edp renováveis

ENERGY WITH INTELLIGENCE

MANAGEMENT REPORT
2015

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MANAGEMENT REPORT 2015

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Castillo Garcimuñoz Wind Farm, Spain

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1. THE COMPANY

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Facaeni Wind Farm, Romania

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01. THE COMPANY

1. EDP RENOVÁVEIS IN BRIEF

1.1. VISION, VALUES AND COMMITMENTS

VISION

A GLOBAL ENERGY RENEWABLE COMPANY, LEADER IN VALUE CREATION, INNOVATION AND SUSTAINABILITY

MISSION:

AIM TO BE A LONG-TERM MARKET LEADER IN THE RENEWABLE ENERGY SECTOR, PURSUING CREDIBILITY THROUGH SAFETY, VALUE CREATION, SOCIAL RESPONSIBILITY, INNOVATION, AND RESPECT FOR THE ENVIRONMENT

VALUES

INITIATIVE	TRUST	EXCELLENCE	INNOVATION	SUSTAINA-BILITY
THROUGH BEHAVIOUR AND ATTITUDE OF OUR PEOPLE	OF SHAREHOLDERS, EMPLOYEES, CUSTOMERS, SUPPLIERS AND OTHER STAKEHOLDERS	IN THE WAY WE PERFORM	TO CREATE VALUE IN OUR AREAS OF OPERATION	AIMED AT THE QUALITY OF LIFE FOR CURRENT AND FUTURE GENERATIONS
We join conduct and professional rigour to enthusiasm and initiative, emphasizing team work	We ensure the participatory, competent and honest governance of our business	We fulfil the commitments that we embraced in the presence of our shareholders	We are leaders due to our capacity of anticipating and implementing	We assume the social and environmental responsibilities that result from our performance thus contributing toward the development of the regions in which we are operatin
We listen to our stakeholders and answer in a simple and clear manner	We believe that the balance between private and professional live is fundamental in order to be successful	We place ourselves in our stakeholder's shoes whenever a decision has to be made	We avoid specific greenhouse gas emissions with the energy we produce	
We surprise our stakeholders by anticipating their needs		We promote the development of skills and merit	We demand excellence in everything that we do	

COMMITMENTS

1.2. WORLD PRESENCE

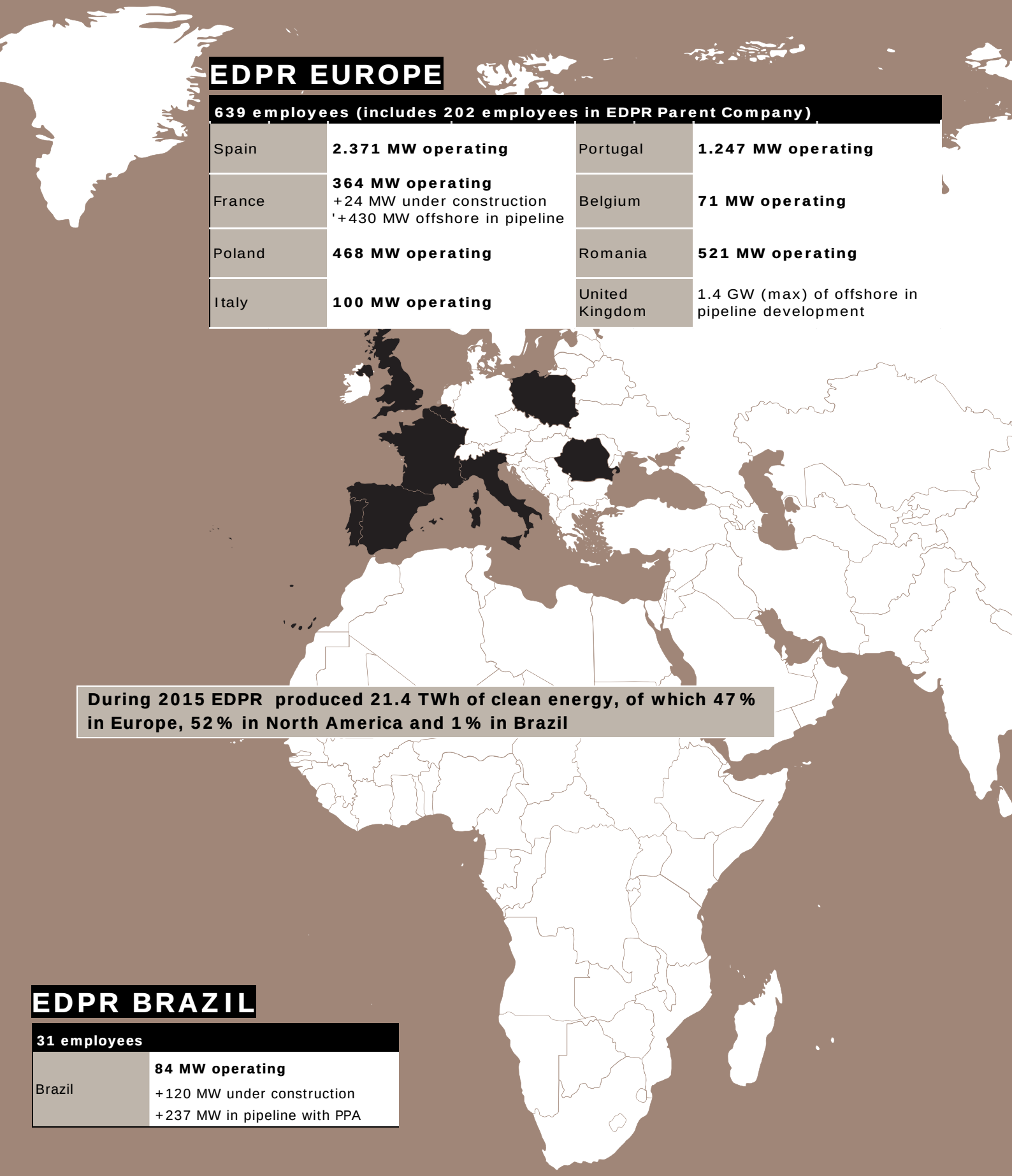
EDPR is a market leader with top quality assets in 12 countries, managing a global portfolio of 9.6 GW of installed capacity, 344 MW under construction and much more in pipeline development, employing more than 1,000 employees

EDPR NORTH AMERICA

348 employees	
United States	**4.382 MW operating** +755 MW in pipeline with PPA
Canada	**30 MW operating**
Mexico	200 MW under construction

EDPR EUROPE

639 employees (includes 202 employees in EDPR Parent Company)			
Spain	**2.371 MW operating**	Portugal	**1.247 MW operating**
France	**364 MW operating** +24 MW under construction '+430 MW offshore in pipeline	Belgium	**71 MW operating**
Poland	**468 MW operating**	Romania	**521 MW operating**
Italy	**100 MW operating**	United Kingdom	1.4 GW (max) of offshore in pipeline development



During 2015 EDPR produced 21.4 TWh of clean energy, of which 47% in Europe, 52% in North America and 1% in Brazil

EDPR BRAZIL

31 employees	
Brazil	**84 MW operating** +120 MW under construction +237 MW in pipeline with PPA

1.3. BUSINESS DESCRIPTION

Our renewable energy business grossly comprises the development, construction and operation of fully controlled wind farms and solar plants to generate and deliver clean electricity.

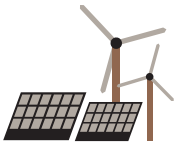
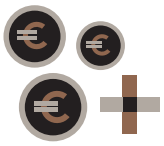


DEVELOPMENT

SITE IDENTIFICATION
Search for sites with top-class wind conditions or irradiance resource and analyse grid connection feasibility.

LANDOWNER AGREEMENT
Contact local landowners and negotiate leasing agreement.

RENEWABLE RESOURCE ANALYSIS
Install meteorogical equipment to collect and study wind profile and solar radiance.

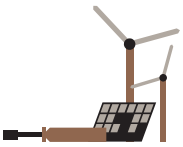
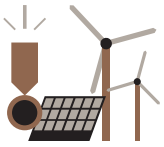
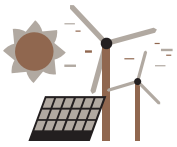




CONSTRUCTION DEVELOPMENT

LAYOUT DESIGN AND EQUIPMENT CHOICE
Optimize the layout of the farm and select the best fit of equipment model based on the site characteristics.

PROJECT EVALUATION AND FUNDING
Evaluate potential operational and financial risks and find appropriate finance to the project.

OBTAIN CONSENTS AND PERMITS
Engage with local public authorities to secure environmental, construction, operating and other licenses.

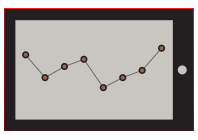
CONSTRUCTION OPERATION

CONSTRUCTION
Build access roads, prepare foundations, assemble wind turbines or solar panels, construct substation.

OPENING CEREMONY
Celebrate the benefits of renewable energy with local communities, authorities and other stakeholders.

WIND AND SOLAR PLANT OPERATION
Complete grid connection and start to generate renewable electricity.





OPERATION

GENERATE AND DELIVER CLEAN ENERGY
Build access roads, prepare foundations, assemble wind turbines or solar panels, construct substation.

ONGOING MAINTENANCE SERVICE
Keep availability figures at the highest level possible and minimise failure rates.

DATA ANALYSIS
Monitor real-time operational data, analyse performance and identify opportunities for improvement.

1.4. SUSTAINABILITY ROADMAP

EDPR, as a renewable energy company, creates great expectations in its stakeholders about Sustainability. Responding to these expectations the company keeps committed to excel in all three pillars of sustainability – namely the economic, the environmental and the social – defining a strategy of best practices. Following a culture of continuous improvement, 10 Sustainability goals were defined within the 2014-2017 Business Plan. This roadmap brings together the three sustainability pillars and is laid down in 10 different areas: 1) Operational growth, 2) Risk controlling, 3) Economic value creation, 4) Environment, 5) Value circle, 6) People, 7) Governance, 8) Stakeholder Engagement, 9) Innovation and 10) Society. Defined goals make performance measurable to help drive the company as a growing leader in value creation, innovation and sustainability.

As of today, EDPR is successfully executing its sustainability roadmap creating solid foundations to outperform its 2014-2017 goals.

Sustainability Roadmap (2014-17)		Execution 2015	
Maintain leadership position in RENEWABLE ENERGY PRODUCTION	:: Installed capacity: > 2,000 MWs additions :: Avoided CO2: +7% (CAGR vs. 2013) :: < 1% emitted / avoided CO2	:: Added +1.1 GW in 2014-15 :: Avoided CO2: +7% (CAGR vs. 2013) :: 0.2% emitted / avoided CO2	✓
CREATE VALUE while maintaining a LOW RISK profile	:: EBITDA: +9% (CAGR vs. 2013) :: Net Profit: +11% (CAGR vs. 2013) :: OPEX/MW: -2% (CAGR vs. 2013)	:: EBITDA: +11% (CAGR vs. 2013) :: Net Profit: +11% (CAGR vs. 2013) :: Lower OPEX/MW (CAGR vs. 2013)	✓
Optimize ENVIRONMENTAL MANAGEMENT	:: 100% Certified MWs (ISO 14001)	:: 92% Certified MWs (ISO14001)	✓
Maintain CIRCULAR ECONOMY in the internal management of the operations	:: Maintain hazardous wastes and used water per GWh ratios aligned with previous years :: > 90% Hazardous wastes recovered	:: 32.7 Kg./GWh and 0.51 l/MWh :: 73% Hazardous wastes recovered	✓
Ensure high SAFETY STANDARDS for employees and contractors	:: 100% Certified MWs (OHSAS 18001) :: Zero accidents mind-set	:: 93% Certified MWs (OHSAS 18001)	✓
Ensure a high standard ETHICAL PROCESS	:: Zero tolerance for unethical behaviours	:: No communications regarding unethical behaviours to the Ethics Ombudsman	✓
Broaden and harmonize the mechanisms of periodic consultation of STAKEHOLDERS	:: Stakeholders plan development in 3 geographies	:: Stakeholders plan developed in Spain	✓
Invest in employees dev. of CORE COMPETENCIES and ensure continued compromise with society through VOLUNTEERING	:: >80% of employees in training activities :: >30% of employees in volunteering activities	:: 99% of employees received training 66% of employees participated in volunteering activities	✓
Promote INNOVATION in operation phase increasing assets efficiency	:: c. €10 million investment	:: €6 million investment	✓
Support SOCIAL AND EDUCATIONAL INITIATIVES through Fundación EDP	:: c. €500 thousand per year investment	:: €632 thousand investment in 2015	✓

1.5. STAKEHOLDERS FOCUS

We aim to maintain an open and transparent dialogue with our stakeholders in order to build and strengthen trust, promote information and knowledge sharing, anticipate challenges and identify cooperation opportunities.

We do so through four main guiding commitments: Comprehend, Communicate, Collaborate and Trust. These commitments underlie a policy that aims to go beyond mere compliance with legal requirements, and to truly engage our different stakeholder groups.

COMPREHEND
Include, Identify, And Prioritize:
We have dynamically and systematically identified the Stakeholders that influence and are influenced by the Company, and we analyse and try to understand their expectations and interests in the decisions that directly impact on them.

COLLABORATE
Integrate, Share, Cooperate, Report:
We aim to collaborate with Stakeholders to build strategic partnerships that bring together and share knowledge, skills and tools, thereby promoting the creation of shared value in a differentiating manner.

COMMUNICATE
Inform, Listen, And Respond:
We are committed to promoting two-way dialogue with Stakeholders through information and consulting initiatives. We listen, inform and respond to Stakeholders in a consistent, clear, rigorous and transparent manner, with the aim of building strong, durable close relationships.

TRUST
Transparency, Integrity, Respect, Ethics:
We believe that the promotion of a climate of trust with our Stakeholders is crucial to establishing stable, long-term relationships. Our relationship with stakeholders is based on values like transparency, integrity and mutual respect.

Who is an EDPR stakeholder? Any person or entity that has an influence on or is influenced by our activities. They can be categorized into four segments: Democracy, Value Chain, Market and Social and Territorial Context.

The image below lists the different stakeholder groups, using Spain as an example:

IN SPAIN MOST STAKEHOLDERS RANK HIGH EDPR'S PERFORMANCE

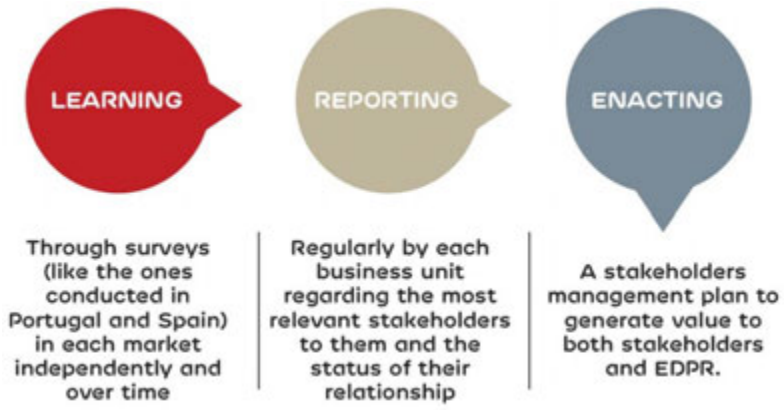
EDPR conducted its first Stakeholder Survey for the Spanish market in 2015 in order to better understand how to improve communication and relationships with its stakeholders. The study was conducted over a three months period, surveying opinions from 12 different groups of stakeholders, including associations, the media, universities, suppliers, analysts, banks, investors, NGOs, city administrators, regional administrators, landowners and employees. The information was collected through interviews conducted in person, on the phone, by mail, and online.

Similar to the survey conducted in Portugal by the EDP Group, this study looked at soft indicators such as satisfaction, relationship, credibility, relevance of issues for the stakeholder, delivery, transparecy, among others. But it also included new indicators, such as the degree of influence on the decision making process, as well as the relevance of issues for EDPR's business.

The analysis of the survey found that EDPR is recognized for its support of renewable energies, safety in energy generation and its quality R&D investments. Stakeholders also reported as some of the most important factors transparency, trustworthiness and a low environmental impact.

Surveying stakeholders helps us understand what influences our relationships with them, and how we can improve these relationships. In order to implement what we learned from the survey, each business unit will regularly report on their most relevant stakeholders and the status of the relationship with each group. We are also working to enact a stakeholder management plan, which will set actionable goals within a set time frame, to generate value for both stakeholders and EDPR.

HOW CAN WE IMPROVE OUR RELATIONSHIP WITH STAKEHOLDERS AND THEIR PERCEPTION TO POSITIVELY IMPACT EDPR BUSINESS?



As pointed out, the Spanish study follows a previous survey conducted in Portugal for the entire EDP Group. In the future, we plan to conduct similar studies in all EDPR markets around the world with the goal of further develop a global vision of the company's relationships with stakeholders across its different locations.

SURVEY FOR THE SPANISH MARKET

2015

3 months

12 different stakeholders

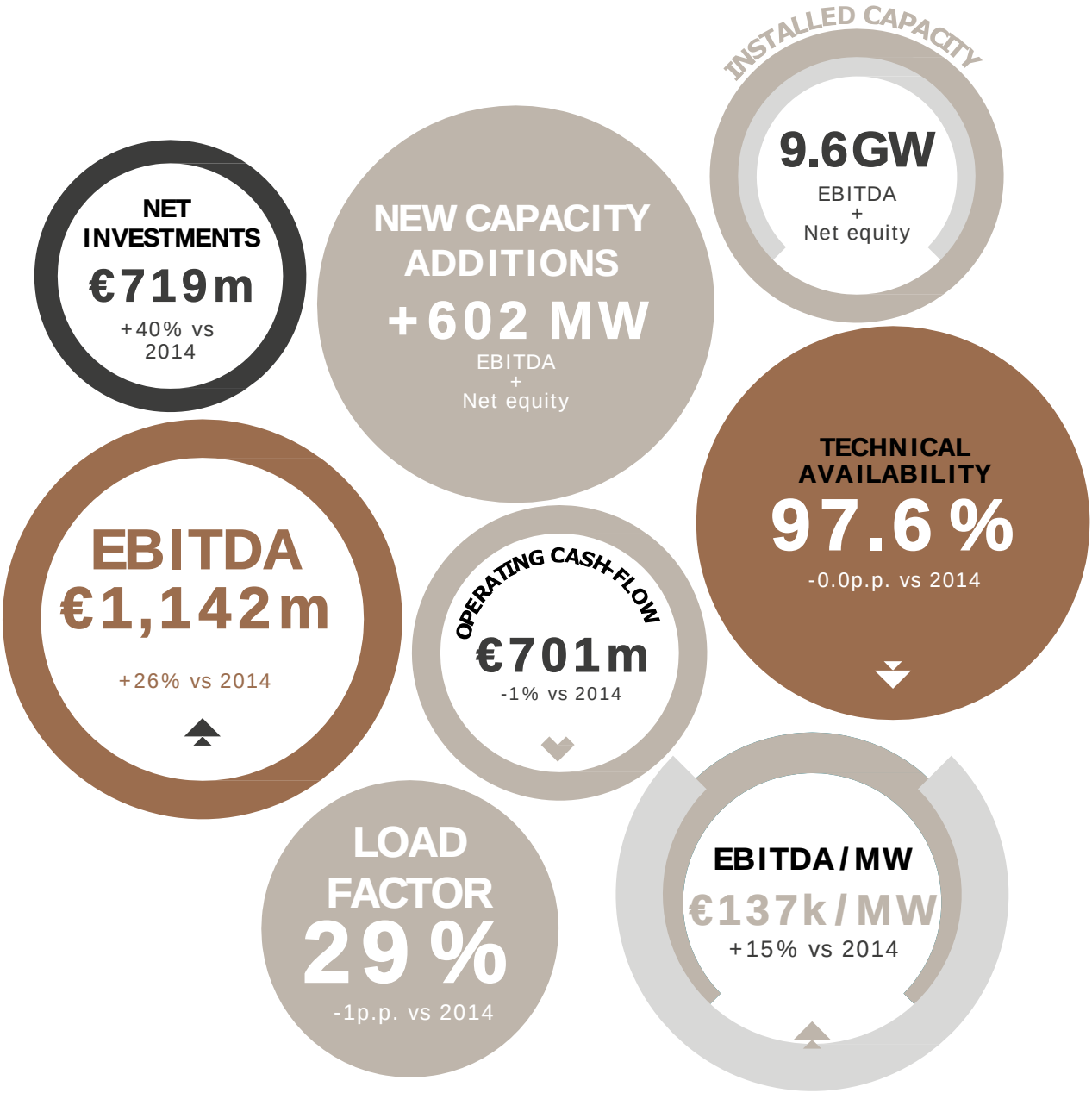
3000 interviews

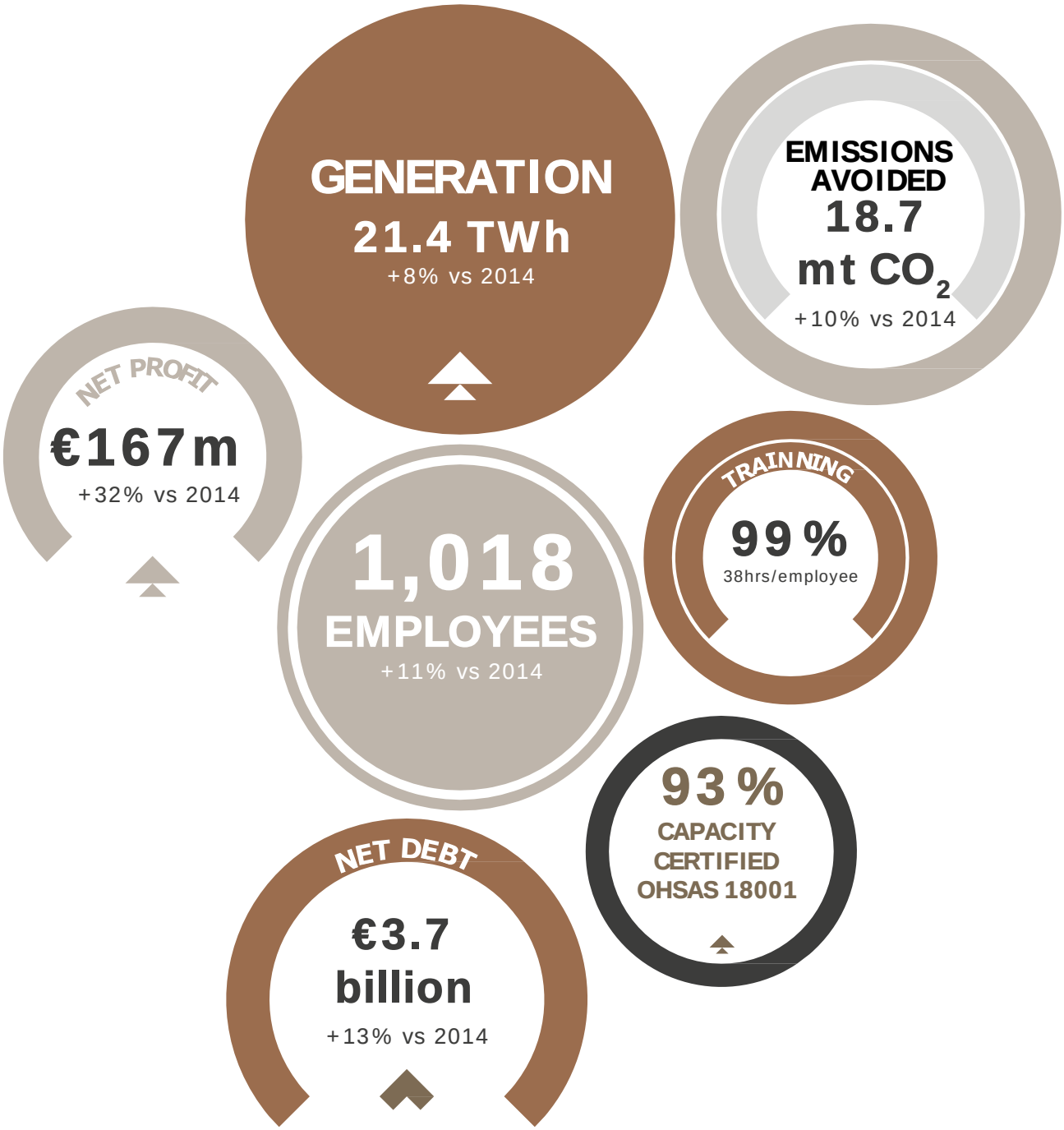
EDPR'S BEST PERFORMING:

- Support for renewable energies
- Safety in energy generation
- Quality R&D investments
- Transparency
- Trustworthiness
- Low environmental impact

2. 2015 IN REVIEW

2.1. KEY METRICS SUMMARY



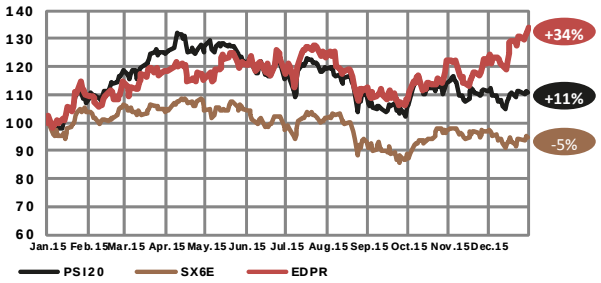

GENERATION
21.4 TWh
+8% vs 2014
EMISSIONS AVOIDED
18.7
mt CO_2
+10% vs 2014
NET PROFIT
€167m
+32% vs 2014
1,018
EMPLOYEES
+11% vs 2014
TRAINNING
99%
38hrs/employee
93%
CAPACITY CERTIFIED OHSAS 18001
NET DEBT
€3.7
billion
+13% vs 2014

2.2. SHARE PERFORMANCE

Share price increased +34% in 2015, significantly outperforming NYSE Euronext Lisbon PSI20 and Dow Jones Eurostoxx Utilities SX6E.

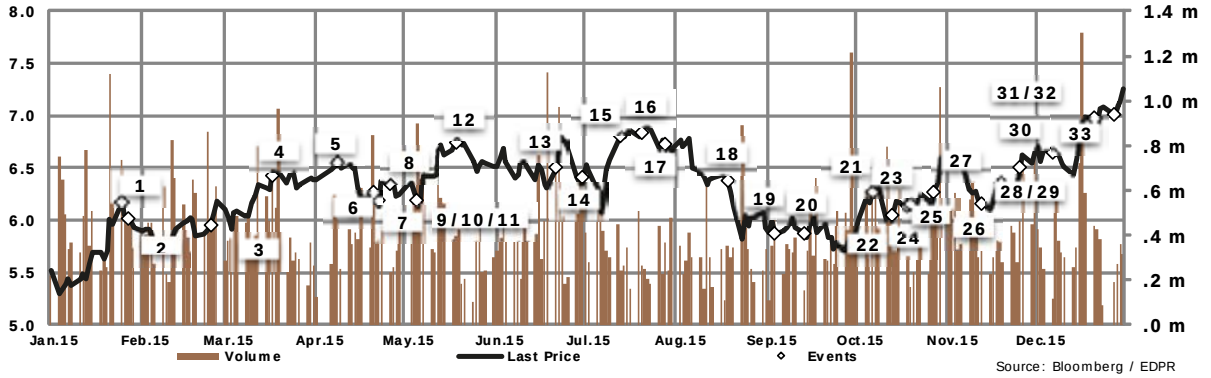
EDPR has 872.3 million of shares listed and admitted to trading in NYSE Euronext Lisbon. On December 31st 2015 EDPR had a market capitalization of 6.3 billion euro, +34% above from the 4.7 billion euro at previous year-end, and equivalent to € 7.25 per share. In 2015 total shareholder return was 35%, considering the dividend paid on May 8th of € 0.04 per share.

