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Lisbon, May 10th 2012

## Financial Results 1Q12

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EDP 1Q12 financial statements reflect a change in accounting policy as to the interest cost and estimated return of the fund assets: the respective amounts, accounted as operating costs in 1Q11, are accounted at financial results level in 1Q12. The financial statements presented in this document are non-audited. The source from all operational data is EDP.

Income Statement (€ m)	1Q12	1Q11*	Δ%	Δ Abs.
Gross Profit	1,438	1,431	0.4%	+6
Supplies and services Personnel costs Costs with social benefits Other operating costs (net) Net Operating costs (1)	216 155 15 48 <b>434</b>	208 147 32 36 <b>423</b>	3.8% 5.0% -53% 34% <b>2.6%</b>	+8 +7 -17 +12 <b>+11</b>
EBITDA	1,003	1,008	-0.5%	-5
Provisions Net depreciation and amortisation (2) EBIT	3 350 <b>650</b>	2 358 <b>648</b>	26% -2.2% <b>0.4%</b>	+1 -8 <b>+2</b>
Capital gains/(losses) Financial results Results from associated companies Pre-tax Profit	(0) (167) 4 <b>487</b>	0 (133) 6 <b>520</b>	-25% -38% - <b>6.4%</b>	-0 -33 -2 <b>-33</b>
Income taxes Discontinued activities	79 -	123	-36% -	-44 -
Net profit for the period  Net Profit Attributable to EDP Shareholders  Non-controlling Interest	408 <b>337</b> 71	397 <b>342</b> 55	2.8% - <b>1.5%</b> 30%	+11 - <b>5</b> +16
Key Operational Data	1Q12	1Q11	Δ%	Δ Abs.
Key Operational Data Employees	<b>1Q12</b> 12,133	<b>1Q11</b> 12,070	<b>Δ%</b> 0.5%	<b>Δ Abs.</b> +63
Employees	12,133	12,070	0.5%	+63
Employees Installed capacity (MW)	12,133 23,211	12,070 22,188	0.5% 4.6%	+63 +1,024
Employees Installed capacity (MW)  Key Financial Data (€ m)	12,133 23,211 1Q12	12,070 22,188 <b>1Q11</b>	0.5% 4.6% Δ %	+63 +1,024 Δ Abs.
Employees Installed capacity (MW)  Key Financial Data (€ m)  FFO (Funds from operations)  Capex Maintenance	12,133 23,211 1Q12 758 325 136	12,070 22,188 1Q11 723 393 129	0.5% 4.6% Δ% 4.9% -17% 5.0%	+63 +1,024 Δ Abs. +35 -68 +7
Employees Installed capacity (MW)  Key Financial Data (€ m)  FFO (Funds from operations)  Capex Maintenance Expansion	12,133 23,211 1Q12 758 325 136 189	12,070 22,188 1Q11 723 393 129 263	0.5% 4.6% Δ% 4.9% -17% 5.0% -28%	+63 +1,024 Δ Abs. +35 -68 +7 -74
Employees Installed capacity (MW)  Key Financial Data (€ m)  FFO (Funds from operations)  Capex Maintenance Expansion  Net financial investment in the period	12,133 23,211 1Q12 758 325 136 189 23	12,070 22,188 1Q11 723 393 129 263 3	0.5% 4.6%  4.9% 4.9% -17% 5.0% -28% 699%	+63 +1,024 Δ Abs. +35 -68 +7 -74 +20
Employees Installed capacity (MW)  Key Financial Data (€ m)  FFO (Funds from operations)  Capex Maintenance Expansion  Net financial investment in the period  Key Balance Sheet Data (€ m)	12,133 23,211 1Q12 758 325 136 189 23	12,070 22,188  1Q11  723 393 129 263 3  Dec-11	0.5% 4.6%  4.9% 4.9% 5.0% -28% 699%	+63 +1,024 Δ Abs. +35 -68 +7 -74 +20 Δ Abs.
Employees Installed capacity (MW)  Key Financial Data (€ m)  FFO (Funds from operations)  Capex Maintenance Expansion  Net financial investment in the period  Key Balance Sheet Data (€ m)  Equity book value	12,133 23,211 1Q12 758 325 136 189 23 Mar-12	12,070 22,188  1Q11 723 393 129 263 3  Dec-11 8,110	0.5% 4.6% 4.9% 4.9% -17% 5.0% -28% 699% Δ% 3.9%	+63 +1,024 Δ Abs. +35 -68 +7 -74 +20 Δ Abs. +316
Employees Installed capacity (MW)  Key Financial Data (€ m)  FFO (Funds from operations)  Capex Maintenance Expansion  Net financial investment in the period  Key Balance Sheet Data (€ m)  Equity book value  Net debt	12,133 23,211 1Q12 758 325 136 189 23 Mar-12 8,425 16,906	12,070 22,188  1Q11  723 393 129 263 3  Dec-11 8,110 16,948	0.5% 4.6%  4.9% -17% 5.0% -28% 699%  Δ% 3.9% -0.3%	+63 +1,024 Δ Abs. +35 -68 +7 -74 +20 Δ Abs. +316 -43

EBITDA was virtually flat (-0.5% YoY) in 1Q12, at €1,003m, as higher EBITDA from wind operations (+€43m) was offset by lower EBITDA from liberalised activities (-€26m) and Brazil (-€21m). EBITDA evolution also reflects a €27m gain booked in 1Q11 (on the sale of transmission assets to REE) and a change in accounting policy (as from Sep-11) as to the interest cost and estimated return of the pension fund assets: the respective amounts, accounted as operational expenses in 1Q11 (€23m), are now accounted at financial results level (€23m in 1Q12). Adjusted for these impacts, EBITDA was flat YoY. ForEx impact on EBITDA was negligible.

EBITDA generated outside Portugal accounted for 61% of EBITDA in 1Q12. Moreover, over 90% of EBITDA derived from LT contracted and regulated activities, reflecting our low-risk operational profile. Regulatory-wise, it is worth to mention the impact from regulatory changes occurred in Spain (RDL 13/2012), which overall impact amounted to c-€5m (resulting from a 10% cut in distribution remuneration and in capacity payments). In Portugal it is worth to mention the visibility provided for 2012-14 brought about by the regulatory revision for the electricity distribution activities (18% of our EBITDA) closed in Dec-11.

Net operating costs<sup>(1)</sup> advanced 2.6% (+€11m), to €434m, driven by a €12m YoY increase in other net operating costs derived from the aforementioned €27m one-off gain booked in 1Q11 (sale of transmission assets to REE). Operating costs, in turn, were flat YoY reflecting (i) the impact from the aforementioned change in accounting policy (€23m in 1Q11), on the one hand; (ii) the impact from larger base of operations at EDPR (+€4m) and from HR restructuring costs in Brazil in 1Q12, on the other hand.

EBIT rose 0.4% YoY to €650m, supported by stable EBITDA and lower depreciation charges. Net depreciation and amortisation declined by €8m, to €350m in 1Q12, impacted by the extension of EDPR's wind farms useful life and by the commissioning of new investments (new wind and hydro capacity, DeNOx under CMEC). Financial results totalled -€167m in 1Q12, mainly reflecting: (i) the increase in the average cost of debt (from 3.8% in 1Q11 to 4.1% in 1Q12); (ii) a 5% rise in average net debt; (iii) the impact from the aforementioned change in accounting policy (-€23m); and (iv) lower capitalised costs derived from lower works in progress in the wind business. Income taxes were €44m lower yoY due to non-recurrent items in 1Q12. Non-controlling interest rose 30% YoY to €71m in 1Q12, following the reduction of EDP stake in EDP Brasil (from 65% to 51% in Jul-11), together with the increase of EDPR and Brazilian generation companies' net profit. Net profit in 1Q12 reached €337m, standing 1.5% below 1Q11 due to one-off gain of €27m accounted in 1Q11.

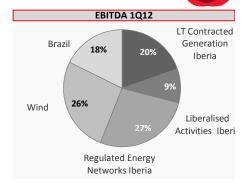
Net debt in Mar-12 was almost unchanged at €16.9bn (vs. Dec-11) despite the €0.2bn increase in regulatory receivables, to €1.9bn. Funds from operations rose by €35m YoY supported by lower income taxes. Up to Mar-12, EDP spent €1.9bn in 2.9GW under construction. Excluding regulatory receivables, EDP's adjusted net debt/EBITDA was down from 4.1x in Dec-11 to 3.7x in Mar-12, by still penalised by the large cumulated expenditure in projects under construction.

As of Mar-12, total cash position and available credit facilities amounted to €4.2bn. As part of EDP's strategic partnership with CTG: (i) CTG is committed to acquire minority stakes (c1.5GW) in wind farms worth €2.0bn up to 2015 (€800m in the 12months following the deal closing); (ii) EDP will count with a €2.0bn credit facility by up to 20 years; (iii) the 2 groups will co-invest in selected new projects. Adjusted for this, our liquidity position allows us to meet our funding needs until mid 2015.

On May16<sup>th</sup> 2012, EDP will pay its annual dividend (relative to 2011 fiscal-year) amounting to €0.185/share (~€675m).

<sup>\*</sup> Note: 1Q11 financial statements are stated as reported in 1Q11, thereby not including the change in accounting policy as to pension funds costs. (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) Excluding regulatory receivables.

EBITDA (€ m)	1Q12	1Q11	Δ%	Δ Abs.	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12
LT Contracted Generation	197.0	203.0	-3.0%	-6	203.0	199.9	207.5	213.8	197.0	-	-	-
Liberalised Activities Iberia	0.4.5	400.4	222/	2.5			07.0		0.4.5			
Liberalised Activities iberia	94.5	120.4	-22%	-26	120.4	89.4	87.8	94.8	94.5	-	-	-
Regulated Networks Iberia	274.9	275.0	-0%	-0	275.0	249.9	276.4	298.5	274.9	-	-	-
Mr. d D												
Wind Power	263.5	220.1	20%	+43	220.1	189.1	139.1	252.4	263.5	-	-	-
Brazil	177.4	198.2	-10%	-21	198.2	194.3	161.9	127.4	177.4	_	_	-
Other	(3.9)	(8.6)	-	+5	(8.6)	(30.4)	1.9	(6.4)	(3.9)	-	-	-
Consolidated	1,003.5	1,008.2	-0.5%	-5	1,008.2	892.2	874.6	980.6	1,003.5	-	-	-



EDP consolidated EBITDA was virtually flat (-€5m YoY) in 1Q12, at €1,003m, reflecting the €27m one-off gain booked in 1Q11 (from the sale of transmission assets to REE) and a change in accounting policy (as from Sep-11) as to the interest cost and estimated return of the pension fund assets: the respective amounts, accounted as operational expenses in 1Q11 (€23m), are now accounted at financial results level (€23m in 1Q12). Adjusted for these impacts, EBITDA was flat YoY, as higher EBITDA from wind operations (+€43m) was offset by lower EBITDA from liberalised activities (-€26m) and Brazil (-€21m). ForEx impact on EBITDA was negligible.

LONG TERM CONTRACTED IBERIA — EBITDA fell 3% (-€6m) YoY, to €197m in 1Q12, as the impact from lower output from our mini-hydro plants (-82% derived from extremely dry weather conditions) outpaced the positive impact from higher inflation (+€6m on gross profit), higher-than-contracted availability at our CMEC plants (+€5m on gross profit) and the commissioning of Sines DeNOx facilities (+€4m on gross profit).

LIBERALISED ACTIVITIES IBERIA — EBITDA totalled €95m in 1Q12 (-22% YoY). EBITDA from electricity business declined by 23% (-€26m) YoY, supported by lower margins earned in the electricity business (€8.8/MWh in 1Q12 vs. €10.9/MWh in 1Q11), derived from (i) lower results with hedging on electricity (-€1/MWh), (ii) higher sourcing costs (+20% YoY) following a more expensive generation mix (on lower hydro contribution due to severe weather conditions), higher fuel costs and more expensive electricity purchases. EBITDA from gas supply activities was 49% lower YoY supported by lower volumes sold and weak margins in the period.

REGULATED NETWORKS IBERIA – EBITDA was flat in 1Q12 at €275m impacted by a one-off gain from the sale of transmission assets to REE booked in 1Q11 (+€27m) and by the change in accounting policy as to the interest cost and estimated return of the pension fund assets (€15m cost in 1Q11). Excluding these impacts, EBITDA rose 5% YoY (+€13m) impacted by a rise in Portugal electricity distribution grid regulated revenues on the back of an increase in rate of return from 8.56% to 10.3% (preliminary rate based on the average Portugal 5Y CDS since Oct-11), which compensate a 9% decrease of regulated revenues in electricity distribution in Spain following the implementation of RDL 13/2012.

EBITDA from gas regulated networks in Spain rose 8% YoY, to €53m in 1Q12, mainly driven by a 3% increase of regulated revenues (+€2m) and a 14% decrease in net operating costs (on lower marketing and IT services). EBITDA from gas regulated activities in Portugal decreased 7% YoY (-€1m) to €16m in 1Q12.

WIND POWER – EDPR's EBITDA rose 20% YoY (+€43m) to €263m in 1Q12, reflecting an 8% increase of installed capacity (+532MW), a better avg. load factor (+1pp YoY to 34%) and a stronger avg. selling price (+4% YoY to €60/MWh). The main growth drivers were: (1) the US market (+€27m), reflecting 198MW of additional capacity (37% of total additions), a significantly higher avg. load factor (+6pp YoY to 41%) and a slightly lower avg. selling price (-1% YoY to USD45.6/MWh); and (2) European markets ex-lberia (+€20m YoY), following 208MW of new capacity (39% of total additions; Romania: +126MW; Poland: +60MW; France: +22MW), higher avg. selling prices (+15% YoY to €107.7/MWh) and a stable avg. load factor (28%). EBITDA from Spain increased 11% YoY (+€9m, including hedging results), reflecting 43MW of additional capacity (8% of total added), higher avg. selling prices (+9% YoY to €88.7/MWh) and lower avg. load factors (-2pp to 28%, which despite lower wind resource stood 2pp above 1Q12 market avg.). In Portugal, EBITDA declined 21% YoY (-€7m), reflecting lower avg. load factors (-7pp to 24%) due to poor wind resources in 1Q12, which was only partly offset by capacity additions (+14MW; 3% of total added) and higher avg. selling prices (+4% YoY to €105.8/MWh).

BRAZIL – EDPB's contribution to 1Q12 EBITDA declined 10% (-€21m) YoY in 1Q12, broadly in line with local currency EBITDA (1.6% depreciation of BRL vs. EUR). Local currency EBITDA retreated by 9% (-R\$41m) YoY due to the negative impact from tariff deviations (-R\$65m YoY) and the freeze of Bandeirante's tariffs from Oct-11 to Oct-12. This impact was only partially compensated by a more favourable allocation of contracted volumes in 1Q12 vs 1Q11 in the generation business.

#### Profit & Loss Items below EBITDA



Provisions, Deprec. & Amortizat. (€ m)	1Q12	1Q11*	Δ%	Δ Abs.
EBITDA	1,003.5	1,008.2	-0.5%	-5
Provisions	3.0	2.4	26%	+1
Depreciation and amortisation	357.4	365.3	-2.2%	-8
Compensation for depreciation	(7.1)	(7.3)	2%	+0
EBIT	650.2	647.7	0%	+2

Financial Results (€ m)	1Q12	1Q11*	Δ%	Δ Abs.
Net financial interest	(172.1)	(152.3)	-13%	-20
Capitalized financial costs	32.7	38.6	-15%	-6
Net foreign exch. diff. and derivates	(14.8)	(14.9)	1%	+0
Investment income	1.7	0.0	n.m.	+2
Unwinding w/ pension & medical care resp.	(22.9)	-	-	-23
Other Financials	8.6	(4.9)	-	+13
Financial Results	(166.8)	(133.5)	-25%	-33

Results from Associat. Companies (€ m)	1Q12	1Q11	Δ%	Δ Abs.
CEM (21%) - China/Macao	0.8	1.5	-48%	-1
Setgás (20%)	0.6	1.0	-34%	-0
EDP Renováveis subsidiaries	1.6	3.0	-47%	-1
Other	0.6	0.3	89%	+0
Results from associated companies	3.6	5.8	-38%	-2

Capital Gains/(Losses) (€ m)	1Q12	1Q11	Δ%	Δ Abs.
Capital Gains/(Losses)	(0.0)	0.2	-	-0

Income Tax (€ m)	1Q12	1Q11	Δ%	Δ Abs.
Pre-tax profit	487.0	520.3	-6.4%	-33
Income taxes	79.0	123.4	-36%	-44
Effective tax rate (%)	16.2%	23.7%	-7.5 pp	-
Discontinued activities	-	_		-

Non-controlling Interest (€ m)	1Q12	1Q11	Δ%	Δ Abs.
EDP Renováveis	18.0	13.3	35%	+5
HC Energia	0.1	0.3	-67%	-0
Energias do Brasil	50.2	38.4	31%	+12
Other	2.4	2.5	-4.0%	-0
Non-controlling Interest	70.7	54.5	30%	+16

Net depreciation and amortisation (net of compensation from depreciation and amortisation of subsidised assets) decreased €8m in 1Q12, impacted by the extension of the useful life of the wind farms (from 20 to 25 years, in Jun-11). This impact was only partially offset by (i) the expansion of EDPR's wind portfolio; (ii) new hydro capacity in Portugal as well as higher working hours at our coal plants in Spain and (iii) commissioning of DeNOx facilities at Sines' coal plant in Portugal.

#### **Financial Results:**

- a) Net financial interests costs increased 13% YoY, to €172m in 1Q12, following (i) a c30bp increase of the average cost of debt, from 3.8% in 1Q11 to 4.1% in 1Q12 and (ii) an increase by 5% in average net debt.
- b) Capitalised financial costs decreased by 15% due to lower level of works in progress, namely at EDP Renováveis.
- c) Unwinding with pension and medical care responsibilities amounted to €23m. Note that EDP 1Q12 financial statements reflect a change in accounting policy as to the interest cost and estimated return of the pension fund assets: the respective amounts, accounted in 1Q11 as operating costs, are now accounted at financial results level (€23m both in 1Q12 and 1Q11).

Results from associated companies: EDP Renováveis subsidiaries includes essentially our equity stake in ENEOP Portugal and in spanish wind farm Sierra del Madero (each one with €0.5m impact in 1Q12).

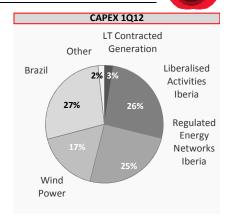
**Income tax:** decreased €44m due to one-off effects in 1Q12.

Non-controlling interest increased 30% YoY to €71m in 1Q12, following the reduction of EDP stake in EDP Brasil from 65% to 51% in Jul-11, and the increase of net profit at EDPR and generation subsidiaries in Brazil.

<sup>\*</sup>Note: 1Q11 financial statements are stated as reported in 1Q11 thereby not including the change in accounting policy as to pension funds costs.

Capex (€ m)	1Q12	1Q11	Δ%	Δ Abs.
LT contracted gen. Iberia	7.9	13.9	-43%	-6
Liberalised activities Iberia	85.8	49.0	75%	+37
Regulated networks Iberia	81.7	70.5	16%	+11
Wind power	55.1	190.4	-71%	-135
Brazil	88.9	63.0	41%	+26
Other	5.7	5.9	-4%	-0
EDP Group	325.0	392.7	-17%	-68
Expansion Capex	189.2	263.4	-28%	-74
Maintenance Capex	135.8	129.3	5.0%	+7

ſ	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12
	13.9	18.4	13.6	13.1	7.9	-	-	-
	49.0	104.1	115.2	197.1	85.8	-	-	-
	70.5	97.7	90.8	151.9	81.7	-	-	-
	190.4	154.6	171.1	312.6	55.1	-	-	-
	63.0	60.8	104.7	112.8	88.9	-	-	-
	5.9	16.8	12.5	20.3	5.7	-	-	-
-	392.7	452.4	507.8	807.8	325.0	-	-	-
-	263.4	271.4	322.2	551.3	189.2	-	-	-
-	129.3	181.0	185.6	256.5	135.8	-	-	-



Generation Projects Under Construction (€ m)	MW	Capex 1Q12	Acc. Capex (1)
Hydro Portugal	1,710	68.4	663
Wind power (2)	448	17.0	507
Coal Brazil	360	35.8	640
Hydro Brazil	382	20.0	81
Total	2,900	141.2	1,891

Net financial investments/(Divestments) (€m)	1Q12	1Q11	Δ%	Δ Abs.
Major Financial Investments	22.9	4.0	475%	+19
Consolidation Perimeter EDPR Jari (Brazil)	2.5	1.5	71%	+1
Other	19.0 1.5	2.5	-42%	-1
Major Financial Divestments	0.0	1.1	-98%	-1
Consolidation Perimeter EDPR Other	0.0	1.1	- -98%	-1
Total	22.9	2.9	699%	+20

**Consolidated capex** totalled €325m in 1Q12, following a deceleration in expansion capex (-28% YoY to €189m), driven by lower investment in wind. In line with EDP's strategy to invest in risk controlled activities, LT contracted/regulated activities absorbed 72% of capex. **Maintenance capex** totalled €136m in 1Q12, mostly devoted to regulated networks.

