

9M14 Financial Results

Conference call and webcast

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Main Highlights



Income Statement (€ m)	9M14	9M13	Δ%	Δ Abs.
Gross Profit	3,879	4,164	-7%	-285
Supplies and services	643	656	-2%	-13
Personnel costs, employees benefits	348	487	-29%	-140
Other operating costs (net)	172	220	-22%	-48
Net Operating costs (1)	1,163	1,364	-15%	-200
EBITDA	2,715	2,800	-3%	-85
Provisions	21	40	-47%	-19
Amortisation and impairment (2)	1,014	1,054	-4%	-39
EBIT	1,680	1,706	-2%	-26
Capital gains/(losses)	(0)	0	_	-0
Financial Results	(4S3)	(486)	7%	+33
Share of net profit joint ventures/associates	` 2Ś	`(16)	-	+41
Pre-tax profit	1,251	1,204	4%	+47
Income taxes	276	263	5%	+13
Extraord. contribution energy sector	46	-	-	+46
Net profit for the period	930	941	-1%	-12
Net Profit	786	792	-1%	-6
Non-controlling Interest	143	149	-4%	-5

Key Operational Data	9M14	9M13	Δ%	Δ Abs.
Employees	11,908	12,174	-2.2%	-267
Installed capacity (MW)	22,090	22,006	0.4%	+85

Key Financial Data (€ m)	9M14	9M13	Δ%	Δ Abs.
FFO (Funds from operations)	1,712	1,889	-9%	-177
Capex Maintenance Expansion	1,090 434 655	1,126 422 704	-3% 3% -7%	-36 +12 -48
Net investments (5)	1,108	1,309	-15%	-200

Key Balance Sheet Data (€ m)	Sep-14	Dec-13	Δ%	Δ Abs.
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Equity book value	8,541	8,446	1%	+96
Net debt	17,483	17,083	2%	+400
Regulatory receivables (4)	2,653	2,747	-3%	-94
Net debt/EBITDA (x)	4.8x	4.7x	-	0.1x
Adjusted net debt (3)/EBITDA (x)	4.1x	4.0x	-	0.2x

Pursuant to the adoption of IFRS 10 and IFRS 11, 2013 data presented in this document was restated. Joint ventures previously consolidated through proportional method are from 2014 onwards consolidated by equity method.

Consolidated EBITDA fell by 3% YoY, to €2,715m in 9M14, penalised by the severe drought in Brazil, adverse regulatory changes in Iberia, namely at EDPR level and unfavourable ForEx impact (-€50m). Additionally, EBITDA reflects: (i) in 9M13, capital gains stemming from the sale of gas transmission assets in Spain (€56m); (ii) in 9M14, impact from the sale of a 50% equity stake in Jari/Cachoeira-Caldeirão to CTG (€131m) and from the new Collective Labour Agreement (CLA) signed in Portugal (€129m). Excluding the aforementioned impacts, EBITDA from Iberian operations (excluding wind) rose by 2% YoY, driven by: (i) particularly strong hydro production; (ii) successful management of the strong volatility in energy markets in the period; and (iii) tight cost control. EDP Brasil, 'EDPB' (EBITDA -29%, or -€154m), was adversely impacted by: (i) -€169m YoY (-R\$505m) net impact from higher negative tariff deviations in the distribution business; (ii) -€57m YoY (-R\$181m) stemming from higher electricity sourcing costs in the wake of adverse hydro context; and (iii) -€42m of ForEx impact. EDP Renováveis, 'EDPR' (EBITDA -6%, or -€38m), reflected a €79m YoY fall in EBITDA from Spain, mainly prompted by the new remuneration scheme and low avg. market price in 9M14, adverse ForEx impact (-€9m) and €13m one-off gain booked in 1Q13; only partially compensated by new capacity commissioned.

EDP Group operating costs totalled €991m (-13% YoY). Excluding the impact from the new CLA, operating costs (Supplies and services, Personnel costs) fell by 2% YoY (-€24m) driven by: (i) 1% YoY fall in Iberia, on the successful execution of our corporate efficiency program OPEX III and 2% cut in workforce (mainly prompted by early retirements in Portugal); (ii) tight cost control and by BRL depreciation vs. Euro. Other net operating costs stood at €172m in 9M14, -€48m YoY, impacted by capital gains on the disposal of the aforementioned equity stakes and real estate in Brasil (€75m in 9M13; €131m in 9M14). Generation taxes in Spain and clawback in Portugal totalled €97m in 9M14.

EBIT was 2% lower YoY in 9M14, to €1,680m, mainly driven by EBITDA. Net amortisations and impairments reflected the
extension of the useful life of our CCTGs and some coal plants in 4Q13. Net financial costs, €33m lower YoY, at €453m in
9M14, factors in a 43bp YoY rise in the avg. cost of debt, to 4.7% in 9M14, and a €0.6bn reduction in the average net debt.
Share of net profit in joint ventures and associates totalled €25m in 9M14 mainly driven by EDPR's 40% equity stake in
ENEOP in Portugal (€9m in 9M14), our 21% stake in CEM in Macau (€11m in 9M14) and our 50% equity stake in Pecém I (€3m in 9M14 helped by one-off reimbursements of unavailability penalties). Income taxes totalled €276m in 9M14, with an effective tax rate of 22%. Additionally, and according to the terms defined in Portugal's 2014 State Budget, EDP contributed with €46m in 9M14 to the extraordinary tax on the energy sector in Portugal. Non-controlling interests declined by 4% YoY, to €143m in 9M14, driven by lower net profit at the level of EDP Brasil ('EDPB') and EDPR. Net profit attributable to EDP shareholders declined by 1% YoY, to €786m in 9M14.

Net investments⁽⁵⁾ fell 15% YoY, to €1,108m in 9M14. Consolidated capex totalled €1,090m in 9M14, 3% lower YoY, or 10% lower excluding €92m investment subsidies cashed-in by EDPR (related to a US wind farm installed in 4Q12). Expansion capex totalled €655m in 9M14, driven by the ongoing construction of new hydro & wind capacity.

Net debt rose from €17.1bn in Dec-13 to €17.5bn in Sep-14, reflecting: (i) +€0.3bn ForEx impact; (ii) -€1.3bn of net contribution from FFO and maintenance capex; (iii) -€0.1bn from regulatory receivables, following €1bn of securitisation in Portugal and higher deviations in Brazil; (iv) +€0.7bn following the payment of 2013 dividend; (iv) +€0.8bn of net impact from expansion capex, changes in working capital with fixed asset suppliers and net divestments. Total cash and available liquidity facilities amounted to €5.5bn by Sep-14. This liquidity position allows EDP to cover its refinancing needs until mid-2016.

EBITDA Breakdown

EBITDA (€ m)	9M14	9M13	Δ%	Δ Abs.	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	3Q14 Δ%	YoY Δ Abs.	3Q14 Δ%	QoQ Δ Abs.
LT Contracted Generation	512	538	-5%	-26	194	174	170	180	176	180	156	-	-8%	-14	-13%	-24
Liberalised Activities Iberia	368	263	40%	+104	111	114	38	83	192	123	52	-	36%	14	-58%	-71
Regulated Networks Iberia	816	772	6%	+44	290	232	250	251	245	314	257	-	3%	7	-18%	-56
Wind & Solar Power	648	686	-6%	-38	317	226	143	235	289	218	141	-	-1%	-2	-35%	-76
Brazil	374	528	-29%	-154	177	134	217	73	127	139	108	-	-50%	-109	-23%	-31
Other	(2)	13	-	-15	(3)	6	10	(24)	2	(2)	(2)	-	-	-11	26%	1
Consolidated	2,715	2,800	-3.0%	-85	1,086	887	827	798	1,030	972	713		-14%	-114	-27%	-258

Consolidated EBITDA fell by 3% YoY (-€85m), to €2,715m in 9M14, impacted by an adverse ForEx impact (-€50m or -2% of EBITDA, derived from a 10% depreciation of the BRL vs. the EUR and a 3% depreciation of the USD vs. the EUR); weaker results in Brazil due to severe drought (-€226m YoY) and adverse regulatory changes in Iberia, namely at EDPR. Note that EBITDA includes: (i) in 9M13, +€56m one-off from the sale of gas transmission assets in Spain (at Regulated networks business); (ii) in 9M14, +€131m (\$R408m) one-off from the sale of a 50% equity stake in Jari/Cachoeira-Caldeirão and +€129m impact booked in the wake of new Collective Labour Agreements signed in Portugal. In 3Q14 alone, EBITDA was 14% lower YoY (-€114m), penalised by Brazil: the drought (-€133m) and €19m gain in 3Q13 derived from real estate disposal in Brazil.

The new Collective Labour Agreement (CLA) reached with the 64 unions representing EDP's employees in Portugal (~6,700 employees) in Jul-14 resulted in a one-off impact of +€129m in 2Q14, corresponding to the change in the present value of the group's future liabilities: €87m booked in Regulated Networks, €23m in LT Contracted Generation, €6m in Liberalised activities and €13m at the holding level.

LONG TERM CONTRACTED GENERATION IN IBERIA (19% of EBITDA) - EBITDA fell by 5% YoY (-€26m), to €512m in 9M14, impacted by the transfer of 3 hydro plants to our merchant portfolio following the termination of respective PPAs (9M13 gross profit: €46m), the shutdown of a cogeneration plant in Portugal and by the production stoppage at several special regime thermal plants in Spain: new regulatory terms proposed make its operations unprofitable.

LIBERALISED ACTIVITIES IN IBERIA (14% of EBITDA) – EBITDA rose by 40% YoY (+€104m), to €368m in 9M14, propelled by: (i) a stronger contribution from hydro production (45% weight in generation mix in 9M14 vs. 36% in 9M13), helped by the transfer of 804MW from LT Contracted portfolio; (ii) higher volume and margins in the electricity supply business and (iii) results derived from the successful management of volatility in the energy markets, particularly in 1H14; and (iv) +€36m YoY of gross profit from gas supply and trading activities (fully concentrated in 1H14).

REGULATED NETWORKS IN IBERIA (30% of EBITDA) — EBITDA rose by 6% YoY (+€44m), to €816m in 9M14. Excluding the impact from new CLA (+€87m in 2Q14), sale of gas transmission assets (+€56m in 1Q13) and from the recovery of costs related to underground occupation, EBITDA was 0.6% higher YoY (+€5m), at €721m, mainly driven by tight cost control focused on OPEX efficiency by the recovery of costs related to underground occupation (€8m) in Portugal. Gross profit was 2% lower YoY (-€33m) in 9M14, reflecting: (i) in Portugal, a lower return on RAB in both electricity and gas distribution derived from the lower sovereign risk, fast clients' switching to free market and, in the electricity business, the adverse revenues update for 'GDP Deflator-X'; (ii) in Spain, the negative impact from regulatory changes in gas distribution.

WIND & SOLAR POWER (24% of EBITDA) — EDPR's EBITDA fell 6% YoY (-€38m), to €648m in 9M14, driven by: (i) -€79m in Spain, mainly due to the new remuneration scheme in Spain and low avg. market price in the period; (ii) a €13m one-off gain in 1Q13 from the restructuring of a PPA contract in the US; and (iii) adverse ForEx impact (-€9m). Installed capacity rose 4% YoY (+281MW) to 7.8GW by Sep-14. Output increased by 5% YoY driven by capacity additions over the last 12 months and from stable wind resources in the period. Avg. selling prices dropped by 8% YoY, to €59.2/MWh, reflecting regulatory changes in Spain and lower prices in Romania.

BRAZIL (14% of EBITDA) - EDPB's contribution to consolidated EBITDA declined by 29% YoY (-€154m), to €374m in 9M14, impacted by adverse ForEx effect (-€42m) and higher negative tariff deviations in the distribution business (-€169m, net of CDE/CCEE contributions and of previous years' deviations recoveries). EBITDA is further impacted by: (i) +€131m (R\$408m) gain booked in 2Q14, derived from the sale of 50% equity stakes in Jari and Cachoeira-Caldeirão to CTG; and (ii) +€19m (+R\$53m) gain booked in 3Q13 on the sale of some real estate. Excluding non-recurrent items and deviations, adjusted EBITDA in local currency fell by 13% YoY (-R\$164m), to R\$1,094m in 9M14, reflecting: (i) in the generation and supply, higher costs with electricity purchases in the spot maket due to GSF below 100% (92% in 9M14), which when mitigated by short term sales contracted at favourable prices, translated into +R\$181M (or +€57M) of aditional costs vs. 9M13; (ii) in the distribution business, higher regulated revenues supported by higher volumes distributed and by previous years' settlements.

Profit & Loss Items below EBITDA

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Profit & Loss Items below EBITDA (€ m)	9M14	9M13	Δ%	Δ Abs.	1Q14	2Q14	3Q14	4Q14	3Q14 Δ%	4 QoQ Δ Abs.
EBITDA	2,715	2,800	-3%	-85	1,030	972	713		-27%	-258
Provisions Net Depreciation and amortisation	21 1,014	40 1,054	-47% -4%	-19 -39	7 324	11 357	4 334		-67% -6%	
EBIT	1,680	1,706	-2%	-26	699	604	376		-38%	-229
Net financial interest Capitalized financial costs Net foreign exchange differences and derivates Investment income Unwinding w/ pension & medical care responsibilities Other Financials Financial Results	(655) 124 8 5 (50) 114 (453)	(586) 96 (2) 5 (53) 54 (486)	-12% 30% - 1% 7% - 7%	-69 29 9 0 4 61 33	(216) 41 19 0 (17) 27 (147)	(217) 42 15 4 (18) 76 (98)	(222) 41 (26) 1 (15) 12 (208)		-2% -3% - - 15% -84% - 112%	-1 -40 -3 3 -64
Share of net profit in joint ventures and associates Capital Gains/(Losses)	25 (0)	(16) 0	-	41 -0	12 (0)	(4) (0)	17 0		-	20 0
Pre-tax Profit	1,251	1,204	4%	47	564	502	184		-63%	-318
Income Taxes Effective Tax rate (%)	276 22%	263 22%	5% -	13 0.2 pp	186 33%	57 11%	33 18%		-41% <i>60%</i>	
Extraordinary Contribution for the Energy Sector	46	-	-	46	15	16	17		4%	1
EDP Renováveis Energias do Brasil Other Non-controlling Interests	52 86 5 143	45 97 6 149	16% -12% -15% -4%	7 -11 -1 -5	39 27 2 68	18 34 1 53	(5) 25 2 23		-25% 122% - 57%	1
Net Profit Attributable to Shareholders of EDP	786	792	-1%	-6	296	377	113		-70%	-264

Net depreciation and amortisation (net of compensation from depreciation and amortisation of subsidised assets) decreased 4% YoY to €1,014m in 9M14, mostly reflecting: i) extension of the useful life since Nov-13 of our CCTGs (from 25 to 35 years) and of some of our coal plants in Spain; ii) lower impairments at some of our special regime facilities in Spain accounted in 3Q13; iii) impairment at hydro project in Portugal (Alvito) accounted in 2Q14 amounting to €27m; iv) lower impairments at EDPR (€10m in 9M13 related to projects under development); v) a one-off accelerated depreciation of some distribution assets in Brazil in 9M13 (€22m) and vi) forex impact mostly due to EUR/BRL evolution (-€10m).

Net financial costs decrease 7% YoY to €453m in 9M14. Net interest expenses rose 12% YoY reflecting a higher average cost of debt, up from 4.3% in 9M13 to 4.7% in 9M14 explained by higher marginal cost of debt from refinancing issues compared to old issues that are being paid, which was partly mitigated by a €0.6bn decrease in average net debt. Net ForEx differences and derivatives totalled €8m in 9M14 and are mostly related to financial operations in energy markets and commodities. Capitalised financial costs reached €124m in 9M14, up €29m YoY, driven by a higher level of works in progress, namely in new hydro in Portugal. Other financials totalled €114m in 9M14, including a €67m gain with the tariff securitisation deals (vs. €41m in 9M13).

Share of net profit in joint ventures and associates amounted to €25m in 9M14 with the main contributions to this item coming from: i) EDPR's 40% equity stake in ENEOP in Portugal (€9m in 9M14 vs. €7m in 9M13); ii) lower contribution mainly from some minority stakes in Spain due to changes in regulation (-€2m in 9M14 vs. €10m in 9M13) and iii) our 21% stake in CEM in Macau (€11m in 9M14). Note that the contribution from our 50% equity stake in Pecém I rose by €50m YoY, to +€3m in 9M14 (-€12m in 1H14 and +€15m in 3Q14), positively impacted by one-off reimbursements of unavailability penalties.

Income taxes amounted to €276m in 9M14, representing an effective tax rate of 22%. Additionally, and according to what had been defined in Portugal's 2014 State Budget, in 9M14, EDP contributed with €46m to the special contribution that is being applied to the energy sector. According to Portugal's 2015 State Budget proposal, the extraordinary contribution of the energy sector that is being applied in 2014 is expected to continue in place in 2015.

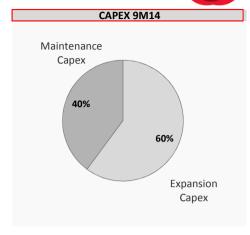
Non-controlling interests decreased 4% YoY to €143m in 9M14, driven by lower net profit at the level of EDPB and EDPR. All in all, net profit attributable to EDP shareholders decreased 1% YoY to €786m in 9M14.

Capital Expenditure & Net Investments



Capex (€ m)	9M14	9M13	Δ%	Δ Abs.
LT contracted gen. Iberia	20	32	-37%	-12
Liberalised activities Iberia	411	409	0%	+2
Regulated networks Iberia	246	246	-0%	-1
Wind & solar power	278	142	95%	+136
Brazil (1)	93	269	-66%	-176
Other	43	28	56%	+15
EDP Group	1,090	1,126	-3%	-36
Expansion Capex	655	704	-7%	-48
Maintenance Capex	434	422	3%	+12

1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14
11	8	12	17	3	7	10	-
139	126	145	128	124	171	115	-
72	89	85	141	70	89	87	-
(53)	65	131	394	44	69	165	-
53	75	141	113	26	28	39	-
7	10	11	15	11	17	15	-
228	373	525	808	278	381	431	-
112	223	368	574	162	225	269	-
116	150	157	234	116	157	162	-



Generation Projects Under Construction (€ m)	MW	Capex 9M14	Acc. Capex (2)
Hydro Portugal	1,468	374	1,664
Wind Power (3)	593	170	612
Total	2,061	544	2,276

Net financial investments/(Divestments) (€m)	9M14	9M13	Δ%	Δ Abs.
Investments	57	183	-69%	-126
Consolidation Perimeter EDPR Consolidation Perimeter EDPB (4) Gas assets (Spain) Other	4 2 - 51	46 33 96 8	-91% -94% - 498%	-42 -31 -96 +42
Divestments	163	515	-68%	-352
Consolidation Perimeter EDPR EDP Brasil (Jari & C. Caldeiräo) Gas assets (Spain) Wind assets Other	1 134 - 28	2 245 258 10	-37% - - -89% -	-1 +134 -245 -230 -10
Total	(106)	(332)	-	+226

9M14

1.108

9M13

1.309

Net Investments (€m) (5)

Total

Consolidated capex amounted to €1,090m in 9M14. Excluding a cash-grant cashed-in by EDPR in Jan-13 (€92m), related to a US wind farm installed in 4Q12, capex in 9M14 was 10% lower YoY (-€127m). Maintenance capex rose by 3% YoY (+€12m), to €434m in 9M14. Expansion capex totalled €655m in 9M14, fully devoted to the construction of new hydro & wind capacity. Capex in hydro capacity under construction in Portugal, comprising 3 new plants and 2 repowerings, totalled €374m in 9M14: 253MW due by the end of 2014, 963MW due in 3Q15 and 252MW due in 2H16. Capex in new wind & solar capacity (EDPR) totalled €278m, mostly allocated to capacity additions in 9M14 (+18MW in Europe) and to 593MW of capacity under construction, the bulk of which in the US (529MW). In Brazil, capex totalled €93m in 9M14 and was mostly devoted to maintenance works at our distribution business. Even though EDP Brasil has 3 new hydro projects under construction (Jari with 373MW, of which 123MW started up in Sep-14 and the remaining is due in until the end of 2014; Cachoeira Caldeirão with 219MW, due in Jan-17; S. Manoel with 700MW, due in May-18), these investments are equity-method consolidated. Overall, and excluding new hydro projects in Brazil (held at 50%), EDP has spent €2.3bn so far in 2.2GW of new generation capacity under construction.

