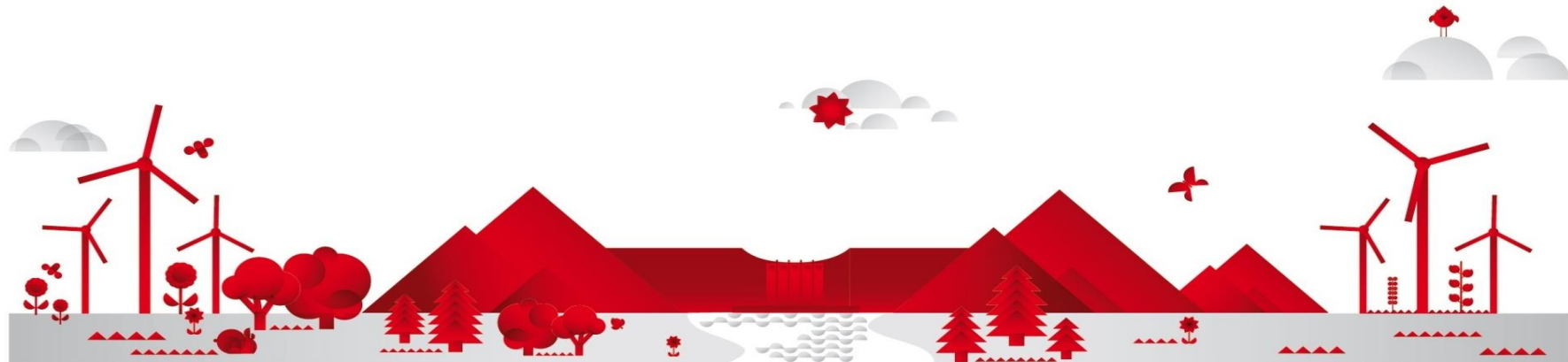




Results Presentation 1Q16

London, May 5th, 2016



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EBITDA +14% to €1,130m

Adjusted EBITDA: +17% to €1,069m; adverse ForEx impact: -5% YoY

Iberian operations adjusted EBITDA +17% to €569m

Strong hydro volumes in 1Q16 and good energy management results

EDPR EBITDA +29% to €379m

+15% on avg. installed capacity; Avg. load factor +4pp YoY

EDP Brasil EBITDA +43% to €185m

Including -25% forex impact, end of GSF losses in hydro generation and consolidation of Pecém

Net Debt: €17.0bn -2% vs. Dec-15

€0.5bn cash proceeds in Jan-16 from US wind deals (asset rotation + TEI)

Net Profit +11% to €263m

Adjusted Net profit +28% to €287m

Hydro & wind volumes in our key markets:

Strong recovery across geographies, particularly in Iberia

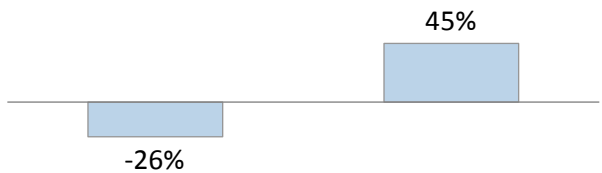
Hydro Deficit (1-GSF) - Brazil

(Deviation vs. assured hydro contracted volumes)



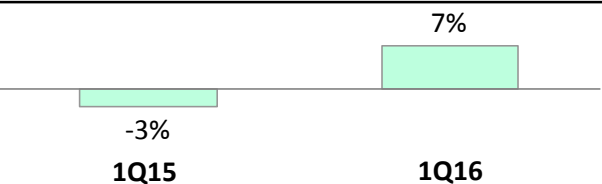
Hydro Coefficient – Portugal

(Deviation vs. average hydro year)

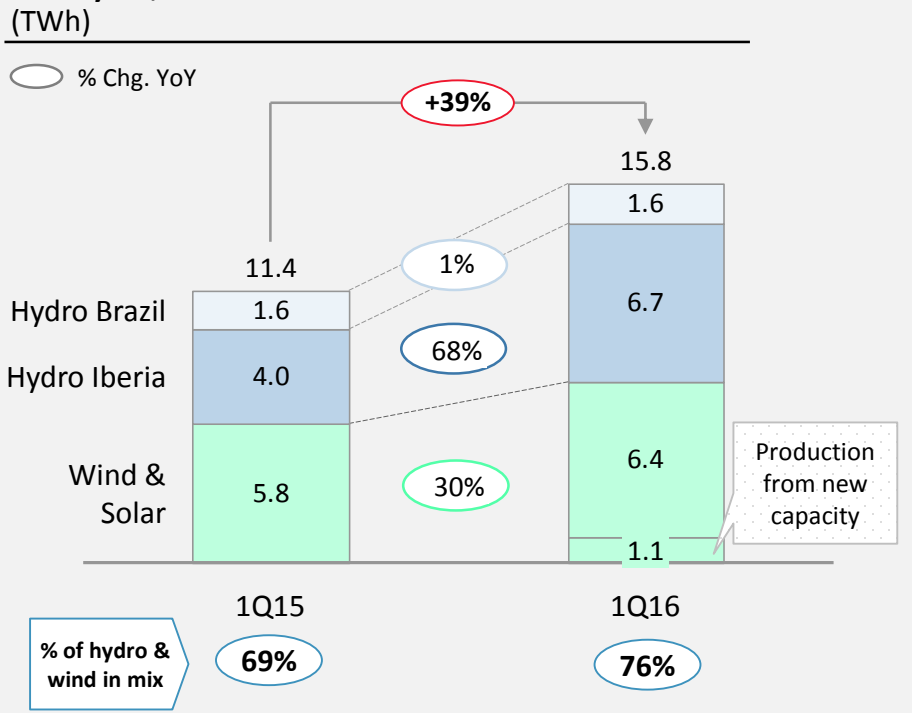


Wind Load Factor – EDPR

(Load factors vs. average year)



