EDP

2008 Results Presentation

March 6th, 2009

Dow Jones
Sustainability Indexes
Member 2008/09

2008: Highlights of the period

EBITDA: €3,155m, +20% YoY

Increase of installed capacity: +2,765 MW (+18% YoY) to 18,419 MW in 2008

Capex +34% YoY to €3.6bn, with expansion in wind power

Eficiency improvements: ratio of Opex/Gross Profit improves to 29% (vs. 30% in 2007)

Maintenance of a low risk profile through organic growth + efficiency improvements

2008: Highlights of the period

Net profit of €1,092m: +20% YoY

Slight decrease in average cost of debt to 5.6% in 2008 vs 5.7% in 2007

EDP has €5 bn available in Cash and Credit Lines

Net debt/EBITDA flat YoY at 4.4x, falling to 3.8x ex-regulatory receivables

Profitable Growth
Maintenance of a sound capital structure

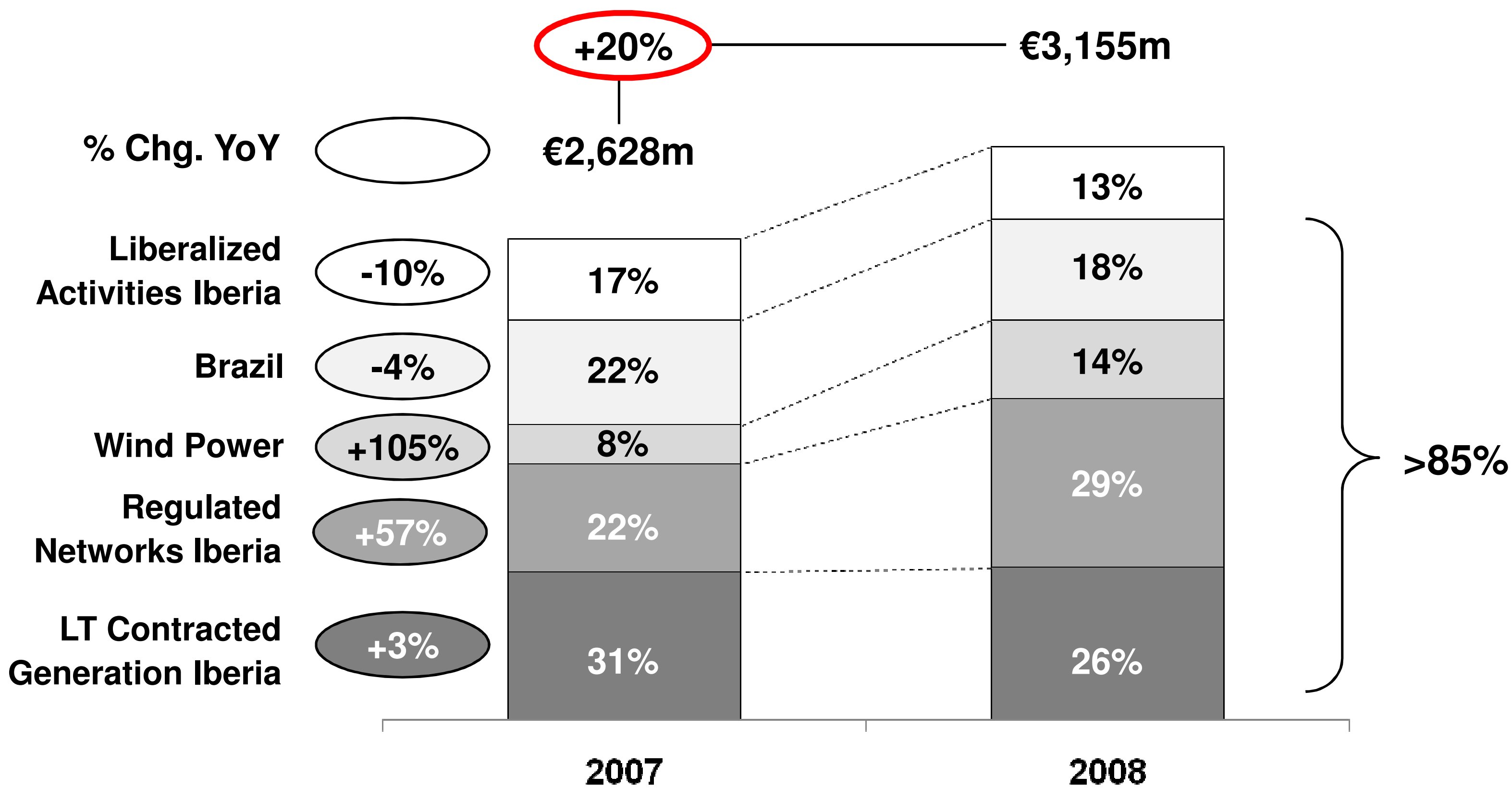
2008 Financial Headlines

(€ million)	2007	2008	% Chg.
EBITDA	2,628	3,155	+20%
Net Profit	907	1,092	+20%
Capex	2,700	3,618	+34%
Net Debt (€ bn)	11,692	13,890	+19%
Net Debt / EBITDA (x)	4.4x	4.4x	-
Adjust. Net Debt / EBITDA [1] (x)	4.2x	3.8x	-

Profitable growth maintaining a sound capital structure

[1] Excluding Regulatory Receivables

2008 EBITDA Breakdown



> 85% of EBITDA comes from regulated or LT Contracted activities

Non-recurrent items above the EBITDA line

EDP Group (€ million)	2006	2007	2008	CAGR 06-08
Reported EBITDA	**2,305**	**2,628**	**3,155**	**+17%**
Tariff deviations & Recoveries Portugal (1)	-5	75	(195)	-
Tariff deviations & Recoveries Brazil (2)	(95)	(216)	-	-
Downward Revision of Enersul RAB	0	69	0	-
HR Restructuring Costs	66	193	50	-
Adjusted EBITDA	**2,271**	**2,749**	**3,009**	**+15%**

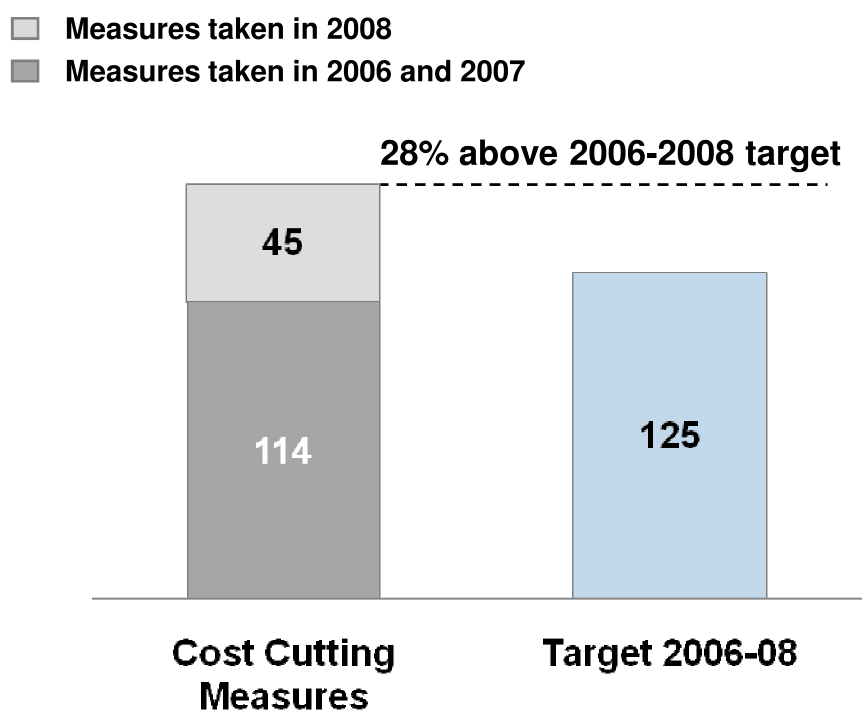
Between 2006 and 2008, excluding non recurrent items EBITDA grew 15% on average

(1) Tariff differences, t-2 and t-1 tariff adjustments

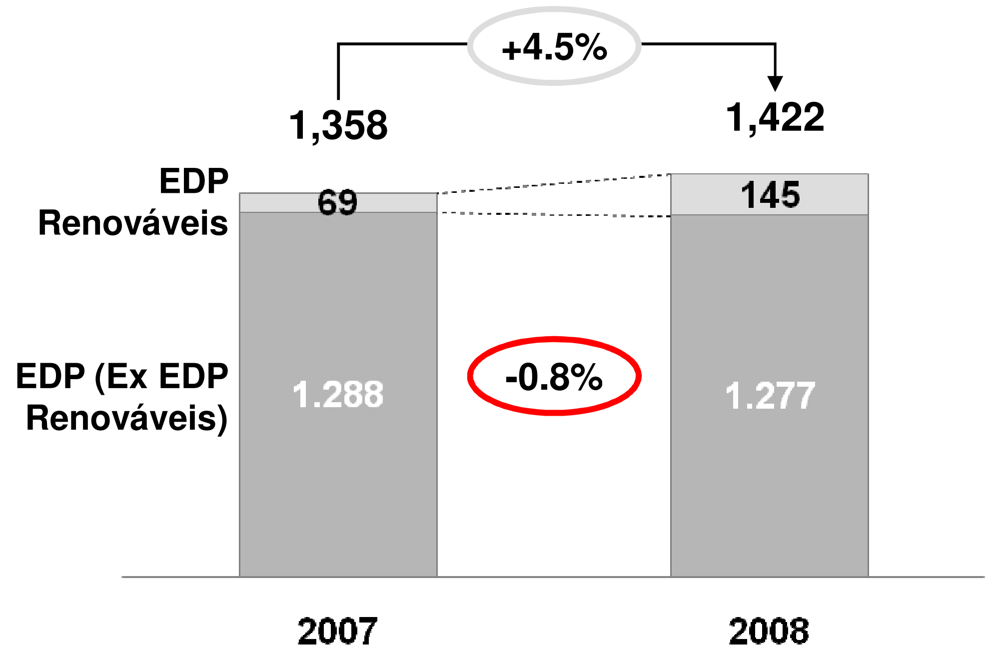
(2) Accumulated tariff deviations, deferred tariff increases, rationing losses + "parcela A" and others

EDP Consolidated Operating Costs: Anticipation of efficiency targets defined in Opex Program

OPEX Program 2006-08 savings [1]
(€ million)



Controllable Operating Costs [2] **– EDP Group**
(€ million)



Most relevant measures taken in 2008:

- Integrated management of insurance policies
- Optimization of IT outsourcing services

- Number of employees down 6.5% YoY (impact from asset swap in Brazil)
- Slight decline of controllable operating costs ex-EDPR (wind power capacity expansion)

