



# 2016 Financial Results

Conference call and webcast

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*The financial statements presented in this document are non-audited. Pursuant to the adoption of IFRIC21, 1Q15 financial statements here presented were restated for comparison purposes.  
The source from all operational data is EDP.*



# Main Highlights



Income Statement (€ m)	2016	2015	Δ %	Δ Abs.
<b>Gross Profit</b>	<b>5,738</b>	<b>5,455</b>	<b>5%</b>	<b>+283</b>
Supplies and services	948	921	3%	+27
Personnel costs, employees benefits	661	653	1%	+8
Other operating costs (net)	370	(43)	-	+413
<b>Net Operating costs (1)</b>	<b>1,979</b>	<b>1,531</b>	<b>29%</b>	<b>+448</b>
<b>EBITDA</b>	<b>3,759</b>	<b>3,924</b>	<b>-4%</b>	<b>-165</b>
Provisions	(15)	16	-	-31
Amortisation and impairment (2)	1,510	1,465	3%	+46
<b>EBIT</b>	<b>2,264</b>	<b>2,443</b>	<b>-7%</b>	<b>-179</b>
Financial Results	(891)	(833)	-7%	-59
Share of net profit joint ventures/associates	(22)	(24)	8%	+2
<b>Pre-tax profit</b>	<b>1,351</b>	<b>1,587</b>	<b>-15%</b>	<b>-236</b>
Income taxes	89	278	-68%	-189
Extraord. contribution energy sector	62	62	-1%	-0
Net profit for the period	1,200	1,247	-4%	-47
<b>Net Profit</b>	<b>961</b>	<b>913</b>	<b>5%</b>	<b>+48</b>
Non-controlling Interest	240	334	-28%	-95

Key Operational Data	2016	2015	Δ %	Δ Abs.
Employees	11,992	12,084	-1%	-92
Installed capacity (MW)	25,223	24,364	4%	+859

Key Financial Data (€ m)	2016	2015	Δ %	Δ Abs.
FFO (Funds from operations)	1,970	2,606	-24%	-636
Capex	1,964	1,788	10%	+176
Maintenance	697	604	15%	+93
Expansion	1,267	1,184	7%	+83
Net investments	1,212	1,735	-30%	-523

Key Balance Sheet Data (€ m)	Dec-16	Dec-15	Δ %	Δ Abs.
Equity book value	9,406	8,670	8%	+737
Net debt	15,923	17,380	-8%	-1,457
Regulatory receivables	951	2,477	-62%	-1,526
Net debt/EBITDA (x) (4)	4.2x	4.4x	-4%	-0.2x
Adjusted net debt/EBITDA (x) (3)(4)	4.0x	3.8x	5%	0.2x

**Consolidated EBITDA** amounted to €3,759m in 2016 (-4% YoY), impacted by lower one-offs: +€441m in 2015, +€61m in 2016 (detailed on page 3). Excluding these items, **adjusted EBITDA rose by 6%, to €3,698m in 2016**, reflecting portfolio expansion (installed capacity and client base), efficiency improvements and better weather conditions in Iberia and Brazil, particularly in 1H16. **Installed capacity** at EDP group grew by 4% YoY, to 25.2GW in 2016 (+6% YoY on average capacity) on back of: i) 380MW of new hydro capacity in Portugal; ii) +770MW of wind capacity (mostly in US, Mexico and Brazil); iii) shutdown Soto 2 coal plant, in Spain (239MW) in Jan-16. **Client portfolio in Iberia** grew by 2% YoY, from 6.1m in Dec-15 to 6.5m in Dec-16.

**In Iberia**, adjusted EBITDA advanced 9% YoY, propelled by new capacity on stream, strong hydro resources, price volatility (particularly when compared to 2015's poor hydro and price context) and improving regulatory terms in electricity distribution in Spain. **EDPR's** 8% rise in adjusted EBITDA was mainly prompted by higher average capacity on stream (+11% YoY), which was partially offset by wind production 4% below historical avg. **EDP Brasil's** ('EDPB') contribution to adjusted EBITDA was 7% lower YoY in euro terms, dragged by the adverse ForEx impact (-4%), lower demand in distribution.

**Operating costs** (Supplies and services + Personnel costs) were 2% higher YoY, at €1,608m in 2016, falling short of 6% increase in avg. capacity. By business areas, it is worth to highlight: i) in **Iberia** costs were flat YoY despite portfolio expansion (assets and clients), supported by tight cost control and a 1% reduction in avg. headcount; ii) at **EDPR** level, core Opex/avg. MW declined by 5%, partially compensating for larger portfolio effect (+11%); iii) at **EDP Brasil** level, cost performance reflected BRL depreciation vs. Euro and full consolidation of Pecém since May-15; adjusted for these, OPEX grew 4% in Brazil, short of inflation (6.3%). **All in all, OPEX/Gross profit fell by 1pp YoY, to 27%. Other net operating costs/(revenues)** rose from a €43m revenue in 2015 to €370m cost in 2016, mainly driven by lower one-off gains YoY (€380m lower YoY). The total amount of costs with clawback, social tariff and extraordinary energy tax in Portugal, coupled with generation taxes in Spain, amounted to €234m in 2016.

**EBIT fell by 7%, to €2,264m in 2016**, reflecting EBITDA evolution and higher depreciation, in the wake of wider capacity.

**Net financial results and Results with JVs and associates** amounted to -€914m in 2016, €57m lower YoY, impacted by one-off impacts (-€120m in 2016 vs. -€22m in 2015): mostly related to costs with prepayment of more expensive debt, building the ground for future interest savings. Adjusted for these, it is noteworthy that: i) interest costs fell by 14%, supported by a 30bps YoY decline in the avg. cost of debt (from 4.7% in 2015 to 4.4% in 2016) and lower avg. net debt (-€0.8bn YoY); ii) financial revenues related to regulatory receivables fell by €65m YoY, reflecting lower volume and interest; and iii) capitalised expenses fell by €26m YoY backed by the completion of some new hydro capacity in Portugal. One-offs at financial results level are offset by one-off tax savings in 2016 (+€163m). **Non-controlling interests** fell by €95m YoY, to €240m in the 2016, driven by lower results at EDP Brasil in the wake of lower one-off gains YoY. Overall, **net profit attributable to EDP shareholders** amounted to €961m in 2016 (+5% YoY). Excluding one-offs (+€163m in 2015 and +€41m in 2016 as described on page 4), **adjusted net profit rose 23% YoY, from €750m in 2015 to €919m in 2016**.

**Net debt fell by €1.5bn, from €17.4bn in Dec-15 to €15.9bn in Dec-16**, reflecting: i) €1.0bn positive recurrent organic free cash flow; ii) dividend payment (+€0.7bn) in May-16; iii) +€0.1bn net impact from net expansion investment (€0.5bn) and acquisitions & disposals (-€0.2bn), proceeds from new TEI deals (-€0.6bn), one-off tax payments (€0.3bn) and extraordinary pension fund contribution (€0.1bn); iv) reduction in regulatory receivables (€1.5bn); and v) ForEx impact (€0.3bn).

**EDP Executive Board of Directors will submit to the ASM a proposal for the distribution of €0.19 dividend per share as to 2016FY, which entails a 3% increase YoY and a payout ratio of 72%.**

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net); (2) Depreciation and amortisation expense net of compensation for depreciation and amortisation of subsidised assets;

(3) Net of regulatory receivables; (4) Excluding 50% of hybrid bond issue



# EBITDA Breakdown



EBITDA (€ m)	2016	2015	Δ %	Δ Abs.	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	4Q16 YoY		4Q16 QoQ	
													Δ %	Δ Abs.	Δ %	Δ Abs.
LT Contracted Generation	529	583	-9%	-54	153	169	144	117	133	142	120	134	14%	17	11%	13
Liberalised Activities Iberia	536	364	47%	+172	102	81	93	88	205	162	92	77	-12%	-11	-16%	-14
Regulated Networks Iberia	990	1,031	-4%	-41	324	245	242	221	234	262	254	240	9%	20	-5%	-13
Wind & Solar Power	1,171	1,142	3%	+29	295	253	235	360	379	269	198	324	-10%	-36	63%	126
Brazil	593	857	-31%	-264	129	372	154	202	185	116	163	129	-36%	-73	-21%	-34
Other	(60)	(53)	-13%	-7	(15)	24	(7)	(55)	(6)	(14)	(1)	(38)	30%	17	N.m.	-37
<b>Consolidated</b>	<b>3,759</b>	<b>3,924</b>	<b>-4%</b>	<b>-165</b>	<b>988</b>	<b>1,143</b>	<b>860</b>	<b>933</b>	<b>1,130</b>	<b>937</b>	<b>826</b>	<b>867</b>	<b>-7%</b>	<b>-66</b>	<b>5%</b>	<b>41</b>

**Consolidated EBITDA** amounted to €3,759m in 2016 (-4% YoY), including significantly lower one-offs in 2016 (+€61m in 2016 vs. +€441m in 2015; details below<sup>(1)</sup>). Excluding these, **adjusted EBITDA advanced by 6% YoY, to €3,698m in 2016**, propelled by a 6% expansion in average installed capacity, stronger hydro production (hydro resources in Portugal were 33% higher than average in 2016, compared to a 26% shortfall in 2015) and higher results with energy management in the liberalised business in Iberia. The average BRL 4% depreciation vs. Euro resulted in a negative impact on EBITDA (-€26m or -1%).

**LONG TERM CONTRACTED GENERATION IN IBERIA (14% of EBITDA)** – EBITDA fell by 9% (-€54m YoY), to €529m in 2016, mainly reflecting the transfer of 8 hydro plants to our merchant portfolio following the termination of respective PPAs (2015 gross profit: €75m). These plants have a total installed capacity of 627MW and an annual production 1.7TWh (on an average hydro year).

**LIBERALISED ACTIVITIES IN IBERIA (14% of EBITDA)** – EBITDA increased by 47%, to €536m in 2016, propelled by: i) a cheaper generation mix derived from the hydro capacity additions (+1,010MW of which +379MW of new capacity on stream and the rest transferred from LT contracted portfolio) and stronger hydro resources in the period (43% weight in generation mix in 2016 vs. 25% in 2015); ii) higher results with energy management in the wake of low-price context and high price volatility during 1H16; and iii) higher contribution from supply business. Note that 4Q16 EBITDA was penalised by very weak hydro resources (50% below historical average) and by some outages at coal plants related to environmental upgrade (DeNOx).

**REGULATED NETWORKS IN IBERIA (26% of EBITDA)** – EBITDA decreased by 4% YoY (-€41m), to €990m in 2016, mainly impacted by lower one-off gains (+€89m in 2015). Excluding this, EBITDA advanced by 5% YoY (+€48m), mainly driven by: i) new regulatory terms applicable to electricity distribution in Spain as from 1-Jan-16; ii) tight cost control resulting in a 3% decline in controllable costs; and iii) resilient regulated revenues in electricity distribution in Portugal, as higher activity and return on RAB in distribution (from 6.34% in 2015 to 6.48% in 2016, prompted by higher Portugal 10Y-bond yields) offset the impact from activity contraction in last resort supply.

**WIND & SOLAR POWER (31% of EBITDA)** – EDPR's EBITDA rose by 3% YoY (+€29m), to €1,171m in 2016, impacted by lower one-offs in 2016 vis-à-vis 2015. Adjusted for these, **EBITDA rose by 8%<sup>(1)</sup>**, mainly driven by a 14% increase in production prompted by higher avg. capacity on stream (11%) and stronger wind resources (load factor up from 29% in 2015 to 30% in 2016). Avg. selling price was 5% lower YoY, to €60/MWh in 2016, driven by new PPAs in US at lower prices and lower revenues from green certificates in Poland.

**BRAZIL (16% of EBITDA)** - EDP Brasil's contribution to consolidated EBITDA was 31% lower YoY (-€264m), at €593m in 2016, largely impacted by lower one-offs (+€61m in 2016 vs. +€267m in 2015) and negative ForEx impact (-€26m in the wake of a 4% depreciation of BRL vs. Euro). **Local currency, adjusted EBITDA fell by 3% YoY**, to R\$2,056m in 2016, mainly driven by distribution. EBITDA in distribution fell by 18%, to R\$767m in 2016, particularly impacted by: i) lower demand (-5%) and overcontracted volumes at Bandeirante. Generation and Supply EBITDA rose 9%, to R\$1,400m, driven by a lower impact from hydro deficit (GSF at 87% in 2016 vs. 85% in 2015 and avg. PLD of R\$94/MWh in 2016 vs. R\$288/MWh in 2015) and the full consolidation of Pecém.

(1) Non-recurring events: (i) **+€441m in 2015**, including gain on the sale of assets in Murcia (+€89m, 'Regulated networks'), acquisition of Pecém's 50% stake (+€295m of which €267m at the level of Brazil and €28m at the holding level) and net impact at EDPR level (€57m) resulting from the full control of wind capacity following asset split at ENEOP and impairments; (ii) **+€61m in 2016**, derived from the sale of Pantanal in Brazil.

(1) Scope of non-recurring items adapted to the appropriate materiality criteria for the size of each consolidation perimeter (EDP +8% YoY vs. EDPR +12% YoY).



# Profit & Loss Items below EBITDA



Profit & Loss Items below EBITDA (€ m)	2016	2015	Δ %	Δ Abs.	1Q16	2Q16	3Q16	4Q16	4Q16 QoQ	
									Δ %	Δ Abs.
<b>EBITDA</b>	<b>3,759</b>	<b>3,924</b>	<b>-4%</b>	<b>-165</b>	<b>1,130</b>	<b>937</b>	<b>826</b>	<b>867</b>	<b>5%</b>	<b>41</b>
Provisions	(15)	16	-	-31	3	(8)	(10)	(0)	-100%	10
Amortisation and impairment	1,510	1,465	3%	46	366	378	371	395	7%	24
<b>EBIT</b>	<b>2,264</b>	<b>2,443</b>	<b>-7%</b>	<b>-179</b>	<b>760</b>	<b>567</b>	<b>465</b>	<b>472</b>	<b>1%</b>	<b>7</b>
Net financial interest	(813)	(892)	9%	79	(202)	(197)	(185)	(229)	23%	-43
Capitalized financial costs	58	84	-31%	-26	14	14	15	15	-4%	-1
Net foreign exchange differences and derivatives	(18)	(35)	50%	17	6	(1)	(16)	(7)	-54%	8
Investment income	4	12	-67%	-8	0	3	1	0	-	-1
Unwinding w/ pension & medical care responsibilities	(44)	(44)	-1%	-1	(10)	(12)	(11)	(11)	0%	-0
Capital Gains/(Losses)	14	(1)	n.m.	14	13	0	(0)	1	-262%	1
Other Financials	(92)	43	-	-135	(2)	(36)	(30)	(25)	-19%	6
<b>Financial Results</b>	<b>(891)</b>	<b>(833)</b>	<b>-7%</b>	<b>-59</b>	<b>(180)</b>	<b>(228)</b>	<b>(227)</b>	<b>(257)</b>	<b>13%</b>	<b>-29</b>
Share of net profit in joint ventures and associates	(22)	(24)	8%	2	(8)	3	2	(19)	-1179%	-21
<b>Pre-tax Profit</b>	<b>1,351</b>	<b>1,587</b>	<b>-15%</b>	<b>-236</b>	<b>573</b>	<b>342</b>	<b>240</b>	<b>196</b>	<b>-18%</b>	<b>-44</b>
<b>Income Taxes</b>	<b>89</b>	<b>278</b>	<b>-68%</b>	<b>-189</b>	<b>152</b>	<b>91</b>	<b>57</b>	<b>(211)</b>	<b>-470%</b>	<b>-268</b>
Effective Tax rate (%)	7%	18%	-	-10.9 pp	26%	27%	24%	-108%		-0.0 pp
<b>Extraordinary Contribution for the Energy Sector</b>	<b>62</b>	<b>62</b>	<b>-1%</b>	<b>-0</b>	<b>59</b>	<b>-</b>	<b>2</b>	<b>1</b>	<b>-38%</b>	<b>-1</b>
EDP Renováveis	125	114	9%	11	60	22	3	41	1303%	38
EDP Brasil	117	207	-43%	-90	40	20	57	-	-100%	-57
Other	(3)	14	-	-16	(0)	0	(2)	(0)	-90%	2
<b>Non-controlling Interests</b>	<b>240</b>	<b>334</b>	<b>-28%</b>	<b>-95</b>	<b>100</b>	<b>42</b>	<b>58</b>	<b>41</b>	<b>-30%</b>	<b>-17</b>
<b>Net Profit Attributable to Shareholders of EDP</b>	<b>961</b>	<b>913</b>	<b>5%</b>	<b>48</b>	<b>263</b>	<b>209</b>	<b>143</b>	<b>346</b>	<b>142%</b>	<b>203</b>

**Amortisation and impairment** (net of compensation from depreciation and amortisation of subsidised assets) rose 3% YoY to €1,510m in 2016, reflecting: i) higher depreciation charges at EDPR (+€57m YoY), derived from the new capacity installed over the past year; ii) full consolidation of Pecém (+€20m); iii) hydro plants commissioned in Portugal (+€20m YoY); partly offset by (iv) impairments at EDPR and Escelsa in 2015 (-€36m YoY).

**Net financial costs** increased 7% YoY to €891m in 2016, significantly impacted in 2016 by negative one-offs (€94m in 2016 vs. €22m in 2015). **Net interest expenses** decreased 9% YoY, or 14% excluding the €49m one-off costs related with EDP bond buybacks in 4Q16, due to lower avg. cost of debt of 4.4% (vs. 4.7% in 2015) and lower avg. net debt (-€0.8bn YoY). The one-off debt prepayment costs in 2016 (€74m) are related with EDP bond buybacks and EDPR project finance. **Net ForEx differences and derivatives** totalled -€18m in 2016 (+€17m YoY), including €14m cost at EDPR level (from discontinued hedge accounting in 4Q16 related to Spanish operations). **Capitalised financial costs** fell €26m YoY, to €58m in 2016, due to the commissioning of new hydro plants in Portugal. **Capital gains** reached €14m, mostly related with the sale of our equity stake in Tejo Energia in 1Q16 (+€11m). **Other financials** (-€92m in 2016, -€135m YoY) were impacted by: i) lower financial revenues associated with regulatory receivables (-€65m YoY) due to lower amount on balance sheet, lower avg. interest rate and lower gains on securitisations; ii) impairment on our financial stake in BCP (€31m in 2016 vs. €22m in 2015); iii) lower financial revenues from shareholder loans to ENEOP following full consolidation since Sep-15 (-€15m YoY); and iv) higher costs with TEIs (-€11m YoY), translating new tax equity deals.

**Share of net profit in joint ventures and associates** amounted to -€22m in 2016 (+€2m YoY). 2016 performance was penalised by an impairment in 4Q16 at our equity stake in São Manoel hydro plant in Brazil (-€26m).

**Income taxes** amounted to €89m (-€189m YoY), impacted by one-off net tax savings of €163m in 2016. Excluding one-offs, effective tax rate would be 19%, in line with 2015. Additionally, the 2016 results reflect EDP's share on the extraordinary contribution applied to the energy sector in Portugal (0.85% on net assets; €62m in 2016).

**Non-controlling interests** amounted to €240m in 2016 (-€95m YoY) including in 2016 the share attributable to minorities from the gain on the sale of Pantanal by EDP Brasil in 1Q16 (€30m) vs. in 2015 the gain with the acquisition of Pecém's by EDP Brasil in the 2Q15 (€127m), and the gain with ENEOP acquisition by EDPR in the 3Q15 (€28m).

Overall, **net profit attributable to EDP shareholders** was 5% higher YoY, at €961m in 2016, impacted by stronger operational performance, and in spite of the material gain with Pecém in 2015. **Excluding non-recurrent events<sup>(1)</sup>, adjusted net profit in 2016 amounted to €919m (+23% YoY vs. €749m in 2015).**

*(1) Non-recurring events: (i) in 2015 (+€163m), gain on the sale of gas distribution assets in Spain (+€85m), gain on Pecém's 50% stake acquisition (+€132m), cost with impairment at our stake in BCP (-€17m), on EDPR's due to a gain on ENEOP (+€96m) and impairments mostly at EDPR level (-€70m), and the extraordinary energy tax (-€62m); (ii) in 2016 (+€41m), gain on the sale of Pantanal in Brazil (+€31m), capital gain from the sale of Tejo Energia stake (+€11m), cost with impairment at our stake in BCP (-€29m), impairments at São Manoel in Brazil and EDPR level (-€24m), debt prepayment fees (-€49m), tax savings (+€163m) and the extraordinary energy tax (-€62m).*

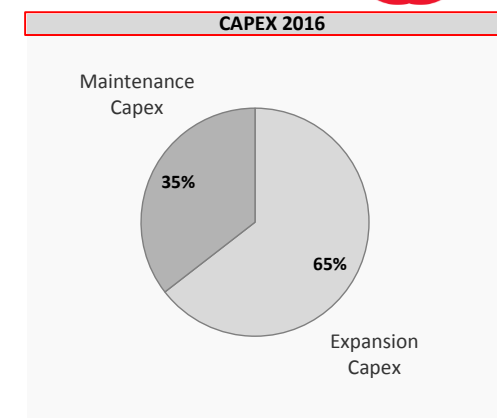


# Capital Expenditure & Net Investments



Capex (€ m)	2016	2015	Δ %	Δ Abs.
LT contracted gen. Iberia	44	28	58%	+16
Liberalised activities Iberia	334	388	-14%	-54
Regulated networks Iberia	346	377	-8%	-31
Wind & solar power	1,029	901	14%	+127
Brazil	169	114	49%	+55
Other	43	(20)	-	+63
<b>EDP Group</b>	<b>1,964</b>	<b>1,788</b>	<b>10%</b>	<b>+176</b>
<b>Expansion Capex</b>	<b>1,267</b>	<b>1,184</b>	<b>7%</b>	<b>+83</b>
<b>Maintenance Capex</b>	<b>697</b>	<b>604</b>	<b>15%</b>	<b>+93</b>

1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
4	7	6	12	1	12	8	23
93	96	79	121	48	65	83	138
69	78	77	153	65	83	85	112
163	159	274	306	89	290	204	446
21	24	25	44	21	37	49	62
14	15	17	(66)	9	4	8	23
<b>362</b>	<b>379</b>	<b>477</b>	<b>570</b>	<b>233</b>	<b>491</b>	<b>436</b>	<b>804</b>
<b>260</b>	<b>244</b>	<b>348</b>	<b>331</b>	<b>127</b>	<b>334</b>	<b>261</b>	<b>546</b>
<b>102</b>	<b>134</b>	<b>129</b>	<b>238</b>	<b>106</b>	<b>157</b>	<b>176</b>	<b>258</b>



Net financial investments/(Divestments) (€m)	2016	2015	Δ %	Δ Abs.
<b>Financial Investments</b>	<b>396</b>	<b>286</b>	<b>39%</b>	<b>+110</b>
Consolidation Perimeter EDPR	54	114	-52%	-59
Brazil generation	122	168	-27%	-45
Gas assets (Iberia) (1)	202	-	-	+202
Other	17	5	275%	+13
<b>Financial Divestments</b>	<b>828</b>	<b>694</b>	<b>19%</b>	<b>+134</b>
Gas assets (Iberia)	1	271	-99%	-269
EDP Brasil (Pantanal)	83	-	-	+83
Wind assets	727	417	74%	+309
Other	18	6	212%	+12
<b>Total</b>	<b>(432)</b>	<b>(408)</b>	<b>-6%</b>	<b>-24</b>

**Consolidated capex** amounted to €1,964m in the 2016, the bulk of which (~65%) corresponding to expansion, namely in the construction of new hydro & wind capacity (€1.2bn).

