1H15

Financial Results

Conference call and webcast

Date: Friday, 31st July, 2015, 11:30 am (UK/Portuguese time)

Webcast: www.edp.pt

By Phone dial-In number: +44 (0)207 162 0177 Conference ID: 954509
Replay: By Phone dial-In number: +44 (0)207 031 4064 Conference ID: 954509

Lisbon, July 30th 2015

EDP - Energias de Portugal, S.A. Headquarters: Praça Marquês de Pombal,12 1250-162 Lisboa Portugal

Content

The financial statements presented in this document are non-audited. Pursuant to the adoption of IFRIC21, 2014 and 1Q15 financial statements here presented were restated for comparison purposes.
The source from all operational data is EDP.

Main Highlights

Income Statement (€ m)	1H15	1H14	Δ %	Δ Abs.
Gross Profit	**2,750**	**2,699**	**2%**	**+51**
Supplies and services	434	422	3%	+12
Personnel costs, employees benefits	324	201	62%	+124
Other operating costs (net)	(140)	89	-	-229
Net Operating costs (1)	**619**	**712**	**-13%**	**-94**
EBITDA	**2,131**	**1,986**	**7%**	**+145**
Provisions	3	18	-82%	-15
Amortisation and impairment (2)	689	681	1%	+9
EBIT	**1,438**	**1,288**	**12%**	**+150**
Financial Results	(364)	(245)	-49%	-119
Share of net profit joint ventures/associates	(23)	8	-	-31
Pre-tax profit	**1,051**	**1,051**	**0%**	**+0**
Income taxes	194	239	-19%	-45
Extraord. contribution energy sector	61	61	-1%	-1
Net profit for the period	796	751	6%	+45
Net Profit	**587**	**634**	**-7%**	**-47**
Non-controlling Interest	209	117	79%	+92

Key Operational Data	1H15	1H14	Δ %	Δ Abs.
Employees	11,983	11,884	0.8%	+99
Installed capacity (MW)	23,336	22,082	5.7%	+1,255

Key Financial Data (€ m)	1H15	1H14	Δ %	Δ Abs.
FFO (Funds from operations)	1,405	1,148	22%	+256
Capex	741	659	12%	+82
Maintenance	237	260	-9%	-23
Expansion	505	399	26%	+106
Net investments (4)	544	633	-14%	-89

Key Balance Sheet Data (€ m)	Jun-15	Dec-14	Δ %	Δ Abs.
Equity book value	8,630	8,681	-1%	-52
Net debt	17,700	17,042	4%	+658
Regulatory receivables	2,347	2,504	-6%	-157
Net debt/EBITDA (x)(5)	4.7x	4.7x	0%	0.0x
Adjusted net debt (3)/EBITDA (x)	4.1x	4.0x	0%	0.0x

Consolidated EBITDA amounted to €2,131m in 1H15, 7% higher YoY. Note that EBITDA includes: (i) **in 1H15**, €295m gain booked in the wake of the acquisition of Eneva's 50% stake in Pecém at a discount (Brazil) and €89m gain derived from the sale of gas distribution assets to Redexis (Spain); (ii) **In 1H14**, €129m gain on the sale of a 50% equity stake in Jari/Cachoeira-Caldeirão and €129m gain booked in the wake of new Collective Labour Agreements (CLA) established in Portugal. **Excluding these impacts, adjusted EBITDA rose 1% YoY to €1,747m**, capped by adverse conditions for the hydro and wind production in the main market where EDP operates. In Portugal, hydro resources in 1H15 fell 25% short of LT average, compared to a 37% premium over LT average in 1H14. At EDP Renováveis ('EDPR') level, the average load factor was 3% lower than the P50 scenario in 1H15, versus +7% in 1H14. In Brazil the drought situation deteriorated YoY (hydro deficit of 20% in 1H15 vs. 5% in 1H14).

The performance at our **operations in Iberia** (EBITDA: -12% YoY to €1,083m in 1H15) mainly reflected a very strong comparison basis (namely outstanding hydro resources and price volatility, appealing context in wholesale gas market and higher contribution from one-offs: +€129m in 1H14 vs. +€89m in 1H15). The performance from our subsidiary **EDPR** (EBITDA +11% YoY to €548m) was propelled by higher average capacity on stream (+7% YoY), higher realised avg. prices in Spain and US; and by a 23% appreciation of the USD vs. Euro. The performance of our subsidiary **EDP Brasil** ('EDPB', EBITDA: +88% YoY to €501m) was significantly impacted in 1H15 on the one hand, by the gain booked in the wake of the acquisition of Pecém I's remaining 50% and by the recognition of regulatory receivables at gross profit level; on the other hand, by a 20% hydro deficit, resulting in -€88m impact on 1H15 EBITDA.

EDP Group operating costs amounted to €758m in 1H15. On a YoY basis, excluding the €129m gain booked in 1H14, on the back of the new CLA signed in Portugal, operating costs: (i) fell 2% YoY in **Iberia**, driven by headcount reduction; (ii) rose 2% YoY at EDPR (excluding ForEx impact) derived from tight cost control and larger portfolio; and (iii) increased 5% in Brazil (excluding ForEx impact), below inflation. **Other net operating costs/(revenues)** amounted to -€140m in 1H15 (vs. €89m cost in 1H14), reflecting: (i) the aforementioned gains in Pecém I, the sale of gas assets to Redexis (both in 1H15) and 50% in Jari/Cachoeira (1H14); and (ii) higher generation taxes in Iberia (+€18m YoY, to €79m in 1H15), prompted by higher generation output and revenues.

EBIT was 12% higher YoY, at €1,438m in 1H15, mainly driven by EBITDA and higher amortisations (+1% YoY mainly reflecting USD appreciation). **Net financial costs** totalled €364m in 1H15, reflecting the impact from the USD appreciation on USD-denominated debt, which contributed for an increase in the average cost of debt from 4.6% in 1H14 to 4.7% in 1H15 (stable vs. 2014FY). **Income taxes** totalled €194m in 1H15. Additionally, 1H15 results reflect the full-year impact of EDP's share on the extraordinary energy sector contribution in Portugal (€61m in line with 1H14 restated as to reflect the application of IFRIC 21). **Non-controlling interests** reached €209m in 1H15 (+€92m YoY), fuelled by the strong increase of net profit at EDP Brasil in 1H15. Overall, **net profit attributable to EDP shareholders** amounted to €587m in 1H15, including a -€45m impact from IFRIC21 (detail on page 4). Adjusted for one-off gains booked in 1H14 (+€77m; details on page 4) and 1H15 (+€156m, details on page 4), net profit amounted to €431m in 1H15 (-23% YoY), penalised by adverse weather conditions in Iberia, Brazil and US and ForEx.

Net debt rose from €17bn in Dec-14 to €17.7bn in Jun-15, reflecting the acquisition and full control of Pecém I (+€0.7bn) and adverse ForEx impact (+€0.3bn derived from the 9% YTD appreciation of USD vs. EUR. Furthermore, net debt evolution reflects: (i) €1.2bn reduction prompted by funds from operations (FFO), net of maintenance capex; (ii) €0.7bn increase following the payment of 2014 annual dividend; (iii) €0.2bn reduction backed by regulatory receivables; and (iv) €0.9bn net impact from expansion capex (hydro and wind), changes in working capital with fixed asset suppliers, net proceeds from TEIs and net divestments. **Total cash and available liquidity facilities amounted to €5.0bn by Jun-15. This liquidity position allows EDP to cover its refinancing needs until the end of 2017.**

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net); (2) Depreciation and amortisation expense net of compensation for depreciation and amortisation of subsidised assets; (3) Net of regulatory receivables; (4) Net investments defined in note (5) of page 5 of this document; (5) Based on trailing 12 months EBITDA of €3,787m

EBITDA Breakdown

EBITDA (€ m)	1H15	1H14	Δ %	Δ Abs.	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	2Q15 YoY Δ %	2Q15 YoY Δ Abs.	2Q15 QoQ Δ %	2Q15 QoQ Δ Abs.
LT Contracted Generation	322	356	-9%	-34	176	180	156	159	153	169			-6%	-11	10%	16
Liberalised Activities Iberia	183	311	-41%	-128	186	125	54	51	102	81			-35%	-44	-20%	-21
Regulated Networks Iberia	569	559	2%	+10	245	314	257	226	324	245			-22%	-69	-24%	-79
Wind & Solar Power	548	495	11%	+53	271	223	147	261	295	253			13%	29	-14%	-42
Brazil	501	266	88%	+235	127	139	108	245	129	372			167%	232	188%	243
Other	9	(0)	-	+9	2	(2)	(2)	(7)	(15)	24			-	26	-	38
Consolidated	**2,131**	**1,986**	**7%**	**+145**	**1,007**	**980**	**721**	**935**	**988**	**1,143**			**17%**	**163**	**16%**	**155**

Consolidated EBITDA amounted to €2,131m in 1H15, 7% higher YoY, including: (i) In 1H14, +€129m one-off from the sale of a 50% equity stake in Jari/Cachoeira-Caldeirão to CTG and the +€129m one-off booked in the wake of new Collective Labour Agreements (CLA) established in Portugal; (ii) In 1H15, +€295m one-off booked in the wake of the acquisition of Eneva's 50% stake in Pecém (€267m at the level of Brazil; €28m at the level of 'Others', relative to the ForEx impact on the historical conversion of equity of Pecém at EDP Brasil level) and +€89m one-off derived from the sale of gas assets in Spain.

Adjusted for these impacts, EBITDA totalled €1,747m, standing 1% above 1H14, reflecting outstanding hydro and wind conditions in Iberia during the 1H14 (compared to below-the-average conditions in 1H15) and more severe drought in Brazil (-€78m YoY on EBITDA). In Portugal, hydro resources in 1H15 fell 25% short of LT average, compared to a 37% premium over LT average in 1H14. At EDPR level, the average load factor was 3% lower than the P50 scenario in 1H15, versus +7% in 1H14. In Brazil, the more severe drought in 1H15 translated into hydro generation deficit of 20% versus 5% in 1H14. ForEx impact on EBITDA totalled +€20m (+1% of EBITDA), reflecting the mixed impact from USD 23% appreciation vs. Euro and BRL 5% depreciation vs. Euro.

LONG TERM CONTRACTED GENERATION IN IBERIA (15% of EBITDA) – EBITDA fell by 9% (-€34m YoY), to €322m in 1H15, impacted by lower volumes of mini-hydro special regime generation (-44% YoY on output, leading to a €16m YoY fall in the respective gross profit, largely in 1Q15) and by a €23m one-off gain booked in 2Q14 on account of the new CLA).

LIBERALISED ACTIVITIES IN IBERIA (9% of EBITDA) – EBITDA was €128m lower YoY, at €183m in 1H15, reflecting: (i) lower gross profit from the electricity business prompted by hydro's lower contribution to the production mix (35% in 1H15 vs. 58% in 1H14) and fewer opportunities for managing energy markets' volatility; (ii) Lower gross profit from gas supply derived from fewer wholesale trading opportunities; (iii) Higher generation taxes in Iberia during 1H15 (-€17m YoY). Higher thermal generation and improved gross profit in the electricity supply business partly mitigated these impacts.

REGULATED NETWORKS IN IBERIA (27% of EBITDA) – EBITDA rose by 2% YoY (+€10m), to €569m in 1H15, impacted similar one-off impacts: (i) +€89m booked on the sale of some gas assets in Spain to Redexis in 1Q15; and (ii) +€87m derived from the establishment of the new Collective Labour Agreement in 2Q14. Adjusted EBITDA , 2% higher YoY, was supported by lower operating costs, which more than compensated the decrease in regulated revenues. Gross profit declined by 3% YoY (-€27m) in 1H15, reflecting: (i) in Portugal, a lower return on RAB in electricity distribution (6.33% in 1H15 vs. 8.31% in 1H14), derived from the lower sovereign risk and fast clients' switching to free market; (ii) in Spain, higher regulated revenues in electricity distribution offset by lower gas regulated revenues impacted by the disposal of distribution assets and regulatory changes in the gas business in place since Jul-14.

WIND & SOLAR POWER (26% of EBITDA) – EDPR's EBITDA increased by 11% YoY (+€53m) to €548m in 1H15, propelled by operations in North America (+€49m YoY), on the back of USD 23% appreciation vs. Euro (+€45m) and avg. final prices prompted by higher relative production towards PPA/Hedged capacity along with the increase in the realised merchant price. EBITDA in Europe rose 2% YoY, since: (i) Higher EBITDA in Spain (+€13m prompted by a recovery in average realised pool price) and in European markets outside of Iberia (+€14m driven by capacity additions and higher avg. load factor); was offset by (ii) lower EBITDA in Portugal (-€14m, penalised by outstanding wind resources in 1H14).

BRAZIL (24% of EBITDA) - EDPB's contribution to consolidated EBITDA was 88% higher YoY (+€235m), to €501m in 1H15, including: (i) in 1H15, a +€267m one-off impact from the acquisition of Eneva's 50% stake in Pecém I (project fully consolidated at the level of EDP Brasil as from 15-May-15); (ii) in 1H14, +€129m one-off impact from the disposal of 50% of Jari and Cachoeira Caldeirão. ForEx impact in the period amounted to -€25m, reflecting a 5% depreciation of BRL vs. Euro. Adjusted for the aforementioned gain in Pecém, local currency EBITDA surged 80% YoY, to R$772m. **EBITDA from distribution** advanced R$385m, fuelled by the recognition of regulatory receivables at gross profit level as from Dec-14; and by higher regulated revenues (+R$56m YoY, mainly reflecting tariff adjustments at our distribution companies). **Generation and Supply EBITDA** fell by 6% YoY (-R$24m), as higher electricity costs stemming from low GSF in the period (80% in 1H15 vs. 95% in 1H14) was largely mitigated by the more favorable seasonal allocation of volumes and by the full consolidation of Pecém for 45 days (+R$77m). Losses due to low GSF amounted to €88m in 1H15 (R$290m) vs. €15m in 1H14 (R$46m), corresponding to a €73m YoY fall in 1H15 EBITDA.

Profit & Loss Items below EBITDA

Profit & Loss Items below EBITDA (€ m)	1H15	1H14	Δ %	Δ Abs.	1Q15	2Q15	3Q15	4Q15	2Q15 QoQ Δ %	2Q15 QoQ Δ Abs.
EBITDA	**2,131**	**1,986**	**7%**	**145**	**988**	**1,143**			**16%**	**155**
Provisions	3	18	-82%	-15	1	3			416%	2
Amortisation and impairment	689	681	1%	9	337	353			5%	16
EBIT	**1,438**	**1,288**	**12%**	**150**	**651**	**788**			**21%**	**137**
Net financial interest	(454)	(434)	-5%	-20	(238)	(216)			-10%	23
Capitalized financial costs	47	83	-43%	-36	32	15			-53%	-17
Net foreign exchange differences and derivates	(14)	33	-	-47	(40)	26			-166%	66
Investment income	9	4	122%	5	0	9			-	9
Unwinding w/ pension & medical care responsibilities	(23)	(35)	34%	12	(11)	(11)			-2%	0
Capital Gains/(Losses)	1	-	-	1	-	1			0%	1
Other Financials	69	102	-33%	-33	50	19			-61%	-30
Financial Results	**(364)**	**(245)**	**-49%**	**-119**	**(208)**	**(156)**			**-25%**	**52**
Share of net profit in joint ventures and associates	**(23)**	**8**	**-**	**-31**	**(2)**	**(22)**			**1211%**	**-20**
Pre-tax Profit	**1,051**	**1,051**	**0%**	**0**	**441**	**610**			**38%**	**168**
Income Taxes	**194**	**239**	**-19%**	**-45**	**82**	**112**			**36%**	**29**
Effective Tax rate (%)	*18%*	*23%*	-	*-4.3 pp*	*19%*	*18%*				*-0.0 pp*
Extraordinary Contribution for the Energy Sector	**61**	**61**	**-1%**	**-1**	**61**	**(0)**			**-100%**	**-61**
EDP Renováveis	57	54	5%	3	39	19			-52%	-20
Energias do Brasil	145	61	140%	85	18	127			598%	109
Other	7	2	238%	5	5	2			-52%	-3
Non-controlling Interests	**209**	**117**	**79%**	**92**	**62**	**148**			**140%**	**86**
Net Profit Attributable to Shareholders of EDP	**587**	**634**	**-7%**	**-47**	**298**	**290**			**-3%**	**-8**

Amortisation and impairment (net of compensation from depreciation and amortisation of subsidised assets) rose 1% YoY to €689m in 1H15, reflecting: (i) in 1H15, higher depreciation charges at EDPR (+€33m YoY), derived from the new capacity installed over the last 12 months and the USD appreciation against the EUR; (ii) in 1H14, a €27m impairment at our hydro plant of Alvito.

Net financial costs rose 49% YoY to €364m in 1H15. **Net interest expenses** rose 5% YoY due to a 0.1pp increase in the avg. cost of debt to 4.7%, prompted by USD appreciation vs. Euro and its impact on interest paid on USD-denominated debt. **Net ForEx differences and derivatives** totalled -€14m in 1H15 (-€47m YoY in 1H15) and are mostly related to mark-to-market of USD/EUR and financial operations in energy markets and commodities. **Capitalised financial costs** fell €36m YoY, to €47m in 1H15, due to lower marginal interest rate applied to hydro projects and by the equity-method consolidation of Jari/Cachoeira-Caldeirão (as from Jun-14). **Other financials** (€69m in 1H15) includes a €46m gain with the tariff securitisation (vs. €67m in 1H14).

Share of net profit in joint ventures and associates amounted to -€23m in 1H15, with the following main contributors: EDPR's 40% equity stake in ENEOP in Portugal (€7m in 1H15, -€3m YoY), our 50% equity stake in Pecém I (-€25m in 1H15, -€13m YoY; this investment started being fully consolidated as from May 15th); and our 50% share in Jari/Cachoeira-Caldeirão (-€7m in 1H15).

Income taxes amounted to €194m in 1H15, representing an effective tax rate of 18% (vs. 23% in 1H14). 1H15 income taxes include a €36m impact from the gain booked in the acquisition of Pecém. Moreover, it is worth to note that the gain booked in 1H15 on the sale of gas assets in Spain has no impact on the taxable income perimeter. Also noteworthy is the 2pp fall in the corporate tax rate in Iberia: (i) In Portugal, from 31.5% in 2014 to 29.5% in 2015; (ii) in Spain, from 30% in 2014 to 28% in 2015. Additionally, 1H15 results reflect the full-year impact from EDP's share on the extraordinary contribution ('Extraordinary energy tax') applied to the energy sector in Portugal (€61m in line with 1H14, restated as to reflect the application of IFRIC 21).

Non-controlling interests reached €209m in 1H15 (+€92m YoY), reflecting the 49% share of minorities at EDP Brasil's higher net profit in 2Q15 and the capital gain booked on sale of gas assets at Naturgas level (5% minority stake) in 1Q15. The non-controlling interests at the level of EDP Brasil include €127m relative to the gain booked on the acquisition of Eneva's 50% stake at Pecém, which was partially compensated by the lower net profit at the level of EDPB's generation subsidiaries.

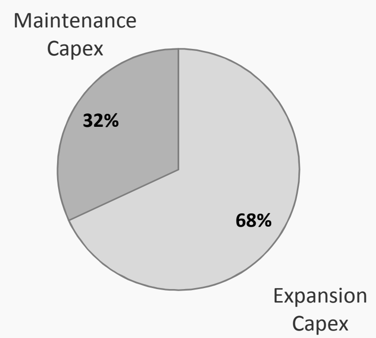
Overall, **net profit attributable to EDP shareholders** was 7% lower YoY, at €587m in 1H15, impacted by: (i) in 1H15, one-off gains booked on the acquisition of Eneva's 50% stake at Pecém (€132m) and on the sale of gas assets in Murcia (€85m); (ii) in 1H14, one-off gains arising from the new CLA agreed (€88m) and on the sale of 50% stake in Jari/Cachoeira-Cladeirão (€50m); (iii) in 1H14 and 1H15, the -€61m relative to the extraordinary energy tax. Adjusted for these impacts, net profit totalled €431m in 1H15 (-23% YoY).

