



Management Report

June 2010

MANAGEMENT REPORT
for
EDP Renováveis Group (EDPR)

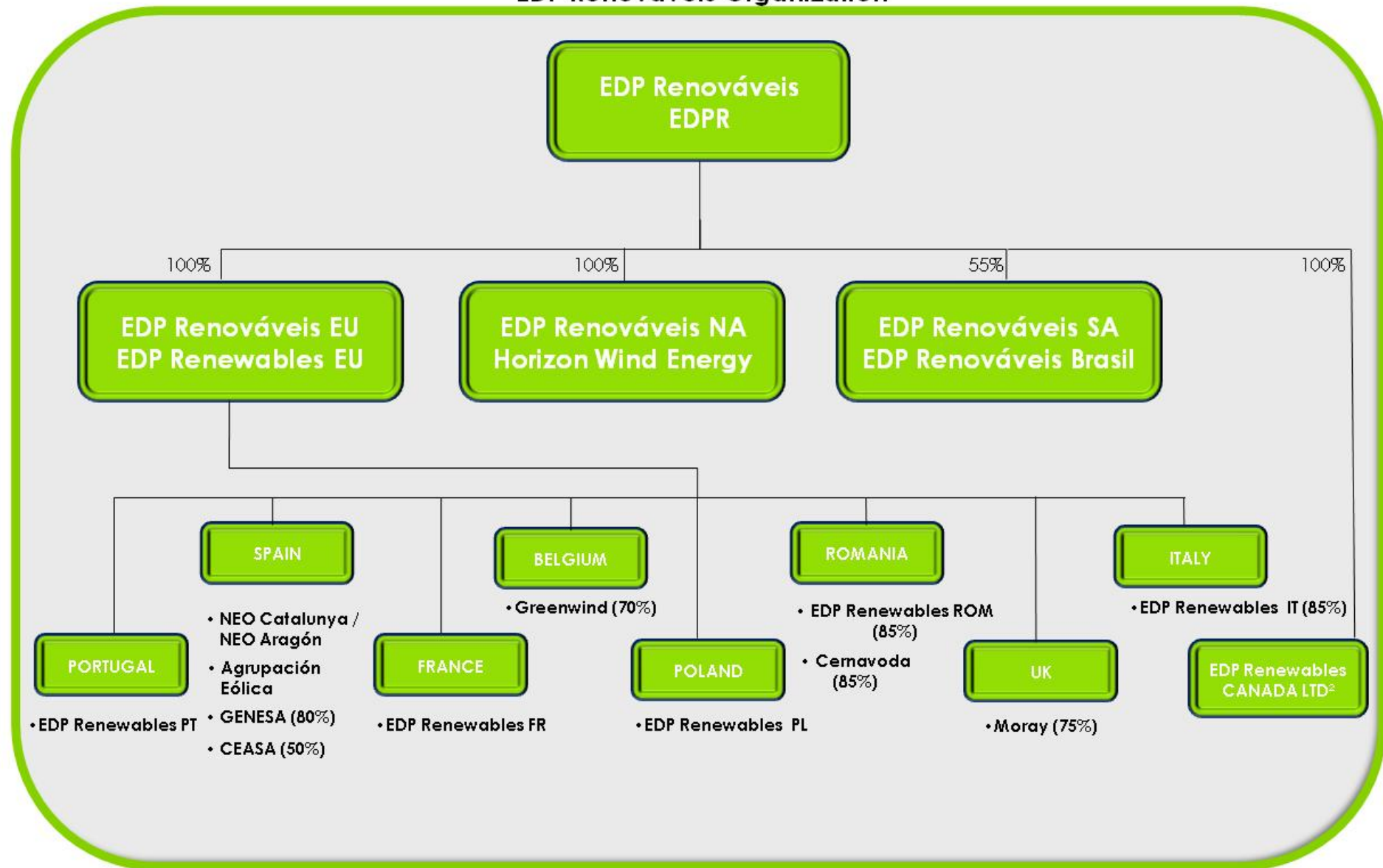
1st Semester of 2010 (6 months ending June 30th, 2010)

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ATTACHED – EDP RENOVÁVEIS CONSOLIDATED FINANCIAL STATEMENTS AS OF 30/JUN/2010

EDP Renováveis Organization¹



¹ Non-exhaustive Organization Chart, illustrating key business companies rather than a comprehensive list of legal entities. For simplification purposes, country holdings are shown representing individual wind farm entities

² Operationally integrated in EDPR NA

MANAGEMENT REPORT

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1st Semester of 2010 (6 months ending June 30th, 2010)

1. MAIN EVENTS OF THE PERIOD

JANUARY

Jan 8th – EDP Renováveis awarded 1.3 GW of wind offshore capacity in the UK

EDPR and SeaEnergy Renewable Limited ("SERL"), through a joint-venture designated Moray Offshore Renewables Limited ("MORL"), have been awarded exclusive rights to develop offshore wind farm sites in Zone 1 with an approximated target capacity of 1.3 GW. This partnership, in which EDPR holds a 75% shareholding and SERL the remaining 25%, enabled to leverage the complementary expertise of EDPR in wind and SERL's know-how on offshore construction, thereby enhancing the result obtained in the UK Round 3.

Zone 1 is located on the Smith Bank in the Moray Firth in the North East of Scotland and covers an area of 520 square km. It is approximately 25 km southeast of the Caithness coast and has water depths between 30m and 60m.

MORL will firstly proceed with the study and development of the offshore wind farm projects in Zone 1 for the purpose of obtaining the relevant key consents. Upon successful completion, MORL will be authorized and will hold the option to begin construction and operation of the offshore wind farm project, which is expected to take place between 2015 and 2020.

Jan 25th – EDP Renováveis signed a long-term agreement to sell green certificates in Poland

EDP Renováveis has entered into a 15-year agreement with Energa to sell the green certificates generated from its 120 MW Margonin wind farm in Poland.

Jan 27th – EDP Renováveis entered the Italian market through the acquisition of 520 MW to be developed

EDP Renováveis S.A. acquired 85% of Italian Wind srl, from Co-Ver group (an industrial conglomerate from the north of Italy), adding to its portfolio several wind projects in Italy totalling 520 MW in different stages of maturity and in prime locations: i) 4 wind projects totalling 108 MW classified as Tier 2; ii) 98 MW of projects classified as Tier 3; and iii) 314 MW classified as prospects.

The amount paid for the above mentioned stake is €12 million (Enterprise Value) and additional success fees will be paid as the wind projects reach certain predefined milestones.

FEBRUARY

Feb 3rd – EDP Renováveis disclosed 2009 provisional data

In 2009, EDP Renováveis added 1.2 GW to its base of installed capacity, representing a 23% increase vis-à-vis 2008. In the US, EDPR successfully installed 700 MW during the period, while in Europe added 461 MW and in Brazil 14 MW.

The wind output for the full 2009 increased a sound 40% vs. 2008. The US assets continued to be the major contributor to the output increase, while European assets managed to deliver a strong recovery on the last quarter of the year, on the back of a high quality of wind resource.

EDPR's total average load factor in 2009 was 29%, with Europe's strong performance compensating the lower wind resource achieved in the US. Such stability on the total average load factor is the result of a balanced portfolio and a selective geographical diversification in terms of countries and regions.

Feb 17th – EDP Renováveis signs a Power Purchase Agreement (PPA) with Tennessee Valley Authority in the United States

EDP Renováveis has entered into a 20-year Power Purchase Agreement with Tennessee Valley Authority (TVA) to sell 115 MW of renewable wind energy from the first phase of its Pioneer Prairie Wind Farm located in Mitchell and Howard Counties in Iowa.