**Capex in new wind capacity** (EDPR) amounted to €1,029m in 2016 (of which ~80% in North America). Wind **capacity additions** totalled 770MW, of which 629MW in North America, 120MW in Brazil and 22MW in Europe. Wind capacity **under construction** by Dec-16 totals 248MW: 51% in Brazil, 40% in US, 9% in Europe.

**Expansion capex dedicated to new hydro capacity in Portugal** amounted to €193m, largely impacted by the commissioning of new capacity. During 2016, 2 hydro plants started operations: Salamonde 2 (223MW) and Baixo Sabor (fully commissioned following +156MW YoY). As of Dec-16, EDP had 2 hydro projects with pumping under construction: i) Venda Nova 3 (756MW expected to be commissioned in 1Q17); and ii) Foz-Tua new hydro reservoir (263MW expected to be commissioned in the next summer).

**Maintenance capex** amounted to €697m in the 2016, mostly absorbed by regulated networks in Iberia and Brazil. Note that maintenance capex includes several pluri-annual works at hydro, CCGT and coal plants in Iberia.

Net Investments (€m)	2016	2015	Δ %	Δ Abs.
Capex	1,964	1,788	10%	+176
Financial investments	212	286	-26%	-74
EDPR's asset rotation proceeds	(964)	(339)	-185%	-625
<b>Total</b>	<b>1,212</b>	<b>1,735</b>	<b>-30%</b>	<b>-523</b>

**Net financial divestments** totalled €432m in the 2016. **Financial divestments** amounted to €828m in 2016, comprising: i) €727m at EDPR level, including the sales of minority equity shareholdings in portfolios of wind assets (excluding the amount related to shareholder loans) in US, to Axiom (1Q16) in Europe, to EFG Hermes (2Q16) and in Poland/Italy, to CTG (4Q16); ii) €83m from the sale of Pantanal mini-hydro by EDPB (1Q16); and iii) €18m, mainly from the sale of our equity stake in Tejo-Energia coal plant (1Q16). **Financial investments** in 2016 amounted to €396m, mainly reflecting: i) in Iberia, the acquisition of liquefied propane gas (LPG) distribution assets from Repsol in the North of Spain (€116m), full control of Portgás (€48m) and Naturgas (€38m); and ii) in Brazil, equity contributions (€122m) mostly to São Manoel hydro project.

**Overall, net investments amounted to €1,212m in 2016 (down from €1,735m in 2015)**, including €1,964m of capex, €212m of financial investments and €964m of proceeds from asset rotation deals by EDPR (including €366m of shareholder loans regarding the asset rotation deal in Europe).

(1) Different from financial statement as includes the capex impact of the acquisition of liquefied propane gas distribution assets from Repsol in the North of Spain (€116m).



# FFO & Cash Flow Statement



Funds from Operations (€m)	2016	2015	Δ %	Δ Abs.
<b>EBITDA</b>	<b>3,759</b>	<b>3,924</b>	<b>-4%</b>	<b>-165</b>
Current income tax	(824)	(280)	-194%	-544
Net financial interests	(813)	(892)	9%	+79
Net Income and dividends received from Associates	(18)	(11)	-57%	-7
Non-cash items	(134)	(134)	0%	+0
<b>FFO - Funds From Operations</b>	<b>1,970</b>	<b>2,606</b>	<b>-24%</b>	<b>-636</b>

Consolidated Cash Flow (€m) - Indirect Method	2016	2015	Δ %	Δ Abs.
<b>EBITDA</b>	<b>3,759</b>	<b>3,924</b>	<b>-4%</b>	<b>-165</b>
Current income tax	(824)	(280)	-194%	-544
Changes in operating working capital	1,107	(560)	-	+1,667
Regulatory Receivables	1,526	27	5520%	+1,499
Non-cash items	(134)	(134)	0%	+0
Other working capital	(285)	(452)	37%	+167

<b>Net Cash from Operating Activities</b>	<b>4,042</b>	<b>3,084</b>	<b>31%</b>	<b>+958</b>
Capex	(1,964)	(1,788)	-10%	-176
Expansion	(1,267)	(1,184)	-7%	-83
Maintenance	(697)	(604)	-15%	-93
Changes in working capital from equipment suppliers	8	24	-67%	-16
Net financial (investments)/divestments	432	408	6%	+25
Net financial interests paid	(757)	(847)	11%	+90
Dividends received from Associates	20	34	-42%	-14
Dividends paid	(952)	(801)	-19%	-151
EDP Shareholders	(673)	(672)	0%	-0
Other	(280)	(129)	-117%	-151
Proceeds from Institutional Partnerships in US wind	452	68	562%	+384
Effect of exchange rate fluctuations	(341)	(86)	-299%	-256
Other non-operating changes	517	(435)	-	+953
<b>Decrease/(Increase) in Net Debt</b>	<b>1,457</b>	<b>(338)</b>	<b>-</b>	<b>+1,795</b>

Consolidated Cash Flow (€m) - Direct Method	2016	2015	Δ %	Δ Abs.
<b>Operating Activities</b>				
Cash receipts from customers	13,369	14,357	-7%	-988
Proceeds from tariff adjustments sales	2,287	903	153%	+1,384
Cash paid to suppliers and personnel	(10,378)	(11,294)	8%	+917
Concession rents & other	(609)	(740)	18%	+131
<b>Net Cash from Operations</b>	<b>4,670</b>	<b>3,226</b>	<b>45%</b>	<b>+1,444</b>
Income tax received/(paid)	(628)	(142)	-343%	-486

<b>Net Cash from Operating Activities</b>	<b>4,042</b>	<b>3,084</b>	<b>31%</b>	<b>+958</b>
<b>Net Cash from Investing Activities</b>	<b>(2,134)</b>	<b>(1,633)</b>	<b>-31%</b>	<b>-502</b>
<b>Net Cash from Financing Activities</b>	<b>(1,748)</b>	<b>(2,780)</b>	<b>37%</b>	<b>+1,032</b>
<b>Changes in Cash and Cash Equivalents</b>	<b>159</b>	<b>(1,329)</b>	<b>-</b>	<b>+1,488</b>
Effect of exchange rate fluctuations	117	(40)	-	+157

**Funds from operations (FFO) decreased 24% YoY to €1,970m in 2016**, mostly reflecting i) a €165m decrease in EBITDA (see details on page 3); ii) a €544m increase in current income tax related to the increase of taxable revenue due to higher amount of tariff deficit sales in 2016, partly offset at 'other changes in working capital' by the amount of current income tax payable in 2017 and by a €0.3bn amount of one-off tax payments (related to taxes anticipation and regulatory receivables cashed-in in 2016); and iii) a €79m decrease in net financial interests, benefitting from a lower average cost of debt (4.4% in 2016 vs. 4.7% 2015) and a lower average net debt (-€0.8bn YoY).

**Net cash from operating activities increased €958m YoY to €4,042m in 2016**, impacted by a positive contribution from change in **regulatory receivables**, which contributed with €1,526m, driven by: i) a €1,239m decrease vs. Dec-15 from regulated activities in Portugal, including -€2.2bn from the securitisation deals undertaken in 2016; and ii) a €285m decrease vs. Dec-15 in our regulatory receivables from our electricity distribution activities in Brazil. '**Non-cash items**' reflect the yearly charge-off of provisions for employee benefits (€267m in 2016 vs. €212m in 2015), which this year includes an extra contribution of €66m. '**Other changes in working capital**', which amounted to -€285m in 2016, include the above mentioned impact of taxes payable in 2017.

**Expansion capex totalled €1,267m in 2016**, translating the ongoing construction of new hydro and wind capacity.

**Net financial divestments amounted to €432m in 2016**, mostly reflecting EDPR disposal of minority stakes in i) a portfolio of wind assets in US (€279m); ii) several assets in European markets (€419m, with the remainder of the sales proceeds reflected in other non-operating charges as shareholder loans), the sale of Pantanal mini-hydro plant by EDP Brasil (€83m), the acquisition of an additional stake in Portgás (€48m) and in Naturgas (€38m), and the acquisition of liquefied propane gas distribution assets from Repsol in the North of Spain (€116m).

On 18-May-16, EDP paid its annual dividend amounting to €673m (or €0.185/share, flat vs. the previous year). Note that the amount of €952m of dividends paid in 2016 also includes the amounts paid to non-controlling interests, mostly at the level of EDP Renováveis and EDP Brasil.

**Proceeds from Institutional Partnerships in US** reflect the establishment of several tax equity financing structures in the US in 2016 related to the 199MW Waverly wind farm, to the 250MW Hidalgo and 78MW Jericho Rise wind farms and to the 101MW Timber Road III wind farm (total €623m), whose impact on net debt was partly offset by the retention of tax benefits by institutional investors (€172m).

**Effects of exchange rate fluctuations** reflect the impact of BRL and USD appreciation against the Euro (+26% and 3%, respectively).

**Other non-operating changes** in 2016 are mostly impacted by the decrease of intragroup shareholder loans (€491m) related with the disposal of minority stakes in several European renewables' assets and by the subscription by minorities of EDP Brasil's capital increase (€184m).

On balance, **net debt** went down by €1,457m vs. Dec-15 to €15.9bn as of Dec-16.



# Statement of Consolidated Financial Position



Assets (€ m)	Dec vs. Dec		
	Dec-16	Dec-15	Δ Abs.
Property, plant and equipment, net	24,194	22,774	1,420
Intangible assets, net	5,129	5,525	-396
Goodwill	3,415	3,389	26
Financial investments and assets held for sale, net	1,547	1,028	519
Tax assets, deferred and current	1,399	587	812
Inventories	317	204	112
Trade receivables, net	-	-	-
Other assets, net	6,511	7,705	-1,194
Collateral deposits	52	80	-28
Cash and cash equivalents	1,521	1,245	276
<b>Total Assets</b>	<b>44,084</b>	<b>42,537</b>	<b>1,547</b>
Equity (€ m)	Dec vs. Dec		
	Dec-16	Dec-15	Δ Abs.
Equity attributable to equity holders of EDP	9,406	8,670	737
Non-controlling Interest	4,330	3,452	878
<b>Total Equity</b>	<b>13,736</b>	<b>12,121</b>	<b>1,615</b>
Liabilities (€ m)	Dec vs. Dec		
	Dec-16	Dec-15	Δ Abs.
Financial debt, of which:	18,027	19,271	-1,244
<i>Medium and long-term</i>	<i>15,550</i>	<i>15,654</i>	<i>-104</i>
<i>Short term</i>	<i>2,476</i>	<i>3,617</i>	<i>-1,140</i>
Employee benefits (detail below)	1,727	1,823	-97
Institutional partnership liability (US wind)	1,520	1,165	355
Provisions	671	506	165
Tax liabilities, deferred and current	1,676	1,312	363
Deferred income from inst. partnerships	819	791	28
Other liabilities, net	5,907	5,547	360
<b>Total Liabilities</b>	<b>30,347</b>	<b>30,415</b>	<b>-68</b>
<b>Total Equity and Liabilities</b>	<b>44,084</b>	<b>42,537</b>	<b>1,547</b>
Employee Benefits (€m) (1)	Dec vs. Dec		
	Dec-16	Dec-15	Δ Abs.
Pensions (2)	815	883	-68
Medical care and other	912	940	-28
<b>Employee Benefits</b>	<b>1,727</b>	<b>1,823</b>	<b>-97</b>
Regulatory Receivables (€m)	Dec vs. Dec		
	Dec-16	Dec-15	Δ Abs.
Portugal Distribution and Gas (3)	744	2,021	-1,277
Portugal Annual CMEC Deviation	253	216	37
Spain	68	70	-2
Brazil	-114	170	-285
<b>Regulatory Receivables</b>	<b>951</b>	<b>2,477</b>	<b>-1,526</b>

Total amount of **property, plant & equipment and intangible assets** increased €1.0bn vs. Dec-15 to €29.3bn as of Dec-16, mainly reflecting: €1.9bn of capex in the period, by +€0.7bn mainly resulting from the impact of BRL and USD appreciation against the Euro between Dec-15 and Dec-16 (+26% and 3%, respectively), offset by -€1.5bn from depreciations in the period. As of Dec-16, EDP's balance sheet included €2.9bn of works in progress (11% of total consolidated tangible and intangible assets) largely related to investments already incurred in regulated networks, power plants, wind farms development, equipment or concession rights which are not yet operating.

The book value of **financial investments & assets held for sale** increased €0.7bn vs. Dec-15, to €1.7bn as of Dec-16, mainly reflecting the inclusion of the Portgas assets at this level (€0.5bn), partly offset by the conclusion of the sale of Pantanal mini-hydros in Brazil and of our equity stake in Tejo Energia coal plant, as well as the in-kind contribution to EDP employees' pension fund of our stake in BCP. Note that, by Dec-15, financial investments essentially refer to our equity stakes, at EDP Brasil level, in Jari (50%), Cachoeira Caldeirão (50%) and São Manoel (33%); at EDP Group level, in EDP Asia (50%), which is the owner of a 21% stake in CEM and REN (3.5%); and, at EDPR level, equity stakes in 356MW in wind farms in the US and in Spain.

**Tax assets net of liabilities, deferred and current**, went up €0.4bn vs. Dec-15, mostly due to some internal changes in group's structure and liabilities related to tax revaluation of some assets in 2016. **Other assets (net)** decreased €1.2bn vs. Dec-15 to €6.5bn as of Dec-16, driven essentially by lower regulatory receivables in Brazil and impacted by securitizations in Portugal.

Total amount of EDP's **net regulatory receivables** went down €1,526m vs. Dec-15, to €951m as of Dec-16, reflecting a €1.2bn decrease from Portugal and a €285m reduction from Brazil.

**Equity book value attributable to EDP shareholders** increased by €0.7bn or by 8% to €9.4bn as of Dec-16, mainly reflecting €0.3bn of retained earnings, given the €961m of net profit for the period offset by the €673m annual dividend payment; the positive impact of the BRL appreciation vs. EUR (+€0.2bn); gains on disposals of minority stakes in wind farms by EDPR and on the acquisition of a 5% stake in Naturgas, that are not booked at P&L level and add directly to equity book-value (+€0.2bn). **Non-controlling interest** increased €0.9bn to €4.4bn as of Dec-16, mostly deriving from the previously mentioned asset rotation deals at EDPR level and to the 49% stake of EDP Brasil's capital increase that was subscribed by minorities.

**Pension fund, medical care and other employee benefit liabilities** (gross, before deferred taxes) fell by €97m vs. Dec-15 to €1,727m as of Dec-16, reflecting the recurrent payment of pension and medical care expenses in 2016, as well as an extraordinary payment of €82m (€66m in cash and €16m as the in-kind contribution to EDP employees' pension fund of our stake in BCP). **Institutional partnership liabilities and deferred income** increased €0.4 vs. Dec-15 to €1.5bn as of Dec-16 reflecting the benefits appropriated by the tax equity partners during the period, which was more than offset by the completion of several tax equity deals (€623m) and by the appreciation of the USD vs. EUR (3%).

(1) Gross, before deferred taxes; (2) Pensions include the Provision for the HR Restructuring Program costs of EDP Distribuição, which is being recovered through the tariffs; through tariffs in the following years by electricity distribution and last resort supply and gas in Portugal.

(3) Tariff deviations to be recovered/(returned)



# Consolidated Net Financial Debt



Nominal Financial Debt by Company (€m)	Dec-16	Dec-15	Δ %	Δ Abs.
EDP S.A. and EDP Finance BV	15,214	16,157	-6%	-943
EDP Produção & Other	79	115	-31%	-35
EDP Renováveis	787	1,080	-27%	-293
EDP Brasil	1,582	1,415	12%	167
<b>Nominal Financial Debt</b>	<b>17,662</b>	<b>18,767</b>	<b>-6%</b>	<b>-1,105</b>

Accrued Interest on Debt	292	332	-12%	-40
Fair Value of Hedged Debt	73	172	-58%	-99
Derivatives associated with Debt (2)	(130)	(175)	26%	45
Collateral deposits associated with Debt	(52)	(80)	35%	28
Hybrid adjustment (50% equity content)	(391)	(381)	-3%	-10
<b>Total Financial Debt</b>	<b>17,454</b>	<b>18,635</b>	<b>-6%</b>	<b>-1,181</b>

<b>Cash and cash equivalents</b>	<b>1,521</b>	<b>1,245</b>	<b>22%</b>	<b>276</b>
EDP S.A., EDP Finance BV and Other	525	680	-23%	-155
EDP Renováveis	408	299	37%	109
EDP Brasil	588	267	121%	321
<b>Financial assets at fair value through P&amp;L</b>	<b>10</b>	<b>9</b>	<b>3%</b>	<b>0</b>

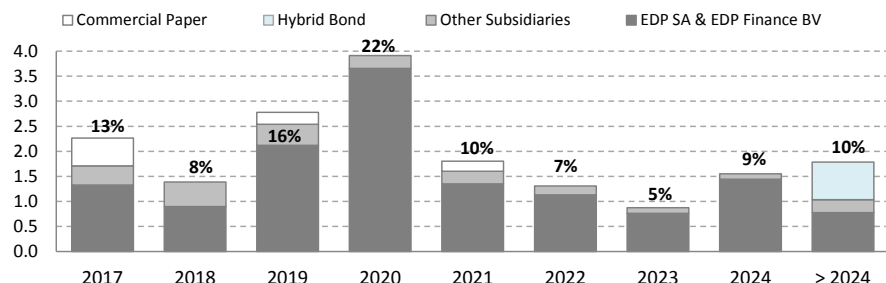
<b>EDP Consolidated Net Debt</b>	<b>15,923</b>	<b>17,380</b>	<b>-8%</b>	<b>-1,457</b>
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Credit Lines by Dec-16 (€m)	Maximum Amount	Number of Counterparts	Available Amount	Maturity
Revolving Credit Facilities	75	1	75	Aug-17
Revolving Credit Facility	3,150	21	3,150	Jun-19
Revolving Credit Facility	500	16	300	Feb-20
Domestic Credit Lines	156	7	156	Renewable
Underwritten CP Programmes	100	1	40	2021
<b>Total Credit Lines</b>	<b>3,981</b>		<b>3,721</b>	

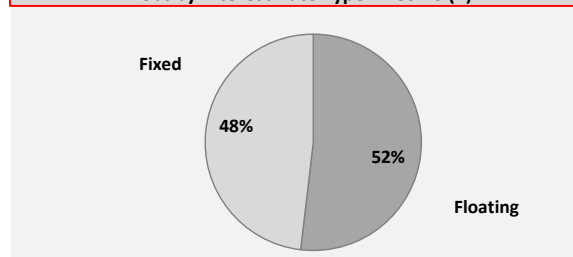
Debt Ratings	S&P	Moody's	Fitch
<b>EDP SA &amp; EDP Finance BV</b>	<b>BB+/Positive/B</b>	<b>Baa3/Stable/P3</b>	<b>BBB-/Stab/F3</b>
Last Rating Action	29-11-2016	12-02-2016	31-10-2016

Debt Ratios	Dec-16 (3)	Dec-15
Net Debt / EBITDA	4.2x	4.4x
Net Debt / EBITDA adjust. by Reg. Receivables	4.0x	3.8x

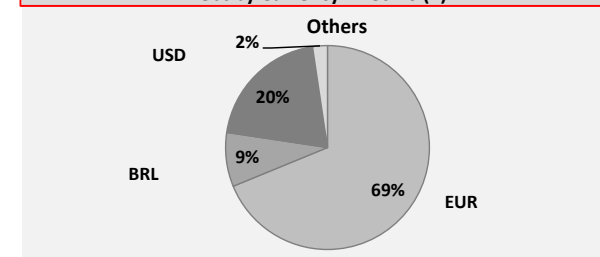
**Debt Maturity (€ m) by Dec-16 (1)**



**Debt by Interest Rate Type - Dec-16 (1)**



**Debt by Currency - Dec-16 (1)**



EDP's financial debt is essentially issued at holding level (EDP S.A. and EDP Finance B.V.) through both debt capital markets and bank loans. Maintaining access to diversified sources of funding and assuring refinancing needs at least 12-24 months ahead continues to be part of the company's funding strategy. In Feb-16, Moody's affirmed EDP's credit rating at "Baa3" with Stable outlook. This rating affirmation follows a review of EDP's and other European utility companies' exposure to the power price environment, reflecting EDP's low exposure to lower power prices, as well as its financial flexibility. In Oct-16, Fitch affirmed EDP's credit rating at "BBB-" with Stable outlook and in Nov-16, S&P affirmed EDP's credit rating at "BB+" with Positive outlook.

Looking at 2016's major debt repayments and refinancing deals, in Feb-16, EDP repaid, at maturity, a €750m 5.875% Eurobond. In Mar-16, EDP issued a Eurobond in the amount of €600m, with final maturity date in March 2023, and a coupon of 2.375%. In Jun-16 EDP reimbursed, at maturity, a €500m 4.625% Eurobond. In Aug-16, EDP issued a year Eurobond in the amount of €1,000m, with final maturity date in Feb-24, and a coupon of 1.125%. In Sep-16 EDP reimbursed, at maturity, a €1,000m 4.75% Eurobond. In the 4Q16, within the scope of a liability management exercise, EDP bought-back i) €250m notes of a floating rate bond maturing in 2018, and ii) USD500m of two bonds: USD469m of the 6% Notes due Feb 2018 and USD31m of the 4.9% Notes due Oct 2019. In Jan-17, EDP issued a €600m Eurobond with a coupon of 1.875%, maturing in Sep-23. EDP's long dated bond issues are in line with the Group's financial policy of extending the average term of its debt portfolio and reinforcing its financial flexibility.

