Financial Results
1H11

Investor Relations Department

Miguel Viana, Head of IR
Sónia Pimpão
Elisabete Ferreira
Ricardo Farinha
Pedro Coelhas
Noélia Rocha

Phone: +351 21 001 2834
Email: ir@edp.pt
Site: www.edp.pt

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The financial statements presented in this document are non-audited.

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Main Highlights

Income Statement (€ m)	1H11	1H10	Δ %	Δ Abs.
Gross Profit	**2,788**	**2,729**	**2.2%**	**+59**
Supplies and services	421	405	4.1%	+16
Personnel costs	293	296	-1.3%	-4
Costs with social benefits	73	61	20.6%	+13
Other operating costs (net)	100	136	-26%	-36
Net Operating costs (1)	**887**	**898**	**-1.2%**	**-11**
EBITDA	**1,900**	**1,831**	**3.8%**	**+70**
Provisions	20	39	-48%	-19
Net depreciation and amortisation (2)	704	705	-0.1%	-1
EBIT	**1,176**	**1,086**	**8.2%**	**+89**
Capital gains/(losses)	10	5	116%	+6
Financial results	(266)	(233)	-14%	-33
Results from associated companies	12	13	-10%	-1
Pre-tax Profit	**932**	**871**	**6.9%**	**+60**
Income taxes	220	232	-4.9%	-11
Discontinued activities	-	-	-	-
Net profit for the period	711	639	11%	+72
Net Profit Attributable to EDP Shareholders	**609**	**565**	**7.8%**	**+44**
Non-controlling Interest	103	75	38%	+28

Key Operational Data	1H11	1H10	Δ %	Δ Abs.
Employees	12,124	12,130	-0.0%	-6
Installed capacity (MW)	22,506	20,799	8.2%	+1,707

Key Financial Data (€ m)	1H11	1H10	Δ %	Δ Abs.
FFO (Funds from operations)	1,444	1,439	0.3%	+5
Capex	845	1,312	-36%	-467
Maintenance	310	304	2.2%	+7
Expansion	535	1,008	-47%	-473
Net financial investment in the period	-166	15	-	-181

Key Balance Sheet Data (€ m)	Jun-11	Dez-10	Δ %	Δ Abs.
Equity booK value	7,693	7,855	-2.1%	-162
Net debt	16,879	16,345	3.3%	+534
Regulatory receivables	1,410	1,443	-2.3%	-33
Net debt/EBITDA (x)	4.4x	4.5x	-	-0.1x
Adjusted net debt (3)/EBITDA (x)	4.1x	4.1x	-	0.0x

EDP consolidated EBITDA rose 4% YoY (+€70m) to €1,900m in 1H11, driven by our operations in regulated networks (+€72m), wind (+€66m) and Brazil (+€51m). These increases offset the falls in LT Contracted Generation in Iberia (-€19m) and liberalised activities in Iberia (-€82m).

EBITDA generated outside Portugal accounted for 61% of EBITDA in 1H11 (vs. 55% in 1H10). Moreover, **89% of consolidated EBITDA derived from regulated and long term contracted activities**, reflecting the maintenance of a low-risk profile of our operating activities. **For 2011, EDP has already forward contracted with clients 27TWh and has already forward contracted ~100% of expected output (excluding production based on Spanish coal, under RD1221/10 regime) with an average clean thermal spread (including CO_2 free allowances) over €10/MWh. For 2012, EDP has already forward contracted ~30% of its expected output.**

Net operating costs[(1)] declined 1% (-€11m), to €887m, reflecting a €25m increase in operating costs and a other net operating costs €36m lower YoY. Operating costs rose by 3% YoY, to €787m, driven by a wider operations base in EDPR (+€18m) and by HR restructuring costs in LT Contracted generation in Iberia (€6m in 1H11). Other net operating costs declined from €136m in 1H10 to €100m in 1H11, mostly explained by the €27m gain booked in the sale of transmission assets in Spain and higher tax equity revenues (+€10m).

EBIT rose 8% to €1,176m, mainly driven by EBITDA growth. **Net depreciation and amortisation** stood flat in 1H11, as the expansion of EDPR's wind portfolio was offset by the extension of the useful life of the wind farms from 20 to 25 years. **Financial results** totalled -€266m in 1H11, mainly reflecting (i) the increase in the average cost of debt (from 3.5% in 1H10 to 3.9% in 1H11) (ii) a 10% rise in average net debt and (iii) a €23m provision due to a litigation with a client in Brazil. **Non-controlling interests** rose 38% YoY to €103m in 1H11, following the increase of EDP Brasil and EDP Renováveis net profit. **Net profit rose 8%**, to €609m in 1H11.

Net debt rose from €16.3bn in Dec-10 to €16.9bn in Jun-11, driven by: (1) dividends payment (€708m of which €617m to EDP shareholders), (2) Payment of €231m for the full control of Genesa, (3) expansion capex of €535m (-47% YoY, in line with lower growth targets in the wind business). Regulatory receivables were stable vs. Dec-10, at €1.4bn. Up to Jun-11, EDP spent €1.6bn in 2,833MW under construction, 65% of which devoted to hydro and wind, 35% to the coal plant (with PPA) in Brazil. **About half of this capacity is due to start operation in 2011-12.** Looking forward, EDP plans a total capex of €2.2bn in 2011 and €2.0bn in 2012. Excluding regulatory receivables, **EDP's adjusted net debt/EBITDA** was stable at 4.1x in Jun-11, reflecting the large cumulated expenditure in projects in progress.

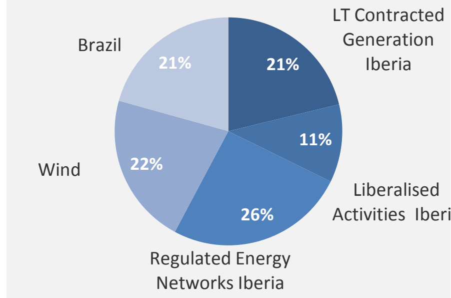
As of Jun-11, total cash position and available credit facilities amounted to €3.0bn. This liquidity position allows EDP to cover its refinancing needs until 1H13. As of Jul-11, EDP has already accomplished 70% of its assets disposal target for 2011 (of ~€500m) through the sale of a 14% stake in EDP Brasil (proceeds of €0.35bn, stake reduced to 51% with no change in controlling position).

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net)
(2) Depreciation and amortisation expense net of compensation for depreciation and amortisation of subsidised assets. (3) Excluding regulatory receivables.

EBITDA Breakdown

EBITDA (€ m)	1H11	1H10	Δ %	Δ Abs.	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
LT Contracted Generation	402.9	422.2	-4.6%	-19	213.8	208.4	216.3	238.1	197.9	205.0	-	-
Liberalised Activities Iberia	209.9	291.5	-28%	-82	166.7	124.8	76.8	80.6	131.0	78.8	-	-
Regulated Networks Iberia	525.0	452.6	16%	+72	232.4	220.1	225.7	260.1	275.7	249.3	-	-
Wind Power	409.2	342.9	19%	+66	184.5	158.4	130.2	239.6	220.1	189.1	-	-
Brazil	392.4	341.2	15%	+51	165.6	175.6	153.9	178.9	198.2	194.3	-	-
Other	(39.0)	(19.7)	-98%	-19	(23.6)	3.9	17.1	(35.3)	(14.8)	(24.2)	-	-
Consolidated	**1,900.4**	**1,830.8**	**3.8%**	**+70**	**939.6**	**891.2**	**820.0**	**962.0**	**1,008.2**	**892.2**	**-**	**-**

EBITDA 1H11



EDP consolidated EBITDA rose 4% YoY (+€70m) to €1,900m in 1H11, driven by our operations in regulated networks (+€72m), wind (+€66m) and Brazil (+€51m). EBITDA from our LT Contracted Generation in Iberia declined 5% (-€19m) and liberalised activities in Iberia retreated 28% (-€82m). Excluding forex impact (+€16m from Brasil and -€9m from US Wind), EBITDA rose 3% YoY.

LONG TERM CONTRACTED GENERATION IBERIA – EBITDA from LT contracted generation declined 5% YoY, to €403m in 1H11, mainly reflecting the exclusion of Carregado power plant from LT Contracted portfolio after the end of its PPA, in Dec-10 (-€43m). Adjusted for this, EBITDA grew 6%, backed by higher inflation (+€13m on PPA/CMEC gross profit) and the commissioning of 50% of new DeNOx facilities at Sines plant (+€6M).

LIBERALISED ACTIVITIES IBERIA – EBITDA from liberalised activities totaled €210m in 1H11 following a 28% drop. EBITDA from electricity business was 30% (-€79m) lower YoY, reflecting: (i) lower unit margins in electricity (from €14/MWh in 1H10 to €9/MWh in 1H11) resulting from higher sourcing costs and lower arbitrage opportunities and (ii) higher operating costs stemming from new capacity on stream and from the implementation of RD14/2010 (measures to reduce the tariff deficit) in Spain. This was only partially compensated by higher volumes sold (+4% YoY) and higher revenues from capacity payments (backed by its attribution in Portugal, as from Jan-11 onwards, and by new capacity on stream in Spain). EBITDA from gas supply in Iberia was 9% (-€3m) lower YoY, as lower margins booked in the wake of fiercer competition offset the positive impact from higher volumes sold (+11% YoY driven by Portugal).

REGULATED NETWORKS IBERIA – EBITDA rose 16% YoY (+€72m) in 1H11 driven by electricity distribution in Spain (+€43m) and regulated gas in Iberia (+€9m in Portugal and +€15m in Spain). Excluding impacts from the application of IFRIC18[1] in both years and non-recurrent gains from the sale of assets in both Spain and Portugal, EBITDA from regulated networks rose 4% YoY. EBITDA from electricity distribution activity in Spain rose 74% YoY to €101m in 1H11, mainly driven by a €27m non-recurrent gain from the sale of transmission assets, the impact from IFRIC18[1] (€13m in 1H11 vs. €8m 1H10) and higher distribution regulated revenues (+€9m). EBITDA from gas regulated activities increased 22% YoY (+€24m), to €135m in 1H11, driven by: (i) higher regulated revenues and connection fees in Spain; and (ii) higher recovery of past years' tariff adjustments and start of accounting of tariff deviations in Portugal.

In turn, EBITDA from electricity distribution in Portugal (55% of total from regulated networks) increased 2% YoY (+€5m) to €289m, reflecting: (i) lower regulated revenues (-€27m, mostly due to a decrease in consumption and low GDP deflator), which were more than compensated by (ii) a €21m intra-group real estate gain (no impact at consolidated level); and (iii) a 3% decline (-€7m) in controllable operating costs.

WIND POWER – EDPR's EBITDA increased 19% YoY (+€66m) to €409m in 1H11, in line with the 22% YoY increase of installed capacity to 6,887MW by Jun-11. EBITDA growth drivers were: (1) US (+€28m) reflecting capacity additions (+21%) and higher avg. load factor (+4p.p. YoY to 36%), which were partly compensated by lower avg. selling price (-10% YoY in merchant capacity, -9% in PPA/hedged capacity) and a 6% depreciation of the US Dollar against the Euro; (2) Spain (EBITDA +€23m YoY, including hedging results in energy markets), where new capacity additions (+14%) and higher achieved prices in the pool (+58% YoY) were partly offset by lower avg. load factor and lower hedging results; and (3) European markets ex-Iberia (+€17m), supported by capacity additions (+76%) and benefiting from selling prices above portfolio's avg. in the new markets of Romania and Poland.

BRAZIL – EBITDA rose 15% YoY (+€51m), positively impacted by a 4% appreciation of the Real against the Euro (+€16m impact on EBITDA). In local currency, EBITDA from EDP Energias do Brasil rose 10% YoY driven by: (i) a positive impact from the tariff revision in distribution mainly in Bandeirante; (ii) higher electricity demand; and (iii) normalised quarterly sales in generation, in 1H11, versus abnormally low sales in 1H10.

In line with increasing liberalisation, EDP Soluções Comerciais, our commercial shared services platform for electricity and gas supply in Portugal (EBITDA: €11m in 1H10, €14m in 1H11), was excluded from the regulated networks business and transferred to liberalised activities. Also note that the above mentioned €21m intra-group real estate gain recorded in 2Q11 at the level of electricity distribution in Portugal was compensated at the level of "Other", explaining the €19m YoY decline of this item in 1H11.

(1) With the application of IFRIC 18, the assets received from customers ensuring their direct access to the energy distribution network, are registered as assets at fair value against operating income, and amortized through their useful lives.

Profit & Loss Items below EBITDA

Provisions, Deprec. & Amortizat. (€ m)	1H11	1H10	Δ %	Δ Abs.
EBITDA	**1,900.4**	**1,830.8**	**3.8%**	**+70**
Provisions	20.4	39.3	-48%	-19
Depreciation and amortisation	724.1	717.9	0.9%	+6
Compensation for depreciation	(19.9)	(12.7)	-57.0%	-7
EBIT	**1,175.7**	**1,086.3**	**8.2%**	**+89**

Financial Results (€ m)	1H11	1H10	Δ %	Δ Abs.
Net financial interest	(314.2)	(241.4)	-30%	-73
Capitalized financial costs	72.2	84.2	-14%	-12
Net foreign exch. diff. and derivates	(7.8)	(59.2)	87%	+51
Investment income	3.2	10.2	-69%	-7
Other Financials	(19.5)	(26.7)	27%	+7
Financial Results	**(266.1)**	**(232.9)**	**-14%**	**-33**

Results from Associat. Companies (€ m)	1H11	1H10	Δ %	Δ Abs.
CEM (21%) - China/Macao	5.6	4.7	19%	+1
DECA II (EEGSA (21%)) - Guatemala	-	3.0	-	-3
EDP Renováveis subsidiaries	3.4	3.3	3.1%	+0
Other	2.8	2.1	31%	+1
Results from associated companies	**11.8**	**13.1**	**-10%**	**-1**

Capital Gains/(Losses) (€ m)	1H11	1H10	Δ %	Δ Abs.
SEASA - EDP Renováveis	9.4	-	-	+9
Oni SGPS - Telecom Portugal	-	6.9	-	-7
Other	1.0	(2.2)	-	+3
Capital Gains/(Losses)	**10.4**	**4.8**	**116%**	**+6**

Income Tax (€ m)	1H11	1H10	Δ %	Δ Abs.
Pre-tax profit	**931.8**	**871.3**	**6.9%**	**+60**
Income taxes	220.5	231.9	-4.9%	-11
Effective tax rate (%)	*23.7%*	*26.6%*	*-3.0 pp*	-
Discontinued activities	-	-	-	-

Non-controlling Interest (€ m)	1H11	1H10	Δ %	Δ Abs.
EDP Renováveis	21.9	8.0	174%	+14
HC Energia	0.3	(0.7)	-	+1
Gas Portugal subsidiaries	6.1	3.1	97%	+3
Energias do Brasil	74.1	64.2	15%	+10
Other	0.2	-	-	+0
Non-controlling Interest	**102.6**	**74.6**	**38%**	**+28**

Net depreciation and amortisation (net of compensation from depreciation and amortisation of subsidized assets) stood flat in 1H11, as the expansion of EDPR's wind portfolio was offset by the extension of the useful life of the wind farms from 20 to 25 years, in 2Q11, as well as of several other plants in Portugal in 2010.

Provisions amounted to €20m, including a €11m related to a litigation with a client in Brazil (EDP recorded a total amount of €34m, of which €11m at EBIT level and €23m at financial results)

Financial Results:

a) **Net financial interests paid** increased 30% YoY, to €314m in 1H11, following (i) a c40bp increase of the average cost of debt, from 3.5% in 1H10 to 3.9% in 1H11, driven by the increase in short term interest rates and (ii) an increase by 10% in average net debt.

b) **Capitalized financial costs** decreased by 14% due to lower level of works in progress, namely at the level of EDP Renováveis.

c) **Net foreign exchange and derivatives** rose by €51m YoY to a €8m loss in 1H11, mostly due to lower losses in USD/EUR forex derivatives.

d) **Other financials** amounted to €21m including an impairment in our financial stake in BCP (€18m) and a €23m provision due to a litigation with a client in Brazil.

Results from associated companies: in Oct-10, EDP sold for USD127m its 21% stake in DECA II (Guatemala). EDP Renováveis subsidiaries includes essentially our equity stake in ENEOP Portugal (€2.5m impact in 1H11).

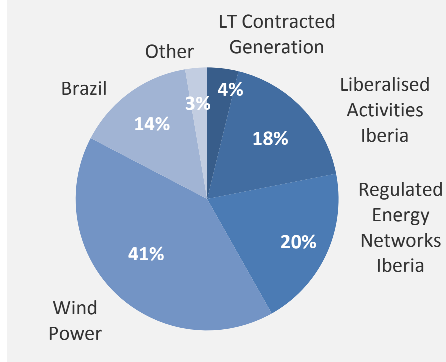
Capital gains and losses: in Apr-11, EDPR sold its 16.7% stake in SEASA, a company with 74 operating MW of wind in Spain, recognizing a capital gain of €9m.

Non-controlling interest increased 38% YoY to €103m in 1H11, following the increase of EDP Brasil and EDPR net profit.

Capital Expenditure Breakdown

Capex (€ m)	1H11	1H10	Δ %	Δ Abs.	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
LT contracted gen. Iberia	32.3	35.7	-9.7%	-3	12.8	22.9	25.1	35.1	13.9	18.4	-	-
Liberalised activities Iberia	153.1	151.6	1%	+1	55.3	96.3	102.9	211.9	49.0	104.1	-	-
Regulated networks Iberia	168.2	148.1	13.6%	+20	65.9	82.2	81.2	141.4	70.5	97.7	-	-
Wind power	345.0	834.3	-59%	-489	382.0	452.3	285.3	112.1	190.4	154.6	-	-
Brazil	123.8	121.8	2%	+2	39.5	82.3	111.4	194.1	63.0	60.8	-	-
Other	22.7	20.1	13%	+3	17.1	3.1	41.1	14.0	5.9	16.8	-	-
EDP Group	**845.0**	**1,311.7**	**-36%**	**-467**	**572.6**	**739.1**	**646.9**	**708.7**	**392.7**	**452.4**	**-**	**-**
Expansion Capex	**534.7**	**1,008.1**	**-47%**	**-473**	**446.6**	**561.5**	**444.9**	**520.0**	**263.4**	**271.4**	**-**	**-**
Maintenance Capex	**310.3**	**303.6**	**2.2%**	**+7**	**126.0**	**177.7**	**202.1**	**188.7**	**129.3**	**181.0**	**-**	**-**

CAPEX 1H11



Generation Projects Installed in 1H11 (€ m)	MW	Capex 1H11
Wind Power	450	118
Special regime (ex-wind)	10	1
Total	**460**	**119**

Generation Projects Under Construction (€ m)	MW	Capex 1H11	Acc. Capex (1)
Hydro Portugal	2,139	118	641
Wind power (2)	325	132	379
Coal Brazil	360	52	567
Hydro Brazil	9	1	33
Total	**2,833**	**303**	**1,620**

Consolidated capex amounted to €845m in 1H11, 63% of which were devoted to expansion projects. In line with EDP's strategy to invest in risk controlled activities, regulated/LT contracted activities absorbed 79% of capex. Maintenance capex totaled €310m in 1H11, while expansion capex amounted to €535m, 89% of which in CO2-free technologies, hydro and wind.

