



## Investors & Analysts' Briefing

Reuters: EDP.LS  
Bloomberg: EDP PL

# DEVELOPMENT OF STRATEGIC PARTNERSHIP WITH CHINA THREE GORGES

**Lisbon, December 6<sup>th</sup> 2013:** Pursuant to the terms and for the purposes of article 248 of the Portuguese Securities code, EDP - Energias de Portugal, S.A. ("EDP") provides the following information to the market and general public:

Today EDP Group has reached agreements in relation to the progress of the EDP/CTG Strategic Partnership established in December 2011 and that entered into force on May 2012.

Energias do Brasil, S.A. announced that it has signed today with CWE Investment Corporation ("CWEI"), a fully owned subsidiary of China Three Gorges ("CTG"), a Memorandum of Understanding which establishes the key guidelines of a partnership aiming at future co-investments between EDP Brasil and CWEI and governs the participation of the parties thereto in joint energy projects in Brazil.

In the context of this partnership, CWEI (Brasil) Participações Ltda (CWEI Brasil) signed the agreement to: (i) acquire a 50% stake in the company holding the rights to develop the Cachoeira Caldeirão hydro power plant project (219 MW), by reimbursing the respective costs incurred so far and assuming the future equity commitments estimated to amount R\$ 294 million throughout the construction period and to (ii) acquire 50% in the company holding the rights to develop the Jari hydro power plant project (373 MW), for a value of R\$ 490 million (reference date: June 2013), assuming additional equity commitments estimated at R\$ 81 million until end of construction of such project.

These investments by CWEI Brasil shall be considered for the purposes of compliance with the Strategic Partnership in relation to the total €2bn investment by CTG until 2015 (including co-funding capex) in operating and ready-to-build renewable energy generation projects.

Conclusion of both transactions is subject to the customary regulatory approvals with closing expected to occur by the 1H14 and should result in a capital gain for EDP estimated at € 27 million in 2014.

In addition, EDP and EDP Renováveis, S.A. ("EDPR"), through its subsidiary EDP Renewables Europe, S.L. ("EDPR Europe") have also signed a Memorandum of Understanding with CTG and CWEI (Hongkong) Company Limited, a subsidiary of CTG, envisaging the sale of 49% of the equity and shareholder loans directly or indirectly



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owned by EDPR Europe in ENEOP – Eólicas de Portugal, S.A. ("ENEOP") consortium, which terms and conditions are broadly in line with those defined in the transaction closed in June 2013 between EDPR Europe and CITIC CWEI Renewables in relation to EDP Renováveis Portugal, S.A. ENEOP, following the up-rating approval during 2013, will see its total expected capacity raise to 1,335MW, out of which 40% are attributable to EDPR. Considering the envisaged formal asset splitting process of ENEOP's assets, the agreed transaction is expected to occur in 2015.

Through these transactions EDP provides further evidence to the Strategic Partnership progress, namely by providing visibility to the approximately €1 billion CTG investment target in YE2013, including the transaction previously closed related to EDP Renováveis Portugal, S.A. earlier this year.

**EDP – Energias de Portugal, S.A.**