



1Q16 Financial Results

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Conference call and webcast

Date: Thursday, 5th May, 2016, 08:30 am (UK/Portuguese time)

Webcast: www.edp.pt

Lisbon, May 4th 2016

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

Main Highlights



Note: Pursuant to the adoption of IFRIC21, 1Q15 financial statements here presented were restated for comparison purposes.

Income Statement (€ m)	1Q16	1Q15	Δ %	Δ Abs.
Gross Profit	1,547	1,423	9%	+124
Supplies and services	205	207	-1%	-2
Personnel costs, employees benefits	161	161	0%	+1
Other operating costs (net)	51	67	-25%	-17
Net Operating costs (1)	417	435	-4%	-18
EBITDA	1,130	988	14%	+141
Provisions	3	1	526%	+3
Amortisation and impairment (2)	366	337	9%	+29
EBIT	760	651	17%	+109
Financial Results	(180)	(208)	13%	+28
Share of net profit joint ventures/associates	(8)	(2)	-362%	-6
Pre-tax profit	573	441	30%	+131
Income taxes	152	82	84%	+69
Extraord. contribution energy sector	59	61	-3%	-2
Net profit for the period	362	298	22%	+64
Net Profit	263	237	11%	+26
Non-controlling Interest	100	62	62%	+38

Consolidated EBITDA rose by 14% YoY, to €1,130m in 1Q16, reflecting portfolio expansion (+9%) and improving weather conditions in Iberia and Brazil. Note that 1Q EBITDA includes: (i) In 2015, +€78m derived from the sale of gas assets in Spain and (ii) in 2016, €61m gain booked in the sale of Pantanal mini-hydro plant, in Brazil. Excluding these impacts, **adjusted EBITDA** rose by 17% YoY, to €1,069m in 1Q16, capped by an unfavourable ForEx impact (-€61m or -5% of EBITDA, mainly due to BRL 25% depreciation vs. Euro).

Installed capacity at EDP group rose 9% YoY, to 24.5GW, on back of: (i) +428MW of hydro capacity in Portugal, following the start up of operations at Ribeiradio/Ermeda (82MW in 2Q15), Salamonde 2 (207MW in 1Q16) and Baixo Sabor (172MW, mostly in 1Q16); (ii) +589MW of wind capacity (mostly in US and Brazil); (iii) change in consolidation perimeter (+1,333MW, following full acquisition of Pecém I and full consolidation of assets derived from ENEOP, in Portugal) ; (iv) shutdown Soto 2 coal plant, in Spain (239MW).

In Iberia, adjusted EBITDA advanced 17% YoY, propelled by new capacity on stream, strong hydro resources and price volatility, particularly when compared to 2015's poor hydro and price context. **EDPR's** 29% rise in EBITDA, to €379m, was prompted by higher average capacity on stream (+15% YoY) and stronger wind resources (avg. load factor was 7% higher than the avg. scenario, versus -3% in the 1Q15). **EDP Brasil's** ('EDPB') contribution to recurrent EBITDA was 7% lower YoY entirely due to adverse ForEx impact (-€63m). Excluding ForEx impact, EBITDA rose by 44%, propelled by the full consolidation (as of May-15) of the good-performer Pecém I plant (+€62m ex-Forex). The impact of the hydro deficit in 1Q16 was negligible reflecting improving reservoir levels and lower demand.

EDP Group operating costs were stable at €367m in 1Q16 driven by: (i) 2% YoY fall in **Iberia**, mainly impacted by headcount reduction (-1%); (ii) 12% YoY increase at EDPR level, mainly reflecting portfolio expansion (+15%); (iii) 11% YoY fall in Brazil, reflecting BRL depreciation vs. Euro and tight cost control on one hand; and the full consolidation of Pecém I, on the other hand. **Other net operating costs/(revenues)** fell from €67m in 1Q15 to €51m in 1Q16, mostly supported by lower one-off gains YoY (in 2015, on the sale of gas assets in Spain; in 2016, on the sale of Pantanal in Brazil). EDP group's costs with clawback, social tariff and extraordinary energy tax in Portugal, and with generation taxes and other levies in Spain amounted to €124m in 1Q16.

EBIT rose 17%, to €760m in 1Q16, reflecting EBITDA growth and higher depreciation, mainly backed by portfolio expansion. **Net financial costs** worth €180m in 1Q16, down from €208m in 1Q15, reflecting a decline in the avg. cost of debt from 4.7% in 1Q15 to 4.5% in 1Q16 and €11m gain booked on the sale of our equity stake in Tejo Energia. **Non-controlling interests** reached €100m in the 1Q16 (+€38m YoY), reflecting the share of minorities in the gain booked on the sale of Pantanal at EDP Brasil's level (€23m) and higher net profit at the level of EDPR. Overall, **net profit attributable to EDP shareholders** amounted to €263m in 1Q16 (+11% YoY). Excluding one-off gains booked in 1Q15 (+€13m; details on page 4) and 1Q16 (-€24m, details on page 4), adjusted net profit rose 28% YoY, to €287m in 1Q16.

Net debt fell from €17.4bn in Dec-15 to €17bn in Mar-16, mainly supported by proceeds from asset rotation deals signed with Axium in Oct-15 and from institutional partnership structure signed in Nov-15. Total cash and available liquidity facilities amounted to €5.4bn by Mar-16. This liquidity position allows EDP to cover its refinancing needs beyond 2017.

On April 19th, EDP shareholders approved the 2015 dividend payment amounting to €676m (€0.185/share), to be paid on

Key Operational Data	1Q16	1Q15	Δ %	Δ Abs.
Employees	11,939	11,632	2.6%	+308
Installed capacity (MW)	24,493	22,430	9.2%	+2,062

Key Financial Data (€ m)	1Q16	1Q15	Δ %	Δ Abs.
FFO (Funds from operations)	741	621	19%	+120
Capex	233	362	-36%	-129
Maintenance	106	102	4%	+4
Expansion	127	260	-51%	-133
Net investments	(11)	377	-	-388

Key Balance Sheet Data (€ m)	Mar-16	Dec-15	Δ %	Δ Abs.
Equity book value	8,950	8,670	3%	+280
Net debt	17,002	17,380	-2%	-378
Regulatory receivables	2,568	2,477	4%	+91
Net debt/EBITDA (x)(4)	4.2x	4.4x	-6%	-0.2x
Adjusted net debt (3)/EBITDA (x)	3.6x	3.8x	-7%	-0.2x

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

EBITDA Breakdown



EBITDA (€ m)	1Q16	1Q15	Δ %	Δ Abs.	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q16 YoY		1Q16 QoQ	
													Δ %	Δ Abs.	Δ %	Δ Abs.
LT Contracted Generation	133	153	-13%	-20	153	169	144	117	133				-13%	-20	14%	16
Liberalised Activities Iberia	205	102	101%	+103	102	81	93	88	205				101%	103	132%	116
Regulated Networks Iberia	234	324	-28%	-90	324	245	242	221	234				-28%	-90	6%	14
Wind & Solar Power	379	295	29%	+84	295	253	235	360	379				29%	84	5%	19
Brazil	185	129	43%	+56	129	372	154	202	185				43%	56	-8%	-17
Other	(6)	(15)	58%	+8	(15)	24	(7)	(55)	(6)				58%	8	89%	49
Consolidated	1,130	988	14%	+141	988	1,143	860	933	1,130				14%	141	21%	197

Consolidated EBITDA amounted to €1,130m in the 1Q16, 14% higher YoY, including the following one-offs: (i) in the 1Q15, +€78m derived from the sale of gas assets in Spain, and (ii) in the 1Q16, +€61m in the wake of the sale of the Pantanal mini-hydros in Brazil. Excluding these impacts, adjusted EBITDA totalled €1,068m in the 1Q16 (+19% YoY), impacted by stronger hydro production (hydro resources were 45% above average year in Portugal) and higher results with energy management in the liberalised business in Iberia and by the impact of higher installed capacity and better wind resources YoY at EDPR level (avg. load factor was 7% higher than the P50 scenario in the 1Q16, versus -3% in the 1Q15). ForEx had a 5% negative impact on EBITDA (-€61m), mostly due to the average BRL depreciation (-25%) vs. Euro.

LONG TERM CONTRACTED GENERATION IN IBERIA (12% of EBITDA) – EBITDA fell by 13% (-€20m YoY), to €133m in 1Q16, reflecting the transfer of 7 hydro plants to our liberalised activities following the termination of respective PPAs (1Q15 gross profit: €19m). These plants have a total installed capacity of 627MW and an annual production 1.7TWh (on an average hydro year).

LIBERALISED ACTIVITIES IN IBERIA (18% of EBITDA) – was €103m higher YoY, at €205m in 1Q16, backed by a cheaper average generation cost, prompted by a sharp recovery in hydro resources and production (62% weight in generation mix in 1Q16 vs. 40% in 1Q15); and by higher results with energy management in the wake of low-price context and high price volatility during 1Q16. Note that, as a result of the end of PPAs at 7 hydro plants in Dec-15, 627MW of hydro capacity was transferred from the LT Contracted portfolio (0.5TWh in 1Q15) to liberalised generation portfolio, posting a €22m of gross profit in 1Q16.

REGULATED NETWORKS IN IBERIA (21% of EBITDA) – EBITDA fell 28% YoY, to €234m in the 1Q16, materially impacted by a one-off in the 1Q15, namely the sale of some gas assets in Spain to Redexis (€78m). Adjusted by this effect EBITDA declined by 5% YoY (-€12m), reflecting lower non-regulated revenues in gas distribution in Spain and a €7m recovery of previous years' regulated revenues in electricity distribution in Spain in the 1Q15.

WIND & SOLAR POWER (33% of EBITDA) – EDPR's EBITDA went up by 29% YoY (+€84m) to €379m in the 1Q16, reflecting: i) higher production (+30% YoY) supported by an increase of 15% on the avg. capacity on stream and stronger wind resources (+4pp YoY on load factor, to 38% in 1Q16); and ii) income from new tax equity deals during the period.

BRAZIL (16% of EBITDA) - EDPB's contribution to consolidated EBITDA was 43% higher YoY (+€56m), to €185m in the 1Q16, including the adverse ForEx impact (-€63m, in the wake 25% depreciation of BRL vs. Euro) and the impact from the disposal of Pantanal mini-hydro plants (+€61m). Adjusted for the Pantanal one-off, local currency EBITDA rose 29% YoY, to R\$536m in the 1Q16. Generation and Supply EBITDA went up 99% YoY (+R\$210m), reflecting the full consolidation of Pecém since May-15 (+R\$201m) and better performance at our hydro plants (+R\$43m YoY) due to a negligible impact of the hydro deficit vs. a greater impact in the 1Q15 (GSF at 88% in 1Q16 vs. 79% in 1Q15 and avg. PLD of R\$35/MWh in 1Q16 vs. R\$388/MWh in 1Q15). EBITDA from distribution fell by R\$95m to R\$137m in the 1Q16, impacted by lower demand, overcontracted volumes at Bandeirante, and an abnormal positive impact from tariff increases in the 1Q15.

Profit & Loss Items below EBITDA



Profit & Loss Items below EBITDA (€ m)	1Q16	1Q15	Δ %	Δ Abs.	1Q16	2Q16	3Q16	4Q16	1Q16 QoQ	
									Δ %	Δ Abs.
EBITDA	1,130	988	14%	141	1,130				21%	197
Provisions	3	1	526%	3	3				-53%	-4
Amortisation and impairment	366	337	9%	29	366				-10%	-40
EBIT	760	651	17%	109	760				46%	241
Net financial interest	(202)	(238)	15%	37	(202)				-8%	18
Capitalized financial costs	14	32	-57%	-18	14				-24%	-4
Net foreign exchange differences and derivatives	6	(40)	-	46	6				-44%	-5
Investment income	0	0	88%	0	0				-	-0
Unwinding w/ pension & medical care responsibilities	(10)	(11)	14%	2	(10)				-7%	1
Capital Gains/(Losses)	13	-	-	13	13				-1161%	15
Other Financials	(2)	50	-	-51	(2)				-64%	3
Financial Results	(180)	(208)	13%	28	(180)				-13%	27
Share of net profit in joint ventures and associates	(8)	(2)	-362%	-6	(8)				-682%	-9
Pre-tax Profit	573	441	30%	131	573				82%	258
Income Taxes	152	82	84%	69	152				262%	110
Effective Tax rate (%)	26%	19%	-	7.8 pp	26%					0.1 pp
Extraordinary Contribution for the Energy Sector	59	61	-3%	-2	59				4840%	58
EDP Renováveis	60	39	55%	21	60				140%	35
Energias do Brasil	40	18	121%	22	40				-27%	-15
Other	(0)	5	-	-5	(0)				100%	-0
Non-controlling Interests	100	62	62%	38	100				25%	20
Net Profit Attributable to Shareholders of EDP	263	237	11%	26	263				49%	86

Amortisation and impairment (net of compensation from depreciation and amortisation of **Income taxes** amounted to €152m in the 1Q16, representing an effective tax rate of 26% (vs. 19% in the subsidised assets) rose 9% YoY to €366m in the 1Q16, reflecting: (i) higher depreciation charges at 1Q15). The gain booked in the 1Q15 on the sale of gas assets in Spain had no impact on the taxable income EDPR (+€23m YoY), derived from the new capacity installed over the last 12 months; (ii) perimeter, thus impacting negatively the YoY comparison. Additionally, the 1Q16 results reflects the full-year depreciation charges of Pecém following consolidation (+€9m).

Net financial costs decreased 13% YoY to €180m in the 1Q16. **Net interest expenses** decreased 15% YoY due to lower avg. cost of debt of 4.5% (vs. 4.7% in the 1Q15). **Net ForEx differences and Non-controlling interests** reached €100m in the 1Q16 (+€38m YoY), reflecting the capital gain booked on the **derivatives** totalled €6m in 2015 (+€46m YoY in the 1Q16, since there was a negative impact sale of Pantanal at EDP Brasil's level (€23m impact at non-controlling interests' level), as well as the share of related to mark-to-market on the appreciation of the USD against the EUR in the 1Q15). **Capitalised** minorities on higher net profit for the share capital not held by EDP at EDP Brasil's and EDPR.

financial costs fell €18m YoY, to €14m in the 1Q16, due to the commissioning of new plants in Portugal. **Capital gains** reached €13m, mostly related with the sale of our equity stake in Tejo Overall, **net profit attributable to EDP shareholders** was 11% higher YoY, at €263m in the 1Q16, impacted by Energia (+€11m). **Other financials** (-€2m in the 1Q16, -€51m YoY) considers lower gains with the higher operational performance. Excluding non-recurrent events⁽¹⁾, adjusted net profit in the 1Q16 amounted to €287m (+28% YoY vs. €224m in the 1Q15).

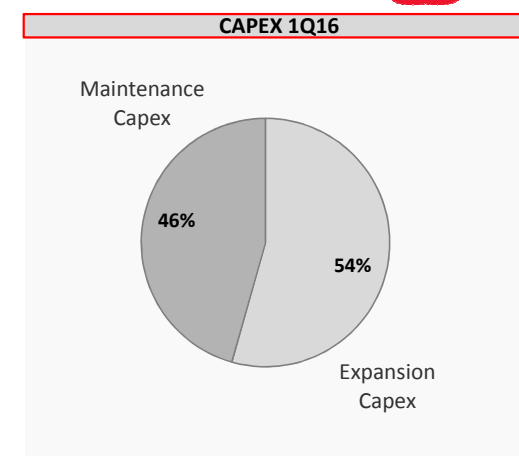
Share of net profit in joint ventures and associates amounted to -€8m in the 1Q16 (-€6m YoY), (1) Non-recurrent events: (i) in the 1Q15 (+€13m), gains with the sale of assets in Murcia (+€74m) and on the mostly impacted by lower results from EDPR's equity stake in some wind parks in the US. The asset extraordinary energy tax (-€61m); (ii) in 1Q16 (-€24m), gains arising from on the sale of Pantanal in Brazil split of ENEOP since Sep-15 (+€7M in the 1Q15) and the consolidation of Pecém I since May-15 (- (+€24m), on the capital gain from of the sale of Tejo Energia stake (+€11m) and the extraordinary energy tax €8m in the 1Q15) produce a neutral effect. (-€59m).

