1H17

Financial Results

Conference call and webcast

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Main Highlights

Income Statement (€ m)	1H17	1H16	Δ %	Δ Abs.
Gross Profit	**2,893**	**2,970**	**-3%**	**-77**
Supplies and services	472	436	8%	+37
Personnel costs, employees benefits	341	324	5%	+17
Other operating costs (net)	177	144	23%	+34
Net Operating costs (1)	**991**	**903**	**10%**	**+88**
EBITDA	**1,902**	**2,067**	**-8%**	**-164**
Provisions	2	(5)	-	+7
Amortisation and impairment (2)	709	744	-5%	-36
EBIT	**1,192**	**1,327**	**-10%**	**-135**
Financial Results	(370)	(408)	9%	+38
Share of net profit joint ventures/associates	7	(5)	-	+12
Pre-tax profit	**829**	**915**	**-9%**	**-86**
Income taxes	119	243	-51%	-124
Extraord. contribution energy sector	67	59	15%	+9
Net profit for the period	643	613	5%	+29
Net Profit	**450**	**472**	**-5%**	**-22**
Non-controlling Interest	192	141	36%	+51

Key Operational Data	1H17	1H16	Δ %	Δ Abs.
Employees	11,938	11,923	0%	+15
Installed capacity (MW)	26,218	24,522	7%	+1,695

Key Financial Data (€ m)	1H17	1H16	Δ %	Δ Abs.
FFO (Funds from operations)	1,382	1,143	21%	+238
Capex	747	724	3%	+23
Maintenance	284	263	8%	+21
Expansion	463	460	1%	+3
Net investments	792	(21)	-	+812

Key Balance Sheet Data (€ m)	Jun-17	Dec-16	Δ %	Δ Abs.
Equity book value	9,133	9,406	-3%	-273
Net debt	16,890	15,923	6%	+967
Regulatory receivables	1,045	951	10%	+95
Net debt/EBITDA (x) (4)	4.7x	4.2x	11%	0.5x
Adjusted net debt/EBITDA (x) (3)(4)	4.4x	4.0x	11%	0.4x

Consolidated EBITDA amounted to €1,902m in 1H17. Adjusted for last year' one-off gain at Pantanal (+€61m; detail on page 3), EBITDA was 5% lower YoY (-€103m YoY) since the benefits from avg. capacity expansion (+6%), favourable ForEx impact (+€65m, driven by stronger BRL and USD vs. Euro) and tight cost control; were outstood by the impact from a harsher operating context in Iberia, marked by low hydro production and high pool prices, particularly when compared with an extremely wet and low-price context in 1H16 in Iberia.

Installed capacity grew by 7% YoY, to 26.2GW in 1H17, mainly driven by new hydro capacity in Portugal (+988MW) and wind capacity additions (+704MW, mostly in US and Mexico). **Portfolio of contracts** grew by 1% YoY, to 11.3m in Jun-17.

In Iberia, EBITDA fell by 22% YoY, to €868m in 1H17. Scarce hydro resources (42% short of LT average in 1H17), particularly when compared to an extremely wet 1H16 (68% premium over LT average), and higher pool prices (average €51/MWh in 1H17 vs. €30/MWh in 1H16) squeezed results with energy management and took a toll on hydro production, including the new capacity brought on stream (namely hydro with pumping). **EDPR**'s contribution to group EBITDA was 11% higher YoY, supported by portfolio expansion (+8% on avg.), higher income from Institutional partnerships and favourable ForEx impact. **EDP Brasil**'s ('EDPB') contribution to adjusted EBITDA was 31% higher YoY, propelled by favorable ForEx impact (following 20% average appreciation of BRL vs. Euro), better regulatory terms in the wake of last year's review at EDP Espirito Santo and positive impact from higher spot price on distributors' overcontracting position.

Operating costs (Supplies and services + Personel costs) rose by +€54m YoY, to €813m in 1H17, mostly reflecting ForEx evolution (+€42m in 1H17) and 6% increase in avg. capacity. Excluding ForEx impact, it is worth to highlight by business areas: i) in **Iberia**, costs rose by 1% YoY mainly backed by portfolio expansion (+6% YoY on both average installed capacity and clients), higher IT costs and tight cost control; ii) at **EDPR** level, stable core Opex/avg, ex- ForEx; iii) at **EDP Brasil** level, costs grew by 3%, in line with local inflation. **Other net operating costs/(revenues)** rose by €34m YoY, to €177m in 1H17, mainly reflecting the wipe out of one-off gains YoY (€61m lower YoY). Total regulatory costs in Iberia (clawback, social tariff and extraordinary energy tax in Portugal; generation taxes in Spain), amounted to €176m in 1H17 (+24% YoY).

EBIT fell by 10% YoY, to €1,192m in 1H17. **Net financial results and Results with JVs and associates** amounted to -€363m in 1H17 (€50m higher YoY), benefitting from a 14% YoY decrease in net interest expense, prompted by a 40bp YoY decline in avg. cost of debt (to 4.1% in 1H17) and lower avg. net debt (-€0.5bn YoY). **Non-controlling interests** advanced to €192m in 1H17, on higher share of minorities at wind farms and higher net profit of EDPR, reinforced by the extension of useful life of wind assets. Overall, **net profit attributable to EDP shareholders** was 5% lower YoY, at €450m in 1H17. Excluding non-recurrent items (-€45m in 1H16, -€43m in 1H16, as described on page 4), adjusted net profit in 1H17 amounted to €493m (-5% YoY vs. €517m in 1H16).

Net debt amounted to €16.9bn in Jun-17, up from €15.9bn in Dec-16, mainly impacted by the annual dividend payment in May-17 (+€0.7bn), one-off VAT payment to be recovered until this year-end (+€0.3bn) and tax payment in the wake of deficit securitisations executed during 2016 (+€0.3bn). Additionally, net debt evolution reflected: i) organic free cash flow of €0.8bn in 1H17, which was offset by the overall impact of net expansion investment (€0.8bn); ii) Favorable ForEx impact (-€0.4bn on net debt); iii) higher regulatory receivables (+€0.1bn); and iv) neutral combined impact from changes in perimeter of consolidation (+€0.2bn) and disposals of stake in REN and 49% stake in wind assets in Portugal to CTG (-€0.3bn on net debt).

Finally, it is worth to highlight that in Apr-17, EDP definitely agreed on the sale of gas networks in Spain and Portugal for a total consideration of €2.6bn (of which €0.2bn is due to be cashed over 5 years) and €0.5bn, respectively. The completion of the gas network transaction in Spain will occur in Jul-17, while the Portuguese one is expected to occur in the 3Q17.

(1) Net Operating Costs = OPEX (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) Based on trailing 12 months EBITDA of €3,595m and net debt excluding 50% of hybrid bond issue

EBITDA Breakdown

EBITDA (€ m)	1H17	1H16	Δ %	Δ Abs.	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	2Q17 YoY Δ %	2Q17 YoY Δ Abs.	2Q17 QoQ Δ %	2Q17 QoQ Δ Abs.
Generation & Supply Iberia	360	643	-44%	-282	339	304	213	214	201	160			-47%	-144	-20%	-41
Regulated Networks Iberia	513	496	3%	+17	234	262	254	240	265	248			-5%	-14	-6%	-16
Wind & Solar Power	719	648	11%	+71	379	269	198	324	373	345			28%	76	-8%	-28
Brazil	316	301	5%	+14	185	116	163	129	164	151			30%	35	-8%	-13
Other	(5)	(21)	78%	+17	(7)	(14)	(2)	(41)	8	(13)			8%	1	-	-21
Consolidated	**1,902**	**2,067**	**-8%**	**-164**	**1,130**	**937**	**826**	**867**	**1,011**	**892**			**-5%**	**-46**	**-12%**	**-119**

Consolidated EBITDA amounted to €1,902m in 1H17 (-8% YoY). Adjusted for last year's one-off at Pantanal (+€61m; details below[1]), **EBITDA decreased 5% YoY in 1H17, to €1,902m**, mainly reflecting last year's outstanding hydro conditions (1H), compared to 1H17's weak resources and higher pool prices in Iberia (€51/MWh in 1H17 vs. €30/MWh in 1H16): hydro resources in Portugal were 42% below average in 1H17 vs. a 68% premium in 1H16. As a result, results with energy management in Iberia and lower production penalised EBITDA performance from Generation & Supply, outpacing the benefits of higher average capacity on stream (+6% on average), more favourable regulatory terms in Brazil and positive impact from ForEx: +€65m, mainly due to the average appreciation of BRL vs. Euro (+20%).

GENERATION & SUPPLY IN IBERIA (19% of EBITDA) – EBITDA fell 44% YoY, to €360m in 1H17, impacted by very different weather and price conditions YoY: in light of EDP's risk-controlled strategy (marked by forward contracted, spread-locked volumes), the abnormally dry weather and high spot prices (particularly in 1Q17) compared very toughly with 1H16's extremely wet period and low price context (particularly in 2Q16). As a result, strong results with energy management wiped out in 1H17 and margins in the supply business were materially penalised. EBITDA in 1H17 reflected: (i) a more expensive generation mix (€33/MWh in 1H17 vs. €14/MWh in 1H16), stemming from the replacement of lower-cost hydro production (27% weight in generation mix in 1H17 vs. 63% in 1H16) by coal and CCGT's; (ii) lower results with energy management and lower supply margins, deriving from high spot prices and stronger-than-forecasted demand; (iii) 45% YoY decline in gross profit from contracted production, to €27m in 1H17, as production at our mini-hydro plants was penalised by harsher weather conditions. Note that the annual deviation from PPA/CMEC gross profit vis-à-vis CMEC reference amounted to €111m in 1H17.

REGULATED NETWORKS IN IBERIA (27% of EBITDA) – EBITDA increased by 3% YoY (+€17m YoY), to €513m in the 1H17, mainly impacted by higher gross profit and tight cost control (-3% YoY). Gross profit was €4m higher YoY, at €867m in 1H17. In electricity distribution, gross profit was broadly stable YoY, both in Spain and Portugal – this latter, showing a mixed impact from higher RoRAB (from 6.45% in 1H16 to 6.76% in 1H17, prompted by higher average Portuguese Government 10-year bond yields) and narrowing portfolio of regulated clients. In gas distribution, gross profit in 1H17 amounted to €134m. Note that EDP announced the sale of its gas networks in Spain and Portugal, in last April (full year EBITDA of c€210mm).

WIND & SOLAR POWER (38% of EBITDA) – EDPR's contribution to consolidated EBITDA rose by 11% YoY (+€71m) to €719m in 1H17, driven by a 9% rise in production, an increase in income from Institutional partnerships and favourable ForEx impact (+1% or +€13m, mainly driven by a 3% USD appreciation vs. Euro) and. Growth in production was prompted by an 8% YoY increase in average capacity on stream and 1pp increase in the average load factor (prompted by the US). Opex rose by 8% YoY, broadly in line with portfolio expansion. Income from Institutional partnerships rose by €29m YoY, to €132m, on back of new institutional Tax Equity structures, ForEx and an increase in PTCs from USD23/MWh to USD24/MWh.

BRAZIL (17% of EBITDA) - EDP Brasil's contribution to consolidated EBITDA rose 5% YoY (+€14m), to €316m in 1H17, impacted by last year's gain booked in the sale of Pantanal mini-hydro. Excluding this gain, EBITDA in Brazil grew by 31% YoY (+€75m), largely driven by favourable ForEx impact (+€53m in the wake of BRL 20% appreciation vs. Euro). In local currency, adjusted EBITDA rose by 9% YoY, as growth in distribution outstood the performance at generation & supply. EBITDA in distribution rose by R$140m, to R$397m in 1H17, impacted by growth on regulated gross profit (+R$72m YoY) and by the positive impact of energy overcontracting at EDP São Paulo (+R$58m YoY). In turn, EBITDA from Generation and Supply fell by R$46m, to R$738m in 1H17, reflecting: i) at Pecém, last year's insurance revenue amounting R$82m, coupled with negative impact of higher PLD YoY; ii) at the hydro division, the positive impact of GSF at 97% in 1H17 (vs. 89% in 1H16); and iii) at the supply business, the positive impact from higher volumes and margins (+R$84m YoY).

(1) Non-recurring items: (i) ***+€61m in 1H16****, derived from the sale of Pantanal mini-hydro plant in Brazil; (ii)* ***No non-recurring items in 1H17****.*

Profit & Loss Items below EBITDA

Profit & Loss Items below EBITDA (€ m)	1H17	1H16	Δ %	Δ Abs.	3Q16	4Q16	1Q17	2Q17	2Q17 QoQ Δ %	2Q17 QoQ Δ Abs.
EBITDA	**1,902**	**2,067**	**-8%**	**-164**	**826**	**867**	**1,011**	**892**	**-12%**	**-119**
Provisions	2	(5)	-	7	(10)	(0)	4	(2)	-160%	-7
Amortisation and impairment	709	744	-5%	-36	371	395	359	349	-3%	-10
EBIT	**1,192**	**1,327**	**-10%**	**-135**	**465**	**472**	**648**	**545**	**-16%**	**-103**
Net financial interest	(343)	(398)	14%	55	(185)	(229)	(175)	(168)	-4%	7
Regulatory receivables-related fin. results	21	61	-66%	-40	5	11	19	2	-90%	-17
Capitalized financial costs	16	28	-41%	-12	15	15	10	6	-36%	-4
Unwinding of long term liabilities(1)	(94)	(96)	2%	2	(47)	(47)	(51)	(43)	-17%	8
Net foreign exchange differences and derivatives	(16)	5	-	-22	(16)	(7)	(5)	(12)	152%	-7
Investment income, net interest with associates and JV	(10)	(2)	-541%	-8	(4)	(6)	(7)	(2)	-	5
Capital Gains/(Losses)	25	13	86%	11	(0)	1	0	24	5183%	24
Other Financials	32	(19)	-	51	5	6	13	19	47%	6
Financial Results	**(370)**	**(408)**	**9%**	**38**	**(227)**	**(257)**	**(197)**	**(173)**	**-12%**	**23**
Share of net profit in JVs/associates (Details page 29)	**7**	**(5)**	**-**	**12**	**2**	**(19)**	**(1)**	**8**	**-1453%**	**8**
Pre-tax Profit	**829**	**915**	**-9%**	**-86**	**240**	**196**	**450**	**379**	**-16%**	**-71**
Income Taxes	**119**	**243**	**-51%**	**-124**	**57**	**(211)**	**66**	**53**	**-19%**	**-12**
Effective Tax rate (%)	*14%*	*27%*	-	*-12.2 pp*	*24%*	*-108%*	*15%*	*14%*		*-0.0 pp*
Extraordinary Contribution for the Energy Sector	**67**	**59**	**15%**	**9**	**2**	**1**	**70**	**(2)**	**-103%**	**-72**
Non-controlling Interests (Details page 29)	**192**	**141**	**36%**	**51**	**38**	**60**	**100**	**93**	**-7%**	**-7**
Net Profit Attributable to EDP Shareholders	**450**	**472**	**-5%**	**-22**	**143**	**346**	**215**	**235**	**9%**	**20**

Amortisation (net of compensation from depreciation and amortisation of subsidised assets) dropped by 5% YoY to €709m in 1H17, mostly reflecting: (i) the extension of the useful life of wind farms from 25 years to 30 years (-€59m); and (ii) the recognition of Portgás and Naturgás Energia Distribución under "assets held for sale" since Dec-16 and Mar-17 (-€20m); partly offset by the impact from higher installed capacity and BRL appreciation against the Euro.

Net financial results amounted to -€370m in 1H17, €38m higher YoY, benefitting from a 14% YoY decrease in **net interest expense** (-€55m), supported by a 40bps YoY decline in the avg. cost of debt (from 4.5% in 1H16 and 4.4% in 2016 to 4.1% in 1H17) and a lower avg. net debt (-€0.5bn YoY). **Financial results related to regulatory receivables** fell by €40m YoY, backed by lower volume and rate of return. **Capitalised financial costs** decreased €12m YoY, due to the end of construction period of hydro assets in Portugal. **Net ForEx differences and derivatives** totalled -€16m in 1H17 (-€22m YoY). **Capital gains** reflected: (i) in 1H17, the sale of our equity stake in REN (€25m); (ii) in 1H16, the sale of our equity stake in Tejo Energia (€11m). **Other financials** (+€51m YoY) were largely influenced by an impairment on our financial stake in BCP (€27m) and debt prepayment costs at EDPR level (€22m), both in 1H16.

Share of net profit in joint ventures and associates amounted to €7m in 1H17, €12m higher YoY, as 1H16 was penalised by lower results from two equity accounted hydro plants in Brazil and EDPR's stakes in companies in Spain and US (more details on page 29).

Income taxes amounted to €119m (-€124m YoY), reflecting a lower pre-tax profit in 1H17 and an effective tax rate of 14% in 1H17 (vs. 27% in 1H16, which was abnormally high due to the significantly higher amount of tariff deficit sales in the period). Additionally, the extraordinary contribution applied to the energy sector in Portugal (0.85% on net assets) rose from €59m in 1H16 to €67m in 1H17, following the increase of net assets in operation owing to the commissioning of two hydro plants in 2016 (Salamonde II and Baixo Sabor upstream plant).

Non-controlling interests amounted to €192m in 1H17, €51m higher YoY, impacted by the 22.5% share of minorities on higher net profit at EDPR, reinforced by the extension of useful life of wind assets, and further sales of non-controlling interests in wind farms colsed over the last 12 months (more details on page 29).

Overall, **net profit attributable to EDP shareholders** was 5% lower YoY, at €450m in 1H17. Excluding non-recurrent items(1), adjusted net profit in 1H17 amounted to €493m (-5% YoY vs. €517m in 1H16).