As of Dec-16 average debt maturity was 5 years. The weight of consolidated financial debt through capital markets stood at 69%, while the remaining debt was raised essentially through bank loans.

Refinancing needs in 2017 amount to €1.8bn including several banking loans and two bonds: €750m 5.75% Eurobond maturing in Sep-17 and GBP200m 6.625% bond maturing in Aug-17. In 2018, refinancing needs amount to €0.9bn, including the remaining USD530m out of the above mentioned 6% bond maturing in Feb-18.

Total cash and available liquidity facilities amounted to €5.3bn by Dec-16. This liquidity position allows EDP to cover its refinancing needs beyond 2018.

(1) Nominal Value includes 100% of the hybrid bond; (2) Derivatives designated for net investment and fair-value hedge of debt; (3) Based on trailing 12 months EBITDA of €3,759m and net debt excluding 50% of hybrid bond issue





Business Areas



# Iberian Electricity and Gas Markets



Electricity Balance (TWh)	Portugal			Spain			Iberian Peninsula		
	2016	2015	Δ%	2016	2015	Δ%	2016	2015	Δ%
Hydro	15.2	8.7	74%	39.2	31.2	26%	54.4	39.9	36%
Nuclear	-	-	-	56.1	54.7	2.5%	56.1	54.7	2%
Coal	11.7	13.7	-14%	35.2	50.9	-31%	46.9	64.6	-27%
CCGT	7.4	5.2	41%	25.7	25.3	2%	33.1	30.5	8%
Fuel/gas/diesel	-	-	-	-	-	-	-	-	-
(-)Pumping	(1.5)	(1.5)	4%	(4.8)	(4.5)	7%	(6.3)	(6.0)	6%
<b>Conventional Regime</b>	<b>32.8</b>	<b>26.2</b>	<b>25%</b>	<b>151.3</b>	<b>157.6</b>	<b>-4%</b>	<b>184.1</b>	<b>183.8</b>	<b>0%</b>
Wind	12.2	11.3	8%	47.3	47.7	-1%	59.5	59.1	1%
Other	9.3	9.1	2%	44.9	44.5	1%	54.2	53.6	1%
<b>Special Regime</b>	<b>21.5</b>	<b>20.5</b>	<b>5%</b>	<b>92.2</b>	<b>92.2</b>	<b>-0%</b>	<b>113.7</b>	<b>112.7</b>	<b>1%</b>
Import/(export) net	(5.1)	2.3	-	6.4	(1.5)	-	1.3	0.8	69%
<b>Gross demand (before grid losses)</b>	<b>49.2</b>	<b>48.9</b>	<b>0.6%</b>	<b>249.9</b>	<b>248.4</b>	<b>0.6%</b>	<b>299.1</b>	<b>297.3</b>	<b>0.6%</b>
Adjust. temperature, working days			0.4%			-0.1%			n.a.

Gas Demand (TWh)	Portugal			Spain			Iberian Peninsula		
	2016	2015	Δ%	2016	2015	Δ%	2016	2015	Δ%
Conventional demand	40.5	41.2	-2%	261.8	253.5	3%	302.3	294.7	3%
Demand for electricity generation	15.4	11.0	39%	59.6	61.2	-3%	75.0	72.3	4%
<b>Total Demand</b>	<b>55.8</b>	<b>52.2</b>	<b>7%</b>	<b>321.4</b>	<b>314.7</b>	<b>2%</b>	<b>377.3</b>	<b>367.0</b>	<b>3%</b>

**Electricity demand in Iberia** increased by 0.6% in 2016, following a 2% step up in 4Q16 (YoY). Growth in 2016 was equally driven by Portugal and Spain, both impacted by favourable temperature and calendar effects. In Spain (84% of Iberia), demand adjusted for temperature and working days was virtually unchanged (-0.1% YoY). In Portugal (16% of total), demand adjusted for temperature and working days increased YoY by 0.4% in 2016.

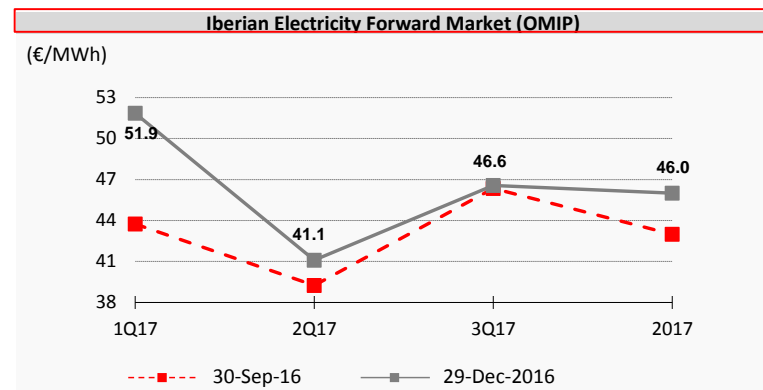
**Installed capacity in Iberia** declined by 1.0GW, mainly reflecting reduction in fuel (-0.8GW), coal (-0.4GW) and special regime (mainly cogeneration and waste), which was partially compensated by new hydro capacity in Portugal (+0.4GW) and, to a lower extent, new wind capacity in Iberia.

Higher demand in Iberia during 2016 (+1.9TWh) was fully met by an increase in special regime output (+1TWh) and net imports (+0.5TWh). In turn, **residual thermal demand (RTD)** fell 16% YoY (-15TWh YoY) in 2016, supported by: i) 14TWh YoY rise in hydro output (net of pumping) driven by strong hydro conditions (33% above the average year in Portugal and +10% in Spain; and ii) 0.5TWh increase in nuclear output. This decline in RTD was fully absorbed by coal output (-27% YoY, -18TWh), leading to an average load factor of 46% (-16pp YoY). In turn, output from CCGT rose by 8% YoY in 2016 (+2.5TWh YoY), following more intense production in 4Q16: output was up by 54% YoY in 4Q16, justifying a 7pp YoY increase in avg. load factor, to 20% in the period. Overall, strong hydro and wind resources have largely displaced thermal capacity in 9M16, but this was reversed in 4Q16: hydro resources stood ~50% short of avg. in both Portugal and Spain, bringing reservoir levels below historical average; and wind resources fell ~30% short of avg. in Spain and ~15% below average in Portugal. As a result, 4Q16 RTD rose by 19% YoY propelled by these weather conditions, higher demand and net exports from Iberia, following nuclear outages in France and colder weather in Europe.

**Average electricity spot price** was 21% lower YoY, at €40/MWh in 2016, both in Portugal and Spain, following a 35% QoQ increase in 4Q16 (to €57/MWh). Average CO<sub>2</sub> prices fell 30% YoY in 2016, to €5.3/ton. Average electricity final price in Spain fell by 25% to €47/MWh in 2016. The difference between final electricity price and pool price derives from the contribution from profiling, restriction market, ancillary services and capacity payments.

**In the Iberian gas market**, consumption rose by 3% YoY in 2016, following a sharp recovery in 4Q16 (+14% YoY), prompted by a more intense CCGT-based electricity production: gas consumption for electricity generation purposes (20% of total gas consumption in Iberia) advanced by 38% YoY in 4Q16, largely supported by Portugal. In 2016, conventional gas demand accounted for 80% of total consumption in Iberia, unveiling a mixed impact in Portugal (-2% YoY) and Spain (+3% YoY).

Installed Capacity in Electricity (GW)	Iberian Peninsula		
	2016	2015	Δ%
Hydro	23.5	23.1	2%
Nuclear	7.0	7.0	-
Coal	11.3	11.7	-4%
CCGT	28.8	28.8	0%
Fuel/gas/diesel	-	0.8	-
<b>Conventional Regime</b>	<b>70.6</b>	<b>71.4</b>	<b>-1%</b>
Wind	28.1	27.9	1%
Other special regime	19.7	20.0	-2%
<b>Special Regime</b>	<b>47.8</b>	<b>47.9</b>	<b>0%</b>
<b>Total</b>	<b>118.3</b>	<b>119.3</b>	<b>-0.8%</b>



Main Drivers	2016	2015	Δ%
Hydro coefficient (1.0 = avg. year)			
Portugal	1.33	0.74	80%
Spain	1.10	0.80	38%
Wind coefficient (1.0 = avg. year)			
Portugal	1.00	1.01	-1%
Electricity spot price, €/MWh (1)			
Portugal	39.4	50.4	-22%
Spain	39.7	50.3	-21%
Electricity final price, €/MWh (1) (2)			
Spain	47.4	63.0	-25%
CO2 allowances (EUA), €/ton (1)	5.3	7.7	-30%
Coal (API2 CIF ARA), USD/t (1)	59.8	56.8	5%
Gas NBP, €/MWh(1)	14.3	20.0	-28%
Brent, USD/bbl (1)	43.7	52.5	-17%
EUR/USD (1)	1.11	1.11	-1%



# LT Contracted Generation in Iberian Market: PPA/CMEC & Special Regime



Income Statement (€ m)	2016	2015	Δ %	Δ Abs.
<b>PPA/CMEC Revenues</b>	<b>865</b>	<b>1,033</b>	<b>-16%</b>	<b>-168</b>
Revenues in the market (i)	649	828	-22%	-178
Annual deviation (ii)	169	160	6%	+10
PPAs/CMECs accrued income (iii)	46	46	0%	+0
<b>PPA/CMEC Direct Costs</b>	<b>286</b>	<b>367</b>	<b>-22%</b>	<b>-81</b>
Coal	175	213	-18%	-38
Fuel oil	1	1	18%	+0
CO2 and other costs (net)	110	153	-28%	-43
<b>Gross Profit PPA/CMEC</b>	<b>579</b>	<b>666</b>	<b>-13%</b>	<b>-88</b>
Thermal (cogeneration) (1)	7	13	-47%	-6
Mini-hydro	54	38	42%	+16
<b>Gross Profit Special Regime</b>	<b>61</b>	<b>51</b>	<b>19%</b>	<b>+10</b>
Net Operating costs (2)	110	135	-18%	-24
<b>EBITDA</b>	<b>529</b>	<b>583</b>	<b>-9%</b>	<b>-54</b>
Net depreciation and provision	130	161	-20%	-31
<b>EBIT</b>	<b>399</b>	<b>422</b>	<b>-5%</b>	<b>-22</b>
At Fin. Results: Hedging Gains (Losses) (3)	(29)	7	-	-36
Employees (#)	1,020	1,106	-8%	-86

PPA/CMEC: Key Data	2016	2015	Δ %	Δ Abs.
<b>Real/Contracted Availability</b>				
Hydro	1.05	1.05	-0%	-0.00
Coal	1.04	1.08	-4%	-0.04
<b>Installed Capacity (MW)</b>	<b>3,843</b>	<b>4,470</b>	<b>-14%</b>	<b>-627</b>
Hydro	2,663	3,290	-19%	-627
Coal	1,180	1,180	-	-
<b>Output (GWh)</b>	<b>15,261</b>	<b>14,631</b>	<b>4%</b>	<b>+630</b>
Hydro	7,179	4,975	44%	+2,204
Coal	8,082	9,657	-16%	-1,574

Special Regime: Key Data	2016	2015	Δ %	Δ Abs.
<b>Output (GWh)</b>	<b>705</b>	<b>663</b>	<b>6%</b>	<b>+42</b>
Mini-hydro Portugal	549	349	57%	+200
Thermal Portugal	156	183	-15%	-27
Thermal Spain (1)	-	131	-	-68
<b>Average Gross Profit (€/MWh)</b>				
Mini-hydro Portugal	98	88	11%	+10
Thermal Portugal	45	31	45%	+14
Thermal Spain (1)	-	58	-	-

Capex (€ m)	2016	2015	Δ %	Δ Abs.
PPA/CMEC Generation	42	27	55%	+15
Special Regime	2	1	151%	+1
<b>Total</b>	<b>44</b>	<b>28</b>	<b>58%</b>	<b>+16</b>

**EBITDA from LT contracted generation** fell by 9% (-€54m YoY), to €529m in 2016, mainly reflecting the transfer of 8 hydro plants to our merchant portfolio following the termination of respective PPAs (2015 gross profit: €75m). These plants have a total installed capacity of 627MW and an annual production 1.7TWh (on an average hydro year).

**Gross profit from PPA/CMEC** was 13% lower YoY, at €579m in 2016, driven by the aforementioned end of PPA contracts in Dec-15 and the natural depreciation of the asset base in a context of very low inflation. Results with fuel procurement, stemming from market price volatility between the moment of procurement and the moment of consumption, had a positive impact on gross profit. Note that, as a result of EDP's strategy to hedge these changes through derivative financial instruments, this impact is ultimately compensated at the level of financial results.

The **annual deviation** between market gross profit under CMECs assumptions and gross profit under actual market conditions totalled €169m in 2016. This amount is due to be received in up to 24 months through access tariffs. Deviation at hydro plants totalled €47m in 2016, since higher output (32% above the CMEC reference), prompted by hydro resources 33% above average hydro year, was outstated by realised price 39% below the CMEC's reference and by an adverse impact from low inflation. In turn, total gross profit at our Sines coal plant was €122m below the CMEC's reference in 2016, due to the combined effect of shorter volumes (-7%) and avg. clean dark spread 44% below CMEC reference.

**Gross profit from special regime** was €10m higher YoY, at €61m in 2016, fully driven by a 57% increase in mini-hydro production backed by strong hydro conditions in 1H16.

**Net operating costs<sup>(2)</sup>** fell by 18% YoY, to €110m in 2016, supported by the transfer to our merchant portfolio of the hydro capacity which PPA terminated in 2015 and by natural reduction in headcount.

**Net amortisation charges and provisions** amounted to €130m in 2016, reflecting lower asset base at PPA/CMEC.

**Capex in LT contracted generation** was €16m higher in 2016, at €44m, which is largely attributable to maintenance works at Sines power plant.

## Explanatory note on PPA/CMEC:

In July 2007 the long term contracts that EDP had with the Portuguese electricity regulated system (PPA) were replaced by the CMEC (Cost of Maintenance of Contractual Equilibrium) financial system to conciliate: (1) the preservation of the NPV of PPA, based on real pre-tax ROA of 8.5%, and a stable contracted gross profit over the next 10 years; and (2) the need to increase liquidity in the Iberian electricity wholesale market. In terms of EDP's P&L, the total gross profit resulting from CMECs' financial system will keep the same profile over the next 10 years as the former PPA.

PPA/CMEC gross profit has 3 components:

(i) **Revenues in the market**, resulting from the sale of electricity in the Iberian wholesale market and including both ancillary services and capacity payments.

(ii) **Annual deviation ('revisibility')**, equivalent to the difference between CMEC's initial assumptions made in 2007 (outputs, market prices, fuel and CO<sub>2</sub> costs) and real market data. This annual deviation will be paid/received by EDP, through regulated tariffs, up to two years after occurring.

(iii) **PPA/CMEC Accrued Income**, reflecting the differences in the period between PPA and CMEC assumed at the beginning of the system in July 2007.

(1) As from January 1st, 2016, cogeneration and waste under the special regime in Spain are reported in Liberalised Activities in Iberia

(2) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net); (3) Includes a realised cost of €4m in 2016 and a gain of €1m in 2015.



# Liberalised Activities in the Iberian Market



Income Statement (€ m)	2016	2015	Δ%	Δ Abs.
<b>Gross Profit</b>	<b>1,089</b>	<b>879</b>	<b>24%</b>	<b>+210</b>
Electricity generation	751	594	26%	+157
Portugal	395	239	65%	+155
Spain	360	347	4%	+13
Adjustments	(4)	8	-	-12
Electricity supply	251	209	20%	+42
Gas supply	88	70	25%	+17
Adjustments	(1)	6	-	-7
Net Operating costs (1)	553	516	7%	+38
<b>EBITDA</b>	<b>536</b>	<b>364</b>	<b>47%</b>	<b>+172</b>
Provisions	(21)	11	-	-33
Amortisation and impairment	234	200	17%	+34
<b>EBIT</b>	<b>323</b>	<b>152</b>	<b>112%</b>	<b>+171</b>

Electricity Performance	2016	2015	Δ%	2016	2015	Δ%
	<b>Output (GWh)</b>			<b>Variable Cost (€/MWh) (2)</b>		
Generation Output	20,654	18,355	13%	22.3	31.8	-30%
Electricity Purchases	37,754	35,395	7%	46.5	58.8	-21%
<b>Electricity Sources</b>	<b>58,408</b>	<b>53,750</b>	<b>9%</b>	<b>38.7</b>	<b>50.5</b>	<b>-23%</b>
	<b>Volumes Sold (GWh)</b>			<b>Average Price (€/MWh) (3)</b>		
Grid Losses	1,199	977	23%	n.a.	n.a.	-
Retail - Final clients	36,629	34,295	7%	60.6	65.3	-7%
Wholesale market	20,579	18,478	11%	47.9	59.5	-20%
<b>Electricity Uses</b>	<b>58,408</b>	<b>53,750</b>	<b>9%</b>	<b>54.9</b>	<b>62.2</b>	<b>-12%</b>

Electricity Gross Profit (€ m)	2016	2015	Δ%	Δ Abs.
Before hedging (€/MWh)	16.2	11.6	39%	+4.5
From Hedging (€/MWh) (4)	(0.6)	0.8	-	-1.4
Unit margin (€/MWh)	15.6	12.4	25%	+3.1
Total Volume (TWh)	58.4	53.8	9%	+4.7
<b>Subtotal</b>	<b>910</b>	<b>669</b>	<b>36%</b>	<b>+242</b>
<b>Others (5)</b>	<b>92</b>	<b>134</b>	<b>n.a.</b>	<b>-42</b>
<b>Total</b>	<b>1,002</b>	<b>803</b>	<b>25%</b>	<b>+199</b>

Gas Uses (TWh)	2016	2015	Δ%	Δ Abs.
Consumed by own power plants	7.7	6.6	17%	+1.1
Sold in wholesale markets	12.4	18.8	-34%	-6.4
Sold to Clients	10.4	11.6	-10%	-1.2
<b>Total</b>	<b>30.6</b>	<b>37.1</b>	<b>-18%</b>	<b>-6.5</b>

**EBITDA from liberalised activities** increased 47%, to €536m in 2016, propelled by: i) a cheaper generation mix derived from the hydro capacity additions and stronger hydro resources in the period (43% weight in generation mix in 2016 vs. 25% in 2015); ii) higher results with energy management in the wake of low-price context and high price volatility during 1H16; and iii) higher contribution from supply business resulting from the combined impact of this year's smoother portfolio growth (vs. previous years) and higher average margin per client, prompted by higher product (dual offer) and services penetration and higher digitalisation rate (electronic invoicing rising by 4pp YoY to 20%).

Note that, as a result of the end of PPAs at 8 hydro plants in Dec-15, 627MW of hydro capacity was transferred from the LT Contracted portfolio to liberalised generation portfolio.

**Gross profit in the electricity business** rose by 25% in 2016, to €1,002m, prompted by an increase in avg. unit margin (up from €12.4/MWh in 2015 to €15.6/MWh in 2016) and volumes sold (+9% YoY).

**Unit margin** <sup>(2)(3)</sup>: Avg. electricity spread before hedging advanced from €11.6/MWh in 2015, to €16.2/MWh in 2016, mainly propelled by a cheaper mix of electricity sources. **Avg. sourcing cost** fell by 23% YoY, to €39/MWh in 2016, supported by a cheaper generation mix (-30% YoY on higher contribution from hydro and cheaper coal and gas based production) and cheaper electricity purchases derived from low pool prices in the period (-21%, broadly in line with avg. pool price). **Avg. selling price** was 12% lower in 2016, as a result of: (i) a 7% decline in avg. selling prices to retail clients supported by lower cost of electricity; and (ii) a 20% fall in the average selling prices in the wholesale market (on lower spot prices).

**Volumes**: Total volume sold rose by 9% to 59TWh in 2016, reflecting a 7% increase in sales to retail customers and 11% rise in volumes sold in the wholesale market. Our generation output met 56% of electricity sales to final clients (vs. 54% in 2015).

**Net operating costs**<sup>(1)</sup> were 7% higher YoY, reflecting higher supplies and services tied to client portfolio expansion, new capacity additions and hydro assets transferred from LT Contracted portfolio.

**Our gas sourcing activity** in 2016 is based on c3.1bcm/year LT contracts. In 2016, total gas consumed declined by 18%, as a result of lower sales in the wholesale market. As a result of operational context in Iberia, gas consumption was more biased towards electricity generation than to final retail clients.

EDP is adapting its hedging strategy to the current market conditions, making use of flexibility stemming from the integrated management of gas and electricity operations in Iberia. As a result, EDP has maximised gas consumption between power production, wholesale/retail markets, having so far secured spark spreads for ~90% of its gas sourcing commitments for 2017. Also, EDP has fully forward contracted dark spreads for c65% of expected coal output for 2017. Along with a competitive fuel procurement, EDP has so far forward contracted electricity sales with clients of ~27TWh for 2017, at an avg. price of c€55/MWh (excluding naturally-hedged price-indexed sales).

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net); (2) Variable cost: fuel cost, CO2 cost net of free allowances, hedging costs (gains), system costs;

(3) Average selling price: includes selling price (net of TPA tariff), ancillary services and others; (4) Includes results from hedging on electricity;

(5) Includes capacity payments, services rendered and others.



# Liberalised Electricity Generation in the Iberian Market



## Income Statement (€ m)

	2016	2015	Δ%	Δ Abs.
<b>Gross Profit</b>	<b>751</b>	<b>594</b>	<b>26%</b>	<b>+157</b>
Portugal	395	239	65%	+155
Spain	360	347	4%	+13
Adjustments	(4)	8	-	-12
Supplies and services	80	64	24%	+16
Personnel costs	56	47	18%	+9
Costs with social benefits	-	0	-	-0
Other operating costs (net)	157	180	-12%	-22
<b>Net Operating costs (1)</b>	<b>293</b>	<b>291</b>	<b>1%</b>	<b>+2</b>
<b>EBITDA</b>	<b>458</b>	<b>303</b>	<b>51%</b>	<b>+155</b>
Provisions	1	3	-79%	-3
Amortisation and impairment	224	190	18%	+33
<b>EBIT</b>	<b>234</b>	<b>109</b>	<b>114%</b>	<b>+124</b>

<b>Employees (#)</b>	<b>580</b>	<b>576</b>	<b>1%</b>	<b>+4</b>
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## Key Operating Data

	2016	2015	Δ%	Δ Abs.
<b>Generation Output (GWh)</b>	<b>20,654</b>	<b>18,355</b>	<b>13%</b>	<b>+2,299</b>
CCGT	5,242	3,666	43%	+1,576
Coal	5,150	8,946	-42%	-3,796
Hydro	8,924	4,517	98%	+4,407
Nuclear	1,239	1,227	1%	+12
Cogeneration and Waste (2)	100	-	-	+100
<b>Generation Costs (€/MWh) (3)</b>	<b>22.3</b>	<b>31.8</b>	<b>-30%</b>	<b>-9.5</b>
CCGT	51.2	66.8	-23%	-15.6
Coal	29.4	34.3	-14%	-4.9
Hydro	3.9	5.6	-31%	-1.7
Nuclear	5.1	5.0	2%	+0.1
<b>Load Factors (%)</b>				
CCGT	16%	11%	-	5p.p.
Coal	48%	70%	-	-22p.p.
Hydro	29%	21%	-	8p.p.
Nuclear	91%	90%	-	1p.p.
<b>CO2 Emissions (mn tones)</b>				
Total emissions (4)	6.2	9.0	-30%	-2.7

## Capex (€ m)

	2016	2015	Δ%	Δ Abs.
Expansion	232	332	-30%	-101
Maintenance	85	40	110%	+45
<b>Total</b>	<b>317</b>	<b>373</b>	<b>-15%</b>	<b>-56</b>

Our liberalised generation & supply activities are jointly managed as most of our production is sold to our supply units at fixed prices.

