Financial Results
9M12

Investor Relations Department

Miguel Viana, Head of IR
Sónia Pimpão
Elisabete Ferreira
Ricardo Farinha
Pedro Coelhas
Noélia Rocha

Phone: +351 21 001 2834
Email: ir@edp.pt
Site: www.edp.pt

Conference call and webcast

Date: Wednesday, 7th November, 2012, 11:00 am (UK/Portuguese time)

Webcast: www.edp.pt

By Phone dial-In number: +44 (0)207 1620 077 Conference ID: 924401

Replay: By Phone dial-In number: +44 (0)207 0314 064 Conference ID: 924401

Lisbon, November 6th 2012

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

Index

The financial statements presented in this document are non-audited. The source from all operational data is EDP.

Main Highlights

Income Statement (€ m)	9M12	9M11	Δ %	Δ Abs.
Gross Profit	**4,100**	**4,083**	**0.4%**	**+17**
Supplies and services	673	650	3.6%	+23
Personnel costs	433	432	0.1%	+1
Costs with social benefits	48	40	21%	+9
Other operating costs (net)	203	186	9.5%	+18
Net Operating costs (1)	**1,357**	**1,307**	**3.8%**	**+50**
EBITDA	**2,742**	**2,775**	**-1.2%**	**-33**
Provisions	3	2	97%	+2
Net depreciation and amortisation (2)	1,060	1,053	0.7%	+8
EBIT	**1,679**	**1,720**	**-2.4%**	**-42**
Capital gains/(losses)	3	10	-72%	-7
Financial results	(516)	(546)	5.5%	+30
Results from associated companies	17	17	0.1%	+0
Pre-tax Profit	**1,183**	**1,202**	**-1.6%**	**-19**
Income taxes	273	242	13%	+31
Discontinued activities	-	-	-	-
Net profit for the period	910	960	-5.2%	-50
Net Profit Attributable to EDP Shareholders	**795**	**824**	**-3.5%**	**-29**
Non-controlling Interest	116	136	-15%	-21

Key Operational Data	9M12	9M11	Δ %	Δ Abs.
Employees	12,297	12,131	1.4%	+166
Installed capacity (MW)	22,733	22,576	0.7%	+156

Key Financial Data (€ m)	9M12	9M11	Δ %	Δ Abs.
FFO (Funds from operations)	2,041	1,996	2.2%	+44
Capex	1,197	1,353	-11%	-155
Maintenance	446	496	-10%	-50
Expansion	752	857	-12%	-105
Net financial investment in the period	56	(108)	-	+164

Key Balance Sheet Data (€ m)	Sep-12	Dec-11	Δ %	Δ Abs.
Equity book value	8,110	8,110	0.0%	+1
Net debt	18,248	16,948	7.7%	+1,300
Regulatory receivables (4)	2,656	1,647	61%	+1,009
Net debt/EBITDA (x)	5.0x	4.5x	-	0.5x
Adjusted net debt (3)/EBITDA (x)	4.3x	4.1x	-	0.2x

EBITDA fell 1% YoY, to €2,742m in 9M12, mainly reflecting a strong increase in EBITDA from wind operations (+€126m) and lower EBITDA from Brazil (-€157m), derived from one-off items. EBITDA in the operations in Iberia were supported by a tight cost control.

In 9M12, 90% of EBITDA derived from LT contracted and regulated activities, reflecting EDP's low-risk operational profile. Regulatory-wise, it is worth to mention the increased visibility (i) over operating landscape in Portugal following Portuguese Government's announced measures in May-12 and Sep-12, envisaging capacity payments, cogeneration, CMECs and wind; (ii) for operations in Spain provided by the draft bill (Sep-12) aimed at granting the sustainability of the electricity system by mean of several taxes on electricity production and used resources; (iii) for electricity distribution in Portugal, provided by the disclosure of the proposal for 2013 tariffs (in Oct-12, pointing to an avg. tariff increase of 2.8% as from Jan-13), in line with the tariff framework defined in Dec-11 for the regulatory period of 2012-14.

Net operating costs[(1)] advanced 3.8% (+€50m), to €1,357m in 9M12, driven by a €32m increase in operating costs and a €18m YoY increase in other net operating costs (derived from a €27m one-off gain booked in 9M11, on the sale of transmission assets to REE). Operating costs, in turn, were 2.9% higher YoY, at €1,154m reflecting (i) almost flat costs in Iberia (+0.3%) backed by tight cost control, (ii) an 11% rise at EDPR backed by larger scale of operations and USD appreciation vs. Euro (+9%); and (iii) a 3% increase in Brazil. In 9M12, EDP achieved €58m of cost savings within its corporate efficiency program (OPEX III), accomplishing 77% of its 2012 target.

EBIT was 2% lower YoY, at €1,679m, reflecting almost flat **net depreciation and amortisation** backed by the mixed impact of the extension of EDPR's wind farms useful life and the commissioning of new investments. **Financial results** totalled -€516m in 9M12, mainly reflecting (i) a 6% rise in average net debt and flat average cost of debt (at 4.0%); (ii) lower impairment on our financial stake at BCP (€6m in 9M12 vs. €49m in 9M11); and (iii) lower provision in Brazil (€23m in 9M11). **Non-controlling interest** dropped 15% YoY to €116m in 9M12, following lower results from EDP Brasil. **Net profit in 9M12 reached €795m**, standing 3.5% below 9M11.

Net debt in Sep-12 rose by €1.3bn (vs. Dec-11), to €18.2bn in Sep-12, reflecting: (i) +€1.0bn of regulatory receivables mainly prompted by Portugal (+€0.7bn in distribution, +€0.2bn in CMEC); (ii) +€0.8bn of expansion capex; and (iii) €0.7bn paid in dividends by EDP. Funds from operations rose by 2% YoY. Up to Sep-12, EDP spent €2.0bn in 2.8GW under construction. Excluding regulatory receivables, EDP's adjusted net debt/EBITDA stood at 4.3x in Sep-12 (vs. 4.1x in Dec-11), penalised by cumulated expenditure in projects under construction.

As part of EDP's partnership with China Three Gorges, in Jul-12 EDP agreed with China Development Bank the terms for a €1.0bn loan, for 5 year and an interest of 6-month Euribor + 480 bps. In Sep-12, EDP issued a 5-year €750m bond at a coupon of 5.75%. In Oct-12, EDP signed with Bank of China a 3-year €800m multicurrency term facility agreement, with an interest of 3-month Libor + 350bps. **As of Sep-12, total cash position and available credit facilities amounted €4.2bn.** This liquidity position, along with the recently signed €800m loan with Bank of China, allows EDP to cover its refinancing needs until mid-14. When considering the remaining €3bn arising from the execution of CTG partnership (€2bn stemming from the sale of minority stakes in wind farms until 2015 plus further €1bn committed by China Development Bank to be drawn by 2013/14), the new financial liquidity position will allow EDP to cover its funding needs until mid-15.

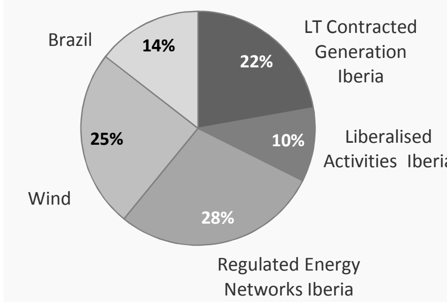
In Jul-12, EDP agreed to sell its gas transmission assets in Spain to Enagás, for a total enterprise value of €262.5m. In Nov-12, EDPR agreed to sell a 49% equity stake in a portfolio of wind farm assets in the US to Borealis Infrastructure for USD230m. EDP expects to book the proceeds up to 1Q13.

(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) Net of regulatory receivables. (4) In Brazil regulatory receivables are out of Consolidated Financial Position

EBITDA Breakdown

EBITDA (€ m)	9M12	9M11	Δ %	Δ Abs.	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12
LT Contracted Generation	608.5	622.5	-2.3%	-14	203.0	209.6	209.9	201.7	197.0	205.3	206.2	-
Liberalised Activities Iberia	280.3	279.4	0.3%	+1	120.4	71.6	87.3	113.1	94.5	87.5	98.3	-
Regulated Networks Iberia	809.3	799.6	1.2%	+10	275.0	249.3	275.2	300.4	274.9	245.0	289.3	-
Wind Power	674.7	548.3	23%	+126	220.1	189.1	139.1	252.4	263.5	240.1	171.2	-
Brazil	397.4	554.3	-28%	-157	198.2	194.3	161.9	127.4	177.4	120.5	99.4	-
Other	(27.7)	(29.1)	5%	+1	(8.6)	(21.7)	1.2	(14.4)	(3.9)	(16.9)	(6.9)	-
Consolidated	**2,742.4**	**2,775.0**	**-1.2%**	**-33**	**1,008.2**	**892.2**	**874.6**	**980.6**	**1,003.5**	**881.6**	**857.3**	**-**

EBITDA 9M12



EDP consolidated EBITDA amounted €2,742m (-1% YoY), as higher EBITDA from wind operations (+€126m) and regulated networks (+€10m) was more than offset by lower EBITDA from Brazil (-€157m) and LT contracted (-€14m). ForEx impact on EBITDA totalled -€7m: -€29m stemming from BRL depreciation vs. Euro; +€22m stemming from USD appreciation.

LONG TERM CONTRACTED IBERIA – EBITDA was 2% lower YoY, at €609m in 9M12, penalised by lower output from our mini-hydro plants (-57% YoY derived from very dry weather) and ongoing depreciation of assets base. Even so, this was almost compensated by the positive impact from higher inflation, higher-than-contracted availability at our CMEC plants and the commissioning of Sines DeNOx facilities.

LIBERALISED ACTIVITIES IBERIA – EBITDA was flat in 9M12, at €280m, supported by (i) +€6m of electricity gross profit (ii) -€16m of gross profit in the gas supply business and (iii) -€6m of operating costs. **In the electricity business**, gross profit was 1% higher YoY, at €570m in 9M12 as higher avg. unit margin earned before hedging (+€4/MWh to €11.3/MWh) offset the impact from lower total volumes (-10% mainly driven by volumes sold in Portugal's wholesale market) and lower results from hedging. Volumes sold to retail clients were 3% lower YoY driven by lower volumes sold in Spain (-5% YoY): in spite the 5% YoY increase in the number of clients supplied, EDP's strategy to focus on most attractive clients resulted in lower volumes sold. In Portugal, volumes supplied rose by 5% YoY, supported by some large industrial clients contracting in mid 2011 and an 87% increase of our electricity clients base (namely in residential segment). The fall in gas supply gross profit was due to lower volumes sold (-2% YoY mainly derived from Portuguese operations) and to a contraction in average unit margin derived from rising gas costs and tough competition for the contracting of new industrial clients.

REGULATED NETWORKS IBERIA – EBITDA rose 1% YoY in 9M12, to €809m in 9M12, reflecting: (1) the rise in Portugal distribution grid regulated revenues, following an increase in rate of return from 8.56% in 2011 to 10.05% in 2012; and (2) 7% decrease of regulated revenues in electricity distribution in Spain due to regulatory changes unveiled in Mar-12. Also worth to note is that both period were impacted by one-offs items: (i) €15m arising from the application of IFRIC18 in electricity distribution in Spain in 3Q12, (ii) €13m positive one-off in 3Q12 at the level of gas distribution in Portugal, (iii) €8.5m tariff deviations from previous years accounted in gas distribution in Portugal in 1H11, (iv) the sale of transmission assets to REE (+€27m) in 1Q11 and (v) €21m intra-group real estate gain in 1H11 (no impact at consolidated level). **Excluding these impacts, EBITDA increased 5% YoY (+€38m).**

WIND POWER – EDPR's EBITDA rose 23% YoY to €675m in 9M12, reflecting a 6% YoY increase of installed capacity, a 29% avg. load factor in 9M12, up 1pp YoY, and a higher avg. selling price (+11% YoY to €64/MWh), following the ongoing positive performance in all of the regions where EDPR operates. The main growth drivers were: (1) US (+€47m), reflecting a €22m positive contribution from ForEx (9% YoY appreciation of the USD vs. the EUR), capacity additions (+244MW), higher avg. load factors (+1pp YoY to 32%) and avg. selling price (+3% YoY to USD47/MWh); (2) Spain (+€44m YoY, including hedging results), reflecting 90MW of additional capacity, higher avg. load factors (+1pp to 26%) and higher avg. selling prices (+7% YoY to €88/MWh); and (3) European markets ex-Iberia (+€41m YoY), following 79MW of new capacity, higher avg. load factors (+1pp YoY to 23%) and higher avg. selling prices (+12% YoY to €107/MWh). In Portugal, EBITDA increased 6% YoY (+€5m), reflecting 16MW of new capacity, a stable avg. load factor of 26% and higher avg. selling prices (+4% YoY to €107/MWh).

BRAZIL - EDPB's contribution to 9M12 EBITDA declined 28% YoY, penalised by unfavourable ForEx impact (-€28m in the wake of a 7% depreciation of BRL vs. EUR) and by a 23% (-R$296m) YoY decline in local currency EBITDA. The fall in local currency EBITDA was driven by a 50% drop of EBITDA in distribution due to the impact of higher generation costs not covered by tariffs collected (negative tariff deviation). In turn, EBITDA in generation rose by 13% YoY backed by (i) inflation updates of prices at our long term contracts and by (ii) higher spot prices due to dry weather in 9M12. Adjusted for non-recurrent items, namely (i) impact of tariff deviations including the new regulatory methodology in Bandeirante's tariffs (-R$166m in 9M12 vs. 9M11); (ii) capitalisation of some distribution revenues in 9M12, which were not capitalised in 9M11 (R$37m) and (iii) negative contribution of Pécem's coal plant due to the delay of its commercial operation (R$23m in 3Q12), **normalized EBITDA would have declined 6% YoY from R$1,241m in 9M11 to R$1,171m in 9M12 (20% above reported EBITDA in 9M12).**

Profit & Loss Items below EBITDA

Provisions, Deprec. & Amortizat. (€ m)	9M12	9M11	Δ %	Δ Abs.
EBITDA	**2,742.4**	**2,775.0**	**-1.2%**	**-33**
Provisions	3.4	1.7	97%	+2
Depreciation and amortisation	1,079.5	1,078.2	0.1%	+1
Compensation for depreciation	(19.1)	(25.3)	25%	+6
EBIT	**1,678.6**	**1,720.4**	**-2.4%**	**-42**

Financial Results (€ m)	9M12	9M11	Δ %	Δ Abs.
Net financial interest	(519.6)	(486.8)	-6.7%	-33
Capitalized financial costs	105.8	107.9	-1.9%	-2
Net foreign exch. diff. and derivates	(39.2)	(40.4)	2.9%	+1
Investment income	5.3	7.1	-26%	-2
Unwinding w/ pension & medical care resp.	(68.6)	(66.3)	-3.6%	-2
Other Financials	0.7	(67.6)	-	+68
Financial Results	**(515.7)**	**(545.9)**	**5.5%**	**+30**

Results from Associat. Companies (€ m)	9M12	9M11	Δ %	Δ Abs.
CEM (21%) - China/Macao	10.6	9.9	6.8%	-
Setgás (33%)	2.0	2.6	-25%	+1
EDP Renováveis subsidiaries	4.3	3.7	15%	-1
Other	0.7	1.2	-46%	+1
Results from associated companies	**17.4**	**17.4**	**0.1%**	**+0**

Capital Gains/(Losses) (€ m)	9M12	9M11	Δ %	Δ Abs.
SEASA - EDP Renováveis	-	9.4	-	-9
Other	2.9	0.9	n.m.	+2
Capital Gains/(Losses)	**2.9**	**10.3**	**-72%**	**-7**

Income Tax (€ m)	9M12	9M11	Δ %	Δ Abs.
Pre-tax profit	**1,183.2**	**1,202.1**	**-1.6%**	**-19**
Income taxes	273.1	242.2	13%	+31
Effective tax rate (%)	*23.1%*	*20.1%*	*2.9 pp*	-
Discontinued activities	-	-	-	-

Non-controlling Interest (€ m)	9M12	9M11	Δ %	Δ Abs.
EDP Renováveis	27.8	12.9	116%	+15
HC Energia	1.2	0.5	140%	+1
Energias do Brasil	79.7	114.2	-30%	-35
Other	6.9	8.7	-21%	-2
Non-controlling Interest	**115.6**	**136.3**	**-15%**	**-21**

Net depreciation and amortisation (net of compensation from depreciation and amortisation of subsidised assets) stood flat in 9M12, since the extension of the useful life of the wind farms (from 20 to 25 years, from Apr-11 onwards) was compensated by: (i) the commissioning of several new wind farms between Sep-11 and Sep-12 (ii) the full commissioning of two new hydro plants in Portugal in 4Q11, higher working hours at our coal plants in Spain and (iii) the commissioning of DeNOx facilities at Sines' coal plant in Portugal from Jan-12 onwards.

Financial Results:

a) Net financial interest costs increased 7% YoY, to €520m in 9M12, following an increase by 6% in average net debt. The average cost of debt stood flat at 4.0% in 9M12.

b) Capitalised financial costs decreased 2% due to lower level of works in progress, namely at EDP Renováveis.

c) Other financials rose €68m YoY, since in 9M11 it reflected €49m of impairments in our financial stake in BCP (vs €6m in 9M12) and also a €23m provision due to a litigation with a client in Brazil.

Results from associated companies: EDP Renováveis subsidiaries include essentially our equity stake in ENEOP Portugal and in the spanish wind farm Sierra del Madero, both with €1.5m impact in 9M12.

Capital gains decreased €7m reflecting essentially the sale by EDPR of a 16.7% stake in SEASA (wind farms in Spain) in 1H11 (€9m).

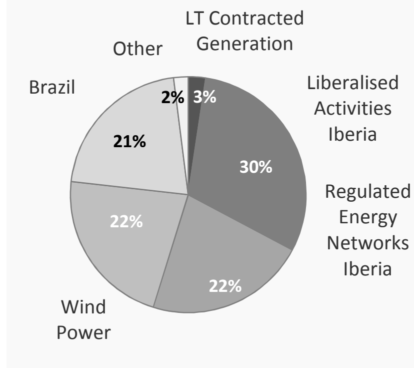
Income tax includes positive one-offs effects in fiscal consolidation perimeters in Iberia both in 9M11 and 9M12. The €31m increase includes the rise in the corporate tax rate in Portugal (from 29.0% in 2011 to 31.5% in 2012).

Non-controlling interest decreased 15% YoY to €116m in 9M12, as a decline of profits at EDP Brasil's level was just partially offset by the increase of net profit at EDPR's level.

