



9M08 Results

November 6th, 2008

9M08: Highlights of the period



EBITDA: €2,370m, +16% YoY

Generation & supply Iberia: Stable performance associated to PPA/CMEC and hedging policy

Regulated networks: Positive impact from higher efficiency and previous years' adjustments

Wind power: Major growth driver, 52% increase of gross capacity, 119% output increase YoY

Brazil: Asset Swap Enersul/Lajeado concluded in Sep-08, good performance in generation

Low risk operations: growth as a combination of expansion + efficiency

9M08: Highlights of the period



Net profit of €940m: +41% YoY; ex-items: +7% YoY to €714m

Average cost of debt increased by 10bp: from 5.6% in 9M07 to 5.7% in 9M08

Expansion capex: €1.7bn in 9M08 vs. €0.8bn in 9M07

EDP Renováveis IPO: €1.6bn cash proceeds for 22.5% of EDPR capital

Regulatory receivables increased from €0.7bn in Dec-07 to €1.4bn in Sep-08: Tariff Deficits Iberia

9M08 Financial Headlines

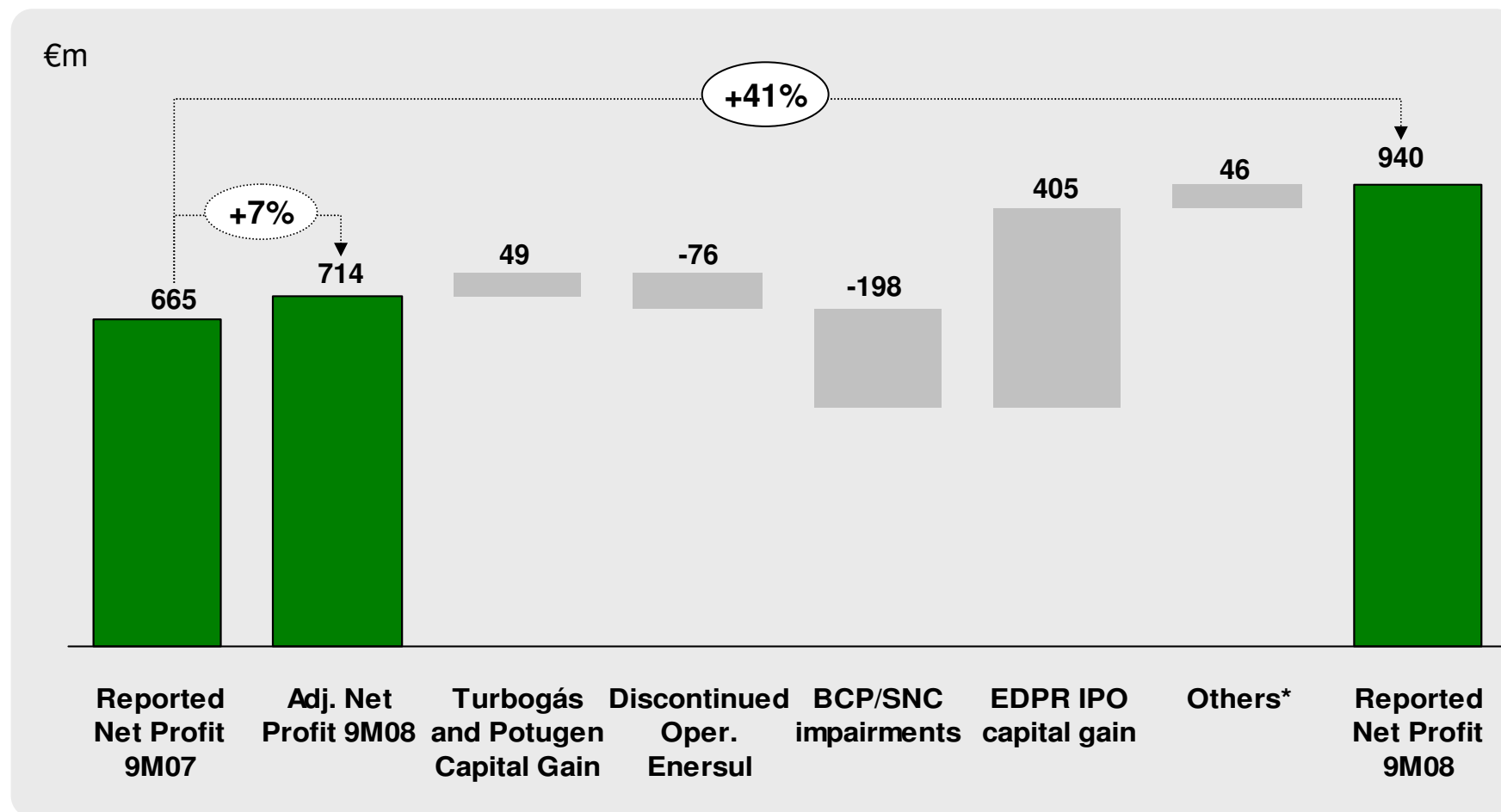


Net profit +41% YoY to €940m; 7% increase YoY ex-items

