Financial Results

9M11

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Lisbon, October 27th 2011

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

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EDP 9M11 financial statements reflect a change in accounting policy as to the interest cost and estimated return of the fund assets: the respective amounts, so far accounted as operating costs, are now accounted at financial results level.
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Main Highlights

Income Statement (€ m)	9M11	9M10*	Δ %	Δ Abs.
Gross Profit	**4,083**	**3,994**	**2.2%**	**+88**
Supplies and services	650	622	4.6%	+29
Personnel costs	432	436	-0.9%	-4
Costs with social benefits	40	89	-55.7%	-50
Other operating costs (net)	186	197	-5.7%	-11
Net Operating costs (1)	**1,307**	**1,344**	**-2.7%**	**-36**
EBITDA	**2,775**	**2,651**	**4.7%**	**+124**
Provisions	2	68	-97%	-67
Net depreciation and amortisation (2)	1,053	1,080	-2.5%	-27
EBIT	**1,720**	**1,503**	**14.5%**	**+218**
Capital gains/(losses)	10	3	299%	+8
Financial results	(546)	(348)	-57%	-198
Results from associated companies	17	18	-5.0%	-1
Pre-tax Profit	**1,202**	**1,176**	**2.2%**	**+26**
Income taxes	242	306	-20.7%	-63
Discontinued activities	-	-	-	-
Net profit for the period	960	870	10%	+90
Net Profit Attributable to EDP Shareholders	**824**	**774**	**6.4%**	**+49**
Non-controlling Interest	136	96	42%	+40

Key Operational Data	9M11	9M10	Δ %	Δ Abs.
Employees	12,131	12,173	-0.3%	-42
Installed capacity (MW)	22,577	21,315	5.9%	+1,261

Key Financial Data (€ m)	9M11	9M10	Δ %	Δ Abs.
FFO (Funds from operations)	1,996	2,075	-3.8%	-79
Capex	1,353	1,959	-31%	-606
Maintenance	496	506	-1.9%	-10
Expansion	857	1,453	-41%	-596
Net financial investment in the period	145	-10	-	+155

Key Balance Sheet Data (€ m)	Sep-11	Dec-10	Δ %	Δ Abs.
Equity booK value	7,761	7,855	-1.2%	-93
Net debt	16,592	16,345	1.5%	+247
Regulatory receivables	1,449	1,443	0.4%	+5
Net debt/EBITDA (x)	4.5x	4.5x	-	0.0x
Adjusted net debt (3)/EBITDA (x)	4.1x	4.1x	-	0.0x

EDP consolidated EBITDA rose 5% YoY to €2,775m in 9M11, driven by our operations in regulated networks (+€137m), wind (+€75m) and Brazil (+€59m). These increases offset the decline in LT Contracted Generation (-€28m) and liberalised activities (-€90m). As of Sep-11, EDP changed its accounting policy as to the interest cost and estimated return of the pension fund assets: these amounts, so far accounted as operating costs (€63m in 9M10), are now accounted at financial results level (€66m in 9M11). Excluding this impact, EBITDA grew 2% YoY in 9M11.

EBITDA generated outside Portugal accounted for 59% of EBITDA in 9M11. Moreover, **89% of total EBITDA derived from regulated and LT contracted activities**, reflecting our low-risk operational profile. In Portugal, where the bulk of EDP's operations are regulated, regulatory visibility improved substantially: (1) the Government's decision on the CMECs (Oct 13th) implies no change in earnings/value of CMECs but the deferral from 2012 to 2013 of a €141m receivable; (2) the release of ERSE's tariff proposal provided clarity for tariffs in 2012-14 and witnessed an increase in regulatory receivables in 2012. **For 2011,** EDP has already forward contracted with clients 30TWh of electricity sales and has already forward contracted ~100% of expected output (excluding production based on Spanish coal, under RD1221/10 regime) with an average clean thermal spread over €10/MWh. **For 2012,** EDP is adapting its hedging strategy to current market conditions, favoring gas sales in the wholesale market. In line with this, EDP has so far forward contracted with clients 10TWh of electricity sales. As a result, we have so far locked-in the spreads for around two thirds of expected coal output and gas sourcing commitments.

Net operating costs[1] fell 3% (-€36m), to €1,307m, supported by the change in accounting policy of pension fund costs (+€63m). Adjusted for this, net operating costs rose 2% on the back of: (i) operating costs €38m higher driven by larger base of operations at EDPR (+€26m) and HR restructuring costs in LT Contracted generation in Iberia (€6m in 9M11); and (ii) other net operating costs dropped by €11m supported by a €27m gain booked in the sale of transmission assets offset the impact from higher costs in Spain. OPEX (operating costs excluding restructuring costs and the impact from change in accounting policy) declined 3% YoY.

EBIT rose 15% to €1,720m, mainly driven by EBITDA growth and by the useful life extension of EDPR's wind farms. **Net depreciation and amortisation** was €27m lower YoY, at €1,053m in 9M11, as the expansion of EDPR's wind portfolio was offset by the extension of the useful life of the wind farms from 20 to 25 years. **Financial results** totalled -€546m in 9M11, mainly reflecting: (i) the increase in the average cost of debt (from 3.5% in 9M10 to 4.0% in 9M11); (ii) an 8% rise in average net debt; (iii) the impact from the aforementioned change in accounting policy (-€66m); (iv) a €49m impairment in our stake in BCP, and (v) a €23m provision due to a litigation with a client in Brazil. **Non-controlling interest** increased 42% YoY to €136m in 9M11, following EDP's sale of a 13.8% stake in EDP Brasil, along with the increase of EDP Brasil and EDPR net profit. **Net profit rose 6%**, to €824m in 9M11.

Net debt rose from €16.3bn in Dec-10 to €16.6bn in Sep-11, unveiling a €0.3bn decrease in 3Q11. Year to date increase in net debt was driven by: (1) expansion capex of €857m (-41% YoY, in line with lower growth targets in the wind business), (2) Payment of €231m for the full control of Genesa; and (3) dividends payment (€714m of which €617m to EDP shareholders). **Regulatory receivables** were stable vs. Dec-10, at €1.4bn. **Up to Sep-11, EDP spent €1.7bn in 3.0GW under construction**, 68% of which devoted to hydro and wind, 32% to the coal plant (with PPA) in Brazil. **About half of this capacity is due to start operation in 2011-12.** Looking forward, EDP plans a total capex of €2.2bn in 2011 and €2.0bn in 2012. Excluding regulatory receivables, **EDP's adjusted net debt/EBITDA** was stable at 4.1x in Sep-11, reflecting the large cumulated expenditure in projects in progress.

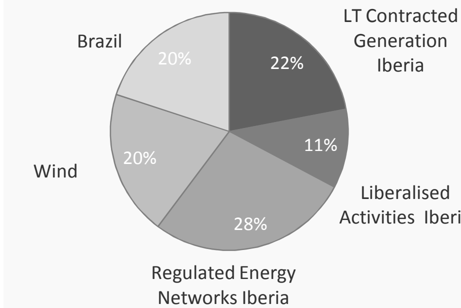
As of Sep-11, total cash position and available credit facilities amounted to €4.0bn. This liquidity position allows EDP to cover its refinancing needs until 1H13. Year-to-date, EDP has optimized its funding strategy through the use of a diversified bundle of funding options, which resulted in a total €3.3bn raised. Additionally, EDP completed 90% of its target for 2011 in terms of asset disposals (€500m), with the sale of a 13.8% stake in EDP Brasil and 7.7% of Ampla.

* Note: 9M10 financial statements are stated as reported in 9M10, thereby not including the change in accounting policy as to pension funds costs. (1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net); (2) Depreciation and amortisation expense net of compensation for depreciation and amortisation of subsidised assets. (3) Excluding regulatory receivables.

EBITDA Breakdown

EBITDA (€ m)	9M11	9M10	Δ %	Δ Abs.	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
LT Contracted Generation	610.4	638.5	-4.4%	-28	213.8	208.4	216.3	238.1	197.9	205.0	207.5	-
Liberalised Activities Iberia	297.7	387.2	-23%	-90	166.7	124.8	95.7	61.7	131.0	78.8	87.8	-
Regulated Networks Iberia	801.4	664.9	21%	+137	232.4	220.1	212.3	273.6	275.7	249.3	276.4	-
Wind Power	548.3	473.1	16%	+75	184.5	158.4	130.2	239.6	220.1	189.1	139.1	-
Brazil	554.3	495.1	12%	+59	165.6	175.6	153.9	178.9	198.2	194.3	161.9	-
Other	(37.1)	(8.1)	-	-29	(23.6)	3.9	11.6	(29.9)	(14.8)	(24.2)	1.9	-
Consolidated	**2,775.0**	**2,650.8**	**4.7%**	**+124**	**939.6**	**891.2**	**820.0**	**962.0**	**1,008.2**	**892.2**	**874.6**	**-**

EBITDA 9M11



EDP consolidated EBITDA rose 5% YoY (+€124m) to €2,775m in 9M11, driven by our operations in regulated networks (+€137m), wind (+€75m) and Brazil (+€59m). EBITDA from LT Contracted Generation in Iberia declined 4% (-€28m) and liberalised activities in Iberia retreated 23% (-€90m). EDP 9M11 financial statements reflect a change in accounting policy as to the interest cost and estimated return of the pension fund assets: the respective amounts, so far accounted as operational expenses (€63m in 9M10), are now accounted at financial results level (€66m in 9M11). Excluding this impact, EBITDA grew 2% YoY in 9M11.

LONG TERM CONTRACTED IBERIA - EBITDA fell 4% (-€28m) to €610m in 9M11, reflecting the mixed impact from (i) the exclusion of Carregado plant from this portfolio after the end of its PPA, in Dec-10 (-€66m); and (ii) lower social benefits costs (-€11m YoY) resulting from a change in accounting policy. EDP's 9M11 financial statements reflect a change in accounting policy as to the interest cost and estimated return of the pension fund assets: the respective amounts, so far accounted as operating costs (€11m in 9M10), are now accounted at financial results level (€10m in 9M11). Adjusted for these impacts, EBITDA grew 5%, backed by higher inflation(+€19m on PPA/CMEC gross profit) , higher-than-contracted plants availability and partially commissioning of Sines DeNOx facilities.

LIBERALISED ACTIVITIES IBERIA – EBITDA from liberalised activities totaled €298m in 9M11 following a 23% drop. EBITDA from electricity business was 24% (-€84m) lower YoY, reflecting: (i) lower unit margins in electricity (from €11/MWh in 9M10 to €9/MWh in 9M11) resulting from higher sourcing costs and lower arbitrage opportunities and (ii) higher operating costs stemming from new capacity on stream and from the implementation of RD14/2010 (measures to reduce the tariff deficit) in Spain. This was only partially compensated by higher revenues from capacity payments (backed by its attribution in Portugal, as from Jan-11 onwards, and by new capacity on stream in Spain). EBITDA from gas supply in Iberia was 15% (-€6m) lower YoY, on lower margin booked in the wake of unfavorable market conditions.

REGULATED NETWORKS IBERIA – EBITDA rose 21% (+€137m) in 9M11 driven by electricity distribution in Spain (+€51m) and regulated gas in Iberia (+€16m in Portugal; +€23m in Spain). Excluding the impact from IFRIC18[(1)], accounting policy change and assets sales, EBITDA rose 6%. EBITDA from electricity distribution in Spain rose 62% to €134m propelled by a €27m gain related to the sale of transmission assets to REE, €18m positive impact in 9M11 (+€5m YoY) related to IFRIC18, higher regulated revenues (€12m) and increasing efficiency.

EBITDA from gas regulated activities rose 23% YoY (+€39m) to €206m in 9M11, driven by (i) higher regulated revenues and connection fees in Spain and (2) higher recovery of past years tariff adjustments and start of accounting of tariff deviations in Portugal. In turn, EBITDA from electricity distribution and LRS activity in Portugal (58% of total from regulated networks) amounted €462m. Excluding the impact from the aforementioned change in accounting policy (+€44m) and a €21m intra-group real estate gain in 9M11 (no impact at consolidated level), EBITDA decreased by 4% to €441m (-€19m). This decrease is mostly due to a lower consumption and low GDP deflator implicitly in 2011 distribution tariffs which was not compensated by the 2% decline in controllable costs.

WIND POWER – EDPR's EBITDA rose 16% YoY (+€75m) to €548m in 9M11, in line with the 13% YoY increase of installed capacity to 6,959MW by Sep-11. EBITDA's main growth drivers were: (1) Spain (EBITDA +€24m YoY, including hedging results in energy markets), following 160MW of new additions (20% of total additions), higher avg. selling price (+6% YoY) and lower avg. load factor (-1pp to 25%); and (2) US (EBITDA +€17m YoY, including a -€14m impact from forex), reflecting 221MW of new capacity (28% of total capacity added), higher avg. load factor (+1.6pp to 31% in 9M11) and lower avg. selling price (-8% YoY). EBITDA from European markets ex-Iberia rose by €25m YoY, reflecting 323MW of new capacity (42% of total added) and the addition of 70MW in Poland (with selling prices above portfolio's avg.).

BRAZIL – EBITDA rose 12% YoY (+€59m), positively impacted by a 2% appreciation of the Real against the Euro (+€11m impact on EBITDA). In local currency, EDP Energias do Brasil's EBITDA rose 10% YoY driven by: (i) a positive impact from tariff revision in distribution mainly in Bandeirante, (ii) increase of electricity demand, (iii) inflation update of PPA's selling price, and (iv) normalized quarterly sales in 9M11 vs. abnormally low in 9M10 in generation.

In line with increasing liberalisation, EDP Soluções Comerciais, our commercial shared services platform for electricity and gas supply in Portugal (EBITDA: €19m in 9M10, €23m in 9M11), was excluded from the regulated networks business and transferred to liberalised activities. Also note that the above mentioned €21m intra-group real estate gain recorded in 2Q11 at the level of electricity distribution in Portugal was compensated at the level of "Other".

(1) With the application of IFRIC 18, with impact only in Spanish business, the assets received from customers ensuring their direct access to the energy distribution network, are registered as assets at fair value against operating income, and amortized through their useful lives.

Profit & Loss Items below EBITDA

Provisions, Deprec. & Amortizat. (€ m)	9M11	9M10*	Δ %	Δ Abs.
EBITDA	**2,775.0**	**2,650.8**	**4.7%**	**+124**
Provisions	1.7	68.3	-97%	-67
Depreciation and amortisation	1,078.2	1,096.6	-1.7%	-18
Compensation for depreciation	(25.3)	(16.8)	-51%	-8
EBIT	**1,720.4**	**1,502.7**	**14.5%**	**+218**

Financial Results (€ m)	9M11	9M10*	Δ %	Δ Abs.
Net financial interest	(486.8)	(401.2)	-21%	-86
Capitalized financial costs	107.9	126.7	-15%	-19
Net foreign exch. diff. and derivates	(40.4)	(48.8)	17%	+8
Investment income	7.1	15.7	-55%	-9
Unwinding w/ pension & medical care resp.	(66.3)	-	-	-66
Other Financials	(67.6)	(40.3)	-68%	-27
Financial Results	**(545.9)**	**(347.9)**	**-57%**	**-198**

Results from Associat. Companies (€ m)	9M11	9M10	Δ %	Δ Abs.
CEM (21%) - China/Macao	9.9	10.1	-2.3%	-0
DECA II (EEGSA (21%)) - Guatemala	-	4.5	-	-5
EDP Renováveis subsidiaries	3.7	2.7	37%	+1
Other	3.8	1.0	278%	+3
Results from associated companies	**17.4**	**18.3**	**-5.0%**	**-1**

Capital Gains/(Losses) (€ m)	9M11	9M10	Δ %	Δ Abs.
SEASA - EDP Renováveis	9.4	-	-	+9
Oni SGPS - Telecom Portugal	-	6.9	-	-7
Other	1.0	(4.4)	-	+5
Capital Gains/(Losses)	**10.3**	**2.6**	**299%**	**+8**

Income Tax (€ m)	9M11	9M10	Δ %	Δ Abs.
Pre-tax profit	**1,202.1**	**1,175.7**	**2.2%**	**+26**
Income taxes	242.2	305.5	-20.7%	-63
Effective tax rate (%)	*20.1%*	*26.0%*	*-5.8 pp*	-
Discontinued activities	-	-	-	-

Non-controlling Interest (€ m)	9M11	9M10	Δ %	Δ Abs.
EDP Renováveis	12.9	3.2	303%	+10
HC Energia	0.5	(0.1)	-	+1
Gas Portugal subsidiaries	8.6	4.3	100%	+4
Energias do Brasil	114.2	88.5	29%	+26
Other	0.1	-	-	+0
Non-controlling Interest	**136.3**	**95.9**	**42%**	**+40**

* Note: 9M10 financial statements are stated as reported in 9M10, thereby not including the change in accounting policy as to pension funds costs.

Net depreciation and amortisation (net of compensation from depreciation and amortisation of subsidized assets) decreased €27m in 9M11, as the expansion of EDPR's wind portfolio was more than compensated by i) the extension of the useful life of the wind farms from 20 to 25 years, in Jun-11, as well as of several other plants in Portugal in 2010 and ii) impact resulting from fiscal benefits regarding depreciation costs in the generation and distribution businesses in Brazil.

Provisions amounted to €2m, including a €11m related to a litigation with a client in Brazil (EDP recorded a total amount of €34m, of which €11m at EBIT level and €23m at financial results) which was compensated by write-backs related to favourable resolutions on legal disputes in Spain.

Financial Results:

a) Net financial interests paid increased 21% YoY, to €487m in 9M11, following (i) a c50bp increase of the average cost of debt, from 3.5% in 9M10 to 4.0% in 9M11, driven by the increase in short term interest rates and (ii) an increase by 8% in average net debt.

b) Capitalized financial costs decreased by 15% due to lower level of works in progress, namely at the level of EDP Renováveis.

c) Net foreign exchange and derivatives rose by €8m YoY to a €40m loss in 9M11, impacted mostly by lower losses in derivatives related to hedging in the energy markets.

d) Unwinding with pension and medical care responsibilities amounted to €66m. Note that EDP 9M11 financial statements reflect a change in accounting policy as to the interest cost and estimated return of the fund assets: the respective amounts, so far accounted as operating costs, are now accounted at financial results level (€66m in 9M11 vs. €63m in 9M10).

e) Other financials amounted to €68m including an impairment in our financial stake in BCP (€49m) and a €23m provision due to a litigation with a client in Brazil.

Results from associated companies: in Oct-10, EDP sold its 21% stake in DECA II (Guatemala). EDP Renováveis subsidiaries includes essentially our equity stake in ENEOP Portugal (€2.3m impact in 9M11).

Capital gains and losses: in Apr-11, EDPR sold its 16.7% stake in SEASA, a company with 74 operating MW of wind in Spain, recognizing a capital gain of €9m.

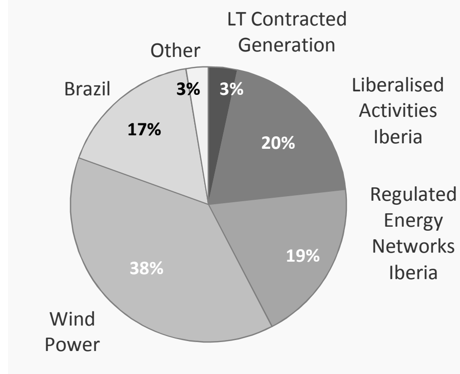
Income tax: decreased €63m due to one-off effects in 9M11 in fiscal consolidation perimeters in Iberia.

Non-controlling interest increased 42% YoY to €136m in 9M11, following the increase of EDP Brasil and EDPR net profit and the reduction of EDP stake in EDP Brasil from 65% to 51% in Jul-11.

