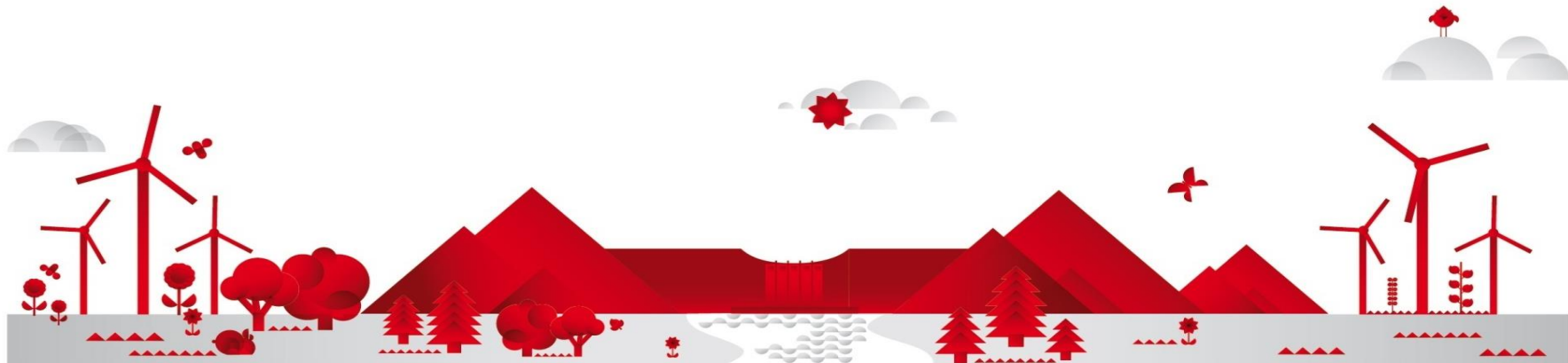




Results Presentation 9M16

Lisbon, November 4th, 2016



Recurring EBITDA +10% to €2,832m
including 2% negative impact from ForEx

Recurring net profit +17% to €661m
Net profit -16% to €615m (non recurring gain on Pecém in 9M15)

€2.0bn Tariff Deficit Sales in 9M16
Regulatory receivables down 56% in 9M16 to €1.1bn

OPEX/Gross profit improves by 1pp, to 26% in 9M16

Net debt: -8% vs Dec-15 to €16.0bn

Recurring EBITDA: +10% YoY

Weight on Recurring EBITDA		Recurring EBITDA YoY change	
31%	Generation & Supply	+17%	<ul style="list-style-type: none"> Favourable hydro conditions in 9M16 vs. 9M15 and successful energy management strategy Number of electricity & gas contracts : +10% YoY (focus on retail/SMEs segments) Generation capacity: +1% YoY reflecting +1.0GW of hydro and -0.2GW of coal
25%	Regulated Networks Iberia	+4%	<ul style="list-style-type: none"> Regulated revenues in electricity distribution Spain: +18% Efficiency improvements: controllable operating costs -2% YoY
32%	EDPR	+14%	<ul style="list-style-type: none"> Avg. installed capacity: +13% Avg. load factor: +1pp to 29%; total production +20%
12%	EDP Brasil	+4% _{EUR} +19% _{BRL}	<ul style="list-style-type: none"> 11% avg. YoY devaluation of BRL vs. EUR in 9M16 End of hydro deficit loses in generation, consolidation of Pecém (since May-15)

Strong improvement on recurring EBITDA in all major business areas

Operating Costs: +3% to €1,161m on 7% avg. capacity increase



Weight on Opex

Business area	Indicator	YoY Change	Main drivers
58% Iberia	Total Opex	+1%	<ul style="list-style-type: none"> 9M16 inflation: Portugal +0.5%; Spain: -0.6% Installed capacity +1%; Number of customers +2% Natural headcount reduction (-1% YoY)
25% EDPR	Core Opex/MW:	-5%	<ul style="list-style-type: none"> Total Opex: +8% (no material forex impact) Avg. Installed capacity: +13% YoY
17% EDP Brasil	Pro-forma opex in BRL, inflation adjusted:	-7%	<ul style="list-style-type: none"> Opex change in Euro terms: +1% YoY Opex change in local currency: +14% YoY Opex change in local currency pro-forma⁽¹⁾: +1% YoY 9M16 inflation in Brazil (IPCA): +8%

Opex IV corporate-wide efficiency programme fully on track: €76m savings in 9M16

(1) Assuming full-consolidation of Pecém also in 9M15

Regulatory update in Portugal: Tariffs' proposal for 2017

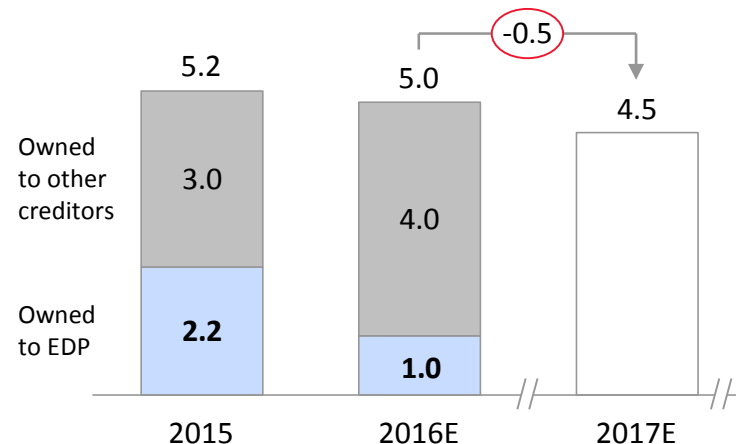


Regulated Revenues 2017E ⁽¹⁾
(€ million)

	2016E	2017E	Δ Abs.	Δ %
Distribution Activity	1,182	1,199	+17	+1%
Last Resort Supply Activity	40	39	-1	-
Regulated Revenues	1,222	1,238	+16	+1%

Stable regulated revenues
RoRAB expected to remain close to 2016 (6.5%)

Regulatory Receivables in the Portuguese electricity system
(€bn)

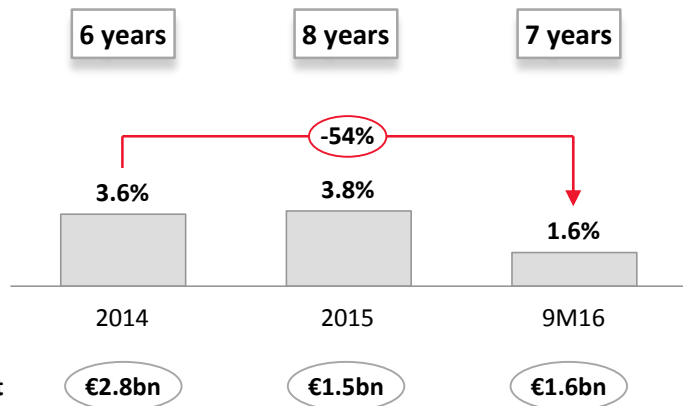


Sustained reduction of system debt:
Tariff surplus expected to increase to ~€0.5bn in 2017

