



1Q17 Financial Results

Conference call and webcast

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Main Highlights



Income Statement (€ m)	1Q17	1Q16	Δ %	Δ Abs.
Gross Profit	1,523	1,547	-2%	-24
Supplies and services	227	205	10%	+21
Personnel costs, employees benefits	171	161	6%	+10
Other operating costs (net)	114	51	124%	+63
Net Operating costs (1)	512	417	23%	+95
EBITDA	1,011	1,130	-11%	-119
Provisions	4	3	24%	+1
Amortisation and impairment (2)	359	366	-2%	-7
EBIT	648	760	-15%	-113
Financial Results	(197)	(180)	-9%	-17
Share of net profit joint ventures/associates	(1)	(8)	92%	+7
Pre-tax profit	450	573	-21%	-122
Income taxes	66	152	-57%	-86
Extraord. contribution energy sector	70	59	18%	+11
Net profit for the period	315	362	-13%	-47
Net Profit	215	263	-18%	-47
Non-controlling Interest	100	100	0%	+0

Key Operational Data	1Q17	1Q16	Δ %	Δ Abs.
Employees	11,859	11,939	-1%	-80
Installed capacity (MW)	25,937	24,493	6%	+1,444

Key Financial Data (€ m)	1Q17	1Q16	Δ %	Δ Abs.
FFO (Funds from operations)	628	741	-15%	-113
Capex	252	233	8%	+19
Maintenance	140	106	32%	+34
Expansion	112	127	-12%	-15
Net investments	269	(11)	-	+280

Key Balance Sheet Data (€ m)	Mar-17	Dec-16	Δ %	Δ Abs.
Equity book value	9,624	9,406	2%	+218
Net debt	16,047	15,923	1%	+124
Regulatory receivables	654	951	-31%	-297
Net debt/EBITDA (x) (4)	4.4x	4.2x	4%	0.2x
Adjusted net debt/EBITDA (x) (3)(4)	4.2x	4.0x	6%	0.2x

(1) Net Operating Costs = OPEX (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net); (2) Depreciation and amortisation expense net of compensation for depreciation and amortisation of subsidised assets; (3) Net of regulatory receivables; (4) Based on trailing 12 months EBITDA of €3,641m and net debt excluding 50% of hybrid bond issue

Consolidated EBITDA amounted to €1,011m in 1Q17. Adjusted for last year' one-off gain at Pantanal (+€61m; detail on page 3), EBITDA was 5% lower YoY (-€58m YoY) since the benefits from capacity expansion (+6%), favourable ForEx impact (+€44m, mainly driven by stronger BRL and USD vs. Euro) and tight cost control; were outstod by the impact from a harsher operating context, marked by low hydro production and high pool prices, particularly when compared with an extremely wet and low-price context in 1Q16 in Iberia.

Installed capacity grew by 6% YoY, to 25.9GW in 1Q17, mainly driven by new hydro capacity in Portugal (+741MW) and wind capacity additions (+700MW, mostly in US and Mexico). **Client portfolio in Iberia** grew by 2% YoY, to 11.3m in Mar-17.

In Iberia, EBITDA fell by 17% YoY, to €473m in 1Q17. Scarce hydro resources (36% short of LT average in 1Q17), particularly when compared to an extremely wet 1Q16 (45% premium over LT average), and higher pool prices (average €56/MWh in 1Q17 vs. €31/MWh in 1Q16) squeezed results with energy management and took a toll on hydro production. This was only partially compensated by the benefits of higher remuneration in electricity distribution (prompted by better regulatory terms in Spain and higher sovereign bond yields in Portugal) and by the benefits of new capacity additions (namely hydro with pumping). **EDPR's** contribution to group EBITDA was 2% lower YoY, reflecting weaker wind resources YoY in Europe, higher generation taxes and higher property taxes (due to be smoothed out throughout the year); which outshined portfolio expansion (+8% on avg.) and tight cost performance. **EDP Brasil's** ('EDPB') contribution to adjusted EBITDA was 37% higher YoY, propelled by favorable ForEx impact (backed by average BRL's 29% appreciation against Euro), better regulatory terms in the wake of last year's review at EDP Espirito Santo and positive impact from higher spot price on distributors' overcontracting position.

Operating costs (Supplies and services + Personel costs) rose by +€32m YoY, to €398m in 1Q17, mostly reflecting ForEx evolution (+€26m in 1Q17 or +7%) and 6% increase in avg. capacity. Excluding ForEx impact, it is worth to highlight by business areas: i) in **Iberia**, costs rose by 2% YoY mainly backed by portfolio expansion (assets and clients) and tight cost control; ii) at **EDPR** level, core Opex/avg. MW declined by 1%, partially compensating for avg. capacity expansion (+8%); iii) at **EDP Brasil** level, costs grew by 6%, 1% above local inflation. **Other net operating costs/(revenues)** rose €63m YoY, to €114m, full in line with wipe out of one-off gains YoY (€61m lower YoY). Total regulatory costs in Iberia (clawback, social tariff and extraordinary energy tax in Portugal; generation taxes in Spain), amounted to €121m in 1Q17 (+9% YoY).

EBIT fell by 15%, to €648m in 1Q17, reflecting EBITDA evolution. **Net financial results and Results with JVs and associates** amounted to -€197m in 1Q17, €10m lower YoY, fully reflecting the wipe out of last year's one-off impacts (+€13m in 1Q16). Net interest costs fell by 13% YoY in 1Q17, mainly prompted by lower avg. net debt (-€1.2bn YoY) and a 20bps YoY decline in the avg. cost of debt (to 4.3% in 1Q17). This impact was offset by a decline in financial revenues related to regulatory receivables, lower results with ForEx differences and derivatives; by lower capitalised costs and higher costs related with TEIs. **Non-controlling interests** were stable at €100m in 1Q17, as higher minorities attributable to the sale of non-controlling interests in wind farms by EDPR during 2016 offset last year's gain on the sale of Pantanal by EDP Brasil. Overall, **net profit attributable to EDP shareholders** amounted to €215m in 1Q17. Excluding one-offs (-€24m in 1Q16 and -€70m in 1Q17 as described on page 4), **adjusted net profit broadly stable (-1% YoY), at €285m in 1Q17**.

Net debt rose 0.8%, to €16.0bn in Mar-17, vs. €15.9bn in Dec-16, reflecting: i) €0.4bn positive recurrent organic free cash flow; ii) one-off VAT payment of €0.2bn (to be recovered until this year-end); iii) €0.3bn reduction in regulatory receivables; iv) €0.7bn net impact from the sum of net expansion investment (€0.1bn), payments to fixed asset suppliers (€0.3bn) and changes in perimeter of consolidation (+€0.2bn).

On April 19th, EDP shareholders approved the 2016 dividend payment amounting to €695m (€0.19/share, +3% YoY), to be paid on the next May 17th (ex-dividend date on May 15th).

EBITDA Breakdown



EBITDA (€ m)	1Q17	1Q16	Δ %	Δ Abs.	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q17 YoY		1Q17 QoQ	
													Δ %	Δ Abs.	Δ %	Δ Abs.
Generation & Supply Iberia	201	339	-41%	-138	339	304	213	214	201				-41%	-138	-6%	-13
Regulated Networks Iberia	265	234	13%	+30	234	262	254	240	265				13%	30	10%	24
Wind & Solar Power	373	379	-2%	-6	379	269	198	324	373				-2%	-6	15%	49
Brazil	164	185	-11%	-21	185	116	163	129	164				-11%	-21	27%	35
Other	8	(7)	-	+15	(7)	(14)	(2)	(41)	8				-	15	-	49
Consolidated	1,011	1,130	-11%	-119	1,130	937	826	867	1,011				-11%	-119	17%	144

Consolidated EBITDA amounted to €1,011m in 1Q17 (-11% YoY). Adjusted for last year's one-off at Pantanal (+€61m; details below⁽¹⁾), **EBITDA decreased 5% YoY in 1Q17, to €1,011m**, mainly reflecting last year's outstanding hydro conditions (1Q), compared to 1Q17's weak resources and higher pool prices in Iberia (€56/MWh in 1Q17 vs. €31/MWh): hydro resources in Portugal were 36% below average in 1Q17 vs. a 45% premium in 1Q16. As a result, results with energy management in Iberia and lower production penalised EBITDA performance from Generation & Supply, outpacing the benefits of higher average capacity on stream (+6% on average), more favourable regulatory terms in Brazil and Spain and positive impact from ForEx: +€44m, mainly due to the average appreciation of BRL vs. Euro (+29%).

GENERATION & SUPPLY IN IBERIA (20% of EBITDA) – EBITDA fell 41% YoY, to €201m in 1Q17, impacted by very distinct weather and price conditions YoY: in light of EDP's risk-controlled strategy (marked by forward contracted, spread-locked volumes), the dry weather and abnormally high spot prices in 1Q17 compared very toughly with 1Q16's extremely wet and low price context. As a result, hydro production fell sharply, strong results with energy management wiped out and margins in the supply business were materially penalised, particularly in Jan-17. EBITDA performance in 1Q17 reflected: i) a more expensive generation mix, following the replacement of lower-cost hydro production (33% weight in production mix in 1Q17 vs. 62% in 1Q16) by coal and CCGT's; (ii) adverse impact from high spot prices and stronger-than-forecasted demand on supply margins, namely in Jan-17, and on the results with energy management; (iii) 31% YoY decline in gross profit from special regime, to €18m in 1Q17, as production at our mini-hydro plants was penalised by harsher weather conditions. Note that the annual deviation from PPA/CMEC gross profit vis-à-vis CMEC reference was 9% lower YoY, at €55m in 1Q17.

REGULATED NETWORKS IN IBERIA (26% of EBITDA) – EBITDA increased by 13% YoY (+€30m YoY), to €265m in the 1Q17, mainly impacted by higher gross profit and tight cost control. Gross profit rose by 6% YoY (+€27m) in the 1Q17, reflecting: i) in Spain, wider gas portfolio in the wake of acquisition of assets from Repsol and higher regulated revenues in electricity distribution as a result of the new remuneration model (in place as from Jun-16 with effect to 1-Jan-16); (ii) in Portugal, higher regulated revenues in electricity distribution, following an increase in RoRAB (from 6.38% in 1Q16 to 6.82% in 1Q17, prompted by higher average Portuguese Government 10-year bond yields).

Note that in Apr-17, EDP definitely agreed on the sale of gas distribution business, both in Spain and Portugal. The completion of the transactions is expected to occur by end of 2Q17 or early 3Q17.

WIND & SOLAR POWER (37% of EBITDA) – EDP's EBITDA was 2% lower YoY (-€6m), at €373m in 1Q17, mainly driven by a 2% YoY increase in production, higher costs related to the timing of some property taxes and higher generation taxes derived from higher pool prices in Spain. Growth in output was prompted by an 8% YoY increase in average capacity and weaker wind resources YoY: 1% above average in 1Q17 vs. 7% above in 1Q16. ForEx impact was positive: +€7m, mostly related to USD 3% appreciation vs. Euro.

BRAZIL (16% of EBITDA) - EDP Brasil's contribution to consolidated EBITDA fell by 11% YoY (-€21m), fully due to last year's gain booked in the sale of Pantanal mini-hydro. Excluding this gain, EBITDA in Brazil grew by 37% YoY (+€44m), largely driven by favourable ForEx impact (+€36m in the wake of BRL 29% appreciation vs. Euro). Local currency, adjusted EBITDA rose by 3% YoY, as growth in distribution was mostly offset by performance at generation & supply. EBITDA in distribution rose by R\$78m, to R\$216m in 1Q17, propelled by higher regulated gross profit (+R\$20m YoY), less adverse impact from overcontracting at EDP São Paulo (+R\$13m YoY) and higher demand (+R\$13m YoY). In turn, Generation and Supply EBITDA fell by R\$64m, to R\$357m, reflecting: i) at Pecém, last year's revenue from insurance (R\$82m) and the negative impact of higher PLD YoY; ii) at hydro plants, a slightly positive impact of GSF/secondary energy, staying at 109% in 1Q17 (vs. 88% in 1Q16); iii) at the supply business, the positive impact of higher volumes and margins (+R\$26m YoY).

(1) Non-recurring items: (i) +€61m in 1Q16, derived from the sale of Pantanal mini-hydro plant in Brazil; (ii) No non-recurring items in 1Q17.

Profit & Loss Items below EBITDA



Profit & Loss Items below EBITDA (€ m)	1Q17	1Q16	Δ %	Δ Abs.	2Q16	3Q16	4Q16	1Q17	1Q17 QoQ	
									Δ %	Δ Abs.
EBITDA	1,011	1,130	-11%	-119	938	826	867	1,011	17%	144
Provisions	4	3	24%	1	(8)	(10)	(0)	4	-11799%	4
Amortisation and impairment	359	366	-2%	-7	378	371	395	359	-9%	-36
EBIT	648	760	-15%	-113	567	465	472	648	37%	176
Net financial interest	(175)	(202)	13%	26	(197)	(185)	(229)	(175)	-23%	54
Regulatory receivables-related fin. results	19	28	-33%	-9	33	5	11	19	68%	8
Capitalized financial costs	10	14	-27%	-4	14	15	15	10	-32%	-5
Unwinding of long term liabilities(1)	(51)	(48)	-7%	-3	(48)	(47)	(47)	(51)	10%	-5
Net foreign exchange differences and derivatives	(5)	6	-	-11	(1)	(16)	(7)	(5)	-35%	3
Investment income, net interest with associates and JV	(7)	(2)	-207%	-5	1	(4)	(6)	(7)	-	-1
Capital Gains/(Losses)	0	13	-97%	-13	0	(0)	1	0	-40%	-0
Other Financials	13	11	19%	2	(30)	5	6	13	121%	7
Financial Results	(197)	(180)	-9%	-17	(228)	(227)	(257)	(197)	-23%	60
Share of net profit in JVs/associates (Details page 29)	(1)	(8)	92%	7	3	2	(19)	(1)	-97%	19
Pre-tax Profit	450	573	-21%	-122	343	240	196	450	130%	255
Income Taxes	66	152	-57%	-86	91	57	(211)	66	-131%	277
Effective Tax rate (%)	15%	26%	-	-11.9 pp	27%	24%	-108%	15%		1.2 pp
Extraordinary Contribution for the Energy Sector	70	59	18%	11	-	2	1	70	6405%	68
Non-controlling Interests (Details page 29)	100	100	0%	0	42	38	60	100	65%	39
Net Profit Attributable to EDP Shareholders	215	263	-18%	-47	210	143	346	215	-38%	-130

Amortisation (net of compensation from depreciation and amortisation of subsidised assets) dropped by 2% YoY to €359m in 1Q17, benefitting from the extension of the useful life of wind farms from 25 years to 30 years (+€30m), which exceeded the negative impact from higher installed capacity and both BRL and USD appreciation against the Euro.

Net financial results amounted to -€197m in 1Q17, €17m lower YoY, mostly reflecting the wipe out of last year's one-off impacts (+€13m in 1Q16). It is furthermore noteworthy that interest costs fell by 13% YoY (-€26m YoY), driven by a lower avg. net debt (€1.2bn YoY) and a 20bps YoY decline in the avg. cost of debt (from 4.5% in 1Q16 and 4.4% in 2016 to 4.3% in 1Q17). This impact was offset by i) lower financial results related to regulatory receivables (-€9m YoY, backed by lower volume and rate of return); ii) lower net ForEx differences and derivatives (-€11m YoY); iii) lower capitalised expenses (-€4m YoY, due to lower construction works at hydro in Portugal) and iv) higher costs with unwinding of liabilities (-€3m YoY, mostly driven by TEIs).

Share of net profit in joint ventures and associates amounted to -€1m in 1Q17 (+€7m YoY), reflecting lower results from EDPR's equity stake in some US wind farms in 1Q16 (more details on page 29).

Income taxes amounted to €66m (-€86m YoY), driven by a lower pre-tax profit and lower effective tax rate (15% in 1Q17 vs. 26% in 1Q16). Additionally, the extraordinary contribution applied to the energy sector in Portugal (0.85% on net assets) increased from €59m in 1Q16 to €70m in 1Q17, following the increase of net assets in operation owing to the commissioning of two hydro plants in 2016 (Salamonde II and Baixo Sabor upstream plant).

Non-controlling interests stood flat YoY at €100m in 1Q17, as i) at EDP Brasil level the impact from the gain on the sale of Pantanal in 1Q16 (+€23m) was partially compensated by the 29% average appreciation of BRL and ii) at EDPR level the normalization of wind resources in 1Q17 were partially offset by further sales of non-controlling interests in wind farms during 2016 (more details on page 29).

Overall, **net profit attributable to EDP shareholders** was 18% lower YoY, at €215m in 1Q17, penalised by non-recurring items⁽¹⁾. Excluding non-recurrent items⁽¹⁾, adjusted net profit in 1Q17 was relatively stable (-1% YoY) at €285m (vs. €287m in 1Q16).