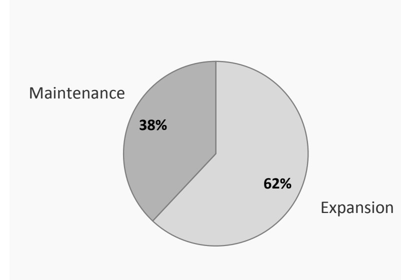
*(1) Non-recurrent items: (i) **in 1H16 (-€45m),** gain from the sale of Pantanal in Brazil (+€24m), capital gain from the sale of Tejo Energia stake (+€11m); cost with impairment at our stake in BCP (-€21m) and the extraordinary energy tax (-€59m); (ii) **in 1H17 (-€43m)**, capital gain from the sale of REN stake (€25m) and the extraordinary energy tax (-€67m).*

(1) Includes unwinding of medium, long term liabilities (regarding dismantling & decommissioning provision for wind assets, TEIs and Alqueva/Pedrogão concessions) and interest on medical care and pension fund liabilities

Capital Expenditure & Net Investments

Capex (€ m)	1H17	1H16	Δ %	Δ Abs.	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
Generation & Supply Iberia	67	127	-47%	-59	50	77	91	160	32	35		
Regulated networks Iberia	146	148	-2%	-3	65	83	85	112	73	73		
Wind & solar power	424	378	12%	+46	89	290	204	446	93	331		
Brazil	94	58	63%	+36	21	37	49	62	49	45		
Other	16	13	28%	+3	9	4	8	23	5	11		
EDP Group	**747**	**724**	**3%**	**+23**	**233**	**490**	**436**	**804**	**252**	**495**		
Expansion Capex	**463**	**460**	**1%**	**+3**	**127**	**334**	**261**	**546**	**112**	**351**		
Maintenance Capex	**284**	**263**	**8%**	**+21**	**106**	**157**	**176**	**258**	**140**	**144**		

CAPEX 1H17



Net financial investments/(Divestments) (€m)	1H17	1H16	Δ %	Δ Abs.
Financial Investments	**61**	**156**	**-61%**	**-96**
Consolidation Perimeter EDPR	17	38	-57%	-22
Brazil generation	39	58	-32%	-19
Gas assets (Iberia)	-	44	-	-44
Other	5	17	-69%	-11
Financial Divestments	**264**	**687**	**-62%**	**-423**
EDP Brasil (Pantanal)	-	83	-	-83
Wind assets	211	585	-64%	-374
Other	53	20	168%	+33
Total	**(203)**	**(531)**	**62%**	**+328**

Net Investments (€m)	1H17	1H16	Δ %	Δ Abs.
Capex	747	724	3%	+23
Financial investments	45	84	-47%	-40
EDPR's asset rotation proceeds	-	(829)	-	+829
Total	**792**	**(21)**	**-**	**+812**

Consolidated capex amounted to €747m in 1H17, of which 62% was dedicated to expansion, namely in the construction of new hydro & wind capacity (€453m). Additionally, 89% of consolidated capex was dedicated to regulated or long term contracted areas.

Capex in new wind capacity (EDPR) amounted to €424m in 1H17 (of which 76% in North America, 13% in Europe and 11% in Brazil). Wind **capacity additions** totalled 21MW in 1H17, consisting of 18MW of wind capacity in France and a solar PV in Portugal (3MW). Wind capacity **under construction** by Jun-17 totalled 633MW: 79% in US, 20% in Brazil and 1% in Europe.

Expansion capex dedicated to new hydro capacity in Portugal amounted to €29m (versus €72m in 1H16), following the commissioning of Venda Nova III repowering (756MW) in 1Q17 and of Foz Tua plant (263MW) in 2Q17.

Maintenance capex amounted to €284m in 1H17, mostly absorbed by regulated networks in Iberia and Brazil. The €21m YoY increase is largely explained by higher expenditures in Brazilian networks focused on the reduction of energy losses and improvement of quality of service. Note that maintenance capex also include pluri-annual works at our power plants in Iberia.

Net financial divestments totalled -€203m in 1H17, mainly reflecting the completion of the sale of a minority stake in Portuguese wind assets to CTG (€211m, excluding shareholder loans) and the sale of a 3.5% stake held in REN (€50m), partly offset by equity contributions to São Manoel hydro project in Brazil and to offshore wind projects developed in partnership.

Overall, net investments amounted to €792m in 1H17 (versus -€21m in 1H16), including €747m of capex and €45m of financial investments (excluding the sale of a minority stake in Portuguese wind assets to CTG).

FFO & Cash Flow Statement

Funds from Operations (€m)	1H17	1H16	Δ %	Δ Abs.
EBITDA	**1,902**	**2,067**	**-8%**	**-164**
Current income tax	(144)	(465)	69%	+321
Net financial interests	(343)	(398)	14%	+55
Net Income and dividends received from Associates	13	(1)	-	+14
Non-cash items	(46)	(59)	21%	+13
FFO - Funds From Operations	**1,382**	**1,143**	**21%**	**+238**

Consolidated Cash Flow (€m) - Indirect Method	1H17	1H16	Δ %	Δ Abs.
EBITDA	**1,902**	**2,067**	**-8%**	**-164**
Current income tax	(144)	(465)	69%	+321
Changes in operating working capital	(781)	606	-	-1,387
Regulatory Receivables	(95)	851	-	-946
Non-cash items	(46)	(59)	21%	+13
Other working capital	(640)	(186)	-244%	-454
Net Cash from Operating Activities	**978**	**2,208**	**-56%**	**-1,230**
Capex	(747)	(724)	-3%	-23
Expansion	(463)	(460)	-1%	-3
Maintenance	(284)	(263)	-8%	-21
Changes in working capital from equipment suppliers	(350)	(409)	15%	+60
Net financial (investments)/divestments	203	531	-62%	-328
Net financial interests paid	(369)	(391)	5%	+21
Dividends received from Associates	16	10	n.m.	+6
Dividends paid	(744)	(792)	6%	+48
EDP Shareholders	(691)	(673)	-3%	-18
Other	(53)	(119)	56%	+66
Proceeds from Institutional Partnerships in US wind	(132)	113	-	-245
Effect of exchange rate fluctuations	377	(58)	-	+434
Other non-operating changes	(199)	412	-	-611
Decrease/(Increase) in Net Debt	**(967)**	**901**	**-**	**-1,868**

Consolidated Cash Flow (€m) - Direct Method	1H17	1H16	Δ %	Δ Abs.
Operating Activities				
Cash receipts from customers	7,171	6,796	6%	+375
Proceeds from tariff adjustments sales	593	1,254	-53%	-661
Cash paid to suppliers and personnel	(5,851)	(5,164)	-13%	-687
Concession rents & other	(624)	(505)	-24%	-120
Net Cash from Operations	**1,289**	**2,382**	**-46%**	**-1,092**
Income tax received/(paid)	(311)	(174)	-79%	-138
Net Cash from Operating Activities	**978**	**2,208**	**-56%**	**-1,230**
Net Cash from Investing Activities	**(1,021)**	**(1,100)**	**7%**	**+79**
Net Cash from Financing Activities	**577**	**(932)**	**-**	**+1,510**
Changes in Cash and Cash Equivalents	**534**	**175**	**205%**	**+359**
Effect of exchange rate fluctuations	(67)	108	-	-174

Funds from operations (FFO) rose 21% YoY to €1,382m in 1H17, reflecting i) a €164m decline in EBITDA (see details on page 3); ii) a €321m decrease in current income tax, largely impacted by the significantly higher amount of sales of tariff deficit in 1H16 (€1.3bn) than in 1H17 (€0.6bn); and iii) a €55m decrease in net financial interests.

Net cash from operating activities decreased by €1,230m YoY to €978m in 1H17. **Regulatory receivables rose by €95m vs. Dec-16, mostly driven by:** (i) an €82m increase from regulated activities in Portugal, including €574m from tariff deficit sales; (ii) an €18m increase from regulated activities in Brazil. '**Other changes in working capital' amounted to -€640m in 1H17**, largely impacted by: (i) one-off VAT payments totalling €268m within the scope of the reorganization of the gas distribution business in Spain (to be recovered until this year-end); (ii) higher income tax payments derived from the large amount of tariff deficit sales undertaken during 2016 (€330m). Note that in 1H16, this line item included a €61m gain from the sale of Pantanal in Brazil.

Expansion capex totalled €463m in 1H17, mainly translating the construction of new wind capacity and, to a lower extent, the construction of new hydro.

Net financial divestments amounted to €203 in 1H17, mainly reflecting (i) EDPR disposal of a minority stake in Portuguese wind assets (part of ENEOP projects) to CTG (€211m; the remaining sales proceeds, corresponding to shareholder loans, are considered under "Other non-operating charges"); (ii) sale of a minority stake in REN (€50m); and (iii) equity contributions to São Manoel hydro project in Brazil, as well as offshore wind projects developed in partnership.

On 17-May-17, EDP paid its annual dividend totaling €691m (€0.19/share, representing a 2.7% increase vs. the previous year). Note that the total amount of dividends paid (€744m) also includes the consideration paid to non-controlling interests at the level of EDPR and EDP Brasil.

Proceeds from Institutional Partnerships in US amounted to -€132m in 1H17, reflecting the retention of tax benefits by institutional investors. Note that in 1H16, this caption included the proceeds received from the establishment of a tax equity financing structure in US regarding the 199MW Waverly wind farm (€216m).

Effects of exchange rate fluctuations positively impacted net debt by €377m, predominantly driven by the depreciation of the BRL (-10%) and USD (-8%) vs. Dec-16, both against the Euro.

Other non-operating changes amounted to -€199m in 1H17, impacted by the full consolidation of the new 200MW Eólica de Coahuila wind farm in Mexico (€0.2bn) and higher shareholder loans provided by partners due to the sale of Portuguese wind assets to CTG (€37m). Note that in 1H16, this line item included the impacts of higher shareholder loans provided by partners (€273m) due to the sale of a minority stake in a portfolio of European assets and EDP Brasil capital increase (€184m).

On balance, **net debt** increased by €967m vs. Dec-16 to €16.9bn as of Jun-17.

Looking forward, it is worth highlighting that (i) in Apr-17, EDP signed the definitive agreements for the sale of its gas distribution business in Spain, which closing will occur in Jul-17 (€2.6bn, of which €0.2bn is due to be progressively cashed in 5 years); and has also agreed on the sale of its gas distribution business in Portugal (€0.5bn), which closing is expected to occur in the 3Q17; (ii) in Jul-17, EDPR established a $370m tax equity financing structure regarding three wind farms in the US (297MW); and (iii) the acceptance rate of EDP's tender offer over EDPR (€6.75/share, representing a maximum potential investment of €1.3bn) will be known on August 4th.

Statement of Consolidated Financial Position

Assets (€ m)	Jun vs. Dec		
	Jun-17	Dec-16	Δ Abs.
Property, plant and equipment, net	23,155	24,194	-1,038
Intangible assets, net	4,884	5,129	-245
Goodwill	2,301	3,415	-1,114
Financial investments & assets held for sale (details page 2	3,872	1,547	2,325
Tax assets, deferred and current	962	1,399	-437
Inventories	267	317	-49
Other assets, net	6,052	6,511	-459
Collateral deposits	42	52	-10
Cash and cash equivalents	1,989	1,521	468
Total Assets	**43,525**	**44,084**	**-559**

Equity (€ m)	Jun-17	Dec-16	Δ Abs.
Equity attributable to equity holders of EDP	9,133	9,406	-273
Non-controling Interest (Details on page 30)	4,350	4,330	20
Total Equity	**13,483**	**13,736**	**-253**

Liabilities (€ m)	Jun-17	Dec-16	Δ Abs.
Financial debt, of wich:	19,374	18,027	1,348
Medium and long-term	*15,908*	*15,550*	*357*
Short term	*3,467*	*2,476*	*990*
Employee benefits (detail below)	1,655	1,727	-72
Institutional partnership liability (US wind)	1,129	1,520	-391
Provisions	644	671	-28
Tax liabilities, deferred and current	1,131	1,676	-545
Deferred income from inst. partnerships	828	819	8
Other liabilities, net	5,281	5,907	-627
Total Liabilities	**30,041**	**30,347**	**-306**
Total Equity and Liabilities	**43,525**	**44,084**	**-559**

Employee Benefits (€m) (1)	Jun-17	Dec-16	Δ Abs.
Pensions (2)	761	815	-54
Medical care and other	894	912	-18
Employee Benefits	**1,655**	**1,727**	**-72**

Regulatory Receivables (€m)	Jun-17	Dec-16	Δ Abs.
Portugal Distribution and Gas (3)	765	744	21
Portugal Annual CMEC Deviation	314	253	60
Spain (Gas)	62	68	-5
Brazil	-96	-114	18
Regulatory Receivables	**1,045**	**951**	**95**

Total amount of **property, plant & equipment and intangible assets** decreased €1.3bn vs. Dec-16 to €28.0bn as of Jun-17, mainly reflecting: i) -€0.7bn from depreciations in the period; ii) +€0.8bn of capex in the period; iii) +€0.3bn due to the consolidation of the 200MW Eólica de Coahuila wind farm in Mexico; iv) -€0.6bn, as gas distribution assets in Spain are stated under 'assets held for sale', following the signing of definitive agreements for sale in Apr-17; and v) -€0.8bn due to exchange rate differences following the depreciation of the USD and the BRL against the EUR. As of Jun-17, EDP's balance sheet included €2.1bn of works in progress (8 % 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.

Goodwill decreased €1.1bn vs. Dec-16 to €2.3bn in Jun-17, due to the planned sale of Naturgas Energía Distribuición.

The book value of **financial investments & assets held for sale** increased €2.3bn vs. Dec-16, to €3.8bn as of Jun-17, mainly reflecting the inclusion of Naturgas Energía Distribuición (€2.3bn) as 'assets held for sale', since Portgas was already included in this caption since Dec-16. Also note that, by Jun-17, 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, at EDPR level, equity stakes in 356MW wind farms in US and Spain. Our stake in REN (3.5%) has been sold in Jun-17.

Tax assets net of liabilities, deferred and current, went up €0.1bn vs. Dec-16, primarily driven by extraordinary tax payment of €330bn) derived from an unprecedent amount of receivables securitization in 2016. Worth noting also a one-off VAT payment (€0.3bn), within the scope of the reorganization of the gas distribution business in Spain, to be recovered until this year-end. **Other assets (net)** decreased €0.5bn vs. Dec-16 to €6.1bn as of Jun-17, largely impacted by sales of tariff deficit in 1H17.

Total amount of EDP's **net regulatory receivables** went up €0.1bn vs. Dec-16, to €1,045m as of Jun-17, reflecting essentially an €82m increase in Portugal.

Equity book value attributable to EDP shareholders decreased by €0.3bn to €9.1bn as of Jun-17, reflecting the dividend payment of the annual dividend €691m, partly offset by the €450m of net profit for the period. **Non-controlling interest** stood at €4.4bn as of Jun-17, corresponding to the share of profit at EDPR and EDP Brasil in the period that does not belong to EDP shareholders.

Pension fund, medical care and other employee benefit liabilities (gross, before deferred taxes) fell by €72m vs. Dec-16 to €1.7bn as of Jun-17, reflecting the recurrent payment of pension and medical care expenses in 1H17.

Institutional partnership liabilities declined €0.4bn vs. Dec-16 to €1.1bn as of Jun-17, following the benefits appropriated by the tax equity partners during the period and the depreciation of USD against the Euro (-3%).

(1) Gross, befores deferred taxes; (2) Pensions include the Provision for the HR Restructuring Program costs of EDP Distribuição, which is being recovered through the tariffs; (3) Tariff deviations to be recovered/(returned) through tariffs in the following years by electricity distribution and last resort supply and gas in Portugal.

