EDP

9M09 Results Presentation

October 30th, 2009

Dow Jones Sustainability Indexes
Member 2008/09

9M09: Highlights of the period

EBITDA: €2,427m, +2% YoY (EBITDA recurrent: €2,429m, +9% YoY)

Hedging: Liberalized activities EBITDA +66% YoY
Positive results form proper and well timed decisions on risk management in energy markets

Avg. Generation Installed Capacity: +14% YoY in 9M09, reaching 19.1 GW by Sep-09
80% of capacity increase in the period came from wind & hydro

Brazil: Signs of improvement (EBITDA -15% YoY in 9M09, EBITDA -3% YoY in 3Q09)
Electricity distributed -8% YoY in 9M09,+7% QoQ in 3Q09, appreciation of BRL/EUR in 3Q09

Corporate-wide efficiency program: €79m cost savings achieved in 9M09
Operating costs down 5% YoY; Opex/Gross Profit ratio flat YoY at 28% in 9M09

Risk management + Focused Growth + Efficiency improvements

9M09: Highlights of the period

Net Profit: €748m, -20% YoY
Net Profit Recurrent: €780m, +9% YoY

Average cost of debt fell from 5.7% in 9M08 to 4.0% in 9M09
54% of debt at floating rates; New bond issue in 3Q09: USD1Bn, 10-Year maturity, 4.9% Cupon

Capex: €2,528m in 9M09, 83% is expansion; 87% of expansion capex is wind and hydro
3.7GW power plants under construction (19% of capacity): Works in progress of €3.0bn by Sep-09

Regulatory receivables of €0.9bn by Sep-09
€1bn down vs. Dec-08 (securitization Portugal Mar-09)

Net debt of €14.4bn by Sep-09
Net debt/EBITDA 4.2x ex-regulatory receivables

Execute attractive growth opportunities + Efficient capital management
Maintaining low risk + high growth profile

9M09 Financial Headlines

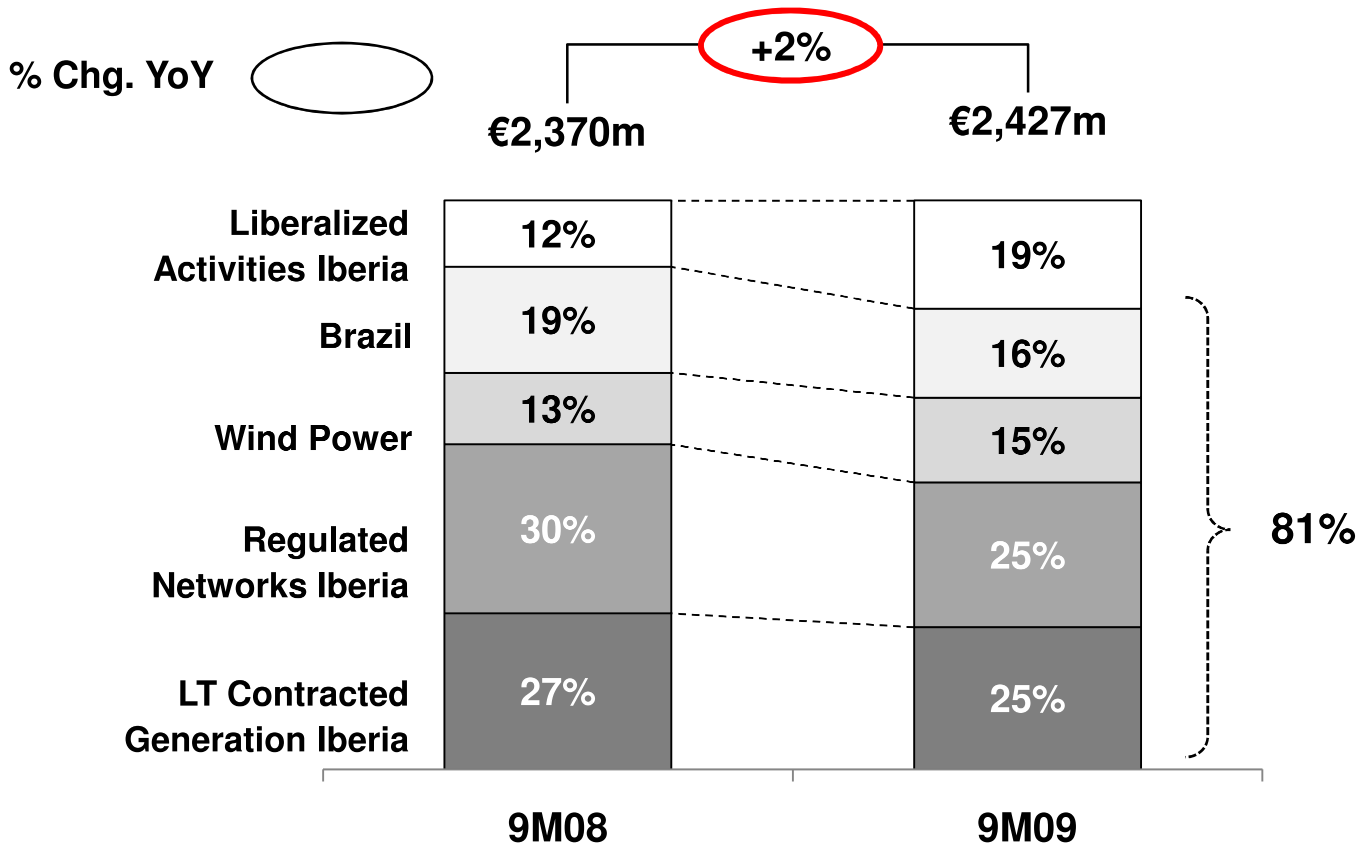
(€ million)	9M08	9M09	% Chg.
EBITDA	2,370	2,427	+2%
Net Profit	940	748	-20%
Capex	2,171	2,528	+16%
Net Debt (€bn)	13.9 *	14.4	+4%
Net Debt / EBITDA (x)**	4.4x *	4.4x	-
Adjusted Net Debt (1) / EBITDA (x)	3.8x *	4.2x	-

Net profit ex-non recurrent items: €780m, +9% YoY
Profitable growth maintaining a low risk and sound capital structure

* Net debt and net debt/EBITDA referent to 2008 year end; **net debt/EBITDA in 9M09 calculated based on the annualized value of EBITDA 9M09 (1) Excluding Regulatory Receivables

9M09 EBITDA Breakdown

81% of 9M09 EBITDA came from regulated and LT contracted activities



Specialization accounting issues explain declines in regulated networks and LT Contracted

Non-recurrent items above the EBITDA line

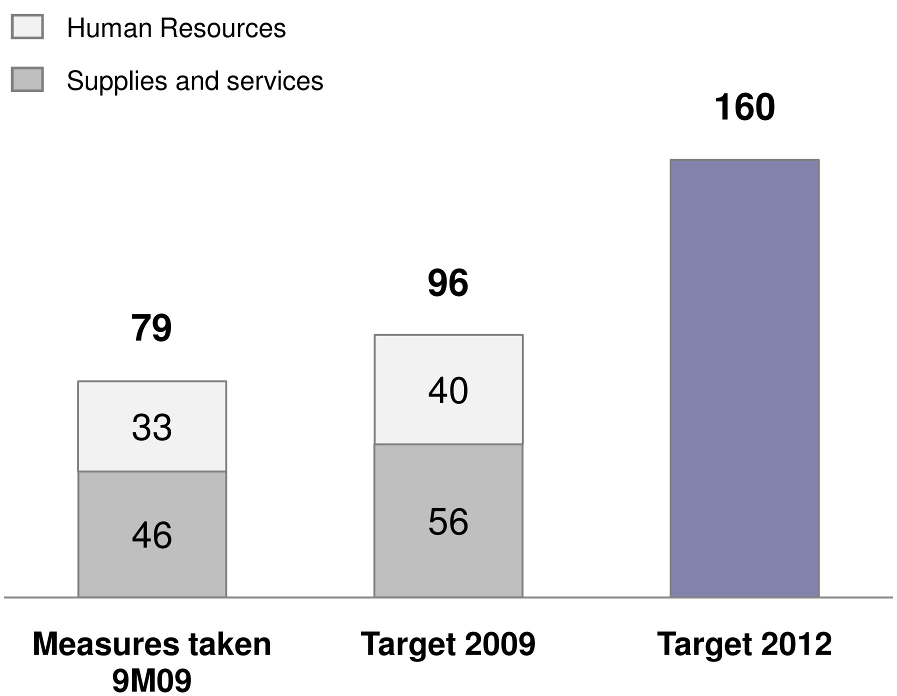
EDP Group (€ million)	9M08	9M09	% Chg.
Reported EBITDA	**2,370**	**2,427**	**+2%**
Portugal Distribution Tariff Adjust. (1)	-166	0	-
Brazil Distribution Tariff Adjust. (1)	-26	-14	-
HR Restructuring Costs	43	16	-
Adjusted EBITDA	**2,221**	**2,429**	**+9%**