EDP group adopted the IFRIC21 for the first time in the present report and restated 1H14figures for comparison purposes. According to IFRIC21, the levies charged by Public authorities are recognized at the date of obligation event. This does not affect the annual results but rather, only interim results. The impact amounted to -€43m in 1H14 and -€45m in 1H15.

Capital Expenditure & Net Investments

Capex (€ m)	1H15	1H14	Δ %	Δ Abs.	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
LT contracted gen. Iberia	10	10	1%	+0	3	7	10	16	4	7		
Liberalised activities Iberia	189	295	-36%	-106	124	171	115	148	93	96		
Regulated networks Iberia	147	158	-7%	-12	70	89	87	136	69	78		
Wind & solar power	322	113	184%	+208	44	69	165	432	163	159		
Brazil	45	54	-16%	-9	26	28	39	26	21	24		
Other	29	28	1%	+0	11	17	15	24	14	15		
EDP Group	**741**	**659**	**12%**	**+82**	**278**	**381**	**431**	**782**	**362**	**379**		
Expansion Capex	**505**	**399**	**26%**	**+106**	**166**	**233**	**278**	**572**	**260**	**244**		
Maintenance Capex	**237**	**260**	**-9%**	**-23**	**112**	**148**	**153**	**210**	**102**	**134**		

CAPEX 1H15



Generation Projects Under Construction (€ m)	MW	Capex 1H15	Acc. Capex (1)
Hydro Portugal	1,368	137	1,493
Wind Power (2)	556	167	544
Total	**1,925**	**304**	**2,037**

Net financial investments/(Divestments) (€m)	1H15	1H14	Δ %	Δ Abs.
Financial Investments	**141**	**12**	**-**	**+130**
Brazil generation	134	-	-	+134
Other	7	12	-	-4
Financial Divestments	**662**	**162**	**-**	**+499**
Gas assets (Spain)	241	-	-	+241
EDP Brasil (Jari & C. Caldeirão)	-	134	-	-134
Wind assets	418	28	-	+389
Other	3	0	-	+3
Total	**(520)**	**(150)**	**-**	**-370**

Net Investments (€m)	1H15	1H14	Δ %	Δ Abs.
Capex	741	659	12%	+82
Financial investments	141	12	-	+130
EDPR's asset rotation proceeds	(339)	(38)	-	-301
Total	**544**	**633**	**-14%**	**-89**

Consolidated capex amounted to €741m in 1H15, mainly devoted (68%) to the construction of new hydro & wind capacity Maintenance capex was 9% lower YoY (-€23m), at €237m in 1H15, mostly concentrated in regulated networks in Iberia and Brazil.

Capex in hydro capacity under construction in Portugal totalled €137m in 1H15, including the capital spending on the construction of Baixo Sabor downstream dam (30MW) and Ribeiradio/Ermida hydro plant (81MW) which started up operations in 1H15. As of Jun-15, EDP had 4 hydro projects under construction: (i) Venda Nova III (756MW), expected to start up in early 2016, the upstream plant of Baixo Sabor (142MW), which starting up is pending from an increase in reservoir level; (ii) Salamonde II (207MW), expected to start up in 2H15; and (iii) Foz-Tua (263 MW) due in 2H16. **Capex in new wind & solar capacity** (EDPR) amounted to €322m in 1H15 (of which €40m derived from USD appreciation vs. Euro), mostly allocated to the 556MW of capacity under construction (54% in US, 22% in Brazil, 25% in Europe), capacity recently commissioned and enhancements in capacity already in operation. **In Brazil,** capex totalled €45m in 1H15 and was mostly devoted to maintenance works at our distribution business.

Overall, and excluding new hydro projects in Brazil, EDP has spent €2.0bn so far in 1.9GW of new generation capacity under construction. Note that EDP Brasil's construction works of new generation capacity are fully concentrated in equity-method accounted hydro projects: Cachoeira-Caldeirão (219MW), with PPA due in Jan-17, and S. Manoel (700MW), due in May-18.

Net financial divestments totalled €520m in 1H15. **Financial divestments** amounted to €662m in 1H15. Divestments include i) €241m from the sale to Redexis of our gas distribution assets in Spain (including proceeds of €51m attributable to the sale of the remaining asset perimeter in 2Q15); ii) €339m from EDPR disposal of a minority stake in a wind farm of 1,101MW located in the US to Fiera Axium and of a minority stake in a 30MW-solar PV park; and iii) €79m from the conclusion of EDPR's sale of minority stakes in wind farms in Brazil to CWEI Brasil, a CTG subsidiary. **Financial investments in 1H15** amounted to €141m, the bulk of which referring to the acquisition of Eneva's 50% stake in Pecém I coal facility (€91m) and to EDPB's equity contributions to Cachoeira-Caldeirão and São Manoel hydro projects (€43m).

Overall, net investments amounted to €544m in 1H15 (vs. €633m in 1H14), including €741m of capex, €141m of financial investments and €339m of proceeds from asset rotation deals by EDPR.

(1) Accumulated capex net of debts to equipment suppliers; (2) Amount of accumulated capex includes capacity under construction & development

FFO & Cash Flow Statement

Funds from Operations (€m)	1H15	1H14 (1)	Δ %	Δ Abs.
EBITDA	**2,131**	**2,002**	**6%**	**+129**
Current income tax	(182)	(244)	26%	+62
Net financial interests	(454)	(434)	-5%	-20
Net Income and dividends received from Associates	(14)	12	-	-26
Non-cash items	(76)	(188)	59%	+112
FFO - Funds From Operations	**1,405**	**1,148**	**22%**	**+256**

Consolidated Cash Flow (€m) - Indirect Method	1H15	1H14 (1)	Δ %	Δ Abs.
EBITDA	**2,131**	**2,002**	**6%**	**+129**
Current income tax	(182)	(244)	26%	+62
Changes in operating working capital	(31)	309	-	-340
Regulatory Receivables	157	424	-63%	-267
Non-cash items	(76)	(188)	59%	+112
Other working capital	(112)	73	-	-185
Net Cash from Operating Activities	**1,918**	**2,067**	**-7%**	**-149**
Capex	(741)	(659)	-12%	-82
Expansion	(505)	(399)	-26%	-106
Maintenance	(237)	(260)	9%	+23
Changes in working capital from equipment suppliers	(380)	(185)	-106%	-195
Net financial (investments)/divestments	520	150	246%	+370
Net financial interests paid	(446)	(401)	-11%	-45
Dividends received from Associates	24	27	-13%	-4
Dividends paid	(740)	(716)	-3%	-24
EDP Shareholders	(672)	(672)	0%	-0
Other	(68)	(43)	-55%	-24
Proceeds from Institutional Partnerships in US wind	37	(27)	-	+64
Effect of exchange rate fluctuations	(266)	(93)	-185%	-173
Other non-operating changes	(584)	45	-	-628
Decrease/(Increase) in Net Debt	**(658)**	**209**	**-**	**-867**

Consolidated Cash Flow (€m) - Direct Method	1H15	1H14	Δ %	Δ Abs.
Operating Activities				
Cash receipts from customers	7,453	7,635	-2%	-182
Proceeds from tariff adjustments sales	699	1,113	-37%	-414
Cash paid to suppliers and personnel	(5,963)	(6,134)	3%	+171
Concession rents & other	(287)	(433)	34%	+146
Net Cash from Operations	**1,902**	**2,181**	**-13%**	**-279**
Income tax received/(paid)	16	(114)	-	+130
Net Cash from Operating Activities	**1,918**	**2,067**	**-7%**	**-149**
Net Cash from Investing Activities	**(969)**	**(646)**	**-50%**	**-323**
Net Cash from Financing Activities	**(2,173)**	**(2,004)**	**-8%**	**-169**
Changes in Cash and Cash Equivalents	**(1,224)**	**(583)**	**-110%**	**-641**
Effect of exchange rate fluctuations	(20)	48	-	-68

Funds from operations (FFO) amounted to €1,405m in 1H15, reflecting: i) a €129m increase in EBITDA (see details on page 3); ii) a €62m decrease in current income taxes largely explained by the gain on the sale of the gas distributions assets not contributing to the taxable income perimeter and the 2pp decrease in the corporate tax in Iberia; and iii) a €20m increase in net financial interests driven by a 10bp increase in the average cost of debt (4.7% in 1H15) and a 23% YoY appreciation of the USD vs. the EUR YoY. Note that 'non-cash items' include a €129m negative impact related to the Collective Labour Agreement established in Portugal in 1H14, which is fully compensated at EBITDA level.

Net cash from operating activities fell €149m YoY to €1,918m in 1H15. **Regulatory receivables** declined €157m vs. Dec-14, driven by: i) €214m of net cash proceeds from regulated activities in Portugal, including -€651m from the securitisation deals undertaken in 1H15; ii) a €42m increase from Spain, reflecting +€44m from EDP España share of the gas tariff deficit; and iii) +€15m of regulatory receivables from our electricity distribution activities in Brazil. '**Other changes in working capital'** amounted to -€112m in 1H15, comprising a €295m gain booked within the acquisition of Eneva's 50% stake in Pecém at a discount and a €89m gain derived from the sale of gas distribution assets to Redexis, which were partly mitigated by the following positive effects: i) a fall in coal inventories; ii) a 46m€ gain with the tariff deficit securitisation deals and iii) an increase in pending settlements from our DisCos in Spain and Brazil to the system. It is worth recalling that 'other changes in working capital' in 1H14 were negatively impacted by a €129m one-off gain booked on the sale of 50% equity stakes in Jari/Cachoeira-Caldeirão hydro projects (Brazil) to CWEI (CTG).

Expansion capex totaled €505m in 1H15, translating the ongoing construction of new hydro and wind capacity. Note that **change in working capital from equipment suppliers** relates essentially to the renewable projects construction and development activity at EDPR level.

Net financial divestments amounted to €520m in 1H15, including i) the sale of gas distribution assets to Redexis in Spain (€241m) and ii) EDPR disposal of minority stakes as part of the execution of its asset rotation strategy (€339m) and the strategic partnership with CTG (€79m). Financial investments in 1H15 include the acquisition of Eneva's 50% stake in Pecém I (€91m).

On May 14th, 2015, EDP paid its **annual dividend** amounting to €672m (or €0.185/share, flat vs. the previous year). Note that the amount of €740m of dividends paid in 1H15 also includes the amounts paid to noncontrolling interests, mostly at the level of EDP Renováveis.

Other non-operating changes reflect the full consolidation of Pecém I following the acquisition of Eneva's 50% stake, which impact on net debt amounted to €0.6bn.

The €266m negative impact on net debt from **effects of exchange rate fluctuations** essentially reflects the appreciation of the US Dollar (+9%) against the Euro between Dec-14 and Jun-15. Overall, **net debt** went up €658m vs. Dec-14 to €17.7bn as of Jun-15.

Looking forward, it is worth mentioning that within the scope of the strategic partnership with CTG, EDP has agreed on the execution of the MoU upon the sale of 49% of EDPR's 40% share in ENEOP assets with closing expected for the course of 2015.

(1) Funds from Operations and Cash Flow under the Indirect Method is not restated for IFRIC21 implementation

Statement of Consolidated Financial Position

Assets (€ m)	Jun. vs. Dec.		
	Jun-15	Dec-14	Δ Abs.
Property, plant and equipment, net	22,101	20,523	1,578
Intangible assets, net	5,638	5,813	-175
Goodwill	3,375	3,321	54
Financial investments and assets held for sale, net	1,012	1,272	-261
Tax assets, deferred and current	586	590	-4
Inventories	231	266	-36
Trade receivables, net	2,009	2,120	-110
Other assets, net	5,720	5,923	-204
Collateral deposits	279	429	-150
Cash and cash equivalents	1,370	2,614	-1,244
Total Assets	**42,321**	**42,873**	**-552**

Equity (€ m)	Jun-15	Dec-14	Δ Abs.
Equity attributable to equity holders of EDP	8,630	8,681	-52
Non-controling Interest	3,706	3,288	418
Total Equity	**12,336**	**11,969**	**367**

Liabilities (€ m)	Jun-15	Dec-14	Δ Abs.
Financial debt, of wich:	19,526	20,298	-772
Medium and long-term	*16,374*	*16,401*	*-27*
Short term	*3,153*	*3,897*	*-745*
Employee benefits (detail below)	1,765	1,880	-116
Institutional partnership liability (US wind)	1,175	1,067	108
Provisions	486	486	1
Tax liabilities, deferred and current	1,420	1,221	200
Deferred income from inst. partnerships	774	735	39
Other liabilities, net	4,839	5,217	-379
Total Liabilities	**29,985**	**30,904**	**-919**
Total Equity and Liabilities	**42,321**	**42,873**	**-552**

Employee Benefits (€m) (1)	Jun-15	Dec-14	Δ Abs.
Pensions (2)	824	930	-107
Medical care and other	941	950	-9
Employee Benefits	**1,765**	**1,880**	**-116**

Regulatory Receivables (€m)	Jun-15	Dec-14	Δ Abs.
Portugal Distribution and Gas (3)	1,902	2,203	-301
Portugal Annual CMEC Deviation	199	112	87
Spain	44	2	42
Brazil	201	187	15
Regulatory Receivables	**2,347**	**2,504**	**-157**

Total amount of **property, plant & equipment and intangible assets** increased €1.4bn vs. Dec-14 to €27.7bn as of Jun-14, mainly reflecting: i) +€1.2bn impact of the full consolidation of Pecém ii) +€0.7bn of capex in the period; iii) -€0.7bn from depreciations in the same period; and iv) +€0.3bn mainly resulting from the +9% change of the US Dollar against the Euro between Dec-14 and Jun-15. As of Jun-15, EDP's balance sheet included €3.5bn of works in progress (13% of total consolidated tangible and intangible assets) largely related to investments already incurred in regulated networks, power plants, wind farms development, equipment or concession rights which are not yet operating.

The book value of **financial investments & assets held for sale** went down €0.3bn vs. Dec-14, to €1.0bn as of Jun-15, reflecting the conclusion, in Jan-15, of the sale of the gas assets in Spain; in May-15, the full consolidation of Pecém I; and the mark-to-market of some of our financial stakes. Note that financial investments essentially refer to our financial stakes in Jari (50%), Cachoeira Caldeirão (50%), EDP Asia (50%), which is the owner of a 21% stake in CEM, ENEOP (40%), REN (3.5%) and BCP (2.0%).

Tax assets net of liabilities, deferred and current, went down €0.2bn vs. Dec-14, partly due to current income tax calculation and to the expected extraordinary contribution applied to the energy sector. **Trade receivables and other assets (net)** decreased €0.3bn vs. Dec-14 to €7.7bn as of Jun-15, driven essentially by the securitisation deals achieved during the 1H15, which were partly offset by regulatory receivables generated during the period.

Total amount of EDP's **net regulatory receivables** went down €0.2bn vs. Dec-14, to €2.3bn as of Jun-15, reflecting: i) a €214m decrease from Portugal; ii) a €42m increase from Spain; and iii) a €15m increase from Brazil.

Equity book value went down €0.1bn to €8.6bn as of Jun-15, mainly reflecting the payment of dividends of €672m, partly offset by €587m of net profit for the period. **Non-controlling interest** increased €0.4bn to €3.7bn as of Jun-15, mostly deriving from the asset rotation disposals closed by EDPR in 1H15.

Pension fund, medical care and other employee benefit liabilities (gross, before deferred taxes) fell by €116m vs. Dec-14 to €1,765m as of Jun-15, reflecting the recurrent payment of pension and medical care expenses in 1H15. **Institutional partnership liabilities net of deferred income** increased €108m vs. Dec-14 to €1,175m as of Jun-15 reflecting the US Dollar appreciation and the benefits paid to the tax equity partners during the period.

(1) Gross, befores deferred taxes; (2) Pensions include the Provision for the HR Restructuring Program costs of EDP Distribuição, which is being recovered through the tariffs; (3) Tariff deviations to be recovered/(returned) through tariffs in the following years by electricity distribution and last resort supply and gas in Portugal.

Consolidated Net Financial Debt

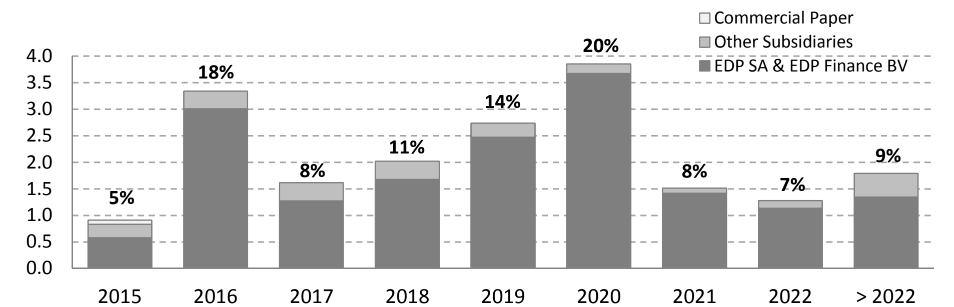
Nominal Financial Debt by Company (€m)	Jun-15	Dec-14	Δ %	Δ Abs.
EDP S.A. and EDP Finance BV	16,342	17,676	-8%	-1,334
EDP Produção & Other	119	178	-33%	-59
EDP Renováveis	759	928	-18%	-169
EDP Brasil	1,819	988	84%	831
Nominal Financial Debt	**19,039**	**19,769**	**-4%**	**-730**
Accrued Interest on Debt	317	371	-15%	-54
Fair Value of Hedged Debt	170	157	8%	12
Derivatives associated with Debt (2)	(166)	(202)	18%	36
Collateral deposits associated with Debt	(279)	(429)	35%	150
Total Financial Debt	**19,081**	**19,667**	**-3%**	**-586**
Cash and cash equivalents	**1,370**	**2,614**	**-48%**	**-1,244**
EDP S.A., EDP Finance BV and Other	496	1,989	-75%	-1,493
EDP Renováveis	403	369	9%	35
EDP Brasil	471	257	84%	214
Financial assets at fair value through P&L	**11**	**11**	**5%**	**1**
EDP Consolidated Net Debt	**17,700**	**17,042**	**4%**	**658**

Credit Lines by Jun-15 (€m)	Maximum Amount	Number of Counterparts	Available Amount	Maturity
Revolving Credit Facility	3,150	21	3,150	Jun-19
Revolving Credit Facility	100	1	100	Dec-16
Revolving Credit Facility	500	16	100	Feb-20
Domestic Credit Lines	200	9	189	Renewable
Underwritten CP Programmes	100	1	100	Oct-16
Total Credit Lines	**4,050**		**3,639**	

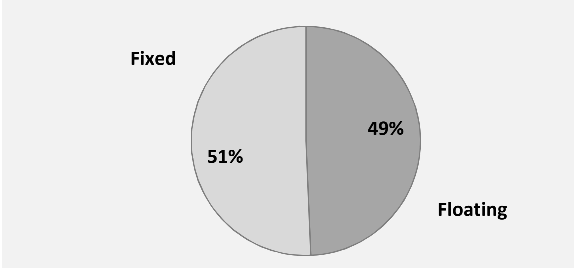
Debt Ratings	S&P	Moody's	Fitch
EDP SA & EDP Finance BV	**BB+/Positive/B**	**Baa3/Stable/P3**	**BBB-/Stab/F3**
Last Rating Action	30-01-2015	13-02-2015	19-01-2015

Debt Ratios	Jun-15 (3)	Dec-14
Net Debt / EBITDA	4.7x	4.7x
Net Debt / EBITDA adjust. by Reg. Receivables	4.1x	4.0x

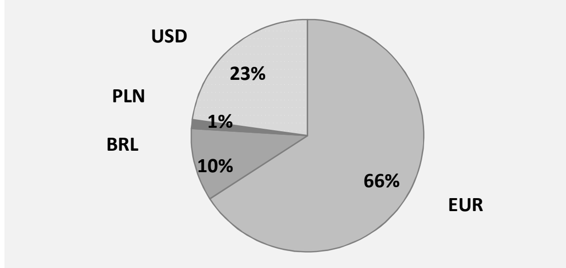
Debt Maturity (€ m) by Jun-15 (1)



Debt by Interest Rate Type - Jun-15 (1)



Debt by Currency - Jun-15 (1)



EDP's financial debt is essentially issued at holding level (EDP S.A. and EDP Finance B.V.) through both debt capital markets and bank loans. Maintaining access to diversified sources of funding and assuring refinancing needs 12-24 months ahead continue to be part of the company's funding strategy. In terms of credit rating, in Jan-15, Fitch affirmed EDP at "BBB-", also maintaining the outlook at Stable, and S&P affirmed its "BB+" credit rating on EDP while revising the outlook from Stable to Positive, essentially reflecting the expectation that the group's financial risk profile will strengthen markedly over the next 2 years. In Feb-15, Moody's upgraded EDP's credit rating back to investment grade at "Baa3" with Stable outlook. This upgrade was based upon progress on delivery of the group's deleveraging strategy against the background of a slowly improving Portuguese economy.

