



1H08 Results

July 30th, 2008

1H08: Highlights of the period



EBITDA: €1,585m, +17% YoY

Generation & supply Iberia: PPA/CMEC and hedging policy provide stable performance

Wind power: Major growth driver, good load factors, favourable pricing in Spain

Controllable operating costs ex-EDP Renováveis: flat YoY

Brazil: YoY comparison penalized by non-recurrent items in 1H07 and lower tariffs in 1H08

On track to reach EBITDA commitment: (CAGR +13% in 2005-2010)

1H08: Highlights of the period



Net profit of €703m: +67% YoY; ex-items: +12% YoY to €473m

EDPR IPO concluded in Jun-08: Cash proceeds of €1.57bn

1,677 MW of wind capacity under construction in Jun-08: On track to install 1.4GW in 2008

€759m payment of hydro domain in Apr-08: Secure hydro in the market till 2047

Increase of regulatory receivables in Portugal, Spain and Brazil: €1,161m in Jun-08

Net debt of €12.0bn improving net debt/EBITDA ratio to 3.8x

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1H08 Financial Headlines

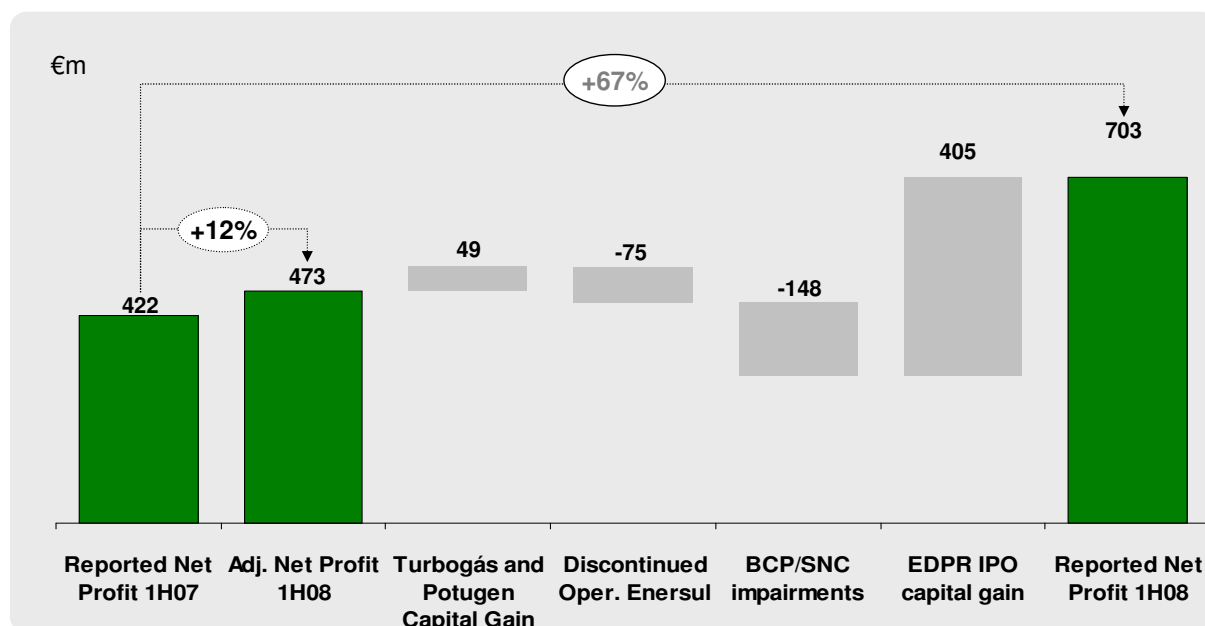


Net profit +67% YoY to €703m; 12% increase YoY ex-items

(€ million)	1H07	1H08	% Change
Gross Profit	2,263	2,445	+8%
Operating Costs	910	861	-5%
EBITDA	1,353	1,587	+17%
EBIT	828	973	+18%
Net Financial Costs, Capital Gains & Other	(159)	(11)	+93%
Net Profit	422	703	+67%
Capex	554	1,345	+143%
Net Debt (€bn)*	11,7	12,0	3%
Net Debt / EBITDA*	4.4	3.8	

Improvement of Net Debt/EBITDA from 4.4x in Dec-07 to 3.8x in Jun-08

1H08 net profit Impacted by 4 Major Extraordinary Items



Ex-items, adjusted net profit increased 12% YoY to €473m

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1H08 EBITDA Breakdown

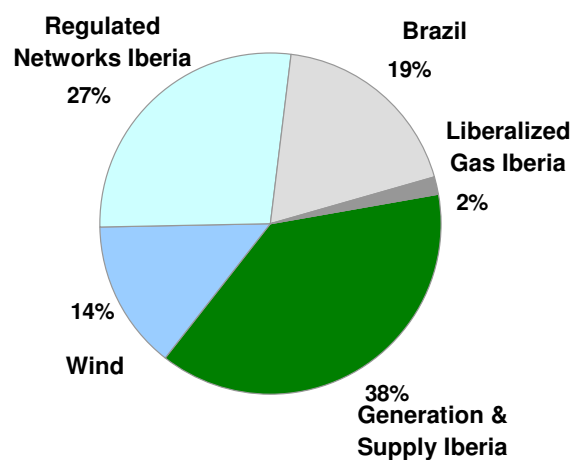


EBITDA Breakdown

(€ million)

	1H07	1H08	% Chg.	Δ
Generation & Supply Iberia	586	616	+5%	+30
Wind	93	227	+145%	+134
Regulated Networks Iberia	386	438	+14%	+52
Brazil	323	298	-8%	-25
Liberalized Gas Iberia	23	28	+20%	+5
Other & Adjust.	(58)	(22)	-	+36
Consolidated EBITDA	1.353	1.585	17%	+232

EBITDA breakdown



Strong organic growth of EBITDA fuelled by capacity increase and higher efficiency

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1H08: Highlights in Generation & Supply Iberia



EBITDA +5.1% YoY to €616m

LT Contracted Generation EBITDA +13% YoY: Remuneration of Sines new desox facilities

Liberalized Generation: Good performance in Portugal, margins' deterioration in Spain

CCGT expansion on track: Soto 4 in Spain (3Q08), Lares 1+2 in Portugal (3Q09)

Hydro development in Portugal: 919MW under construction, 1.9GW firm pipeline

Low risk generation portfolio, growing in hydro and CCGTs in Portugal

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LT Contracted Generation (28% of EBITDA)



(€ million)

	1H07	1H08	% Chg.
EBITDA	391	443	+13%
Non Recurrent	-2	+28	
EBITDA Recurrent	393	415	+6%
Sines' Desox investment	0	9.5	
Tunes' PPA termination	2.9	0	

- **Sines Desox:** €196m remunerated at 8.5% ROA real pre-taxes; investment payback until Dec-17; 50% commissioned in Jul-07, 50% in Jul-08;
- **Tunes:** 165MW gasoil plant which PPA terminated in Dec-07
- **Non recurrent items:** €28m positive impact in 1H08
- **Upcoming investments:** Sines Denox, €100m capex in 2008-2011 to be remunerated at 8.5% ROA real pre-taxes.