(1) Excludes impact from inflation update and expansion of business activity

(2) Personnel Costs & Social Benefits + Supplies & Services ex HR restructuring costs

Business Areas

2008: Highlights in Generation & Supply Iberia

EBITDA -2% YoY to €1,208m

LT Contracted Generation EBITDA +3% YoY: Inflation + commissioning of desox facilities

Liberalized Generation: Hedging on forward fuel costs/energy sales avoided further deterioration

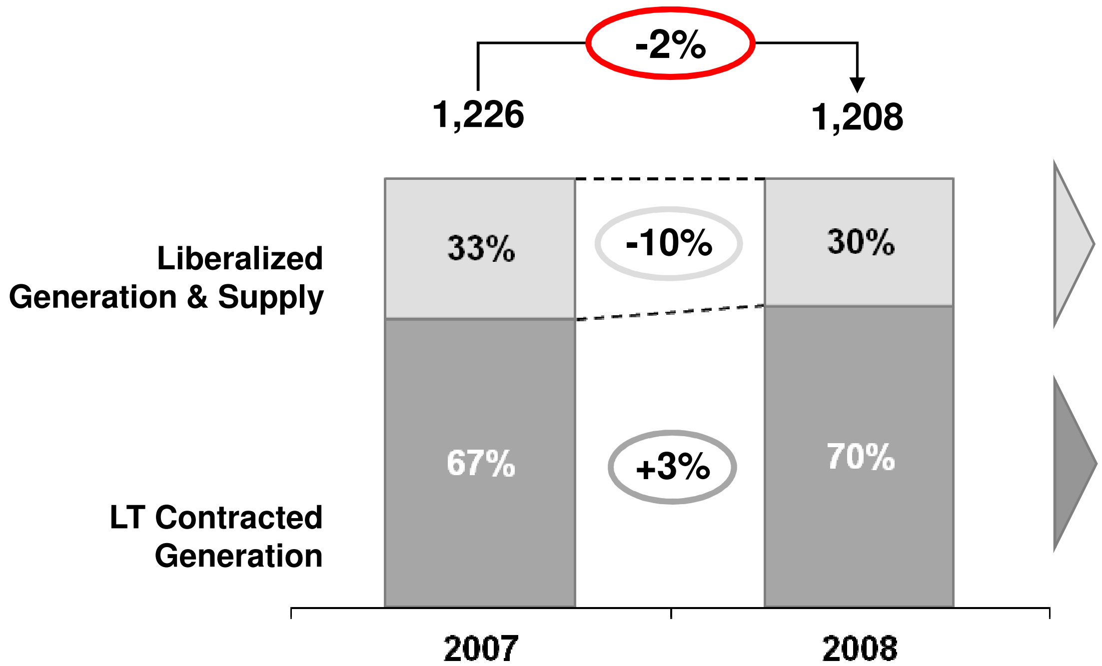
Start up of two new CCGT groups in Spain: Castejón 3 (Jan-08) and Soto 4 (Sep-08)

Sales to final clients represented 73% of liberalized generation output in 2008

Low exposure to energy markets: PPA/CMECs, hedging in liberalized market

Generation & Supply Iberia (38% of EBITDA)

EBITDA Breakdown
(€ million)



- Lower thermal spreads: electricity prices increased less than fuel costs
- Forward energy sales to clients & fuel procurement limited EBITDA decline

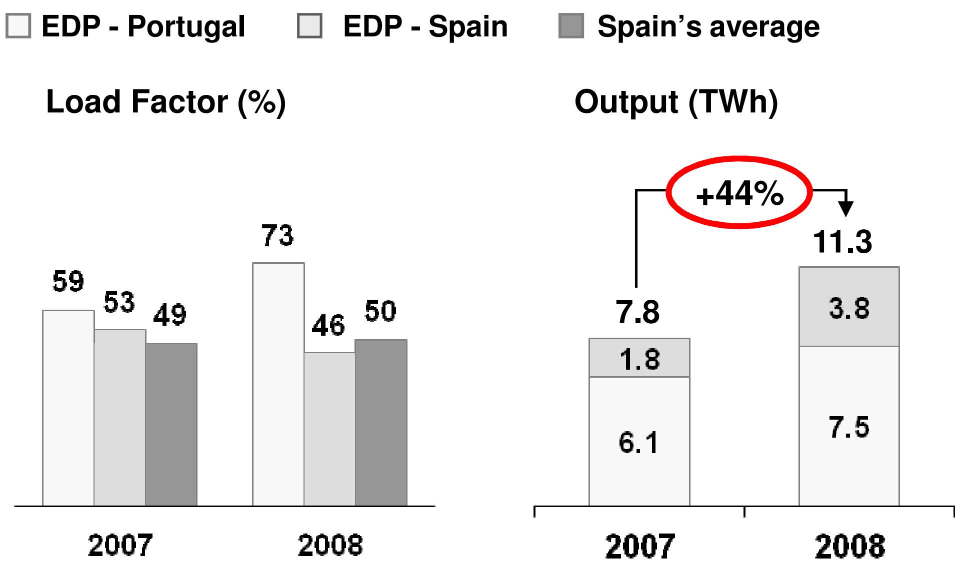
- 8.5% return on RAB, no volume or price risk, inflation updated
- Commissioning of Desox facilities; decommissioning of 165MW gasoil plant (Dec-07)

LT Contracted generation represented 70% of EBITDA in 2008

PPA/CMECs and hedging strategy provide stable and low risk returns

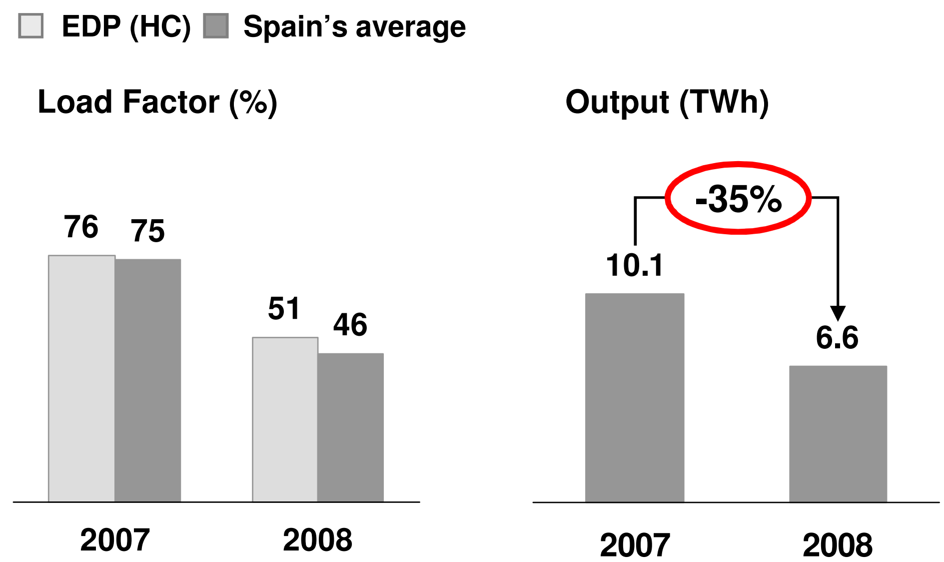
Liberalised Generation & Supply Iberia
Inversion of gas /coal in the marginal cost merit order

CCGT in Iberia: Load factors 2008
(%)



- **Low reserve margin in Portugal: high load factor**
- EDP CCGT installed capacity Iberia: +53% YoY
- EDP showed the highest avg. load factor in Iberia
- Realised CSS [(1)] (with hedging): €19 in 07, €14 in 08

Coal in Iberia: Load factors and Output, 2007-08

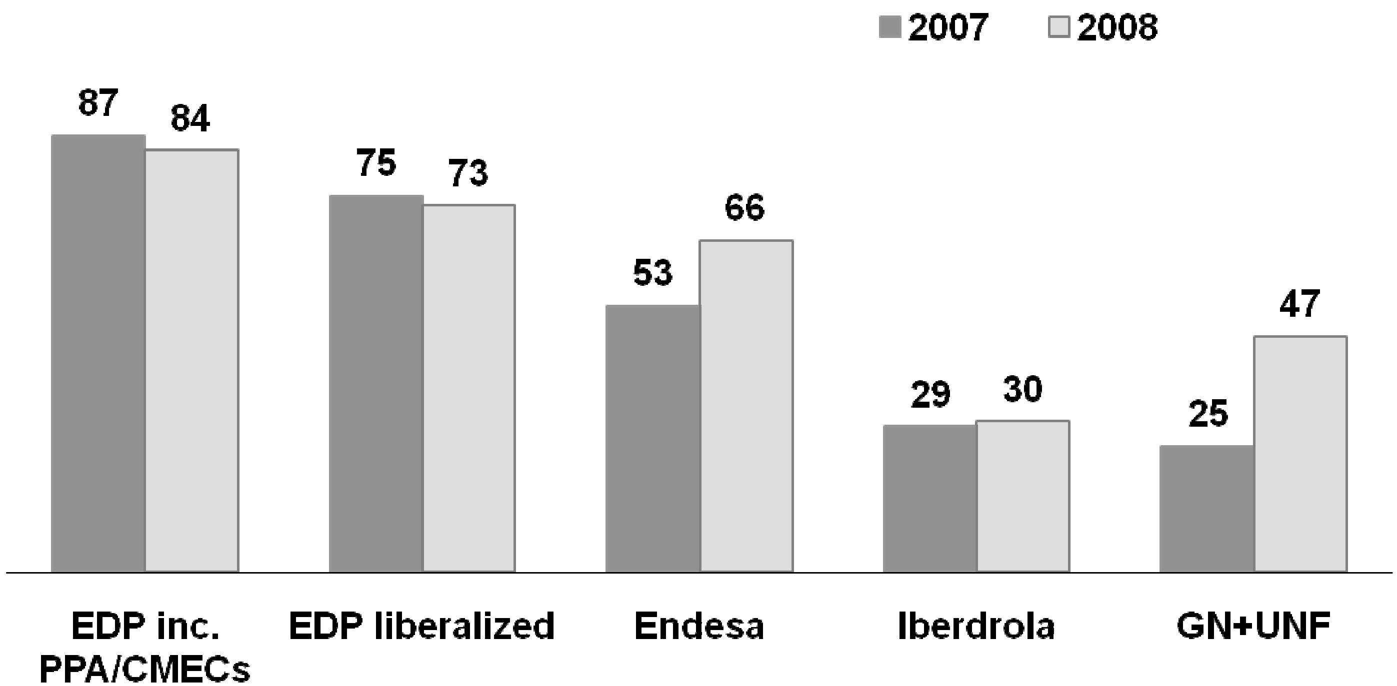


- **EDP's fleet more resilient than Spain's average**
- Very low avg. dark spread in spot market in 2008
- Output very low in 2Q & 3Q, good recovery in 4Q
- Realised CDS [(1)] (with hedging): €26 in 07, €27 in 08

[(1)] Prices based on realized prices excluding capacity payments; Costs net of CO2 free allowances .

