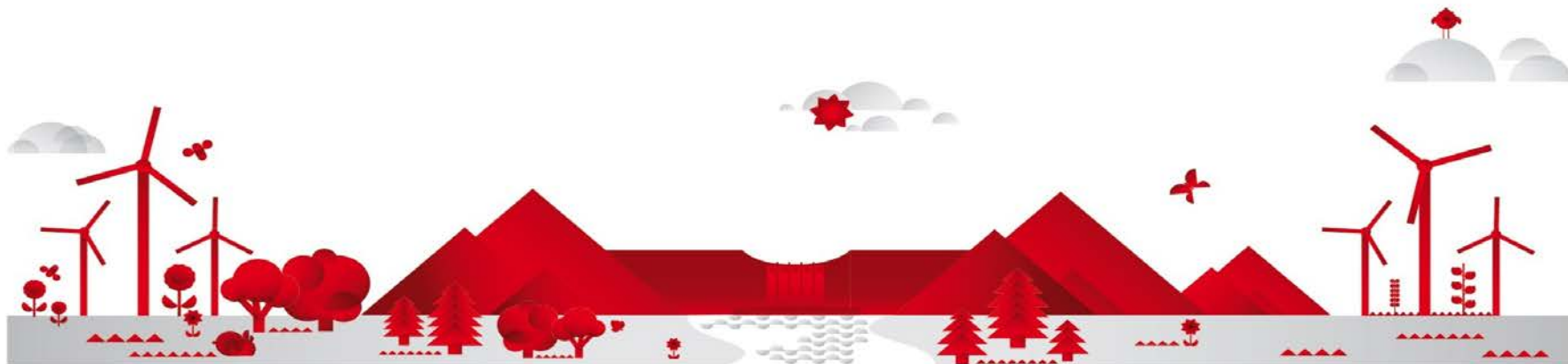




Results Presentation 1Q14

London, May 14th, 2014



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1Q14: Highlights of the period



EBITDA 1Q14: €1,030m, -5% YoY

EBITDA flat YoY excluding €56m one-off gain in 1Q13; ForEx impact: -€33m

Iberian operations ex-wind: EBITDA +4% YoY impacted by strong hydro volumes, good energy management and tight cost control (Opex -1% YoY), despite adverse regulatory developments

EBITDA in Brazil: -29% YoY (-€51m) on BRL depreciation (-19%) and adverse hydro environment

Most of 1Q14 tariff deviations in Distribution recovered through CDE/CCEE contributions

EDP Renováveis: EBITDA -9% YoY

Penalised by adverse regulatory changes in Spain (-€18m), supported by capacity additions out of Iberia

Net Profit: €296m, -12% YoY

1Q14 affected by extraordinary energy tax in Portugal (€15m) and regulatory hits in Iberia (€29m)

1Q14: Highlights of the period



Regulatory receivables: +€255m vs. Dec-13 to €3.0bn by Mar-14

Tariff deficit securitisations in Portugal: cash proceeds of €138m in 1Q14, €750m in Apr-14

Net Investments⁽¹⁾: -11% at €245m

Execution of new hydro capacity in Portugal and wind capacity outside of Iberia

Net debt at €17.1bn, stable vs. Dec-13

€5.4bn of cash and available credit lines: refinancing needs covered until end of 2015

Low-risk profile: Over 85% regulated/LT contracted; Diversified markets and competitive assets

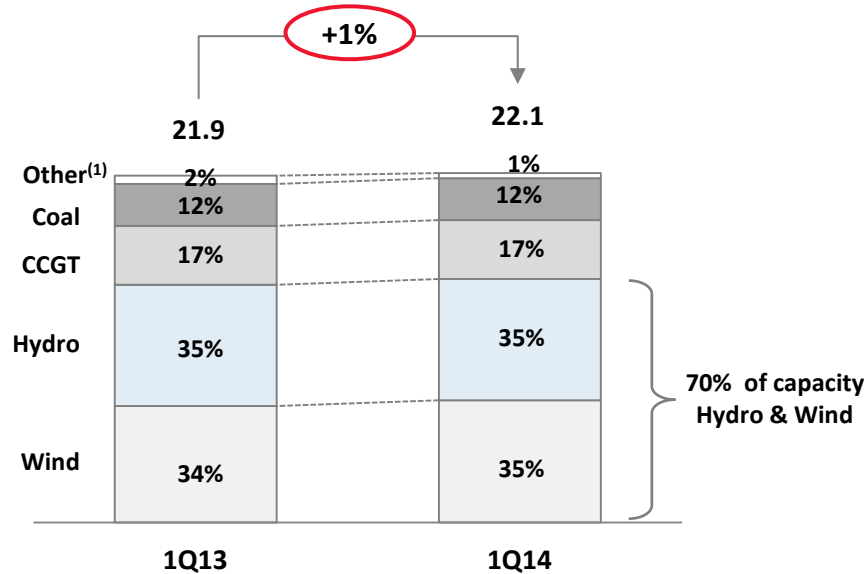
Focus on risk control + efficiency improvements + delivery of ongoing growth projects

(1) Capex net of investment subsidies + Financial Investments - Financial Divestments related to EDPR's asset rotation strategy (1Q14: €38m from sale to Axpo Group, of which €28m for equity stake and €10m for shareholder loans)