Stable cash flow; Room for new revenues sources (Sines desox and denox investments)

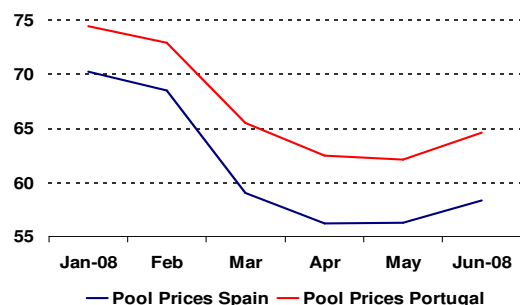
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Liberalized Generation & Supply: Market Environment Portugal



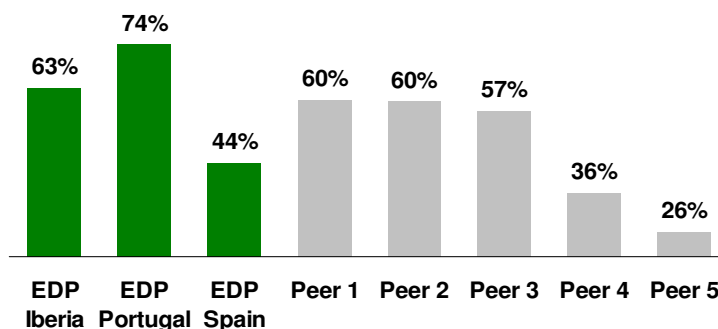
Market Splitting Portugal vs. Spain in 1H08

(€/MWh)



Avg. Pool Price in Portugal €5.6/MWh higher than in Spain in 1H08 with interconnection restrictions in 63% of hours

Load factor of CCGT in 1H08 Iberian Peninsula per operator



CCGT Load factor in Portugal above Iberian average due to lower reserve margin in Portugal

Tight Reserve Margin and market conditions in 1H08 justify intensive use of CCGTs in Portugal

Note: CCGT costs based on CMP and efficiency of 51.5%

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Liberalised Generation & Supply



Generation & Wholesale (energy sources)

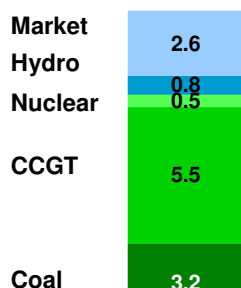
Clients & Wholesale (energy sold)

Variable Cost
€/MWh

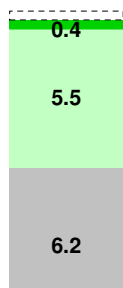
42.8 12.6

Selling Price
€/MWh

67.4



Volume TWh



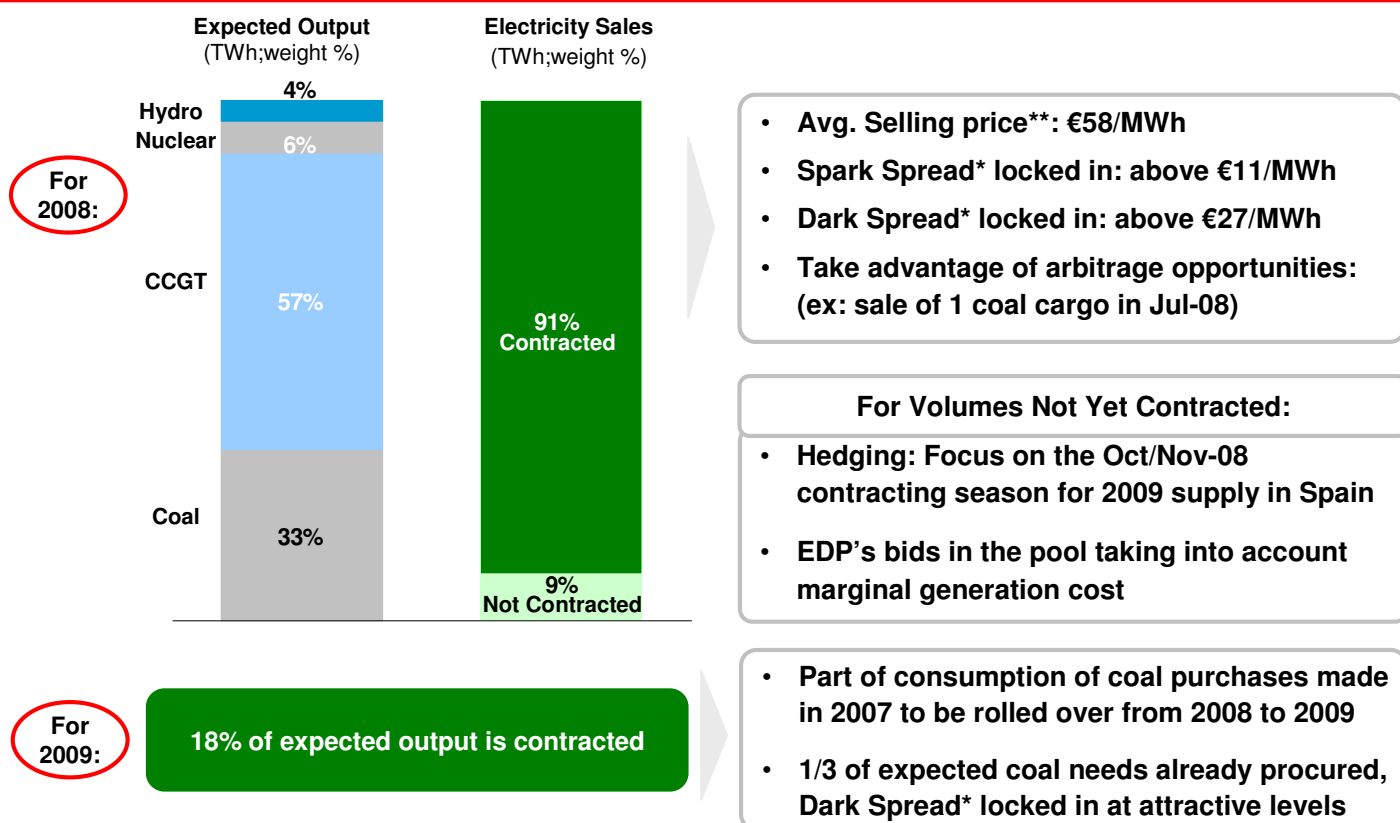
Volume TWh

Wholesale Forward Market
Wholesale Spot Market
Liberalized Supply Clients

(€m)	1H08	Chg.
Liberalized Gross Profit Iberia	258	-10%
Lib. Generation & Supply Spain	175	-25%
Lib. Generation & Supply Port.	83	+48%
Liberalized EBITDA Iberia	173	-4%