Capex in **new wind capacity** (65% of expansion capex), at EDPR level, amounted to €345m and was mainly invested US (37%), Poland (22%), Brazil (17%), Spain (14%) and Romania (4%). Out of total wind capex, €118m were invested in the conclusion of 450MW which started operations in 1H11, namely, 140MW in Spain, 138MW in Romania, 70MW in Brazil, 54MW in US and 48MW in Poland. Additionally, EDPR has so far spent €379m (€191m in 1H11) in 325MW currently under construction, out of which 226MW are under long-term regulated schemes: 45MW in US (PJM), 61MW in Spain, 57MW in Romania, 22MW in Poland, 22MW in France and 20MW in Italy. The remaining 99MW under construction are from an US project (Blue Canyon VI wind farm; Oklahoma State) that benefits from very competitive characteristics (low investment, low maintenance cost and strong wind resource). For 2011, new wind capacity additions planned total 800-900MW, the bulk of which in European markets.

Capex in **new hydro capacity** (25% of expansion capex) totaled €132m in 1H11, the bulk of which (€118m) devoted to 8 plants currently under construction (2,139MW due in 2011/15). The first plants to come on stream will be the repowering of Picote II and Bemposta II (437MW, 76% of capex already incurred), in the end of 2011, and Alqueva II (256MW, 68% of capex already incurred), in mid 2012.

In Brazil, EDP already invested: (1) €567m in its 360MW share in Pecém coal plant, due to start-up by the end of 2011; and (2) €33m in the repowering of Mascarenhas (9MW), due in 2012. The first stage of Mascarenhas repowering (9MW) started operations in 2Q11.

Overall, EDP increased its installed capacity by 460MW in 1H11, to 22.5GW. Additionally, **up to Jun-11, EDP had already spent €1.6bn in 2,833MW under construction. About half of this capacity is due to start operation in 2011-12. Looking forward, EDP plans a total capex of €2.2bn in 2011 and €2.0bn in 2012.**

(1) Accumulated capex net of debts to equipment suppliers. (2) Excluding Eólicas de Portugal (50MW); Amount of accumulated capex as of Jun-11 includes capacity under construction & development.

Cash Flow

Consolidated Cash Flow (€ m)	1H11	1H10	Δ %	Δ Abs.
EBITDA	**1,900.4**	**1,830.8**	**3.8%**	**+70**
Current Income tax	(140.8)	(178.7)	21%	+38
Net financial interest	(314.2)	(241.4)	-30%	-73
Net Income and dividends from associates	15.0	23.3	-36%	-8
Other adjustments	(16.9)	4.7	-	-22
FFO (Funds From Operations)	**1,443.5**	**1,438.8**	**0.3%**	**+5**
Net financial interest	314.2	241.4	30%	+73
Net Income and dividends from associates	(15.0)	(23.3)	-36%	-8
Change in operating working capital	(256.6)	(792.8)	-	+536
Regulatory receivables	33.1	(263.2)	-	+296
Other	(289.7)	(529.6)	-	+240
Operating Cash Flow	**1,486.1**	**864.0**	**72%**	**+622**
Expansion capex	(534.7)	(1,008.1)	-47%	-473
Maintenance capex	(310.3)	(303.6)	2.2%	+7
Change in working capital from equipment suppliers	(342.9)	(174.9)	96%	+168
Net Operating Cash Flow	**298.2**	**(622.6)**	**-**	**+921**
Net financial (investments)/divestments	(166.1)	14.8	-	-181
Net financial interest paid	(253.6)	(144.6)	-75%	-109
Dividends received from associates	8.8	19.5	-	-11
Dividends paid	(707.8)	(615.1)	15%	+93
Anticipated proceeds from inst. partnerships in US wind	(7.3)	108.8	-	-116
Effect of exchange rate fluctuations	274.2	(651.7)	-	+926
Other non-operating changes	19.7	(210.4)	-	+230
Decrease/(Increase) in Net Debt	**(534.0)**	**(2,101.3)**	**-**	**+1,567**

Net Financial (Investments)/Divestments (€ m)	1H11	1H10	Δ %	Δ Abs.
Major Financial Investments	**263.7**	**70.6**	**273%**	**+193**
Consolidation perimeter EDP Renováveis	19.5	54.7	-64%	-35
Genesa (20% stake)	231.1	-	-	+231
Other	13.2	15.9	-17%	-3
Major Financial Divestments	**97.6**	**85.4**	**14%**	**+12**
Consolidation perimeter EDP Renováveis	96.5	72.7	33%	+24
Other	1.1	12.7	-91%	-12
Net Financial (Investments)/Divestments	**(166.1)**	**14.8**	**-**	**-181**

Funds from operations (FFO) stood flat amounting to €1,444m following the €70m increase in EBITDA (see EBITDA breakdown explanation), which was compensated by €71m rise in net financial interest paid due to a 40bp increase of average cost of debt and 10% increase average net debt.

Operating cash flow rose by €622m in 1H11, to €1,486m, mainly reflecting the positive contribution from a €33m decline in regulatory receivables in 1H11 vs. a €263m increase in 1H10. Note that in 1H11, EDP received cash proceeds from tariff deficit securitization deals in Spain and received also regulatory receivables related to generation under CMEC system which compensate an increase in regulatory receivables from energy distribution & last resort supply in Portugal. The -€287m of other changes in working capital in 1H11 are essentially related to the €250m reduction of the liabilities to suppliers.

Expansion capex decreased 47% to €535m in 1H11 reflecting lower capex in wind activities. In 1H11, the decline in "change in working capital related to property and equipment suppliers" reflects the slowdown in the investment activities in the period.

Financial divestments mainly include restricted cash related to tax equity agreements in the wind US. **Financial investments** in 1H11 includes the acquisition of a 20% stake in Genesa following the exercise of a put option of Caja Madrid, and amounts related to the EDPR activity namely payment of success fees related to development of wind projects previously acquired.

On May 13th 2011, EDP paid its **annual dividend** amounting to €617m (€0.17/share), a 10% increase vs. previous year. The amount of €708m of dividends paid include also the amount paid to non-controling interests namely in EDP Brasil.

The €274m related to "**Effect of exchange rate fluctuations**" reflects the impact of depreciation of US dollar and Brazilian Real vs. the Euro in 1H11.

The "**Other non-operating changes**" are mainly impacted by fair value from hedge.

Overall, **net debt** in 1H11 increased €0.5bn, compared to a €2.1bn increase in 1H10.

In July, EDP completed the sale of a 14% stake in EDP Brasil, cashing in €0.35bn.

Statement of Consolidated Financial Position

Assets (€ m)	Jun. vs. Dec.		
	Jun-11	Dec-10	Δ Abs.
Property, plant and equipment, net	20,009	20,324	-314
Intangible assets, net	9,904	9,963	-60
Financial investments, net	361	591	-230
Deferred Tax asset	466	515	-49
Assets held for sale	85	31	54
Inventories	396	357	39
Accounts receivable - trade, net	2,143	2,187	-44
Accounts receivable - other, net	4,682	4,974	-292
Financial assets held for Trading	36	36	0
Cash and cash equivalents	930	1,511	-582
Total Assets	**39,011**	**40,489**	**-1,477**

Equity (€ m)	Jun-11	Dec-10	Δ Abs.
Share capital	3,657	3,657	-
Treasury stock and share premium	396	388	8
Consol. net profit, reserv. and retaining earnings	3,640	3,810	-170
Equity Book Value	**7,693**	**7,855**	**-162**
Non-controling Interest	**2,942**	**2,930**	**12**
Total Equity	**10,635**	**10,785**	**-150**

Liabilities (€ m)	Jun-11	Dec-10	Δ Abs.
Medium/ Long-term debt & borrowings	16,153	14,887	1,265
Short-term debt & borrowings	1,691	3,004	-1,313
Provisions	426	431	-5
Hydrological correction account	76	75	1
Deferred tax liability	848	856	-8
Accounts payble - Other,net	9,182	10,450	-1,268
Total Liabilities	**28,376**	**29,704**	**-1,328**
Total Equity and Liabilities	**39,011**	**40,489**	**-1,477**

Regulatory Receivables (€ m)	Jun-11	Dec-10	Δ Abs.
Portugal Distribution and Gas (1)	596	201	396
Portugal Annual CMEC Deviation	302	488	-186
Spain (2)	532	759	-227
Brazil (1)	(20)	(5)	-15
Regulatory Receivables	**1,410**	**1,443**	**-33**

Prov. for Social Benefits & Inst. Part. Liability (€ m)	Jun-11	Dec-10	Δ Abs.
Pensions (3)	1,046	1,104	-58
Medical care	805	800	4
Net institutional partnership liability (4)	865	934	-69
Prov. for Social Benefits & Inst. Part. Liability	**2,716**	**2,839**	**-123**

Total amount of **property, plant and equipments, intangible assets and goodwill** decreased by €0.4bn vs. Dec-10 to €29.9bn following: (1) +€0.8bn due to capex in 1H11; (2) -€0.7bn of depreciations in the same period; and (3) -€0.5bn due to the depreciation of USD and BRL vs. EUR between Dec-10 and Jun-11. As of Jun-11, EDP's balance sheet included €3.5bn of works in progress (12% of total consolidated fixed assets of €29.9bn) largely related to investments already made in plants, equipment or concession rights which are not yet operating or being depreciated.

The book value of **financial investments & assets held for sale** amounted to €446m as of Jun-11, including essentially our financial stakes in CEM (21%), Ampla (7.7%), BCP (2.6%) and REN (3.5%). The observed -€0.2bn reduction essentially relates to currency, assets downward revaluations and the disposal of electricity transmission assets in Spain to REE, in Feb-11 (-€31m).

Total amount of **accounts receivable (trade & other, net)** decreased €0.3bn vs. Dec-10 to €6.8bn in Jun-11. The main drivers for this decline were: (1) -€0.1bn decline in gross regulatory receivables, following -€0.2bn decline in Spanish pending tariff deficit, -€0.2bn lower receivables from generation under CMEC system in Portugal and +€0.3bn increase in receivables in Portugal from energy distribution & last resort supply; and (2) -€0.1bn decline of restricted cash (generic cushions for business related payables).

Total amount of EDP's net regulatory receivables decreased €33m in 1H11, as a result of: (1) a €227m decline from Spain (strongly impacted by the €358m cash proceeds in the period from tariff deficit securitization deals); (2) a €209m increase from Portugal (increase in pending receivables from energy distribution & last resource supply and a decline in pending receivables related to generation under CMEC system); and (3) a €15m decline in Brazil (regulatory receivables in Brazil are not recognized in statement of financial position or income statement).

Equity book value declined €162m in 1H11, reflecting the €609m net profit in the period, the €617m dividend payment and the negative impact in reserves from the USD and BRL depreciation vs. the Euro in the period.

Accounts payable (other, net) fell -€1.3bn vs. Dec-10 to €9.2bn as of Jun-11, essentially due to: (1) declines in accounts payable to suppliers (-€0.3bn) and equipment suppliers (-€0.4bn); (2) the payment, in Apr-11, of €0.2bn related to EDPR's purchase of a 20% stake in Genesa following the decision of CajaMadrid to exercise its put option (as of Dec-10, the liability associated to this put option was under "Accounts payable – Put options over non-controlling interest liabilities"); (3) decrease in the amount of regulatory payables related to previous years (-€0.1bn); (4) decline from **adjusted institutional partnership liability** related to our wind operations in US (-€0.1bn), which by the end of Jun-11 amounted to €865m – this amount is adjusted by deferred revenue and restricted cash; the deferred revenue is related to tax credits already benefited by the institutional investor; adjusted institutional partnership liability should be gradually reduced over the lifetime of each wind power plant; and (5) reduction in the amount of unfunded **pension fund and medical care liabilities** (-€0.05bn), which amounted to €1.8bn as of Jun-11 (gross, before deferred taxes), following the payments done in the period and no new additions of liabilities related to the entry of new employees to these employee benefit plans. Note that more than 70% of these liabilities are related to employees from regulated electricity distribution and supply in Portugal, meaning that most of these liabilities should be part of the regulated cost base in the moment of payment.

(1) Tariff deviations to be recovered/(returned) through tariffs in the following years by electricity distribution and last resort supply and gas in Portugal
(2) Amounts net of CO2 clawback costs.
(3) Pensions include the Provision for the HR Restructuring Program costs of EDP Distribuição, which is being recovered through the tariffs.
(4) Adjusted by the non-current deferred revenue.

Consolidated Net Financial Debt

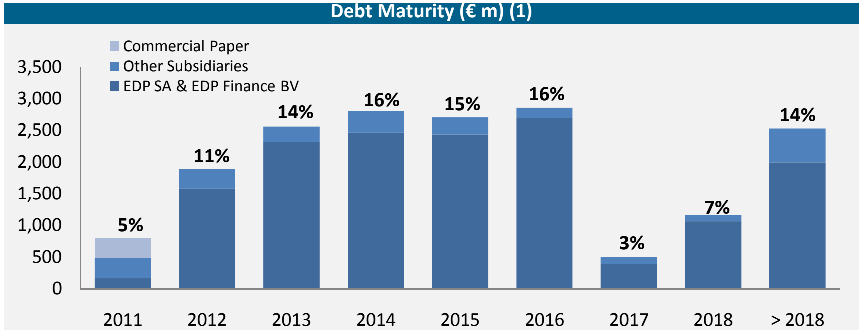
Nominal Financial Debt by Company (€m)	Jun-11	Dec-10	Δ %	Δ Abs.
EDP S.A. and EDP Finance BV	15,378.8	15,161.3	1%	217
EDP Produção + HC Energia + Portgás	285.6	332.5	-14%	-47
EDP Renováveis	727.4	728.9	0%	-1
EDP Brasil	1,340.1	1,452.0	-8%	-112
Nominal Financial Debt	**17,732.0**	**17,674.6**	**0%**	**57**
Accrued Interest on Debt	197.6	265.1	-25%	-68
Fair Value of Hedged Debt	(85.5)	(48.0)	-78%	-37
Total Financial Debt	**17,844.1**	**17,891.6**	**0%**	**-48**
Cash and cash equivalents	**929.6**	**1,511.2**	-38%	-582
EDP S.A., EDP Finance BV and Other	391.7	579.6	-32%	-188
EDP Renováveis	203.7	423.7	-52%	-220
Energias do Brasil	334.2	507.9	-34%	-174
Financial assets at fair value through P&L	**35.8**	**35.7**	0%	0
EDP Consolidated Net Debt	**16,878.6**	**16,344.7**	**3%**	**534**

Credit Lines by Jun-11 (€m)	Maximum Amount	Number of Counterparts	Available Amount	Maturity
Revolving Credit Facility	2,000	21	1,200	Nov-15
Domestic Credit Lines	190	10	184	Renewable
Underwritten CP Programmes	650	3	650	Renewable
Total Credit Lines	**2,840**		**2,034**	

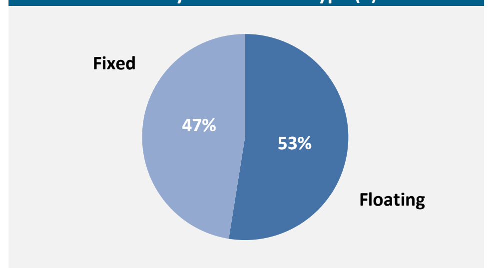
Debt Ratings	S&P	Moody's	Fitch
EDP SA & EDP Finance BV	**BBB/Neg/A2**	**Baa3/Neg/P3**	**BBB+/CW-/F2**
Last Rating Action	01-04-2011	08-07-2011	04-04-2011

Debt Ratios	1H11	YE2010
Net Debt / EBITDA	4.4x	4.5x
Net Debt / EBITDA adjust. by Reg. Receivables	4.1x	4.1x

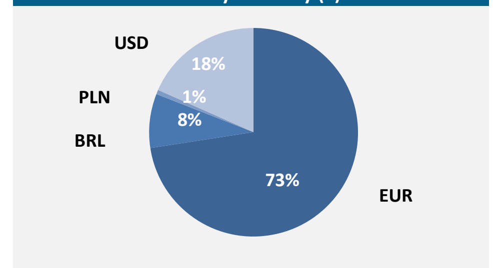
Debt Maturity (€ m) (1)



Debt by Interest Rate Type (1)



Debt by Currency (1)



EDP's **financial debt** is essentially issued at holding level (EDP SA/EDP BV) both through the debt capital market (public & private) and loan markets. Our investments/operations are funded in local currency in order to mitigate forex risk. EDP Brasil is ring fenced and mostly non-recourse to EDP SA and is self funded in local currency. Other external funding of the EDP Group consist essentially of project finance mainly raised by some of EDP Renováveis subsidiaries. Our USD debt is fully dedicated to the funding of EDP Renováveis wind investments in US, issued at EDP SA/EDP BV level and then on lent through intragroup loans.

EDP's funding strategy aims to maintain access to diversified funding sources and to assure its funding needs 24 months in advance. EDP targets a steady improvement of its free cash flow position and credit ratios over the next years. In 1H11, EDP's net debt/EBITDA and net debt/EBITDA adjusted for regulatory receivables were 4.4x and 4.1x, respectively. In Jul-11, Moody's downgraded EDP credit rating as a result of the rating downgrade of the Republic of Portugal. EDP's credit rating stands now one notch above the Republic of Portugal by Standard & Poor's and two notches by Moody's and Fitch, reflecting the high weight of activities out of Portugal in EDP's business mix, the low sensitivity to the economic cycle of EDP's business portfolio and EDP's confortable liquidity position.

In Jan-11, EDP issued a Eurobond in the amount of €750m maturing in Feb-16 with a coupon of 5.875%. Also in Jan-11 EDP contracted with the European Investment Bank a €300m loan maturing in 15 years to fund the repowering of new hydro plants in Portugal. In Feb-11, EDP issued a Swiss Franc bond in the amount of CHF230m maturing in Feb-14 with a coupon of 3.5%, which was swapped to Euros. In Apr-11, EDP contracted a syndicated loan in the amount of €300m with a tenor of 3 years.

By Jun-11, debt average maturity was 5 years. The weight of floating rate in the Group's consolidated debt decreased (56% Floating/44% Fixed by Dec-10 to 53% Floating/47% Fixed by Jun-11). EDP's main reference in floating interest rate are Euribor 1 month/3 months. As at Jun-11, outstanding commercial paper amounted to €0.3bn out of €1bn programme. EDP intends to continue to roll it forward, having as back-up for this commercial paper program a €2bn revolving credit facility with 4.5 years maturity, which by Jun-11 was utilised an amount of €0.8bn. As at Jun-11, total committed liquidity facilities available amounted to €2.0bn, which implied a total of €3.0bn in cash and liquidity facilities available. This liquidity position allows EDP to cover its refinancing needs until 1H13.