EDP Hydro, Wind and Solar Production (TWh)



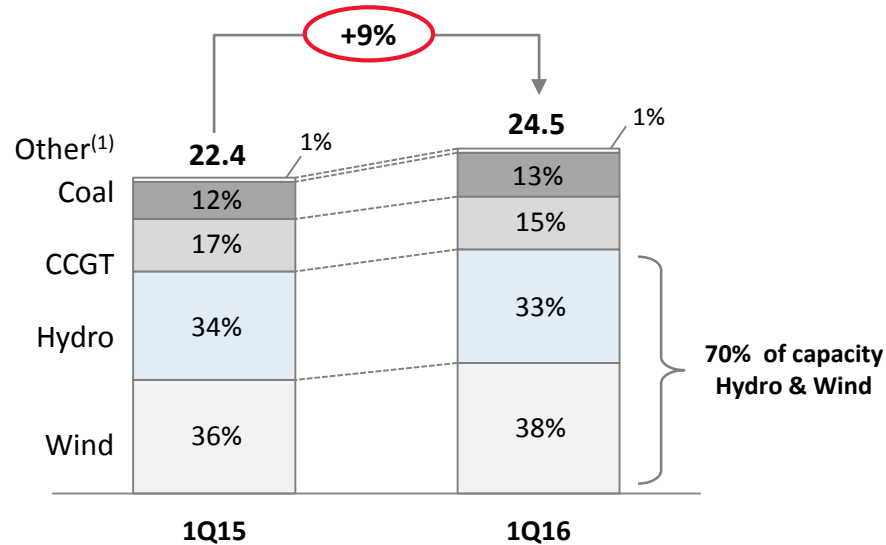
Hydro production in Portugal: hydro resources 45% above the historical average in 1Q16

GSF in Brazil 12% below reference: no material financial impact due to low spot price (PLD) in 1Q16

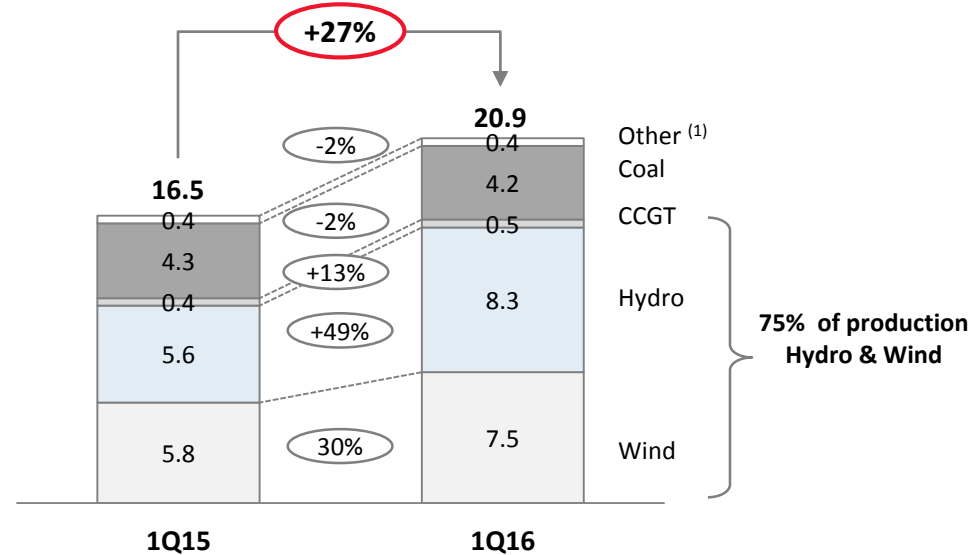
1Q16 Operating Headlines:

Hydro & wind accounted for 75% of EDP's 1Q16 power production

Installed Capacity
(GW)



Generation Breakdown by Technology
(TWh)



