Results Presentation
1H12

LISBON, July 27th, 2012

Dow Jones
Sustainability Indexes
Member 2011/12

Disclamer

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1H12: Highlights of the period

EBITDA: €1,885m, -0.8% YoY

International operations: 60% weight of EBITDA in 1H12

Growth in wind power (EBITDA +23%), decrease in Brazil (EBITDA -24% driven by deviations in distribution)
Slight decline in Iberian traditional operations (EBITDA -1%)

Opex: +4.5% (including Brazil & wind power), Iberia +2%; Opex/gross profit at 27%

Average cost of debt of 4.0% in 1H12 (vs. 4.1% in 1Q12 and 3.9% in 1H11)

Net Profit: €582m, -4% YoY

1H12: Highlights of the period

Capex of €690m, down 18% YoY: slowdown in wind power capacity additions

Regulatory receivables Iberia: +€0.7bn in 1H12 to €2.3bn by Jun-12
Impacted by extreme dry weather in 1H12 and tariff deficit defined by the regulator in Portugal for 2012

Net debt at €18.0bn impacted by annual dividend payment in May + regulatory receivables
Financial liquidity Jun-12: €2.9bn after €1.6bn paid in 2Q12 (dividends + debt maturities + tariff deficits)

CTG partnership execution: terms on first €1bn loan (5-Year, 480bps spread) approved by CDB in Jul-12
Agreement for disposal of gas transmission in Spain for €262.5m (implied EV/EBITDA 2011 of 11x)

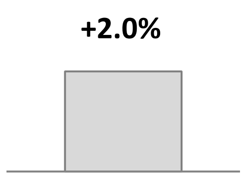
Resilient financial performance in 1H12 under adverse market and regulatory conditions
Low risk profile: Diversified operations in terms of markets and in terms of activities/technologies

Electricity & Gas Demand in EDP's Key Markets

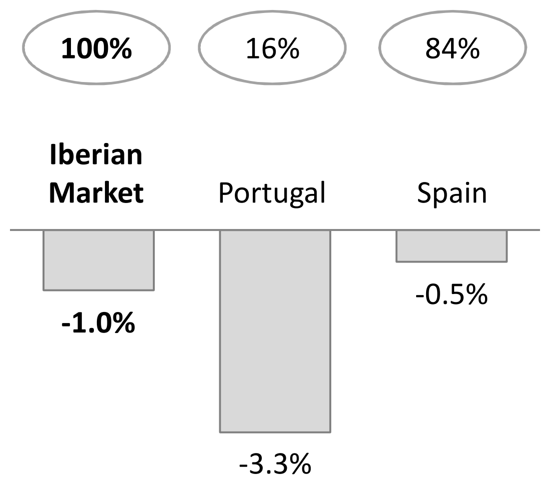
Brazil (Southeast) | **Iberian Market** | % Weight in Iberia in 1H12

Electricity

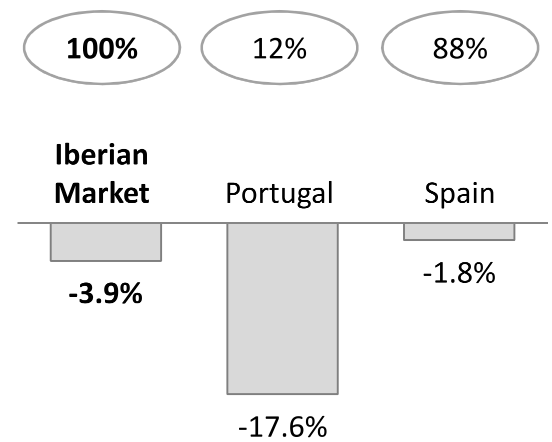
1H12 vs. 1H11 (YoY)[(1)]



Electricity Demand



Gas Demand

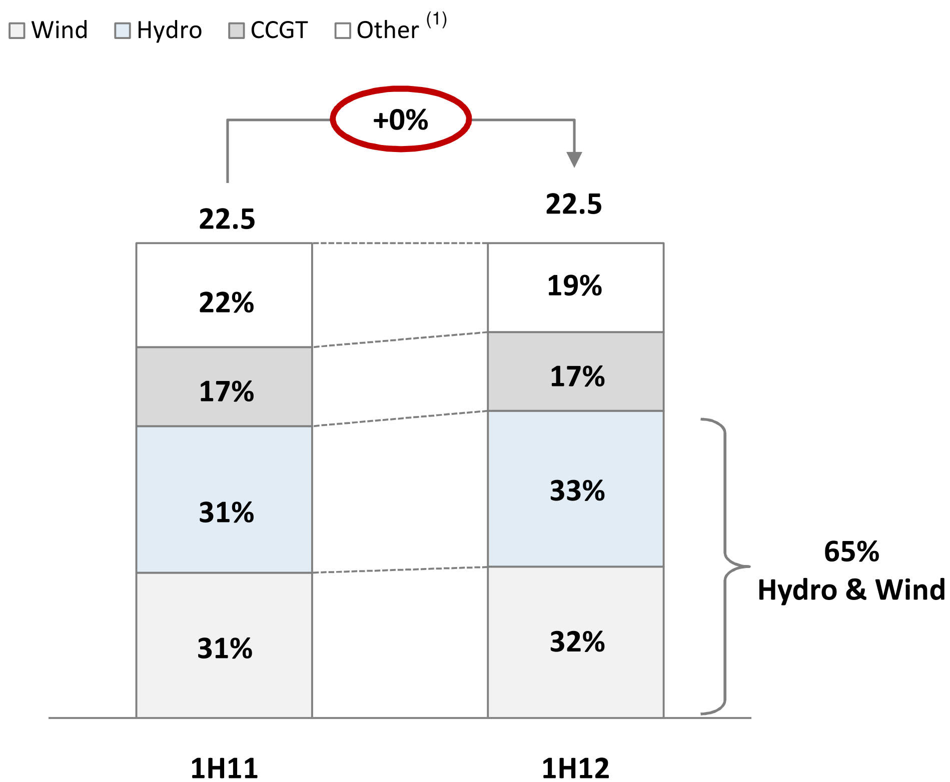


- **Brazil (Southeast):** Commercial & residential demand rose 5.0% and 2.9% respectively but industrial declined 0.4%
- **Electricity Iberia:** Weaker demand in Portugal (residential, SMEs, public lighting: impacted by higher VAT) and Spain
- **Gas in Iberia:** Lower demand from electricity generation partially offset by growth in the conventional demand

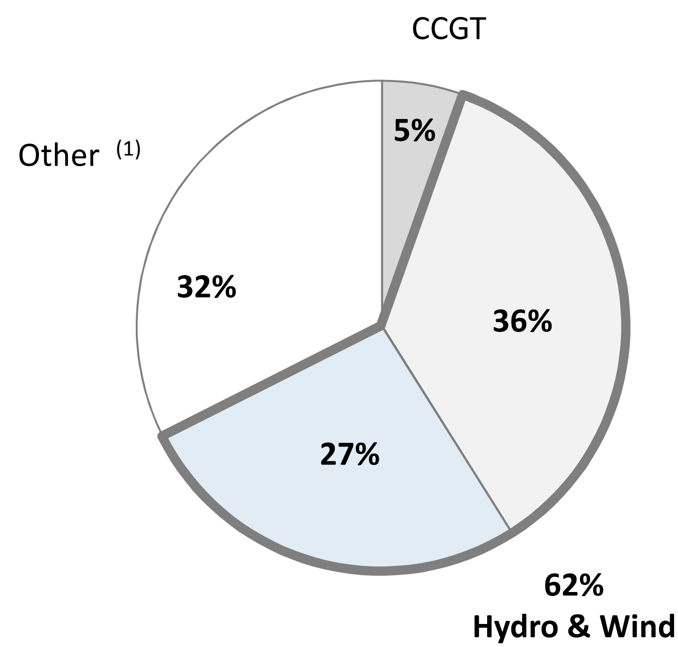
Source: REN, REE, Enagás and EPE. Figures of electricity correspond to gross demand (before grid losses). (1) Except for Brazil: 5M12 vs. 5M11

1H12 Operating Headlines

Installed Capacity
(GW)



1H12 Generation Breakdown by Technology
(%)



Installed capacity flat YoY: +0.4GW new hydro; +0.3GW new wind; -0.7GW fuel oil decommissioning

