



Results Presentation

1H2011

LISBON, JULY 29TH, 2011



Disclaimer



This document has been prepared by EDP - Energias de Portugal, S.A. (the "Company") solely for use at the presentation to be made on the 29th of July 2011 and its purpose is merely of informative nature and, as such, it may be amended and supplemented. By attending the meeting where this presentation is made, or by reading the presentation slides, you acknowledge and agree to be bound by the following limitations and restrictions. Therefore, this presentation may not be distributed to the press or to any other person in any jurisdiction, and may not be reproduced in any form, in whole or in part for any other purpose without the express and prior consent in writing of the Company.

The information contained in this presentation has not been independently verified by any of the Company's advisors or auditors. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. Neither the Company nor any of its affiliates, subsidiaries, directors, representatives, employees and/or advisors shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation.

This presentation and all materials, documents and information used therein or distributed to investors in the context of this presentation do not constitute or form part of and should not be construed as, an offer (public or private) to sell or issue or the solicitation of an offer (public or private) to buy or acquire securities of the Company or any of its affiliates or subsidiaries in any jurisdiction or an inducement to enter into investment activity in any jurisdiction. Neither this presentation nor any materials, documents and information used therein or distributed to investors in the context of this presentation or any part thereof, nor the fact of its distribution, shall form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever and may not be used in the future in connection with any offer (public or private) in relation to securities issued by the Company. Any decision to purchase any securities in any offering should be made solely on the basis of the information to be contained in the relevant prospectus or final offering memorandum to be published in due course in relation to any such offering.

Neither this presentation nor any copy of it, nor the information contained herein, in whole or in part, may be taken or transmitted into, or distributed, directly or indirectly to the United States. Any failure to comply with this restriction may constitute a violation of U.S. securities laws. This presentation does not constitute and should not be construed as an offer to sell or the solicitation of an offer to buy securities in the United States. No securities of the Company have been registered under U.S. securities laws, and unless so registered may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of U.S. securities laws and applicable state securities laws.

This presentation is made to and directed only at persons (i) who are outside the United Kingdom, (ii) having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the "Order") or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "Relevant Persons"). This presentation must not be acted or relied on by persons who are not Relevant Persons.

Matters discussed in this presentation may constitute forward-looking statements. Forward-looking statements are statements other than in respect of historical facts. The words "believe," "expect," "anticipate," "intends," "estimate," "will," "may", "continue," "should" and similar expressions usually identify forward-looking statements. Forward-looking statements include statements regarding: objectives, goals, strategies, outlook and growth prospects; future plans, events or performance and potential for future growth; liquidity, capital resources and capital expenditures; economic outlook and industry trends; energy demand and supply; developments of the Company's markets; the impact of legal and regulatory initiatives; and the strength of the Company's competitors. The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in the Company's records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Important factors that may lead to significant differences between the actual results and the statements of expectations about future events or results include the company's business strategy, financial strategy, national and international economic conditions, technology, legal and regulatory conditions, public service industry developments, hydrological conditions, cost of raw materials, financial market conditions, uncertainty of the results of future operations, plans, objectives, expectations and intentions, among others. Such risks, uncertainties, contingencies and other important factors could cause the actual results, performance or achievements of the Company or industry results to differ materially from those results expressed or implied in this presentation by such forward-looking statements.

The information, opinions and forward-looking statements contained in this presentation speak only as at the date of this presentation, and are subject to change without notice unless required by applicable law. The Company and its respective directors, representatives, employees and/or advisors do not intend to, and expressly disclaim any duty, undertaking or obligation to, make or disseminate any supplement, amendment, update or revision to any of the information, opinions or forward-looking statements contained in this presentation to reflect any change in events, conditions or circumstances.

1H11: Highlights of the period



EBITDA: €1,900m, +4%

61% of EBITDA from out of Portugal: Strong growth in Brazil (+15%) and wind (+19%)

Iberian traditional operations: EBITDA -4%

Resilient regulated/contracted activities (+4%), weaker performance in liberalized market (-28%)

Opex: +3% (including Brazil & wind power), Iberia -1%; opex/gross profit steady at 27%

Average cost of debt of 3.9% in 1H11 (+40bps vs. 1H10), avg. debt maturity of 5 years

Net Profit: €609m, +8%

1H11: Highlights of the period



Capex down to €845m in 1H11 (-€467m vs. 1H11): driven by capex cut in wind US

Net debt up to €16.9bn impacted by payment in 2Q11 of annual dividend + 20% in Genesa

High financial liquidity: €3.0bn (Jun-11) after €1.9bn paid in 2Q11 (debt maturities + dividend + Genesa)

€0.35bn cash proceeds from placement of 14% in EDP Brasil closed in July: 70% of 2011 target for disposals

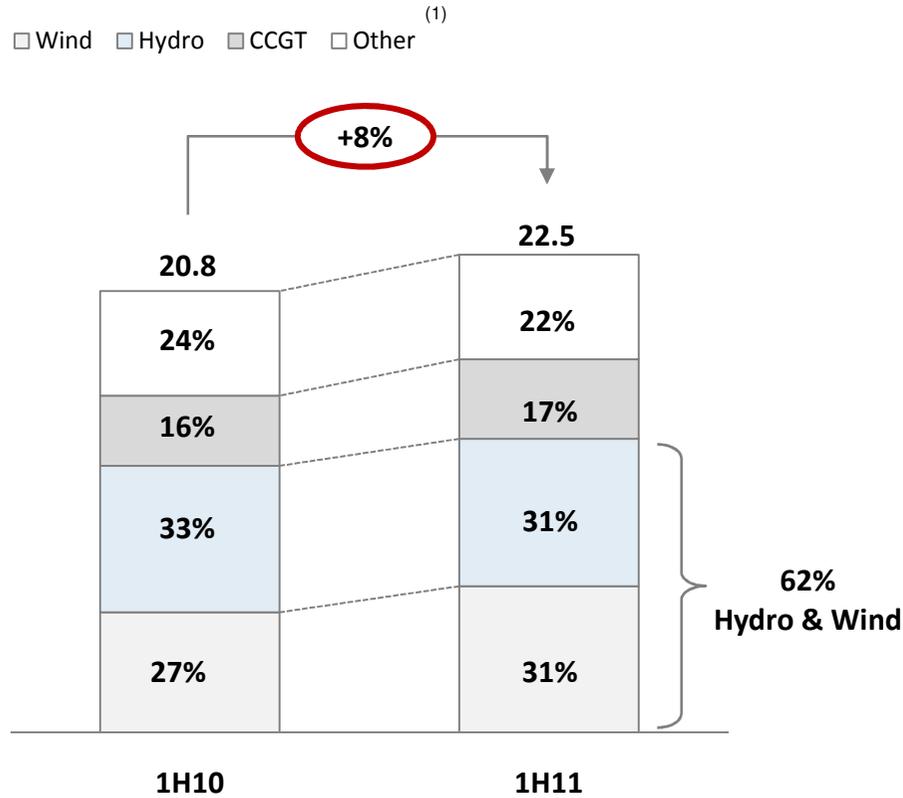
Jari Hydro Power awarded to EDP Brasil in Jun-11: Reinforcement of EDP Brasil growth prospects

**Strong operating performance in 1H11:
Improvement in free cash flow generation and focus on selective growth opportunities**

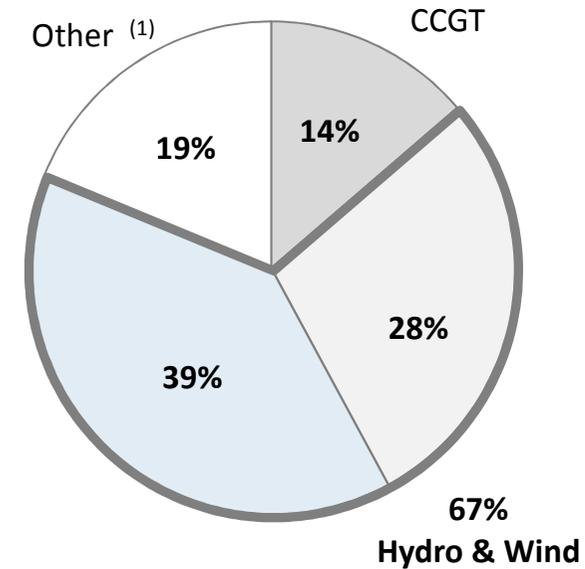
1H11 Operating Headlines



Installed Capacity (GW)



1H11 Generation Breakdown by Technology (%)