Consolidated Net Financial Debt

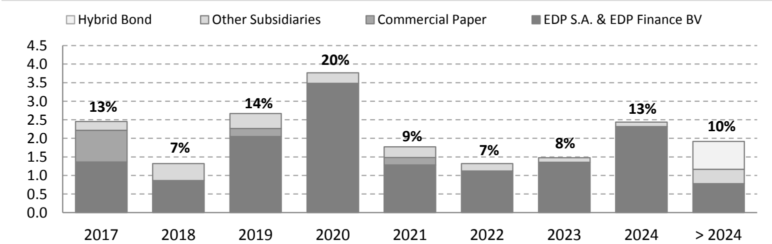
Nominal Financial Debt by Company (€m)	Jun-17	Dec-16	Δ %	Δ Abs.
EDP S.A. and EDP Finance BV	16,634	15,214	9%	1,420
EDP Produção & Other	76	79	-5%	-4
EDP Renováveis	962	787	22%	175
EDP Brasil	1,458	1,582	-8%	-124
Nominal Financial Debt	**19,130**	**17,662**	**8%**	**1,468**
Accrued Interest on Debt	237	292	-19%	-55
Fair Value of Hedged Debt	8	73	-89%	-65
Derivatives associated with Debt (2)	(66)	(130)	50%	64
Collateral deposits associated with Debt	(42)	(52)	20%	10
Hybrid adjustment (50% equity content)	(381)	(391)	3%	10
Total Financial Debt	**18,886**	**17,454**	**8%**	**1,432**
Cash and cash equivalents	**1,989**	**1,521**	**31%**	**468**
EDP S.A., EDP Finance BV and Other	1,176	525	124%	650
EDP Renováveis	274	408	-33%	-134
EDP Brasil	539	588	-8%	-49
Financial assets at fair value through P&L	**8**	**10**	**-21%**	**-2**
EDP Consolidated Net Debt	**16,890**	**15,923**	**6%**	**967**

Credit Lines by Jun-17 (€m)	Maximum Amount	Number of Counterparts	Available Amount	Maturity
Revolving Credit Facilities	75	1	-	Jul-19
Revolving Credit Facility	3,150	21	3,150	Jun-19
Revolving Credit Facility	500	16	425	Feb-20
Domestic Credit Lines	151	7	139	Renewable
Underwritten CP Programmes	100	1	100	2021
Total Credit Lines	**3,976**		**3,814**	

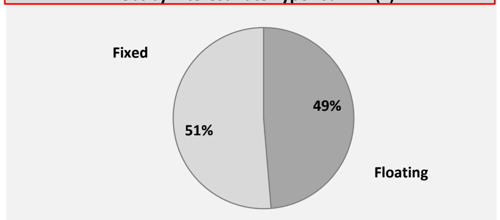
Debt Ratings	S&P	Moody's	Fitch
EDP SA & EDP Finance BV	**BB+/Positive/B**	**Baa3/Stable/P3**	**BBB-/Stab/F3**
Last Rating Action	30-03-2017	03-04-2017	31-10-2016

Debt Ratios	Jun-17 (3)	Dec-16
Net Debt / EBITDA	4.7x	4.2x
Net Debt / EBITDA adjust. for Reg. Receivables	4.4x	4.0x

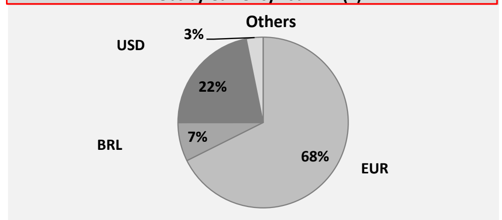
Debt Maturity (€ m) by Jun-17 (1)



Debt by Interest Rate Type - Jun-17 (1)



Debt by Currency - Jun-17 (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 continue to be part of the company's funding strategy.

In Mar-17, S&P affirmed EDP's credit rating at "BB+" with Positive outlook. In Apr-17, Moody's affirmed EDP's credit rating at "Baa3" with Stable outlook. Both rating affirmations follow EDP's announcement of the acceptance of a binding offer for the sale of its gas distribution business in Spain, which proceeds will be partially used to fund the potential acquisition of EDPR shares that are currently owned by minority shareholders. S&P believes that the transactions do not materially affect the group's risk profile and Moody's considers that the transactions are consistent with EDP's 2016-20 Strategic Plan, contributing to the deleverage path.

Looking at 1H17 major refinancing deals, in Jan-17 EDP issued a €600m Eurobond with a coupon of 1.875%, maturing in Sep-23. In Jun-17, EDP issued a USD1bn bond with a coupon of 3.625% maturing in Jul-24. 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 Jun-17 **average debt maturity** was 4.6 years. The weight of consolidated financial debt through capital markets stood at 74%, while the remaining debt was raised essentially through bank loans.

Refinancing needs in 2017 amount to €2.2bn, including several banking loans and two bonds: €750m 5.75% Eurobond maturing in Sep-17 and GBP200m 6.625% bond maturing in Aug-17. **Refinancing needs in 2018 and 2019** amount to €0.9bn and €2.3bn, respectively. Total cash and available liquidity facilities amounted to €5.8bn by Jun-17. 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 fair-value hedge of debt; (3) Based on trailing 12 months EBITDA of €3,595m and net debt excluding 50% of hybrid bond issue

Business Areas

Iberian Electricity and Gas Markets

Electricity Balance (TWh)	Portugal 1H17	Portugal 1H16	Δ%	Spain 1H17	Spain 1H16	Δ%	Iberian Peninsula 1H17	Iberian Peninsula 1H16	Δ%
Hydro	4.3	11.2	-62%	13.2	27.2	-52%	17.4	38.5	-55%
Nuclear	-	-	-	28.5	27.6	3.3%	28.5	27.6	3%
Coal	6.6	4.5	46%	20.0	10.1	99%	26.6	14.6	82%
CCGT	5.9	1.7	252%	12.1	9.1	33%	18.0	10.8	67%
(-)Pumping	(1.2)	(0.7)	60%	(2.1)	(3.5)	-40%	(3.3)	(4.2)	-22%
Conventional Regime	**15.5**	**16.7**	**-7%**	**71.7**	**70.5**	**2%**	**87.2**	**87.2**	**0%**
Wind	6.4	7.0	-9%	25.2	28.6	-12%	31.5	35.6	-11%
Other	4.6	5.0	-9%	23.6	21.5	10%	28.2	26.5	6%
Special Regime	**10.9**	**12.1**	**-9%**	**48.8**	**50.1**	**-3%**	**59.7**	**62.1**	**-4%**
Import/(export) net	(1.7)	(4.1)	-58%	4.6	3.1	47%	2.9	(1.0)	-
Gross demand (before grid losses)	**24.7**	**24.7**	**0.3%**	**125.0**	**123.7**	**1.1%**	**149.8**	**148.3**	**1.0%**
Adjust. temperature, working days			0.6%			1.5%			n.a.

Gas Demand (TWh)	Portugal 1H17	Portugal 1H16	Δ%	Spain 1H17	Spain 1H16	Δ%	Iberian Peninsula 1H17	Iberian Peninsula 1H16	Δ%
Conventional demand	21.4	20.4	5%	141.9	136.0	4%	163.3	156.4	4%
Demand for electricity generation	12.1	3.6	236%	27.2	21.8	25%	39.3	25.4	55%
Total Demand	**33.6**	**24.0**	**40%**	**169.1**	**157.9**	**7%**	**202.6**	**181.9**	**11%**

Electricity demand in Iberia was up 1% YoY (+1.8% YoY in 2Q17), largely impacted by a heatwave in June. In Spain (83% of total in Iberia), demand adjusted for temperature and working days rose 1.5% YoY. In Portugal (17% of total), demand adjusted for temperature and working days was 0.6% higher YoY, unveiling a clear recovery in industrial activity.

Installed capacity in Iberia increased by 0.7GW YoY, to 120GW, reflecting the commissioning of our repowering of Venda Nova III (756MW, almost pure pumping hydro plant) and start up of production of our new hydro plant, Foz Tua (263MW with pumping), the addition of new wind capacity (0.4GW) and a small reduction in cogeneration installed capacity (-0.1GW).

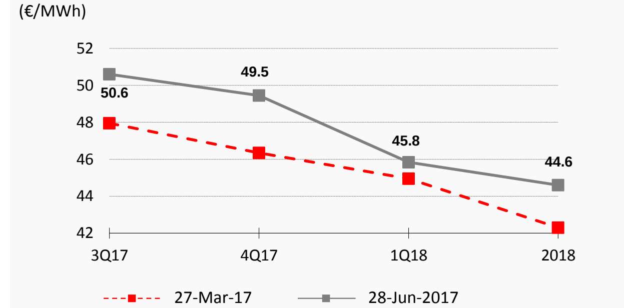
In 1H17, **residual thermal demand (RTD)** surged 76% (+19TWh), prompted by very dry weather, particularly when compared with a very wet 1H16: hydro resources fell c40% short of LT average vs. an over 68% and 50% premium in 1H16, in Portugal and Spain respectively. As a result, production from hydro plants in 1H17 fell by 59% YoY (-20TWh YoY, net of pumping). Also worth to note is the fall in production from special regime (-2.4TWh, mainly supported by a 4.1TWh reduction in wind output, in the wake of a normalisation of wind resources) and higher demand (+1.5TWh), which was offset by higher net imports (+3.8TWh, concentrated in 2Q17) and nuclear output (+0.9TWh). The rise in RTD was met by coal plants (+12TWh YoY in 1H17) and CCGTs (+7TWh), which average load factors increased by 25pp and 6pp YoY, to 54% and 14%, respectively. Overall, very weak hydro resources throughout 1st half of the year and normalised wind resources compared very toughly with last year's extremely favourable weather conditions.

Average electricity spot price rose 70% YoY in Spain, to €51/MWh (in Spain and Portugal), reflecting the combined impact of unfavourable weather conditions, higher-cost marginal technologies; and, in 1Q17 cold temperatures in Europe and nuclear shortages in France. **Average CO_2 prices** fell 12% YoY in 1H17, to €5.0/ton. **Average electricity final price** in Spain advanced by 51%, to €59/MWh, in line with the evolution of spot prices. 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 11% YoY in 1H17, boosted by a more intense CCGT-based electricity production: gas consumption for electricity generation purposes (20% of total gas consumption in Iberia) advanced by 55% YoY, with a strong contribution from Portugal. In 1H17, conventional gas demand accounted for 80% of total consumption in Iberia, also prompting a 4% increase YoY.

Installed Capacity in Electricity (GW)	Iberian Peninsula 1H17	Iberian Peninsula 1H16	Δ%
Hydro	24.5	23.5	4%
Nuclear	7.0	7.0	-
Coal	11.3	11.3	-1%
CCGT	28.8	28.8	0%
Conventional Regime	**71.5**	**70.6**	**1%**
Wind	28.5	28.1	1%
Other special regime	19.6	20.2	-3%
Special Regime	**48.1**	**48.3**	**0%**
Total	**119.6**	**118.9**	**0.6%**

Iberian Electricity Forward Market (OMIP)



Main Drivers (1)	1H17	1H16	Δ%
Hydro coeficient (1.0 = avg. year)			
Portugal	0.58	1.68	-65%
Spain	0.60	1.50	-60%
Wind coeficient (1.0 = avg. year)			
Portugal	0.99	1.13	-12%
Electricity spot price, €/MWh			
Portugal	51	30	73%
Spain	51	30	70%
Electricity final price, €/MWh (2)			
Spain	59	39	51%
CO2 allowances (EUA), €/ton	5.0	5.7	-12%
Coal (API2 CIF ARA), USD/tonne	79	47	68%
Mibgas price (€/MWh)	21	15	41%
Gas NBP, €/MWh	17	14	27%
Brent, USD/bbl	52	40	30%
EUR/USD	1.08	1.12	-3%

Sources: EDP, REN, REE, Enagas, OMEL, OMIP, Mibgas; (1) Average in the period; (2) Final price reflects spot price and system costs (capacity payment, ancillary services).

Generation & Supply in the Iberian Market

Income Statement (€ m)	1H17	1H16	Δ%	Δ Abs.
Gross Profit	**671**	**962**	**-30%**	**-292**
OPEX (1)	225	202	11%	+23
Other operating costs (net)	86	118	-27%	-32
Net Operating costs	**310**	**320**	**-3%**	**-9**
EBITDA	**360**	**643**	**-44%**	**-282**
Provisions	(0)	(25)	-100%	+25
Amortisation and impairment	189	182	4%	+7
EBIT	**172**	**486**	**-65%**	**-314**

Gross Profit breakdown (€ m)	1H17	1H16	Δ%	Δ Abs.
Electricity Sources & Uses	**507**	**782**	**-35%**	**-274**
Total Volume (TWh)	35.3	38.7	-9%	-3.3
Unit margin (€/MWh)	14.4	20.2	-29%	-5.9
Before hedging (€/MWh)	13.1	21.8	-40%	-8.7
From Hedging (€/MWh) (2)	1.2	(1.6)	-	+2.8
Other	**163**	**181**	**-10%**	**-17.2**
Electricity generation (Detail page 12), Energy supply	171	152	13%	+19.2
Gas trading, other and adjustments	(8)	29	-	-36.4
Total	**671**	**962**	**-30%**	**-292**

Electricity Sources & Uses	1H17	1H16	Δ%	1H17	1H16	Δ%
	Output (GWh)			Variable Cost (€/MWh) (3)		
Own production (4)	16,476	18,991	-13%	33	14	145%
Purchases	18,843	19,666	-4%	58	39	51%
Electricity Sources	**35,319**	**38,656**	**-9%**	**47**	**26**	**77%**
	Volumes Sold (GWh)			Average Price (€/MWh) (5)		
Grid Losses	1,778	1,417	25%	n.a.	n.a.	-
Final customers	17,066	18,248	-6%	63	62	2%
Wholesale market	16,476	18,991	-13%	63	38	64%
Electricity Uses	**35,319**	**38,656**	**-9%**	**60**	**48**	**24%**

Gas Uses (TWh)	1H17	1H16	Δ%	Δ Abs.
Consumed at EDP power plants	6.3	2.5	156%	+3.8
Sold in wholesale markets	4.6	15.4	-70%	-10.8
Sold to Final customers	6.8	5.7	20%	+1.2
Total	**17.7**	**23.6**	**-25%**	**-5.8**

As from Jul-17, our PPA/CMEC generation capacity (2.7GW of hydro, 1.2GW of coal) bear hydro and market risk. The share of generation capacity in Iberia with a price-contracted profile will therefore be confined to some mini-hydro, cogeneration and biomass capacity (mainly feed in tariff-remunerated). As a result, EDP merged the reporting format of results from generation & supply in Iberia as from Jan 1st, 2017 (2016 data restated accordingly).

EBITDA from Generation & Supply fell 44% YoY, to €360m in 1H17, impacted by very different weather and price conditions YoY: in light of EDP's risk-controlled strategy (marked by forward contracted, spread-locked volumes), the abnormally dry weather and high spot prices (particularly in 1Q17) compared very toughly with 1H16's extremely wet period and low price context (particularly in 2Q16). As a result, strong results with energy management wiped out in 1H17 and margins in the supply business were materially penalised, namely in 1Q17.

In detail, the YoY decline of EBITDA in 1H17 reflected: (i) a more expensive generation mix (€33/MWh in 1H17 vs. €14/MWh in 1H16), stemming from the replacement of lower-cost hydro production (27% weight in generation mix in 1H17 vs. 63% in 1H16) by coal and CCGT's; (ii) lower results with energy management and supply margins (namely in Jan-17) deriving from high spot prices and stronger-than-forecasted demand; (iii) 45% YoY decline in gross profit from contracted production, to €27m in 1H17, as production at our mini-hydro plants was penalised by harsher weather conditions. **Regulatory costs in Iberia** amounted to €93m in 1H17 (higher YoY at gross profit level; lower YoY at Operating costs level). Note that the annual deviation from PPA/CMEC gross profit vis-à-vis CMEC reference amounted to €111m in 1H17.

Gross profit fell by 30% YoY, to €671m in 1H17, mainly driven lower volumes sold (-9% YoY) and lower avg. unit margin (down from €20/MWh in 1H16 to €14/MWh in 1H17):

Volumes: Total volume sold decreased 9%, to 35TWh in 1H17, reflecting a 6% fall in sales to customers, mainly prompted by the business segment, and a 13% decline in sales at the wholesale market, mainly driven the ancillary services market. Generation output was 13% lower YoY, mainly due to lower hydro output; and electricity purchases were by -4% lower YoY.

Unit margin (2)(3): Avg. electricity spread before hedging fell from €22/MWh in 1H16, to €13/MWh in 1H17, mainly reflecting a more expensive mix of sources and higher spot prices. **Avg. sourcing cost** advanced 77% YoY, to €47/MWh in 1H17, driven by the replacement of hydro production (-62% YoY, with a higher pumping activity) by production based on coal and gas; and by the rise in average cost of electricity purchases (even if growing below spot price). **Avg. selling price** rose 24% YoY in 1H17, as a result of higher spot prices implicit in sales in the wholesale market (+64% YoY) and a avg. selling prices to customers 2% higher YoY.

Net operating costs decreased 3% YoY, mainly impacted by lower regulatory costs, in the wake of lower production.

Our gas sourcing activity in 2017 is based on c2.6bcm/year LT contracts. In 1H17, total gas consumed/sold declined by 25% YoY, following lower sales in the wholesale market (-70%), in light of strong thermal demand (resulting in an 156% YoY rise in gas consumption) and less attractive opportunities in the wholesale market. In turn, volume sold to final customers rose by 20% YoY, mainly driven by Spain.

As part of EDP's risk-controlled approach to merchant operations, EDP forward contracts spreads for its expected production, as volumes and prices are forward contracted with customers. In line with this, EDP has so far forward contracted electricity sales with clients of ~34TWh for 2017, at an avg. price of c€55/MWh produced (excluding naturally-hedged price-indexed volumes). Alongside, EDP has so far secured spark spreads for ~90% of its gas sourcing commitments for 2017 and has forward contracted dark spreads for all expected coal output for 2017.

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (2) Includes results from hedging on electricity; (3) Variable cost: fuel and CO2 cost, hedging costs (gains), system costs;
(4) Excludes production at mini-hydro, cogeneration and waste plants; (5) Average selling price: includes selling price (net of TPA tariff), ancillary services and others.

