



1Q11 Results Presentation

May 6th, 2011

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1Q11: Highlights of the period



EBITDA: €1,008m, +7% YoY

61% of 1Q11 EBITDA came from out of Portugal

Strong EBITDA growth in Brazil (+20%) and EDPR (+19%, driven by US and Europe ex-Iberia)

Hydro & Wind power represented 61% of installed capacity, 71% of production in 1Q11

+188MW of wind capacity in 1Q11: Reinforcement of our high quality assets' portfolio

Iberia LT Contracted/Regulated activities in 1Q11: stable profile, efficiency improvements

One-offs in 1Q11: End date Carregado PPA in Portugal, disposal of transmission assets in Spain

Liberalised electricity & gas activities in the Iberian market (13% of EBITDA)

EBITDA recovery in 1Q11 vs. 4Q10, maintenance of challenging market conditions

Diversified Low Risk Operations + Profitable Growth + Higher Efficiency

1Q11: Highlights of the period



Net Profit: €342m, +11% YoY

Capex -31% YoY to €393m in 1Q11: 100% of expansion capex was in wind, hydro & Brazil
In line with capex reduction previously announced; targets: 2011E ~€2.2bn / 2012E ~€2.0bn

Net debt -2.2% vs. Dec-10 to <€16.0bn: Positive Free Cash Flow in 1Q11
Net debt/EBITDA⁽¹⁾ of 3.6x in 1Q11 (vs. 4.1x in 2010)

Maintenance of a high level of financial liquidity: €4.8bn by Mar-11
covers expected funding needs over the next 24 months

Net financial costs +13% YoY; fixed rate debt rose from 44% weight in Dec-10 to 47%
Avg. cost of debt: 3.8% (vs. 3.5% in 2010), in line with EDP's guidance of ~4.0% for 2011E

Execution of selective growth + Adequate financial risk management
Maintenance of a low risk profile

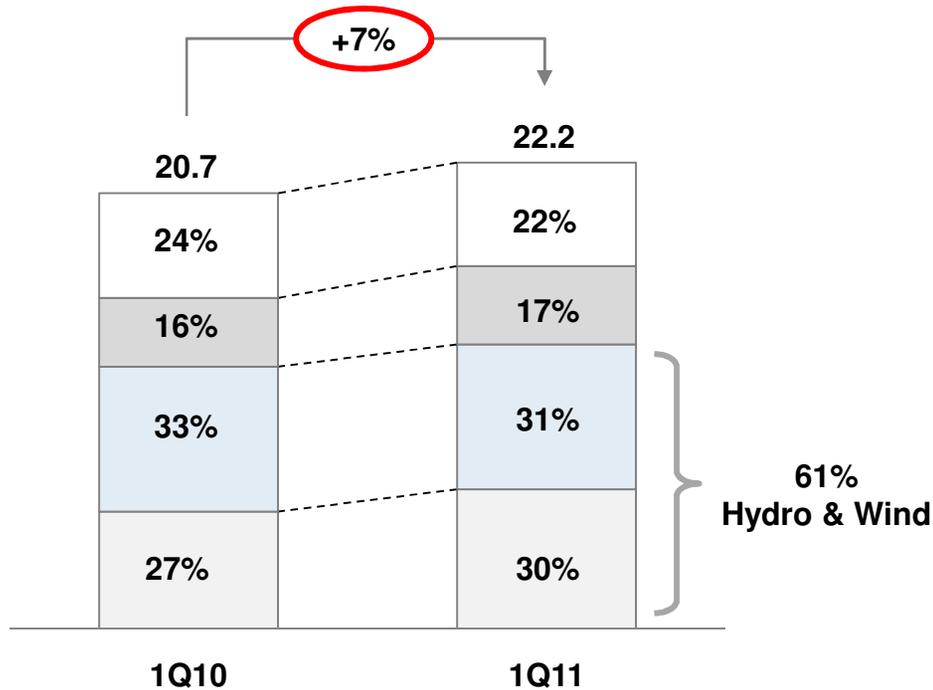
(1) (Reported net debt - Regulatory receivables) / Annualized 1Q11 EBITDA

1Q11 Operating Headlines

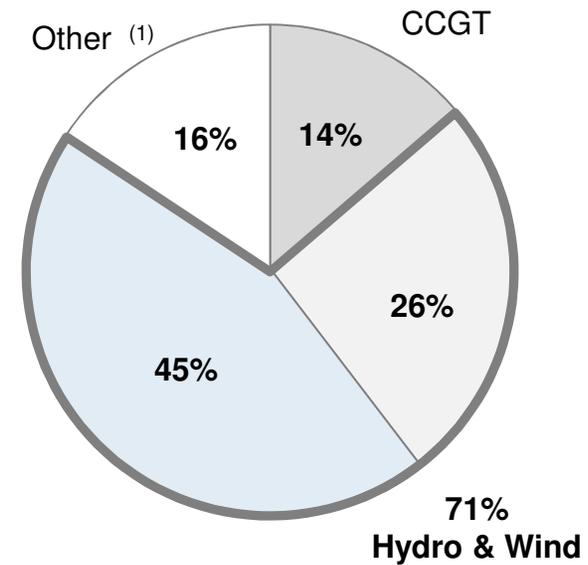


Installed Capacity (GW)

□ Wind □ Hydro □ CCGT □ Other ⁽¹⁾



1Q11 Generation Breakdown by Technology (%)



Installed capacity up 7% YoY

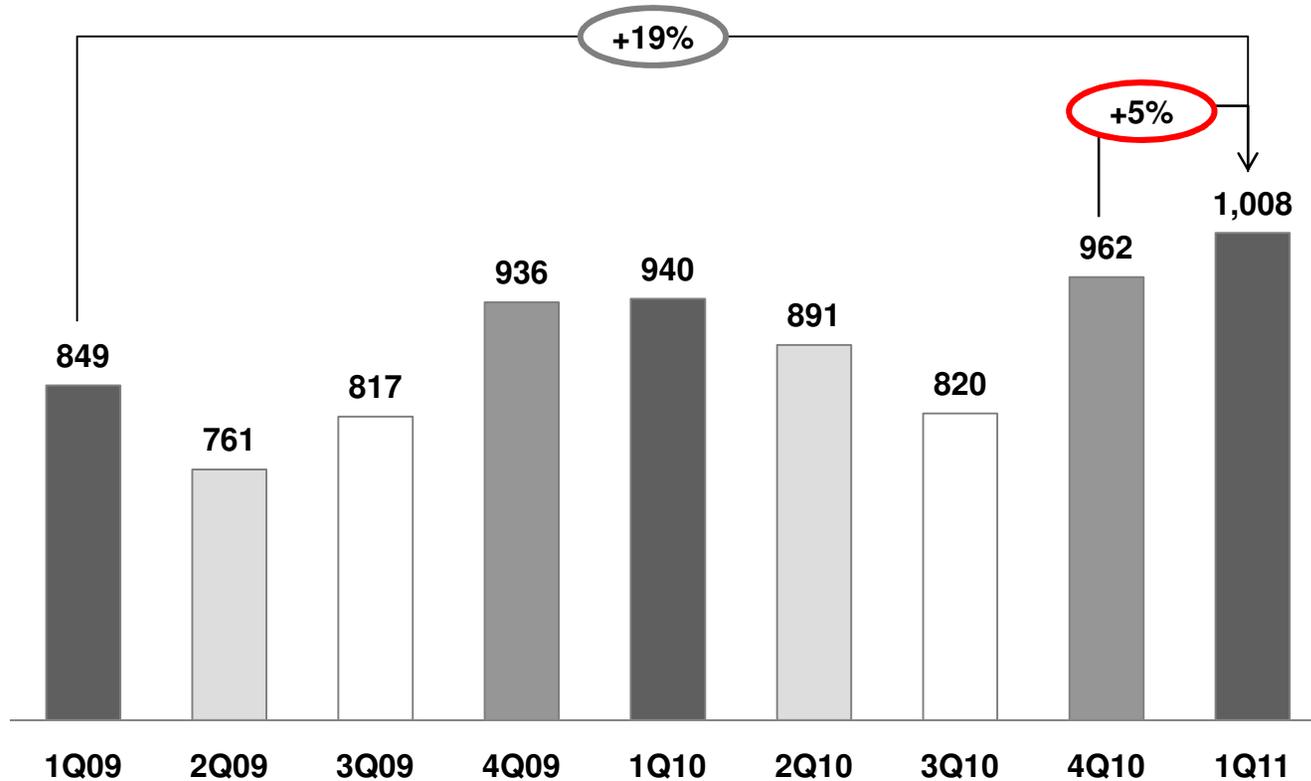
Wind & Hydro: 61% of total capacity and 71% of energy produced in 1Q11

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

1Q11 EBITDA: Significant YoY and QoQ growth



EBITDA – Quarterly evolution
(€ million)

