



PROVISIONAL VOLUMES STATEMENT - 1H16

Lisbon, July 14th, 2016

EDP installed capacity rose by 5% YoY (+1.2GW to 24.5GW in Jun-16), benefiting from capacity additions in wind (+1,111MW, of which 613MW related to ENEOP's full consolidation since September 1st, 2015) and new hydro capacity in Portugal (+365MW), partly offset by the shutdown of a coal plant in Spain (-239MW). Total generation output increased by 19% YoY in 1H16, driven by higher hydro resources in Iberia (in Portugal, hydro volumes were 68% above avg. vs. -26% in 1H15) and higher wind generation prompted by capacity additions and better realized load factors. Hydro and wind accounted for 75% of the 1H16 output.

Electricity and gas distribution in Iberia – Electricity distributed in Portugal fell 0.6% in the 1H16 vs. 1H15, reflecting mild weather conditions. Gas distributed dropped by 5% YoY (+3% YoY in the 2Q16), mainly impacted by a 7% decrease of gas distributed in Spain following a YoY decrease in demand of residential clients in the 1Q16.

EDP Brasil – Electricity distributed by Bandeirante and Escelsa declined by 5 YoY in the 1H16 (Escelsa: -9.7%; Bandeirante: -2.2%), driven by lower demand from the industrial segment both in the final clients (-14%) and in the access clients (-10%), resulting from the tough macroeconomic conditions in Brazil. In **electricity generation**, where most of our activity is subject to PPA contracts, output increased by 25% YoY, supported by the full consolidation of Pecém's coal capacity since May-15. Hydro volumes were 23% lower YoY, mostly due to lower rainfall in the plants' regions and the sale of a mini-hydro plant in Jan-16. Nevertheless, it is worth highlighting the improvements in hydrological conditions during the past few months, with the reservoirs in the southeast region currently at ~55% vs. ~36% by Jun-15. EDP Brasil will release its 1H16 results on July 25th, 2016 after Bovespa market close. (For further details see EDP Brasil release).

EDP Renováveis – Wind power output went up by 23% YoY in the 1H16 (+14% YoY in the 2Q16) on higher realized load factor (33% in the 1H16 vs. 31% in the 1H15) and higher installed capacity. EBITDA installed capacity reached 9.4GW, up by 1,111MW in the last 12 months: +692MW in Europe, +299MW in the US and +120MW in Brazil. In Europe, wind capacity was up by 619MW in Portugal (of which 613MW related to ENEOP), 27MW in Poland, 36MW in France and 10MW in Italy. In the US, 2 wind farms were completed: Waverly in the state of Kansas (199MW) and Arbuckle in Oklahoma (100MW). In Brazil, Baixa do Feijão (120MW) was completed in the 1Q16 with a 20-year PPA. In **Europe** (48% of total output), production was up 23% YoY in the 1H16 at 6.4TWh, on the back of the increase in output generation in Portugal, due to ENEOP consolidation, but also due to capacity additions and stronger wind resources in the period. In **North America** (51% of total output), output increased by 21% YoY, reaching 6.8Wh due to capacity additions and following stronger wind resources in the 1H16 (vs. 1H15). EDP will release its 1H16 results on July 26th, 2016 before the Euronext Lisbon market opens. (For more details, see EDP's press release).

Long Term Contracted Generation in Iberia – Long term contracted capacity in Portugal declined by 627MW since PPA/CMECs ended for 7 plants in Tejo-Mondego and Cávado-Lima hydro basins. Output under CMEC went up 11% YoY in the 1H16 (+10% in 2Q16 vs 2Q15), on the back of continued higher than average hydro resources in the period, particularly if compared with a dry 1H15. Coal output decreased by 30% in the 1H16 (-38% in the 2Q16 vs. 2Q15), with a load factor of 64% vs. 92% in the 1H15, on lower thermal demand.