Capital Expenditure & Net Financial Investments

Capex (€ m)	9M12	9M11	Δ %	Δ Abs.	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12
LT contracted gen. Iberia	28.6	45.8	-38%	-17	13.9	18.4	13.6	13.1	7.9	10.2	10.5	-
Liberalised activities Iberia	363.5	268.3	35%	+95	49.0	104.1	115.2	197.1	85.8	121.8	155.9	-
Regulated networks Iberia	264.2	255.8	3.3%	+8	69.5	97.0	89.3	148.9	81.7	102.6	80.0	-
Wind power	263.2	516.1	-49%	-253	190.4	154.6	171.1	312.6	55.1	54.4	153.8	-
Brazil	253.8	228.4	11%	+25	63.0	60.8	104.7	112.8	88.9	70.1	94.8	-
Other	24.1	38.3	-37%	-14	6.8	17.5	14.0	23.4	5.7	6.2	12.3	-
EDP Group	**1,197.4**	**1,352.8**	**-11%**	**-155**	**392.7**	**452.4**	**507.8**	**807.8**	**325.0**	**365.2**	**507.2**	**-**
Expansion Capex	**751.8**	**857.0**	**-12%**	**-105**	**263.4**	**271.4**	**322.2**	**551.3**	**189.2**	**213.0**	**349.6**	**-**
Maintenance Capex	**445.6**	**495.9**	**-10%**	**-50**	**129.3**	**181.0**	**185.6**	**256.5**	**135.8**	**152.3**	**157.6**	**-**

CAPEX 9M12



Generation Projects Under Construction (€ m)	MW	Capex 9M12	Acc. Capex (1)
Hydro Portugal	1,702	283.0	850
Wind power (2)	367	89.0	366
Coal Brazil	360	97.4	653
Hydro Brazil	382	75.7	132
Total	**2,811**	**545.1**	**2,001**

Net financial investments/(Divestments) (€m)	9M12	9M11	Δ %	Δ Abs.
Major Financial Investments	**64.8**	**274.9**	**-76%**	**-210**
Consolidation Perimeter EDPR	22.3	28.9	-23%	-7
Genesa (20% stake)	-	231.4	-	-231
Hydro plant (Brazil)	39.1	-	-	+39
Other	3.4	14.6	-77%	-11
Major Financial Divestments	**9.1**	**383.4**	**-98%**	**-374**
Consolidation Perimeter EDPR	6.7	29.0	-77%	-22
EDP Brasil	-	353.3	-	-353
Other	2.4	1.1	111%	+1
Total	**55.8**	**(108.5)**	**-**	**+164**

Consolidated capex totalled €1,197m in 9M12, standing 11% below 9M11. Expansion capex was 12% lower YoY, backed by slower growth in wind (-49% YoY to €263m). Even so, higher capex in liberalised activities (new hydro in Portugal) and in Brazil (new hydro and coal capacity) partially mitigated the fall in expansion capex. Maintenance capex was 10% lower YoY, at €446m reflecting the completion of DeNOx facilities at our Sines coal plant in 2011 and lower investments in distribution in Brazil. In line with EDP's strategy to invest in risk controlled activities, LT contracted/regulated activities absorbed 68% of capex.

Capex in new hydro capacity in Portugal (c52% of expansion capex) totalled €316m in 9M12, the bulk of which (€283m) devoted to construction/repowering works in 6 plants in Portugal (1,702MW due in 2012/16): 3 repowerings (1,203MW) and 3 new plants (499MW). Alqueva II (256MW, 90% of capex already incurred), has entered test period in Oct-12.

Capex in new wind capacity (35% of expansion capex), at EDPR level, totalled €263m and was mainly incurred in the construction of new capacity in US (49%), Spain (20%), Romania (10%), Poland (6%), Portugal and France (4% each) and Rest of Europe (6%). EDPR has so far spent €366m (€89m in 9M12) in MW under development and in 367MW currently under construction (all under long term/regulated tariff regimes): 130MW in Poland, 93MW in Romania (of which 39MW solar PV), 70MW in US (State of New York), 40MW in Italy and 8MW in France.

In Brazil, EDP already invested: (1) €653m in its 360MW share in Pecém coal plant; and (2) €132m in the construction of Jari (new plant with 373MW, due in 2015) and in the repowering of Mascarenhas (5MW due in 2013).

Net financial investments in 9M12 amounted to €56m, the bulk of which related to: (i) success fees regarding the development of Jari hydro plant, in Brazil, and wind projects previously acquired; and (ii) a payment related to the approval by ANEEL of the expansion of Jari capacity by 73MW.

Overall, EDP has so far spent €2.0bn in 2.8GW of new generation capacity under construction. Looking forward, EDP plans an average net investment of €2.0bn in 2012/13.

(1) Accumulated capex net of debts to equipment suppliers. (2) Capacity under construction includes 39MW of solar. Amount of accumulated capex includes capacity under construction & development.

Cash Flow

Consolidated Cash Flow (€m) - Indirect Method	9M12	9M11	Δ %	Δ Abs.
EBITDA	**2,742.4**	**2,775.0**	**-1.2%**	**-33**
Income tax	(139)	(223)	38%	+84
Net financial interest	(520)	(487)	-6.7%	-33
Net Income and dividends received from Associates	23	25	-7.6%	-2
Other adjustments	(65)	(93)	30%	+28
FFO (Funds From Operations)	**2,040.6**	**1,996.3**	**2.2%**	**+44**
Net financial interest	520	487	6.7%	+33
Net Income and dividends received from Associates	(23)	(25)	7.6%	+2
Change in operating working capital	(1,166)	(106)	-	-1,060
Regulatory Receivables	(942)	(1)	-	-941
Other	(224)	(105)	-113%	-119
Net Cash from Operating Activities	**1,371.1**	**2,352.3**	**-42%**	**-981**
Expansion capex	(752)	(857)	12%	+105
Maintenance capex	(446)	(496)	10%	+50
Change in working capital from equipment suppliers	(313)	(369)	15%	+56
Net Operating Cash Flow	**(139.2)**	**630.6**	**-**	**-770**
Net financial (investments)/divestments	(56)	108	-	-164
Net financial interest paid	(514)	(376)	-37%	-138
Dividends received	19	17	11%	+2
Dividends paid	(780)	(715)	-9.2%	-65
Proceeds/(payments) from institut. partnersh. in US wind	(11)	72	-	-83
Effect of exchange rate fluctuations	118	150	-21%	-32
Other non-operating changes	64	(149)	-	+213
Decrease/(Increase) in Net Debt	**(1,299.8)**	**(262.3)**	**-395%**	**-1,037**

Consolidated Cash Flow (€m) - Direct Method	9M12	9M11	Δ %	Δ Abs.
Operating Activities				
Cash receipts from customers	10,926	10,856	0.6%	+71
Proceeds from tariff adjustments securitization	168	616	-73%	-448
Cash paid to suppliers and personnel	(9,362)	(8,588)	-9.0%	-774
Concession rents & other	(291)	(474)	39%	+183
Net Cash from Operations	**1,441**	**2,410**	**-40%**	**-968**
Income tax received/(paid)	(70)	(57)	-22%	-13
Net Cash from Operating Activities	**1,371.1**	**2,352.3**	**-42%**	**-981**
Net Cash from Investing Activities	**(1,477)**	**(1,477)**	**-0.1%**	**-1**
Net Cash from Financing Activities	**604**	**(627)**	**-**	**+1,231**
Changes in Cash and Cash Equivalents	**497.8**	**248.7**	**100%**	**+249**
Effect of exchange rate fluctuations	(22)	(64)	66%	+42

Funds from operations (FFO) increased 2% YoY to €2,041m in 9M12, reflecting an €84m decrease of current income taxes, driven by a lower taxable income in Portugal and Brazil (due to a significant increase of regulatory receivables, which for cash purposes will only contribute to annual taxable income in the year of collection); which was partly compensated by a €33m increase in net financial interests, following a 6% increase of average net debt.

Net cash from operating activities fell 42% YoY to €1,371m in 9M12. Note that in 9M12, this item was negatively impacted by a €942m increase in regulatory receivables, out of which €925m came from our regulated activities in Portugal, penalised by very dry weather conditions in 9M12.

Expansion capex fell 12% YoY to €752m in 9M12 reflecting a reduction of capex in wind power, following lower expected capacity additions for 2012 vs. 2011.

Net financial investments amounted to €56m in 9M12 and are mostly related to success fees regarding the development of Jari (hydro in Brazil) and to a payment for the expansion of its capacity from 300MW to 373MW.

On May 16th 2012, EDP paid its annual dividend amounting to €671m (€0.185/share), a 9% increase vs. the previous year. The amount of €780m of dividends paid in 9M12 also includes the amount paid to non-controlling interests, namely at the level of EDP Brasil.

The €118m positive impact from **effects of exchange rate fluctuations** essentially reflects the impact of the year-to-date 9% depreciation of the BRL vs. the EUR.

Overall, **net debt** increased €1.3bn vs. Dec-11 to €18.2bn as of Sep-12.

Looking forward, in terms of financial investments/divestments, in May-12, EDP Brasil announced the disposal of Evrecy, which owns transmission assets in Escelsa area, for R$58m to CTEEP. The closing of this deal is still pending of approval by ANEEL. Additionally, on July 20th 2012, EDP agreed to sell its gas transmission assets in Spain to Enagás, for a total enterprise value of €262.5m. The respective cash-in will occur upon completion of the deal, which is now only pending the usual regulatory approvals. Also, on Nov 6th 2012, EDPR agreed with Borealis Infrastructure (one of Canada's largest pension funds) on the sale of a 49% equity stake in a portfolio of wind farm assets in the US with a total capacity of 599 MW for USD230m. The completion of this transaction is subject to the customary regulatory approvals. Additionally, as part of the strategic partnership with CTG, EDP expects to reach an agreement for the sale of minority positions in a first block of wind farms in Portugal until the end of this year. It is also worth mentioning that, until Jun-13, EDP expects to pay €0.2bn for the acquisition of an additional 10% stake in Naturgas, this being the last tranche of Naturgas share capital to be acquired in line with the existing agreement with Ente Vasco de Energia.

Statement of Consolidated Financial Position

Assets (€ m)	Sep. vs. Dec.		
	Sep-12	Dec-11	Δ Abs.
Property, plant and equipment, net	20,650	20,708	-59
Intangible assets, net	6,540	6,800	-261
Goodwill	3,339	3,327	12
Financial investments and assets held for sale, net	566	534	32
Tax assets, deferred and current	786	1,156	-370
Inventories	318	346	-28
Trade receivables, net	2,161	2,152	8
Other assets, net	5,517	4,512	1,005
Cash and cash equivalents	2,208	1,732	476
Total Assets	**42,083**	**41,268**	**816**

Equity (€ m)	Sep-12	Dec-11	Δ Abs.
Equity attributable to equity holders of EDP	8,110	8,110	1
Non-controling Interest	3,168	3,277	-109
Total Equity	**11,278**	**11,387**	**-109**

Liabilities (€ m)	Sep-12	Dec-11	Δ Abs.
Financial debt, of wich:	20,646	18,785	1,861
Medium and long-term	*17,653*	*15,786*	*1,866*
Short term	*2,993*	*2,999*	*-5*
Employee benefits (detail below)	1,744	1,823	-79
Institutional partnerships, US wind	1,736	1,784	-48
Provisions	365	415	-50
Tax liabilities, deferred and current	1,377	1,501	-124
Other liabilities, net	4,937	5,573	-635
Total Liabilities	**30,805**	**29,881**	**924**
Total Equity and Liabilities	**42,083**	**41,268**	**816**

Employee Benefits (€m)	Sep-12	Dec-11	Δ Abs.
Pensions (3)	921	1,004	-83
Medical care	823	819	3
Employee Benefits	**1,744**	**1,823**	**-79**

Institutional Partnerships Liabilities (€m)	Sep-12	Dec-11	Δ Abs.
Institutional Partnerships, US Wind	1,736	1,784	-48
(-) Deferred Income	757	773	-16
Institutional Partnerships Liabilities	**979**	**1,011**	**-32**

Regulatory Receivables (€m)	Sep-12	Dec-11	Δ Abs.
Portugal Distribution and Gas (1)	1,465	739	726
Portugal Annual CMEC Deviation	589	390	199
Spain (2)	531	514	17
Brazil (4)	70	4	66
Regulatory Receivables	**2,656**	**1,647**	**1,009**

Total amount of **property, plant & equipments and intangible assets** decreased by €0.3bn vs. Dec-11 to €27.2bn as of Sep-12, mostly due to: (1) +€1.2bn of capex in the period; (2) -€1.1bn from depreciations in the same period; (3) a -€0.1bn net impact driven by CO_2 licenses consumption and delivery in the period; and (4) a net -€0.3bn impact mainly resulting from the depreciation of the BRL (9%) and RON (5%), and appreciation of the Zloty (8%) against the Euro. As of Sep-12, EDP's balance sheet included €3.7bn of works in progress (14% of total consolidated tangible and intangible assets) largely related to investments already incurred in power plants, wind farms, development equipment or concession rights which are not yet operating .

The book value of **financial investments & assets held for sale** amounted to €566m as of Sep-12, including essentially our financial stakes in Setgás (33%), CEM (21%), REN (3.5%) and BCP (2.0%), as well as €0.2bn regarding our gas transmission assets in Spain, which sale to Enagás was agreed in Jul-12.

Tax assets and liabilities, deferred and current, went down €0.2bn vs. Dec-11, mainly due to lower fiscal receivables related to value added and income taxes.

Other assets (net) increased €1.0bn vs. Dec-11 to €5.5bn as of Sep-12, reflecting higher gross regulatory receivables, which mostly resulted from: (1) a €0.7bn increase in receivables from energy distribution & last resort supply activities in Portugal; and (2) €0.2bn higher receivables from generation under the CMEC system in Portugal.

Total amount of EDP's **net regulatory receivables** went up by €1.0bn to €2.7bn as of Sep-12, driven by: (1) a €925m increase from Portugal, due to higher pending receivables from both energy distribution & last resort supply (+€726m) and generation under the CMEC system (+€199m); (2) a €66m increase from Brazil, mostly due to the freeze of Bandeirante's tariffs and higher energy purchase costs; and (3) a €17m increase from Spain, driven by the additional tariff deficit generated in the period, which was mostly compensated by the €168m of cash proceeds received in 1Q12 from the tariff deficit securitization deals.

Equity book value was flat at €8.1bn vs. Dec-11, reflecting the €795m net profit of the period, the payment of €671m in dividends and the negative impact from the depreciation of the BRL vs. the EUR.

Pension fund and medical care liabilities (gross, before deferred taxes), which amounted to €1.7bn as of Sep-12, were almost flat vs. Dec-11 – 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.

Institutional partnership liabilities, related to our wind operations in US, decreased €32m vs. Dec-11 to €979m as of Sep-12, given that tax equity partners are getting the tax benefits generated by the US wind farms. Note that the referred amount of institutional partnership liabilities was adjusted by deferred revenues related to tax credits already benefited by the institutional investors and yet due to be recognised in the P&L.

Other liabilities (net) fell €0.6bn vs. Dec-11 to €4.9bn as of Sep-12, essentially due to: (1) a €0.4bn reduction in accounts payable to equipment suppliers (-€0.3bn) and suppliers (-€0.1bn); (2) a 0.1bn decrease in amounts payable related to Portuguese and Spanish electricity regulated activities; and (3) a €0.1bn decrease in liabilities related to CO_2 licenses.

(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) In Brasil regulatory receivables are out of Consolidated Financial Position

Consolidated Net Financial Debt

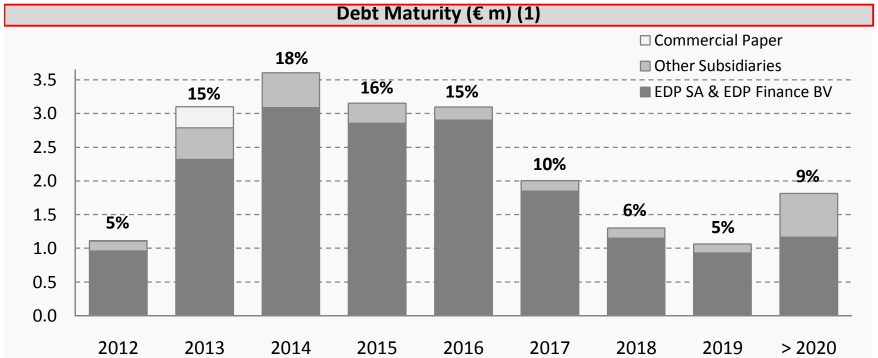
Nominal Financial Debt by Company (€m)	Sep-12	Dec-11	Δ %	Δ Abs.
EDP S.A. and EDP Finance BV	17,509.7	15,909.1	10%	1,601
EDP Produção + HC Energia + Portgás	249.9	259.3	-3.7%	-9
EDP Renováveis	934.4	833.8	12%	101
EDP Brasil	1,541.1	1,406.1	9.6%	135
Nominal Financial Debt	**20,235.1**	**18,408.4**	**9.9%**	**1,827**
Accrued Interest on Debt	256.5	304.4	-16%	-48
Fair Value of Hedged Debt	154.3	72.3	113%	82
Derivatives associated with Debt (2)	(180.0)	(105.1)	-71%	-75
Total Financial Debt	**20,465.9**	**18,680.0**	**9.6%**	**1,786**
Cash and cash equivalents	**2,207.5**	**1,731.5**	**27%**	**476**
EDP S.A., EDP Finance BV and Other	1,584.1	1,140.8	39%	443
EDP Renováveis	276.0	219.9	25%	56
EDP Brasil	347.4	370.8	-6.3%	-23
Financial assets at fair value through P&L	**10.4**	**0.2**	**-**	**10**
EDP Consolidated Net Debt	**18,248.0**	**16,948.2**	**7.7%**	**1,300**

Credit Lines by Sep-12 (€m)	Maximum Amount	Number of Counterparts	Available Amount	Maturity
Revolving Credit Facility	2,000	21	1,100	Nov/15
Domestic Credit Lines	183	8	183	Renewable
Underwritten CP Programmes	650	3	650	Renewable
Total Credit Lines	**2,833**		**1,933**	

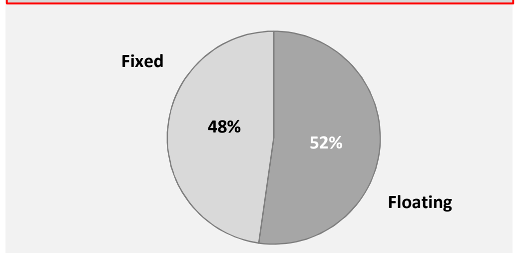
Debt Ratings	S&P	Moody's	Fitch
EDP SA & EDP Finance BV	**BB+/Neg/B**	**Ba1/Neg/NP**	**BBB-/Neg/F3**
Last Rating Action	01/02/2012	16/02/2012	02/08/2012

Debt Ratios	9M12	Dec-11
Net Debt / EBITDA	5.0x	4.5x
Net Debt / EBITDA adjust. by Reg. Receivables	4.3x	4.1x

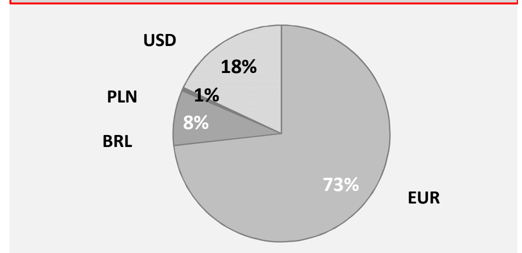
Debt Maturity (€ m) (1)



Debt by Interest Rate Type (1)



Debt by Currency (1)



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

EDP's funding strategy aims at maintaining access to diversified sources and assuring funding needs 12-24 months in advance. EDP targets a steady improvement of its free cash flow position and credit ratios over the next years. In 9M12, **EDP's net debt/EBITDA and net debt/EBITDA adjusted** for regulatory receivables were 5.0x and 4.3x, respectively. In Aug-12, Fitch downgraded EDP credit rating from "BBB+" to "BBB-", and according to Fitch, EDP could remain investment grade if Portugal, rated 'BB+'/Neg, was downgraded to "BB-". EDP's credit rating now stands 1 notch above the Republic of Portugal by S&P and Fitch, and 2 notches by Moody's.

In Mar-12, EDPR executed a €177m project finance structure for 125MW in Spain. In May-12, EDP issued a €250m retail bond with a 3 year maturity and a coupon of 6% (1.3x demand). In Jun-12, EDP repaid a €500m bond that was paying a fixed coupon of 4.25%. In Jul-12, EDPR executed an additional €46m project finance for 57MW in Belgium (funded in Oct-12). In Aug-12, EDP repaid a €350m bond that was paying 125bp over 6-month Euribor. In Sep-12, EDP issued a €750m with a 5 year maturity and a coupon of 5.75% (10x demand). More recently, in Oct-12, EDP signed with Bank of China a €800m multicurrency term facility agreement, with a 3 year tenor and a 350bps margin over 3-month Libor.