Indexed EDPR share performance vs. PSI 20 & SX6E



Source: Bloomberg

EDPR in Capital Markets	2015	2014	2013	2012	2011
Opening price (€)	5.40	3.86	3.99	4.73	4.34
Minimum price (€)	5.30	3.87	3.58	2.31	5.25
Maximum price (€)	7.25	5.7	4.36	4.86	3.89
Closing price (€)	7.25	5.4	3.86	3.99	4.73
Market capitalization (€ million)	6,324	4,714	3,368	3,484	4,124
Total traded volume: Listed & OTC (million)	289.22	396.84	448.15	446.02	463.56
…of which in NYSE Euronext Lisbon (million)	109.67	149.48	200.29	207.49	232.29
Average daily volume (million)	1.13	1.56	1.76	1.74	1.80
Turnover (€ million)	1,824.08	1,976.41	1,759.20	1,525.56	2,098.58
Average daily turnover (€ million)	7.13	7.75	6.9	5.96	8.17
Rotation of capital (% of total shares)	33%	46%	51%	51%	54%
Rotation of capital (% of floating shares)	148%	205%	229%	228%	239%
Share price performance	+34%	+40%	-3%	-16%	+9%
Total shareholder return	+35%	+41%	-2%	-16%	+9%
PSI 20	+11%	-27%	+16%	+3%	-28%
Down Jones Eurostoxx Utilities	-5%	+12%	+9%	-9%	-25%



Source: Bloomberg / EDPR

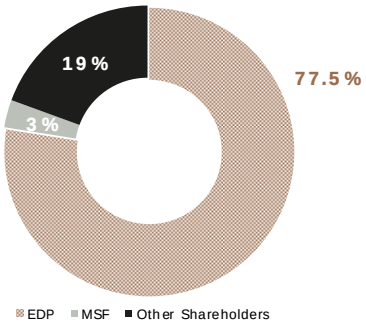
1	EDPR executes project finance for 120 MW in Brazil, 26-Jan	12	EDPR informs about the sale of minority stakes in wind farms in Brasil to CTG, 19-May	23	EDPR informs about agreement with CTG regarding offshore projects in the UK, 19-Oct
2	EDPR 2014 operating data, 28-Jan	13	EDPR informs about a complementary Asset Rotation program, 22-Jun	24	EDPR announces a new institutional partnership structure for 199 MW in the US, 20-Oct
3	EDPR releases FY 2014 results, 25-Feb	14	EDPR executes a new institutional partnership structure for 99 MW in the US, 1-Jul	25	EDPR releases nine months 2015 results, 28-Oct
4	EDPR executes new asset rotation transaction in the US, 18-Mar	15	EDPR first half 2015 operating data, 14-Jul	26	EDPR informs about the award of LT contract for 140 MW at the Brazilian auction, 13-Nov
5	EDPR informs about resolutions of the Annual Meeting of Shareholders, 09-Apr	16	EDPR informs about wind offshore projects in the UK, 21-Jul	27	EDPR informs about a new PPA in the US, 20-Nov
6	EDPR first quarter 2015 operating data, 21-Apr	17	EDPR releases first half 2015 results, 29-Jul	28	EDPR informs about its 2014-17 asset rotation target and a new asset rotation transaction, 26-Nov
7	EDPR announces dividend payment of €0.04 to occur in May 8th 2015, 23-Apr	18	EDPR informs about certain ENEOP assets, 19-Aug	29	EDPR executes a new institutional partnership structure for 100 MW in the US, 26-Nov
8	EDPR acquires of 45% of EDPR Brasil from EDP Brasil, 27-Apr	19	EDPR informs about press news regarding its Asset Rotation program, 4-Sep	30	EDPR informs about PPAs for 100 MW wind farm in the US, 7-Dec
9	EDPR informs about change in corporate bodies, 6-May	20	EDPR informs about its Asset Rotation program, 14-Sep	31	EDPR informs about extension of key wind energy-related tax incentives in the US, 21-Dec
10	EDPR changes representative for relations with the market, 6-May	21	EDPR informs about agreement to acquire licenses for 216 MW in Portugal, 7-Oct	32	EDPR informs about the acquisition of 45% of EDP Renováveis Brasil from EDP Brasil, 21-Dec
11	EDPR releases first quarter 2015 results, 6-May	22	EDPR nine months 2015 operating data, 14-Oct	33	EDPR executes the sale of minority stakes in Poland and Italy, 28-Dec

3. ORGANIZATION

3.1. SHAREHOLDERS

EDPR shareholders are spread across 23 countries. EDP ("Energias de Portugal") is the major one holding 77.5% of the share capital since launching the company's IPO in June 2008.

EDPR SHAREHOLDERS



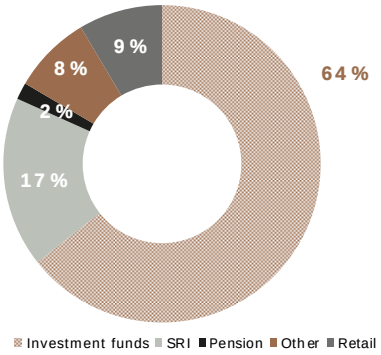
EDPR total share capital is, since its initial public offering (IPO) in June 2008, composed of 872.308.162 shares issued with a nominal value of five euros each, fully paid. All these shares are part of a single class and series and are admitted to trading on the NYSE Euronext Lisbon regulated market.

MAJOR SHAREHOLDER, THE EDP GROUP

The majority of the company's share capital is owned by EDP Group, holding 77.5% of the share capital and voting rights, since launching the company's IPO in June 2008.

EDP ("Energias de Portugal") Group is a vertically integrated utility company, the largest generator, distributor and supplier of electricity in Portugal, has significant operations in electricity and gas in Spain and is the 4th largest private generation group in Brazil through its stake in Energias do Brasil. In the Iberian Peninsula, EDP is the third largest electricity generation company and one of the largest distributors of gas. EDP has a relevant presence in the world energy outlook, being present in 14 countries, with more than 10 million electricity customers and 1.2 million gas supply points and almost 12.000 employees around the world. In 2015, EDP had an installed capacity of 24.3 GW, generating 63.7 TWh, of which 34% come from wind. EDP has been recognised #1 worldwide in the Dow Jones Sustainability Index in the Utilities sector for the year 2013, and again in 2014, and member of the DJSI World for 8 years, following the group performance in the economic, social and environmental dimensions. Its holding company, EDP SA, is a listed company whose ordinary shares are traded in the NYSE Euronext Lisbon since its privatization in 1997.

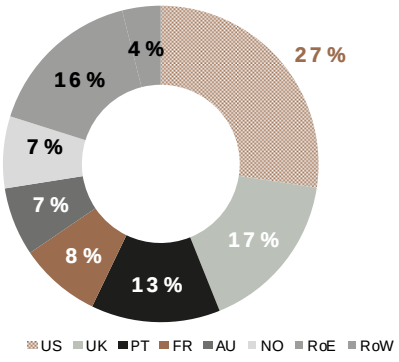
SHAREHOLDER (EX-EDP) BY TYPE



OTHER QUALIFIED SHAREHOLDERS

Besides the qualified shareholding of EDP Group, MFS Investment Management - an American-based global investment manager formerly known as Massachusetts Financial Services - communicated to CNMV in September 2013 an indirect qualified position, as collective investment institution, of 3.1% in EDPR share capital and voting rights.

SHAREHOLDER (EX-EDP) BY COUNTRY



BROAD BASE OF INVESTORS

EDPR has a broad base of international investors. Excluding EDP Group, EDPR shareholders comprise more than 72,000 institutional and private investors spread worldwide. Institutional investors represent about 91% of EDPR investor base (ex-EDP Group), while the remaining 9% stand private investors, most of whom are resident in Portugal.

Within institutional investors, investment funds are the major type of investor, followed by sustainable and responsible funds (SRI). EDPR is a member of several financial indexes that aggregate top performing companies for sustainability and corporate social responsibility.

WORLDWIDE SHAREHOLDERS

EDPR shareholders are spread across 23 countries, being United States the most representative country, accounting for 27% of EDPR shareholder base (ex-EDP Group), followed by United Kingdom, Portugal, France, Australia and Norway. In Rest of Europe the most representative countries are Netherlands, Spain and Switzerland.

3.2. GOVERNANCE MODEL

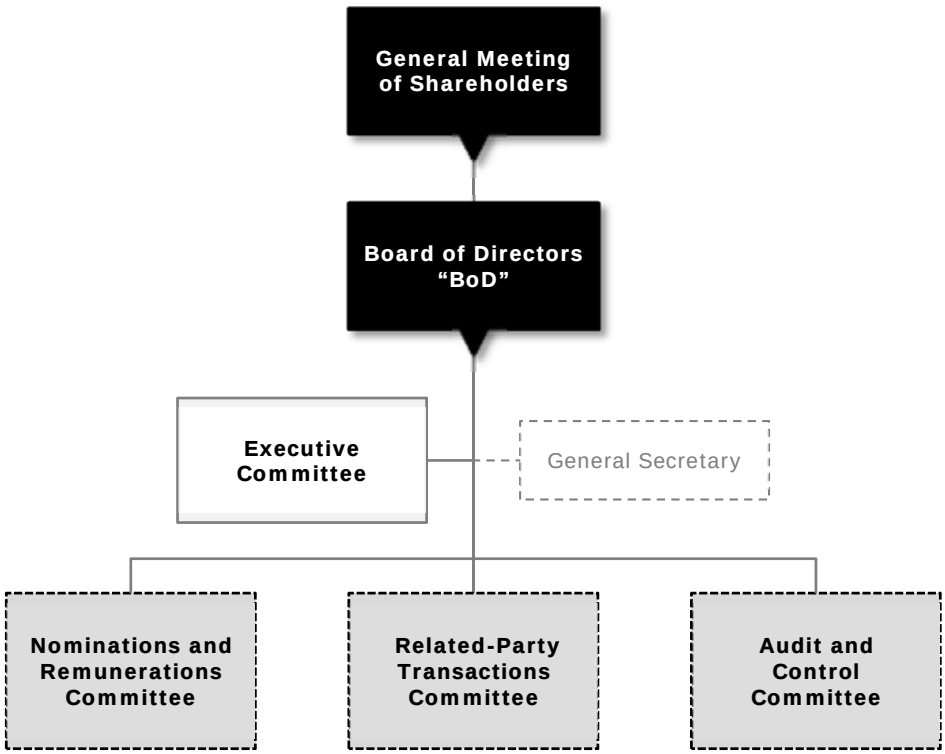
Corporate governance is about promoting corporate fairness, transparency and accountability. EDPR's corporate governance structure specifies the shareholders, board of directors, managers and other stakeholders' rights and responsibilities and spells out the rules and procedures for making decisions on corporate affairs. It also incorporates the organization's strategic response to risk management.

EDPR's corporate governance model is designed to ensure transparency and accountability through a clear separation of duties between management and supervision of the company's activities.

The corporate governance structure adopted is the one in effect in Spain. It comprises a General Meeting of Shareholders and a Board of Directors that represents and manages the company. As required by the law and established in the company's articles of association, the Board of Directors has set up four specialized committees. These are the Executive Committee, the Audit and Control Committee, the Nominations and Remunerations Committee and the Committee on Related-Party Transactions.

This governance structure and composition was chosen to adapt the company's corporate governance model also to the Portuguese legislation and it seeks, insofar it is compatible with the Spanish law, to correspond to the so-called "Anglo-Saxon" model set forth in the Portuguese Commercial Companies Code, in which the management body is a Board of Directors, and the supervision and control duties are of the responsibility of a separate body, a Supervisory Board.

EDPR's model attempts then to establish compatibility between two different systems of company law, through a Nominations and Remunerations Committee and Audit and Control Committee of independent members, although not exclusively separate from the Board of Directors ("BoD").



General Shareholders' Meeting

General Shareholders' Meeting is the body where the shareholders participate, it has the power to deliberate and adopt decisions, by majority, on matters reserved by the law or the articles of association.

BOARD OF DIRECTORS

António Mexia
Chairman

Emilio García-Conde
General Secretary

João Manso Neto
Vice-Chairman and CEO

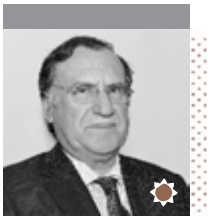
Miguel Dias Amaro
CFO

João Paulo Costeira
COO Europe & Brazil

Gabriel Alonso
COO North America

Nuno Alves

João Lopes Raimundo

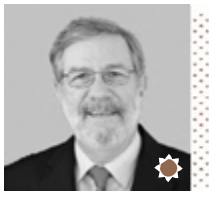


Jorge Santos
Chairman

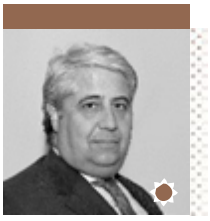
João de Mello Franco
Chairman

José Ferreira Machado
Chairman

Manuel Menéndez



Allan J. Katz



António Nogueira Leite

Francisca Guedes de Oliveira

Gilles August

Acácio Piloto

Executive Committee
Audit and Control Committee
Nominations and Remunerations Committee
Related-Party Transactions Committee
Independent Member

Board of Directors

EDPR's BoD shall consist of no less than 5 and no more than 17 Directors, including a Chairperson. Currently it is composed by 16 board members, out of which 9 are independent. BoD members are elected for 3 years period and may be re-elected for equal periods.

EDPR's BoD has the broadest power for the administration, management and governance of the company, with no limitations other than the responsibilities expressly and exclusively invested in the General Shareholders Meeting, in the company's articles of association or in the applicable law. Its members must meet at least 4 times a year, preferably once a quarter. Nonetheless, the Chairperson, on his own initiative or that of 3 Directors, shall convene a meeting whenever he deems fit for the company's interests.

Executive Committee

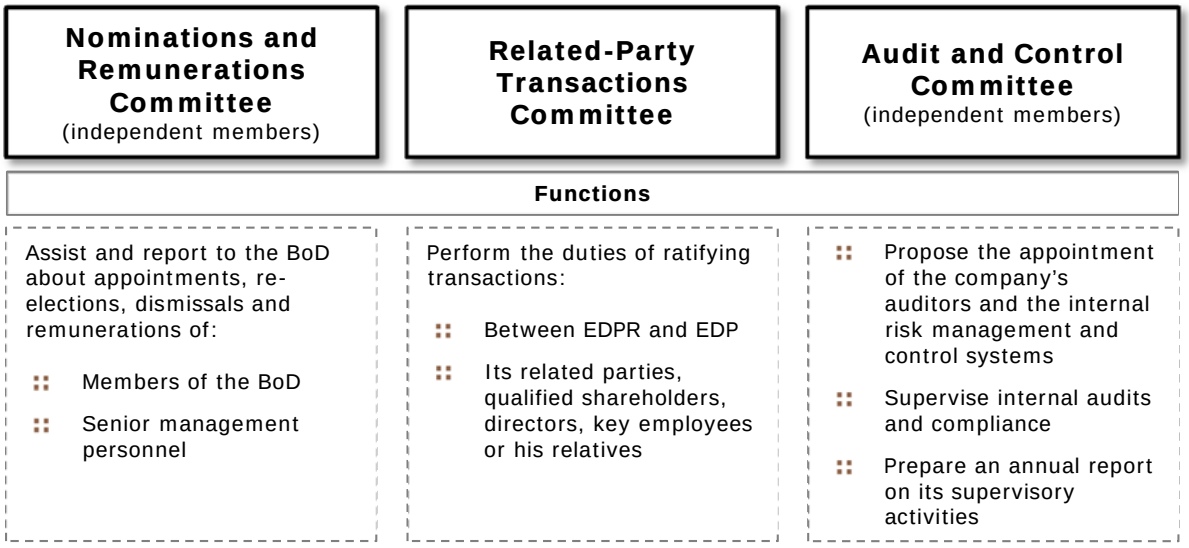
EDPR's Executive Committee (EC) is composed by five members, including a Chief Executive Officer (CEO). The CEO coordinates the implementation of the BOD decisions and the Corporate and General Management functions, partially assigning those to the other executive officers, namely: the Chief Financial Officer (CFO), the Chief Operating Officer for Europe and Brazil (COO EU & BR) and the Chief Operating Officer for North America (COO NA).

The CFO proposes and ensures the implementation of the financial policy and management, including financial negotiation, management and control, cash management optimization and financial risk management policy proposal; he also coordinates and prepares the business plan and the budget, manages the financial statements reporting analyses the operational and financial performance and coordinates procurement function and relations with key suppliers while ensuring the implementation of the procurement strategy and policy.

The COO EU & BR and the COO NA coordinate their platforms by developing, establishing and implementing the strategic plan for the renewable energy business in their respective platforms, in accordance with the guidelines set by the BOD; they are also responsible for planning, organizing and managing resources, controlling, measuring and improving the management of projects and subsidiary companies to achieve expected results to make EDPR a leader in the renewable energy sector in their respective platforms.

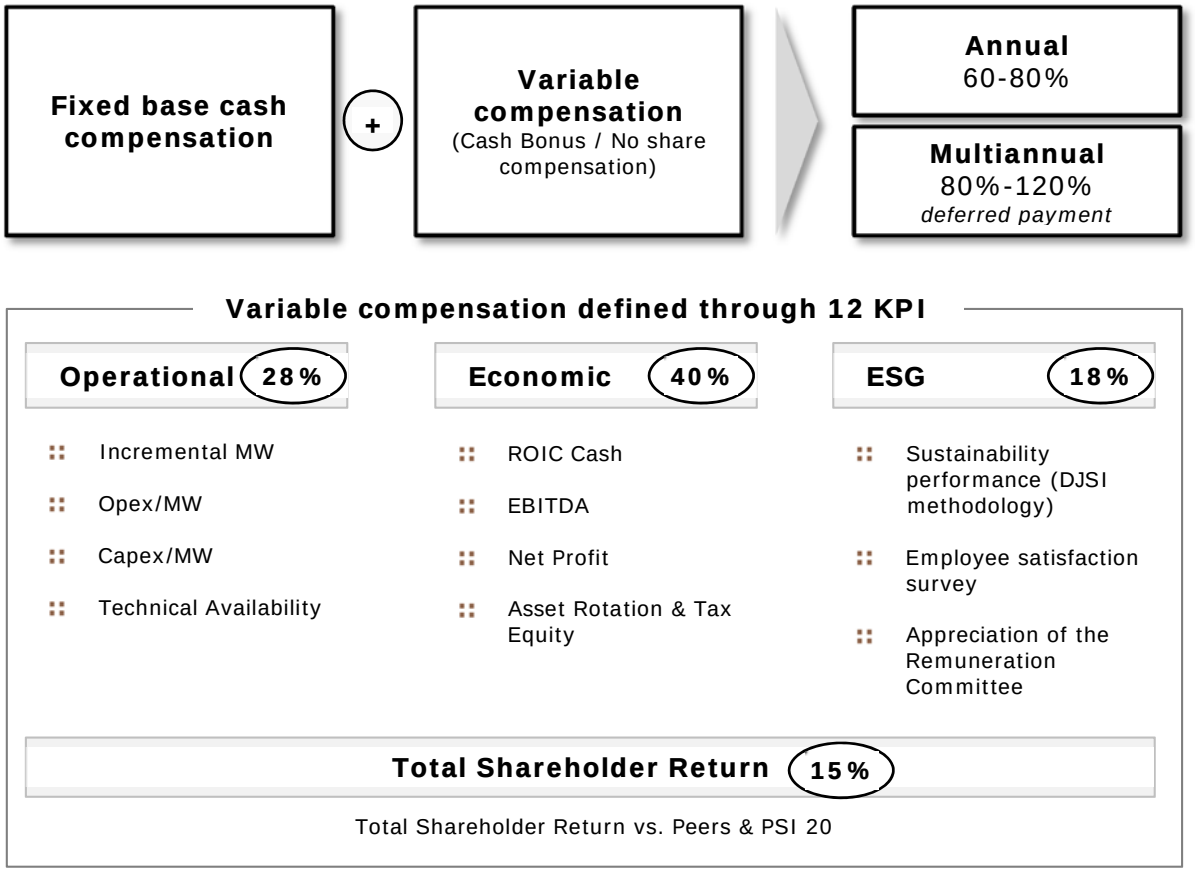
Nominations and Remunerations, Related-Party Transactions and Audit and Control Committees

In addition to EC referred above, EDPR governance model contemplates permanent bodies with an informative, advisory and supervisory tasks independently from the BoD, such as:



Remuneration Policy

EDPR governance model is reinforced by an incentive structure with transparent remuneration through variable remuneration based on key performance indicators.

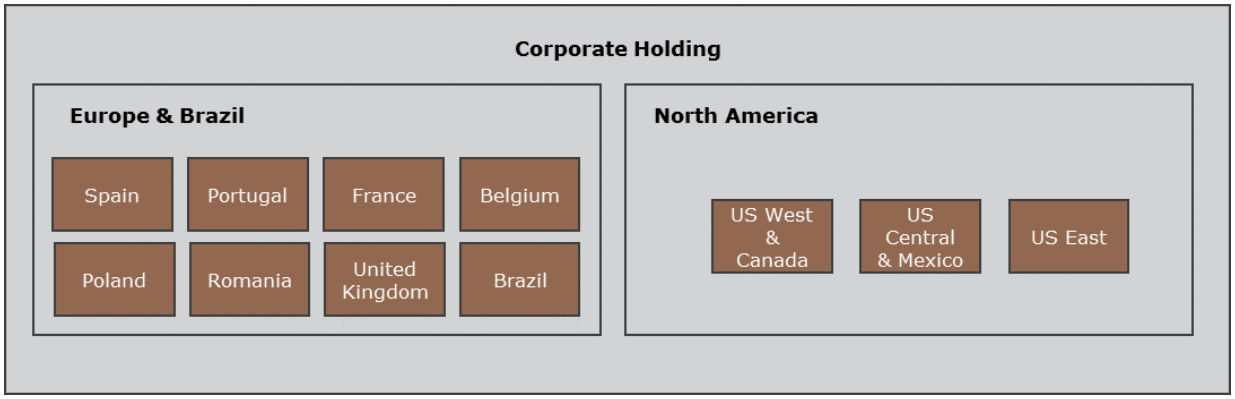


For further detailed information regarding the responsibilities and roles of the different social bodies, as well as 2015 activity, please refer to the Corporate Governance section, at the end of this report. The company also posts its up-to-date articles of association and regulations at www.edpr.com.

3.3. ORGANIZATION STRUCTURE

The organization structure is designed to accomplish the strategic management of the company but also a transversal operation of all the business units, ensuring alignment with the defined strategy, optimizing support processes and creating synergies.

EDPR is organized around three main elements: a corporate Holding and two platforms that group all the business units where the company has presence.



ORGANIZATIONAL MODEL PRINCIPLES

The model is designed with several principles in mind to ensure optimal efficiency and value creation.

Accountability alignment	Critical KPIs and span of control are aligned at project, country, platform and holding level to ensure accountability tracking and to take advantage of complementarities derived from end-to-end process vision.
Client-service	Corporate areas function as competence support centers and are internal service providers to all business units for all geographical non-specific needs. Business priorities and needs are defined by local businesses and best practices are defined and distributed by corporate units.
Lean organization	Execution of activities at holding level are held only when significant value is derived, coherently with defined EDPR holding role.
Collegial decision-making	Ensures proper counter-balance dynamics to ensure multiple-perspective challenge across functions.
Clear and transparent	Platforms organizational models remain similar to allow for: - Easy coordination, vertically (holding-platforms) and horizontally (across platforms); - Scalability and replicability to ensure efficient integration of future growth.

EDPR HOLDING ROLE

EDPR Holding seizes value creation, through the dissemination of best practices in the organization and the standardization of corporate processes to the platforms and the business units to improve efficiency. Its internal coordination model and interface with EDP group impacts both the company's processes - activities performed, processes steps, inputs and outputs, and decision-making mechanisms -, and the company's structure, with an alignment of functions and responsibilities with the processes configuration.

The EDPR Holding structure was designed to accomplish two fundamental roles: **Strategic Management** and **Transversal Operation**.

Strategic Management covers to a) adopt a coordination model within the group, supporting the Executive Committee in the definition and control of the strategy policies and objectives; b) define specific strategic initiatives; c) review the accomplishment of the company's business plan; d) define transversal policies, rules and procedures; e) control key performance indicators.

Transversal Operation deals to i) ensure the alignment of all the platforms with the defined strategy; ii) capture synergies and optimize support processes; and iii) systematically and progressively concentrate supporting activities in shared service business units with the group.

INTEGRITY AND ETHICS

Ethical behaviour is absolutely essential for the functioning of the economy. EDPR recognizes its importance and complexity, and is committed to address ethics and its compliance. But is employees' responsibility to comply with ethical obligations.

GOVERNANCE MODEL FOR ETHICS

Ethics are the cornerstone of EDPR strategy, to the extent that EDPR has a Code of Ethics and an Anti-Corruption regulation that go beyond just defining the company principles to be adopted, but also how employees and any other service provider working on behalf of EDPR should behave when dealing with the company stakeholders. The Code of Ethics has its own regulation that defines a process and channels to report any potential incident or doubt on the application of the code. The Ethics Ombudsman is behind this communication channel, and to analyse and present to the Ethics Committee any potential ethical problem. The code is communicated and distributed to all employees and interested parties, and complemented with tailored training sessions.

HOW DO WE APPLY OUR CODE OF ETHICS?

EDPR's Code of Ethics applies to all company employees, regardless of their position in the organization and working location, and they all must comply with. Our suppliers should be aligned with the spirit of our Code of Ethics, and this is reflected in our procurement policies.

The Ethics Ombudsman plays an essential role in the ethics process. He guarantees impartiality and objectivity in registering and documenting all complaints of ethical nature submitted to him. He monitors their progress and ensures that the identity of the complainants remains confidential, while entering into contact with them whenever appropriate, until the case is closed.

Identify an alleged violation of the code of ethics	Reports of alleged violations of the Code of Ethics must be submitted to the Ethics Ombudsman, indicating personal data and a detailed description of the situation.
Ombudsman performs a summary investigation	Ethics Ombudsman first confirms the events reported and submits a preliminary report on the initial confirmations to the Ethics Committee.
Ethics Committee decides if the complaint portrays a violation	Ethics Committee analyses every situation reported and decides as to whether it should be classified as a violation of the Code of Ethics.
When a violation is confirmed, the Committee opens an investigation	When conducting an investigation, the Company shall abide by the law and its own in-house rules. After the investigation is complete, the Committee decides whether any corrective or disciplinary action is required.