Our conventional generation portfolio in the Iberian market grew 10% YoY, to 8,678MW in Dec-16, reflecting: i) the start up of operations at our repowering Salamonde 2 (223MW in 1H16), the full commissioning of Baixo Sabor (+156MW YoY in 2016); ii) the shutdown of Soto 2 in Jan-16 (239MW); and iii) the transfer on Jan-16 of 8 hydro plants (627MW, 'Ex-PPA plants') to merchant portfolio following the end of respective PPAs.

**Output** from our generation plants was 13% higher in 2016, propelled by higher contribution from hydro plants (+98% YoY) and CCGTs (+43% YoY). In turn, coal output fell by 42% in the period, reflecting its displacement by hydro and programmed outages for DeNOx upgrades. The surge in hydro output was prompted by the contribution from 'Ex-PPA plants' and new capacity on stream; and by stronger hydro resources YoY (particularly in 1H16, as 4Q16 was marked by a hydro factor 50% short of LT average). **Avg. production cost** was 30% lower YoY, at €22/MWh in 2016, reflecting the much higher contribution from the cheaper technology, hydro: 43% of total output in 2016 vs. 25% in 2015. Additionally, lower average generation cost reflects cheaper coal and gas-based production in the wake of the decline in cost of consumed coal/gas and CO<sub>2</sub> licenses.

**Hydro & Nuclear:** Hydro generation rose by 98% in 2016 (+3.8TWh), mainly propelled by the contribution from ex-PPA plants (1.9TWh), by the contribution of new hydro capacity and strong hydro resources, particularly in the North/Centre of Portugal. The **avg. cost of hydro production** fell from €5.6/MWh in 2015 to €3.9/MWh in 2016, reflecting a higher dilution of pumping cost in a high hydro-reserve context. Our 15.5% share in the production of Trillo plant (nuclear) corresponded to an avg. load factor of 91% in 2016.

**CCGTs:** **Output** rose by 43% in 2016, following an 86% YoY surge in 4Q16 backed by gas' improving cost competitiveness relative to coal. Avg. load factor advanced 13pp YoY, to 28% in 4Q16, shifting 2016 load factor to 16%. **Avg. production cost** fell 23% YoY, to €51/MWh in 2016, reflecting a decline in the gas variable and CO<sub>2</sub> cost and, more importantly, increasing dilution of fixed cost as production increased.

**Coal:** **Output** fell 42% in 2016, reflecting strong hydro and wind resources in Iberia (particularly in 1H16) and several outages at our coal plants (namely Soto 3 and Aboño 2), as part of DeNOx upgrade process and related works. **Avg. load factor** was 22p.p. lower YoY, at 48% in 2016, following a 20pp YoY decline in 4Q16, to 61%. **Avg. production cost** declined by 14%, to €29/MWh, supported by a lower cost with coal and CO<sub>2</sub>.

**Net operating costs<sup>(1)</sup>** broadly stable YoY, at €293m in 2016, mainly impacted by higher supplies and services derived from portfolio expansion (new hydro capacity and Ex-PPA capacity); and lower impact from taxes and levies on generation taxes (-€24m YoY, to €136m in 2016): lower generation taxes in Spain derived from lower prices and output (mainly coal) were partially compensated by higher clawback in Portugal.

**Net depreciation charges and impairments** rose by €33m, to €224m in 2016, driven by portfolio expansion.

**Capex** fell by €56m YoY, to €317m in 2016, mainly supported by lower expansion capex devoted to new hydro capacity in Portugal, following the delivery of new capacity. Maintenance capex amounted to €85m in 2016, mainly supported by additional maintenance works at Aboño 2 (as part of the programmed outages for DeNOx upgrade purposes), pluri-annual works at CCGTs and hydro plants. As of Dec-16, 2 plants continue under construction: Venda Nova 3 pumping facility (expected to be commissioned in 1Q17) and Foz-Tua new hydro reservoir with pumping capacity (expected to be commissioned in summer 2017). Also worth to note is EDP group's ongoing investments in DeNOx facilities: as part of investment plans (€39m invested in 2016), Soto 3 is expected to register further outages in 1H17.

(1) Net Operating Costs = Operating Costs (S&S + Personnel costs + Costs w/ social benefits) + Other operating costs (net); (2) As from January 1st, 2016, cogeneration and waste under the special regime in Spain are reported in Liberalised Activities.

(3) Includes fuel costs, CO2 emission costs, hedging results; Avg. Cost includes cogeneration and waste; (4) Includes CO2 emissions from Aboño plant, which burns blast furnace gases.



# Liberalised Electricity and Gas Supply in the Iberian Market



Income Statement (€ m)	Energy Supply in Spain			
	2016	2015	Δ%	Δ Abs.
<b>Gross Profit</b>	<b>136</b>	<b>135</b>	<b>1%</b>	<b>+1</b>
Supplies and services	72	64	12%	+8
Personnel costs	12	11	4%	+0
Costs with social benefits	0	0	4%	+0
Other operating costs (net)	36	28	31%	+9
<b>Net Operating costs (1)</b>	<b>120</b>	<b>103</b>	<b>16%</b>	<b>+17</b>
<b>EBITDA</b>	<b>16</b>	<b>32</b>	<b>-49%</b>	<b>-15</b>
Provisions	(22)	2	-	-24
Amortisation and impairment	3	4	-27%	-1
<b>EBIT</b>	<b>36</b>	<b>26</b>	<b>35%</b>	<b>+9</b>

Income Statement (€ m)	Energy Supply in Portugal			
	2016	2015	Δ%	Δ Abs.
<b>Gross Profit</b>	<b>186</b>	<b>143</b>	<b>30%</b>	<b>+43</b>
Supplies and services	111	91	22%	+20
Personnel costs	13	12	8%	+1
Costs with social benefits	0	-	-	+0
Other operating costs (net)	18	19	-7%	-1
<b>Net Operating costs (1)</b>	<b>142</b>	<b>122</b>	<b>16%</b>	<b>+20</b>
<b>EBITDA</b>	<b>44</b>	<b>21</b>	<b>109%</b>	<b>+23</b>
Provisions	(0)	7	-	-7
Net depreciation and amortization	8	6	26%	+2
<b>EBIT</b>	<b>36</b>	<b>8</b>	<b>342%</b>	<b>+28</b>

Key data	2016	2015	Δ%	Δ Abs.
<b>Energy Supply in Spain</b>				
<b>Electricity - Free market</b>				
Volume Sold (GWh)	16,222	15,027	8%	+1,195
Market Share (%)	9%	8%	-	0p.p.
Clients (th.)	840	774	9%	+66
<b>Electricity - Last resort supply</b>				
Volume Sold (GWh)	477	497	-4%	-20
Clients (th.)	227	238	-4%	-10
<b>Gas - Free market &amp; Last resort supply</b>				
Volume Sold (GWh)	19,129	26,590	-28%	-7,461
Market Share (%) (2)	3%	3%	-	0p.p.
Clients (th.)	851	837	2%	+14
<b>Energy Supply in Portugal</b>				
<b>Electricity - Free market</b>				
Volume Sold (GWh)	18,291	17,164	7%	+1,128
Market Share (%) (3)	46%	43%	-	3p.p.
Clients (th.)	4,024	3,713	8%	+311
<b>Gas - Free market</b>				
Volume Sold (GWh)	3,704	3,852	-4%	-148
Market Share (%) (2) (4)	-	11%	-	-
Clients (th.)	592	501	18%	+92
<b>Capex (€m)</b>	<b>17</b>	<b>16</b>	<b>7%</b>	<b>+1</b>
<b>Employees (#)</b>	<b>373</b>	<b>356</b>	<b>5%</b>	<b>+17</b>

Our electricity and gas supply activities in Portugal and Spain are managed in single energy platforms, ensuring a responsive and competitive commercial structure. EDP Group's subsidiaries that operate in this business segment have intra-group electricity and gas procurement contracts with our generation and energy trading divisions.

## Energy Supply in Spain

**Gross profit at our supply activities in Spain** broadly stable, at €136m in 2016, reflecting the mixed impact from higher volume of electricity sold, a more selective criteria in the gas supply business and some opportunistic deals in the wholesale market.

**Electricity volume** supplied to our clients in the free market rose by 8% YoY in 2016, broadly in line with client portfolio expansion in the last 12 months. Market share (including only retail volumes) was broadly stable YoY, at 9% in 2016. **Gas volume** supplied declined by 28% YoY, to 19TWh in 2016, reflecting EDP's strategy to focus in the most attractive customer segments and milder weather conditions. Market share (including retail volumes only) was stable YoY, at 3% in 2016.

**Net operating costs** were 16% higher YoY, at €120m in 2016, reflecting higher costs with client services driven by client portfolio expansion. **EBIT** in 2016 was positively impacted by a reversal of excess provisions from previous years.

## Energy Supply in Portugal

The strong pace of switching of electricity customers to the free market over the past years is now decelerating, as most of the customers are already in the free market. By the end of Dec-16, the number of customers in the free market reached 4.7 million (+367 thousand customers during 2016), while the bulk of customers that remain in the regulated market are residential.

In this context, EDP expanded its portfolio by 8% YoY (+311 thousand), to 4.0m customers in Dec-16, even if this represents a deceleration vis-à-vis new customers contracted in 2015 (+657 thousand). In line with its strategy to improve customers' satisfaction and revenues per client, EDP: (i) has expanded its dual offer (electricity+gas) by 18% YoY, (ii) increased the weight of energy services rendered; and (iii) has achieved a 46% YoY reduction in the number of claims per thousand clients.

**Gross profit at our supply activities in Portugal** rose by 30% (+€43m YoY), to €186m in 2016, driven by customer portfolio expansion and higher revenues per customer.

**Net operating costs<sup>(1)</sup>** were €20m higher YoY, at €142m in 2016, reflecting portfolio expansion (higher costs with client services such as call center, billing and provisioning) and increasing share of residential clients in the portfolio. EDP is building the ground for a decrease in cost per client through higher digitalisation rate: electronic invoicing (per avg. residential client) grew by 28% YoY while paper invoicing retreated 5% YoY.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net).

(2) Market-share for retail market; excludes wholesale. (3) Data as of Nov-16, based on ERSE data; (4) Based on latest available information: Jun-15



# EDP Renováveis: Financial Performance



Income Statement	EDP Renováveis (€ m)			
	2016	2015	Δ %	Δ Abs.
<b>Gross Profit</b>	<b>1,453</b>	<b>1,350</b>	<b>8%</b>	<b>+104</b>
Supplies and services	305	293	4%	+12
Personnel costs	94	84	11%	+10
Other operating costs (net)	(116)	(170)	-31%	+53
<b>Net Operating Costs (1)</b>	<b>282</b>	<b>207</b>	<b>36%</b>	<b>+75</b>
<b>EBITDA</b>	<b>1,171</b>	<b>1,142</b>	<b>3%</b>	<b>+29</b>
Provisions	5	(0)	-	+5
Amortisation and impairment	602	565	7%	+38
<b>EBIT</b>	<b>564</b>	<b>578</b>	<b>-2%</b>	<b>-14</b>
Financial Results	(350)	(285)	23%	-65
Share of Profit from associates	(0)	(2)	-88%	+1
<b>Pre-tax profit</b>	<b>214</b>	<b>291</b>	<b>-27%</b>	<b>-77</b>

Opex Performance	2016	2015	Δ %	Δ Abs.
Core Opex/Avg. MW (€ th) (2)	42.8	45.1	-5%	-2
Employees (#)	1,083	1,018	6%	+65

EDP Renováveis ('EDPR') owns, operates and develops EDP Group's wind and solar capacity. As of Dec-16, EDPR operated 10,408 MW, +770MW in 2016: of which 356MW equity-method accounted. EDPR's EBITDA derives mainly from PPA-contracted and regulated tariff schemes and is geographically widespread: 56% in Europe, 42% in North America, and 2% in Brazil.

**EDPR's EBITDA went up by 3% YoY (+€29m) to €1,171m** in 2016, impacted by the gain subsequent to the control acquisition of certain assets from ENEOP in 2015 (€125m) and other write-offs (€68m). Excluding net non-recurrent items, **recurrent EBITDA contribution to EDP group increased 8%** (+12% reported at EDPR level due to distinct materiality criteria adapted for the size of each group of companies) reflecting: i) higher avg. capacity on stream (+11%) and ii) higher load factor (+1p.p.) which more than compensate the lower avg. selling price (-5%) and the higher operating costs (+6%) (S&S and personnel costs).

**Electricity output** advanced +14% YoY to 24.5TWh in 2016, supported by an increase of avg. capacity in operation, and a slightly higher avg. load factor +1p.p. Although wind resource was bellow long term average (P50) at 96% in 2016, (€-29m in EBITDA). **Average selling price** decreased 5% YoY to €60.5/MWh, driven by mix effect (production vs. price), wholesale prices in the US and lower volume on green certificates sales in Poland in 2016.

**Operating costs** (supplies & services + personnel costs) rose by 6% YoY (+€22m), reflecting higher headcount (1,083 employees in 2016 vs. 1,018 in 2015) and higher O&M costs (+6m YoY), both resulting from portfolio growth. **Core Opex** per avg. MW decreased 5% in 2016 to €42.8K/Avg. MW, following tight cost discipline. **Other operating costs** (net) decrease €53m (-31% YoY) as a result of the new tax equity deals and lower taxes on generation sales in Spain.

Operational Overview	2016	2015	Δ %	Δ Abs.
<b>Installed Capacity (MW)</b>	<b>10,052</b>	<b>9,281</b>	<b>8%</b>	<b>+770</b>
Europe	4,986	4,965	0%	+22
North America	4,861	4,233	15%	+629
Brazil	204	84	143%	+120
<b>Output (GWh)</b>	<b>24,473</b>	<b>21,388</b>	<b>14%</b>	<b>+3085</b>
<b>Avg. Load Factor (%)</b>	<b>30%</b>	<b>29%</b>	<b>-</b>	<b>1 p.p.</b>
<b>Avg. Elect. Price (€/MWh)</b>	<b>61</b>	<b>64</b>	<b>-5%</b>	<b>-3</b>
<b>EBITDA (€m)</b>	<b>1,171</b>	<b>1,142</b>	<b>3%</b>	<b>+29</b>
Europe (3)	666	690	-3%	-24
North America	502	462	9%	+40
Brazil	25	12	104%	+13
Other & Adjustments	(22)	(22)	0%	-
<b>EBIT (€m)</b>	<b>564</b>	<b>578</b>	<b>-2%</b>	<b>-14</b>
Europe (3)	360	401	-10%	-41
North America	212	195	9%	+17
Brazil	17	7	136%	+10
Other & Adjustments	(25)	(25)	1%	-
<b>Capex (€m)</b>	<b>1,029</b>	<b>901</b>	<b>14%</b>	<b>+127</b>
Europe (3)/(4)	131	182	-28%	-52
North America	841	646	30%	+195
Brazil	57	73	-22%	-16

EDPR Equity Market Data	2016	2015	Δ %	Δ Abs.
Share price at end of period (€/share)	7.2	5.9	22%	1.3
Number of Shares Issued (million)	872.3	872.3	-	-
Stake Owned by EDP (%)	77.5%	77.5%	-	-

EDPR Key Balance Sheet Figures (€ m)	2016	2015	Δ %	Δ Abs.
Bank Loans and Other (Net)	335	645	-48%	-310
Loans with EDP Group (Net)	2,421	3,042	-20%	-621
<b>Net Financial Debt</b>	<b>2,755</b>	<b>3,707</b>	<b>-26%</b>	<b>-952</b>
<b>Non-controlling interests</b>	<b>1,448</b>	<b>863</b>	<b>68%</b>	<b>+585</b>
<b>Net Institutional Partnership Liability (5)</b>	<b>1,520</b>	<b>1,165</b>	<b>31%</b>	<b>+355</b>
<b>Equity Book Value</b>	<b>6,125</b>	<b>5,971</b>	<b>3%</b>	<b>+154</b>

EUR/USD - End of Period Rate	1.05	1.09	3%	-0.03
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EDPR Financial Results (€ m)	2016	2015	Δ %	Δ Abs.
Net Interest Costs	(179)	(189)	6%	+11
Institutional Partnership costs (non-cash)	(90)	(79)	-14%	-11
Capitalised Costs	23	23	0%	+0
Forex Differences	10	(3)	-	+12
Other	(114)	(37)	-	-77

<b>Financial Results</b>	<b>(350)</b>	<b>(285)</b>	<b>-23%</b>	<b>-65</b>
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**EBIT** decreased by 2% YoY, to €564m in 2016. **D&A** and provisions increased 8% (+€43m YoY) in line with higher avg. MW in operation, reflecting €9m of impairments and provisions for contingencies, and the full consolidation of ENEOP's assets since Sep-15.

**Capex** amounted to €1,029m (+14% YoY): 82% of total capex was devoted to the US market, the main growth region in 2016-2020, 12% to Europe, and 6% to Brazil. **Net proceeds from the sale of minority stakes** amounted to €1,189m in 2016, reflecting i) the closing of the asset rotation deal with Axiom in the US (€276m) in Jan-16; ii) the deal with Vortex in Europe (€550m) in Apr-16; iii) and the sale of wind assets in Poland and Italy to CTG (€363m), concluded in Oct-16.

**EDPR's net debt in Dec-16 amounted to €2.8bn** (vs. €3.7bn in Dec-15) mainly reflecting: i) operating cash-flow (+€869m); ii) the investments in the period; iii) the disposal of minority stakes; and iv) net cash from tax equity partnerships (+€452m). Additionally, net debt evolution translates dividends paid to minorities (-€109m), forex translation (-€65m) and others. **Liabilities with Institutional Partnerships** (net) amounted to €1,520m in Dec-16, reflecting the tax benefits paid to institutional investors (€172m) and the establishment of new institutional tax equity financing structures. **Non-controlling interests** at balance sheet level rose by €585m in 2016 to €1,448m, including non-controlling interests in North America (c63%), Europe (c33%) and Brazil (c4%).

**Net financial costs** rose by +€65m vs. 2015, to €350m in 2016. **Other financial expenses** had a negative impact of €77m YoY, which includes €25m on early cancelation of project finance structures, €14m from discontinue hedge accounting related to Spanish operations, and financial costs brought from ENEOP consolidation. **Net interest costs** fell by 6% YoY, on lower avg. cost of debt in the period (4.0% in 2016 vs. 4.3% in 2015). **Institutional Partnership costs** were €11m higher vs. 2015, translating mainly new tax equity deals. Forex differences had a positive impact of €12m YoY.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net);

(2) Core Opex defined by Supplies and services (including O&M activities) and Personnel costs; (3) Includes Holding costs and adjustments at the level of EDPR Europe; (4) Net of government grants (5) Net of deferred revenue;



# EDP Renováveis: North America & Brazil



North America	2016	2015	Δ %	Δ Abs.
EUR/USD - Avg. of period rate	1.11	1.11	0%	-0.0
<b>Installed capacity (MW)</b>	<b>4,861</b>	<b>4,233</b>	<b>15%</b>	<b>+629</b>
PPA's/Hedged/Feed-in tariff	4,276	3,689	16%	+587
Merchant	585	544	8%	+42
Avg. Load Factor (%)	33%	32%	-	1 p.p.
<b>Electricity Output (GWh)</b>	<b>12,576</b>	<b>11,103</b>	<b>13%</b>	<b>+1,473</b>
PPA's/Hedged/Feed-in tariff	10,426	9,355	11%	+1,071
Merchant	2,151	1,749	23%	+402
<b>Avg. Final Selling Price (USD/MWh)</b>	<b>46.4</b>	<b>51.0</b>	<b>-9%</b>	<b>-4.6</b>
PPA's/Hedged/Feed-in tariff	48.5	51.9	-7%	-3.5
Merchant	34.6	43.8	-21%	-9
<b>Adjusted Gross Profit (USD m)</b>	<b>781</b>	<b>772</b>	<b>1%</b>	<b>+8</b>
Gross Profit (USD m)	562	553	2%	+9
PTC Revenues & Other (USD m)	219	219	0%	-0
<b>EBITDA (USD m)</b>	<b>555</b>	<b>513</b>	<b>8%</b>	<b>+42</b>
EBIT (USD m)	235	216	9%	+19
Installed capacity (MW Equity)	179	179	0%	-
<b>Net Capex (USD m)</b>	<b>886</b>	<b>717</b>	<b>24%</b>	<b>+169</b>
Gross Capex	886	717	24%	+169
<b>Capacity under construction (MW)</b>	<b>100</b>	<b>200</b>	<b>-50%</b>	<b>-100</b>

Brazil	2016	2015	Δ %	Δ Abs.
Euro/Real - Average of period rate	3.86	3.70	-4%	+0.16
<b>Installed Capacity (MW)</b>	<b>204</b>	<b>84</b>	<b>143%</b>	<b>+120</b>
Avg. Load Factor (%)	35%	30%	-	4 p.p.
Electricity Output (GWh)	666	222	200%	+444
Avg. Final Selling Price (R\$/MWh)	216	370	-42%	-154
Gross Profit (R\$ m)	133	79	68%	+54
<b>EBITDA (R\$ m)</b>	<b>97</b>	<b>45</b>	<b>113%</b>	<b>+51</b>
EBIT (R\$ m)	66	27	147%	+39
<b>Capex (R\$ m)</b>	<b>219</b>	<b>270</b>	<b>-</b>	<b>-51</b>
<b>Capacity under construction (MW)</b>	<b>127</b>	<b>120</b>	<b>6%</b>	<b>+7</b>

In **North America**, installed capacity totaled 4,861MW in Dec-16, 4,631MW in US, 30MW in Canada and 200MW in Mexico. New capacity additions in the last 12 months (+629MW) were concentrated in US mostly in the last quarter (4Q16). EDPR's growth plans in NA grounds on PPA-contracted projects, reinforcing the group's low risk profile. From the total installed capacity, 4.3GW (~88%) are under LT contracted remuneration schemes (PPA/Hedge) which allows an extensive visibility over cash flow generation. Additionally, EDPR owns an equity position in other wind projects, equivalent to 179MW.