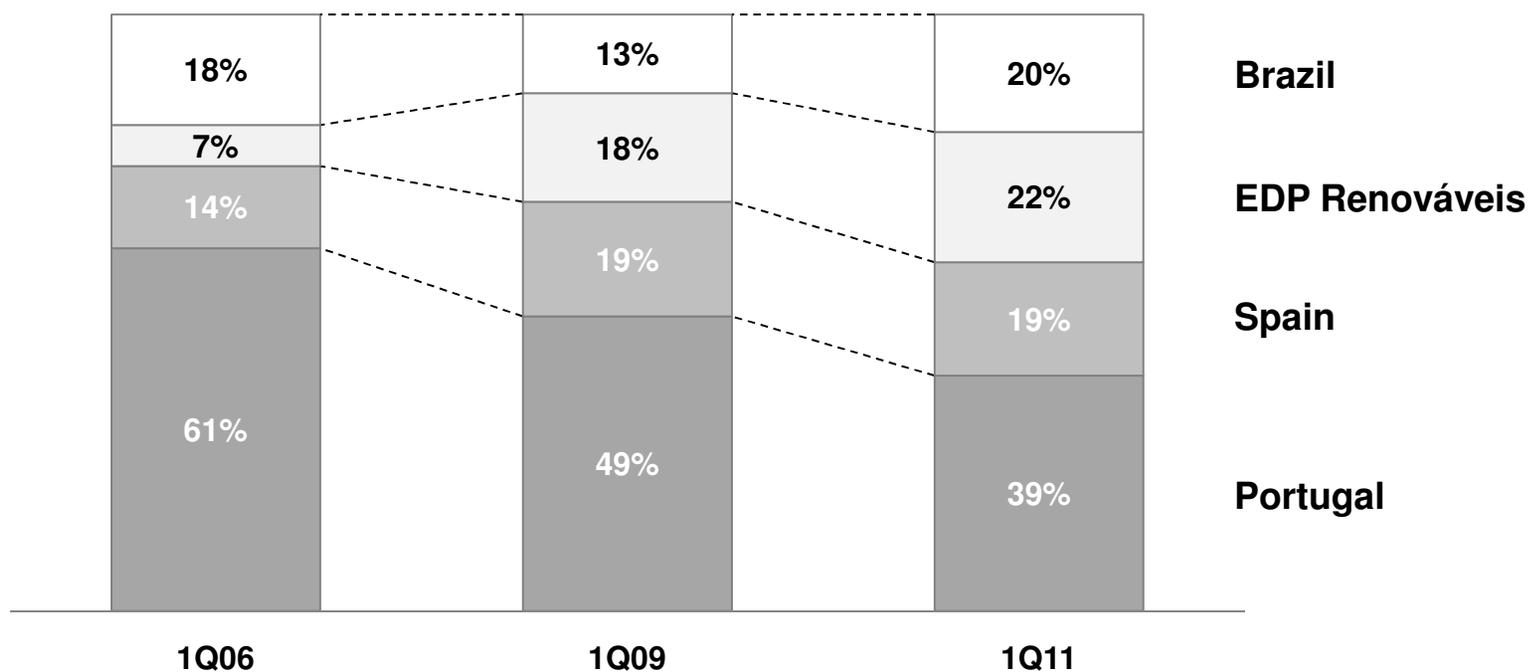


1Q11 was again an all time high for EDP in terms of Quarterly EBITDA performance

1Q11 EBITDA: Increasing portfolio diversification



EBITDA Breakdown by Geography
(%)



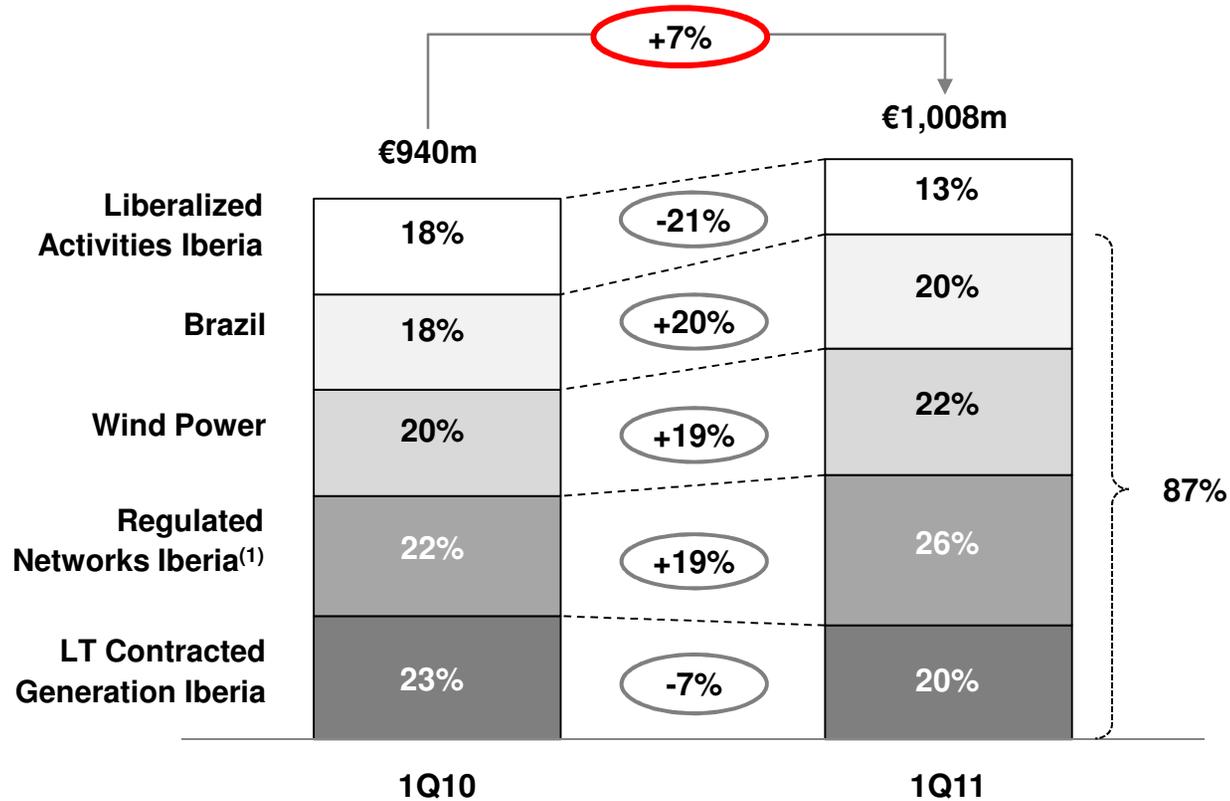
Weight on EBITDA from operations out of Portugal increased from 39% in 1Q06 to 61% in 1Q11

1Q11 EBITDA: 87% from Regulated and LT Contracted Activities



EBITDA Breakdown by Activity (€ million)

○ % Chg. YoY



Excluding Forex impact (+€17m from Brazil, €1m from USA), EBITDA grew 5% YoY

⁽¹⁾ Includes regulated networks and others.

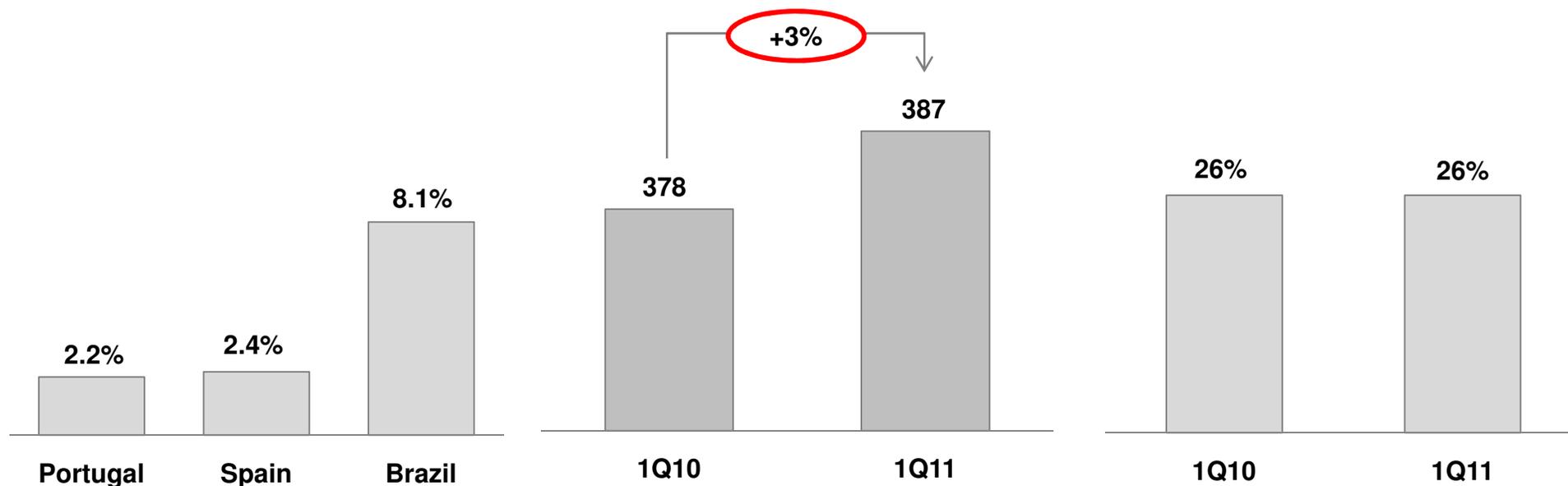
EDP Consolidated operating costs



12-Month avg. Inflation: Mar-11
(%)

Operating Costs: 1Q11 vs. 1Q10
(%)

OPEX/Gross Profit ⁽¹⁾: 1Q11 vs. 1Q10
(%)



- Rising inflation in our core markets and 7% increase of installed capacity YoY
- Excluding forex impact (+€6m) operating costs rose 1% YoY
- Opex/Gross Profit ratio: Maintenance of a high level of efficiency

⁽¹⁾ OPEX=S&S+Personnel costs+Costs with social benefits excluding restructuring costs; Gross profit adjusted for PTC revenues



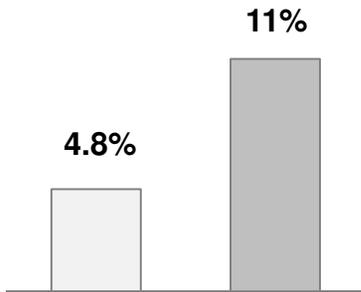
Business Areas

Electricity & Gas Demand in EDP's Key Markets



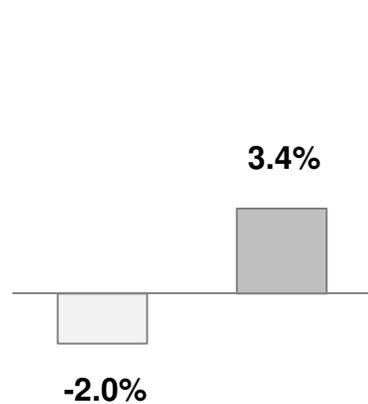
Brasil

Electricity

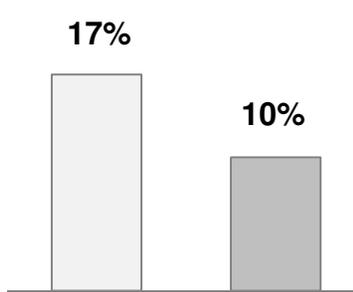


Portugal

Electricity

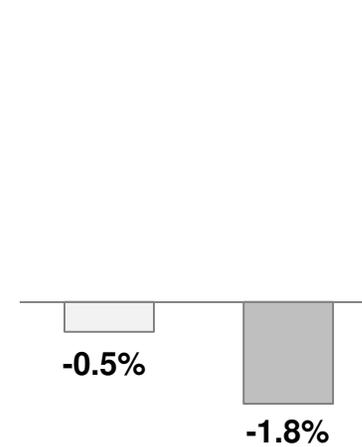


Gas (Total Market)