(€ million)	9M07	9M08	% Change
Gross Profit	3,434	3,681	+7%
Operating Costs	1,385	1,311	-5%
EBITDA	2,049	2,370	+16%
EBIT	1,276	1,465	+15%
Net Financial Costs, Capital Gains & Other	(260)	(182)	+30%
Net Profit	665	940	+41%
Capex	1,341	2,171	+62%
Net Debt (€bn)*	11,7	12,9	10%
Net Debt / EBITDA (x)*	4.4	4.1	

* Net debt and net debt/EBITDA referent to 2007 year end; net debt/EBITDA in 9M08 calculated based on the annualized value of EBITDA 9M08

9M08 net profit Impacted by Extraordinary Items



Ex-items, adjusted net profit increased 7% YoY to €714m

* Includes restructuring costs and recognition of the 2007 energy acquisition tariff deviation (EDP SU)

9M08 EBITDA Breakdown

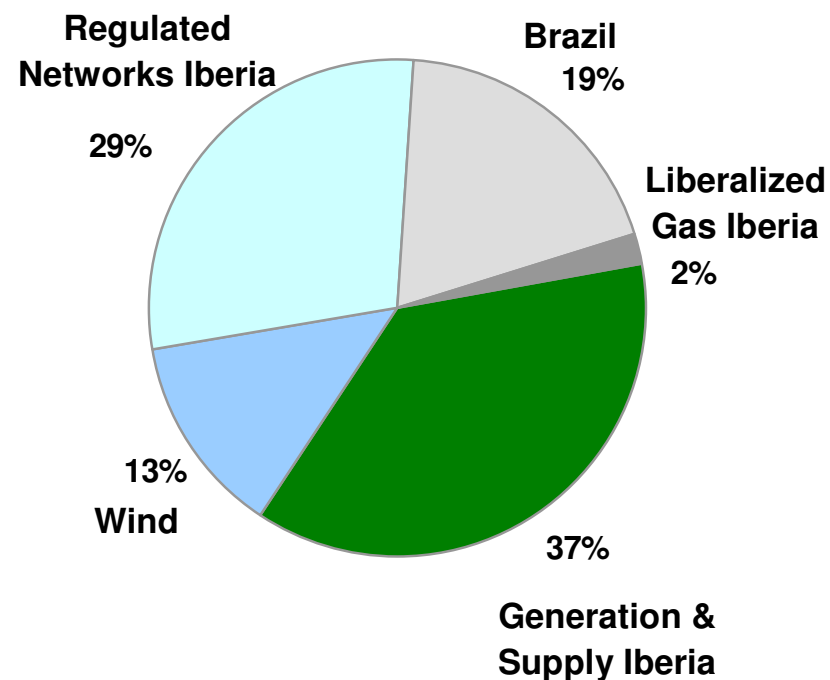


EBITDA Breakdown

(€ million)

	9M07	9M08	% Chg.	Δ
Generation & Supply Iberia	897	901	+0.5%	+4
Wind	147	307	+109%	+160
Regulated Networks Iberia	584	704	+21%	+120
Brazil	447	454	+2%	+7
Liberalized Gas Iberia	35	38	+10%	+3
Other & Adjust.	13	34	-	+21
Consolidated EBITDA	2,049	2,370	16%	+321