Capex in new wind capacity (c30% of expansion capex), at EDPR level, totalled €55m and was mainly invested in the construction of new capacity in US (26%), Romania (21%), Poland (15%), Portugal and France (8%) and Spain (7%). EDPR has so far spent €507m (€17m in 1Q12) in 448MW currently under construction (all under long term/regulated tariff regimes): 215MW in US (State of New York), 111MW in Spain, 80MW in Poland, 40MW in Italy and 2MW in Portugal.

Capex in new hydro capacity (c40% of expansion capex) totalled €78m in 1Q12, the bulk of which (€68m) devoted to construction/repowering works in 6 plants in Portugal (1,710MW due in 2012/15): 3 repowerings (1,203MW) and 3 new plants (507MW). Algueva II (256MW, 84% of capex already incurred), is due to come on stream in 4Q12.

In Brazil, EDP already invested: (1) €640m in its 360MW share in Pecém coal plant; and (2) €81m in the repowering of Mascarenhas (9MW due in 2013) and initial construction works of Jari (373MW due in 2015).

**Overall,** EDP continues to execute its low-cost, CO2-free pipeline, having so far spent €1.9bn in 2.9GW under construction. Looking forward, EDP plans a total capex of €2.0bn in 2012. EDP expects to bring over 750MW into operation during 2012.

Financial investments in 1Q12 amounted €23m, the bulk of which related to success fees related to development of Jari and wind projects previously acquired.

#### Cash Flow

Consolidated Cash Flow (€m) - Indirect Method	1Q12	1Q11	Δ%	Δ Abs.
EBITDA	1,003.5	1,008.2	-0.5%	-5
Income tax	(54)	(110)	51%	+56
Net financial interest	(Ì72)	(152)	-13%	-20
Net Income and dividends received from Associates	` Ś	` 6	-9.0%	-1
Other adjustments	(24)	(29)	15%	+4
FFO (Funds From Operations)	758.0	722.6	4.9%	+35
Net financial interest	172	152	13%	+20
Net Income and dividends received from Associates	(5)	(6)	9.0%	+1
Change in operating working capital	(142)	(9)	-	-133
Regulatory Receivables (1)	(227)	44	_	-272
Other	` 85	(53)	-	+138
Net Cash from Operating Activities	782.3	859.9	-9.0%	-78
Expansion capex	(189)	(263)	28%	+74
Maintenance capex	(136)	(129)	-5.0%	-7
Change in working capital from equipment suppliers	(390)	(388)	-0.5%	-2
Net Operating Cash Flow	67.7	79.7	-15%	-12
Net financial (investments)/divestments	(23)	(3)		-20
Net financial interest paid	(163)	(107)	-52%	-20 -56
Dividends received from Associates	(103)	(107)	53%	+0
Dividends paid	(4)	(4)	10%	+0
Anticipated proceeds from Institut. Partnersh. in US wind	(3)	(4)	21%	+1
Effect of exchange rate fluctuations	113	252	-55%	-139
Other non-operating changes	55	(69)	-	+123
Decrease/(Increase) in Net Debt	42.5	145.4	-71%	-103

Consolidated Cash Flow (€m) - Direct Method	1Q12	1Q11	Δ%	Δ Abs.
Operating Activities				
Cash receipts from customers	3,955	3,984	-0.7%	-29
Proceeds from tariff adjustments securitization	168	· -	-	+168
Cash paid to suppliers and personnel	(3,381)	(3,156)	-7.1%	-226
Concession rents & other	42	99	-57%	-57
Net Cash from Operations	784	928	-16%	-144
Income tax received/(paid)	(2)	(68)	97%	+66
Net Cash from Operating Activities	782.3	859.9	-9.0%	-78
Net Cash from Investing Activities	(713)	(731)	2.6%	+19
Net Cash from Financing Activities	109	176	-38%	-66
Changes in Cash and Cash Equivalents	179.2	304.1	-41%	-125
Effect of exchange rate fluctuations	(2)	(31)	92%	+29

Funds from operations (FFO) increased 5% YoY to €758m in 1Q12 following a €56m decrease of income taxes, on the back of a non-recurring impact, which was partly compensated by a €20m increase in net financial interests following a 30bp increase of the average cost of debt and a 5% increase of average net debt.

Net cash from operating activities fell 9% YoY to €782m in 1Q12. Note that in 1Q12, this item was negatively impacted by a €227m increase in regulatory receivables, mostly due to: i) a €396m increase in regulatory receivables from Portugal; which was partly compensated by ii) €168m in cash proceeds from tariff deficit securitization deals in Spain. In 1Q12, other changes in operating working capital amounted to €85m, which were essentially related to a decrease in tax receivables.

Expansion capex decreased 28% YoY to €189m in 1Q12 reflecting lower capex in wind activities.

The €113m related to **effect of exchange rate fluctuations** essentially reflect the impact of the depreciation in the 1Q12 of the US dollar vs. the Euro.

Overall, **net debt** decreased €43m vs. Dec-11 to €16.9bn as of Mar-12.

Going forward, on May16th 2012, EDP will pay its annual dividend amounting to €0.185/share (~€675m).

Assets (€ m)	N	lar. vs. Dec.	
Assets (£ III)	Mar-12	Dec-11	Δ Abs.
		_ = ==	_ 1 1001
Property, plant and equipment, net	20,517	20,708	-191
Intangible assets, net	6,864	6,800	64
Goodwill	3,304	3,327	-23
Financial investments and assets held for sale, net	539	534	5
Tax assets, deferred and current	895	1,156	-261
Inventories	322	346	-25
Trade receivables, net	2,276	2,152	124
Other assets, net	4,703	4,512	191
Cash and cash equivalents	1,908	1,732	177
Total Assets	41,328	41,268	60
Equity (€ m)	Mar-12	Dec-11	Δ Abs.
Equity (Cili)	17101 12	DC0 11	<u> </u>
Equity attributable to equity holders of EDP	8,425	8,110	316
Non-controling Interest	3,331	3,277	53
Total Equity	11,756	11,387	369
	•		
Liabilities (€ m)	Mar-12	Dec-11	Δ Abs.
et a constitution of the	10.070	10.705	85
Financial debt, of wich:	18,870	18,785	85 -9
Medium and long-term	15,778 3,093	15,786 2,999	-9 94
Short term Employee benefits (detail below)	1.806	1.823	-17
1	1,706	1,784	-17 -78
Institutional partnerships, US wind Provisions	409	415	-78 -6
Tax liabilities, deferred and current	1,435	1,501	-66
Other liabilities, net	5,346	5,573	-227
	20 572	20.004	200
Total Liabilities	29,572	29,881	-309
Total Equity and Liabilities	41,328	41,268	60
Employee Benefits (€m)	Mar-12	Dec-11	Δ Abs.
	004	4.004	20
Pensions	984 823	1,004 819	-20
Medical care	1,806	1,823	<u>3</u>
Employee Benefits	1,000	1,023	-1/
Institutional Partnerships Liabilities (€m)	Mar-12	Dec-11	Δ Abs.
Institutional Doutnoushins LIC Wind	1 706	1 704	-78
Institutional Partnerships, US Wind	1,706	1,784	
(-) Deferred Income	743 <b>963</b>	773 <b>1,011</b>	-30 - <b>48</b>
Institutional Partnerships Liabilities	303	1,011	-40
Regulatory Receivables (€m)	Mar-12	Dec-11	Δ Abs.
Portugal Distribution and Gas (1)	1,063	739	323
Portugal Distribution and Gas (1)	463	390	323 73
Portugal Annual CMEC Deviation Spain (2)	463 346	514	-167
Spain (2) Brazil (1)	340	514 4	-107 -2
Regulatory Receivables	1,875	1,647	227
negulatory necelvables	1,073	1,047	

Total amount of **property, plant and equipments** decreased by €0.2bn vs. Dec-11 to €20.5bn as of Mar-12, following: (1) +€0.3bn from capex in the period; (2) -€0.3bn of depreciations in the same period; and (3) a net -€0.2bn impact from both the depreciation of the BRL and USD vs. the EUR and appreciation of the polish Zloty vs. the EUR between Dec-11 and Mar-12. As of Mar-12, EDP's balance sheet included €3.4bn of works in progress (12% of total consolidated tangible and intangible assets of €27.4bn) largely related to investments already made in power plants, wind farms, equipment or concession rights which are not yet operating or being depreciated.

The book value of **financial investments & assets held for sale** amounted to €539m as of Mar-12, including essentially our financial stakes in CEM (21%), BCP (2.6%) and REN (3.5%), as well as €0.2bn of other non-strategic assets.

Tax assets, deferred and current, went down €0.3bn vs. Dec-11, mainly due to lower fiscal receivables related to value added tax.

Other assets (net) increased €0.2bn vs. Dec-11 to €4.7bn as of Mar-12, reflecting higher gross regulatory receivables, which resulted from: (1) a €0.3bn increase in receivables from energy distribution & last resort supply activities in Portugal; (2) €0.1bn higher receivables from generation under the CMEC system in Portugal; and (3) a €0.2bn decline in Spanish pending tariff deficit.

Total amount of EDP's **net regulatory receivables** increased €227m to €1.9bn as of Mar-12, mostly as a result of: (1) a €396m increase from Portugal, due to higher pending receivables from both energy distribution & last resort supply (+€323m) and generation under the CMEC system (+€73m); which was partly compensated by (2) a €167m decline from Spain (explained by the €168m cash proceeds in the period from tariff deficit securitization deals).

**Equity book value** increased €0.3bn vs. Dec-11, to €8.4bn as of Mar-12, reflecting the €337m net profit of 1Q12, which was slightly compensated by changes in reserves regarding the fair value of derivatives.

Pension fund and medical care liabilities (gross, before deferred taxes), which amounted to €1.8bn as of Mar-12, remained relatively flat vs. Dec-11 – note that more than 70% of these liabilities are related to employees from regulated electricity distribution and supply in Portugal, meaning that most of these liabilities should be part of the regulated cost base in the moment of payment.

Institutional partnership liabilities, related to our wind operations in US, decreased slightly to €963m as of Mar-12 (vs. €1.0bn in Dec-2011) – This amount is adjusted by deferred revenues, related to tax credits already benefited by the institutional investors and yet due to be recognised in the P&L. The observed evolution of this item reflects: (1) a reduction of the amount of the liability, as wind farms are generating tax benefits that are being received by tax equity partners; and (2) the forex impact of the year-to-date US Dollar depreciation. The amount of Institutional partnership liabilities (net of deferred income) is gradually reduced over the lifetime of each wind power plant.

Other liabilities (net) fell -€0.2bn vs. Dec-11 to €5.3bn as of Mar-12, essentially due to: (1) a €0.5bn decline in accounts payable to equipment suppliers (-€0.4bn) and suppliers (-€0.1bn); which was partly compensated by (2) a €0.1bn increase in the amount of regulatory payables (essentially related to generation under the CMEC system); and (3) a €0.1bn increase related to CO2 licenses attributed for year 2012.

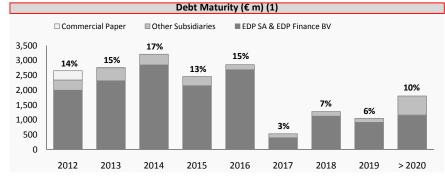
<sup>(1)</sup> Tariff deviations to be recovered/(returned) through tariffs in the following years by electricity distribution and last resort supply and gas in Portugal

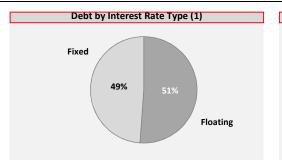
#### Consolidated Net Financial Debt



Nominal Financial Debt by Company (€m)	Mar-12	Dec-11	Δ%	Δ Abs.
EDP S.A. and EDP Finance BV EDP Produção + HC Energia + Portgás EDP Renováveis EDP Brasil	15,886.1 265.9 1,022.6 1,402.4	15,909.1 259.3 833.8 1,406.1	-0.1% 2.5% 23% -0.3%	-23 7 189 -4
Nominal Financial Debt	18,577.0	18,408.4	0.9%	169
Accrued Interest on Debt Fair Value of Hedged Debt Derivatives associated with Debt (2)  Total Financial Debt	225.3 68.1 (56.4)	304.4 72.3 (105.1) <b>18,680.0</b>	-26% -5.9% 46.4%	-79 -4 49
Total Financial Debt	10,014.1	10,000.0	U.776	134
Cash and cash equivalents EDP S.A., EDP Finance BV and Other EDP Renováveis EDP Brasil Financial assets at fair value through P&L	<b>1,908.2</b> 1,288.0 266.9 353.3 <b>0.2</b>	<b>1,731.5</b> 1,140.8 219.9 370.8 <b>0.2</b>	10% 13% 21% -4.7% -10%	177 147 47 -18 0
EDP Consolidated Net Debt	16,905.6	16,948.2	-0.3%	-43

Credit Lines by Mar-12 (€m)	Maximum Amount	Number of Counterparts	Availabl Amoun	_	Maturity
Revolving Credit Facility Domestic Credit Lines Underwritten CP Programmes	2,000 190 650	21 10 3		500 151 650	Nov-15 Renewable Renewable
Total Credit Lines	2,840		2,3	301	
Debt Ratings	S&P	M	oody's		Fitch
EDP SA & EDP Finance BV Last Rating Action	<b>BB+/Ne</b> 01-02-2		/Neg/NP 02-2012		B+/Neg/F2 3-04-2012
Debt Ratios			1Q12		Dec-11
Net Debt / EBITDA Net Debt / EBITDA adjust. by Reg. Receivab	oles			1.2x 3.7x	4.5x 4.1x







**EDP's financial debt** is essentially issued at holding level (EDP, S.A. and EDP Finance B.V.) through both debt capital markets (public & private) and loan markets. Our investments and operations are funded in local currency in order to mitigate forex risk. EDP Brasil is ring fenced and mostly non-recourse to EDP, S.A. and is self-funded in local currency. Other external funding of the EDP Group consists essentially of project finance, mainly raised by some of EDP Renováveis' subsidiaries. Our USD debt is fully dedicated to the funding of EDP Renováveis' wind investments in US, issued at the level of EDP, S.A./EDP Finance B.V. and then on-lent internally.

EDP's funding strategy aims at maintaining access to diversified sources of funding and at assuring its funding needs 24 months in advance. EDP targets a steady improvement of its free cash flow position and credit ratios over the next years. In 1Q12, EDP's net debt/EBITDA and net debt/EBITDA adjusted for regulatory receivables were 4.2x and 3.7x, respectively. In Feb-12, Moody's and Standard & Poor's downgraded EDP credit ratings as a result of the rating downgrade of the Republic of Portugal, and in Apr-12, Fitch placed all utilities with sizeable exposure to Spain, including EDP, on Rating Watch Negative, following the measures adopted by the Spanish government as part of its 2012 budget presentation. EDP's credit rating stands now 1 notch above the Republic of Portugal by S&P, 2 notches by Moody's and 3 notches by Fitch, reflecting maximum notch differential allowed between EDP and Portugal Sovereign by-the-book Credit Rating Agencies methodologies, which are unable to reflect EDP's distinct credit profile.

In Mar-12, EDPR executed a €177m project finance structure for 125 MW in Spain. In Mai-12, EDP issued a €250m retail bond maturing in May-15 with a coupon of 6% (1,3x demand).

Within the scope of EDP's strategic partnership with CTG, the new shareholder will invest €2bn (including cofunding) in minority equity stakes in wind farms until 2015 (€800m in the first 12 months after the closing of the deal). This strategic partnership also comprises a firm funding commitment from a Chinese financial institution, in an amount of up to €2bn for a maturity of up to 20 years, after the closing of the deal.

By Mar-12, debt average maturity was 4.2 years (excluding impacts from CTG deal). The weight of floating rate in the Group's consolidated debt remained relatively stable at around 50% (Mar-12: 51% floating vs. 49% fixed; Dec-11: 50% floating vs. 50% fixed). EDP's main references of floating interest rates are Euribor 1 month and 3 months. As of Mar-12, total cash and liquidity facilities available amounted to €4.2bn. This includes €1.9bn in cash and €2.3bn in liquidity facilities, of which €650m in underwritten commercial paper programmes and €1.5bn in a €2.0bn revolving credit facility with close to 4 years residual maturity. This liquidity position allows EDP to cover its refinancing needs until 1H13. When considering the impacts from CTG deal, the new financial liquidity position will allow EDP to cover its funding needs until mid-15.



**Business Areas** 

Electricity Balance		Portugal			Spain		Iber	ian Peninsu	la
(TWh)	1Q12	1Q11	Δ%	1Q12	1Q11	Δ%	1Q12	1Q11	Δ%
Hydro	1.2	4.8	-75%	4.1	10.9	-63%	5.3	15.7	-66%
Nuclear	-	-	-	16.4	13.9	18%	16.4	13.9	18%
Coal	3.3	1.0	219%	15.9	8.1	97%	19.1	9.1	111%
CCGT	2.1	3.0	-30%	11.5	14.0	-18%	13.6	16.9	-20%
Fuel/gas/diesel	0.0	(0.0)	-	_	_	_	0.0	(0.0)	-
Own consumption	-	` -	-	(2.1)	(1.7)	24%	(2.1)	(1.7)	24%
(-)Pumping	(0.3)	(0.1)	199%	(1.3)	(1.1)	27%	(1.6)	(1.2)	41%
Conventional Regime	6.2	8.7	-28%	44.4	44.2	0.6%	50.6	52.8	-4.1%
Wind	2.4	2.6	-9.7%	12.3	12.8	-4.1%	14.6	15.4	-5.0%
Other	2.2	2.5	-11%	13.2	12.5	5.7%	15.4	14.9	2.9%
Special Regime	4.5	5.1	-10%	25.5	25.3	0.8%	30.0	30.3	-1.1%
Import/(export) net	2.4	(0.1)	_	(2.8)	(1.7)	63%	(0.5)	(1.8)	-74%
Gross demand (before grid losses)	13.1	13.6	-3.7%	67.0	67.7	-1.0%	80.2	81.3	-1.4%
Adjust. temperature, working days			-5.9%			-2.0%			n.a.

Gas Demand		Portugal		Spain			Iberian Peninsula		
(TWh)	1Q12	1Q11	Δ%	1Q12	1Q11	Δ%	1Q12	1Q11	Δ%
Conventional demand	10.0	9.4	6.9%	85.8	80.7	6.3%	95.8	90.1	6.3%
Demand for electricity generation	4.4	6.2	-29.8%	24.8	31.7	-22%	29.1	37.9	-23%
Total Demand	14.4	15.6	-7.8%	110.6	112.4	-1.6%	125.0	128.0	-2.4%

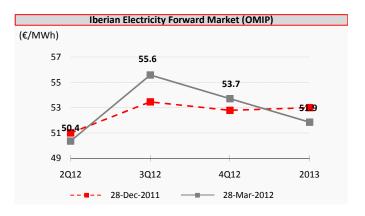
**Electricity demand** in Iberia fell 1.4% YoY in 1Q12. In Spain (84% of Iberia), demand was 1% lower in 1Q12 (-2% adjusted for temperature and working days), following weak consumption in the industrial and services segments. In Portugal (16% of total), demand fell 3.7% (-5.9% adjusted for temperature and working days) driven by the residential, SME and public lighting segments.

In spite of lower total demand in 1Q12 (-1.2TWh YoY), residual thermal demand (RTD) was 26% higher YoY (+6.7TWh) propelled by weak wind and extremely weak hydro resources: despite the 2% increase in installed capacity (driven by Portugal), net hydro output fell 11TWh penalised by hydro resources 80% below the average; output from wind and other special regime was 0.3TWh lower (driven by mini-hydro and wind) despite 9% YoY increase in installed capacity. In turn, nuclear output advanced 2.4TWh supported by fewer outages for maintenance. Net imports in Portugal advanced by 2.5TWh reflecting scarce hydro resources. The rise in RTD implied a surge in CO<sub>2</sub> emissions (over +50% YoY), as it was fully met by coal plants (+10TWh): this rise, backed by coal's cost-competitive advantage vis a vis CCGTs, resulted in an average load factor of 62% (vs 31% in 1Q11 and 49% in 4Q11). In turn, CCGTs output decreased by 3.4TWh, implying an avg. load factor of 21% (vs. 25% in 1Q11 and 19% in 4Q11).

