9M17

Financial Results

Conference call and webcast

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Content

Main Highlights

Income Statement (€ m)	9M17	9M16	Δ %	Δ Abs.
Gross Profit	**4,122**	**4,263**	**-3%**	**-141**
Supplies and services	707	674	5%	+33
Personnel costs, employees benefits	499	487	3%	+13
Other operating costs (net)	(353)	210	-	-563
Net Operating costs (1)	**853**	**1,371**	**-38%**	**-518**
EBITDA	**3,269**	**2,893**	**13%**	**+376**
Provisions	1	(15)	-	+16
Amortisation and impairment (2)	1,055	1,115	-5%	-61
EBIT	**2,213**	**1,792**	**23%**	**+421**
Financial Results	(593)	(635)	7%	+42
Share of net profit joint ventures/associates	11	(3)	-	+14
Pre-tax profit	**1,631**	**1,155**	**41%**	**+476**
Income taxes	175	300	-41%	-124
Extraord. contribution energy sector	69	61	15%	+9
Net profit for the period	1,386	794	74%	+592
Net Profit	**1,147**	**615**	**86%**	**+532**
Non-controlling Interest	239	179	34%	+60

Key Operational Data	9M17	9M16	Δ %	Δ Abs.
Employees	11,716	11,975	-2%	-259
Installed capacity (MW)	26,466	24,522	8%	+1,944

Key Financial Data (€ m)	9M17	9M16	Δ %	Δ Abs.
FFO (Funds from operations)	2,610	1,562	67%	+1,048
Capex	1,078	1,160	-7%	-82
Maintenance	426	439	-3%	-13
Expansion	652	721	-10%	-70
Net investments	1,148	505	127%	+643

Key Balance Sheet Data (€ m)	Sep-17	Dec-16	Δ %	Δ Abs.
Equity book value	9,798	9,406	4%	+392
Net debt	15,135	15,923	-5%	-788
Regulatory receivables	1,337	951	41%	+387
Net debt/EBITDA (x) (4)	4.2x	4.2x	0%	0.0x
Adjusted net debt/EBITDA (x) (3)(4)	3.8x	4.0x	-3%	-0.1x

Consolidated EBITDA increased by 13% YoY, to €3,269m in 9M17. Adjusted for one-off impacts (+€61m in 9M16 and +€558m in 9M17; details on page 3), EBITDA was 4% lower YoY, impacted by a 20% YoY decline in Iberia prompted by hydro resources 43% short of LT average in 9M17 (compared to a 66% premium over LT average in 9M16) and the de-consolidation of Naturgas Electricidad Distribuicíón ('NED') following its disposal in late Jul-17. Performance in Iberia was partially compensated by: i) 17% YoY increase in **EDPR**'s contribution to group EBITDA, driven by portfolio expansion (+8% on avg., mainly focused in US, Mexico and Brazil) and by the first farm-down in offshore (Moray project in UK); and ii) 13% YoY increase in the recurring contribution of EDP Brasil, on favorable ForEx impact and an active hedging strategy as to mitigate the deterioration of hydro situation in Brazil.

Installed capacity grew by 8% YoY, to 26.5GW in 9M17, mainly driven by new hydro in Portugal (+977MW) and wind capacity additions (+939MW, the bulk of which in US and Mexico). **Portfolio of contracts with customers** grew by 1% YoY, to 11.4m in Sep-17.

Operating costs (Supplies and services + Personel costs) rose by +€46m YoY, to €1,207m in 9M17, mostly reflecting ForEx evolution (+€36m in 9M17) and 6% increase in avg. capacity. Excluding ForEx impact, it is worth to highlight by business areas: i) in **Iberia**, costs fell by 1% YoY reflecting tight cost control; ii) at **EDPR** level, core Opex/avg MW was down by 2% YoY; iii) at **EDP Brasil** level, costs grew by 3.5%, slightly below local inflation. **Other net operating costs/(revenues)** switched from €210m costs in 9M16, to €353m revenues in 9M17, mainly reflecting this year's gain on the disposal of NED.
Total regulatory costs in Iberia (clawback, social tariff and extraordinary energy tax in Portugal; generation taxes in Spain), amounted to €229m in 9M17 (+26% YoY).

EBIT rose by 23% YoY, to €2,213m in 9M17. **Net financial costs and Results with JVs and associates** decreased by €56m YoY, to €582m in 9M17, benefitting from a 13% YoY decrease in net interest cost, prompted by a 40bp YoY decline in avg. cost of debt (to 4.1% in 9M17) and lower avg. net debt (-€0.7bn YoY). **Non-controlling interests** advanced to €239m in 9M17, on higher share of minorities at wind farms and higher net profit of EDPR. Overall, **net profit attributable to EDP shareholders** was 86% higher YoY, at €1,147m in 9M17. Excluding non-recurrent items (-€46m in 9M16, +€514m in 9M16, as described on page 4), adjusted net profit in 9M17 amounted to €633m (-4% YoY vs. €661m in 9M16).

Net debt fell from €15.9bn in Dec-16 to €15.1bn in Sep-17, mainly reflecting: i) €1.0bn from organic free cash flow; ii) €0.7bn paid as per the annual dividend; iii) €1.0bn from expansion investments and related items, net of disposals, which include net cash proceeds from the portfolio reshuffling announced in Mar-17 (+€2.2bn from the sale of NED and -€0.3bn from the acquisition of an additional 5% stake in EDPR); and iv) €0.4bn increase in regulatory receivables, justified by a slower pace of tariff deficit sales.

(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 recurring EBITDA of €3,577m and net debt excluding 50% of hybrid bond issue (including interest).

EBITDA Breakdown

EBITDA (€ m)	9M17	9M16	Δ %	Δ Abs.	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	3Q17 YoY Δ %	3Q17 YoY Δ Abs.	3Q17 QoQ Δ %	3Q17 QoQ Δ Abs.
Generation & Supply Iberia	518	856	-39%	-337	339	304	213	214	201	160	158		-26%	-55	-1%	-2
Regulated Networks Iberia	717	749	-4%	-32	234	262	254	240	265	248	205		-19%	-49	-17%	-43
Wind & Solar Power	991	847	17%	+144	379	269	198	324	373	345	272		37%	74	-21%	-73
Brazil	464	464	0%	-0	185	116	163	129	164	151	148		-9%	-14	-2%	-3
Other	579	(23)	-	+602	(7)	(14)	(2)	(41)	8	(13)	583		-	585	-	596
Consolidated	**3,269**	**2,893**	**13%**	**+376**	**1,130**	**937**	**826**	**867**	**1,011**	**892**	**1,367**		**65%**	**541**	**53%**	**475**

Consolidated EBITDA rose by 13% YoY, to €3,269m in 9M17. Excluding the one off impacts (€61m in 9M17 and €558m in 9M17; details below(1)), **EBITDA decreased 4% YoY in 9M17, to €2,711m**, mainly reflecting the de-consolidation of gas distribution in Spain as from 27-Jul-17 (-€24m) and the abnormally dry weather in 9M17 compared to last year's outstanding hydro conditions (9M), which outpaced the benefits of higher average capacity on stream (+6% on average), more favourable regulatory terms in Brazil and positive impact from ForEx: +€54m, mainly due to the average appreciation of BRL vs. Euro (+12%).

GENERATION & SUPPLY IN IBERIA (19% of EBITDA) – EBITDA fell 39% YoY, to €518m in 9M17, impacted by the very weak 9M17's hydro resources and higher pool prices in Iberia which compared very toughly with 9M16's extremely wet period and low price context: hydro resources in Portugal were 43% below avg. in 9M17 vs. a 66% premium in 9M16; and the pool price lifted to €50/MWh in 9M17 from €34/MWh in 9M16. EBITDA in 9M17 reflected: (i) a more expensive generation mix (€33/MWh in 9M17 vs. €17/MWh in 9M16), stemming from the replacement of lower-cost hydro production (23% weight in generation mix in 9M17 vs. 52% in 9M16) 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) 41% YoY decline in gross profit from contracted production, to €33m in 9M17, as production at our mini-hydro plants was penalised by harsher weather conditions; and (iv) higher regulatory costs, which went up by +€35m YoY, to €138m in 9M17, mostly driven by higher costs with social tariff in Portugal and generation taxes in Spain. Note that, as from Jul-17, our PPA/CMEC generation capacity (2.7GW of hydro, 1.2GW of coal) bear hydro and market risk.

REGULATED NETWORKS IN IBERIA (27% of EBITDA) – EBITDA fell by 4% YoY (-€32m), to €717m in the 9M17, mainly reflecting the sale of gas distribution activity in Spain (-€24m), tight cost control, and lower gross profit. On a pro-forma basis (excluding NED and Portgas, the latter ultimately sold on 4-Oct-17), EBITDA was down 1% YoY, reflecting a 1% decrease in OPEX and negative adjustments to previous years' revenues. Gross profit fell by 4% YoY (-€49m), to €1,242m in the 9M17, mainly impacted by the sale of gas distribution in Spain (-€20m YoY), the regulatory review in the gas distribution business in Portugal (in Jul-16) and lower adjustments to previous years' revenues, both in gas distribution in Portugal and electricity distribution in Spain.

WIND & SOLAR POWER (37% of EBITDA) – EDPR's contribution to consolidated EBITDA rose by 17% YoY (+€144m) to €991m in 9M17, mainly driven by a 10% rise in production, an increase in income from Institutional partnerships (+28% YoY) and the impact from our first farm down in the wind off shore project, Moray, in UK. Growth in production was prompted by an 8% YoY increase in average capacity on stream and 1pp YoY increase in the average load factor. Opex rose by 6% YoY, short of avg. portfolio expansion. Income from Institutional partnerships rose to €166m in 9M17, on back of new institutional Tax Equity structures and an increase in PTCs from USD23/MWh to USD24/MWh.

BRAZIL (17% of EBITDA) - EDP Brasil's contribution to consolidated EBITDA was stable YoY, at €464m in 9M17, impacted by last year's gain booked in the sale of Pantanal mini-hydro. Excluding this gain, EBITDA in Brazil grew by 13% YoY (+€55m), largely driven by favourable ForEx impact (+€50m in the wake of BRL 12% appreciation vs. Euro). In local currency, adjusted EBITDA rose by 1% YoY, despite the very challenging market conditions. Integration of the whole business portfolio (generation/distribution/supply) is occurring through hedging and management of contracted/uncontracted volumes. EBITDA from Generation and Supply rose by R$35m, to R$1,116m in 9M17, reflecting: i) at the supply business, higher volume and margins (+R$84m YoY); ii) at the hydro division, lower GSF (86% in 9M17 vs. 87% in 9M16) and higher PLD (R$298/MWh in 9M17 vs. R$71/MWh in 9M16). EBITDA in distribution fell by R$14m YoY, to R$598m, impacted by last year's gain on the update on the concessions assets' residual value (R$199m in 9M16 vs. R$14m in 9M17), mitigated by the positive impact of 2016's tariff revisions (+R$98m YoY) and more favorable results with energy overcontracting (+R$81m YoY).

(1) Non-recurring items: (i) ***+€61m in 9M16****, derived from the sale of Pantanal mini-hydro plant in Brazil; (ii)* ***+€558m in 9M17****, booked on the sale of gas distribution business (Naturgas Electricidad Distribuición, 'NED').*

Profit & Loss Items below EBITDA

Profit & Loss Items below EBITDA (€ m)	9M17	9M16	Δ %	Δ Abs.	4Q16	1Q17	2Q17	3Q17	3Q17 QoQ Δ %	3Q17 QoQ Δ Abs.
EBITDA	**3,269**	**2,893**	**13%**	**376**	**867**	**1,011**	**892**	**1,367**	**53%**	**475**
Provisions	1	(15)	-	16	(0)	4	(2)	(0)	-89%	2
Amortisation and impairment	1,055	1,115	-5%	-61	395	359	349	346	-1%	-3
EBIT	**2,213**	**1,792**	**23%**	**421**	**472**	**648**	**545**	**1,021**	**87%**	**476**
Net financial interest	(511)	(584)	13%	73	(229)	(175)	(168)	(167)	0%	0
Regulatory receivables-related fin. results	24	65	-63%	-42	11	19	2	3	81%	2
Capitalized financial costs	24	43	-44%	-19	15	10	6	8	25%	2
Unwinding of long term liabilities(1)	(138)	(142)	3%	4	(47)	(51)	(43)	(44)	2%	-1
Net foreign exchange differences and derivatives	(44)	(11)	-323%	-34	(7)	(5)	(12)	(28)	138%	-16
Investment income, net interest with associates and JV	(18)	(5)	-220%	-12	(6)	(7)	(2)	(8)	-	-5
Capital Gains/(Losses)	25	13	95%	12	1	0	24	0	-99%	-24
Other Financials	44	(14)	-	59	6	13	19	12	-36%	-7
Financial Results	**(593)**	**(635)**	**7%**	**42**	**(257)**	**(197)**	**(173)**	**(223)**	**29%**	**-50**
Share of net profit in JVs/associates (Details page 29)	**11**	**(3)**	**-**	**14**	**(19)**	**(1)**	**8**	**4**	**-55%**	**-4**
Pre-tax Profit	**1,631**	**1,155**	**41%**	**476**	**196**	**450**	**379**	**801**	**111%**	**422**
Income Taxes	**175**	**300**	**-41%**	**-124**	**(211)**	**66**	**53**	**56**	**5%**	**3**
Effective Tax rate (%)	*11%*	*26%*	-	*-15.2 pp*	*-108%*	*15%*	*14%*	*7%*		*-0.1 pp*
Extraordinary Contribution for the Energy Sector	**69**	**61**	**15%**	**9**	**1**	**70**	**(2)**	**2**	**-194%**	**4**
Non-controlling Interests (Details page 29)	**239**	**179**	**34%**	**60**	**60**	**100**	**93**	**47**	**-49%**	**-46**
Net Profit Attributable to EDP Shareholders	**1,147**	**615**	**86%**	**532**	**346**	**215**	**235**	**696**	**196%**	**461**

Amortisation dropped by 5% YoY to €1,055m in 9M17, mostly reflecting: (i) the extension of the useful life of wind farms from 25 years to 30 years (+€93m); and (ii) the recognition of Portgás and NED under "assets held for sale" since Dec-16 and Mar-17 (+€30m); partly offset by the negative impact from higher installed capacity.

Net financial results increased 7% YoY, to -€593m in 9M17, benefitting from a 13% YoY decrease in **net interest expense** (-€73m), supported by a 40bps YoY decline in the avg. cost of debt (from 4.5% in 9M16 to 4.1% in 9M17). **Financial results related to regulatory receivables** fell by €42m YoY, backed by lower avg. interest rate. **Capitalised financial costs** decreased €19m YoY, due to the end of construction period of hydro plants in Portugal. **Net ForEx differences and derivatives** totalled -€44m in 9M17 (-€34m YoY), mostly reflecting the MTM of energy market derivatives. **Capital gains** reflected: (i) in 9M17, the sale of our equity stake in REN (€25m); (ii) in 9M16, the sale of our equity stake in Tejo Energia (€11m). **Other financials** (+€59m YoY) were largely influenced by an impairment on our financial stake in BCP (€31m) and debt prepayment costs (€26m, mostly at EDPR level), both in 9M16.

Share of net profit in joint ventures and associates amounted to €11m in 9M17, €14m higher YoY, due to better results from equity accounted hydro plants in Brazil and EDPR's minority equity stakes in companies in Spain and US (more details on page 29).

Income taxes amounted to €175m (-€124m YoY), reflecting an effective tax rate of 11% in 9M17, following the non-taxable gains from the sale of NED and REN (adjusting by these gains the effective tax rate was 17% in 9M17 vs. 26% in 9M16, 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 €61m in 9M16 to €69m in 9M17, 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 €239m in 9M17, €60m higher YoY, reflecting the share of minorities on higher net profit at EDPR level, reinforced by the extension of useful life of wind farms, and further sales of non-controlling interests in wind farms during 2016; which effect was only partly offset by lower results at EDPB level in 9M17 (vs. 9M16 which included the gain from the sale of Pantanal; more details on page 29).

Overall, **net profit attributable to EDP shareholders** was 86% higher YoY, at €1,147m in 9M17, largely impacted by the €558m gain from the sale of NED. Excluding non-recurrent items[(2)], adjusted net profit in 9M17 amounted to €633m (-4% YoY vs. €661m in 9M16).