In 2015 there were no communications to the Ethics Ombudsman regarding any irregularity at EDPR and no communications regarding any irregularity with material impact at EDPR though the whistleblowing channel.

ETHICS PROGRAM

Our commitment to ethics is reflected in our Ethics Program. Launched in 2010 and in order to renew ethical behaviours within the company and transmit the new additions to the code, was performed again during 2015.

The Ethics program is an important tool to assess the current status and promote awareness on the issue internally. The Program consists of an interpretative guide of the Code of Ethics, a survey to assess how ethics is understood by EDPR's workers and a training program. An online pilot training program was launched in 2015 to transmit general concepts to a group of employees, and after the great feedback provided by them it will be expanded to the rest of EDPRs personnel during 2016.

ANTI-CORRUPTION REGULATION

In order to ensure compliance with the standards of Anti-Corruption Regulation in all geographies where EDPR operates, the Company has developed an Anti-Corruption Policy of application to all EDPR Group, which was approved by its Board of Directors on December, 2014.

This Anti-Corruption Policy will involve a series of new procedures regarding the relationships of EDPR employees with external parties, namely the approval of certain actions regarding hospitality to and from external parties, charitable donations, and sponsorships. This Policy was implemented in the Group throughout 2015.

EMPLOYEE RELATIONS

EDPR is committed to respect freedom of trade union association and recognises the right to collective bargaining.

At EDPR, from 1,018 employees, 20% were covered by collective bargaining agreements. Collective bargaining agreements apply to all employees working under an employment relationship with some companies of EDPR group, regardless of the type of contract, the professional group into which they are classified, their occupation or job. However, matters relating to the corporate organization itself, the laws of each country or even usage and custom in each country result in certain groups being expressly excluded from the scope of collective bargaining agreements.

The collective bargaining agreements that are applied at EDPR are usually negotiated at state level or regional level, and EDPR may be just one of the players among other leading sectorial companies in the negotiation with employees' representatives, and in some cases, governmental representatives. In Portugal and Brazil, EDP negotiates its own agreements with employees, and those apply to all employee working for companies of the group, including EDPR.

Despite not taking an active part in the negotiations, EDPR wants to facilitate the broadcast of any update in those agreements. EDPR organized training sessions for its employees to inform about the results of those negotiations.

During the last years, EDPR has performed different benchmark analysis of the benefits stated at the different collective bargaining agreements that apply to our employees, comparing them against the benefits offered by the company and, in general terms, the company offers a more competitive benefits package compared to what is stated in the collective bargaining agreement.

During 2015, representatives of the company held different meetings with employees' representatives to deal with some critical topics that affect EDPR, such as the health and safety of its employees, or the bonus payment that is being done in Brazil. In France, EDPR representatives defined a roadmap with the elected employees' representatives with the actions to follow in the short term.

A full description of the Ethics governance model can be found in the Corporate Governance Report

edp renováveis

ENERGY WITH INTELLIGENCE

MANAGEMENT REPORT 2015

index

2. STRATEGY

ENERGY WITH INTELLIGENCE

MANAGEMENT REPORT 2015

Margonin Wind Farm, Poland

ENERGY WITH INTELLIGENCE

MANAGEMENT
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02. STRATEGY

1. BUSINESS ENVIRONMENT

1.1. TRANSITION TOWARDS A LOW CARBON ECONOMY

The world is currently facing vital decisions about the energy of tomorrow. While global primary energy demand is likely to grow by more than 30% over the next 20 years, the need to tighten greenhouse gas (GHG) emissions to address climate change is one of the main challenges of this century. This challenge, and in particular, the goal of limiting global warming below 2°C recently agreed at COP 21, requires an urgent shift towards a low-carbon economy.

The scientific consensus is that the Earth's climate system is unequivocally warming, and this is extremely likely attributable to GHG emissions from human activities.

Indeed, climate scientist have observed that carbon dioxide (CO_2) concentrations in the atmosphere have been increasingly rising over the past century: from the pre-industrial level of around 280 ppm (parts per million), to 397 ppm in 2014. This represents approximately a 40% increase, a trend that is inevitably leading to a rise in temperature levels due to the "greenhouse effect" (by which GHG trap heat in the atmosphere). It has been commonly regarded as an adequate mean to stop this trend and avoid the worst impacts of climate change, to keep global warming below 2°C compared to the pre-industrial average.

"Scientific evidence for warming of the climate system is unequivocal"

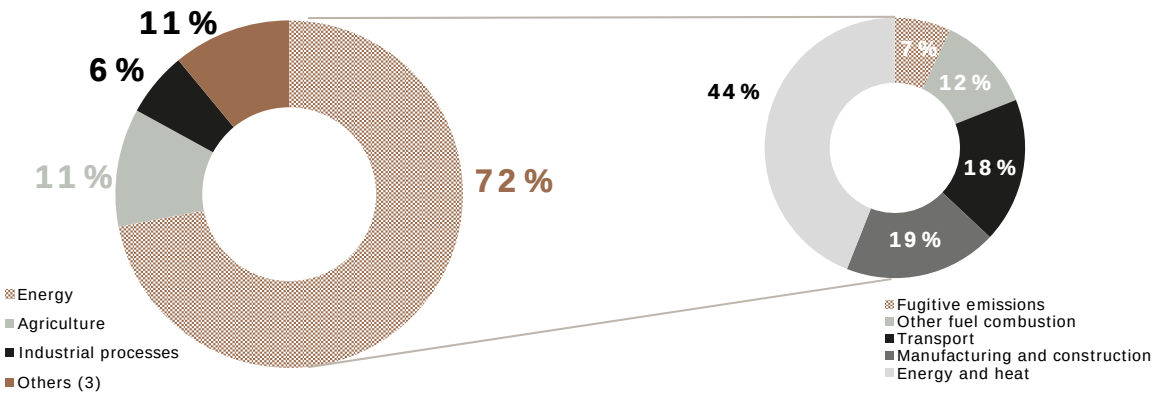
Intergovernmental Panel on Climate Change (IPCC)

THE ENERGY CONTRIBUTION

The energy sector is responsible for approximately two thirds of GHG emissions, being the power sector the largest emitter of CO_2. This suggest that we are not able to effectively fight against climate change without a shift in the way we produce energy, and in particular, electricity. Therefore, a key pillar of mitigation strategies is the decarbonisation of the energy sector through renewable energy deployment.

However, current deployment of renewables, especially in the heating sector and in transport, is still not enough to achieve the required energy-related CO_2 reductions, to keep global warming below 2°C. Therefore, the fundamental shift towards decarbonisation is still underway.

GLOBAL GREENHOUSE GAS EMISSIONS BY SECTOR



Source: World Resource Institute (2015)

COP 21 AGREEMENT REACHED IN PARIS

In December 2015, the COP 21 UN Climate Change Conference reached an historical agreement. A legally binding commitment signed by 195 countries aiming at keeping global warming below 2°C.

ROAD TO PARIS AGREEMENT

The Agreement reached at Paris in 2015 is the result of a process that started in Rio de Janeiro Earth Summit back in 1992. The United Nations Framework Convention on Climate Change (UNFCCC) was adopted, acknowledging the existence of anthropogenic climate change.

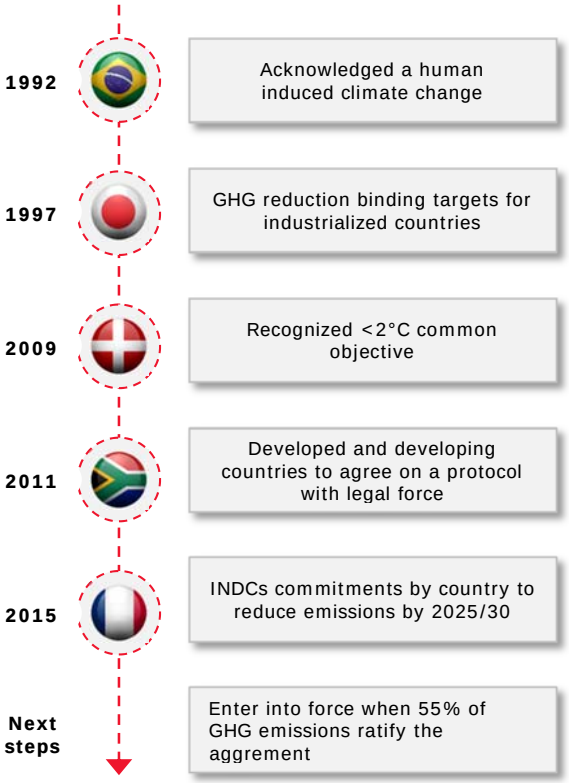
Industrialized countries had the major responsibility for combating it, and the Kyoto Protocol in 1997 provided those countries with binding GHG emissions reduction targets for the period 2008-2012, which entered into force in 2005.

In 2009, countries failed to extend the Kyoto Protocol, but they managed to recognize the common objective of keeping global temperature increase below 2°C.

In 2011, the Durban Platform for Enhanced Action (ADP) was created in order to seek an agreement before 2015, with legal force, applicable to both developed and developing countries, to be applicable in 2020.

In the run-up of the Paris Conference, 186 countries submitted their commitment to fight climate change (INDCs), with GHG reductions targets for 2025-2030.

The submitted INDCs showed that pledges would still result in a global warming between 2.4°C and 2.7°C, therefore, above the 2°C threshold.



KEY ELEMENTS OF PARIS AGREEMENT

After a four-year negotiation round, bythe end of 2015, the so-called Paris Agreement was finally achieved with 195 countries agreing to curb greenhouse gas emissions in order to avoid the worst impacts of global warming. The agreement can be considered as historical as it reached the following key factors:

- **195 countries** participated in an agreement that reflects a “hybrid” approach, blending a top-down rules-based system and a bottom-up system of voluntary pledges to provide flexibility.
- **Keeping average warming below 2°C** was reaffirmed as the common goal, with some parties that should make efforts to limit it to 1,5 °C.
- **Aims to peak GHG emissions as soon as possible**, and to achieve “balance” between emissions and sinks in the second half of the century.
- **Sets mechanisms to rise targets periodically,** since submitted INDCs don’t seem to be enough. Every country is bound to submit a new Nationally Determined Contribution (NDC) every 5 years, being each NDC progressively more ambitions than the previous one. However, NDCs are not binding.
- **Places a legal obligation on developed countries to provide climate finance to developing countries,** including a provision, stating prior to 2025, where countries should agree a “new collective quantified goal” from the floor of US$ 100 bn per year
- The Agreement is a treaty under international law, although not every provisions are legally binding.

NEXT STEPS

The Paris Agreement will be open for signature on April 22, 2016, and will enter into force on the 30th day, after at least 55 parties accounting for 55% of global greenhouse gas emissions have ratified it. Therefore, the earliest possible date of which the Agreement could enter into force is end-May 2016 but its unlikely to be so straightforward, with governments needing time to push ratification through their respective governments.

1.2. RENEWABLE ENERGY ADVANTAGES

In the current decarbonization scenario, with the commitment to keep global warming below +2°C, renewables are expected to play a key role within an energy sector that is the largest contributor to GHG emissions. Renewable energy has proven to be a competitive source of energy, with a strong contribution to GDP growth while on top of mitigating the potential impacts in the economy that climate change would bring.

A. AN IMMEDIATE PATH TO DECARBONISE THE GLOBAL ENERGY MIX

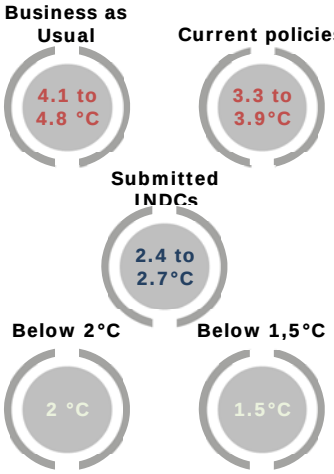
Ramping renewables is essential to meet climate goals without decelerating economic growth and reducing welfare. In the submitted INDCs prior to COP 21, the growth of the renewable energy capacity (including hydro) is expected to go from 29% in 2013 to a 44% in 2040, about 34% of the generation.

However, the fully implementation of the submitted INDCs and policies of similar strength after 2030, probably will still lead to a warming of around 2.4-2.7°C by 2100.

To achieve the 2°C target scenario, it would require emissions to be close to zero in 2100, while the 1.5° would even require negative emissions from 2080 onwards, which could be achieved with CO_2 removal technologies.

According to "IRENA" (International Renewable Energy Agency), doubling the share of renewable energy by 2030 could deliver around half of the required emissions reductions and, coupled with energy efficiency, keep the average rise in temperatures below 2°C, preventing, ultimately, the worst impacts of climate change. Most precisely, doubling the share of renewable energy by 2030 would allow to reduce 8.6 Gt of energy-related CO_2 every year until 2030.

PROJECTED TEMPERATURES INCREASE(1) IN 2100



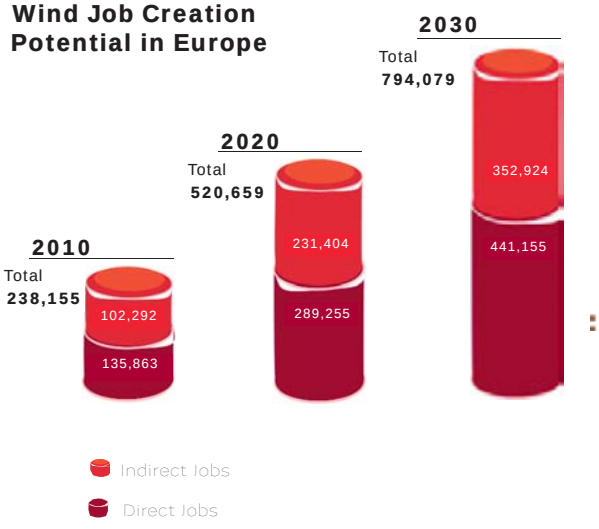
(1) Median values have been taken
Source: Climate action tracker / EDPR

B. BRINGING ECONOMIC GROWTH & IMPROVING ENERGY SECURITY

Today, renewable energy technologies are viewed not only as tools for mitigating climate change, but are also increasingly recognised as investments that can provide direct and indirect economic advantages by reducing dependence on imported fuels (and hence, improving trade balances), enhancing local air quality and safety, advancing energy access and security, propelling economic development and creating jobs.

- ***GDP growth*** is one of the outputs of the large deployment of renewables worldwide, thanks to the development of a new industry, which has been representing an increasingly share of the global economy.

Wind Job Creation Potential in Europe



- ***Job creation*** has been asserted by several studies as one of the benefits of renewables, as they recognize this industry is more labour-intensive compared to fossil fuel technologies which are more mechanized and capital intensive. This means that, on average, more jobs are created for each unit of electricity generated from renewable than from fossil fuels. According to IRENA, the sector employed 7.7 million people in 2014, directly and indirectly, around the world (excluding large hydropower), an 18% increase from 2013. Wind energy, is responsible for more than 1 million, 31% of them in Europe.

- ***Reducing country energy dependency*** is possible because wind, solar and hydro technologies use endogenous resources. Countries enhance their security of energy supply and minimize their exposure to potential increases in fuel prices. Fuel resources are scarce and concentrated in some geographies which explains its high and volatile price.

- ***Reduce wholesale prices***, thus, energy-consumers' bills, because renewable generation is bid its output in wholesale markets at zero cost as wind or solar energy has no marginal cost. Power prices are determined by the intersection of power supply and demand, bids at zero displace more expensive technologies shifting, consequently, the supply curve. For a same level of demand, when wind production is available, the market price goes down (the so-called "merit order effect").

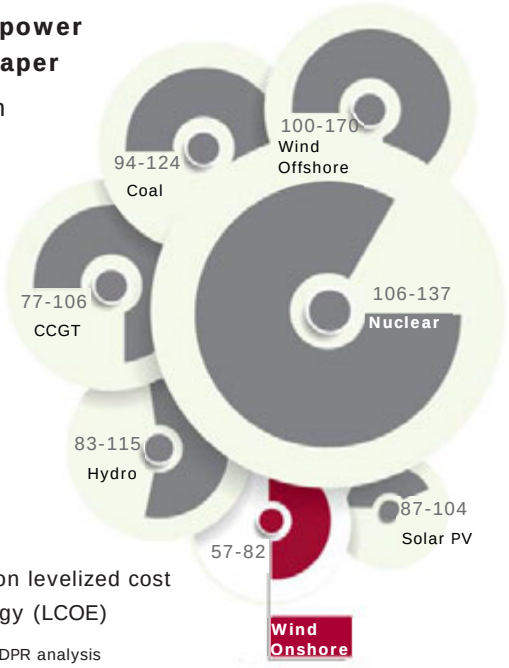
WIND EFFECT IN SPAIN POOL PRICE

It´s a fact that wind power reduces the price of electricity: the more the wind blows, the lower the pool or wholesale electricity market price is, which benefits consumers and companies in their electricity bills. This fact is easily observed in the Spanish market, for instance, in the first two weeks of 2015. At that time, the average daily market price, which is the basis for calculating the energy term of the electricity bill, reached 55.66 €/MWh, representing an increase of more than 67% over the same period of the previous year. What was the reason behind this? Low wind generation. According to data released by the Spanish Transmission System Operator (REE) on January 15th, wind production was 1,494 GWh that is 50% lower than in the early days of 2014.

C. RENEWABLES ARE FEASIBLE AND ECONOMICALLY VIABLE

Wind power is cheaper

€/MWh



Based on levelized cost of Energy (LCOE)

Source: EDPR analysis

Plummeting costs for renewable energy technologies are making a global energy transition not only possible, but actually, less expensive than the alternative. This is the reason why an increasingly number of private companies are opting for renewables to provide their energy needs, including some of the biggest worldwide as Apple, Ikea, Amazon, Wal-Mart and Lego.

- Onshore wind is the least expensive in many regions of the world, mainly due to the drop in wind turbines prices (almost a third in the last 6 years). Its increasingly competitiveness is therefore expected to drive future deployment. Bloomberg expects wind capacity worldwide to reach more than 2,000 GW in 2040 (compared to ~370 GW at the end of 2014).
- Solar PV has also experienced dramatic costs reductions that have boost its competitiveness. Solar PV modules prices have dropped 75% since 2009, and this trend is expected to continue. According to Bloomberg, solar PV is expected to dominate new build around the world with almost 5,000 GW of installed capacity by 2040 (from 177 GW in 2014YE).

D. THE COSTS OF ADDRESSING CLIMATE CHANGE MAY BE LOWER THAN THE COSTS ASSOCIATED TO INACTION

Many studies have also analysed the costs of addressing climate change compared to the costs of "inaction" (business as usual). Most of the studies agree on the fact that, if we don't act now, the overall costs and risks of climate change would outweigh the costs of current mitigation options. Most of the studies conclude that, potential impacts of climate change on water resources, food production, health and the environment among others, will provoke important losses for the economies. Instead, the costs of mitigation options (mainly renewables' deployment) will have a negligible impact on aggregate terms.

Focusing on the energy sector, Citi has conducted a study ("Energy Darwinism II"), in which it concludes that the expenditure on energy over the next quarter century, on an undiscounted basis, is remarkably similar in a low-carbon scenario compared to business-as-usual one. More precisely, the cost of following a low-carbon route in the next 25 years would be of US$190.2 trillion which is even cheaper than the cost in an "inaction" scenario (US$192.0 trillion). This is due to the rapid drop of renewables' costs, which, combined with lower fuel usage from energy efficiency investments, result in significantly lower long-term fuel bill.

Therefore, from an economic perspective, the transition towards a low-carbon economy would have positive effects, not only in aggregate terms, but even in the energy sector.

YES TO WIND POWER

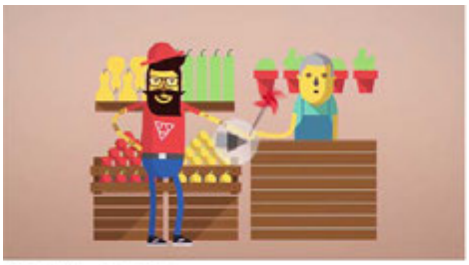
THE SUCCESSFUL "YES TO WIND POWER" CAMPAIGN WAS LAUNCHED IN SPAIN IN EARLY 2015, AND WILL BE ROLLED OUT TO SEVERAL OTHER MARKETS IN 2016 SUCH AS POLAND, ROMANIA AND ITALY.

CAMPAIGN OBJECTIVES:

"Yes to Wind Power" works to spread the word that renewable energy is now one of the least expensive generation technologies in the world, even beating out traditional sources like gas and coal. In addition to the economic benefits, the campaign also emphasizes that promoting a shift from conventional fossil fuels to renewable energy is one of the most effective and feasible near-term ways of mitigating climate change. Wind power's scalability, speed of deployment and falling costs make it the best choice to achieve emissions reductions.

The end goal of the campaign is to create more advocates for renewables, and increase societal support for the continued development of wind power and other renewable methods of energy generation.

CAMPAIGN MEDIA:



VIRAL VIDEO

WEBSITE: www.yestowindpower.com

YOUTUBE, FACEBOOK; TWITTER

LEAFLET

Through "energetic hipster", a character created to reach the younger public, the campaign has already reached more than 5 million people, offering scientific data in an easy to read and access format. EDPR created a viral video and a web site full of well-researched and credible information including scientific articles and reports about the benefits of wind power and other types of renewable energy. This is made available to the press, opinion leaders and the general public.

"Yes to Wind Power" also has a social media component that aims to build an online community around it. The campaign has been featured in thousands of news reports and blogs, including an article in The Wall Street Journal.

CAMPAIGN'S REACH:

1,235,989 hits

1.3. SUPPORTIVE POLICY INSTRUMENTS

Wind economics, energy policies and environmental concerns continue to drive renewables capacity growth globally.

2015 HIGHLIGHTS

2015 was a record year for the wind industry as annual installations crossed the 60 GW mark for the first time, bringing total capacity to 432 GW.

By region, 2015 was undoubtedly a great year for **China** that surpassed for the first time the astonishing figure of 30.5 GW, a record figure never seen before and clearly above expert's estimates.

In **Europe**, 12.8 GW of wind were installed during 2015, a 6.5% increase compared to 2014 installations. Germany, that added 6 GW, was again the largest market, both in terms of cumulative capacity and new installations. Poland came second with 1.3 GW added, more than twice the annual installations in 2014. France was third with 1.1 GW, followed by UK which managed to connect 1 GW.

Although 2015 was a relatively quiet year for European onshore wind, it was an outstanding year for offshore. EWEA (European Wind Energy Association) reported that 3,019 MW offshore wind capacity were installed in European waters, a 108% increase over 2014. These results make cumulative installed capacity amounting to 11,027 MW, consolidating European leadership in terms of offshore wind. This impressive achievement was primarily driven by the German market, where 75.4% of all new capacity was brought online (2,282.4 MW), a four-fold increase compared to 2014. The second largest market was the UK (566.1 MW, or 18.7% share), followed by the Netherlands (180 MW, or 5.9% share). However, despite German additions, UK continues to be the largest offshore market, with 5 GW of installed capacity representing nearly half of total European capacity.

Overall, in Europe, wind power was the energy technology with the highest installation rate, reaching 44% of all new installations. Solar PV came second with 8.5 GW (29% of 2015 installations) and coal third with 4.7 GW (16%). Globally, renewables accounted for 77% of new installations.

2015 was also a very good year for **North American** wind, primarily driven by US installations: 8,598 MW (a 77% increase over 2014). The US ended 2015 with 74,472 MW, consolidating its second position (after China) in terms of total installed capacity. Mexico installed 714 MW, amid the implementation of its comprehensive electricity market reform, while Canada 1,508 MW, slightly less than in 2014.

In **Latin America**, Brazil lead the way, installing a record 2,754 MW, with cumulative capacity reaching 8.7 GW. It also worth noting that Uruguay added 316 MW, 60% increase versus its 2014 capacity.

Other **emerging economies** also achieved important additions as for example India (2,623 MW, surpassing Spain and becoming the fourth largest market), South Africa (483 MW), Panama (235 MW) or Ethiopia (153 MW), among others.

In 2015, the main drivers for wind energy growth were its increasing competitiveness, the need to fight climate change and reduce pollution (particularly choking smog that is dangerously threatening people's health in many countries). Energy security, increasing power demand in emerging countries, insulation from volatile fuel markets, job creation and local industrial development were also decidedly key, but price and environmental concerns stood out as main drivers in 2015.

EUROPE:

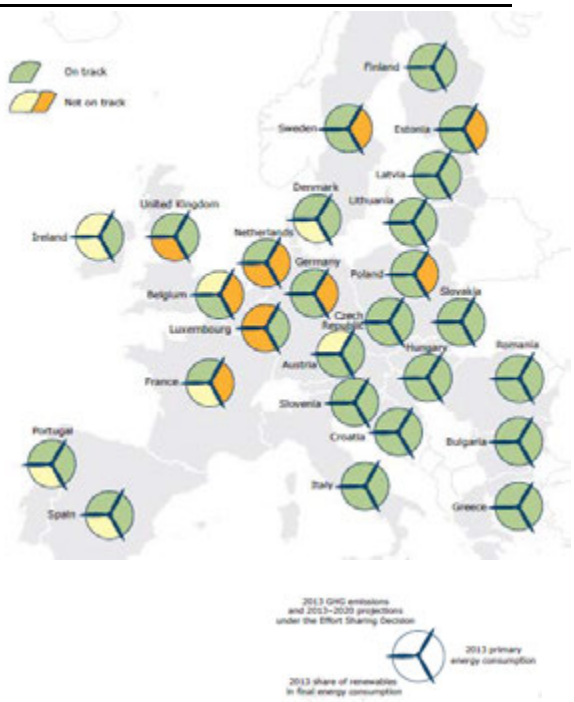
In October 24th European Council reached an agreement on 2030 Climate and Energy Policy Framework. A binding renewable energy target of at least 27% was set at European level, a binding EU target to reduce domestic greenhouse gas emissions by 40% compared to 1990 levels and a non-binding energy efficiency target of 27% (to be re-visited by 2020). The framework does not mention individual targets for state implementation so it is still not clear how efforts will be conducted at the national level. European Institutions have now to work in the governance system to set the framework to reach this 2030 targets.

	Renewable energy	CO_2 emissions reduction	Energy efficiency
2020 targets	20%	20%	20%
2030 targets	At least 27%	At least 40%	At least 27%

In October 2015, the European Environment Agency published its "Trends and projections" report, according to which the EU would be on tract to meets its climate and energy targets set for 2020. The report states that GHG emissions were already in 2013 19.8% below 1990 levels (and therefore, very close to the 20% target). Regarding renewables share, the 2020 target could be meet, provided that Member States sustain the speed of renewables' development.