(1) *Non-recurrent items: (i) in 1Q16 (-€24m), gain from the sale of Pantanal in Brazil (+€24m), capital gain from the sale of Tejo Energia stake (+€11m) and the extraordinary energy tax (-€59m); (ii) in 1Q17 (-€70m), on the extraordinary energy tax.*

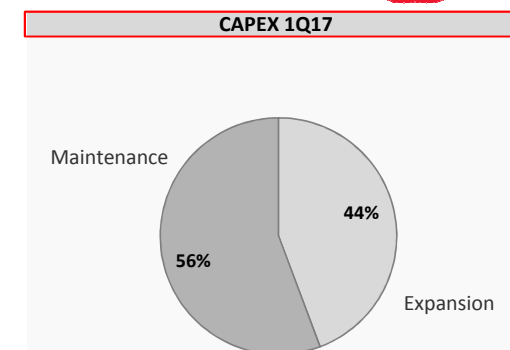
(1) Includes unwinding of medium, long term liabilities (regarding dismantling & decommissioning provision for wind assets, TEIs and Alqueva/Pedrogão concessions) and interest on medical care and pension fund liabilities

Capital Expenditure & Net Investments



Capex (€ m)	1Q17	1Q16	Δ %	Δ Abs.
Generation & Supply Iberia	32	50	-36%	-18
Regulated networks Iberia	73	65	12%	+8
Wind & solar power	93	89	5%	+4
Brazil	49	21	135%	+28
Other	5	9	-47%	-4
EDP Group	252	233	8%	+19
Expansion Capex	112	127	-12%	-15
Maintenance Capex	140	106	32%	+34

1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
50	77	91	160	32			
65	83	85	112	73			
89	290	204	446	93			
21	37	49	62	49			
9	4	8	23	5			
233	490	436	804	252			
127	334	261	546	112			
106	157	176	258	140			



Net financial investments/(Divestments) (€m)	1Q17	1Q16	Δ %	Δ Abs.
Financial Investments	28	117	-76%	-89
Consolidation Perimeter EDPR	16	37	-58%	-21
Brazil generation	10	32	-68%	-22
Gas assets (Iberia)	-	44	-	-44
Other	2	4	-46%	-2
Financial Divestments	1	409	-100%	-408
EDP Brasil (Pantanal)	-	83	-	-83
Wind assets	0	308	-100%	-307
Other	1	19	-94%	-18
Total	27	(292)	-	+319

Consolidated capex amounted to €252m in 1Q17, of which 44% was dedicated to expansion, namely in the construction of new hydro & wind capacity (€112m).

Capex in new wind capacity (EDPR) amounted to €93m in 1Q17 (of which 57% in North America, 36% in Europe and 7% in Brazil). Wind **capacity additions** totalled 3MW in 1Q17, consisting of a solar PV in Portugal. Wind capacity **under construction** by Mar-17 totalled 423MW: 66% in US, 30% in Brazil and 4% in Europe.

Expansion capex dedicated to new hydro capacity in Portugal amounted to €15m (versus €37m in 1Q16), following the commissioning of Venda Nova III repowering (756MW) in 1Q17. Construction works in Foz Tua new hydro reservoir (263MW) are still ongoing, with completion expected in the upcoming summer.

Maintenance capex amounted to €140m in 1Q17, mostly absorbed by regulated networks in Iberia and Brazil. The €34m YoY increase is largely explained by higher expenditures in Brazilian networks focused on the reduction of energy losses and improvement of quality of service. Note that maintenance capex also include pluri-annual works at our power plants in Iberia.

Net financial investments totalled €27m in 1Q17, mainly reflecting equity contributions to São Manoel hydro project in Brazil and to offshore wind projects developed in partnership.

Overall, net investments amounted to €269m in 1Q17 (versus -€11m in 1Q16), including €252m of capex and €17m of financial investments.

Net Investments (€m)	1Q17	1Q16	Δ %	Δ Abs.
Capex	252	233	8%	+19
Financial investments	17	35	-50%	-17
EDPR's asset rotation proceeds	-	(279)	-	+279
Total	269	(11)	-	+280

FFO & Cash Flow Statement



Funds from Operations (€m)	1Q17	1Q16	Δ %	Δ Abs.
EBITDA	1,011	1,130	-11%	-119
Current income tax	(174)	(144)	-21%	-30
Net financial interests	(175)	(202)	13%	+26
Net Income and dividends received from Associates	(1)	(8)	92%	+7
Non-cash items	(33)	(35)	5%	+2
FFO - Funds From Operations	628	741	-15%	-113

Consolidated Cash Flow (€m) - Indirect Method	1Q17	1Q16	Δ %	Δ Abs.
EBITDA	1,011	1,130	-11%	-119
Current income tax	(174)	(144)	-21%	-30
Changes in operating working capital	31	(420)	-	+452
Regulatory Receivables	297	(91)	-	+387
Non-cash items	(33)	(35)	5%	+2
Other working capital	(232)	(295)	21%	+62

Net Cash from Operating Activities	868	565	54%	+303
Capex	(252)	(233)	-8%	-19
Expansion	(112)	(127)	12%	+15
Maintenance	(140)	(106)	-32%	-34
Changes in working capital from equipment suppliers	(309)	(322)	4%	+13
Net financial (investments)/divestments	(27)	292	-	-319
Net financial interests paid	(228)	(250)	9%	+21
Dividends received from Associates	1	0	n.m.	+1
Dividends paid	(9)	(21)	55%	+11
EDP Shareholders	-	-	-	-
Other	(9)	(21)	55%	+11
Proceeds from Institutional Partnerships in US wind	(65)	164	-	-229
Effect of exchange rate fluctuations	30	146	-79%	-116
Other non-operating changes	(133)	37	-	-170
Decrease/(Increase) in Net Debt	(124)	378	-	-502

Consolidated Cash Flow (€m) - Direct Method	1Q17	1Q16	Δ %	Δ Abs.
Operating Activities				
Cash receipts from customers	3,947	3,533	12%	+414
Proceeds from tariff adjustments sales	593	100	493%	+493
Cash paid to suppliers and personnel	(3,163)	(2,843)	-11%	-320
Concession rents & other	(477)	(165)	-189%	-312
Net Cash from Operations	900	625	44%	+275
Income tax received/(paid)	(32)	(61)	47%	+28
Net Cash from Operating Activities	868	565	54%	+303
Net Cash from Investing Activities	(544)	(512)	-6%	-32
Net Cash from Financing Activities	(288)	252	-	-540
Changes in Cash and Cash Equivalents	36	305	-88%	-269
Effect of exchange rate fluctuations	7	18	-64%	-11

Funds from operations (FFO) decreased 15% YoY to €628m in 1Q17, mostly reflecting i) a €119m decline in EBITDA (see details on page 3); ii) a €30m increase in current income tax mostly driven by sales of tariff deficit (€0.6bn in 1Q17 vs. €0.1bn in 1Q16) and iii) a €26m decrease in net financial interests.

Net cash from operating activities rose by €303m YoY to €868m in 1Q17. This was primarily driven by a €297m reduction vs. Dec-16 in **regulatory receivables** largely attributable to €295m of net cash proceeds from regulated activities in Portugal (including €0.6bn from sales of tariff deficit during 1Q17). **‘Other changes in working capital’** amounted to -€232m in 1Q17, impacted by a one-off VAT payment of €203m within the scope of the reorganization of the gas distribution business in Spain, which will be recovered until this year-end. It is also noteworthy that in 1Q16, this caption included a €61m gain stemming from the sale of Pantanal in Brazil.

Expansion capex totalled €112m in 1Q17, translating the ongoing construction of new hydro and wind capacity.

Net financial investments amounted to €27m in 1Q17, including equity contributions to São Manoel hydro project in Brazil and to offshore wind projects developed in partnership.

Proceeds from Institutional Partnerships in US amounted to -€65m in 1Q17, reflecting the retention of tax benefits by institutional investors. Note that in 1Q16, this caption included the proceeds received from the establishment of a tax equity financing structure in US regarding the 199MW Waverly wind farm (€216m).

Effects of exchange rate fluctuations amounted to €30m, reflecting the mixed impact of USD depreciation (-2%) and BRL appreciation (+1%) vs. Dec-16, both against the Euro.

Other non-operating changes amounted to -€133m in 1Q17, largely impacted by the full consolidation of the new 200MW Eólica de Coahuila wind farm in Mexico (€0.2bn).

On balance, **net debt** increased by €124m vs. Dec-16 to €16.0bn as of Mar-17.

Looking forward, it is worth highlighting that: i) in Feb-17, EDP agreed to sell to CTG a 49% stake in wind assets in Portugal (part of ENEOP projects) for €0.2bn; ii) in Apr-17 EDP signed definitive agreements for the sale of its gas distribution business in Spain (€2.6bn), which proceeds will fund the potential acquisition of EDPR shares currently owned by minority shareholders (in line with voluntary bid offer launched in Mar-17), while the remaining will be used to reduce debt; iii) in Apr-17 EDP has also agreed on the sale of its gas distribution business in Portugal (€532m). The closing of the deals announced in Mar/Apr-17, is expected to occur in late 2Q17/early 3Q17.

Statement of Consolidated Financial Position



Assets (€ m)	Mar vs. Dec		
	Mar-17	Dec-16	Δ Abs.
Property, plant and equipment, net	23,844	24,194	-349
Intangible assets, net	5,089	5,129	-40
Goodwill	2,349	3,415	-1,066
Financial investments & assets held for sale (details page 3)	3,764	1,547	2,217
Tax assets, deferred and current	1,116	1,399	-283
Inventories	282	317	-35
Other assets, net	6,111	6,511	-399
Collateral deposits	54	52	2
Cash and cash equivalents	1,564	1,521	42
Total Assets	44,173	44,084	89

Equity (€ m)	Mar-17	Dec-16	Δ Abs.
Equity attributable to equity holders of EDP	9,624	9,406	218
Non-controlling Interest (Details on page 30)	4,428	4,330	98
Total Equity	14,052	13,736	316

Liabilities (€ m)	Mar-17	Dec-16	Δ Abs.
Financial debt, of wich:	18,150	18,027	123
<i>Medium and long-term</i>	<i>15,460</i>	<i>15,550</i>	<i>-90</i>
<i>Short term</i>	<i>2,690</i>	<i>2,476</i>	<i>214</i>
Employee benefits (detail below)	1,696	1,727	-31
Institutional partnership liability (US wind)	1,422	1,520	-98
Provisions	674	671	3
Tax liabilities, deferred and current	1,551	1,676	-125
Deferred income from inst. partnerships	778	819	-41
Other liabilities, net	5,850	5,907	-58
Total Liabilities	30,121	30,347	-226

Total Equity and Liabilities	44,173	44,084	89
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Employee Benefits (€m) (1)	Mar-17	Dec-16	Δ Abs.
Pensions (2)	781	815	-34
Medical care and other	915	912	3
Employee Benefits	1,696	1,727	-31

Regulatory Receivables (€m)	Mar-17	Dec-16	Δ Abs.
Portugal Distribution and Gas (3)	445	744	-299
Portugal Annual CMEC Deviation	257	253	4
Spain (Gas)	68	68	-
Brazil	-116	-114	-2
Regulatory Receivables	654	951	-297

Total amount of **property, plant & equipment and intangible assets** decreased €0.4bn vs. Dec-16 to €28.9bn as of Mar-17, mainly reflecting: i) -€0.4bn from depreciations in the period; ii) +€0.3bn of capex in the period; iii) +€0.3bn due to the consolidation of the 200MW Eólica de Coahuila wind farm in Mexico; and iv) -€0.5bn, as gas distribution assets in Spain are now stated under 'assets held for sale', following the signing of definitive agreements for sale in Apr-17. As of Mar-17, EDP's balance sheet included €2.6bn of works in progress (9% of total consolidated tangible and intangible assets) largely related to investments already incurred in regulated networks, power plants, wind farms development, equipment or concession rights which are not yet operating.

Goodwill decreased €1.1bn vs. Dec-16 to €2.3bn in Mar-17, due to the planned sale of Naturgas Energía Distribución.

The book value of **financial investments & assets held for sale** increased €2.2bn vs. Dec-16, to €3.8bn as of Mar-17, mainly reflecting the inclusion of Naturgas Energía Distribución (€2.2bn) as 'assets held for sale', since Portgas was already included in this caption since Dec-16. Also note that, by Mar-17, financial investments essentially refer to our equity stakes, at EDP Brasil level, in Jari (50%), Cachoeira Caldeirão (50%) and São Manoel (33%); at EDP Group level, in EDP Asia (50%), which is the owner of a 21% stake in CEM and REN (3.5%); and, at EDPR level, equity stakes in 356MW wind farms in US and Spain.

Tax assets net of liabilities, deferred and current, went down €0.2bn vs. Dec-16, primarily driven by a one-off VAT payment within the scope of the reorganization of the gas distribution business in Spain to be recovered until this year-end. **Other assets (net)** decreased €0.4bn vs. Dec-16 to €6.1bn as of Mar-17, largely impacted by sales of tariff deficit in 1Q17.

Total amount of EDP's **net regulatory receivables** went down €0.3bn vs. Dec-16, to €654m as of Mar-17, reflecting essentially a €295m decrease in Portugal.

Equity book value attributable to EDP shareholders increased by €0.2bn to €9.6bn as of Mar-17, essentially reflecting €215m of net profit for the period. **Non-controlling interest** increased €0.1bn to €4.4bn as of Mar-17, as a result of the share of profit at EDPR and EDP Brasil in the period that does not belong to EDP shareholders.

Pension fund, medical care and other employee benefit liabilities (gross, before deferred taxes) fell by €31m vs. Dec-16 to €1,696m as of Mar-17, reflecting the recurrent payment of pension and medical care expenses in 1Q17.

Institutional partnership liabilities declined €0.1bn vs. Dec-16 to €1.4bn as of Mar-17, following the benefits appropriated by the tax equity partners during the period and the depreciation of USD against the Euro (-2%).

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

(3) Tariff deviations to be recovered/(returned)

Consolidated Net Financial Debt



Nominal Financial Debt by Company (€m)	Mar-17	Dec-16	Δ %	Δ Abs.
EDP S.A. and EDP Finance BV	15,147	15,214	0%	-67
EDP Produção & Other	91	79	15%	12
EDP Renováveis	1,046	787	33%	260
EDP Brasil	1,593	1,582	1%	12
Nominal Financial Debt	17,878	17,662	1%	216

Accrued Interest on Debt	218	292	-25%	-74
Fair Value of Hedged Debt	54	73	-25%	-19
Derivatives associated with Debt (2)	(101)	(130)	22%	29
Collateral deposits associated with Debt	(54)	(52)	-3%	-2
Hybrid adjustment (50% equity content)	(376)	(391)	4%	15
Total Financial Debt	17,619	17,454	1%	165

Cash and cash equivalents	1,564	1,521	3%	42
EDP S.A., EDP Finance BV and Other	575	525	9%	49
EDP Renováveis	405	408	-1%	-3
EDP Brasil	584	588	-1%	-4
Financial assets at fair value through P&L	9	10	-10%	-1

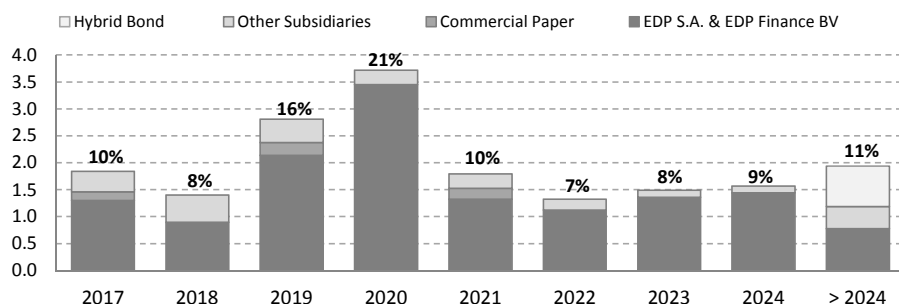
EDP Consolidated Net Debt	16,047	15,923	1%	124
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Credit Lines by Mar-17 (€m)	Maximum Amount	Number of Counterparts	Available Amount	Maturity
Revolving Credit Facilities	75	1	75	Aug-17
Revolving Credit Facility	3,150	21	3,150	Jun-19
Revolving Credit Facility	500	16	500	Feb-20
Domestic Credit Lines	156	7	156	Renewable
Underwritten CP Programmes	100	1	100	2021
Total Credit Lines	3,981		3,981	

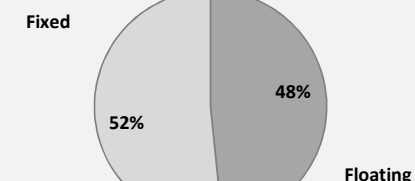
Debt Ratings	S&P	Moody's	Fitch
EDP SA & EDP Finance BV	BB+/Positive/B	Baa3/Stable/P3	BBB-/Stab/F3
Last Rating Action	30-03-2017	03-04-2017	31-10-2016

Debt Ratios	Mar-17 (3)	Dec-16
Net Debt / EBITDA	4.4x	4.2x
Net Debt / EBITDA adjust. for Reg. Receivables	4.2x	4.0x

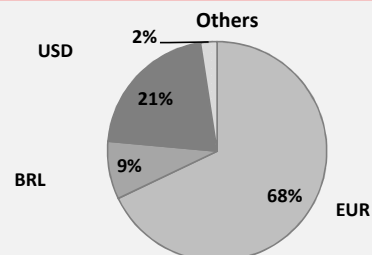
Debt Maturity (€ m) by Mar-17 (1)



Debt by Interest Rate Type - Mar-17 (1)



Debt by Currency - Mar-17 (1)



EDP's financial debt is essentially issued at holding level (EDP S.A. and EDP Finance B.V.) through both debt capital markets and bank loans. Maintaining access to diversified sources of funding and assuring refinancing needs at least 12-24 months ahead continue to be part of the company's funding strategy.