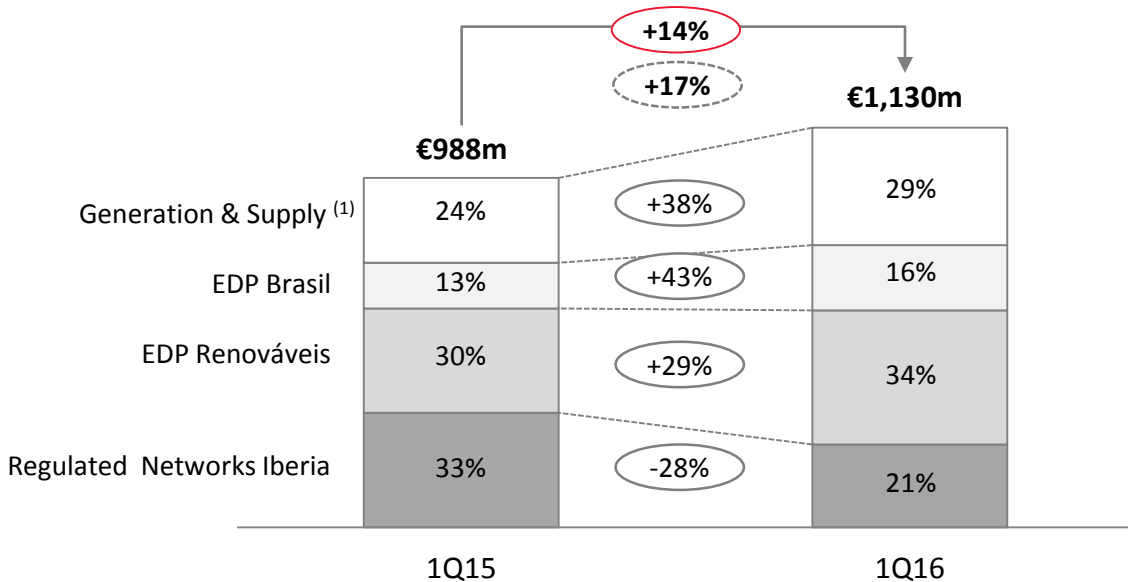
Installed capacity +9% YoY: -0.2GW coal Spain, +0.4GW Hydro Portugal, +1.2GW wind, +0.7GW coal Brazil⁽²⁾

Power production +27% YoY due to rainy and windy weather conditions in Iberia in 1Q16

EBITDA 1Q16: Breakdown by division

EBITDA Breakdown by division (€ million)

 % Chg. YoY
 % Chg. YoY based on adjusted EBITDA ⁽²⁾



Adj. EBITDA: +17% on portfolio expansion, energy management results and stronger hydro & wind resources
 EBITDA +14% including capital gains of €78m in 1Q15 (Gas Spain) and €61m in 1Q16 (Pantanal at EDP Brasil)

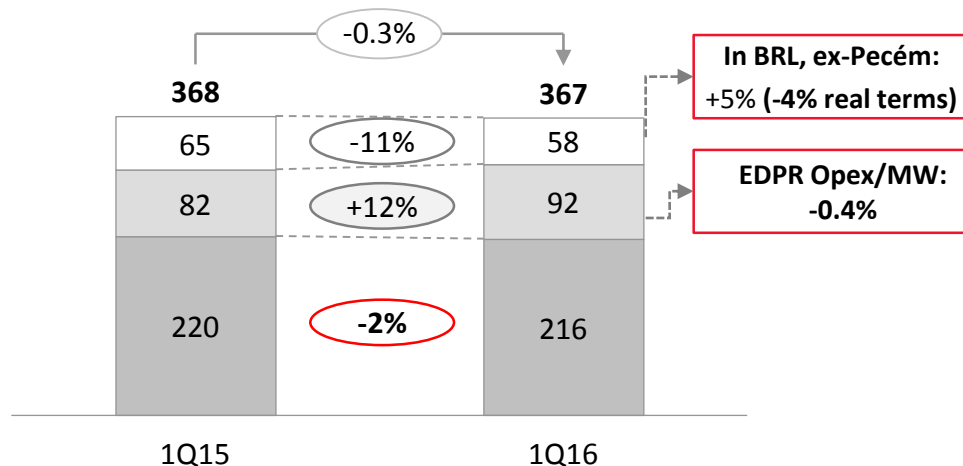
(1) Includes Generation & Supply Iberia and Others; (2) EBITDA adjusted for: (i) in 2015, €78m gain on the sale of gas assets in Murcia; (ii) in 2016, for €61m gain on the sale of Pantanal mini-hydro plant

Operating costs:

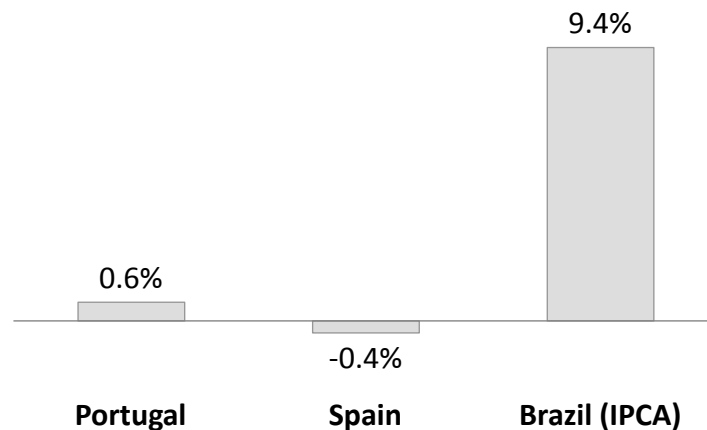
Flat YoY despite 9% capacity increase, on tight cost control

Operating costs⁽¹⁾: 1Q16 vs. 1Q15
(€ million)

□ Brazil ■ EDPR ■ Iberia



1Q16 YoY Inflation⁽²⁾
(%)



