MANAGEMENT REPORT
for
EDP Renováveis Group (EDPR)

Full year of 2008 (12 months ending December 31st, 2008)

1. MAIN EVENTS OF THE PERIOD

1.1 IPO - Initial Public Offering

On June 4th, EDP Renováveis, S.A. ("EDPR") started trading on NYSE Euronext's Lisbon market under the ticker symbol "EDPR" following its successful spin-off from EDP Group (NYSE Euronext: EDP). The EDPR IPO raised a total of €1.566 billion/$2.42 billion in global proceeds, representing the largest IPO launched in Western Europe during 2008.

Priced at €8.00 (eight Euros) per share – midway between the offering price range of €7.40 to €8.90 per share – the Public Subscription Offer was oversubscribed by 87.9 times the total amount of 45,085,590 shares[1]. The institutional offer had a demand of 6.1 times the total amount of 180,342,362 shares. These combined shares make up 22.5% of EDPR, with EDP maintaining majority ownership of the other 77.5% of the company.
The proceeds of the Offering are being used to finance EDPR's growth plans, including the execution of its portfolio of wind projects to meet the target of consistently increasing its portfolio of installed wind capacity to more than 10.5 GW by 2012.

In challenging financial markets, the success of the IPO clearly demonstrates the high regard investors have for EDPR as the fastest growing pure-play among the world's largest global renewables companies, with first class assets and strong track record in execution. EDPR welcomes all new shareholders and looks forward to rewarding their confidence as the organization delivers on the growth strategy and pipeline. EDPR ended up 2008 ranking #4 in the Euronext's Lisbon market with a total capitalization of €4.4 billion.

[1] Including *greenshoe*

1.2 Acquisition of 1,050MW of pipeline in the US

On February 14th, EDPR acquired from Hydra Wind, LLC six development projects in the USA totalling 1,050MW. The six projects are located in Illinois, Indiana, and Ohio, within the regional transmission systems of PJM and MISO. This acquisition supports consolidation of EDPR's leadership in Illinois, where EDPR owns and operates the 396MW Twin Groves wind farm - the largest wind farm east of the Mississippi River. The acquisition also strengthens the EDPR pipeline in Indiana and Ohio, where EDPR is the developer with the largest pipeline. All projects will be regionally managed by the Great Lakes Regional Development office, located in Bloomington, Illinois.

Noteworthy, although unrelated with the transaction, is the favourable advance on the regulatory front, since last May Ohio enacted its first Alternative Energy Resource Standard, mandating Ohio utilities to have at least 12.5% of their generation coming from renewable energy by 2025.

1.3 Acquisition of wind projects in France (EOLE-76)

On April 7th, EDPR acquired French wind assets from EOLE 76 complementing the French wind assets with, at the time of the transaction, 35MW in operation, 8MW under construction, 258MW in pipeline and 595MW in prospective stage. Of the pipeline projects, 13MW have all the necessary authorizations to start construction and are expected to enter operation between 2009 and 2010. Construction licenses have been submitted for additional 43MW. The total amount of the transaction summed up to €64.8 million.

The 35MWs in operation - the "Pays de Bray" complex in Normandy - came online in the second quarter of 2008 and provides electricity for the annual consumption of approximately 90,000 people. The original EOLE 76 development team will stay responsible for the projects, and will be working jointly with the rest of the EDPR development team in France.

1.4 EDPR entrance into the Brazilian market

On June 11th, EDPR made a move towards the Brazilian market, establishing a subsidiary "EDP Renováveis Brasil", owned 55% by EDPR and 45% by Energias do Brasil (EDP Group company). At the same time, EDP Renováveis Brasil agreed to acquire 100% of the share capital of CENAEEL

– Central Nacional da Energia Eólica S.A. for R$51 million (enterprise value). This transaction was closed in February 2009 and includes a total portfolio of 84 MW in various stages of maturity.

1.5 Entrance into the Romanian market

On October 17th, EDPR enters the Romanian market by acquiring 85% of Renovatio Power SRL and Cernadova Power SRL, which owned several wind projects in prime locations, totalling 736MW in different stages of maturity: i) 225 MW classified as Tier 1 (ready to build on the short term); ii) 60 MW of projects rated as Tier 2; iii) 462 MW of Tier 3 and Prospects. The total acquisition price of shares and shareholder loans amount to €8.4 million and additional success fees shall be paid for wind projects as they reach certain pre-defined milestones.