In Mar-17, S&P affirmed EDP's credit rating at "BB+" with Positive outlook. In Apr-17, Moody's affirmed EDP's credit rating at "Baa3" with Stable outlook. Both rating affirmations follow EDP's announcement of the acceptance of a binding offer for the sale of its gas distribution business in Spain, which proceeds will be partially used to fund the potential acquisition of EDPR shares that are currently owned by minority shareholders. S&P believes that the transactions do not materially affect the group's risk profile and Moody's considers that the transactions are consistent with EDP's 2016-20 Strategic Plan, contributing to the deleverage path.

In line with the Group's financial policy of extending the average term of its debt portfolio and reinforcing its financial flexibility, in Jan-17 EDP issued a 6.5 year Eurobond in the amount of €600m with a coupon of 1.875%, maturing in Sep-23.

As of Mar-17 **average debt maturity** was 4.9 years. The weight of consolidated financial debt through capital markets stood at 71%, while the remaining debt was raised essentially through bank loans.

Refinancing needs in 2017 at holding level (excluding EDP Brasil and EDPR's project finance) amount to €1.5bn, consisting mostly of banking loans and two bonds: €750m 5.75% Eurobond maturing in Sep-17 and GBP200m 6.625% bond maturing in Aug-17. **Refinancing needs in 2018 and 2019 at holding level** amount to €0.9bn and €2.4bn, respectively, comprising mostly bonds. Total cash and available liquidity facilities amounted to €5.6bn by Mar-17. This liquidity position allows EDP to cover its refinancing needs beyond 2018.



Business Areas

Electricity Balance (TWh)	Portugal			Spain			Iberian Peninsula		
	1Q17	1Q16	Δ%	1Q17	1Q16	Δ%	1Q17	1Q16	Δ%
Hydro	2.8	5.9	-53%	7.4	13.1	-44%	10.2	19.0	-47%
Nuclear	-	-	-	15.3	13.8	11.2%	15.3	13.8	11%
Coal	3.1	2.4	30%	10.3	6.1	70%	13.4	8.4	59%
CCGT	2.7	0.7	297%	5.7	4.5	26%	8.5	5.2	62%
(-)Pumping	(0.6)	(0.4)	27%	(1.3)	(2.2)	-40%	(1.9)	(2.6)	-29%
Conventional Regime	8.0	8.6	-6%	37.4	35.3	6%	45.4	43.8	4%
Wind	3.7	4.1	-9%	14.4	17.1	-16%	18.2	21.2	-14%
Other	2.4	2.5	-6%	10.9	9.8	11%	13.2	12.3	8%
Special Regime	6.1	6.7	-8%	25.3	26.8	-6%	31.4	33.5	-6%
Import/(export) net	(1.2)	(2.3)	-48%	1.2	1.7	-28%	0.0	(0.6)	-
Gross demand (before grid losses)	13.0	13.0	0.2%	63.9	63.8	0.2%	76.9	76.8	0.2%
Adjust. temperature, working days			0.2%			1.1%			n.a.

Gas Demand (TWh)	Portugal			Spain			Iberian Peninsula		
	1Q17	1Q16	Δ%	1Q17	1Q16	Δ%	1Q17	1Q16	Δ%
Conventional demand	11.4	10.4	10%	83.0	77.4	7%	94.4	87.8	7%
Demand for electricity generation	5.7	1.5	274%	13.5	11.6	17%	19.2	13.1	46%
Total Demand	17.1	11.9	43%	96.5	89.0	8%	113.6	100.9	13%

Electricity demand in Iberia was slightly up YoY (+0.2%), driven by mild temperatures and unfavourable calendar impact. Adjusted for temperature and working days, demand was 0.2% higher YoY in Portugal (17% of total in Iberia) and 1.1% up in Spain (83% of total).

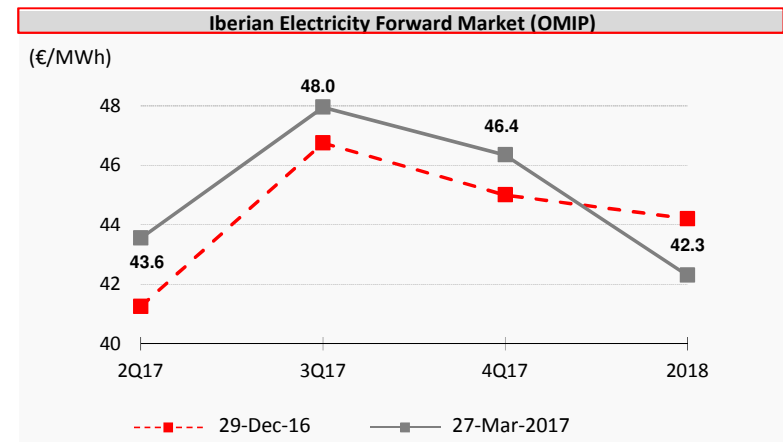
Installed capacity in Iberia increased by 0.2GW YoY, to 119GW, reflecting the commissioning of our repowering of Venda Nova III (756MW, almost pure pumping hydro plant) and a small reduction in cogeneration installed capacity (-0.1GW).

In 1Q17, **residual thermal demand (RTD)** surged 60% (+8.2TWh), prompted by very dry weather, particularly when compared with a very wet 1Q16: hydro resources fell 36% short of LT average vs. a 45% premium in 1Q16, resulting in 49% YoY fall in the production from hydro plants (-8.2TWh). Also worth to note is the fall in production from special regime (-2.1TWh, mainly supported by a 3TWh reduction in wind output, in the wake of a normalisation of wind resources), which was offset by higher nuclear output and absence of net imports (-0.6TWh due to nuclear outages in France). The rise in RTD was evenly met by CCGT and coal plants, which average load factors increased by 5pp and 21pp YoY, to 14% and 55%, respectively. Overall, very weak hydro resources in the quarter and normalised wind resources compared very toughly with last year's extremely favourable weather conditions.

Average electricity spot price rose 81% YoY in Spain, to €56/MWh (in Spain and Portugal), reflecting the combined impact of unfavourable weather conditions, higher production costs of marginal technologies, cold temperatures in Europe and nuclear shortages in France. **Average CO₂ prices** fell 8% YoY in 1Q17, to €5.2/ton. **Average electricity final price** in Spain advanced by 60%, to €64/MWh, in line with the evolution of spot prices. The difference between final electricity price and pool price derives from the contribution from profiling, restriction market, ancillary services and capacity payments.

In the Iberian gas market, consumption rose by 13% YoY in 1Q17, driven by a more intense CCGT-based electricity production: gas consumption for electricity generation purposes (17% of total gas consumption in Iberia) advanced by 46% YoY, with a strong contribution from Portugal. In 1Q17, conventional gas demand accounted for 83% of total consumption in Iberia, also prompting a 7% increase YoY.

Installed Capacity in Electricity (GW)	Iberian Peninsula		
	1Q17	1Q16	Δ%
Hydro	24.2	23.5	3%
Nuclear	7.0	7.0	-
Coal	11.3	11.5	-2%
CCGT	28.8	28.8	0%
Conventional Regime	71.3	70.7	1%
Wind	28.1	28.0	0%
Other special regime	19.6	20.1	-2%
Special Regime	47.7	48.1	-1%
Total	119.0	118.8	0.1%



Main Drivers (1)	1Q17	1Q16	Δ%
Hydro coefficient (1.0 = avg. year)			
Portugal	0.64	1.45	-56%
Spain	0.70	1.20	-42%
Wind coefficient (1.0 = avg. year)			
Portugal	1.00	1.16	-14%
Electricity spot price, €/MWh			
Portugal	56	31	83%
Spain	56	31	81%
Electricity final price, €/MWh (2)			
Spain	64	40	60%
CO2 allowances (EUA), €/ton	5.2	5.6	-8%
Coal (API2 CIF ARA), USD/tonne	81	45	80%
Mibgas price (€/MWh)	25	17	50%
Gas NBP, €/MWh	19	13	43%
Brent, USD/bbl	54	34	59%
EUR/USD	1.06	1.10	-3%

Generation & Supply in the Iberian Market



Income Statement (€ m)	1Q17	1Q16	Δ%	Δ Abs.
Gross Profit	359	511	-30%	-152
OPEX (1)	109	98	11%	+11
Other operating costs (net)	49	74	-34%	-25
Net Operating costs	158	172	-8%	-14
EBITDA	201	339	-41%	-138
Provisions	(0)	(0)	-63%	+0
Amortisation and impairment	92	91	0%	+0
EBIT	109	247	-56%	-138

Gross Profit breakdown (€ m)	1Q17	1Q16	Δ%	Δ Abs.
Electricity Sources & Uses	299	414	-28%	-115.1
Total Volume (TWh)	19.0	20.6	-7%	-1.5
Unit margin (€/MWh)	15.7	20.2	-22%	-4.4
Before hedging (€/MWh)	14.1	22.0	-36%	-7.9
From Hedging (€/MWh) (2)	1.7	(1.8)	-	+3.5
Other	60	97	-38%	-37.2
Electricity generation (Detail page 12), Energy supply	63	80	-21%	-16.4
Gas trading, other and adjustments	(4)	17	-	-20.8
Total	359	511	-30%	-152

Electricity Sources & Uses	1Q17	1Q16	Δ%	1Q17	1Q16	Δ%
Output (GWh)						
Own production (4)	9,047	10,295	-12%	30	14	115%
Purchases	9,984	10,262	-3%	64	40	59%
Electricity Sources	19,031	20,557	-7%	48	27	76%

Volumes Sold (GWh)				Average Price (€/MWh) (5)		
Grid Losses	949	752	26%	n.a.	n.a.	-
Final customers	9,035	9,510	-5%	65	63	3%
Wholesale market	9,047	10,295	-12%	66	40	65%
Electricity Uses	19,031	20,557	-7%	62	49	26%

Gas Uses (TWh)	1Q17	1Q16	Δ%	Δ Abs.
Consumed at EDP power plants	2.8	1.1	165%	+1.7
Sold in wholesale markets	1.9	7.5	-74%	-5.6
Sold to Final customers	4.7	3.6	30%	+1.1
Total	9.4	12.1	-23%	-2.7

As from Jul-17, our PPA/CMEC generation capacity (2.7GW of hydro, 1.2GW of coal) will start bearing hydro and market risk. The share of generation capacity in Iberia with a low-risk profile will therefore be confined to special regime (mainly feed in tariff-remunerated). As a result, EDP is merging the reporting format of results from generation & supply in Iberia as from Jan 1st, 2017 (2016 data restated accordingly).

EBITDA from Generation & Supply fell 41% YoY, to €201m in 1Q17, impacted by very different weather and price conditions YoY: in light of EDP's risk-controlled strategy (marked by forward contracted, spread-locked volumes), the dry weather and abnormally high spot prices in 1Q17 compared very toughly with 1Q16's extremely wet period and low price context. As a result, strong results with energy management wiped out and margins in the supply business were materially penalised. In detail, the YoY decline of EBITDA in 1Q17 reflected: (i) a more expensive generation mix (€30/MWh in 1Q17 vs. €14/MWh in 1Q16), stemming from the replacement of lower-cost hydro production (33% weight in generation mix in 1Q17 vs. 62% in 1Q16) by coal and CCGT's; (ii) adverse impact from high spot prices and stronger-than-forecasted demand on supply margins, namely in Jan-17, and on the results with energy management; (iii) 31% YoY decline in gross profit from special regime, to €18m in 1Q17, as production at our mini-hydro plants was penalised by harsher weather conditions. **Regulatory costs in Iberia** amounted to €43m in 1Q17 (higher YoY at gross profit level; lower YoY at Operating costs level). Note that the annual deviation from PPA/CMEC gross profit vis-à-vis CMEC reference was 9% lower YoY, at €55m in 1Q17.

Gross profit fell by 30% YoY, to €359m in 1Q17, mainly driven by a 7% YoY decrease in volumes sold and lower avg. unit margin (down from €20/MWh in 1Q16 to €16/MWh in 1Q17):

Volumes: Total volume sold decreased 7%, to 19TWh in 1Q17, reflecting a 5% fall in sales to final customers, mainly prompted by the business segment, and an 12% decline in sales at the wholesale market, driven by lower production and lower demand for complementary services. Generation output was 12% lower YoY, mainly due to lower hydro output, and electricity purchases fell by 3% YoY.

Unit margin ⁽²⁾⁽³⁾: Avg. electricity spread before hedging fell from €22/MWh in 1Q16, to €14/MWh in 1Q17, mainly reflecting a more expensive mix of electricity sources and higher spot prices. **Avg. sourcing cost** advanced 76% YoY, to €48/MWh in 1Q17, driven by the replacement of hydro production (-54% YoY, representing only 33% of total production and with a higher pumping activity) by production based on more expensive technologies, coal and gas; and by the rise in average cost of electricity purchases (even if growing below spot price). **Avg. selling price** rose 26% YoY in 1Q17, as a result of higher spot prices implicit in sales in the wholesale market (+65% YoY) and a 3% increase in avg. selling prices to final customers.

Net operating costs decreased 8% YoY, mainly impacted by lower regulatory costs, in the wake of lower production.

Our gas sourcing activity in 2016 is based on c3.1bcm/year LT contracts. In 1Q17, total gas consumed declined by 23% YoY, following lower sales in the wholesale market (-74%), in light of strong thermal demand and less attractive opportunities in the wholesale market. In turn, volume sold to final customers rose by 30% YoY, mainly driven by Spain, and gas consumed for electricity generation purposes rose by 165% YoY in 1Q17.

As part of EDP's risk-controlled approach to merchant operations, EDP forward contracts spreads for its expected production, as volumes and prices are forward contracted with customers. In line with this, EDP has so far forward contracted electricity sales with clients of ~30TWh for 2017, at an avg. price of c€55/MWh (excluding naturally-hedged price-indexed volumes). Alongside, EDP has so far secured spark spreads for ~90% of its gas sourcing commitments for 2017 and has forward contracted dark spreads for c65% of expected coal output for 2017.

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (2) Includes results from hedging on electricity; (3) Variable cost: fuel and CO2 cost, hedging costs (gains), system costs;

(4) Excludes production at mini-hydro, cogeneration and waste plants; (5) Average selling price: includes selling price (net of TPA tariff), ancillary services and others.

Electricity Generation in the Iberian Market



Income Statement (€ m)	1Q17	1Q16	Δ%	Δ Abs.
Gross Profit	300	427	-30%	-127
OPEX (1)	60	54	13%	+7
Other operating costs (net)	36	64	-44%	-28
Net Operating costs	96	117	-18%	-21
EBITDA	204	310	-34%	-106
Provisions	0	0	-100%	-0
Amortisation and impairment	89	89	-0%	-0
EBIT	115	221	-48%	-106

Key Operating Data	1Q17	1Q16	Δ%	Δ Abs.
Generation Output (GWh)	9,241	10,632	-13%	-1,391
CCGT	1,713	465	268%	+1,248
Coal	4,053	3,106	30%	+947
Hydro	2,948	6,394	-54%	-3,446
Nuclear	333	330	1%	+3
Mini-hydro, Cogener. & Waste	193	337	-43%	-143
Generation Costs (€/MWh) (2)	30	14	115%	+16
CCGT	55	78	-30%	-23
Coal	34	27	28%	+8
Hydro	12	4	250%	+9
Nuclear	5	5	1%	+0
Load Factors (%)				
CCGT	21%	6%	-	16p.p.
Coal	78%	59%	-	19p.p.
Hydro	20%	48%	-	30p.p.
Nuclear	99%	97%	-	0p.p.
Employees (#)	2,042	2,023	1%	+19
Capex (€m)	30	48	-37%	-18
Expansion	18	37	-51%	-19
Maintenance	12	11	10%	+1

Other financial details (€ m)	1Q17	1Q16	Δ%	Δ Abs.
At Gross profit level:				
Capacity payments	11	13	-11%	-1
CMEC annual deviation	55	61	-9%	-6
Mini-hydro, cogeneration & waste	18	27	-31%	-8
At EBITDA level:				
Regulatory costs (3)	43	46	-5%	-2

Our liberalised generation & supply activities are jointly managed as most of our production is sold to our supply units at fixed prices. The current section refers only to electricity generation operations.