The Pioneer Prairie Wind Farm, which is located in Iowa along the Minnesota state line in Howard and Mitchell counties, has an installed capacity of 300 MW - enough to power more than 90,000 American homes annually.

Feb 25th – EDP Renováveis announced 2009 results

Gross Profit reached €725 million (+25% YoY) and EBITDA €543 million (+24% YoY), with an EBITDA margin of 75%. Net income increased 10% YoY to €114 million.

APRIL**Apr 12th – EDP Renováveis was awarded contract by NYSERDA**

EDP Renováveis has been awarded a contract by the New York State Energy Research and Development Authority (NYSERDA) in conjunction with the Public Service Commission (PSC) to sell renewable energy credits, the clean environmental attributes of wind power, for a volume equivalent to 171 MW of capacity for ten years from its Marble River Wind Farm, currently under development and located in Clinton County, New York.

The contract award is from NYSERDA's fifth competitive solicitation and will be funded through the New York Renewable Portfolio Standard (RPS), which supports and finances the development of renewable energy resources that will help reduce harmful emissions, increase energy security, and build a clean energy economy.

Apr 13th – EDP Renováveis Annual Shareholder Meeting

EDP Renováveis Annual Shareholder Meeting was held on April 13th and approved the following resolutions:

- Approval of the 2009 fiscal year individual and consolidated accounts;
- Approval of the application of results generated in 2009;
- Approval of the individual and consolidated Management Report, and the Corporate Governance Report for 2009;
- Approval of the management conducted by the Board of Directors during 2009;
- Approval of the remuneration policies for the managers of EDP Renováveis;
- Approval of the amendment of the paragraphs 1 and 2 of Article 17 of the Articles of Association of EDP Renováveis, S.A.;
- Authorization to the Board of Directors for the derivative acquisition and sale of own shares by the Company and/or other affiliate companies to the maximum limit established by the Law and in accordance with its terms;
- Reappointment, as Auditors of EDP Renováveis S.A., of KPMG Auditores, S.L.;

- Option for the Consolidated Tax Regime regulated in Articles 64 et seq of Real Decreto-Legislativo 4/2004 of 5 March.

Apr 22th – EDP Renováveis disclosed 1Q2010 provisional data

EDP Renováveis managed a portfolio of 6.3 GW at the end of the 1Q10, having increased its installed capacity by 21%, or 1,094 MW, vis-à-vis 1Q09. From this, 492 MW were installed in Europe and 602 MW in the US. In the first quarter of 2010, EDPR total additions amounted to 32 MW, of which 16 MW were installed in Portugal and the remaining were installed in France. EDPR's construction cycle typically follows a back-end loaded profile on the annual new capacity additions.

In line with the capacity increase (+21% YoY), electricity output was up 28% vs. the 1Q09, with Europe being the main contributor to this increase. EDP Renováveis total average load factor in the 1Q09 was 33%, with Europe delivering a 34% figure and the US 31%.

Apr 26th – EDP Renováveis awarded Vestas a procurement contract to deliver up to 2.1 GW of wind capacity

EDP Renováveis S.A. and Vestas Wind Systems A/S signed a global master supply agreement for the delivery of up to 2,100 MW of wind turbines.

EDPR selected Vestas, the world's leader wind turbine manufacturer, through a competitive process to close a sizeable supply agreement under the following main terms and conditions:

- Initial firm order of 1,500 MW, to be supplied, installed and commissioned in 2011 and 2012.
- Options to order additional capacity up to 600 MW, exercisable in 2010 and 2011.
- Flexibility in deliveries to North America, South America and Europe.
- Flexibility to choose commercial available wind turbine models and classes for each project with a given notice.
- Operating and maintenance service agreement for 2 years, extendable to 5 or 10 years, with subsequent Technical Assistance Agreement (depending on the project).

A successful combination of its short-term pipeline optionalities together with a flexible procurement position post-2010 and scale within the industry, were key factors to achieve an agreement of utmost strategic importance reinforcing EDPR's worldwide leadership in the sector.

MAY

May 5th – EDP Renováveis announced 1Q2010 results

Gross Profit increased a solid 22% YoY to €242 million resulting in a 20% YoY EBITDA increase to €185 million, with an EBITDA margin of 76%. Net income reached €43 millions (-15% YoY).

May 19th – EDP Renováveis holds its first Investor Day in Lisbon

EDP Renováveis management team present to the market the company's strategy for the next few years.

JUNE

Jun 28th - EDP Renováveis fully closed Vento III institutional partnership structure through the sale of the remaining stake amounting to \$141 million

EDP Renováveis has secured \$141 million of institutional equity financing from Wells Fargo Wind Holdings LLC in exchange for an interest in the Vento III portfolio.

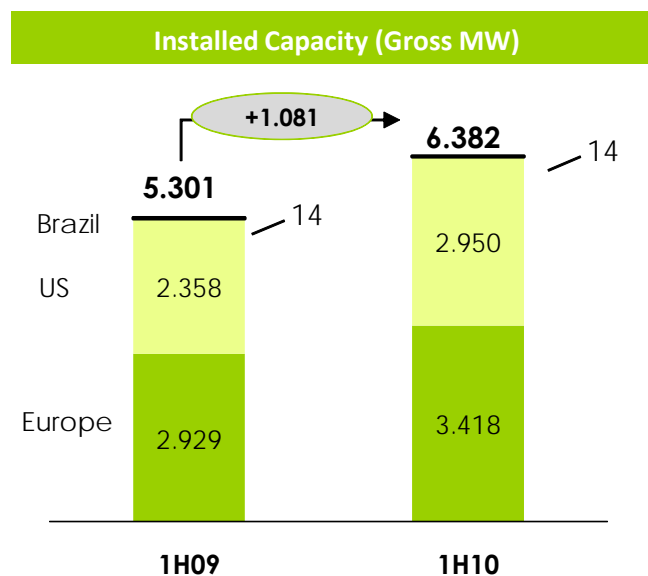
Vento III is a 604 MW portfolio of wind farms structured in December 2008 and consists of Rattlesnake Road (103 MW), Pioneer Prairie (300 MW), and Meridian Way (201 MW). \$376 million was previously funded by JPM Capital Corporation, New York Life Insurance Co., New York Life Insurance & Annuity Corp., and GE Energy Financial Services.

With this new investment by Wells Fargo Wind Holdings LLC, EDPR has raised a total of \$517 million through Vento III and closed all its funding needs. The transaction accelerates the monetization of tax benefits generated by the wind farms and improves the projects' economics.

2. PERFORMANCE OF 1ST SEMESTER 2010 (1H10)

2.1 Financial¹ and Operational Performance

During the first semester of 2010 (1H10), EDPR added 155MW of gross installed capacity, of which 92MW in North America and 63MW in Europe. In terms of total output, EDPR recorded a significant growth in electricity generation, with 6,9TWh generated in 1H10 (32% increase vs. 5.3 TWh in 1H09), mainly a result of an YoY growth in 1.1GW installed capacity.



On top of the 155MW of new installed capacity, EDPR ended 1H10 with 1,319MW under construction (of which 740MW in Europe, 509MW in North America and 70MW in Brazil), providing confidence and credibility on the organization's ability to achieve the 1,2GW added capacity target for 2010.

By the end of June 2010, EDPR had 6.4 GW of gross installed capacity in Spain, Portugal, France, Belgium, Poland a variety of US states and Brazil.