EBITDA ex-non recurrent items grew 9% YoY

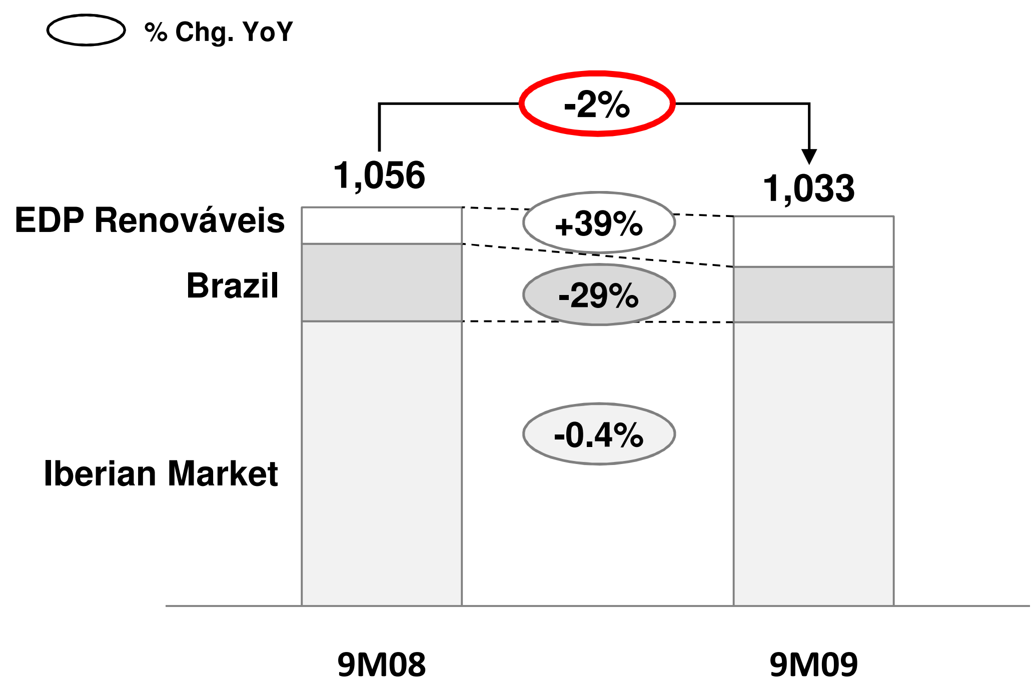
(1) Adjusted for previous years tariff adjustments and deviations

EDP Consolidated operating costs: Positive results from ongoing corporate-wide efficiency program

Efficiency Program 2008-12 annual savings [(1)]
(€ million)



Controllable Operating Costs [(2)] **– EDP Group**
(€ million)



Most relevant measures taken in 9M09:

- HR Restructuring program
- Optimization of IT services
- Control over outsourcing consulting services

- Growth in EDPR reflects capacity increase
- Decline in Brazil reflects Disco/Genco asset swap
- Iberia – Continued efficiency improvement

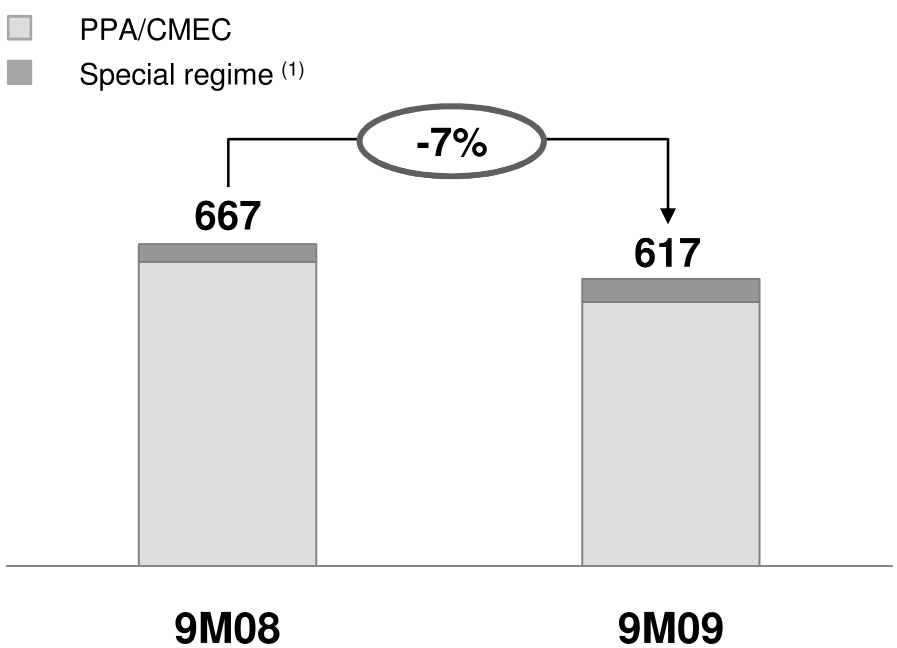
[(1)] Savings measured regarding the 2007 cost base

[(2)] Personnel Costs & Social Benefits + Supplies & Services ex HR restructuring costs

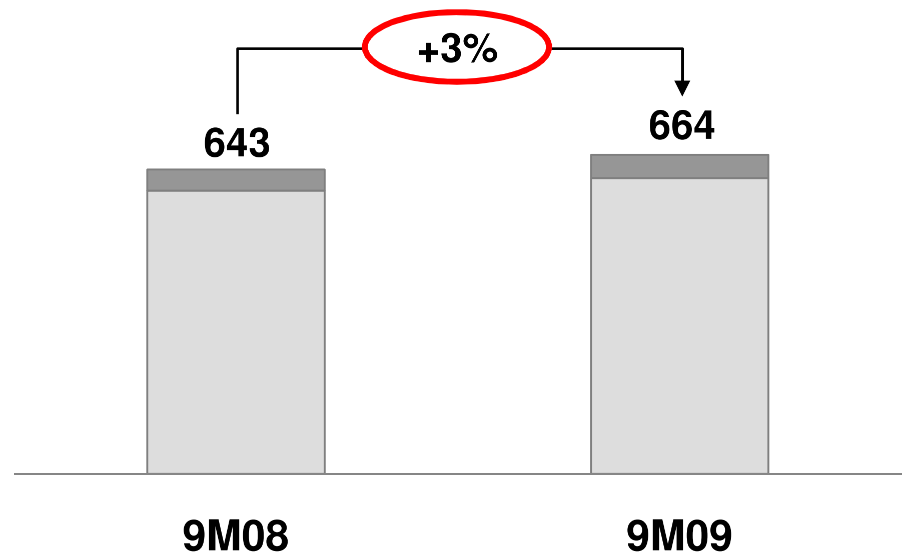
Business Areas

Long Term Contracted Generation Iberia (25% of EBITDA): PPA/CMECs with stable Return on Assets of 8.5%

EBITDA Reported
(€ million)



EBITDA adjusted (2)
(€ million)



(-) change in fuel costs: -€72m YoY due to 2008/09 volatility in coal prices; immaterial value impact (hedging booked at financial results)

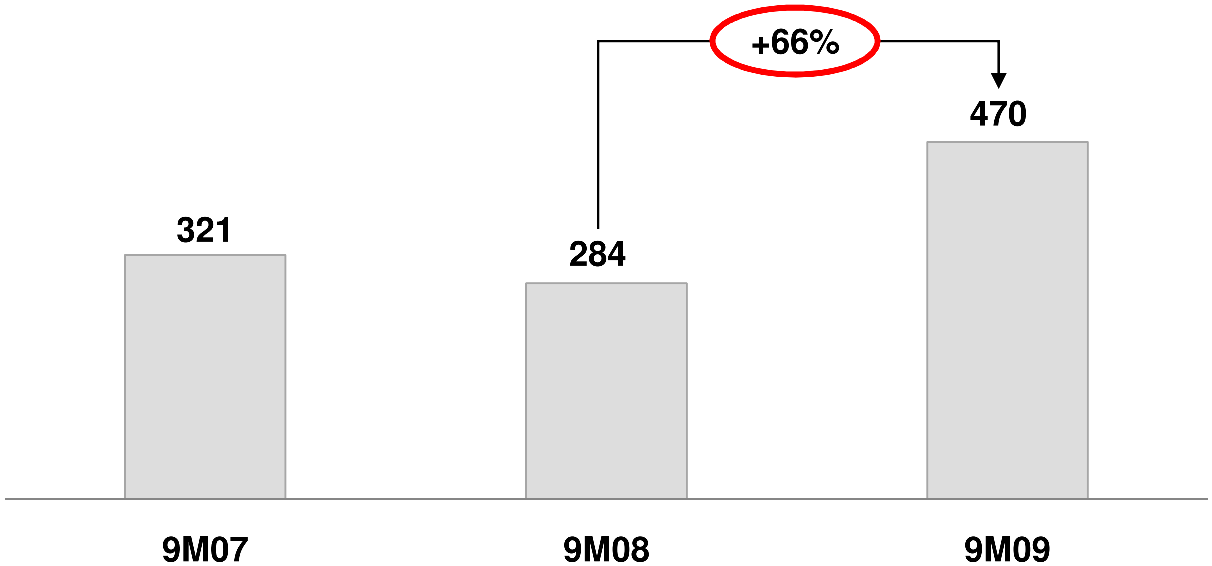
(+) new Desox facilities: operating since Jun-08

(+) Special regime avg. capacity: +65MW

(1) includes mini-hydro, co-generation, biomass and waste in Portugal and Spain, does not include wind power; (2) Excluding non recurrent items namely: -€35m in fuel procurement in 9M09 (vs +€37m 9M08), +€3.8m in 9M08 on adjustment of 2007 PPA margin, -€10.3m in 9M09 from RH restructuring costs (vs €10.8m cost in 9M08)

Liberalised Energy Activities Iberia (19% EBITDA)
Long position in final clients

EBITDA Liberalised Activities
(€ million)



