2)	(48.1%)
Heavy-light crude price spread ² (USD/bbl)	(1.8)	(1.1)	0.7	(40.1%)
UK NBP natural gas price ¹ (GBP/therm)	49.7	44.1	(5.6)	(11.3%)
LNG Japan and Korea price ¹ (USD/mmbtu)	15.9	7.6	(8.4)	(52.6%)
Benchmark refining margin ³ (USD/bbl)	0.5	5.6	5.0	n.m.
Iberian oil market ⁴ (mton)	44.0	45.1	1.1	2.6%
Iberian natural gas market ⁵ (mm ³)	21,728	23,127	1,399	6.4%

¹Source: Platts.

²Source: Platts. Dated Urals NWE for heavy crude; Dated Brent for light crude.

³For a complete description of the method of calculating the benchmark refining margin see "Definitions".

⁴Source: Apetro for Portugal; Cores for Spain; the figures include an estimate for September 2015.

⁵Source: Galp Energia and Enagás.

Exploration & Production activities

DEVELOPMENT ACTIVITIES

Brazil

Galp Energia and its partners continued with the development works on the Lula/Iracema project with FPSO #4 starting production in late July, in the Iracema North area. That FPSO has a capacity to process 150 kbopd and 8 mm³ of natural gas on a daily basis. The development plan involves the connection of 17 wells, 14 of which have already been drilled. FPSO #4 reached an average production of c.30 kbopd through one producer well since the start of operations, with the first injector well connected during September and a second producer well connected in October.

In the Iracema South area, it is worth highlighting the connection of the fourth producer well to FPSO #3 in the beginning of July with a fourth injector well connected in September. The consortium expects that a producer well and an injector well will be connected before the end of the year, making a total of five wells each, allowing for the unit to reach plateau production.

During 2015, FPSO #1 and #2 continued operating steadily at plateau levels, in the Lula Pilot and Lula Northeast (NE) areas, respectively. It is worth highlighting as well the extended well test currently underway in the Lula North area through FPSO #2.

The Cabiúnas consortium proceeded with the pipeline installation works that started during the second quarter of 2014. The installation is expected to be concluded by the beginning of 2016.

Regarding the remaining FPSO units planned to be assigned to the Lula/Iracema fields, construction works proceeded.

FPSO Cidade de Maricá (FPSO #5), unit assigned to the Lula Alto area, is in the Mauá shipyard, in Brazil, since the beginning of the third quarter, where the remaining integration works are being carried out. FPSO Cidade de Saquarema (FPSO #6), assigned to the Lula Central area, sailed away from the Chengxi shipyard, in China, during September, to the Mauá shipyard for the remaining integration works. Those FPSOs are expected to start production during the first half of 2016.

Regarding the replicant FPSO units, the integration of topsides on the replicant unit allocated to Lula South area has proceeded in the Brasfels shipyard. The hull of the unit set for the Lula North area left in September the Rio Grande do Sul shipyard, heading to the COOEC shipyard, in China, where the topsides integration works will be executed.

Construction works proceeded on the hull of the unit set for development of the Lula Extreme South area in the COSCO shipyard, in China.

DEVELOPMENT WELLS IN THE LULA/IRACEMA AREAS

	Project	Type of wells			
			Planned	Drilled	Connected
#1	Lula Pilot <i>FPSO Cidade de Angra dos Reis</i>	Producers	7	5	5
		Injectors	5	5	4
#2	Lula NE <i>FPSO Cidade de Paraty</i>	Producers	8	6	6 ¹
		Injectors	6	6	3
#3	Iracema South <i>FPSO Cidade de Mangaratiba</i>	Producers	8	7	4
		Injectors	8	7	4
#4	Iracema North <i>FPSO Cidade de Itaguaí</i>	Producers	8	7	2
		Injectors	9	7	1

¹Includes EWT in Lula North.

Mozambique

In Mozambique, the consortium of Area 4 continued working towards the initial phase of development, and is currently analysing and negotiating the Engineering, Procurement, Construction, Installation and Commissioning (EPCIC) proposals for the offshore Coral project. Still regarding this project there was also progress on the negotiations for the liquefied natural gas (LNG) offtake agreements. Regarding the Mamba onshore project, the preparation process for the Front-End Engineering Design (FEED) and EPCIC of the first two trains continues.

Angola

The tie-back of the Lianzi field to the compliant piled tower (CPT) platform in the Benguela-Belize-Lobito-Tomboco field (BBLT), in block 14, was conducted. Alongside those works, the consortium took the opportunity to perform maintenance works on the platform during August. In September, the works were completed and production in the BBLT field resumed.

The start of production in the Lianzi field, in block 14k, is imminent, and this project comprehends the connection of two producer wells.

Regarding block 32, engineering and procurement works, as well as conversion works of the FPSO units associated to the Kaombo project proceeded, in Singapore.

EXPLORATION AND APPRAISAL ACTIVITIES

Brazil

The consortium of block BM-S-8 concluded the second phase of the Carcará NW appraisal well drilling. This confirmed the extension to the northwest of the Carcará discovery, through the identification of continuous carbonate reservoirs of excellent quality. During September, the consortium started the DST preliminary activities in the Carcará North well, with the purpose of

testing the reservoir's permeability and productivity.

In the Potiguar offshore basin, the drilling of the Pitú North appraisal well started in license BM-POT-17, with the objective of confirming the extension of the Pitú discovery. Once drilling is concluded, the consortium will evaluate the execution of a DST.

SCHEDULE OF EXPLORATION AND APPRAISAL ACTIVITIES

Area	Target	Interest	E/A ²	Spud date	Duration (# days)	Well status
Brazil¹						
BM-S-11	Iara RDA 4	10%	A	1Q15	-	Concluded
BM-S-8	Carcará North	14%	A	1Q15	-	Concluded
BM-S-8	Carcará NW ³	14%	A	3Q15	-	Concluded
Potiguar	Pitú North	20%	A	3Q15	120	Ongoing
Amazonas	Jan-1	40%	E	1Q15	-	Concluded
Amazonas	Sil-1	40%	E	2Q15	-	Concluded

¹Petrogal Brasil: 70% Galp Energia; 30% Sinopec.

²E – Exploration well; A – Appraisal well.

³Second drilling phase.

Operating and financial performance

1. MARKET ENVIRONMENT

EUR:USD

During the first nine months of 2015, the average EUR:USD exchange rate was 1.115, corresponding to a devaluation of 18% YoY.

Dated Brent

During the first nine months of 2015, the average dated Brent decreased \$55.3/bbl YoY to \$51.2/bbl, as the oil global demand of 94.1 million barrels per day (mmbopd) was not sufficient to absorb the world production of 96.0 mmbopd in the same period, which was supported by the production increase of crude oil in the USA and OPEC countries.

During the first nine months of 2015, the spread between the price of Urals and Dated Brent was at -\$1.1/bbl, compared to -\$1.8/bbl in the previous year.

Natural Gas

During the first nine months of 2015, the spread between the Asian LNG reference price (JKM) and the natural gas price in Europe (NBP) tightened \$7.0/mmbtu YoY to \$0.6/mmbtu.

Refining Margins

During the first nine months of 2015, the benchmark refining margin increased by \$5.0/bbl YoY to \$5.6/bbl, following the decrease of the crude price, impacting the consumptions and losses value, and the positive evolution of the gasoline crack.

Iberian Market

During the first nine months of 2015, the Iberian market for oil products rose 2.6% YoY to 45.1 mton.

During the same period, the natural gas market reached 23.127 mm³, up 6.4% YoY. The electrical segment rose 32.9%, whilst the conventional segment increased 1.6%.

2. OPERATING PERFORMANCE



EXPLORATION & PRODUCTION

€ m (RCA, except otherwise stated)

	Nine Months			
	2014	2015	Chg. YoY	% Chg. YoY
Average working interest production¹ (kboepd)	28.5	43.7	15.1	53.1%
Oil production (kbopd)	27.1	40.4	13.3	49.1%
Average net entitlement production (kboepd)	24.9	41.2	16.3	65.3%
Angola	6.9	7.1	0.2	2.2%
Brazil	18.0	34.1	16.1	89.7%
Average realised sale price (USD/boe)	98.8	49.0	(49.8)	(50.4%)
Royalties² (USD/boe)	9.6	4.4	(5.1)	(53.5%)
Production costs (USD/boe)	14.3	9.6	(4.7)	(33.0%)
Amortisation³ (USD/boe)	22.3	16.8	(5.5)	(24.5%)
Ebitda	342	304	(39)	(11.3%)
Depreciation & Amortisation	112	170	58	51.8%
Provisions	(1)	-	1	n.m.
Ebit	231	133	(97)	(42.2%)

Note: unit values based on net entitlement production.

¹Includes natural gas exported; excludes natural gas used or injected.

²Based on production in Brazil.

³Includes abandonment provisions

Operations

During the first nine months of 2015, working interest production increased 53% to 43.7 kboepd, due to a higher production contribution from Brazil, which increased 90% YoY to 34.1 kboepd. That evolution was supported by the higher output of FPSO #2, and the start of production of FPSO #3 and FPSO #4.

Results

Ebitda for the first nine months of 2015 dropped €39 m YoY to €304 m, following the decrease in the average sale price of oil and natural gas, and despite the increase in net entitlement production and the appreciation of the Dollar against the Euro.

The average sale price was \$49.0/boe, whilst during the first nine months of 2014 it was \$98.8/boe.

During the first nine months of 2015, production costs increased €25 m YoY to €97 m, as a result of the start of operations of FPSO #3 and #4 in Brazil.

During the first nine months of 2015, net entitlement production rose 65% YoY to 41.2 kboepd, mainly as a result of production increase in Brazil.

Net entitlement production in Angola increased 2% YoY to 7.1 kbopd.

On the other hand, production costs in Angola decreased €6 m YoY. In unit terms, production costs decreased \$4.7/boe YoY to \$9.6/boe.

Depreciation charges during the first nine months of 2015 increased €58 m YoY to €170 m, as a result of the increased asset base and higher production in Brazil. On a net entitlement basis, depreciation charges decreased \$5.5/boe YoY, to \$16.8/boe.

Ebit decreased €97 m YoY to €133 m.



REFINING & MARKETING

€ m (RCA, except otherwise stated)

	Nine Months			
	2014	2015	Chg. YoY	% Chg. YoY
Galp Energia refining margin (USD/boe)	2.0	6.6	4.6	n.m.
Refining cash cost¹ (USD/boe)	2.6	2.6	(0.0)	(1.5%)
Raw materials processed (kboe)	65,272	85,809	20,537	31.5%
Crude processed (kbbl)	55,052	76,443	21,392	38.9%
Total refined product sales (mton)	12.2	14.0	1.7	14.2%
Sales to direct clients (mton)	6.8	6.9	0.1	1.8%
Ebitda	221	635	414	n.m.
Depreciation & Amortisation	213	205	(8)	(3.7%)
Provisions	14	8	(6)	(42.5%)
Ebit	(6)	422	428	n.m.

¹Includes impact of hedging of the refining margin.

Operations

Raw materials processed during the first nine months of 2015 increased 31% YoY to 85.8 mmbbl, as the volume of raw materials processed had been affected by the planned outage of the Sines refinery in the first half of 2014.

During the first nine months of 2015, crude oil processed accounted for 89% of raw materials processed, of which 83% corresponded to medium and heavy crudes.

The production of middle distillates accounted for 47% of total production, whereas gasoline and fuel oil accounted for 22% and 17% of total production, respectively. Consumption and losses accounted for 8%, in line with the previous year.

Results

During the first nine months of 2015, Ebitda increased €414 m YoY to €635 m, due to improved results from refining activity and the positive performance of the oil products marketing activity.

During the first nine months of 2015, Galp Energia's average refining margin was \$6.6/boe, compared to \$2.0/boe in the previous year, following the improved refining margins in the international market.

Volumes sold to direct clients increased 2% compared to the first nine months of 2014, benefitting from the recovery of the Iberian oil market. Volumes of oil products sold in Africa accounted for 8% of total volumes sold in the period.

During the first nine months of 2015, Galp Energia continued its programme aiming at increasing refineries' energy efficiency. Sines refinery emission indicators reached 31.8 kgCO₂/CWT, compared to 32.9 kgCO₂/CWT in 2014. That value is well below the 37.7 CO₂/CWT average of the refining industry.

Refining cash costs amounted to €201 m during the first nine months of 2015, and remained stable in unit terms at \$2.6/boe compared to the previous year. However, in 2015, costs were affected by the hedging operations on the refining margin, which had an average impact of \$1.0/boe during the period. Excluding this impact, the refining cash costs were \$1.6/boe.

Marketing of oil products also contributed positively to the results evolution, benefitting from the improvement in volumes sold.

As a result, Ebit during the first nine months of 2015 stood at €422 m, up €428 YoY.



GAS & POWER

€ m (RCA, except otherwise stated)

	Nine Months			
	2014	2015	Chg. YoY	% Chg. YoY
NG supply total sales volumes (mm³)	5,586	5,973	387	6.9%
Sales to direct clients (mm³)	2,791	2,851	61	2.2%
Trading (mm³)	2,796	3,122	326	11.7%
Sales of electricity (GWh)	2,796	3,466	670	24.0%
Ebitda	337	295	(42)	(12.5%)
Natural Gas	196	190	(6)	(3.0%)
Infrastructure	119	102	(17)	(14.3%)
Power	22	3	(19)	(87.7%)
Depreciation & Amortisation	48	43	(4)	(9.3%)
Provisions	10	9	(1)	(9.5%)
Ebit	279	242	(37)	(13.2%)

Operations

During the first nine months of 2015, volumes sold in the natural gas segment increased 7% YoY to 5,973 mm³, reflecting the increase in volumes sold in the trading and electrical segments.

Volumes sold in the international market increased 12% to 3,122 mm³. A total of 27 LNG trading operations took place, a decrease of five YoY that was offset by the higher network trading activity, whose volumes increased to 1,013 mm³, compared to 316 mm³ in the previous year.

Sales to direct clients were supported by larger volumes sold in the electrical segment, which

increased 36% to 730 mm³, as a result of the higher consumption of natural gas for power generation in Portugal.

Volumes sold to retail and industrial clients in Iberia decreased 15% and 4%, to 289 mm³ and 1,832 mm³, respectively.

Sales of electricity increased 670 GWh YoY to a total of 3,466 GWh in the first nine months of 2015, mainly due to the increased marketing of electricity, which more than offset the drop on sales of electricity to the grid, standing at 1,029 GWh.

Results

Ebitda for the G&P business during the first nine months of 2015 was down €42 m YoY to €295 m, mostly due to lower results in the power and infrastructure businesses.

Ebitda for the power business dropped €19 m, standing at €3 m, impacted by the lag in the natural gas purchase price indexes, compared to the pricing formulas of energy produced, particularly during the first quarter of 2015.

In turn, Ebitda for the regulated infrastructure business contributed with €102 m to Ebitda for the period, impacted by the downward revision of the rate of return.

Ebitda for the natural gas segment also dropped 3% to €190 m.

Ebit for the G&P business segment stood at €242 m during the period, i.e., down 13% YoY.

3. FINANCIAL PERFORMANCE

3.1. PROFIT & LOSS

€ m (RCA, except otherwise stated)

	Nine Months			
	2014	2015	Chg. YoY	% Chg. YoY
Turnover	13,434	12,082	(1,352)	(10.1%)
Cost of goods sold	(11,462)	(9,636)	(1,826)	(15.9%)
Supply & Services	(839)	(974)	135	16.1%
Personnel costs	(241)	(241)	(0)	(0.1%)
Other operating revenues (expenses)	24	24	1	2.8%
Ebitda	915	1,255	340	37.1%
Depreciation & Amortisation	(375)	(422)	46	12.4%
Provisions	(23)	(17)	(6)	(26.9%)
Ebit	516	816	300	58.0%
Net income from associated companies	44	60	16	36.1%
Net income from investments	1	1	(0)	(16.0%)
Financial results	(94)	(94)	0	(0.1%)
Net income before taxes and non-controlling interests	468	783	315	67.4%
Taxes ¹	(181)	(247)	66	36.8%
Non-controlling interests	(51)	(46)	(5)	(10.4%)
Net income	236	490	254	n.m.
Non recurring items	(103)	(189)	(86)	84.1%
Net income RC	133	301	168	n.m.
Inventory effect	(66)	(184)	(118)	n.m.
Net income IFRS	67	117	50	74.4%

¹Includes Special Participation Tax payable in Brazil and IRP payable in Angola.

During the first nine months of 2015, turnover stood at €12,082 m, a 10% decrease YoY, resulting from lower commodity prices.

Operating costs amounted to €10,851 m, a 13% fall YoY, following a 16% decrease in the cost of goods sold.

During the first nine months of 2015, Ebitda reached €1,255 m, a €340 m increase YoY, which was due to improved results in the R&M business. Ebit increased by €300 m to €816 m.

Results from associated companies were up by €16 m, reaching €60 m.

Financial results were €94 m, in line YoY including the mark-to-market of financial instruments related to refining margin hedging.

Net interest expenses remained stable YoY at around €95 m during the first nine months of 2015.

Due to the better results, taxes increased €66 m to €247 m.

Non-controlling interests amounted to €46 m and were primarily attributable to Sinopec.

RCA net income stood at €490 m, a €254 m increase when compared to the first nine months of 2014. In turn, IFRS net income was up by €50 m to €117 m, including a €184 m negative inventory effect as well as non-recurring items, amounting to €189 m, mainly linked to impairments and the extraordinary contributions on the energy sector.

3.2. CAPITAL EXPENDITURE

€ m

	Nine Months			
	2014	2015	Chg. YoY	% Chg. YoY
Exploration & Production	683	782	98	14.4%
Exploration and appraisal activities	190	95	(95)	(50.1%)
Development and production activities	493	687	194	39.2%
Refining & Marketing	68	50	(18)	(26.4%)
Gas & Power	21	17	(5)	(22.5%)
Others	3	3	0	1.9%
Investment	776	852	75	9.7%

During the first nine months of 2015, capital expenditure amounted to €852 m, 92% of which was invested in the E&P business.

A total of €782 m were channelled into the E&P activity, 88% of which was allocated to development activities, namely to Brazil's Lula/Iracema fields and Angola's block 32.

Capital expenditure in downstream and gas activities stood at €67 m, a 25% fall YoY, as investment in 2014 had been impacted by the general outage for maintenance at the Sines refinery.

3.3. CASH FLOW

€ m (IFRS figures)

	Nine Months	
	2014	2015
Ebit	346	467
Dividends from associates	55	45
Depreciation, Depletion and Amortization (DD&A)	451	510
Change in Working Capital	10	392
Cash flow from operations	863	1,414
Net capex	(776)	(800)
Net financial expenses	(100)	(99)
SPT and Corporate taxes	(120)	(94)
Dividends paid	(267)	(317)
Others ¹	135	28
Change in net debt	266	(133)

¹Including CTA's (Cumulative Translation Adjustment) and partial reimbursement of loan granted to Sinopec.

During the first nine months of 2015, net debt fell €133 m, having been positively impacted by cash flow generation from operations of €1,414 m and by the reimbursement of c.€180 m related to the

loan granted to Sinopec. During this period, cash flow benefitted from working capital improvement, primarily stemming from inventory optimisation.

3.4. FINANCIAL POSITION

€ m (IFRS figures)

	31 December, 2014	30 September, 2015	Change vs. 31 Dec. 2014
Non-current assets	7,599	7,638	39
Working capital	968	577	(392)
Loan to Sinopec	890	781	(109)
Other assets (liabilities)	(512)	(536)	(24)
Capital employed	8,945	8,459	(486)
Short term debt	303	529	226
Medium-Long term debt	3,361	3,063	(298)
Total debt	3,664	3,592	(72)
Cash and equivalents	1,144	1,205	61
Net debt	2,520	2,387	(133)
Total equity	6,425	6,072	(352)
Total equity and net debt	8,945	8,459	(486)

On 30 September 2015, non-current assets stood at €7,638 m, of which €2,016 m were related to work-in-progress, namely in E&P projects.

