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ACTIVITIES REPORT FROM THE AUDIT AND CONTROL COMMITTEE CARRIED OUT DURING 2009

I — Introduction

The scope of the activities of the Audit and Control Committee of EDP Renováveis, SA, as a permanent Committee of the Board of Directors, is defined in its Regulation and fully complies with the competences defined in the legal, statutory and regulatory standards applicable to this Committee, with the objective of supervising the performance of the Board of Directors in an independent manner.

The following are some of the competences of the Audit and Control Committee:

- Provide information, in General Meetings and through its Chairman, on matters related to their competences;
- Propose to the Board of Directors, to be submitted to the General Meeting, the appointing of the Company's accounts Auditors, and also their conditions of hire, the scope of their work and withdrawal of their duties;
- Supervise the activities of the Internal Auditors;
- Follow-up the financial information process and internal control and risk management systems;
- Establish a permanent relationship with the account Auditors on all matters which may put their independence at risk, and any others related to the accounts auditing process, such as receiving and keeping information on any other matters which are established in the accounts audit legislation and in the audit technical standards in force at any time;
- Compile an annual report on their supervising actions and give an opinion on the management report, accounts and proposals presented by the Board of Directors;
- Receive communications on irregularities regarding financial and control matters which are presented by the Company's employees and shareholders.

Therefore, in accordance with its Regulation, the Auditing Committee hereby presents the Report on their activities carried out during 2009.

II — Activities developed

To comply with its competences, duties and responsibilities, the Auditing and Control Committee developed a wide range of initiatives during 2009, from which the following are highlighted:

(a) Supervision of the quality and integrity of the financial information rendered in interim and final accounts

The Auditing Committee met periodically both with the Chief Financial Officer (CFO) responsible for the preparation and disclosure of financial information, accompanied by the heads of the accounting area, and also with External and Internal Company Auditors and assessed the compliance of the unaudited quarterly financial information and the published half yearly and annual information, and also its compliance with the applicable legal, regulatory and accounting requirements.

The Auditing Committee also met with External Company Auditors to discuss the applicable matters mentioned in *ISA 260 - Communication Audit Matters with those Charged with Governance*, and which relate to the auditing process in general, including matters related to the company's internal control. In this context, the Auditing Committee also examined the matters mentioned in the External Auditor reports related to the main accounting policies and practices used, the accounting of unusual or infrequent transactions considered relevant, and the main estimates and assumptions considered and adopted in preparing financial information, including the handling of material risks and exposures.

In addition to these actions directly related to the preparation and disclosure of financial information, in the scope of its supervising activities, as defined by the Company Statutes and in its Regulations, the Auditing Committee followed-up, with the Internal Audit Board and the External Auditors, the activities developed by the Company, related to the internal control system on the consolidated financial report of EDP Renováveis, and also analysed the matters brought to the Company by financial market regulators as well as the replies presented.

In compliance with their legal duties, the Committee also participated in the Executive Committee meeting which discussed and approved the documents of the individual and consolidated annual rendering of accounts related to 2009. Also in accordance with the competences of this Committee, given in the Company Statutes and in its Regulation, the Auditing Committee issued an opinion on: (i) the Management and Consolidated Accounts Report related to the 1st semester of 2009, prepared by the Board of Directors of EDP Renováveis, S.A.; and (ii) the Management and Individual and Consolidated Accounts Report related to 2009, to be submitted by the Board of Directors for approval in the General Meeting.

Note that the supervision of the adequacy of the accounting policies, procedures and practices and the valuation criteria adopted and their compliance, and also the regularity and quality of the accounting and financial information of the Company was carried out, mainly, with the analysis and discussion of the revision/auditing reports issued by the External Auditors and the Internal Auditing Manager of the EDP Renováveis Group.

(b) Appointing and supervision of qualifications and independence of the External Auditors

Under the terms of the Company Statutes and the Regulation of this Committee, it is responsible for supervising and inspecting the work and independence of the External Auditor.

Under the terms of the activity to supervise the independence of the External Auditors, they themselves provided confirmation of the compliance with the independence requirements applied to them. Notwithstanding this confirmation, the Committee proceeded with enquiries on their independence whenever this was deemed necessary.

In the scope of the supervising and inspection activity of the independence of the External Auditor, the Auditing Committee approved all the work for which they were contracted, and monitored the work and fees contracted, for tax consultancy services and others not related to

auditing. In this scope, the Committee found that the contracting of such services respected the rules defined by the Company.

Considering the results of the above mentioned actions, the Committee believes that the Company External Auditors acted appropriately and independently.

(c) Supervision of the execution of functions discharged by the External Auditors

In this scope, the Committee analysed and approved the External Auditor's work plans and held periodical meetings to evaluate the work and analyse the respective results, including the results of the activity developed by the network of External Auditors, in the different locations where the Group develops its activity, namely in Portugal, Spain and in the United States of America. The Committee obtained the following from the External Auditors: (i) conclusion documents on the work carried out in the scope of the Desktop Reviews carried out with reference to the first and third quarter of 2009 (ii) conclusion documents on the limited revision made on consolidated financial statements for the semester ending the June 30, 2009; (iii) conclusion documents on the complete audit carried out to consolidated financial statements with reference to the December 31, 2009; and (iv) audit reports on individual and consolidated financial statements related to the year-end December 31, 2009 (having given a prior opinion to the Board of Directors based on memorandums and drafts of the reports produced by the External Auditors in this scope).