Electricity Generation in the Iberian Market

Income Statement (€ m)	1H17	1H16	Δ%	Δ Abs.
Gross Profit	**520**	**783**	**-34%**	**-263**
OPEX (1)	122	110	12%	+13
Other operating costs (net)	59	92	-36%	-33
Net Operating costs	**182**	**202**	**-10%**	**-20**
EBITDA	**339**	**581**	**-42%**	**-242**
Provisions	0	1	-82%	-0
Amortisation and impairment	182	177	3%	+5
EBIT	**156**	**403**	**-61%**	**-247**

Key Operating Data	1H17	1H16	Δ%	Δ Abs.
Generation Output (GWh)	**16,778**	**19,620**	**-14%**	**-2,842**
CCGT	3,101	1,017	205%	+2,084
Coal	8,297	5,405	53%	+2,891
Hydro	4,522	12,008	-62%	-7,487
Nuclear	557	560	-1%	-3
Mini-hydro, Cogener. & Waste	302	630	-52%	-327
Generation Costs (€/MWh) (2)	**33**	**14**	**145%**	**+20**
CCGT	53	67	-21%	-14
Coal	34	27	26%	+7
Hydro	21	3	528%	+18
Nuclear	5	5	-11%	-1
Load Factors (%)				
CCGT	19%	6%	-	13p.p.
Coal	79%	51%	-	28p.p.
Hydro	15%	45%	-	-30p.p.
Nuclear	82%	83%	-	0p.p.
Employees (#)	**1,629**	**1,645**	**-1%**	**-16**
Capex (€m)	**60**	**121**	**-50%**	**-61**
Expansion	37	79	-53%	-42
Maintenance	23	42	-44%	-19

Other financial details (€ m)	1H17	1H16	Δ%	Δ Abs.
At Gross profit level:				
Capacity payments	24	26	-6%	-1
CMEC annual deviation	111	85	31%	+26
Mini-hydro, cogeneration & waste	27	50	-45%	-22
At EBITDA level:				
Regulatory costs (3)	93	72	30%	+22

Our liberalised generation & supply activities are jointly managed as most of our production is sold to our supply units at fixed prices. The current section refers only to electricity generation operations.

As from Jan 1st, 2017, EDP jointly reports results from LT Contracted and Liberalised generation in Iberia (restating 2016 data). Even if the PPA/CMEC capacity (2.7GW of hydro, 1.2GW of coal) is protected from hydro and market risk until Jun-17 (deviation between market gross profit and CMEC reference amounted €111m in 1H17), plants are dispatched under market conditions. The **overall generation portfolio in Iberia** (excluding wind) encompasses a total of 13.7GW, of which 52% in hydro capacity, 27% in CCGT, 18% in coal (86% of which with DeNOx upgrades already completed), 2% of mini-hydro, cogeneration and waste; and 1% in nuclear. Over the last 12 months, installed capacity grew 8%, reflecting the commissioning of repowering Venda Nova III (756MW) and the start up of production at Foz Tua (263MW), both with pumping capacity.

Production from our generation plants (including mini-hydro, cogeneration and waste) fell 14% YoY (-2.8TWh YoY), to 16.8TWh in 1H17, heavily impacted by: (i) a 66% decline in hydro output from our PPA/CMEC plants (-3.5TWh YoY, which nonetheless has no impact on earnings); and (ii) a 59% decrease in the remaining hydro output (-4.0TWh YoY), driven by hydro resources 42% below LT average in Portugal. This impact was only partially compensated by a 205% surge in CCGTs output (+2.1TWh YoY) and a 53% YoY increase coal output (+2.9TWh YoY, of which +1.4TWh prompted by our PPA/CMEC Sines plant, in Portugal), mostly in 2Q17.

Avg. production cost was up from €14/MWh in 1H16 to €33/MWh in 1H17, reflecting: (i) a much lower contribution from hydro (27% of total output in 1H17 vs. abnormally high 63% in 1H16) combined with a more intense pumping activity (in light of scarce hydro resources in the period); and (ii) a more expensive coal production (+26% YoY), due to higher cost of coal. In turn, **avg. production cost at CCGTs** fell 21% YoY, mainly prompted by the increasing dilution of fixed cost as production increased.

Gross profit from generation in Iberia fell by 34% YoY in 1H17, to €520m in 1H17, impacted by: (i) the aforementioned decline in production and higher average production cost; and (ii) lower gross profit from mini-hydro, cogeneration and waste plants (-45% YoY), mainly due to lower hydro production YoY vis-à-vis last year's very strong 1H.

In respect to capacity payments in Portugal, it is worth to mention that, following the cancelation of previous regime in place (resulting in no revenues in 1Q17), the auction that took place in Mar-17 (and applicable to the period April to December of 2017) resulted in a new price at €4,775/MW/year, corresponding to the layer just below the initial reference of €4,800/MW/year. As a result, EDP group (including LRS) was awarded with a total amount of €4.8m relative to the remaining 3 quarters of 2017, which will be booked in the remaining of 2017. According to the Ministerial order nr. 2275-A/2017, an auction for capacity payments in 2018, with an initial layer at €4,800/MW, was initially scheduled for May-17.

Net operating costs amounted to €182m in 1H17 (-10% YoY), mainly driven by lower regulatory costs derived from lower production. In turn, higher working hours at our thermal plants dictated and increase in OPEX.

Capex declined by €61m YoY, to €60m in 1H17, mainly reflecting the decrease in expansion capex following the delivery of Venda Nova III hydro repowering. Note that capex in 1H17 is still impacted by €37m of expansion capex, mostly devoted to new hydro capacity and DeNOx upgrade at our coal fleet in Spain.

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (2) Includes fuel costs, CO2 emission costs, hedging results;
(3) Includes: (i) at gross profit, social tariff in Portugal; (ii) at the level of operationg costs, generation taxes in Spain (incl. fuel, nuclear waste, hydro resources), clawback in Portugal.

Electricity and Gas Supply in Portugal and Spain

	1H17	1H16	Δ%	Δ Abs.
Gross Profit	**153**	**153**	**0%**	**-0**
OPEX (1)	107	95	13%	+12
Other operat. costs (net)	24	25	-3%	-1
Net Operating costs	**131**	**119**	**10%**	**+11**
EBITDA	**22**	**34**	**-34%**	**-11**
Provisions	(0)	(25)	-99%	+25
Amortisation and impairment	6	5	35%	+2
EBIT	**16**	**54**	**-70%**	**-38**

Key data	1H17	1H16	Δ%	Δ Abs
Portfolio of Customers (th.)				
Electricity	**5,203**	**4,949**	**5%**	**+254**
Portugal	4,106	3,904	5%	+202
Spain	1,097	1,045	5%	+52
Gas	**1,491**	**1,394**	**7%**	**+97**
Portugal	629	551	14%	+78
Spain	862	843	2%	+19
Dual fuel penetration rate (%)	**29%**	**29%**	**1%**	**+0**
Other Services				
Services to contracts ratio (%)	16%	14%	13%	0p.p.
Volume of electricity sold (GWh)	**16,269**	**17,447**	**-7%**	**-1,178**
Residential segment	6,418	6,456	-1%	-38
Business segment	9,851	10,991	-10%	-1,140
Volume of gas sold (GWh)	**6,848**	**6,048**	**13%**	**+800**
Residential segment	3,597	3,164	14%	+433
Business segment	3,251	2,884	13%	+367
Electronic invoicing (%)	28%	24%	18%	4p.p.
Complaints per 1000 contracts (#)	14.1	15.6	-9%	-1
Employees (#)	508	357	42%	+151
OPEX per customer (2) (€)	16	15	7%	+1
EBITDA per customer (2) (€)	3	5	-37%	-2
Capex (€m)	**7**	**5**	**27%**	**+1**

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (2) Based on the number of contracts.

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. The current section refers only to energy supply, but excludes gas trading and sourcing activities.

As of Jun-17, **EDP's portfolio totaled 5.2m customers**, strongly biased towards residential and SME customers. Over the past 12 months, portfolio of customers grew by 5%, both in Portugal and in Spain. In Portugal, liberalization process is now losing pace as the bulk of consumption is already in the free market: 92% as of Dec-16, based on latest data released by ERSE.

EDP targets to leverage on its portfolio of customers, offering additional products and innovative services, as part of its strategy to build a longer term relationship with customers backed by the enhancement of customer's satisfaction and loyalty levels. In line with this, the rate of dual fuel offer is currently at 29%, including different stages of evolution in Spain and Portugal: in Portugal, dual offer rate rose by 8% YoY, to 16% in Jun-17; in Spain, dual offer rate, currently at 80%, decreased by 2pp YoY. Additionally, the penetration rate of service contracts rose by 13% YoY, to 16% as of Jun-17, in Iberia.

Electricity volumes sold in Iberia fell 7% YoY, to 16.3TWh in 1H17, mainly reflecting a more selective commercial criteria and the higher share of residential and SME customers in our portfolio.

Gross profit at our supply activities in Iberia was stable YoY, reflecting the mixed impact of: i) high spot prices implicit in deviations from forecasted consumption, namely in Jan-17; ii) higher margin prompted by the increasing penetration of dual offer and services.

Net operating costs were 10% higher YoY, at €131m in 1H17, reflecting higher costs with client services driven by client portfolio expansion 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 and higher clustomer satisfaction: electronic invoicing (per avg. residential client) represents 24% rate as of Jun-17; the number of complaints per 1000 contracts fell by 9% YoY.

EDP Renováveis: Financial Performance

Income Statement	EDP Renováveis (€ m)			
	1H17	1H16	Δ %	Δ Abs.
Gross Profit	**856**	**785**	**9%**	**+71**
OPEX (1)	205	187	9%	+18
Other operating costs (net)	(68)	(50)	35%	-18
Net Operating Costs	**137**	**137**	**0%**	**+0**
EBITDA	**719**	**648**	**11%**	**+71**
Provisions	0	1	-	-0
Amortisation and impairment	260	294	-12%	-34
EBIT	**459**	**354**	**30%**	**+105**
Financial Results	(148)	(179)	-17%	+31
Share of Profit from associates	2	(3)	-	+6
Pre-tax profit	**313**	**172**	**82%**	**+141**
Capex (€m) (2)	**424**	**378**	**12%**	**+46**
Europe (3)	55	53	3%	+2
North America	321	282	14%	+39
Brazil	48	43	12%	+5

Operational Overview	1H17	1H16	Δ %	Δ Abs.
Installed Capacity (MW)	**10,072**	**9,365**	**8%**	**+707**
Europe	5,007	4,929	2%	+79
North America	4,861	4,233	15%	+628
Brazil	204	204	0%	-
Output (GWh)	**14,546**	**13,314**	**9%**	**+1232**
Avg. Load Factor (%)	**34%**	**33%**	**-**	**1**
Avg. Elect. Price (€/MWh)	**59.9**	**59.9**	**0%**	**-**
Employees (#)	**1,183**	**1,055**	**12%**	**+128**
Core Opex/Avg. MW (€ th) (4)	**20.6**	**20.3**	**1%**	**+0**
EBITDA (€m)	**719**	**648**	**11%**	**+71**
Europe (3)	357	378	-5%	-20
North America	357	271	32%	+86
Brazil	12	8	59%	+5
Other & Adjustments	(8)	(8)	-5%	+
EBIT (€m)	**459**	**354**	**30%**	**+105**
Europe (3)	236	230	3%	+6
North America	225	129	75%	+96
Brazil	7	5	44%	+2
Other & Adjustments	(9)	(10)	-5%	+1

EDPR Equity Market Data	1H17	1H16	Δ %	Δ Abs.
Share price at end of period (€/share)	7.0	6.8	3%	0.2
Number of Shares Issued (million)	872.3	872.3	-	-
Stake Owned by EDP (%)	77.5%	77.5%	-	-

EDPR Key Balance Sheet Figures (€ m)	1H17	1H16	Δ %	Δ Abs.
Financial investm, assets held for sale	**329**	**332**	**-1%**	**-3**
Net Financial Debt	**3,130**	**3,303**	**-5%**	**-173**
Bank Loans and Other (Net)	619	632	-2%	-13
Loans with EDP Group (Net)	2,511	2,782	-10%	-272
Non-controlling interests	**1,512**	**1,267**	**19%**	**+246**
Net Institutional Partnership Liability (5)	**1,129**	**1,165**	**-3%**	**-36**
Equity Book Value	**6,342**	**6,089**	**4%**	**+253**
EUR/USD - End of Period Rate	1.14	1.11	-3%	0.03

Financial Results (€ m)	1H17	1H16	Δ %	Δ Abs.
Net financial Interests	(73)	(92)	21%	+19
Institutional Partnership costs	(48)	(46)	-4%	-2
Capitalised Costs	6	12	-50%	-6
Forex Differences	(0)	0	-	-0
Other	(32)	(52)	-	+20
Financial results	**(148)**	**(179)**	**17%**	**+31**

EDP Renováveis ('EDPR') owns, operates and develops EDP Group's wind and solar capacity. As of Jun-17, EDPR operated 10,428MW, (+707MW YoY) of which 356MW equity-method accounted. EDPR's EBITDA derives mainly from PPA-contracted and regulated tariff schemes and is geographically widespread: 50% in Europe, 48% in North America, and 2% in Brazil.

EDPR's EBITDA went up by 11% YoY (+€71m) to €719m in 1H17, positively impacted by i) higher avg. load factor (+1p.p.) ii) avg. capacity on stream (+8%) and iii) forex impact, mainly from the USD and BRL appreciation in average terms. **EBITDA's evolution in 1H17** also translates a stable avg. selling price at €60/MWh, and higher operating costs (Opex) (+9% YoY) that increased in line with the new MWs in operation.

Electricity output advanced +9% YoY to 14.5TWh in 1H17, supported by an increase of avg. capacity in operation, and propelled by +1p.p. higher overall **avg. load factor**. Avg. wind resource (P50) in the period was normalized (100% of P50), and the US load factors contributed significantly to the group's avg. figure with +3p.p. YoY mitigating the lower availability of wind in Europe (-2p.p. YoY). **Average selling price** was flat YoY, including a 1% positive forex impact.

Opex rose by 9% YoY (+€18m), reflecting higher headcount (1,183 employees in 1H17 vs. 1,055 in 1H16) and higher O&M costs (+€4m YoY) - both resulting from portfolio growth and reflecting forex impact; **Core Opex** per avg. MW was stable YoY at €10K/Avg. MW, following tight cost discipline. **Other operating costs (net)** decreased to €68m from €50m (18% YoY) reflecting mainly a higher income from institutional partnerships and other costs related to 7% tax over electricity generation in Spain.

EBIT increased by 30% YoY, to €459m in 1H17, as a result of higher operational outcome, but also propelled by a **D&A** reduction of 12% (-€34m YoY). The extension of useful life of the wind and solar assets from 25 to 30 years (+€59m in 1H17) more than mitigated the effect from the higher capacity in operation and the stronger USD and BRL.

Capex amounted to €424m (+12% YoY): 76% of total capex was devoted to the US market, the main growth region in 2016-2020, 13% to Europe, and 11% to Brazil.

EDPR's net debt in Jun-17 amounted to €3.1bn (vs. €2.8bn in Dec-16) +€0.4bn mainly reflecting: i) the entrance of the wind farm in Mexico in the consolidation perimeter (+€215m) and cash investments (+€728m). Additionally, net debt evolution translates i) operating cash-flow (-€535m); ii) payments to tax equity investors (+€131m), iii) forex translation (-€117m) and others. **Liabilities with Institutional Partnerships** (net) amounted to €1,129m in Jun-17, reflecting the tax benefits paid to institutional investors and the establishment of new institutional tax equity financing structures. **Non-controlling interests** at balance sheet level rose by €246m to €1,512m, in Jun-17 vs Jun-16 including non-controlling interests in North America (c59%), Europe (c36%) and Brazil (c4%).

Financial results (net) amounted €148m in 1H17, (-17% vs. 1H16). **Other financial** decreased €20m YoY, consequence of the -€22m booked in 1H16 due to the early cancelation and optimization of certain project finances. **Net interest costs** fell by 21% YoY, on lower avg. cost of debt in the period (3.9% in 1H17 vs. 4.4% in 1H16) and lower net debt. **Institutional Partnership costs** were €2m higher vs. 1H16, reflecting mainly US dollar appreciation and new tax equity deals.

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (2) Net of government grants; (3) Includes Holding costs and adjustments at the level of EDPR Europe;
(4) Core Opex defined by Supplies and services (including O&M activities) and Personnel costs; (5) Net of deferred revenue.

EDP Renováveis: North America & Brazil

North America	1H17	1H16	Δ %	Δ Abs.
EUR/USD - Avg. of period rate	1.08	1.12	3%	-0.03
Installed capacity (MW)	**4,861**	**4,233**	**15%**	**+628**
PPA's/Hedged/Feed-in tariff	4,276	3,489	23%	+786
Merchant	585	744	-21%	-158
Avg. Load Factor (%)	39%	37%	-	3 p.p.
Electricity Output (GWh)	**8,191**	**6,750**	**21%**	**+1,441**
PPA's/Hedged/Feed-in tariff	7,040	5,558	27%	+1,482
Merchant	1,151	1,192	-3%	-41
Avg. Final Selling Price (USD/MWh)	**46.5**	**46.5**	**0%**	**-0.1**
PPA's/Hedged/Feed-in tariff	48.1	48.9	-2%	-0.8
Merchant	32.6	33.5	-3%	-1
Adjusted Gross Profit (USD m)	**512**	**419**	**22%**	**+93**
Gross Profit (USD m)	369	303	22%	+66
PTC Revenues & Other (USD m)	143	115	24%	+28
EBITDA (USD m)	**387**	**302**	**28%**	**+84**
EBIT (USD m)	243	144	69%	+100
Installed capacity (MW Equity)	179	179	0%	-
Net Capex (USD m)	**348**	**315**	**10%**	**+33**
Gross Capex	348	315	10%	+33
Cash grant received	-	-	-	-
Capacity under construction (MW)	**502**	**629**	**-20%**	**-127**

Brazil	1H17	1H16	Δ %	Δ Abs.
Euro/Real - Average of period rate	3.44	4.13	20%	-0.69
Installed Capacity (MW)	**204**	**204**	**-**	**-**
Avg. Load Factor (%)	36%	29%	-	7 p.p.
Electricity Output (GWh)	314	205	53%	+109
Avg. Final Selling Price (R$/MWh)	224	265	-16%	-41
Gross Profit (R$ m)	64	50	26%	+13
EBITDA (R$ m)	**42**	**32**	**33%**	**+10**
EBIT (R$ m)	25	21	20%	+4
Capex (R$ m)	**165**	**177**	**-7%**	**-12**
Capacity under construction (MW)	**127**	**-**	**-**	**+127**

In North America (NA), installed capacity totalled 4.861M in Jun-17 (4,631MW in US, 200MW in Mexico, and 30MW Canada). New capacity additions in the last 12 months (+628MW) were mostly concentrated in US (+429MW) and in Mexico (the first 200MW added) both in 4Q16.