Capital Expenditure & Net Investments



Capex (€ m)	1Q16	1Q15	Δ %	Δ Abs.
LT contracted gen. Iberia	2	4	-54%	-2
Liberalised activities Iberia	48	93	-48%	-45
Regulated networks Iberia	65	69	-6%	-4
Wind & solar power	89	163	-46%	-74
Brazil	21	21	1%	+0
Other	9	14	-35%	-5
EDP Group	233	362	-36%	-129
Expansion Capex	127	260	-51%	-133
Maintenance Capex	106	102	4%	+4

1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
4	7	6	12	2			
93	96	79	121	48			
69	78	77	153	65			
163	159	274	306	89			
21	24	25	44	21			
14	15	17	(66)	9			
362	379	477	570	233			
260	244	348	331	127			
102	134	129	238	106			



Net financial investments/(Divestments) (€m)	1Q16	1Q15	Δ %	Δ Abs.
Financial Investments	117	15	696%	+102
Consolidation Perimeter EDPR	37	-	-	+37
Brazil generation	32	-	-	+32
Gas assets (Iberia)	44	-	-	+44
Other	4	15	-74%	-11
Financial Divestments	409	187	119%	+222
Gas assets (Iberia)	0	185	-100%	-184
EDP Brasil (Pantanal)	83	-	-	+83
Wind assets	308	2	13609%	+305
Other	18	-	-	+18
Total	(292)	(172)	-69%	-120

Consolidated capex amounted to €233m in the 1Q16, with more than half (54%) devoted to the construction of new hydro & wind capacity. Maintenance capex was 4% higher YoY (+€4m), at €106m in the 1Q16, mostly concentrated in regulated networks in Iberia.

Capex in hydro capacity under construction in Portugal totalled €37m, following the delivery of new capacity. During the 1Q16, 2 hydro plants started operations: Salomonde 2 (207MW) and Baixo Sabor (upstream plant of 142MW). As of Mar-16, EDP had 2 hydro projects under construction: i) Venda Nova 3 (756MW), due in 2H16; ii) Foz-Tua (263MW), expected to start-up operations in late 2016/early 2017. **Capex in new wind capacity** (EDPR) amounted to €89m in 1Q16 (of which €63m in North America). Wind capacity additions in the 1Q16 amounted to 120MW in Brazil, while capacity under construction reached 476MW in Mar-16 (53% in North America, 42% in Mexico, 5% in Europe). **In Brazil**, capex totalled €21m in 1Q16 and was mostly devoted to our distribution business.

Net financial divestments totalled €292m in the 1Q16. **Financial divestments** amounted to €409m in 1Q16, including: i) €279m from the sale by EDPR of a minority stake in US portfolio of wind assets to Axiom; ii) €83m from the sale of Pantanal mini-hydro by EDPB (51MW); and iii) €17m from the sale of our equity stake in Tejo-Energia coal plant. **Financial investments in the 1Q16** amounted to €117m, reflecting mostly the acquisition of an additional stake in Portgás (€44m) and EDPB's equity contributions to S. Manoel hydro projects (€32m).

Overall, net investments amounted to -€11m in the 1Q16 (vs. €377m in 1Q15), including €233m of capex, €35m of financial investments and €279m of proceeds from asset rotation deals by EDPR.

Net Investments (€m)	1Q16	1Q15	Δ %	Δ Abs.
Capex	233	362	-36%	-129
Financial investments	35	15	136%	+20
EDPR's asset rotation proceeds	(279)	-	-	-279
Total	(11)	377	-	-388

FFO & Cash Flow Statement



Funds from Operations (€m)	1Q16	1Q15	Δ %	Δ Abs.
EBITDA	1,130	1,017	11%	+112
Current income tax	(144)	(112)	-29%	-33
Net financial interests	(202)	(238)	15%	+37
Net Income and dividends received from Associates	(8)	(2)	-363%	-6
Non-cash items	(35)	(45)	22%	+10
FFO - Funds From Operations	741	621	19%	+120

Consolidated Cash Flow (€m) - Indirect Method	1Q16	1Q15	Δ %	Δ Abs.
EBITDA	1,130	1,017	11%	+112
Current income tax	(144)	(112)	-29%	-33
Changes in operating working capital	(420)	372	-	-793
Regulatory Receivables	(91)	226	-	-317
Non-cash items	(35)	(45)	22%	+10
Other working capital	(295)	191	-	-486
Net Cash from Operating Activities	565	1,278	-56%	-713
Capex	(233)	(362)	36%	+130
Expansion	(127)	(260)	51%	+133
Maintenance	(106)	(102)	-4%	-4
Changes in working capital from equipment suppliers	(322)	(113)	-185%	-209
Net financial (investments)/divestments	292	172	69%	+120
Net financial interests paid	(250)	(260)	4%	+10
Dividends received from Associates	0	4	-99%	-4
Dividends paid	(21)	(0)	-5254%	-21
EDP Shareholders	-	-	-	-
Other	(21)	(0)	-5254%	-21
Proceeds from Institutional Partnerships in US wind	164	(18)	-	+182
Effect of exchange rate fluctuations	146	(436)	-	+582
Other non-operating changes	37	(2)	-	+39
Decrease/(Increase) in Net Debt	378	263	44%	+115

Consolidated Cash Flow (€m) - Direct Method	1Q16	1Q15	Δ %	Δ Abs.
Operating Activities				
Cash receipts from customers	3,533	3,786	-7%	-253
Proceeds from tariff adjustments sales	100	499	-80%	-399
Cash paid to suppliers and personnel	(2,843)	(3,118)	9%	+276
Concession rents & other	(165)	65	-	-229
Net Cash from Operations	625	1,232	-49%	-606
Income tax received/(paid)	(61)	46	-	-107
Net Cash from Operating Activities	565	1,278	-56%	-713
Net Cash from Investing Activities	(512)	(279)	-84%	-233
Net Cash from Financing Activities	252	(1,352)	-	+1,604
Changes in Cash and Cash Equivalents	305	(353)	-	+658
Effect of exchange rate fluctuations	18	(25)	-	+43

Funds from operations (FFO) increased 19% YoY to €741m in 1Q16, reflecting i) a €112m increase in EBITDA (see details on page 3); ii) a €33m increase in current income tax; and iii) a €37m decrease in net financial interests, benefitting from a lower average cost of debt (4.5% in 1Q16 vs. 4.7% 1Q15).

Net cash from operating activities fell €713m YoY to €565m in 1Q16. **Regulatory receivables** increased to €91m vs. Dec-15, driven by: i) a €184m increase from regulated activities in Portugal, including -€94m from the securitisation deals undertaken in 1Q16; and ii) a €93m decrease in our regulatory receivables from our electricity distribution activities in Brazil. **‘Other changes in working capital’**, which amounted to -€295m in 1Q16, mostly reflect a €61m gain booked derived from the sale of Pantanal mini-hydro plant in Brazil, a decrease in payables to trade suppliers and an increase in trading receivables related to greater business activity.

Expansion capex totaled €127m in 1Q16, translating the ongoing construction of new hydro and wind capacity. **Change in working capital from equipment suppliers** is largely attributable to invoice payments to equipment suppliers related to investments in renewables at EDPR level.

Net financial divestments amounted to €292m in 1Q16, mostly reflecting EDPR disposal of a minority stake in a US portfolio of wind assets (€279m), the sale of Pantanal mini-hydro plant by EDPB (€83m) and the acquisition of an additional stake in Portgás (€44m).

EDP AGM held on April 19th, 2016, approved a gross dividend of 0.185 euros per share (flat vs. the previous year), which corresponds to a total amount of €676m, to be paid on May 18th, 2016.

Proceeds from Institutional Partnerships in US reflect the establishment of a new tax equity financing structure in US related to the 199MW Waverly wind farm (€216m), which impact on net debt was partly offset by the retention of tax benefits by institutional investors (€51m).

Effects of exchange rate fluctuations reflect the impact of USD depreciation against the Euro (-5%).

On balance, **net debt** went down €378m vs. Dec-15 to €17.0bn as of Mar-16.

Statement of Consolidated Financial Position



Assets (€ m)	Mar vs. Dec		
	Mar-16	Dec-15	Δ Abs.
Property, plant and equipment, net	22,469	22,774	-304
Intangible assets, net	5,526	5,525	2
Goodwill	3,358	3,389	-30
Financial investments and assets held for sale, net	880	1,028	-148
Tax assets, deferred and current	582	587	-5
Inventories	208	204	4
Trade receivables, net	2,143	1,997	147
Other assets, net	5,793	5,708	84
Collateral deposits	89	80	10
Cash and cash equivalents	1,569	1,245	323
Total Assets	42,619	42,537	82
Equity (€ m)	Mar vs. Dec		
	Mar-16	Dec-15	Δ Abs.
Equity attributable to equity holders of EDP	8,950	8,670	280
Non-controlling Interest	3,692	3,452	240
Total Equity	12,642	12,121	521
Liabilities (€ m)	Mar vs. Dec		
	Mar-16	Dec-15	Δ Abs.
Financial debt, of wich:	19,258	19,271	-12
<i>Medium and long-term</i>	<i>16,268</i>	<i>15,654</i>	<i>614</i>
<i>Short term</i>	<i>2,991</i>	<i>3,617</i>	<i>-626</i>
Employee benefits (detail below)	1,791	1,823	-33
Institutional partnership liability (US wind)	1,260	1,165	95
Provisions	514	506	8
Tax liabilities, deferred and current	1,495	1,312	182
Deferred income from inst. partnerships	739	791	-52
Other liabilities, net	4,920	5,547	-626
Total Liabilities	29,976	30,415	-439
Total Equity and Liabilities	42,619	42,537	82
Employee Benefits (€m) (1)	Mar vs. Dec		
	Mar-16	Dec-15	Δ Abs.
Pensions (2)	848	883	-36
Medical care and other	943	940	3
Employee Benefits	1,791	1,823	-33
Regulatory Receivables (€m)	Mar vs. Dec		
	Mar-16	Dec-15	Δ Abs.
Portugal Distribution and Gas (3)	2,191	2,021	171
Portugal Annual CMEC Deviation	229	216	13
Spain	70	70	-
Brazil	77	170	-93
Regulatory Receivables	2,568	2,477	91

Total amount of **property, plant & equipment and intangible assets** decreased €0.3bn vs. Dec-15 to €28.0bn as of Mar-16, mainly reflecting: -€0.3bn from depreciations in the period and -€0.2bn mainly resulting from the net effect of the depreciation of the USD against the Euro (-5%) and of the appreciation of the BRL against the Euro (+15%) between Dec-15 and Mar-16, which in turn were offset by €0.2bn of capex in the period. As of Mar-16, EDP's balance sheet included €2.7bn of works in progress (9% of total consolidated tangible and intangible assets) largely related to investments already incurred in regulated networks, power plants, wind farms development, equipment or concession rights which are not yet operating.

The book value of **financial investments & assets held for sale** went down €0.1bn vs. Dec-15, to €0.9bn as of Mar-16, mainly reflecting the conclusion of the sale of Pantanal mini-hydros in Brazil and of our equity stake in Tejo Energia coal plant. Note that, by Dec-15, financial investments essentially refer to our financial stakes in Jari (50%), Cachoeira Caldeirão (50%), EDP Asia (50%), which is the owner of a 21% stake in CEM, REN (3.5%) and BCP (2.0%).

Tax assets net of liabilities, deferred and current, went down €0.2bn vs. Dec-15, mostly due to current income tax calculation and to the extraordinary energy tax (-€59m). **Trade receivables and other assets (net)** increased €0.2bn vs. Dec-15 to €7.9bn as of Mar-16, driven essentially by regulatory receivables generated during the period.

Total amount of EDP's **net regulatory receivables** went up €91m vs. Dec-15, to €2.6bn as of Mar-16, reflecting a €184m increase from Portugal and a €93m reduction from Brazil.

Equity book value increased to €9.0bn as of Mar-16, mainly reflecting the €263m of net profit for the period. **Non-controlling interest** increased €0.2bn to €3.7bn as of Mar-16, mostly deriving from the asset rotation disposals closed by EDPR in the 1Q16 and the share of profit at EDPR and EDPB in the period that does not belong to EDP's shareholders.

Pension fund, medical care and other employee benefit liabilities (gross, before deferred taxes) fell by €33m vs. Dec-15 to €1,791m as of Mar-16, reflecting the recurrent payment of pension and medical care expenses in the 1Q16. **Institutional partnership liabilities net of deferred income** increased €147m vs. Dec-15 to €521m as of Mar-16 reflecting the benefits appropriated by the tax equity partners during the period and by the completion a sale of tax equity, partly offset by the depreciation of the USD vs. EUR (-5%).

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

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

Consolidated Net Financial Debt



Nominal Financial Debt by Company (€m)	Mar-16	Dec-15	Δ %	Δ Abs.
EDP S.A. and EDP Finance BV	16,132	16,157	0%	-25
EDP Produção & Other	114	115	-1%	-1
EDP Renováveis	1,088	1,080	1%	8
EDP Brasil	1,488	1,415	5%	73
Nominal Financial Debt	18,821	18,767	0%	54

Accrued Interest on Debt	266	332	-20%	-66
Fair Value of Hedged Debt	172	172	0%	0
Derivatives associated with Debt (2)	(214)	(175)	-22%	-39
Collateral deposits associated with Debt	(89)	(80)	-12%	-10
Hybrid adjustment (50% equity content)	(376)	(381)	1%	5
Total Financial Debt	18,579	18,635	0%	-56

Cash and cash equivalents	1,569	1,245	26%	323
EDP S.A., EDP Finance BV and Other	761	680	12%	81
EDP Renováveis	392	299	31%	93
EDP Brasil	416	267	56%	149
Financial assets at fair value through P&L	8	9	-10%	-1

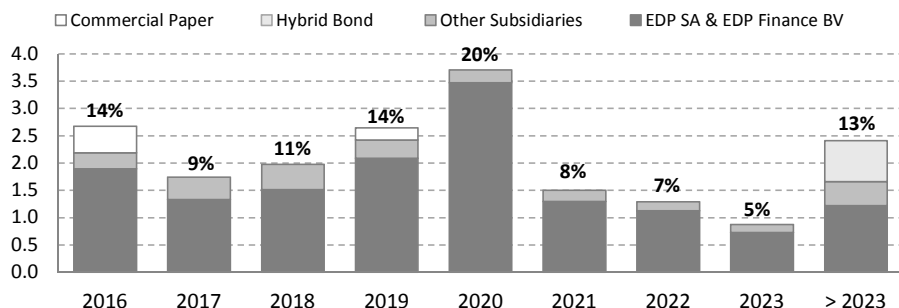
EDP Consolidated Net Debt	17,002	17,380	-2%	-378
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Credit Lines by Mar-15 (€m)	Maximum Amount	Number of Counterparts	Available Amount	Maturity
Revolving Credit Facility	3,150	21	3,150	Jun/19
Revolving Credit Facility	500	16	250	Feb/20
Revolving Credit Facilities	175	2	175	2016
Domestic Credit Lines	182	8	182	Renewable
Underwritten CP Programmes	100	1	100	2021
Total Credit Lines	4,107		3,857	

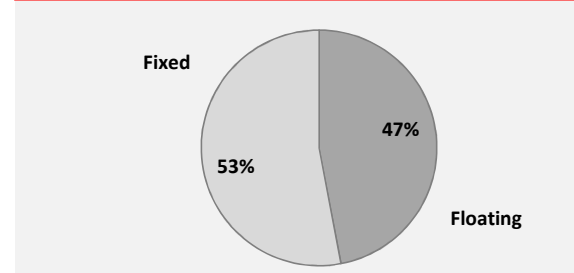
Debt Ratings	S&P	Moody's	Fitch
EDP SA & EDP Finance BV	BB+/Positive/B	Baa3/Stable/P3	BBB-/Stab/F3
Last Rating Action	14/10/2015	12/02/2016	05/11/2015

Debt Ratios	Mar-16 (3)	Dec-15
Net Debt / EBITDA	4.2x	4.4x
Net Debt / EBITDA adjust. by Reg. Receivables	3.6x	3.8x

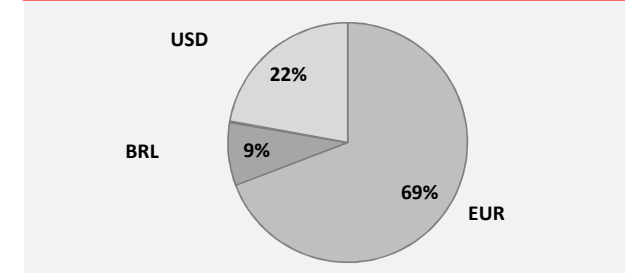
Debt Maturity (€ m) by Mar-16 (1)



Debt by Interest Rate Type - Mar-16 (1)



Debt by Currency - Mar-16 (1)



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

Looking at 1Q16 major debt repayments and refinancing deals, in Feb-16, EDP repaid, at maturity, a €750m 5,875% Eurobond. In Mar-16, EDP issued a 7 year eurobond in the amount of €600m, with final maturity date in March 2023, and a coupon of 2.375%. This issuance is in line with the Group's financial policy of extending the average term of its debt portfolio and reinforcing its financial flexibility.