Progress on member states towards 2020 targets

- The situation differs significantly among countries:
  - **24 are on track to meet their GHG targets** (all except Austria, Belgium, Ireland and Luxembourg);
  - **20 are on track to achieve their renewable energy targets** (all except Denmark, France, Ireland, Luxembourg, the Netherlands, Portugal, Spain and the United Kingdom);
  - **20 are on track to achieve their energy efficiency targets** (all except Belgium, Estonia, France, Germany, Malta, the Netherlands, Poland and Sweden);
  - **13 Member States** (including Italy and Romania) **are on track to deliver on their national targets in all three areas**
- This is an improvement vs 2014 report, where only 9 Member States were on track to deliver on their national targets in all three areas



SPAIN:

On January 14th 2016 the first auction of RES capacity under the RD 413/2014 framework was held.

The auction was designed to provide a similar remuneration scheme that the one that applies to current installations (RD 413/2014).

Developers were bidding to build 500 MW of wind energy and 200 MW of biomass plants.

The auction was very competitive, around 5 times oversubscribed for onshore wind, and awarded contracts without any incentive, this is, at 100% discount to the opening price. EDPR was awarded 93 MW of wind energy.

The Government has announced that more auctions will be organised, possibly in 2016, to contract the capacity that Spain needs to comply with its 2020 targets.

In connection with 2020 targets, the ministry of Industry, Energy and Tourism published in December its "National Energy Infrastructure Plan 2015-2020" which includes government's view on capacity additions by technology throughout the period. According to this document, and in order to comply with the 2020 targets, around 4.5-6.5 GW of wind capacity would be needed.

FRANCE:

In France, the "Energy Transition bill", whose aim is to build a long-term and comprehensive energy strategy, was finally passed in July 2015. In 66 articles, the text targets to cut France's GHG emissions by 40% between 1990 and 2030 (and divide them by four by 2050), to halve the country's energy usage by 2050, to reduce the share of fossil fuels in energy production, to cap the total output from nuclear power at 63.2 GW and bring the share of renewables up to 32% of the energy mix.

Following the provisions of the "Energy Transition Law", the French government disclosed a draft decree with the details of a new remuneration scheme for renewables. According to this text, renewables will be remunerated by contract-for-difference scheme. However, the implementation for wind energy will probably be delayed to 2018 and up until then, new wind farms will be remunerated according to the current feed-in tariff scheme.

POLAND:

In Poland, a new Renewables' Act was approved in February 2015, introducing a different support system for new renewables plants. According to the law, the current Green Certificate (GC) system will be replaced by a tender scheme. However, the current GC scheme will be maintained (with some adjustments) for operating plants. These plants will have the choice to remain under the GC scheme or shift to the new scheme through specific tenders for operating assets.

ITALY:

In Italy a new draft decree envisaging new wind tenders for at least the two next years. According to the draft, 800 MW of onshore wind could be tendered, with a reference tariff of 110€/MWh. The publication of the final decree is expected for the first quarter of 2016.

UNITED KINGDOM:

On February 26, DECC (Department of Energy and Climate Change) and National Grid, published the results of the first "Contract for Difference" (CfD) auction. Over 2.1 GW of capacity across 27 projects was awarded a CfD contract. Successful projects include 15 onshore wind projects, 2 offshore wind and 5 solar PV, among others.

UK energy secretary Amber Rudd announced a "new direction for UK energy policy" in a speech on 18 November. According to it, the strategy is likely to be focused on gas, nuclear, and provided it cuts its costs, offshore wind. With regards to offshore, she announced that the government would fund three auctions before the end of the decade, with the first probably to be held by end 2016. However, this funding will depend on offshore wind capacity to lower its costs.

ROMANIA:

The European Commission (DG Competition) disclosed in May 2015, its clearance to the Romanian Renewables support scheme amendments notified in 2013 and 2014. Therefore, the amendments have been declared compatible with European regulation, specifically, the European Energy and Environmental State aid Guidelines (EEAG).

On December 2015 the Government finally set the value of the GC quota for 2016 at 12.15%, the same value that was proposed by ANRE by the end of July (well below the original 17% set in the original RES Law)

BRAZIL:

There are two types of renewable reverse auctions in Brazil: energy auctions and capacity auctions. Energy auctions result in long-term power purchase agreements (PPAs) being signed between generators and distributors in order to satisfy distribution companies' demand. Capacity auctions result in long-term PPAs signed between generators and Brazil's wholesale market operator, being the main purpose to guarantee the country's reserve margin and grid safety.

In 2015, renewables' projects participated in four auctions. EDPR was awarded 140 MW of wind in an auction held on November 13th.

EUROPEAN TRADING SYSTEM REFORM

The EU emissions trading system (EU ETS) is a cornerstone of the European Union's policy to address climate change and it represents a key tool for reducing GHG emissions cost-effectively.
However, the scheme has been witnessing severe challenges. To address them, the European Commission has approved a range of measures.

BACKGROUND:

The EU's emissions trading scheme (EU ETS) was launched in 2005 to promote the reduction of GHG emissions in a cost-effective and economically efficient way. It works on a "cap and trade" principle. A cap, set by the EU, is set on the total amount of certain GHG that can be emitted by the industries, power plants and other installations in the system. The cap is reduced over time so that total allowed emissions gradually decreases. Within the cap, companies receive or buy emission allowances which they can trade as needed.

However, in recent years, weak demand for allowances, largely due to the economic crisis, has led to a surplus of allowances, which has depressed the carbon price.

THE REFORM:

To address the problem, the EU Commission has introduced two mechanisms: backloading in 2014 and the Market Stability Reserve in 2015.

The Backloading was implemented through an amendment to the EU ETS Auctioning Regulation which entered in force on February 2014. It has been designed as a short-term mechanism that consists on postponing the auctioning of allowances. In particular, the auction volume has been reduced by 900 million allowances (400 million in 2014, 300 million in 2015 and 200 million in 2016). By such, the backloading is aimed at rebalancing supply and demand in the short term, and reducing price variations.

The Market Stability Reserve (MSR) is a long-term, structural measure approved by the European Parliament of 7 July 2015 and by the Council on 6 October 2015. The MSR aims at reducing the historical surplus of allowances and improving the resilience of the EU ETS by adjusting the supply of allowances to be auctioned. The scheme will start operating in 2019 and is expected to put Europe on the right track to achieve its ambition to cut greenhouse gas emissions by 40% in 2030 compared to 1990 levels.

In accordance with the MSR, when in a given year the total emission allowances exceeds a certain threshold, a percentage of allowances will be automatically withdrawn from the market and placed into the reserve. In the opposite case, allowances will be returned from the reserve to the market.

Under the scheme, backloaded allowances (900 million postponed allowances withdrawn from the market at least until 2019), will be placed in the reserve when in starts in 2019. Unallocated allowances from the period 2013-2020 will be also added in the reserve as soon as in 2020.

For the period 2021-2030, market imbalances would also be addressed by a faster reduction of the annual emissions cap. The European Commission is proposing reducing the overall number of allowances by 2.2% each year compared to the current figure of 1.74%.

U.S. TO CONTINUE LEADING THE WAY

Growth in the US expected to add +18 GW of renewable capacity per year until 2020 to meet environmental (RPS) targets and wind energy competitiveness, according to NREL. Incentives as PTCs and the prevalence of PPAs also play a key role.

Historically, the typical framework of wind development in the US has been decentralised, with no national feed-in tariff. It involves the combination of two key drivers of the top line:

- PTCs: production tax credits are the dominant form of wind remuneration in the US, and represent an extra source of revenue per unit of electricity ($23/MWh in 2015), over the first 10 years of the asset's life. There are other mechanisms as well, such as ITCs, investment tax credits equal to 30% of the initial capex usable in lieu of PTCs.
- PPAs: long-term bilateral power purchase agreements by which a wind developer can sell its output at a fixed price, usually adjusted for inflation or a negotiated escalator. Demand for PPAs has been very strong, driven mainly by the need to meet renewable portfolio standards (RPS) targets but also from increasing improving relative competitiveness of wind energy.

The PPA + PTC combination allow wind energy companies to 'lock-in' a return over the life of the assets. The final goals targeted by the application of this framework involve cost competiveness and affordability, security of supply and environmental concerns.

LONG TERM VISIBILITY OF INCENTIVES

Historically, eligibility for production tax credits incentives has been made possible for a couple of years at a time, over a limited period, without any visibility on any further extensions. After many extensions in a 'stop and go' approach, companies required visibility on the investment horizon for wind energy companies.

The President of the US signed in December 2015 the Consolidated Appropriations Act, 2016, which includes the extension of energy-related tax incentives for renewable energy in the country. As a result of this Act, wind energy projects that begin construction before January 1st 2020 will qualify for 10 years of Production Tax Credits ("PTC") on the electricity output. Previous to this extension, PTCs were available for wind energy projects that had begun construction before January 1st 2015.

The 5-year extension also includes a phase down according to which the PTC value shall be reduced by 20% in the case facility construction begins after December 31st, 2016, and before January 1st, 2018; by 40% if construction begins after December 31st, 2017, and before January 1st, 2019; and by 60% if construction begins after December 31st, 2018, and before January22020. Projects also have the option to choose, in lieu of the PTC, an Investment Tax Credit ("ITC") on the project cost during the same period and with the same phase down percentages.

This framework provides long-term visibility and an improved environment for the development of new wind and solar projects, thus creating conditions to allow EDPR to further execute competitive projects in the US and strengthen its presence in a country that is already its main growth market.

PTCs are currently crucial, but their relative importance is likely set to decrease over time. The economics of wind power in the U.S. are rapidly improving, necessitating lower and lower PPA prices, to the point where wind is competitive on its own in some areas against other traditional technologies, on a 'new-build' basis. The various RPS and other environmental goals will still represent a substantial incentive, PTCs notwithstanding.

WIND ENERGY COMPETITIVENESS

The improving wind energy economics include decreasing capex and opex per MW, and even more per MWh due to the increase in load factors via technology improvements in wind turbines and also overall excellent wind resources in the US, especially in the regions with best resource available. In the west and east states, load factors are typically within 25-30%, while in the central states those are typically of 30-45%. This naturally makes wind energy further more competitive from a fundamental standpoint, even without incentives.

RPS DEMAND

The renewable portfolio standards (RPS) are designed to require power suppliers to provide a minimum share of electricity from renewable sources, on a state-by-state basis. Such standards have increased and by 2015 a total of 31 states have binding RPS objectives, as shown in the table below, which excludes the 7 states with voluntary goals. Although those are implemented by states all-round the US, however a strong cluster is observed in the west/pacific cost and the north east. This typically represents 10% to 25% to be reached by 2020-25 for most states, and often foreseeing a gradual increase in the mandated percentage.

Renewable Portfolio Standards (RPS) set penalties to utilities that do not procure a certain percentage of generation from renewable resources. Utilities can either invest directly in renewable generation assets, purchasing electricity from other renewable generators or purchase RECs. As a result, many utilities setup auction systems (RFPs) to seek long-term power purchase agreements with renewable energy generators. Due to the competitiveness of wind energy, this technology has received the largest share of awarded PPAs.

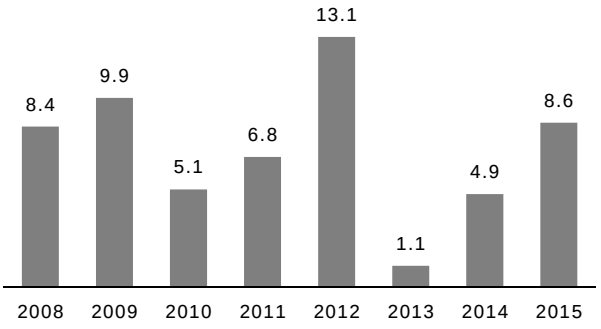
RPS objective	2015	2020+	RPS objective	2015	2020+
Arizona	4.5%	15%	Montana	15%	15%
California	23%	33%	Nevada	20%	22%
Colorado	17.3%	28.8%	New Hampshire	13.8%	23.8%
Connecticut	16%	27%	New Jersey	12.2%	20.5%
Delaware	13%	25%	New Mexico	15%	20%
District of Columbia	9.5%	20%	New York	9.3%	9.3%
Hawaii	15%	25%	North Carolina	8%	12.5%
Illinois	10%	20.5%	Ohio	3.5%	8.5%
Iowa	0.7%	0.7%	Oregon	15%	20%
Kansas	15%	20%	Pennsylvania	14%	18.5%
Maine	8%	13%	Rhode Island	9.2%	16%
Maryland	13%	20%	Texas	5%	8.6%
Massachusetts	8%	15%	Vermont	8%	10.5%
Michigan	10%	10%	Washington	3%	15%
Minnesota	20%	30%	Wisconsin	10%	10%
Missouri	8%	15%			

Moreover, the U.S. administration has also recently announced (August 2015) the Clean Power Plan by the U.S. Environmental Protection Agency (EPA), a plan to help cut carbon pollution from the power sector by 32% by 2030 (against 2005 levels). Power plants are responsible for about one-third of all US greenhouse gas emissions. This plan implies greater reliance on gas (CCGTs account for c. 40% of the planned reduction emissions), but also on alternative energy sources (c. 25% of the planned reduction emissions), and especially wind.

GROWTH PROSPECTS

Demand growth in the U.S. market could still be motivated by other existing forces, primarily the planned coal capacity retirements, wind energy competitiveness as well as RPS compliance in several states. Approximately 42 GW of coal capacity has been announced to retire through 2020 of which we expect wind to absorb a significant share in the replacement of such retirements. Furthermore, renewable energy generation becomes more competitive as a direct result from coal retirement. A higher penetration of energy generated from natural gas can lead to more flexible grids, benefitting intermittent resources such as renewables.

US wind energy additions (GW)



Regarding RPS targets in place to encourage renewable energy demand, we estimate 22 GW of wind will need to be added until 2020 in order to fulfil compliance with targets already established. From wind energy competitiveness alone, we believe an additional 7 GW can be added.

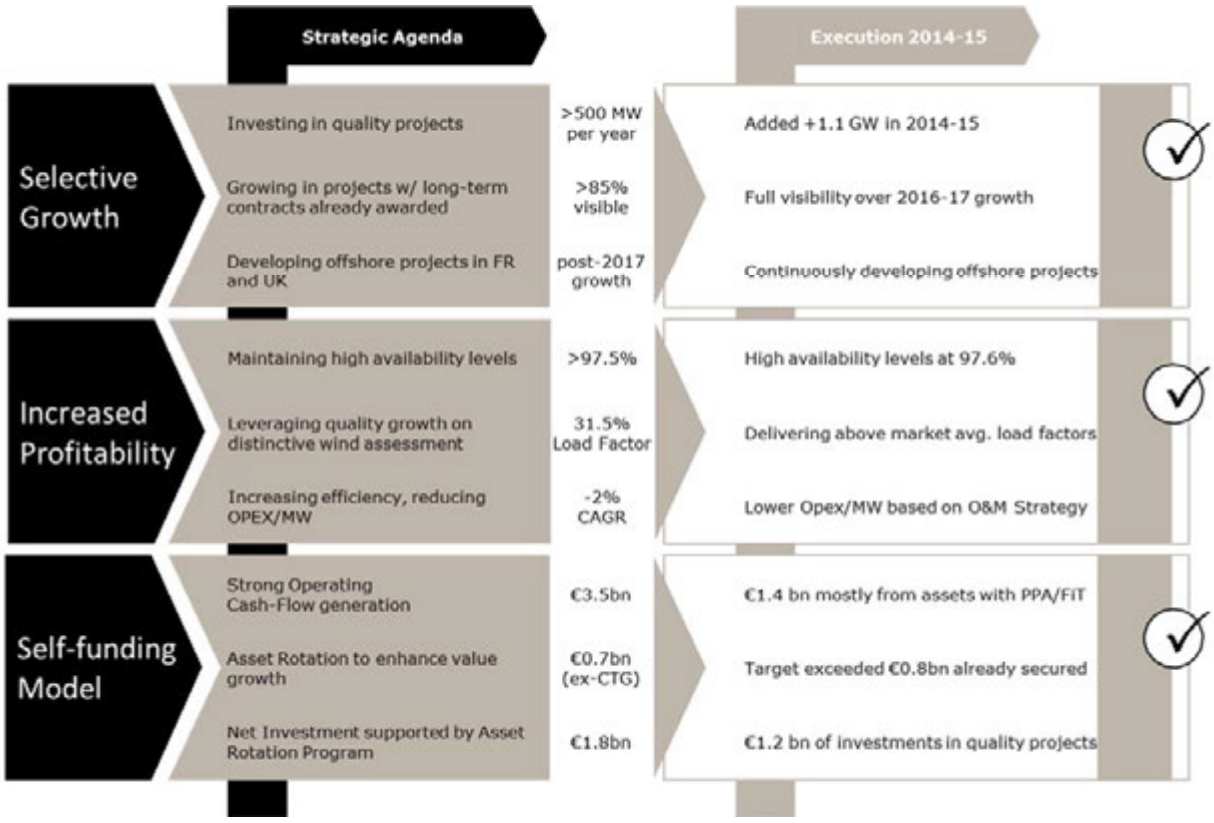
2. BUSINESS PLAN 2014-17

EDPR's value creation strategic plan through 2017 remains in line with previous architecture, supported by three pillars with defined goals: Selective Growth, Increased Profitability and Self-funding Model.

On May 2014, EDPR presented to the financial community its Business Plan for 2014-17 at the EDP Group Investor Day held in London, in which were present c.200 financial markets participants.

Since its inception, EDPR has been performing a strategy focused on selective growth, by investing in quality projects with predictable future cash-flows, and seamless execution, supported by core competences that yield superior profitability, all embedded within a distinctive and renowned self-funding model designed to accelerate value creation. As a result of undertaking such strategy, at the same time flexible enough to accommodate to changing business and economic environments, EDPR remains today a global leading company in the renewable energy industry.

As of today, EDPR is successfully executing its strategic agenda creating solid foundations to outperform its 2014-17 goals.



EDPR on-target execution will allow the company to deliver solid growth targets…

ELECTRICITY OUTPUT	EBITDA	NET PROFIT	DIVIDEND PAY-OUT
9% CAGR 13-17	**9%** CAGR 13-17	**11%** CAGR 13-17	**25-35%**

…and continue to lead in a green and sustainable sector with increased worldwide relevance.

2.1. SELECTIVE GROWTH

The selective growth strategic pillar is the guiding principle behind EDPR's investment selection process, it ensures that the projects that are finally built have the best fit with the Company's low risk profile at superior profitability. This strategy can be seen in the 2014-17 Business Plan growth options, as projects have been selected according to two key guidelines:

1) Low risk profile - New capacity benefits from long-term PPAs already awarded or under stable regulatory frameworks. This guarantees high visibility of the project's future cash-flows, reducing risk and locking-in project profitability.

2) High operational performance – The projects selected exhibit strong operating metrics, namely above portfolio average load factors. This improves project competitiveness and drives higher profitability.

EDPR is well on track to deliver on its business plan target growth of +2 GW (>500 MW/year). EDPR's Extensive pipeline has been an important contributing factor to the successful execution of this strategy. The availability of multiple projects coupled with strong development expertise guarantees that only the best, fully optimized, projects are finally selected for investment.

60% GROWTH FROM US, DRIVEN BY PPAS ALREADY SIGNED

The United States is EDPR main growth driver for the 2014-17 Business Plan timeframe. The PTC tax benefit scheme, strong demand for long-term PPAs from wind energy projects, combined with EDPR's deep portfolio of projects in this market support this solid growth opportunity. Additionally, self-funding is available through tax equity partnerships with the possibility of asset rotation transactions as well, given the strong interest from infrastructure and pension funds for equity stakes.

The December 2015 extension of the Production Tax Credit, that includes a gradual phase down of the PTC value for projects that start construction before 2020, provides further long-term visibility and an improved environment for the development of new wind energy projects. This extension provides visibility to US growth beyond the 2014-17 timeframe, further strengthens the strong fundamental of the US wind market, and support EDPR's choice to shift growth to the US.

Project economics on all of the new investments in the US are strong, with average load factors of about 43%, earning average PPA prices in the first year of $48/MWh, leading to double-digit IRR percentages.

20% GROWTH FROM EUROPE, FOCUSING ON LOW RISK FRAMEWORKS

Certain European markets continue to provide good growth opportunities supported by regulatory frameworks that provide a low risk environment.

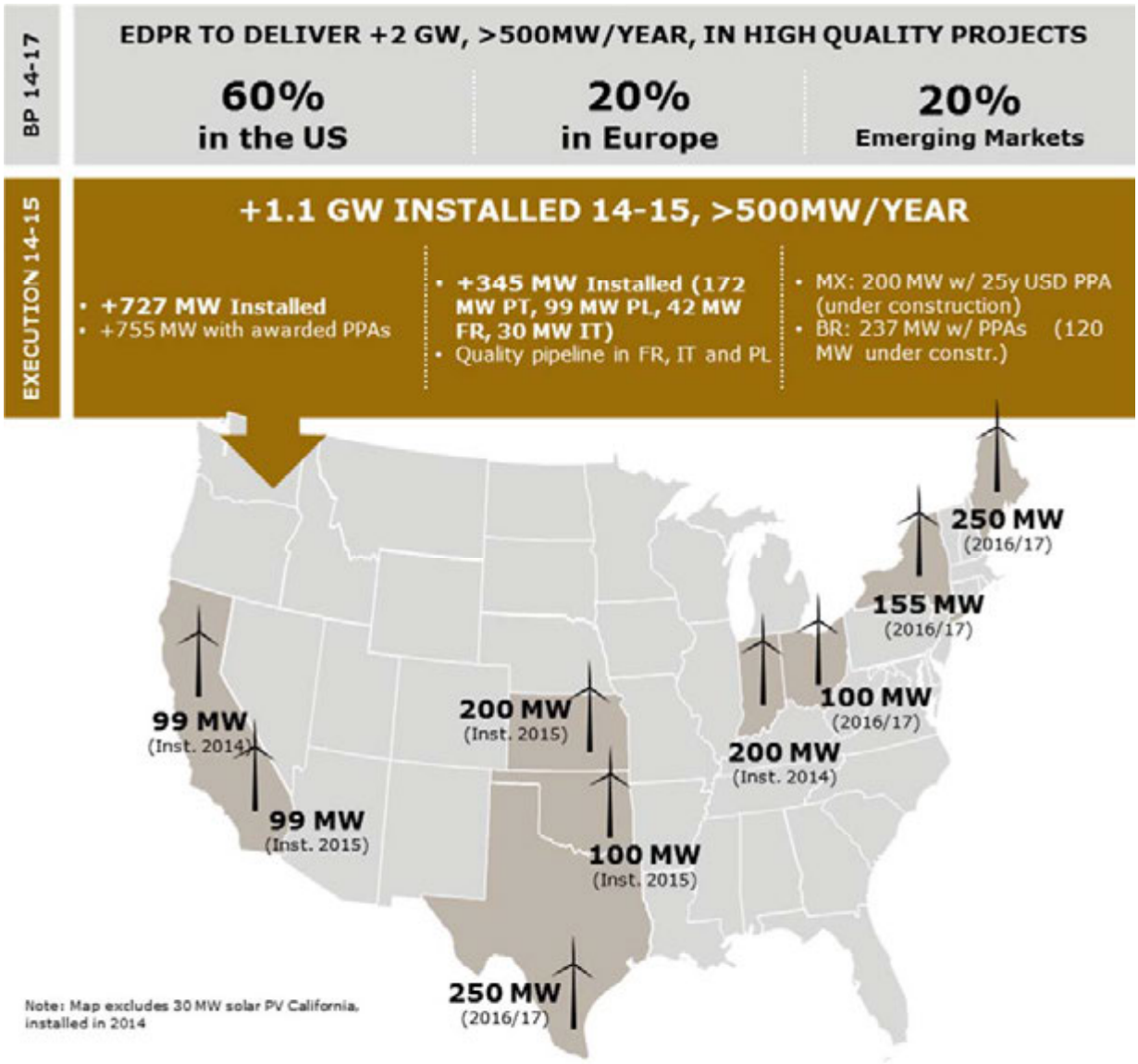
France's existing feed-in tariff regime provides a stable growth opportunity in Europe. For the 2014-17 Business Plan EDPR targets additions of 60-70 MW through pipeline development, having already installed 42 MW by December 2015. In Italy, EDPR has installed the 30 MW awarded in 2013, and intends to participate in future energy auctions to generate new possible additions. In Poland, EDPR has already installed 99 MW in 2014 and 2015 under the current Green Certificate regime, whilst further growth remains contingent to the approval of a new energy law, expected to be based in energy auctions, where EDPR maintains competitive projects in pipeline. Finally, in Portugal, the total capacity awarded back in 2006 to the ENEOP consortium has been fully installed, the consequent asset splitting executed, and EDPR now fully consolidates 613 MW.

20% FROM SELECTED EMERGING MARKETS, IN PROJECTS WITH LONG-TERM PPAS

In Brazil, EDPR will install in 2015-17 the projects with PPA awarded in 2011 and 2013 for a total 236 MW, thus representing a significant increase in capacity from current portfolio of 84 MW.

In 2014 EDPR has entered the Mexican energy market signing a long-term electricity supply agreement, for the energy of a 200 MW wind farm to be installed in 2016, representing a sizeable entry into a low risk and attractive market. Mexico is as a country with great potential for wind energy and this entry can provide a solid platform for further growth in this market.

Additionally, EDPR is to remain actively prospecting opportunities in new markets with strong fundamentals, namely high growth of electricity demand, robust renewable resources and availability of long-term energy supply agreements awarded through competitive schemes.



+1.5 GW FOR US GROWTH UNDER PPA

Power Purchase Agreements are a fundamental tool to accomplish EDPR low risk approach in the US market. They ensure that a project's energy is sold at a pre-determined price for long time period, generally between 15-20 years. This shields EDPR from any volatility in energy market price, locking-in project profitability.

Since 2013 EDPR has signed 1.8 GW in long-term sale agreements providing full visibility to its growth target in US for 2014-17 and to the profitability of our existing fleet with 0.3 GW of new PPAs for operational projects.

During 2015 EDPR successfully signed two additional PPA for 200 MW of new capacity, relating to wind farms in Texas and Ohio, to be installed in 2016. These two agreements that were signed with commercial and industrial corporations, one of which Amazon Web Services Inc., are a clear sign of the growing demand for green affordable energy from corporate players. Previously the demand for PPAs came only from traditional utilities, however recently the direct procurement from corporations has increased substantially, adding new demand for EDPR US wind and solar projects.

These long term sale agreements demonstrate not just EDPR's skill in closing commercial deals but foremost the company's strong ability to position effectively a pipeline of quality projects, in suitable locations and stages of development as a key success factor to capture growth opportunities on-time.

2.2. INCREASED PROFITABILITY

One of the strategic pillars and that has always been a keystone of the company, setting it apart in the industry, is the drive to maximize the operational performance of its wind farms and solar plants. In this area, EDPR's teams, namely in operations and maintenance, have established a strong track record that support challenging targets set in the 2014-17 Business Plan. For this period, EDPR has set targets for three key metrics: Availability, Load Factor and Opex/MW. These three metrics provide an overall view of the progress in our operations and maintenance, wind assessment and cost control efforts. They also serve as good indicators for the overall operational efficiency of the company.