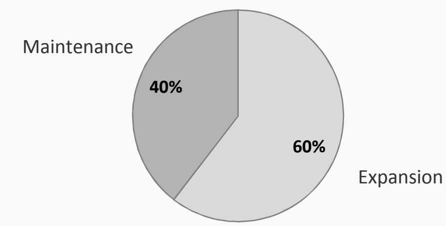
(2) Non-recurrent items: (i) in 9M16 (-€46m): gain on the sale of Pantanal in Brazil (+€27m), capital gain on the sale of Tejo Energia stake (+€11m); cost with impairment at our stake in BCP (-€24m) and the extraordinary energy tax (-€61m); (ii) in 9M17 (+€514m): gain on the sale of Naturgás Energia Distribución (€558m), capital gain on the sale of REN stake

(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)	9M17	9M16	Δ %	Δ Abs.	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
Generation & Supply Iberia	102	217	-53%	-116	50	77	91	160	32	35	35	
Regulated networks Iberia	217	233	-7%	-16	65	83	85	112	73	73	71	
Wind & solar power	715	582	23%	+132	89	290	204	446	93	331	291	
Brazil	138	107	29%	+31	21	37	49	62	49	45	44	
Other	(93)	20	-	-113	9	4	8	23	5	11	(109)	
EDP Group	**1,078**	**1,160**	**-7%**	**-82**	**233**	**490**	**436**	**804**	**252**	**495**	**331**	
Expansion Capex	**652**	**721**	**-10%**	**-70**	**127**	**334**	**261**	**546**	**112**	**351**	**188**	
Maintenance Capex	**426**	**439**	**-3%**	**-13**	**106**	**157**	**176**	**258**	**140**	**144**	**143**	

CAPEX 9M17



Net financial investments/(Divestments) (€m)	9M17	9M16	Δ %	Δ Abs.
Financial Investments	**409**	**287**	**42%**	**+121**
EDPR Perimeter	25	48	-47%	-22
EDP Brasil Perimeter	56	95	-41%	-39
Iberia	-	127	-	-127
Tender offer for EDPR shares	296	-	-	+296
Other	32	18	71%	+13
Financial Divestments	**2,493**	**681**	**266%**	**+1,811**
EDPR Perimeter	218	581	-63%	-363
EDP Brasil Perimeter (Pantanal)	-	83	-	-83
Iberia	-	0		
Sale of Naturgas (NED)	2,221	-	-	+2,221
Other	54	18	206%	+36
Total	**(2,084)**	**(394)**	**-429%**	**-1,690**

Net Investments (€m)	9M17	9M16	Δ %	Δ Abs.
Capex	1,078	1,160	-7%	-82
Financial investments	70	174	-60%	-104
EDPR's asset rotation proceeds	-	(829)	-	+829
Total	**1,148**	**505**	**127%**	**+643**

Consolidated capex amounted to €1,078m in 9M17, 60% of which dedicated to expansion, namely in the construction of new hydro & wind capacity (€754m). Additionally, 91% was dedicated to regulated or long term contracted activities.

Capex in new wind & solar capacity (EDPR) amounted to €715m in 9M17 (of which 67% in North America, 12% in Europe and 21% in Brazil). In 9M17, **capacity additions** totalled 242MW in wind (199MW in US, 50MW in Spain, 18MW in France) and 3MW in solar PV (Portugal). Note that, on top of this, further 25MW previously equity accounted, accrued to MW installed capacity following the acquisition of a 50% stake in 2 wind farms in Spain. Wind and solar capacity **under construction** by Sep-17 totalled 675MW: 45% in US, 39% in Brazil and 6% in Italy.

Expansion capex dedicated to new hydro capacity in Portugal amounted to €40m (versus €108m in 9M16), following the commissioning of Venda Nova III repowering (756MW) in 1Q17 and start up of operations at Foz Tua plant (263MW) in 2Q17.

Maintenance capex amounted to €426m in 9M17, mostly absorbed by regulated networks in Brazil and Iberia (€24m of which relative to gas distribution in Spain and Portugal, which disposals have been completed in Jul-17 and Oct-17, respectively). Maintenance capex in generation & Iberia in 9M17 amounted to €48m.

Net financial divestments totalled €2,084m in 9M17, largely reflecting the net impact (€1.9bn) from the portfolio reshuffling announced in Mar-17, including the sale of our gas distribution assets in Spain (€2.2bn) and the acquisition of a further 5% stake in EDPR in the wake of the tender offer launched for the respective shares (€0.3bn). Furthermore, net financial divestments also include: i) 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); which was partially compensated by ii) equity contributions to São Manoel hydro project in Brazil (€56m).

Overall, net investments amounted to €1,148m in 9M17 (vs. €505m in 9M16), including €1,078m of capex and €70m of financial investments (excluding the sale of a minority stake in Portuguese wind assets to CTG).

FFO & Cash Flow Statement

Funds from Operations (€m)	9M17	9M16	Δ %	Δ Abs.
EBITDA	**3,269**	**2,893**	**13%**	**+376**
Current income tax	(90)	(673)	87%	+583
Net financial interests	(511)	(584)	13%	+73
Net Income and dividends received from Associates	16	1	1142%	+15
Non-cash items	(74)	(75)	2%	+1
FFO - Funds From Operations	**2,610**	**1,562**	**67%**	**+1,048**

Consolidated Cash Flow (€m) - Indirect Method	9M17	9M16	Δ %	Δ Abs.
EBITDA	**3,269**	**2,893**	**13%**	**+376**
Current income tax	(90)	(673)	87%	+583
Changes in operating working capital	(1,958)	1,310	-	-3,268
Regulatory Receivables	(387)	1,390	-	-1,777
Non-cash items	(74)	(75)	2%	+1
Other working capital	(1,497)	(5)	-30258%	-1,492
Net Cash from Operating Activities	**1,221**	**3,530**	**-65%**	**-2,309**
Capex	(1,078)	(1,160)	7%	+82
Expansion	(652)	(721)	10%	+70
Maintenance	(426)	(439)	3%	+13
Changes in working capital from equipment suppliers	(191)	(363)	47%	+172
Net financial (investments)/divestments	2,084	394	429%	+1,690
Net financial interests paid	(552)	(624)	12%	+73
Dividends received from Associates	32	20	n.m.	+12
Dividends paid	(812)	(832)	2%	+20
EDP Shareholders	(691)	(673)	-3%	-18
Other	(121)	(159)	24%	+38
Proceeds from Institutional Partnerships in US wind	(73)	77	-	-150
Effect of exchange rate fluctuations	507	(45)	-	+552
Other non-operating changes	(350)	420	-	-770
Decrease/(Increase) in Net Debt	**788**	**1,417**	**-44%**	**-629**

Consolidated Cash Flow (€m) - Direct Method	9M17	9M16	Δ %	Δ Abs.
Operating Activities				
Cash receipts from customers	10,341	9,849	5%	+492
Proceeds from tariff adjustments sales	593	2,058	-71%	-1,465
Cash paid to suppliers and personnel	(8,396)	(7,617)	-10%	-779
Concession rents & other	(709)	(419)	-69%	-291
Net Cash from Operations	**1,829**	**3,872**	**-53%**	**-2,043**
Income tax received/(paid)	(608)	(342)	-78%	-266
Net Cash from Operating Activities	**1,221**	**3,530**	**-65%**	**-2,309**
Net Cash from Investing Activities	**593**	**(1,627)**	**-**	**+2,220**
Net Cash from Financing Activities	**(1,812)**	**(1,559)**	**-16%**	**-253**
Changes in Cash and Cash Equivalents	**2**	**344**	**-99%**	**-342**
Effect of exchange rate fluctuations	(64)	87	-	-151

Funds from operations (FFO) rose 67% YoY to €2,610m in 9M17, reflecting i) a €376m increase in EBITDA (see details on page 3); ii) a €583m decrease in current income tax, largely impacted by the significantly higher amount of sales of tariff deficit in 9M16 (€2.0bn) than in 9M17 (€0.6bn); and iii) a €73m decrease in net financial interests.

Net cash from operating activities decreased by €2,309m YoY to €1,221m in 9M17. **Regulatory receivables rose by €387m vs. Dec-16, mostly driven by:** (i) an €337m increase from regulated activities in Portugal, including €574m from tariff deficit sales; (ii) an €117m increase from regulated activities in Brazil; partly offset by (iii) end of regulatory receivables in Spain, following the disposal of gas distribution assets. '**Other changes in working capital' amounted to -€1,496m in 9M17**, largely impacted by: (i) a €558m gain from the sale of gas distribution assets in Spain; (ii) one-off VAT payments totalling €268m within the scope of the reorganization of the gas distribution business in Spain (refundable later on); (iii) higher income tax payments (€390m in 9M17) related to the large amount of tariff deficit sales undertaken during 2016.

Expansion capex totalled €652m in 9M17, mainly translating the construction of new wind capacity and, to a lower extent, the new hydro capacity.

Net financial divestments amounted to €2,084 in 9M17, mainly reflecting (i) portfolio reshuffling, namely through the disposal of distribution gas assets in Spain (€2.2bn) and purchase of minority stake at EDPR following tender offer process (-€0.3bn); (ii) EDPR disposal of a minority stake in Portuguese wind assets (part of ENEOP projects) to CTG (€0.2bn); (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 (€812m) includes €121m paid to non-controlling interests at the level of EDPR and EDP Brasil.

Proceeds from Institutional Partnerships in US amounted to -€73m in 9M17, reflecting the retention of tax benefits by institutional investors (€174m), partly offset by a first tranche payment of €101m related with the signing in Jul-17 of a USD370m (plus USD69m more in Oct-17) tax equity structure for 3 wind parks in the US (297MW). Note that in 9M16, 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 €0.5bn, predominantly driven by the depreciation of the BRL (-9%; €0.1bn), and USD (-11%, €0.4bn) vs. Dec-16, both against the Euro.

Other non-operating changes amounted to -€230m in 9M17, impacted by the full consolidation of the new 200MW Eólica de Coahuila wind farm in Mexico (€0.2bn). 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** decreased by €788m vs. Dec-16 to €15.1bn as of Sep-17.

Looking forward, it is worth highlighting that in Oct-17, EDP signed the closing for the sale of its gas distribution business in Portugal (€0.5bn cash proceeds).

Statement of Consolidated Financial Position

Assets (€ m)	Sep vs. Dec		
	Sep-17	Dec-16	Δ Abs.
Property, plant and equipment, net	22,966	24,194	-1,228
Intangible assets, net	4,834	5,129	-295
Goodwill	2,282	3,415	-1,133
Fin. investments & assets held for sale (details page 29)	1,590	1,547	43
Tax assets, deferred and current	1,176	1,399	-223
Inventories	291	317	-26
Other assets, net	7,243	6,511	732
Collateral deposits	40	52	-12
Cash and cash equivalents	1,459	1,521	-62
Total Assets	**41,880**	**44,084**	**-2,203**

Equity (€ m)	Sep-17	Dec-16	Δ Abs.
Equity attributable to equity holders of EDP	9,798	9,406	392
Non-controling Interest (Details on page 30)	4,001	4,330	-329
Total Equity	**13,800**	**13,736**	**63**

Liabilities (€ m)	Sep-17	Dec-16	Δ Abs.
Financial debt, of wich:	17,163	18,027	-864
Medium and long-term	*15,550*	*15,550*	*0*
Short term	*1,612*	*2,476*	*-864*
Employee benefits (detail below)	1,515	1,727	-212
Institutional partnership liability (US wind)	1,131	1,520	-389
Provisions	669	671	-2
Tax liabilities, deferred and current	1,131	1,676	-544
Deferred income from inst. partnerships	797	819	-22
Other liabilities, net	5,675	5,907	-232
Total Liabilities	**28,081**	**30,347**	**-2,267**
Total Equity and Liabilities	**41,880**	**44,084**	**-2,203**

Employee Benefits (€m) (1)	Sep-17	Dec-16	Δ Abs.
Pensions (2)	736	815	-79
Medical care and other	778	912	-133
Employee Benefits	**1,515**	**1,727**	**-212**

Regulatory Receivables (€m)	Sep-17	Dec-16	Δ Abs.
Portugal Distribution and Gas (3)	1,021	744	277
Portugal Annual CMEC Deviation	313	253	60
Spain (Gas)	-	68	-68
Brazil	3	-114	117
Regulatory Receivables	**1,337**	**951**	**387**

Total amount of **property, plant & equipment and intangible assets** decreased €1.5bn vs. Dec-16 to €27.8bn as of Sep-17, mainly reflecting: i) -€1.1bn from depreciations in the period; ii) +€1.1bn 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, following the sale of gas distribution assets in Spain; and v) -€1.1bn due to exchange rate differences following the YTD depreciation of the USD (-11%) and the BRL (-9%) against the EUR. As of Sep-17, EDP's balance sheet included €2.2bn 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 Sep-17, due to the sale of Naturgas Energía Distribuición.

As of Sep-17, the book value of **financial investments & assets held for sale** includes Portgas, in spite the of the conclusion of the sale of gas distribution assets in Portugal in Oct-17. Also note that, by Sep-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, and on the Moray offshore wind project in the UK (950MW). Our stake in REN (3.5%) has been sold in Jun-17.

Tax assets net of liabilities, deferred and current, went up €0.3bn vs. Dec-16, primarily driven by extraordinary tax payment of €390m derived from an unprecedented 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, which will be refundable later on. **Other assets (net)** increased €0.7bn vs. Dec-16 to €7.2bn as of Sep-17, largely impacted by the increase in regulatory receivables and by the recognition of the final CMEC adjustment (€256m). Total amount of EDP's **net regulatory receivables** went up €0.4bn vs. Dec-16, to €1,337m as of Sep-17, reflecting a €337m increase in Portugal, the reduction of regulatory payables in Brazil and the disposal of gas distribution assets in Spain.

Equity book value attributable to EDP shareholders increased by €0.4bn to €9.8bn as of Sep-17, reflecting the €1,147m of net profit for the period, partly offset by the dividend payment of the annual dividend €691m and by the impact of exchange differences arising on consolidation (€145m), following the depreciation of USD and BRL against EUR. **Non-controlling interest** decreased €0.3m vs. Dec-16, having stood at €4.0bn as of Sep-17, due to the combined effect of the acquisition of shares in EDPR by EDP following the tender offer process and the YTD depreciation of USD and BRL against the EUR, partially offset by the disposal of a 49% minority stake in Portuguese wind assets (€0.2bn).

Pension fund, medical care and other employee benefit liabilities (gross, before deferred taxes) fell by €0.2bn vs. Dec-16 to €1.5bn as of Sep-17, reflecting a €120m extraordinary contribution to the fund by EDP and the recurrent payment of pension and medical care expenses in 9M17.

Institutional partnership liabilities declined €0.4bn vs. Dec-16 to €1.1bn as of Sep-17, following the benefits appropriated by the tax equity partners during the period and the depreciation of USD against the Euro, partly offset by a first tranche cash proceeds of €101m related with the signing in Jul-17 of a USD370m (plus USD69m more in Oct-17) tax equity structure for 3 wind parks in the US (297MW).