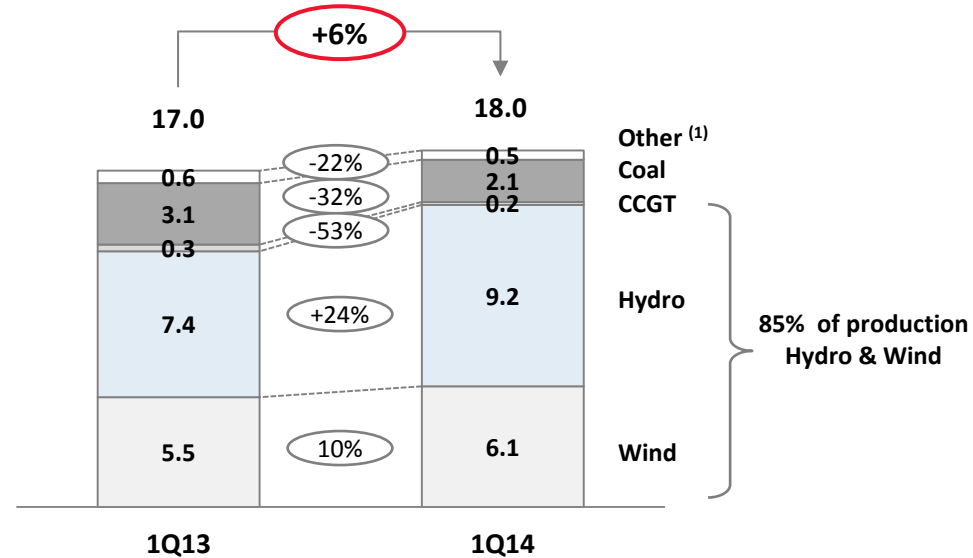
1Q14 Operating Headlines:

Hydro & wind accounted for 85% of EDP's 1Q14 power production

Installed Capacity
(GW)



Generation Breakdown by Technology
(TWh)



Installed capacity +1% YoY: -0.2GW gasoil & cogeneration Portugal and +0.4GW wind

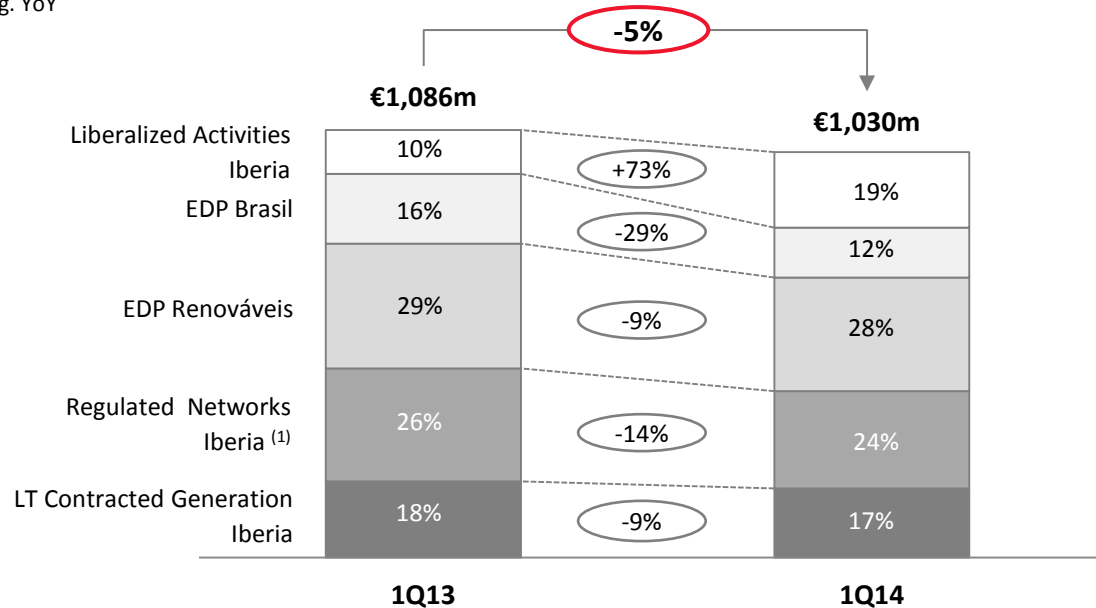
Power production +6% YoY due to rainy and windy weather conditions in Iberia in 1Q14

(1) Fuel oil, thermal special regime (cogeneration, biomass), nuclear and solar

EBITDA 1Q14: Breakdown by division

EBITDA Breakdown by division (€ million)

% Chg. YoY



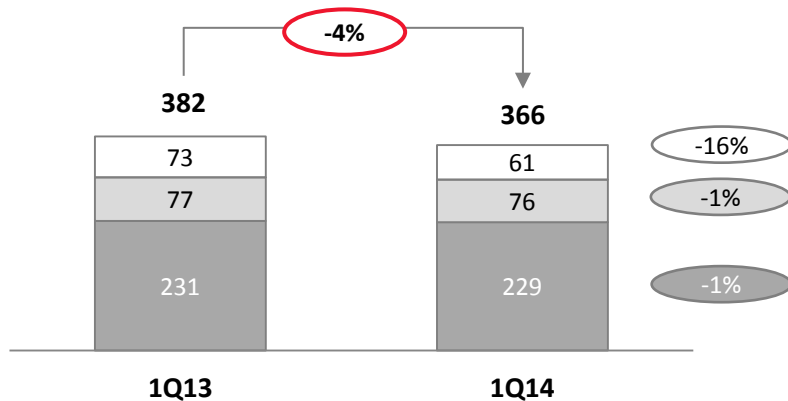
EBITDA flat YoY excluding €56m one-off gain in gas transmission sale in Spain in 1Q13
ForEx negative impact of €33m, mostly due to BRL devaluation

(1) Includes regulated networks and other.