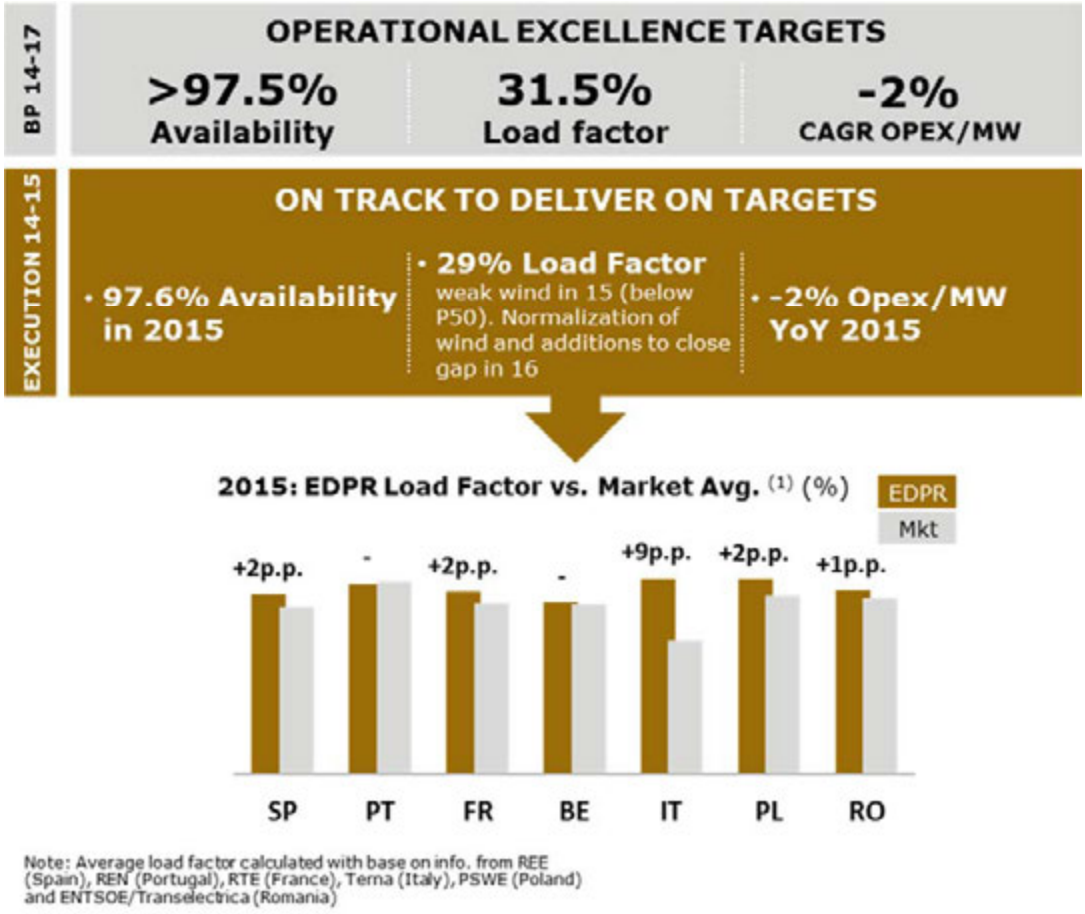
MAINTAINING HIGH LEVELS OF AVAILABILITY >97.5%

Availability measures the percentage of time the fleet is fully operational. If an equipment has a 97.5% availability metric this means that, in a given period, it was available to generate energy 97.5% of the time, which leaves only 2.5% for preventative maintenance or repairs. Availability is a clear indicator of performance of the company's operations and maintenance practices as it focuses on reducing to a minimum any malfunctions and performing maintenance activities in the shortest possible timeframe.

The company always maintained high levels of availability and has registered availability of above 97.6% in 2015, in line with its 2014-17 Business Plan target. EDPR will continue to look for further increases in availability through new predictive maintenance optimization measures supported by the 24/7 control and dispatch centre, in reducing damages most common during extreme weather and improving the scheduling of planned stops. Also a new spare parts warehousing strategy will be key in reducing downtime during unexpected repairs.

LEVERAGING QUALITY GROWTH ON DISTINCTIVE WIND ASSESSMENT TOWARD 31.5% LOAD FACTOR

Load factor (or net capacity factor) measures the speed and quality of the renewable resource at the wind turbines or solar panels. A load factor of 31.5% means the percentage of maximum theoretical energy output with an equipment working at full capacity, in a given period. For example, for 1MW over a year, it equals to the production of 2.759,4 MWh (31.5% x 1 MW x 24 hours x 365 days).



Note: Average load factor calculated with base on info. from REE (Spain), REN (Portugal), RTE (France), Terna (Italy), PSWE (Poland) and ENTSOE/Transelectrica (Romania)

Ensuring the assets generate the maximum amount of energy possible is a key success factor. With regards to the operating portfolio, optimizing load factor is linked to improving availability as described and, if possible, introducing productivity enhancement retrofits that boost production by setting older equipment models with the most up-to-date technological improvements available to increase efficiency in the utilization of renewable resources available. With regards to wind farms and solar plants under development, maximizing load factor is mostly the expert work of energy assessment and engineering teams, designing an optimal layout of the plant, by fitting the positioning and choice among different equipment models with the characteristics of the site, specially the terrain, from the collected resource measurements and their estimated energy outputs.

The company has consistently maintained levels of load factor in the range of 29-30%, having registered 29.2% in 2015, which is slightly below the 29.4% P50 (mean probability) assessment for the current fleet, and has set a target of 31.5% until the end of the 2014-17 period.

INCREASING TURBINE PRODUCTION

EDPR is also creating value by improving its assets implementing new technologies on the turbines to boost the power output without requiring major component changes. EDPR's Performance Analysis teams are collaborating with the manufacturers to determine the best practices to apply this new technology.

By monitoring real-time conditions, the rotational speed of the generator can be increased while staying within the existing loads envelope, thus increasing the power output. The extra output increases the revenues of the wind farm, without major investments needed. This technology has successfully being applied on many turbines and it will keep being developed in the following years.

INCREASING EFFICIENCY, REDUCING OPEX/MW -2%

In addition to all company initiatives to boost production, EDPR also focuses on strict cost control efforts to improve efficiency and gain additional profitability. Leveraging on the experience accumulated over time, we set a target in the 2014-17 Bussiness Plan to reduce Opex/MW by -2% CAGR 2013- 2017. Despite the natural aging of its installed asset base, the company is on track to achieve this objective, with a registered reduction on OPEX of -2% CAGR 2013-15. A strict control over costs has been applied to reduce the manageable company costs structure, also benefiting from the economies of scale of a growing company. With regards to O&M, representing c. 30% of total Opex, EDPR has already delivered results form the implementation of its M3 system and self-perform program to some of the wind farms that are no longer subject to initial warranty contracts.

M3 PROGRAM AND SELF-PERFORMANCE

As EDPR's fleet becomes more mature the initial Operations and Maintenance (O&M) contracts signed with the turbine suppliers expire. When that happens the company needs to decide between renewing the maintenance service with the OEM or insourcing activities to operate the wind farm on its own, whilst maintaining high levels of availability.

The M3 (Modular Maintenance Model) program is our solution. Based on EDPR's expertise, our O&M teams will decide on the optimal balance between external contractors and in-house maintenance. Usually, EDPR keeps control of high value-added activities such as maintenance planning, logistics and remote operations while outsourcing, under direct supervision, labor-intensive tasks.

This strategy resulted in estimated savings of around 20% in the wind farms where the M3 system was implemented, which account for 40% of Europe's fleet.

In the US, during 2014 we expanded the M3 model to a pilot self-perform program in the Blue Canyon V wind farm. After a market review and a bottom-up analysis, we identified potential savings by fully insourcing O&M activities, given the in-house capabilities developed over the last years.

This new program immediately showed savings in operational expenses and increased control over quality. During 2015 self-perform maintenance was implemented in additional facilities whose maintenance contracts were up for renewal.

2.3. SELF-FUNDING MODEL

EDPR self-funding model has been a cornerstone of EDPR strategy and its success has been crucial for funding growth. The self-funding model relies on a combination of cash-flow from operating assets, external funds from tax equity and other structured project finances as well as proceeds from asset rotation transactions to finance the profitable growth of the business. This model substitutes the previous financing strategy that depended on corporate debt from EDPR's majority shareholder EDP.

OPERATING CASH-FLOW

The primary source of funds for the company is the operating cash flow generated from the existing assets, which is firstly used to pay for the debt service and capital distributions to equity partners, while the excess is available to pay dividends to the shareholders of EDPR or to fund new investments.

A strong operating cash-flow generation of about € 3.5 billion is expected for the period 2014-17.

EDPR has indicated a dividend pay-out ratio policy in the range of 25-35% of its annual net profit, thus allowing that most of the cash-flow available to fund growth. The dividends paid in 2015 amounted to about € 35 million corresponding to the low end of the range relative to the net profit of the previous year, representing only a small share of the available cash-flow generated in the period.

US TAX EQUITY AND OTHER PROJECT FINANCE STRUCTURES

EDPR always aims to find external financing to its projects, namely through tax equity structures, typical of the US, and through other project finance structures, available in other geographies. The use of such structures fit in the self-funding model because they substitute the need of corporate debt.

Moreover, the case of tax equity in the US also enables an efficient utilization of the tax benefits provided by the project thus improving its economics. In a simple view, under the tax equity partnerships, tax equity investors contribute a sizable part of the initial project investment, receiving in return almost all of the PTCs granted to the project for first ten years of operation.

In the case of project finance, it is also a means to contract long-term debt in local currency at competitive costs in order to mitigate the refinancing risk and to reduce the foreign exchange risk by having a natural hedge between revenues and expenses.

In 2015 EDPR signed three tax equity transactions relating to the total 398 MW capacity added in the US this year, and corresponding to tax equity financing proceeds of US$ 473 million. These transactions bring total tax equity financing proceeds ever raised by EDPR up from US$ 3.1 billion.

Signing	Project name	Location	MW	Million	Timing	Counterparty
Nov-15	Arbuckle	Oklahoma	100	USD 116	4Q15	MUFG + (undisclosed)
Oct-15	Waverly	Kansas	199	USD 240	4Q15	Affiliate of Google Inc.
Jul-15	Rising Tree South	California	99	USD 117	2Q15	MUFG + (undisclosed)
Oct-14	Rising Tree North	California	99	USD 109	4Q14	MUFG Union Bank
Set-14	Lone Valley	California	30	USD 33	4Q14	(undisclosed)
Jul-14	Headwaters	Indiana	200	USD 190	4Q14	BofA Merrill Lynch
	US Tax equity:		727			
Jul-15	Polish Wind Farm	Poland	54	PLN 167	3Q15	(undisclosed)
Apr-15	Belgium Wind Farm	Belgium	14	EUR 16	2Q15	(undisclosed)
Jan-15	Baixa do Feijão	Brazil	120	BRL 306	1Q15	BNDES
Aug-14	Korsze	Poland	70	PLN 220	3Q14	Bank of China
Mar-14	Solar PV plants	Romania	50	EUR 30	3Q14	EBRD + BSTDB
Jan-14	South Branch	Canada	30	CAD 49	1Q14	(undisclosed)
	Project finance:		338			

With regards to project finance, in 2015 EDPR closed an important project finance deal for its Baixa do Feijão wind farm in Brazil, with proceeds amounting to R$ 306 million. This project is a good example of the benefits of using project finance as it provides competitive financing from the Brazilian Development Bank (BNDES) as well as a natural hedging for currency volatility in the Brazilian real.

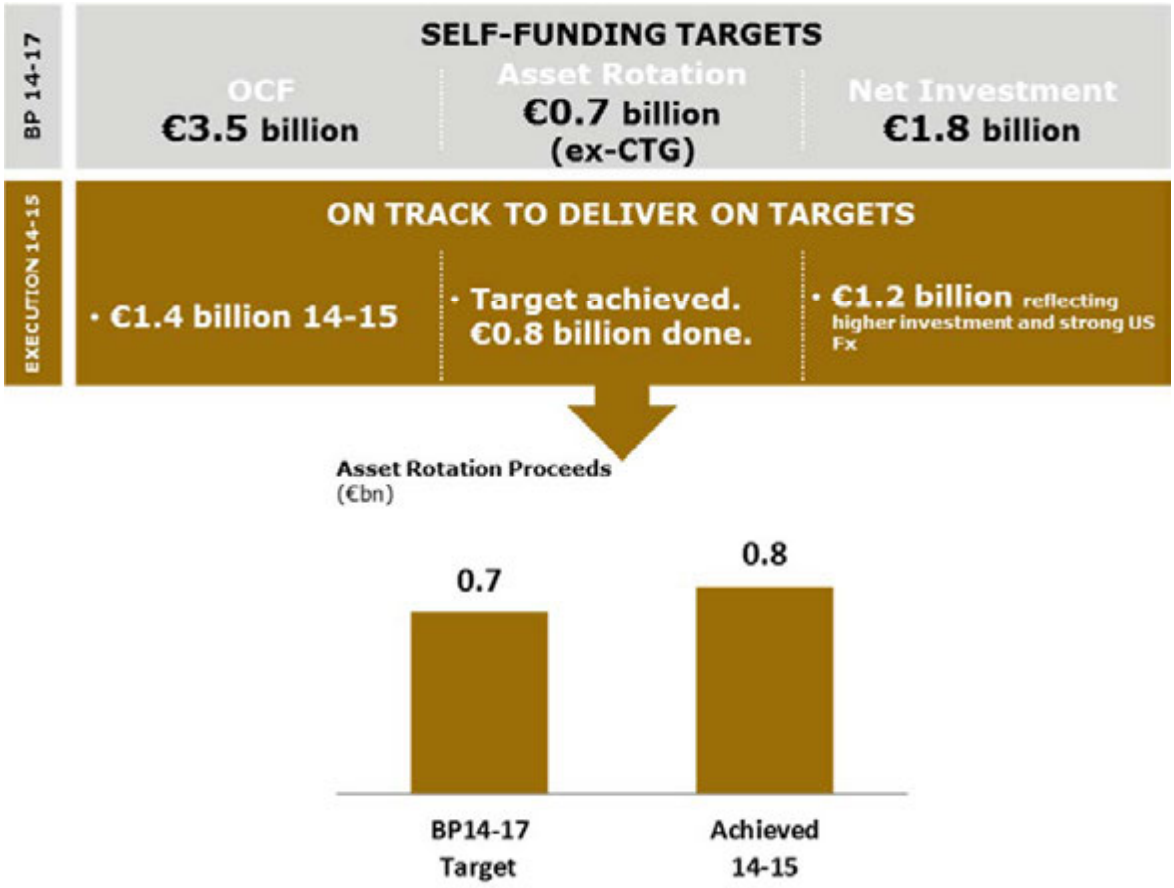
ASSET ROTATION

Proceeds from asset rotation transactions are also important sources of funds for the self-funding model of EDPR in financing the profitable growth of the business. Such model enables the company to advance the value yet to be realized from the future cash-flows of its existing projects over their long remaining lifetime, and reinvest the corresponding proceeds in the development of new value accretive projects, with superior returns to the costs of the asset rotation proceeds themselves. These transactions involve the company selling minority stakes at the level of the projects (typically of 49%), and still maintaining full management control over these projects. Moreover, the scope of projects for these transactions tend to be mature projects, generally already operating and thus significantly de-risked, with high visibility of future cash-flows, that can be attractive to low risk institutional investors from whom EDPR can then source a competitive cost of finance.

In 2015, two transactions were signed in the United States. The first transaction includes the sale of 49% of EDPR's Lone Valley, 30 MW, solar PV plant to an infrastructure fund. This transaction was completed at a competitive multiple and is EDPR's first asset rotation transaction involving non-wind assets. The second, the Company's second largest to date, involves the sale of 34% of a portfolio of operating and under construction wind farms amounting to 1,002 MW in the US. The completion of these two transactions brings the total asset rotation proceeds for 2014 and 2015 to € 800 million, having clearly surpassed EDPR's Business Plan target of € 700 million. The early completion of this target is a clear indicator of the quality of the company's installed asset base that has attracted the interest of many institutional investors.

During 2015, significant progress was also made with regards to the CTG strategic partnership. Under this agreement EDPR will sell 49% of Polish and Italian assets totalling 598 MW. The transaction scope covers 392 MW in operation in Poland and 100 MW in Italy with an average age of 4 years, as well as 107 MW under construction in Poland and Italy. This transaction adds to the Brazil and Portugal transactions signed with CTG in 2014 and 2012 respectively, as well as the MoU relating to the future sale of 49% stake in the ENEOP consortium signed in December 2013.

For the record, the referred strategic partnership between EDP (EDPR's main shareholder) and CTG was established at the end of 2011 and entered into force in May 2012, foreseeing a total € 2 billion investment by CTG until 2015 (including co-funding capex) in operating and ready-to-build renewable energy generation projects, that may include wind energy assets from EDPR and, as after agreed, selected hydro power plants from other EDP business units.



3. RISK MANAGEMENT

In line with EDPR's controlled risk profile, Risk Management process defines the mechanisms for evaluation and management of risks and opportunities impacting the business, increasing the likelihood of the company achieving its financial targets, while minimizing fluctuations of results without compromising returns.

RISK MANAGEMENT PROCESS

EDPR's Risk Management Process is an integrated and transversal management model that ensures the implementation of best practices of Corporate Governance and transparency. This process is closely followed and supervised by the Audit and Control Committee, an independent supervisory body composed of non-executive members.

The purpose of the Risk Management process is to ensure the alignment of EDPR's risk exposure with the company's desired risk profile. Risk management policies are aimed to mitigate risks, without ignoring potential opportunities, thus, optimizing return versus risk exposure.

Risk management is endorsed by the Executive Committee, supported by the Risk Committee and implemented in day-to-day decisions by all managers of the company. It is supported by three distinct organizational functions:

- **RISK PROFILER**: Responsible for identification and analyses of risks, defining policies and limits for risk management within the company;
- **RISK MANAGER**: Responsible for day to day operational decisions and for implementing approved risk policies;
- **RISK CONTROLLER**: Responsible for follow up of the result of risk taking decisions and for verification of alignment of operations with general policy approved by the Executive Committee.

EDPR created three distinct meetings of the Risk Committee in order to separate discussions on execution of mitigation strategies from those on the definition of new policies:

- **RESTRICTED RISK COMMITTEE**: Held every month, it is mainly focused on development risk and market risk from electricity price. It is the forum to discuss the execution of mitigation strategies to reduce merchant exposure. Its purpose is also to control the limits of defined risk policies, with regards to counterparty risk, operational risk and country risk.
- **FINANCIAL RISK COMMITTEE**: Held every quarter, it is held to review main financial risks and discuss the execution of mitigation strategies. Exchange rate risk, interest rate risk and credit risk from financial counterparties are most relevant risk reviewed in this committee.
- **RISK COMMITTEE**: Held every quarter, it is the forum where new strategic analyses are discussed and new policies are proposed for approval to the Executive Committee. Additionally, EDPR's overall risk position is reviewed, together with EBITDA@Risk and Net Income@Risk.

RISK MAP AT EDPR

Risk Management at EDPR is focused on covering all market, credit and operational risks of the company. In order to have a holistic view of risks, they are classified in Risk Areas, covering the entire business cycle of EDPR, and in Risk Categories, following a generalized classification of risks. Risk Areas are Countries & regulations, Revenues, Financing, Wind turbine contracts, Pipeline development, and Operations.

Risk Categories are Market, Counterparty, Operational, Business and Strategic, and they refer to the following risks:

- MARKET RISK: It refers to the risk to an institution resulting from movements in market prices, in particular, changes in electricity prices, interest rates, foreign exchange rates and other commodity prices.

- COUNTERPARTY RISK: Risk that counterparty to a transaction could default before final settlement of the transaction's cash flows. A direct economic loss would occur if transactions with the counterparty had positive economic value at the time of default. Even in the case of not defaulting, it may not comply with its contract obligations (timing, quality, etc.), implying additional higher costs due to its replacement or to delays in fulfilling the contract.

- OPERATIONAL RISK: Defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events (other than counterparty);

- BUSINESS RISK: Potential loss in the company's earnings due to adverse changes in business volume, margins, or both. Such losses can result above all from a serious deterioration of the weather conditions, or changes in the regulatory environment. Changes in electricity prices are considered a market risk;

- STRATEGIC RISK: It refers to risks coming from macroeconomic, political or social situation in countries where EDPR is present, as well as those coming from a change in the competitive landscape, from technology disruptions, from investment decisions criteria or from reputational issues;

Within each Risk Category, risks are classified in Risk Groups. The full description of the risks and how they are managed can be found in the Corporate Governance chapter.The following graph summarizes the Risk Categories and Risk Groups within EDPR.

RISK CATEGORIES

Risk Management mitigation strategies at EDPR

MARKET RISKS

- Hedge of market exposure through long term power purchase agreements (PPA) or short-term financial hedges
- Natural hedging, maintaining debt and revenues in same currency
- Execution of FX forwards to eliminate exchange rate transaction risk
- Fixed interest rates
- Alternative funding sources such as Tax equity structures and Multilateral/ Project Finance agreements

COUNTERPARTY RISKS

- Counterparty credit and operational analysis
- Collateral requirement following the policy
- Monitoring of counterparty risk limits

OPERATIONAL RISKS

- Supervision of EDPR's engineering team
- Flexible CODs in PPAs to avoid penalties
- Partnerships with strong local teams
- Track recurrent operational risks during construction and development
- Insurance against physical damage and business interruption
- Attractive remuneration packages and training
- Revision of all regulations that affects EDPR activity (environmental, taxes…)
- Control of internal procedures
- Redundancy of servers and control centres of wind farms

BUSINESS RISKS

- Careful selection of energy markets based on country risk and energy market fundamentals
- Diversification in markets and remuneration schemes
- Active involvement in all major wind associations in all markets where EDPR is present
- Signing of medium term agreements with turbine manufacturers to ensure visibility of turbine prices and supply
- Relying on a large base of turbine suppliers to ensure supply and signing contracts before engaging in tender auctions

STRATEGIC RISKS

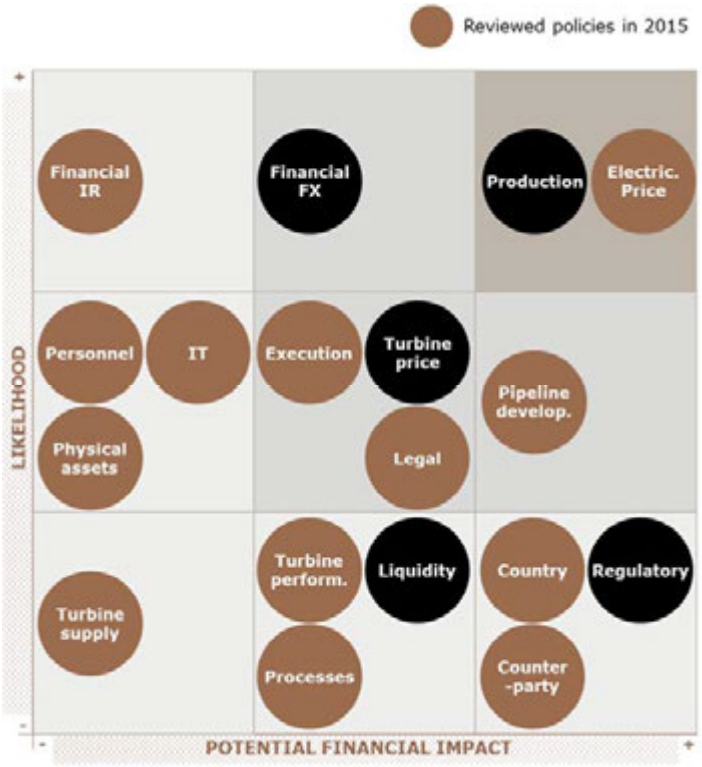
- Careful selection of countries
- Profitability analysis of every new investment considering all risks above
- Follow-up of cost effectiveness of renewables technologies and potential market disruptions

During 2015, EDPR reviewed or defined four Global Risk Policies:

- Energy Price Hedging Policy: Exposure limits were reviewed.
- Counterparty Credit Risk Policy: Exposure limits were reviewed.
- Operational Risk Policy: A full revision of the policy was approved following the guidelines established in 2014.
- Country Risk Policy: A full revision of the policy was reviewed, merging internal and external measures of country risk.

Reviewed policies during 2015 focused on risks with different level of impacts in EDPR's financial results.

EDPR RISK MATRIX BY RISK GROUP



FOCUS ON COUNTRY RISK AT EDPR

WHAT IS COUNTRY RISK?

Country Risk is defined as the probability of occurrence of a financial loss in a given country due to macroeconomics, political/social issues, natural disasters or legislative decisions.

SOURCES OF COUNTRY RISK

- **Economic**: Risks from the country's economic evolution, affecting revenues or costs of the investments. It can be divided in macroeconomics (the conditions of domestic economy) and external sector (international transactions between the country and the rest of the world).
- **Political and social**: Includes all possible damaging actions or factors for the business of foreign firms that emanate from any political authority, governmental body or social group in the host country (i.e. war, civil disturbances, etc.).
- **Natural disasters**:Natural phenomena (i.e. seismicity, weather) that may impact negatively in the business conditions.

METHODOLOGY FOR COUNTRY RISK ASSESSMENT AT EDPR

Country Risk Assessment is based on an external assessment consensus of country risk and an internal assessment performed by EDPR, which is used to identify the specific source of risk in order to apply potential mitigation strategies.