Growth of activity in Portugal and well timed contracting (supply clients and fuel costs) partially compensates increase of fuel costs and CO2 claw-back

Liberalized Generation & Supply: Forward Contracting



* Including CO₂ Costs + RD11/07 ** Before Capacity Payment

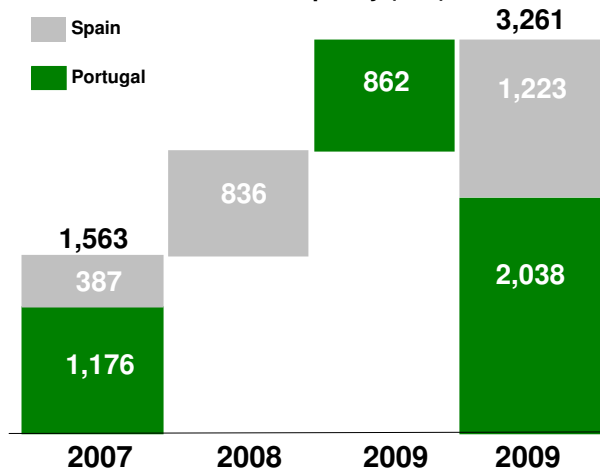
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CCGTs: Doubling Installed Capacity in 2 years



Average capex €505/kW, 79% of total capex already booked by Jun-08

EDP's CCGT Installed Capacity (MW)



Plants	€/kW	MWs	Capex (€m)	% Incurred	Commissioning Date
Castejon 3	469	418	196	100	Jan-08
Soto 4	487	418	204	100	Aug-08
Lares 1	568	431	245	60	Sep-09
Lares 2	494	431	213	60	Oct-09
Total	505	1,698	858	79	

- Reserve margin in Portugal is lower than in Spain
- Reduces CO₂ emissions of generation portfolio

- Turbines well timed procured: Lower cost
- Investment shared with value-added partner (Sonatrach)

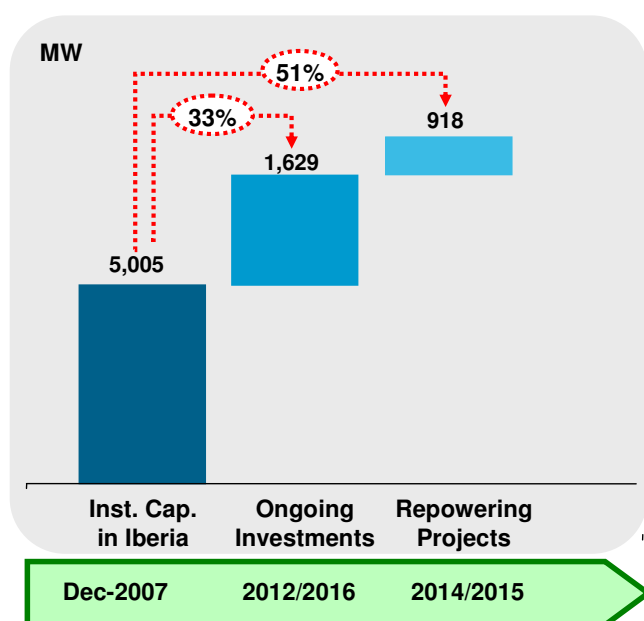
CCGTs: A competitive growth strategy at controlled risk

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EDP expects to increase its hydro capacity in the Iberian Market by 51% until 2016



Edp's Investment Plans in Hydro



Hydro Plans	MW	Capex	To enter in Operation	Type	Status
Picote II	246	135	2011/12	Repowering	Under construction
Bemposta II	191	130	2011/12	Repowering	Under construction
Alqueva II	240	149	2012	Repowering	Under construction
Baixo Sabor	170	369	2013	New Plant	Under construction
Foz Tua*	312	340	2013	New Plant	Construction to start in 2008
Ribeiradio (@55%)	78	128	2013	New Plant	Construction to start in 1Q09
Fridão	256	242	2016	New Plant	Awarded
Alvito	136	268	2016	New Plant	Awarded
TOTAL	1,629	1,761			

Beyond the above ongoing investments:

EDP has projects under study for repowering of its hydro plants representing around 900 MW

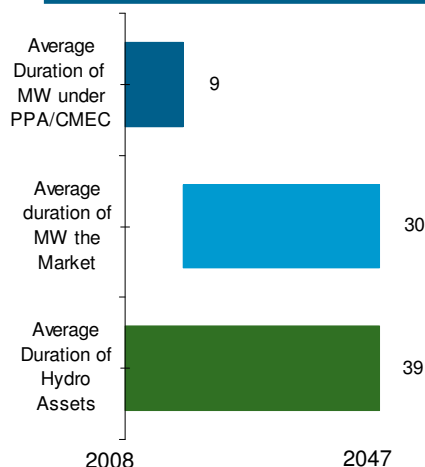
* Figures of capex and MW for a maximum level of reservoir at 195 meters. Maximum level of reservoir to be set in the 160-195 meters range

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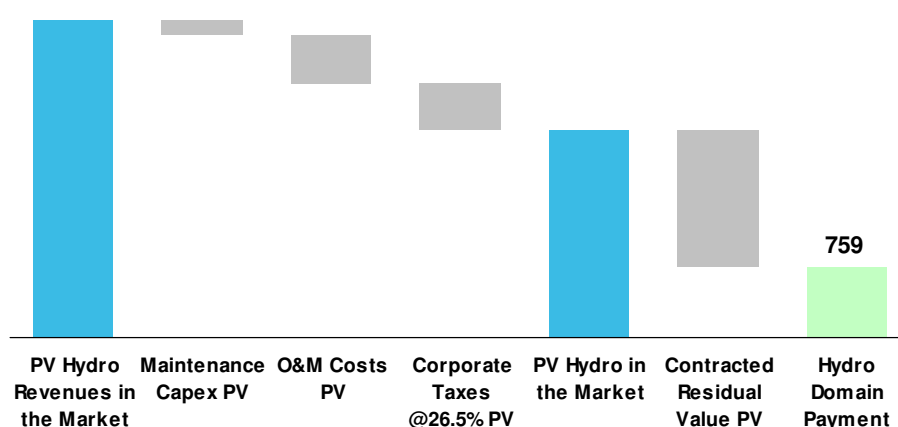
Hydro Concession Extension: €759m payment made in Apr-08