Spain

Electricity



Gas (Total Market)



□ 1Q11 vs. 1Q10 (YoY)

■ 1Q11 vs. 1Q08 (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 SMEs

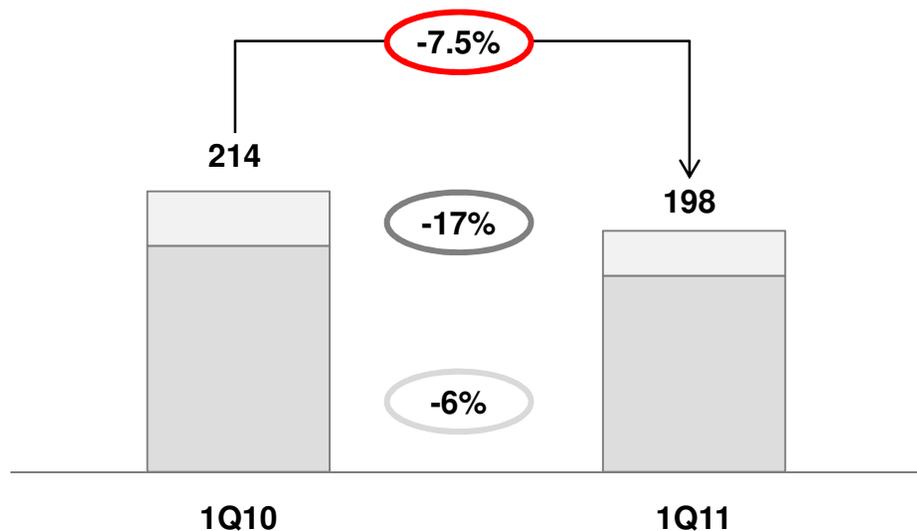
Gas demand Spain: Penalised by lower demand from power plants

Long Term Contracted Generation Iberia (20% of EBITDA)



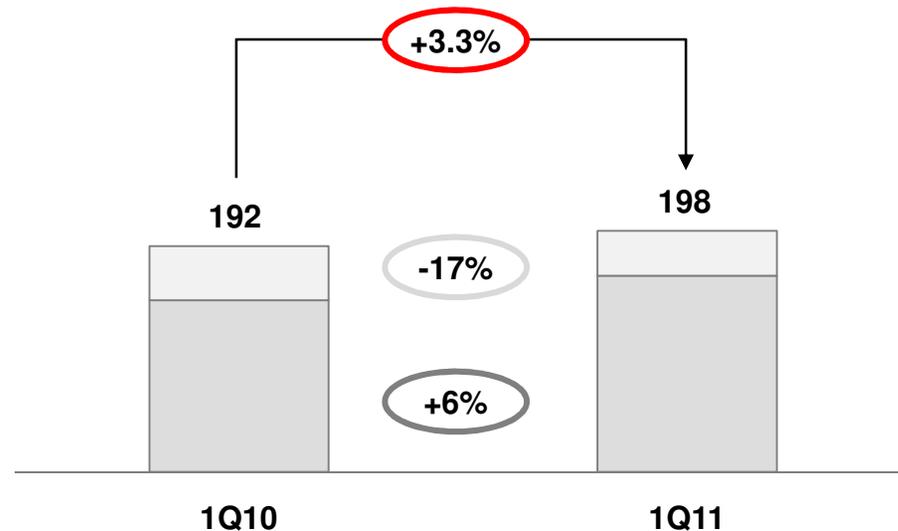
EBITDA LT Contracted Generation
(€ million)

■ PPA/CMEC (1) □ Special regime (2)



EBITDA LT Contracted Generation Ex-Carregado
(€ million)

■ PPA/CMEC (1) □ Special regime (2)



- **PPA/CMEC:** end of Carregado PPA (Dec-10): -€22m; Proforma EBITDA +6% on inflation rise in 1Q11
- **Special regime:** Lower hydro output (-19% YoY) on more regular hydro levels in 1Q11

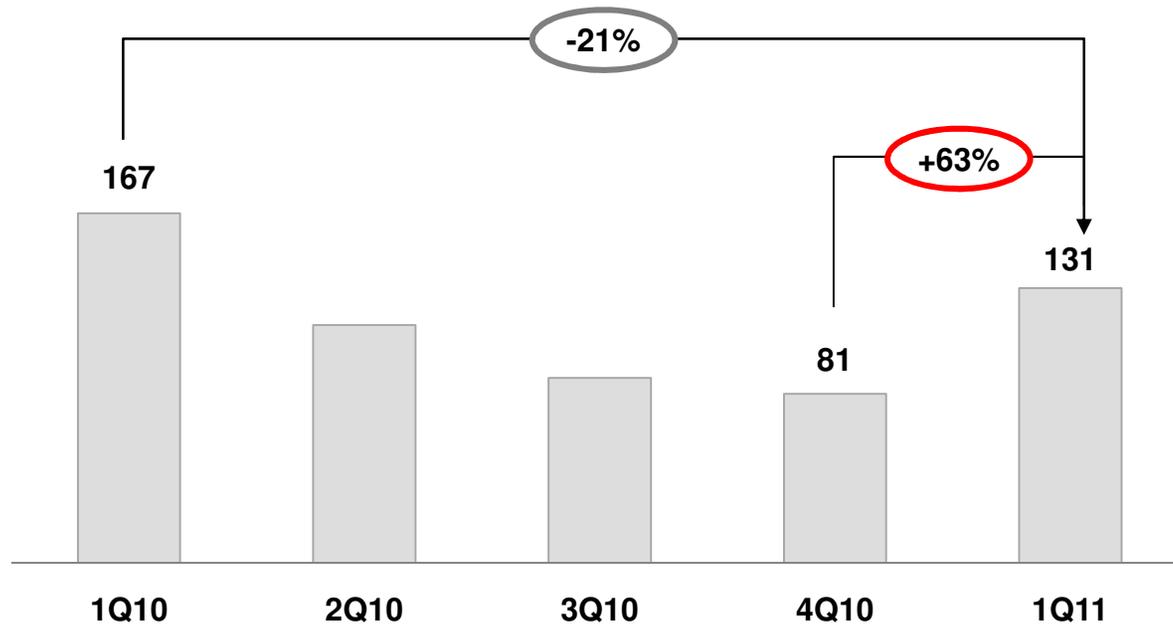
Stable 8.5% Return on Asset pre-tax real, no risk on volumes and prices/margins

(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 (13% EBITDA)



EBITDA Liberalised Activities
(€ million)

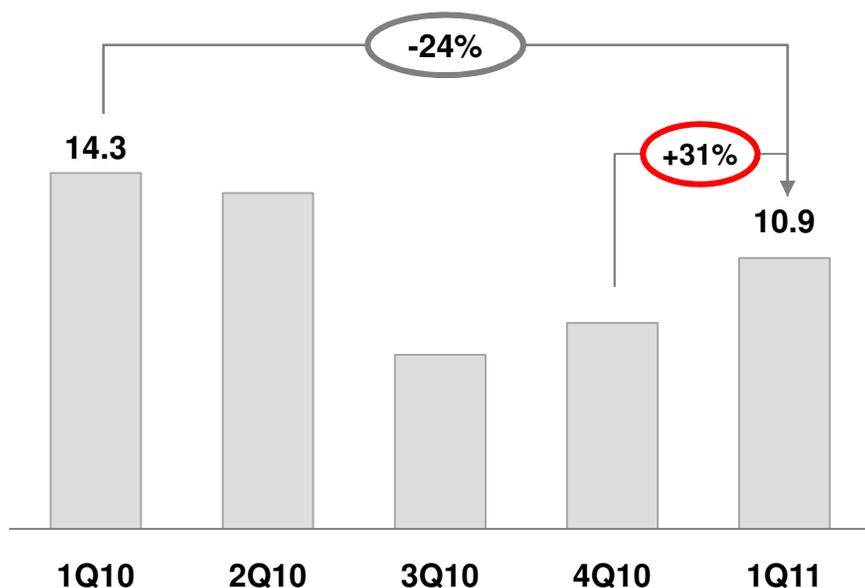


EBITDA -21% YoY, but recovering from 4Q10

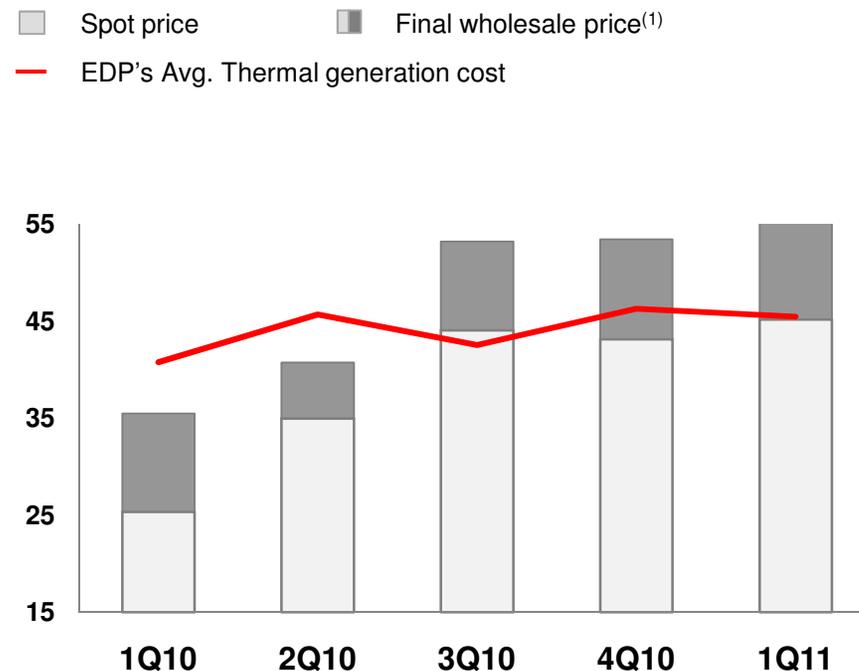
Liberalised Energy Activities Iberia: Unit gross profit 24% lower YoY but 31% higher QoQ



