



Financial Results 1Q2006

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Results Summary (€ m)	1Q2006	1Q2005	Δ 06/05
Gross Profit	1,011.9	981.5	3.1%
Operating Costs	442.9	420.6	5.3%
EBITDA	569.0	560.8	1.4%
EBIT	352.0	362.4	-2.9%
Net Profit	237.1	216.9	9.3%
Net Debt	9,130.0	8,596.9	6.2%

Operating Data	1Q2006	1Q2005	Δ 06/05
Electricity:			
Installed Capacity (MW)	12,609	11,718	+891 MW
Generation (GWh)	12,138	12,062	0.6%
Distribution (GWh)	20,508	19,532	5.0%
Retail (GWh)	18,839	18,485	1.9%
Clients (thousand)	9,580	9,336	+243 th
Gas:			
Distribution (GWh)	7,402	7,444	-0.6%
Retail (GWh)	6,904	6,303	9.5%
Clients (thousand)	676	707	-31 th
Employees (Group)	14,333	14,844	-511

• EDP's consolidated **net profit** in the 1Q2006 **rose 9% YoY**.

• The **regulated core business in Iberia** – comprising the PPAs and the electricity and gas distribution activities which represent **62% of the Group's consolidated gross profit** - posted a stable performance in the 1Q2006 (+€10m).

• In the **Iberian liberalized market**, our electricity **generation activity** benefited from the sharp rise in wholesale prices during the first months of 2006, **contributing for a significant increase in gross profit** (+€47m) in the 1Q06.

• In the **supply business in Iberia**, the low flexibility of older clients' contracts and the increase of electricity wholesale prices resulted in a **deterioration of this activity's gross profit** during the period (-€69m).

• The publication of the **Royal Decree-Law 03/2006 in Spain had a negative impact** (-€33m EBITDA) as a result of (i) the provisioning of the potential withdraw of the economic value of the CO2 licenses granted for free related to generation sales to the pool between Jan-06 and Feb-06 (€11m); (ii) the settlement of a provisional €42.35MWh on the unit cost of purchased electricity by the distribution companies during March (€4m) and (iii) the booking of a provision for other potential regulatory risks (€18m).

• **EDP's renewable energy installed capacity rose by 72% to 1,024MW** surpassing for the first time the 1,000 MW threshold and allowing a **strong growth of NEO's contribution to EDP's gross profit** (+€30m). This was achieved both through organic growth (155 MW) and through acquisitions (Desa 224 MW and Tecneira 50 MW).

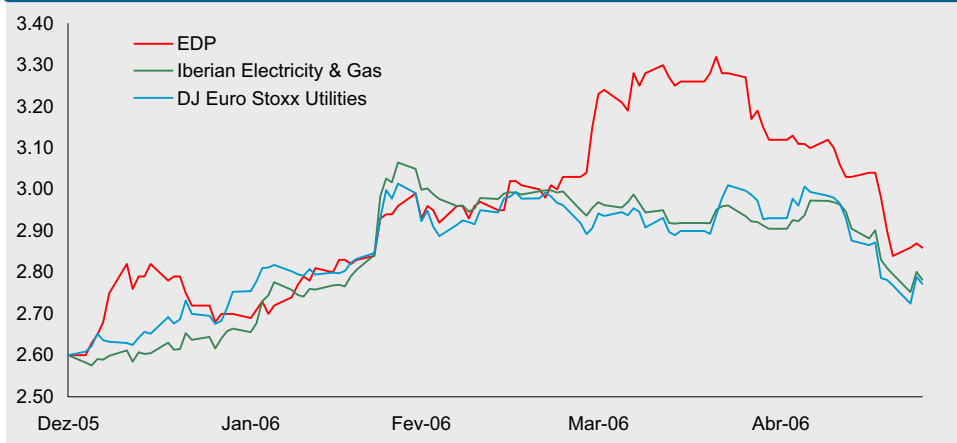
• **Good operating performance at Energias do Brasil and a 31% appreciation of the Brazilian Real** during the period resulted in a healthy growth of our Brazilian operations' gross profit (+€60m).

• The evolution of **operating costs** (personnel and supplies & services) **remained under control**, increasing by approximately 3% YoY, in line with average increase of CPI in the markets where EDP operates.

• **Improvement of Financial Results** (+€92m) backed by the substantial reversion (+€103m) of the 2005 negative impact that resulted from the mark-to-market of the derivative instrument contracted to hedge the value of the CMEC, following the positive impact of the recent increases in interest rates. This was partly offset by the booking, this quarter, of a provision related to financial guarantees given by EDP on Electra's debt (Cape Verde).

• EDP's consolidated **financial debt decreased by 333M€** from December 2005 to €9,130m.

YTD EDP Stock Performance on Euronext Lisbon



EDP Stock Market Performance

	YTD	52W	2005
(24-05-2006)			
EDP Share Price (Euronext Lisbon - €)			
Close	2.86	-	2.60
Max	3.35	3.35	2.68
Min	2.58	2.04	2.04
Average	2.98	2.65	2.25

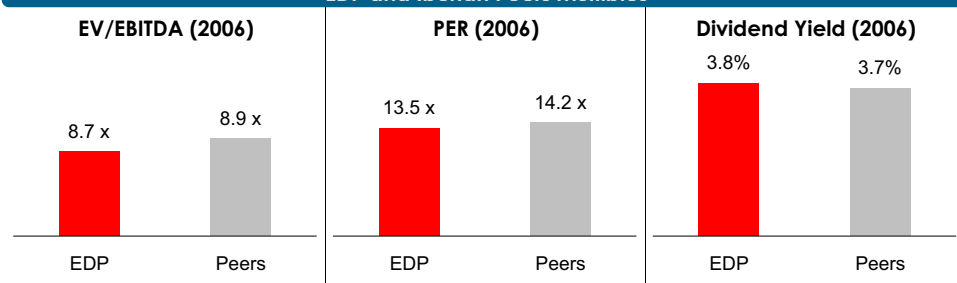
EDP's Liquidity in Euronext Lisbon

Turnover (€ m)	5,395.6	9,041.8	5,689.9
Average Daily Turnover (€ m)	52.4	34.5	21.9
Traded Volume (million shares)	1,811.8	3,407.8	2,526.5
Avg. Daily Volume (million shares)	17.6	13.0	9.7

EDP Market Value

Market Capitalisation (€ million)	10,457.7	-	9,507.0
Enterprise Value (€ million)	20,929.1	-	20,257.9

EDP and Iberian Peers Multiples



Note: EDP and Peers multiples based on broker reports.

EDP's Main Events - 2006

5-Jan Banco Espirito Santo notifies EDP that it acquired a 2.17% stake in EDP's share capital

3-Feb Baltic notifies EDP that it acquired from Brisa a 2.0020% stake in EDP's share capital

3-Feb Standard & Poor's Ratings Services affirmed its 'A' long term and 'A-1' short term corporate ratings

16-Feb EDP Lajeado reaches agreement with Eletrobrás regarding the redeemable preferred shares issued by Investco

7-Mar EDP releases the 2005 annual financial results

31-Mar EDP's 2006 annual general shareholders meeting

3-Apr Caixa Geral de Depósitos increases ownership in EDP's share capital to 5.098%

6-Apr ANEEL approves a 16.75% tariff increase at Enersul's annual tariff readjustment process

18-Apr Board of directors' deliberations regarding the Executive Committee, the Audit Committee, the Company's Secretary and EDP's market relations and CMVM's representative

25-Apr Ex-Dividend Date

28-Apr EDP pays a €0.10 gross dividend per share (financial year 2005)

03-May Naturgas acquires full control of Bilbogas

11-May EDP concludes the increase of its indirect shareholding in Portgas (72.0%) and Setgas (19.8%)

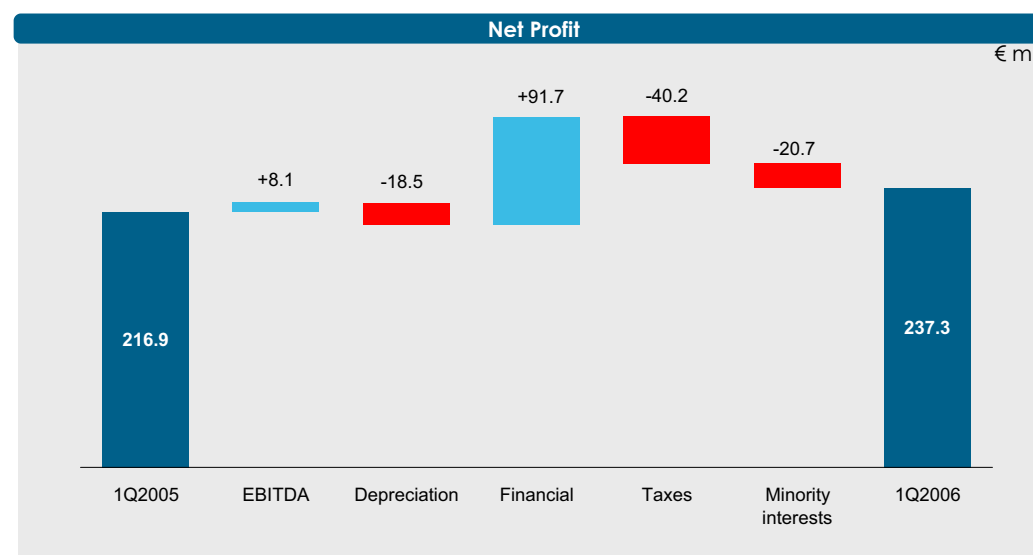
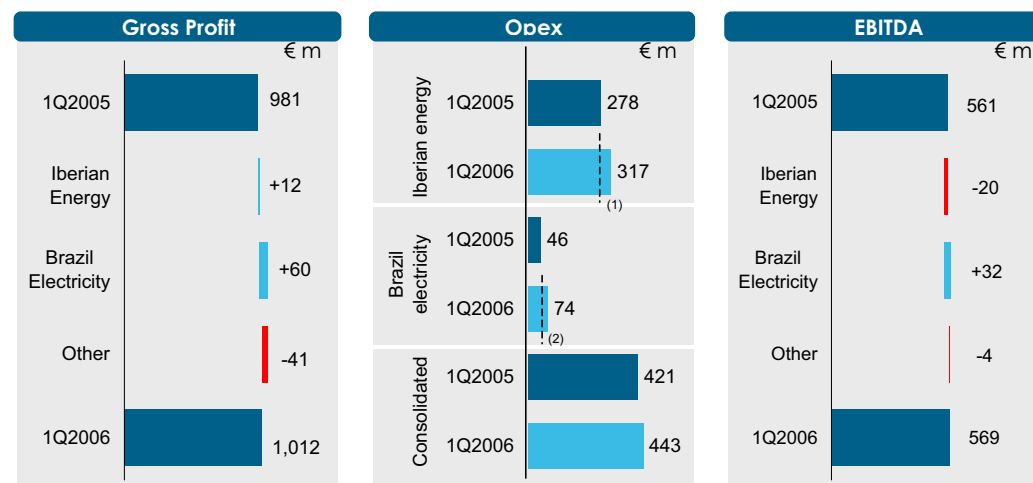
11-May Caixa Geral de Depósitos decreases ownership in EDP's share capital to 4.95%

Consolidated Income Statement

The financial statements presented in this document are non-audited.

Consolidated Income Statement (€ m) | 1Q2006 | 1Q2005 | Δ 06/05

Electricity Sales	2,421.8	2,136.1	13.4%
Other Sales	259.6	175.3	48.1%
Services Provided	78.6	142.1	-44.7%
Operating Revenues	2,760.1	2,453.5	12.5%
Electricity & Gas	1,243.5	1,195.6	4.0%
Fuel	292.6	267.2	9.5%
Materials and goods for resale	212.1	9.2	-
Direct Activity Costs	1,748.2	1,472.0	18.8%
Gross Profit	1,011.9	981.5	3.1%
Gross Profit/Revenues	36.7%	40.0%	-3.3%
Supplies and services	167.8	177.0	-5.2%
Personnel costs	141.9	133.4	6.4%
Costs with social benefits	18.1	25.1	-27.7%
Concession fees	53.0	51.4	3.0%
Other operating costs (or revenues)	62.1	33.8	83.8%
Operating costs	442.9	420.6	5.3%
EBITDA	569.0	560.8	1.4%
EBITDA/Revenues	20.6%	22.9%	-2.2%
Depreciation and amortisation	241.6	218.6	10.5%
Comp.of subsidised assets' depreciation	(24.7)	(20.2)	-22.1%
EBIT	352.0	362.4	-2.9%
EBIT/Revenues	12.8%	14.8%	-2.0%
Financial income/(expense)	25.8	(65.9)	-
Amortisation of rights and concessions	(9.1)	(9.4)	2.7%
Discontinued Activities	-	0.5	-
Pre-tax profit	368.7	287.6	28.2%
Income taxes and deferred taxes	107.9	67.8	59.2%
Minority interests	23.7	3.0	701.2%
Net Profit	237.1	216.9	9.3%



Notes:

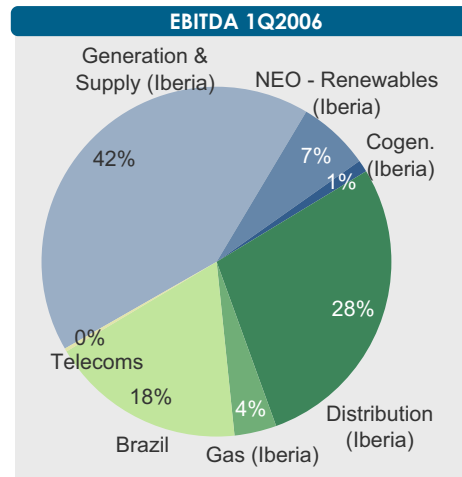
⁽¹⁾ Opex in Iberia were affected by a €29m provision associated with the RD 3/2006 regarding the CO2 emissions

⁽²⁾ In Euro terms, opex in Brazil was influenced by the appreciation of Real (+31% vs 1Q2005; impact: €18m)

EBITDA Overview: Group's EBITDA up 1.4%

EBITDA (€ m) | 1Q2006 | 1Q2005 | Δ 06/05

IBERIA			
Generation & Supply	244.0	281.5	-13.3%
NEO - Renewable Energy	39.4	15.5	153.8%
Cogeneration	6.2	6.4	-3.2%
Distribution	163.5	173.2	-5.6%
Gas	23.7	30.3	-22.0%
Brazil	105.2	73.4	43.2%
Telecoms	1.3	7.6	-83.2%
Other & Adjustments	(14.2)	(27.1)	47.4%
Consolidated	569.0	560.8	1.4%



• **Iberian Generation and Supply:** EBITDA fell 13.3% reflecting singular factors in the 1Q2006: i) the publication of RD 3/2006, which withdraws the right to CO2 allowances attributed to the generators under the Spanish NAP, for the amounts equivalent to January and February 2006 emission licences (-€29m); and ii) the provisioning of commercial losses in Portugal (-€14m). EDP benefited from high pool prices and a long generation position in the liberalised market in Iberia, which was not fully reflected at the gross profit level, down 2.4%, due to: i) the deficit in CO2 allowances versus CO2 emissions (-€6m); ii) the mark-to-market of the provision related with the 2005 CO2 allowance deficit (-€8m); and iii) the mark-to-market of a derivative to cover market price volatility (-€14m). Excluding the above, the gross profit of the liberalized generation & supply would have increased 5.1%. The gross profit of the generation under PPAs was up 5.3% YoY.

• **NEO - Renewable Energy:** EBITDA more than doubled reflecting the substantial investments EDP made during 2005 (namely the acquisition of Desa in Spain in the 4Q2005), which increased wind installed capacity two fold to 712MW (or 1.024 MW gross installed capacity).

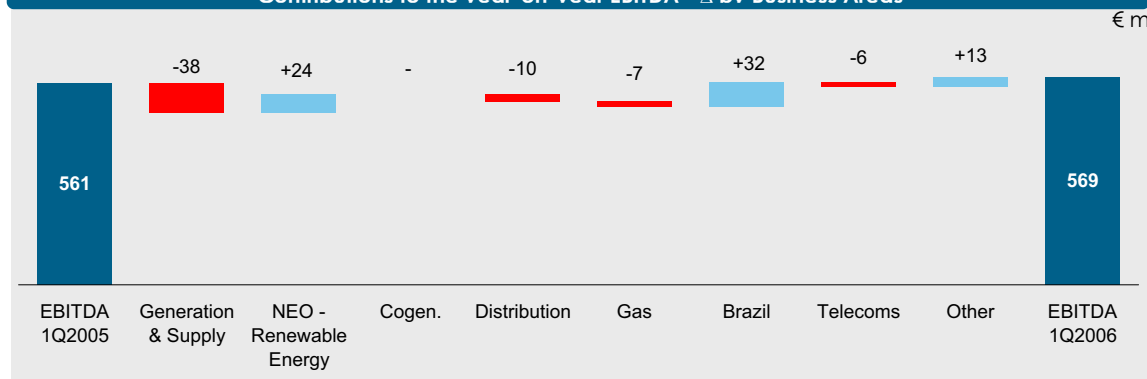
• **Distribution in Iberia:** Despite the strong increase in electricity distributed by EDP in Iberia (+4.9% YoY) and efficiency gains through cost efficiency achieved in the period (-0.8% YoY), EBITDA fell 5.6%. This reflects: in Portugal, the impact of the unanticipated rise in fuel costs and special regime generation volumes on the Portuguese system costs which, together with the inflation cap set for LV customers, created a tariff deficit, which will be recovered with interest by EDPD between 2007 and 2011; in Spain, the application of the RD 3/2006 which modified the settlement mechanism in the system, only recognising a price of €42.35/MWh on the energy purchased by the distributors.

• **Gas in Iberia:** Despite the change in the consolidation method of Portgás (60% proportional in the 1Q2006; equity method in 1Q2005), the exceptional necessity to acquire gas in the spot market at high prices by Naturgas had a €15m negative impact in EBITDA. This is a non-recurring cost item.

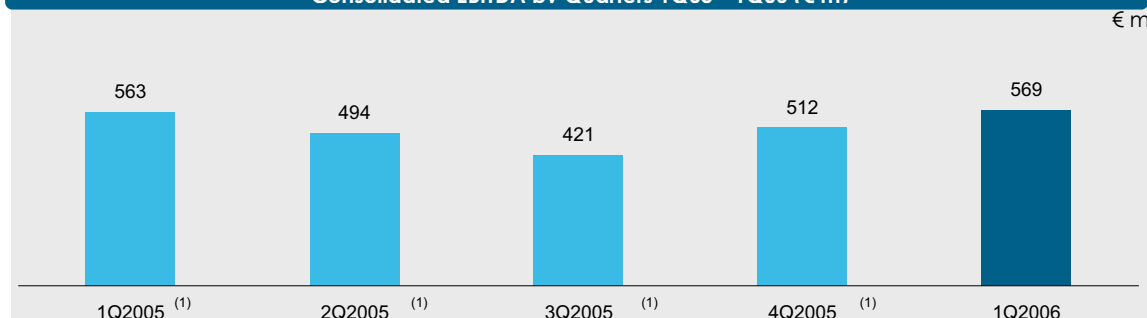
• **Brazil:** Activities overseas benefited from a 5% growth in consumption at our DisCos. concession areas. The increase in EBITDA (9% in local currency) would have been even higher (circa 33%), had the non-controllable costs not been above those recognised in the tariffs. In addition, EDP benefited from a 31% appreciation of the Real vs the Euro in the 1Q2006 vs the 1Q2005.

• **Other:** The change in the "other & adjustments" is mainly due to a €17m provision booked in the 1Q2005 related to the Spanish tariff deficit. In the 1Q2006 such effect did not have an impact in the P&L, considering that the current legislation assures the recovery of the tariff insufficiency in Spain.

Contributions to the year-on-year EBITDA - Δ by Business Areas



Consolidated EBITDA by Quarters 1Q05 - 1Q06 (€ m)



⁽¹⁾ Adjusted to exclude the following one-off items in 2005: i) capital gains: €15m on sale of 60% Edinfor, €12.4m on transfer of BCP to EDP's pension fund, €9.2m on sale of REE, €397m on sale of Galp, €11m on sale of Efaced, Canal Energia and H. Santillana; ii) the provision associated with the Spanish System Deficit and the Recovery of Lajeado's concession value of €30m.