Liberalised electricity and gas supply in Iberia – Volumes of **electricity** supplied to our liberalised clients increased 8% YoY in the 1H16 (+5% YoY in the 2Q16), mostly due to an improvement in volumes in Spain in the 1Q16. Our client base in Portugal reached more than 3.9 million clients in Jun-16 and volumes supplied increased 5%, following a 13% YoY increase (+0.4m) in the number of clients, on the back of the ongoing liberalization process. In the **gas** business, volume supplied decreased 20% YoY in the 1H16 (-22% YoY in the 2Q16) due to a 23% decline in the volumes in Spain, given lower volumes in wholesale market and milder weather, impacting residential clients. In Portugal, gas supplied was down 1% YoY, as the strong increase in the number of clients (+22%) was offset by the impact of warmer weather.

Liberalised generation in Iberia – Liberalised generation capacity increased by 758MW due to (i) the coming online of the Salamonde hydro plant (207MW) and the Baixo Sabor hydro plant (158MW) in the 1Q16; (ii) the move from the plants formerly with PPA/CMECs (627MW) in Jan-16; and (iii) the closure of the Soto II coal plant (239MW) in Spain in Jan-16. Output from our merchant plants in the 1H16 rose 19% YoY (+16% YoY in the 2Q16). Hydro production was up 117% YoY on the back of better hydro resources and additional capacity on stream. Production from coal plants decreased 48% YoY, backed by lower thermal demand, while CCGTs production decreased 6% YoY, reaching a 6% load factor. In 1H16, generation from our own plants met 59% of the needs from our electricity supply business.

EDP's 1H16 results will be released on July 28th after market close. A conference call will be hosted by EDP's CEO, Mr. António Mexia on July 29th at 11:30 GMT.

Electricity Distribution - Iberia

	1H16	1H15	Δ 16/15
Electricity Distributed (GWh)	28,931	29,071	-0.5%
Portugal*	24,290	24,441	-0.6%
Spain	4,641	4,630	0.2%
Supply Points (th)	6,787	6,753	0.5%
Portugal	6,126	6,094	0.5%
Spain	661	659	0.2%

* Electricity volume that entered the distribution grid

Gas Distribution - Iberia

	1H16	1H15	Δ 16/15
Gas Distributed (GWh)	18,402	19,425	-5.3%
Portugal	3,803	3,670	3.6%
Spain	14,599	15,756	-7.3%
Supply Points (th)	1,254	1,237	1.4%
Portugal	333	323	2.8%
Spain	922	913	0.9%

Electricity Distribution - Brazil

	1H16	1H15	Δ 16/15
Electricity Distributed (GWh)	12,429	13,142	-5.4%
Final Clients	8,105	8,329	-2.7%
Access Clients	4,324	4,813	-10%
Supply Points (th)	3,281	3,209	2.3%
Bandeirante	1,785	1,755	1.7%
Escelsa	1,496	1,454	2.9%

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Wind and Solar Power Europe, USA & Brazil

	Installed Capacity (MW)		
	1H16	1H15	Δ MW
Europe	4,929	4,237	+692
Portugal	1,249	630	+619
Spain	2,194	2,194	+0
Rest of Europe	1,485	1,413	+73
Brazil	204	84	+120
North America	4,233	3,934	+299
Total EBITDA MW	9,365	8,254	+1,111
Total EBITDA MW + Equity MW*	9,721	9,141	+581

	Output (GWh)		Load Factor		Δ GWh
	2Q16	2Q15	2Q16	2Q15	
Europe	2,572	2,254	24%	25%	14%
Portugal	712	302	26%	22%	136%
Spain	1,221	1,228	26%	26%	-0.5%
Rest of Europe	638	724	20%	24%	-12%
Brazil	151	49	28%	27%	211%
North America	3,056	2,754	33%	33%	11%
Total EBITDA MW	5,779	5,056	28%	28%	14%