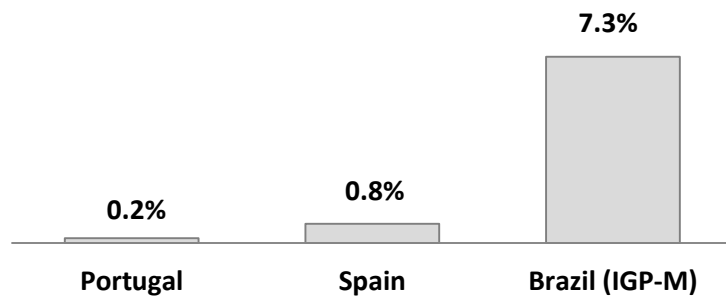
Operating costs: Opex/Gross Profit(1) at 24% in 1Q14

Operating costs ⁽²⁾ : 1Q14 vs. 1Q13
(€ million)

□ Brazil □ EDPR ■ Iberia



1Q14 YoY Inflation ⁽³⁾
(%)



- **Iberia:** Operating costs -1% YoY
- **EDPR:** Operating costs -1% in Euro terms, despite a 5% increase of installed capacity
- **Brazil:** Operating costs +3% in local currency, below inflation

Accomplishment of OPEX III target savings: ~€38m in 1Q14
Anticipation of 2015 target for 2014

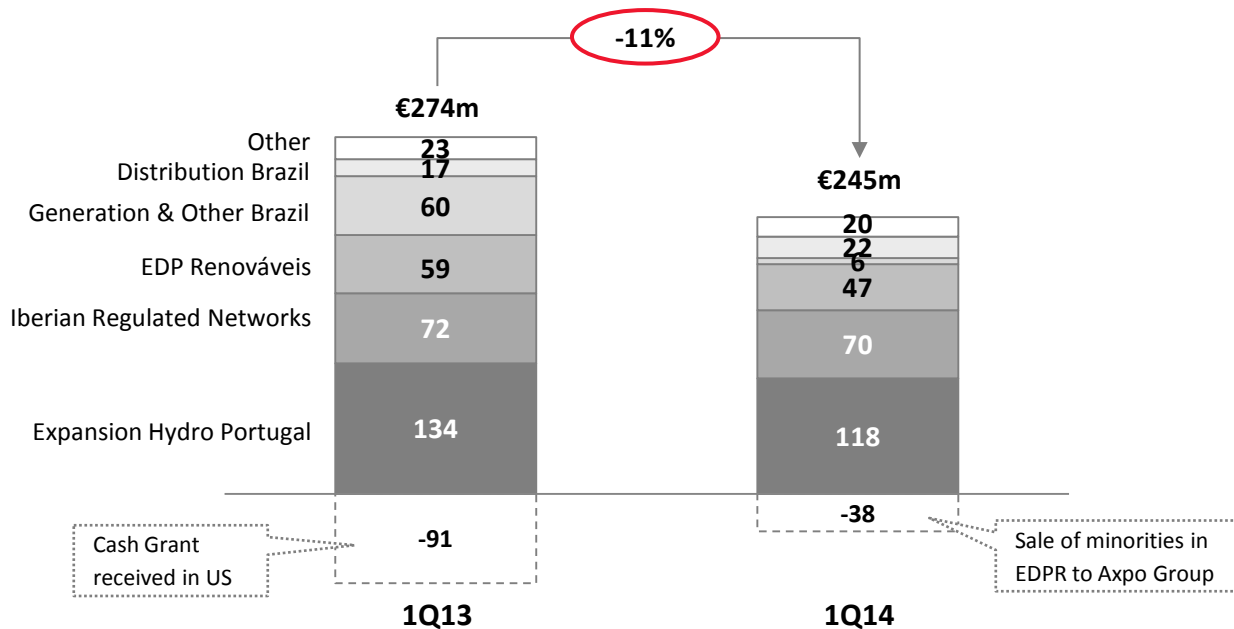
(1) Gross profit adjusted for PTC revenues;

(2) OPEX=Supplies & Services + Personnel costs & employees' benefits

(3) Portugal and Spain: INE; Brazil: FVG; monthly average for IGP-M.

Net Investments: Execution of Selective Growth

Net Investments breakdown by division ⁽¹⁾
(€ million)



Net Investments -11% YoY

Expansion capex focused on completion of hydro in Portugal and wind in US

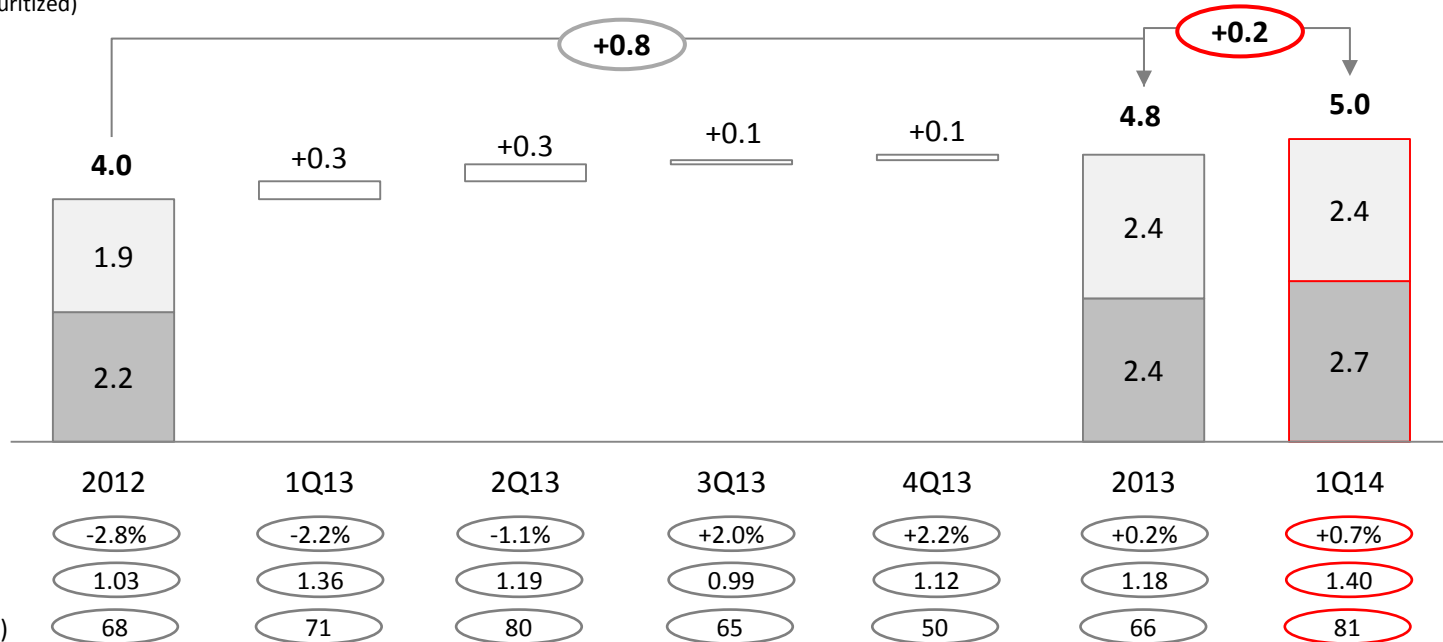
(1) Capex net of investment subsidies + Financial Investments - Financial Divestments related to EDPR's asset rotation strategy (1Q14: €38m from sale to Axpo Group, of which €28m for equity stake and €10m for shareholder loans)