Capital employed at the end of this period amounted to €8,459 m and included the loan granted to Sinopec, the outstanding balance of which stood at €781 m, as of 30 September.

3.5. FINANCIAL DEBT

€ m (except otherwise stated)

	31 December, 2014	30 September, 2015	Change vs. 31 Dec. 2014
Bonds	2,248	2,152	(95)
Bank loans and other debt	1,417	1,440	23
Cash and equivalents	1,144	1,205	61
Net debt	2,520	2,387	(133)
Net debt including loan to Sinopec¹	1,630	1,606	-
Average life (years)	3.7	3.3	(0.36)
Average debt interest rate	4.21%	3.82%	(0.4 p.p.)
Net debt to Ebitda	1.2x	1.1x ²	-

¹Net debt of €2,387 m adjusted to €781 m of the loan to Sinopec.

²Ratio considers net debt including loan to Sinopec as cash equivalent, plus €168 m Sinopec Shareholder Loan to Petrogal Brasil as debt, and LTM Ebitda RCA €1,661 m.

As of 30 September 2015, net debt decreased to €2,387 m, down by €133 m when compared to the end of 2014.

Considering the €781 m balance of the Sinopec loan as cash and equivalents, net debt totalled €1,606 m at the end of the first nine months of the year, which translates into a net debt to Ebitda ratio of 1.1x, considering as part of the calculation of this ratio the €168 m of Sinopec's shareholder loans to the subsidiary Petrogal Brasil.

At the end of September 2015, the average interest rate was 3.82%, with 42% of total debt on a fixed-rate basis.

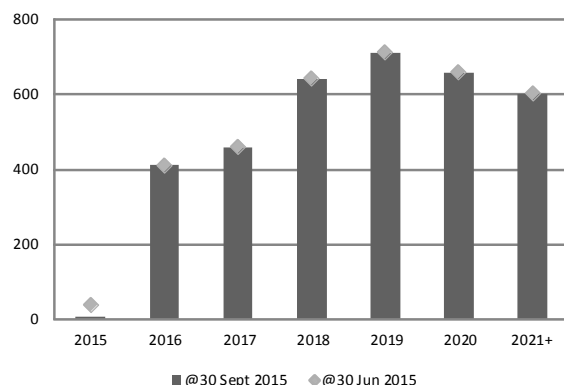
Debt had an average maturity of 3.3 years, and medium and long-term debt accounted for 85% of the total.

On 30 September 2015, c.75% of total debt was scheduled to mature from 2018 onwards.

It is also worth mentioning that, at the end of the nine months of 2015, Galp Energia had unused credit lines of c.€1.1 bn, 60% of which were contractually guaranteed.

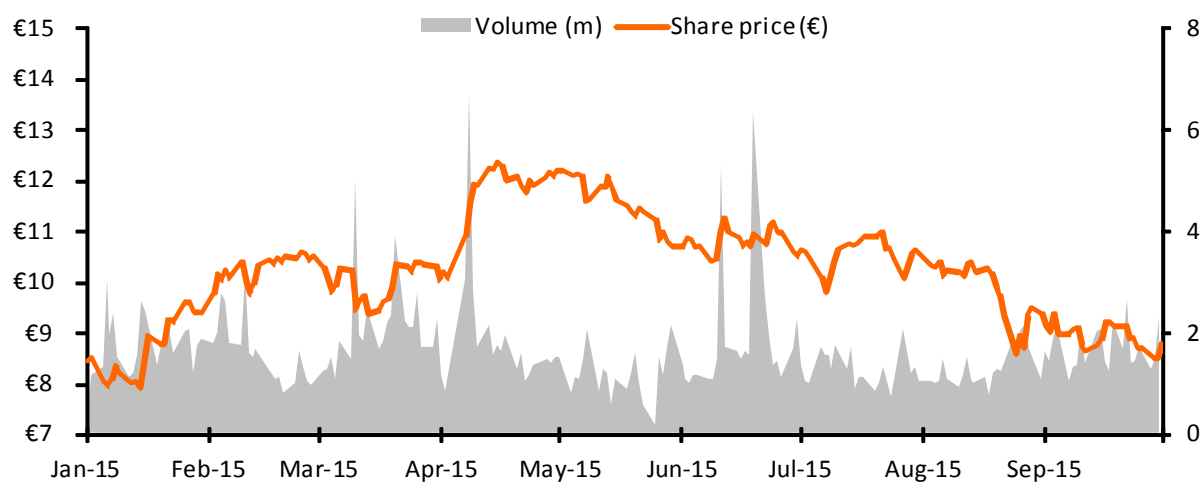
DEBT MATURITY PROFILE

€ m



Galp Energia share

PERFORMANCE OF THE GALP ENERGIA SHARE



Source: Euroinvestor

During the first nine months of 2015, Galp Energia share gained 4%, with 504 m shares traded on regulated markets, of which 312 m on Euronext Lisbon.

The average daily volume traded on regulated markets amounted to 2.6 m shares, of which 1.6 m on Euronext Lisbon.

Main indicators		
	2014	9M15
Min (€)	7.82	7.81
Max (€)	13.75	12.48
Average (€)	12.10	10.25
Close price (€)	8.43	8.80
Regulated markets volume (m shares)	547.9	506.0
Average volume per day (m shares)	2.1	2.6
of which Euronext Lisbon (m shares)	1.3	1.6
Market cap (€m)	6,991	7,297

Additional Information

1. BASIS OF PRESENTATION

Galp Energia's consolidated financial statements for the nine months ended on 30 September 2015 and 2014 have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial information in the consolidated income statement is reported for the nine months ended on 30 September 2015 and 2014. The financial information in the consolidated financial position is reported on 30 September and 31 December 2014.

Galp Energia's financial statements are prepared in accordance with IFRS, and the cost of goods sold is valued at weighted-average cost. When goods and commodity prices fluctuate, the use of this valuation method may cause volatility in results through gains or losses in inventories, which do not reflect the Company's operating performance. This is called the inventory effect.

Another factor that may affect the Company's results, without being an indicator of its true

performance, is the set of non-recurring items, namely gains or losses on the disposal of assets, impairments or reinstatements of fixed assets, and environmental or restructuring charges.

For the purpose of evaluating Galp Energia's operating performance, RCA profit measures exclude non-recurring items and the inventory effect, the latter because the cost of goods sold and materials consumed has been calculated according to the Replacement Cost (RC) valuation method.

RECENT CHANGES

As of 1 January 2015, Galp Energia's basis for calculating both the unit refining margin and associated cash costs considers all processed raw materials (converted into barrels of oil equivalent), whereas before the calculation only considered processed crude. For comparison purposes, this change has been reflected in the same period of last year.

2. REPLACEMENT COST ADJUSTED TURNOVER

€ m

	Nine Months			
	2014	2015	Chg.	% Chg.
Turnover RCA	13,434	12,082	(1,352)	(10.1%)
Exploration & Production ¹	536	488	(48)	(8.9%)
Refining & Marketing	10,532	9,373	(1,159)	(11.0%)
Gas & Power	2,745	2,551	(194)	(7.1%)
Other	87	91	4	4.9%
Consolidation adjustments	(466)	(421)	(45)	(9.6%)

¹Does not include change in production. RCA turnover in the E&P segment, including change in production, amounted to €495 m in the first nine months of 2015.

3. RECONCILIATION OF IFRS AND REPLACEMENT COST ADJUSTED FIGURES

3.1. REPLACEMENT COST ADJUSTED EBITDA BY SEGMENT

€ m

2014					Nine Months	2015				
Ebitda IFRS	Inventory effect	Ebitda RC	Non-recurring items	Ebitda RCA		Ebitda IFRS	Inventory effect	Ebitda RC	Non-recurring items	Ebitda RCA
816	88	904	11	915	Galp Energia	1,002	241	1,243	12	1,255
342	-	342	0	342	E&P	299	-	299	5	304
116	95	211	10	221	R&M	406	218	624	10	635
343	(7)	336	0	337	G&P	275	23	298	(3)	295
15	-	15	1	16	Others	22	-	22	0	22

3.2. REPLACEMENT COST ADJUSTED EBIT BY SEGMENT

€ m

2014					Nine Months	2015				
Ebit IFRS	Inventory effect	Ebit RC	Non-recurring items	Ebit RCA		Ebit IFRS	Inventory effect	Ebit RC	Non-recurring items	Ebit RCA
346	88	434	82	516	Galp Energia	467	241	708	108	816
153	-	153	78	231	E&P	50	-	50	84	133
(110)	95	(15)	9	(6)	R&M	179	218	397	25	422
287	(7)	281	(2)	279	G&P	220	23	243	(1)	242
16	-	16	(2)	13	Others	19	-	19	0	19

4. NON-RECURRING ITEMS

CONSOLIDATED SUMMARY

€ m

	Nine Months	
	2014	2015
Sale of strategic stock	(117.4)	-
Cost of sale of strategic stock	113.5	-
Accidents caused by natural facts and insurance compensation	0.2	(0.9)
Gains/losses on disposal of assets	1.0	(2.8)
Assets write-offs	1.0	5.4
Investment subsidies - disposal underground gas caverns	-	(2.6)
Employee restructuring charges	12.9	13.1
Provisions for environmental charges and others	(4.9)	7.6
Assets impairments	76.1	88.5
Non-recurring items in Ebit	82.2	108.3
Capital gains/losses on disposal of financial investments	0.3	18.6
Provision for impairment of financial investments	2.8	-
Provision for financial investments	-	48.9
Non-recurring items before income taxes	85.2	175.8
Income taxes on non-recurring items	(8.6)	(33.2)
Energy sector contribution tax	30.5	59.8
Non-controlling interests on non-recurring items	(4.6)	(13.6)
Total non-recurring items	102.5	188.7

5. CONSOLIDATED FINANCIAL STATEMENTS

Galp Energia, SGPS, S.A. and Subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2015 AND 31 DECEMBER 2014

(Amounts stated in thousands of Euros – € k)

ASSETS	Notes	September 2015	December 2014
Non-current assets:			
Tangible assets	12	5,029,090	5,052,356
Goodwill	11	139,428	225,361
Intangible assets	12	1,401,072	1,446,906
Investments in associates and jointly controlled entities	4	1,020,077	786,702
Assets held for sale	4	2,510	2,512
Trade receivables	15	24,201	24,242
Loans to Sinopec	14	-	170,954
Other receivables	14	309,210	187,796
Deferred tax assets	9	429,482	363,973
Other financial investments	17	24,453	21,378
Total non-current assets:		8,379,523	8,282,180
Current assets:			
Inventories	16	890,409	1,210,374
Trade receivables	15	1,076,071	1,115,287
Loans to Sinopec	14	780,890	718,904
Other receivables	14	603,989	667,281
Other financial investments	17	2,876	10,136
Non-current assets held for sale	3, 4 and 5	25,780	67,273
Cash and cash equivalents	18	1,204,998	1,143,982
Total current assets:		4,585,013	4,933,237
Total assets:		12,964,536	13,215,417
EQUITY AND LIABILITIES	Notes	September 2015	December 2014
Equity:			
Share capital	19	829,251	829,251
Share premium		82,006	82,006
Reserves	20	2,577,524	2,701,339
Retained earnings		1,061,167	1,565,335
Consolidated net income for the period		117,011	(173,394)
Total equity attributable to shareholders:		4,666,959	5,004,537
Non-controlling interests	21	1,405,309	1,420,184
Total equity:		6,072,268	6,424,721
Liabilities:			
Non-current liabilities:			
Bank loans	22	1,156,386	1,113,578
Bonds	22	1,906,498	2,247,541
Other payables	24	556,382	555,840
Post-employment and other employee benefits liabilities	23	422,619	410,591
Deferred tax liabilities	9	109,686	121,188
Other financial instruments	27	6,332	838
Provisions	25	406,596	184,540
Total non-current liabilities:		4,564,499	4,634,116
Current liabilities:			
Bank loans and overdrafts	22	283,201	303,245
Bonds	22	245,786	-
Trade payables	26	903,028	898,047
Other payables	24	858,853	921,059
Other financial instruments	27	23,001	15,144
Current income tax payable	9	13,900	19,085
Total current liabilities:		2,327,769	2,156,580
Total liabilities:		6,892,268	6,790,696
Total equity and liabilities:		12,964,536	13,215,417

The accompanying notes form an integral part of the consolidated statement of financial position as of 30 September 2015.

Galp Energia, SGPS, S.A. and Subsidiaries

CONSOLIDATED INCOME STATEMENT FOR THE PERIODS OF NINE MONTHS ENDED 30 SEPTEMBER 2015 AND 2014

(Amounts stated in thousands of Euros – € k)

	Notes	September 2015	September 2014 restated
Operating income:			
Sales	5	11,625,562	13,162,459
Services rendered	5	456,235	388,508
Other operating income	5	68,569	70,465
Total operating income:		12,150,366	13,621,432
Operating costs:			
Cost of sales	6	9,876,964	11,663,112
External supplies and services	6	974,070	839,229
Employee costs	6	254,069	253,996
Amortisation, depreciation and impairment loss on fixed assets	6	510,428	451,498
Provisions and impairment losses on receivables	6	24,610	18,352
Other operating costs	6	43,272	48,926
Total operating costs:		11,683,413	13,275,113
Operating result:		466,953	346,319
Financial income	8	20,762	36,477
Financial costs	8	(62,644)	(116,574)
Exchange (loss) gain		(32,869)	(21,728)
Income from investments in associates and jointly controlled entities	4	(7,657)	45,451
Income from financial instruments	27	(18,000)	4,698
Income before taxes:		366,545	294,643
Income tax	9	(157,508)	(150,473)
Energy sector extraordinary contribution	9	(59,755)	(30,453)
Income before non-controlling interests:		149,282	113,717
Income attributable to non-controlling interests	21	(32,271)	(46,623)
Consolidated net income for the period	10	117,011	67,094
Earnings per share (in Euros)	10	0.14	0.08

(a) These amounts were restated considering the changes in accounting policies referred in Note 2.23.

The accompanying notes form an integral part of the consolidated income statement for the period of nine months ended 30 September 2015.

Galp Energia, SGPS, S.A. and Subsidiaries

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIODS OF NINE MONTHS ENDED 30
SEPTEMBER 2015 AND 2014**

(Amounts stated in thousands of Euros – € k)

	Notes	September 2015	September 2014 restated
Consolidated net income for the period	10	117,011	67,094 (a)
<u>Other comprehensive income for the period which will not be recycled in the future for net income of the period:</u>			
Actuarial Gains and losses - pension fund		(18,521)	17,281
Tax related to actuarial gains and losses - pension fund	9	2,995	-
		(15,526)	17,281
<u>Other comprehensive income for the period which will be recycled in the future for net income of the period:</u>			
Currency exchange differences (Group companies)	20	19,228	229,864
Currency exchange differences (Associated/ jointly controlled companies)	4 and 20	31,225	50,885
Currency exchange differences - Goodwill	11 and 20	1,458	196
Currency exchange differences - Financial allocation ("quasi capital")	20	(272,452)	(22,150)
Deferred tax related to components of Currency exchange differences - Financial allocations ("quasi equity")	9 and 20	92,634	7,369
		(127,907)	266,164
Increases / (decreases) in hedging reserves (Group companies)	27 and 20	5,421	1,209
Deferred tax related to hedging reserves components (Group companies)	9 and 20	(1,230)	(293)
Increases / (decreases) in hedging reserves (Associated/jointly controlled companies)	27 and 20	(112)	81
Deferred tax related to hedging reserves components (Associated/jointly controlled companies)	20	13	(42)
		4,092	955
Other comprehensive income for the period net of tax		(139,341)	284,400
Comprehensive income for the period attributable to shareholders:		(22,330)	351,494
Comprehensive income for the period attributable to non-controlling interests		(13,259)	144,970 (a)
Total comprehensive income for the period		(35,589)	496,464 (a)

(a) These amounts were restated considering the changes in accounting policies referred in Note 2.23.

The accompanying notes form an integral part of the consolidated comprehensive income statement for the period of nine months ended 30 September 2015.

Galp Energia, SGPS, S.A. and Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS OF NINE MONTHS ENDED 30 SEPTEMBER 2015 AND 2014

(Amounts stated in thousands of Euros – € k)

Changes in the period	Notes	Share capital	Share premium	Translation reserves (Note 20)	Other reserves (Note 20)	Hedging reserves (Note 20)	Retained earnings - actuarial Gains and losses - pension fund (Note 23)	Retained earnings	Consolidated net income for the period	Subtotal	Non-controlling interests (Note 21)	Total
Balance as of 1 January 2014		829,251	82,006	(284,118)	2,680,439	(1,408)	(72,875)	1,738,950	188,661	5,160,906	1,254,894	6,415,800
Consolidated net income for the period	10	-	-	-	-	-	-	-	67,094	67,094	46,623	113,717 (a)
Changes in the consolidation perimeter		-	-	-	-	-	-	-	-	-	-	-
Other gains and losses recognised in Equity		-	-	266,164	-	955	17,281	-	-	284,400	98,347	382,747
Comprehensive income for the period		-	-	266,164	-	955	17,281	-	67,094	351,494	144,970	496,464
Dividends distributed / Interim dividends		-	-	-	-	-	-	(262,707)	-	(262,707)	(4,330)	(267,037)
Increase of equity in subsidiaries		-	-	-	-	-	-	-	-	-	9,295	9,295
Increase of reserves by appropriation of profit		-	-	-	-	-	-	188,661	(188,661)	-	-	-
Balance as of 30 September 2014		829,251	82,006	(17,954)	2,680,439	(453)	(55,594)	1,664,904	67,094	5,249,693	1,404,829	6,654,522 (a)
Balance as of 1 January 2015		829,251	82,006	17,669	2,684,414	(744)	(99,570)	1,664,905	(173,394)	5,004,537	1,420,184	6,424,721
Consolidated net income for the period	10	-	-	-	-	-	-	-	117,011	117,011	32,271	149,282
Other gains and losses recognised in Equity		-	-	(127,907)	-	4,092	(15,526)	-	-	(139,341)	(45,530)	(184,871)
Comprehensive income for the period		-	-	(127,907)	-	4,092	(15,526)	-	117,011	(22,330)	(13,259)	(35,589)
Dividends distributed / Interim dividends	30	-	-	-	-	-	-	(315,248)	-	(315,248)	(1,616)	(316,864)
Increase of equity in subsidiaries	3 and 20	-	-	-	-	-	-	-	-	-	-	-
Increase of reserves by appropriation of profit		-	-	-	-	-	-	(173,394)	173,394	-	-	-
Balance as of 30 September 2015		829,251	82,006	(110,238)	2,684,414	3,348	(115,096)	1,176,263	117,011	4,666,959	1,405,309	6,072,268

(a) These amounts were restated considering the changes in accounting policies referred in Note 2.23.

The accompanying notes form an integral part of the consolidated statement of changes in equity for the period of nine months ended 30 September 2015.