EBITDA breakdown



EBITDA growth driven by increase of installed capacity and higher efficiency

9M08: Highlights in Generation & Supply Iberia



EBITDA +0.5% YoY to €901m

LT Contracted Generation EBITDA +7% YoY: Commissioning of Sines desox facilities

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

Start up of two new CCGT groups: Castejón 3 (Jan-08) and Soto 4 (Sep-08)

Sales to final clients represented 75% of liberalized generation output in 9M08

Low exposure to energy markets: PPA/CMECs, hedging in liberalized market

LT Contracted Generation (28% of EBITDA)

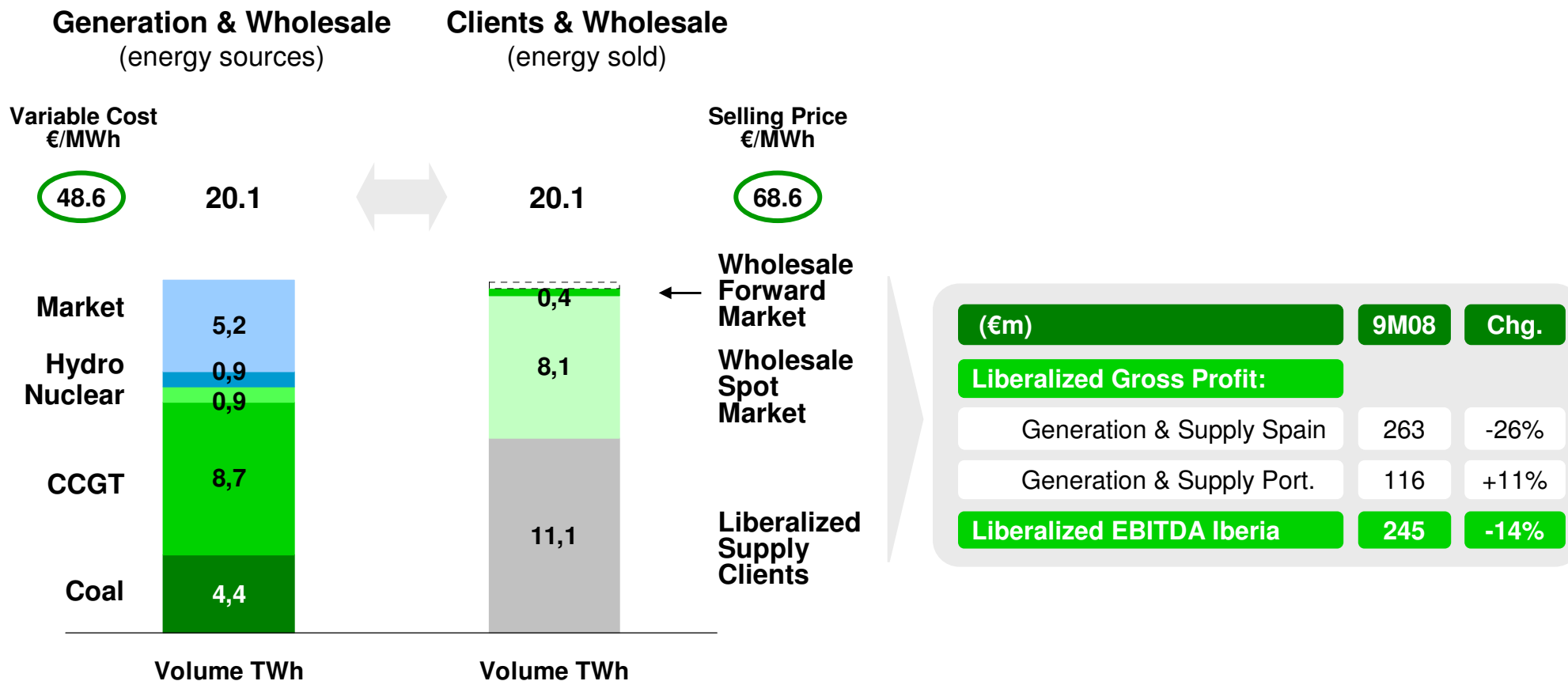


(€ million)	9M07	9M08	% Chg.
EBITDA	610	656	+7%
Non Recurrent	2	41	
EBITDA Recurrent	608	615	+1%

- **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:** €41m at EBITDA level in 9M08, mitigated by hedging losses at financial results' level.