Hedging on sales to final clients: lower exposure to pool

Conventional generation output sold to liberalized clients[1] in Iberian market
(% total output)



Energy sales and fuel costs hedged 12 months ahead for c80% of expected output

Hedging strategy in liberalized activity + PPA/CMECs reduce EDP's risk in energy markets

(1) Or through PPA/CMEC

2008: Highlights in Energy Regulated Networks Iberia

EBITDA growth of +57%YoY to €939m

Slowdown of demand growth YoY in 2008: no material impact on financials

Positive impact on EBITDA from non-recurrent tariff recoveries in electricity distribution Portugal

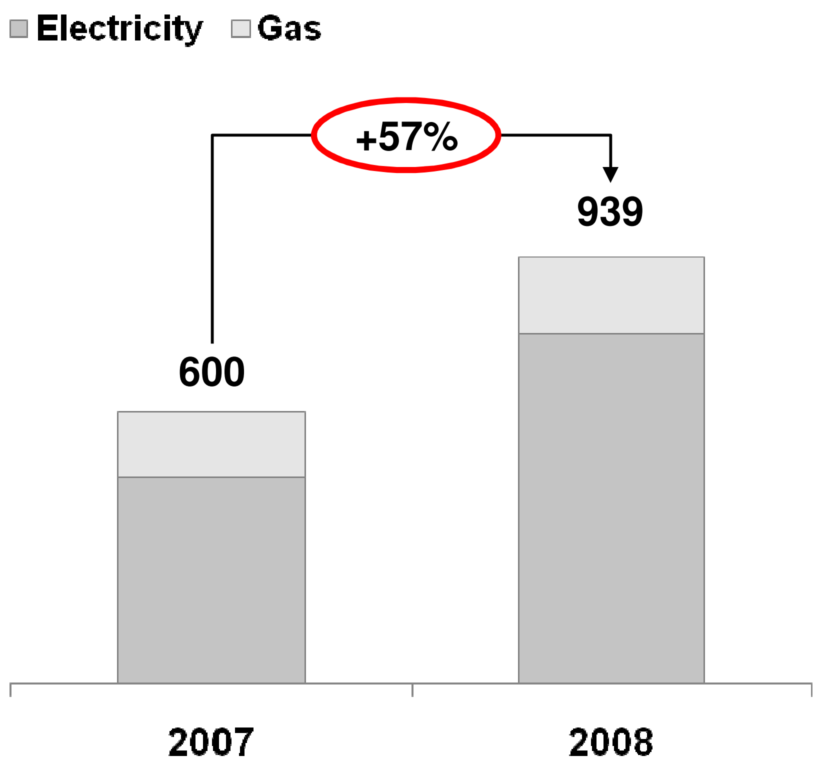
Controllable operating costs: +3%YoY; Continued efficiency improvement

Regulatory receivables increased €1.0bn in the period, impact on cash flow, no impact on P&L

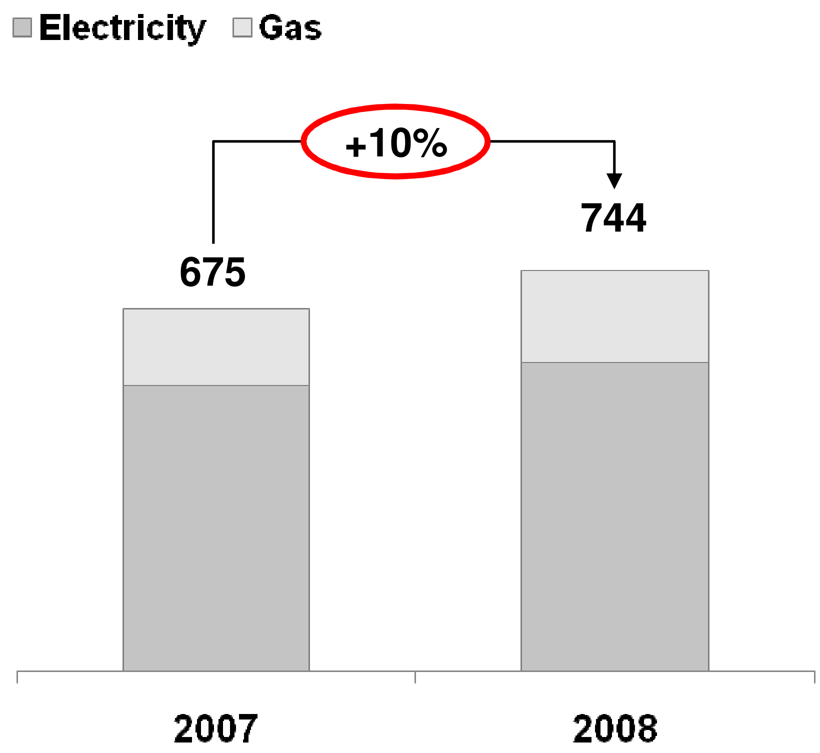
Stable revenue stream, focus on efficiency improvements

Regulated Energy Networks Iberia (29% of EBITDA)

EBITDA Breakdown
(€ million)



Adjusted EBITDA Breakdown [1]
(€ million)



Positive impact from previous years tariff recoveries

Efficiency Improvement

(1) Electricity Distribution Portugal: adjusted for tariff differences, t-2 and t-1 tariff adjustments

2008: Highlights in Wind Power

EBITDA growth of +105% YoY to €438m

Gross installed capacity: +39% or +1,413 MW over year 2008 to 5,052 MW

Output +107% YoY – Load factors of 26% in Europe and 34% in USA – Premium quality assets

Average selling price in Spain: +29% to €101/MWh based on a €62/MWh average pool price (1)

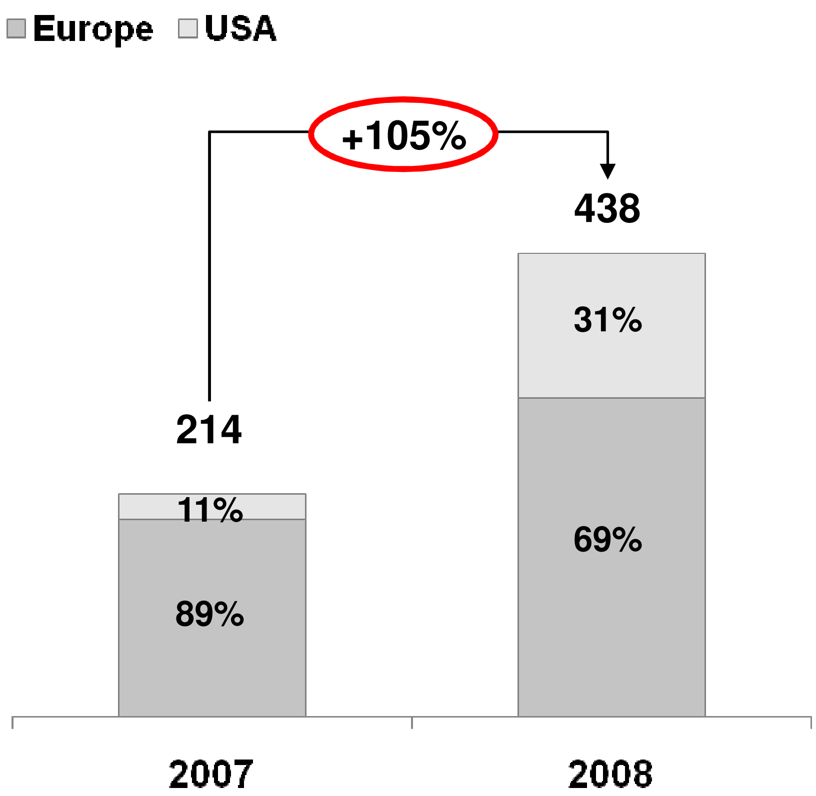
Capacity under construction by Dec-08: 769 MW

Increasing wind capacity: Stable revenues stream
PPAs, fixed tariffs and market price + premium with cap & floor

(1) Average pool price achieved by EDPR in the pool

Wind Power (14% of EBITDA)

EDP Renováveis: EBITDA Breakdown
(€ million)



EBITDA growth supported on:

- **45% increase of EBITDA installed capacity (+ 1,370 MW to 4,400 MW);**
- **High load factors (Europe 26% and USA 34%);**
- **Increase of pool price in Spain (up 66% YoY);**

2008: Highlights in Brazil

EBITDA decreased 4% YoY to €562m

Asset swap: Accounts since Sep-08 already include 73% of Lajeado, do not include Enersul

Distribution: Lower non-recurrent revenues from tariff receivables, growth of recurrent EBITDA

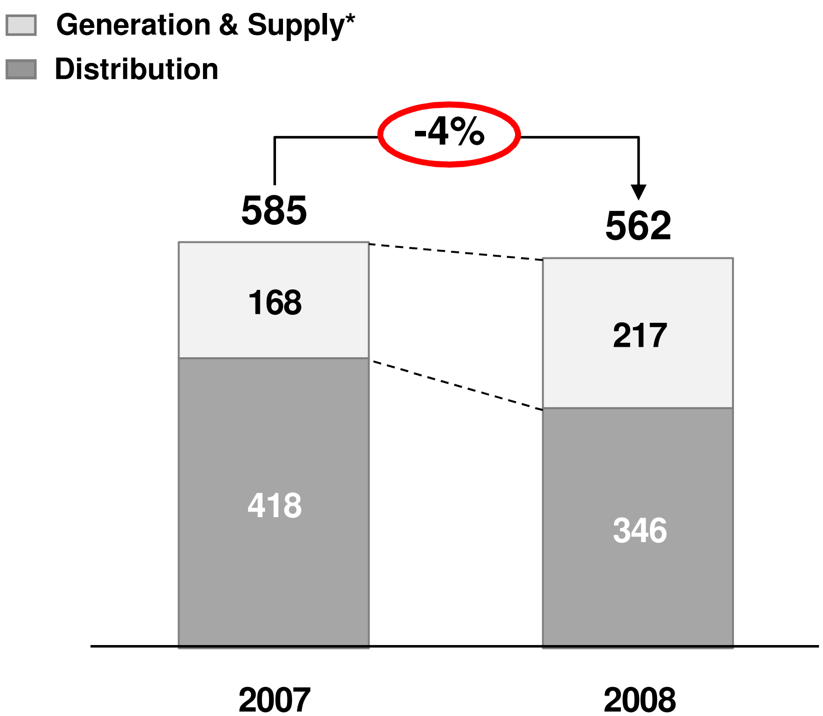
Generation: four months of increased stake in Lajeado,
positive impact from high spot prices in 1Q08

Efficiency improvement: Opex/MWh distribution (Bandeirante+Escelsa) decreased 6% YoY