(1) Nominal Value.

Business Areas

Iberian Electricity and Gas Markets

Electricity Balance (TWh)	Portugal 1H11	Portugal 1H10	Portugal Δ%	Spain 1H11	Spain 1H10	Spain Δ%	Iberian Peninsula 1H11	Iberian Peninsula 1H10	Iberian Peninsula Δ%
Hydro	7.3	10.3	-29%	18.4	25.1	-27%	25.7	35.3	-27%
Nuclear	-	-	-	27.3	29.2	-6.4%	27.3	29.2	-6.4%
Coal	2.8	1.7	69%	16.8	7.2	132%	19.6	8.9	120%
CCGT	5.9	4.5	30%	26.1	29.3	-11%	31.9	33.8	-5.5%
Fuel/gas/diesel	(0.0)	(0.0)	101%	-	0.9	-	(0.0)	0.9	-
Own consumption	-	-	-	(3.3)	(2.9)	15%	(3.3)	(2.9)	15%
(-)Pumping	(0.2)	(0.2)	23%	(1.7)	(2.6)	-34%	(2.0)	(2.8)	-30%
Conventional Regime	**15.8**	**16.3**	**-3.1%**	**83.5**	**86.2**	**-3.0%**	**99.3**	**102.4**	**-3.0%**
Wind	4.4	4.7	-6.3%	22.1	22.1	0.3%	26.6	26.8	-0.9%
Other	4.7	4.6	3.0%	26.1	24.3	7.3%	30.8	28.9	6.6%
Special Regime	**9.1**	**9.3**	**-1.8%**	**48.2**	**46.4**	**3.9%**	**57.3**	**55.7**	**3.0%**
Import/(export) net	0.7	0.4	85%	(3.5)	(3.5)	-0.3%	(2.8)	(3.1)	-11%
Gross demand (before grid losses)	**25.6**	**26.0**	**-1.3%**	**128.3**	**129.1**	**-0.6%**	**153.9**	**155.0**	**-0.7%**
Adjust. temperature, working days			-1.5%			0.4%			n.a.

Gas Demand (TWh)	Portugal 1H11	Portugal 1H10	Portugal Δ%	Spain 1H11	Spain 1H10	Spain Δ%	Iberian Peninsula 1H11	Iberian Peninsula 1H10	Iberian Peninsula Δ%
Conventional demand	18.0	17.6	2%	138.5	139.1	-0.5%	156.5	156.8	0%
Demand for electricity generation	12.1	9.5	28%	55.7	61.7	-10%	67.9	71.2	-5%
Total Demand	**30.2**	**27.1**	**11.2%**	**194.2**	**200.8**	**-3.3%**	**224.4**	**227.9**	**-1.6%**

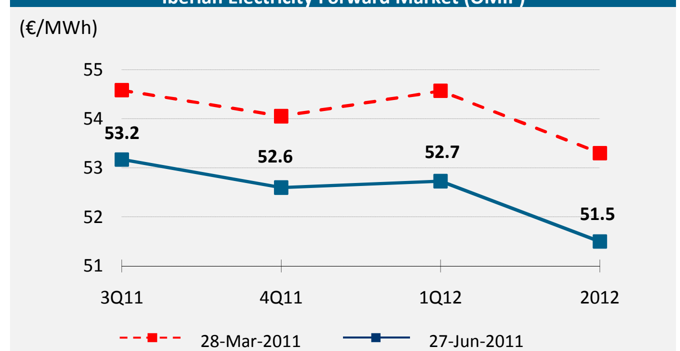
Electricity demand in Iberia fell 0.7% in 1H11. In Spain (83% of Iberia), demand was 0.6% lower due to temperature and calendar effects (adjusted for these, demand grew 0.4%). In Portugal (17% of total), demand fell 1.3% (-0.6% YoY in 2Q11) driven by the residential and SMEs segments. Albeit the fall in Iberian total demand (-1.1TWh) and the rise in special regime output (+1.7TWh ex-wind), residual thermal demand (RTD) rose 18% (8TWh) driven by a decline (i) in net hydro output (-8.8TWh), on lower production factors (1.4 in 1H10 and 1.0 in 1H11) and (ii) in nuclear output (-1.9TWh). The rise in RTD was fully met by coal plants (+11TWh in 1H11, +7TWh in 2Q11), mainly reflecting coal's last year's weak production and the implementation of the RDL 1221/2010 in Spain (Feb-11). As a result, average coal load factor in Spain stood at 32% in 1H11, reflecting a 21pp YoY increase in 2Q11, to 33%. In turn, output from CCGTs in Iberia fell 3TWh in 1H11 (-2.4TWh in 2Q11), impacted by the implementation of the RDL 1221/2010 and reflecting lower load factors in Spain: 24% in 1H11, following an 8pp YoY decline to 22% in 2Q11. Wind output fell 1% in 1H11, reflecting weaker wind resources, which compensated higher installed capacity (+9%). Thermal installed capacity in Iberia rose 7% YoY reflecting the shutdown of fuel/gasoil capacity (-1.8GW) and the start-up of new CCGT groups (+4.6GW).

Average electricity spot price in Spain surged 55% in 1H11, mainly due to a very weak comparison basis. On a quarterly basis, spot price rose 7% to €48/MWh in 2Q11, driven by higher fuel costs (gas, coal and CO_2). Average final price in Spain rose 47% in 1H11, standing €9.4/MWh above pool price, reflecting the weight of ancillary services and capacity payments in the final price. Also noteworthy is the quarter-on-quarter fall in end-of-period CO_2 prices (-22% to €13.5/ton) following selling pressure arising from euro zone financial crisis.

In the Iberian gas market, volumes consumed declined 1.6% in 1H11 following a 4% YoY in fall in 2Q11. Conventional demand was flat, supported by a 2% increase in Portugal and a 0.5% fall in Spain. Gas consumed at thermal plants declined 5% in 1H11 (-12% YoY in the 2Q11), reflecting low working hours at the Spanish CCGTs. Even though the spot benchmark of gas (based on NBP) steadily rose in 1H11 (+55%), brent prices did also rise (+41%). Hence, Iberian LT gas contracts costs (oil-linked with some lag) continue to increase and gas supply margins continue under pressure.

Installed Capacity in Electricity (GW)	Iberian Peninsula 1H11	Iberian Peninsula 1H10	Iberian Peninsula Δ%
Hydro	21.2	21.2	-
Nuclear	7.5	7.4	0.2%
Coal	12.6	12.6	0.0%
CCGT	28.7	24.1	19%
Fuel/gas/diesel	2.9	4.7	-38%
Conventional Regime	**72.9**	**70.0**	**4.1%**
Wind	24.8	22.8	8.7%
Other special regime	17.2	16.7	2.5%
Special Regime	**42.0**	**39.6**	**6.1%**
Total	**114.9**	**109.6**	**4.8%**

Iberian Electricity Forward Market (OMIP)



Main Drivers	1H11	1H10	Δ%
Hydro coeficient (1.0 = avg. year)			
Portugal	1.03	1.43	-28%
Spain	0.97	1.39	-30%
Electricity spot price, €/MWh (1)			
Portugal	47.1	30.0	57%
Spain	46.7	30.2	55%
Electricity final price, €/MWh (1) (2)			
Spain	56.1	38.1	47%
CO2 allowances (EUA), €/ton (1)	15.9	14.4	10%
Coal (API2 CIF ARA), USD/t (1)	122.8	83.8	46%
Gas (CMP Spain), €/MWh (1)	22.7	21.7	4.7%
Gas NBP, €/MWh(1)	22.5	14.5	55%
Brent, USD/bbl (1)	111.1	78.5	41%
EUR/USD (1)	1.40	1.33	5.8%

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

LT Contracted Generation in the Iberian Market: PPA/CMEC and Special Regime

Income Statement (€ m)	1H11	1H10	Δ%	Δ Abs.
PPA/CMEC Revenues	**495.0**	**462.3**	**7.1%**	**+33**
Revenues in the market (i)	456.8	369.6	24%	+87
Annual deviation (ii)	80.2	92.3	-13%	-12
PPAs/CMECs accrued income (iii)	(42.0)	0.4	-	-42
PPA/CMEC Direct Costs	**56.3**	**4.3**	**-**	**+52**
Coal	82.4	37.0	123%	+45
Fuel oil	1.9	2.8	-34%	-1
CO2 and other costs (net)	(28.0)	(35.6)	-21%	+8
Gross Profit PPA/CMEC	**438.7**	**458.0**	**-4.2%**	**-19**
Thermal (cogen., waste, biomass)	33.5	27.7	21%	+6
Mini-hydro	29.8	37.0	-19%	-7
Gross Profit Special Regime	**63.4**	**64.7**	**-2.1%**	**-1**
Net Operating costs (1)	99.2	100.6	-1.4%	-1
EBITDA	**402.9**	**422.2**	**-4.6%**	**-19**
Net depreciation and provision	94.8	113.1	-16%	-18
EBIT	**308.1**	**309.1**	**-0.3%**	**-1**
At Fin. Results: Hedging Gains (Losses) (2)	(5.1)	(13.7)	-62%	+9
Employees (#)	1,346	1,420	-5.2%	-74

PPA/CMEC: Key Data	1H11	1H10	Δ %	Δ Abs.
Real/Contracted Availability				
Hydro plants	1.03	1.02	0.7%	+0.0
Thermal plants	1.09	1.09	-0.4%	-0.0
Installed Capacity (MW)	**6,221**	**6,931**	**-10%**	**-710**
Hydro (3)	4,094	4,094	-	-
Coal	1,180	1,180	-	-
Fuel oil	946	1,657	-43%	-710

Special Regime: Key Data	1H11	1H10	Δ %	Δ Abs.
Output (GWh)	**1,274**	**1,348**	**-5.5%**	**-74**
Mini-hydro Portugal	316	422	-25%	-105
Thermal Portugal	529	460	15%	+70
Thermal Spain	428	467	-8.2%	-38
Average Gross Profit (€/MWh)				
Mini-hydro Portugal	94	88	7.1%	+6
Thermal Portugal	35	27	33%	+9
Thermal Spain	35	33	4.5%	+2

Capex (€ m)	1H11	1H10	Δ %	Δ Abs.
PPA/CMEC Generation	**28.2**	**26.7**	**5.7%**	**+2**
Hydro recurrent	9.8	8.7	13%	+1
Thermal recurrent	3.8	6.9	-45%	-3
Non recurrent (environmental)	14.6	11.2	31%	+3
Special Regime	**4.0**	**9.0**	**-55%**	**-5**
Expansion	1.4	7.7	-82%	-6
Maintenance	2.6	1.3	103%	+1
Total	**32.3**	**35.7**	**-9.7%**	**-3**

EBITDA from LT contracted generation fell 5%, to €403m in 1H11, reflecting the exclusion of Carregado plant from this portfolio after the end of its PPA, in Dec-10 (-€43m). Adjusted for this, EBITDA grew 6%, backed by higher inflation (+€13m on PPA/CMEC) and the commissioning of 50% of DeNOx facilities at Sines plant (+€6M).

Gross profit from PPA/CMEC fell 4% (-€19m) to €439m in 1H11, supported by the end of PPA of our 710MW Carregado fuel oil plant (€48m contribution in 1H10) and lower contribution from results with fuel procurement (+€0.3m in 1H11 vs. +€3.8m in 1H10). Adjusted for these impacts, gross profit rose by €32m in 1H11 (+8%), driven by higher inflation YoY (+€13m), availability rates steadily above contracted levels (+3% at hydro plants, +9% at thermal plants) and the start-up of DeNOx facilities in two groups of Sines, in Jan-11 (+€6m). Note that as a result of EDP's strategy to hedge the differences between fuel procurement costs and fuel costs accepted under the CMECs through derivative financial instruments, the impact at gross profit level is ultimately compensated at the level of financial results.

The annual deviation between market gross profit under CMECs assumptions and gross profit under actual market conditions ('revisibility') amounted to €80m in 1H11, backed by thermal plants. The deviation generated at thermal plants in 1H11 (€96m to be received in up to 24 months through TPA tariffs, paid by all Portuguese electricity consumers) derived from higher than contracted availability rates, from very low output and average clean dark spreads short of CMEC's reference. In turn, the deviation generated at our hydro plants was negative by €16m (an amount to paid back the system in up to 24 months) as the (i) revenues from ancillary services and (ii) higher than average output; compensated the negative impact from (iii) average realised prices in the pool short of initial CMEC's reference (€54/MWh[3]).

Gross profit from special regime fell 2%, to €63m in 1H11, due to lower output at mini hydro plants (-25%). Gross profit from thermal special regime capacity rose 21% in 1H11, reflecting higher contribution from Portugal (on volume 15% higher; unit margin 33% higher YoY).

Net operating costs[1] stood at €99m (-1%), reflecting curtailment costs (+€6m) and the exclusion of Carregado plant from this portfolio (-€5m). **Net depreciation charges** and provisions fell 16% supported by the exclusion of Carregado plant and the extension of the useful life in several plants in 2010.

Capex in LT contracted generation totaled €32m in 1H11, 50% of which devoted to non-recurrent projects. The bulk of non-recurrent investment reported to the new DeNOx facility at Sines (€15m in 1H11, 80% of total capex incurred). This €100m-investment is due to be remunerated under PPA/CMEC system (8.5% ROA before inflation and taxes), being fully depreciated until 2017. In Jan-11, 50% of Sines DeNOx was brought on stream; the remaining will be on stream in early 2012. Expansion capex in special regime reports to Tudela cogeneration plant (10MW in Spain), on stream since Jan-11.

Explanatory note on PPA/CMEC:
In June 2007 the long term contracts that EDP had with the Portuguese electricity regulated system (PPA) were replaced by the CMEC (Cost of Maintenance of Contractual Equilibrium) financial system to conciliate: (1) the preservation of the NPV of PPA, based on real pre-tax ROA of 8.5%, and a stable contracted gross profit over the next 10 years; and (2) the need to increase liquidity in the Iberian electricity wholesale market. In terms of EDP's P&L, the total gross profit resulting from CMECs' financial system will keep the same profile over the next 10 years as the former PPA.
PPA/CMEC gross profit has 3 components:
(i) Revenues in the market, resulting from the sale of electricity in the Iberian wholesale market and including both ancillary services and capacity payments.
(ii) Annual deviation ('revisibility'), equivalent to the difference between CMEC's initial assumptions made in 2007 (outputs, market prices, fuel and CO_2 costs) and real market data. This annual deviation will be paid/received by EDP, through regulated tariffs, up to two years after occurring.
(iii) PPA/CMEC Accrued Income, reflecting the differences in the period, in terms of cash flow profile, between PPA and CMEC assumed at the beginning of the system in July 2007.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net); (2) Includes €9m of realised losses in 1H11 (vs €0.5m gain in 1H10);
(3) Includes Aguieira and Raiva (360MW), subject to a tolling agreement for a 5-year period, starting in Apr-09.

Liberalised Activities in the Iberian Market

Income Statement (1) (€ m)	1H11	1H10	Δ%	Δ Abs.
Gross Profit	**404.5**	**477.4**	**-15%**	**-73**
Electricity generation	240.2	303.5	-21%	-63
Portugal	76.1	115.1	-34%	-39
Spain	161.9	185.6	-13%	-24
Adjustments	2.2	2.9	-24%	-1
Electricity supply	116.6	122.9	-5.2%	-6
Gas supply	47.7	51.0	-6.3%	-3
Net Operating costs (2)	194.6	185.8	4.7%	+9
EBITDA	**209.9**	**291.5**	**-28%**	**-82**
Provisions	9.2	28.5	-68%	-19
Net depreciation and amortisation	119.6	105.8	13%	+14
EBIT	**81.1**	**157.2**	**-48%**	**-76**

Electricity Performance	1H11	1H10	Δ%	1H11	1H10	Δ%
	Output (GWh)			Variable Cost (€/MWh) (3)		
Generation Output	8,032	7,939	1.2%	38.0	32.8	16%
Electricity Purchases	16,545	15,653	5.7%	50.0	34.9	43%
Electricity Sources	**24,577**	**23,592**	**4.2%**	**46.0**	**34.2**	**35%**
	Volumes Sold (GWh)			Average Price (€/MWh) (4)		
Grid Losses	729	655	-	n.a.	n.a.	-
Retail - Final clients	15,510	15,283	1.5%	55.0	51.2	7.4%
Wholesale market	8,338	7,654	8.9%	59.2	45.9	29%
Electricity Uses	**24,577**	**23,592**	**4.2%**	**54.8**	**48.0**	**14%**

Electricity Gross Profit (€ m)	1H11	1H10	Δ%	Δ Abs.
Before hedging (€/MWh)	8.7	13.8	-37%	-5
From Hedging (€/MWh) (5)	0.4	0.0	-	+0
Unit margin (€/MWh)	9.2	13.9	-34%	-5
Total Volume (TWh)	24.6	23.6	4.2%	+1
Subtotal	**225.6**	**327.6**	**-31%**	**-102**
Commercial Shared-services (1)	**84.4**	**84.8**	**-0.4%**	**-0**
Others (6)	**46.8**	**14.0**	**234%**	**+33**
Total	**356.8**	**426.4**	**-16%**	**-70**

Gas Uses (TWh)	1H11	1H10	Δ%	Δ Abs.
Consumed by own power plants	12.7	11.9	7.0%	+1
Sold to Clients	19.1	17.2	11%	+2
Total	**31.9**	**29.1**	**9.6%**	**+3**

EBITDA from liberalised activities totalled €210m in 1H11 following a 28% drop derived from (i) lower unit margins in electricity resulting from higher sourcing costs and lower arbitrage opportunities, (ii) lower unit margin in the gas business; and (ii) higher costs stemming from new capacity on stream and from the implementation of RDL 14/2010 (measures to reduce the tariff deficit) in Spain.

In the electricity business, gross profit was €69m lower in 1H11, as the fall in unit margins earned (from €14/MWh in 1H10 to €9/MWh in 1H11) more than compensated the increase in volume sold (+4%) and the rise in revenues from capacity payments (backed by its first time attribution in Portugal in 1-Jan-11, and by new capacity on stream in Spain). Volumes supplied to clients were 1.9x our output following a significant deceleration in the growth of sales to clients, in the wake of increasing competition.