Average electricity spot price in Spain rose 12% YoY in 1Q12, to €50.6/MWh, standing €1.4/MWh below the average in Portugal (backed by Portugal's more expensive generation in dry periods). On a quarterly basis, spot price in Spain declined 3% in 1Q12, driven by declining coal and CO₂ prices. Average CO₂ prices in 1Q12 declined 52% YoY in 1Q12 and 14% QoQ. Average electricity final price in Spain rose 13% YoY in 1Q12 (in line with average pool price), standing €12/MWh above the pool price as a result of the contribution from restriction market, ancillary services and capacity payments.

In the Iberian gas market, consumption declined 2.4% in 1Q12, supported by lower consumption at CCGTs. Conventional demand was 6.3% higher, supported by both Portugal and Spain. Gas consumed at thermal plants fell 23% in 1Q12, reflecting low working hours at CCGTs, both in Portugal and Spain.

Installed Capacity in Electricity	Iberian Peninsula			
(GW)	1Q12	1Q11	Δ%	
Hydro	21.7	21.2	2.1%	
Nuclear	7.5	7.5	-	
Coal	12.6	12.6	0%	
CCGT	28.7	28.7	0%	
Fuel/gas/diesel	2.9	2.9	0%	
Conventional Regime	73.3	72.9	0.6%	
Wind	25.9	24.3	6.7%	
Other special regime	18.9	16.9	12%	
Special Regime	44.7	41.1	8.8%	
Total	118.1	114.0	3.6%	



Main Drivers	1Q12	1Q11	Δ%
Hydro coeficient (1.0 = avg. year)			
Portugal	0.19	1.15	-83%
Spain	0.20	1.06	-81%
Electricity spot price, €/MWh (1)			
Portugal	52.0	45.4	15%
Spain	50.6	45.2	12%
Electricity final price, €/MWh (1) (2)			
Spain	62.9	55.7	13%
CO2 allowances (EUA), €/ton (1)	7.7	15.9	-52%
Coal (API2 CIF ARA), USD/t (1)	100.8	123.0	-18%
Gas (CMP Spain), €/MWh (1)	26.8	21.6	24%
Gas NBP, €/MWh(1)	24.1	22.7	6.2%
Brent, USD/bbl (1)	118.5	105.0	13%
EUR/USD (1)	1.39	1.37	1.8%

Income Statement (€ m)	1Q12	1Q11	Δ%	Δ Abs.
DDA (CNACC Devices)				
PPA/CMEC Revenues	311.1	235.4	32%	+76
Revenues in the market (i) Annual deviation (ii)	199.9	260.3	-23%	-60
PPAs/CMECs accrued income (iii)	178.2	36.2	392%	+142
PPA/CMEC Direct Costs	(66.9)	(61.1)	10%	-6 • <b>co</b>
Coal	<b>91.9</b> 77.0	<b>24.1</b> 32.3	282%	+68
Fuel oil	0.9	32.3 1.0	138% -3.7%	+45 -0
CO2 and other costs (net)	14.0	(9.2)	-3.7%	+23
Gross Profit PPA/CMEC	219.2	211.4	3.7%	+8
GIOSS I TOTIC I I A/ CIVILE	213.2	211.4	3.7%	то.
Thermal (cogen., waste, biomass)	18.3	15.2	21%	+3
Mini-hydro	3.6	19.5	-81%	-16
Gross Profit Special Regime	22.0	34.7	-36.8%	-13
		3417	30.070	
Net Operating costs (1)	44.2	43.1	2.5%	+1
EBITDA	197.0	203.0	-3.0%	-6
Net depreciation and provision	48.2	44.5	8.4%	+4
EBIT	148.8	158.5	-6.1%	-10
At Fin. Results: Hedging Gains (Losses) (2)	(2.6)	(9.7)	-73%	+7
Employees (#)	1,316	1,356	-2.9%	-40
PPA/CMEC: Key Data	1Q12	1Q11	Δ%	Δ Abs.
Real/Contracted Availability				
Hydro plants	1.05	1.02	3.0%	+0.0
Thermal plants	1.09	1.09	-0.0%	-0.0
Installed Capacity (MW)	6,221	6,221	_	-
Hydro (3)	4,094	4,094	-	-
Coal	1,180	1,180	-	-
Fuel oil	946	946	-	-
Special Regime: Key Data	1Q12	1Q11	Δ%	Δ Abs.
Output (GWh)	561	680	-17%	-119

Special Regime: Key Data	1Q12	1Q11	Δ%	Δ Abs.
Output (GWh)	561	680	-17%	-119
Mini-hydro Portugal	41	223	-82%	-182
Thermal Portugal	301	248	21%	+53
Thermal Spain	219	208	5.0%	+10
Average Gross Profit (€/MWh)				
Mini-hydro Portugal	87	87	-0.3%	-0
Thermal Portugal	33	29	13%	+4
Thermal Spain	39	39	0.9%	+0
	1010	1011	2.0/	

Capex (€ m)	1Q12	1Q11	Δ%	Δ Abs.
PPA/CMEC Generation	6.5	11.6	-44%	-5
Hydro recurrent	4.7	4.3	9.1%	+0
Thermal recurrent	1.5	2.9	-50%	-1
Non recurrent (environmental)	0.3	4.3	-93%	-4
Special Regime	1.4	2.3	-40%	-1
Expansion	0.0	1.2	-99%	-1
Maintenance	1.3	1.0	30%	+0
Total	7.9	13.9	-43.2%	-6

LT Contracted generation 1Q12 financial statements reflect a change in accounting policy as to the interest cost and estimated return of the pension fund assets: these costs, accounted as operating costs in 1Q11 (€3.5m), are now accounted at financial results level (-€3.6m in 1Q12). EBITDA from LT contracted generation fell 3% (-€6m) YoY, to €197m in 1Q12, as the impact from lower output from our mini-hydro plants (-82% YoY derived from extremely dry weather conditions) outpaced the positive impact from higher inflation, higher-than-contracted availability at our CMEC plants and the commissioning of Sines DeNOx facilities.

**Gross profit from PPA/CMEC** rose 3.7% (+€8m) to €219m in 1Q12, backed by higher inflation, (+€5.5m), higher-than-contracted availability at our CMEC plants (+5% in hydro, +9% in thermal) and by the commissioning of Sines DeNOx facilities (+€3.9m). Results with fuel procurement slightly decreased from +€1.0m in 1Q11 to -€2.5m in 1Q12.

The **annual deviation** between market gross profit under CMECs assumptions and gross profit under actual market conditions ('revisibility') amounted €178m in 1Q12, propelled by a very dry quarter (hydro production factor fell 80% short of an average year). This amount is due to be received in up to 24 months through TPA tariffs, paid by all Portuguese electricity consumers. The deviation at our hydro plants amounted €141m in 1Q12 driven by an output 78% below the CMEC's reference (and 79% lower YoY), while average realised prices stood 4% above the CMEC's reference and availability rates at our plants exceeded contracted level by +5%. The deviation at thermal plants in 1Q12 (€37m) derived from an average clean dark spreads c40% short of CMEC's reference, while output and availability rates comfortably beat the CMEC reference, by 15% and 9% respectively.

Gross profit from special regime fell 37% YoY, to €22m in 1Q12, dragged by very low output at our mini-hydro plants (-82%). In turn, gross profit from thermal special regime rose by 21% propelled by higher contribution from operations in Portugal (on volume 21% higher; unit margin 13% higher YoY).

Net operating costs<sup>(1)</sup> totalled €44m, reflecting the aforementioned change in accounting policy (-€3.5m) and a one-off cost of €5m. Net depreciation charges and provisions amounted €48m impacted by the commissioning of DeNOx facilities at our Sines coal plant.

Capex in LT contracted generation amounted to €7.9m in 1Q12, mostly related to maintenance works at our hydro plants.

#### 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<sub>2</sub> 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, in terms of cash flow profile, between PPA and CMEC assumed at the beginning of the system in July 2007.

<sup>(1)</sup> Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net);

<sup>(2)</sup> Includes a €2.6m realised loss in 1Q12 (vs. a €7.7m loss in 1Q11);

#### Liberalised Activities in the Iberian Market

Income Statement (€ m)			1Q12	1Q11	Δ%	Δ Abs.
Gross Profit			193.9	229.5	-16%	-36
Electricity generation			109.8	150.2	-27%	-40
Portugal			25.4	61.1	-58%	-36
Spain			84.9	87.4	-2.9%	-3
Adjustments			-0.5	1.7	-	-2
Electricity supply			75.2	67.4	12%	+8
Gas supply			16.1	20.9	-23%	-5
Adjustments			-7.2	-9.0	-19%	+2
Net Operating costs (1)			99.3	109.0	-8.9%	-10
EBITDA			94.5	120.4	-22%	-26
Provisions			-3.0	-2.7	12%	-0
Net depreciation and amortisation EBIT			65.0 <b>32.6</b>	55.8 <b>67.4</b>	17%	+9
EDII			32.0	67.4	-52%	-35
Electricity Performance	1Q12	1Q11	Δ%	1Q12	1Q11	Δ%
	Ou	tput (GWh)		Variable (	Cost (€/MV	Vh) (2)
Generation Output (4)	3,466	4,464	-22%	41.9	34.6	21%
Electricity Purchases	8,335	8,357	-0.3%	56.8	48.9	16%
Electricity Sources	11,801	12,821	-8.0%	52.7	44.0	20%
	Volun	nes Sold (G\	Wh)	Average Price (€/MWh) (3)		
Grid Losses	305	313	-	n.a.	n.a.	-
Retail - Final clients	7,781	7,824	-0.5%	62.0	55.3	12%
Wholesale market	3,715	4,685	-21%	67.4	56.5	19%
Electricity Uses	11,801	12,821	-8.0%	62.1	54.4	14%
Electricity Gross Profit (€ m)			1Q12	1Q11	Δ%	Δ Abs.
Before hedging (€/MWh)			9.4	10.4	-10%	-1
From Hedging (€/MWh) (5)			(0.6)	0.4	-	-1
Unit margin (€/MWh)			8.8	10.9	-19%	-2
Total Volume (TWh)			11.8	12.8	-8.0%	-1
Subtotal			104.1	139.7	-25%	-36
Commercial Shared-services (6)			41.1 39.8	42.9 35.0	-4.1% 14%	-2 +5
Others (7)			33.0	33.0	14%	+5
Total			185.0	217.6	-15%	-33
Total  Gas Uses (TWh)			185.0 1Q12	217.6 1Q11	-15% Δ%	-33 Δ Abs.
Gas Uses (TWh)			1Q12	1Q11	Δ%	Δ Abs.

EBITDA from liberalised activities totalled €95m in 1Q12, falling 22% short of 1Q11 as a result of lower (i) margins earned in the electricity business (€8.8/MWh in 1Q12 vs. €10.9/MWh in 1Q11), derived from lower results with hedging on electricity (-€1/MWh), higher sourcing costs (+20% YoY), very low hydro output; and (ii) lower volumes and margins booked at the gas supply business. In 4Q11, EDP kicked-off operations in two out of eight hydro plants under construction: the repowering of Picote II (246MW in Nov-11) and of Bemposta II (191MW in Dec-11), both in Portugal. These low-cost projects will improve the water management in Douro basin, allowing us to produce more electricity in an average hydro year and to reap more fruits from peak-hour demand and prices.

In the electricity business, gross profit fell 15% YoY in 1Q12 due to lower total volumes, namely sold in Portugal's wholesale market, and to lower unit margin earned (-19% YoY), as (i) the increase in average sourcing costs (+20% derived from higher pool prices and a more expensive generation mix) and lower results with hedging on electricity; outweighed (ii) the increase in average selling prices (+14%) and the increase in other revenues, namely from capacity payments in Spain.

<u>Volumes</u>: Volumes sold totalled 12TWh in 1Q12 (-8% YoY), as sales to retail clients were virtually flat and sales in the wholesale market fell 21% YoY. Generation output declined 21% in 1Q12, driven by very low output at our hydro net of pumping (-58% YoY due to weak hydro resources) and CCGT plants (-58%, making use of our flexible fleet to work in the most profitable hours and markets). Conversely, output from our coal plants surged by 76%, supported by the implementation of RDL 1221/2011 (Feb-11) and by the competitive cost of our plants (backed by low CO<sub>2</sub> cost, the use of blast furnace gases and superior efficiency).

<u>Unit margin</u> (2)(3): Average spread achieved in the electricity business reached €8.8/MWh in 1Q12 (vs. €10.9/MWh in 1Q11) penalised by lower results with hedging on electricity (-€1/MWh YoY). The **average sourcing cost** rose 20% YoY in 1Q12 (-1% QoQ) backed by (i) higher generation costs (+21% due to a more expensive generation mix and to higher fuel costs); and (ii) higher cost of electricity purchases (+16%), driven by higher pool prices. The **average selling price** rose 14% in 1Q12 supported by higher prices realised in the wholesale market (+19% YoY, on the back of higher pool prices and higher prices from complementary services in Spain) and higher selling prices to retail clients (+12% YoY).

**For 2012,** EDP is adapting its hedging strategy to current market conditions, making use of flexibility stemming from the integrated management of gas and electricity operations in Iberia. As a result, EDP has favoured gas sales in the wholesale market, having so far secured spreads for c85% of its gas sourcing commitments and for all of the expected coal production in 2012. Accordingly, EDP has so far forward contracted with clients 25TWh of electricity sales.

Our gas sourcing activity in 1Q12 is based on an annual 4.3bcm portfolio of long term contracts. Our consumption of gas was 13% lower YoY, at 15TWh (1.3bcm) in 1Q12, supported by lower sales to final clients (-7%) and a 21% decrease in consumption for electricity generation purposes.

<sup>(3)</sup> Average selling price: includes selling price (net of TPA tariff), ancillary services and others; platform in Portugal; (7) Includes capacity payments, services rendered and others; (8) Volumes excluding sales to our cogeneration units.

Income Statement (€ m)	1Q12	1Q11	Δ%	Δ Abs.
Gross Profit	109.8	150.2	-27%	-40
Portugal	25.4	61.1	-58%	-36
Spain	84.9	87.4	-2.9%	-3
Adjustments	-0.5	1.7	-	-2
Supplies and services	16.7	17.3	-3.2%	-1
Personnel costs	10.6	11.3	-6.2%	-1
Costs with social benefits	0.3	0.9	-67%	-1
Other operating costs (net)	12.4	11.7	5.7%	+1
Net Operating costs (1)	40.0	41.2	-2.9%	-1
EBITDA	69.8	109.0	-36%	-39
Provisions	0.3	(2.0)	-	+2
Net deprec. and amortisation	59.0	51.6	14%	+7
EBIT	10.5	59.4	-82%	-49
Employees (#)	654	643	1.7%	+11

Key Operating Data	1Q12	1Q11	Δ%	Δ Abs.
Generation Output (GWh)	3,544	4,485	-21%	-942
CCGT	973	2,341	-58%	-1,369
Coal	1,846	1,048	76%	+798
Hydro	390	783	-50%	-393
Nuclear	335	313	6.8%	+21
Generation Costs (€/MWh) (2)	41.9	34.6	21%	+7.3
CCGT	80.6	51.9	55%	+28.7
Coal	35.4	31.1	14%	+4.3
Hydro	9.2	0.0	n.a.	+9.1
Nuclear	3.8	3.6	3.4%	+0.1
Load Factors (%)				
CCGT	12%	29%	-	-17p.p.
Coal	58%	33%	_	25p.p.
Hydro	13%	40%	_	-27p.p.
Nuclear	99%	93%	-	5p.p.
CO2 Emissions (mn tones)				
Total emissions (3)	2.6	2.3	10%	+0
Free allowances (3)	2.6	2.7	-3.6%	-0

Capex (€ m)	1Q12	1Q11	Δ%	Δ Abs.
Expansion	78.3	41.2	90%	+37
Hydro	78.3	41.2	90%	+37
Maintenance	6.5	5.5	18%	+1
Recurrent	6.5	5.5	18%	+1
Non recurrent (environmental)	-	-	-	-
Total	84.8	46.7	81.7%	+38

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

The **output** from our generation plants declined 21%, to 3.5TWh in 1Q12, as the impact from higher coal production (+0.8TWh) was outweighed by lower production at our CCGT (-1.4TWh) and hydro output (-0.4TWh). As a result of higher coal output, **total emissions of CO**<sub>2</sub> rose 10% in 1Q12 standing in line with free allowances attributable for the period. In 4Q11 we have reinforced our low-cost generation portfolio with the start up of two hydro repowerings: Picote II (246MW), in Nov-11, and Bemposta II (191MW), in Dec-11. Note that these repowerings, which implied an investment of €0.6m/MW installed, will serve to improve water management efficiency in the Douro basin, allowing us to produce more electricity in an average hydro year and to reap more fruits from existing opportunities in peak hours. **Average production cost** advanced to €42/MWh (+21%) in 1Q12, driven by a more expensive generation mix (higher weight of electricity purchases, lower weight of hydro), higher fuel costs and lower production at our CCGT plants.

Coal: Output surged by 76% in 1Q12, reflecting our coal cost-competitiveness vis-a-vis CCGTs, higher demand for thermal capacity in the period and by the implementation of RDL 1221/2011 in Spain (Fev-11). Average load factor was 25pp higher YoY, at 58% in 1Q12. Since Feb 26, 2011, our Soto 3 plant is producing electricity under the terms of RDL 1221/2010: while the Resolution 20651, of Dec 30, 2011, defined a total committed production in 2012 at Soto 3 of 1,4TWh, RD13/2012 dictated a 10% cut to this remuneration. Our average production cost reached €35/MWh (+14% YoY and +7% QoQ), driven by higher net costs with CO<sub>2</sub> (on higher dilution of free allowances resulting from higher production) and lower results from hedging.

<u>CCGTs:</u> Output decreased by 58% in 1Q12 and by 9% QoQ, reflecting a 17pp drop in average load factors (to 12%), impacted by higher production cost. Average production cost reached €81/MWh in 1Q12, driven by higher average gas cost and lower production.

Hydro & Nuclear: Hydro output was 50% lower YoY in 1Q12. The average cost of production of €9.2/MWh reflects pumping activity at our Alqueva plant: due to the extreme low hydro resources, volumes pumped rose from 22GWh in 1Q11 to 78GWh in 1Q12 and the cost of electricity purchased from the system implied an average discount to the pool price of c30% (vs. c40% in 4Q11). In turn, nuclear output rose 7% in 1Q12 backed by an average load factor of 99% (+5pp YoY).

Volumes sold in the complementary markets totalled 1.2TWh in 1Q12, up from 0.9TWh in 1Q11 on higher demand in Spain propelled by (i) the implementation of RDL 1221/10 (justifying an increase in output from our Soto 3 plant), and (ii) an increase in volumes sold in the restrictions market.

In Oct-11, the Spanish government published RD 1544/2011, defining the procedures for the payment of the €0.5/MWh third-party access fee (in place since 1-Jan-11 as defined in RD14/2010) by all electricity producers. A similar move was taken in Portugal, with 2012 tariffs assuming a €0.5/MWh fee in 2012. In Nov-11, the Spanish Government approved an increase in capacity payments attributed to CCGTs, from €20/KW to €26/KW (Ministerial Order ITC/3127/2011), but in Mar-12 it cut these incentives by 10% in 2012. Moreover, it was introduced an availability premium of €4.7/MW in 2012,defined annually through Ministerial Order, to imported coal plants, CCGT and hydro plants.

Net operating costs<sup>(1)</sup> declined by 3%, to €40m mainly driven by lower production and tight cost control. Net depreciation charges rose 14%, driven by new capacity on stream and higher working hours at our coal plants.

Capex in liberalised generation amounted €85m in 1Q12, 92% of which reporting to the development of new hydro capacity. The bulk of capex in new hydro capacity reported to the construction of 6 projects: 3 hydro plant repowerings (Alqueva II, Venda Nova III, Salamonde II) and 3 new hydro plants (Baixo Sabor, Ribeiradio and Foz Tua), due in 2012/15. Alqueva II repowering (256MW) will be on stream in 4Q12. Maintenance capex totalled €6.5m in 1Q12.

