



renováveis

Investors & Analysts` Briefing

Reuters: EDPR.LS
Bloomberg: EDPR PL

EDP and China Three Gorges establish strategic partnership

Madrid, December 22nd 2011: EDP Renováveis, S.A. ("EDPR") informs that its principal shareholder EDP - Energias de Portugal, S.A. ("EDP") has announced today the following:

«In the context of the 8th reprivatisation phase of EDP – Energias de Portugal, S.A. ("EDP"), the Portuguese State announced today that China Three Gorges ("CTG") has been selected to be the purchaser of a 21.35% stake in EDP. Accordingly, it was approved by EDP's Executive Board of Directors, following the prior favorable opinion of the General and Supervisory Board, the establishment of a strategic partnership with CTG.

EDP and CTG, China's largest clean energy group, will combine efforts to become worldwide leaders in renewable energy generation, by means of a strategic partnership in renewable generation projects, where EDP will lead in Europe (in the countries where EDP is present), US, Canada, Brazil and other selected South American markets and CTG will lead in Asia markets where it is present and/or it has technological or industrial advantage.

In accordance with the envisaged partnership, CTG will invest €2bn until 2015 (including co-funding capex) for stakes between 34-49% in 1.5 GW (net) of operational and ready-to-build renewable energy generation projects, from which €800m in the first 12 months after the closing of the partnership.

Moreover, the partnership with CTG includes a firm funding commitment by a Chinese financial institution to EDP at corporate level in the amount of up to €2bn for a maturity up to 20 years.

The partnership strengthens EDP's credit profile through the increase of EDP's financial liquidity position with the extension by two years of the coverage of EDP's financing needs till mid-2015 and targeting a Net Debt/EBITDA ratio below 3.0x by 2015. Moreover, the partnership allows EDP to diversify growth opportunities and is expected to be EPS enhancing from 2012 onwards.

To the extent applicable the agreement between EDP and CTG is subject to the approval of the EDP Renováveis relevant corporate bodies.

Final agreement on the Strategic Partnership will be signed, on or around, the date of closing of the acquisition of the stake in EDP by CTG which is dependent upon the fulfillment of standard conditions precedent.»

EDP Renováveis, S.A.

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