Wind & Hydro: 65% of total capacity and 62% of energy produced in 1H12

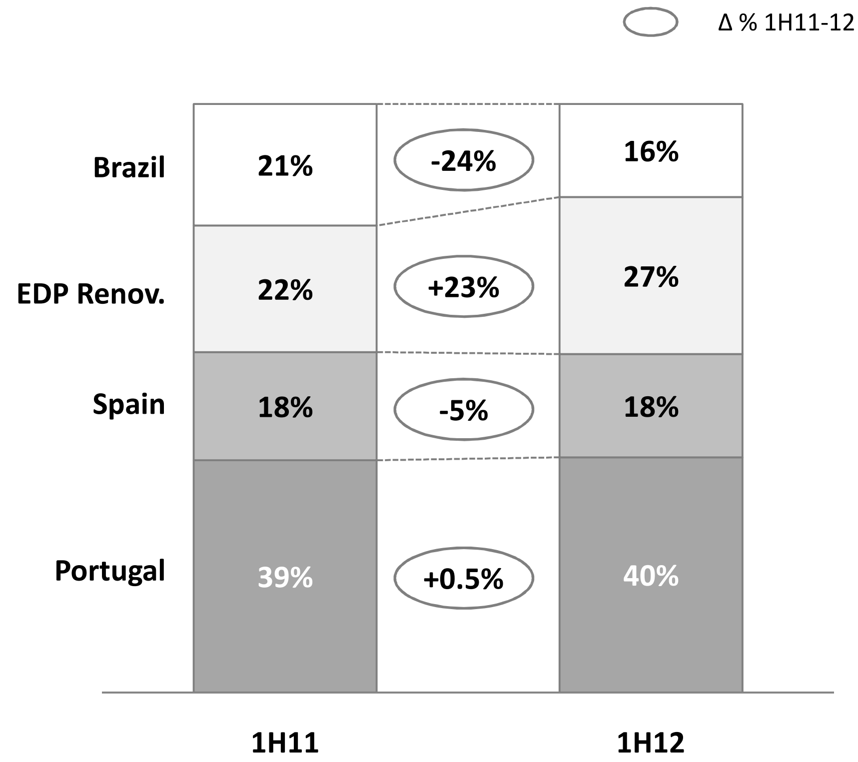
(1) Coal, thermal special regime, nuclear and fuel oil / gasoil.

1H12 EBITDA: Increasing portfolio diversification

EBITDA Breakdown by Geography: 1H12 vs. 1H11
(%)

	1H11	1H12	Var. %	Var. Abs.
EDP Brasil	392	298	-24%	-95
HC Energia	349	330	-5%	-18
EDP Renováveis	409	504	+23%	+94
EDP Portugal & Others[(1)]	750	753	+0.5%	+3
EDP Group	**1,900**	**1,885**	**-0.8%**	**-15**

EBITDA Breakdown by Geography: 1H12 vs. 1H11
(%)



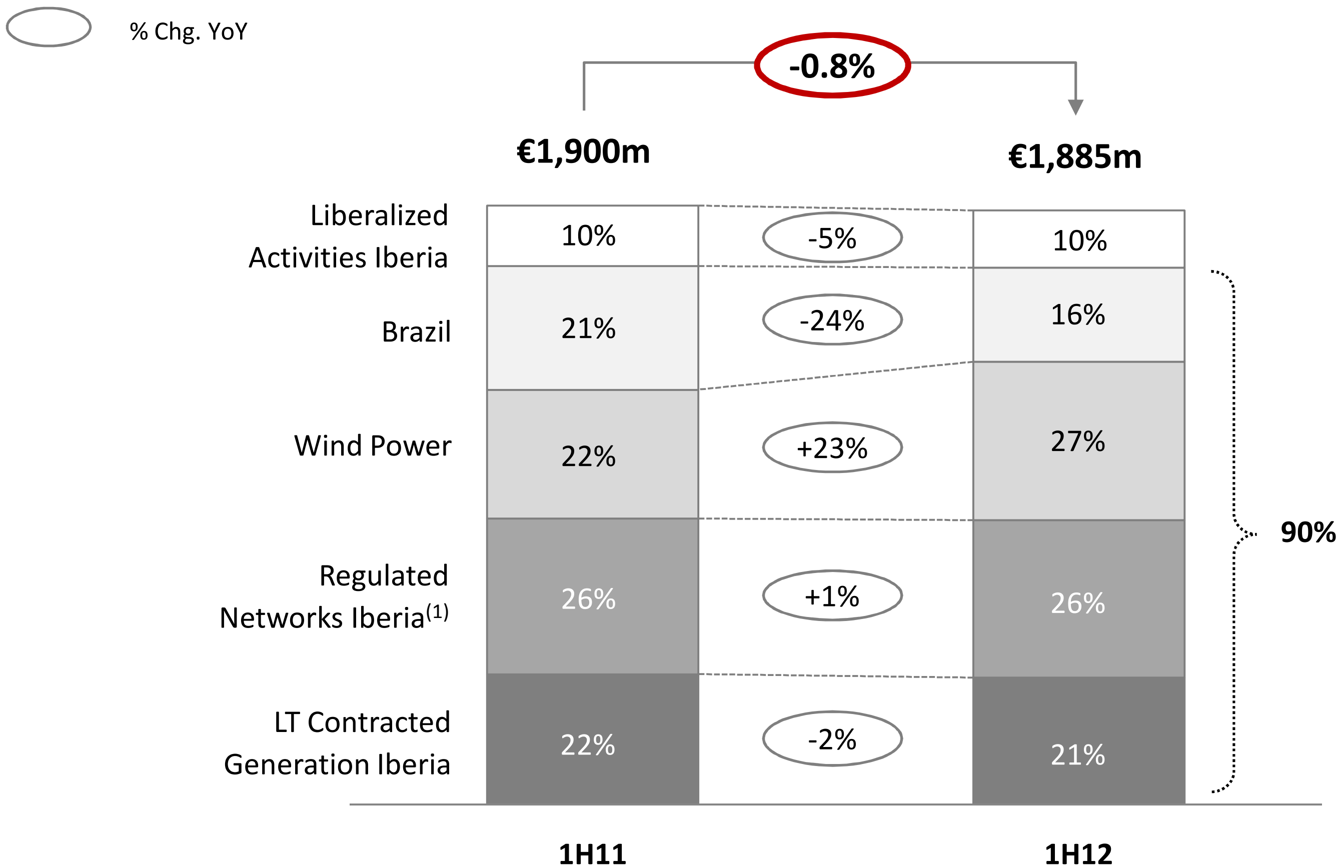
Growth of Renewables compensated decline in Brazil

EBITDA generated outside of Portugal accounted for 60% of EBITDA in 1H12

(1) In 3Q11, EDP changed its accounting policy as to the interest cost and estimated return of the fund assets: the respective amounts, so far accounted as operational expenses, are now accounted at financial results level. Only 1H12 income statements comply with this change, implying a positive impact on EBITDA of €46m in 1H12 (vs. €45m in 1H11).

EBITDA 1H12: 90% from LT Contracted Activities and Regulated activities

EBITDA Breakdown by Activity
(€ million)

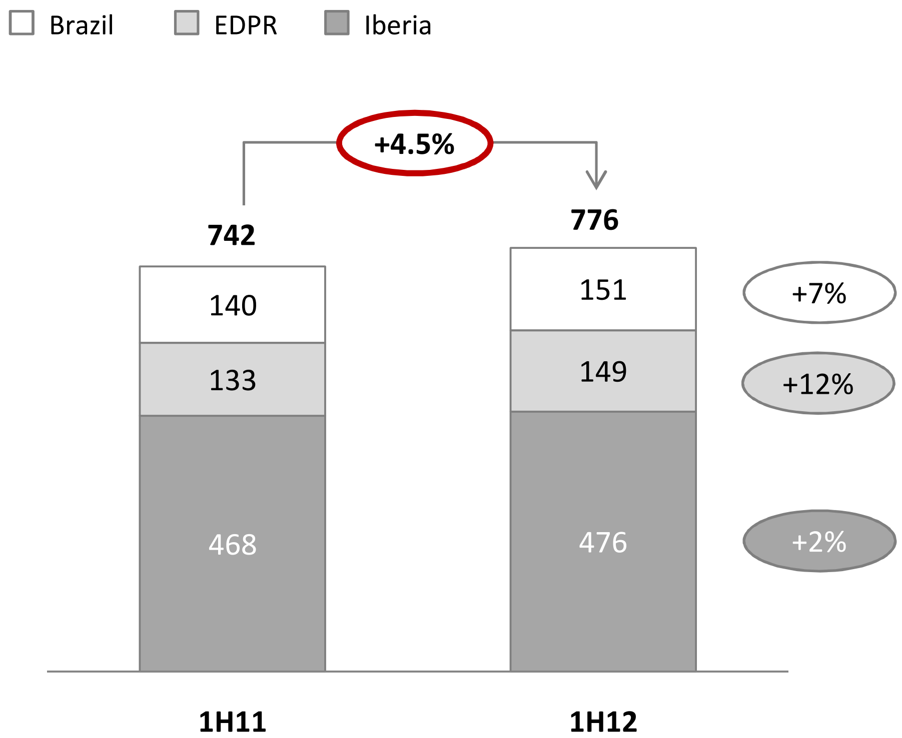


Forex impact at EBITDA level: -0.1% (-€1.6m, of which -€16.8m in Brazil and +€14.9m in USA)

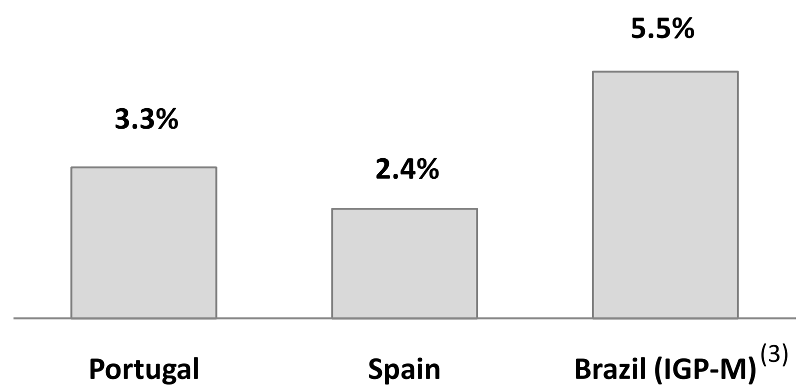
(1) Includes regulated networks and other.