Capital Expenditure Breakdown

Capex (€ m)	9M11	9M10	Δ %	Δ Abs.	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
LT contracted gen. Iberia	45.8	60.8	-24.7%	-15	12.8	22.9	25.1	35.1	13.9	18.4	13.6	-
Liberalised activities Iberia	268.3	258.6	4%	+10	55.3	96.3	107.0	207.8	49.0	104.1	115.2	-
Regulated networks Iberia	258.9	229.2	13.0%	+30	65.9	82.2	81.2	141.4	70.5	97.7	90.8	-
Wind power	516.1	1,119.6	-54%	-604	382.0	452.3	285.3	112.1	190.4	154.6	171.1	-
Brazil	228.4	233.2	-2%	-5	39.5	82.3	111.4	194.1	63.0	60.8	104.7	-
Other	35.2	57.1	-38%	-22	17.1	3.1	36.9	18.1	5.9	16.8	12.5	-
EDP Group	**1,352.8**	**1,958.6**	**-31%**	**-606**	**572.6**	**739.1**	**646.9**	**708.7**	**392.7**	**452.4**	**507.8**	**-**
Expansion Capex	**857.0**	**1,452.9**	**-41%**	**-596**	**446.6**	**561.5**	**444.9**	**520.0**	**263.4**	**271.4**	**322.2**	**-**
Maintenance Capex	**495.9**	**505.7**	**-1.9%**	**-10**	**126.0**	**177.7**	**202.1**	**188.7**	**129.3**	**181.0**	**185.6**	**-**

CAPEX 9M11



Generation Projects Installed in 9M11 (€ m)	MW	Capex 9M11
Wind Power	522	135
Special regime (ex-wind)	10	1
Total	**532**	**136**

Generation Projects Under Construction (€ m)	MW	Capex 9M11	Acc. Capex (1)
Hydro Portugal	2,147	214	737
Wind power (2)	485	282	381
Coal Brazil	360	94	547
Hydro Brazil	10	6	38
Total	**3,001**	**597**	**1,704**

Consolidated capex amounted to €1,353m in 9M11, 63% of which were devoted to expansion projects. In line with EDP's strategy to invest in risk controlled activities, regulated/LT contracted activities absorbed 77% of capex. Maintenance capex totaled €496m in 9M11, while expansion capex amounted to €857m, 88% of which were invested in CO2-free technologies (hydro and wind).

Capex in **new wind capacity** (60% of expansion capex), at EDPR level, amounted to €516m and was mainly invested in US (46%), Spain (23%), Brazil (12%), Romenia (7%) and Poland (5%). Out of total wind capex, €135m were invested in the conclusion of 522MW which started operations in 9M11, namely, 145MW in Spain, 138MW in Romania, 99MW in US, 70MW in Brazil and 70MW in Poland. Additionally, EDPR has so far spent €381m (€282m in 9M11) in 485MW currently under construction, out of which 171MW are under long-term regulated schemes: 57MW in Spain, 57MW in Romania, 22MW in France, 20MW in Italy and 15MW in Portugal. Out of the remaining 314MW under construction, all located in US, 215MW (Marble River wind farm in New York State) have Renewable Energy Certificates (RECs) contracted to be sold through a 10 year PPA, while the remaining 99MW are from a project (Blue Canyon VI wind farm in Oklahoma) that benefits from very competitive characteristics (low investment and strong wind resource).

Capex in **new hydro capacity** (28% of expansion capex) totaled €242m in 9M11, the bulk of which (€214m) devoted to 8 plants currently under construction (2,147MW due in 2011/15). The first plants to come on stream will be the repowering of Picote II and Bemposta II (437MW, 80% of capex already incurred), in 4Q11, and Alqueva II (256MW, 74% of capex already incurred), in mid 2012.

In Brazil, EDP already invested: (1) €547m in its 360MW share in Pecém coal plant; and (2) €38m in the repowering of Mascarenhas (10MW), due in 2012. The first stage of Mascarenhas repowering (9MW) started operations in 2Q11. In August 2011, preliminary construction works started at Santo António do Jari hydropower plant, a project of 300MW of capacity (with the possibility of an additional 73MW).

Overall, EDP increased its installed capacity by 532MW in 9M11, to 22.6GW. Additionally, **up to Sep-11, EDP had already spent €1.7bn in 3.0GW under construction.** About half of this capacity is due to start operation in 2011-12. **Looking forward, EDP plans a total capex of €2.2bn in 2011 and €2.0bn in 2012.**

(1) Accumulated capex net of debts to equipment suppliers. (2) Excluding Eólicas de Portugal (5MW); Amount of accumulated capex as of Sep-11 includes capacity under construction & development.

Cash Flow

Consolidated Cash Flow (€ m)	9M11	9M10	Δ %	Δ Abs.
EBITDA	**2,775.0**	**2,650.8**	**4.7%**	**+124**
Current Income tax	(223.3)	(194.1)	-15%	-29
Net financial interest	(486.8)	(401.2)	-21%	-86
Net Income and dividends from associates	24.6	34.1	-28%	-10
Other adjustments	(93.2)	(14.5)	-541%	-79
FFO (Funds From Operations)	**1,996.3**	**2,075.0**	**-3.8%**	**-79**
Net financial interest	486.8	401.2	21%	+86
Net Income and dividends from associates	(24.6)	(34.1)	-28%	-10
Change in operating working capital	(106.2)	(1,377.1)	-	+1,271
Regulatory receivables	(5.5)	(532.1)	-	+527
Other	(100.8)	(845.0)	-	+744
Operating Cash Flow	**2,352.3**	**1,065.0**	**121%**	**+1,287**
Expansion capex	(857.0)	(1,452.9)	-41%	-596
Maintenance capex	(495.9)	(505.7)	-1.9%	-10
Change in working capital from equipment suppliers	(368.9)	(302.7)	22%	+66
Net Operating Cash Flow	**630.6**	**(1,196.3)**	**-**	**+1,827**
Net financial (investments)/divestments	145.0	(10.4)	-	+155
Net financial interest paid	(376.0)	(291.3)	-29%	-85
Dividends received from associates	16.8	32.2	48%	-15
Dividends paid	(714.5)	(618.6)	16%	+96
Anticipated proceeds from inst. partnerships in US wind	71.8	163.1	-56%	-91
Effect of exchange rate fluctuations	149.9	(242.6)	-	+393
Other non-operating changes	(170.6)	(75.9)	-125%	-95
Decrease/(Increase) in Net Debt	**(247.1)**	**(2,239.8)**	**-**	**+1,993**

Net Financial (Investments)/Divestments (€ m)	9M11	9M10	Δ %	Δ Abs.
Major Financial Investments	**274.9**	**100.4**	**174%**	**+175**
Consolidation perimeter EDP Renováveis	28.9	56.8	-49%	-28
Genesa (20% stake)	231.4	-	-	+231
Other	14.6	43.6	-67%	-29
Major Financial Divestments	**419.9**	**89.9**	**367%**	**+330**
Consolidation perimeter EDP Renováveis	65.5	81.8	-20%	-16
EDP Brasil Shares (13.8% stake)	353.3	-	-	+353
Other	1.1	8.2	-86%	-7
Net Financial (Investments)/Divestments	**145.0**	**(10.4)**	**-**	**+155**

Funds from operations (FFO) decreased 4% to €1,996m following €86m rise in net financial interest paid due to a 50bp increase of average cost of debt and 8% increase average net debt, which was compensated by a €124m increase in EBITDA (see EBITDA breakdown explanation).

Operating cash flow rose by €1,287m in 9M11, to €2,352m. Note that 9M10 operating cash flow is negatively impacted by €532m increase in regulatory receivables due to an abnormally high annual corporate tax payment in Portugal (€0.4bn) related to the sale of the right to receive the 2007/2008/2009 Portuguese's tariff deficits in the amount of €1.7bn. In 9M11, regulatory receivables increase a mere a €5m vs. a €532m increase in 9M10 (see text on page 8). The -€101m of other changes in working capital in 9M11 are essentially related to the reduction of the liabilities to suppliers.

Expansion capex decreased 41% to €857m in 9M11 reflecting lower capex in wind activities. In 9M11, the decline in "change in working capital related to property and equipment suppliers" reflects the slowdown of investment activities in the period.

Financial divestments include mainly the sale of a 13.8% stake in EDP Brasil, net cash-in of €353m and restricted cash related to tax equity agreements in the wind US operations. **Financial investments** in 9M11 include the acquisition of a 20% stake in Genesa following the exercise of a put option by Caja Madrid, and amounts related to EDPR's activity namely payment of success fees related to development of wind projects previously acquired.

On May 13th 2011, EDP paid its **annual dividend** amounting to €617m (€0.17/share), a 10% increase vs. previous year. The amount of €715m of dividends paid in 9M11 include also the amount paid to non-controling interests namely at level of EDP Brasil.

The €150m related to "**Effect of exchange rate fluctuations**" reflects essentially the depreciation of Brazilian Real vs. the Euro between Dec-10 and Sep-11.

The "**Other non-operating changes**" are mainly impacted by fair value from hedge.

Overall, **net debt** in 9M11 increased €0.2bn, compared to a €2.2bn increase in 9M10.

Looking forward, in terms of financial investments/divestments in 4Q11, EDP has already paid for the acquisition of hydro plant Jari (374MW) in Brazil in Oct-11 and received €85m related to the sale of Ampla, also in Oct-11. In 4Q11, EDP will pay for the acquisition of an additional 10% in Naturgas, in line with the existing agreement with Ente Vasco de Energia.

Statement of Consolidated Financial Position

Assets (€ m)	Sep-11	Dec-10	Δ Abs.
	Sep. vs. Dec.		
Property, plant and equipment, net	20,149	20,324	-175
Intangible assets, net	9,762	9,963	-201
Financial investments, net	324	591	-266
Deferred Tax asset	534	515	19
Assets held for sale	85	31	54
Inventories	394	357	37
Accounts receivable - trade, net	2,002	2,187	-185
Accounts receivable - other, net	4,778	4,974	-196
Financial assets held for Trading	8	36	-28
Cash and cash equivalents	1,738	1,511	227
Total Assets	**39,775**	**40,489**	**-714**

Equity (€ m)	Sep-11	Dec-10	Δ Abs.
Share capital	3,657	3,657	-
Treasury stock and share premium	393	388	5
Consol. net profit, reserv. and retaining earnings	3,712	3,810	-98
Equity Book Value	**7,761**	**7,855**	**-93**
Non-controling Interest	**3,162**	**2,930**	**231**
Total Equity	**10,923**	**10,785**	**138**

Liabilities (€ m)	Sep-11	Dec-10	Δ Abs.
Medium/ Long-term debt & borrowings	16,183	14,887	1,296
Short-term debt & borrowings	2,155	3,004	-850
Provisions	388	431	-44
Hydrological correction account	77	75	1
Deferred tax liability	838	856	-18
Accounts payble - Other,net	9,212	10,450	-1,238
Total Liabilities	**28,852**	**29,704**	**-851**
Total Equity and Liabilities	**39,775**	**40,489**	**-714**

Regulatory Receivables (€ m)	Sep-11	Dec-10	Δ Abs.
Portugal Distribution and Gas (1)	563	201	363
Portugal Annual CMEC Deviation	336	488	-152
Spain (2)	549	759	-210
Brazil (1)	(0)	(5)	4
Regulatory Receivables	**1,449**	**1,443**	**5**

Prov. for Social Benefits & Inst. Part. Liability (€ m)	Sep-11	Dec-10	Δ Abs.
Pensions (3)	1,021	1,104	-84
Medical care	804	800	4
Net institutional partnership liability (4)	965	934	31
Prov. for Social Benefits & Inst. Part. Liability	**2,790**	**2,839**	**-49**

Total amount of **property, plant and equipments, intangible assets and goodwill** decreased by €0.4bn vs. Dec-10 to €29.9bn as of Sep-11, following: (1) +€1.4bn due to capex in 9M11; (2) -€1.1bn of depreciations in the same period; and (3) -€0.6bn due to the depreciation of BRL and polish Zloty vs. EUR between Dec-10 and Sep-11. As of Sep-11, EDP's balance sheet included €3.2bn of works in progress (11% of total consolidated fixed assets of €29.9bn) largely related to investments already made in power plants, wind farms, equipment or concession rights which are not yet operating or being depreciated.

The book value of **financial investments & assets held for sale** amounted to €409m as of Sep-11, including essentially our financial stakes in CEM (21%), Ampla (7.7%), BCP (2.6%) and REN (3.5%). The observed -€0.2bn reduction essentially relates to currency impact, downward revaluations of assets and the disposal of electricity transmission assets in Spain to REE, in Feb-11 (-€31m).

Total amount of **accounts receivable (trade & other, net)** decreased €0.4bn vs. Dec-10 to €6.8bn in Sep-11, explained by a €0.35 decline in gross regulatory receivables, following: (1) a €0.2bn decline in Spanish pending tariff deficit; (2) €0.2bn lower receivables from generation under CMEC system in Portugal; and (3) a €0.1bn increase in receivables in Portugal from energy distribution & last resort supply.

Total amount of EDP's net regulatory receivables remained stable at €1.4bn, mostly as a result of: (1) a €210m decline from Spain (strongly impacted by the €435m cash proceeds in the period from tariff deficit securitization deals); and (2) a €211m increase from Portugal (increase in pending receivables from energy distribution & last resourt supply and a decline in pending receivables related to generation under CMEC system).

Equity book value declined €93m in 9M11, reflecting the €824m net profit in the period, the €617m dividend payment and the negative impact in reserves from the BRL, polish Zloty, and USD depreciation vs. the Euro in the period.

Accounts payable (other, net) fell -€1.2bn vs. Dec-10 to €9.2bn as of Sep-11, essentially due to: (1) declines in accounts payable to suppliers (-€0.3bn) and equipment suppliers (-€0.4bn); (2) the payment, in Apr-11, of €0.2bn related to EDPR's purchase of a 20% stake in Genesa following the decision of CajaMadrid to exercise its put option (as of Dec-10, the liability associated to this put option was under "Accounts payable – Put options over non-controlling interest liabilities"); (3) a decrease in the amount of regulatory payables related to previous years (-€0.2bn); (4) a reduction in the amount of unfunded **pension fund and medical care liabilities** (-€0.1bn), which amounted to €1.8bn as of Sep-11 (gross, before deferred taxes), following the payments done in the period and no new additions of liabilities related to the entry of new employees to these employee benefit plans – note that more than 70% of these liabilities are related to employees from regulated electricity distribution and supply in Portugal, meaning that most of these liabilities should be part of the regulated cost base in the moment of payment; and (5) a decline from **adjusted institutional partnership liability** related to our wind operations in US (-€0.05bn), which by the end of Sep-11 amounted to €965m, including the signing (Jul-11) of a new USD116m institutional partnership – this amount is adjusted by deferred revenue and restricted cash; the deferred revenue is related to tax credits already benefited by the institutional investor; adjusted institutional partnership liability should be gradually reduced over the lifetime of each wind power plant.

(1) Tariff deviations to be recovered/(returned) through tariffs in the following years by electricity distribution and last resort supply and gas in Portugal
(2) Amounts net of CO2 clawback costs.
(3) Pensions include the Provision for the HR Restructuring Program costs of EDP Distribuição, which is being recovered through the tariffs.
(4) Adjusted by the non-current deferred revenue.

Consolidated Net Financial Debt

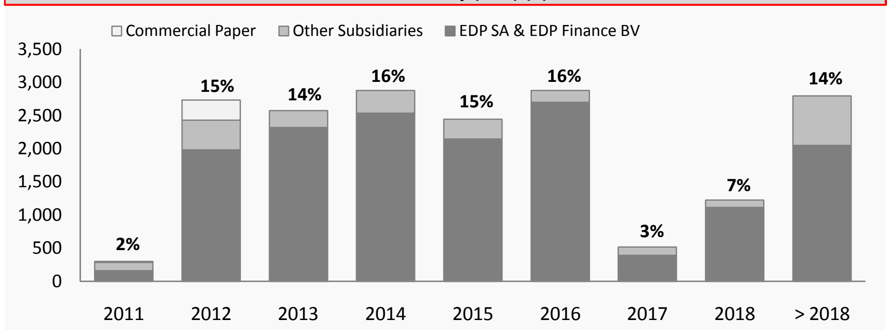
Nominal Financial Debt by Company (€m)	Sep-11	Dec-10	Δ %	Δ Abs.
EDP S.A. and EDP Finance BV	15,692.1	15,161.3	4%	531
EDP Produção + HC Energia + Portgás	268.6	332.5	-19%	-64
EDP Renováveis	867.5	728.9	19%	139
EDP Brasil	1,238.6	1,452.0	-15%	-213
Nominal Financial Debt	**18,066.9**	**17,674.6**	**2%**	**392**
Accrued Interest on Debt	235.4	265.1	-11%	-30
Fair Value of Hedged Debt	35.6	(48.0)	-	84
Total Financial Debt	**18,337.9**	**17,891.6**	**2%**	**446**
Cash and cash equivalents	**1,738.4**	**1,511.2**	15%	227
EDP S.A., EDP Finance BV and Other	1,160.5	579.6	100%	581
EDP Renováveis	198.9	423.7	-53%	-225
Energias do Brasil	379.1	507.9	-25%	-129
Financial assets at fair value through P&L	**7.8**	**35.7**	-78%	-28
EDP Consolidated Net Debt	**16,591.7**	**16,344.7**	**2%**	**247**

Credit Lines by Sep-11 (€m)	Maximum Amount	Number of Counterparts	Available Amount	Maturity
Revolving Credit Facility	2,000	21	1,500	Nov-15
Domestic Credit Lines	190	10	184	Renewable
Underwritten CP Programmes	650	3	650	Renewable
Total Credit Lines	**2,840**		**2,334**	

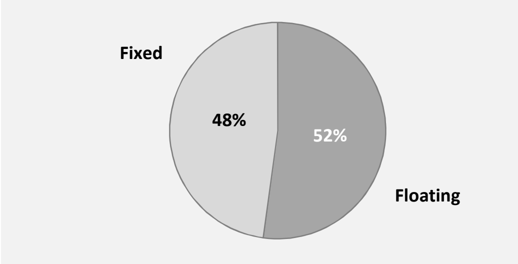
Debt Ratings	S&P	Moody's	Fitch
EDP SA & EDP Finance BV	BBB/Neg/A2	Baa3/Neg/P3	BBB+/CW-/F2
Last Rating Action	01-04-2011	08-07-2011	29-07-2011

Debt Ratios	9M11	YE2010
Net Debt / EBITDA	4.5x	4.5x
Net Debt / EBITDA adjust. by Reg. Receivables	4.1x	4.1x

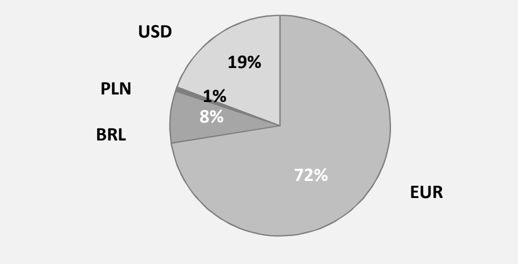
Debt Maturity (€ m) (1)



Debt by Interest Rate Type (1)



Debt by Currency (1)



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

EDP's funding strategy aims to maintain access to diversified funding sources and to assure its funding needs 24 months in advance. EDP targets a steady improvement of its free cash flow position and credit ratios over the next years. In 9M11, **EDP's net debt/EBITDA and net debt/EBITDA adjusted** for regulatory receivables were 4.5x and 4.1x, respectively. In Jul-11, Moody's downgraded EDP credit rating as a result of the rating downgrade of the Republic of Portugal. EDP's credit rating stands now one notch above the Republic of Portugal by Standard & Poor's and two notches by Moody's and Fitch, reflecting the high weight of activities out of Portugal in EDP's business mix, the low sensitivity to the economic cycle of EDP's business portfolio and EDP's comfortable liquidity position.