As from Jan 1st, 2017, EDP is merging the reporting format of results from LT Contracted and Liberalised generation in Iberia (restating 2016 data). Even if the PPA/CMEC capacity (2.7GW of hydro, 1.2GW of coal) is protected from hydro and market risk until Jun-17 (deviation between market gross profit and CMEC reference amounted €55m in 1Q17; -9% YoY), plants are dispatched under market conditions. The overall conventional generation portfolio in Iberia encompasses a total of 13.4GW, of which 52% in hydro capacity, 28% in CCGT, 18% in coal (86% of which with DeNOx upgrades completed/on course), 2% of mini-hydro, cogeneration and waste; and 1% in nuclear. Over the last 12 months, installed capacity grew 6%, reflecting the commissioning of repowering Venda Nova III (756MW), an almost pure pumping hydro facility.

Production from our generation plants (including mini-hydro, cogeneration and waste) fell 13% YoY (-1.4TWh YoY), to 9.2TWh in 1Q17, heavily impacted by: (i) a 56% decline in hydro output from our PPA/CMEC plants (-1.6TWh YoY, which nonetheless has no impact on earnings); and (ii) a 52% decrease in the remaining hydro output (-1.9TWh YoY), driven by hydro resources 36% below LT average in Portugal. This impact was only partially compensated by a 268% surge in CCGTs output (+1.2TWh YoY) and a 30% YoY increase coal output (+0.9TWh YoY, of which +0.4TWh prompted by our PPA/CMEC Sines plant, in Portugal). Production growth at both **CCGT** and **coal plants** was driven by higher thermal demand. Even so, growth at CCGTs outpaced coal plants', propelled by gas' improving relative cost competitiveness.

Avg. production cost was up from €14/MWh in 1Q16 to €30/MWh in 1Q17, reflecting: (i) a much lower contribution from hydro (33% of total output in 1Q17 vs. abnormally high 62% in 1Q16) combined with a more intense pumping activity (in light of scarce hydro resources in the period); and (ii) a more expensive coal production (+28% YoY), due to higher cost of coal. In turn, **avg. production cost at CCGTs** fell 30% YoY, reflecting a decline in the gas variable cost and CO₂ cost and, more importantly, increasing dilution of fixed cost as production increased.

Gross profit from generation in Iberia fell by 30% YoY in 1Q17, to €300m in 1Q17, impacted by: (i) the aforementioned decline in production and higher average production cost; (ii) lower capacity payments (-11% YoY), resulting from its interruption in Portugal; (iii) lower gross profit from mini-hydro, cogeneration and waste plants (-31% YoY), mainly due to lower hydro production YoY vis-à-vis last year's very strong 1Q. Note that the both hydro and market risk-free profile of our PPA/CMECs in Portugal lasts until Jun-17: the annual deviation between market gross profit under CMECs assumptions and gross profit under actual market conditions totalled €55m in 1Q17 (-9% YoY). The bulk of this deviation stemmed from hydro plants (€54m in 1Q17, as production was 49% short of CMEC reference, while the coal plant performed broadly in line with CMEC reference.

In respect to capacity payments in Portugal, it is worth to mention that following the cancelation of previous regime in place (resulting in no revenues in 1Q17), the auction that took place in Mar-17 (and applicable to the period April to December of 2017) resulted in a new price at €4,775/MW/year, corresponding to the layer just below the initial reference of €4,800/MW/year. As a result, EDP group (including LRS) was awarded with a total amount of €4.8m relative to the remaining 3 quarters of 2017, which will be booked in the remaining of 2017. The auction for capacity payments in 2018 (Ministerial order nr. 2275-A/2017) is due to take place in May-17, with an initial layer at €4,800/MW.

Net operating costs amounted to €96m in 1Q17 (-18% YoY), mainly driven by lower regulatory costs derived from lower production.

Capex declined by €18m YoY, to €30m in 1Q17, fully reflecting the decrease in expansion capex following the delivery of Venda Nova III hydro repowering. Note that capex in 1Q17 is still impacted by €18m of expansion capex, mostly devoted to new hydro capacity and DeNOx upgrade at our coal fleet in Spain. As of Mar-17, there is one left hydro project under construction: Foz-Tua new hydro reservoir with pumping capacity, totalling 263MW, which is expected to be commissioned in the upcoming summer.

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (2) Includes fuel costs, CO₂ emission costs, hedging results; (3) Includes: (i) at gross profit, social tariff in Portugal; (ii) at the level of operation costs, generation taxes in Spain (incl. fuel, nuclear waste, hydro resources), clawback in Portugal.

Electricity and Gas Supply in Portugal and Spain



	1Q17	1Q16	Δ%	Δ Abs.
Gross Profit	64	67	-5%	-3
OPEX (1)	51	44	14%	+6
Other operat. costs (net)	13	11	17%	+2
Net Operating costs	63	55	15%	+8
EBITDA	1	12	-94%	-11
Provisions	(0)	(0)	-	+0
Amortisation and impairment	3	2	9%	+0
EBIT	(2)	10	-	-11

Key data	1Q17	1Q16	Δ%	Δ Abs
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Portfolio of Customers (th.)

Electricity	5,144	4,831	6%	+313
Portugal	4,064	3,803	7%	+261
Spain	1,080	1,028	5%	+52
Gas	1,468	1,372	7%	+96
Portugal	613	532	15%	+81
Spain	855	840	2%	+15
Dual fuel penetration rate (%)	29%	29%	1%	+0
Other Services				
Services to contracts ratio (%)	15%	14%	13%	0p.p.
Volume of electricity sold (GWh)	8,584	9,084	-6%	-500
Residential segment	3,596	3,547	1%	+49
Business segment	4,987	5,537	-10%	-550
Volume of gas sold (GWh)	4,690	3,793	24%	+897
Residential segment	2,713	2,021	34%	+692
Business segment	1,976	1,772	12%	+205
Electronic invoicing (%)	28%	24%	16%	4p.p.
Complaints per 1000 contracts (#)	7.6	9.3	-19%	-2
Employees (#)	408	356	15%	+52
OPEX per customer (2) (€ 000)	8	7	7%	+0
EBITDA per customer (2) (€ 000)	0	2	-94%	-2
Capex (€m)	1	1	0%	+0

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. The current section refers only to energy supply, but excludes gas trading and sourcing activities.

As of Mar-17, **EDP's portfolio totaled 5.1m customers**, strongly biased towards residential and SME customers. Over the past 12 months, portfolio of customers grew by 6%: +5% in Spain and +7% YoY in Portugal, where liberalization process is now losing pace as the bulk of consumption is already in the free market (92% as of Nov-16, based on latest data released by ERSE).

EDP targets to leverage on its portfolio of customers, offering additional products and innovative services, as part of its strategy to build a longer term relationship with customers backed by the enhancement of customer's satisfaction and loyalty levels. In line with this, the rate of dual fuel offer is currently at 29%, including different stages of evolution in Spain and Portugal: in Portugal, dual offer rate rose by 8% YoY, to 16% in Mar-17; in Spain, dual offer rate, currently at 80%, decreased by 3pp YoY. Additionally, the penetration rate of service contracts rose by 13% YoY, to 15% as of Mar-17, in Iberia.

Electricity volumes sold in Iberia fell 6% YoY, to 8.6TWh in 1Q17, mainly reflecting a more selective commercial criteria and the higher share of residential and SME customers in our portfolio.

Gross profit at our supply activities in Iberia was 5% lower YoY, mainly impacted by high spot prices implicit in deviations from forecasted consumption, namely in Jan-17, which nevertheless is expected to be smoothed out through the rest of the year.

Net operating costs were 15% higher YoY, at €63m in 1Q17, reflecting higher costs with client services driven by client portfolio expansion and increasing share of residential clients in the portfolio.

EDP is building the ground for a decrease in cost per client through higher digitalisation rate and higher customer satisfaction: electronic invoicing (per avg. residential client) grew by 16% YoY to a 28% rate as of Mar-17; the number of complaints per 1000 contracts fell by 19% YoY.

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (2) Based on the number of contracts.

EDP Renováveis: Financial Performance



Income Statement	EDP Renováveis (€ m)			
	1Q17	1Q16	Δ %	Δ Abs.
Gross Profit	460	452	2%	+7
OPEX (1)	100	92	8%	+7
Other operating costs (net)	(13)	(19)	-31%	+6
Net Operating Costs	87	73	18%	+13
EBITDA	373	379	-2%	-6
Provisions	0	-	-	+0
Amortisation and impairment	131	147	-11%	-17
EBIT	242	232	5%	+11
Financial Results	(79)	(74)	7%	-5
Share of Profit from associates	(2)	(7)	-77%	+6
Pre-tax profit	162	151	7%	+11
Capex (€m) (2)	93	89	5%	+4
Europe (3)	33	20	68%	+13
North America	53	63	-16%	-10
Brazil	7	6	9%	+1
Other & Adjustments	-	-	-	-

Operational Overview	1Q17	1Q16	Δ %	Δ Abs.
Installed Capacity (MW)	10,054	9,351	8%	+702
Europe	4,989	4,915	2%	+74
North America	4,861	4,233	15%	+628
Brazil	204	204	0%	-
Output (GWh)	7,719	7,535	2%	+184
Avg. Load Factor (%)	36%	38%	-	-1.5p.p.
Avg. Elect. Price (€/MWh)	60.5	60.8	0%	-
Employees (#)	1,124	1,028	9%	+96
Core Opex/Avg. MW (€ th) (4)	10.0	10.0	0%	+0
EBITDA (€m)	373	379	-2%	-6
Europe (3)	196	228	-14%	-32
North America	173	153	13%	+20
Brazil	6	3	132%	+3
Other & Adjustments	(1)	(4)	-67%	+2
EBIT (€m)	242	232	5%	+11
Europe (3)	135	154	-12%	-19
North America	106	81	31%	+25
Brazil	3	1	125%	+2
Other & Adjustments	(2)	(4)	-56%	+2

EDPR Equity Market Data	1Q17	1Q16	Δ %	Δ Abs.
Share price at end of period (€/share)	6.9	6.7	3%	0.2
Number of Shares Issued (million)	872.3	872.3	-	-
Stake Owned by EDP (%)	77.5%	77.5%	-	-

EDPR Key Balance Sheet Figures (€ m)	1Q17	1Q16	Δ %	Δ Abs.
Financial investm, assets held for sale	343	324	6%	+19
Net Financial Debt	3,175	3,414	-7%	-239
Bank Loans and Other (Net)	564	632	-11%	-68
Loans with EDP Group (Net)	2,611	2,782	-6%	-172
Non-controlling interests	1,488	1,053	41%	+434
Net Institutional Partnership Liability (5)	1,422	1,260	13%	+163
Equity Book Value	6,197	6,041	3%	+156

EUR/USD - End of Period Rate	1.07	1.14	6%	-0.07
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Financial Results (€ m)	1Q17	1Q16	Δ %	Δ Abs.
Net financial Interests	(35)	(47)	26%	+12
Institutional Partnership costs	(27)	(24)	-12%	-3
Capitalised Costs	3	6	-43%	-2
Forex Differences	3	2	42%	+1
Other	(23)	(10)	-	-13
Financial results	(79)	(74)	-7%	-5

EDP Renováveis ('EDPR') owns, operates and develops EDP Group's wind and solar capacity. As of Mar-17, EDPR operated 10,410MW, (+702MW YoY) of which 356MW equity-method accounted. EDPR's EBITDA derives mainly from PPA-contracted and regulated tariff schemes and is geographically widespread: 56% in Europe, 42% in North America, and 2% in Brazil.

EDPR's EBITDA went down by 2% YoY (-€6m) to €373m in 1Q17, impacted by i) lower avg. load factor (-2p.p.) and ii) higher other operating costs related to property taxes timing; which more than mitigate the positive contribution coming from iii) the higher avg. capacity on stream (+8%) and iv) +€7m (+2% YoY) forex impact from USD and BRL appreciation vs. EUR. **Avg. selling price** was roughly flat YoY at €60.5/MWh, and operating costs (Opex) (+8% YoY) increased in line with the MWs in operation.

Electricity output advanced +2% YoY to 7.7TWh in 1Q17, supported by an increase of the avg. capacity in operation, in spite of the lower wind availability, especially in the main European geographies (-3p.p. YoY), penalizing a higher movement on the production figures. **Avg. wind resources** in EDPR's wind farms portfolio were 1% above when compared to the long term average in 1Q17, but lower than the reference (P50) achieved in 1Q16 at 107%. **Average selling price** was flat YoY, including 1% positive forex impact.

Opex rose by 8% YoY (+€7m), reflecting higher headcount (1,124 employees in 1Q17 vs. 1,028 in 1Q16) and higher O&M costs (+2m YoY) - both resulting from portfolio growth; and reflecting forex impact; **Core Opex** per avg. MW was stable YoY at €10K/Avg. MW, following tight cost discipline. **Other operating costs (net)** decrease €6m (-31% YoY) as a result of taxes increase YoY, mostly due to new wind farms in the US and the anticipation of some projects, as well as the higher pool price in Spain propelling higher taxes paid (7% tax over electricity generation).

EBIT increased by 5% YoY, to €242m in 1Q17, as a result of **D&A** reduction of -11% (-€17m YoY). The extension of useful life of the wind assets from 25 to 30 years (+€30m in 1Q17) more than mitigated the effect from the higher capacity in operation and the stronger USD and BRL.

Capex amounted to €93m (+5% YoY): 57% of total capex was devoted to the US market, the main growth region in 2016-2020, 36% to Europe, and 7% to Brazil.

EDPR's net debt in Mar-17 amounted to €3.2bn (vs. €2.8bn in Dec-16) +€0.4bn mainly reflecting: i) the entrance of the wind farm in Mexico in the consolidation perimeter (€215m) and cash investments (€368m). Additionally, net debt evolution translates i) operating cash-flow (€281m); ii) payments to tax equity investors (€64m), iii) forex translation (€11m) and others.

Liabilities with Institutional Partnerships (net) amounted to €1,422m in Mar-17, reflecting the tax benefits paid to institutional investors and the establishment of new institutional tax equity financing structures. **Non-controlling interests** at balance sheet level rose by €434m to €1,488m, in 1Q17 vs 1Q16 including non-controlling interests in North America (c66%), Europe (c30%) and Brazil (c4%).

Financial results (net) amounted €79m in 1Q17, (-7% vs. 1Q16). **Other financial increased** +€13m YoY, reflecting hedging instruments, lower capitalized financial expenses and capital gains. **Net interest costs** fell by 26%, on lower avg. cost of debt in the period (3.9% in Mar-17 vs. 4.5% in Mar-16) and lower net debt YoY. **Institutional Partnership costs** were €3m higher vs. 1Q16, reflecting mainly US dollar appreciation.

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (2) Net of government grants; (3) Includes Holding costs and adjustments at the level of EDPR Europe; (4) Core Opex defined by Supplies and services (including O&M activities) and Personnel costs; (5) Net of deferred revenue.

EDP Renováveis: North America & Brazil



North America	1Q17	1Q16	Δ %	Δ Abs.
EUR/USD - Avg. of period rate	1.06	1.10	3%	-0.04
Installed capacity (MW)	4,861	4,233	15%	+628
PPA's/Hedged/Feed-in tariff	4,276	3,489	23%	+786
Merchant	585	744	-21%	-158
Avg. Load Factor (%)	41%	40%	-	1 p.p.
Electricity Output (GWh)	4,189	3,694	13%	+495
PPA's/Hedged/Feed-in tariff	3,568	2,973	20%	+595
Merchant	620	721	-14%	-101
Avg. Final Selling Price (USD/MWh)	47.5	48.1	-1%	-0.7
PPA's/Hedged/Feed-in tariff	49.1	49.5	-1%	-0.3
Merchant	36.2	41.0	-12%	-5
Adjusted Gross Profit (USD m)	264	234	13%	+30
Gross Profit (USD m)	192	173	11%	+19
PTC Revenues & Other (USD m)	73	61	19%	+11
EBITDA (USD m)	184	168	10%	+16
EBIT (USD m)	113	89	27%	+24
Installed capacity (MW Equity)	179	179	0%	-
Net Capex (USD m)	56	69	-19%	-13
Gross Capex	56	69	-19%	-13
Cash grant received	-	-	-	-
Capacity under construction (MW)	278	450	-38%	-172

Brazil	1Q17	1Q16	Δ %	Δ Abs.
Euro/Real - Average of period rate	3.35	4.30	29%	-0.96
Installed Capacity (MW)	204	204	-	-
Avg. Load Factor (%)	33%	30%	-	4 p.p.
Electricity Output (GWh)	147	54	170%	+93
Avg. Final Selling Price (R\$/MWh)	223	363	-39%	-140
Gross Profit (R\$ m)	29	19	57%	+11
EBITDA (R\$ m)	20	11	80%	+9
EBIT (R\$ m)	11	6	75%	+5
Capex (R\$ m)	22	26	-	-4
Capacity under construction (MW)	127	-	-	+127

In North America (NA), installed capacity totalled 4,861MW in Mar-17 (4,631MW in US, 200MW in Mexico, and 30MW Canada). New capacity additions in the last 12 months (+628MW) were mostly concentrated in US (+429MW) and in Mexico (the first 200MW added) both in 4Q16. Current capacity exposed to power prices represents only 11% of NA's portfolio assets meaning that 4.3GW (88%) are under LT contracted remuneration schemes (PPA/Hedge). Additionally, EDPR owns an equity position in other wind projects, equivalent to 179MW.