Galp Energia, SGPS, S.A. and Subsidiaries

CONSOLIDATED STATEMENT OF CASH-FLOW FOR THE PERIODS OF NINE MONTHS ENDED 30 SEPTEMBER 2015 AND 2014

(Amounts stated in thousands of Euros – € k)

	Notes	September 2015	September 2014	December 2014
Operating activities:				
Cash received from customers (including VAT and Tax on oil products - "ISP")		13,499,350	15,272,344	20,475,148
Cash payments to suppliers (including VAT)		(8,636,134)	(11,015,949)	(14,610,738)
Payments relating to Tax on oil products ("ISP")		(1,997,360)	(1,824,979)	(2,489,107)
Payments relating to VAT		(1,261,114)	(1,459,712)	(1,928,005)
Payments relating to Royalties, "PIS" and "COFINS" taxes, others		(46,682)	(69,478)	(91,898)
Operating gross margin		1,558,060	902,226	1,355,400
Salaries, contributions to the pension fund and other benefits payments		(125,810)	(125,372)	(198,372)
Withholding on third parties payments		(65,754)	(64,076)	(83,658)
Social Security contributions ("TSU")		(56,486)	(55,773)	(76,006)
Payments relating to employees		(248,050)	(245,221)	(358,036)
Other receipts/payments relating to the operational activity		(78,970)	(61,201)	(58,275)
Cash flow from operations		1,231,040	595,804	939,089
Payments/receipts from income tax (income tax "IRC", petroleum income tax "IRP", special participation)		(93,869)	(120,075)	(159,342)
Cash flows from operating activities (1)		1,137,171	475,729	779,747
Investing activities:				
Cash receipts from sale of tangible and intangible assets		68,856	665	2,126
Cash payments for the acquisition of tangible and intangible assets		(677,321)	(506,805)	(831,834)
Cash receipts relating to financial investments		1	-	800
Cash payments relating to financial investments		(200,323)	(151,691)	(231,288)
Net financial investment		(808,787)	(657,831)	(1,060,196)
Cash receipts from loans granted (includes Sinopec)		181,984	111,466	101,404
Cash payments relating to loans granted		(400)	(990)	(976)
Cash receipts from interests and similar income (includes Sinopec)		17,691	18,897	39,244
Cash receipts relating to dividends from associates	4	45,409	55,083	73,805
Cash flows from investing activities (2)		(564,103)	(473,375)	(846,719)
Financing activities:				
Cash receipts from loans obtained		1,146,168	512,938	750,767
Cash payments relating to loans obtained		(1,242,691)	(382,899)	(819,656)
Cash receipts/payments from interests and similar costs		(102,551)	(109,715)	(157,516)
Dividends paid		(316,864)	(267,037)	(274,857)
Other financing activities	30	1,592	2,076	2,567
Cash flows from financing activities (3)		(514,346)	(244,637)	(498,695)
Net change in cash and cash equivalents (4) = (1) + (2) + (3)		58,722	(242,283)	(565,667)
Effect of foreign exchange rate changes in cash and cash equivalents		6,330	128,489	182,892
Cash changes by changes in the consolidation perimeter	3	(1,040)	693	-
Cash and cash equivalents at the beginning of the period	18	1,023,396	1,405,238	1,406,171
Cash and cash equivalents at the end of the period	18	1,087,408	1,292,137	1,023,396

The accompanying notes form an integral part of the consolidated statement of cash flows for the period of nine months ended 30 September 2015.

In the period ended 30 September 2015, Galp Energia Group, compared with previous reports, has decided to change the presentation format of the statement of cash flows, as it considers it will improve their reading. The amounts of 30 September 2014 and 31 December 2014, were presented in accordance with the new presentation.

NOTES INDEX

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2015

1. <u>INTRODUCTION</u>	30
2. <u>SIGNIFICANT ACCOUNTING POLICIES</u>	31
2.23. <i>Changes in accounting policies</i>	31
3. <u>CONSOLIDATED COMPANIES</u>	34
a) <u>Dissolved and liquidated companies</u>	34
b) <u>Disposals</u>	34
c) <u>Corporate restructuring</u>	36
4. <u>FINANCIAL INVESTMENTS</u>	37
4.1. <u>Investments in jointly controlled entities</u>	37
4.2. <u>Investments in associates</u>	37
4.3. <u>Assets held for sale</u>	39
5. <u>OPERATING INCOME</u>	39
6. <u>OPERATING COSTS</u>	41
7. <u>SEGMENT REPORTING</u>	42
8. <u>FINANCIAL INCOME AND COSTS</u>	44
9. <u>INCOME TAX</u>	44
10. <u>EARNINGS PER SHARE</u>	46
11. <u>GOODWILL</u>	46
12. <u>TANGIBLE AND INTANGIBLE ASSETS</u>	48
13. <u>GOVERNMENT GRANTS</u>	50
14. <u>OTHER RECEIVABLES</u>	51
15. <u>TRADE RECEIVABLES</u>	54
16. <u>INVENTORIES</u>	55
17. <u>OTHER FINANCIAL INVESTMENTS</u>	56
18. <u>CASH AND CASH EQUIVALENTS</u>	57
19. <u>SHARE CAPITAL</u>	58
20. <u>RESERVES</u>	59
21. <u>NON-CONTROLLING INTERESTS</u>	61
22. <u>LOANS</u>	62

<u>23. POST-EMPLOYMENT AND OTHER EMPLOYEE BENEFITS</u>	66
<u>24. OTHER PAYABLES</u>	67
<u>25. PROVISIONS</u>	69
<u>26. TRADE PAYABLES</u>	72
<u>27. OTHER FINANCIAL INSTRUMENTS – FINANCIAL DERIVATIVES</u>	72
<u>28. RELATED PARTIES</u>	76
<u>29. REMUNERATION OF THE BOARD</u>	76
<u>30. DIVIDENDS</u>	76
<u>31. OIL AND GAS RESERVES</u>	77
<u>32. FINANCIAL RISK MANAGEMENT</u>	77
<u>33. CONTINGENT ASSETS AND LIABILITIES</u>	77
<u>34. INFORMATION ON ENVIRONMENTAL MATTERS</u>	77
<u>35. SUBSEQUENT EVENTS</u>	77
<u>36. APPROVAL OF THE FINANCIAL STATEMENTS</u>	78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2015

(Amounts stated in thousands of Euros – € k)

1. INTRODUCTION

Galp Energia, SGPS, S.A. (hereinafter referred to as Galp or the Company) has its Head Office in Rua Tomás da Fonseca in Lisbon, Portugal and is primarily engaged in the management of equity participations in other companies.

The Company shareholder position as of 30 September 2015 is stated in Note 19.

The Company is listed on the Euronext Lisbon stock exchange.

a) The Group:

As of 30 September 2015 the Galp Group (the Group) consists of Galp and its subsidiaries, which includes, among others: (i) Petróleos de Portugal – Petrogal, S.A. (Petrogal) and its subsidiaries, which carry out their activities in the crude oil and related derivatives sector; (ii) Galp Gás & Power, SGPS, S.A. and its subsidiaries, which operate in the natural gas sector, electricity sector and renewable energy sector; (iii) Galp Energia E&P, B.V. integrating the oil exploration activities and (iv) Galp Energia, S.A. which integrates the corporate support services.

b1) Upstream operations in the crude oil sector

The Exploration & Production (E&P) business segment is responsible for the presence of Galp Energia in the oil industry upstream sector, which consists in the supervision and execution of all activities relating to exploration, development and production of hydrocarbons, mainly in Angola, Brazil and Mozambique.

b2) Downstream operations in the crude oil sector

The Refining & Marketing (R&M) business segment owns the two refineries in Portugal and also includes all activities relating to the retail and wholesale marketing of oil products (including LPG). The Refining & Marketing segment also comprises oil products storage and transportation infrastructure in Portugal, for both export and marketing of its products to the main consumption centres. This retail marketing activity, using the Galp brand, also includes Spain, Angola, Cape Verde, Gambia, Guinea-Bissau, Mozambique and Swaziland through controlled subsidiaries of the Group.

b3) Natural gas activity and energy production and commercialisation

The Gas & Power (G&P) business segment encompasses the areas of procurement, supply, distribution and storage of natural gas and electric and thermal power generation.

The natural gas activity includes (i) Procurement and supply and (ii) Distribution and supply.

The procurement and supply of natural gas segment supplies natural gas to large industrial customers, with annual consumptions of more than 2 mm³, power generation companies, natural gas distribution companies and Autonomous Gas Units (AGU). So as to meet the demand of its customers, Galp has long-term supply contracts with companies in Algeria and Nigeria.

The natural gas distribution and supply activity in Portugal includes the natural gas distribution and supply companies in which Galp Energia has significant participation. Its purpose is to sell natural gas to those residential,

commercial and industrial customers with annual consumptions of less than 2 mm³. Galp is also a player in the Spanish regulated market, supplying low pressure natural gas through its subsidiaries, to thirty eight neighbouring municipalities of Madrid. This activity includes the supply of natural gas to end customers, both regulated and non-regulated, in the area covered by the distribution activity referred above.

The natural gas subsidiaries of the Galp Group that supply natural gas in Portugal, operate based on concession contracts entered into with the Portuguese State, which end in 2047. At the end of this period, the assets relating to the concessions will be transferred to the Portuguese State and the companies will receive an amount corresponding to the book value of these assets on that date, net of depreciation, financial co-participation and Government grants.

The accompanying financial statements are presented in thousands of euros, unless otherwise stated.

2. SIGNIFICANT ACCOUNTING POLICIES

Consolidated financial statements of Galp Energia Group were prepared on a going concern basis, at historical cost except for derivative financial instruments which are stated at fair value, based on the accounting records of the companies included in the consolidation in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), effective for the economic year beginning 1 January 2015. These standards include IFRS issued by the International Accounting Standards Board (IASB) and International Accounting Standards (IAS) issued by the International Accounting Standards Committee (IASC) and respective interpretations – SIC and IFRIC, issued by the International Financial Reporting Interpretation Committee (IFRIC) and Standing Interpretation Committee (SIC). These standards and interpretations are hereinafter referred to as IFRS.

The Board of Directors considers that these consolidated financial statements and the accompanying notes provide a fair presentation of the consolidated interim financial information prepared in accordance with “IAS 34 – Interim Financial Reporting”. In preparing the consolidated financial statements, estimates that affect the reported amounts of assets and liabilities, as well as the amounts of income and costs of the reporting period were used. The estimates and assumptions used by the Board of Directors were based on the best information available of the events and transactions in process, at the time of approval of the consolidated financial statements.

In respect to the construction contracts under the scope of IFRIC12, the construction of assets under concession contracts is subcontracted to specialised entities which assume their own construction activity risk. Income and expenses associated with the construction of these assets are of equal amounts and are recognised as Other operating costs and Other operating income.

As of 30 September 2015 were disclosed only material changes required by IFRS 7 – Financial Instruments: Disclosures. For all other disclosures under this standard refer to the Company's consolidated financial statements as of 31 December 2014.

2.23. Changes in accounting policies

Following an accounting interpretation from Portuguese Securities Market Commission regarding the accounting treatment for the Energy sector extraordinary contribution (“CESE”) established by Law 82-B/2014 of 31 December, with the objective of standardising the accounting policies followed by the different market players, the Company started to recognise the total amount of the cost and liability as of 1 January, instead of deferring the cost along the year. Therefore, this change in accounting policy had an impact as of September 2015 of €7,316k under the caption Energy sector extraordinary contribution in the net income for the period.

In accordance with IAS 8, the consolidated financial statements were restated as of 30 September 2014, with the effects on the statement of financial position and income statement presented below:

Statement of financial position:

ASSETS	September 2014	Restatement	September 2014 restated
Non-current assets:			
Tangible assets	4,925,648	-	4,925,648
Goodwill	233,333	-	233,333
Intangible assets	1,521,694	-	1,521,694
Investments in associates and jointly controlled entities	699,762	-	699,762
Assets held for sale	2,870	-	2,870
Trade receivables	24,242	-	24,242
Loans to Sinopec	675,131	-	675,131
Other receivables	202,261	-	202,261
Deferred tax assets	288,981	-	288,981
Other financial investments	34,137	-	34,137
Total non-current assets:	8,608,059	-	8,608,059
Current assets:			
Inventories	1,596,648	-	1,596,648
Trade receivables	1,297,061	-	1,297,061
Loans to Sinopec	180,292	-	180,292
Other receivables	724,708	-	724,708
Other financial investments	20,875	-	20,875
Cash and cash equivalents	1,428,988	-	1,428,988
Total current assets:	5,248,572	-	5,248,572
Total assets:	13,856,631	-	13,856,631
EQUITY AND LIABILITIES	September 2014	Restatement	September 2014 restated
Equity:			
Share capital	829,251	-	829,251
Share premium	82,006	-	82,006
Reserves	2,662,032	-	2,662,032
Retained earnings	1,609,310	-	1,609,310
Consolidated net income for the period	75,797	(8,703)	67,094
Total equity attributable to shareholders:	5,258,396	(8,703)	5,249,693
Non-controlling interests	1,405,050	(221)	1,404,829
Total equity:	6,663,446	(8,924)	6,654,522
Liabilities:			
Non-current liabilities:			
Bank loans	1,313,525	-	1,313,525
Bonds	2,325,958	-	2,325,958
Other payables	552,736	-	552,736
Post-employment and other benefits liabilities	347,526	-	347,526
Deferred tax liabilities	122,722	-	122,722
Other financial instruments	178	-	178
Provisions	169,816	5,953	175,769
Total non-current liabilities:	4,832,461	5,953	4,838,414
Current liabilities:			
Bank loans and overdrafts	227,722	-	227,722
Trade payables	1,174,791	-	1,174,791
Other payables	947,322	2,971	950,293
Other financial instruments	1,410	-	1,410
Current income tax payable	9,479	-	9,479
Total current liabilities:	2,360,724	2,971	2,363,695
Total liabilities:	7,193,185	8,924	7,202,109
Total equity and liabilities:	13,856,631	-	13,856,631

Income statement:

	September 2014	Restatement	September 2014 restated
Operating income:			
Sales	13,162,459	-	13,162,459
Services rendered	388,508	-	388,508
Other operating income	70,465	-	70,465
Total operating income:	13,621,432	-	13,621,432
Operating costs:			
Cost of sales	11,663,112	-	11,663,112
External supplies and services	839,229	-	839,229
Employee costs	253,996	-	253,996
Amortisation, depreciation and impairment loss on fixed assets	451,498	-	451,498
Provisions and impairment losses on receivables	18,352	-	18,352
Other operating costs	48,926	-	48,926
Total operating costs:	13,275,113	-	13,275,113
Operating result:	346,319	-	346,319
Financial income	36,477	-	36,477
Financial costs	(116,574)	-	(116,574)
Exchange (loss) gain	(21,728)	-	(21,728)
Income from investments in associates and jointly controlled entities	45,451	-	45,451
Income from financial instruments	4,698	-	4,698
Income before taxes:	294,643	-	294,643
Income tax	(150,473)	-	(150,473)
Energy sector extraordinary contribution	(21,529)	(8,924)	(30,453)
Income before non-controlling interests:	122,641	(8,924)	113,717
Income attributable to non-controlling interests	(46,844)	221	(46,623)
Consolidated net income for the period	75,797	(8,703)	67,094
Earnings per share (in Euros)	0.09	(0.01)	0.08

3. CONSOLIDATED COMPANIES

During the period ended 30 September 2015, the following changes occurred in the consolidation perimeter:

a) Dissolved and liquidated companies:

On 29 May 2015 the subsidiary Next Priority, SGPS, SA, 100% owned by Galp Energia, SGPS, SA, was dissolved. As a result of this operation the Group recognised in the consolidated income statement the total cost of € 1 k (Note 4.2).

b) Disposals:

On 30 June 2015 Galp Energia, SGPS, SA reached an agreement with Endesa SA ("Endesa") for the sale of natural gas trading activities in the region of Madrid, in Spain. The transaction includes the sale of natural gas, electricity and other services to the residential segment, in the area that encompasses several municipalities adjacent to the city of Madrid.

These activities are carried out mostly by the subsidiaries Madrileña Suministro de Gas, SL and Madrileña Suministro de Gas SUR, SL, held 100% by Galp Energia España, SA and Petroleos de Portugal - Petrogal, SA (Spanish branch), respectively.

The transaction value (Enterprise Value) amounts to € 24.1 m, which will be adjusted for working capital and net debt at the closing date. This transaction was approved by the competent authorities and should be completed during the second half of 2015.

Arising from this transaction the Group recognised in the income statement under the caption Results from investments in associates and jointly controlled entities a net loss in the amount of € 18,600 k (Note 4.2). The receivable amount from the disposal is recorded in the statement of financial position under the caption Non-current assets held for sale, amounting to € 25,780 k.

RESULTS AND CONSOLIDATED INFORMATION

NINE MONTHS OF 2015

35 | 84

The changes in the consolidation perimeter that occurred in the period ended 30 September 2015 had the following impact on the consolidated statement of financial position of Galp Energia Group:

Statement of financial position			(€ k)		
ASSETS	Notes	Total	Madrileña Suministro de Gas S.L. (Note 3b))	Madrileña Suministro de Gas SUR S.L. (Note 3b))	Next Priority, SGPS, S.A. (Note 3a))
Non-current assets:					
Intangible assets	12	835	342	493	-
Other receivables	14	83	83	-	-
Deferred tax assets	9	1,420	521	899	-
Total non-current assets:		2,338	946	1,392	-
Current assets:					
Trade receivables	15	13,302	7,646	5,656	-
Other receivables	14	20,842	16,074	4,767	1
Current income tax receivable	9	3,076	932	2,144	-
Cash and cash equivalents	18	1,040	436	604	-
Total current assets:		38,260	25,088	13,171	1
Total assets:		40,598	26,034	14,563	1
Liabilities:					
Non-current liabilities:					
Other payables	24	11	11	-	-
Provisions	25	60	60	-	-
Total non-current liabilities:		71	71	-	-
Current liabilities:					
Trade payables	26	26,548	17,348	9,200	-
Other payables	24	5,986	1,641	4,345	-
Current income tax payable	9	2,064	2,039	25	-
Total current liabilities:		34,598	21,028	13,570	-
Total liabilities:		34,669	21,099	13,570	-
Total equity and liabilities:		40,598	26,034	14,563	1
% held			100%	100%	100%
Amount of financial investment		5,929	4,935	993	1
Goodwill	11	38,452	29,766	8,686	-
Book value of the financial investment		44,381	34,701	9,679	1
Sale price		24,100	16,150	7,950	-
Working capital		4,833	2,449	2,384	-
Working capital adjustment		(3,153)	2,132	(5,285)	-
Non-current assets held for sale		25,780	20,731	5,049	-
Income from investments in associates and jointly controlled entities	4.2	(18,601)	(13,970)	(4,630)	(1)

c) **Corporate restructuring:**

The group is organised by segments, defined on the nature of the goods sold and services provided (Exploration & Production, Refining & Marketing of oil products, Gas & Power and Other). In order to obtain a more simplified structure, the Group has been clustering the businesses under the respective sub-holding.

In December 2014 Galp Energia Portugal Holding BV owned 100 % interest in the subsidiary Galp Exploração e Produção Petrolífera, S.A..