Operating costs: Efficiency improvements with Opex/Gross Profit[2] at 27% in 1H12

Operating costs [1] : 1H12 vs. 1H11
(€ million)



1H12 YoY Inflation
(%)

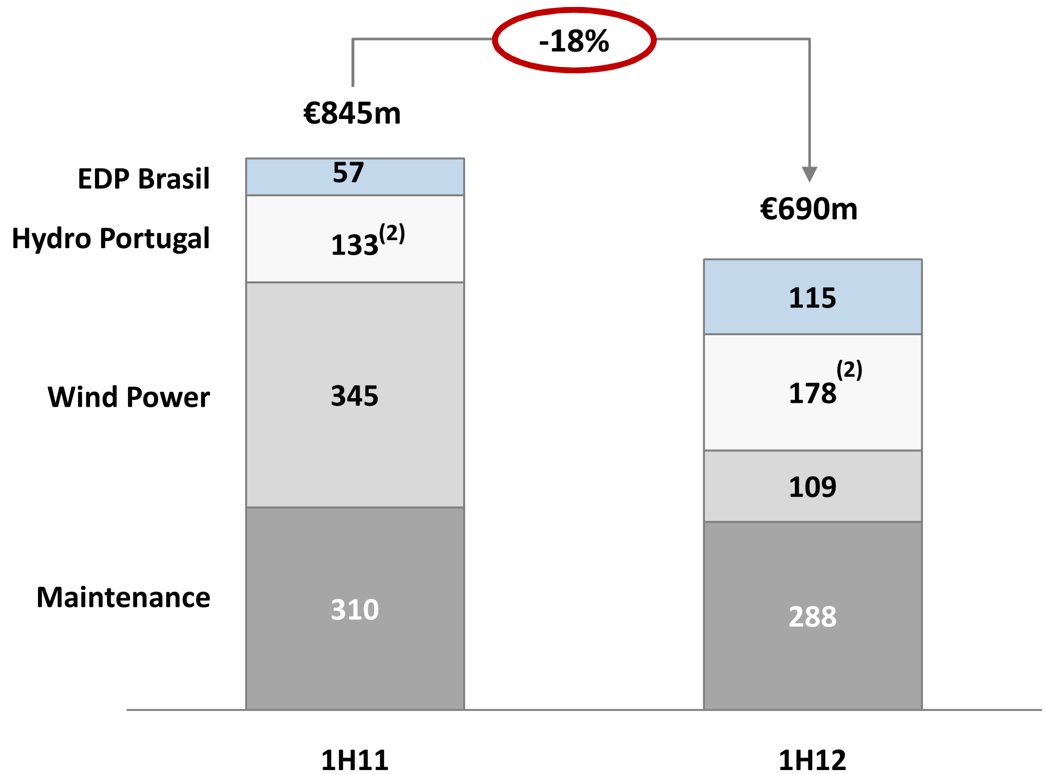


- **Iberia:** Operating costs +2%, below inflation
- **EDPR:** Operating costs +12% (+8% excluding forex impact) essentially due to O&M (+13% generation output)
- **Brazil:** Operating costs +7% (+13% in local currency, on restructuring costs and non-recurrent network O&M)

(1) OPEX=Supplies & Services + Personnel costs + Costs with social benefits, adjusted for the change in accounting policy related to the interest cost and estimated return of the pension fund assets
(2) Gross profit adjusted for PTC revenues; (3) Portugal and Spain: INE; Brazil: FVG; monthly average for IGP-M.

Capex: Execution of Selective Growth

Consolidated Capex Breakdown[1]
(€ million)



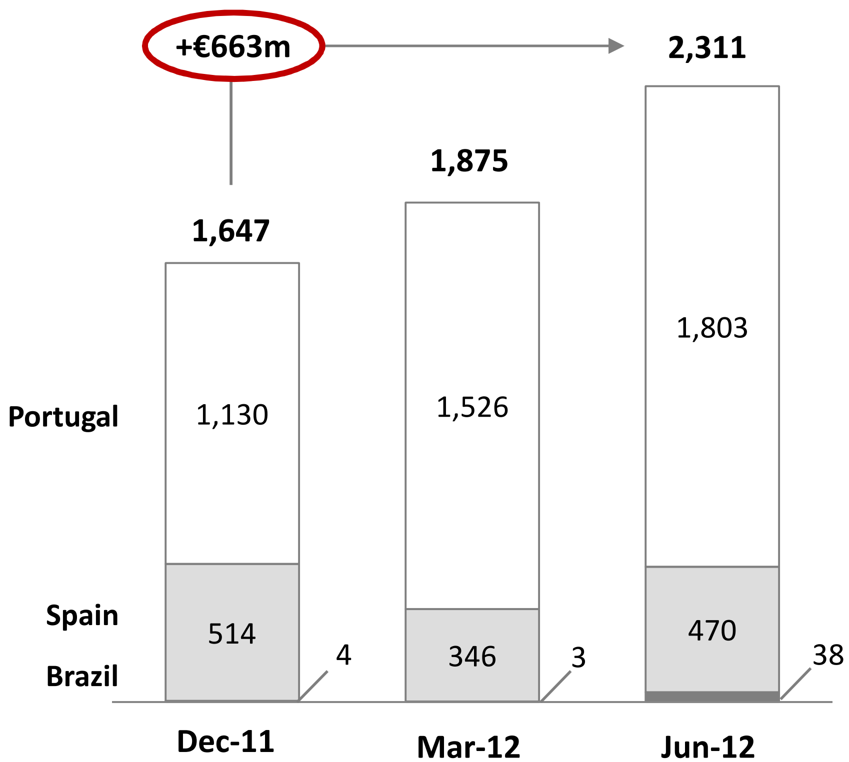
Capex down 18% YoY, following capex cuts in wind

Wind + Hydro + Brazil represent 100% of expansion capex in 1H12; In Portugal, 100% was due to new hydro

(1) Capex net of investment subsidies, namely cash grants received in USA; (2) Including Special Regime (1H11: €1m and 1H12: ~€0m).

Net Regulatory Receivables by Jun-12

Regulatory Receivables
(€ million)



Regulatory Receivables Portugal(1): €1,803m (+€673m vs. Dec-11)

- **Last resort supply & distribution €1,280m (+€541m vs. Dec-11)**;
  - **(a) +€486m** in 1H12 in line with tariff deficit defined by the regulator for 2012 to be recovered through tariffs in 2013-2016;
  - **(b) +€158m** in 1H12 mainly due to CMECs, to be recovered in 2013;
  - **(c) +€153m** due to deviations in special regime generation in 1H12;
  - **(d) -€297m** due to collection through tariffs in 1H12 of values relative to previous years.
- **CMECs: €523m (+€132m vs. Dec-11):** -€153m collected in 1H12; +€286m due to extreme dry weather in 1H12.

Tariff Deficit Spain: €470m (-€43m vs. Dec-11):

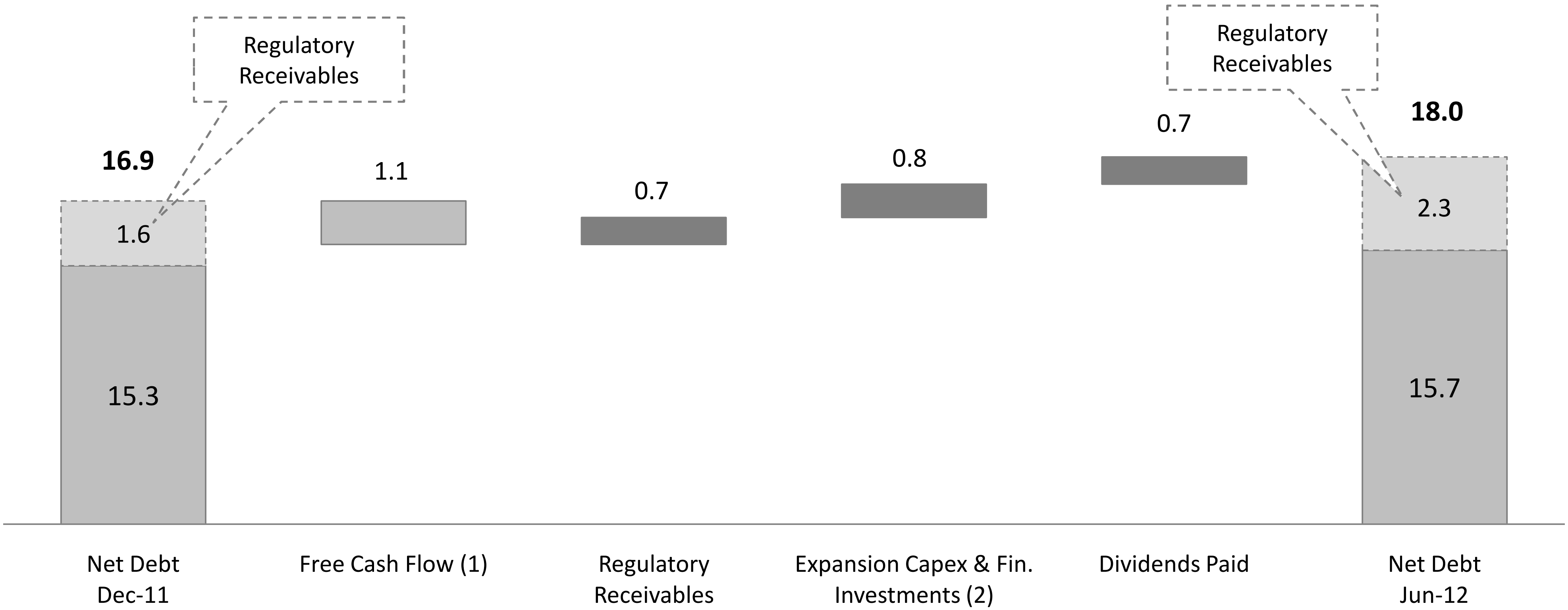
- -€168m received from FADE's securitization in 1Q12, no deals in 2Q12