**EBITDA was 8% higher YoY (+USD42m), to USD555m in 2016**, propelled by: i) a surge in the output (+13% YoY to 13GWh) on the back of capacity additions in the past 12 months; and ii) the better avg. load factor (33% vs 32% YoY) that more than compensated the lower average selling price of USD46.4/MWh (-9% YoY). **Wind resources** were stronger in 2016, particularly in West and Central regions, ~+3p.p., supporting a 1p.p. rise YoY in avg. overall load factor. **Average selling price** was penalized by: i) lower PPA tariff prices (-7% YoY), to USD48.5/MWh and ii) lower realised merchant price (-21% YoY), to USD34.6/MWh in 2016. PPA/Hedged/Feed-in tariffs were impacted by news PPAs at lower prices and the end of a PPA in Dec-15 (200MW wind farm). Realised merchant price fell on lower sales of Renewable Energy Credits vs. 2015, as well as, with the end of the forementioned 200MW PPA. In **Canada**, avg. selling price was at USD109/MWh, 3% lower YoY mainly reflecting the forex translation.

As of Dec-16, EDPR had completed 629MW of new wind capacity in North America: +250MW from Hidalgo in Texas (US); +101MW from Timber Road III in Ohio (US); +78MW from Jericho Rise in New York (US); and +200MW from Eólica Coahuila (Mexico). Wind capacity **under construction** +100MW refers to Meadow Lake V in Indiana (US). In late Nov-16, EDPR signed a 20-year PPA for +75MW wind capacity (Meadow Lake VI) to be commissioned in 2018.

Within the scope of its **asset rotation** deals EDPR cashed-in USD308m in 1Q16, for the sale to Axiom of a minority interest in US wind portfolio with a total production capacity of 1,002MW.

In respect to **institutional equity financing structures** EDPR cashed-in: i) USD238m in 1Q16, from the partnership with Google Inc., signed in Oct-15; and ii) USD343m in 4Q16 of an institutional equity financing partnership secured in Sep-16, in exchange for an interest in two wind projects, representing 328MW (250 MW Hidalgo wind farm, and 78 MW Jericho Rise wind farm). In Dec-16, EDPR signed an institutional equity financing partnership amounting USD114m, in exchange for an interest in the 101 MW Amazon Wind Farm (Timber Road III);

In **Brazil**, EBITDA more than doubled (+113% YoY), at R\$97m in 2016. EBITDA evolution reflects: i) +120MW of new capacity on stream (Baixa do Feijão) and ii) 5p.p. increase in the avg. load factor to 35% in 2016; that more than offset the decrease in the avg. selling price to R\$216/MWh in 2016 from R\$370/MWh in 2015 due to Baixa do Feijão lower PPA's price.

EDPR's installed capacity in Brazil (204MW) operates under long-term contracts providing large visibility over cash-flow generation. From the 204MW installed capacity, 120MW started its operation in 1Q16, awarded according with an auction system with a PPA price of R\$97/MWh. Moreover, as of Dec-16 EDPR had 127MW **under construction**: JAU & Aventura wind project awarded with 20-year PPA to be due in 2017; and 140MW **under development** (Babilônia wind farm), awarded with 20-year PPA, expected to be due in 2018.



Energy is sold either under PPAs (up to 20 years), Hedges or Merchant prices; Green Certificates (Renewable Energy Credits, REC) subject to each state regulation  
Tax Incentive: (i) PTC collected for 10-years since COD (\$23/MWh in 2013); (ii) Wind farms beginning construction in 2009-10 could opt for 30% cash grant in lieu of PTC



Feed-in Tariff for 20 years (Ontario)



Bilateral Electricity Supply Agreement under self-supply regime



Installed capacity under PROINFA program  
Competitive auctions awarding 20-years PPAs



# EDP Renováveis: Spain & Portugal



Spain	2016	2015	Δ %	Δ Abs.
<b>Installed capacity (MW)</b>	<b>2,194</b>	<b>2,194</b>	<b>0%</b>	<b>-</b>
Avg. load factor (%)	26%	26%	-	0 p.p.
<b>Production (GWh)</b>	<b>4,926</b>	<b>4,847</b>	<b>2%</b>	<b>+80</b>
Prod. w/capac. complement (GWh)	4,528	4,438		
Standard production (GWh)	4,100	4,100		
Above/(below) std. prod. (GWh)	429	338		
Prod. w/o cap. complement (GWh)	398	409		
<b>Avg. Price (€/MWh)</b>	<b>76.2</b>	<b>76.1</b>	<b>0%</b>	<b>+0</b>
Total GWh: realised pool (€/MWh)	34.3	45.3	-24%	-11
Regulatory adj. on std. GWh (€m)	22	0		
Complement (€m)	158	158		
Hedging gains/(losses) (€m)	26	-8		
Gross profit (1)	375	367	2%	+8
<b>EBITDA (1)</b>	<b>252</b>	<b>241</b>	<b>5%</b>	<b>+11</b>
EBIT (1)	120	117	3%	+3
Installed capacity (MW Equity)	177	177	0%	-
<b>Capex (€m)</b>	<b>11</b>	<b>5</b>	<b>145%</b>	<b>+7</b>
<b>Capacity under construction (MW)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

In **Spain**, EDPR installed capacity stood at 2,194MW in 2016 (MW EBITDA), to which accrues 177MW, equivalent to EDPR's equity position in other wind projects (equity-method consolidated).

**EBITDA in Spain increased slightly by 5% YoY to €252m in 2016**, driven by a higher final output (+2% YoY, to 4.9TWh). Total production increased in sequence of better operational performance with a stable **avg. selling price** at 76.2/MWh and **avg. load factor** at 26% (both flat YoY). Average selling price was impacted by lower realised pool prices, at €34.3/MWh in 2016 vs. €45.3/MWh in 2015, on the back of +€22m of regulatory adjustment<sup>(2)</sup>. Gains from hedged capacity in Spain amounted €26m in the period. It is worth mentioning that 91% of Spanish capacity is entitled to receive capacity complement. As part of its risk-controlled strategy, EDPR hedged 2.5TWh at €44/MWh for 2017.

In **Portugal**, EDPR owns a portfolio of 1.251MW, including 613MW, deriving from the asset split of ENEOP, which is fully consolidated as from Sep 1<sup>st</sup>, 2015 and 2MW of solar capacity. As of Dec-16, EDPR had +3MW solar capacity **under construction** to add to its actual Portuguese portfolio of clean assets in late 2017.

**EBITDA in Portugal amounted to €223m in 2016**, -€55m YoY, impacted by €125m of a non-recurrent gain in 2015, subsequent to the acquisition control of some assets of ENEOP. **Excluding this non-recurrent event, EBITDA grew 44%** reflecting: i) a sharp increase in production (3.1GWh in 2016 vs. 2GWh in 2015) due to the full consolidation of ENEOP assets since Sep-15 and ii) higher average load factor +1p.p. to 28% YoY – above the LT average (wind factor: 1.00 in 2016). **Average selling price** fell by 7% YoY to €88MWh in 2016, due to the lower feed-in tariffs entitled to wind farms transferred from ENEOP.

Portugal	2016	2015	Δ %	Δ Abs.
<b>Installed capacity (MW)</b>	<b>1,251</b>	<b>1,247</b>	<b>0%</b>	<b>+4</b>
Avg. Load factor (%)	28%	27%	2%	1 p.p.
Electricity output (GWh)	3,047	1,991	53%	+1,056
Avg. selling price (€/MWh)	88	95	-7%	-7
Gross profit	268	190	41%	+78
<b>EBITDA</b>	<b>223</b>	<b>278</b>	<b>-20%</b>	<b>-55</b>
EBIT	151	234	-36%	-83
Installed capacity (MW Equity)	-	-	-	-
<b>Capex (€m)</b>	<b>29</b>	<b>16</b>	<b>84%</b>	<b>+13</b>
<b>Capacity under construction (MW)</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>+3</b>

In line with the **asset rotation strategy**, in Apr-16 EDPR signed an agreement with EFG Hermes establishing the sale of 49% equity shareholding and outstanding shareholders' loans in a total fully-owned portfolio of 664MW European wind onshore assets for a total consideration of €550m, in which 348MW are located in Spain and 191MW are located in Portugal (part of ex-ENEOP assets).



- Wind energy receives pool price and a premium per MW, if necessary, in order to achieve a target return established as 'Spanish 10-year Bond yields + 300bp' (currently at 7.4%); Every 3 years, there will revisions as to compensate deviations from the expected pool price (€50/MWh – regulator scenario).
- Premium calculation is based on standard assets (standard load factor, production and costs); Capacity complement per MW is paid for a 20-year period and varies with the year of commissioning



- MW EBITDA: Feed-in Tariff updated with inflation and inversely correlated with load factor. Duration: 15 years (Feed-in tariff updated with inflation) + 7 years (extension cap/floor system: €74/MWh - €98/MWh). The 7-year extension of tariff as from 16<sup>th</sup> year was secured in exchange for an annual payment between 2013 and 2020 (€4m/year for EDPR).
- ENEOP MW (MW Equity up to Aug-15, MW EBITDA since Sep-15): price defined in a international competitive tender and set for 15 years (or the first 33 GWh per MW). Tariff for first year established at c.€74/MWh and CPI monthly update for following years;

(1) Includes hedging results in energy markets. (2) Baseload pool price vs lower/upper limits below regulatory floors



# EDP Renováveis: Rest of Europe



Rest of Europe	2016	2015	Δ %	Δ Abs.
<b>Installed capacity (MW)</b>	<b>1,491</b>	<b>1,523</b>	<b>-2%</b>	<b>-32</b>
Avg. load factor (%)	25%	27%	-8%	-2 p.p.
Electricity output (GWh)	3,257	3,225	1%	+32
Avg. selling price (€/MWh)	83	86	-3%	-3
<b>Poland</b>				
Installed capacity (MW)	418	468	-11%	-50
Avg. load factor (%)	25%	28%	-10%	-3 p.p.
Electricity output (GWh)	951	951	0%	-0
Avg. selling price (PLN/MWh)	325	367	-11%	-42
EUR/PLN - Avg. Rate in period	4.36	4.18	-4%	+0
<b>Romania</b>				
Installed capacity (MW)	521	521	0%	-
Avg. load factor (%)	26%	26%	-1%	-0 p.p.
Electricity output (GWh)	1,143	1,127	1%	+16
Avg. selling price (RON/MWh)	340	321	6%	+19
EUR/RON - Avg. Rate in period	4.49	4.45	-1%	+0
<b>France</b>				
Installed capacity (MW)	388	364	7%	+24
Avg. load factor (%)	23%	26%	-11%	-3 p.p.
Electricity output (GWh)	777	785	-1%	-8
Avg. selling price (€/MWh)	90	91	0%	-0
<b>Belgium &amp; Italy</b>				
Installed capacity (MW)	215	171	26%	+44
Avg. load factor (%)	25%	27%	-4%	-1 p.p.
Electricity output (GWh)	386	362	7%	+24
Avg. selling price (€/MWh)	113	114	-1%	-1
Gross profit	268	272	-1%	-4
<b>EBITDA</b>	<b>194</b>	<b>179</b>	<b>9%</b>	<b>+15</b>
EBIT	96	70	37%	+26
<b>Capex (€m)</b>	<b>90</b>	<b>170</b>	<b>-47%</b>	<b>-80</b>
<b>Capacity under construction (MW)</b>	<b>18</b>	<b>24</b>	<b>-23%</b>	<b>-6</b>

In **European markets outside of Iberia**, EDPR had a total installed capacity of 1,541MW in Dec-16, +18MW YoY (+44MW in Italy, +24MW in France and -50MW in Poland) and 18MW **under construction** in France.

**EDPR's EBITDA in Rest of Europe increased by 9% YoY (+€15m), to €194m in 2016**, propelled the higher avg. capacity on stream (+9%) and efficiency gains, that offset the lower wind availability around Europe with an avg. load factor at 25% (-2p.p. YoY), and the lower avg. selling price at €83/MWh (-3% YoY).

**In Poland**, EDPR operates 418MW of wind capacity -50MW, YoY - resulting from the sale of 60% share in a Polish wind farm, in order to complete the acquisition of the remaining stake of 35% in a 54MW wind farm that already fully consolidated. **Wind output** kept stable in 2016 vs. 2015 at 951GWh; due to the raise in avg. capacity on stream (11%), offsetting the weaker load factor at 25% (-2p.p. YoY). **Average selling price** was 11% lower YoY, at PLN325/MWh driven by lower revenues from green certificates.

**In Romania**, EDPR operates 521MW: 471MW in wind and 50MW of solar PV. **Wind output** increased 1% YoY, to 1,143GWh in 2016 (67MWh solar-based), propelled by a stable avg. load factor at 26% in 2016. In turn, **avg. selling price** went up by 6% YoY to RON340/MWh in 2016, as wholesale prices started to recover.






**In France**, EDPR added 24MW of new wind capacity, raising its total installed capacity in the market to 388MW as of Dec-16. **Wind output** decreased 1% YoY, to 777GWh in 2016, impacted by the lower avg. load factor at 23% in 2016 vs 26% in 2015. **Average tariff** stood at €90/MWh, YoY reflecting the inflation indexed feed-in tariff.

**In Belgium**, the 71MW in operation decreased its output by 16% YoY to 128GWh on the back of lower avg. load factor -4p.p. YoY. **Average selling price** was stable at €106/MWh YoY, reflecting the actual PPA price structure.

**In Italy**, EDPR operates a total portfolio of 144MW of wind technology in 2016 (+44MW added in the last quarter). **Wind output** advanced 23% YoY to 258GWh, reflecting more avg. capacity on stream in 2016. **Average selling tariff** decreased 1% YoY to €117/MWh, due to a different mix of wind farms in operation (auctions vs old regime).

In line with the aforementioned **asset rotation** agreement signed in Apr-16, the remaining 125MW from the referred European portfolio wind assets are located in France (54MW) and in Belgium (71MW).

In Oct-16, EDPR cashed-in €363m related to the sale of 49% equity in a portfolio of wind assets in Poland and Italy (548 MW of capacity) to CTG's subsidiaries (ACE Poland S.A.R.L. and ACE Italy S.A.R.L.) agreed in Dec-15.

-  Price set either through bilateral contracts or selling to distributor at regulated price (PLN171.52/MWh for 1Q17); Wind receive 1 GC/MWh which can be traded in the market. Electric suppliers have a substitution fee for non compliance with GC obligation (PLN300/MWh)
-  Wind and solar production are sold at 'market price + GC'. Wind assets receive 2 GC/MWh until 2017 and 1 GC/MWh after 2017 until completing 15 years. 1 out of the 2 GC earned until Mar-17 can only be sold from Jan-18. Solar assets receive 6 GC/MWh for 15 years. 2 out of the 6 GC earned until Mar-2017 can only be sold after Apr-2017. GC are tradable on market under a cap and floor system (cap €59.9 / floor €29.4)
-  Feed-in tariff for 15 years: (i) €82/MWh up to 10<sup>th</sup> year, inflation updated; (ii) Years 11-15: €82/MWh @ 2,400 hours, decreasing to €28/MWh @3,600 hours
-  Wind & solar energy sold at 'Market price + green certificate (GC)'; Separate GC prices with cap and floor for Wallonia (€65/MWh-100/MWh) and Flanders (€90/MWh-100/MWh); Option to negotiate long-term PPAs
-  Projects online before 2013 receive: (i) For 2015, GC price from GSE will be €97.4; (ii) As from 2016, 'pool + premium' (premium = 1 x (€180/MWh - "P-1") x 0.78). New assets: competitive auctions awarding 20-years PPAs



# Regulated Networks & Regulatory Receivables in Iberia



Income Statement (€ m)	2016	2015	Δ %	Δ Abs.
<b>Gross Profit</b>	<b>1,727</b>	<b>1,675</b>	<b>3%</b>	<b>+52</b>
Supplies and services	335	345	-3%	-10
Personnel costs	120	123	-2%	-2
Costs with social benefits	31	33	-8%	-3
Other operating costs (net)	252	143	76%	+109
<b>Net Operating Costs (1)</b>	<b>738</b>	<b>644</b>	<b>15%</b>	<b>+94</b>
<b>EBITDA</b>	<b>990</b>	<b>1,031</b>	<b>-4%</b>	<b>-41</b>
Provisions	(1)	7	-	-8
Amortisation and impairment	342	331	3%	+11
<b>EBIT</b>	<b>649</b>	<b>693</b>	<b>-6%</b>	<b>-44</b>

Capex & Opex Performance	2016	2015	Δ %	Δ Abs.
<b>Controllable Operating Costs (5)</b>	<b>455</b>	<b>468</b>	<b>-3%</b>	<b>-12</b>
Cont. costs/client (€/client)	67	58	15%	+9
Cont. costs/km of network (€/Km)	1,757	1,814	-3%	-57
Employees (#)	3,806	3,867	-2%	-61
<b>Capex (Net of Subsidies) (€m)</b>	<b>346</b>	<b>377</b>	<b>-8%</b>	<b>-31</b>
Network ('000 Km)	259	258	0%	+1

Regulatory Receivables (€ m)	2016	2015	Δ %	Δ Abs.
<b>Total Net Iberia Regulatory Receivables</b>	<b>1,065</b>	<b>2,306</b>	<b>-54%</b>	<b>-1,242</b>
<b>Spain - Tariff deficit</b>				
Beginning of Period	70	2	-	+68
Previous periods tariff deficits (4)	-	68	-	-68
Tariff deficit in the period	-	-	-	-
Other (3)	-2	-	-	-2
<b>End of Period</b>	<b>68</b>	<b>70</b>	<b>-3%</b>	<b>-2</b>

## Portugal - Last Resort Supplier + Distribution + Gas

Beginning of Period	2,021	2,203	-8%	-182
Recoveries in the period (2)	(2,549)	(1,605)	-59%	-944
Tariff deviation/deficit in the period	1,265	1,356	-7%	-91
Other (3)	8	67	-89%	-60
<b>End of Period</b>	<b>744</b>	<b>2,021</b>	<b>-63%</b>	<b>-1,277</b>

## Portugal - CMEC's

Beginning of Period	216	112	92%	+103
(Recovery)/Return in the Period	(132)	(56)	-134%	-76
Deviation in the period	169	160	6%	+10
Other	(0)	0	n.m.	-0
<b>End of Period</b>	<b>253</b>	<b>216</b>	<b>17%</b>	<b>+37</b>

Regulated networks in Iberia include our activities of distribution of electricity and gas, in Portugal and Spain.

**EBITDA from regulated networks** fell by 4% YoY (-€41m), to €990m in 2016, mainly impacted by an €89m one-off gain booked on the sale of gas distribution assets in Spain to Redexis in 1H15. **Excluding this effect, EBITDA advanced by 5% YoY (+€48m)**, mainly impacted by the new regulatory terms applicable to electricity distribution in Spain as from 1-Jan-16 and tight cost control.

**Gross profit** rose by 3% YoY (+€52m) in 2016, reflecting: i) in Spain, higher regulated revenues in electricity distribution; (ii) in Portugal, lower return on RAB in gas distribution in the wake of the regulatory review applicable as from Jul-16 and lower revenues in electricity last resort supply (following the contraction of activity); which were largely compensated by higher revenues in electricity distribution, which benefited from a higher RoRAB (from 6.34% in 2015 to 6.48% in 2016, prompted by higher Portugal bond yields) and higher activity.

**Controllable operating costs** fell by 3% YoY (-€12m), following lower costs with client services and lower personnel costs, on headcount reduction (-2%). **Capex** amounted to €346m in 2016, including €33m invested in smart grids in Portugal.

In Portugal, **total debt owed by the electricity system decreased by €118m during 2016**, to €5.1bn by the end of Dec-16. This decline was fully concentrated in 2H16 (-€200m, of which -€170m in 4Q16) and was mainly prompted by: i) delivery on expected cost stabilisation following stability measures introduced in the past; ii) normalisation of wind resources; and iii) lower special regime overcost prompted by lower average tariffs and higher pool prices.

**Regulatory receivables owed to EDP in Iberia** fell by nearly €1.2bn during 2016, from €2,306m in Dec-15 to €1,065m in Dec-16, driven by Portugal.

**EDP's regulatory receivables from electricity distribution, last resort supply and gas distribution in Portugal** fell from €2,021m in Dec-15 to €744m in Dec-16 driven by: **(1)** -€2,237m following the sale without recourse of the right to receive part of the 2014-16 tariff deficits; **(2)** +€1,252m of ex-ante tariff deficit for 2016, to be fully recovered under a 5-year payment schedule ending in 2020 and remunerated at 2.24% annual return; **(3)** -€317m recovered through tariffs related to negative previous years' deviations and to past tariff deficits; **(4)** +€22m of new electricity tariff deviations created in 2016; and **(5)** -€4m net impact in gas distribution. The main drivers for new tariff deviations in the electricity in Portugal generated in 2016 was the special regime overcost (€62/MWh in 2016 vs. €59/MWh assumed by ERSE in the calculation of 2016 tariffs); which was largely compensated by cheaper-than-expected electricity purchases by the last resort supplier.

**Regulatory receivables from CMECs** increased from €216m in Dec-15 to €253m in Dec-16 due to: **(1)** €132m recovered in 2016 through tariffs, related to 2014 and 2015 negative deviations and **(2)** €169m negative deviation in 2016, due to be received in 2017-2018 (more details on page 11).

**Regulatory receivables in Spain** amounted to €68m in Dec-16, corresponding to the share of EDP España in the gas tariff deficit in Spain.

On 15-Dec-16, ERSE released the final version of 2017 electricity tariffs, according to which Portuguese electricity system's regulatory receivables should decline by €547m over 2017, based on the following assumptions: (1) average special regime premium at €58.9/MWh; (2) average electricity procurement price at €50.9/MWh (based on a forecast for average pool price of €47.3/MWh); (3) 21.6TWh of special regime generation (broadly in line with actual volume in 2016); (4) recovery of €1.6bn of past deficits through tariffs, outstanding the new ex-ante deficit to be created in 2017 (€1.3bn), due to be paid back until 2021 and remunerated at 1.88%. Furthermore, the 2017 tariff update and decline in the system's regulatory receivables includes the impact of the government Ordinance nr. 268-B/2016, of 13-Oct-2016, which assumes that power generators under special regime, which benefited of guaranteed remuneration, will pay to the electricity system in 2017 an estimated amount of €140m relative to public grants received in the past. Half of this amount will be used to reduce the tariff increase and the remaining will be used to reduce the system's regulatory receivables.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits + Concession fees) + Other operating costs (net)

(2) Includes the assignment to a third party of the right to tariff deficits/adjustments and recovery or pay-back through the tariffs of previous years' tariff deviations. (3) Includes interest on tariff deviations.