Concession of hydro plants (years)



Key assumptions for the calculation of the payment:



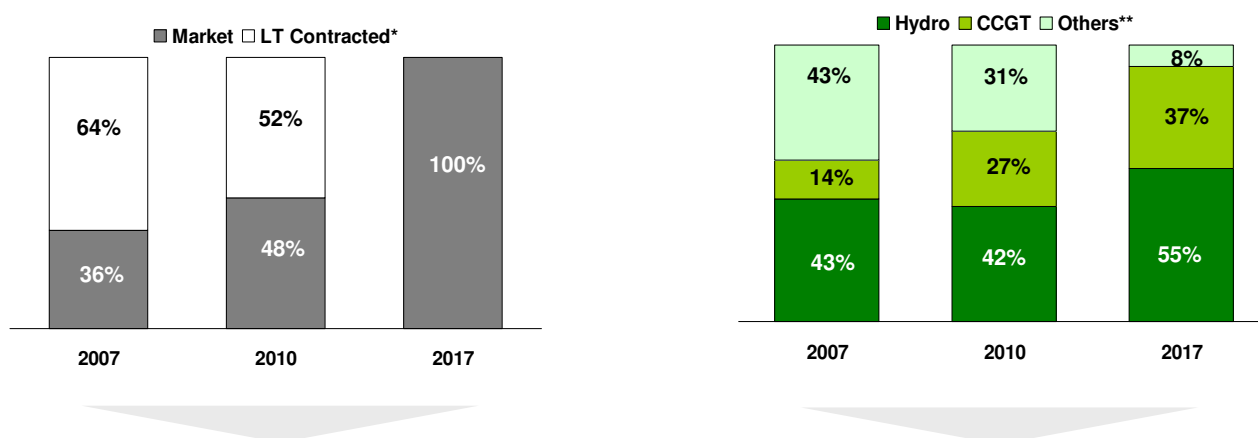
- Revenues: Output avg. hydro year; electricity wholesale price: €50/MWh@ 2007 updated at inflation
- Maintenance capex and O&M Costs expected values for the lifetime of the concessions
- Contracted residual value: Cash payment to which EDP had right at the term of each PPA contract
- WACC of 7.8% for hydro cash flows in the market;
- PPAs/CMECs legislation package approved by the Portuguese government in Feb-07;
- Hydro Domain Payment Settlement Date: Apr-08

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Conventional Electricity Generation in Iberia: Mix Evolution



EDP: Evolution of Conventional Generation Portfolio (MW)
Iberian Market



Going from a stable return portfolio in 2007 to a highly competitive market portfolio by 2017:

- Hydro should represent 55% of EDP's capacity in the market by 2017
- Capacity growth driven by new CCGTs in 2008-2009 and new hydro in 2011-2015

* Including PPAs/CMECs ;

** Including coal, nuclear, fuel oil.

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1H08: Highlights in Wind Power



EBITDA growth of +145% YoY to €227m

Gross Installed capacity: +82% or +2,114MW over the last 12 months to 3,846 MW

Output +182% YoY; load factors: 27% in Europe, 38% in USA - premium quality assets

Average selling price in Spain: +24% to €96.1/MWh; Adequate exposure to power prices

Capacity under construction by Jun-08: 1,677 MW, on track to install 1.4GW in 2008

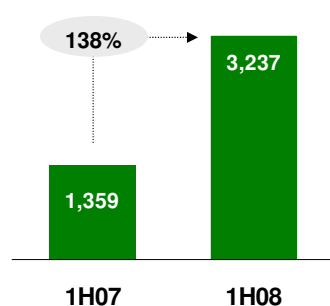
Delivering profitable growth and reducing exposure to CO₂ and fossil fuels

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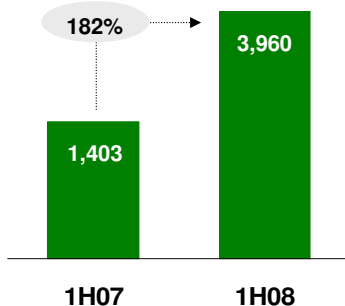
Wind Power (15% of EBITDA)



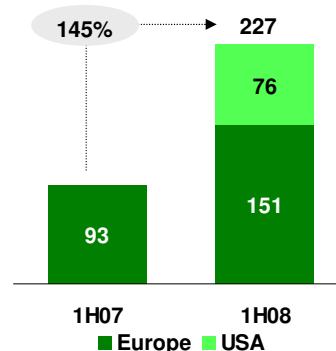
Installed Wind Capacity (EBITDA)
MW



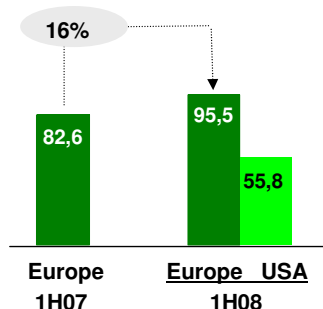
Wind Power Output
GWh



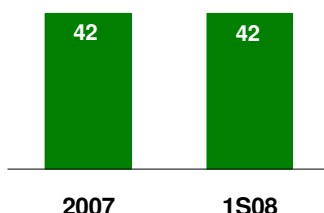
EBITDA
(€ million)



Wind Average Tariffs
(€/MWh)



Total Opex/ Average MW
(€ th. annualized)



EBITDA growth supported on:

- (1) increase of installed capacity;
- (2) high load factors;
- (3) increase of pool price in Spain;

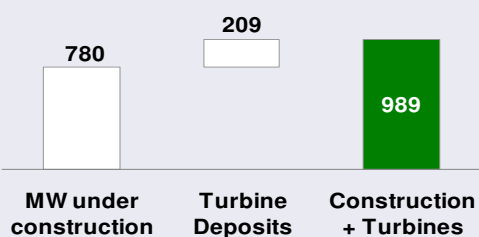
Note: Average rate for 1H08: 1.53 USD/EUR

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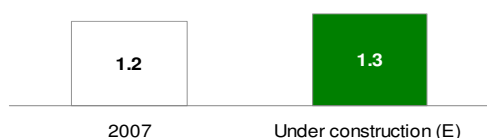
Wind Power (56% of Capex)



1H08 Works in Progress ⁽¹⁾
(€ million; cumulative in Balance Sheet)