Looking at 1H15 **major debt repayments and refinancing deals**, in Jan-15, EDP early repaid the remaining USD250m out of a USD1.0bn loan with the Bank of China that was due to mature in Oct-15 and of which USD750m had already been early repaid in Jul-14. In Feb-15, EDP signed a €2bn 5-year credit facility with a syndicate of 16 international banks that was used to early repay a €1.6bn term loan signed in Jan-13 and which would mature in Jan-17 (50%) and Jan-18 (50%). The new facility pays EURIBOR+1.1% (vs. EURIBOR+4% in the prior facility) and includes a €500m Revolving Credit Facility Tranche. In Mar-15, EDP repaid, at maturity, a €1bn 3.25% Eurobond that had been swapped to floating rate. In Apr-15, EDP issued a €750m Eurobond maturing in Apr-2025 with a coupon of 2%. In Jun-15, EDP repaid, at maturity, a €0.5bn Eurobond with a coupon of 3.75%. Additionally, during 1H2015, EDP prepaid €507m of European Investment Bank loans, which mostly matured in 2016.

As a result of the refinancing exercise aforementioned, by Jun-15 **average debt maturity** had increased to 4.6 years. The weight of consolidated financial debt raised through capital markets reached 69%, while the remaining of the debt was raised essentially through bank loans. Refinancing needs until the end of 2015 amount to €0.6bn, which relate to bank loans that mature throughout the year. 2016 refinancing needs amount to €2.8bn, including i) €1.25bn of bonds maturing in 1H16; ii) €1.0bn of bonds maturing in 2H16 and iii) €0.5bn of several loans maturing throughout the year. Total cash and available liquidity facilities amounted to €5.0bn by Jun-15. This liquidity position allows EDP to cover its refinancing needs until 2017.

(1) Nominal Value; (2) Derivatives designated for net investment and fair-value hedge of debt; (3) Based on trailing 12 months EBITDA of €3,787m

Business Areas

Iberian Electricity and Gas Markets

Electricity Balance (TWh)	Portugal 1H15	Portugal 1H14	Portugal Δ%	Spain 1H15	Spain 1H14	Spain Δ%	Iberian Peninsula 1H15	Iberian Peninsula 1H14	Iberian Peninsula Δ%
Hydro	5.5	9.8	-44%	15.9	23.6	-32%	21.4	33.4	-36%
Nuclear	-	-	-	28.4	28.6	-1%	28.4	28.6	-1%
Coal	6.4	4.1	59%	23.0	14.4	59%	29.4	18.5	59%
CCGT	1.6	0.3	513%	11.1	8.8	25%	12.7	9.1	39%
Fuel/gas/diesel	-	(0.0)	-	-	-	-	-	(0.0)	-
Own consumption	-	-	-	(3.2)	(2.7)	17%	(3.2)	(2.7)	17%
(-)Pumping	(0.7)	(0.5)	34%	(2.5)	(3.3)	-24%	(3.2)	(3.8)	-17%
Conventional Regime	**12.9**	**13.6**	**-5%**	**72.7**	**69.4**	**5%**	**85.6**	**83.0**	**3%**
Wind	6.0	6.0	-	27.3	28.8	-5%	33.3	34.9	-4%
Other	4.7	5.9	-19%	25.4	25.4	-0%	30.2	31.3	-4%
Special Regime	**10.8**	**11.9**	**-9%**	**52.7**	**54.3**	**-3%**	**63.5**	**66.2**	**-4%**
Import/(export) net	1.1	(1.1)	-	(1.9)	(2.4)	-21%	(0.9)	(3.5)	-75%
Gross demand (before grid losses)	**24.7**	**24.5**	**1.2%**	**123.5**	**121.2**	**1.9%**	**148.2**	**145.6**	**1.8%**
Adjust. temperature, working days			0.0%			0.5%			n.a.

Gas Demand (TWh)	Portugal 1H15	Portugal 1H14	Portugal Δ%	Spain 1H15	Spain 1H14	Spain Δ%	Iberian Peninsula 1H15	Iberian Peninsula 1H14	Iberian Peninsula Δ%
Conventional demand	20.7	20.7	0%	134.8	131.9	2%	155.6	152.5	2%
Demand for electricity generation	3.5	0.7	401%	26.5	21.2	25%	30.0	21.9	37%
Total Demand	**24.2**	**21.3**	**13%**	**161.4**	**153.1**	**5%**	**185.5**	**174.4**	**6%**

Electricity demand in Iberia rose by 1.8% YoY in 1H15, in a moderate recovery from previous years's decline. In Spain (83% of Iberia), demand increased 1.9% in 1H15 and 0.5% adjusted for temperature and working days. In Portugal (17% of total), demand was 1.2% higher YoY in 1H15 (flat when adjusted for temperature and working days).

Installed capacity in Iberia was broadly stable in 1H15 (+0.4GW). In Portugal, new wind and hydro capacity additions in the last 12 months was partially compensated by the shutdown of cogeneration capacity. Both the downstream dam of Baixo Sabor hydro plant (+30MW) and Ribeiradio/Ermida (+81MW) came on stream in 2015. In Spain, new additions of special regime capacity was partially compensated by the shutdown of some CCGT capacity.

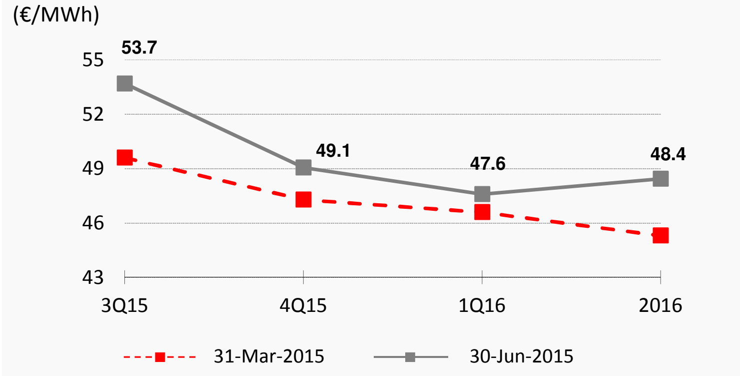
Residual thermal demand in 1H15 rose by 53% YoY (+15TWh), leading to 59% YoY rise in coal output (+11TWh) and a 39% YoY increase in output from CCGT (+4TWh YoY). The surge in residual thermal demand reflected a 36% YoY decrease in the output from hydro (-11TWh YoY, net of pumping) and wind (-2TWh); and, to a lower extent, the increase in Iberian demand (+2.5TWh). The lower output from hydro and wind derived from weaker resources YoY: Hydro factors in Portugal and Spain were more than 40% weaker YoY, falling 25% and 30% short of LT average, respectively; Wind factor in Portugal was 15% lower YoY, at 1.06 in 1H15 (6% ahead of LT average). Nuclear generation was broadly stable YoY and net exports decreased 75%. Overall, the scenario of higher demand and lower hydro/wind resources was tackled by thermal generation, leading to higher avg. load factors at both coal (+12p.p. YoY to 48%) and CCGTs (+3p.p. YoY to 10%).

Average electricity spot price in Spain was 43% higher YoY in 1H15, at €47.1/MWh (+5% QoQ in 2Q15), and marginally lower than in Portugal. Average CO_2 prices advanced 31% YoY in 1H15, to €7.3/ton in 1H15. Average electricity final price in Spain stood €15/MWh above pool price (33% higher YoY, at €62/MWh) as a result of the contribution from profiling, restriction market, ancillary services and capacity payments.

In the Iberian gas market, consumption increased by 6% YoY in 1H15, fuelled by a 2% rise in conventional demand, on the back of harsher winter temperatures in 1H15 vs. 1H14. Consumption for electricity generation purposes was also 37% higher, on higher working hours at CCGTs.

Installed Capacity in Electricity (GW)	Iberian Peninsula 1H15	Iberian Peninsula 1H14	Iberian Peninsula Δ%
Hydro	22.2	22.1	1%
Nuclear	7.0	7.0	-
Coal	11.7	11.7	0%
CCGT	28.6	28.8	-1%
Fuel/gas/diesel	0.8	0.8	0%
Conventional Regime	**70.3**	**70.4**	**0%**
Wind	27.8	27.6	1%
Other special regime	20.0	19.8	1%
Special Regime	**47.9**	**47.4**	**1%**
Total	**118.2**	**117.8**	**0%**

Iberian Electricity Forward Market (OMIP)



Main Drivers	1H15	1H14	Δ%
Hydro coeficient (1.0 = avg. year)			
Portugal	0.75	1.37	-45%
Spain	0.70	1.20	-42%
Wind coeficient (1.0 = avg. year)			
Portugal	1.06	1.24	-15%
Electricity spot price, €/MWh (1)			
Portugal	47.2	32.4	46%
Spain	47.1	33.1	43%
Electricity final price, €/MWh (1) (2)			
Spain	61.8	46.4	33%
CO2 allowances (EUA), €/ton (1)	7.2	5.6	28%
Coal (API2 CIF ARA), USD/t (1)	59.8	76.6	-22%
Gas NBP, €/MWh(1)	21.5	21.8	-1%
Brent, USD/bbl (1)	57.9	108.9	-47%
EUR/USD (1)	1.12	1.37	-19%

Sources: EDP, REN, REE, Enagas, OMEL, OMIP; (1) Average in the period; (2) Final price reflects spot price and system costs (capacity payment, ancillary services).

LT Contracted Generation in Iberian Market: PPA/CMEC & Special Regime

Income Statement (€ m)	1H15	1H14	Δ%	Δ Abs.
PPA/CMEC Revenues	**522**	**464**	**13%**	**+58**
Revenues in the market (i)	423	362	17%	+60
Annual deviation (ii)	104	99	5%	+5
PPAs/CMECs accrued income (iii)	(4)	3	-	-7
PPA/CMEC Direct Costs	**162**	**106**	**53%**	**+56**
Coal	107	79	36%	+28
Fuel oil	1	2	-65%	-1
CO2 and other costs (net)	54	26	111%	+29
Gross Profit PPA/CMEC	**360**	**358**	**1%**	**+2**
Thermal (cogen., waste, biomass)	7	6	17%	+1
Mini-hydro	20	35	-44%	-16
Gross Profit Special Regime	**27**	**41**	**-35%**	**-15**
Net Operating costs (1)	65	44	50%	+22
EBITDA	**322**	**356**	**-9%**	**-34**
Net depreciation and provision	78	84	-7%	-6
EBIT	**244**	**272**	**-10%**	**-27**
At Fin. Results: Hedging Gains (Losses) (2)	3	1	181%	+2
Employees (#)	1,138	1,195	-5%	-57

PPA/CMEC: Key Data	1H15	1H14	Δ %	Δ Abs.
Real/Contracted Availability				
Hydro	1.04	1.05	-1%	-0.0
Coal	1.07	1.05	2%	+0.0
Installed Capacity (MW)	**4,470**	**4,470**	**-**	**-**
Hydro	3,290	3,290	-	-
Coal	1,180	1,180	-	-
Output (GWh)	**7,791**	**9,102**	**-14%**	**-1,311**
Hydro	3,063	5,859	-48%	**-2,796**
Coal	4,728	3,242	46%	**+1,486**

Special Regime: Key Data	1H15	1H14	Δ %	Δ Abs.
Output (GWh)	**396**	**626**	**-37%**	**-230**
Mini-hydro Portugal	226	405	-44%	-179
Thermal Portugal	102	120	-15%	-18
Thermal Spain	68	101	-33%	-33
Average Gross Profit (€/MWh)				
Mini-hydro Portugal	88	88	1%	+1
Thermal Portugal (3)	23	23	-0%	-0
Thermal Spain	56	44	27%	+12

Capex (€ m)	1H15	1H14	Δ %	Δ Abs.
PPA/CMEC Generation	9	9	1%	+0
Special Regime	1	1	-7%	-0
Total	**10**	**10**	**1%**	**+0**

EBITDA from LT contracted generation fell by 9% (-€34m YoY), to €322m in 1H15, impacted by lower volumes of mini-hydro special regime generation (-44% YoY on output, leading to a €16m YoY fall in the respective gross profit, largely in 1Q15) and by a €23m one-off gain booked in 2Q14 on account of the new Collective Labour Agreement (CLA).

Gross profit from PPA/CMEC was broadly stable at €360m in 1H15, reflecting the natural depreciation of the asset base in a context of very low inflation.

The **annual deviation** between market gross profit under CMECs assumptions and gross profit under actual market conditions totalled €104m in 1H15 (o.w. €4m adjustment from 2014). Annual deviation relative to 1H15 (€100m) was mainly impacted by hydro volumes below the CMEC's reference resulting from hydro resources in Portugal 25% below the average. This amount is due to be received in up to 24 months through access tariffs. Deviation at hydro plants totalled €96m wholly due to a 39% shortfall of production vs. CMEC's reference. Avg. realised price was in line with CMEC's reference. In turn, market gross profit at our Sines coal plant was broadly in line with CMEC's reference in 1H15 (just €4m below), since higher production volume (+16% vs. reference) was offset by avg. clean dark spread 16% below the CMEC's reference.

Gross profit from special regime was €15m lower YoY, at €27m in 1H15, driven by the a 44% fall in mini-hydro generation, on the back of lower-than-average hydro resources in Portugal vs. a strong 1H14. Thermal generation in Iberia decreased, mostly due to the sale of idle capacity in Spain.

In 2015, Ermida mini-hydro plant, a 7MW-plant adjacent to Ribeiradio hydro plant came on stream in Portugal, raising EDP's total mini-hydro installed capacity in Portugal to 163MW.

Net operating costs(1) increased by 50% YoY (+€22m), to €65m in 1H15, reflecting 2Q14's €23m positive impact from the new CLA and tight cost control.

Net amortisation charges and provisions were 7% lower YoY, at €78m in 1H15, reflecting lower asset base at PPA/CMEC and the one-off provisions on thermal special regime plants in Spain in 2014.

Capex in LT contracted generation was stable YoY, at €10m in 1H15.

Explanatory note on PPA/CMEC:
In June 2007 the long term contracts that EDP had with the Portuguese electricity regulated system (PPA) were replaced by the CMEC (Cost of Maintenance of Contractual Equilibrium) financial system to conciliate: (1) the preservation of the NPV of PPA, based on real pre-tax ROA of 8.5%, and a stable contracted gross profit over the next 10 years; and (2) the need to increase liquidity in the Iberian electricity wholesale market. In terms of EDP's P&L, the total gross profit resulting from CMECs' financial system will keep the same profile over the next 10 years as the former PPA.
PPA/CMEC gross profit has 3 components:
(i) Revenues in the market, resulting from the sale of electricity in the Iberian wholesale market and including both ancillary services and capacity payments.
(ii) Annual deviation ('revisibility'), equivalent to the difference between CMEC's initial assumptions made in 2007 (outputs, market prices, fuel and CO_2 costs) and real market data. This annual deviation will be paid/received by EDP, through regulated tariffs, up to two years after occurring.
(iii) PPA/CMEC Accrued Income, reflecting the differences in the period between PPA and CMEC assumed at the beginning of the system in July 2007.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net); (2) Includes a €9m realised gain in 2014 and €1m loss in 2015;
(3) Excludes Energin, shutdown in Jan-14.

Liberalised Activities in the Iberian Market

Income Statement (€ m)	1H15	1H14	Δ%	Δ Abs.
Gross Profit	**433**	**511**	**-15%**	**-77**
Electricity generation	280	370	-24%	-90
Portugal	133	175	-24%	-41
Spain	151	198	-24%	-47
Adjustments	(5)	(4)	29%	-1
Electricity supply	120	94	28%	+26
Gas supply	35	51	-33%	-17
Adjustments	(1)	(4)	-75%	+3
Net Operating costs (1)	250	199	26%	+51
EBITDA	**183**	**311**	**-41%**	**-128**
Provisions	(1)	1	-	-2
Amortisation and impairment	100	124	-19%	-24
EBIT	**84**	**186**	**-55%**	**-102**

Electricity Performance	1H15	1H14	Δ%	1H15	1H14	Δ%
	Output (GWh)			Variable Cost (€/MWh) (2)		
Generation Output	8,727	7,426	18%	28.7	17.7	62%
Electricity Purchases	17,546	17,796	-1%	56.3	39.8	41%
Electricity Sources	**26,273**	**25,222**	**4%**	**48.0**	**33.9**	**42%**
	Volumes Sold (GWh)			Average Price (€/MWh) (3)		
Grid Losses	613	557	10%	n.a.	n.a.	-
Retail - Final clients	16,980	17,279	-2%	64.4	59.4	8%
Wholesale market	8,681	7,385	18%	59.5	51.2	16%
Electricity Uses	**26,273**	**25,222**	**4%**	**61.2**	**55.7**	**10%**

Electricity Gross Profit (€ m)	1H15	1H14	Δ%	Δ Abs.
Before hedging (€/MWh)	13.2	21.9	-40%	-8.7
From Hedging (€/MWh) (4)	0.2	(3.4)	-	+3.6
Unit margin (€/MWh)	13.3	18.4	-28%	-5.1
Total Volume (TWh)	26.3	25.2	4%	+1.1
Subtotal	**351**	**465**	**-25%**	**-114**
Others (5)	**49**	**(2)**	**-**	**+51**
Total	**400**	**463**	**-14%**	**-63**

Gas Uses (TWh)	1H15	1H14	Δ%	Δ Abs.
Consumed by own power plants	2.7	1.7	58%	+1.0
Sold in wholesale markets	8.5	10.6	-20%	-2.1
Sold to Clients	7.3	8.4	-13%	-1.1
Total	**18.4**	**20.6**	**-11%**	**-2.2**

EBITDA from liberalised activities was €128m lower YoY, at €183m in 1H15, driven by: (i) a lower contribution from hydro production (35% weight in generation mix in 1H15 vs. 58% in 1H14); (ii) lower results derived from fewer opportunities for managing energy markets' volatility; and (iii) -€17m YoY of gross profit from gas supply and trading activities, on the back of fewer wholesale trading opportunities. Higher thermal generation and improved gross profit in the electricity supply business partly mitigated these impacts.

Gross profit in the electricity business fell by 14% in 1H15, to €400m (-6% YoY in 2Q15), driven by a lower avg. unit margin (down from €18.4/MWh in 1H14 to €13.3/MWh in 1H15), which was partially mitigated by higher volumes sold (+4% YoY) and higher revenues from distinct sources: +€51m YoY, to €49m in 1H15, backed by higher capacity payments and lower adverse adjustments in 1H15 (vs. 1H14) to costs of energy supplied in previous years in the supply businesses. Capacity payments in Portugal were re-introduced in 2015 (€10m in 1H15, o.w. €3m concerning to 2014), while capacity payments in Spain (unitary-wise, higher than in Portugal) were stable YoY. Hydro output fell 29% YoY, penalised by hydro resources 25% below the LT average in Portugal (vs. 37% above-the-average resources in 1H14). The lower contribution from hydro justified a 62% rise in the avg. generation cost.

Net operating costs were 26% higher YoY (+€51m), reflecting: in 1H15, an increase in generation taxes derived from higher production in Spain (+€17m YoY); in 1H14, the positive impact from new CLA signed in 2Q14 and from the recovery of nuclear eco-levies paid in previous years, in Spain.