Net financial divestments totalled €106m in 9M14. Financial divestments include: i) +€134m from the conclusion of the sale to CWEI (CTG) of 50% equity stakes in Jari and Cachoeira Caldeirão hydro projects; and ii) +€28m from EDPR disposal of a 49% equity stake in a wind farm portfolio of 100MW located in France sold to Axpo Group (enterprise value of €126m for 100% of the assets). Financial investments in 9M14 are mainly related to the subscription of rights issue at Millennium BCP (€45m), some success fees related to the development of our wind business and to EDPB's equity contributions to Jari hydro project.

Within the scope of EDP's strategic partnership with CTG, in Jun-14, EDPB completed the sale to CWE Investment Corporation ("CWEI"), a 100% owned CTG subsidiary, of 50% equity stakes in Jari and Cachoeira Caldeirão hydro projects for a cash amount of R\$420.6m (Jari: R\$420.2m and Cachoeira Caldeirão: R\$0.4m) in accordance with the terms of the Memorandum of Understanding ("MoU") signed in Dec-13. It is worth recalling that in Dec-13, CWEI also signed a MoU with EDPR for the sale of a 49% stake in EDPR's 40% share in ENEOP consortium (534MW of wind in Portugal) – the conclusion of this deal expected for 2015. Also, in Feb-14, EDPB agreed with CWEI the sale of a 33.3% stake in São Manoel hydro project (700MW awarded to the Terra Nova consortium – 66.7% EDPB and 33.3% Furnas), as part of the €2.0bn of CTG investments (including co-capex) in renewable capacity, in accordance with the existing partnership – the closing of this transaction is expected for 4Q14.

Δ Abs.

-200

-15%

Consolidated Cash Flow (€m) - Indirect Method	9M14	9M13 (1)	Δ%	Δ Abs.
EBITDA	2,715	2,799	-3%	-84
Current income tax	(146)	(253)	42%	+107
Net financial interest	(655)	(613)	-7%	-42
Net Income and dividends received from Associates	30	30	1%	+0
Other adjustments	(232)	(74)	-216%	-159
FFO (Funds From Operations)	1,712	1,889	-9%	-177
		,		
Net financial interest	655	613	7%	+42
Net Income and dividends received from Associates	(30)	(30)	-1%	-0
Change in operating working capital	104	(63)	-	+166
Regulatory Receivables (2)	209	(342)	_	+551
Other	(105)	280	-	-385
	(===)			
Net Cash from Operating Activities	2,441	2,410	1%	+31
Expansion capex	(655)	(743)	12%	+88
Maintenance capex	(434)	(422)	-3%	-12
Change in working capital from equipment suppliers	(224)	(422)	47%	+199
Net Operating Cash Flow	1,127	822		+305
The operation of the second of				
Net (investments)/divestments	106	365	-	-259
Net financial interest paid	(630)	(572)	-10%	-57
Dividends received	35	` 19	85%	+16
Dividends paid	(731)	(801)	9%	+70
Proceeds/(payments) from inst. partnersh. in US wind	`(50)	(31)	-58%	-18
Effect of exchange rate fluctuations	(333)	259	-	-592
Other non-operating changes	` 74	77	-4%	-3
Decrease/(Increase) in Net Debt	(400)	137	-	-537

Consolidated Cash Flow (€m) - Direct Method	9M14	9M13	Δ%	Δ Abs.
Operating Activities				
Cash receipts from customers	11,151	10,731	4%	+420
Proceeds from tariff adjustments sales	1.113	1.008	10%	+105
Cash paid to suppliers and personnel	(9,135)	(8,797)	-4%	-338
Concession rents & other	(522)	(396)	-32%	-126
Net Cash from Operations	2.606	2.545	2%	+61
Income tax received/(paid)	(166)	(180)	8%	+15
meetine tax received, (paid)	(200)	(200)	0,0	- 20
Net Cash from Operating Activities	2,441	2,365	3%	+76
Net Cash from Investing Activities	(1,119)	(1,486)	25%	+367
Net Cash from investing Activities	(1,113)	(1,400)	23/0	T307
Net Cash from Financing Activities	(1,457)	(755)	-93%	-702
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Changes in Cash and Cash Equivalents	(136)	124	-	-260
Effect of exchange rate fluctuations	29	(26)	-	+56

Funds from operations (FFO) fell 9% YoY (-€177m) to €1,712m in 9M14, including: i) a €42m increase in net financial interests, which translate a 43bp increase in the average cost of debt (4.7% in 9M14) and a lower average net debt (-€0.6bn); and ii) a €107m decrease in current income taxes. Note that 'other adjustments' include a €129m negative impact related to the new Collective Labour Agreement established in Portugal, which is fully compensated at EBITDA level.

Net cash from operating activities increased 1% YoY (+€31m) to €2,441m in 9M14. Note that regulatory receivables in 9M14 decreased €209m vs. Dec-13, reflecting: i) €126m of net cash proceeds from regulated activities in Portugal, including -€1,033m from the securitisation deals undertaken in 9M14; and ii) an €83m decrease from Spain, mostly related to 2013 deficit adjustments. Other changes in working capital, which amounted to -€105m in 9M14, include a €131m one-off gain booked on the sale of 50% equity stakes in Jari/Cachoeira-Caldeirão hydro projects (Brazil) to CWEI (CTG). It is worth recalling that 'other changes in working capital' in 9M13 were positively impacted by a fall in coal inventories as well as by a decrease in trade receivables, partly offset by a decrease in payables to trade suppliers.

Expansion capex totalled €655m in 9M14, translating the ongoing construction of new hydro and wind capacity. Note that **change in working capital from equipment suppliers** is mostly related to the renewable projects construction and development activity at EDPR level.

Net financial divestments amounted to €106m in 9M14, mostly reflecting the mentioned sale of 50% equity stakes in Jari/Cachoeira-Caldeirão to CTG.

On May 29th, 2014, EDP paid its annual dividend amounting to €672m (or €0.185/share, flat vs. the previous year). Note that the amount of €731m of dividends paid in 9M14 also includes the amounts paid to non-controlling interests, mostly at the level of EDP Renováveis.

The €333m negative impact on net debt from **effects of exchange rate fluctuations** essentially reflects the appreciation of the Brazilian Real (+6%) and US Dollar (+10%) against the Euro between Dec-13 and Sep-14.

Overall, **net debt** increased €0.4bn vs Dec-13, to 17.5bn as of Sep-14.

It is worth recalling that within the scope of EDPR's asset rotation strategy, in Aug-14, the company signed an agreement with Fiera Axium to sell a minority stake in a wind farm portfolio of 1.1 GW located in the US, and in Oct-14, another agreement was signed with a fund lead by EFG Hermes to sell a 49% stake in a portfolio of 270 net MW located in France. Proceeds from these asset rotation transactions total €418m and financial settlement, which is pending regulatory approvals and other customary conditions.

Accepte (6 m)	Son us Dos			
Assets (€ m)	Sep-14	ep. vs. Dec. Dec-13		
	Jep-14	Dec-13	4 AU3.	
Property, plant and equipment, net	20,077	19,454	623	
Intangible assets, net	5,907	6,018	-110	
Goodwill	3,307	3,253	54	
Financial investments and assets held for sale, net	1,093	1,578	-485	
Tax assets, deferred and current	537	754	-217	
Inventories	239	265	-26	
Trade receivables, net	1,856	2,281	-424	
Other assets, net	5,868	5,868	-0	
Collateral deposits	434	439	-5	
Cash and cash equivalents	2,050	2,157	-106	
Total Assets	41,368	42,066	-697	
Equity (€ m)	Sep-14	Dec-13	Δ Abs.	
	0.544	0.446		
Equity attributable to equity holders of EDP	8,541	8,446	96	
Non-controling Interest	3,199	3,082	117	
Total Equity	11,741	11,528	213	
Linkiliting (6 m)	Con 11	Dec-13	Δ Abs.	
Liabilities (€ m)	Sep-14	Dec-12	Δ AUS.	
Financial debt, of wich:	20,104	19.759	345	
Medium and long-term	16,516	15,601	916	
Short term	3,588	4.158	-570	
Employee benefits (detail below)	1,854	1,935	-80	
Institutional partnerships, US wind	1,551	1,508	43	
Provisions	387	382	6	
Tax liabilities, deferred and current	1,206	1,333	-127	
Other liabilities, net	4,524	5,621	-1,097	
Total Liabilities	29,628	30,538	-910	
Total Equity and Liabilities	41,368	42,066	-697	
Employee Benefits (€m) (1)	Sen-14	Dec-13	ΛΔhs	
Employee Benefits (em) (1)	0CD 11	200 10	L / 1851	
Pensions (2)	894	960	-66	
Medical care and other	960	974	-14	
Employee Benefits	1,854	1,935	-80	
Institutional Partnerships Liabilities (€m)	Sep-14	Dec-13	A Ahc	
mstitutional Partnerships Liabilities (Em)	36p-14	Dec-13	Δ Aυ3.	
Institutional Partnerships, US Wind	1,551	1,508	43	
(-) Deferred Income	699	672	26	
Institutional Partnerships Liabilities	853	836	16	
Decide Decide Land	C 11	D 43	A A1 -	
Regulatory Receivables (€m)	Sep-14	Dec-13	Δ ADS.	
Portugal Distribution and Gas (3)	2,085	2,045	40	
Portugal Annual CMEC Deviation	211	377	-166	
Spain	181	264	-83	
Brazil (4)	176	61	115	
Regulatory Receivables	2,653	2,747	-94	

Total amount of **property, plant & equipment and intangible assets** increased €0.5bn vs. Dec-13 to €26.0bn as of Sep-14, mainly reflecting: i) +€1.1bn of capex in the period; ii) -€1.0bn from depreciations in the same period; iii) +€0.6bn mainly resulting from the appreciation of the Brazilian Real (+6%) and US Dollar (+10%) against the Euro; and ii) a -€0.1bn net impact driven by CO2 licences purchase, consumption and delivery in the period. As of Sep-14, EDP's balance sheet included €3.8bn of works in progress (15% of total consolidated tangible and intangible assets) largely related to investments already incurred in regulated networks, power plants, wind farms development, equipment or concession rights which are not yet operating.

The book value of **financial investments & assets held for sale** went down €0.5bn vs. Dec-13, to €1.1bn as of Sep-14, reflecting the conclusion of the sale of 50% stakes in Jari and Cachoeira Caldeirão hydro projects in Brazil (Jun-14), which had been transferred to 'assets classified as held for sale' in Dec-13, as well as the mark-to-market of some of our financial stakes. Note that financial investments essentially refer to our financial stakes in Jari (50%), Cachoeira Caldeirão (50%), Pecém I (50%), ENEOP (40%), CEM (21%), REN (3.5%) and BCP (2.0%).

Tax assets net of liabilities, deferred and current, went down €0.1bn vs. Dec-13, essentially due to lower fiscal receivables related to value added taxes. Trade receivables and other assets (net) decreased €0.4bn vs. Dec-13 to €7.7bn as of Sep-14, translating: i) a €0.4bn decrease of gross regulatory receivables from Portugal, driven by the securitisation deals achieved during 9M14, which positive impact was partly offset by regulatory receivables generated during the period; and i) a €0.1bn decrease of gross regulatory receivables from Spain.

Total amount of EDP's **net regulatory receivables** went down €0.1bn vs. Dec-13, to €2.7bn as of Sep-14, reflecting: i) a €126m decrease from Portugal; ii) an €83m decrease from Spain; and iii) a €115m increase from Brazil (not reflected at Balance Sheet level).

Equity book value went up €0.1bn to €8.5bn as of Sep-14, essentially reflecting €786m of net profit for the period, which was nearly offset by the payment of €672m of dividends. Additionally: i) ForEx differences had a €40m positive impact on equity book value; and ii) an €82m actuarial loss was recognized at the level of equity reserves, translating the update of actuarial assumptions (lower discount rate).

Other liabilities (net) went down by €1.1bn vs. Dec-13 to €4.5bn as of Sep-14, driven by the closing of the above mentioned sale of 50% equity stakes in Jari and Cachoeira Caldeirão, which as of Dec-13 were under 'liabilities classified as held for sale' (-€0.6bn), lower regulatory liabilities in Portugal (-€0.3bn) and a decrease in payables from property, plant and equipment suppliers (-€0.2bn).

Pension fund, medical care and other employee benefit liabilities (gross, before deferred taxes) fell by €80m vs. Dec-13 to €1,854m as of Sep-14, reflecting a €116m actuarial loss related to the mentioned update of actuarial assumptions, the €129m positive impact from the new Collective Labour Agreement in Portugal and the recurrent payment of pension and medical care expenses in 9M14. Institutional partnership liabilities increased €16m vs. Dec-13 to €853m as of Sep-14 reflecting the US Dollar appreciation, which offset the effect of the benefits captured by the tax equity partners during the period. 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.

Consolidated Net Financial Debt

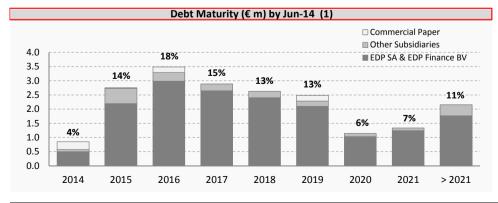


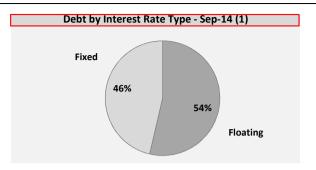
Nominal Financial Debt by Company (€m)	Sep-14	Dec-13	Δ%	Δ Abs.
EDP S.A. and EDP Finance BV	17,453	17,451	0%	2
EDP Produção & Other	236	149	59%	87
EDP Renováveis	981	842	16%	139
EDP Brasil	1,047	949	10%	98
Nominal Financial Debt	19,717	19,391	2%	326
Association of Balance	270	250	220/	0.1
Accrued Interest on Debt	278 110	359 9	-23% 1135%	-81 101
Fair Value of Hedged Debt			-69%	-53
Derivatives associated with Debt (2)	(128)	(76)		-55 5
Collateral deposits associated with Debt	(434)	(439)	1%	J
Total Financial Debt	19,542	19,244	2%	298
Cash and cash equivalents	2,050	2,157	-5%	-106
EDP S.A., EDP Finance BV and Other	1,266	1,618	-22%	-351
EDP Renováveis	330	255	29%	75
EDP Brasil	453	284	60%	170
Financial assets at fair value through P&L	8	4	-	4
EDP Consolidated Net Debt	17,483	17,083	2%	400

Credit Lines by Sep-14 (€m)	Maximum Amount	Number of Counterparts	Available Amount	Maturity
Revolving Credit Facility Domestic Credit Lines Underwritten CP Programmes	3,150 199 100	21 9 1	3,150 199 100	Jun/19 Renewable Oct/16
Total Credit Lines	3,449		3,449	

Debt Ratings	S&P	Moody's	Fitch
EDP SA & EDP Finance BV Last Rating Action	BB+/Stab/B	Ba1/Positive/NP	BBB-/Stab/F3
	28/01/2014	30/07/2014	02/07/2014

Debt Ratios	Sep-14	Dec-13
Net Debt / EBITDA	4.8x	4.7x
Net Debt / EBITDA adjust. by Reg. Receivables	4.1x	4.0x







EDP's financial debt is essentially issued at holding level (EDP S.A. and EDP Finance B.V.) through both debt capital markets and bank loans. 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 is essentially of project finance, mainly raised at EDP Renováveis' ('EDPR') subsidiaries. Our US Dollar debt is dedicated to the funding of US wind investments, issued at holding level and on-lent internally. EDP's funding strategy aims at maintaining access to diversified sources and assuring refinancing needs 12-24 months ahead. EDP targets a steady improvement of its free cash flow position and credit ratios over the next years. In Jul-14, Fitch affirmed EDP at "BBB-" and revised its outlook from Rating Watch Negative to Stable, following further disclosure on regulatory changes in Spain and their impact on EDP's Spanish operations. Also in Jul-14, Moody's affirmed EDP at "Ba1" and revised its outlook from Negative to Positive, following an improvement in operating and macroeconomic environment for EDP and Moody's view that EDP will gradually deleverage.

In Jan-14, EDP issued a USD750m bond maturing in Jan-2021 with a coupon of 5.25%. In Feb-14, EDP repaid at maturity a €1bn Eurobond that was paying a coupon of 5.5% and a Swiss Franc bond in the amount of CHF230m with a coupon of 3.5%. In Apr-14, EDP issued a €650m Eurobond maturing in Apr-19 with a coupon of 2.625%. In Jun-14, EDP repaid at maturity a USD1.5bn Revolving Credit Facility ("RCF") that was fully drawn. Also in Jun-14, EDP signed a €3.15bn RCF so as to replace the €2bn RCF due to mature in Nov-15 and keeping the same purpose of backup credit facility (the new RCF remains fully undrawn). In Jul-14, EDP contracted several US dollar loans (5 year maturity) that were used to repay USD750m out of a USD1.0bn loan with the Bank of China due to mature in Oct-15. In Sep-14, EDP issued a €1bn Eurobond maturing in Jan-22 with a coupon of 2.625%.

By Sep-14, average debt maturity was 4.1 years. The weight of consolidated financial debt raised through capital markets reached 66%, while the remaining of the debt was raised essentially through bank loans. Refinancing needs until the end of 2014 amount to €0.4bn, which essentially relate to some bonds that mature in Dec-14. Total cash and available liquidity facilities amounted to €5.5bn by Sep-14. This liquidity position allows EDP to cover its refinancing needs until mid-2016.