Low interest rate environment

Avg. Cost of new bonds issued⁽¹⁾⁽²⁾

% Avg. bond maturity



Financial leverage and financing:

- **Financial discipline: Strong focus on deleverage commitments** for 2017-2020, consistent with a clear investment-grade credit profile
- **Refinancing deals concentrated in long maturities** (over 5-year, fixed rates): extension of avg. debt maturity and increase of financial liquidity

	Dec-14	Sep-15	Sep-16
Avg. Debt Maturity (years)	4.0	4.6	5.0
Financial liquidity (months)	>24	>27	>40

Investments & disposals:

- **Focus on greenfield projects with revenues secured**
- **Asset value crystallization** preserving the low risk profile of the company: EDPR's asset rotation deals, other opportunistic deals

(1) Average yield of senior bond issues between Jan-16 and Sep-16 vs. 2015 and 2014;

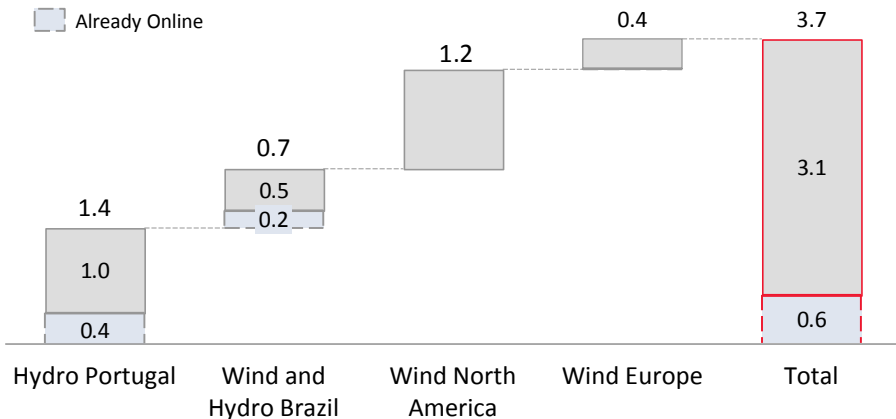
(2) Nominal values include 100% of the hybrid bond in 2015 and USD bond issues in 2014

Growth investments: +13% of installed capacity up to 2018



Focused on wind & hydro greenfield projects

Capacity additions secured 2016-2018 ⁽¹⁾ (GW)



- **Hydro Portugal** (pumping & storage): 2 plants starting in 1Q17
- **Wind North America** (mostly US): +1.2GW secured of which 50% under construction
- **Hydro & wind Brazil** (PPA inflation updated): São Manoel hydro COD for 2018 (78% completed), additional wind secured
- **Wind Europe**: 0.4GW on-shore secured, additional options in off-shore France & UK (CODs post 2020)

Net disposals support capital discipline:

- **EDPR asset rotation & CTG deals** : 60% of target for 2016-2020 executed (Poland & Italy deal in Oct-16)
- **Opportunistic deals**: in 2016, acquisition of Repsol gas network Spain and sale of mini-hydro in Brazil

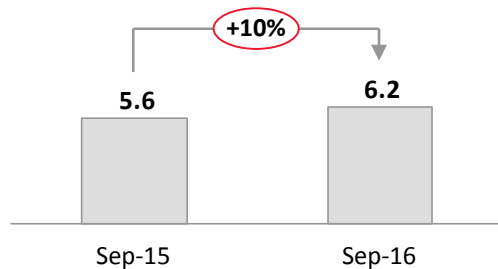
Focus on execution on time / at cost in order to protect investment returns

(1) Hydro Brasil: 50% stake in Cachoeira Caldeirão and 33% stake in São Manoel, both equity consolidated

Supply activity: key to reduce risk exposure to energy markets



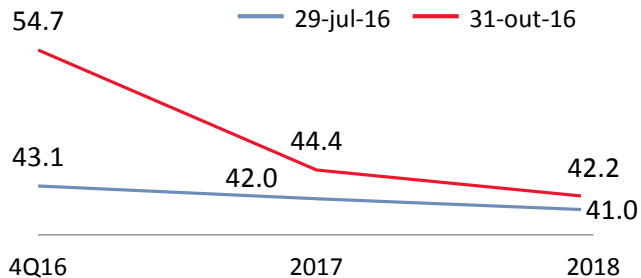
Free market Customers Iberia
(# in million of contracts)



Strong position in retail: key to preserve risk-controlled approach...

- Focus on customer satisfaction in order to maximize client retention:
claims per client -27% vs. 9M14
- Electricity & gas dual offer penetration rate up from 13% to 14%

Forward electricity prices in Iberia ⁽¹⁾
(€/MWh)



... with hedging sales reducing exposure to energy prices volatility

Recent increase in wholesale prices more evident in the short term:

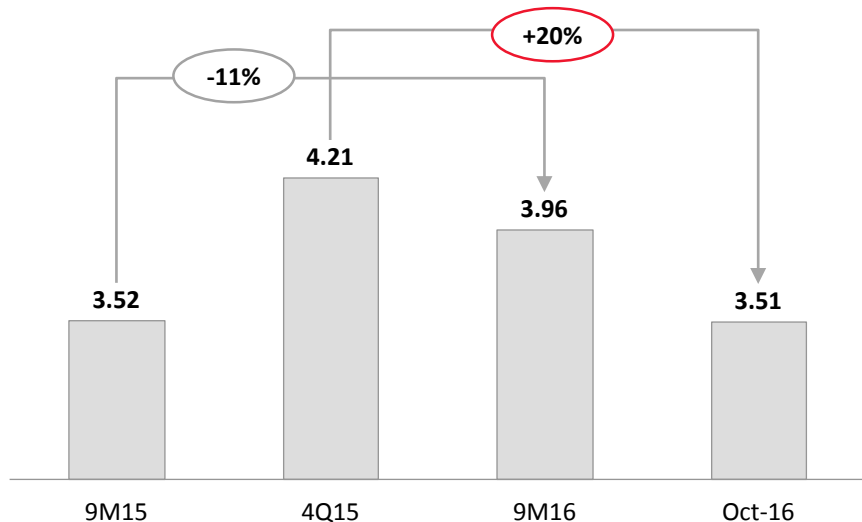
- 4Q16: production & supply almost fully hedged
- 2017: 29TWh sales contracted at prices ~€55/MWh

(1) Source: 4Q16 price by 31-Oct-16 based on historical data for Oct-16 and OMIP prices for Nov-16 and Dec-16; other prices from OMIP

Brazil: Currency and business trends

Avg. EUR/BRL exchange rate

○ BRL (depreciation)/appreciation versus Euro



Business environment

Impact

Escelsa Regulatory Review:

RAB +27%; RoRAB +60 bps to 8.1%



Market risks contained (weaker demand, volatile power prices): GSF insurance closed in Dec-15 (generation), new overcontracting rules under consideration (distribution)