Within the scope of EDP's strategic partnership with CTG, the new shareholder has agreed to invest €2bn (including co-funding) in minority equity stakes in wind farms until 2015. This strategic partnership also comprises a firm funding commitment from China Development Bank, in an amount of €2bn for a maturity of up to 20 years. In Jul-12, EDP agreed the terms for the first €1.0bn tranche of funding from China Development Bank, with a 5 years maturity and a 480 bps margin over 6-month Euribor (drawn in Aug-12).

By Sep-12, debt avg. maturity was 4.0 years. The weight of fixed rate in the Group's consolidated debt increased from 46% as of Jun-12 to 48% as of Sep-12. As of Sep-12, total cash and liquidity facilities available amounted to €4.2bn. This includes €2.2bn in cash and €1.9bn in liquidity facilities, of which €650m in underwritten commercial paper programmes and €1.1bn available amount from a total €2.0bn revolving credit facility with 3 years residual maturity. This liquidity position, along with the recently signed €800m loan with Bank of China, allows EDP to cover its refinancing needs until mid-14. When considering the remaining €3bn arising from the execution of CTG partnership, the new liquidity position allows EDP to cover its refinancing needs until mid-15.

(1) Nominal Value. (2) Derivatives designated for net investment and fair-value hedge of debt

Business Areas

Iberian Electricity and Gas Markets

Electricity Balance (TWh)	Portugal 9M12	Portugal 9M11	Portugal Δ%	Spain 9M12	Spain 9M11	Spain Δ%	Iberian Peninsula 9M12	Iberian Peninsula 9M11	Iberian Peninsula Δ%
Hydro	3.5	8.6	-60%	13.8	22.3	-38%	17.2	30.9	-44%
Nuclear	-	-	-	47.0	43.2	8.8%	47.0	43.2	8.8%
Coal	9.4	6.1	55%	42.3	30.7	38%	51.8	36.8	41%
CCGT	4.7	8.5	-45%	29.4	40.0	-27%	34.1	48.6	-30%
Fuel/gas/diesel	0.0	(0.0)	-	-	-	-	0.0	(0.0)	-
Own consumption	-	-	-	(6.0)	(5.4)	12%	(6.0)	(5.4)	12%
(-)Pumping	(0.9)	(0.4)	114%	(3.7)	(2.2)	68%	(4.6)	(2.6)	76%
Conventional Regime	**16.7**	**22.8**	**-27%**	**122.7**	**128.6**	**-4.5%**	**139.4**	**151.4**	**-7.9%**
Wind	7.1	6.4	11%	34.9	30.3	15%	42.0	36.7	14%
Other	6.6	6.9	-4.1%	41.4	37.9	9.2%	48.0	44.8	7.2%
Special Regime	**13.7**	**13.2**	**3.4%**	**76.3**	**68.3**	**11.8%**	**90.0**	**81.5**	**10.5%**
Import/(export) net	6.3	1.9	240%	(8.2)	(4.7)	76%	(1.9)	(2.8)	-32%
Gross demand (before grid losses)	**36.7**	**37.9**	**-3.2%**	**190.9**	**192.2**	**-0.7%**	**227.6**	**230.1**	**-1.1%**
Adjust. temperature, working days			-4.2%			-1.6%			n.a.

Gas Demand (TWh)	Portugal 9M12	Portugal 9M11	Portugal Δ%	Spain 9M12	Spain 9M11	Spain Δ%	Iberian Peninsula 9M12	Iberian Peninsula 9M11	Iberian Peninsula Δ%
Conventional demand	27.6	26.3	4.8%	202.8	190.8	6.3%	230.3	217.1	6.1%
Demand for electricity generation	9.9	17.6	-44%	64.1	86.2	-26%	74.0	103.8	-29%
Total Demand	**37.5**	**43.9**	**-15%**	**266.8**	**277.0**	**-3.7%**	**304.3**	**320.9**	**-5.2%**

Electricity demand in Iberia fell 1.1% YoY in 9M12, following a 1.4% YoY decline in 3Q12. In Spain (84% of Iberia), demand fell 0.7% in 9M12 (-1.6% adjusted for temperature and working days), reflecting weak consumption, particularly in the industrial segment. In Portugal (16% of total), demand declined 3.2% penalised by the residential, SME and public lighting segments.

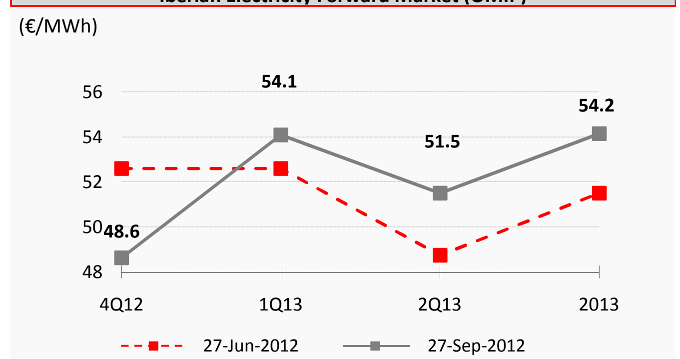
In spite of lower total demand in 9M12 (-2.5TWh YoY), residual thermal demand (RTD) was slightly higher in the period (+0.5TWh) on the back of weak hydro resources: in spite of the 2% increase in installed capacity (driven by Portugal), net hydro output fell by 16TWh, on hydro resources c65% below the historical average for the period. In turn, output from wind and other special regime sources rose by 9TWh in 9M12, supported by stronger wind resources and by a 7% YoY increase in installed special regime capacity (backed by Spain). Nuclear output advanced by 4TWh supported by fewer outages for maintenance. Net imports in Portugal advanced by 4TWh, reflecting scarce hydro resources. Notwithstanding almost flat RTD in Iberia, output from coal plants advanced by 15TWh at fully expense of CCGTs': avg. coal load factors in Iberia stood at 63% in 9M12 (+18pp YoY), given its cost-competitive advantage vis a vis CCGTs in a scenario of lower coal and CO_2 prices; CCGTs' avg. load factor stood at 18% (-8pp YoY).

Average electricity spot price in Spain was 1.2% lower YoY in 9M12 to €48.6/MWh, standing €1/MWh short of Portugal's average (due to the latter's more expensive generation in dry periods). Quarter on quarter, spot price in Spain advanced 6% in 3Q12, driven by higher coal and CO_2 prices. Average CO_2 prices advanced 5% QoQ in 3Q12 but fell 48% short YoY, at €7.5/ton in 9M12. Average electricity final price in Spain declined 3% YoY in 9M12, standing €8/MWh above the pool price as a result of the contribution from restrictions market, ancillary services and capacity payments.

In the Iberian gas market, consumption retreated 5.2% in 9M12, reflecting lower consumption at CCGTs. Conventional demand was 6.1% higher, mainly driven by Spain. Gas consumed at thermal plants fell 29% in 9M12, reflecting low working hours at CCGTs, both in Portugal and Spain.

Installed Capacity in Electricity (GW)	Iberian Peninsula 9M12	Iberian Peninsula 9M11	Iberian Peninsula Δ%
Hydro	21.7	21.2	2.1%
Nuclear	7.5	7.5	-
Coal	12.6	12.6	0%
CCGT	28.8	28.7	0%
Fuel/gas/diesel	2.2	2.9	-24%
Conventional Regime	**72.7**	**72.9**	**-0.3%**
Wind	26.4	25.5	3.6%
Other special regime	19.5	17.5	11%
Special Regime	**45.9**	**43.0**	**6.7%**
Total	**118.6**	**115.9**	**2.3%**

Iberian Electricity Forward Market (OMIP)



Main Drivers	9M12	9M11	Δ%
Hydro coeficient (1.0 = avg. year)			
Portugal	0.35	0.98	-64%
Spain	0.36	0.86	-58%
Electricity spot price, €/MWh (1)			
Portugal	49.6	49.6	0.0%
Spain	48.6	49.2	-1.2%
Electricity final price, €/MWh (1) (2)			
Spain	56.7	58.6	-3.3%
CO2 allowances (EUA), €/ton (1)	7.5	14.3	-48%
Coal (API2 CIF ARA), USD/t (1)	93.9	123.5	-24%
Gas (CMP Spain), €/MWh (1)	27.6	23.8	16%
Gas NBP, €/MWh(1)	24.3	22.0	10%
Brent, USD/bbl (1)	112.1	111.6	0.4%
EUR/USD (1)	1.28	1.41	-8.9%

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 Iberian Market: PPA/CMEC & Special Regime

Income Statement (€ m)	9M12	9M11	Δ%	Δ Abs.
PPA/CMEC Revenues	**898.7**	**811.0**	**11%**	**+88**
Revenues in the market (i)	521.8	658.5	-21%	-137
Annual deviation (ii)	352.7	113.5	211%	+239
PPAs/CMECs accrued income (iii)	24.2	39.1	-38%	-15
PPA/CMEC Direct Costs	**227.6**	**146.7**	**55%**	**+81**
Coal	201.9	166.8	21%	+35
Fuel oil	2.3	2.4	-3.5%	-0
CO2 and other costs (net)	23.5	(22.5)	-	+46
Gross Profit PPA/CMEC	**671.1**	**664.3**	**1.0%**	**+7**
Thermal (cogen., waste, biomass)	48.6	49.3	-1.4%	-1
Mini-hydro	13.6	32.6	-58%	-19
Gross Profit Special Regime	**62.1**	**81.9**	**-24%**	**-20**
Net Operating costs (1)	124.8	123.3	1.2%	+1
EBITDA	**608.5**	**622.5**	**-2.3%**	**-14**
Net depreciation and provision	151.2	146.7	3.0%	+4
EBIT	**457.3**	**475.8**	**-3.9%**	**-19**
At Fin. Results: Hedging Gains (Losses) (2)	8.9	(7.3)	-	+16
Employees (#)	1,324	1,343	-1.4%	-19

PPA/CMEC: Key Data	9M12	9M11	Δ %	Δ Abs.
Real/Contracted Availability				
Hydro plants	1.04	1.02	2.1%	+0.0
Thermal plants	1.08	1.09	-1.3%	-0.0
Installed Capacity (MW)	**6,221**	**6,221**	**-**	**-**
Hydro (3)	4,094	4,094	-	-
Coal	1,180	1,180	-	-
Fuel oil	946	946	-	-

Special Regime: Key Data	9M12	9M11	Δ %	Δ Abs.
Output (GWh)	**1,634**	**1,772**	**-7.8%**	**-138**
Mini-hydro Portugal	147	346	-57%	-198
Thermal Portugal	876	802	9.3%	+74
Thermal Spain	610	624	-2.2%	-14
Average Gross Profit (€/MWh)				
Mini-hydro Portugal	91	94	-2.9%	-3
Thermal Portugal	29	34	-15%	-5
Thermal Spain	38	36	7.5%	+3

Capex (€ m)	9M12	9M11	Δ %	Δ Abs.
PPA/CMEC Generation	**22.9**	**39.4**	**-42%**	**-17**
Hydro recurrent	14.8	17.3	-14%	-2
Thermal recurrent	6.9	5.8	21%	+1
Non recurrent (environmental)	1.1	16.3	-93%	-15
Special Regime	**5.8**	**6.4**	**-11%**	**-1**
Expansion	0.0	1.3	-97%	-1
Maintenance	5.7	5.2	11%	+1
Total	**28.6**	**45.8**	**-38%**	**-17**

EBITDA from LT contracted generation was 2% lower YoY at €609m in 9M12, as the impact from lower output from our mini-hydro plants (-57% YoY derived from very dry weather), outstood the positive impact from higher inflation, higher-than-contracted availability at our CMEC plants and the full commissioning of Sines DeNOx facilities in 2011.

Gross profit from PPA/CMEC rose 1% (+€7m) to €671m in 9M12, driven by higher inflation, higher-than-contracted availability at our CMEC plants (+4% in hydro, +8% in thermal) and by the commissioning of Sines DeNOx facilities. These impacts were nevertheless partially compensated by the ongoing depreciation of the assets base and lower. In turn, results with fuel procurement were immaterial in 9M12: +€0.2m (vs. -€1.2m).

The **annual deviation** between market gross profit under CMECs assumptions and gross profit under actual market conditions ('revisibility') amounted €353m in 9M12, propelled by a very dry weather (hydro production factor fell 65% short of an average year). This amount is due to be received in up to 24 months through TPA tariffs, paid by all Portuguese electricity consumers. The deviation at our hydro plants amounted €215m in 9M12 driven by an output 67% below the CMEC's reference (and 69% lower YoY), average realised price 5% above the CMEC's reference and availability rates at our plants 4% above contracted level. The deviation at thermal plants in 9M12 (€138m) derived from an average clean dark spread 40% short of CMEC's reference, while availability rates and output exceeded the CMEC reference by 8% and 2% respectively.

In May-12, The Portuguese Government announced a set of measures for the power sector, including an agreement with EDP as to set out an adjustment to the interest rate applicable to the tariff repercussion of the yearly fixed amount of the costs for maintenance of the contractual balance (CMEC), which in average, for the period 2013 to 2027, is of €13m/year, corresponding to a present value of €120m. This impact shall be booked at the level of financial results.

Gross profit from special regime fell 24% YoY, to €62m in 9M12, penalised by very low output at our mini-hydro plants: -57% YoY due to scarce hydro resources.

Net operating costs(1) rose 1% YoY to €125m in 9M12, reflecting tight cost control and similar one-off costs in 9M11 and 9M12 (€5.9m in 9M12, €5m in 9M12). **Net depreciation charges and provisions** amounted €151m impacted by the commissioning of DeNOx facilities at our Sines coal plant.

Capex in LT contracted generation amounted to €29m in 9M12, mostly related to maintenance works at our hydro plants.

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 €6,9m realised gain in 9M12 (vs. a €9m loss in 9M11);
(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 (€ m)	9M12	9M11	Δ%	Δ Abs.
Gross Profit	**604.8**	**609.7**	**-0.8%**	**-5**
Electricity generation	333.5	357.2	-6.6%	-24
Portugal	86.6	91.1	-4.9%	-4
Spain	243.1	263.6	-7.8%	-21
Adjustments	3.9	2.5	54%	+1
Electricity supply	236.5	206.2	15%	+30
Gas supply	44.7	60.4	-26%	-16
Adjustments	-10.0	-14.2	-29%	+4
Net Operating costs (1)	324.4	330.3	-1.8%	-6
EBITDA	**280.3**	**279.4**	**0.3%**	**+1**
Provisions	-2.2	-12.7	-83%	+11
Net depreciation and amortisation	193.5	182.5	6.0%	+11
EBIT	**89.0**	**109.6**	**-19%**	**-21**

Electricity Performance	9M12	9M11	Δ%	9M12	9M11	Δ%
	Output (GWh)			Variable Cost (€/MWh) (2)		
Generation Output (4)	8,975	11,533	-22%	42.0	40.1	4.8%
Electricity Purchases	23,558	24,811	-5.1%	54.5	52.6	3.6%
Electricity Sources	**32,532**	**36,344**	**-10%**	**51.1**	**48.9**	**4.4%**
	Volumes Sold (GWh)			Average Price (€/MWh) (3)		
Grid Losses	562	892	-	n.a.	n.a.	-
Retail - Final clients	22,683	23,289	-2.6%	61.5	55.8	10%
Wholesale market	9,287	12,163	-24%	68.4	62.4	10%
Electricity Uses	**32,532**	**36,344**	**-10%**	**62.4**	**56.6**	**10%**

Electricity Gross Profit (€ m)	9M12	9M11	Δ%	Δ Abs.
Before hedging (€/MWh)	11.3	7.7	46%	+4
From Hedging (€/MWh) (5)	(1.1)	0.9	-	-2
Unit margin (€/MWh)	10.2	8.7	18%	+2
Total Volume (TWh)	32.5	36.3	-10%	-4
Subtotal	**333.3**	**315.3**	**5.7%**	**+18**
Commercial Shared-services (6)	**164.7**	**159.2**	**3.5%**	**+6**
Others (7)	**72.0**	**88.9**	**-19%**	**-17**
Total	**570.0**	**563.4**	**1.2%**	**+7**

Gas Uses (TWh)	9M12	9M11	Δ%	Δ Abs.
Consumed by own power plants	10.2	15.5	-35%	-5
Sold to Clients (8)	22.8	23.6	-3.3%	-1
Total	**32.9**	**39.1**	**-16%**	**-6**

EBITDA from liberalised activities was flat YoY, at €280m in 9M12, supported (i) +€6m of electricity gross profit (ii) -€16m of gross profit in the gas supply business and (iii) -€6m of operating costs. The fall in gas supply gross profit was due to lower volume sold (-2% YoY mainly derived from Portuguese operations) and to a contraction in average unit margin derived from rising gas costs and strong competition for new contracts with industrial clients. In 4Q11, EDP kicked-off operations in the first two out of eight hydro plants under construction in Portugal: the repowering of Picote II and of Bemposta II, totalling 437MW. These low-cost projects improve the water management in Douro basin, allowing us to produce more electricity in an average hydro year and to reap more fruits from peak-hour demand and prices.

In the electricity business, gross profit was 1% higher YoY, at €570m in 9M12 as higher avg. unit margin earned before hedging (+€4/MWh to €11.3/MWh) offset the impact from lower total volumes (-10% mainly driven by volumes sold in Portugal's wholesale market) and lower results from hedging. As from 1-Jun-12, capacity payments in Portugal were interrupted, representing a fall in electricity gross profit.

Volumes: Volumes sold totalled 33TWh in 9M12 (-10% YoY), reflecting a lower contribution from wholesale market (-24% YoY) and lower sales to retail clients (-3% YoY, driven by Spain). Generation output met 28% of total electricity needs, following a 22% YoY decline in output (net of hydro pumping), mainly driven by CCGT plants (-60%, making use of our flexible fleet to work fewer hours, concentrated in the most profitable hours and markets). Conversely, output from our coal plants rose by 30%, propelled by the competitive cost of our plants (backed by lower coal and CO_2 costs, the use of blast furnace gases and superior efficiency) and by the implementation of RDL 1221/2011 in Spain (Spanish coal).

Unit margin [(2)(3)]: Average spread achieved in the electricity business advanced by €2/MWh YoY to €10.2/MWh in 9M12, reflecting higher avg. unit margin before hedging (+€4/MWh) and lower results with hedging on electricity (-€2/MWh YoY). On a quarterly basis, average spread achieved rose from €10.6/MWh in 2Q12 to €11.6/MWh in 3Q12. The **average sourcing cost** rose 4% YoY in 9M12 driven by higher generation costs (+5%) prompted by a more intense hydro pumping. On a quarterly basis, generation costs were flat in 3Q12 reflecting cheaper pumping and a cheaper generation mix (as CCGTs were replaced by cheaper coal plants production). The **average selling price** advanced 10% in 9M12 equally driven by higher realised prices in the wholesale market (backed by higher unitary contribution from complementary services) and higher selling prices to retail clients (in Portugal and, to a lower extent, in Spain).

EDP is adapting its hedging strategy to the current market conditions, making use of flexibility stemming from the integrated management of gas and electricity operations in Iberia. As a result, EDP has favoured gas sales in the wholesale market, having so far secured spreads for c100% and c50% of its gas sourcing commitments in 2012 and 2013, respectively. Moreover, EDP has so far forward contracted costs for 100% of expected coal output in 2012 and 2013. Accordingly, EDP has so far forward contracted with clients 31TWh of electricity sales for 2012 and 9TWh of electricity sales for 2013 (of which 6TWh in Spain).