Portuguese Electricity System: Regulatory receivables



Regulatory receivables in the Portuguese electricity system (€bn)

- Owed to Financial Investors (Securitized)
- Owed to EDP

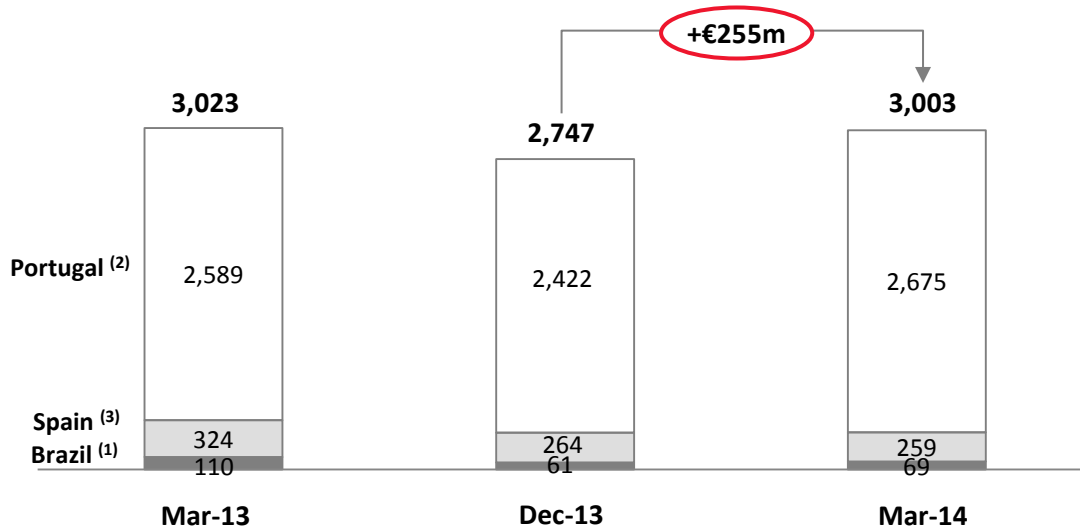


Electricity system receivables +€0.2bn in 1Q14 on strong wind volumes and low pool prices

EDP's net regulatory receivables by Mar-14



EDP's Regulatory Receivables (€ million)



Portugal: +€253m in 1Q14 (tariff deviations attributable to EDP: +€391m; securitisations done: -€138m)

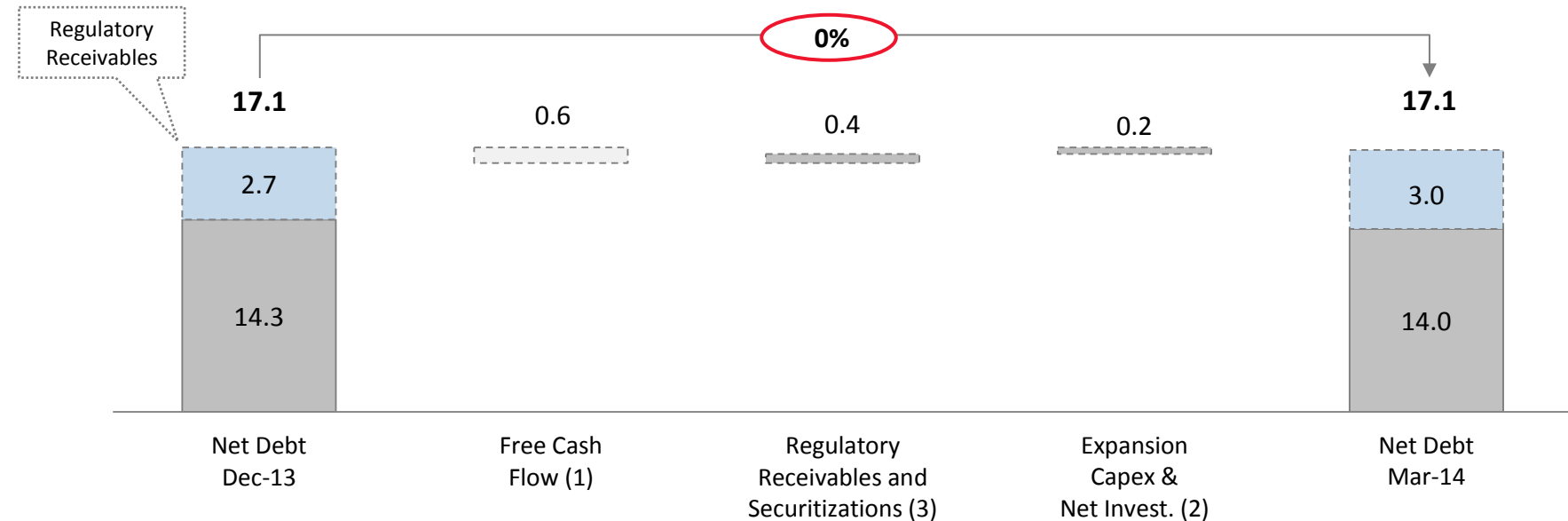
Spain: -€5m (-€23m recovered through tariffs in 1Q14, +€17m at EDP Renováveis level)

Brazil: +€8m (negative tariff deviations of R\$447m in 1Q14, cash received/to be received from CDE/CCEE R\$414m)

Change in Net debt

Change in Net Debt: Mar-14 vs. Dec-13

(€ billion)