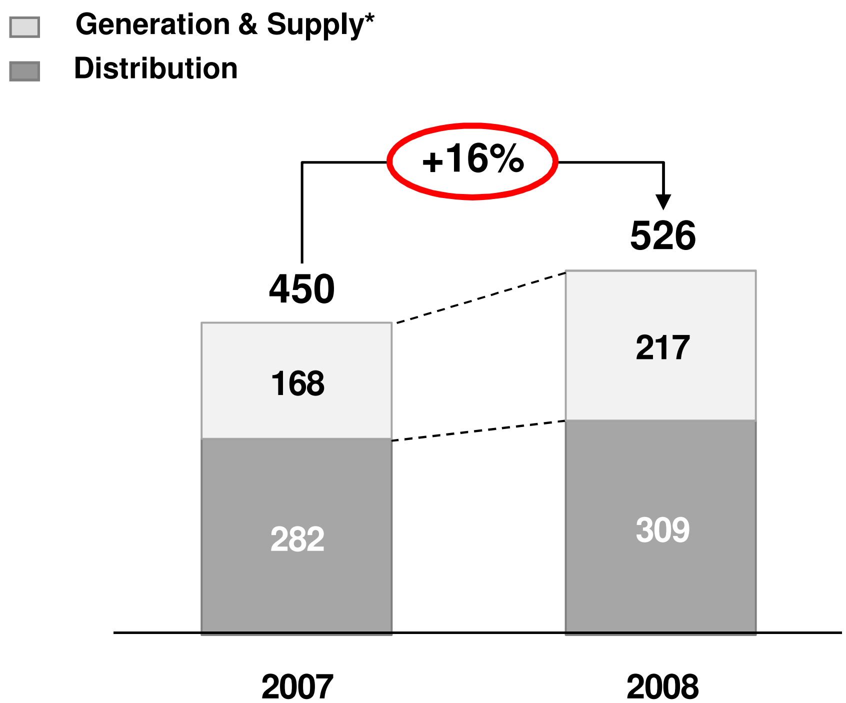
Stable regulated and contracted revenues, improvements on efficiency

Brazil (18% of EBITDA)

Reported EBITDA (€m)



EBITDA Adjusted (€m)



Lower regulatory receivables in distribution
Asset swap increases weight of generation
€2m impact from €/BRL 0.3% YoY appreciation

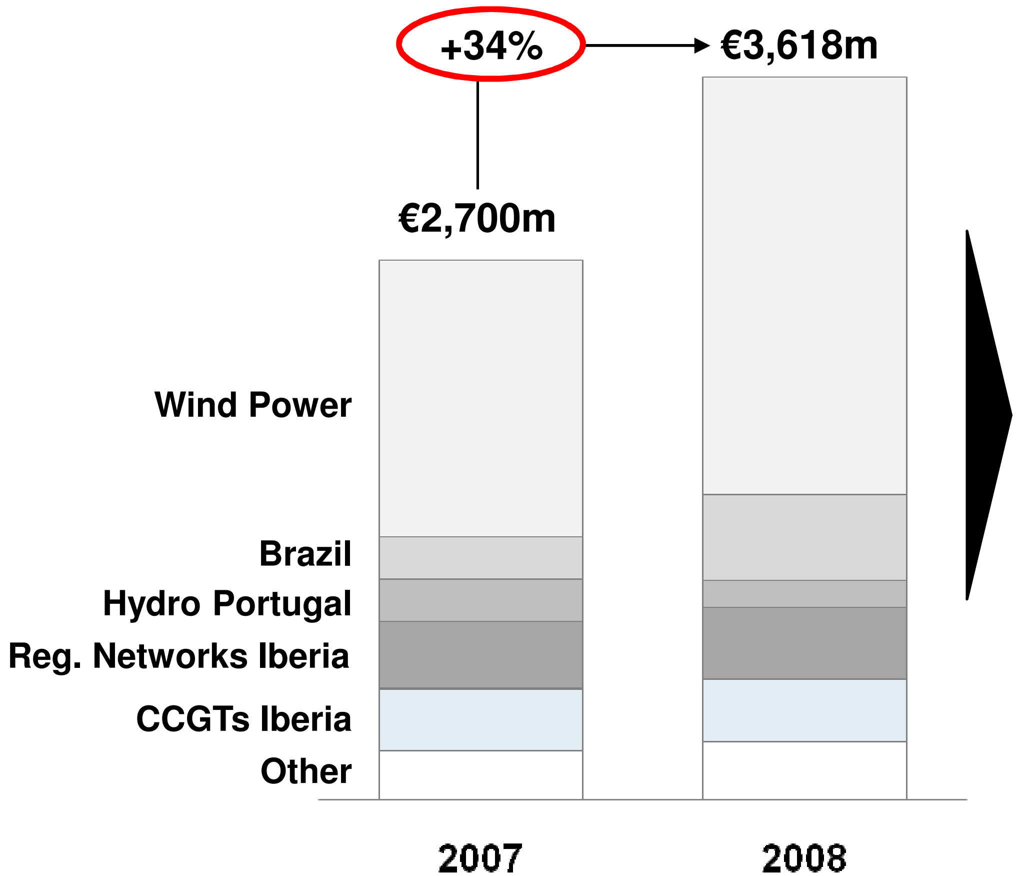
Efficiency improvements
Negative impact from new regulatory period
Higher avg. selling price in generation (PPA mix)

Note: Avg. BRL/EUR: 2.65 in 2008 and 2.66 in 2007

* Includes Others

Consolidated Financials

Consolidated Capex



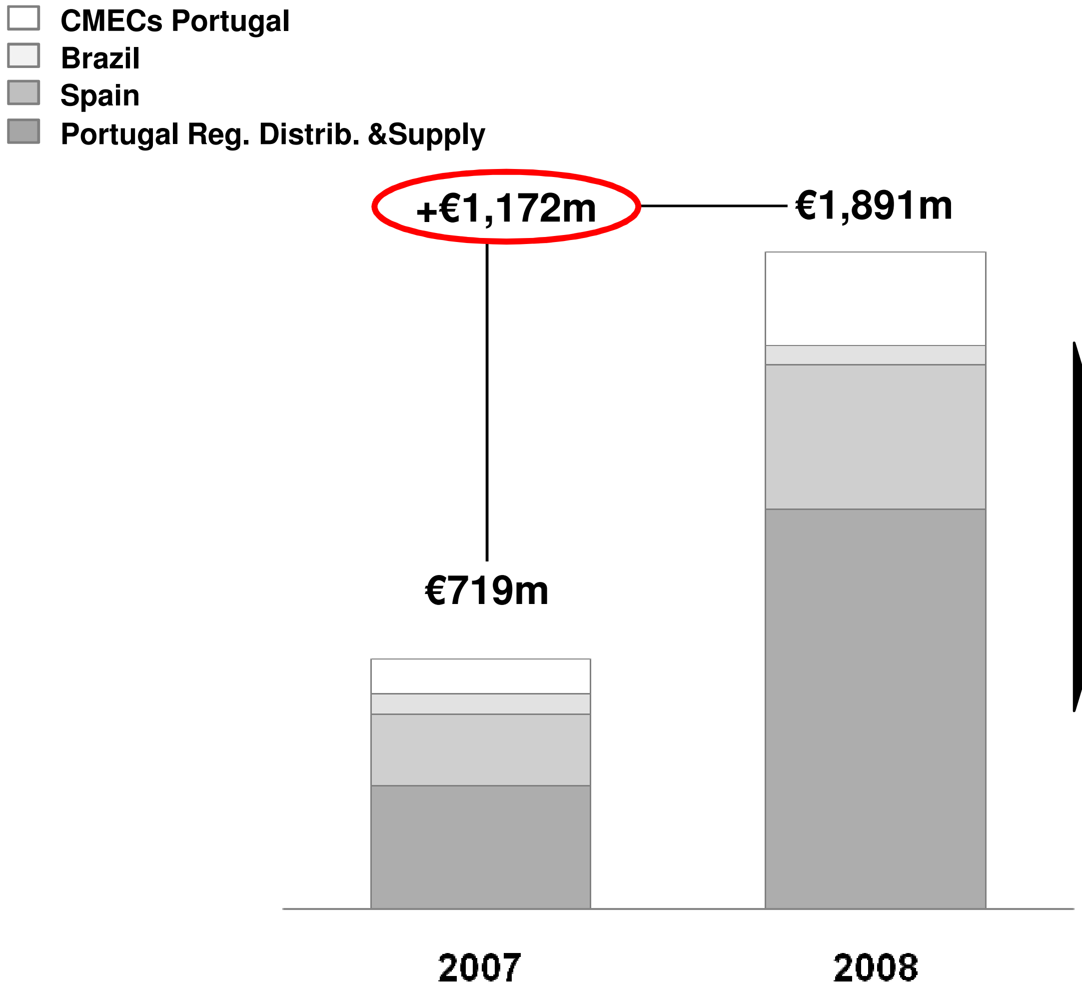
- **Wind Power:** +1,413 MW in 2008
  769 MW under construction by Dec-08
- **Brazil:** 360 MW@50% PPA coal plant started construction phase (Pecém)
- **Hydro:** 861 MW under construction; Payment of new hydro concessions (Alqueva and Foz Tua)
- **CCGT:** + 836 MW in 2008 and +1,286 MW under construction (+862MW in Portugal)

Total generation Installed capacity increased by 18% YoY to 18,419 MW

3,330 MW under construction by Dec-08

2008 Capex does not include €759m payment in Apr-08 for hydro concession extension

Regulatory Receivables

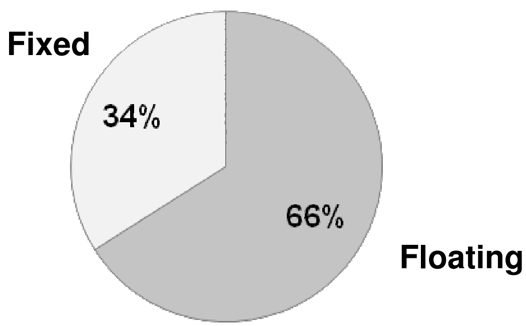


- Tariffs Portugal 2008: pool price assumed at €50/MWh vs. real cost of €76.5/MWh
- 2008: extremely dry year + fuel costs at record highs
- Tariff deficit 2008 in Portugal: abnormal and non-recurrent level

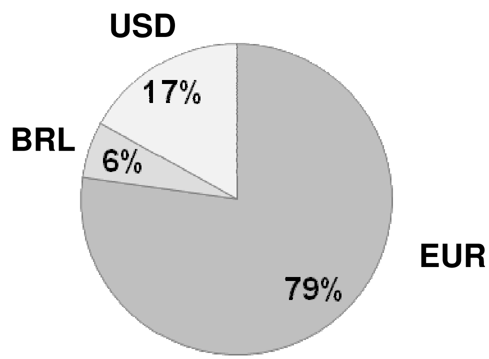
EDP supported €1.2bn additional regulatory receivables in 2008 to €1.9bn by Dec-08