As of Mar-16 average debt maturity was 4.8 years (hybrid bond is not included in this figure). The weight of consolidated financial debt through capital markets stood at 68%, while the remaining of the debt was raised essentially through bank loans. Refinancing needs in 2016 amount to €2.3bn, including i) €0.5bn of bonds maturing in 1H16; ii) €1.0bn of bonds maturing in 2H16 and iii) €0.8bn of other facilities maturing throughout the year. Refinancing needs amount to €1.3bn in 2017 and 1.5bn in 2018 consisting mostly of bond. Total cash and available liquidity facilities amounted to €5.4bn by Mar-16. This liquidity position allows EDP to cover its refinancing needs beyond 2018.



Business Areas

Iberian Electricity and Gas Markets



Electricity Balance (TWh)	Portugal			Spain			Iberian Peninsula		
	1Q16	1Q15	Δ%	1Q16	1Q15	Δ%	1Q16	1Q15	Δ%
Hydro	5.9	3.5	72%	13.1	10.6	23%	19.0	14.1	35%
Nuclear	-	-	-	13.8	15.2	-9.2%	13.8	15.2	-9%
Coal	2.4	3.1	-24%	6.0	10.4	-42%	8.4	13.6	-38%
CCGT	0.7	0.5	48%	4.5	5.6	-20%	5.2	6.1	-15%
Fuel/gas/diesel	-	-	-	-	-	-	-	-	-
(-)Pumping	(0.4)	(0.4)	9%	(2.0)	(1.5)	36%	(2.5)	(1.9)	31%
Conventional Regime	8.6	6.7	28%	35.3	40.3	-13%	43.9	47.0	-7%
Wind	4.1	3.7	11%	17.1	15.7	9%	21.3	19.4	9%
Other	2.6	2.5	3%	9.8	10.1	-4%	12.3	12.6	-2%
Special Regime	6.7	6.2	8%	26.9	25.9	4%	33.6	32.1	5%
Import/(export) net	(2.3)	0.3	-	1.7	(1.5)	-	(0.6)	(1.2)	-52%
Gross demand (before grid losses)	13.0	13.2	-1.3%	63.8	64.7	-1.3%	76.8	77.8	-1.3%
Adjust. temperature, working days			0.7%			-6.0%			n.a.

Gas Demand (TWh)	Portugal			Spain			Iberian Peninsula		
	1Q16	1Q15	Δ%	1Q16	1Q15	Δ%	1Q16	1Q15	Δ%
Conventional demand	10.0	11.0	-8%	77.5	79.9	-3%	87.5	90.8	-4%
Demand for electricity generation	1.5	1.1	43%	11.6	13.6	-15%	13.1	14.7	-11%
Total Demand	11.6	12.0	-4%	89.1	93.5	-5%	100.6	105.5	-5%

Electricity demand in Iberia fell 1.3% YoY in 1Q16, with similar contribution from Portugal and Spain. In Spain (84% of Iberia), demand adjusted for temperature and working days fell 6%. In Portugal (16% of total), demand adjusted for temperature and working days was 0.7% higher YoY in 1Q16.

Installed capacity in Iberia rose by 1% in 1Q16 (+1.1GW), mainly reflecting the addition of new hydro capacity (Portugal: +0.4GW; Spain: +0.9GW) and, to a lower extent, new special regime capacity in Iberia (mostly wind). This was partially mitigated by the shutdown of coal and fuel oil capacity in Spain. In Portugal, Baixo Sabor hydro plant (172MW, of which 30MW were in operation since 1Q15) and Salomonde (207MW) came on stream in 1Q16.

Residual thermal demand (RTD) fell 37% YoY (-6TWh YoY) in 1Q16, supported by: (i) 4.4TWh YoY rise in hydro output (net of pumping), backed by wet weather (hydro resources were 45% above average year in Portugal and +20% in Spain); (ii) 1.8TWh increase in output from wind, on resources broadly stable YoY (16% above the average year); (iii) 1TWh decline in gross demand in Iberia; and (iii) 0.7TWh increase in imports. Nuclear output was 1.4TWh lower YoY. As a result, coal output fell 38% YoY (-5TWh) and output from CCGT fell 15% YoY (-0.9TWh YoY). Overall, strong hydro and wind resources have largely displaced thermal capacity in 1Q16, leading to an avg. load factors at both coal (-20p.p. YoY to 33%) and CCGTs (-1p.p. YoY to 8%).

Average electricity spot price in Spain was 34% lower YoY in 1Q16, at €31/MWh, both in Portugal and Spain. Average CO₂ prices fell 20% YoY in 1Q16, to €5.6/ton in 1Q16 (avg.). Average electricity final price in Spain fell 9% to €56/MWh. The difference between final electricity price and pool price is explained by the contribution from profiling, restriction market, ancillary services and capacity payments.

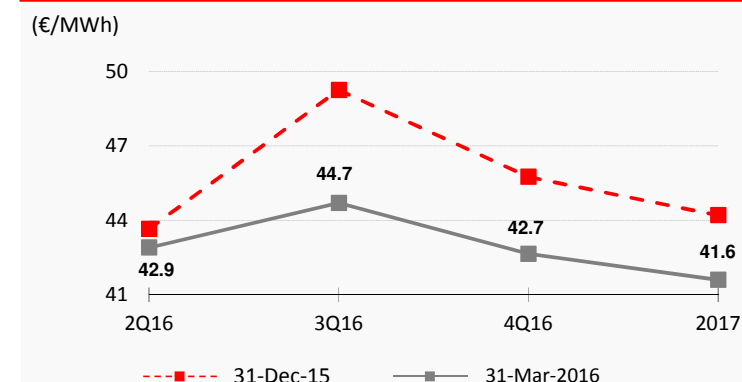
In the Iberian gas market, consumption fell by 5% YoY in 1Q16, in line with the fall in conventional demand (87% of total consumption). Gas demand for electricity generation purposes (-11% YoY) reflected lower working hours at CCGTs.

Installed Capacity in Electricity (GW)	Iberian Peninsula		
	1Q16	1Q15	Δ%
Hydro	23.5	22.2	6%
Nuclear	7.0	7.0	-
Coal	11.5	11.7	-2%
CCGT	28.8	28.8	0%
Fuel/gas/diesel	0.5	0.8	-37%
Conventional Regime	71.2	70.4	1%

Wind	28.0	27.8	1%
Other special regime	20.1	20.0	1%
Special Regime	48.1	47.8	1%

Total	119.3	118.2	1%
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Iberian Electricity Forward Market (OMIP)



Main Drivers	1Q16	1Q15	Δ%
Hydro coefficient (1.0 = avg. year)			
Portugal	1.45	0.74	96%
Spain	1.20	0.90	33%
Wind coefficient (1.0 = avg. year)			
Portugal	1.16	1.14	2%
Electricity spot price, €/MWh (1)			
Portugal	30.5	46.0	-34%
Spain	30.7	45.9	-33%
CO2 allowances (EUA), €/ton (1)	5.6	7.0	-20%
Coal (API2 CIF ARA), USD/t (1)	45.3	60.6	-25%
Gas NBP, €/MWh(1)	13.5	22.0	-39%
Brent, USD/bbl (1)	33.9	54.0	-37%
EUR/USD (1)	1.10	1.13	-2%

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



Income Statement (€ m)	1Q16	1Q15	Δ%	Δ Abs.
PPA/CMEC Revenues	206	253	-19%	-47
Revenues in the market (i)	172	227	-24%	-54
Annual deviation (ii)	61	64	-5%	-3
PPAs/CMECs accrued income (iii)	(27)	(38)	-29%	+11
PPA/CMEC Direct Costs	72	83	-13%	-11
Coal	35	52	-33%	-17
Fuel oil	1	1	8%	+0
CO2 and other costs (net)	36	30	20%	+6
Gross Profit PPA/CMEC	134	170	-21%	-36
Thermal (cogen., waste, biomass)	2	3	-18%	-0
Mini-hydro	25	13	90%	+12
Gross Profit Special Regime	27	15	73%	+11
Net Operating costs (1)	28	33	-14%	-5
EBITDA	133	153	-13%	-20
Net depreciation and provision	33	39	-17%	-6
EBIT	100	114	-12%	-14
At Fin. Results: Hedging Gains (Losses) (2)	(6)	(0)	1515%	-5
Employees (#)	1,073	1,153	-7%	-80

PPA/CMEC: Key Data	1Q16	1Q15	Δ %	Δ Abs.
Real/Contracted Availability				
Hydro	1.05	1.04	1%	+0.0
Coal	1.07	1.07	-0%	-0.0
Installed Capacity (MW)	3,843	4,470	-14%	-627
Hydro	2,663	3,290	-19%	-627
Coal	1,180	1,180	-	-
Output (GWh)	4,627	4,151	11%	+476
Hydro	2,854	1,903	50%	+951
Coal	1,773	2,248	-21%	-475

Special Regime: Key Data	1Q16	1Q15	Δ %	Δ Abs.
Output (GWh)	337	222	51%	+114
Mini-hydro Portugal	259	138	88%	+121
Thermal Portugal	52	52	1%	+0
Thermal Spain	26	33	-22%	-7
Average Gross Profit (€/MWh)				
Mini-hydro Portugal	95	94	1%	+1
Thermal Portugal (3)	28	22	29%	+6
Thermal Spain	42	43	-1%	-0

Capex (€ m)	1Q16	1Q15	Δ %	Δ Abs.
PPA/CMEC Generation	1	3	-54%	-2
Special Regime	0	0	-50%	-0
Total	2	4	-54%	-2

EBITDA from LT contracted generation fell by 13% (-€20m YoY), to €133m in 1Q16, reflecting the transfer of 7 hydro plants to our merchant portfolio following the termination of respective PPAs (1Q15 gross profit: €19m). These plants have a total installed capacity of 627MW and an annual production 1.7TWh (on an average hydro year).

Gross profit from PPA/CMEC was 21% lower YoY, at €134m in 1Q16, reflecting the aforementioned end of PPA in Dec-15 and the natural depreciation of the asset base in a context of very low inflation and adverse results with fuel procurement, following the decline in CO2 and fuel market prices between the moment of procurement and the moment of consumption. Note that, as a result of EDP's strategy to hedge these changes through derivative financial instruments, this impact is ultimately compensated at the level of financial results.

The **annual deviation** between market gross profit under CMECs assumptions and gross profit under actual market conditions totalled €61m in 1Q16. This amount is due to be received in up to 24 months through access tariffs. Deviation at hydro plants totalled €36m in 1Q16, since higher output (50% above the CMEC reference), prompted by hydro resources 45% above average hydro year, was outstated by realised price 53% below the CMEC's reference and adverse impact from low inflation. In turn, total gross profit at our Sines coal plant was €25m below the CMEC's reference in 1Q16 mainly impacted by volume of production short of CMEC reference.

Gross profit from special regime was €11m higher YoY, at €27m in 1Q16, fully driven by an 88% surge in production backed by hydro conditions.

Net operating costs⁽¹⁾ fell by 14% YoY, to €28m in 1Q16, supported by the transfer to our merchant portfolio of the hydro capacity which PPA terminated in 2015 and by favourable seasonal effects.

Net amortisation charges and provisions amounted to €33m in 1Q16, reflecting lower asset base at PPA/CMEC.

Explanatory note on PPA/CMEC:

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

PPA/CMEC gross profit has 3 components:

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

(ii) **Annual deviation ('revisibility')**, equivalent to the difference between CMEC's initial assumptions made in 2007 (outputs, market prices, fuel and CO₂ costs) and real market data. This annual deviation will be paid/received by EDP, through regulated tariffs, up to two years after occurring.

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

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

(2) Includes a €10m realised gain in 2015 and €7m cost in 2016;

Liberalised Activities in the Iberian Market



Income Statement (€ m)	1Q16	1Q15	Δ%	Δ Abs.
Gross Profit	350	233	50%	+116
Electricity generation	265	165	61%	+100
Portugal	148	85	74%	+63
Spain	125	82	52%	+43
Adjustments	(8)	(2)	343%	-6
Electricity supply	54	47	16%	+8
Gas supply	26	21	24%	+5
Adjustments	4	(0)	-	+4
Net Operating costs (1)	145	131	10%	+13
EBITDA	205	102	101%	+103
Provisions	(0)	(1)	-99%	+1
Amortisation and impairment	59	50	19%	+9
EBIT	146	54	172%	+92

EBITDA from liberalised activities was €103m higher YoY, at €205m in 1Q16, backed by a cheaper average generation cost, prompted by a sharp recovery in hydro resources and production (62% weight in generation mix in 1Q16 vs. 40% in 1Q15); and by higher results with energy management in the wake of low-price context and high price volatility during 1Q16.

Note that, as a result of the end of PPAs at 7 hydro plants in Dec-15, 627MW of hydro capacity was transferred from the LT Contracted portfolio (0.5TWh in 1Q15) to liberalised generation portfolio, posting a €22m of gross profit in 1Q16.

Gross profit in the electricity business rose by 51% in 1Q16, to €320m, driven by an increase in avg. unit margin (up from €12.8/MWh in 1Q14 to €19.3/MWh in 1Q16) and volumes sold (+13% YoY).

Unit margin ⁽²⁾⁽³⁾: Avg. electricity spread before hedging advanced €8/MWh in 1Q16, to €21/MWh, mainly propelled by a cheaper mix of electricity sources. **Avg. sourcing cost** fell by 34% YoY, to €31/MWh in 1Q16, supported by a cheaper generation mix (-46% YoY on higher contribution from hydro) and cheaper electricity purchases derived from low pool prices in the period. **Avg. selling price** was 13% lower in 1Q16, as a result of: (i) a 5% decline in avg. selling prices to retail clients derived from lower cost of electricity; and (ii) a 28% fall in the average selling prices in the wholesale market (on lower spot prices).

Volumes: Total volume sold rose by 13% to 15TWh in 1Q16, reflecting a 10% increase in volumes sold to retail and 22% rise in volumes sold in the wholesale market. Our generation output met 59% of electricity sales to final clients.

Net operating costs were 10% higher YoY (+€13m), reflecting the expansion at our hydro portfolio (new capacity additions and capacity transferred from LT Contracted portfolio).

In 1Q16, **total gas consumed** declined by 17%, as a result of lower production hours at our CCGTs, scarcer arbitrage opportunities in the wholesale market and lower sales to clients

EDP is adapting its hedging strategy to the current market conditions, making use of flexibility stemming from the integrated management of gas and electricity operations in Iberia. As a result, EDP has maximised gas consumption between power production, wholesale/retail markets, having so far secured spark spreads for over 90% of its gas sourcing commitments for 2016. Also, EDP has fully forward contracted dark spreads for its expected coal output for 2016. Alongside, EDP has already forward contracted electricity sales with clients of 32TWh at an avg. price c€55/MWh for 2016 (excluding naturally-hedged price-indexed sales).

Electricity Performance	1Q16	1Q15	Δ%	1Q16	1Q15	Δ%
	Output (GWh)			Variable Cost (€/MWh) (2)		
Generation Output	5,652	4,698	20%	14.8	27.3	-46%
Electricity Purchases	9,813	8,950	10%	39.3	55.8	-30%
Electricity Sources	15,465	13,647	13%	31.2	47.1	-34%
	Volumes Sold (GWh)			Average Price (€/MWh) (3)		
Grid Losses	302	360	-16%	n.a.	n.a.	-
Retail - Final clients	9,510	8,655	10%	60.4	63.7	-5%
Wholesale market	5,653	4,632	22%	42.5	58.7	-28%
Electricity Uses	15,465	13,647	13%	52.7	60.3	-13%
Electricity Gross Profit (€ m)	1Q16	1Q15	Δ%	Δ Abs.		
Before hedging (€/MWh)	21.5	13.3	62%	+8.2		
From Hedging (€/MWh) (4)	(2.2)	(0.5)	-378%	-1.8		
Unit margin (€/MWh)	19.3	12.8	51%	+6.5		
Total Volume (TWh)	15.5	13.6	13%	+1.8		
Subtotal	298	175	71%	+123		
Others (5)	22	38	n.a.	-16		
Total	+320	+212	51%	+108		
Gas Uses (TWh)	1Q16	1Q15	Δ%	Δ Abs.		
Consumed by own power plants	1.1	1.3	-16%	-0.2		
Sold in wholesale markets	2.8	3.4	-20%	-0.7		
Sold to Clients	4.0	4.7	-16%	-0.7		
Total	7.8	9.4	-17%	-1.6		

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

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

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

Liberalised Electricity Generation in the Iberian Market



Income Statement (€ m)	1Q16	1Q15	Δ%	Δ Abs.
Gross Profit	265	165	61%	+100
Portugal	148	85	74%	+63
Spain	125	82	52%	+43
Adjustments	(8)	(2)	343%	-6
Supplies and services	16	15	6%	+1
Personnel costs	13	13	-3%	-0
Costs with social benefits	-	0	-	-0
Other operating costs (net)	61	51	19%	+10
Net Operating costs (1)	90	80	13%	+10
EBITDA	176	86	105%	+90
Provisions	0	(2)	-	+2
Amortisation and impairment	57	48	18%	+9
EBIT	119	39	203%	+80

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

Our conventional generation portfolio in Iberia market grew 10% YoY, to 8,624MW in Mar-16, reflecting: (i) the start up of operations at our repowering Salamonde 2 (207MW in Jan-16), the full commissioning of Baixo Sabor (142MW in Jan-16, on top of initial 30MW commissioned in 1Q15); (ii) the shutdown of Soto 2 in Jan-16 (239MW); and (iii) the transfer in Jan-16 of 7 hydro plants (627MW, 'Ex-PPA plants') to merchant portfolio following the end of respective PPAs.