Cost of funding / capital allocation

Cash proceeds from **capital increase** (R\$1.5bn): used to pay down more expensive debt; central bank has recently announced 1st cut of interest rates in 4 years



Well positioned to explore **opportunistic small scale growth options** (example: recent transmission auction)



Brazilian Real: best performing currency vs. Euro in 2016 YTD (+22.5%)

Positive trends on regulation, energy markets and cost of funding

9M16 performance: On track to deliver 2016 guidance and CMD targets



1	Focused Growth	▪ Recurrent EBITDA growth YoY	+10%
		▪ Avg. installed capacity growth YoY (wind & hydro)	+7%
2	Continue Financial Deleveraging	▪ Net debt change vs. Dec-15	-8%
		▪ Adjusted Net Debt/EBITDA	3.9x
3	Keep Low Risk Profile	▪ Weight of wind & hydro in electricity production	68%
		▪ % EBITDA Regulated/LT Contracted	85%
4	Reinforce Efficiency	▪ Total operating costs change YoY	+3%
		▪ Opex/Gross Profit	26%
5	Deliver Attractive Returns	▪ Recurrent net profit growth YoY	+17%
		▪ Commitment on 2016 DPS growth (to be paid in 2017)	0.19€/share

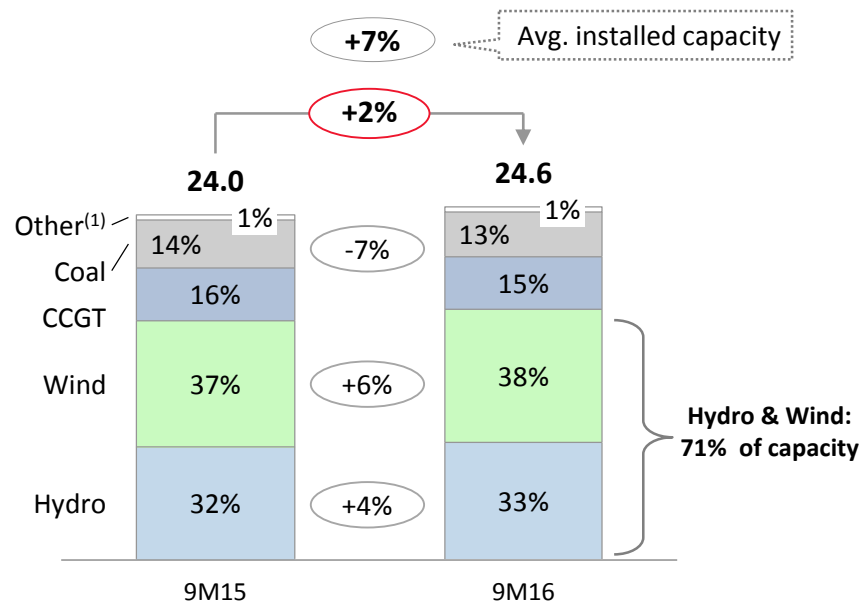


Results Analysis

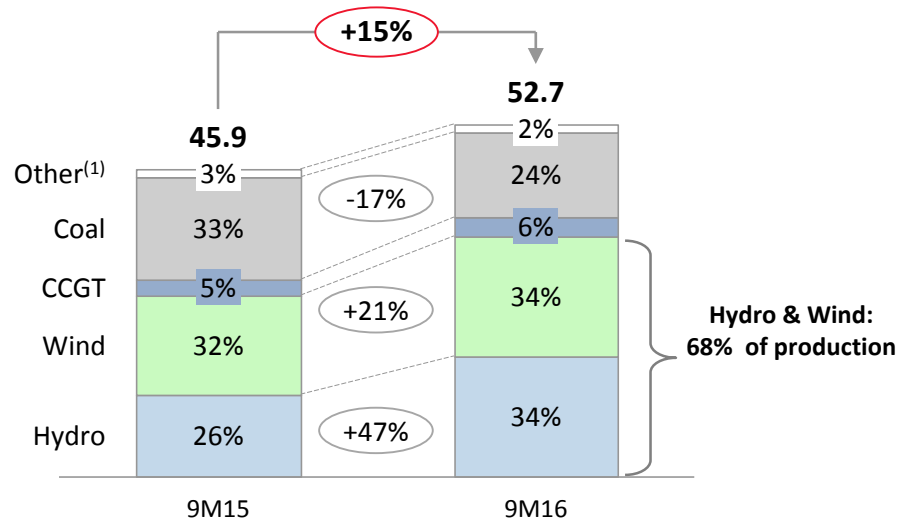
EDP's global generation portfolio: reinforced with more competitive renewables



**Installed Capacity
(GW)**



**Production Breakdown
(TWh)**



Installed capacity +2%: +0.5GW wind, +0.3GW Hydro Portugal, -0.2GW coal Spain

Electricity production +15%: improved hydro resources in Iberia and wind capacity additions

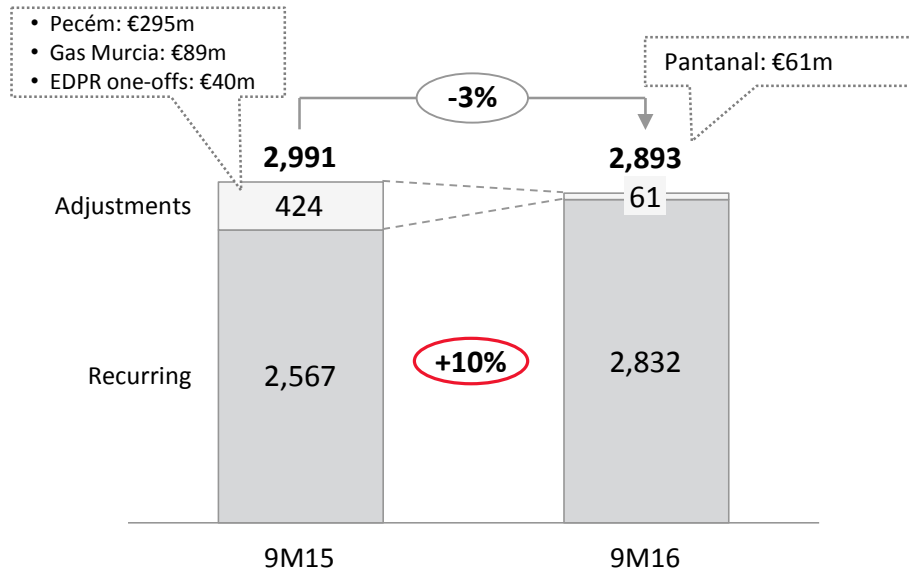
(1) Thermal special regime (cogeneration, biomass), nuclear and solar

EBITDA and EBIT performance significantly impacted by non recurrent gains in 9M15