Our **gas** sourcing activity in 9M12 is based on an annual 4.3bcm portfolio of long term contracts, which flexibility has been enhanced through several contract renegotiations (including changes in take or pay levels). Moreover, rather than solely using volumes available in electricity generation and in the sale to clients in the free market, EDP has chosen to divert gas in international markets, where market conditions prove more atractive. As a result, our consumption of gas was 16% lower YoY, at 33TWh (2.8bcm) in 9M12, supported by lower sales to final clients (-3%) and a 35% decrease in consumption for electricity generation purposes.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net); (2) Variable cost: fuel cost, CO2 cost net of free allowances, hedging costs (gains), system costs; (3) Average selling price: includes selling price (net of TPA tariff), ancillary services and others; (4) Net of pumping; (5) Includes results from hedging on electricity; (6) Includes EDP group's commercial shared services in Iberia platform in Portugal; (7) Includes capacity payments, services rendered and others; (8) Volumes excluding sales to our cogeneration units.

Liberalised Electricity Generation in the Iberian Market

Income Statement (€ m)	9M12	9M11	Δ%	Δ Abs.
Gross Profit	**333.5**	**357.2**	**-6.6%**	**-24**
Portugal	86.6	91.1	-4.9%	-4
Spain	243.1	263.6	-7.8%	-21
Adjustments	3.9	2.5	54%	+1
Supplies and services	51.1	51.1	0.1%	+0
Personnel costs	30.4	31.1	-2.5%	-1
Costs with social benefits	1.6	3.2	-51%	-2
Other operating costs (net)	32.7	30.9	5.8%	+2
Net Operating costs (1)	**115.8**	**116.4**	**-0.5%**	**-1**
EBITDA	**217.7**	**240.8**	**-10%**	**-23**
Provisions	2.5	(4.8)	-	+7
Net deprec. and amortisation	175.6	167.4	4.9%	+8
EBIT	**39.6**	**78.3**	**-49%**	**-39**
Employees (#)	**654**	**768**	**-15%**	**-115**

Key Operating Data	9M12	9M11	Δ%	Δ Abs.
Generation Output (GWh)	**9,379**	**11,762**	**-20%**	**-2,383**
CCGT	2,284	5,759	-60%	-3,475
Coal	4,831	3,727	30%	+1,104
Hydro	1,373	1,403	-2.2%	-30
Nuclear	891	872	2.1%	+18
Generation Costs (€/MWh) (2)	**40.2**	**40.1**	**0.3%**	**+0.1**
CCGT	82.7	59.8	38%	+22.9
Coal	35.7	31.5	13%	+4.2
Hydro	8.7	4.5	n.m.	+4.2
Nuclear	4.0	4.0	0.3%	+0.0
Load Factors (%)				
CCGT	9%	24%	-	-14p.p.
Coal	50%	39%	-	11p.p.
Hydro	15%	24%	-	-8p.p.
Nuclear	87%	86%	-	1p.p.
CO2 Emissions (mn tones)				
Total emissions (3)	6.7	7.1	-6.7%	-0
Free allowances (3)	7.8	8.1	-3.6%	-0

Capex (€ m)	9M12	9M11	Δ%	Δ Abs.
Expansion	**315.4**	**235.5**	**34%**	**+80**
Hydro	315.4	235.5	34%	+80
Maintenance	**39.4**	**24.3**	**62%**	**+15**
Recurrent	39.4	24.3	62%	+15
Non recurrent (environmental)	-	-	-	-
Total	**354.8**	**259.8**	**37%**	**+95**

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.

Output from our generation plants (excluding hydro pumping) was 20% lower YoY, at 9.4TWh in 9M12, since the decline in the output from our CCGTs (-3.5TWh) was only partially compensated by the rise in coal production (+1.1TWh). Accordingly, total CO_2 emissions fell by 7%, standing 15% short of free allowances in the period. In late 2011 we have reinforced our low-cost generation portfolio with the start up of two hydro repowerings: Picote II (246MW), in Nov-11, and Bemposta II (191MW), in Dec-11. Note that these repowerings, which implied an investment of €0.6m/MW installed, will serve to improve water management efficiency in the Douro basin, allowing us to produce more electricity in an average hydro year and to reap more fruits from existing opportunities in peak hours. **Average production cost** in 9M12 was virtually flat YoY at €40/MWh, reflecting the mixed impact of higher production cost at coal plants and CCGTs; and a cheaper generation mix (stemming from the higher contribution from coal plants', lower contribution coal plants. On a quarterly basis, average production cost was also flat, also supported by cheaper pumping costs.

<u>**Coal:**</u> **Output** rose by 30% in 9M12, mainly supported by coal plants' cost-competitiveness vis-a-vis CCGTs and by the implementation of RDL 1221/2010 in Spain. **Average load factor** advanced 11pp, to 50% in 9M12 (53% in 3Q12). Our Soto 3 plant is producing electricity under the terms of RDL 1221/2010: while the Resolution 20651, of Dec 30, 2011, defined a contracted margin for a total committed production in 2012 at Soto 3 of 1.4TWh, RD13/2012 dictated a 10% cut to the contracted margin. In 9M12, Soto 3 produced a total of 0.8TWh. Our **average production cost** reached €36/MWh (+13% YoY), mainly driven by higher CO_2 costs net of free CO_2 allowances.

<u>**CCGTs:**</u> **Output** declined by 60% in 9M12, impacted by higher production cost. As a result, avg. load factor was 14pp lower YoY, at 9% in 9M12. **Average production cost** reached €83/MWh in 9M12, driven by higher average gas cost and lower production.

<u>**Hydro & Nuclear:**</u> Hydro production in 9M12 was 2% lower YoY, following a 30% YoY increase in 3Q12 backed by weaker comparison basis. The rise in average cost of hydro production to €8.7/MWh derived from the more intense pumping activity (401GWh in 9M12 vs 229GWh in 9M11), lower pumping costs and low hydro output, in a context of low reservoir levels. Pumping activity was concentrated at our Alqueva plant, implying an average discount to the pool price of c40% (vs. c25% in 1H12). In turn, nuclear output rose by 2% in 9M12 backed by an average load factor of 87% (+1pp YoY).

In Nov-11, the Spanish Government approved an increase in capacity payments attributed to CCGTs, from €20/kW to €26/KW (Ministerial Order ITC/3127/2011), but in Mar-12 it cut these incentives by 10% in 2012. Moreover, it was introduced an availability premium of €4.7/kW in 2012, defined annually through Ministerial Order, for imported coal plants, CCGT and hydro plants. In Portugal, following the Ordinance 139/2012 (May 14th) and 251/12 (Aug 20th), capacity payments were interrupted as from 1-Jun-12 and due to be replaced by lower incentives to be in place as from the end of Portugal's bailout: merchant thermal capacity shall receive incentives to capacity availability throughout its useful life; new hydro plants shall receive an investment incentive for 10 years and repowerings with pumping shall receive 50% of investment incentive defined for new projects. In Sep-12, the Spanish government approved a draft bill aimed at granting the sustainability of the electricity sector. The set of measures included in this draft bill includes a variety of taxes which would impact the production cost of electricity based on different technologies.

Net operating costs(1) were almost flat YoY at €116m in 9M12, mainly driven by lower production and tight cost control. **Net depreciation charges** rose 5%, driven by new capacity on stream (hydro in Portugal) and higher working hours at our coal plants.

Capex in liberalised generation totalled €355m in 9M12, with a small portion (€39m) reporting to maintenance works. The bulk of capex (89% of total) was devoted to new hydro capacity. EDP is currently building 6 hydro projects (1,710MW): 3 hydro plant repowerings (Alqueva II, Venda Nova III, Salamonde II) and 3 new hydro plants (Baixo Sabor, Ribeiradio and Foz Tua), due in 2012/16. Alqueva II (256MW) is currently undergoing test period and should be commissioned until the end of this year.

(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 (€ m)	Energy Supply in Spain			
	9M12	9M11	Δ%	Δ Abs.
Gross Profit	**118.9**	**109.0**	**9.1%**	**+10**
Supplies and services	53.0	51.9	2.1%	+1
Personnel costs	10.4	9.3	11%	+1
Costs with social benefits	0.5	0.4	34%	+0
Other operating costs (net)	10.4	25.6	-60%	-15
Net Operating costs (1)	**74.3**	**87.3**	**-15%**	**-13**
EBITDA	**44.6**	**21.7**	**105%**	**+23**
Provisions	(2.2)	(3.8)	-43%	+2
Net depreciation and amortization	5.8	4.0	47%	+2
EBIT	**41.0**	**21.6**	**90%**	**+19**

Income Statement (€ m)	Energy Supply in Portugal			
	9M12	9M11	Δ%	Δ Abs.
Gross Profit	**153.9**	**145.1**	**6.1%**	**+9**
Supplies and services	93.5	88.1	6.2%	+5
Personnel costs	30.0	28.7	4.4%	+1
Costs with social benefits	3.0	3.3	-9.3%	-0
Other operating costs (net)	9.2	7.5	23%	+2
Net Operating costs (1)	**135.7**	**127.5**	**6.4%**	**+8**
EBITDA	**18.2**	**17.5**	**3.7%**	**+1**
Provisions	(2.5)	(4.1)	-	+2
Net depreciation and amortization	12.1	11.2	7.8%	+1
EBIT	**8.7**	**10.5**	**-17%**	**-2**

Key data	9M12	9M11	Δ%	Δ Abs
Energy Supply in Spain				
Electricity - Free market				
Volume Sold (GWh)	14,804	15,588	-5.0%	-784
Market Share (%)	11%	12%	-	-1p.p.
Clients (th.)	731	695	5.2%	+36
Electricity - Last resort supply				
Volume Sold (GWh)	551	637	-13%	-86
Clients (th.)	289	324	-11%	-35
Gas - Free market & Last resort supply				
Volume Sold (GWh)	20,699	20,622	0.4%	77
Market Share (%)	10%	11%	-	-1p.p.
Clients (th.)	764	796	-4.1%	-32
Energy Supply in Portugal				
Electricity - Free market				
Volume Sold (GWh)	7,189	6,843	5.1%	+346
Market Share (%)	39%	42%	-	-3p.p.
Clients (th.)	548	293	87%	+255
Gas - Free market				
Volume Sold (GWh)	4,525	5,203	-13%	-678
Market Share (2) (%)	17%	15%	-	2p.p.
Clients (th.)	29	1	n.m.	+29
Capex (€m)	**8.7**	**8.5**	**1.8%**	**+0**
Employees (#)	**1,159**	**1,082**	**7.1%**	**+77**

Our electricity and gas supply activities in Portugal and Spain are managed in single energy platforms, ensuring a responsive and competitive commercial structure. EDP Group's subsidiaries that operate in this business segment have intra-group electricity and gas procurement contracts with our generation and energy trading divisions.

Energy Supply in Spain

Electricity – Volumes supplied to our clients in the free market decreased 5% YoY to 14.8TWh in 9M12 while the number of clients supplied went up by 5% YoY, translating EDP's strategy to focus on most attractive clients, even though at the expense of lower volumes, therefore reducing the risk of the company's clients portfolio. Market share fell by a slight 1pp to 11% in 9M12, with EDP still maintaining a supply market share that is roughly the double of its share in generation.
Gas – Volumes supplied were almost flat at 20.7TWh in 9M12, whereas the number of clients supplied went down by 4% in the same period, reflecting our selective clients contacting policy in a though retail market environment. Market share fell slightly from 11% in 9M11 to 10% in 9M12.

In 9M12, **net operating costs** decreased €13m YoY on the back of a €12m non-recurrent income accounted for in 1Q12 at the level of other operating costs.

Energy Supply in Portugal

Electricity – Volumes supplied to EDP clients in the free market increased by 5% YoY to 7.2TWh in 9M12, supported by some large industrial clients contracting in mid 2011 and a 91% increase of our B2C electricity clients base. On a quarterly basis, volumes supplied rose by 11% in spite of tough competition. All in all, EDP's market share stood at 39% in 9M12, down from 42% in 9M11. This evolution is in line with EDP's strategy to focus on most attractive smaller clients.
Gas – Volumes supplied fell 13% YoY to 4.5TWh in 9M12, reflecting lower demand and a very competitive market namely in the B2B segment. Volumes supplied in 3Q12 rose by 10% YoY to 1.4TWh, while the number of clients went up from 8k as of Jun-12 to 29k as of Sep-12. All in all, EDP gas supply market share increased by 2pp YoY to 17% in 9M12.

Note that, in anticipation to the growing market liberalisation, EDP launched 2 promotional campaigns: i) a first one in Jan-12, known as "EDP-Continente", made in partnership with a major Portuguese retail group and offering, for 1 year, a superstore discount equivalent to 10% of the electricity bill to residential clients that contracted electricity supply with EDPC ("EDPC", our subsidiary for energy supply activities in Portugal) until the end of Mar-12 – this campaign allowed the capture of ~150k residential clients, which translated into the observed increase of our electricity clients base; ii) a second one in Jul-12, known as "Casa Total 10+2", and offering, for 1 year, 10% discount in gas and 2% discount in electricity bills to residential clients that contracted both electricity and gas supply with EDPC until the end of Sep-12 – this campaign allowed the capture of ~22k residential clients (dual-offer), which translated into the previously mentioned increase of our gas clients base and gas supply market share.

In 9M12, **net operating costs** increased by €8m YoY driven by: i) higher supplies and services, namely of costs with client services (call centre, billing, meters reading, among other), which is in line with the increase of our clients base and with the growing liberalisation process; and ii) a lower level of reversion of on doubtful client's provisions.

Prospects – Electricity and gas supply margins in Iberia are expected to remain under pressure due to the combined impact of higher pool prices (electricity), competitive last resort tariffs (LRT) and fierce competition in the market. **Volume-wise**, in Spain, we expect the Sep-12 increase in gas and electricity VAT from 18% to 21% to put some additional pressure on demand. In Portugal, the regulator proposed a 2.8% avg increase for low voltage LRT in 2013. Additionally, as from Jan-13, all regulated clients will pay a transitory premium (quarterly updated) in order to promote the transfer of clients to the free market.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net).
(2) Based on consumption in segment NG>10,000 m^3/year.

EDP Renováveis: Financial Performance

Income Statement	EDP Renováveis (€ m)			
	9M12	9M11	Δ %	Δ Abs.
Gross Profit	**842.0**	**689.2**	**22%**	**+153**
Supplies and services	183.5	164.5	11%	+19
Personnel costs	46.8	42.4	10%	+4
Other operating costs (net)	(63.0)	(66.1)	-4.7%	+3
Net Operating Costs (1)	**167.3**	**140.9**	**19%**	**+26**
EBITDA	**674.7**	**548.3**	**23%**	**+126**
Provisions	-	(0.3)	-	+0
Net Deprec. & amortisation	330.8	309.3	7.0%	+22
EBIT	**343.9**	**239.4**	**44%**	**+105**
Capital gains/(losses)	2.9	10.0	-72%	-7
Financial Results	(200.7)	(176.5)	14%	-24
Results from associates	4.3	3.7	15%	+1
Pre-tax profit	**150.3**	**76.6**	**96%**	**+74**

Opex Performance	9M12	9M11	Δ %	Δ Abs.
Opex/Avg. MW (€ th) (4)	39.7	37.5	6.0%	+2
Employees (#)	850	818	3.9%	+32

Operational Overview	9M12	9M11	Δ %
Installed Capacity (MW)	**7,388**	**6,959**	**6.2%**
Europe	3,738	3,553	5.2%
USA	3,567	3,323	7.3%
Brazil	84	84	-
Output (GWh)	**13,345**	**11,975**	**11%**
Europe	5,977	5,240	14%
USA	7,204	6,632	8.6%
Brazil	164	103	59%
Avg. Load Factor (%)	**29%**	**28%**	**1p.p.**
Avg. Elect. Price (€/MWh)	**63.9**	**57.8**	**11%**
EBITDA (€m)	**674.7**	**548.3**	**23%**
Europe	439.3	357.7	23%
USA	244.8	197.3	24%
Other & Adjustments	(9.3)	(6.7)	40%
EBIT (€m)	**343.9**	**239.4**	**44%**
Europe	272.1	201.0	35%
USA	87.8	49.5	78%
Other & Adjustments	(16.0)	(11.1)	44%
Capex (2)	**263.2**	**516.1**	**-49%**
Europe	131.4	216.1	-39%
USA	128.6	236.2	-46%
Brazil	2.8	59.8	-95%

EDPR Equity Market Data	9M12	9M11	Δ %
Share price at end of period (€/share)	3.49	4.09	-15%
Number of Shares Issued (million)	872.3	872.3	-
Stake Owned by EDP (%)	77.5%	77.5%	-

EDPR Financial Position Figures (€ m)	9M12	9M11	Δ %
Bank Loans and Other (net)	668.1	671.5	-0.5%
Loans with EDP companies (net)	2,839.5	2,775.4	2.3%
Net Financial Debt	**3,507.6**	**3,446.9**	**1.8%**
Non-controlling interests	**130.7**	**114.8**	**14%**
Net Institutional Partnership Liability (3)	**979.0**	**965.4**	**1.4%**
Equity Book Value	**5,395.7**	**5,295.8**	**1.9%**
EUR/USD - End of Period Rate	1.29	1.35	-4.2%

EDPR Financial Results (€ m)	9M12	9M11	Δ %
Net Interest Costs	(152.0)	(139.4)	-9.0%
Institutional Partnership costs (non-cash)	(50.5)	(46.3)	-9.1%
Capitalised Costs	13.3	29.3	-54%
Forex Differences	4.4	(15.8)	-
Other	(15.9)	(4.2)	-281%
Financial Results	**(200.7)**	**(176.5)**	**-14%**

EDP Renováveis (EDPR) owns and operates EDP Group wind power assets and develops projects for new wind farms or other sources of renewable energy. The two main markets in which EDPR operates are Spain (36% of EDPR's EBITDA in 9M12) and USA (35%). Other markets include Portugal (13%), France, Poland, Romania, Belgium and Brazil (the latter 5 representing 16% of EDPR's EBITDA in 9M12).

EDPR's EBITDA rose 23% YoY (+€126m) to €675m in 9M12, reflecting a 6% increase of installed capacity, +429MW to 7,388MW by Sep-12, a 29% avg. load factor in 9M12, up 1pp YoY, and a higher avg. selling price, up 11% YoY to €64/MWh, following the ongoing positive local currency performance in all of the regions where EDPR operates (Europe: +7%; US: +3%; and Brazil: +3%). **Major contributors to this EBITDA growth were: (1) the US market (+€47m)**, reflecting a €22m positive contribution from ForEx (9% YoY appreciation of the USD vs. the EUR), 244MW of additional capacity (57% of total additions), higher avg. load factors (+1pp YoY to 32%) and an increase of the avg. selling price (+3% YoY to USD47/MWh); **(2) Spain (+€44m YoY**, including hedging results), reflecting 90MW of additional capacity (21% of total added), higher avg. load factors (+1pp to 26%) and higher avg. selling prices (+7% YoY to €88/MWh); and **(3) European markets ex-Iberia (+€41m YoY)**, following 79MW of new capacity (18% of total additions; Romania: +57MW; France: +22MW), higher avg. load factors (+1pp YoY to 23%) and higher avg. selling prices (+12% YoY to €107/MWh). **In Portugal, EBITDA increased 6% YoY (+€5m)**, reflecting 16MW of new capacity (4% of total additions), a stable avg. load factor of 26% and higher avg. selling prices (+4% YoY to €107/MWh). The observed increase of **net operating costs** (+€26m YoY) mostly reflects: i) higher supplies & services (including O&M expenses) and personnel costs, on the back of a stronger US Dollar, the higher average capacity in operation and a lower capitalisation as a result of fewer FTEs allocated to construction and development activities; and ii) an increase in other operating costs, driven by top-line growth, the stronger US Dollar and higher taxes (Spain and France) and grid access fees (Spain). **Net depreciation and amortization** increased €22m YoY, reflecting the expansion of EDPR's assets portfolio, partly offset by the change, as of Apr-11, in wind farms' useful life from 20 to 25 years. All in all, **EDPR's EBIT rose 44% YoY (+€105m) to €344m in 9M12.**

EDPR's net debt increased €0.1bn YoY to €3.5bn as of Sep-12, reflecting investments in new capacity, changes in working capital related to PP&E suppliers and the appreciation of the USD vs. the EUR (by Sep-12, 40% of EDPR's financial debt was USD denominated). Net debt with financial institutions (outside of EDP Group), which represented 19% of EDPR's net debt as of Sep-12, is mostly related to project finance long term funding. In 9M12, EDPR closed €177m through project finance for 125MW in Spain and signed a project finance of €46m for 57MW in Belgium (funded in Oct-12). **Liabilities with Institutional Partnerships** remained relatively flat, at close to €1.0bn, given that the impacts from both the signing of a new institutional partnership structure in Dec-11 (USD124m, of which USD97m realized upfront) and a stronger US Dollar, were offset as tax equity partners are getting the tax benefits generated by the projects.