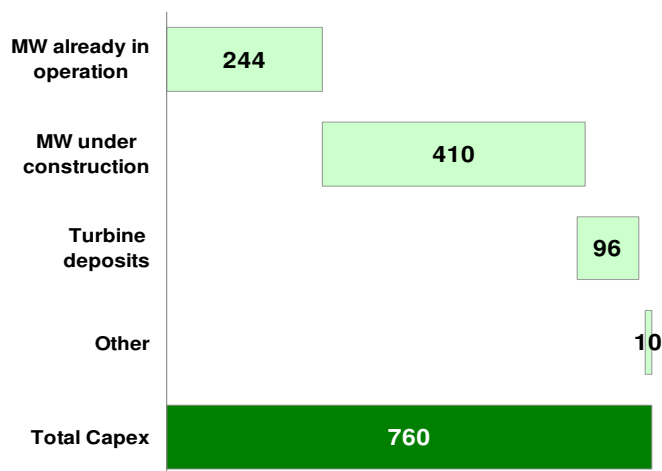


Capex costs per MW
(€ million / MW)



1H08 Capex

(€ million; incurred from January to June)



MWs under construction to represent a capex of €1.3m/MW
Works in progress amounting to €1.bn by Jun-08

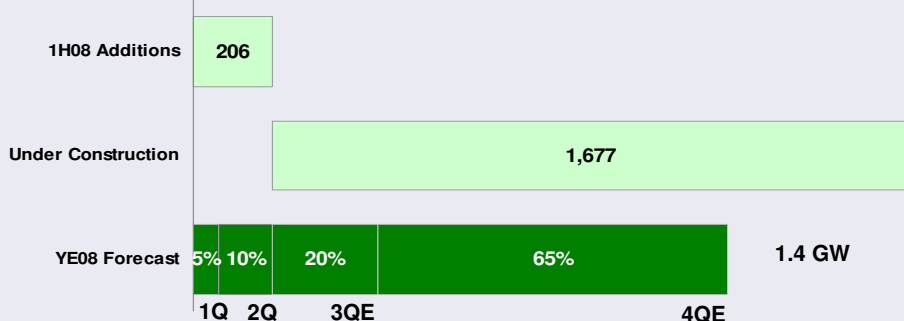
Notes: (1) Excludes Price Purchase Allocation and works in progress for capacity already in operation

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On track to install 1.4GW in 2008: In line with expectations



2008 Capacity Additions + Under Construction (Gross MW)



Capacity to increase from 3,846 MW in 1H08 to more than 5,000 MW by YE08

1,677 MW under construction by Jun-08

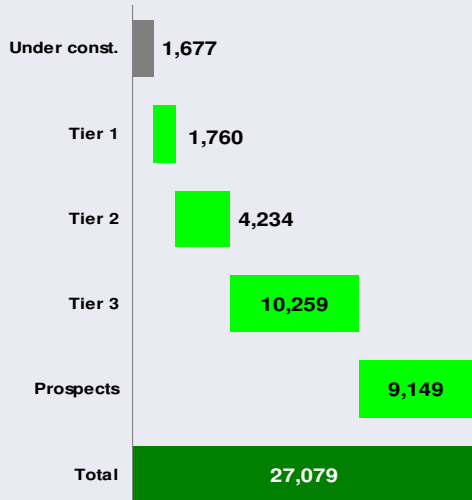
Concentration of capacity additions in 4Q reflects seasonal construction cycle, as in 2007

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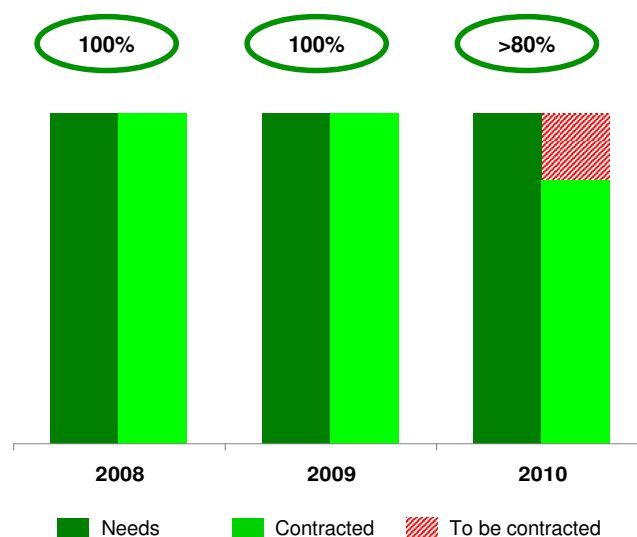
Wind Capacity Additions Beyond 2008



Pipeline + Prospects, Jun-08 (Gross MW)



Turbine needs contracted 2008 – 2010E (%)



Wind Capacity to be installed in 2009: 480 MW already under construction

On track to deliver on average 1.4 GW additions per year and achieve >10.5 GW by 2012

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1H08: Highlights in Energy Regulated Networks Iberia



EBITDA growth of +14%YoY to €438m

Slowdown of demand growth YoY in 1H08: no material impact on financials

Controllable operating costs: +1.2% (+€2m) YoY; Continued efficiency improvement

Regulatory receivables increase significantly in the period but with no impact on P&L

Efficiency improvement and active management on regulation

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Regulated Energy Networks Iberia (27% of EBITDA)

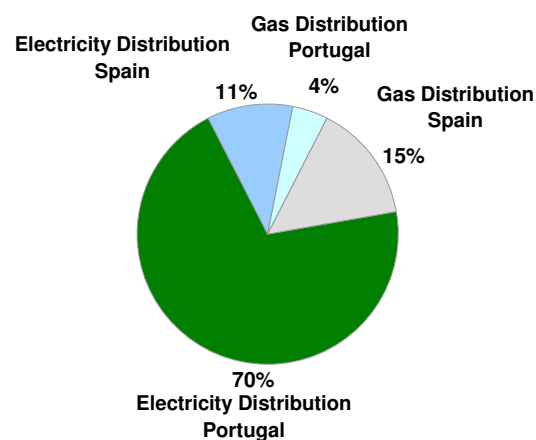


EBITDA growth supported on stable regulation and efficiency improvement

Regulated Energy Networks EBITDA Breakdown

(€ million)	1H07	1H08	Chg.	Δ
Electricity Distribution Portugal *	266	308	16%	42
Electricity Distribution Spain	44	46	5%	2
Gas Distribution Portugal	20	19	-4%	1
Gas Regulated Spain	56	65	16%	9
Total EBITDA	386	438	14%	52

EBITDA Breakdown 1H08



Efficiency Ratios: Electricity Distribution

	1H07	1H08	% Chg.
Employees/TWh	114	106	-6.8%
Employees	5,509	5,109	-7.3%

Equivalent Interruption Time (min): Electricity Distribution

	1H07	1H08	Chg.
Portugal	52	57	+5
Spain (Asturias)	42	36	-6

* 1H08 tariff deviation accounted as revenue based on current regulatory and legislative changes which will apply to tariff deviations the same regulatory and legal framework of tariff deficits