Unit margin[2][3]: Avg. electricity spread before hedging was €8.7/MWh lower YoY, at €13.2/MWh in 1H15, mainly impacted by a more expensive mix of electricity sources vs. 1H14. **Avg. sourcing cost** increased by 42% YoY driven by lower weight of hydro in the generation mix and by more expensive electricity purchases (+41% YoY), in line with higher pool prices. **Avg. selling price** was 10% higher in 1H15, as a result of: (i) a 8% increase in avg. selling prices to final clients prompted by a change in the mix (by segment); and (ii) a 16% rise in the average selling prices in the wholesale market (prompted by higher pool prices and partly compensated by lower revenues from ancillary services). Note that the Dispatch 4694/2014, aiming at reducing potential distortions in the ancillary services market in Portugal, addressed the price of the secondary regulation, obliging it to be no higher than in Spain.

Volumes: Total volume sold rose by 4% to 26TWh in 1H15, reflecting higher sales in the wholesale market (+18%). Our generation output met 51% of electricity sales to final clients.

Our gas sourcing activity in 1H15 was based on an annual c.3.6bcm portfolio of long term contracts, which flexibility has been enhanced through several contract renegotiations (including take or pay flexibility). In 1H15, wholesale market opportunities were scarcer and less attractive. As a result, the volume of gas supplied in 1H15 fell by 11% YoY, to 18TWh (1.6bcm), as sales in wholesale markets decreased 20% YoY and sales to final clients fell 13%. Conversely, higher production at our CCGTs resulted in an in gas consumption.

EDP is adapting its hedging strategy to the current market conditions, making use of flexibility stemming from the integrated management of gas and electricity operations in Iberia. As a result, EDP has maximised gas sales between the wholesale and retail markets, having so far secured spreads for all its gas sourcing commitments for 2015. Also, EDP has so far forward contracted costs for close to 80% of the expected coal output for 2015. For 2015, EDP has already forward contracted electricity sales with clients of 32TWh (excluding naturally-hedged price-indexed sales) at an avg. price of c.€55/MWh. For 2016, EDP has already forward contracted electricity sales with clients of over 6TWh at an avg. price c€55/MWh. This volume does not include either naturally-hedged price-indexed sales or residential customers (current portfolio with an annualised consumption of 13TWh).

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net); (2) Variable cost: fuel cost, CO_2 cost net of free allowances, hedging costs (gains), system costs;
(3) Average selling price: includes selling price (net of TPA tariff), ancillary services and others; (4) Includes results from hedging on electricity;
(5) Includes capacity payments, services rendered and others.

Liberalised Electricity Generation in the Iberian Market

Income Statement (€ m)	1H15	1H14	Δ%	Δ Abs.
Gross Profit	**280**	**370**	**-24%**	**-89**
Portugal	133	175	-24%	-41
Spain	151	198	-24%	-47
Adjustments	(5)	(4)	29%	-1
Supplies and services	31	33	-5%	-2
Personnel costs	25	17	52%	+9
Costs with social benefits	0	-	-	+0
Other operating costs (net)	85	55	53%	+29
Net Operating costs (1)	**141**	**105**	**35%**	**+36**
EBITDA	**139**	**265**	**-47%**	**-126**
Provisions	(2)	0	-	-2
Amortisation and impairment	96	121	-21%	-25
EBIT	**44**	**143**	**-69%**	**-99**
Employees (#)	**586**	**615**	**-5%**	**-29**

Key Operating Data	1H15	1H14	Δ%	Δ Abs.
Generation Output (GWh)	**8,747**	**7,472**	**17%**	**+1,275**
CCGT	1,086	219	397%	+867
Coal	4,030	2,383	69%	+1,647
Hydro	3,085	4,341	-29%	-1,257
Nuclear	546	529	3%	+17
Generation Costs (€/MWh) (2)	**28.7**	**17.7**	**62%**	**+11.0**
CCGT	80.8	171.6	-53%	-90.8
Coal	35.5	36.8	-4%	-1.4
Hydro	5.6	0.8	587%	+4.8
Nuclear	4.6	4.6	1%	+0.0
Load Factors (%)				
CCGT	7%	1%	-	5p.p.
Coal	63%	37%	-	26p.p.
Hydro	29%	41%	-	-12p.p.
Nuclear	81%	78%	-	3p.p.
CO2 Emissions (mn tones)				
Total emissions (3)	6.0	3.4	77%	+2.6

Capex (€ m)	1H15	1H14	Δ%	Δ Abs.
Expansion	165	274	-40%	-109
Maintenance	18	14	27%	+4
Total	**183**	**289**	**-37%**	**-106**

Our liberalised generation & supply activities are jointly managed as most of our production is sold to our supply units at fixed prices.

Output from our generation plants (unadjusted for hydro pumping) was 17% higher in 1H15, mainly due to a higher contribution from thermal technologies, in the wake of below-the-average hydro resources. The decrease in hydro output (-1.3TWh) was more than offset by higher production at our coal (+1.6TWh) and CCGTs plants (+0.9TWh). **Avg. production cost** was 62% higher YoY, at €28.7/MWh in 1H15, reflecting a more intense pumping activity and the lower contribution from the cheaper technology, hydro: 35% of total output in 1H15 vs. 58% in 1H14.

Coal: **Output** was up 69% YoY in 1H15, backed by higher thermal demand. **Avg. load factor** reached 63% in 1H15 (+26p.p. YoY). Domestic coal incentives in Spain ended in 2014. **Avg. production cost** was 4% down YoY, to €35/MWh in 1H15.

CCGTs: **Output** was 397% higher YoY, in 1H15, driven by higher thermal demand. Yet, load factor continued very low, at 7% in 1H15 (+5pp YoY), following an 8% load factor in 2Q15. **Avg. production cost** reached €81/MWh in 1H15, driven by the low dilution of gas procurement fixed costs, as plants ran at very low avg. load-factors.

Hydro & Nuclear: Output from hydro plants fell 29% YoY in 1H15, following hydro resources 25% below the LT average in 1H15 compared to 37% premium over LT average resources in 1H14. The **avg. cost of hydro production** increased from €0.8/MWh in 1H14 to €5.6/MWh in 1H15, reflecting a more intensive pumping activity following scarcer hydro reserves. Pumping activity is concentrated at our Alqueva plant, at an avg. cost correspondent to a 33% discount to the avg. pool price (vs. c43% in 1H14). Our 15.5% share in the production of Trillo plant (nuclear) delivered a 3% increase in output, with an implicit avg. load factor of 81% in 1H15 (+3pp YoY), following a 4-week stoppage for fuel recharging.

Net operating costs(1) increased by 35% YoY, to €141m in 1H15, driven by an increase in generation taxes in Spain derived from higher production in Spain (+€17m YoY) and the nuclear eco-tax recovered in 1H14 (€12m revenue). The sum of the transitory levy charged in Portugal on production and the generation taxes in Spain amounted to €65m.

Amortisations and impairment charges were €25m lower YoY, at €96m, reflecting last year's €27m impairment at Alvito (2Q14).

Capex totalled €183m in 1H15, mostly devoted to new hydro capacity under construction in Portugal. EDP is currently building 4 hydro projects (1,368MW): Salamonde II, expected to start operations in 2H15; Venda Nova III, expected to start up in early 2016; Baixo Sabor, which start up is dependent on hydro conditions; and Foz-Tua, due in 2H16. BaixoSabor's downstream dam (30MW) came online in the 1Q15 and Ribeiradio plant (74MW) came on stream in Jun-15.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net);
(2) Includes fuel costs, CO2 emission costs net of free allowances, hedging results; (3) Includes CO2 emissions from Aboño plant, which burns blast furnace gases.

Liberalised Electricity and Gas Supply in the Iberian Market

Income Statement (€ m)	Energy Supply in Spain			
	1H15	1H14	Δ%	Δ Abs.
Gross Profit	**69**	**85**	**-18%**	**-16**
Supplies and services	29	30	-4%	-1
Personnel costs	6	5	3%	+0
Costs with social benefits	0	-	-	+0
Other operating costs (net)	17	14	29%	+4
Net Operating costs (1)	**52**	**49**	**6%**	**+3**
EBITDA	**17**	**36**	**-53%**	**-19**
Provisions	0	0	2663%	+0
Amortisation and impairment	1	2	-16%	-0
EBIT	**15**	**34**	**-56%**	**-19**

Income Statement (€ m)	Energy Supply in Portugal			
	1H15	1H14	Δ%	Δ Abs.
Gross Profit	**84**	**60**	**40%**	**+24**
Supplies and services	40	31	27%	+8
Personnel costs	6	6	10%	+1
Costs with social benefits	-	-	-	-
Other operating costs (net)	11	8	36%	+3
Net Operating costs (1)	**57**	**45**	**26%**	**+12**
EBITDA	**27**	**15**	**82%**	**+12**
Provisions	0	1	-84%	-1
Net depreciation and amortization	3	2	80%	+1
EBIT	**25**	**13**	**90%**	**+12**

Key data	1H15	1H14	Δ%	Δ Abs
Energy Supply in Spain				
Electricity - Free market				
Volume Sold (GWh)	7,274	8,681	-16%	-1,407
Market Share (%)	8%	10%	-	-2p.p.
Clients (th.)	744	685	9%	+59
Electricity - Last resort supply				
Volume Sold (GWh)	261	278	-6%	-17
Clients (th.)	243	252	-4%	-9
Gas - Free market & Last resort supply				
Volume Sold (GWh)	13,377	17,001	-21%	-3,625
Market Share (%) (2)	3%	4%	-	-1p.p.
Clients (th.)	831	820	1%	+11
Energy Supply in Portugal				
Electricity - Free market				
Volume Sold (GWh)	8,653	7,555	15%	+1,098
Market Share (%)	45%	45%	-	0p.p.
Clients (th.)	3,460	2,509	38%	+951
Gas - Free market				
Volume Sold (GWh)	2,394	1,957	22%	437
Market Share (%) (2)	13%	11%	-	2p.p.
Clients (th.)	452	316	43%	+136
Capex (€m)	**6**	**6**	**-11%**	**-1**
Employees (#)	**327**	**319**	**3%**	**+8**

Our electricity and gas supply activities in Portugal and Spain are managed in single energy platforms, ensuring a responsive and competitive commercial structure. EDP Group's subsidiaries that operate in this business segment have intra-group electricity and gas procurement contracts with our generation and energy trading divisions.

Energy Supply in Spain

Gross profit at our supply activities in Spain fell by 18% YoY (-€16m), to €69m in 1H15, mainly impacted by a €20m decrease in gross profit from gas wholesale trading activities.

Electricity volume supplied to our clients in the free market fell by 16% YoY, to 7.3TWh in 1H15. EDP's strategy to focus on the most attractive customer segments resulted in a 9% expansion of client portfolio, mainly prompted by the residential segment. Market share (including only retail volumes) fell 2pp YoY, to 8% in 1H15.

Gas volume supplied declined by 21%, to 14TWh in 1H15, reflecting fewer and less appealing trading opportunities in the wholesale market and EDP's strategy to focus in the most attractive customer segments. Market share (including only retail volumes) was 1p.p. down YoY, to 4% in 1H15.

Energy Supply in Portugal

Market Environment – In line with the rules and calendar defined for the liberalisation of electricity supply in Portugal, the electricity last resort supplier (EDP Serviço Universal) can no longer contract new customers (with the exception of consumers entitled to the social tariff, or living in areas where no other suppliers operate). Additionally, all the remaining consumers with regulated tariff will gradually move to the free market. During this transitory period, the regulator has the ability to apply quarterly updates to the transitory tariff, thus promoting the switch to the free market. In this context, the switching of electricity consumers to the free market over 2014 and 1H15 was very strong: by the end of Jun-15, the number of consumers in the free market soared to 4.1 million, elevating the total consumption in the free market to 88% of the total market.

Gross profit at our supply activities in Portugal rose by 40% (+€24m YoY), to €84m in 1H15, driven by higher volume of electricity supplied (+15% YoY) and lower adjustments to past years' costs arising from improved accuracy achieved throughout 2014 on the definition of inputs underlying the estimation of real energy costs.

Net operating costs rose by €12m YoY, to €57m in the 1H15, reflecting portfolio expansion, in line with the ongoing liberalisation process (higher costs with client services such as call center, billing and provisioning).

Electricity volume supplied to EDP clients in the free market in Portugal advanced 15% YoY, to 8.7TWh in 1H15, propelled by a 38% expansion of our client base. EDP's market share in the free market was stable YoY at 45% in 1H15, in line with EDP's strategy to focus on the most attractive residential/SMEs segments.

Gas volume supplied to EDP clients in Portugal rose by 22% YoY, to 2.4TWh in 1H15, reflecting volume increase in the residential segment following the gas market liberalisation. The strong pace of gas supply liberalisation, along with our successful dual offer (electricity + gas) to residential clients, prompted a surge in the number of clients to 452k in Jun-15, corresponding to +136k YoY.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net).
(2) Market-share for retail market; excludes wholesale. For Portugal, based on the regulator's declared market-share (Mar-15 and Jun-15 figures).

EDP Renováveis: Financial Performance

Income Statement	EDP Renováveis (€ m)			
	1H15	1H14	Δ %	Δ Abs.
Gross Profit	**688**	**627**	**10%**	**+61**
Supplies and services	133	120	10%	+12
Personnel costs	39	34	15%	+5
Other operating costs (net)	(31)	(22)	43%	-9
Net Operating Costs (1)	**141**	**133**	**6%**	**+8**
EBITDA	**548**	**495**	**11%**	**+53**
Provisions	(0)	-	-	-0
Amortisation and impairment	255	222	15%	+33
EBIT	**292**	**272**	**7%**	**+20**
Financial Results	(149)	(117)	27%	-31
Share of Profit from associates	6	11	-46%	-5
Pre-tax profit	**149**	**166**	**-10%**	**-17**

Opex Performance	1H15	1H14	Δ %	Δ Abs.
Opex/Avg. MW (€ th) (2)	29.9	26.7	12%	+3
Employees (#)	973	894	9%	+79

Operational Overview	1H15	1H14	Δ %	Δ Abs.
Installed Capacity (MW)	**8,254**	**7,762**	**6%**	**+492**
Europe	4,237	4,173	2%	+64
North America	3,934	3,506	12%	+428
Brazil	84	84	0%	-
Output (GWh)	**10,842**	**10,965**	**-1%**	**-123**
Avg. Load Factor (%)	**31%**	**34%**	**-**	**-3 p.p.**
Avg. Elect. Price (€/MWh)	**64**	**58**	**11%**	**+7**
EBITDA (€m)	**548**	**495**	**11%**	**+53**
Europe (3)	309	302	2%	+7
North America	243	194	25%	+49
Brazil	5	7	-27%	-2
Other & Adjustments	(9)	(9)	9%	-1
EBIT (€m)	**292**	**272**	**7%**	**+20**
Europe (3)	188	182	3%	+6
North America	113	97	17%	+16
Brazil	2	4	-42%	-2
Other & Adjustments	(11)	(10)	5%	-1
Capex (€m)	**322**	**113**	**184%**	**+208**
Europe(3)	41	38	8%	+3
North America	247	71	250%	+177
Brazil	33	4	-	+29
Other & Adjustments	-	0	-	-

EDPR Equity Market Data	1H15	1H14	Δ %	Δ Abs.
Share price at end of period (€/share)	6.35	5.44	17%	0.9
Number of Shares Issued (million)	872.3	872.3	-	-
Stake Owned by EDP (%)	77.5%	77.5%	-	-

EDPR Key Balance Sheet Figures (€ m)	1H15	1H14	Δ %	Δ Abs.
Bank Loans and Other (Net)	298	526	-43%	-228
Loans with EDP Group (Net)	3,175	2,838	12%	+337
Net Financial Debt	**3,472**	**3,364**	**3%**	**+109**
Non-controlling interests	**909**	**437**	**108%**	**+472**
Net Institutional Partnership Liability (4)	**1,175**	**803**	**46%**	**+371**
Equity Book Value	**5,870**	**5,727**	**2%**	**+143**
EUR/USD - End of Period Rate	1.12	1.37	22%	-0.25

EDPR Financial Results (€ m)	1H15	1H14	Δ %	Δ Abs.
Net Interest Costs	(98)	(99)	1%	+1
Institutional Partnership costs (non-cash)	(38)	(29)	-32%	-9
Capitalised Costs	10	13	-22%	-3
Forex Differences and Derivatives	(2)	1	-	-3
Other	(21)	(4)	-	-17
Financial Results	**(149)**	**(117)**	**-27%**	**-31**

EDP Renováveis ('EDPR') owns, operates and develops EDP Group's wind and solar capacity. As of Jun-15, EDPR operated 9.1GW, of which 886MW equity-method accounted. EDPR's EBITDA derives mainly from PPA-contracted and regulated tariff schemes (90% of output); geographical widespread: 44% in North America, 24% from Spain, 13% from Portugal and the rest derived in France, Poland, Romania, Belgium, Italy and Brazil.

EDPR's EBITDA went up by 11% YoY (+€53m) to €548m in 1H15, propelled by operations in North America (+€49m YoY), mainly driven by the USD 23% appreciation vs. EUR and by higher avg. final prices on higher relative production towards PPA/Hedged along with the increase in the realised merchant price. EBITDA in Europe increased by 2% YoY (or +€7m) to €309m in 1H15, translating: i) higher EBITDA in Spain (+€13m prompted by a recovery in avg. realised pool price, including hedges) and in European markets outside of Iberia (+€14m driven by new capacity and higher avg. load factor); and ii) lower EBITDA in Portugal (-€14m, penalised by outstanding wind resources in 1H14 and low inflation context). ForEx impact on EBITDA YoY change was +€45m, stemming from the appreciation of USD vs. the EUR.

Electricity output totalled 10.8TWh 1H15, vs. 11.0TWh in 1H14 (-1% YoY). The lower avg. load factor (-3p.p. YoY to 31% in 1H15), following outstanding wind resources in 1H14, outstood the positive impact from higher avg. capacity on stream in 1H15 (+7% YoY). Average selling price advanced by 11% YoY to €64/MWh, driven by stronger USD vs. EUR, higher US spot and REC prices in US; and higher realised prices in the pool, in Spain.

Operating costs (supplies & services + personnel costs) rose by 11% YoY (+€17m), reflecting ForEx impact (+€15m), portfolio expansion and strict cost control.

Other operating costs (net) include the 7% generation taxes on sales in Spain (€14m in 1H15), which increased by 8% YoY as a result of higher pool prices. **EBIT** increased 7% YoY, to €292m in 1H15. Amortization and impairments reflect the ForEx impact (+€24m YoY) and, to a lower extent, portfolio expansion.

Capex amounted to €322m in 1H15: 77% of total capex was devoted to the US market, the main growth region in 2015E-17E; 13% to Europe and 10% to Brazil.

EDPR's net debt in Jun-15 amounted to €3.5bn (vs. €3.3bn in Dec-14), mainly reflecting USD 9% appreciation YTD (43% of debt is USD-denominated), which translated into a €190m increase in net debt. Additionally, net debt evolution translates the investments done in the period and proceeds from the tax equity partnerships signed lately (€144m in 1H15). **Liabilities with Institutional Partnerships** amounted to €1,175m in Jun-15, reflecting the USD appreciation, the tax benefits paid to institutional investors and the establishment of new institutional tax equity financing structures during the period. **Non-controlling interests** amount to €909m, reflecting non-controlling interests in North America (c65%), Europe (c26%) and Brazil (c5%).

Net financial costs rose by 27%, to €149m in 1H15. Net interest costs were 1% lower YoY on lower avg. cost of debt (4.6% in 1H15 vs. 5.2% in 1H14), due to EDPR re-negotiation of part of its long-term debt arrangements with EDP. Institutional Partnership costs were €9m higher vs. 1H14, reflecting mainly ForEx translation and new tax equity deals, while capitalized costs decreased by €3m. Other financial expenses totaled €21m, including one-off costs with the cancelation of project finance structures in certain operating wind farms and replaced with debt at lower cost. **Share of profit from associates** was €5m lower YoY, at €6m in 1H15, reflecting outstanding conditions in Portugal and US during 1H14. ENEOP contribution in 1H15 amounted to €7m (vs. €10m in 1H14).

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net); (2) Opex excluding Other Operating Income; Ratio calculated considering average MW in operation
(3) Includes Holding costs and adjustments at the level of EDPR Europe; (4) Net of deferred revenue.