Net financial results rose 14% YoY (+€24m) to -€201m in 9M12, essentially reflecting: i) a 9% increase of net interest costs (+€13m), driven by the ForEx impact on USD interest costs and higher avg. financial debt (9M12: €4.0bn vs. 9M11: €3.5bn), while avg. cost of debt fell 30bp YoY to 5.3% in 9M12, translating the attractive rates closed in the latest funding deals; ii) lower capitalization (-€16m) due to a slow down of investment in the period; and iii) lower negative forex differences.

(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. (4) Opex excluding Other Operating Income; Ratio calculated considering average MW in operation.

EDP Renováveis: US & Spain

US	9M12	9M11	Δ %	Δ Abs.
Installed capacity (MW)	**3,567**	**3,323**	**7.3%**	**+244**
Under PTC	2,123	2,024	5%	+99
Under cash grant flip	500	500	-	-
Under cash grant	799	799	-	-
Avg. Load Factor (%)	32%	31%	-	1p.p.
Avg. Final Selling Price (USD/MWh)	47.1	45.5	3.4%	+1.5
USD/EUR - Avg. of period rate	1.28	1.41	-8.9%	-0.13
PPA's/Hedged				
Installed Capacity (MW)	2,804	2,659	5.5%	+145
Electricity Output (GWh)	5,571	4,788	16%	+783
Avg. Final Selling Price (USD/MWh)	52.2	50.5	3.4%	+1.7
Merchant				
Installed Capacity (MW)	763	664	15%	+99
Electricity Output (GWh)	1,633	1,844	-11%	-211
Avg. Final Selling Price (USD/MWh)	27.0	30.2	-10%	-3.1
Gross Profit (USD m)	330	299	10%	+31
PTC Revenues & Other (USD m)	121	112	7.7%	+9
Adjusted Gross Profit (USD m)	**451**	**411**	**10%**	**+40**
EBITDA (USD m)	**314**	**277**	**13%**	**+36**
EBIT (USD m)	112	70	62%	+43
Net Capex (USD m)	**165**	**332**	**-50%**	**-168**
Gross Capex	170	333	-49%	-163
Cash grant received	(5)	(1)	-	-4
Capacity under construction (MW)	**70**	**314**	**-78%**	**-244**

Spain	9M12	9M11	Δ %	Δ Abs.
Installed capacity (MW)	**2,284**	**2,194**	**4.1%**	**+90**
Avg. Load Factor (%)	26%	25%	-	1p.p.
Avg. achieved pool price (€/MWh)	45.6	46.4	-1.8%	-0.8
Avg. final selling price (€/MWh) (1)	88.0	82.6	6.6%	+5.4
Capacity under Transitory Regime				
Installed capacity (MW)	1,153	1,153	-	+0
Electricity output (GWh)	1,930	1,815	6.3%	+115
Capacity under RD 661/2007				
Installed capacity (MW)	1,131	1,042	8.6%	+90
Electricity output (GWh)	1,807	1,525	18%	+282
Hedging Results (€m)	**5.0**	**(5.7)**	**-**	**+11**
Gross Profit (€m) (1)	326	275	19%	+52
EBITDA (€m) (1)	**257**	**213**	**21%**	**+44**
EBIT (€m) (1)	149	111	34%	+38
Capex (€m)	**52**	**116**	**-55%**	**-64**
Capacity under construction (MW)	**26**	**57**	**-54%**	**-31**

In US, installed capacity rose 244MW, following: i) the commissioning of Blue Canyon VI wind farm (99MW in Oklahoma; power sold in SPP market; fiscal incentives received through tax equity deal) – note that Blue Canyon VI benefits from very competitive characteristics, given its low investment cost and a load factor above 40%, allowing EDPR to maximize the NPV of the project by choosing Production Tax Credits (PTCs) in lieu of the cash grant; and ii) the start of operations of the first 145MW from Marble River wind farm (215MW in New York State; power sold in NYISO/NEISO markets, with Renewable Energy Certificates (RECs) contracted to be sold through a 10 year PPA).

Avg. load factor went up 1pp YoY to 32% in 9M12, given better wind resources in Central and Eastern regions. Output under PPA contracts went up 16% YoY, reflecting the positive contribution from the start of the PPAs signed over previous periods for 359MW of merchant capacity (184MW which PPA started in Jan-12 and 175MW which PPA started in Jun-12) and the entry into operation of new capacity under PPA/Hedged. Avg. selling price (excluding revenues from PTCs) for energy sold through PPA/Hedged increased 3% YoY to USD52/MWh, reflecting the price escalators annual updates, while avg. selling price in merchant power markets dropped 10% YoY to USD27/MWh due to particularly low gas prices in 9M12 (Henry Hub -16% YoY to USD3.08/MMBtu). Overall, avg. selling price in US increased 3% YoY to USD47/MWh in 9M12, as higher volumes generated under PPAs, of higher prices, compensated for lower merchant prices. **Gross profit (including revenues from PTCs) rose USD40m YoY to USD451m in 9M12.** Operating costs increased only 3% YoY (+€4m), well below the business growth pace, benefitting from lower O&M costs reflecting EDPR's close monitoring. All in all, **9M12 EBITDA rose USD36m YoY to USD314m, while EBIT went up USD43m YoY to USD112m,** reflecting the extension of the wind farms useful life, which impacted only from Apr-11 onwards. As of Sep-12, EDPR had 70MW under construction in US from Marble River wind farm (215MW in New York State, of which 145MW started operations in 3Q12), expected to be completed this year.

In Spain, wind farms are remunerated under: (1) a transitory regime (for capacity installed before 2008), under which wind producers receive a unit tariff equal to 'achieved pool price + fixed premium (€38.3/MWh)'; or (2) RD 661/2007 regime (for capacity installed after 2008), offering two tariff options: (a) 'achieved pool price + premium (€20.1/MWh reflecting a temporary 35% cut until Dec-12)' with a cap (€94.3/MWh) and a floor (€79.1/MWh); or (b) a fixed tariff (€81.3/MWh). All tariffs set by RD661/2007 (including cap, floor & premium) are updated at CPI-X and set for 20 years. Starting from Jan-13, all the capacity will be remunerated according to the RD 611/2007.

EDPR EBITDA in Spain (including hedging results) went up €44m YoY to €257m in 9M12, while EBIT improved €38m YoY to €149m in 9M12, translating higher depreciations and amortizations which were driven by capacity additions, as EDPR expanded its portfolio in Spain by 90MW over the last 12 months. Avg. load factor improved 1pp YoY to 26% in 9M12, while electricity generated went up by 12% YoY to 3.7TWh. Avg. selling price for capacity under the transitory regime reached €90/MWh (excluding hedging results), down 1% YoY, following a slight decrease of avg. achieved pool prices (-2% YoY), while avg. selling price for capacity under RD661/2007 was €84/MWh, up 8% YoY. It is worth mentioning that out of the total 3.7TWh produced in 9M12, 86% were sold without exposure to market prices, through fixed tariffs (1,688GWh), hedges (1,402GWh) or fixed floor mechanism (119GWh), while only 14% (528GWh) were sold at market prices plus €38.3/MWh premium. Overall, avg. selling price in Spain, including hedging results, rose 7% YoY to €88/MWh, essentially reflecting better hedging prices (€52/MWh vs. €44/MWh), the strategic decision of choosing the fixed tariff option under the RD 661/2007 and inflation indexation of regulated prices under RD 661/2007. Going forward, for 4Q12, EDPR sold forward 0.5TWh at €52/MWh for the capacity under the transitory regime. As of Sep-12, EDPR had 26MW under construction in Spain, pre-registered and to be installed in 4Q12. In Jan-12, the Spanish Government introduced a moratorium on the payment of the regulated tariffs to renewable projects not pre-registered. In Sep-12, a draft bill was approved that refers a set of measures aimed at granting the sustainability of the electricity sector, among which the introduction of taxes on electricity sales generated by Spanish producers (6% both for the ordinary system and special regime).

(1) Includes hedging results in energy markets

EDP Renováveis: Portugal, Rest of Europe & Brazil

Portugal	9M12	9M11	Δ %	Δ Abs.
Installed capacity (MW)	**615**	**599**	**2.7%**	**+16**
Avg. Load Factor (%)	26%	26%	-	-0p.p.
Electricity Output (GWh)	1,046	1,027	1.9%	+20
Avg. Final Selling Price (€/MWh)	107	103	4.4%	+5
Gross Profit (€m)	114	107	6.3%	+7
EBITDA (€m)	**92**	**88**	**5.5%**	**+5**
EBIT (€m)	72	66	9.3%	+6
Capex (€m)	**9**	**1**	**-**	**+8**
Capacity under construction (MW)	**-**	**15**	**-**	**-15**
ENEOP Installed capacity (MW) (1)	350	321	9.0%	+29

Rest of Europe (2)	9M12	9M11	Δ %	Δ Abs.
France & Belgium				
Installed Capacity (MW)	363	341	6.3%	+22
Avg. Load Factor (%)	23%	21%	-	2p.p.
Electricity Output (GWh)	542	474	14%	+68
Avg. Final Selling Price (€/MWh)	92	90	1.9%	+2
Poland				
Installed Capacity (MW)	190	190	-	-
Avg. Load Factor (%)	25%	24%	-	1p.p.
Electricity Output (GWh)	313	237	32%	+76
Avg. Final Selling Price (PLN/MWh)	426	450	-5.4%	-24
EUR/PLN - Avg. of period rate	4.21	4.02	4.7%	+0.19
Romania				
Installed Capacity (MW)	285	228	25%	+57
Avg. Load Factor (%)	20%	16%	-	5p.p.
Electricity Output (GWh)	338	161	110%	+177
Avg. Final Selling Price (RON/MWh)	610	374	63%	+236
EUR/RON - Avg. of period rate	4.44	4.21	5.5%	+0.23
Gross Profit (€ m)	127	83	52%	+44
EBITDA (€ m)	**101**	**61**	**67%**	**+41**
EBIT (€ m)	65	29	127%	+36
Capex (€m)	**70**	**99**	**-29%**	**-29**
Capacity under construction (MW)	**270**	**99**	**174%**	**+172**

Brazil	9M12	9M11	Δ %	Δ Abs.
Installed Capacity (MW)	**84**	**84**	**-**	**-**
Avg. Load Factor (%)	30%	34%	-	-5 p.p.
Electricity Output (GWh)	164	103	59%	+61
Avg. Final Selling Price (R$/MWh)	285	277	2.6%	+7
EUR/BRL - Average of period rate	2.46	2.29	7.0%	+0.16
Gross Profit (R$ m)	43	28	57%	+16
EBITDA (R$ m)	**28**	**18**	**-**	**+11**
EBIT (R$ m)	16	11	-	+5
Capex (R$ m)	**7**	**137**	**-95%**	**-131**
Capacity under construction (MW)	**-**	**-**	**-**	**-**

In Portugal, EDPR has 615MW of wind capacity remunerated under the 'old tariff regime', with tariffs set for 15 years and indexed to both CPI and annual operating hours. In Sep-12, an extension to this tariff scheme was agreed, under which EDPR will annually invest €3.6m between 2013 and 2020 for an additional 7 years of a new framework with cap and floor selling prices of €98/MWh(3) and €74/MWh(3), respectively, to be applied from the 16th year of operation of the wind farm. Avg. load factor remained stable at 26% in 9M12, which along with 16MW of new capacity implied a 2% increase in wind production. Avg. tariff rose 4% YoY to €107/MWh, reflecting inflation indexation and voltage dips remuneration. Overall **EBITDA was €92m in 9M12, up €5m YoY, while EBIT improved €6m YoY to €72m,** reflecting slightly lower depreciations on the mentioned wind farms useful life extension. Still in Portugal, EDPR holds a 40% equity stake in ENEOP consortium (equity consolidated), licensed to build 1,200MW of wind capacity (480MW attributable to EDPR). ENEOP's wind farms are remunerated under a 'new tariff regime', at c€74/MWh (1st year of operation) and under which wind tariffs are also indexed to inflation and guaranteed for 15 years. As of Sep-12, ENEOP had an installed capacity of 874MW (350MW attributable to EDPR) and 72MW (29MW attributable to EDPR) under construction.

Looking at **European markets out of Iberia**, EDPR installed 79MW over the last 12 months, increasing its capacity to 838MW as of Sep-12. Output rose 37% YoY to 1.2TWh in 9M12, reflecting the new capacity brought on stream and higher avg. load factors, up 1pp to 23% in 9M12, with all geographies posting positive contributions. Avg. selling prices rose 12% YoY to €107/MWh, driven by the strong increase of prices in Romania (+64% YoY in local currency) and by its higher weight of wind production (28% vs. 18% in 9M11). **EBITDA rose €41m YoY to €101m in 9M12, while EBIT improved €36m YoY to €65m**, as capacity additions reflected into higher depreciations and amortizations.

In France, EDPR has 306MW of installed capacity (+22MW YoY). Wind power in France is sold through fixed tariffs indexed to inflation for 15 years. In 9M12, avg. tariff was €88/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, EDPR has 190MW of wind capacity: i) 120MW from Margonin wind farm, which power is sold in the wholesale market and for which EDPR has a 15 years long term contract for the sale of the green certificates (GCs); and ii) 70MW from Korsze wind farm, which output is sold through a 10 year PPA. In 9M12, avg. selling price was PLN426/MWh, down 5% YoY mostly due to the different pricing contract structure of the Korsze wind farm, installed in 2011. By the end of Sep-12, EDPR had 130MW under construction in Poland ('market price + GC').

In Romania, EDPR has 285MW of capacity (+57MW YoY). Wind production is sold at 'market price plus GC', which value is subject to a floor and a cap set in Euros (for 2012, floor was set at €28.2/MWh and the cap at €57.4/MWh). In 9M12, avg. selling price was up 63% YoY to RON610/MWh, following the implementation of the 2 GCs scheme per MWh produced, in place until 2017, thus reinforcing Romania's attractiveness for wind energy development. As of Sep-12, EDPR had 93MW under construction in Romania, of which 54MW of wind and 39MW of Solar PV. Solar PV energy is entitled to receive, in addition to the electricity price, 6 GCs per MWh produced in the first 15 years of operation.

In Italy, as of Jun-12, EDPR had 40MW under construction. For capacity installed before Dec-12, wind producers receive 'market price plus GC' until 2015; after 2015, these wind farms will be absorbed into a feed-in tariff mechanism. For capacity installed in 2013 and onwards, wind farms will be remunerated under a feed-in tariff scheme defined by tenders.

In Brazil, EDPR has 84MW of wind capacity remunerated under incentive programs for renewable energy development, through long term contracts to sell the electricity produced over 20 years. In the 9M12, avg. load factor fell 5pp YoY to 30%, given a change in production mix, as a 70MW wind farm (Tramandaí) started operations in May-11, during the best wind resource season of the year. Avg. selling price went up 3% YoY to R$285/MWh, on inflation update. In Dec-11, in the energy A-5 auction, EDPR was awarded 20-year PPAs for 120MW, to start in Jan-16 (57 avg MW @ R$97/MWh indexed to Brazilian inflation rate), reinforcing its presence in a market with attractive wind resources and strong growth prospects.

(1) Éolicas de Portugal is equity consolidated; (2) Including Italy, United Kingdom, mini-hydro and others; (3) Jun-2020 figures, including annual updates at an estimated inflation of 2% from 2012.

Regulated Networks & Regulatory Receivables in Iberia

Income Statement (€ m)	9M12	9M11	Δ %	Δ Abs.
Gross Profit	**1,411.8**	**1,353.3**	**4.3%**	**+58**
Supplies and services	315.9	327.2	-3.4%	-11
Personnel costs	109.8	110.7	-0.8%	-1
Costs with social benefits	17.0	15.7	7.8%	+1
Other operating costs (net)	159.8	100.1	60%	+60
Net Operating Costs (1)	**602.5**	**553.7**	**8.8%**	**+49**
EBITDA	**809.3**	**799.6**	**1.2%**	**+10**
Provisions	0.9	2.8	-66%	-2
Net depreciation and amortisation	240.2	259.2	-7.4%	-19
EBIT	**568.2**	**537.5**	**5.7%**	**+31**

Capex & Opex Performance	9M12	9M11	Δ %	Δ Abs.
Controllable Operating Costs (6)	**425.7**	**437.9**	**-2.8%**	**-12**
Cont. costs/client (€/client)	52.87	54.32	-2.7%	-1
Cont. costs/km of network (€/Km)	1,627.7	1,691.6	-3.8%	-64
Employees (#)	4,168	4,459	-6.5%	-292
Capex (Net of Subsidies) (€m)	**264.2**	**255.8**	**3.3%**	**+8**
Network ('000 Km)	261.6	258.9	1.0%	+3

Regulatory Receivables (€ m)	9M12	9M11	Δ %	Δ Abs.
Total Net Iberia Regulatory Receivables	**2,585.9**	**1,430.3**	**81%**	**+1,156**
Spain - Tariff Deficit (4)				
Beginning of Period	**513.6**	**759.1**	**-32%**	**-245**
Previous periods tariff deficits (5)	(176.0)	(401.1)	56%	+225
Tariff deficit in the period	193.4	155.2	25%	+38
Other (3)	-	35.9	-	-36
End of Period	**531.0**	**549.1**	**-3.3%**	**-18**
Portugal - Last Resort Supplier + Distribution + Gas				
Beginning of Period	**739.7**	**188.4**	**293%**	**+551**
Previous periods tariff deviation (2)	(444.4)	65.9	-	-510
Tariff deviation in the period	1,116.6	287.7	288%	+829
Other (3)	53.6	2.9	-	+51
End of Period	**1,465.5**	**544.9**	**169%**	**+921**
Portugal - CMEC's				
Beginning of Period	**390.3**	**488.2**	**-20%**	**-98**
(Recovery)/Return in the Period	(153.5)	(265.5)	42%	+112
Deviation in the period	352.7	113.5	211%	+239
Other	(0.0)	0.2	-	-0
End of Period	**589.4**	**336.4**	**75%**	**+253**

Regulated networks activity in Iberia includes our activities of distribution of electricity and gas in Portugal and Spain and our activity of gas transmission in Spain.