Net debt flat even following a €0.4bn increase of regulatory receivables⁽³⁾ in 1Q14

(1) EBITDA - Income taxes - Maintenance capex - Interest paid + Chg. in working capital; (2) Expansion capex, Net investments and Chg. in working capital from equipment suppliers

(3) Includes about €120m of contribution from CDE/CCEE to our distribution Discos to be cashed-in only in 2Q14

Net Profit breakdown



(€ million)	1Q13	1Q14	Δ %	Δ Abs.
EBITDA	1,086	1,030	-5%	-56
Net Depreciations and Provisions	354	331	-6%	-23
EBIT	733	699	-5%	-33
Financial Results & Associated Companies ⁽¹⁾	(165)	(135)	-18%	+30
Income Taxes	159	186	+17%	+27
Non-controlling interests	74	68	-8%	-6
Extraordinary Energy Tax in Portugal	-	15	+100%	+15
Net Profit	335	296	-12%	-39

Cost of debt: From 4.2% in 1Q13 to 4.6% in 1Q14

Decrease of minority interests at EDPB level

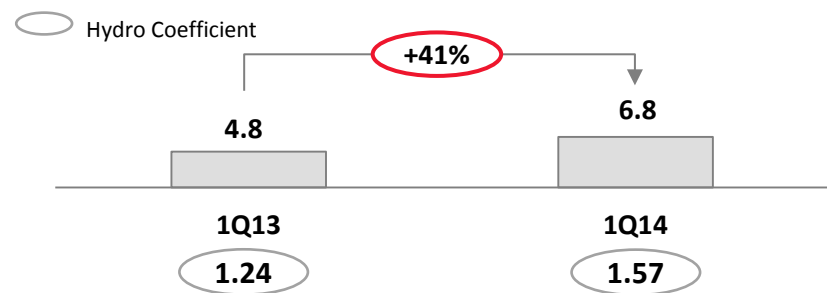
(1) Includes capital gains / losses. Associated Companies amounting to €12m in 1Q14 (vs. -€12 in 1Q13)



Business Areas

Weather and market conditions in Iberia

Hydro & Mini-Hydro Power Production – Portugal ⁽¹⁾
(TWh)



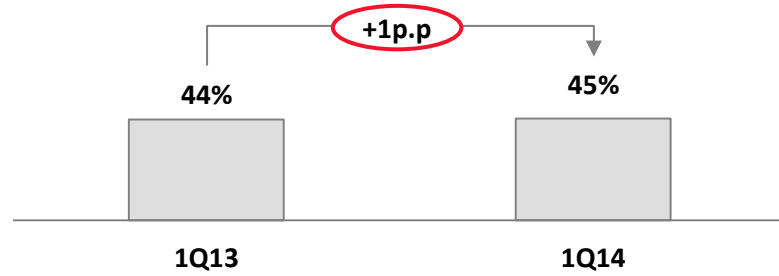
Portugal wind production factor
(1.0 = avg. year)



Avg. Pool Price in Spain
(€/MWh)



EDP: electricity production as % of sales to clients
(GWh liberalised; %)

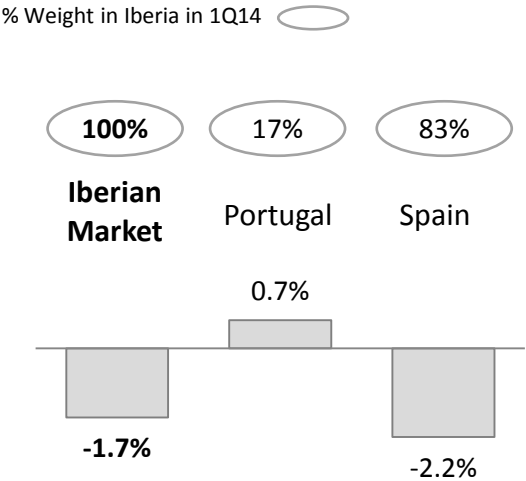


Strong hydro and wind volumes in Iberia in 1Q14: Positive for EDP's generation mix
Low pool prices + EDP's long position on clients prompted for good energy management results

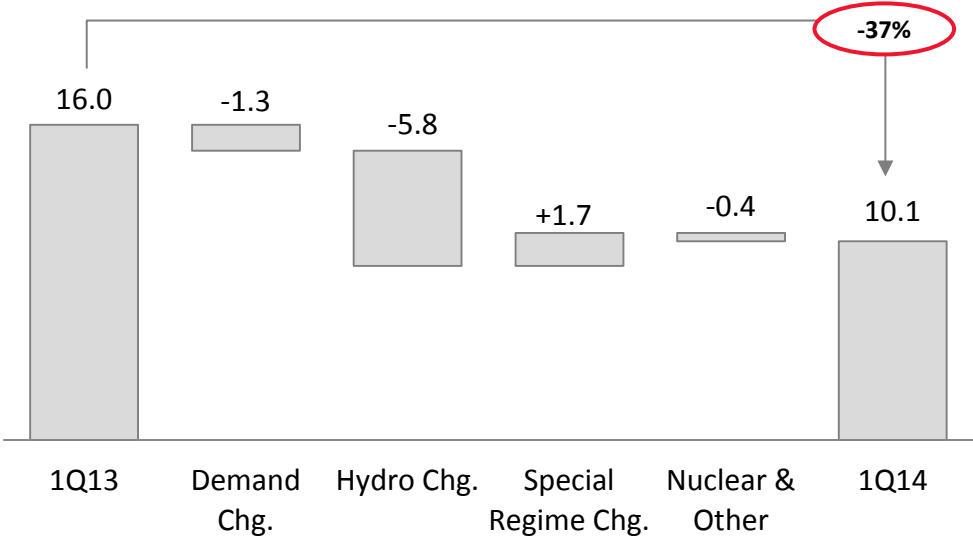
Iberia: Electricity and Thermal power demand



Electricity Demand in Iberian Market
($\Delta\%$ YoY)



Thermal Power Production in Iberian market
(TWh)