Stable cash flow; Positive impact from environmental investments at Sines coal plant

Liberalised Generation & Supply (10% of EBITDA)



Growth in Portugal, fixing in 2007 of significant part of electricity selling prices and fuel costs in Spain, partially compensated higher fuel costs and CO₂ claw-back in 2008

9M08: Highlights in Wind Power



EBITDA growth of +109% YoY to €307m

Gross Installed capacity: +14% or +515MW over the last 9 months to 4,155 MW

Output +119% YoY; load factors: 25% in Europe, 31% in USA - premium quality assets

Average selling price in Spain: +30% to €99.4/MWh based on a €64.4/MWh average pool price

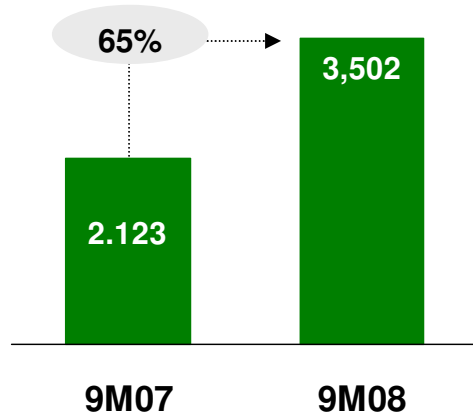
Capacity under construction by Sep-08: 1,612 MW, on track to install 1.4GW in 2008

Increasing wind capacity: Stable revenues stream
PPAs, fixed tariffs and market price with cap & floor + premium

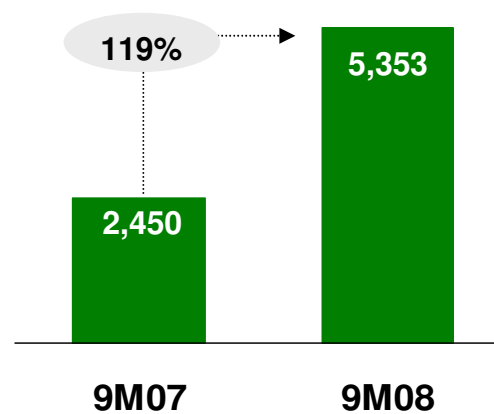
Wind Power (13% of EBITDA)