EBITDA Liberalised Activities
(€/MWh)



Spain – Electricity final wholesale price
(€/MWh)



Lower gains with arbitrage: Better opportunities in 1H10; losing appeal thereafter
Ancillary services & restrictions weaker YoY due to abnormally high wind resources in 1Q10

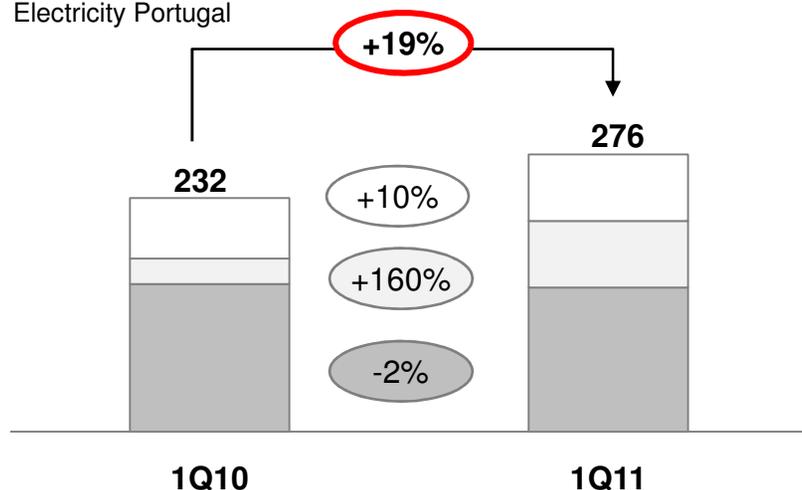
(1) Final wholesale price = Daily/Intra-daily price + Capacity payments + Restrictions + Ancillary services.

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:** EBITDA -2% YoY; weak consumption and a low inflation update applied in 2011 tariffs
- **Electricity Spain:** Gain on sale REE €27m; IFRIC18 €9m. Recurrent EBITDA⁽¹⁾ +25% on new regulation
- **Gas Iberia:** EBITDA +10% YoY on new clients & volume growth

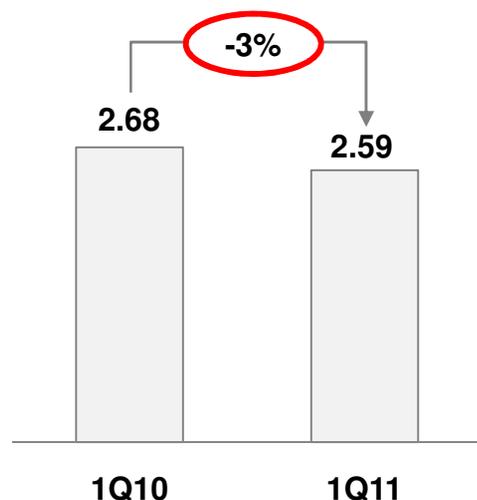
EBITDA ex one-offs grew +4% YoY, based on stable regulations and efficiency improvements

(1) Also excluding the transmission regulated revenues of €2m in 1Q10

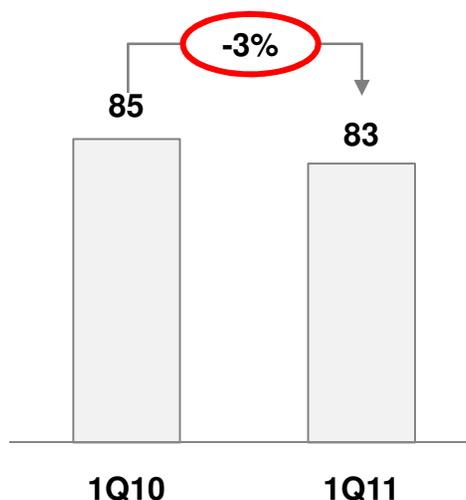
Regulated Energy Networks Iberia: Higher Efficiency with improvement on quality of service



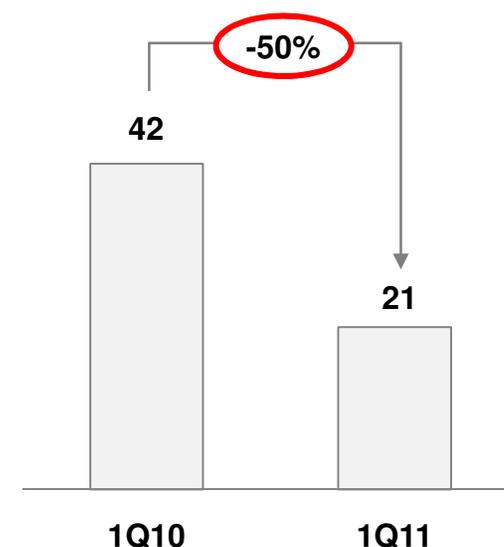
Opex⁽¹⁾/Network Km
(€th)



Opex⁽¹⁾/Connected customers
(€th)



Equivalent Interruption Time⁽²⁾
(minutes)



Efficiency ratios improved 3% YoY

Higher quality of service (EIT in Portugal 50% down to 21 minutes in 1Q11)

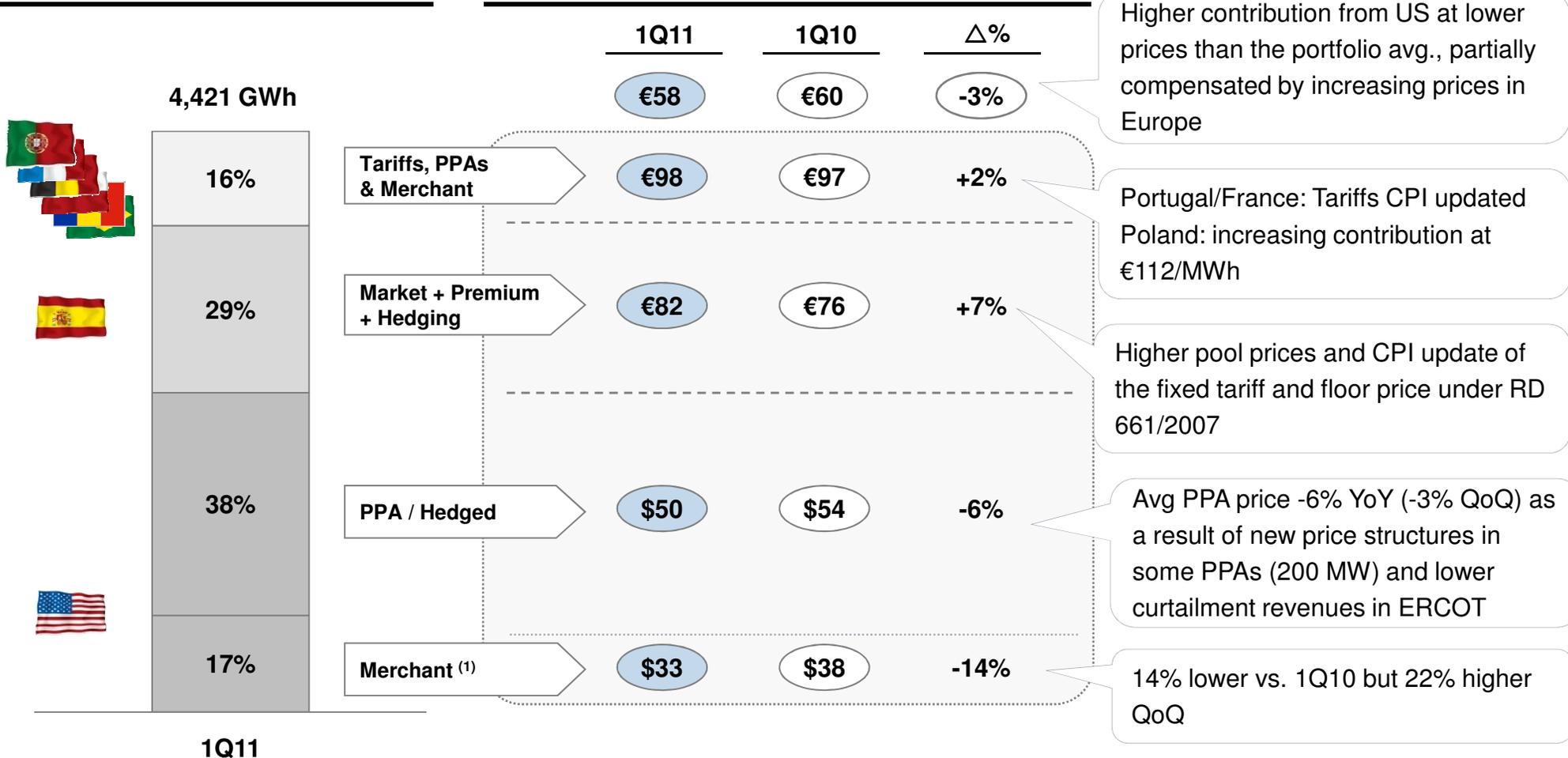
(1) Supplies and services + personnel costs + costs with social benefits (2) Equivalent Interruption Time in Portugal adjusted for non-recurring impacts (rainstorms, high winds and summer fires)

EDP Renováveis (22% EBITDA): Wind power prices



Production Breakdown

Avg. Selling Price per MWh



83% of production in 1Q11 sold with no exposure or limited exposure to market volatility

⁽¹⁾ Excluding sale of interests in institutional partnerships.