Under these terms, during 2009, the Audit Committee represented the Company, for all purposes, before the External Auditors, and the respective reports were analysed by this Committee.

(d) Supervision of the activity of the Internal Auditing Board, and the quality, integrity and efficiency of the internal Control and Risk Management System

One of the main concerns of the Auditing and Control Committee is the follow-up and supervision of the mechanisms implemented by the Company to ensure a suitable internal control system, especially in the processes to prepare financial information. It is this Committee's understanding that these mechanisms play an essential role in ensuring the reliability of the financial information that the Company prepares and communicates to the market.

In this sense, among the competences of the Auditing and Control Committee given in its regulation, the following-up of the financial information process and of the internal control and risk management system, supervising of internal audit activities, receiving reports of irregularities in matters with a financial and accounting nature presented by employees and shareholders are included.

Regularly, at least every quarter during the follow-up and supervision of the account closing processes, in addition to analysing the main accounting processes of the period presented by the CFO, together with the results of the work of the External Auditor, the identification of the non-conformities with internal control which may restrict the reliability of the financial information is also analysed.

Also, in addition to the maintenance of the traditional mechanisms related to controlling the preparation processes of financial information, based on functions and responsibilities, the implementation of support systems, decision mechanisms and communication of accounting criteria, internal supervision and execution of financial audits by the independent External Auditor, the EDP Renováveis Group decided to implement an Internal Financial Reporting Control System (SCIRF) following the COSO model (Committee of Sponsoring Organizations), an international reference in this matter.

This system, which is implemented on the European platform and is in the process of being implemented on the American platform, incorporates the description, detailed documentation and evaluation of controls in terms of processes which are relevant to financial reporting and Entity Level Controls (general control environment).

In the scope of this process, during 2009, the Executive Committee approved the Responsibilities Model for the Financial Reporting Internal Control System to be applied in the Group, where the main functions and levels of responsibility are described to ensure the commitment of the entire organisation and a suitable level of efficiency of the system.

This Committee has followed up on this process by accompanying the evolution of the implementation of the improvement actions identified by the Internal and External Auditors in the system evaluation works. Additionally, it supervises the evolution of the implementations giving more emphasis to the area of Entity Level Controls. Additionally, the Auditing and Control Committee periodically discusses and analyses, with the CFO and the heads of Internal Audits, the application of this system and the evaluation mechanisms for its design and efficiency.

Within this same scope of supervising the Auditing Function, in quarterly meetings, this Committee analysed and agreed on the analysis of risks and annual work plans for 2009, accompanied the results of the work carried out and followed up on the evolution of the implementation of the improvement actions proposed.

Furthermore, the Committee analysed and agreed to the risk analysis, the assumptions and the work plan for 2010.

In the scope of risk management, EDP Renováveis created, in 2009, a specialised area to control risks and designed the main performance areas. The Auditing and Control Committee carries out a specific follow-up with those responsible for this area and supervises the work to define functions and people responsible in terms of the identification, management and control. It focuses particularly on the control mechanisms and follow-up of the main risks identified in financial, operating and strategic areas.

(e) Other activities

In addition to the 4 formal statutory meetings related to the follow-up of the quarterly, half yearly and annual financial information process with the issuing of the respective Opinion, the Committee met another 7 times during 2009 to discuss other matters of their responsibility.

Thus, the Committee met with the Company's legal advisors to analyse the impact of the alterations in various laws and regulations, namely pertaining to the new Code and Rules of Governance of the CMVM.

The Committee also accompanied the process for the organisational restructuring of the Company with the Corporate Development Director, focusing particularly on all aspects which may improve the control environment of the Company, such as delegation of competences, separation of functions, etc.

III — Opinions issued

With reference to 2009, the Auditing and Control Committee issued the following Opinions to the Board of Directors:

Dates:

04/05/09 - Opinion on the Consolidated Financial Statements for the 1st Quarter of 2009
27/07/09 - Opinion on the Consolidated Financial Statements for the 1st Semester of 2009
26/10/09 - Opinion on the Consolidated Financial Statements for the 3rd Quarter of 2009
24/02/10 — Report and Opinions from the Auditing Committee on the Management Report and Individual and Consolidated Accounts Report for 2009

IV — Conclusions

Considering the actions developed and the Opinions issued as shown above, the Auditing and Control Committee believes that, during 2009, it carried out the tasks required to comply with its competences, duties and responsibilities, with the means necessary for the purpose and did not face any constraints or limitations in its performance.

Lisbon, 24th of February 2010

Chairman of the Auditing Committee

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(João Manuel de Mello Franco)

Members

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(José Silva Lopes)

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(Francisco José Queiroz de Barros de Lacerda)