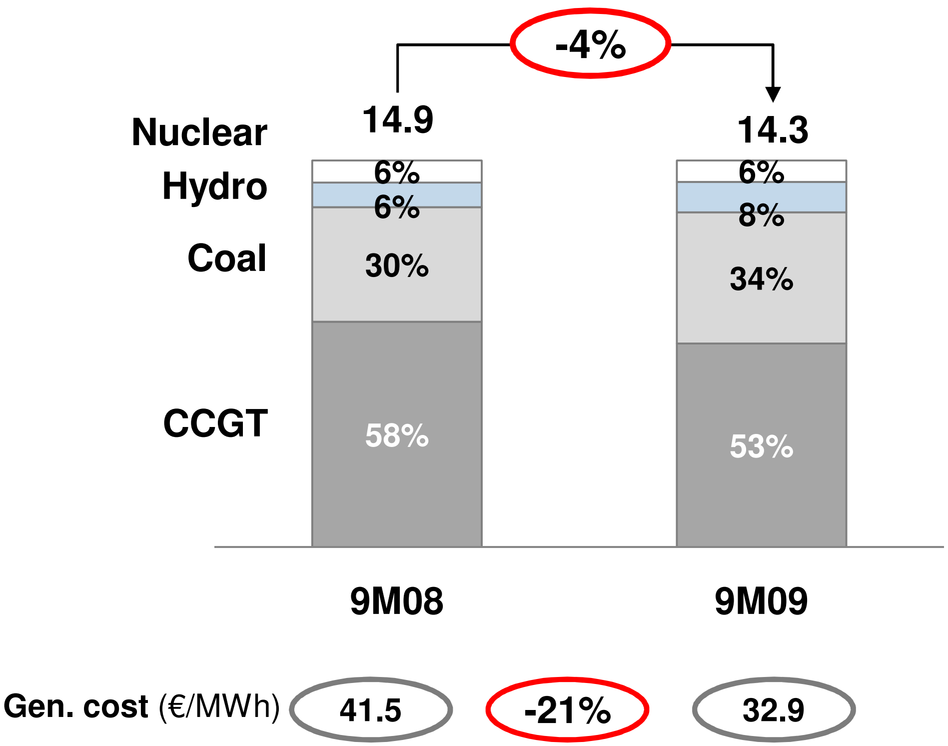
	9M08		9M09
Selling price[1] (€/MWh)	64.5	-2.8%	62.7
Avg. Pool cost (€/MWh)	68.2	-43%	38.9

EBITDA: +66% in 9M09; +92% in 3Q09
Average selling price above €60/MWh

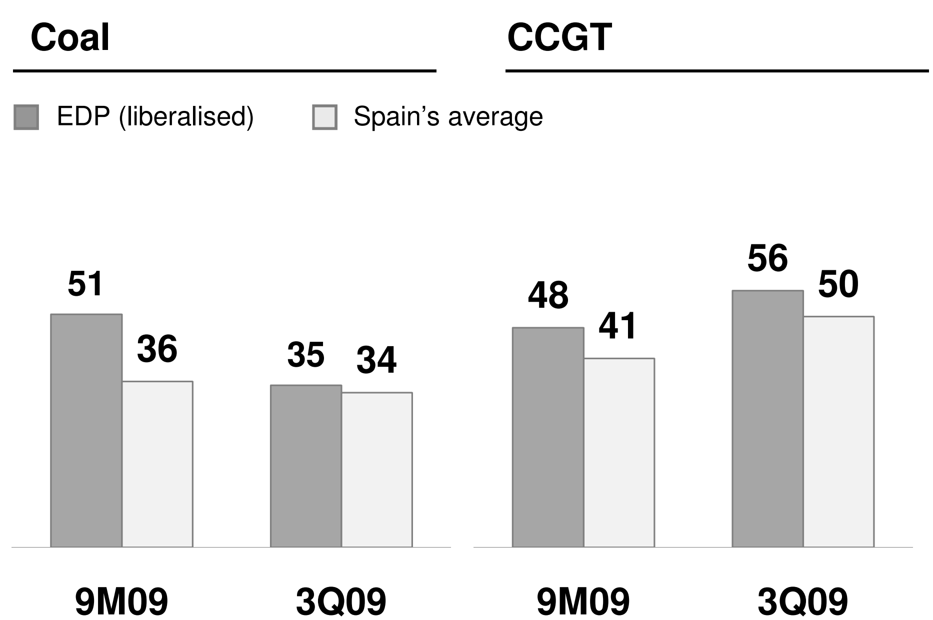
[1] Including sales to clients and in the forward wholesale markets

Liberalised Generation Power Plants Iberia: Generation costs lower YoY; Coal & CCGT load factors above Spanish average

EDP Liberalised Power Plants Iberia – Production
(TWh)



EDP vs Spain – Load factors in 9M09
(%)



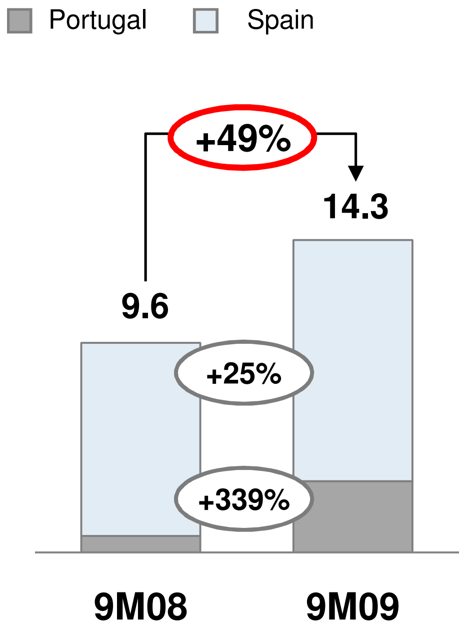
- Production declined 4% vs. Spain's -13%
- Sharp decline in generation costs prompted by lower fuel and CO2 costs

- EDP has the most efficient coal portfolio in Iberia
- Lower reserve margin in Portugal supports EDP's higher CCGT load factors
- Strong recovery in CCGTs output as from 2Q09 reflecting coal/gas merit order inversion

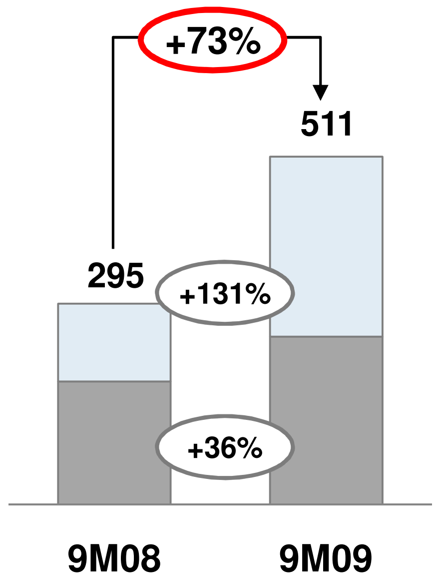
Liberalised Electricity & Gas Supply in Portugal & Spain

Electricity Supply – Portugal & Spain
(GWh and '000)

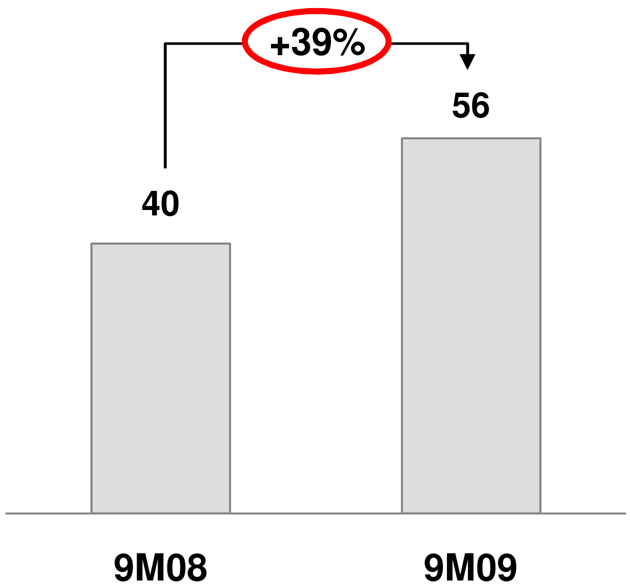
Volumes (GWh)



Clients ('000)



Gas Supply – EBITDA
(€ million)

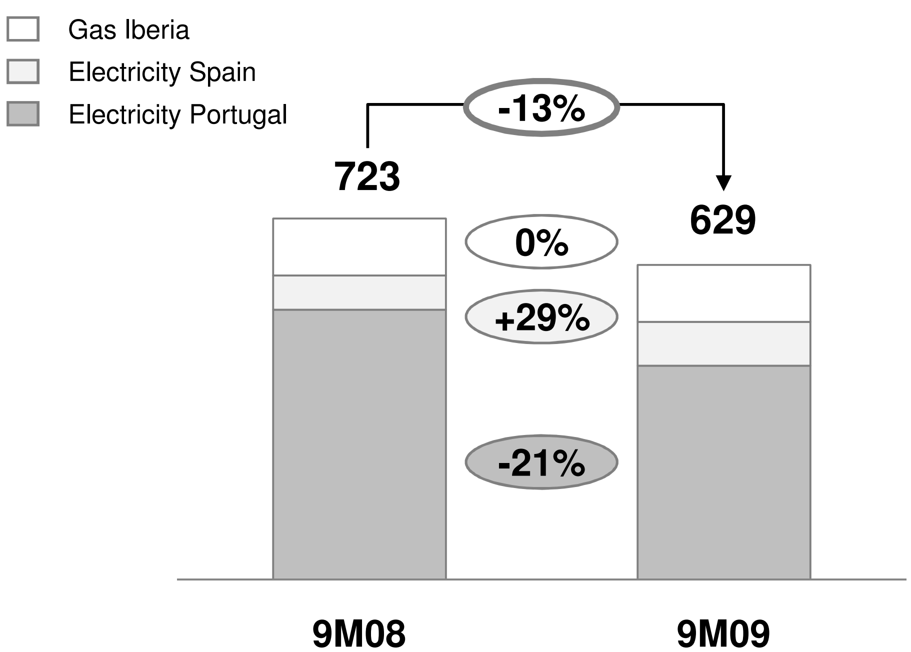


- Volume growth prompted by regulatory changes
- Slight improvement of margins

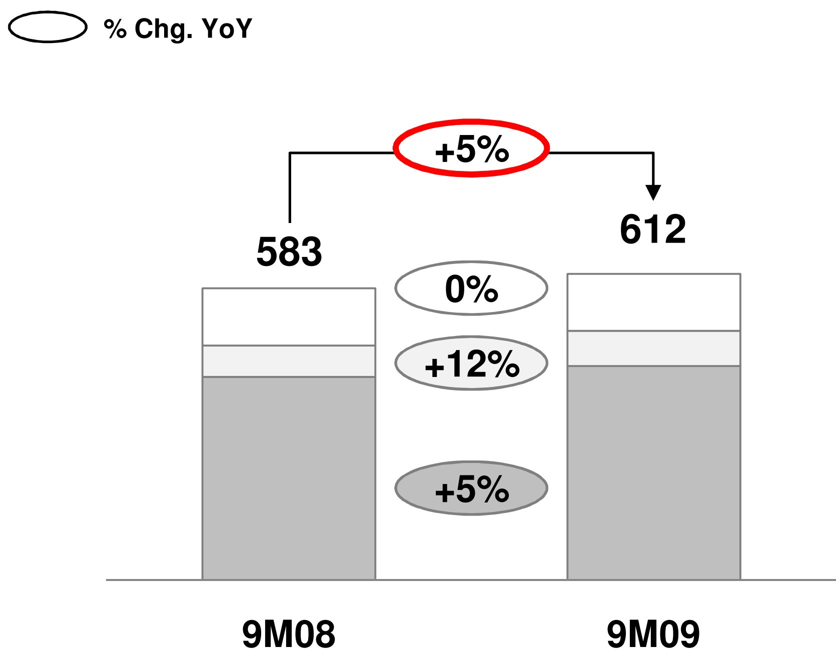
- EBITDA growth YoY: +39% in 9M09
- Higher weight of residentials than Spanish average