<u>**Volumes:**</u> Volumes sold grew 4%, to 25TWh in 1H11, driven by (i) a rise in volumes sold in the wholesale market (+9% YoY), backed by higher pool prices and the implementation of RDL1221/10 (ii) sales to retail clients 1.5% higher. In 1H11, generation output rose 1% (-11% YoY in 2Q11), as lower hydro (-23% in 1H11) and CCGTs output (-2%) offset higher coal output (+32%) derived from a longer than expected outage of Aboño's in 1Q10 and from the implementation, in Spain, of RDL 1221/2010 in late Feb-11. Electricity pool purchases were 6% higher in 1H11. As for the 2Q11, notwithstanding the rise in our average thermal generation cost in 2Q11 (+10% QoQ vs. +7% in pool price), which created room for some arbitrage opportunities through electricity purchases, the gap between the cost of own generation and the cost of electricity purchases was much narrower than in 2Q10, reducing margins.

<u>**Unit margin**</u> **(3)(4)**: Average spread achieved in electricity business reached €9/MWh (-34% YoY) in 1H11, reflecting the terms forward contracted (and previously disclosed) and lower gains with arbitrage opportunities. The average sourcing cost rose 35% in 1H11 fuelled by (i) higher generation costs (+16%) due to the lower weight of hydro in the generation mix, coupled with higher fuel costs; and (ii) higher cost of electricity purchases (+43%), driven by higher prices in the pool (+55% YoY). The average selling price advanced 14% in 1H11 reflecting higher prices realised in the wholesale market (+29%) and selling prices to retail clients 7% higher.

For 2011, EDP has already forward contracted with clients 27TWh and has already forward contracted ~100% of expected output (excluding production based on Spanish coal, under RD1221/10 regime) with an average clean thermal spread (including CO_2 free allowances) over €10/MWh. For 2012, EDP has already forward contracted ~30% of its expected output.

Our **gas sourcing activity** in 2011 is based on an annual 4.3bcm portfolio of long term contracts. Our consumption of gas rose 10% in 1H11, to 32TWh (2.7bcm), mainly driven by sales to clients 11% higher.

(1) Includes EDP Sol Comerciais, the group's shared services platform in Portugal; (2) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net)
(3) Variable cost: fuel cost, CO2 cost net of free allowances, hedging costs (gains), system costs; (4) Average selling price: includes selling price (net of TPA tariff), ancillary services and others;
(5) Includes results from hedging on electricity; (6) Includes capacity payments, services rendered and others.

Liberalised Electricity Generation in the Iberian Market

Income Statement (€ m)	1H11	1H10	Δ%	Δ Abs.
Gross Profit	**240.2**	**303.5**	**-21%**	**-63**
Portugal	76.1	115.1	-34%	-39
Spain	161.9	185.6	-13%	-24
Adjustments	2.2	2.9	-24%	-1
Supplies and services	28.3	25.9	9.4%	+2
Personnel costs	19.0	17.4	8.9%	+2
Costs with social benefits	0.9	0.9	1.4%	+0
Other operating costs (net)	19.4	12.0	62%	+7
Net Operating costs (1)	**67.6**	**56.2**	**20.3%**	**+11**
EBITDA	**172.6**	**247.3**	**-30%**	**-75**
Provisions	(5.3)	12.7	-	-18
Net deprec. and amortisation	109.6	95.2	15%	+14
EBIT	**68.4**	**139.4**	**-51%**	**-71**
Employees (#)	**767**	**782**	**-1.9%**	**-15**

Key Operating Data	1H11	1H10	Δ%	Δ Abs.
Generation Output (GWh)	**8,032**	**7,939**	**1.2%**	**+93**
CCGT	4,264	4,354	-2.1%	-91
Coal	2,084	1,583	32%	+502
Hydro	1,150	1,485	-23%	-336
Nuclear	534	516	3.5%	+18
Generation Costs (€/MWh) (2)	**38.0**	**32.8**	**16%**	**+5.2**
CCGT	55.8	49.3	13%	+6.5
Coal	30.5	27.3	12%	+3.2
Hydro	1.4	0.2	465%	+1.1
Nuclear	3.6	3.8	-4.8%	-0.2
Load Factors (%)				
CCGT	26%	30%	-	-4p.p.
Coal	33%	25%	-	8p.p.
Hydro	29%	38%	-	-8p.p.
Nuclear	79%	76%	-	3p.p.
CO2 Emissions (mn tones)				
Total emissions (3)	4.6	4.0	15%	+1
Free allowances (3)	5.4	4.9	9.5%	+0

Capex (€ m)	1H11	1H10	Δ%	Δ Abs.
Expansion	**131.7**	**110.8**	**19%**	**+21**
CCGT	-	27.0	-	-27
Hydro	131.7	83.8	57%	+48
Maintenance	**16.5**	**36.1**	**-54%**	**-20**
Recurrent	16.5	36.4	-55%	-20
Non recurrent (environmental)	-	(0.3)	-	+0
Total	**148.2**	**146.9**	**0.9%**	**+1**

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

The output from our own generation plants rose 1% (-11% YoY in 2Q11), to 8.0TWh in 1H11, reflecting the mixed impact of (i) higher coal output (+0.5TWh) and (ii) lower hydro (-0.3TWh) and CCGT output (-0.1TWh). As a result of higher coal output, total emissions of CO_2 rose 15% in 1H11 but, yet, fell 15% short of free allowances attributable for the period. **Average production cost advanced to €38/MWh** (+16%) in 1H11, mainly supported by higher contribution from CCGT/coal to the generation mix and higher fuel costs.

Coal: **Output** rose 32% in 1H11, mostly reflecting the longer than expected outage at our Aboño plant in 1Q10 and the implementation of RDL1221/10 (domestic coal) in Spain. Average load factor was 8pp higher YoY, at 33% in 1H11, consistently beating Spain's 22% average. Since Feb 26, 2011, our Soto 3 plant is producing electricity under the conditions of RDL 1221/2010, which results in an 1.3TWh/year margin-guaranteed production. Our **average production cost** reached €31/MWh (+12% YoY), driven by higher coal prices.

CCGTs: **Output** declined 2% in 1H11, following a 20% fall in 2Q11. Installed capacity rose 13% YoY to 3.7GW in Jun-11, reflecting the start up of commercial operations at Soto 5 in Dec-10 (428MW in Spain). Nevertheless, average load factor at our CCGTs (-4pp to 26%) were penalised by the entry in force of RDL 1221/2010. **Average production cost** advanced 13% in 1H11, reflecting higher average gas cost. As from Jan-11, our CCGT plants in Portugal (2,039MW) are also entitled to receive capacity payments (€20/kW/year).

In 1H11 volumes sold in the complementary markets totalled 2.4TWh, impacted by the implementation of RDL 1221/10.

Hydro & Nuclear: Hydro output was 23% lower YoY, given the heavy rainy weather in 1H10. In turn, nuclear output was 3% higher backed by an average load factor 3p.p. higher, at 79% (yet penalised by the normal 4-week outage for maintenance).

Net operating costs[(1)] advanced to €68m (+20% YoY) mainly driven by higher costs related to the implementation of RDL 14/2010 in Spain (+€8m) and new capacity on stream. **Net depreciation charges** rose 15%, driven by new capacity on stream and higher working hours at our coal plants.

Capex in liberalised generation amounted €148m, 89% of which reporting to the development of new hydro capacity. The bulk of capex in new hydro capacity reported to projects under construction: 5 hydro plant repowerings (Picote II, Bemposta II, Alqueva II, Venda Nova III, Salamonde II) and 3 new hydro plants (Baixo Sabor, Ribeiradio and Foz Tua), due in 2011/15. The first plants to come on stream will be Picote II (246MW) and Bemposta II (191MW) in the end of 2011. A third project (Alqueva II with 256MW) will be on stream in mid 2012. **Maintenance** capex totalled €17m in 1H11.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net)
(2) Includes fuel costs, CO2 emission costs net of free allowances, hedging results; (3) Includes CO2 emissions from Aboño plant, which burns blast furnace gases.

Liberalised Electricity and Gas Supply in the Iberian Market

Income Statement (1) (€ m)	Electricity Supply			
	1H11	1H10	Δ%	
Gross Profit	**116.6**	**122.9**	**-5.2%**	**-6**
Supplies and services	82.3	82.1	0.3%	+0
Personnel costs	24.9	23.2	7.5%	+2
Costs with social benefits	2.9	2.7	8.9%	+0
Other operating costs (net)	(2.2)	2.1	-	-4
Net Operating costs (2)	**108.0**	**110.0**	**-2%**	**-2**
EBITDA	**8.6**	**12.9**	**-34%**	**-4**
Provisions	4.6	15.7	-71%	-11
Net depreciation and amortization	9.6	10.4	-7.6%	-1
EBIT	**(5.6)**	**(13.2)**	**-57%**	**+8**

Income Statement (€ m)	Gas Supply			
	1H11	1H10	Δ%	Δ Abs.
Gross Profit	**47.7**	**51.0**	**-6.3%**	**-3**
Supplies and services	10.9	11.5	-5.9%	-1
Personnel costs	1.6	2.0	-18%	-0
Costs with social benefits	0.0	0.0	23%	+0
Other operating costs (net)	6.6	6.1	7.9%	+0
Net Operating costs (2)	**19.1**	**19.7**	**-2.8%**	**-1**
EBITDA	**28.6**	**31.3**	**-8.6%**	**-3**
Provisions	9.9	0.0	-	+10
Net depreciation and amortization	0.4	0.2	83%	+0
EBIT	**18.3**	**31.0**	**-41%**	**-13**

Key data	1H11	1H10	Δ%	Δ Abs.
Electricity in Portugal				
Volume Sold (GWh)	4,442	4,304	3.2%	+138
Market Share (%)	41%	53%	-	-12 p.p.
Avg. Selling Price (€/MWh)	52.4	51.6	1.6%	+1
Number Clients (th.)	301	291	3.7%	+11
Electricity in Spain				
Free market				
Volume Sold (GWh)	10,446	10,304	1.4%	+141
Market Share (%)	13%	13%	-	-1 p.p.
Avg. Selling Price (€/MWh)	57.1	51.7	10%	+5
Number Clients (th.)	686	588	17%	+99
Last resort supply				
Volume Sold (GWh)	442	639	-31%	-197
Number Clients (th.)	334	399	-17%	-66
Gas in Spain & Portugal				
Spain - Volume Sold (GWh)	15,191	14,591	4.1%	600
Spain - Market Share (%)	11%	10%	-	0 p.p.
Portugal - Volume Sold (GWh)	3,933	2,565	53%	1,368
Portugal - Market Share (3) (%)	21%	33%	-	-12 p.p.
Avg. Gross Margin (€/MWh)	0.9	1.5	-40%	-1
Number Clients (th.)	806	822	-1.9%	-15
Capex (Electricity & Gas, Iberia) (€m)	**4.9**	**4.7**	**2.7%**	**+0**
Employees (Electricity & Gas, Iberia)	**1,008**	**932**	**8.2%**	**+76**

Our subsidiaries operating in electricity and gas liberalised supply activities have intra-group electricity and gas procurement contracts with other companies of the group. In line with increasing liberalisation in Portugal, EDP Soluções Comerciais (our commercial shared-service platform in Portugal) is now included in the consolidation perimeter of electricity supply in 2011 and 2010. EBITDA contribution totaled €14m in 1H11 vs. €11m in 1H10.

Portugal Electricity Supply – Volumes supplied to EDP clients in the free market increased by 3% YoY, to 4.4TWh in 1H11. EDP's market share stood at 41% in 2Q11, down from 43% in 1Q11 and 52% in 2Q10, reflecting tough competition in the free market and unattractive market conditions in the residential segment vis-a-vis regulated tariffs along with EDP's focus in the most attractive segments. Avg. selling price in retail davanced 2% YoY to €52/MWh in 1H11. Due to higher energy purchase prices and third party access tariffs, unit margins dropped.

Spain Electricity Supply – Volumes supplied to our clients in the free market rose 1% YoY backed by a wider client portfolio (+17%). Market share reached 13% reflecting EDP's ability to keep a share in the supply market that is the double of its share in generation. Note that as a result of our strategy to focus on the most attractive segments/clients, our portfolio of clients expanded 2% QoQ while volumes supplied retreated 3% QoQ. Avg. selling price came out at €57/MWh in 1H11 (+10% YoY), translating into lower unit margins.

Spain & Portugal Gas Supply – Volumes supplied in Spain increased 4% YoY to 15.2TWh, but fell 24% short of 1Q11, reflecting a share in the market of 11% and a tough market environment. In Portugal, volumes supplied reached 3.9TWh in 1H11, rising 53% YoY but falling 24% short of 1Q11. Avg. iberian unit gross margin stood at €0.9/MWh in 1H11, reflecting unfavourable market conditions and the impact from low CMP gas cost priced in 1H11 last resort tariffs in Spain.

Prospects:

Electricity and gas supply margins in both Portugal and Spain should continue under pressure in 2H11, due to the combined impact of high pool prices (electricity), competitive last recourse tariffs and fierce competition in the market.

Volume-wise, we expect free markets in Portugal and Spain to keep expanding and competition should remain intense. The end of the transitory last resort supply tariff option for large clients in Portugal (all segments except normal low-voltage) in Jan 1st, 2012, should support growth in Portugal's free market: total consumption of these segments in the regulated market reached 10TWh in 2010.

(1) Includes EDP Sol. Comerciais, the commercial shared services platform in Portugal; (2) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net)
(3) Based on consumption in segment NG>10,000 m^3/year.

EDP Renováveis: Financial Performance

Income Statement	EDP Renováveis (€ m)			
	1H11	1H10	Δ %	Δ Abs.
Gross Profit	**485.6**	**411.0**	**18%**	**+75**
Supplies and services	107.4	91.1	18%	+16
Personnel costs	25.4	23.8	6.7%	+2
Other operating costs (net)	(56.4)	(46.9)	20%	-10
Net Operating Costs (1)	**76.4**	**68.1**	**12%**	**+8**
EBITDA	**409.2**	**342.9**	**19%**	**+66**
Provisions	(0.3)	(0.0)	-	-0
Net Deprec. & amortisation	211.3	196.9	7.3%	+14
EBIT	**198.3**	**146.1**	**36%**	**+52**
Capital gains/(losses)	10.1	-	-	+10
Financial Results	(98.0)	(88.8)	10%	-9
Results from associates	3.4	3.3	-	+0
Pre-tax profit	**113.8**	**60.6**	**88%**	**+53**
Income taxes	23.5	16.4	43%	+7
Discontinued Activities	-	-	-	-
Profit for the period	90.3	44.2	104%	+46
Equity holders of EDPR	**89.5**	**42.9**	**109%**	**+47**
Non-controlling interests	0.8	1.3	-38%	-0

Operational Overview	1H11	1H10	Δ %
Installed Capacity (MW)	**6,887**	**5,665**	**22%**
Europe	3,526	2,936	20%
USA	3,278	2,715	21%
Brazil	84	14	507%
Output (GWh)	**8,790**	**6,940**	**27%**
Europe	3,657	3,244	13%
USA	5,105	3,682	39%
Brazil	29	14	107%
Avg. Load Factor (%)	**32%**	**31%**	**1 p.p.**
Avg. Elect. Price (€/MWh)	**55.6**	**59.2**	**-6.1%**
EBITDA (€m)	**409.2**	**342.9**	**19%**
Europe	256.1	221.0	16%
USA	159.7	131.3	22%
Other & Adjustments	(6.6)	(9.4)	-30%
EBIT (€m)	**198.3**	**146.1**	**36%**
Europe	149.4	125.2	19%
USA	57.6	31.6	82%
Other & Adjustments	(8.8)	(10.7)	-18%
Capex (2)	**345.0**	**834.3**	**-59%**
Europe	154.1	285.0	-46%
USA	128.6	527.2	-76%
Brazil	59.2	15.4	284%

EDPR Equity Market Data	1H11	1H10	Δ %
Share price at end of period (€/share)	4.55	4.83	-6%
Number of Shares Issued (million)	872.3	872.3	-
Stake Owned by EDP (%)	77.5%	77.5%	-

EDPR Key Balance Sheet Figures (€ m)	1H11	1H10	Δ %
Bank Loans and Other (net)	490.7	38.4	-
Loans with EDP companies (net)	2,794.8	2,687.9	4.0%
Net Financial Debt	**3,285.5**	**2,726.3**	**21%**
Non-controlling interests	**122.7**	**120.8**	**1.6%**
Net Institutional Partnership Liability (3)	**865.5**	**1,053.3**	**-18%**
Equity Book Value	**5,348.9**	**5,238.5**	**2.1%**
EUR/USD - End of Period Rate	1.45	1.23	18%

EDPR Financial Results (€ m)	1H11	1H10	Δ %
Net Interest Costs	(90.5)	(76.2)	-19%
Institutional Partnership costs (non-cash)	(30.3)	(31.5)	3.7%
Capitalised Costs	23.0	34.7	-34%
Forex Differences	4.4	(11.9)	-
Other	(4.5)	(3.8)	-17%
Financial Results	**(98.0)**	**(88.8)**	**-10%**

EDPR Operating Data	1H11	1H10	Δ %
Employees (#)	863	781	10%
Opex / Avg. MW in Operation (€ th) (4)	42.5	45.3	-6.3%

EDP Renováveis (EDPR) owns and operates all of EDP Group wind power assets (wind farms in operation in 8 countries) and develops projects for potential wind farms (in 11 countries). The two main markets in which EDPR operates are the USA (38% of EDPR's EBITDA in 1H11) and Spain (37%). Other markets include Portugal (14%), France, Poland, Romania, Belgium and Brazil (the latter 5 representing 11% of EDPR's EBITDA in 1H11).

EDPR's EBITDA increased 19% YoY (+€66m) to €409m in 1H11, in line with the 22% YoY increase of installed capacity to 6,887MW by Jun-11. The main drivers of EBITDA growth were: (1) **US (EBITDA +€28m YoY**, including a -€9m impact from forex) reflecting 563MW of new additions (46% of total capacity added), higher avg. load factor (+4pp to 36% in 1H11) and lower avg. selling price (in both PPA and merchant segments); and (2) **Spain (EBITDA +€23m YoY**, including hedging results in energy markets), following 267MW of new capacity (22% of total additions) and higher avg. selling price (+6% YoY), mostly due to the strong recovery of the achieved pool price over the last 12 months (+58% YoY to €45/MWh). **EBITDA from European markets ex-Iberia went up by €17m YoY**, reflecting 319MW of new capacity (26% of total added), following the start up of operations in Romania by 2010YE, and Poland (with selling prices above portfolio's avg.).