The current capacity exposed to power prices represents only 12% of NA's portfolio assets meaning that 4.3GW (88%) are under LT contracted remuneration schemes (PPA/Hedge/FiT). Additionally, EDPR owns an equity position in other wind projects, equivalent to 179MW.

EBITDA was 28% higher (+USD84m YoY), to USD387m in 1H17, propelled by i) a surge in the output (+21% YoY to 8,191 GWh) on the back of capacity additions, and ii) the higher load factor (39% vs 37% YoY) along with a stable average selling price at USD46.5/MWh. **Wind resources** were particularly stronger in central region of the US +3p.p. (YoY) where EDPR has ~90% of production capacity in the US. **Average selling price** reflected the actual mix of load factors vs prices. Realised merchant price went down by 3% YoY, to USD33/MWh in 1H17, on more wind availability and given the lower revenues from the sale of Renewable Energy Credits. PPA/Hedged/Feed-in, price decreased by 2% YoY, to USD48/MWh.

In **Canada**, avg. selling price was at USD109/MWh, unchanged YoY even in CAD/USD currency.

In **Mexico**, EDPR has a bilateral supply agreement under self-supply regime. **Avg. load factor** was 44%. **Avg. selling price** was at USD56/MWh

Wind and solar capacity under construction in North America totaled +502MW (located in the US): 100MW Meadow Lake VI (Indiana); 98MW Quilt Block (Wisconsin); 99MW Red Bed Plains (Oklahoma); 78MW Arkwright (New York); 66MW Hog Creek (Ohio); and 60MW (South Carolina) related to 3 solar PV projects.

EDPR established a new institutional partnership in Jul-17, respecting **institutional equity financing structures,** in exchange for an interest in some wind farms in the US for a total amount of USD370m representing 297MW. Before that, EDPR had signed in 4Q16: i) USD343m of an institutional equity financing secured in Sep-16, representing 328MW (250 MW Hidalgo wind farm, and 78 MW Jericho Rise wind farm); and ii) an institutional equity financing partnership amounting USD114m in Dec-16, in exchange for an interest in the 101 MW Amazon Wind Farm (Timber Road III).

In **Brazil**, EBITDA increased (+33% YoY), to R$42m in 1H17. EBITDA evolution reflects the increase in the avg. load factor of +7p.p. (36% vs. 29% in 1H16) that more than offset the decrease in the avg. selling price to R$224/MWh in 1H17 from R$265/MWh in 1H16 due mainly to Baixa do Feijão mix effect (price vs. production).

EDPR's installed capacity in Brazil (204MW) operates under long-term contracts providing visibility over cash-flow generation. From the 204MW installed capacity, 84 MW are under incentive programs for renewable energy development (PROINFA) and 120 MW are awarded according with an auction system with a PPA. Moreover, as of Jun-17, EDPR had 127MW **under construction**: JAU & Aventura wind project awarded with 20-year PPA 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 ($24/MWh in 2017); (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 for 25 years under self-supply regime

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

EDP Renováveis: Spain & Portugal

Spain	1H17	1H16	Δ %	Δ Abs.
Installed capacity (MW)	**2,194**	**2,194**	**0%**	**-**
Avg. load factor (%)	28%	31%	-	-3 p.p.
Production (GWh)	**2,665**	**2,879**	**-7%**	**-214**
Prod. w/capac. complement (GWh)	2,444	2,655		
Standard production (GWh)	2,117	2,119		
Above/(below) std. prod. (GWh)	327	536		
Prod. w/o cap. complement (GWh)	221	224		
Avg. Price (€/MWh)	**74.9**	**67.1**	**12%**	**+8**
Total GWh: realised pool (€/MWh)	45.4	25.8	76%	+20
Regulatory adj. on std. GWh (€m)	-7	14		
Complement (€m)	93	82		
Hedging gains/(losses) (€m)	-16	24		
Gross profit (1)	199	193	3%	+6
EBITDA (1)	**132**	**131**	**1%**	**+2**
EBIT (1)	80	64	26%	+16
Installed capacity (MW Equity)	177	177	0%	-
Capex (€m)	**22**	**2**	**831%**	**+19**
Capacity under construction (MW)	**-**	**-**	**-**	**-**

Portugal	1H17	1H16	Δ %	Δ Abs.
Installed capacity (MW)	**1,253**	**1,249**	**0%**	**+4**
Avg. Load factor (%)	28%	32%	-12%	-4 p.p.
Electricity output (GWh)	1,536	1,751	-12%	-215
Avg. selling price (€/MWh)	93	92	1%	+1
Gross profit	142	161	-12%	-19
EBITDA	**118**	**137**	**-14%**	**-20**
EBIT	90	103	-12%	-13
Installed capacity (MW Equity)	-	-	-	-
Capex (€m)	**9**	**23**	**-61%**	**-14**
Capacity under construction (MW)	**-**	**2**	**-**	**-2**

In **Spain**, EDPR installed capacity stood at 2,194MW in 1H17 (MW EBITDA), to which accrues 177MW, equivalent to EDPR's equity position in other wind projects (equity-method consolidated).

EBITDA in Spain slightly increased to €132m in 1H17, from €131m in 1H16, essentially driven by higher prices (+12% YoY) that more than mitigated a drop in the final output (-7% YoY, to 2.5TWh). Total production decreased as a result of the fall of wind resources, with the avg. load factor decreasing 3p.p. to 28%, in 1H17 vs. 1H16. **Average selling price** increased to 75€/MWh (vs. 67€/MWh in 1H16) impacted by higher realised pool prices at €45/MWh in 1H17 vs. €26/MWh in 1H16, due to commodity prices rebound and lower hydro volumes in Iberia, that lead to -€7m of regulatory adjustment[2]. Gains/losses from hedged capacity in Spain amounted -€16m in the period.

It is even worth of mentioning that the remuneration framework in Spain was revised in Feb-17, establishing the new parameters of remuneration for renewable energy assets for 2017-2019 which includes: an increase of wind profile coefficient to 14.79% from previous 11.11%; 2014-2016 regulatory adjustments; and new forecasted pool prices with defined caps and floors for the standard production. 91% of Spanish capacity is entitled to receive capacity complement.

As part of its risk-controlled strategy, EDPR hedged 0.9TWh at €45/MWh for 2H17.

In **Portugal**, EDPR owns a portfolio of 1,253MW, which includes 5MW of solar capacity (+4MW YTD). **EBITDA in Portugal amounted to €118m in 1H17**, -€20m YoY, reflecting a decline in electricity production (1,536GWh in 1H17 vs. 1,751GWh in 1H16) penalized by the weaker load factor in Portugal (-4p.p. YoY). **Wind load factor** in Portugal was within the historical avg. in 1H17 (wind factor: 0.99) but 1H16 was clearly above the avg. (wind factor: 1.12). **Average selling price** went up YoY at €93/MWh in 1H17, vs. €92/MWh, as a consequence of a different mix of wind farms in operation.

In line with the €2bn strategic partnership with CTG established in Dec-11, EDPR entered into agreement in Feb-17 to sell 49% of equity in a portfolio of wind assets in Portugal, covering a total of 422MW of wind technology. These assets were part of ENEOP project and have been fully consolidated at EDPR following the conclusion of asset split process in 2015. In late Jun-17 EDPR announced the closing of the operation for a final consideration of €248 million.

- 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'; Every 3 years, there will be revisions as to compensate deviations from the expected pool price
- Premium calculation is based on standard assets (standard load factor, production and costs)

- Older Wind farms: 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)
- ENEOP: price defined in a international competitive tender and set for 15 years (or the first 33 GWh per MW) + 7 years (extension cap/floor system: €74/MWh - €98/MWh). Tariff for first year established at c.€74/MWh and CPI monthly update for following years
- VENTINVESTE: price defined in a international competitive tender and set for 20 years (or the first 44 GWh per MW)

(1) Includes hedging results in energy markets; (2) Baseload higher than regulatory caps

EDP Renováveis: Rest of Europe

Rest of Europe	1H17	1H16	Δ %	Δ Abs.
Installed capacity (MW)	**1,560**	**1,485**	**5%**	**+74**
Avg. load factor (%)	27%	27%	3%	1 p.p.
Electricity output (GWh)	1,840	1,728	6%	+112
Avg. selling price (€/MWh)	85	86	-1%	-0
Poland				
Installed capacity (MW)	418	418	0%	-
Avg. load factor (%)	29%	24%	22%	5 p.p.
Electricity output (GWh)	531	472	12%	+59
Avg. selling price (PLN/MWh)	332	353	-6%	-21
EUR/PLN - Avg. Rate in period	4.27	4.37	2%	-0
Romania				
Installed capacity (MW)	521	521	0%	-
Avg. load factor (%)	30%	26%	18%	5 p.p.
Electricity output (GWh)	677	583	16%	+94
Avg. selling price (RON/MWh)	352	343	3%	+9
EUR/RON - Avg. Rate in period	4.54	4.50	-1%	+0
France				
Installed capacity (MW)	406	376	8%	+30
Avg. load factor (%)	24%	29%	-18%	-5 p.p.
Electricity output (GWh)	402	464	-13%	-62
Avg. selling price (€/MWh)	91	91	0%	-0
Belgium & Italy				
Installed capacity (MW)	215	171	26%	+44
Avg. load factor (%)	26%	28%	-9%	-3 p.p.
Electricity output (GWh)	229	208	10%	+21
Avg. selling price (€/MWh)	117	113	3%	+4
Gross profit	156	147	7%	+10
EBITDA	**111**	**109**	**2%**	**+2**
EBIT	71	64	11%	+7
Capex (€m)	**24**	**28**	**-11%**	**-3**
Capacity under construction (MW)	**4**	**26**	**-85%**	**-22**

In **European markets outside of Iberia**, EDPR had a total installed capacity of 1,560MW in Jun-17, +74MW (30MW in France and 44MW in Italy) and 4MW **under construction** both in France**.**

EDPR's EBITDA in Rest of Europe increased by 2% YoY, to €111m in 1H17, mostly impacted by i) higher load factor at 27% in 1H17 which compares with a load factor of 26% in 1H16 and ii) higher avg. capacity on stream (+1%) which offset the lower avg. selling price -1% (€85MWh in 1H17 vs. €86MWh in 1H16).

In Poland, EDPR operates 418MW of wind capacity. **Wind output** increased 12% to 472GWh in 1H17 due to the upward shift on the wind availability with **avg. load factor** raising to 29% (+5p.p. YoY). Thus, more than offsetting the lower avg. capacity on stream (-6% YoY), mainly reflecting the deconsolidation of 50MW in 1Q16. **Average selling price** was 6% lower YoY, at PLN332/MWh driven by the green certificates' price.

In Romania, EDPR operates 521MW: 471MW in wind and 50MW of solar PV. **Wind output** increased 16% YoY, to 677GWh in 1H17 (36MWh solar-based), propelled by an upper avg. load factor at 30% in 1H17 vs. 26% in 1H16. In turn **avg. selling price** was higher +3% at RON352/MWh in 1H17.

In France, EDPR added 30MW of new wind capacity, raising its total installed capacity in the market to 406MW as of Jun-17. Even though **wind output** decreased 13% YoY, to 402GWh, due to the lower **avg. load factor** (-5p.p.) to 24% in 1H17. **Average tariff** stood at €91/MWh, flat YoY.

In Belgium, the 71MW in operation decreased its output by 18% YoY to 62GWh on the back of lower avg. load factor -4p.p. YoY. **Average selling price** was also lower at €107/MWh (-2% YoY), and it reflects the actual PPA price structure.

In Italy, EDPR operates a total portfolio of 144MW of wind technology in 1H17 (+44MW added in 3Q16). **Wind output** advanced 27% YoY to 167GWh, reflecting more avg. capacity on stream (+35%), which offset the lower load factor (-3p.p.). **Average tariff** increased 4% YoY to €121/MWh, due to a different mix of wind farms in operation.

In Jul-17, EDPR closed an agreement with ENGIE, to sell a 23% stake in equity shareholding and outstanding shareholders loans on the Moray Offshore Windfarm (East) Limited ("MOWEL") in the UK, for a total consideration of £21 million.

- Price set either through bilateral contracts or selling to distributor at regulated price (PLN160.6/MWh for 3Q17); Wind receive 1 GC/MWh which can be traded in the market. Electric suppliers have a substitution fee (PLN300/MWh) for non compliance with GC obligation
- Wind assets (installed until 2013) receive 2 GC/MWh until 2017 and 1 GC/MWh after 2017 until completing 15 years; Wind assets (installed in 2013) receive 1.5 GC/MWh until 2017 and after 0.75 GC/MWh until completing 15 years. The GCs issued starting in Apr-2017 and the GCs postponed to trading from Jul-2013 will remain valid and may be traded until Mar-2032
- Feed-in tariff for 15 years: (i) €82/MWh up to 10th year, inflation updated; (ii) Years 11-15: €82/MWh @ 2,400 hours, decreasing to €28/MWh @3,600 hours, inflation updated
- Wind & solar energy sold at 'Market price + green certificate (GC)'; Separate GC prices with cap and floor for Wallonia (€65/MWh-100/MWh); Option to negotiate long-term PPAs
- Projects online before 2013 are (during 15 years) under a pool + premium scheme (premium=1x€180/MWh–"P-1")x0.78, being P-1 previous year average market price; Assets online from 2013 onwards were awarded a 20 years contract through competitive auctions

Regulated Networks & Regulatory Receivables in Iberia

Income Statement (€ m)	1H17	1H16	Δ %	Δ Abs.
Gross Profit	**867**	**863**	**0%**	**+4**
OPEX (1)	238	242	-1%	-4
Other operating costs (net)	117	126	-7%	-9
Net Operating Costs	**355**	**367**	**-3%**	**-12**
EBITDA	**513**	**496**	**3%**	**+17**
Provisions	(3)	4	-	-6
Amortisation and impairment	153	169	-10%	-16
EBIT	**362**	**323**	**12%**	**+39**

Capex & Opex Performance	1H17	1H16	Δ %	Δ Abs.
Controllable Operating Costs (2)	**225**	**232**	**-3%**	**-7**
Cont. costs/customer (€/supply point)	27	29	-5%	-1
Cont. costs/km of network (€/Km)	866	897	-3%	-31
Employees (#)	3,778	3,783	-0%	-5
Capex (Net of Subsidies) (€m)	**146**	**148**	**-2%**	**-3**
Network ('000 Km)	260	258	0.6%	+1

Regulatory Receivables (€ m)	1H17	1H16	Δ %	Δ Abs.
Total Net Iberia Regulatory Receivables	**1,141**	**1,690**	**-32%**	**-549**
Portugal - Last Resort Supplier + Distribution + Gas				
Beginning of Period	**744**	**2,021**	**-63%**	**-1,277**
Recoveries in the period (3)	(773)	(1,430)	46%	+657
Tariff deviation/deficit in the period	793	744	7%	+48
Other (4)	2	32	-93%	-30
End of Period	**765**	**1,367**	**-44%**	**-601**
Portugal - CMEC's				
Beginning of Period	**253**	**216**	**17%**	**+37**
(Recovery)/Return in the Period	(51)	(49)	-4%	-2
Deviation in the period	111	85	31%	+26
Other	0	-	n.m.	+0
End of Period	**314**	**252**	**25%**	**+62**
Spain - Tariff deficit				
Beginning of Period	**68**	**70**	-3%	**-2**
Previous periods tariff deficits (5)	-	-	-	-
Tariff deficit in the period	-	-	-	-
Other (4)	-5	1	-	-7
End of Period	**62**	**71**	**-13%**	**-9**

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

EBITDA from regulated networks increased by 3% YoY (+€17m YoY), to €513m in the 1H17, impacted by higher gross profit and tight cost control.

Gross profit rose by €4m YoY, to €867m in the 1H17, reflecting: i) in electricity distribution, a stable gross profit, both in Portugal and Spain; and ii) in gas distribution, higher regulated revenues in Spain mainly driven by a wider gas portfolio in the wake of acquisition of assets from Repsol, which were partly offset by a decrease in RoRAB in Portugal (from 7.9% in 1H16 to 6.2% in 1H17).

Controllable operating costs fell by 3% YoY (-€7m), mainly driven by lower client services. **Capex** decreased by 2% YoY, to €146m in the 1H17, including €19m invested in smart grids in Portugal.

In Portugal**, total debt owed by the electricity system decreased by €42m during 1H17,** from €5.09bn in Dec-16 to €5.05bn in Jun-17, benefiting from a decrease in the special regime overcost due to higher pool prices.

On 15-Dec-16, ERSE released 2017 electricity tariffs, according to which Portuguese electricity system's regulatory receivables should decline by €547m over 2017, 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, who 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.

Regulatory receivables owed to EDP in Iberia fell by €549m YoY (-32% vs. 1H16), from €1.7bn in Jun-16 to €1.1bn in Jun-17, mainly driven by Portugal.