Installed capacity up 8% YoY

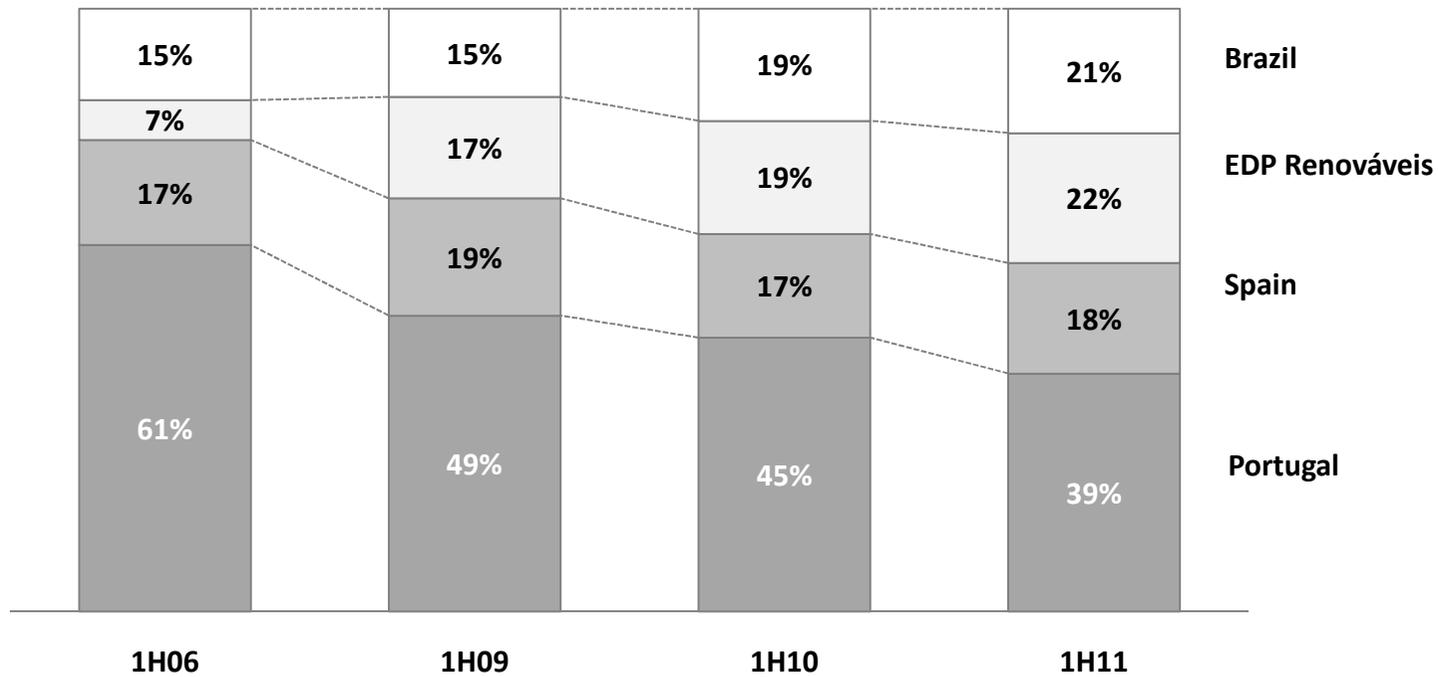
Wind & Hydro: 62% of total capacity and 67% of energy produced in 1H11

(1) Coal, thermal special regime, nuclear and fuel oil / gasoil.

1H11 EBITDA: Increasing portfolio diversification



EBITDA Breakdown by Geography
(%)



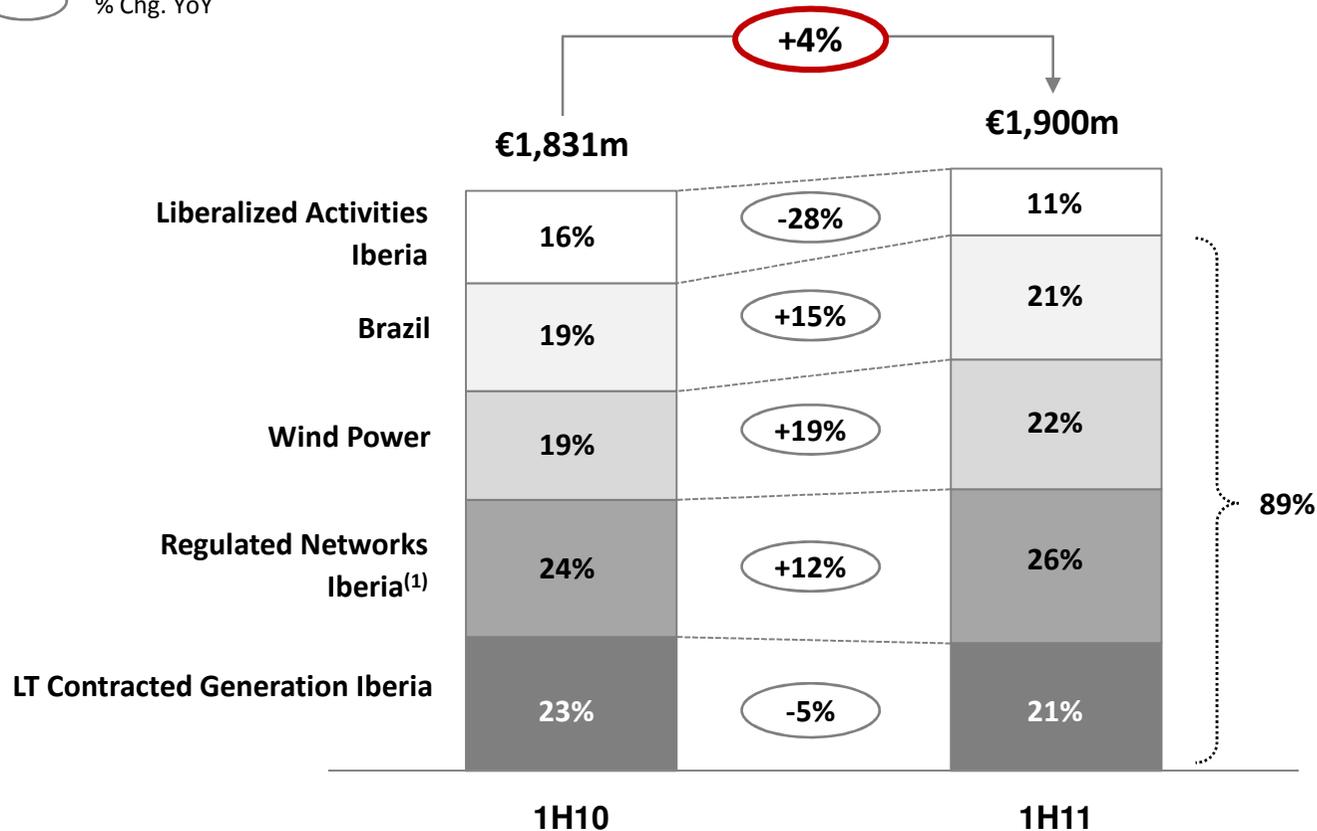
Weight on EBITDA from operations out of Portugal increased from 39% in 1H06 to 61% in 1H11

1H11 EBITDA: 89% from Regulated and LT Contracted Activities



EBITDA Breakdown by Activity (€ million)

○ % Chg. YoY



Excluding Forex impact (+€16m from Brazil, -€9m from USA), EBITDA grew 3% YoY

(1) Includes regulated networks and other.

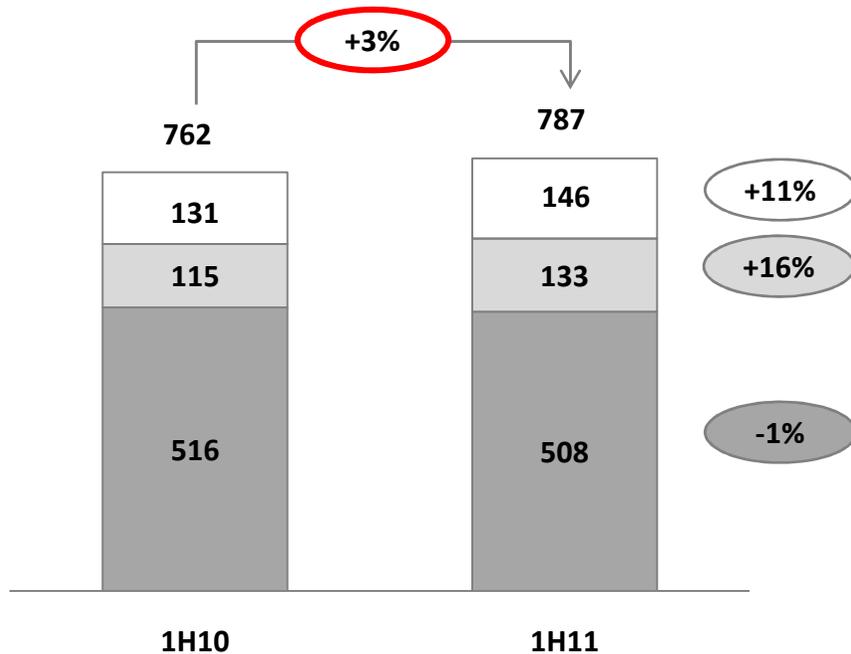
Operating costs:

Efficiency improvements with Opex/Gross Profit⁽²⁾ at 27% in 1H11

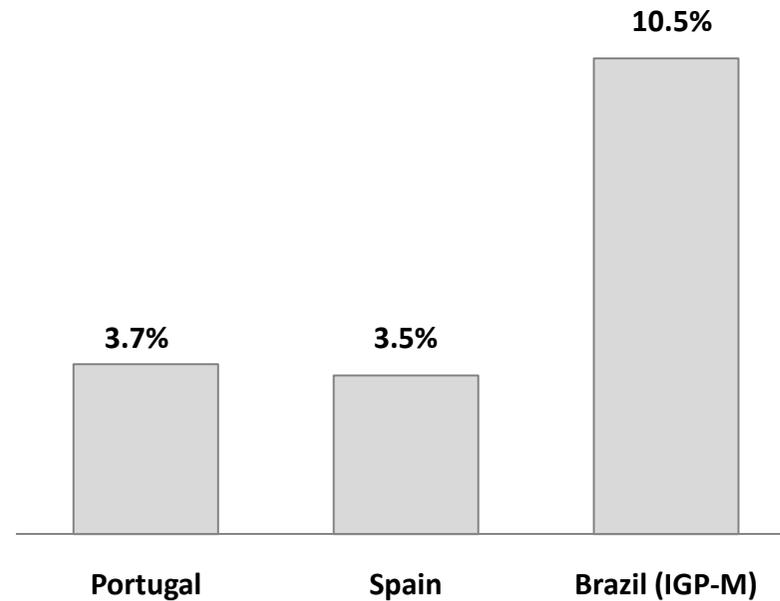


Operating costs ⁽¹⁾ : 1H11 vs. 1H10
(€m)

□ Brazil □ EDPR □ Iberia



6-Months average YoY Inflation: Jun-11
(%)



- **Iberia:** Operating costs -1% (or -2% excluding restructuring costs)
- **Brazil:** Operating costs +11% (+7% in local currency, below inflation in the period)
- **EDPR:** Operating costs +16% essentially due to O&M (+22% increase of installed capacity)

(1) OPEX=Supplies & Services + Personnel costs + Costs with social benefits excluding restructuring costs

(2) Gross profit adjusted for PTC revenues.



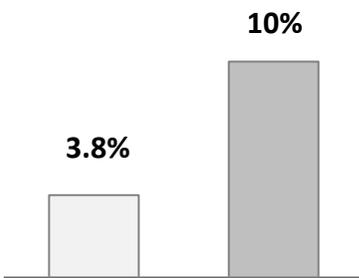
Business Areas

Electricity & Gas Demand in EDP's Key Markets



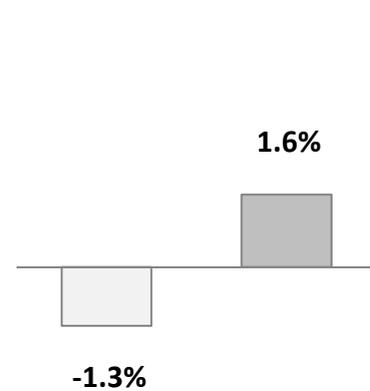
Brasil

Electricity

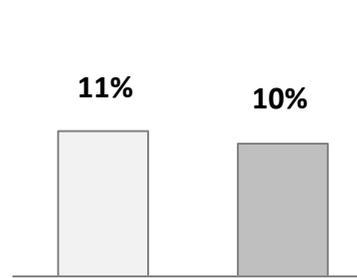


Portugal

Electricity

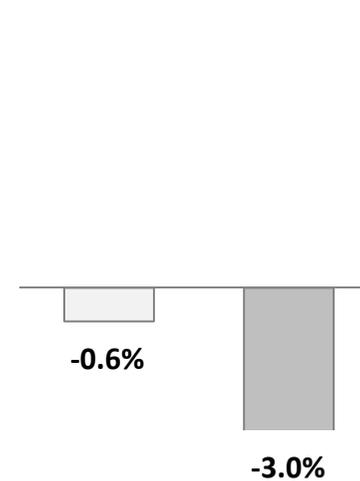


Gas (Total Market)

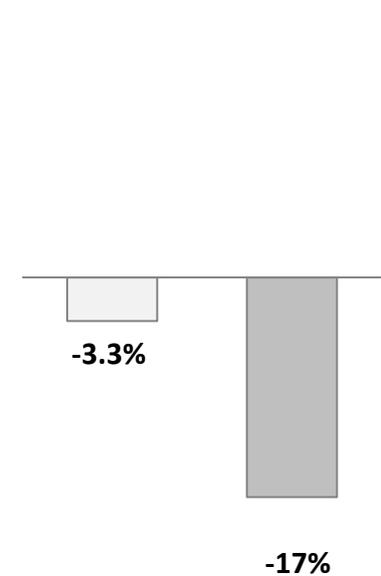


Spain

Electricity



Gas (Total Market)



- 1H11 vs. 1H10 (YoY)
- 1H11 vs. 1H08 (pre crisis levels)

- **Brazil:** Steady consumption growth prompted by new clients connected and higher industrial production
- **Portugal:** Gas demand supported by power plants; Electricity demand weaker on residential and SME segments
- **Gas demand Spain:** Penalised by lower demand from power plants

Long Term Contracted Generation Iberia (21% of EBITDA)

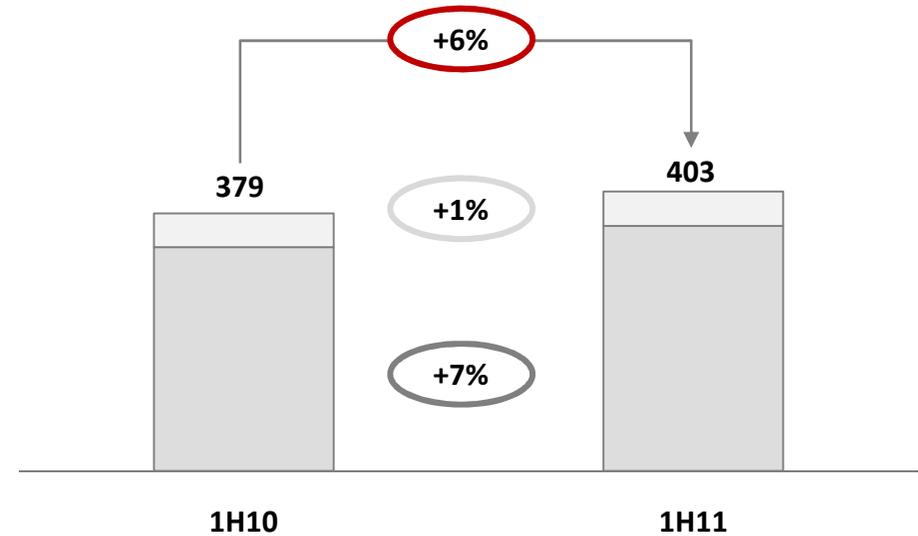
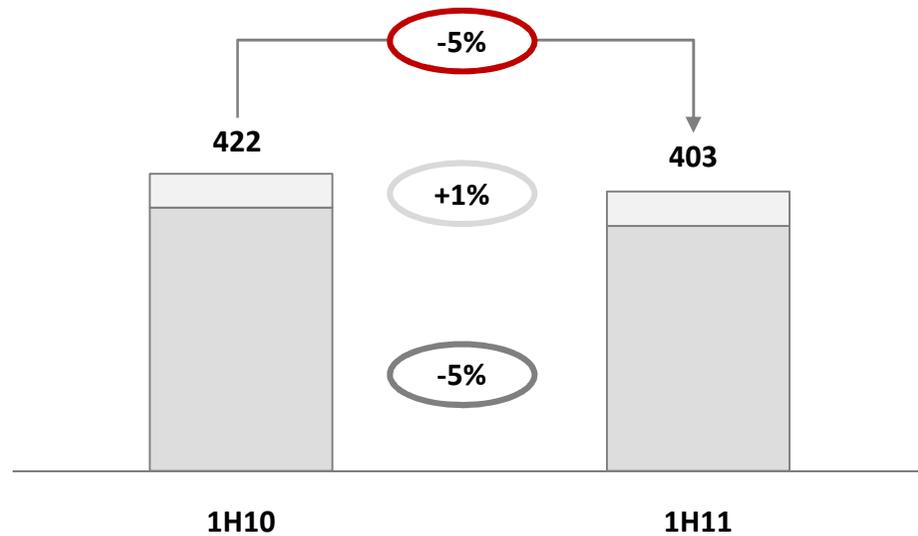