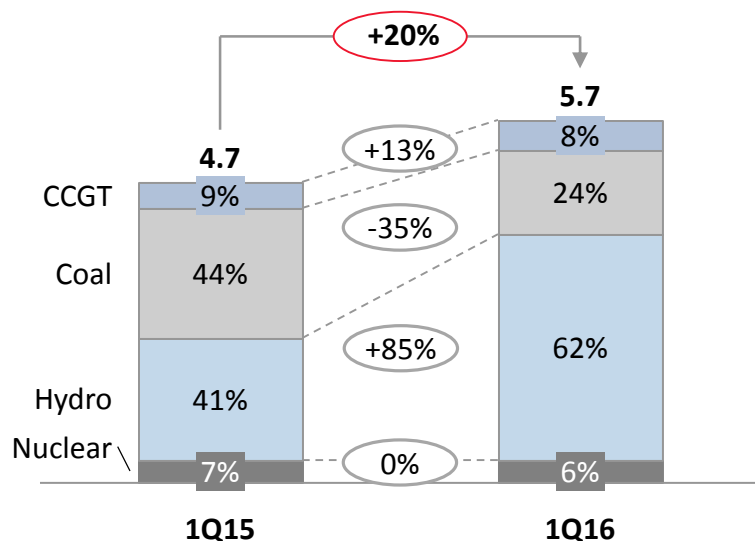
- **Iberia: -2%**, reflecting costs savings on several external services categories
- **EDPR: Adjusted Opex/MW -0.4%**; +11% of opex in local currencies, +15% avg. installed capacity
- **Brazil: in local currency +19%**, or **excluding Pecém's full consolidation +5%**, 4% below inflation



Results Analysis

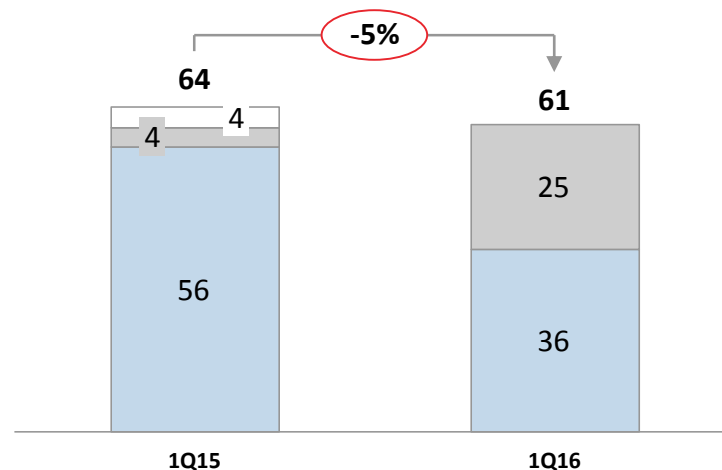
EDP Liberalised Generation – Production (TWh)

○ % Chg. YoY



EDP PPA/CMEC Plants in Portugal: market deviation⁽¹⁾ (€ million)

□ Adjustment □ Coal □ Hydro



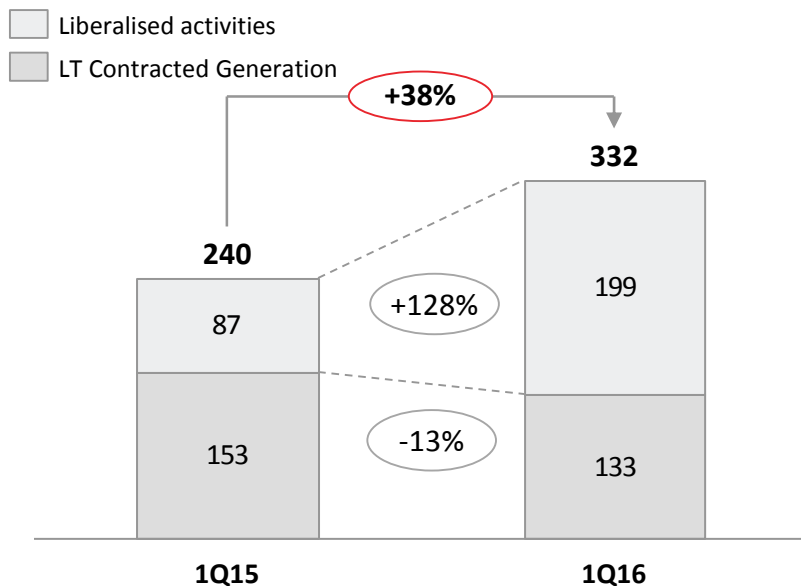
+85% hydro production replaces thermal production, particularly coal (-35%)

PPA/CMEC mkt deviation impacted by lower prices: hydro volume +45% vs. avg. year, lower coal production

Generation and Supply Iberia (29% EBITDA)



EBITDA Generation & Supply Iberia (€ million)



EBITDA Generation & Supply Iberia: +€91m YoY

- **Avg. generation cost -46%** on higher hydro contribution
- **Mini-hydro special regime:** production +88% YoY
- **Delivery on new hydro capacity in Portugal:** +0.35GW in 1Q16⁽¹⁾; Shutdown of 0.2GW of coal capacity in Spain (Soto 2)⁽¹⁾
- Transfer of 7 hydro plants in Portugal (627MW) to merchant portfolio following the end of PPA