EBITDA was 10% higher (+USD16m YoY), to USD184m in 1Q17, propelled by i) a surge in the output (+13% YoY to 4,189GWh) on the back of capacity additions, and ii) the outstanding load factor (41% vs 40% YoY) that more than mitigated the slightly lower average selling price of USD47.5/MWh (-1% YoY).

Wind resources were particularly stronger in the Central region +3% (YoY) where EDPR has ~90% of production capacity in the US. **Average selling price** was impacted by new PPAs at lower prices, along with the YoY fall in the realised merchant price. Realised merchant price went down by 12% YoY, to USD36/MWh in 1Q17, on more wind availability and given the lower revenues from the sale of Renewable Energy Credits. PPA/Hedged/Feed-in, price was stable YoY, at USD49/MWh.

In Canada, avg. selling price was at CAD146/MWh YoY.

In Mexico, EDPR has a bilateral supply agreement under self-supply regime, that in 1Q17 was in the initial rump-up period.

Wind capacity under construction in North America totaled +278MW (all located in the US): +100MW Meadow Lake VI; +79MW Arkwright; +98 Quilt Bloack; and +99MW Red Bed Plains.

Last agreements respecting **institutional equity financing structures** were in 2016, namely: i) USD343m in 4Q16 of an institutional equity financing secured in Sep-16, in exchange for an interest in two wind projects, representing 328MW (250 MW Hidalgo wind farm, and 78 MW Jericho Rise wind farm); and ii) signed an institutional equity financing partnership amounting USD114m in Dec-16, in exchange for an interest in the 101 MW Amazon Wind Farm (Timber Road III).

In Brazil, EBITDA almost doubled (+80% YoY), at R\$20m in 1Q17. EBITDA evolution reflects: i) +120MW of new capacity on stream (Baixa do Feijão) and ii) 3p.p. increase in the avg. load factor to 33% vs. 1Q16; that more than offset the decrease in the avg. selling price to R\$223/MWh in 1Q17 from R\$363/MWh in 1Q16 due mainly to Baixa do Feijão lower PPA's price.

EDPR's installed capacity in Brazil (204MW) operates under long-term contracts providing visibility over cash-flow generation. From the 204MW installed capacity, 120MW started its operation in 1Q16, awarded according with an auction system with a PPA. Moreover, as of Dec-16 EDPR had 127MW **under construction**: JAU & Aventura wind project awarded with 20-year PPA to be due in 2017; and 140MW under development Babilônia wind farm, awarded with 20-year PPA, expected to be due in 2018.



- Energy is sold either under PPAs (up to 20 years), Hedges or Merchant prices; Green Certificates (Renewable Energy Credits, REC) subject to each state regulation
- Tax Incentive: (i) PTC collected for 10-years since COD (\$24/MWh in 2017); (ii) Wind farms beginning construction in 2009-10 could opt for 30% cash grant in lieu of PTC



- Feed-in Tariff for 20 years (Ontario)



- Bilateral Electricity Supply Agreement for 25 years under self-supply regime



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

EDP Renováveis: Spain & Portugal



Spain	1Q17	1Q16	Δ %	Δ Abs.
Installed capacity (MW)	2,194	2,194	0%	-
Avg. load factor (%)	31%	35%	-	-4 p.p.
Production (GWh)	1,442	1,658	-13%	-216
Prod. w/capac. complement (GWh)	1,322	1,527		
Standard production (GWh)	1,136	1,137		
Above/(below) std. prod. (GWh)	186	391		
Prod. w/o cap. complement (GWh)	120	131		
Avg. Price (€/MWh)	70.9	62.5	14%	+8
Total GWh: realised pool (€/MWh)	46.6	25.6	82%	+21
Regulatory adj. on std. GWh (€m)	-9	3		
Complement (€m)	50	44		
Hedging gains/(losses) (€m)	-15	14		
Gross profit (1)	102	103	-1%	-2
EBITDA (1)	64	67	-5%	-3
EBIT (1)	38	20	86%	+18
Installed capacity (MW Equity)	177	177	0%	-
Capex (€m)	17	1	1352%	+16
Capacity under construction (MW)	-	-	-	-

In **Spain**, EDPR installed capacity stood at 2,194MW in 1Q17 (MW EBITDA), to which accrues 177MW, equivalent to EDPR's equity position in other wind projects (equity-method consolidated).

EBITDA in Spain slightly decreased to €64m in 1Q17 from €67m in 1Q16, driven by a lower final output (-13% YoY, to 1.4TWh). Total production decreased in sequence of the sharp fall of wind resources, with the **avg. load factor** decreasing 4pp at 31%, in 1Q17 vs. 1Q16. **Average selling price** increased to 71€/MWh (+14% YoY) impacted by higher realised pool prices at €47/MWh in 1Q17 vs. €26/MWh in 1Q16, on commodity prices rebound in Iberia, leading to -€9m of regulatory adjustment⁽²⁾. Gains/losses from hedged capacity in Spain amounted -€15m in the period.

It is even worth of mentioning that the remuneration framework in Spain was revised in Feb-17, establishing the new parameters of remuneration for renewable energy assets for 2017-2019 which includes: an increase of wind profile coefficient to 14.79% from previous 11.11%; 2014-2016 regulatory adjustments; and new forecasted pool prices with defined caps and floors for the standard production.

As part of its risk-controlled strategy, EDPR hedged 1.5TWh at €45/MWh for 2Q17-4Q17. 91% of Spanish capacity is entitled to receive capacity complement.

In **Portugal**, EDPR owns a portfolio of 1,253MW, which includes 5MW of solar capacity (+3MW YTD). **EBITDA in Portugal amounted to €68m in 1Q17**, -€14m YoY, reflecting a decline in electricity production (877GWh in 1Q16 vs. 1,039GWh in 1Q17) penalized by the weaker load factor in Portugal (-5p.p. YoY). **Wind load factor** in Portugal was within the historical avg. in 1Q17 (wind factor: 1.00) vs. above the LT average wind load factor in 1Q16 (wind factor: 1.16). **Average selling price** was slightly higher YoY at €92/MWh in 1Q17, vs. €91/MWh, as a consequence of a different mix of wind farms in operation.

In line with the €2bn strategic partnership with CTG established in Dec-11, EDPR entered into agreement in Feb-17 to sell 49% of equity in a portfolio of 422 MW of wind farms in Portugal for a total amount of €242 million. These assets were part of ENEOP project and have been fully consolidated at EDPR following the conclusion of asset split process in 2015.

Portugal	1Q17	1Q16	Δ %	Δ Abs.
Installed capacity (MW)	1,253	1,247	1%	+6
Avg. Load factor (%)	33%	38%	-14%	-5 p.p.
Electricity output (GWh)	877	1,039	-16%	-162
Avg. selling price (€/MWh)	92	91	1%	+1
Gross profit	80	94	-15%	-14
EBITDA	68	82	-17%	-14
EBIT	54	66	-17%	-11
Installed capacity (MW Equity)	-	-	-	-
Capex (€m)	4	5	-16%	-1
Capacity under construction (MW)	-	2	-	-2



- Wind energy receives pool price and a premium per MW, if necessary, in order to achieve a target return established as 'Spanish 10-year Bond yields + 300bp'; Every 3 years, there will be revisions as to compensate deviations from the expected pool price
- Premium calculation is based on standard assets (standard load factor, production and costs)



- Older Wind farms: Feed-in Tariff updated with inflation and inversely correlated with load factor. Duration: 15 years (Feed-in tariff updated with inflation) + 7 years (extension cap/floor system: €74/MWh - €98/MWh)
- ENEOP: price defined in a international competitive tender and set for 15 years (or the first 33 GWh per MW) + 7 years (extension cap/floor system: €74/MWh - €98/MWh). Tariff for first year established at c.€74/MWh and CPI monthly update for following years
- VENTINVESTE: price defined in a international competitive tender and set for 20 years (or the first 44 GWh per MW)

(1) Includes hedging results in energy markets;

Rest of Europe	1Q17	1Q16	Δ %	Δ Abs.
Installed capacity (MW)	1,541	1,473	5%	+68
Avg. load factor (%)	32%	34%	-4%	-1 p.p.
Electricity output (GWh)	1,064	1,090	-2%	-26
Avg. selling price (€/MWh)	84	86	-2%	-2
Poland				
Installed capacity (MW)	418	418	0%	-
Avg. load factor (%)	31%	29%	5%	2 p.p.
Electricity output (GWh)	279	306	-9%	-28
Avg. selling price (PLN/MWh)	318	364	-13%	-46
EUR/PLN - Avg. Rate in period	4.32	4.36	1%	-0
Romania				
Installed capacity (MW)	521	521	0%	-
Avg. load factor (%)	38%	33%	16%	5 p.p.
Electricity output (GWh)	403	350	15%	+53
Avg. selling price (RON/MWh)	340	338	1%	+2
EUR/RON - Avg. Rate in period	4.52	4.49	-1%	+0
France				
Installed capacity (MW)	388	364	7%	+24
Avg. load factor (%)	30%	39%	-22%	-8 p.p.
Electricity output (GWh)	252	307	-18%	-55
Avg. selling price (€/MWh)	91	91	0%	+0
Belgium & Italy				
Installed capacity (MW)	215	171	26%	+44
Avg. load factor (%)	29%	34%	-13%	-4 p.p.
Electricity output (GWh)	131	126	4%	+4
Avg. selling price (€/MWh)	122	113	9%	+10
Gross profit	89	93	-4%	-4
EBITDA	66	79	-16%	-13
EBIT	46	56	-18%	-10
Capex (€m)	12	14	-10%	-1
Capacity under construction (MW)	18	24	-23%	-6

In **European markets outside of Iberia**, EDPR had a total installed capacity of 1,541MW in Mar-17, +68MW YoY (+44MW in Italy, and +24MW in France) and 18MW **under construction** in France.

EDPR's EBITDA in Rest of Europe decreased by 16% YoY, to €66m in 2016, largely impacted by i) a lower load factor at 32% in 1Q17 which compares with a load factor of 34% in 1Q16 (note that wind conditions in 1Q16 were above historical average) and ii) a slight decrease on the avg. selling price -2% (€84MWh in 1Q17 vs. €82MWh in 1Q16), both factors offsetting the higher avg. capacity on stream (+9%) and efficiency gains YoY.

In **Poland**, EDPR operates 418MW of wind capacity. **Wind output** decrease -9% in 1Q17 vs. 1Q16 at 279GWh in sequence of lower avg. capacity on stream (-11% YoY). It is worth noting that the reason behind this evolution has to do with the deconsolidation in the end of 1Q16 of 50MW, in order to complete the acquisition of the remaining stake of 35% in a 54MW wind farm that already fully consolidated. **Avg. load factor** was +2p.p. up YoY at 31%. **Average selling price** was 13% lower YoY, at PLN318/MWh driven by the green certificates' price.

In **Romania**, EDPR operates 521MW: 471MW in wind and 50MW of solar PV. **Wind output** increased 15% YoY, to 403GWh in 1Q17 (14MWh solar-based), propelled by an upper avg. load factor at 38% in 1Q17 vs. 33% in 1Q16. In turn **avg. selling price** was stable +1% at RON340/MWh in 1Q17.

In **France**, EDPR added 24MW of new wind capacity, raising its total installed capacity in the market to 388MW as of Mar-17. **Wind output** decreased 18% YoY, to 252GWh in 1Q17, impacted by a sharp fall in the avg. load factor (-9pp) at 30% in 1Q17. **Average tariff** stood at €91/MWh, flat YoY.

In **Belgium**, the 71MW in operation decreased its output by 22% YoY to 42GWh on the back of lower avg. load factor -7p.p. YoY. **Average selling price** was stable at €107/MWh YoY, reflecting the actual PPA price structure.

In **Italy**, EDPR operates a total portfolio of 144MW of wind technology in 1Q17 (+44MW added in the 3Q16). **Wind output** advanced 22% YoY to 89GWh, reflecting more avg. capacity on stream (which offset the lower load factor -3pp). **Average tariff** increased 7% YoY to €124/MWh, due to a different mix of wind farms in operation (auctions vs old regime).



- Price set either through bilateral contracts or selling to distributor at regulated price (PLN168.88/MWh for 2Q17); Wind receive 1 GC/MWh which can be traded in the market. Electric suppliers have a substitution fee (PLN300/MWh) for non compliance with GC obligation



- Wind assets (installed until 2013) receive 2 GC/MWh until 2017 and 1 GC/MWh after 2017 until completing 15 years; Wind assets (installed in 2013) receive 1.5 GC/MWh until 2017 and after 0.75 GC/MWh until completing 15 years. The GCs issued starting in Apr-2017 and the GCs postponed to trading from Jul-2013 will remain valid and may be traded until Mar-2032



- Feed-in tariff for 15 years: (i) €82/MWh up to 10th year, inflation updated; (ii) Years 11-15: €28/MWh @ 2,400 hours, decreasing to €28/MWh @ 3,600 hours, inflation updated



- Wind & solar energy sold at 'Market price + green certificate (GC)'; Separate GC prices with cap and floor for Wallonia (€65/MWh-100/MWh); Option to negotiate long-term PPAs



- Projects online before 2013 are (during 15 years) under a pool + premium scheme (premium=1x€180/MWh – "P-1")x0.78, being P-1 previous year average market price; Assets online from 2013 onwards were awarded a 20 years contract through competitive auctions

Regulated Networks & Regulatory Receivables in Iberia



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

Income Statement (€ m)	1Q17	1Q16	Δ %	Δ Abs.
Gross Profit	444	417	6%	+27
OPEX (1)	117	120	-3%	-4
Other operating costs (net)	63	63	0%	+0
Net Operating Costs	179	183	-2%	-4
EBITDA	265	234	13%	+30
Provisions	1	1	-42%	-1
Amortisation and impairment	82	82	-0%	-0
EBIT	182	150	21%	+31

EBITDA from regulated networks increased by 13% YoY (+€30m YoY), to €265m in the 1Q17, mainly impacted by higher gross profit and tight cost control.

Gross profit rose by 6% YoY (+€27m) in the 1Q17, reflecting: i) in Spain, higher regulated revenues in electricity distribution as a result of the new remuneration model (in place as from Jun-16 with effect to 1-Jan-16) and wider gas portfolio in the wake of acquisition of assets from Repsol; (ii) in Portugal, higher regulated revenues in electricity distribution, following an increase in RoRAB (from 6.38% in 1Q16 to 6.82% in 1Q17, prompted by higher average Portuguese Government 10-year bond yields).

Controllable operating costs fell by 3% YoY (-€4m), following lower costs per Km of network and lower personnel cost, on headcount reduction (-2%). **Capex** amounted to €73m in the 1Q17, including €8m invested in smart grids in Portugal.

Capex & Opex Performance	1Q17	1Q16	Δ %	Δ Abs.
Controllable Operating Costs (2)	111	115	-3%	-4
Cont. costs/customer (€/supply point)	16	17	-4%	-1
Cont. costs/km of network (€/Km)	430	446	-4%	-16
Employees (#)	3,695	3,775	-2%	-80
Capex (Net of Subsidies) (€m)	73	65	12%	+8
Network ('000 Km)	259	258	0.6%	+2

In Portugal, **total debt owed by the electricity system decreased by €55m during 1Q17**, from €5.1bn in Dec-16 to €5.0bn in Mar-17, benefiting from a decrease in the special regime overcost and higher pool prices

On 15-Dec-16, ERSE released 2017 electricity tariffs, according to which Portuguese electricity system's regulatory receivables should decline by €547m over 2017. Furthermore, the 2017 tariff update and decline in the system's regulatory receivables includes the impact of the government Ordinance nr. 268-B/2016, of 13-Oct-2016, which assumes that power generators under special regime, who benefited of guaranteed remuneration, will pay to the electricity system in 2017 an estimated amount of €140m relative to public grants received in the past.

Regulatory Receivables (€ m)	1Q17	1Q16	Δ %	Δ Abs.
Total Net Iberia Regulatory Receivables	769	2,490	-69%	-1,721
Portugal - Last Resort Supplier + Distribution + Gas				
Beginning of Period	744	2,021	-63%	-1,277
Recoveries in the period (3)	(683)	(239)	-186%	-444
Tariff deviation/deficit in the period	386	392	-2%	-7
Other (4)	(2)	17	-	-19
End of Period	445	2,191	-80%	-1,746
Portugal - CMEC's				
Beginning of Period	253	216	17%	+37
(Recovery)/Return in the Period	(51)	(47)	-7%	-3
Deviation in the period	55	61	-9%	-6
Other	(0)	-	n.m.	-0
End of Period	257	229	12%	+28
Spain - Tariff deficit				
Beginning of Period	68	70	-3%	-2
Previous periods tariff deficits (5)	-	-	-	-
Tariff deficit in the period	-	-	-	-
Other (4)	-1	-	-	-1
End of Period	67	70	-4%	-3

Regulatory receivables owed to EDP in Iberia fell by €1.8bn YoY (-69% vs. 1Q16), from €2.5bn in Mar-16 to €769m in Mar-17, driven by Portugal.