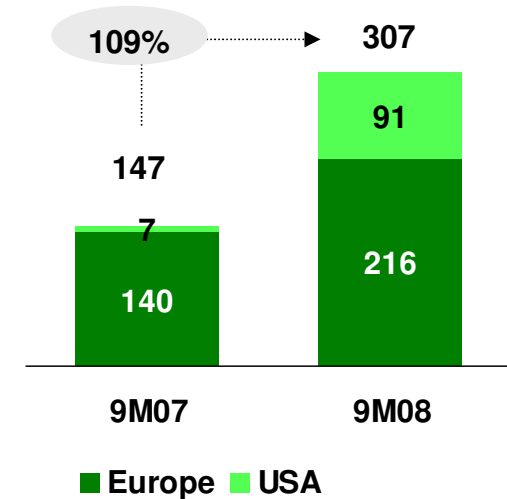
Installed Wind Capacity (EBITDA)
MW



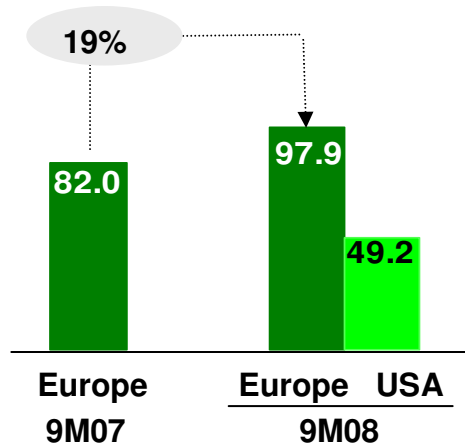
Wind Power Output
GWh



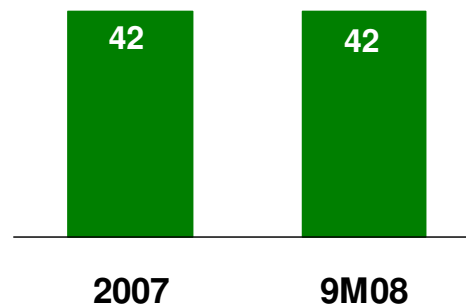
EBITDA
(€ million)



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 9M08: 1.53 USD/EUR

9M08: Highlights in Energy Regulated Networks Iberia



EBITDA growth of +21%YoY to €704m

Slowdown of demand growth YoY in 9M08: no material impact on financials

Positive impact on EBITDA from non-recurrent tariff recoveries in electricity distribution Portugal

Controllable operating costs: +3%YoY; Continued efficiency improvement

Regulatory receivables increased €0.6m in the period, impact on cash flow, no impact on P&L

Stable revenue stream, focus on efficiency improvements

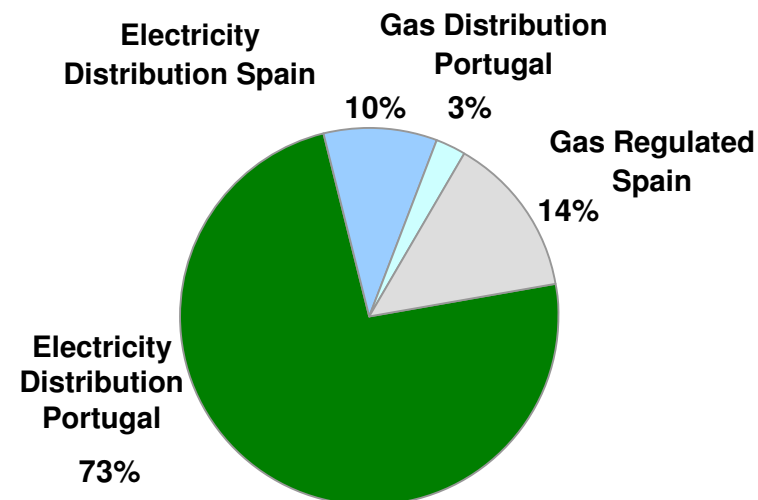
Regulated Energy Networks Iberia (29% of EBITDA)



Regulated Energy Networks EBITDA Breakdown

(€ million)	9M07	9M08	Chg.	Δ
Electricity Distribution Portugal *	401	520	30%	+119
Electricity Distribution Spain	74	68	-8%	-6
Gas Distribution Portugal	25	19	-27%	-7
Gas Regulated Spain	97	83	16%	+14
Total EBITDA	584	704	21%	120

EBITDA Breakdown 9M08



Efficiency Ratios: Electricity Distribution

	9M07	9M08	% Chg.
Employees/TWh	92	85	-8.3%
Employees	5,557	5,094	-8.3%

Equivalent Interruption Time (min): Electricity Distribution

	9M07	9M08	Chg.
Portugal **	68	72	-4
Spain (Asturias)	52	45	-7

Electricity distribution Portugal: Positive impact from tariff recoveries from previous years

* 9M08 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

** Adjusted for non-recurring impacts (high winds, rainstorms and summer fires)

9M08: Highlights in Brazil



EBITDA increased 2% YoY to €454m

Asset swap: Monthly accounts Sep-08 already include 100% of Lajeado, do not include Enersul

Distribution: Lower non-recurrent revenues from tariff receivables, growth of recurrent EBITDA

Generation: one month of 100% stake in Lajeado, positive impact from high spot prices in 1Q08

Efficiency improvement: Opex/MWh distribution (Bandeirante+Escelsa) decreased 6% YoY