EBITDA LT Contracted Generation
(€ million)

EBITDA LT Contracted Generation Ex-Carregado
(€ million)

■ PPA/CMEC ⁽¹⁾ □ Special regime ⁽²⁾

■ PPA/CMEC ⁽¹⁾ □ Special regime ⁽²⁾



- **PPA/CMEC:** end of Carregado PPA (Dec-10): -€43m; Proforma EBITDA +7% on higher inflation (+€13m) and commissioning of 50% Sines DeNOx facilities (+€6m)
- **Special regime:** Lower hydro output (-25% YoY) on more regular hydro levels in 1Q11

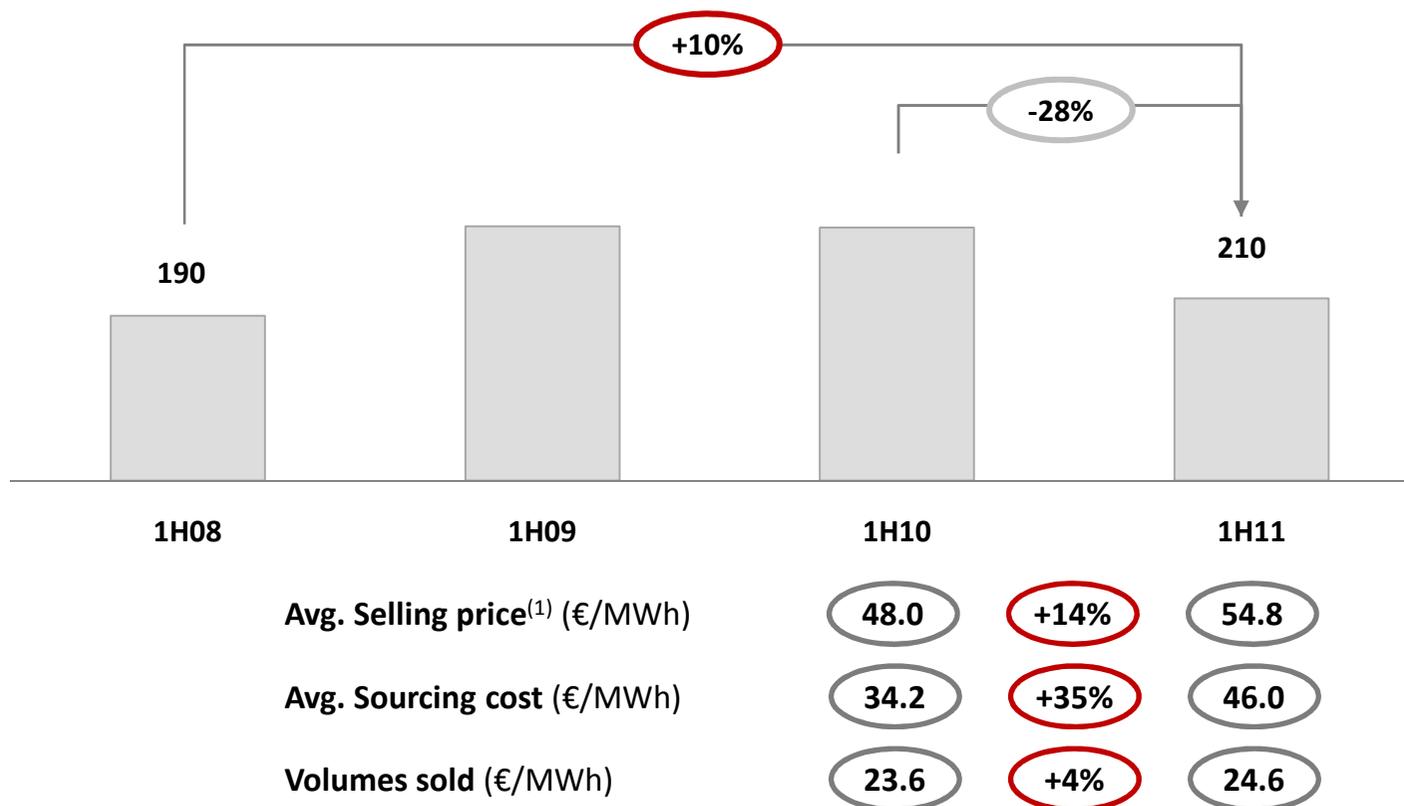
Stable 8.5% Return on Asset pre-tax real, no risk on volumes and prices/margins

(1) Refers to generation capacity in Portugal contracted since 1994 through PPAs (Power Purchases Agreements), which since 2007 are under the CMEC (Costs for the Maintenance of Contractual Equilibrium) financial system which preserves PPAs return/risk profile. (2) includes mini-hydro, co-generation, biomass and waste in Portugal and Spain; excludes wind power.

Liberalised Energy Activities Iberia (11% EBITDA)



EBITDA Liberalised Activities
(€ million)



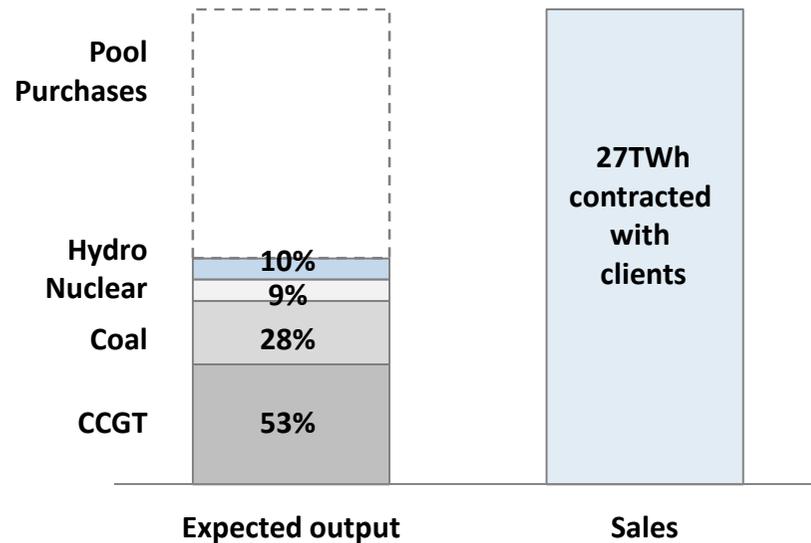
EBITDA -28% YoY but 10% above pre-crisis level (1H08): Higher volumes did not compensate lower margins

(1) Including sales to clients and in the wholesale market.

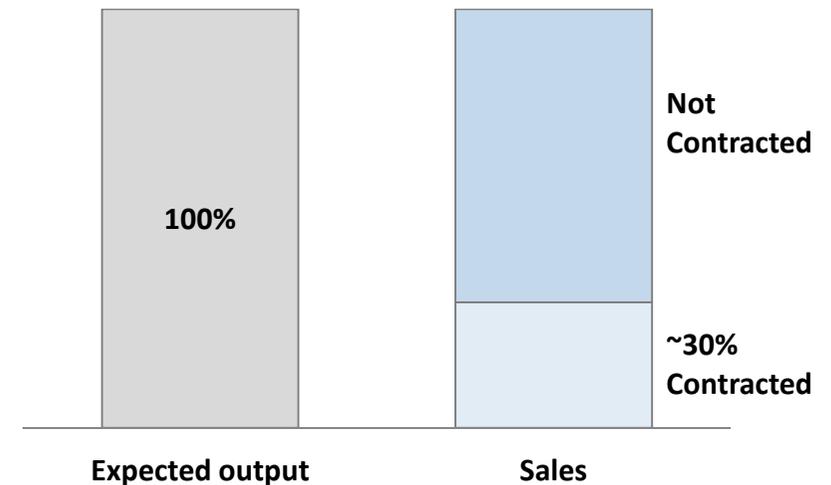
Liberalised Activities: Outlook for 2011 & 2012



EDP: Electricity Forward Contracting - 2011 (%)



EDP: Electricity Forward Contracting – 2012 (%)



- 27 TWh forward contracted with clients in free market
- ~100% of expected output forward contracted
- Avg. Clean Thermal Spread⁽¹⁾ Locked in >€10/MWh

- Continuing strategy to forward contract sales and lock-in margins at satisfactory levels
- ~30% of expected output forward contracted

Hedging through forward contracting of electricity sales & fuel costs to reduce risk

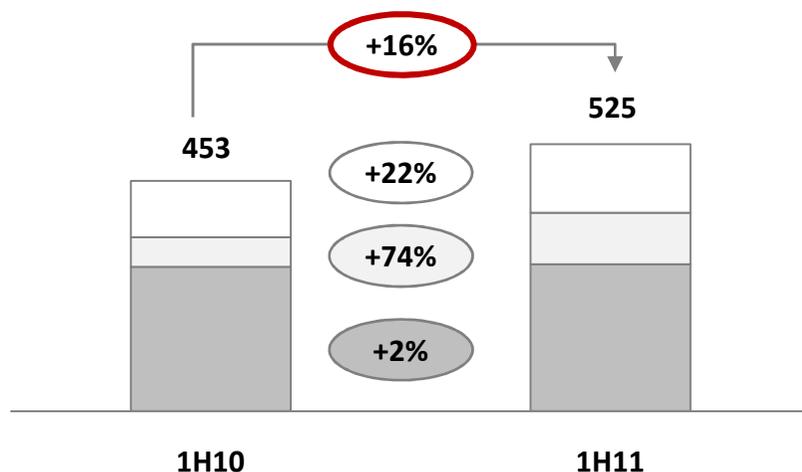
(1) Contracted selling price before capacity payment, ancillary services; Contracted cost including CO₂ Costs and free CO₂ allowances.