EDP Renováveis: North America & Brazil

North America	1H15	1H14	Δ %	Δ Abs.
USD/EUR - Avg. of period rate	1.12	1.37	23%	-0.3
Installed capacity (MW)	**3,934**	**3,506**	**12%**	**+428**
PPA's/Hedged/Feed-in tariff	3,390	2,918	16%	+472
Merchant	544	587	-7%	-44
Avg. Load Factor (%)	33%	37%	-	-4 p.p.
Electricity Output (GWh)	**5,562**	**5,658**	**-2%**	**-96**
PPA's/Hedged/Feed-in tariff	4,704	4,703	0%	+1
Merchant	858	954	-10%	-97
Avg. Final Selling Price (USD/MWh)	**52.4**	**50.3**	**4%**	**+2.1**
PPA's/Hedged/Feed-in tariff	53.5	52.8	1%	+0.7
Merchant	46.4	38.2	22%	+8
Adjusted Gross Profit (USD m)	**379**	**370**	**2%**	**+9**
Gross Profit (USD m)	284	279	2%	+5
PTC Revenues & Other (USD m)	94	91	4%	+4
EBITDA (USD m)	**272**	**266**	**2%**	**+5**
EBIT (USD m)	126	132	-5%	-7
Installed capacity (MW Equity)	179	179	0%	-
Net Capex (USD m)	**276**	**97**	**185%**	**+179**
Gross Capex	276	97	185%	+179
Cash grant received	-	-	-	-
Capacity under construction (MW)	**300**	**329**	**-9%**	**-29**

Brazil	1H15	1H14	Δ %	Δ Abs.
Euro/Real - Average of period rate	3.31	3.15	-5%	+0.16
Installed Capacity (MW)	**84**	**84**	**-**	**-**
Avg. Load Factor (%)	26%	28%	-	-2 p.p.
Electricity Output (GWh)	94	103	-8%	-9
Avg. Final Selling Price (R$/MWh)	369	345	7%	+24
Gross Profit (R$ m)	33	34	-3%	-1
EBITDA (R$ m)	**17**	**22**	**-23%**	**-5**
EBIT (R$ m)	8	13	-39%	-5
Capex (R$ m)	**109**	**13**	**-**	**+96**
Capacity under construction (MW)	**120**	**-**	**-**	**+120**

In North America, installed capacity totalled 3.934MW (MW EBITDA) in Jun-15, the bulk of which under LT Contracted schemes (86% of total) and in US (3,904MW in US, 30MW in Canada). Additionally, EDPR owns an equity position in other wind projects, equivalent to 179MW. New capacity additions in the last 12 months (+428MW) were fully concentrated in US and in 4Q14/2Q15.

EBITDA increased 2% YoY (+USD5m), to USD272m in 1H15, reflecting a 3% increase in avg. selling price; which more than offset a 2% drop in electricity output. Higher avg. selling price was prompted by higher relative production towards PPA/Hedged/Feed-in along with the increase in the realised merchant price. Realised merchant price went up 22% YoY to USD46/MWh, on the recovery from last years' adverse impact from extreme weather conditions and higher revenues from the sale of Renewable Energy Credits. PPA/Hedged/Feed-in price was stable at USD53/MWh. Lower **wind production** reflected: i) weak wind resources vs. a strong 1H14, particularly in the West and Central US regions (avg. load factor was down 4p.p. YoY, to 33% in 1H15); and ii) higher avg. capacity in operation (+10% YoY) in North America.

EDPR's growth plans in **US** grounds on PPA-contracted projects, reinforcing the group's low risk profile. As of Jun-15, EDPR had 300MW of new **wind capacity under construction** in US, due to be commissioned in 2015 (200MW at Waverly in Kansas; 100MW from Arbuckle in Oklahoma). In 2013-14, EDPR secured PPAs for 1.3GW, thereby reinforcing the visibility over future cash flow power of existing projects and forthcoming new installations. **PPAs secured for upcoming new installations** include 300MW due to be commissioned in 2H15 (20-year PPAs for Waverly and Arburckle wind farms), 400MW due in 2016 (15-year PPA for 100MW and 20-year PPAs for 300MW) and 155MW due in 2017 (20-year PPA for RECs in New York).

Within the scope of its **asset rotation strategy**, in 2Q15, EDPR concluded the sale to Fiera Axium, of a minority stake in a wind farm portfolio of 1,101MW located in the US (agreed in Aug-14) for a total of USD348m. In addition, another USD30m were cashed-in regarding the sale to DIF III of a minority stake in a 30MW solar PV power plant located in California. In respect to **institutional equity financing structures**, in 1Q15, EDPR cashed in USD43m relative to the sale of an interest in the 99MW-park Rising Tree North (balancing amount of a total of USD110m agreed in 2014). Moreover, in 2Q15, EDPR received USD117m related to a new institutional equity financing, in exchange for an interest in 99MW-park rising three South, commissioned in 2Q15.

In Brazil, EDPR's EBITDA fell by 23% YoY, to R$17m in 1H15, translating a lower load factor derived from weak wind resources in 1H15 (-2p.p. to 26% in 1H15) and a 7% increase in the avg. selling price, to BRL369/MWh, mainly driven by PPA's inflation indexation.

Within the scope of EDP's strategic partnership with CTG, in May-15, EDPR completed the sale to CTG's subsidiary in Brazil, CWEI Brasil, of a 49% equity stake in 84MW in operation and 237MW under development. CWEI Brasil will invest a total of R$385.7 million, including equity contributions already completed and R$86.8 million of estimated future equity contributions for the projects currently under construction and development (in accordance with the terms of the agreement signed in Dec-14).

EDPR's 237MW under development in Brazil are PPA-contracted for 20 years: i) 120 MW already under construction, due in Jan-16, with a PPA price of R$97/MWh; and ii) 117MW starting in Jan-18, with a PPA price of R$109/MWh – both prices are due to be inflation updated over the PPA period. In addition, in 1Q15, EDPR closed a project finance transaction regarding 120MW of new wind capacity in Brazil, in a total amount of R$306m.

- Energy is sold either under PPAs (up to 20 years), Hedges or Merchant prices; Green Certificates (Renewable Energy Credits, REC) subject to each state regulation
- Tax Incentive: (i) PTC collected for 10-years since COD ($23/MWh in 2013); (ii) Wind farms beginning construction in 2009-10 could opt for 30% cash grant in lieu of PTC

- Feed-in Tariff for 20 years (Ontario)

- Installed capacity under PROINFA program
- Competitive auctions awarding 20-years PPAs

EDP Renováveis: Spain & Portugal

Spain	1H15	1H14	Δ %	Δ Abs.
Installed capacity (MW)	**2,194**	**2,194**	**0%**	**-**
Avg. load factor (%)	29%	32%	-	-3 p.p.
Production (GWh)	**2,727**	**2,943**	**-7%**	**-216**
Prod. w/capac. complement (GWh)	2,512	2,701		
Standard production (GWh)	2,119	2,118		
Above/(below) std. prod. (GWh)	393	584		
Prod. w/o cap. complement (GWh)	215	242		
Avg. Price (€/MWh)	**71.0**	**62.3**	**14%**	**+9**
Total GWh: realised pool (€/MWh)	+42	+26	61%	+16
Regulatory adj. on std. GWh (€m)	-	20.6		
Complement (€m)	82	83.8		
Hedging gains/(losses) (€m)	-0.8	1.5		
Gross profit (1)	195	183	7%	+12
EBITDA (1)	**130**	**120**	**9%**	**+11**
EBIT (1)	64	53	21%	+11
Installed capacity (MW Equity)	174	174	0%	+0
Capex (€m)	**2**	**3**	**-43%**	**-1**
Capacity under construction (MW)	**2**	**2**	**0%**	**-**

In Spain, EDPR's EBITDA increased 11% YoY (+€13m), to €130m in 1H15, driven by higher realised price achieved in the market (€42/MWh in 1H15, up from €26/MWh in 1H14).

Installed capacity in Spain stood stable at 2,194MW in 1H15 (MW EBITDA), to which accrues 174MW, equivalent to EDPR's equity position in other wind projects (equity-method consolidated).

Electricity output in Spain fell by 7% YoY, to 2.7TWh in 1H15, reflecting outstanding wind conditions in 1H14 – 8% of the output was generated from capacity without complement. Average price advanced by 14% YoY, to €71/MWh in 1H15, propelled by a sharp increase of realised pool price (€42/MWh in 1H15) and an €82m revenue from capacity complement (1H14 complement includes €2m from 2013 adjustments). In 1H15, 91% of EDPR's installed capacity in Spain was entitled to receive the capacity complement per MW. As a way to reduce its exposure to merchant prices in Spain, EDPR hedged 1.4TWh at €48/MWh for the rest of 2015 and 2.1TWh at €48/MWh for 2016.

Portugal	1H15	1H14	Δ %	Δ Abs.
Installed capacity (MW)	**630**	**621**	**1%**	**+8**
Avg. Load factor (%)	30%	34%	-	-5 p.p.
Electricity output (GWh)	807	926	-13%	-119
Avg. selling price (€/MWh)	108	108	-1%	-1
Gross profit	88	102	-14%	-14
EBITDA	**74**	**88**	**-16%**	**-14**
EBIT	60	75	-20%	-15
Installed capacity (MW Equity)	533	483	10%	+50
Capex (€m)	**7**	**3**	**121%**	**+4**
Capacity under construction (MW)	**-**	**2**	**-**	**-2**

In Portugal, EDPR owns a portfolio of 630MW (MW EBITDA): 628MW of wind capacity , o.w. 622MW are 51% owned by EDPR and 49% owned by CTG), and 2MW of solar PV. Also in the wind business, EDPR holds a 40% equity stake in ENEOP consortium (equity consolidated), with 533MW attributable to EDPR's 40% interest in ENEOP. In line with the MoU signed between EDPR and CTG in Dec-13, once ENEOP's assets are split between its shareholders, EDPR will sell to CTG 49% of its share in ENEOP – execution of the MoU is expected to occur in 2015 (pending regulatory approvals).

EDPR's EBITDA in Portugal fell by 16% YoY, to €74m in 1H15, reflecting lower output derived from outstanding wind resources in 1H14 and low inflation scenario in Portugal. **Wind production** in 1H15 was 13% lower YoY, as the still above-average wind resources of the 1H15 (wind factor: 1.06) fell short of the exceptionally strong resources that shaped the 1H14 (wind factor: 1.24). Accordingly, avg. load factor fell 5p.p. YoY, to 30% in 1H15. **Average selling price** in 1H15 stood 1% below the 1H14, penalised by a low inflation scenario.

- Wind energy receives pool price and a premium per MW, if necessary, in order to achieve a target return established as 'Spanish 10-year Bond yields + 300bp' (currently at 7.4%); Every 3 years, there will revisions as to compensate deviations from the expected pool price (€49/MWh – regulator scenario).
- Premium calculation is based on standard assets (standard load factor, production and costs); Capacity complement per MW is paid for a 20-year period and varies with the year of commissioning

- MW EBITDA: Feed-in Tariff updated with inflation and inversely correlated with load factor. Duration: 15 years (Feed-in tariff updated with inflation) + 7 years (extension cap/floor system: €74/MWh - €98/MWh). The 7-year extension of tariff as from 16th year was secured in exchange for an annual payment between 2013 and 2020 (€4m/year for EDPR).
- ENEOP (MW Equity): price defined in a international competitive tender and set for 15 years (or the first 33 GWh per MW). Tariff for first year established at c.€74/MWh and CPI monthly update for following years

(1) Includes hedging results in energy markets.

EDP Renováveis: Rest of Europe

Rest of Europe	1H15	1H14	Δ %	Δ Abs.
Installed capacity (MW)	**1,413**	**1,357**	**4%**	**+56**
Avg. load factor (%)	28%	26%	-	2 p.p.
Electricity output (GWh)	1,651	1,335	24%	+317
Avg. selling price (€/MWh)	87	97	-10%	-10
Poland				
Installed capacity (MW)	392	374	5%	+18
Avg. load factor (%)	28%	27%	-	1 p.p.
Electricity output (GWh)	463	429	8%	+34
Avg. selling price (PLN/MWh)	397	408	-3%	-11
EUR/PLN - Avg. Rate in period	4.14	4.18	1%	-0
Romania				
Installed capacity (MW)	521	521	0%	-
Avg. load factor (%)	29%	22%	-	8 p.p.
Electricity output (GWh)	609	351	74%	+258
Avg. selling price (RON/MWh)	306	424	-28%	-118
EUR/RON - Avg. Rate in period	4.45	4.46	0%	-0
France				
Installed capacity (MW)	340	322	5%	+18
Avg. load factor (%)	27%	29%	-	-2 p.p.
Electricity output (GWh)	392	400	-2%	-7
Avg. selling price (€/MWh)	91	90	1%	+1
Belgium & Italy				
Installed capacity (MW)	161	141	14%	+20
Avg. load factor (%)	30%	27%	-	3 p.p.
Electricity output (GWh)	187	155	20%	+32
Avg. selling price (€/MWh)	115	117	-2%	-2
Gross profit	141	127	11%	+14
EBITDA	**111**	**97**	**15%**	**+14**
EBIT	73	58	25%	+14
Capex (€m)	**37**	**31**	**19%**	**+6**
Capacity under construction (MW)	**135**	**72**	**88%**	**+63**

In **European markets outside of Iberia**, EBITDA rose by 15% YoY (+€14m), to €111m in 1H15, driven by higher avg. capacity on stream (+4% YoY), higher avg. load factor (+2p.p. YoY), lower avg. selling price (-10% YoY, due to lower prices in Romania with green certificates being sold at the floor of the regulated collar). **As of Jun-15, EDPR had 135MW under construction:** 77MW in Poland, 48MW in France and 10MW in Italy.

In Poland, EDPR installed 18MW of new wind capacity over the last 12 months (fully concentrated in 4Q14). As a result, EDPR currently operates 392MW of wind capacity under different remuneration schemes: 70MW at Korsze, through a 10-year PPA; 120MW at Margonin, receiving 'wholesale market + GC' (GC long term contracted for 15 years); and 184MW receiving 'regulated price + GC'. **Wind output** rose by 8% YoY, to 463GWh in 1H15, mainly reflecting higher avg. capacity on stream and higher load factor (+1p.p. to 28% in 1H15). **Average selling price** was 3% lower YoY, at PLN397/MWh.

In Romania, EDPR operates 521MW of wind (471MW) and solar PV (50MW). Output surged by 74% YoY, to 609GWh in 1H15 (573GWh wind-based), propelled by higher avg. MW in operation and an 8p.p. increase in the avg. load factor to 29% in 1H15. In turn, avg. selling price fell by 28% YoY to RON306/MWh, as green certificates ("GCs") were sold at the floor of the regulated collar.

In France, EDPR added 18MW of new wind capacity in the last 12 months (fully concentrated in 2H14), raising total installed capacity in the market to 340MW. **Wind output** decreased 2% YoY, to 392GWh in 1H15, due to lower avg. load factor in the period (-2p.p. to 27% in the 1H15), which offset the positive contribution from the higher avg. installed capacity. **Average tariff** in the period was broadly stable YoY, reflecting a low inflation context.

In Belgium, the 71MW in operation delivered an 8% increase in output backed by higher avg. capacity on stream, which offset a lower avg. load factor (-2p.p. YoY to 24% in 1H15). Average selling price increased 1% YoY to €111/MWh in 1H15, reflecting the PPA price structure. **In Italy**, where EDPR installed 20MW of new wind capacity in the last 12 months (in 4Q14), output advanced 30% YoY, driven by capacity additions and a 6p.p. YoY increase in avg. load factor, to 34% in 1H15. Average selling tariff was 4% lower YoY, at €117/MWh in 1H15, reflecting the lower price of capacity added under the new regime (vs. the old regime).

- Price set either through bilateral contracts or selling to distributor at regulated price (PLN163.6/MWh in 2015); Wind receive 1 GC/MWh which can be traded in the market. Electric suppliers have a substitution fee for non compliance with GC obligation (2014: PLN300/MWh)
- Wind and solar production are sold at 'market price + GC'. Wind assets receive 2 GC/MWh until 2017 and 1 GC/MWh after 2017 until completing 15 years. 1 out of the 2 GC earned until Mar-17 can only be sold from Jan-18. Solar assets receive 6 GC/MWh for 15 years. 2 out of the 6 GC earned until Mar-2017 can only be sold after Apr-2017. GC are tradable on market under a cap and floor system (cap €59.9 / floor €29.4).
- Feed-in tariff for 15 years: (i) €82/MWh up to 10th year, inflation updated; (ii) Years 11-15: €82/MWh @ 2,400 hours, decreasing to €28/MWh @3,600 hours
- Wind & solar energy sold at 'Market price + green certificate (GC)'; Separate GC prices with cap and floor for Wallonia (€65/MWh-100/MWh) and Flanders (€90/MWh-100/MWh); Option to negotiate long-term PPAs
- Projects online before 2013 receive: (i) For 2015, GC price from GSE will be €97.4; (ii) As from 2016, 'pool + premium' (premium = 1 x (€180/MWh - "P-1") x 0.78). New assets: competitive auctions awarding 20-years PPAs

Regulated Networks & Regulatory Receivables in Iberia

Income Statement (€ m)	1H15	1H14	Δ %	Δ Abs.
Gross Profit	**849**	**875**	**-3%**	**-27**
Supplies and services	173	195	-11%	-22
Personnel costs	63	74	-14%	-10
Costs with social benefits	12	(77)	-	+89
Other operating costs (net)	32	125	-75%	-93
Net Operating Costs (1)	**280**	**316**	**-12%**	**-37**
EBITDA	**569**	**559**	**2%**	**+10**
Provisions	0	1	-69%	-1
Amortisation and impairment	165	168	-2%	-4
EBIT	**404**	**389**	**4%**	**+14**

Capex & Opex Performance	1H15	1H14	Δ %	Δ Abs.
Controllable Operating Costs (5)	**236**	**268**	**-12%**	**-32**
Cont. costs/client (€/client)	30	33	-11%	-4
Cont. costs/km of network (€/Km)	919	1,039	-12%	-120
Employees (#)	3,871	3,925	-1%	-54
Capex (Net of Subsidies) (€m)	**147**	**158**	**-7%**	**-12**
Network ('000 Km)	257	258	-0%	-1

Regulatory Receivables (€ m)	1H15	1H14	Δ %	Δ Abs.
Total Net Iberia Regulatory Receivables	2,146	2,262	-5%	-116
Spain - Tariff deficit				
Beginning of Period	**2**	**264**	**-99%**	**-262**
Previous periods tariff deficits (4)	42	(80)	-	+122
Tariff deficit in the period	-	-	-	-
Other (3)	-	-	-	-
End of Period	**44**	**184**	**-76%**	**-140**
Portugal - Last Resort Supplier + Distribution + Gas				
Beginning of Period	**2,203**	**2,045**	**8%**	**+158**
Previous periods tariff deviation (2)	(1,056)	(1,336)	21%	+281
Tariff deviation in the period	715	1,103	-35%	-388
Other (3)	40	36	10%	+4
End of Period	**1,902**	**1,848**	**3%**	**+54**
Portugal - CMEC's				
Beginning of Period	**112**	**377**	**-70%**	**-265**
(Recovery)/Return in the Period	(17)	(247)	93%	+230
Deviation in the period	104	99	5%	+5
Other	0	0	n.m.	+0
End of Period	**199**	**230**	**-13%**	**-30**

Regulated networks in Iberia include our activities of distribution of electricity and gas, in Portugal and Spain.

EBITDA from regulated networks rose by 2% YoY (+€10m), to €569m in 1H15, impacted by a €89m one-off gain booked on the sale of gas distribution assets to Redexis in Spain in 1H15 and by a €87m one-off gain derived from the establishment of the new Collective Labour Agreement in 1H14. Adjusted for these impacts, EBITDA from regulated networks in Iberia increased by 2% YoY (+€8m), supported by lower operating costs, which more than compensated the decrease in regulated revenues. Gross profit declined by 3% YoY (-€27m) in 1H15, reflecting: (i) in Portugal, a lower return on RAB in electricity distribution derived from the lower sovereign risk and fast clients' switching to free market; (ii) in Spain, higher regulated revenues in electricity distribution offset by lower gas regulated revenues impacted by the disposal of distribution assets.