EDP's regulatory receivables from electricity distribution, last resort supply and gas distribution in Portugal fell from €744m in Dec-16 to €445m in Mar-17 driven by: **(1)** -€574m following the sale without recourse of the right to receive part of the 2015-17 tariff deficits; **(2)** +€331m of ex-ante tariff deficit for 2017, to be fully recovered under a 5-year payment schedule ending in 2021 and remunerated at 1.88% annual return; **(3)** -€108m recovered through tariffs related to negative previous years' deviations and to past tariff deficits; **(4)** +€61m of new electricity tariff deviations created in the 1Q17; and **(5)** -€8m net impact in gas distribution. The main drivers for new tariff deviations in the electricity in Portugal generated in the 1Q17 were: higher-than-expected price implicit in the electricity purchases by the last resort supplier (due to high spot prices) and lower revenues from stability measures. Note that the special regime overcost fell short of ERSE's assumption, in spite of 14% excess of production vis-à-vis ERSE's assumption in 1Q17.

Regulatory receivables from CMECs increased from €253m in Dec-16 to €257m in Mar-17 due to: **(1)** €51m recovered in the 1Q17 through tariffs, related to 2015 and 2016 negative deviations and **(2)** €55m negative deviation in the 1Q17, due to be received during 2017.

Regulatory receivables in Spain amounted to €67m in Mar-17, corresponding to the share of Naturgas in the gas tariff deficit in Spain.

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (2) Supplies & services and personnel costs; (3) 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. (4) Includes interest on tariff deviations; (5) Includes the recovery/payment of previous periods tariff deficits.

Electricity Distribution and Last Resort Supply in Portugal



Income Statement (€ m)	1Q17	1Q16	Δ %	Δ Abs.
Gross Profit	317	312	2%	+5
OPEX (1)	90	92	-2%	-2
Concession fees	64	63	1%	+1
Other operating costs (net)	(3)	(2)	-69%	-1
Net Operating Costs	151	153	-2%	-3
EBITDA	166	159	5%	+7
Provisions	0.9	1.5	-42%	-1
Amortisation and impairment	60	60	0%	+0
EBIT	106	98	8%	+8

Gross Profit Performance	1Q17	1Q16	Δ %	Δ Abs.
Gross Profit (€m)	317	312	2%	+5
Regulated gross profit	316	311	1%	+5
Non-regulated gross profit	1	1	24%	+0
Distribution Grid				
Regulated revenues (€ m)	305	299	2%	+6
Electricity distributed (GWh)	11,585	11,655	-0.6%	-70
Supply Points (th)	6,148	6,110	0.6%	+38
Last Resort Supply				
Regulated revenues (€ m)	10	12	-12%	-1
Customers supplied (th)	1,336	1,628	-18%	-291
Electricity sold (GWh)	928	1,363	-32%	-435

Capex & Opex Performance	1Q17	1Q16	Δ %	Δ Abs.
Controllable Operating Costs (2)	86	87	-2%	-2
Cont. costs/client (€/customer)	13.9	14.3	-3%	-0
Cont. costs/km of network (€/Km)	379	388	-2%	-9
Employees (#)	3,144	3,250	-3%	-106
Capex (Net of Subsidies) (€m)	58	51	12%	+6
Network ('000 Km)	226	225	0%	+1
Equival. interruption time (min.) (3)	13	13	0%	+0

EBITDA from electricity distribution and last resort supply (LRS) in Portugal increased 5% YoY to €166m in the 1Q17, mainly reflecting the mixed impact from gross profit and a tight cost control backed by: i) a €5m increase in regulated revenues from distribution, benefiting from a 44bp increase in rate of return on RAB and activity evolution (demand, supply points); which was partially offset by ii) the contraction of activity in last resort supply, prompted by the ongoing liberalisation process.

On 15-Dec-16, ERSE released the final version of **2017 electricity tariffs**, setting a 1.2% average tariff increase for normal low voltage (NLV) segment, applicable to clients in the regulated market (out of the Social Tariff). Accordingly, regulated revenues for 2017 amount to €1,199m in electricity distribution and €39m in the last resort electricity supply. Electricity distribution **regulated revenues** preliminarily set assume: (1) rate of return on assets (RoRAB) of 6.48% (reflecting an underlying avg. 10-year Portuguese bond yields of 2.93%); (2) an expected electricity demand in Portugal of 45.2TWh in 2017 (1.35% above 2016 electricity distributed); and (3) a GDP deflator of 1.5%.

In 1Q17, distribution grid regulated revenues increased by 2% YoY (+€6m), to €305m, prompted by a 44bp YoY increase in return on RAB, from 6.38% in 1Q16 to 6.82% in the 1Q17, which derived from the evolution of Portugal 10-year bond yields in the period as well as activity evolution. **Electricity distributed** was 0.6% lower in the 1Q17 (while supply points rose 0.6% YoY).

Last resort supplier (EDP SU) regulated revenues decreased 12% YoY (-€1m), to €10m in the 1Q17, as a result of consumers' switching to the free market. As part of the rules and calendar defined for the phasing out of regulated tariffs in Portugal, EDP SU can no longer contract new clients (since 1-Jan-13). The **volume of electricity supplied** by our LRS fell by 32% YoY, to 928GWh in the 1Q17. **Total number of clients supplied** declined by 291 thousand YoY (-18% vs. 1Q16), to 1,336 thousand in Mar-17 (representing near 22% of total electricity clients), mostly in the residential segment.

Controllable operating costs declined by 2% YoY (-€2m) in the 1Q17, supported by a 3% decrease in costs with client services and a 3% headcount reduction.

Capex was 12% higher YoY, at €58m in the 1Q17, including €8m invested in smart grids. The equivalent interruption time was stable YoY at 13 minutes in the 1Q17.

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (2) Supplies & services and personnel costs. (3) Adjusted for non-recurring impacts (rainstorms, high winds and summer fires).

Electricity and Gas Networks in Spain and Gas Networks in Portugal



Income Statement (€ m)	Electricity Spain				Gas Spain				Gas Portugal				Iberian Regulated Networks	1Q17	1Q16	% Δ	Abs. Δ	
	1Q17	1Q16	% Δ	Abs. Δ	1Q17	1Q16	% Δ	Abs. Δ	1Q17	1Q16	% Δ	Abs. Δ						
Gross Profit	55	41	32%	13	58	47	22%	10	15	16	-10%	-2	Number Supply Points (th)					
OPEX (1)	14	15	-9%	-1	9	9	4%	0	3	4	-16%	-1		Electricity Spain	662	660	0%	+3
Other operating costs (net)	0	1	-22%	-0	1	1	149%	1	0	0	2862%	0		Gas Spain	1,011	920	10%	+92
Net Operating Costs	14	16	-9%	-1	11	10	12%	1	4	4	-15%	-1	Gas Portugal	345	332	4%	+13	
EBITDA	40	26	57%	15	47	38	25%	9	11	12	-9%	-1	Energy Distributed (GWh)					
Provisions	-	-	-	0	-	-	-	0	-	-	-	0		Electricity Spain	2,350	2,363	-0.6%	-13
Amortisation and impairment	10	9	16%	1	12	10	21%	2	(0)	4	-	-4		Gas Spain	8,961	7,539	19%	+1,422
EBIT	30	17	79%	13	35	28	26%	7	11	8	36%	3	Gas Portugal	2,079	2,027	3%	+52	
Capex (net os subsidies)	6	6	11%	1	5	5	3%	0	4	3	30%	1	Network (Km)					
														Electricity Spain	20,528	20,407	1%	+120
														Gas Spain	8,117	7,719	5%	+398
													Gas Portugal	5,123	4,888	5%	+235	
Gross Profit	55	41	32%	13	58	47	22%	10	15	16	-10%	-2	Employees (#)					
Regulated Revenues	46	39	18%	7	47	41	15%	6	14	16	-10%	-2		Electricity Spain	302	294	3%	+8
Non-regulated gross profit	9	3	240%	6	10	6	74%	4	1	1	-12%	-0		Gas Spain	183	166	10%	+17
													Gas Portugal	66	65	2%	+1	

ELECTRICITY DISTRIBUTION IN SPAIN

EBITDA from our electricity distribution activity in Spain rose €15m YoY (+57% vs. 1Q16) in the 1Q17, to €40m, mainly reflecting final regulatory terms unveiled in Jun-16 (applicable as from 1-Jan-16). Electricity distributed by EDP España, mostly in the region of Asturias, slightly decreased in the 1Q17, to 2.4TWh (-0.6% YoY).

The final terms applicable to regulated revenues for electricity distribution under the regulatory framework designed in Dec-13 (Law 24/2013 and RDL 1048/2013 establishing the new regulatory framework for electricity distribution assets and encompassing a return on RAB equivalent to a 200bp premium over 10-year Spanish bond yields, equaling to 6.5%) were released in Jun-16, under the Ministerial orders IET 2660/2015 and IET980/2016. As a result, the respective terms are applicable for the period 2016-19.

GAS REGULATED NETWORKS IN SPAIN

In Dec-16, EDP integrated the liquefied propane gas (LPG) distribution assets, in Naturgas incumbent areas (Basque Country, Cantabria and Asturias regions), bought from Repsol for an enterprise value of €116 million. As a result, a total 82 thousand LPG supply points were accrued to our portfolio (+9% expansion). The expected contribution for annual EBITDA is €13m.

In the 1Q17, EBITDA from gas regulated activities in Spain amounted to €47m, showing a 25% YoY increase, mainly impacted by higher consumption in the period. Volume of gas distributed increased by 19% YoY, to 9.0TWh in the 1Q17, due to cold weather conditions in the period.

In Apr-17, EDP signed definitive agreements for the sale of 100% of gas distribution business in Spain (Naturgas Energía Distribución) for an Enterprise Value of €2,591m.

GAS REGULATED ACTIVITIES IN PORTUGAL

EBITDA from gas regulated activities in Portugal in the 1Q17 decreased to €11m (-€1m YoY), reflecting a return on RAB of 6.2% in 1Q17. Volume of gas distributed increased 3% YoY, to 2.1TWh in the 1Q17, broadly in line with customers' portfolio expansion.

In Apr-17, EDP announced the sale of gas distribution business in Portugal (Portgas) for an Enterprise Value of €532m.

The completion of the praforementioned transactions is subject to the customary regulatory approvals and is expected to occur by end of 2Q17 or early 3Q17.

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits

EDP Brasil: Financial Performance



Income Statement	Consolidated (R\$ m)				Consolidated (€ m)			
	1Q17	1Q16	Δ %	Δ Abs.	1Q17	1Q16	Δ %	Δ Abs.
Gross Profit	877	760	15%	+117	262	177	48%	+85
OPEX (1)	265	251	6%	+14	79	58	36%	+21
Other operating costs (net)	62	(305)	-	+367	19	(67)	-	+85
Net Operating Costs	327	(54)	-	+382	98	(8)	-	+106
EBITDA	550	814	-32%	-264	164	185	-11%	-21
Provisions	10	7	38%	+3	3	2	77%	+1
Amortisation and impairment	142	136	4%	+6	43	32	34%	+11
EBIT	397	670	-41%	-273	119	151	-22%	-33
Financial results	(147)	(191)	23%	+44	(44)	(44)	-1%	+0
Results from associates	(4)	(8)	58%	+5	(1)	(2)	-46%	+1
Pre-tax profit	246	471	-48%	-225	74	105	-30%	-32

Capex & Financial Investments	(R\$ m)				(€ m)			
	1Q17	1Q16	Δ %	Δ Abs.	1Q17	1Q16	Δ %	Δ Abs.
Capex	166	97	71%	+69	49	21	135%	+28
Financial Investm. in the period	35	139	-75%	-104	10	32	-68%	-22

In local currency, EDP Brasil ("EDPB") EBITDA decreased 32% YoY (-R\$264m) to R\$550m in 1Q17, impacted, by the capital gain of R\$278m in 1Q16 on the sale of Pantanal mini-hydro, booked at 'other operating income' level. **Adjusted by the above mentioned one-off effect**, EBITDA would have increased 3% YoY (+R\$14m). **Generation and Supply EBITDA** decreased by R\$64m to R\$357m, reflecting, for Pecém, the booking of an insurance revenue at Pecém in 1Q16 (R\$82m) and the negative impact of higher PLD YoY; for hydro, the slightly positive impact of GSF/secondary energy staying at 109% in 1Q17 (vs. 88% in 1Q16); and for supply, the positive impact of higher volumes and margins (+R\$26m YoY). **EBITDA in distribution** increased by R\$78m to R\$216m in 1Q17, impacted by growth on regulated gross profit (+R\$20m YoY); lower negative impact of overcontracting at EDP São Paulo (+R\$13m YoY); and higher demand (+R\$13m YoY). EBITDA in EUR terms was positively impacted by BRL appreciation against the EUR by 29% (+€36m).

Net operating costs increased by R\$382m YoY mostly due to the booking of the aforementioned capital gain at 'other operating income' level. At Opex level, costs increased 6%, 1% above avg. 1Q17 inflation, (IPCA rate of +4.6% YoY in Mar-17 and +4.9% YoY in 1Q17). Personnel costs increased 5% YoY, while supplies & services went up 6% YoY.

Energias do Brasil	1Q17	1Q16	Δ %	Δ Abs.
Share price at end of period (R\$/share)	13.95	12.04	16%	+1.91
Number of shares issued (million)	606.9	476.4	-	-
Treasury stock (million)	0.8	0.8	-	-
Number of shares owned by EDP (million)	310.8	243.0	-	-
Euro/Real - End of period rate	3.38	4.12	22%	-0.74
Euro/Real - Average of period rate	3.35	4.30	29%	-0.96
Inflation rate (IPCA - YoY)	4.6%	9.4%	-	-
Net Debt / EBITDA (x)	1.7	1.3	-	+0.4
Average Cost of Debt (%)	13.7	11.0	-	2.7p.p.
Average Interest Rate (CDI)	12.7	13.7	-	-1.0p.p.
Employees (#)	2,895	2,914	-1%	-19

Key Balance Sheet Figures (R\$ Million)	1Q17	1Q16	Δ %	Δ Abs.
Financial investm, assets held for sale	1,213	984	23%	+229
Net financial debt	3,544	4,498	-21%	-954
Regulatory receivables	(392)	318	-	-710
Non-controlling Interests	1,469	1,698	-13%	-229
Equity book value	7,709	6,161	25%	+1549

Financial Results (R\$ Million)	1Q17	1Q16	Δ %	Δ Abs.
Net Interest Costs	(132)	(144)	9%	+12
Capitalised Costs	2	0	453%	+2
Forex Differences and Derivatives	2	(61)	-	+63
Other	(19)	14	-	-33
Financial Results	(147)	(191)	23%	+44

Net financial debt decreased €1bn vs. Mar.-16 at R\$3.5bn, much due to the capital increase, whose R\$1.5bn proceeds were applied on an early payment in Jun-16 of a R\$300m debt at EDPB holding level, which was costing ~16% (118.7% of average interest rate - CDI), and on another early payment in Dec-16 of a R\$923m debt at Pecém level, allowing savings close to 200bp vs. marginal refinancing cost. **Net financial costs** decreased 23% YoY to R\$147m in 1Q17, reflecting the positive impact of the above mentioned liability management. Worth noting that interest rates have been declining in Brazil: CDI stood at 12.7% by Mar-17 vs. 14.0% by Dec-16.

Results from associates totalled -R\$4m in 1Q17, reflecting a negative contribution from Cachoeira-Caldeirão (-R\$4m in 1Q17) commissioned in 2016, but also from São Manoel (-R\$1m), offset by Jari hydro power plant (+R\$1m in 1Q17).

As of Mar-17, hydro reservoirs in the Southeast/Center-West ("SE-CW") regions were at ~41% of their maximum level (vs. 58% in Mar-16). Secondary energy/GSF stood at 108.5% in 1Q17, as many producers postponed "deliverable" volumes for later quarters through their seasonality strategy. Nevertheless, rainfall volumes have been scarcer than expected and a significant hydro deficit is still expected to occur in 2017. Some demand recovery has been observed in 1Q17 (+2.8% YoY).

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits.