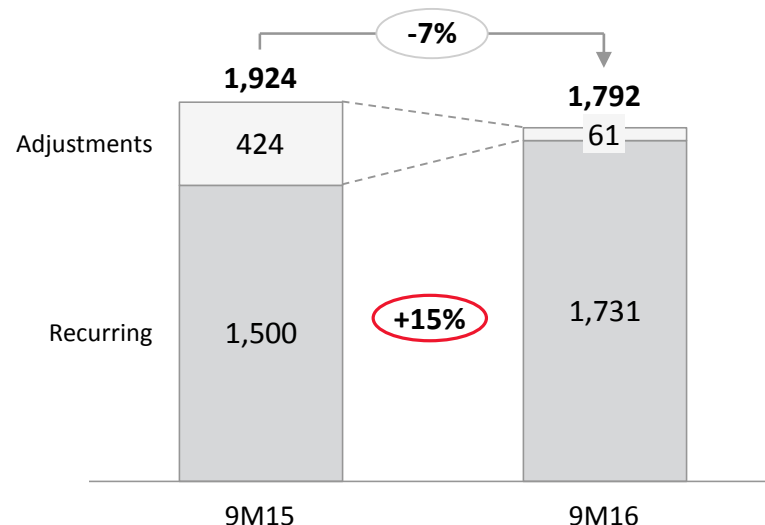
EBITDA

(€ million)



EBIT

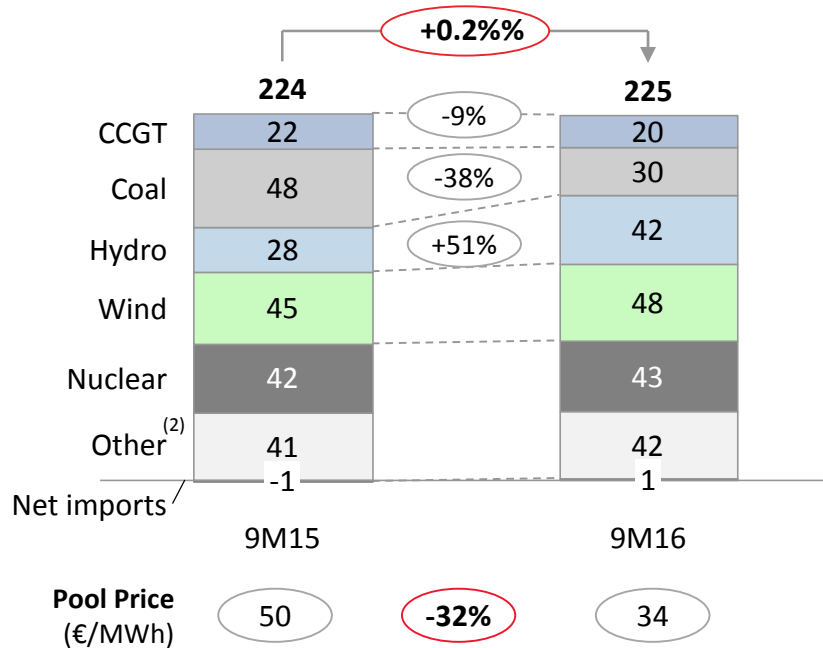
(€ million)



Recurring EBITDA up by 10% YoY, propelled by all business divisions

Overview of Iberian Market in 9M16

Electricity Demand and Supply in Iberian Market ⁽¹⁾
(TWh)



- **Electricity demand:** +0.1% in Spain and 0.3% in Portugal, following recovery in 3Q16 (+0.6% YoY in Iberia)
- **Hydro production:** +51%, hydro coefficient in Portugal 1.66 in 9M16 vs. 0.78 in 9M15
- **Coal and gas power plants production:** -29%, mainly driven by coal
- **Gas demand:** -1% in Iberia; conventional demand +1%, demand for electricity production: -9%

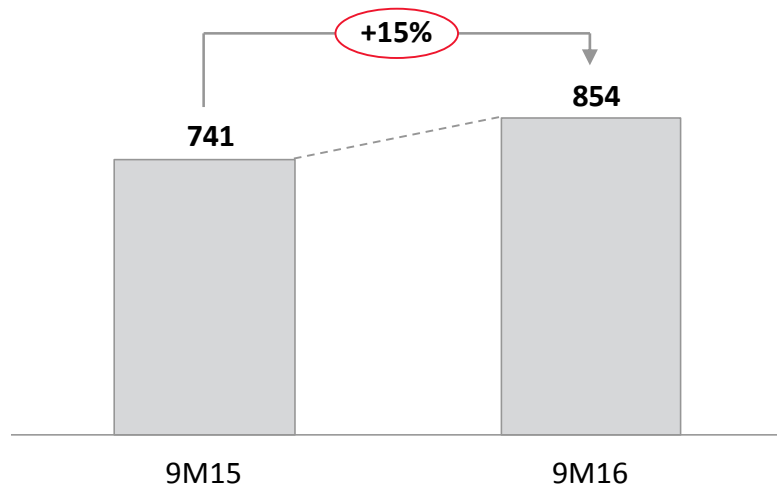
Strong hydro volumes justify 32% YoY decline in avg. pool price to €34/MWh in 9M16

(1) Net of pumping; (2) Other special regime (ex wind) and electricity consumption by thermal plants.

Generation and Supply Iberia (30% EBITDA)



EBITDA Generation & Supply Iberia (€ million)



EBITDA Generation & Supply Iberia: +€112m YoY

- **Hydro production: +111% YoY:** hydro coefficient in Portugal 1.66 in 9M16 vs. 0.78 in 9M15
- **Avg. sourcing cost -33% YoY:** avg. generation cost -40% YoY due to higher weight of hydro in generation mix (from 28% to 51%)
- **Long market position on clients:** electricity production in 9M16 represented 55% of electricity sales to clients
- **Active management of strong volatility in energy markets in 9M16**

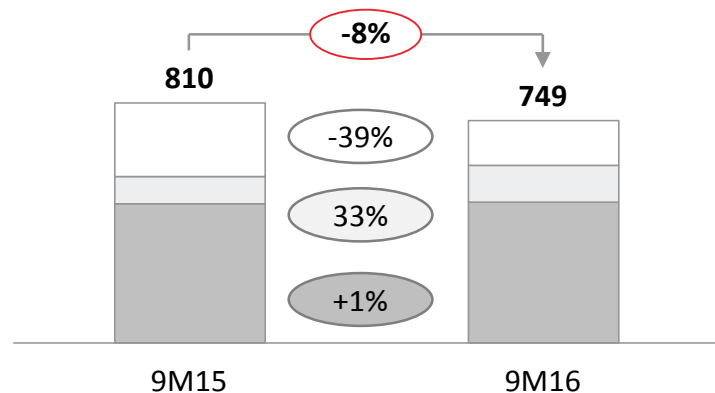
Good performance in 9M16 following strong recovery of hydro resources and energy management results

Regulated Energy Networks Iberia (26% of EBITDA)