(4) Includes the recovery/payment of previous periods tariff deficits.

(5) Supplies & services and personnel costs.



# Electricity Distribution and Last Resort Supply in Portugal



Income Statement (€ m)	2016	2015	Δ %	Δ Abs.
<b>Gross Profit</b>	<b>1,243</b>	<b>1,243</b>	<b>-0%</b>	<b>-0</b>
Supplies and services	250	262	-5%	-12
Personnel costs	92	94	-2%	-2
Costs with social benefits	27	32	-15%	-5
Concession fees	253	251	1%	+2
Other operating costs (net)	4	(13)	-	+17
<b>Net Operating Costs (1)</b>	<b>625</b>	<b>626</b>	<b>-0%</b>	<b>-0</b>
<b>EBITDA</b>	<b>617</b>	<b>618</b>	<b>-0%</b>	<b>-0</b>
Provisions	-2	8	-	-10
Amortisation and impairment	244	240	2%	+4
<b>EBIT</b>	<b>376</b>	<b>370</b>	<b>2%</b>	<b>+6</b>

Gross Profit Performance	2016	2015	Δ %	Δ Abs.
<b>Gross Profit (€m)</b>	<b>1,243</b>	<b>1,243</b>	<b>-0%</b>	<b>-0</b>
Regulated gross profit	1,238	1,240	-0%	-3
Non-regulated gross profit	5	3	81%	+2
<b>Distribution Grid</b>				
Regulated revenues (€ m)	1,196	1,186	1%	+10
Electricity distributed (GWh)	44,599	44,277	0.7%	+322
Supply Points (th)	6,142	6,107	1%	+35
<b>Last Resort Supply</b>				
Regulated revenues (€ m)	42	51	-17%	-9
Clients supplied (th)	1,399	1,731	-19%	-332
Electricity sold (GWh)	4,202	5,675	-26%	-1,473

Capex & Opex Performance	2016	2015	Δ %	Δ Abs.
<b>Controllable Operating Costs (2)</b>	<b>341</b>	<b>356</b>	<b>-4%</b>	<b>-14</b>
Cont. costs/client (€/client)	55.6	58.3	-5%	-3
Cont. costs/km of network (€/Km)	1,515	1,582	-4%	-67
Employees (#)	3,257	3,340	-2%	-83
<b>Capex (Net of Subsidies) (€m)</b>	<b>270</b>	<b>307</b>	<b>-12%</b>	<b>-37</b>
Network ('000 Km)	225	225	0%	+1
Equival. interruption time (min.) (3)	52	54	-4%	-2

**EBITDA from electricity distribution and last resort supply (LRS) in Portugal reached €617m in 2016**, mainly reflecting the mixed impact from tight cost control and the stable gross profit backed by: i) an increase in revenues from distribution, benefiting from a 14bp increase in rate of return on RAB and higher activity (demand, supply points); which was offset by ii) the contraction of activity in last resort supply, prompted by the ongoing liberalisation process.

**In 2016, distribution grid regulated revenues** increased by 1% YoY (+€10m), to €1,196m, standing €14m ahead of ERSE's initial assumption, impacted by a 14bp YoY increase in return on RAB, to 6.48% in 2016 (vs. ERSE's 6.34% assumption), which derived from the evolution of Portugal 10-year bond yields; and by higher activity (demand, number of supply points). **Electricity distributed** was 0.7% higher in 2016 (broadly in line with supply points), supported by a 2.8% YoY increase in 4Q16.

**Last resort supplier (EDP SU) regulated revenues** decreased 17% YoY (-€9m), to €42m in 2016, as a result of consumers' switching to the free market. As part of the rules and calendar defined for the phasing out of regulated tariffs in Portugal, EDP SU can no longer contract new clients (since 1-Jan-13). **The volume of electricity supplied** by our LRS fell by 26% YoY, to 4.2TWh in 2016. **Total number of clients supplied** declined by 332 thousands YoY (-19% YoY), to 1,399 thousands in Dec-16 (representing 23% of total electricity clients), mostly in the residential segment.

**Controllable operating costs** declined by 4% YoY (-€14m) in 2016, supported by lower costs with client services and a 2% headcount reduction.

**Capex** was 12% lower YoY, at €270m in 2016, including €33m invested in smart grids. The equivalent interruption time decreased from 54 minutes in 2015 to 52 minutes in 2016.

On 15-Dec-16, ERSE released the final version of **2017 electricity tariffs**, setting a 1.2% average tariff increase for normal low voltage (NLV) segment, applicable to clients in the regulated market (out of the Social Tariff). Accordingly, regulated revenues for 2017 amount to €1,199m in electricity distribution and €39m in the last resort electricity supply. Electricity distribution **regulated revenues** preliminarily set assume: (1) rate of return on assets (RoRAB) of 6.48% (reflecting an underlying avg. 10-year Portuguese bond yields of 2.93%); (2) an expected electricity demand in Portugal of 45.2 TWh in 2017 (1.35% above 2016 electricity distributed); and (3) a GDP deflator of 1.5%.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits + Concession fees) + Other operating costs (net)

(2) Supplies & services and personnel costs. (3) Adjusted for non-recurring impacts (rainstorms, high winds and summer fires).



# Electricity and Gas Networks in Spain and Gas Networks in Portugal



Income Statement (€ m)	Electricity Spain				Gas Spain				Gas Portugal				Iberian Regulated Networks	2016	2015	% Δ	Abs. Δ
	2016	2015	% Δ	Abs. Δ	2016	2015	% Δ	Abs. Δ	2016	2015	% Δ	Abs. Δ					
<b>Gross Profit</b>	<b>222</b>	<b>167</b>	<b>33%</b>	<b>55</b>	<b>195</b>	<b>201</b>	<b>-3%</b>	<b>-5</b>	<b>68</b>	<b>64</b>	<b>6%</b>	<b>4</b>	<b>Number Supply Points (th)</b>				
Supplies and services	43	38	12%	5	30	30	-2%	-0	13	15	-8%	-1	Electricity Spain	663	660	0.4%	+2
Personnel costs	18	18	2%	0	9	9	-9%	-1	2	2	23%	0	Gas Spain	1,008	918	10%	+90
Costs with social benefits	3	1	-	2	1	0	23%	0	0	0	-37%	-0	Gas Portugal	342	330	4%	+12
Other operating costs (net)	(3)	(8)	-59%	4	(3)	(88)	n.m.	85	(1)	0	-	-1	<b>Energy Distributed (GWh)</b>				
<b>Net Operating Costs (1)</b>	<b>61</b>	<b>49</b>	<b>24%</b>	<b>12</b>	<b>36</b>	<b>(48)</b>	<b>-</b>	<b>84</b>	<b>15</b>	<b>17</b>	<b>-12%</b>	<b>-2</b>	Electricity Spain	9,190	9,168	0.2%	+22
<b>EBITDA</b>	<b>161</b>	<b>118</b>	<b>36%</b>	<b>43</b>	<b>159</b>	<b>248</b>	<b>-36%</b>	<b>-89</b>	<b>52</b>	<b>47</b>	<b>12%</b>	<b>6</b>	Gas Spain	26,441	27,093	-2%	-0.6k
Provisions	1	0	-	1	(0)	(0)	n.m.	0	0	(1)	n.m.	1	Gas Portugal	7,114	6,907	3%	+207
Amortisation and impairment	41	36	14%	5	41	39	5%	2	16	16	1%	0	<b>Network (Km)</b>				
<b>EBIT</b>	<b>119</b>	<b>82</b>	<b>45%</b>	<b>37</b>	<b>118</b>	<b>209</b>	<b>-44%</b>	<b>-92</b>	<b>36</b>	<b>31</b>	<b>16%</b>	<b>5</b>	Electricity Spain	20,520	20,396	1%	+124
<b>Capex (net of subsidies)</b>	<b>34</b>	<b>32</b>	<b>6%</b>	<b>2</b>	<b>19</b>	<b>17</b>	<b>9%</b>	<b>2</b>	<b>22</b>	<b>20</b>	<b>14%</b>	<b>3</b>	Gas Spain	8,101	7,715	5%	+387
<b>Gross Profit</b>	<b>222</b>	<b>167</b>	<b>33%</b>	<b>55</b>	<b>195</b>	<b>201</b>	<b>-3%</b>	<b>-5</b>	<b>68</b>	<b>64</b>	<b>6%</b>	<b>4</b>	Gas Portugal	5,085	4,856	5%	+230
Regulated Revenues	182	157	16%	25	169	178	-5%	-9	61	62	-1%	-1	<b>Employees (#)</b>				
Non-regulated gross profit	40	10	283%	29	26	23	14%	3	7	2	198%	4	Electricity Spain	302	297	2%	+5
													Gas Spain	182	165	10%	+17
													Gas Portugal	65	65	0%	-

## ELECTRICITY DISTRIBUTION IN SPAIN

**EBITDA from our electricity distribution activity in Spain** advanced 36% YoY, to €161m in 2016, mainly reflecting final regulatory terms unveiled in Jun-16 and applicable since early 2016. **Electricity distributed** by EDP España, mostly in the region of Asturias rose by 0.2% YoY in 2016, to 9.2TWh.

In Dec-13, the Spanish Government approved Law 24/2013 and RDL 1048/2013 establishing the new regulatory framework for electricity distribution assets, maintaining the principles announced in Jul-13 by RD 9/2013 (return on RAB equivalent to a 200bp premium over 10-year Spanish bond yields and equaling to 6.5%). The final terms applicable to regulated revenues for electricity distribution were released in the Ministerial orders IET 2660/2015 and IET980/2016 (Jun-16). As a result, the respective terms will be applicable for the period 2016-19.

## GAS REGULATED NETWORKS IN SPAIN

In Dec-16, EDP integrated the liquefied propane gas (LPG) distribution assets, in Naturgas incumbent areas (Basque Country, Cantabria and Asturias regions), bought from Repsol for an enterprise value of €116m. As a result, a total 82 thousand LPG supply points were accrued to our portfolio (+9% expansion), although with an immaterial impact on either volumes or earnings. The expected contribution for annual EBITDA is €13m.

In 2016, **EBITDA from gas regulated activities in Spain** amounted to €159m (-€89m YoY, due to a €89m one-off gain in 2015, in the wake of the sale of assets held by Gas Energía Distribución Murcia to Redexis). Excluding the gain booked in 2015, EBITDA was flat YoY, impacted by lower consumption and de-consolidation of the gas assets sold. **Volume of gas distributed** fell by 2% YoY, to 26.4TWh in 2016, due to milder weather conditions (particularly during the 2H16).

According to a Ministerial Order release in Dec-16, gas distribution regulated revenues for natural gas distribution activity amounts to €175m in 2017 (+1.7% YoY).

## GAS REGULATED ACTIVITIES IN PORTUGAL

**EBITDA from gas regulated activities in Portugal** in 2016 amounted to €52m (+€6m YoY), reflecting a return on RAB of 7.85% in 1H16 and 6.2% in 2H16. **Volume of gas distributed** increased 3% YoY, to 7.1TWh in 2016, broadly in line with customers' portfolio expansion.

On 15-Jun-16, ERSE unveiled a proposal for an average 18.6% decrease for last resort tariff for retail clients (low consumption segment <= 10 m³/year) to be in place from 1-Jul-16 to 30-Jun-17. Under the new gas regulatory framework, the rate of return on assets is indexed to the avg. Portuguese Republic 10-year bond yield between Apr 1<sup>st</sup> and Mar 31<sup>st</sup> prior to the beginning of each regulatory year, with a floor at 5.7% and cap at 9.3%. The preliminary rate of return on RAB for the period from Jul-16 to Jun-17 was set at 6.2%. Allowed revenues for the regulatory year from Jul-16 to Jun-17 amounts to €54m.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net)



# EDP - Energias do Brasil: Financial Performance



Income Statement	Consolidated (R\$ m)				Consolidated (€ m)			
	2016	2015	Δ %	Δ Abs.	2016	2015	Δ %	Δ Abs.
<b>Gross Profit</b>	<b>3,277</b>	<b>3,072</b>	<b>7%</b>	<b>+205</b>	<b>849</b>	<b>831</b>	<b>2%</b>	<b>+19</b>
Supplies and services	613	547	12%	+66	159	148	7%	+11
Personnel costs and employee benefits	447	419	7%	+28	116	113	2%	+3
Other operating costs (net)	(117)	(960)	-88%	+843	(19)	(288)	-94%	+269
<b>Net Operating Costs (1)</b>	<b>943</b>	<b>6</b>	<b>16534%</b>	<b>+937</b>	<b>256</b>	<b>(27)</b>	<b>-</b>	<b>+283</b>
<b>EBITDA</b>	<b>2,334</b>	<b>3,066</b>	<b>-24%</b>	<b>-732</b>	<b>593</b>	<b>857</b>	<b>-31%</b>	<b>-264</b>
Provisions	30	35	-15%	-5	8	9	-19%	-2
Amortisation and impairment	560	470	19%	+91	145	127	14%	+18
<b>EBIT</b>	<b>1,745</b>	<b>2,562</b>	<b>-32%</b>	<b>-817</b>	<b>440</b>	<b>721</b>	<b>-39%</b>	<b>-280</b>
Financial results	(654)	(668)	2%	+14	(170)	(181)	-6%	+11
Results from associates	(115)	(114)	-1%	-2	(30)	(31)	-	+1
<b>Pre-tax profit</b>	<b>975</b>	<b>1,780</b>	<b>-45%</b>	<b>-805</b>	<b>241</b>	<b>509</b>	<b>-53%</b>	<b>-268</b>

Capex & Financial Investments	(R\$ m)				(€ m)			
	2016	2015	Δ %	Δ Abs.	2016	2015	Δ %	Δ Abs.
<b>Capex</b>	<b>652</b>	<b>420</b>	<b>55%</b>	<b>+232</b>	<b>169</b>	<b>114</b>	<b>49%</b>	<b>+55</b>
<b>Financial Investments</b>	<b>497</b>	<b>566</b>	<b>-12%</b>	<b>-69</b>	<b>122</b>	<b>168</b>	<b>-27%</b>	<b>-45</b>

Energias do Brasil	2016	2015	Δ %	Δ Abs.
Share price at end of period (R\$/share)	13.40	12.04	11%	+1.36
Number of shares Issued (million) <sup>2</sup>	606.9	476.4	-	-
Treasury stock (million)	0.8	0.8	-	-
Number of shares owned by EDP (million) <sup>2</sup>	310.8	243.0	-	-
Euro/Real - End of period rate	3.43	4.31	26%	-0.88
Euro/Real - Average of period rate	3.86	3.70	-4%	+0.16
Inflation rate (IPCA - YoY)	6.3%	10.7%	-	-
Net Debt / EBITDA (x)	1.5	1.6	-	-0.1
Average Cost of Debt (%)	12.1	11.9	-	0.1p.p.
Average Interest Rate (CDI)	14.0	13.2	-	0.8p.p.
Employees (#)	2,927	2,940	0%	-13

Key Balance Sheet Figures (R\$ Million)	2016	2015	Δ %	Δ Abs.
Net financial debt	3,517	5,035	-30%	-1,518
Regulatory receivables	(392)	735	-	-1126
Non-controlling Interests	1,463	1,675	-13%	-212
Equity book value	7,572	5,869	29%	+1703

Financial Results (R\$ Million)	2016	2015	Δ %	Δ Abs.
Net Interest Costs	(488)	(524)	7%	+36
Capitalised Costs	6	2	161%	+4
Forex Differences and Derivatives	(159)	(133)	-20%	-26
Other	(13)	(13)	5%	+1
<b>Financial Results</b>	<b>(654)</b>	<b>(668)</b>	<b>2%</b>	<b>+14</b>

In local currency, EDP Brasil ("EDPB") EBITDA decreased 24% YoY (-R\$732m) to R\$2,334m in 2016, impacted, in 2016, by the capital gain of R\$278m booked in 1Q16 with the sale of Pantanal mini-hydro; and, in 2015, by the capital gain of R\$885m with the purchase of Pecém in 2Q15 and by the intragroup gain with the sale of assets to EDPR (R\$69m), all at 'other operating income' level. **Adjusted by the above mentioned one-off effects**, EBITDA would have decreased 3% YoY to R\$2,056m. **Generation and Supply EBITDA** went up by R\$111m to R\$1,400m, reflecting the full consolidation of Pecém since May-15 (+R\$47m) and better performance at our hydro plants (+R\$95m YoY) due to a negligible impact of the hydro deficit in 2016 vs. a stronger impact in 2015 (GSF at 87% in 2016 vs. 85% in 2015 and avg. PLD of R\$94/MWh in 2016 vs. R\$288/MWh in 2015). **EBITDA in distribution** fell by R\$170m to R\$767m in 2016, impacted by losses with overcontracted volumes at Bandeirante, lower demand and the positive Itaipu FX impacts in 2015 (recouped at financial results' level), which were partially offset by the higher impact of the update on the concessions assets' residual value in 2016 vs. 2015. EBITDA performance in Euro terms was penalised by the 4% depreciation of avg. BRL vs. the EUR (-€26m impact).

**Net operating costs** increased by R\$937m YoY mostly due to the booking of the aforementioned capital gains at 'other operating income' level, but also due to the positive impact of the update on the concessions assets' residual value in 2015 (registered at gross profit level in 2016). At Opex level, costs increased 10% due to Pecém's full consolidation. On a pro-forma, including Pecém since Jan-15, costs would go up 4%, in spite of a local inflation rate of 6% in the period. Personnel costs increased 7% YoY, or 3% with Pecém pro-forma, clearly below inflation, while supplies & services went up 12% YoY, or 5% with Pecém pro-forma.

**Net financial debt** decreased 30% YoY (or -R\$1.5bn), driven by the R\$1.5bn proceeds of the capital increase applied on an early payment in Jun-16 of a R\$300m debt at EDPB holding level, which was costing ~16% (118.7% of average interest rate - CDI), and on another early payment in Dec-16 of a R\$923m debt at Pecém level, allowing savings close to 200bp vs. marginal refinancing cost. **Net financial costs** decreased 2% YoY to R\$654m in 2016 with the avg. cost of debt at 12.1%, in spite of an increase on the market's average interest rate - CDI from 13.2% to 14.0%.

**Results from associates** totalled -R\$115m in 2016, reflecting a negative contribution of R\$104m from São Manoel, mostly derived from a R\$153m impairment, but also from Cachoeira-Caldeirão (-R\$23m in 2016) commissioned in 2016, partly offset by Jari hydro power plant (+R\$11m in 2016) commissioned in 2015.

As of Dec-16, hydro reservoirs in the Southeast/Center-West ("SE-CW") regions were at ~34% of their maximum level (vs. 30% in Dec-15). Sluggish demand during 2015/2016, coupled with the reservoir levels' recovery, has enabled GSF to recover, and the reduction of thermal production, allowing PLD to retract to lower levels, in spite of some recovery in the dry season, perceived in the 4Q16. Some thermal capacity should be still generating throughout 2017 and thus some hydro deficit is expected. Some demand recovery has been observed in 2016, but still at low levels (+0.7% YoY).

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net); (2) Nr of shares includes capital increase approved in July, 8th.



# Brazil: Electricity Distribution



Income Statement (R\$ m)	2016	2015	Δ %	Δ Abs.
<b>Gross Profit</b>	<b>1,664</b>	<b>1,569</b>	<b>6%</b>	<b>+95</b>
Supplies and services	410	357	15%	+53
Personnel costs and employee benefits	287	294	-2%	-7
Other operating costs (net)	200	(18)	-	+218
<b>Net Operating Costs (1)</b>	<b>896</b>	<b>632</b>	<b>42%</b>	<b>+264</b>
<b>EBITDA</b>	<b>767</b>	<b>937</b>	<b>-18%</b>	<b>-170</b>
Provisions	31	35	-13%	-5
Amortisation and impairment	184	181	2%	+3
<b>EBIT</b>	<b>553</b>	<b>721</b>	<b>-23%</b>	<b>-168</b>

**EBITDA from our electricity distribution activity in Brazil fell by R\$170m YoY to R\$767m in 2016**, mostly due to (i) overcontracting at Bandeirante (-R\$35m in 2016 vs. +R\$36m in 2015); (ii) lower demand (-R\$40m vs. 2015); and (iii) lower pass-through of FX losses from Itaipu (R\$0m in 2016 vs. R\$43m in 2015); offset by (iv) a gain of R\$194m in 2016 (vs. R\$153m in 2015) with the update on the concessions assets' residual value.

**Gross profit went up 6% YoY to R\$1,664m in 2016**, due to the update on the concessions assets' residual value, which from Dec-16 started being recognized at gross profit level (R\$194m in 2016, mostly derived from Escelsa's 27% increase on RAB following its 7<sup>th</sup> periodic tariff revision). Gross profit was also impacted by flattish **regulated revenues (R\$1,557m in 2016)**, mostly due to a decrease in demand (-R\$40m YoY in 2016), partially offset by the yearly tariff adjustment (+R\$35m vs. 2015), which is positive for Escelsa but negative for Bandeirante, given the lower accepted regulatory cost base following 2015's tariff revision. More significantly, gross profit was impacted by overcontracting at Bandeirante (-R\$35m in 2016 vs. +R\$36m in 2015) and a positive impact of pass-through of FX gains from Itaipu in 2015 (fully compensated at financial results' level; and neutral impact at gross profit level and EBITDA in 2016). If we exclude the impact of the update on the concessions assets' residual value, gross profit would have decreased 6% to R\$1,470m in 2016 vs. R\$1,569m in 2015.