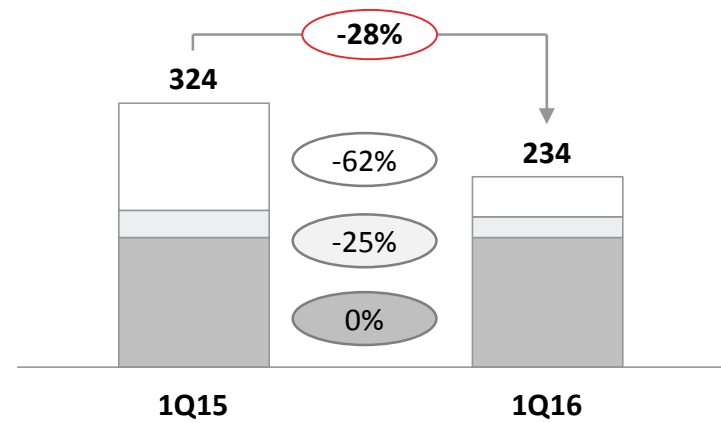
1Q16 marked by strong hydro resources and good energy management results

Regulated Energy Networks Iberia (21% of EBITDA)



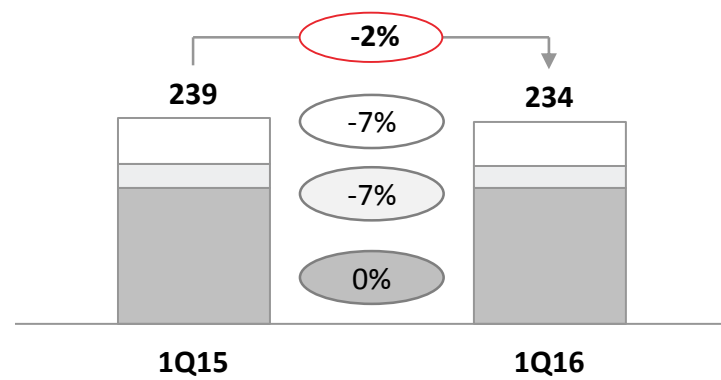
EBITDA - Regulated networks
(€ million)

Gas Iberia Electricity Spain Electricity Portugal



Adjusted EBITDA ⁽¹⁾ - Regulated networks
(€ million)

Gas Iberia Electricity Spain Electricity Portugal



- **Electricity Portugal:** Stable RoRAB at 6.38%; **Electricity Spain:** €7m positive one-off in 1Q15
- **Gas Iberia:** €78m gain in 1Q15 on the sale of Gas Murcia, lower distributed gas volumes and other services in 1Q16

Adjusted EBITDA -2% reflects stable regulatory environments and weak demand in 1Q16

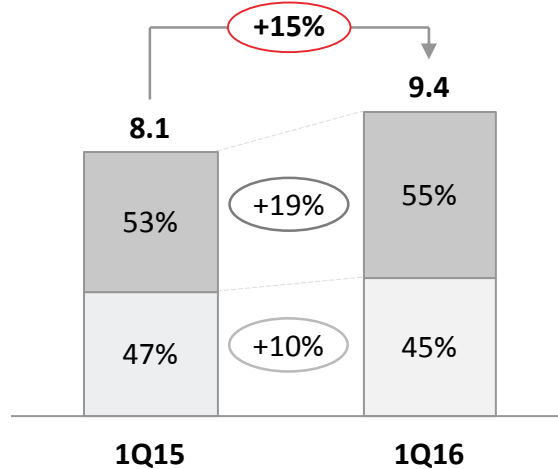
(1) 1Q15 excludes: i) €78m gain on the sale of gas assets in Murcia; ii) the €7m recovery of previous years' regulated revenues in electricity distribution in Spain

EDP Renováveis (34% of EBITDA):

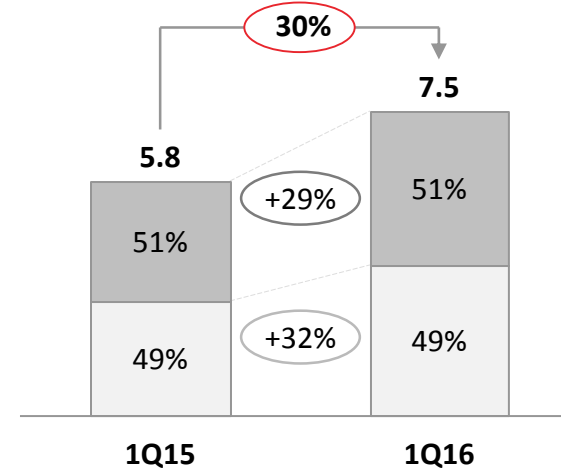
Average capacity +15% and strong wind resources in 1Q16

EDPR Installed Capacity
(GW)

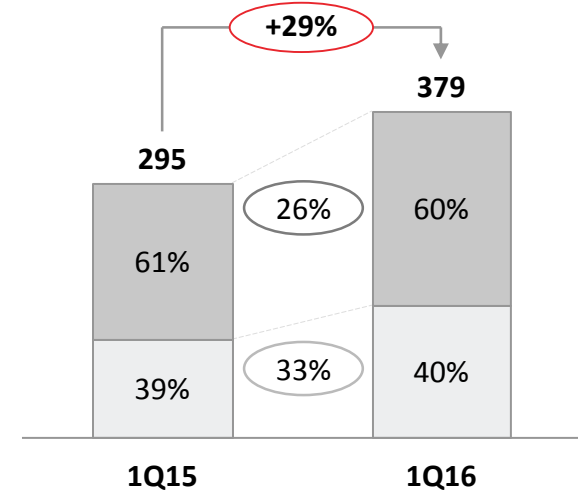
■ Europe and Brazil ■ North America



EDPR Wind Power Production
(TWh)