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

<sup>(2)</sup> 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				
` ,	1Q12	1Q11	Δ%	Δ Abs.	
Curan Bunfit			400/	_	
Gross Profit	41.4	34.8	19%	+7	
Supplies and services	17.4	16.2	7.2%	+1	
Personnel costs	3.4	3.0	13%	+0	
Costs with social benefits	0.1	0.1	5.2%	+0	
Other operating costs (net)	(5.4)	7.7	-	-13	
Net Operating costs (1)	15.6	27.1	-42%	-11	
EBITDA	25.8	7.7	235%	+18	
Provisions	(0.7)	(1.4)	-48%	+1	
Net depreciation and amortization	1.9	0.5	318%	+1	
EBIT	24.5	8.6	185%	+16	

Income Statement (€ m)	Energy Supply in Portugal				
, ,	1Q12	1Q11	Δ%	Δ Abs.	
G B Cl					
Gross Profit	43.2	46.9	-8%	-4	
Supplies and services	31.3	28.9	8.0%	+2	
Personnel costs	10.6	9.5	12%	+1	
Costs with social benefits	1.0	1.6	-35%	-1	
Other operating costs (net)	1.6	1.1	40%	+0	
Net Operating costs (1)	44.4	41.1	8.1%	+3	
EBITDA	(1.2)	5.8	_	-7	
Provisions	(2.6)	0.7	-	-3	
Net depreciation and amortization	4.1	3.7	8.5%	+0	
EBIT	(2.7)	1.3	-	-4	
W. J.J.	1013	1011	A 0/	A A b =	

Key data	1Q12	1Q11	Δ%	Δ Abs
Same Could to Could				
Energy Supply in Spain				
Electricity - Free market	F 40F	F 202	2.00/	100
Volume Sold (GWh)	5,195	5,303	-2.0%	-108
Market Share (%)	12%	12%		0p.p.
Clients (th.)	703	670	5.0%	+33
Electricity - Last resort supply				
Volume Sold (GWh)	205	274	-25%	-70
Clients (th.)	305	347	-12%	-42
Gas - Free market & Last resort supply				
Volume Sold (GWh)	8,612	8,631	-0.2%	-19
Market Share (%)	10%	11%	-	-1p.p.
Clients (th.)	770	813	-5.3%	-43
Energy Supply in Portugal				
Electricity - Free market				
Volume Sold (GWh)	2,322	2,189	6.0%	+132
Market Share (%)	39%	43%	_	-4p.p.
Clients (th.)	388	308	26%	+81
Gas - Free market				
Volume Sold (GWh)	1,633	2,232	-27%	-599
Market Share (3) (%)	19%	29%		-10p.p.
Clients (th.)	6	1	857%	+6
Capex (€m)	1.0	2.4	-57%	-1
Employees (#)	1,146	1,065	7.6%	+81

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**

**Electricity** – **Volumes** supplied to our clients in the free market decreased 2% YoY to 5.2TWh in 1Q12 (up 5% QoQ) while the number of clients supplied increased 5% YoY, translating EDP's strategy to focus on most attractive clients, even though at the expense of lower volumes. Market share stood stable at 12%, showing EDP's ability to keep a share in the supply market that is the double of its share in generation.

**Gas** – **Volumes** supplied remained relatively stable on a year-on-year basis, reaching 8.6TWh in 1Q12, whereas on a quarterly basis, volumes supplied went up 13%. This, along with a 5% YoY reduction of our gas clients base, reflects our selective clients contacting policy in a though market environment. Market share fell slightly from 11% in 1Q11 to 10% in 1Q12.

In 1Q12, **net operating costs** improved €11m YoY on the back of a €12m non-recurrent income accounted for at the level of other operating costs.

#### **Energy Supply in Portugal**

Electricity – Volumes supplied to EDP clients in the free market increased by 6% YoY to 2.3TWh in 1Q12, supported by some large industrial clients' contracting in mid 2011. Quarter on quarter, volumes supplied increased by a mere 1%, reflecting tough competition in the industrial segment, less attractive market conditions in the residential segment (vs. last resort tariffs) and EDP's strategy to focus on the most attractive segments. In consequence, EDP's market share stood at 39% in 1Q12, down from 43% in 1Q11. In Jan-12, in anticipation to the growing liberalisation, EDP launched a promotional campaign ("EDP-Continente") in partnership with a Portuguese retail group offering, until the end of 2012, a superstore discount equivalent to 10% of the electricity bill to all residential clients that contracted, until the end of Mar-12, electricity supply with EDP Comercial (our subsidiary for energy supply activities in Portugal) – This campaign reflected into a significant switching of residential clients from the last resort to the liberalised market and allowed us to capture close to 130k residential clients, which translated into the observed 26% increase of our clients base.

**Gas** – **Volumes** supplied fell 27% YoY to 1.6TWh in 1Q12, reflecting lower demand and the company's strategy to focus on most attractive clients in a tough market environment, although at the expense of lower volumes, which reflected in a 19% market share, down from 29% in 1Q11.

#### Prospects:

**Electricity and gas supply margins** in both Portugal and Spain should continue under pressure in 2012, due to the combined impact of higher pool prices (electricity), competitive last resort tariffs and fierce competition in the market.

**Volume-wise**, we expect free markets in Portugal and Spain to keep expanding while competition should remain intense. In Portugal, the end of last resort tariffs should support the transfer of clients to the free market. Regarding electricity tariffs, the transitory and penalizing last resort tariff option for large clients in Portugal (all segments except normal low-voltage) will remain in place until the end of 2012 - the industrial clients that remain under this tariff option should progressively move to the free market during 2012. As for residential clients and small businesses (normal low voltage), last resort supply tariff is scheduled to end from July 1<sup>st</sup>, 2012 for clients with contracted power below or equal to 41.4 kVA and above or equal to 10.35 kVA, and from Jan 1<sup>st</sup>, 2013 for clients with contracted power below 10.35 kVA. For these segments, there is a transition period of up to 3 years, meaning that the transfer of these clients to the free market is expected to happen progressively.

<sup>(1)</sup> Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net).

<sup>(2)</sup> Based on consumption in segment NG>10,000 m^3/year.

-26%

5.07

Income Statement	EDP Renováveis (€ m)					
	1Q12	1Q11	Δ%	Δ Abs.		
Gross Profit	309.6	254.2	22%	+55		
Supplies and services Personnel costs Other operating costs (net) Net Operating Costs (1)	57.3 13.8 (24.9) <b>46.2</b>	55.1 12.1 (33.1) <b>34.0</b>	4.0% 14% -25% <b>36%</b>	+2 +2 +8 <b>+12</b>		
EBITDA	263.5	220.1	20%	+43		
Provisions Net Deprec. & amortisation	0.0 114.4	(0.3) 119.1	- -3.9%	+0 -5		
EBIT	149.0	101.3	47%	+48		
Capital gains/(losses) Financial Results Results from associates	0.0 (57.9) 1.6	(38.4) 3.0	51% -48%	+0 -19 -1		
Pre-tax profit	92.7	65.9	41%	+27		

1Q12

12.6

813

Opex Performance Opex/Avg. MW (€ th) (4)

Employees (#)

Operational Overview	1Q12	1Q11	Δ%
Installed Capacity (MW) Europe USA Brazil	<b>7,157</b> 3,652 3,422 84	<b>6,625</b> 3,388 3,224 14	<b>8.0%</b> 7.8% 6.1% 507%
Output (GWh) Europe USA Brazil	<b>5,212</b> 2,109 3,056 48	<b>4,421</b> 1,985 2,430 6	<b>18%</b> 6.2% 26% 737%
Avg. Load Factor (%) Avg. Elect. Price (€/MWh)	34% 60.1	33% 57.9	1p.p. 3.8%
EBITDA (€m) Europe USA Other & Adjustments EBIT (€m) Europe USA Other & Adjustments	263.5 158.5 106.9 (1.9) 149.0 97.2 56.0 (4.2)	220.1 140.6 79.9 (0.4) 101.3 81.5 21.1 (1.4)	20% 13% 34% 341% 47% 19% 165% 205%
Capex (2) Europe USA Brazil	<b>55.1</b> 39.9 14.5 0.6	<b>190.4</b> 100.3 26.6 61.5	- <b>71%</b> -60% -46% -99%

Number of Shares Issued (million)	872.3	872.3	-
Stake Owned by EDP (%)	77.5%	77.5%	-
EDPR Key Balance Sheet Figures (€ m)	1Q12	1Q11	Δ%
Bank Loans and Other (net)	767.0	467.4	-
Loans with EDP companies (net)	2,777.3	2,608.6	6.5%
Net Financial Debt	3.544.3	3.076.0	15%
Non-controlling interests	129.9	128.3	1.2%
Net Institutional Partnership Liability (3)	962.9	886.8	8.6%
Equity Book Value	5,391.1	5,318.8	1.4%
		•	
EUR/USD - End of Period Rate	1.34	1.42	-6.0%

1012

3.73

EDPR Financial Results (€ m)	1Q12	1Q11	Δ%
Net Interest Costs	(46.9)	(44.5)	-5.4%
Institutional Partnership costs (non-cash)	(16.6)	(15.5)	-6.7%
Capitalised Costs	4.9	14.8	-67%
Forex Differences	7.7	9.0	-
Other	(7.0)	(2.2)	-212%
Financial Results	(57.9)	(38.4)	-51%

EDP Renováveis (EDPR) owns and operates EDP Group wind power assets (8 countries) and develops Net depreciation and amortization fell €5m YoY, reflecting the extension (from 20 to 25 years) of wind projects for potential wind farms (11 countries). The two main markets in which EDPR operates are USA farm assets' useful life. In consequence, EDPR's EBIT rose 47% YoY (+€48m) to €149m in 1Q12. (39% of EDPR's EBITDA in 1Q12) and Spain (34%). Other markets include Portugal (10%), France, Poland, Romania, Belgium and Brazil (the latter 5 representing 17% of EDPR's EBITDA in 1Q12).

-1.3%

-3.3%

1011

12.8

841

EDPR's EBITDA rose 20% YoY (+€43m) to €263m in 1Q12, reflecting an 8% increase of installed capacity, +532MW to 7,157MW by Mar-12, a better avg. load factor, up by 1pp YoY to 34% in 1Q12, and a stronger avg. selling price, up 4% YoY to €60/MWh, with most of the countries posting a positive YoY evolution. Major contributors to this EBITDA growth were: (1) the US market (+€27m), reflecting 198MW of additional capacity (37% of total additions), a significantly higher avg. load factor (+6pp YoY to 41%) and a slightly lower avg. selling price (-1% YoY to USD45.6/MWh); and (2) European markets ex-lberia (+€20m YoY), following 208MW of new capacity (39% of total additions; Romania: +126MW; Poland: +60MW; France: +22MW), higher avg. selling prices (+15% YoY to €107.7/MWh) and a stable avg. load factor (28%). EBITDA from Spain increased 11% YoY (+€9m, including hedging results), reflecting 43MW of additional capacity (8% of total added), higher avg. selling prices (+9% YoY to €88.7/MWh) and lower avg. load factors (-2pp to 28%, which despite lower wind resource stood 2pp above 1Q12 market avg.). In Portugal, EBITDA declined 21% YoY (-€7m), reflecting lower avg. load factors (-7pp to 24%) due to poor wind resources in 1Q12, which was only partly offset by capacity additions (+14MW: 3% of total added) and higher avg. selling prices (+4% YoY to €105.8/MWh). Note that the observed increase of net operating costs (+€12m YoY) mostly reflects the 1011 recognition of a €9m in non-recurrent incomes, while supplies and services and personnel costs (impacted by lower capitalisation given less employees allocated to construction and development activities) increased by only 6% YoY (+€4m), following close costs monitoring.

**EDPR Equity Market Data** 

Share price at end of period (€/share)

EDPR's net debt rose 15% YoY (+€0.5bn) to €3.5bn as of Mar-12, reflecting investments in new capacity, the payment (Apr-11) of €231m for the increase from 80% to 100% of EDPR's equity stake in Genesa (Spanish sub-holding), changes in working capital related to PP&E suppliers and a 6% appreciation of the USD vs. the EUR (by Mar-12, 36% of EDPR's debt was USD denominated). EDPR's net debt contracted with financial institutions (outside of EDP Group), which represented 28% of the company's net debt as of Mar-12, is mostly related to project finance long term funding, namely in Poland, Romania, Brazil and Spain. In the 1Q12, EDPR closed €177m through a project finance for 125MW in Spain. Liabilities with Institutional Partnerships increased by €0.1bn YoY to €1.0bn as of Mar-12, as the impact of tax equity partners continuing to receive the tax benefits associated to the wind farms in operation was more than compensated by the signing, in 2H11, of two new institutional partnership structures (USD116m in Jul-11 and USD124m in Dec-11, of which USD97m realized upfront).

Financial Expenses rose 51% YoY (+€19m): i) net interest costs increased 5% YoY (+€2m), at a slower pace than the avg. financial debt evolution (Mar-12: €3.7bn vs. Mar-11: €3.4bn), translating a slight decline of the avg. cost of debt (Mar-12: 5.3% vs. Mar-11: 5.4%); ii) capitalised costs fell €10m YoY due to a lower investment in the period; and iii) favourable forex differences (€8m in 1Q12 vs. €9M in 1Q11) reflect the depreciation of the US Dollar and appreciation of the Polish Zloty.

Δ Abs.

-0

-28

## EDP Renováveis: US & Spain

US	1Q12	1Q11	Δ%	Δ Abs.
Installed capacity (MIM)	3,422	3,224	6.1%	+198
Installed capacity (MW) Under PTC	2,123	<b>3,224</b> 2,024	4.9%	+99
Under cash grant flip	500	401	25%	+99
Under cash grant	799	799	23/0	133
Avg. Load Factor (%)	41%	35%	_	6p.p.
Avg. Final Selling Price (USD/MWh)	45.6	45.9	-0.8%	-0.4
USD/EUR - Avg. of period rate	1.31	1.37	-4.2%	-0.06
OSD/LON Avg. of period rate	1.51	1.57	4.2/0	0.00
PPA's/Hedged				
Installed Capacity (MW) (1)	2,659	2.459	8.1%	+200
Electricity Output (GWh)	2,295	1,695	35%	+600
Avg. Final Selling Price (USD/MWh)	51.3	50.4	1.8%	+0.9
Merchant				
Installed Capacity (MW) (1)	763	764	-0.2%	-2
Electricity Output (GWh)	761	735	3.5%	+26
Avg. Final Selling Price (USD/MWh)	25.7	32.6	-21%	-6.9
Gross Profit (USD m)	136	110	24%	+26
PTC Revenues & Other (USD m)	48	41	16%	+7
Adjusted Gross Profit (USD m)	184	152	22%	+33
EBITDA (USD m)	140	109	28%	+31
EBIT (USD m)	73	29	154%	+44
Net Capex (USD m)	19	36	-48%	-17
Gross Capex	19	37 37	-49%	-18
Cash grant received	-	(1)		+1
Capacity under construction (MW)	215	99	117%	+116

Spain	1Q12	1Q11	Δ%	Δ Abs.
Installed capacity (MW)	2,201	2,158	2.0%	+43
Avg. Load Factor (%)	28%	30%	-	-2p.p.
Avg. achieved pool price (€/MWh)	48.4	43.2	12%	+5.2
Avg. final selling price (€/MWh) (2)	88.7	81.6	8.7%	+7.1
Capacity under Transitory Regime				
Installed capacity (MW)	1,153	1,153	_	+0
Electricity output (GWh)	679	740	-8.3%	-61
Capacity under RD 661/2007				
Installed capacity (MW)	1,048	1,005	4.2%	+43
Electricity output (GWh)	639	532	20%	+106
Hedging Results (€m)	0.7	0.0	-	+1
Gross Profit (€m) (2)	116	103	13%	+13
EBITDA (€m) (2)	93	83	11%	+9
EBIT (€m) (2)	51	44	16%	+7
(, ()		• • • • • • • • • • • • • • • • • • • •	1070	•
Capex (€m)	4	30	-87%	-26
Capacity under construction (MW)	111	92	20%	+19

In US, installed capacity rose 198MW, following: i) the entry into operation of Timber Road II (99MW in Ohio; power contracted through PPA; fiscal incentives received through cash flip deal); and ii) the commissioning of Blue Canyon VI (99MW in Oklahoma; power currently sold in SPP market; fiscal incentives received through tax equity deal) — note that Blue Canyon VI wind farm benefits from very competitive characteristics, given its low investment cost and a load factor above 40%, allowing EDPR to maximize the NPV of the project by choosing PTCs (Production Tax Credits) in lieu of the cash grant.

Avg. selling price (excluding revenues from PTCs) for energy sold through PPA/Hedged increased 2% YoY to USD51.3/MWh, reflecting the price escalators annual updates. Avg. selling price in merchant power markets dropped 21% YoY to USD25.7/MWh reflecting the particularly low gas prices (-30.8% YTD to \$2.06/MMBtu). Overall, avg. selling price in US was USD45.6/MWh, as the higher volumes generated under PPAs, which recorded better prices, compensated for the low merchant prices. Given the strong wind resource evolution, avg. load factor went up 6pp YoY to 41% in 1Q12. Gross profit (including revenues from PTCs) rose USD33m YoY to USD184m in 1Q12. Operating costs increased only 5% YoY (+€2m), well below the business growth pace, benefitting from lower supplies and services, consequence of EDPR's close monitoring of O&M expenses. All in all, 1Q12 EBITDA rose USD31m YoY to USD140m, while EBIT went up USD44m YoY to USD73m, reflecting the extension of wind farms useful life. As of Mar-12, EDPR had 215MW under construction in US from the Marble River wind farm in the New York State (NYISO/NEISO markets), expected to start operations this year and with Renewable Energy Certificates (RECs) contracted to be sold through a 10 year PPA. Recall that in Dec-10, the US government extended the cash grant option for wind capacity that started construction before Dec-11, as long as commissioned until Dec-12.

In Spain, wind farms are remunerated under two regimes: (1) the transitory regime (for capacity installed before 2008), under which wind producers receive a unit tariff equal to 'achieved pool price + fixed premium (€38.3/MWh)' − beginning 2013, wind farms under the transitory regime will be transferred to the RD 661/2007 regime; (2) RD 661/2007 regime (for capacity installed after 2008), offering two tariff options: (a) 'avg. price achieved in the pool + premium (€20.1/MWh reflecting a temporary 35% cut until Dec-12)' with a cap (€94.3/MWh) and a floor (€79.1/MWh); or (b) a fixed tariff (€81.3/MWh). All tariffs set by RD661/2007 (including cap, floor & premium) are updated at CPI-X and guaranteed for 20 years. EDPR is moving its capacity under RD661/2007 from the cap & floor option to the fixed tariff option, which is more attractive under current market conditions. As of Mar-12, c92% of RD661/2007 capacity was under the fixed tariff option.

EDPR EBITDA in Spain (including hedging results) went up €9m YoY to €93m in 1Q12. EBIT improved €7m YoY to €51m in 1Q12, reflecting higher depreciations and amortizations, as the impact from capacity additions more than offset the impact from the extension of wind farms useful life. In the last 12 months, EDPR expanded its portfolio in Spain by 43MW. Avg. selling price for capacity under the transitory regime reached €92.4/MWh (excluding hedging results), following the recovery of avg. achieved pool prices (+12% YoY), while avg. selling price for capacity under RD661/2007 was €83.7/MWh, reflecting the additional capacity (+518MW) remunerated under the fixed tariff option. As part of EDPR's strategy to reduce its exposure to market volatility, 436GWh were sold forward in 1Q12 (for the capacity under the transitory regime). Overall, avg. selling price in Spain, including hedging results, rose 9% YoY to €88.7/MWh, offsetting the lower avg. load factor (-2pp to 28% in 1Q12). Note that out of the total 1.3TWh produced in 1Q12, 82% were sold without exposure to market prices, through hedges (436GWh), fixed tariffs (595GWh) or fixed floor mechanism (43GWh), while only 18% (243GWh) were sold at market prices plus €38.3/MWh premium. For 2012, EDPR sold forward 1.8TWh at €52/MWh for the capacity under the transitory regime. As of Mar-12, EDPR had 111MW under construction in Spain, which are all already pre-registered and to be installed in 2012. In Jan-12, the Spanish Government introduced a moratorium on the payment of the premium to all not pre-registered new wind power projects, while maintaining the status quo and long-term remuneration to the installed capacity and pre-registered projects.

<sup>(1) 359</sup> MW which are reported as installed capacity under PPA/hedged are still selling its energy in merchant power markets given that the PPAs that were already signed will be valid only in Jan-12 for 184MW and in Jun-12 for 175MW.