Gross Profit Performance	2016	2015	Δ %	Δ Abs.
<b>Gross Profit (R\$ m)</b>	<b>1,664</b>	<b>1,569</b>	<b>6%</b>	<b>+95</b>
Regulated revenues	1,557	1,560	-0%	-2
Other	107	9	1029%	+97
<b>Regulatory Receivables (R\$ m)</b>				
<b>Beginning of period</b>	<b>735</b>	<b>602</b>	<b>22%</b>	<b>+133</b>
Past deviations	(475)	(425)	12%	-50
Annual deviation (2)	(652)	773	-	-1,424
CDE/ACR Account (3)	-	(214)	-	+214
<b>End of period</b>	<b>(392)</b>	<b>735</b>	<b>-</b>	<b>-1,126</b>
<b>Clients Connected (th)</b>	<b>3,316</b>	<b>3,257</b>	<b>2%</b>	<b>+59</b>
Bandeirante	1,804	1,780	1%	+24
Escelsa	1,512	1,476	2%	+35
<b>Electricity Distributed (GWh)</b>	<b>24,425</b>	<b>25,713</b>	<b>-5%</b>	<b>-1,289</b>
Bandeirante	14,502	14,623	-1%	-121
Escelsa	9,923	11,091	-11%	-1,168
From which:				
To clients in Free Market (GWh)	9,680	10,018	-3%	-338
<b>Electricity Sold (GWh)</b>	<b>14,731</b>	<b>15,378</b>	<b>-4%</b>	<b>-647</b>
<b>Bandeirante</b>	<b>8,597</b>	<b>8,905</b>	<b>-3%</b>	<b>-309</b>
Resid., Comm. & Other	6,742	6,538	3%	+204
Industrial	1,855	2,367	-22%	-512
<b>Escelsa</b>	<b>6,135</b>	<b>6,473</b>	<b>-5%</b>	<b>-338</b>
Resid., Comm. & Other	5,244	5,370	-2%	-125
Industrial	890	1,103	-19%	-213

**Volumes of electricity sold** went down 4% YoY in 2016, translating a reduction of 21% in industrial demand. At the same time, **volumes distributed** to industrial clients in the free market decreased 3% YoY to 9.7TWh in 2016, reflecting the lower industrial production due to the tough macroeconomic conditions in Brazil, but also the stoppage of one important client in the mining industry in Escelsa's concession area.

Demand decrease had thus a slightly negative impact on gross profit, which has been partly compensated by a trajectory of lower non-technical losses, in spite of the economic situation. Non-technical losses in the low-voltage segment have decreased both for Escelsa, reaching 13.5% (-1.4pp YoY vs. 2015), as well as for Bandeirante, whose level stood at 10.0% (-0.6pp YoY vs. 2015). Provisions for doubtful clients increased in 2016 to R\$103m (+R\$28m YoY in 2016, in spite of a -R\$5m reduction vs. the 3Q16), derived from the economic situation but also due to the significant tariff increases in 2014-15, which are now starting to recede. EDPB has been tackling the situation by increasing proximity to clients. Additionally, in 2016, Bandeirante suffered with over-contracted volumes (-R\$35m in 2016), since the volumes of energy procurement it contracted surpassed by more than 5% of the volumes demanded by clients. The 105% ratio between volumes procured/sold is the threshold after which any gain/loss from the sale of energy surplus in the spot market is not passed-through into tariffs, and in 2016 it has been originating a loss due to the decline of spot price (PLD), which is now lower than long term sourcing contracted prices. The market design for 2017 is being reviewed, possibly allowing for more adjustment of volumes between regulated and the liberalised market, which should reduce the overcontracting exposure.

As of Dec-16, **regulatory receivables** are negative (in fact, regulatory payables) and amounted to -R\$392m (vs. R\$735m of receivables as of Dec-15). In 2016, a R\$652m positive tariff deviation was created, essentially related to lower energy costs than the ones incorporated in the tariffs. Additionally, R\$475m were received regarding past deviations. All in all, regulatory receivables went down R\$1,126m vs. Dec-15, to -R\$392m as of Dec-16, to be paid back to the system in the following years. Tariff revisions at Escelsa in Aug-16 (+3% tariff update) and Bandeirante in Oct-16 (-24% tariff update) already consider the current negative regulatory receivables to be recovered by the system. Note that real post-tax WACC of 8.1% is being applied to distribution on the 4<sup>th</sup> revision cycle, which started for Bandeirante in Oct-15 and in Aug-16 for Escelsa.

**Controllable operating costs increased 6% YoY to R\$658m in 2016**, driven by an increase in supplies and services, due to higher expenses with O&M, IT and clients' services, slightly offset by personnel costs, which although the annual salary update (below inflation levels), were impacted in 4Q15 by expenses with an early retirement program. **Other operating costs** were up R\$218m YoY, translating a gain of R\$153m in 2015 with the update on the concessions assets' residual value in 2015, in 2016 registered at gross profit level, but also a +R\$28m YoY impact related with provisions for doubtful clients. **Distribution capex** was up 50% YoY to R\$481m in 2016, following a stronger focus on capex for customer services activities and to the reinforcement of the network quality of service.

Capex & Opex Performance	2016	2015	Δ %	Δ Abs.
<b>Controllable Operating Costs (4)</b>	<b>658</b>	<b>621</b>	<b>6%</b>	<b>+37</b>
Cont. costs/client (R\$/client)	198	191	4%	+8
Cont. costs/km (R\$/km)	7	7	5%	+0
<b>Employees (#)</b>	<b>2,170</b>	<b>2,210</b>	<b>-2%</b>	<b>-40</b>
<b>Capex (net of subsidies) (R\$m)</b>	<b>481</b>	<b>320</b>	<b>50%</b>	<b>+161</b>
Network ('000 Km)	92	91	1%	+1

(1) Net operating costs = operating costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net); (2) Net of extraordinary tariff increase and tariff flags impacts;

(3) Including financial update of the corresponding regulatory assets/liabilities; (4) S&S and Personnel costs.



# Brazil: Electricity Generation and Supply



Income Statement (R\$m)	Generation			
	2016	2015	Δ %	Δ Abs.
<b>Gross Profit</b>	<b>1,560</b>	<b>1,423</b>	<b>10%</b>	<b>+137</b>
Supplies and services	144	123	17%	+21
Personnel costs and employee benefits	93	69	34%	+24
Other operating costs (net)	(54)	(1)	-	-54
<b>Net Operating Costs (1)</b>	<b>182</b>	<b>191</b>	<b>-5%</b>	<b>-9</b>
<b>EBITDA</b>	<b>1,378</b>	<b>1,232</b>	<b>12%</b>	<b>+145</b>
Provisions	2	0	404%	+2
Amortisation and impairment	351	274	28%	+77
<b>EBIT</b>	<b>1,024</b>	<b>958</b>	<b>7%</b>	<b>+67</b>

Key Data	2016	2015	Δ %	Δ Abs.
<b>Gross Profit (R\$ m)</b>	<b>1,560</b>	<b>1,423</b>	<b>10%</b>	<b>+137</b>
<b>Hydro</b>	<b>993</b>	<b>889</b>	<b>12%</b>	<b>+104</b>
PPA contracted revenues & Other	1,020	1,185	-14%	-165
GSF impact (net of hedging)	(26)	(295)	91%	+269
<b>Thermal</b>	<b>567</b>	<b>534</b>	<b>6%</b>	<b>+33</b>
PPA contracted revenues	743	528	41%	+215
Other	(177)	5	-	-182
<b>Installed Capacity (MW)</b>	<b>2,466</b>	<b>2,517</b>	<b>-2%</b>	<b>-51</b>
Hydro	1,745	1,797	-3%	-51
Thermal	720	720	0%	+0
<b>Installed Capacity (MW Equity)</b>	<b>296</b>	<b>187</b>	<b>59%</b>	<b>+110</b>
<b>Electricity Sold (GWh)</b>	<b>13,185</b>	<b>12,292</b>	<b>7%</b>	<b>+893</b>
PPA contracted	11,978	10,693	12%	+1,285
Hydro	7,546	7,729	-2%	-184
Thermal	4,432	2,964	50%	+1,469
Other	1,207	1,599	-24%	-392
<b>Avg. Hydro PPA Sale Price (R\$/MWh) (2)</b>	<b>166</b>	<b>175</b>	<b>-5%</b>	<b>-9</b>
<b>Capex (R\$ m)</b>	<b>145</b>	<b>94</b>	<b>55%</b>	<b>+51</b>
<b>Financial Investments (R\$ m)</b>	<b>497</b>	<b>566</b>	<b>-12%</b>	<b>-69</b>
<b>Employees (#)</b>	<b>511</b>	<b>538</b>	<b>-5%</b>	<b>-27</b>

EBITDA Breakdown (R\$ m)	2016	2015	Δ %	Δ Abs.
Pecém (100%)	504	457	10%	+47
Lajeado (73% owned by EDPB)	435	335	30%	+100
Peixe Angical (60% owned by EDPB)	222	266	-16%	-44
Other (100%)	216	174	24%	+43
<b>EBITDA</b>	<b>1,378</b>	<b>1,232</b>	<b>12%</b>	<b>+145</b>

Supply	2016	2015	Δ %	Δ Abs.
<b>Gross profit (R\$ m)</b>	<b>49</b>	<b>77</b>	<b>-36%</b>	<b>-28</b>
Net Operating costs (1) (R\$ m)	26	19	36%	+7
<b>EBITDA (R\$ m)</b>	<b>23</b>	<b>57</b>	<b>-61%</b>	<b>-35</b>
<b>Electricity sales (GWh)</b>	<b>12,980</b>	<b>10,600</b>	<b>22%</b>	<b>+2,381</b>

**EBITDA from our electricity generation activities in Brazil went up 12% YoY (+R\$145m in 2016) to R\$1,378m in 2016**, reflecting the full consolidation of Pecém since May-15 (+R\$47m YoY) and better performance at the hydro plants (+R\$98m YoY) due to a low impact of the hydro deficit vs. 2015, mostly due to the fall in spot prices (avg. PLD of just R\$94/MWh in 2016 vs. R\$288/MWh in 2015), but also given the greater protection against hydro deficits following the insurance subscribed in Dec-15.

**Hydro gross profit increased by R\$104m YoY in 2016 to R\$993m (-R\$52m YoY in the 4Q16)**, mostly due to the above mentioned fall in PLD prices, but also due to a lower GSF in the period (GSF at 87% vs. 85% in 2015; though 4Q16 was worse YoY with GSF at 87% vs. 94% in 4Q15, on given lower rainfall volumes). Additionally, EDPB subscribed the hydro insurance for a protection at ~92% level for a portion of its assets (no risk if GSF falls below 92%). Of the total physical guarantee of the portfolio of hydro plants, 47% subscribed the insurance. The combination of the hydro insurance, the 7% of volumes left unsold for hedging purposes and the GSF impact led to a loss of R\$26m vs. a loss of R\$295m in 2015. The abovementioned lower YoY negative impact was partly offset by the decrease of the **avg. price of hydro** volumes, which reached R\$166/MWh in 2016, 5% below YoY. PPA prices are inflation updated, yet the decrease YoY is justified by the end of some PPAs in Peixe Angical hydro plant in Jan-16. Most of the plant's capacity was sold in shorter term contracts at lower prices (currently ~R\$160/MWh vs. previous ~R\$210/MWh). Additionally, **hydro volumes sold** have decreased by 2%, mostly due to i) the sale of Pantanal mini-hydro in Jan-16; and ii) the abovementioned strategic allocation of 7% of volumes to spot market for the purpose of offsetting the hydro deficit in which the system still incurs.

Pecém's gross profit was R\$567m in 2016, with a R\$743m impact related to PPA fixed revenues. Since the purchase of the asset, EDPB managed to achieve important improvements, both operationally (availability stood at 88% in 2016 and 94% in the 4Q16, after the programmed maintenance works in 3Q16), in regulatory terms (a less penalising formula for availability deviations was approved in Dec-15) and in market terms (decrease in spot electricity prices enabled a decrease in the cost of penalties on past unavailability). Worth noting that Pecém's EBITDA in 2016 was positively impacted in the 1Q16 (R\$67m) by an insurance recovery related with a stoppage in one of the plant's groups in 2014. The 4Q16 was, nevertheless, a tougher quarter with EBITDA at R\$78m (-R\$134m YoY, due to a positive impact in the provision for penalties on unavailability in the 4Q15 of R\$90m and a R\$31m impact in the 4Q16 related with the emergency charge on water usage to keep operating the plant in light of the drought in the state of Ceará).

EDPB operates 2.8GW of capacity, of which 0.3GW are equity consolidated. Equity accounted capacity refers to a 50% equity stake in **Santo Antônio do Jari** hydro power plant (373MW) and to a 50% equity stake in **Cachoeira-Caldeirão** hydro power plant (219MW, entirely online since Aug-16), both in partnership with CTG. In 2016, our 50% stake in Jari contributed with a net gain of R\$11m (+R\$34m YoY), reflecting the impact of the inflation adjustment on PPA prices. Cachoeira-Caldeirão, whose PPA starts in Jan-17, contributed with a net loss of R\$23m (@50%) impacted by interest costs, given the initial stage of the asset's life. More significantly, São Manoel, a 700MW project (33.3%-owned by EDPB in partnership with CTG and Furnas), contributed with a net loss of R\$104m, mostly due to a R\$153m impairment following a capex revision after the replacement of the EPC contractor.

**Capex** surged by 55% YoY to R\$145m in 2016 mostly due to maintenance works in Pecém. Note that equity investments devoted to Cachoeira Caldeirão (now concluded) and São Manoel hydro projects are classified as 'financial investments' (equity-method accounted); in 2016, **financial investments** totalled R\$497m, which were essentially devoted to São Manoel's construction works. **São Manoel** is under construction (83% concluded) and has a PPA starting in May-18.

**Electricity supply gross profit decreased 36% YoY (-R\$28m) to R\$49m in 2016**, reflecting lower margins given lower spot prices, although the 4Q16 registered a R\$20 m YoY improvement.

(1) Operating costs (Supplies & services + Personnel costs + Costs with social benefits) + Other operating costs (net); (2) Calculated with PPA prices and volumes.





## Income Statements & Annex



# Income Statement by Business Area



2016 (€m)	Long-Term Contracted Generation	Iberian Liberalised Activities	Regulated Networks Iberia	EDP Renováveis	Brazil	Corpor. Activ. & Adjustments	EDP Group
Revenues from energy sales and services and other	960	8,388	5,493	1,485	2,427	(4,157)	14,595
Gross Profit	639	1,089	1,727	1,453	849	(21)	5,738
Supplies and services	46	262	335	305	159	(158)	948
Personnel costs and employee benefits	50	80	151	94	116	169	661
Other operating costs (net)	15	211	252	(116)	(19)	28	370
Operating costs	110	553	738	282	256	39	1,979
EBITDA	529	536	990	1,171	593	(60)	3,759
Provisions	2	(21)	(1)	5	8	(7)	(15)
Amortisation and impairment (1)	128	234	342	602	145	59	1,510
EBIT	399	323	649	564	440	(112)	2,264

2015 (€m)	Long-Term Contracted Generation	Iberian Liberalised Activities	Regulated Networks Iberia	EDP Renováveis	Brazil	Corpor. Activ. & Adjustments	EDP Group
Revenues from energy sales and services and other	1,137	9,026	5,406	1,372	2,734	(4,157)	15,517
Gross Profit	718	879	1,675	1,350	831	3	5,455
Supplies and services	58	219	345	293	148	(142)	921
Personnel costs and employee benefits	64	70	156	84	113	165	653
Other operating costs (net)	13	226	143	(170)	(288)	33	(43)
Operating costs	135	516	644	207	(27)	56	1,531
EBITDA	583	364	1,031	1,142	857	(53)	3,924
Provisions	(0)	11	7	(0)	9	(11)	16
Amortisation and impairment (1)	161	200	331	565	127	80	1,465
EBIT	422	152	693	578	721	(122)	2,443

(1) Depreciation and amortisation expense net of compensation for depreciation and amortisation of subsidised assets.



# Quarterly Income Statement



Quarterly P&L (€ m)	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	Δ YoY %	Δ QoQ %
<b>Revenues from energy sales and services and other</b>	<b>4,135</b>	<b>3,812</b>	<b>3,657</b>	<b>3,912</b>	<b>3,787</b>	<b>3,361</b>	<b>3,437</b>	<b>4,011</b>	<b>3%</b>	<b>17%</b>
<b>Cost of energy sales and other</b>	<b>(2,712)</b>	<b>(2,486)</b>	<b>(2,346)</b>	<b>(2,518)</b>	<b>(2,240)</b>	<b>(1,938)</b>	<b>(2,143)</b>	<b>(2,536)</b>	<b>-1%</b>	<b>-18%</b>
<b>Gross Profit</b>	<b>1,423</b>	<b>1,327</b>	<b>1,311</b>	<b>1,394</b>	<b>1,547</b>	<b>1,423</b>	<b>1,294</b>	<b>1,475</b>	<b>6%</b>	<b>14%</b>
Supplies and services	207	227	224	263	205	230	239	273	4%	15%
Personnel costs and Employee Benefits	161	164	148	181	161	162	163	174	-4%	6%
Other operating costs (net)	67	(207)	79	18	51	93	66	161	816%	144%
<b>Operating costs</b>	<b>435</b>	<b>184</b>	<b>450</b>	<b>461</b>	<b>417</b>	<b>486</b>	<b>468</b>	<b>608</b>	<b>32%</b>	<b>30%</b>
<b>EBITDA</b>	<b>988</b>	<b>1,143</b>	<b>860</b>	<b>933</b>	<b>1,130</b>	<b>937</b>	<b>826</b>	<b>867</b>	<b>-7%</b>	<b>5%</b>
Provisions	1	3	6	7	3	(8)	(10)	(0)	-	100%
Amortisation and impairment (1)	337	353	369	406	366	378	371	395	-3%	7%
<b>EBIT</b>	<b>651</b>	<b>788</b>	<b>485</b>	<b>520</b>	<b>760</b>	<b>567</b>	<b>465</b>	<b>472</b>	<b>-9%</b>	<b>1%</b>
Financial Results	(208)	(156)	(262)	(207)	(180)	(228)	(227)	(257)	-24%	-13%
Share of net profit in joint ventures and associates	(2)	(22)	(2)	1	(8)	3	2	(19)	-	-
<b>Profit before income tax and CESE</b>	<b>441</b>	<b>610</b>	<b>222</b>	<b>314</b>	<b>573</b>	<b>342</b>	<b>240</b>	<b>196</b>	<b>-38%</b>	<b>-18%</b>
Income taxes	82	112	42	42	152	91	57	(211)	-	-
Extraordinary contribution for the energy sector	61	-	-	1	59	-	2	1	-10%	-38%
Net Profit for the period	298	498	180	271	362	251	181	406	50%	124%
<b>Net Profit Attributable to EDP</b>	<b>237</b>	<b>350</b>	<b>149</b>	<b>177</b>	<b>263</b>	<b>209</b>	<b>143</b>	<b>346</b>	<b>95%</b>	<b>142%</b>
Non-controlling Interests	62	148	31	94	100	42	38	60	-36%	59%

Note: quarterly data in the 1Q15 was restated as to reflect the application of IFRIC21

(1) Depreciation and amortisation expense net of compensation for depreciation and amortisation of subsidised assets.