In Feb-11, EDP issued a Eurobond in the amount of €750m maturing in Feb-16 with a coupon of 5.875%. Also in Jan-11 EDP contracted with the European Investment Bank a €300m loan maturing in 15 years to fund the repowering of new hydro plants in Portugal. In Feb-11, EDP issued a Swiss Franc bond in the amount of CHF230m maturing in Feb-14 with a coupon of 3.5%, which was swapped to Euros. In Apr-11, EDP contracted a syndicated loan in the amount of €300m with a tenor of 3 years. In Aug-11, EDP contracted a 1-year floating rate private placement in the amount of €350m and new €300m domestic commercial paper programme which is fully utilized. During 2011, EDPR executed project finance structures in Romania (€188m) and Brazil (R$228m).

By Sep-11, debt average maturity was 5 years. The weight of floating rate in the Group's consolidated debt decreased (56% Floating/44% Fixed by Dec-10 to 52% Floating/48% Fixed by Sep-11). EDP's main reference in floating interest rate is Euribor 1 month/3 months. As at Sep-11, total cash and liquidity facilities available amounted to 4.0 bn. This includes €1.7bn in cash, and €2.3bn in liquidity facilities, of which €650m in commercial paper programs underwriting commitment and €1.5bn in a €2.0bn revolving facility with 4 years residual maturity. This liquidity position allows EDP to cover its refinancing needs until 1H13.

(1) Nominal Value.

Business Areas

Iberian Electricity and Gas Markets

Electricity Balance (TWh)	Portugal 9M11	Portugal 9M10	Portugal Δ%	Spain 9M11	Spain 9M10	Spain Δ%	Iberian Peninsula 9M11	Iberian Peninsula 9M10	Iberian Peninsula Δ%
Hydro	8.6	11.9	-27%	22.3	31.2	-29%	30.9	43.1	-28%
Nuclear	-	-	-	43.1	45.9	-6.1%	43.1	45.9	-6.1%
Coal	6.1	4.3	42%	30.7	16.0	92%	36.8	20.3	81%
CCGT	8.5	8.0	7.1%	40.1	48.5	-17%	48.6	56.5	-14%
Fuel/gas/diesel	(0.0)	0.0	-	-	1.3	-	(0.0)	1.3	-
Own consumption	-	-	-	(5.3)	(4.9)	7.6%	(5.3)	(4.9)	7.6%
(-)Pumping	(0.4)	(0.3)	38%	(2.2)	(3.3)	-33%	(2.7)	(3.7)	-27%
Conventional Regime	**22.8**	**23.9**	**-4.3%**	**128.6**	**134.7**	**-4.5%**	**151.4**	**158.6**	**-4.5%**
Wind	6.4	6.3	1.7%	30.3	30.0	1.1%	36.7	36.2	1.2%
Other	6.9	6.6	4.1%	38.6	36.4	6.2%	45.5	43.0	5.9%
Special Regime	**13.2**	**12.9**	**3.0%**	**69.0**	**66.4**	**3.9%**	**82.2**	**79.2**	**3.8%**
Import/(export) net	1.9	2.1	-12%	(4.7)	(6.2)	-24%	(2.8)	(4.1)	-31%
Gross demand (before grid losses)	**37.9**	**38.8**	**-2.4%**	**192.9**	**194.9**	**-1.0%**	**230.8**	**233.7**	**-1.2%**
Adjust. temperature, working days			-1.5%			-0.1%			n.a.

Gas Demand (TWh)	Portugal 9M11	Portugal 9M10	Portugal Δ%	Spain 9M11	Spain 9M10	Spain Δ%	Iberian Peninsula 9M11	Iberian Peninsula 9M10	Iberian Peninsula Δ%
Conventional demand	26.3	25.7	2.4%	190.8	189.7	0.6%	217.1	215.4	0.8%
Demand for electricity generation	17.6	16.6	6.0%	86.2	101.5	-15%	103.8	118.1	-12%
Total Demand	**43.9**	**42.3**	**3.8%**	**277.0**	**291.2**	**-4.9%**	**320.9**	**333.5**	**-3.8%**

Electricity demand in Iberia fell 1.2% in 9M11 following a 2.2% YoY drop in 3Q11. In Spain (84% of Iberia), demand was 1% lower due to temperature and calendar effects. In Portugal (16% of total), demand fell 2.4% (-4.1% YoY in 3Q11) driven by the residential, public lightning and SME segments.

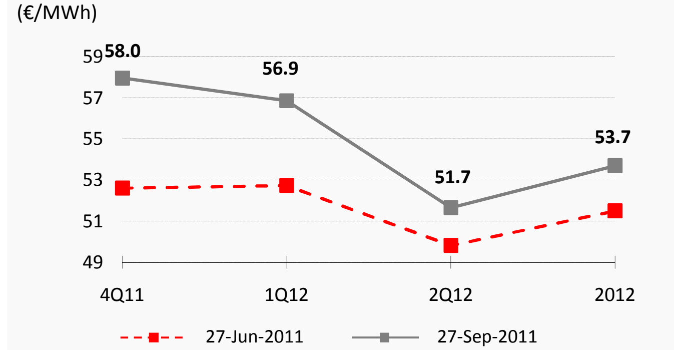
In spite of the fall in Iberian total demand (-3TWh) and the rise in special regime output (+3TWh), residual thermal demand (RTD) rose 18% (+8TWh) propelled by (i) lower net hydro output (-10TWh), on lower production factors (1.4 in 9M10 vs. 0.98 in Portugal and 0.86 in Spain, during 9M11) and (ii) lower nuclear output. The rise in RTD was fully met by coal plants (+16TWh in 9M11) whilst CCGTs output declined 9TWh YoY in the period. As a result of coal's cost competitive advantage vis a vis CCGTs and of the implementation of the RDL 1221/2010 in Spain (Feb-11), avg. coal load factor in 3Q11 advanced to 53% in Spain and 83% in Portugal, while CCGT's retreated to 31% and 25%, respectively. Wind output rose 1% in 9M11, following a 6% YoY increase in installed capacity (+10%) and a recovery in wind resources in 3Q11 (Portugal).

Average electricity spot price in Spain surged 41% in 9M11. On a quarterly basis, spot price rose 13% to €54/MWh in 3Q11, driven by higher gas costs (both oil-linked and spot) and lower pressure from take-or-pay gas contract clauses in wholesale prices. Average final price in Spain rose 36% in 9M11, standing €8/MWh above the pool price, reflecting the contribution from ancillary services and capacity payments. Also noteworthy is the quarter-on-quarter fall in end-of-period CO2 prices (-21% to €10.7/ton).

In the Iberian gas market, consumption declined 3.8% in 9M11 following a 9% YoY fall in 3Q11 derived from lower consumption at CCGTs. Conventional demand rose 1% supported by a 2% increase in Portugal. Gas consumed at thermal plants fell 12% in 9M11, reflecting low working hours at the Spanish CCGTs.

Installed Capacity in Electricity (GW)	Iberian Peninsula 9M11	Iberian Peninsula 9M10	Iberian Peninsula Δ%
Hydro	21.2	21.2	-
Nuclear	7.5	7.4	0.2%
Coal	12.6	12.6	0%
CCGT	28.7	26.2	10%
Fuel/gas/diesel	2.9	4.7	-38%
Conventional Regime	**72.9**	**72.2**	**1.0%**
Wind	25.5	23.4	9.0%
Other special regime	17.5	16.9	3.5%
Special Regime	**43.0**	**40.3**	**6.7%**
Total	**115.9**	**112.5**	**3.1%**

Iberian Electricity Forward Market (OMIP)



Main Drivers	9M11	9M10	Δ%
Hydro coeficient (1.0 = avg. year)			
Portugal	0.98	1.37	-28%
Spain	0.86	1.36	-37%
Electricity spot price, €/MWh (1)			
Portugal	49.6	35.2	41%
Spain	49.2	34.8	41%
Electricity final price, €/MWh (1) (2)			
Spain	57.4	42.2	36%
CO2 allowances (EUA), €/ton (1)	14.7	14.3	2.3%
Coal (API2 CIF ARA), USD/t (1)	123.5	86.2	43%
Gas (CMP Spain), €/MWh (1)	23.8	21.7	9.8%
Gas NBP, €/MWh(1)	22.0	15.5	42%
Brent, USD/bbl (1)	111.6	77.9	43%
EUR/USD (1)	1.41	1.31	7.0%

Sources: EDP, REN, REE, Enagas, OMEL, OMIP, Bloomberg. (1) Average in the period (2) Final price reflects spot price and system costs (capacity payment, ancillary services).

LT Contracted Generation in the Iberian Market: PPA/CMEC and Special Regime

Income Statement (€ m)	9M11	9M10	Δ%	Δ Abs.
PPA/CMEC Revenues	**811.0**	**750.7**	**8.0%**	**+60**
Revenues in the market (i)	658.5	529.7	24%	+129
Annual deviation (ii)	113.5	119.5	-5%	-6
PPAs/CMECs accrued income (iii)	39.1	101.5	-62%	-62
PPA/CMEC Direct Costs	**146.7**	**48.9**	**-**	**+98**
Coal	166.8	82.8	101%	+84
Fuel oil	2.4	4.1	-43%	-2
CO2 and other costs (net)	(22.5)	(38.0)	-41%	+16
Gross Profit PPA/CMEC	**664.3**	**701.8**	**-5.3%**	**-38**
Thermal (cogen., waste, biomass)	49.3	42.2	17%	+7
Mini-hydro	32.6	40.2	-19%	-8
Gross Profit Special Regime	**81.9**	**82.5**	**-0.7%**	**-1**
Net Operating costs (1)	135.7	145.6	-6.8%	-10
EBITDA	**610.4**	**638.5**	**-4.4%**	**-28**
Net depreciation and provision	147.6	174.1	-15%	-26
EBIT	**462.7**	**464.4**	**-0.4%**	**-2**
At Fin. Results: Hedging Gains (Losses) (2)	(7.3)	(6.6)	12%	-1
Employees (#)	1,343	1,420	-5.4%	-77

PPA/CMEC: Key Data	9M11	9M10	Δ %	Δ Abs.
Real/Contracted Availability				
Hydro plants	1.02	1.01	0.7%	+0.0
Thermal plants	1.09	1.09	-0.4%	-0.0
Installed Capacity (MW)	**6,221**	**6,931**	**-10%**	**-710**
Hydro (3)	4,094	4,094	-	-
Coal	1,180	1,180	-	-
Fuel oil	946	1,657	-43%	-710

Special Regime: Key Data	9M11	9M10	Δ %	Δ Abs.
Output (GWh)	**1,772**	**1,877**	**-5.6%**	**-106**
Mini-hydro Portugal	346	457	-24%	-111
Thermal Portugal	802	727	10%	+75
Thermal Spain	624	694	-10.0%	-70
Average Gross Profit (€/MWh)				
Mini-hydro Portugal	94	88	6.9%	+6
Thermal Portugal	34	27	24%	+7
Thermal Spain	36	32	9.8%	+3

Capex (€ m)	9M11	9M10	Δ %	Δ Abs.
PPA/CMEC Generation	**39.4**	**49.9**	**-21.0%**	**-10**
Hydro recurrent	17.3	14.8	17%	+2
Thermal recurrent	5.8	11.4	-50%	-6
Non recurrent (environmental)	16.3	23.6	-31%	-7
Special Regime	**6.4**	**11.0**	**-41%**	**-5**
Expansion	1.3	9.1	-86%	-8
Maintenance	5.2	1.9	178%	+3
Total	**45.8**	**60.8**	**-24.7%**	**-15**

LT Contracted generation 9M11 financial statements reflect a change in accounting policy as to the interest cost and estimated return of the pension fund assets: these costs, so far accounted as operating costs (€11m in 9M10), are now accounted at financial results level (€10m in 9M11). **EBITDA from LT contracted generation fell 4% (-€28m) to €610m in 9M11**, reflecting the mixed impact from (i) exclusion of Carregado plant from this portfolio after the end of its PPA, in Dec-10 (-€66m); and (ii) abovementioned change in accounting policy (+€11m YoY). Adjusted for these, EBITDA grew 5%, backed by higher inflation, higher-than-contracted plants availability and partially commissioning of Sines DeNOx facilities.

Gross profit from PPA/CMEC fell 5% (-€38m) to €664m in 9M11, backed by the end of PPA of our 710MW Carregado fuel oil plant (€73m contribution in 9M10) and lower contribution from results with fuel procurement (+€1.4m in 9M11 vs. +€8.1m in 9M10). Adjusted for these impacts, gross profit rose by €42m in 9M11, driven by higher inflation YoY (+€19m), higher-than-contracted plants availability (+2% at hydro plants, +9% at thermal plants) and the start-up of DeNOx facilities in two groups of Sines, in Jan-11 (+€10m

The **annual deviation** between market gross profit under CMECs assumptions and gross profit under actual market conditions ('revisibility') amounted to €114m in 9M11. The deviation at thermal plants in 9M11 (€152m to be received in up to 24 months through TPA tariffs, paid by all Portuguese electricity consumers) derived from (i) output c30% short of CMECs' reference, (ii) average clean dark spreads c30% short of CMEC's reference and (iii) higher-than-contracted availability rates. In turn, hydro plants' deviation was negative by €38m (an amount due to pay back the system in up to 24 months) due to (i) output 7% ahead average year (CMEC reference); and (iii) average realised prices 4% ahead of initial CMEC's reference. As part of ERSE's proposal for 2012 tariffs (released on Oct 17th) and in line with LD aproved by the Government, the annual deviation relative to 2010 pending recovery (€141m) will be recovered through tariffs in 2013, rather than 2012.

Gross profit from special regime was stable, at €82m in 9M11, as the impact on gross profit from lower output at mini hydro plants (-24%) was almost offset a 17% rise in gross profit from thermal special regime derived from higher contribution from Portugal operations (on volume 10% higher; unit margin 23% higher YoY).

Net operating costs[(1)] reached €136m, reflecting tight cost control, curtailment costs (+€6m) and the exclusion of Carregado plant from this portfolio (-€6m). 9M10 operating costs include €11m cost related to interest cost and expected rate of return from pension fund assets. **Net depreciation charges and provisions** fell 15% supported by the exclusion of Carregado plant and the extension of the useful life in several plants in 2010.

Capex in LT contracted generation amounted to €46m in 9M11, 38% of which devoted to non-recurrent projects. The bulk of non-recurrent investment reported to the new DeNOx facility at Sines (€16m in 9M11, 81% of total capex incurred). This €100m-investment is due to be remunerated under PPA/CMEC system (8.5% ROA before inflation and taxes), being fully depreciated until 2017. In Jan-11, 50% of Sines DeNOx was brought on stream; the remaining will be on stream in early 2012. Expansion capex in special regime reports to Tudela cogeneration plant (10MW in Spain), on stream since Jan-11.

Explanatory note on PPA/CMEC:
In June 2007 the long term contracts that EDP had with the Portuguese electricity regulated system (PPA) were replaced by the CMEC (Cost of Maintenance of Contractual Equilibrium) financial system to conciliate: (1) the preservation of the NPV of PPA, based on real pre-tax ROA of 8.5%, and a stable contracted gross profit over the next 10 years; and (2) the need to increase liquidity in the Iberian electricity wholesale market. In terms of EDP's P&L, the total gross profit resulting from CMECs' financial system will keep the same profile over the next 10 years as the former PPA.
PPA/CMEC gross profit has 3 components:
(i) Revenues in the market, resulting from the sale of electricity in the Iberian wholesale market and including both ancillary services and capacity payments.
(ii) Annual deviation ('revisibility'), equivalent to the difference between CMEC's initial assumptions made in 2007 (outputs, market prices, fuel and CO_2 costs) and real market data. This annual deviation will be paid/received by EDP, through regulated tariffs, up to two years after occurring.
(iii) PPA/CMEC Accrued Income, reflecting the differences in the period, in terms of cash flow profile, between PPA and CMEC assumed at the beginning of the system in July 2007.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net); (2) Includes a €9m realised loss in 9M11 (vs €0m in 9M10);
(3) Includes Aguieira and Raiva (360MW), subject to a tolling agreement for a 5-year period, starting in Apr-09.

Liberalised Activities in the Iberian Market

Income Statement (1) (€ m)	9M11	9M10	Δ%	Δ Abs.
Gross Profit	**594.7**	**663.4**	**-10%**	**-69**
Electricity generation	356.9	374.5	-5%	-18
Portugal	90.8	137.3	-34%	-47
Spain	263.6	232.1	14%	+32
Adjustments	2.5	5.1	-51%	-3
Electricity supply	178.3	220.3	-19.1%	-42
Gas supply	59.5	68.5	-13.2%	-9
Net Operating costs (2)	297.0	276.2	7.5%	+21
EBITDA	**297.7**	**387.2**	**-23%**	**-90**
Provisions	-8.1	51.7	-	-60
Net depreciation and amortisation	182.0	164.4	11%	+18
EBIT	**123.8**	**171.1**	**-28%**	**-47**

Electricity Performance	9M11	9M10	Δ%	9M11	9M10	Δ%
	Output (GWh)			Variable Cost (€/MWh) (3)		
Generation Output	11,762	12,637	-6.9%	40.1	34.7	16%
Electricity Purchases	24,811	24,106	2.9%	52.6	39.3	34%
Electricity Sources	**36,573**	**36,744**	**-0.5%**	**48.6**	**37.7**	**29%**
	Volumes Sold (GWh)			Average Price (€/MWh) (4)		
Grid Losses	1,121	1,104	-	n.a.	n.a.	-
Retail - Final clients	23,289	22,984	1.3%	55.8	51.4	8.5%
Wholesale market	12,163	12,656	-3.9%	62.4	47.6	31%
Electricity Uses	**36,573**	**36,744**	**-0.5%**	**56.3**	**48.6**	**16%**

Electricity Gross Profit (€ m)	9M11	9M10	Δ%	Δ Abs.
Before hedging (€/MWh)	7.7	10.8	-29%	-3
From Hedging (€/MWh) (5)	0.9	0.6	59%	+0
Unit margin (€/MWh)	8.6	11.4	-25%	-3
Total Volume (TWh)	36.6	36.7	-0.5%	-0
Subtotal	**315.3**	**419.6**	**-25%**	**-104**
Commercial Shared-services (1)	**126.6**	**127.3**	**-0.6%**	**-1**
Others (6)	**93.2**	**47.9**	**95%**	**+45**
Total	**535.2**	**594.9**	**-10%**	**-60**

Gas Uses (TWh)	9M11	9M10	Δ%	Δ Abs.
Consumed by own power plants	18.1	19.2	-5.7%	-1
Sold to Clients (7)	23.6	23.8	-1.2%	-0
Total	**41.6**	**43.0**	**-3.2%**	**-1**

EBITDA from liberalised activities totaled €298m in 9M11 following a 23% drop derived from (i) lower unit margins in electricity, resulting from higher sourcing costs and fewer arbitrage opportunities, (ii) lower unit margin in the gas business; and (ii) higher costs stemming from new capacity on stream and from the implementation of RDL 14/2010 (measures to reduce the tariff deficit) in Spain.

In the **electricity business**, gross profit was €60m lower in 9M11, despite a clear recovery in 3Q11 (+6% YoY) prompted by higher achieved unit margins. 9M11 gross profit was supported by virtually flat volumes and lower unit margins earned (from €11/MWh in 9M10 to €9/MWh in 9M11).. These impacts were only partially compensated by a rise in revenues from capacity payments (backed by its first time attribution in Portugal in 1-Jan-11, and by new capacity on stream in Spain). Volumes supplied to final clients were 2x our output as a result of market conditions and EDP's flexible sourcing strategy.