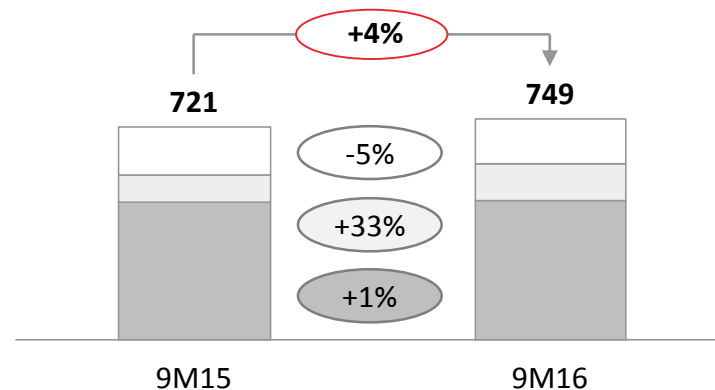
EBITDA - Regulated networks
(€ million)

Gas Iberia Electricity Spain Electricity Portugal



Adjusted EBITDA⁽¹⁾ - Regulated networks
(€ million)

Gas Iberia Electricity Spain Electricity Portugal



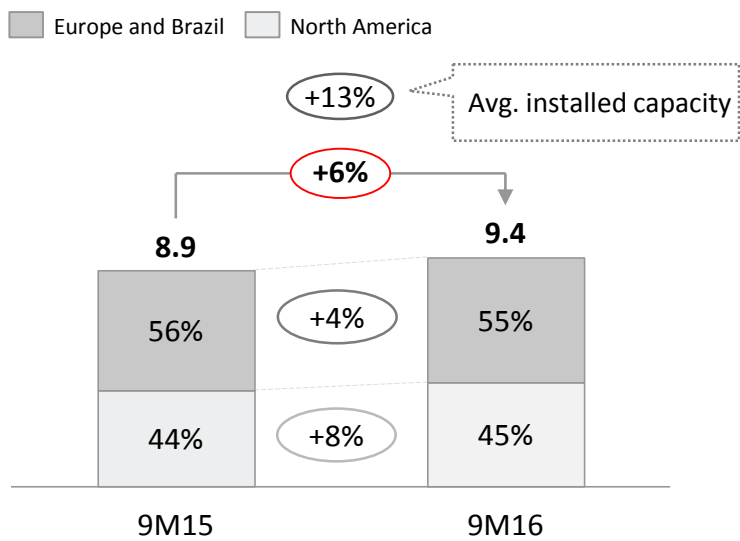
- **Electricity Portugal:** RoRAB at 6.48% (+14bps YoY); good performance on costs
- **Electricity Spain:** positive impact from new regulatory framework (regulated revenues for 2016 +18% vs. 2015)
- **Gas Iberia:** €89m gain in 9M15 on the sale of Gas Murcia; negative impact from lower volumes

Adjusted EBITDA +4% supported by improved remuneration for electricity distribution in Spain

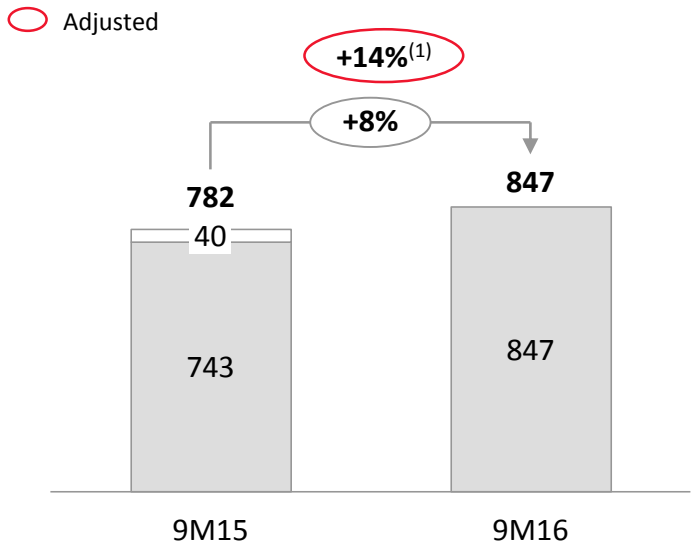
(1) Excluding €89m gain in 9M15, on the sale of gas assets in Murcia.



EDPR Installed Capacity (GW)



EDPR EBITDA (€ million)

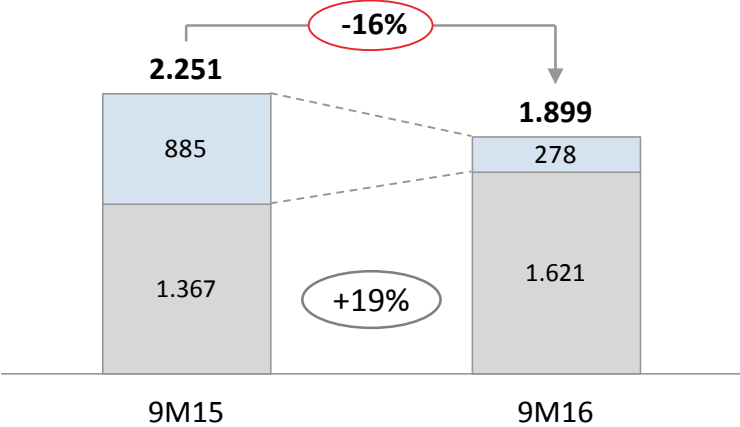


- **Average installed capacity: +13%; production +20%; Average price per MWh -7%**
- **One offs in 9M15: €40m due to ENEOP goodwill and some write-offs**

(1) Recurring EBITDA reported by EDPR (+17% YoY) based on one offs of -€58m YoY; scope of non-recurrent items adapted to materiality criteria within the consolidation perimeter of each Group of companies

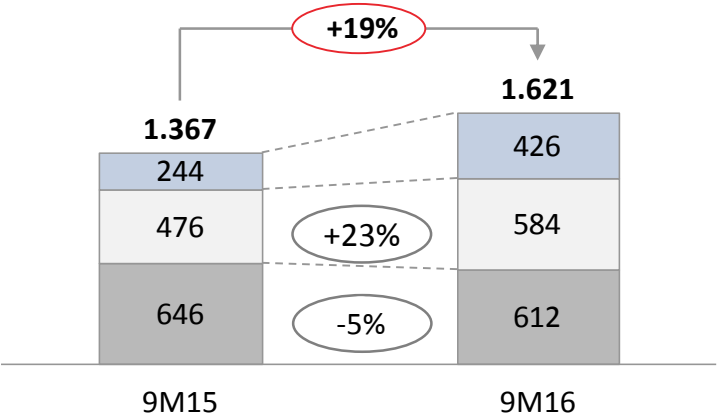
EDP Brasil EBITDA
(BRL million)

Capital Gains Recurring



EDP Brasil Recurring⁽¹⁾ EBITDA
(BRL million)

Distribution Hydro Generation & Other Pecém



- **Hydro Generation:** penalized in 9M15 by hydro deficit (immaterial in 9M16); **Pecém:** full consolidation as from May-15
- **Distribution:** penalised by lower demand and losses on overcontracted volumes, offset by concessions' revaluation⁽²⁾