As part of the ongoing organisational restructuring of the group, and given the activity of the companies and the currency in which they carry out their operations, the Group considers that Galp Exploração e Produção Petrolífera, S.A. is more adequately positioned within the E&P segment. Thus, on 17 June 2015, Galp Energia Portugal Holding BV sold to Galp Energia E&P BV, 100% of the equity held in Galp Exploração e Produção Petrolífera, SGPS, SA and its respective subsidiaries:

Companies	Head office		Percentage interest held		Main activity
	City	Country	2015	2014	
Exploration and production segment:					
Galp Exploração e Produção Petrolífera, SGPS, S.A. and subsidiaries:	Lisbon	Portugal	100%	100%	Management of equity participations in other companies as an indirect exercise of economic activity.
Galp Energia Overseas B.V. and subsidiaries:	Amsterdam	The Netherlands	100%	100%	Exploration and production of oil and natural gas, trading of oil, natural gas and petroleum products, management of equity participation in other companies and financing businesses and companies.
Galp Energia Overseas B.V. (Branch in Angola)	Luanda	Angola	-	-	Exploration and production of petroleum and natural gas, as well as trading in petroleum, natural gas and petroleum products; management of equity participation in other companies and financing of businesses and other companies.
Galp Energia Overseas Block 14 B.V.	Rotterdam	The Netherlands	100%	100%	Exploration and production of oil and natural gas, trading of oil, natural gas and petroleum products, management of equity participation in other companies and financing businesses and companies.
Galp Energia Overseas Block 14 B.V. (Branch in Angola)	Luanda	Angola	-	-	Exploration and production of oil and natural gas, trading of oil, natural gas and petroleum products, management of equity participation in other companies and financing businesses and companies.
Galp Energia Overseas Block 32 B.V.	Rotterdam	The Netherlands	100%	100%	Exploration and production of oil and natural gas, trading of oil, natural gas and petroleum products, management of equity participation in other companies and financing businesses and companies.
Galp Energia Overseas Block 32 B.V. (Branch in Angola)	Luanda	Angola	-	-	Exploration and production of oil and natural gas, trading of oil, natural gas and petroleum products, management of equity participation in other companies and financing businesses and companies.
Galp Energia Overseas Block 33 B.V.	Rotterdam	The Netherlands	100%	100%	Exploration and production of oil and natural gas, trading of oil, natural gas and petroleum products, management of equity participation in other companies and financing businesses and companies.
Galp Energia Overseas Block 33 B.V. (Branch in Angola)	Luanda	Angola	-	-	Exploration and production of oil and natural gas, trading of oil, natural gas and petroleum products, management of equity participation in other companies and financing businesses and companies.
Galp Energia Overseas LNG B.V.	Rotterdam	The Netherlands	100%	100%	Exploration and production of oil and natural gas, trading of oil, natural gas and petroleum products, management of equity participation in other companies and financing businesses and companies.
Galp Energia Overseas LNG B.V. (Branch in Angola)	Luanda	Angola	-	-	Exploration and production of oil and natural gas, trading of oil, natural gas and petroleum products, management of equity participation in other companies and financing businesses and companies.

For further information refer to the consolidated statements of the Company, on 31 December 2014 and the accompanying notes.

4. FINANCIAL INVESTMENTS

4.1 Investments in jointly controlled entities

The changes in the caption “Investments in jointly controlled entities” for the period ended 30 September 2015 which are reflected by the equity method were as follows:

		(€ k)						
Companies		Initial balance	Increase in investment	Gains / Losses	Translation adjustment	Hedging reserves adjustment	Dividends	Ending balance
Investments								
Tupi B.V.	(a)	591,859	162,415	10,875	47,709	-	-	812,858
Belem Bioenergia Brasil, S.A.	(b)	45,838	13,257	(6,634)	(13,771)	-	-	38,690
C.L.C. - Companhia Logística de Combustíveis, S.A.		23,412	-	2,516	-	-	(3,913)	22,015
Galp Disa Aviação, S.A.		8,891	-	1,011	-	-	(509)	9,393
Parque Eólico da Penha da Gardunha, Lda.		1,628	-	(28)	-	-	-	1,600
Moçamgalp Agroenergias de Moçambique, S.A.		315	-	22	36	-	-	373
Asa - Abastecimento e Serviços de Aviação, Lda.		23	-	24	-	-	-	47
		671,966	175,672	7,786	33,974	-	(4,422)	884,976
Provisions for investments in jointly controlled entities (Note 25)								
Ventinveste, S.A.		(1,452)	-	(497)	-	5	-	(1,944)
Caiageste - Gestão de Áreas de Serviço, Lda.		(15)	16	(18)	-	-	-	(17)
		(1,467)	16	(515)	-	5	-	(1,961)
		670,499	175,688	7,271	33,974	5	(4,422)	883,015

(a) € 162,415 k corresponds to the capital increase made by Galp Sinopec Brazil Services, B.V.. The control of the subsidiary Tupi, B.V. is shared between Galp Sinopec Brazil Services, B.V., Petrobras Netherlands, B.V. and BG Overseas Holding Ltd, which hold, respectively, 10%, 65% and 25% of its share capital.

(b) € 13,257 k corresponds to the capital increase in Belém Bioenergia Brasil, SA. The control of the subsidiary Belém Bioenergia do Brasil, SA is shared between Galp Bioenergy BV and Petrobras Biocombustíveis SA, each holding 50% of its share capital.

4.2 Investments in associates

The changes in the caption “Investments in associates” for the period ended 30 September 2015 were as follows:

		(€ k)							
Companies		Initial balance	Increase in investment	Gains / Losses	Translation adjustment	Hedging reserves adjustment	Actuarial gains and losses	Dividends	Ending balance
Investments									
EMPL - Europe Magreb Pipeline, Ltd		52,668	-	41,190	(704)	-	-	(26,336)	66,818
Gasoduto Al-Andaluz, S.A.		18,354	-	4,612	-	-	-	(3,856)	19,110
Gasoduto Extremadura, S.A.		15,278	-	4,584	-	-	-	(3,965)	15,897
Tagusgás - Empresa de Gás do Vale do Tejo, S.A.		12,941	-	519	-	1	1	-	13,462
Sonangalp - Sociedade Distribuição e Comercialização de		10,875	-	1,251	(1,820)	-	-	-	10,306
Metragaz, S.A.		1,124	-	103	14	-	-	(123)	1,118
Terparque - Armazenagem de Combustíveis, Lda.		795	-	11	-	-	-	(188)	618
C.L.C. Guiné Bissau - Companhia Logística de Combustíveis da		811	-	95	-	-	-	-	906
Guiné Bissau, Lda.									
IPG Galp Beira Terminal Lda		1,011	2,469	-	(143)	-	-	-	3,337
Sodigás-Sociedade Industrial de Gases, S.A.R.L		197	112	242	-	-	-	-	551
Galp IPG Matola Terminal Lda		682	2,391	-	(96)	-	-	-	2,977
		114,736	4,972	52,607	(2,749)	1	1	(34,468)	135,100
Provisions for investments in associates (Note 25)									
Energin - Sociedade de Produção de Electricidade e Calor, S.A.		(2,397)	-	3	-	-	-	-	(2,394)
Aero Serviços, SARL - Sociedade Abastecimento de Serviços		(90)	-	-	-	-	-	-	(90)
Aeroportuários									
		(2,487)	-	3	-	-	-	-	(2,484)
		112,249	4,972	52,610	(2,749)	1	1	(34,468)	132,616

The consolidated income statement caption “Results from investments in associates and jointly controlled entities” for the period ended 30 September 2015 and 2014 is as follows:

	(€ k)	
	September 2015	September 2014
<u>Effect of applying the equity method:</u>		
Associates (Note 4.2)	52.610	37.863
Jointly controlled entities (Note 4.2)	7.271	7.879
<u>Effect of the disposal of investments in group companies and associates:</u>		
Loss on disposal of 100% of investment in Madrileña Suministro de Gas SL (Note 3).	(13.970)	-
Loss on disposal of 100% of investment in Madrileña Suministro de Gas SUR SL (Note 3).	(4.630)	-
<u>Effect of the price adjustment in disposal of investments in group companies and associates:</u>		
Gain on disposal of Compañía Logística de Hidrocarburos CLH, SA	2	-
<u>Differences in acquisition of equity shares of group companies and associates:</u>		
Acquisition of 0.032% share of Lusitaniagás - Companhia Gás do Centro, SA	-	2
<u>Effect of the liquidation of group companies:</u>		
Liquidation of subsidiary Next Priority, SGPS, S.A. (Note 3 a)).	(1)	-
Write off of exchange differences that resulted from the financial statements translation of the subsidiary Petrogal Trading Limited, which were booked in Equity under the caption Hedging reserves	-	(260)
Liquidation of subsidiary Petrogal Cabo Verde, Lda.	-	(39)
<u>Effect of Goodwill impairments of group companies:</u>		
Goodwill impairment of the subsidiary Galp Distribución Oil España, SAU which is recorded under the caption Goodwill (Note 11)	(35.028)	-
Goodwill impairment of the subsidiary Galp Comercialización España, SL which is recorded under the caption Goodwill (Note 11)	(6.152)	-
Goodwill impairment of the subsidiary Petróleos de Valência, SA Sociedad Unipersonal which is recorded under the caption Goodwill (Note 11)	(7.759)	-
Others	-	6
	<u>(7.657)</u>	<u>45.451</u>

The total amount of €38,890 k corresponding to dividends approved on the General Shareholders Meeting of the respective companies, was reflected in the caption “Investments in associates and jointly controlled entities” (Note 4.1 and 4.2). The amount of dividends received in the period ended 30 September 2015 was €45,409 k.

The difference between the amount received and the amount recognised under the caption Investments in associates and jointly controlled entities of € 6,519 k refers to: (i) € 4,932 k of favourable exchange rate differences that occurred at the payment date and that were reflected under the caption Exchange (loss) gain in the income statement; (ii) € 1,225 k of dividends received from Assets held for sale; and (iii) € 362 k relating to received dividends in respect of amounts approved in previous years.

The positive Goodwill related with associates, included in the caption “Investments in associates and jointly controlled entities”, was subject to impairment test, by cash generating unit. Detail as of 30 September 2015 and 31 December 2014 is as follows:

	(€ k)	
	September 2015	December 2014
Parque Eólico da Penha da Gardunha,	1,939	1,939
	<u>1,939</u>	<u>1,939</u>

4.3 Assets held for sale

During the period ended 30 September 2015, there were no significant changes in the caption “Assets held for sale”, compared to the consolidated financial statements of the Company on 31 December 2014. For further clarification, refer to the consolidated financial statements of the Company as of 31 December 2014 and the accompanying Notes.

5. OPERATING INCOME

The Group’s operating income for the periods ended 30 September 2015 and 2014 is as follows:

	(€ k)	
Captions	2015	2014
Sales:		
Goods	5,256,805	6,045,356
Products	6,368,757	7,117,103
	11,625,562	13,162,459
Services rendered	456,235	388,508
Other operating income:		
Supplementary income	37,120	34,370
Revenues arising from the construction of assets under IFRIC12	12,862	19,201
Operating government grants	274	(4)
Internally generated assets	(228)	165
Investment government grants (Note 13)	10,122	7,691
Gain on fixed assets	2,921	1,077
Others	5,498	7,965
	68,569	70,465
	12,150,366	13,621,432

Fuel sales include the Portuguese Tax on Oil Products (“ISP”).

The amount of € 2,870 k in the caption “Gain on fixed assets” includes a gain in the amount of € 1,750 k from the sale of the Non-current assets held for sale as of 31 December 2014, which occurred in the period ended 30 September 2015, corresponding to part of the underground storage of natural gas concession in Pombal, owned by Transgás Armazenagem – Sociedade Portuguesa de Armazenagem de Gás Natural, SA, Rede Energética Nacional, which amounted to €67,273 k.

Regarding the construction contracts under IFRIC12, the construction of the concession assets is subcontracted to specialised entities which assume their own construction activity risk. Income and expenses associated with the construction of these assets are of equal amounts and are immaterial when compared to total revenues and operating costs and can be detailed as follows:

	(€ k)	
Captions	2015	2014
Costs arising from the construction of assets under IFRIC12 (Note 6)	(12,862)	(19,201)
Revenues arising from the construction of assets under IFRIC12	12,862	19,201
Margin	-	-

6. OPERATING COSTS

The results for the periods ended 30 September 2015 and 2014 were affected by the following items of operating costs:

	(€ k)	
Captions	2015	2014
Cost of sales:		
Raw and subsidiary materials	4,656,472	6,675,401
Goods	3,188,039	2,937,518
Tax on oil products	1,977,525	1,897,220
Variation in production	80,267	147,911
Impairment in inventories (Note 16)	(88,503)	444
Financial derivatives (Note 27)	63,164	4,618
	9,876,964	11,663,112
External supplies and services:		
Subcontracts - network use	283,894	235,912
Subcontracts	5,200	5,968
Transport of goods	157,513	122,998
Storage and filling	44,624	52,984
Rental costs	60,483	65,615
Upstream production costs	96,182	106,823
Maintenance and repairs	37,927	44,199
Insurance	35,174	33,180
Royalties	37,310	35,122
IT services	19,880	17,505
Commissions	10,481	13,141
Advertising	3,836	8,964
Electricity, water, steam and communications	49,447	14,604
Technical assistance and inspection	6,206	9,607
Port services and fees	7,211	5,693
Other specialised services	47,695	43,299
Other external supplies and services	17,778	18,232
Other costs	53,229	5,383
	974,070	839,229
Employee costs:		
Statutory boards salaries (Note 29)	6,167	6,096
Employee salaries	176,029	170,682
Social charges	40,581	40,663
Retirement benefits - pensions and insurance	24,513	27,643
Other insurance	8,258	7,074
Capitalisation of employee costs	(5,500)	(4,663)
Other costs	4,021	6,501
	254,069	253,996
Amortisation, depreciation and impairment:		
Amortisation and impairment of tangible assets (Note 12)	443,582	394,738
Amortisation and impairment of intangible assets (Note 12)	36,027	25,467
Amortisation and impairment of concession arrangements (Note 12)	30,819	31,293
	510,428	451,498
Provision and impairment losses of receivables:		
Provisions and reversals (Note 25)	7,426	(4,344)
Impairment losses on trade receivables (Note 15)	16,082	22,296
Impairment losses (gains) on other receivables (Note 14)	1,102	400
	24,610	18,352
Other operating costs:		
Other taxes	10,105	12,984
Costs arising from the construction of assets under IFRIC12 (Note 5)	12,862	19,201
Loss on tangible assets	5,486	3,049
Donations	628	1,196
CO2 Licenses	5,806	4,378
Other operating costs	8,385	8,118
	43,272	48,926
	11,683,413	13,275,113

The caption "Subcontracts – network use" refers to charges for the use of:

- Distribution network use (URD);
- Transportation network use (URT);
- Global system use (UGS).

The amount of €283,894 k recorded under this caption mainly includes the amount of €37,011 k charged by Madrileña Red de Gas, €122,074 k by EDP Distribuição Energia and €31,206 k by Ren Gasodutos.

7. SEGMENT REPORTING

Business segments

The Group is organised by business segments which were defined based on the type of products sold and services rendered, with the following business units:

- Exploration & Production;
- Refining & Marketing of oil products;
- Gas & Power;
- Others.

For the business segment "Others", the Group considered the holding company Galp Energia, SGPS, S.A., and companies with different activities including Tagus Re, S.A. and Galp Energia, S.A., a reinsurance company and a provider of shared services at the corporate level, respectively.

The activities of each business segment are detailed in note 1.

The financial information on the previously identified segments, as of 30 September 2015 and 2014, is as follows:

(€ k)												
	Exploration & Production		Refining & Marketing of oil products		Gas & Power		Others		Eliminations		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Income												
Sales and services rendered	488,461	536,200	9,372,720	10,649,186	2,550,945	2,745,030	90,904	86,641	(421,233)	(466,090)	12,081,797	13,550,967
Inter-segmental	184,614	153,636	704	2,962	165,880	238,681	70,035	70,811	(421,233)	(466,090)	-	-
External	303,847	382,564	9,372,016	10,646,224	2,385,065	2,506,349	20,869	15,830	-	-	12,081,797	13,550,967
EBITDA (1)	298,659	342,172	406,128	115,983	274,964	343,167	22,242	14,848	(2)	(1)	1,001,991	816,169
Non-refundable expenses												
Amortisation, depreciation and impairment losses	(247,900)	(189,676)	(213,128)	(211,727)	(46,070)	(47,560)	(3,330)	(2,535)	-	-	(510,428)	(451,498)
Provisions and impairments	(1,230)	541	(14,272)	(13,964)	(9,108)	(8,159)	-	3,230	-	-	(24,610)	(18,352)
EBIT	49,529	153,037	178,728	(109,708)	219,786	287,448	18,912	15,543	(2)	(1)	466,953	346,319
Income from financial investments	10,897	5,745	(51,798)	2,052	36,515	37,652	(3,273)	2	2	-	(7,657)	45,451
Other financial results	75,536	44,549	(106,003)	(117,253)	(22,765)	(25,146)	(39,519)	723	-	-	(92,751)	(97,127)
Income tax	(92,272)	(131,326)	(23,607)	43,439	(48,152)	(63,677)	6,523	1,091	-	-	(157,508)	(150,473)
Energy sector extraordinary contribution	-	-	(30,272)	(18,853)	(29,483)	(11,600)	-	-	-	-	(59,755)	(30,453)
Non-controlling interests	(29,858)	(41,808)	(1,225)	(2,026)	(1,188)	(2,789)	-	-	-	-	(32,271)	(46,623)
Consolidated net income for the period	13,832	30,197	(34,177)	(202,349)	154,713	221,888	(17,357)	17,359	(1)	(1)	117,011	67,094
As at 30 September 2015 and 31 December 2014												
Other information												
Assets by segment (2)												
Financial investments (3)	813,183	592,173	91,221	94,870	118,013	102,001	170	170	-	-	1,022,587	789,214
Other assets	5,562,222	5,099,522	5,230,448	5,954,129	2,773,856	2,722,801	2,123,357	2,168,099	(3,747,934)	(3,518,348)	11,941,949	12,426,203
Total consolidated assets	6,375,405	5,691,695	5,321,669	6,048,999	2,891,869	2,824,802	2,123,527	2,168,269	(3,747,934)	(3,518,348)	12,964,536	13,215,417
Total consolidated liabilities	860,048	870,045	3,937,439	3,713,456	2,231,118	2,065,143	3,611,597	3,660,400	(3,747,934)	(3,518,348)	6,892,268	6,790,696
Investment in tangible and intangible assets	674,544	817,801	30,837	102,994	16,633	29,481	3,497	7,294			725,511	957,570

(a) These amounts were restated considering the changes in accounting policies referred in Note 2.23

(1) EBITDA = Segment results/EBIT + Amortisation+Provisions

(2) Net amount

(3) In accordance with the equity method

Inter-segmental sales and services rendered

	(€ k)				
Segments	Exploration & Production	Refining & Marketing of oil products	Gas & Power	Others	TOTAL
Gas & Power	-	264	-	19,850	20,114
Refining & Marketing of oil products	184,614	-	165,878	40,012	390,504
Exploration & Production	-	202	-	10,173	10,375
Others	-	238	2	-	240
	184,614	704	165,880	70,035	421,234

The main inter-segmental transactions of sales and services rendered are primarily related to:

- Gas & Power: natural gas sales for the production process of Matosinhos and Sines refineries (refining and marketing of oil products);
- Refining & Marketing of oil products: supply of fuel to all Group company vehicles;
- Exploration & Production: sales of crude to the Refining & Marketing of oil products segment; and
- Other: back-office and management services.

The commercial and financial transactions between related parties are performed according to the usual market conditions similar to transactions performed with independent companies.

The assumptions underlying the determination of prices in transactions between Group companies rely on the consideration of the economic realities and characteristics of the situations in question, by comparing the characteristics of operations or companies that might have impact on the intrinsic conditions of the commercial transactions in analysis. In this context, analysis is carried out, among other, on the goods and services traded, the functions performed by the parties (including the assets used and risks assumed), the contractual terms, the economic situation of the parties as well as their negotiation strategies.

In conclusion, market prices are determined not only by analysing the functions performed, the assets used and the risks incurred by one entity, but also considering the contribution of those elements to the Company's profitability. This analysis assesses whether the profitability indicators of the companies involved fall within the estimated ranges on the basis of the assessment of a panel of functionally comparable independent companies, thus allowing the prices to be fixed in order to comply with the competition principle.

8. FINANCIAL INCOME AND COSTS

Financial income and financial costs for the periods ended 30 September 2015 and 2014 are as follows:

	(€ k)	
Captions	2015	2014
Financial income:		
Interest on bank deposits	14,854	21,990
Interest and other income with related companies	3,816	11,718
Other financial income	2,092	2,769
	20,762	36,477
Financial costs:		
Interest on bank loans, overdrafts and others	(93,395)	(105,544)
Interest with related parties	(5,928)	(5,202)
Interest capitalised in fixed assets (Note 12)	65,621	33,002
Net interest on retirement benefits and other benefits	(7,609)	(8,769)
Costs relating to loans	(13,557)	(17,484)
Other financial costs	(7,776)	(12,577)
	(62,644)	(116,574)
	(41,882)	(80,097)

During the period ended 30 September 2015, the Group capitalised under the caption fixed assets in progress, the amount of €65,621 k, relating to interests on loans to finance capital expenditure on tangible and intangible assets during their construction phase.