Volumes: Volumes sold totaled 37TWh in 9M11, on the back of slightly higher sales to retail clients (+1.3% driven by Portugal). In turn, volumes sold in the wholesale market declined 4% YoY reflecting fewer arbitrage opportunities (due to higher pool prices). In 9M11, generation output declined 7%, as higher coal output (+30% YoY) derived from a longer than expected outage of Aboño's in 2010 and from the implementation of RDL 1221/2010 in Spain (Feb-11) did not fully compensate the fall in hydro (-18%) and CCGTs output (-20%). Electricity pool purchases were 3% higher in 9M11. On a quarterly basis, the 3Q11 was marked by a narrower gap between the cost of own generation and the cost of electricity purchases, along with increasing cost-competitiveness of coal production. Accordingly, 3Q11 coal output advanced by 59% YoY, while pool purchases were stable, output from hydro and CCGTs dropped 31% and 22%, respectively.

Unit margin (3)(4)**:** Average spread achieved in electricity business reached €9/MWh (-25% YoY) in 9M11, following a 7% YoY recovery in 3Q11. This evolution reflects the terms forward contracted (and previously disclosed) and lower gains with arbitrage opportunities. The average sourcing cost rose 29% in 9M11 fuelled by (i) higher generation costs (+16%) due to the lower weight of hydro in the generation mix, coupled with higher fuel costs; and (ii) higher cost of electricity purchases (+34%), driven by higher prices in the pool. The average selling price advanced 16% in 9M11 reflecting higher prices realised in the wholesale market (+31%) and selling prices to retail clients 9% higher.

For 2011, EDP has already forward contracted with clients 30TWh of electricity sales and has already forward contracted ~100% of expected output (excluding production based on Spanish coal, under RD1221/10 regime) with an average clean thermal spread (including CO2 free allowances) over €10/MWh. **For 2012,** EDP is adapting its hedging strategy to current market conditions, favoring gas sales in the wholesale market. In line with this, EDP has so far forward contracted with clients 10TWh of electricity sales. As a result, we have so far locked-in the spreads for around two thirds of expected coal output and gas sourcing commitments.

Our **gas sourcing activity** in 2011 is based on an annual 4.3bcm portfolio of long term contracts. Our consumption of gas was 3% lower YoY, at 42TWh (3.6bcm) in 9M11, supported by lower sales to final clients and a 6% decrease in consumption for electricity generation purposes.

(1) Includes EDP Sol Comerciais, the group's shared services platform in Portugal; (2) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net)
(3) Variable cost: fuel cost, CO2 cost net of free allowances, hedging costs (gains), system costs; (4) Average selling price: includes selling price (net of TPA tariff), ancillary services and others;
(5) Includes results from hedging on electricity; (6) Includes capacity payments, services rendered and others; (7) Volumes excluding sales to our cogeneration units.

Liberalised Electricity Generation in the Iberian Market

Income Statement (€ m)	9M11	9M10	Δ%	Δ Abs.
Gross Profit	**356.9**	**374.5**	**-5%**	**-18**
Portugal	90.8	137.3	-34%	-47
Spain	263.6	232.1	14%	+32
Adjustments	2.5	5.1	-51%	-3
Supplies and services	42.8	41.4	3.3%	+1
Personnel costs	28.7	25.3	13.4%	+3
Costs with social benefits	1.3	1.3	-3.2%	-0
Other operating costs (net)	30.8	17.5	76%	+13
Net Operating costs (1)	**103.5**	**85.5**	**21.1%**	**+18**
EBITDA	**253.4**	**289.0**	**-12%**	**-36**
Provisions	(4.8)	38.8	-	-44
Net deprec. and amortisation	166.9	149.5	12%	+17
EBIT	**91.3**	**100.7**	**-9%**	**-9**
Employees (#)	**768**	**779**	**-1.4%**	**-11**

Key Operating Data	9M11	9M10	Δ%	Δ Abs.
Generation Output (GWh)	**11,762**	**12,637**	**-6.9%**	**-875**
CCGT	5,759	7,202	-20.0%	-1,443
Coal	3,727	2,871	30%	+857
Hydro	1,403	1,712	-18%	-309
Nuclear	872	853	2.3%	+20
Generation Costs (€/MWh) (2)	**40.1**	**34.7**	**16%**	**+5.4**
CCGT	59.8	49.9	20%	+9.9
Coal	31.5	26.0	21%	+5.4
Hydro	4.5	0.7	513%	+3.7
Nuclear	4.0	3.7	7.5%	+0.3
Load Factors (%)				
CCGT	24%	33%	-	-10p.p.
Coal	39%	30%	-	9p.p.
Hydro	24%	29%	-	-5p.p.
Nuclear	86%	84%	-	2p.p.
CO2 Emissions (mn tones)				
Total emissions (3)	7.1	6.6	7.7%	+1
Free allowances (3)	8.1	7.4	9.5%	+1

Capex (€ m)	9M11	9M10	Δ%	Δ Abs.
Expansion	**235.5**	**203.5**	**16%**	**+32**
CCGT	-	46.5	-	-46
Hydro	235.5	157.0	50%	+78
Maintenance	**24.3**	**46.6**	**-48%**	**-22**
Recurrent	24.3	46.9	-48%	-23
Non recurrent (environmental)	-	(0.3)	-	+0
Total	**259.8**	**250.0**	**3.9%**	**+10**

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

The output from our own generation plants retreated 7% (-21% YoY in 3Q11), to 11.8TWh in 9M11, reflecting the mixed impact of (i) higher coal output (+0.9TWh) and (ii) lower CCGT (-1.4TWh) and hydro output (-0.3TWh). As a result of higher coal output, total emissions of CO_2 rose 8% in 9M11 but, yet, fell 12% short of free allowances attributable for the period. Average production cost advanced to €40/MWh (+16%) in 9M11, mainly supported by higher contribution from CCGT/coal to the generation mix and higher fuel costs.

Coal: **Output** rose 30% in 9M11, mostly reflecting the longer than expected outage at our Aboño plant in 2010 and the implementation of RDL1221/10 (domestic coal) in Spain. Average load factor was 9pp higher YoY, at 39% in 9M11, consistently beating Spain's 32% average. Since Feb 26, 2011, our Soto 3 plant is producing electricity under the conditions of RDL 1221/2010, which results in an 1.3TWh/year committed production. Our **average production cost** reached €32/MWh (+21% YoY), driven by higher coal prices.

CCGTs: **Output** declined 20% in 9M11, reflecting a 10pp drop in average load factors (to 24%), penalised by rising production cost and by the entry in force of RDL 1221/2010. **Average production cost** advanced 20% in 9M11, driven by higher average gas cost and lower production. Installed capacity rose 13% YoY to 3.7GW in Sep-11, backed by the start up of commercial operations at Soto 5 in Dec-10 (428MW in Spain). As from Jan-11, our CCGT plants in Portugal (2,039MW) are also entitled to receive capacity payments (€20/kW/year, in line with Spain).

Hydro & Nuclear: Hydro output was 18% lower YoY, given the heavier rainy weather in 9M10. In turn, nuclear output was 2% higher backed by 2p.p. YoY increase in average load factor.

In 9M11 volumes sold in the complementary markets totaled 3.5TWh up from 2.1TWh in 9M10). The implementation of RDL 1221/10 justified an increase in output from our Soto 3 plant and an increase in volumes sold in the restriction market.

Net operating costs(1) advanced to €104m (+21% YoY) mainly driven by higher costs (+€13m) related to the implementation of RDL 14/2010 measures to reduce the tariff deficit in Spain) and new capacity on stream. **Net depreciation charges** rose 12%, driven by new capacity on stream and higher working hours at our coal plants.

Capex in liberalised generation amounted €260m, 91% of which reporting to the development of new hydro capacity. The bulk of capex in new hydro capacity reported to 8 projects under construction: 5 hydro plant repowerings (Picote II, Bemposta II, Alqueva II, Venda Nova III, Salamonde II) and 3 new hydro plants (Baixo Sabor, Ribeiradio and Foz Tua), due in 2011/15. The first plants to come on stream will be Picote II (246MW) and Bemposta II (191MW) in 4Q11. A third project (Alqueva II with 256MW) will be on stream in mid 2012. Maintenance capex totalled €24m in 9M11.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net)
(2) Includes fuel costs, CO2 emission costs net of free allowances, hedging results; (3) Includes CO2 emissions from Aboño plant, which burns blast furnace gases.

Liberalised Electricity and Gas Supply in the Iberian Market

Income Statement (1) (€ m)	Electricity Supply			
	9M11	9M10	Δ%	Δ Abs.
Gross Profit	**178.3**	**220.3**	**-19%**	**-42**
Supplies and services	124.8	122.3	2%	+2
Personnel costs	36.4	33.8	8%	+3
Costs with social benefits	2.9	4.1	-29%	-1
Other operating costs (net)	2.8	0.5	502%	+2
Net Operating costs (2)	**166.8**	**160.6**	**4%**	**+6**
EBITDA	**11.5**	**59.7**	**-81%**	**-48**
Provisions	(0.1)	12.8	-	-13
Net depreciation and amortization	14.4	14.6	-1.4%	-0
EBIT	**(2.8)**	**32.3**	**-**	**-35**

Income Statement (€ m)	Gas Supply			
	9M11	9M10	Δ%	Δ Abs.
Gross Profit	**59.5**	**68.5**	**-13.2%**	**-9**
Supplies and services	16.2	17.6	-7.9%	-1
Personnel costs	2.4	2.6	-10%	-0
Costs with social benefits	0.1	0.0	20%	+0
Other operating costs (net)	8.1	9.8	-17.6%	-2
Net Operating costs (2)	**26.7**	**30.0**	**-11.2%**	**-3**
EBITDA	**32.8**	**38.5**	**-14.7%**	**-6**
Provisions	-3.2	0.0	-	-3
Net depreciation and amortization	0.7	0.3	143%	+0
EBIT	**35.4**	**38.2**	**-7%**	**-3**

Key data	9M11	9M10	Δ%	Δ Abs.
Electricity in Portugal				
Volume Sold (GWh)	6,843	6,480	5.6%	+363
Market Share (%)	42%	52%	-	-10 p.p.
Avg. Selling Price (€/MWh)	54.5	51.9	5.1%	+3
Number Clients (th.)	293	305	-3.9%	-12
Electricity in Spain				
Free market				
Volume Sold (GWh)	15,588	15,579	0.1%	+8
Market Share (%)	12%	12%	-	0 p.p.
Avg. Selling Price (€/MWh)	57.4	51.5	12%	+6
Number Clients (th.)	695	615	13%	+80
Last resort supply				
Volume Sold (GWh)	637	876	-27%	-238
Number Clients (th.)	324	383	-16%	-60
Gas in Spain & Portugal				
Spain - Volume Sold (GWh)	20,622	20,600	0.1%	21
Spain - Market Share (%)	11%	11%	-	0 p.p.
Portugal - Volume Sold (GWh)	5,203	4,644	12%	558
Portugal - Market Share (3) (%)	15%	37%	-	-22 p.p.
Avg. Gross Margin (€/MWh)	0.7	1.2	-45%	-1
Number Clients (th.)	796	825	-3.5%	-28
Capex (Electricity & Gas, Iberia) (€m)	**8.5**	**8.6**	**-0.7%**	**-0**
Employees (Electricity & Gas, Iberia)	**1,014**	**933**	**8.7%**	**+81**

EDP group subsidiaries operating in electricity and gas liberalised supply activities have intra-group electricity and gas procurement contracts with other EDP group companies. In line with increasing liberalisation in Portugal, EDP Soluções Comerciais (our commercial shared-services platform in Portugal) is now included in the consolidation perimeter of electricity supply in both 2011 and 2010. EBITDA contribution totalled €23m in 9M11 vs. €19m in 9M10.

Portugal Electricity Supply – **Volumes** supplied to EDP clients in the free market increased by 6% YoY, to 6.8TWh in 9M11, partly reflecting the contribution from 2 new large industrial clients. EDP's market share stood at 42% in 3Q11, down from 48% in 3Q10, reflecting tough competition in the free market and unattractive market conditions in the residential segment when compared to regulated tariffs, along with EDP's focus in the most attractive segments. **Avg. selling price** in retail advanced 5% YoY to €55/MWh in 9M11. As a result of higher energy purchase prices and third party access tariffs, unit margins dropped in the period.

Spain Electricity Supply – **Volumes** supplied to our clients in the free market remained stable YoY, at 15.6TWh in 9M11, backed by a wider clients portfolio (+13% YoY). Market share reached 12% reflecting EDP's ability to keep a share in the supply market that is the double of its share in generation. Note that the observed expansion in the number of clients is the result of our strategy to focus on the most attractive segments/clients, while volumes supplied remained flat vs. 2Q11. **Avg. selling price** came out at €57/MWh in 9M11, up 12% YoY, although with lower unit margins.

Spain & Portugal Gas Supply – **Volumes** supplied in Spain remained flat at 20.6TWh (though falling 17% short of 2Q11), reflecting an 11% market share and a tough market environment. In Portugal, volumes supplied reached 5.2TWh in 9M11, increasing 12% YoY, but falling 25% short of 2Q11, impacted by seasonal effect and production outage at some clients. **Avg. Iberian unit gross profit** stood at €0.7/MWh in 9M11, reflecting unfavourable market conditions.

Prospects:

Electricity and gas supply margins in both Portugal and Spain should continue under pressure in the 4Q11, due to the combined impact of high pool prices (electricity), competitive last recourse tariffs and fierce competition in the market.

Volume-wise, we expect free markets in Portugal and Spain to keep expanding while competition should remain intense. Having said this, gas sales to industrial clients in the coming quarters should be penalised (both in Portugal and Spain) by the gas deviation to the wholesale markets where margins are more attractive. In Portugal, the ongoing liberalization process of the electricity market should support some growth in the free market. Note that the transitory, and penalizing, last resort tariff option for large clients in Portugal (all segments except normal low-voltage), which end was expected for Jan 1st, 2012, was extended to year 2012, as some of these clients are anticipated to remain under this tariff option by Dec 31st, 2011. These clients should progressively move to the free market during year 2012. As for residential clients and small businesses (normal low voltage), last resort supply tariff is scheduled to end from July 1st, 2012 for clients with contracted power below or equal to 41.4 kVA and above or equal to 10.35 kVA, and from Jan 1st, 2013 for clients with contracted power below 10.35 kVA. For these segments, a transition period shall also probably be defined, meaning that the transfer of these clients to the free market should be progressive.

(1) Includes EDP Sol. Comerciais, the commercial shared services platform in Portugal; (2) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net)
(3) Based on consumption in segment NG>10,000 m^3/year.

EDP Renováveis: Financial Performance

Income Statement	EDP Renováveis (€ m)			
	9M11	9M10	Δ %	Δ Abs.
Gross Profit	**689.2**	**587.2**	**17%**	**+102**
Supplies and services	164.5	142.6	15%	+22
Personnel costs	42.4	38.2	11%	+4
Other operating costs (net)	(66.1)	(66.7)	-0.9%	+1
Net Operating Costs (1)	**140.9**	**114.1**	**23%**	**+27**
EBITDA	**548.3**	**473.1**	**16%**	**+75**
Provisions	(0.3)	(0.1)	-	-0
Net Deprec. & amortisation	309.3	306.9	0.8%	+2
EBIT	**239.4**	**166.3**	**44%**	**+73**
Capital gains/(losses)	10.0	-	-	+10
Financial Results	(176.5)	(120.3)	47%	-56
Results from associates	3.7	2.9	29%	+1
Pre-tax profit	**76.6**	**48.9**	**57%**	**+28**
Income taxes	15.2	25.8	-41%	-11
Discontinued Activities	-	-	-	-
Profit for the period	61.4	23.1	166%	+38
Equity holders of EDPR	**62.6**	**22.2**	**182%**	**+40**
Non-controlling interests	(1.2)	0.9	-	-2

Operational Overview	9M11	9M10	Δ %
Installed Capacity (MW)	**6,959**	**6,181**	**13%**
Europe	3,553	3,066	16%
USA	3,323	3,101	7.1%
Brazil	84	14	507%
Output (GWh)	**11,975**	**9,818**	**22%**
Europe	5,240	4,615	14%
USA	6,632	5,178	28%
Brazil	103	24	322%
Avg. Load Factor (%)	**28%**	**28%**	**0 p.p.**
Avg. Elect. Price (€/MWh)	**57.8**	**59.8**	**-3.4%**
EBITDA (€m)	**548.3**	**473.1**	**16%**
Europe	357.7	307.1	16%
USA	197.3	180.4	9.4%
Other & Adjustments	(6.7)	(14.4)	-54%
EBIT (€m)	**239.4**	**166.3**	**44%**
Europe	201.0	156.2	29%
USA	49.5	26.6	86%
Other & Adjustments	(11.1)	(16.5)	-33%
Capex (2)	**516.1**	**1,119.6**	**-54%**
Europe	216.1	389.8	-45%
USA	236.2	698.2	-66%
Brazil	59.8	22.4	167%

EDPR Equity Market Data	9M11	9M10	Δ %
Share price at end of period (€/share)	4.09	4.15	-1.4%
Number of Shares Issued (million)	872.3	872.3	-
Stake Owned by EDP (%)	77.5%	77.5%	-

EDPR Key Balance Sheet Figures (€ m)	9M11	9M10	Δ %
Bank Loans and Other (net)	671.5	255.2	-
Loans with EDP companies (net)	2,775.4	2,660.2	4.3%
Net Financial Debt	**3,446.9**	**2,915.4**	**18%**
Non-controlling interests	**114.8**	**118.4**	**-3.0%**
Net Institutional Partnership Liability (3)	**965.4**	**1,003.1**	**-3.8%**
Equity Book Value	**5,295.8**	**5,202.3**	**1.8%**
EUR/USD - End of Period Rate	1.35	1.36	-1.1%

EDPR Financial Results (€ m)	9M11	9M10	Δ %
Net Interest Costs	(139.4)	(118.5)	-18%
Institutional Partnership costs (non-cash)	(46.3)	(48.4)	4.3%
Capitalised Costs	29.3	52.2	-44%
Forex Differences	(15.8)	5.4	-
Other	(4.2)	(11.1)	62%
Financial Results	**(176.5)**	**(120.3)**	**-47%**

EDPR Operating Data	9M11	9M10	Δ %
Employees (#)	818	818	-
Opex / Avg. MW in Operation (€ th) (4)	44.8	47.1	-4.8%

EDP Renováveis (EDPR) owns and operates all of EDP Group wind power assets (wind farms in operation in 8 countries) and develops projects for potential wind farms (in 11 countries). The two main markets in which EDPR operates are Spain (38% of EDPR's EBITDA in 9M11) and USA (35%). Other markets include Portugal (16%), France, Poland, Romania, Belgium and Brazil (the latter 5 representing 12% of EDPR's EBITDA in 9M11).

EDPR's EBITDA increased 16% YoY (+€75m) to €548m in 9M11, in line with the 13% YoY increase of installed capacity to 6,959MW by Sep-11. The main drivers of EBITDA growth were: (1) **Spain (EBITDA +€24m YoY**, including hedging results in energy markets), following 160MW of new additions (20% of total additions), higher avg. selling price (+6% YoY), which resulted from the strong recovery of the avg. achieved pool price (+45% YoY), and lower avg. load factor (-1pp to 25% in 9M11); and (2) **US (EBITDA +€17m YoY**, including a -€14m impact from forex), reflecting 221MW of new capacity (28% of total capacity added), higher avg. load factor (+2pp to 31% in 9M11) and lower avg. selling price (-8% YoY). **EBITDA from European markets ex-Iberia went up by €25m YoY**, reflecting 323MW of new capacity (42% of total added), following the start up of operations in Romania (+228MW), and the addition of 70MW in Poland (with selling prices above portfolio's avg.).