Net depreciation and amortization rose 7% YoY (+€14m) as the expansion of EDPR's wind portfolio was partially compensated by an extension (from 20 to 25 years) of the useful life of EDPR's wind farm assets. Overall, **EDPR's EBIT rose 36% YoY (+€52m) to €198m in 1H11.**

EDPR's net debt rose 21% YoY (+€0.6bn) to €3.3bn as of Jun-11, reflecting investments in new capacity and the payment, in Apr-11, of €231m for the increase from 80% to 100% of EDPR's equity stake in Genesa (Spanish sub-holding with 1.7GW of wind capacity as of Dec-10), while also benefiting from the 18% depreciation of the USD vs. the EUR. By Jun-11, 38% of EDPR's debt was USD denominated, as a result of the Group's strategy to fund operations in local currency. Intra-group loans granted by EDP (85% of net debt) are contracted at fixed rates. The bulk of EDPR's debt contracted with entities out of EDP Group mainly refers to project finance long-term funding in Spain and Poland. Liabilities with Institutional partnerships in US fell to €865m as of Jun-11, mostly due to equity partners receiving the tax benefits associated to the wind farms in operation (namely PTCs and MACRs) and forex impact. Note that in Jul-11, EDPR secured another USD116m of institutional equity financing in exchange for a partial interest in its 99 MW Timber Road II wind farm (in the State of Ohio). Avg. gross debt rose from €2.9bn in 1H10 to €3.6bn in 1H11 and **avg. interest cost rose from 5.0% in Jun-10 to 5.6% in Jun-11**, following higher cost on new funding contracted. As a result, net interest costs rose 19% YoY (+€14m), to €90m in 1H11. In 1H11, EDPR recorded a €9m capital gain related to the sale of a 16.67% non-controlling stake in a 74MW Spanish wind farm. EDPR pre-tax profit rose 88% YoY (+€53m). Following a decline in effective tax rate from 27% in 1H10 to 21% in 1H11 and €0.5m decline of non controlling interests, **EDPR net profit rose by €47m YoY to €90m in 1H11.**

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net). (2) Includes Capex from EDPR SA.
(3) Net of deferred revenue and restricted cash. (4) Annualised figures.

EDP Renováveis: US & Spain

US	1H11	1H10	Δ %	Δ Abs.
Installed capacity (MW)	**3,278**	**2,715**	**21%**	**+563**
Under PTC	2,024	2,024	0.0%	-
Under cash grant flip	455	293	56%	+163
Under cash grant	799	398	101%	+401
Avg. Load Factor (%)	36%	32%	-	4 p.p.
Avg. Final Selling Price (USD/MWh)	44.7	49.0	-8.6%	-4.2
USD/EUR - Avg. of period rate	1.40	1.33	5.8%	+0.08
PPA's/Hedged				
Installed Capacity (MW) (1)	2,513	1,888	33%	+625
Electricity Output (GWh)	3,654	2,687	36%	+968
Avg. Final Selling Price (USD/MWh)	49.6	54.8	-9.4%	-5.2
Merchant				
Installed Capacity (MW) (1)	764	827	-7.6%	-63
Electricity Output (GWh)	1,450	996	46%	+455
Avg. Final Selling Price (USD/MWh)	30.1	33.5	-10%	-3.4
Gross Profit (USD m)	226	180	26%	+46
PTC Revenues & Other (USD m)	86	68	25%	+17
Adjusted Gross Profit (USD m)	**312**	**248**	**26%**	**+64**
EBITDA (USD m)	**224**	**174**	**29%**	**+50**
EBIT (USD m)	81	42	93%	+39
Net Capex (USD m)	**180**	**699**	**-74%**	**-519**
Gross Capex	181	699	-74%	-518
Cash grant received	-1	-	-	-1
Capacity under construction (MW)	**144**	**509**	**-72%**	**-365**

Spain	1H11	1H10	Δ %	Δ Abs.
Installed capacity (MW)	**2,190**	**1,923**	**14%**	**+267**
Avg. Load Factor (%)	27%	28%	-	-1 p.p.
Avg. achieved pool price (€/MWh)	44.6	28.3	58%	+16.3
Avg. final selling price (€/MWh) (2)	82.2	77.4	6.2%	+4.8
Capacity under Transitory Regime				
Installed capacity (MW)	1,153	1,153	0.0%	-
Electricity output (GWh)	1,307	1,434	-8.8%	-127
Capacity under RD 661/2007				
Installed capacity (MW)	1,037	770	35%	+267
Electricity output (GWh)	1,068	676	58%	+392
Hedging Results (€m)	**(1.7)**	**11.4**	**-**	**-13**
Gross Profit (€m) (2)	194	162	19%	+31
EBITDA (€m) (2)	**155**	**132**	**17%**	**+23**
EBIT (€m) (2)	85	68	25%	+17
Capex (€m)	**47**	**91**	**-49%**	**-44**
Capacity under construction (MW)	**61**	**328**	**-81%**	**-267**

In US, installed capacity rose 563MW (+21% YoY), following: (1) the completion of Meadow Lake II+III+IV (301MW in Indiana State, of which 210MW were added between Jun-10 and Jun-11; power currently sold in PJM market and already partially contracted to be sold through PPA from 2012 onwards; fiscal incentives received through a cash flip deal for 99MW and through cash grant for 201MW); (2) the commissioning of Top Crop II (198MW in Illinois State; power entirely sold through PPA; fiscal incentives received through cash grant); (3) the commissioning of Kitittas Valley (101MW in Washington State; power currently sold in WECC market; fiscal incentives received through a cash flip deal); and (4) the entry into operation of 54MW from Timber Road II (99MW in Ohio State, of which 45 MW are under construction and expected to be commissioned in 2H11; power contracted through PPA; fiscal incentives received through a cash flip deal).

Avg. load factor in 1H11 was 36%, 4pp ahead of the 32% achieved in 1H10, with all states where EDPR is present registering a strong evolution. Avg. selling price (excluding revenues from fiscal incentives such as PTCs) for energy sold through PPA/Hedged fell 9% YoY to USD50/MWh, given new PPA contracts signed with lower starting prices but higher price updates over the lifetime of the contract and lower curtailment revenues. Avg. selling price in merchant power markets fell 10% YoY reflecting lower market prices in the regions in which we sell our production. Overall, avg. selling price in US fell 9% YoY to USD45/MWh. **In 1H11, adj. gross profit (including revenues from PTCs) rose USD64m, EBITDA rose USD50m, and EBIT rose USD39m YoY**. By Jun-11, EDPR had 144MW under construction in US: (1) 45MW related to 99MW Timber Road II wind farm in Ohio (PJM), with a 20-year PPA already contracted; and (2) 99MW from Blue Canyon VI wind farm in Oklahoma (SPP), a project that takes advantage of very competitive characteristics (low investment cost, low maintenance cost and strong wind resource), even in a market with low energy prices. In Dec-10, the US government extended the cash grant option for wind power projects which start construction before YE2011 as long as placed in service until YE2012.

In Spain, wind farms are remunerated under two regimes: (1) the transitory regime, for wind farms that started operations before 2008, according to which the wind producers receive a unit tariff that equals 'achieved pool price + fixed premium of €38.3/MWh'. At the beginning of 2013, wind farms under transitory regime will be transferred to the RD 661/2007 regime; (2) RD 661/2007 regime, applied to wind farms that started operations after 2008, offers two tariff options: (a) 'avg. price achieved in the pool + a premium (€20.1/MWh until Dec-12 and €30.9/MWh afterwards)' with a cap (€91.7/MWh) and a floor (€76.9/MWh); or (b) a fixed tariff of €79.1/MWh. All tariffs set by RD661/2007 (including cap, floor & premium) are updated at CPI-X and guaranteed for 20 years. EDPR is currently moving its capacity remunerated under RD661/2007 from the cap & floor option to the fixed tariff option, which is more attractive under current market conditions (c80% of RD661/2007 capacity was under the fixed tariff option as of Jun-11).

In 1H11, EDPR EBITDA in Spain, including hedging results, rose €23m YoY (+17%) to €155m and EBIT increased €17m YoY (+25%) to €85m. EDPR expanded its portfolio in Spain by 267MW YoY (+14%), 140MW of which in 1H11. Avg. price achieved in the pool rose 58% YoY from an abnormally low price in 1H10 explained by very strong hydro and wind power production. The increase in pool price lead to a 24% increase of avg. selling price for capacity under transitory regime to €88/MWh. Avg. selling price for capacity under RD661/2007 was €77/MWh, in line with the floor of the cap & floor option and below the fixed tariff option. As part of EDPR's hedging strategy for the capacity under the transitory regime, 853 GWh have been sold forward for 1H11. Overall, avg. selling price in Spain, including hedging results rose 6% to €82/MWh, offsetting the slightly lower avg. load factor.

Going forward, for the 2H11 expected production under the transitory regime, EDPR sold forward 1.1TWh of power in Spain at an avg. price of around €44/MWh. As for 2012, EDPR already sold forward 1.1TWh at an avg. price of €52/MWh. EDPR has currently 61MW under construction in Spain.

(1) 258 MWs which are reported as installed capacity under PPA/hedged are still selling its energy in merchant power markets given that the PPAs that were already signed will be valid only in Jan-12 for 83MWs and in Jun-12 for 175MWs
(2) Includes hedging results in energy markets

EDP Renováveis: Portugal, Rest of Europe & Brazil

Portugal	1H11	1H10	Δ %	Δ Abs.
Installed capacity (MW)	**599**	**595**	**0.7%**	**+4**
Avg. Load Factor (%)	27%	31%	-	-4 p.p.
Electricity Output (GWh)	697	772	-10%	-75
Avg. Final Selling Price (€/MWh)	102	100	2.4%	+2
Gross Profit (€m)	72	78	-7.4%	-6
EBITDA (€m)	**60**	**65**	**-8.5%**	**-6**
EBIT (€m)	45	48	-6.4%	-3
Capex (€m)	**1**	**2**	**-64%**	**-1**
Capacity under construction (MW)	**-**	**-**	**-**	**-**
ENEOP Installed capacity (MW) (1)	275	127	116%	+148

Rest of Europe (2)	1H11	1H10	Δ %	Δ Abs.
France & Belgium				
Installed Capacity (MW)	341	298	14%	+43
Avg. Load Factor (%)	23%	25%	-	-2 p.p.
Electricity Output (GWh)	337	303	11%	+34
Avg. Final Selling Price (€/MWh)	90	88	2.2%	+2
Poland				
Installed Capacity (MW)	168	120	40%	+48
Avg. Load Factor (%)	26%	-	-	-
Electricity Output (GWh)	147	59	148%	+88
Avg. Final Selling Price (PLN/MWh)	453	432	4.8%	+21
EUR/PLN - Avg. of period rate	3.95	4.00	-1.2%	-0.05
Romania				
Installed Capacity (MW)	228	-	-	+228
Avg. Load Factor (%)	19%	-	-	-
Electricity Output (GWh)	101	-	-	+101
Avg. Final Selling Price (RON/MWh)	364	-	-	-
EUR/RON - Avg. of period rate	4.18	-	-	-
Gross Profit (€ m)	56	33	70%	+23
EBITDA (€ m)	**42**	**25**	**69%**	**+17**
EBIT (€ m)	22	12	80%	+10
Capex (€m)	**107**	**192**	**-44%**	**-85**
Capacity under construction (MW)	**121**	**274**	**-56%**	**-153**

Brazil	1H11	1H10	Δ %	Δ Abs.
Installed Capacity (MW)	**84**	**14**	**507%**	**+70**
Avg. Load Factor (%)	24%	23%	-	1 p.p.
Electricity Output (GWh)	29	14	107%	+15
Avg. Final Selling Price (R$/MWh)	274	251	9.0%	+22
EUR/BRL - Average of period rate	2.29	2.38	-4.0%	-0.10
Gross Profit (R$ m)	8	4	112%	+4
EBITDA (R$ m)	**3**	**0**	**-**	**+3**
EBIT (R$ m)	1	(1)	-	+2
Capex (R$ m)	**136**	**37**	**268%**	**+99**
Capacity under construction (MW)	**-**	**70**	**-**	**-70**

(1) Éolicas de Portugal is equity consolidated (2) Including Italy, United Kingdom, mini-hydro and others.

In Portugal, avg. load factor fell 4pp to 27% in 1H11 (lower wind resource, compared to an unusually strong 1Q10) implying a 10% YoY decline in production, while avg. tariff rose 2% YoY reflecting inflation updates in the period. Wind power tariffs in Portugal are updated to inflation and set for 15 years. Overall **EBITDA was €60m in 1H11, a €6m YoY decrease (similar to gross profit performance).** Still in Portugal, EDPR holds an equity stake in ENEOP consortium (equity method consolidated by EDPR) which has a license to build 1,200MW of wind power capacity (480MW attributable to EDPR) expected to be fully operational by Dec-12. ENEOP's wind farms are remunerated at a tariff lower than the one applicable to older wind farms (avg. tariff of €74/MWh) being also updated to inflation and fixed for 15 years. By Jun-11, ENEOP had an installed capacity of 688MW (275MW attributable to EDPR) and 126MW under construction (50MW attributable to EDPR).

In European markets out of Iberia, EBITDA rose €17m YoY (+69%) to €42m in 1H11 and EBIT rose €10m to €22m in 1H11.

In France, EDPR has 284MW of installed capacity (43MW of new capacity were added between Jun-10 and Dec-10) and a new 22MW wind farm is currently under construction. Wind power in France is sold through fixed tariffs updated in line with inflation for 15 years. In 1H11, EDPR avg. tariff in France was €86/MWh (+4% YoY). **In Belgium**, our 57MW wind farm sells its power through a 5 year PPA (2014 maturity) at an avg. selling price of €112/MWh.

In Poland, our 120MW Margonin wind farm has now more than 12 months of full operation. Power generated by this wind farm is currently sold in the spot market (avg. Polish baseload spot price was PLN204.7/MWh in 1H11, +8% YoY) and EDPR has a 15 years long term contract for the sale of the green certificates (GCs) generated from Margonin (in Poland, the penalty to local utilities for non delivering the GCs requested by the law is fixed at PLN274.9/MWh for 2011). Note that Margonin wind farm was funded in local currency through a PLN535m 15 year project finance loan contracted in 4Q10 with a consortium headed by EIB and EBRD. Additionally, in 1H11 EDPR installed another 48MW in Poland from 70MW Korsze wind farm, of which, by Jun-11, 22MW were in construction stage. This wind farm already has a PPA signed for 10 years.

In Romania, EDPR installed its first wind farm (Pestera, 90MW) in Dec-10. Additionally, in 1H11 EDPR commissioned the 138MW Cernavoda wind farm. In Romania, EDPR sells its wind power production in the market receiving also GCs per MWh produced. In 2010 the Romanian government approved the entitlement to wind producers of 2 GCs per MWh produced until 2017, with the price of GCs having a floor (€27.6) and a cap (€56.2) set in Euros. Given that this entitlement to 2 GCs per MWh is still under implementation (expected to occur in the next few months, following the European Commission approval on July 13th, 2011), in 1H11 EDPR still received just 1 GC per MWh produced. This fact added to the preliminary trial period of the recently installed wind farms justify the avg. selling price of RON364/MWh in 1H11. Also worth mentioning, EDPR recently executed two project finance structures for a total of 228MW in Romania with long term contracted debt facilities totaling €188m (financial close expected for 3Q11).

In Italy, during 2Q11, EDPR started the construction of its first 20MW wind farm. In Italy, wind power producers receive merchant electricity price plus a GC for the first 15 years of operation.

In Brazil, 70MW Tramandaí wind farm started operations in 2Q11. EDPR recently executed a Project Finance structure agreement with the BNDES for R$228m (financial close expected for 3Q11). This wind farm is remunerated under the PROINFA regime through a fixed tariff (in line with current tariffs) updated to inflation over 20 years. Avg. load factor increased 1pp YoY to 24% in 1H11, while avg. selling price increased 9% YoY to R$274/MWh.

Electricity Distribution and Last Resort Supply in Portugal

Income Statement (€ m)	1H11	1H10	Δ %	Δ Abs.
Gross Profit	**646.9**	**671.0**	**-3.6%**	**-24**
Supplies and services	163.4	160.9	1.6%	+2
Personnel costs	63.0	72.3	-13%	-9
Costs with social benefits	38.2	36.4	4.8%	+2
Concession fees	121.2	119.2	1.7%	+2
Other operating costs (net)	(27.7)	(1.4)	-	-26
Net Operating Costs (1)	**358.0**	**387.4**	**-7.6%**	**-29**
EBITDA	**288.9**	**283.6**	**1.9%**	**+5**
Provisions	5.8	2.4	147%	+3
Net depreciation and amortisation	123.8	118.7	4.3%	+5
EBIT	**159.2**	**162.5**	**-2%**	**-3**

Gross Profit Performance	1H11	1H10	Δ %	Δ Abs.
Gross Profit (€m)	**646.9**	**671.0**	**-3.6%**	**-24**
Regulated gross profit - current period	640.8	667.5	-4.0%	-27
Non-regulated gross profit	6.2	3.5	75%	+3
Distribution Grid				
Reg. revenues - current period (€ m)	589.4	613.0	-3.9%	-24
Electricity distributed (GWh)	23,576	23,871	-1.2%	-295
Clients connected (th)	6,153.6	6,131.6	0.4%	+22
Last Resort Supply				
Reg. revenues - current period (€ m)	52.4	55.6	-5.7%	-3
Clients supplied (th)	5,789.4	5,812.2	-0.4%	-23
Electricity sold (GWh)	12,869	15,785	-18%	-2,915
Wholesale procurement price (€/MWh)	57.3	43.7	31%	+14
Regulatory Receivables (€ m)				
Beginning of Period	**188.4**	**(508.9)**	**-**	**+697**
Previous periods tariff deviation (2)	43.9	254.6	-83%	-211
Tariff deviation in the period	357.5	13.2	-	+344
Other (3)	2.0	(6.1)	-	+8
End of Period	**591.8**	**(247.3)**	**-**	**+839**

Capex & Opex Performance	1H11	1H10	Δ %	Δ Abs.
Controllable Operating Costs (4)	**226.4**	**233.2**	**-2.9%**	**-7**
Cont. costs/client (€/client)	36.8	38.0	-3.3%	-1
Cont. costs/km of network (€/Km)	1,021.9	1,060.1	-3.6%	-38
Employees (#)	3,623	3,756	-3.5%	-133
Capex (Net of Subsidies) (€m)	**120.9**	**91.9**	**32%**	**+29**
Network ('000 Km)	221.6	220.0	0.7%	+2
Equival. interruption time (min.) (5)	38	58	-33%	-19

Reported EBITDA from electricity distribution and last resort supply activities in Portugal in 1H11 amounted to €289m. **Excluding a €21m intra-group real estate gain (no impact at consolidated level), EBITDA decreased by 5% to €268m (-€15m).** This decrease is mostly due to a lower consumption and low GDP deflator implicitly in 2011 tariffs which had a stronger impact than the 3% decline in controllable costs.

In Dec-10, ERSE defined an 8.56% rate of return for the regulated activities for 2011 (8.39% in 2010), which set 2011 regulated gross profit at €1,309m. ERSE set a 3.8% avg. increase for normal low voltage tariffs for 2011.

The process of update of regulatory framework for the 2012-2014 new regulatory period has already started, following the public audition on June 21 and publication of the new electricity sector codes in the beginning of this week. The preliminary proposals for 2012 tariffs and 2012-2014 regulated revenues should be announced by ERSE in October 15, 2011.