(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

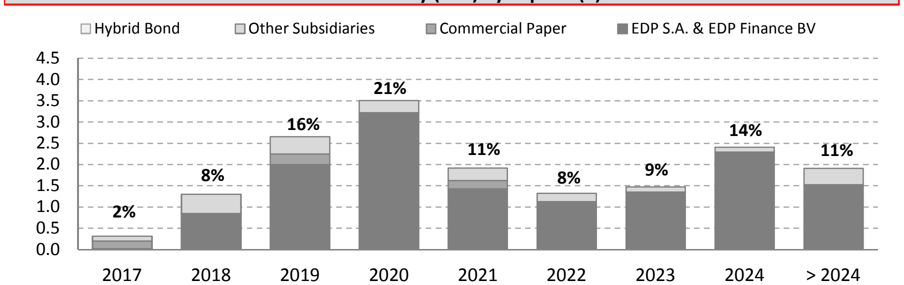
Nominal Financial Debt by Company (€m)	Sep-17	Dec-16	Δ %	Δ Abs.
EDP S.A. and EDP Finance BV	14,405	15,214	-5%	-808
EDP Produção & Other	130	79	64%	51
EDP Renováveis	938	787	19%	151
EDP Brasil	1,388	1,582	-12%	-193
Nominal Financial Debt	**16,862**	**17,662**	**-5%**	**-800**
Accrued Interest on Debt	209	292	-29%	-83
Fair Value of Hedged Debt	92	73	26%	19
Derivatives associated with Debt (2)	(136)	(130)	-5%	-6
Collateral deposits associated with Debt	(40)	(52)	23%	12
Hybrid adjustment (50% equity content)	(386)	(391)	1%	5
Total Financial Debt	**16,601**	**17,454**	**-5%**	**-853**
Cash and cash equivalents	**1,459**	**1,521**	**-4%**	**-62**
EDP S.A., EDP Finance BV and Other	788	525	50%	263
EDP Renováveis	286	408	-30%	-122
EDP Brasil	385	588	-35%	-203
Financial assets at fair value through P&L	**7**	**10**	**-32%**	**-3**
EDP Consolidated Net Debt	**15,135**	**15,923**	**-5%**	**-788**

Credit Lines by Sep-17 (€m)	Maximum Amount	Number of Counterparts	Available Amount	Maturity
Revolving Credit Facilities	75	1	75	Jul/19
Revolving Credit Facility	3,150	21	3,150	Jun/19
Revolving Credit Facility	500	16	500	Feb/20
Domestic Credit Lines	151	7	98	Renewable
Underwritten CP Programmes	100	1	100	2021
Total Credit Lines	**3,976**		**3,923**	

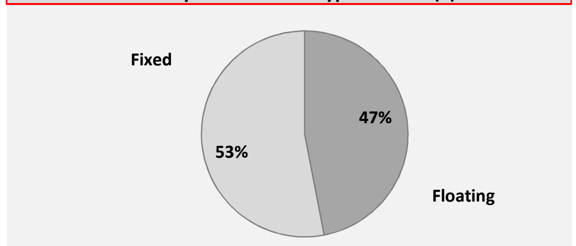
Debt Ratings	S&P	Moody's	Fitch
EDP SA & EDP Finance BV	**BBB-/Stable/A-3**	**Baa3/Stable/P3**	**BBB-/Stab/F3**
Last Rating Action	08/08/2017	03/04/2017	31/10/2016

Debt Ratios	Sep-17 (3)	Dec-16
Net Debt / EBITDA	4.2x	4.2x
Net Debt / EBITDA adjust. for Reg. Receivables	3.8x	4.0x

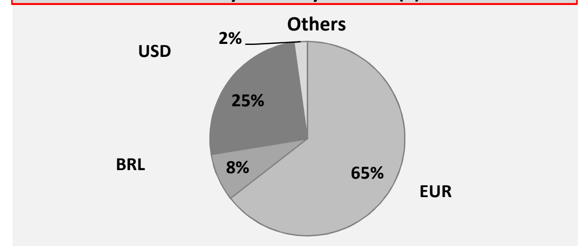
Debt Maturity (€ m) by Sep-17 (1)



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



Debt by Currency - Set-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 Aug-17, S&P upgraded EDP's credit rating to "BBB-" with Stable outlook. In Apr-17, Moody's had affirmed EDP's credit rating at "Baa3" with Stable outlook. Both rating updates follow EDP's announcement of the acceptance of a binding offer for the sale of its gas distribution business in Spain, whose proceeds were partially used to fund the acquisition of further EDPR shares. S&P expects EDP's credit metrics will strengthen following the transactions and Moody's considers that the transactions are consistent with EDP's 2016-20 Strategic Plan, contributing to the deleverage path.

Looking at 9M17 major refinancing deals, in Jun-17, EDP issued a USD1bn bond with a coupon of 3.625% maturing in Jul-24. In Jan-17 EDP issued a €600m Eurobond with a coupon of 1.875%, maturing in Sep-23. EDP's long dated bond issues are in line with the Group's financial policy of extending the average term of its debt portfolio and reinforcing its financial flexibility.

As of Sep-17 **average debt maturity** was 4.7 years. The weight of consolidated financial debt through capital markets stood at 72%, while the remaining debt was raised essentially through bank loans.

Refinancing needs until year-end 2017 amount to €0.2bn in banking loans. **Refinancing needs in 2018 and 2019** amount to €0.8bn and €2.2bn, respectively. Total cash and available liquidity facilities amounted to €5.3bn by Sep-17. In Oct-17, EDP signed a €3,300m Revolving Credit Facility (RCF) maturing in 5 years. This new credit facility replaced the €3,150m RCF that was maturing in Jun-19. As such, EDP's liquidity position now allows it to cover its refinancing needs beyond 2019.

(1) Nominal Value includ. 100% of the hybrid bond; (2) Derivatives designated for fair-value hedge of debt; (3) Based on trailing 12 months recurring EBITDA of €3,577m and net debt exclud. 50% of hybrid bond issue (includ. interest).

Business Areas

Iberian Electricity and Gas Markets

Electricity Balance (TWh)	Portugal			Spain			Iberian Peninsula		
	9M17	9M16	Δ%	9M17	9M16	Δ%	9M17	9M16	Δ%
Hydro	5.4	13.2	-59%	17.0	33.4	-49%	22.4	46.6	-52%
Nuclear	-	-	-	42.7	42.9	-0.6%	42.7	42.9	-1%
Coal	10.2	8.2	24%	29.9	21.4	40%	40.1	29.6	35%
CCGT	10.5	4.7	125%	22.3	15.5	44%	32.8	20.1	63%
(-)Pumping	(1.5)	(1.0)	54%	(2.6)	(3.9)	-33%	(4.1)	(4.9)	-16%
Conventional Regime	**24.6**	**25.1**	**-2%**	**109.2**	**109.3**	**-0%**	**133.8**	**134.3**	**-0%**
Wind	8.9	9.3	-4%	34.6	38.4	-10%	43.5	47.6	-9%
Other	6.7	7.2	-7%	36.8	34.4	7%	43.5	41.6	5%
Special Regime	**15.6**	**16.5**	**-5%**	**71.4**	**72.8**	**-2%**	**87.0**	**89.2**	**-2%**
Import/(export) net	(3.2)	(4.6)	-31%	8.6	5.8	50%	5.5	1.2	371%
Gross demand (before grid losses)	**37.0**	**36.9**	**0.2%**	**189.2**	**187.8**	**0.8%**	**226.2**	**224.7**	**0.7%**
Adjust. temperature, working days			1.2%			1.0%			n.a.

Gas Demand (TWh)	Portugal			Spain			Iberian Peninsula		
	9M17	9M16	Δ%	9M17	9M16	Δ%	9M17	9M16	Δ%
Conventional demand	31.4	29.9	5%	197.2	188.7	4%	228.6	218.6	5%
Demand for electricity generation	21.5	9.7	121%	50.3	37.8	33%	71.9	47.5	51%
Total Demand	**53.0**	**39.7**	**34%**	**247.5**	**226.5**	**9%**	**300.5**	**266.1**	**13%**

Electricity demand in Iberia was up 0.7% YoY. In Spain (84% of total in Iberia), demand adjusted for temperature and working days rose 1.0% YoY. In Portugal (16% of total), demand adjusted for temperature and working days was 1.2% higher YoY, unveiling a clear recovery in industrial activity.

Installed capacity in Iberia increased by 0.5GW YoY, to 119GW, 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 (0.3GW) and a reduction in cogeneration installed capacity (-0.2GW).

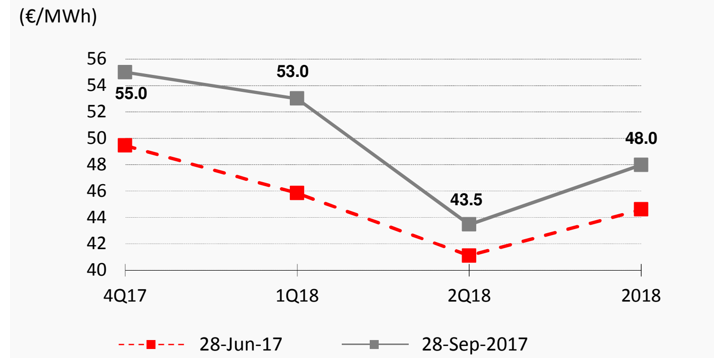
Residual thermal demand (RTD) surged 47% YoY (+23TWh) in 9M17 (+16% in 3Q17), prompted by very dry weather, particularly when compared with a very wet 9M16: hydro resources fell 43% short of LT average vs. an over 66% and 30% premium in 9M16, in Portugal and Spain respectively. As a result, production from hydro plants in 9M17 fell by 52% YoY (-23TWh YoY, net of pumping). Also worth to note is the fall in production from special regime (-2.2TWh YoY, 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 (+4.3TWh, particularly concentrated in the 2Q17 and 3Q17). The rise in RTD was met by CCGTs (+13TWh YoY in 9M17; +58% YoY in 3Q17) and coal plants (+10TWh YoY in 9M17; -10% YoY in 3Q17), which average load factors increased by 7pp and 14pp YoY, to 17% and 54%, respectively.

Average electricity spot price rose 48% YoY in Spain, to €50/MWh, sustained by the combined impact of unfavourable weather conditions, higher-cost marginal technologies, higher fuel costs in thermal generation (mostly notably, of coal price); and, in 1Q17 cold temperatures in Europe and nuclear shortages in France. **Average CO_2 prices** were stable YoY in 9M17, at €5.3/ton (+30% YoY in 3Q17). **Average electricity final price** in Spain advanced by 37%, to €58/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 13% YoY in 9M17, boosted by a more intense CCGT-based electricity production: gas consumption for electricity generation purposes (24% of total gas consumption in Iberia) advanced by 51% YoY, with a strong contribution from Portugal. In 9M17, conventional gas demand accounted for 76% of total consumption in Iberia, prompting a 5% increase YoY.

Installed Capacity in Electricity (GW)	Iberian Peninsula		
	9M17	9M16	Δ%
Hydro	24.5	23.5	4%
Nuclear	7.0	7.0	-
Coal	11.3	11.3	0%
CCGT	28.8	28.8	0%
Conventional Regime	**71.5**	**70.6**	**1%**
Wind	28.5	28.2	1%
Other special regime	19.4	20.2	-4%
Special Regime	**47.9**	**48.4**	**-1%**
Total	**119.4**	**118.9**	**0.4%**

Iberian Electricity Forward Market (OMIP)



Main Drivers (1)	9M17	9M16	Δ%
Hydro coeficient (1.0 = avg. year)			
Portugal	0.57	1.66	-66%
Spain	0.60	1.30	-54%
Wind coeficient (1.0 = avg. year)			
Portugal	1.01	1.09	-7%
Electricity spot price, €/MWh			
Portugal	50	34	49%
Spain	50	34	48%
Electricity final price, €/MWh (2)			
Spain	58	42	37%
CO2 allowances (EUA), €/ton	5.3	5.3	0%
Coal (API2 CIF ARA), USD/tonne	81	51	59%
Mibgas price (€/MWh)	20	15	29%
Gas NBP, €/MWh	17	13	27%
Brent, USD/bbl	52	42	24%
EUR/USD	1.11	1.12	0%

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)	9M17	9M16	Δ%	Δ Abs.
Gross Profit	**973**	**1,335**	**-27%**	**-362**
OPEX (1)	337	310	8%	+26
Other operating costs (net)	118	169	-30%	-51
Net Operating costs	**455**	**480**	**-5%**	**-25**
EBITDA	**518**	**856**	**-39%**	**-337**
Provisions	(1)	(24)	-98%	+24
Amortisation and impairment	286	268	6%	+17
EBIT	**233**	**612**	**-62%**	**-379**

Gross Profit breakdown (€ m)	9M17	9M16	Δ%	Δ Abs.
Electricity Sources & Uses	**720**	**1,035**	**-30%**	**-315**
Total Volume (TWh)	53.1	56.8	-7%	-4
Unit margin (€/MWh)	13.6	18.2	-26%	-5
Before hedging (€/MWh)	12.5	19.6	-36%	-7
From Hedging (€/MWh) (2)	1.1	(1.4)	-	+2
Other	**253**	**302**	**-16%**	**-49.5**
Electricity generation (Detail page 12), Energy supply	259	266	-3%	-7.1
Gas trading, other and adjustments	(6)	36	-	-42.4
Total	**973**	**1,335**	**-27%**	**-362**

Electricity Sources & Uses	9M17	9M16	Δ%	9M17	9M16	Δ%
	Output (GWh)			Variable Cost (€/MWh) (3)		
Own production (4)	25,074	27,149	-8%	33	17	95%
Purchases	28,053	29,685	-5%	57	41	37%
Electricity Sources	**53,127**	**56,834**	**-7%**	**46**	**30**	**53%**
	Volumes Sold (GWh)			Average Price (€/MWh) (5)		
Grid Losses	2,656	2,143	24%	n.a.	n.a.	-
Final customers	25,397	27,542	-8%	63	62	2%
Wholesale market	25,074	27,149	-8%	59	40	47%
Electricity Uses	**53,127**	**56,834**	**-7%**	**58**	**49**	**18%**

Gas Uses (TWh)	9M17	9M16	Δ%	Δ Abs.
Consumed at EDP power plants	10.7	5.0	113%	+5.7
Sold in wholesale markets	6.5	25.1	-74%	-18.6
Sold to Final customers	8.6	7.1	21%	+1.5
Total	**25.8**	**37.3**	**-31%**	**-11.5**

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 is therefore 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 39% YoY, to €518m in 9M17, impacted by the abnormally dry weather and high spot prices (particularly in 1Q17) which compared very toughly with 9M16's extremely wet period and low price context (particularly in 2Q16). As a result, strong results with energy management wiped out in 9M17 (particularly in 1H17) and margins in the supply business were materially penalised, namely in 1Q17.
In detail, the YoY decline of EBITDA in 9M17 reflected: (i) a more expensive generation mix (€33/MWh in 9M17 vs. €17/MWh in 9M16), stemming from the replacement of lower-cost hydro production (23% weight in generation mix in 9M17 vs. 52% in 9M16) 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) 41% YoY decline in gross profit from contracted production, to €33m in 9M17, as production at our mini-hydro plants was penalised by harsher weather conditions; and (iv) higher regulatory costs in Iberia, which went up by +€35m YoY, to €138m in 9M17, mostly driven by higher costs with social tariff in Portugal and generation taxes in Spain. Note that the annual deviation from PPA/CMEC gross profit vis-à-vis CMEC reference amounted to €111m in 1H17, not being in place anymore in 3Q17.

Gross profit fell by 27% YoY, to €973m in 9M17, mainly driven lower volumes sold (-7% YoY) and lower avg. unit margin (down from €18/MWh in 9M16 to €14/MWh in 9M17):
Volumes: Total volume sold decreased 7%, to 53TWh in 9M17, reflecting an 8% fall in sales to customers, mainly prompted by the business segment, and an 8% decline in sales in the wholesale market, mainly driven by the ancillary services market. Generation output was 8% lower YoY, mainly due to lower hydro output; and electricity purchases were by 5% lower YoY.
Unit margin (2)(3)**:** Avg. electricity spread before hedging fell from €20/MWh in 9M16, to €13/MWh in 9M17, mainly reflecting a more expensive mix of sources and higher spot prices. **Avg. sourcing cost** advanced 53% YoY, to €46/MWh in 9M17, driven by the replacement of hydro production (-59% 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 18% YoY in 9M17, as a result of higher spot prices implicit in sales in the wholesale market (+47% YoY) and a avg. selling prices to customers 2% higher YoY.

Net operating costs amounted to €455m in 9M17 (-5% YoY), reflecting stable regulatory costs YoY at operating costs level (as the main growth ocurred at gross profit level, namely due to higher costs with social tariff).

Our gas sourcing activity in 2017 is based on c3.1bcm/year LT contracts. In 9M17, total gas consumed/sold declined by 31% YoY, following lower sales in the wholesale market (-74%), increase of CCGTs load factor (resulting in an 113% YoY rise in gas consumption) and 21% YoY increase of volume sold to final customers.

EDP is adapting its hedging strategy to the current market conditions, making use of flexibility stemming from the integrated management of gas and electricity operations in Iberia. As a result, EDP has forward contracted electricity sales with clients of ~36TWh for 2017 (excluding naturally-hedged price-indexed volumes). For 2018, EDP has currently electricity forward sales and annualised electricity sales in the residential segment in a total volume of 21TWh, at an avg. price of c.€55/MWh (excluding naturally-hedged price-indexed volumes). Moreover, EDP keeps gas procurement flexibility in order to accommodate volatility in CCGT load profiles.