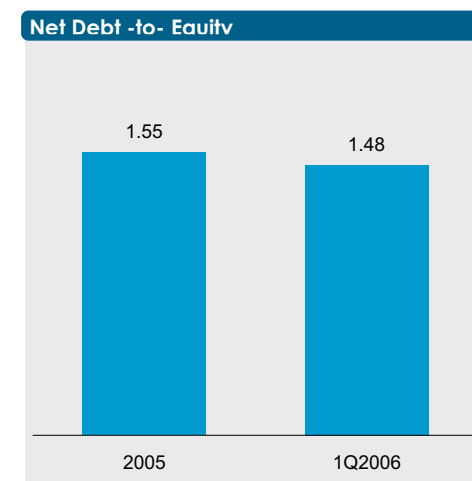
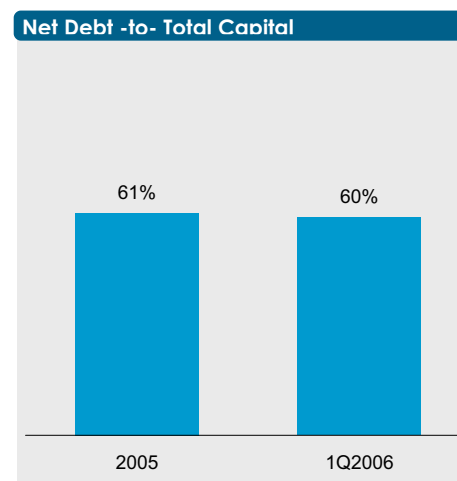
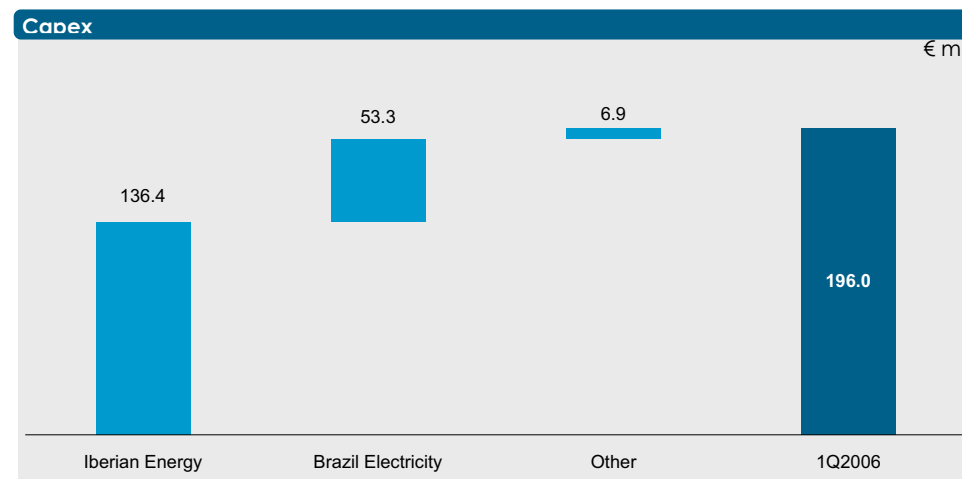
Consolidated Balance Sheet

The financial statements presented in this document are non-audited.

Assets (€ m)	1Q2006	2005
Fixed assets	19,038	18,501
Intangible assets, net	3,963	3,656
Tangible assets, net	14,027	13,898
Financial Investments, net	1,048	947
Other assets	4,861	5,006
Inventories	236	219
Accounts receivable - trade, net	1,682	1,464
Accounts receivable - other, net	2,353	2,462
Cash and cash equivalents	590	861
Deferred Tax	861	893
Total assets	24,761	24,399

Shareholders' equity (€ m)	1Q2006	2005
Share capital	3,657	3,657
Own shares	-27	-38
Earnings and other reserves	1,201	1,205
Minority interest	1,341	1,288
Shareholders' equity	6,172	6,111

Liabilities (€ m)	1Q2006	2005
Provisions	2,265	2,112
Hydrological correction account	122	170
Financial Debt	10,072	10,584
Short-term debt & current portion of long-term debt	1,470	1,984
Long-term debt	8,602	8,601
Other liabilities	5,762	5,052
Accounts payable - trade, net	5,612	4,914
Accounts payable - other, net	150	138
Deferred Tax	369	370
Total liabilities	18,589	18,288
Total liabilities and shareholders' equity	24,761	24,399



CAPEX (€m)	1Q2006	1Q2005	Δ 06/05
Existing Plants	1.9	2.8	-29.7%
New Plants	12.0	24.6	-51.4%
Environmental	7.4	0.8	-
Supply	0.0	0.3	-85.1%
Portugal	21.4	28.4	-24.9%
Existing Plants	3.5	0.8	-
New Plants	13.3	0.2	-
Environmental	18.0	2.4	-
Supply	0.0	0.3	-88.4%
Spain	34.9	3.6	-
Iberian Generation & Supply	56.3	32.0	75.8%
Wind	2.0	4.3	-54.0%
Portugal	2.0	4.3	-54.0%
Wind	13.8	18.3	-24.5%
Other	1.1	1.6	-33.4%
Spain	14.9	19.9	-25.2%
NEO - Renewable Energy	16.8	24.2	-30.3%
Distribution grid	70.8	74.1	-4.5%
Other	6.9	5.8	18.1%
(-) Investment subsidies	27.8	28.8	-3.5%
Portugal	49.8	51.1	-2.5%
Distribution grid	9.0	8.3	8.8%
(-) Investment subsidies	1.6	2.7	-38.5%
Spain	7.3	5.6	31.2%
Iberian Distribution	57.2	56.7	0.8%
Distribution grid	1.4	-	-
Other	0.5	-	-
Portugal	1.9	-	-
Distribution grid	3.1	2.1	47.5%
Other	1.1	2.2	-48.7%
Spain	4.2	4.3	-1.5%
Iberian Gas	6.1	4.3	42.3%
Iberian Core Business	136.4	117.2	16.4%
Generation	24.0	43.0	-44.2%
Distribution	29.2	22.0	32.6%
Supply & Other	0.1	0.1	54.0%
Brazil	53.3	65.1	-18.1%
Telecoms	4.1	6.4	-35.5%
Other	2.2	2.5	-12.3%
EDP Group	196.0	191.1	2.5%

The **EDP Group's capital expenditures** amounted to €196.0m in the 1Q2006, up 2.5% year-on-year, due to investments made at EDP Group's Iberian Generation business, mostly related to: i) the construction of a second 400 MW CCGT unit at Castejón, which is expected to enter into operations by the end of 2007, and ii) environmental investments made in Sines, Aboño and Soto coal power plants to reduce SO₂ and NO_x emissions in order to comply with EU directives.

Iberian Generation & Supply - The drop in operating investment at EDP Group generation business in Portugal reflects the end of construction of both Frades hydro plant (192MW - Aug 05) and of Ribatejo III CCGT (392MW - Mar 06). In Spain, EDP continued the construction works of the second 400 MW unit at Castejón CCGT, which is forecasted to start operations by the end of 2007. In the 1Q2006, total investment in this project amounted to €13.3m. During 2006, EDP will start the constructions works of another 400 MW CCGT, which will be located at Soto, and should start operations in 2008. Additionally, in the 1Q2006, EDP invested €25.4m to reduce the SO₂ and NO_x emissions at Sines, Aboño and Soto power plants, in order to comply with EU directives until the end of 2007. Total estimated environmental investment at EDP Group's Iberian power plants between 2006 and 2008 should amount to approximately €290m.

NEO - Renewable Energy - In the 1Q2006, NEO's operating investment amounted to €16.8m, out of which 94% was invested in wind farms: i) in Spain, NEO invested €11m for the end of the construction of the two wind farms that entered into operation in the 1Q2006 – Boquerón (22 MW – Jan06) and Belchite (50 MW – Feb06), while the balance was invested in some other projects that are expected to enter into service this year, namely Brújula (73 MW), Curiscao (73 MW) and Tarifa (18 MW); ii) in Portugal wind farms investment is mostly related to projects that are expected to enter into operation between 2006 and 2007. Until the end of 2006, an additional 435 MW are expected to enter into service, out of which 155 MW in Portugal and 280 MW in Spain.

Iberian Distribution - Operating investment at EDP Group's Iberian distribution business, which amounted to €57.2m in the 1Q2006, is aimed at improving the quality of service. Nevertheless, in Portugal, the equivalent interruption time (EIT) increased 14 min year-on-year, to 57 min in the 1Q2006, due to both less favourable weather conditions and an incident in one of EDPD's sub-stations, all contributing with an additional 21 min to the 1Q2006 EIT. In Spain, the 1Q2006 EIT of EDP's distribution grid remained stable at 29 min.

Iberian Gas - Operating investment at the Iberian gas business totalled €6.1m in the 1Q2006, out of which 75% was spent in the development of the gas distribution activity. The balance is related to the transport activity in Spain, to sales campaigns, meter readings for new consumption places and to the adaptation of facilities from LPG to NG.

Brazil - Energias do Brasil operating investment decreased 18% vis-à-vis the 1Q2005, since the constructions works on Peixe Angical hydro power plant are now nearing completion (€20m in the 1Q2006 vs. €41m in the 1Q2005). Until the end of 2006, Energias do Brasil is expecting to bring on stream another 75 MW with the end of the construction of São João hydro plant (25 MW) and a new unit in Mascarenhas hydro plant (50 MW). In addition the company already announced the construction of Santa Fé hydro plant (29 MW), which is conditioned to the granting of preliminary environmental licences. Out of the €29.2m invested in the distribution activity, €10m are related to the mandatory universal connection programme – “Universalização” – to all low voltage consumers, in the concession areas of Bandeirante, Escelsa and Enersul.

Telecoms - On a pro-forma basis (excluding Comunitel's contribution from the 1Q2005), operating investment at Oni increased 70% to €4.1m in the 1Q2006 due to the investments made in direct access centrals (Unbundling of the Local Loop).

Cash Flow

Operat. Cash Flow by Business Area (€ m) | 1Q2006 | 1Q2005 | Δ 06/05

IBERIA

Generation & Supply	252.9	260.4	-2.9%
NEO - Renewable Energy	31.4	14.0	124%
Cogeneration	5.8	5.2	10%
Distribution	(75.2)	145.9	-
Gas	20.5	24.5	-17%
Brazil	82.0	63.1	30%
Telecoms	(1.0)	7.7	-
Hydro Correction Account	(49.1)	(53.0)	7%
Other	(15.7)	(4.3)	-

EDP Group Operating Cash Flow	251.6	463.5	-46%
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Consolidated Cash Flow (€ m) | 1Q2006 | 1Q2005

Net Profit	237.1	216.9
Depreciation	241.6	218.6
Compensation of subsidised assets' depreciation	(24.7)	(20.2)
Concession rights' amortisation	9.1	9.4
Net provisions	4.7	(9.2)
Interest hydro account	1.0	2.1
Forex differences	(7.7)	(5.8)
Income equity method	(34.9)	(10.1)
Deferred taxes	28.5	1.7
Minority interests	23.7	3.0
Other adjustments ⁽¹⁾	(62.1)	20.6
Net financial interest and other financial costs	99.0	96.4

Operat. Cash Flow before Working Capital	515.4	523.5
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Change in operating working capital	(215.8)	(6.8)
Hydro correction	(49.1)	(53.0)

Operating Cash Flow	250.5	463.7
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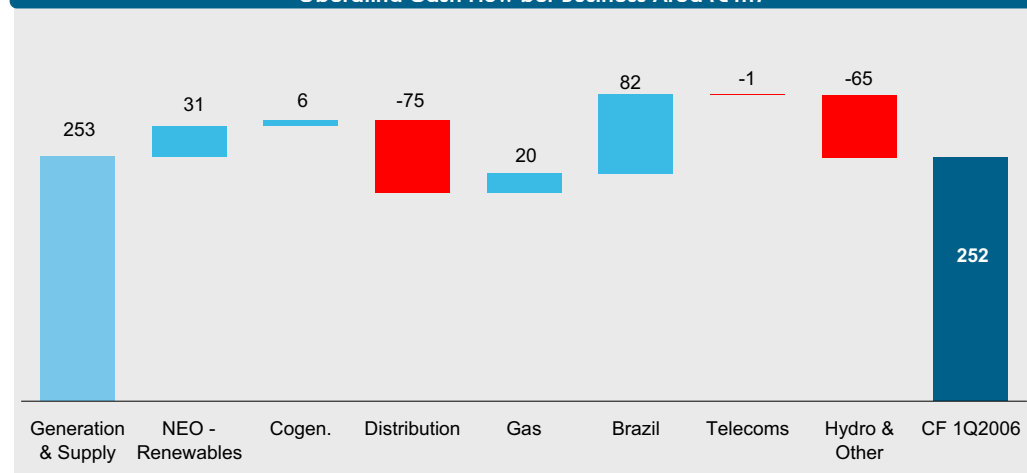
Capex	(196.0)	(191.1)
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Net Operating Cash Flow	54.5	272.6
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Divestments of fixed assets	583.7	-
Net financial investments	(4.1)	(155.1)
Financing of 6.08% of Spanish Tariff Deficit	(71.0)	(40.6)
Net financial interest and other financial costs	(99.0)	(96.4)
Dividends paid	-	-
Other non-operating changes	(130.9)	(88.4)

Decrease/(Increase) in Net Debt	333.2	(108.0)
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Operating Cash Flow per Business Area (€ m)



EDP Group's cash flow in the period enabled a €333.2m reduction in net debt vis-à-vis the YE2005. Such reduction is explained by:

- €576.4m related to the final settlement received in the 1Q2006 from the sale of 14.27% of Galp Energia (80% of €720m), that was divested in the end of 2005;

which was partly offset by:

- a lower cash flow before capex, that was affected by two exceptional factors:

i) an increase in the working capital of EDP Distribuição of approximately €200m, which is mainly explained by the implementation in the Portuguese Distribution activity of the "bimonthly" invoicing instead of monthly, to reduce billing and posting expenses;

ii) the €49.1m hydro correction payment made to REN during the 1Q2006 following a dry period (hydro coefficient of 0.57 in the 1Q2006).

- the financing by HC Energia of 6.08% from the 1Q2006 tariff deficit in the Spanish regulated system (€71m).

Note:

⁽¹⁾ Other adjustments include the substantial reversion (+€103.5m) of the 2005 €118.0m negative impact that resulted from the mark-to-market of the derivative instrument contracted to hedge the effect of interest rate changes on the NPV calculation of the value of the CMEC. This reversion reflects the positive impact of the recent increases in interest rates.

Financial Debt and Provisions for Social Benefits

Financial Debt Allocation by Business Area (€ m)	1Q2006	2005
IBERIA		
Generation & Supply	2,187.9	2,453.7
NEO - Renewable Energy	1,539.4	1,357.0
Cogeneration	76.2	77.4
Distribution	2,102.6	1,866.0
Gas	122.2	121.6
Brazil	1,093.2	1,064.0
Telecoms	326.2	315.7
EDP SA & Adjustments	2,220.4	2,921.8
Sub-Total	9,668.0	10,177.1
OPTEP Derivative (Liability)	315.0	315.0
Fair Value on Hedged Debt	88.5	92.2
Total Financial Debt	10,071.5	10,584.3
Cash and cash equivalents	590.2	861.1
OPTEP Derivative (Asset)	351.3	260.0
EDP Consolidated Net Debt	9,130.0	9,463.2

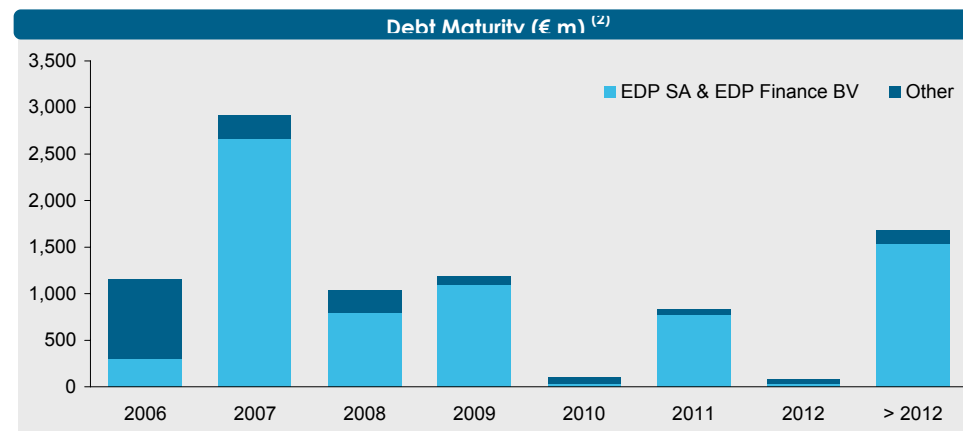
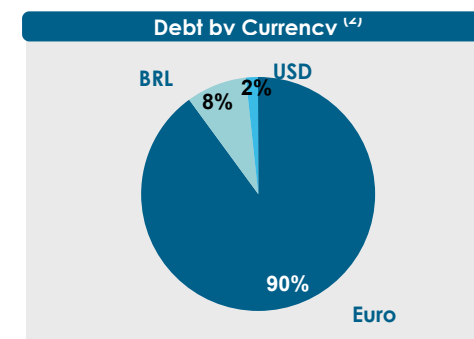
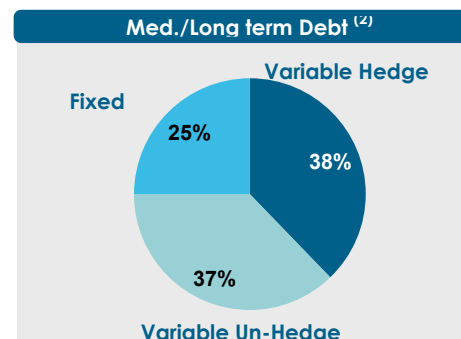
Nominal Financial Debt by Company (€ m)	1Q2006	2005
EDP S.A. and EDP Finance BV	7,308.6	7,844.8
EDP Produção	27.6	29.0
EDP Comercial	-	-
NEO Energia	495.2	-
EDP Distribuição	-	-
Portgás (60%)	65.1	70.7
HC Energia	240.4	701.8
Energias do Brasil	1,029.5	1,006.6
Oni	326.1	315.7
Other	10.1	44.1
Nominal Financial Debt	9,502.6	10,012.6
Accrued Interests on Debt	165.4	164.5
Nominal Financial Debt + Accrued Interests	9,668.0	10,177.1

Provisions for Social Benefits (€ m)	1Q2006	2005
Pensions ⁽¹⁾	1,059.7	1,099.6
Medical Care	737.1	743.6
Total	1,796.8	1,843.2

⁽¹⁾ Pension include the Provision for the HR Restructuring Program costs of EDP Distribuição, which are being recovered through the tariffs

⁽²⁾ Nominal Value

	Debt Ratinas		
	S&P	Moody's	Fitch
EDP SA & EDP Finance BV	A/Stab/A-1	A2/Stab/P-1	A+/Stab/F1
HC Energia		A3/Stab/P-2	BBB+/Stab/F2
Bandeirante	brA-/Stab	Ba3/A3.br/Stab	
Escelsa	BB-/brA-/Stab	Ba3/A3.br/Stab	
Enersul		Ba3/A2.br/Stab	
Investco	Ba1/Stab		



Financial Income/(Expense) and Amortization of Rights and Concessions

Financial Results (€ m) | 1Q2006 | 1Q2005 | Δ 06/05

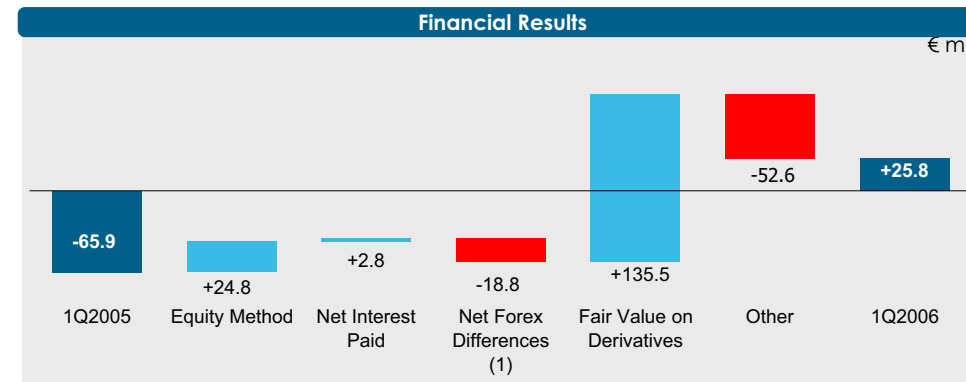
Income from group&associated cos.	34.9	10.1	245.2%
Investment income	-	-	-
Financial Investments Gains/(Losses)	34.9	10.1	245.2%
Net financial interest paid	(89.1)	(91.9)	3.1%
Net foreign exchange differences	7.7	5.8	33.2%
Other Financials	72.4	10.2	-
Financing Gains/(Losses)	(9.1)	(76.0)	88.1%
Financial results	25.8	(65.9)	-

Income from Equity Method (€ m) | 1Q2006 | 1Q2005 | Δ 06/05

REN (30%)	26.3	5.2	407.8%
Edinfor (40%)	1.5	(5.7)	-
Portgás (59.6% in 2005)	-	3.8	-
Setgás (19.8%)	0.2	0.1	-
CEM (22%)	1.5	1.9	-19.1%
Turbogás (40%)	3.2	1.3	152.7%
DECA II (EEGSA (21%))	0.0	1.3	-99.8%
HC's subsidiaries	0.7	1.0	-30.8%
Other	1.4	1.4	4.8%
Total	34.9	10.1	245.7%

Amort. of rights and concession (€ m) | 1Q2006 | 1Q2005 | Δ 06/05

EBE	2.1	2.2	-6.6%
IVEN (Escelsa/Enersul)	5.4	5.2	3.3%
EDP LAJEADO (Investco)	0.8	-	-
Comunitel	-	1.1	-
Oni	0.8	0.8	0.0%
Total	9.1	9.4	-2.7%



Financial results swing in the 1Q2006 reflect:

- A €24.8m increase in “income from group and associated cos.” mostly resulting from: i) the equity contribution of REN, which reflect the recovery in 1Q2006 of previous year’s tariff deficits; ii) the improvement in net profit of Edinfor (a net loss of €14.4m in the 1Q2005 vs. a profit of €3.8m in the 1Q2006). In the 4Q2005 Portgás started to be proportionally consolidated (EDP currently owns 72.0% of Portgas. In the 1Q2006 it was 59.6% consolidated).
- “Net financial interest paid” improved 3.1% benefiting from a 40 b.p. drop in the average cost of debt of the Group, which compensated the increase in the average level of debt in the 1Q2006 vs. the 1Q2005.
- The Brazilian Real appreciation against the US Dollar in the 1Q2006 (8%) was stronger than in the 1Q2005 (0%). The impact on the dollar denominated debt in Brazil of such currency performance drove “Net foreign exchange differences” up €1.9m.
- The “Other” financial gains and losses in the 1Q2006 include items with opposite impacts in financial results: i) due to the increase in interest rates, the €118.0m negative impact of the mark-to-market recorded at YE2005, relating to the fair value of a derivative contracted by EDP to hedge the effect of interest rate changes on the NPV calculation of the value of the CMEC, was substantially reverted, in the amount of €103.5m; ii) the fair value of the Group’s other derivatives amounted to an additional +€24.0m in the 1Q2006 vis-a-vis 1Q2005; iii) we also recorded a €44.2m provision relating to guarantees we gave for Electra’s financing, in which EDP assumed the responsibility for 60%. of the total amount.

