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Investors & Analysts' Briefing

INVESTOR RELATIONS DEPARTMENT

Rui Antunes, Head of IR
Francisco Beirão
Diogo Cabral

Phone: +34 902 830 700
Fax: +34 914 238 429

Email: ir@edprenovaveis.com
www.edprenovaveis.com

EXTENSION OF THE U.S. ITC CASH REIMBURSEMENT

The President of the United States of America, signed last Friday December 17th, the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, which includes an one-year extension of the Investment Tax Credit ("ITC") cash reimbursement under the Department of Treasury's Section 1603 program (included in the American Recovery and Reinvestment Act of 2009), applicable to EDP Renováveis, S.A. wind projects in the US.

With the extension of the above mentioned program, wind energy developers can now apply for the cash reimbursement in lieu of the 30% ITC, for projects which construction starts through Dec-2011 as long as placed in service until Dec-2012.

It was also approved a 100% depreciation bonus on new equipment placed in service after September 8, 2010, through December 31, 2011, allowing businesses to depreciate the entire cost of the project (less 50% of the ITC) in the year that it is placed in service.

The approved extension will continue to provide greater optionality and liquidity regarding the monetization of the federal tax subsidies. All of EDPR's new wind farms planned for 2011-12 are expected to be eligible for the ITC cash reimbursement program.

EDP Renováveis, S.A.