Controllable operating costs fell by 12% YoY (-€32m), reflecting essentially a decrease in supplies and services (lower maintenance/repair works and lower client services stemming from clients switching from LRS to the liberalized market) and headcount reduction (-1% YoY). **Capex** went down by 7% YoY (-€12m) in 1H15, amounting to €147m.

In Portugal, total debt owed by the electricity system to EDP and to financial investors was nearly flat, amounting to €5.3bn in Jun-15.

Regulatory receivables owed to EDP in Iberia declined by €172m in 1H15, from €2,317m in Dec-14 to €2,146m in Jun-15, driven by a €214m decrease in Portugal and a €42m increase in Spain.

EDP's regulatory receivables from electricity distribution, last resort supply and gas distribution in Portugal fell from €2,203m in Dec-14 to €1,902m in Jun-15 driven by: **(1)** -€651m following the sale without recourse of the right to receive part of the 2014 tariff deficit; **(2)** +€750m regarding the ex-ante tariff deficit for 2015, to be fully recovered under a 5-year payment schedule ending in 2019 and remunerated at 3.01% annual return; **(3)**-€399m recovered through tariffs related to negative previous years' deviations and to past tariff deficits; **(4)** -€19m of new electricity tariff deviations returned to the system in 1H15; and **(5)** -€17m of deviations returned to the system in the gas distribution. The main drivers for new tariff deviations generated during the 1H15, focused in electricity distribution and LRS, were: **(i)** +€30m boosted by higher-than-expected special regime production (3% ahead of ERSE assumption) and from higher-than-expected overcost with special regime production (€65/MWh in 1H15 vs. €61/MWh assumed by ERSE in the calculation of 2015 tariffs); **(ii)** -€33m (amount to return to the tariffs) mainly propelled by cheaper-than-expected electricity purchases and **(iii)** -€15m tariff deviation generated in electricity distribution activity (higher demand and deviations on consumption mix).

Regulatory receivables from CMECs increased from €112m in Dec-14 to €199m in Jun-15 due to: **(1)** €17m recovered in 1H15 through tariffs, related to 2013 negative deviations and **(2)** €104m negative deviation in 1H15, due to be received in 2016-2017 (more details on page 11).

According to ERSE's final version for 2015 tariffs, released on 15-Dec-2014, Portuguese electricity system's regulatory receivables are expected to stay flat over 2015.

Regulatory receivables in Spain amount to €44m in Jun-15, derived from booking EDP España portion of the gas tariff deficit in Spain, which has been estimated at €700m for the whole system as of 31-Dec-2014. Regarding the electricity tariff deficit in Spain, while in 2013 it reached €3.5bn, based on CNMC latest data (Settlement 14/2014) the provisional electricity tariff deficit as of year-end 2014 amounted to €465m (this figure is preliminary as it still does not include the proceeds from hydro generation levy). The final settlement is expected to occur before December 2015.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits + Concession fees) + Other operating costs (net)
(2) Includes the assignment to a third party of the right to tariff deficits/adjustments and recovery or pay-back through the tariffs of previous years' tariff deviations. (3) Includes interests on tariff deviations.
(4) Includes the recovery/payment of previous periods tariff deficits. (5) Supplies & services and personnel costs.

Electricity Distribution and Last Resort Supply in Portugal

Income Statement (€ m)	1H15	1H14	Δ %	Δ Abs.
Gross Profit	**624**	**646**	**-3%**	**-22**
Supplies and services	135	148	-9%	-13
Personnel costs	49	57	-14%	-8
Costs with social benefits	11	-78	-	+89
Concession fees	126	126	-1%	-1
Other operating costs (net)	-5	2	-	-7
Net Operating Costs (1)	**315**	**255**	**24%**	**+60**
EBITDA	**309**	**391**	**-21%**	**-82**
Provisions	1	1	-18%	-0
Amortisation and impairment	120	121	-1%	-1
EBIT	**188**	**269**	**-30%**	**-80**

Gross Profit Performance	1H15	1H14	Δ %	Δ Abs.
Gross Profit (€m)	**624**	**646**	**-3%**	**-22**
Regulated gross profit	620	642	-3%	-21
Non-regulated gross profit	4	4	-8%	-0
Distribution Grid				
Regulated revenues (€ m)	589	603	-2%	-14
Electricity distributed (GWh)	22,368	21,904	2.1%	+464
Supply Points (th)	6,094	6,076	0.3%	+17
Last Resort Supply				
Regulated revenues (€ m)	31	39	-20%	-8
Clients supplied (th)	2,000	3,172	-37%	-1,172
Electricity sold (GWh)	3,199	5,217	-39%	-2,018

Capex & Opex Performance	1H15	1H14	Δ %	Δ Abs.
Controllable Operating Costs (2)	**184**	**205**	**-10%**	**-21**
Cont. costs/client (€/client)	30.2	33.7	-11%	-4
Cont. costs/km of network (€/Km)	819	918	-11%	-99
Employees (#)	3,340	3,371	-1%	-31
Capex (Net of Subsidies) (€m)	**119**	**128**	**-7%**	**-9**
Network ('000 Km)	224	223	1%	+1
Equival. interruption time (min.) (3)	26	33	-21%	-7

EBITDA from electricity distribution and last resort supply (LRS) in Portugal decreased by 21% (-€82m), to €309m in 1H15, reflecting a €87m one-off gain stemming from the establishment of new Collective Labour Agreement in 1H14. Excluding this gain, EBITDA rose by 2% YoY (+€6m), supported by lower operating costs which more than compensated the decline in regulated revenues caused by a lower return on RAB.

On 15-Dec-2014, ERSE released 2015 tariffs and the parameters underlying the 2015-17 regulatory period for our electricity distribution and last resort supply activities in Portugal setting a 3.3% tariff increase for normal low voltage (NLV) segment, applicable to clients in the regulated market (out of the Social Tariff) and a 14% reduction in the social tariff, which conveys no additional costs for the electricity system.

Electricity distribution regulated revenues were set at €1,194m for 2015 based on: (1) regulated rate of return on assets (RoRAB) set at 6.75% for 2015, on a preliminary base (vs. 8.26% in 2014), reflecting an underlying avg. 10-year Portuguese bond yields of 3.6%; the ultimate RoRAB will depend on the daily average of the Portugal's 10Y bond yield between October of year 't-1' and September of year 't', with a floor at 6% and a cap at 9.5%; (2) an expected electricity demand in Portugal of 44.6 TWh in 2015 (1.8% above 2014 electricity distributed); and (3) a GDP deflator of 0.9%.

Regarding **last resort electricity supply activity regulated revenues** were set, for 2015, the following assumptions: (1) regulated revenues set at €61m in 2015; (2) a forecast for average electricity procurement price of €55.4/MWh, based on a forecast for average pool price of €50.5/MWh; (3) a forecast for average special regime premium of €60.8/MWh and (4) a forecast of 21.0TWh of special regime generation (4.1% below 2014).

In 1H15, **distribution grid regulated revenues** declined by 2% (-€14m), to €589m, which was largely attributable to a lower return on RAB (6.33% in 1H15 vs. 8.31% in 1H14) driven by lower Portuguese sovereign yield. In 1H15, electricity distributed rose by 2% YoY, following moderate increase throughout all segments of consumption.

Last resort supplier (EDP SU) regulated revenues were 20% lower (-€8m), to €31m in 1H15, mainly reflecting consumers' fast switching to the free market. As part of the rules and calendar defined for the phasing out of regulated tariffs in Portugal, EDP SU can no longer contract new clients (since January 1st 2013), while the regulator can apply quarterly tariff increases in order to encourage clients' transfer to a liberalised supplier. The **volume of electricity supplied** by our LRS fell by 39% YoY, to 3.2TWh in 1H15. Total clients supplied declined 1,172 thousands YoY, to 2,000 thousands in Jun-15 (representing 33% of total electricity clients), mostly driven by the residential segment.

Controllable operating costs declined by 10% in 1H15 (-€21m), reflecting a decrease in maintenance/repair costs, a fall in client services mostly driven by consumers' switching to the free market and headcount reduction (-1% YoY). Other operating costs (net) were €7m lower YoY, mainly due to greater recovery of debts from clients.

Capex decreased by 7% YoY (-€9m) in 1H15 to €119m. EIT dropped considerably, from 33 minutes in 1H14 to 26 minutes in 1H15, reflecting favourable weather conditions.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits + Concession fees) + Other operating costs (net)
(2) Supplies & services and personnel costs. (3) Adjusted for non-recurring impacts (rainstorms, high winds and summer fires).

Electricity and Gas Networks in Spain and Gas Networks in Portugal

Income Statement (€ m)	Electricity Spain				Gas Spain				Gas Portugal			
	1H15	1H14	% Δ	Abs. Δ	1H15	1H14	% Δ	Abs. Δ	1H15	1H14	% Δ	Abs. Δ
Gross Profit	**90**	**82**	**9%**	**8**	**102**	**113**	**-9%**	**-10**	**32**	**34**	**-6%**	**-2**
Supplies and services	17	20	-12%	-2	14	19	-26%	-5	7	8	-13%	-1
Personnel costs	9	11	-18%	-2	4	5	-10%	-0	1	1	8%	0
Costs with social benefits	1	1	-	0	0	0	-31%	-0	0	0	-1%	-0
Other operating costs (net)	(1)	(5)	-82%	4	(88)	2	n.m.	-90	0	0	78%	0
Net Operating Costs (1)	**26**	**27**	**-2%**	**-0**	**(70)**	**25**	**-**	**-95**	**8**	**9**	**-10%**	**-1**
EBITDA	**63**	**55**	**15%**	**8**	**172**	**87**	**97%**	**85**	**24**	**26**	**-5%**	**-1**
Provisions	0	-	-	**0**	(0)	(0)	12%	**-0**	(0)	0	n.m.	**-1**
Amortisation and impairment	17	17	3%	**0**	20	24	-19%	**-5**	8	6	31%	**2**
EBIT	**46**	**38**	**20%**	**8**	**153**	**63**	**142%**	**90**	**17**	**20**	**-13%**	**-3**
Capex (net os subsidies)	**12**	**11**	**12%**	**1**	**9**	**10**	**-7%**	**-1**	**6**	**10**	**-36%**	**-3**
Gross Profit	**90**	**82**	**9%**	**8**	**102**	**113**	**-9%**	**-10**	**32**	**34**	**-6%**	**-2**
Regulated Revenues	79	78	1%	1	88	101	-13%	-13	30	31	-4%	-1
Non-regulated gross profit	11	4	172%	7	14	12	22%	3	2	3	-29%	-1

Iberian Regulated Networks	1H15	1H14	% Δ	Abs. Δ
Number Supply Points (th)				
Electricity Spain	659	659	0%	+0
Gas Spain	913	1,022	-11%	-109
Gas Portugal	323	313	3%	+10
Energy Distributed (GWh)				
Electricity Spain	4,630	4,621	0%	+9
Gas Spain	15,756	24,895	-37%	-9,140
Gas Portugal	3,670	3,631	1%	+39
Network (Km)				
Electricity Spain	20,325	20,221	1%	+104
Gas Spain	7,692	10,096	-24%	-2,403
Gas Portugal	4,705	4,543	4%	+163
Employees (#)				
Electricity Spain	298	292	2%	+6
Gas Spain	170	200	-15%	-30
Gas Portugal	63	62	2%	+1

ELECTRICITY DISTRIBUTION IN SPAIN

EBITDA from our electricity distribution activity in Spain rose by 15% YoY (+€8m), to €63m in 1H15, supported essentially by revenues related to adjustments from previous years booked in 1Q15 (+€7m). **Electricity distributed** by EDP España, mostly in the region of Asturias, was stable YoY at 4.6TWh in 1H15.

In Dec-13, the Spanish Government approved Law 24/2013 and RD 1048/2013 that establishes the new regulatory framework for electricity distribution assets maintaining the principles announced in Jul-13 by RD 9/2013 (return on RAB equivalent to a 200bp premium over 10-year Spanish bond yields (equivalent to 6.5%) in 2014-2020). Until the release of concrete measures on the edicts of the law referred to above, the regulated revenues of EDP Spain into force for the year 2015 are **€157m** (calculated according to transient remuneration scheme of RDL 9/2013).

GAS REGULATED NETWORKS IN SPAIN

EBITDA of gas distribution in Spain in 1H15 amounted to €172m (+€85m YoY), reflecting a €89m one-off gain stemming from the sale of gas distribution assets held by Gas Energía Distribución Murcia to Redexis in 1H15 (€11m booked in the 2Q15, mostly attributable to the sale of the remaining asset perimeter to Redexis). Excluding this one-off impact, EBITDA declined by 5% (-€4m), reflecting essentially a decrease in regulated revenues derived from the de-consolidation of gas distribution assets and regulatory changes in 2014, which were partly offset by lower supplies and services. **Volume of gas distributed** dropped by 37% YoY, to 15.8TWh in 1H15, owing to the disposal of distribution gas assets (excluding this impact, gas distributed rose by 5%).

According to a Ministerial Order of Dec-14, regulated gas activities will be squared by a 6-year regulatory period and subject to possible adjustments every 3 years.

The remuneration model for gas distribution activities is maintained although inflation update factor is eliminated, allowed revenues are cut and returns are more dependent on demand. The impact of these measures on EDP in 2015 and in the following years is €9m vs. €4.7m in 2014 (the full amount in 2H14).

Gas distribution regulated revenues attributable to our gas distribution subsidiary in Spain **amount to €172m** in 2015, excluding €19m of full year regulated revenues attributable to Gas Energía Distribución Murcia and the remaining asset perimeter sold to Redexis in 1H15.

GAS REGULATED ACTIVITIES IN PORTUGAL

EBITDA from gas regulated activities in Portugal decreased by 5% (-€1m), to €24m in 1H15, due to lower regulated revenues in the supply business derived from consumers' switching to the free market. Regulated revenues from the distribution business were relatively stable (reflecting a return on RAB of 7.94% in 1H15 vs. 8.41% in 1H14). **Volume distributed** rose by 1% in 1H15, to 3.7TWh, in line with the 3% growth in the number of supply points, prompted by the continuing effort of new client connection in the region operated by EDP.

In Jun-13, ERSE disclosed the regulatory assumptions for the period from Jul-13 to Jun-16, indexing the rate of return on assets to the avg. Portuguese Republic 10-year bond yield between Apr 1st and Mar 31st prior to the beginning of each regulatory year, with a floor at 7.83% and cap at 11%.

On 15-Jun-15, ERSE released 2015/16 tariffs and regulated revenues for our gas distribution and LRS activities in Portugal, setting an average -7.3% decrease of LRS tariff for small clients (low consumption segment <= 10 m^3/year) to be in place from 1-Jul-2015 until 30-Jun-2016. The preliminary rate of return on RAB was set at 7.94% for 2015/16. Gas distribution and LRS regulated revenues for EDP in the period amount to **€59m** and **€4m**, respectively.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net)

EDP - Energias do Brasil: Financial Performance

Income Statement	Consolidated (R$ m)				Consolidated (€ m)			
	1H15	1H14	Δ %	Δ Abs.	1H15	1H14	Δ %	Δ Abs.
Gross Profit	**1,280**	**905**	**42%**	**+376**	**387**	**287**	**35%**	**+100**
Supplies and services	248	223	11%	+25	75	71	6%	+4
Personnel costs and employee benefits	194	197	-2%	-3	59	62	-6%	-4
Other operating costs (net)	(819)	(353)	132%	-466	(247)	(112)	121%	-135
Net Operating Costs (1)	**(377)**	**67**	**-**	**-444**	**(114)**	**21**	**-**	**-135**
EBITDA	**1,657**	**838**	**98%**	**+819**	**501**	**266**	**88%**	**+235**
Provisions	14	15	-7%	-1	4	5	-11%	-1
Amortisation and impairment	203	178	14%	+25	61	56	8%	+5
EBIT	**1,440**	**644**	**124%**	**+796**	**435**	**205**	**113%**	**+231**
Financial results	(208)	(136)	-53%	-72	(63)	(43)	45%	-20
Results from associates	(110)	(35)	-213%	-75	(33)	(11)	-	-22
Pre-tax profit	**1,123**	**473**	**137%**	**+649**	**339**	**150**	**126%**	**+189**

Capex & Financial Investments	(R$ m)				(€ m)			
	1H15	1H14	Δ %	Δ Abs.	1H15	1H14	Δ %	Δ Abs.
Capex	**146**	**170**	**-14%**	**-24**	**45**	**54**	**-16%**	**-9**
Financial Investments (2)	**442**	**6**	**-**	**+437**	**134**	**2**	**-**	**+132**

Energias do Brasil	1H15	1H14	Δ %	Δ Abs.
Share price at end of period (R$/share)	11.51	10.85	6%	+0.66
Number of shares Issued (million)	476.4	476.4	-	-
Treasury stock (million)	0.8	0.8	-	-
Number of shares owned by EDP (million)	243.0	243.0	-	-
Euro/Real - End of period rate	3.47	3.00	-14%	+0.47
Euro/Real - Average of period rate	3.31	3.15	-5%	+0.16
Inflation rate (IPCA - 12 months)	8.9%	-	-	-
Net Debt / EBITDA (x)	1.7	1.1	-	+0.6
Average Cost of Debt (%)	11.8	10.1	-	1.8p.p.
Average Interest Rate (CDI)	11.7	10.2	-	1.5p.p.
Employees (#)	2,933	2,676	10%	+257

Key Balance Sheet Figures (R$ Million)	1H15	1H14	Δ %	Δ Abs.
Net financial debt	4,692	1,981	137%	+2,710
Regulatory receivables	699	539	30%	+160
Non-controling Interests	1,696	1,670	2%	+25
Equity book value	5,790	4,606	26%	+1183

Financial Results (R$ Million)	1H15	1H14	Δ %	Δ Abs.
Net Interest Costs	(210)	(188)	-12%	-22
Capitalised Costs	1	40	-97%	-39
Forex Differences and Derivatives	(25)	13	-	-38
Other	26	(1)	-	+27
Financial Results	**(208)**	**(136)**	**-53%**	**-72**

In local currency, EDP Brasil ("EDPB") EBITDA increased 98% YoY (+R$819m) to R$1,657m in 1H15, impacted by the capital gain booked with the acquisition of 50% Pecém I, which is now fully consolidated by EDPB. The capital gains of Pecém (+R$885m) and the capital gain booked with the disposal of 50% of Jari and Cachoeira Caldeirão in 1H14 (R$408m) were booked at 'other operating income' level. **Adjusted by these one-off effects**, EBITDA would have increased 80% YoY to R$772m. EBITDA in distribution went up by R$385m, as 1H14 was penalised by R$340m of negative tariff deviations. Since Dec-14, regulatory receivables are recognised at gross profit level. Adjusted by this effect, EBITDA would be up 12% YoY (+R$45m), driven by higher regulated revenues, essentially reflecting the annual tariff readjustments at both our DisCos (Escelsa: +26.54% from Aug-14 and Bandeirante: +22.34% from Oct-14). Generation and Supply EBITDA went down 9% YoY (-R$40m), reflecting: i) low GSF[3] (80% in 1H15) and the subsequent generators' need to purchase energy at high market prices; which was partially mitigated by: ii) the seasonal allocation of volumes sold, with a significant portion of volumes allocated to the 1H15 (54%) vs. the 1H14 (50%); and iii) the full consolidation of Pecém for 45 days (+R$77m). EBITDA performance in Euro terms was penalised by the ForEx due to a 5% depreciation of BRL vs. the EUR (-€25m impact).

Net operating costs decreased by R$444m YoY mostly due to the booking of the aforementioned capital gains at 'other operating income' level. At Opex level, personnel costs decreased 2% YoY, reflecting a cost control policy in spite of incorporation of Pecém's workforce and lower capitalized costs. Supplies & services went up 11% YoY, translating higher expenses with O&M and clients' services.