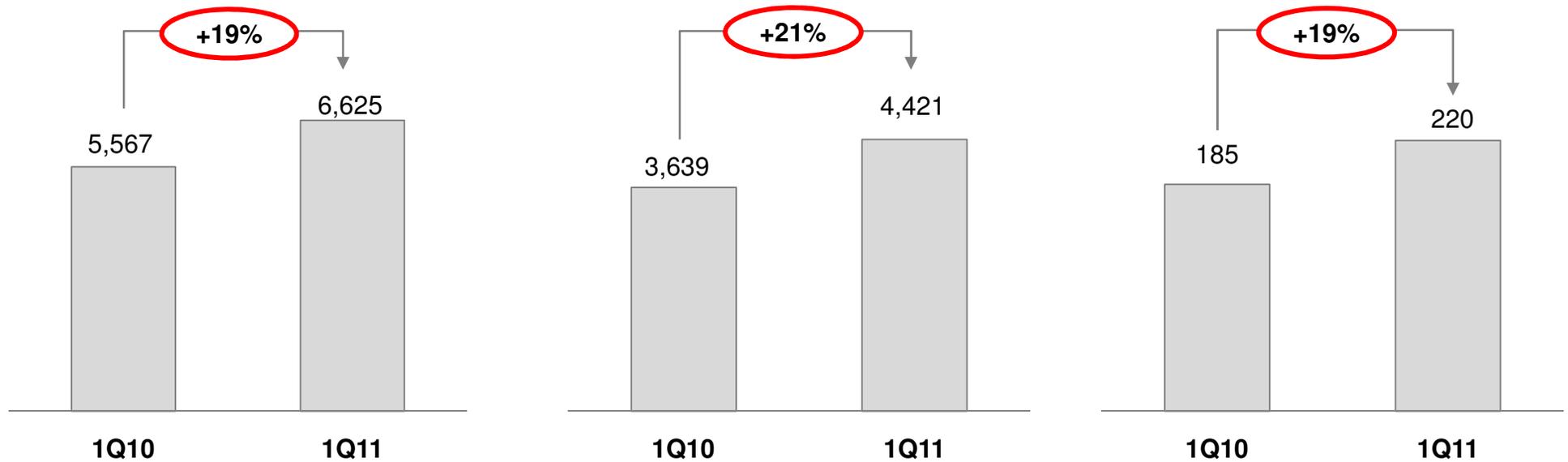
EDP Renováveis: EBITDA up 19% YoY



Installed Capacity
(MW)

Output
(GWh)

EBITDA
(€ million)



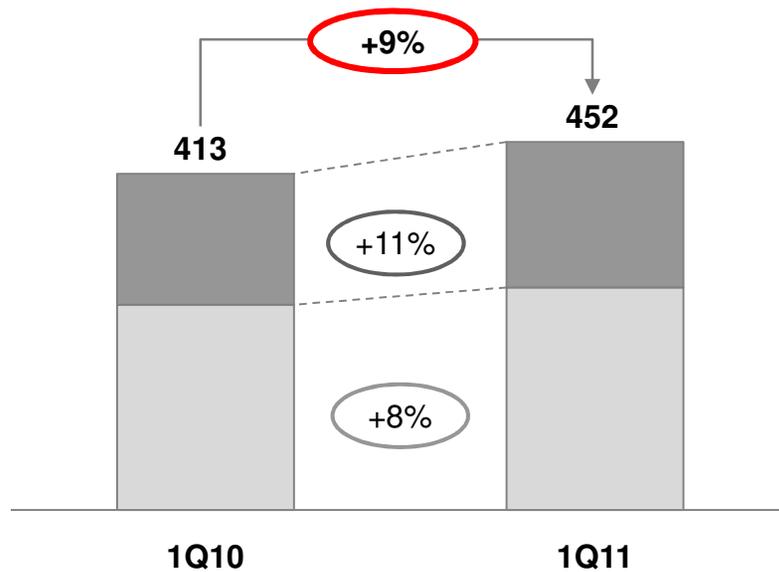
EBITDA growth in line with 19% increase of installed capacity

Brazil (20% of EBITDA)

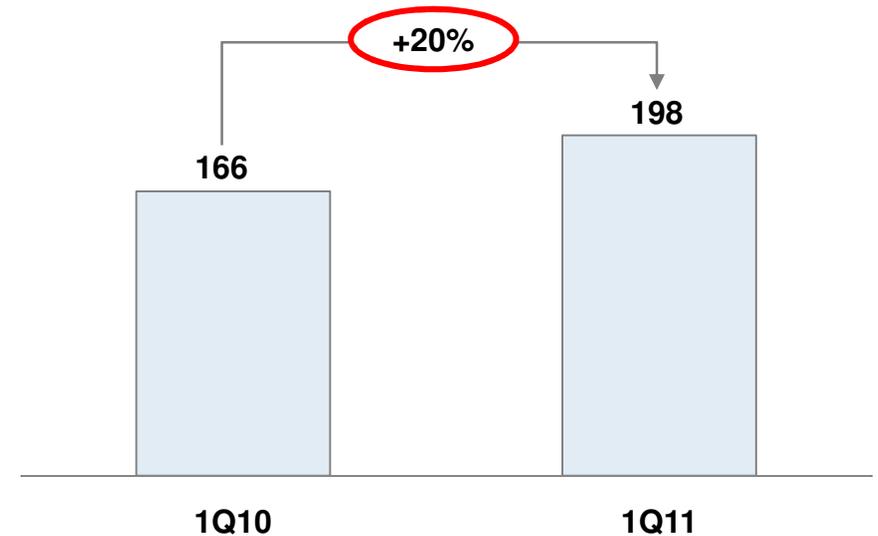


Evolution of EBITDA of EDP Brasil
(BRL millions)

- Generation & Other
- Distribution



Evolution of EBITDA of EDP Brasil
(€ million)



EBITDA +20% YoY; +9% in local currency + 9% appreciation of BRL vs. EUR

- Distribution: 4% growth of volumes distributed and positive tariff updates
- Generation: normalized quarterly sales in 1Q11 vs. abnormally low level in 1Q10

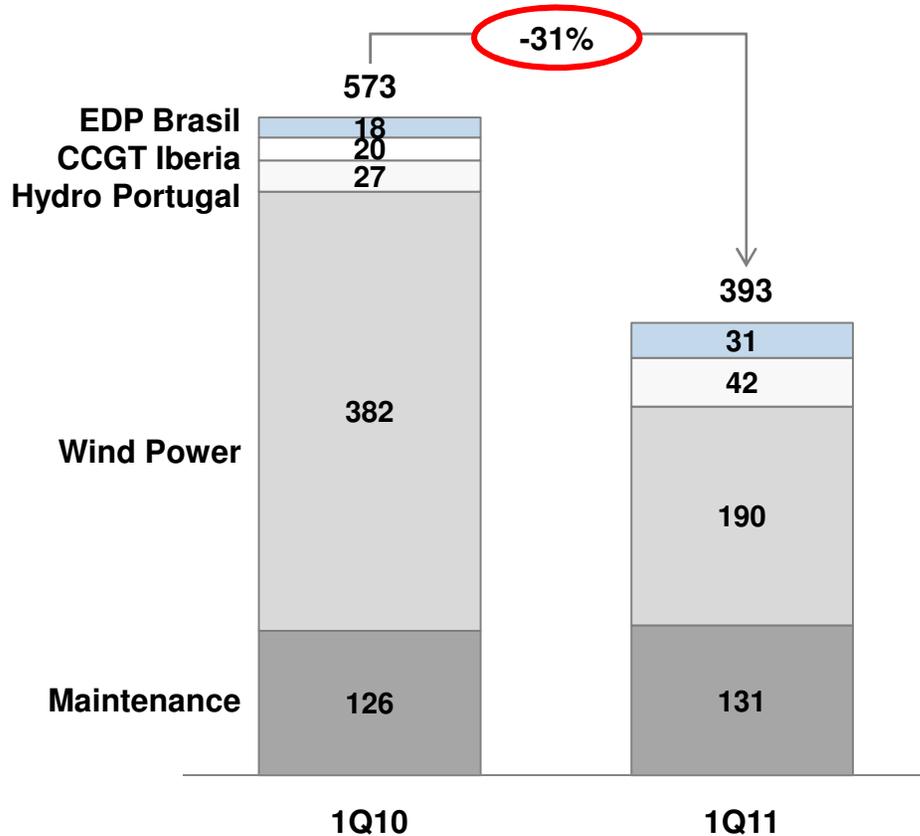


Consolidated Financials

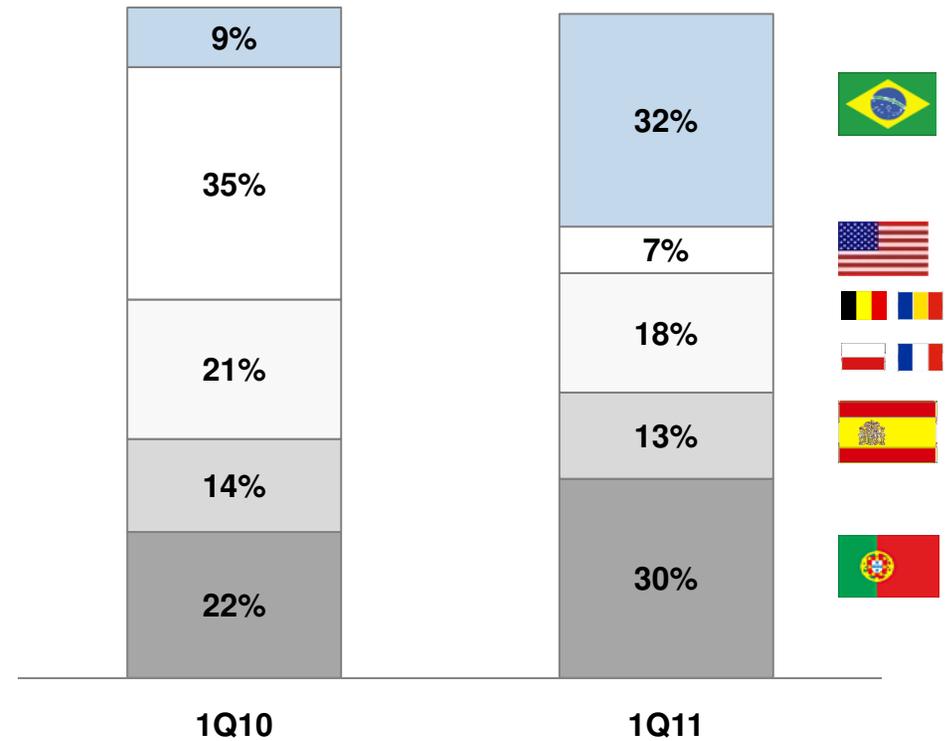
Capex: Execution of Selective Growth



Consolidated Capex by technology ⁽¹⁾
(€ million)