1.6 Transactions with Institutional Equity Investors ("Tax Equity")

On January 2nd, EDPR closed a $600 million transaction Institutional Investors Partnership in the USA. The agreement with the institutional equity investors GE Energy Financial Services and Wachovia Investment Holdings relates with 2007 and 2008 wind farm projects.

On December 29th, EDPR establishes a new Investors Partnership for the investment in 2008 wind projects in the USA. The agreement is closed with JP Morgan Capital Co and New York Life Insurance Group for a portfolio of $265 million worth.

1.7 EDPR announces Year-end 2008 provisional data

On January 20th, 2009 EDPR announced to reach a total portfolio of gross MW in operation in excess of 5.0GW. This corresponds to an additional gross installed capacity of 1,413MW during 2008, fully accomplishing its yearly defined target upon the IPO of cc 1.4GW. Total generated output reached 7.8GW, which corresponds to a 78% increase vs. 2007.

2. PERFORMANCE OF FULL YEAR 2008

2.1 Financial[2] and Operational Performance

During the year of 2008, EDPR added 1,413MW of gross installed capacity, fully achieving its yearly target of 1.4GW defined upon the IPO and leading to a total portfolio of assets in operation in excess of 5.0GW. In terms of total output, EDPR recorded a significant growth in electricity generation ending 2008 with 7.8TWh (78% or 1.8 times increase vs. 2007), mainly a result of increased installed capacity.

On top of the 1,413MW of new installed capacity, EDPR ended the year with 769MW under construction (of which 569MW in Europe and 199MW in North America) which represents a significant carry forward of capacity into 2009 (standing for more than 50% of the previously mentioned yearly target) and, most notably, provides clear of the organization's ability to manage more than 2.2GW of construction throughout the year[3].

Total gross profit reached €581 million representing and increase of 1.8 times versus prior year of 2007. This was driven by higher installed capacity as well as attractive selling prices in Europe and stable PPA conditions in the North American portfolio.

Focus on operational efficiency (Opex of €145 million showing significantly lower growing pattern than gross margin), lead to an EBITDA of €437.7 million, which compares favourably to €230 million achieved in 2007 (increase of 1.9 times). EBITDA Margin, a metric of reference which represents a company's ability to transform Gross Profit into EBITDA (computes by the ratio of EBITDA for Gross Profit[4]), reached 75.3% which is considerably higher than the 73.8% metric of 2007.

Net Financial Results in 2008 were (€77.2) million (benefiting from cash proceeds from IPO and capitalization of EDP Group debt) and Net Income totalled €112.2 million, of which €104.4 million is attributable to EDPR equity holders and €7.9 million belong to minority interest. This represents 19 times the Net Income of €6 million (of which €4 million correspond to minority interest) realized in 2007.

[2] Prepared according to IFRS accounting standard
[3] Totalling 2008 additions plus capacity under construction by year-end
[4] Including revenues from Tax Equity Investors

Excellence in operational performance is best reflected in the sustainable high availability levels in Europe (97%, in line 2007) and a significant improvement in availability in North America operations (from 90% in 2007 to a full year average of 94%, with 96% performance level during 4th quarter of 2008).

Volatile quarterly wind conditions, with a particularly low 3rd quarter, lead to a load factor in Europe of 26% in line with mark of 2007 and consistent with the historical premium towards the market[5] (e.g., EDPR's assets in Spain recorded a load factor of 25,7%, cc. 200 bps premium compared to market), underlining the quality of EDPR' assets. In North America, load factor reached a significant 34%, considerably higher than prior year mark of 30% mainly resulting from new additions to US portfolio and particularly strong 4th quarter winds.

Throughout the year of 2008, EDPR invested about €2.2 billion as capital expenditures (including M&A transactions) and used the €1.6 billion cash proceeds from the IPO and the €1.3 billion from the capitalization of EDP shareholder loans to reach a year-end Net Debt of approx. €1.1 billion[6]. This resulted in a solid Net Debt / EBITDA ratio of 2.44x. Future growth is anticipated to be financed mainly through shareholder loans with EDP parent company.

2.2 Competitive Landscape and Business Plan

EDPR continues to look to the renewable energy sector with a long-term outlook, believing that the environmental, economic and technological trends that have underpinned the current favourable renewable energy market conditions will continue to drive further support for and growth in the markets we are active in.