Regulated Energy Networks Iberia (25% of EBITDA)

Reported EBITDA
(€ million)



Adjusted EBITDA (1)
(€ million)



Reported EBITDA YoY comparison penalised by:

- Non-recurrent revenues in Electricity Portugal in 9M08 related to previous periods.
- Retroactive accounting of connection fees in Electricity Spain in 3Q09.

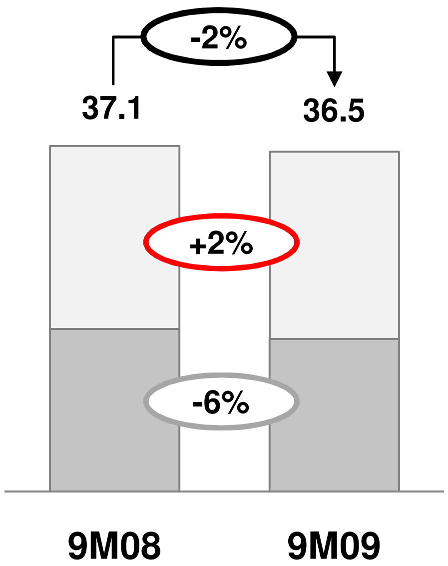
- **Electricity Portugal:** Recurrent regulated revenues +6%
- **Gas Iberia**: EBITDA Spain +8% ; EBITDA Portugal -41% (new concession profile, NPV neutral)
- **Electricity Spain**: Regulated revenues +5%

(1) Electricity Distribution Portugal: 9M08 adjusted for previous years tariff adjustments and deviations (€166m) and for HR Restructuring Costs (€32m)
Electricity Distribution Spain: 9M09 adjusted for recognition of upfront connection fees previously paid by clients (€17m); 9M08 adjusted for previous years regulated revenues (€5m)

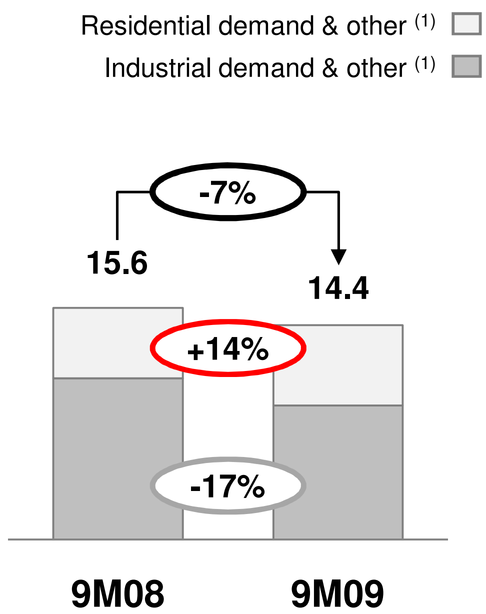
Regulated Energy Networks Iberia: Demand with low impact on regulated revenues, efficiency improvements

Energy Distributed in Regulated Networks
(TWh)

Electricity Portugal



Gas Spain



Residential segment: steady demand growth

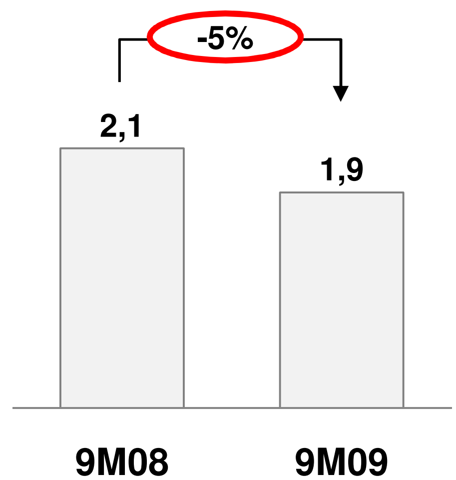
Residential segment: steady demand growth

Industrial demand: crisis impact, more stable in 3Q

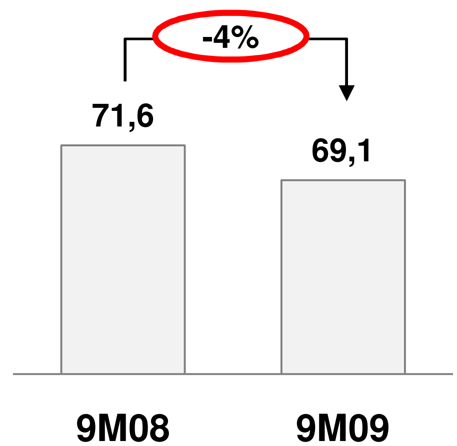
No material impact on regulated revenues

Electricity Distribution: Efficiency Ratios
(€)

Opex(2)/Km Network



Opex(2)/Client Connected

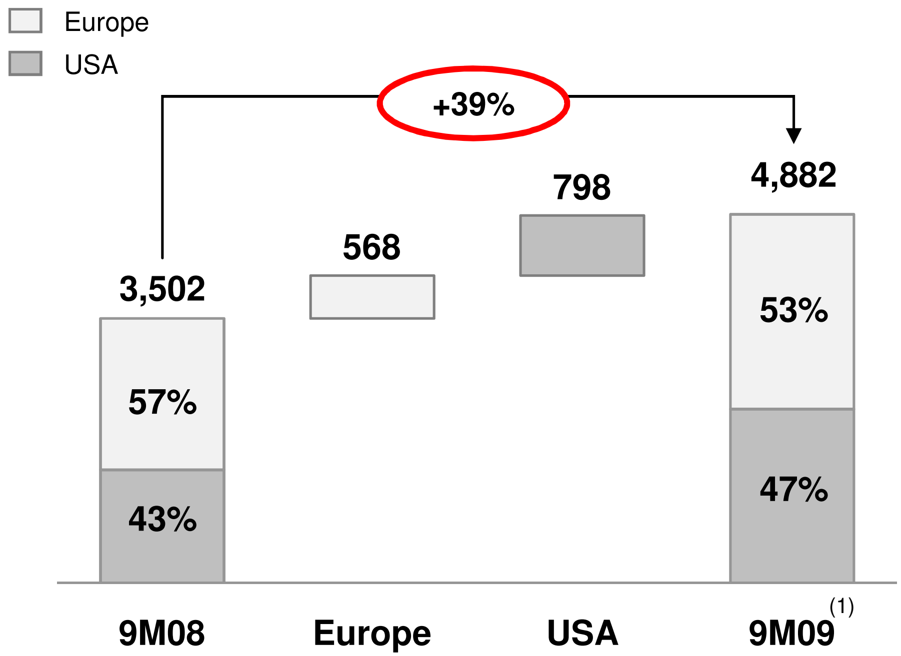


Continuous improvement of efficiency levels

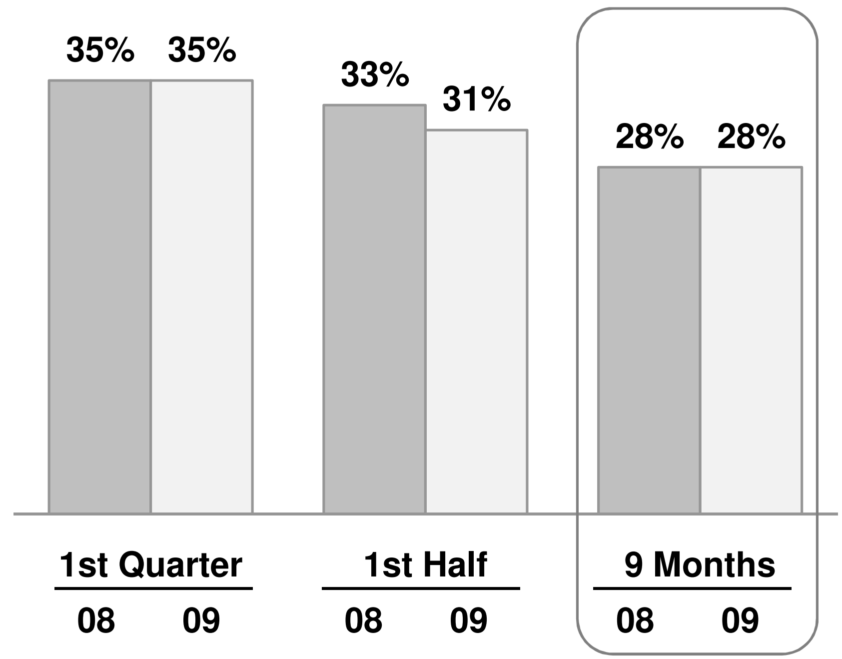
(1) Residential & other include low voltage electricity distribution and low pressure gas distribution, industrial & other include normal voltage in electricity distribution and high pressure in gas distribution
(2) Supplies & Services, Personnel Costs and Costs with Social Benefits

Wind Power: (15% of EBITDA)
Strong Increase of Installed Capacity, premium Load Factors

YoY Capacity Increase
(MW)



Average Load Factor
(%)



- **Wind Power Installed capacity +39% YoY**
- **Net additions:** +1,380MW YoY from which:
  - ✓58% in USA / 42% in Europe;
  - ✓65% in 4Q08 / 35% in 9M09;

- **Wind Power output 9M09: +36% YoY** (+1.9TWh)
- **US:** Average load factor flat YoY at 31%;
- **Europe:** load factor 24% in 9M09 (25% in 9M08), maintaining premium avg. load factor in Spain;

(1) including +14 MW from Brazil.