¹ Prepared according to IFRS accounting standards. EDPR consolidated accounts are considered for the purpose of this Management Report. EDPR S.A. individual accounts are therefore reflected as part of consolidation and by itself in isolation do not contain substantial additional information considered of relevance.

Installed Capacity (Gross MW)	1H09	1H10	Δ MW
Spain	2.109	2.278	+169
Portugal	570	722	+152
Rest of Europe	250	418	+168
<i>France</i>	<i>193</i>	<i>241</i>	<i>+48</i>
<i>Belgium</i>	<i>57</i>	<i>57</i>	<i>-</i>
<i>Poland</i>	<i>0</i>	<i>120</i>	<i>+120</i>
Europe	2.929	3.418	+489
US	2.358	2.950	+592
Brazil	14	14	0
Total	5.301	6.382	+1.081

EDPR 1H10 production totalled 6.9 TWh, which represents a +32% growth (+50% for EU operations) when compared to 1H09 electricity output. This semester EDPR reached once again load factors above market average, underlining the quality of its wind farms.

Nevertheless, load factors were lower than in 1H09, particularly given the volatility of the wind resource, particularly during the second quarter. In Europe the load factor reached 29% and in the US 32%. Excellence in operational performance is best reflected in the sustainable and high availability levels and consistent load factor premiums vs. Spanish market.

Region	Electricity Generated (GWh)		Load Factors (%)	
	1H10	Δ 1H10/1H09	1H10	Δ 1H10/1H09
Europe	3.244	+50%	29%	+4 pp
US	3.682	+20%	32%	(4 pp)
Brazil	14	+19%	23%	+3 pp
Total Generation	6.940	+32%	31%	-

Total balance sheet assets reached by the end of the semester €12,931 million with c. 28% increase (or €2,814 million) when compared to prior year (1H09). Of this, €10.051 million relate to net Fixed Assets (PPE) which year-on-year increased by €2,281 million.

Total equity amounted to €5,359 million by 1H10, driven by the €90 million increase in Reserves and Retained Earnings and leading to a solid Equity / Total Assets ratio in excess of 41.4%. Total

Liabilities summed by the end of 1H10 to €7,572 million, with an increase of c. 56% (or €2,725 million) used to fuel growth business.

Total revenues reached €413 million driven by higher installed capacity and represented a 32% growth comparing to 1H09. This growth is of particularly relevance given the current unfavourable pricing environment in the global power markets. EDPR benefited from an active risk management practice, namely by hedging c. 0.8 TWh of output and therefore reducing its exposure to the variability of the Spanish pool price. This hedging coverage had a positive impact of €11 million in 1H10 revenues, or c. €14.9 / MWh for the electricity hedged.

Focus on operational efficiency, with Opex amounting to €119 million, lead to an EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) of €343 million and an EBITDA Margin (EBITDA / Gross Margin²) of 74.2%.

Provisions and net Depreciation & Amortization in 1H10 were of (€197) million and net Financial Results of (€85) million (including €3M in gains from associates), benefiting from lower interest expenses than in 1H09, resulting in a Profit before Taxes of €61 million and a Income Tax Expense of €16 million.

Net Income totalled €44.2 million, of which €1.3 million belong to minority interest and €42.9 million is attributable to EDPR equity holders. This compares unfavourably (or €23 million) with the €66 million of Net Income attributable to EDPR equity holders in 1H09.

Throughout 1H10, EDPR invested about €834 million as capital expenditures (excluding M&A and financial investments) and used EDP shareholder loans to reach a Net Debt of approx. €2.7 billion by the end of June 2010.

² Defined as Revenues + Revenues from Tax Equity Partners – Cost of Used Goods

Capex (€ m)	1H10	1H09
Spain	91	535
Portugal	2	44
RoE & other	192	201
Europe	285	902
USA	518	419
Other	31	1
Total Capex	834	1.322

Net Debt (€ m)	1H10	1H09
External Debt	558	543
Group Debt	2.687	1.707
Cash & Equivalents	(519)	(326)
Net Debt	2.726	1.924

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. This strategy provides the company with a unique combination of size, focus and experience in the sector.

In 2008 EDPR went public and was listed in the NYSE Euronext Lisbon, in what turned out to be the largest Initial Public Offering in Western Europe in 2008. The company ended the first semester of 2010 with a €4.2 billion market capitalization.

EDPR has a solid history of executing projects and delivering targets. We consistently increased gross installed capacity through the successful development of greenfield and pipeline acquisition. The company success results from a unique combination of factors: strong track record in execution, first class assets with above average quality wind resources, a well balanced portfolio in terms of geography, stage of development and revenue sources, and a competitive turbine supply strategy.

The combination of diversified operations with a stable revenue base spread across countries with favourable regulatory regimes limits the exposure to market prices of electricity and provides a significant visibility and stability.

Furthermore, EDPR has proven its ability to selectively identify new markets, to enter such markets and successfully integrate new platforms to foster growth and diversify the existing portfolio.

EDPR is well positioned to deliver on significant and superior growth targets and achieve over 10 GW in operating assets by 2012.

For that, by the end of 1H10, EDPR has crafted a robust, visible and geographically diverse pipeline of nearly 31GW worldwide (varying from projects in a variety of European countries, nineteen US states, and several regions in Brazil).

Gross MW	Under Constr.	Pipeline				Prospects	Total
		Tier 1	Tier 2	Tier 3	Total		
Spain	328	300	485	1.821	2.606	2.340	5.274
Portugal	138	217	18	9	244	200	582
Rest of Europe	274	194	590	2.544	3.328	1.893	5.494
- France	33	67	70	304	440	652	1.125
- Belgium	13	-	-	37	37	25	74
- Poland	-	70	386	776	1.232	402	1.634
- Romania	228	57	26	30	113	500	841
- Italy	-	-	108	98	206	314	520
- UK	-	-	-	1.300	1.300	-	1.300
Europe	740	711	1.093	4.374	6.178	4.433	11.350
US	508	450	6.882	7.545	14.877	4.087	19.472
Brazil	70	111	153	351	615	760	1.445
Total	1.318	1.272	8.128	12.270	21.670	9.280	32.268

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 11th, 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 gases 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.

The 2009 United Nations Climate Change Conference, commonly known as the Copenhagen Summit, was held in Copenhagen, between December 7 and December 18. On December 18, it was announced that a "meaningful agreement" had been reached between the United States, China, India, South Africa, and Brazil. The negotiations ended without a binding treaty to reduce greenhouse gas emissions. Despite this, The Copenhagen Accord recognises the scientific case for keeping temperature rises below 2°C.

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 United States of 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. The plan allows renewable energy producers to choose one of three alternatives:

- Production Tax Credit (PTC) extension: tax credits are tied to energy production for the first 10 years of operations. This option is possible for projects placed into service by year end 2012.
- Investment Tax Credit (ITC): developers receive an ITC equal to 30% of eligible capex in full during the year the project is placed into service. Projects placed into service by year end 2012 are eligible for this option.
- Cash Grant: instead of receiving tax credits, developers can choose to receive a Cash Grant equal to the value of the ITC. To be eligible for this option, projects must be under construction by 2010 and placed into service by year end of 2012.

On July 2009 the US Treasury Department published the Program Guidance for the Payments for Specified Energy Property in Lieu of Tax Credits, as well as the application form. These documents set the application specifications for renewable energy producers to benefit from the cash grant.

In addition, the Economic Stimulus Bill includes a Federal Loan Guarantee program that provides credit support for up to \$60 billion - \$80 billion in loans directed to renewable energy projects; however, the rules and application process of this program are still unclear at this time.