⁽¹⁾ Net Forex Differences in chart were adjusted for hedge instruments accounted in “Other Financials”

Business Areas

Energy Balance (GWh)	Portugal			Spain		
	1Q2006	1Q2005	Δ 06/05	1Q2006	1Q2005	Δ 06/05
Hydroelectric	2,297	1,360	68.9%	5,724	4,986	14.8%
Nuclear	-	-	-	16,102	15,540	3.6%
Coal	3,495	3,639	-3.9%	18,564	20,207	-8.1%
CCGT	2,721	2,999	-9.3%	16,099	10,271	56.7%
Fuel/Gas/Diesel	878	1,990	-55.9%	1,817	3,607	-49.6%
Own consumption	-	-	-	(2,348)	(2,361)	0.6%
(-)Pumping	(128)	(162)	20.9%	(1,559)	(1,479)	-5.5%
Conventional Regime	9,263	9,825	-5.7%	54,399	50,771	7.1%
Special Regime	2,164	1,509	43.4%	13,549	13,214	2.5%
Import / (Export) net	1,777	1,380	28.8%	(1,783)	646	-
Gross demand	13,204	12,714	3.9%	66,165	64,631	2.4%
Transmission losses and other	(217)	(204)	-6.2%	(772)	(770)	-0.3%
Energy delivered to System	12,987	12,509	3.8%	65,393	63,862	2.4%

IBERIAN MARKET

• Electricity gross demand in the Iberian market posted a 2.6% increase in the 1Q2006, with electricity demand in Portugal increasing 3.9% and in Spain 2.4%. Alongside with an healthy electricity consumption growth, the Iberian market was characterized by a slow recovery of the traditional hydro levels and by a strong increase in the wholesale prices following higher marginal electricity generation costs and an increase of the thermal output in Spain.

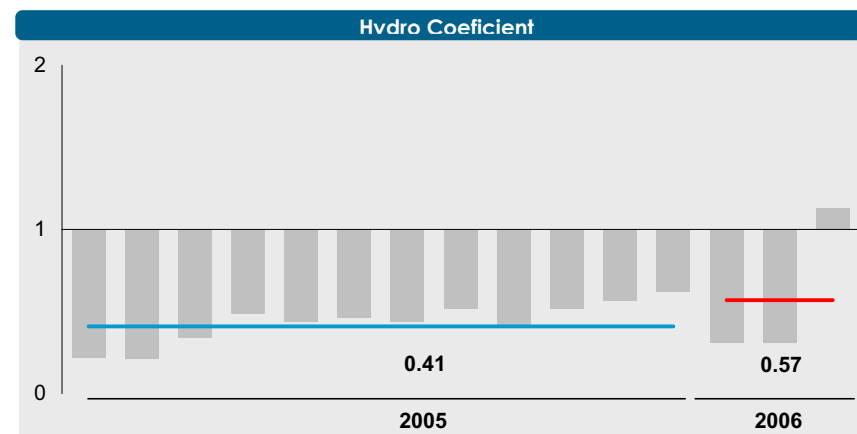
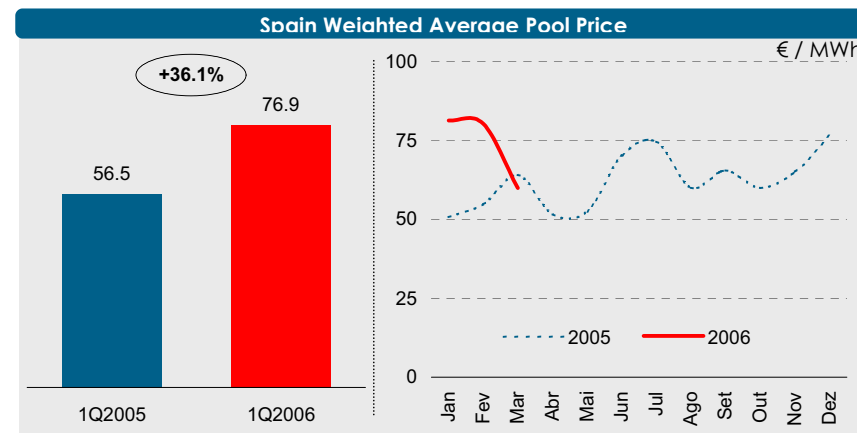
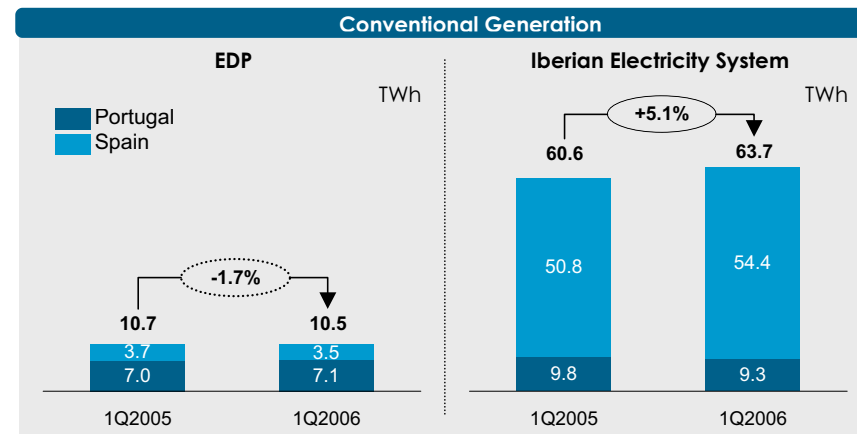
• Regulation in Iberia grants Special Regime Producers' dispatch priority over all other technologies. In the 1Q2006, SRPs in Iberia represented 20% of gross demand (+0.8 p.p. than 1Q2005). Most of the increase was registered in the Portuguese system – in the 1Q2006 SRP's output represented 16% of Gross demand in Portugal vs. 12% in the 1Q2005 – and attributable to an increase of the installed capacity in wind farms, which went up 82% vis-à-vis the 1Q2005, to 1,224 MW. In Spain, wind farms installed capacity only increased 11% to 10,020 MW.

• Regarding the conventional regime, the electricity generation based on natural gas and coal power plants in Portugal, presented a decline vs. the 1Q2005, as a result of the abovementioned increase in SRP's output and Hydroelectric generation. In Spain, CCGTs generation increased 57%, following an increase of the installed capacity based on this technology, while the electricity output of the coal power plants went down 8.1%.

• In this period, is estimated that the CO2 emissions in the Iberian market surpassed the emission allowances granted (2006: 39.0m ton CO2 in Portugal and 174.6m ton CO2 in Spain, including the allowances reserved for new entrants), which in conjunction with the CO2 rights deficit accumulated in 2005 and the high prices of CO2 licences in the 1Q2006, conditioned the utilisation of the coal power plants that have higher inefficiency levels.

EDP (for outputs see Annex)

• In the 1Q2006, the output of EDP's power plants in the conventional generation Iberian market decreased 1.7%. In Portugal, the lower utilization of the thermal power plants, as a result of the strong rise of the SRP's output and the hike in international fuel prices, was compensated by the higher utilization of EDP's hydro plants (which represent 50% of its capacity in Portugal) following improved hydrological conditions. In Spain, EDP's electricity generation decreased 5.6%, mostly due to a programmed stoppage in Castejón CCGT during 6 weeks in the 1Q2006 for maintenance works.



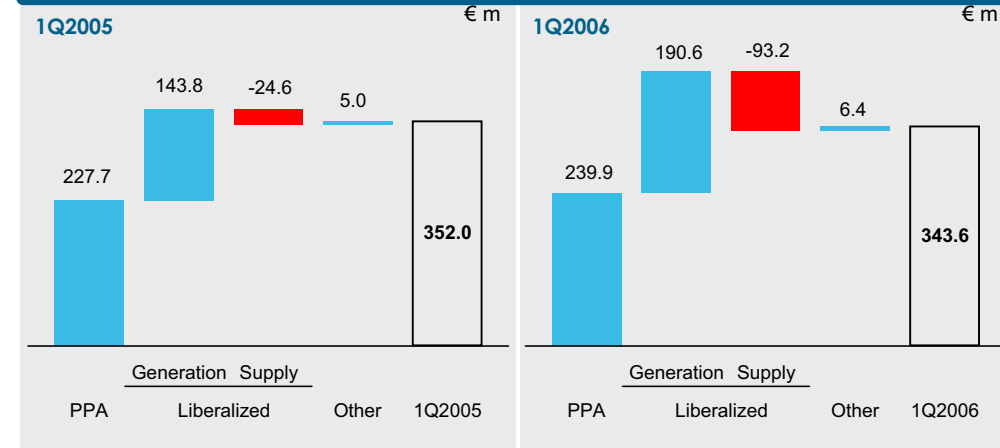
Financial Highlights (€ m) | 1Q2006 | 1Q2005 | Δ 06/05

Gross Profit	343.6	352.0	-2.4%
Operating Costs	99.6	70.4	41.5%
EBITDA	244.0	281.5	-13.3%
EBIT	169.8	210.3	-19.2%

Operating Highlights | 1Q2006 | 1Q2005 | Δ 06/05

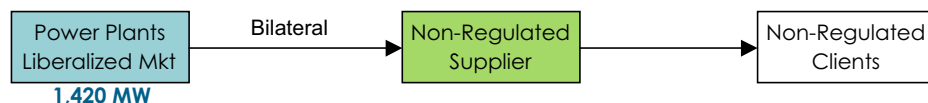
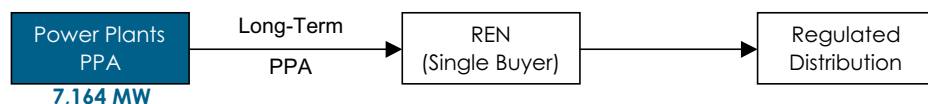
Installed Capacity (MW)	11,076	10,524	5.2%
Electricity Generation (GWh)	10,506	10,686	-1.7%
Electricity Supply (Liberalised Clients) (GWh)	3,927	2,486	58.0%
Number of Clients (th)	91.7	11.0	8.3x

Contribution to Gross Profit € m

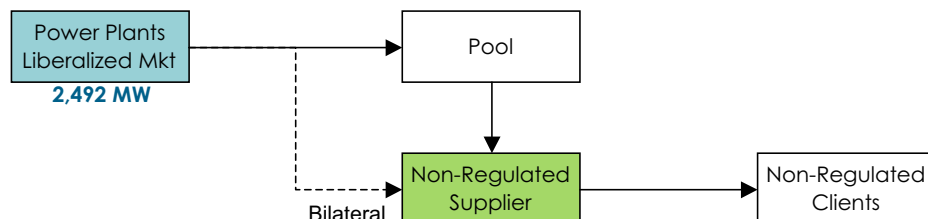


EDP's Generation and Supply scheme in Iberia

PORTUGAL



SPAIN



65% of EDP's Iberian capacity is bounded to the PPA's low risk profile, providing stability on cash-flows. PPA contracts secure a remuneration based on availability rather than on output, providing a ROA of 8.5% real pre-tax and the pass-through of fuel and CO2 emission costs.

Liberalised Market: i) balance generation and supply positions to hedge market prices volatility; ii) pass-through marginal cost of generation to final clients.

GWh 1Q2006

	Portugal	Spain	Iberia
Generation	1,643	3,454	5,097
Supply	1,585	2,34	3,927
Net Position 1Q2006	58	1,112	1,17
Net Position 1Q2005	9	2,486	2,495

Gross Profit (€ m)	1Q2006	1Q2005	Δ 06/05
PPA Capacity Charge	231.6	222.9	3.9%
PPA Energy Charge	114.9	137.3	-16.4%
Steam (Barreiro) & Ashes	1.7	1.4	19.5%
(-) Direct Costs	108.3	134.0	-19.2%
Gross Profit	239.9	227.7	5.3%

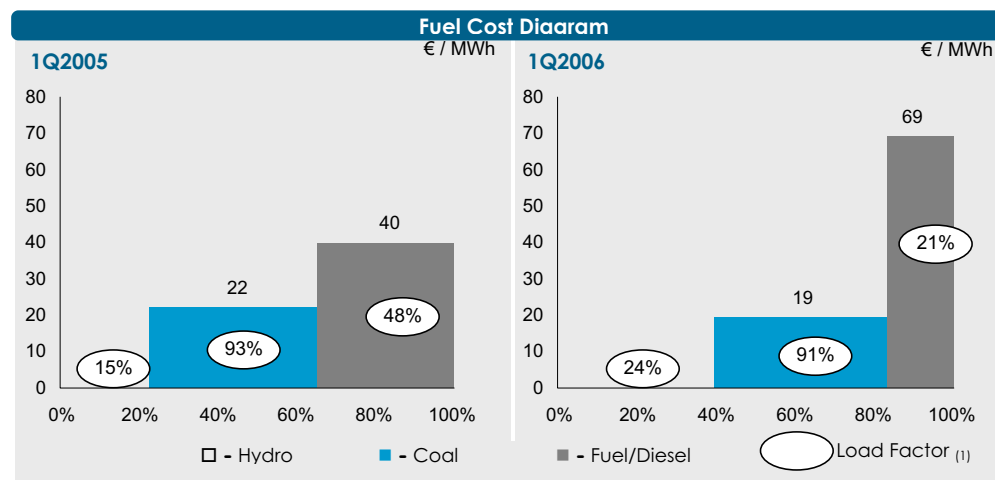
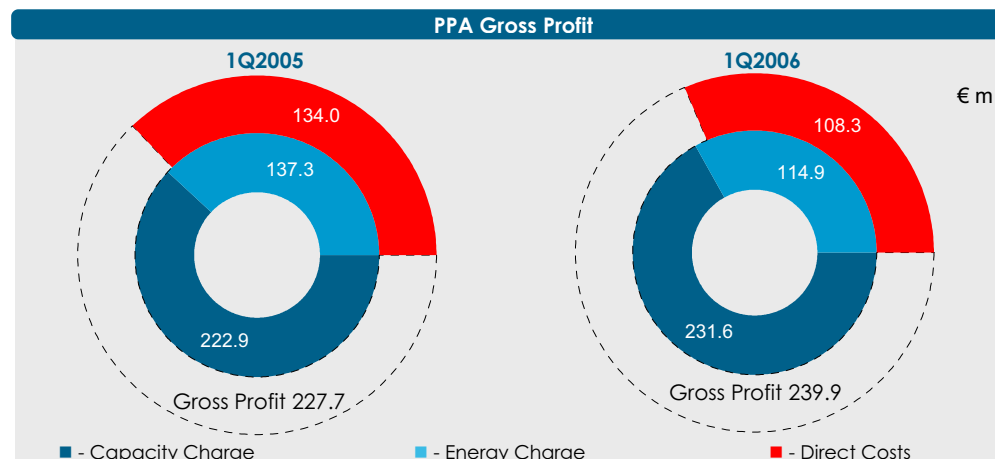
Electricity Generation (GWh)	1Q2006	1Q2005	Δ 06/05
Hydroelectric	2,160	1,295	66.9%
Thermal	3,249	4,410	-26.3%
Sines	2,371	2,421	-2.0%
Setúbal	771	1,337	-42.3%
Carregado	72	571	-87.4%
Barreiro	34	74	-54.2%
Tunes & Tapada do Outeiro	0	8	-95.1%
Total Generation	5,409	5,705	-5.2%

• Because 65% of EDP's installed capacity in Iberia operates under long-term Power Purchase Agreements (PPAs), the company's Gross Profit is largely protected to generation output swings and fuel costs hikes.

• Gross Profit from the plants with PPAs increased 5.3% given the stable return profile of the PPA Capacity Charge and the pass-through of fuel costs via the PPA Energy Charge. According to the PPA contracts, CO2 emissions and licences for the bounded power stations are managed by REN, thus do not impact EDP's Gross Profit. The increase in the PPA Capacity Charge in the period (+3.9%) reflects inflation, the entry into service of Frades (hydro 192MW) in August 2005 (+€6.6M) and higher availability factors (km) of the thermal power stations (thermal km: 1.059 in 1Q2006 vs. 1.050 in 1Q2005).

• The fuel procurement margin (Energy Charge minus Fuel Costs and Auto-consumption) increased from €4.2m in 1Q2005 to €7.5m in 1Q2006 mainly as a result of the higher spreads between EDP's coal acquisition cost and the international coal prices' indices (used as benchmark to calculate the PPA Energy Charge).