- **External Assessment**:
  It is the consensus from third parties assessments
  - ECAs
  - Private consultants
  - Credit rating agencies
  - Market indexes.
- **Internal Assessment**:
  It is an internal estimate of country risk which allows to differentiate the specific source of risk
  - Economic sector
    - Macroeconomics
    - External sector
  - Political Risk
  - Natural Disaster

USE OF COUNTRY RISK

Country Risk of EDPR's geographies is monthly monitored and is considered for new investment decisions

edp renováveis

ENERGY WITH INTELLIGENCE

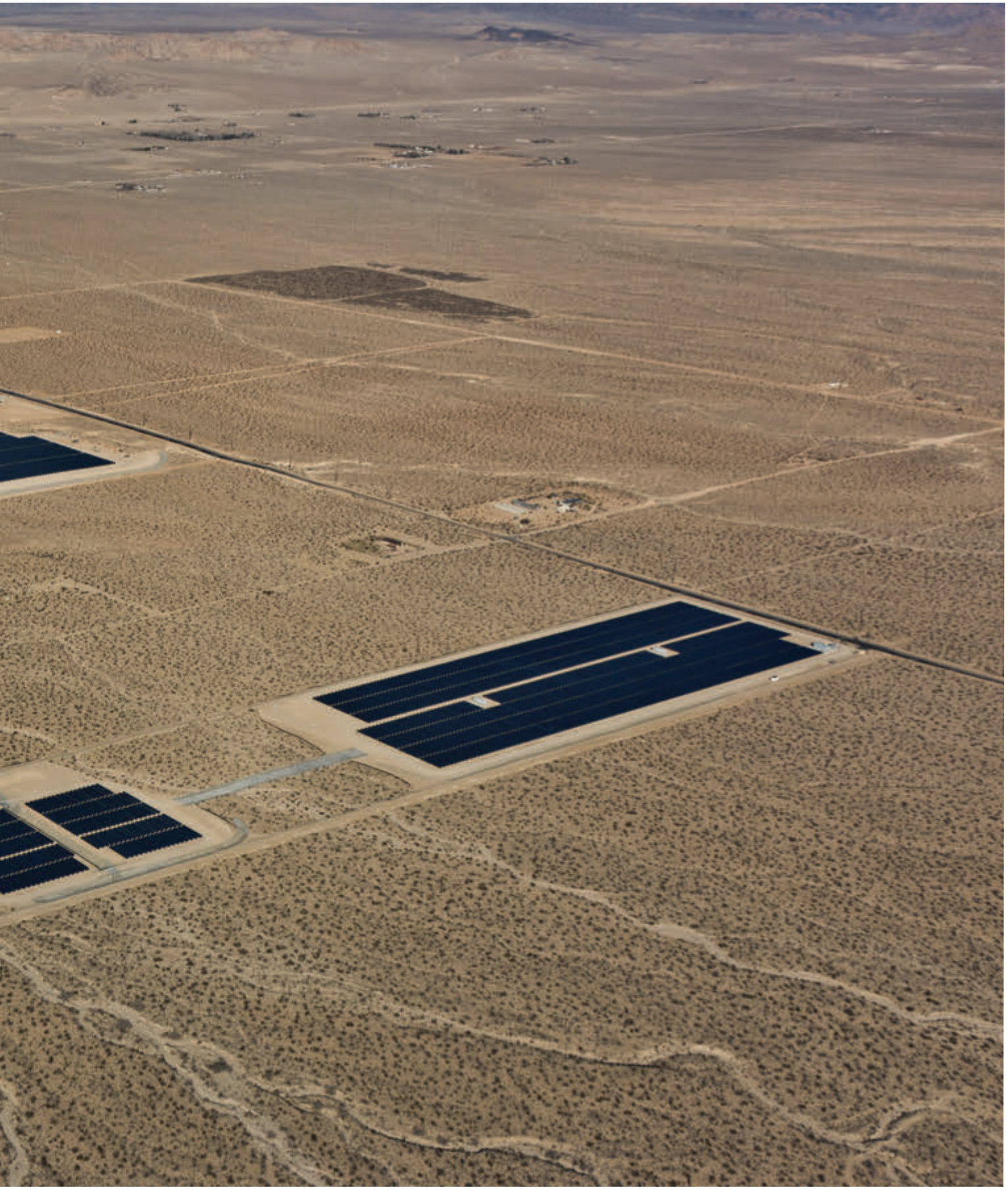
MANAGEMENT REPORT 2015

index

3. EXECUTION

ENERGY WITH INTELLIGENCE

MANAGEMENT REPORT 2015



Lone Valley Solar Farm, USA

ENERGY WITH INTELLIGENCE

MANAGEMENT REPORT 2015

03. EXECUTION

1. ECONOMIC

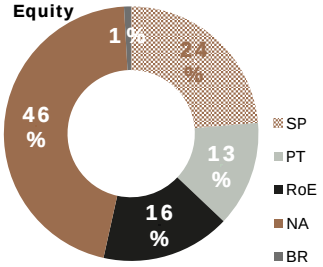
1.1. OPERATIONAL PERFORMANCE

In the year EDPR installed over 600 MW and over 1 GW after accounting for the consolidation of ENEOP.

	MW			NCF			GWh		
	YE15	YE14	Var.	YE15	YE14	Var.	YE15	YE14	Var.
Spain	2,194	2,194	-	26%	28%	-2pp	4,847	5,176	-6%
Portugal	1,247	624	+623	27%	30%	-3pp	1,991	1,652	+21%
Rest of Europe	1,523	1,413	+111	27%	24%	+3pp	3,225	2,495	+29%
Europe	4,965	4,231	+734	26%	27%	-1pp	10,062	9,323	+8%
US	4,203	3,805	+398	32%	33%	-1pp	11,031	10,145	+9%
Canada	30	30	-	27%	27%	+1pp	72	59	+23%
North America	4,233	3,835	+398	32%	33%	-1pp	11,103	10,204	+9%
Brazil	84	84	-	30%	32%	-2pp	222	236	-6%
EDPR: EBITDA	**9,281**	**8,149**	**+1132**	**29%**	**30%**	**-1pp**	**21,388**	**19,763**	**+8%**
ENEOP	-	533	-533						
Other equity consolidated	356	353							
Spain	177	174	+3						
United States	179	179							
EDPR: EBITDA + Equity consolidated	**9,637**	**9,036**	**+602**						

EDPR CONTINUES TO DELIVER SOLID SELECTIVE GROWTH

9.6 GW EBITDA + Net Equity



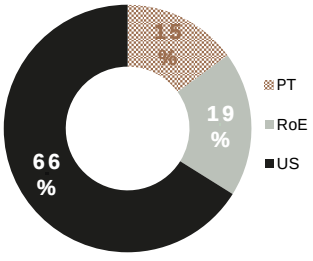
With a top quality portfolio present in ten countries, EDPR has a strong track record and proven capability to execute superior projects and deliver on targets. The installed asset base of 9.6 GW is not only young, on average 6 years, it is also mostly certified in terms of environmental and health and safety standards.

Since 2008, EDPR has doubled its installed capacity with the additions of 5.2 GW, resulting in a total installed capacity of 9,637 MW (EBITDA + Net Equity). As of year-end 2015, EDPR had installed 5,142 MW in Europe, 4,412 MW in North America and 84 MW in Brazil.

During 2015 EDPR added 602 MW to its installed capacity, of which 398 MW were in North America and 204 MW in Europe.

2015 INSTALLATIONS CONCENTRATED IN THE UNITED STATES

+602 MW in 2015



The largest growth in installed capacity occurred due to the completion of 398 MW in the U.S. All of the MW had previously secured long-term power purchase contracts, thus providing long term stability and visibility on the revenue stream.

Total EBITDA + Net Equity installed capacity surpassed 4.4 GW in the U.S.

In Europe, half of the growth in capacity came from additions in Rest of Europe. Iberia also contributed with 93 additional MW, mainly due to ENEOP asset split, which as of September 1st was 100% consolidated in EDPR.

In Poland, EDPR continues to see positive growth with the installation of 77 MW, 47 MW from the Tomaszów wind farm located in the central region and 30 MW from Poturzyn.

EDPR added 24 MW to its installed capacity in France with the completion of the Escardes and Montagne Fayel project, both of them with 12 MW of installed capacity. Finally, EDPR was able to deliver on 10 MW in Italy with the Parco la Rocca project.

Project Name	Country	MW
ENEOP	Portugal	80
Miscellaneous	Portugal	10
Miscellaneous	Spain	3
Tomaszów	Poland	47
Poturzyn	Poland	30
Escardes	France	12
Montagne Fayel	France	12
Parco la Rocca	Italy	10
Arbuckle	US	100
Rising Tree South	US	99
Waverly	US	199
2015 additions		**602**

MORE THAN HALF OF 2016 CAPACITY ADDITIONS ALREADY UNDER CONSTRUCTION

By the end of 2015, EDPR had 344 MW under construction all related to projects to be delivered in 2016 with long term secured remuneration.

In Mexico, EDPR started the works of its first wind farm in the country, 200 MW with a secured PPA in the state of Coahuila.

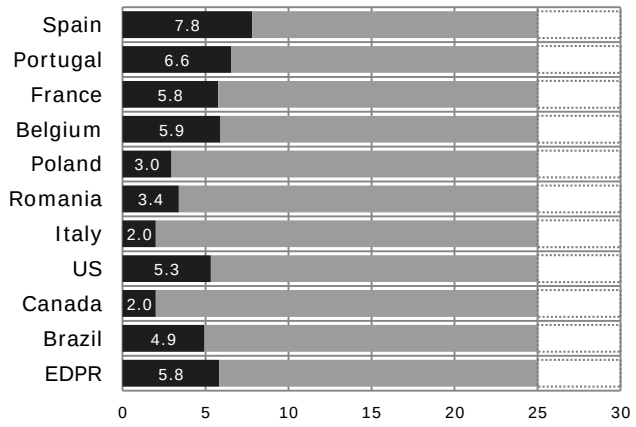
In Brazil EDPR has 120 MW under construction related to the Baixa do Feijão projects after successfully bidding in the A5 auction for 20 year PPAs schedule to start in 2016.

Finally in Europe, 24 MW were under construction in France, where EDPR has a solid long-term growth strategy.

92% OF EDPR'S INSTALLED CAPACITY IS COVERED BY ISO 14001 CERTIFICATION

The Environmental Management System (EMS) is developed in accordance with the ISO 14001 international standard and certified by an independent certifying organization. These consensus standards are considered the world's benchmark for EMS Management Systems and is a guarantee that EDPR sites, regardless of its regulatory environment are aligned and at the same level of compliance. For more information regarding the MW certified please refer to page 82.

Assets' Average Age and Useful Life



In addition to operating high quality and safe assets, EDPR also has a young portfolio with an average operating age of 6 years, with an estimate of over 19 years of useful life remaining to be captured.

In Europe, EDPR's portfolio had an average age of 6 years, in North America 5 years, and in Brazil 5 years.

Throughout the entire process, from development to operations, EDPR maintains the highest standards in construction quality, integrity, and sustainability.

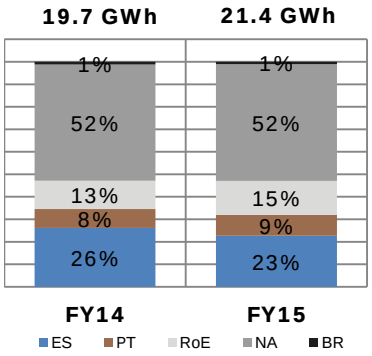
As an exemple, EDPR made numerous efforts to minimize impacts and promote environmental stewardship at Arbuckle Mountain. Despite the project representing a very low impact risk to bald eagles, EDPR and its consultant developed an Eagle Conservation Plan, and sited turbines away from potential bald eagle nesting habitat to further reduce risk. Certain construction activities, including ground disturbance and clearing, were conducted early in the year to minimize risk to nesting ground birds. In addition, while highly unlikely to be present in this area, efforts were taken to minimize potential impacts to the endangered American Burying Beetle, whose modeled range includes a small portion of the project area.

EDPR also extends its postive impact to the local committies, funding their festivities, like the 4th of July celebration in the small town of Davis or supporting important institutions, such us the fire department which needed a new insulation and shelving that was funded by EDPR.

In Poland, the towns of Tomaszów and Jarczów where positively impacted by the construction of the Tomaszów wind farm, as local roads, sidewalks and bus stops were replaced. From an environmental point of view monitoring of bats, birds and hamsters was performed.

All in all, the total intrinsic value created by the installation of more than 0.6 GW is greatly positive.

8% INCREASE IN YOY GENERATION



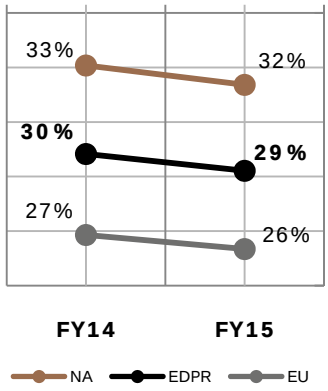
EDPR generated 21.4 TWh during 2015. When adding the over 1 TWh produced from our equity projects, enough clean energy was produced to serve nearly 50% of the electricity demand of Portugal.

The 8% year-on-year increase in the electricity output benefited from the capacity additions over the last 12 months and ENEOP consolidation.

Due to a lower wind resource, EDPR achieved a 29% load factor during 2015, which compares with a 30% load factor achieved in 2014.

EDPR also achieved a stellar 98% availability. The company continues to leverage on its competitive advantages to maximize wind farm output and on its diversified portfolio to minimize the wind volatility risk.

PREMIUM PERFORMANCE AND DIVERSIFIED PORTFOLIO DELIVERS BALANCED OUTPUT



EDPR's operations in North America were the main driver for the electricity production growth in 2015, increasing by +9% YoY to 11.1 TWh and represented 52% of the total output (stable year-on-year). This performance was driven by EDPR's unique ability to capture the wind resource available along with the contribution from new additions. EDPR achieved a 32% load factor in North America, -1pp vs. 2014.

Production growth in Europe was mainly due to reaping the benefits from the installed capacity in 2014, which help offset the decline in year over year load factor. All countries deliver positive growth except for Spain where 2014 was considered an outstanding year in terms of wind resource.

Spain (-2pp) and Portugal (-3pp) capacity factors were lower YoY, although the efficiency achieved was in line normal expectations. Moreover, EDPR delivered once again a solid premium over the Spanish market average load factor (+2pp).

The Rest of Europe operations delivered a 27% load factor (24% in 2014) and posted higher year over year generation. Poland and Romania lead the increase in production with +572 GWh YoY as new capacity and a solid resource contributed to the strong performance. Higher production in Italy (+44 GWh) and France (+90 GWh) was due to a mix of new capacity and stronger wind resource. The remaining countries delivered stable growth of 23 GWh.

In 2015, EDPR's output in Brazil decreased 6% YoY to 222 GWh, as a result of a weaker wind resource during the year, and led to a lower load factor of 30% (-2pp).

CARBON FREE ENERGY

The 21.4 TWh of electricity produced by EDPR has zero carbon emissions, thus contributing to the world's fight against climate change. Based on each countries' thermal emission factors, an estimate of 18.7 million tons of CO_2 equivalent emissions were avoided that would have otherwise been emitted by burning fossil fuels to generate the same amount of electricity in the geographies where EDPR is present.

1.2. FINANCIAL PERFORMANCE

REVENUES TOTALLED 1.5 BILLION EUROS AND EBITDA SUMMED 1.1 BILLION EUROS.

In 2015, EDPR revenues totalled 1,547 million euros, an increase of 270 million euros when compared to 2014 mainly driven by forex appreciation (+110 million euros), higher volumes (+106 million euros), higher average selling price (+28 million euros) and an update of TEI's post-flip residual interest accretion (30 million euros). EDPR's output in the period increased 8% and the average selling price increased by 9% as the result of higher average selling price in Europe.

EBITDA decreased 239 million euros year on year to 1,142 million euros, as a result of the top-line evolution and partially offset by higher Net operating costs, +31 million euros to 405 million euros. Net operating costs were positively impacted by higher Other operating income, +116 million euros, mainly explained by the gain subsequent to the control acquisition of certain assets of ENEOP, and on the other hand by higher Operating Costs. In the period, Other operating costs increased by +147 million euros, mainly due to write-off impact, following a strict focus of the development efforts in regions with sound business fundamentals, and at lesser extent to forex translation. As a result, EBITDA margin increased from 71% to 74%.

Financial Highlights (€m)	2015	2014	▲% / €
Income Statement			
Revenues	1,547	1,277	+21%
EBITDA	1,142	903	+26%
Net Profit (attributable to EDPR equity holders)	167	126	+32%
Cash-Flow			
Operating Cash-Flow	701	707	(1%)
Net investments	719	515	+40%
Balance Sheet			
Assets	15,736	14,316	+1,420
Equity	6,834	6,331	+503
Liabilities	8,902	7,986	+916
Liabilities			
Net Debt	3,707	3,283	+425
Institutional Partnerships	1,165	1,067	+98

NET PROFIT REACHED 167 MILLION EUROS

Impacted by the top line evolution, Net Profit increased 32% year over year to 167 million euros, while Adjusted Net Profit decreased 13% to 108 million euros, adjusted for non-recurring events, forex differences and capital gains.

ROBUST CASH-FLOW

Operating Cash-Flow reached 701 million euros and net investments reached 719 million euros, benefiting from the execution of the asset rotation strategy. In 2015, EDPR received proceeds of 395 million euros from the sale of non-controlling interests. On the back of its asset rotation strategy, was completed the settlement of Fiera Axium transaction, signed in 2014, and the financial closing of the sale of a minority interest in an operating solar PV power plant in the US. As a result, for both transactions, EDPR received a net amount of 316 million euros, considering agreed transaction values, less cash owed from the signing to the settlement dates and net of transactions costs. In 2015, also occurred the financial closing of the sale of Brazilian minority interests assets to CTG, in the context of the partnership with EDP.

Capital expenditures (Capex) totalled 903 million euros reflecting the capacity additions in the year and the capacity under construction. Financial investments totalled 157 million, mainly related with settlement of ENEOP asset split, the acquisition of a 45% stake in EDPR Brasil and the acquisition of minority stakes in already controlled SPVs in Spain. As a result of forex translation (impact 130 million euros), investments done in the period, robust cash-flow generation, the execution of the asset rotation strategy and close monitoring of operating costs, Net Debt increase by 425 million euros, reflecting 3.2x Net Debt to EBITDA, versus 3.6x in 2014.

INCOME STATEMENT

SOLID TOP LINE PERFORMANCE

EDPR revenues totalled 1,547 million euros, a 21% increase on the back of the forex translation, higher volumes and higher selling prices along with other effects.

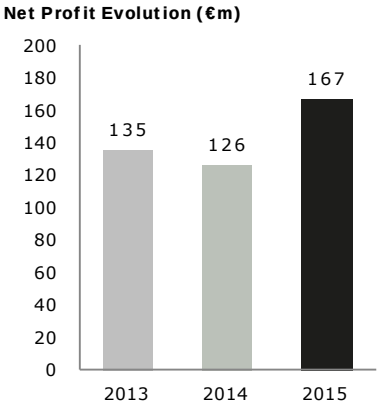
Other operating income increased by 116 million euros, mainly explained by the gain subsequent to the control acquisition of certain assets of ENEOP, while Operational expenses (Opex) – defined as Operating costs excluding Other operating income - increased by 147 million euros, with the increase mainly explained by the write-off impact and forex translation. Reflecting control over costs and EDPR's asset management strategy, Supplies and services and Personnel costs per Avg. MW, adjusted by forex impact, decreased by 1% YoY, and Supplies and services and Personnel costs per Avg. MWh stood stable YoY, given lower wind resource in the period.

In 2015, EBITDA increased by 26% to 1,142 million euros, while EBITDA margin improved to 74% versus 71% in 2014.

Operating income (EBIT) increased by 37% versus 2014 to 578 million euros, reflecting EBITDA performance and the 84 million euros higher depreciation and amortisation costs, including net impairments, along with higher capacity in operation and forex.

At the financing level, Net Financial Expenses increased 14%. Net interest costs decreased 8% due to lower cost of debt, reduced from 5.2% to 4.3% in December 2015. Institutional Partnership costs were 22 million euros higher, reflecting mainly forex translation and new tax equity deals, while capitalized expenses decreased by 14% versus 2014. Forex differences and derivatives had a negative impact of 3 million euros.

Pre-Tax Profit increased to 291 million euros and income taxes increased to 45 million euros. Non-controlling interests in the period totalled 79 million euros, an increase of 27 million euros on the back of the non-controlling interests sold to EFG Hermes, Northleaf, DIF III and Fiera Axium as part of the execution of the asset rotation strategy, and to CTG. All in all, Net Profit increased to 167 million euros and Adjusted Net Profit increased 13% year on year.



Consolidated Income Statement (€m)	2015	2014	▲% / €
Revenues	**1,547**	**1,277**	**+21%**
Other operating Income	162	46	+254%
Supplies and services	(293)	(257)	+14%
Personnel costs	(84)	(66)	+27%
Other operating costs	(189)	(96)	+96%
Operating Costs (net)	**(405)**	**(374)**	**+8%**
EBITDA	**1,142**	**903**	**+26%**
EBITDA/Net Revenues	*74%*	*71%*	+3pp
Provisions	0.2	(0.0)	-
Depreciation and amortisation	(587)	(500)	+18%
Amortization of government grants	23	19	+20%
EBIT	**578**	**422**	**+37%**
Financial Income / (expenses)	(285)	(250)	+14%
Share of profits of associates	(2)	22	-
Pre-tax profit	**291**	**194**	**+50%**
Income taxes	(45)	(16)	+177%
Profit of the period	245	178	+38%
Net Profit Equity holders of EDPR	**167**	**126**	**+32%**
Non-controlling interest	79	52	+52%

BALANCE SHEET

TOTAL EQUITY INCREASES BY 503 MILLION EUROS

Total Equity of 6.8 billion euros increased by 503 million euros in 2015, of which 314 million euros attributable to non-controlling interests. The increased equity attributable to the shareholders of EDPR by 189 million euros is due to mainly the 167 million euros of Net Profit, reduced by the 35 million euros in dividend payments.

Total liabilities increased 11% by +916 million euros, mainly in accounts payable (+375 million euros), financial debt (+318 million euros) and institutional partnerships (+98 million euros).

With total liabilities of 8.9 billion euros, the debt-to-equity ratio of EDPR stood at 130% by the end of 2015, which is an increase from the 126% in 2014. Liabilities were mainly composed of financial debt (47%), liabilities related to institutional partnerships in the US (13%) and accounts payable (26%).

Liabilities to tax equity partnerships in the US stood at 1,165 million euros, and including +254 million dollars of new tax equity proceeds received in the 2015. Deferred revenues related to institutional partnerships primarily represent the non-economic liability associated to the tax credits already realized by the institutional investor, arising from accelerated tax depreciation, and yet to be recognized as income by EDPR throughout the remaining useful lifetime of the respective assets.

Deferred tax liabilities reflect the liabilities arising from temporary differences between the accounting and the tax basis of assets and liabilities. Accounts payables include trade suppliers, PP&E suppliers, deferred income related to investment grants received and derivative financial instruments.

As total assets totalled 15.7 billion euros in 2015, the equity ratio of EDPR reached 43%, versus 44% in 2014. Assets were 80% composed of net PP&E - property, plant and equipment, reflecting the cum ulative net invested capital in renewable energy generation assets.

Total net PP&E of 12.6 billion euros changed to reflect 898 million euros of new additions during the year, 844 million euros due to ENEOP consolidation and 583 million euros from forex translation (mainly as the result of a US Dollar appreciation), reduced by 694 million euros for depreciation charges, reclassification of assets to held for sale, impairment losses and write-offs.

Net intangible assets mainly include 1.5 billion euros from goodwill registered in the books, for the most part related to acquisitions in the US and Spain, while accounts receivable are mainly related to loans to related parties, trade receivables, guarantees and tax receivables.

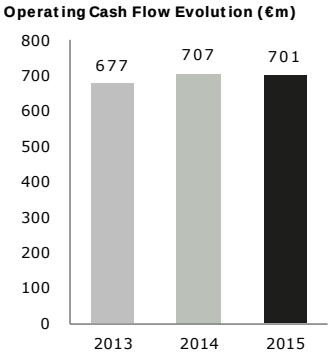
Statement of Financial Position (€m)	2015	2014	▲% / €
Assets			
Property, plant and equipment, net	12,612	11,013	+1,599
Intangible assets and goodwill, net	1,534	1,405	+129
Financial investments, net	340	376	(36)
Deferred tax assets	47	46	+1
Inventories	23	21	+1
Accounts receivable – trade, net	222	146	+76
Accounts receivable – other, net	338	859	(520)
Collateral deposits	73	81	(7)
Cash and cash equivalents	437	369	+68
Assets held for sale	110	0	+110
Total Assets	**15,736**	**14,316**	**+1,420**
Equity			
Share capital + share premium	4,914	4,914	-
Reserves and retained earnings	891	742	+149
Net profit (equity holders of EDPR)	167	126	+41
Non-controlling interests	863	549	+314
Total Equity	**6,834**	**6,331**	**+503**
Liabilities			
Financial debt	4,220	3,902	+318
Institutional partnerships	1,165	1,067	+98
Provisions	121	99	+23
Deferred tax liabilities	316	270	+46
Deferred revenues from institutional partnerships	791	735	+56
Accounts payable – net	2,288	1,912	+375
Total Liabilities	**8,902**	**7,986**	**+916**
Total Equity and Liabilities	**15,736**	**14,316**	**+1,420**

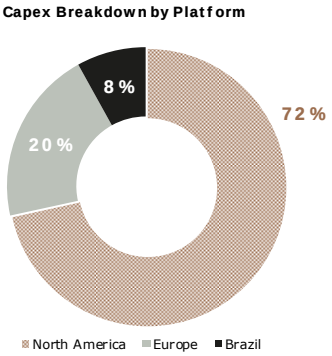
CASH FLOW STATEMENT

STRONG OPERATING CASH FLOW

In 2015, EDPR generated Operating Cash-Flow of 701 million euros. EDPR continues to benefit from the strong cash-flow generation capabilities of its assets in operation.

The key items that explain 2015 cash-flow evolution are the following:





- Funds from operations, resulting from EBITDA after net interest expenses, share of profits of associates and current taxes, increased to 901 million euros;
- Operating Cash-Flow, which is the EBITDA net of income tax and adjusted by non-cash items (namely income from US institutional partnerships and write-offs) and net of changes in working capital, totalled €707m.
- Capital expenditures with capacity additions, ongoing construction and development works totalled 903 million euros. In Europe capex totalled 184 million euros, mainly in Rest of Europe, while 646 million euros were invested in North America, the core growth of EDPR 2014-17 business plan. Other net investing activities amounted to +129 million euros, mainly reflecting ENEOP asset split settlement, the investment done in Brazil following the 45% acquisition of EDPR Brasil, the acquisition of minority stakes in already controlled SPVs in Spain and equipment suppliers invoices already booked but not yet paid.
- On the back of its asset rotation strategy, in the period, was completed the settlement of Fiera Axium transaction and the financial closing of the sale of a minority interest in an operating solar PV power plant in the US. In 2015, also occurred the financial closing of the sale of Brazilian minority interests assets to CTG, in the context of the partnership with EDP.
- Net proceeds from Institutional Partnerships reached 68 million euros. In 2015, EDPR received the last tranche of a structure signed in the 4Q 2014, and the proceeds from the 99 MW Rising Tree South and the 100 MW Arbuckle wind farm institutional partnerships.
- Total net dividends and other capital distributions paid to minorities amounted to 115 million euros, including 35 million euros of dividends paid to EDPR shareholders. Forex & Other had a negative impact increasing Net Debt by 277 million euros, also explained by ENEOP consolidation and the impact of US dollar appreciation and other forex translation (+130 million euros in 2015).

All in all, Net Debt increased by 425 million euros, to 3,707 million euros by year end.