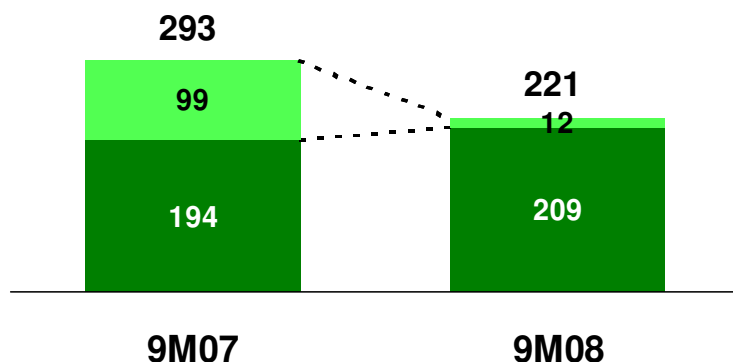
Stable regulated and contracted revenues, improvements on efficiency

Brazil (19% of EBITDA)



EBITDA Distribution Bandeirante + Escelsa (€m)

- Tariffs Recovery and other non-recurrent
- Normalized EBITDA



Employees/TWh (232)

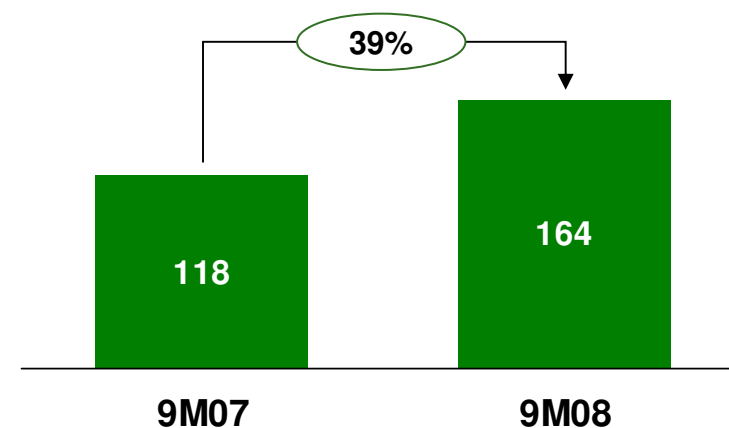
(214)

Opex / MWh (R\$/MWh) (29.1)

(27.3)

- Normalized EBITDA increase YoY due to demand growth and efficiency improvement
- End of the non-recurrent tariff recovery component

EBITDA Generation (€m)



Capacity MW (1,043)

(1,696)

Electricity Sold (GWh) (4,089)

(4,548)

- EBITDA grew 39% YoY in 9M08: very high electricity spot market price in 1Q08
- Energy sold increase by 11% and adjustments in prices and new contracts

On a proforma base and excluding non recurrent items in distribution, EBITDA grew 22% YoY in 9M08

9M08 Financial Headlines



Net profit +41% YoY to €940m; 7% increase YoY ex-items

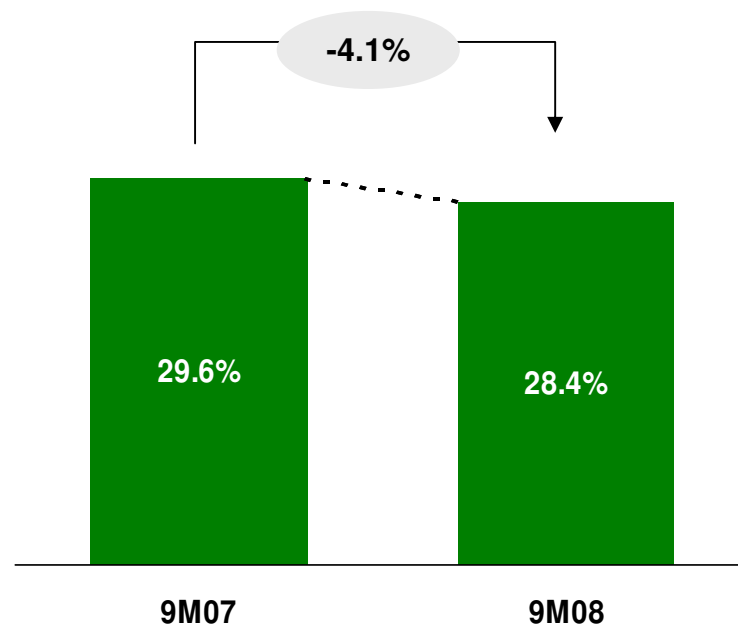
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EDP Consolidated Operating Costs