Business Areas

Electricity Balance		Portugal			Spain		Ibe	rian Peninsu	la
(TWh)	9M14	9M13	Δ%	9M14	9M13	Δ%	9M14	9M13	Δ%
Hydro	11.6	10.5	10%	29.1	27.4	6%	40.6	37.9	7%
Nuclear	-	-	-	42.5	43.8	-3%	42.5	43.8	-3%
Coal	7.7	8.1	-5%	31.7	27.8	14%	39.4	36.0	10%
CCGT	1.0	1.1	-8%	15.8	17.5	-10%	16.8	18.6	-10%
Fuel/gas/diesel	-	-	-	-	-	-	-	-	-
Own consumption	-	-	-	(4.8)	(4.6)	5%	(4.8)	(4.6)	5%
(-)Pumping	(0.7)	(1.1)	-30%	(4.0)	(4.7)	-15%	(4.7)	(5.8)	-18%
Conventional Regime	19.5	18.6	5%	110.3	107.2	3%	129.8	125.9	3%
Wind	8.7	8.4	4%	37.4	39.0	-4%	46.1	47.4	-3%
Other	7.5	7.8	-3%	38.9	43.8	-11%	46.4	51.6	-10%
Special Regime	16.2	16.1	1%	76.3	82.8	-8%	92.5	99.0	-7%
Import/(export) net	0.6	1.8	-63%	(4.0)	(5.7)	-31%	(3.3)	(4.0)	-16%
Gross demand (before grid losses)	36.3	36.5	-0.5%	182.6	184.3	-0.9%	218.9	220.8	-0.9%
Adjust. temperature, working days			0.5%			0.3%			n.a.

Gas Demand		Portugal		Spain			Iberian Peninsula		
(TWh)	9M14	9M13	Δ%	9M14	9M13	Δ%	9M14	9M13	Δ%
Conventional demand	30.4	32.1	-5%	183.0	202.3	-10%	213.4	234.4	-9%
Demand for electricity generation	2.3	2.4	-6%	36.9	39.7	-7%	39.2	42.1	-7%
Total Demand	32.7	34.6	-5%	220.0	242.0	-9%	252.6	276.5	-9%

Electricity demand in Iberia fell 0.9% YoY in 9M14, following a 0.8% YoY decrease in 3Q14 (after a flat 2Q14 and -1.7% 1Q14). In Spain (83% of Iberia), demand declined 0.9% in 9M14, although it was up 0.3% adjusted for temperature and working days. In Portugal (17% of total), demand was 0.5% lower YoY in 9M14 (+0.5% when adjusted for temperature and working days), after a 2.1% decrease in 3Q14, as a consequence of a very mild summer.

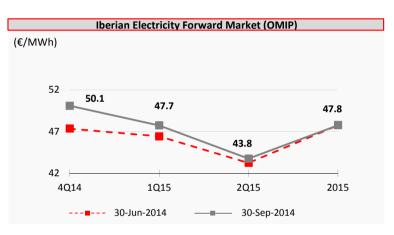
Installed capacity in Iberia declined by 1% (-0.7GW), driven by Spain. In Portugal, installed capacity was stable as wind capacity additions in the last 12 months were compensated by the shutdown of cogeneration and fueloil capacity. In Spain, lower installed capacity was prompted by the shutdown of some coal and cogeneration capacity.

Residual thermal demand in 9M14 increased 3.0% YoY (+1.6TWh), following a strong 3Q14 for thermal generation (+10% vs. 3Q13). In fact, residual thermal demand ascended, in spite of (i) lower total demand (-1.9TWh); (ii) higher net contribution from hydro capacity (+3.8TWh YoY) on hydro resources 20% and 33% above the average in Spain and Portugal, respectively); and (iii) lower net export volumes by 0.6TWh, on the back of increased interconnectivity with France, enabling more imports in a scenario of lower prices in France. Such an increase occurred mostly due to a rise in coal generation (+10% or +3.4TWh YoY in 9M14), as to compensate for (i) lower Iberian special regime production which was 7% lower YoY in 9M14 (-6.5TWh), in the wake of weaker wind resources (vs. 9M13) and lower special regime thermal production in Spain, following lower regulatory returns since Jul-13; and (ii) lower nuclear generation (-1.3TWh YoY). Accordingly, coal's avg. load factors improved to 51% (+6p.p. YoY, including 352MW of capacity closures), particularly in 3Q14 when avg. load factors reached 82% (vs. 70% in 3Q13). CCGT plants generation kept declining to an avg. load factor of 9% (-1p.p. YoY).

Average electricity spot price in Spain was 5% lower YoY in 9M14, at \le 39.5/MWh (31% QoQ), and \le 0.4/MWh higher than in Portugal. Average CO₂ prices rose by 31% YoY in 9M14, to \le 5.7/ton. Average electricity final price in Spain stood \le 12.5/MWh above pool price (4% lower than in 9M13) as a result of the contribution from restrictions market, ancillarly services and capacity payments.

In the Iberian gas market, consumption fell by 9% YoY in 9M14, dragged by a 9% slump in conventional demand, on the back of the decline of thermal special regime production and warmer weather, reflecting a 10% drop in Spain and a 5% fall in Portugal. Consumption for electricity generation purposes fell 7%, due to lower utilisation rates at CCGTs.

Installed Capacity in Electricity	Ibe	rian Peninsı	ıla
(GW)	9M14	9M13	Δ%
Hydro	22.1	22.1	-0%
Nuclear	7.0	7.0	-
Coal	11.7	12.1	-3%
CCGT	28.8	28.8	0%
Fuel/gas/diesel	0.8	1.0	-17%
Conventional Regime	70.4	70.9	-1%
Wind	27.6	27.3	1%
Other special regime	20.1	20.6	-2%
Special Regime	47.7	47.9	0%
	•		•
Total	118.1	118.8	-1%
· · · · · · · · · · · · · · · · · · ·			



Main Drivers	9M14	9M13	Δ%
Hydro coeficient (1.0 = avg. year)			
Portugal	1.33	1.23	8%
Spain	1.20	1.28	-6%
Wind coeficient (1.0 = avg. year)			
Portugal	1.16	1.20	-3%
Electricity spot price, €/MWh (1)			
Portugal	39.1	40.7	-4%
Spain	39.5	41.5	-5%
Electricity final price, €/MWh (1) (2)			
Spain	52.0	53.8	-3%
000 11 (5114) 0(1 (4)			
CO2 allowances (EUA), €/ton (1)	5.7	4.4	31%
Coal (API2 CIF ARA), USD/t (1)	76.1	80.6	-6%
Gas NBP, €/MWh(1)	20.6	27.4	-25%
Brent, USD/bbl (1)	106.6	108.5	-2%
	100.0	230.3	270
EUR/USD (1)	1.35	1.32	3%

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



Income Statement (€ m)	9M14	9M13	Δ%	Δ Abs.
PPA/CMEC Revenues	731	771	-5%	-40
Revenues in the market (i)	573	652	-12%	-78
Annual deviation (ii)	80	93	-13%	-12
PPAs/CMECs accrued income (iii)	77	27	187%	+50
PPA/CMEC Direct Costs	191	199	-4%	-9
Coal	136	149	-9%	-13
Fuel oil	2	2	21%	+0
CO2 and other costs (net)	53	49	8%	+4
Gross Profit PPA/CMEC	541	572	-5%	-31
Thermal (cogen., waste, biomass)	0	20	740/	22
Mini-hydro	8 39	30 44	-74% -11%	-22
Gross Profit Special Regime	39 47	74 74	-11% - 37%	-5 -27
dross Front Special Regime	47	/4	-3/%	-27
Net Operating costs (1)	76	108	-30%	-32
EBITDA	512	538	-5%	-26
Net depreciation and provision	124	126	-2%	-2
EBIT	388	412	-6%	-24
At Fin. Results: Hedging Gains (Losses) (2)	1	9	-92%	-9
Employees (#)	1,172	1,233	F0/	-61
Lilipioyees (#)	1,172	1,233	-5%	-01
PPA/CMEC: Key Data	9M14	9M13	Δ%	Δ Abs.
Real/Contracted Availability				
Hydro plants	1.04	1.06	-2%	-0.0
Thermal plants	1.06	1.04	2%	+0.0
Installed Capacity (MW)	4,470	5,274	-15%	-804
Hydro	3,290	4,094	-13/6	-804
Coal	1,180	1,180	_	-604
Cuai	1,100	1,100	-	-
Output (GWh)	12,723	13,319	-4%	-596

Special Regime: Key Data	9M14	9M13	Δ%	Δ Abs.
Output (GWh) Mini-hydro Portugal Thermal Portugal Thermal Spain	738 444 162 131	1,234 456 355 423	- 40% -2% -54% -69%	-496 -11 -193 -292
Average Gross Profit (€/MWh) Mini-hydro Portugal Thermal Portugal (3) Thermal Spain	88 33 40	97 18 56	-9% 83% -28%	-9 +15 -16
Capex (€ m)	9M14	9M13	Δ%	Δ Abs.
PPA/CMEC Generation Special Regime	19 1	29 3	-35% -60%	-10 -2
Total	20	32	-37%	-12

6.934

7.475

5,844

-541

EBITDA from LT contracted generation fell by 5%, to €512m in 9M14, impacted by the transfer of 3 hydro plants to our merchant portfolio following the termination of respective PPAs (9M13 gross profit: €46m) and by production stoppage in several special regime thermal plants. In turn, the establishment of the new Collective Labour Agreement in Portugal in Jul-14 enabled a positive €23m change in the present value of future liabilities, booked as net operating costs.

Following the end in Dec-13 of PPA, our hydro plants Bemposta I, Picote I and Miranda are now operating in the liberalised market since 1-Jan-14 (804MW; 2.5TWh energy production in an avg. hydro year; €24/MWh price implicit in PPA).

Gross profit from PPA/CMEC was €31m lower YoY in 9M14, at €541m, following the natural depreciation of the asset base and the transfer of 3 hydro plants to our merchant portfolio (€46m gross profit in 9M13).

The **annual deviation** between market gross profit under CMECs assumptions and gross profit under actual market conditions totalled €80m in 9M14, reflecting essentially the low spot prices in 1H14 (3Q14 revisibility: -€19m). This amount is due to be received in up to 24 months through access tariffs. Deviation at hydro plants totalled €19m as the impact from a production 32% above CMEC's reference was overwhelmed by an avg. realised price 43% below CMEC's reference. In turn, market gross profit at our Sines coal plant stood €61m below the CMEC's reference, due to shorter volumes (-10%) and avg. clean dark spread 13% below the CMEC's reference.

Gross profit from special regime was €27m lower YoY, at €47m in 9M14, driven by the shutdown of a cogeneration plant in Portugal (Energin, 44MW) in Jan-14 and by the interruption of production in most of our Spanish thermal plants (74MW, 80% of total capacity) in Feb-14, as remuneration terms proposed and in place since Jul-13 make its operation unprofitable. Also, gross profit at our mini-hydro plants in Portugal was 11% lower YoY, driven by slightly lower volumes and lower prices.

Net operating costs⁽¹⁾ fell by 30%, to €76m in 9M14, reflecting a positive impact of €23m stemming from the new collective labour agreement; a 5% YoY reduction in the workforce; lower generation taxes in Spain (on lower production); and tight cost control.

Net depreciation charges and provisions were 2% lower YoY, at €124m in 9M14, reflecting lower asset base at PPA/CMEC, partially mitigated by one-off provisions/impairments on thermal special regime plants in Spain in 4Q13.

Capex in LT contracted generation was €12m lower in 9M14, at €20m, largely due to several pluri-annual maintenance works at Sines in 2013.

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 CO₂ 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 between PPA and CMEC assumed at the beginning of the system in July 2007.

Hydro

Liberalised Activities in the Iberian Market



Income Statement (€ m)			9M14	9M13	Δ%	Δ Abs.
Gross Profit			678	535	27%	+143
Electricity generation			463	417	11%	+45
Portugal			227	131	74%	+96
Spain			239	291	-18%	-52
Adjustments			(4)	(4)	-15%	+1
Electricity supply			150	84	78%	+66
Gas supply			72	35	104%	+36
Adjustments			(6)	(1)	365%	-5
Net Operating costs (1)			311	272	14%	+39
EBITDA			368	263	40%	+104
Provisions			2	18	-89%	-16
Net depreciation and amortisation	1		176	178	-1%	-2
EBIT			190	68	180%	+122
Electricity Performance	9M14	9M13	Δ%	9M14	9M13	Δ%

	Output (GWh)			Variable	Cost (€/M\	Nh) (2)
Generation Output	11,163	9,572	17%	24.1	30.6	-21%
Electricity Purchases	26,681	24,244	10%	46.2	48.5	-5%
Electricity Sources	37,844	33,816	12%	40.4	44.3	-9%
	Volumes Sold (GWh)			Average F	Price (€/M\	Wh) (3)
Grid Losses	858	1,347	-36%	n.a.	n.a.	-
Retail - Final clients	25,873	22,933	13%	61.7	63.4	-3%
Wholesale market	11,113	9,536	17%	54.0	66.2	-18%
Electricity Uses	37,844	33,816	12%	58.1	61.7	-6%
Electricity Gross Profit (€ m)			9M14	9M13	Δ%	Δ Abs.

Total	613	502	22%	+111
Gas Uses (TWh)	9M14	9M13	Δ%	Δ Abs.
Consumed by own power plants	3.4	4.8	-28%	-1.3
Sold in wholesale markets	15.7	8.1	94%	+7.6
Sold to Clients	10.4	15.5	-33%	-5.1
Total	29.6	28.4	4%	+1.2

EBITDA from liberalised activities was €104m higher YoY, at €368m in 9M14, driven by: (i) a stronger contribution from hydro production (45% weight in generation mix in 9M14 vs. 36% in 9M13); (ii) improved volume and margins in the electricity supply business; (iii) higher results derived from the successful management of volatility in the energy markets; and (iv) +€36m YoY of gross profit from gas supply and trading activities, mostly in 1H14.

As a result of the end of PPAs at 3 hydro plants in Dec-13, 804MW of hydro capacity was transferred from the LT Contracted portfolio to liberalised generation portfolio (2.0TWh in 9M14). Accordingly, hydro output increased 46% YoY, helped by the even rainier 9M14 (vs. an already rainy 9M13). The higher contribution from hydro justified a 21% drop in the avg. generation cost. Regulatory-wise, 9M14 EBITDA was hit by an overall impact in Iberia of -€41m YoY (generation taxes and reduction in capacity payment in Spain; and by the clawback in Portugal).

Gross profit in the electricity business rose by 22% in 9M14, to €613m, driven by a higher avg. unit margin (up from €14.5/MWh in 9M13 to €15.7/MWh in 9M14).

<u>Unit margin</u> (2)(3): Avg. electricity spread was €1.2/MWh higher in 9M14, at €15.7/MWh, mainly propelled by a cheaper mix of electricity sources. **Avg. sourcing cost** fell by 9% YoY supported by a cheaper generation mix (-21% YoY on higher contribution from hydro) and cheaper electricity purchases derived from selective wholesale buying in the period. **Avg. selling price** was 6% lower in 9M14, as a result of: (i) a 3% decline in avg. selling prices to retail clients derived from lower cost of electricity and competition; and (ii) a 18% fall in the average selling prices in the wholesale market (supported by lower revenues in complementary markets and slightly lower pool prices).

<u>Volumes</u>: Total volume sold rose by 12% to 38TWh in 9M14, reflecting increases in sales to retail and in the wholesale market. Our generation output met 43% of electricity sales to final clients.

Our gas sourcing activity in 9M14 was based on an annual 3.6bcm portfolio of long term contracts, which flexibility has been enhanced through several contract renegotiations (including take or pay flexibility). Moreover, rather than solely using volumes available for electricity generation and for the sale to clients in the free market, EDP was able to divert part of its take-or-pay gas volumes to wholesale markets, where conditions were more attractive. As a result, gas supplied rose by 4% YoY to 30TWh (2.5bcm) in 9M14, as sales in wholesale markets almost doubled YoY, offsetting the 33% decrease in sales to final clients and the 28% drop in consumption at our gas fired power plants.

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 around 95% of its gas sourcing commitments in 2014 and 50% in 2015. Also, EDP has so far forward contracted costs for all its expected coal output for 2014 and close to 50% in 2015. For 2014, EDP has so far forward contracted electricity sales with clients of 35TWh and, for 2015, EDP has already forward contracted 17TWh at an avg. price of c.€55/MWh.

Verieble Cost (£ (\$4\A/b) (2)

17.7

(2.0)

15.7

37.8

595

18

17.3

(2.8)

14.5

33.8

491

10

2%

29%

8%

12%

21%

72%

+0

+1

+1

+7

+104

Before hedging (€/MWh)

Unit margin (€/MWh)

Total Volume (TWh)

Subtotal

Others (5)

From Hedging (€/MWh) (4)

⁽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) Includes results from hedging on electricity;

⁽⁵⁾ Includes capacity payments, services rendered and others.

Liberalised Electricity Generation in the Iberian Market



Income Statement (€ m)	9M14	9M13	Δ%	Δ Abs.
Gross Profit	463	417	11%	+45
Portugal	227	131	74%	+96
Spain	239	291	-18%	-52
Adjustments	(4)	(4)	-15%	+1
Supplies and services	50	48	4%	+2
Personnel costs	26	36	-28.1%	-10
Costs with social benefits	1	0	8262%	+1
Other operating costs (net)	92	73	26%	+19
Net Operating costs (1)	168	157	8%	+12
EBITDA	294	261	13%	+34
Provisions	1	2	-24%	-0
Net deprec. and amortisation	171	170	0%	+1
EBIT	122	89	37%	+33
Employees (#)	616	640	-4%	-25

Key Operating Data	9M14	9M13	Δ%	Δ Abs.
Generation Output (GWh) CCGT Coal Hydro Nuclear	11,219 699 4,574 5,081 865	9,622 895 4,402 3,492 834	17% -22% 4% 46% 4%	+1,598 -196 +172 +1,589 +32
Generation Costs (€/MWh) (2) CCGT Coal Hydro Nuclear	24.0 114.9 38.2 2.0 4.7	30.5 110.8 40.0 4.1 4.4	-21% 4% -4% -51% 7%	- 6.5 +4.1 -1.8 -2.1 +0.3
Load Factors (%) CCGT Coal Hydro Nuclear	3% 48% 32% 85%	4% 46% 33% 82%	- - -	-1p.p. 2p.p. -1p.p. 3p.p.
CO2 Emissions (mn tones) Total emissions (3)	6.2	6.8	-8%	-0.6

Capex (€ m)	9M14	9M13	Δ%	Δ Abs.
Expansion	379	381	-1%	-2
Maintenance	21	20	3%	+1
Total	400	402	0%	-1

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

Output from our generation plants (unadjusted for hydro pumping) was 17% higher in 9M14, mainly prompted by a higher contribution from hydro plants in the wake of stronger hydro resources and the switch of 3 hydro plants from PPA/CMEC portfolio to merchant portfolio, in Jan-14. The 3 run-of-the-river plants which PPAs matured in Dec-13 imply a total installed capacity of 804MW and have posted a 2.0TWh output in 9M14. The rise in hydro output was partially compensated by lower production at our and CCGTs (-0.2TWh), whilst our coal plants production was up 4%. Avg. production cost was 21% lower YoY, at €24,0/MWh in 9M14, reflecting the higher contribution from the cheaper technology, hydro: 45% of total output in 9M14 vs. 36% in 9M13.