<sup>(2)</sup> Includes hedging results in energy markets

## EDP Renováveis: Portugal, Rest of Europe & Brazil

Portugal	1Q12	1Q11	Δ%	Δ Abs.
Installed capacity (MW)	613	599	2.3%	+14
Avg. Load Factor (%)	24%	31%	_	-7p.p.
Electricity Output (GWh)	314	395	-21%	-81
Avg. Final Selling Price (€/MWh)	106	102	4.0%	+4
Gross Profit (€m)	34	40	-17%	-7
EBITDA (€m)	27	34	-21%	-7
EBIT (€m)	20	25	-21%	-5
Capex (€m)	4	0	-	+4
Capacity under construction (MW)	2	-	-	+2
ENEOP Installed capacity (MW) (1)	326	239	36%	+87

Rest of Europe (2)	1Q12	1Q11	Δ%	Δ Abs.
France & Balaium				
France & Belgium	262	244	C 20/	. 22
Installed Capacity (MW)	363	341	6.3%	+22
Avg. Load Factor (%)	24%	28%		-4p.p.
Electricity Output (GWh)	195	207	-5.7%	-12
Avg. Final Selling Price (€/MWh)	91	90	1.8%	+2
Poland				
Installed Capacity (MW)	190	130	46%	+60
Avg. Load Factor (%)	35%	29%	18%	5p.p.
Electricity Output (GWh)	143	76	89%	+67
Avg. Final Selling Price (PLN/MWh)	424	442	-4.0%	-18
EUR/PLN - Avg. of period rate	4.23	3.95	7.3%	+0.29
LON/FEIN - Avg. of period rate	4.23	3.53	7.370	+0.23
Romania				
Installed Capacity (MW)	285	159	79%	+126
Avg. Load Factor (%)	28%	23%	-	5p.p.
Electricity Output (GWh)	139	35	_	+104
Avg. Final Selling Price (RON/MWh)	602	325	85%	+278
EUR/RON - Avg. of period rate	4.35	4.22	3.1%	+0.13
Lony Norve Avg. or period rate	4.55	7.22	3.170	.0.13
Gross Profit (€ m)	51	30	72%	+21
EBITDA (€ m)	43	23	87%	+20
EBIT (€ m)	32	12	160%	+19
LDIT (CIII)	32		10070	. 13
Capex (€m)	32	71	-55%	-39
Capacity under construction (MW)	120	142	-16%	-22
D	1013	1011	A 0/	A A h.a

Brazil	1Q12	1Q11	Δ%	Δ Abs.
Installed Capacity (MW)	84	14	507%	+70
Avg. Load Factor (%)	26%	19%	_	7p.p.
Electricity Output (GWh)	48	6	737%	+42
Avg. Final Selling Price (R\$/MWh)	276	263	4.6%	+12
EUR/BRL - Average of period rate	2.32	2.28	1.6%	+0.04
Gross Protit (R\$ m)	11	1	694%	+10
EBITDA (RŞ m)	7	(1)	-	+8
EBIT (R\$ m)	3	(2)	-	+5
Capex (RŞ m)	1	<b>1</b> 40	-99%	-139
Capacity under construction (MW)	-	70	-	-70

In Portugal, as of Mar-12, EDPR's installed capacity totaled 613MW (+14MW YoY), all remunerated under the old tariff regime, set for 15 years, and according to which tariffs are indexed to both CPI and operating hours. Due to poor wind resources in the period, the avg. load factor stood at 24% in 1Q12, down 7pp YoY, implying a 21% reduction in wind production, while avg. tariff rose 4% YoY to €105.8/MWh, reflecting inflation indexation. Overall EBITDA was €27m in 1Q12, showing €7m YoY decrease, while EBIT decreased €5m YoY to €20m, reflecting slightly lower depreciations on the extension of wind farms useful life. By the end of Mar-12, EDPR had 2MW under construction in Portugal (overpowering) to be remunerated under the same tariff regime of existing capacity. Still in Portugal, EDPR holds an equity stake in ENEOP consortium (equity consolidated by EDPR) which has a license to build 1,200MW of wind capacity (480MW attributable to EDPR). ENEOP's wind farms are remunerated under the new tariff regime, at c€74/MWh (first year of operation), being also indexed to inflation and guaranteed for 15 years. By Mar-12, ENEOP had an installed capacity of 814MW (326MW attributable to EDPR) and 130MW (52MW attributable to EDPR) under construction.

In European markets out of Iberia, over the last 12 months, EDPR installed a total of 208MW increasing its capacity to 838MW in 1Q12. Electricity output rose 50% YoY to 477GWh in 1Q12, on the back of the new capacity brought on line. Avg. load factor remained stable at 28% in 1Q12. EBITDA rose €20m YoY to €43m in 1Q12, which translated into a similar EBIT performance, up €19m YoY to €32m in 1Q12, as depreciations and amortizations remained relatively stable given that the impact from capacity additions was almost offset by the extension of wind farms useful life.

In France, EDPR has 306MW of installed capacity (+22MW YoY). Wind power in France is sold through fixed tariffs indexed to inflation for 15 years. In 1Q12, EDPR avg. tariff in France was €87.4/MWh (+2% YoY). In Belgium, our 57MW wind farm sells its power through a 5 year PPA (2014 maturity) at a fixed selling price of €112/MWh.

In Poland, EDPR has 2 wind farms in operation totaling 190MW of capacity: i) the 120MW Margonin wind farm, which power is sold in the spot market (avg. Polish baseload spot price was PLN198/MWh in 1Q12, +7% YoY) and for which EDPR has a 15 years long term contract for the sale of the green certificates (GCs) (DisCos have a substitute fee for non compliance with GC obligation, which was set at PLN286.7/MWh for 2012); and ii) the 70MW Korsze wind farm, which output is sold through a 10 year PPA. In 1Q12, avg. selling price in Poland was PLN424/MWh, down 4% YoY due to the different pricing contract structure of the 70MW korsze wind farm, which was installed in 2011. By the end of Mar-12, EDPR had 80MW under construction in Poland.

In Romania, EDPR has 285MW of capacity (+126MW YoY). Wind power production is sold at 'market price plus GC'. The trading value of GCs is subject to a floor and cap set in Euros (for 2012, the floor was set at €28.2/MWh and the cap at €57.4/MWh). In 2010 the government approved the entitlement to wind producers of 2 GCs per MWh produced until 2017. The full implementation of the second GC (approved by law in Jul-11) only happened in late 2011. In 1Q12, avg. selling price in Romania reached RON602/MWh, up 85% YoY given the full implementation of the second green certificate, which makes the Romanian market one of the most attractive for wind development.

**In Italy**, by the end of Mar-12, EDPR has 40MW under construction. For capacity installed before Dec-12, there is a transitional regime in place, pursuant to which wind power producers receive merchant electricity price plus a GC until 2015; after 2015, these wind farms will be absorbed into a feed-in tariff scheme.

In Brazil, EDPR has 84MW of installed capacity (+70MW YoY following the start of operations of the Tramandaí wind farm in May-11) all remunerated under the PROINFA program, through a fixed tariff updated to inflation over 20 years. In the 1Q12, avg. load factor went up 7pp YoY to 26% given the positive contribution of the 70MW installed in May-11, while avg. selling price increased 5% YoY to \$R276/MWh, following the inflation annual update and the higher selling price from the Tramandaí wind farm.

Income Statement (€ m)	1Q12	1Q11	Δ%	Δ Abs.
Gross Profit	478.2	461.2	3.7%	+17
Supplies and services	104.4	107.6	-3.0%	-3
Personnel costs	39.3	39.4	-0%	-0
Costs with social benefits	6.9	19.5	-65%	-13
Other operating costs (net)	52.7	19.6	169%	+33
Net Operating Costs (1)	203.2	186.2	9.2%	+17
EBITDA	274.9	275.0	-0.0%	-0
Provisions	0.1	6.6	-99%	-7
Net depreciation and amortisation	74.9	84.2	-11.1%	-9
EBIT	200.0	184.2	8.6%	+16
Canox & Oney Performance	1Q12	1Q11	Δ%	Δ Abs.
Capex & Opex Performance	1Q12	IQII	Δ /0	Δ Aus.
Controllable Operating Costs (6)	143.6	147.1	-2.3%	-3
Cont. costs/client (€/client)	17.85	18.30	-2.5%	-0
Cont. costs/km of network (€/Km)	552.0	571.3	-3.4%	-19
Employees (#)	4,179	4,242	-1.5%	-64
Capex (Net of Subsidies) (€m)	81.7	69.5	17.4%	+12
Network ('000 Km)	260.2	257.4	1.1%	+3
- Treework ( 666 Kill)	200.2	237	2.270	
Regulatory Receivables (€ m)	1Q12	1Q11	Δ%	Δ Abs.
Regulatory Receivables (€ m)  Total Iberia Regulatory Receivables	1Q12 1,872.0	1Q11 1,408.1	Δ%	Δ Abs. +464
Total Iberia Regulatory Receivables				
Total Iberia Regulatory Receivables Spain - Tariff Deficit (4)	1,872.0	1,408.1	33%	+464
Total Iberia Regulatory Receivables  Spain - Tariff Deficit (4)  Beginning of Period	1,872.0 513.6	1,408.1 759.1	-32%	+464 -245
Total Iberia Regulatory Receivables  Spain - Tariff Deficit (4)  Beginning of Period Previous periods tariff deficits (5)	1,872.0	<b>759.1</b> (265.4)	33%	+464 -245 +98
Total Iberia Regulatory Receivables  Spain - Tariff Deficit (4)  Beginning of Period Previous periods tariff deficits (5) Tariff deficit in the period	1,872.0 513.6	<b>759.1</b> (265.4) 25.6	-32%	+464 -245 +98 -26
Total Iberia Regulatory Receivables  Spain - Tariff Deficit (4)  Beginning of Period Previous periods tariff deficits (5)	1,872.0 513.6	<b>759.1</b> (265.4)	-32%	+464 -245 +98
Total Iberia Regulatory Receivables  Spain - Tariff Deficit (4)  Beginning of Period Previous periods tariff deficits (5) Tariff deficit in the period Other (3)	513.6 (167.2)	<b>759.1</b> (265.4) 25.6 12.0	-32% 37%	+464 -245 +98 -26 -12
Total Iberia Regulatory Receivables  Spain - Tariff Deficit (4)  Beginning of Period Previous periods tariff deficits (5) Tariff deficit in the period Other (3) End of Period  Portugal - Last Resort Supplier + Distributi	1,872.0 513.6 (167.2) - - - - - - - - - - - - -	759.1 (265.4) 25.6 12.0 531.2	-32% 37% - - -35%	-245 +98 -26 -12 -185
Total Iberia Regulatory Receivables  Spain - Tariff Deficit (4)  Beginning of Period Previous periods tariff deficits (5) Tariff deficit in the period Other (3) End of Period  Portugal - Last Resort Supplier + Distribution	1,872.0  513.6 (167.2)  346.4  on + Gas	759.1 (265.4) 25.6 12.0 531.2	-32% 37%	+464  -245 +98 -26 -12 -185
Total Iberia Regulatory Receivables  Spain - Tariff Deficit (4)  Beginning of Period Previous periods tariff deficits (5) Tariff deficit in the period Other (3) End of Period  Portugal - Last Resort Supplier + Distribution  Beginning of Period Previous periods tariff deviation (2)	1,872.0  513.6 (167.2)  346.4  on + Gas  739.7 (149.5)	759.1 (265.4) 25.6 12.0 531.2	-32% 37%  -35%	+464  -245 +98 -26 -12 -185  +551 -171
Total Iberia Regulatory Receivables  Spain - Tariff Deficit (4)  Beginning of Period Previous periods tariff deficits (5) Tariff deficit in the period Other (3) End of Period  Portugal - Last Resort Supplier + Distributi	1,872.0  513.6 (167.2)  346.4  on + Gas  739.7 (149.5) 454.9	759.1 (265.4) 25.6 12.0 531.2 188.4 22.0 325.3	-32% 37% - - -35%	+464  -245 +98 -26 -12 -185  +551 -171 +130
Total Iberia Regulatory Receivables  Spain - Tariff Deficit (4)  Beginning of Period Previous periods tariff deficits (5) Tariff deficit in the period Other (3) End of Period  Portugal - Last Resort Supplier + Distributi	1,872.0  513.6 (167.2)  346.4  on + Gas  739.7 (149.5) 454.9 17.5	759.1 (265.4) 25.6 12.0 531.2 188.4 22.0 325.3 1.6	-32% 37% 35% 35%	+464  -245 +98 -26 -12 -185  +551 -171 +130 +16
Total Iberia Regulatory Receivables  Spain - Tariff Deficit (4)  Beginning of Period Previous periods tariff deficits (5) Tariff deficit in the period Other (3) End of Period  Portugal - Last Resort Supplier + Distributi	1,872.0  513.6 (167.2)  346.4  on + Gas  739.7 (149.5) 454.9	759.1 (265.4) 25.6 12.0 531.2 188.4 22.0 325.3	-32% 37%  -35%	+464  -245 +98 -26 -12 -185  +551 -171 +130
Total Iberia Regulatory Receivables  Spain - Tariff Deficit (4)  Beginning of Period Previous periods tariff deficits (5) Tariff deficit in the period Other (3) End of Period  Portugal - Last Resort Supplier + Distributi	1,872.0  513.6 (167.2)  346.4  on + Gas  739.7 (149.5) 454.9 17.5	759.1 (265.4) 25.6 12.0 531.2 188.4 22.0 325.3 1.6	-32% 37% 35% 35%	+464  -245 +98 -26 -12 -185  +551 -171 +130 +16
Total Iberia Regulatory Receivables  Spain - Tariff Deficit (4)  Beginning of Period Previous periods tariff deficits (5) Tariff deficit in the period Other (3) End of Period  Portugal - Last Resort Supplier + Distribution  Beginning of Period Previous periods tariff deviation (2) Tariff deviation in the period Other (3) End of Period  Portugal - CMEC's	1,872.0  513.6 (167.2)  346.4  on + Gas  739.7 (149.5) 454.9 17.5 1,062.7	759.1 (265.4) 25.6 12.0 531.2 188.4 22.0 325.3 1.6 537.2	-32% 37% 	+464  -245 +98 -26 -12 -185  +551 -171 +130 +16 +525
Total Iberia Regulatory Receivables  Spain - Tariff Deficit (4)  Beginning of Period Previous periods tariff deficits (5) Tariff deficit in the period Other (3) End of Period  Portugal - Last Resort Supplier + Distributi  Beginning of Period Previous periods tariff deviation (2) Tariff deviation in the period Other (3) End of Period  Portugal - CMEC's  Beginning of Period	1,872.0  513.6 (167.2)  346.4  on + Gas  739.7 (149.5) 454.9 17.5 1,062.7	759.1 (265.4) 25.6 12.0 531.2 188.4 22.0 325.3 1.6 537.2	-32% 37% 	+464  -245 +98 -26 -12 -185  +551 -171 +130 +16 +525
Total Iberia Regulatory Receivables  Spain - Tariff Deficit (4)  Beginning of Period Previous periods tariff deficits (5) Tariff deficit in the period Other (3) End of Period  Portugal - Last Resort Supplier + Distribution  Beginning of Period Previous periods tariff deviation (2) Tariff deviation in the period Other (3) End of Period  Portugal - CMEC's	1,872.0  513.6 (167.2)  346.4  on + Gas  739.7 (149.5) 454.9 17.5 1,062.7	759.1 (265.4) 25.6 12.0 531.2 188.4 22.0 325.3 1.6 537.2	-32% 37% 	+464  -245 +98 -26 -12 -185  +551 -171 +130 +16 +525
Total Iberia Regulatory Receivables  Spain - Tariff Deficit (4)  Beginning of Period Previous periods tariff deficits (5) Tariff deficit in the period Other (3) End of Period  Portugal - Last Resort Supplier + Distribution  Beginning of Period Previous periods tariff deviation (2) Tariff deviation in the period Other (3) End of Period  Portugal - CMEC's  Beginning of Period (Recovery)/Return in the Period	1,872.0  513.6 (167.2)  346.4  on + Gas  739.7 (149.5) 454.9 17.5 1,062.7	759.1 (265.4) 25.6 12.0 531.2 188.4 22.0 325.3 1.6 537.2	-32% 37% 	+464  -245 +98 -26 -12 -185  +551 -171 +130 +16 +525
Total Iberia Regulatory Receivables  Spain - Tariff Deficit (4)  Beginning of Period Previous periods tariff deficits (5) Tariff deficit in the period Other (3) End of Period  Portugal - Last Resort Supplier + Distribution  Beginning of Period Previous periods tariff deviation (2) Tariff deviation in the period Other (3) End of Period Portugal - CMEC's  Beginning of Period (Recovery)/Return in the Period Deviation in the period	1,872.0  513.6 (167.2)  346.4  on + Gas  739.7 (149.5) 454.9 17.5 1,062.7	1,408.1  759.1 (265.4) 25.6 12.0 531.2  188.4 22.0 325.3 1.6 537.2  488.2 (184.7) 36.2	-32% 37% 	+464  -245 +98 -26 -12 -185  +551 -171 +130 +16 +525  -98 +79 +142

Regulated networks activity in Iberia includes our activities of electricity distribution and gas in Portugal and Spain, our activity of last Resort Supply in Portugal and our activity of transport of gas in Spain.

EBITDA from regulated networks stood flat in 1Q12 amounting to €275m driven by the sale of transmission assets to REE (+€27m) in 1Q11, change in accounting policy as to the interest cost and estimated return of the pension fund assets: the respective amounts, so far accounted as operational expenses (€15m in 1Q11), are now accounted at financial results level (€15m in 1Q12). Excluding these impacts, EBITDA rose 5% YoY (+€13m) impacted by a rise in Portugal distribution grid regulated revenues due to an increase in rate of return from 8.56% to 10.3% (best forecast based on the evolution of avg. Portugal 5Y CDS since Oct-11), which compensate a 9% decrease of regulated revenues in electricity distribution in Spain following the recent regulatory measures in Spain (RDL 13/2012).

**Controllable operating costs** decreased 2% YoY due to lower maintenance works and higher efficiency. **Capex** increased by 14% YoY mostly dedicated to service quality.

Net Regulatory receivables in Iberia increased from €1,408m in Mar-12 to €1,872m in Mar-12 driven by an increase in electricity distribution and last resort supply in Portugal mainly due to the pre-defined tariff deficit which should amount to €972m by Dec-12, creation of ex-ante tariff deficit of €141m related to CMECs deviations, higher than expected electricity procurement cost from special regime production and lower avg. electricity sale price of special regime production.

Regulatory receivables by EDP Group in Spain by the end of Mar-12, amounted to €346m (including interests/financial updates): i) €203m regarding 2011 tariff deficit; ii) €140m from the 2010 tariff deficit and v) €3m from the 2006-09 accumulated tariff deficit. In 1Q12, a total amount of €3.3bn of the Spanish deficit was securitised by FADE (the fund in charge of the securitization) of which €168m were entitled to our subsidiary HC Energia. In Mar-12, total Spanish deficit pending of securitization amount to €7bn.

In Mar-12, Spain's Supreme Court has upheld a request by utilities to raise tariffs which will require the government to implement the following measures that will allow a **reduction of tariff deficit**: 1) the excess deficit of EUR0.9bn in 2011 has to be charged to the 2012 tariff; 2) the access tariff decline in 4Q11 has to be reversed; and 3) the government also has to include in the tariff the best estimate of the tariff deficit expected for 2012.

Regulatory receivables from electricity Distribution and last resort supply in Portugal increased from €720m in Dec-11 to €1,041m in Mar-12 is driven by: (1)+€74m mainly due to higher than expected differential between purchase and sale prices from special regime production (€66.1/MWh in 1Q12 vs. €46.6/MWh assumed by ERSE in the calculation of 2012 tariffs), (2) €243M regarding deferral of €972m tariff deficit by Dec-12, (3)€135m essentially due to negative tariff deviation generated in electricity distribution activity related to payment of ex-ante tariff deficit of €141m to REN, that EDPD will receive in 2013 through tariffs; (4) €149m recovered through 1Q12 tariffs referent to negative previous years deviations.

Regarding future evolution of regulatory receivables in both distribution and last resort supply activities implicit in ERSE's final version for 2012 tariffs we would highlight: (1) deferral of special regime premiums amounting to €972m by Dec-12 to be fully recovered though 2013-2016 tariffs and remunerated at 6.3% annual return; (2) creation of an ex-ante tariff deficit of €141m related to CMECs deviations remunerated at 4.0% annual return; (3) collection of €564m through to 2012 tariffs related to negative deviations incurred in previous years.

Regulatory receivables from CMECs increased from €390m in Dec-11 to €463m in Mar-12 driven by: (1) €106m recovered through tariffs in 1Q12 related to 2011 negative deviations and (2) €178m negative deviation in 1Q12 between gross profit defined by CMECs and gross profit achieved in the market propelled by extreme dry weather (hydro production factor fell 80% short of an avg. year). This amount is due to be received in up to 24 months through TPA tariffs, paid by all Portuguese electricity consumers.