Controllable Operating Costs/Gross Profit **



Improved efficiency on the back of successful costs control programs

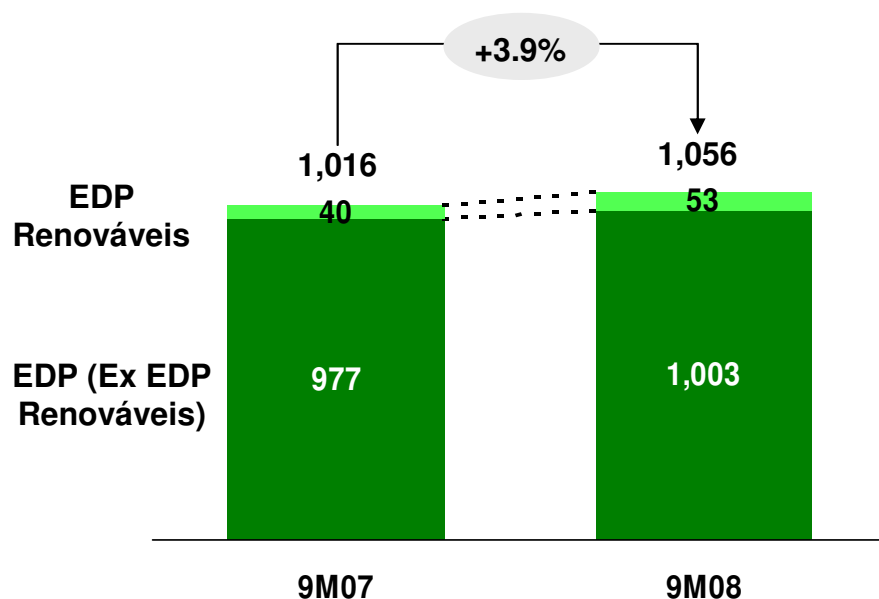
* Operating costs excluding HR restructuring costs

* Operating costs excluding HR restructuring costs; Gross Profit adjusted to include PTCs revenues

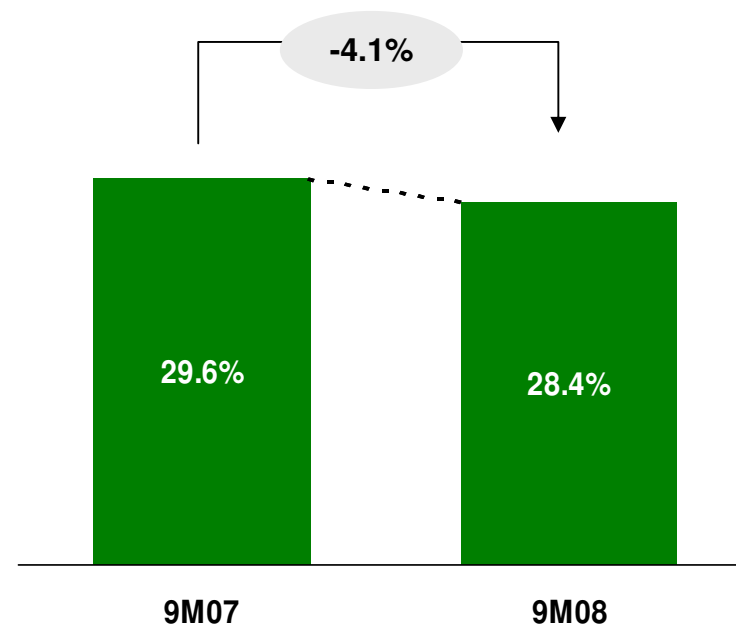
EDP Consolidated Operating Costs



Controllable Operating Costs* – EDP Group



Controllable Operating Costs/Gross Profit **



Improved efficiency on the back of successful costs control programs

* Custos operacionais excluem custos de reestruturação de RH; Margem Bruta inclui PTCs