EDP Consolidated Net Debt

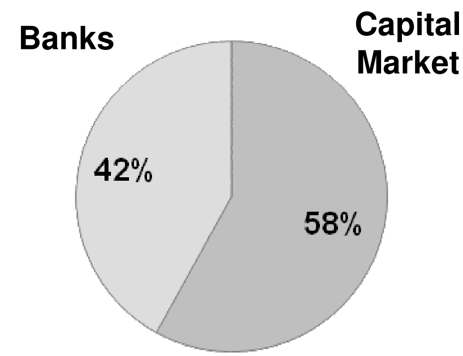
Debt by Interest Rate



Debt by Currency



Debt by Source of Funds



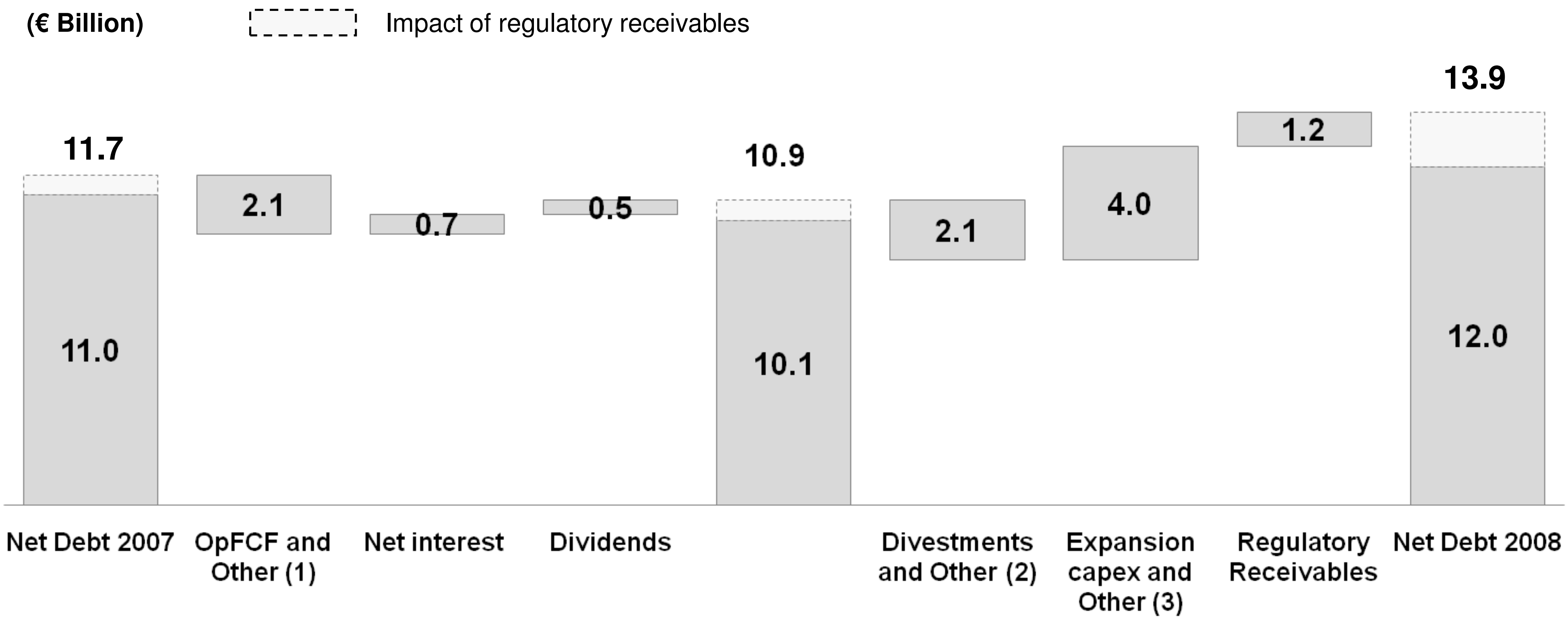
	2007	2008
Net Debt/EBITDA	4.4x	4.4x
Net Debt/EBITDA ex Reg.Receivables	4.2x	3.8x

	Rating	Last Rating Action
Standard & Poors	A-/Stable/A2	03/07/2008
Moody's	A2/Neg/P1	19/10/2007
Fitch	A-/Stable/F2	06/02/2009

Consolidated Net debt of €13.9bn by Dec-08

€1.2bn (9%) is non-recourse to EDP SA (most of which Energias do Brasil net debt)

EDP Consolidated Net Debt Evolution



Excluding Regulatory Receivables, Net Debt increased by €1 bn

EDPR IPO supports funding of expansion Capex

Abnormal increase of regulatory receivables led to a higher net debt by Dec-08

(1) Operating Cash Flow – Maintenance Capex – Regulatory Receivables +/-other
(2) Financial Divestments + Institutional partnership (3) Expansion Capex + Financial investments + Payment of Hydro Domain

EDP liquidity position Dec-08

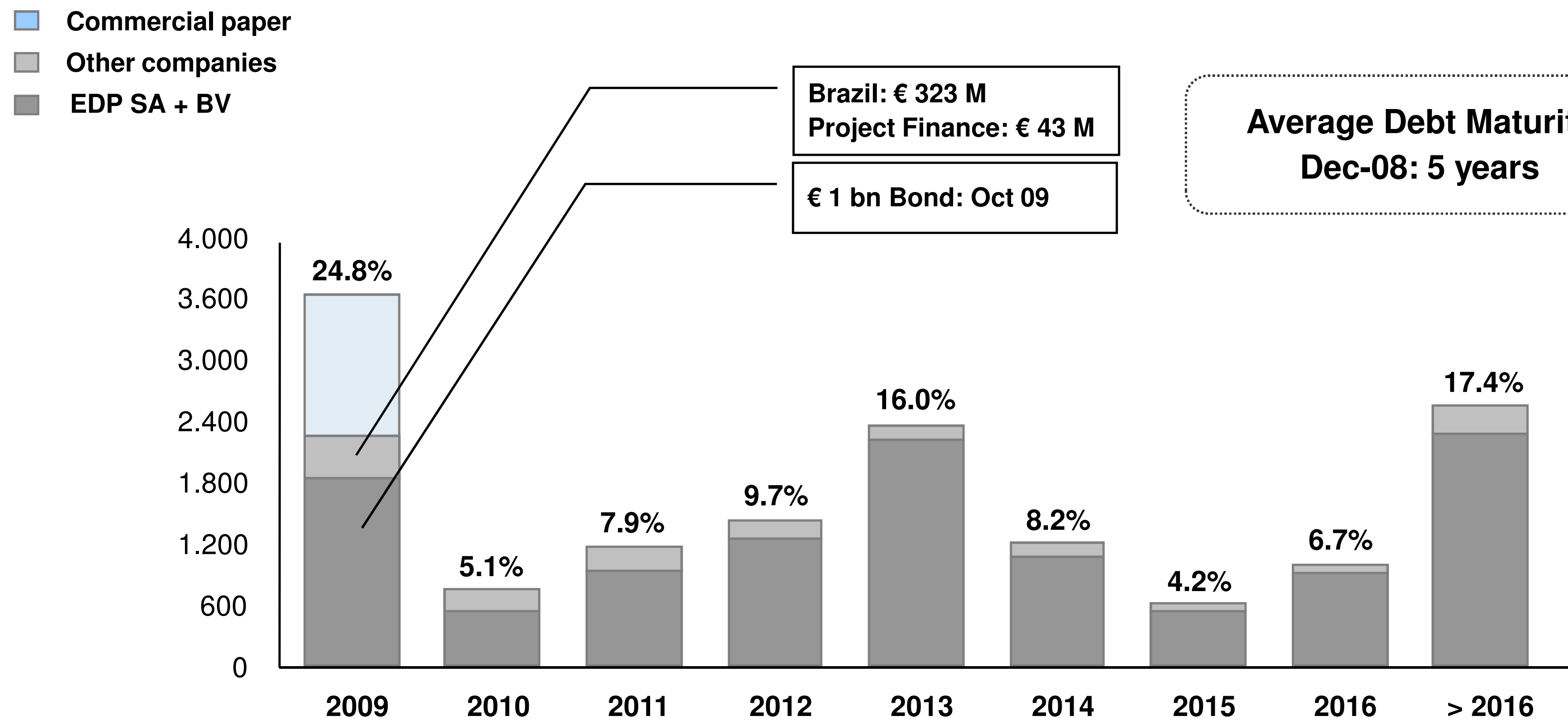
(€ million) **Sources of liquidity (Dec-08)**

Instrument	Maximum Amount	Number of counterparties	Utilised	Available	Maturity
Revolving Credit Facility (US$1.5bn)	1,078	22	1,031	47	02-07-2014
Revolving Credit Facility	1,300	21	730	570	27-07-2009
Domestic Credit Lines	187	5	-	187	Renewable
Underwritten CP Programmes	650	3	0	650	Renewable
Total Credit Lines	3,215		1,761	1,454	
Cash and Equivalents:				797	
Total Liquidity Available				2,251	

€2.3bn of cash and liquidity facilities available by Dec-08

EDP consolidated debt maturity profile

EDP consolidated debt maturity profile (December 30, 2008)
(€ million)



Average Debt Maturity
Dec-08: 5 years

Balanced maturity profile of EDP consolidated debt

Consolidated Net profit up by 20%

(€ million)	2007	2008	% Chg.
EBIT	**1,560**	**1,931**	**24%**
Net Interest Costs	(539)	(722)	-34%
Other Financial Income/(Costs) (1)	280	287	3%
Income Taxes	(281)	(284)	1%
Minority Interests	113	120	7%
Reported Net Profit	**907**	**1,092**	**20%**
Adjusted Net Profit	**862**	**925**	**7%**

- **Net interest costs** increased 34% YoY due the increase in average net debt
- **Other Financial Costs** in 2008 include total impairments of €287.5m (2) and capital gains of €482m (3) (capital gains of €269m in 2007.
- Increase of **minority interests** driven by IPO of EDPR and asset swap in Brazil.