EDPR is a leading 'pure-play' renewable energy company, having derived the revenue stream from renewable energy activity. EDPR has leading position and "early mover" advantages in attractive high-growth markets, and continues to analyze new markets and new opportunities within the markets we currently operate within.

EDPR has a solid history of executing projects and delivering targets. We consistently increased gross installed capacity by surpassing the 2006-2008 targets. The combination of diversified operations with a stable revenue base spread across countries with favourable regulatory regimes

[5] Currently only Spanish market data is available comparison using official sources (REE)
[6] Excluding Institutional Investors Partnership of cc. €900M. Including I.I.P., Net Debt / EBITDA would be of 3.9x

limits the exposure to market prices of electricity and provides a significant visibility and stability. EDPR's asset portfolio is well-balanced, in terms of geography and stages of development. In addition, EDPR is selectively engaged in expanding our activities into other geographies.

EDPR is positioned to deliver on significant and superior growth targets and achieve over 10.5GW in operating assets by 2012. For that, by year-end 2008, EDPR has crafted a robust, visible and geographically diverse pipeline in excess of 28.2GW worldwide (varying from projects in nineteen US states to regions of Brazil and different European countries).

This aggressive medium term targets will reinforce EDPR's position as a leading player in the renewable industry and underlines management's commitment to create shareholder value. On the core of EDPR's confidence on achieving these targets, is a dynamic, highly qualified and experienced team of world-wide employees with the track record and ambition to deliver upon the superior growth targets.

3. REGULATORY ENVIRONMENT

In recent years, global attention has been increasingly focused on climate change and its effect on world populations, economies and, consequently, strategies for generating energy from renewable sources. At a global level, an important milestone was reached on May 9, 1992, when 154 countries signed the United Nations' Framework Convention on Climate Change (the "UNFCCC"), which came into effect on March 21, 1994. The objective of the UNFCCC is to "achieve stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system". As a result, on December 11, 1997, a majority of the countries that are party to the UNFCCC also signed the Kyoto Protocol, which came into effect on February 16, 2005 for those signatories that subsequently ratified it. The Kyoto Protocol sets mandatory limits on emissions of carbon dioxide and five other greenhouse gasses for individual nations in an effort to reduce emissions by a collective average of at least 5% against 1990 levels in the period between 2008 and 2012. The Kyoto Protocol establishes enforcement provisions and penalties for nations that exceed their designated emissions limits.

At the European level, The European Commission published a white paper on renewable energy in 1997, setting forth the renewable energy strategy of the Member States of the European Union (the "EU") and reaffirmed its commitment to the promotion of energy from renewable sources on January 10, 2007 with the European Commission's presentation of a long-term "Renewable Energy Roadmap" which proposes a mandatory target of generating 20% of energy from renewable sources by 2020. Furthermore, in January 2008, the EU proposed specific binding targets for each country. The European Commission further developed the "Emissions Trading Scheme" ("ETS") allowances (which allows for companies to trade "permits" to pollution at the lowest cost) and rising prices for oil and gas, and reinforced the strong renewable energy allocation and flexibility methodology adopted by the European Council.

As far as North America is related, in September 2008, the U.S. House of Representatives passed the Comprehensive American Energy Security and Consumer Protection Act containing provisions for a Federal RPS to require 15% of power demand to be supplied through renewables by 2020. The wide ranging bill was defeated in the Senate, but its progress indicates the growing expectation for federal action on RPS legislation.

On climate change legislation, the states continued to lead the way in the US. The Regional Greenhouse Gas Initiative (RGGI) held its first CO2 allowance auction in September 2008. The RGGI provides the mechanism to manage the CO2 Budget Trading Programs for 10 participating states in the north-eastern U.S. representing 12% of total US CO2 emissions. At the federal level, members of the 110th Congress (2007-2008) introduced legislation related to global climate change at a faster pace than any previous Congress. In fact, lawmakers introduced more than three times as many bills, resolutions, and amendments specifically addressing global climate change and greenhouse gas emissions than the 109th Congress (2005-2006). While climate change legislation has not succeeded to date, expectations are building that the new administration and the Democratic controlled Congress will make progress.