Coal: Output was up 4% YoY in 9M14, backed by high load factors in 3Q14 and part of 2Q14, after a period of strong hydro volumes. Avg. load factor reached 48% in 9M14 (+2p.p. YoY). Generation from Spanish domestic coal was 688GWh in 9M14. Avg. production cost declined by 4%, to €38/MWh, supported by a lower coal cost.

<u>CCGTs:</u> Output declined by 22% YoY in 9M14, driven by low competitiveness of gas vs. coal, implying a 1p.p. decline in avg. load factor, to 3% in 9M14. Avg. production cost reached €115/MWh in 9M14, driven by low dilution of gas procurement fixed costs as plants were almost stopped.

Hydro & Nuclear: Hydro generation rose by 46% in 9M14, fuelled by additional capacity in the portfolio (804MW transferred from LT Contracted portfolio following PPA maturities). The avg. cost of hydro production fell from €4.1/MWh in 9M13 to €2.0/MWh in 9M14, reflecting a less intensive pumping activity derived from very high level of hydro reserves in the first part of 2014. Pumping activity is concentrated at our Alqueva plant, at an avg. cost correspondent to a c53% discount to the avg. pool price (vs. c42% in 9M13). Our 15.5% share in the production of Trillo plant (nuclear) corresponded to an avg. load factor of 85% in 9M14 (+3p.p. YoY).

The Portuguese government has already materialised the necessary correction measures as to comply with targets defined in Oct-13, paving the way for ensuring the system's sustainability and the correction of potential distortions in both the market of ancillary services and in the remaining markets, arising from different regulatory conditions between Portugal and Spain. Accordingly, the Dispatch 12955-A/2013 established a levy applicable to generators in the liberalised market from Oct-13 onwards, which amount will vary according to the conclusions of a half-yearly analysis conducted by the regulator and approved by the government. The transitory charge in place corresponds to €2/MWh in off-peak hours and €3/MWh in peak hours and the overall impact in 9M14 amounted to €9m. Additionally, the Dispatch 4694/2014 addressed the price of the secondary regulation in the ancillary services market, obliging it to be no greater than in Spain. Finally, the government announced new rules to access social tariff as to significantly enlarge the potential universe of low income electricity customers eligible for social tariff to 500k in 2015, from the current 61k.

In Spain, RDL9/1Q14 (Jul-13) established (i) a decrease in capacity payments for CCGTs from €26/kW to €10/kW, although doubling the remaining payment period; and (ii) the funding of the social tariff by vertically integrated companies. As a result of this, revenues from capacity payments were €10m lower YoY in 9M14. Additionally, generation taxes in place since Jan-13 amounted to €71m in 9M14, €22m above 9M13 on higher coal purchases.

Net operating costs⁽¹⁾ increased by 8% YoY, to €168m in 9M14, driven by the transitory levy charged in Portugal on production and the increase in generation taxes in Spain. In turn, these were offset by a positive impact of the new Collective Labour Agreements in Portugal and the recovery of nuclear eco-levies paid in previous years in Spain. Net depreciation charges increased by €1m, to €171m, impacted by a €27m one-off hydro impairment (Alvito), offset by the extension of useful life since Nov-13 of (i) our CCTG plants, from 25 years to 35 years; and (ii) of some of our coal plants in Spain.

Capex totalled €400m in 9M14, mostly devoted to new hydro capacity in Portugal (under construction and development). EDP is currently building 5 hydro projects (1,468MW): Baixo Sabor and Ribeiradio, expected start-up in Dec-14; Venda Nova III and Salamonde II, expected to start operations in 2H15; and Foz-Tua, due in 2H16.

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

Liberalised Electricity and Gas Supply in the Iberian Market



Income Statement (€ m)	Energy Supply in Spain				
	9M14	9M13	Δ%	Δ Abs.	
Gross Profit	144	78	84%	+66	
Supplies and services	46	43	7%	+3	
Personnel costs	8	8	3%	+0	
Costs with social benefits	0	0	-47%	-0	
Other operating costs (net)	20	22	-9%	-2	
Net Operating costs (1)	75	74	1%	+1	
EBITDA	70	5	1359%	+65	
Provisions	0	16	-100%	-16	
Net depreciation and amortization	3	6	-52%	-3	
EBIT	67	(17)	-	+84	

Income Statement (€ m)	Energy Supply in Portugal				
	9M14	9M13	Δ%	Δ Abs.	
Gross Profit Supplies and services Personnel costs	77 47	41 30	89% 58%	+36 +17	
Costs with social benefits Other operating costs (net) Net Operating costs (1)	8 - 12 68	8 0 5 43	-1% - 176% 59%	-0 -0 +8 +25	
EBITDA Provisions Net depreciation and amortization	10 1 2	(2) 0 2	64% 16%	+11 +0 +0	
EBIT	7	(4)	-	+11	

	2224	01110	201	
Key data	9M14	9M13	Δ%	Δ Abs
Energy Supply in Spain				
Electricity - Free market				
Volume Sold (GWh)	12,855	12,289	5%	+566
Market Share (%)	9%	10%	-1%	0p.p.
Clients (th.)	700	625	12%	+75
Electricity - Last resort supply	700	023	12/0	+73
Volume Sold (GWh)	388	451	-14%	-63
	250	261	-14 <i>%</i> -4%	-12
Clients (th.)	250	201	-470	-12
Gas - Free market & Last resort supply	22.470	20.067	420/	2 602
Volume Sold (GWh)	23,470	20,867	12%	2,603
Market Share (%) (2)	4%	6%	-33%	-2p.p.
Clients (th.)	826	790	5%	+37
Energy Supply in Portugal				
Electricity - Free market				
Volume Sold (GWh)	11,476	9,516	21%	+1,960
Market Share (%)	45%	44%	3%	1p.p.
Clients (th.)	2,727	1,666	64%	+1,061
Gas - Free market	2,727	1,000	0476	+1,001
	2,695	4,053	-34%	-1,358
Volume Sold (GWh)				,
Market Share (%) (2)	9%	10%	-14%	-1p.p.
Clients (th.)	346	186	86%	+160
Capex (€m)	10	7	41%	+3
Employees (#)	326	329	-1%	-3

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. Note that 9M13 was restated as to reflect not only the application of IFRS10 and IFRS11 but also the reclassification of our Iberian commercial shared services platform for electricity and gas supply: this activity was excluded from the liberalised activities in 9M (2013 and 2014) and transferred to the Holding ('Others') level.

Energy Supply in Spain

Gross profit at our supply activities in Spain rose by €66m YoY, to €144m in 9M14, driven by better margins in electricity and a €22m increase in gross profit from gas wholesale trading activities, on higher volumes and avg. margins.

Net operating costs increased slightly by €1m YoY, in 9M14, on the back of higher costs servicing a higher number of clients.

Electricity volume supplied to our clients in the free market increased by 5% YoY to 12.9TWh, in 9M14, accompanied by a 12% increase in the number of clients supplied, in line with EDP's strategy to focus on the most attractive customer segments. Market share, reflecting solely retail volumes, was almost flat YoY, at 9% in 9M4.

Gas volume supplied rose by 12%, to 23.5TWh in 9M14, as a result of a focus on wholesale trading opportunities, and following a 5% expansion in the client portfolio. Market share, reflecting solely retail volumes fell by 2p.p., to 4% in 9M14.

Energy Supply in Portugal

Market Environment – In line with the rules and calendar defined for the liberalisation of electricity supply in Portugal, the electricity last resort supplier (EDP Serviço Universal) can no longer contract new customers (with the exception of consumers entitled to the social tariff). Additionally, all the remaining consumers with regulated tariff will have to move to the free market until the end of the ongoing transitory period: until Dec-14 for clients with contracted power above 10.35 kVA and until Dec-15, for clients with contracted power equal or below 10.35 kVA. During the transitory period, the regulator may apply quarterly updates to transitory tariff as to promote the switch to the free market. In this context, the switching of electricity consumers to the free market over 2013 and in 9M14 was very strong: by Aug-14, the number of consumers in the free market soared to 3.1 million, elevating the total consumption in the free market to 80%.

Gross profit at our supply activities in Portugal advanced €36m YoY, to €77m in 9M14, driven by higher volume of electricity supplied and avg. margin achieved in the supply business.

Net operating costs rose by €25m, to €68m, driven by higher supplies and services, namely of costs with client services (call center, billing, etc), in line with the ongoing liberalisation process and the expansion of our clients base.

Electricity volume supplied to EDP clients in the free market in Portugal advanced 21% YoY, to 11.5TWh in 9M14, propelled by a 64% expansion of our client base. EDP's market share in the free market rose by 1p.p. YoY in 9M14, to 45%, in line with EDP's strategy to focus on the most attractive residential/SMEs segments.

Gas volume supplied to EDP clients in Portugal fell by 34% YoY to 2.7TWh, in 9M14, reflecting a more selective policy of clients contracting and the loss of two large industrial clients (cogeneration plants), in 3Q13 and 1Q14. This was partially compensated by the volume increase in the residential segment following the gas market liberalisation. The strong pace of gas supply liberalisation, along with our successful dual offer (electricity + gas) to residential clients, prompted a surge in the number of clients to 346k in Sep-14, corresponding to +160k YoY.

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

⁽²⁾ Market-share for retail market; excludes wholesale. For Portugal, based on the regulator's declared market-share (Jun-14 and Sep-13 figures)

EDP Renováveis: Financial Performance



1.6

43%

In come Statement	EDP Renováveis (€ m)				
Income Statement	9M14	9M13	Δ%	Δ Abs.	
Gross Profit	842	880	-4%	-38	
Supplies and services Personnel costs Other operating costs (net) Net Operating Costs (1)	184 50 (40) 194	185 53 (44) 195	-0% -5% -7% -0%	-1 -3 +3 -0	
EBITDA	648	686	-6%	-38	
Provisions Net deprec. & amortisation	336	0 334	1%	-0 +2	
EBIT	312	352	-11%	-40	
Capital gains/(losses) Financial Results Share of Profit from associates	(0) (184) 8	0 (198) 13	- -7% -44%	-0 +15 -6	
Pre-tax profit	136	167	-19%	-31	

9M14

40.0

905

Opex Performance

Employees (#)

Opex/Avg. MW (€ th) (4)

0	00444	00440	8.0/	A A I
Operational Overview	9M14	9M13	Δ%	Δ Abs.
Installed Capacity (MW)	7,774	7,493	4%	+281
Europe North America	4,184 3,506	3,933 3,476	6% 1%	+251 +30
Brazil	84	84	0%	-
Output (GWh)	14,369	13,728	5%	+642
Europe	6,861	6,528	5%	+333
North America	7,336	7,047	4%	+289
Brazil	173	153	13%	+20
Avg. Load Factor (%) Avg. Elect. Price (€/MWh)	29% 59.2	29% 64.6	1% -8%	0p.p. -5
Avg. Licett i fice (c) www.j	33.2	0-1.0	0,0	•
EBITDA (€m)	648	686	-6%	-38
Europe	397	436	-9%	-39
North America	253	254	-1%	-2
Other & Adjustments	(2)	(5)	-57%	+3
EBIT (€m)	312	352	-11%	-40
Europe	217	263	-17%	-46
North America	104	103	1%	+1
Other & Adjustments	(9)	(14)	-37%	+5
Capex (€m) (2)	278	142	95%	+136
Europe	60	155	-61%	-95
North America	208	(20)	-	+228
Brazil	10	7	37%	+3

Stake Owned by EDP (%)	77.5%	77.5%	-	
EDPR Key Balance Sheet Figures (€ m)	9M14	9M13	Δ%	Δ Abs.
Bank Loans and Other (Net)	591	453	30%	+138
Loans with EDP Group (Net)	3,025	2,732	11%	+293
Net Financial Debt	3,616	3,185	14%	+431
Non-controlling interests	447	375	19%	+72
Net Institutional Partnership Liability (3)	853	875	-3%	-22
Equity Book Value	5,701	5,640	1%	+61
EUR/USD - End of Period Rate	1.26	1.35	7%	0
EDPR Financial Results (€ m)	9M14	9M13	Δ%	Δ Abs.
Net Interest Costs	(151)	(150)	-1%	-1
Institutional Partnership costs (non-cash)	(43)	(47)	9%	+4
Capitalised Costs	20	12	67%	+8

9M14

5.49

(1)

(8)

(184)

872.3

9M13

3.84

(6)

(198)

-14%

+5

-1

+15

872.3

EDP Renováveis (EDPR) owns and operates EDP Group wind and solar power assets and develops projects for new renewable capacity. The two main markets in which EDPR operates are North America (38% of EDPR's EBITDA in 9M14) and Spain (24%). Other markets include Portugal (17%), France, Poland, Romania, Belgium. Italy and Brazil (the latter 6 representing 21% of EDPR's EBITDA in 9M14).

43.4

893

Δ% ΔAbs.

-3

+12

-8%

1%

9M13

EDPR's EBITDA decreased 6% YoY (-€38m) to €648m in 9M14 driven by negative impact following the changes in Spanish remuneration for renewable assets combined with low avg. market price in the period and the €14m one-off gain in 2013 from the restructuring of a PPA contract in the US.

Installed capacity rose 4% YoY (+281MW from which +18MW in 9M14) to 7.8GW by Sep-14. Electricity output increased 5% YoY due to capacity additions over the last 12 months and from a stable wind resource in the period. Avg. selling prices went down 8% YoY to €59.2/MWh reflecting lower average selling price in Europe (-13% YoY), mainly due to regulatory changes in Spain and lower prices in Romania which offset the higher average selling price in North America (+4%) and Brazil (+11%). Excluding non-recurrent items, EBITDA decreased 5% YoY (-€33m) to €644m. ForEx impact on EBITDA YoY change totalled -€9m.

EBIT decreased 11% YoY to €312m. Net depreciation and amortization in 9M13 includes -€10m related to impairments on projects under development. Excluding this impact, adjusted EBIT decreased by 13% YoY (-€45m).

Operating costs (Supplies and services + Personnel costs) decreased 1% explained by strict control over costs and strong efficiency levels despite a 4% increase in installed capacity (flat adjusted by forex). Other operating costs (net) were impacted by the 7% generation tax over lower sales in Spain (€17m in 9M14:-€6m YoY) and the 9M13 figures include €14m gain from the referred restructuring in a PPA in the US.

Capex was €278m in 9M14 include a government grant received in Poland in 9M14 (€20m). The increase of capex reflects the works done for the capacity under construction mainly in US, core growth market of EDPR business plan. 9M13 figures were impacted by the cash grant received in 1Q13 from the US Treasury (€92m).

EDPR Equity Market Data

Financial Results

Other

Forex Differences (5)

Share price at end of period (€/share)

Number of Shares Issued (million)

EDPR's net debt was €3.6bn as of Sep-14 (+€431m vs. Sep-13 and +€347m vs. Dec.13), mainly reflecting USD appreciation and investments done in the period. EDPR's net debt contracted with financial institutions (outside of EDP Group), which represented 16% of the company's net debt as of Sep-14, is mostly related to project finance with long term maturity, namely in Poland, Romania, Brazil, Canada and Spain. In the 9M14 EDPR signed two project finance transactions: i) €30m for 50MW of solar power plants in operation in Romania; ii) CAD49m for 30MW of EDPR first wind farm in Canada. Liabilities with Institutional Partnerships decreased by 3% YoY to €853m as of Sep-14. as tax equity partners are getting the tax benefits generated by the projects and as a result of the USD appreciation. Noncontrolling interests were €447m impacted by non-controlling interests sold to CTG (Portugal) in the context of the EDP strategic partnership, and to Fiera Axium (US) and Axpo Group (France) as part of the execution of the asset rotation strategy.

Net financial costs increased 7% YoY to -€184m in 9M14, as a result of a marginally higher average net debt (+€76m YoY) and cost of debt (5.3% in Sep-14 vs. 5.2% in Sep-13). Capitalised costs increased €8m due to higher level of works in progress. Forex differences had a negative impact as the positive impact from Leu appreciation was offset from the USD appreciation and Zloty depreciation as of Sep-14. Results from associates decreased by €6m, to €8m, reflecting the impact from the negative performance of Spanish equity stakes offsetting the positive performance of US and ENEOP equity stakes.

With the application of IFRS 11 from Jan-14 onwards, as of Sep-14, EDPR managed a portfolio of 8.6GW, of which 7,774MW fully consolidated and 837MW equity consolidated (487MW related to EDPR interest in Eólicas de Portugal consortium and 353MW to EDPR equity stakes in Spain (174MW) and in the US (179MW)).

EDP Renováveis: North America & Iberia



No. 11. Acres to (110 a Constate)	08444	00443	A 0/	A A la a
North America (US + Canada)	9M14	9M13	Δ%	Δ Abs.
Installed capacity (MW)	3,506	3,476	1%	+30
Avg. Load Factor (%)	32%	31%	4%	1p.p.
Avg. Selling Price (USD/MWh)	51.0	49.0	4%	+2
USD/EUR - Avg. of period rate	1.35	1.32	-3%	+0
PPA's/Hedged (US)				
Installed Capacity (MW)	2,907	2,907	0%	+0
Electricity Output (GWh)	6,074	5,644	8%	+430
Avg. Selling Price (USD/MWh)	52.5	53.1	-1%	-1
Merchant (US)	32.3	33.1	170	-
Installed Capacity (MW)	569	569	0%	-0
Electricity Output (GWh)	1,222	1,403	-13%	-181
Avg. Selling Price (USD/MWh)	40.8	32.8	24%	+8
Avg. Selling Frice (OSD/MMI)	40.8	32.0	24/0	+0
Gross Profit (USD m)	366	338	8%	+28
PTC Revenues & Other (USD m)	119	120	-1%	-1
Adjusted Gross Profit (USD m)	485	458	6%	+27
EBITDA (USD m)	343	335	2%	+8
EBIT (USD m)	141	136	4%	+5
Net Capex (USD m)	282	(27)	_	+309
Gross Capex	282	93	202%	+188
•	202		202/0	+120
Cash grant received	-	(120)	16630/	
Capacity under construction (MW)	529	30	1663%	+499

Spain	9M14	9M13	Δ%	Δ Abs.
Installed capacity (MW)	2,194	2,194	0%	-
Avg. Load Factor (%)	27%	28%	-3%	-1 p.p.
Production (GWh)	3,845	3,974	-3%	-129
Prod. w/capac. complement (GWh)	3,532	-	-	-
Standard Production (GWh)	2,954	-	-	-
Above/(below) Std. Prod. (GWh)	578	-	-	-
Prod. w/o cap. complement (GWh)	313	-	-	-
Avg. Price (€/MWh)	64.5	84.1	-23%	-20
Total GWh: Realised pool (€/MWh)	31.5	-	-	-
Regulat. Adj. on std. GWh (€m)	9.0	-	-	-
Complement (€m)	115.9	-	-	-
Hedging gains/(losses) (€m)	2.0	-	-	-
Gross Profit (€m) (1)	245	334	-27%	-89
EBITDA (€m) (1)	158	238	-33%	-79
EBIT (€m) (1)	58	131	-55%	-73
Capex (€m)	3	2	52%	+1
Capacity under construction (MW)	2	-	-	+2

Portugal	9M14	9M13	Δ%	Δ Abs.
Installed capacity (MW)	621	619	0%	+2
Avg. Load Factor (%)	30%	29%	5%	1p.p.
Electricity Output (GWh)	1,227	1,167	5%	+60
Avg. Selling Price (€/MWh)	107	107	0%	-0
Gross Profit (€m)	134	127	6%	+7
EBITDA (€m)	111	104	7%	+7
EBIT (€m)	92	85	8%	+7
Capex (€m)	4	8	-48%	-4
Capacity under construction (MW)	2	-	-	+2
ENEOP Installed capacity (MW) (2)	487	395	23%	+92

In North America, installed capacity totalled 3.506MW as of Sep-14 (+30MW YoY). Electricity output increased 4% YoY, reaching 7.3TWh in the period. Avg. selling price increased 4% YoY to USD51/MWh in 9M14 reflecting US higher merchant prices achieved in the period benefiting of higher gas prices and an increase in REC prices. Gross profit (including revenues from PTCs) increased 6% to USD485m, while EBITDA increased 2% YoY impacted by a USD18m positive one off impact in 1Q13 from the restructuring of the off-taking volumes of a long-term PPA for 200MW (from 100% to 80%).