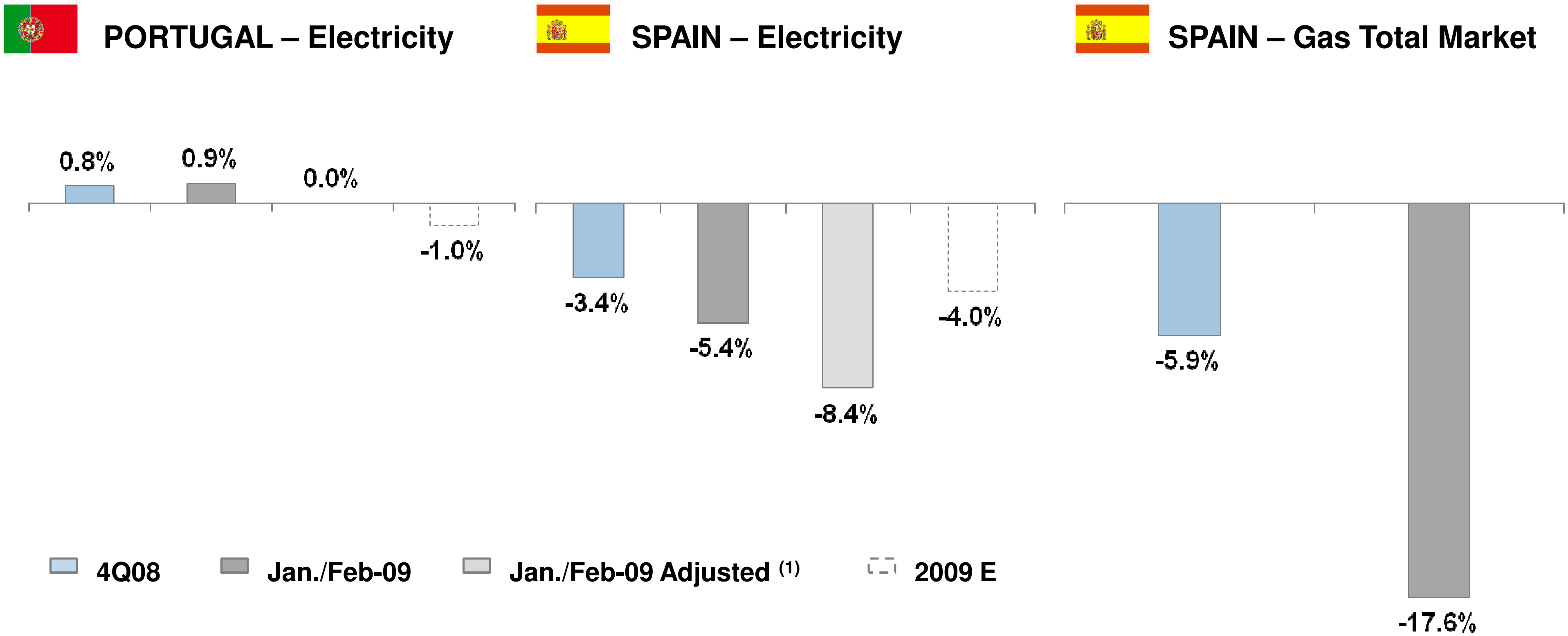
(1) Including Income/(Losses) from Group and Associated Companies, Capital Gains and Discontinued Activities

(2) 3.2% stake in BCP: €200m, 8% stake in Sonaecom: €67m and Ampla: €20.5m

(3) 2008 include €405m from EDPR IPO, €49m from Turbogás and Portugen €17m from REN; 2007 amount is from REN

Prospects 2009

Demand: Recent decline was lower in Portugal than in Spain



Demand destruction from industrial segment less significant in Portugal than in Spain

Heavy equipments industry (Auto, steel, etc) with lower weight on Portuguese demand

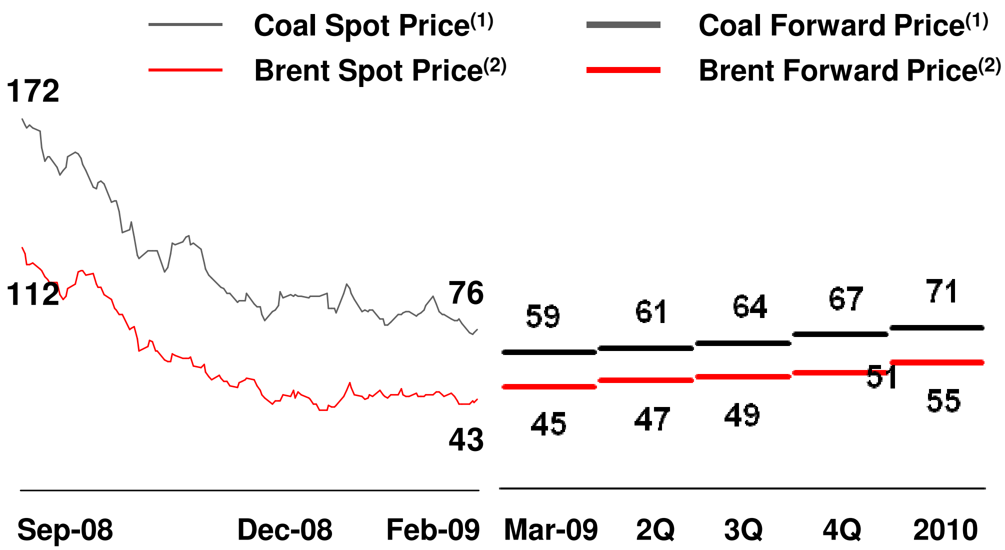
YoY contraction in construction sector more relevant in Spain

Source: REN, REE and Enagás (1) Adjusted for Temperature and Working Days – Electricity & Gas refers to Acc Demand from Jan, 1st 2009 to Feb 26th 2009

Thermal generation costs:
Significant reduction for 2009, prospect of slight rise for 2010

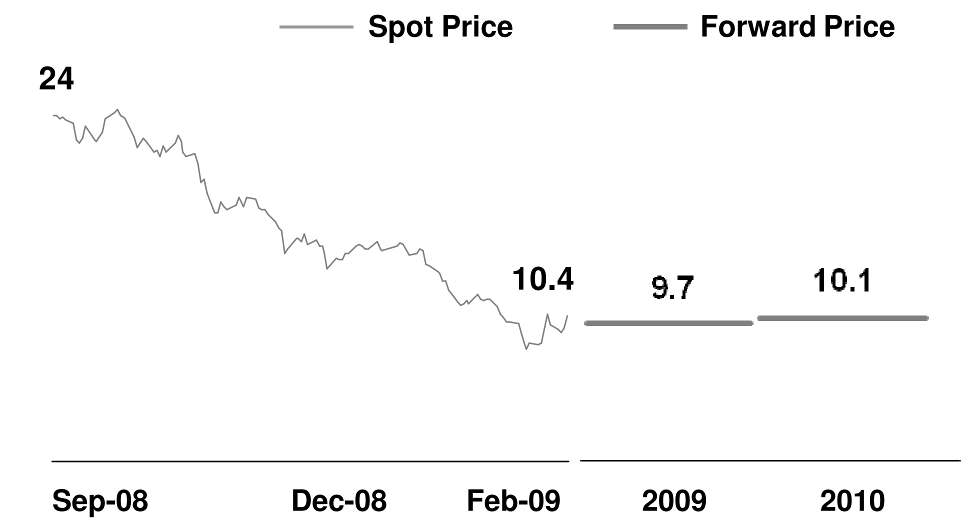
Coal and Brent: Sep-08 up to 2010

(Brent: $/bbl; Coal: $/Ton)



CO2 Allowances (EUA): Sep-08 up to 2010

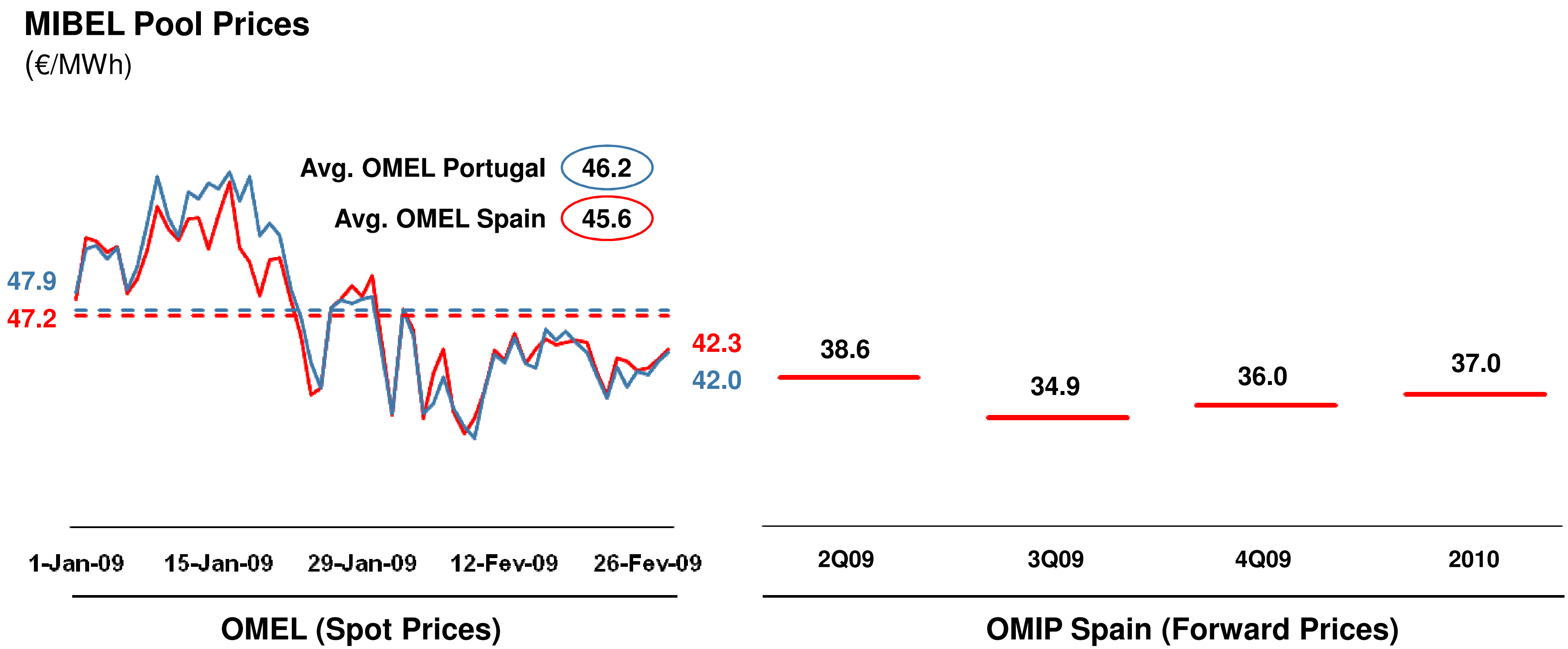
(€/Ton)