(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)	9M17	9M16	Δ%	Δ Abs.
Gross Profit	**758**	**1,077**	**-30%**	**-320**
OPEX (1)	181	167	9%	+15
Other operating costs (net)	78	128	-39%	-51
Net Operating costs	**259**	**295**	**-12%**	**-36**
EBITDA	**499**	**782**	**-36%**	**-284**
Provisions	(0)	1	-	-1
Amortisation and impairment	276	261	6%	+15
EBIT	**224**	**520**	**-57%**	**-297**

Key Operating Data	9M17	9M16	Δ%	Δ Abs.
Generation Output (GWh)	**25,461**	**27,875**	**-9%**	**-2,414**
CCGT	5,934	2,926	103%	+3,008
Coal	12,517	9,322	34%	+3,195
Hydro	5,728	14,004	-59%	-8,275
Nuclear	895	898	-0%	-3
Mini-hydro, Cogener. & Waste	387	726	-47%	-339
Generation Costs (€/MWh) (2)	**33**	**17**	**95%**	**+16**
CCGT	52	54	-3%	-2
Coal	34	28	22%	+6
Hydro	16	3	472%	+14
Nuclear	5	5	-12%	-1
Load Factors (%)				
CCGT	24%	12%	-	12p.p.
Coal	79%	59%	-	20p.p.
Hydro	12%	34%	-	-20p.p.
Nuclear	88%	88%	-	0p.p.
Employees (#)	**1,619**	**1,641**	**-1%**	**-22**
Capex (€m)	**90**	**208**	**-57%**	**-118**
Expansion	53	134	-60%	-80
Maintenance	36	74	-51%	-38

Other financial details (€ m)	9M17	9M16	Δ%	Δ Abs.
At Gross profit level:				
Capacity payments	38	39	-2%	-1
CMEC annual deviation	111	96	16%	+15
Mini-hydro, cogeneration & waste	33	55	-41%	-22
At EBITDA level:				
Regulatory costs (3)	138	104	34%	+35

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) was 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 hydro repowering Venda Nova III (756MW) and Foz Tua hydro plant (263MW), both with pumping.

Production in 9M17 (including mini-hydro, cogeneration and waste) fell 9% YoY (-2.4TWh YoY), to 25.5TWh, heavily impacted by: (i) hydro resources 43% below LT average in Portugal leading to a 59% decline in hydro output (-8.3TWh YoY, o.w. -3.5TWh derives from plants under the CMEC regime until Jun-17, with no impact on earnings). This decline was only partially compensated by: i) a 103% surge in CCGTs output (+3.0TWh YoY; +48% YoY in 3Q17), which load factor rose by 12pp YoY, to 24% in 9M17 (34% in 3Q17); and ii) a 34% YoY increase in coal output (+3.2TWh YoY, +8% YoY in 3Q17), which load factor increased by 20pp YoY, to 79% in 9M17.

Avg. production cost increased 95% YoY, to €33/MWh in 9M17, reflecting: (i) a much lower contribution from hydro (23% of total output in 9M17 vs. 52% in 9M16) combined with a more intense pumping activity (in light of scarce hydro resources in the period); and (ii) a more expensive coal production (+22% YoY), due to a higher coal price. **Avg. production cost at CCGTs** decreased by 3% YoY, reflecting the increasing dilution of fixed cost as production increased.

Gross profit from generation in Iberia fell by 30% YoY in 9M17, to €758m in 9M17, 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 (-41% YoY), mainly due to lower hydro production YoY vis-à-vis last year's very strong 9M.

Net operating costs amounted to €259m in 9M17 (-12% YoY). The increase in OPEX is mainly due to: i) an 8% increase in capacity growth; ii) higher working hours at our thermal plants; and iii) change in the intragroup allocation of overhead costs related with personnel and social benefits (mostly in Spain).
Regulatory costs rose by 34% YoY, to €138m in 9M17, largely impacted by the increase in costs with social tariff in Portugal to €58m in 9M17 (+€39m YoY, at gross profit level). In addition, at EBITDA level, regulatory costs also include generation taxes in Spain and clawback in Portugal, totalling 81€m in 9M17. Below EBITDA, generation assets under the ordinary regime in Portugal are further subject to the extraordinary energy tax which amounted to €40m in 9M17.
On 13-Oct-17, ERSE released its proposal for electricity tariffs in 2018, including a provisional amount for the final adjustment of CMEC of €154m (to be recovered in 2018-2027). Following this announcement, EDP solicited information on this matter to ERSE as it does not envision the reasons for the discrepancy between this amount and the €256 million calculated by EDP/REN Technical Working Group. Furthermore, on 24-Oct-17, the Portuguese Government, through Dispatch 9371/2017, annulled No. 11 and 12 of Dispatch 11566-A/2015 and asked to ERSE the reversion to the electricity system of "clawback" amounts relative to 2016 and 2017. EDP awaits both the information regarding the fundamentals and criteria used for the reversion, and the information concerning the new framework to be applied regarding the Decree-Law Nr. 74/2013.

Capex declined by €118m YoY, to €90m in 9M17, mainly reflecting the decrease in expansion capex following the full commissioning of Venda Nova III and Foz Tua. Note that capex in 9M17 is still impacted by €53m of expansion capex, mostly devoted to these 2 hydro plants and DeNOx upgrade at our coal fleet in Spain. Furthermore, the 51% YoY decrease in maintenance capex reflects additional maintenance works at Aboño 2 power plant in 9M16 as part of the programmed outage for DeNox upgrade purposes.

(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

	9M17	9M16	Δ%	Δ Abs.
Gross Profit	**224**	**225**	**0%**	**-1**
OPEX (1)	161	147	9%	+13
Other operat. costs (net)	38	40	-5%	-2
Net Operating costs	**198**	**187**	**6%**	**+11**
EBITDA	**26**	**38**	**-32%**	**-12**
Provisions	(0)	(25)	-99%	+25
Amortisation and impairment	10	7	40%	+3
EBIT	**16**	**56**	**-72%**	**-40**

Key data	9M17	9M16	Δ%	Δ Abs
Portfolio of Customers (th.)				
Electricity	**5,252**	**5,025**	**5%**	**+226**
Portugal	4,135	3,969	4%	+166
Spain	1,116	1,056	6%	+60
Gas	**1,513**	**1,423**	**6%**	**+91**
Portugal	644	575	12%	+69
Spain	869	847	3%	+22
Dual fuel penetration rate (%)	**30%**	**29%**	**1%**	**+0**
Other Services				
Services to contracts ratio (%)	17%	14%	17%	0p.p.
Volume of electricity sold (GWh)	**24,170**	**26,314**	**-8%**	**-2,144**
Residential segment	9,438	9,265	2%	+173
Business segment	14,731	17,049	-14%	-2,318
Volume of gas sold (GWh)	**8,631**	**7,581**	**14%**	**+1,050**
Residential segment	4,212	3,787	11%	+425
Business segment	4,420	3,794	16%	+626
Electronic invoicing (%)	29%	25%	17%	4p.p.
Complaints per 1000 contracts (#)	19.6	20.7	-5%	-1
Employees (#)	520	365	42%	+155
OPEX per customer (2) (€)	24	23	4%	+1
EBITDA per customer (2) (€)	4	6	-35%	-2
Capex (€m)	**12**	**9**	**29%**	**+3**

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 Sep-17, **EDP's electricity portfolio totaled 5.3m customers**, strongly biased towards residential and SME customers. Over the past 12 months, portfolio of customers grew by 5%: +4% in Portugal and +6% in Spain. In Portugal, liberalization process is now losing pace as the bulk of consumption is already in the free market: 92% as of May-17, 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 30% (vs. 29% in 9M16), including different stages of evolution in Spain and Portugal: in Portugal, dual offer rate rose by 7% YoY, to 16% in Sep-17; in Spain, dual offer rate, currently at 79%, decreased by 3% YoY. Additionally, the penetration rate of service contracts rose by 17% YoY, to 17% as of Sep-17, in Iberia.

Electricity volumes sold in Iberia fell 8% YoY, to 24.2TWh in 9M17, 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 energy services.

Net operating costs were 6% higher YoY, at €198m in 9M17, mostly reflecting: i) higher costs with customer services driven by customer portfolio expansion and increasing share of residential customers in the portfolio; and ii) change in the reallocation of intragroup costs with personnel and social benefits.

EDP is building the ground for a decrease in cost per customer through higher digitalisation rate and higher customer satisfaction: electronic invoicing (per avg. residential client) represents a 29% rate as of Sep-17, a 4pp increase vs. Sep-16; the number of complaints per 1000 contracts fell by 5% YoY.

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

EDP Renováveis: Financial Performance

Income Statement	EDP Renováveis (€ m)			
	9M17	9M16	Δ %	Δ Abs.
Gross Profit	**1,179**	**1,068**	**10%**	**+111**
OPEX (1)	308	290	6%	+18
Other operating costs (net)	(120)	(69)	73%	-51
Net Operating Costs	**189**	**221**	**-15%**	**-33**
EBITDA	**991**	**847**	**17%**	**+144**
Provisions	0	(0)	-	+0
Amortisation and impairment	385	443	-13%	-58
EBIT	**606**	**404**	**50%**	**+202**
Financial Results	(224)	(259)	-13%	+35
Share of Profit from associates	2	(2)	-	+4
Pre-tax profit	**384**	**143**	**168%**	**+241**
Capex (€m) (2)	**715**	**583**	**23%**	**+132**
Europe (3)	84	73	16%	+12
North America	480	464	4%	+17
Brazil	150	46	226%	+104

Operational Overview	9M17	9M16	Δ %	Δ Abs.
Installed Capacity (MW)	**10,321**	**9,379**	**10%**	**+942**
Europe	5,057	4,942	2%	+114
North America	5,060	4,233	20%	+827
Brazil	204	204	0%	-
Output (GWh)	**19,817**	**18,054**	**10%**	**+1763**
Avg. Load Factor (%)	**30%**	**29%**	**-**	**1**
Avg. Elect. Price (€/MWh)	**60.6**	**60.2**	**1%**	**+**
Employees (#)	**1,206**	**1,061**	**14%**	**+145**
Core Opex/Avg. MW (€ th) (4	**30.7**	**31.3**	**-2%**	**-1**
EBITDA (€m)	**991**	**847**	**17%**	**+144**
Europe (3)	536	497	8%	+39
North America	437	354	24%	+84
Brazil	31	16	98%	+15
Other & Adjustments	(14)	(19)	-30%	+6
EBIT (€m)	**606**	**404**	**50%**	**+202**
Europe (3)	354	275	29%	+79
North America	244	140	74%	+104
Brazil	24	10	128%	+13
Other & Adjustments	(16)	(21)	-27%	+6

EDPR Equity Market Data	9M17	9M16	Δ %	Δ Abs.
Share price at end of period (€/share)	7.2	7.1	1%	0.1
Number of Shares Issued (million)	872.3	872.3	-	-
Stake Owned by EDP (%)	82.6%	77.5%	5p.p.	**5p.p.**

EDPR Key Balance Sheet Figures (€ m)	9M17	9M16	Δ %	Δ Abs.
Financial investm, assets held for sale	**317**	**328**	**-4%**	**-12**
Net Financial Debt	**2,999**	**3,396**	**-12%**	**-397**
Bank Loans and Other (Net)	591	632	-6%	-41
Loans with EDP Group (Net)	2,408	2,782	-13%	-375
Non-controlling interests	**1,475**	**1,251**	**18%**	**+224**
Net Institutional Partnership Liability (5)	**1,131**	**1,105**	**2%**	**+26**
Equity Book Value	**6,334**	**6,067**	**4%**	**+267**
EUR/USD - End of Period Rate	1.18	1.12	-5%	0.06

Financial Results (€ m)	9M17	9M16	Δ %	Δ Abs.
Net financial Interests	(104)	(134)	22%	+30
Institutional Partnership costs	(69)	(68)	-2%	-2
Capitalised Costs	10	18	-45%	-8
Forex Differences	(3)	5	-	-8
Other	(57)	(80)	-	+23
Financial results	**(224)**	**(259)**	**13%**	**+35**

EDP Renováveis ('EDPR') owns, operates and develops EDP Group's wind and solar capacity. As of Sep-17, EDPR operated 10,652MW, (+917MW YoY) of which 331MW equity-method accounted. EDPR's EBITDA derives mainly from PPA-contracted and regulated tariff schemes and is geographically widespread: 53% in Europe, 44% in North America, and 3% in Brazil.

EDPR's EBITDA went up by 17% YoY (+€144m) to €991m in 9M17, impacted mainly by: avg. capacity on stream (+8%) and higher avg. load factor (+1p.p.). **EBITDA's evolution in 9M17** also translates a slightly higher avg. selling price at €60.6/MWh (vs. €60.2/MWh), supported by forex and higher prices in Iberia and Brazil, and improvements at core opex/avg. MW metrics (-2% YoY).

Electricity output advanced +10% YoY to 19.8TWh in 9M17, 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 normal (99% of P50), and in the US, Brazil, Romania and Poland load factors contributed significantly to the group's avg. figure with +1p.p. YoY.

Opex rose by 6% YoY (+€18m), reflecting higher headcount (1,206 employees in 9M17 vs. 1,061 in 9M16) and other services - both resulting from portfolio growth; and reflecting forex impact; **Core Opex** per avg. MW went down -2% YoY to €31K/Avg. MW, following efficiency improvements. **Other operating costs (net)** were negative by €120m from €69m in 9M16, +73% YoY supported by: the gain (€29m) from the sale of a 23% equity stake and loss of control of UK offshore project, higher income from institutional tax equity partnerships and reflecting higher costs such as those related to the 7% tax over electricity generation revenues in Spain.

EBIT increased by 50% YoY, to €606m in 9M17, as a result of the higher operational outcome and also propelled by a **D&A** reduction of 13% (-€58m YoY). The extension of useful life of the wind assets from 25 to 30 years (+€93m in 9M17) more than mitigated the effect from the higher capacity in operation.

Capex amounted to €714m (+23% YoY): 67% of total capex was devoted to the US market, the main growth region in 2016-2020, 12% to Europe, and 21% to Brazil.

EDPR's net debt in Sep-17 amounted to €3.0bn (vs. €2.8bn in Dec-16), +€0.2bn mainly reflecting: i) the entrance of the wind farm in Mexico in the consolidation perimeter +€0.2bn; ii) minorities disposals to CTG (ENEOP) -€0.3bn; iii) forex impact -€0.1bn; iv) proceeds from tax equity investors -€0.1bn; v) operating cash-flow -€0.7bn, vi) cash investments of +€0.8bn, vii) payments to tax equity investors +€0.2bn and viii) others. **Liabilities with Institutional Partnerships** (net) amounted to €1,131m in Sep-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 €224m to €1,475m, in 9M17 vs 9M16 including non-controlling interests in North America (c58%), Europe (c37%) and Brazil (c5%).

Financial results (net) amounted to €224m in 9M17, (-13% YoY). **Other financial costs** decreased -€23m YoY, as a consequence of the -€22m booked in 9M16 due to the early cancelation and optimization of certain project finances. **Net interest costs** fell by 22% YoY, on lower avg. cost of debt in the period (4.0% in 9M17 vs. 4.4% in 9M16) and lower avg. net debt.

(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	9M17	9M16	Δ %	Δ Abs.
EUR/USD - Avg. of period rate	1.11	1.12	0%	-0.00
Installed capacity (MW)	**5,060**	**4,233**	**20%**	**+827**
PPA's/Hedged/Feed-in tariff	4,376	3,489	25%	+886
Merchant	684	744	-8%	-59
Avg. Load Factor (%)	34%	33%	-	1 p.p.
Electricity Output (GWh)	**10,739**	**9,033**	**19%**	**+1,706**
PPA's/Hedged/Feed-in tariff	9,266	7,496	24%	+1,770
Merchant	1,473	1,537	-4%	-64
Avg. Final Selling Price (USD/MWh)	**47.1**	**46.9**	**0%**	**+0.2**
PPA's/Hedged/Feed-in tariff	48.5	48.9	-1%	-0.5
Merchant	34.1	34.9	-2%	-1
Adjusted Gross Profit (USD m)	**673**	**566**	**19%**	**+107**
Gross Profit (USD m)	488	407	20%	+81
PTC Revenues & Other (USD m)	185	159	17%	+26
EBITDA (USD m)	**487**	**395**	**23%**	**+92**
EBIT (USD m)	272	157	73%	+115
Installed capacity (MW Equity)	179	179	0%	-
Net Capex (USD m)	**535**	**517**	**3%**	**+18**
Gross Capex	535	517	3%	+18
Cash grant received	-	-	-	-
Capacity under construction (MW)	**303**	**629**	**-52%**	**-326**

Brazil	9M17	9M16	Δ %	Δ Abs.
Euro/Real - Average of period rate	3.53	3.96	12%	-0.42
Installed Capacity (MW)	**204**	**204**	**-**	**-**
Avg. Load Factor (%)	42%	30%	-	12 p.p.
Electricity Output (GWh)	564	440	28%	+124
Avg. Final Selling Price (R$/MWh)	269	225	19%	+44
Gross Profit (R$ m)	141	91	55%	+50
EBITDA (R$ m)	**110**	**62**	**77%**	**+48**
EBIT (R$ m)	84	41	104%	+43
Capex (R$ m)	**531**	**167**	**219%**	**+364**
Capacity under construction (MW)	**263**	**127**	**108%**	**+137**

In North America (NA), installed capacity totalled 5.060M in Sep-17 (4,831MW in US, 200MW in Mexico, and 30MW Canada). New capacity additions in the last 12 months (+827MW) were mostly concentrated in the US (+627MW) and in Mexico (the first 200MW added).