Brazil: Electricity Distribution



Income Statement (R\$ m)	1Q17	1Q16	Δ %	Δ Abs.
Gross Profit	460	329	40%	+130
OPEX (1)	182	167	9%	+14
Other operating costs (net)	62	24	154%	+38
Net Operating Costs	244	192	27%	+52
EBITDA	216	137	57%	+78
Provisions	9	7	30%	+2
Amortisation and impairment	48	47	2%	+1
EBIT	159	84	90%	+75

Gross Profit Performance	1Q17	1Q16	Δ %	Δ Abs.
Gross Profit (R\$ m)	460	329	40%	+130
Regulated revenues	429	409	5%	+20
Other	30	(80)	-	+110

Regulatory Receivables (R\$ m)				
Beginning of period	(392)	602	-	-993
Past deviations	98	(186)	-	+284
Annual deviation (2)	(99)	(231)	-57%	+132
CDE/ACR Account (3)	-	-	-	-
End of period	(392)	318	-	-710
Customers Connected (th)				
EDP São Paulo	1,815	1,774	2%	+41
EDP Espírito Santo	1,522	1,487	2%	+34
Electricity Distributed (GWh)				
EDP São Paulo	3,649	3,600	1.4%	+50
EDP Espírito Santo	2,619	2,656	-1.4%	-37
From which:				
To customers in Free Market (GWh)	2,703	2,319	17%	+384
Electricity Sold (GWh)				
EDP São Paulo	1,965	2,211	-11%	-246
Resid., Comm. & Other	1,648	1,731	-5%	-83
Industrial	317	480	-34%	-163
EDP Espírito Santo	1,596	1,726	-8%	-130
Resid., Comm. & Other	1,434	1,473	-3%	-39
Industrial	162	253	-36%	-91

Capex & Opex Performance	1Q17	1Q16	Δ %	Δ Abs.
Controllable Operating Costs (4)	182	167	9%	+14
Cont. costs/customer (R\$/customer)	54	51	6%	+3
Cont. costs/km (R\$/Km)	2	2	7%	+0
Employees (#)	2,143	2,167	-1%	-24
Capex (net of subsidies) (R\$m)				
Network ('000 Km)	141	70	102%	+71
	92	91	1%	+1

EBITDA from our electricity distribution activity in Brazil increased by R\$78m YoY to R\$216m in 1Q17, mostly due to (i) the positive impact of 2016's tariff revisions on regulated gross profit (+R\$20m); (ii) the lower YoY negative impact of overcontracting at EDP São Paulo (-R\$4m in 1Q17 vs. -R\$17m in 1Q16); (iii) higher demand (+R\$13m vs. 1Q16); and (iv) booking in 1Q17 of some positive adjustments related to previous quarters.

Gross profit went up 40% YoY to R\$460m in 1Q17, mostly due to the abovementioned positive impacts. Worth noting that EDP São Paulo saw some over-contracted volumes (-R\$4m in 1Q17), since the volumes of energy procurement it contracted surpassed by more than 5% of the volumes demanded by clients. The 105% ratio between volumes procured/sold is the threshold after which any gain/loss from the sale of energy surplus in the spot market is not passed-through into tariffs, and in 1Q17 it has been originating a loss due to a lower spot price (PLD) than long term sourcing contracted prices.

Electricity distributed increased slightly in 1Q17 by 0.2% vs. 1Q16, lower than the increase in the number of clients in the same period (+2%). Nevertheless, **volumes of electricity sold** decreased 10% YoY in 1Q17, translating a reduction of 35% in industrial demand. At the same time, **volumes distributed** to industrial clients in the free market increased 17% YoY to 2.7TWh in 1Q17, reflecting the migration from clients from fully regulated tariffs to the liberalized market.

The trajectory of lower non-technical losses observed in the recent quarters was maintained, in spite of the economic situation. Non-technical losses in the low-voltage segment have decreased both for EDP Espírito Santo, reaching 13.1% in 1Q17 (-0.4pp vs. 4Q16), as well as for EDP São Paulo, whose level stood at 9.6% in 1Q17 (-0.4pp vs. 4Q16). Provisions for doubtful clients continued to show some resistance in 1Q17 at R\$29m (-R\$3m vs. 1Q16), derived from the economic situation but also due to the significant tariff increases of the recent past. EDPB keeps tackling the situation through increased proximity to clients.

As of Mar-17, **regulatory receivables** are negative (in fact, regulatory payables) and amounted to -R\$392m (flat vs. Dec-16). In 1Q17, a R\$99m positive tariff deviation was created, essentially related to lower energy costs than the ones incorporated in the tariffs. Additionally, R\$98m were recouped by the system regarding past deviations. All in all, regulatory receivables were flat vs. Dez-16, to -R\$392m as of Mar-16, to be paid back to the system in the following years. Tariff revisions at EDP Espírito Santo in Aug-16 (+3% tariff update) and EDP São Paulo in Oct-16 (-24% tariff update) already consider the current negative regulatory receivables to be recovered by the system. Note that real post-tax WACC of 8.1% is being applied to distribution on the 4th revision cycle, which started for EDP São Paulo in Oct-15 and in Aug-16 for EDP Espírito Santo.

Controllable operating costs increased 9% YoY to R\$182m in 1Q17, driven by an increase in supplies and services, due to higher expenses with O&M, IT and clients' services. **Other operating costs** were up R\$38m YoY, translating a gain of R\$30m in 1Q16 with the update on the concessions assets' residual value in 1Q16, now registered at gross profit level (R\$5m in 1Q17). **Distribution capex** was up R\$71m to R\$141m in 1Q17, following a stronger focus on capex on customer services activities and to the reinforcement of the network's quality of service.

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits;
(4) S&S and Personnel costs.

(2) Net of extraordinary tariff increase and tariff flags impacts;

(3) Including financial update of the corresponding regulatory assets/liabilities;

Brazil: Electricity Generation and Supply



Income Statement (R\$m)	Generation			
	1Q17	1Q16	Δ %	Δ Abs.
Gross Profit	383	424	-10%	-41
OPEX (1)	51	54	-5%	-3
Other operating costs (net)	(1)	(54)	-	+52
Net Operating Costs	50	0	-	+50
EBITDA	333	423	-21%	-90
Provisions	0	0	219%	+0
Amortisation and impairment	90	85	5%	+4
EBIT	243	338	-28%	-95

Key Data	1Q17	1Q16	Δ %	Δ Abs.
Gross Profit (R\$ m)	383	424	-10%	-41
Hydro	259	260	-1%	-1
PPA contracted revenues & Other	243	253	-4%	-11
GSF impact (net of hedging)	16	7	133%	+9
Thermal	124	164	-24%	-39
PPA contracted revenues	200	183	9%	+17
Other	(76)	(20)	-285%	-56
Installed Capacity (MW)	2,466	2,466	0%	+0
Hydro	1,746	1,745	0%	+0
Thermal	720	720	-	-
Installed Capacity (MW Equity)	296	187	59%	+110
Electricity Sold (GWh)	3,107	3,497	-11%	-390
PPA contracted	2,722	2,986	-9%	-264
Hydro	1,731	1,976	-12%	-246
Thermal	991	1,009	-2%	-18
Other	385	511	-25%	-126
Avg. Hydro PPA Sale Price (R\$/MWh) (2)	175	160	9%	+15
Capex (R\$ m)	20	20	0%	+0
Financial Investments (R\$ m)	35	139	-75%	-104
Employees (#)	531	278	91%	+253

EBITDA Breakdown (R\$ m)	1Q17	1Q16	Δ %	Δ Abs.
Pecém (100%)	96	201	-52%	-104
Lajeado (73% owned by EDPB)	108	93	15%	+14
Peixe Angical (60% owned by EDPB)	65	70	-7%	-5
Other (100%)	64	59	8%	+5
EBITDA	333	423	-21%	-90

Supply	1Q17	1Q16	Δ %	Δ Abs.
Gross profit (R\$ m)	33	6	412%	+26
Net Operating costs (R\$ m)	9	9	-1%	-0
EBITDA (R\$ m)	24	(3)	-	+26
Electricity sales (GWh)	3,131	2,556	23%	+575

EBITDA from our electricity generation activities in Brazil went down 21% YoY (-R\$90m in 1Q17) to R\$333m in 1Q17, reflecting (i) lower EBITDA at Pecém coal plant (-R\$104m YoY), mostly due to the booking of an insurance compensation revenue in 1Q16 (R\$82m), but also due to higher spot prices in 1Q17 vs. 1Q16, which were partly offset by (ii) slightly higher EBITDA at our hydro plants, benefiting from GSF/secondary energy of 108.5% in 1Q17, even though 2017 should still register an impactful hydro deficit, particularly in the light of higher expected spot energy price (PLD).

Hydro gross profit was almost flat YoY in 1Q17 at R\$259m, mostly due to the above mentioned positive impact of GSF/secondary energy (109% in 1Q17 vs. 88% in 1Q16). The combined effect of GSF/secondary energy, the hydro insurance (for GSF<92%) and volumes left uncontracted for hedging purposes allowed for a positive impact of R\$16m in 1Q17 vs. R\$7m in 1Q16. In this context, the **avg. price of hydro** volumes, which reached R\$175/MWh in 1Q17, was 9% higher YoY (PPA prices are inflation updated). Additionally, **hydro volumes sold** have decreased by 12%, mostly due to (i) the sale of Pantanal mini-hydro in Jan-16; and (ii) the end of some PPAs in Peixe Angical hydro plant in Jan-16; and (iii) a seasonality strategy defined in Dec-16 that allocated lower volumes to the 1Q17 (vs. 1Q16), much like most players did. Note that since then the market expectations on PLD for the subsequent quarters increased (avg. PLD at R\$155/MWh in 1Q17 vs. R\$35/MWh in 1Q16, and currently at R\$331/MWh).

Pecém's gross profit was R\$124m in 1Q17 (-R\$39m YoY), of which R\$200m relative to PPA fixed revenues. Availability stood at 94% in 1Q17 vs. 90% in 1Q16, even though the quarter's EBITDA was negatively impacted by (i) higher PLD in the 1Q17 vs. 1Q16, leading to higher costs with short term energy purchases; and (ii) a reinforcement on the provision for penalties on unavailability due to expectations of higher PLD going forward. Worth noting that Pecém's EBITDA in 1Q16 was positively impacted (R\$82m) by an insurance recovery related with a large maintenance in one of the plant's groups in 2014. Additionally, the impact of R\$31m registered in the 4Q16 related with the emergency charge on water usage to keep operating the plant in light of the drought in the state of Ceará was revised due to less impactful charges and thus a provision reduction of R\$17m was registered in 1Q17. All in all, if excluding for the impact of the insurance in 1Q16 and the reversion of the provision for water usage in 1Q17, EBITDA would have fallen R\$39m YoY, reaching R\$79m.

EDPB operates 2.8GW of capacity, of which 0.3GW are equity consolidated. Equity accounted capacity refers to a 50% equity stake in **Santo Antônio do Jari** hydro power plant (373MW) and to a 50% equity stake in **Cachoeira-Caldeirão** hydro power plant (219MW, entirely online since Aug-16), both in partnership with CTG. In 1Q17, our 50% stake in Jari contributed with a net gain of R\$1m (+R\$8m YoY), reflecting the impact of the inflation adjustment on PPA prices. Cachoeira-Caldeirão, whose PPA started in Jan-17, contributed with a net loss of R\$4m (@50%) impacted by interest costs, given the initial stage of the asset's life. São Manoel, a 700MW project (33.3%-owned by EDPB in partnership with CTG and Furnas), contributed with a net loss of R\$1m.

Capex was flat YoY at R\$20m in 1Q17 corresponding mostly to maintenance works in Pecém. Note that equity investments devoted to São Manoel hydro project is classified as 'financial investments' (equity-method accounted) and in 1Q17, **financial investments** totalled R\$35m, which were devoted to São Manoel's construction works. **São Manoel** is under construction (85% concluded) and has a PPA starting in May-18.

Electricity supply gross profit increased 412% YoY (+R\$26m) to R\$33m in 1Q17, reflecting higher volumes and higher margins.



Income Statements & Annex

Income Statement by Business Area



1Q17	Generation & Supply Iberia	Regulated Networks Iberia	EDP Renováveis	EDP Brasil	Corpor. Activ. & Adjustments	EDP Group
(€m)						
Revenues from energy sales and services and other	2,192	1,576	467	731	(734)	4,233
Gross Profit	359	444	460	262	(2)	1,523
Supplies and services	69	81	76	44	(44)	227
Personnel costs and employee benefits	39	35	24	35	38	171
Other operating costs (net)	49	63	(13)	19	(4)	114
Operating costs	158	179	87	98	(10)	512
EBITDA	201	265	373	164	8	1,011
Provisions	(0)	1	0	3	0	4
Amortisation and impairment (1)	92	82	131	43	12	359
EBIT	109	182	242	119	(4)	648

1Q16	Generation & Supply Iberia	Regulated Networks Iberia	EDP Renováveis	EDP Brasil	Corpor. Activ. & Adjustments	EDP Group
(€m)						
Revenues from energy sales and services and other	2,292	1,533	459	493	(991)	3,787
Gross Profit	511	417	452	177	(10)	1,547
Supplies and services	66	84	69	32	(45)	205
Personnel costs and employee benefits	32	36	24	26	43	161
Other operating costs (net)	74	63	(19)	(67)	(1)	51
Operating costs	172	183	73	(8)	(3)	417
EBITDA	339	234	379	185	(7)	1,130
Provisions	(0)	1	-	2	0	3
Amortisation and impairment (1)	91	82	147	32	13	366
EBIT	247	150	232	151	(21)	760

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

Quarterly Income Statement



Quarterly P&L (€ m)	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	Δ YoY %	Δ QoQ %
Revenues from energy sales and services and other	3,787	3,361	3,437	4,011	4,233				12%	6%
Cost of energy sales and other	(2,240)	(1,938)	(2,143)	(2,536)	(2,710)				-21%	-7%
Gross Profit	1,547	1,423	1,294	1,475	1,523				-2%	3%
Supplies and services	205	230	239	273	227				10%	-17%
Personnel costs and Employee Benefits	161	162	163	174	171				6%	-1%
Other operating costs (net)	51	93	66	161	114				124%	-29%
Operating costs	417	486	468	608	512				23%	-16%
EBITDA	1,130	937	826	867	1,011				-11%	17%
Provisions	3	(8)	(10)	(0)	4				24%	-
Amortisation and impairment (1)	366	378	371	395	359				-2%	-9%
EBIT	760	567	465	472	648				-15%	37%
Financial Results	(180)	(228)	(227)	(257)	(197)				-9%	23%
Share of net profit in joint ventures and associates	(8)	3	2	(19)	(1)				92%	97%
Profit before income tax and CESE	573	342	240	196	450				-21%	130%
Income taxes	152	91	57	(211)	66				-57%	-
Extraordinary contribution for the energy sector	59	-	2	1	70				18%	n.m.
Net Profit for the period	362	251	181	406	315				-13%	-22%
Net Profit Attributable to EDP	263	209	143	346	215				-18%	-38%
Non-controlling Interests	100	42	38	60	100				0%	65%