Regarding the Spanish market, industry expects regulatory changes arising from agreement between the government and the wind sector. The Real Decreto ley 6/2009 of May 2009 established the creation of a new Register ('Registro de preasignación para el régimen especial') for renewable energy producers with installed capacity under 20,155 MW that fulfil certain requirements. All facilities admitted in this register are being granted the remuneration set by the 'Real Decreto 661/2007.

The Ministry of Industry announced an agreement with the wind and the solar thermal sectors to adjust some aspects of the remuneration scheme in a transitory way. For wind it's likely to be approved:

- No change to the remuneration of plants under RD 436/2004 (pre January 1st 2008)
- A 35% cut in the reference premium of wind farms under RD 661/2007 until December 2012
- No change in the fixed tariff option, cap and floor prices of wind farms under RD 661/2007
- The elimination of the premiums for all the output in excess of 2.589 hours when national output exceeds 2.350 hours/year

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, UK, Italy, 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 reinforced during the IPO, EDPR decided to implement an 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 continue throughout 2010 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 North America platform 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, 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 profitability and amount of energy generated by wind farms is dependent on climatic conditions, which vary across the locations of the wind farms, the seasons and years. Consequently, fluctuations in the amount of energy generated will impact the results of operations.

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 fuels, 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 Prestação 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.

a) 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.

b) 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 primarily from the shareholding in EDPR North America.

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.

c) 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.

d) Market price

As of 1H10, EDPR faced limited market price risk. For a significant portion of EDPR portfolio, prices are fixed and mainly 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. Still in 2008 the company closed a c. 2 TWh hedge in order to mitigate Spanish pool price fluctuations during 2009 and 1H10, which mitigates the risk related to fluctuations in market prices. In the remaining countries, prices are mainly determined through regulated tariffs (France and Portugal) or mostly managed through long-term power purchase agreement (Brazil, Poland, Romania, Belgium and, fore and foremost, in the United States).

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:

- e) Rules and regulations are subject to change
- f) Changes in market conditions
- g) Economic recessions, political risk and instability
- h) 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 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, in liaison with a discipline risk management practice, EDPR uses financial derivatives and enters 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 1st semester of 2010, EDP Holding and EDPR do not hold (or have bought) any treasury stocks (own shares).



7. ENVIRONMENT

EDP Renováveis has made environmental stewardship a core value. The Company is dedicated to providing clean renewable energy through the development, construction and operation of wind farms.

Even though all human activity has an impact on the environment, the Company is committed to identifying and assessing these impacts at all stages of its business cycle and incorporating them into its decision-making process.

As such, 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.

EDP Renováveis believes that protecting the environment and investing in local communities is fundamental to achieving its business objectives. Therefore, the Company invests in several environmental protection measures and allocates internal resources dedicated to implementing and managing environmental protection activities, throughout the full project life cycle of its projects.

In 2008, EDPR began the development of an Environmental Management System (EMS). The purpose of the EMS is to stimulate good environmental practices focused on protecting natural resources, minimizing waste and conducting spill management, with a commitment to continuous improvement of environmental performance.

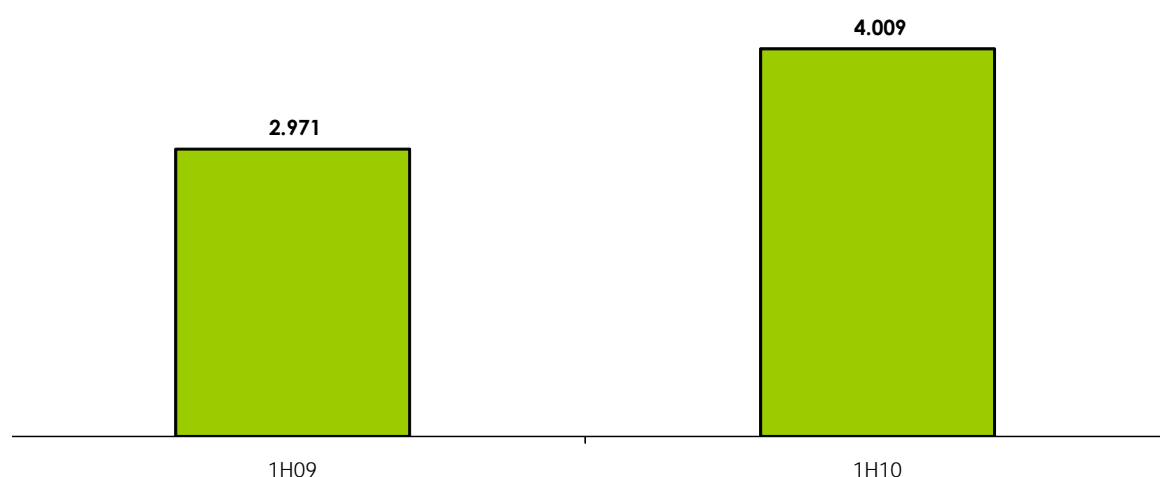
Climate Change

EDP Renováveis is dedicated to the development of renewable energy. Accordingly, the Company plays a significant role in the transition towards a more sustainable energy model that is less dependent on fossil fuels.

EDPR, as a pure-play renewable energy provider, is contributing to the reduction of emissions into the environment by displacing generation from fossil-fired power plants (such as, coal, oil, and natural gas plants), and thus, avoiding the resulting emissions and pollution. Carbon Dioxide (CO₂) is believed to be a main cause of global warming and climate change, thereby disrupting ecosystems and causing unstable and dangerous weather patterns

In the first semester of 2010, EDP Renováveis produced almost 7 GWh of wind energy, avoiding the emission of approximately 4,000 k tons of CO₂.

CO₂ Emission Avoidance (ktons)



Technological progress in recent years has contributed to making renewable energy cheaper and more efficient in generating electricity.

Renewable energy has significant advantages over traditional energy sources:

- It does not directly produce greenhouse gases;
- Power delivered to the grid from wind farms will directly offset the generation of energy at existing conventional power plants, having a net positive impact on air quality;
- It is inexhaustible;
- It increases the energy independence of a country.

Efficient use of resources

Due to the nature of its activity, the major “raw material” of EDP Renováveis needed to produce energy is wind.

Therefore, with the exception of the construction phase, the consumption of resources, materials and energy is mainly attributed to the company offices and on-site facilities that directly support the operation and maintenance of EDP Renováveis wind farms, which can be

considered of low impact in relation to the company activity through which it collects its revenue – the sale of energy produced by its wind farms.

Nevertheless, the promotion of responsible use of resources among its employees and contractors is a priority for the Company.

EDP Renováveis has taken measures to reduce the consumption of resources in its facilities through:

- The utilization of energy efficient lamps;
- The judicious use of air conditioning systems;
- The configuration of computer settings to save energy;
- The purchasing of Energy Star office appliances, such as computers and monitors;
- The use of ambient light in the offices;
- The recycling of paper, aluminium cans and plastic; and
- The optimization of water consumption.

Environmental Protection

EDP Renováveis believes that harnessing wind and other renewable sources is fundamental to produce energy in a manner that respects the integrity of our planet.

EDP Renováveis conducts environmental studies early in the development phase of all new projects or when significant modifications of existing wind farms are required. The Company's goal is always to avoid, minimize, or mitigate any impact on the environment. These environmental studies identify wildlife use, threatened or endangered plants and animals, sensitive habitats, wetlands, protected areas, and cultural resources.

During the construction phase, EDP Renováveis performs Environmental Construction Monitoring to ensure that environmental laws and regulations and any permit conditions are met and potential environmental impacts of construction are addressed for the entire project area.