Output from our generation plants (unadjusted for hydro pumping) was 20% higher in 1Q16, mainly prompted by higher contribution from hydro plants in the wake of stronger hydro resources and the contribution from 'Ex-PPA plants', in Jan-16 (1.0TWh output in 1Q16). The rise in hydro output was partially compensated by lower production at our coal plants (-0.7TWh). **Avg. production cost** was 46% lower YoY, at €15/MWh in 1Q16, reflecting the much higher contribution from the cheaper technology, hydro: 62% of total output in 1Q16 vs. 40% in 1Q15.

Employees (#)	594	593	0%	+2
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Coal: Output fell 35% in 1Q16, backed by strong hydro and wind resources in Iberia during the quarter. **Avg. load factor** was 15p.p. lower YoY, at 50% in 1Q16. **Avg. production cost** declined by 23%, to €29/MWh, supported by a lower cost with coal and CO₂.

Key Operating Data	1Q16	1Q15	Δ%	Δ Abs.
Generation Output (GWh)	5,668	4,709	20%	+959
CCGT	465	411	13%	+54
Coal	1,333	2,058	-35%	-725
Hydro	3,540	1,910	85%	+1,630
Nuclear	330	331	-0%	-1
Generation Costs (€/MWh) (2)	14.8	27.3	-46%	-12.6
CCGT	77.4	99.9	-22%	-22.5
Coal	28.7	37.2	-23%	-8.5
Hydro	2.1	4.8	-56%	-2.7
Nuclear	5.1	4.4	16%	+0.7
Load Factors (%)				
CCGT	6%	5%	-	1p.p.
Coal	50%	65%	-	-15p.p.
Hydro	46%	36%	-	10p.p.
Nuclear	98%	99%	-	0p.p.
CO2 Emissions (mn tones)				
Total emissions (3)	2.0	2.8	-27%	-0.8

CCGTs: Output rose 13% YoY in 1Q16, driven by a more competitive marginal cost vis-a-vis coal. As a result, avg. load factor advanced 1pp to 6%. **Avg. production cost** fell 22% YoY, to €77/MWh in 1Q16, mainly driven by greater dilution of gas procurement fixed costs.

Hydro & Nuclear: Hydro generation rose by 85% in 1Q16 (+1.6GWh), mainly propelled by the contribution from ex-PPA plants (1.0TWh), by the contribution of new hydro capacity and strong hydro resources, particularly in the North/Centre of Portugal. The **avg. cost of hydro production** fell from €4.8/MWh in 1Q15 to €2.1/MWh in 1Q16, reflecting a higher dilution of pumping cost in a high hydro-reserve context. Our 15.5% share in the production of Trillo plant (nuclear) corresponded to an avg. load factor of 98% in 1Q16.

Net operating costs⁽¹⁾ were €10m higher YoY, to €90m in 1Q16, mainly reflecting higher levies in Iberia. Even so, it is worth to highlight tight cost, allowing to mitigate the impact from new capacity additions (new hydro capacity and Ex-PPA capacity).

Net depreciation charges rose by €9m, to €57m, mainly impacted by new capacity additions.

Capex fell by €44m YoY, to €47m in 1Q16, mainly supported by lower expansion capex devoted to new hydro capacity in Portugal, following the delivery of new capacity. Even so, the bulk of capacity is still devoted to new hydro capacity in Portugal, while maintenance capex amounted €9m in 1Q16. As of Mar-16, 2 plants continue under construction: Venda Nova 3, expected to start up operations in 2H16, and Foz-Tua, expected to start up operations in late 2016/early 2017. Also worth to note is EDP group's ongoing investments in DeNOx facilities: as part of investment plans, these plants are expected to register a c2month outage in 2Q16 and 4Q16. As to the remaining coal fleet in the free market, EDP will keep production at Aboño I (without DeNOx).

Capex (€ m)	1Q16	1Q15	Δ%	Δ Abs.
Expansion	37	87	-57%	-49
Maintenance	9	4	139%	+5
Total	47	91	-48%	-44

(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 (€ m)	Energy Supply in Spain			
	1Q16	1Q15	Δ%	Δ Abs.
Gross Profit	34	37	-8%	-3
Supplies and services	15	14	2%	+0
Personnel costs	3	3	7%	+0
Costs with social benefits	0	0	-48%	-0
Other operating costs (net)	7	9	-20%	-2
Net Operating costs (1)	25	27	-5%	-1
EBITDA	9	10	-16%	-2
Provisions	-	0	-	-0
Amortisation and impairment	1	1	-28%	-0
EBIT	8	10	-13%	-1

Income Statement (€ m)	Energy Supply in Portugal			
	1Q16	1Q15	Δ%	Δ Abs.
Gross Profit	43	31	37%	+12
Supplies and services	24	18	32%	+6
Personnel costs	3	3	10%	+0
Costs with social benefits	0	-	-	+0
Other operating costs (net)	3	5	-24%	-1
Net Operating costs (1)	30	25	19%	+5
EBITDA	12	6	116%	+7
Provisions	(0)	-	-	-0
Net depreciation and amortization	2	1	114%	+1
EBIT	10	5	117%	+6

Key data	1Q16	1Q15	Δ%	Δ Abs.
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Energy Supply in Spain

Electricity - Free market

Volume Sold (GWh)	4,114	3,431	20%	+683
Market Share (%)	9%	7%	-	1p.p.
Clients (th.)	793	730	9%	+63

Electricity - Last resort supply

Volume Sold (GWh)	140	149	-6%	-9
Clients (th.)	235	245	-4%	-10

Gas - Free market & Last resort supply

Volume Sold (GWh)	5,398	6,828	-21%	-1,429
Market Share (%) (2)	4%	4%	-	0p.p.
Clients (th.)	840	830	1%	+10

Energy Supply in Portugal

Electricity - Free market

Volume Sold (GWh)	4,830	4,644	4%	+186
Market Share (%) (3)	44%	45%	-	-1p.p.
Clients (th.)	3,803	3,303	15%	+500

Gas - Free market

Volume Sold (GWh)	1,342	1,337	0%	5
Market Share (%) (2) (4)	11%	10%	-	0p.p.
Clients (th.)	532	430	24%	+102

Capex (€m)	1	2	-34%	-1
Employees (#)	356	326	9%	+30

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

Energy Supply in Spain

Gross profit at our supply activities in Spain was €3m lower YoY, at €34m in 1Q16, mainly impacted by lower volumes in the gas activity.

Electricity volume supplied to our clients in the free market rose by 20% YoY in 1Q16, impacted by a 9% expansion of client portfolio. Market share (including only retail volumes) rose 1pp YoY, to 9% in 1Q16.

Gas volume supplied declined by 21%, to 5TWh in 1Q16, reflecting EDP's strategy to focus in the most attractive customer segments and milder weather conditions. Market share (including retail volumes only) was stable YoY, at 4% in 1Q15.

Net operating costs were 5% lower YoY, at €25m in 1Q16, impacted by some seasonal effects and cost control.

Energy Supply in Portugal

Market Environment – The very strong pace of switching of electricity consumers to the free market over 2014/15 is reflected on current status: by the end of Jan-16, the number of consumers in the free market soared to 4.5 million, elevating the total consumption in the free market to 90% of the total market.

Gross profit at our supply activities in Portugal rose by 37% (+€12m YoY), to €43m in 1Q16, driven by higher volume of electricity and gas supplied and higher penetration of energy services.

Electricity volume supplied to EDP clients in the free market in Portugal advanced 4% YoY, to 4.8TWh in 1Q16, backed by a 15% expansion of our client base. EDP's market share in the free market was 1 pp lower YoY at 44% in Jan-16, in line with EDP's strategy to focus on the most attractive residential/SMEs segments.

Gas volume supplied to EDP clients in Portugal was stable, at 1.3TWh in 1Q16. The strong pace of gas supply liberalisation, along with our successful dual offer (electricity + gas) to residential clients, prompted a surge in the number of clients to 532k in Mar-16, corresponding to +102k YoY. Our market share was stable, at 10.5% in Jun-15 (latest information available).

Net operating costs were €5m higher yoY, at €30m in 1Q16, reflecting portfolio expansion (higher costs with client services such as call center, billing and provisioning) and increasing share of residential clients in the portfolio.

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

(2) Market-share for retail market; excludes wholesale. (3) Data as of Jan-16; (4) Based on latest available information: Jun-15 and Dec-14.

EDP Renováveis: Financial Performance



Income Statement	EDP Renováveis (€ m)			
	1Q16	1Q15	Δ %	Δ Abs.
Gross Profit	452	375	21%	+77
Supplies and services	69	65	6%	+4
Personnel costs	24	17	38%	+7
Other operating costs (net)	(19)	(2)	768%	-17
Net Operating Costs (1)	73	80	-8%	-7
EBITDA	379	295	29%	+84
Provisions	-	-	-	-
Amortisation and impairment	147	124	19%	+24
EBIT	232	171	35%	+60
Financial Results	(74)	(72)	3%	-2
Share of Profit from associates	(7)	9	-	-16
Pre-tax profit	151	108	39%	+42
Opex Performance	1Q16	1Q15	Δ %	Δ Abs.
Opex/Avg. MW (€ th)	10.0	10.2	-2%	-0
Employees (#)	1,036	938	10%	+98

Operational Overview	1Q16	1Q15	Δ %	Δ Abs.
Installed Capacity (MW)	9,351	8,149	15%	+1202
Europe	4,915	4,231	16%	+684
North America	4,233	3,835	10%	+398
Brazil	204	84	143%	+120
Output (GWh)	7,535	5,786	30%	+1750
Avg. Load Factor (%)	38%	34%	-	4 p.p.
Avg. Elect. Price (€/MWh)	61	65	-7%	-5
EBITDA (€m)	379	295	29%	+84
Europe (2)	228	181	26%	+47
North America	153	115	33%	+38
Brazil	3	3	-8%	-
Other & Adjustments	(4)	(4)	-7%	+
EBIT (€m)	232	171	35%	+60
Europe (2)	154	124	24%	+30
North America	81	50	60%	+30
Brazil	1	1	8%	+
Other & Adjustments	(4)	(4)	-5%	+
Capex (€m)	89	162	-45%	-73
Europe (2)	20	20	-2%	-
North America	63	116	-46%	-53
Brazil	6	27	-	-21
Other & Adjustments	-	-	-	-

EDPR Equity Market Data	1Q16	1Q15	Δ %	Δ Abs.
Share price at end of period (€/share)	7.3	6.4	13%	0.9
Number of Shares Issued (million)	872.3	872.3	-	-
Stake Owned by EDP (%)	77.5%	77.5%	-	-

EDPR Key Balance Sheet Figures (€ m)	1Q16	1Q15	Δ %	Δ Abs.
Bank Loans and Other (Net)	7	334	-98%	-327
Loans with EDP Group (Net)	3,095	3,188	-3%	-93
Net Financial Debt	3,414	3,522	-3%	-108
Non-controlling interests	1,053	557	89%	+497
Net Institutional Partnership Liability (3)	1,260	1,184	6%	+75
Equity Book Value	6,041	5,897	2%	+144

EUR/USD - End of Period Rate	1.14	1.08	-5%	0.06
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EDPR Financial Results (€ m)	1Q16	1Q15	Δ %	Δ Abs.
Net Interest Costs	(47)	(53)	11%	+6
Institutional Partnership costs (non-cash)	(24)	(20)	-22%	-4
Capitalised Costs	6	7	-18%	-1
Forex Differences and Derivatives	2	2	0%	-0
Other	(10)	(8)	-	-2

Financial Results	(74)	(72)	-3%	-2
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EDP Renováveis ('EDPR') owns, operates and develops EDP Group's wind and solar capacity. As of Mar-16, EDPR operated 9,707 MW, of which 356MW equity-method accounted. EDPR's EBITDA derives mainly from PPA-contracted and regulated tariff schemes (89% of output) and is geographically widespread: 40% in North America, 22% from Portugal, 14% from Spain and the remaining in France, Poland, Romania, Belgium, Italy and Brazil.

EDPR's EBITDA went up by 29% YoY (+€84m) to €379m in 1Q16, reflecting: i) an increase in production; ii) higher income from new institutional partnerships; iii) net positive impact of €6m derived from the gain booked in Polish wind farms; and iv) ForEx impact (2% appreciation of USD vs. EUR); which more than compensate the lower avg. selling price, and higher operating costs (+€11m) on the back of more capacity in operation.

Electricity output advanced +30% to 7.5TWh YoY, supported by an increase of 15% in average capacity on stream and stronger wind resources. **Avg. load factor** went up 4p.p. at 38% in 1Q16, benefiting from outstanding wind resources particularly in US and Iberia. **Avg. selling price** decreased by 7% YoY to €61/MWh, driven by lower Spanish avg. prices and US Merchant prices.

Operating costs (supplies & services + personnel costs) rose by 12% YoY (+€11m), reflecting higher headcount (1,036 employees in 1Q16 vs. 938 in 1Q15) and higher O&M costs (+2m YoY), both resulting from portfolio growth. Operating costs represented 27.5% of total revenues in 1Q16 decreasing from 30.3% in 1Q15, which reinforce the tight cost discipline taken by EDPR. **Other operating costs (net)** decrease €17m reflecting the income from tax equity deals and lower cost on

EBIT increased by 35% YoY, to €232m in 1Q16. Amortization and impairments increased (+€24m) in line with higher avg. MW in operation and the full consolidation of EDPR's new interest on ENEOP's assets since Sep-15.

Capex amounted to €89m in 1Q16: 71% of total capex was devoted to the US market, 22% to Europe and 7% to Brazil. Proceeds from **asset rotation deals** amounted to (€279m) in 1Q16.

EDPR's net debt in Mar-16 totalled to €3.4bn (vs. €3.7bn in Dec-15), mainly reflecting the closing of the asset rotation deal with Axiom in Jan-16, and USD 5% depreciation YTD as 40% of debt is USD-denominated. Additionally, net debt evolution translates the investments done in the period, and the proceeds from tax equity partnerships (€164m). **Liabilities with Institutional Partnerships** amounted to €1,260m in Mar-16, reflecting the tax benefits captured by institutional investors (€51m), the establishment of new institutional tax equity financing structures during the period, and the USD depreciation YTD. **Non-controlling interests** amount to €1,053m, reflecting non-controlling interests in North America (c78%), Europe (c18%) and Brazil (c4%).

Net financial costs rose by 3%, to €74m in 1Q16. Net interest costs fell by 11% YoY on lower avg. cost of debt (4.5% in 1Q16 vs. 4.7% in 1Q15), largely due to EDPR re-negotiation of part of its long-term debt arrangements with EDP. **Institutional Partnership costs** were €4m higher vs. 1Q15, reflecting mainly new tax equity deals. Other financial expenses totaled €10m. **Share of profit from associates** was -7m as of Mar-16, reflecting EDPR minority interests in US and Spain.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net); (2) Includes Holding costs and adjustments at the level of EDPR Europe;

(3) Net of deferred revenue.