Cash Flow (€m)	2015	2014	▲% / €
EBITDA	**1,142**	**903**	**+26%**
Current Income Tax	(51)	(50)	+3%
Net interest costs	(188)	(207)	(9%)
Share of profits of associates	(2)	22	(107%)
FFO (Funds from operations)	**901**	**668**	**+35%**
Net interest costs	188	207	(9%)
Income from associated companies	2	(22)	(107%)
Non-cash items adjustments	(263)	(130)	+103%
Changes in working capital	(127)	(16)	-
Operating Cash Flow	**701**	**707**	**(1%)**
Capex	(903)	(732)	+23%
Financial Investments	(157)	(19)	+708%
Changes in working capital related to PP&E suppliers	26	192	(86%)
Government Grants	1	22	(93%)
Net Operating Cash Flow	**(330)**	**169**	**-**
Sale of non-controlling interests and shareholders' loans	395	215	+84%
Proceeds/(Payments) related to Institutional partnerships	68	(70)	(198%)
Net interest costs (post capitalisation)	(165)	(180)	(8%)
Dividends net and other capital distributions	(115)	(79)	+46%
Forex & Other	(277)	(60)	+361%
Decrease / (Increase) in Net Debt	**(425)**	**(5)**	**-**

FINANCIAL DEBT

LONG-TERM AND STABLE DEBT PROFILE

EDPR's total Financial Debt increased by 326 million euros to 4.1 billion euros, reflecting US Dollar appreciation, investments done in the period and the proceeds from the execution of the asset rotation transactions. Loans with EDP group, EDPR's principal shareholder, accounted or 74% of the debt, while loans with financial institutions represented 26%.

To continue to diversify its funding sources EDPR keeps on executing top quality projects enabling the company to secure local project finance at competitive costs. In 2015, EDPR closed three project finance transactions: i) in Brazil for wind farms under construction with total capacity of 120 MW, in a total amount of 306 million reais; in Belgium for a 14 MW wind farm in operation, for 16 million euros; and in Poland for a 54 MW wind farm in operation, for 167 million of Polish Zlotys.

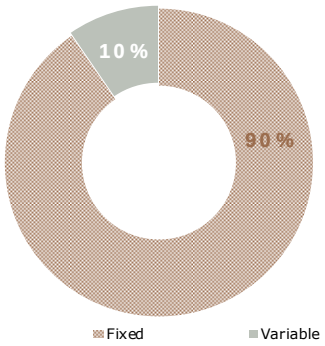
As of December 2015, 51% of EDPR's financial debt was Euro denominated, 40% was funded in US Dollars, related to the company's investment in the United States, and the remaining 9% was mostly related with debt in Polish Zloty and Brazilian Real.

EDPR continues to follow a long-term fixed rate funding strategy, matching the Operating Cash-Flow profile with its financial costs and therefore mitigating interest rate risk. Therefore, as of December 2015, 90% of EDPR's financial debt had a fixed interest rate and only 14% had maturity schedule until 2018. 40% of EDPR's financial debt had maturity in 2018, reflecting a set of 10-year loans granted by EDP in 2008, and 46% in 2019 and beyond. As of December 2015, the average interest rate was 4.3%, lower versus 5.2% in December 2014.

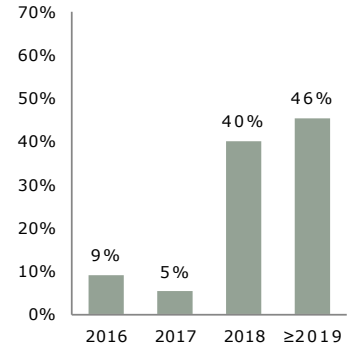
INSTITUTIONAL PARTNERSHIPS

Liabilities referred to Institutional Partnerships increased to 1,165 million euros from 1,165 million euros in 2014, due to US dollar appreciation, the benefits captured by the tax equity partners and the establishment of new institutional tax equity financing structures during the period.

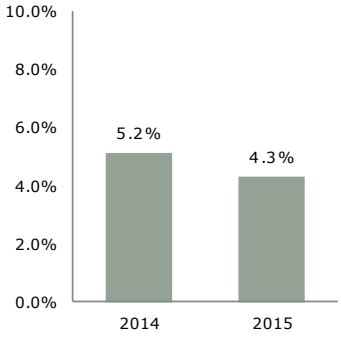
Debt Interest Rate type profile



Debt Maturity Profile (%)



Cost of Debt (%)



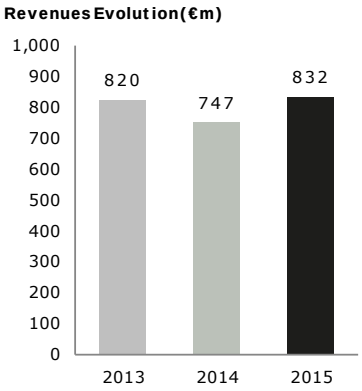
Financial Debt (€m)	2015	2014	▲ €
Nominal Financial Debt + Accrued interests	4,220	3,902	+318
Collateral deposits associated with Debt	73	81	(7)
Total Financial Debt	**4,147**	**3,821**	**+326**
Cash and Equivalents	437	369	+68
Loans to EDP Group related companies and cash pooling	3	170	(167)
Financial assets held for trading	0	0	-
Cash & Equivalents	**439**	**538**	**(99)**
Net Debt	**3,707**	**3,283**	**+425**

EUROPE

REVENUES

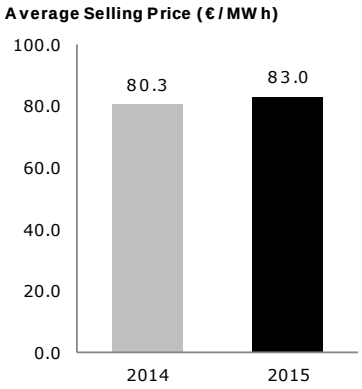
In Europe, EDPR delivered revenues of 832 million euros, an increase of 85 million euros versus 2014, reflecting the impact from higher electricity output, increasing 8% versus 2014 to 10,062 GWh, and higher average selling price, increasing by 3% versus 2014 to 83 euros per MWh.

In detail, the decrease in revenues was a result of higher revenues in Rest of Europe (+38 million euros), Portugal (+24 million euros) and Spain (+21m million euros, including hedges). Consequently, the contribution from Spain totalled 45%, while contribution from Portugal and Rest of Europe totalled 23% and 32%, respectively.



AVERAGE SELLING PRICE

The average selling price in Europe increased 3% to 83 euros per MWh, mainly driven by higher average selling price in Spanish, following 2014 abnormally low selling price due to weather conditions. In Portugal the average selling price was 95 euros per MWh, lower versus 2014, reflecting ENEOP consolidation since 1st September. In Rest of Europe the average selling price was lower versus 2014, reaching 86 per MWh, mainly impacted by the lower realised price in Romania, with green certificates being sold at the floor of the regulated collar.



NET OPERATING COSTS

Net Operating Costs decreased by 61 million euros, to 141 million euros, mainly explained by the increase in Other operating income following the gain subsequent to the control acquisition of certain assets of ENEOP, partially mitigated by the increase in Other operating costs on the back of write-offs of certain projects, higher rents and taxes due to the higher capacity in operation. In 2015, Supplies & Services and Personnel Costs per average MW in operation decreased 1% YoY to 41 thousand euros, supported by EDPR's asset management strategy and higher capacity in operation. Reflecting the lower wind resource in the period, Supplies & Services and Personnel Costs per MWh stood stable YoY at 17.6 euros.

All in all, EBITDA in Europe totalled 690 million euros, leading to an EBITDA margin of 83%, while EBIT reached 401 million euros.

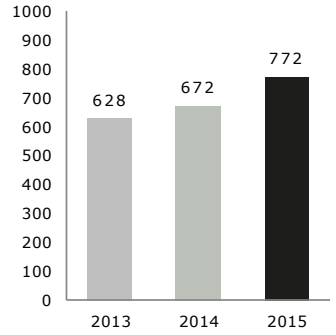
Europe Income Statement (€m)	2015	2014	▲% / €
Revenues	**832**	**747**	**+11%**
Other operating income	140	27	+428%
Supplies and services	(151)	(141)	+7%
Personnel costs	(27)	(22)	+19%
Other operating costs	(104)	(65)	+59%
Operating Costs (net)	**(141)**	**(202)**	**(30%)**
EBITDA	**690**	**544**	**+27%**
EBITDA/Net Revenues	*83%*	*73%*	+10pp
Provisions	(0)	(0)	+0%
Depreciation and amortisation	(291)	(271)	+8%
Amortization of government grants	2	2	+24%
EBIT	**401**	**275**	**+46%**

NORTH AMERICA

REVENUES

In 2015, Revenues increased 15% to 772 million US Dollars, supported by 9% increase in production and stable overall average selling price.

Revenues Evolution ($m)



AVERAGE SELLING PRICE

Average selling price in the region stood unchanged versus 2014, at $51 per MWh, In the US the average selling price increased to $51 per MWh, versus $50 per MWh in 2014, benefiting from higher production towards PPA/Hedge along with higher realised merchant price, as in the 2014 prices were impacted by extreme weather conditions that increased balancing and congestion costs, and in 2015 prices increased mostly due to an increase of REC prices. In Canada, EDPR average selling price was $113 per MWh, lower versus 2014 mainly reflecting forex translation.

NET OPERATING COSTS

Net Operating Costs increased to 259 million US Dollars, mainly due to the increase in Other operating costs and in Personnel costs, at a lower extend. The increase in Other operating costs was driven by write-offs and by the booking of property taxes related to new wind farms. Reflecting control over costs and strong efficiency levels, Supplies & Services and Personnel Costs per Avg. MW in operation decreased 3% YoY, and decreased by 2% per MWh, impacted by the lower wind resource in the period.

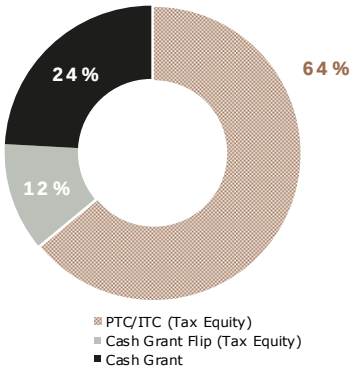
INSTITUTIONAL PARTNERSHIPS AND GOVERNMENT GRANTS

Income from Institutional Partnerships increased to 219 million US Dollars, reflecting in part an one-off event from an update of tax equity investors' post-flip residual interest accretion. The projects that opted for the cash grant benefited from lower depreciation charges, booked in the income statement as amortisation of government grants, totalling 23 million US Dollars.

In 2015, EDPR received 268 million US Dollars from institutional tax equity financing structures, related to proceeds of the last tranche of an institutional tax equity financing structure signed in October 2014 and from two institutional partnership structures signed 2015, for 99 MW of Rising Tree South and 100 MW Arbuckle wind farm.

In addition, in 2015, EDPR signed an institutional partnership structure for the 199 MW Waverly wind farm, which financial closing occurred in the beginning of 2016.

US installed capacity by tax incentive



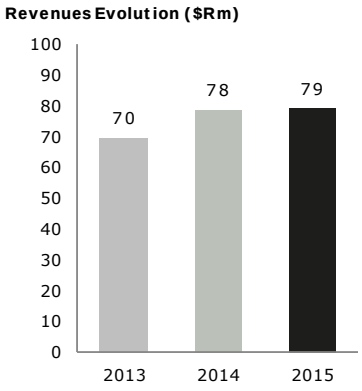
All in all, EBITDA went up 7% to 513 million US Dollars, leading the EBITDA margin to increase to 66%.

North America Income Statement (US$m)	2015	2014	▲% / €
Electricity Sales & Other	553	508	+9%
Income from Institutional Partnerships	219	164	+33%
Revenues	**772**	**672**	**+15%**
Other operating income	22	23	(4%)
Supplies and services	(149)	(145)	+3%
Personnel costs	(45)	(37)	+21%
Other operating costs	(88)	(36)	+146%
Operating Costs (net)	**(259)**	**(194)**	**+33%**
EBITDA	**513**	**477**	**+7%**
EBITDA/Net Revenues	*66%*	*71%*	(5pp)
Provisions	0.2	0.0	-
Depreciation and amortisation	(320)	(292)	+9%
Amortization of government grants	23	23	+0.1%
EBIT	**216**	**208**	**+4%**

BRAZIL

REVENUES

In Brazil, EDPR reached revenues of 79 million reais, representing a year on year increase of 1%, explained by the higher average selling price.



AVERAGE SELLING PRICE

The average selling price in Brazil increased 7% to R$370 per MWh, basically reflecting the PPA update price according with inflation type adjustment.

In Dec-15, EDPR had 84 MW of wind installed capacity in Brazil, being all under incentive programs for renewable energy development. Under these programs the projects were awarded with long-term contracts to sell the electricity produced for 20 years, providing long-term visibility over cash-flow generation throughout the projects' life.

NET OPERATING COSTS

Net Operating Costs increased during the year by 3 million reais, mainly due to higher Other operating costs and at a lesser extend due to the increase in personnel costs and in supplies and services. Following the outstanding top line performance, in 2015, EBITDA reached 45 million reais, a decrease of 5% versus previous year, with the EBITDA margin decreasing to 58%.

Brazil Income Statement (R$m)	2015	2014	▲% / €
Revenues	**79**	**78**	**+1%**
Other operating income	2	0	-
Supplies and services	(21)	(19)	+7%
Personnel costs	(6)	(4)	+39%
Other operating costs	(10)	(8)	+27%
Operating Costs (net)	**(34)**	**(31)**	**+9%**
EBITDA	**45**	**48**	**(5%)**
EBITDA/Net Revenues	*58%*	*61%*	(3pp)
Provisions	0.0	0.0	-
Depreciation and amortisation	(19)	(19)	+3%
Amortization of government grants	0.1	0.1	+10%
EBIT	**27**	**29**	**+18%**

OTHER REPORTING TOPICS

RELEVANT AND SUBSEQUENT EVENTS

The following are the most relevant events from 2015 that have an impact in 2016 and subsequent events from the first months of 2016 until the publication of this report.

- EDPR informs about wind offshore projects in the UK
- EDPR informs about an agreement with CTG regarding wind offshore projects in the UK
- EDPR announces the sale of minority stakes in Poland and Italy
- EDP Renováveis signs agreement to acquire licenses for 216 MW of wind energy in Portugal
- EDPR executes a new asset rotation transaction in the US with a total production capacity of 1,002 MW
- EDPR informs about new institutional partnerships structures in the US for an interest in the 199 MW Waverly
- EDPR secures new PPAs for 100 MW wind farm in the US
- EDPR is awarded long-term contract for 140 MW at Brazilian energy auction
- EDP Renováveis awarded with 93 MW in the Spanish renewable energy auction

For Additional information on these events, please refer to Note 40 of EDPR Consolidated Annual Accounts.

INFORMATION ON AVERAGE PAYMENT TERMS TO SUPPLIERS

In 2015 total payments made from Spanish companies to suppliers, amounted to €106,480 thousands with a weighted average payment period of 70 days, slightly above the payment period stipulated by law of 60 days.

Notwithstanding, the company is maintaining an optimization of its internal processes in order to settle all payments due within the maximum legal period.

2. STAKEHOLDERS

2.1. EMPLOYEES

EDPR growth over the past years has been supported by our employees' flexibility and team work that have provided the company with the ability to adapt to a changing business in the different realities of the markets where we have presence. As a result, our employees' growth and development are key priorities – we strive to offer outstanding training programs and job opportunities, to provide an interesting career within the Company to our employees and to prepare them for future challenges. As a result, geographical and functional mobility is a fundamental pillar in our HR strategy.

In 2015, EDPR increased its total headcount by 11% when compared to the previous year, exceeding for the first time one thousand employees and closing the year with 1018 employees. 2015 personnel increase follows a solid annual growth rate (CAGR) of 7% since 2008. Our employees are distributed globally, with 20% working at EDPR Holding, 43% within the European Platform, 34% in North American and 3% in Brazil.

2.1.1. OPPORTUNITIES

The Group's growth and development of the business have led EDPR to invest in people with potential, who can contribute to the value creation.

Our objective is to attract talented people but also to create opportunities for current employees through mobility and development actions, as we believe in the potential of our employees. The HR strategy supports different initiatives to give them visibility and employability throughout the Company. New positions are always offered internally allowing them to grow within the Company. Accordingly, in 2015, 100% of the new Directors have been hired internally and there has been a total of 81 promotions.

MOBILITY

Mobility, both functional and geographical, is considered by EDPR as a human resources management tool for organizational development. Therefore, it is strongly supported also as a way of stimulating employees' motivation, skills, productivity, and personal fulfilment.

The Mobility processes within EDPR aim to respond to the different challenges and needs of the Group, considering specific characteristics of the different geographical locations.

2015 Internal Mobility

- Functional: 31
- Geographical: 16
- Functional & Geographical: 9

EXTERNAL RECRUITMENT

EDPR is recognized for hiring exceptional people. Our aim is to position the Company in the labour market as an "employer first choice". In this sense, different initiatives are carried out to enhance employer branding by participating in various employer forums and hosting visits from top-tier universities.

Additionally, EDPR offers an internship program in order to provide young professionals with work experience and to identify future employees who can contribute to the future development of the business.

During 2015, EDPR offered 53 long term internships and 30 summer internships, 19% of which were finally hired. Moreover, in 2015 EDPR hired 189 employees, 37% of which are women.

Visit to one Wind Farm on EDPR Welcome Day

Our selection processes ensure non-discriminatory practices. This is confirmed in the Code of Ethics which contains specific clauses of non-discrimination and equal opportunities in line with the company's culture of diversity.

INTEGRATION

As EDPR has a strong company culture, we want new hires to adopt this culture and quickly integrate it in the day-to-day activities. To facilitate this process, new hires are involved in numerous workshops and team building activities focused on improving integration and gaining a better knowledge of the company.

Our Welcome Day, a three day event for new hires, allows new employees to obtain basic acquaintance of the company and our business. Depending on the employee's profile, we offer them a visit to one of the wind farms or the remote control dispatch centre.

2.1.2. DEVELOPMENT

The development of our employees is a strategic target at EDPR. We offer employees an attractive career development program, as well as a continuing education and training opportunities to stimulate the acquisition of new knowledge and individual skills, while aligning people's training with the Company's internationalization and competitiveness challenges.

In order to support the Company's growth, aligning current and future organization demands with employees' capabilities and to fulfil their professional development, EDPR has designed Development Programs adapted to Middle Management whose main target is to provide tools that may be helpful for facing new responsibilities.

During 2015, EDPR carried out the following Programs:

- LEAD NOW PROGRAM: an advanced development program intended for EDPR Middle Managers to support the team leader role assumed. During the program, participants have the chance to self-assess their management style, go deep into the skills needed for leading effectively and get to know their new role in the different HR Processes of the company.
- EXECUTIVE DEVELOPMENT PROGRAM: a customized development program carried out along with a leading Business School designed to increase business skills and leadership capabilities of top-performing employees from across all disciplines to help them taking management decisions in a fast-paced and competitive business. During the program, employees are involved in core business areas, working on a Business Case for EDPR to analyse new strategic opportunities for the company, resulting in the creation of different work groups to implement the recommendations once the program ended.

- COACHING PROGRAM: intended for employees who have previously participated in the High Potential Program. Conducted by an external coach, provides guidance to Directors of the Company that act as Coaches for the Participants along the Program. This Program allows participants to fine-tune their skills with the support of a Director during the Coaching Sessions.

In addition to these specific Development Programs, each year, a customized Training Plan is created for all our employees based on the results of a 360 potential appraisal process to define their training needs, providing a framework that aims to align current and future organization demands.

In 2015, we spent a total of 38.618 training hours, representing 37.9 hours of training per employee. Almost all the employees (99%) received training during 2015.

RENEWABLE ENERGY SCHOOL

To achieve our training and new employees' integration strategy, the Renewable Energy School plays a fundamental role. Created in 2011 in the framework of the corporate EDP University, shares the mission of promoting the development of individuals, facilitating learning and sharing of knowledge generated within the Group and developing the skills needed to ensure the sustainability of the businesses operated by EDP in all the geographic settings in which the company is present. The ambition of the School goes beyond pure training, the School emerged as a platform for sharing knowledge, experience and best practices across the company.

During the year, 33 training sessions were delivered in Europe, United States, and Brazil, representing a total of 7.042 training hours and 780 attendances (540 employees reached which represents 53% of the headcount). The School engaged 103 experts within the organization to deliver the training sessions, 48% of whom were Directors and Head of department, which enhances the transfer of knowledge.

POTENTIAL APPRAISAL

Current challenges of EDP Group include new requirements so this year our potential analysis model have been improved with two main goals:

- Align all segments of the organization with the current strategy and projects, capitalising on new business opportunities, all in a more global and diversified context.
- Strengthen the employees' life cycle momentum in which their professional and personal development is promoted.

Amplify is the new model for analysing skills and potential and for identifying development actions to help employees on their goals achievement. This process builds the future, taking into account that the better our skills are, the better way we impact both the people around us and the organisation.

This model is intended to promote a culture where employees receive feedback on an ongoing basis, because this is essential to ensure alignment with EDP group and to promote development.

2.1.3. REWARD AND WORK LIFE BALANCE

We want to recognize the work and talent of our employees, so we are committed to offer a competitive compensation and benefits packages. The compensation policy addresses the needs of local markets and provides flexibility to adapt to the specifics of each region. The fixed base compensation is completed by a variable component that depends on an individual evaluation measured against individual, area and company KPIs.

In addition, we understand the importance of maintaining a balance between work and personal commitments. This understanding has led to an increase of employees' satisfaction, while boosting productivity and morale. Work Life Balance (WLB) for us is more than measures for employees with children, it is a set of initiatives to promote a positive work climate where employees can develop their career and give their best. And we believe that WLB must be a shared responsibility. We seek to constantly improve our WLB program and provide the most suitable benefits to employees. We even define often specific benefits that are tailored and applicable to certain countries where EDPR is present.

Since 2011, EDPR's practices have been recognized with the Family Responsible Employer Certification (EFR-Empresa Familiarmente Responsable) by the MásFamilia Foundation, in Spain. This certification has been renovated and taking the recognition to the next level defining EDPR as a "Proactive Company", which reflects our commitment to promote a healthy work-life balance for our employees.

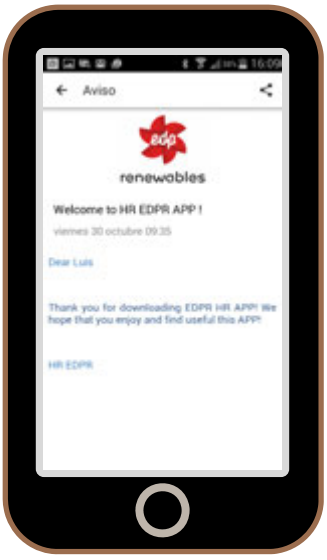
In addition, EDPR has been ranked one more year among the 50 best companies to work in 2015 as determined by the Great Place to Work rankings in Spain and Poland. We are sure that a motivated workforce aligned with the company's strategy is one of the key drivers behind our ability to deliver on results.

2.1.4. INTERNAL COMMUNICATION

Our focus in 2015 has been to continue improving our internal communications, and to keep employees informed, motivated, and committed to the company's strategy. Moreover, our global presence with employees from 28 nationalities require us to listen and provide feedback on the different ambitions and expectations. In 2015, we have developed a Climate survey with new topics and questions in an effort to better reflect employees' reality. EDPR and EDP Group have strategically invested in this area with innovative communication channels that have consistently been recognized internationally for their mix of dynamism and creativity.

These are our internal communication channels that keep employees informed and connected every day:

- INTRANET**:** Our award-winning intranet platform takes online interaction among employees to a new level, by including social media-style features and advanced customization options. It's a place to share information, work together, and learn about the projects and news from EDPR and EDP
- EDPON RENEW MAGAZINE: Our print magazine has been a mainstay of EDP Group's internal communications since 1988. The OnRenew edition, specific to EDPR, shows the company and its people through stories, opinion articles and editorials.
- EDPON TV: Our TV Channel has been broadcasting on our offices and online over the past 8 years. Includes dynamic news reports and interviews on news and events. It is the medium that truly puts a face on our projects and initiatives.
- HR PHONE APP: In 2015, EDPR has created a new phone app to provide employees with news, access to selection processes or measures in a practical and simple way. This tool proves to be particularly useful to keep connected to often-travelling and geographically dispersed employees.
- INTERNAL NEWSLETTERS**:** Monthly newsletters give a broader reach to news and information regarding our projects, teams, successes, and strategies.



In addition to these communication channels, we hold companywide Annual Meetings that allow employees to streamline their long-distance communication to improve their day-to-day work, share their concerns, and get to know the business goals set by EDPR's top management. We also hold meetings and team building events; conference calls regarding results, and a robust website that informs both internal and external stakeholders.

In this sense, in 2015 we have initiated the "Talking to Improve" initiative, where different departments are invited to share with the CEO its surveys services results, with the internal feedback provided by other departments about the service offered, and identify areas for improvement and strengths.

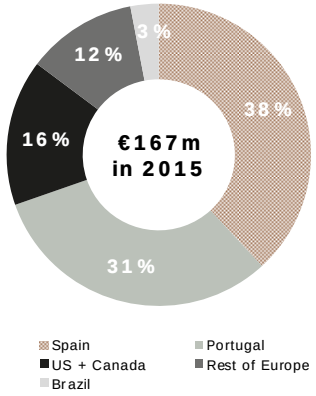
All of these communication efforts work to motivate employees, promote knowledge sharing and bring people together.

2.2. COMMUNITIES

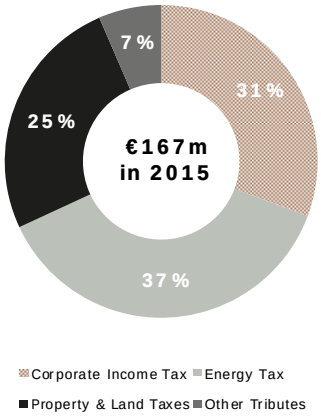
TAX REPORTING

It is an ethical and civic duty to contribute to the financing of the general functions of the States where the Group is present through the payment of taxes and contributions due in accordance with the applicable Constitution and remaining laws of those States, contributing to the welfare of citizens, to a sustainable development of the Group's local businesses and to the value creation for shareholders.
The total tax contribution of EDPR Group to the public finances amounts to €167m in year 2015. Moreover, EDPR's Social Security contribution amounts to €11m.

DISTRIBUTION OF EDPR GROUP'S TAX PAYMENTS BY COUNTRY



DISTRIBUTION OF EDPR GROUP'S TAX PAYMENTS BY TYPE OF TAX



EDPR voluntarily promotes and supports social, cultural, environmental and educational initiatives with the purpose of contributing to the sustainable development of its business and in order to uphold its strategic vision.

The goal is to make a positive impact on the communities where we operate, and to maintain and enhance our reputation as a responsible company working for the common good. EDPR plans for the results it intends to achieve, and evaluates projects it is involved in, according to international standards for corporate social investments (London Benchmarking Group).

EDPR IN 2015:

- 1.2 million euros invested
- More than 100 initiatives with the community

We are also well aware of the impact our activity has on the local communities where our wind farms and solar PV plants are located. We work to maximize the potential benefits for the company and for the residents of those communities through open communication with our stakeholders.