Higher than expected system costs due to higher than expected energy costs, low hydro and weak demand
Regulatory receivables in Portugal with short to medium term maturity profiles

(1) Includes tariff deviations from gas distribution in Portugal (€20m in 2011, €26m in 1H12) and as described: electricity distribution and LRS activity and deviations from CMECs.

Change in Net debt

Change in Net Debt: Dec-11 vs. Jun-12
(€ billion)

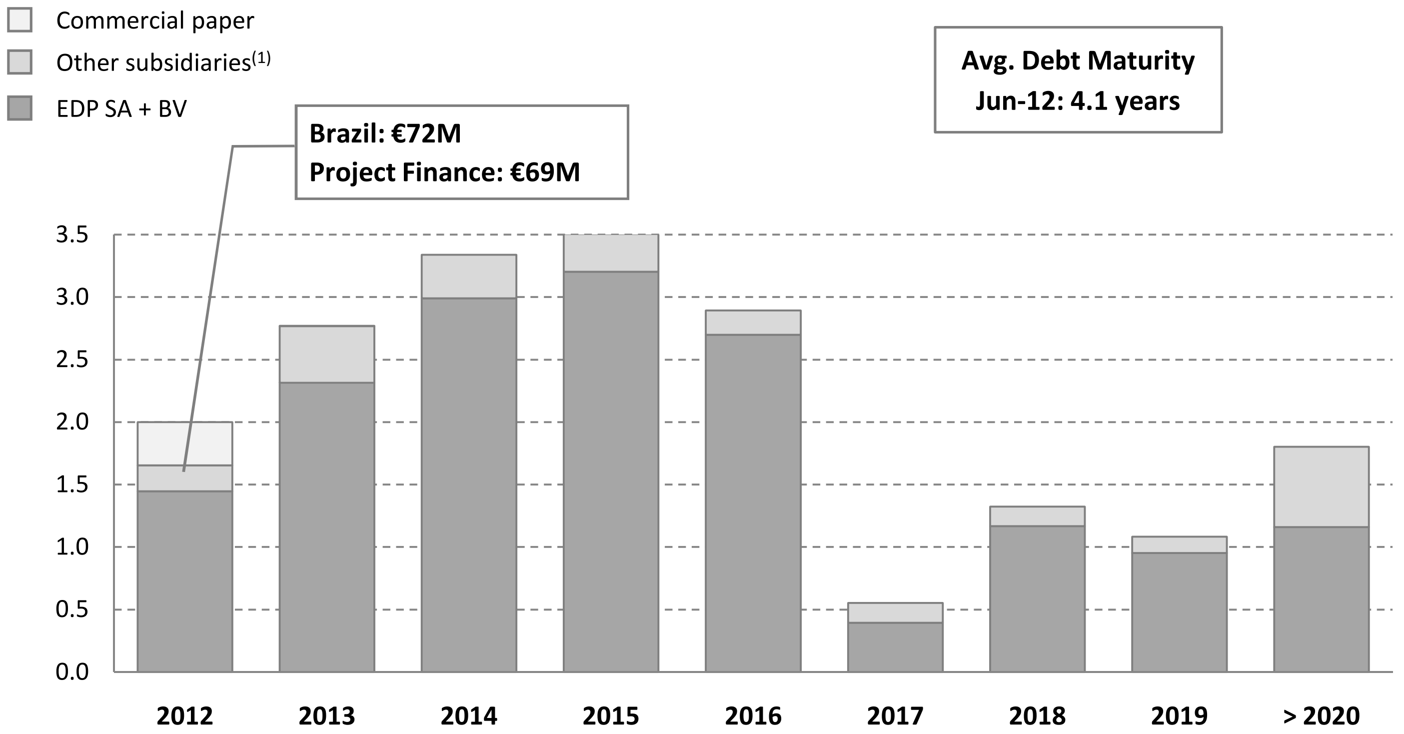


Higher net debt driven by increase of regulatory receivables and payment of annual dividend in 2Q12

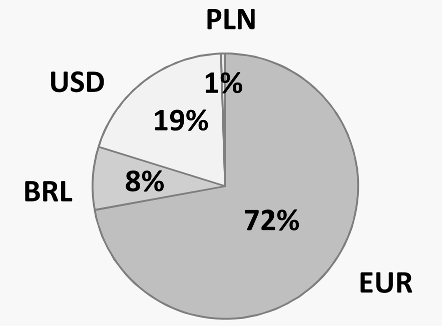
(1) EBITDA - Income taxes - Maintenance capex - interest paid + chg. In WC (2) expansion capex, net financial investments and change in working capital from equipment suppliers

Net Debt Profile

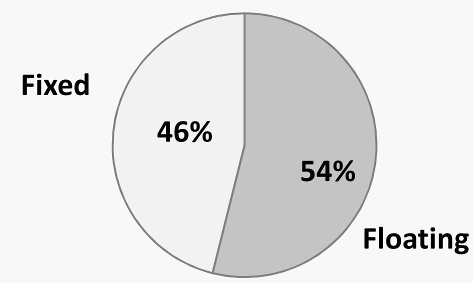
EDP consolidated debt maturity profile
(€ billion)



Debt by Currency
(%)



Debt by Interest Rate Term
(%)



EDP SA/EDP BV debt Maturities in 2H12: €1.45bn (€1.15bn of bonds and €0.3bn of loans)

Funding of operations in local currency provide natural hedging on forex volatility

(1) Includes essentially EDP Brasil and project finance at EDPR level.

Financial Liquidity position

(€ million)	Sources of liquidity (Jun-12)				
Instrument	Maximum Amount	Number of counterparties	Utilised	Available	Maturity
Revolving Credit Facility	2,000	21	1,300	700	03-11-2015
Domestic Credit Lines	183	8	27	156	Renewable
Underwritten CP Programmes	650	3	0	650	Renewable
Total Credit Lines	2,833		1,327	1,506	
Cash and Equivalents:				1,442	
Total Liquidity Available				2,948	

Financial liquidity of €2.9bn by Jun-12 + €1.0bn 5-year loan obtained in Jul-12

Main sources and uses of funds

Sources of funds		Use of funds	
Cash & Equivalents (Jun-12):	€1.4bn	Refinancing needs in 2H12:	
Available Credit Lines (Jun-12):	€1.5bn	Bond maturing in Aug-12:	€0.35bn
CDB 5-Year loan (Jul-12):	€1.0bn	Bond maturing in Nov-12:	€0.8bn
		Loans maturing in 2012:	€0.3bn
TOTAL	**€3.9bn**	**TOTAL**	**€1.45bn**

Comfortable liquidity position

Execution of partnership with CTG to extend coverage of EDP's funding needs till mid-2015

Net Profit breakdown

(€ million)	1H11	1H12	Δ %	Δ Abs.
EBITDA	**1.900**	**1.885**	**-1%**	**-15**
Net Depreciations and Provisions	725	711	-2%	-14
EBIT	**1.176**	**1.174**	**-0%**	**-1**
Financial Results & Associated Companies	(254)	(343)	+35%	-88
Capital Gains/(Losses)	10	3	-72%	-8
Income Taxes	220	159	-28%	-62
Non-controlling interests	103	94	-8%	-9
Net Profit	**609**	**582**	**-4%**	**-27**

Combined impact from increase of wind farms' accounting useful life (from 20 to 25 years) and new capacity in operation (wind and hydro)

Cost of debt: 4.0% in 1H12 vs. 3.9% in 1H11; 1H12 includes interest costs with employee responsibilities (+€46m); Higher losses in Forex and derivatives