EDP Renováveis: North America & Brazil



North America	1Q16	1Q15	Δ %	Δ Abs.
EUR/USD - Avg. of period rate	1.10	1.13	2%	-0.0
Installed capacity (MW)	4,233	3,835	10%	+398
PPA's/Hedged/Feed-in tariff	3,489	3,284	6%	+205
Merchant	744	551	35%	+193
Avg. Load Factor (%)	40%	34%	-	6 p.p.
Electricity Output (GWh)	3,694	2,808	32%	+886
PPA's/Hedged/Feed-in tariff	2,973	2,357	26%	+617
Merchant	721	451	60%	+270
Avg. Final Selling Price (USD/MWh)	48.1	52.2	-8%	-4.1
PPA's/Hedged/Feed-in tariff	49.5	52.9	-6%	-3.4
Merchant	41.0	48.3	-15%	-7
Adjusted Gross Profit (USD m)	234	193	21%	+41
Gross Profit (USD m)	173	145	19%	+28
PTC Revenues & Other (USD m)	61	48	26%	+13
EBITDA (USD m)	168	130	30%	+38
EBIT (USD m)	89	57	56%	+32
Installed capacity (MW Equity)	179	179	0%	-
Net Capex (USD m)	69	131	-47%	-62
Gross Capex	69	131	-47%	-62
Cash grant received	-	-	-	-
Capacity under construction (MW)	450	399	13%	+51
Brazil	1Q16	1Q15	Δ %	Δ Abs.
Euro/Real - Average of period rate	4.30	3.22	-25%	+1.08
Installed Capacity (MW)	204	84	143%	+120
Avg. Load Factor (%)	30%	25%	-	4 p.p.
Electricity Output (GWh)	54	46	19%	+9
Avg. Final Selling Price (R\$/MWh)	363	370	-2%	-7
Gross Profit (R\$ m)	19	16	17%	+3
EBITDA (R\$ m)	11	9	23%	+2
EBIT (R\$ m)	6	4	45%	+2
Capex (R\$ m)	26	86	-	-59
Capacity under construction (MW)	-	120	-	-120

In North America, installed capacity totalled 4,233MW (MW EBITDA) in Mar-16 (4,203MW in US, 30MW in Canada). New capacity additions in the last 12 months (+398MW) were fully concentrated in US (2Q15/4Q15). From the total installed capacity, 3.7GW (87%) are under LT contracted remuneration schemes (PPA/Hedge) which allows an extensive visibility over cash flow generation. Additionally, EDPR owns an equity position in other wind projects, equivalent to 179MW.

EBITDA was 30% higher YoY (+USD38m), to USD168m in 1Q16, propelled by: i) a surge in the output (+32% YoY to 3,7GWh) on the back of capacity additions in the past 12 months (+392 GWh) and ii) the outstanding load factor (40% vs 34% YoY) that more than mitigated the lower average selling price of USD48,1/MWh.

Wind resources were stronger (particularly in the East and Central region), justifying a 6p.p. raise in avg. overall load factor in 1Q16. **Average selling price** was negatively impacted YoY by: lower PPA prices, along with the fall in the realised merchant price. PPA/Hedged/Feed-in prices was 6% down YoY, to USD49.5/MWh. Realised merchant price went down by 15% YoY, to USD41/MWh in 1Q16, on the recovery from last year's lesser wind availability. In Canada, avg. selling price was at \$105/MWh, lower YoY mainly reflecting the forex impact.

EDPR's growth plans in **NA** grounds on PPA-contracted projects, reinforcing the group's low risk profile. As of Mar-16, EDPR had completed in the last 12 months +398MW of **new wind capacity** in US, +199MW at Waverly in Kansas; +100MW from Arbuckle in Oklahoma; +99MW from Rising Tree South in California; and has +450MW of **wind capacity under construction**: 250MW in the US (Texas) and 200MW in Mexico (consolidation through equity method).

Within the scope of its **asset rotation** deals EDPR cashed in USD308m in 1Q16, for the sale to Axiom of a minority interest in US wind portfolio with a total production capacity of 1,002MW. Additionally, in respect to **institutional equity financing structures** signed in Oct-15, with Google Inc. for the 199MW Waverly wind farm EDPR received USD240m in 1Q16.

In Brazil, EDPR's EBITDA was 23% higher YoY, at R\$11m in 1Q16, reflecting a 4p.p. increase in the avg. load factor to 30% in 1Q16, that more than offset the decrease of 2% in the avg. selling price (R\$363/MWh in 1Q16 vs R\$370/MWh in 1Q15) reflecting revenue tax thresholds on a 70MW wind farm.

EDPR's installed capacity in Brazil (204MW) operates under long-term contracts providing large visibility over cash-flow generation. From the 204MW installed capacity, 120MW (Baixa do Feijão) started its operation in Mar-16. Additionally, as of Mar-16 EDPR had 117MW under development to be due in Jan-18, with a PPA price of R\$109/MWh – prices are inflation updated over the PPA period.



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



Feed-in Tariff for 20 years (Ontario)



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

EDP Renováveis: Spain & Portugal



Spain	1Q16	1Q15	Δ %	Δ Abs.
Installed capacity (MW)	2,194	2,194	0%	+0
Avg. load factor (%)	35%	32%	-	3 p.p.
Production (GWh)	1,658	1,499	11%	+159
Prod. w/capac. complement (GWh)	1,527	1,392		
Standard production (GWh)	1,137	1,137		
Above/(below) std. prod. (GWh)	391	255		
Prod. w/o cap. complement (GWh)	131	107		
Avg. Price (€/MWh)	62.5	70.9	-12%	-8
Total GWh: realised pool (€/MWh)	25.6	25.6	0%	-
Regulatory adj. on std. GWh (€m)	3	3		
Complement (€m)	44	44		
Hedging gains/(losses) (€m)	14	14		
Gross profit (1)	103	119	-13%	-16
EBITDA (1)	67	69	-3%	-2
EBIT (1)	34	36	-6%	-2
Installed capacity (MW Equity)	177	174	2%	+3
Capex (€m)	1	1	32%	+0
Capacity under construction (MW)	-	2	-	-2

In Spain, EDPR installed capacity stood stable at 2,194MW in 1Q16 (MW EBITDA), to which accrues 177MW, equivalent to EDPR's equity position in other wind projects (equity-method consolidated).

EDPR's EBITDA in Spain fell by 3% YoY (-€2m), to €67m in 1Q16, driven by lower avg. final selling price at €62.5/MWh (-12% YoY) that was partially offset by an increase in the production. **Electricity output**, increased by 11% YoY, to 1.7TWh, reflecting outstanding wind conditions in the quarter, with avg. load factor at 35% (+3p.p. YoY). It is worth mentioning that 92% of Spanish production is entitled to receive capacity complement. **Average selling price** was impacted by i) lower realised pool prices at €25.6/MWh in 1Q16 vs €41.3/MWh in 1Q15, on the back of the higher load factor and leading to €3.1m of regulatory adjustment⁽²⁾. Gains from hedged capacity in Spain amounted €14m in the period.

As part of its risk-controlled strategy, EDPR hedged 2.4TWh at €46/MWh for 2016 and 2.4TWh at €45/MWh for 2017.

In Portugal, EDPR owns a portfolio of 1,247MW, including 613MW, resulting from the asset split of ENEOP, which is fully consolidated as from Sep 1st, 2015 and 2MW of solar capacity. CTG owns a 49% stake in 622MW of installed capacity in Portugal.

EDPR's EBITDA in Portugal amounted to €82m in 1Q16 (+€35m YoY), stemming from ENEOP full consolidation since 3Q15, which more than doubled the production coming from Portugal, (1,039GWh in 1Q16 vs 505GWh in 1Q15). **Average load factor** remained stable 38% YoY – though still above the LT average (wind factor: 1.16 in 1Q16). **Average selling price** fell by 16% YoY to €91/MWh in 1Q16, due to lower avg. tariff for the wind farms transferred from ENEOP.

Portugal	1Q16	1Q15	Δ %	Δ Abs.
Installed capacity (MW)	1,247	624	100%	+623
Avg. Load factor (%)	38%	38%	1%	0 p.p.
Electricity output (GWh)	1,039	505	106%	+534
Avg. selling price (€/MWh)	91	108	-16%	-17
Gross profit	94	55	72%	+40
EBITDA	82	47	74%	+35
EBIT	66	41	61%	+25
Installed capacity (MW Equity)	-	533	-	-533
Capex (€m)	5	5	-3%	-0
Capacity under construction (MW)	2	6	-66%	-4



- Wind energy receives pool price and a premium per MW, if necessary, in order to achieve a target return established as 'Spanish 10-year Bond yields + 300bp' (currently at 7.4%); Every 3 years, there will be revisions as to compensate deviations from the expected pool price (€49/MWh – regulator scenario).
- Premium calculation is based on standard assets (standard load factor, production and costs); Capacity complement per MW is paid for a 20-year period and varies with the year of commissioning



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

Rest of Europe	1Q16	1Q15	Δ %	Δ Abs.
Installed capacity (MW)	1,473	1,413	4%	+61
Avg. load factor (%)	34%	33%	1%	0 p.p.
Electricity output (GWh)	1,090	928	17%	+162
Avg. selling price (€/MWh)	86	88	-2%	-2
Poland				
Installed capacity (MW)	418	392	7%	+27
Avg. load factor (%)	29%	34%	-12%	-4 p.p.
Electricity output (GWh)	306	273	12%	+33
Avg. selling price (PLN/MWh)	364	401	-9%	-37
EUR/PLN - Avg. Rate in period	4.36	4.19	-4%	+0
Romania				
Installed capacity (MW)	521	521	0%	-
Avg. load factor (%)	33%	33%	-1%	-0 p.p.
Electricity output (GWh)	350	317	11%	+33
Avg. selling price (RON/MWh)	338	311	9%	+27
EUR/RON - Avg. Rate in period	4.49	4.45	-1%	+0
France				
Installed capacity (MW)	364	340	7%	+24
Avg. load factor (%)	39%	32%	20%	7 p.p.
Electricity output (GWh)	307	234	31%	+74
Avg. selling price (€/MWh)	91	91	0%	-0
Belgium & Italy				
Installed capacity (MW)	171	161	6%	+10
Avg. load factor (%)	34%	35%	-2%	-1 p.p.
Electricity output (GWh)	126	104	22%	+23
Avg. selling price (€/MWh)	113	116	-3%	-3
Gross profit	93	80	16%	+13
EBITDA	79	64	23%	+15
EBIT	56	48	16%	+8
Capex (€m)	14	19	-27%	-5
Capacity under construction (MW)	24	75	-68%	-51

In **European markets outside of Iberia**, EBITDA rose by 23% YoY (+€15m), to €79m in 1Q15, propelled by: i) +€6m regarding the capital gain with the disposal of 50MW from Swap in Polish wind farms; ii) higher avg. capacity on stream (+14%) and iii) higher avg. load factor (+1p.p. YoY). Although EBITDA was penalized by lower avg. selling price (-2% YoY), namely in Poland (-9% YoY), Belgium (-2% YoY) and Italy (-4% YoY).

In **Poland**, EDPR operates 418MW of wind capacity +27MW YoY, and -50MW since Dec-15, due to the sale of 60% share in 50MW wind farm and the acquisition of the remaining stake of 35% in a 54MW wind farm that was already fully consolidated. **Wind output** rose by 12% in 1Q16, to 306 GWh, mainly reflecting higher avg. capacity that mitigated the poor load factor at 29%, -5p.p. YoY. **Average selling price** was 9% lower YoY, at PLN364/MWh driven by wholesale prices.

In **Romania**, EDPR operates 521MW: 471MW in wind and 50MW of solar PV. Output surged by 11% YoY, to 350MWh in 1Q16 (69MWh solar-based), propelled by higher avg. MW in operation and a stable load factor of 33%. In turn, avg. selling price went up by 9% YoY to RON338/MWh in 1Q16.

In **France**, EDPR added 24MW of new wind capacity in the last 12 months (all in 4Q15), raising installed capacity to 364MW. **Wind output** rose by 31% YoY, to 307GWh in 1Q16, backed by higher average capacity on stream and on the other hand an outstanding load factor during the period (39% vs 32% in 1Q15). **Average tariff** was stable YoY, at €91/MWh, reflecting the inflation indexed feed-in tariff. As of Mar-16, EDPR had **24MW under construction** in France.

In **Belgium**, the 71MW in operation increased its output by 17% YoY to 54GWh on the back of higher avg. load factor +5p.p. YoY. Average selling price decreased by 2% to €108/MWh in first quarter, reflecting the electricity price of new PPA price structure.

In **Italy**, EDPR operates a total portfolio of 100MW of wind technology in 1Q16, reflecting the addition of 10MW (fully concentrated in 3Q15) during the period. **Wind output** advanced 25% YoY to 73GWh, reflecting more avg. capacity on stream which offset the 5p.p. YoY fall in avg. load factor to 33%, in 1Q16. Average selling tariff was 4% lower YoY, at €116/MWh in 1Q16, reflecting the lower price of capacity added under the new regime (auctions vs. old regime).



- Price set either through bilateral contracts or selling to distributor at regulated price (PLN169.99/MWh in 2016); Wind receive 1 GC/MWh which can be traded in the market. Electric suppliers have a substitution fee for non compliance with GC obligation (2014: PLN300/MWh)



- Wind and solar production are sold at 'market price + GC'. Wind assets receive 2 GC/MWh until 2017 and 1 GC/MWh after 2017 until completing 15 years. 1 out of the 2 GC earned until Mar-17 can only be sold from Jan-18. Solar assets receive 6 GC/MWh for 15 years. 2 out of the 6 GC earned until Mar-2017 can only be sold after Apr-2017. GC are tradable on market under a cap and floor system (cap €59.9 / floor €29.4)



- Feed-in tariff for 15 years: (i) €82/MWh up to 10th year, inflation updated; (ii) Years 11-15: €82/MWh @ 2,400 hours, decreasing to €28/MWh @3,600 hours



- Wind & solar energy sold at 'Market price + green certificate (GC)'; Separate GC prices with cap and floor for Wallonia (€65/MWh-100/MWh) and Flanders (€90/MWh-100/MWh); Option to negotiate long-term PPAs



- Projects online before 2013 receive: (i) For 2015, GC price from GSE will be €97.4; (ii) As from 2016, 'pool + premium' (premium = 1 x (€180/MWh - "P-1") x 0.78). New assets: competitive auctions awarding 20-years PPAs

Regulated Networks & Regulatory Receivables in Iberia



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

EBITDA from regulated networks decreased by 28% YoY (-€90m), to €234m in 1Q16, impacted by i) a €78m one-off gain booked on the sale of gas distribution assets in Spain to Redexis and ii) a €7m recovery of previous years' regulated revenues in electricity distribution in Spain, both in 1Q15. Disregarding these effects, EBITDA from regulated networks in Iberia declined by 2% YoY (-€5m), reflecting lower non-regulated revenues in gas distribution in Spain. Gross profit declined by 3% YoY (-€13m) in 1Q16, reflecting: (i) in Portugal, clients' switching to free market; (ii) in Spain, lower regulated revenues in electricity distribution.

Controllable operating costs fell by 2% YoY (-€3m), reflecting a decrease in client services, namely due to clients switching from LRS to the liberalized market, and lower personnel costs on headcount reduction (-3%). **Capex** went down by 6% YoY (-€4m) in 1Q16, amounting to €65m.

In Portugal, total debt owed by the electricity system to EDP and to financial investors increased from €5.2bn in Dec-15 to €5.3bn in Mar-16, driven by higher wind volumes and lower pool prices due higher hydro resources in the period.

According to ERSE's final version of 2016 tariffs, released on 15-Dec-2015, Portuguese electricity system's regulatory receivables are expected to decline by €0.4bn over 2016.

Regulatory receivables owed to EDP in Iberia increased by €184m in 1Q16, from €2,306m in Dec-15 to €2,490m in Mar-16, driven by a €184m increase in Portugal.

EDP's regulatory receivables from electricity distribution, last resort supply and gas distribution in Portugal rose from €2,236m in Dec-15 to €2,420m in Mar-16 driven by: **(1)** -€94m following the sale without recourse of the right to receive part of the 2014 tariff deficit; **(2)** +€315m regarding the ex-ante tariff deficit for 2016, to be fully recovered under a 5-year payment schedule ending in 2020 and remunerated at 2.24% annual return; **(3)** -€130m recovered through tariffs related to negative previous years' deviations and to past tariff deficits; **(4)** +€89m of new electricity tariff deviations created in 1Q16; and **(5)** -€9m of deviations returned to the system in the gas distribution. The main drivers for new tariff deviations generated during 1Q16, focused in electricity distribution and LRS, were: **(i)** +€146m on higher-than-expected special regime production (24% above ERSE assumption) and overcost (€70/MWh in 1Q16 vs. €59/MWh assumed by ERSE in the calculation of 2016 tariffs); **(ii)** -€37m (amount to return to the tariffs) mainly propelled by cheaper-than-expected electricity purchases and **(iii)** -€29m tariff deviation generated in electricity distribution activity (deviations on consumption mix).