Net financial costs increased 53% YoY to R$204m in 1H15, translating: i) higher net interest costs reflecting an increase average cost of debt (+1.7pp) to 11.8% in 1H15; ii) lower capitalised interests reflecting the equity consolidation of Jari and Cachoeira Caldeirão hydro projects (vs. full consolidation in 1H14); and iii) the impact with the debt costs deriving from the full consolidation of Pecém. **Net financial debt** increased 137% YoY, reflecting mostly the full consolidation of Pecém whose impact in debt amounted to R$2,4bn (including the R$300m acquisition cost).

Results from associates totalled -R$110m in 1H15, down R$75m YoY, reflecting a more negative contribution from Pecém I coal facility for the period before consolidation (-R$84m in 1H15 vs. -R$39m in 1H14), as well as the negative contribution from Jari hydro power plant (-R$20m in 1H15) driven by low GSF in the period.

As of Jun-15, hydro reservoirs in the Southeast/Center-West ("SE-CW") regions were at 36% of their maximum level (vs. 29% in Mar-15 and 36% in Jun-14). Although Jan/Feb-15 ended up being some of the worst months in terms of rainfall levels for the period, the rest of the year benefitted from some recovery and by the end of Jul-15, reservoir levels were above 37%. Nonetheless, given relatively low reservoir levels and insufficient rainfall, GSF[3] stood at particularly low levels (80% in 1H15) leading hydro generators to keep on purchasing energy at high market prices to meet their PPA obligations. At the same time, despite the continued strong thermal dispatch, thanks to the application of a new price cap methodology starting Jan-15 (new cap at R$388/MWh vs. previous R$822/MWh), average electricity spot prices (PLD) fell from R$677/MWh[4] in 1H14 to R$385/MWh[4] in 1H15.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net);
(2) Excluding investments in wind farms held by EDP Brasil (45%) and EDP Renováveis (55%).
(3) GSF: Generation Scaling Factor; (4) Source: CCEE; based on weekly prices; Southeast/Center-West regions;

Brazil: Electricity Distribution

Income Statement (R$ m)	1H15	1H14	Δ %	Δ Abs.
Gross Profit	**777**	**381**	**104%**	**+397**
Supplies and services	179	164	9%	+15
Personnel costs and employee benefi	139	135	3%	+4
Other operating costs (net)	46	54	-14%	-7
Net Operating Costs (1)	**364**	**352**	**3%**	**+12**
EBITDA	**413**	**28**	**1363%**	**+385**
Provisions	16	14	16%	+2
Amortisation and impairment	91	95	-4%	-4
EBIT	**306**	**(81)**	**-**	**+387**

Gross Profit Performance	1H15	1H14	Δ %	Δ Abs.
Gross Profit (R$ m)	**777**	**381**	**104%**	**+397**
Regulated revenues	777	721	8%	+56
Change in reg. receivables	-	(340)	-	-
Regulatory Receivables (R$ m)				
Beginning of period	**602**	**199**	**203%**	**+403**
Past deviations	(170)	(29)	480%	-140
Annual deviation (2)	470	960	-51%	-490
CDE/ACR Account (3)	(203)	(591)	-66%	+388
End of period	**699**	**539**	**30%**	**+160**
Clients Connected (th)	**3,209**	**3,096**	**4%**	**+113**
Bandeirante	1,755	1,696	3%	+59
Escelsa	1,454	1,400	4%	+54
Electricity Distributed (GWh)	**13,142**	**13,205**	**-0%**	**-63**
Bandeirante	7,409	7,706	-4%	-297
Escelsa	5,734	5,499	4%	+234
From which:				
To clients in Free Market (GWh)	4,813	4,922	-2%	-109
Electricity Sold (GWh)	**8,329**	**8,283**	**1%**	**+46**
Bandeirante	**4,675**	**4,771**	**-2%**	**-96**
Resid., Commerc. & Other	3,497	3,512	-0%	-15
Industrial	1,178	1,259	-6%	-81
Escelsa	**3,654**	**3,512**	**4%**	**+142**
Resid., Commerc. & Other	3,093	2,914	6%	+179
Industrial	561	599	-6%	-38

Capex & Opex Performance	1H15	1H14	Δ %	Δ Abs.
Controllable Operating Costs (4)	**304**	**282**	**8%**	**+22**
Cont. costs/client (R$/client)	95	91	4%	+4
Cont. costs/km (R$/Km)	3	3	6%	+0
Employees (#)	**2,191**	**2,200**	**-0%**	**-9**
Capex (net of subsidies) (R$m)	**120**	**142**	**-16%**	**-22**
Network ('000 Km)	90	89	1%	+1

EBITDA from our electricity distribution activity in Brazil went up by R$385m YoY to R$413m in 1H15, as 1H14 was penalised by R$340m of negative tariff deviations. Since Dec-14, regulatory receivables are recognised at gross profit level. Adjusted by this effect, EBITDA would be up 12% YoY (+R$45m), driven by higher regulated revenues, mostly due to the annual tariff readjustments at both our DisCos.

Ending 2014, a change in the legal framework allowed for the recognition of regulatory receivables at gross profit level. As such, 1H15 gross profit is no longer impacted by the change in regulatory receivables, reflecting the period's regulated revenues. **Regulated revenues went up 8% YoY (+R$56m) to R$777m in 1H15**, mostly reflecting the annual tariff readjustments at both Escelsa (+26.54% in Aug-14) and Bandeirante (+22.34% in Oct-14). Regulatory receivables also benefitted from: i) the so-called "tariff flags", a mechanism introduced in Jan-15 so as to signal consumers for higher electricity costs (Jan/Feb-15: red flag of R$3 per 100kWh; Mar to Jun-15: red flag of R$5.5 per 100 kWh); and ii) ANEEL's approval of extraordinary tariff increases at both our DisCos as from March 2nd, 2015 (Escelsa: +33.27% and Bandeirante: +32.18%).

As of Jun-15, **regulatory receivables** amounted to R$699m (vs. R$602m as of Dec-14). In 1H15, a R$470m negative tariff deviation was created, essentially related to higher energy costs than the ones incorporated in the tariffs, which was partly compensated by R$203m of contributions from CCEE (ACR account) regarding Nov/Dec-14 shortfall; also, R$170m were received regarding past deviations. All in all, regulatory receivables went up R$97m vs. Dez-14, to R$699m as of Jun-15, to be collected through tariffs in the following years. **Regulatory-wise**, return on regulated asset base is currently set at 7.5% (after taxes) and next regulatory reviews are due in Oct-15 for Bandeirante and Aug-16 for Escelsa. In Feb-15, the Brazilian regulator (ANEEL) proposed a real post-tax WACC of 8.09% to be applied to distribution on the upcoming 4th revision cycle.

Volumes of electricity sold went up 1% YoY in 1H15, translating a 3% increase in the 'residential, commercial & other' segments, mainly due to higher demand in the rural segments on dry weather. This was partially offset by a reduction of 6% in industrial volumes, reflecting lower industrial activity as well as lower consumption from the non-metallic minerals and chemical sectors. At the same time, **volumes distributed** to industrial clients in the free market went down 2% YoY to 4.8TWh in 1H15, reflecting the cooling of the industrial production in the São Paulo region.

Controllable operating costs increased 8% YoY to R$304m in 1H15, driven by a 3% increase in personnel costs, reflecting the annual salary update, lower indemnities and lower headcount. Supplies and services reflect higher expenses with O&M, IT and clients' services. **Other operating costs** went down R$7m YoY, translating a positive update on the fixed assets' terminal value (+R$26m) partly offset by higher provisions for doubtful clients. **Distribution capex** went down 16% YoY to R$120m in 1H15, essentially due to market retraction. On a recurring basis, distribution capex is mostly devoted to customer services activities and to the reinforcement of the network quality of service.

In 2014 **electricity sector** DisCos faced record highs of electricity purchases costs mostly given involuntary short contracting positions in high market prices environment due to low rainfall and high thermal dispatch. In Apr-14, the CCEE created an account called "Conta-ACR" (Conta no Ambiente de Contratação Regulada) to help compensate DisCos for higher costs incurred – R$21bn of financing were transferred to DisCos. ANEEL has also been passing-through some of these additional costs to consumers through the annual tariff readjustments. In 2015, other measures were implemented. In Jan-15, a "tariff flags" mechanism, or variable tariff, was introduced to signal consumers for higher energy costs – in Jan/Feb-15, the "red flag" was triggered, meaning +R$3 per 100kWh and from Mar-15 to Jun-15, this "red flag" was increased to +R$5.5 per 100kWh (~+12% increase in tariffs for Low Voltage). Also, in Feb-15, ANEEL approved several extraordinary tariff increases applicable from March 2nd, 2015 onwards (Escelsa: +33.27% and Bandeirante: +32.18%). Additionally, for 2015, DisCos were able to reduce their involuntary short contracting positions mostly through the A-1 auction held in Dec-14 (Bandeirante: 112% in 1H15 vs. 99% in 1H14 and Escelsa: 101% in 1H15 vs. 84% in 1H14), which shall reduce the impact on energy costs from law rainfall and high market prices environment. Also worth noting, non-technical losses in the low-voltage segment have decreased for both DisCos: Bandeirante's level stood at 10.6% (-1.2pp QoQ in 2T15) and Escelsa's at 15.3% (-1.5%pp QoQ in 2T15).

(1) Net operating costs = operating costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net); (2) Net of extraordinary tariff increase and tariff flags impacts;
(3) Including financial update of the corresponding regulatory assets/liabilities; (4) S&S and Personnel costs.

Brazil: Electricity Generation and Supply

Income Statement (R$M)	Generation			
	1H15	1H14	Δ %	Δ Abs.
Gross Profit	**449**	**457**	**-2%**	**-7**
Supplies and services	34	33	2%	+1
Personnel costs and employee benefits	28	25	16%	+4
Other operating costs (net)	12	(1)	-	+13
Net Operating Costs	**74**	**57**	**30%**	**+17**
EBITDA	**375**	**399**	**-6%**	**-24**
Provisions	0	0	11%	+0
Amortisation and impairment	104	76	36%	+28
EBIT	**271**	**323**	**-16%**	**-52**

Key Data	1H15	1H14	Δ %	Δ Abs.
Gross Profit (R$ m)	**449**	**457**	**-2%**	**-7**
Hydro	**360**	**457**	**-21%**	**-97**
PPA contracted revenues & Other	649	502	29%	+147
GSF impact (net of hedging)	(290)	(46)	-533%	-244
Thermal	**89**	**-**	**-**	**+89**
PPA contracted revenues	81	-	-	+81
Other	8	-	-	+8
Installed Capacity (MW)	**2,517**	**1,797**	**40%**	**+720**
Hydro	1,797	1,797	-	-
Thermal	720	-	-	+720
Installed Capacity (MW Equity)	**187**	**360**	**-48%**	**-173**
Electricity Sold (GWh)	**4,998**	**4,130**	**21%**	**+868**
PPA contracted	4,880	4,015	22%	+865
Hydro	4,201	4,015	5%	+186
Thermal	679	-	-	+679
Other	118	114	3%	+3
Avg. Hydro PPA Sale Price (R$/MWh) (2)	**179**	**162**	**10%**	**+16**
Capex (R$ m)	**23**	**25**	**-6%**	**-1**
Financial Investments (R$ m)	**442**	**6**	**-**	**+437**
Employees (#)	**554**	**293**	**89%**	**+261**

EBITDA Breakdown (R$ m)	1H15	1H14	Δ %	Δ Abs.
Pecém (100%)	77	-	-	+77
Lajeado (73% owned by EDPB)	119	159	-25%	-39
Peixe Angical (60% owned by EDPB)	116	142	-19%	-27
Other (100%)	63	98	-35%	-35
EBITDA	**375**	**399**	**-6%**	**-24**

Supply	1H15	1H14	Δ %	Δ Abs.
Gross profit (R$ m)	**52**	**65**	**-19%**	**-12**
Net Operating costs (1) (R$ m)	5	2	149%	+3
EBITDA (R$ m)	**47**	**63**	**-25%**	**-15**
Electricity sales (GWh)	**5,209**	**6,330**	**-18%**	**-1,121**

EBITDA from our electricity generation activities in Brazil went down 6% YoY (-R$24m) to R$375m in 1H15, reflecting: i) low GSF (80% in 1H15), and the subsequent need to purchase energy at high market prices; which was mitigated by ii) a seasonal allocation of volumes sold, with a significant portion of volumes allocated to the 1H15 (54% in 1H15 vs. 50% in 1H14); and by iii) the full consolidation of Pecém for 45 days (+R$77m).

Hydro gross profit fell 21% YoY (-R$97m) to R$360m in 1H15 on the back of low **Generation Scaling Factor (GSF)**, which stood at 80% in 1H15 (vs. 95% in 1H14). In periods of low rainfall, the associated generation deficit implies that hydro generators have to purchase energy at market prices to meet their PPA obligations. Although market prices went down significantly (avg. PLD: R$385/MWh(3) in 1H15 vs. R$677/MWh(3) in 1H14), the poor hydro environment that shaped the 1H15, coupled with low reservoir levels to begin with, resulted in a particularly low GSF. EDPB was able to mitigate the negative impact of low GSF through short-term sales contracted at higher prices; nonetheless, all together, this translated into +R$244m YoY of additional costs with energy purchases (R$290m in 1H15 vs. R$46m in 1H14). Excluding the impact from low GSF (net of hedging), gross profit went up R$237m YoY, reflecting higher volumes of electricity sold at higher prices. It is worth mentioning that Peixe Angical hydro power plant PPA (current avg. price @ R$207/MWh) ends in Jan-16, which should help reduce EDPB negative exposure to any low GSF impact that might still occur in 2016.

Pecém I, following the conclusion of the purchase of ENEVA's 50% stake, is now fully consolidated. Pecém's gross profit was R$89m in 1H15 for the 45 days of full consolidation, of which R$81m concern the PPA fixed revenues. Normalised EBITDA should range between R$350-400m for a full year contribution @100%. Net Debt is forecasted at ~R$2bn as of Dec-15E. Following-up to the repair of one of the generating units (in 4Q14), both groups at Pecém I have improved considerably to an availability factor of 88% in 1H15 (vs. 81% in 1H14).

Electricity volumes sold increased 21% YoY to 5.0TWh in 1H15 reflecting (i) the full consolidation of Pecém (+676GWh), and (ii) the seasonal allocation of volumes – given the adverse hydro environment, and to maintain some protection against exposure to market prices, a significant portion of the volumes of electricity to be sold was allocated to the 1H, in an even higher proportion than in 1H14. **Average hydro selling price** went up 10% YoY, translating PPA prices inflation updates as well as short-term contracts closed at higher prices.

EDPB operates 2.7GW of capacity, of which 0.2GW are equity consolidated. Equity consolidated capacity refers to a 50% equity stake in Santo António do Jari hydro power plant (373MW in partnership with CTG). **Santo Antonio do Jari** is fully operational since Dec-14. In 1H15, Jari contributed with a net loss of R$20m (@50%), reflecting the negative impact of low GSF.

Capex fell 14% YoY to R$11m in 1H15. Note that equity investments devoted to Cachoeira Caldeirão and São Manoel hydro projects are classified as 'financial Investments' (equity-method accounted); in 1H15, **financial Investments** totalled R$442m, which were essentially devoted to the acquisition of the 50% stake of Pecém (R$300m), but also to Cachoeira Caldeirão construction works. In terms of new capacity, EDPB participates in 2 new hydro projects, both under long-term PPAs: i) **Cachoeira Caldeirão,** a 219MW project 50%-owned by EDPB (in partnership with CTG) and due in Jan-17 (~85% concluded); and ii) **São Manoel**, a 700MW project, 33.3%-owned by EDPB (in partnership with CTG and Furnas) – this project is in early stage of construction and should start operations in May-18.

Electricity supply gross profit decreased 19% YoY (-R$12m) to R$52m in 1H15, reflecting lower volumes supplied to clients and an exceptionally strong 1H14, which benefitted from higher spot prices and higher price volatility.

(1) Operating costs (Supplies & services + Personnel costs + Costs with social benefits) + Other operating costs (net); (2) Calculated with PPA prices and volumes; (3) Based on weakly prices; Southeast/Center-West regions.

Income Statements
& Annex

Income Statement by Business Area

1H15 (€m)	Long-Term Contracted Generation	Iberian Liberalised Activities	Regulated Networks Iberia	EDP Renováveis	Brazil	Corpor. Activ. & Adjustments	**EDP Group**
Gross Profit	**387**	**433**	**849**	**688**	**387**	**5**	**2,750**
Supplies and services	28	100	173	133	75	(74)	434
Personnel costs	33	35	63	34	53	75	294
Costs with social benefits	0	2	12	5	5	6	30
Other operating costs (net)	5	114	32	(31)	(247)	(11)	(140)
Operating costs	**65**	**250**	**280**	**141**	**(114)**	**(4)**	**619**
EBITDA	**322**	**183**	**569**	**548**	**501**	**10**	**2,131**
Provisions	0	(1)	0	(0)	4	(0)	3
Amortisation and impairment (1)	78	100	165	255	61	30	689
EBIT	**244**	**84**	**404**	**292**	**435**	**(20)**	**1,438**

1H14 (€m)	Long-Term Contracted Generation	Iberian Liberalised Activities	Regulated Networks Iberia	EDP Renováveis	Brazil	Corpor. Activ. & Adjustments	**EDP Group**
Gross Profit	**399**	**511**	**875**	**627**	**287**	**(1)**	**2,699**
Supplies and services	32	94	195	120	71	(89)	422
Personnel costs	9	26	74	30	56	107	302
Costs with social benefits	0	2	(77)	3	7	(36)	(102)
Other operating costs (net)	3	77	125	(22)	(112)	18	89
Operating costs	**44**	**199**	**316**	**133**	**21**	**(1)**	**712**
EBITDA	**356**	**311**	**559**	**495**	**266**	**(0)**	**1,986**
Provisions	7	1	1	-	5	4	18
Amortisation and impairment (1)	77	124	168	222	56	32	681
EBIT	**272**	**186**	**389**	**272**	**205**	**(36)**	**1,288**

(1) Depreciation and amortisation expense net of compensation for depreciation and amortisation of subsidised assets.

Quarterly Income Statement

Quarterly P&L (€ m)	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	Δ YoY %	Δ QoQ %
Revenues from energy sales and services and other	**4,327**	**3,692**	**3,804**	**4,471**	**4,135**	**3,812**	**-**	**-**	**-4%**	**-8%**
Cost of energy sales and other	**(2,844)**	**(2,476)**	**(2,624)**	**(2,982)**	**(2,712)**	**(2,486)**	**-**	**-**	**5%**	**8%**
Gross Profit	**1,483**	**1,216**	**1,180**	**1,488**	**1,423**	**1,327**	**-**	**-**	**-4%**	**-7%**
Supplies and services	202	220	221	254	207	227	-	-	2%	10%
Personnel costs and Employee Benefits	164	37	147	208	161	164	-	-	-2%	2%
Other operating costs (net)	110	(20)	91	92	67	(207)	-	-	-39%	-
Operating costs	**476**	**236**	**459**	**554**	**435**	**184**	**-**	**-**	**-9%**	**-58%**
EBITDA	**1,007**	**980**	**721**	**935**	**988**	**1,143**	**-**	**-**	**-2%**	**16%**
Provisions	7	11	4	31	1	3	-	-	-92%	416%
Amortisation and impairment (1)	324	357	334	383	337	353	-	-	4%	5%
EBIT	**676**	**612**	**384**	**521**	**651**	**788**	**-**	**-**	**-4%**	**21%**
Financial Results	(147)	(98)	(208)	(118)	(208)	(156)	-	-	-42%	-
Share of net profit in joint ventures and associates	12	(4)	17	(10)	(2)	(22)	-	-	-	-
Profit before income tax and CESE	**541**	**510**	**192**	**393**	**441**	**610**	**-**	**-**	**-18%**	**-**
Income taxes	180	58	35	37	82	112	-	-	-54%	-
Extraordinary contribution for the energy sector	**61**	-	**-**	**(0)**	**61**	-	-	**-**	-1%	-
Net Profit for the period	299	452	157	356	298	498	-	-	-0%	-
Net Profit Attributable to EDP	**237**	**397**	**132**	**274**	**237**	**350**	**-**	**-**	**-0%**	**48%**
Non-controlling Interests	62	55	25	82	62	148	-	-	-1%	140%

Note: quarterly data in 2014 and 2015 were restated as to reflect the application of IFRIC21
(1) Depreciation and amortisation expense net of compensation for depreciation and amortisation of subsidised assets.