Regulated Energy Networks Iberia (26% of EBITDA)



EBITDA
(€ million)

- Gas Iberia
- ▒ Electricity Spain
- Electricity Portugal



EBITDA (adjusted for non-recurrent)
(€ million)

- Gas Iberia
- ▒ Electricity Spain
- Electricity Portugal



- **Electricity Portugal:** Recurrent EBITDA⁽¹⁾ -5% YoY; lower consumption + low inflation input in 2011 tariffs' setting
- **Electricity Spain:** Gain on sale to REE €27m. Recurrent EBITDA⁽²⁾ +29% on new regulation
- **Gas Iberia:** EBITDA +22% YoY on new clients & volume growth in Spain and Portugal

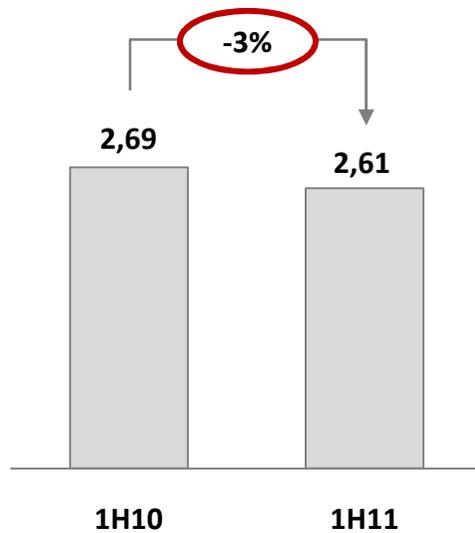
EBITDA ex one-offs grew +5% YoY, based on stable regulatory frameworks and efficiency improvements

(1) Excludes intra-group real estate capital gain of €21m which has no impact on consolidated EBITDA; (2) Also excluding the transmission regulated revenues of €3.5m in 1H10.

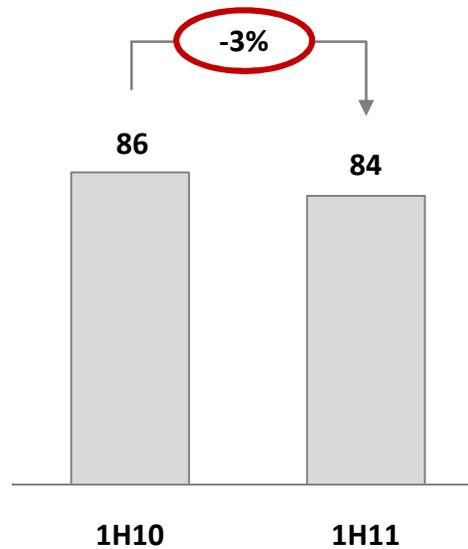
Regulated Energy Networks Iberia: Higher Efficiency with improvement on quality of service



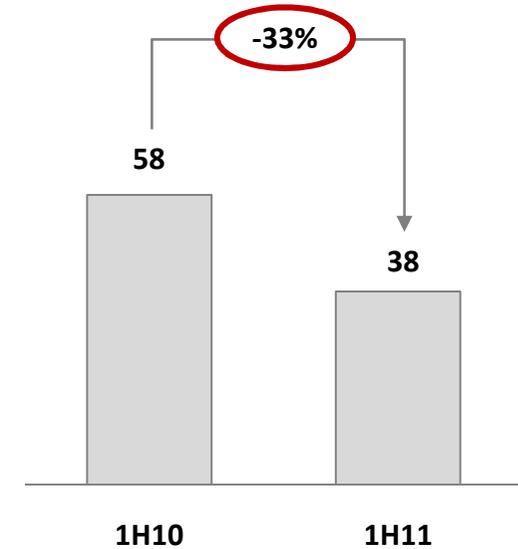
Opex⁽¹⁾/Network Km
(€th)



Opex⁽¹⁾/Connected customers
(€th)



Equivalent Interruption Time⁽²⁾
(minutes)



Efficiency ratios improved 3% YoY

Higher quality of service (EIT in Portugal 33% down to 38 minutes in 1H11)

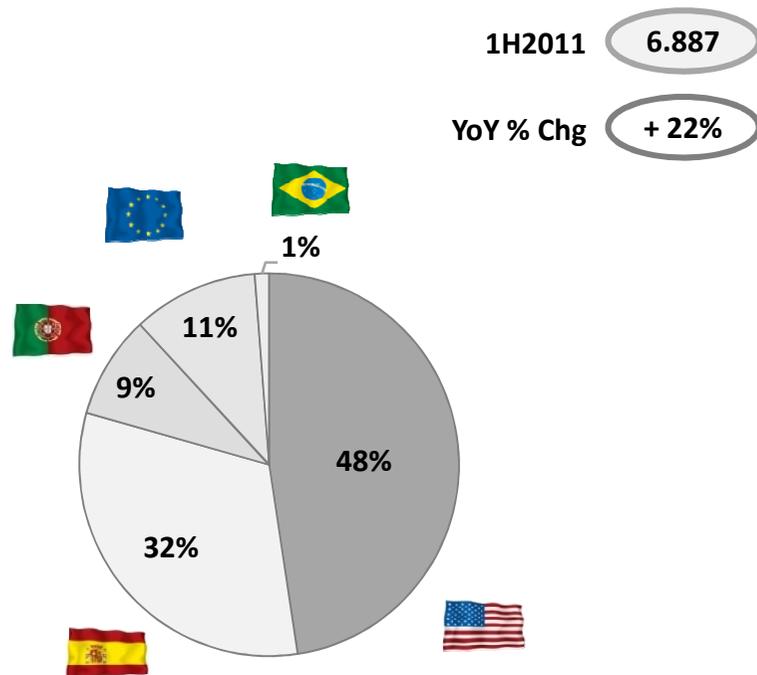
(1) Supplies and services + personnel costs + costs with social benefits (annualised).

(2) Equivalent Interruption Time in Portugal adjusted for non-recurring impacts (rainstorms, high winds and summer fires)

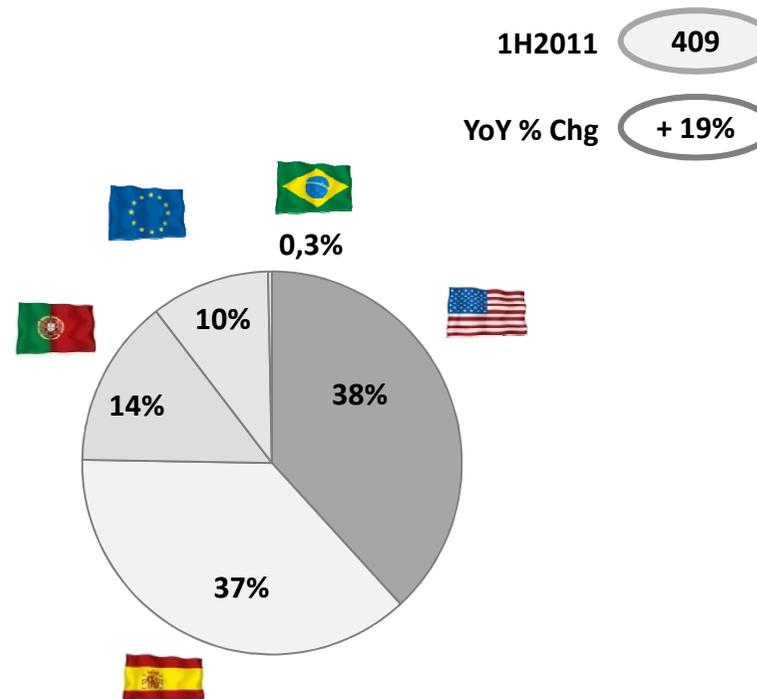
EDP Renováveis (22% of EBITDA): Strong growth driven by new installed capacity