Net depreciation and amortization rose by a slight €2m, as the expansion of EDPR's wind portfolio was mostly compensated by an extension (from 20 to 25 years) of the useful life of wind farm assets. Overall, **EDPR's EBIT rose 44% YoY (+€73m) to €239m in 9M11.**

EDPR's net debt rose 18% YoY (+€0.5bn) to €3.4bn as of Sep-11, reflecting investments in new capacity, the payment, in Apr-11, of €231m for the increase from 80% to 100% of EDPR's equity stake in Genesa (a Spanish sub-holding), and a slight 1% appreciation of the USD vs. the EUR. By Sep-11, 37% of EDPR's debt was USD denominated. Intra-group loans granted by EDP, which represent 81% of EDPR's net debt, are contracted at fixed rates. EDPR's net debt contracted with entities out of EDP Group, which mainly refers to project finance long term funding, went up by €416m YoY, reflecting the additional project finance executed for wind farms in Poland (financial close in 4Q10), Romania (3Q11) and Brazil (3Q11). **Liabilities with Institutional Partnerships** in US decreased by a mere €38m YoY, up €100m QoQ, to €965m as of Sep-11, reflecting the signing, in Jul-11, of a new USD116m institutional equity financing (for 99MW Timber Road II wind farm in Ohio State).

Financial Expenses increased 47% YoY (+€56m), to €177m in 9M11: i) net interest costs went up 18% YoY (+€21m), on the back of higher avg. gross debt (from €3.0bn in 9M10 to €3.5bn in 9M11) and higher avg. interest cost (from 5.0% in 9M10 to 5.4% in 9M11) – it is worth mentioning that between Jun-11 and Sep-11, avg. interest cost fell by 20bp, reflecting the attractive rates of the recently executed project finance in Brazil and Romania; ii) forex differences, down €21m YoY, were negatively affected by the high volatility of non-Euro currency countries, namely Poland and Romania, where EDPR has some projects funded in Euro denominated debt; iii) capitalised costs decreased €23m YoY following a decline in works in progress. In 9M11, EDPR recorded a €9m **capital gain** related to the sale of a 16.67% non-controlling stake in a 74MW Spanish wind farm. All in all, **EDPR net profit rose by €40m YoY to €63m in 9M11.**

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net). (2) Includes Capex from EDPR SA.
(3) Net of deferred revenue and restricted cash. (4) Annualised figures.

EDP Renováveis: US & Spain

US	9M11	9M10	Δ %	Δ Abs.
Installed capacity (MW)	**3,323**	**3,101**	**7.1%**	**+221**
Under PTC	2,024	2,024	0.0%	-
Under cash grant flip	500	301	66%	+200
Under cash grant	799	776	3.0%	+23
Avg. Load Factor (%)	31%	30%	-	1.6 p.p.
Avg. Final Selling Price (USD/MWh)	45.5	49.4	-7.8%	-3.9
USD/EUR - Avg. of period rate	1.41	1.31	7.0%	+0.09
PPA's/Hedged				
Installed Capacity (MW) (1)	2,659	2,003	33%	+656
Electricity Output (GWh)	4,788	3,761	27%	+1,027
Avg. Final Selling Price (USD/MWh)	50.5	54.7	-7.7%	-4.2
Merchant				
Installed Capacity (MW) (1)	664	1,098	-40%	-435
Electricity Output (GWh)	1,844	1,417	30%	+427
Avg. Final Selling Price (USD/MWh)	30.2	33.8	-11%	-3.7
Gross Profit (USD m)	299	255	17%	+44
PTC Revenues & Other (USD m)	112	99	14%	+13
Adjusted Gross Profit (USD m)	**411**	**353**	**16%**	**+57**
EBITDA (USD m)	**277**	**237**	**17%**	**+40**
EBIT (USD m)	70	35	99%	+35
Net Capex (USD m)	**332**	**918**	**-64%**	**-586**
Gross Capex	333	918	-64%	-585
Cash grant received	-1	-	-	-1
Capacity under construction (MW)	**314**	**122**	**157%**	**+192**

Spain	9M11	9M10	Δ %	Δ Abs.
Installed capacity (MW)	**2,194**	**2,035**	**7.8%**	**+160**
Avg. Load Factor (%)	25%	26%	-	-1 p.p.
Avg. achieved pool price (€/MWh)	46.4	32.0	45%	+14.4
Avg. final selling price (€/MWh) (2)	82.6	78.0	5.8%	+4.5
Capacity under Transitory Regime				
Installed capacity (MW)	1,153	1,153	0.0%	-
Electricity output (GWh)	1,815	1,982	-8.4%	-167
Capacity under RD 661/2007				
Installed capacity (MW)	1,042	882	18%	+160
Electricity output (GWh)	1,525	1,073	42%	+453
Hedging Results (€m)	**(5.7)**	**11.2**	**-**	**-17**
Gross Profit (€m) (2)	275	237	16%	+38
EBITDA (€m) (2)	**213**	**189**	**12%**	**+24**
EBIT (€m) (2)	111	87	27%	+24
Capex (€m)	**116**	**125**	**-7.2%**	**-9**
Capacity under construction (MW)	**57**	**216**	**-74%**	**-159**

In US, installed capacity rose by 221MW following: (1) the commissioning of Kitittas Valley in 4Q10 (101MW in Washington State; power currently sold in WECC market; fiscal incentives received through cash flip deal); (2) the entry into operation of Timber Road II (99MW in Ohio; power contracted through PPA; fiscal incentives received through cash flip deal); (3) the entry into operation of 15MW from the completion of Top Crop II (198MW in Illinois; power entirely sold through PPA; fiscal incentives received through cash grant); and (4) the entry into operation of 7 MW from the completion of Meadow Lake IV (99MW in Indiana; power currently sold in PJM market with 25MW contracted to be sold through PPA from Jun-12 onwards; fiscal incentives received through cash grant).

Avg. selling price (excluding revenues from fiscal incentives such as PTCs - Production Tax Credits) for energy sold through PPA/Hedged fell 8% YoY to USD50/MWh, given new PPA contracts signed with lower starting prices but higher price updates over the lifetime of the contract and lower curtailment revenues. Avg. selling price in merchant power markets fell 11% YoY reflecting lower market prices in the regions in which we sell our production. Overall, avg. selling price in US fell 8% YoY to USD46/MWh. Avg. load factor increased by 1.6pp YoY to 31% in 9M11. **In 9M11, adj. gross profit (including revenues from PTCs) rose USD57m, EBITDA rose USD40m and EBIT rose USD35m YoY**. As of Sep-11, EDPR had 314MW under construction in US: (1) 99MW from Blue Canyon VI wind farm in Oklahoma (SPP market), which is expected to be commissioned this year and takes advantage of very competitive characteristics, namely low investment cost and strong wind resource (above 40%); and (2) 215MW from Marble River wind farm in New York (NYISO/NEISO markets), which is expected to enter into operation in 2012 and with Renewable Energy Certificates (RECs) contracted to be sold through a 10 year PPA. Note that in Dec-10, the US government extended the cash grant option for wind power projects which start construction before YE2011 as long as placed in service until YE2012.

In Spain, wind farms are remunerated under two regimes: (1) the transitory regime, for wind farms that started operations before 2008, according to which wind producers receive a unit tariff equal to 'achieved pool price + fixed premium (€38.3/MWh)' – beginning 2013, wind farms under the transitory regime will be transferred to the RD 661/2007 regime; (2) RD 661/2007 regime, applicable to wind farms that started operations after 2008, offers two tariff options: (a) 'avg. price achieved in the pool + premium (€20.1/MWh reflecting a temporary 35% reduction until Dec-12)' with a cap (€91.7/MWh) and a floor (€76.9/MWh); or (b) a fixed tariff (€79.1/MWh). All tariffs set by RD661/2007 (including cap, floor & premium) are updated at CPI-X and guaranteed for 20 years. EDPR is currently moving its capacity remunerated under RD661/2007 from the cap & floor option to the fixed tariff option, which is more attractive under current market conditions (c92% of RD661/2007 capacity was under the fixed tariff option as of Sep-11).

EDPR EBITDA in Spain, including hedging results, was €213m in 9M11, representing a €24m YoY increase, which showed also at EBIT level, reflecting flat depreciations and amortizations, as the impact from capacity additions was offset by the already mentioned extension of wind farms useful life. EDPR expanded its portfolio in Spain by 160MW YoY, 145MW of which in 9M11. Avg. price achieved in the pool rose 45% YoY, from an abnormally low price in 9M10 explained by very strong hydro and wind power production. The increase in pool price lead to a 20% increase of avg. selling price for capacity under transitory regime to €90/MWh (excluding hedging results). Avg. selling price for capacity under RD661/2007 was €77/MWh, in line with the floor of the cap & floor option and below the fixed tariff option. As part of EDPR's hedging strategy for the capacity under the transitory regime, 1,226GWh have been sold forward for 9M11. Overall, avg. selling price in Spain, including hedging results rose 6% to €83/MWh, offsetting the slightly lower avg. load factor (-1pp to 25% in 9M11). **Going forward**, for the full 2011 expected production under the transitory regime, EDPR sold forward 1.6 TWh, at an avg. price of €44/MWh, and closed a collar for an additional 0.4 TWh, at a price between €35 and €55/MWh. As for 2012, EDPR already sold forward 1.1TWh at an avg. price of €52/MWh. EDPR has currently 57MW under construction in Spain.

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

EDP Renováveis: Portugal, Rest of Europe & Brazil

Portugal	9M11	9M10	Δ %	Δ Abs.
Installed capacity (MW)	**599**	**595**	**0.7%**	**+4**
Avg. Load Factor (%)	26%	27%	-	-1 p.p.
Electricity Output (GWh)	1,027	1,045	-1.7%	-18
Avg. Final Selling Price (€/MWh)	103	100	3.0%	+3
Gross Profit (€m)	107	106	1.2%	+1
EBITDA (€m)	**88**	**87**	**0.8%**	**+1**
EBIT (€m)	66	61	9.0%	+5
Capex (€m)	**1**	**2**	**-50%**	**-1**
Capacity under construction (MW)	**15**	**-**	**-**	**+15**
ENEOP Installed capacity (MW) (1)	321	146	120%	+175

Rest of Europe (2)	9M11	9M10	Δ %	Δ Abs.
France & Belgium				
Installed Capacity (MW)	341	316	7.9%	+25
Avg. Load Factor (%)	21%	22%	-	-1 p.p.
Electricity Output (GWh)	474	404	17%	+70
Avg. Final Selling Price (€/MWh)	90	90	0.2%	+0
Poland				
Installed Capacity (MW)	190	120	58%	+70
Avg. Load Factor (%)	24%	22%	10%	2 p.p.
Electricity Output (GWh)	237	111	113%	+126
Avg. Final Selling Price (PLN/MWh)	450	436	3.3%	+14
EUR/PLN - Avg. of period rate	4.02	4.00	0.4%	+0.02
Romania				
Installed Capacity (MW)	228	-	-	+228
Avg. Load Factor (%)	16%	-	-	-
Electricity Output (GWh)	161	-	-	+161
Avg. Final Selling Price (RON/MWh)	374	-	-	-
EUR/RON - Avg. of period rate	4.21	-	-	-
Gross Profit (€ m)	83	48	75%	+36
EBITDA (€ m)	**61**	**36**	**70%**	**+25**
EBIT (€ m)	29	14	107%	+15
Capex (€m)	**99**	**262**	**-62%**	**-163**
Capacity under construction (MW)	**99**	**336**	**-71%**	**-237**

Brazil	9M11	9M10	Δ %	Δ Abs.
Installed Capacity (MW)	**84**	**14**	**507%**	**+70**
Avg. Load Factor (%)	34%	27%	-	7 p.p.
Electricity Output (GWh)	103	24	322%	+79
Avg. Final Selling Price (R$/MWh)	277	252	9.9%	+25
EUR/BRL - Average of period rate	2.29	2.34	-2.0%	-0.05
Gross Profit (R$ m)	28	6	364%	+22
EBITDA (R$ m)	**18**	**1**	**-**	**+16**
EBIT (R$ m)	11	(1)	-	+12
Capex (R$ m)	**137**	**53**	**161%**	**+85**
Capacity under construction (MW)	**-**	**70**	**-**	**-70**

In Portugal, avg. load factor stood at 26% in 9M11, down 1pp YoY, implying a slight 2% YoY reduction in wind production, while avg. tariff rose 3% YoY reflecting inflation indexation in the period. Wind power tariffs in Portugal are indexed to inflation and set for 15 years. Overall **EBITDA was €88m in 9M11, showing a €1m YoY increase** (similar to gross profit performance). By the end of Sep-11, EDPR had 15MW under construction (new wind farm and overpowerings) to be remunerated under the same tariff regime of existing capacity. Still in Portugal, EDPR holds an equity stake in ENEOP consortium (equity method consolidated by EDPR) which has a license to build 1,200MW of wind power capacity (480MW attributable to EDPR). ENEOP's wind farms are remunerated at c€74/MWh, set in a competitive standard and lower than the tariff applicable to older wind farms, being also indexed to inflation and defined for 15 years. By Sep-11, ENEOP had an installed capacity of 802MW (321MW attributable to EDPR) and 12MW under construction (5MW attributable to EDPR).

In European markets out of Iberia, EBITDA rose €25m YoY to €61m in 9M11 and EBIT increased €15m to €29m in 9M11.

In France, EDPR has 284MW of installed capacity (25MW were added during the last 12 months) and another 22MW currently under construction. Wind power in France is sold through fixed tariffs updated in line with inflation for 15 years. In 9M11, EDPR avg. tariff in France was €86/MWh (+3% YoY). **In Belgium**, our 57MW wind farm sells its power through a 5 year PPA (2014 maturity) at a fixed selling price of €112/MWh.

In Poland, power generated by our 120MW Margonin wind farm is sold in the spot market (avg. Polish baseload spot price was PLN201.9/MWh in 9M11, +5% YoY) and EDPR has a 15 years long term contract for the sale of the green certificates (GCs) generated from Margonin (in Poland, the penalty to local utilities for non delivering the GCs requested by the law is fixed at PLN274.9/MWh for 2011). Note that Margonin wind farm was funded in local currency through a PLN535m 15 year project finance loan contracted in 4Q10 with a consortium headed by EIB and EBRD. EDPR increased its installed capacity in Poland by 70 MW in 9M11, through the commissioning of Korsze wind farm, with output contracted to be sold through a 10 year PPA.

In Romania, EDPR installed its first wind farm (Pestera, 90MW) in Dec-10. Additionally, in 9M11 EDPR commissioned the 138MW Cernavoda I&II wind farms. In Romania, EDPR sells its wind power production in the market receiving also GCs per MWh produced. In 2010 the Romanian government approved the entitlement to wind producers of 2 GCs per MWh produced until 2017, with the price of GCs having a floor (€27.6) and a cap (€56.2) set in Euros. Given that this entitlement to 2 GCs per MWh is still under implementation, in 9M11 EDPR still received just 1 GC per MWh produced. This along with the trial period of the recently installed wind farms justify the avg. selling price of RON374/MWh in 9M11. Note that EDPR recently executed project finance structures for a total 228MW in Romania with long term contracted debt facilities totaling €188m.

In Italy, during 2Q11, EDPR started the construction of its first 20MW wind farm. In Italy, for capacity installed before Dec-12, wind power producers receive merchant electricity price plus a GC until 2015; the tariff regime for after 2015 is not yet defined, but expectations are of a feed-in tariff.

In Brazil, 70MW Tramandaí wind farm started operations in 2Q11. EDPR recently executed a project finance structure agreement with the BNDES for R$228m. This wind farm is remunerated under the PROINFA regime through a fixed tariff (in line with current EDPR's tariffs) updated to inflation over 20 years. Avg. load factor increased 7pp YoY to 34% in 9M11, while avg. selling price increased 10% YoY to R$277/MWh.

(1) Éolicas de Portugal is equity consolidated (2) Including Italy, United Kingdom, mini-hydro and others.

Electricity Distribution and Last Resort Supply in Portugal

Income Statement (€ m)	9M11	9M10	Δ %	Δ Abs.
Gross Profit	**962.2**	**998.7**	**-3.7%**	**-37**
Supplies and services	246.8	242.5	1.8%	+4
Personnel costs	88.3	101.6	-13%	-13
Costs with social benefits	12.7	68.1	-81%	-55
Concession fees	181.8	178.8	1.7%	+3
Other operating costs (net)	(28.9)	(7.3)	-	-22
Net Operating Costs (1)	**500.6**	**583.7**	**-14.2%**	**-83**
EBITDA	**461.5**	**415.1**	**11.2%**	**+46**
Provisions	3.1	1.7	76%	+1
Net depreciation and amortisation	184.3	178.6	3.2%	+6
EBIT	**274.2**	**234.8**	**16.8%**	**+39**

Gross Profit Performance	9M11	9M10	Δ %	Δ Abs.
Gross Profit (€m)	**962.2**	**998.7**	**-3.7%**	**-37**
Regulated gross profit - current period	952.5	992.8	-4.1%	-40
Non-regulated gross profit	9.6	6.0	62%	+4
Distribution Grid				
Reg. revenues - current period (€ m)	875.5	911.1	-3.9%	-36
Electricity distributed (GWh)	34,879	35,539	-1.9%	-660
Clients connected (th)	6,153.6	6,143.8	0.2%	+10
Last Resort Supply				
Reg. revenues - current period (€ m)	78.7	83.5	-5.7%	-5
Clients supplied (th)	5,790.0	5,802.5	-0.2%	-12
Electricity sold (GWh)	18,490	22,974	-20%	-4,484
Wholesale procurement price (€/MWh)	58.9	45.6	29%	+13
Regulatory Receivables (€ m)				
Beginning of Period	**188.4**	**(508.9)**	**-**	**+697**
Previous periods tariff deviation (2)	65.9	381.9	-83%	-316
Tariff deviation in the period	287.7	35.0	-	+253
Other (3)	2.9	(9.2)	-	+12
End of Period	**544.9**	**(101.2)**	**-**	**+646**

Capex & Opex Performance	9M11	9M10	Δ %	Δ Abs.
Controllable Operating Costs (4)	**335.1**	**344.1**	**-2.6%**	**-9**
Cont. costs/client (€/client)	54.5	56.0	-2.8%	-2
Cont. costs/km of network (€/Km)	1,507.8	1,558.9	-3.3%	-51
Employees (#)	3,633	3,765	-3.5%	-132
Capex (Net of Subsidies) (€m)	**182.9**	**149.8**	**22%**	**+33**
Network ('000 Km)	222.2	220.7	0.7%	+2
Equival. interruption time (min.) (5)	53	73	-28%	-21

Reported EBITDA from electricity distribution and last resort supply activities in Portugal in 9M11 amounted to €462m. **Note that EDP, in 3Q11, changed its accounting policy as to the interest cost and estimated return of the fund assets: the respective amounts, so far accounted as operating costs, are now accounted at financial results level. This implied a downward adjustment of costs with social benefits by €43m in 9M11 in this business area. Excluding the impact from this reclassification in 9M10 (€44m) and a €21m intra-group real estate gain in 9M11 (no impact at consolidated level), EBITDA decreased by 4% to €441m (-€19m).** This decrease is mostly due to a lower consumption and low GDP deflator implicitly in 2011 distribution tariffs which was not compensated by the 3% decline in controllable costs.

Distribution grid regulated revenues declined €36m to €876m in 9M11, essentially on the back of: (1) €13m negative impact from volume of electricity distributed lower than ERSE's assumption in the calculation of 2011 regulated revenues (electricity distributed decreased 1.9% YoY, following a decline in demand in the residential and SME segments), (2) GDP deflator of +0.5% applied on the update of 2011 regulated revenues (based on 12 months average ending in Jun-10), which was below the X efficiency factor.