Direct Activity Costs (€ m)	1Q2006	1Q2005	Δ 06/05
Coal	45.8	53.4	-14.2%
Fuel oil	60.4	78.2	-22.8%
Natural Gas	0.1	0.2	-37.6%
Gas Oil	0.1	0.6	-88.4%
Electricity Autoconsumption & Materials	1.8	1.5	20.4%
Direct Activity Costs	108.3	134.0	-19.2%

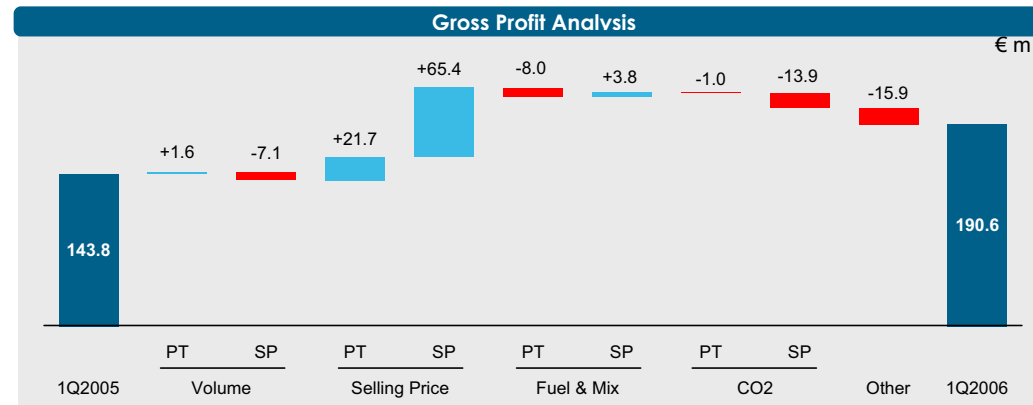
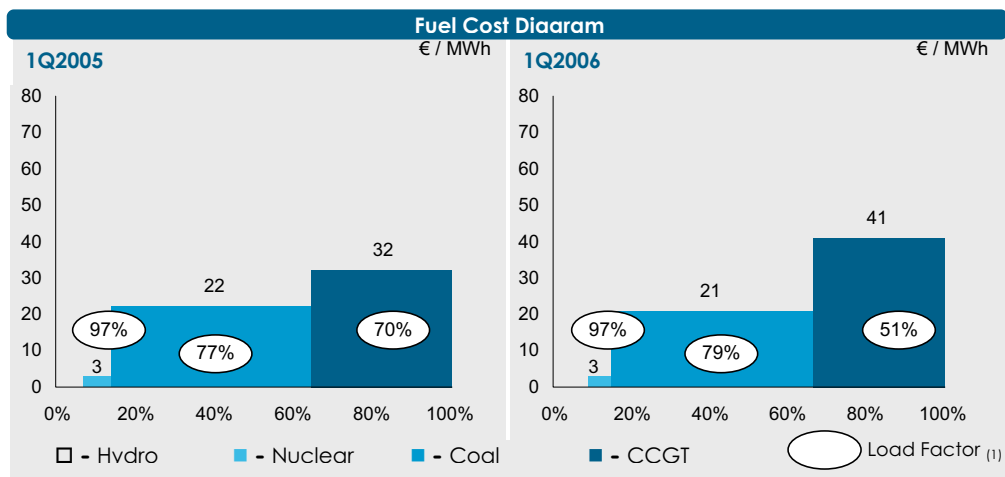


Iberian Generation: Liberalised Generation Gross Profit

Electricity Generation (GWh)	1Q2006	1Q2005	Δ 06/05
Portugal	1,643	1,322	24.3%
CCGT	1,533	1,289	18.9%
Hydroelectric	110	33	232.7%
Spain	3,454	3,659	-5.6%
Hydroelectric	324	305	6.4%
Nuclear	329	331	-0.7%
Coal	2,638	2,555	3.3%
CCGT	198	506	-60.8%
(-) Pumping	(36)	(39)	6.1%
Total Generation	5,097	4,981	2.3%

Selling Price and Fuel Costs	1Q2006	1Q2005	Δ 06/05
Avg. Selling Price (€ / MWh)			
Portugal	58.0	46.1	25.9%
Spain	73.2	54.4	34.4%
Avg. Fuel Cost (€ / MWh)			
Portugal	39.5	32.2	22.5%
Spain	20.9	21.9	-4.4%

Gross Profit (€m)	1Q2006	1Q2005	Δ 06/05
Portugal	33.8	19.5	73.5%
Spain	156.7	124.4	26.0%
Gross Profit	190.6	143.8	32.5%



Output: EDP's output in the Iberian liberalised market increased 2.3% in the 1Q2006. In Portugal, electricity generation increased 24.3% following: i) the coming into steam of Unit III of the Ribatejo CCGT in the 4Q2005 (industrial service started March 16, 2006) and ii) the better hydrological conditions in the period. However, the load factor of the Ribatejo CCGT units dropped from an average 75% in the 1Q2005 to an average 60% in the 1Q2006: i) Unit III was still under testing in January; ii) Outputs from Units I and II were reduced in order to rationalize natural gas consumption, since Unit III gas contract was only procured in March; and iii) Unit II was stopped for repairs to the combustion chambers for the replacement of the ceramic shields. In Spain, the 5.6% reduction is explained by the programmed stoppage in Castejón CCGT (387MW) during 6 weeks for maintenance works. This stoppage implied a reduction of 262 GWh in the output, which was not fully compensated by a higher utilisation of the coal power plants.

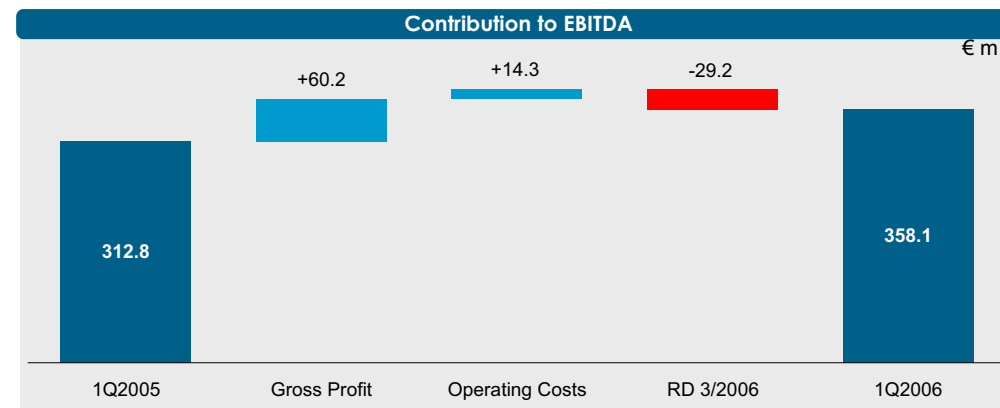
Gross Profit: In Portugal, Gross Profit was up 73.5% due to: i) an upward revision of the selling price contracted with EDP Comercial (liberalised supply) and; ii) the increased output which steamed from Unit III at Ribatejo and from the hydro plants. In Spain, the 26% rise is explained by: i) the sound increase of the selling price; and ii) a decrease in the average fuel costs; which more than compensated the i) lower generation output; ii) higher costs related with CO2 emissions (€16m in the 1Q2006); and iii) other which include €14m of the mark-to-market of hedge derivatives.

Fuel Costs: In Portugal, the average natural gas cost per MWh increased 22.5%, as a result of the hike in the price of the Brent, to which the natural gas contracts of Ribatejo CCGT are indexed. In Spain, average fuel costs per MWh decreased 4.4% vs. the 1Q2005, mainly as a result of a decrease of the average unit cost of the coal power plants (-7% vis-à-vis the 1Q2005).

CO2 Emissions: In Portugal, there was a negative €1.0 million impact in the 1Q2006 gross profit from a 46 thousand tons of CO2 deficit in the period. Mind that in the 1Q2006 we're just accounting for the licences attributed to Units I and II of Ribatejo CCGT. Unit III is expected to receive circa 0.8 million tons of CO2 licences in the 2Q2006. In Spain, CO2 emissions reached 2.8m tons and were 0.3m tons above the estimated emission allowances to be consumed in the period, which had a negative impact of €8m in the gross profit. Additionally, the €28m provision booked in 2005, related to the insufficiency of CO2 allowances for that period (1.4m tons), was updated in order to reflect the current market prices for CO2 (€27/ton in Mar. 2006 vs. €21/ton in Dec. 2005). This had a negative impact of €8m.

⁽¹⁾ Load Factor: number of equivalent hours to the output of a power plant relative to the total number of hours in the period

Income Statement (€ m)	Portugal			Spain		
	1Q2006	1Q2005	Δ 06/05	1Q2006	1Q2005	Δ 06/05
Operating Revenues	460.2	450.0	2.3%	265.5	213.7	24.2%
Direct Activity Costs	180.1	197.7	-8.9%	108.7	89.4	21.7%
Gross Profit	280.1	252.2	11.0%	156.7	124.4	26.0%
Gross Profit/Revenues	60.9%	56.1%	4.8 pp	59.0%	58.2%	0.9p.p.
Supplies and services	16.1	16.3	-1.5%	9.8	9.5	3.2%
Personnel costs	19.0	20.9	-8.8%	6.9	6.9	-0.1%
Costs with social benefits	3.8	5.5	-32.1%	0.3	0.3	3.6%
Generation centre rentals	0.9	0.9	-0.9%	-	-	-
Other operating costs / (revenues)	(7.4)	1.9	-	29.3	1.6	-
Operating Costs	32.4	45.6	-28.8%	46.3	18.3	153.5%
EBITDA	247.7	206.7	19.8%	110.4	106.1	4.1%
EBITDA / Revenues	53.8%	45.9%	7.9 pp	41.6%	49.6%	-8.0p.p.
Depreciation and amortization	52.3	47.9	9.2%	20.9	22.7	-7.8%
Comp. of subsidised assets' depr.	(0.9)	(1.5)	38.6%	-0.0	-0.0	8.1%
EBIT	196.3	160.3	22.5%	89.6	83.4	7.3%
EBIT / Revenues	42.6%	35.6%	7.0 pp	33.7%	39.0%	-0.1p.p.



Number of Employees				1Q2006	1Q2005	Δ 06/05
Employees						
Portugal						
Spain						
MW / Employee						
Portugal						
Spain						

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- EBITDA was up 19.8% mostly due to the increase in Gross Profit, as previously explained. The company was also able to cut operating costs by 28.8% as presented below.
- Personnel costs dropped 8.8% from the 1Q2005, and Cost with social benefits fell 32.1% due to a drop in pension premiums being accounted for in 2006, following the revision of the actuarial assumptions, namely the increase of the expected return of the fund asset from 6.4% in 2005 to 7.5% in 2006 and the decrease of the discount rate from 5% in 2005 to 4.6% in 2006.
- The swing in "Other operating costs / (revenues)" mostly respects a regularization of own work capitalised of previous years (€5.9m) in the 1Q2006 whereas in the 1Q2005 the figure includes the cost related to the payment of the municipal tax (€2.6m) that was due following the sale and purchase agreement for the acquisition from REN of the thermal power plant sites (Carregado, Tunes, e Setúbal).

SPAIN

- The sound performance at the Gross Profit level was not entirely reflected at the EBITDA level due to the impact of the application of the RD 3/2006.
- RD 3/2006: The Spanish Government, aiming for a reduction of the tariff deficit for 2006, approved in February 24, 2006, the Royal Decree-Law 3/2006, which modifies the settlement mechanism of the energy sold by generators and purchased by distributors in the pool by the same company, and reconsiders the value of the CO2 emission allowances granted free of charge to the generation companies. In light of HC's interpretation of the current legislation, the total tariff deficit estimated for the period amounts to €1.2bn, of which HC Energia has to finance 6.08% (€71m). This was not deducted from revenues considering that the current legislation assures its recovery. Regarding CO2 allowances, EDP booked a €29m provision to cover the potential return of the CO2 emission allowances granted free of charge for the periods of January and February 2006 (1.5m tons). As from March 2006, according to the interpretation done on the RD 3/2006, only the CO2 emission allowances, which respect to electricity generation sold in the Spanish pool, should be deducted from generation revenues.

Income Statement (€ m)	Portugal			Spain		
	1Q2006	1Q2005	Δ 06/05	1Q2006	1Q2005	Δ 06/05
Operating Revenues	108.5	78.1	38.9%	183.2	71.6	155.7%
Direct Activity Costs	135.7	82.0	65.4%	249.2	92.3	169.9%
Gross Profit	(27.2)	(3.9)	-592.1%	(66.0)	(20.7)	-218.9%
Gross Profit/Revenues	-25.1%	-5.0%	-20.1 pp	-36.0%	-28.9%	-7.1 p.p.
Supplies and services	2.3	1.9	19.4%	5.3	5.2	2.1%
Personnel costs	1.6	0.9	74.5%	1.3	1.7	-20.3%
Costs with social benefits	0.1	0.1	3.5%	0.0	0.0	-9.6%
Generation centre rentals	0.0	0.0	30.6%	-	-	-
Other operating costs / (revenues)	14.6	0.0	-	(4.3)	-3.2	-
Operating Costs	18.5	2.9	539.7%	2.3	3.7	-36.4%
EBITDA	(45.8)	(6.8)	-569.9%	(68.3)	(24.4)	-180.2%
EBITDA / Revenues	-42.2%	-8.8%	-33.5 pp	-37.3%	-34.0%	-3.3 p.p.
Depreciation and amortization	1.2	1.1	8.9%	0.7	1.1	-36.0%
Comp. of subsidised assets' depr.	-	-	-	-	-	-
EBIT	(46.9)	(7.9)	-493.6%	(69.1)	(25.5)	-170.5%
EBIT / Revenues	-43.3%	-10.1%	-33.2 pp	-37.7%	-35.6%	-0.0 p.p.

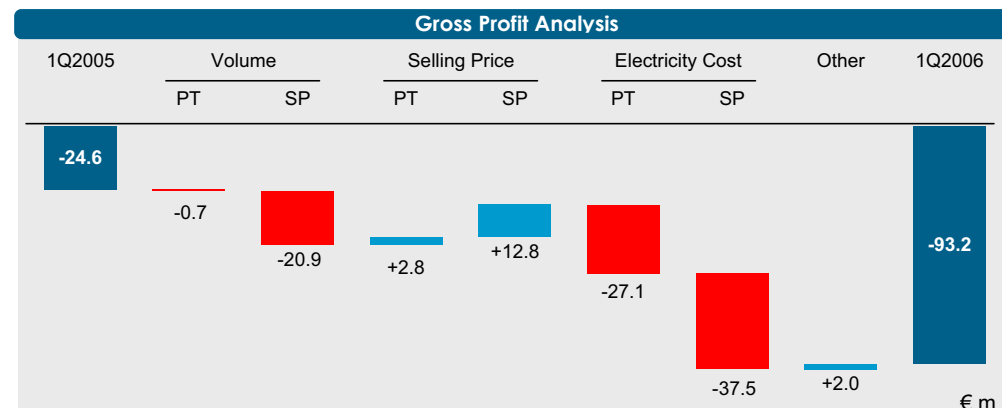
Number of Employees	1Q2006	1Q2005	Δ 06/05
Employees			
Portugal	92	76	+16
Spain	82	92	-10

PORTUGAL

- EDP retained two thirds of the liberalised market in Portugal in the 1Q2006. Total energy supplied to liberalised clients grew 21.4% YoY to 2,448 GWh in the 1Q2006, equivalent to 20% of the total electricity consumption in Portugal in the period (vs. 18% in the 1Q2005). This increase in volumes sold contributed (-€0.7m) to the drop in gross profit because the Portuguese supply unit still bears average selling prices to final clients below its sourcing costs with the energy management unit.
- The 4.5% increase in the supply net selling price (after TPA tariffs) contributed +€2.8m to gross profit and follows the upward revision of the commercial conditions of client's contracts upon maturity and the capture of new clients with better price conditions.
- The Supply activity electricity needs are sourced through a fixed price contract established with EDP's energy management unit. The reference price for this contract was reviewed in the 4Q2005 to reflect updated expectations regarding electricity wholesale prices. This upward revision of the electricity cost accounts for €27.1m in gross profit drop.
- Other operating costs/(revenues) in the 1Q2006 include: i) costs with consumption deviation in the 1H2005 (-€6.5m) and Jan06 (-€1.2m); ii) provisions for commercial losses (-€4.4m) and; iii) provisions for bad debtors (-€2.1m).

SPAIN

- The strong increase of the volumes sold in the Spanish liberalised market, is the result of: i) the 1,500 GWh awarded to HC Energia in the 2006 RENFE's public electricity supply tender (out of 2,287 GWh); and ii) the launch of a marketing campaign in the last months to promote a dual-fuel offer and an enhanced service proposition to small clients.
- The €45m decrease in the gross profit of the Spanish Supply activity is explained by: i) the increase of the electricity purchase costs as a result of the hike in wholesale prices; ii) a 13% increase of the net selling price (after TPA tariffs) following the revision of the commercial conditions of all existing contracts upon maturity and the capture of new clients with better price conditions; and iii) an increase of the supplied volumes in a context of high procurement costs.
- It is important to highlight that both in new supply contracts and in the renegotiation of the current contracts, the selling price is being settled above an estimated marginal generation cost for the system. However, in accounting terms, the Spanish Supply business' P&L is reflecting the market prices volatility.

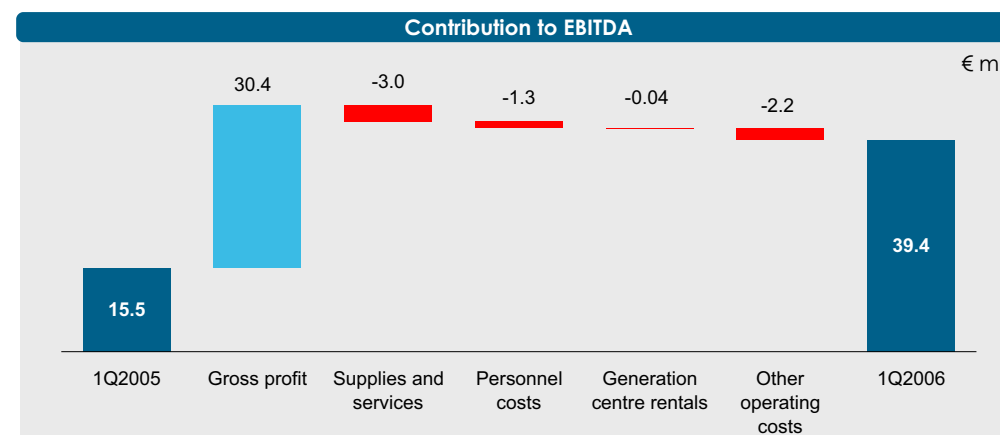
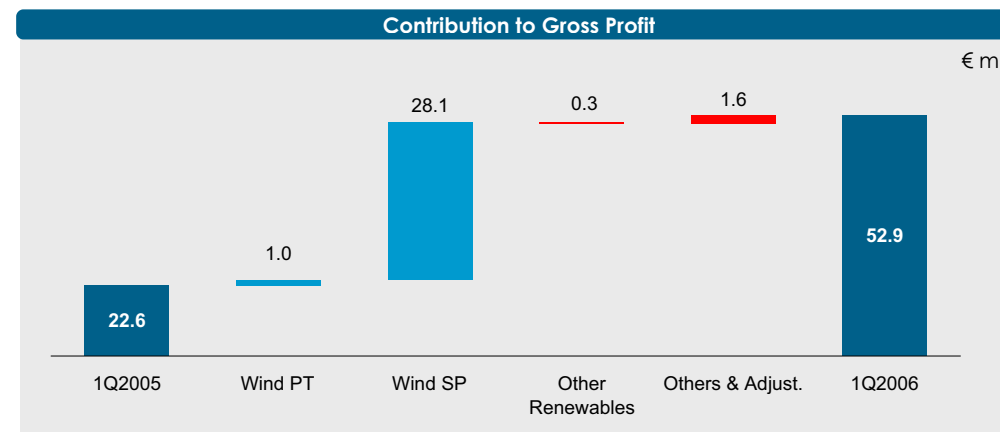


Electricity Sales to Liberalised Clients	1Q2006	1Q2005	Δ 06/05
Electricity Supplied (GWh)			
Portugal	3,927	2,486	58.0%
Spain	1,585	1,313	20.7%
Market Share			
Portugal	2,342	1,173	99.7%
Spain	15%	10%	4 p.p.
Number of Clients (th)			
Portugal	65%	65%	-0 p.p.
Spain	10%	5%	4 p.p.
Supply net selling price (€ / MWh)			
Portugal	91.7	11.0	8.3x
Spain	7.9	5.6	41.5%
	83.7	5.4	15.4x

Renewable Energies: NEO Energía

Financial Highlights (€ m)	1Q2006	1Q2005	Δ 06/05
Gross Profit	52.9	22.6	134.3%
Operating Costs	13.5	7.0	91.5%
EBITDA	39.4	15.5	153.8%
EBIT	22.8	8.7	161.6%

• NEO – Novas Energías do Ocidente is a company that was created in 2005 to design, build and operate EDP Group's projects for the production of electricity from renewable sources in the Iberian Peninsula and Europe. NEO, which holds the assets of Enernova (renewable business in Portugal), Genesa (renewable business in Spain) and NEO Desa (acquired by NEO at the end of 2005 – renewable business in Spain), will enable EDP Group to consolidate its position in the renewable energies sector in the Iberian market.



• EDP has been investing substantially in renewable energies. In 2005, the company acquired: i) five wind farms from Tecneira, in Portugal, with 50 MW in operation and another 71 MW in the pipeline, which are expected to enter into operation until 2007, ii) the Ortiga and Safrá wind farms, in Portugal, with a total of 53 MW in the pipeline to start operations in 2006; iii) Desa, in Spain, with 224 MW in operation and an additional 1,186 MW in the pipeline until 2010, iv) Ider in Spain with 114 MW under development and that are expected to start operations in 2007 and v) Weom in France with 30 MW under development, which are expected to enter into operation until the end of 2006.