Although not always obliged by law, EDP Renováveis promotes environmental excellence during the whole life cycle of its operating wind farms by providing training, developing waste management plans and performing environmental site audits to ensure continuous

improvement. In decommissioning, EDP Renováveis will implement a restoration plan to restore the wind farm area as close to its original state as reasonably practicable.

Biodiversity

Early in the process of development, EDP Renováveis collects information about threatened, endangered, and sensitive species; migratory birds; and other potential wildlife impacts.

EDP Renováveis conducts post-construction wildlife studies, including mortality monitoring. Post- construction mortality monitoring is conducted at all wind farms.

The company has also promoted and developed several habitat enhancement projects and performed thorough field studies of various animal and plant species.

8. HUMAN CAPITAL

During the first six months of 2010, EDP Renováveis implemented a global compensation strategy policy, while respecting the local markets for each platform. The new policy promotes a system in which all positions are evaluated and graded according to a defined methodology of job evaluation and ensure internal fairness.

The company policy is based on the following principals:

- Equity - Ensure internal fairness and even-handedness through a professional development and rewards model based on criteria that are transparent and transversal within the group.
- Development - Attract, retain and develop talent and skills through a competitive remuneration policy throughout all geographies for EDPR Group that are in line with specific requirements of each business; considering the importance of the different functions and employee potential.
- Performance - Appraise merit and performance in professional development and reward employees, ensuring commitment and responsibility in obtaining both individual and team results within the organization or the Group.

Headcount	June 2010	09YE	Var (%)	
EDPR EU	395	365	8%	
EDPR NA	309	303	2%	
EDPR BR	12	8	50%	
Holding	65	45	44%	14 transfers between EU and NA
Total	781	721	8%	

Note: figures do not include the Board of Directors

EDP Renováveis offers professional development programs to all employees, regardless of professional category.

Until June 2010, EDP Renováveis almost triplicated the number of hours of training to 15.598 hours (1134 participants in 2010 vs 772 in the same period of 2009). Total investment reached €278 thousands.

We continue improve the internal training, and during these six month in June we increase until 23% of our training with internal resources in Europe.

As EDP Renováveis grows its business in new geographies, mobility is more and more a crucial factor in the success of the Company strategy and employee's career development. During the first six month of 2010 we increased 40% our number of expats.

Expats	June 2010	09YE	Var (%)
EDPR EU	8	5	60%
EDPR NA	5	4	25%
EDPR BR	1	0	n.a
EDPR Holding	7	6	17%
Total	21	15	40%

9. RESEARCH AND DEVELOPMENT (R&D)

Beyond the commercial activities, EDP Renováveis supports EDP Inovação (EDPI) in developing a pilot project in order to deploy a wind turbine installed on floating structure off the Portuguese coast. Such floating structure is a patented technology named Windfloat owned by Principle Power, whom EDPI has a memorandum of understanding, providing privilege access to the technology.

10. RELEVANT EVENTS AFTER CLOSING OF THE PERIOD

Jul 2nd - Spanish Government and Spanish wind association reach a long term agreement

The Spanish Government through its Ministry of Industry, Tourism and Trade and the wind sector representatives, reach a long term agreement regarding the sector regulation, increasing the visibility and the stability of investments in the country.

Jul 6th - Government of Cantabria awards 220 MW To EDP Renováveis

The Spanish regional Government of Cantabria has announced the granting of a total of 1,336 MW in its tender to award electricity production licenses through wind energy.

EDP Renováveis was awarded with 220 MW in the region of Cantabria, corresponding to 16% of the total assigned capacity.

The execution of this wind projects are now subjected to the regular process of developing and licensing, in accordance to the law and regulation applicable in Spain.

EDPR expects the awarded projects to reach the ready-to-build phase from 2013 onwards.

Jul 8th – Romania approves new wind regulation

The Romanian Parliament's proposal that regulates renewable energy sources was published today.

The legal framework in place since 2004 comprises a system where renewable generators in addition to the electricity price receive tradable green certificates. The proposal now signed into law reinforces the framework in place and the country's commitment with renewable energy, by:

- Increasing the mandatory quotas for electricity produced from renewable sources which benefit from the green certificate's promotion system. 2012 quota increases from 8.3% to 12% of the electricity production, escalating by 1%/year to reach 20% by 2020.
- Extending until 2017 (previously until 2015) the right to collect two green certificates per each MWh generated by wind farms (one certificate per MWh from 2018 onwards).
- Reaffirming the current green certificate's floor and cap prices at €27/MWh and €55/MWh and increasing the penalty by non-compliance to €110 (from €70) for each missing green certificate. Current cap, floor and penalty prices are set in euros and indexed to euro-inflation.

EDP Renováveis currently has 228 MW under construction (to be commissioned by 2010-year end) and 613 MW of projects in different stages of development. The Romanian commitment regarding renewable energy improves the company's investment visibility and enhances the projects' value creation

Jul 14th – EDP Renováveis disclosed its 1H2010 provisional data

Jul 28th – EDP Renováveis disclosed its 1H2010 financial results

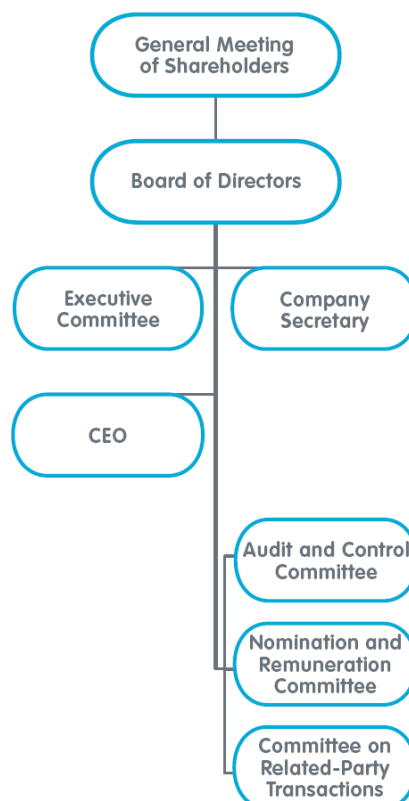
11. CORPORATE GOVERNANCE OVERVIEW

11.1 Model of Management and Supervision

EDP Renováveis, has adopted the governance structure in effect in Spain. It comprises a General Meeting of Shareholders, that is the sovereign body, and a Board of Directors that represents and manages the company.

The Company's Board of Directors has set up four committees. These are the Executive Committee, the Audit and Control Committee, the Nomination and Remuneration Committee and the Committee on Related-Party Transactions.

The Company's governance structure is shown in the chart below.



The governance model of EDPR is designed to ensure the transparent, meticulous separation of duties and the specialisation of supervision.

The purpose of the adoption of this model by EDP Renováveis is to adapt the Company's corporate governance to the Portuguese legislation, due to the fact that Spanish law is its personal law. The governance model adopted by EDP Renováveis therefore seeks, insofar as it is compatible with its personal law, to correspond to the Anglo-Saxon model set forth in the Código das Sociedades Comerciais, in which the management body is a Board of Directors, and the supervision and control duties are the responsibility of an Audit Committee.

The choice of this model is essentially an attempt to establish compatibility between two different systems of company law, which can be considered applicable to the model.

Although EDP Renováveis shares were only admitted to trading on Eurolist by Euronext Lisbon in mid-2008, the experience of institutional operating indicates that the governance model adopted by the shareholders is appropriate to the corporate organisation of EDP Renováveis activity, especially because it affords a healthy balance between the management functions of the Executive Committee, the supervisory functions of the Audit and Control Committee and oversight by different specialised Board of Directors committees.