<sup>(1)</sup> Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits + Concession fees) + Other operating costs (net)

<sup>(2)</sup> 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 previous years tariff deviations.

<sup>(4)</sup> Net of CO2 clawback costs. (5) Includes the recovery/payment of previous periods tariff deficits.

## Electricity Distribution and Last Resort Supply in Portugal

Income Statement (€ m)	1Q12	1Q11	Δ%	Δ Abs.
Gross Profit	352.0	330.3	6.6%	+22
Cumplies and comices	78.0	78.8	-1.0%	-1
Supplies and services Personnel costs	31.3	31.4	-0%	-0
Costs with social benefits	6.0	18.7	-68%	-13
Concession fees	62.4	60.6	2.9%	+2
Other operating costs (net)	(1.5)	(2.6)		+1
Net Operating Costs (1)	176.2	186.8	-5.7%	-11
EBITDA	175.9	143.5	22.5%	+32
Provisions	0.1	6.9	-99%	-7
Net depreciation and amortisation	52.0	59.7	-13.0%	-8
ЕВІТ	123.8	77.0	60.9%	+47
Gross Profit Performance	1Q12	1Q11	Δ%	Δ Abs.
Gross Profit (€m)				
	352.0	330.3	6.6%	+22
Regulated gross profit	<b>352.0</b> 349.6	330.3 327.7	6.6% 6.7%	+ <b>22</b> +22
Regulated gross profit Non-regulated gross profit				+22
Non-regulated gross profit	349.6	327.7	6.7%	
Non-regulated gross profit	349.6	327.7	6.7%	+22 -0
Non-regulated gross profit  Distribution Grid	349.6 2.5	327.7 2.6	6.7% -4%	+22
Non-regulated gross profit  Distribution Grid  Regulated revenues (€ m)	349.6 2.5 326.6	327.7 2.6 302.0	6.7% -4% 8.1%	+22 -0 +25 -492
Non-regulated gross profit  Distribution Grid  Regulated revenues (€ m)  Electricity distributed (GWh)	349.6 2.5 326.6 11,716	327.7 2.6 302.0 12,208	6.7% -4% 8.1% -4.0%	+22 -0 +25 -492
Non-regulated gross profit  Distribution Grid Regulated revenues (€ m)  Electricity distributed (GWh) Supply Points (th)	349.6 2.5 326.6 11,716	327.7 2.6 302.0 12,208	6.7% -4% 8.1% -4.0%	+22 -0 +25 -492 -29
Non-regulated gross profit  Distribution Grid Regulated revenues (€ m)  Electricity distributed (GWh) Supply Points (th)  Last Resort Supply	349.6 2.5 326.6 11,716 6,118.6	327.7 2.6 302.0 12,208 6,147.8	6.7% -4% 8.1% -4.0% -0.5%	+22 -0 +25 -492 -29
Non-regulated gross profit  Distribution Grid  Regulated revenues (€ m)  Electricity distributed (GWh) Supply Points (th)  Last Resort Supply  Regulated revenues (€ m)	349.6 2.5 326.6 11,716 6,118.6	327.7 2.6 302.0 12,208 6,147.8	6.7% -4% 8.1% -4.0% -0.5%	+22 -0 +25

Capex & Opex Performance	1Q12	1Q11	Δ%	Δ Abs.
Controllable Operating Costs (4) Cont. costs/client (€/client) Cont. costs/km of network (€/Km) Employees (#)	<b>109.3</b> 17.9 489.6 3,574	<b>110.1</b> 17.9 498.5 3,623	- <b>0.8%</b> -0.3% -1.8% -1.4%	- <b>1</b> -0 -9 -49
Capex (Net of Subsidies) (€m) Network ('000 Km) Equival. interruption time (min.) (5)	<b>59.8</b> 223.2 8	<b>51.5</b> 220.9 21	<b>16%</b> 1.0% -60%	<b>+8</b> +2 -13

Reported EBITDA from electricity distribution and last resort supply activities in Portugal amounted to €176m in 1Q12. Note that EDP changed its accounting policy as to the interest cost and estimated return of the fund assets: the respective amounts, so far accounted as operating costs, are now accounted at financial results level. This implied a downward adjustment of costs with social benefits by €14m in 1Q12 in this business area. Excluding the impact from this reclassification in 1Q11 (€14m), EBITDA increased by 11% (+€18m). The increase in EBITDA was supported by higher regulated rate of return on assets and lower sensitivity to changes in consumption.

On 15-Dec-11, ERSE published a final version of the regulatory assumptions to the regulatory period 2012-2014 and regulated revenues in 2012 for our electricity distribution and last resort supply activities in Portugal. ERSE set: (1) a 4% avg. annual increase for electricity tariffs in Portugal (2) regulated rate of return on assets set at 9.5% for 2012 on a preliminary base based on 780bp assumption for Portuguese Republic CDS and to be positively correlated with the moving average of this variable (annually revised, Rate of Return floor at 8.0% and cap at 11.0% for 2012-2014); (3) electricity distribution regulated revenues of €1,286m for 2012 from which only 13% depend on electricity distributed and 10% depends on supply points; (4) last resort electricity supply regulated revenues of €94m for 2012; (5) forecast for volume of electricity distributed in 2012 set at 47.6TWh (2.3% above 2011 electricity distribution) and (6) assuming special regime generation of 19.6TWh (7.1% above 2011 special regime generation).

Distribution grid regulated revenues increased €25m to €327m in 1Q12, essentially on the back of: (1) a €13m positive impact due to an increase of return on RAB (10.3% for 2012 on a preliminary base vs. 8.56% in 2011). The new asset remuneration was set on a preliminary base indexed to average Portuguese Republic 5Y CDS between Oct-11 and Sept-12, and (2) a €3m negative impact from volumes distributed below ERSE forecast.

In 1Q12, electricity distributed was 4% lower YoY driven by the residential, SME and public lighting segments, following the increase in taxation over electricity consumption (VAT up from 6% to 23% in Oct-11). The 0.5% decline in the number of supply points had an immaterial impact at gross profit level (-€0.1m).

Last resort supplier regulated revenues decreased by 10% to €23m due to the switching of clients to liberalized suppliers, especially in the industrial segment, in line with the calendar of increasing liberalization of the Portuguese electricity supply market. Volume of electricity supplied by our last resort supplier fell 19% YoY to 5.7 TWh and as a result market share in electricity supply dropped from 58% in 1Q11 to 49% in 1Q12.

**EBIT** increased by 61% YoY backed by lower provisioning for legal matters in 1Q12 and a €7m one-off reduction of net depreciation and amortization.

**Capex** in 1Q12 increased 16% YoY to €60m. The Equivalent Interruption Time (EIT) in 1Q12 was 8 minutes, a significant improvement compared to 1Q11, as a result of investment in improving the quality of service and benefiting from favorable weather conditions without extraordinary events

<sup>(1)</sup> Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits + Concession fees) + Other operating costs (net)

<sup>(2)</sup> Includes the recovery or pay-back through the tariffs of previous years' tariff deviations. (3) Includes interests on previous years tariff deviations.

<sup>(4)</sup> Supplies & services and personnel costs. (5) Adjusted for non-recurring impacts (rainstorms, high winds and summer fires).

Abs.  $\Delta$ 

+13

+24

-136

+2.749

+157

+53

+191

-5

-9

0.5% 1.3%

10%

-5.3%

19%

7.6%

0.2%

1.9%

8.1%

-1.4%

-4.0%

-1.5%

## Electricity and Gas Networks in Spain and Gas Networks in Portugal

Income Statement (€ m)	Ele	ectricity Spai	n		Gas Spain		G	as Portugal		Iberian Regulated Networks	1Q12	1Q11	%
income statement (€ m)	1Q12	1Q11	% Δ	1Q12	1Q11	% ∆	1Q12	1Q11	% ∆	iberian Regulated Networks	1Q12	IQII	70 1
Gross Profit	40.4	46.1	-12%	65.6	63.9	2.6%	20.2	21.0	-3.8%	Number of Supply Points (th)			
										Electricity Spain	655.7	652.3	í
Supplies and services	11.6	13.4	-14%	10.4	11.5	-9.3%	4.4	4.0	11%	Gas Spain	997.9	984.8	
Personnel costs	4.8	4.6	2.3%	2.7	2.9	-7.2%	0.5	0.5	0.1%	Gas Portugal	276.3	251.8	
Costs with social benefits	0.7	0.7	-3.6%	0.1	0.1	52.1%	0.1	0.0	102%	_			
Other operating costs (net)	(7.5)	(38.6)	81%	(0.3)	0.7	-	(0.4)	(0.4)		Energy Distributed (GWh)			
Net Operating Costs (1)	9.5	(19.8)	-	12.9	15.1	-14%	4.6	4.2	11%	Electricity Spain	2,435	2,571	-
		,								Gas Spain	17,233	14,485	
EBITDA	30.9	65.9	-53%	52.7	48.8	7.9%	15.5	16.8	-7.4%	Gas Portugal	2,211	2,054	
Provisions	0.0	_	-	0.0	(0.3)	_	0.0	0.0	0.0%	Network (Km)			
Net Depreciation. & amortisation	7.6	7.2	4.4%	12.0	14.2	-16%	3.3	3.0	9.4%	Electricity Spain	22,692	22,639	
										Gas Spain	10,188	9,997	
EBIT	23.3	58.7	-60%	40.6	34.8	17%	12.2	13.7	-11%	Gas Portugal	4,165	3,853	:
Capex (net os subsidies)	8.5	6.1	39%	6.2	5.7	8%	7.2	6.3	14.0%	Employees (#)			
•										Electricity Spain	324	328	_
Gross Profit	40.4	46.1	-12%	65.6	63.9	2.6%	20.2	21.0	-3.8%	Gas Spain	217	226	_
Regulated Revenues	37.8	41.6	-9.2%	58.2	56.3	3.4%	15.6	15.2	2.3%	Gas Portugal	64	65	-
Non-regulated gross profit	2.6	4.4	-42%	7.4	7.6	-2.7%	4.6	5.7	-20%	· ·			

#### **ELECTRICITY DISTRIBUTION IN SPAIN**

**EBITDA from our electricity distribution activity in Spain** decreased 53% (€35m) YoY to €31m in 1Q12 mainly reflecting: i) negative impact from RDL 13/2012 which implied a 9% decrease of regulated revenues that totaled €38m in 1Q12 and ii) the inclusion of €27m non-recurrent gain related to the sale of transmission assets to REE in 1Q11. Excluding this last impact, EBITDA fell 20% YoY (€8m) which compensated the positive impact from a decrease of controllable cost due to higher efficiency.

In Dec-11, the Spanish government published a Ministerial Order with the remuneration for the electricity distribution regulated activity. Regulated revenues attributable to HC Distribución for the year 2012 amount to €169.3m. In Mar-12, Spanish government published RDL 13/2012 which reduced regulated revenues attributable to HC Distribución for the year 2012 to €151.4m (-11%).

Electricity distributed by HC Energia, essentially in the region of Asturias, decreased by 5.3% YoY due to lower demand from the industrial segment.

#### **GAS REGULATED NETWORKS IN SPAIN**

**EBITDA** from gas regulated networks in Spain went up 8% YoY (+€4m) to €53m in 1Q12, due mostly to a 3% increase of regulated revenues (+€2m) and a 14% decrease in net operating costs backed by: i) a 9% decline in supplies and services due to lower marketing and IT services and ii) a decrease in other operating costs (-€1m).

**Regulated revenues** rose 3% YoY backed by a 1% increase in the number supply points and the 2% increase of our network's extension. The abnormal 19% increase of volume of gas distributed through the distribution network to 17.2 GWh due to the connection to our network of Cartagena LNG terminal in Murcia region.

In Dec-11 it was published the Ministerial Order that set the remuneration for the gas regulated activities. Regulated revenues attributable to Naturgas Energia (NGE) in 2012 amount to €232m, including Naturgas gas transmission network (€25.9m).

#### GAS REGULATED NETWORKS IN PORTUGAL

**EBITDA** from gas regulated activities in Portugal decreased 7% YoY (-€1m) to €16m in 1Q12. Gas volumes distributed in Portugal went up 8% YoY supported by the 10% YoY increase in the number of supply points, justified by a systematic effort of client connection on existing grids in the region operated by EDP.

In Jun-11, the Portuguese regulator (ERSE) set the gas tariffs for Portugal for the year going from Jul-11 to Jun-12, defining a 9% return on assets resulting on annual regulated revenues of €65m. ERSE set a 3.9% avg. last resort tariff increase for small clients (consumption <=10.000 m3/year) and a 6.6% avg. access tariff decrease for large clients (consumption >10.000 m3/year). In Apr-12, ERSE published a preliminary proposal for the gas tariffs for the next regulatory period 2012-13 (final figures to be published until 15-Jun-12) proposing a 6.9% avg. last resort tariff increase for small clients (consumption <=500 m3/year).

## EDP - Energias do Brasil: Financial Performance

Income Statement		Consolidate	ed (RŚ m)			Consolidat	ed (£ m)		Energias do Brasil	1Q12	1Q11	Δ%
meome statement	1Q12	1Q11	Δ%	Δ Abs.	1Q12	1Q11	Δ%	Δ Abs.	Elicigias do Brasil	1411	-4	<u> </u>
				_ 1 1001			_ , ,		Share price at end of period (R\$/share) (2)	13.96	13.23	5.5%
Gross Profit	601.2	647.3	-7.1%	-46	259.5	283.9	-8.6%	-24	Number of shares Issued (million) (2)	476.4	476.4	-
									Treasury stock (million) (2)	0.8	0.8	_
Supplies and services	106.3	93.7	14%	+13	45.9	41.1	12%	+5	Number of shares owned by EDP (million) (2)	243.0	308.7	-21%
Personnel costs	76.5	59.0	30%	+17	33.0	25.9	28%	+7				
Costs with social benefits	8.2	12.6	-34%	-4	3.6	5.5	-36%	-2	Euro/Real - End of period rate	2.43	2.31	-5.2%
Other operating costs (net)	(0.9)	30.2	_	-31	(0.4)	13.3	_	-14	Euro/Real - Average of period rate	2.32	2.28	-1.6%
Net Operating Costs (1)	190.2	195.5	-2.7%	-5	82.1	85.8	-4.3%	-4	Inflation rate (IGP-M - 12 months)	3.2%		-
EBITDA	411.0	451.8	-9.0%	-41	177.4	198.2	-10%	-21	Net Debt / EBITDA (x)	1.6	1.2	
									Average Cost of Debt (%)	9.0	9.4	-42 b.p.
Provisions	5.8	2.0	189%	+4	2.5	0.9	184%	+2	Average Interest Rate (CDI)	9.7	10.5	-75 b.p.
Net depreciation and amortisation	83.7	83.2	0.7%	+1	36.1	36.5	-0.9%	-0				
									Employees (#)	2,527	2,392	+135
EBIT	321.4	366.6	-12%	-45	138.7	160.8	-14%	-22		•	,	
									Key Balance Sheet Figures (R\$ Million)	1Q12	1Q11	Δ%
Capital gains/(losses)	-	0.0	-	-0	-	0.0	-	-0				
Financial results	(40.6)	(47.7)	15%	+7	(17.5)	(20.9)	-16%	+3	Net financial debt	2,626	2,101	25%
Results from associates	(1.8)	(1.2)	-50%	-1	(0.8)	(0.5)	-	-0	Regulatory receivables	7	(36)	-
									Non-controling Interests	1,943	1,872	3.8%
Pre-tax profit	278.9	317.7	-12%	-39	120.4	139.3	-14%	-19	Equity book value	4,840	4,786	1.1%
									Financial Results (R\$ Million)	1Q12	1Q11	Δ%
									Net Interest Costs	(66.5)	(58.2)	-14%
Сарех	206.0	143.6	43%	+62	88.9	63.0	41%	+26	Capitalised Costs	25.3	21.9	15%
Maintenance	76.6	73.9	3.6%	+3	33.1	32.4	2.0%	+1	Forex Differences	(3.4)	(4.7)	27%
Expansion	129.4	69.7	86%	+60	55.9	30.6	83%	+25	Other	4.1	(6.7)	-
									Financial Results	(40.6)	(47.7)	15%

EDP – Energias do Brasil (EDPB) 1Q12 financial statements reflect a change in accounting policy as to the interest cost and estimated return of the fund assets: the respective amounts, accounted in 1Q11 as operating costs, are now accounted at financial results level (R\$7m in 1Q12 and R\$6m in 1Q11).

In local currency, EDPB's 1Q12 EBITDA decreased 9% YoY since the positive impact of the allocation of higher contracted volumes in 1Q12 vs 1Q11 in our generation business was more than compensated by a decline on the gross profit in our distribution business on the back of tariff deviation impact (-R\$48m in 1Q12 vs. +\$R17m in 1Q11) and the freeze of Bandeirante's tariffs from Oct-11 to Oct-12.

Net operating costs stood mostly flat. Supplies and services rose 14% justified by the inflation update in suppliers' contracts and to the additional network preventive maintenance program (R\$5m). Personnel costs reflected one-off indemnities related to HR restructuring programs covering 5% of our distribution business headcount (R\$11m). Adjusted by this, personnel costs went up by 11%, reflecting the annual salary update of +1.0% by Mar-11 and +7.3% by Nov-11 and also higher average headcount on the back of internalisation of costs due to lower level of outsourcing required by the regulator. These impacts were compensated by negative other net operating costs resulting from a gain obtained with the sale of buildings in the 1Q12 (R\$15m) whereas in the 1Q11 it was registered write-off of some distribution assets. (R\$8m)

Foreign exchange contributed negatively with -€3m in EDPB's consolidated EBITDA, as the Real depreciated 2% against the Euro.

**Net financial costs decreased R\$7m to R\$41m** justified mostly by non-recurrent charges that other generation companies had to pay to our distribution companies. Despite the decrease in the cost of debt, on the back of lower rates of the Brazil Interbank Deposit Certificate, financial costs increased due to higher financial debt and lower remuneration on bank deposits. Capitalized costs rose as a result of increasing levels of works in progress due to Pécem and Jari.

**Net financial debt increased 25% YoY** due mostly to the expansion capex related to Pecém coal plant and Jari hydropower plant. Average maturity in debt was 4.5 years by Mar-12. As of Mar-12, aprox. 100% gross debt was denominated in local currency or protected from exchange rate through hedging instruments.

#### All in all, EDPB's pre-tax profit in 1Q12 decreased 12% YoY.

In Jul-11, EDP sold 21.9 million shares of EDPB on a secondary distribution offer, at a price of R\$37.00, reducing its stake from 64.8% to 51.0%, receiving gross proceeds of aprox. R\$811m.

In Apr-12 EDPB's General Shareholders Meeting approved a stock-split of all common shares of the company by a ratio of 1:3. Thus, since 11<sup>th</sup> April 2012 the number of shares outstanding is 476,415,612. It was also approved the payment of **2011 annual dividend** of R\$370.2m or R\$0.777 per share, which represents a 5.0% increase vs. 2010.

### **Brazil: Electricity Distribution**

Income Statement (R\$ m)	1Q12	1Q11	Δ%	Δ Abs.
Gross Profit	326.3	422.6	-23%	-96
Supplies and services	81.5	71.7	14%	+10
Personnel costs	54.7	40.7	34%	+14
Costs with social benefits	6.7	10.7	-38%	-4
Other operating costs (net)	2.6	26.3	-90%	-24
Net Operating Costs (1)	145.5	149.4	-2.6%	-4
EBITDA	180.8	273.1	-34%	-92
Provisions	5.3	2.1	155%	+3
Net deprec. and amortisation	43.7	41.7	4.7%	+2
EBIT	131.9	229.4	-42%	-97
Gross Profit Performance	1Q12	1Q11	Δ%	Δ Abs.
Gross Front Performance	IQIZ	IQII	Δ /0	Δ Aus.
Regulated Revenues	374	406	-7.7%	-31
Tariff deviation in the Period (3)	(48)	30	-	-78
Dev. from previous year (2)	(5)	(4)	28%	-1
Others	5	(9)		+14
Gross Profit	326	423	-23%	-96
Regulatory Receivables (R\$ m)	7	(36)	-	+43
Clients Connected (th)	2,853.4	2,767.5	3.1%	+86
Bandeirante	1,553.2	1,514.4	2.6%	+39
Escelsa	1,300.2	1,253.1	3.8%	+47
Electricity Distributed (GWh)	6,202	6,185	0.3%	+17
Bandeirante	3,662	3,641	0.6%	+21
Escelsa	2,540	2,544	-0.1%	-4
From which:	2 200			
To clients in Free Market (GWh)	2,300	2,339	-1.7%	-39
Electricity Sold (GWh)	3,902	3,846	1.5%	+56
Bandeirante	2,325	2,307	0.8%	+19
Resid., Commerc. & Other	1,608	1,546	4.0%	+62
_ Industrial	718	761	-5.7%	-43
Escelsa	1,576	1,539	2.4%	+37
Resid., Commerc. & Other	1,312 264	1,277 262	2.8% 0.9%	+35 +2
Industrial	204	202	0.9%	+2
Capex & Opex Performance	1Q12	1Q11	Δ%	Δ Abs.
Controllable Operating Costs (4)	136.2	112.4	21%	+24
Cont. costs/client (R\$/client)	47.7	40.6	18%	+7
Cont. costs/km (R\$/Km)	1.6	1.3	19%	+0
Employees (#)	1,990	1,981	0.5%	+9
Capex (net of subsidies) (R\$m)	67.1	72.4	-7.3%	-5
Network ('000 Km)	86.2	85.0	1.5%	+1

In electricity distribution in Brazil, the **EBITDA** in **1Q12** decreased by **34% YoY**, due to the negative impact of tariff deviation (-R\$65m) and on the back of Bandeirante's tariff freezing from Oct-11 to Oct-12.

