



**PRELIMINARY ANNOUNCEMENT FOR THE LAUNCH OF A GENERAL AND
VOLUNTARY TENDER OFFER FOR THE ACQUISITION OF THE SHARES
ISSUED BY EDP RENOVÁVEIS, S.A.**

Pursuant to the terms and for the purposes of the provisions of articles 175 and 176 of the Portuguese Securities Code (*Código dos Valores Mobiliários*), it is hereby made public the decision, adopted by EDP – Energias de Portugal, S.A. (hereinafter referred to as the “**Offeror**”), to launch a general and voluntary tender offer over the shares representing the share capital of EDP Renováveis, S.A., pursuant to the following terms and conditions (hereinafter referred to as the “**Offer**”):

1. The Offeror is EDP – Energias de Portugal, S.A., a listed company (*sociedade aberta*), with registered offices at Avenida 24 de Julho, no. 12, 1249-300 in Lisbon, with single tax and registry number 500 697 256 and with a fully subscribed and paid-up share capital of € 3,656,537,715.00 (three thousand, six hundred and fifty six million, five hundred and thirty seven thousand, seven hundred and fifteen euros).
2. The company subject to the Offer is EDP Renováveis, S.A., a company incorporated and existing under the laws of the Kingdom of Spain, with registered office at Plaza de la Gesta, no. 2, in Oviedo, Spain, with tax identification number A-74219304, registered with the Commercial Registry of Astúrias, volume 3,671, section 177, *folio* AS-37,669, with a fully subscribed and paid-up share capital of € 4,361,540,810.00 (four thousand, three hundred and sixty one million, five hundred and forty thousand, eight hundred and ten euros) (hereinafter referred to as “**Target Company**”).
3. The securities targeted by the Offer are ordinary, dematerialised, nominative shares, each with the nominal value of € 5.00 (five euros), representing the Target Company’s share capital, excluding the ordinary shares representing the share capital of the Target Company held by the Offeror (hereinafter referred to as the “**Shares**”).

The Shares are admitted to trading on “*Euronext by Euronext Lisbon*”, the official regulated market managed by Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A. (hereinafter referred to as “**Euronext Lisbon**”).

4. The Offer is general and voluntary, and the Offeror commits, pursuant to the terms and conditions of this preliminary announcement and of the offer announcement, to acquire all the Shares representing the share capital of the Target Company which are the object of a valid acceptance of the Offer.

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5. Only the Shares which, at the date of closing of the Offer, are fully paid-up, with all inherent rights attached and free of any encumbrances, charges or liabilities, as well as any limitations or duties, notably regarding the respective economic and/or corporate rights and transferability, may be sold pursuant to the Offer. The acceptance of the Offer by its addressees is subject to compliance with the relevant legal and regulatory requirements, including foreign law requirements, whenever the addressees of the Offer are subject to such foreign law.
6. To the best of the Offeror's knowledge, the Offeror, directly or in accordance with the provisions of number 1 of article 20 of the Portuguese Securities Code (*Código dos Valores Mobiliários*), is attributed with voting rights corresponding to 676,367,131 (six hundred and seventy six million, three hundred and sixty seven thousand, one hundred and thirty one) shares of the Target Company representing around 77.54% (seventy seven point five four percent) of the share capital of the Target Company.

In fact, the Offeror is attributed with voting rights inherent to 676,283,856 (six hundred and seventy six million, two hundred and eighty three thousand, eight hundred and fifty six) shares of the Target Company representing approximately 77.53% (seventy seven point five three per cent) of the share capital of the Target Company which it directly holds, as well as, as a result of the provisions of the introductory paragraph and of paragraph d) and j) of number 1 of article 20 of the Portuguese Securities Code (*Código dos Valores Mobiliários*), voting rights relative to 83,275 (eighty three thousand, two hundred and seventy five) shares of the Target Company representing approximately 0.01% (zero point zero one percent) of the Target Company's share capital held by members of the governing bodies of the Offeror and of members of the governing bodies of companies which are in a control or group relationship with the Offeror.

7. The consideration offered, payable in cash, is of € 6.80 (six euros and eighty cents) per Share, deducting any (gross) amount which may be attributed to each Share, such as dividends, advance for account of profits or distribution of reserves, such deduction to be made from the moment in which the right to said amount has been detached from the Shares and provided such detachment occurs prior to the financial settlement of the Offer.
8. To the best of the Offeror's knowledge, the consideration offered would comply with the criteria of number 1 of article 188 of the Portuguese Securities Code (*Código dos Valores Mobiliários*) if those criteria were applicable and represents:

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- a) a premium of approximately 10.5% (ten point five percent) in relation to the volume weighted average price of the shares of the Target Company on “Euronext by Euronext Lisbon”, the official regulated market managed by Euronext Lisbon, during the six month period immediately preceding this announcement, which is approximately € 6.15 (six euros and fifteen cents) per share;
 - b) a premium of approximately 9.7% (nine point seven percent) in relation to the closing market price of the shares of the Target Company on “Euronext by Euronext Lisbon”, the official regulated market managed by Euronext Lisbon, as of March 24th, which is € 6.20 (six euros and twenty cents) per share.
9. It is the intention of the Offeror to continue the business of the Target Company and its subsidiaries as a going concern, maintaining the strategic guidelines defined by the Board of Directors of the Target Company as well as the trust in such board and in its management team.
- Strategically, the potential acquisition of the remaining Shares of the Target Company is aimed at:
- a) reinforcing the Offeror’s strategy as leader in energy generation through renewable sources and continue to focus on growth of the business and activity of the Target Company;
 - b) simplifying the equity story of the Offeror with the integration of one of its main growth vehicles;
 - c) enabling the Offeror to increase its exposure to the activity developed by the Target Company, in order to benefit on a greater scale from the attractive growth of renewable energies.
10. Taking into consideration the fact that the Offer is directed at a number of Shares of the Target Company representing approximately 22.5% (twenty two point five percent) of its share capital, it is the Offeror’s understanding that the limitations to the actions of the Board of Directors of the Target Company pursuant to paragraph 1 of article 182 of the Portuguese Securities Code (*Código dos Valores Mobiliários*) shall not apply. Furthermore, the Offeror declares that any actions that could significantly alter the financial position or the assets of the Target Company resolved by its Board of Directors are not deemed incompatible with the objectives of the Offer.
11. The launch of the Offer is subject to the Offeror obtaining the prior registration of the Offer before the Portuguese Securities Market Commission with the consideration of € 6.80 (six euros and eighty cents) per Share.

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12. The effectiveness of the Offer shall not be subject to the verification of any condition.
13. The Offer is made on the assumption that no substantial change in the national and international financial markets or in their financial institutions occurs, such change not being anticipated in the official scenarios disclosed by the authorities of the countries in which the Target Company carries out its business and that has a material negative impact on the Offer, thus exceeding the risks inherent to it.
14. In the event that the Offeror comes to hold, as a result of the Offer, an amount of Shares that exceeds 90% (ninety percent) of the voting rights corresponding to the share capital of the Target Company, the Offeror considers the possibility to request the withdrawal of the shares of the Target Company from *Euronext by Euronext Lisbon*, the official regulated market managed by Euronext Lisbon.

Lisbon, March 27, 2017

A handwritten signature in black ink, consisting of a stylized 'J' followed by a horizontal line and a vertical line that curves to the right.

THE OFFEROR

EDP – Energias de Portugal, S.A.