The institutional and functional relationship between the Executive Committee, Audit and Control Committee and the other non-executive members of the Board of Directors has been proved very positive and has fostered internal harmony conducive to the development of the company's businesses.

In order to ensure a better understanding by its shareholders of EDP Renováveis corporate governance, the Company posts its updated Articles of Association on www.edprenovaveis.com.

11.2 Corporate Bodies

General Meeting of Shareholders

The General Meeting of Shareholders is the Company's highest governing body. It is a meeting of shareholders that, when properly convened, has the power to decide and adopt majority decisions on matters that the law and the Articles of Association set forth that it should be decided and be submitted for its approval.

The Board of the General Meeting is responsible for organising its proceedings. It is made up of the Chairperson of the Meeting, the Chairperson of the Board of Directors, or his substitute, the other Board members and the Secretary of the Board of Directors.

Board of Directors

The Board of Directors has the broadest powers for the management and governance of the Company, with no limitations other than the competences expressly allocated exclusively to the General Meeting of Shareholders by law or the Articles of Association.

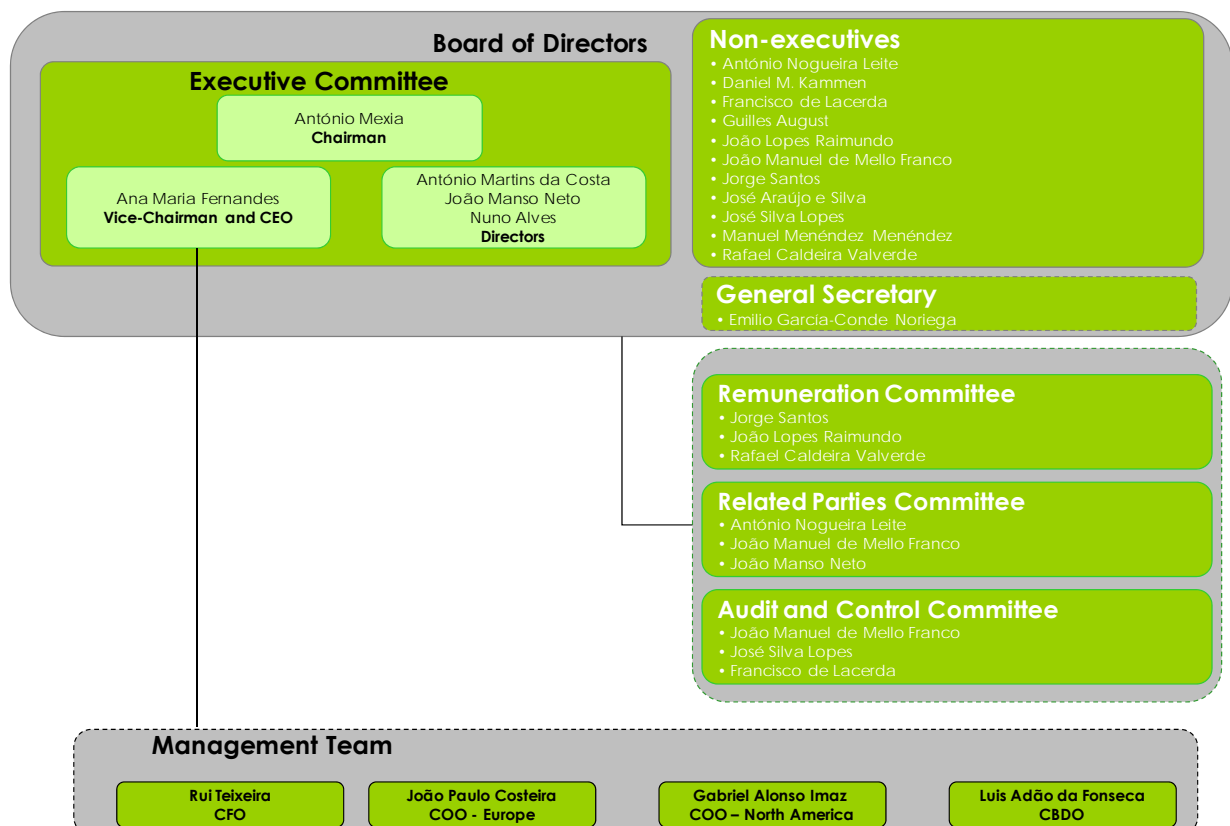
The Board of Directors currently consists of the following sixteen (16) members:

Name	Position	Date of appointment	End of term
Ana Maria Fernandes	CEO and Vice-Chairperson	18/03/2008	18/03/2011
Antonio Martins da Costa	Director	18/03/2008	18/03/2011
Antonio Mexia	Chairperson and Director	18/03/2008	18/03/2011
António Nogueira Leite*	Director (Independent)	04/06/2008	04/06/2011
Daniel M. Kammen*	Director (Independent)	04/06/2008	04/06/2011
Francisco José Queiroz de Barros de Lacerda*	Director (Independent)	04/06/2008	04/06/2011
Gilles August	Director (Independent)	14/04/2009	14/04/2012
João Lopes Raimundo*	Director (Independent)	04/06/2008	04/06/2011
João Manso Neto	Director	18/03/2008	18/03/2011
João Manuel de Mello Franco*	Director (Independent)	04/06/2008	04/06/2011
Jorge Santos*	Director (Independent)	04/06/2008	04/06/2011
José Araújo e Silva*	Director (Independent)	04/06/2008	04/06/2011
José Silva Lopes*	Director (Independent)	04/06/2008	04/06/2011
Manuel Menéndez Menéndez*	Director	04/06/2008	04/06/2011
Nuno Alves	Director	18/03/2008	18/03/2011
Rafael Caldeira Valverde*	Director (Independent)	04/06/2008	04/06/2011

* Appointed in agreements adopted by the General Meeting of EDP Renováveis, S.A. on 14 May 2008, to take office as members of the Board of Directors on 4 June 2008



11.3 Summarized Organization Chart



11.4 Capital Structure

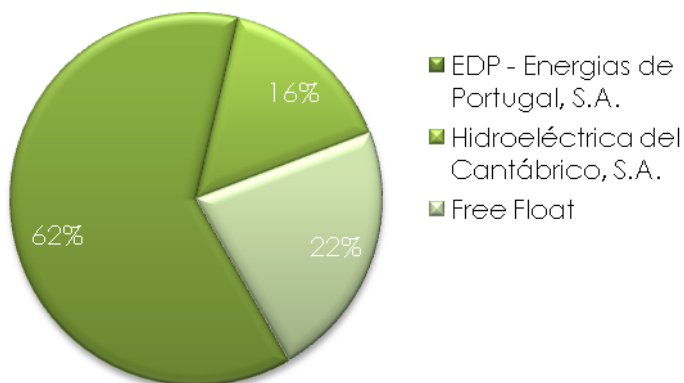
The EDP Renováveis share capital of €4,361,540,810 is fully subscribed by 872,308,162 shares with a face value of €5 each.

All EDP Renováveis shares are of the same category. Under the Spanish Ley de Sociedades Anónimas, approved by Royal Decree 1564/1989 of 22 December 1989 (hereinafter Public Company Law) and the Articles of Association of EDP Renováveis, the owner of a share becomes a shareholder with all the inherent rights and obligations established by the Public Company Law and articles of association of EDP Renováveis. The most important rights inherent in shares are the right to receive dividends, the right to obtain general information on any matters to be discussed in the General Meetings, general rights to attend, voting rights, the right to object to company decisions, pre-emptive rights in share capital increases and the right to participate in the distribution of assets if EDP Renováveis is dissolved.