The current capacity exposed to power prices represents 14% of NA's portfolio assets meaning that 4.4GW (86%) are under LT contracted remuneration schemes (PPA/Hedge). Additionally, EDPR owns an equity position in other wind projects, equivalent to 179MW.

EBITDA was 23% higher (+USD92m YoY), to USD487m in 9M17, propelled by i) a surge in the output (+19% YoY to 19.7GWh) on the back of capacity additions, and ii) the higher load factor at 34% (+1p.p. YoY), along with a stable average selling price at USD47/MWh. **Wind resources** were stronger in central region of the US (+2p.p. YoY) where EDPR has ~90% of production capacity in the US. **Average selling price** reflected the actual mix of load factors vs prices.

Income from institutional partnerships increased to USD185m (+USD26m YoY), reflecting new tax equity partnerships and the output of the projects generating PTCs, along with PTCs upward price revision to USD24/MWh.

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 plus USD69m signed in Oct-17. Before that, EDPR had signed in 4Q16: i) USD343m of an institutional equity financing secured in Sep-16, representing 328MW (250MW Hidalgo wind farm, and 78MW 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 **Canada**, avg. selling price was at USD111/MWh, higher YoY mainly reflecting the forex translation (CAD/USD).

In **Mexico**, EDPR has a bilateral supply agreement under self-supply regime. **Avg. load factor** was 41%. **Avg. selling price** was at USD58/MWh.

Wind and solar capacity under construction in North America totaled +303MW (located in the US): 98MW Quilt Block (Wisconsin); 78MW Arkwright (New York); 66MW Hog Creek (Ohio); and 60MW related to 3 solar PV projects in South Carolina.

In **Brazil**, EBITDA increased (+77% YoY), to R$110m in 9M17. EBITDA evolution reflects +12p.p. increase in the avg. load factor to 42% vs. 30% in 9M16 (55% load factor achieved in 3Q17); and the higher avg. selling price at R$269/MWh in 9M17 from R$225/MWh in 9M16 (+19% YoY) reflecting the positive impact from a temporary reduction in volumes under PPA contracts for 2H17 and benefiting from high merchant prices in Brazil in the period.

EDPR's installed capacity in Brazil (204MW) operates under long-term contracts providing visibility over cash-flow generation. From the 204MW installed capacity, 84MW are under incentive programs for renewable energy development (PROINFA) and 120MW (Baixa do Feijão) has a 20-year PPA. Moreover, as of Sep-17, EDPR had 263MW **under construction**: JAU +99MW and Aventura +28MW wind projects awarded with 20-year PPA to be due in 2017, and Babilônia +137MW 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	9M17	9M16	Δ %	Δ Abs.
Installed capacity (MW)	**2,244**	**2,194**	**2%**	**+50**
Avg. load factor (%)	26%	28%	-	-3 p.p.
Production (GWh)	**3,730**	**3,982**	**-6%**	**-251**
Prod. w/capac. complement (GWh)	3,431	3,668		
Standard production (GWh)	2,954	2,955		
Above/(below) std. prod. (GWh)	477	713		
Prod. w/o cap. complement (GWh)	300	314		
Avg. Price (€/MWh)	**76.3**	**69.2**	**10%**	**+7**
Total GWh: realised pool (€/MWh)	48.1	30.0	60%	+18
Regulatory adj. on std. GWh (€m)	-7	16		
Complement (€m)	129	113		
Hedging gains/(losses) (€m)	-17	28		
Gross profit (1)	301	248	21%	+53
EBITDA (1)	**192**	**184**	**4%**	**+8**
EBIT (1)	113	84	35%	+29
Installed capacity (MW Equity)	152	177	-14%	-25
Capex (€m)	**35**	**3**	**968%**	**+32**
Capacity under construction (MW)	**68**	**-**	**-**	**+68**

Portugal	9M17	9M16	Δ %	Δ Abs.
Installed capacity (MW)	**1,253**	**1,251**	**0%**	**+3**
Avg. Load factor (%)	27%	28%	-5%	-1 p.p.
Electricity output (GWh)	2,208	2,317	-5%	-108
Avg. selling price (€/MWh)	92.9	91.6	1%	+1
Gross profit	205	212	-4%	-8
EBITDA	**168**	**177**	**-5%**	**-9**
EBIT	127	127	0%	+0
Installed capacity (MW Equity)	-	-	-	-
Capex (€m)	**11**	**26**	**-58%**	**-15**
Capacity under construction (MW)	**-**	**-**	**-**	**-**

In **Spain**, EDPR installed capacity increased +50MW to 2,244MW in 9M17 (MW EBITDA), due to the acquisition of a 50% stake in a Spanish wind farm that was previously equity accounted, to which accrues 152MW, equivalent to EDPR's equity position in other wind projects (equity-method consolidated).

EBITDA in Spain increased 4% YoY to €192m, driven by higher avg. prices (+10% YoY) that more than mitigated a drop in the final output (-6% YoY, to 3.7TWh). **Average selling price** increased *to* 76€/MWh (+10% YoY) impacted by: i) higher realised pool prices at €48/MWh in 9M17 vs. €30/MWh in 9M16, due to commodity prices rebound and less hydro resources in Iberia, and leading to -€7m of regulatory adjustment(2) and ii) -€17m loss due to forward sales related to our hedging strategy partially offsetting the impact of higher pool prices. Note that EDPR has already hedged 0.6 TWh at €45/MWh for 4Q17.

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. 92% of Spanish capacity is entitled to receive capacity complement.

In **Portugal**, EDPR owns a portfolio of 1,253MW, which includes 5MW of solar capacity (+3MW YTD). **EBITDA in Portugal amounted to €168m in 9M17**, -€9m YoY, reflecting a 5% decline in electricity production penalized by the weaker load factor in Portugal (-1p.p. YoY). **Wind coefficient** in Portugal was within the historical avg. at 1.01 in 9M17, but it was higher, at 1.08 in 9M16. **Average selling price** was +1% YoY to €93/MWh in 9M17, reflecting essentially the inflation indexation of the feed-in-tariff.

In line with the €2bn strategic partnership with CTG established in Dec-11, EDPR agreed in Feb-17 to sell 49% of equity in a portfolio of wind assets in Portugal for a total amount of €242m. The transaction scope covered 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 €248m.

- 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	9M17	9M16	Δ %	Δ Abs.
Installed capacity (MW)	**1,560**	**1,497**	**4%**	**+62**
Avg. load factor (%)	25%	23%	10%	2 p.p.
Electricity output (GWh)	2,575	2,282	13%	+293
Avg. selling price (€/MWh)	83.1	85.3	-3%	-2
Poland				
Installed capacity (MW)	418	418	0%	-
Avg. load factor (%)	27%	21%	24%	5 p.p.
Electricity output (GWh)	726	625	16%	+101
Avg. selling price (PLN/MWh)	306	341	-10%	-35
EUR/PLN - Avg. Rate in period	4.27	4.36	2%	-0
Romania				
Installed capacity (MW)	521	521	0%	-
Avg. load factor (%)	28%	23%	24%	5 p.p.
Electricity output (GWh)	960	791	21%	+169
Avg. selling price (RON/MWh)	345	345	0%	-0
EUR/RON - Avg. Rate in period	4.55	4.49	-1%	+0
France				
Installed capacity (MW)	406	388	5%	+18
Avg. load factor (%)	21%	24%	-9%	-3 p.p.
Electricity output (GWh)	559	582	-4%	-23
Avg. selling price (€/MWh)	91	90	1%	+1
Belgium & Italy				
Installed capacity (MW)	215	171	26%	+44
Avg. load factor (%)	24%	25%	-4%	-1 p.p.
Electricity output (GWh)	330	284	16%	+46
Avg. selling price (€/MWh)	117	113	3%	+3
Gross profit	213	192	11%	+21
EBITDA	**177**	**138**	**29%**	**+40**
EBIT	117	68	72%	+49
Capex (€m)	**38**	**42**	**-11%**	**-4**
Capacity under construction (MW)	**41**	**32**	**27%**	**+9**

In **European markets outside of Iberia**, EDPR had a total installed capacity of 1,560MW in Sep-17, +62MW YoY (+18MW in France, +44MW in Italy) and 41MW **under construction:** +37MW in Italy and +4MW in France.

EDPR's EBITDA in Rest of Europe increased by 29% YoY, to €177m in 9M17, which: i) includes the gain of €29m obtained from the sale of the 23% stake in equity shareholding on the Moray Offshore Windfarm in the UK, and ii) benefiting from the higher load factor at 25% in 9M17 vs. 23% in 9M16, and avg. capacity on stream (+3%), offsetting a slight decrease on the avg. selling price -1% (€83.1MWh in 9M17 vs. €85.3MWh in 9M16).

In Poland, EDPR operates 418MW of wind capacity. **Wind output** increased 16% boosted **avg. load factor** +5p.p. YoY, more than offsetting the lower avg. capacity on stream (-4% YoY), mainly reflecting the deconsolidation of 50MW in 1Q16. **Average selling price** was 10% lower YoY, at PLN306/MWh driven by the green certificates' price and a change in law in the substitution fee calculation method. From Sep-17 onwards, substitution fee for non-compliance with GC obligation is calculated as 125% of the avg. market price of the GC from the previous year and capped at 300PLN.

In Romania, EDPR operates 521MW: 471MW in wind and 50MW of solar PV. **Wind output** increased 21% YoY, to 960GWh in 9M17 (59MWh solar-based), propelled by an upper avg. load factor at 28% in 9M17 vs. 23% in 9M16. In turn **avg. selling price** remained stable at RON345/MWh in 9M17.

In France, EDPR added 18MW of wind capacity in 2Q17, amounting a total installed capacity in the market of 406MW as of Sep-17. Even though **wind output** decreased 4% YoY, to 559GWh, due to a lower **avg. load factor** (-3p.p.) to 21% in 9M17. **Average tariff** stood at €90/MWh, flat YoY.

In Belgium, the 71MW in operation decreased its output by 10% YoY to 86GWh on the back of lower avg. load factor -2p.p. YoY. **Average selling price** was also lower at €106/MWh (-2% YoY), reflecting PPA price structure.

In Italy, EDPR operates 144MW of wind (+44MW added in the 3Q16). **Wind output** advanced 30% YoY to 244GWh, reflecting more avg. capacity on stream (+41%), which offset the lower load factor (-1p.p.). **Average tariff** increased 4% YoY to €121/MWh, due to a higher market prices (in wind farms installed before 2013).

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 in the UK, for a total consideration of £21 million. In Sep-17, Moray Offshore Windfarm was awarded with a 15-year Contract for Difference (CfD) for the delivery of 950 MW of offshore wind generation at £57.5/MWh (2012 tariff-

- 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. From Sep-17 onwards, substitution fee is calculated as 125% of the avg market price of the GC from the previous year and capped at 300PLN.
- 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)	9M17	9M16	Δ %	Δ Abs.
Gross Profit	**1,242**	**1,291**	**-4%**	**-49**
OPEX (1)	353	355	-1%	-2
Other operating costs (net)	171	186	-8%	-15
Net Operating Costs	**524**	**542**	**-3%**	**-17**
EBITDA	**717**	**749**	**-4%**	**-32**
Provisions	(2)	6	-	-8
Amortisation and impairment	225	254	-11%	-28
EBIT	**494**	**490**	**1%**	**+5**

Capex & Opex Performance	9M17	9M16	Δ %	Δ Abs.
Controllable Operating Costs (2)	**312**	**316**	**-1%**	**-4**
Cont. costs/customer (€/supply point) (2)	46	46	-2%	-1
Cont. costs/km of network (€/Km) (2)	1,267	1,286	-1%	-19
Employees (#)	3,512	3,788	-7%	-276
Capex (Net of Subsidies) (€m)	**217**	**233**	**-7%**	**-16**
Network ('000 Km)	247	246	0.3%	+1

Regulatory Receivables (€ m)	9M17	9M16	Δ %	Δ Abs.
Total Net Iberia Regulatory Receivables	**1,334**	**1,205**	**11%**	**+129**
Portugal - Last Resort Supplier + Distribution + Gas				
Beginning of Period	**744**	**2,021**	**-63%**	**-1,277**
Recoveries in the period (3)	(788)	(2,266)	65%	+1,478
Tariff deviation/deficit in the period	1,138	1,001	14%	+136
Other (4)	(72)	114	-	-186
End of Period	**1,021**	**869**	**17%**	**+152**
Portugal - CMEC's				
Beginning of Period	**253**	**216**	**17%**	**+37**
(Recovery)/Return in the Period	(51)	(47)	-7%	-3
Deviation in the period	111	96	16%	+15
Other	(0)	-	n.m.	-0
End of Period	**313**	**264**	**19%**	**+49**
Spain - Tariff deficit				
Beginning of Period	**68**	**70**	-3%	**-2**
Previous periods tariff deficits (5)	(68)	-	-	-68
Tariff deficit in the period	-	-	-	-
Other (4)	-	1	-	-1
End of Period	**-**	**71**	**-**	**-71**

Regulated networks in Iberia in the 9M17 included our activities of distribution of electricity and gas, in Portugal and Spain. Having said this, EDP ceased its gas distribution activities in both Spain and Portugal: (i) in Spain, EDP concluded the sale of Naturgas Energía Distribución ('NED') on 27-Jul-17, for an entreprise value of €2.6bn; (ii) in Portugal, EDP concluded the sale of Portgas on 4-Oct-17, for an entreprise value of €532m.

EBITDA from regulated networks fell by 4% YoY (-€32m), to €717m in the 9M17, largely impacted by tight cost control, the sale of gas distribution activity in Spain (-€24m) and lower gross profit.

Gross profit fell by 4% YoY (-€49m), to €1,242m in the 9M17, mainly reflecting the sale of NED, the regulatory review in the gas distribution business in Portugal (in Jul-16) and lower adjustments to previous years' revenues, both in gas distribution in Portugal and electricity distribution in Spain.

Controllable operating costs fell by 1% YoY (-€2m), reflecting the mixed impact of i) headcount reduction and lower client services; ii) acceleration of growth in supply points in distribution (Portugal). **Capex** decreased by 7% YoY, to €217m in the 9M17, including €21m invested in smart grids in Portugal.

In Portugal**, total debt owed by the electricity system decreased by €155m during 9M17 (-€113m in 3Q17 alone)**, from €5.09bn in Dec-16 to €4.94bn in Sep-17. On 13-Oct-17, ERSE released its proposal for 2018 electricity tariffs and parameters for the regulatory period 2018-20, according to which Portuguese electricity system's regulatory receivables should decline by €0.7bn over 2018. Based on the Ministerial order nr. 9371-2017, ERSE's 2018 tariff proposal and the resulting decline in the system's regulatory receivables assume the reversion to the system of "clawback" amounts relative to the period of 2015 to 2017 – amounts which had resulted from the application of Decree-law 74/2013, in case this DL come to be applied as to determine such reversion. Note that such ministerial order and resulting reversal assume that the application of the Decree-Law Nr. 74/2013 would determine such reversion.

Regulatory receivables owed to EDP in Iberia rose by €129m YoY (+11% vs. 9M16), from €1.2bn in Sep-16 to €1.3bn in Sep-17, mainly reflecting a slower pace of tariff deficit sales in Portugal, during 9M17.

EDP's regulatory receivables from electricity distribution, last resort supply and gas distribution in Portugal increased from €744m in Dec-16 to €1,021m in Sep-17 driven by: **(1)** -€574m following the sale without recourse of the right to receive part of the 2015-17 tariff deficits; **(2)** +€1bn 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)** -€218m recovered through tariffs related to negative previous years' deviations and to past tariff deficits; **(4)** +€140m of new electricity tariff deviations created in the 9M17; and **(5)** +€2m net impact in gas distribution and last resort supply. The main drivers for new tariff deviations in the electricity in Portugal generated in the 9M17 were: (i) +€108m, on lower revenues from stability measures (€159m) and higher-than-expected price implicit in the electricity purchases by the last resort supplier (€9m), which were partly offset by lower-than-expected special regime overcost (-€59m) and others; and (ii) +€32m tariff deviation from electricity distribution activity derived from deviations on consumption mix.

Regulatory receivables from CMECs increased from €253m in Dec-16 to €313m in Sep-17 due to: **(1)** €51m recovered in the period through tariffs, related to 2015 and 2016 negative deviations; and **(2)** €111m negative deviation in the 9M17.

Regulatory receivables in Spain decreased from €68m in Dec-16 to zero in Sep-17, following the disposal of NED.