Sale of EDP Renováveis' stake in SEASA in 1H11

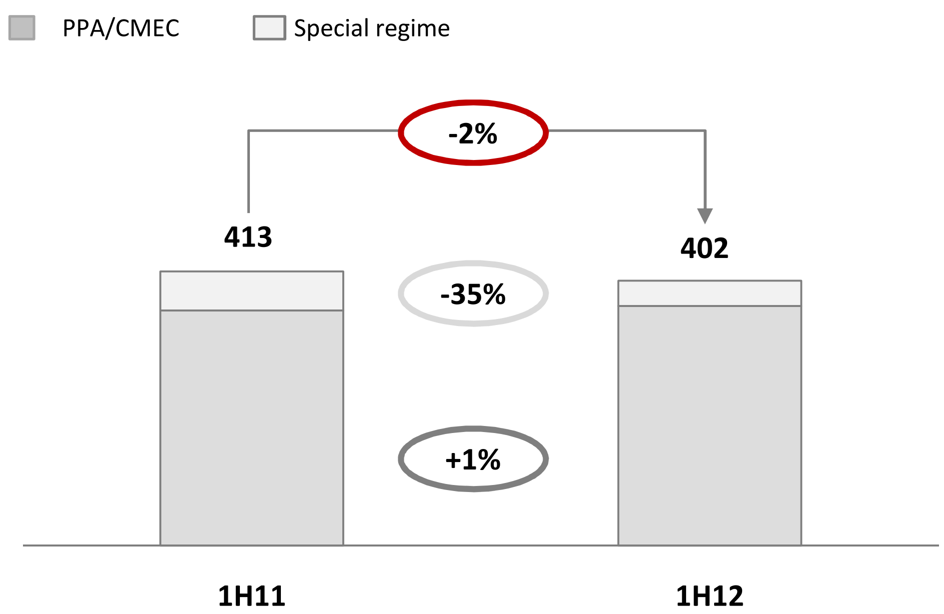
One-off fiscal impact in 1H12

Decrease in EDP Brasil's net profit outstood higher net profit in EDP Renováveis and the reduction of EDP stake in EDP Brasil in Jul-11

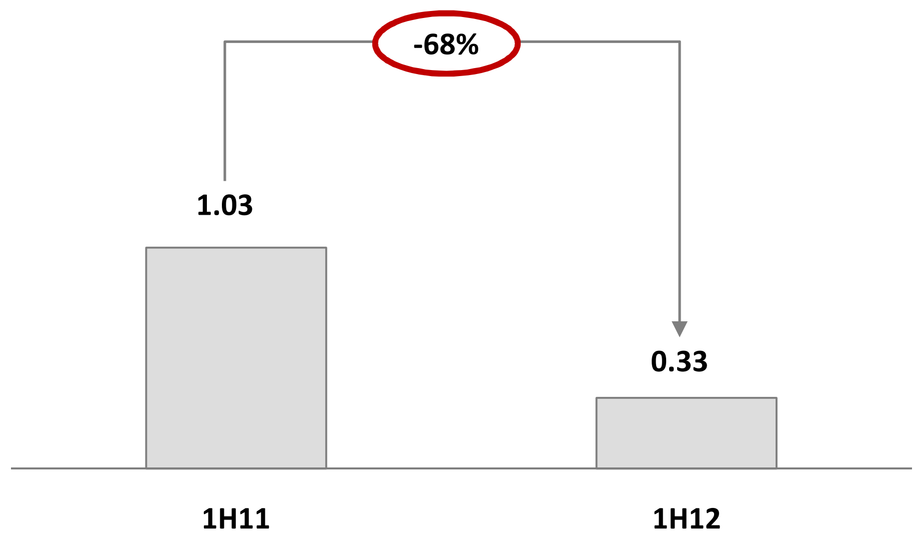
Business Areas

Long Term Contracted Generation Iberia (21% of EBITDA)

EBITDA LT Contracted Generation
(€ million)



Portugal hydro coefficient
(1.0 = avg. year)

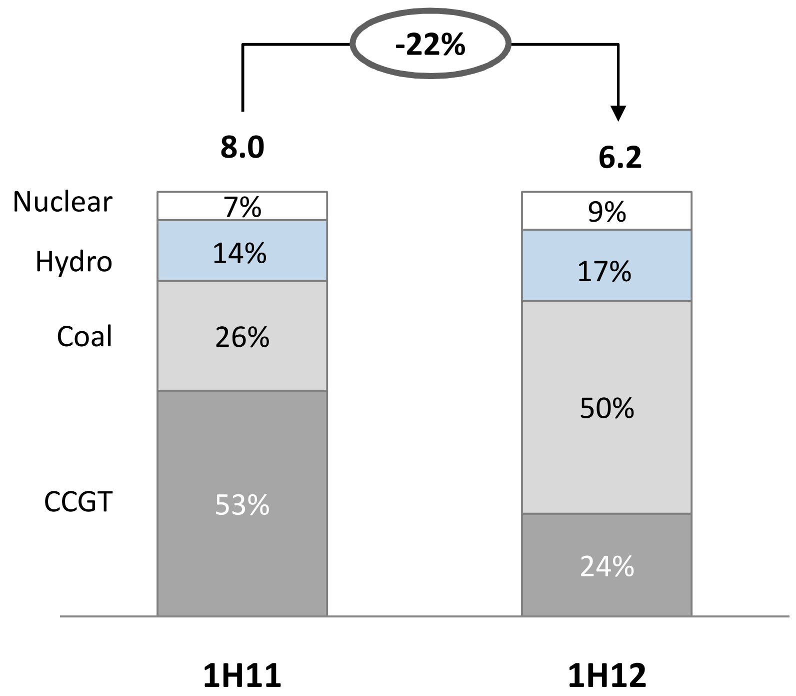


- **PPA/CMEC:** recurrent depreciation of asset base offsets higher inflation, higher availability rates and commissioning of 50% Sines DeNOx facility
- **Special regime:** Lower mini-hydro output (-58% YoY) despite QoQ recovery in 2Q12 (+120%)

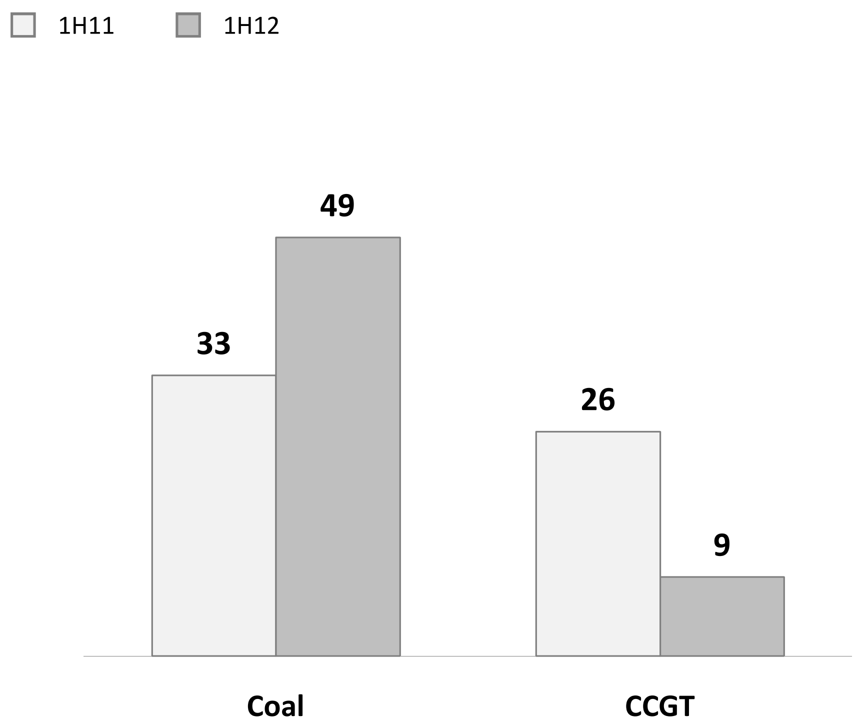
PPA/CMECs with stable 8.5% Return on Asset pre-tax real, no risk on volumes and prices/margins

Liberalised Energy Activities Iberia (10% EBITDA)

EDP Liberalised Power Plants Iberia – Production
(TWh)



EDP vs. Spain – Load factors in 1H11 and 1H12
(%)