• As of March 2005, NEO had a total installed capacity of 788 MW⁽¹⁾, or 1,024 MW including the parks that EDP consolidates through the equity method and Tecneira (which did not yet contribute to 1Q2006 electricity revenues). Until the end of 2006, an additional 435 MW are expected to enter into service, out of which 155 MW in Portugal and 280 MW in Spain.

• Gross profit & EBITDA benefited from higher tariffs experienced in the 1Q2006, from the investments made by EDP during 2005 (Desa: 224 MW) and from the entry into operation of some additional capacity in both Portugal (15MW) and Spain (140 MW).

⁽¹⁾ Installed Capacity from Tecneira wind farms (50 MW - Sept. 2005) was not considered in this figure because it did not contribute to NEO Electricity Sales in the 1Q2006

Income Statement (€ m)	1Q2006	1Q2005	Δ 06/05
Operating Revenues	63.0	28.6	120.5%
Direct Activity Costs	10.1	6.0	68.3%
Gross Profit	52.9	22.6	134.3%
Gross Profit/Revenues	84.0%	79.1%	5.0 pp
Supplies and services	8.4	5.4	55.5%
Personnel costs	2.6	1.3	99.6%
Generation centre rentals	0.2	0.2	17.1%
Other operating costs / (revenues)	2.3	0.2	-
Operating Costs	13.5	7.0	91.5%
EBITDA	39.4	15.5	153.8%
EBITDA / Revenues	62.6%	54.4%	8.2 pp
Depreciation and amortization	16.7	6.9	143.0%
Compensation of subsidised assets' depreciation	(0.1)	(0.1)	-51.8%
EBIT	22.8	8.7	161.6%
EBIT / Revenues	36.2%	30.5%	5.7 pp

Number of Employees	1Q2006	1Q2005	Δ 06/05
Portugal	24	14	+ 10
Spain	187	88	+ 99
NEO Holding	3	0	+ 3
Total	214	102	+ 112

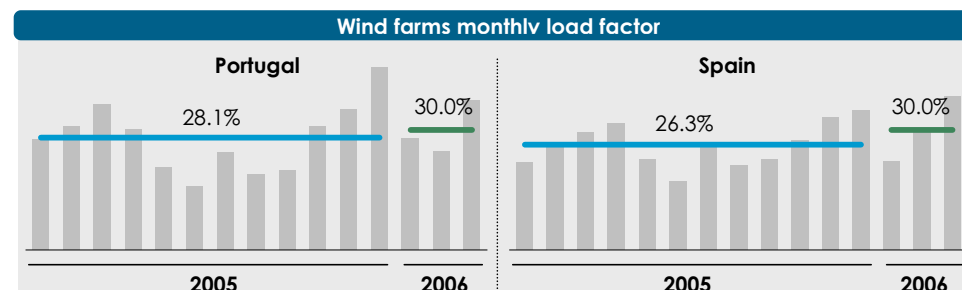
• By the end of the 1Q2006, EDP Group's renewable installed capacity in Iberia totalled 788 MW ⁽¹⁾ of which 712 MW of wind – 151 MW in Portugal and 561 MW in Spain. In Portugal, the re-powering of Vila Nova (+6 MW – Mar05), Fonte da Quelha/Alto Talefe (+3 MW – Sep05) and Pena Suar (+6 MW – Dec05) wind farms allowed NEO to increase its wind installed capacity by 15 MW year-on-year. In Spain, wind installed capacity increased 339 MW on the back of last year's acquisition of Desa, with 224 MW in operation, and of the entry into service of Las Lomillas (25 MW – Jun05), Sotonera (19 MW – Jul05), Boquerón (22 MW – Jan06) and Belchite (50 MW – Feb06) wind farms.

• Electricity emissions from renewable sources in Iberia totalled 550 GWh in the 1Q2006, up 84.3% year-on-year, on the back of the additional capacity that was acquired and brought on stream, but also as a result of an increase in the number of equivalent service hours of our wind farms to 649 hours from 608 hours in the 1Q2005 (the equivalent to an increase in the load factor to 30.0% from 28.2%).

• Gross Profit more than doubled benefiting from the increase in both the installed capacity and load factor as well as from higher average selling prices at our Spanish wind farms. During the 1Q2006, the energy produced by our Spanish wind farms was sold to the pool at an average price of €97/MWh, which compares to €71/MWh in the 1Q2005.

• Operating costs reflect: i) an additional €2.1m that were spent in O&M costs (S&S) with the maintenance of existing wind farms; ii) a €0.5m increase in charges (S&S) from EDP S.A. – following

Installed Capacity (MW) ⁽¹⁾	1Q2006	1Q2005	Δ 06/05
Wind	712	359	+354
o/w in Portugal	151	136	+15
o/w in Spain	561	223	+339
Biomass	4	7	-3
Waste	69	69	-
Small Hydro	3	3	-
Total	788	438	+350



Electricity Generation (GWh)	1Q2006	1Q2005	Δ 06/05
Wind in Portugal	98	93	5.7%
Wind in Spain	364	120	204.4%
Biomass	3	3	-23.1%
Waste	84	82	3.0%
Small Hydro	1	1	0.6%
Total	550	298	84.3%

Gross Profit (€ m)	1Q2006	1Q2005	Δ 06/05
Wind in Portugal	9.4	8.4	11.8%
Wind in Spain	36.9	8.8	321.1%
Waste & Biomass	4.4	4.7	-6.5%
Small Hydro	0.05	0.04	5.2%
Others & Consolidation Adjustments	2.2	0.6	-
Total	52.9	22.6	134.3%

the Group policy of allocating to business units the costs of services rendered by the holding; iii) an increase in the number of employees (82 employees from the acquisition of Desa) and iv) a €1.5m non-recurring expense related to an indemnity that NEO had to pay as a consequence of a delay in the re-start of operations of the Sidergas power plant (20 MW – waste) after a stoppage for maintenance.

• All in all EBITDA improved from €15.5m in the 1Q2005 to €39.4m in the 1Q2006, which represents a 62.6% EBITDA margin, up 8.2 p.p. year-on-year.

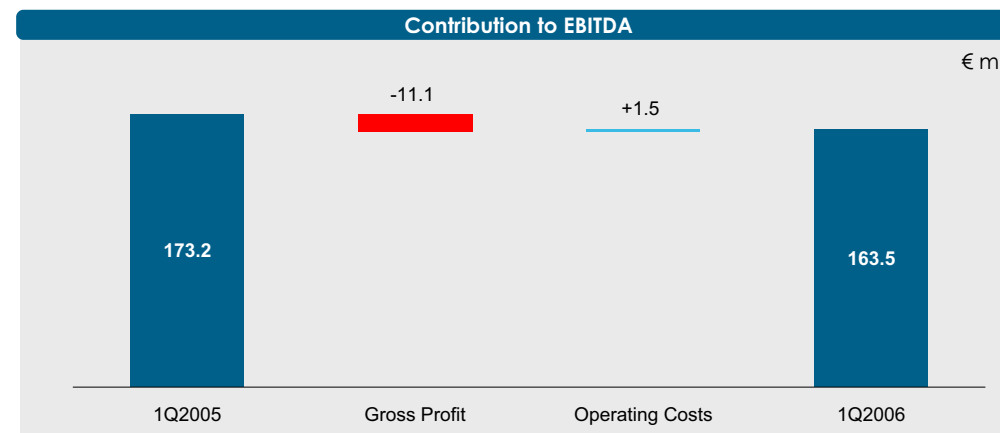
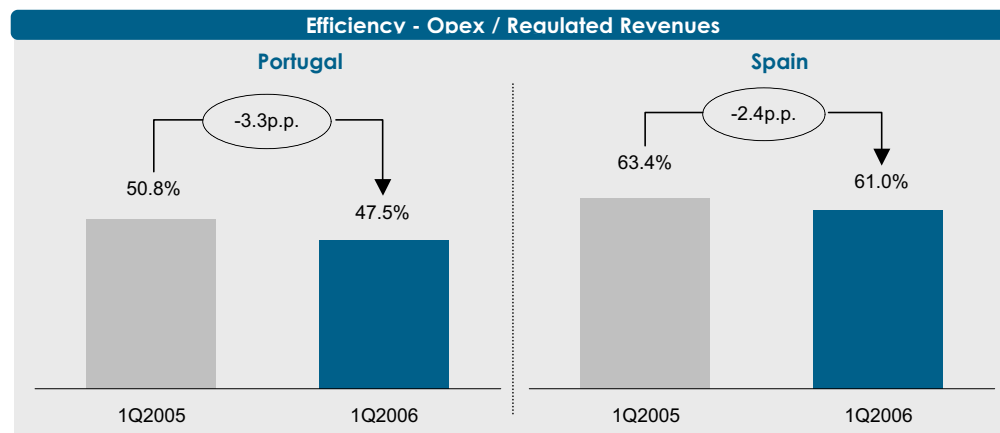
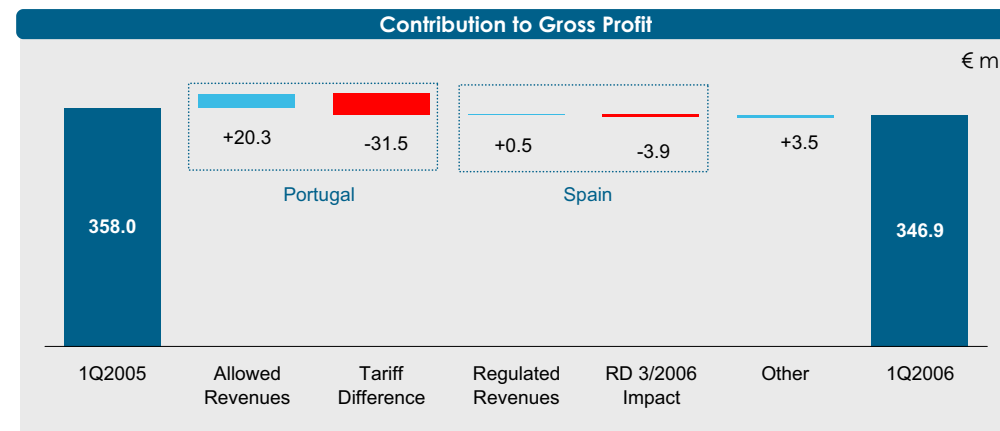
• Depreciations rose from €6.9m in the 1Q2005 to €16.7m in the 1Q2006 mostly due to the previously mentioned increase in the installed capacity.

⁽¹⁾ Installed Capacity from Tecneira wind farms (50 MW - Sept. 2005) was not considered in these figures because it did not contribute to NEO Electricity Sales in the 1Q2006.

Load Factor: number of equivalent hours to the output of a wind farm relative to the total number of hours in the period, considering the date on entry into industrial service of each wind farm

Financial Highlights (€ m)	1Q2006	1Q2005	Δ 06/05
Gross Profit	346.9	358.0	-3.1%
Operating Costs	183.4	184.9	-0.8%
EBITDA	163.5	173.2	-5.6%
EBIT	94.9	103.2	-8.0%

• EDP Group's Distribution activity in Iberia comprises EDP Distribuição, the Group's subsidiary for regulated electricity distribution and supply in Portugal, and HC Energía's distribution company in the Spanish electricity market.



• Gross profit from EDP Group distribution activity in Iberia decreased 3.1% year-on-year:

(a) despite a 6.2% increase in allowed revenues, gross profit from the distribution activity in Portugal decreased 2.2% reflecting into a €31.5m tariff difference to recover (compared with €3.9m in the 1Q2005) - out of that tariff difference, €28.9m relate to the existence of a €115m 2006 tariff deficit attributable to EDPD (to be recovered with interests between 2007 and 2011);

(b) in Spain, despite a €0.5m increase in the electricity regulated revenues, gross profit was affected by a €3.9m negative impact from the application of the RD 3/2006. This impact on the distribution activity is not definitive because the €42.35/MWh price recognized by the RD that modifies the settlement mechanism was established on a provisional basis.

• Operating costs decreased 0.8% on the back of both a tight control over supplies and services, which increased by a mere 0.5%, and lower costs with social benefits.

Distribution in Portugal

Electricity Consumers (thousand)	1Q2006	1Q2005	Δ 06/05
Regulated	5,912.0	5,830.0	82.0
Non-regulated	12.0	7.4	4.6
Total Electricity Consumers	5,924.0	5,837.4	86.6

Electricity Distributed (GWh)	1Q2006	1Q2005	Δ 06/05
Very High Voltage	355	336	5.6%
High Voltage	1,389	1,235	12.5%
Medium Voltage	3,575	3,302	8.3%
Low Voltage	6,810	6,598	3.2%
Electricity Distributed	12,129	11,471	5.7%
o/w Third-Party Access	864	709	21.9%

Electricity Sales & Gross Profit (€ m)	1Q2006	1Q2005	Δ 06/05
Electricity Revenues	1,102.5	977.9	12.7%
Electricity Purchases	784.3	652.4	20.2%
Electricity Gross Profit	318.2	325.5	-2.2%
Total Allowed Revenues	349.7	329.4	6.2%
Tariff Difference to Recover/(Return)	31.5	3.9	-

• Electricity distributed increased 5.7% year-on-year, to 12.1 TWh. The increase in HV and MV segments was driven by the co-generators' consumption from the regulated system (+1.7 p.p.) that opted to sell to the system the energy they produced at special regime's prices, thus benefiting from the tariff differential between the two regimes. Excluding the impact from co-generators consumption as well as the temperature (-0.7 p.p.) and working days (+0.9 p.p.) effects, consumption would have increased 3.8%.

• The decrease in the number of non-regulated clients reflects the transfer of HV and MV clients back to the binding system following an increase in electricity prices in the liberalised market. As a result, between the 4Q2005 and the 1Q2006, electricity sales to the non-regulated system decreased 7.7%.

• EDPD's allowed revenues increased 6.2% year-on-year

a) The Use of the Distribution Grid (UDGr) revenues increased 1.8% on the back of higher electricity-flow into EDPD's network, which compensated a 2.8% decrease in the average tariff for the UDGr. Note that during the 2006 Tariffs Review, ERSE changed the calculation formula of the UDGr activity allowed revenues by introducing a fixed component (€100.7m in the 1Q2006), independent of electricity distributed volumes.

b) Allowed revenues for the Network Supply (NS) and the Supply in the Public System (SPS) activities reflect: i) a 50bp decrease in the regulated rate of return for these activities and ii) a lower regulated asset base, which followed the transfer of some assets to EDP Soluções Comerciais, a company that was created in 2005 to manage the commercial systems,

Regulated Revenues (€ m)	1Q2006	1Q2005	Δ 06/05
Fixed component of the UDGr: HV and MV (€ m)	34.1	-	-
Unit revenue for the UDGr: HV and MV (€ / MWh)	5.6	8.3	-32.3%
Electricity delivered to BES/NBES: HV and MV (GWh)	12,212	11,558	5.7%
Fixed component of the UDGr: LV (€ m)	66.6	-	-
Unit revenue for the UDGr: LV (€ / MWh)	13.6	24.5	-44.4%
Electricity delivered to BES/NBES: LV (GWh)	6,810	6,597	3.2%
UDGr allowed revenues	261.7	257.0	1.8%
Average assets of the NS activity (net of amortisations)	246.2	277.7	-11.3%
Annual Return on average assets of NS activity (%)	8.0	8.5	-5.9%
Assets' amortisation of NS activity	10.9	11.9	-8.8%
Annual structural commercial costs of NS activity	17.8	14.6	21.3%
Network Supply allowed revenues	33.6	32.5	3.4%
Average assets of SPS activity (net of amortisations)	15.9	49.0	-67.5%
Annual Return on average assets of SPS activity (%)	8.0	8.5	-5.9%
Assets' amortisation of SPS activity	0.5	1.6	-67.8%
Annual structural commercial costs of SPS activity	16.8	16.9	-0.5%
Supply in Public System allowed revenues	17.6	19.6	-9.8%
t-2 tariff adjust. for UDGr, SPS and NS	4.0	12.7	-68.7%
t-1 & t-2 tariff adjust. for Energy Acquisition activity	26.8	-1.8	-
HR Restructuring Costs Recovery	6.0	9.4	-36.1%
Total Allowed Revenues	349.7	329.4	6.2%

supply commercial services to EDPD and EDPC, and allow the capture of synergies within the supply activities and a tight control over commercial costs in an increasingly liberalised environment. ERSE accepted as part of EDPD's controllable costs the remuneration and depreciation of these transferred assets. This is reflected in the 9.7% increase in structural commercial costs for the NS and SPS activities.

c) Allowed Revenues for the 1Q2006 also include €30.8m related to the recovery of previous years' costs and €6.0m from the recovery of costs incurred within the scope of the EDPD's Human Resources Restructuring Programme (HRRP).

• Costs with electricity purchases rose 20.2% year-on-year as a result of: i) a 3.8% increase in electricity delivered to the distribution grid, ii) an increase in energy acquisition from Special Regime Producers, iii) higher average fuel costs and iv) an increase in the average Global Use of the System tariff.

• Electricity gross profit for the 1Q2006 came €31.5m below allowed revenues, of which €28.9m are related to the 2006 tariff deficit. We recall that in 2005, the unanticipated rise in fuel costs and special regime generation volumes led to a significant increase in the system's costs, which, along with the fact that 2006 increases in LV clients' tariffs were limited to inflation, created a tariff deficit of €369m. Of this amount, approximately €115 million were attributed to EDPD and will be recovered with interests between 2007 and 2011.

Income Statement (€ m) | 1Q2006 | 1Q2005 | Δ 06/05

Operating Revenues	1,109.2	984.1	12.7%
Direct Activity Costs	788.4	656.2	20.2%
Gross Profit	320.8	328.0	-2.2%
Gross Profit/Revenues	28.9%	33.3%	-4.4 pp
Supplies and services	55.3	55.7	-0.7%
Personnel costs	44.5	43.1	3.3%
Costs with social benefits	14.7	19.4	-24.2%
Concession fees	50.9	50.3	1.3%
Other operating costs / (revenues)	0.8	(1.1)	-
Operating Costs	166.2	167.3	-0.7%
EBITDA	154.6	160.6	-3.8%
EBITDA / Revenues	13.9%	16.3%	-2.4 pp
Depreciation and amortization	83.3	81.8	1.8%
Compensation of subsidised assets' depreciation	(20.4)	(19.1)	-6.8%
EBIT	91.7	98.0	-6.4%
EBIT / Revenues	8.3%	10.0%	-1.7 pp

Number of Employees | 1Q2006 | 1Q2005 | Δ 06/05

Number of Employees	5,285	5,513	-228
GWh / Employee	2.29	2.08	10.3%
Clients / Employee	1,119	1,058	5.8%

• Supplies & Services decreased 0.7% year-on-year as a result of: i) a €5.0m decrease in commercial costs due to both lower set-up costs (€2.3m in the 1Q2005 related to the re-branding of EDPD's commercial network) and lower billing and posting expenses (in 2006, the company started invoicing every two months instead of monthly) and ii) a €1.7m decrease in IT costs, which were mostly compensated by iii) a €6.1m increase in management fees invoiced by EDP, S.A. and EDP Valor.

Contribution to EBITDA



• The net reduction in the number of employees was of 228 between the 1Q2005 and the 1Q2006. This reduction was achieved through the 2005 Human Resources Restructuring Programme (119 employees in Dec 2005), the transfer to EDP Valor of 91 employees during 2005 and the achievement of 39 retirements and early retirements during the 1Q2006.

• Personnel costs increased 3.3% year-on-year (or 1.5% if we exclude personnel costs capitalisation and severance payments) following a 2.74% average salary increase in 2006, a €0.7m increase in bonuses paid to employees, and the fact that the 1Q2005 did not yet accounted for the 2.88% average salary increase approved for the year 2005, all more than compensating the savings achieved through personnel reduction.

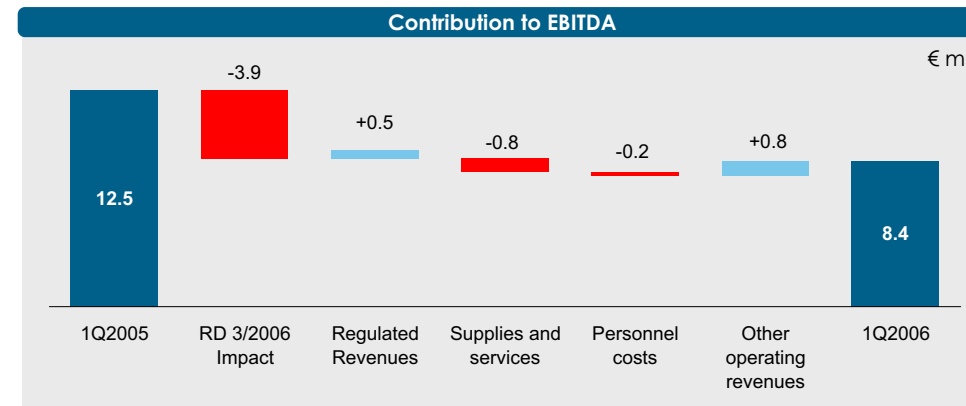
• Costs with social benefits decreased 24.2% year-on-year on the back of: i) a €1.5m decrease in pension premiums and provisions for medical care because of both an increase in the expected return on Pension Fund's assets and a decrease in the discount rate, and ii) the accounting in the 1Q2005 of a €3.3m cost related to an adjustment made to the provision for costs with early retirees created within the scope of the HRRP.