Consolidated Capex



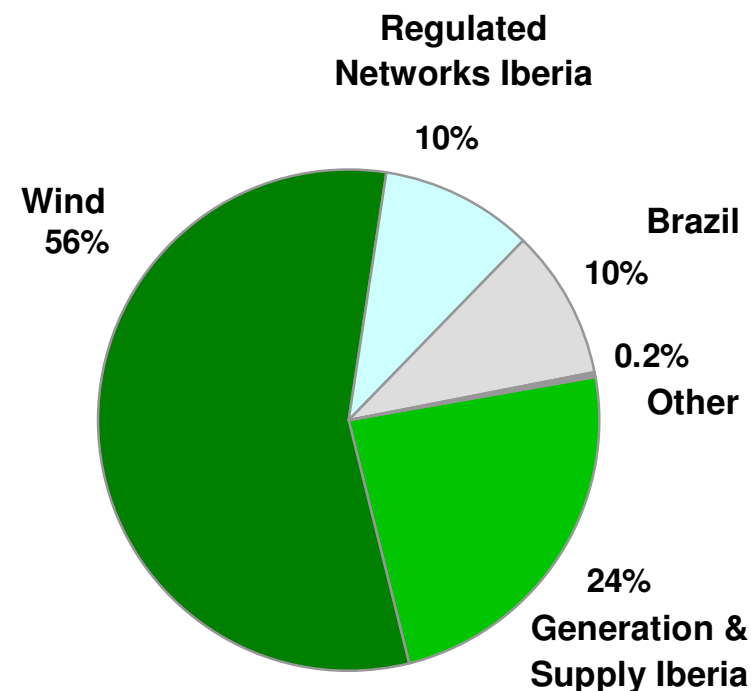
Regulated and LT contracted activities: 79% of capex; expansion capex: 76% of total

EDP Capex: 9M08 vs. 9M07

(€ million)

	9M07	9M08	% Chg.
Expansion	819	1,652	102%
Maintenance	523	519	-1%
Total EDP	1,341	2,171	62%
Generation & Supply Iberia	375	490	31%
Wind	595	1,249	110%
Regulated Networks Iberia	204	222	9%
Brazil	149	183	22%
Other	17	27	56%

Capex Breakdown



Expansion capex doubled in 9M08 vs. 9M07

Financial Results



(€ million)	9M07	9M08	% Chg.
Net financial interest	(372)	(516)	39%
Investment income	36	5	-87%
Net foreign exchange differences	16	(3.7)	-
Other financials	23	(177)	-
Financial Results (€m)	(298)	(692)	133%
Net Debt (€bn)	11.7*	12.9	+10%
Avg Cost of Debt (%)	5.6%	5.7%	
Net Debt/EBITDA	4.4x*	4.1x	
Net Debt/EBITDA ex tariff deficit	4.2x*	3.6x	

- **39% increase of net financial interest** due to (1) 30% increase in average gross debt (2) 12 bps increase in average cost of debt
- Other financials include impairment of financial stakes in BCP (€150m) and Sonaecom (€48m) and impact from hedging in energy markets: +€27m in 9M07 and -€33m in 9M08;
- Net debt/EBITDA: Improvement from Dec-07 to Sep-08.

Higher net financial costs due to non-recurrent items and increase of net debt

* Net debt and net debt/EBITDA referent to 2007 year end; 9M08 net debt/EBITDA based on annualized 9M08 EBITDA

Conclusions



EBITDA +16% YoY, net profit ex-items +7%YoY

Stable operating free cash flow: High weight of regulated and LT contracted activities

**Net debt increase driven by
doubling of expansion capex and +€0.7bn of regulatory receivables**

**New generation capacity:
CCGTs: 800MW commissioned in 2008, further 800MW under construction for 2009
Wind: 500 MW installed in 9M08, 1,600 MW under construction for 4Q08 and 2009**

Low risk operating free cash flow combined with value enhancing expansion investments



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