Regulatory receivables from CMECs increased from €216m in Dec-15 to €229m in Mar-16 due to: **(1)** €47m recovered in 2016 through tariffs, related to 2014 and 2015 negative deviations and **(2)** €61m negative deviation in 1Q16, due to be received in 2017-2018 (more details on page 11).

Regulatory receivables in Spain amount to €70m in Mar-16, derived from booking EDP España share of the gas tariff deficit in Spain, which has been estimated at €1.011m for the whole system as of 31-Dec-2014. Regarding the electricity system in Spain, according to CNMC's Settlement 14 for 2015, the provisional tariff surplus generated by the system amounted €251m. Definitive surplus will be known by December 2016.

Income Statement (€ m)	1Q16	1Q15	Δ %	Δ Abs.
Gross Profit	417	431	-3%	-13
Supplies and services	84	86	-2%	-2
Personnel costs	31	32	-3%	-1
Costs with social benefits	5	5	1%	+0
Other operating costs (net)	63	(16)	-	+79
Net Operating Costs (1)	183	107	72%	+76
EBITDA	234	324	-28%	-90
Provisions	1	0	1473%	+1
Amortisation and impairment	82	82	1%	+1
EBIT	150	242	-38%	-92

Capex & Opex Performance	1Q16	1Q15	Δ %	Δ Abs.
Controllable Operating Costs (5)	115	118	-2%	-3
Cont. costs/client (€/client)	14	15	-3%	-0
Cont. costs/km of network (€/Km)	446	458	-3%	-12
Employees (#)	3,775	3,875	-3%	-100
Capex (Net of Subsidies) (€m)	65	69	-6%	-4
Network ('000 Km)	258	257	0%	+1

Regulatory Receivables (€ m)	1Q16	1Q15	Δ %	Δ Abs.
Total Net Iberia Regulatory Receivables	2,490	2,117	18%	+373
Spain - Tariff deficit				
Beginning of Period	70	2	2983%	+68
Previous periods tariff deficits (4)	-	42	-	-42
Tariff deficit in the period	-	-	-	-
Other (3)	-	-	-	-
End of Period	70	44	-	+26
Portugal - Last Resort Supplier + Distribution + Gas				
Beginning of Period	2,021	2,203	-8%	-182
Previous periods tariff deviation (2)	(239)	(686)	65%	+448
Tariff deviation in the period	392	375	5%	+17
Other (3)	17	23	-26%	-6
End of Period	2,191	1,915	14%	+277

Portugal - CMEC's				
Beginning of Period	216	112	92%	+103
(Recovery)/Return in the Period	(47)	(18)	-169%	-30
Deviation in the period	61	64	-5%	-3
Other	-	0	n.m.	-0
End of Period	229	159	44%	+70

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

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

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

(5) Supplies & services and personnel costs.

Electricity Distribution and Last Resort Supply in Portugal



Income Statement (€ m)	1Q16	1Q15	Δ %	Δ Abs.
Gross Profit	312	315	-1%	-3
Supplies and services	64	66	-4%	-2
Personnel costs	23	24	-5%	-1
Costs with social benefits	5	5	-1%	-0
Concession fees	63	63	1%	+0
Other operating costs (net)	(2)	(2)	9%	+0
Net Operating Costs (1)	153	156	-2%	-3
EBITDA	159	158	0%	+0
Provisions	1	1	105%	+1
Amortisation and impairment	60	59	0%	+0
EBIT	98	98	-1%	-1

Gross Profit Performance	1Q16	1Q15	Δ %	Δ Abs.
Gross Profit (€m)	312	315	-1%	-3
Regulated gross profit	311	313	-0%	-1
Non-regulated gross profit	1	2	-56%	-1
Distribution Grid				
Regulated revenues (€ m)	299	297	1%	+3
Electricity distributed (GWh)	11,655	11,687	-0.3%	-32
Supply Points (th)	6,110	6,082	0%	+28
Last Resort Supply				
Regulated revenues (€ m)	12	16	-25%	-4
Clients supplied (th)	1,628	2,174	-25%	-546
Electricity sold (GWh)	1,363	1,845	-26%	-483

Capex & Opex Performance	1Q16	1Q15	Δ %	Δ Abs.
Controllable Operating Costs (2)	87	91	-4%	-3
Cont. costs/client (€/client)	14.3	14.9	-4%	-1
Cont. costs/km of network (€/Km)	388	405	-4%	-17
Employees (#)	3,250	3,340	-3%	-90
Capex (Net of Subsidies) (€m)	51	55	-7%	-4
Network ('000 Km)	225	224	0%	+1
Equival. interruption time (min.) (3)	20	12	67%	+8

EBITDA from electricity distribution and last resort supply (LRS) in Portugal remained relatively stable YoY at €159m, in 1Q16.

On 15-Dec-2015, ERSE released the final version of 2016 electricity tariffs, setting a 2.5% average tariff increase for normal low voltage (NLV) segment, applicable to clients in the regulated market (out of the Social Tariff).

Electricity distribution regulated revenues were set at €1,182m for 2016, based on: (1) regulated rate of return on assets (RoRAB) set at 6.34% for 2016, on a preliminary base (vs. 6.75% in 2015), reflecting an underlying avg. 10-year Portuguese bond yields of 2.6%; the ultimate RoRAB will depend on the daily average of the Portugal's 10Y bond yield between October of year 't-1' and September of year 't', with a floor at 6% and a cap at 9.5%; (2) an expected electricity demand in Portugal of 45.1 TWh in 2016 (1.8% above 2015 electricity distributed); and (3) a GDP deflator of 0.8%.

Regarding last resort electricity supply activity regulated revenues, were set for 2016 the following assumptions: (1) regulated revenues of €40m in 2016; (2) a forecast for average electricity procurement price of €53.0/MWh, based on a forecast for average pool price of €49.2/MWh; (3) a forecast for average special regime premium of €59.3/MWh and (4) a forecast of 21.6TWh of special regime generation (5.4% above 2015).

In 1Q16, **distribution grid regulated revenues** increased by 1% YoY (+€3m), to €299m, reflecting a return on RAB of 6.38%, in line with 1Q15 (6.34%). Electricity distributed remained stable in 1Q16 (-0.3% YoY), impacted by the unusual mild weather conditions in the period.

Last resort supplier (EDP SU) regulated revenues decreased 25% YoY (-€4m), to €12m in 1Q16, influenced by consumers' switching to the free market. As part of the rules and calendar defined for the phasing out of regulated tariffs in Portugal, EDP SU can no longer contract new clients (since January 1st 2013). The **volume of electricity supplied** by our LRS fell by 26% YoY, to 1.4TWh in 1Q16. Total clients supplied declined 546 thousands YoY (-25% YoY), to 1,628 thousands in Mar-16 (representing 27% of total electricity clients), mostly in the residential segment.

Controllable operating costs declined by 4% YoY (-€3m) in 1Q16, reflecting essentially a reduction in client services mostly driven by consumers' switching to the free market.

Capex decreased by 7% YoY (-€4m) in 1Q16, to €51m. EIT increased from 12 minutes in 1Q15 to 20 minutes in 1Q16, which is largely attributable to unfavourable weather conditions.

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

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

Electricity and Gas Networks in Spain and Gas Networks in Portugal



Income Statement (€ m)	Electricity Spain				Gas Spain				Gas Portugal				Iberian Regulated Networks	1Q16	1Q15	% Δ	Abs. Δ
	1Q16	1Q15	% Δ	Abs. Δ	1Q16	1Q15	% Δ	Abs. Δ	1Q16	1Q15	% Δ	Abs. Δ					
Gross Profit	41	48	-14%	-7	47	51	-8%	-4	16	16	1%	0	Number Supply Points (th)				
Supplies and services	10	9	10%	1	7	7	-5%	-0	4	4	1%	0	Electricity Spain	660	659	0%	+1
Personnel costs	5	5	2%	0	2	2	3%	0	0	0	14%	0	Gas Spain	920	936	-2%	-17
Costs with social benefits	0	0	-	0	0	0	12%	0	0	0	75%	0	Gas Portugal	332	321	3%	+11
Other operating costs (net)	1	(0)	-	1	1	(77)	n.m.	77	0	0	-97%	-0	Energy Distributed (GWh)				
Net Operating Costs (1)	16	14	14%	2	10	(68)	-	77	4	4	2%	0	Electricity Spain	2,363	2,381	-1%	-19
EBITDA	26	34	-25%	-9	38	119	-68%	-81	12	12	0%	0	Gas Spain	7,539	8,844	-15%	-1.3k
Provisions	-	0	-	-0	-	(0)	n.m.	0	-	(0)	n.m.	0	Gas Portugal	2,027	2,031	0%	-4
Amortisation and impairment	9	9	3%	0	10	10	0%	0	4	4	-1%	-0	Network (Km)				
EBIT	17	26	-35%	-9	28	109	-75%	-82	8	9	-5%	-0	Electricity Spain	20,407	20,309	0%	+99
Capex (net os subsidies)	6	6	-1%	-0	5	5	4%	0	3	3	-3%	-0	Gas Spain	7,719	8,147	-5%	-428
Gross Profit	41	48	-14%	-7	47	51	-8%	-4	16	16	1%	0	Gas Portugal	4,888	4,677	5%	+211
Regulated Revenues	39	39	-	0	41	44	-6%	-3	16	16	2%	0	Employees (#)				
Non-regulated gross profit	3	9	-72%	-7	6	8	-22%	-2	1	1	-19%	-0	Electricity Spain	294	297	-1%	-3
													Gas Spain	166	177	-6%	-11
													Gas Portugal	65	61	7%	+4

ELECTRICITY DISTRIBUTION IN SPAIN

EBITDA from our electricity distribution activity in Spain was down by €9m YoY (-25%) in 1Q16, particularly influenced by a €7m recovery of previous years' regulated revenues in 1Q15. Excluding this impact, EBITDA decreased by €2m YoY (-7%), reflecting slightly higher costs with maintenance and repairs works. **Electricity distributed** by EDP España, mostly in the region of Asturias, decreased slightly in 1Q16 to 2.4TWh (-1%).

In Dec-13, the Spanish Government approved Law 24/2013 and RD 1048/2013 that establish the new regulatory framework for electricity distribution assets, maintaining the principles announced in Jul-13 by RD 9/2013 (return on RAB equivalent to a 200bp premium over 10-year Spanish bond yields and equaling to 6.5%, in 2014-2020). According to a Ministerial preliminary proposal of Mar-16 and following the application a the methodology set in RD 1048/2013, electricity distribution regulated revenues should increase by 18% in 2016, to €182m.

GAS REGULATED NETWORKS IN SPAIN

EBITDA of gas distribution in Spain in 1Q16 amounted to €38m (-€81m YoY), reflecting a €78m one-off gain stemming from the sale of assets held by Gas Energía Distribución Murcia to Redexis in 1Q15. Disregarding this impact, EBITDA declined by 9% YoY (-€4m), due to lower non-regulated revenues and previous years' adjustments. **Volume of gas distributed** fell by 15% YoY, to 7.5TWh in 1Q16, due to milder weather conditions.

According to law 18/2014 of Oct-14, regulated gas activities will be squared by a 6-year regulatory period and subject to possible adjustments every 3 years. The remuneration model for gas distribution activities was maintained although inflation update factor is eliminated, allowed revenues are cut and returns are more dependent on demand.

The impact of the preceding measures on EDP in 2015 and in the following years is €9m vs. €4.7m in 2014.

According to a Ministerial Order released in Dec-15, gas distribution regulated revenues will be flat in 2016, amounting to **€172m**.

In Jan-16, EDP has reached an agreement with Repsol for the acquisition of liquefied propane gas distribution assets, in Naturgas incumbent areas (Basque Country, Cantabria and Asturias regions). The agreed transaction price represents an enterprise value of €116 million, with an expected incremental annual EBITDA of €13 million. The completion of the transaction is expected to occur in 2H16.

GAS REGULATED ACTIVITIES IN PORTUGAL

EBITDA from gas regulated activities in Portugal was stable at €12m in 1Q16, reflecting a return on RAB of 7.94% in 1Q16. **Volume distributed** was stable at 2.0TWh in 1Q16, due to warm temperatures.

Under the current gas regulatory period (from Jul-13 to Jun-16), the rate of return on assets is indexed to the avg. Portuguese Republic 10-year bond yield between Apr 1st and Mar 31st prior to the beginning of each regulatory year, with a floor at 7.83% and cap at 11%. The preliminary rate of return on RAB for the period from Jul-15 to Jun-16 was set at 7.94%.

On 15-Apr-2016, ERSE unveiled a proposal for an average 18.5% decrease for last resort tariff for small clients (low consumption segment <= 10 m³/year) to be place from 1-Jul-16 to 30-Jun-17. A final decision will be taken until 15-Jun-16 which will also include the definition of final parameters for the regulatory period between 2016 and 2019.

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

EDP - Energias do Brasil: Financial Performance



Income Statement	Consolidated (R\$ m)			
	1Q16	1Q15	Δ %	Δ Abs.
Gross Profit	760	662	15%	+98
Supplies and services	139	116	21%	+24
Personnel costs and employee benefits	112	95	17%	+16
Other operating costs (net)	(305)	35	-	-340
Net Operating Costs (1)	(54)	246	-	-300
EBITDA	814	416	96%	+398
Provisions	7	7	1%	+0
Amortisation and impairment	136	91	51%	+46
EBIT	670	318	111%	+352
Financial results	(191)	(94)	-102%	-97
Results from associates	(8)	(38)	78%	+30
Pre-tax profit	471	185	154%	+285

Capex & Financial Investments	(R\$ m)			
	1Q16	1Q15	Δ %	Δ Abs.
Capex	90	67	35%	+23
Financial Investments	139	30	364%	+109

	Consolidated (€ m)			
	1Q16	1Q15	Δ %	Δ Abs.
Gross Profit	177	205	-14%	-29
Supplies and services	32	36	-10%	-3
Personnel costs and employee benefits	26	29	-12%	-4
Other operating costs (net)	(67)	11	-	-77
Net Operating Costs (1)	(8)	76	-	-85
EBITDA	185	129	43%	+56
Provisions	2	2	-25%	-1
Amortisation and impairment	32	28	13%	+4
EBIT	151	99	54%	+53
Financial results	(44)	(29)	52%	-15
Results from associates	(2)	(12)	-	+10
Pre-tax profit	105	57	83%	+48

	(€ m)			
	1Q16	1Q15	Δ %	Δ Abs.
Capex	21	21	1%	+0
Financial Investments	32	9	248%	+23

Energias do Brasil	1Q16	1Q15	Δ %	Δ Abs.
Share price at end of period (R\$/share)	12.04	10.35	16%	+1.69
Number of shares Issued (million)	476.4	476.4	-	-
Treasury stock (million)	0.8	0.8	-	-
Number of shares owned by EDP (million)	243.0	243.0	-	-
Euro/Real - End of period rate	4.12	3.50	-15%	+0.62
Euro/Real - Average of period rate	4.30	3.22	-25%	+1.08
Inflation rate (IPCA - YoY)	9.4%	8.1%	-	-
Net Debt / EBITDA (x)	1.3	1.2	-	+0.1
Average Cost of Debt (%)	11.0	12.3	-	-1.2p.p.
Average Interest Rate (CDI)	13.7	11.7	-	1.9p.p.
Employees (#)	2,914	2,607	12%	+307

Key Balance Sheet Figures (R\$ Million)	1Q16	1Q15	Δ %	Δ Abs.
Net financial debt	4,498	2,321	94%	+2,177
Regulatory receivables	318	561	-43%	-243
Non-controlling Interests	1,698	1,692	0%	+5
Equity book value	6,161	5,023	23%	+1,138

Financial Results (R\$ Million)	1Q16	1Q15	Δ %	Δ Abs.
Net Interest Costs	(144)	(89)	-62%	-55
Capitalised Costs	0	0	98%	+0
Forex Differences and Derivatives	(61)	(24)	-157%	-37
Other	14	18	-23%	-4
Financial Results	(191)	(94)	-102%	-97

In local currency, EDP Brasil ("EDPB") EBITDA increased 96% YoY (+R\$398m) to R\$814m in the 1Q16, impacted by the capital gain of R\$278m booked with the sale of Pantanal mini-hydro at 'other operating income' level. **Adjusted by the one-off effect with Pantanal sale**, EBITDA would have increased 29% YoY to R\$536m. **EBITDA in distribution** fell by R\$95m to R\$137m in the 1Q16, impacted by lower demand, volumes' overcontracted at Bandeirante, the Itaipu FX impacts (recouped at financial results' level), and abnormal positive impact from high tariff increases in the 1Q15. **Generation and Supply EBITDA** went up 99% YoY (+R\$210m), reflecting the full consolidation of Pecém since May-15 (+R\$201m) and better performance at our hydro plants (+R\$43m YoY) due to a negligible impact of the hydro deficit vs. a greater impact in the 1Q15 (GSF at 88% in 1Q16 vs. 79% in 1Q15 and avg. PLD of R\$35/MWh in 1Q16 vs. R\$388/MWh in 1Q15). EBITDA performance in Euro terms was penalised by the 25% depreciation of BRL vs. the EUR (-€63m impact).