Income Statement (€ m)	1Q2006	1Q2005	Δ 06/05
Operating Revenues	45.2	37.2	21.2%
Direct Activity Costs	19.0	7.2	164.4%
Gross Profit	26.1	30.1	-13.0%
Gross Profit/Revenues	57.9%	80.7%	-22.8p.p.
Supplies and services	12.6	11.8	6.4%
Personnel costs	6.3	6.1	3.0%
Costs with social benefits	0.2	0.2	6.7%
Other operating costs / (revenues)	(1.8)	(0.5)	-244.1%
Operating Costs	17.2	17.5	-2.0%
EBITDA	8.9	12.5	-28.5%
EBITDA / Revenues	19.8%	33.6%	-13.8p.p.
Depreciation and amortization	6.3	7.7	-19.1%
Compensation of subsidised assets' depreciation	(0.5)	(0.5)	-12.5%
EBIT	3.2	5.2	-38.7%
EBIT / Revenues	7.1%	14.0%	-6.9p.p.

• Gross profit of the Spanish Distribution activity decreased 13.0% as a result of: i) the negative impact of the application of the RD 3/2006, according to its interpretation (-€3.9m); and ii) an increase in the remuneration for the regulated activities recognised in the 2006 tariff (+€0.5m):

i) the RD 3/2006 approved in February 24, 2006, considers that as of March 2006, the generation sales and the distribution purchases of electricity, made simultaneously and within the same group, are netted and priced at a provisional €42.35/MWh (average generation cost of the conventional regime included in the 2006 tariff). HC's distribution purchases that were netted against its own generation amounted to 339 GWh (14% of total distribution purchases in the 1Q2006). The impact of this measure (-€3.9m) is accounted in the distribution business, as the difference between the acquisition price of this electricity and the €42.35/MWh. According to the RD the final settlement price should be adjusted before year-end to reflect transparent and objective prices of the electricity markets;

ii) regarding the regulated revenues, according to the RD 1556/2005 that sets the revenues for the Spanish regulated activities for 2006, of the €3,016.7m attributed to the electricity distribution activity, €96.1m or 3.2% were allocated to our Spanish Distribution activity.



Electricity Consumers (thousand)	1Q2006	1Q2005	Δ 06/05
Regulated	527	571	-7.6%
Non-regulated	64	6	-
Total Electricity Consumers	592	577	2.5%

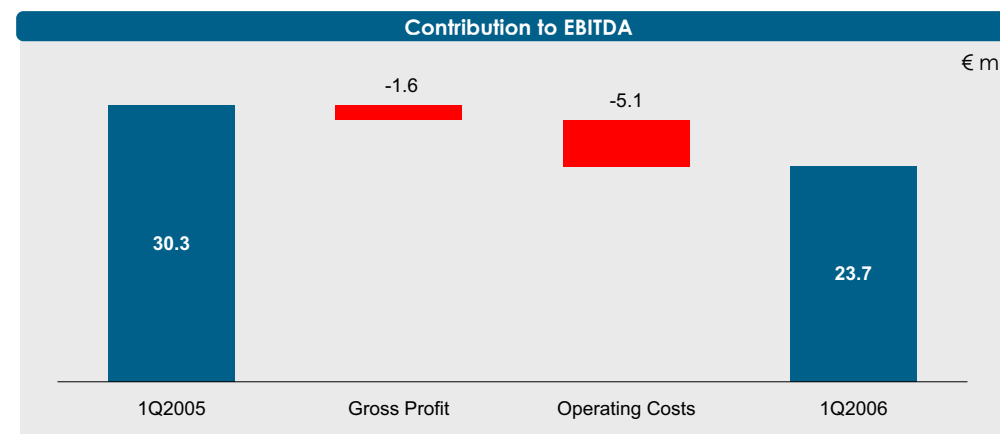
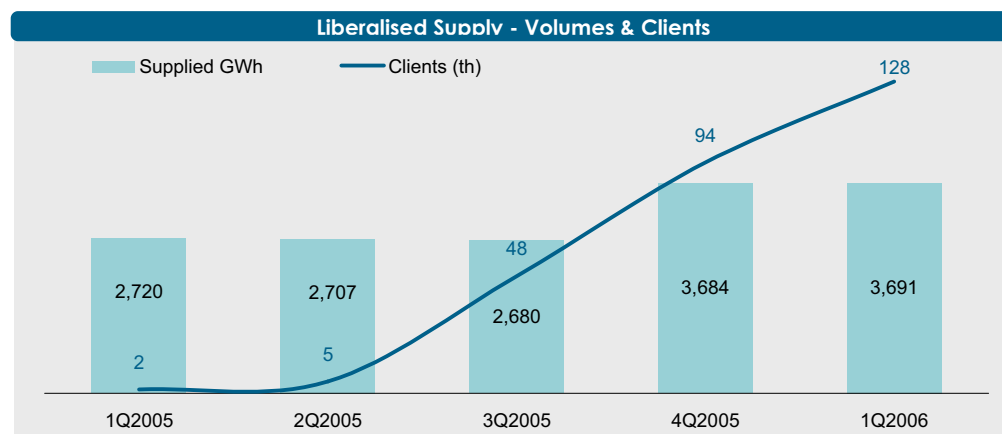
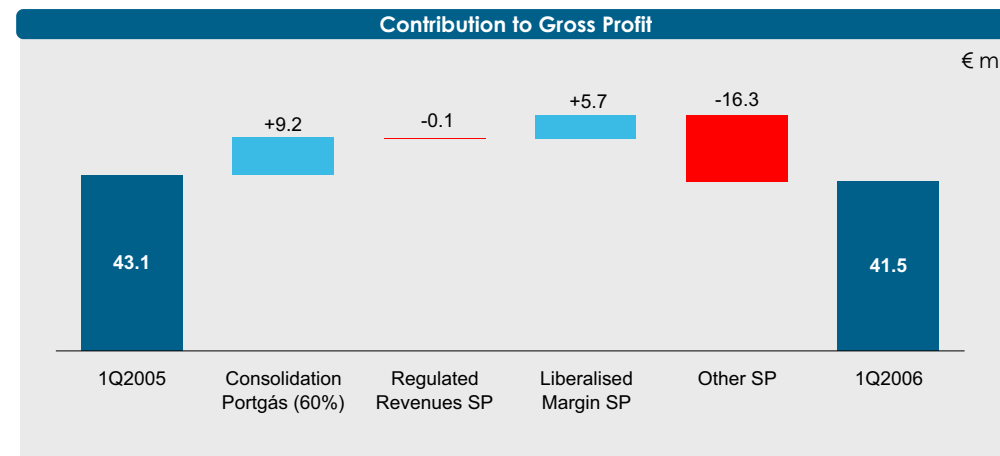
Electricity Distribution (GWh)	1Q2006	1Q2005	Δ 06/05
High Voltage	1,411	1,443	-2.2%
Medium Voltage	290	274	5.8%
Low Voltage	712	675	5.5%
Electricity Distributed	2,413	2,392	0.9%
o/w Third-Party Access	384	380	1.1%

Revenues Revenues (€ m)	1Q2006	1Q2005	Δ 06/05
Transmission	2.0	1.9	2.9%
Distribution	24.3	23.9	1.8%
Supply	1.9	1.9	2.1%
Electricity Regulated Revenues	28.2	27.7	1.9%

Number of Employees	1Q2006	1Q2005	Δ 06/05
Number of Employees	409	396	13
GWh / Employee	5.90	6.04	-2.3%
Consumers / Employee	1,447	1,457	-0.7%

Financial Highlights (€ m)	1Q2006	1Q2005	Δ 06/05
Gross Profit	41.5	43.1	-3.7%
Operating Costs	17.9	12.8	39.7%
EBITDA	23.7	30.3	-22.0%
EBIT	15.8	22.7	-30.4%

• Today, EDP has significant gas assets in Iberia, mainly in the distribution activity where it has a market share of 7%⁽¹⁾ and a total number of clients of approximately 770,000. EDP's assets comprise the Spanish company Naturgas (56.2% controlled by EDP, through HC Energia) and the Portuguese distribution companies Portgás (72.0%) and Setgás (19.8%; equity consolidated).



• In April 2006, EDP concluded the reinforcement of its stakes in Portgás and Setgás from 59.6% and 10.1% to 72.0% and 19.8%, respectively, after the non-opposition by the Portuguese Competition Authority to the acquisition by EDP of Endesa's indirect holdings in these companies. Such operation strengthened EDP's foothold on the Portuguese gas market where it expects to increase its client base upon liberalisation.

• In Spain, through Naturgas, EDP changed its commercial image and launched a strong marketing campaign to promote a dual-fuel offer and to capture new clients in the liberalised market. The strong increase in clients (+126,158) and in volumes (+971 GWh) reflects the success attained by Naturgas, from this marketing effort.

• In the 1Q2006, Naturgas was affected by an exceptional necessity to acquire gas in the spot market at higher prices than those foreseen under the company's current sourcing contracts. This led to an additional non-recurring cost of €15m which had a negative impact on Naturgas' gross margin.

⁽¹⁾ Excluding gas distributed to the electricity sector

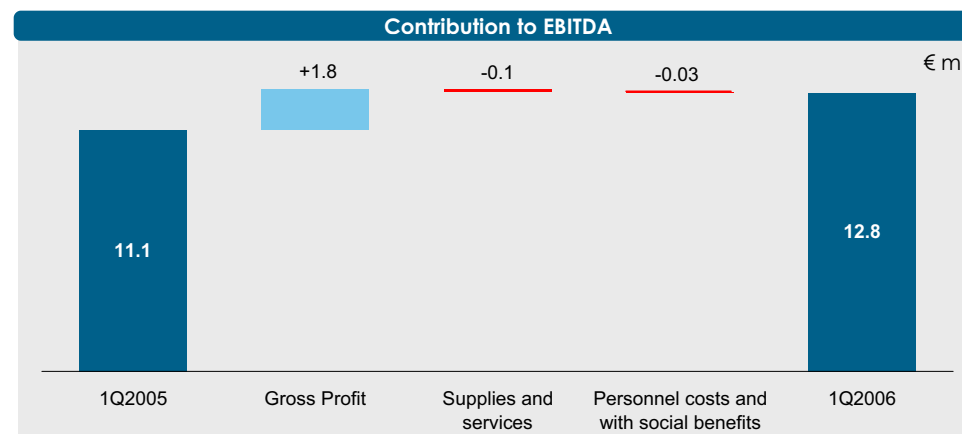
Gas in Portugal (Portgás - 100%)

Income Statement (€ m)	1Q2006	1Q2005	Δ 06/05
Operating Revenues	32.6	25.2	29.7%
Direct Activity Costs	17.2	11.6	48.6%
Gross Profit	15.4	13.6	13.5%
Gross Profit/Revenues	47.2%	53.9%	-6.7%
Supplies and services	1.5	1.4	7.6%
Personnel costs and with social benefits	1.0	1.0	3.2%
Other operating costs / (revenues)	-0.0	0.0	-
Operating Costs	2.6	2.4	4.9%
EBITDA	12.8	11.1	15.4%
EBITDA / Revenues	39.4%	44.2%	-4.9%
Depreciation and amortization	1.9	0.9	107.8%
Compensation of subsidised assets' depreciation	-0.4	-	-
EBIT	11.3	10.2	10.7%
EBIT / Revenues	34.7%	40.6%	-5.9%

Number of Employees	1Q2006	1Q2005	Δ 06/05
Number of Employees	110	98	12
GWh / Employee	6.08	6.41	-5.3%
Consumers / Employee	1,365	1,411	-3.3%

Gas Consumers	1Q2006	1Q2005	Δ 06/05
Residential	147,087	135,698	8.4%
Services	2,743	2,293	19.6%
Industrial	335	307	9.1%
Total Gas Consumers	150,165	138,298	8.6%

Gas Distribution (GWh)	1Q2006	1Q2005	Δ 06/05
Residential	235	227	3.5%
Services	123	111	11.4%
Industrial	310	291	6.6%
Total Gas Distributed	668	629	6.3%



• In the end of September 2005, EDP signed a contract with Endesa to reinforce its shareholding to 72%. This operation was approved by the Portuguese Competition Authority in April 2006.

• The volume of gas distributed by Portgás rose 6.3% to 668 GWh at the end of first quarter of 2006, from 629 GWh in 2005. Services and industrial were the segments that contributed mostly to this increase, although the residential segment that continue to provide clear evidence of healthy growth, has also increased.

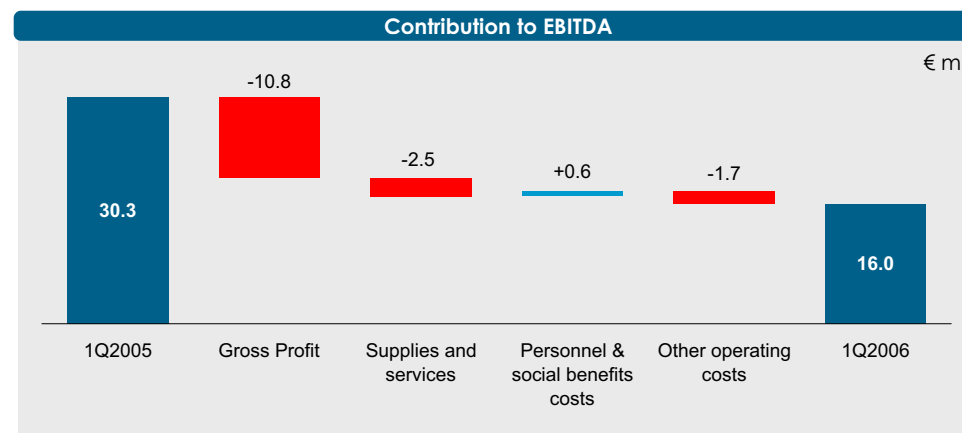
• Gas revenues amounted to €32,6m – of which €30.0m relate to natural gas (NG) and €2.1m to liquefied petroleum gas (LPG) – an increase of 29,7% year-on-year. This reflects the increase in the unit selling price as well as in the volumes of gas distributed. As a result, gross profit increased 13.5% to €15.4m and EBITDA grew 15.4% to €12.8m by the end of the first quarter 2006.

Income Statement (€ m)	1Q2006	1Q2005	Δ 06/05
Revenues	245.9	162.7	51.2%
Direct Activity Costs	213.5	119.5	78.6%
Gross Profit	32.4	43.1	-24.9%
Gross Profit/Revenues	13.2%	26.5%	-13.4 pp
Supplies and services	9.0	6.5	38.5%
Personnel costs	4.4	5.0	-12.3%
Costs with social benefits	0.1	0.1	-23.4%
Other operating costs / (revenues)	2.9	1.2	140.0%
Operating Costs	16.3	12.8	27.6%
EBITDA	16.0	30.3	-47.1%
EBITDA / Revenues	6.5%	18.6%	-0.1 pp
Depreciation and amortization	7.3	8.0	-9.0%
Compensation of subsidised assets' depreciation	-0.4	-0.4	10.2%
EBIT	9.1	22.7	-59.9%
EBIT / Revenues	3.7%	14.0%	-0.1 pp

Number of Employees	1Q2006	1Q2005	Δ 06/05
Number of Employees	332	273	59
GWh sold / Employee	31.4	34.9	-10.1%
Clients / Employee	2,248	2,155	4.3%

Regulated Activity	1Q2006	1Q2005	Δ 06/05
Number of Consumers (th)	618.8	586.7	5.5%
Gas Distributed (GWh)	6,733	6,815	-1.2%
Regulated Revenues (€ m)	35.0	35.1	-0.4%
Transport	3.1	3.0	4.3%
Distribution	27.8	27.3	2.1%
Commercialisation	4.1	4.9	-17.1%

Liberalised Activity	1Q2006	1Q2005	Δ 06/05
Number of Clients (th)	127.7	1.6	-
Gas Supplied (GWh)	3,691	2,720	35.7%
Selling Margin (€ / MWh)	1.2	-0.5	-



• The performance of the Spanish Gas activity gross profit is explained by the following factors:

i) a small drop in regulated revenues, as a result of the switch of clients from the regulated tariff to the liberalised system, which had a negative impact on the commercialisation regulated revenue (-€1m);

ii) higher volumes of gas sold to liberalised clients with better selling price conditions vis-à-vis the cost of Naturgas' sourcing contracts (+€6m). This is the result of (a) the success attained by Naturgas on a dual-fuel offer launched in mid 2005 to small clients, which also enabled the company to secure clients that switched from the regulated market to the non-regulated market, and (b) a renegotiation on better terms of the existing contracts with big clients;

iii) an insufficiency of gas sourcing in the period led to exceptional non-recurring procurement costs resulting from gas acquisition made in the spot market at higher prices than those of current sourcing contracts. This had a negative impact of €15m in the gross profit.

• During the 1Q2006, Naturgas continued to promote its brand image through publicity and sponsorships, and also continued the successful marketing campaign to promote its dual-fuel offer and to capture clients that are switching from the regulated market to the non-regulated market. Such campaign had an impact of €2m on operating costs in the 1Q2006. Costs were also influenced by the increase of local taxes following higher gas sales (+€1m).

Financial Highlights

| 1Q2006 | 1Q2005 | Δ 06/05

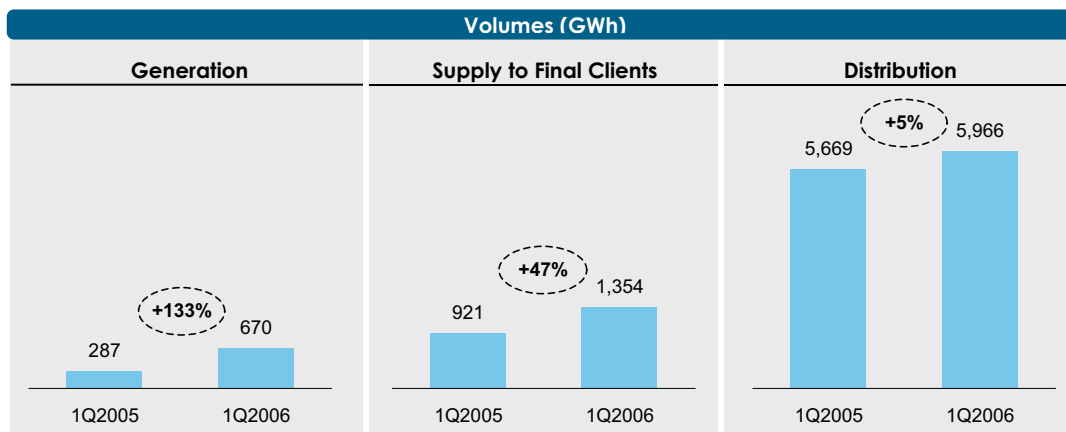
R\$ million

Gross Profit	470.4	413.1	13.9%
Operating Costs	194.8	160.2	21.6%
EBITDA	275.6	252.9	9.0%
EBIT	220.1	201.4	9.3%

€ million

Gross Profit	179.5	119.9	49.7%
Operating Costs	74.3	46.5	59.9%
EBITDA	105.2	73.4	43.2%
EBIT	84.0	58.5	43.6%

• EDP's activities in Brazil, through Energias do Brasil (owned 62.4% by EDP), continue to post an healthy operating performance. In the 1Q2006, EDP also benefited by the strong appreciation of the Real against the Euro, from an average BRL/Euro rate of 3.44 in the 1Q2005 to 2.62 in the 1Q2006 (+€25m at the EBITDA level).