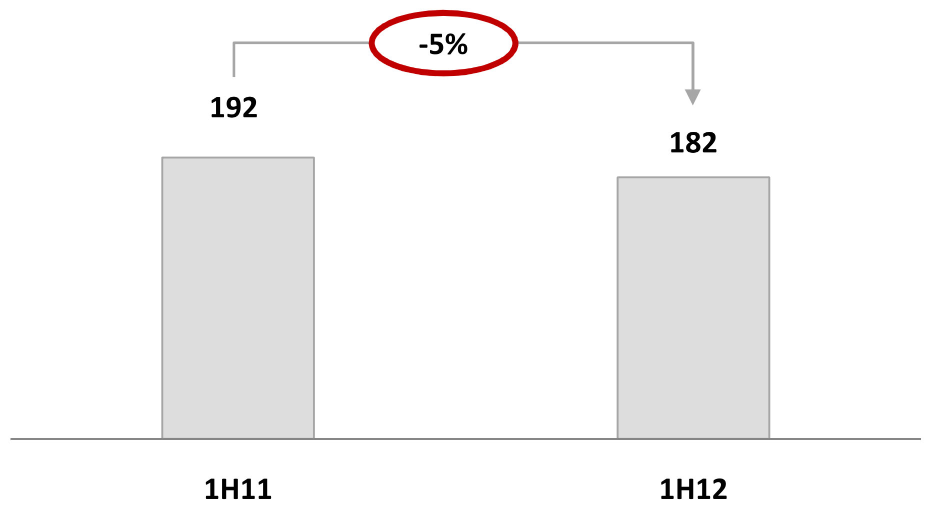


Lower production due to low utilisation of CCGT and lower hydro output

Increase in coal production driven by more competitive cost and new law on Spanish domestic coal

Liberalised Energy Activities Iberia (10% EBITDA)

EBITDA Liberalised Activities in Iberian Market
(€ million)



	1H11		1H12
Avg. Selling price[1] (€/MWh)	55.0	+11%	61.0
Avg. Sourcing cost (€/MWh)	46.1	+9%	50.2
Avg. Unit margin[2] (€/MWh)	**9.4**	**+2.7%**	**9.6**
Volumes sold	**24.5**	**-8%**	**22.4**

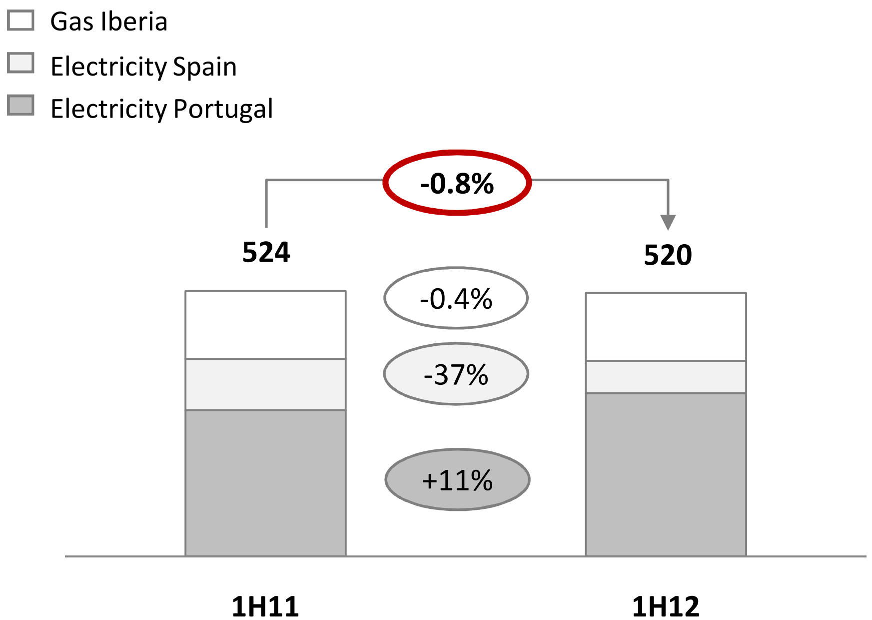
5% decline in EBITDA driven by a 8% decline in volumes and stable achieved unit margin

(1) Including sales to clients and in the wholesale market.

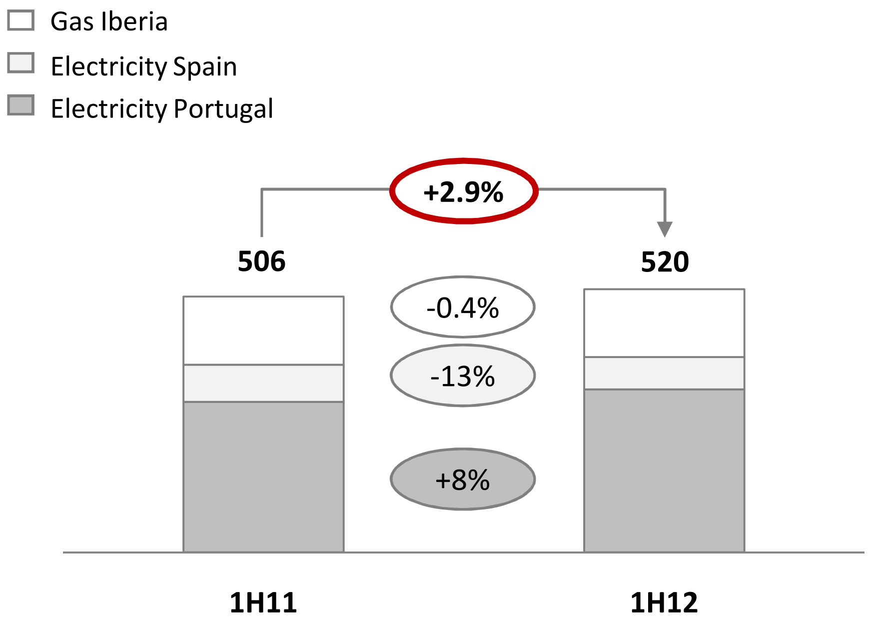
(2) Average unit margin including results from hedging on electricity.

Regulated Energy Networks Iberia (26% of EBITDA)

EBITDA
(€ million)



Adjusted EBITDA [(1)]
(€ million)



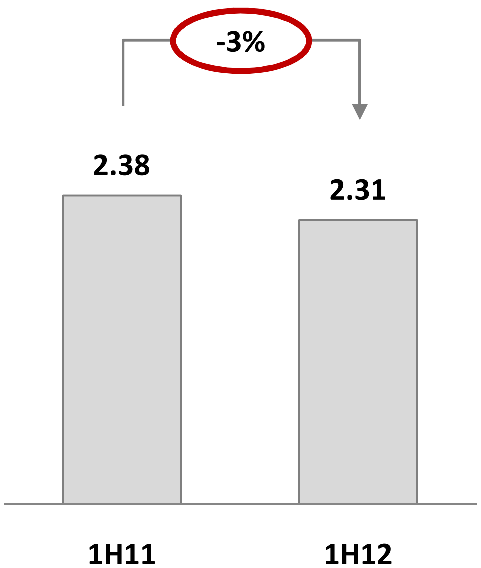
- **Electricity Portugal:** Recurrent EBITDA +8%; higher RoR on assets and lower sensitivity to changes in consumption
- **Electricity Spain:** €27m in 1Q11 on sale to REE; Recurrent EBITDA -13% on new regulation (-7% regulated revenues)
- **Gas Iberia:** EBITDA -0.4% YoY due to start of accounting of tariff deviations in 1H11 (Gas Portugal)

Adjusted EBITDA +3% YoY supported by increase of RoRAB in electricity in Portugal

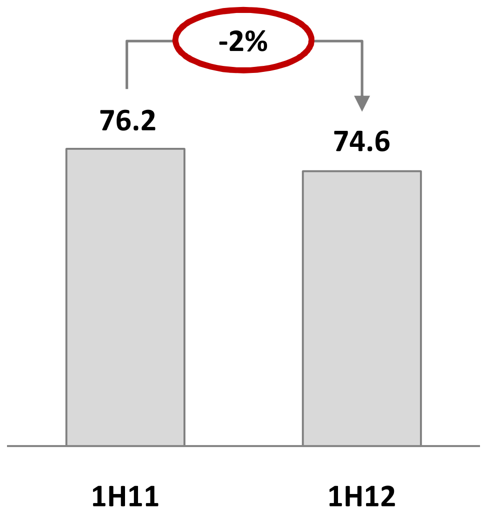
(1) Excludes: i) 1Q11 gain related to the sale of electricity transmission assets to REE of €27m, ii) 1H11 intra-group real estate capital gain of €21m which has no impact on consolidated EBITDA and ii) 1H11 impact from change in accounting policy as to the interest cost and estimated return of the pension fund assets (€30m)

Regulated Energy Networks Iberia: Higher efficiency with improvement on quality of service

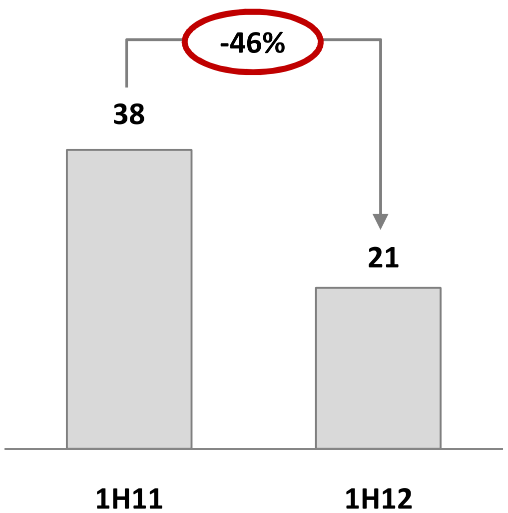
Opex[1]/Network Km
(€th)



Opex[1]/Connected customers
(€)



Equivalent Interruption Time[2]
(minutes)