9. INCOME TAX

Income tax for the periods ended 30 September 2015 and 2014 are as follows:

	(€ k)	
Captions	September 2015	September 2014
Current income tax	65,792	56,478
"IRP" - Tax on oil income	15,983	27,405
"PE" - Special Participation Tax	65,792	61,973
(Excess)/Insufficiency of income tax for the preceding year	(8,985)	2,578
Deferred tax	18,926	2,039
	157,508	150,473
Energy sector extraordinary contribution	59,755	30,453 (a)
	217,263	180,926 (a)

(a) These amounts were restated considering the changes in accounting policies referred in Note 2.23.

The caption "IRP" – Tax on oil income includes the amount of €6,416 k related to the provision accounted for in the first nine months of 2015 (Note 25).

The Group has recognised as Current income tax payable the amount of € 13,900 k.

The balance of deferred tax assets and liabilities as of 30 September 2015 is as follows:

	(€ k)					
	Deferred tax September 2015 - Liabilities					
Captions	Initial balance	Effect in results	Effect in equity	Effect of currency translation	Other adjustments	Ending balance
Adjustments to accruals and deferrals	(53)	-	-	7	-	(46)
Adjustments to tangible and intangible assets	(20,019)	(1,585)	-	(1,668)	-	(23,272)
Adjustments to tangible and intangible assets Fair value	(16,496)	2,195	-	-	-	(14,301)
Adjustments to inventories	(181)	26	-	-	-	(155)
Underlifting adjustments	(1,113)	344	-	(95)	-	(864)
Dividends	(39,973)	(1,125)	-	-	-	(41,098)
Financial instruments	-	-	(1,217)	-	-	(1,217)
Regulated revenue	(39,828)	14,518	-	-	-	(25,310)
Accounting revaluations	(2,605)	166	-	-	-	(2,439)
Others	(920)	(61)	-	4	(7)	(984)
	(121,188)	14,478	(1,217)	(1,752)	(7)	(109,686)

Potential foreign exchange differences in Brazil are due to the option to tax potential foreign exchange differences only when they are realised. The amount of € 132,235 k reflected in equity includes €92,634 k in respect of the deferred taxes resulting from currency exchange differences on financial contributions that are similar to “quasi capital” (Note 20) and €39,701 k in respect of non-controlling interests.

10. EARNINGS PER SHARE

Earnings per share for the periods ended 30 September 2015 and 2014 are as follows:

	(€ k)	
	September 2015	September 2014
Net income		
Net income for purposes of calculating earnings per share (consolidated net result for the period)	117,011	67,094 (a)
Number of shares		
Weighted average number of shares for purposes of calculating earnings per share (Note 19)	829,250,635	829,250,635
Basic and diluted earnings per share (amounts in Euros):	0.14	0.08 (a)

(a) These amounts were restated considering the changes in accounting policies described referred in Note 2.23.

As there are no situations that give rise to dilution, the diluted earnings per share is equal to basic earnings per share.

11. GOODWILL

The difference between the amounts paid to acquire an equity share in Group companies and the fair value of the acquired companies' equity was in 30 September 2015, as follows:

(€ k)									
Subsidiaries	Acquisition year	Acquisition cost	Equity proportion at the acquisition date		Goodwill movement				
			%	Amount	2014	Currency exchange differences (d)	Disposal of subsidiary (e)	Impairments (f)	2015
Galp Energia España, S.A.									
Galp Comercialización Oil España, S.L.	(a)	2008	100.00%	129,471	46,266	-	-	(6,152)	40,114
Petróleos de Valência, S.A. Sociedad Unipersonal	(a)	2005	100.00%	6,099	7,759	-	-	(7,759)	-
Galp Distribución Oil España, S.A.U.	(b)	2008	100.00%	123,611	46,823	-	-	(35,028)	11,795
					100,848	-	-	(48,939)	51,909
Petróleos de Portugal - Petrol, S.A.									
Galp Comercialização Portugal, S.A.	(c)	2008	100.00%	69,027	50,556	-	-	-	50,556
					50,556	-	-	-	50,556
Galp Swaziland (PTY) Limited		2008	100.00%	651	18,754	1,570	-	-	20,324
Madriñeña Suministro de Gas S.L.		2010	100.00%	12,641	29,766	-	(29,766)	-	-
Madriñeña Suministro de Gas SUR S.L.		2010	100.00%	3,573	8,686	-	(8,686)	-	-
Galpgest - Petrolgas Estaciones de Servicio, S.L.U.		2003	100.00%	1,370	5,568	-	-	-	5,568
Galp Gambia, Limited		2008	100.00%	1,693	405	(405)	-	-	-
	2007 e								
Empresa Nacional de Combustíveis - Enacol, S.A.R.L.		2008	15.77%	4,031	4,329	-	-	-	4,329
Galp Moçambique, Lda.		2008	100.00%	2,978	3,491	293	-	-	3,784
Duriensegás - Soc. Distrib. de Gás Natural do Douro, S.A.		2006	25.00%	1,454	1,640	-	-	-	1,640
	2002/3 e								
Lusitaniagás - Companhia de Gás do Centro, S.A.		2007/8/9	1.543%	856	584	-	-	-	584
Gasinsular - Combustíveis do Atlântico, S.A.		2005	100.00%	(353)	403	-	-	-	403
Saaga - Sociedade Açoreana de Armazenagem de Gás, S.A.		2005	67.65%	580	278	-	-	-	278
	2003/6 e								
Beiragás - Companhia de Gás das Beiras, S.A.		2007	0.94%	107	51	-	-	-	51
Galp Sinopec Brazil Services (Cyprus)		2012	100.00%	1	2	-	-	-	2
					225,361	1,458	(38,452)	(48,939)	139,428

(a) The subsidiaries Petróleos de Valência, S.A. Sociedad Unipersonal and Galp Comercialización Oil España, S.L. were incorporated in Galp Energia España, S.A., through a merger process, during the year ended 31 December 2010.

- (b) The subsidiary Galp Distribución Oil España, S.A.U., was incorporated in Galp Energia España, S.A. through a merger process, during the year ended 31 December 2011.
- (c) The subsidiary Galp Comercialização Portugal, S.A., was incorporated in Petróleos de Portugal - Petrogal, S.A. through a merger process, during the year ended 31 December 2010.
- (d) The exchange differences arise from the conversion of Goodwill recorded in local companies' currency to Group's reporting currency (euros) at the exchange rate prevailing on the date of the financial statements (Note 20).
- (e) See Notes 3 b) and 4.2.
- (f) Amounts calculated as a result of goodwill impairment tests (Note 4.2).

Goodwill Impairment analysis

Galp has registered an impairment in the amount of €6,152 k and €35,028 k on Goodwill of Galp Comercialización Oil España, SL and Galp Distribución Oil España, SAU, respectively, related with the recoverable value of the retail business unit in Spain and €7,759 k on the recoverability of the Goodwill of Petróleos de Valencia, SA Sociedad Unipersonal considering the activity decline and expectation about the extension of the concession period.

12. TANGIBLE AND INTANGIBLE ASSETS

Tangible and intangible assets on 30 September 2015 and 31 December 2014:

	September 2015			December 2014		
	Gross asset	Accumulated amortisation, depreciation and impairment loss	Net asset	Gross asset	Accumulated amortisation, depreciation and impairment loss	Net asset
Tangible assets						
Land and natural resources	276,603	(1,908)	274,695	278,327	(2,005)	276,322
Buildings and other constructions	919,099	(672,878)	246,221	919,314	(654,368)	264,946
Machinery and equipment	7,201,690	(4,711,040)	2,490,650	7,102,796	(4,382,246)	2,720,550
Transport equipment	30,595	(27,631)	2,964	31,060	(27,308)	3,752
Tools and utensils	4,657	(4,050)	607	4,408	(3,915)	493
Administrative equipment	175,372	(166,102)	9,270	173,484	(159,688)	13,796
Reusable containers	160,967	(148,541)	12,426	158,790	(146,060)	12,730
Other tangible assets	88,951	(80,137)	8,814	89,356	(79,014)	10,342
Tangible assets in progress	1,983,433	-	1,983,433	1,749,397	-	1,749,397
Advances to suppliers of tangible assets	10	-	10	28	-	28
	10,841,377	(5,812,287)	5,029,090	10,506,960	(5,454,604)	5,052,356
Intangible assets						
Research and development costs	280	(277)	3	280	(271)	9
Industrial property and other rights	537,962	(298,211)	239,751	561,772	(299,391)	262,381
Reconversion of consumption to natural gas	551	(437)	114	551	(431)	120
Goodwill	11,858	(10,205)	1,653	17,185	(10,205)	6,980
Other intangible assets	498	(498)	-	498	(498)	-
Concession arrangements	1,730,405	(606,186)	1,124,219	1,718,566	(576,566)	1,142,000
Intangible assets in progress - Concession Arrangements	3,213	-	3,213	3,199	-	3,199
Intangible assets in progress	32,119	-	32,119	32,217	-	32,217
	2,316,886	(915,814)	1,401,072	2,334,268	(887,362)	1,446,906

Tangible and intangible assets are recorded in accordance with the accounting policy defined by the Group which is described in the accompanying notes to the consolidated financial statements on 31 December 2014 (Note 2.3 and Note 2.4). The depreciation/amortisation rates that are being applied are disclosed in the same note.

The net change of increases and decreases in the caption Net assets for tangible and intangible assets for the period ended 30 September 2015 in the amount of €139,636k is comprised by the following balances:

	Tangible		Intangible		Total	
	Gross asset	Accumulated depreciation	Gross asset	Accumulated amortisation	Gross asset	Accumulated amortisation/depreciation
Balance on 1 January 2015	10,506,960	(5,454,604)	2,334,268	(887,362)	12,841,228	(6,341,966)
Additions	640,349	-	25,325	-	665,674	-
Additions by financial costs capitalisation (Note 8)	65,621	-	-	-	65,621	-
Write-offs/sales	(56,992)	19,193	(2,256)	1,724	(59,248)	20,917
Impairment variations	(35,039)	69	(16,031)	-	(51,070)	69
Adjustments	(279,522)	(30,139)	(1,941)	867	(281,463)	(29,272)
Amortisations/depreciations of the period	-	(346,806)	-	(52,687)	-	(399,493)
Variation of the perimeter (Note 3)	-	-	(22,479)	21,644	(22,479)	21,644
Total movements	334,417	(357,683)	(17,382)	(28,452)	317,035	(386,135)
Balance on 30 September 2015	10,841,377	(5,812,287)	2,316,886	(915,814)	13,158,263	(6,728,101)

Amortisation for the periods of 2015 and 2014 are as follows (Note 6):

	September 2015			September 2014			December 2014		
	Tangible	Intangible	Total	Tangible	Intangible	Total	Tangible	Intangible	Total
Amortisation / depreciation for the period	346,737	21,868	368,605	318,328	25,808	344,136	411,089	32,899	443,988
Amortisation for the period - Concession Arrangements	-	30,819	30,819	-	31,293	31,293	-	42,005	42,005
Impairments	96,845	14,159	111,004	76,410	(341)	76,069	126,146	1,459	127,605
Amortisation, depreciation and impairment loss (Note 6)	<u>443,582</u>	<u>66,846</u>	<u>510,428</u>	<u>394,738</u>	<u>56,760</u>	<u>451,498</u>	<u>537,235</u>	<u>76,363</u>	<u>613,598</u>

The net amount of € 835 k in the caption Variation of the perimeter is related with the disposal of Madrileña Suministro de Gas SL and Madrileña Suministro Gas SUR SL, which are classified as available for sale (Note 3b).

Main occurrences during the period ended 30 September 2015:

The increases noted in tangible and intangible assets captions, in the amount of € 731,295 k, mainly include:

i) Exploration & Production segment

- €437,392 k relating to exploration and development investments in blocks in Brazil;
- €110,409 k relating to exploration investments in block 32 in Angola;
- €69,072 k relating to exploration and development investments in block 14 in Angola;
- €54,893 k relating to oil exploration investments in Area 4 in Mozambique;
- €5,470 k relating to oil exploration investments on the Portuguese coast – Peniche basin; and
- €2,063 k relating to oil exploration investments on the Portuguese coast - Alentejo basin.

ii) Gas & Power segment

- €14,119 k relating to natural gas infrastructure construction (network, extensions, plots and other infrastructure) of which the amount of €12,862 k covered by IFRIC 12 (Note 5 and 6).

iii) Refining & Marketing segment

- The refineries of Sines and Oporto made industrial investments in the amount of €12,357 k; and
- €16,388 k related with the marketing business unit, mainly on the improvement of service stations, convenience stores, expansion of activities and development of the gas business.

In the period ended 30 September 2015, tangible and intangible assets were disposed and written-off in the net amount of € 59,248 k, of which € 31,646 k refer to the write-off of exploration wells in Brazil, € 19,984 k refer to write-offs associated with Sines refinery planned outage and € 7,618 k as result of the fixed assets register update that occurred during the period. This update mainly included write-offs related with the retail business due to the refurbishment of service stations, convenience stores and to the expansion of activities and development of information systems most of which were fully amortised.

The split of tangible and intangible assets in progress (including advances to suppliers on tangible and intangible assets net of impairment losses) in the period ended 30 September 2015 were as follows:

	(€ K)		
	Assets in progress	Impairments	Net
Exploration of oil in Brazil	1,024,705	(32,823)	991,882
Exploration of oil in Angola	577,948	(27,745)	550,203
Exploration in Mozambique	262,908	(6,982)	255,926
Exploration in Morocco	69,293	(69,293)	-
Exploration in Portugal	66,773	(8,753)	58,020
Exploration of gas in Angola	39,495	-	39,495
Exploration in Namibia	38,629	(38,258)	371
Renewal and expansion of the network	34,105	(232)	33,873
Industrial investment relating to refineries	29,001	-	29,001
Floating LNG-Brazil	23,688	-	23,688
Exploration of oil in Blocks 3 and 4 in Uruguay	7,670	(1,717)	5,953
Transportation and logistics	5,124	-	5,124
Exploration in Timor	2,590	(2,590)	-
Conversion projects of the Sines and Oporto refineries	1,687	-	1,687
Underground storage of natural gas	321	-	321
Production of energy and steam	74	-	74
Other projects	23,157	-	23,157
	2,207,168	(188,393)	2,018,775

13. GOVERNMENT GRANTS

As of 30 September 2015 and 31 December 2014 the amounts to be recognised as government grants in future exercises amount to €256,128 k and €266,066 k, respectively (Note 24).

During the periods ended 30 September 2015 and 30 September 2014, grants recognised in the income statement were €10,122 k and €7,691 k, respectively (Note 5).

The amount of € 10,122 k includes € 2,646 k relating to the recognition of the grant from the sale of natural gas underground storage to REN – Armazenagem, SA.

14. OTHER RECEIVABLES

The non-current and current caption "Other receivables" as of 30 September 2015 and 31 December 2014 was detailed as follows:

(€ k)				
Captions	September 2015		December 2014	
	Current	Non-current	Current	Non-current
State and other public entities:				
Value Added Tax - Reimbursement requested	2,689	-	240	-
"ISP" - Tax on oil products	1,293	-	3,127	-
Others	14,706	-	7,944	-
Loans granted to Sinopec Group	780,890	-	718,904	170,954
Advances to suppliers of tangible assets	46,128	-	85,670	-
Underlifting	33,055	-	22,137	-
Carry from public participations interests	22,290	-	18,922	-
Subsoil levies	20,246	34,044	18,801	34,044
Over cash-call from partner Petrobras in operated blocks	16,008	-	13,437	-
Guarantees	12,902	-	11,091	-
Means of payment	7,026	-	7,506	-
Other receivables - associates, jointly controlled, related and participated entities	3,824	2,106	7,427	4,007
Advances to suppliers	2,045	-	32,121	-
Personnel	1,552	-	1,972	-
Spanish Bitumen process	385	-	385	-
Ceding rights contract of telecommunications infrastructures usage	86	-	222	-
Loans to associates, jointly controlled, related and participated entities	-	31,505	-	28,433
Loans to costumers	-	1,355	73	1,513
Receivables from Block 14 consortium in Angola (excessive profit-oil receivable)	-	-	3,102	-
Other receivables	93,705	15,611	66,029	3,416
	<u>1,058,830</u>	<u>84,621</u>	<u>1,019,110</u>	<u>242,367</u>
Accrued income:				
Sales and services rendered not yet invoiced	169,578	-	214,853	-
Adjustment to tariff deviation - "pass through" - "ERSE" regulation	32,251	-	36,546	-
Adjustment to tariff deviation - regulated revenue - "ERSE" regulation	27,468	21,762	30,937	34,495
Financial neutrality - regulation "ERSE"	9,153	-	17,499	-
Management and structure costs to be invoiced	3,953	-	1,786	-
Interest to be received	3,134	-	3,511	-
Commercial discount on purchases	1,411	-	1,205	-
Sale of finished goods to be invoiced in the service stations	1,227	-	7,420	-
Compensation for uniformization tariff	1,028	-	1,798	-
Adjustment to tariff deviation - Energy Tariff - Erse Regulation	-	61,349	14,012	45,537
Other accrued income	5,680	55	6,195	63
	<u>254,883</u>	<u>83,166</u>	<u>335,762</u>	<u>80,095</u>
Deferred costs:				
Energy sector extraordinary contribution	23,808	113,506	-	-
Catalyser costs	20,537	-	10,130	-
Prepaid insurance	7,535	-	1,073	-
Lease costs relating to service station concession contracts	2,548	26,302	2,757	28,406
Prepaid costs	2,498	-	2,578	-
Interests and other financial costs	37	-	256	-
Retirement benefits (Note 23)	-	4,368	-	10,635
Other deferred costs	22,703	-	21,925	-
	<u>79,666</u>	<u>144,176</u>	<u>38,719</u>	<u>39,041</u>
	<u>1,393,379</u>	<u>311,963</u>	<u>1,393,591</u>	<u>361,503</u>
Other receivables impairment	(8,500)	(2,753)	(7,406)	(2,753)
	<u>1,384,879</u>	<u>309,210</u>	<u>1,386,185</u>	<u>358,750</u>

The movements occurred in the caption “Other receivables impairment” for the period ended 30 September 2015 were as follows:

						(€ k)
Captions	Initial balance	Increase	Decrease	Utilisation	Adjustments	Ending balance
Other receivables	10,159	1,317	(215)	-	(8)	11,253

The increase and decrease in the caption “Other receivables impairment” in the net amount of €1,102 k is included in the caption “Impairment losses (gains) on other receivables” (Note 6).

The caption “Loans granted” includes the amount of €780,890 k (\$ 874,831 k) relating to the loan granted by the Group to Tip Top Energy, SARL (company from Sinopec Group) on 28 March 2012, for a period of 4 years, accounted for as current asset, remunerated at a three-month LIBOR interest rate plus a spread. In the period ended 30 September 2015 the amount of €3,019 k was recognised under the caption of interests, relating to loans granted to related companies.

The caption “Subsoil levies” amounting to €54,290 k refers to levies on subsoil occupation already paid to municipalities. According to the natural gas supply concession agreement between the Portuguese Government and the Group companies, and in accordance with the Resolution of the Council of Ministers No. 98/2008, dated 8 April, companies have the right to pass on to commercialisation entities or to end customers, the full amount of subsoil levies paid to the local authorities for the area under concession.