Wind power prices: 86% of production in 9M09 sold without material exposure to spot electricity prices

Production Breakdown — 7,295 GWh (9M09)

Avg. Selling Price per MWh

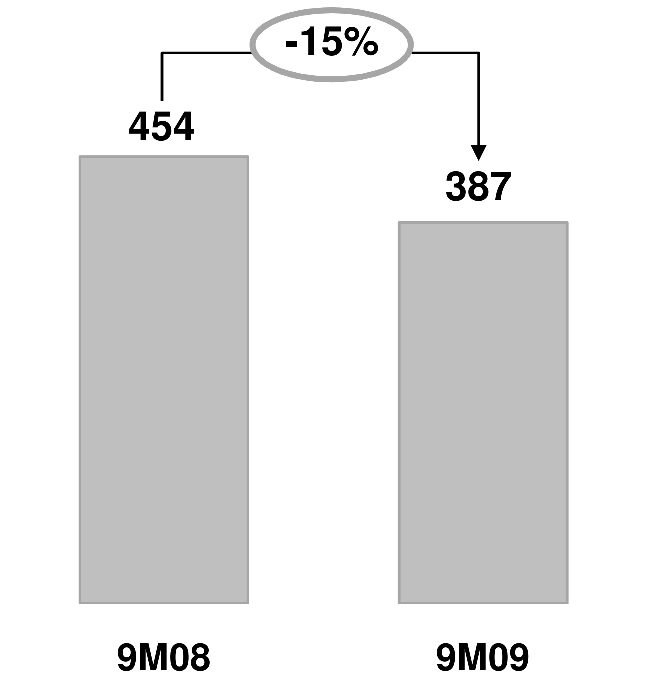
			9M09	9M08	△%	
Portugal + France (1)	15%	Feed-in tariff	€97	€95	+2%	**Stable tariffs**, Inflation updated.
Spain	30%	Market + Premium + Hedging	€86	€99	-13%	**2,156 GWh, 83% protected:** ✓65% sold forward (+€6.5/MWh) ✓18% protected by floor price ✓17% sold at pool price+premium
US	55%	PPA / Hedged (2)	$52	$48	+9%	**4 new PPAs closed at prices above portfolio average**
		Merchant (2)	$26	$90	-71%	**633 GWh, 9% of total,16% of US:** ✓Sharp YoY decline in MISO/PJM ✓PPA strategy: maximize LT value

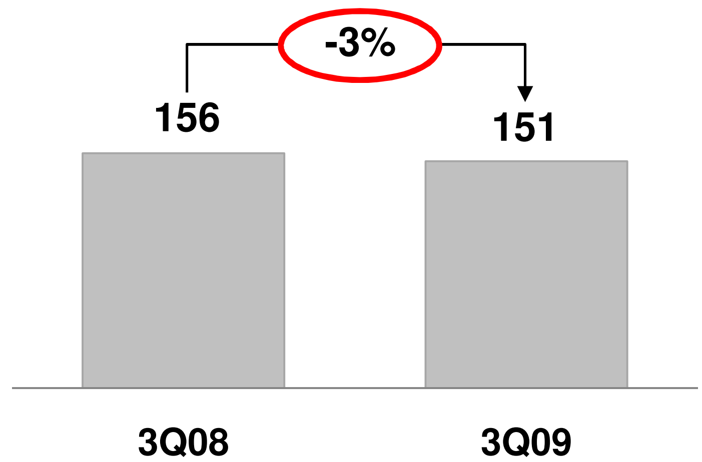
- **Lower spot prices in Spain & US**, just partially mitigated by forward sales in Spain (+€14m impact)
- **Wind power production +36% YoY; EBITDA +20% YoY** due to adverse spot prices comparison YoY

(1) Includes 39 GWh, or 1pp, from Belgium (stable revenues through PPAs); (2) Excluding sale of interests in institutional partnerships.

Brazil (16% of EBITDA): Significant recovery in 3Q09

Reported EBITDA
(€ million)



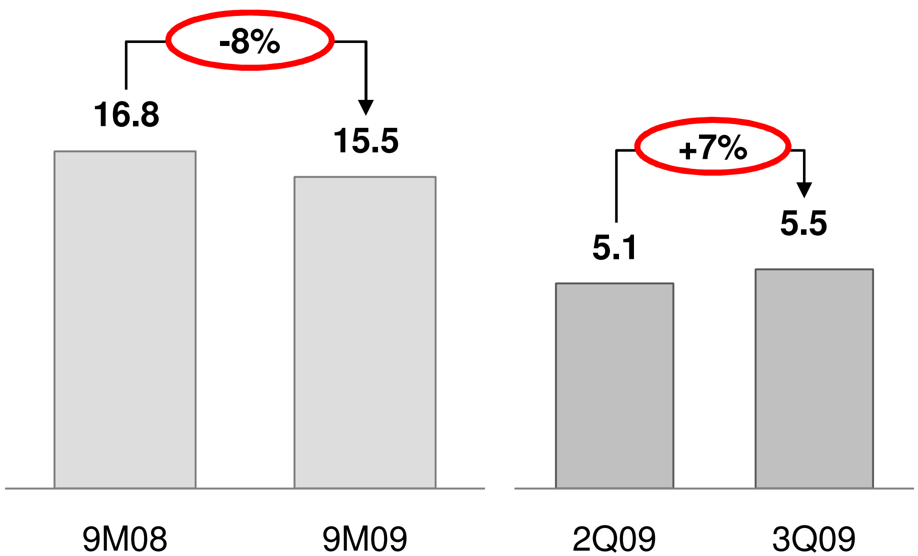


EBITDA -15% YoY in 9M09, -3% in 3Q09: BRL/EUR appreciation in 3Q09 (+9% vs. 1H09); One-off trading gains in 2008; One-off staff reduction costs in 2009; Positive impact tariff deviations: Higher in 2008

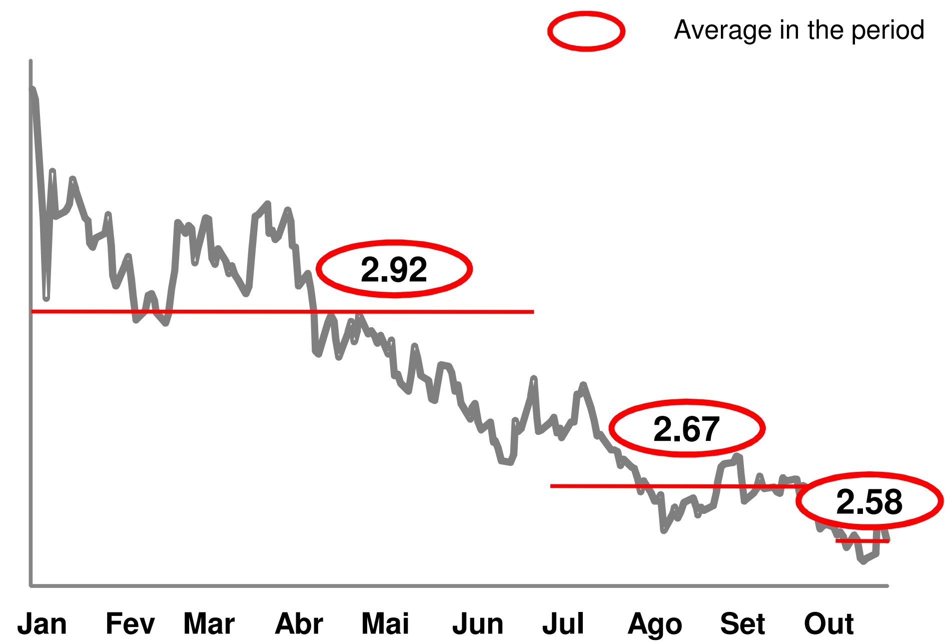
(1) Excludes impacts from change in BRL/EUR(€42m), one-off trading gains in 9M08 (€40m), one-off staff reduction costs in 9M09 (€5m) and tariff deviations (9M08:+€26m; 9M09:+€14m)