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EBITDA decreased 8% (-€25m) YoY to €298m

Lower non-recurrent revenues from tariff receivables: €97m in 1H07 vs €27m in 1H08

Impact of regulatory revisions in distribution: Stable framework for next 4 years

Efficiency improvement: Employees/TWh distributed decreased 5.5% YoY

56% EBITDA growth in generation due to high spot prices in 1H08

Asset swap Enersul/Lajeado: Balancing generation vs. distribution portfolio

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Asset Swap Enersul/Lajeado



Current Status:

Energias do Brasil holds:

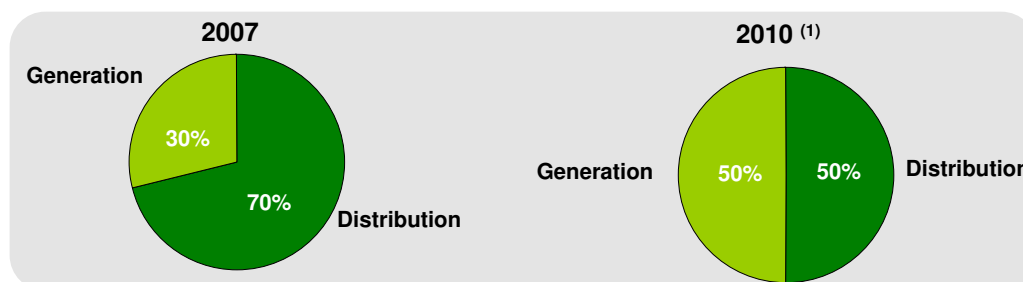
- 27.65% stake in Lajeado hydro plant (902.5MW) which is proportionally consolidated;
- 100% of Enersul distribution concession: synergies with Bandeirante and Escelsa are low due to distant location and different region profile;

Grupo Rede holds 45.3% stake in Lajeado and several distribution concessions near by Enersul

Asset Swap Enersul/Lajeado:

- Energias do Brasil increases its stake in Lajeado to 73%, (to be fully consolidated from then onwards).
- Full disposal of Enersul: 13% of total electricity volume distributed and 22% of distribution clients in 2007
- No material impact at net debt and EBITDA level
- Deal expected to be concluded in Dec-08

Asset Swap impact on Brazil EBITDA Breakdown



Asset swap deal to promote efficiency and balance generation/distribution business mix in Brazil

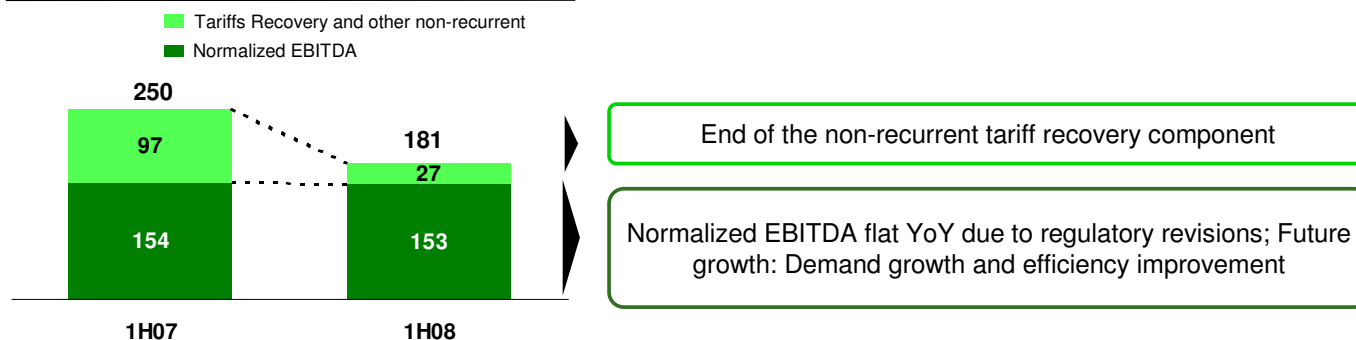
(1) This operation's closing will be subject to approval by the Brazilian energy sector regulator

(2) Figures from 2007

Electricity Distribution in Brazil



EBITDA Brazil Distribution (€ million)



A year of tariff revisions concluded: Stable regulatory framework expected for the next years
 Return on RAB: 15% (nominal before taxes)

Efficiency Ratios: Electricity Distribution

	1H07	1H08	% Chg.
Employees/TWh	232	214	-7.5%
Opex / MWh (R\$/MWh)	29.1	27.3	-6.3%

Good performance in terms of improvement in cost efficiency

Average BRL/EUR in 1H08 and 1H07: 2.61 and 2.72 respectively. Appreciation of 4.0% YoY

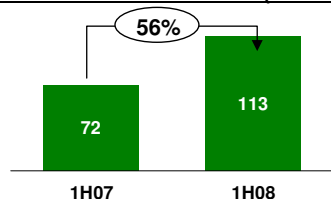
Opex includes Services & Supplies, personnel costs and costs with social benefits

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Generation in Brazil

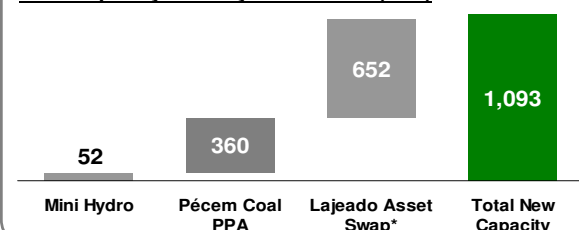


EBITDA Brazil Generation (€ million)



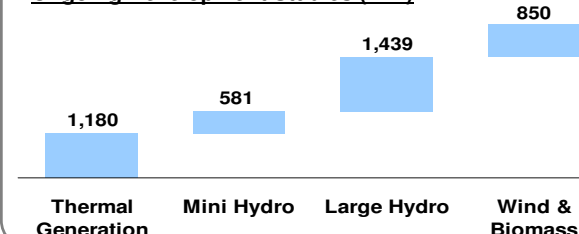
EBITDA grew 56% YoY in 1H08: very high electricity spot market price in 1Q08

New Capacity Already Contracted (MW)



52MW mini hydro plants under construction +
 Pécem coal plant
 Lajeado asset swap pending for regulatory approval

Ongoing Development Studies (MW)