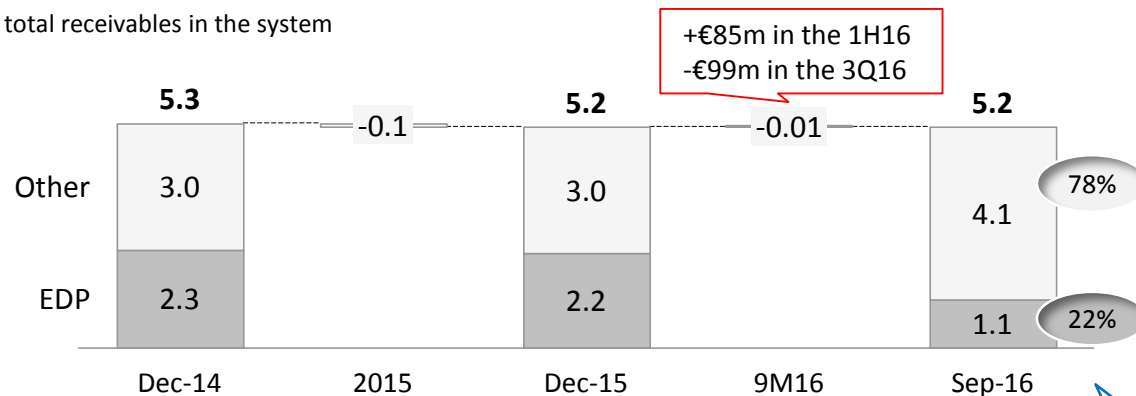
(1) Adjustments in 9M15: R\$885m gain from Pecém acquisition; Adjustments in 9M16: R\$278m one-off gain from resale of Pantanal mini-hydro plant (2) Positive impact of Escelsa's assets revaluation following tariff update

Portugal Electricity System Regulatory Receivables: €99m surplus in 3Q16 supports €14m debt decline in 9M16



Portugal: Electricity System Regulatory Receivables (€bn)

○ Share of total receivables in the system



Demand ⁽¹⁾ (YoY Chg.)	+1.1%	+0.1%
Wind Factor (1.0=avg.)	1.01	1.09
Special Regime Premium (€/MWh)	60	69

	2016E ERSE	Jan/Oct -16 ⁽³⁾
Demand (YoY; %)	+1.8% ⁽²⁾	+0.1%
Pool Price (€/MWh)	49.2	35.7
Special Regime Production (TWh)	+1.1 YoY	+0.8 YoY

Expected decline in 4Q16 benefiting from higher pool prices

(1) Electricity distributed by EDP

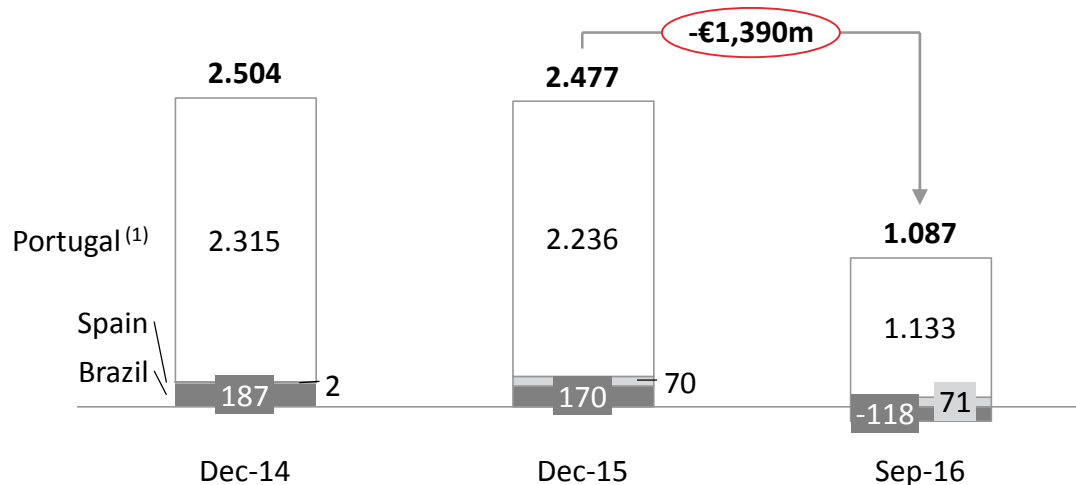
(2) 2016E Electricity distributed by ERSE vs. real 2015

(3) Gross demand by Oct, 31st. Source: REN.

Net regulatory receivables owned by EDP: -€1,390m in 9M16



Net Regulatory Receivables: EDP Balance Sheet (€ million)



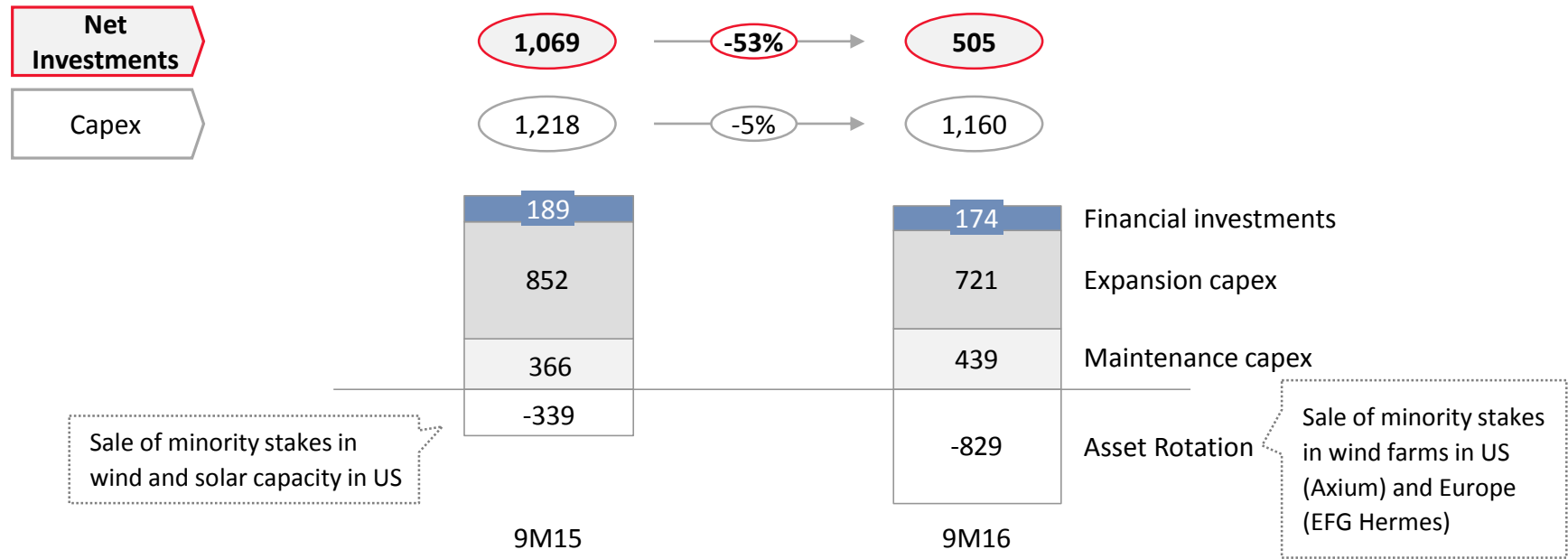
- **Portugal: -€1,103m YTD; -€2,013m from tariff deficit sales, +€910m attributable to EDP**
- **Brazil: -€289m YTD (in BRL terms -R\$1,163m YTD): Decline of energy costs and recovery of past deviations**