EDPR strategic growth towards the US is supported by a total of 1.1 GW of new PPAs secured during 2013/14. In 9M14, EDPR secured PPAs for projects to be installed in 2015, 20-year PPA for 200MW Waverly project in Kansas and, in 2016, 20-year PPA for 50MW in Texas and a 15-year PPA for 100MW in Texas. As of Sep-14, EDPR had 529MW under construction in US (200MW Headwaters wind farm in Indiana and 99MW Rising Tree wind farm in California, both expected to be installed by Dec-14 and 200MW Waverly wind farm in Kansas to be commissioned in 2015). Additionally, in 1Q14, EDPR started the construction of 30MW of solar PV in South California (20-year PPA), which is expected to be installed in the 4Q14. Since Jul-14, EDPR secured three institutional equity financing structures for a total of USD332m, for an interest in the 200 MW Headwaters (USD190m) and 99 MW Rising Tree North wind projects (USD109m), and 30 MW Lone Valley solar PV project (USD33m), all in the US and expected to be installed in the 4Q14. In Aug-14, EDPR signed an agreement with Fiera Axium, to sell a minority stakes in a wind farm portfolio of 1,101 MW located in the US. The transaction is subject to the customary regulatory approvals.

In the end of 2013, **EDPR installed its first wind project in Canada** with an installed capacity of 30MW (20 year Feed-in Tariff) and in 9M14 executed a project finance structure amounting to CAD49m (9M14 avg. load factor of 25%; 39GWh output and an avg. selling price of USD134/MWh).

In Spain, in Jun-14, Spanish Government fully approved the new remuneration framework retroactive from Jul-13 onwards. The new framework sets up a new remuneration of 7.4% (Spanish 10-year yields + 300bps), under which wind farms will receive the pool price and a capacity complement per MW, dependent on the year of commissioning, until completing 20-years. From the 2.2 GW installed capacity of EDPR, 9% will not receive capacity complement. There will be interim revisions (every 3 years) to correct deviations from the expected pool price (€49/MWh − regulator scenario).

Following the changes in remuneration framework for renewable assets introduced in Jul-13, **EDPR's EBITDA** in **Spain decreased 33% to €158m YoY in 9M14.** Electricity generated decreased by 3% YoY to 3.8TWh (-14% in 3Q14 to 902GWh) and avg. price reached €64/MWh in 9M14 (vs. €84MWh in 9M13) reflecting a realised pool price of €31/MWh with standard production receiving an additional regulatory adjustment of €9m in the 9M14. The capacity complement attributable to EDPR's wind farms in 9M14 amounted to €116m.

In Portugal, EDPR has 619MW of 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 €4m between 2013 and 2020 for +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 each wind farm. Also, in Portugal, EDPR holds a 40% equity stake in ENEOP consortium (equity consolidated), licensed to build 1,335MW of wind capacity (534MW attributable to EDPR). ENEOP's wind farms are remunerated under a 'new tariff regime', at c€74/MWh tariff (1st year of operation), also guaranteed for 15 years and indexed to inflation. As of Sep-14, ENEOP had an installed capacity of 1,218MW (487MW attributable to EDPR). In Dec-13, EDPR signed a MoU with CTG for the sale of 49% in EDPR's 40% share in ENEOP consortium – conclusion expected to occur in 2015. Additionally, in Mar-14, EDPR installed 2MW of solar PV in the North of Portugal.

In Portugal, EDPR's EBITDA increased 7% YoY to €111m in 9M14, up €7m YoY. Wind production increased by 5% YoY to 1,227GWh, due to the higher load factor (30% vs. 29% in 9M13; wind coefficient 1.16 in 9M14 vs. 1.20 in 9M13), and the average selling price remained unchanged at €107/MWh.

EDP Renováveis: Rest of Europe & Brazil



Rest of Europe (1)	9M14	9M13	Δ%	Δ Abs.
France, Belgium & Italy				
Installed Capacity (MW)	474	411	15%	+63
Avg. Load Factor (%)	24%	22%	8%	2p.p.
Electricity Output (GWh)	713	594	20%	+118
Avg. Selling Price (€/MWh)	98	98	1%	+1
Poland				
Installed Capacity (MW)	374	320	17%	+54
Avg. Load Factor (%)	23%	20%	14%	3p.p.
Electricity Output (GWh)	569	309	85%	+261
Avg. Selling Price (PLN/MWh)	406	418	-3%	-11
EUR/PLN - Avg. of period rate	4.18	4.20	-1%	-0
Romania (2)				
Installed Capacity (MW)	521	389	34%	+132
Avg. Load Factor (%)	20%	23%	-12%	-3 p.p.
Electricity Output (GWh)	505	484	4%	+21
Avg. Selling Price (RON/MWh)	385	544	-29%	-159
EUR/RON - Avg. of period rate	4.45	4.41	1%	+0
Gross Profit (€m)	172	145	19%	+27
EBITDA (€m)	129	106	22%	+23
EBIT (€m)	71	61	16%	+10
Capex (€m)	51	121	-57%	-69
Capacity under construction (MW)	60	255	-76%	-195

Brazil	9M14	9M13	Δ%	Δ Abs.
Installed Capacity (MW)	84	84		
Avg. Load Factor (%)	32%	28%	13%	4p.p.
Electricity Output (GWh)	173	153	13%	+20
Avg. Selling Price (R\$/MWh)	343	310	11%	+34
EUR/BRL - Average of period rate	3.10	2.79	-10%	+0
Gross Profit (RŞm)	57	47	22%	+10
EBITDA (R\$m)	34	26	28%	+7
EBIT (R\$m)	20	14	40%	+6
Capex (R\$m)	32	21	53%	+11
Capacity under construction (MW)	-	-	-	-

In European markets outside of Iberia, gross profit increased 19% to €172m due to a 29% YoY increase of output to 1,787GWh in 9M14 following a 22% or 249MW increase of installed capacity over the last 12 months. EBITDA rose by 22% YoY (+€23m) to €129m in 9M14.

In France, EDPR has 334MW of capacity (+20MW YoY; +12MW YTD). Wind power in France is sold through fixed tariffs indexed to inflation for 15 years. In 9M14, avg. tariff was stable at €90/MWh. As part of the asset rotation strategy, in Oct-14, EDPR reached an agreement with a fund led by EFG Hermes to sell a 49% equity shareholding and outstanding shareholders loans in an operating wind farm portfolio located in France, with 270 net MW. Total proceeds from the sale amount to €160m, with the completion of the transaction being subject to regulatory approval. In 1Q14, EDPR concluded the sale of 49% equity shareholding and outstanding shareholders loans in a wind farm portfolio of 100MW located in France to Axpo Group for a total implied enterprise value for 100% of the assets amounting to €126m. As of Sep-14, EDPR had 6MW under construction in France. In Belgium, EDPR has 71MW of capacity (+14MW YoY), which sell its power through PPAs. In the 9M14, average selling price was €110/MWh, reflecting the lower PPA price for the capacity added in the last 12 months. In Italy, EDPR has 70MW (+30MW YoY). In 9M14, avg. selling tariff was €122/MWh due to lower price for new capacity, once compared to the old regime. As of Sep-14, EDPR had 30MW under construction in Italy.

In Poland, EDPR has 374MW of capacity (+54MW YoY; +4MW YTD): 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 GCs; ii) 70MW from Korsze wind farm, which output is sold through a 10 year PPA and iii) the remaining 184W, which output is sold at "regulated electricity price + GC" (regulated price for 2014 is PLN181.6/MWh). Wind production increased to 569 GWh due to capacity additions over the last 12 months and an increase in load factor (+3pp to 23%). In 9M14, avg. selling price decreased by 3% YoY to PLN406/MWh. In terms of regulation update, a package of energy laws including an amendment to the green certificates scheme for new assets is being proposed by Polish Government. As of Sep-14, EDPR had 24MW under construction in Poland.

In Romania, EDPR has 521MW of capacity (+132MW YoY), of which 50MW is solar PV (52GWh output). Wind production was stable at 453 GWh supported by higher average MW in operation in the period which compensated the decrease in load factor (-3pp vs. 9M13 to 20%). Wind production is sold at 'market price plus GC', and the GC is subject to a floor and a cap set in Euros (for 2014, floor was set at €29.3/MWh and the cap at €59.6/MWh). In 9M14, avg. selling price decreased by 29% YoY to RON385/MWh (-21% vs. RON490/MWh in 2013), impacted by lower green certificate prices due to green certificates ("GC") oversupply in the market. The new regulatory framework respects the rights of the investments made in the renewable energy sector, although re-profiling the cash-flows of the projects, and maintains unchanged the cap and floor price of the GC that will annually evolve according with the euro zone inflation (Wind: 2 GC per MWh until 2017 and 1 GC from 2018 until completing 15 years; Solar: 6 GC per MWh for 15 years).

In Brazil, EDPR has 84MW in operation remunerated through long term contracts (20 years). In 9M14, EDPR generated 173GWh, an increase of 13% vs. 9M13 supported by an outstanding average load factor in the period (32% vs. 28% in 9M13). Avg. selling price increased by 11% to R\$343/MWh, driven mainly by PPA update price according with inflation type adjustment. EDPR has currently 236MW under development in Brazil awarded at the energy A-5 auctions with PPA's for a period of 20-years from which 120 MW will start in January 2016 with a price set at R\$97/MWh, indexed to the Brazilian inflation rate and 116MW will start in January 2018 with price set at R\$109/MWh (prices to be inflation updated over the PPA period).

In Mexico, EDPR established, in Apr-14, an agreement with Industrias Peñoles, a leading Mexican mining company, for an Electricity Supply Agreement under self-supply regime for the energy produced by a wind farm currently designed for 180 MW, expected to be installed in 2016. The contract is set in USD and for a 25-year period. The project, located in a region with very strong wind resource in the State of Coahuila in the North of Mexico has an expected load factor above 40%.

EDPR is involved in the development of technical, economic and environmental studies for the installation wind offshore projects in UK (in partnership with Repsol) and in France (in partnership with GDF Suez and Neoen Marine).

Regulated Networks & Regulatory Receivables in Iberia



Income Statement (€ m)	9M14	9M13	Δ%	Δ Abs.
Gross Profit	1,303	1,336	-2%	-33
Supplies and services	289	311	-7%	-22
Personnel costs	102	109	-7%	-7
Costs with social benefits	(72)	17	-	-88
Other operating costs (net)	167	127 564	32%	+41 -77
Net Operating Costs (1)	487	504	-14%	-//
EBITDA	816	772	6%	+44
Provisions	1	(5)	-	+6
Net depreciation and amortisation	252	251	1%	+2
EBIT	563	526	7%	+37
Capex & Opex Performance	9M14	9M13	Δ%	Δ Abs.
Controllable Operating Costs (5)	391	420	-7%	-29
Cont. costs/client (€/client) Cont. costs/km of network (€/Km)	50 1.481	52 1,599	-3% -7%	-2 -119
Employees (#)	3.942	4,004	-7% -2%	-62
Litiployees (#)	3,342	4,004	270	02
Capex (Net of Subsidies) (€m)	246	246	-0%	-1
Network ('000 Km)	264	263	1%	+1
Regulatory Receivables (€ m)	9M14	9M13	Δ%	Δ Abs.
Regulatory Receivables (€ m)	9M14			
Regulatory Receivables (€ m) Total Net Iberia Regulatory Receivables	9M14 2,477	9M13 2,963	Δ % -16%	Δ Abs. -486
Total Net Iberia Regulatory Receivables Spain - Tariff deficit	2,477	2,963	-16%	-486
Total Net Iberia Regulatory Receivables	2,477	2,963 424	-16%	
Total Net Iberia Regulatory Receivables Spain - Tariff deficit Beginning of Period Previous periods tariff deficits (4) Tariff deficit in the period	2,477	2,963	-16%	-486 -160
Total Net Iberia Regulatory Receivables Spain - Tariff deficit Beginning of Period Previous periods tariff deficits (4) Tariff deficit in the period Other (3)	2,477 264 (83)	2,963 424 (178) 218	- 16% - 38% 53%	- 486 - 160 +95
Total Net Iberia Regulatory Receivables Spain - Tariff deficit Beginning of Period Previous periods tariff deficits (4) Tariff deficit in the period	2,477	2,963 424 (178)	-16%	- 486 - 160 +95
Total Net Iberia Regulatory Receivables Spain - Tariff deficit Beginning of Period Previous periods tariff deficits (4) Tariff deficit in the period Other (3)	2,477 264 (83) - 181	2,963 424 (178) 218	- 16% - 38% 53%	- 486 - 160 +95 -218
Total Net Iberia Regulatory Receivables Spain - Tariff deficit Beginning of Period Previous periods tariff deficits (4) Tariff deficit in the period Other (3) End of Period Portugal - Last Resort Supplier + Distribution	2,477 264 (83) - 181 + Gas	2,963 424 (178) 218 - 464	-16% -38% 53%	-486 -160 +95 -218 -
Total Net Iberia Regulatory Receivables Spain - Tariff deficit Beginning of Period Previous periods tariff deficits (4) Tariff deficit in the period Other (3) End of Period Portugal - Last Resort Supplier + Distribution Beginning of Period	2,477 264 (83) - 181 + Gas 2,045	2,963 424 (178) 218 - 464	-16% -38% 53% -61%	-486 -160 +95 -218 - -283
Total Net Iberia Regulatory Receivables Spain - Tariff deficit Beginning of Period Previous periods tariff deficits (4) Tariff deficit in the period Other (3) End of Period Portugal - Last Resort Supplier + Distribution	2,477 264 (83) 181 + Gas 2,045 (1,452)	2,963 424 (178) 218 464 1,543 (1,085)	-16% -38% 53% -61% -33% -34%	-486 -160 +95 -218 -
Total Net Iberia Regulatory Receivables Spain - Tariff deficit Beginning of Period Previous periods tariff deficits (4) Tariff deficit in the period Other (3) End of Period Portugal - Last Resort Supplier + Distribution Beginning of Period Previous periods tariff deviation (2) Tariff deviation in the period Other (3)	2,477 264 (83) - 181 + Gas 2,045	2,963 424 (178) 218 - 464	-16% -38% 53% -61%	-486 -160 +95 -218 -283 +502 -367
Total Net Iberia Regulatory Receivables Spain - Tariff deficit Beginning of Period Previous periods tariff deficits (4) Tariff deficit in the period Other (3) End of Period Portugal - Last Resort Supplier + Distribution Beginning of Period Previous periods tariff deviation (2) Tariff deviation in the period	2,477 264 (83) 181 + Gas 2,045 (1,452) 1,436	2,963 424 (178) 218 - 464 1,543 (1,085) 1,387	-16% -38% 53% -61% -34% 4%	-486 -160 +95 -218 -283 -502 -367 +49
Total Net Iberia Regulatory Receivables Spain - Tariff deficit Beginning of Period Previous periods tariff deficits (4) Tariff deficit in the period Other (3) End of Period Portugal - Last Resort Supplier + Distribution Beginning of Period Previous periods tariff deviation (2) Tariff deviation in the period Other (3)	2,477 264 (83)	2,963 424 (178) 218 464 1,543 (1,085) 1,387 69	-16% -38% 53%61% -33% -34% 4% -18%	-486 -160 +95 -218 -283 -283 +502 -367 +49 -13
Total Net Iberia Regulatory Receivables Spain - Tariff deficit Beginning of Period Previous periods tariff deficits (4) Tariff deficit in the period Other (3) End of Period Portugal - Last Resort Supplier + Distribution Beginning of Period Previous periods tariff deviation (2) Tariff deviation in the period Other (3) End of Period Portugal - CMEC's	2,477 264 (83) 181 + Gas 2,045 (1,452) 1,436 56 2,085	2,963 424 (178) 218 - 464 1,543 (1,085) 1,387 69 1,914	-16% -38% 53% -61% -34% 4% -18% 9%	-486 -160 +95 -218 -283 -283 +502 -367 +49 -13 +171
Total Net Iberia Regulatory Receivables Spain - Tariff deficit Beginning of Period Previous periods tariff deficits (4) Tariff deficit in the period Other (3) End of Period Portugal - Last Resort Supplier + Distribution Beginning of Period Previous periods tariff deviation (2) Tariff deviation in the period Other (3) End of Period Portugal - CMEC's Beginning of Period	2,477 264 (83) 181 + Gas 2,045 (1,452) 1,436 56 2,085	2,963 424 (178) 218 464 1,543 (1,085) 1,387 69 1,914	-16% -38% 53% -61% -34% -34% -48% -42%	-486 -160 +95 -218 -283 -502 -367 +49 -13 +171
Total Net Iberia Regulatory Receivables Spain - Tariff deficit Beginning of Period Previous periods tariff deficits (4) Tariff deficit in the period Other (3) End of Period Portugal - Last Resort Supplier + Distribution Beginning of Period Previous periods tariff deviation (2) Tariff deviation in the period Other (3) End of Period Portugal - CMEC's	2,477 264 (83) 181 + Gas 2,045 (1,452) 1,436 56 2,085	2,963 424 (178) 218 - 464 1,543 (1,085) 1,387 69 1,914	-16% -38% 53% -61% -34% 4% -18% 9%	-486 -160 +95 -218 -283 -502 -367 +49 -13 +171
Total Net Iberia Regulatory Receivables Spain - Tariff deficit Beginning of Period Previous periods tariff deficits (4) Tariff deficit in the period Other (3) End of Period Portugal - Last Resort Supplier + Distribution Beginning of Period Previous periods tariff deviation (2) Tariff deviation in the period Other (3) End of Period Portugal - CMEC's Beginning of Period (Recovery)/Return in the Period	2,477 264 (83)	2,963 424 (178) 218 464 1,543 (1,085) 1,387 69 1,914	-16% -38% 53%61% 33% -34% 4% -18% 9%	-486 -160 +95 -218 -283 +502 -367 +49 -13 +171

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

EBITDA from regulated networks rose by 6% YoY (+€44m), to €816m in 9M14, impacted by a €56m one-off gain booked on the sale of gas transmission assets in 1Q13, an €87m one-off gain derived from the new Collective Labour Agreement (CLA) in 2Q14 and from +€8m positive impact from the recovery of past costs related to underground occupation in gas distribution in Portugal. Adjusted for these impacts, EBITDA from regulated networks in Iberia was 0.6% higher YoY (+€5m), at €721m in 9M14, mainly driven by tight cost control focused on OPEX efficiency. Gross profit was 2% lower YoY (-€33m) in 9M14, reflecting: (i) in Portugal, a lower return on RAB in both electricity and gas distribution derived from the lower sovereign risk, fast clients' switching to free market and, in the electricity business, the adverse revenues update for 'GDP Deflator-X'; (ii) in Spain, negative impact from regulatory changes in gas distribution.