EBITDA from regulated networks increased 1% in 9M12 amounting to €809m reflecting a combined impact from: (1) the rise in Portugal distribution grid regulated revenues following an increase in rate of return from 8.56% in 2011 to 10.05% in 2012 and (2) 7% decrease of regulated revenues in electricity distribution in Spain due to regulatory changes unveiled in Mar-12. It's important to highlight that figures from both years are impacted by non-recurrent events: (i) €15m consequence of the application of IFRIC18 in electricity distribution in Spain in 3Q12, (ii) €13m positive one-off in 3Q12 at the level of gas distribution in Portugal, (iii) €8.5m tariff deviations from previous years accounted in gas distribution in Portugal in 1H11, (iv) the sale of transmission assets to REE (+€27m) in 1Q11 and (v) €21m intra-group real estate gain in 1H11 (no impact at consolidated level). Excluding these impacts, EBITDA increased 5% YoY (+€38m).

Controllable operating costs decreased 3% YoY related to lower supplies and higher efficiency reflecting favorable dry weather in the Iberian Peninsula. **Capex** increased by 3% YoY mostly dedicated to service quality.

Regulatory receivables in Iberia increased by €942m from €1,644m in Dec-11 to €2,586m in Set-12 driven by an increase of €925m in Portugal and a increase by €17m in Spain.

Regulatory receivables from electricity distribution and last resort supply in Portugal increased by €703m in 9M12 from €720m in Dec-11 to €1,423m in Sep-12 is driven by: **(1)** €729m regarding deferral of €972m ex-ante tariff deficit for 2012 to be fully recovered through 2013-2016 tariffs and remunerated at 6.3% annual return; **(2)** €198m mainly due to higher than expected overcost with special regime production (€69/MWh in 9M12 vs. €46.6/MWh assumed by ERSE in the calculation of 2012 tariffs); **(3)** €169m essentially due to negative tariff deviation generated in electricity distribution activity related to payment of ex-ante tariff deficit of €141m related to CMECs deviations remunerated at 4.0% annual return and **(4)** €447m recovered through tariffs referent to negative previous years deviations (collection of €564m expected to 2012).

Regulatory receivables from CMECs increased by €199m in 9M12 from €390m in Dec-11 to €589m in Sep-12 driven by: **(1)** €154m recovered in 9M12 through tariffs related to 2011 negative deviations and **(2)** €353m negative deviation in 9M12 between gross profit defined by CMECs and gross profit achieved in the market propelled by extreme dry weather (hydro production factor fell 65% short of an average year). This amount is due to be received in up to 24 months through TPA tariffs, paid by all Portuguese electricity consumers.

Regulatory receivables in Spain by the end of Sep-12, amounted to €531m (including interests/financial updates): i) €193m regarding 2012 tariff deficit; ii) €201m regarding 2011 tariff deficit and iii) €137m from the 2010 tariff deficit. In 9M12, a total amount of €3.3bn of the Spanish deficit was securitised by FADE (the fund in charge of the securitization) of which €168m were entitled to our subsidiary HC Energia. By Sep-12 the deficit for the whole Spanish electricity system pending of securitization amounted to €7bn.

For 4Q12, **last resort tariff (LRT) in Spain decreased by 2.0%** based on an avg. baseload cost of €51.75/MWh fully **passing through the 4.6% decrease in energy costs** arising from the CESUR auction and the access tariffs will stay flat QoQ.

Regarding future evolution of regulatory receivables in Portugal implicit in ERSE's preliminary proposal for 2013 tariffs we estimate regulatory receivables amounting to around €2.2bn in Dec-12 and an increase of approximately €0.5bn in 2013 as a result of: **(1)** deferral of special regime premiums amounting to €1,275m by Dec-13 to be fully recovered through 2014-2017 tariffs (can be securitized); **(2)** creation of an ex-ante tariff deficit of €150m related to 2011 CMECs deviations (can be securitized); and **(3)** recovery of €578m related with deviations and deferrals from previous years.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits + Concession fees) + Other operating costs (net)
(2) Includes the assignment to a third party of the right to tariff deficits/adjustments and recovery or pay-back through the tariffs of previous years' tariff deviations. (3) Includes interests on previous years tariff deviations.
(4) Net of CO2 clawback costs. (5) Includes the recovery/payment of previous periods tariff deficits. (6) Supplies & services and personnel costs.

Electricity Distribution and Last Resort Supply in Portugal

Income Statement (€ m)	9M12	9M11	Δ %	Δ Abs.
Gross Profit	**1,022.9**	**962.2**	**6.3%**	**+61**
Supplies and services	240.1	246.8	-2.7%	-7
Personnel costs	86.1	88.3	-2.5%	-2
Costs with social benefits	15.0	12.7	18%	+2
Concession fees	187.1	181.8	2.9%	+5
Other operating costs (net)	8.0	(28.9)	-	+37
Net Operating Costs (1)	**536.2**	**500.6**	**7.1%**	**+36**
EBITDA	**486.8**	**461.5**	**5.5%**	**+25**
Provisions	1.0	3.1	-67%	-2
Net depreciation and amortisation	170.5	184.3	-7.5%	-14
EBIT	**315.3**	**274.2**	**15%**	**+41**

Gross Profit Performance	9M12	9M11	Δ %	Δ Abs.
Gross Profit (€m)	**1,022.9**	**962.2**	**6.3%**	**+61**
Regulated gross profit	1,013.7	952.5	6.4%	+61
Non-regulated gross profit	9.2	9.6	-5.0%	-0
Distribution Grid				
Regulated revenues (€ m)	944.6	875.5	7.9%	+69
Electricity distributed (GWh)	33,248	34,879	-4.7%	-1,631
Supply Points (th)	6,106.8	6,153.6	-0.8%	-47
Last Resort Supply				
Regulated revenues (€ m)	70.8	78.7	-10%	-8
Clients supplied (th)	5,364.5	5,790.0	-7.3%	-426
Electricity sold (GWh)	14,820	18,490	-20%	-3,670

Capex & Opex Performance	9M12	9M11	Δ %	Δ Abs.
Controllable Operating Costs (4)	**326.1**	**335.1**	**-2.7%**	**-9**
Cont. costs/client (€/client)	53.4	54.5	-1.9%	-1
Cont. costs/km of network (€/Km)	1,455.4	1,507.8	-3.5%	-52
Employees (#)	3,575	3,633	-1.6%	-58
Capex (Net of Subsidies) (€m)	**202.9**	**182.9**	**11.0%**	**+20**
Network ('000 Km)	224.1	222.2	0.8%	+2
Equival. interruption time (min.) (5)	38	53	-28%	-15

EBITDA from electricity distribution and last resort supply activities in Portugal rose 5% to €487m in 9M12. Excluding a €21m intra-group real estate gain in 9M11 (no impact at consolidated level), EBITDA increased by 10% (+€46m). The increase in EBITDA was supported by higher regulated rate of return on assets and lower sensitivity to changes in consumption.

In 9M12, **electricity distributed** was 4.7% lower YoY driven by the residential, SME and public lighting segments, following the increase in taxation over electricity consumption (VAT up from 6% to 23% from Oct-11 onwards) and reducing of households' disposable income. The 0.8% decline in the number of supply points had an immaterial impact at gross profit level.

Distribution grid regulated revenues increased €69m to €945m in 9M12, essentially on the back of €1,286m annual regulated revenues defined by the regulator for 2012 based on regulated rate of return on assets of 9.5% for 2012 on a preliminary base and a forecast for volume of electricity distributed in 2012 of 47.6TWh (2.3% above 2011 electricity distribution). In 9M12, regulated revenues were impacted by: (1) a €33m positive impact due to an increase of return on RAB (from 9.5% to 10.05% for 2012). The final asset remuneration was set in 10.05% indexed to average Portuguese Republic 5Y CDS between Oct-11 and Set-12 (1,000.5 bp) and (2) a €8m negative impact from volumes distributed below regulator forecast.

Last resort supplier (EDP SU) regulated revenues decreased by 10% to €71m following the switching of clients to liberalized suppliers, in line with the calendar of increasing liberalization of the Portuguese electricity supply market. In July 1st 2012, a new stage was reached in the process of liberalisation of electricity supply in Portugal. From Jul-12, EDP SU, the last resort supplier, cannot execute new contracts with clients requiring contracted power ≥10.35 kVA while EDP SU's current clients ≥10.35 kVA were penalised from this date onwards with a 2% average tariff increase in order to encourage their transfer to a liberalised supplier. Volume of electricity supplied by our last resort supplier fell 20% YoY to 14.8TWh and as a result market share in electricity supply dropped from 53% in 9M11 to 45% in 9M12. The regulator set regulated revenues to last resort electricity supply of €94m for 2012 and an assumption of special regime generation of 19.6TWh (7.9% above 2011 special regime generation).

Controllable operating costs decreased 3% YoY due to lower supplies and services as a result of favourable dry weather reflecting a decrease in needs for maintenance and repairs works and lower personnel costs reflecting a decrease of the number of employees by 58. Other operating revenues in 9M11 include €21m intra-group real estate gain. **EBIT** increased by 15% YoY backed by a €7m one-off impact at the level of net depreciation and amortization occurred in 1Q12.

Capex in 9M12 increased 11% YoY to €203m. The Equivalent Interruption Time (EIT) in 9M12 was 38 minutes, a significant improvement compared to 9M11, as a result of investment in improving the quality of service and benefiting from favourable weather conditions.

On 15-Oct-12, ERSE published a preliminary proposal for 2013 tariffs and regulated revenues in 2013 for our electricity distribution and last resort supply activities in Portugal (final figures to be published until 15-Dec-12). ERSE proposed: (1) a 2.8% avg. annual increase for electricity tariffs in Portugal; (2) a **regulated rate of return on assets (RoR) of 9.5% for 2013 on a preliminary base** 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). From 1-Oct-12 until 31-Oct-12 average Portuguese CDS was 413b.p.; (3) **electricity distribution regulated revenues of €1,273m for 2013**; (4) **last resort electricity supply regulated revenues of €95m for 2013;** (5) a forecast for gross demand (before grid losses) in 2013 of 49.4TWh (2.2% below 2011 electricity gross demand); and (6) an assumption of special regime generation of 19.5TWh (7.3% above 2011 special regime generation).

(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). Although there are no events in 9M12.

Electricity and Gas Networks in Spain and Gas Networks in Portugal

Income Statement (€ m)	Electricity Spain			Gas Spain			Gas Portugal		
	9M12	9M11	% Δ	9M12	9M11	% Δ	9M12	9M11	% Δ
Gross Profit	**122.8**	**135.0**	**-9.0%**	**202.9**	**197.3**	**2.8%**	**63.2**	**58.8**	**7.4%**
Supplies and services	33.0	37.6	-12%	31.4	30.8	2.0%	11.5	12.1	-4.5%
Personnel costs	14.5	14.1	2.5%	8.1	8.6	-6.4%	1.2	1.5	-21%
Costs with social benefits	1.4	0.7	89%	0.4	0.3	58%	0.2	0.2	-0.6%
Other operating costs (net)	(33.2)	(51.5)	35%	(1.9)	(1.0)	95%	(0.2)	(0.3)	-39%
Net Operating Costs (1)	**15.7**	**1.0**	**-**	**38.0**	**38.7**	**-1.9%**	**12.7**	**13.4**	**-5.6%**
EBITDA	**107.2**	**134.0**	**-20%**	**164.9**	**158.6**	**4.0%**	**50.5**	**45.4**	**11%**
Provisions	0.0	0.0	69%	(0.1)	(0.3)	-71%	0.0	0.0	21%
Net Depreciation. & amortisation	23.6	22.3	6.0%	36.0	43.4	-17%	10.1	9.3	8.6%
EBIT	**83.6**	**111.7**	**-25%**	**129.0**	**115.5**	**12%**	**40.4**	**36.1**	**12%**
Capex (net os subsidies)	**22.2**	**29.5**	**-25%**	**16.4**	**19.5**	**-16%**	**22.8**	**24.0**	**-5.0%**
Gross Profit	**122.8**	**135.0**	**-9.0%**	**202.9**	**197.3**	**2.8%**	**63.2**	**58.8**	**7.4%**
Regulated Revenues	115.5	124.7	-7.4%	175.9	171.0	2.9%	47.2	47.8	-1.5%
Non-regulated gross profit	7.4	10.3	-28%	26.9	26.3	2.5%	16.0	11.0	46%

Iberian Regulated Networks	9M12	9M11	% Δ	Abs. Δ
Number of Supply Points (th)				
Electricity Spain	656.9	654.8	0.3%	+2
Gas Spain	1,004.0	989.3	1.5%	+15
Gas Portugal	285.4	264.4	8.0%	+21
Energy Distributed (GWh)				
Electricity Spain	6,791	7,220	-5.9%	-429
Gas Spain	42,866	35,396	21%	+7,469
Gas Portugal	5,520	5,296	4.2%	+224
Network (Km)				
Electricity Spain	22,912	22,585	1.4%	+327
Gas Spain	10,292	10,054	2.4%	+238
Gas Portugal	4,269	4,005	6.6%	+264
Employees (#)				
Electricity Spain	315	327	-3.7%	-12
Gas Spain	215	225	-4.4%	-10
Gas Portugal	63	64	-1.6%	-1

ELECTRICITY DISTRIBUTION IN SPAIN

Electricity distributed by HC Energia, essentially in the region of Asturias, decreased by 6% YoY due to lower demand from industrial segment.

EBITDA from our electricity distribution activity in Spain decreased 20% (€27m) YoY to €107m in 9M12 mainly reflecting: i) the inclusion of €27m non-recurrent gain related to the sale of transmission assets to REE in 1Q11; ii) €15m non-recurrent other operating income in 3Q12 consequence of the application of IFRIC18 associated to the start-up of substation in Gijón (Asturias)(2) and iii) negative impact from RDL 13/2012 which implied a 7% decrease of regulated revenues in 9M12 (-€9m). Excluding the impact of sale of transmission assets and application of IFRIC18, EBITDA decrease 14% YoY (€14m).

In Dec-11, the Spanish Government published a Ministerial Order with the remuneration for the electricity distribution regulated activity. Regulated revenues attributable to HC Distribución for the year 2012 amount to €169.3m. In Mar-12, Spanish Government published RDL 13/2012 which reduced **regulated revenues attributable to HC Distribución for the year 2012** to €151.4m (-11%).

GAS REGULATED NETWORKS IN SPAIN

EBITDA from gas regulated networks in Spain went up 4% YoY (+€6m) to €165m in 9M12, due mostly to a 3% increase of regulated revenues (+€5m).

Regulated revenues rose 3% YoY backed by a 2% increase in the number supply points and the 2% increase of our network's extension. The 21% increase of volume of gas distributed through the distribution network to 42.9 GWh was due to the connection to our network of new Repsol refinery in Cartagena (Murcia region).

In Dec-11 it was published the Ministerial Order that set the remuneration for the gas regulated activities. **Regulated revenues** attributable to Naturgas Energia (NGE) **in 2012 amount to €232m**, including Naturgas gas transmission network (€25.9m).

In Jul-12, EDP has reached an agreement with Enagás and Ente Vasco de la Energía, the public entity controlled by the government of Spain's Basque Country region, for the **sale of the gas transmission assets in Spain** (2012E EBITDA: €27m). The agreed transaction price represents an enterprise value of €262.5m. The completion of the transaction is subject to certain conditions, including authorizations by antitrust and relevant regulatory authorities and is expected to be concluded in 1Q13.

GAS REGULATED NETWORKS IN PORTUGAL

Gas volumes distributed in Portugal went up 4% YoY supported by the 8% 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 Jul-12, ERSE recognised that EDP has the right to receive €13.5m (capital plus interests) in 3 annual installments until 2015/2016 related with the economic and financial balance of concession agreement. This way, EDP accounted in 9M12 one-off revenues amounting to €13m. **EBITDA from gas regulated activities in Portugal** increased 11% YoY (+€5m) to €50m in 9M12 on the back of revenues explained above and €8.5m tariff deviations from previous years accounted in 1H11 based on a decree-law published in Portugal, which allow tariff deviations to be accounted on the same way as electricity. Excluding these impacts, EBITDA increased by 1% YoY (€+0.5m).

In Jun-12, **ERSE set the gas tariffs for the regulatory period from Jul-12 to Jun-13,** defining a 9% return on assets resulting on annual regulated revenues of €69m. ERSE set a 6.9% avg. last resort tariff increase for small clients and a 7.4% avg. transitory tariff increase to big clients.

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

EDP - Energias do Brasil: Financial Performance

Income Statement	Consolidated (R$ m)				Consolidated (€ m)			
	9M12	9M11	Δ %	Δ Abs.	9M12	9M11	Δ %	Δ Abs.
Gross Profit	**1,589.3**	**1,848.0**	**-14%**	**-259**	**647.2**	**805.5**	**-20%**	**-158**
Supplies and services	318.3	299.4	6.3%	+19	129.6	130.5	-0.7%	-1
Personnel costs	195.0	176.1	11%	+19	79.4	76.8	3.4%	+3
Costs with social benefits	36.7	23.2	58%	+13	14.9	10.1	47%	+5
Other operating costs (net)	63.5	77.5	-18%	-14	25.9	33.8	-23%	-8
Net Operating Costs (1)	**613.5**	**576.3**	**6.5%**	**+37**	**249.9**	**251.2**	**-0.5%**	**-1**
EBITDA	**975.7**	**1,271.7**	**-23%**	**-296**	**397.4**	**554.3**	**-28%**	**-157**
Provisions	15.3	33.8	-55%	-19	6.2	14.7	-58%	-9
Net depreciation and amortisation	261.1	249.7	4.6%	+11	106.3	108.8	-2.3%	-2
EBIT	**699.4**	**988.3**	**-29%**	**-289**	**284.8**	**430.8**	**-34%**	**-146**
Capital gains/(losses)	-	-	-	-	-	-	-	-
Financial results	(188.2)	(217.0)	13%	+29	(76.6)	(94.6)	-19%	+18
Results from associates	(3.3)	(2.5)	-32%	-1	(1.4)	(1.1)	-	-0
Pre-tax profit	**507.9**	**768.8**	**-34%**	**-261**	**206.8**	**335.1**	**-38%**	**-128**
Capex	**623.2**	**524.1**	**19%**	**+99**	**253.8**	**228.4**	**11%**	**+25**
Maintenance	198.0	285.2	-31%	-87	80.6	124.3	-35%	-44
Expansion	425.2	238.9	78%	+186	173.2	104.1	66%	+69

Energias do Brasil	9M12	9M11	Δ %
Share price at end of period (R$/share) (2)	12.87	12.67	1.6%
Number of shares Issued (million) (2)	476.4	476.4	-
Treasury stock (million) (2)	0.8	0.8	-
Number of shares owned by EDP (million) (2)	243.0	243.0	0.0%
Euro/Real - End of period rate	2.62	2.51	-4.4%
Euro/Real - Average of period rate	2.46	2.29	-6.6%
Inflation rate (IGP-M - 12 months)	8.1%		-
Net Debt / EBITDA (x)	2.5	1.3	
Average Cost of Debt (%)	9.1	9.6	-47 b.p.
Average Interest Rate (CDI)	8.5	11.2	-263 b.p.
Employees (#)	2,677	2,450	+227

Key Balance Sheet Figures (R$ Million)	9M12	9M11	Δ %
Net financial debt	3,236	2,219	46%
Regulatory receivables	184	(1)	-
Non-controling Interests	1,970	1,887	4.4%
Equity book value	4,654	4,834	-3.7%

Financial Results (R$ Million)	9M12	9M11	Δ %
Net Interest Costs	(209.1)	(171.6)	-22%
Capitalised Costs	80.1	63.8	25%
Forex Differences	(21.6)	(40.9)	47%
Other	(37.5)	(68.2)	45%
Financial Results	**(188.2)**	**(217.0)**	**13%**

In local currency, EDP – Energias do Brasil (EDPB) 9M12 EBITDA decreased 23% YoY reflecting a 50% drop of EBITDA in distribution on the back of higher generation costs not covered by tariffs collected (negative tariff deviation) and a 13% EBITDA growth in generation division backed by (i) inflation updates of prices of long term contracts and (ii) higher spot prices due to dry weather in 9M12. Adjusted by non-recurrent itens, namely (i) impact of tariff deviations including the new regulatory methodology in Bandeirante's tariffs (-R$166m in 9M12 vs. 9M11); (ii) capitalization of some distribution revenues in 9M12 which were not capitalized in 9M11 (R$37m) and (iii) negative contribution of Pécem's coal plant due to the delay of its commercial operation (R$23m in 3Q12), **normalized EBITDA would have declined 6% YoY from R$1,241m in 9M11 to R$1,171m in 9M12 (20% above reported EBITDA in 9M12).**

Foreign exchange contributed negatively with -€28m in EDPB's EBITDA in Euro terms, as the Real depreciated 7% against the Euro.