Following the formal appointment of the New Administration in January 20th of 2009, the "American Recovery and Reinvestment Act of 2009" was signed into law on February 17th. This plan includes several provisions to stimulate investment in renewable energy and specifically the wind business.

Overall, in essence, the renewable energy industry benefits from government subsidies or incentives in the markets in which EDP Renováveis operates (Spain, Portugal, France, Belgium, Poland, Romania, the United States, and Brazil). These incentives and subsidies benefit the producers of electricity from renewable energy sources and can broadly be classified into three groups:

(i) price related incentives: feed-in tariffs

(ii) quantity related incentives: renewable portfolio requirements and public auction systems, and

(iii) tax-related and other types of incentives: production tax credits, Modified Accelerated Cost Recovery System, direct subsidies and transmission and dispatch benefits.

4. KEY RISKS AND UNCERTAINTIES

In line with the objectives and the strategy of EDP Group reinforced during the IPO of EDP Renováveis, EDPR decided to implement a Internal Control System of Finance Report (SCIRF) with volunteer character that follows the international standards and aims to promote a set of activities to strengthen controls to ensure confidence and integrity of financial information.

In the European platform activities began at the end of 2007 and continued throughout 2008 with implementation of SCIRF following the following action lines:

a) Lifting of process in accordance with the scope agreed with the Group.
b) Review in a phase of evaluation and testing of effectiveness of the identified controls.
c) Process optimization, upgrade and enlargement, following the business activities evolution.

Additionally in 2008, the first phase of deployment for the North America platform was initiated. This phase consisted in the reinforcement of the controls associated with the three major components that are covered in the model that follow the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework of reference the first two and Control Objectives for Information and related Technologies (COBIT) the last

a) Controls associated with entity level controls.
b) Controls associated to the identity process in the model range.
c) General controls related to Information Technologies

The body responsible for SCIRF in EDPR is the Internal Audit Department whose functions include the implementation, follow up and system improvement designed for assuring confidence and integrity of the financial information.

Apart from the SCIRF, during 2nd half of 2008, EDPR created a Risk Management Department and started creating the basis for an integrated Risk Management Internal System with the purpose of pro-actively identify and manage the key risks arising from its business.

4.1 Risks related with the Renewable Energy Industry

EDPR's business is focused on the production of electricity from renewable energy sources. The amount of energy generated by, and the profitability of, wind farms is dependent on climatic conditions, which vary across the locations of the wind farms, the seasons and years.

Remuneration for electricity sold by a number of the wind farms depends, at least in part, on market prices for electricity. Market prices may be volatile and are affected by various factors, including the cost of the raw materials used as sources of energy, average rainfall levels, the cost of power plant construction, the technological mix of installed generation capacity and user demand.

At the same time, all new investments are subject to construction risk (in a diversity of forms) and once brought to operations are exposed to market, operational, credit and business risks which may penalize project's initial profitability.

4.2 Financial Risks

The businesses of the EDPR are exposed to a variety of financial risks, including the effects of changes in market prices, foreign exchange and interest rates. The unpredictability of the financial markets is analyzed on an on-going basis in accordance with the EDP Group's risk management policy. Financial instruments are used to minimize potential adverse effects resulting from the interest rates and foreign exchange rates risks on its financial performance.

The management of financial risks of EDPR is undertaken by the Financial Department of EDP (under the terms of the outsourcing of management services agreement "Contrato de Prestaçao Serviços Consultoria" between EDPR and EDP), in accordance with the policies approved by the Board of Directors.

The Financial Department identifies, evaluates and submits to the Board for approval, hedging mechanisms appropriate to each exposure.

The Board of Directors is responsible for the definition of general risk-management principles and the establishment of exposure limits.

d) Capital investments

The capital investment required to develop and construct a wind farm is very high and generally varies based on the cost of the necessary fixed assets, such as turbines. The price of such equipments and/or civil construction works may increase, or continue to increase as in the case of turbines, if the market demand for such equipment or works is greater than the available supply, or if the prices of key component commodities and raw materials used to build such equipments increases.

e) Exchange rate

The Group operates internationally and is exposed to the exchange-rate risk resulting from investments in subsidiaries whose functional currency is the U.S. dollar. Currently, the exposure to the U.S. dollar/euro currency fluctuation risk results principally from the shareholding in EDPR NA.