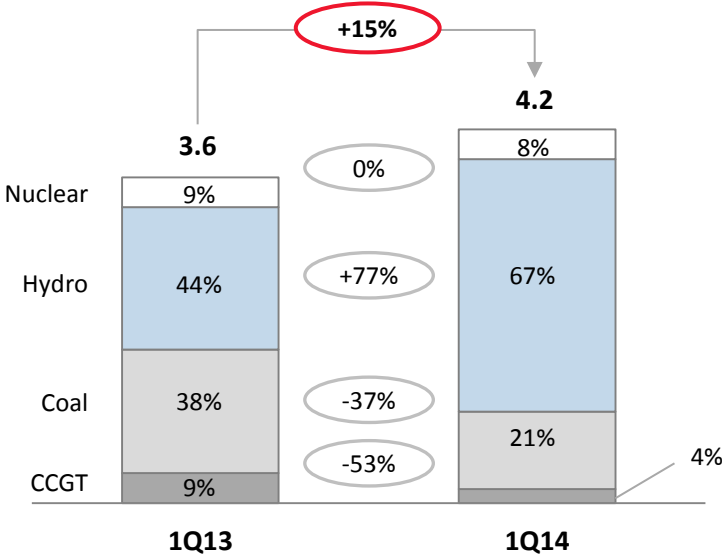
Electricity demand in 1Q14: Signs of demand recovery in Portugal, continuing deterioration in Spain

Thermal power production: -37% mostly on strong increase of hydro production

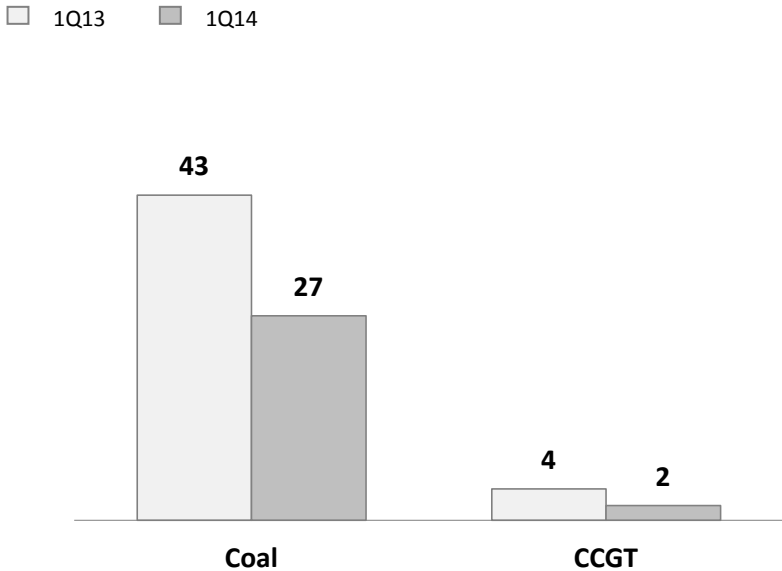
Liberalised Energy Activities Iberia (19% EBITDA)



EDP Liberalised Power Plants Iberia – Production (TWh)



EDP Coal vs. CCGT – Load factors in 1Q13 and 1Q14 (%)

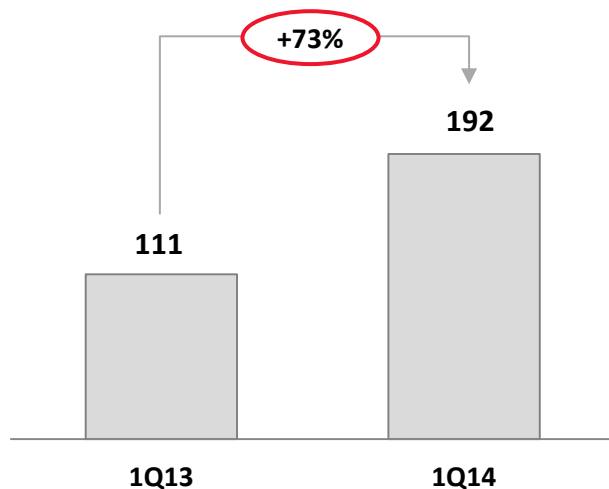


Production +15%; hydro +77% on rainy weather and transfer of 3 hydro plants to liberalised (PPA end date Dec-13)
Strong decline in thermal load factors on the back of lower residual thermal demand

Liberalised Energy Activities Iberia (19% EBITDA)



EBITDA Liberalised Activities in Iberian Market
(€ million)



Lower Electricity sourcing costs along with long position in clients

- **3 plants transferred from LT contracted:** +1.1TWh in 1Q14
- **Average generation cost -51% YoY** on higher weight of hydro
- **Long position in clients:** 8.8TWh sold to clients vs. 4.0TWh own production
- **Average purchasing cost: -28% YoY** on lower pool prices and proactive management of flexible generation mix
- **Gas supply Spain:** +€26m on wholesale market deals in 1Q14

Adverse regulatory developments and lower avg. selling prices



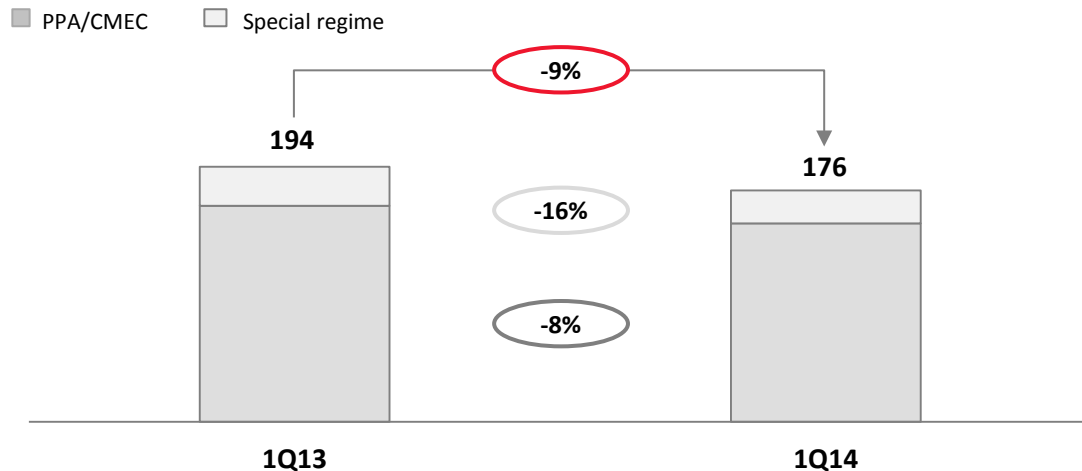
- **Regulation:** -€9m YoY on clawback in Portugal and cuts in capacity payments in Spain;
- **Thermal plants:** very low utilisation levels