Brazil: Recent performance of energy demand and BRL/EUR

Electricity Distributed (TWh)
Bandeirante & Escelsa Concession Areas



BRL/EUR: Year-to-Date



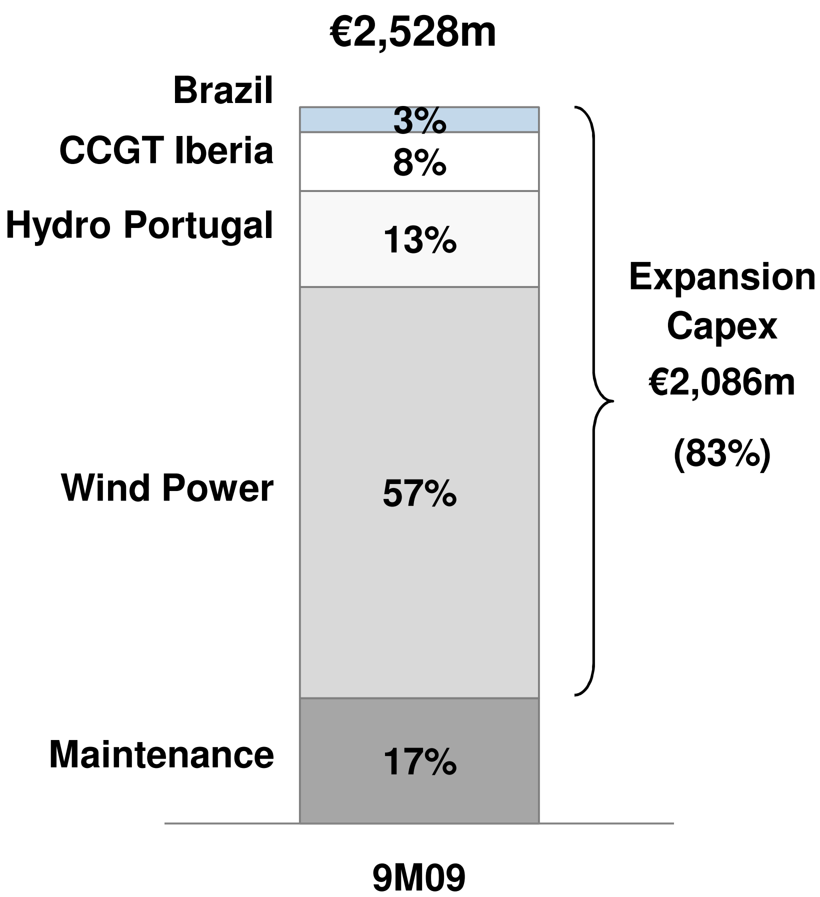
Industrial Segment: Signs of recovery of energy demand

+7% from 2Q09 to 3Q09 (vs. +2% from 2Q08 to 3Q08)

BRL/EUR: Favorable recent performance

Consolidated Financials

Consolidated Capex 9M09: 83% in expansion; 87% of expansion capex was in wind and hydro power



Wind Power: €1,452m [1]

- 45% in US, 33% in Spain and 22% in RoEurope
- 33% on projects concluded and 67% on projects ongoing

Hydro Power Portugal: €336m

- Fridão Alvito concession right: €232m
- 847MW under construction: €104m

New CCGTs Iberia: €167m

- Portugal, 862MW: concluded in Oct-09
- Spain, 424MW: commissioning by 1Q2011

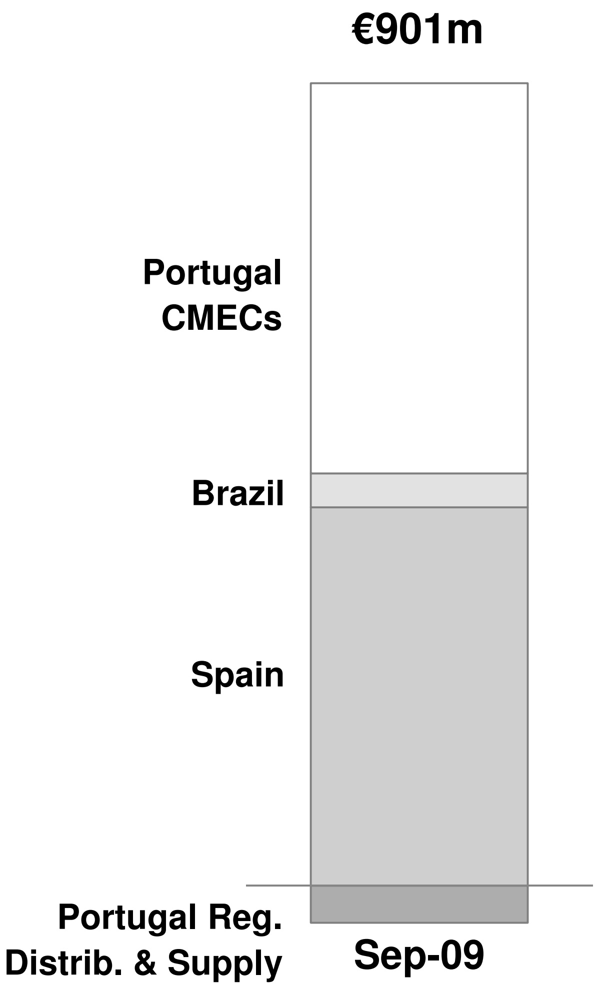
Brazil New Generation Plants with PPAs: €58m

Avg. Generation Installed Capacity: +14% YoY in 9M09, reaching 19.1 GW by Sep-09

3.7GW under construction (19% of capacity): Works in progress of €3.0bn by Sep-09

[1] Net of Cash Grants received in 9M09 (€35m)

Regulatory Receivables by Sep-09



Regulatory Receivables from CMECs: €460m

- **€253m** created in 9M09 (low hydro production and low electricity prices).
- **c€250m** expected to be recovered during 2010, remaining in 2011.

Spanish Tariff Deficit: €445m

- **€103m** created in 9M09
- **c€340m** included in the ongoing securitization process

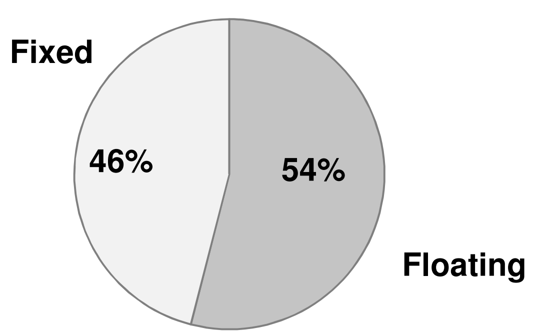
Portugal last resourse supply & distribution net surplus: €44m

- **€601m** positive deviation created in 9M09 due to lower than expected electricity prices: To be paid back to consumers over 2010/2011.
- **€336m** ex-ante tariff deficit in 9M09 (€447m for 2009 full year): To be paid by consumers in 15 years; EDP has the option to assign this right to a third party.
- **€221m** from previous years & other: the bulk is to be recovered in 2010.

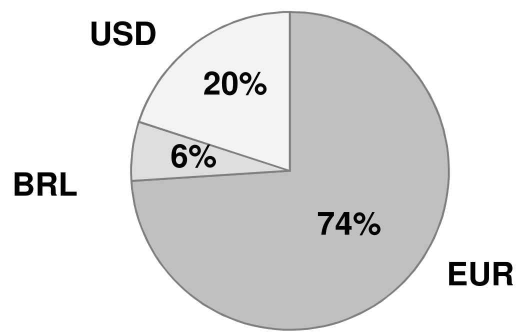
Good short-to-medium term visibility on the recovery of existing regulatory receivables

EDP Consolidated Net Debt

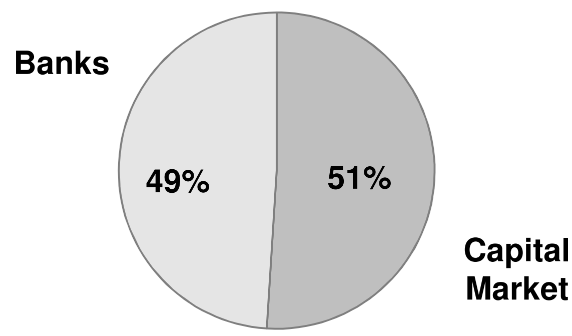
Debt by Interest Rate Term



Debt by Currency



Debt by Source of Funds



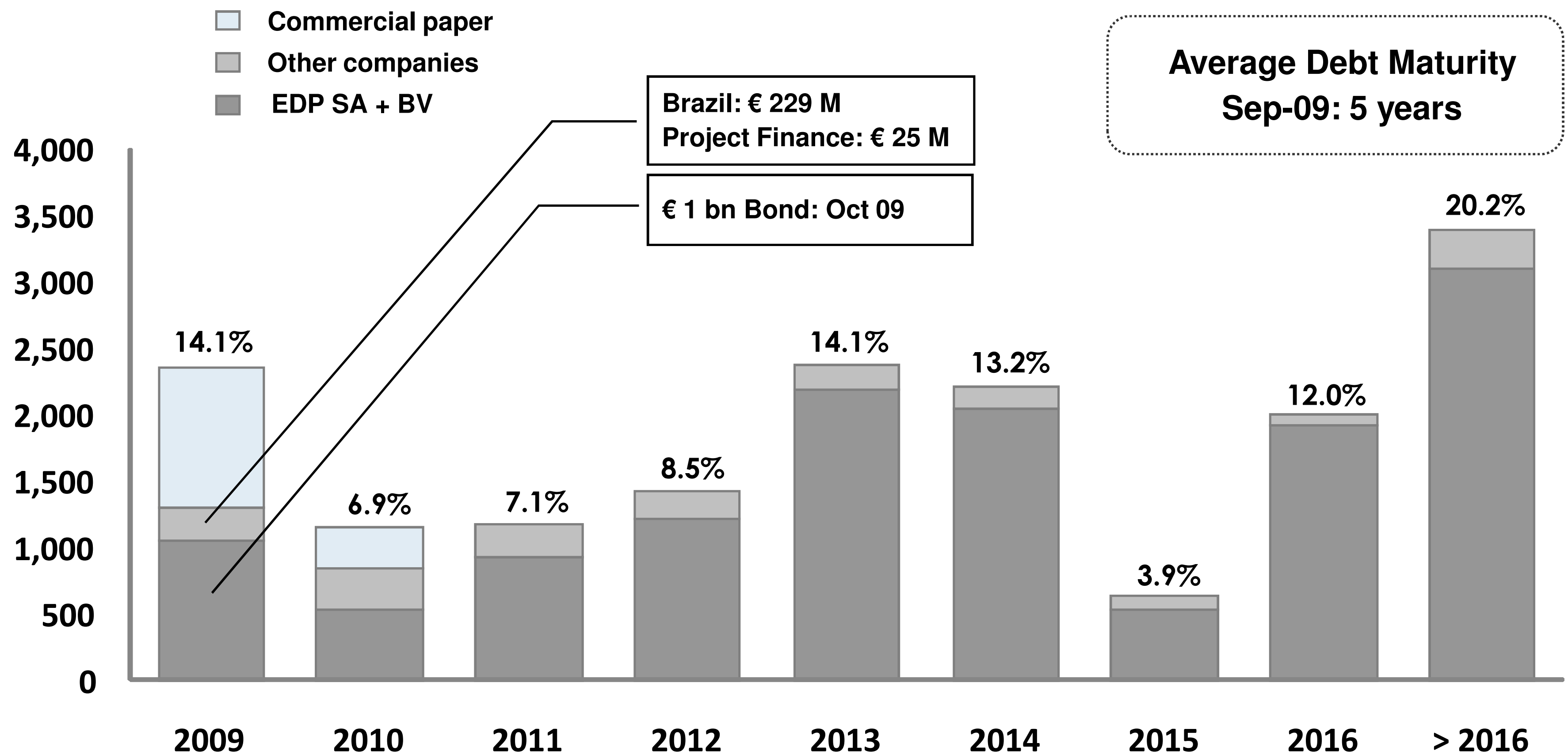
	2008	9M09
Net Debt/EBITDA	4.4x	4.4x
Net Debt/EBITDA ex Reg.Receivables	3.8x	4.2x