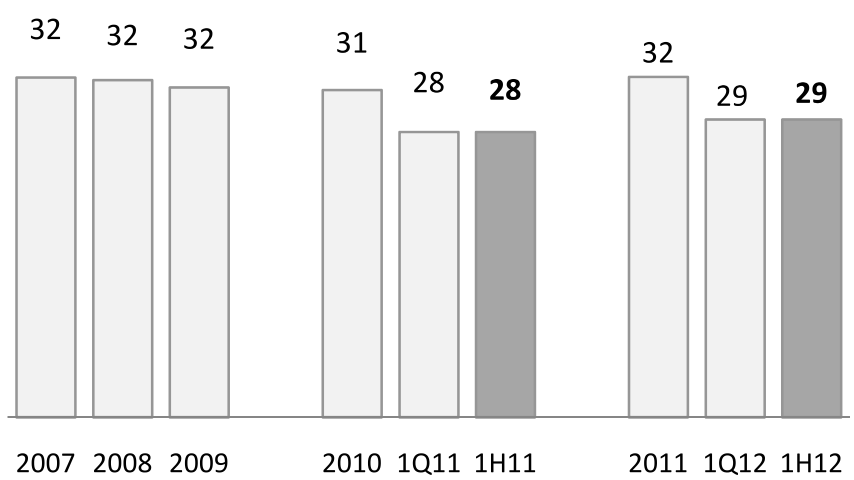
Improvement of Key efficiency Ratios in networks' operation

Higher quality of service (EIT in Electricity Distribution in Portugal 46% down to 21 minutes in 1H12)

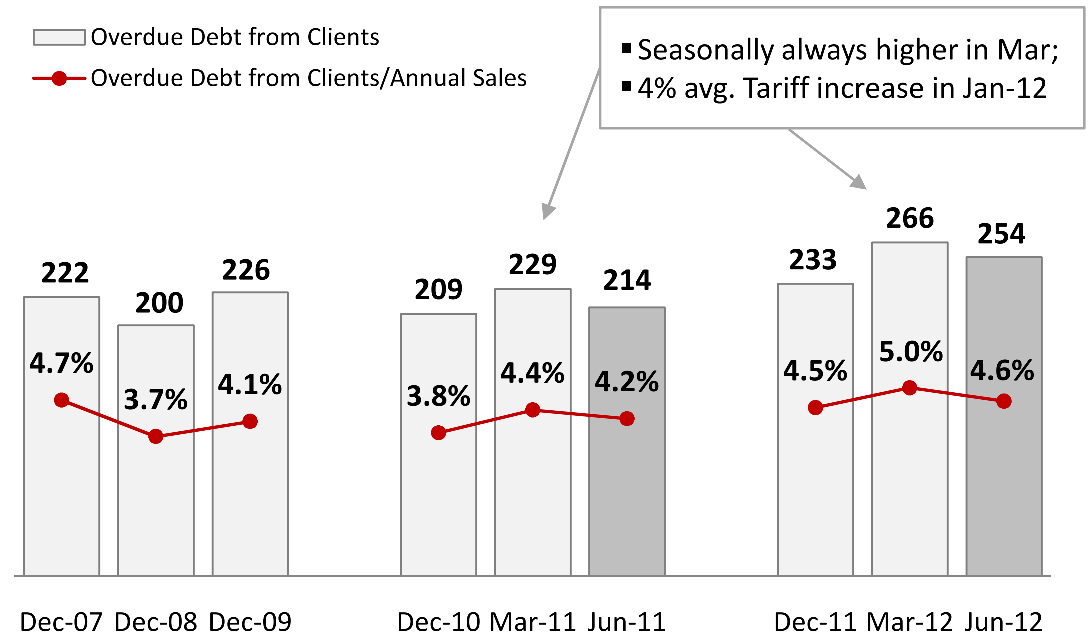
(1) Supplies and services + personnel costs + costs with social benefits (annualised) excluding in 1H11 impact from change in accounting policy as to the interest cost and estimated return of the pension fund assets (2) Equivalent Interruption Time in Portugal adjusted for non-recurring impacts (rainstorms, high winds and summer fires)

Portugal: Control over clients bad debts

Average collecting period
(Days)



Overdue debt from clients (1)
(€ million; %)



Stable level of both avg. collecting periods and bad debts, even considering difficult macro environment

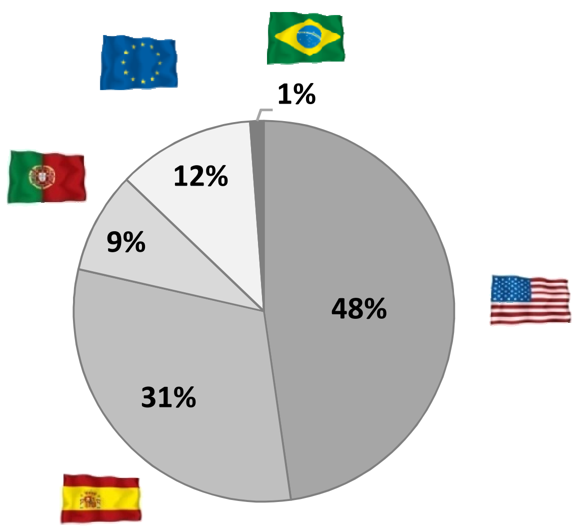
(1) Includes electricity and gas sales in Portugal in the regulated and liberalised market; Excludes grid operator (EDP Distribuição) debt from clients (essentially other liberalised suppliers and municipalities current account)
(2) LV: Low Voltage

EDP Renováveis (27% of EBITDA): Strong growth driven by new installed capacity

Installed Capacity
(MW)

1H12 **7.169**

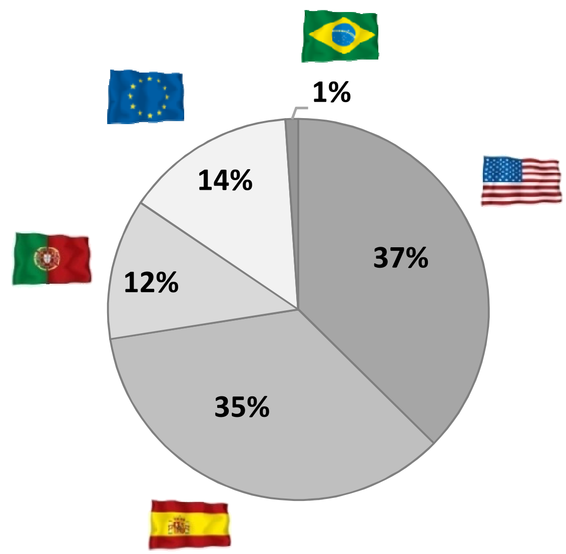
YoY % Chg **+ 4%**



EBITDA
(€ million)

1H12 **504**

YoY % Chg **+ 23%**

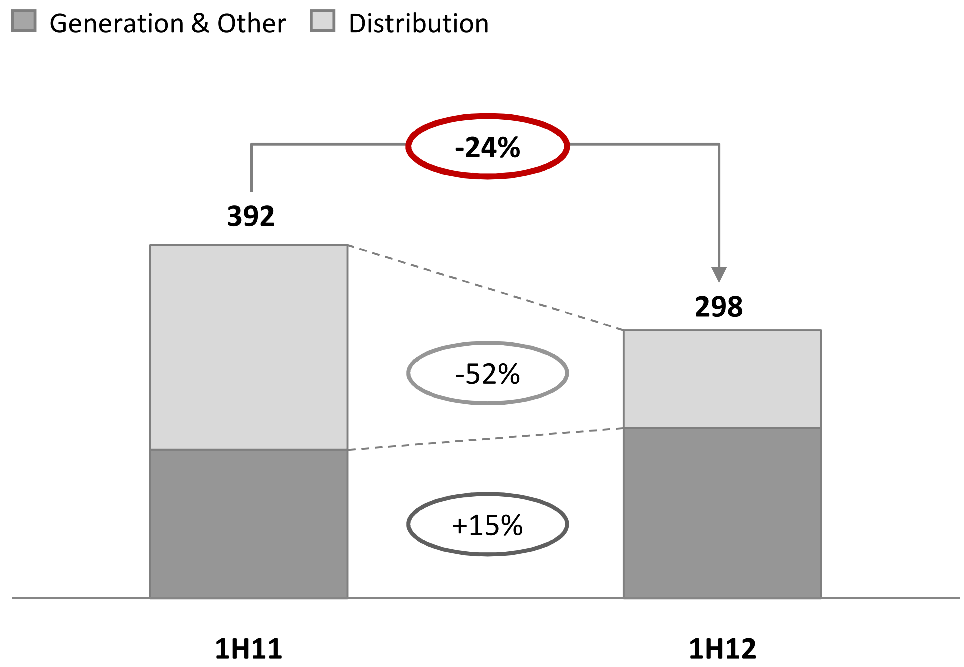


Installed Capacity +282MW: US (+144MW) and Rest of Europe (+138MW)

EBITDA +€94m: driven by US (+€36m, of which +€15m from forex), Rest of Europe (+€33m) and Spain (+€29m)