Controllable operating costs fell by 7% YoY, driven by 7% decrease in supplies and services (due to lower maintenance/repair works and lower client services stemming from clients switching from LRS to the liberalized market) and by a 2% reduction in workforce. Capex in 9M14 was stable at €246m.

In Portugal, the total debt owed by the electricity system to EDP and to financial investors amounted to €5.2bn in Sep-14, up from €4.8bn in Dec-13, driven by: +€0.2m in 1Q14 (vs. +€0.3bn in 1Q13) and +€0.14bn in 2Q14 (vs. +€0.3bn in 2Q13) and +€0.05bn in 3Q14 (vs. +€0.1bn in 3Q13), signaling a slower growth pace, in line with expectations.

Regulatory receivables in Iberia fell by 8% in 9M14 (-€209m vs. Dec-13), from €2,686m in Dec-13 to €2,477m in Sep-14, driven by both Portugal (-€126m) and Spain (-€83m).

EDP's Regulatory receivables from electricity distribution, last resort supply and gas distribution in Portugal rose from €2,045m in Dec-13 to €2,085m in Sep-14 driven by: (1) -€1,033m following the sale of tariff deficit related with special regime generation (€200m relative to 2014 deficit and the remaining amount relative to 2013 deficit); (2) +€1,150m regarding the ex-ante tariff deficit for 2014 (as pre-defined by the regulator for 2014 tariffs), to be fully recovered through 2015-2018 tariffs and remunerated at 4.82% annual return; (3)-€419m recovered through tariffs related to negative previous years' deviations and to past tariff deficits; and (4) +€285m of new tariff deviations created in 9M14 (fully concentrated in 1Q14). On top of €7m of deviations returned to the system in the gas distribution, the main drivers for new tariff deviations generated during the 9M14, focused in electricity distribution, were: (i) +€258m boosted by higher-than-expected special regime production (5% ahead of ERSE assumption) and from higher-than-expected overcost with special regime production (€74/MWh in 9M14 vs. €61/MWh assumed by ERSE in the calculation of 2014 tariffs); (ii) +€241m from negative tariff deviation generated in electricity distribution activity related with 2012 CMEC revisibility; (iii) -€56m mainly related to the the electricity arm's recovery through tariffs of part of 2013 CMEC revisibility; (iv) -€149m (amount to return to the tariffs) mainly propelled by cheaper-than-expected electricity purchases.

Regulatory receivables from CMECs dropped from €377m in Dec-13 to €211m in Sep-14 due to: (1) €247m recovered in 9M14 through tariffs, related to 2012 negative deviations and (2) €80m negative deviation created in 9M14 (more details on page 11), due to be received in 2015-2016.

According to ERSE's preliminary proposal for 2015 tariffs, released on 15-Oct-14 and due to be approved by 15-Dec-14, Portuguese electricity system's regulatory receivables are expected to stay flat over 2015, due to: (i) a €391m increase of Portuguese electricity system medium to long-term debt, to be recovered in 2015-2019; and (ii) €380m of previous year adjustments of regulated activities' allowed revenues to be recovered by regulated companies through 2015 tariffs.

Regulatory receivables in Spain decreased from €264m in Dec-13 to €181m in Sep-14 due to €83m decrease mainly stemming from adjustments to the 2013 tariff deficit. Based on CNMC latest data, tariff deficit in 2013 amounted to €3.2bn for the whole Spanish electricity system (based on Settlement 14-2013, dated May 8th).

⁽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 tariff deviations.

⁽⁴⁾ Includes the recovery/payment of previous periods tariff deficits.

Electricity Distribution and Last Resort Supply in Portugal

-12%

-29%

-33%

-1,188

-3.505



Income Statement (€ m)	9M14	9M13	Δ%	Δ Abs.
Gross Profit	964	989	-3%	-25
Supplies and services	222	238	-6%	-15
Personnel costs	77	83	-7%	-6
Costs with social benefits	-73	15	-	-88
Concession fees	190	191	-0%	-1
Other operating costs (net)	-8	2	-	-10
Net Operating Costs (1)	408	529	-23%	-120
EBITDA	555	460	21%	+95
Provisions	1	-5	_	+6
Net depreciation and amortisation	181	178	1%	+2
EBIT	373	286	30%	+87
Gross Profit Performance	9M14	9M13	Δ%	Δ Abs.
Gross Profit (€m)	964	989	-3%	-25
Regulated gross profit	957	981	-2%	-24
Non-regulated gross profit	6	7	-17%	-1
Distribution Grid				
Regulated revenues (€ m)	900	917	-2%	-17
Electricity distributed (GWh)	32,728	32,551	0.5%	+177
Supply Points (th)	6,082	6,082	0%	+0

Capex & Opex Performance	9M14	9M13	Δ%	Δ Abs.
Controllable Outside Costs (2)	200	221	-7%	-21
Controllable Operating Costs (2)	300 49.2	321 52.7	- 7% -7%	-21 -3
Cont. costs/client (€/client)			. , -	J
Cont. costs/km of network (€/Km)	1,325	1,425	-7%	-100
Employees (#)	3,390	3,433	-1%	-43
Capex (Net of Subsidies) (€m)	199	182	9%	+17
Network ('000 Km)	226	225	0%	+1
Equival. interruption time (min.) (3)	49	50	-1%	-1

Regulated revenues (€ m)

Clients supplied (th)

Electricity sold (GWh)

57

4,091

10.723

2,903

7.218

EBITDA from electricity distribution and last resort supply (LRS) in Portugal amounted to €555m in 9M14, 21% higher YoY (+€95m), impacted by a €87m gain stemming from the new Collective Labour Agreement (CLA) booked in 2Q14. Excluding this gain, EBITDA rose by 2% YoY (+€8m), to €468m in 9M14, supported by tight cost control.

On 15-Oct-14, ERSE released its preliminary proposal for electricity tariffs in 2015 and for the parameters underlying the next regulatory period (2015-17). Final tariffs and parameters are due to be approved by 15-Dec-14. As part of ERSE's proposal it is worth to highlight: (i) the 3.3% tariff increase for normal low voltage (NLV) segment, applicable to all the residential clients in the regulated market and out of the Social Tariff; (ii) the 14% reduction in the social tariff, which conveys no additional costs for the electricity system; (iii) demand evolution, assumed to grow by 0.5% in 2014 and by 0.8% in 2015; (iv) regulated rate of return on assets (RoRAB) set at 6.75% for 2015, on a preliminary base (vs. 8.26% in 2014), reflecting an underlying avg. 10-year Portuguese bond yields of 3.6%; the ultimate RoRAB will depend on the daily average of the Portugal's 10Y bond yield between October of year 't-1' and September of year 't', with a floor at 6% and a cap at 9.5%. As a result, regulated revenues proposed amount to €1,255m in 2015 (c€25m below allowed revenues estimated for 2014): €1,194m in electricity distribution to €61m in the last resort supply activity.

In 9M14, **distribution grid regulated revenues** was 2% lower YoY (-€17m), at €900m, mainly driven by a lower return on RAB derived from the decline of Portuguese Republic 5-year CDS (8.26% set for 2014 vs. 8.56% in 2013) and adverse update for 'GDP Deflator-X'. In 9M14, **electricity distributed rose by 0.5% YoY**, supported by the normal-voltage segment.

Last resort supplier (EDP SU) regulated revenues fell by 12% (-€8m), to €57m in 9M14, mainly reflecting consumers' fast switching to the free market: in the last 12 months, c30% of consumers have moved away to the free market. As part of the rules and calendar defined for the phasing out of regulated tariffs in Portugal, EDP SU can no longer contract new clients (since 1-Jan-13), while the regulator can apply quarterly tariff increases in order to encourage clients' transfer to a liberalised supplier. The volume of electricity supplied by our LRS dropped 33% YoY, to 7.2TWh in 9M14. Total clients supplied declined 1,188 thousands YoY to 2,903 thousands in Sep-14 (48% of total), mostly driven by the residential segment.

Controllable operating costs declined by 7% YoY (-€21m), reflecting tight cost control, headcount reduction (-1% YoY) and a fall in our LRS activity due to consumers' switching to the free market. The evolution of Costs with social benefits mainly reflects the +€87m impact booked in the wake of the new Collective Labour Agreement (corresponding to the change in the net present value of future related liabilities). Other operating costs (net) were €10m lower YoY, mainly due to greater recovery of debts from clients and insurance compensations following adverse weather conditions.

Capex rose by 9% YoY to €199m in 9M14. EIT in 9M14 fell by 1 minute, to 49 minutes.

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

⁽²⁾ Supplies & services and personnel costs. (3) Adjusted for non-recurring impacts (rainstorms, high winds and summer fires).

Electricity and Gas Networks in Spain and Gas Networks in Portugal



Income Statement (€ m)		lectricity S				Gas Spai				Gas Portug			Iberian Regulated Networks	9M14	9M13	% A	Abs. Δ
	9M14	9M13	% ∆	Abs. Δ	9M14	9M13	% ∆	Abs. Δ	9M14	9M13	% ∆	Abs. Δ	iberian negalatea networks	314114	314113	70 L	103. 🗖
Gross Profit	122	122	0%	. 0	167	173	-4%	-6	51	53	-4%	-2	Number Supply Points (th)				
GIOSS FIORE	122	122	0/0	, ,	107	1/3	-4/0	-0	31	33	-4/0	-2	Electricity Spain	659	659	0%	+1
Supplies and services	29	33	-10%	S -3	26	28	-7%	-2	11	13	-10%	-1	Gas Spain	1,024	1,014	1%	+10
Personnel costs	16	16			7	9	-22%		1	1	-10%	-0	Gas Portugal	316	301	5%	+15
Costs with social benefits	1	1	-7%		ń	Ó	-6%	-0	0	Ō	-11%	-0	240 1 01 14 641	310	301	370	. 13
Other operating costs (net)	(6)	(13)	-50%		(1)	(55)	n.m.	54	(8)	1		-9	Energy Distributed (GWh)				
Net Operating Costs (1)	41	37	10%		(1) 33	(17)	-	50	5	15	-67%	-	Electricity Spain	6,858	6,808	1%	+49
Net Operating Costs (1)	7-	3,	10/0	, -	33	(=//		30	•	13	0770	-0	Gas Spain	35,678	39,337	-9%	-3,659
EBITDA	82	85	-4%	· -3	134	190	-30%	-56	46	38	21%	8	Gas Portugal	5,088	5,120	-1%	-32
		-	.,,				00,0					•	o e	3,000	5,125	_,,	
Provisions	_	(0)	-	- 0	(0)	0	_	-1	0	0	n.m.	-0	Network (Km)				
Net Depreciation. & amortisation	26	25	5%	5 1	(0) 37	37	0%	Ō	9	11	-16%	-2	Electricity Spain	23,355	23,242	0%	+113
rice 2 opricolation a amortisation				_		-	• • • •	-	-			_	Gas Spain .	10,122	9,969	2%	+153
EBIT	56	60	-7%	-4	97	153	-36%	-56	37	27	37%	10	Gas Portugal	4,575	4,407	4%	+168
													•	.,- : -	.,		
Capex (net os subsidies)	18	26	-30%	-8	15	23	-34%	-8	14	16	-13%	-2	Employees (#)				
					-								Electricity Spain	291	306	-5%	-15
Gross Profit	122	122	0%	6 0	167	173	-4%	-6	51	53	-4%	-2	Gas Spain	199	202	-1%	-3
Regulated Revenues	117	115	1%		150	152	-2%	-2	48	47	2%	1	Gas Portugal	62	64	-3%	-2
Non-regulated gross profit	5	6	-21%	· -1	17	21	-18%	-4	2	5	-53%	-3	-				
									-				-				

ELECTRICITY DISTRIBUTION IN SPAIN

EBITDA from our electricity distribution activity in Spain was 4% lower YoY (-€3m), at €82m in 9M14, explained by the lower contribution from new grid connections (application of IFRIC18⁽²⁾). Regulated revenues were 1% higher YoY, already fully reflecting the impact from regulatory changes during 2013. **Electricity distributed** by EDP España, mostly in the region of Asturias, was 1% higher YoY, at 6.9TWh in 9M14.

In Jul-13, the Spanish Government published RDL 9/2013, paving the way for a change in the remuneration regime of electricity distribution activities, defining a return on RAB equivalent to a 200bp premium over 10-year Spanish bond yields (equivalent to 6.5%) in 2014-2020 and introducing the principle of economic and financial sustainability of the system (any cost change will have to be balanced by a revenue change; automatic tariff adjustments as to cope with any deficit in excess of 2% of yearly costs or an accumulated deficit of 5% of total costs). In Dec-13, Spanish Government approved Law 24/2013 and RD 1048/2013 that establishes the new regulatory framework for electricity distribution assets maintaining the same principles as announced in Jul-13. The Spanish government released a Ministerial Order setting regulated revenues attributable to EDP España for the year 2014 at €155m (calculated according to transient remuneration scheme described in RDL 9/2013).

GAS REGULATED NETWORKS IN SPAIN

EBITDA of gas distribution in Spain in 9M13 included a €56m one-off gain stemming from the sale of our transmission gas assets to Enagas. Excluding this one-off, EBITDA was flat at €134m in 9M14, mainly reflecting regulatory changes in 2014. **Volume of gas distributed** fell by 9% YoY, to 36TWh, dragged by lower consumption for electricity generation purposes, the shutdown of a pulp & paper plant in the Cantabria region and milder weather conditions.

According to a Ministerial Order of Dec-13, gas distribution regulated revenues attributable to our gas distribution subsidiary in Spain **amounts to €198m** in 2014.

However RDL 8/2014 released in Jul-14 and the Law 18/2014 set revenue cuts for the regulated activities, beginning in Jul-14. The allowed revenues for the remaining of the year will be set on a new regulation in the near future. Both RDL 8/2014 and Law 18/2014 are aimed at correcting a structural deficit in the system: previously, CNMC estimated €800m of tariff deficit by Dec-14 up from €326m by Dec-13. As from 2015 the principle of economic and financial sustainability of the gas system will be in place (any cost increase will have to be balanced by a revenue change; automatic tariff adjustments as to cope with any deficit increase in excess of 10% of total costs or an accumulated the deficit north of 15% of total costs). Regulated gas activities will be squared by a 6-year regulatory period and subject to possible adjustments every 3 years. The remuneration model for gas distribution activities is maintained although inflation update factor is eliminated, allowed revenues are cut and returns are more dependent on demand. The impact of these measures on EDP is expected to be €4.5m in 2014 (of which €2.4m in 3Q14) and €9m in the following years.

GAS REGULATED NETWORKS IN PORTUGAL

EBITDA from gas distribution in Portugal advanced by 21% YoY (+€8m), to €46m in 9M14, boosted by the recovery of costs related to underground occupation (€8m). Regulated revenues rose by 2% YoY impacted by a lower return on RAB in the regulatory year 2013/14 booked in 2Q14 (based on a RoR of 8.41% vs. preliminary rate of 9%). Notwithstanding the 5% growth in the number of supply points, prompted by the continuing effort of new client connection in the region operated by EDP, volume distributed was 1% lower YoY, at 5.1TWh.

In Jun-13, ERSE disclosed the regulatory assumptions for the period from Jul-13 to Jun-16, indexing the rate of return on assets to the avg. Portuguese Republic 10-year bond yield between Apr 1st and Mar 31st prior to the beginning of each regulatory year, with a floor at 7.83% and cap at 11%. In each of the years of this regulatory period the rate of return on assets is defined at 9% on a preliminary basis. On 12-Jun-14, ERSE defined an avg. 2.4% increase of last resort tariff to be in place from 1-Jul-14 until 30-Jun-15. Total regulated revenues on distribution and LRS for EDP in the period were set at €62m.

⁽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		Consolidate	d (R\$ m)		Consolidated (€ m)					
	9M14	9M13	Δ%	Δ Abs.	9M14	9M13	Δ%	Δ Abs.		
Gross Profit	1,456	2,096	-31%	-640	469	750	-37%	-281		
Supplies and services	338	342	-1%	-5	109	123	-11%	-14		
Personnel costs and employee benefits	280	260	8%	+20	90	93	-3%	-3		
Other operating costs (net)	(322)	19	_	-341	(104)	7	_	-111		
Net Operating Costs (1)	296	622	-52%	-326	95	223	-57%	-127		
EBITDA	1,160	1,474	-21%	-314	374	528	-29%	-154		
Provisions	20	50	-60%	-30	6	18	-64%	-11		
Net depreciation and amortisation	266	330	-20%	-65	86	118	-28%	-33		
EBIT	874	1,094	-20%	-220	282	392	-28%	-110		
Capital gains/(losses)	-	-	-	-	_	-	-			
Financial results	(211)	(209)	-1%	-2	(68)	(75)	-9%	+7		
Results from associates	14	(129)	-	+143	4	(46)	-	+51		
Pre-tax profit	678	757	-10%	-79	218	271	-19%	-52		

Capex		(R\$ n	n)		(€ m)					
	9M14	9M13	Δ%	Δ Abs.	9M14	9M13	Δ%	Δ Abs.		
Capex	288	752	-62%	-464	93	269	-66%	-176		
Maintenance	288	244	18%	+44	93	87	6%	+5		
Expansion	-	507	-	-507	-	182	-	-182		
Financial Investments (5)	7	91	-93%	-84	2	33	-93%	-30		

Energias do Brasil	9M14	9M13	Δ%	Δ Abs.
Share price at end of period (R\$/share)	10.00	12.06	-17%	-2.06
Number of shares Issued (million)	476.4	476.4	-	-
Treasury stock (million)	0.8	0.8	-	-
Number of shares owned by EDP (million)	243.0	243.0	-	-
Euro/Real - End of period rate	3.08	3.04	-1%	+0.04
Euro/Real - Average of period rate	3.10	2.79	-10%	+0.31
Inflation rate (IGP-M - 12 months)	3.5%	-	-	-
Net Debt / EBITDA (x)	1.3	1.7	_	-0.4
Average Cost of Debt (%)	10.5	7.9	_	259b.p.
Average Interest Rate (CDI)	10.6	7.6	-	301b.p.
- · · · · · · · · · · · · · · · · · · ·				
Employees (#)	2,674	2,808	-5%	-134
Key Balance Sheet Figures (R\$ Million)	9M14	9M13	Δ%	Δ Abs.
No. Consideration	1.061	2 274	400/	1 212
Net financial debt	1,961	3,274	-40%	-1,313
Regulatory receivables (2)	541	78	592%	+463
Non-controling Interests	1,687	1,750	-4%	-62
Equity book value	4,738	4,573	4%	+165
Financial Bassits (B¢ Million)	9M14	9M13	Δ%	Δ Abs.
Financial Results (R\$ Million)	91114	BINITS	Δ %	Δ ADS.
Net Interest Costs	(263)	(177)	-49%	-86
				-00
		, ,		
Capitalised Costs Forex Differences and Derivatives	43	28 (4)	51%	+15 +12

(211)

(209)

In local currency, EDP — Energias do Brasil ("EDPB") EBITDA went down 21% YoY (-R\$314m) to R\$1,160m in 9M14, reflecting: i) +R\$505m YoY of negative tariff deviations at our distribution business (net of CDE/CCEE contributions and of previous years deviations' recoveries); and a ii) a R\$53m non-recurring gain booked in 3Q13 and related to the sale of a building at our distribution business. These were partly offset by a R\$408m one-off capital gain on the sale of 50% equity stakes in Jari and Cachoeira Caldeirão to CWEI (CTG), in accordance with the terms of the MoU signed in Dec-13. Excluding these impacts, adjusted EBITDA went down 13% YoY to R\$1,094m in 9M14. Recurring EBITDA from distribution went up 1% YoY (+R\$8m), on the back of higher regulated revenues, which benefitted of higher volumes distributed and from previous years' settlements. Generation and Supply EBITDA fell 22% YoY (-R\$168m), given the generators' need to purchase energy at abnormally high market prices due to low Generation Scaling Factor (92% in 9M14). ForEx penalised EBITDA performance in Euro terms due to a 10% depreciation of the BRL vs. the EUR (-€42m impact). Note that 9M13 figures here presented are restated for IFRS10 and IFRS11 implementation (Pecém I consolidation changed from proportional to equity method).