EDPR EBITDA
(€ million)



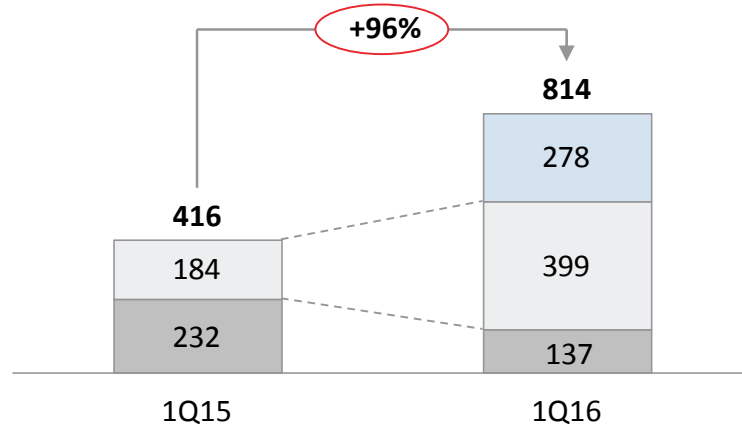
- **North America:** 10% capacity increase, strong wind resources (avg. load factor: +6pp) and -9% average selling price
- **Iberia:** Full consolidation of assets from ENEOP since Sep-15; 1Q16 marked by strong average load factor and low power prices

EDP Brasil (16% of EBITDA):

Adj. EBITDA in local currency +29% backed by Pecém consolidation

EDP Brasil EBITDA (BRL million)

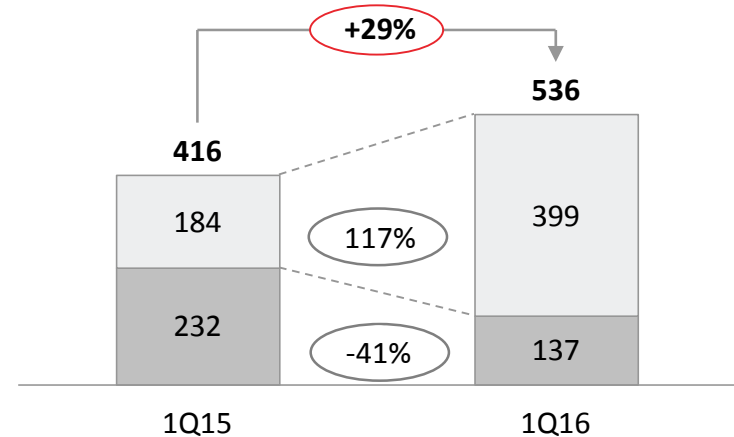
Capital Gains Generation & Other Distribution



- **Capital Gains:** +R\$278m in 1Q16 from sale of Pantanal mini-hydro
- **Generation:** 1Q16 includes R\$201m from Pecém (full consolidation since May-15)

EDP Brasil Adjusted⁽¹⁾ EBITDA (BRL million)

Generation & Other Distribution

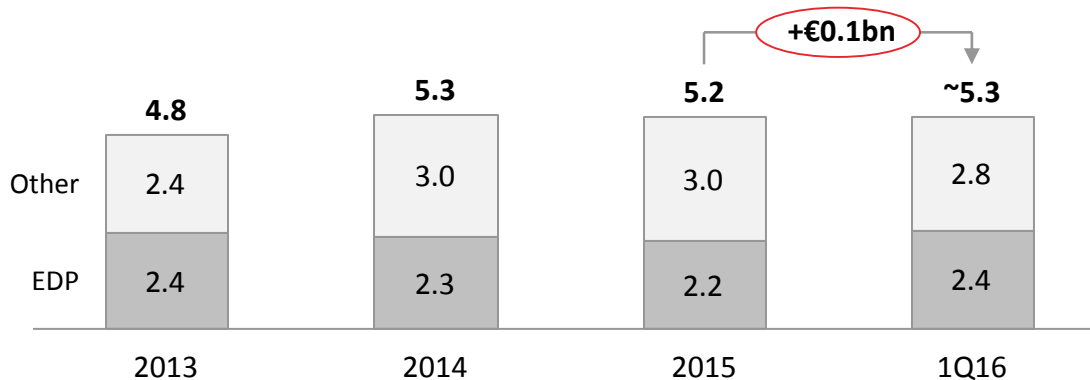


- **Hydro Generation:** +R\$43m on end of GSF losses⁽²⁾
- **Distribution:** -R\$95m YoY on lower demand and costs with overcontracted volume at Bandeirante

Portugal Electricity System Regulatory Receivables: +€59m in 1Q16



Portugal: Electricity System Regulatory Receivables (€bn)



Demand ⁽¹⁾ (YoY Chg.)	-1.8%	-0.1%	+1.1%	-0.3%
Wind Factor (1.0=avg.)	1.18	1.11	1.01	1.16
Special Regime Premium (€/MWh)	66	69	60	70