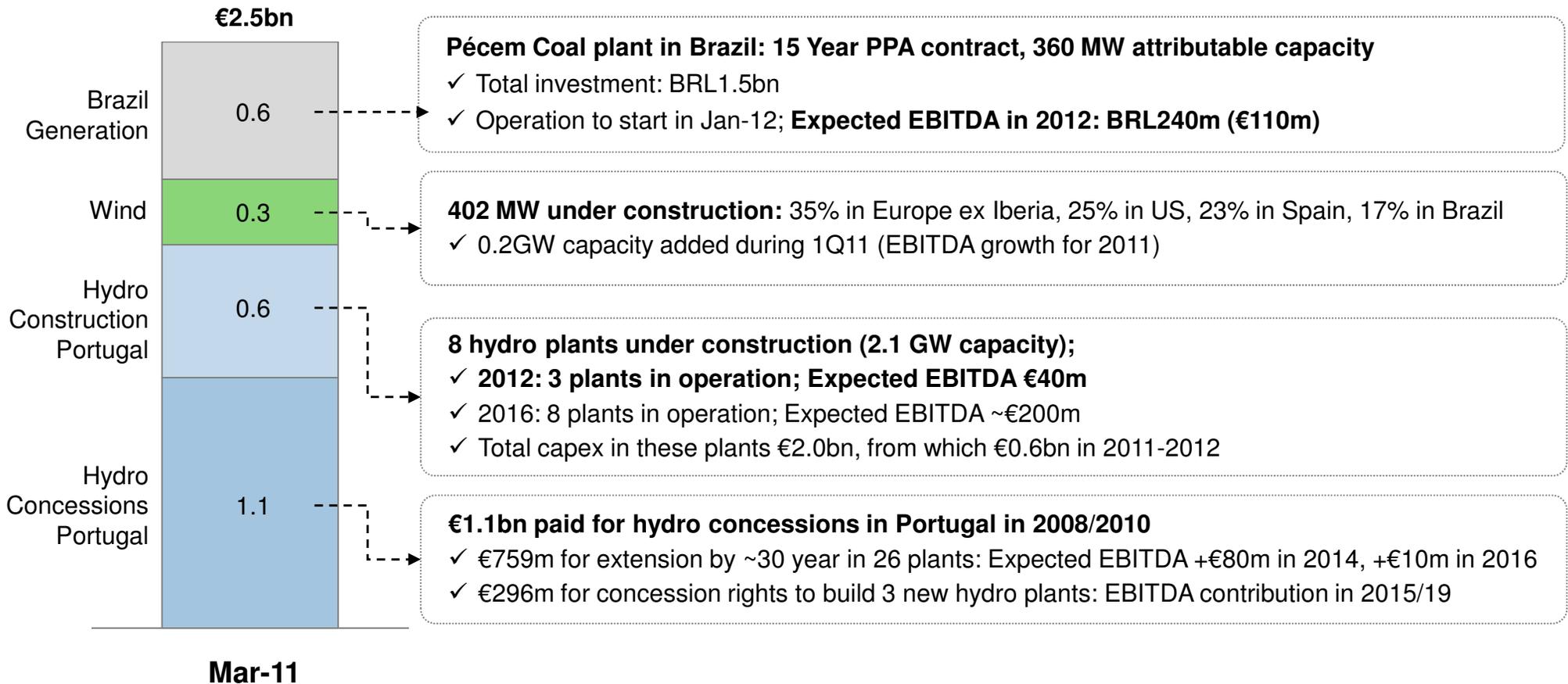
Consolidated Capex by geography (%)



Capex -31% YoY, in line with downward revision to €2.2bn for 2011 and €2.0bn for 2012
Wind, hydro and Brazil: 100% of expansion capex (€60m from new wind farm in Brazil)

⁽¹⁾ Capex net of investment subsidies, namely cash grants received in USA

Construction in Progress & Paid Hydro Concessions



2.9GW under construction, €1.4bn already invested

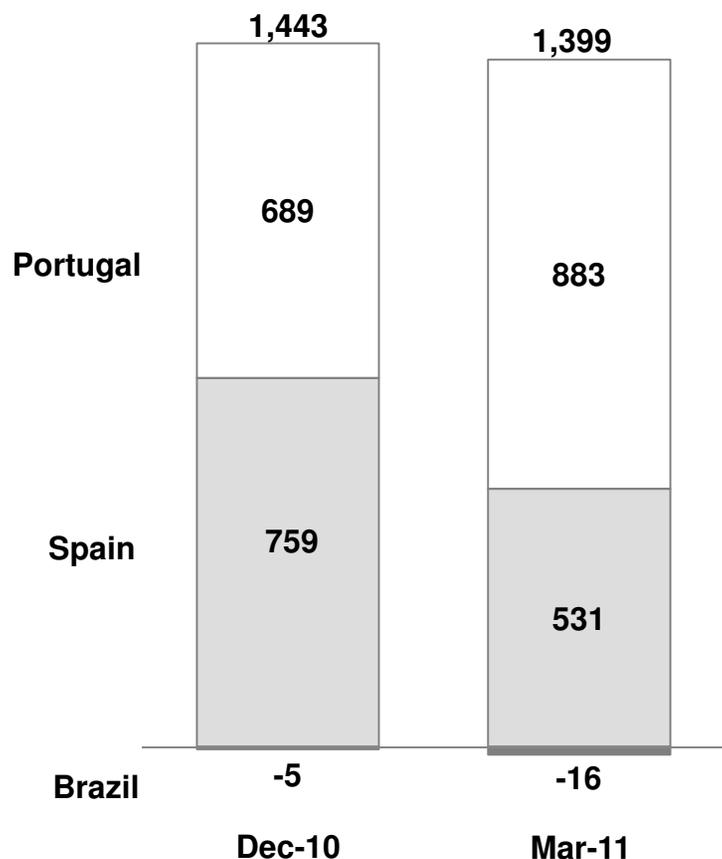
Coal in Brazil + Hydro in Portugal: +€150m of EBITDA from new capacity already in 2012

Hydro concessions Portugal: €1.1bn already invested, EBITDA only from 2014 onwards

Net Regulatory Receivables by Mar-11



Regulatory Receivables (€ million)



Portugal: €883m (+€195m vs. Dec-10)

- **Distribution & Last resort supply: €537m (+€349m vs. Dec-10)** €325m generated in the period, (€191m to be recovered in 2011 through tariffs) and €22m paid back to customers.
- **CMEC: €340m (-€149m vs. Dec-10)** €185m recovered in 1Q11 and €36m created in 1Q11 (thermal production below forecasts)

Spanish Tariff Deficit: €531m (-€228m vs. Dec-10):

- -€307m received from 3 securitization tranches in 1Q11
- +€54m additional tariff deficit 2010 supported vs. Dec-10
- +€26m tariff deficit created in 1Q11

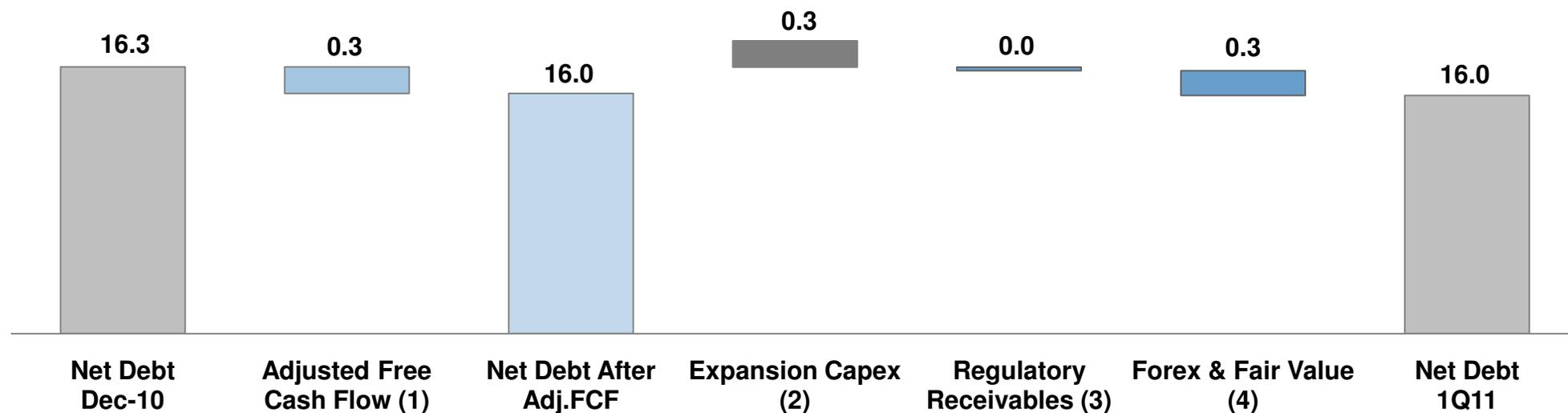
Regulatory receivables slightly down by €44m in 1Q11

Lower in Spain (securitizations), higher in Portugal (weak demand, higher power prices)

Change in Net debt



Change in Net Debt: Mar-10 vs. Mar-11
(€ billion)



- Slight decline in regulatory receivables following securitization deals in Spain in 1Q11
- FCF before forex and after expansion capex slightly positive in 1Q11
- Depreciation of USD & BRL vs. EUR in 1Q11 with a €0.3bn positive impact on debt in euro terms