Decline of global energy demand drove thermal generation costs downwards

Source: Bloomberg, (1) Coal API2 CIF ARA, on 25/2/09 (2) Prices on 25/2/09

Electricity market Prices in MIBEL



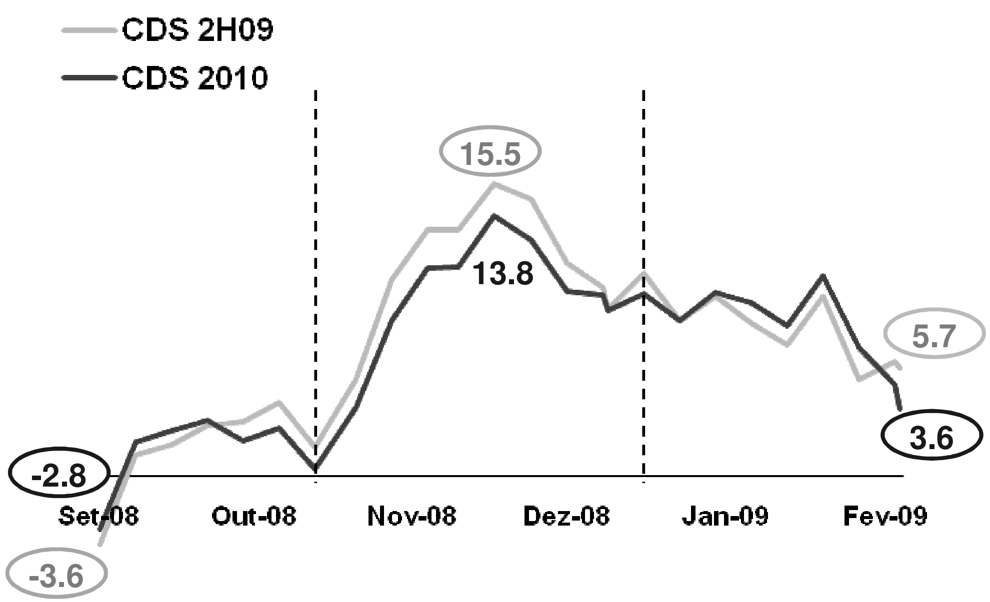
Increase of hydro output in Jan/Feb-09 (+128% YoY) although still below historical average

Increase of wind installed capacity and output (+38% YoY)

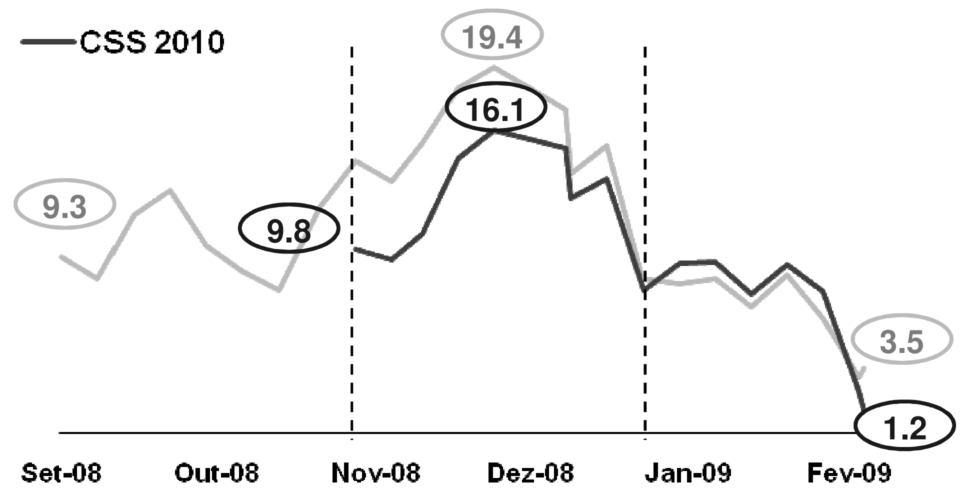
Sources: OMEL and OMIP: forward prices as of closing on 28/Feb-09

Evolution of Theoretical Thermal Generation Spreads in MIBEL

MIBEL Forward dark spreads(1)
(€/MWh)



MIBEL Forward spark spreads, 2009(1)
(€/MWh)

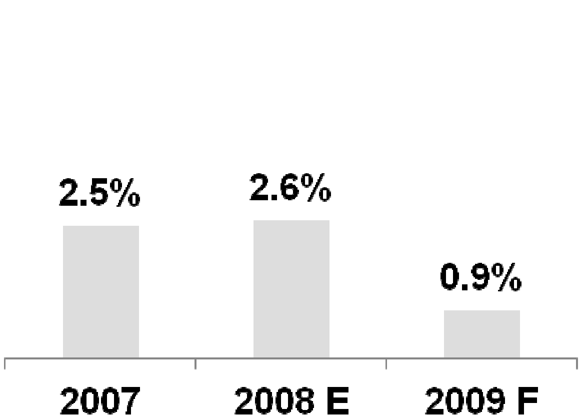


Forward spreads were at attractive levels in 4Q08, but fell significantly in Jan/Feb-09

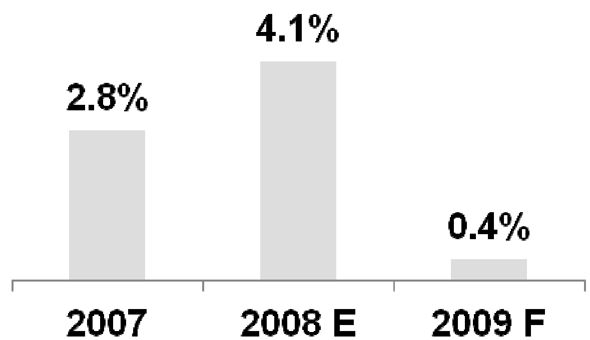
(1) EDP estimates on spreads assuming selling price in line with forward electricity baseload price and variable costs based on forward fuel prices; does not include CO2 costs

Prospects of lower Inflation for 2009

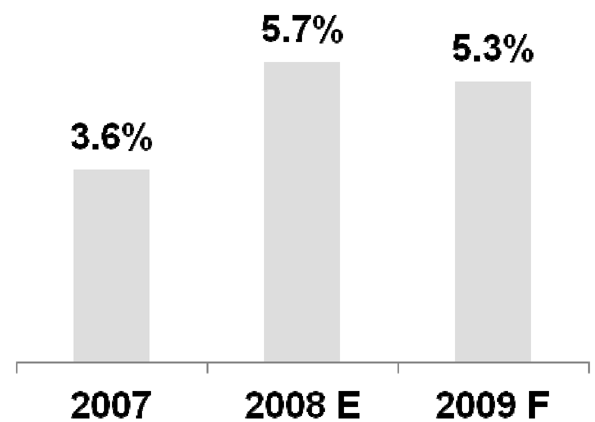
PORTUGAL: Inflation [(1)]



SPAIN: Inflation [(1)]



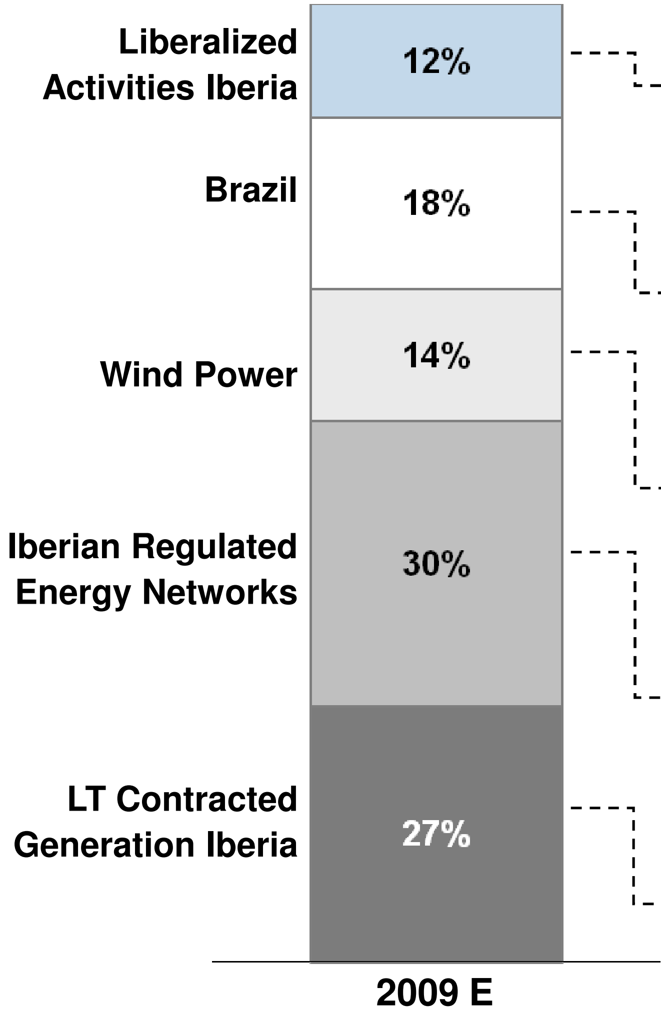
BRASIL: Inflation [(1)]



- **Regulated revenues:** lower inflation in 2009 would impact only 2010 regulated revenues
- **Main activities impacted by inflation:** PPA/CMECs, regulated networks, wind power feed-in tariffs
- **Operating costs and capex:** positive impact can be expected for 2009 and 2010
- **Financial costs:** Historical correlation between inflation and short term interest rates

[(1)] Source: *Bloomberg and Estimates Consensus*

Prospects for EBITDA: 2009



Forward sales 2009: c80% of expected output at average price >€60/MWh and spark/dark spreads in line with 2008's.