Regarding regulatory reviews, in Aug-10, Escelsa started a new 3-year regulatory period (from Aug-10 to Jul-13) with a Return on RAB set at 9.95% after taxes. In Oct-11 the regulator decided to keep Bandeirante's tariffs unchanged, as the new methodology for the 3<sup>rd</sup> Tariff Review cycle was not fully decided. Meanwhile, the discussion about the new methodology for the 3rd Tariff Review cycle, that started in Sep-10, resulted in the publication by ANEEL in Nov-11 of a new regulatory framework in which set a new Return on RAB at 7.5% after taxes. This new methodology will only be applicable to the next regulatory period (Bandeirante in Oct-12 but with retroactive effects from Oct-11 onwards and Escelsa from Aug-13 onwards).

**Electricity volumes sold and distributed in 1Q12:** Volume of electricity sold rose 1.5% YoY, reflecting an increase in the residential, commercial and other of 3.4%, explained by an increase of 3.1% in the number of clients on the back of low unemployment rate and increase of the families' income. However, this was partially offset by a drop of 4.0% in the industrial segment, as a consequence of a reduced industrial activity as well as migration of clients to the free market. Regarding electricity distributed, it went up by 0.3%, penalized by the energy distributed to clients in the free market, mostly industrials, due to the industrial activity slowdown in the Bandeirante's concession area and due to stoppages for maintenance work of some clients and the restart of autoproduction in some clients in Escelsa's area.

Tariff deviations at gross profit level influenced negatively the 1Q12 results (-R\$48m) while in 1Q11 it contributed positively (+R\$17m). Gross profit for distribution in Brazil includes the cash flow impact from deviations vs. annual regulated revenues. On the back of the freeze of its tariff by Oct-11, Bandeirante is facing higher energy, transmission and sector costs than the ones included in tariffs. On the other hand, Bandeirante's tariffs still do not include the new methodology regarding the lower Return on RAB which will be reviewed in Oct-12 with retroactive effects from Oct-11 onwards.

Tariff deviation created in previous years and being return through tariffs in 1Q12 amounted to R\$5m in line with the 1Q11 figure. On the other hand, a new tariff deviation of -R\$48m was created in 1Q12 (vs. tariff deviation of +R\$30m in 1Q11). This tariff deviation in 1Q12 was created due to: (i) incurred transmission and sector costs not considered in the tariffs; (ii) higher costs of energy than the ones reflected in the tariffs; (iii) higher discounts on distribution tariffs conceded to free market clients, due to the migration of several clients to the liberalised market.

As a result, the amount of regulatory receivables increased from R\$36m to be returned to customers by Mar-11 to R\$7m to be collected by EDPB from the next annual tariff revisions onwards.

Controllable operating costs increased by 21% YoY in 1Q12, as a result of: (i) higher costs with personnel, reflecting not only the annual average salary update of +1.0% by Mar-11 and +7.3% by Nov-11 and a slight increase in the average headcount but also additional one-off costs with indemnities thanks to HR restructuring costs (R\$11m) which will imply a reduction of 5% in the headcount and (ii) upper supplies and services costs, following the additional preventive network maintenance program, which started in 2H11, in order to comply with the regulator's quality of service requirements.

Other operating costs fell by R\$24m in 1Q12 explained mostly by one-off impacts such as write-downs on some distribution assets in 1Q11 (R\$8m) and a gain obtained with the selling of buildings in 1Q12 (R\$15m).

**Capex** dropped 7% YoY to R\$67m, due mostly to lower levels of investment in Bandeirante in IT and in losses reduction. Most of the Capex amount was devoted to network expansion and reinforcement of the quality of service.

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

<sup>(2)</sup> Regulatory receivables that EDP is recovering in current tariff, related to amounts that the system owed us due to lower than expected gross profit in past periods

<sup>(3)</sup> Regulatory receivables being generated in the current period to be recovered by EDP through tariffs in the next annual tariff adjustment. (4) Supplies & services and personnel costs

Income Statement (R\$M)	Generation						
	1Q12	1Q11	Δ%	Δ Abs.			
Gross Profit	252.5	207.2	22%	+45			
Supplies and services	16.5	13.7	21%	+3			
Personnel costs	10.3	10.3	0.6%	+0			
Costs with social benefits	1.0	0.7	48%	+0			
Other operating costs (net)	1.2	0.8	53%	+0			
let Operating Costs (1)	29.0	25.4	14%	+4			
BITDA	223.5	181.8	23%	+42			
Provisions	0.2	0.0	560%	+0			
Net depreciation and amortisation	37.1	46.5	-20%	-9			
BIT	186.2	135.3	38%	+51			
Generation	1Q12	1Q11	Δ%	Δ Abs.			
Gross Profit (R\$ m)	252.5	207.2	22%	+45			
aieado	97.3	72.9	33%	+24			
Peixe Angical	91.7	78.4	17%	+13			
nergest (15 hydro plants)	63.3	55.9	13%	+7			
nstalled Capacity - Hydro (MW)	1,790	1,735	3.2%	+55			
.ajeado	903	903	-				
Peixe Angical	499	452	10%	+47			
nergest (15 hydro plants)	389	380	2.2%	+9			
lectricity Sold (GWh)	2,102	1,982	6.1%	+120			
ajeado	832	826	0.8%	+6			
Peixe Angical	632	591	6.9%	+41			
Energest (15 hydro plants)	637	564	13%	+73			
Average Selling Price (R\$/MWh)	128.8	126.2	2.1%	+3			
ajeado	116.5	110.6	5%	+6			
Peixe Angical	171.2	157.4	8.8%	+14			
nergest (15 hydro plants)	121.9	116.3	4.8%	+6			
Capex (R\$ million)	138.7	70.9	96%	+68			
Maintenance	9.3	1.2	688%	+8			
xpansion	129.4	69.7	86%	+60			
Pécem	82.9	65.7	26%	+17			
Jari	45.6	-	750/	+46			
Other	1.0	3.9	-75%	-3			
imployees (#)	376	262	44%	+114			
Supply	1Q12	1Q11	Δ%	Δ Abs.			
whhit	1412	-411	<b>4</b> /0	1 AD3.			
Gross profit (R\$ m)	20.0	16.0	25%	+4			
Operating costs (R\$ m)	(6.7)	0.3	-	-7			
EBITDA (R\$ m)	26.7	15.8	69%	+11			

**EBITDA** in our electricity generation activities in Brazil increased by 23% reflecting essentially the inflation update on PPA's and higher volumes sold in 1Q12 vs. 1Q11.

**Installed capacity grew 55MW** as a consequence of (i) the recognition of additional capacity in Peixe Angical by ANEEL (47MW) and (ii) the conclusion of a part of Mascarenhas' repowering (9MW), both in 2Q11.

Electricity volumes sold rose 6.1% in 1Q12, reflecting the increase of the installed capacity and also the allocation of PPA's yearly contracted volumes which implied that gross profit increased by R\$45m. By Dec-11 it was expected a rise in the spot price in the 1Q12. Thus, the distribution companies decided on a flattish yearly allocation vs. 2011, demanding higher volumes on electricity contracted for the 1H12 vs. 1H11. During February and March the hydro reservoirs declined significantly due to dry weather which implied a rise in the spot market price. (R\$66.6/MWh in 1Q12 vs. R\$33.6/MWh in 1Q11).

**Average selling price increased 9% YoY in 1Q12** supported by the update of prices to inflation. Almost all EDPB's installed capacity is contracted under PPA long term contracts with an average maturity of 15 years.

The increase of the headcount did not reflected in the rise of personnel costs since is due to Pécem's workforce whom costs are still being capitalized.

**Net Depreciation and amortization declined R\$9m to R\$37m** since in 1Q11 it was recognized a write-off of development costs associated to pipeline projects (biomass).

**Capex almost doubled YoY, rising to R\$139m.** Expansion capex represents 93% of total capex from which 64% refers to the construction of Pécem coal plant and 35% to Jari hydro plant. EDPB has already invested R\$1,654m in Pécem's coal plant and R\$101m in Jari hydropower plant. The start-up of Jari is expected to begin by 2015.

In Pecém coal plant (720MW), EDPB holds a 50% stake in partnership with MPX Mineração e Energia. The conditions contracted with the Brazilian electricity system include the availability of an installed capacity of 615MW for a 15-year term starting in January 2012. Due to force majeure causes which led to the delay in construction works, ANEEL approved the prorogation of the plant commissioning and availability date for 23-Jul-2012 or the date of commissioning if before that date. Pecém will provide an expected EBITDA of R\$200m (EDPB's 50% share) in the first 12 months of full operation having the right to total pass through of fuel costs. The project is financed with long term debt, which is already contracted.

In Jun-11, EDPB announced the acquisition of ECE Participações which has currently the full control of **Santo António do Jari hydropower plant** operating rights, a project of 373MW installed capacity (following regulator's approval of an additional 73MW, on top of initial 300MW of installed capacity), being average 190 MW contracted by a 30-year PPA at a price of R\$104/MWh. The total disbursement will vary between R\$ 1,270m and R\$ 1,410m (25% in 2011, 31% in 2012, 31% in 2013 and 13% in 2014). The preliminary construction works started in Aug-11 and in Oct-11 it was issued a R\$300m bond and contracted a bridge-loan with Banco do Brasil, worth of R\$360m both with a two-year maturity and at a cost of 110.5% and 109% over the CDI respectively.

Gross profit (R\$ m)
Operating costs (R\$ m)
(6.7)
Electricity sales (GWh)
Number of clients (#)

1012

1011

A\*
Abs.

Our trading and supply activity is carried out by our Enertrade subsidiary in the free market essentially through a service of energy sourcing to large industrial clients without incurring in material energy market risk. In 1Q12, EBITDA in supply grew by 69% to R\$27m as a result of: (i) increase of volumes by 8%; (ii) rising of the unit margins; (iii) compensation received from a client due to the cancelling of the energy contract (R\$6m).



# Income Statements & Annex

1Q12 (€m)	Long-Term Contracted Generation	Iberian Liberalised Activities	Regulated Networks Iberia	Wind Power	Brazil	Other & Adjustments	EDP Group
Gross Profit	241.2	193.9	478.2	309.6	259.5	(44.8)	1,437.6
Supplies and services Personnel costs Costs with social benefits Other operating costs (net) Operating costs	18.5 18.3 0.0 7.4 44.2	64.6 24.6 1.4 8.7 <b>99.3</b>	104.4 39.3 6.9 52.7 <b>203.2</b>	12.2 1.5 (24.9)	45.9 33.0 3.6 (0.4) <b>82.1</b>	(74.3) 27.1 1.5 4.8 <b>(40.9)</b>	216.3 154.5 15.0 48.4 <b>434.2</b>
EBITDA	197.0	94.5	274.9	263.5	177.4	(3.9)	1,003.5
Provisions Net depreciation and amortisation (1)	(0.1) 48.4	(3.0) 65.0	0.1 74.9	0.0 114.4	2.5 36.1	3.5 11.6	3.0 350.3
EBIT	148.8	32.6	200.0	149.0	138.7	(19.0)	650.2

1Q11 (€m)	Long-Term Contracted Generation	Iberian Liberalised Activities	Regulated Networks Iberia	Wind Power	Brazil	Other & Adjustments	EDP Group
Gross Profit	246.1	229.5	461.2	254.2	283.9	(43.5)	1,431.4
Supplies and services Personnel costs Costs with social benefits Other operating costs (net) Operating costs	19.7 22.3 0.0 1.1 <b>43.1</b>	62.0 23.8 2.6 20.6 <b>109.0</b>	107.6 39.4 19.5 19.6 <b>186.2</b>	11.2 0.9 (33.1)	41.1 25.7 5.7 13.3 <b>85.8</b>	(77.2) 23.4 4.4 14.5 <b>(34.9)</b>	208.3 145.9 33.1 36.0 <b>423.2</b>
EBITDA	203.0	120.4	275.0	220.1	198.2	(8.6)	1,008.2
Provisions Net depreciation and amortisation (1)	(0.0) 44.5	(2.7) 55.8	6.6 84.2		0.9 36.5	-2.1 18.0	2.4 358.0
EBIT	158.5	67.4	184.2	101.3	160.8	(24.4)	647.7

## Quarterly Income Statement - Restated (1)



Quarterly P&L (€ m)	1Q11	2Q11	3Q11	4Q11	1Q12	Δ YoY %	Δ QoQ %
Electricity Revenues	3,558.4	3,083.6	3,156.6	3,443.2	3,904.5	10%	13%
Gas Revenues	418.9	391.5	413.4	465.1	482.7	15%	4%
Other Revenues	37.7	52.9	48.9	50.6	25.0		-51%
Operating Revenues	4,015.0	3,528.0	3,618.9	3,958.9	4,412.2	10%	11%
Electricity	2,032.0	1,633.9	1,711.3	1,943.2	2,284.3	12%	18%
Gas	334.9	299.4	326.8	366.9	390.6		6%
Fuel	191.3	211.6	256.9	255.4	279.4		9%
Materials and goods for resale	25.4	26.7	29.1	39.4	20.1		-49%
Direct Activity Costs	2,583.6	2,171.6	2,324.2	2,605.0	2,974.5	15%	14%
Revenue from assets assigned to concessions	86.3	109.2	113.4	131.7	94.3	9%	-28%
Expenditure with assets assigned to concessions	(86.3)	(109.2)	(113.4)	(131.7)	(94.3)	-9%	28%
Gross Profit	1,431.4	1,356.4	1,294.8	1,354.0	1,437.6	0%	6%
Supplies and services	208.3	212.8	229.1	250.9	216.3	4%	-14%
Personnel costs	147.2	145.4	139.6	141.4	154.5	5%	9%
Costs with social benefits	9.1	19.4	11.1	21.7	15.0	65%	-31%
Other operating costs (net)	36.0	64.4	85.2	(40.6)	48.4	34%	-
Operating costs	400.6	441.9	465.0	373.4	434.2	8%	16%
EBITDA	1,030.8	914.4	829.8	980.6	1,003.5	-3%	2%
Provisions	2.4	18.0	(18.7)	(1.0)	3.0	26%	_
Net depreciation and amortisation (2)	358.0	346.2	348.7	434.6	350.3	-2%	-19%
EBIT	670.4	550.2	499.8	547.0	650.2	-3%	19%
Capital gains/(losses)	0.2	10.1	(0.1)	10.6	(0.0)	_	_
Financial Results	(156.1)	(154.8)	(235.0)	(169.4)	(166.8)	-7%	2%
Results from associated companies	5.8	6.0	5.6	2.0	3.6	-38%	78%
Pre-tax profit	520.3	411.5	270.4	390.2	487.0	-6%	25%
Income taxes	123.4	97.1	21.7	18.2	79.0	-36%	334%
Discontinued Activities	-	-	-	-	-	-	-
Net Profit for the period	396.9	314.4	248.7	372.0	408.0	3%	10%
Net Profit Attributable to EDP	342.4	266.3	215.0	301.0	337.2		12%
Non controling interests	54.5	48.1	33.7	71.0	70.7	30%	-0%

<sup>(1)</sup> As of Sep-11, EDP changed its accounting policy as to the interest cost and estimated return of the fund assets: the respective amounts, so far accounted as operating costs are now accounted at financial results level. Both 1Q11 and 1Q12 income statements comply with this change, implying a positive impact on EBITDA of €23m in 1Q12.

<sup>(2)</sup> Depreciation and amortisation expense net of compensation for depreciation and amortisation of subsidised assets.

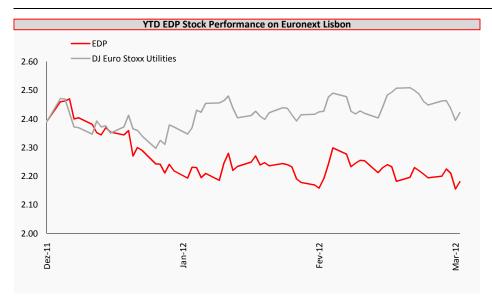
## Income Statement by Business Area - Restated (1)



1Q11 (€m)	Long-Term Contracted Generation	lberian Liberalised Activities	Regulated Networks Iberia	Wind Power	Brazil	Other & Adjustments	EDP Group
Gross Profit	246.1	229.5	461.2	254.2	283.9	(43.5)	1,431.4
Supplies and services Personnel costs Costs with social benefits Other operating costs (net) Operating costs	19.7 22.3 (3.0) 1.1 <b>40.1</b>	62.0 23.8 1.6 20.6 <b>108.0</b>	107.6 39.4 4.6 19.6 <b>171.3</b>	11.2 0.9 (33.1)	41.1 25.7 3.0 13.3 <b>83.1</b>	(77.2) 23.4 3.3 14.5 (36.0)	208.3 145.9 10.4 36.0 <b>400.6</b>
EBITDA	206.0	121.5	289.9	220.1	200.8	(7.5)	1,030.8
Provisions Net depreciation and amortisation (1)	(0.0) 44.5	(2.7) 55.8	6.6 84.2		0.9 36.5	-2.1 18.0	2.4 358.0
EBIT	161.5	68.4	199.1	101.3	163.4	(23.3)	670.4

#### **EDP Share Performance**





EDP Stock Market Performance	YTD	52W	2011
		09-05-2012	
EDP Share Price (Euronext Lisbon - €)			
Close	2.244	2.244	2.391
Max	2.484	2.665	2.920
Min	2.040	1.984	1.984
Average	2.221	2.309	2.488
EDP's Liquidity in Euronext Lisbon			
Turnover (€ m)	1,174	3,806	4,300
Average Daily Turnover (€ m)	13	15	17
Traded Volume (million shares)	528	1,648	1,728
Avg. Daily Volume (million shares)	5.7	6.3	6.6

EDP Share Data	1Q12	1Q11	Δ%
Number of shares Issued (million) Treasury stock (million)	3,656.5 32.8	3,656.5 32.0	- 2.3%

#### **EDP's Main Events**

Feb-1: Standard & Poor's downgrades EDP to "BB+" with negative outlook

Feb-16: Moody's downgrades EDP to "Ba1" with negative outlook

Feb-20: EDP's General Shareholders Meeting

**Feb-27:** Appointment of Representatives for the General Supervisory Board by Cajastur Inversiones, José de Mello Energia and Senfora

Mar-13: Appointment of Representatives for the General Supervisory Board by Sonatrach and Parpública