Distribution grid regulated revenues declined €24m to €589m in 1H11, essentially on the back of: (1) lower consumption - electricity distributed decreased 1.2% YoY to 23.6TWh in 1H11 (vs. 49TWh ERSE's annual estimate for 2011), reflecting a decline in demand in the residential and SME segments and (2) low GDP deflator update (which came below the X factor) in tariff calculations for 2011.

In 1H11, our electricity distribution company, EDP Distribuição (EDP D), recorded a €195m negative tariff deviation: i) €127m related to the delay of the pass-through costs to REN, expected to converge to zero until Dec-11; ii) €91m regarding ERSE's reinterpretation of DL 90/2006 related to system costs with cogeneration in 2009, 2010 and 2011 which will create a new regulatory receivable to EDP D of €185m by Dec-11 (to be recovered by 40% in 2012 and 60% in 2013) and; iii) -€23m related to a consumption and tariff mix different from ERSE's initial assumption

In 1H11, volumes supplied by our **last resort supplier, EDP Serviço Universal** (EDP SU), fell 18% YoY to 12.9 TWh, as a result of the switching of clients to liberalized suppliers, especially in the industrial segment, as 2011 will be the last year in which the last resort tariff will be available to them. As a consequence, EDP SU market share in electricity supply dropped from 66% to 55% in 1H11. Regarding electricity purchases: i) volumes acquired from special regime producers (SRP) fell 1% YoY (14% above ERSE's assumption); and ii) total avg. cost of electricity purchased came 33% above forecasts due to an higher avg. cost of SRP (€103/MWh vs. ERSE's estimate of €98/MWh) and a wholesale procurement final price also above the expected (€57/MWh vs. ERSE's assumption of €47/MWh including ancillary services). Overall, the higher volumes purchased at higher costs, resulted in a €163m negative tariff deviation supported by EDP SU to be recovered through tariffs post 2011.

All in all, a €358m negative tariff deviation was created over 1H11, which along with the devolution through tariffs of €44m of positive tariff deviations from previous periods, translated into €592m of pending regulatory receivables by the end of Jun-11.

Controllable operating costs decreased 3% YoY resulting from lower personnel costs reflecting a decrease of the number of employees by 133 and the annual salary update.

Capex in 1H11 increased 32% YoY to €121m and was mostly dedicated to network expansion and service quality. The Equivalent Interruption Time (EIT) in 1H11 was 38 minutes that reflects a significant improvement compared to 1H10, as a result of investment in improving the quality of service and benefiting from the weather without extraordinary events.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits + Concession fees) + Other operating costs (net)
(2) Includes the recovery or pay-back through the tariffs of previous years' tariff deviations. (3) Includes interests on previous years tariff deviations.
(4) Supplies & services and personnel costs. (5) Adjusted for non-recurring impacts (rainstorms, high winds and summer fires).

Electricity Distribution in Spain

Income Statement (€ m)	1H11	1H10	Δ %	Δ Abs.
Gross Profit	**90.5**	**82.4**	**9.8%**	**+8**
Supplies and services	25.2	25.2	-0.2%	-0
Personnel costs	9.7	9.8	-1.1%	-0
Costs with social benefits	0.9	1.4	-37%	-1
Other operating costs (net)	(46.3)	(12.1)	-283%	-34
Net Operating Costs (1)	**(10.5)**	**24.3**	**-**	**-35**
EBITDA	**101.1**	**58.1**	**74%**	**+43**
Provisions	-	-	-	-
Net depreciation and amortisation	14.7	22.6	-35%	-8
EBIT	**86.4**	**35.5**	**143%**	**+51**

Gross Profit Performance	1H11	1H10	Δ %	Δ Abs.
Gross Profit	**90.5**	**82.4**	**9.8%**	**+8**
Regulated gross profit	83.1	77.2	7.7%	+6
Other non-regulated gross profit	7.4	5.2	42%	+2
Regulated Revenues (€ m)	**83.1**	**77.2**	**7.7%**	**+6**
Distribution	80.2	70.8	13%	+9
Transmission	-	3.5	-	-3
Network Commercial Management	2.9	2.9	-	-
Distribution				
Electricity distributed (GWh)	4,952	4,804	3.1%	+148
Clients connected (th)	654.0	647.5	1.0%	+7
Regulatory Receivables (€ m) (2)				
Beginning of Period	**759.1**	**501.4**	**51%**	**+258**
Previous periods tariff deficit (3)	(314.6)	44.8	-	-359
Tariff deficit in the period	51.6	73.0	-29%	-21
Other (4)	36.0	4.9	639%	+31
End of Period	**532.0**	**624.0**	**-15%**	**-92**

Capex & Opex Performance	1H11	1H10	Δ %	Δ Abs.
Controllable Operating Costs (5)	**34.8**	**35.0**	**-0.5%**	**-0**
Cont. costs/client (€/client)	53.2	54.0	-1.5%	-1
Cont. costs/km of network (€/Km)	1,549	1,589	-2.5%	-39
Employees (#)	382	381	0.3%	+1
Capex (net of subsidies) (€ m)	**17.7**	**18.3**	**-3.4%**	**-1**
Network ('000 Km)	22.5	22.0	2.0%	+0
Eq. interruption time (min.) (7)	20	23	-12%	-3

EBITDA from our electricity distribution activity in Spain rose 74% YoY to €101m in 1H11 mainly reflecting: i) the inclusion of €27m non-recurrent gain related to the sale of transmission assets to REE; ii) income of €13m in 1H11 (+€6m vs. 1H10) consequence of the application of IFRIC18(6) and iii) €3.5m of transmission regulated revenues included in 1H10 (sold in 1Q11).

Excluding these impacts, **EBITDA rose 29% YoY (+€13m)**, on the back of an increase in the distribution regulated revenues.

Electricity distributed by HC Energia, essentially in the region of Asturias, went up by 3% YoY, on the back of a larger client base (+1%) and reflecting strong demand in the industrial segment. The capital intensive industries (electricity consumption from HV and MV segments) increased by 5%.

Regulated revenues totaled €83m in 1H11, increasing 8% YoY as a result of higher distribution revenues (+€9m) in line with the Ministerial Order published in Dec-10 by the Spanish government, which was partially offset by the loss of transmission revenues (€3.5m), activity sold in 1Q11 to REE, in order to comply with the Law 17/2007 of July 4th which forces distribution companies to sell their transmission assets to REE.

In the 2Q11, the Spanish government kept unchanged the last resort tariff (LRT) QoQ, based on an avg. baseload cost of electricity of €52/MWh and the access tariffs increased 11% QoQ. For the 3Q11, LTR increased by 1.5% based on an avg. baseload cost of €53/MWh and the access tariffs stood flat QoQ.

In 1H11 a total amount of €7bn of the Spanish deficit was securitized by FADE (the fund in charge of the securitization) of which €358m are entitled to HC Energia.

By the end of Jun-11, HC Energia's **regulatory receivables** amounted to €532m (including interests/financial updates): i) €52m regarding 1H11 tariff deficit; ii) €142m from the 2010 tariff deficit; iii) €21m from the 2009 tariff deficit and iv) €317m from the 2006-08 accumulated tariff deficit.

Controllable operating stood flat at €35m which enabled a recovery of efficiency ratios. Net depreciation and amortisation declined by 35% to €15m due to the application of IFRIC 18 (until 1H10, assets were fully depreciated in the year).

Capex decreased by 3% to €18m in 1H11, while equivalent interruption time fell to 20 minutes in 1H11, reflecting not only favorable weather conditions but also the investments on quality of service made in recent years.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net) (2) Net of CO2 clawback costs. (3) Includes the recovery/payment of previous periods tariff deficits.
(4) Includes interests/financial updates on tariff deficits. (5) Supplies & services and personnel costs. (6) With the application of IFRIC 18, the assets received from customers ensuring their direct access to the energy distribution network, are registered as assets at fair value against operating income, and amortized through their useful lives. (7) Adjusted for non-recurring impacts (rainstorms, high winds and summer fires).

Gas - Regulated Activity

Income Statement (€ m)	Portugal 1H11	Portugal 1H10	Portugal % Δ	Spain 1H11	Spain 1H10	Spain % Δ	Total 1H11	Total 1H10	Total % Δ	Total Δ Abs.
Gross Profit	**39.7**	**30.6**	**30%**	**131.5**	**120.4**	**9.3%**	**171.3**	**150.9**	**13.5%**	**+20**
Supplies and services	6.3	5.4	17%	15.9	16.8	-5.4%	22.2	22.2	-0.0%	-0
Personnel costs	2.6	3.0	-15%	11.4	11.5	-0.7%	14.0	14.5	-3.8%	-1
Costs with social benefits	0.2	0.1	35%	0.3	0.2	4.7%	0.4	0.4	15%	+0
Other operating costs(net)	0.2	0.7	-	-0.7	2.3	-	(0.3)	2.9	-	-3
Net Operating Costs (2)	**9.3**	**9.2**	**0.9%**	**26.9**	**30.8**	**-13%**	**36.3**	**40.0**	**-9.4%**	**-4**
EBITDA	**30.4**	**21.4**	**43%**	**104.7**	**89.5**	**17%**	**135.0**	**110.9**	**22%**	**+24**
Provisions	0.0	0.0	114%	(0.3)	(0.1)	132%	(0.3)	(0.1)	133%	-0
Net deprec. & amortisation	6.1	5.7	7.8%	29.2	30.0	-2.9%	35.3	35.7	-1.2%	-0
EBIT	**24.3**	**15.7**	**55%**	**75.8**	**59.6**	**27%**	**99.9**	**75.2**	**33%**	**+25**
Capex (net os subsidies) (€ m)	**16.0**	**15.7**	**2.0%**	**13.6**	**22.1**	**-39%**	**29.6**	**37.8**	**-21.7%**	**-8**
Distribution & Other	16.0	15.7	2.0%	11.4	13.5	-15%	27.4	29.2	-6.0%	-2
Transmission	-	-	-	2.2	8.6	-75%	2.2	8.6	-75%	-6
Employees (#)	**103**	**100**	**3.0%**	**381**	**378**	**0.8%**	**484**	**478**	**1.3%**	**+6**

Regulated Activity	1H11	1H10	% Δ	Abs. Δ
Number of Supply Points (th)	**1,246.2**	**1,209.2**	**3.1%**	**+37**
Portugal	258.7	235.3	10%	+23
Spain	987.5	973.8	1.4%	+14
Gas Distributed (GWh)	**29,556**	**28,459**	**3.9%**	**+1,097**
Portugal	3,767	3,570	5.5%	+197
Spain	25,789	24,889	3.6%	+900
Regulated Revenues (€ m)	**153.1**	**141.8**	**7.9%**	**+11**
Portugal	39.7	30.6	30%	+9
Spain	113.3	111.3	1.9%	+2
Distribution	99.9	99.2	0.7%	+1
Transmission	13.5	12.1	11%	+1
Network (Km)	**13,964**	**12,719**	**9.8%**	**+1,245**
Portugal - Distribution	3,944	3,597	9.7%	+347
Spain				
Distribution	9,603	8,736	10%	+867
Transmission	417	387	7.9%	+30

EBITDA from gas regulated activities rose 22% YoY (+€24m) to €135m in 1H11, driven by: (1) higher regulated revenues and connection fees in Spain and (2) higher recovering of past years tariff adjustments and start of accounting of tariff deviations in Portugal.

In **Spain**, gas regulated activities gross profit went up 9% YoY (+€11m) to €132m in 1H11, due mostly to higher regulated revenues, higher previous year deviation (-€4.3m in 1H10 vs. €2.8m in 1H11) and the increase of the connection fees.

Regulated revenues in Spain rose 2% (+€2m) as a consequence of the update on the tariff parameters of the price index. The volume of gas distributed through the distribution network rose 4% to 25.8 GWh, backed by a 1% increase in the number supply points and reflecting an increase of our network's extension. In Dec-10 it was set the remuneration for the gas regulated activities for 2011, where the regulated revenues attributable to Naturgas Energia (NGE) amounted to €221m, including transmission.

In **Portugal**, gross profit increased by 30% to €40m impacted by tariff deviation (+€4,3m in 1H11) and past year deviations (-€3.7m in 1H10 vs. +€4.6m in 1H11). Note that it has been published recently in Portugal a Decree-law, that allow the accounting of tariff deviations on the same way as electricity, which nevertheless should not have significant impact as the deviation amounts are small on the gas system.

Gas volumes distributed went up 6% YoY supported by the 10% YoY increase in the number of supply points, justified by a systematic effort of client connection on existing grids in the region operated by EDP.

In Jun-11, the Portuguese regulator (ERSE) set the gas tariffs for Portugal for the year going from Jul-11 to Jun-12, defining a 9% return on assets resulting on annual regulated revenues of €65m. ERSE set a 3.9% avg. last resort tariff increase for small clients (consumption <=10.000 m^3/year) and a 6.6% avg. access tariff decrease for large clients (consumption >10.000 m^3/year).

Capex fell by 22% to €30m resulting from higher levels of investments in the transmission network in 2010, regarding the Bergara-Irun pipeline.

(1) Supplies & services and personnel costs. (2) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net)

EDP - Energias do Brasil: Financial Performance

Income Statement	Consolidated (R$ m)				Consolidated (€ m)			
	1H11	1H10	Δ %	Δ Abs.	1H11	1H10	Δ %	Δ Abs.
Gross Profit	**1,283.7**	**1,176.0**	**9.2%**	**+108**	**561.1**	**493.3**	**14%**	**+68**
Supplies and services	191.1	183.4	4.2%	+8	83.5	77.0	8.5%	+7
Personnel costs	117.1	108.0	8.5%	+9	51.2	45.3	13%	+6
Costs with social benefits	25.3	20.6	23%	+5	11.0	8.6	28%	+2
Other operating costs (net)	52.4	50.7	3.3%	+2	22.9	21.3	7.7%	+2
Net Operating Costs (1)	**385.8**	**362.7**	**6.4%**	**+23**	**168.6**	**152.1**	**11%**	**+17**
EBITDA	**897.8**	**813.3**	**10%**	**+85**	**392.4**	**341.2**	**15%**	**+51**
Provisions	28.6	4.3	564%	+24	12.5	1.8	592%	+11
Net depreciation and amortisation	168.1	171.3	-1.9%	-3	73.5	71.9	2.3%	+2
EBIT	**701.1**	**637.7**	**10%**	**+63**	**306.4**	**267.5**	**15%**	**+39**
Capital gains/(losses)	-	-	-	-	-	-	-	-
Financial results	(135.2)	(63.8)	112%	-71	(59.1)	(26.7)	121%	-32
Results from associates	(1.4)	(0.9)	-	-0	(0.6)	(0.4)	-	-0
Pre-tax profit	**564.6**	**573.0**	**-1.5%**	**-8**	**246.8**	**240.4**	**2.7%**	**+6**
Income taxes	168.6	185.8	-9.3%	-17	73.7	77.9	-5.5%	-4
Effective tax rate (%)	30%	32%	-2.6 pp	-0	30%	32%	-2.6 pp	-0
Profit for the period	396.0	387.2	2.3%	+9	173.1	162.4	6.6%	+11
Equity Holders of Energias do Brasil	**326.8**	**331.8**	**-1.5%**	**-5**	**142.8**	**139.2**	**2.6%**	**+4**
Non-controlling interests	69.2	55.4	25%	+14	30.2	23.3	30%	+7
Capex	**283.2**	**290.4**	**-2.5%**	**-7**	**123.8**	**121.8**	**1.6%**	**+2**

Energias do Brasil	1H11	1H10	Δ %
Share price at end of period (R$/share)	37.60	35.80	5.0%
Number of shares Issued (million)	158.8	158.8	-
Treasury stock (million)	0.3	0.3	-
Number of shares owned by EDP (million)	102.9	102.9	-
Euro/Real - End of period rate	2.26	2.21	-2.3%
Euro/Real - Average of period rate	2.29	2.38	4.2%
Inflation rate (IGP-M - 12 months)	8.6%		-
Net Debt / EBITDA (x)	1.31	1.32	
Average Cost of Debt (%)	9.49	9.00	49 pp
Interest Rate (CDI)	11.00	8.90	210 pp
Employees (#)	2,428	2,357	+71

Key Balance Sheet Figures (R$ Million)	1H11	1H10	Δ %
Net financial debt	2,346	2,145	9.4%
Regulatory receivables	(45)	(30)	-48%
Non-controling Interests	1,853	1,832	1.1%
Equity book value	4,740	4,586	3.4%

Financial Results (R$ Million)	1H11	1H10	Δ %
Net Interest Costs	(112.4)	(78.4)	-43%
Capitalised Costs	41.5	40.7	1.8%
Forex Differences	(14.8)	(47.4)	69%
Other	(49.4)	21.3	-
Financial Results	**(135.2)**	**(63.8)**	**-112%**

In local currency, EDP Energias do Brasil's (EDPB) 1H11 EBITDA rose 10% YoY driven by (i) positive impact from tariff revision in distribution mainly in Bandeirante, (ii) increase of electricity demand, (iii) inflation update on PPA's selling price, and (iv) normalized quarterly sales in 1H11 vs. abnormally low in 1H10 in generation.

In 1H11, EDPB's contribution to consolidated **EBITDA was positively affected by the 4% appreciation of the Real against the Euro** (+€16m impact on EBITDA).

In 2Q11 EDPB registered a provision of R$77m (R$25m at EBIT level and R$52m at financial results level) due to a legal litigation with the client White Martins related to alleged reflections of tariff increases during the Cruzado plan period, in the 80's.

Net financial costs increased R$71m to R$135m impacted mostly by (i) R$52m related to the White Martins provision (ii) higher net financial debt and higher average cost of debt (from 9.0% in 1H10 to 9.5% in 1H11) due to an increase of 210bp since Jun-10 in Brazil Interbank Deposit Certificate to 11.0%, offset by (iii) higher financial revenues as a result of higher levels of bank deposits remunerated at higher interest rates.

Also note that in 1H10, we had a R$27m one-off positive impact on other financial cost related to the fiscal debts installments program that exempts interest costs on some overdue tax payments.

Net financial debt increased 9% YoY mostly due to the expansion capex related to Pecém coal plant. The new loans associated to this investment have long-term maturities between 13 and 17 years. Average maturity in debt was 5.3 years by Jun-11. As of Jun-11, **aprox. 100% gross debt was denominated in local currency** or protected from exchange rate through hedging instruments. **The weight of fixed rate in EDPB's debt was 18% by Jun-11**.

Overall, EDPB's net profit in 1H11 decreased 1.5% YoY as the good operational performance where more than offset by the negative financial results, mostly due to the White Martins provision.

In May-11, EDPB paid an **annual dividend** of R$352.6m or R$2,22 per share, corresponding to a value 19% higher than the one distributed in 2009.