4,000 MW under preliminary studies in different technologies

* Pending regulatory approvals

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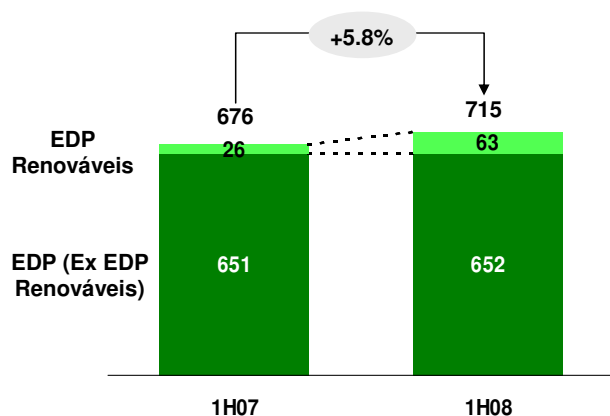
* Net debt and net debt/EBITDA referent to 2007 year end; net debt/EBITDA in 1H08 calculated based on the annualized value of EBITDA 1H08

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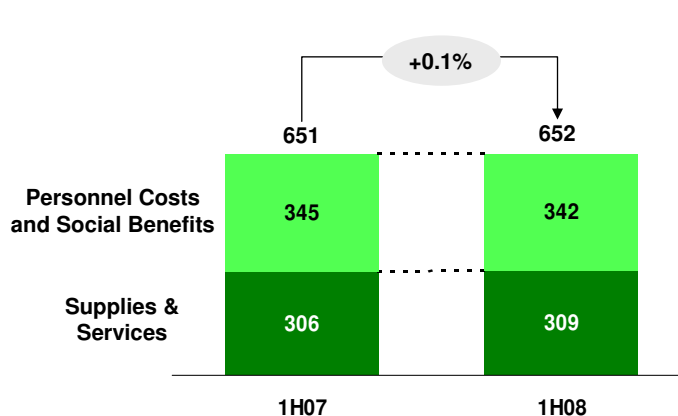
EDP Consolidated Operating Costs



Controllable Operating Costs – EDP Group



Controllable Operating Costs – EDP (Ex EDPR)



Controllable operating costs ex-EDP Renováveis flat YoY

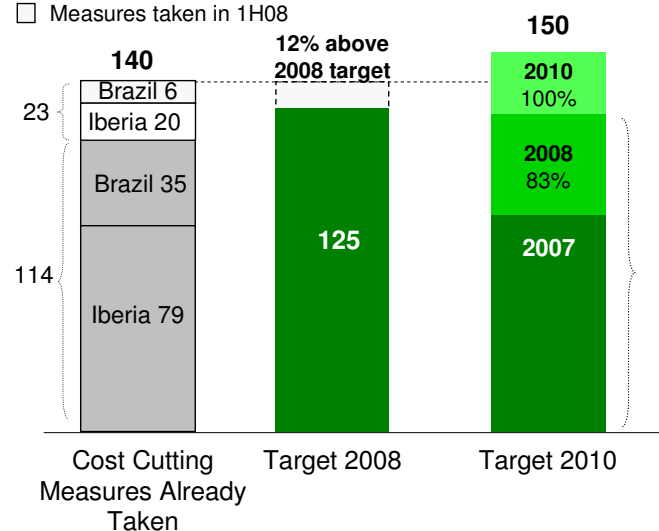
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Efficiency Improvement: cost savings target for 2010 to be anticipated for 2008



OPEX savings € million

- Measures taken in 2006 and 2007
- Measures taken in 1H08



93% of operating cost cutting target for 2010 already achieved until ~Jun-08

Personnel costs:

€58.7m cost savings already achieved by net headcount reduction in 2005-1H08:
451 employees in Brazil / 624 employees in Iberia

Target EDP 2010 Business Plan: 2005-2010
Net headcount reduction of over 1,100 across Iberia

Supplies & services:

€81.1m cost savings achieved by:

- IT services restructuring measures
- Integrated insurance management
- Promotion of intra-group services
- Operational cost reduction in Generation
- Reduction of outsourcing unit cost in distribution

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Consolidated Capex



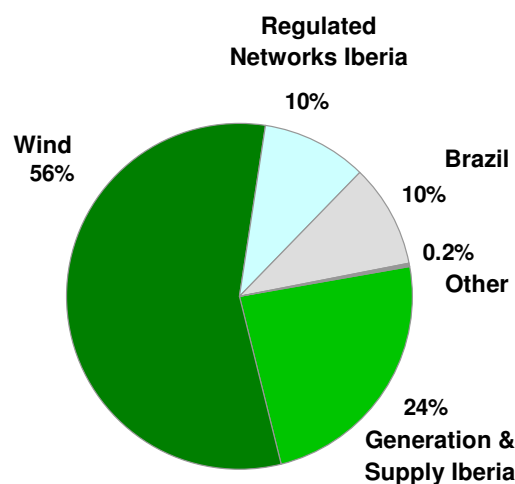
80% of capex allocated to regulated activities and long term contracted generation

EDP Capex: 1H07 vs. 1H08

(€ million)

	1H07	1H08	% Chg.
Expansion	270	1,021	278%
Maintenance	283	324	14%
Total EDP	553	1,345	143%
Generation & Supply Iberia	152	320	110%
Wind	192	760	295%
Regulated Networks Iberia	126	133	6%
Brazil	80	130	63%
Other	4	3	-

Capex Breakdown



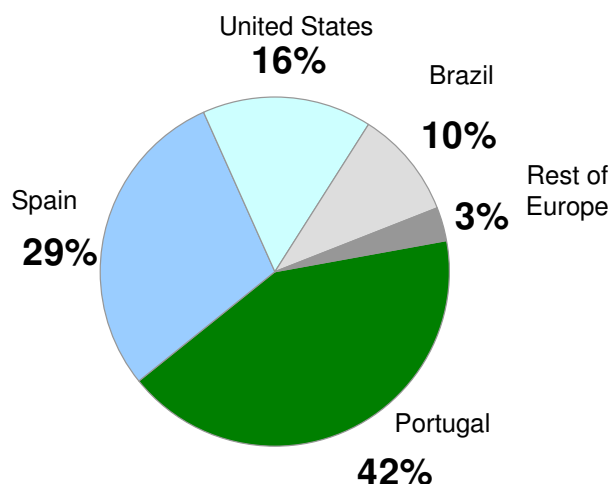
76% of EDP group's capex allocated to expansion of installed capacity

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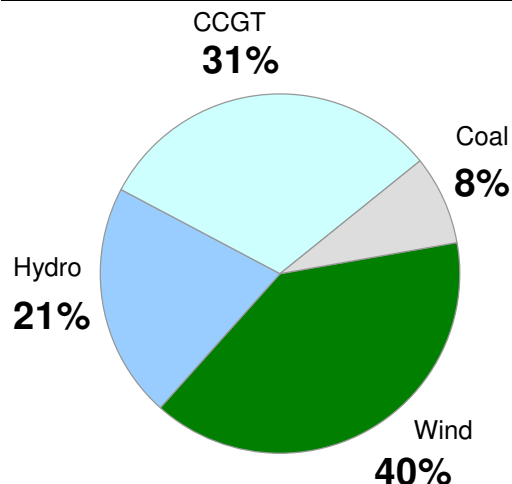
Construction of new generation capacity in progress