11.5 Shareholder Structure

Shareholder Structure – 30 June 2010

30 June 2010	# Shares
EDP - Energias de Portugal, S.A.	541.027.156
Hidroeléctrica del Cantábrico, S.A.	135.256.700
Free Float	196.024.306
Total	872.308.162



11.6 Qualifying shareholding

Qualifying shareholdings in EDP Renováveis are subject to Spanish law, which regulates the criteria and thresholds of shareholders' holdings. As at 31 December 2009 no qualifying shareholdings in EDP Renováveis with the exception of EDP and Hidrocantábrico were identified.

11.7 Holder of special rights

EDP Renováveis share are of a single class and series and have been fully paid up. There are no holders of special rights.

11.8 Restrictions on the transfer of shares

Pursuant to Article 8 of the Company's Articles of Association, there are no restrictions on the transfer of EDP Renováveis shares.

11.9 Acquisition and transmission of own shares by the Company and/or other affiliate companies

On the General Shareholder's meeting of the 13th of April, it was approved to authorize the Board of Directors for the acquisition and transmission of own shares by the Company and/or the affiliate companies through their management bodies for a term of five years from the date of the General Shareholders Meeting. Up to date of this report the Company has no executed any acquisition and consequently transmission of own shares.

Regarding acquisitions of own shares the following terms and requirements should be accomplished:

- a) The authorization can be executed one or more times up to the maximum limit permitted under law, which is currently 10%, and under its terms.
- b) The acquisition can be executed by any means permitted under law.
- c) When the acquisition is for valuable consideration, the Price will have a maximum and minimum limit, respectively of the 125% and 75% of the weighted average of the EDP Renováveis, S.A. shares' listed price at the closing of the last

five sessions of the NYSE Euronext Lisbon before the date of the acquisition or constitution of the right for the shares acquisitions.

- d) The acquisition may be done anytime at the Board of Directors discretion, taking into account the market situation, the convenience and obligations of the purchaser, and executed through one or more transactions according to the fixed limits.

Regarding transmissions of own shares the following terms and requirements should be accomplished:

- a. The number of transactions of sales and of shares to be transmitted will be set by the Board of Directors taking into account the companies' interests and compliance with the law.
- b. The transmission may be executed for valuable consideration by any means admitted by the law.
- c. The transmission price will have a minimum limit of 75% of the weighted average of the EDP Renováveis S.A. shares' listed price during the last five sessions of the NYSE Euronext Lisbon before the transmission or constitution of the option rights.
- d. The transmission may be done anytime at the Board of Directors discretion, taking into account the market situation, the convenience and the obligations of the purchaser and executed through one or more transactions according to fixed limits.

When the Board of Directors executes own shares transactions should take into consideration to the extent possible and according to the circumstances, the current recommendations of the Securities Market and the following practices:

- a) Public disclosure of the contents of the authorizations regarding the above mentioned paragraphs, before the beginning of the transactions in its own shares and, in particular, its purpose, maximum value of acquisition, maximum number of shares to acquire and authorised term to do it;
- b) Track register of all transactions that take place by virtue of the above mentioned authorizations;

- c) Public disclosure of relevant transactions according to Law before the end of the fourth day of the following session, on the date of the execution of the transactions or the shorter period established under Law;
- d) The execution of the transactions in terms of time, form and volume shall not disturb the normal running of the market, which implies avoiding transactions in sensitive moments of trading, especially at the opening and closing of the session, the disturbance of the market and/or close to the disclosure of communications related to privileged information and/or the results announcement;
- e) To limit the acquisitions to a 25% daily trading medium volume or a 50% of this volume according to Law;
- f) Not to transfer during the execution of a repurchase program completed according to Regulation CE nº 2273/2003 of the European Commission on the 22nd day of December and the Directive 2003/6/CE of the European Parliament and the Council referred to the exemptions for repurchase programs and the stabilization of the financial instruments.

11.10 Shareholders' agreements

As far as the Board of Directors of EDP Renováveis knows, there are currently no shareholders' agreements regarding the Company.

11.11 EDP Renováveis in the Capital Markets

The shares representing the EDP Renováveis share capital were initially admitted to trading in the official stock exchange NYSE Euronext Lisbon on the 4 June 2008, in the largest Initial Public Offering launched in Western Europe of the year 2008.

EDP Renováveis has 872,308,162 ordinary shares, with a face value of EUR5.00 representing 100% of the share capital, admitted to trading in the NYSE Euronext Lisbon market. The free float since the IPO is 22.5%.

EDP Renováveis, S.A.

Shares

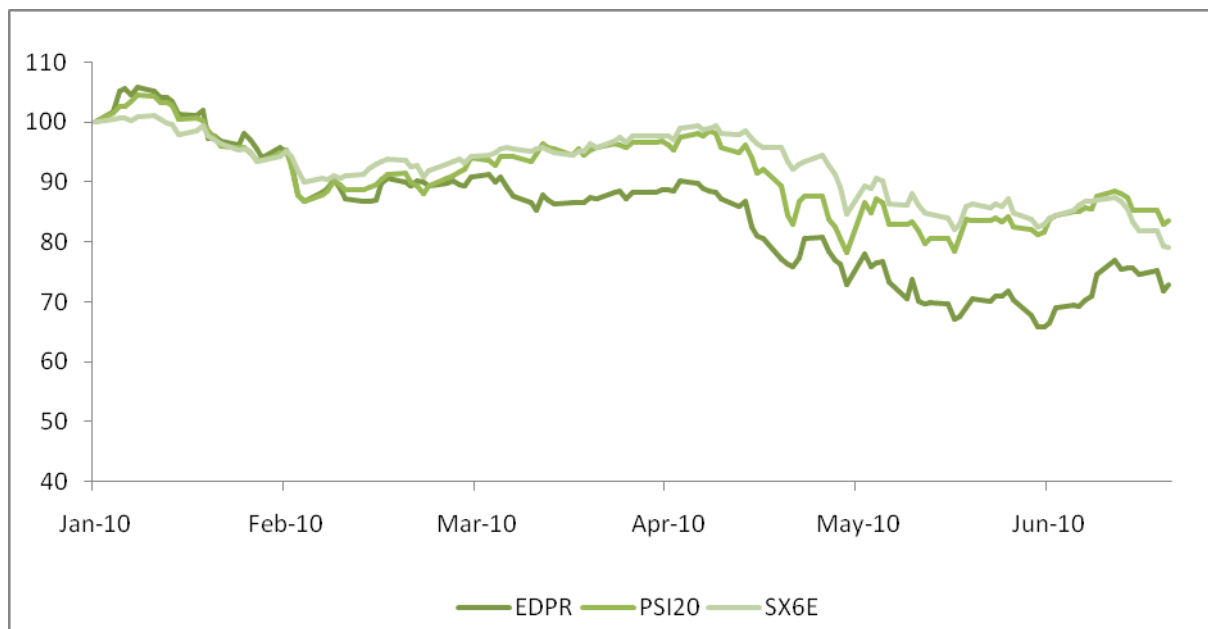
Share Capital	€ 4,361,540.810
Nominal Share Value	€ 5.00
N.º of Shares	872,308,162
Date of IPO	June 4 th , 2008