EDP's regulatory receivables from electricity distribution, last resort supply and gas distribution in Portugal increased from €744m in Dec-16 to €765m in Jun-17 driven by: **(1)** -€574m following the sale without recourse of the right to receive part of the 2015-17 tariff deficits; **(2)** +€666m of ex-ante tariff deficit for 2017, to be fully recovered under a 5-year payment schedule ending in 2021 and remunerated at 1.88% annual return; **(3)** -€202m recovered through tariffs related to negative previous years' deviations and to past tariff deficits; **(4)** +€136m of new electricity tariff deviations created in the 1H17; and **(5)** -€7m net impact in gas distribution. The main drivers for new tariff deviations in the electricity in Portugal generated in the 1H17 were: (i) +€102m, on lower revenues from stability measures (€111m) and higher-than-expected price implicit in the electricity purchases by the last resort supplier (€11m), which were partly offset by lower-than-expected special regime overcost (-€19m); and (ii) +€35m tariff deviation from electricity distribution activity derived from deviations on consumption mix.

Regulatory receivables from CMECs increased from €253m in Dec-16 to €314m in Jun-17 due to: **(1)** €51m recovered in the 1H17 through tariffs, related to 2015 and 2016 negative deviations and **(2)** €111m negative deviation in the 1H17, due to be received during 2017.

Regulatory receivables in Spain decreased from €68m in Dec-16 to €62m in Jun-17, corresponding to the share of Naturgas in the gas tariff deficit in Spain.

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (2) Supplies & services and personnel costs; (3) 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. (4) Includes interest on tariff deviations; (5) Includes the recovery/payment of previous periods tariff deficits.

Electricity Distribution and Last Resort Supply in Portugal

Income Statement (€ m)	1H17	1H16	Δ %	Δ Abs.
Gross Profit	**621**	**620**	**0%**	**+0**
OPEX (1)	182	184	-1%	-3
Concession fees	127	126	1%	+1
Other operating costs (net)	(5)	(2)	-109%	-3
Net Operating Costs	**304**	**308**	**-1%**	**-4**
EBITDA	**316**	**312**	**1%**	**+4**
Provisions	-2.6	3.5	-	-6
Amortisation and impairment	120	122	-1%	-1
EBIT	**199**	**187**	**6%**	**+12**

Gross Profit Performance	1H17	1H16	Δ %	Δ Abs.
Gross Profit (€m)	**621**	**620**	**0%**	**+0**
Regulated gross profit	618	619	-0%	-1
Non-regulated gross profit	3	2	66%	+1
Distribution Grid				
Regulated revenues (€ m)	598	596	0%	+2
Electricity distributed (GWh)	22,094	22,287	-0.9%	-193
Supply Points (th)	6,168	6,126	0.7%	+41
Last Resort Supply				
Regulated revenues (€ m)	21	23	-12%	-3
Customers supplied (th)	1,295	1,545	-16%	-250
Electricity sold (GWh)	1,634	2,307	-29%	-673

Capex & Opex Performance	1H17	1H16	Δ %	Δ Abs.
Controllable Operating Costs (2)	**171**	**176**	**-3%**	**-5**
Cont. costs/client (€/customer)	27.7	28.7	-3%	-1
Cont. costs/km of network (€/Km)	755	780	-3%	-24
Employees (#)	3,168	3,258	-3%	-90
Capex (Net of Subsidies) (€m)	**114**	**117**	**-3%**	**-3**
Network ('000 Km)	226	225	0%	+1
Equival. interruption time (min.) (3)	25	23	11%	+3

EBITDA from electricity distribution and last resort supply (LRS) in Portugal increased 1% YoY (+€4m), to €316m in the 1H17, mainly supported by a tight cost control.

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 45.2TWh in 2017 (1.35% above 2016 electricity distributed); and (3) a GDP deflator of 1.5%.

In 1H17, distribution grid regulated revenues were slightly higher YoY (+€2m), amounting to €598m, prompted by a 31bp YoY increase in return on RAB (6.76% in 1H17 vs. 6.45% in the 1H16), derived from the evolution of Portugal 10-year bond yields in the period, which was partly offset by a 0.9% decrease in the volume of electricity distributed (+0.4% YoY, corrected by demand adjustments from last year).

Last resort supplier (EDP SU) **regulated revenues** decreased 12% YoY (-€3m), to €21m in the 1H17, as a result of consumers' switching to the free market in the wake of the ongoing liberalisation process. The **volume of electricity supplied** by our LRS fell by 29% YoY, to 1,634GWh in the 1H17. **Total number of clients supplied** declined by 250 thousand YoY (-16% vs. 1H17), to 1,295 thousand in Jun-17 (representing near 21% of total electricity clients), mostly in the residential segment.

Controllable operating costs declined by 3% YoY (-€5m) in the 1H17, supported by lower client services and headcount reduction (-3%).

Capex was 3% lower YoY (-€3m), at €114m in the 1H17, including €19m invested in smart grids. The equivalent interruption time increased to 25 minutes in 1H17 from 23 minutes in the 1H16, impacted by the forest fires late in the 2Q17.

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (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 1H17	Electricity Spain 1H16	% Δ	Abs. Δ	Gas Spain 1H17	Gas Spain 1H16	% Δ	Abs. Δ	Gas Portugal 1H17	Gas Portugal 1H16	% Δ	Abs. Δ
Gross Profit	**113**	**112**	**1%**	**1**	**108**	**96**	**12%**	**11**	**26**	**35**	**-26%**	**-9**
OPEX (1)	28	30	-9%	-3	21	19	14%	3	7	9	-13%	-1
Other operating costs (net)	(9)	(0)	3085%	-8	2	1	127%	1	0	0	-64%	-0
Net Operating Costs	**19**	**30**	**-37%**	**-11**	**24**	**20**	**20%**	**4**	**8**	**9**	**-15%**	**-1**
EBITDA	**94**	**82**	**15%**	**13**	**84**	**76**	**10%**	**7**	**18**	**26**	**-29%**	**-8**
Provisions	(0)	0	-	**-0**	(0)	0	-	**-0**	0	-	-	**0**
Amortisation and impairment	21	20	3%	**1**	12	20	-39%	**-8**	(0)	8	-	**-8**
EBIT	**73**	**61**	**20%**	**12**	**72**	**56**	**27%**	**15**	**19**	**18**	**2%**	**0**
Capex (net os subsidies)	**14**	**14**	**4%**	**1**	**9**	**9**	**1%**	**0**	**9**	**9**	**1%**	**0**
Gross Profit	**113**	**112**	**1%**	**1**	**108**	**96**	**12%**	**11**	**26**	**35**	**-26%**	**-9**
Regulated Revenues	91	91	-0%	-0	90	85	5%	4	28	31	-10%	-3
Non-regulated gross profit	22	20	7%	1	18	11	66%	7	(2)	4	-	-6

Iberian Regulated Networks	1H17	1H16	% Δ	Abs. Δ
Number Supply Points (th)				
Electricity Spain	662	661	0%	+2
Gas Spain	1,014	922	10%	+92
Gas Portugal	348	336	4%	+13
Energy Distributed (GWh)				
Electricity Spain	4,633	4,637	-0.1%	-4
Gas Spain	16,154	14,599	11%	+1,554
Gas Portugal	3,808	3,803	0%	+5
Network (Km)				
Electricity Spain	20,553	20,411	1%	+142
Gas Spain	8,141	7,764	5%	+378
Gas Portugal	5,166	4,951	4%	+215
Employees (#)				
Electricity Spain	301	292	3%	+9
Gas Spain	243	168	45%	+75
Gas Portugal	66	65	2%	+1

ELECTRICITY DISTRIBUTION IN SPAIN

EBITDA from our electricity distribution activity in Spain rose 15% YoY (€+13m) in the 1H17, to €94m, supported by cost control and the reversal of a provision (€6m). Regulated revenues were flat YoY, already reflecting the impact of final regulatory terms unveiled in Jun-16 (applicable as from 1-Jan-16). **Electricity distributed** by EDP España, mostly in the region of Asturias, was flat in the 1H17, at 4.6TWh.

The final terms applicable to regulated revenues for electricity distribution under the regulatory framework designed in Dec-13 (Law 24/2013 and RDL 1048/2013 establishing the new regulatory framework for electricity distribution assets and encompassing a return on RAB equivalent to a 200bp premium over 10-year Spanish bond yields, equaling to 6.5%) were released in Jun-16, under the Ministerial orders IET 2660/2015 and IET980/2016. As a result, the respective terms are 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 €116 million. As a result, a total 82 thousand LPG supply points were accrued to our portfolio (+9% expansion). The expected contribution for annual EBITDA is €13m.

In the 1H17, **EBITDA from gas regulated activities in Spain** increased by 10% YoY (+€7m), to €84m, impacted by the contribution of the aforementioned LPG assets acquired from Repsol and higher consumption in the period. **Volume of gas distributed** increased by 11% YoY, to 16.2TWh in the 1H17, due to cold weather conditions during the winter and higher demand from industrial clients.

The decline in amortisation and impairment is related to the recognition of Naturgas Energía Distribución under "assets held for sale", following the signing of definitive agreements in Apr-17 for the sale of 100% of the company for an Enterprise Value of €2.6bn (of which €0.2bn is due to be progressively cashed in 5 years). The completion of this transaction will occur in Jul-17.

GAS REGULATED ACTIVITIES IN PORTUGAL

EBITDA from gas regulated activities in Portugal in the 1H17 decreased to €18m (-€8m), impacted by a lower RoRAB (6.2% in 1H17 vs. 7.9% in 1H16) and adjustments to previous years' non-regulated revenues. **Volume of gas distributed** was flat YoY, at 3.8TWh in the 1H17.

The decline in amortisation and impairment is related to the recognition of Portgás under "assets held for sale", which sale decision was announced by EDP in Apr-17 for an Enterprise Value of €0.5bn. The completion of the transaction is subject to the customary regulatory approvals and is expected to occur in the 3Q17.

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits

EDP Brasil: Financial Performance

Income Statement	Consolidated (R$ m)				Consolidated (€ m)			
	1H17	1H16	Δ %	Δ Abs.	1H17	1H16	Δ %	Δ Abs.
Gross Profit	**1,736**	**1,534**	**13%**	**+202**	**504**	**371**	**36%**	**+133**
OPEX (1)	537	520	3%	+16	156	126	24%	+30
Other operating costs (net)	113	(259)	-	+372	33	(56)	-	+89
Net Operating Costs	**649**	**261**	**149%**	**+388**	**189**	**70**	**169%**	**+118**
EBITDA	**1,087**	**1,273**	**-15%**	**-187**	**316**	**301**	**5%**	**+14**
Provisions	13	14	-4%	-0	4	3	16%	+1
Amortisation and impairment	286	278	3%	+7	83	67	23%	+16
EBIT	**788**	**981**	**-20%**	**-194**	**229**	**231**	**-1%**	**-2**
Financial results	(269)	(334)	20%	+66	(78)	(81)	-4%	+3
Results from associates	(5)	(20)	76%	+15	(1)	(5)	-71%	+3
Pre-tax profit	**514**	**627**	**-18%**	**-113**	**149**	**145**	**3%**	**+5**

Capex & Financial Investments	(R$ m)				(€ m)			
	1H17	1H16	Δ %	Δ Abs.	1H17	1H16	Δ %	Δ Abs.
Capex	**324**	**239**	**35%**	**+85**	**94**	**58**	**63%**	**+36**
Financial Investm. in the period	**133**	**244**	**-45%**	**-111**	**39**	**58**	**-32%**	**-19**

Energias do Brasil	1H17	1H16	Δ %	Δ Abs.
Share price at end of period (R$/share)	14.19	13.62	4%	+0.57
Number of shares Issued (million)	606.9	606.8	-	-
Treasury stock (million)	0.7	0.8	-	-
Number of shares owned by EDP (million)	310.8	310.8	-	-
Euro/Real - End of period rate	3.76	3.59	-5%	+0.17
Euro/Real - Average of period rate	3.44	4.13	20%	-0.69
Inflation rate (IPCA - YoY)	3.0%	8.8%	-	-
Net Debt / EBITDA (x)	1.6	2.2	-	-0.6
Average Cost of Debt (%)	12.7	11.3	-	1.4p.p.
Average Interest Rate (CDI)	11.6	13.9	-	-2.3p.p.
Employees (#)	2,904	2,875	1%	+29

Key Balance Sheet Figures (R$ Million)	1H17	1H16	Δ %	Δ Abs.
Financial investm, assets held for sale	1,376	1,091	26%	+285
Net financial debt	3,540	3,144	13%	+396
Regulatory receivables	(360)	(230)	-57%	-130
Non-controling Interests	1,487	1,676	-11%	-189
Equity book value	7,841	7,745	1%	+96

Financial Results (R$ Million)	1H17	1H16	Δ %	Δ Abs.
Net Interest Costs	(245)	(275)	11%	+30
Capitalised Costs	4	1	199%	+3
Forex Differences and Derivatives	5	(74)	-	+78
Other	(32)	13	-	-45
Financial Results	**(269)**	**(334)**	**20%**	**+66**

In local currency, EDP Brasil ("EDPB") EBITDA decreased 15% YoY (-R$187m) to R$1,087m in 1H17, impacted, by the capital gain of R$278m in 1H16 on the sale of Pantanal mini-hydro, booked at 'other operating income' level. **Adjusted by the above mentioned one-off effect**, EBITDA would have increased 9% YoY (+R$91m). **Generation and Supply EBITDA** decreased by R$46m to R$738m, reflecting, for Pecém, the booking of an insurance revenue at Pecém in 1H16 (R$82m) and the negative impact of higher PLD YoY; for hydro, the positive impact of GSF at 97% in 1H17 (vs. 89% in 1H16); and for supply, the positive impact of higher volumes and margins (+R$84m YoY). **EBITDA in distribution** increased by R$140m to R$397m in 1H17, impacted by growth on regulated gross profit (+R$72m YoY) and by the positive impact of energy overcontracting at EDP São Paulo (+R$58m YoY). EBITDA in EUR terms, which reached €316m, was positively impacted by BRL appreciation against the EUR by 20% (+€53m).

Net operating costs increased by R$388m YoY mostly due to the booking of the aforementioned capital gain at 'other operating income' level. At Opex level, costs increased 3%, in line with avg. 1H17 inflation, (IPCA rate of +3% YoY in Jun-17). Personnel costs increased 1% YoY, while supplies & services went up 5% YoY.

Net financial debt increased R$0.4bn vs. Jun-16 to R$3.5bn. Worth noting the capital increase occurred in 2Q16, whose R$1.5bn proceeds were 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 20% YoY to R$269m in 1H17, reflecting the positive impact of the above mentioned liability management. Worth noting that interest rates have been declining in Brazil: CDI stood at 11.6% by Jun-17 vs. 13.9% by Jun-16.

Results from associates totalled -R$5m in 1H17 (+R$15m YoY), reflecting a negative contribution from Cachoeira-Caldeirão (-R$7m in 1H17) commissioned in 2016, but also from São Manoel (-R$1m), offset by Jari hydro power plant (+R$4m in 1H17).

As of Jun-17, hydro reservoirs in the Southeast/Center-West ("SE-CW") regions were at ~42% of their maximum level (vs. 56% in Jun-16). GSF stood at 97% in 1H17, impacted by a superavit in the 1Q17, as many producers postponed "deliverable" volumes for later quarters through their seasonality strategy. Nevertheless, rainfall volumes have been scarcer than expected and a significant hydro deficit is still expected to occur in 2017. Some demand recovery has been observed in 1H17 (+1.7% YoY).

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits.

Brazil: Electricity Distribution

Income Statement (R$ m)	1H17	1H16	Δ %	Δ Abs.
Gross Profit	**870**	**671**	**30%**	**+199**
OPEX (1)	363	344	6%	+19
Other operating costs (net)	110	70	56%	+39
Net Operating Costs	**473**	**414**	**14%**	**+59**
EBITDA	**397**	**257**	**55%**	**+140**
Provisions	11	12	-8%	-1
Amortisation and impairment	97	93	4%	+4
EBIT	**289**	**152**	**90%**	**+137**

Gross Profit Performance	1H17	1H16	Δ %	Δ Abs.
Gross Profit (R$ m)	**870**	**671**	**30%**	**+199**
Regulated revenues	848	776	9%	+72
Other	22	(105)	-	+128
Regulatory Receivables (R$ m)				
Beginning of period	**(392)**	**735**	**-**	**-1,126**
Past deviations	168	(363)	-	+532
Annual deviation (2)	(137)	(602)	-77%	+464
CDE/ACR Account (3)	-	-	-	-
End of period	**(360)**	**(230)**	**57%**	**-130**
Customers Connected (th)	**3,347**	**3,281**	**2%**	**+66**
EDP São Paulo	1,821	1,785	2%	+36
EDP Espiritio Santo	1,526	1,496	2%	+30
Electricity Distributed (GWh)	**12,392**	**12,429**	**-0.3%**	**-38**
EDP São Paulo	7,314	7,250	0.9%	+65
EDP Espíritio Santo	5,077	5,180	-2.0%	-102
From which:				
To customers in Free Market (GWh)	5,384	4,635	16%	+749
Electricity Sold (GWh)	**7,001**	**7,787**	**-10%**	**-786**
EDP São Paulo	**3,965**	**4,457**	**-11%**	**-492**
Resid., Commerc. & Other	3,289	3,460	-5%	-171
Industrial	676	997	-32%	-321
EDP Espírito Santo	**3,036**	**3,329**	**-9%**	**-294**
Resid., Commerc. & Other	2,704	2,829	-4%	-125
Industrial	332	500	-34%	-169

Capex & Opex Performance	1H17	1H16	Δ %	Δ Abs.
Controllable Operating Costs (4)	**363**	**344**	**6%**	**+19**
Cont. costs/customer (R$/customer)	109	105	4%	+4
Cont. costs/km (R$/Km)	4	4	5%	+0
Employees (#)	**2,144**	**2,145**	**-0%**	**-1**
Capex (net of subsidies) (R$m)	**267**	**186**	**43%**	**+81**
Network ('000 Km)	91	91	0%	+0

EBITDA from our electricity distribution activity in Brazil increased by R$140m YoY to R$397m in 1H17, mostly due to (i) the positive impact of 2016's tariff revisions on regulated gross profit (+R$72m); (ii) the YoY positive impact of energy overcontracting at EDP São Paulo (+R$37m in 1H17 vs. -R$21m in 1H16); and (iii) booking in 1H17 of some positive adjustments related to previous quarters.