Excluding the above-mentioned non-recurring gains, **net operating costs** increased 4% YoY to R\$704m in 9M14: i) personnel costs and employee benefits went up 8% YoY, reflecting the annual salary update (+6.5%), lower capitalized costs and higher indemnities; while ii) supplies & services fell 1% YoY, benefitting from lower expenses with O&M and IT services.

Net financial costs stood relatively flat at R\$211m in 9M14, reflecting: i) higher net interest costs, driven by a 259bp increase in avg. cost of debt to 10.5% in 9M14, which more than offset a lower average gross financial debt (-R\$0.2bn); ii) higher capitalized interests, driven by Jari and Cachoeira Caldeirão ongoing construction works (classified as 'assets held for sale' during 1H14); iii) higher ForEx differences and net results from derivatives; and iv) some one-off gains booked in 9M14 at the level of 'other financial results'. **Net financial debt** went down 40% YoY reflecting higher 'cash and equivalents' and Jari and Cachoeira-Caldeirão equity consolidation as of Jun-14 (R\$0.9bn of net debt as of Sep-13) – following the conclusion of sale to CWE Investment Corporation ("CWEI"), a 100%-owned CTG subsidiary, of a 50% stake in each of these projects. Also worth mentioning, EDPB recently announced that the 2013 annual dividend approved at the AGM held on April 29th, 2014, in the amount of R\$370m, will be fully paid during the 4Q14.

Other

Financial Results

As of Sep-14, hydro reservoirs in the Southeast/Center-West ("SE-CW") regions were at 25% of their maximum level (vs. 36% in Jun-14 and vs. 49% in Sep-13). Low hydro levels and insufficient rainfall are translating into strong thermal dispatch and high electricity spot prices (avg. PLD: R\$677/MWh⁽³⁾ in 9M14 vs. R\$255/MWh⁽³⁾ in 9M13). At the same time, given the low GSF⁽⁴⁾ (85% in 3Q14 and 95% in 1H14), hydro generators are being obliged to purchase energy at high market prices to meet their PPA obligations.

+58

-2

⁽¹⁾ Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net); (2) This is an off Balance Sheet item;

⁽³⁾ Source: CCEE; based on weekly prices; Southeast/Center-West regions;

⁽⁴⁾ GSF: Generation Scaling Factor;

⁽⁵⁾ Excluding investments in wind farms held by EDP Brasil (45%) and EDP Renováveis (55%).

Brazil: Electricity Distribution

Income Statement (R\$ m)	9M14	9M13	Δ%	Δ Abs.
Gross Profit	784	1,264	-38%	-480
Supplies and services Personnel costs Other operating costs (net) Net Operating Costs (1)	252 195 87 533	245 194 24 463	3% 0% 266% 15%	+6 +0 +63 +69
EBITDA	251	801	-69%	-550
Provisions Net deprec. and amortisation	18 141	45 203	-60% -31%	-27 -62
EBIT	91	552	-83%	-461

Gross Profit Performance	9M14	9M13	Δ%	Δ Abs.
Regulated Revenues (R\$ m)	1,126	1,101	2%	+25
Change in Reg. Receivables Gross Profit (RS m)	343 784	(163) 1,264	-38%	+505 -480
• • •		•		
Regulatory Receivables (R\$m)	541	78	592%	+463
Clients Connected (th)	3,124	3,023	3%	+101
Bandeirante	1,710	1,652	4%	+58
Escelsa	1,413	1,370	3%	+43
Electricity Distributed (GWh)	19,677	19,227	2%	+450
Bandeirante	11,495	11,360	1%	+134
Escelsa	8,182	7,867	4%	+316
From which:	7 420	7 200	40/	
To clients in Free Market (GWh)	7,436	7,368	1%	+68
Electricity Sold (GWh)	12,241	11,859	3%	+382
Bandeirante	7,107	6,965	2%	+142
Resid., Commerc. & Other	5,206	4,949	5%	+256
Industrial	1,902	2,016	-6%	-114
Escelsa	5,134	4,894	5%	+240
Resid., Commerc. & Other	4,229	4,037	5%	+192
Industrial	905	857	6%	+48

Capex & Opex Performance	9M14	9M13	Δ%	Δ Abs.
Controllable Operating Costs (2)	423	415	2%	+8
Cont. costs/client (R\$/client)	135	137	-1%	-2
Cont. costs/km (R\$/Km)	5	5	1%	+0
Employees (#)	2,205	2,242	-2%	-37
Capex (net of subsidies) (R\$m)	242	208	16%	+34
Network ('000 Km)	89	88	1%	+1

EBITDA from our electricity distribution activity in Brazil went down by -R\$550m YoY to R\$251m in 9M14, reflecting: i) a strong increase in negative tariff deviations (R\$1,262m in 9M14 vs. R\$530m in 9M13), which was not fully compensated by CDE/CCEE contributions (-R\$865m in 9M14 vs. -R\$593m in 9M13); ii) lower recoveries from previous years' deviations (-R\$55m in 9M14 vs. -R\$100m in 9M13); and iii) a R\$53m non-recurring gain in 3Q13 on the sale of a building. Excluding these impacts, recurring EBITDA went up 1% YoY (+R\$8m) to R\$593m in 9M14, on the back of a 2% increase in regulated revenues, to R\$1,126m in 9M14, reflecting higher volumes distributed vs. the regulator's expectations when setting up the tariffs as well as favourable settlements related to previous years, which more than offset the negative impacts of grid losses valued at higher market prices (+R\$52m YoY) and of Escelsa's last regulatory review, which lowered the return on the regulated asset base from 10% to 7.5% (after taxes) from Aug-13 onwards.

Volumes of electricity sold went up 3% YoY in 9M14, translating a 5% increase in the 'residential, commercial & other' segments, justified by a wider client base. Volumes sold to the industrial segment decreased 2% YoY, reflecting the migration of clients to the free market as well as lower national industrial production. At the same time, **volumes distributed** to industrial clients in the free market increased 1% YoY and 4% QoQ, reflecting the migration of clients from the regulated market and the recovery of the mineral extraction sector.

In 9M14 **electricity sector** DisCos faced record highs in terms of electricity purchases costs – R\$16.1bn of additional costs in Jan/Aug-14 according to the clearinghouse chamber CCEE (Câmara de Comercialização de Energia Elétrica). These higher costs resulted from: i) a strong increase of costs with thermal power on very high thermal dispatch given the extremely low rainfall levels; ii) higher than expected electricity demand; and iii) involuntary short contracting positions of DisCos in a high market prices environment (~3.5GW on changes imposed by the concessions' renewals law published in Jan-13). In Apr-14, DisCos contracted in the A-0 generation auction the purchase of avg. 2.05GW of electricity (as from May-14 until 2019) at an avg. price of R\$268/MWh, which is slightly alleviating the pressure on energy purchase costs. Also in Apr-14, the CCEE created an account called "Conta-ACR" (Conta no Ambiente de Contratação Regulada) to help compensate DisCos for the higher costs incurred in 2014 – since then, R\$17.8bn of financing have been contracted for and R\$14.5bn were already transferred to DisCos to partly compensate for the higher costs incurred from Feb-14 until Aug-14. The remaining is available to be transferred according to the DisCos' needs until the end of year. At the same time, ANEEL has been passing-through some of these higher costs to electricity consumers through the annual tariff readjustments.

Gross profit was strongly impacted by the change in **regulatory receivables** (accounted for at gross profit level in Brazilian distribution business). Regulatory receivables increased R\$343m in 9M14 (vs. -R\$163m in 9M13). In 9M14, a R\$1,262m negative tariff deviation was created, essentially related to higher energy costs than the ones incorporated in the tariffs, which was partly compensated by R\$865m of contributions from CDE/CCEE, of which R\$103m were not yet cashed-in (to be received in 4Q14); also, R\$55m were received regarding deviations from previous years. All in all, regulatory receivables amounted to R\$541m as of Sep-14, up R\$343m vs. Dez-13, to be collected through tariffs in the following years.

Regulatory-wise, within the scope of the annual tariff readjustment process, ANEEL approved: i) a 26.54% tariff increase for the 12 months following Aug-14 for Escelsa; and ii) a 22.34% tariff increase for the 12 months following Oct-14 for Bandeirante. Return on regulated asset base is currently set at 7.5% (after taxes) and next regulatory reviews are due in Oct-15 for Bandeirate (4 years regulatory period) and Aug-16 for Escelsa (3 years regulatory period).

Controllable operating costs increased 2% YoY to R\$423m in 9M14, driven by higher expenses with clients' services. Personnel costs reflect the annual salary update (+6.5%), which was mitigated by lower headcount. Distribution capex went up 16% YoY to R\$242m in 9M14, mostly devoted to customer services activities and to the reinforcement of the network quality of service.

Brazil: Electricity Generation and Supply

Income Statement (R\$M)		Genera	tion	
` ' '	9M14	9M13	Δ%	Δ Abs.
Gross Profit	582	761	-24%	-179
Supplies and services Personnel costs and employee benefits Other operating costs (net) Net Operating Costs	48 35 (1) 83	48 38 (7) 78	1% -7% - 6%	+0 -3 +7 +4
EBITDA	499	682	-27%	-183
Provisions Net depreciation and amortisation EBIT	(0) 115 384	0 118 564	-3% -32%	-0 -3 -180

Generation	9M14	9M13	Δ%	Δ Abs.
Gross Profit (R\$ m)	582	761	-24%	-179
Lajeado	219	312	-30%	-93
Peixe Angical	193	271	-29%	-78
Energest (15 hydro plants)	170	177	-4%	-7
Installed Capacity (MW)	1,797	1,799	-0%	-2
Lajeado	903	903	-	-
Peixe Angical	499	499	_	_
Energest (15 hydro plants)	396	397	-0%	-2
Electricity Sold (GWh)	6,136	6,241	-2%	-105
Lajeado	2,455	2,610	-6%	-155
Peixe Angical	1,772	1,795	-1%	-23
Energest (15 hydro plants)	1,910	1,837	4%	+73
Average Selling Price (R\$/MWh) (2)	164	154	6%	+9
Lajeado	141	136	4%	+5
Peixe Angical	196	183	7%	+13
Energest (15 hydro plants)	162	151	7%	+11
znergest (15 m/are plants)			.,.	
Capex (R\$ m)	42	539	-92%	-497
Maintenance	42	32	34%	+11
Expansion	-	507	-	-507
Financial Investments (R\$ m)	7	91	-93%	-84
Employees (#)	281	377	-25%	-96
Docóm (oquity mothod)	08/1/	01/12	Λ 0/	A Aba

Pecém (equity method)	9M14	9M13	Δ%	Δ Abs.
Installed Capacity (MW)	360	360	-	-
Availability factor (%)	78%	65%	13b.p.	-
EBITDA (R\$m)	163	(84)	· -	+246
Net Debt (R\$m)	988	1,059	-7%	-70
Supply	9M14	9M13	Δ%	Δ Abs.

71

4

67

9.319

3

82

9.690

20%

-27%

23%

Gross profit (R\$ m)

EBITDA (R\$ m) Electricity sales (GWh)

Net Operating costs (1) (R\$ m)

-25%	-96	219MW project 50% owned by EDPB and due in Jan-17; and c) São Manoel (under construction), a 700MW project 66.7% owned by
		EDPB (of which 33.3% to be sold to CTG) and due in May-18.
Δ%	Δ Abs.	Est b (c) Which salar to be said to broy and due in this, 16.
		Capex fell 92% YoY to R\$42m in 9M14 – Note that in 9M14 investments devoted to Jari and Cachoeira Caldeirão hydro projects are
- 13b.p.	-	being classified as 'financial Investments'; these projects started being consolidated through the equity method in Jun-14, upon
	+246	conclusion of the sale of a 50% stake in each of these project to CTG, which explains the YoY drop in expansion capex. Financial
-7%	-70	in ONALA translate and in ONALA translate and in ONALA and Collegia Collegia Collegia Collegia Collegia Collegia

investments in 9M14 translate ongoing construction works at Jari and Cachoeira Caldeirão and financial investments in 9M13 are pro-forma for IFRS 11 implementation and refer to Pecém I.

Electricity supply gross profit increased 20% YoY (+R\$14m) to R\$85m in 9M14, reflecting a favourable long position and higher +14 volumes supplied to clients, benefiting from higher spot prices. -1

EBITDA from our electricity generation activities in Brazil went down 27% YoY (-R\$183m) to R\$499m in 9M14, reflecting; i) the need to purchase energy at abnormally high market prices as the GSF stood below 100% (92% in 9M14 vs. 98% in 9M13) - avg. electricity spot price was up 165% YoY to R\$677/MWh⁽³⁾ in 9M14; and ii) lower volumes of electricity sold (-2% YoY), given the adverse hydro environment and a higher allocation of volumes of electricity in the first nine months of last year (74% in 9M14 vs. 76% in 9M13).

Electricity volumes sold fell 2% YoY to 6.1TWh in 9M14, reflecting the mentioned seasonal allocation of volumes. Average selling price went up 6% YoY, translating: i) PPA prices inflation updates, as most of the capacity is contracted under long term PPAs; and ii) short-term contracts (for 2014) closed at higher prices as part of the seasonality strategy. Generation Scaling Factor (GSF) stood at 92% in 9M14 and 85% in 3Q14 (vs. 102% in 3Q13). During periods of low rainfall, the associated generation deficit implies that hydro generators have to purchase energy at market prices to meet their PPA obligations. In 9M14, EDPB was able to mitigate the negative impact of low GSF (and high PLD spot prices) through short-term sales contracted at higher prices, which all together translated into +R\$181m YoY of additional costs with energy purchases (R\$211m in 9M14 vs. R\$30m in 9M13). For 4Q14, avg. GSF is expected at ~90%.

In Jun-14, within the scope of EDP's strategic partnership with CTG, EDPB completed the sale to CWEI of 50% equity stakes in Jari and Cachoeira Caldeirão for a total amount of R\$420.6m - cash-in including equity contributions undertaken until Jun-14 (Jari: R\$420.2m and Cachoeira Caldeirão: R\$0.4m) - and CWEI will also assume 50% of future equity contributions. Also, in Feb-14, EDPB agreed with CWEI its entry into the São Manoel project through the purchase of half of EDPB's 66.7% stake (or 33.3%); CWEI will assume future equity contributions (closing expected for 4Q14). Subsequent to the application of IFRS11, Jari, Cachoeira Caldeirão and São Manoel are equity-method accounted.

EDPB owns a 50% stake in Pecém I coal facility (720MW). As from Jan-14, under IFRS11, this stake started being equity consolidated by EDP. Since late Aug-14, one of the generating units (360MW) experienced an unexpected outage – the generator is being repaired (insurance is covering for the costs) and should resume commercial operations until the end of this year. The second group is fully operational and Pecém I availability factor reached 78% in 9M14 (vs. 82% in 1H14). In 9M14, Pecém I EBITDA totalled R\$163m (vs R\$40m in 1H14) and net profit attributable to EDPB was R\$11m (vs. a R\$39m loss in 1H14). Note that 3Q14 figures reflect the recovery of the excess amount of penalties charged between Dec-12 and Nov-13 on Pecém I unavailability, as these had been calculated on an hourly basis instead of using the 60 month average.