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (2) Supplies & services, personnel costs and employee benefits on electricity networks; (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)	9M17	9M16	Δ %	Δ Abs.
Gross Profit	**931**	**931**	**-0.1%**	**-0**
OPEX (1)	271	270	0.3%	+1
Concession fees	191	189	0.9%	+2
Other operating costs (net)	(7)	(3)	-96%	-3
Net Operating Costs	**455**	**456**	**-0.2%**	**-1**
EBITDA	**475**	**475**	**0.1%**	**+0**
Provisions	-2.3	5.8	-	-8
Amortisation and impairment	182	182	0.0%	+0
EBIT	**296**	**287**	**3%**	**+8**

Gross Profit Performance	9M17	9M16	Δ %	Δ Abs.
Gross Profit (€m)	**931**	**931**	**-0.1%**	**-0**
Regulated gross profit	926	927	-0.1%	-1
Non-regulated gross profit	5	4	16%	+1
Distribution Grid				
Regulated revenues (€ m)	895	892	0.3%	+3
Electricity distributed (GWh)	33,219	33,412	-0.6%	-194
Supply Points (th)	6,177	6,137	0.6%	+39
Last Resort Supply				
Regulated revenues (€ m)	31	35	-12%	-4
Customers supplied (th)	1,251	1,468	-15%	-216
Electricity sold (GWh)	2,362	3,245	-27%	-882

Capex & Opex Performance	9M17	9M16	Δ %	Δ Abs.
Controllable Operating Costs (2)	**254**	**253**	**0.6%**	**+2**
Cont. costs/client (€/customer)	41.1	41.1	0.0%	+0
Cont. costs/km of network (€/Km)	1,124	1,120	0.3%	+4
Employees (#)	3,141	3,265	-4%	-124
Capex (Net of Subsidies) (€m)	**171**	**183**	**-7%**	**-12**
Network ('000 Km)	226	225	0.3%	+1
Equival. interruption time (min.) (3)	37	36	2%	+1

EBITDA from electricity distribution and last resort supply (LRS) in Portugal was broadly stable in 9M17, at €475m in the 9M17, supported by virtually unchanged regulated revenues.

For the full year of 2017, preliminary regulated revenues amounted to €1,199m in electricity distribution and €39m in the last resort electricity supply, according to tariffs set by ERSE. Electricity distribution **regulated revenues** preliminarily set assumed: i) rate of return on assets (RoRAB) of 6.48%; ii) an expected electricity demand in Portugal of 45.2TWh in 2017 (1.4% above volume distributed in 2016); and (3) a GDP deflator of 1.5% and an efficiency factor of 2.5%. Note that the final return on RAB for 2017 is ultimately set at 6.68% (+20bp YoY), based on the daily average of Portugal's 10Y bond between Oct-16 and Sep-17. In turn, electricity distributed in 9M17 is down by 0.6% YoY, negatively impacted by the effects of temperature, working days and adjustments to last year's demand: adjusted for these, demand was up by 1.1%. All in all, **distribution grid regulated revenues in 9M17** were slightly higher YoY (+€3m), amounting to €895m.

Last resort supplier (EDP SU) **regulated revenues** fell by €4m YoY (-12%), to €31m in the 9M17, 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 27% YoY, to 2,362GWh in the 9M17. **Total number of clients supplied by the last resort supplier** declined by 216 thousand YoY (-15%), to 1,251 thousand in Sep-17 (representing 20% of total electricity clients), mostly in the residential segment.

Controllable operating costs were 0.6% higher YoY, in line with the expansion of new supply points in the distribution business and lower fixed costs dilution in the last resort supply activity.

Capex was 7% lower YoY, at €171m in the 9M17, including €21m invested in smart grids. The **equivalent interruption time** increased to 37 minutes in 9M17 from 36 minutes in the 9M16. Additionally, it is worth to mention the impact from forest fires during summer which implied higher OPEX and a step up in capex to overcome these events' harms.

On 13-Oct-17, **ERSE released its proposal for 2018 tariffs and for parameters applicable to the regulatory period of 2018-20**. For the activity of electricity distribution ERSE proposed regulated revenues of €1,076 million for 2018 (excluding previous year adjustments), considering: i) For the low voltage distribution segment, a preliminary RoR of 6.00% in 2018; ii) For the high and medium voltage distribution segment, a preliminary rate of return ("RoR") of 5.75% before taxes. The definitive rate in the period 2018-20 for Medium/High voltage segment will be set in the range of 5% and 10% (floor/cap), and will be set for year t, based on the daily average of the 10 year Portuguese government bond yield between October of year t-1 and September of year t. For the last resort electricity supply, ERSE proposed regulated gross profit in 2018 (excluding previous year adjustments) of €37 million, considering a 0.2% average decrease for normal low voltage (NLV) electricity tariffs.

(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				Gas Spain				Gas Portugal			
	9M17	9M16	% Δ	Abs. Δ	9M17	9M16	% Δ	Abs. Δ	9M17	9M16	% Δ	Abs. Δ
Gross Profit	**148**	**167**	**-11%**	**-19**	**124**	**144**	**-14%**	**-20**	**39**	**49**	**-21%**	**-10**
OPEX (1)	41	46	-10%	-4	30	28	7%	2	11	12	-10%	-1
Other operating costs (net)	(10)	(2)	462%	-8	(2)	1	-	-3	(1)	0	-	-1
Net Operating Costs	**31**	**44**	**-29%**	**-13**	**28**	**29**	**-4%**	**-1**	**10**	**12**	**-18%**	**-2**
EBITDA	**117**	**123**	**-5%**	**-6**	**97**	**115**	**-16%**	**-18**	**29**	**37**	**-22%**	**-8**
Provisions	(0)	0	-	**-0**	(0)	0	-	**-0**	0	0	36%	**0**
Amortisation and impairment	32	30	4%	**1**	12	30	-60%	**-18**	0	12	-99%	**-12**
EBIT	**85**	**92**	**-8%**	**-7**	**85**	**85**	**-1%**	**-1**	**29**	**25**	**15%**	**4**
Capex (net os subsidies)	**22**	**23**	**-4%**	**-1**	**9**	**14**	**-33%**	**-4**	**15**	**14**	**7%**	**1**
Gross Profit	**148**	**167**	**-11%**	**-19**	**124**	**144**	**-14%**	**-20**	**39**	**49**	**-21%**	**-10**
Regulated Revenues	137	137	0.1%	0	104	126	-17%	-21	43	46	-7%	-3
Non-regulated gross profit	11	30	-64%	-19	20	18	8%	2	(3)	4	-	-7

Iberian Regulated Networks	9M17	9M16	% Δ	Abs. Δ
Number Supply Points (th)				
Electricity Spain	663	661	0.3%	+2
Gas Spain	-	924	-	-924
Gas Portugal	352	338	4%	+13
Energy Distributed (GWh)				
Electricity Spain	6,940	6,915	0.4%	+25
Gas Spain	17,980	19,775	-9%	-1,794
Gas Portugal	5,326	5,271	1.0%	+55
Network (Km)				
Electricity Spain	20,555	20,448	0.5%	+107
Gas Spain	-	8,032	-	-8,032
Gas Portugal	5,224	5,010	4%	+214
Employees (#)				
Electricity Spain	305	291	5%	+14
Gas Spain	-	167	-	-167
Gas Portugal	66	65	2%	+1

ELECTRICITY DISTRIBUTION IN SPAIN

EBITDA from our electricity distribution activity in Spain decreased 5% YoY, to €117m in 9M17, reflecting the mixed impact of adjustments to previous year's revenues, tight cost control and the reversal of a provision. Regulated revenues were stable YoY and electricity distributed by our subsidiary, EDP España (mostly in the region of Asturias) was 0.4% up YoY in the 9M17, to 6.9TWh.

Regulated revenues for electricity distribution are set for the period 2016-19, under the regulatory framework designed in Dec-13 (Law 24/2013 and RDL 1048/2013) and Jun-16 (Ministerial orders IET 2660/2015 and IET980/2016), encompassing a return on RAB equivalent to a 200bp premium over 10-year Spanish bond yields, equaling to 6.5%.

GAS REGULATED NETWORKS IN SPAIN

The sale of 100% of Naturgas Energía Distribución for an Enterprise Value of €2.6bn (of which €0.2bn will be progressively cashed in 5 years) was completed on 27-Jul-17. Accordingly, EDP group ceased operations in the gas distribution in Spain on that date.

In the 9M17, **gas regulated activities in Spain** booked an EBITDA of €97m and an EBIT of €85m, in the wake of 18TWh of gas distributed.

GAS REGULATED NETWORK IN PORTUGAL

EBITDA from gas regulated activities in Portugal in the 9M17 decreased to €29m (-€8m YoY), impacted by a lower RoRAB (6.4% in 9M17 vs. 7.3% in 9M16), in line with the regulatory review in Jul-17, and adjustments to previous years' non-regulated revenues. **Volume of gas distributed** was 1% higher YoY, at 5.3TWh in the 9M17.

As result of the classification of Portgás under "assets held for sale" as from Dec-16, ahead of the decision to sell this business in Apr-17 for an Enterprise Value of €0.5bn, depreciation and impairments in 9M17 were null. The completion of the transaction occurred on 4-Oct-17, whereby EDP ceased its gas distribution activity in Portugal on that date.

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

EDP Brasil: Financial Performance

Income Statement	Consolidated (R$ m)				Consolidated (€ m)			
	9M17	9M16	Δ %	Δ Abs.	9M17	9M16	Δ %	Δ Abs.
Gross Profit	**2,597**	**2,308**	**13%**	**+290**	**735**	**583**	**26%**	**+152**
OPEX (1)	806	779	4%	+28	228	197	16%	+31
Other operating costs (net)	151	(370)	-	+521	43	(78)	-	+120
Net Operating Costs	**957**	**409**	**134%**	**+549**	**271**	**119**	**127%**	**+152**
EBITDA	**1,640**	**1,899**	**-14%**	**-259**	**464**	**464**	**0%**	**+0**
Provisions	15	14	10%	+1	4	3	23%	+1
Amortisation and impairment	433	417	4%	+16	122	105	16%	+17
EBIT	**1,192**	**1,468**	**-19%**	**-276**	**337**	**355**	**-5%**	**-18**
Financial results	(397)	(464)	14%	+67	(112)	(117)	-4%	+5
Results from associates	(7)	(31)	76%	+24	(2)	(8)	-73%	+6
Pre-tax profit	**788**	**973**	**-19%**	**-185**	**223**	**230**	**-3%**	**-7**

Capex & Financial Investments	(R$ m)				(€ m)			
	9M17	9M16	Δ %	Δ Abs.	9M17	9M16	Δ %	Δ Abs.
Capex	**488**	**424**	**15%**	**+65**	**138**	**107**	**29%**	**+31**
Financial Investm. in the period	**192**	**391**	**-51%**	**-199**	**56**	**95**	**-41%**	**-39**

Energias do Brasil	9M17	9M16	Δ %	Δ Abs.
Share price at end of period (R$/share)	15.14	14.38	5%	+0.76
Number of shares Issued (million)	606.9	606.9	-	-
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	3.62	-4%	+0.14
Euro/Real - Average of period rate	3.53	3.96	12%	-0.42
Inflation rate (IPCA - YoY)	3.7%	9.3%	-	-
Net Debt / EBITDA (x)	1.9	1.1	-	+0.7
Average Cost of Debt (%)	12.0	11.7	-	0.3p.p.
Average Interest Rate (CDI)	10.8	14.1	-	-3.3p.p.
Employees (#)	2,903	2,910	0%	-7

Key Balance Sheet Figures (R$ Million)	9M17	9M16	Δ %	Δ Abs.
Financial investm, assets held for sale	1,432	1,227	17%	+205
Net financial debt	3,873	3,072	26%	+800
Regulatory receivables	12	(428)	-	+440
Non-controling Interests	1,474	1,654	-11%	-180
Equity book value	7,976	7,960	0%	+16

Financial Results (R$ Million)	9M17	9M16	Δ %	Δ Abs.
Net Interest Costs	(348)	(372)	6%	+24
Capitalised Costs	7	4	80%	+3
Forex Differences and Derivatives	(3)	(107)	98%	+105
Other	(53)	12	-	-64
Financial Results	**(397)**	**(464)**	**14%**	**+67**

In local currency, EDP Brasil ("EDPB") EBITDA decreased 14% YoY (-R$259m) to R$1,640m in 9M17, impacted, by the capital gain of R$278m in 9M16 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 1% YoY (+R$19m), despite the very challenging market conditions. Integration of the whole business portfolio (generation/distribution/supply) is occurring through hedging and management of contracted/uncontracted volumes.

Generation and Supply EBITDA increased by R$35m to R$1,116m, reflecting, for supply, the positive impact of higher volumes and margins (+R$121m YoY); for Pecém, the booking of an insurance revenue in 9M16 (R$82m) and the negative impact of higher PLD YoY; and for hydro, the negative impact of GSF at 86% and PLD at R$298/MWh in 9M17 (vs. R$71/MWh in 9M16). **EBITDA in distribution** decreased by R$14m YoY to R$598m in 9M17, impacted by a gain of R$199m in 9M16 with the update on the concessions assets' residual value vs. R$14m in 9M17, offset by positive impact of 2016's tariff revisions on regulated gross profit (+R$98m YoY) and by the positive impact of energy overcontracting (+R$81m YoY). EBITDA in EUR terms, which reached €464m, was positively impacted by BRL avg. appreciation against the EUR by 12% (+€50m).

Net operating costs increased by R$549m YoY mostly due to the booking of the aforementioned capital gain as well as the amount referring to the update on the concessions assets' residual value at 'other operating income' level. At Opex level, costs increased 3.5%, slightly below avg. 9M17 inflation (IPCA rate of +3.7% YoY in Sep-17), which has been receding in past months, while costs' update typically lag such movement.

Net financial debt increased R$0.8bn vs. Sep-16 to R$3.9bn. 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 14% YoY to R$397m in 9M17, reflecting the positive impact of the above mentioned liability management. Worth noting that interest rates have been declining in Brazil: CDI stood at 10.8% by Sep-17 vs. 14.1% by Sep-16.

Results from associates totalled -R$7m in 9M17 (+R$24m YoY), reflecting a negative contribution from Cachoeira-Caldeirão (-R$9m) and São Manoel (-R$2m), partially offset by Jari hydro power plant (+R$5m).

As of Sep-17, hydro reservoirs were at ~19% of their maximum level (vs. 34% in Sep-16). GSF stood at 86% in 9M17, in spite of having reached just 62% in the 3Q17. Rainfall volumes have been scarcer than expected and a significant hydro deficit is still expected to occur in the 4Q17. EDPB has been anticipating and adjusting its hedging strategy, with a positive impact, as already observed in the 3Q17.

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

Brazil: Electricity Distribution

Income Statement (R$ m)	9M17	9M16	Δ %	Δ Abs.
Gross Profit	**1,281**	**1,074**	**19%**	**+207**
OPEX (1)	536	511	5%	+25
Other operating costs (net)	148	(49)	-	+196
Net Operating Costs	**683**	**462**	**48%**	**+221**
EBITDA	**598**	**612**	**-2%**	**-14**
Provisions	12	18	-35%	-6
Amortisation and impairment	146	138	6%	+8
EBIT	**439**	**455**	**-3%**	**-16**

Gross Profit Performance	9M17	9M16	Δ %	Δ Abs.
Gross Profit (R$ m)	**1,281**	**1,074**	**19%**	**+207**
Regulated revenues	1,247	1,149	9%	+98
Other	34	(75)	-	+109
Regulatory Receivables (R$ m)				
Beginning of period	**(392)**	**735**	**-**	**-1,126**
Past deviations	353	(496)	-	+849
Annual deviation (2)	50	(667)	-	+717
CDE/ACR Account (3)	-	-	-	-
End of period	**12**	**(428)**	**-**	**+440**
Customers Connected (th)	**3,359**	**3,299**	**2%**	**+60**
EDP São Paulo	1,830	1,797	2%	+33
EDP Espíritio Santo	1,530	1,502	2%	+27
Electricity Distributed (GWh)	**18,405**	**18,308**	**0.5%**	**+97**
EDP São Paulo	11,022	10,802	2.0%	+220
EDP Espíritio Santo	7,383	7,506	-1.6%	-123
From which: To customers in Free Market (GWh)	8,200	7,061	16%	+1,139
Electricity Sold (GWh)	**10,194**	**11,236**	**-9%**	**-1,041**
EDP São Paulo	**5,909**	**6,523**	**-9%**	**-614**
Resid., Commerc. & Other	4,876	5,076	-4%	-200
Industrial	1,034	1,447	-29%	-414
EDP Espírito Santo	**4,285**	**4,713**	**-9%**	**-428**
Resid., Commerc. & Other	3,794	4,001	-5%	-207
Industrial	491	712	-31%	-221

Capex & Opex Performance	9M17	9M16	Δ %	Δ Abs.
Controllable Operating Costs (4)	**536**	**511**	**5%**	**+25**
Cont. costs/customer (R$/customer)	159	155	3%	+5
Cont. costs/km (R$/Km)	6	6	5%	+0
Employees (#)	**2,147**	**2,168**	**-1%**	**-21**
Capex (net of subsidies) (R$m)	**413**	**346**	**19%**	**+67**
Network ('000 Km)	91	91	0%	+0

EBITDA from our electricity distribution activity in Brazil decreased by R$14m YoY to R$598m in 9M17, mostly due to (i) a gain of R$199m in 9M16 with the update on the concessions assets' residual value vs. R$14m in 9M17; partially offset by the (ii) positive impact of 2016's tariff revisions on regulated gross profit (+R$98m YoY); and (iii) the YoY positive impact of energy overcontracting (+R$51m in 9M17 vs. -R$30m in 9M16).