Gross profit went up 30% YoY to R$870m in 1H17, mostly due to the abovementioned positive impacts. Worth noting that EDP São Paulo saw some gains on overcontracted volumes (+R$58m in 1H17 vs. 1H16). When the ratio between volumes procured/sold is above the 105% threshold, any gain/loss from the sale of energy surplus in the spot market is not passed-through into tariffs. In 1H17 the volumes of energy procurement it contracted surpassed by more than 5% of the volumes demanded by clients, originating a gain due to a higher spot price (PLD) than long term sourcing contracted prices.

Electricity distributed decreased slightly in 1H17 by 0.3% vs. 1H16, in spite of the increase in the number of clients in the same period (+2%)**. Volumes of electricity sold** decreased 10% YoY in 1H17, translating a 32% reduction of demand in regulated industrial clients. At the same time, **volumes distributed** to industrial clients in the free market increased 16% YoY to 5.3TWh in 1H17, reflecting the migration of industrial clients from fully regulated tariffs to the liberalized market.

The trajectory of lower non-technical losses observed in the recent quarters was maintained, in spite of the economic situation. Non-technical losses in the low-voltage segment have decreased both for EDP Espírito Santo, reaching 12.7% in 1H17 (-1.8pp vs. 1H16), as well as for EDP São Paulo, whose level stood at 9.5% in 1H17 (-1.3pp vs. 1H16). Provisions for doubtful clients continued to show some resistence in 1H17 at R$61m (-R$8m vs. 1H16), derived from the economic situation but also due to the significant tariff increases of the recent past. EDPB keeps tackling the situation through increased proximity to clients.

As of Jun-17, **regulatory receivables** are negative (in fact, regulatory payables) and amounted to -R$360m (-R$32m vs. Dec-16). In 1H17, a R$137m positive tariff deviation was created, essentially related to lower energy costs than the ones incorporated in the tariffs. Additionally, R$168m were recouped by the system regarding past deviations. All in all, regulatory receivables stood at -R$360m as of Jun-17, to be paid back to the system in the following years. Tariff revisions at EDP Espírito Santo in Aug-16 (+3% tariff update) and EDP São Paulo 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 4th revision cycle, which started for EDP São Paulo in Oct-15 and in Aug-16 for EDP Espírito Santo.

Controllable operating costs increased 6% YoY to R$363m in 1H17, driven by an increase in supplies and services, due to higher expenses with O&M, IT and clients' services. **Other operating costs** were up R$39m YoY, translating a gain of R$41m in 1H16 with the update on the concessions assets' residual value in 1H16, now registered at gross profit level (R$7m in 1H17). **Distribution capex** was up R$81m to R$267m in 1H17, following a stronger focus on capex on customer services activities and to the reinforcement of the network's quality of service.

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (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			
	1H17	1H16	Δ %	Δ Abs.
Gross Profit	**769**	**858**	**-10%**	**-89**
OPEX (1)	109	121	-10%	-12
Other operating costs (net)	(2)	(55)	-	+53
Net Operating Costs	**107**	**66**	**-**	**+41**
EBITDA	**662**	**792**	**-16%**	**-130**
Provisions	1	0	122%	+0
Amortisation and impairment	179	172	4%	+6
EBIT	**482**	**619**	**-22%**	**-137**

Key Data	1H17	1H16	Δ %	Δ Abs.
Gross Profit (R$ m)	**769**	**858**	**-10%**	**-89**
Hydro	**509**	**496**	**3%**	**+13**
PPA contracted revenues & Other	453	495	-8%	-42
GSF impact (net of hedging)	56	1	8189%	+55
Thermal	**260**	**362**	**-28%**	**-102**
PPA contracted revenues	426	370	15%	+56
Other	(167)	(8)	-1897%	-158
Installed Capacity (MW)	**2,466**	**2,466**	**0%**	**+0**
Hydro	1,746	1,745	0%	+0
Thermal	720	720	-	-
Installed Capacity (MW Equity)	**296**	**187**	**59%**	**+110**
Electricity Sold (GWh)	**5,736**	**6,880**	**-17%**	**-1,143**
PPA contracted	5,457	6,124	-11%	-667
Hydro	3,408	3,786	-10%	-378
Thermal	2,049	2,337	-12%	-289
Other	280	756	-63%	-476
Avg. Hydro PPA Sale Price (R$/MWh) (2)	**180**	**162**	**11%**	**+18**
Capex (R$ m)	**45**	**38**	**18%**	**+7**
Financial Investments (R$ m)	**133**	**244**	**-45%**	**-111**
Employees (#)	**498**	**554**	**-10%**	**-56**

EBITDA Breakdown (R$ m)	1H17	1H16	Δ %	Δ Abs.
Pecém (100%)	198	361	-45%	-163
Lajeado (73% owned by EDPB)	204	217	-6%	-12
Peixe Angical (60% owned by EDPB)	129	118	9%	+11
Other (100%)	130	96	35%	+34
EBITDA	**662**	**792**	**-16%**	**-130**

Supply	1H17	1H16	Δ %	Δ Abs.
Gross profit (R$ m)	**94**	**5**	**1822%**	**+89**
Net Operating costs (R$ m)	17	12	41%	+5
EBITDA (R$ m)	**76**	**(7)**	**-**	**+84**
Electricity sales (GWh)	**6,949**	**5,651**	**23%**	**+1,298**

EBITDA from our electricity generation activities in Brazil went down 16% YoY (-R$130m in 1H17) to R$662m in 1H17, reflecting (i) lower EBITDA at Pecém coal plant (-R$163m YoY), mostly due to the booking of an insurance compensation revenue in 1H16 (R$82m), but also due to higher spot prices in 1H17 vs. 1H16, which were partly offset by (ii) slightly higher EBITDA at our hydro plants, benefiting from GSF of 97% in 1H17. Accordingly, EBITDA from hydro reached R$227m in the 2Q17 (vs. R$208m in the 2Q16). 2017 should nevertheless be quite impacted by a hydro deficit, particularly in the light of higher expected spot energy price (PLD).

Hydro gross profit increased 3% YoY in 1H17, reaching R$509m, mostly due to the above mentioned impact of high level of GSF (97% in 1H17 vs. 89% in 1H16). The combined effect of GSF energy, the hydro insurance (for GSF<92%) and volumes left uncontracted for hedging purposes allowed for a positive impact of R$56m in 1H17 vs. R$1m in 1H16. The **avg. price of hydro** volumes, which reached R$180/MWh in 1H17, was 11% higher YoY (PPA prices are inflation updated annually). These positive effects were partly offset by lower **hydro volumes sold** (-9% YoY), mostly due to (i) the sale of Pantanal mini-hydro in Jan-16; and (ii) the end of some PPAs in Peixe Angical hydro plant in Jan-16. Note that market expects high levels of PLD for the subsequent quarters (avg. PLD at R$229/MWh in 1H17 vs. R$48/MWh in 1H16, and currently at R$270/MWh).

Pecém's gross profit reached R$260m in 1H17 (-R$102m YoY), of which R$426m relative to PPA fixed revenues. Availability stood at 92% in 1H17 vs. 89% in 1H16, even though EBITDA comparison was negatively impacted by (i) higher PLD in the 1H17 vs. 1H16, leading to higher costs with short term energy purchases; and (ii) a positive impact in 1H16 from a reduction in the provision for penalties on unavailability. Worth noting that Pecém's EBITDA in 1H16 was positively impacted (R$82m) by an insurance recovery related with a large maintenance in one of the plant's groups in 2014. Additionally, the impact of the emergency charge on water usage to keep operating the plant in light of the drought in the state of Ceará registered in the 4Q16 was revised and thus the provision was fully reverted (+R$30m) in 1H17.

EDPB operates 2.8GW of capacity, of which 0.3GW are equity consolidated. Equity accounted capacity refers to a 50% equity stake in **Santo António 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 1H17, our 50% stake in Jari contributed with a net gain of R$4m (+R$8m YoY), reflecting the impact of the inflation adjustment on PPA prices. Cachoeira-Caldeirão, whose PPA started in Jan-17, contributed with a net loss of R$7m (@50%) impacted by interest costs, given the initial stage of the asset's life. São Manoel, a 700MW project (33.3%-owned by EDPB in partnership with CTG and Furnas), contributed with a net loss of R$1m.

Capex increased R$7m YoY to R$45m in 1H17, corresponding mostly to maintenance works in Pecém. Note that equity investments devoted to São Manoel hydro project is classified as 'financial investments' (equity-method accounted) and in 1H17, **financial investments** totalled R$133m, which were devoted to São Manoel's construction works. **São Manoel** is under construction (91% concluded) and has a PPA starting in May-18.

Electricity supply gross profit increased R$89m to R$94m in 1H17, reflecting higher volumes and higher margins.

(1) OPEX = Supplies & services + Personnel costs + Costs with social benefits; (2) Calculated with PPA prices and volumes.

Income Statements & Annex

Income Statement by Business Area

1H17 (€m)	Generation & Supply Iberia	Regulated Networks Iberia	EDP Renováveis	EDP Brasil	Corpor. Activ. & Adjustments	EDP Group
Revenues from energy sales and services and other	**3,951**	**2,855**	**872**	**1,498**	**(1,300)**	**7,875**
Gross Profit	**671**	**867**	**856**	**504**	**(5)**	**2,893**
Supplies and services	145	164	155	88	(80)	472
Personnel costs and employee benefits	80	74	50	68	69	341
Other operating costs (net)	86	117	(68)	33	10	177
Operating costs	**310**	**355**	**137**	**189**	**(0)**	**991**
EBITDA	**360**	**513**	**719**	**316**	**(5)**	**1,902**
Provisions	(0)	(3)	0	4	0	2
Amortisation and impairment (1)	189	153	260	83	24	709
EBIT	**172**	**362**	**459**	**229**	**(29)**	**1,192**

1H16 (€m)	Generation & Supply Iberia	Regulated Networks Iberia	EDP Renováveis	EDP Brasil	Corpor. Activ. & Adjustments	EDP Group
Revenues from energy sales and services and other	**3,813**	**2,871**	**800**	**1,031**	**(1,369)**	**7,146**
Gross Profit	**962**	**863**	**785**	**371**	**(12)**	**2,970**
Supplies and services	138	170	142	70	(84)	436
Personnel costs and employee benefits	64	71	45	56	87	324
Other operating costs (net)	118	126	(50)	(56)	6	144
Operating costs	**320**	**367**	**137**	**70**	**9**	**903**
EBITDA	**643**	**496**	**648**	**301**	**(21)**	**2,067**
Provisions	(25)	4	1	3	12	(5)
Amortisation and impairment (1)	182	169	294	67	32	744
EBIT	**486**	**323**	**354**	**231**	**(65)**	**1,327**

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

Quarterly Income Statement

Quarterly P&L (€ m)	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	Δ YoY %	Δ QoQ %
Revenues from energy sales and services and other	**3,787**	**3,361**	**3,437**	**4,011**	**4,233**	**3,642**			**8%**	**-14%**
Cost of energy sales and other	**(2,240)**	**(1,938)**	**(2,143)**	**(2,536)**	**(2,710)**	**(2,272)**			**-17%**	**16%**
Gross Profit	**1,547**	**1,423**	**1,294**	**1,475**	**1,523**	**1,370**			**-4%**	**-10%**
Supplies and services	205	230	239	273	227	246			7%	8%
Personnel costs and Employee Benefits	161	162	163	174	171	169			4%	-1%
Other operating costs (net)	51	93	66	161	114	263			182%	131%
Operating costs	**417**	**486**	**468**	**608**	**512**	**479**			**-**	**-**
EBITDA	**1,130**	**937**	**826**	**867**	**1,011**	**892**			**-5%**	**-12%**
Provisions	3	(8)	(10)	(0)	4	(2)			70%	-
Amortisation and impairment (1)	366	378	371	395	359	349			-8%	-3%
EBIT	**760**	**567**	**465**	**472**	**648**	**545**			**-4%**	**-16%**
Financial Results	(180)	(228)	(227)	(257)	(197)	(173)			24%	12%
Share of net profit in joint ventures and associates	(8)	3	2	(19)	(1)	8			157%	-
Profit before income tax and CESE	**573**	**342**	**240**	**196**	**450**	**379**			**11%**	**-16%**
Income taxes	152	91	57	(211)	66	53			-41%	-19%
Extraordinary contribution for the energy sector	59	-	2	1	70	**(2)**			-	n.m.
Net Profit for the period	362	251	181	406	315	328			31%	4%
Net Profit Attributable to EDP	**263**	**209**	**143**	**346**	**215**	**235**			**12%**	**9%**
Non-controlling Interests	100	42	38	60	100	93			122%	-7%

(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)							
	1H17	1H16	Δ MW	Δ %	1H17	1H16	Δ GWh	Δ %	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
Iberia (Ex-Wind & Solar)	**13,680**	**12,691**	**988**	**8%**	**16,778**	**19,620**	**-2,842**	**-14%**	**10,632**	**8,989**	**8,255**	**8,783**	**9,241**	**7,538**		
Hydro	**7,178**	**6,187**	**991**	**16%**	**4,522**	**12,008**	**-7,487**	**-62%**	**6,394**	**5,615**	**1,995**	**2,138**	**2,948**	**1,573**		
Portugal	**6,752**	**5,761**			**4,258**	**11,247**			**5,934**	**5,313**	**1,918**	**2,046**	**2,773**	**1,485**		
Pumping activity	2,799	1,767			-1,202	-785			-464	-321	-256	-397	-550	-652		
Run of the river	2,435	2,479			2,077	6,134			3,122	3,012	929	1,098	1,364	713		
Reservoir	4,314	3,282			2,180	5,113			2,811	2,301	989	948	1,409	771		
PPA/CMEC	2,663	2,663	0	0%	1,788	5,316	-3,528	-66%	2,854	2,462	916	947	1,261	528		
Liberalised	4,088	3,097	991	32%	2,470	5,931	-3,461	-58%	3,080	2,851	1,002	1,099	1,512	957		
Spain	**426**	**426**	**0**	**0%**	**264**	**761**	**-498**	**-65%**	**460**	**301**	**77**	**92**	**175**	**88**		
CCGT	**3,736**	**3,736**	**0**	**0%**	**3,101**	**1,017**	**2,084**	**205%**	**465**	**552**	**1,909**	**2,316**	**1,713**	**1,388**		
Portugal	**2,039**	**2,039**	0	0%	**2,308**	**613**	1,696	277%	**232**	**381**	**1,404**	**1,586**	**1,105**	**1,203**		
Ribatejo (3 groups)	1,176	1,176			934	483			168	314	466	700	473	460		
Lares (2 groups)	863	863			1,375	130			63	67	938	886	631	743		
Spain	**1,698**	**1,698**	0	0%	**793**	**404**	389	96%	**234**	**171**	**505**	**730**	**608**	**185**		
Castejón (2 groups)	843	843			554	296			135	161	503	488	389	164		
Soto IV & V (2 groups)	854	854			239	108			99	9	2	242	219	20		
Coal	**2,404**	**2,404**	**0**	**0%**	**8,297**	**5,405**	**2,891**	**53%**	**3,106**	**2,299**	**3,916**	**3,910**	**4,053**	**4,244**		
Portugal - Sines (4 groups)	**1,180**	**1,180**	**0**	**0%**	**4,678**	**3,304**	**1,375**	**42%**	**1,773**	**1,530**	**2,505**	**2,274**	**2,192**	**2,486**		
Spain	**1,224**	**1,224**	**0**	**0%**	**3,619**	**2,102**	**1,517**	**72%**	**1,333**	**769**	**1,411**	**1,637**	**1,860**	**1,758**		
Aboño I	342	342			1,011	761			309	452	561	667	508	503		
Aboño II	536	536			1,985	1,048			854	194	547	480	1,006	979		
Soto Ribera III	346	346			623	293			170	123	303	490	346	277		
Nuclear - Trillo (15.5%)	**156**	**156**	**0**	**0%**	**557**	**560**	**-3**	**-1%**	**330**	**230**	**338**	**341**	**333**	**223**		
Other	**206**	**209**	**-3**	**-1%**	**302**	**630**	**-327**	**-52%**	**337**	**293**	**96**	**79**	**193**	**109**		
Portugal	**181**	**184**	**-3**	**-1%**	**242**	**573**	**-331**	**-58%**	**311**	**262**	**65**	**67**	**163**	**78**		
Small-Hydro	157	159			200	473			259	214	27	50	148	52		
Cogeneration	24	24			41	100			52	48	39	17	15	26		
Spain - Cogenerat. & Waste	**25**	**25**	**0**	**0%**	**61**	**57**	**4**	**7%**	**26**	**31**	**31**	**12**	**30**	**31**		
Wind	**9,987**	**9,283**	**704**	**8%**	**14,467**	**13,241**	**1,226**	**9%**	**7,508**	**5,733**	**4,695**	**6,397**	**7,690**	**6,777**		
Iberia	**3,443**	**3,441**	**2**	**0%**	**4,198**	**4,629**	**-431**	**-9%**	**2,696**	**1,933**	**1,667**	**1,674**	**2,318**	**1,880**		
Portugal	1,249	1,247			1,533	1,749			1,038	711	564	730	876	657		
Spain	2,194	2,194			2,665	2,879			1,658	1,221	1,102	945	1,442	1,223		
North America	**4,831**	**4,203**	**628**	**15%**	**8,151**	**6,713**	**1,438**	**21%**	**3,680**	**3,033**	**2,262**	**3,532**	**4,175**	**3,976**		
US	4,601	4,173			7,823	6,675			3,657	3,018	2,249	3,510	4,059	3,764		
Canada	30	30			44	39			23	16	14	23	22	21		
Mexico	200	0			284	0			0	0	0	0	93	191		
Rest of Europe	**1,509**	**1,435**	**74**	**5%**	**1,804**	**1,693**	**110**	**7%**	**1,078**	**616**	**532**	**964**	**1,050**	**754**		
Brazil	**204**	**204**	**0**	**0%**	**314**	**205**	**109**	**53%**	**54**	**151**	**234**	**226**	**147**	**167**		
Solar	**85**	**82**	**3**	**3%**	**79**	**73**	**6**	**9%**	**27**	**46**	**44**	**22**	**28**	**51**		
Brazil (Ex-Wind)	**2,466**	**2,466**	**0**	**0%**	**4,287**	**4,850**	**-563**	**-12%**	**2,805**	**2,045**	**1,879**	**2,151**	**2,262**	**2,026**		
Hydro	**1,746**	**1,745**	**0**	**0%**	**2,238**	**2,511**	**-272**	**-11%**	**1,666**	**844**	**878**	**1,059**	**1,270**	**968**		
Lajeado	903	903			1,100	1,302			903	399	394	412	618	482		
Peixe Angical	499	499			737	906			580	327	400	353	410	327		
Energest	345	344			402	302			183	119	84	294	242	160		
Coal (Pecém I)	**720**	**720**	**0**	**0%**	**2,049**	**2,339**	**-291**	**-12%**	**1,138**	**1,201**	**1,001**	**1,092**	**991**	**1,057**		
TOTAL	**26,218**	**24,522**	**1,695**	**7%**	**35,612**	**37,785**	**-2,173**	**-6%**	**20,972**	**16,813**	**14,873**	**17,353**	**19,221**	**16,391**		