	Rating	Last Rating Action
Standard & Poors	A-/Negative/A2	04/08/2009
Moody's	A3/Stable/P2	09/06/2009
Fitch	A-/Stable/F2	06/02/2009

Consolidated Net debt of €14.4bn by Sep-09 vs. €13.9bn by Dec-08

EDP consolidated debt maturity profile

EDP consolidated debt maturity profile (September 30, 2009)
(€ million)



€5.1bn of cash and liquidity facilities available by Sep-09

EDP main sources and uses of funds in 2009-2011

Sources of funds

- Cash & Equivalents (Sep-09): €2.5bn
- Available Credit Lines (Sep-09): €2.6bn

Total: €5.1bn

Use of funds

- Refining needs in the bond market 2009-2011:

Bond issue maturing in Oct-09:	€1.0bn
Bond issue maturing in Jun-10:	€0.5bn
Bond issue maturing in Mar-11:	€0.7bn
Total:	€2.2bn

Other sources of funds:

- **Financial stakes:** Sonaecom sold in Oct-09
- **Regulatory receivables** of €0.9bn by Sep-09: Downward trend expected over the next 12 months.

Comfortable liquidity position

Net Profit Break-down

(€ million)	9M08	9M09	Δ %	Δ Abs.
EBITDA	**2,370**	**2,427**	**2%**	**+57**
Net depreciations & provisions	904	955	6%	+51
EBIT	**1,466**	**1,472**	**0%**	**+6**
Net Interest Costs	(516)	(439)	-15%	+77
Other [(1)]	324	111	-66%	-213
Income Taxes	(241)	(309)	28%	+68
Minority Interests	93	87	-6%	-6
Reported Net Profit	**940**	**748**	**-20%**	**-192**

- **Net interest costs down 15% YoY:** Decline in avg. cost of debt, from 5.7% in 9M08 to 4.0% in 9M09, more than offset higher Net Debt.
- **Others include**: In 9M08: €405m capital gain related to EDPR IPO and loss with financial stakes in BCP & SonaeCom (€198m); In 9M09: capital gains (€31m).
- **Effective tax rate** up 8.2pp to 27%: 9M08 capital gain from EDPR IPO not considered for tax purposes.
- Lower **minority interests** from Energias do Brasil (increase of treasury stock) offset higher minority interests from EDPR (IPO)

(1) Including results from Associates Companies, Capital Gains and Discontinued Activities

Recurring Net Profit up 9% YoY

EDP Group (€ million)	9M08	9M09	% Chg.
Reported Net Profit	**940**	**748**	**-20%**
Gain from EDP Renováveis IPO	-405	0	-
Other: Capital Gains & Impairments (1)	179	32	-
Recurrent Net Profit	**714**	**780**	**+9%**

Excluding non recurrent items, Net profit grew 9% YoY

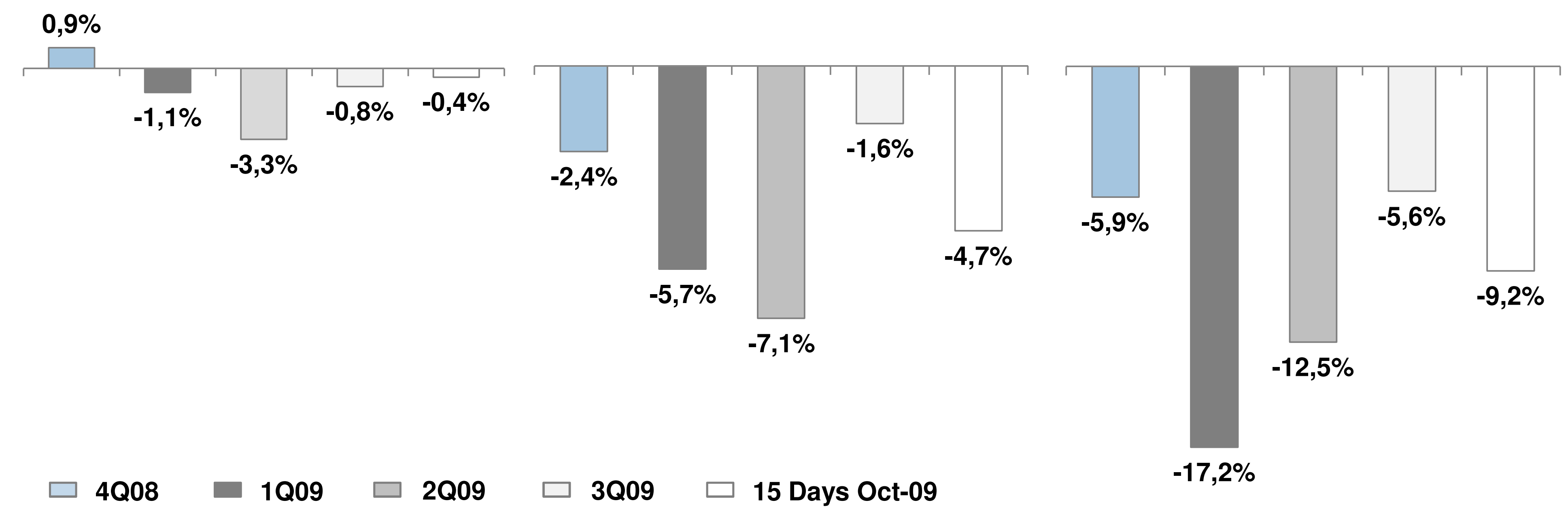
(1) Capital Gains from Turbogás and Portugen (€49m in 9M08); impairments from EDP's stakes in BCP and Sonaecom (€198m in 9M08 and €29m in 9M09); and one-of cost with Enersul (€76m)

Prospects 4Q09 & 2010

Energy Demand Iberia: Recent performance and prospects

PORTUGAL – Electricity | **SPAIN – Electricity** | **SPAIN – Gas Total Market**

YoY Change

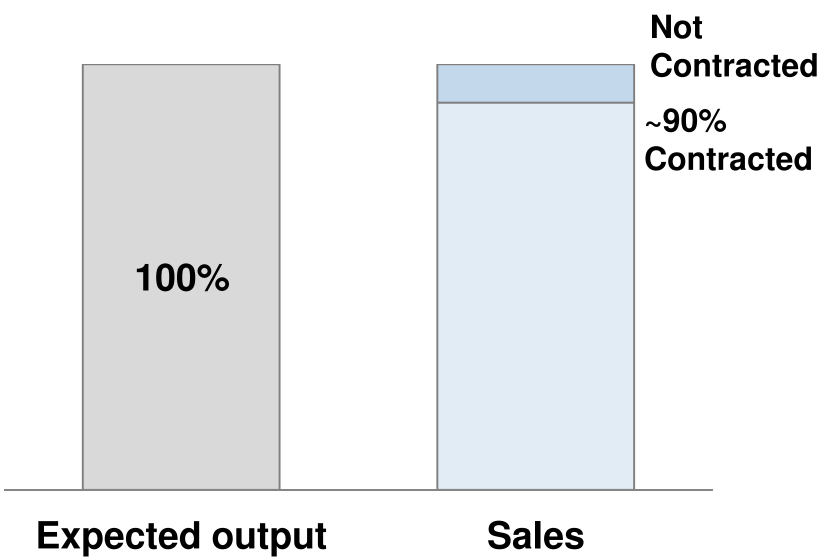


- **Electricity demand in Portugal less affected than in Spain:** Lower impact from demand contraction in construction and auto related industries
- **Signs of stabilization:** Following the recent strong declines
- **Lack of visibility on the size and speed of recovery:** Dependent on economic recovery

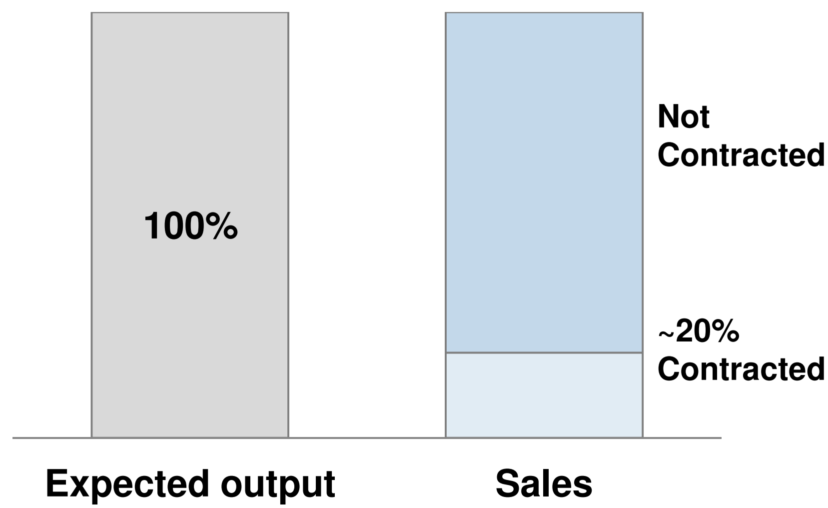
Source: REN, REE and Enagás

Liberalized activities: Outlook for 2010 & 2011

EDP: Electricity forward contracting - 2010
(%)