EDP Group's Financial Department is responsible for monitoring the evolution of the U.S. dollar, seeking to mitigate the impact of currency fluctuations on the financial results of the Group companies and consequently, on consolidated net profit, using exchange-rate derivatives and/or other hedging structures. The policy implemented by the Group consists of undertaking derivative financial instruments for the purpose of hedging foreign exchange risks with characteristics similar to those of the hedged item. The operations are revalued and monitored throughout their useful lives and, periodically, their effectiveness in controlling and hedging the risk that gave rise to them is evaluated.

f) Interest rate

The Group's operating and financial cash flows are substantially independent from the fluctuation in interest-rate markets.

The purpose of the interest-rate risk management policies is to reduce the financial charges and the exposure of debt cash flows from market fluctuations through the settlement of derivative financial instruments to fix the debt interest rates. In the floating-rate financing context, the Group contracts interest-rate derivative financial instruments to hedge cash flows associated with future interest payments, which have the effect of converting floating interest rate loans into fixed interest rate loans. All these operations are undertaken on liabilities in the Group's debt portfolio and are mainly perfect hedges through a high correlation between changes in fair value of the hedging instrument and changes in fair value of the interest-rate risk or upcoming cash flows.

EDPR has a portfolio of interest-rate derivatives with maturities between approximately 1 and 10 years. The EDP Group's Financial Department undertakes sensitivity analyses of the fair value of financial instruments to interest-rate fluctuations.

g) Market price

As of December 31, 2008, EDPR faced limited market price risk. In the case of EDPR NA, most prices are fixed and principally determined by long-term power purchase agreements. In the case of Spain, electricity is sold directly on the daily market at spot prices plus a pre-defined regulated premium. EDPR also has an option of selling this electricity through regulated tariffs, guaranteeing minimum prices. In 2008 the company closed a hedge in order to mitigate pool price fluctuations in Q4 in Spain, which mitigates the risk related to fluctuations in pool prices.

In the remaining countries, prices are mainly determined through regulated tariffs (France and Portugal) or managed through long-term power purchase agreement (Brazil, Poland, Romania and Belgium).

4.3 Regulatory Risks

The development and profitability of renewable energy projects is dependent on policies and regulatory frameworks that support such development. The jurisdictions in which we operate provide various types of incentives that support the sale of energy generated from renewable sources.

Support for renewable energy sources has been strong during the last years, and both the European Union and the various U.S. federal and state bodies have regularly reaffirmed their desire to continue and strengthen such support (as legislative advances in early 2009 are adequate evidence). However, we can neither guarantee that support will be maintained nor guarantee that the electricity produced by future renewable energy projects will benefit from statutory purchase obligations, tax incentives, or other support measures for the generation of electricity from renewable energy sources.

4.4 Country Risks

With operating projects and ongoing development pipeline across multiple countries, EDPR faces the risks inherent in the individual countries, including:

h) Rules and regulations are subject to change
i) Changes in market conditions
j) Economic recessions, political risk and instability
k) Technological risk not directly controlled by EDPR

4.5 Environmental Risks

Wind energy development requires multiple permits and studies about environmental impact of the proposed or existing projects. As with other risks, these permits do not have guaranteed approval from the relevant authorities.

4.6 Other Risks

Other operational, financial, political, reputation or others risks may arise from running the business while prospecting opportunities, developing projects or operating existing assets.

5. FINANCIAL HEDGING DERIVATIVE INSTRUMENTS

Topic 4.2 provides a description of the key financial risks faced by EDPR. According to EDPR risk policy, and in order to manage, control or minimize impact of some of those risks, EDPR may, occasionally, use financial derivatives and enter hedging transactions with the sole intent to protect against risks and as a consequence mitigate fluctuations of earnings. These derivative instruments are explained in detail as part of the notes to the financial statements.

6. TREASURY STOCK (OWN SHARES)

During the 2008 exercise, EDP Holding and EDPR do not hold (or have bought) any treasury stocks (own shares).

7. ENVIRONMENT

EDPR's business model focused on renewable energy springs from its firm pledge to promote environmental protection as a fundamental pillar of its activity, complying with current environmental legislation while fostering sustainable development.

EDPR focuses its daily efforts on mitigating environmental impacts in all of its activities. From project development to construction and operation, EDPR conducts extensive location environmental viability studies, environmental impact studies, bird studies, noise studies, and promotes environmental awareness and alertness.