The amount of €33,055 k recorded in the caption “Other receivables – underlifting” represents the amounts to be received by the Group for lifting barrels of crude oil under production quota (underlifting) and is valued at the lower price between the market price at the sale date and the market price on 30 September 2015.

“Carry from public participations interests” amounting to €22,290 k refers to receivable amounts from public partners during the exploration period. Farm-in contracts agreed consider that, during the exploration period, the Group is responsible for investment through cash calls and requested by the operator to the public partner until their participation percentage.

The caption “Means of payment” in the amount of €7,026 k refers to receivable amounts for sales made with Visa/debit cards, which as of 30 September 2015 were pending of collection.

The amount of €5,930 k recorded in the current and non-current caption “Other receivables– associates, jointly controlled, related and participated entities” refers to receivable amounts from unconsolidated companies.

The caption “Guarantees” in the amount of €12,902 k includes €11,663 k of payments on account and guarantees negotiation to support the transactions and operations in the Spanish and French electricity markets.

The non-current caption “Other receivables” includes €14,224 k (BRL 63,733 k) for a judicial deposit under the injunction presented by the BM-S-11 consortium. The consortium filed the referred injunction as it disagrees with the decision of the National Petroleum, Natural Gas and Biofuels Agency (“ANP”) on unifying the Lula and Cernambi fields.

The non-current caption “Other receivables” includes €1,249 k relating to a receivable from Gestmin, SGPS, S.A., for the purchase of COMG – Comercialização de Gás, S.A. on 3 December 2009, which is remunerated at the six-month Euribor interest rate plus a spread of 3.12% per year and is expected to be received half yearly and until 3 December 2016.

The caption “Accrued income – Sales and services rendered not yet invoiced” relates mainly to September natural gas and electricity consumption to be invoiced in October and is detailed as follows:

	(€ k)		
Company	TOTAL	Natural gas	Electricity
Galp Gás Natural, S.A.	106,279	106,279	-
Galp Power, S.A.	21,724	699	21,025
Petrogal, S.A.	7,021	-	7,021
Lusitaniagás Comercialização, S.A.	6,018	6,018	-
Portcogeração, S.A.	4,366	-	4,366
Lisboagás Comercialização, S.A.	3,234	3,234	-
LUSITANIAGÁS – Companhia de Gás do Centro, S.A.	2,338	2,338	-
Lisboagás GDL - Sociedade Distribuidora de Gás Natural de Lisboa, SA	2,204	2,204	-
Galp Energia España, S.A., Unipessoal	1,330	900	430
Setgás Comercialização, S.A.	932	932	-
SETGÁS - Sociedade de Distribuição de Gás Natural, SA	929	929	-
Transgás, S.A.	849	849	-
Dianagás – Sociedade Distribuidora de Gás Natural de Évora, SA	446	446	-
Duriensegás – Sociedade Distribuidora de Gás Natural do Douro, SA	190	190	-
MEDIGÁS - Sociedade Distribuidora de Gás Natural do Algarve, SA	119	119	-
PAXGÁS – Sociedade Distribuidora de Gás Natural de Beja, SA	33	33	-
	158,012	125,170	32,842

The caption “Accrued income – Sale of finished goods to be invoiced in the service stations” in the amount of €1,277 k relates to consumptions up to 30 September 2015 through Galp Frota cards, which will be invoiced in the following months.

Expenses recorded as “Deferred costs” in the amount of €28,850 k, relating to advance payments of service station rental contracts, are recognised as a cost during the concession period which ranges between 17 and 32 years.

The balance of aged other receivables for which no impairment has been recognised correspond to credits with payment agreements, are covered by credit insurance or for which there is an expectation of partial or total receipt.

Galp Energia holds collateral guarantees on receivables, namely bank guarantees and security deposits, which as of 30 September 2015, amounts to €107,107 k.

15. TRADE RECEIVABLES

The caption "Trade receivables" as of 30 September 2015 and 31 December 2014 presents the following detail:

(€ k)				
Captions	September 2015		December 2014	
	Current	Non-current	Current	Non-current
Trade receivables - current accounts	1,068,710	24,201	1,082,235	24,242
Trade receivables - doubtful accounts	220,939	-	256,194	-
Trade receivables - notes receivable	4,180	-	5,686	-
	1,293,829	24,201	1,344,115	24,242
Trade receivables impairment	(217,758)	-	(228,828)	-
	1,076,071	24,201	1,115,287	24,242

The non-current caption "Trade receivables - current accounts", amounting to €24,201 k and €24,242 k in the periods ended 30 September 2015 and 31 December 2014, respectively, relates to debt payment agreements from customers with maturities over one year.

The movements in the caption "Trade receivables impairment" for the period ended 30 September 2015 were as follows:

(€ k)							
Captions	Initial balance	Increase	Decrease	Utilisation	Adjustments	Variation of the perimeter	Ending balance
Trade receivables impairment	228,828	25,621	(9,539)	(219)	1,110	(28,043)	217,758

The increase and decrease in the caption "Trade receivables impairment" in the net amount of €16,082 k was recorded in the caption "Provision and impairment losses on receivables" (Note 6).

The amount of € 28,043k presented in the caption "Variation of the perimeter" is related with the sale of Madrileña Suministro de Gas SL and Madrileña Suministro de Gas SUR SL (Note 3b).

16. INVENTORIES

Inventories as of 30 September 2015 and of 31 December 2014 were detailed as follows:

	(€ k)	
Captions	September 2015	December 2014
Raw, subsidiary and consumable materials:		
Crude oil	37,750	146,324
Other raw materials and diverse materials	51,999	45,216
Raw materials in transit	124,225	179,138
	213,974	370,678
Raw, subsidiary and consumable materials impairment	(11,039)	(44,466)
	202,935	326,212
Finished and intermediate products:		
Finished products	122,365	156,997
Intermediate products	198,266	238,199
Finished products in transit	410	6,394
	321,041	401,590
Finished and intermediate products impairment	(12,941)	(40,781)
	308,100	360,809
Work in progress	52	192
	52	192
Goods	381,028	551,876
Goods in transit	111	359
	381,139	552,235
Goods impairment	(1,817)	(29,074)
	379,322	523,161
	890,409	1,210,374

As of 30 September 2015, the caption "Goods" in the amount of € 381,028 k, mainly relates to natural gas in pipelines in the amount of € 67,104 k, crude oil products of the subsidiaries Galp Energia España, S.A., Petrogal Moçambique, Lda. and Empresa Nacional de Combustíveis – Enacol, S.A.R.L. in the amounts of € 277,179 k, € 13,953 k and € 6,607 k, respectively.

As of 30 September 2015 and 31 December 2014, the Group's liability with competitors related to strategic reserves, which are satisfied by sales in advance, amounted to €38,060 k and €48,781 k respectively (Note 24). This reduction is explained by legislative amendment and the modifications in the action of Entidade Nacional para o Mercado de Combustíveis, E.P.E. ("ENMC"), which assumed an increase of its responsibilities arising from strategic reserves of other operators, having contracted with the Group the figure of "tickets" that allows it to ensure the products stock with the Group.

The subsidiary Petróleos de Portugal – Petrogal, SA has a contract with "Entidade Nacional para o Mercado de Combustíveis, E.P.E." (ENMC) for the storage and exchange of crude oil and for the storage of refined products to be considered on the national strategic reserves. ENMC's crude oil and refined products are stored in Petrogal's

installations, in a way that allows ENMC to audit them whenever it so wishes, in terms of quantity and quality. In accordance with the contract, Petrogal must, when required by ENMC, exchange the stored crude oil for refined products for an amount representing the refining margin as of the date of the exchange. Crude oil and refined products stored in the installations of Petróleos de Portugal – Petrogal, SA under this contract are not reflected in the Group financial statements.

The movement in Inventories impairment captions in the period ended 30 September 2015 was as follows:

(€ k)						
Captions	Initial balance	Increase	Decrease	Utilisation	Adjustments	Ending balance
Raw, subsidiary and consumable materials impairment	44,466	-	(33,404)	(23)	-	11,039
Finished and intermediate products impairment	40,781	68	(27,956)	-	48	12,941
Goods impairment	29,074	80	(27,291)	-	(46)	1,817
	114,321	148	(88,651)	(23)	2	25,797

The net balance of increases and decreases, in the amount of € 88,503 k was recorded against the caption “Cost of sales - Impairment in inventories” (Note 6) in the income statement.

17. OTHER FINANCIAL INVESTMENTS

Other financial investments as of 30 September 2015 and 31 December 2014 were detailed as follows:

(€ k)				
Other Financial Investments	September 2015		December 2014	
	Current	Non-current	Current	Non-current
Financial derivatives at fair value through profit and loss (Note 27)				
Swaps and Options over Commodities	2,868	1,724	6,986	405
Currency swaps	8	-	3,150	-
	2,876	1,724	10,136	405
Other Financial Assets				
Other	-	22,729	-	20,973
	-	22,729	-	20,973
	2,876	24,453	10,136	21,378

As of 30 September 2015 and 31 December 2014, the derivative financial instruments are valued at their fair value on those dates (Note 27).

18. CASH AND CASH EQUIVALENTS

For the periods ended 30 September 2015, 31 December 2014 and 30 September 2014 the caption “Cash and cash equivalents” was detailed as follows:

	(€ k)		
Captions	September 2015	December 2014	September 2014
Cash	5,122	6,664	9,179
Cash Deposits	168,996	111,453	388,849
Term deposits	1,017	1,419	1,301
Other negotiable securities	52,425	35,020	112,646
Other treasury applications	977,438	989,426	917,013
Cash and cash equivalents in the consolidated statement of financial position	1,204,998	1,143,982	1,428,988
Other current financial investments	-	-	185
Bank overdrafts (Note 22)	(117,590)	(120,586)	(137,036)
Cash and cash equivalents in the consolidated statement of cash flow	1,087,408	1,023,396	1,292,137

The caption “Other negotiable securities” mainly include:

- €50,310 k relating to bank deposit certificates;
- €3,293 k on electricity futures; and
- Negative €1,181 k on Futures over commodities (Brent).

These electricity futures are recorded in this caption due to their high liquidity (Note 27).

The caption "Other treasury applications" includes applications of cash surplus of the following Group companies:

	(€ k)	
Companies	September 2015	December 2014
Galp Energia E&P, B.V.	834,113	940,549
Petróleos de Portugal – PETROGAL, S.A. Sucursal en España	71,505	-
Galp Sinopec Brazil Services B.V.	28,564	7,001
Petróleos de Portugal - Petrogal, S.A.	14,550	13,590
CLCM - Companhia Logística de Combustíveis da Madeira, S.A.	8,610	8,450
Lisboagás GDL - Sociedade Distribuidora de Gás Natural de Lisboa, S.A.	6,700	-
Sempre a Postos - Produtos Alimentares e Utilidades, Lda.	4,950	2,200
Beiragás - Companhia de Gás das Beiras, S.A.	4,580	6,000
Galp Exploração Serviços do Brasil, Lda.	1,582	2,749
Galp Energia Brasil S.A.	1,039	498
Lusitaniagás - Companhia de Gás do Centro, S.A.	1,000	-
Petrogal Brasil, S.A.	245	-
Galp Gás Natural, S.A.	-	8,389
	977,438	989,426

19. SHARE CAPITAL

In accordance with the information available in the period ended 30 September 2015, the shareholding composition of Galp Energia has not changed significantly, when compared with the year ended December 2014, maintaining the free float at 47%.

Shareholding composition as of 30 September 2015:

	Number of shares	% of Capital	% of Voting rights
Amorim Energia, B.V.	317,934,693	38.34%	46.34%
ENI S.P.A	66,337,592	8.00%	8.00%
Parpública – Participações Públicas, SGPS, S.A.	58,079,514	7.00%	7.00%
Free-float	386,898,836	46.66%	46.66%
Total	829,250,635	100.00%	-

20. RESERVES

As of 30 September 2015 and 31 December 2014 Translation reserves and Other reserves are detailed as follows:

	(€ k)	
Captions	September 2015	December 2014
<u>Translation reserves:</u>		
Reserves - financial allocations ("quasi capital")	(466,441)	(193,989)
) Reserves - Tax on financial allocations ("quasi capital") (Note 9)	170,309	77,675
	(296,132)	(116,314)
Reserves - Conversion of financial statements	182,218	131,765
Reserves - Goodwill currency update (Note 11)	3,676	2,218
	(110,238)	17,669
<u>Hedging reserves:</u>		
Reserves - financial derivatives	4,565	(744)
Reserves - Deferred tax on financial derivatives (Note 9)	(1,217)	-
	3,348	(744)
<u>Other reserves:</u>		
Legal reserves	165,850	165,850
Free distribution reserves	27,977	27,977
Special reserves	(443)	(443)
Reserves - Capital increase in subsidiaries Petrogal Brazil, S.A. and Galp Sinopec Brazil Services B.V.	2,493,088	2,493,088
Reserves - Increase of 10.7532% in 2012 and 0.3438% in 2013 in the participation in the share capital of the subsidiary Lusitaniagás - Companhia de Gas do Centro, S.A.	(2,027)	(2,027)
Reserves - Increase of 99% in the participation in the share capital of the subsidiary Enerfuel, S.A.	(31)	(31)
	2,684,414	2,684,414
	2,577,524	2,701,339

Translation reserve:

The caption Translation reserve reflects the exchange rate fluctuations:

- i) €182,218 k relating to positive exchange differences resulting from the translation of financial statements in foreign currency to Euros;
- ii) €296,132 k relating to negative exchange differences on the financial allocations from Galp Exploração e Produção Petrolífera, S.A., Petróleos de Portugal - Petrogal, S.A., Galp Sinopec Brazil Services B.V., Petrogal Brazil, B.V. and Winland International Petroleum, SARL (W.I.P.) to Petrogal Brasil, S.A. (company with Brazilian Real as functional currency), in Euros and US Dollars, which are not remunerated and for which there is no intention of reimbursement, and as such are similar to share capital ("quasi capital"), thus integrating the net investment in that foreign operational unit in accordance with IAS 21.
- iii) €3,676 k relating to positive exchange differences resulting from Goodwill translation.

Hedging reserves:

Hedging reserves reflects changes that have occurred in financial derivatives on interest rates that are contracted for hedging changes in interest rate loans (cash flow hedge) and their respective deferred taxes.

In the period ended 30 September 2015, the amount of € 3,348 k includes € 4,565 k from positive changes in fair value of financial derivatives - cash flow hedges and € 1,217 k related to the respective impact in deferred tax liability.

Other reserves:

Legal Reserves

In accordance with the Company's Articles of Association and Commercial Law ("Código das Sociedades Comerciais - CSC"), the Company must transfer a minimum of 5% of its annual net income to a legal reserve until the reserve reaches 20% of share capital. The legal reserve cannot be distributed to the shareholders but may be, in certain circumstances, used to increase capital or to absorb losses after all the other reserves have been utilised. In 2015 the caption did not present any changes as the legal reserves have already reached 20% of share capital.

Special reserves

The amount of €443 k in the caption "Special reserves" includes €463 k relating to a deferred tax correction - revaluation of equity in the subsidiary LisboaGás GDL - Sociedade Distribuidora de Gás Natural de Lisboa, S.A. and the negative amount of €20 k relates to a donation to the subsidiary Gasinsular - Combustíveis do Atlântico, S.A.

Reserves - capital increases in Petrogal Brasil, S.A. and Galp Brasil Services, B.V.

On 28 March 2012 Winland International Petroleum SARL (WIP), a subsidiary of Tip Top Energy, SARL (Sinopec Group), subscribed and paid a capital increase in the amount of \$4,797,528 k in subsidiaries Petrogal Brasil, S.A. and Galp Sinopec Brazil Services, B.V. (previously denominated Galp Brazil Services, B.V.), obtaining 30% of the shares and voting rights of both subsidiaries.

With the capital increase operation, the Galp Energia Group kept the operational and financial control of the Companies. It now owns 70% of the capital and voting rights and continues, under IAS 27, to consolidate their assets through the full consolidation method. Thus the difference between the amount paid of the capital increase and the book value of equity at the date of the increase was recognised in equity under reserves by €2,493,088 k.

Reserves - increase of 11.097% in the capital of the subsidiary Lusitaniagás - Companhia de Gás do Centro, S.A

In July 2012, the Group acquired 10.7532% of the capital of the subsidiary Lusitaniagás – Companhia de Gás do Centro, S.A., which was previously controlled by the Group and consolidated using the full consolidation method. Thus the difference between the amount paid and the book value of the equity at the acquisition date, was recognised in equity under reserves by €1,935 k.

In May 2013, the Group acquired 0.3438% of the capital of the subsidiary Lusitaniagás – Companhia de Gás do Centro, S.A. to Revigrés – Indústria de Revestimentos de Grés, Lda. and recognised in equity reserves the amount of €92 k due to the difference between the amount paid and the book value.

Reserves – increase of 99% in the capital of subsidiary Enerfuel, S.A

In July 2013, under the terms of a contract signed in August 2012, the Group acquired 99% of the capital of Enerfuel, S.A. As the Group owned the control, the Company was already consolidated using the full consolidation method. Thus the difference between the amount paid and the book value of equity at the acquisition date, was recognised in equity under reserves by the amount €31 k.

21. NON-CONTROLLING INTERESTS

As of 30 September 2015 and 31 December 2014, the caption “Non-controlling interests” included in equity refers to the following subsidiaries:

	(€ k)						
	Balance at December 2014	Assigned dividends (b)	Prior year results	Translation reserves	Retained earnings - actuarial gains and losses	Net result for the period	Balance at September 2015
Galp Sinopec Brazil Services B.V.	1,127,303	-	-	94,326	-	11,421	1,233,050
Petrogal Brasil, S.A.	225,790	-	-	(139,386)	-	18,440	104,844
Setgás - Sociedade de Produção e Distribuição de Gás, S.A.	23,804	-	(2)	-	(2)	1,419	25,220
Empresa Nacional de Combustíveis - Enacol, S.A.R.L	20,247	(608)	(1)	-	-	(128)	19,510
Beiragás - Companhia de Gás das Beiras, S.A.	15,653	-	(1)	-	-	1,136	16,788
Petromar - Sociedade de Abastecimentos de Combustíveis, Lda.	2,622	-	(456)	-	-	500	2,666
Lusitaniagás - Companhia de Gás do Centro, S.A.	1,771	-	-	-	-	165	1,936
Sempre a Postos - Produtos Alimentares e Utilidades, Lda.	1,180	(297)	-	-	-	370	1,253
Saaga - Sociedade Açoreana de Armazenagem de Gás, S.A.	1,100	(218)	(4)	-	(4)	171	1,044
Setgás Comercialização, S.A.	999	-	-	-	-	(36)	963
CLCM - Companhia Logística de Combustíveis da Madeira, S.A.	643	(493)	-	-	-	317	467
Carriço Cogeração - Sociedade de Geração de Electricidade e Calor, S.A.	(a) (709)	-	-	-	-	(1,496)	(2,205)
Petrogás Guiné Bissau - Importação, Armazenagem e Distribuição de Gás, Lda.	(a) (219)	-	-	-	-	(8)	(227)
	1,420,184	(1,616)	(464)	(45,060)	(6)	32,271	1,405,309

a) As of 30 September 2015, the subsidiary presents negative equity. Thus, the Group only recognised accumulated losses in the proportion of the capital detained in that subsidiary, which is why non-controlling interests has a debtor balance.

b) The assigned dividends in the amount of € 1,616 k, were paid in the period ended 30 September 2015 (Note 30).