Installed Capacity
(MW)



EBITDA
(€ million)

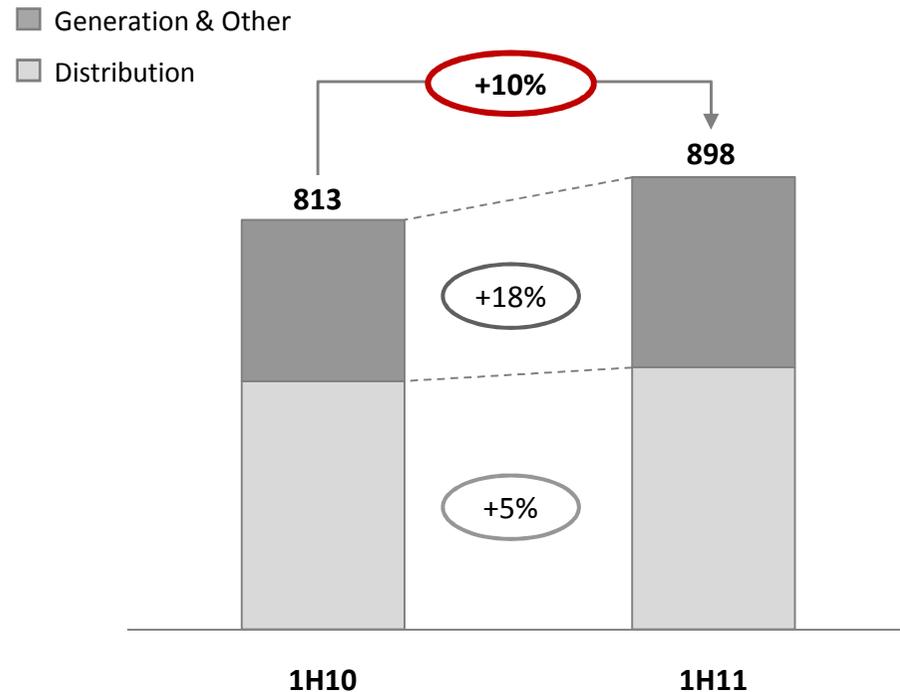


Installed Capacity +1.2GW: US (+0.6GW), Rest of Europe (+0.3GW), Spain (+0.3GW) and Brazil (+0.1GW)
EBITDA +€66m: Driven by US (+€28m including -€9m from forex), Spain (+€23m) and Rest of Europe (+€17m)

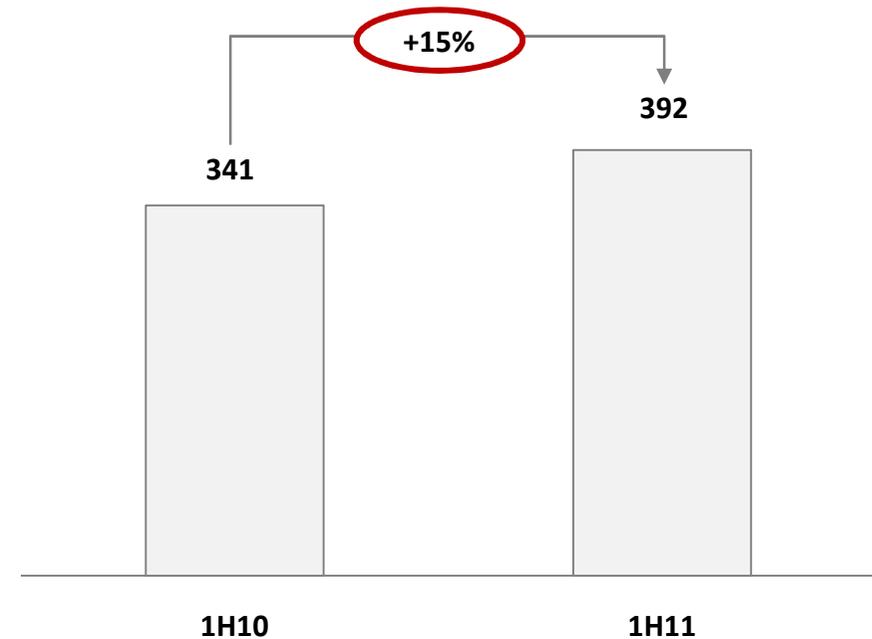
Brazil (21% of EBITDA)



Evolution of EBITDA of EDP Brasil
(BRL million)



Evolution of EBITDA of EDP Brasil
(€ million)



EBITDA +15% YoY; +10% in local currency + 4% appreciation of BRL vs. EUR

- Distribution: 3% growth of volumes distributed and positive tariff updates
- Generation: normalized quarterly sales in 1H11 vs. abnormally low level in 1H10 + inflation update

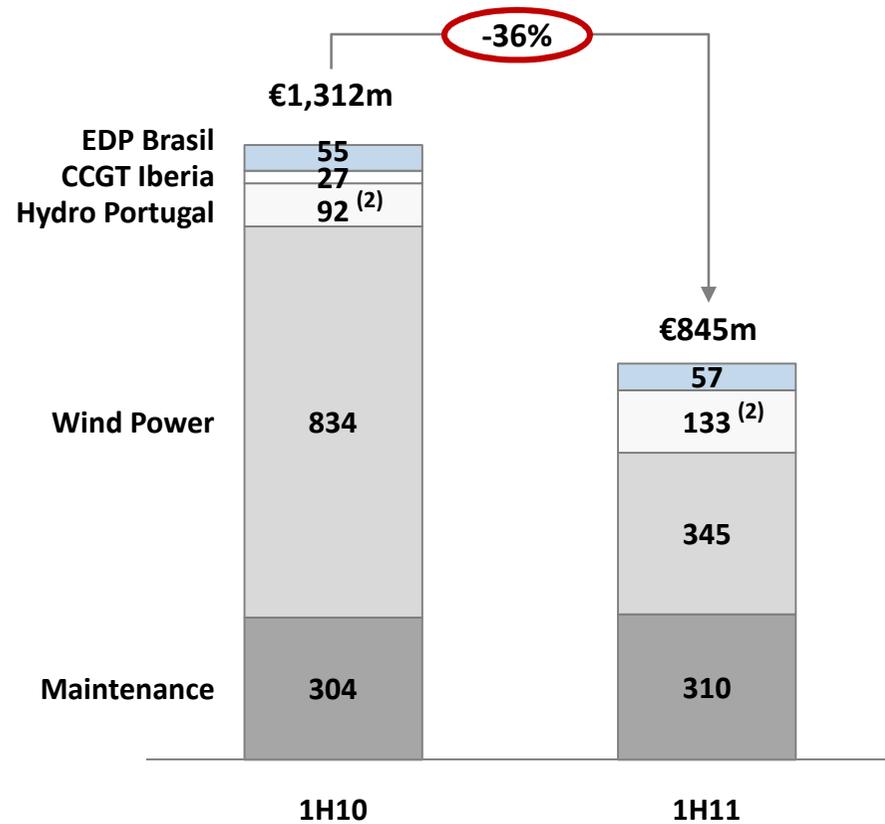


Consolidated Financials

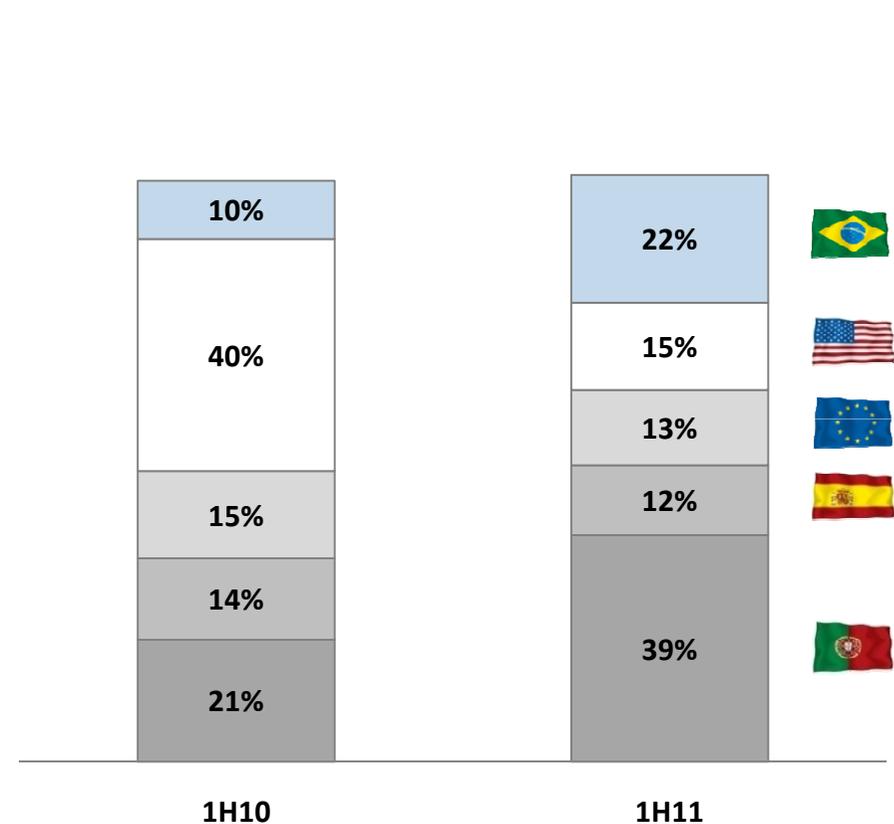
Capex: Execution of Selective Growth



Consolidated Capex by technology⁽¹⁾
(€ million)