NYSE Euronext Lisbon

Reuters RIC	EDPR.LS
Bloomberg	EDPR PL
ISIN	ES0127797019

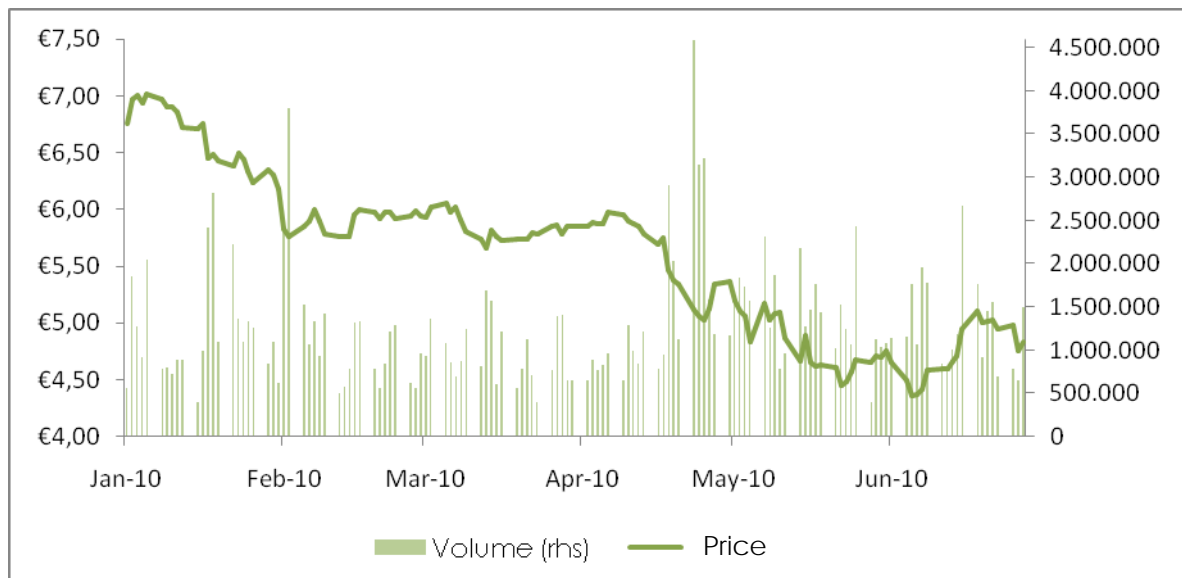
11.12 EDP Renováveis share price

During 1H2010, EDP Renováveis' share price decreased by 27%, closing the semester at €4.83 each. In the same period, the Dow Jones Eurostoxx Utilities, the PSI20, and the Euronext 100 fell by 21%, 17% and 9%, respectively.



During the 1H2010, 163,088,920 EDP Renováveis shares were traded, corresponding to a turnover of approximately €903 million. On average, at Euronext Lisbon, EDP Renováveis daily trade volume was around 1.3 million shares per day. EDP Renováveis market capitalization at 30 of June was €4.2 billion.

1H10 EDP Renováveis share price and transactions



12. DISCLAIMER

This report has been prepared by EDP Renováveis, S.A. (the “Company”) to support the presentation of 1H10 financial and operational performances. Therefore, the disclosure or publish of this document for any other purpose without the express and prior written consent of the Company is not allowed. EDP Renováveis does not assume any responsibility for this report if it is used for different purposes.

This document has not been audited by any independent third party. Therefore, the information contained in the report was not verified for its impartiality, accuracy, completeness or correctness.

Neither the Company -including any of its subsidiaries, any company of EDP Renováveis Group and any of the companies in which they have a shareholding-, nor their advisors or representatives assume any responsibility whatsoever, including negligence or any other concept, in relation with the damages or losses that may be derived from the use of the present document and its attachments.

Any information regarding the performance of EDP Renováveis share price cannot be used as a guide for future performance.

Neither this document nor any of its parts have a contractual nature, and it can not be used to complement or interpret any contract or any other kind of commitment.

The present document does not constitute an offer or invitation to acquire, subscribe, sell or exchange shares or securities.

The 1H 2010 management report contains forward-looking information and statements about the Company that are not historical facts. Although EDP Renováveis is confident these expectations are reasonable, they are subject to several risks and uncertainties that are not predictable or quantifiable in advance. Therefore, future results and developments may differ from these forward-looking statements. Given this, forward-looking statements are not guarantees of future performance.

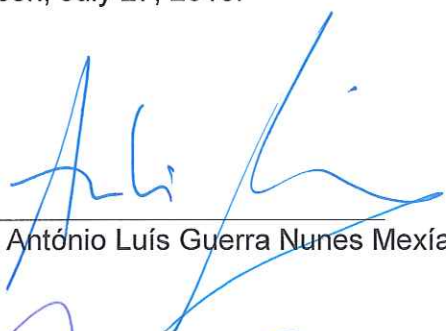
The forward-looking information and statements herein contained are based on the information available at the date of the present document. Except when required by applicable law, the Company does not assume any obligation to publicly update or revise said forward-looking information or statements.

Members of the Board of Directors of the Company EDP Renováveis, S.A.

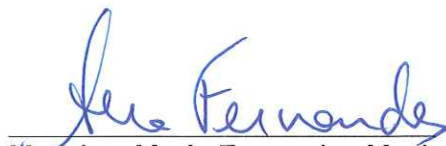
DECLARE

To the extent of our knowledge, the information referred to in sub-paragraph a) of paragraph 1 of Article 245 of Decree-Law no. 357-A/2007 of October 31 and other documents relating to the submission of accounts required by current regulations have been prepared in accordance with applicable accounting standards, reflecting a true and fair view of the assets, liabilities, financial position and results of EDP Renováveis, S.A. and the companies included in its scope of consolidation and the management report fairly presents the evolution of business performance and position of EDP Renováveis, S.A. and the companies included in its scope of consolidation, containing a description of the principal risks and uncertainties that they face.

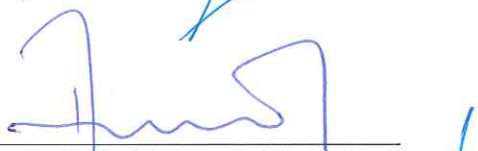
Lisbon, July 27, 2010.



Mr. António Luís Guerra Nunes Mexía



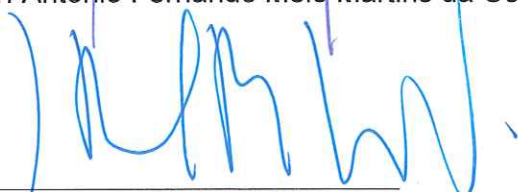
Mrs. Ana Maria Fernandes Machado



Mr. António Fernando Melo Martins da Costa

ABSENT

Mr. Nuno Maria Pestana de Almeida Alves



Mr. João Manuel Manso Neto



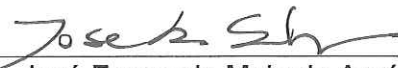
Mr. José Silva Lopes



Mr. António do Pranto Nogueira Leite



Mr. Rafael Caldeira de Castel-Branco Valverde



Mr. José Fernando Maia de Araújo e Silva

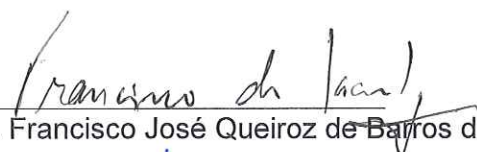
ABSENT


Mr. Manuel Menéndez Menéndez

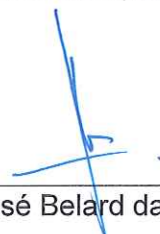

Mr. João Manuel de Mello Franco


Mr. Jorge Manuel Azevedo Henriques dos Santos

ABSENT
Mr. Daniel M. Kammen


Mr. Francisco José Queiroz de Barros de Lacerda


Mr. Gilles August


Mr. João José Belard da Fonseca Lopes Raimundo