22. LOANS

Loans detail

Loans obtained as of 30 September 2015 and 31 December 2014 were as follows:

	(€ k)			
	September 2015		December 2014	
	Current	Non-current	Current	Non-current
Bank loans:				
Loans	165,066	1,157,038	182,845	1,116,991
Bank overdrafts (Note 18)	117,590	-	120,586	-
Discounted notes	2,573	-	3,668	-
	285,229	1,157,038	307,099	1,116,991
<i>Origination Fees</i>	(2,029)	(1,037)	(3,856)	(3,590)
	283,200	1,156,001	303,243	1,113,401
Other loans obtained:				
IAPMEI/SIDER	1	384	2	177
	1	384	2	177
	283,201	1,156,385	303,245	1,113,578
Bonds and Notes:				
Bonds	250,000	920,000	-	1,270,000
Notes	-	1,000,000	-	1,000,000
	250,000	1,920,000	-	2,270,000
<i>Origination Fees</i>	(4,214)	(13,501)	-	(22,459)
	245,786	1,906,499	-	2,247,541
	528,987	3,062,884	303,245	3,361,119

The current and non-current loans, excluding origination fees, bank overdrafts and discounted notes, as of 30 September 2015 had the following repayment plan:

		(€ k)		
		Loans		
Maturity		Total	Current	Non-current
2015		11,155	11,155	-
2016		410,440	403,912	6,528
2017		458,362	-	458,362
2018		640,056	-	640,056
2019		709,479	-	709,479
2020		657,047	-	657,047
2021		535,049	-	535,049
2022 and subsequent years		70,901	-	70,901
		3,492,489	415,067	3,077,422

As of 30 September 2015 and 31 December 2014, Loans obtained are expressed in the following currencies:

		September 2015		December 2015	
Currency		Total initial amount	Due amount (€k)	Total initial amount	Due amount (€k)
US Dollars	USD	126,000	112,470	326,000	268,512
Cape Verdean Escudos	CVE	186,849	1,695	307,939	2,793
Euros	EUR	3,664,887	3,377,939	3,519,888	3,296,143
Mozambican Meticaïs	MZM	-	-	96,369	2,388
			3,492,104		3,569,836

During the first nine months of 2015, the average interest rate on the loans and overdrafts incurred by the Group was 3.82%.

Description of the main loans

Commercial paper issuance

As of 30 September 2015, the Group has contracted underwritten commercial paper programs amounting to €1,065,000 k, which are split into €490,000 k medium and long-term and €575,000 k short term. Of these amounts the Group used €490,000 k as medium and long-term.

These instruments bear interests at Euribor rate for the respective period of issuance, plus variable spreads defined in the contractual terms of the commercial paper programs subscribed by the Group. The referred interest rates are applicable to the amount of each issuance and remain unchanged during the respective period of the issue.

Bank Loans

Detail of the main bank loans as of 30 September 2015:

(€ k)				
Entity	Due amount	Interest rate	Maturity	Reimbursement
Banco Itaú	112,470	Libor 6M + spread	April '17	50% @ April '16 50% @ April '17
UniCredit Bank Austria	150,000	Euribor 6M + spread	April '20	April '20

Additionally, the Group accounted for in medium and long term loans the amount of €37,750 k, related with the loans obtained by: Agroger- Sociedade de Cogeração do Oeste S.A., Beiragás – Companhia de Gás das Beiras, S.A., and CLCM – Companhia Logística de Combustíveis da Madeira, S.A.

Detail of the loans obtained from the European Investment Bank (EIB) as of 30 September 2015:

(€ k)				
Entity	Due Amount	Interest rate	Maturity	Reimbursement
EIB (Oporto cogeneration)	50,000	Fixed rate	October '17	October '17
EIB (Instalment A - Sines cogeneration)	22,565	Fixed rate	September '21	Semi-annual installments beginning in March '10
EIB (Instalment B - Sines cogeneration)	11,761	Euribor 6M + Spread	March '22	Semi-annual installments beginning in September '10
EIB (Instalment A - refinery conversion)	234,000	Revisable fixed rate	February '25	Semi-annual installments beginning in August '12
EIB (Instalment B - refinery conversion)	156,000	Fixed rate	February '25	Semi-annual installments beginning in August '12

Additionally, the Group has other loans obtained from the EIB in the amount of € 46,099k.

Loans contracted with the EIB, with the purpose of financing the cogeneration projects in the Sines and Oporto refineries and Instalment A for the conversion project of the Sines and Oporto refineries were guaranteed by Petróleos de Portugal - Petrolgal, S.A..

The remaining loan with the EIB, in the amount of € 209,099k, is guaranteed by a bank syndicate.

Bonds

Detailed information for bonds as of 30 September 2015:

(€ k)				
Issue	Due amount	Interest rate	Maturity	Reimbursement
GALP ENERGIA/2013-2017 €600 M. FRN	500,000	Euribor 6M + spread	May '17	50% @ May '16 50% @ May '17
GALP ENERGIA/2012-2018 FRN	260,000	Euribor 3M + spread	February '18	February '18
GALP ENERGIA/2013 - 2018	110,000	Euribor 3M + Spread	March '18	March '18
GALP ENERGIA/2013- 2018 €200 M.	200,000	Euribor 6M + spread	April '18	April '18
GALP ENERGIA/2012-2020	100,000	Euribor 6M + spread	June '20	June '20

Notes Issue

Galp Energia has established, as part of its financing plan, an EMTN Programme (“€5,000,000,000 Euro Medium Term Note Programme”).

On 15 November 2013, Galp Energia carried its first notes issuance, under the EMTN Programme, amounting to €500,000 k, due on 25 January 2019 with a coupon of 4.125%, which are listed on the London Stock Exchange.

On 7 July 2014, Galp Energia carried a second issue of notes under the EMTN Programme, in the amount of €500,000 k, due on 14 January 2021 with a coupon of 3%, which are listed at the London Stock Exchange.

23. POST-EMPLOYMENT AND OTHER EMPLOYEE BENEFITS

As of 30 September 2015 and 31 December 2014, the assets of the Petrogal Pension Fund, the Sacor Marítima Pension Fund and GDP Pension Fund, valued at fair value, were as follows according to the reports submitted by the respective pension fund management company:

	(€ k)	
	September 2015	December 2014
Bonds	186,199	218,366
Shares	59,716	65,531
Other Investments	8,691	11,304
Real Estate	32,805	32,678
Liquidity	30,800	7,071
	318,211	334,950

As of 30 September 2015 and 31 December 2014, the Group had the following amounts related to Post-employment benefits and other benefits liabilities:

	(€ k)		
	September 2015		
	December 2014		
Captions	Asset (Note 14)	Liability	Equity
Post employment benefits:			
Relating to the Pension Fund	4,368	(2,018)	33,245
Retired Employees	-	(3,211)	1,646
Pre-retirement	-	(72,363)	9,681
Early retirement	-	(75,779)	4,018
Retirement bonus	-	(7,425)	(11)
Voluntary social insurance	-	(2,368)	3,488
Other	-	(390)	(105)
	4,368	(163,554)	51,962
Other benefits:			
Healthcare	-	(246,920)	90,544
Life insurance	-	(2,936)	(144)
Defined contribution plan minimum benefit	-	(9,209)	(25)
	-	(259,065)	90,375
	4,368	(422,619)	142,337

The changes in equity for the period ended 30 September 2015 were as follows:

	(€ k)		
	December 2014	Gains/Losses	September 2015
Actuarial gains and losses - pension Fund	123,816	18,521	142,337
Tax related to the actuarial gains and losses - pension fund component	(24,246)	(2,995)	(27,241)
Retained earnings - actuarial gains and losses - pension fund	99,570	15,526	115,096

For further information refer to the Group's consolidated financial statements at 31 December 2014 and its accompanying notes.

24. OTHER PAYABLES

The non-current and current captions "Other payables" as of 30 September 2015 and of 31 December 2014 were as follows:

(€ k)				
Captions	September 2015		December 2014	
	Current	Non-current	Current	Non-current
State and other public entities:				
Value Added Tax payables	192,694	-	223,530	-
"ISP" - Tax on oil products	86,347	-	83,994	-
Personnel and Corporate Income Tax Withheld	6,694	-	9,127	-
Social Security contributions	6,086	-	6,672	-
Other taxes	27,438	-	22,213	-
Tangible and intangible assets suppliers	105,242	90,921	114,001	94,728
Advances on sales (Note 16)	38,060	-	48,781	-
Overlifting	19,864	-	29,714	-
Personnel	5,306	-	7,017	-
Guarantee deposits and guarantees received	2,837	-	2,798	-
Trade receivables credit balances	2,344	-	6,529	-
"ISP" - Congeners debit	2,268	-	10,324	-
Other payables - Associates, participated and related companies	1,321	121	22,636	-
Other payables - Other shareholders	1,235	-	1,235	-
Trade receivables advance payments	1,141	-	477	-
Loans - Associates, participated and related companies	365	167,967	365	154,990
Loans - Other shareholders	-	10,591	-	12,446
Other creditors	45,473	4,145	37,480	4,570
	544,715	273,745	626,893	266,734
Accrued costs:				
External supplies and services	102,650	-	108,265	-
Accrued interest	48,031	-	46,077	-
Holiday, holiday subsidy and corresponding contributions	32,371	-	29,701	-
Adjustment to tariff deviation - other activities - "ERSE" regulation	18,639	-	18,346	-
Productivity bonuses	17,633	7,122	18,605	6,770
Accrued insurance premiums	14,546	-	1,673	-
Adjustment to tariff deviation - regulated revenue - "ERSE" regulation	8,960	13,034	10,255	9,546
Interest on overdrafts	3,767	-	4,059	-
Fastgalp prizes	2,302	-	7,377	-
Financial costs	964	-	933	-
Financial neutrality - "ERSE" regulation	241	-	462	-
Accrued personnel costs - other	92	-	106	-
Adjustment to tariff deviation - energy tariff - "ERSE" regulation	-	15,831	-	15,831
Other accrued costs	24,457	-	21,642	-
	274,653	35,987	267,501	32,147
Deferred income:				
Services rendered	13,680	-	4,964	-
Investment government grants (Note 13)	10,623	245,505	10,694	255,372
Fibre optics	404	1,092	272	1,527
Others	14,778	53	10,735	60
	39,485	246,650	26,665	256,959
	858,853	556,382	921,059	555,840

The caption “Advances on sales” in the amount of €38,060 k is related with Group liabilities with competitors for strategic reserves (Note 16).

The non-current caption “Tangible and intangible assets suppliers” refers essentially to land rights.

The amount of €19,864 k in caption “Other payables - Overlifting” represents the Group’s liability in respect of excess crude oil lifted considering its production quota and is measured as described in Note 2.7 e) of the accompanying notes to the consolidated financial statements of the Group as of 31 December 2014.

The amount of €2,837 k recorded in the caption “Guarantee deposits and guarantees received” includes €2,143 k relating to Petrogal’s liability as of 30 September 2015 for customer deposits received for gas containers in use, that were recorded at acquisition cost, which corresponds, approximately, to their fair value.

The amount of €167,967 k recorded in the caption “Loans – associates, participated and related companies” concerns:

- In March 2012, Winland International Petroleum, SARL, granted loans in the amount of €167,967 k (\$188,173 k). This amount is recorded in the caption “Loans – associates, participated and related companies” (non-current) and is related to shareholders loans obtained by the subsidiary Petrogal Brasil, S.A.. This loan bears interest at market rates and has a maturity of 10 years. In the period ended 30 September 2015 the amount of €5,859 k is recognised under the caption “Interest”, relating to loans obtained concerning related companies.

The amount of €10,591 k in the caption “Loans – other shareholders” mainly relates to:

- €8,938 k recorded in non-current payable to Enagás, SGPS, S.A. related to shareholders loans obtained by subsidiary Setgás – Sociedade de Distribuição de Gás Natural, S.A., included in the consolidation perimeter which bears interests at market rates and do not have a defined maturity;
- €1,205 k recorded as non-current payable to EDP Cogeração, S.A. related to shareholders loans obtained by the subsidiary Carriço Cogeração - Sociedade de Geração de Electricidade e Calor, S.A., which bears interests at market rates and do not have a defined maturity; and
- €448 k recorded as non-current payable to Visabeira Telecomunicações, SGPS, S.A., related to shareholder loans obtained by the subsidiary Beiragás – Companhia de Gás das Beiras, S.A., which bears interests at market rates and do not have a defined maturity.

The amount of €2,302 k recorded under “Accrued costs – Fast Galp prizes” refers to Petrogal’s liability for Fast Galp card points issued but not yet claimed until 30 September 2015.

Government investment grants are recognised as income over the useful life of the assets. The amount to be recognised in future periods amounts to €256,128 k (Note 13).

Income from the contract of assignment of rights to use telecommunication infrastructures is deferred in caption “Deferred income – Fibre optics” and is recognised as income during the period of the contract. The balance of deferred income on 30 September 2015, to be recognised in future periods amounts to €1,496 k.

25. PROVISIONS

The changes in provisions in the period ended 30 September 2015 were as follows:

								(€ k)
Captions	Initial balance	Increases	Decreases	Utilisation	Transfers	Adjustments	Variation of the perimeter	Ending balance
Lawsuits	11,252	26,126	(1,278)	(5,212)	-	(3,742)	-	27,146
Financial Investments (Note 4)	3,954	513	-	-	-	(21)	-	4,446
Taxes	21,238	6,416	-	-	-	807	-	28,461
Environment	2,021	-	-	(217)	-	-	-	1,804
Abandonment of blocks	111,360	8,236	-	(3,944)	-	9,324	-	124,976
Other risks and charges	34,715	185,556	-	(112)	-	(336)	(60)	219,763
	<u>184,540</u>	<u>226,847</u>	<u>(1,278)</u>	<u>(9,485)</u>	<u>-</u>	<u>6,032</u>	<u>(60)</u>	<u>406,596</u>

The increase in provisions, net of the decreases, was recorded as follows:

	(€ k)
Provisions (Note 6)	7,426
Capitalization of abandonment blocks provision costs	8,236
Estimate for additional payments of IRP - Oil income tax (Angola) (Note 9)	6,416
Income from investments in associates and jointly controlled entities (Note 4)	513
Estimate for additional payments of special participation tax in Brazil (Note 9)	17,557
Energy sector extraordinary contribution - CESE I	21,949
Deferred costs for the period - CESE I	7,316
Energy sector extraordinary contribution - CESE II	18,842
Deferred costs for the period - CESE II	<u>137,314</u>
	<u>225,569</u>

Lawsuits

The provision for current lawsuits amounts to €27,146 k and includes mainly: the amount of € 6,503 k relating to a liability for fines imposed by the Competition Authority relating to contracts with distributors in the LPG business and the amount of € 13,816 k referring to the provision of the estimate for the payment of additional amounts relating to the special participation tax in Brazil accounted for in the period ended 30 September 2015. The utilisation corresponds essentially to the agreement with Matosinhos Municipality in respect of soil occupancy rates of Parque de Real pipeline.

Financial Investments

The provision for financial investments reflects the joint commitment of the Group to its associates that presented negative equity (Note 4).

Taxes

The caption Tax provisions, in the amount of €28,461 k includes mainly:

- i) €17,272 k of additional liquidations of Petroleum Income Tax ("IRP") (Note 9);
- ii) €7,394 k concerning a tax contingency, related with corrections to 2001 and 2002 corporate income tax of the subsidiary Petrogal (Note 9); and
- iii) €3,377 k concerning the tax risk associated with the sale of the participation held in ONI, SGPS to Galp Energia, SGPS, S.A..

Environmental

The amount of €1,804 k in the caption Environmental provisions is to cover the costs related with legally mandatory soil decontamination of some facilities occupied by the Group, where legal enforcement decision for decontamination has been taken.

Abandonment of blocks

The amount of €124,976 k recorded in provisions for the abandonment of blocks is destined to cover all costs to be incurred with the dismantling of assets and soil decontamination at the end of the useful life of those areas. The changes in provisions for the abandonment of blocks in the period ended were as follows:

	(€ k)						
	Initial balance	Increases	NPV Interest increases	Utilisation	Exchange differences (Cta's) (a)	Exchange differences (P/L) (b)	Ending balance
Blocks in Brazil							
- Lula and Gaspeline	22,131	-	417	-	(6,224)	7,266	23,590
- Andorinha	803	-	13	-	(226)	-	590
- Rabo Branco	245	-	6	-	(69)	95	277
- Iracema	4,160	5,795	79	-	(1,170)	2,617	11,481
	<u>27,339</u>	<u>5,795</u>	<u>515</u>	<u>-</u>	<u>(7,689)</u>	<u>9,978</u>	<u>35,938</u>
Blocks in Angola							
- Block 1	1,084	-	-	-	-	91	1,175
- Block 14 - Kuito	16,256	-	395	-	1,361	-	18,012
- Block 14 - BBLT	25,166	-	523	(3,944)	2,107	-	23,852
- Block 14 - TL	41,515	-	1,008	-	3,476	-	45,999
	<u>84,021</u>	<u>-</u>	<u>1,926</u>	<u>(3,944)</u>	<u>6,944</u>	<u>91</u>	<u>89,038</u>
Total	111,360	5,795	2,441	(3,944)	(745)	10,069	124,976

(a) Exchange differences resulting from conversion to the functional currency for the Group's currency (Euro) is recorded in equity under caption Translation reserves (Cta's)

(b) The provision is recorded in USD, the currency valuation for the functional currency of the company(ies) is recorded in the income statement(P/L) under the heading Exchange (loss)/ gains.

Other risks and charges

As of 30 September 2015 the caption "Provisions – other risks and charges", amounting to €219,763 k, mainly comprises:

- i) €4,561 k concerning processes related to sanctions applied by customs authorities due to the late submission of the customs destination declaration of some shipments received in Sines;
- ii) €53,724 k relating to the provision to cover the Energy sector extraordinary contribution "CESE I":

For the year ended 31 December 2014, the Group was subject to a special tax (Energy Sector Extraordinary Contribution "CESE I"), pursuant to Article 228 of law 83C/2013 of 31 December, which states that the energy companies that detain assets in certain activities as of 1 January 2014 are subject to a tax calculated on the amount of net assets at that date.

As it is challenging the application of the law, the Group decided to record the total value of the liability in the amount of € 53,724 k under "Provisions" caption. The total value of the liability on 31 December 2014 amounted to € 24,512 k. In the period ended 30 September 2015, to cover the full responsibility, the provision was reinforced in the amount of € 29,228 k, recognised in the income statement under the caption "Energy sector extraordinary contribution" (Note 9) and in current caption "Other receivables - Deferred costs" (Note 14).

- iii) €156,156 k relating to the provision to cover the Energy sector extraordinary contribution "CESE II":

In the period ended 30 September 2015, the Group was subject to a special tax (Energy Sector Extraordinary Contribution "CESE II"), pursuant to law 33/2015 of 27 April and Order No. 157 -B/2015 of 28 May, which focuses on the value of future sales, based on the four existing contracts which are on a take-or-pay basis. Resulting from the respective Law and Order, Galp recorded a total payable amount of € 156,156 k, which would be payable in instalments of € 52,052k in May 2015, 2016 and 2017, respectively.

As it is challenging the law, the Group accounted for the total value of the liability in the amount of € 156,156 k under "Provisions" caption and the respective cost is being deferred under the caption "Other receivables - Deferred costs" along the useful life of the contracts. In the period ended 30 September 2015, the Group recognised in the income statement as Energy sector extraordinary contribution the amount of € 18,842 k (Note 9) and the current and non-current captions "Other receivables - Deferred costs" amounts to € 17,966 k and € 113,506 k, respectively (Note 14).

The amount of € 60k in the perimeter variation caption is related with the sale agreement of Madrileña Suministro de Gas SL (Note 3b).

26. TRADE PAYABLES

As of 30 September 2015 and 31 December 2014 the amounts recorded in the caption "Trade payables" were as follows:

	(€ k)	
Captions	September 2015	December 2014
Trade payables - current accounts	493,879	326,179
Trade payables - invoices pending	409,149	571,868
	903,028	898,047

The balance of the caption "Trade payables – invoices pending" mainly corresponds to the purchase of crude oil and natural gas raw materials and goods in transit at those dates.