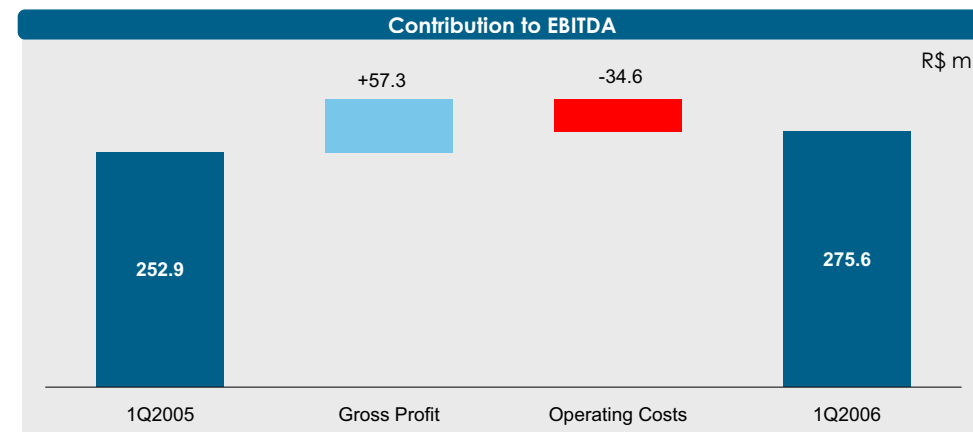
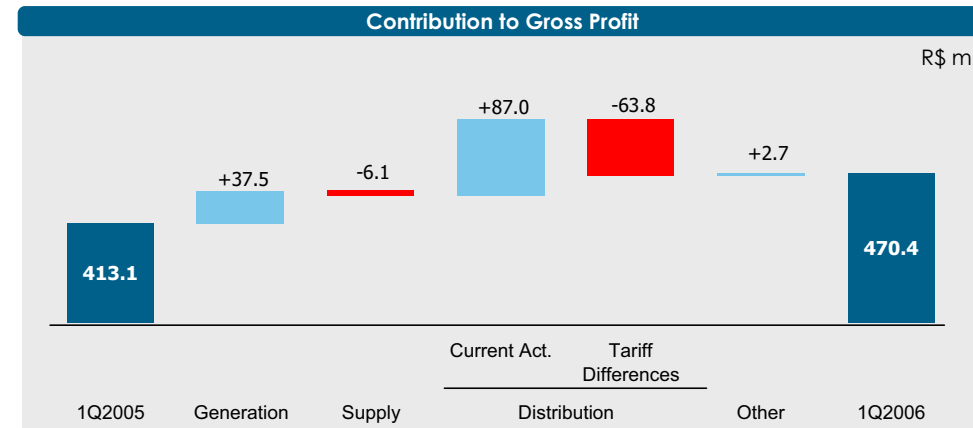


• Electricity volumes sold by the Brazilian activities showed a strong growth following: i) higher GWh sold to liberalised clients, capturing the ones that are switching from the regulated market to the liberalised market; and ii) a growth in electricity distribution mainly due to the high temperatures in the summer. The abnormal increase of generation volumes is explained by the effect of the unbundling process of the generation activities embedded in the DisCos.

• The growth in the distributed volumes was not entirely reflected in the gross profit, because the distribution companies incurred in higher non-controllable costs than the recognised in the tariffs (R\$68m in the 1Q2006 vs. R\$4m in the 1Q2005). Such difference is going to be recovered in the next years' tariff readjustments processes.

• Operating costs were mainly affected by the implementation of corporate programmes in order to increase the company efficiency levels, namely the "Vanguarda Project" to capture synergies within the companies of Energias do Brasil and the programme to reduce commercial and technical losses in the distribution grid.

• It is important to highlight that Peixe Angical hydro power plant (452 MW) should start operations in the 2Q2006, with its first unit of 151 MW, and is expected a strong contribution to the EBITDA in 2006.



Generation

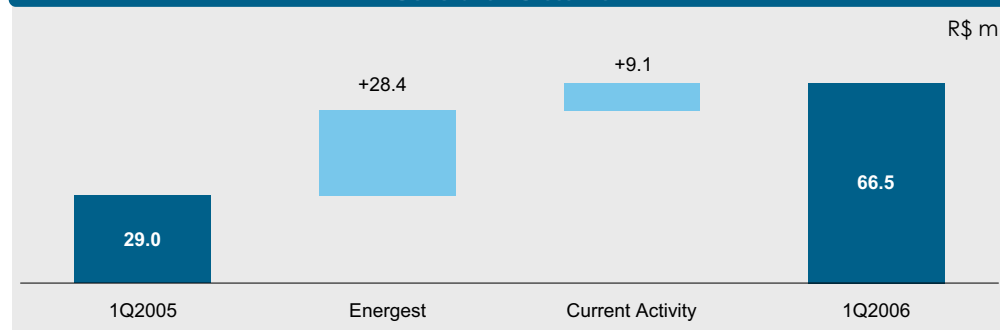
Installed Capacity (MW) | 1Q2006 | 1Q2005 | Δ 06/05

Lajeado (27.65%)	250	250	-
Energest	267	-	+267
Total	517	250	+267

Electricity Sold (GWh) | 1Q2006 | 1Q2005 | Δ 06/05

Lajeado (27.65%)	278	287	-3.1%
Energest	392	-	-
Total	670	287	133.1%

Generation Gross Profit



• In the middle of 2005, Energias do Brasil unbundled the generation activities embedded in its distribution subsidiaries, in order to comply with the new regulatory framework for the Brazilian electricity sector. As a consequence, the power plants formerly embedded in the distribution companies (281 MW; of which 14 MW were decommissioned in YE2005) were incorporated in the electricity generation division. This change was the main driver of the strong gross profit growth, contributing with R\$28m in the period.

• In 2006, Energias do Brasil expects to increase its installed capacity by an additional 527 MW. In January 2006, the operating licence for Peixe Angical hydro power plant (452 MW) was granted, which enabled the conclusion of the reservoir flooding until April 2006. This power plant is expected to start operations by May 2006 with its first unit of 151 MW, the second unit by July 2006 and the third unit by October 2006. 100% of the annual 2,374 GWh output is already contracted through PPAs with the distribution companies at an average price of approximately R\$120/MWh (these contracts were already accepted by the regulator).

Trading and Supply

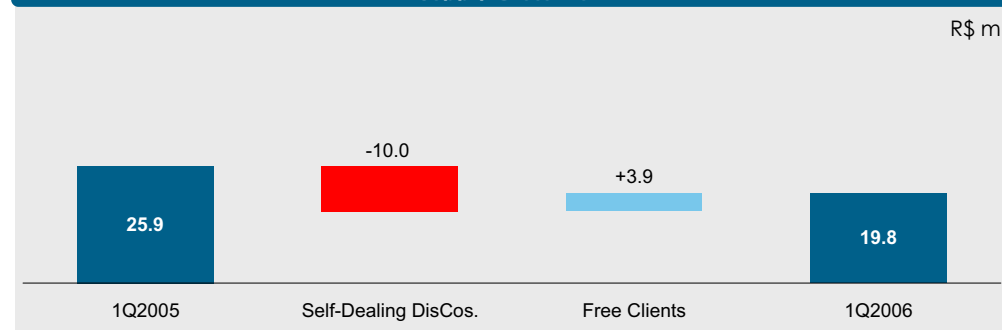
Clients | 1Q2006 | 1Q2005 | Δ 06/05

Number of clients	54	34	58.8%
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Electricity Sales (GWh) | 1Q2006 | 1Q2005 | Δ 06/05

Liberalised Clients	1,354	921	47.0%
Distribution Companies	303	683	-55.6%
Total	1,657	1,604	3.3%

Supply Gross Profit



• Volumes sold by our trading and supply company, Enertrade, increased 3.3%, following higher number of clients and the subsequent volumes increase.

• During the last months, Enertrade was able to capture clients of Energias do Brasil DisCos that are switching from the regulated market to the free market, securing Energias do Brasil's client base.

• Volumes traded to Energias do Brasil's distribution subsidiaries decreased 56%, since the new regulatory framework does not allow the trading of electricity through "self-dealing" (companies within the same group). Therefore, "self-dealing" contracts cannot be renegotiated upon maturity.

• Overall, despite the increase in volumes sold, gross profit of Enertrade decreased 23.5% as a result of the end of some self-dealing contracts, which was not completely offset by the new contracts with final clients at a lower margin.

Distribution Activity

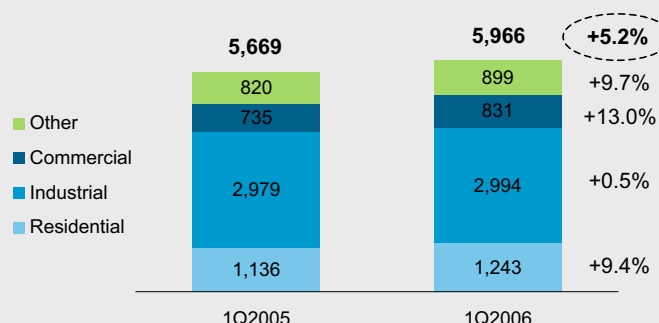
GWh	Final Clients
	Third-party access
	Electricity Distributed
R\$ million	Electricity Base Revenues
	(-) Non-controllable costs
	Electricity Base Margin
	Tariff Adjustments (t-n differences under recovery or return)
	Extraordinary Tariff (Recovery of Rationing Losses & Parcela A)
	Electricity Gross Profit
	Other Revenues / (Costs)
	Gross Profit

Bandeirante		
1Q2006	1Q2005	Δ 06/05
1,964	2,008	-2.2%
1,172	990	18.4%
3,136	2,998	4.6%
472.5	472.7	-0.0%
329.6	336.3	-2.0%
142.9	136.4	4.8%
-2.0	28.5	-
16.2	20.3	-20.1%
157.1	185.2	-15.2%
9.6	-16.8	-
166.7	168.3	-1.0%

Escelsa		
1Q2006	1Q2005	Δ 06/05
1,228	1,391	-11.7%
809	485	66.8%
2,037	1,876	8.6%
312.1	283.7	10.0%
229.5	198.0	15.9%
82.6	85.7	-3.6%
7.4	11.9	-37.6%
11.6	9.8	18.3%
101.6	107.3	-5.3%
4.3	2.5	73.2%
105.9	109.8	-3.6%

Enersul		
1Q2006	1Q2005	Δ 06/05
695	708	-1.8%
98	87	12.6%
793	795	-0.2%
199.9	150.2	33.1%
112.0	96.6	15.9%
87.9	53.5	64.1%
10.2	16.4	-37.8%
9.1	6.4	42.8%
107.2	76.3	40.4%
2.7	4.8	-44.0%
109.8	81.1	35.4%

Total Electricity Distributed (GWh)



Last Tariff Revisions and Readjustments

	Bandeirante	Escelsa	Enersul
	Out-05 Readjust.	Ago-05 Readjust.	Abr-05 Readjust.
Part A	-4.03%	5.73%	3.06%
Part B ⁽¹⁾	0.74%	-2.54%	11.75%
Readjust. Index	-3.29%	3.19%	14.81%
Past Costs	4.36%	5.06%	3.41%
Other	-5.56%	1.50%	2.47%
Financial Items	-1.20%	6.56%	5.88%
Total Index ⁽¹⁾	-4.49%	9.75%	20.69%

Notes:

Part A: Non-controllable costs, which is a pass-through to the tariff

Part B: Controllable costs, depreciation and return on invested capital, which are updated to inflation (IGP-M) and adjusted by an X factor.

Readjustment Index: Gives the total increase to be applied to electricity base revenues

Financial Items: Recovery (or return) of past costs (or revenues) for a period of 12 months.

⁽¹⁾ Part B for Bandeirante and Escelsa were adjusted due to change applied by ANEEL in the consideration of the federal taxes in the construction of the tariff, which now are paid directly by the clients and do not need tariff coverage.

• Total electricity distributed by Energias do Brasil increased 5.2% following the high temperatures in the summer, which had an impact on the electricity consumption in the residential, commercial and rural segments. Besides the high temperatures, each concession area was affected by different factors. Bandeirante's consumption growth also resulted from a higher number of clients, while Escelsa's consumption increase was mainly propelled by the good economic growth in the region. Regarding Enersul, the rural local economy was affected by singular factors, namely by the foot and mouth disease.

• Bandeirante: "Electricity Base Margin" increased 4.8% explained by i) higher volumes distributed and an increase in the implied average unit margin (Part B) given by the regulator; which was partly offset by ii) a R\$21m negative difference between the non-controllable costs incurred and the ones covered by the tariff (R\$4m positive in 1Q05). Such difference will be pass-through to tariffs in future tariff readjustments. Regarding the tariff adjustments under recovery (or return) in period, it is important to note that Bandeirante is giving back to the tariffs R\$102m between October 2005 and 2006 (reflecting the amendment applied to the October 2003 tariff increase), and at the same time recovering past costs that were not covered by the tariff. The swing at the "Other revenues (or costs)" reflects the estimated revenues for non-invoiced electricity in both periods (not included either on "electricity sales" or GWh distributed).

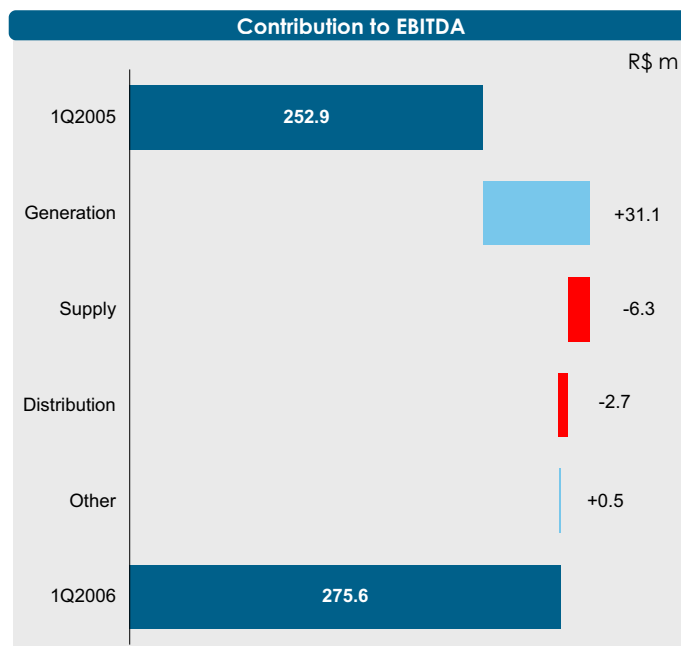
• Escelsa: "Electricity Base Margin" decreased 3.6% due to i) a R\$37m negative difference between the non-controllable costs incurred and the ones covered by the tariff (R\$10m negative in 1Q05); and ii) the impact of the unbundling process; which was partly offset by a strong consumption increase. Regarding the tariff adjustments under recovery in the period, Escelsa is recovering, between August 2005 and August 2006 i) R\$35m related to past non-controllable cost that were not covered by the tariff; and ii) R\$17m as a retroactive related to the amendment of the August 2004 tariff increase (from 4.96% to 8.58%).

• Enersul: "Electricity Base Margin" increased 64% following i) an increase in the implied average unit margin (Part B) given by the regulator; and ii) a R\$20m correction to the tariff base in April 2005; which was partly offset by iii) a R\$10m negative difference between the non-controllable costs incurred and the ones covered by the tariff (R\$2m positive in 1Q2005). Regarding the tariff adjustments, Enersul recovered between April 2005 and 2006 i) R\$20m as a retroactive adjustment related to the amendment of the April 2003 tariff increase (from 42.26% to 50.81%); and ii) R\$28m related to past cost that were not covered by the tariff.

• All in all, gross profit of the DisCos increased 6.5% mainly influenced by consumption growth, although penalised by negative tariff differences of R\$68m (vs. R\$4m negative in 1Q05), which will be recovered in the next tariff readjustments.

Subsequent Events: In April 2006, ANEEL approved a 16.75% annual tariff readjustment index for Enersul, which reflects +4.17% for Part A, +7.29% for Part B and +5.29% for Financial items.

Income Statement R\$ million	Generation			Supply			Distribution			Consolidated		
	1Q2006	1Q2005	Δ 06/05	1Q2006	1Q2005	Δ 06/05	1Q2006	1Q2005	Δ 06/05	1Q2006	1Q2005	Δ 06/05
Operating Revenues	88.5	31.8	178.1%	118.7	106.8	11.1%	1,079.9	998.2	8.2%	1,186.2	1,056.3	12.3%
Direct Activity Costs	21.9	2.8	691.3%	98.9	80.9	22.3%	697.5	639.0	9.2%	715.8	643.3	11.3%
Gross Profit	66.5	29.0	129.1%	19.8	25.9	-23.5%	382.5	359.3	6.5%	470.4	413.1	13.9%
Gross Profit/Revenues	75.2%	91.3%	-16.1p.p.	16.7%	24.3%	-7.6p.p.	35.4%	36.0%	-0.6p.p.	39.7%	39.1%	0.5p.p.
Supplies and services	17.0	10.4	63.9%	1.1	1.5	-28.3%	70.5	55.1	27.9%	93.0	70.1	32.6%
Personnel costs	2.2	1.8	26.9%	1.1	0.4	178.0%	64.6	58.5	10.4%	71.0	63.7	11.3%
Other operating costs / (revenues)	1.9	2.6	-28.2%	0.0	0.1	-69.7%	27.7	23.3	19.0%	30.8	26.3	17.3%
Operating Costs	21.1	14.7	43.3%	2.2	2.0	9.5%	162.8	136.9	18.9%	194.8	160.2	21.6%
EBITDA	45.5	14.3	217.1%	17.6	23.9	-26.3%	219.6	222.3	-1.2%	275.6	252.9	9.0%
EBITDA / Revenues	51.4%	45.1%	6.3p.p.	14.9%	22.4%	-7.5p.p.	20.3%	22.3%	-1.9p.p.	23.2%	23.9%	-0.7p.p.
Depreciation and amortization	4.3	2.3	84.1%	0.2	0.2	13.7%	56.5	48.9	15.6%	61.2	51.5	18.9%
Comp. of subsidised assets' depreciation	-	-	-	-	-	-	-5.7	-	-	-5.7	-	-
EBIT	41.2	12.0	243.1%	17.5	23.8	-26.6%	168.8	173.4	-2.7%	220.1	201.4	9.3%
EBIT / Revenues	46.5%	37.7%	8.8p.p.	14.7%	22.2%	-7.5p.p.	15.6%	17.4%	-1.7p.p.	18.6%	19.1%	-0.5p.p.
Employees	281	208	+73	15	9	+6	3,259	3,362	-103	3,609	3,622	-13



• In the 1Q2006, EBITDA of Energias do Brasil increased 9.0% following the increase of the generation activity, as a result of the unbundling process, and the negative contribution of the distribution and supply activity, which were affected, respectively, by negative tariff differences (R\$68m in 1Q06 vs R\$4m in 1Q05) together with higher operating costs and by the end of “self-dealing” contracts.

• Operating costs of Energias do Brasil increased 21.6% explained by:

- higher costs with supplies and services, mainly at the distribution activity, as a result of (a) the programme to contain commercial and technical losses in the distribution grid (R\$6m); (b) higher consultancy and IT costs (R\$5m) mainly due to the implementation of the “Vanguarda Project”; and (c) other costs related to the network enlargement and the improvement of the commercial services;
- a rise in personnel costs, which mainly reflects the annual salary readjustment agreement between 6% and 8% granted to the distribution employees;
- an increase of provisions for doubtful debtors (+R\$3m).

• In order to reduce the commercial and technical losses of the distribution grid, Energias do Brasil is investing in a specific programme focused on improvements in metering procedures, inspections of consuming units, fraud detection and the regularization of clandestine connections. Improvements in the losses indicators are expected towards the end of 2006.

• The “Vanguard Project” was developed in 2005 with the goal to create and consolidate a new concept of integrated management throughout Energias do Brasil's companies, based on two main pillars: the capture of synergies and a new organizational model. The organizational structure, operating procedures and IT systems are all being redesigned to achieve economies of scale and cost savings through shared services. This programme is expected to be fully implemented by 2007.