In Jul-11, EDP sold 21.9 million shares of EDPB on a secondary distribution offer, at a price of R$37.00, reducing its stake from 64.8% to 51.0%, receiving gross proceeds of aprox. R$811m.

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

Brazil: Electricity Distribution

Income Statement (R$ m)	1H11	1H10	Δ %	Δ Abs.
Gross Profit	**820.0**	**774.1**	**5.9%**	**+46**
Supplies and services	148.0	139.2	6.3%	+9
Personnel costs	83.5	77.5	7.8%	+6
Costs with social benefits	22.5	18.2	24%	+4
Other operating costs (net)	45.8	46.1	-0.5%	-0
Net Operating Costs (1)	**299.9**	**281.0**	**6.7%**	**+19**
EBITDA	**520.1**	**493.1**	**5.5%**	**+27**
Provisions	29.1	3.8	668%	+25
Net deprec. and amortisation	83.2	90.5	-8.0%	-7
EBIT	**407.7**	**398.8**	**2.2%**	**+9**

Gross Profit Performance	1H11	1H10	Δ %	Δ Abs.
Regulated Revenues	**784**	**713**	**10%**	**+70**
Tariff deviation in the Period (3)	44	6	598%	+38
Dev. from previous year (2)	(10)	61	-	-71
Others	2	(6)	-	+8
Gross Profit	**820**	**774**	**5.9%**	**+46**
Regulatory Receivables (R$ m)	**(45)**	**(30)**	**-48%**	**-14**
Clients Connected (th)	**2,785.2**	**2,680.2**	**3.9%**	**+105**
Bandeirante	1,521.2	1,470.0	3.5%	+51
Escelsa	1,264.0	1,210.3	4.4%	+54
Electricity Distributed (GWh)	**12,296**	**11,893**	**3.4%**	**+403**
Bandeirante	7,327	7,145	2.5%	+182
Escelsa	4,969	4,747	4.7%	+221
From which:				
To clients in Free Market (GWh)	4,700	4,479	4.9%	+221
Electricity Sold (GWh)	**7,595**	**7,413**	**2.5%**	**+182**
Bandeirante	**4,642**	**4,475**	**3.7%**	**+167**
Resid., Commerc. & Other	3,056	2,903	5.3%	+153
Industrial	1,586	1,573	0.9%	+13
Escelsa	**2,953**	**2,938**	**0.5%**	**+15**
Resid., Commerc. & Other	2,421	2,409	0.5%	+12
Industrial	532	529	0.6%	+3

Capex & Opex Performance	1H11	1H10	Δ %	Δ Abs.
Controllable Operating Costs (4)	**231.5**	**216.7**	**6.9%**	**+15**
Cont. costs/client (R$/client)	83.1	80.9	2.8%	+2
Cont. costs/km (R$/Km)	2.7	2.6	4.9%	+0
Employees (#)	2,005	2,002	0.1%	+3
Capex (net of subsidies) (R$m)	**145.6**	**138.7**	**5.0%**	**+7**
Network ('000 Km)	85.3	83.7	1.9%	+2

In electricity distribution in Brazil, the **EBITDA in 1H11 increased by 5.5% YoY.** Excluding impact of tariff deviation, EBITDA rose 12% YoY mainly reflecting:

Growth of electricity volumes sold and distributed in 1H11: Volume of electricity sold increased by 2.5% YoY in 1H11. In the residential & commercial segment, volume sold in 1H11 rose 3% YoY reflecting essentially a rise of 4% YoY in the number of clients connected. In the industrial segment, electricity volumes sold rose 1% in 1H11, reflecting a slowdown in the economic activity, especially on concession area of Bandeirante in the 2Q11. Regarding electricity distributed (but not sold) to free market clients (essentially large industrial consumers supplied directly in the free wholesale market from which EDP collects only third party access tariffs), volume of electricity distributed increased 5% YoY in 1H11.

Positive impact from annual tariff updates (Escelsa from Aug-10 to Aug-11 and Bandeirante from Oct-10 to Oct-11), which reflect essentially annual updates on cost base (CPI-X) and pass-through costs. In Aug-10, Escelsa started a new 3-year regulatory period (from Aug-10 to Jul-13) with a Return on RAB set at 9.95% after taxes. In Oct-10, Bandeirante had an annual tariff readjustment for the period between Oct-10 to Oct-11 (+7.91%). Meanwhile, the discussion about the new methodology for the 3rd Tariff Review cycle, that started in Sep-10, resulted in the publication by ANEEL of draft on new regulatory framework in which set a new Return on RAB at 7.57% after taxes. As a result of significant feedback received, the regulator postponed the final decision and set a new public hearing on the guidelines to be adopted for discos', suggesting the maintenance of current tariff levels until the new methodology is decided. The new methodology will only be applicable to the next regulatory period (Bandeirante from Oct-11 onwards and Escelsa from Aug-13 onwards).

Impact from tariff deviations at gross profit level was lower in 1H11 than in 1H10. Gross profit for distribution in Brazil includes the cash flow impact from deviation from annual regulated revenues. Tariff deviation created in previous years and being return through tariffs in 1H11 amounted to R$10m (vs. R$61m recovered in 1H10). On the other hand, a new tariff deviation of R$44m was created in 1H11 (vs. tariff deviation of R$6m in 1H10). This tariff deviation in 1H11 was created due to: (i) lower cost with energy purchase due to increase of hydro power production and a cost below the one set by the regulator in the tariff revision and (ii) appreciation of BRL against USD in 1H11, which decreased Itaipu hydro production costs (USD denominated). As a result, the amount of regulatory receivables to be returned to consumers increased from R$30m by Jun-10 to R$45m by Jun-11 and will be paid back by EDP Brasil from the next annual tariff revisions onwards.

Controllable operating costs increased by 7% YoY in 1H11, below the 9% IGP-M inflation in the period. This increase is supported by: (i) higher supplies and services especially on network O&M, (ii) personnel costs increased 8% YoY due mostly to the annual average salary update (+6.5%).

Capex increased 5% YoY to R$146m, most of it in Bandeirante and devoted to network expansion.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net)
(2) Regulatory receivables that EDP is recovering in current tariff, related to amounts that the system owed us due to lower than expected gross profit in past periods
(3) Regulatory receivables being generated in the current period to be recovered by EDP through tariffs in the next annual tariff adjustment. (4) Supplies & services and personnel costs

Brazil: Electricity Generation and Supply

Income Statement (R$M)	Generation			
	1H11	1H10	Δ %	Δ Abs.
Gross Profit	**431.0**	**378.1**	**14%**	**+53**
Supplies and services	27.1	27.0	0.4%	+0
Personnel costs	19.9	17.7	13%	+2
Costs with social benefits	1.7	1.4	20%	+0
Other operating costs (net)	(0.3)	6.5	-	-7
Net Operating Costs (1)	**48.4**	**52.6**	**-8.0%**	**-4**
EBITDA	**382.6**	**325.5**	**18%**	**+57**
Provisions	0.8	(0.5)	-	+1
Net depreciation and amortisation	85.3	73.6	16%	+12
EBIT	**296.5**	**252.4**	**17%**	**+44**

Generation	1H11	1H10	Δ %	Δ Abs.
Gross Profit (R$ m)	**431.0**	**378.1**	**14%**	**+53**
Lajeado	169.4	154.3	9.8%	+15
Peixe Angical	154.6	131.0	18%	+24
Energest (15 hydro plants)	107.1	92.8	15%	+14
Installed Capacity - Hydro (MW)	**1,790**	**1,735**	**3.2%**	**+55**
Lajeado	903	903	-	-
Peixe Angical	499	452	10%	+47
Energest (15 hydro plants)	389	380	2.2%	+9
Electricity Sold (GWh)	**4,014**	**3,665**	**10%**	**+349**
Lajeado	1,735	1,499	16%	+237
Peixe Angical	1,173	1,111	5.6%	+62
Energest (15 hydro plants)	1,106	1,056	4.7%	+50
Average Selling Price (R$/MWh)	**128.0**	**119.6**	**7.0%**	**+8**
Lajeado	112.9	103.3	9.2%	+10
Peixe Angical	160.4	150.3	6.7%	+10
Energest (15 hydro plants)	117.2	110.3	6.2%	+7
Capex (R$ million)	**136.7**	**151.6**	**-10%**	**-15**
Maintenance	7.1	14.3	-51%	-7
Expansion	129.6	137.3	-5.6%	-8
Pécem	118.9	123.7	-3.9%	-5
Other	10.7	13.6	-21%	-3
Employees (#)	**267**	**260**	**2.7%**	**+7**

Supply	1H11	1H10	Δ %	Δ Abs.
Gross profit (R$ m)	28.9	20.8	39%	+8
Operating costs (R$ m)	2.7	(2.1)	-	+5
EBITDA (R$ m)	26.1	22.9	14%	+3
				-
Electricity sales (GWh)	4,980	3,886	28%	+1,094
Number of clients (#)	100	68	47%	+32

EBITDA in our electricity generation activities in Brazil increased by 18% essentially due to inflation update on PPA's and also to our allocation of PPA's yearly contracted volumes, which implied higher electricity sold in 1H11.

Installed capacity grew 55MW as a consequence of the conclusion of a part of Mascarenhas' repowering (9 MW) and the recognition of additional capacity in Peixe Angical by ANEEL (47 MW).

Electricity volume sold increased 10% YoY in 1H11. The allocation of PPA's yearly contracted volumes for 2011 was committed by distribution companies at the end of December 2010 within the limits established in the contracts. The very dry weather in Brazil in 4Q10, implied a decline of the hydro reservoirs, to extremely low levels, and an increase in spot price. Aware of the probability of a similar scenario, customers allocated more energy in the 1H11 in order to protect themselves. However, the hydro reservoirs during 1H11 were already at 1H10 levels and as a consequence the spot market price average in the period were at basically the same level of 1H10 (R$29.5/MWh in 1H10 vs. R$27.0/MWh in 1H11).

Average selling price increased 7% YoY in 1H11 supported by an updating of prices to inflation which implied that gross profit increased by R$53m. Almost all EDP – Energias do Brasil's (EDPB) installed capacity is contracted under PPA long term contracts with an average maturity of 15 years.

Net operating costs decreased by 8%, explained mostly by gains on fixed assets in 1H11 (+R$2m) vs. losses in 1H10 (-R$2m).

Net Depreciation and amortization increased by R$12m to R$85m mostly due to the write-off of development costs associated to pipeline projects (biomass). This cost was already accrued at EDPB's level.

Capex decreased by 10% YoY to R$137m. Expansion capex represents 95% of total capex from which 92% refers to the construction of Pécem coal plant. The start-up is scheduled to the end of 2011 and we already invested R$1,298m. Until the conclusion of Pecém coal plant works, we expect to invest further R$203m. The 1H11 other expansion capex is related to the repowering of Mascarenhas (18MW), which has been partially concluded in 2Q11 (9 MW) being the remaining addition planned be concluded by 2012.

In **Pecém coal plant,** EDPB holds a 50% stake in partnership with MPX Mineração e Energia. The conditions contracted with the Brazilian electricity system include the availability of an installed capacity of 615MW for a 15-year term starting in January 2012 and an expected EBITDA of R$200m in the first year of operation with full pass through of fuel costs. The project will be financed with 75% of long term debt, which is already contracted.
In Jun-11, EDPB announced the acquisition of ECE Participações which has currently the full control of **Santo António do Jari hydropower plant** operating rights, a project of 300 MW installed capacity (with the possibility of an additional 73 MW), being 190 average MW contracted by a 30-year PPA at a price of R$104/MWh, with the total disbursement varying between R$ 1,270m and R$ 1,410m (25% in 2011, 31% in 2012, 31% in 2013 and 13% in 2014).

Our trading and supply activity is carried out by our Enertrade subsidiary in the free market essentially through a service of energy sourcing to large industrial clients without incurring in material energy market risk. **In 1H11, EBITDA in supply grew by 14% to R$26m YoY** due to: (i) increase of electricity supplied by 28% and (ii) increase of average price per MWh by 13%.

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

Income Statements

Income Statement by Business Area

1H11 (€m)	Long-Term Contracted Generation	Iberian Liberalised Activities	Regulated Networks Iberia	Wind Power	Brazil	Other & Adjustments	EDP Group
Gross Profit	**502.1**	**418.9**	**908.7**	**485.6**	**561.1**	**(88.2)**	**2,787.7**
Supplies and services	45.2	121.5	210.8	107.4	83.5	(146.9)	421.0
Personnel costs	35.2	45.5	86.6	24.2	51.2	49.9	292.6
Costs with social benefits	17.8	3.8	39.5	1.2	11.0	0.0	73.4
Other operating costs (net)	1.0	38.2	46.8	(56.4)	22.9	47.8	100.4
Operating costs	**99.2**	**209.1**	**383.7**	**76.4**	**168.6**	**(49.2)**	**887.4**
EBITDA	**402.9**	**209.9**	**525.0**	**409.2**	**392.4**	**(39.0)**	**1,900.4**
Provisions	1.7	9.2	5.6	(0.3)	12.5	(8.3)	20.4
Net depreciation and amortisation (1)	93.1	119.6	173.9	211.3	73.5	33.0	704.2
EBIT	**308.1**	**81.1**	**345.5**	**198.3**	**306.4**	**(63.7)**	**1,175.7**

1H10 (€m)	Long-Term Contracted Generation	Iberian Liberalised Activities	Regulated Networks Iberia	Wind Power	Brazil	Other & Adjustments	EDP Group
Gross Profit	**522.9**	**477.4**	**904.4**	**411.0**	**493.3**	**(79.4)**	**2,729.0**
Supplies and services	49.5	119.5	208.4	91.1	77.0	(140.4)	404.6
Personnel costs	37.6	42.6	96.6	22.6	45.3	51.8	296.4
Costs with social benefits	10.4	3.6	38.2	1.2	8.6	(1.1)	60.8
Other operating costs (net)	3.2	20.2	108.6	(46.9)	21.3	30.1	136.3
Operating costs	**100.6**	**185.8**	**451.8**	**68.1**	**152.1**	**(59.6)**	**898.2**
EBITDA	**422.2**	**291.5**	**452.6**	**342.9**	**341.2**	**(19.8)**	**1,830.8**
Provisions	(3.0)	28.5	2.3	(0.0)	1.8	9.8	39.3
Net depreciation and amortisation (1)	116.1	105.8	177.1	196.9	71.9	37.4	705.2
EBIT	**309.1**	**157.2**	**273.2**	**146.1**	**267.5**	**(67.0)**	**1,086.3**

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

Quarterly Income Statement

Quarterly P&L (€ m)	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
Electricity Revenues	3,118.7	2,927.8	3,100.3	3,389.8	3,558.4	3,083.6	-	-
Gas Revenues	336.8	284.3	330.5	396.6	418.9	391.5	-	-
Other Revenues	38.8	56.3	45.2	145.7	37.7	52.9	-	-
Operating Revenues	**3,494.3**	**3,268.4**	**3,476.0**	**3,932.1**	**4,015.0**	**3,528.0**	**-**	**-**
Electricity	1,688.5	1,558.2	1,700.7	1,860.8	2,032.0	1,633.9	-	-
Gas	221.4	193.9	211.8	318.2	334.9	299.4	-	-
Fuel	172.4	176.4	270.2	318.2	191.3	211.6	-	-
Materials and goods for resale	9.7	13.2	27.7	25.1	25.4	26.7	-	-
Direct Activity Costs	**2,092.0**	**1,941.7**	**2,210.5**	**2,522.3**	**2,583.6**	**2,171.6**	**-**	**-**
Revenue from assets assigned to concessions	84.4	85.4	56.5	165.8	86.3	109.2	-	-
Expenditure with assets assigned to concessions	(84.4)	(85.4)	(56.5)	(165.8)	(86.3)	(109.2)	-	-
Gross Profit	**1,402.3**	**1,326.7**	**1,265.5**	**1,409.8**	**1,431.4**	**1,356.4**	**-**	**-**
Supplies and services	194.2	210.4	217.1	240.6	208.3	212.8	-	-
Personnel costs	150.5	145.9	139.5	139.5	147.2	145.4	-	-
Costs with social benefits	32.8	28.1	28.5	64.0	31.7	41.6	-	-
Other operating costs (net)	85.2	51.1	60.5	3.7	36.0	64.4	-	-
Operating costs	**462.7**	**435.4**	**445.6**	**447.8**	**423.2**	**464.2**	**-**	**-**
EBITDA	**939.6**	**891.2**	**820.0**	**962.0**	**1,008.2**	**892.2**	**-**	**-**
Provisions	10.1	29.2	29.0	35.3	2.4	18.0	-	-
Net depreciation and amortisation (1)	340.9	364.3	374.6	367.0	358.0	346.2	-	-
EBIT	**588.6**	**497.7**	**416.4**	**559.8**	**647.7**	**528.0**	**-**	**-**
Capital gains/(losses)	5.8	(1.0)	(2.2)	58.2	0.2	10.1	-	-
Financial Results	(118.1)	(114.8)	(115.0)	(137.1)	(133.5)	(132.6)	-	-
Results from associated companies	6.9	6.2	5.2	5.1	5.8	6.0	-	-
Pre-tax profit	**483.2**	**388.1**	**304.4**	**486.1**	**520.3**	**411.5**	**-**	**-**
Income taxes	129.0	102.9	73.6	121.7	123.4	97.1	-	-
Discontinued Activities	-	-	-	-	-	-	-	-
Net Profit for the period	354.2	285.2	230.8	364.4	396.9	314.4	-	-
Net Profit Attributable to EDP	**309.2**	**255.6**	**209.5**	**304.7**	**342.4**	**266.3**	**-**	**-**
Non controling interests	45.0	29.6	21.3	59.8	54.5	48.1	-	-

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

Income Statement by Business Area

1H11 (€ m)	Generation Iberia	Supply Iberia	EDP Renováveis	Distribution Iberia	Gas Iberia	Energias do Brasil	Other & Adjustments	EDP Group
Gross Profit	**742.3**	**131.0**	**485.6**	**737.5**	**218.5**	**561.1**	**(88.2)**	**2,787.7**
Supplies and services	73.6	82.3	107.4	188.6	32.6	83.5	(146.9)	421.0
Personnel costs	54.2	24.9	24.2	72.6	15.6	51.2	49.9	292.6
Costs with social benefits	18.7	2.9	1.2	39.1	0.4	11.0	0.0	73.4
Other operating costs (net)	20.4	12.2	(56.4)	47.2	6.3	22.9	47.8	100.4
Operating costs	**166.8**	**122.4**	**76.4**	**347.5**	**54.9**	**168.6**	**(49.2)**	**887.4**
EBITDA	**575.5**	**8.6**	**409.2**	**390.0**	**163.6**	**392.4**	**(39.0)**	**1,900.4**
Provisions for risks and contigencies	(3.6)	4.6	(0.3)	5.8	9.6	12.5	(8.3)	20.4
Net depreciation and amortisation (1)	202.6	9.6	211.3	138.6	35.8	73.5	33.0	704.2
EBIT	**376.5**	**(5.6)**	**198.3**	**245.6**	**118.2**	**306.4**	**(63.7)**	**1,175.7**