27. OTHER FINANCIAL INSTRUMENTS – FINANCIAL DERIVATIVES

The Group uses financial derivatives to hedge risks of variation in refining margins, as well as risks of variation in natural gas and electricity prices, which affect the value of assets and future cash flows resulting from its operations.

Financial derivatives are defined, in accordance with IAS/IFRS, as "financial assets at fair value through profit and loss" or "financial liabilities at fair value through profit and loss". The interest rate financial derivatives that are contracted to hedge the variation in interest rates on borrowings and derivatives on commodities fixing the price of this commodity are designated as "cash flow hedges". Commodities financial derivatives that are contracted to hedge changes of fair value or other risks that might affect the profit and loss of the period of customer contracts are designated as "fair value hedges".

The fair value of financial derivatives was determined by financial entities, applying evaluation models (such as "discounted cash flows", Black-Scholes model, Binomial and Trinomial models and Monte-Carlo simulations, among other models depending on the type and characteristics of the financial derivative under analysis) based on generally accepted principles.

In accordance with IFRS 13 an entity must classify the fair value measurement, based on a fair value hierarchy that reflects the meaning of the inputs used in measurement. The fair value hierarchy must have the following levels:

- Level 1 - the fair value of assets or liabilities is based on active liquid market quotation at the date of the statement of financial position;
- Level 2 - the fair value of assets or liabilities is determined through valuation models based on observable market inputs;
- Level 3 - the fair value of assets or liabilities is determined through valuation models, whose main inputs are not observable in the market.

The fair value of booked financial derivatives (Swaps, Forwards) was determined by financial entities using observable market inputs and using generally accepted techniques and models (Level 2). Futures are traded in the stock exchange and subject to a Clearing House, and as such their valuation is determined by quoted prices (Level 1).

Derivative financial instruments portfolio as of 30 September 2015 and 31 December 2014 are detailed as follows:

(€ k)								
	Fair value at 30 September 2015				Fair value at 31 December 2014			
	Assets		Liabilities		Assets		Liabilities	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Interest rate Financial Derivatives								
Swaps	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Commodities Financial Derivatives								
Swaps	2,840	1,724	(22,823)	(6,332)	6,977	405	(14,513)	(838)
Options	-	-	(37)	-	9	-	(111)	-
Futures	2,112	-	-	-	7,156	-	(139)	-
	4,952	1,724	(22,860)	(6,332)	14,142	405	(14,763)	(838)
Currency Financial Derivatives								
Non-deliverable Forwards	27	-	(140)	-	218	-	-	-
Forwards	8	-	-	-	-	-	(521)	-
Currency Interest Rate Swaps	-	-	-	-	2,932	-	-	-
	35	-	(140)	-	3,150	-	(521)	-
	4,987	1,724	(23,000)	(6,332)	17,292	405	(15,284)	(838)

The accounting impact at 30 September 2015 and 2014 in the income statement is presented in the following table:

(€ k)								
	30 September 2015				30 September 2014			
	Income Statement		Equity		Income Statement		Equity	
	Potencial (MTM)	Real	MTM+Real	Potencial (MTM)	Potencial (MTM)	Real	MTM+Real	Potencial (MTM)
Interest rate Financial Derivatives								
Swaps	-	-	-	-	-	(1,417)	(1,417)	1,241
	-	-	-	-	-	(1,417)	(1,417)	1,241
Commodities Financial Derivatives								
Swaps	(15,516)	(79,852)	(95,368)	-	4,113	5,134	9,247	-
Options	65	-	65	-	56	-	56	-
Futures	(9,049)	16,689	7,640	5,407	1,102	(9,755)	(8,653)	-
	(24,500)	(63,163)	(87,663)	5,407	5,271	(4,621)	650	-
Currency Financial Derivatives								
Non-deliverable Forwards	(331)	5,791	5,460	-	2,559	(6,093)	(3,534)	-
Forwards	529	(3,905)	(3,376)	-	(1,301)	(983)	(2,284)	-
Currency Interest Rate Swaps	(3,195)	21,820	18,625	-	24,448	(9,833)	14,615	-
	(2,997)	23,706	20,709	-	25,706	(16,909)	8,797	-
	(27,497)	(39,457)	(66,954)	5,407	30,977	(22,947)	8,030	1,241

Note:

MTM - variation of the Mark -to-Market from January until the reporting date

Real - value of closed positions .

The potential value of MTM (Mark-to-Market) recognised under the caption “Result from financial instruments” includes the potential value of the interest component of Currency Interest Rate Swaps financial derivatives and commodities derivatives, in the negative amount of € 18,000 k, as shown in the following table:

	(€ k)
	<u>September 2015</u>
Income on Financial Instruments	
Commodities Financial Derivatives	
Swaps	(15,516)
Options	65
Futures	(9,049)
Currency Financial derivatives	
Currency Interest Rate Swaps (Interest)	51
Other trading operations	6,449
	<u>(18,000)</u>

* Interest component amounting to €51 k included in the negative reversal of the MTM of the currency derivative amounting to € 3,195 k. The negative difference in the amount of €3,246 k for the variation of MTM is reflected in exchange rate differences.

The realized value of financial derivatives recognised in the “Cost of sales” caption amounts to negative € 63,163 k comprising commodities financial derivatives.

The changes in fair value reflected in Equity, resulting from cash flow hedges, are as follows:

		€k
<u>Fair Value changes in Equity</u>	<u>September 2015</u>	<u>December 2014</u>
Group Companies	5,407	1,241
Non-controlling interests	-	-
	<u>5,407</u>	<u>1,241</u>
Associates	(112)	(283)
	<u>5,295</u>	<u>958</u>

Financial derivatives open positions have the following nominal values:

		(€ k)	
		30 September 2015	
		Maturity	
		< 1 year	> 1 year
Interest rate Financial Derivatives			
Swaps	Buy	-	-
	Sale	-	-
Commodities Financial Derivatives			
Swaps	Buy	70,554	43,404
	Sale	28,426	56,322
Options	Buy	900	
	Sale	825	
Futures	Buy	38,155	1,997
	Sale	2,583	498
Currency Financial Derivatives			
Non-deliverable Forwards	Buy	21,932	-
	Sale	-	-
Forwards	Buy	0	-
	Sale	19,251	-
Currency Interest Rate Swaps	Buy	-	-
	Sale	-	-
Buy		80,456	11,419
Sale			

Note: Net Buy and Sale nominal value

Taking in consideration that the amount of financial liability with financial derivatives (MTM) continued negative and in the same amount of €29,332 k, the amount of €23,000 k will be paid in one year, while €5,785 k is to be paid until the end of 2016 and €547 k until 2017.

Galp Energia Group has commodities financial derivatives recognised as fair value hedge (fair value hedge and cash-flow hedge). These financial derivatives have been contracted for the mitigation of risks associated with contracts signed with customers. Therefore, the positive amount of €1,106 k was recognised in the income statement, under the MTM (Mark-to-market) caption, and in Accruals and Deferrals, relating to fair value hedge. In Equity, the positive amount of €5,407 k was recognised under the caption Hedging reserves, relating to cash-flow hedge.

Galp Energia Group trades financial instruments denominated as futures. Given their high liquidity, as they are traded in stock exchange, they are classified as financial assets at fair value through the profit and loss and included in "Cash and cash equivalents" caption. The gains and losses on commodity futures (Brent and electricity) are classified in caption "Cost of sales". Changes in the fair value of open positions are recorded in financial results. As futures are traded in the stock exchange, subject to a Clearing House, gains and losses are continuously recorded in the income statement.

28. RELATED PARTIES

During the period ended 30 September 2015, there were no significant changes in related parties comparing with the consolidated financial statements as of 31 December 2014. For additional information refer to the consolidated financial statements of the Group on 31 December 2014 and the accompanying notes.

29. REMUNERATION OF THE BOARD

The remuneration of the board members of Galp Energia for the periods ended 30 September 2015 and 2014 is detailed as follows:

(€ k)												
	September 2015						September 2014					
	Salary	Retirement plans	Allowances for rent and travels	Bonuses	Other charges and adjustments	Total	Salary	Retirement plans	Allowances for rent and travels	Bonuses	Other charges and adjustments	Total
Board members of Galp Energia SGPS												
Executive management	2,532	617	227	1,708	303	5,387	2,654	585	229	1,435	40	4,943
Non-executive management	431	-	-	-	-	431	538	-	-	-	-	538
Supervisory board	65	-	-	-	-	65	68	-	-	-	-	68
General Assembly	4	-	-	-	-	4	2	-	-	-	-	2
	3,032	617	227	1,708	303	5,887	3,262	585	229	1,435	40	5,551
Board members of subsidiaries												
Executive management	969	-	-	-	-	969	1,401	-	4	6	-	1,411
General Assembly	7	-	-	-	-	7	-	-	-	-	-	-
	976	-	-	-	-	976	1,401	-	4	6	-	1,411
	4,008	617	227	1,708	303	6,863	4,663	585	233	1,441	40	6,962

Of the amounts of €6,863 k and €6,962 k, recorded in the periods ended 30 September 2015 and 2014 respectively, €6,167 k and €6,096 k were recorded as employee costs (Note 6) and €696 k and €866 k were recorded as external supplies and services.

In accordance with the current policy, remuneration of the Galp Energia Corporate Board members includes all the remuneration due for the positions held in Group companies and all accrued amounts related to the reporting period.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or non-executive) of the entity. According to Galp Energia's interpretation on this standard, only the members of the Board of Directors meet those criteria.

30. DIVIDENDS

According to the deliberation of the General Meeting of Shareholders held on 16 April 2015, it was attributed to the shareholders of Galp Energia, SGPS, S.A. dividends amounting to € 286,589 k on the distribution of net income for the year 2014 and retained earnings. Interim dividends have been distributed and paid in the amount of € 143,295 k on 18 September 2014 and the remaining € 143,294 k were paid on 12 May 2015.

Additionally the Board of Directors approved the payment of interim dividends in the amount of €171,954 k, fully paid on 24 September 2015.

In the nine month period ended 30 September 2015 dividends amounting to € 1,616 k were paid by subsidiaries of the Galp Energia Group minority shareholders (Note 21 b)).

As a consequence of the above, during the period ended 30 September 2015, the Group paid dividends amounting to € 316,864 k.

31. OIL AND GAS RESERVES

The information regarding Galp's oil and gas reserves is subject to independent assessment by a suitably qualified company with the methodology established in accordance with the Petroleum Resources Management System (PMRS), approved in March 2007 by the Society of Petroleum Engineers (SPE), the World Petroleum Council, the American Association of Petroleum Geologists and the Society of Petroleum Evaluation Engineers.

The information on reserves is included in the document entitled "Supplementary Information on Oil and Gas (unaudited)" attached to the notes of the consolidated financial statements on 31 December 2014.

32. FINANCIAL RISK MANAGEMENT

During the period ended 30 September 2015, there were no new situations regarding the management of financial risks given the ones already disclosed in the consolidated financial statements of the Group on 31 December 2014. For additional information, refer to the consolidated financial statements of the Group, on 31 December 2014 and the accompanying notes.

33. CONTINGENT ASSETS AND LIABILITIES

During the period ended 30 September 2015, there were no significant changes in contingent assets and liabilities when compared with the consolidated financial statements of the Company, on 31 December 2014. For additional information refer to the consolidated financial statements of the Group, on 31 December 2014 and the accompanying notes.

34. INFORMATION ON ENVIRONMENTAL MATTERS

There were no significant situations until September 2015.

For additional information regarding environmental matters refer to the consolidated financial statements of the Group, on 31 December 2014.

35. SUBSEQUENT EVENTS

On 9 October 2015, Eni S.p.A. informed Galp Energia that, further to the sale of (i) 193,222 representative ordinary shares of the share capital of Galp in Euronext Lisbon, (ii) 119,874 representative ordinary shares of the share capital of Galp in the multilateral trading facility (MTF) BATS Chi-X Europe and (iii) 42,904 representative ordinary shares of the share capital of Galp in the multilateral trading facility (MTF) Turquoise on 6 October 2015, the shareholding held by Eni in Galp has been reduced to 41,436,274 representative ordinary shares corresponding to 4.997% of the share capital and voting rights in Galp.

Galp Energia, through the associated company Ventinveste, reached an agreement on 7 October 2015 with EDP Renováveis for the sale of five companies holding certain licenses and interconnection rights corresponding to a total of 216.4 MW of wind energy capacity, for a reference price of around €17 million. Completion of this transaction is subject to approval from administrative and competition authorities in Portugal.

36. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on 23 October 2015.

THE BOARD OF DIRECTORS:

Chairman:

Américo Amorim

Vice-Chairmen:

Paula Ramos Amorim

Carlos Nuno Gomes da Silva

Members:

Filipe Crisóstomo Silva

Thore E. Kristiansen

Sérgio Gabrielli de Azevedo

Abdul Magid Osman

Raquel Rute da Costa David Vunge

Carlos Manuel Costa Pina

Francisco Vahia de Castro Teixeira Régo

Miguel Athayde Marques

Jorge Manuel Seabra de Freitas

José Carlos da Silva Costa

Pedro Carmona de Oliveira Ricardo

João Tiago Cunha Belém da Câmara Pestana

Rui Paulo da Costa Cunha e Silva Gonçalves

Luís Manuel Pego Todo Bom

Diogo Mendonça Rodrigues Tavares

Joaquim José Borges Gouveia

THE ACCOUNTANT:

Carlos Alberto Nunes Barata

Definitions

Crack spread

Difference between the price of an oil product and the price of Dated Brent.

EBIT

Operating profit.

EBITDA

Operating profit plus depreciation, amortisation and provisions.

EBT

Earnings before taxes.

GALP ENERGIA, COMPANY OR GROUP

Galp Energia, SGPS, S.A. and associates.

Benchmark refining margin

The benchmark refining margin is calculated with the following weighting: 45% hydrocracking margin 42.5% cracking margin + 7% base oils + 5.5% aromatics.

ROTTERDAM HYDROCRACKING MARGIN

The Rotterdam hydrocracking margin has the following profile: -100% Brent dated, +2.2% LGP FOB Seagoing (50% Butane + 50% Propane), +19.1% PM UL NWE FOB Bg., +8.7% Naphtha NWE FOB Bg., +8.5% Jet NWE CIF, +45.1% ULSD 10 ppm NWE CIF Cg. +8.9% LSFO 1% FOB Cg; Terminal rate: \$1/ton; Ocean loss: 0.15% over Brent dated; Freight 2015: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat \$7.60/ton. Yields in % of weight.

ROTTERDAM CRACKING MARGIN

The Rotterdam cracking margin has the following profile: -100% Brent dated, +2.3% LGP FOB Seagoing (50% Butane + 50% Propane), +25.4% PM UL NWE FOB Bg., +7.5% Naphtha NWE FOB Bg., +8.5% Jet NWE CIF, +33.3% ULSD 10 ppm NWE CIF Cg. and +15.3% LSFO 1% FOB Cg.; C&L: 7.4%; Terminal rate: \$1/ton; Ocean loss: 0.15% over Brent dated; Freight 2015: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat \$7.60/ton. Yields in % of weight.

ROTTERDAM BASE OILS MARGIN

Rotterdam base oils margin: -100% Arabian Light, +3.5% LGP FOB Seagoing (50% Butane + 50% Propane), +13.0% Naphtha NWE FOB Bg., +4.4% Jet NWE CIF, +34.0% ULSD 10 ppm NWE CIF, +4.5% VGO 1.6% NWE FOB Cg., +14%; Base Oils FOB, +26% HSFO 3.5% NWE Bg.; Consumptions: -6.8% LSFO 1% CIF NWE Cg.; Losses: 7.4%; Terminal rate: \$1/ton; Ocean loss: 0.15% over Arabian Light; Freight 2015: WS Aframax (80 kts) Route Sullom Voe / Rotterdam – Flat \$7.60/ton. Yields in % of weight.

ROTTERDAM AROMATICS MARGIN

Rotterdam aromatics margin: -60% PM UL NWE FOB Bg., -40% Naphtha NWE FOB Bg., +37% Naphtha NWE FOB Bg., +16.6% PM UL NWE FOB Bg., +6.5% Benzene Rotterdam FOB Bg., +18.5% Toluene Rotterdam FOB Bg., +16.6% Paraxylene Rotterdam FOB Bg., +4.9% Ortoxylene Rotterdam FOB Bg. Consumption: -18% LSFO 1% CIF NEW. Yields in % of weight.

REPLACEMENT COST (RC)

According to this method of valuing inventories, the cost of goods sold is valued at the cost of replacement, i.e. at the average cost of raw materials on the month when sales materialise irrespective of inventories at the start or end of the period. The Replacement Cost Method is not accepted by the Portuguese IFRS and is consequently not adopted for valuing inventories. This method does not reflect the cost of replacing other assets.

REPLACEMENT COST ADJUSTED (RCA)

In addition to using the replacement cost method, adjusted profit excludes non-recurrent events such as capital gains or losses on the disposal of assets, impairment or reinstatement of fixed assets and environmental or restructuring charges which may affect the analysis of the Company's profit and do not reflect its operational performance.

Abbreviations

APETRO: *Associação portuguesa de Empresas petrolíferas* (Portuguese association of oil companies)

bbl: oil barrel

BBLT: Benguela, Belize, Lobito and Tomboco

Bg: Barges

bn: billion

boe: barrels of oil equivalent

CESE: *Contribuição Extraordinária sobre o Setor Energético* (Portuguese extraordinary contribution on the energy sector)

Cg: Cargoes

CIF: Costs, Insurance and Freights

CORES: *Corporación de Reservas Estratégicas de Productos Petrolíferos*

CTA: Cumulative Translation Adjustment

CWT: Carbon weighted tonne

D&A: Depreciation & amortisation

DD&A: Depreciation, Depletion and Amortization

ECA: specific maritime areas

EPCIC: Engineering, Procurement, Construction, Installation and Commissioning

E&P: Exploration & Production

EUR/€: Euro

EWT: Extended well test

FEED: Front-End Engineering Design

FOB: Free on Board

FPSO: Floating, production, storage and offloading unit

G&P: Gas & Power

GBp: Great British pence

GWh: Gigawatt per hour

IAS: International Accounting Standards

IFRS: International Financial Reporting Standards

IRP: Oil income tax

JKM: Japan Korea Marker

LSFO: low sulphur fuel oil

k: thousand

kbbl: thousand barrels

kboepd: thousand barrels of oil equivalent per day

kbopd: thousand barrels of oil per day

LNG: liquefied natural gas

LSFO: Low sulphur fuel oil

m: million

m³: cubic metres

mmbbl: million barrels

mmbtu: million British thermal units

mm³: million cubic metres

mton: million tonnes

NBP: National balancing point

n.m.: not meaningful

OTC: Over-the-counter

PM UL: Premium unleaded

p.p.: percentage points

QE: *Quantitative Easing*

R&M: Refining & Marketing

RC: Replacement Cost

RCA: Replacement Cost Adjusted

RDA: Reservoir Data Acquisition

Tcf: trillion cubic feet

TL: Tômbua-Lândana

T: tonnes

USA or US: United States of America

USD/\$: Dollar of the United States of America

ULSD CIF Cg: Ultra Low sulphur diesel CIF Cargoes

WAC: Weighted-average cost

WAG: Water alternating gas

YoY: *year-on-year* (annual change rate)

Disclaimer

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The forward-looking statements in this report are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management’s examination of historical operating trends, data contained in the Company’s records and other data available from third parties. Although Galp Energia believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Important factors that may lead to significant differences between the actual results and the statements of expectations about future events or results include the Company’s business strategy, industry developments, financial market conditions, uncertainty of the results of future projects and operations, plans, objectives, expectations and intentions, among others. Such risks, uncertainties, contingencies and other important factors could cause the actual results of Galp Energia or the industry to differ materially from those results expressed or implied in this report by such forward-looking statements.

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Galp Energia, SGPS, S. A.

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