	Output (GWh)		Load Factor		Δ GWh
	1H16	1H15	1H16	1H15	
Europe	6,358	5,186	30%	29%	23%
Portugal	1,751	807	32%	30%	117%
Spain	2,879	2,727	31%	29%	5.6%
Rest of Europe	1,728	1,651	26%	28%	4.6%
Brazil	205	94	29%	26%	118%
North America	6,750	5,562	37%	33%	21%
Total EBITDA MW	13,314	10,842	33%	31%	23%

* MW attributable to EDPR referent to associated companies consolidated by equity method

Liberalized Electricity Generation in the Iberian Market

	Installed Capacity (MW)		
	1H16	1H15	Δ MW
Generation	8,639	7,881	+758
CCGT	3,736	3,736	-
Coal	1,224	1,463	-239
Hydro	3,523	2,526	+997
Nuclear	156	156	-

	Output (GWh)		Load Factor		Δ GWh
	2Q16	2Q15	2Q16	2Q15	
Generation	4,703	4,038	25%	23%	16%
CCGT	552	675	7%	8.3%	-18%
Coal	769	1,972	29%	62%	-61%
Hydro	3,152	1,175	41%	21%	168%
Nuclear	230	215	68%	63%	6.9%

	Output (GWh)		Load Factor		Δ GWh
	1H16	1H15	1H16	1H15	
Generation	10,371	8,747	27%	26%	19%
CCGT	1,017	1,086	6%	7%	-6.4%
Coal	2,102	4,030	39%	63%	-48%
Hydro	6,693	3,085	43%	28%	117%
Nuclear	560	546	82%	81%	2.5%

Liberalized Energy Supply to Retail Customers in the Iberian Market

Volumes (GWh)	1H16	1H15	Δ 16/15
Electricity	17,450	16,184	7.8%
Portugal	9,097	8,653	5.1%
Spain*	8,353	7,532	11%
Gas	12,645	15,770	-20%
Portugal	2,381	2,394	-0.5%
Spain*	10,264	13,377	-23%

	2Q16	2Q15	Δ 16/15
Electricity	8,361	7,964	5.0%
Portugal	4,263	4,008	6.4%
Spain*	4,098	3,956	3.6%
Gas	5,905	7,605	-22%
Portugal	1,040	1,056	-1.6%
Spain*	4,866	6,549	-26%

Number of Clients (th)	1H16	1H15	Δ 16/15
Electricity	4,930	4,447	11%
Portugal	3,903	3,460	13%
Spain*	1,026	987	4.0%
Gas	1,394	1,283	8.6%
Portugal	551	452	22%
Spain*	843	831	1.4%

* Includes Last Resort Supply

PPA / CMEC and Special Regime (excluding Wind)

	Installed Capacity (MW)		
	1H16	1H15	Δ MW
Total PPAs/CMECs Portugal	3,843	4,470	-627
Hydro	2,663	3,290	-627
Coal	1,180	1,180	-
Brazil PPAs	2,466	2,517	-51
Hydro	1,745	1,797	-51
Coal	720	720	-
Special Regime in Iberia (ex-wind)	208	213	-5

	Output (GWh)		Load Factor		Δ GWh
	2Q16	2Q15	2Q16	2Q15	
Total PPAs/CMECs Portugal	3,992	3,639	48%	37%	10%
Hydro	2,462	1,160	42%	16%	112%
Coal	1,530	2,480	59%	96%	-38%
Brazil PPAs	2,049	2,241	38%	41%	-8.6%
Hydro	845	1,632	22%	42%	-48%
Coal	1,204	610	77%	78%	98%
Special Regime in Iberia (ex-wind)	288	157	65%	34%	84%

	Output (GWh)		Load Factor		Δ GWh
	1H16	1H15	1H16	1H15	
Total PPAs/CMECs Portugal	8,620	7,791	51%	40%	11%
Hydro	5,316	3,063	46%	21%	74%
Coal	3,304	4,728	64%	92%	-30%
Brazil PPAs	4,857	3,885	45%	36%	25%
Hydro	2,518	3,275	33%	42%	-23%
Coal	2,339	610	74%	78%	284%
Special Regime in Iberia (ex-wind)	631	397	72%	43%	59%