Income Statement (€m) ⁽¹⁾	1Q2006	1Q2005	Δ 06/05
Operating Revenues	39.1	40.4	-3.2%
Direct Activity Costs	19.8	19.7	0.9%
Gross Profit	19.3	20.7	-7.0%
Gross Profit/Revenues	49.3%	51.3%	-2.1 pp
Supplies and services	12.4	11.5	7.5%
Personnel costs	6.9	8.1	-14.7%
Other operating costs / (revenues)	-1.3	-4.2	69.9%
Operating Costs	18.0	15.4	16.9%
EBITDA	1.3	5.3	-76.1%
EBITDA/Revenues	3.3%	13.2%	-10.0 pp
Deprec. and amortis. (net of subsid.)	9.3	9.8	-5.2%
EBIT	-8.0	-4.5	-79.1%
EBIT/Revenues	-20.6%	-11.1%	-9.5 pp

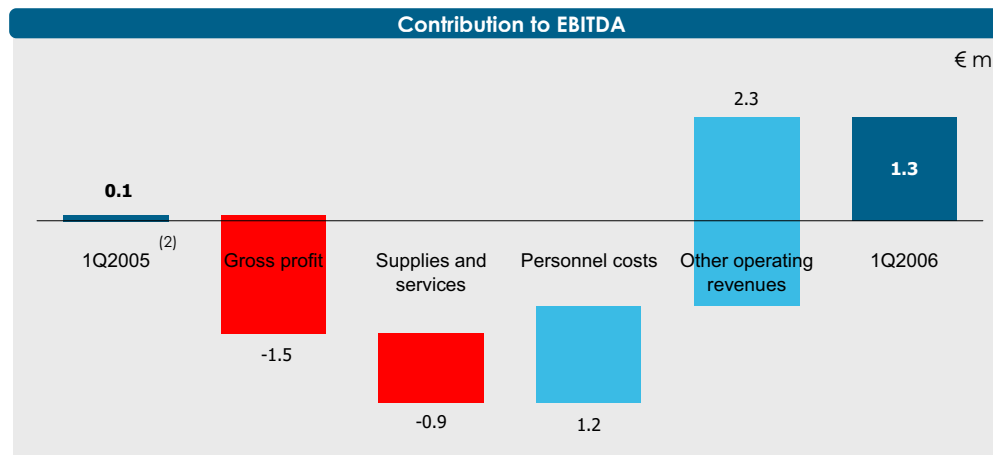
Operating Data ⁽¹⁾	1Q2006	1Q2005	Δ 06/05
Number of Employees	488	599	-111
Clients - Gross Adds (thousand)	21.4	13.0	65.1%
Residential	31.0	43.4	-28.6%
Corporate	89.0	91.5	-2.7%
Carriers	149.4	113.6	31.6%
Voice Traffic (million min.)	269.4	248.5	8.4%

• Gross Adds increased 65.1% year-on-year, following the company's strategic focus on direct access clients and broadband internet (Oni Duo).

• Voice traffic increased 8.4% year-on-year, mostly due to a 31.6% growth in the carriers segment. The residential segment's voice traffic decreased 28.6% due to the erosion of indirect access clients, which was not yet compensated by the growth in voice traffic from direct access clients that more than tripled when compared with the 1Q2005 and increased more than 50% when compared with the 4Q2005. At the corporate segment, voice traffic decreased 2.7% year-on-year due to a reduction in voice traffic from indirect access clients.

• Operating revenues decreased 3.2% year-on-year mostly as a result of a 9.9% decrease in voice telecommunication services to €15.1m in the 1Q2006, explained by a setback in the commercialization of "Oni Voxx" (an indirect voice services product) because of a delay in the publication of proper regulation needed for the launch of this product. Excluding proceeds from indirect voice services, operating revenues would have increased 2.0% year-on-year.

Gross Profit (€ m) ⁽¹⁾	1Q2006	1Q2005	Δ 06/05
Telecommunication Services	18.9	20.6	-8.5%
Gross Profit/Revenues	52.3%	52.8%	-0.5 pp
Equipment sales	0.4	0.1	-
Gross Profit/Revenues	12.7%	6.8%	5.9 pp
Gross Profit	19.3	20.7	-7.0%
Gross Profit/Revenues	49.3%	51.3%	-2.1 pp



Revenues from data & Internet services remained at close to €16m on the back of revenues from broadband internet. Revenues from equipment sales increased €1.7m year-on-year to €3.0m in the 1Q2006, benefiting from the completion of a major contract for equipment supply.

• Gross profit at the Oni Group fell 7.0% year-on-year, or 2.1 p.p., mostly due to a both a change in the mix of services provided and a decrease in the average price of services supplied due to an increasingly competitive environment.

• Excluding non-recurring impacts, operating costs would have decreased 13.0% due to: i) a 14.7%, or €1.2m, decrease in personnel costs due to both lower severance payments and a decrease in the number of employees; ii) the accounting in the 1Q2005 of a €1.5m provision for doubtful clients and iii) the accounting in the 1Q2006 of a €1m income related to the recovery of previously provisioned doubtful debts; which were partly compensated by iv) a 7.5% increase in supplies and services. About 1/3 of this increase in supplies and services is explained by an increase in clients' acquisition and retention costs while the remaining is due to higher O&M costs at Oni's network.

• On a comparable basis, Oni Group EBITDA increased from a break-even situation in the 1Q2005 to €1.3m in the 1Q2006.

⁽¹⁾ 1Q2005 financial and operating figures here presented are pro-forma, excluding Comunitel's contribution. In 2005, following the sale of Comunitel in September 2005, this company was only consolidated from January to September.

⁽²⁾ 1Q2005 EBITDA was adjusted to exclude a €5.3m non-recurring income related to the sale of Oni Way.

Income Statements

Income Statement by Business Area

1Q2006 (€ m)	Generation Iberia	Supply Iberia	NEO - Renewables	Cogeneration Iberia	Distribution Iberia	Gas Iberia	Energias do Brasil	Telecoms	EDP Group
Electricity Sales	721.6	280.5	53.1	20.1	1,137.1	26.6	446.4	-	2,421.8
Other Sales	2.1	5.8	8.2	6.7	0.9	220.8	-	3.0	259.6
Services Provided	1.9	5.3	1.8	0.3	16.4	18.0	6.2	36.1	78.6
Operating Revenues	725.7	291.6	63.0	27.1	1,154.4	265.4	452.7	39.1	2,760.1
Electricity & Gas	34.2	376.2	0.0	0.1	803.4	30.3	268.8	-	1,243.5
Fuel	250.6	-	5.5	17.7	0.2	-	-	-	292.6
Materials and goods for resale	4.1	8.7	4.6	0.3	3.8	193.5	4.3	2.6	212.1
Direct Activity Costs	288.9	384.9	10.1	18.1	807.4	223.8	273.2	2.6	1,748.2
Gross Profit	436.8	(93.2)	52.9	9.0	346.9	41.5	179.5	36.5	1,011.9
Gross Profit/Revenues	60.2%	-32.0%	84.0%	33.1%	30.1%	15.7%	39.7%	93.4%	36.7%
Supplies and services	25.9	7.6	8.4	3.1	67.9	9.9	35.5	29.6	167.8
Personnel costs	25.9	2.9	2.5	0.2	50.8	5.0	27.1	6.7	141.9
Costs with social benefits	4.1	0.1	0.0	-	14.9	0.1	-	0.2	18.1
Concession fees	0.9	0.0	0.2	-	50.9	-	0.9	-	53.0
Other operating costs (or revenues)	21.9	10.3	2.3	(0.5)	(1.1)	2.9	10.9	(1.3)	62.1
Operating costs	78.7	20.9	13.5	2.8	183.4	17.9	74.3	35.2	442.9
EBITDA	358.1	(114.1)	39.4	6.2	163.5	23.7	105.2	1.3	569.0
EBITDA/Revenues	49.3%	-39.1%	62.6%	22.7%	14.2%	8.9%	23.2%	3.3%	20.6%
Depreciation and amortisation	73.2	1.9	16.7	2.6	89.5	8.4	23.4	9.3	241.6
Comp.of subsidised assets' depreciation	(0.9)	-	(0.1)	(0.0)	(20.9)	(0.6)	(2.2)	-	(24.7)
EBIT	285.8	(116.0)	22.8	3.6	94.9	15.8	84.0	(8.0)	352.0
EBIT/Revenues	39.4%	-39.8%	36.2%	13.2%	8.2%	6.0%	18.6%	-20.6%	12.8%
Financial income/(expense)	(11.9)	(3.9)	(13.1)	(0.9)	(12.2)	0.8	(20.9)	(4.5)	25.8
Amortisation of concession rights	-	-	(0.0)	(0.0)	-	(0.0)	(2.1)	(0.8)	(9.1)
Discontinuing Activities	-	-	-	-	-	-	-	-	-
Pre-tax profit	273.9	(119.9)	9.7	2.7	82.7	16.7	60.9	(13.4)	368.7
Income Taxes & Deferred Taxes	75.7	(33.0)	4.9	0.0	15.6	5.1	25.4	2.8	107.9
Minority interests	0.4	(0.0)	2.5	0.0	0.0	6.6	1.8	(0.1)	23.7
Net Profit	197.8	(86.9)	2.2	2.7	67.1	5.0	33.7	(16.1)	237.1

Income Statement by Business Area

1Q2005 (€ m)	Generation Iberia	Supply Iberia	NEO - Renewables	Cogeneration Iberia	Distribution Iberia	Gas Iberia	Energias do Brasil	Telecoms	EDP Group
Electricity Sales	658.0	142.1	24.2	16.4	1,007.0	9.3	275.8	-	2,136.1
Other Sales	1.8	1.4	3.7	4.8	0.8	143.3	-	2.6	175.3
Services Provided	3.8	2.2	0.7	0.2	13.6	10.0	30.8	78.2	142.1
Operating Revenues	663.7	145.7	28.6	21.4	1,021.4	162.7	306.6	80.7	2,453.5
Electricity & Gas	31.6	167.5	0.3	0.1	660.5	11.9	183.9	-	1,195.6
Fuel	250.7	-	3.3	12.6	0.1	-	-	-	267.2
Materials and goods for resale	4.8	2.8	2.4	0.1	2.8	107.7	2.9	2.4	9.2
Direct Activity Costs	287.1	170.3	6.0	12.8	663.4	119.5	186.7	2.4	1,472.0
Gross Profit	376.6	(24.6)	22.6	8.6	358.0	43.1	119.9	78.4	981.5
Gross Profit/Revenues	56.7%	-16.9%	79.1%	40.2%	35.1%	26.5%	39.1%	97.1%	40.0%
Supplies and services	25.8	7.1	5.4	2.5	67.5	6.5	20.4	60.4	177.0
Personnel costs	27.8	2.6	1.2	0.2	49.2	5.0	17.8	13.8	133.4
Costs with social benefits	5.9	0.1	0.0	-	19.6	0.1	0.7	0.2	25.1
Concession fees	0.9	0.0	0.2	-	50.3	-	-	-	51.4
Other operating costs (or revenues)	3.4	(3.2)	0.2	(0.4)	(1.7)	1.2	7.6	(3.5)	33.8
Operating costs	63.8	6.6	7.0	2.3	184.9	12.8	46.5	70.8	420.6
EBITDA	312.8	(31.2)	15.5	6.4	173.2	30.3	73.4	7.6	560.8
EBITDA/Revenues	47.1%	-21.4%	54.4%	29.7%	17.0%	18.6%	23.9%	9.4%	22.9%
Depreciation and amortisation	70.6	2.2	6.9	2.4	90.0	8.0	14.9	13.5	218.6
Comp.of subsidised assets' depreciation	(1.5)	-	(0.1)	(0.0)	(20.1)	(0.4)	-	-	(20.2)
EBIT	243.7	(33.4)	8.7	4.0	103.2	22.7	58.5	(5.9)	362.4
EBIT/Revenues	36.7%	-23.0%	30.5%	18.5%	10.1%	14.0%	19.1%	-7.4%	14.8%
Financial income/(expense)	(18.5)	(0.9)	(3.0)	(0.8)	(8.6)	5.5	(26.8)	(9.1)	(65.9)
Amortisation of concession rights	(0.0)	-	(0.1)	-	-	0.0	(1.2)	(1.9)	(9.4)
Discontinuing Activities	-	-	-	-	-	-	-	-	0.5
Pre-tax profit	225.2	(34.4)	5.7	3.1	94.6	28.2	30.5	(17.0)	287.6
Income Taxes & Deferred Taxes	60.9	(11.5)	1.5	0.0	17.9	8.0	12.5	0.1	67.8
Minority interests	2.4	(0.7)	0.7	(0.0)	0.1	6.4	3.2	0.1	3.0
Net Profit	162.0	(22.2)	3.6	3.1	76.6	13.8	14.8	(17.2)	216.9

ANNEX

EDP Iberian installed capacity & electricity generation



Installed Capacity - MW	1Q2006	1Q2005	Δ MW
PORTUGAL	8,921	8,355	567
Conventional Regime	8,584	8,032	552
<i>Binding Generation</i>	<i>7,164</i>	<i>7,005</i>	<i>160</i>
Hydroelectric (PES)	4,095	3,903	192
Thermoelectric (PES)	3,070	3,102	-32
Coal			
Sines	1,192	1,192	-
Fuel oil / Natural Gas			
Setúbal	946	946	-
Carregado	710	710	-
Barreiro	56	56	-
Diesel			
Tunes	165	197	-32
<i>Non-Binding Generation</i>	<i>1,420</i>	<i>1,028</i>	<i>392</i>
Small-Hydro (NBES)	244	244	-
CCGT			
Ribatejo	1,176	784	392
Special Regime	337	322	15
Small-Hydro	66	66	-
Cogeneration	111	111	-
Wind ⁽¹⁾	151	136	15
Biomass	9	9	-

SPAIN	3,171	2,833	339
Conventional Regime	2,492	2,492	-
Hydroelectric	426	426	-
Thermoelectric	1,910	1,910	-
Coal			
Aboño	878	878	-
Soto de Ribera	645	645	-
CCGT			
Castejón	387	387	-
Nuclear			
Trillo	156	156	-
Special Regime	680	341	339
Small-Hydro	3	3	-
Cogeneration	42	39	3
Wind ⁽¹⁾	561	223	339
Waste	69	69	-
Biomass	4	7	-3

Electricity Generation	1Q2006	1Q2005	Δ GWh
PORTUGAL	7,415	7,337	78
Conventional Regime	7,052	7,027	25
<i>Binding Generation</i>	<i>5,409</i>	<i>5,705</i>	<i>-295</i>
Hydroelectric (PES)	2,160	1,295	866
Thermoelectric (PES)	3,249	4,410	-1,161
Coal			
Sines	2,371	2,421	-49
Fuel oil / Natural Gas			
Setúbal	771	1,337	-565
Carregado	72	571	-499
Barreiro	34	74	-40
Diesel			
Tunes	0	8	-8
<i>Non-Binding Generation</i>	<i>1,643</i>	<i>1,322</i>	<i>321</i>
Small-Hydro (NBES)	110	33	77
CCGT			
Ribatejo	1,533	1,289	244
Special Regime	363	310	53
Small-Hydro	56	20	36
Cogeneration	194	185	9
Wind ⁽¹⁾	98	93	5
Biomass	14	13	2

SPAIN	4,003	3,954	49
Conventional Regime	3,490	3,698	-207
Hydroelectric	324	305	19
Thermoelectric	2,837	3,061	-224
Coal			
Aboño	1,658	1,421	237
Soto de Ribera	981	1,134	-153
CCGT			
Castejón	198	506	-308
Nuclear			
Trillo	329	331	-2
Special Regime	513	256	257
Small-Hydro	1	1	0
Cogeneration	61	51	10
Wind ⁽¹⁾	364	120	244
Waste	84	82	2
Biomass	3	3	-1

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

Electricity Distribution and Supply in Portugal



Electricity Distributed (GWh)	1Q2006	1Q2005	Δ 06/05
Energy Delivered to Distribution	12,987	12,509	3.8%
Sales to EDP power plants	(5)	(3)	-56.5%
Own consumption - distribution	(5)	(10)	45.6%
Distribution losses	(848)	(1,026)	17.3%
Total Electricity Sales ⁽¹⁾	12,129	11,471	5.7%
Electricity Sales - Regulated Syst.	9,680	9,454	2.4%
VHV (Very high voltage)	343	336	1.9%
HV (High voltage)	1,345	1,216	10.6%
MV (Medium voltage)	1,581	1,411	12.1%
SLV (Special low voltage)	546	716	-23.8%
LV (Low voltage)	5,459	5,407	1.0%
PL (Public lighting)	407	369	10.3%
Electricity Sales - Non-regulated Syst.	2,448	2,017	21.4%
EDP	1,585	1,308	21.2%
VHV (Very high voltage)	12	-	-
HV (High voltage)	41	9	333.1%
MV (Medium voltage)	1,248	1,218	2.5%
SLV (Special low voltage)	284	81	251.7%
Non-EDP	864	709	21.9%
HV (High voltage)	3	10	-66.4%
MV (Medium voltage)	745	674	10.6%
SLV (Special low voltage)	115	25	357.7%

Electricity Sales (€ m)	1Q2006	1Q2005	Δ 06/05
VHV (Very high voltage)	16.1	15.0	7.3%
HV (High voltage)	72.5	60.9	19.0%
MV (Medium voltage)	135.5	114.8	18.0%
SLV (Special low voltage)	62.6	71.4	-12.4%
LV (Low voltage)	729.8	654.3	11.5%
PL (Public lighting)	30.9	25.4	21.5%
Interruptibility Discounts	-9.6	-8.5	-13.9%
Tariff correction Discounts	-	-0.0	-
Invoiced Sales - Regulated Syst.	1,037.6	933.3	11.2%
Invoiced Sales - Non-regulated Syst.	64.9	44.6	45.6%
Electricity Revenues	1,102.5	977.9	12.7%

Electricity Consumers ⁽²⁾	1Q2006	1Q2005	Δ 06/05
Electricity Sales - Regulated Syst.	5,911,989	5,830,031	81,958
VHV (Very high voltage)	13	19	-6
HV (High voltage)	162	157	5
MV (Medium voltage)	17,451	17,774	-323
SLV (Special low voltage)	22,710	25,210	-2,500
LV (Low voltage)	5,825,634	5,742,414	83,220
PL (Public lighting)	46,019	44,457	1,562
Electricity Sales - Non-regulated Syst.	11,995	7,369	4,626
EDP	7,947	5,640	2,307
VHV (Very high voltage)	9	-	9
HV (High voltage)	11	2	9
MV (Medium voltage)	2,860	2,489	371
SLV (Special low voltage)	5,067	3,149	1,918
Non-EDP	4,048	1,729	2,319
HV (High voltage)	-	3	-3
MV (Medium voltage)	1,543	937	606
SLV (Special low voltage)	2,505	789	1,716
Total Electricity Consumers	5,923,984	5,837,400	86,584
% Change YoY			1.5%

⁽¹⁾ Figures presented include sales to EDP Group for final consumption

⁽²⁾ Figures presented include EDP Group companies

Wind Farms in 1Q2006	% NEO	Installed Capacity			Consolidation Method
		100%	% held	Contrib. to revenues	
PORTUGAL					
Fonte da Mesa	100%	10	10	10	Full
Pena Suar	100%	16	16	16	Full
Cabeço da Rainha	100%	16	16	16	Full
Cadafaz	100%	10	10	10	Full
Serra do Barroso	70%	18	13	18	Full
Fonte da Quelha	100%	14	14	14	Full
Alto do Talefe	100%	14	14	14	Full
Padrela/Soutelo	100%	8	8	8	Full
Vila Nova	100%	26	26	26	Full
Açor	100%	20	20	20	Full
Alagoa Cima	40%	14	5	-	Equity
Bolores ⁽¹⁾	100%	5	5	5	Full
Mosteiro ⁽¹⁾	100%	9	9	9	Full
Amaral 1 ⁽¹⁾	100%	8	8	8	Full
Caldas 1 ⁽¹⁾	100%	10	10	10	Full
Fanhões 1 ⁽¹⁾	100%	12	12	12	Full
Amaral 1 - 2ª Fase ⁽¹⁾	100%	2	2	2	Full
Fanhões 2 - 1ª Fase ⁽¹⁾	100%	2	2	2	Full
Fanhões 2 - 2ª Fase ⁽¹⁾	100%	2	2	2	Full
		215	201	201	
SPAIN					
Arlanzón	78%	34	26	34	Full
Cantábrico	100%	65	65	65	Full
Albacete (Campollano)	75%	124	93	124	Full
Las Lomillas	50%	50	25	25	Proportional
Sotonera	65%	19	12	19	
Boquerón	75%	22	16	22	Full
Belchite	100%	50	50	50	Full
Zas	97%	24	23	24	Full
Corme	95%	18	17	18	Full
Tahivilla	100%	30	30	30	Full
Buenavista	100%	8	8	8	Full
Llanos Esquina	100%	6	6	6	Full
La Celaya	100%	29	29	29	Full
Monseivane	100%	41	41	41	Full
Santa Quiteria	58%	36	21	36	Full
Rabosera	100%	31	31	31	Full
Enix	5%	13	1	-	Equity
Monte de las Navas	5%	49	2	-	Equity
Altos del Voltoya	31%	62	19	-	Equity
Sierra Cortado	42%	20	8	-	Equity
Sierra del Madero	42%	29	12	-	Equity
Pesur	17%	20	3	-	Equity
Estrecho	17%	10	2	-	Equity
Juan Grande	45%	20	9	-	Equity
		809	551	561	
IBERIA		1.024	752	763	

⁽¹⁾ Tecneira wind farms did not contribute to 1Q2006 revenues.