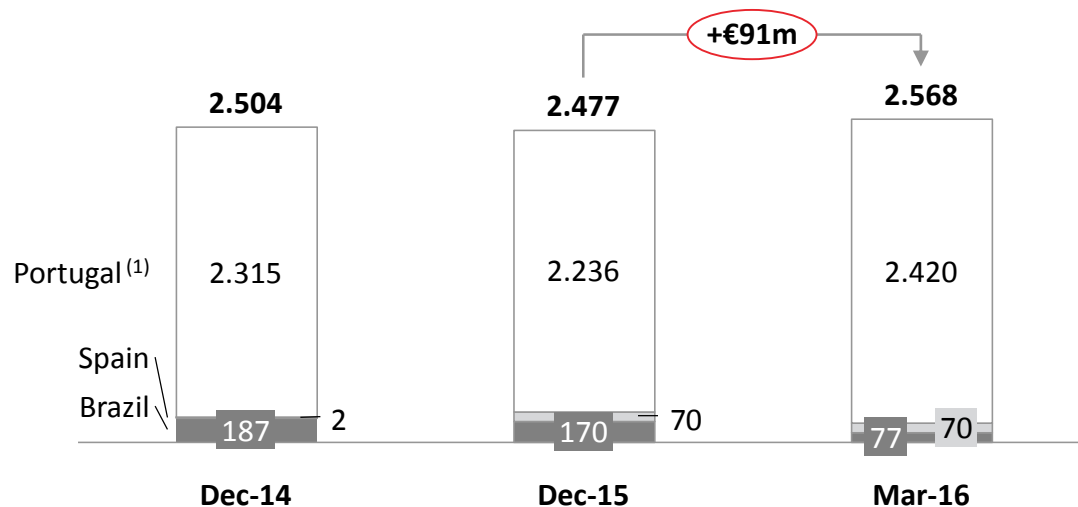
Slight increase of system receivables in 1Q16 on strong wind resources and low power prices

EDP's net regulatory receivables: +€91m in 1Q16



EDP's Regulatory Receivables

(€ million)



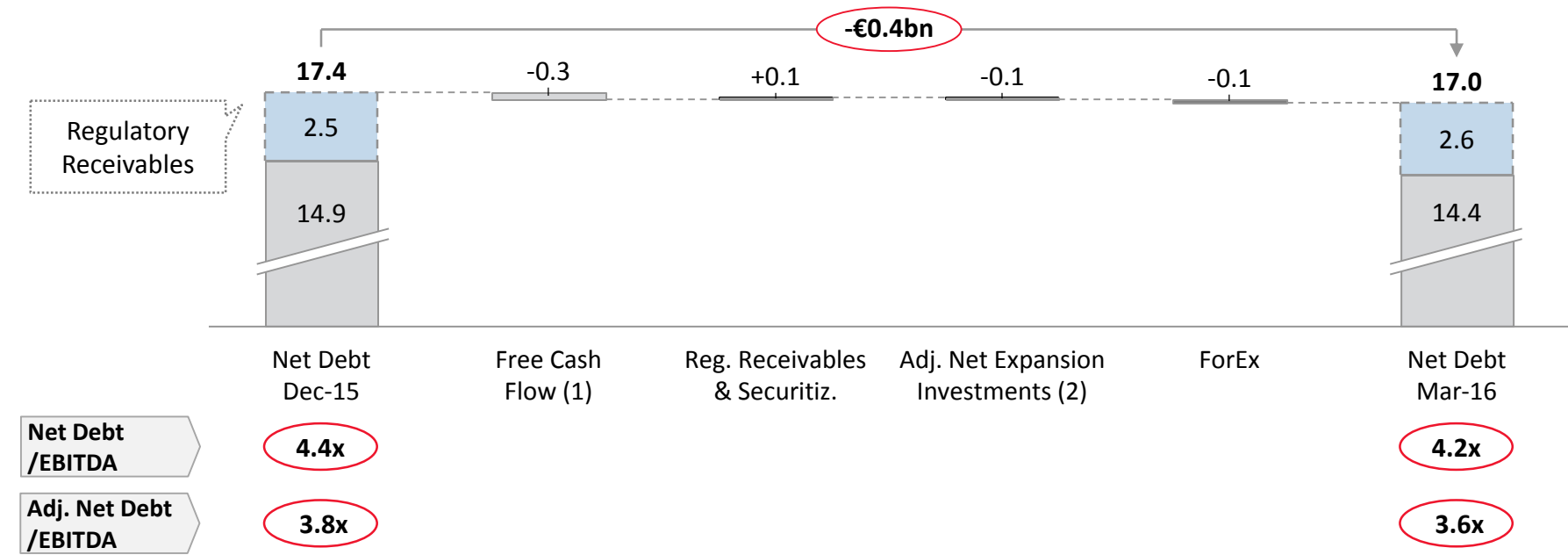
- **Portugal: +€184m YTD;** +€278m from chg. in system debt attributable to EDP and -€94m from securitisations
- **Brazil: -€93m YTD;** in BRL terms -R\$417m YTD, on decline of energy costs and recovery of past deviations

(1) Includes electricity and gas regulated activities in Portugal;

(2) Includes new deviations generated, net of recoveries from deviations and past deficits