Net operating costs decreased by R\$300m YoY mostly due to the booking of the aforementioned capital gain at 'other operating income' level. At Opex level, costs increased 19% due to Pecém's full consolidation. Ex-Pecém, costs would go up 5%, in spite of an inflation of 9%. Personnel costs increased 17% YoY, while supplies & services went up 21% YoY, due to Pecém's consolidation.

Net financial costs increased 102% YoY to R\$191m in 1Q16, translating higher net debt and ForEx differences and Derivatives (-R\$61m) impacted negatively by the USD appreciation against the BRL on Pecém USD funding (hedged to BRL). These effects were partly offset by lower average cost of debt (-1.3pp vs. 1Q15) due to the consolidation of cheaper Pecém debt. **Net financial debt** increased 94% (or +R\$2.2bn) YoY, reflecting mostly the full consolidation of Pecém whose debt by Mar-16 amounted to R\$2,111m.

Results from associates totalled -R\$8m in the 1Q16, improving R\$30m YoY, reflecting a negative contribution from Jari hydro power plant (-R\$5m in the 1Q16), but also net losses from Pecém I coal facility for the period before its full consolidation (-R\$26m in the 1Q15).

As of Apr-16, hydro reservoirs in the Southeast/Center-West ("SE-CW") regions were at ~58% of their maximum level (vs. 30% in Dec-15 and 29% in Mar-15). Coupled with a demand contraction (-0.1% YoY in 1Q16), the reservoir levels' recovery has enabled the GSF to recover, and the thermal generation used as back-up to be reduced, allowing PLD to retract to its floor level. Some thermal capacity should be still generating throughout 2016 and thus some hydro deficit is still expected. Nevertheless, PLD prices are expected to stay close to the floor level of R\$30/MWh with the exception of the northeast region.

(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)	1Q16	1Q15	Δ %	Δ Abs.
Gross Profit	329	425	-23%	-96
Supplies and services	92	86	6%	+6
Personnel costs and employee benefi	75	70	8%	+6
Other operating costs (net)	24	37	-33%	-12
Net Operating Costs (1)	192	193	-1%	-1
EBITDA	137	232	-41%	-95
Provisions	7	8	-12%	-1
Amortisation and impairment	47	46	2%	+1
EBIT	84	179	-53%	-95

Gross Profit Performance	1Q16	1Q15	Δ %	Δ Abs.
Gross Profit (R\$ m)	329	425	-23%	-96
Regulated revenues	409	400	2%	+9
Other	(80)	25	-	-105
Regulatory Receivables (R\$ m)				
Beginning of period	735	602	22%	+133
Past deviations	(186)	(82)	126%	-104
Annual deviation (2)	(231)	223	-	-454
CDE/ACR Account (3)	-	(182)	-	+182
End of period	318	561	-43%	-243
Clients Connected (th)	3,262	3,182	3%	+80
Bandeirante	1,774	1,740	2%	+34
Escelsa	1,487	1,442	3%	+45
Electricity Distributed (GWh)	6,256	6,764	-8%	-509
Bandeirante	3,600	3,775	-5%	-176
Escelsa	2,656	2,989	-11%	-333
From which:				
To clients in Free Market (GWh)	2,153	2,445	-12%	-292
Electricity Sold (GWh)	4,103	4,320	-5%	-217
Bandeirante	2,224	2,381	-7%	-157
Resid., Commerc. & Other	1,743	1,803	-3%	-60
Industrial	480	578	-17%	-98
Escelsa	1,879	1,939	-3%	-60
Resid., Commerc. & Other	1,626	1,659	-2%	-34
Industrial	253	279	-9%	-26

Capex & Opex Performance	1Q16	1Q15	Δ %	Δ Abs.
Controllable Operating Costs (4)	157	150	4%	+6
Cont. costs/client (R\$/client)	48	47	2%	+1
Cont. costs/km (R\$/Km)	2	2	2%	+0
Employees (#)	2,167	2,147	1%	+20
Capex (net of subsidies) (R\$m)	70	55	28%	+15
Network ('000 Km)	91	89	2%	+2

EBITDA from our electricity distribution activity in Brazil fell by 41% YoY to R\$137 in the 1Q16, mostly due to (i) lower demand (-R\$16m YoY in the 1Q16); (ii) overcontracting at Bandeirante (-R\$16m); (iii) lower pass-through of FX losses from Itaipu (-R\$34m YoY in the 1Q16, recovered at financial results' level); and (iv) abnormal positive impact from high tariff increases in the 1Q15.

Regulated revenues went up 2% YoY (+R\$9m) to R\$409m in the 1Q16, mostly reflecting the annual tariff readjustments at both Escelsa (2% in Aug-15) and Bandeirante (+16% in Oct-15).

Volumes of electricity sold went down 5% YoY in the 1Q16, translating a reduction of 14% in industrial volumes, reflecting lower industrial activity, as well as lower consumption from the 'residential, commercial & other' segments, mainly due to lower demand in the rural segments. At the same time, **volumes distributed** to industrial clients in the free market also fell by 12% YoY to 2.1TWh in the 1Q16, reflecting the tough macroeconomic conditions in Brazil as well as the tariff increases in the recent past.

Demand decrease had thus a slightly negative impact on gross profit, which has been partly compensated by a trajectory of lower non-technical losses, in spite of the economic situation in Brazil. Non-technical losses in the low-voltage segment have decreased for both DisCos: Bandeirante's level stood at 11.4% (-0.4pp YoY vs. 1Q15) and Escelsa's at 14.7% (-2pp YoY vs. 1Q15). Provisions for doubtful clients increased in the 1Q16 (+R\$11m YoY), derived by the economic situation but also due to the significant tariff increases in 2014-15. EDPB has been tackling the situation by increasing proximity to clients. Additionally, in the 1Q16, Bandeirante suffered with over-contracted volumes (-R\$16m in the 1Q16), since it surpassed the 105% threshold after which any gain/loss is not passed-through tariffs.

As of Mar-16, **regulatory receivables** amounted to R\$318m (vs. R\$735m as of Dec-15). In the 1Q16, a R\$231m positive tariff deviation was created, essentially related to lower energy costs than the ones incorporated in the tariffs. Additionally, R\$186m were received regarding past deviations. All in all, regulatory receivables went down R\$417m vs. Dez-15, to R\$318m as of Mar-16, to be collected through tariffs in the following years. In Feb-15, the Brazilian regulator (ANEEL) proposed a real post-tax WACC of 8.1% to be applied to distribution on the upcoming 4th revision cycle, which started for Bandeirante in Oct-15 (the upcoming revision for Escelsa is in Aug-16). In fact, Bandeirante saw its Regulatory Asset Base reviewed to R\$1.667bn (from the previous R\$1.545bn).

Controllable operating costs increased 4% YoY to R\$157m in the 1Q16, driven by a 8% increase in personnel costs, reflecting the annual salary update (below inflation levels). Supplies and services reflect higher expenses with O&M, IT and clients' services. **Other operating costs** were down R\$12m YoY, translating a positive update on the fixed assets' terminal value (R\$30m in the 1Q16 vs. R\$15m in the 1Q15). **Distribution capex** was up 28% YoY to R\$70m in the 1Q16. On a recurring basis, distribution capex is mostly devoted to customer services activities and to the reinforcement of the network quality of service.

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

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

Brazil: Electricity Generation and Supply



Income Statement (R\$M)	Generation			
	1Q16	1Q15	Δ %	Δ Abs.
Gross Profit	424	204	108%	+220
Supplies and services	33	12	172%	+21
Personnel costs and employee benefits	21	12	72%	+9
Other operating costs (net)	(54)	0	-	-54
Net Operating Costs (1)	0	25	-99%	-24
EBITDA	423	179	136%	+244
Provisions	0	0	593%	+0
Amortisation and impairment	85	41	107%	+44
EBIT	338	138	145%	+200

Key Data	1Q16	1Q15	Δ %	Δ Abs.
Gross Profit (R\$ m)	424	204	108%	+220
Hydro	260	204	27%	+56
PPA contracted revenues & Other	253	369	-31%	-116
GSF impact (net of hedging)	7	(165)	-	+172
Thermal	164	-	-	+164
PPA contracted revenues	183	-	-	+183
Other	(20)	-	-	-20
Installed Capacity (MW)	2,466	1,797	37%	+669
Hydro	1,745	1,797	-3%	-51
Thermal	720	-	-	+720
Installed Capacity (MW Equity)	187	547	-66%	-360
Electricity Sold (GWh)	3,445	2,260	52%	+1,185
PPA contracted	3,191	2,305	38%	+887
Hydro	1,930	2,305	-16%	-375
Thermal	1,261	-	-	+1,261
Other	-	60	-	-60
Avg. Hydro PPA Sale Price (R\$/MWh) (2)	164	176	-7%	-12
Capex (R\$ m)	19	11	78%	+8
Financial Investments (R\$ m)	139	30	364%	+109
Employees (#)	531	278	91%	+253

EBITDA Breakdown (R\$ m)	1Q16	1Q15	Δ %	Δ Abs.
Pecém (100%)	201	-	-	+201
Lajeado (73% owned by EDPB)	93	72	30%	+22
Peixe Angical (60% owned by EDPB)	70	65	7%	+5
Other (100%)	59	42	41%	+17
EBITDA	423	179	136%	+244

Supply	1Q16	1Q15	Δ %	Δ Abs.
Gross profit (R\$ m)	6	33	-80%	-26
Net Operating costs (1) (R\$ m)	9	1	1487%	+8
EBITDA (R\$ m)	(3)	32	-	-35
Electricity sales (GWh)	2,556	2,514	2%	+41

EBITDA from our electricity generation activities in Brazil went up 136% YoY (+R\$244m) to R\$423m in the 1Q16, reflecting the full consolidation of Pecém since May-15 (R\$201m) and better performance at the hydro plants (+R\$43m YoY) due to a negligible impact of the hydro deficit and the subsequent need to purchase energy at market prices higher than the PPAs contracted prices vs. 1Q15, mostly due to the fall in PLD prices (avg. PLD of R\$35/MWh in the 1Q16 vs. R\$388/MWh in the 1Q15), but also given the greater protection against hydro deficits following the insurance subscribed in Dec-15.

Hydro gross profit increased 28% YoY (+R\$56m) to R\$260m in the 1Q16, mostly due to the above mentioned fall in PLD prices, but also due to a lower GSF in the period (GSF at 88% vs. 79% in the 1Q15), on the back of the recovery of the reservoir levels (currently at ~55% vs. 29% by Mar-15). Additionally, EDPB subscribed the hydro insurance for a protection at ~92% level for a portion of its assets (no risk if GSF falls below 92%). Of the total physical guarantee of the portfolio of hydro plants, 40% subscribed the insurance in 2015 and 7% more subscribed in the 1Q16. The impact is retroactive to Jan-15 and allowed for R\$12m positive recovery of 2015's GSF losses. Overall, in the 1Q16, GSF impact net of hedges and recovery through the insurance amounted to -R\$7m (a gain) vs. a loss of R\$167m in the 1Q15. The abovementioned impacts were partly offset by the decrease of the avg. price of hydro volumes, which reached R\$164/MWh in the 1Q16, 7% below YoY. PPA prices are inflation updated, yet the decrease YoY is justified by the end of some PPA in Peixe Angical hydro plant in Jan-16. Most of the plant's capacity was sold in shorter term contracts at lower prices (~R\$170/MWh). The quarterly allocation of volumes was less significant in the 1Q16 vs. the 1Q15, thus leading to a decrease in sales volumes YoY, to be recovered in the next quarters.

Pecém's gross profit was R\$164m in the 1Q16, of which R\$183m related to PPA fixed revenues. Since the purchase of the asset, EDPB managed to achieve important improvements, both operationally and in regulatory terms (a less penalising formula for availability deviations was approved in Dec-15). Additionally, volumes now generated ahead of the PPA contracted volumes, allow Pecém to profit from the sale of the excess capacity at market prices in the northeast region.

Electricity volumes sold increased 58% YoY to 3.6TWh in the 1Q16 reflecting mostly the full consolidation of Pecém (+3.4TWh). **Average hydro selling price decreased 7% YoY.**

EDPB operates 2.7GW of capacity, of which 0.2GW are equity consolidated. Equity consolidated capacity refers to a 50% equity stake in Santo Antônio do Jari hydro power plant (373MW in partnership with CTG). In the 1Q16, Jari contributed with a net loss of R\$5m (@50%), reflecting the impact of the interest costs, given the initial stage of the asset's life.

Capex surged by 78% YoY to R\$19m in the 1Q16 mostly due to maintenance works in Pecém. Note that equity investments devoted to Cachoeira Caldeirão and São Manoel hydro projects are classified as 'financial Investments' (equity-method accounted); in the 1Q16, **financial Investments** totalled R\$139m, which were essentially devoted to São Manoel's construction works. **Cachoeira Caldeirão**, a 219MW project 50%-owned by EDPB (in partnership with CTG), has a PPA starting in Jan-17, but should start operation in 2016 and **São Manoel**, a 700MW project, 33.3%-owned by EDPB (in partnership with CTG and Furnas) – this project is in early stage of construction (49% concluded) and has a PPA starting in May-18.

Electricity supply gross profit decreased 80% YoY (-R\$26m) to R\$6m in the 1Q16, reflecting lower margins given the current scenario of low spot prices.



Income Statements & Annex

Income Statement by Business Area



1Q16 (€m)	Long-Term Contracted Generation	Iberian Liberalised Activities	Regulated Networks Iberia	EDP Renováveis	Brazil	Corpor. Activ. & Adjustments	EDP Group
Revenues from energy sales and services and other	245	2,212	1,533	459	493	(1,156)	3,787
Gross Profit	161	349	417	452	177	(9)	1,547
Supplies and services	11	54	84	69	32	(45)	205
Personnel costs and employee benefits	14	19	36	24	26	43	161
Other operating costs (net)	3	72	63	(19)	(67)	(1)	51
Operating costs	28	145	183	73	(8)	(3)	417
EBITDA	133	205	234	379	185	(6)	1,130
Provisions	0	(0)	1	-	2	0	3
Amortisation and impairment (1)	33	59	82	147	32	13	366
EBIT	100	146	150	232	151	(19)	760

1Q15 (€m)	Long-Term Contracted Generation	Iberian Liberalised Activities	Regulated Networks Iberia	EDP Renováveis	Brazil	Corpor. Activ. & Adjustments	EDP Group
Revenues from energy sales and services and other	283	2,373	1,549	389	664	(1,122)	4,135
Gross Profit	186	233	431	375	205	(6)	1,423
Supplies and services	14	48	86	65	36	(41)	207
Personnel costs and employee benefits	16	19	37	17	29	42	161
Other operating costs (net)	2	65	(16)	(2)	11	8	67
Operating costs	33	131	107	80	76	8	435
EBITDA	153	102	324	295	129	(15)	988
Provisions	0	(1)	0	-	2	(0)	1
Amortisation and impairment (1)	39	50	82	124	-	15	337
EBIT	114	54	242	171	99	(29)	651

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

Quarterly Income Statement



Quarterly P&L (€ m)	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	Δ YoY %	Δ QoQ %
Revenues from energy sales and services and other	4,135	3,812	3,657	3,912	3,787				-8%	-3%
Cost of energy sales and other	(2,712)	(2,486)	(2,346)	(2,518)	(2,240)				17%	11%
Gross Profit	1,423	1,327	1,311	1,394	1,547				9%	11%
Supplies and services	207	227	224	263	205				-1%	-22%
Personnel costs and Employee Benefits	161	164	148	181	161				0%	-11%
Other operating costs (net)	67	(207)	79	18	51				-25%	189%
Operating costs	435	184	450	461	417				-4%	-10%
EBITDA	988	1,143	860	933	1,130				14%	21%
Provisions	1	3	6	7	3				526%	-53%
Amortisation and impairment (1)	337	353	369	406	366				9%	-10%
EBIT	651	788	485	520	760				17%	46%
Financial Results	(208)	(156)	(262)	(207)	(180)				13%	13%
Share of net profit in joint ventures and associates	(2)	(22)	(2)	1	(8)				-362%	-
Profit before income tax and CESE	441	610	222	314	573				30%	82%
Income taxes	82	112	42	42	152				84%	262%
Extraordinary contribution for the energy sector	61	-	-	1	59				-3%	4840%
Net Profit for the period	298	498	180	271	362				22%	34%
Net Profit Attributable to EDP	237	350	149	177	263				11%	49%
Non-controlling Interests	62	148	31	94	100				62%	5%