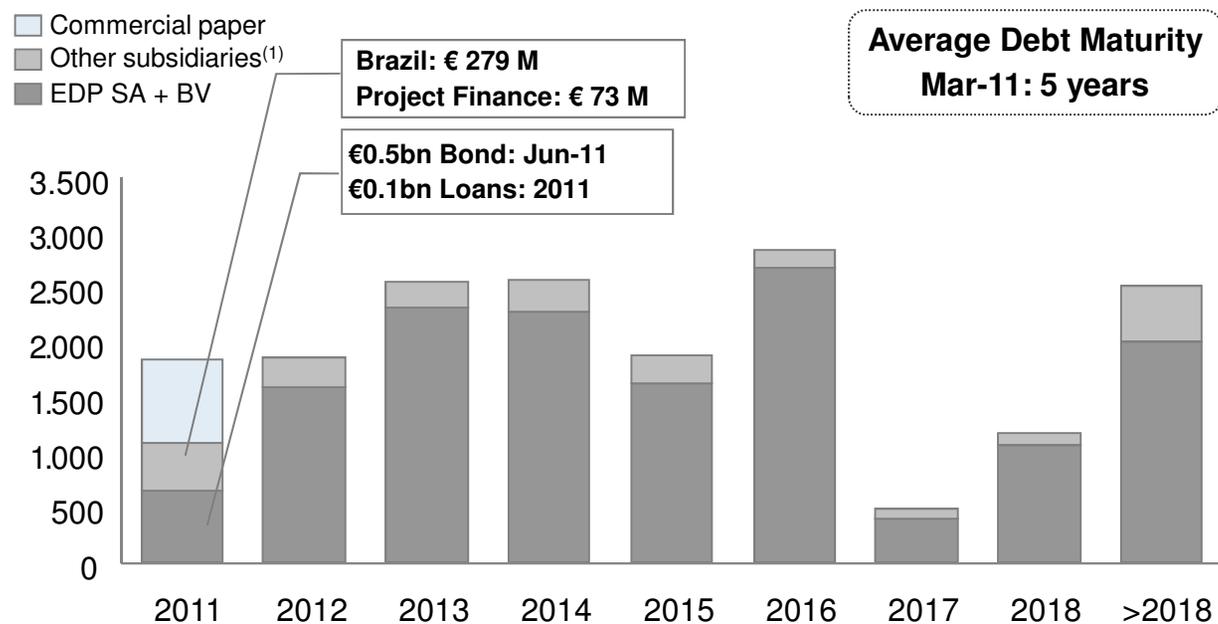
(1) after maintenance capex, interest paid and taxes paid (adjusted for impact from change in regulatory receivables) & other (2) expansion capex and net financial investments
(3) change in regulatory receivables (4) impact from mark-to-market of reported net debt due to forex and interest rate market conditions

Net Debt Breakdown by Mar-11 & credit ratios



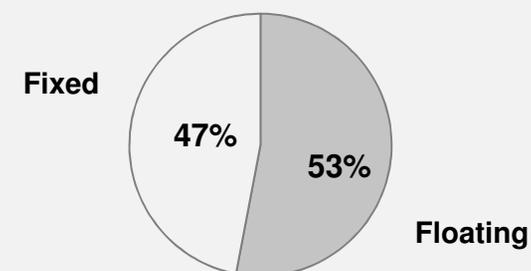
EDP consolidated debt maturity profile

(€ million)

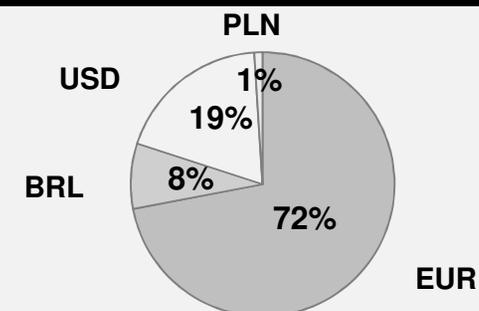


	2010	1Q11
FFO/Net Debt	18%	18%
Net Debt/EBITDA Adjusted ⁽²⁾	4.1x	3.6x

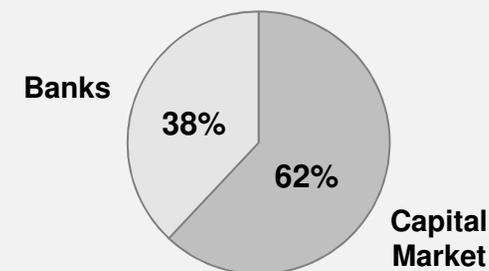
Debt by Interest Rate Term



Debt by Currency



Debt by Source of Funds



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

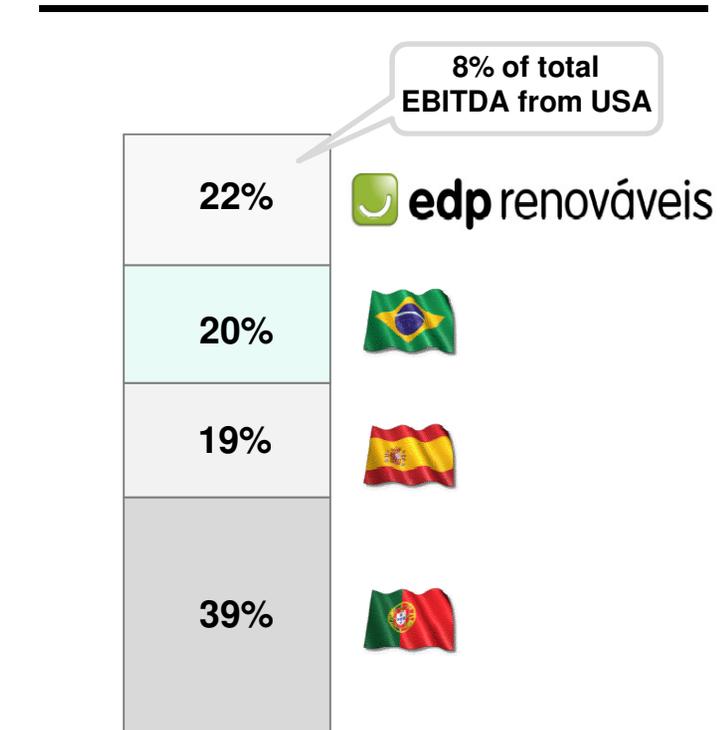
⁽²⁾ Net Debt adjusted for Regulatory Receivables

Credit ratings EDP vs. Sovereigns



	S&P	Fitch	Moody's
	AAA	AAA	Aaa
	AA+	AA+	Aa1
	AA	AA	Aa2
	AA-	AA-	Aa3
	A+	A+	A1
	A	A	A2
	A-	A-	A3
	BBB+	BBB+	Baa1
	BBB	BBB	Baa2
	BBB-	BBB-	Baa3
	BB+	BB+	Ba1
	BB	BB	Ba2
	BB-	BB-	Ba3

1Q11 EBITDA Breakdown (%)



EDP's rating above the Portuguese Republic: 1 notch by S&P and 2 notches by Fitch
 Strong credit profile supported by markets diversification and low sensitivity to economic cycle

EDP financial liquidity position



(€ million)

Sources of liquidity (Mar-11)

Instrument	Maximum Amount	Number of counterparties	Utilised	Available	Maturity
Revolving Credit Facility (US\$1.5bn)	1,056	22	1,056	-	02-07-2014
Revolving Credit Facility	2,000	21	-	2,000	03-11-2015
Domestic Credit Lines	230	12	-	230	Renewable
Underwritten CP Programmes	650	3	-	650	Renewable
Total Credit Lines	3,936		1,056	2,880	
Cash and Equivalents:				1,887	
Total Liquidity Available				4,767	

€4.8bn of cash and liquidity facilities available by Mar-11

EDP main sources and uses of funds in 2011-2012



Sources of funds

- | | |
|------------------------------------|--------|
| • Cash & Equivalents (Mar-11): | €1.9bn |
| • Available Credit Lines (Mar-11): | €2.9bn |

Total: €4.8bn

Use of funds

- Refinancing needs in 2011-2012:

Bond maturing in Jun-11:	€0.5bn
Loans maturing in 2011:	€0.1bn
Bond maturing in Jun-12:	€0.5bn
Bond maturing in Nov-12:	€0.8bn
Loans maturing in 2012:	€0.4bn

Total: €2.3bn

Comfortable current liquidity position covers funding needs over the next 24 months
Target proceeds from disposals in 2011: ~€500m (several options under analysis)

Net Profit up 11% YoY



(€ million)	1Q10	1Q11	Δ %	Δ Abs.	
EBITDA	940	1.008	+7%	+69	Increase of installed capacity in EDPR, Carregado plan fully depreciated in Dec-10
Net Depreciations and Provisions	351	360	+3%	+9	
EBIT	589	648	+10%	+59	Higher cost of debt: 3.8% in 1Q11 vs. 3.5% in 1Q10 and increase in average net debt
Financial Results & Associated Companies	(111)	(128)	+15%	-16	
Capital Gains/(Losses)	6	0	-96%	-6	
Income Taxes	129	123	-4%	-6	
Non-controlling interests	45	55	+21%	+10	11% YoY increase of EDP Brasil net profit
Net Profit	309	342	+11%	+33	

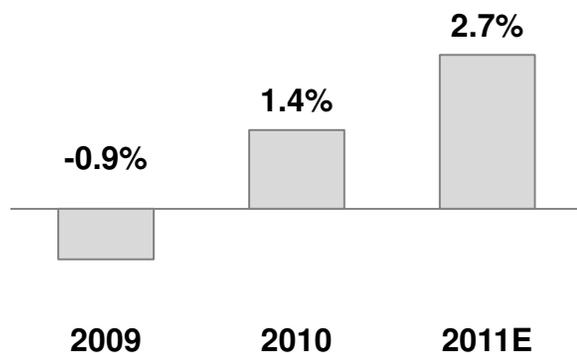


Prospects 2011

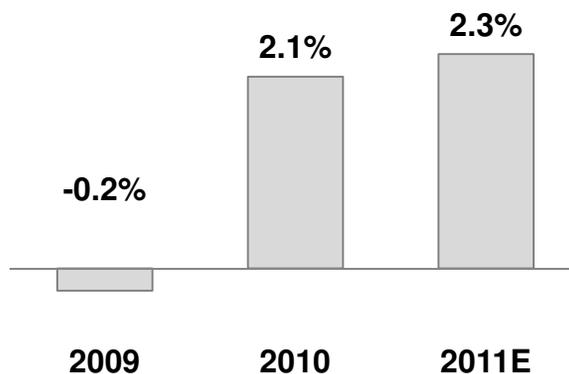
Inflation evolution in EDP's key markets