Maintaining an ongoing dialog with community members is an integral part of our business activity. We carry on discussions and meetings with local stakeholders during all phases of the development and operation of our power plants, to learn about their concerns and to determine the best way to address them. It is also an opportunity to communicate some of EDPR's core values to the local community.

EDP FOUNDATION IN SPAIN

The mission of the EDP Foundation in Spain is to strengthen the commitment of the EDP Group with sustainable development across the country. The foundation puts a special emphasis on social, cultural, environmental and educational initiatives. During 2015, the EDP Foundation in Spain has supported a series of initiatives that were funded by EDPR.

EDP Solidaria

The EDP Solidaria program gives recognition and financial support to projects created by associations, institutions and NGOs with the aim of improving the quality of life and helping to socially integrate the most in-need populations.

In this first edition of EDP Solidaria 2015, the EDP Foundation in Spain received a total of 37 nominations for the awards. 11 of the proposed projects were selected and will receive a total contribution of 344,000 euros. The jury for the awards consisted of officials from different areas of the EDP group and the project implementation will be overseen by managers and volunteers from the company.

The selected projects were all related to a priority area identified, including support for in-need populations, the integration of communities at risk of social exclusion and the promotion of employment and entrepreneurship.

ENGANGING WITH OUR COMMUNITIES

France: crowdfunding project
The project for Escardes Wind Farm, in France, has taken community involvement to a different level by allowing people to participate financially.

As a result of growing demand for increased financial participation from local authorities and residents, a crowdfunding initiative has been launched for this windfarm of 12MW, now under construction and with expected completion in the first half of 2016. The purpose was to raise a debt tranche to be held by local community members.

This kind of local participative investment (either in the form of local shareholdings or local loans) is seen as a means to increase public support, minimize litigation, reduce the “Not In My Backyard” attitude, and align interests toward the development of renewable energy projects.

180 PEOPLE HAVE SUPPORTED THE CAMPAIGN

Europe: Generation EDPR
At EDPR, we believe it is essential to meet today's objectives without compromising tomorrow's.

generationedpr.edpr.com

That's why we not only focus on producing clean energy, but also work to support future generations with projects like University Challenge (in its 7th edition), a project that aims to promote the education, creativity and development of university students; Your Energy, an international program that helps children discover the world of renewable energies; and Green Education, an international project to support the education of children and teenagers of families with limited resources.

Your Energy
More than 800 primary school students in Poland; and participation of more than 1,000 students in Italy

Green Education
71 scholarships in Spain, 9 in Italy

EDPR University Challenge
113 projects, with 284 students from 53 universities

These projects exist because we believe there is no better way to contribute to society than to support the education and training of generations to come.

Poland: for and with local communities
To maintain strong and positive long-term relationships with local communities in Poland, the company has organized several events and activities to involve and engage all of the people living in the areas surrounding its wind farms.

During the year, EDPR has been involved in more than 28 events supporting more than 10 communities. Local sports championships, cultural activities promoted with local organizations, educational and environmental activities are among the many initiatives held in Poland in 2015.

Spain: Solidarity team building
In 2015, 600 employees in Europe were invited to be part of something different. Taking advantage of the fact that most of them were gathered together in activity was to put together humanitarian aid kits destined for 329 Syrian refugees in Spain.

United States: Volunteers give back to children

EDPR North America supports the local community with many initiatives. One of them was the volunteer work conducted by employees with "Undies for Everyone", a nonprofit organization providing clean underwear to economically disadvantaged children in the Houston area.

2.3 SUPPLIERS

2.3.1 OUR SUPPLY CHAIN

The performance of suppliers is essential for the success of EDPR. The company bases its relationship with suppliers on trust, collaboration and creation of shared value, and this results in a joint capacity to innovate, strengthen sustainability policy and improved quality of operations. This significantly contributes to EDPR keeping the leadership in its areas of operation and it is a factor inducing competitiveness in the markets in which it operates.

EDPR carried out a study to characterize its Supply Chain, including the analysis of the exposure to economic, social and environmental risks. Through this study, EDPR aims to identify areas where should focus its improvement activities in order to significantly reduce its exposure to risk and optimize impacts.[1]

At EDPR, 89% of the external spend is concentrated on purchases of good and products (including turbines) and other supplies for energy generation, construction works and other services related to O&M.

Over

6400*

Suppliers contribute to our success

99%*

Local Purchases

(purchases in countries of operation of EDPR)

EDPR's suppliers are segmented from the point of view of criticality for the business:

- **Critical suppliers**: Turbines, BOP (Balance of Plant) and O&M (Operation & Maintenance), and;
- **Non-critical suppliers**: (indirect purchases).

2.3.2 SUSTAINABLE MANAGEMENT OF THE SUPPLY CHAIN

EDPR has defined **policies, procedures and standards** to ensure the several aspects that fill in with the sustainability of the supply chain, as well as the management and mitigation of environmental, social or ethical risks.

PROGRESS

2015

EDPR has defined a procurement policy, in order to guarantee the integration of sustainability requirements inpurchases exceeding 500.000€ (policy 0090 and 0080).The company takes into account the specific criteria to adopt the 10 principles of the UN Global Compact, the adherence to the Ethical Code, the Health & Safety and Quality certificates, as well as technical quality and economical/financial solvency of suppliers.

~80% of EDPR's suppliers in Corporate and Europe and 65%**in North America have requirements related to Global Compact and EDPR's Code of Ethics

[1] Analysis performed by PwC using ESCHER (Efficient Supply Chain Economic and Environmental Reporting) tool, based on 2014 purchasing data. Data presented in this chapter resulting from this study is marked with an *.
** Europe information is based on number of transactions and US information scope is for suppliers above 500k€.

1 - Policies, Procedures and Standards

Procurement Manual	/// EDP Group and EDPR have a Procurement Manual, which includes guidance to each Purchasing Department to put our values and principles into practice.
EDPR's Code of Ethics	/// EDPR´s suppliers shall know the principles established in the Code of Ethics and they shall agree with them. /// EDPR requires the formal adherence of the supplier with the principles of the Code of Ethics, through a written declaration of acceptance. EDPR's Code of Ethics is available in www.edpr.com
UN Global Compact	/// EDPR´s suppliers shall accept to comply with the UN Global Compact's ten principles. /// The suppliers shall either provide the confirmation as signatories of the United Nations Global Compact directives or provide a written declaration of their acceptance.
Health & Safety System and OH&S Policy	/// Health & Safety System, based on the OSHAS 18001:2007 specifications require our employees and all other individuals working on behalf of EDPR to follow best practices in those areas, as required in our EDPR's OH&S Policy. /// The health and safety management system is supported by different manuals, control procedures, instructions and specifications. The Health and Safety Management Manual ensures the effective execution of EDPR's OH&S policy. EDPR´s Health & Safety Policies are available in www.edpr.com
EDPR´s Environment and Biodiversity Policies	/// EDPR´s suppliers shall adopt all necessary measures to ensure strict compliance with all applicable environmental regulations as well as EDPR´s Environment and Biodiversity Policies, internal norms, procedures and systems in place as regards to environmental management. /// EDPR has implemented, for all its wind farms in operation, an Environmental Management System (EMS) developed and certified according to the international standard ISO 14001:2004. EDPR´s suppliers shall know and understand the EMS and ensure the full compliance with the procedures set. /// Supplier shall make the EMS available to its employees and subcontractors. EDPR´s Environment and Biodiversity Policies are available in www.edpr.com

EDPR works with mature suppliers and companies that look to meet the demanding requirements on quality, environment and prevention, as well as to comply with the economical/financial solvency requirements.

The rule "pass or fail" is applied to providers. If they do not meet the main requirements set by EDPR they will not be selected to provide services.

Contracts contain specific clauses regarding to the criteria of service quality, the adoption of the 10 principles of the UN Global Compact, adherence to the EDPR's Code of Ethics and the requirements for health, safety and environmental management.

EDPR SUPPLIERS IN REPROSYSTEM

For all suppliers considered critical, EDPR secures from the bidding to the time of providing the service (work execution or maintenance) that aspects of technical quality, economical/financial solvency, health, safety and environmental management are suitable. One of the requirements is for providers to have quality, environmental, health and safety management certificates.

2.3.3 MANAGEMENT AND MITIGATION OF ENVIRONMENTAL, SOCIAL OR ETHICAL RISKS

EDPR monitors Critical suppliers during their services delivery, taking into account aspects as quality, safety, health and environment. EDPR also ensures the compliance with standards, commitments and procedures of EDPR in all value chain.

A) During the construction process, the construction manager is accompanied by a health supervisor and a safety and environmental supervisor and helds weekly meetings with suppliers, including performance reports. Contactors receive feedback and improvement plans are established in the areas of quality, health, safety and environment.
In addition, the company also has external supervision in aspects of quality and safety and health.

B) During the process of wind farms operation, EDPR counts with supervision by the Wind farmmanager, responsible for service quality and compliance with the rules and health, safety and environmental procedures. These processes are reinforced by the management systems of health and safety and environmental management, supported by safety, health and environmental technicians.
Contractors integrate these management systems, as their health, safety and environmental performance is crucial for EDPR.

Providers share with EDPR their new solutions, products or upgrades to improve collaboration between both parties.

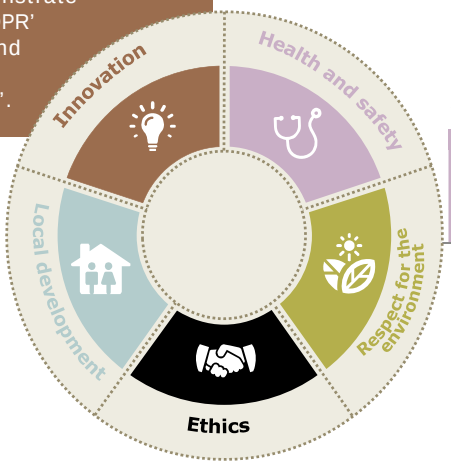
The relevant aspects for EDPR in relation to sustainability in the supply chain are: Health and Safety, Respect for the Environment, Ethics, Local Development and innovation.These aspects are expressed in Procurement Manual.

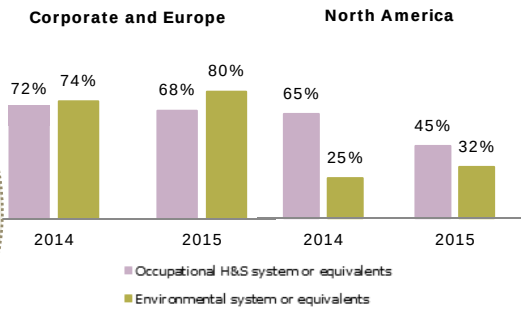
On june, the main companies working with EDPR met at our Madrid offices for the Workshop on the Coordination of Business Activities
The goals defined for this occasion focused mainly on sharing the company's health and safety policy aspects that affect collaborating companies working at our facilities as well as to inform them about the internal procedures that all companies collaborating with EDPR must follow.
With this new action, we aim to demonstrate the commitment and leadership of EDPR' Management with respect to health and safety, with the ultimate purpose of achieving our goal of "Zero Accidents".

68% of EDPR's suppliers in Corporate and Europe and **45%** in North America had Occupation Health & Safety System (OHS)
(Corporate and Europe includes suppliers above 500k euros)

11 338 Hours of training on OHS to EDPR's Suppliers, involving **147 companies** and **2378 workers**

552 Audits to Suppliers in the scope of OHS





~80% of EDPR's suppliers in Corporate and Europe and 65% in North America were screened using criteria for impacts on society

More than 20 000*
employment associated to EDPR's Supply Chain

More than 735* Million EUR
gross value added associated to EDPR's Supply Chain

80% of EDPR's suppliers in Corporate and Europe and **32**% in North America had environmental systems (Corporate and Europe includes suppliers above 500k euros)

300* Thousand ton
GHG emissions associated to EDPR's direct and indirect Supply Chain, **5%*** of which related to Tier1 Suppliers

~80%* of EDPR's suppliers in Corporate and Europe and **65%*** in North America were screened using labour practices criteria and human rights criteria

~0%* EDPR's direct suppliers identified as having significant risk for incidents of child labour, forced or compulsory labour, freedom of association

** Europe information is based on number of transactions and US information scope is for suppliers above 500k€.

3. SAFETY FIRST

ZERO ACCIDENTS MINDSET

Guaranteeing the health, safety and well-being of our employees and contractors is a top priority at EDPR, and this commitment is supported by our Health and Safety policy.

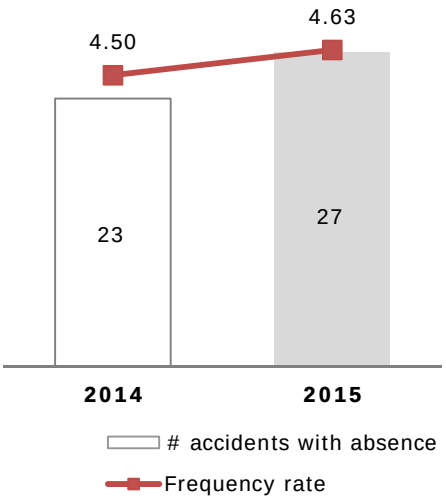
At EDPR, we are conscious that we work in a sector that is particularly sensitive to the occupational risk. Therefore, we place special emphasis on prevention by training, communicating and certifying our facilities.

As an integral part of our health and safety strategy, employees participate in training courses and risk assessment activities based on the potential risks associated with their position. Our employees follow the guidelines rigorously and strive to achieve a safe workplace for all those who provide services in our facilities.

Committees and subcommittees throughout EDPR support the implementation of health and safety measures. These committees collect information from different operational levels and involve employees with the creation and communication of a preventative plan.

In order to achieve our zero accidents goal, EDPR has implemented health and safety management systems based on the OSHAS 18001:2007 specifications. The standards and procedures of these systems are adapted to the specifics of each geography where they are implemented, and are developed based on country regulation and industry best practices. Our commitment to the health and safety of our employees and contractors is further supported through the OHSAS 18001 certification. EDPR is working actively to have all installed capacity certified by 2017.

INDICATORS:

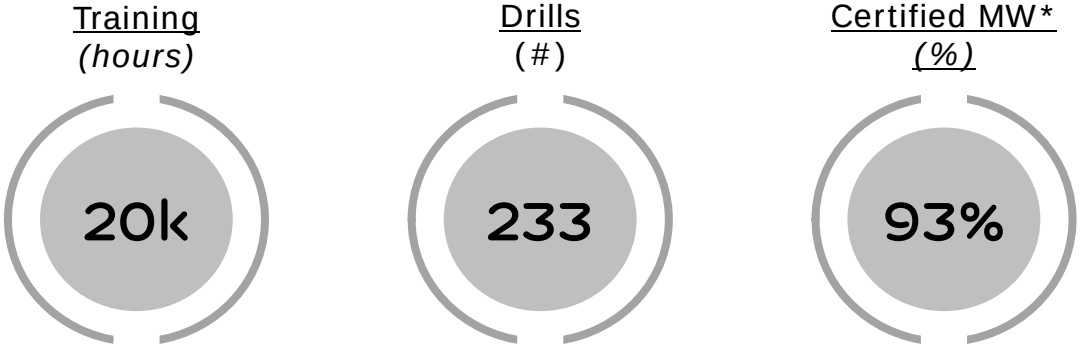


The implementation of our health and safety management systems allow us to record and monitor the number of accidents, which aids us in achieving our zero accident goal. During 2015, EDPR registered 27 accidents. The trend is decreasing in Europe and US but it is compensated by higher short-term absence accidents in Brazil, impacted by higher construction activity in the country, which led to an increase in the frequency rate. Additionally, the severity rate increased, due to one long-term absence coming from 2014 and three during 2015, which have led to 63% of the total days lost.

Overall, the trend is improving despite the increase in number of accidents in Brazil. A greater focus on communication of our policies, plus the realization of the benefits from OHSAS certification that occurred at the end of this year in Brazil, will help drive the improvement of these statistics.

EUROPE AND US HAVE LOWER H&S INDICATORS DUE TO MORE TRAINING HOURS AND EMERGENCY PLANS BOTH FOR STAFF AND CONTRACTORS.

TRAINING & EMERGENCY PLANS:



*OHSAS 18001 certification *Calculation based on 2014YE installed capacity. Installation are certified the year after been reported.

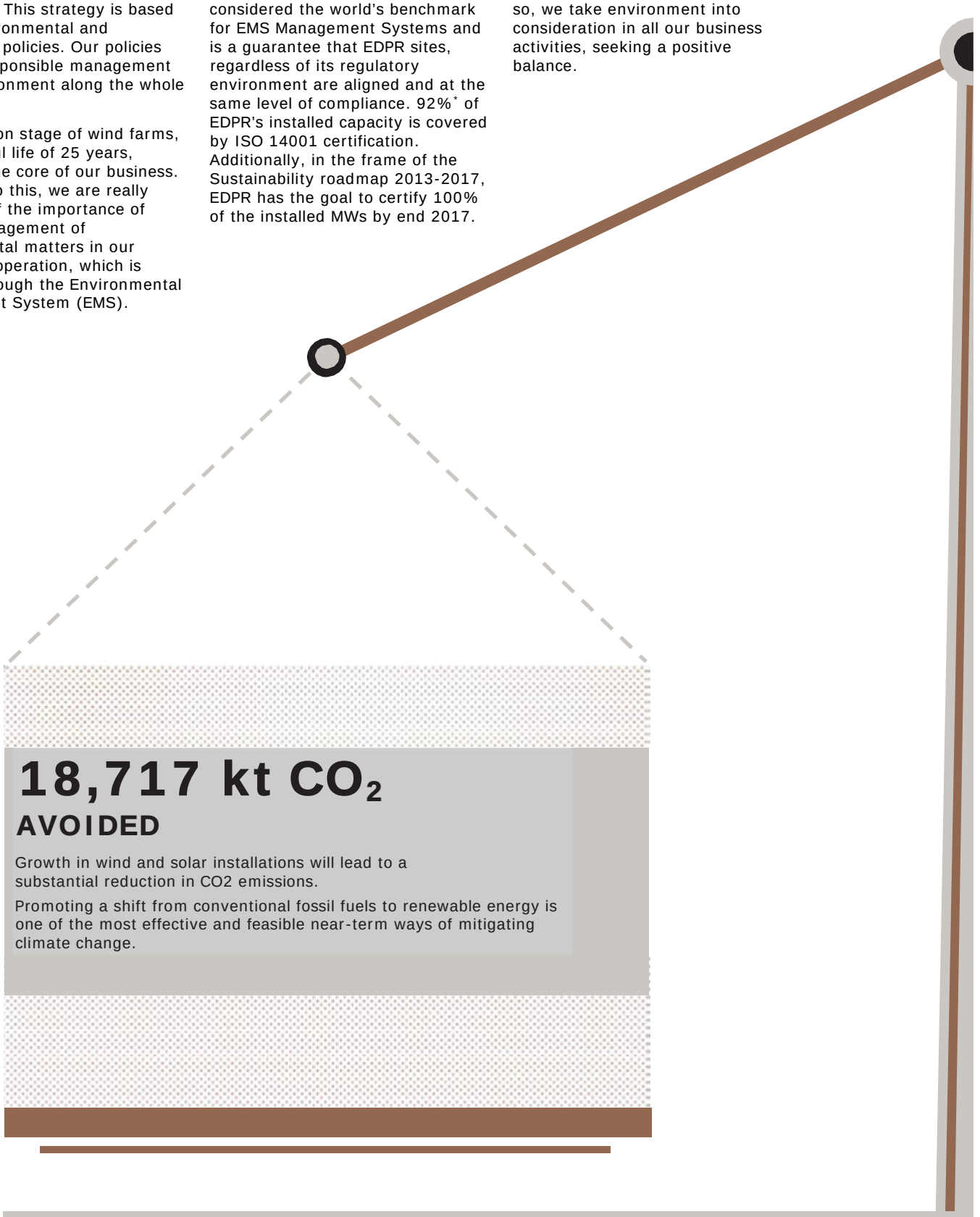
4. POSITIVE BALANCE ON THE ENVIRONMENT

EDPR is committed to protect the environment, we complement our strategy of fighting against climate change with an environmentally responsible management of our wind farms. This strategy is based on the Environmental and Biodiversity policies. Our policies reflect a responsible management of the environment along the whole value chain.

The operation stage of wind farms, with a useful life of 25 years, stands as the core of our business. According to this, we are really conscious of the importance of proper management of environmental matters in our facilities in operation, which is assured through the Environmental Management System (EMS).

The EMS is developed in accordance with the ISO 14001 international standard and certified by an independent certifying organization.This standard is considered the world's benchmark for EMS Management Systems and is a guarantee that EDPR sites, regardless of its regulatory environment are aligned and at the same level of compliance. 92%* of EDPR's installed capacity is covered by ISO 14001 certification. Additionally, in the frame of the Sustainability roadmap 2013-2017, EDPR has the goal to certify 100% of the installed MWs by end 2017.

EDPR is committed to promote environment conservation and aspires to have an active role in contributing to the world's objective of reducing climate change. To do so, we take environment into consideration in all our business activities, seeking a positive balance.



18,717 kt CO_2

AVOIDED

Growth in wind and solar installations will lead to a substantial reduction in CO2 emissions.

Promoting a shift from conventional fossil fuels to renewable energy is one of the most effective and feasible near-term ways of mitigating climate change.

*Calculation based on 2014YE installed capacity. Installation are certified the year after been reported.

BIODIVERSITY

Aspect: EDPR co-exists peacefully and abundantly with most wildlife. Even though mitigating climate change is the best way to protect biodiversity, we are aware that our operations can have an impact on the local flora and fauna where our windfarms are constructed and operated.

MITIGATION OR COMPENSATION MEASURES:

- **Prevent**: Potential environmental impacts are analysed in detail in the environmental impact studies of the projects.
- **Correct and/or Compensate:** EDPR respects biodiversity in all phases of the plant's life-cycle.

WATER & WASTES**

Aspect: We produce clean and green energy, water-free and with low wastes generation. Even though we are in a clean energy business, we go beyond our commitment with the close monitoring of operations and by fostering a corporate culture of responsibility.

MITIGATION OR COMPENSATION MEASURES:

- Therefore we are committed to measure the footprint from our administrative activities and plants electricity consumption, representing 0.2% of the emissions avoided.
- The company has been actively working to improve the recovery rate of its hazardous wastes reaching a rate of 73%, 98% without considering the soil removed from the mentioned spillage.

EMERGENCIES

Aspect: Given our activity and locations, oil spills and fires are the major environmental-related emergency risks. The EMS is designed to prevent emergency situations but in case they happen, the system covers the management of these, including the near-miss situations.

MITIGATION OR COMPENSATION MEASURES:

- EDPR defined a new Crisis Management Plan in Europe during 2015.
- During 2015, EDPR conducted 216 environmental drills to guarantee that our employees and contractors are familiar with the risks and have received the appropriate training to prevent and act, if necessary. A total of 46 near-misses were reported and acted upon.
- In 2015, we had only 1 significant spill. The contamined soil was removed and fully restored.

COMMUNITY

Aspect: EDPR considers local communities at the centre of its operations creating shared value but we are also aware that our operations could impact local neighbours with discomforts such as visual impact or noise.

MITIGATION OR COMPENSATION MEASURES:

- **Prevent:** We elaborate social impact studies during development of the windfarms that may impact the layout of the windfarm if necessary.
- **Communicate:** EDPR has in place open channels for claims reporting. During 2015, registered a total of 94 environmental-related complains mainly due to TV interferences that were promptly and satisfactorily corrected.
- **Compensate:** During 2015, EDPR participated in environmental related activities such as environmental volunteering programs or partnerships with public entitites.

**Waste ratios do not include ENEOP data.

5. INNOVATION

Innovation is about new technologies for more renewable energy - such as offshore wind - but that is not all: it is also about attitude, looking for ongoing improvement every day at what we do.

Our company has been implementing successful innovative solutions to increase the operational and economic performance of our assets for years, throughall the lifecycle of our projects: improving the design of the layouts to achieve the best wind resource, decreasing construction costs and risks and increasing the production of our operational power plants developing new technological solutions designed in-house.

After great results, the innovation efforts will continue in our onshore operations, as well as EDPR's new focus on finding feasible solutions in the offshore section of our business. To do so our company participates in two projects that focus on the foundations, one of the most important elements of the power plant. Both based in the coast of Aguçadoura (north of Portugal), thus sharing knowledge and resources, WindFloat and DEMOGRAVI3 will help to reduce costs opening new markets for the offshore wind industry.

WINDFLOAT

The 'WindFloat' project is one of the flagstaffs of the renewable R&D project list at EDP, with a deep waters offshore prototype that has reported excellent results after four years in operation under harsh conditions, having to endure waves up to 15 meters high, off the northern coast of Portugal.

This is the most ambitious innovation project on floating offshore technology conducted worldwide so far, the first wind energy turbine in open waters in the Atlantic ocean, and also the first time for a triangular semi-submersible floating structure supporting a 2 MW wind turbine allowing the utilization of offshore winds with great stability at water depths below 40 meters, existing at long distances from the coast. It is the first offshore wind energy project in the world not requiring the use of any heavy offshore lifting equipment. The whole process of final assembly, installation and commissioning was performed on land, in a controlled environment. When the construction on land was completed in dry docks, the structure was towed for about 350 kilometres in the open water. The capability to undertake the towing operation under such circumstances can be attributed to the performance and stability of WindFloat. These factors also allow any ready-to-use commercial wind turbines of any manufacturer to be installed on WindFloat. The project is a partnership between EDP, Repsol, Principle Power, A. Silva Matos, Vestas and InovCapital and is also supported by the Innovation Support Fund (FAI), involving more than 60 suppliers, more than two thirds are Portuguese.

After successfully finalizing the first phase of the project, next steps consists on the installation of a full scale floating wind farm of 27 MW.

DEMOGRAVI3

In November 2015 EDP was granted European funding to develop new technology for offshore wind power. DEMOGRAVI3 is a project that aims to develop an innovative gravity based foundation for offshore wind turbines and will be funded by the European Commission's Horizon 2020 programme.

The consortium developing this new project will be coordinated by EDP, through EDPR. DEMOGRAVI3 will test a wind turbine with an innovative gravitational foundation made of concrete and steel. The project will last for four years, including the installation of a wind turbine taking advantage of the underwater cable connecting the WindFloat turbine to a substation on land.

Unlike the solution based on a floating platform successfully tested with Windfloat, DEMOGRAVI3 will be installed on the seabed, although it will already be assembled and floated to the mooring place. The whole structure of the turbine and its constituent elements will be assembled on shore and then transported. The main innovation of this structure thus avoids the necessity for heavy lift vessels to anchor and assemble all the turbine components in an offshore environment.

The project includes other technological partners such as: TYPSA, ASM Energia, Univ. Politécnica de Madrid, WavEC, Acciona Infraestructuras, Fraunhofer Gesellschaft IWES, Gavin & Doherty Geo Solutions and Global Maritime AS.