Consolidated Capex by geography
(%)



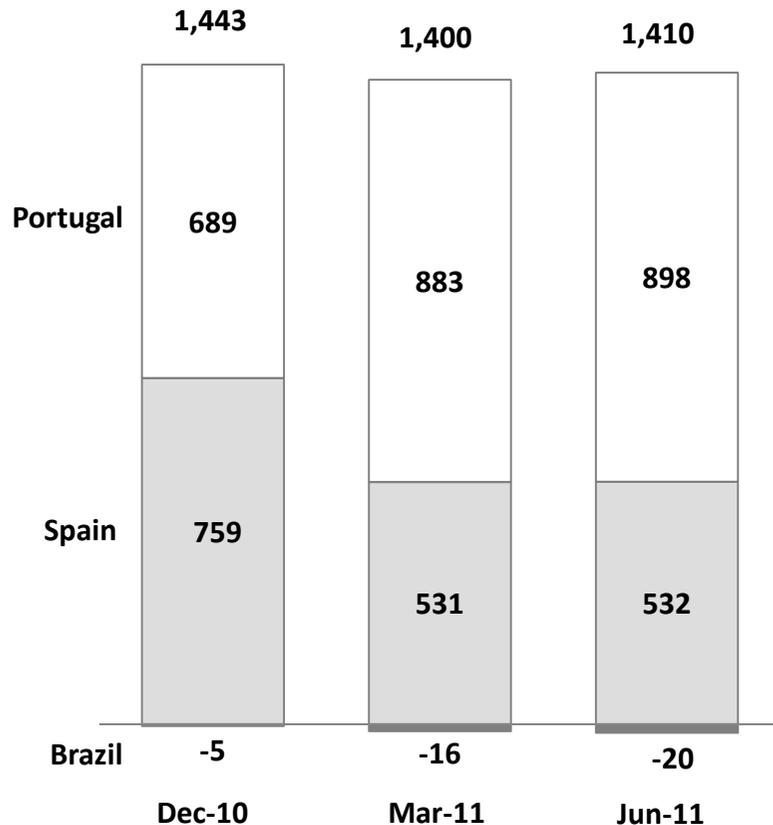
Capex -36% YoY, in line with downward revision to €2.2bn for 2011 following capex cuts in wind US
Wind + Hydro + Brazil represent 100% of expansion capex in 1H11; in Portugal 100% was due to new hydro

(1) Capex net of investment subsidies, namely cash grants received in USA; (2) Including Special Regime (1H10: €8m and 1H11: €1m).

Net Regulatory Receivables by Jun-11



Regulatory Receivables (€ million)



Regulatory Receivables Portugal: €898m (+€209m vs. Dec-10)

- **Last resort supply: €468m (+€201m vs. Dec-10)** €163m generated in 1H11 due to higher than expected power procurement prices
- **CMECs: €302m (-€186m vs. Dec-10)** €267m received in 1H11; €80m increase in 1H11 (thermal market gross profit below CMEC reference)
- **Distribution: €124m (+€203m vs. Dec-10)** mostly due to ex ante tariff deficit in 2011 related to cogeneration.

Tariff Deficit Spain: €532m (-€227m vs. Dec-10):

- -€358m received from 4 securitization deals in 1H11
- +€131m from new tariff deficit created in 1H11 and previous years adjustments

Regulatory receivables stable over 1H11 at €1.4bn

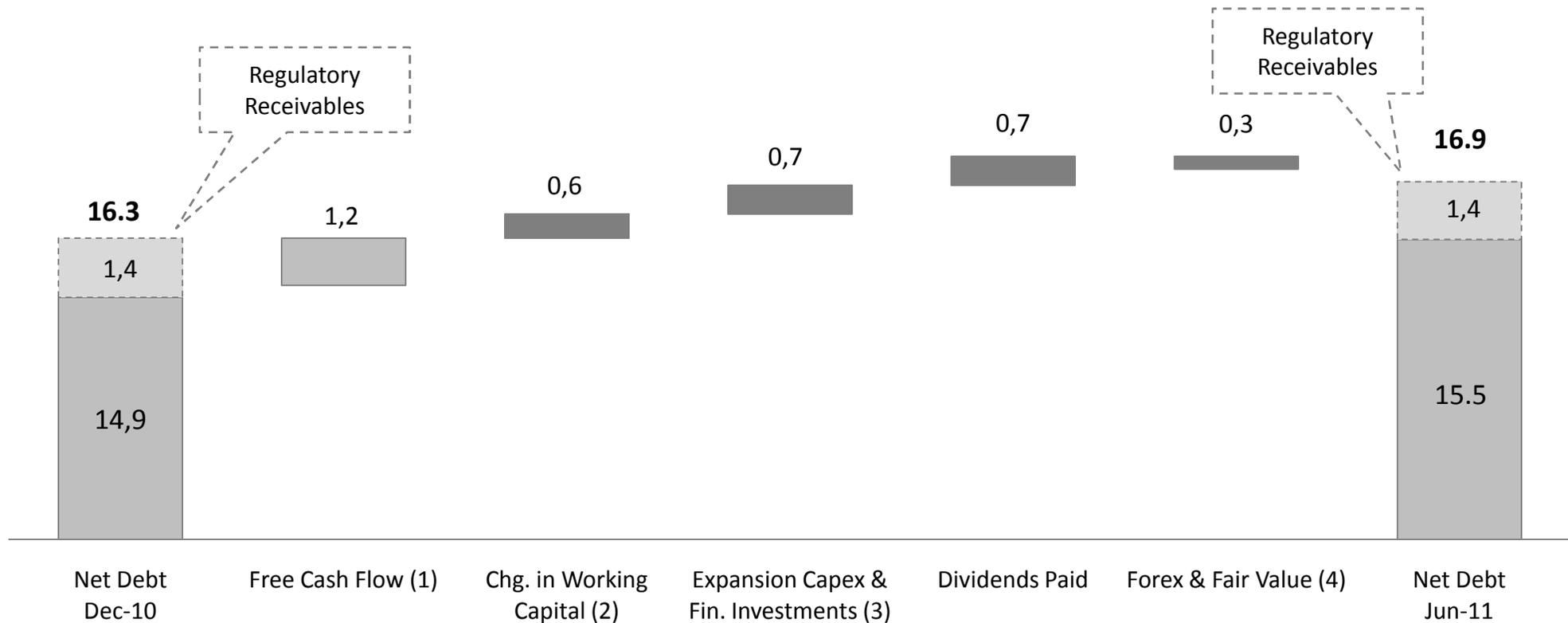
Decline in Spain following securitizations, increase in Portugal due to higher than expected power prices

Change in Net debt



Change in Net Debt: Dec-10 vs. Jun-11

(€ billion)