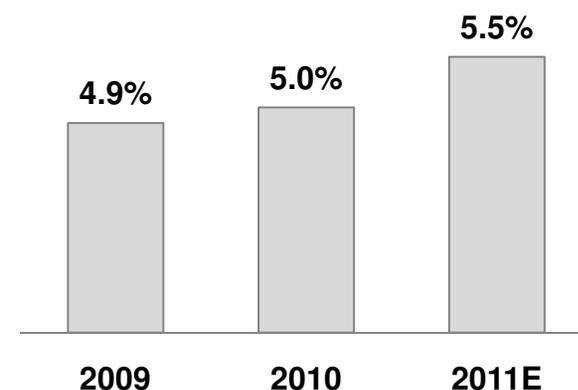
 Portugal



 Spain



 Brazil



Portugal (45% of EBITDA⁽¹⁾): inflation linked revenues at PPA/CMEC (monthly), distribution (1Y lag)

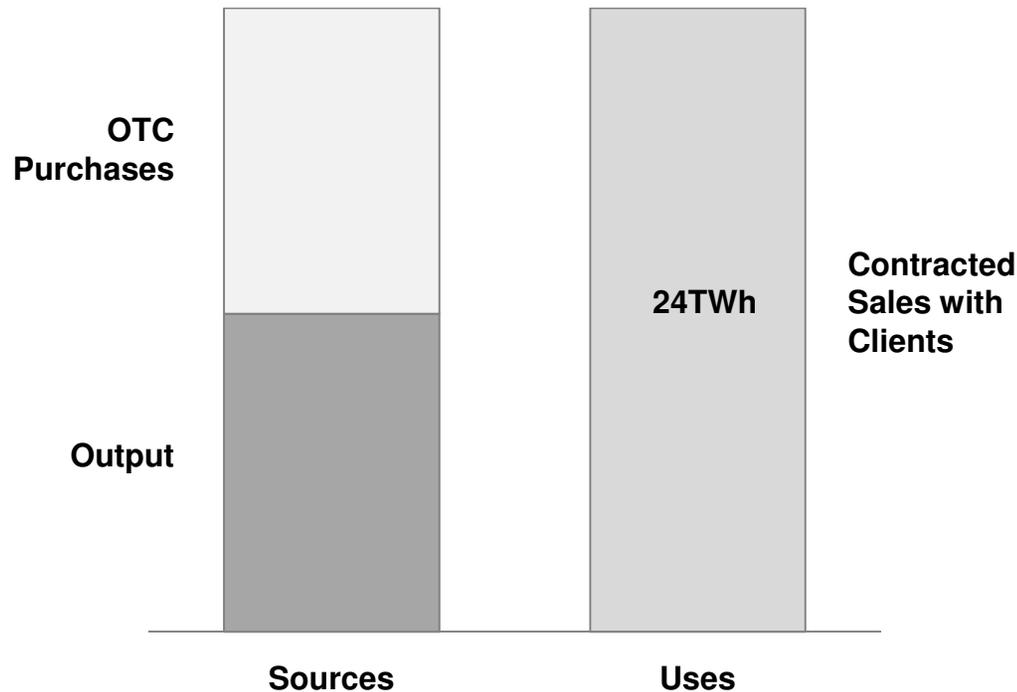
Spain: inflation updates on electricity/gas distribution revenues; wind tariffs (cap/floor, premium)

Brazil (20% of EBITDA⁽¹⁾): Generation and distribution revenues are annually inflation updated

Liberalised activities: Outlook for 2011



EDP: Electricity Forward Contracting, 2011 (TWh)



- Avg. selling price contracted with clients⁽¹⁾: ~€50/MWh
- 85% of expected output with contracted margins locked in
- Average Clean Thermal Spread⁽²⁾ Locked in: >€10/MWh

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

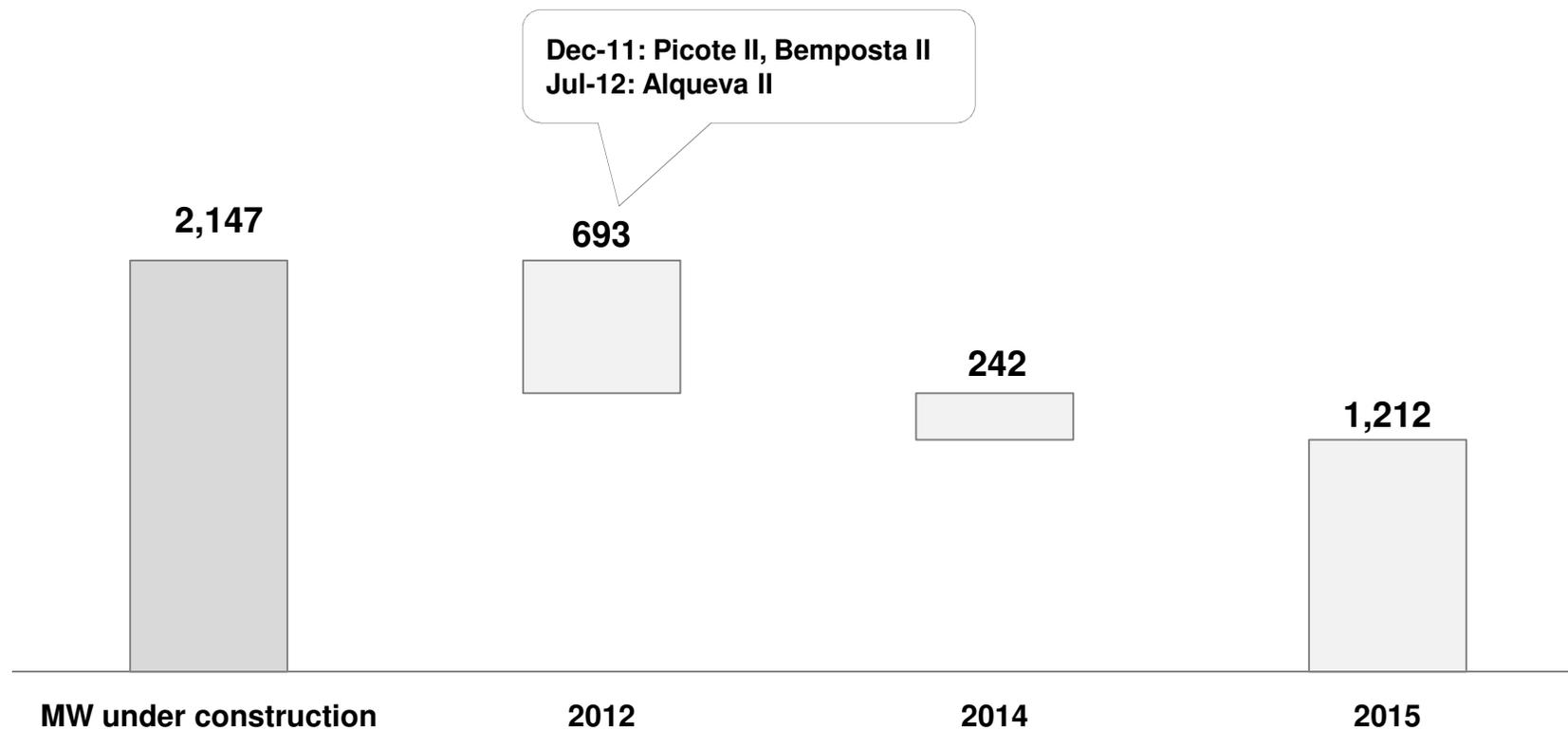
(1) Before Capacity Payment, Ancillary services

(2) Including CO₂ Costs and free CO₂ allowances

New Hydro Investments: 2,147MW under construction; EBITDA delivery as from Jan-12



Hydro capacity under construction – Start date
(MW)



First 693MW of new hydro in place: ~+€50m EBITDA in 1st Year of full operation
2,147 MW under construction: EBITDA contribution ~€200m⁽¹⁾

(1) EBITDA 2016

Prospects:



EBITDA

Forex performance may slow down EBITDA growth in Brazil/US, higher level of hedging closed
Operating performance in Brazil and liberalized activities in Iberia slightly above expectations
Maintenance of guidance for EBITDA 2011 Low single digit growth YoY

FCF Net Debt

2Q11 events known: (1) €234m payment for 20% stake in Genesa (2) €615m⁽¹⁾ dividend payment
Target proceeds from disposals in 2011: ~€500m (several options under analysis)
Maintenance of Guidance Net debt 2011E < Net Debt 2010⁽²⁾
Clear positive free cash flow generation in 2012

Net Profit

Average cost of debt: Expected to be ~4.0% in 2011
Maintenance of Guidance Net Profit 2011E: Low single digit growth

2012-2015 Business Plan to be presented in October/November 2011

Improving visibility on EDPs medium term Free Cash Flow expectations

Based on high quality asset mix, sustainable returns, diversified markets and risk management

(1) Dividend to be paid on May 13, 2011: €0.17/share, excluding treasury stock

(2) Assuming stable ForEx rates, including impact from future disposals and assuming future securitisation of tariff deficits

A resilient business model in a challenging environment



Improvement of returns

- EBITDA +7% (operations out of Portugal represented 61% of EBITDA)
- Net financial costs: +13% (cost of debt 3.8% in 1Q11, avg. maturity 5 years)
- Net Profit: +11%

Continued Profitable Growth

- Total Installed capacity: +7% YoY (wind power capacity +19% YoY)
- 2.9GW capacity under construction (€1.4bn already invested)
- EBITDA from coal Brazil & new hydro Portugal: €150m estimate for 2012

Controlled risk

- Regulated or long term contracted activities represent > 85% of EBITDA
- Increased market diversification (Brazil, USA, Poland, France, etc.)
- Capex reduction for 2011E/2012E, ~€500m target disposals for 2011
- Financial liquidity: €4.8bn covers funding needs over next 24 months

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



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

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Next Events

May 9th-10th – London Roadshow

May 11th-13th – Netherlands/Frankfurt /Zurich Roadshow

May 16th-18th – Copenhagen/Stokholm/Helsinki

May 18th: Cheureux Conference London

May 19th: Santander Conference Lisbon

May 20th: Boston Roadshow

May 23rd-24th New York Roadshow

July 28th: EDP discloses 1H11 Results