Net operating costs increased 6%: (i) supplies and services rose 6%, below inflation of 8.1% on the back of the replacement of external services by internal staff; (ii) personnel costs went up by 11%, reflecting mostly the annual salary update of +7.3% by Nov-11 and +1.0% by Jan-12 and also higher average headcount; (iii) costs with social benefits soared R$13m mostly justified by the one-off costs with indemnities regarding HR restructuring costs (R$9m); and (iv) other net operating costs declined R$14m reflecting a gain obtained with the sale of buildings in 1H12 (R$16m).

Note that provisions were abnormally high in 9M11 due to a R$25m provision booked in 2Q11 related to a legal litigation with the client White Martins.

Net financial costs declined by R$29m to R$188m as a result of: (i) R$52m one-off cost in 9M11 on other financial results reflecting the overdue interest associated with the White Martins litigation; which was offset by (ii) higher net interest costs backed by higher net financial debt which more than compensated the lower average cost of debt (from 9.6% in 9M11 to 9.1% in 9M12).

Net financial debt rose 46% YoY mostly due to expansion capex and tariff deviations in 9M12. Average debt maturity was 4.7 years by Sep-12. As of Sep-12, **aprox. 100% gross debt was denominated in local currency or protected from exchange rate through hedging instruments.**

In Apr-12 EDPB's General Shareholders Meeting approved a stock-split of all common shares of the company by a ratio of 1:3. Thus, since April 11th the number of shares outstanding is 476,415,612. It was also approved the payment by Jun-12 of **2011 annual dividend** of R$370.2m (R$0.777/share), representing a 5.0% increase vs. 2010.

EDPB announced in May-12 the disposal of Evrecy, which owns transmission assets in Escelsa area, for R$58m to CTEEP. The closing of this deal is still pending of approval by ANEEL.

In Sep-12 the Government announced the Provisory Act no. 579 to achieve a 20% reduction in the cost of electricity for consumers mostly by: (i) reducing the sector costs (pass-through cost for distributors); and (ii) renewing concessions considering the residual value of the concessions. The renewal of concessions does not impact in EDPB since: (i) EDPB's concessions will end only in 2025-2044; and (ii) the automatic renewal of the generation concessions was not assumed by EDPB in its investment assessment.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net) (2) adjusted for 1:3 stock-split on 11-Apr-12

Brazil: Electricity Distribution

Income Statement (R$ m)	9M12	9M11	Δ %	Δ Abs.
Gross Profit	**810.5**	**1,147.2**	**-29%**	**-337**
Supplies and services	238.2	228.8	4.1%	+9
Personnel costs	128.0	127.1	0.7%	+1
Costs with social benefits	31.3	19.4	61%	+12
Other operating costs (net)	57.9	67.1	-14%	-9
Net Operating Costs (1)	**455.4**	**442.4**	**2.9%**	**+13**
EBITDA	**355.1**	**704.8**	**-50%**	**-350**
Provisions	10.8	35.1	-69%	-24
Net deprec. and amortisation	139.4	125.7	11%	+14
EBIT	**205.0**	**544.0**	**-62%**	**-339**

Gross Profit Performance	9M12	9M11	Δ %	Δ Abs.
Regulated Revenues	**983**	**1,153**	**-15%**	**-171**
Tariff deviation in the Period (4)	(211)	8	-	-219
Dev. from previous year (3)	48	(14)	-	+61
Others	(9)	(0)	-	-8
Gross Profit	**811**	**1,147**	**-29%**	**-337**
Regulatory Receivables (R$ m)	**184**	**(1)**	**-**	**+185**
Clients Connected (th)	**2,903.6**	**2,808.1**	**3.4%**	**+96**
Bandeirante	1,581.1	1,533.8	3.1%	+47
Escelsa	1,322.6	1,274.3	3.8%	+48
Electricity Distributed (GWh)	**18,621**	**18,457**	**0.9%**	**+164**
Bandeirante	11,039	11,058	-0.2%	-20
Escelsa	7,583	7,399	2.5%	+184
From which:				
To clients in Free Market (GWh)	6,976	7,076	-1.4%	-100
Electricity Sold (GWh)	**11,645**	**11,381**	**2.3%**	**+264**
Bandeirante	**7,043**	**7,003**	**0.6%**	**+39**
Resid., Commerc. & Other	4,822	4,584	5.2%	+238
Industrial	2,221	2,419	-8.2%	-199
Escelsa	**4,603**	**4,378**	**5.1%**	**+225**
Resid., Commerc. & Other	3,775	3,568	5.8%	+207
Industrial	828	809	2.3%	+18

Capex & Opex Performance	9M12	9M11	Δ %	Δ Abs.
Controllable Operating Costs (2)	**366.2**	**355.8**	**2.9%**	**+10**
Cont. costs/client (R$/client)	126.1	126.7	-0.5%	-1
Cont. costs/km (R$/Km)	4.2	4.2	1.4%	+0
Employees (#)	2,085	2,027	2.9%	+58
Capex (net of subsidies) (R$m)	**157.1**	**248.4**	**-37%**	**-91**
Network ('000 Km)	86.7	85.5	1.4%	+1

In electricity distribution in Brazil, **EBITDA in 9M12 dropped 50% YoY**, penalised by negative tariff deviations, at Escelsa and Bandeirante, the later particularly penalized by the tariff freezing from Oct-11 to Oct-12. These tariff deviations, which include the retroactive devolution from the non-application of the new methodology in Bandeirante's tariffs between Oct-11 and Oct-12, justify the -R$172m difference between 9M12 regulated revenues and 9M12 gross profit. In addition, YoY gross profit comparison was also affected by R$37m on the back of an ANEEL's directive under which the amounts collected from industrial clients for power demand above contracted levels must be registered as investment subsidies and not as operating revenues (still under court dispute). Adjusted by these impacts, the EBITDA for 9M12 and 9M11 would have been R$527 and R$674m, respectively (-22% YoY).

Tariff deviations at gross profit level amounted to -R$172m in 9M12 vs. just -R$6m in 9M11. Gross profit for distribution in Brazil includes the cash flow impact from deviations vs. annual regulated revenues. On the back of the freeze of its tariff by Oct-11, Bandeirante faced higher energy, transmission and sector costs than the ones included in tariffs but on the other hand tariffs still did not include the new methodology regarding the lower RoR which was reviewed in Oct-12 with retroactive effects from Oct-11 onwards. Tariff deviation created in previous years and which are being recovered through tariffs in 9M12 amounted to R$48m (vs. R$14m returned to tariffs in 9M11). On the other hand, a new tariff deviation of -R$211m was created in 9M12 (vs. tariff deviation of +R$8m in 9M11) prompted by: (i) incurred transmission and sector costs not considered in the tariffs and (ii) higher costs of energy than the ones reflected in the tariffs, magnified by higher electricity spot prices on the back of dry weather. As a result, the amount of regulatory receivables increased from R$1m to be recovered by EDPB's customers by Sep-11 to R$184m to be collected by EDPB through tariffs in the following years. Note that this figure is already net of the retroactive devolution related to the non-application of the new regulatory methodology (implying a cut in RoR) in Bandeirante's tariffs from Oct-11 to Oct-12.

Bandeirante's regulatory review for the period 2011-15, was approved in Oct-12 by ANEEL. The gross RAB was set at R$3.0bn and the net RAB at R$1,545bn, both 27% above the figures in the previous regulatory period. It was also defined a 7.29% increase in Bandeirante's tariff for the period from Oct-12 to Oct-13 including already the regulatory review impact. The financial adjustment resultant from the tariff freezing between Oct-11 and Oct-12, including the non-application of the new regulatory methodology, which amounts to R$78m will be returned by Bandeirante to tariffs in three annual installments with the first one included in this tariff readjustment and the remaining in the following two annual tariff readjustments. Regarding Escelsa, in Aug-12 ANEEL set a 14.29% tariff increase for the period from Aug-12 to Aug-13 on the back of the annual tariff readjustment process. Escelsa's new regulatory period will start in Aug-13.

Electricity volumes sold and distributed in 9M12: Volume of electricity sold rose 2.3% YoY, reflecting an increase in the residential, commercial & other of 5%, justified by the increase of 3.4% in the number of clients and also of the consumption of electricity per capita. This was partially offset by a drop of 5.6% in the industrial segment, as a result of lower industrial activity in Bandeirante's concession area, as well as migration of clients to the free market. Electricity distributed rose 0.9% penalized by lower volumes of energy distributed to clients in the free market, mostly industrials.

Controllable operating costs increased by 3% YoY in 9M12. Personnel costs increased 1%, since the annual average salary update and the increase in the average headcount was offset by a new method of intragroup allocation costs with no impact at consolidation level. Supplies and services increased below inflation due to the replacement of external suppliers by internal workforce. **Other operating costs** fell by R$9m in 9M12 reflecting the one-off gain obtained with the sale of buildings in 1H12 (R$16m).

Capex dropped 37% YoY to R$157m, including higher levels of investment subsidies at Bandeirante on the back of the accounting change and also lesser maintenance works. Most of the Capex amount was 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) Supplies & services and personnel costs
(3) 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 net of the non-application of the new regulatory methodology. This amount is to be recovered by EDP through tariffs in the following annual tariff adjustments. (4) Regulatory receivables being generated in the current period

Brazil: Electricity Generation and Supply

Income Statement (R$M)	Generation			
	9M12	9M11	Δ %	Δ Abs.
Gross Profit	**738.6**	**662.7**	**11%**	**+76**
Supplies and services	48.2	45.7	5.6%	+3
Personnel costs	32.0	28.8	11%	+3
Costs with social benefits	3.2	2.2	45%	+1
Other operating costs (net)	(3.8)	1.4	-	-5
Net Operating Costs (1)	**79.7**	**78.1**	**2.0%**	**+2**
EBITDA	**658.9**	**584.6**	**13%**	**+74**
Provisions	0.5	0.9	-48%	-0
Net depreciation and amortisation	112.7	122.8	-8.3%	-10
EBIT	**545.8**	**460.9**	**18%**	**+85**

Generation	9M12	9M11	Δ %	Δ Abs.
Gross Profit (R$ m)	**738.6**	**662.7**	**11%**	**+76**
Lajeado	329.8	274.0	20%	+56
Peixe Angical	260.4	231.3	13%	+29
Energest (15 hydro plants)	170.8	157.4	8.5%	+13
Pécem	(22.9)	-	-	-23
Installed Capacity - Hydro (MW)	**1,794**	**1,790**	**0.2%**	**+4**
Lajeado	903	903	-	-
Peixe Angical	499	499	-	-
Energest (15 hydro plants)	393	389	1.0%	+4
Electricity Sold (GWh)	**6,190**	**6,186**	**0.1%**	**+3**
Lajeado	2,641	2,750	-4.0%	-109
Peixe Angical	1,775	1,761	0.8%	+14
Energest (15 hydro plants)	1,774	1,675	5.9%	+98
Average Selling Price (R$/MWh)	**138.1**	**130.8**	**5.6%**	**+7**
Lajeado	124.9	116.7	7.0%	+8
Peixe Angical	172.7	162.1	6.5%	+11
Energest (15 hydro plants)	122.2	119.1	2.6%	+3
Capex (R$ million)	**465.6**	**274.7**	**70%**	**+191**
Maintenance	40.4	35.8	13%	+5
Expansion	425.2	238.9	78%	+186
Pécem	239.1	216.8	10%	+22
Jari	185.9	-	-	+186
Other	0.2	22.2	-99%	-22
Employees (#)	**421**	**259**	**62%**	**+162**

Supply	9M12	9M11	Δ %	Δ Abs.
Gross profit (R$ m)	34.3	32.4	5.8%	+2
Net Operating costs (1) (R$ m)	0.9	3.6	-76%	-3
EBITDA (R$ m)	33.5	28.8	16%	+5
Electricity sales (GWh)	8,150	7,555	7.9%	+595
Number of clients (#)	233	121	93%	+112

EBITDA in our electricity generation activities in Brazil increased 13% reflecting: (i) the inflation update on PPA's selling price; (ii) a strong increase of electricity prices in spot market on the back of the dry weather from R$25.1/MWh in 9M11 to R$120.5/MWh in 9M12; and (iii) the negative contribution from Pécem's coal plant (R$23m in 9M12) due to the penalties associated to the delay of the start of its commercial operation.

Electricity volumes sold stood flat YoY. In 4Q12 estimated volumes sold should be 2,062 GWh which compares with 2,202 GWh in 4Q11, reflecting the allocation of PPA's yearly contracted volumes.

Average selling price increased 6% YoY in 9M12 supported mostly by the update of prices to inflation. Almost all EDPB's installed capacity is contracted under PPA long term contracts.

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. Due to force majeure causes which led to the delay in construction works, ANEEL approved the prorogation of the plant commissioning and availability date for 23-Jul-2012. However, given delays on the commissioning of the plant due to several reasons, EDPB was forced to purchase electricity from third parties from 23-Jul-12 onwards in order to fulfill its PPA contracts with the distribution companies, facing a negative margin of R$23m in 3Q12. EDPB and MPX sent a letter to ANEEL, asking for the improvement of actual pass-through conditions of the purchase of energy costs incurred while the plant is not operational. Meanwhile in 15-Oct, the first turbine started the last tests, being already generating electricity and after its completion the commercial operation will start. The second turbine is in an earlier stage but has already started the commissioning tests. Pecém will provide an expected EBITDA of R$215m (EDPB's 50% share) in the first 12 months of full operation having the right to total pass through of fuel costs. The project is financed with long term debt, which is already contracted.

Personnel costs rose 11%, largely reflecting wages update. Note that the increase in the number of employees is not reflected in higher costs in the part that refers to additional headcount relative to Pécem, as these costs are still being capitalized.

Net Depreciation and amortization declined R$10m to R$113m as in 1Q11 it was recognized a write-off of development costs associated to pipeline projects (biomass).

Capex soared 70% YoY to R$466m. Expansion capex represents 95% of total capex from which 54% refers to the construction of Pécem coal plant and 42% to Jari hydro plant.

Santo António do Jari hydro plant, a 373MW project has an average 190MW contracted by a 30-year PPA at a price of R$104/MWh and an additional average 27.7MW already approved by ANEEL but not yet contracted. The total disbursement will be aprox. R$1.4bn and the project is to be financed with aprox. 67% debt and 33% equity. The preliminary construction works started in Aug-11 and in Oct-11 it was issued a R$300m bond and contracted a bridge-loan with Banco do Brasil, worth R$360m both with a two-year maturity and at a cost of 110.5% and 109% over the CDI respectively. In Oct-12 BNDES approved a R$736.8m loan for a 18.5 year period including a 2.5 year grace period with a cost of TJLP (Long Term Interest Rate) + 186 bps. The R$360m bridge-loan contracted will be fully amortized with this BNDES loan.

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 9M12, EBITDA in supply grew 16% to R$33m** as a result of: (i) a compensation received from a client due to the cancelling of the energy contract and (ii) an increase of volumes by 8%; which was more than compensated by (iii) a decrease in the unit margins due to higher costs of energy purchased.

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

Income Statements & Annex

Income Statement by Business Area

9M12 (€m)	Long-Term Contracted Generation	Iberian Liberalised Activities	Regulated Networks Iberia	EDP Renováveis	Brazil	Corpor. Activ. & Adjustments	EDP Group
Gross Profit	**733.3**	**604.8**	**1,411.8**	**842.0**	**647.2**	**(139.2)**	**4,099.8**
Supplies and services	60.3	196.3	315.9	183.5	129.6	(212.3)	673.3
Personnel costs	53.3	70.7	109.8	41.4	79.4	78.1	432.8
Costs with social benefits	0.0	5.1	17.0	5.4	14.9	5.7	48.1
Other operating costs (net)	11.1	52.4	159.8	(63.0)	25.9	17.0	203.2
Operating costs	**124.8**	**324.4**	**602.5**	**167.3**	**249.9**	**(111.5)**	**1,357.4**
EBITDA	**608.5**	**280.3**	**809.3**	**674.7**	**397.4**	**(27.7)**	**2,742.4**
Provisions	1.2	(2.2)	0.9	-	6.2	(2.7)	3.4
Net depreciation and amortisation (1)	150.0	193.5	240.2	330.8	106.3	39.7	1,060.4
EBIT	**457.3**	**89.0**	**568.2**	**343.9**	**284.8**	**(64.6)**	**1,678.6**

9M11 (€m)	Long-Term Contracted Generation	Iberian Liberalised Activities	Regulated Networks Iberia	EDP Renováveis	Brazil	Corpor. Activ. & Adjustments	EDP Group
Gross Profit	**745.8**	**609.7**	**1,353.3**	**689.2**	**805.5**	**(121.0)**	**4,082.5**
Supplies and services	63.1	190.1	327.2	164.5	130.5	(225.2)	650.2
Personnel costs	58.4	69.2	110.7	39.7	76.4	71.2	425.6
Costs with social benefits	0.0	6.9	15.7	2.7	10.5	10.3	46.1
Other operating costs (net)	1.7	64.1	100.1	(66.1)	33.8	51.9	185.6
Operating costs	**123.3**	**330.3**	**553.7**	**140.9**	**251.2**	**(91.8)**	**1,307.5**
EBITDA	**622.5**	**279.4**	**799.6**	**548.3**	**554.3**	**(29.1)**	**2,775.0**
Provisions	1.7	(12.7)	2.8	(0.3)	14.7	-4.5	1.7
Net depreciation and amortisation (1)	145.0	182.5	259.2	309.3	108.8	48.1	1,052.9
EBIT	**475.8**	**109.6**	**537.5**	**239.4**	**430.8**	**(72.8)**	**1,720.4**

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

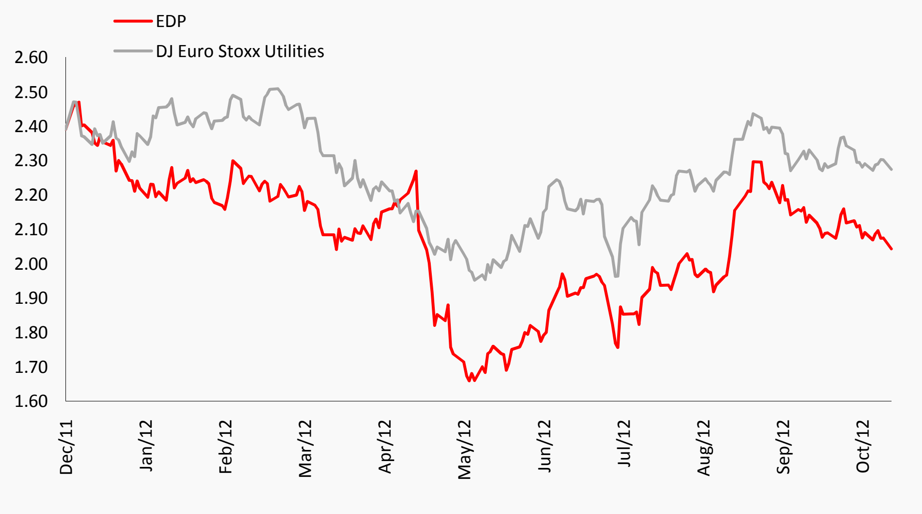
Quarterly Income Statement - Restated (1)