**Apr-3:** Fitch places utilities with sizeable exposure to Spain on rating watch negative

Apr-17: EDP's Annual General Shareholders Meeting

**Apr-26:** EDP announces dividend payment to May 16<sup>th</sup> (€0.185/share – gross dividend)

Mai-4: EDP issues EUR 250 million 3 year retail bond through a public offering

Mai-7: Barclays notifies significant shareholding in EDP

Source: Bloomberg - 29 -

## EDP - Installed capacity & electricity generation

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Hydro	Installed Capacity - MW (1)	1Q12	1Q11	ΔMW	Δ 12/11	Electricity Generation (GWh)	1Q12	1Q11	Δ GWh	Δ 12/11
Hydro	PPA/CMFC	6 220	6 220	-	0%	PPA/CMFC	3 200	4 954	-1 754	-35%
Run off the river   1,860					0,0					-79%
Reservoir   2,234   2,234   2,334   3,056   2,335   3,064   1,489   1,22   1,172   3,050   1,360   1				_						
Coal   1,180	Reservoir			_		Reservoir				
Sines   1,180   1,480   346	Coal			_		Coal				172%
Fuel oil   946		1 180		_						_,_,
Sertibal   946   946   -   Sertibal   2   3   5   Sertibal   2   3   5   Sertibal   2   3   5   Sertibal   2   3   5   Sertibal   3   Sertibal				_						_
Special Regime (Ex-Wind)   469   470   -1   Special Regime (Ex-Wind)   561   681   -119   -18				_						
Small-Hydro		-	-	-			-	-	-	
Cogeneration-Waste Biomass         275   275   31   Borganian Waste         473   411   62   411   62   411   611	Special Regime (Ex-Wind)	469	470	-1	-	Special Regime (Ex-Wind)	561	681	-119	-18%
Cogeneration-Waste Biomass         275   275   31   Borganian Waste         473   411   62   411   62   411   611	Small-Hydro	160	160	_		Small-Hydro	41	224	-183	
Blomass   35   35   -   Blomass   47   46   1				-1						
Hydro	Biomass									
Hydro	Liberalised Electricity Concretion	7 574	7 127	//27	6%	Liberalized Electricity Congression	2 544	A AQE	0/12	-21%
Portugal   Spain   Age					0/0					
Spain   A26		1,347								-50%
Coal										
Aboño   Aboñ	Spain	420	420	-		Spain	130	282	-126	
Aboño	Coal			-						76%
Soto Ribera	Aboño I			-		Aboño I				
Soto Ribera III   346   346   -   Soto Ribera III   333   47   286				-						
CCGT 3,736 3,736 1,176 1				-						
Ribatejo (3 groups)	Soto Ribera III	346	346	-		Soto Ribera III	333	47	286	
Lares (2 groups)       863       863       -       Lares (2 groups)       353       894       -542         Castejón (2 group)       843       843       -       Castejón (2 group)       170       346       -176         Soto IV (1 group)       426       426       -       Soto IV (1 group)       215       390       -175         Soto V(1 group)       428       428       -       Soto V(1 group)       70       142       -72         Nuclear       156       156       -       Nuclear       335       313       21       6.8         Trillo       335       313       21       6.8         Gasoil/Fuel oil       875       875       -       Gasoil/Fuel oil       335       313       21         Tunes + Carregado       875       875       -       Gasoil/Fuel oil       0       0       0       0         Wind (More detail on page 16)       7,157       6,625       532       8%       Wind       5,212       4,421       792       18         Europe       3,652       3,388       264       Europe       2,109       1,985       123         USA       3,422       3,224       198       USA	CCGT	3,736	3,736	-	0%	CCGT	973	2,341	-1,369	-58%
Lares (2 groups)     863     863     -     Lares (2 groups)     353     894     -542       Castejón (2 group)     170     346     -176       Soto IV (1 group)     426     426     -     Soto IV (1 group)     215     390     -175       Soto IV (1 group)     428     428     -     Soto IV (1 group)     70     142     -72       Nuclear     156     156     -     Nuclear     335     313     21     6.8       Trillo     335     313     21     6.8       Gasoil/Fuel oil     875     875     -     Gasoil/Fuel oil     0     0     0     0       Tunes + Carregado     875     875     -     Gasoil/Fuel oil     0     0     0     0       Wind (More detail on page 16)     7,157     6,625     532     8%     Wind     5,212     4,421     792     18       Europe     3,652     3,388     264     Europe     2,109     1,985     123       USA     3,422     3,224     198     USA     3,056     2,430     626       Brazil (Ex-Wind)     1,790     1,735     55     3.2%     Brazil (Ex-Wind)     2,647     2,529     118     5	Ribatejo (3 groups)	1,176	1,176	-		Ribatejo (3 groups)	164	568	-404	
Castejón (2 group)       843       843       -       Castejón (2 group)       170       346       -176       Soto V (1 group)       215       390       -175       Soto V (1 group)       215       390       -175       Soto V (1 group)       215       390       -175       390       -175       Soto V (1 group)       20       142       -72	Lares (2 groups)	863	863	-		Lares (2 groups)	353	894	-542	
Soto IV (1 group)         426         426         -         Soto IV (1 group)         215         390         -175           Soto V (1 group)         428         428         -         Soto IV (1 group)         70         142         -175           Nuclear Trillo         156         156         156         -         Nuclear Trillo         335         313         21         6.8           Gasoil/Fuel oil Tunes + Carregado         875         875         -         Gasoil/Fuel oil Tunes + Carregado         0		843	843	-			170	346	-176	
Soto V (1 group)   428   428   -   Soto V (1 group)   70   142   -72		426	426	-		Soto IV (1 group)	215	390	-175	
Trillo         156         156         -         Trillo         335         313         21           Gasoil/Fuel oil Tunes + Carregado         875         875         -         Gasoil/Fuel oil Tunes + Carregado         0         0         0           Wind (More detail on page 16)         7,157         6,625         532         8%         Wind         5,212         4,421         792         18           Europe         3,652         3,388         264         Europe         2,109         1,985         123           USA         3,452         3,224         198         USA         3,056         2,430         626           Brazil         84         14         70         Brazil         48         6         42           Brazil (Ex-Wind)         1,790         1,735         55         3.2%         Hydro         2,647         2,529         118         5           Hydro         1,90         1,735         55         3.2%         Hydro         2,647         2,529         118         5           Lajeado         903         903         -         49         452         47         Peixe Angical         819         770         49         -         1,7		428		-			70			
Trillo         156         156         -         Trillo         335         313         21           Gasoil/Fuel oil Tunes + Carregado         875         875         -         Gasoil/Fuel oil Tunes + Carregado         0         0         0           Wind (More detail on page 16)         7,157         6,625         532         8%         Wind         5,212         4,421         792         18           Europe         3,652         3,388         264         Europe         2,109         1,985         123           USA         3,452         3,224         198         USA         3,056         2,430         626           Brazil         84         14         70         Brazil         48         6         42           Brazil (Ex-Wind)         1,790         1,735         55         3.2%         Hydro         2,647         2,529         118         5           Hydro         1,90         1,735         55         3.2%         Hydro         2,647         2,529         118         5           Lajeado         903         903         -         49         452         47         Peixe Angical         819         770         49         -         1,7	Nuclear	156	156	_		Nuclear	335	313	21	6.8%
Tunes + Carregado         875         875         -         Tunes + Carregado         0         0         0           Wind (More detail on page 16)         7,157         6,625         532         8%         Wind         5,212         4,421         792         18           Europe         3,652         3,388         264         Europe         2,109         1,985         123           USA         3,422         3,224         198         USA         3,056         2,430         626           Brazil         84         14         70         Brazil (Ex-Wind)         2,647         2,529         118         5           Hydro         1,790         1,735         55         3.2%         Hydro         2,647         2,529         118         5           Lajeado         903         903         -         Lajeado         1,351         1,260         92           Peixe Angical         499         452         47         Peixe Angical         819         770         49           Energest         389         380         9         Energest         477         499         -23		156		-				313		
Tunes + Carregado         875         875         -         Tunes + Carregado         0         0         0           Wind (More detail on page 16)         7,157         6,625         532         8%         Wind         5,212         4,421         792         18           Europe         3,652         3,388         264         Europe         2,109         1,985         123           USA         3,422         3,224         198         USA         3,056         2,430         626           Brazil         84         14         70         Brazil (Ex-Wind)         2,647         2,529         118         5           Hydro         1,790         1,735         55         3.2%         Hydro         2,647         2,529         118         5           Lajeado         903         903         -         Lajeado         1,351         1,260         92           Peixe Angical         499         452         47         Peixe Angical         819         770         49           Energest         389         380         9         Energest         477         499         -23	Gasoil/Fuel oil	875	875	_		Gasoil/Fuel oil	0	0	0	
Europe USA USA Brazil         3,652 3,388 264 198 USA 3,422 3,224 198 USA Brazil         Europe USA Brazil         2,109 1,985 123 2,430 626 2,430 626 2,430 626 626 62 6           Brazil (Ex-Wind)         1,790 1,735 55 3.2%         Brazil (Ex-Wind)         2,647 2,529 118 55           Hydro Lajeado         903 903 903 - Lajeado         1,351 1,260 92 Peixe Angical Brazil         1,351 1,260 92 Peixe Angical Brazil         1,351 1,260 92 Peixe Angical Brazil Braz		875	875	-				0	0	
USA Brazil         3,422 84         3,224 14         198 70         USA Brazil         USA Brazil         3,056 48         2,430 48         626 6         42           Brazil (Ex-Wind)         1,790         1,735         55         3.2%         Hydro         2,647         2,529         118         5'           Hydro Lajeado         903         903         - 903         Hydro Lajeado         Lajeado         1,351         1,260         92           Peixe Angical Energest         499         452         47         Peixe Angical Energest         819         770         49           Energest         477         499         -23	Wind (More detail on page 16)	7,157	6,625	532	8%	Wind	5,212	4,421	792	18%
USA Brazil         3,422 84         3,224 14         198 70         USA Brazil         USA Brazil         3,056 48         2,430 48         626 6         42           Brazil (Ex-Wind)         1,790         1,735         55         3.2%         Hydro         2,647         2,529         118         5'           Hydro Lajeado         903         903         - 903         Hydro Lajeado         Lajeado         1,351         1,260         92           Peixe Angical Energest         499         452         47         Peixe Angical Energest         819         770         49           Energest         477         499         -23	Furope	3.652	3.388	264		Furone	2.109	1.985	123	
Brazil         84         14         70         Brazil         48         6         42           Brazil (Ex-Wind)         1,790         1,735         55         3.2%         Hydro         2,647         2,529         118         5           Hydro         1,790         1,735         55         3.2%         Hydro         2,647         2,529         118         5           Lajeado         903         903         -         Lajeado         1,351         1,260         92           Peixe Angical         499         452         47         Peixe Angical         819         770         49           Energest         389         380         9         Energest         477         499         -23		3,422						2,430		
Hydro         1,790         1,735         55         3.2%         Hydro         2,647         2,529         118         5           Lajeado         903         903         -         Lajeado         1,351         1,260         92           Peixe Angical         499         452         47         Peixe Angical         819         770         49           Energest         389         380         9         Energest         477         499         -23										
Lajeado       903       903       -       Lajeado       1,351       1,260       92         Peixe Angical       499       452       47       Peixe Angical       819       770       49         Energest       389       380       9       Energest       477       499       -23	Brazil (Ex-Wind)	1,790	1,735	55	3.2%	Brazil (Ex-Wind)	2,647	2,529	118	5%
Lajeado       903       903       -       Lajeado       1,351       1,260       92         Peixe Angical       499       452       47       Peixe Angical       819       770       49         Energest       389       380       9       Energest       477       499       -23	Hydro	1 790	1 735	55	3 2%	Hydro	2 6/17	2 529	112	5%
Peixe Angical       499       452       47       Peixe Angical       819       770       49         Energest       389       380       9       Energest       477       499       -23				-	3.2/0					3/0
<u>Energest</u> 389 380 9 <u>Energest</u> 477 499 -23				17						
TOTAL 23,211 22,188 1,024 4.6% TOTAL 15.164 17.069 -1.905 -11.2	Ellergest	389	300	<u> </u>		Ellergest	4//	433	-23	
	TOTAL	23,211	22,188	1,024	4.6%	TOTAL	15,164	17,069	-1,905	-11.2%

## EDP - Volumes distributed, clients connected and networks

4		
	PA	10
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	ELECTRICITY					GAS			
Electricity Distributed (GWh)	1Q12	1Q11	ΔGWh	Δ%	Gas Distributed (GWh)	1Q12	1Q11	Δ GWh	Δ9
Portugal	11,716	12,208	-492	-4.0%	Portugal	2,211	2,054	157	7.6%
Very High Voltage	479	446	33	7%	Low Pressure (P ≤ 4 Bar)	358	701	-344	-49%
High / Medium Voltage	5,124	5,104	21	0.4%	Medium Pressure (P > 4 Bar)	1,844	1,343	502	37%
Low Voltage	6,113	6,658	-545	-8.2%	LPG	9	10	-1	-10%
Spain	2,435	2,571	-136	-5.3%	Spain	17,233	14,485	2,749	19.0%
High / Medium Voltage	1,728	1,820	-91	-5.0%	Low Pressure (P ≤ 4 Bar)	3,910	3,934	-24	-0.6%
Low Voltage	707	751	-45	-6.0%	Medium Pressure (P > 4 Bar)	13,324	10,551	2,773	26.3%
Brazil	6,202	6,185	17	0.3%	TOTAL	19,445	16,539	2,906	17.6%
Free Clients	2,300	2,339	-39	-1.7%		-5,		_,,,,,,	
Industrial	982	1,023	-41	-4.0%					
Residential, Comercial & Other	2,920	2,823	97	3.4%					
TOTAL	20,352	20,963	-611	-2.9%					
Clients Connected (th)	1Q12	1Q11	Abs. Δ	Δ%	Supply Points (th)	1Q12	1Q11	Abs. ∆	Δ%
Portugal	6,119	6,148	-29.2	-0.5%	Portugal	276.3	251.8	24.5	10%
Very High / High / Medium Voltage	24	24	0.1	0.3%	Final	274.5	251.2	23.3	9%
Special Low Voltage	34	34	-0.0	0.0%	Access	1.8	0.7	1.2	170%
Low Voltage	6,061	6,090	-29.2	-0.5%		1.0	0.7		2,0,
Spain	656	652	3.4	0.5%	Spain	997.9	984.8	13.1	1.3%
High / Medium Voltage	1.1	1.1	0.0	3.0%	Final	337.3	30-110	20.2	1.57
Low Voltage	655	651	3.4	0.5%	Access	997.9	984.8	13.1	1.3%
Brazil	2,853	2,767	85.9	3.1%	TOTAL	1,274.2	1,236.6	37.6	3.0%
Bandeirante	1,553	1,514	38.8	2.6%	-	_,			
Escelsa	1,300	1,253	47.1	3.8%					
TOTAL	9,628	9,568	60.2	0.6%					
Networks	1Q12	1011	Abs. Δ	Δ%	Networks	1Q12	1Q11	Abs. Δ	Δ%
Lenght of the networks (Km)	332,117	328,555	3,561	1.1% 1.0%	Lenght of the networks (Km) Portugal	14,353	13,850	503	4%
Portugal	223,180	220,931	2,249			4,165	3,853	312	8.1%
Spain	22,692	22,639	53	0.2%	Spain	10,188	9,997	191	2%
Brazil	86,245	84,985	1,260	1%	Distribution Transmission	9,743 445	9,580 417	163 28	2% 6.7%
Losses (% of electricity distributed)		46.557				113			
Portugal (1)	-11.0%	-10.8%	-0.3 pp						
Spain Brazil	-4.2%	-3.8%	-0.4 pp						
Bandeirante	-10.5%	-10.9%	0.4 pp						
Technical	-5.6%	-5.5%	-0.1 pp						
Comercial	-4.9%	-5.4%	0.5 pp						
Escelsa	-13.2%	-3.4% -13.4%	0.5 pp 0.2 pp						
	-13.2% -7.3%	-13.4% -8.2%	0.2 pp 0.9 pp						
Technical Comercial	-7.3% -5.8%	-8.2% -5.2%	0.9 pp -0.7 pp						
Comercial	3.070	3.2/0	0.7 pp						

(1) Excludes Very High Voltage

#### 1Q12 Main Events

Jan: The first wind farms in France are certified with OHSAS 18001:2007, being extended the certification to 16 wind farms in Spain;

**Jan:** For the fifth consecutive year, EDP is distinguished in the publication world, "Sustainability Yearbook 2012" SAM, obtaining the rank of gold for the third time;

Mar: EDP is rated by Ethisphere as one of the three most ethical companies in the world in the sector of electricity;

Mar: Hidrocantábrico Distribución Eléctrica obtains certifications according to ISO rules 9001:2000 of Quality Management, ISO 14001:2004 of Environmental Management and OHSAS 18001:2007 of Occupational Health and Safety Management;

**Mar:** The national final of "Global Management Challenge USA" is won by employees from EDP Renováveis whom will participate in the international final to be hold in Ukraine.

<b>EDP Internal Sustainabil</b>	EDP Internal Sustainability Index (base 2006)						
	1Q12	1Q11	Δ%				
Sustainability Index	131	133	-1.4%				
Environmental	152	156	-2.1%				
%Weight	36%	36%					
Economic	113	115	-1.9%				
%Weight	33%	33%					
Social	126	126	0.3%				
%Weight	31%	31%					

This Sustainability Index was developed by EDP and is based on 26 sustainability performance indicators. (www.edp.pt/sustentabilidade/abordagemasustentabilidade/)

Environmental Metrics - CO2 Emissions

CO2 Emissions

Economic Metrics	1Q12	1Q11	Δ%
Economic Value (€m)(1)			
Directly Generated Distributed Accumulated	4,691 3,906 785	4,335 3,564 771	8.2% 9.6% 1.9%
Social Metrics	1Q12	1Q11	Δ%
Employees (c)	12,031	11,963	0.6%
Training (hours trainee)	86,726	82,971	4.5%
On-duty Accidents EDP Frequency rate (Tf) EDP Severity Rate (Tg) Freq. rate EDP+ESP(f) (Tf)	8 125 1.42 1.32	8 123 1.45 3.03	<b>0.0%</b> 1.6% -2.5% -57%

Environmental Metrics	1Q12	1Q11	Δ%
About to Atomorphic to Fortune (UA) (a)			
Absolute Atmospheric Emissions (kt) (a)	5,001.8	3,514.5	420/
CO2		,	42%
NOx	4.0	2.9	38%
SO2	3.9	1.7	125%
Particle	0.173	0.165	5.2%
Specific Atmospheric Emissions (g/KWh)			
CO2	291.03	203.21	43%
NOx	0.23	0.17	39%
SO2	0.23	0.10	126%
552			
GHG emissions (ktCO2 eq)			
Direct Emissions (scope 1)	5,017	3,524	42%
Indirect emissions (scope 2)	429	447	-4.0%
Primary Energy Consumption (TJ) (b)	53,794	41,454	200/
rimary Energy Consumption (13) (b)	33,734	41,434	30%
Max. Net Certified Capacity (%)	70%	69%	2 p.p.
Water Use (10° m°)	427,643	284,224	50%
Total Waste (t) (e)	176,483	93,443	89%
	•	•	5575
Environmental Costs (€ th)	11,967	15,974	-25%
Environmental Fees and Penalties (€ th)	209.5	0.0	-

		Specific (t/MWh)		Generation (d) (GWh)	
1Q12	1Q11	1Q12	1Q11	1Q12	1Q11
2,113	872	0.90	1.01	2,355	862
2,106	868	0.90	1.00	2,353	864
7	4	3.43	(1.49)	2	(3)
2,570	2,335	0.91	0.69	2,819	3,389
2,182	1,448	1.18	1.38	1,846	1,048
388	888	0.40	0.38	973	2,341
319	307	0.30	0.31	1,063	997
5,002	3,514	0.80	0.67	6,237	5,248
				10.949	12,050
	(ktCO 1Q12 2,113 2,106 7 2,570 2,182 388 319	2,113         872           2,106         868           7         4           2,570         2,335           2,182         1,448           388         888           319         307	(ktCO2)         (t/MW           1Q12         1Q11         1Q12           2,113         872         0.90           2,106         868         0.90           7         4         3.43           2,570         2,335         0.91           2,182         1,448         1.18           388         888         0.40           319         307         0.30	(ktCO2)         (t/MWh)           1Q12         1Q11         1Q12         1Q11           2,113         872         0.90         1.01           2,106         868         0.90         1.00           7         4         3.43         (1.49)           2,570         2,335         0.91         0.69           2,182         1,448         1.18         1.38           388         888         0.40         0.38           319         307         0.30         0.31	(ktCO2)         (t/MWh)         (GWI           1Q12         1Q11         1Q12         1Q11         1Q12           2,113         872         0.90         1.01         2,355           2,106         868         0.90         1.00         2,353           7         4         3.43         (1.49)         2           2,570         2,335         0.91         0.69         2,819           2,182         1,448         1.18         1.38         1,846           388         888         0.40         0.38         973           319         307         0.30         0.31         1,063

0.29

<sup>(</sup>a) Excluding vehicle fleet

<sup>(</sup>b) Including vehicle fleet

<sup>(</sup>c) Excluding Corporate Bodies

<sup>(</sup>d) Includes heat generation (543 GWh: 1Q12 vs. 541 GWh: 1Q11)

<sup>(</sup>e) Since 2011 the EDP reports separately waste and by-products

<sup>(</sup>f) ESP: External Services Provider