(1) Includes electricity and gas regulated activities in Portugal

Net investments: Impacted by €0.8bn Asset Rotation in 9M16



Net Investments ⁽¹⁾
(€ million)

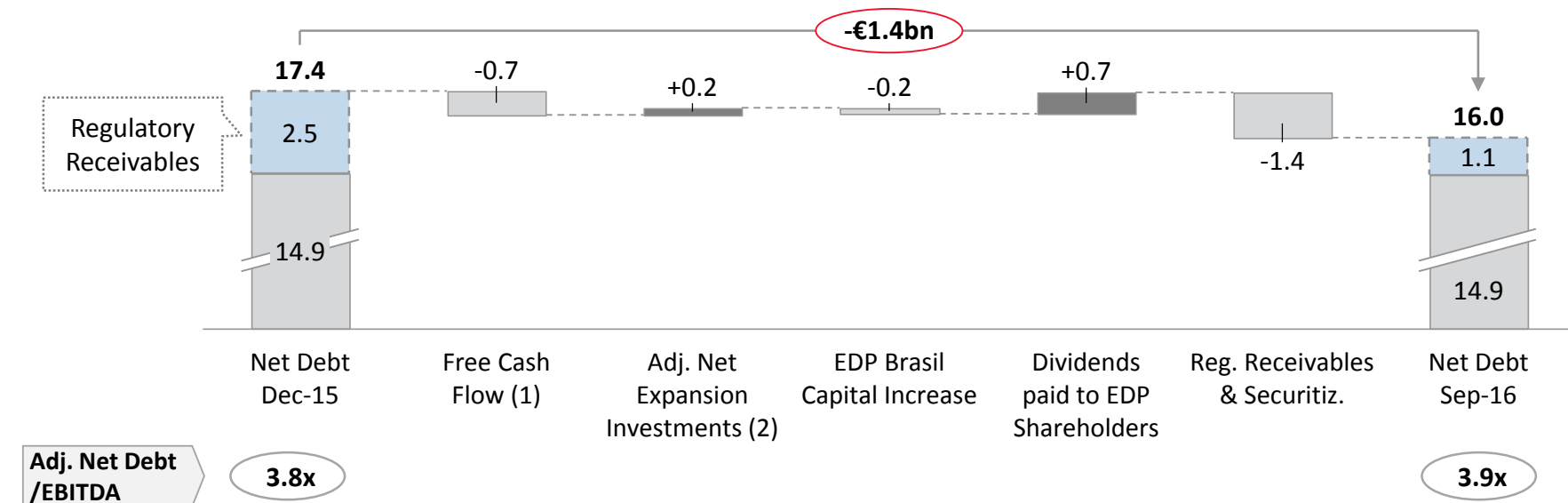


Expansion Investments: wind (PPAs/feed-in); hydro Portugal (pump & storage); generation Brazil (PPA inflation link)
Maintenance investments: Mostly in Regulated energy networks (Portugal, Spain and Brazil)

Net debt change: -8% or -€1.4bn in 9M16

Change in Net Debt: Sep-16 vs. Dec-15

(€ billion)



€1.4bn decline on regulatory receivables support YTD debt reduction

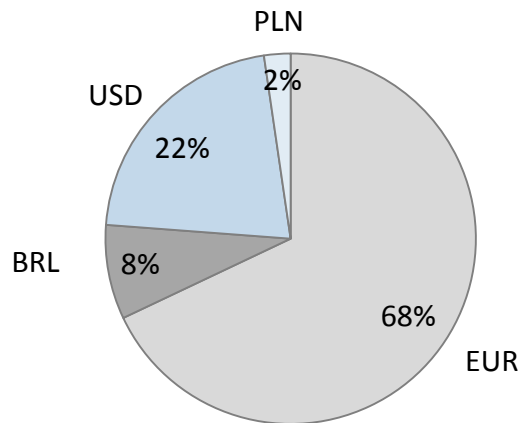
Adjusted net debt flat YTD, post full payment of annual dividends

(1) EBITDA - Maintenance capex - Interest paid - Income taxes + Chg. in work. Capital excluding regulatory receivables and other; Includes negligible ForEx impact (€45m);

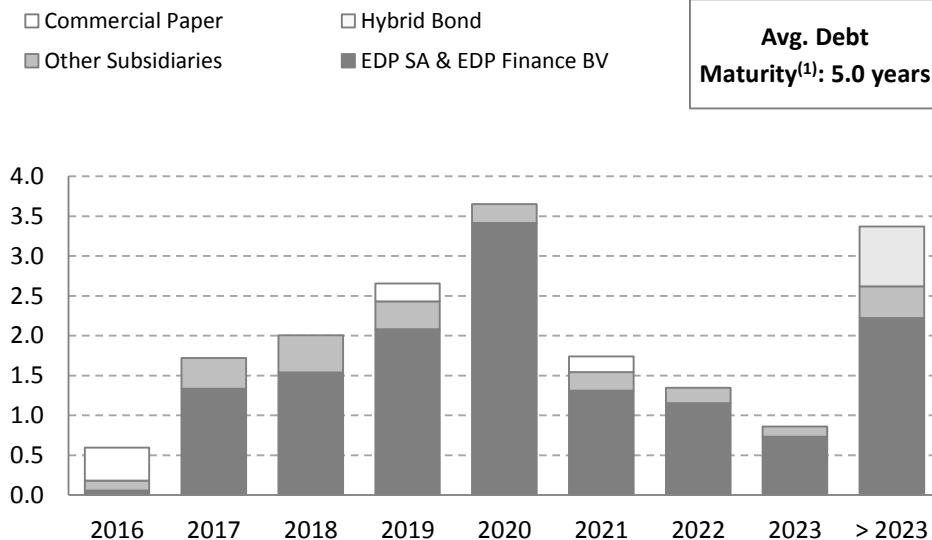
(2) Expansion capex, Net financial investments (including shareholder loans transferred in asset rotation deals), TEI proceeds, Chg. in work. capital from equip. suppliers; acquisitions and disposals

Financial Debt profile by currency and maturity

EDP consolidated debt by currency: Sep-16
(%)



EDP consolidated debt maturity profile as of Sep-16
(€ billion)



Investments and operations funded in local currency to mitigate ForEx risk: natural hedge policy
Extension of average debt maturity⁽¹⁾ from 4.6 years in Sep-15 to 5 years in Sep-16