Forward sales 2010: ~20% of expected output

PPAs in generation, stable regulation in distribution

Avg. BRL/EUR: Depreciation 15% YoY in Jan/Feb-09

Lower industrial demand: Slight increase expected on regulatory receivables

Exposure to Spanish Pool: 2TWh forward sales for 2009 at €46-€50/MWh

US projects still un-hedged or without TEIs: Stimulus bill lowered risks

Electricity Distribution Portugal: (73% weight)

✓ Regulated gross profit 2009E: €1,099m [1]; Low exposure to lower demand

Other networks: Good visibility of regulated revenues, stable returns

PPA/CMEC generation assets (Portugal):

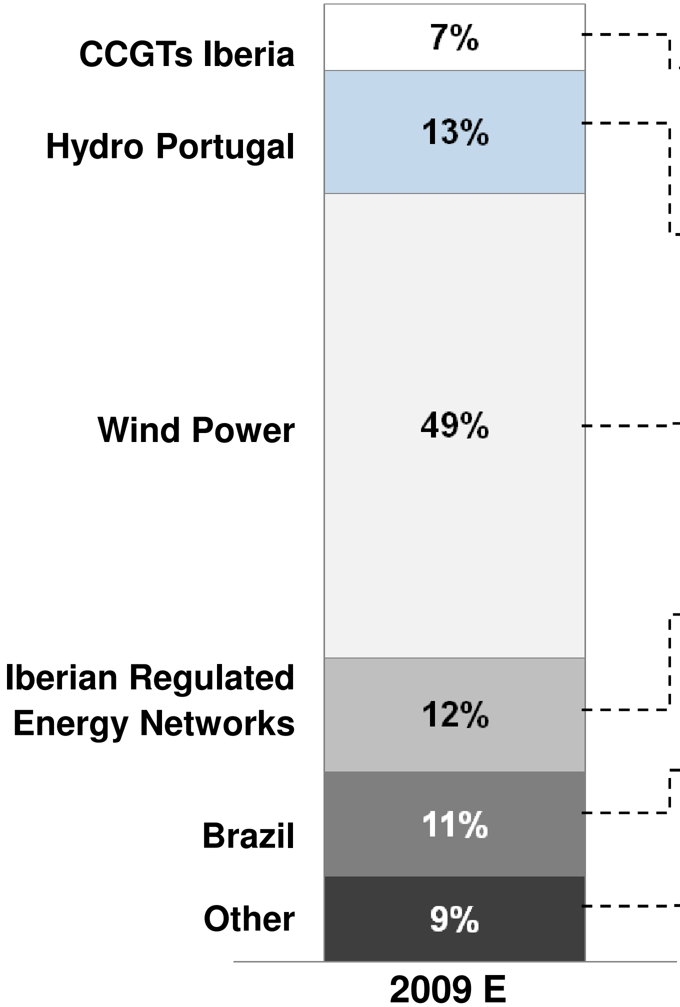
✓ Contracted gross profit for 2009E: €968m

Good visibility on EBITDA given a relatively low sensitivity to economic cycle

>85% of EBITDA with very low volume or price risk

(1) Excluding Previous Years Adjustments – Allowed Revenues were adjusted for Concession Rentals and Law 12/2008 (Meters asset base; monthly reading and invoicing)

Prospects for Capex: 2009



+860 MW in Portugal to be commissioned in 3Q09: Lares 1+2
+420 MW in Spain to be commissioned in 2011: Soto 5

860 MW and 4 plants under construction: Commissioning dates in 2011/13
Upfront payment on Fridão/Alvito concession made in Jan-09: €234m

New capacity to be installed in 2009: between 1.2GW and 1.3GW
769MW under construction by Dec-08
Works in progress by Dec-08: €1.1bn

Flat maintenance capex in networks: increase of extension and quality

New generation capacity: ~65% of expected capex in Brazil
Pécem coal plant to be commissioned in 2011 + mini-hydro developments

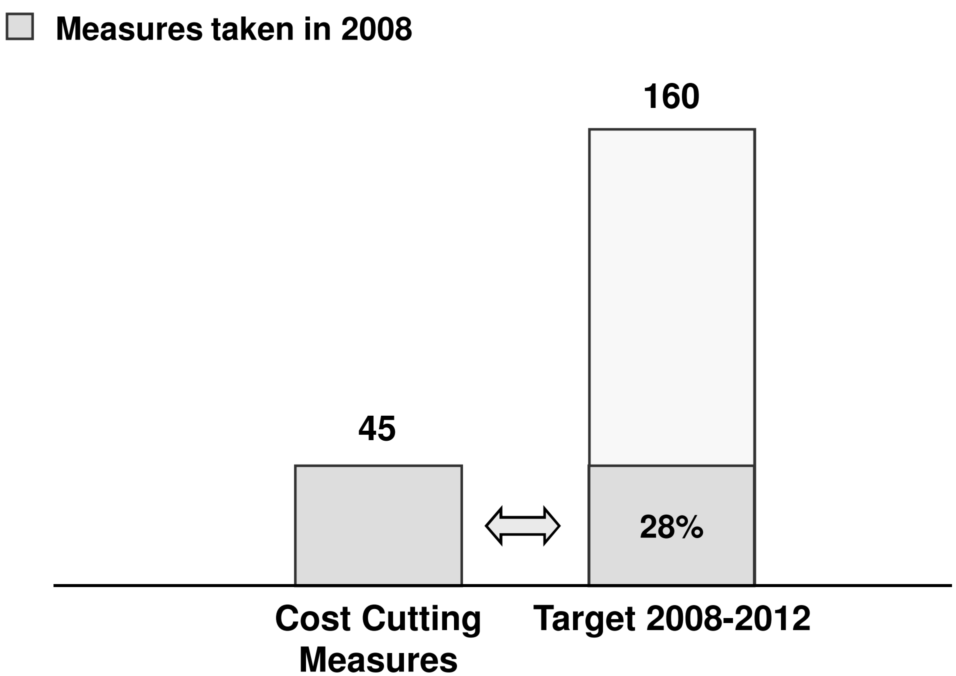
Coal plants maintenance capex, Denox at Sines, Biomass and other

Expected decline of capex vs. 2008, in line with average capex of €3.0bn for 2009-2012
Expected breakdown: 76 % expansion capex, 80% with low exposure to energy markets

Prospects for 2009: Continuous focus on efficiency

Opex reduction program - Annual cost reduction target of €160m between 2008 and 2012

OPEX savings target*
(€ million)



Main efficiency improvements targeted for 2009:

- Further Integration of support services Portugal/Spain
- Optimization of O&M in generation & distribution
- Procurement of goods and services
- Consultancy services
- Reduction of billing and invoicing costs
- Control systems over bad credits

Recurrent control over expenses and operating processes – Sustained efficiency improvement

* Excludes impact from inflation update and expansion of business activity

Prospects for 2009: Regulatory Receivables

Tariff Deficit
Portugal

2007 and 2008 tariff deficit: already securitized in Mar-09

Tariffs Portugal 2009: pool price assumed at €70/MWh vs. current €45/MWh level

Marginal tariff surplus possible in 2009, not enough to compensate 2008 deficit

Tariff Deficit
Spain

Pre 2009: €0.4bn securitization depending on negotiations with government

2009 E: additional €0.2m expected to be attributable to HC Energia

Positive prospects in terms of evolution of consolidated regulatory receivables over 2009

First Quarter 2009 Financing

€1bn 5 Year Bond – Feb-09:

- Extremely strong appetite: books achieved more than €8bn
- Books were very strong (70% from real money) and extremely well diversified: Germany (25%), Iberia (20%), France and UK (16% each) and Benelux (11%)

€1.5bn 3 Year Revolving Credit Facility – Mar-09:

- EDP signed a new 3-year RCF, replacing the RCF due in Jun-09
- Club deal with 19 national and international banks with good credit standing
- Very strong sign of commitment of major banks towards EDP

€1.2bn sale of Tariff Deficit – Mar-09:

- Challenging transaction due to nature and size of asset, concluded in record time: 4 months after announcement in November's Investor Day
- Expected to achieve AAA rating from Moodys
- Privately placed with group of National banks

EDP major sources and uses of funds for 2009 and 2010

Sources of Funds

- Total liquidity available Dec-08: €2.3bn
- 5Y Bond issued in Feb-09: €1.0bn
- Tariff deficit monetization in Mar-09: €1.2bn
- Loan signed with EIB in Feb-09: €0.15bn
- Increase of available RCF in Mar-09: €0.3bn

Use of Funds

- Refinancing needs in credit market:

  Bond issue maturating in Oct-09 €1.0bn

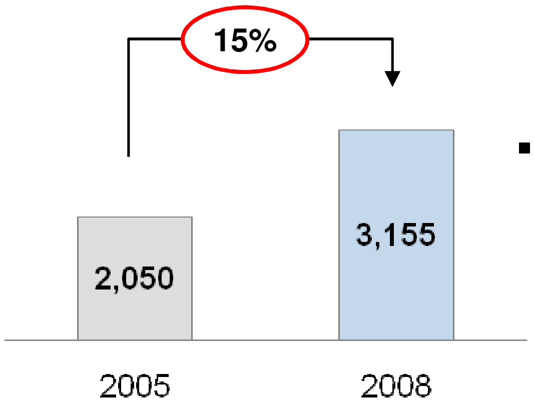
  Bond issue maturating in Jun-10 €0.5bn

Comfortable liquidity position

EDP has €5 bn available in cash positions and credit lines

In summary: Delivery of targets committed for 2006-2008...

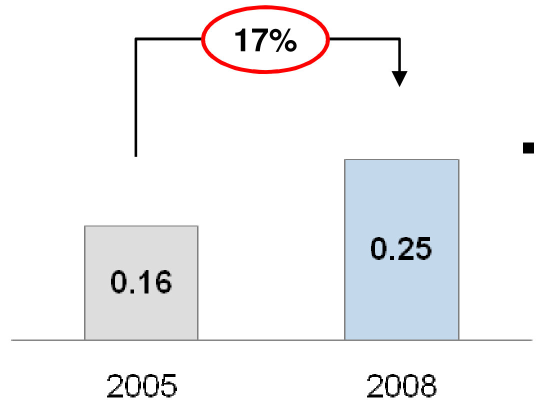
EBITDA [1] (€ million)



- **TARGET EBITDA CAGR 2005-2010 > 13%**

✓

EPS [1] (€)



- **TARGET EPS CAGR 2005-2010 > 14%**

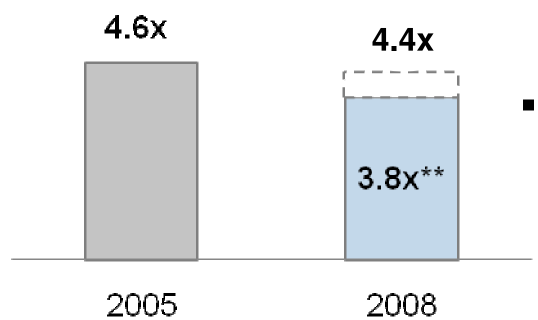
✓

Dividend per Share (€)

- **TARGET DPS CAGR 2005-2010 > 11%**

✓

Net Debt / EBITDA



- **TARGET Net Debt/EBITDA 3.8 x**

✓

* Value to be proposed by the management in the Shareholders Meeting

** Net Debt/EBITDA Excluding regulatory Receivables

...and good visibility for 2009

Stable, low-risk returns

EBITDA strongly resilient, stable and predictable

- **~85% EBITDA** with low sensitivity to economic cycle
- **Hedging strategy** in liberalized activities
- **Demand destruction lower in Portugal** than in rest of Europe
- **Tariff deficits:** no material amount expected in 2009

Selective investment criteria

Clear room for value creation in investments committed:

- **New Wind:** Stimulus bills improved visibility on US returns
- **New CCGTs:** +860MW in Portugal, low reserve margin, low capex/MW
- **New Hydro Portugal**: Scarce assets, attractive IRRs even at current prices
- **PPA generation in Brazil** (Pecém): Low risk and an attractive expected return

Balanced financial structure

Efficient match between capital structure / business risk profile

- **Comfortable liquidity position:** €5bn available in cash position, credit lines
- **Diminishing cost of debt in 2009 on Euribor:** 66% of net debt at floating rate

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Next Events

EEI Conference: March 16th-17th, 2009
1Q09 Results: May, 5th 2009