Last resort supplier regulated revenues decreased by 6% to €79m due to lower activity. Volume of electricity supplied by our last resort supplier, EDP Serviço Universal (EDP SU), fell 20% YoY to 18.5 TWh, as a result of the switching of clients to liberalized suppliers, especially in the industrial segment, in line with the calendar of increasing liberalization of the Portuguese electricity supply market. As a result, EDP SU market share in electricity supply dropped from 65% in 9M10 to 53% in 9M11.

On 17-Oct-11, ERSE published a preliminary proposal for the regulatory assumptions in the **next regulatory period 2012-2014** and regulated revenues in 2011 for our electricity distribution and last resort supply activities in Portugal (final figures to be published until 15-Dec-11). ERSE proposed (1) a 4% avg. annual increase for electricity tariffs in Portugal (2) **regulated rate of return on assets set at 9.5% for 2012 on a preliminary base** (vs. 8.56% in 2011) based on 780bp assumption for Portuguese Republic CDS and to be positively correlated with the moving average of this variable (annually revised, Rate of Return floor at 8.0% and cap at 11.0% for 2012-2014); (3) **electricity distribution regulated revenues of €1,285m for 2012;** (4) **last resort electricity supply regulated revenues of €93.8m for 2012** (4) forecast for volume of electricity distributed in 2012 set 3% lower than ERSE's forecast for 2011 (considering tarifs set for 2011).

Regulatory receivables increased from €188m in Dec-10 to €545m in Sep-11 driven by **(1) €249m negative tariff deviation supported by EDP SU in 9M11 following: i) higher than expected average electricity procurement cost** both in wholesale markets (€59/MWh in 9M11 vs. €47/MWh assumed by ERSE in the calculation of 2011 tariffs) and **ii) higher than expected volumes of special regime production** (SR production increased +4% YoY, being 9% above ERSE's assumption); **(2) €39m negative tariff deviation generated in electricity distribution activity in 9M11** related to consumption mix different from ERSE's initial assumption; **(3) €66m paid back through tariffs in 9M11** referent to positive tariff deviations in previous years. In Sep-11,EDP SU sold **without recourse €185m** referent to annuities to be recovered through tariffs in 2012 and 2013;

Regarding **future evolution of regulatory receivables in both distribution and last resort supply activities** implicit in ERSE's proposal for 2012 tariffs we would highlight (1) creation of a deferral of 2012 special regime overcost of €1,200m (to be down to €939m by Dec-12) to be supported by EDP SU in accordance with article 73ºA of Decree-Law n.º 78/2011 of June 20, to be recovered though 2012-2016 tariffs and on a preliminary base remunerated at 5.5%, (2) €560m recovery through 2012 tariffs referent to negative deviations incurred in previous years; (3) assumption for **average 2012 electricity procurement cost** in wholesale markets 25% higher than the €47/MWh assumed by ERSE for 2011.

Controllable operating costs decreased 3% YoY resulting from lower personnel costs reflecting a decrease of the number of employees by 132 and the annual salary update.

Capex in 9M11 increased 22% YoY to €183m and was mostly dedicated to network expansion and service quality. The Equivalent Interruption Time (EIT) in 9M11 was 53 minutes, a significant improvement compared to 9M10, as a result of investment in improving the quality of service and benefiting from the weather without extraordinary events.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits + Concession fees) + Other operating costs (net)
(2) Includes the recovery or pay-back through the tariffs of previous years' tariff deviations. (3) Includes interests on previous years tariff deviations.
(4) Supplies & services and personnel costs. (5) Adjusted for non-recurring impacts (rainstorms, high winds and summer fires).

Electricity Distribution in Spain

Income Statement (€ m)	9M11	9M10	Δ %	Δ Abs.
Gross Profit	**135.0**	**120.7**	**11.8%**	**+14**
Supplies and services	37.6	39.3	-4.3%	-2
Personnel costs	14.1	14.8	-4.6%	-1
Costs with social benefits	0.7	2.8	-73%	-2
Other operating costs (net)	(51.5)	(18.9)	-172%	-33
Net Operating Costs (1)	**1.0**	**37.9**	**-97%**	**-37**
EBITDA	**134.0**	**82.8**	**62%**	**+51**
Provisions	0.0	-	-	+0
Net depreciation and amortisation	22.3	35.5	-37%	-13
EBIT	**111.7**	**47.2**	**137%**	**+64**

Gross Profit Performance	9M11	9M10	Δ %	Δ Abs.
Gross Profit	**135.0**	**120.7**	**12%**	**+14**
Regulated gross profit	124.7	112.9	11%	+12
Other non-regulated gross profit	10.3	7.9	31%	+2
Regulated Revenues (€ m)	**124.7**	**112.9**	**11%**	**+12**
Distribution	120.4	103.3	17%	+17
Transmission	-	5.2	-	-5
Network Commercial Management	4.4	4.4	-	-
Distribution				
Electricity distributed (GWh)	7,220	6,837	5.6%	+383
Clients connected (th)	654.8	649.1	0.9%	+6
Regulatory Receivables (€ m) (2)				
Beginning of Period	**759.1**	**501.4**	**51%**	**+258**
Previous periods tariff deficit (3)	(401.1)	64.7	-	-466
Tariff deficit in the period	155.2	150.7	3%	+5
Other (4)	35.9	6.1	491%	+30
End of Period	**549.1**	**722.8**	**-24%**	**-174**

Capex & Opex Performance	9M11	9M10	Δ %	Δ Abs.
Controllable Operating Costs (5)	**51.7**	**54.1**	**-4.4%**	**-2**
Cont. costs/client (€/client)	79.0	83.4	-5.2%	-4
Cont. costs/km of network (€/Km)	2,291	2,449	-6.4%	-158
Employees (#)	380	381	-0.3%	-1
Capex (net of subsidies) (€ m)	**29.5**	**26.9**	**9.7%**	**+3**
Network ('000 Km)	22.6	22.1	2.2%	+0
Eq. interruption time (min.) (7)	28	33	-16%	-5

EBITDA from our electricity distribution activity in Spain rose 62% YoY to €134m in 9M11 mainly reflecting: i) the inclusion of €27m non-recurrent gain related to the sale of transmission assets to REE; ii) income of €18m in 9M11 (+€5m vs. 9M10) consequence of the application of IFRIC18[(6)] and iii) €5.2m of transmission regulated revenues included in 9M10 (sold in 1Q11).

Excluding these impacts, **EBITDA rose 38% YoY** (+€25m), on the back of an increase in the distribution regulated revenues.

Regulated revenues totaled €125m in 9M11, increasing 11% YoY as a result of higher distribution revenues (+€17m) in line with the Ministerial Order published in Dec-10 by the Spanish government, which was partially offset by the loss of transmission revenues (€5m), activity sold in 1Q11 to REE, in order to comply with the Law 17/2007 of July 4th which forces distribution companies to sell their transmission assets to REE.

Electricity distributed by HC Energia, essentially in the region of Asturias, went up by 6% YoY, on the back of a larger client base (+1%), strong demand in the industrial segment and weaker comparison basis (in 3Q10, consumption was affected by an unexpected outage at one large industrial client). Note that electricity consumption in HV and MV segments increased by 9%.

In the 3Q11, the Spanish government increased the last resort tariff (LRT) by 1.5% based on an avg. baseload cost of €53/MWh and access tariffs flat QoQ. For the 4Q11, LRT was freezed based on an avg. baseload cost of €58/MWh and an 11% QoQ decreased of access tariffs.

In 9M11 a total amount of €8.5bn of the Spanish deficit was securitized by FADE (the fund in charge of the securitization) of which €435m were entitled to HC Energia.

By the end of Sep-11, HC Energia's **regulatory receivables** amounted to €549m (including interests/financial updates): i) €155m regarding 9M11 tariff deficit; ii) €142m from the 2010 tariff deficit; iii) €0.5m from the 2009 tariff deficit and iv) €251m from the 2006-08 accumulated tariff deficit.

Controllable operating costs went down 4% YoY, due to lower supplies and services and higher efficiency. Net depreciation and amortisation declined by 37% to €22m due to the application of IFRIC 18 (until 9M10, assets were fully depreciated in the year).

Capex increased by 10% to €30m in 9M11, while equivalent interruption time fell to 28 minutes in 9M11, reflecting not only favorable weather conditions but also the investments on quality of service made in recent years.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net) (2) Net of CO2 clawback costs. (3) Includes the recovery/payment of previous periods tariff deficits.
(4) Includes interests/financial updates on tariff deficits. (5) Supplies & services and personnel costs. (6) With the application of IFRIC 18, the assets received from customers ensuring their direct access to the energy distribution network, are registered as assets at fair value against operating income, and amortized through their useful lives. (7) Adjusted for non-recurring impacts (rainstorms, high winds and summer fires).

Gas - Regulated Activity

Income Statement (€ m)	Portugal			Spain			Total			
	9M11	9M10	% Δ	9M11	9M10	% Δ	9M11	9M10	% Δ	Δ Abs.
Gross Profit	**58.8**	**43.9**	**34%**	**198.2**	**184.1**	**7.6%**	**257.0**	**228.1**	**13%**	**+29**
Supplies and services	9.9	9.7	2%	20.9	25.0	-16.5%	30.8	34.7	-11%	-4
Personnel costs	3.8	3.6	5%	17.2	18.0	-4.1%	21.0	21.5	-2.5%	-1
Costs with social benefits	0.3	0.2	45%	0.4	0.3	4.7%	0.6	0.5	18%	+0
Other operating costs(net)	0.2	1.8	-	-1.7	2.5	-	(1.2)	4.3	-	-5
Net Operating Costs (2)	**14.2**	**15.2**	**-7.1%**	**36.8**	**45.8**	**-20%**	**51.2**	**61.1**	**-16%**	**-10**
EBITDA	**44.7**	**28.7**	**56%**	**161.4**	**138.3**	**17%**	**205.9**	**167.0**	**23%**	**+39**
Provisions	(0.1)	0.0	-	(0.3)	(0.1)	160%	(0.3)	(0.1)	258%	-0
Net deprec. & amortisation	9.3	8.6	8.0%	44.0	44.8	-1.8%	53.3	53.4	-0.2%	-0
EBIT	**35.4**	**20.1**	**77%**	**117.7**	**93.6**	**26%**	**152.9**	**113.7**	**34%**	**+39**
Capex (net os subsidies) (€ m)	**24.0**	**25.7**	**-6.7%**	**22.6**	**26.8**	**-16%**	**46.6**	**52.5**	**-11.3%**	**-6**
Distribution & Other	24.0	25.7	-6.7%	18.7	16.1	16%	42.7	41.8	2.2%	+1
Transmission	-	-	-	3.8	10.7	-64%	3.8	10.7	-64%	-7
Employees (#)	**104**	**102**	**2.0%**	**382**	**376**	**1.6%**	**486**	**478**	**1.7%**	**+8**

Regulated Activity	9M11	9M10	% Δ	Abs. Δ
Number of Supply Points (th)	**1,253.7**	**1,220.3**	**2.7%**	**+33**
Portugal	264.4	240.8	10%	+24
Spain	989.3	979.4	1.0%	+10
Gas Distributed (GWh)	**40,692**	**39,299**	**3.5%**	**+1,393**
Portugal	5,296	5,048	4.9%	+247
Spain	35,396	34,250	3.3%	+1,146
Regulated Revenues (€ m)	**229.8**	**211.8**	**8.5%**	**+18**
Portugal	58.8	43.9	34%	+15
Spain	171.0	167.8	1.9%	+3
Distribution	150.6	149.5	0.7%	+1
Transmission	20.4	18.3	12%	+2
Network (Km)	**14,059**	**12,812**	**9.7%**	**+1,247**
Portugal - Distribution	4,005	3,689	8.6%	+316
Spain				
Distribution	9,634	8,736	10%	+899
Transmission	420	387	8.4%	+32

EBITDA from gas regulated activities rose 23% YoY (+€39m) to €206m in 9M11, driven by: (1) higher regulated revenues and connection fees in Spain and (2) higher recovering of past years tariff adjustments and start of accounting of tariff deviations in Portugal.

In **Spain**, gas regulated activities gross profit went up 8% YoY (+€14m) to €198m in 9M11, due mostly to €3m increase of regulated revenues and the positive impact from deviations from previous years (-€4.3m in 9M10 vs. €6.5m in 9M11) and the increase of the connection fees.

Regulated revenues in Spain rose 2% (+€3m) as a consequence of the update on the tariff parameters of the price index. Distribution regulated revenues rose 1% (+€1m) supported by a 3% increase of volume of gas distributed through the distribution network to 35.4 GWh, backed by a 1% increase in the number supply points and reflecting an increase of our network's extension. Gas transmission regulated revenues rose 12% YoY (+€2m), due to inflation update of revenues and increase of network (new pipeline Corbera Tamón).

In Dec-10 it was set the remuneration for the gas regulated activities for 2011, where the regulated revenues attributable to Naturgas Energia (NGE) amounted to €221m, including transmission.

In **Portugal**, gross profit increased by 34% to €59m including a tariff deviation generated in the period (+€9.1m in 9M11) and deviations from previous years (+€5.2m in 9M11). Note that it has been published recently in Portugal a Decree-law, that allow the accounting of tariff deviations on the same way as electricity, which nevertheless should not have significant impact as the deviation amounts are small on the gas system.

Gas volumes distributed went up 5% YoY supported by the 10% YoY increase in the number of supply points, justified by a systematic effort of client connection on existing grids in the region operated by EDP.

In Jun-11, the Portuguese regulator (ERSE) set **the gas tariffs for Portugal for the year going from Jul-11 to Jun-12**, defining a 9% return on assets resulting on annual regulated revenues of €65m. ERSE set a 3.9% avg. last resort tariff increase for small clients (consumption <=10.000 m3/year) and a 6.6% avg. access tariff decrease for large clients (consumption >10.000 m3/year).

Capex fell by 11% to €47m resulting from higher levels of investments in the transmission network in 2010, regarding the Bergara-Irun pipeline.

(1) Supplies & services and personnel costs. (2) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net)

EDP - Energias do Brasil: Financial Performance

Income Statement	Consolidated (R$ m)				Consolidated (€ m)			
	9M11	9M10	Δ %	Δ Abs.	9M11	9M10	Δ %	Δ Abs.
Gross Profit	**1,848.0**	**1,702.9**	**8.5%**	**+145**	**805.5**	**727.4**	**11%**	**+78**
Supplies and services	299.4	285.3	4.9%	+14	130.5	121.9	7.1%	+9
Personnel costs	176.1	163.6	7.6%	+13	76.8	69.9	10%	+7
Costs with social benefits	23.2	23.8	-2.3%	-1	10.1	10.2	-0%	-0
Other operating costs (net)	77.5	71.2	8.9%	+6	33.8	30.4	11%	+3
Net Operating Costs (1)	**576.3**	**544.0**	**5.9%**	**+32**	**251.2**	**232.4**	**8.1%**	**+19**
EBITDA	**1,271.7**	**1,159.0**	**9.7%**	**+113**	**554.3**	**495.1**	**12%**	**+59**
Provisions	33.8	14.3	136%	+19	14.7	6.1	141%	+9
Net depreciation and amortisation	249.7	259.1	-3.6%	-9	108.8	110.7	-1.7%	-2
EBIT	**988.3**	**885.6**	**12%**	**+103**	**430.8**	**378.3**	**14%**	**+52**
Capital gains/(losses)	-	-	-	-	-	-	-	-
Financial results	(217.0)	(168.9)	-28%	-48	(94.6)	(72.1)	31%	-22
Results from associates	(2.5)	(0.9)	-180%	-2	(1.1)	(0.4)	-	-1
Pre-tax profit	**768.8**	**715.8**	**7.4%**	**+53**	**335.1**	**305.8**	**9.6%**	**+29**
Income taxes	233.7	237.7	-1.7%	-4	101.9	101.5	0.4%	+0
Effective tax rate (%)	30%	33%	-2.8 pp	-0	30%	33%	-2.8 pp	-0
Profit for the period	535.1	478.1	12%	+57	233.2	204.2	14%	+29
Equity Holders of Energias do Brasil	**429.9**	**384.2**	**11.9%**	**+46**	**187.4**	**164.1**	**14%**	**+23**
Non-controlling interests	105.1	93.9	12%	+11	45.8	40.1	14%	+6
Capex	**524.1**	**546.0**	**-4.0%**	**-22**	**228.4**	**233.2**	**-2.1%**	**-5**

Energias do Brasil	9M11	9M10	Δ %
Share price at end of period (R$/share)	38.00	36.60	3.8%
Number of shares Issued (million)	158.8	158.8	-
Treasury stock (million)	0.3	0.3	-
Number of shares owned by EDP (million)	81.0	102.9	-7.4%
Euro/Real - End of period rate	2.51	2.32	-7.4%
Euro/Real - Average of period rate	2.29	2.34	2.0%
Inflation rate (IGP-M - 12 months)	7.5%		-
Net Debt / EBITDA (x)	1.31	1.33	
Average Cost of Debt (%)	9.55	9.10	45 b.p.
Interest Rate (CDI)	11.40	9.30	210 b.p.
Employees (#)	2,450	2,360	+90

Key Balance Sheet Figures (R$ Million)	9M11	9M10	Δ %
Net financial debt	2,219	2,058	7.8%
Regulatory receivables	(1)	(31)	98%
Non-controling Interests	1,887	1,871	0.9%
Equity book value	4,834	4,595	5.2%

Financial Results (R$ Million)	9M11	9M10	Δ %
Net Interest Costs	(171.6)	(142.8)	-20%
Capitalised Costs	63.8	58.7	8.7%
Forex Differences	(40.9)	(70.5)	42%
Other	(68.2)	(14.3)	-375%
Financial Results	**(217.0)**	**(168.9)**	**-28%**

EDP – Energias do Brasil (EDPB) 9M11 financial statements reflect a change in accounting policy as to the interest cost and estimated return of the fund assets: the respective amounts, so far accounted as operating costs, are now accounted at financial results level (R$16m in 9M11 vs. R$4m in 9M10).

In local currency, EDPB's 9M11 EBITDA rose 10% YoY. Adjusted by the impact of the reclassification from the accounting policy change, EBITDA grew 9% driven by (i) positive impact from tariff revision in distribution mainly in Bandeirante, (ii) increase of electricity demand, (iii) inflation update on PPA's selling price, and (iv) normalized quarterly generation sales in 9M11 vs. abnormally low in 9M10.

In 9M11, EDPB's contribution to consolidated **EBITDA was positively impacted by the 2% appreciation of the Real against the Euro** (+€11m impact on EBITDA).

EBIT went up by R$103m, penalized by the one-off provision of R$25m from a legal litigation with the client White Martins related to alleged reflections of tariff increases during the Cruzado plan period in the 80's, which was partially compensated by a decrease on the net depreciation and amortization, as a result of an impact (R$23m) due to fiscal benefits regarding depreciation costs in the generation and distribution businesses.

Net financial costs increased R$48m to R$217m impacted mostly by (i) R$52m related to the overdue interest associated with the White Martins litigation, (ii) the reclassification due to the accounting policy change and (iii) higher net financial debt and average cost of debt (from 9.1% in 9M10 to 9.6% in 9M11) due to an increase of 210bp since Sep-10 in Brazil Interbank Deposit Certificate to 11.4%, partially offset by (iv) higher financial revenues as a result of higher levels of bank deposits remunerated at higher interest rates.

Net financial debt increased 8% YoY mostly due to the expansion capex related to Pecém coal plant. The new loans associated to this investment have long-term maturities between 13 and 17 years. Average maturity in debt was 5.6 years by Sep-11. As of Sep-11, **aprox. 100% gross debt was denominated in local currency** or protected from exchange rate through hedging instruments.

EDPB's net profit in 9M11 increased 12% YoY.

In May-11, EDPB paid an **annual dividend** of R$352.6m or R$2,22 per share, corresponding to a value 19% higher than the one distributed in May-10.