Gross profit went up 19% YoY to R$1,281m in 9M17, mostly due to the abovementioned positive impacts. In this respect, it is worth noting that the update on the concessions assets' residual value was booked at 'other operating costs' level until Nov-16. Worth noting also that our distribution companies saw some gains on overcontracted volumes (+R$81m in 9M17 vs. 9M16). 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 9M17 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. This situation is currently occurring for EDP Espírito Santo, having reversed for EDP São Paulo, following some adjustment done through system balancing auctions.

Electricity distributed increased slightly in 9M17 by 0.5% vs. 9M16**. Volumes of electricity sold** decreased 9% YoY in 9M17, translating a 29% reduction of demand in regulated industrial clients. At the same time, **volumes distributed** to industrial clients in the free market increased 16% YoY to 8.2TWh in 9M17, 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 12.1% in 9M17 (-2.2pp vs. 9M16), as well as for EDP São Paulo, whose level stood at 9.6% in 9M17 (-0.1pp vs. 9M16). Provisions for doubtful clients continued to show some resistence in 9M17 at R$73m (-R$16m vs. 9M16), 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, in spite of some economic improvement and unemployment reduction in the region of EDP São Paulo.

As of Sep-17, **regulatory receivables** are slightly positive and amounted to R$12m (+R$403m vs. Dec-16). In 9M17, a R$50m positive tariff deviation was created, essentially related to higher energy costs than the ones incorporated in the tariffs. Additionally, R$353m were recouped by the system regarding past deviations. All in all, regulatory receivables stood at R$12m as of Sep-17, to be recouped back from the system in the following years. Tariff revisions at EDP Espírito Santo in Aug-17 (+9% tariff update) and EDP São Paulo in Oct-17 (+24% tariff update) already consider the impact of the current scenario of high spot prices. Note that real post-tax WACC of 8.1% is being applied to distribution on the 4th revision cycle, which will last until Oct-19 for EDP São Paulo and until Aug-19 for EDP Espírito Santo.

Controllable operating costs increased 5% YoY to R$536m in 9M17, 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$196m YoY, translating a gain of R$199m in 9M16 with the update on the concessions assets' residual value, now registered at gross profit level (R$14m in 9M17). **Distribution capex** was up R$67m to R$413m in 9M17, 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			
	9M17	9M16	Δ %	Δ Abs.
Gross Profit	**1,166**	**1,211**	**-4%**	**-45**
OPEX (1)	173	182	-5%	-10
Other operating costs (net)	(3)	(54)	-	+51
Net Operating Costs	**169**	**128**	**-**	**+41**
EBITDA	**997**	**1,083**	**-8%**	**-86**
Provisions	1	0	290%	+1
Amortisation and impairment	270	261	4%	+9
EBIT	**726**	**822**	**-12%**	**-96**

Key Data	9M17	9M16	Δ %	Δ Abs.
Gross Profit (R$ m)	**1,166**	**1,211**	**-4%**	**-45**
Hydro	**730**	**748**	**-2%**	**-18**
PPA contracted revenues & Other	779	714	9%	+65
GSF impact (net of hedging)	(50)	34	-	-84
Thermal	**436**	**463**	**-6%**	**-27**
PPA contracted revenues	714	553	29%	+161
Other	(278)	(89)	-211%	-188
Installed Capacity (MW)	**2,466**	**2,466**	**0%**	**+0**
Hydro	1,746	1,745	0%	+0
Thermal	720	720	-	-
Installed Capacity (MW Equity)	**296**	**296**	**-**	**-**
Electricity Sold (GWh)	**9,581**	**10,013**	**-4%**	**-432**
PPA contracted	8,492	9,026	-6%	-533
Hydro	5,221	5,685	-8%	-464
Thermal	3,271	3,341	-2%	-69
Other	1,089	987	10%	+101
Avg. Hydro PPA Sale Price (R$/MWh) (2	**180**	**163**	**10%**	**+17**
Capex (R$ m)	**58**	**55**	**6%**	**+3**
Financial Investments (R$ m)	**192**	**391**	**-51%**	**-199**
Employees (#)	**491**	**534**	**-8%**	**-43**

EBITDA Breakdown (R$ m)	9M17	9M16	Δ %	Δ Abs.
Pecém (100%)	338	426	-21%	-88
Lajeado (73% owned by EDPB)	280	347	-19%	-67
Peixe Angical (60% owned by EDPB)	201	172	17%	+29
Other (100%)	178	138	29%	+40
EBITDA	**997**	**1,083**	**-8%**	**-86**

Supply	9M17	9M16	Δ %	Δ Abs.
Gross profit (R$ m)	**145**	**19**	**654%**	**+126**
Net Operating costs (R$ m)	25	21	19%	+4
EBITDA (R$ m)	**119**	**(2)**	**-**	**+121**
Electricity sales (GWh)	**12,042**	**8,964**	**34%**	**+3,078**

EBITDA from our electricity generation activities in Brazil went down 8% YoY (-R$86m in 9M17) to R$997m in 9M17, reflecting (i) lower EBITDA at Pecém coal plant (-R$88m YoY), mostly due to the booking of an insurance compensation revenue in 9M16 (R$82m). Worth noting that hydro conditions deteriorated in the most recent months, even though EDPB's hedge + insurance strategy offset most of the impact of a low GSF (86% in 9M17; 62% in 3Q17) and high PLD prices (R$298/MWh in 9M17 vs. R$71/MWh in 9M16). All in all, the combined effect of GSF energy, the hydro insurance (for GSF<92%) and hedging volumes reached a negative impact of R$50m in 9M17 vs. a positive impact of R$34m in 9M16.

Hydro gross profit decreased 2% YoY in 9M17, reaching R$730m, mostly due to the abovementioned R$85m YoY impact of GSF, partly offset by an increase in avg. hydro prices. The **avg. price of hydro** volumes, which reached R$180/MWh in 9M17, was 10% higher YoY (PPA prices are inflation updated annually). These positive effects were partly offset by lower **hydro volumes sold** (-8% 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 hydro deficits to still impact the market for the next few months, at least until the rainy season starts.

Pecém's gross profit reached R$436m in 9M17 (-R$27m YoY), of which R$714m relative to PPA fixed revenues. Availability stood at 91% in 9M17 vs. 87% in 9M16, even though EBITDA comparison was negatively impacted by (i) higher PLD in the 9M17 vs. 9M16, leading to higher costs with short term energy purchases; and (ii) a positive impact in 9M16 from a reduction in the provision for penalties on unavailability. Worth noting that Pecém's EBITDA in 9M16 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 9M17.

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 9M17, our 50% stake in Jari contributed with a net gain of R$5m (+R$21m YoY), reflecting the impacts of the inflation adjustment on PPA prices and of the hedging + insurance strategy. Cachoeira-Caldeirão, whose PPA started in Jan-17, contributed with a net loss of R$9m (@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$2m.

Capex increased R$3m YoY to R$58m in 9M17, 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 9M17, **financial investments** totalled R$192m, which were devoted to São Manoel's construction works. **São Manoel** is under construction (97% concluded) and has a PPA starting in May-18.

Electricity supply gross profit increased R$126m to R$145m in 9M17, reflecting higher volumes and higher margins and evidencing the integration of the portfolio through the hedging strategy developed to deal with the lower rainfall levels.

(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

9M17 (€m)	Generation & Supply Iberia	Regulated Networks Iberia	EDP Renováveis	EDP Brasil	Corpor. Activ. & Adjustments	EDP Group
Revenues from energy sales and services and other	**5,832**	**4,062**	**1,203**	**2,443**	**(1,886)**	**11,654**
Gross Profit	**973**	**1,242**	**1,179**	**735**	**(7)**	**4,122**
Supplies and services	221	247	233	130	(124)	707
Personnel costs and employee benefits	115	106	75	98	105	499
Other operating costs (net)	118	171	(120)	43	(566)	(353)
Operating costs	**455**	**524**	**189**	**271**	**(585)**	**853**
EBITDA	**518**	**717**	**991**	**464**	**579**	**3,269**
Provisions	(1)	(2)	0	4	(0)	1
Amortisation and impairment (1)	286	225	385	122	36	1,055
EBIT	**233**	**494**	**606**	**337**	**542**	**2,213**

9M16 (€m)	Generation & Supply Iberia	Regulated Networks Iberia	EDP Renováveis	EDP Brasil	Corpor. Activ. & Adjustments	EDP Group
Revenues from energy sales and services and other	**6,365**	**4,110**	**1,090**	**1,677**	**(2,657)**	**10,585**
Gross Profit	**1,338**	**1,291**	**1,068**	**583**	**(16)**	**4,263**
Supplies and services	219	247	222	112	(124)	674
Personnel costs and employee benefits	95	109	69	85	129	487
Other operating costs (net)	168	186	(69)	(78)	3	210
Operating costs	**482**	**542**	**221**	**119**	**7**	**1,371**
EBITDA	**856**	**749**	**847**	**464**	**(23)**	**2,893**
Provisions	(24)	6	(0)	3	(0)	(15)
Amortisation and impairment (1)	268	254	443	105	45	1,115
EBIT	**612**	**490**	**404**	**355**	**(68)**	**1,792**

(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**	**3,779**		**10%**	**4%**
Cost of energy sales and other	**(2,240)**	**(1,938)**	**(2,143)**	**(2,536)**	**(2,710)**	**(2,272)**	**(2,549)**		**-19%**	**-12%**
Gross Profit	**1,547**	**1,423**	**1,294**	**1,475**	**1,523**	**1,370**	**1,229**		**-5%**	**-10%**
Supplies and services	205	230	239	273	227	246	235		-2%	-4%
Personnel costs and Employee Benefits	161	162	163	174	171	169	159		-3%	-6%
Other operating costs (net)	51	93	66	161	114	263	167		153%	-36%
Operating costs	**417**	**486**	**468**	**608**	**512**	**479**	**(137)**		**-**	**-**
EBITDA	**1,130**	**937**	**826**	**867**	**1,011**	**892**	**1,367**		**65%**	**53%**
Provisions	3	(8)	(10)	(0)	4	(2)	(0)		97%	89%
Amortisation and impairment (1)	366	378	371	395	359	349	346		-7%	-1%
EBIT	**760**	**567**	**465**	**472**	**648**	**545**	**1,021**		**120%**	**87%**
Financial Results	(180)	(228)	(227)	(257)	(197)	(173)	(223)		2%	-29%
Share of net profit in joint ventures and associates	(8)	3	2	(19)	(1)	8	4		96%	-55%
Profit before income tax and CESE	**573**	**342**	**240**	**196**	**450**	**379**	**801**		**234%**	**111%**
Income taxes	152	91	57	(211)	66	53	56		-1%	5%
Extraordinary contribution for the energy sector	59	-	**2**	1	70	(2)	**2**		16%	n.m.
Net Profit for the period	362	251	181	406	315	328	743		311%	127%
Net Profit Attributable to EDP	**263**	**209**	**143**	**346**	**215**	**235**	**696**		**387%**	**196%**
Non-controlling Interests	100	42	38	60	100	93	47		23%	-49%

(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)							
	9M17	9M16	Δ MW	Δ %	9M17	9M16	Δ GWh	Δ %	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
Iberia (Ex-Wind & Solar)	**13,680**	**12,705**	**975**	**8%**	**25,461**	**27,875**	**-2,414**	**-9%**	**10,632**	**8,989**	**8,255**	**8,783**	**9,241**	**7,538**	**8,682**	
Hydro	**7,178**	**6,201**	**977**	**16%**	**5,728**	**14,004**	**-8,275**	**-59%**	**6,394**	**5,615**	**1,995**	**2,138**	**2,948**	**1,573**	**1,207**	
Portugal	**6,752**	**5,774**			**5,407**	**13,165**			**5,934**	**5,313**	**1,918**	**2,046**	**2,773**	**1,485**	**1,149**	
Pumping activity	2,799	1,781			-1,535	-1,041			-464	-321	-256	-397	-550	-652	-334	
Run of the river	2,435	2,479			2,447	7,063			3,122	3,012	929	1,098	1,364	713	370	
Reservoir	4,314	3,296			2,960	6,102			2,811	2,301	989	948	1,409	771	779	
PPA/CMEC	0	2,663	-2,663	-	1,788	6,232	-4,443	-71%	2,854	2,462	916	947	1,261	528	0	
Liberalised	6,752	3,111	3,641	117%	3,619	6,933	-3,315	-48%	3,080	2,851	1,002	1,099	1,512	957	1,149	
Spain	**426**	**426**	**0**	**0%**	**321**	**839**	**-517**	**-62%**	**460**	**301**	**77**	**92**	**175**	**88**	**58**	
CCGT	**3,736**	**3,736**	**0**	**0%**	**5,934**	**2,926**	**3,008**	**103%**	**465**	**552**	**1,909**	**2,316**	**1,713**	**1,388**	**2,833**	
Portugal	**2,039**	**2,039**	0	0%	**4,644**	**2,016**	2,628	130%	**232**	**381**	**1,404**	**1,586**	**1,105**	**1,203**	**2,336**	
Ribatejo (3 groups)	1,176	1,176			1,994	948			168	314	466	700	473	460	1,060	
Lares (2 groups)	863	863			2,650	1,068			63	67	938	886	631	743	1,276	
Spain	**1,698**	**1,698**	0	0%	**1,290**	**910**	380	42%	**234**	**171**	**505**	**730**	**608**	**185**	**497**	
Castejón (2 groups)	843	843			918	799			135	161	503	488	389	164	364	
Soto IV & V (2 groups)	854	854			372	111			99	9	2	242	219	20	133	
Coal	**2,404**	**2,404**	**0**	**0%**	**12,517**	**9,322**	**3,195**	**34%**	**3,106**	**2,299**	**3,916**	**3,910**	**4,053**	**4,244**	**4,220**	
Portugal - Sines (4 groups)	**1,180**	**1,180**	**0**	**0%**	**7,176**	**5,809**	**1,367**	**24%**	**1,773**	**1,530**	**2,505**	**2,274**	**2,192**	**2,486**	**2,497**	
Spain	**1,224**	**1,224**	**0**	**0%**	**5,341**	**3,513**	**1,828**	**52%**	**1,333**	**769**	**1,411**	**1,637**	**1,860**	**1,758**	**1,723**	
Aboño I	342	342			1,514	1,322			309	452	561	667	508	503	503	
Aboño II	536	536			2,924	1,595			854	194	547	480	1,006	979	939	
Soto Ribera III	346	346			903	597			170	123	303	490	346	277	280	
Nuclear - Trillo (15.5%)	**156**	**156**	**0**	**0%**	**895**	**898**	**-3**	**0%**	**330**	**230**	**338**	**341**	**333**	**223**	**339**	
Other	**206**	**209**	**-3**	**-1%**	**387**	**726**	**-339**	**-47%**	**337**	**293**	**96**	**79**	**193**	**109**	**84**	
Portugal	**181**	**184**	**-3**	**-1%**	**292**	**638**	**-346**	**-54%**	**311**	**262**	**65**	**67**	**163**	**78**	**50**	
Small-Hydro	157	159			213	499			259	214	27	50	148	52	12	
Cogeneration	24	24			79	139			52	48	39	17	15	26	38	
Spain - Cogenerat. & Waste	**25**	**25**	**0**	**0%**	**95**	**88**	**7**	**8%**	**26**	**31**	**31**	**12**	**30**	**31**	**34**	
Wind	**10,236**	**9,297**	**939**	**10%**	**19,691**	**17,937**	**1,754**	**10%**	**7,508**	**5,733**	**4,695**	**6,397**	**7,690**	**6,777**	**5,224**	
Iberia	**3,492**	**3,443**	**50**	**1%**	**5,933**	**6,296**	**-363**	**-6%**	**2,696**	**1,933**	**1,667**	**1,674**	**2,318**	**1,880**	**1,735**	
Portugal	1,249	1,249			2,203	2,314			1,038	711	564	730	876	657	670	
Spain	2,244	2,194			3,730	3,982			1,658	1,221	1,102	945	1,442	1,223	1,065	
North America	**5,030**	**4,203**	**827**	**20%**	**10,678**	**8,976**	**1,702**	**19%**	**3,680**	**3,033**	**2,262**	**3,532**	**4,175**	**3,976**	**2,527**	
US	4,801	4,173			10,171	8,923			3,657	3,018	2,249	3,510	4,059	3,764	2,348	
Canada	30	30			53	52			23	16	14	23	22	21	9	
Mexico	200	0			454	0			0	0	0	0	93	191	170	
Rest of Europe	**1,509**	**1,447**	**62**	**4%**	**2,517**	**2,225**	**291**	**13%**	**1,078**	**616**	**532**	**964**	**1,050**	**754**	**713**	
Brazil	**204**	**204**	**0**	**0%**	**564**	**440**	**124**	**28%**	**54**	**151**	**234**	**226**	**147**	**167**	**249**	
Solar	**85**	**82**	**3**	**3%**	**126**	**117**	**9**	**7%**	**27**	**46**	**44**	**22**	**28**	**51**	**47**	
Brazil (Ex-Wind)	**2,466**	**2,466**	**0**	**0%**	**6,114**	**6,729**	**-616**	**-9%**	**2,808**	**2,051**	**1,871**	**2,151**	**2,262**	**2,026**	**1,826**	
Hydro	**1,746**	**1,745**	**0**	**0%**	**2,842**	**3,390**	**-548**	**-16%**	**1,673**	**848**	**869**	**1,058**	**1,270**	**968**	**604**	
Lajeado	903	903			1,340	1,700			903	401	396	408	618	482	240	
Peixe Angical	499	499			992	1,304			580	327	397	355	410	327	255	
Energest	345	344			510	386			190	120	77	294	242	160	108	
Coal (Pecém I)	**720**	**720**	**0**	**0%**	**3,271**	**3,339**	**-68**	**-2%**	**1,135**	**1,203**	**1,002**	**1,093**	**991**	**1,057**	**1,223**	
TOTAL	**26,466**	**24,550**	**1,916**	**8%**	**51,391**	**52,658**	**-1,267**	**-2%**	**20,975**	**16,818**	**14,865**	**17,353**	**19,221**	**16,391**	**15,779**	