MW under construction by Market



MW under construction by Technology



4,300 MW of generation capacity under construction in 7 markets and 4 technologies

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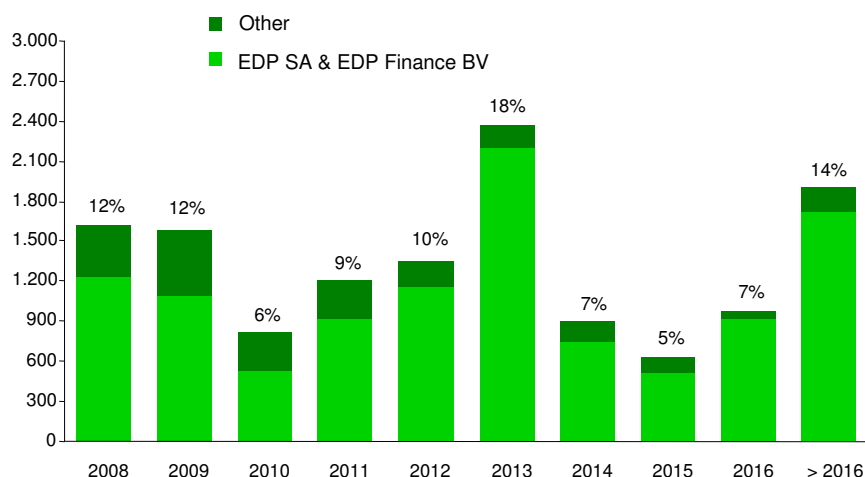
Consolidated Net debt Maturity Jun-08



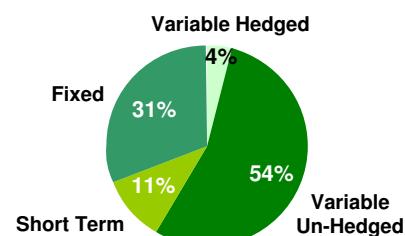
Apr-08: €925m revolving credit facility (5-Year term)

Jul-08: Standard & Poor revised outlook on EDP from negative to stable

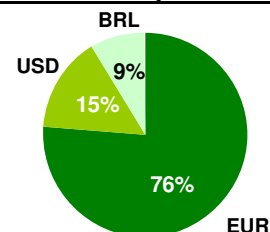
EDP consolidated debt maturity profile



Debt by Breakdown by rate



Debt Breakdown by Currency



Significant level of Available committed liquidity facilities at Jun-08: €2.2bn

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Financial Results



(€ million)	1H07	1H08	% Chg.
Net financial interest	(227)	(341)	50%
Net foreign exchange differences	14	5	-60%
Other financials	32	(180)	-596%
Financial Results (€m)	(176)	(511)	191%
Net Debt (€bn)	11.7*	12.0	+3%
Avg Cost of Debt (%)	5.5%	5.6%	
Net Debt/EBITDA	4.4x*	3.8x	

• **50% increase of net financial interest** due to (1) 32% increase in average gross debt 1H08 vs. 1H07 due to funding of expansion capex and (2) 20bp increase in avg. cost of debt.

• Other financials include impairment of Sonaecom (€34m) and BCP investment (€114m) and impact from hedging results in energy markets: +€7.2m in 1H07 and -€53.7m in 1H08;

• Net debt/EBITDA: Clear improvement in Jun-08 vs. Dec-07;

Increase of financial costs due to increase of net debt and higher cost of debt

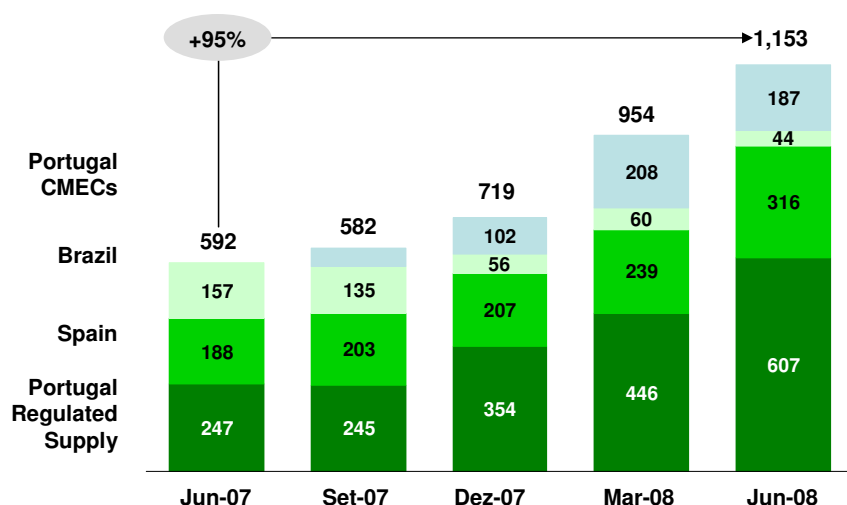
* Net debt and net debt/EBITDA referent to 2007 year end; 1H08 net debt/EBITDA based on annualized 1H08 EBITDA

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Regulatory Receivables



Regulatory receivables: Regulated Electricity Supply & CMECs
(€ million)



• To start recovery in Jul-08 (over 12 months)

• Rationing losses almost fully recovered

• 2006, 2007 and 1H08 tariff deficit (€79m of this amount already securitized in Jul-08)

• 2006 & 2007 Tariff Deficits were securitized in March 2008 (€177m including interest)

• 2006, 2007 and 1H08 Tariff Deviations

Regulatory receivables doubled over the last 12 months with regulated supply and CMECs in Portugal being the major contributors

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Generation&Supply: Forward hedging already closed provides good visibility for gross profit

Wind: 1,677 MW under construction by Jun-08, on track to reach 1.4GW by Dec-08

Efficiency improvements: Continuous effort

Capex 2008: expected to be close to €3.5bn

Continue to deliver profitable growth based on a sound capital structure

On track to reach EBITDA commitment: (CAGR +13% in 2005-2010)

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Conclusions



EBITDA +17%; Net profit + 66%; improvement of credit ratios

Controllable operating costs ex-EDP Renováveis: flat YoY

EDPR IPO concluded in Jun-08: Cash proceeds of €1.57bn

Capex focused on clean energies: 4.300 MW under construction, focus on wind and hydro

**On track to deliver 2007-2010 Business Plan:
EBITDA CAGR 2005-2010 > 13%
EPS CAGR 2005-2010 > 14%**

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