(1) Hybrid bond not included in this figure

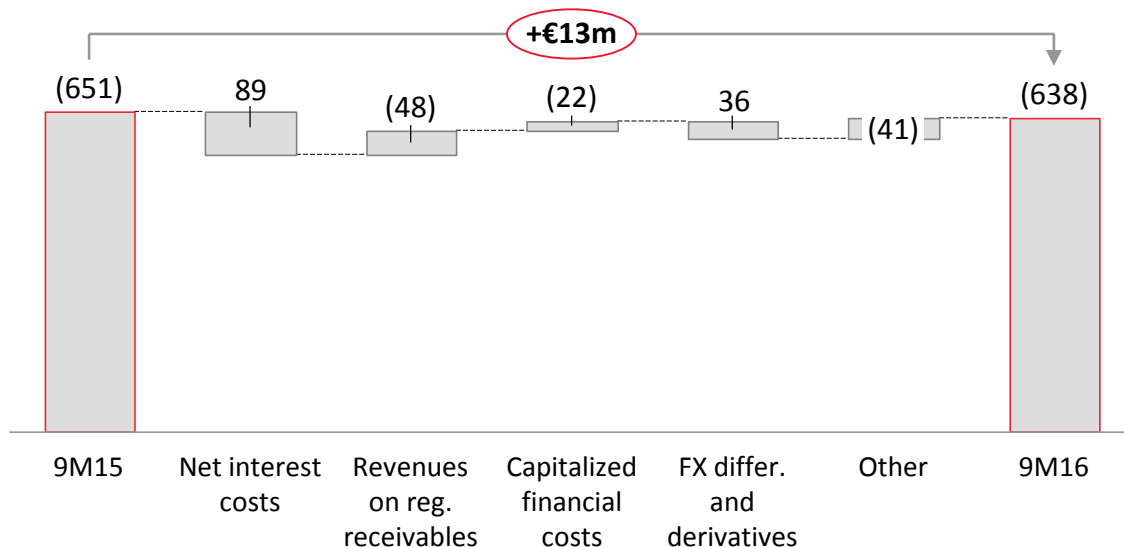
Financial liquidity vs. Refinancing needs

Financial liquidity (Sep-16)		Refinancing needs 2016-2019	
▪ Cash & Equivalents:	€1.7bn	▪ 4Q16 (Bonds maturing in Dec-16):	€0.4bn
▪ Available Credit Lines:		▪ 2017:	€1.3bn
Revolving Credit Facilities	€3.8bn	▪ 2018:	€1.5bn
Other Credit Lines	€0.3bn	▪ 2019	€2.1bn
Total	€4.1bn		
TOTAL	€5.8bn	TOTAL	€5.4bn

€5.8bn of financial liquidity by Sep-16 covered refinancing needs beyond 2019

Financial Results

Financial Results & Associated Companies: 9M16 vs. 9M15 (€m)



- **Net interest costs (-13% YoY):** -€0.5bn YoY of avg. net debt, avg. cost of debt down from 4.7% in 9M15 to 4.5% in 9M16
- **Revenues on regulatory receivables:** lower amount on balance sheet, lower interest rate
- **Lower capitalised financial costs:** commissioning of 2 hydro plants in Portugal
- **Other:** TEIs financial cost +€10m YoY, revenues on loans to associates -€15m YoY (following ENEOP assets' full consolidation)
- **9M16 Other financial results include:** BCP impairment (-€31m), debt prepayment fees (-€26m, mostly at EDPR level)

Improvement on cost of debt (-20 bp YoY) and avg. net debt (-€0.5bn) mitigated by lower revenues from regulated receivables, debt prepayment fees and impairment of stake in BCP

Net Profit breakdown



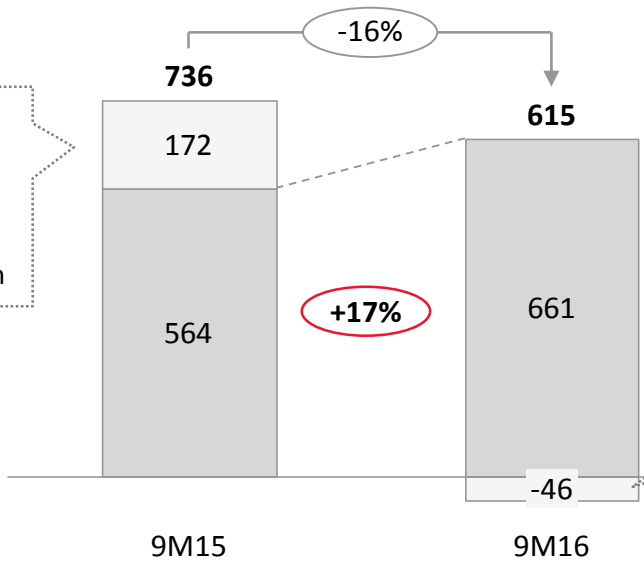
(€ million)	9M15	9M16	Δ %	Δ Abs.	
EBITDA	2.991	2.893	-3%	-99	
Net Depreciations and Provisions	1.067	1.100	+3%	+33	Increase of installed capacity: EDPR, Pecém, hydro Portugal
EBIT	1.924	1.792	-7%	-131	
Financial Results & Associated Companies	(651)	(638)	-2%	+13	Lower effective tax rate in 9M15 due to one-off gains (Pecém/Gas Murcia)
Income Taxes	236	300	+27%	+64	
Extraordinary Energy Tax in Portugal	61	61	-0%	-0	Extraordinary energy tax: 0.85% on net fixed assets in Portugal
Non-controlling interests	240	179	-25%	-61	
Net Profit	736	615	-16%	-121	Lower impact from one-offs: €26m in 9M16 vs. €132m in 9M15

Recurring net profit: +17% YoY

Adjusted Net Profit (€ million)

Adjustments Recurring

- Full control Pecém: +€132m
- Sale of Gas Murcia: +€85m
- EDPR's net one-offs: +€33m
- BCP impairment: -€17m
- Extraordinary energy tax: -€61m



- Sale of Pantanal mini-hydro: +€27m
- Sale of Tejo Energia: +€11m
- BCP Impairment: -€24m
- Extraordinary energy tax: -€61m

Growth in Recurring Net Profit prompted by EBITDA growth, namely in Iberia, and lower net interest costs



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IR Contacts

Miguel Viana, Head of IR

Sónia Pimpão

João Machado

Maria João Matias

Sérgio Tavares

Noélia Rocha

E-mail: ir@edp.pt

Phone: +351 210012834

Next Events

Nov 3rd : Release of 9M16 Results

Nov 10th: Roadshow Frankfurt (Haitong)

Nov 11th: Roadshow Amsterdam (UBS)

Nov 14th: Investec Global Conference (London)

Nov 15th: UBS Conference (London)

Nov 24th: Unicredit Conference (London)

Nov 30th: JP Morgan Utilities & Infrastructure Conference (London)

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