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

EDP - Installed capacity & electricity generation



Technology	Installed Capacity - MW (1)				Electricity Generation (GWh)				Electricity Generation (GWh)							
	1Q17	1Q16	Δ MW	Δ %	1Q17	1Q16	Δ GWh	Δ %	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
Iberia (Ex-Wind & Solar)	13,417	12,676	741	6%	9,241	10,632	-1,391	-13%	10,632	8,989	8,255	8,783	9,241			
Hydro	6,913	6,171	741	12%	2,948	6,394	-3,446	-54%	6,394	5,615	1,995	2,138	2,948			
Portugal	6,486	5,745			2,773	5,934			5,934	5,313	1,918	2,046	2,773			
Pumping activity	2,537	1,751			-550	-464			-464	-321	-256	-397	-550			
Run of the river	2,435	2,479			1,364	3,122			3,122	3,012	929	1,098	1,364			
Reservoir	4,052	3,266			1,409	2,811			2,811	2,301	989	948	1,409			
PPA/CMEC	2,663	2,663	0	0%	1,261	2,854	-1,593	-56%	2,854	2,462	916	947	1,261			
Liberalised	3,823	3,082	741	24%	1,512	3,080	-1,568	-51%	3,080	2,851	1,002	1,099	1,512			
Spain	426	426	0	0%	175	460	-285	-62%	460	301	77	92	175			
CCGT	3,736	3,736	0	0%	1,713	465	1,248	268%	465	552	1,909	2,316	1,713			
Portugal	2,039	2,039	0	0%	1,105	232	873	377%	232	381	1,404	1,586	1,105			
Ribatejo (3 groups)	1,176	1,176			473	168			168	314	466	700	473			
Lares (2 groups)	863	863			631	63			63	67	938	886	631			
Spain	1,698	1,698	0	0%	608	234	375	160%	234	171	505	730	608			
Castejón (2 groups)	843	843			389	135			135	161	503	488	389			
Soto IV & V (2 groups)	854	854			219	99			99	9	2	242	219			
Coal	2,404	2,404	0	0%	4,053	3,106	947	30%	3,106	2,299	3,916	3,910	4,053			
Portugal - Sines (4 groups)	1,180	1,180	0	0%	2,192	1,773	419	24%	1,773	1,530	2,505	2,274	2,192			
Spain	1,224	1,224	0	0%	1,860	1,333	528	40%	1,333	769	1,411	1,637	1,860			
Aboño I	342	342			508	309			309	452	561	667	508			
Aboño II	536	536			1,006	854			854	194	547	480	1,006			
Soto Ribera III	346	346			346	170			170	123	303	490	346			
Nuclear - Trillo (15.5%)	156	156	0	0%	333	330	3	1%	330	230	338	341	333			
Other	209	209	0	0%	193	337	-143	-43%	337	293	96	79	193			
Portugal	184	184	0	0%	163	311	-148	-47%	311	262	65	67	163			
Small-Hydro	159	159			148	259			259	214	27	50	148			
Cogeneration	24	24			15	52			52	48	39	17	15			
Spain - Cogenerat. & Waste	25	25	0	0%	30	26	5	18%	26	31	31	12	30			
Wind	9,969	9,269	700	8%	7,690	7,508	182	2%	7,508	5,733	4,695	6,397	7,690			
Iberia	3,443	3,439	4	0%	2,318	2,696	-378	-14%	2,696	1,933	1,667	1,674	2,318			
Portugal	1,249	1,245			876	1,038			1,038	711	564	730	876			
Spain	2,194	2,194			1,442	1,658			1,658	1,221	1,102	945	1,442			
North America	4,831	4,203	628	15%	4,175	3,680	495	13%	3,680	3,033	2,262	3,532	4,175			
US	4,601	4,173			4,059	3,657			3,657	3,018	2,249	3,510	4,059			
Canada	30	30			22	23			23	16	14	23	22			
Mexico	200	0			93	0			0	0	0	0	93			
Rest of Europe	1,491	1,423	68	5%	1,050	1,078	-27	-3%	1,078	616	532	964	1,050			
Brazil	204	204	0	0%	147	54	93	170%	54	151	234	226	147			
Solar	85	82	3	3%	28	27	2	6%	27	46	44	22	28			
Brazil (Ex-Wind)	2,466	2,466	0	0%	2,262	2,805	-543	-19%	2,805	2,045	1,879	2,151	2,262			
Hydro	1,746	1,745	0	0%	1,270	1,666	-396	-24%	1,666	844	878	1,059	1,270			
Lajeado	903	903			618	903			903	399	394	412	618			
Peixe Angical	499	499			410	580			580	327	400	353	410			
Energest	345	344			242	183			183	119	84	294	242			
Coal (Pecém I)	720	720	0	0%	991	1,138	-147	-13%	1,138	1,201	1,001	1,092	991			
TOTAL	25,937	24,493	1,444	6%	19,221	20,972	-1,751	-8%	20,972	16,813	14,873	17,353	19,221			

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

EDP - Volumes distributed, customers connected and networks



ELECTRICITY

Electricity Distributed (GWh)	1Q17	1Q16	Δ GWh	Δ %
Portugal	11,585	11,655	-70	-0.6%
Very High Voltage	550	514	36	7.0%
High / Medium Voltage	5,252	5,157	95	1.8%
Low Voltage	5,783	5,984	-201	-3.4%
Spain	2,350	2,363	-13	-0.6%
High / Medium Voltage	1,744	1,727	17	1.0%
Low Voltage	606	636	-30	-4.7%
Brazil	6,268	6,256	13	0.2%
Free Customers	2,574	2,153	421	19.6%
Industrial	480	734	-254	-34.6%
Residential, Comercial & Other	3,214	3,369	-154	-4.6%
TOTAL	20,203	20,273	-70	-0.3%

Customers Connected (th)	1Q17	1Q16	Abs. Δ	Δ %
Portugal	6,148	6,110	37.9	0.6%
Very High / High / Medium Voltage	25	24	0.4	1.6%
Special Low Voltage	35	35	0.6	1.8%
Low Voltage	6,088	6,051	36.9	0.6%
Spain	662	660	2.6	0.4%
High / Medium Voltage	1	1	0.0	1.8%
Low Voltage	661	659	2.5	0.4%
Brazil	3,337	3,262	75.6	2.3%
EDP São Paulo	1,815	1,774	41.2	2.3%
EDP Espírito Santos	1,522	1,487	34.4	2.3%
TOTAL	10,147	10,031	116.1	1.2%

Networks	1Q17	1Q16	Abs. Δ	Δ %
Lenght of the networks (Km)	337,673	335,868	1,805	0.5%
Portugal	225,606	224,837	769	0.3%
Spain	20,528	20,407	120	0.6%
Brazil	91,539	90,624	915	1.0%

Losses (% of electriciry distributed)				
Portugal (1)	11.2%	10.1%	1.2 pp	
Spain	4.7%	4.9%	-0.2 pp	
Brazil				
EDP São Paulo	8.8%	9.3%	-0.6 pp	
Technical	5.5%	5.5%	-0.0 pp	
Comercial	3.2%	3.8%	-0.6 pp	
EDP Espírito Santo	13.7%	13.6%	0.1 pp	
Technical	8.6%	8.2%	0.3 pp	
Comercial	5.1%	5.3%	-0.2 pp	

GAS

Gas Distributed (GWh)	1Q17	1Q16	Δ GWh	Δ %
Portugal	2,079	2,027	52	2.6%
Low Pressure	404	410	-6	-1.5%
Medium Pressure	1,669	1,610	59	3.6%
LPG	7	7	-0	-2.3%
Spain	8,961	7,539	1,422	18.9%
Low Pressure	3,606	3,007	599	19.9%
Medium Pressure	5,238	4,532	706	15.6%
LPG	117	-	117	-
TOTAL	11,041	9,566	1,474	15.4%

Supply Points (th)	1Q17	1Q16	Abs. Δ	Δ %
Portugal	345	332	13	3.8%
Low Pressure	340	327	14	4.2%
Medium Pressure	1.5	1.4	0.1	6.5%
LPG	3.0	4.1	-1.1	-27.5%
Spain	1,011	920	92	10.0%
Low Pressure	928	919	9	1.0%
Medium Pressure	0.7	0.7	0	-1.0%
LPG	83	-	83	-
TOTAL	1,356	1,252	104.2	8.3%

Networks	1Q17	1Q16	Abs. Δ	Δ %
Lenght of the networks (Km)	13,240	12,607	633	5.0%
Portugal	5,123	4,888	235	4.8%
Spain	8,117	7,719	398	5.2%

Financial investments & Assets for Sale / Non-controlling interests

Financial investments & Assets for Sale	Attributable Installed Capacity - MW (1)				Share of profit (2) (€ m)				Book value (€ m)			
	1Q17	1Q16	Δ MW	Δ %	1Q17	1Q16	Δ MW	Δ %	1Q17	1Q16	Δ MW	Δ %
EDP Renováveis	356	356	0	0%	-2	-7	6	-77%	343	324	19	6%
Spain	177	177										
US	179	179										
Other	0	0										
EDP Brasil	296	187	110	59%	-1	-2	1	-46%	359	239	120	50%
Jari	187	187			0	-2						
Cachoeira-Caldeirão	110	0			-1	0						
São Manoel	0	0			0	0						
Iberia (Ex-wind) & Other	41	41	0	0%	2	2	1	42%	307	317	-10	-3%
Portugal - Biomass (Bioelectrica)	32	32										
Spain - Cogeneration & Waste	10	10										
Macao - Distribution (CEM)												
Other												
Assets Held for Sale			0	-	N/A	N/A			2,755	0	2,755	n.m.
Portgas												
Naturgas Distribución												
TOTAL	693	584	110	19%	-1	-8	7	-92%	3,764	880	2,884	328%

Non-controlling interests	Attributable Installed Capacity - MW (1)				Share of profits (2) (€ m)				Book value (€ m)			
	1Q17	1Q16	Δ MW	Δ %	1Q17	1Q16	Δ MW	Δ %	1Q17	1Q16	Δ MW	Δ %
EDP Renováveis	4,783	3,936	847	22%	72	60	13	21%	2,874	2,409	466	19%
At EDPR level:	2,521	1,832	689	38%	57	42	15	36%	1,488	1,053	434	41%
Iberia	644	378										
North America	1,220	1,122										
Rest of Europe	557	232										
Brazil	100	100										
22.5% attributable to free-float of EDPR	2,262	2,104	158	8%	15	18	-2	-14%	1,387	1,355	32	2%
EDP Brasil	1,814	1,814	0	0%	27	40	-13	-32%	1,592	1,195	396	33%
At EDP Brasil level:	606	606	0	0%	7	8	-1	-13%	435	412	22	5%
Hydro	606	606										
Other	0	0										
49% attributable to free-float of EDP Brasil	1,208	1,208	0	0%	20	32	-12	-37%	1,157	783	374	48%
Iberia (Ex-wind) & Other	12	12	0	0%	0	0	0	-25%	-38	88	-126	-
TOTAL	6,609	5,761	847	15%	99	100	0	0%	4,428	3,692	736	20%

(1) MW attributable to associated companies & JVs and non-controlling interests; (2) Share of profit in JVs & associates and from non-controlling interests; Assets for sale not included



Main Events 1Q17

EDP among the five best energy brands in the world

EDP was shortlisted for the Charge Energy Branding Awards, in the Best Energy Brand category. The aim of these global awards is to draw attention to the need for a strong brand in a fast-changing environment, such as the energy sector.

EDP distinguished for the promotion of equal opportunities in the workplace

EDP was ranked 12th in the first edition of the Thomson Reuters Diversity & Inclusion Index and Ratings (D&I). This analysis evaluates the performance of 4,200 listed companies with regard to respect for diversity in the workplace environment.

EDP is part of the Dow Jones Sustainability World Index

EDP is part of the Dow Jones Sustainability World Index for the 9th year running, ranking among the top 5 electric utilities in the world.

EDP Internal Sustainability Index (base 2010-12)

	1Q17	1Q16	Δ %
Sustainab. Index (a)(b)(c)	99	100	-1%
Environmental %Weight	94 33%	91 33%	3%
Economic %Weight	98 37%	102 37%	-5%
Social %Weight	107 30%	108 30%	0%

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

Economic Metrics

	1Q17	1Q16	Δ %
Economic Value (€m)	4,448	4,254	5%
Distributed	3,809	3,456	10%
Accumulated	639	798	-20%
Energy Serv. Revenues (1)	311	320	-3%
Energy Efficiency Serv.	25	21	-

Social Metrics

	1Q17	1Q16	Δ %
Employees	11,859	11,939	-1%
Total hours of training	58,639	49,326	19%
On-duty Accidents (d)(e)	6	6	0%
Severity Rate (Tg) (d)	113	99	14%
Freq. rate (Tf) (d)	1.1	1.1	5%
Fatal accidents (3rds)	3	1	200%

Environmental Metrics

	1Q17	1Q16	Δ %
Absolute Atmospheric Emissions (kt)			
CO2 (b)(f)	5,211	5,099	2%
NOx	4.2	4.2	-1%
SO2	6.8	4.7	44%
Particle	0.331	0.260	27%

Specific Atmospheric Emissions (g/KWh)			
CO2 (b)(g)	272.6	244.8	11%
NOx	0.22	0.20	9%
SO2	0.35	0.23	54%

GHG emissions (ktCO2 eq)			
Direct Emissions (scope 1) (b)	5,216	4,269	22%
Indirect emissions (scope 2) (c)(d)	191	128	49%

Primary Energy Consumption (TJ) (g)	64,147	48,858	31%
Max. Net Certified Capacity (%)	90%	91%	-1.6p.p.
Water Use (10⁶ m³)	424,052	379,329	12%
Total Waste to final disposal (t)	112,175	117,853	0%

Environmental Matters (€ th)	22,494	17,597	28%
Investments	9,099	4,707	93%
Expenses	13,395	12,891	4%

Environmental Fees and Penalties (€)	750	5,763	-87%
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Environmental Metrics - CO2 Emissions

CO2 Emissions	Absolute (ktCO2) (b)		Specific (t/MWh)		Generation (GWh)	
	1Q17	1Q16	1Q17	1Q16	1Q17	1Q16
Iberia	4,167	3,753	0.69	0.97	6,042	3,878
Coal	3,477	3,440	0.86	1.11	4,053	3,106
CCGT	656	202	0.38	0.43	1,713	465
Cogeneration + Waste	34	111	0.12	0.36	276	306
Brazil	1,044	1,346	1.05	1.20	991	1,124
Coal (PPA contracted)	1,044	1,346	1.05	1.20	991	1,124
Thermal Generation	5,211	5,099	0.74	1.02	7,033	5,002
CO ₂ Free Generation					12,086	15,828
CO ₂ Emissions			0.27	0.24	19,118	20,830

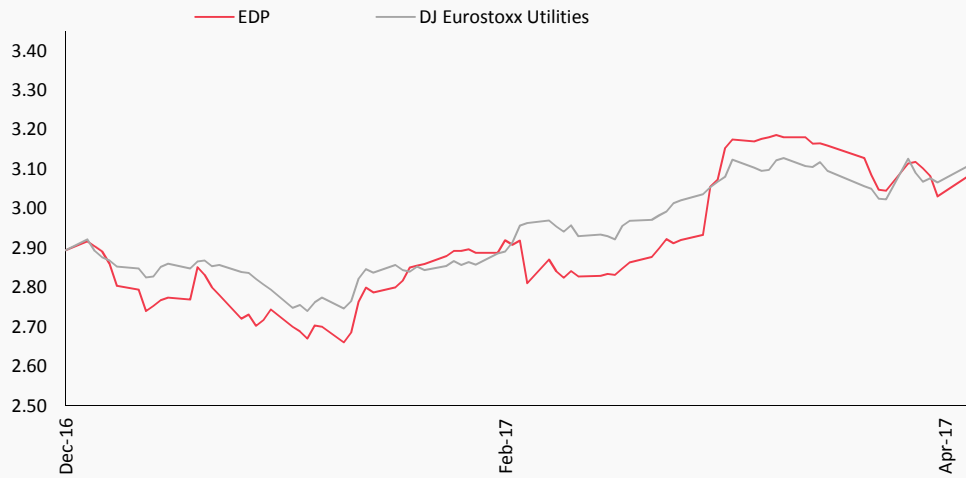
(a) Energy Services take into account only Energy efficiency services revenues. Only the support from public authorities recognised in the income statement is considered.
(b) Instead of what EDP has reported before, the stationary emissions do not include those produced by the burning of ArcelorMittal steel gases in EDP's power plant in Spain, which totalled 911 ktCO2 in 2017 and 839 ktCO2 in 2016.
(c) Scope 2 emissions according with GHG Protocol based location methodology.
(d) EDP + ESP (External Services Provider).
(e) Accidents leading to an absence of one more calendar day and fatalities.
(f) Includes only stationary emissions.
(g) Including vehicle fleet.
(h) Production figures include heat generation (2017: 231 GWh vs 2016: 229 GWh).

(1) Energy Efficiency Services and Supplementary Energy Services: services provided under energy supply, installation of more efficient and/or building retrofit, and sustainable mobility, which generate revenues for the company.

EDP Share Performance



EDP Stock Performance on Euronext Lisbon



EDP's Main Events

- 9-Jan:** Norges Bank decreases its ownership interest in the cash share capital of EDP
- 24-Jan:** EDP issues €600 million bond maturing in September 2023
- 30-Jan:** Change of qualified shareholding – Mubadala Investment Company acquires 100% of IPIC shares and voting rights on EDP
- 27-Feb:** EDPR announces the sale of a minority stake in Portuguese assets to CTG
- 27-Mar:** EDP sells €574 million of tariff deficit in Portugal
- 27-Mar:** EDP has accepted a binding offer for the sale of 100% of gas distribution in Spain
- 27-Mar:** EDP Preliminary announcement for the launch of general and voluntary tender offer for the acquisition of the shares issued by EDP Renováveis
- 28-Mar:** Norges Bank qualified shareholding – amendment of title of imputation
- 30-Mar:** Standard & Poors affirmed EDP at “BB+” with Positive outlook
- 3-Apr:** Moody’s affirmed EDP at “Baa3” with stable outlook
- 4-Apr:** Norges Bank qualified shareholding – amendment of title of imputation
- 7-Apr:** EDP sells 100% of EDP Gás (Portgas)
- 20-Apr:** EDP’s Annual General Shareholders Meeting
- 24-Apr:** Payment of Dividends – Financial Year 2016
- 24-Apr:** EDP signs a definitive agreement for the sale of 100% of gas distribution in Spain (Naturgas Energía Distribución)
- 24-Apr:** EDP Brasil awarded with 4 new electricity transmission concessions

EDP Stock Market Performance	YTD	52W	2015
02-05-2017			
EDP Share Price (Euronext Lisbon - €)			
Close	3.079	3.079	3.079
Max	3.213	3.350	3.213
Min	2.641	2.486	2.641
Average	2.902	2.903	2.902
EDP's Liquidity in Euronext Lisbon			
Turnover (€ m)	1,596	4,467	1,596
Average Daily Turnover (€ m)	19	17	19
Traded Volume (million shares)	550	1,539	550
Avg. Daily Volume (million shares)	6.5	6.0	6.5

EDP Share Data	1Q17	1Q16	Δ %
Number of shares Issued (million)	3,656.5	3,656.5	-
Treasury stock (million)	22.1	21.4	3.1%

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