As a result of EDPR's philosophy to reach a sustainable development and its continuous aim to improve the environmental practices in all its activities, Environmental Management Systems (EMSs) are currently in the process of being implemented in both the European and North American platforms.

For the European platform, under the international specification UNE-EN ISO 14001, wind farms currently in operation managed to achieve the corresponding certification by the end of 2008. This entails a project efficiency increase, minimizing consumption and enables a more exhaustive control of the compliance of legal requisites, among other aspects.

The North American platform is developing an EMS and has implemented standards for baseline wildlife studies applicable to all projects under development, construction, or operation, with the goals of:

a) Avoiding "non-environmental friendly" impacts
b) Where it is not possible to avoid, at least minimize impact
c) Mitigate any impact of significance

The EMS is a set of processes and practices that enables both EDPR platforms to reduce its environmental impacts during development, construction, and operations. EDPR is committed to exceeding all standards and requirements for environmental impacts and as such is proactively integrating environmental awareness as key part of its growth strategy.

8. HUMAN RESOURCES POLICY

During 2008, the main objective of the Human Resources Department in EDPR was to harmonize, standardize and adjust the Human Resources policies of all the group companies to the comprehensive EDPR Talent Management structure, considering the organization and retribution model, as well as the performance evaluation. A new EDPR remuneration policy was established to link to this Talent Management Structure with the following dimensions:

a) Align fixed salaries, according to the reference market
b) Application of a Meritorious Culture, based on an evaluation for objectives, with a direct impact on the variable remuneration
c) Implementation of an annual variable remuneration linked with the triennial Strategic Plan

d) Conceptualization of a unique long term incentive policy for EDPR and all of the group companies

Additionally, HR analyzed the key executive functions for each EDPR Group company. This analysis solidified the process of redefining the organization structure, as well as promotes the executives' national and international mobility and development.

9. RESEARCH & DEVELOPMENT ACTIVITIES

With the intent to foster and support R&D within the renewables arena, EDP Renováveis signed an agreement with EDP Inovação, S.A. establishing the basis for joint project development in new technologies, technologies currently in pilot mode as well as in the enhancing of existing ones.

The purpose of this R&D agreement is to promote the exchange of knowledge between companies and to establish legal and commercials relations setting the tone for development R&D projects. This agreement is intended to remain in force as long as both companies are detained in more than 50% by EDP Group, reinforcing the long term commitment of EDPR to support of R&D activities in areas that relate with its business.

10. RELEVANT EVENTS OCCURED AFTER CLOSING OF THE PERIOD

10.1 Close of CENAEEL transaction

On February 16th, EDPR closed the transaction (initiated and announced still during 2008) to acquire 100% of the Brazilian wind assets of Central Nacional de Energia Eólica S.A. ("CENAEEL") for R$51 million (enterprise value). Included in the transaction were 14MW of operating capacity spread across two wind farms in the state of Santa Catarina and a total of 70 MW of pipeline projects in various stages of maturity.

10.2 Approval of U.S. key energy related Tax Incentives applicable to EDPR North America platform

On February 17th, the President of the United States of America signed the American Recovery and Reinvestment Act of 2009, which includes a number of energy-related tax and policy provisions to benefit the development of wind energy generation in the country. The key tax incentives to be introduced as a result of this Act are the following:

a) Three year extension of the Production Tax Credits ("PTC") through 2012 – the PTC is one of the components of the wind energy generation remuneration scheme, which was scheduled to expire on December 31, 2009;
b) Option to elect a 30% Investment Tax Credit ("ITC") in lieu of the PTC through the duration of the extension;
c) Cash grant provided by the Secretary of Treasury in lieu of the ITC for projects placed in service during 2009 and 2010, or the construction of which begin during 2009 and 2010 – the Act requires an application to be filed with the Secretary of the Treasury before October 1, 2011, and grants are to be paid within 60 days of the date of placement in service or, if later, 60 days from the filling of such application.

The approved provisions will increase the optionalities on the monetization of the federal tax subsidies, providing a greater liquidity vis-à-vis the traditional monetization through Institutional Partnership transactions. The law, besides providing a wider regulatory stability until 2012, constitutes a major positive development in the US wind market in terms of improved project's economics and risks.

11. CORPORATE GOVERNANCE REPORT

In accordance with the regulations, attached is an appendix with the Corporate Governance chapter, being an integral part of the current management report.