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

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

Brazil: Electricity Distribution

Income Statement (R$ m)	9M11	9M10	Δ %	Δ Abs.
Gross Profit	**1,147.2**	**1,070.2**	**7.2%**	**+77**
Supplies and services	228.8	214.3	6.7%	+14
Personnel costs	127.1	117.6	8.0%	+9
Costs with social benefits	19.4	20.7	-6%	-1
Other operating costs (net)	67.1	59.0	14%	+8
Net Operating Costs (1)	**442.4**	**411.6**	**7.5%**	**+31**
EBITDA	**704.8**	**658.6**	**7.0%**	**+46**
Provisions	35.1	10.8	227%	+24
Net deprec. and amortisation	125.7	137.7	-8.7%	-12
EBIT	**544.0**	**510.2**	**6.6%**	**+34**

Gross Profit Performance	9M11	9M10	Δ %	Δ Abs.
Regulated Revenues	**1,153**	**1,021**	**13%**	**+132**
Tariff deviation in the Period (3)	8	(15)	-	+22
Dev. from previous year (2)	(14)	89	-	-103
Others	(0)	(25)	-99%	+25
Gross Profit	**1,147**	**1,070**	**7.2%**	**+77**
Regulatory Receivables (R$ m)	**(1)**	**(31)**	**98%**	**+30**
Clients Connected (th)	**2,808.1**	**2,711.0**	**3.6%**	**+97**
Bandeirante	1,533.8	1,488.1	3.1%	+46
Escelsa	1,274.3	1,222.9	4.2%	+51
Electricity Distributed (GWh)	**18,457**	**17,782**	**3.8%**	**+675**
Bandeirante	11,058	10,744	2.9%	+314
Escelsa	7,399	7,038	5.1%	+360
From which:				
To clients in Free Market (GWh)	7,076	6,795	4.1%	+281
Electricity Sold (GWh)	**11,381**	**10,987**	**3.6%**	**+394**
Bandeirante	**7,003**	**6,738**	**3.9%**	**+265**
Resid., Commerc. & Other	4,584	4,338	5.7%	+246
Industrial	2,419	2,400	0.8%	+19
Escelsa	**4,378**	**4,249**	**3.0%**	**+129**
Resid., Commerc. & Other	3,568	3,460	3.1%	+108
Industrial	809	789	2.5%	+20

Capex & Opex Performance	9M11	9M10	Δ %	Δ Abs.
Controllable Operating Costs (4)	**355.8**	**331.9**	**7.2%**	**+24**
Cont. costs/client (R$/client)	126.7	122.4	3.5%	+4
Cont. costs/km (R$/Km)	4.2	3.9	5.6%	+0
Employees (#)	2,027	2,003	1.2%	+24
Capex (net of subsidies) (R$m)	**248.4**	**234.0**	**6.1%**	**+14**
Network ('000 Km)	85.5	84.2	1.5%	+1

In electricity distribution in Brazil, the **EBITDA in 9M11 increased by 7% YoY.** Excluding impact of tariff deviation and the change in accounting policy related to the interest cost and estimated return of the fund assets, EBITDA rose 16% YoY mainly reflecting:

Growth of electricity volumes sold and distributed in 9M11: Volume of electricity sold increased by 3.6% YoY in 9M11. In the residential & commercial segment, volume sold in 9M11 rose 5% YoY impacted essentially by a rise of 4% YoY in the number of clients connected. In the industrial segment, electricity volumes sold rose 1% in 9M11, explained by a slowdown in the economic activity, especially in the concession area of Bandeirante. Regarding electricity distributed (but not sold) to free market clients (essentially large industrial consumers supplied directly in the free wholesale market from which EDP collects only third party access tariffs), volume of electricity distributed increased 4% YoY in 9M11.

Positive impact from annual tariff updates (Escelsa in Aug-10 and Aug-11; Bandeirante in Oct-10), which reflect essentially annual updates on cost base (CPI-X) and pass-through costs. In Aug-10, Escelsa started a new 3-year regulatory period (from Aug-10 to Jul-13) with a Return on RAB set at 9.95% after taxes. In Oct-10, Bandeirante had an annual tariff readjustment for the period between Oct-10 to Oct-11 (+7.91%) while in Aug-11 Escelsa had a similar readjustment for the period between Aug-11 to Aug-12 (+2.97%). Meanwhile, the discussion about the new methodology for the 3rd Tariff Review cycle, that started in Sep-10, resulted in the publication by ANEEL of draft on new regulatory framework in which set a new Return on RAB at 7.57% after taxes. However, the final resolution has not been taken by the regulator who decided in Oct-11 to keep Bandeirante's tariffs unchanged until the new methodology is defined but subject the retroactive application of the new methodology. This new methodology will only be applicable to the next regulatory period (Bandeirante from Oct-11 onwards and Escelsa from Aug-13 onwards).

Impact from tariff deviations at gross profit level was lower in 9M11 than in 9M10. Gross profit for distribution in Brazil includes the cash flow impact from deviation from annual regulated revenues. Tariff deviation created in previous years and being return through tariffs in 9M11 amounted to R$14m (vs. R$89m recovered in 9M10). On the other hand, a new tariff deviation of R$8m was created in 9M11 (vs. tariff deviation of -R$15m in 9M10). This tariff deviation in 9M11 was created due to: (i) lower cost with energy purchase due to increase of hydro power production and a cost below the one set by the regulator in the tariff revision and (ii) appreciation of BRL against USD in 9M11, which decreased Itaipu hydro production costs (USD denominated) being those two effects partially offset by (iii) negative impact from the energy discount as a consequence of clients migration to the free market. As a result, the amount of regulatory receivables to be returned to consumers decreased from R$31m by Sep-10 to R$1m by Sep-11 and will be paid back by EDP Brasil from the next annual tariff revisions onwards.

Controllable operating costs increased by 7% YoY in 9M11, in line with the 7.5% IGP-M inflation in the period. This increase is supported by: (i) higher supplies and services especially on network O&M, (ii) personnel costs increased 8% YoY mostly due to the annual average salary update (+6.5%) and a slight increase in the headcount.

Capex increased 6% YoY to R$248m, most of it in Bandeirante and devoted to network expansion and reinforcement of the quality of service.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net)
(2) Regulatory receivables that EDP is recovering in current tariff, related to amounts that the system owed us due to lower than expected gross profit in past periods
(3) Regulatory receivables being generated in the current period to be recovered by EDP through tariffs in the next annual tariff adjustment. (4) Supplies & services and personnel costs

Brazil: Electricity Generation and Supply

Income Statement (R$M)	Generation			
	9M11	9M10	Δ %	Δ Abs.
Gross Profit	**662.7**	**604.8**	**10%**	**+58**
Supplies and services	45.7	42.8	6.7%	+3
Personnel costs	28.8	26.9	7.1%	+2
Costs with social benefits	2.2	1.7	30%	+1
Other operating costs (net)	1.4	7.9	-82%	-7
Net Operating Costs (1)	**78.1**	**79.3**	**-1.6%**	**-1**
EBITDA	**584.6**	**525.4**	**11%**	**+59**
Provisions	0.9	(0.7)	-	+2
Net depreciation and amortisation	122.8	110.5	11%	+12
EBIT	**460.9**	**415.6**	**11%**	**+45**

Generation	9M11	9M10	Δ %	Δ Abs.
Gross Profit (R$ m)	**662.7**	**604.8**	**10%**	**+58**
Lajeado	274.0	262.5	4.4%	+12
Peixe Angical	231.3	206.2	12%	+25
Energest (15 hydro plants)	157.4	136.0	16%	+21
Installed Capacity - Hydro (MW)	**1,790**	**1,735**	**3.2%**	**+55**
Lajeado	903	903	-	-
Peixe Angical	499	452	10%	+47
Energest (15 hydro plants)	389	380	2.2%	+9
Electricity Sold (GWh)	**6,262**	**5,923**	**5.7%**	**+340**
Lajeado	2,750	2,578	6.7%	+172
Peixe Angical	1,761	1,723	2.2%	+38
Energest (15 hydro plants)	1,751	1,622	8.0%	+130
Average Selling Price (R$/MWh)	**127.5**	**118.9**	**7.2%**	**+9**
Lajeado	113.9	102.1	12%	+12
Peixe Angical	162.1	150.9	7.4%	+11
Energest (15 hydro plants)	113.9	111.6	2.1%	+2
Capex (R$ million)	**274.7**	**311.0**	**-12%**	**-36**
Maintenance	35.8	28.4	26%	+7
Expansion	238.9	282.7	-15%	-44
Pécem	216.8	272.0	-20%	-55
Other	22.2	10.7	108%	+11
Employees (#)	**259**	**252**	**2.8%**	**+7**

Supply	9M11	9M10	Δ %	Δ Abs.
Gross profit (R$ m)	32.4	23.3	39%	+9
Operating costs (R$ m)	3.6	0.8	380%	+3
EBITDA (R$ m)	28.8	22.6	28%	+6
				-
Electricity sales (GWh)	7,555	5,946	27%	+1,609
Number of clients (#)	121	84	44%	+37

EBITDA in our electricity generation activities in Brazil increased by 11% essentially due to inflation update on PPA's and also to our allocation of PPA's yearly contracted volumes, which implied higher electricity sold in 9M11.

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

Electricity volume sold increased 6% YoY in 9M11. The allocation of PPA's yearly contracted volumes for 2011 was committed by distribution companies at the end of December 2010 within the limits established in the contracts. The very dry weather in Brazil in 4Q10, implied a decline of the hydro reservoirs, to extremely low levels, and an increase in spot price. Aware of the probability of a similar scenario, customers allocated more energy in the 1H11 in order to protect themselves. However, the hydro reservoirs during 1H11 were already at 1H10 levels and as a consequence the spot market price average in the period were at basically the same level of 1H10 (R$29.5/MWh in 1H10 vs. R$27.0/MWh in 1H11).

Average selling price increased 7% YoY in 9M11 supported by the update of prices to inflation which implied that gross profit increased by R$58m. Almost all EDPB's installed capacity is contracted under PPA long term contracts with an average maturity of 15 years.

Net Depreciation and amortization increased by R$12m to R$123m mostly due to the write-off of development costs associated to pipeline projects (biomass). This cost was already accrued at EDPB's level.

Capex decreased by 12% YoY to R$275m. Expansion capex represents 87% of total capex from which 91% refers to the construction of Pécem coal plant. The start-up is scheduled to 2012 and EDPB has already invested R$1,396m. As fo Sep-11, the project achieved 95% of construction stage. The 9M11 other expansion capex is related mostly to the repowering of Mascarenhas (18MW), which has been partially concluded in 2Q11 (9 MW) being the remaining addition planned be concluded by 2012.

In Pecém coal plant (720MW), EDPB holds a 50% stake in partnership with MPX Mineração e Energia. The conditions contracted with the Brazilian electricity system include the availability of an installed capacity of 615MW for a 15-year term starting in January 2012 and an expected EBITDA of R$200m (EDP's share) in the first 12 months of operation with full pass through of fuel costs. The project is financed with long term debt, which is already contracted.

In Jun-11, EDPB announced the acquisition of ECE Participações which has currently the full control of **Santo António do Jari hydropower plant** operating rights, a project of 300MW installed capacity (with the possibility of an additional 73MW), being 190 average MW contracted by a 30-year PPA at a price of R$104/MWh. The total disbursement will vary between R$ 1,270m and R$ 1,410m (25% in 2011, 31% in 2012, 31% in 2013 and 13% in 2014). In Sep-11 the regulator approved the additional 73MW of installed capacity being still pending of approval the related increase in the assured energy. The preliminary construction works started in Aug-11 and in Oct-11 it was signed the financing contract with Banco Itaú with a total amount of R$ 300m being the financial cost set at 110.5% and 113% over the CDI (Brazil Interbank Deposit Certificate).

Our trading and supply activity is carried out by our Enertrade subsidiary in the free market essentially through a service of energy sourcing to large industrial clients without incurring in material energy market risk. **In 9M11, EBITDA in supply grew by 28% to R$29m YoY** in line with the increase of electricity supplied by 27% and stable unit margins.

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

Income Statements

Income Statement by Business Area

9M11 (€m)	Long-Term Contracted Generation	Iberian Liberalised Activities	Regulated Networks Iberia	Wind Power	Brazil	Other & Adjustments	EDP Group
Gross Profit	**746.1**	**594.7**	**1,354.2**	**689.2**	**805.5**	**(106.4)**	**4,082.5**
Supplies and services	71.3	183.7	315.2	164.5	130.5	(214.3)	650.2
Personnel costs	49.7	67.4	123.5	40.5	76.8	74.4	432.2
Costs with social benefits	13.2	4.2	14.1	1.9	10.1	(4.0)	39.6
Other operating costs (net)	1.4	41.7	100.1	(66.1)	33.8	74.7	185.6
Operating costs	**135.7**	**297.0**	**552.8**	**140.9**	**251.2**	**(69.2)**	**1,307.5**
EBITDA	**610.4**	**297.7**	**801.4**	**548.3**	**554.3**	**(37.2)**	**2,775.0**
Provisions	1.7	(8.1)	2.7	(0.3)	14.7	(9.0)	1.7
Net depreciation and amortisation (1)	145.9	182.0	259.8	309.3	108.8	47.1	1,052.9
EBIT	**462.7**	**123.8**	**538.9**	**239.4**	**430.8**	**(75.2)**	**1,720.4**

9M10 (€m)	Long-Term Contracted Generation	Iberian Liberalised Activities	Regulated Networks Iberia	Wind Power	Brazil	Other & Adjustments	EDP Group
Gross Profit	**784.1**	**663.4**	**1,347.6**	**587.2**	**727.4**	**(114.5)**	**3,994.5**
Supplies and services	73.7	181.3	316.5	142.6	121.9	(213.6)	621.6
Personnel costs	53.3	61.7	138.0	36.5	69.9	76.5	435.9
Costs with social benefits	15.7	5.4	71.4	1.6	10.2	(15.0)	89.3
Other operating costs (net)	2.9	27.8	156.8	(66.7)	30.4	45.6	196.8
Operating costs	**145.6**	**276.2**	**682.7**	**114.1**	**232.4**	**(106.5)**	**1,343.7**
EBITDA	**638.5**	**387.2**	**664.9**	**473.1**	**495.1**	**(8.0)**	**2,650.8**
Provisions	(4.0)	51.7	1.6	(0.1)	6.1	12.9	68.3
Net depreciation and amortisation (1)	178.0	164.4	267.5	306.9	110.7	52.2	1,079.8
EBIT	**464.4**	**171.1**	**395.7**	**166.3**	**378.3**	**(73.2)**	**1,502.7**

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

Quarterly Income Statement - Restated [1]

Quarterly P&L (€ m)	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
Electricity Revenues	3,118.7	2,927.8	3,100.3	3,389.8	3,558.4	3,083.6	3,156.6	-
Gas Revenues	336.8	284.3	330.5	396.6	418.9	391.5	413.4	-
Other Revenues	38.8	56.3	45.2	145.7	37.7	52.9	48.9	-
Operating Revenues	**3,494.3**	**3,268.4**	**3,476.0**	**3,932.1**	**4,015.0**	**3,528.0**	**3,618.9**	**-**
Electricity	1,688.5	1,558.2	1,700.7	1,860.8	2,032.0	1,633.9	1,711.3	-
Gas	221.4	193.9	211.8	318.2	334.9	299.4	326.8	-
Fuel	172.4	176.4	270.2	318.2	191.3	211.6	256.9	-
Materials and goods for resale	9.7	13.2	27.7	25.1	25.4	26.7	29.1	-
Direct Activity Costs	**2,092.0**	**1,941.7**	**2,210.5**	**2,522.3**	**2,583.6**	**2,171.6**	**2,324.2**	**-**
Revenue from assets assigned to concessions	84.4	85.4	56.5	165.8	86.3	109.2	113.4	-
Expenditure with assets assigned to concessions	(84.4)	(85.4)	(56.5)	(165.8)	(86.3)	(109.2)	(113.4)	-
Gross Profit	**1,402.3**	**1,326.7**	**1,265.5**	**1,409.8**	**1,431.4**	**1,356.4**	**1,294.8**	**-**
Supplies and services	194.2	210.4	217.1	240.6	208.3	212.8	229.1	-
Personnel costs	150.5	145.9	139.5	139.5	147.2	145.4	139.6	-
Costs with social benefits	10.9	7.9	7.6	41.6	9.1	19.4	11.1	-
Other operating costs (net)	85.2	51.1	60.5	3.7	36.0	64.4	85.2	-
Operating costs	**440.9**	**415.2**	**424.7**	**425.4**	**400.6**	**441.9**	**465.0**	**-**
EBITDA	**961.4**	**911.5**	**840.8**	**984.4**	**1,030.8**	**914.4**	**829.8**	**-**
Provisions	10.1	29.2	29.0	35.3	2.4	18.0	(18.7)	-
Net depreciation and amortisation (2)	340.9	364.3	374.6	367.0	358.0	346.2	348.7	-
EBIT	**610.5**	**517.9**	**437.3**	**582.2**	**670.4**	**550.2**	**499.8**	**-**
Capital gains/(losses)	5.8	(1.0)	(2.2)	58.2	0.2	10.1	(0.1)	-
Financial Results	(140.0)	(135.0)	(135.8)	(159.5)	(156.1)	(154.8)	(235.0)	-
Results from associated companies	6.9	6.2	5.2	5.1	5.8	6.0	5.6	-
Pre-tax profit	**483.2**	**388.1**	**304.4**	**486.1**	**520.3**	**411.5**	**270.4**	**-**
Income taxes	129.0	102.9	73.6	121.7	123.4	97.1	21.7	-
Discontinued Activities	-	-	-	-	-	-	-	-
Net Profit for the period	354.2	285.2	230.8	364.4	396.9	314.4	248.7	-
Net Profit Attributable to EDP	**309.2**	**255.6**	**209.5**	**304.7**	**342.4**	**266.3**	**215.0**	**-**
Non controling interests	45.0	29.6	21.3	59.8	54.5	48.1	33.7	-

(1) As of Sep-11, EDP changed its accounting policy as to the interest cost and estimated return of the fund assets: the respective amounts, so far accounted as operating costs are now accounted at financial results level. Both 9M10 and 9M11 income statements comply with this change, implying a positive impact on EBITDA of €63m in 9M10 and €66m in 9M11. (2) Depreciation and amortisation expense net of compensation for depreciation and amortisation of subsidised assets.