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

EDP - Volumes distributed, customers connected and networks

ELECTRICITY

Electricity Distributed (GWh)	9M17	9M16	Δ GWh	Δ %
Portugal	**33,219**	**33,412**	**-194**	**-0.6%**
Very High Voltage	1,616	1,572	43	2.7%
High / Medium Voltage	16,359	15,864	495	3.1%
Low Voltage	15,244	15,975	-731	-4.6%
Spain	**6,940**	**6,915**	**25**	**0.4%**
High / Medium Voltage	5,308	5,267	42	0.8%
Low Voltage	1,632	1,649	-17	-1.0%
Brazil	**18,405**	**18,308**	**97**	**0.5%**
Free Customers	7,818	6,598	1,220	18.5%
Industrial	1,525	2,159	-635	-29.4%
Residential, Comercial & Other	9,062	9,550	-488	-5.1%
TOTAL	**58,564**	**58,635**	**-71**	**-0.1%**

Customers Connected (th)	9M17	9M16	Abs. Δ	Δ %
Portugal	**6,177**	**6,137**	**39**	**0.6%**
Very High / High / Medium Voltage	25	25	0.2	0.9%
Special Low Voltage	36	35	0.7	1.9%
Low Voltage	6,116	6,078	38	0.6%
Spain	**663**	**661**	**2.2**	**0.3%**
High / Medium Voltage	1	1	0.0	0.5%
Low Voltage	662	660	2.2	0.3%
Brazil	**3,359**	**3,299**	**60**	**1.8%**
EDP São Paulo	1,830	1,797	33	1.8%
EDP Espírito Santo	1,530	1,502	27	1.8%
TOTAL	**10,199**	**10,098**	**102**	**1.0%**

Networks	9M17	9M16	Abs. Δ	Δ %
Lenght of the networks (Km)	**338,000**	**337,156**	**844**	**0.3%**
Portugal	226,076	225,366	709	0.3%
Spain	20,555	20,448	107	0.5%
Brazil	91,370	91,342	28	0.0%
Losses (% of electricity distributed)				
Portugal (1)	10.6%	9.5%	1.1 pp	
Spain	3.4%	4.0%	-0.6 pp	
Brazil				
EDP São Paulo	8.7%	8.8%	-0.0 pp	
Technical	5.5%	5.5%	-0.0 pp	
Comercial	3.3%	3.3%	-0.0 pp	
EDP Espírito Santo	13.1%	14.2%	-1.1 pp	
Technical	8.3%	8.7%	-0.3 pp	
Comercial	4.7%	5.5%	-0.8 pp	

GAS

Gas Distributed (GWh)	9M17	9M16	Δ GWh	Δ %
Portugal	**5,326**	**5,271**	**55**	**1.0%**
Low Pressure	785	797	-13	-1.6%
Medium Pressure	4,525	4,456	70	1.6%
LPG	16	18	-2	-10.7%
Spain	**17,980**	**19,775**	**-1,794**	**-9.1%**
Low Pressure	5,658	6,117	-459	-7.5%
Medium Pressure	12,323	13,658	-1,335	-9.8%
LPG	-	-	-	-
TOTAL	**23,306**	**25,046**	**-1,739**	**-6.9%**

Supply Points (th)	9M17	9M16	Abs. Δ	Δ %
Portugal	**352**	**338**	**13**	**3.9%**
Low Pressure	348	334	14	4.2%
Medium Pressure	1.5	1.5	0.1	4.3%
LPG	2.4	3.5	-1.0	-29.9%
Spain	**-**	**924**	**-924**	**-100.0%**
Low Pressure	-	923	-923	-
Medium Pressure	-	0.7	-1	-
LPG	-	-	0	-
TOTAL	**352**	**1,262**	**-911**	**-72.1%**

Networks	9M17	9M16	Abs. Δ	Δ %
Lenght of the networks (Km)	**5,224**	**13,041**	**-7,817**	**-59.9%**
Portugal	5,224	5,010	214	4.3%
Spain	-	8,032	-8,032	-

(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)			
	9M17	9M16	Δ MW	Δ %	9M17	9M16	Δ	Δ %	9M17	9M16	Δ	Δ %
EDP Renováveis	**331**	**356**	**-25**	**-7%**	**2**	**-2**	**4**	**-**	**317**	**328**	**-12**	**-4%**
Spain	152	177										
US	179	179										
Other	0	0										
EDP Brasil	**296**	**296**	**0**	**0%**	**-2**	**-8**	**6**	**-73%**	**380**	**339**	**42**	**12%**
Jari	187	187			1	-4						
Cachoeira-Caldeirão	110	110			-3	-3						
São Manoel	0	0			-1	0						
Iberia (Ex-wind) & Other	**41**	**41**	**0**	**0%**	**11**	**7**	**4**	**52%**	**275**	**310**	**-35**	**-11%**
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**			**555**	**0**	**555**	**n.m.**
Portgas									501	0	501	-
Other									54	0	54	-
TOTAL	**669**	**693**	**-25**	**-4%**	**11**	**-3**	**14**	**-**	**1,526**	**977**	**550**	**56%**

Non-controlling interests	Attributable Installed Capacity - MW (1)				Share of profits (2) (€ m)				Book value (€ m)			
	9M17	9M16	Δ MW	Δ %	9M17	9M16	Δ	Δ %	9M17	9M16	Δ	Δ %
EDP Renováveis	**5,050**	**4,269**	**781**	**18%**	**161**	**85**	**76**	**90%**	**2,572**	**2,610**	**-38**	**-1%**
At EDPR level:	**2,728**	**2,159**	**569**	**26%**	**128**	**81**	**47**	**58%**	**1,475**	**1,251**	**224**	**18%**
Iberia	851	644										
North America	1,220	1,122										
Rest of Europe	557	293										
Brazil	100	100										
22.5% attributable to free-float of EDPR	**2,322**	**2,110**	**212**	**10%**	**33**	**3**	**30**	**913%**	**1,097**	**1,359**	**-262**	**-19%**
EDP Brasil	**1,814**	**1,814**	**0**	**0%**	**81**	**97**	**-16**	**-16%**	**1,470**	**1,575**	**-105**	**-7%**
At EDP Brasil level:	**606**	**606**	**0**	**0%**	**27**	**28**	**-1**	**-5%**	**392**	**457**	**-65**	**-14%**
Hydro	606	606										
Other	0	0										
49% attributable to free-float of EDP Brasil	**1,208**	**1,208**	**0**	**0%**	**55**	**69**	**-14**	**-21%**	**1,078**	**1,118**	**-40**	**-4%**
Iberia (Ex-wind) & Other	**12**	**12**	**0**	**0%**	**-3**	**-2**	**0**	**17%**	**-41**	**-32**	**-9**	**27%**
TOTAL	**6,876**	**6,095**	**781**	**13%**	**239**	**179**	**60**	**34%**	**4,001**	**4,154**	**-152**	**-4%**

(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 3Q17 (1)

Dow Jones Sustainability Index

EDP is part of the Dow Jones Sustainability World Index for the 10th year running, with 92 points and has reinstated the European Index, where it has been for 8 years.

Ethibel Sustainability Index

EDP is constituent of the Ethibel Sustainability Index Excellence Europe.

Valor Inovação Brasil

EDP Brasil is among the five most innovative companies in the electricity sector in the ranking of Valor Inovação Brasil yearbook, organized by Valor Econômico in Partnership with Strategy&, a consulting firm part of the PwC Group.

EDP Internal Sustainability Index (base 2010-12)

	9M17	9M16	Δ %
Sustainab. Index (a)(b)(c)	**104**	**106**	**-2%**
Environmental	93	104	-11%
%Weight	33%	33%	
Economic	109	103	6%
%Weight	37%	37%	
Social	110	111	-1%
%Weight	30%	30%	

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

Economic Metrics	9M17	9M16	Δ %
Economic Value (€m)	**12,902**	**11,704**	**10%**
Distributed	10,997	10,795	2%
Accumulated	1,906	909	110%
Energy Serv. Revenues (2	**795**	**561**	**42%**
Energy Efficiency Serv. (a)	85	34	148%

Social Metrics	9M17	9M16	Δ %
Employees	**11,716**	**11,975**	**-2%**
Total hours of training	**265,558**	**212,443**	**25%**
On-duty Accidents (d)(e)	**21**	**22**	**-5%**
Severity Rate (Tg) (d)	120	89	35%
Freq. rate (Tf) (d)	1.32	1.39	-5%
Fatal accidents (3rds)	7	5	40%

Environmental Metrics	9M17	9M16	Δ %
Absolute Atmospheric Emissions (kt)			
CO2 (b)(f)	16,953	13,252	28%
NOx	12.8	16.7	-24%
SO2	21.8	14.6	49%
Particle	1.049	0.801	31%
Specific Atmospheric Emissions (g/KWh)			
CO2 (b)(f)	331.5	252.9	31%
NOx	0.25	0.32	-22%
SO2	0.43	0.28	53%
GHG emissions (ktCO2 eq)			
Direct Emissions (scope 1) (b)	16,972	11,153	52%
Indirect emissions (scope 2) (c)	694	556	25%
Primary Energy Consumption (TJ) (g)	**202,109**	**155,301**	**30%**
Max. Net Certified Capacity (%)	**90%**	**91%**	**-1 p.p.**
Water Use (10³ m³)	**1,331,671**	**1,012,083**	**32%**
Total Waste to final disposal (t)	**359,023**	**321,621**	**0%**
Environmental Matters (€ th)	**76,773**	**95,154**	-19%
Investments	38,720	52,754	-27%
Expenses	38,053	42,400	-10%
Environmental Fees and Penalties (€)	**18,032**	**27,379**	**-34%**

Environmental Metrics - CO2 Emissions

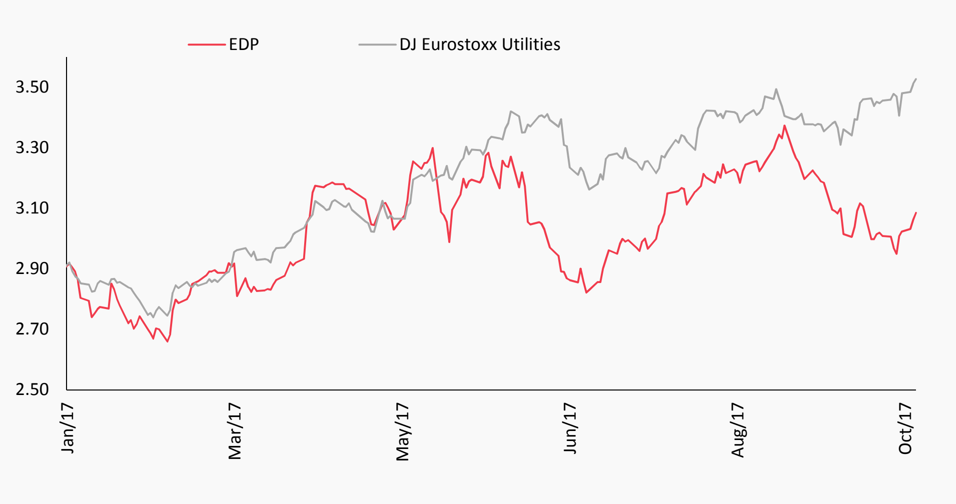
CO2 Emissions	Absolute (ktCO2) (b)		Specific (t/MWh)		Generation (h) (GWh)	
	9M17	9M16	9M17	9M16	9M17	9M16
Iberia	**13,096**	**9,299**	**0.68**	**0.71**	**19,263**	**13,120**
Coal	10,739	8,029	0.86	0.86	12,517	9,322
CCGT	2,246	1,146	0.38	0.39	5,934	2,926
Cogeneration + Waste	111	124	0.14	0.14	813	872
Brazil	**3,857**	**3,953**	**1.18**	**1.18**	**3,271**	**3,339**
Coal (PPA contracted)	3,857	3,953	1.18	1.18	3,271	3,339
Thermal Generation	**16,953**	**13,252**	**0.75**	**0.81**	**22,535**	**16,459**
CO_2 Free Generation					**28,600**	**35,947**
CO_2 Emissions			**0.33**	**0.25**	**51,135**	**52,406**

(a) Energy Services take into account only Energy efficiency services revenues. Only the support from public authorities recognised in the income statement is considered.
(b) Instead of what EDP has reported before, the stationary emissions do not include those produced by the burning of ArcelorMittal steel gases in EDP's power plant in Spain, which totalled 2,768 ktCO2 in 2017 and 2,131 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: 645 GWh vs 2016: 639 GWh).

(1) Detailed information about the progress of EDP contribution to the United Nations Sustainable Development Goals can be found at: www.edp.com>Investors.
(2) 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 Stock Market Performance	YTD	52W 01/11/2017	2016
EDP Share Price (Euronext Lisbon - €)			
Close	3.085	3.085	3.087
Max	3.389	3.389	3.389
Min	2.641	2.626	2.641
Average	3.026	2.993	3.026
EDP's Liquidity in Euronext Lisbon			
Turnover (€ m)	4,276	4,918	4,279
Average Daily Turnover (€ m)	20	19	20
Traded Volume (million shares)	1,413	1,643	1,414
Avg. Daily Volume (million shares)	6.6	6.4	6.5

EDP Share Data	9M17	9M16	Δ %
Number of shares Issued (million)	3,656.5	3,656.5	-
Treasury stock (million)	21.6	21.4	1.0%

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: 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
4-Jul: EDP denies negotiations with Gas Natural over a merger deal
25-Jul: EDP maintains price of €6,75/share for the tender offer on EDP RENOVÁVEIS
27-Jul: conclusion of sale of 100% of EDP's Gas Distribution in Spain
1-Aug: ANEEL approves a +9.34% tariff update at EDP Espírito Santo
4-Aug: EDP increases stake in EDP Renováveis to 82.6%
8-Aug: S&P upgrades EDP to "BBB-" with stable outlook
14-Aug: Qualified shareholding in EDP - State Street Corporation
22-Aug: Income Fund of America increased shareholding in EDP
23-Aug: Norges Bank qualified shareholding – Amendment of title of imputation
11-Sep: EDP Renováveis consortium is awarded with longterm CFD for 950 MW of wind offshore in UK
21-Sep: Regulatory approvals for the disposal of 100% of EDP Gás Distribution in Portugal
25-Sep: State Street Corporation reduces shareholding in EDP
29-Sep: Regulator proposal on the final adjustment of CMEC

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