EBITDA 73% higher YoY on: (1) strong hydro volumes leveraged by new hydro capacity and hydro conditions;
(2) positive impact from low prices on long position in clients and **(3) good results in gas supply**

Long Term Contracted Generation Iberia (17% of EBITDA)



EBITDA LT Contracted Generation (€ million)



- **PPA/CMEC:** transfer of 3 hydro plants to our merchant portfolio (end of PPAs, gross profit 1Q13: €14m)
- **Special regime:** production outage of several thermal plants on cuts on regulated revenues

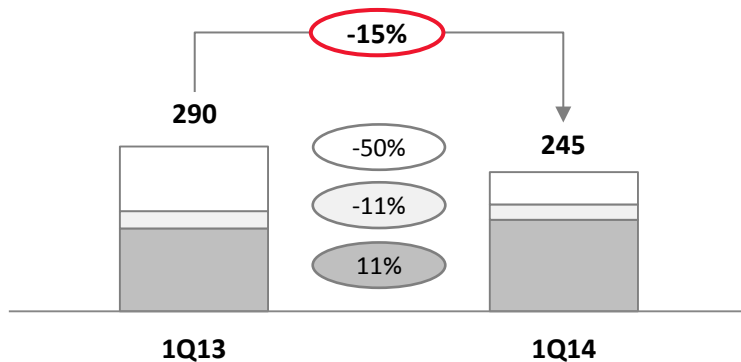
PPA/CMECs with stable 8.5% Return on Asset pre-tax real, no risk on volumes and prices/margins

Regulated Energy Networks Iberia (24% of EBITDA)

EBITDA

(€ million)

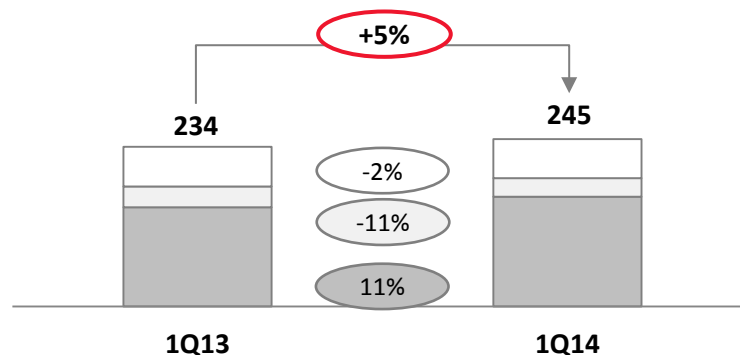
- Gas Iberia
- Electricity Spain
- Electricity Portugal



Adjusted EBITDA ⁽¹⁾

(€ million)

- Gas Iberia
- Electricity Spain
- Electricity Portugal



- **Electricity Portugal:** Tight cost control (OPEX: - 8% YoY); RoRAB down from 8.56% in 1Q13 to 8.37% in 1Q14
- **Electricity Spain:** -€3m YoY on application of regulatory changes in Spain as from 2H13
- **Gas Iberia:** Disposal of gas transmission in Spain (one-off gain of €56m booked in 1Q13)

Gross Profit -2% YoY; adjusted EBITDA +5% YoY reflects good operating costs performance

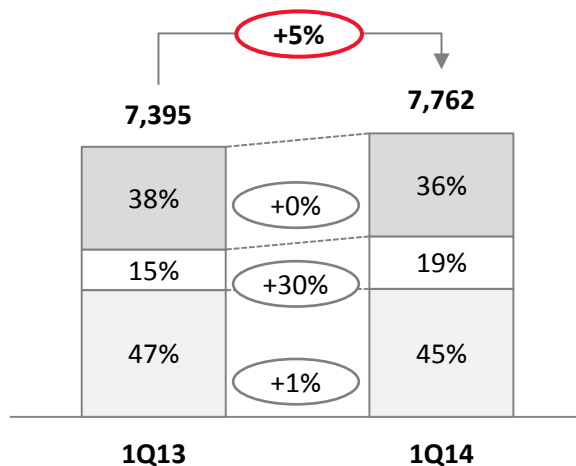
(1) Excludes €56m one-off gain related to the sale of gas transmission assets to Enagas in 2013

EDP Renováveis (28% of EBITDA): Growth from capacity additions mitigated by regulatory cuts in Spain