Quarterly P&L (€ m)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	Δ YoY %	Δ QoQ %
Electricity Revenues	3,558.4	3,083.6	3,156.6	3,443.2	3,904.5	3,355.8	3,380.3	7.1%	0.7%
Gas Revenues	418.9	391.5	413.4	465.1	482.7	416.2	449.6	8.7%	8.0%
Other Revenues	37.7	52.9	48.9	50.6	25.0	29.4	46.6	-4.8%	59%
Operating Revenues	**4,015.0**	**3,528.0**	**3,618.9**	**3,958.9**	**4,412.2**	**3,801.4**	**3,876.4**	**7%**	**2%**
Electricity	2,032.0	1,633.9	1,711.3	1,943.2	2,284.3	1,888.0	1,956.0	14%	3.6%
Gas	334.9	299.4	326.8	366.9	390.6	322.5	331.8	1.5%	2.9%
Fuel	191.3	211.6	256.9	255.4	279.4	217.3	245.7	-4.4%	13%
Materials and goods for resale	25.4	26.7	29.1	39.4	20.1	22.0	32.5	12%	48%
Direct Activity Costs	**2,583.6**	**2,171.6**	**2,324.2**	**2,605.0**	**2,974.5**	**2,449.8**	**2,565.9**	**10%**	**4.7%**
Revenue from assets assigned to concessions	86.3	109.2	113.4	131.7	94.3	84.6	106.9	-5.7%	26%
Expenditure with assets assigned to concessions	(86.3)	(109.2)	(113.4)	(131.7)	(94.3)	(84.6)	(106.9)	5.7%	-26%
Gross Profit	**1,431.4**	**1,356.4**	**1,294.8**	**1,354.0**	**1,437.6**	**1,351.6**	**1,310.6**	**1.2%**	**-3.0%**
Supplies and services	208.3	212.8	229.1	250.9	216.3	229.3	227.7	-0.6%	-0.7%
Personnel costs	147.2	145.4	139.6	141.4	154.5	140.2	138.1	-1.1%	-1.5%
Costs with social benefits	9.1	19.4	11.1	21.7	15.0	20.5	12.5	13%	-39%
Other operating costs (net)	36.0	64.4	85.2	(40.6)	48.4	79.9	74.9	-12%	-6.4%
Operating costs	**400.6**	**441.9**	**465.0**	**373.4**	**434.2**	**470.0**	**453.2**	-2.5%	-3.6%
EBITDA	**1,030.8**	**914.4**	**829.8**	**980.6**	**1,003.5**	**881.6**	**857.3**	**3.3%**	**-2.8%**
Provisions	2.4	18.0	(18.7)	(1.0)	3.0	3.8	(3.3)	82%	-
Net depreciation and amortisation (2)	358.0	346.2	348.7	434.6	350.3	353.7	356.5	2.2%	0.8%
EBIT	**670.4**	**550.2**	**499.8**	**547.0**	**650.2**	**524.2**	**504.2**	**0.9%**	**-3.8%**
Capital gains/(losses)	0.2	10.1	(0.1)	10.6	(0.0)	2.9	(0.0)	100%	-
Financial Results	(156.1)	(154.8)	(235.0)	(169.4)	(166.8)	(186.2)	(162.6)	31%	13%
Results from associated companies	5.8	6.0	5.6	2.0	3.6	6.8	7.0	24%	2.3%
Pre-tax profit	**520.3**	**411.5**	**270.4**	**390.2**	**487.0**	**347.7**	**348.6**	**29%**	**0.2%**
Income taxes	123.4	97.1	21.7	18.2	79.0	79.9	114.2	427%	43%
Discontinued Activities	-	-	-	-	-	-	-	-	-
Net Profit for the period	396.9	314.4	248.7	372.0	408.0	267.8	234.4	-5.8%	-12%
Net Profit Attributable to EDP	**342.4**	**266.3**	**215.0**	**301.0**	**337.2**	**244.5**	**212.8**	**-1.0%**	**-13%**
Non controling interests	54.5	48.1	33.7	71.0	70.7	23.2	21.6	-36%	-7.0%

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

EDP Share Performance

YTD EDP Stock Performance on Euronext Lisbon



EDP Stock Market Performance	YTD	52W 05/11/2012	2011
EDP Share Price (Euronext Lisbon - €)			
Close	2.043	2.043	2.391
Max	2.484	2.518	2.920
Min	1.628	1.628	1.984
Average	2.065	2.104	2.488
EDP's Liquidity in Euronext Lisbon			
Turnover (€ m)	2,507	2,999	4,300
Average Daily Turnover (€ m)	11	11	17
Traded Volume (million shares)	1,214	1,425	1,728
Avg. Daily Volume (million shares)	5.5	5.5	6.6

EDP Share Data	9M12	9M11	Δ %
Number of shares Issued (million)	3,656.5	3,656.5	-
Treasury stock (million)	32.1	32.3	-0.4%

EDP's Main Events

Feb-1: Standard & Poor's downgrades EDP to "BB+" with negative outlook

Feb-16: Moody's downgrades EDP to "Ba1" with negative outlook

Feb-20: EDP's General Shareholders Meeting

Feb-27: Appointment of Representatives for the General Supervisory Board by Cajastur Inversiones, José de Mello Energia and Senfora

Mar-13: Appointment of Representatives for the General Supervisory Board by Sonatrach and Parpública

Apr-3: Fitch places utilities with sizeable exposure to Spain on rating watch negative

Apr-17: EDP's Annual General Shareholders Meeting

May-4: EDP issues EUR 250 million 3 year retail bond through a public offering

May-7: Barclays notifies significant shareholding in EDP

May-11: CTG acquires and Parpublica reduces qualified shareholding in EDP. Appointment of Representatives for the General Supervisory Board by CTG

May-14: JP Morgan Chase notifies qualifying holding in EDP

May-16: Payment of gross dividend of EUR 0.185 per share for the 2011 financial year

May-17: Portuguese Government announces set of measures for the power sector

May-22: Qatar Holding notifies about transfer of qualifying holding in EDP

May-24: Barclays and JP Morgan Chase decreases its ownership interest in the share capital of EDP

Jul-3: MFS notifies qualified shareholding in EDP

Jul-20: EDP sells its gas transmission assets in Spain to Enagás

Jul-26: China Development Bank Corporation agrees on €1,000 million loan to EDP

Jul-30: EDP proposes new collective labour agreement

Aug-1: ANEEL approves a 14.29% tariff increase at EDP Escelsa's annual tariff readjustment process

Aug-1: MFS decreases its ownership interest in the share capital of EDP

Aug-2: Fitch downgrades EDP to "BBB-" with outlook negative

Sep-14: EDP issues EUR 750 million 5 year bond

Oct-2: ANEEL approved EDP Bandeirante's tariff review for the regulatory period 2011-15

Oct-15: ERSE announces the proposal for electricity tariffs for 2013

Oct-17: ANEEL approves a 11.45% tariff increase at EDP Bandeirante's annual tariff readjustment process

Oct-18: Resignation of Mr. José Joaquim de Oliveira Reis from the General and Supervisory Board

Oct-22: Bank of China signs EUR 800 million loan with EDP

Nov-6: EDP Renováveis sells a 49% equity stake in 599MW wind farms in the US

Source: Bloomberg

EDP - Installed capacity & electricity generation

Installed Capacity - MW (1)	9M12	9M11	Δ MW	Δ 12/11
PPA/CMEC	**6,220**	**6,220**	**-**	**0.0%**
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**	**946**	**-**	
Setúbal	946	946	-	
Carregado	-	-	-	
Special Regime (Ex-Wind)	**466**	**469**	**-3**	**-**
Small-Hydro	157	160	-3	
Cogeneration+Waste	275	275	-	
Biomass	35	35	-	
Liberalised Electricity Generation	**6,864**	**7,137**	**-273**	**-3.8%**
Hydro	**1,347**	**910**	**437**	
Portugal	921	484	437	
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**	**3,736**	**-**	**0.0%**
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	**165**	**875**	**-710**	
Tunes + Carregado	165	875	-710	
Wind (More detail on page 16)	**7,388**	**6,959**	**429**	**6.2%**
Europe	3,738	3,553	185	
USA	3,567	3,323	244	
Brazil	84	84	-	
Brazil (Ex-Wind)	**1,794**	**1,790**	**4**	**0.2%**
Hydro	**1,794**	**1,790**	**4**	**0.2%**
Lajeado	903	903	-	
Peixe Angical	499	499	-	
Energest	393	389	4	
TOTAL	**22,733**	**22,576**	**156**	**0.7%**

Electricity Generation (GWh)	9M12	9M11	Δ GWh	Δ 12/11
PPA/CMEC	**8,973**	**12,097**	**-3,124**	**-26%**
Hydro	**2,300**	**7,476**	**-5,176**	**-69%**
Run off the river	1,866	5,225	-3,359	
Reservoir	434	2,251	-1,817	
Coal	**6,670**	**4,625**	**2,045**	**44%**
Sines	6,670	4,625	2,045	
Fuel oil	**3**	**-4**	**7**	**-**
Setúbal	3	-4	7	
Carregado	-	-	-	
Special Regime (Ex-Wind)	**1,634**	**1,773**	**-139**	**-8%**
Small-Hydro	147	347	-200	
Cogeneration+Waste	1,333	1,279	54	
Biomass	153	147	6	
Liberalised Electricity Generation	**9,379**	**11,762**	**-2,383**	**-20%**
Hydro	**1,373**	**1,403**	**-30**	**-2.2%**
Portugal	918	915	3	
Spain	455	488	-33	
Coal	**4,831**	**3,727**	**1,104**	**30%**
Aboño I	1,475	551	924	
Aboño II	2,240	2,316	-76	
Soto Ribera II	320	14	307	
Soto Ribera III	797	847	-50	
CCGT	**2,284**	**5,759**	**-3,475**	**-60%**
Ribatejo (3 groups)	181	966	-785	
Lares (2 groups)	1,049	2,493	-1,444	
Castejón (2 group)	560	811	-251	
Soto IV (1 group)	402	1,181	-780	
Soto V (1 group)	93	309	-216	
Nuclear	**891**	**872**	**18**	**2.1%**
Trillo	891	872	18	
Gasoil/Fuel oil	**0**	**0**	**-0**	
Tunes + Carregado	0	0	-0	
Wind	**13,345**	**11,975**	**1,370**	**11%**
Europe	5,977	5,240	738	
USA	7,204	6,632	572	
Brazil	164	103	61	
Brazil (Ex-Wind)	**5,890**	**5,671**	**219**	**3.9%**
Hydro	**5,890**	**5,671**	**219**	**3.9%**
Lajeado	2,703	2,659	45	
Peixe Angical	1,965	1,849	116	
Energest	1,221	1,163	58	
TOTAL	**39,220**	**43,278**	**-4,058**	**-9%**

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

EDP - Volumes distributed, clients connected and networks

ELECTRICITY

Electricity Distributed (GWh)	9M12	9M11	Δ GWh	Δ %
Portugal	**33,248**	**34,879**	**-1,631**	**-4.7%**
Very High Voltage	1,411	1,305	107	8.2%
High / Medium Voltage	15,387	15,736	-349	-2.2%
Low Voltage	16,449	17,838	-1,389	-7.8%
Spain	**6,791**	**7,220**	**-429**	**-5.9%**
High / Medium Voltage	5,001	5,365	-364	-6.8%
Low Voltage	1,790	1,855	-65	-3.5%
Brazil	**18,621**	**18,457**	**164**	**0.9%**
Free Clients	6,976	7,076	-100	-1.4%
Industrial	3,048	3,229	-181	-5.6%
Residential, Comercial & Other	8,597	8,152	445	5.5%
TOTAL	**58,660**	**60,555**	**-1,895**	**-3.1%**

Clients Connected (th)	9M12	9M11	Abs. Δ	Δ %
Portugal	**6,107**	**6,154**	**-46.8**	**-0.8%**
Very High / High / Medium Voltage	24	24	-0.0	-0.2%
Special Low Voltage	34	34	-0.3	-0.9%
Low Voltage	6,049	6,096	-46.4	-0.8%
Spain	**657**	**655**	**2.1**	**0.3%**
High / Medium Voltage	1.1	1.1	0.0	1.1%
Low Voltage	656	654	2.1	0.3%
Brazil	**2,904**	**2,808**	**95.6**	**3.4%**
Bandeirante	1,581	1,534	47.3	3.1%
Escelsa	1,323	1,274	48.3	3.8%
TOTAL	**9,667**	**9,616**	**50.9**	**0.5%**

Networks	9M12	9M11	Abs. Δ	Δ %
Lenght of the networks (Km)	**333,737**	**330,327**	**3,411**	**1.0%**
Portugal	224,083	222,239	1,844	0.8%
Spain	22,912	22,585	327	1.4%
Brazil	86,742	85,503	1,239	1.4%
Losses (% of electricity distributed)				
Portugal (1)	-9.3%	-7.8%	-1.5 pp	
Spain	-4.0%	-3.4%	-0.6 pp	
Brazil				
Bandeirante	-10.4%	-10.3%	-0.1 pp	
Technical	-5.5%	-5.5%	0.0 pp	
Comercial	-4.9%	-4.8%	-0.1 pp	
Escelsa	-12.7%	-13.2%	0.5 pp	
Technical	-7.3%	-7.7%	0.3 pp	
Comercial	-5.3%	-5.6%	0.2 pp	

GAS

Gas Distributed (GWh)	9M12	9M11	Δ GWh	Δ %
Portugal	**5,520**	**5,296**	**224**	**4.2%**
Low Pressure (P ≤ 4 Bar)	716	1,426	-710	-50%
Medium Pressure (P > 4 Bar)	4,784	3,852	932	24%
LPG	20	18	2	13%
Spain	**42,866**	**35,396**	**7,469**	**21%**
Low Pressure (P ≤ 4 Bar)	7,084	6,589	495	7.5%
Medium Pressure (P > 4 Bar)	35,782	28,808	6,974	24%
TOTAL	**48,386**	**40,692**	**7,694**	**18.9%**

Supply Points (th)	9M12	9M11	Abs. Δ	Δ %
Portugal	**285.4**	**264.4**	**21.0**	**8.0%**
Final	265.1	263.6	1.6	0.6%
Access	20.3	0.8	19.5	2518%
Spain	**1,004.0**	**989.3**	**14.6**	**1.5%**
Final	-	-	-	-
Access	1,004.0	989.3	14.6	1.5%
TOTAL	**1,289.4**	**1,253.7**	**35.7**	**2.8%**

Networks	9M12	9M11	Abs. Δ	Δ %
Lenght of the networks (Km)	**14,560**	**14,059**	**502**	**3.6%**
Portugal	4,269	4,005	264	6.6%
Spain	10,292	10,054	238	2.4%
Distribution	9,846	9,634	212	2.2%
Transmission	446	420	26	6.2%

(1) Excludes Very High Voltage

EDP - Sustainability performance

3Q12 Main Events

Jul: EDP Bandeirante wins the prize Abradee 2012 in the category "Performance Evolution", prize which rewards the best practices in the Brazilian companies of the energy sector

Jul: The prize EDP's Sustainable Entrepreneur (2nd edition) is awarded, contributing for the creation of 38 companies in the 5 municipalities covered the hydropower plant of Baixo Sabor

Aug: EDP considered by Thomson Reuters Extel IRRI 2012 as the best among the worldwide utilities in the class of "Sustainability and Corporate Governance Communication"

Sep: EDP in the top of world sustainability in the Dow Jones Index for the fifth year in a row, obtaining the same absolute score of the utilities leader

Sep: EDP in Brazil receives the stamp "Child-friendly Company" awarded by the Foundation Abring, restating the certifications that recognize the social and cultural responsibilities of the company

EDP Internal Sustainability Index (base 2006)

	9M12	9M11	Δ %
Sustainability Index	**127**	**129**	**-1.6%**
Environmental	145	149	-2.5%
%Weight	36%	36%	
Economic	112	113	-0.8%
%Weight	33%	33%	
Social	123	125	-1.1%
%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	9M12	9M11	Δ %
Economic Value (€m)(1)			
Directly Generated	12,890	12,014	7.3%
Distributed	11,453	10,596	8.1%
Accumulated	1,437	1,418	1.3%

Social Metrics	9M12	9M11	Δ %
Employees (c)	**12,297**	**12,080**	**1.8%**
Training (hours trainee)	**323,806**	**314,877**	**2.8%**
On-duty Accidents	**25**	**31**	**-19.4%**
EDP Frequency rate (Tf)	121	178	-32%
EDP Severity Rate (Tg)	1.60	1.92	-16.7%
Freq. rate EDP+ESP(f) (Tf)	3.65	3.80	-4%

Environmental Metrics	9M12	9M11	Δ %
Absolute Atmospheric Emissions (kt) (a)			
CO_2	13,598.6	12,278.4	11%
NOx	11.2	11.3	-1%
SO_2	12.1	5.1	135%
Particle	0.530	0.494	7%
Specific Atmospheric Emissions (g/KWh)			
CO_2	340.62	279.16	22%
NOx	0.28	0.26	9%
SO_2	0.30	0.12	159%
GHG emissions (ktCO2 eq)			
Direct Emissions (scope 1)	13,630	12,309	11%
Indirect emissions (scope 2)	1,141	713	60%
Primary Energy Consumption (TJ) (b)	**147,357**	**141,352**	**4%**
Max. Net Certified Capacity (%)	**72%**	**70%**	**2 p.p.**
Water Use (10^3 m^3)	**1,086,912**	**1,017,244**	**7%**
Total Waste (t) (e)	**488,063**	**385,515**	**27%**
Environmental Costs (€ th)	**44,084**	**44,364**	**-1%**
Environmental Fees and Penalties (€ th)	**210.7**	**0.0**	**-**

Environmental Metrics - CO2 Emissions

CO2 Emissions	Absolute (ktCO2)		Specific (t/MWh)		Generation (d) (GWh)	
	9M12	9M11	9M12	9M11	9M12	9M11
PPA/CMEC	**6,004**	**4,232**	**0.90**	**0.92**	**6,673**	**4,621**
Coal	5,988	4,222	0.90	0.91	6,670	4,625
Fuel Oil & Natural Gas	16	10	-	-	3	(4)
Liberalised	**6,664**	**7,141**	**0.94**	**0.75**	**7,115**	**9,487**
Coal	5,747	4,907	1.19	1.32	4,831	3,727
CCGT	917	2,234	0.40	0.39	2,284	5,759
Special Regime	**931**	**905**	**0.30**	**0.30**	**3,080**	**3,003**
Thermal Generation	**13,599**	**12,278**	**0.81**	**0.72**	**16,868**	**17,111**
CO2 Free Generation					**23,055**	**26,872**
CO2 Emissions			**0.34**	**0.28**	**39,923**	**43,983**

(a) Excluding vehicle fleet
(b) Including vehicle fleet
(c) Including remunerated Executive Corporate Bodies
(d) Includes heat generation (1,593 GWh: 9M12 vs. 1,577 GWh: 9M11)
(e) Waste sent to final disposal
(f) ESP: External Services Provider

(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.