EDP - Installed capacity & electricity generation

Technology	Installed Capacity - MW (1)				Electricity Generation (GWh)				Electricity Generation (GWh)							
	1H15	1H14	Δ MW	Δ %	1H15	1H14	Δ GWh	Δ %	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
PPA/CMEC (Portugal)	**4,470**	**4,470**	**0**	**0%**	**7,791**	**9,102**	**-1,311**	**-14%**	**5,002**	**4,099**	**3,622**	**4,437**	**4,151**	**3,639**		
Hydro	**3,290**	**3,290**	**0**	**0%**	**3,063**	**5,859**	**-2,796**	**-48%**	**3,739**	**2,120**	**1,075**	**2,097**	**1,903**	**1,160**		
Run off the river	1,056	1,860			1,597	2,494			1,615	879	424	812	938	659		
Reservoir	2,234	2,234			1,466	3,366			2,124	1,241	651	1,285	965	501		
Coal - Sines	**1,180**	**1,180**	**0**	**0%**	**4,728**	**3,242**	**1,486**	**46%**	**1,263**	**1,979**	**2,546**	**2,340**	**2,248**	**2,480**		
Special Regime (Ex-Wind)	**213**	**274**	**-62**	**-22%**	**396**	**626**	**-230**	**-37%**	**414**	**212**	**112**	**260**	**222**	**173**		
Portugal	**188**	**181**	**7**	**4%**	**327**	**525**	**-197**	**-38%**	**347**	**178**	**82**	**238**	**190**	**138**		
Small-Hydro	164	157			226	405			278	127	39	186	138	88		
Cogeneration	24	24			102	120			69	50	42	52	52	50		
Spain	**25**	**93**	**-69**	**-73%**	**68**	**101**	**-33**	**-33%**	**67**	**34**	**30**	**21**	**33**	**35**		
Cogeneration+Waste	25	93			68	101			67	34	30	21	33	35		
Liberalised Iberia	**7,881**	**7,777**	**104**	**1%**	**8,747**	**7,472**	**1,275**	**17%**	**4,186**	**3,286**	**3,747**	**3,844**	**4,709**	**4,038**		
Hydro	**2,526**	**2,422**	**104**	**4%**	**3,085**	**4,341**	**-1,257**	**-29%**	**2,834**	**1,507**	**740**	**1,201**	**1,910**	**1,175**		
Portugal	2,100	1,996			2,464	3,661			2,399	1,261	673	1,001	1,495	969		
Spain	426	426			620	681			435	246	67	200	414	206		
Coal	**1,463**	**1,463**	**0**	**0%**	**4,030**	**2,383**	**1,647**	**69%**	**862**	**1,521**	**2,191**	**1,840**	**2,058**	**1,972**		
Aboño I	342	342			588	510			193	317	601	568	524	63		
Aboño II	536	536			1,975	1,483			597	886	992	911	922	1,053		
Soto Ribera II	239	239			548	151			36	115	148	242	190	358		
Soto Ribera III	346	346			920	239			36	203	450	119	422	497		
CCGT	**3,736**	**3,736**	**0**	**0%**	**1,086**	**219**	**867**	**397%**	**158**	**61**	**480**	**464**	**411**	**675**		
Ribatejo (3 groups)	1,176	1,176			188	49			28	21	114	66	54	133		
Lares (2 groups)	863	863			566	11			8	3	221	46	136	429		
Castejón (2 groups)	843	843			241	83			66	17	103	182	143	98		
Soto IV & V (2 groups)	854	854			92	76			56	20	43	170	77	15		
Nuclear - Trillo	**156**	**156**	**0**	**0%**	**546**	**529**	**17**	**3%**	**332**	**197**	**336**	**339**	**331**	**215**		
Gasoil - Tunes	**0**	**0**	**0**	**-**	**0**	**0**	**0**	**-**	**0**	**0**	**0**	**0**	**0**	**0**		
Wind (More detail on page 16)	**8,172**	**7,710**	**462**	**6%**	**10,763**	**10,934**	**-171**	**-2%**	**6,101**	**4,833**	**3,382**	**5,380**	**5,757**	**5,006**		
Iberia	2,822	2,813			3,533	3,869			2,330	1,539	1,203	1,754	2,004	1,529		
Rest of Europe	1,363	1,307			1,616	1,304			791	513	431	701	916	700		
North America	3,904	3,506			5,520	5,658			2,930	2,727	1,678	2,862	2,792	2,728		
Brazil	84	84			94	103			49	54	70	63	46	49		
Solar	**82**	**52**	**30**	**57%**	**79**	**31**	**47**	**152%**	**11**	**20**	**22**	**14**	**29**	**50**		
Brazil (Ex-Wind)	**2,517**	**1,797**	**720**	**40%**	**3,871**	**3,991**	**-120**	**-3%**	**2,341**	**1,650**	**1,322**	**1,923**	**1,624**	**2,247**		
Hydro	**1,797**	**1,797**	**0**	**0%**	**3,261**	**3,991**	**-730**	**-18%**	**2,341**	**1,650**	**1,322**	**1,923**	**1,624**	**1,638**		
Lajeado	903	903			1,657	2,019			1,205	814	528	841	827	829		
Peixe Angical	499	499			1,020	1,125			667	458	540	721	522	497		
Energest	396	396			585	847			469	378	254	361	274	311		
Coal (Pecém I)	**720**	**0**	**720**	**-**	**610**	**0**	**610**	**-**	**0**	**0**	**0**	**0**	**0**	**610**		
TOTAL	**23,336**	**22,082**	**1,255**	**6%**	**31,646**	**32,156**	**-510**	**-2%**	**18,056**	**14,100**	**12,207**	**15,858**	**16,492**	**15,154**		

Equity Consolidated	Installed Capacity - MW (2)			
	1H15	1H14	Δ MW	Δ %
Iberia Special Regime (Ex-Wind)	46	50	-4	-8%
EDPR Wind	886	837	50	6%
Brazil Hydro	187	0	187	-
Brazil Thermal	0	360	-360	-
TOTAL	**1,119**	**1,247**	**-128**	**-10%**

(1) Installed capacity that contributed to the revenues in the period.

(2) MW attributable to associated companies consolidated by equity method

EDP - Volumes distributed, clients connected and networks

ELECTRICITY

Electricity Distributed (GWh)	1H15	1H14	Δ GWh	Δ %
Portugal	**22,368**	**21,904**	**464**	**2.1%**
Very High Voltage	1,083	1,046	36	3.5%
High / Medium Voltage	10,435	10,209	226	2.2%
Low Voltage	10,851	10,649	202	1.9%
Spain	**4,630**	**4,621**	**9**	**0.2%**
High / Medium Voltage	3,472	3,381	91	2.7%
Low Voltage	1,159	1,240	-82	-6.6%
Brazil	**13,142**	**13,205**	**-63**	**-0.5%**
Free Clients	4,813	4,922	-109	-2.2%
Industrial	1,739	1,858	-119	-6.4%
Residential, Comercial & Other	6,591	6,426	165	2.6%
TOTAL	**40,141**	**39,731**	**410**	**1.0%**

Clients Connected (th)	1H15	1H14	Abs. Δ	Δ %
Portugal	**6,094**	**6,076**	**17.2**	**0.3%**
Very High / High / Medium Voltage	24	24	0.2	1.0%
Special Low Voltage	34	34	0.4	1.3%
Low Voltage	6,035	6,019	16.5	0.3%
Spain	**659**	**659**	**0.2**	**0.0%**
High / Medium Voltage	1	1	0.0	0.1%
Low Voltage	658	658	0.2	0.0%
Brazil	**3,209**	**3,096**	**113.1**	**3.7%**
Bandeirante	1,755	1,696	59.3	3.5%
Escelsa	1,454	1,400	53.7	3.8%
TOTAL	**9,962**	**9,831**	**130.4**	**1.3%**

Networks	1H15	1H14	Abs. Δ	Δ %
Lenght of the networks (Km)	**334,725**	**332,326**	**2,399**	**0.7%**
Portugal	224,498	223,344	1,154	0.5%
Spain	20,325	20,221	104	0.5%
Brazil	89,901	88,761	1,141	1.3%
Losses (% of electricity distributed)				
Portugal (1)	9.7%	10.3%	-0.6 pp	
Spain	4.7%	4.4%	0.3 pp	
Brazil				
Bandeirante	8.9%	9.8%	-0.9 pp	
Technical	5.5%	5.5%	-0.1 pp	
Comercial	3.5%	4.3%	-0.8 pp	
Escelsa	13.1%	13.5%	-0.4 pp	
Technical	7.8%	7.6%	0.2 pp	
Comercial	5.3%	5.9%	-0.6 pp	

GAS

Gas Distributed (GWh)	1H15	1H14	Δ GWh	Δ %
Portugal	**3,670**	**3,631**	**39**	**1.1%**
Low Pressure	617	588	29	4.9%
Medium Pressure	3,039	3,028	11	0.3%
LPG	14	15	-1	-6.1%
Spain	**15,756**	**24,895**	**-9,140**	**-36.7%**
Low Pressure	5,991	5,541	451	8.1%
Medium Pressure	9,764	19,355	-9,590	-49.6%
TOTAL	**19,425**	**28,527**	**-9,101**	**-31.9%**

Supply Points (th)	1H15	1H14	Abs. Δ	Δ %
Portugal	**323**	**313**	**10**	**3.3%**
Low Pressure	317	307	11	3.5%
Medium Pressure	1.4	1.3	0.1	4.2%
LPG	4.7	5.2	-0.5	-9.1%
Spain	**913**	**1,022**	**-109**	**-10.7%**
Low Pressure	913	1,022	-109	-10.7%
Medium Pressure	0.7	0.7	0	-1.8%
TOTAL	**1,236.7**	**1,335.5**	**-98.8**	**-7.4%**

Networks	1H15	1H14	Abs. Δ	Δ %
Lenght of the networks (Km)	**12,398**	**14,638**	**-2,241**	**-15.3%**
Portugal	4,705	4,543	163	3.6%
Spain	7,692	10,096	-2,403	-23.8%

(1) Excludes Very High Voltage

EDP - Sustainability performance

2Q15 Main Events

Apr - For the 4th year in a row, EDP Renováveis (EDPR) is one of the best companies to work for in Spain. EDPR continues to be the only energy sector company on the list, ranking 8th in the category of companies with 250-500 employees.

May - EDP Supply Business Operator leads the way in electricity and gas customer satisfaction (dual offer), according to the National Customer Satisfaction Index released by ECSI Portugal Research, which carried out the market research on the following four categories in the energy sector: natural gas, electricity, dual offer and bottled gas.

Jun - IR Magazine Europe Awards 2015 ranked EDP in the 5th place for "Best Overall Investor Relations" and "Best Financial Reporting" and in the 2nd place for "Best in Sector – Utilities". EDP was also awarded as the "Best IR by a senior management team (large cap)". EDPR won the award for "Best IR Senior Management Team (small and mid-cap)" and Rui Antunes the award for "Best IR Officer (small and mid-cap)".

EDP Internal Sustainability Index (base 2010-12)

	1H15	1H14	Δ %
Sustainab. Index	**95**	**103**	**-8%**
Environmental	83	107	-22%
%Weight	33%	33%	
Economic	103	100	4%
%Weight	37%	37%	
Social (b)	98	103	-5%
%Weight	30%	30%	

This Sustainability Index was developed by EDP and is based on 33 sustainability performance indicators.

Economic Metrics

Economic Metrics	1H15	1H14	Δ %
Economic Value (€m)(1) (a)			
Directly Generated	8,953	8,774	2%
Distributed	8,063	7,937	2%
Accumulated	889	837	6%

Social Metrics

Social Metrics	1H15	1H14	Δ %
Employees (b)	**11,983**	**11,884**	**1%**
Training (hours)	**168,848**	**205,352**	**-18%**
On-duty Accidents	**25**	**17**	**47%**
Severity Rate (Tg)	96	123	-22%
Frequency rate (Tf)	2.3	1.6	47%
Freq. rate EDP+ESP (Tf)(c)	3.2	3.9	-17%

Environmental Metrics

Environmental Metrics	1H15	1H14	Δ %
Absolute Atmospheric Emissions (kt)			
CO2 (d) e (e)	10,564	6,593	60%
Nox (f)	10.0	5.8	72%
SO2 (f)	8.1	4.9	66%
Particle (f)	0.426	0.190	124%
Specific Atmospheric Emissions (g/KWh)			
CO2 (d) e (e)	334.9	205.0	63%
Nox (f)	0.32	0.18	75%
SO2 (f)	0.26	0.15	70%
GHG emissions (ktCO2 eq)			
Direct Emissions (scope 1)	10,580	6,606	60%
Indirect emissions (scope 2)	1,109	1,076	3%
Primary Energy Consumption (TJ) (e) (g)	**107,185**	**63,031**	**70%**
Max. Net Certified Capacity (%)	**92%**	**80%**	**11 p.p.**
Water Use (103 m3)	**836,843**	**789,618**	**6%**
Total Waste (t) €	**292,344**	**109,485**	**167%**
Environmental Investment and expenses (€ th)	**45,019**	**37,082**	**21%**
Environmental Fees and Penalties (€)	**31**	**53**	**-42%**

Environmental Metrics - CO2 Emissions

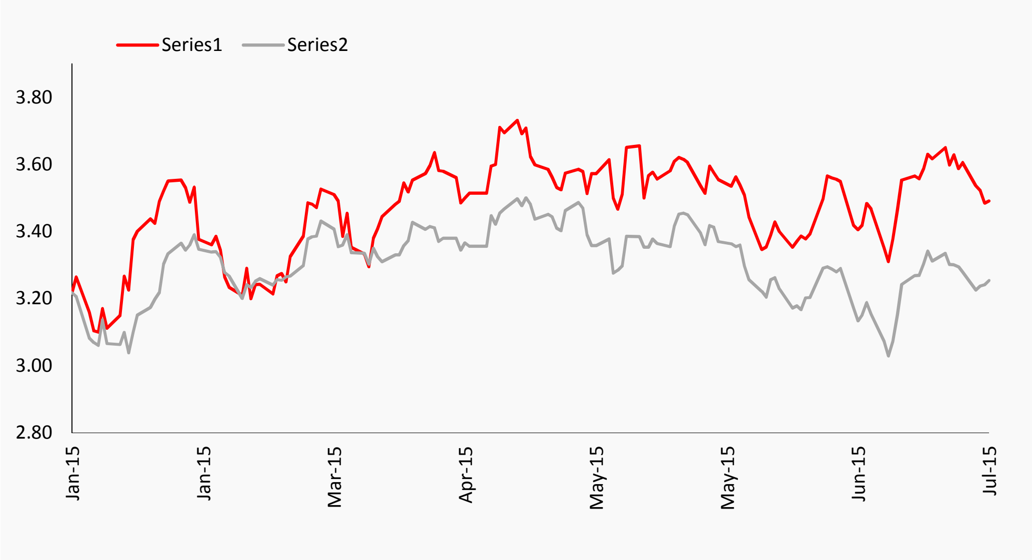
CO2 Emissions	Absolute (ktCO2)		Specific (t/MWh)		Generation (h) (GWh)	
	1H15	1H14	1H15	1H14	1H15	1H14
PPA/CMEC	**4,296**	**2,974**	**0.91**	**0.92**	**4,728**	**3,242**
Coal	4,296	2,974	0.91	0.92	4,728	3,242
Fuel Oil & Natural Gas	-	-	-	-	-	(0)
Liberalised	**6,030**	**3,399**	**1.05**	**1.31**	**5,726**	**2,602**
Coal	5,575	3,288	1.20	1.38	4,640	2,383
CCGT	454	111	0.42	0.51	1,086	219
Special Regime	**238**	**221**	**0.39**	**0.29**	**617**	**763**
Thermal Generation	**10,564**	**6,593**	**0.95**	**1.00**	**11,070**	**6,607**
CO2 Free Generation					**20,477**	**25,562**
CO2 Emissions			**0.33**	**0.20**	**31,547**	**32,169**

(a) Pursuant to the adoption of IFRIC21, 1H14 financial statements here presented were restated for comparison purposes.
(b) Including Executive Social Bodies;
(c) ESP: External Services Provider;
(d) Excluding vehicle fleet and natural gas consumption and losses;
(e) The 2015 figure are significantly different compared to the prior period due to the acquisition of Group 1 and 2 of Pecém powerplant (Brazil).
(f) Excludes the Pécem powerplant information because of unavailability of data;
(g) Including vehicle fleet;
(h) Includes heat generation (2014: 542 GWh vs 2015: 447 GWh).

(1) Generated Economic Value (GEV): Turnover + Share of net profit in joint ventures and associates + Other operating income + Financial Income
Distributed Economic Value (DEV): Cost of energy sales and other + Operating costs + Other operating expenses + Financial expenses + Current Income tax + Div. payments   Accumulated Economic Value: GEV – DEV.

EDP Share Performance

EDP Stock Performance on Euronext Lisbon



EDP Stock Market Performance	YTD	52W	2014
		30-07-2015	
EDP Share Price (Euronext Lisbon - €)			
Close	3.491	3.491	3.218
Max	3.749	3.749	3.749
Min	3.073	3.036	2.620
Average	3.466	3.426	3.286
EDP's Liquidity in Euronext Lisbon			
Turnover (€ m)	3,610	5,458	4,896
Average Daily Turnover (€ m)	24	21	19
Traded Volume (million shares)	1,042	1,593	1,490
Avg. Daily Volume (million shares)	6.9	6.1	5.7

EDP Share Data	1H15	1H14	Δ %
Number of shares Issued (million)	3,656.5	3,656.5	-
Treasury stock (million)	21.8	23.2	-5.8%

EDP's Main Events

19-Jan: Fitch affirms EDP at “BBB-” and outlook at stable
23-Jan: Senfora notifies intra-group transaction on qualified shareholding in EDP
30-Jan: Standard & Poor’s affirms EDP’s ‘BB+’ rating and outlook is revised to positive
30-Fev: Conclusion of the sale of gas distribution assets in Murcia to Redexis
3-Fev: José de Mello decreases its ownership interest in the share capital of EDP
13-Fev: Moody’s upgrades EDP to “Baa3” with stable outlook
27-Fev: ANEEL approved extraordinary tariff revisions for EDP Bandeirante (32.18%) and EDP Escelsa (33.27%)
27-Fev: EDP signed credit facility of €2,000 million
18-Mar: EDP to receive €500 million in securitization of electricity tariff deficit in Portugal
13-Apr: Qatar notifies intra-group transaction on qualified shareholding in EDP
13-Apr: Blackrock notifies qualified shareholding in EDP
16-Apr: EDP issues €750 million bond maturing in April 2025
21-Apr: EDP’S Annual General Shareholders Meeting
24-Apr: Blackrock notifies qualified shareholding in EDP
11-May: Barclays notifies qualified shareholding in EDP
14-May: Payment of gross dividend of €0.185 per share for the 2014 financial year
15-May: EDP Brazil completed the acquisition of Eneva’s stake in Pecém I plant
15-May: Capital Group notifies qualified shareholding in EDP
18-May: EDP sells €186 Million of tariff deficit in Portugal
18-May: JP Morgan notifies qualified shareholding in EDP
19-May: EDPR concludes the sale of minority stakes in wind farms in Brazil to CTG
20-May: Capital Income Builder notifies qualified shareholding in EDP
21-May: Barclays decreases its ownership interest in the share capital of EDP
25-May: JP Morgan decreases its ownership interest in the share capital of EDP
22-Jun: EDPR to study the development of a new asset rotation program
15-Jul: EDP Brazil announces the disposal of two mini-hydro plants in Mato Grosso do Sul

Investor Relations Department
Miguel Viana, Head of IR
Sónia Pimpão
Elisabete Ferreira
João Machado
Maria João Matias
Noélia Rocha

Phone: +351-21-001-2834
Email: ir@edp.pt
Site: www.edp.pt

Source: Bloomberg