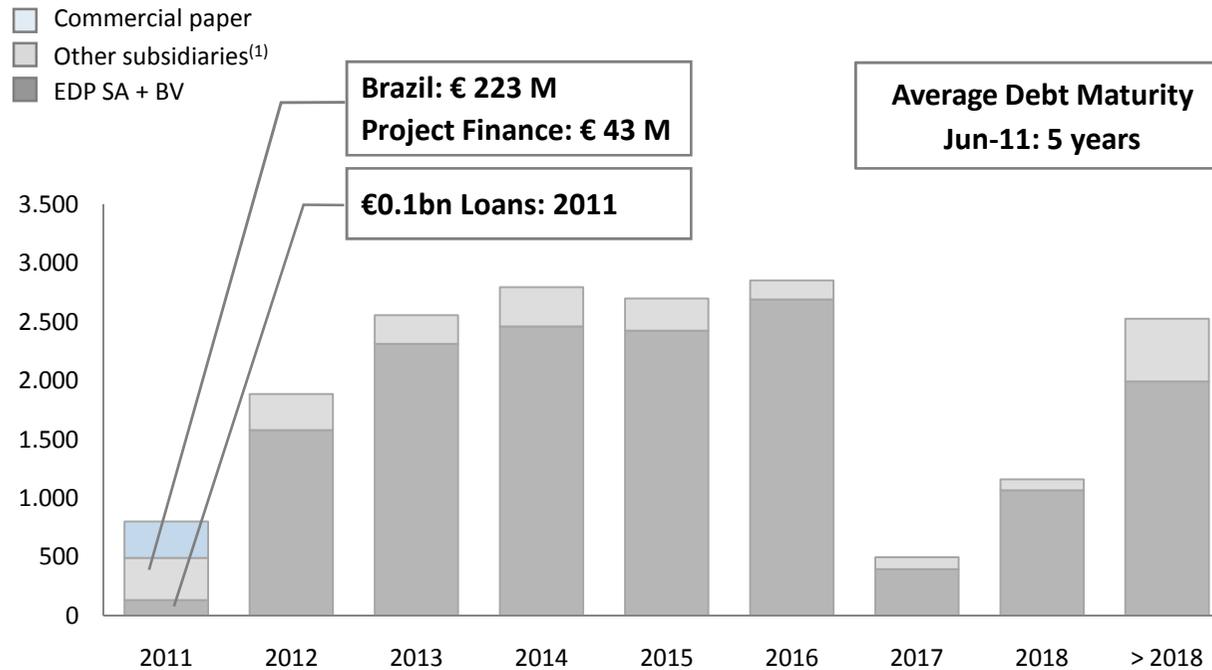
Higher net debt in 2Q11 driven by payment of €617m annual dividend + €231m acquisition of 20% in Genesa

(1) EBITDA - Income taxes - Maintenance capex - interest paid (2) includes change in working capital from equipment suppliers (3) expansion capex and net financial investments (4) Impact from mark-to-market of reported net debt due to forex and interest rate market conditions

Net Debt Breakdown by Jun-11 & credit ratios

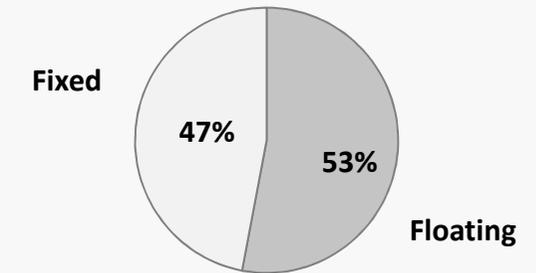


EDP consolidated debt maturity profile (€ million)

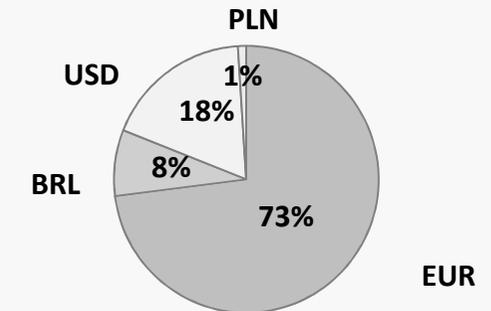


	2010	1H11
FFO/Net Debt	18%	17%
Net Debt/EBITDA Adjusted ⁽²⁾	4.1x	4.1x

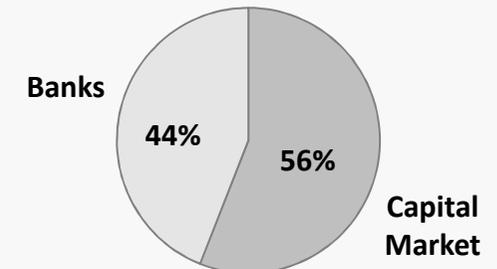
Debt by Interest Rate Term



Debt by Currency



Debt by Source of Funds



(1) Includes essentially EDP Brasil and project finance at EDPR level.

(2) Net Debt adjusted for Regulatory Receivables

Financial Liquidity position



(€ million)					
Sources of liquidity (Jun-11)					
Instrument	Maximum Amount	Number of counterparties	Utilised	Available	Maturity
Revolving Credit Facility	2,000	21	800	1,200	03-11-2015
Domestic Credit Lines	190	10	6	184	Renewable
Underwritten CP Programmes	650	3	-	650	Renewable
Total Credit Lines	3,849		1,815	2,034	
Cash and Equivalents:				965	
Total Liquidity Available				2,999	

Maintenance of a high level of €3.0bn in financial liquidity by June 2011

~€1.9bn cash payments made in 2Q11 on debt maturities (€1.0bn) + dividends (€617m) and Genesa (€231m)

Main sources and uses of funds in 2011-2012



Sources of funds		Use of funds	
<ul style="list-style-type: none"> ▪ Cash & Equivalents (Jun-11): ▪ Available Credit Lines (Jun-11): ▪ 14% sale of EDP Brasil (Jul-11) 	<p>€1.0bn</p> <p>€2.0bn</p> <p>€0.35bn</p>	<ul style="list-style-type: none"> ▪ Refinancing needs in 2011-2012: <p>Loans maturing in 2011:</p> <p>Bond maturing in Jun-12:</p> <p>Bond maturing in Nov-12:</p> <p>Loans maturing in 2012:</p>	<p>€0.1bn</p> <p>€0.5bn</p> <p>€0.7bn</p> <p>€0.4bn</p>
Total:	€3.35bn	Total:	€1.7bn

€500m target proceeds from disposals in 2011: 70% closed until July 2011 (sale of 14% in EDP Brasil)
Comfortable current liquidity position covers funding needs until 1H13

Net Profit up 8% YoY



(€ million)	1H10	1H11	Δ %	Δ Abs.
EBITDA	1.831	1.900	+4%	+70
Net Depreciations and Provisions	744	725	-3%	-20
EBIT	1.086	1.176	+8%	+89
Financial Results & Associated Companies	(220)	(254)	-16%	-35
Capital Gains/(Losses)	5	10	+116%	+6
Income Taxes	232	220	-5%	-11
Non-controlling interests	75	103	+38%	+28
Net Profit	565	609	+8%	+44

Impact from longer useful life in wind farms (from 20 to 25 years)

Higher cost of debt: 3.9% in 1H11 vs. 3.5% in 1H10 and 10% increase in average net debt

Increase in listed subsidiaries' net profit (EDP Renováveis and EDP Brasil)



Prospects

A resilient business model in a challenging environment



Strong Operating Performance

- EBITDA +4% (operations out of Portugal represented 61% of EBITDA)
- Cost of debt 3.9% in 1H11, avg. debt maturity 5 years
- Net Profit: +8%

Growth

- Total Installed capacity by June-11: +8% YoY (wind power capacity +22%)
- New capacity in 2012 coal Brazil/hydro Portugal: Estimated EBITDA +€140m
- Selective and focused growth: wind power, hydro in Portugal, generation in Brazil

Low Risk

- Financial liquidity: €3.0bn covers funding needs until 1H13
- Lower capex (-36% in 1H11); target disposals €500m for 2011: 70% closed by July
- Regulated or long term contracted activities represent > 85% of EBITDA
- Increase of market diversification (Brazil, USA, Poland, France, etc.)

A high quality assets portfolio with focused growth, efficiency driven, and controlled risk

Outlook 2H11:



Guidance

- Maintenance of EBITDA 2011E guidance: Low single digit growth YoY
- Increase of Net profit 2011E guidance: from “low single digit” to “mid single digit” growth YoY
- Maintenance of Net debt 2011E guidance: Net debt 2011E < Net Debt 2010 ⁽¹⁾

Corporate Governance

- Portuguese government’s special rights on EDP already eliminated in Portuguese law (Jul-11)
- **AGM on August 25th to decide on Parpública’s proposal for amendment of EDP’s by-laws**
- Ongoing privatization process of Portuguese Government’s stake in EDP

Regulation

- Portugal: Setting of electricity tariffs for 2012 and regulated revenues for distribution 2012-14**
- Preliminary proposal by ERSE to be announced on October 15th 2011
 - Final setting by ERSE on December 15th 2011

Outlook 2012-2015

- 2012-2015 Business Plan to be presented just after release of 3Q11 results**
- Improving visibility on EDPs medium term Free Cash Flow potential
 - Based on high quality asset mix, sustainable returns, diversified markets and risk management

(1) Assuming stable Forex rates, including impact from future disposals and assuming future securitisation of tariff deficits.



IR Contacts

Miguel Viana, Head of IR

Sónia Pimpão

Elisabete Ferreira

Ricardo Farinha

Pedro Coelhas

Noélia Rocha

E-mail: ir@edp.pt

Phone: +351 210012834

Visit EDP Website

Site: www.edp.pt

Link Results & Presentations:

<http://www.edp.pt/EDPI/Internet/EN/Group/Investors/Publications/default.htm>

Next Events

September 14th - BBVA Conference (London)

September 15th - Morgan Stanley Conference (London)

September 23rd - BPI Conference (Lisbon)

October 27th - Release of 3Q11 results



feel our energy