In terms of capacity additions, EDPB participates in 3 new hydro projects (equity consolidated), all with long-term PPAs: a) Santo António do Jari (98% concluded), a 373MW power plant 50% owned by EDPB - the project was due in Jan-15 but the first generating unit (123MW) started commercial operations in Sep-14 and 92GWh of electricity were already sold to the spot market in 3Q14 (EDPB share of Jari EBITDA from comercial operations in 9M14: R\$6,5m); b) Cachoeira Caldeirão (51% concluded), a

+371



Income Statements & Annex

9M14 (€m)	Long-Term Contracted Generation	Iberian Liberalised Activities	Regulated Networks Iberia	EDP Renováveis	Brazil	Corpor. Activ. & Adjustments	EDP Group
Gross Profit	588	678	1,303	842	469	(1)	3,879
Supplies and services Personnel costs Costs with social benefits Other operating costs (net) Operating costs	49 23 0 4 76	143 41 2 124 311	102 (72) 167	184 45 5 (40) 194	109 81 9 (104) 95	(131) 144 (34) 21 1	643 436 (88) 172 1,163
EBITDA	512	368	816	648	374	(2)	2,715
Provisions Net depreciation and amortisation (1)	8 117	2 176		336	6 86	5 49	21 1,014
EBIT	388	190	563	312	282	(55)	1,680

9M13 (€m)	Long-Term Contracted Generation	Iberian Liberalised Activities	Regulated Networks Iberia	EDP Renováveis	Brazil	Corpor. Activ. & Adjustments	EDP Group
Gross Profit	646	535	1,336	880	750	16	4,164
Supplies and services Personnel costs Costs with social benefits Other operating costs (net) Operating costs	52 47 0 9 108	120 50 2 100 272	311 109 17 127 564	5 (44)	123 82 11 7 223	(134) 107 8 21 3	656 444 43 220 1,364
EBITDA	538	263	772	686	528	13	2,800
Provisions Net depreciation and amortisation (1)	1 125	18 178		0 334	18 118	8 49	40 1,054
EBIT	412	68	526	352	392	(43)	1,706

Quarterly Income Statement

Quarterly P&L (€ m)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14 Δ YoY %	Δ QoQ %
Revenues from energy sales and services and other	4,415	3,768	3,732	4,365	4,327	3,692	3,804	29	3 %
Cost of energy sales and other	(2,908)	(2,385)	(2,459)	(3,078)	(2,844)	(2,476)	(2,624)	-79	-6%
Gross Profit	1,507	1,384	1,273	1,287	1,483	1,216	1,180	-79	-3%
Supplies and services Personnel costs and Employee Benefits Other operating costs (net) Operating costs	212 170 39 421	229 166 102 497	215 152 79 446	253 145 91 489	202 164 86 453	220 37 (13) 244	221 147 99 467	39 -39 259 5 9	302%
EBITDA	1,086	887	827	798	1,030	972	713	-149	-27%
Provisions Amortisation and impairment (1)	9 344	27 341	3 368	14 371	7 324	11 357	4 334	139 -99	
EBIT	733	518	456	412	699	604	376	-189	-38%
Capital gains/(losses) Financial Results Share of net profit in joint ventures and associates	(0) 154 12	(0) 164 3	0 169 1	0 212 (2)	0 147 (12)	0 98 4	(0) 208 (17)	239	- 6 112% -
Profit before income tax and CESE	567	351	285	202	564	502	184	-359	-63%
Income taxes Extraordinary contribution for the energy sector	159 -	49	55 -	(50) -	186 15	57 16	33 15	-39%	-41% 4%
Net Profit for the period Net Profit Attributable to EDP Non-controlling Interests	408 335 74	302 268 33	231 189 42	253 213 40	364 296 68	430 377 53	136 113 23	-419 - 40 9 -459	-70%

EDP - Installed capacity & electricity generation

Technology PPA/CMEC (Portugal)	9M14	laneu Capa	city - MW (1		FIEC		eration tow					Electricity Generation (GWh)					
PPA/CMEC (Portugal)	91VI 14	Technology · · ·			Electricity Generation (GWh) 9M14 9M13 Δ GWh Δ %					1Q13 2Q13 3Q13 4Q13 1Q14 2Q14 3Q14						4014	
PPA/CMEC (Portugal)		311172	ΔMW	Δ%	311114	SINITS	ΔGWII	Δ %	1013	2Q13	JUIJ	4Q13	1Q14	ZQ14	3Q14	4Q14	
	4,470	5,274	-804	-15%	12,723	13,319	-596	-4%	5,053	4,509	3,757	4,135	5,002	4,099	3,622		
Hydro	3,290	4,094	-804	-20%	6,934	7,475	-541	-7%	3,307	2,781	1,387	2,036	3,739	2,120	1,075		
Run off the river	1,056	1,860			2,918	5,517			2,418	2,199	900	1,458	1,615	879	424		
Reservoir	2,234	2,234			4,016	1,958			889	582	487	578	2,124	1,241	651		
Coal - Sines	1,180	1,180	0	0%	5,789	5,844	-55	-1%	1,747	1,728	2,370	2,098	1,263	1,979	2,546		
Special Regime (Ex-Wind)	274	318	-44	-14%	738	1,234	-496	-40%	554	422	258	405	414	212	112		
Portugal	181	225	-44	-19%	606	811	-204	-25%	400	272	139	258	347	178	82		
Small-Hydro	157	157			444	456			268	156	32	127	278	127	39		
Cogeneration	24	68			162	355			132	116	107	131	69	50	42		
Spain	93	93	0	0%	131	423	-292	-69%	154	150	119	147	67	34	30		
Cogeneration+Waste	93	93			131	423			154	150	119	147	67	34	30		
Liberalised Iberia	7,774	7,122	653	9%	11,219	9,622	1,598	17%	3,621	2,657	3,344	3,701	4,186	3,286	3,747		
Hydro	2,422	1,605	818	51%	5,081	3,492	1,589	46%	1,581	1,358	552	834	2,834	1,507	740		
Portugal	1,996	1,178			4,333	2,566			1,104	997	465	660	2,399	1,261	673		
Spain	426	426			748	925			477	361	87	173	435	246	67		
Coal	1,460	1,460	0	0%	4,574	4,402	172	4%	1,371	1,015	2,015	2,005	862	1,521	2,191		
Aboño I	342	342			1,111	1,261			412	256	593	538	193	317	601		
Aboño II	536	536			2,476	2,553			826	697	1,030	1,001	597	886	992		
Soto Ribera II	236	236			299	192			124	16	52	213	36	115	148		
Soto Ribera III	346	346			688	395			9	46	340	253	36	203	450		
CCGT	3,736	3,736	0	0%	699	895	-196	-22%	337	100	458	539	158	61	480		
Ribatejo (3 groups)	1,176	1,176			163	118			74	6	38	104	28	21	114		
Lares (2 groups)	863	863			232	413			63	6	344	144	8	3	221		
Castejón (2 groups)	843	843			186	207			94	58	54	153	66	17	103		
Soto IV & V (2 groups)	854	854			118	156			106	29	22	138	56	20	43		
Nuclear - Trillo	156	156	0	0%	865	834	32	4%	331	184	319	323	332	197	336		
Gasoil - Tunes	0	165	-165	-	0	0	0	488%	0	0	0	0	0	0	0		
Wind (More detail on page 16)	7,722	7,442	279	4%	14,316	13,695	621	5%	5,542	4,765	3,388	5,447	6,101	4,833	3,382		
Iberia	2,813	2,813			5,072	5,141			2,212	1,596	1,333	1,915	2,330	1,539	1,203		
Rest of Europe	1,319	1,069			1,735	1,354			² 552	434	369	733	791	513	431		
North America	3,506	3,476			7,336	7,047			2,726	2,690	1,631	2,722	2,930	2,727	1,678		
Brazil	84	84			173	153			52	46	55	77	49	54	70		
Solar - Romania & Portugal	52	50	2	4%	54	33	21	63%	0	16	17	11	11	20	22		
Brazil (Ex-Wind)	1,797	1,799	-2	0%	5,313	5,334	-21	0%	2,292	1,794	1,247	1,828	2,341	1,650	1,322		
Hydro	1,797	1,799	-2	0%	5,313	5,334	-21	0%	2,292	1,794	1,247	1,828	2,341	1,650	1,322		
Lajeado	903	903			2,547	2,355			1,074	799	482	775	1,205	814	528		
Peixe Angical	499	499			1,665	1,725			719	525	481	674	667	458	540		
Energest	396	397			1,101	1,254			499	470	284	379	469	378	254		
TOTAL	22,090	22,006	85	0%	44,363	43,237	1,126	3%	17,062	14,164	12,011	15,528	18,056	14,100	12,207		

EDP - Volumes distributed, clients connected and networks



Electricity Distributed (GWh)	9M14	9M13	Δ GWh	Δ%
Portugal	32,727	32,550	178	0.5%
Very High Voltage	1,556	1,557	-1	0.0%
High / Medium Voltage	15,588	15,263	325	2.1%
Low Voltage	15,584	15,730	-146	-0.9%
Spain	6,858	6,808	49	0.7%
High / Medium Voltage	5,088	5,009	79	1.6%
Low Voltage	1,770	1,799	-29	-1.6%
Brazil	19,677	19,227	450	2.3%
Free Clients	7,436	7,368	68	0.9%
Industrial	2,807	2,873	-66	-2.3%
Residential, Comercial & Other	9,435	8,987	448	5.0%
TOTAL	59,262	58,585	677	1.2%

GAS				
Gas Distributed (GWh)	9M14	9M13	ΔGWh	Δ%
Portugal	5,083	5,120	-37	-0.7%
Low Pressure	737	775	-39	-5.0%
Medium Pressure	4,332	4,323	8	0.2%
LPG	15	21	-6	-28.9%
Spain	35,678	39,337	-3,659	-9.3%
Low Pressure	6,453	7,051	-598	-8.5%
Medium Pressure	29,225	32,287	-3,061	-9.5%
TOTAL	40,761	44,457	-3,696	-8.3%

Clients Connected (th)	9M14	9M13	Abs. Δ	Δ%
Portugal	6,082	6,082	0.2	0.0%
Very High / High / Medium Voltage	24	24	0.2	0.8%
Special Low Voltage	34	34	0.4	1.3%
Low Voltage	6,024	6,025	-0.4	0.0%
Spain	659	659	0.6	0.1%
High / Medium Voltage	1	1	0.0	1.7%
Low Voltage	658	658	0.5	0.1%
Brazil	3,124	3,023	100.9	3.3%
Bandeirante	1.710	1.652	58.2	3.5%
Escelsa	1,413	1,370	42.7	3.1%
TOTAL	9,865	9,763	101.6	1.0%

Supply Points (th)	9M14	9M13	Abs. Δ	Δ%
Portugal Low Pressure	315.9 309.4	300.5 293.6	15.4 15.8	5.1% 5.4%
Medium Pressure LPG	1.4 5.2	1.2 5.7	0.2 -0.5	14.1% -8.9%
Spain Low Pressure	1,024.3 1,023.6	1,014.3 1,013.5	10.0 10.1	1.0% 1.0%
Medium Pressure	0.7	0.8	-0.1	-14.4%
TOTAL	1,340.2	1,314.9	25.4	1.9%

9M14	9M13	Abs. Δ	
338,498	336,260	2,238	0.
226,000	225,000	1,000	0.4
23,355	23,242	113	0.
89,143	88,018	1,125	1.
-9.9%	-11.3%	1.4 pp	
-4.2%	-4.3%	0.1 pp	
		• • •	
-9.7%	-10.4%	0.6 pp	
-5.5%	-5.5%		
-4.2%	-4.8%		
-13.4%	-14.0%		
-6.8%	-8.0%		
-6.6%	-6.0%	-0.6 pp	
-	226,000 23,355 89,143 -9.9% -4.2% -9.7% -5.5% -4.2% -13.4% -6.8%	226,000 225,000 23,355 23,242 89,143 88,018 -9.9% -11.3% -4.2% -4.3% -9.7% -10.4% -5.5% -5.5% -4.2% -4.8% -13.4% -14.0% -6.8% -8.0%	226,000 225,000 1,000 23,355 23,242 113 89,143 88,018 1,125 -9.9% -11.3% 1.4 pp -4.2% -4.3% 0.1 pp -9.7% -10.4% 0.6 pp -5.5% -5.5% 0.0 pp -4.2% -4.8% 0.6 pp -13.4% -14.0% 0.6 pp -6.8% -8.0% 1.2 pp

Networks	9M14	9M13	Abs. Δ	Δ %
Lenght of the networks (Km)	14,696	14,376	320	2.2%
Portugal	4,575	4,407	168	3.8%
Spain	10,122	9,969	153	1.5%

(1) Excludes Very High Voltage - 28 -

EDP - Sustainability performance

3014 Main Events

Jul-14: EDP Group agreed a new Collective Labour Agreement with the 64 trade unions representing its workers, including all the companies (23) it owns in whole (100%) or over which it has a controlling relationship, headquartered in Portugal;

Sep-14: For the 2nd year in a row, EDP scored best European and Global company of the "Utilities: Electricity, Water and Gas" sector on the Dow Jones Sustainability Index;

Sep-14: EDP won the Transparency Trophy awarded by ANEFAC (National Association of Financial, Management and Accounting Executives) in the Publicly Traded Companies category – net income up to R\$5 billion category. This trophy is awarded to the companies that publish in Brazil the most transparent financial statements, disseminating the results to the community and stakeholders;

Sep-14: EDPR has been selected by Forum Ethibel for inclusion in the Ethibel PIONEER and EXCELLENCE Investment Registers, acknowledging EDPR's leadership in Corporate Social Responsibility (CSR).

EDP Internal Sustainability Index (base 2010-12)						
[9M14	9M13	Δ%			
Sustainability Index (a)	103	103	0%			
Environmental	106	103	3%			
%Weight	33%	33%				
Economic	100	101	-1%			
%Weight	37%	37%				
Social	104	105	-1%			
%Weight	30%	30%				

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

Environmental Metrics - CO2 Emissions

CO2 Free Generation

CO2 Emissions

Economic Metrics	9M14	9M13	Δ%
Economic Value (€m) (1) (k	o)		
Directly Generated Distributed Accumulated	12,829 11,361 1,468	12,832 11,453 1,378	0% -1% 7%
Social Metrics (c)	9M14	9M13	Δ%
Employees (d)	11,908	12,182	-2%
Training (hours trainee)	308,615	240,658	28%
On-duty Accidents Severity Rate (Tg) Frequency rate (Tt) Freq. rate EDP+ESP (Tf) (e)	26 127.50 1.67 3.85	31 125.75 1.96 4.03	-16% 1% -15% -5%

Environmental Metrics	9M14	9M13	Δ%
Absolute Atmospheric Emissions (kt)	44.053	44 754	
CO2 (f)	11,853	11,754	1%
NOx	10.3	11.6	-11%
SO2	8.9	9.3	-4%
Particle	0.373	0.423	-12%
Specific Atmospheric Emissions (g/KWh)			
CO2 (f)	267.8	265.4	1%
NOx	0.23	0.26	-11%
SO2	0.20	0.21	-4%
GHG emissions (ktCO2 eq)			
Direct Emissions (scope 1)	12,080	12,666	-5%
Indirect emissions (scope 2)	1,338	1,305	3%
Primary Energy Consumption (TJ) (g)	114,161	120,104	-5%
Max. Net Certified Capacity (%)	80%	75%	5 p.p.
Main Water Use (103 m3)	1,297,480	1,195,309	9%
Total Waste (t) (h)	249,075	267,759	-7%
Environ. Invest. & Expenses (€ th) (b)	45,778	60,932	-25%
Environmental Fees and Penalties (€ th) (b)	56	109	-48%

				(GWI	
9M14	9M13	9M14	9M13	9M14	9M13
5,279	5,341	0.91	0.91	5,789	5,844
5,279	5,339	0.91	0.91	5,789	5,844
, -	2	-	-	-	(0)
6,193	5,864	1.17	1.11	5,273	5,296
5,883	5,485	1.29	1.25	4,574	4,402
310	379	0.44	0.42	699	895
382	549	0.36	0.25	1,063	2,158
11,853	11,754	0.98	0.88	12,125	13,299
	9M14 5,279 5,279 - 6,193 5,883 310 382	(ktCO2) 9M14 9M13 5,279 5,341 5,279 5,339 - 2 6,193 5,864 5,883 5,485 310 379 382 549	(ktCO2) (t/MW 9M14 9M13 9M14 5,279 5,341 0.91 5,279 5,339 0.91 - 2 - 6,193 5,864 1.17 5,883 5,485 1.29 310 379 0.44 382 549 0.36	(ktCO2) (t/MWh) 9M14 9M13 9M14 9M13 5,279 5,341 0.91 0.91 5,279 5,339 0.91 0.91 - 2 - - 6,193 5,864 1.17 1.11 5,883 5,485 1.29 1.25 310 379 0.44 0.42 382 549 0.36 0.25	9M14 9M13 9M14 9M13 9M14 5,279 5,341 0.91 0.91 5,789 5,279 5,339 0.91 0.91 5,789 - 2 - - - 6,193 5,864 1.17 1.11 5,273 5,883 5,485 1.29 1.25 4,574 310 379 0.44 0.42 699 382 549 0.36 0.25 1,063

0.27

0.27

- (a) 9M13 figures were revised to the number of fatal accidents envolving non workers.
- (b) 9M13 figures were restated so as to reflect IFRS10 and IFRS 11 implementation from Jan-14 onwards.
- (c) Exclude Pecém.
- (d) Including Executive Social Bodies.
- (e) ESP: External Services Provider.

- (f) Excluding vehicle fleet.
- (g) Including vehicle fleet.
- (h) Waste sent to final disposal.
- (i) Including heat generation (9M14: 770 GWh vs. 9M13: 1,185 GWh)

30,994

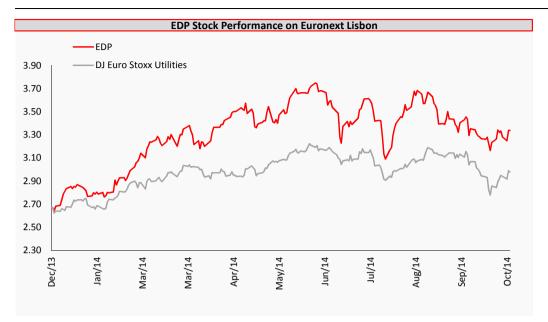
44,292

32,142

44.267

EDP Share Performance





EDP Stock Market Performance	YTD	52W	2013
		29/10/2014	
EDD Chara Drice (Europeyt Lichen 6)			
EDP Share Price (Euronext Lisbon - €)	3.337	3.337	2.670
Close			
Max	3.749	3.749	2.818
Min	2.620	2.606	2.215
Average	3.285	3.208	2.519
EDP's Liquidity in Euronext Lisbon			
Turnover (€ m)	4,148	4,661	3,791
Average Daily Turnover (€ m)	19	18	15
Traded Volume (million shares)	1,263	1,453	1,505
Avg. Daily Volume (million shares)	5.8	5.5	5.8

EDP Share Data	9M14	9M13	Δ%
Number of shares Issued (million)	3,656.5	3,656.5	-
Treasury stock (million)	23.3	27.6	-15.9%

EDP's Main Events

07-Jan: EDP issues USD 750 million of notes

28-Jan: Standard & Poor's affirms EDP at "BB+" rating on stable outlook

28-Jan: Credit Suisse notifies qualified shareholding in EDP

04-Fev: CTG and EDP agree to jointly promote the creation of a research center for new energy technologies

07-Fev: CTG enters partnership with EDP Brasil for construction of hydro power plant São Manoel

10-Fev: EDP sells €138 million of tariff deficit in Portugal

14-Fev: Norges Bank notifies qualified shareholding in EDP

12-Mar: EDP announces mandate and roadshow for a securitization transaction of the tariff deficit in Portugal

13-Mar: Capital Group notifies qualified shareholding in EDP

26-Mar: EDP to receive €750 million in securitization of electricity tariff deficit in Portugal

01-Abr: Iberdrola decreases its ownership interest in the share capital of EDP

08-Abr: EDP issues €650 million bond maturing in April 2019

29-May: Payment of gross dividend of €0.185 per share for the 2013 financial year

16-Jun: EDP sells €200 million of tariff deficit in Portugal

20-Jun: EDP signed a 5-year revolving credit facility in the amount of €3,150 million

28-Jun: Conclusion of sale by EDP Brasil of 50% in Jari and Cachoeira Caldeirão hydro plants

02-Jul: Fitch affirms EDP at "BBB-" and revises outlook to stable

16-Jul: EDP establishes new collective labour agreement

30-Jul: Moody's affirms EDP at "Ba1" and revises outlook to positive

7-Aug: ANEEL approves a 26.54% tariff increase at EDP Escelsa's annual tariff readjustment process

20-Aug: EDPR executes an asset rotation transaction in the US

11-Sep: EDP issues EUR 1,000,000 bond maturing in 2022

30-Sep: EDPR executes an asset rotation transaction in France

13-Oct: Norges Bank decreases its ownership interest in the share capital of EDP

15-Oct: ERSE announces its proposal for tariffs in 2015 and parameters for 2015-17

22-Oct: ANEEL approves a 22.34% tariff increase at EDP Bandeirante's annual tariff readjustment process

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