Net debt change: -€0.4bn in 1Q16 in line with FCF in the period

Change in Net Debt: Mar-16 vs. Dec-15
(€ billion)



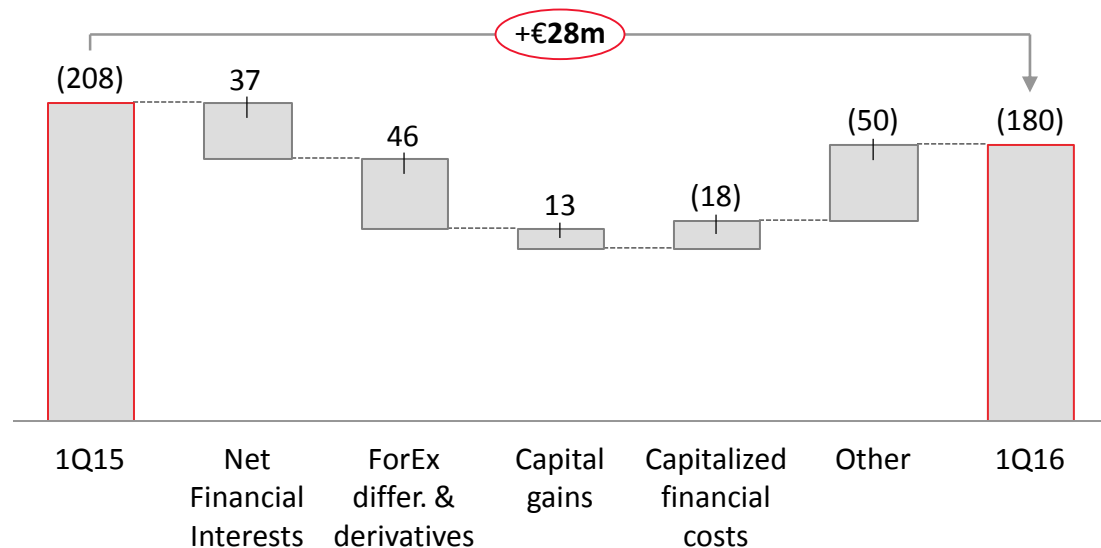
Net expansion investments include €0.5bn Asset Rotation and TEI proceeds received in Jan-16

(1) EBITDA - Maintenance capex - Interest paid - Income taxes + Chg. in work. Capital excluding regulatory receivables; (2) Expansion capex, Net financial investments, TEI proceeds and Chg. in work. capital from equip. suppliers 15

Financial Results: 13% improvement YoY

Financial Results: 1Q16 vs. 1Q15

(€m)



- **Net interest costs:** lower avg. cost of debt (4.5% in 1Q16 vs. 4.7% in 1Q15) and lower avg. net debt
- **ForEx:** Negative impact in 1Q15 from mark-to-market of EUR/USD
- **Capital gains:** €11m in 1Q16 from sale of stake in Tejo Energia
- **Lower capitalised financial costs:** following gradual commissioning of new hydro plants in Portugal
- **Other:** lower gains with tariff deficit securitisation (-€26m YoY)

Positive impact from decline of average cost of debt to 4.5% in 1Q16

Net Profit breakdown



(€ million)	1Q15	1Q16	Δ %	Δ Abs.	
EBITDA	988	1,130	+14%	+141	
Net Depreciations and Provisions	337	369	+9%	+32	Increase of installed capacity: EDPR, Pecém, hydro Portugal
EBIT	651	760	+17%	+109	
Financial Results & Associated Companies	(210)	(188)	-10%	+22	<ul style="list-style-type: none"> Average cost of debt: -20bps to 4.5%
Income Taxes	82	152	+84%	+69	<ul style="list-style-type: none"> Lower tax rate in 1Q15 due to Gas Murcia gain
Extraordinary Energy Tax in Portugal	61	59	-3%	-2	<ul style="list-style-type: none"> Extraordinary energy tax: 0.85% on net fixed assets in Portugal (annual amount fully booked in 1Q)
Non-controlling interests	62	100	+62%	+38	<ul style="list-style-type: none"> Increase of minorities at EDPR level and gain on sale of Pantanal at EDPB in 1Q16
Net Profit	237	263	+11%	+26	<ul style="list-style-type: none"> Adjusted net profit⁽¹⁾: +28% YoY from €224m in 1Q15 to €287m in 1Q16

(1) Adjustments in 1Q15: sale of Gas Murcia (€74m); adjustments in 1Q16: sale of Pantanal (€24m) and sale of Tejo Energia (€11m); and extraordinary energy tax in Portugal in both periods



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IR Contacts

Miguel Viana, Head of IR

Sónia Pimpão

João Machado

Maria João Matias

Sérgio Tavares

Noélia Rocha

E-mail: ir@edp.pt

Phone: +351 210012834

Next Events

May 6th: Roadshow in London (JP Morgan)

May 9th: Roadshow in London (HSBC)

May 10th: Roadshow in Paris (Berenberg)

May 11th-13th: Roadshow in Boston/New York (Macquarie)

June 7th: 2016 Global Energy & Power Executive Conference in New York (RBC)

June 8th: Pan European Days in New York (Haitong)

June 8th-9th Energy Conference in London (Credit Suisse)

June 14th-15th: Utilities & Renewables Conference in London (BoAML)