Brazil (16% of EBITDA)

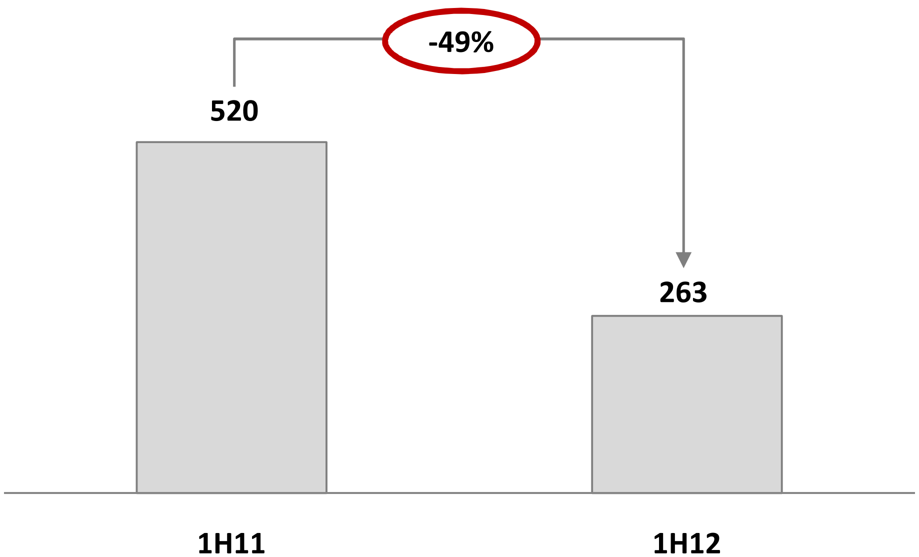
EDP Brasil EBITDA
(EUR million)



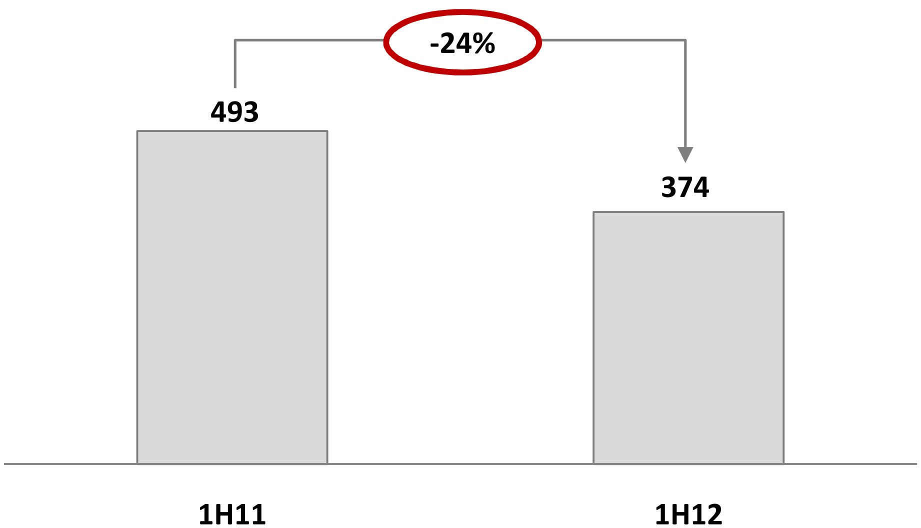
- **Forex:** -€16m impact due to BRL 5% depreciation versus EUR; EBITDA in local currency fell 20%
- **Generation:** favourable seasonal allocation of volumes sold in 1H12 vs. 1H11 + PPA's price inflation update
- **Distribution:** increase of costs with energy purchases not being passed through to customers due to freeze in Bandeirante's tariff since Oct-11

EBITDA performance Distribution in Brazil

Distribution EBITDA
(BRL million)



Distribution Adjusted EBITDA
(BRL million)

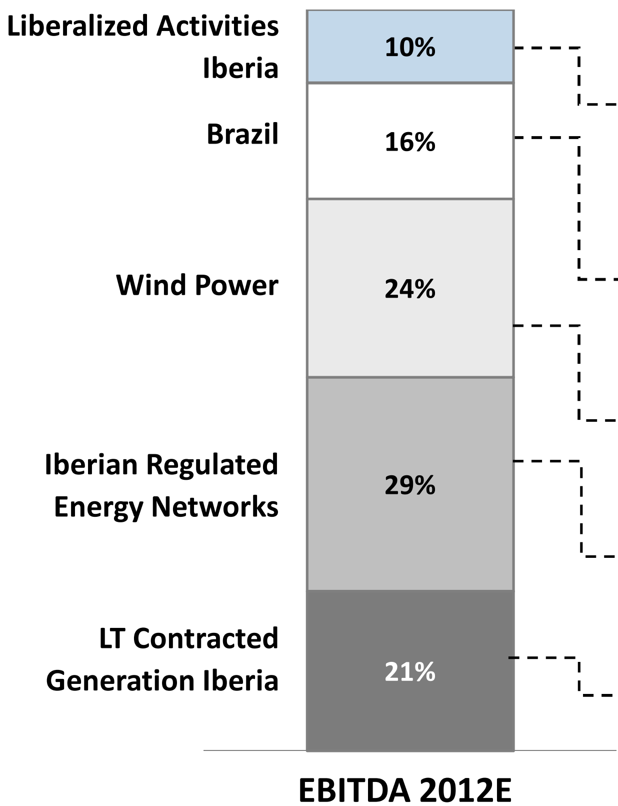


Electricity Distribution Brazil: Adjusted EBITDA -24% YoY to BRL374m in 1H12 (vs. BRL263m reported in 1H12)
Excludes impact from tariff deviations to be recovered in next annual reviews and includes impacts from preliminary proposal by Aneel on Bandeirante Oct-12 regulatory review (which will have retroactive impact since Oct-11)

(1) Adjusted by: (i) impact from tariff deviation (-R$186m in 1H12 vs +R$36m in 1H11); (ii) retroactive impact from the Aneel's proposal regarding Bandeirante's regulatory review to occur by Oct-12 (+R$103m in 1H12); (iii) change in accounting policy regarding social benefits (-R$10m in 1H11) and (iv) compensation received from industrial clients for surpassing the energy demand accounted as investment subsidies (-R$29m in 1H12)

Outlook

2012E Outlook



- Freeze of capacity payments in Portugal (negative impact of €20m in 2H12)
- Market conditions: favourable for coal fired plants, adverse for gas fired production
- Impact from hydro capacity increase in 2H12: dependent on levels of rain

- Low EBITDA contribution from Pecém in 2012 (expected start: 50% in 3Q12, 50% in 4Q12)

- 2H seasonally weaker than 1H; 2012E: High single digit output growth (vs. +13% in 1H12)

- 2H seasonally stronger than 1H; Sale gas transmission Spain: should have no impact in 2H12

- 1H12 performance was negatively affected by extreme dry weather for mini-hydro

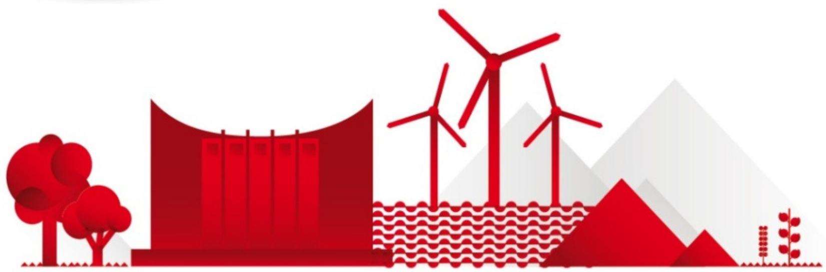
EDP management continues focused on the 2012-2015 business plan targets presented in May-12

A resilient business model in a challenging environment

Sound Operating Performance	▪ **EBITDA: -0.8% (operations out of Portugal represented c60% of EBITDA)** ▪ **Cost of debt: 4.0% in 1H12 (vs 4.1% in 1Q12)** ▪ **Net Profit/EPS: -4%**
Selective Growth	▪ **Capex: -18% YoY in 1H12 on lower expansion capex in wind** ▪ **0.7GW new generation capacity commissioned: +0.4GW of hydro +0.3GW of wind** ▪ **Capacity under construction in Brazil, Hydro in Portugal, Wind Power**
Low Risk	▪ **Increasing market diversification (Brazil, USA, Poland, France, etc.)** ▪ **Financial liquidity Jun-12: €2.9bn + execution of CTG deal to cover mid-15 funding needs** ▪ Terms on €1bn loan agreed with CDB in Jul-12 (5 Years, 480bps spread) ▪ **Deleverage: Disposal of gas transmission Spain in Jul-12 (€262.5m, EV/EBITDA11 of 11x)**

Execution of 2012-2015 business plan presented in May 2012

Based on high quality asset mix, sustainable returns, diversified markets and risk management



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Next Events

September 4th – Reverse Roadshow Utilities Citi, Lisbon

September 12th – BBVA Iberian Conference, London

Sept. 13th – Morgan Stanley Utilities Conference, London

September 21st – BPI Iberian Conference, Porto