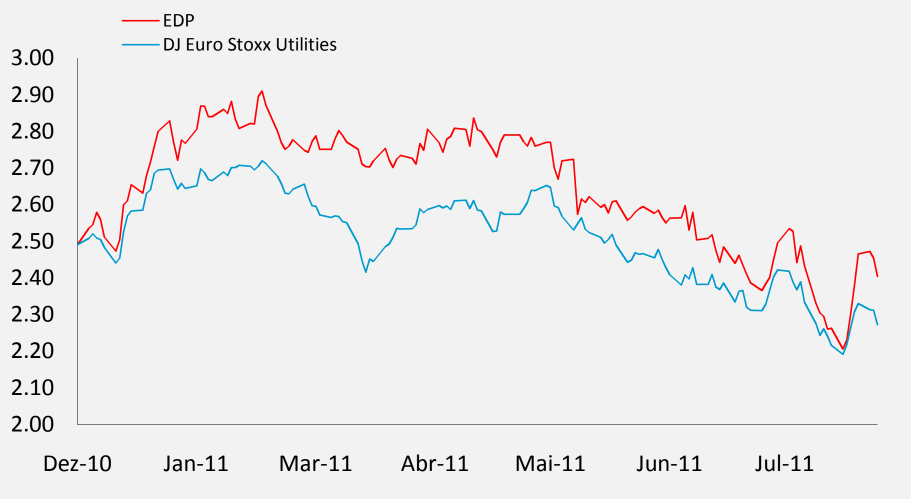
1H10 (€ m)	Generation Iberia	Supply Iberia	EDP Renováveis	Distribution Iberia	Gas Iberia	Energias do Brasil	Other & Adjustments	EDP Group
Gross Profit	**826.4**	**122.9**	**411.0**	**753.5**	**201.4**	**493.3**	**(79.4)**	**2,729.0**
Supplies and services	75.4	82.1	91.1	186.2	33.3	77.0	(140.4)	404.6
Personnel costs	55.0	23.2	22.6	82.0	16.5	45.3	51.8	296.4
Costs with social benefits	11.3	2.7	1.2	37.9	0.4	8.6	(1.1)	60.8
Other operating costs (net)	15.1	2.1	(46.9)	105.7	8.9	21.3	30.1	136.3
Operating costs	**156.8**	**110.0**	**68.1**	**411.8**	**59.1**	**152.1**	**(59.6)**	**898.2**
EBITDA	**669.6**	**12.9**	**342.9**	**341.7**	**142.3**	**341.2**	**(19.8)**	**1,830.8**
Provisions for risks and contigencies	9.8	15.7	(0.0)	2.4	(0.1)	1.8	9.8	39.3
Net depreciation and amortisation (1)	211.3	10.4	196.9	141.3	36.0	71.9	37.4	705.2
EBIT	**448.5**	**(13.2)**	**146.1**	**198.0**	**106.4**	**267.5**	**(67.0)**	**1,086.3**

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

Annex

EDP Share Performance

YTD EDP Stock Performance on Euronext Lisbon



EDP Stock Market Performance	YTD	52W 27-07-2011	2010
EDP Share Price (Euronext Lisbon - €)			
Close	2.404	2.404	2.491
Max	2.920	2.920	3.185
Min	2.170	2.170	2.376
Average	2.643	2.600	2.652
EDP's Liquidity in Euronext Lisbon			
Turnover (€ m)	2,548	4,697	6,305
Average Daily Turnover (€ m)	17	18	24
Traded Volume (million shares)	964	1,807	2,378
Avg. Daily Volume (million shares)	6.5	6.9	9.1

EDP's Main Events

Jan–13: EDP receives first tranche of electricity deficit amortisation fund in Spain

Jan-25: EDP issues EUR 750 million 5 year bond

Jan-31: EDP issues CHF 200 million 3 year bond

Mar-17: Moody's downgrades EDP to "baa1" with stable outlook

Mar-28: Standard & Poor's downgrades EDP to "BBB" with creditwatch negative

Mar-30: EDP Renováveis takes full control of Genesa

Apr-1: Standard & Poor's affirmed EDP at "BBB" with outlook negative

Apr-4: Fitch downgrades EDP's senior unsecured rating to 'BBB+', on rating watch negative

Apr-14: Annual General Shareholders

Apr-26: Appointment of representative of José de Mello Energia in the General Supervisory Board

Apr-28: Appointment of representative of Parpública in the General Supervisory Board

Mai-06: Alliancebernstein L.P. decreases its ownership interest in the share capital of EDP

Mai-11: JP Morgan Chase notifies significant shareholding in EDP

Mai-13: EDP launches process for the potential public sale of up to 14% of the share capital of EDP - Energias do Brasil S.A.

Mai-13: Payment of gross dividend of EUR 0.17 per share for the 2010 financial year

Mai-16: JP Morgan Chase notifies change of qualifying holding in EDP

Mai-19: EDP requests ANBIMA the preliminary analysis of the registration process for launching a secondary public offer of shares from EDP – Energias do Brasil, S.A.

Mai-30: JP Morgan Chase decreases its ownership interest in the share capital of EDP

Mai-30: Banco Espírito Santo changes its ownership interest in the share capital of EDP

Jun-16: EDP - Energias do Brasil acquired the exploration rights of Santo Antônio do Jari HPP with 300 MW of installed capacity

Jul-08: EDP sets price of secondary distribution offer of EDP Brasil's ordinary shares at 37.0 reais per share

Jul-08: Moody's downgrades EDP's rating to "Baa3" with negative outlook

Jul-13: Full exercise of greenshoe from secondary distribution offer of EDP Brasil's ordinary shares

Source: Bloomberg

EDP - Installed capacity & electricity generation

Installed Capacity - MW (1)	1H11	1H10	Δ MW	Δ 11/10
PPA/CMEC	**6,221**	**6,931**	**-710**	**-10.2%**
Hydro	**4,094**	**4,094**	**-**	
Run off the river	1,860	1,860	-	
Reservoir	2,234	2,234	-	
Coal	**1,180**	**1,180**	**-**	
Sines	1,180	1,180	-	
Fuel oil	**946**	**1,657**	**-710**	
Setúbal	946	946	-	
Carregado	-	710	-710	
Special Regime (Ex-Wind)	**470**	**469**	**1**	**0.1%**
Small-Hydro	160	160	-	
Cogeneration+Waste	275	275	1	
Biomass	35	35	-	
Liberalised Electricity Generation	**7,137**	**5,999**	**1,138**	**19%**
Hydro	**910**	**910**	**-**	
Portugal	484	484	-	
Spain	426	426	-	
Coal	**1,460**	**1,460**	**-**	
Aboño I	342	342	-	
Aboño II	536	536	-	
Soto Ribera II	236	236	-	
Soto Ribera III	346	346	-	
CCGT	**3,736**	**3,308**	**428**	**13%**
Ribatejo (3 groups)	1,176	1,176	-	
Lares (2 groups)	863	863	-	
Castejón (2 group)	843	843	-	
Soto IV (1 group)	426	426	-	
Soto V (1 group)	428	-	428	
Nuclear	**156**	**156**	**-**	
Trillo	156	156	-	
Gasoil/Fuel oil	**875**	**165**	**710**	
Tunes + Carregado	875	165	710	
Wind (More detail on page 16)	**6,887**	**5,665**	**1,223**	**22%**
Europe	3,526	2,936	590	
USA	3,278	2,715	563	
Brazil	84	14	70	
Brazil (Ex-Wind)	**1,790**	**1,735**	**55**	**3.2%**
Hydro	**1,790**	**1,735**	**55**	**3.2%**
Lajeado	903	903	-	
Peixe Angical	499	452	47	
Energest	389	380	9	
TOTAL	**22,506**	**20,799**	**1,707**	**8%**

Electricity Generation (GWh)	1H11	1H10	Δ GWh	Δ 11/10
PPA/CMEC	**8,656**	**10,628**	**-1,972**	**-19%**
Hydro	**6,391**	**9,123**	**-2,732**	**-30%**
Run off the river	4,566	5,921	-1,355	
Reservoir	1,825	3,202	-1,377	
Coal	**2,268**	**1,506**	**762**	**51%**
Sines	2,268	1,506	762	
Fuel oil	**-3**	**-2**	**-1**	**-89%**
Setúbal	-3	-4	1	
Carregado	-	3	-3	
Special Regime (Ex-Wind)	**1,275**	**1,354**	**-78**	**-6%**
Small-Hydro	318	427	-110	
Cogeneration+Waste	861	831	31	
Biomass	96	96	1	
Liberalised Electricity Generation	**8,032**	**7,939**	**93**	**1%**
Hydro	**1,150**	**1,485**	**-336**	**-23%**
Portugal	722	816	-93	
Spain	428	670	-242	
Coal	**2,084**	**1,583**	**502**	**32%**
Aboño I	316	567	-251	
Aboño II	1,451	765	686	
Soto Ribera II	-3	177	-180	
Soto Ribera III	321	74	246	
CCGT	**4,264**	**4,354**	**-90**	**-2.1%**
Ribatejo (3 groups)	784	1,183	-399	
Lares (2 groups)	1,866	1,237	629	
Castejón (2 group)	600	1,300	-700	
Soto IV (1 group)	810	635	175	
Soto V (1 group)	205	-	-	
Nuclear	**534**	**516**	**18**	**3%**
Trillo	534	516	18	
Gasoil/Fuel oil	**0**	**0**	**-0**	
Tunes + Carregado	0	0	-0	
Wind	**8,790**	**6,940**	**1,850**	**27%**
Europe	3,657	3,244	413	
USA	5,105	3,682	1,423	
Brazil	29	14	15	
Brazil (Ex-Wind)	**4,283**	**3,836**	**447**	**11.7%**
Hydro	**4,283**	**3,836**	**447**	**11.7%**
Lajeado	2,079	1,785	294	
Peixe Angical	1,317	1,186	131	
Energest	887	865	22	
TOTAL	**31,037**	**30,697**	**341**	**1%**

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

EDP - Volumes distributed, clients connected and networks

ELECTRICITY

Electricity Distributed (GWh)	1H11	1H10	Δ GWh	Δ %
Portugal	**23,576**	**23,871**	**-295**	**-1.2%**
Very High Voltage	895	712	183	26%
High / Medium Voltage	10,377	10,259	118	1.2%
Low Voltage	12,304	12,900	-596	-4.6%
Spain	**4,952**	**4,804**	**148**	**3.1%**
High / Medium Voltage	3,621	3,448	173	5.0%
Low Voltage	1,330	1,356	-26	-1.9%
Brazil	**12,296**	**11,893**	**403**	**3.4%**
Free Clients	4,700	4,479	221	4.9%
Industrial	2,118	2,102	17	0.8%
Residential, Comercial & Other	5,477	5,312	165	3.1%
TOTAL	**40,823**	**40,568**	**256**	**0.6%**

Clients Connected (th)	1H11	1H10	Abs. Δ	Δ %
Portugal	**6,154**	**6,132**	**21.9**	**0.4%**
Very High / High / Medium Voltage	24	24	0.2	0.7%
Special Low Voltage	34	34	0.3	0.8%
Low Voltage	6,096	6,074	21.5	0.4%
Spain	**654**	**647**	**6.6**	**1.0%**
High / Medium Voltage	1.1	1.1	0.0	2.7%
Low Voltage	653	646	6.5	1.0%
Brazil	**2,785**	**2,680**	**105.0**	**3.9%**
Bandeirante	1,521	1,470	51.2	3.5%
Escelsa	1,264	1,210	53.8	4.4%
TOTAL	**9,593**	**9,459**	**133.5**	**1.4%**

Networks	1H11	1H10	Abs. Δ	Δ %
Lenght of the networks (Km)	**329,358**	**325,745**	**3,613**	**1.1%**
Portugal	221,551	219,979	1,572	0.7%
Spain	22,479	22,029	450	2.0%
Brazil	85,328	83,737	1,590	1.9%
Losses (% of electricity distributed)				
Portugal (2)	-7.8%	-7.6%	-0.2 pp	
Spain	-3.1%	-4.0%	0.9 pp	
Brazil				
Bandeirante	-10.7%	-11.6%	0.9 pp	
Technical	-5.5%	-5.6%	0.1 pp	
Comercial	-5.2%	-6.0%	0.8 pp	
Escelsa	-13.6%	-14.3%	0.8 pp	
Technical	-8.1%	-8.2%	0.1 pp	
Comercial	-5.4%	-6.1%	0.7 pp	

GAS

Gas Distributed (GWh)	1H11	1H10	Δ GWh	Δ %
Portugal	**3,767**	**3,570**	**197**	**5.5%**
Low Pressure (P ≤ 4 Bar)	1,096	1,673	-577	-34%
Medium Pressure (P > 4 Bar)	2,656	1,878	778	41%
LPG	15	19	-4	-20%
Spain	**25,789**	**24,889**	**900**	**4%**
Low Pressure (P ≤ 4 Bar)	13,468	13,664	-196	-1.4%
Medium Pressure (P > 4 Bar)	12,321	11,225	1,096	10%
TOTAL	**29,556**	**28,459**	**1,097**	**4%**

Supply Points (th)	1H11	1H10	Abs. Δ	Δ %
Portugal	**258.7**	**235.3**	**23.4**	**10%**
Final	258.0	234.8	23.1	10%
Access	0.7	0.5	0.2	48%
Spain	**987.5**	**973.8**	**13.7**	**1%**
Final	-	-	-	-
Access (1)	987.5	973.8	13.7	1%
TOTAL	**1,246.2**	**1,209.2**	**37.0**	**3%**

Networks	1H11	1H10	Abs. Δ	Δ %
Lenght of the networks (Km)	**13,964**	**12,719**	**1,245**	**10%**
Portugal	3,944	3,597	347	9.7%
Spain	10,020	9,123	898	10%
Distribution (1)	9,603	8,736	867	10%
Transmission	417	387	30	7.9%

(1) Includes the contribution of regulated assets acquired from Gas Natural (2) Excludes Very High Voltage

EDP - Sustainability performance

2Q11 Main Events

Mar: EDP and the Portuguese Municipalities establish the Foz Tua development agency in order to promote the economic, social and cultural development of the Tua valley region.

Apr: EDP rated by Hay Group as one of the best "leadership schools", being second in the ranking published in the study "Best Companies for Leadership in Portugal"

May: The partnership between Instituto EDP and the NGO IDEEAS, financed by IDB, will develop in 2011 the Portable Light Kit in the Pará state in Brazil

May: In the 8th May, Tergen-Lares achieved the milestone of 1,000 days without accidents

Jun: Fundação EDP will support 27 projects, through the EDP Solidária 2011 program, providing an amount of €425k

Jun: Inovgrid was chosen by the European Comission and by Eurelectric as a single case study among over than 260 european projects of smartgrids.

EDP Internal Sustainability Index (base 2006)

	1H11	1H10	Δ %
Sustainability Index	**127**	**127**	**-0.1%**
Environmental	146	142	2.8%
%Weight	36%	36%	
Economic	113	115	-2.2%
%Weight	33%	33%	
Social	120	122	-1.9%
%Weight	31%	31%	

This Sustainability Index was developed by EDP and is based on 26 sustainability performance indicators. (www.edp.pt/sustentabilidade/abordagemasustentabilidade/)

Economic Metrics	1H11	1H10	Δ %
Economic Value (€m)(1) (g)			
Directly Generated	8,145	7,348	11%
Distributed	7,246	6,472	12%
Accumulated	899	875	3%

Social Metrics	1H11	1H10	Δ %
Employees (c)	**12,017**	**12,023**	**0.0%**
Training (hours trainee)	**225,958**	**193,742**	**17%**
On-duty Accidents	**21**	**24**	**-13%**
EDP Severity Rate (Tg)	168	120	41%
EDP Frequency rate (Tf)	1.87	2.18	-14%
Freq. rate EDP+ESP(f) (Tf)	3.11	5.12	-39.2%

Environmental Metrics	1H11	1H10	Δ %
Absolute Atmospheric Emissions (kt) (a)			
CO2	7,325.8	5,727.8	28%
NOx	5.9	4.5	30%
SO2	2.7	4.3	-36%
Particle	0.298	0.221	35%
Specific Atmospheric Emissions (g/KWh)			
CO2	231.98	183.65	26%
NOx	0.19	0.15	28%
SO2	0.09	0.14	-37%
GHG emissions (ktCO2 eq)			
Direct Emissions (scope 1)	7,343	-	-
Indirect emissions (scope 2)	477	-	-
Primary Energy Consumption (TJ) (b)	**84,189**	**66,305**	**27%**
Max. Net Certified Capacity (%)	**70%**	**66%**	**4 pp**
Water Use (103 m3)	**587,622**	**426,382**	**38%**
Total Waste (t) (e)	**191,490**	**255,275**	**-25%**
Environmental Costs (€ th)	**35,441**	**35,613**	**0%**
Environmental Fees and Penalties (€ th)	**1.7**	**4.5**	**-62%**

Environmental Metrics - CO_2 Emissions

CO_2 Emissions	Absolute (ktCO2)		Specific (t/MWh)		Generation (d) (GWh)	
	1H11	1H10	1H11	1H10	1H11	1H10
PPA/CMEC	**2,129**	**1,510**			**2,265**	**1,506**
Coal	2,121	1,492	0.94	0.99	2,268	1,506
Fuel Oil & Natural Gas	8	18	(2.75)	-	(3)	-
Liberalised	**4,584**	**3,981**			**6,348**	**5,937**
Coal	2,925	2,286	1.40	1.44	2,084	1,583
CCGT	1,658	1,695	0.39	0.39	4,264	4,354
Special Regime	**613**	**237**	**0.30**	**0.12**	**2,035**	**1,935**
Thermal Generation	**7,326**	**5,728**	**0.69**	**0.61**	**10,648**	**9,378**
CO2 Free Generation					**20,932**	**21,811**
CO2 Emissions			**0.23**	**0.18**	**31,580**	**31,189**

(a) Excluding vehicle fleet.
(b) Including vehicle fleet.
(c) Excluding Corporate Bodies.
(d) Includes heat generation (1,077 GWh: 1H11 vs. 1,009 GWh: 1H10).
(e) Waste sent to final disposal. 2010 figure according to the waste's record valid by that time
(f) ESP: External Services Provider.
(g) The figures were recalculated according to the Global Reporting Initiative specifications
(1) Generated Economic Value (GEV): Turnover + other operating income + gains/losses with the sale of financial assets + gains/losses from associated companies + financial income
Distributed Economic Value (DEV): COGS + operating costs + other operating costs + current tax + financial costs + dividend payment; Accumulated Economic Value (AEV): GEV – DEV.