Income Statement by Business Area - Restated (1)

9M11 (€ m)	Generation Iberia	Supply Iberia	EDP Renováveis	Distribution Iberia	Gas Iberia	Energias do Brasil	Other & Adjustments	EDP Group
Gross Profit	**1,103.0**	**200.5**	**689.2**	**1,097.2**	**315.8**	**805.5**	**(128.6)**	**4,082.5**
Supplies and services	114.1	124.8	164.5	284.4	46.2	130.5	(214.3)	650.2
Personnel costs and costs with social benefits	92.9	39.3	42.4	115.9	24.0	86.9	70.4	471.8
Other operating costs (net)	32.3	25.0	(66.1)	101.3	6.7	33.8	52.5	185.6
Operating costs	**239.3**	**189.0**	**140.9**	**501.6**	**77.0**	**251.2**	**(91.5)**	**1,307.5**
EBITDA	**863.8**	**11.5**	**548.3**	**595.5**	**238.8**	**554.3**	**(37.2)**	**2,775.0**
Provisions for risks and contigencies	(3.1)	(0.1)	(0.3)	3.1	(3.6)	14.7	(9.0)	1.7
Net depreciation and amortisation (2)	312.8	14.4	309.3	206.5	54.0	108.8	47.1	1,052.9
EBIT	**554.0**	**(2.8)**	**239.4**	**385.9**	**188.4**	**430.8**	**(75.2)**	**1,720.4**

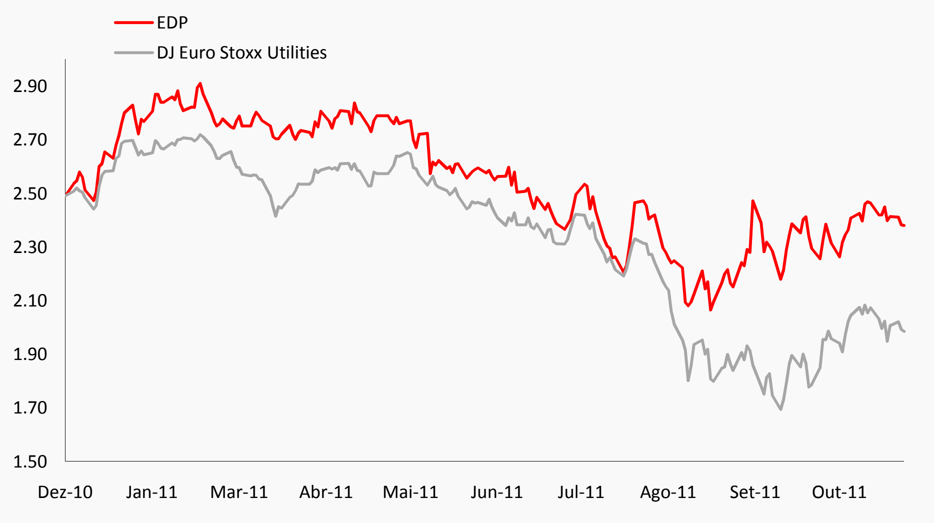
9M10 (€ m)	Generation Iberia	Supply Iberia	EDP Renováveis	Distribution Iberia	Gas Iberia	Energias do Brasil	Other & Adjustments	EDP Group
Gross Profit	**1,158.7**	**220.3**	**587.2**	**1,119.5**	**295.9**	**727.4**	**(114.5)**	**3,994.5**
Supplies and services	115.1	122.3	142.6	281.8	51.6	121.9	(213.6)	621.6
Personnel costs and costs with social benefits	85.1	36.4	38.2	128.3	24.7	78.2	71.4	462.3
Other operating costs (net)	20.5	0.5	(66.7)	152.6	14.0	30.4	45.6	196.8
Operating costs	**220.6**	**159.2**	**114.1**	**562.7**	**90.3**	**230.5**	**(96.6)**	**1,280.8**
EBITDA	**938.0**	**61.2**	**473.1**	**556.8**	**205.5**	**496.9**	**(17.9)**	**2,713.7**
Provisions for risks and contigencies	34.9	12.8	(0.1)	1.7	(0.1)	6.1	12.9	68.3
Net depreciation and amortisation (2)	327.5	14.6	306.9	214.1	53.7	110.7	52.2	1,079.8
EBIT	**575.6**	**33.7**	**166.3**	**341.0**	**151.9**	**380.1**	**(83.0)**	**1,565.6**

(1) As of Sep-11, EDP changed its accounting policy as to the interest cost and estimated return of the fund assets: the respective amounts, so far accounted as operating costs, are now accounted at financial results level. Both 9M10 and 9M11 income statements comply with this change, implying a positive impact on EBITDA of €63m in 9M10 and €66m in 9M11. (2) Depreciation and amortisation expense net of compensation for depreciation and amortisation of subsidised assets.

Annex

EDP Share Performance

YTD EDP Stock Performance on Euronext Lisbon



EDP Stock Market Performance	YTD	52W	2010
		26-10-2011	
EDP Share Price (Euronext Lisbon - €)			
Close	2.380	2.380	2.491
Max	2.920	2.920	3.185
Min	1.984	1.984	2.376
Average	2.521	2.532	2.652
EDP's Liquidity in Euronext Lisbon			
Turnover (€ m)	3,663	4,516	6,305
Average Daily Turnover (€ m)	17	17	24
Traded Volume (million shares)	1,453	1,783	2,378
Avg. Daily Volume (million shares)	6.8	6.8	9.1

EDP's Main Events

Jan-13: EDP receives first tranche of electricity deficit amortisation fund in Spain
Jan-25: EDP issues EUR 750 million 5 year bond
Jan-31: EDP issues CHF 200 million 3 year bond
Mar-17: Moody's downgrades EDP to "baa1" with stable outlook
Mar-28: Standard & Poor's downgrades EDP to "BBB" with creditwatch negative
Mar-30: EDP Renováveis takes full control of Genesa
Apr-1: Standard & Poor's affirmed EDP at "BBB" with outlook negative
Apr-4: Fitch downgrades EDP's senior unsecured rating to 'BBB+', on rating watch negative
Apr-14: Annual General Shareholders
Apr-26: Appointment of representative of José de Mello Energia in the General Supervisory Board
Apr-28: Appointment of representative of Parpública in the General Supervisory Board
Mai-06: Alliancebernstein L.P. decreases its ownership interest in the share capital of EDP
Mai-11: JP Morgan Chase notifies significant shareholding in EDP
Mai-13: EDP launches process for the potential public sale of up to 14% of the share capital of EDP - Energias do Brasil S.A.
Mai-13: Payment of gross dividend of EUR 0.17 per share for the 2010 financial year
Mai-16: JP Morgan Chase notifies change of qualifying holding in EDP
Mai-19: EDP requests ANBIMA the preliminary analysis of the registration process for launching a secondary public offer of shares from EDP – Energias do Brasil, S.A.
Mai-30: JP Morgan Chase decreases its ownership interest in the share capital of EDP
Mai-30: Banco Espírito Santo changes its ownership interest in the share capital of EDP
Jun-16: EDP - Energias do Brasil acquired the exploration rights of Santo Antônio do Jari HPP with 300 MW of installed capacity
Jul-08: EDP sets price of secondary distribution offer of EDP Brasil's ordinary shares at 37.0 reais per share
Jul-08: Moody's downgrades EDP's rating to "Baa3" with negative outlook
Jul-13: Full exercise of greenshoe from secondary distribution offer of EDP Brasil's ordinary shares
Jul-29: Fitch maintains EDP's rating at "BBB+" and outlook
Aug-3: ANEEL approves a 6.89% tariff increase at EDP Escelsa's annual tariff readjustment process
Aug-5: EDP sells its stakes in Ampla Investimentos and Ampla Energia
Aug-25: General Shareholders Meeting
Aug-25: Qatar notifies significant shareholding in EDP
Sep-21: EDP transfers the right to receive the reclassification of the cogeneration overcost during 2009-2011 period
Oct-17: ERSE announces the proposal for electricity tariffs in 2012 and parameters for the 2012- 2014 regulatory period

Source: Bloomberg

EDP - Installed capacity & electricity generation

Installed Capacity - MW (1)	9M11	9M10	Δ MW	Δ 11/10
PPA/CMEC	**6,221**	**6,931**	**-710**	**-10%**
Hydro	**4,094**	**4,094**	**-**	
Run off the river	1,860	1,860	-	
Reservoir	2,234	2,234	-	
Coal	**1,180**	**1,180**	**-**	
Sines	1,180	1,180	-	
Fuel oil	**946**	**1,657**	**-710**	
Setúbal	946	946	-	
Carregado	-	710	-710	
Special Regime (Ex-Wind)	**469**	**469**	**-0**	**-**
Small-Hydro	160	160	-	
Cogeneration+Waste	275	275	-0	
Biomass	35	35	-	
Liberalised Electricity Generation	**7,137**	**5,999**	**1,138**	**19%**
Hydro	**910**	**910**	**-**	
Portugal	484	484	-	
Spain	426	426	-	
Coal	**1,460**	**1,460**	**-**	
Aboño I	342	342	-	
Aboño II	536	536	-	
Soto Ribera II	236	236	-	
Soto Ribera III	346	346	-	
CCGT	**3,736**	**3,308**	**428**	**13%**
Ribatejo (3 groups)	1,176	1,176	-	
Lares (2 groups)	863	863	-	
Castejón (2 group)	843	843	-	
Soto IV (1 group)	426	426	-	
Soto V (1 group)	428	-	428	
Nuclear	**156**	**156**	**-**	
Trillo	156	156	-	
Gasoil/Fuel oil	**875**	**165**	**710**	
Tunes + Carregado	875	165	710	
Wind (More detail on page 16)	**6,959**	**6,181**	**778**	**13%**
Europe	3,553	3,066	487	
USA	3,323	3,101	221	
Brazil	84	14	70	
Brazil (Ex-Wind)	**1,790**	**1,735**	**55**	**3.2%**
Hydro	**1,790**	**1,735**	**55**	**3.2%**
Lajeado	903	903	-	
Peixe Angical	499	452	47	
Energest	389	380	9	
TOTAL	**22,577**	**21,315**	**1,261**	**5.9%**

Electricity Generation (GWh)	9M11	9M10	Δ GWh	Δ 11/10
PPA/CMEC	**12,097**	**13,768**	**-1,671**	**-12.1%**
Hydro	**7,476**	**10,574**	**-3,098**	**-29%**
Run off the river	5,225	5,921	-696	
Reservoir	2,251	4,653	-2,402	
Coal	**4,625**	**3,193**	**1,433**	**45%**
Sines	4,625	3,193	1,433	
Fuel oil	**-4**	**2**	**-6**	**-**
Setúbal	-4	-6	2	
Carregado	-	8	-8	
Special Regime (Ex-Wind)	**1,773**	**1,885**	**-112**	**-5.9%**
Small-Hydro	347	465	-118	
Cogeneration+Waste	1,279	1,272	7	
Biomass	147	148	-1	
Liberalised Electricity Generation	**11,762**	**12,637**	**-875**	**-6.9%**
Hydro	**1,403**	**1,712**	**-309**	**-18%**
Portugal	915	958	-43	
Spain	488	754	-266	
Coal	**3,727**	**2,871**	**857**	**30%**
Aboño I	551	807	-256	
Aboño II	2,316	1,538	778	
Soto Ribera II	14	175	-162	
Soto Ribera III	847	350	497	
CCGT	**5,759**	**7,202**	**-1,443**	**-20%**
Ribatejo (3 groups)	966	2,140	-1,175	
Lares (2 groups)	2,493	1,903	590	
Castejón (2 group)	811	2,125	-1,314	
Soto IV (1 group)	1,181	1,034	147	
Soto V (1 group)	309	-	-	
Nuclear	**872**	**853**	**20**	**2.3%**
Trillo	872	853	20	
Gasoil/Fuel oil	**0**	**0**	**-0**	
Tunes + Carregado	0	0	-0	
Wind	**11,975**	**9,818**	**2,157**	**22%**
Europe	5,240	4,615	625	
USA	6,632	5,178	1,454	
Brazil	103	24	79	
Brazil (Ex-Wind)	**5,671**	**5,124**	**546**	**11%**
Hydro	**5,671**	**5,124**	**546**	**11%**
Lajeado	2,659	2,306	353	
Peixe Angical	1,849	1,710	139	
Energest	1,163	1,109	55	
TOTAL	**43,278**	**43,233**	**45**	**0.1%**

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

EDP - Volumes distributed, clients connected and networks

ELECTRICITY

Electricity Distributed (GWh)	9M11	9M10	Δ GWh	Δ %
Portugal	**34,879**	**35,539**	**-660**	**-1.9%**
Very High Voltage	1,305	1,101	204	19%
High / Medium Voltage	15,736	15,730	6	0.0%
Low Voltage	17,838	18,709	-870	-4.7%
Spain	**7,220**	**6,837**	**383**	**5.6%**
High / Medium Voltage	5,365	4,936	429	8.7%
Low Voltage	1,855	1,901	-46	-2.4%
Brazil	**18,457**	**17,782**	**675**	**3.8%**
Free Clients	7,076	6,795	281	4.1%
Industrial	3,229	3,190	39	1.2%
Residential, Comercial & Other	8,152	7,798	354	4.5%
TOTAL	**60,555**	**60,158**	**397**	**0.7%**

Clients Connected (th)	9M11	9M10	Abs. Δ	Δ %
Portugal	**6,154**	**6,144**	**9.8**	**0.2%**
Very High / High / Medium Voltage	24	24	0.1	0.6%
Special Low Voltage	34	34	0.2	0.6%
Low Voltage	6,096	6,086	9.4	0.2%
Spain	**655**	**649**	**5.7**	**0.9%**
High / Medium Voltage	1.1	1.1	0.0	3.9%
Low Voltage	654	648	5.6	0.9%
Brazil	**2,808**	**2,711**	**97.0**	**3.6%**
Bandeirante	1,534	1,488	45.7	3.1%
Escelsa	1,274	1,223	51.4	4.2%
TOTAL	**9,616**	**9,504**	**112.5**	**1.2%**

Networks	9M11	9M10	Abs. Δ	Δ %
Lenght of the networks (Km)	**330,327**	**327,047**	**3,280**	**1.0%**
Portugal	222,239	220,725	1,514	0.7%
Spain	22,585	22,097	488	2.2%
Brazil	85,503	84,225	1,278	2%
Losses (% of electricity distributed)				
Portugal (2)	-7.8%	-8.2%	0.4 pp	
Spain	-3.4%	-3.9%	0.5 pp	
Brazil				
Bandeirante	-10.3%	-11.0%	0.7 pp	
Technical	-5.5%	-5.4%	-0.1 pp	
Comercial	-4.8%	-5.6%	0.8 pp	
Escelsa	-13.2%	-14.8%	1.6 pp	
Technical	-7.7%	-8.5%	0.8 pp	
Comercial	-5.6%	-6.3%	0.8 pp	

GAS

Gas Distributed (GWh)	9M11	9M10	Δ GWh	Δ %
Portugal	**5,296**	**5,048**	**247**	**4.9%**
Low Pressure (P ≤ 4 Bar)	1,426	2,212	-786	-36%
Medium Pressure (P > 4 Bar)	3,852	2,813	1,039	37%
LPG	18	23	-5	-23%
Spain	**35,396**	**34,250**	**1,146**	**3.3%**
Low Pressure (P ≤ 4 Bar)	18,019	18,008	11	0.1%
Medium Pressure (P > 4 Bar)	17,377	16,242	1,135	7.0%
TOTAL	**40,692**	**39,299**	**1,393**	**3.5%**

Supply Points (th)	9M11	9M10	Abs. Δ	Δ %
Portugal	**264.4**	**240.8**	**23.5**	**10%**
Final	263.6	240.3	23.3	10%
Access	0.8	0.5	0.2	47%
Spain	**989.3**	**979.4**	**9.9**	**1.0%**
Final	-	-	-	-
Access (1)	989.3	979.4	9.9	1.0%
TOTAL	**1,253.7**	**1,220.3**	**33.4**	**2.7%**

Networks	9M11	9M10	Abs. Δ	Δ %
Lenght of the networks (Km)	**14,059**	**12,812**	**1,247**	**10%**
Portugal	4,005	3,689	316	8.6%
Spain	10,054	9,123	931	10%
Distribution (1)	9,634	8,736	899	10%
Transmission	420	387	32	8.4%

(1) Includes the contribution of regulated assets acquired from Gas Natural (2) Excludes Very High Voltage

EDP - Sustainability performance

3Q11 Main Events

Jul: EDP awarded with the prize for the best annual report from the non-financial sector in the 24th edition of Investor Relations & Governance Awards. In the same event, Rui Teixeira from EDP Renováveis was awarded with the prize for best CFO.

Jul: EDP supports the reintroduction of the osprey in Portugal, in partnership with CIBIO and the Oporto's University

Sep: EDP rated as the world leader in the electric sector in the Dow Jones Sustainability Index for the 2nd consecutive year

Sep: In the September revision, FTSE4 Good maintains EDP as a member of FTSE4Good Index Series and announces EDP Renováveis as a new member of the index

Sep: EDP Brasil granted with the ethical seal, established by the Controladoria-Geral da União, which confers a better participation in tenders and public contracts.

Sep: HC Energía received the certification ISO 14 001 in its facilities of Salime and EITO Toledo.

EDP Internal Sustainability Index (base 2006)

	9M11	9M10	Δ %
Sustainability Index	**129**	**129**	**0.5%**
Environmental	149	150	-0.5%
%Weight	36%	36%	
Economic	113	114	-1.4%
%Weight	33%	33%	
Social	125	120	3.7%
%Weight	31%	31%	

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

Economic Metrics

Economic Metrics	9M11	9M10	Δ %
Economic Value (€m)(1) (g)			
Directly Generated	12,014	11,015	9.1%
Distributed	10,596	9,447	12%
Accumulated	1,418	1,568	-10%

Social Metrics

Social Metrics	9M11	9M10	Δ %
Employees (c)	**12,024**	**12,065**	**-0.3%**
Training (hours trainee)	**314,877**	**276,601**	**14%**
On-duty Accidents	**31**	**32**	**-3.1%**
EDP Severity Rate (Tg)	178	119	49%
EDP Frequency rate (Tf)	1.92	2.06	-6.8%
Freq. rate EDP+ESP(f) (Tf)	3.80	5.07	-25%

Environmental Metrics

Environmental Metrics	9M11	9M10	Δ %
Absolute Atmospheric Emissions (kt) (a)			
CO2	12,278.4	10,372.8	18%
NOx	11.3	12.0	-5.6%
SO2	5.1	6.6	-22%
Particle	0.494	0.299	65%
Specific Atmospheric Emissions (g/KWh)			
CO2	279.16	236.37	18%
NOx	0.26	0.27	-5.8%
SO2	0.12	0.15	-22%
GHG emissions (ktCO2 eq)			
Direct Emissions (scope 1)	12,309	-	-
Indirect emissions (scope 2)	713	-	-
Primary Energy Consumption (TJ) (b)	**141,298**	**126,949**	**11%**
Max. Net Certified Capacity (%)	**70%**	**68%**	**2 p.p.**
Water Use (103 m3)	**1,017,244**	**751,642**	**35%**
Total Waste (t) (e)	**385,515**	**360,033**	**7.1%**
Environmental Costs (€ th)	**44,364**	**56,874**	**-22%**
Environmental Fees and Penalties (€ th)	**0.0**	**3.9**	**-99%**

Environmental Metrics - CO2 Emissions

CO_2 Emissions	Absolute (ktCO2)		Specific (t/MWh)		Generation (d) (GWh)	
	9M11	9M10	9M11	9M10	9M11	9M10
PPA/CMEC	**4,232**	**2,909**	**0.92**	**0.91**	**4,621**	**3,195**
Coal	4,222	2,882	0.91	0.90	4,625	3,193
Fuel Oil & Natural Gas	10	27	-	14.12	(4)	2
Liberalised	**7,141**	**6,628**	**0.75**	**0.66**	**9,487**	**10,073**
Coal	4,907	3,878	1.32	1.35	3,727	2,871
CCGT	2,234	2,750	0.39	0.38	5,759	7,202
Special Regime	**905**	**835**	**0.30**	**0.29**	**3,003**	**2,924**
Thermal Generation	**12,278**	**10,373**	**0.72**	**0.64**	**17,111**	**16,192**
CO2 Free Generation					**26,872**	**27,693**
CO2 Emissions			**0.28**	**0.24**	**43,983**	**43,884**

(a) Excluding vehicle fleet.
(b) Including vehicle fleet.
(c) Excluding Corporate Bodies.
(d) Includes heat generation (1,077 GWh: 1H11 vs. 1,009 GWh: 1H10).
(e) Waste sent to final disposal. 2010 figure according to the waste's record valid by that time
(f) ESP: External Services Provider.
(g) The figures were recalculated according to the Global Reporting Initiative specifications
(1) Generated Economic Value (GEV): Turnover + other operating income + gains/losses with the sale of financial assets + gains/losses from associated companies + financial income
Distributed Economic Value (DEV): COGS + operating costs + other operating costs + current tax + financial costs + dividend payment; Accumulated Economic Value (AEV): GEV – DEV.