# EDP - Installed capacity & electricity generation



Technology	Installed Capacity - MW (1)				Electricity Generation (GWh)				Electricity Generation (GWh)							
	2016	2015	Δ MW	Δ %	2016	2015	Δ GWh	Δ %	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
<b>PPA/CMEC (Portugal)</b>	<b>3,843</b>	<b>4,470</b>	<b>-627</b>	<b>-14%</b>	<b>15,261</b>	<b>14,631</b>	<b>630</b>	<b>4%</b>	<b>4,151</b>	<b>3,639</b>	<b>3,258</b>	<b>3,582</b>	<b>4,627</b>	<b>3,992</b>	<b>3,421</b>	<b>3,221</b>
<b>Hydro</b>	<b>2,663</b>	<b>3,290</b>	<b>-627</b>	<b>-19%</b>	<b>7,179</b>	<b>4,975</b>	<b>2,204</b>	<b>44%</b>	<b>1,903</b>	<b>1,160</b>	<b>787</b>	<b>1,125</b>	<b>2,854</b>	<b>2,462</b>	<b>916</b>	<b>947</b>
Run off the river	1,056	1,056			3,958	2,486			938	659	393	497	1,430	1,419	499	610
Reservoir	1,607	2,234			3,221	2,489			965	501	394	628	1,424	1,043	416	338
<b>Coal - Sines</b>	<b>1,180</b>	<b>1,180</b>	<b>0</b>	<b>0%</b>	<b>8,082</b>	<b>9,657</b>	<b>-1,574</b>	<b>-16%</b>	<b>2,248</b>	<b>2,480</b>	<b>2,471</b>	<b>2,457</b>	<b>1,773</b>	<b>1,530</b>	<b>2,505</b>	<b>2,274</b>
<b>Special Regime (Ex-Wind)</b>	<b>184</b>	<b>213</b>	<b>-29</b>	<b>-14%</b>	<b>705</b>	<b>663</b>	<b>42</b>	<b>6%</b>	<b>222</b>	<b>173</b>	<b>84</b>	<b>184</b>	<b>311</b>	<b>262</b>	<b>65</b>	<b>67</b>
<b>Portugal</b>	<b>184</b>	<b>188</b>	<b>-4</b>	<b>-2%</b>	<b>705</b>	<b>532</b>	<b>173</b>	<b>32%</b>	<b>190</b>	<b>138</b>	<b>47</b>	<b>158</b>	<b>311</b>	<b>262</b>	<b>65</b>	<b>67</b>
Small-Hydro	160	164			549	349			138	88	4	120	259	214	27	50
Cogeneration	24	24			156	183			52	50	43	38	52	48	39	17
<b>Spain</b>	<b>0</b>	<b>25</b>	<b>-25</b>	<b>-</b>	<b>0</b>	<b>131</b>	<b>-131</b>	<b>-</b>	<b>33</b>	<b>35</b>	<b>37</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cogeneration+Waste (2)	0	25			0	131			33	35	37	26	0	0	0	0
<b>Liberalised Iberia</b>	<b>8,678</b>	<b>7,882</b>	<b>796</b>	<b>10%</b>	<b>20,693</b>	<b>18,397</b>	<b>2,296</b>	<b>12%</b>	<b>4,709</b>	<b>4,038</b>	<b>4,572</b>	<b>5,077</b>	<b>5,693</b>	<b>4,734</b>	<b>4,769</b>	<b>5,496</b>
<b>Hydro</b>	<b>3,537</b>	<b>2,527</b>	<b>1,010</b>	<b>40%</b>	<b>8,963</b>	<b>4,559</b>	<b>4,404</b>	<b>97%</b>	<b>1,910</b>	<b>1,175</b>	<b>601</b>	<b>873</b>	<b>3,540</b>	<b>3,153</b>	<b>1,080</b>	<b>1,191</b>
Portugal	3,111	2,101			8,033	3,766			1,495	969	541	760	3,080	2,851	1,002	1,099
Spain	426	426			930	793			414	206	60	113	460	301	77	92
<b>Coal</b>	<b>1,224</b>	<b>1,463</b>	<b>-239</b>	<b>-16%</b>	<b>5,150</b>	<b>8,946</b>	<b>-3,796</b>	<b>-42%</b>	<b>2,058</b>	<b>1,972</b>	<b>2,299</b>	<b>2,617</b>	<b>1,333</b>	<b>769</b>	<b>1,411</b>	<b>1,637</b>
Aboño I	342	342			1,989	1,875			524	63	649	639	309	452	561	667
Aboño II	536	536			2,074	4,068			922	1,053	1,077	1,016	854	194	547	480
Soto Ribera II	0	239			0	937			190	358	22	367	0	0	0	0
Soto Ribera III	346	346			1,086	2,067			422	497	551	596	170	123	303	490
<b>CCGT</b>	<b>3,736</b>	<b>3,736</b>	<b>0</b>	<b>0%</b>	<b>5,242</b>	<b>3,666</b>	<b>1,576</b>	<b>43%</b>	<b>411</b>	<b>675</b>	<b>1,334</b>	<b>1,246</b>	<b>465</b>	<b>552</b>	<b>1,909</b>	<b>2,316</b>
Ribatejo (3 groups)	1,176	1,176			1,648	748			54	133	126	434	168	314	466	700
Lares (2 groups)	863	863			1,954	1,836			136	429	867	403	63	67	938	886
Castejón (2 groups)	843	843			1,287	724			143	98	228	255	135	161	503	488
Soto IV & V (2 groups)	854	854			353	358			77	15	113	154	99	9	2	242
<b>Nuclear - Trillo</b>	<b>156</b>	<b>156</b>	<b>0</b>	<b>0%</b>	<b>1,239</b>	<b>1,227</b>	<b>12</b>	<b>1%</b>	<b>331</b>	<b>215</b>	<b>339</b>	<b>342</b>	<b>330</b>	<b>230</b>	<b>338</b>	<b>341</b>
<b>Cogeneration and Waste (2)</b>	<b>25</b>	<b>-</b>	<b>25</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26</b>	<b>31</b>	<b>31</b>	<b>12</b>
<b>Wind (More detail on page 15)</b>	<b>9,969</b>	<b>9,199</b>	<b>770</b>	<b>8%</b>	<b>24,334</b>	<b>21,237</b>	<b>3,097</b>	<b>15%</b>	<b>5,757</b>	<b>5,006</b>	<b>4,106</b>	<b>6,367</b>	<b>7,508</b>	<b>5,733</b>	<b>4,695</b>	<b>6,397</b>
Iberia	3,443	3,439			7,970	6,834			2,004	1,529	1,387	1,915	2,696	1,933	1,667	1,674
Rest of Europe	1,491	1,473			3,189	3,155			916	700	605	934	1,078	616	532	964
North America	4,831	4,203			12,508	11,025			2,792	2,728	2,052	3,452	3,680	3,033	2,262	3,532
Brazil	204	84			666	222			46	49	61	66	54	151	234	226
<b>Solar</b>	<b>82</b>	<b>82</b>	<b>0</b>	<b>0%</b>	<b>139</b>	<b>151</b>	<b>-12</b>	<b>-8%</b>	<b>29</b>	<b>50</b>	<b>46</b>	<b>26</b>	<b>27</b>	<b>46</b>	<b>44</b>	<b>22</b>
<b>Brazil (Ex-Wind)</b>	<b>2,466</b>	<b>2,517</b>	<b>-51</b>	<b>-2%</b>	<b>8,880</b>	<b>8,627</b>	<b>253</b>	<b>3%</b>	<b>1,624</b>	<b>2,247</b>	<b>2,226</b>	<b>2,530</b>	<b>2,764</b>	<b>2,068</b>	<b>1,897</b>	<b>2,151</b>
<b>Hydro</b>	<b>1,745</b>	<b>1,797</b>	<b>-51</b>	<b>-3%</b>	<b>4,448</b>	<b>5,599</b>	<b>-1,151</b>	<b>-21%</b>	<b>1,624</b>	<b>1,638</b>	<b>1,091</b>	<b>1,247</b>	<b>1,640</b>	<b>853</b>	<b>896</b>	<b>1,059</b>
Lajeado	903	903			2,108	2,723			827	829	477	589	889	396	412	412
Peixe Angical	499	499			1,659	2,005			522	497	445	541	579	327	400	353
Energest	344	396			680	871			274	311	169	117	172	130	84	294
<b>Coal (Pecém I)</b>	<b>720</b>	<b>720</b>	<b>0</b>	<b>0%</b>	<b>4,432</b>	<b>3,028</b>	<b>1,405</b>	<b>46%</b>	<b>0</b>	<b>610</b>	<b>1,135</b>	<b>1,283</b>	<b>1,124</b>	<b>1,215</b>	<b>1,001</b>	<b>1,092</b>
<b>TOTAL</b>	<b>25,223</b>	<b>24,364</b>	<b>859</b>	<b>4%</b>	<b>70,011</b>	<b>63,706</b>	<b>6,306</b>	<b>10%</b>	<b>16,492</b>	<b>15,154</b>	<b>14,292</b>	<b>17,767</b>	<b>20,931</b>	<b>16,836</b>	<b>14,891</b>	<b>17,353</b>
<b>Equity Consolidated</b>	<b>Installed Capacity - MW (3)</b>															
	<b>2016</b>	<b>2015</b>	<b>Δ MW</b>	<b>Δ %</b>												
Iberia Special Regime (Ex-Wind)	41	46	-5	-11%												
EDPR Wind	356	356	0	0%												
Brazil Hydro	296	187	110	59%												
<b>TOTAL</b>	<b>693</b>	<b>589</b>	<b>104</b>	<b>18%</b>												

(1) Installed capacity that contributed to the revenues in the period.

(2) As from 1-Jan-16, cogeneration and waste under special regime in Spain are reported in Liberalised Iberia

(3) MW attributable to associated companies consolidated by equity method



# EDP - Volumes distributed, clients connected and networks



## ELECTRICITY

Electricity Distributed (GWh)	2016	2015	Δ GWh	Δ %
<b>Portugal</b>	<b>44,599</b>	<b>44,277</b>	<b>322</b>	<b>0.7%</b>
Very High Voltage	2,115	2,174	-59	-2.7%
High / Medium Voltage	21,026	21,035	-8	0.0%
Low Voltage	21,458	21,069	389	1.8%
<b>Spain</b>	<b>9,190</b>	<b>9,168</b>	<b>22</b>	<b>0.2%</b>
High / Medium Voltage	6,946	6,945	1	0.0%
Low Voltage	2,244	2,223	21	0.9%
<b>Brazil</b>	<b>24,411</b>	<b>25,396</b>	<b>-985</b>	<b>-3.9%</b>
Free Clients	9,063	9,354	-291	-3.1%
Industrial	2,745	3,470	-725	-20.9%
Residential, Comercial & Other	12,603	12,572	31	0.2%
<b>TOTAL</b>	<b>78,200</b>	<b>78,841</b>	<b>-641</b>	<b>-0.8%</b>

Clients Connected (th)	2016	2015	Abs. Δ	Δ %
<b>Portugal</b>	<b>6,142</b>	<b>6,107</b>	<b>35.3</b>	<b>0.6%</b>
Very High / High / Medium Voltage	25	24	0.3	1.0%
Special Low Voltage	35	34	0.6	1.7%
Low Voltage	6,083	6,048	34.4	0.6%
<b>Spain</b>	<b>663</b>	<b>660</b>	<b>2.4</b>	<b>0.4%</b>
High / Medium Voltage	1	1	-0.0	-0.1%
Low Voltage	661	659	2.4	0.4%
<b>Brazil</b>	<b>3,316</b>	<b>3,257</b>	<b>59.3</b>	<b>1.8%</b>
Bandeirante	1,804	1,780	24.2	1.4%
Escelsa	1,512	1,476	35.2	2.4%
<b>TOTAL</b>	<b>10,121</b>	<b>10,024</b>	<b>97.0</b>	<b>1.0%</b>

Networks	2016	2015	Abs. Δ	Δ %
<b>Lenght of the networks (Km)</b>	<b>337,492</b>	<b>335,804</b>	<b>1,688</b>	<b>0.5%</b>
Portugal	225,397	224,849	547	0.2%
Spain	20,520	20,396	124	0.6%
Brazil	91,576	90,558	1,018	1.1%

### Losses (% of electricity distributed)

Portugal (1)	9.5%	9.7%	-0.2 pp
Spain	4.0%	4.1%	-0.1 pp
Brazil			
Bandeirante	8.9%	9.0%	-0.1 pp
Technical	5.5%	5.4%	0.1 pp
Comercial	3.4%	3.6%	-0.2 pp
Escelsa	13.9%	13.5%	0.4 pp
Technical	8.6%	8.2%	0.4 pp
Comercial	5.3%	5.3%	0.0 pp

## GAS

Gas Distributed (GWh)	2016	2015	Δ GWh	Δ %
<b>Portugal</b>	<b>7,114</b>	<b>6,907</b>	<b>207</b>	<b>3.0%</b>
Low Pressure	1,093	1,021	73	7.1%
Medium Pressure	5,997	5,861	136	2.3%
LPG	24	25	-1	-4.8%
<b>Spain</b>	<b>26,441</b>	<b>27,093</b>	<b>-652</b>	<b>-2.4%</b>
Low Pressure	7,792	8,256	-464	-5.6%
Medium Pressure	18,650	18,838	-188	-1.0%
<b>TOTAL</b>	<b>33,555</b>	<b>34,001</b>	<b>-445</b>	<b>-1.3%</b>

Supply Points (th)	2016	2015	Abs. Δ	Δ %
<b>Portugal</b>	<b>342</b>	<b>330</b>	<b>12</b>	<b>3.8%</b>
Low Pressure	338	324	13	4.1%
Medium Pressure	1.5	1.4	0.1	4.3%
LPG	3.1	4.1	-1.0	-24.6%
<b>Spain</b>	<b>1,008</b>	<b>918</b>	<b>90</b>	<b>9.8%</b>
Low Pressure	926	917	8	0.9%
Medium Pressure	0.7	0.7	0	0.6%
LPG	81.8	-	82	-
<b>TOTAL</b>	<b>1,350</b>	<b>1,248</b>	<b>102.7</b>	<b>8.2%</b>

Networks	2016	2015	Abs. Δ	Δ %
<b>Lenght of the networks (Km)</b>	<b>13,187</b>	<b>12,570</b>	<b>616</b>	<b>4.9%</b>
Portugal	5,085	4,856	230	4.7%
Spain	8,101	7,715	387	5.0%

(1) Excludes Very High Voltage



# EDP - Sustainability performance



## Main Events 2016

**EDP in the CDP - Climate Change:** EDP is part of CDP's "A List" - Climate Change, a ranking that includes companies with the maximum rating of A, a status only achieved by 10% of the 2,000 companies evaluated.

**EDP Brazil remains in the Corporate Sustainability Index (ISE):** For the 11<sup>th</sup> consecutive year, EDP is included in the ISE portfolio, which is maintained by BM&F Bovespa, being among companies that stand out for their commitment to sustainable development, quality, equity, transparency, accountability and nature of product, as well as business performance in economic, social, environmental and climate change areas.

**EDP Renováveis recognised by Institutional Investors:** In its ranking of European public utilities, the leading financial information group in Europe and America has awarded EDP Renováveis in the following categories: Best CEO, second place overall; Best Investor Relations Professional, third place; and Best Company in the Investor Relations category, third place.

## EDP Internal Sustainability Index (base 2010-12)

	2016	2015 (d)	Δ %
<b>Sustainab. Index (a)(b)(c)</b>	<b>106</b>	<b>101</b>	<b>5%</b>
Environmental %Weight	93 33%	92 33%	0%
Economic %Weight	114 37%	105 37%	9%
Social %Weight	110 30%	104 30%	5%

This Sustainability Index was developed by EDP and is based on 33 sustainability performance indicators.

## Economic Metrics

	2016	2015	Δ %
<b>Economic Value (€m)</b>	<b>15,900</b>	<b>17,278</b>	<b>-8.0%</b>
Distributed	14,551	15,163	-4.0%
Accumulated	1,349	2,115	-36.2%
<b>Energy Serv. Rev. (€m)(1)</b>	<b>1,006</b>	<b>1,008</b>	<b>-0.3%</b>
Energy Efficiency Serv.	93	80	16.4%

## Social Metrics

	2016	2015	Δ %
<b>Employees</b>	<b>11,992</b>	<b>12,084</b>	<b>-0.8%</b>
<b>Total hours of training</b>	<b>389,883</b>	<b>443,105</b>	<b>-12%</b>
<b>On-duty Accidents (e)(f)</b>	<b>30</b>	<b>49</b>	<b>-39%</b>
Severity Rate (Tg) (e)	173	106	63%
Freq. rate (Tf) (e)	3.0	2.3	31%
Fatal accidents (3rds)	7	16	-56%

## Environmental Metrics

Absolute Atmospheric Emissions (kt)	2016	2015	Δ %
CO2 (b)(g)	18,900	24,783	-24%
NOx	16.2	24.4	-33%
SO2	19.9	24.2	-18%
Particle	1.166	1.406	-17%

Specific Atmospheric Emissions (g/KWh)	2016	2015	Δ %
CO2 (b)(g)	271.4	391.2	-31%
NOx	0.23	0.39	-39%
SO2	0.29	0.38	-25%

GHG emissions (ktCO2 eq)	2016	2015	Δ %
Direct Emissions (scope 1) (b)	18,931	21,550	-12%
Indirect emissions (scope 2) (c)(d)	565	982	-42%
Other indirect emissions (scope 3) (d)	12,469	14,623	-15%

<b>Primary Energy Consumption (TJ) (h)</b>	<b>220,587</b>	<b>252,345</b>	<b>-13%</b>
<b>Max. Net Certified Capacity (%)</b>	<b>93%</b>	<b>90%</b>	<b>3%</b>
<b>Water Use (10<sup>3</sup> m<sup>3</sup>)</b>	<b>1,509,935</b>	<b>1,750,160</b>	<b>-14%</b>
<b>Total Waste to final disposal (t)</b>	<b>458,258</b>	<b>642,362</b>	<b>-29%</b>

<b>Environmental Matters (€ th)</b>	<b>133,726</b>	<b>104,620</b>	<b>28%</b>
Investments	72,043	53,901	34%
Expenses	61,683	50,719	22%

<b>Environmental Fees and Penalties (€)</b>	<b>29,297</b>	<b>34,555</b>	<b>-15%</b>
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## Environmental Metrics - CO2 Emissions

CO2 Emissions	Absolute (ktCO2) (b)		Specific (t/MWh)		Generation (i) (GWh)	
	2016	2015	2016	2015	2016	2015
<b>Long-Term Contracted</b>	<b>12,497</b>	<b>12,392</b>	<b>1.00</b>	<b>0.98</b>	<b>12,515</b>	<b>12,684</b>
Coal Portugal (PPA/CMEC)	7,317	8,684	0.91	0.90	8,082	9,657
Coal Brazil (Pecém)	5,180	3,708	1.17	1.22	4,432	3,028
<b>Liberalised</b>	<b>6,237</b>	<b>8,968</b>	<b>0.60</b>	<b>0.71</b>	<b>10,391</b>	<b>12,612</b>
Coal Spain	4,210	7,509	0.82	0.84	5,150	8,946
CCGT Iberia	2,027	1,459	0.39	0.40	5,242	3,666
<b>Special Regime</b>	<b>167</b>	<b>158</b>	<b>0.15</b>	<b>0.13</b>	<b>1,117</b>	<b>1,184</b>
Cogeneration + Waste	167	158	0.15	0.13	1,117	1,184
<b>Thermal Generation</b>	<b>18,900</b>	<b>21,518</b>	<b>0.79</b>	<b>0.81</b>	<b>24,023</b>	<b>26,480</b>
<b>CO2 Free Generation</b>					<b>45,611</b>	<b>36,870</b>
<b>CO2 Emissions</b>			<b>0.27</b>	<b>0.34</b>	<b>69,634</b>	<b>63,350</b>

(a) Energy Services take into account only Energy efficiency services revenues. Only the support from public authorities recognised in the income statement is considered.

(b) Instead of what EDP has reported before, the stationary emissions do not include those produced by the burning of ArcelorMittal steel gases in EDP's power plant in Spain, which totalled 2,616.1 ktCO2 in 2016 and 3,264.6 ktCO2 in 2015. These emissions are allocated to the industrial sector.

(c) Scope 2 emissions according with GHG Protocol based location methodology.

(d) In 2015, Scope 2 and 3 emissions were restated to avoid double counting.

(e) EDP + ESP; ESP: External Services Provider.

(f) Accidents leading to an absence of one more calendar day and fatalities.

(g) Includes only stationary emissions.

(h) Including vehicle fleet.

(i) Includes heat generation (2016: 861 GWh vs 2015: 871 GWh).

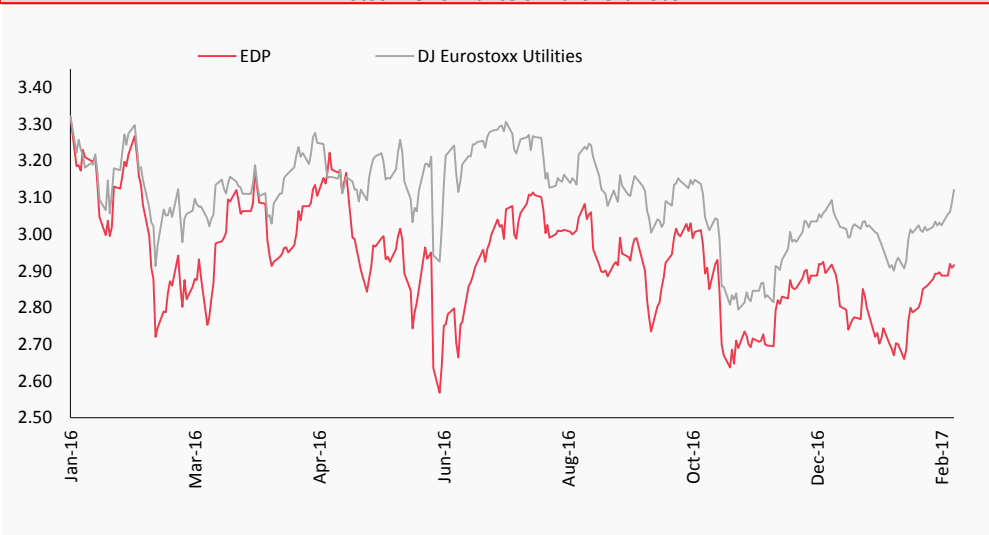
(1) Energy Efficiency Services and Supplementary Energy Services: services provided under energy supply, instalation of more efficient and/or building retrofit, and sustainable mobility, which generate revenues for the company.



# EDP Share Performance



## EDP Stock Performance on Euronext Lisbon



## EDP Stock Market Performance

### EDP Share Price (Euronext Lisbon - €)

	YTD	52W	2015
Close	2.893	2.893	3.321
Max	3.332	3.489	3.749
Min	2.702	2.702	2.951
Average	3.008	3.065	3.371

### EDP's Liquidity in Euronext Lisbon

	YTD	52W	2015
Turnover (€ m)	2,099	3,059	5,987
Average Daily Turnover (€ m)	24	23	23
Traded Volume (million shares)	698	998	1,776
Avg. Daily Volume (million shares)	7.9	7.6	6.8

## EDP Share Data

	2016	2015	Δ %
Number of shares Issued (million)	3,656.5	3,656.5	-
Treasury stock (million)	22.1	21.4	2.9%

## EDP's Main Events

- 25-Jan:** EDP acquires gas distribution assets from Repsol in the North of Spain
- 29-Jan:** Conclusion of sale by EDP Brasil of two mini-hydro plants in Mato Grosso do Sul
- 29-Jan:** EDP sells €94 million of tariff deficit in Portugal
- 15-Feb:** Moody's affirms EDO at "Baa3" and outlook at Stable
- 17-Mar:** EDP issues €600 million bond maturing in March 2023
- 7-Apr:** Norges Bank notifies qualified shareholding in EDP
- 15-Apr:** Norges Bank qualified shareholding – amendment of title of imputation
- 18-Apr:** EDP sells €700 million of tariff deficit in Portugal
- 19-Apr:** EDPR announces an asset rotation transaction in Europe, for a total consideration of €550 million
- 20-Apr:** EDP's Annual General Shareholders Meeting
- 21-Apr:** Payment of Dividends – Financial Year 2015
- 2-May:** EDP Brasil aproves share capital increase of up to R\$1,500m
- 9-May:** EDP sells €348 million of tariff deficit in Portugal
- 27-May:** EDP announces the signing of a MoU for further development of EDP/CTG strategic partnership
- 7-Jun:** EDPB share capital increase 98% subscribed
- 7-Jun:** EDP sells €73 million of tariff deficit in Portugal
- 21-Jun:** Norges Bank qualified shareholding – amendment of title of imputation
- 1-Jul:** EDP sells €200 million of tariff deficit in Portugal
- 5-Jul:** EDP exercises its call option of 5% stake in Naturgas
- 15-Jul:** EDP announces mandate and investor calls for a potential securitization transaction of tariff deficit in Portugal
- 21-Jul:** EDP to receive EUR 600 million in securitization of electricity tariff deficit in Portugal
- 2-Aug:** ANEEL approves an average tariff decrease of 2.8% at EDP Escelsa's periodic tariff revision
- 4-Aug:** EDP issues €1,000 million bond maturing in february 2024
- 18-Aug:** Capital Group decreases its ownership interest in the share capital of EDP
- 16-Oct:** ERSE announces proposal for electricity tariffs in 2017
- 19-Oct:** ANEEL approves a -23.53% tariff update at EDP Bandeirante
- 25-Oct:** EDP sells €100 million of tariff deficit in Portugal
- 27-Oct:** EDPR concludes the sale of minority stakes in Poland and Italy
- 27-Oct:** EDP sells €76 million of tariff deficit in Portugal
- 31-Oct:** Fitch affirms EDP at "BBB-" and outlook at stable
- 31-Oct:** Norges Bank qualified shareholding – amendment of title of imputation
- 07-Nov:** EDP buysback €250 million of note entitelments and 2,500 make-whole entitlements of the issue "€300 million floating rate notes due 2018"
- 17-Nov:** EDP announces cash tender offer for an aggregate amount of up to €500 million of the 6.000% Notes due February 2018 and 4.900% Notes due October 1, 2019, issued by EDP Finance BV
- 29-Nov:** S&P affirmed EDP at "BB+" with positive outlook
- 02-Dec:** EDP announces pricing of tender offer to purchase an aggregate amount of up to €500 million of the 6.00% Notes due February 2018 and 4.900% Notes due October 1,2019, issued by EDP Finance BV
- 06-Dec:** Income Fund of America reduces shareholding in EDP to 1.88% of the share capital

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