EDP: Electricity forward contracting – 2011
(%)



- Contracting done essentially with liberalized clients
- Avg. price[2]:~€50/MWh (vs. current forward of €39/MWh)
- Average Thermal Spread[3] Locked in: ~€10/MWh

- Continuing strategy to forward contract sales and locking-in margins at satisfactory levels

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

(1) Source: Market Data from Reuters (2) Before Capacity Payment (3) Including CO_2 Costs, excluding free CO_2 allowances

Prospects for 4Q09:

4Q09 Market Environment:

- **Liberalized activities:** Own production fully sold
- **Wind:** Additional capacity, 0.6 TWh sold forward in Spain at €42/MWh
- **Avg. BRL/EUR** in 4Q09-to-date (until Oct-26th): 2.57, +14% YoY;
- **Seasonally, 4Q is stronger:** on wind/hydro output, on energy distribution

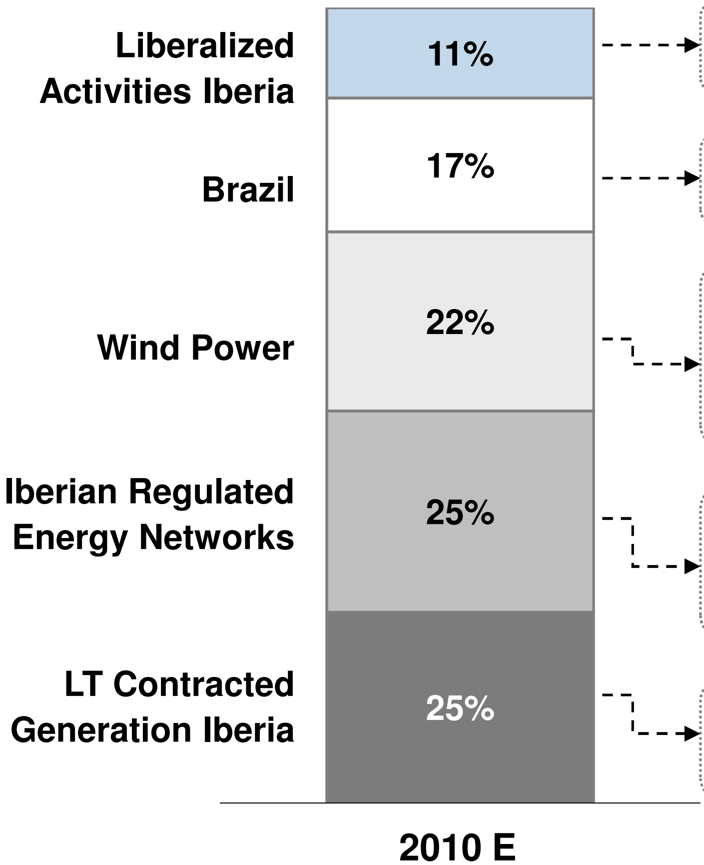
Sell Side Analysts Consensus for EDP*	
EBITDA 2009E	€3,223m*
Net income 2009E	€918m*

* Source: Blomberg standard consensus for EDP, mean of 18 estimates, data on 28-Oct-2009.

Considering reported 9M09 figures and current expectations on 4Q09 performance:

EDP is highly confident that it will beat current 2009 consensus*

Prospects for 2010: EBITDA



- ✓~90% of expected production sold forward at thermal spreads ~€10/MWh

- ✓ New regulatory period Escelsa starts in Aug-2010, Bandeirante in Oct-2011

- ✓New capacity to be installed in 2010: 1.3-1.4GW
- ✓Green energy prices USA: Energy bill under analysis at the US Congress
- ✓Forward sales in Spain: 1.4 TWh at €44/MWh

- ✓ ERSE proposed a 2.9% increase of avg. tariffs in Portugal for 2010
- ✓ Integration of gas distribution assets acquired from Gas Natural

- ✓ Contracted gross profit PPA/CMECs: €949m: Includes impact from 56MW fueloil decommissioning, and 1.5% inflation forecast for 2010.

Good visibility on EBITDA given a relatively low sensitivity to economic cycle
>85% of EBITDA with very low volume or price risk

Conclusion

Stable, low-risk returns

EBITDA strongly resilient, stable and predictable

- **~85% EBITDA** with low sensitivity to economic cycle
- High weight of **long term contracted generation and regulated networks**
- **Hedging** liberalized activities: Selling more energy directly to clients not in pool

Selective investment criteria

Clear room for value creation in ongoing investment plan:

- **Wind Power:** Major growth driver, US/EU public support, lower capex/MW
- **Hydro Portugal**: Scarce assets, largest growth plan in Europe

Balanced financial structure

Efficient match between capital structure / business risk profile

- **Liquidity position:** €5.1bn available, to cover needs 24 months ahead
- **Cost of debt:** lower in 2009 (54% is floating), new issues at competitive pricing

Annex

Long Term Contracted Generation Iberia (25% of EBITDA)
Non recurrent impact on EBITDA from fuel procurement

Fuel procurement PPA/CMECs

PPA/CMEC pass-through of fuel costs:
At fuel spot prices in the month of burn

Inventories management:
Forecast coal/fueloil needs, procurement contracts closed months before burning

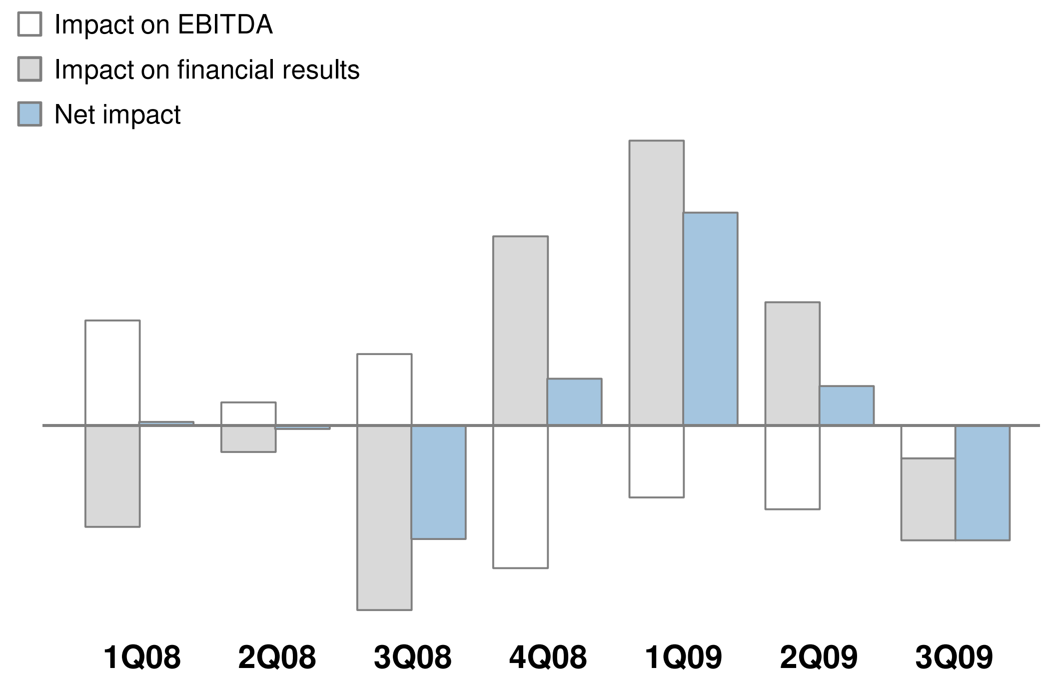
Short term volatility on:
(1) international fuel prices
(2) fuel inventory levels

Impact on EBITDA

Hedging of risk through financial instruments

Impact on Financial Results

PPA/CMECs: Non-recurrent results from fuel procurement and associated hedging results



Net profit impact converges to zero on an accumulated basis

Liquidity: Financing cash needs two years in advance

€1bn 5 Year Bond – Feb-09:

- Oversubscribed with well diversified investor pool

€1.6bn 3 Year Revolving Credit Facility – Mar-09:

- EDP signed a new 3-year RCF, replacing the RCF due in Jun-09
- Club deal with 19 national and international banks with good credit standing

€1.2bn sale of Tariff Deficit – Mar-09:

- Challenging transaction due to nature and size of asset, concluded in record time: 4 months after announcement in November's Investor Day
- AAA rating from Moodys

€1bn 7 Year Bond – Jun-09:

- Oversubscribed with well diversified investor pool
- Coupon at 4.75%, equivalent to 135bp spread over mid swaps

$1bn 10 Year Bond – Sep-09:

- Oversubscribed with well diversified investor pool
- Coupon at 4.9%

EDP liquidity position Sep-09

(€ million) **Sources of liquidity (Sep-09)**

Instrument	Maximum Amount	Number of counterparties	Utilised	Available	Maturity
Revolving Credit Facility (US$1.5bn)	1,024	22	1,024	-	02-07-2014
Revolving Credit Facility	1,600	19	-	1,600	04-03-2012
Domestic Credit Lines	315	11	26	289	Renewable
Domestic Credit Lines – HC Energia	62	4	5	57	Renewable
Underwritten CP Programmes	650	3	-	650	Renewable
Total Credit Lines	3,651		1,055	2,596	
Cash and Equivalents:				2,486	
Total Liquidity Available				5,082	

€5.1bn of cash and liquidity facilities available by Sep-09

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Next Events

EEI Conference, Miami: November 2nd-3rd

Credit Suisse Utilities Conference, London: Nov. 27th

2009 Results Release: March, 4th, 2010 (to be confirmed)