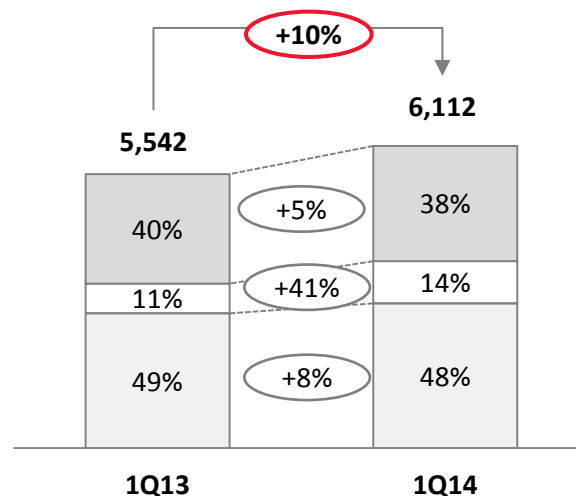


**Installed Capacity
(MW)**

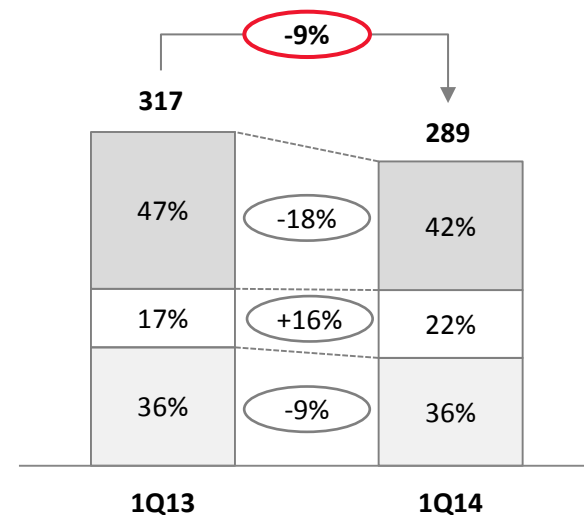
■ Iberia ■ North America ■ Other ⁽¹⁾



**Wind Power Production
(GWh)**



**EBITDA
(€ million)**



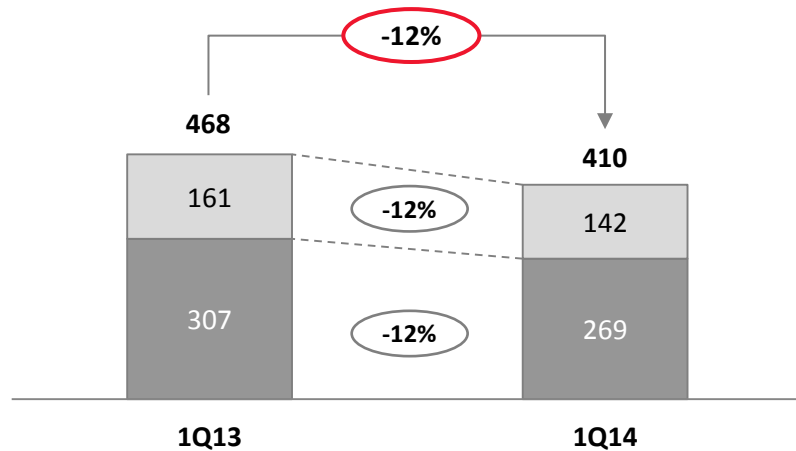
- **EBITDA Iberia: -18%**; production +5% on strong wind, revenues penalized by regulatory cuts in Spain (-€18m)
- **EBITDA US: -9%**; production +8%, flattish avg. selling price, one-off gain in 1Q13 (+€14m), negative forex impact (-€4m)
- **EBITDA other markets: +16%**; production +41%, on the back of capacity additions mainly in Poland and Romania

EDP Brasil (12% of EBITDA)

EBITDA -12% YoY in local currency

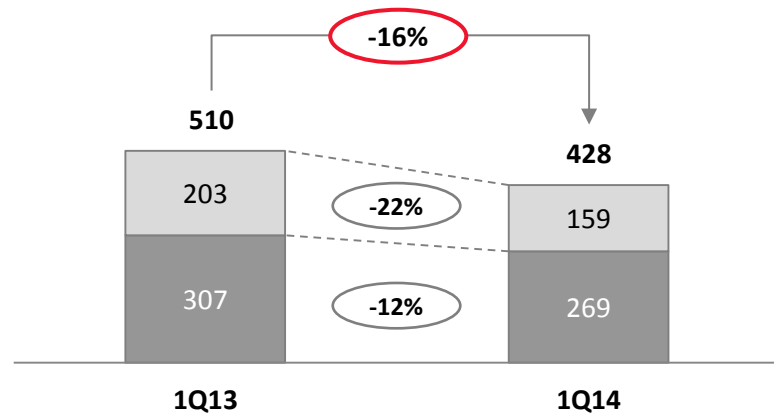
EDP Brasil EBITDA (BRL million)

■ Generation & Other ■ Distribution



EDP Brasil Adjusted⁽¹⁾ EBITDA (BRL million)

■ Generation & Other ■ Distribution



EBITDA in local currency -12%, or -16% adjusted⁽¹⁾ (ForEx impact: -€29m)

Distribution Adj. EBITDA: -22% on lower RoRAB in Escelsa (7.5% since Aug-13), higher costs with energy losses

Generation & Supply EBITDA: -13% due to lower volumes sold (29% of annual contracts in 1Q13 vs. 27% in 1Q14)

(1) Adjustments to EBITDA: tariff deviations and CDE contributions at level of our distribution business (+R\$17m in 1Q13 vs. +R\$42m in 1Q13)

A resilient business model in a challenging environment



Resilient performance enhanced by diversification

- **EBITDA -5% and Net Profit -12%**
- Comparison YoY impacted by €56m one-off gain at EBITDA level in 1Q13
- **Improving efficiency:** OPEX/Gross profit of 24% vs. 25% in 1Q13

Profitable Growth

- **Expansion capex:** Execution of new hydro in Portugal and new wind (mostly in US with PPAs)

Keeping Low Risk profile

- **Net debt flat at €17.1bn**
- **Execution of Portuguese tariff deficit securitisations:** €138m in Feb-14 and €750m in Apr-14
- **Strong financial liquidity:** €5.4bn; Refinancing needs covered until end of 2015

2013 annual dividend: €0.185/share (~€675m) to be paid on May 29th (ex-dividend date: May 26th)

Improvement on the visibility of EDP's medium term Free Cash Flow potential

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



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Next Events

May 14th: EDP Investor Day - London

May 15th and May 20th-21st: Roadshow London (Morgan Stanley)

May 16th: Roadshow Stockholm (BPI)

May 19th: Roadshow Boston (JP Morgan)

May 20th: Pan-European Days Conference in New York (Millennium BCP)

May 21st: Roadshow NY (Espírito Santo)

May 23rd: Roadshow Dublin (Morgan Stanley)