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

EDP - Volumes distributed, customers connected and networks

ELECTRICITY

Electricity Distributed (GWh)	1H17	1H16	Δ GWh	Δ %
Portugal	**22,094**	**22,287**	**-193**	**-0.9%**
Very High Voltage	1,113	1,085	28	2.6%
High / Medium Voltage	10,708	10,323	385	3.7%
Low Voltage	10,274	10,879	-606	-5.6%
Spain	**4,633**	**4,637**	**-4**	**-0.1%**
High / Medium Voltage	3,516	3,499	17	0.5%
Low Voltage	1,118	1,139	-21	-1.8%
Brazil	**12,392**	**12,429**	**-38**	**-0.3%**
Free Customers	5,128	4,324	804	18.6%
Industrial	1,008	1,497	-490	-32.7%
Residential, Comercial & Other	6,256	6,608	-352	-5.3%
TOTAL	**39,119**	**39,353**	**-235**	**-0.6%**

Customers Connected (th)	1H17	1H16	Abs. Δ	Δ %
Portugal	**6,168**	**6,126**	**41.3**	**0.7%**
Very High / High / Medium Voltage	25	24	0.2	0.9%
Special Low Voltage	35	35	0.7	1.9%
Low Voltage	6,108	6,067	40.5	0.7%
Spain	**662**	**661**	**1.9**	**0.3%**
High / Medium Voltage	1	1	0.0	0.4%
Low Voltage	661	659	1.9	0.3%
Brazil	**3,347**	**3,281**	**65.9**	**2.0%**
EDP São Paulo	1,821	1,785	35.7	2.0%
EDP Espírito Santos	1,526	1,496	30.2	2.0%
TOTAL	**10,177**	**10,068**	**109.1**	**1.1%**

Networks	1H17	1H16	Abs. Δ	Δ %
Lenght of the networks (Km)	**337,607**	**336,608**	**999**	**0.3%**
Portugal	225,853	225,092	761	0.3%
Spain	20,553	20,411	142	0.7%
Brazil	91,201	91,105	96	0.1%
Losses (% of electricity distributed)				
Portugal (1)	11.2%	9.4%	1.8 pp	
Spain	3.8%	4.4%	-0.6 pp	
Brazil				
EDP São Paulo	8.7%	9.2%	-0.4 pp	
Technical	5.4%	5.5%	-0.1 pp	
Comercial	3.3%	3.7%	-0.3 pp	
EDP Espírito Santo	13.5%	14.0%	-0.5 pp	
Technical	8.5%	8.5%	-0.0 pp	
Comercial	5.0%	5.5%	-0.5 pp	

GAS

Gas Distributed (GWh)	1H17	1H16	Δ GWh	Δ %
Portugal	**3,808**	**3,803**	**5**	**0.1%**
Low Pressure	621	655	-34	-5.1%
Medium Pressure	3,175	3,148	27	0.8%
LPG	12	-	12	-
Spain	**16,154**	**14,599**	**1,554**	**10.6%**
Low Pressure	5,313	5,265	48	0.9%
Medium Pressure	10,597	9,334	1,263	13.5%
LPG	244	-	244	-
TOTAL	**19,961**	**18,402**	**1,559**	**8.5%**

Supply Points (th)	1H17	1H16	Abs. Δ	Δ %
Portugal	**348**	**336**	**13**	**3.8%**
Low Pressure	344	334	10	3.0%
Medium Pressure	1.5	1.4	0.1	5.0%
LPG	2.6	-	2.6	-
Spain	**1,014**	**922**	**92**	**10.0%**
Low Pressure	930	921	9	1.0%
Medium Pressure	0.7	0.7	0	-1.0%
LPG	83	-	83	-
TOTAL	**1,362**	**1,257**	**104.7**	**8.3%**

Networks	1H17	1H16	Abs. Δ	Δ %
Lenght of the networks (Km)	**13,307**	**12,714**	**593**	**4.7%**
Portugal	5,166	4,951	215	4.3%
Spain	8,141	7,764	378	4.9%

(1) Excludes Very High Voltage

Financial investments & Assets for Sale / Non-controlling interests

Financial investments & Assets for Sale	Attributable Installed Capacity - MW (1)				Share of profit (2) (€ m)				Book value (€ m)			
	1H17	1H16	Δ MW	Δ %	1H17	1H16	Δ	Δ %	1H17	1H16	Δ	Δ %
EDP Renováveis	**356**	**356**	**0**	**0%**	**2**	**-3**	**6**	**-**	**329**	**332**	**-3**	**-1%**
Spain	177	177										
US	179	179										
Other	0	0										
EDP Brasil	**296**	**260**	**37**	**14%**	**-1**	**-5**	**3**	**-71%**	**366**	**304**	**62**	**20%**
Jari	187	187			1	-3						
Cachoeira-Caldeirão	110	73			-2	-2						
São Manoel	0	0			0	0						
Iberia (Ex-wind) & Other	**41**	**41**	**0**	**0%**	**6**	**3**	**3**	**84%**	**251**	**302**	**-50**	**-17%**
Portugal - Biomass (Bioelectrica)	32	32										
Spain - Cogeneration & Waste	10	10										
Macao - Distribution (CEM)												
Other												
Assets Held for Sale (net of liabilities)			**0**	**-**	**N/A**	**N/A**			**2,531**	**0**	**2,531**	**n.m.**
Portgas									490	0	490	-
Naturgas Distribución									1,963	0	1,963	-
Other									78	0	78	-
TOTAL	**693**	**657**	**37**	**6%**	**7**	**-5**	**12**	**-**	**3,477**	**937**	**2,540**	**271%**

Non-controlling interests	Attributable Installed Capacity - MW (1)				Share of profits (2) (€ m)				Book value (€ m)			
	1H17	1H16	Δ MW	Δ %	1H17	1H16	Δ	Δ %	1H17	1H16	Δ	Δ %
EDP Renováveis	**4,994**	**3,939**	**1,055**	**27%**	**138**	**82**	**57**	**70%**	**2,932**	**2,632**	**300**	**11%**
At EDPR level:	**2,728**	**1,832**	**896**	**49%**	**108**	**70**	**39**	**55%**	**1,512**	**1,267**	**246**	**19%**
Iberia	851	378										
North America	1,220	1,122										
Rest of Europe	557	232										
Brazil	100	100										
22.5% attributable to free-float of EDPR	**2,266**	**2,107**	**159**	**8%**	**30**	**12**	**18**	**156%**	**1,420**	**1,365**	**54**	**4%**
EDP Brasil	**1,814**	**1,814**	**0**	**0%**	**56**	**60**	**-4**	**-7%**	**1,458**	**1,566**	**-108**	**-7%**
At EDP Brasil level:	**606**	**606**	**0**	**0%**	**18**	**18**	**-1**	**-3%**	**396**	**467**	**-71**	**-15%**
Hydro	606	606										
Other	0	0										
49% attributable to free-float of EDP Brasil	**1,208**	**1,208**	**0**	**0%**	**38**	**42**	**-4**	**-9%**	**1,062**	**1,099**	**-37**	**-3%**
Iberia (Ex-wind) & Other	**12**	**12**	**0**	**0%**	**-2**	**0**	**-2**	**560967%**	**-39**	**83**	**-123**	**-**
TOTAL	**6,820**	**5,765**	**1,055**	**18%**	**192**	**142**	**51**	**36%**	**4,350**	**4,281**	**69**	**2%**

(1) MW attributable to associated companies & JVs and non-controlling interests; (2) Share of profit in JVs & associates and from non-controlling interests; assets held for sale not included

EDP - Sustainability performance

Main Events 1H17

IR Magazine Awards

EDP occupies the 7th place at European level, in the Investor Relations and is the best Portuguese company in the ranking. EDP Renováveis was awarded the 3rd place of small and medium market capitalization companies.

Most Valuable Portuguese Brand

Brand Finance considered the EDP brand to be the most valuable at the national level for the 7th consecutive year and evaluated with AA +.

Good Practice of the Year

EDP won the Diversity Management category of the European Excellence Awards in HR 2017, with the EDP Group's Strategic Inclusion and Diversity Plan.

EDP Internal Sustainability Index (base 2010-12)

	1H17	1H16	Δ %
Sustainab. Index (a)(b)(c)	**100**	**107**	**-7%**
Environmental	88	108	-19%
%Weight	33%	33%	
Economic	102	104	-2%
%Weight	37%	37%	
Social	110	109	1%
%Weight	30%	30%	

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

Economic Metrics	1H17	1H16	Δ %
Economic Value (€m)	**8,322**	**7,980**	**4%**
Distributed	7,617	7,463	2%
Accumulated	705	517	36%
Energy Serv. Revenues (1	**571**	**585**	**-2%**
Energy Efficiency Serv. (a)	61	43	-

Social Metrics	1H17	1H16	Δ %
Employees	**11,938**	**11,923**	**0%**
Total hours of training	**176,974**	**148,286**	**19%**
On-duty Accidents (d)(e)	**13**	**16**	**-19%**
Severity Rate (Tg) (d)	107	83	29%
Freq. rate (Tf) (d)	1.2	1.4	-18%
Fatal accidents (3rds)	4	3	33%

Environmental Metrics	1H17	1H16	Δ %
Absolute Atmospheric Emissions (kt)			
CO2 (b)(f)	10,607	9,381	13%
NOx	8.7	4.5	95%
SO2	14.5	4.2	243%
Particle	0.642	0.287	124%
Specific Atmospheric Emissions (g/KWh)			
CO2 (b)(f)	298.8	210.4	42%
NOx	0.25	0.12	107%
SO2	0.41	0.11	263%
GHG emissions (ktCO2 eq)			
Direct Emissions (scope 1) (b)	10,618	7,940	34%
Indirect emissions (scope 2) (c)	358	293	22%
Primary Energy Consumption (TJ) (g)	**128,113**	**91,241**	**40%**
Max. Net Certified Capacity (%)	**90%**	**91%**	**-1.6p.p.**
Water Use (10^3 m^3)	**867,618**	**694,641**	**25%**
Total Waste to final disposal (t)	**226,003**	**229,651**	**0%**
Environmental Matters (€ th)	**50,459**	**52,452**	-4%
Investments	24,617	24,126	2%
Expenses	25,842	28,326	-9%
Environmental Fees and Penalties (€)	**11,096**	**16,979**	**-35%**

Environmental Metrics - CO2 Emissions

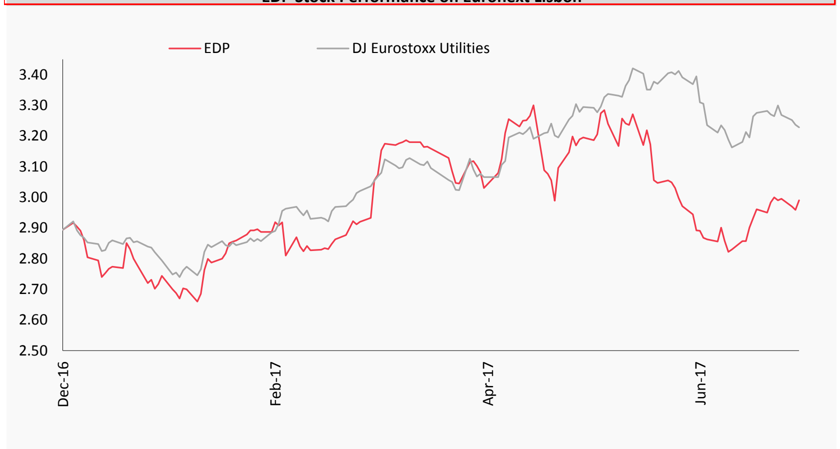
CO2 Emissions	Absolute (ktCO2) (b)		Specific (t/MWh)		Generation (h) (GWh)	
	1H17	1H16	1H17	1H16	1H17	1H16
Iberia	**8,366**	**5,167**	**0.70**	**0.74**	**11,941**	**7,026**
Coal	7,098	4,647	0.86	0.86	8,297	5,405
CCGT	1,195	427	0.39	0.42	3,101	1,017
Cogeneration + Waste	74	93	0.14	0.15	543	604
Brazil	**2,241**	**2,757**	**1.09**	**1.18**	**2,049**	**2,339**
Coal (PPA contracted)	2,241	2,757	1.09	1.18	2,049	2,339
Thermal Generation	**10,607**	**7,924**	**0.76**	**0.85**	**13,990**	**9,365**
CO_2 Free Generation					**21,507**	**28,306**
CO_2 Emissions			**0.30**	**0.21**	**35,497**	**37,671**

(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 1,836 ktCO2 in 2017 and 1,457 ktCO2 in 2016.
(c) Scope 2 emissions according with GHG Protocol based location methodology.
(d) EDP + ESP (External Services Provider).
(e) Accidents leading to an absence of one more calender day and fatalities.
(f) Includes only stationary emissions.
(g) Including vehicle fleet.
(h) Includes heat generation (2017: 441 GWh vs 2016: 447 GWh).

(1) Energy Efficiency Services and Suplementary 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's Main Events

9-Jan: Norges Bank decreases its ownership interest in the cash share capital of EDP
24-Jan: EDP issues €600 million bond maturing in September 2023
30-Jan: Change of qualified shareholding – Mubadala Investment Company acquires 100% of IPIC shares and voting rights on EDP
27-Feb: EDPR announces the sale of a minority stake in Portuguese assets to CTG
27-Mar: EDP sells €574 million of tariff deficit in Portugal
27-Mar: EDP has accepted a binding offer for the sale of 100% of gas distribution in Spain
27-Mar: EDP Preliminary announcement for the launch of general and voluntary tender offer for the acquisition of the shares issued by EDP Renováveis
28-Mar: Norges Bank qualified shareholding – amendment of title of imputation
30-Mar: Standard & Poors affirmed EDP at "BB+" with Positive outlook
3-Apr: Moody's affirmed EDP at "Baa3" with stable outlook
4-Apr: Norges Bank qualified shareholding – amendment of title of imputation
7-Apr: EDP sells 100% of EDP Gás (Portgas)
20-Apr: EDP's Annual General Shareholders Meeting
24-Apr: Payment of Dividends – Financial Year 2016
24-Apr: EDP signs a definitive agreement for the sale of 100% of gas distribution in Spain (Naturgas Energía Distribución)
24-Apr: EDP Brasil awarded with 4 new electricity transmission concessions
5-Jun: Investigation on the termination of PPA contracts on power plants in Portugal and its replacement for CMEC
21-Jun: EDP issues U.S.$ 1,000,000,000 of notes
30-Jun: EDPR announces the completion of the sale of a minority stake in Portuguese assets to CTG

EDP Stock Market Performance	YTD	52W 26-07-2017	2015
EDP Share Price (Euronext Lisbon - €)			
Close	2.990	2.990	3.000
Max	3.306	3.306	3.306
Min	2.641	2.626	2.641
Average	2.980	2.952	2.980
EDP's Liquidity in Euronext Lisbon			
Turnover (€ m)	2,995	4,665	2,999
Average Daily Turnover (€ m)	21	18	21
Traded Volume (million shares)	1,005	1,581	1,006
Avg. Daily Volume (million shares)	6.9	6.1	6.9

EDP Share Data	1H17	1H16	Δ %
Number of shares Issued (million)	3,656.5	3,656.5	-
Treasury stock (million)	21.6	21.4	1.0%

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