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

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

EDP - Installed capacity & electricity generation



Technology	Installed Capacity - MW (1)				Electricity Generation (GWh)				Electricity Generation (GWh)							
	1Q16	1Q15	Δ MW	Δ %	1Q16	1Q15	Δ GWh	Δ %	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
PPA/CMEC (Portugal)	3,843	4,470	-627	-14%	4,627	4,151	476	11%	4,151	3,639	3,258	3,582	4,627			
Hydro	2,663	3,290	-627	-19%	2,854	1,903	951	50%	1,903	1,160	787	1,125	2,854			
Run off the river	1,056	1,056			2,486	938			938	659	393	497	2,486			
Reservoir	2,234	2,234			2,489	965			965	501	394	628	2,489			
Coal - Sines	1,180	1,180	0	0%	1,773	2,248	-475	-21%	2,248	2,480	2,471	2,457	1,773			
Special Regime (Ex-Wind)	209	206	3	1%	337	222	114	51%	222	173	84	184	337			
Portugal	184	181	3	2%	311	190	121	64%	190	138	47	158	311			
Small-Hydro	159	157			259	138			138	88	4	120	259			
Cogeneration	24	24			52	52			52	50	43	38	52			
Spain	25	25	0	0%	26	33	-7	-22%	33	35	37	26	26			
Cogeneration+Waste	25	25			26	33			33	35	37	26	26			
Liberalised Iberia	8,624	7,808	816	10%	5,668	4,709	959	20%	4,709	4,038	4,572	5,077	5,668			
Hydro	3,508	2,453	1,055	43%	3,540	1,910	1,630	85%	1,910	1,175	601	873	3,540			
Portugal	3,082	2,026			3,080	1,495			1,495	969	541	760	3,080			
Spain	426	426			460	414			414	206	60	113	460			
Coal	1,224	1,463	-239	-16%	1,333	2,058	-725	-35%	2,058	1,972	2,299	2,617	1,333			
Aboño I	342	342			309	524			524	63	649	639	309			
Aboño II	536	536			854	922			922	1,053	1,077	1,016	854			
Soto Ribera II	0	239			0	190			190	358	22	367	0			
Soto Ribera III	346	346			170	422			422	497	551	596	170			
CCGT	3,736	3,736	0	0%	465	411	54	13%	411	675	1,334	1,246	465			
Ribatejo (3 groups)	1,176	1,176			168	54			54	133	126	434	168			
Lares (2 groups)	863	863			63	136			136	429	867	403	63			
Castejón (2 groups)	843	843			135	143			143	98	228	255	135			
Soto IV & V (2 groups)	854	854			99	77			77	15	113	154	99			
Nuclear - Trillo	156	156	0	0%	330	331	-1	0%	331	215	339	342	330			
Wind (More detail on page 15)	9,269	8,067	1,202	15%	7,508	5,757	1,751	30%	5,757	5,006	4,106	6,367	7,508			
Iberia	3,439	2,816			2,696	2,004			2,004	1,529	1,387	1,915	2,696			
Rest of Europe	1,423	1,363			1,078	916			916	700	605	934	1,078			
North America	4,203	3,805			3,680	2,792			2,792	2,728	2,052	3,452	3,680			
Brazil	204	84			54	46			46	49	61	66	54			
Solar	82	82	0	0%	27	29	-2	-7%	29	50	46	26	27			
Brazil (Ex-Wind)	2,466	1,797	669	37%	2,764	1,624	1,140	70%	1,624	2,247	2,226	2,530	2,764			
Hydro	1,745	1,797	-51	-3%	1,640	1,624	16	1%	1,624	1,638	1,091	1,247	1,640			
Lajeado	903	903			889	827			827	829	477	589	889			
Peixe Angical	499	499			579	522			522	497	445	541	579			
Energest	344	396			172	274			274	311	169	117	172			
Coal (Pecém I)	720	0	720	-	1,124	0	1,124	-	0	610	1,135	1,283	1,124			
TOTAL	24,493	22,430	2,062	9%	20,931	16,492	4,438	27%	16,492	15,154	14,292	17,767	20,931			
Equity Consolidated	Installed Capacity - MW (2)															
	1Q16	1Q15	Δ MW	Δ %												
Iberia Special Regime (Ex-Wind)	41	46	-5	-11%												
EDPR Wind	356	886	-530	-60%												
Brazil Hydro	187	187	0	0%												
Brazil Thermal	0	360	-360	-												
TOTAL	584	1,479	-896	-61%												

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

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

EDP - Volumes distributed, clients connected and networks



ELECTRICITY

Electricity Distributed (GWh)	1Q16	1Q15	Δ GWh	Δ %
Portugal	11,655	11,687	-32	-0.3%
Very High Voltage	514	538	-24	-4.4%
High / Medium Voltage	5,157	5,117	40	0.8%
Low Voltage	5,984	6,032	-48	-0.8%
Spain	2,363	2,381	-19	-0.8%
High / Medium Voltage	1,727	1,733	-6	-0.4%
Low Voltage	636	648	-13	-1.9%
Brazil	6,261	6,764	-504	-7.4%
Free Clients	2,153	2,445	-292	-11.9%
Industrial	734	858	-124	-14.4%
Residential, Comercial & Other	3,374	3,462	-88	-2.5%
TOTAL	20,278	20,832	-554	-2.7%

Clients Connected (th)	1Q16	1Q15	Abs. Δ	Δ %
Portugal	6,110	6,082	28.0	0.5%
Very High / High / Medium Voltage	24	24	0.1	0.3%
Special Low Voltage	35	34	0.4	1.3%
Low Voltage	6,051	6,024	27.5	0.5%
Spain	660	659	1.1	0.2%
High / Medium Voltage	1	1	-0.0	-0.7%
Low Voltage	659	658	1.1	0.2%
Brazil	3,262	3,182	79.7	2.5%
Bandeirante	1,774	1,740	34.5	2.0%
Escelsa	1,487	1,442	45.2	3.1%
TOTAL	10,031	9,922	108.8	1.1%

Networks	1Q16	1Q15	Abs. Δ	Δ %
Lenght of the networks (Km)	333,135	333,295	-160	0.0%
Portugal	224,837	223,976	861	0.4%
Spain	20,407	20,309	99	0.5%
Brazil	87,891	89,010	-1,120	-1.3%

Losses (% of electricity distributed)

Portugal (1)	10.1%	10.9%	-0.8 pp
Spain	4.9%	5.1%	-0.2 pp
Brazil			
Bandeirante	9.3%	9.3%	0.0 pp
Technical	5.5%	5.5%	0.0 pp
Comercial	3.8%	3.8%	-0.0 pp
Escelsa	13.4%	13.6%	-0.2 pp
Technical	8.1%	7.9%	0.2 pp
Comercial	5.3%	5.7%	-0.4 pp

GAS

Gas Distributed (GWh)	1Q16	1Q15	Δ GWh	Δ %
Portugal	2,027	2,031	-4	-0.2%
Low Pressure	410	423	-13	-3.1%
Medium Pressure	1,610	1,599	11	0.7%
LPG	7	9	-2	-20.3%
Spain	7,539	8,844	-1,305	-14.8%
Low Pressure	3,007	3,970	-963	-24.2%
Medium Pressure	4,532	4,874	-343	-7.0%
TOTAL	9,566	10,875	-1,309	-12.0%

Supply Points (th)	1Q16	1Q15	Abs. Δ	Δ %
Portugal	332	321	11	3.4%
Low Pressure	327	315	12	3.7%
Medium Pressure	1.4	1.4	0.0	1.6%
LPG	4.1	4.9	-0.8	-16.2%
Spain	920	936	-17	-1.8%
Low Pressure	919	936	-17	-1.8%
Medium Pressure	0.7	0.7	0	-3.1%
TOTAL	1,252	1,258	-5.7	-0.5%

Networks	1Q16	1Q15	Abs. Δ	Δ %
Lenght of the networks (Km)	12,607	12,824	-217	-1.7%
Portugal	4,888	4,677	211	4.5%
Spain	7,719	8,147	-428	-5.3%

(1) Excludes Very High Voltage

EDP - Sustainability performance



1Q16 Main Events

EDP in the Ethisphere Institute ranking. For the 5th consecutive year, EDP has been included in the international ranking of the most ethical companies in the world, "The World's Most Ethical Companies - WME", by the Ethisphere Institute. EDP is the only Portuguese company to feature in the international ranking and one of the four electricity utilities globally.

EDP recognised as a trusted brand by Reader's Digest Selections. EDP was recognised as the most trusted brand in the 16th edition of the study made by Reader's Digest Selections in the public utilities' category.

Roland Berger puts EDP Brazil among the best electricity companies in the world. In a study conducted by Roland Berger to 230 energy companies worldwide, EDP was placed among the top 20 electricity companies in terms of performance.

EDP Internal Sustainability Index (base 2010-12)

	1Q16	1Q15	Δ %
Sustainab. Index (a)	100	98	2%
Environmental %Weight	90 33%	88 33%	2%
Economic %Weight	102 37%	105 37%	-3%
Social %Weight	108 30%	100 30%	8%

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

Economic Metrics

	1Q16	1Q15	Δ %
Economic Value (€m)	4,364	4,561	-4%
Distributed	3,545	3,887	-9%
Accumulated	819	674	21%
Energy Serv. Rev. (€m) (1)	320	298	7%
Energy Efficiency Serv. (b)	21	16	32%

Social Metrics

	1Q16	1Q15	Δ %
Employees (c)	11,939	11,632	3%
Training (hours)	49,326	74,866	-34%
On-duty Accidents	6	9	-33%
Severity Rate (Tg)	99	82	21%
Frequency rate (Tf)	1	2	-38%
Freq. rate EDP+ESP (Tf)(d)	4	3	31%

Environmental Metrics

	1Q16	1Q15	Δ %
Absolute Atmospheric Emissions (kt)			
CO2 (e)	5,099	4,845	5%
Nox	4.2	5.0	-16%
SO2	4.7	4.6	1%
Particle	0.260	0.232	12%
Specific Atmospheric Emissions (g/KWh)			
CO2 (e)	244.8	295.8	-17%
Nox	0.20	0.31	-34%
SO2	0.23	0.28	-20%
GHG emissions (ktCO2 eq)			
Direct Emissions (scope 1)	4,972	4,855	2%
Indirect emissions (scope 2)	759	544	39%
0	0	0	-
Primary Energy Consumption (TJ) (f)	48,858	47,682	2%
Max. Net Certified Capacity (%)	91%	96%	(5 p.p.)
Water Use (103 m3)	379,360	431,846	-12%
Total Waste (t) (g)	117,853	95,608	23%
Environmental Matters (€ th)	17,597	22,147	-21%
Investments	4,707	6,785	-31%
Expenses	12,891	15,362	-16%
Environmental Fees and Penalties (€)	5,763	778	641%

Environmental Metrics - CO2 Emissions

	Absolute (ktCO2)		Specific (t/MWh)		Generation (h) (GWh)	
	1Q16	1Q15	1Q16	1Q15	1Q16	1Q15
CO2 Emissions						
Long-Term Contracted	2,981	1,997	1.03	0.89	2,897	2,248
Coal Portugal (PPA/CMEC)	1,635	1,997	0.92	0.89	1,773	2,248
Coal Brazil (Pecém)	1,346	-	-	-	1,124	-
Liberalised	2,007	2,760	1.12	1.12	1,798	2,469
Coal Spain	1,805	2,578	1.35	1.25	1,333	2,058
CCGT Iberia	202	182	0.43	0.44	465	411
Special Regime	111	88	0.36	0.29	306	309
Cogeneration + Waste	111	88	0.36	0.29	306	309
Thermal Generation	5,099	4,845	1.02	0.96	5,002	5,026
CO2 Free Generation					15,828	11,360
CO2 Emissions			0.24	0.30	20,830	16,386

(a) Includes only Energy Efficiency Services (formerly named Energy Services Invoicing) and considers only the support from public authorities recognised in the income statement.

(b) Indicator formerly known as Energy Services Invoicing.

(c) Including Executive Social Bodies.

(d) ESP: External Services Provider.

(e) Excluding vehicle fleet and natural gas consumption and losses.

(f) Including vehicle fleet.

(g) Waste sent to final disposal.

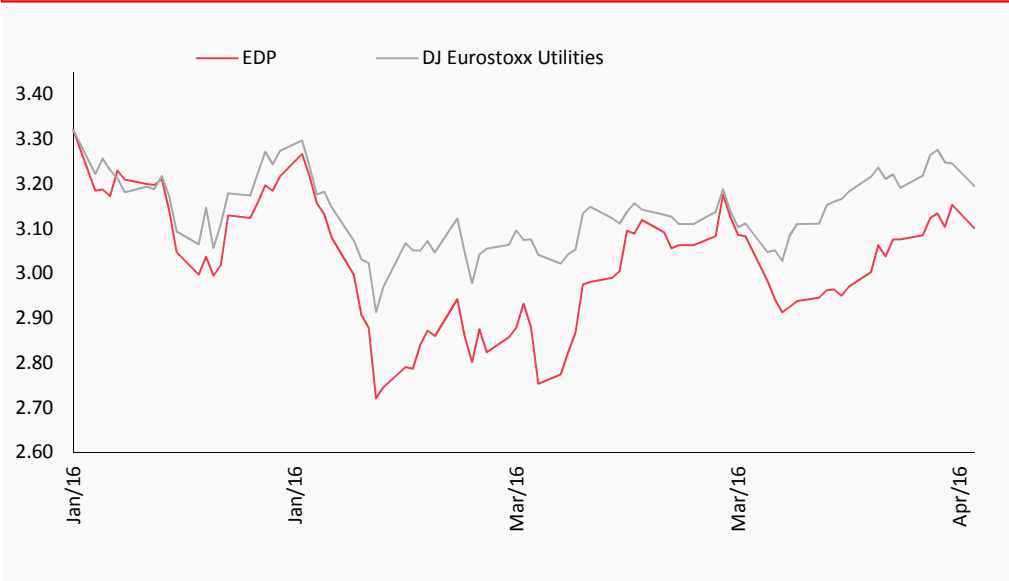
(h) Includes heat generation (1Q2015: 225 GWh vs 1Q2016: 229 GWh).

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

EDP Share Performance



EDP Stock Performance on Euronext Lisbon



EDP's Main Events

- 25-Jan:** EDP acquires gas distribution assets from Repsol in the North of Spain
- 29-Jan:** Conclusion of sale by EDP Brasil of two mini-hydro plants in Mato Grosso do Sul
- 29-Jan:** EDP sells €94 million of tariff deficit in Portugal
- 15-Feb:** Moody's affirms EDO at "Baa3" and outlook at Stable
- 15-Feb:** Management Transaction
- 4-Mar:** Management Transaction
- 7-Mar:** Management Transaction
- 17-Mar:** EDP issues €600 million bond maturing in March 2023
- 7-Apr:** Norges Bank notifies qualified shareholding in EDP
- 15-Apr:** Norges Bank qualified shareholding – amendment of title of imputation
- 18-Apr:** EDP sells €700 million of tariff deficit in Portugal
- 19-Apr:** EDPR announces an asset rotation transaction in Europe, for a total consideration of €550 million
- 20-Apr:** EDP's Annual General Shareholders Meeting
- 21-Apr:** Payment of Dividends – Financial Year 2015

EDP Stock Market Performance

YTD

52W

2015

03/05/2016

EDP Share Price (Euronext Lisbon - €)

Close	3.101	3.101	3.321
Max	3.332	3.675	3.749
Min	2.702	2.702	2.951
Average	3.007	3.206	3.371

EDP's Liquidity in Euronext Lisbon

Turnover (€ m)	2,079	5,803	5,987
Average Daily Turnover (€ m)	24	22	23
Traded Volume (million shares)	691	1,810	1,776
Avg. Daily Volume (million shares)	7.9	6.9	6.8

EDP Share Data

1Q16

1Q15

Δ %

Number of shares Issued (million)	3,656.5	3,656.5	-
Treasury stock (million)	21.4	23.3	-7.9%

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