Financial Results
1Q11

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

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Main Highlights

Income Statement (€ m)	1Q11	1Q10	Δ %	Δ Abs.
Gross Profit	**1.431**	**1.402**	**2,1%**	**+29**
Supplies and services	208	194	7,2%	+14
Personnel costs	147	151	-2,2%	-3
Costs with social benefits	32	33	-3,2%	-1
Other operating costs (net)	36	85	-58%	-49
Net Operating costs (1)	**423**	**463**	**-8,5%**	**-40**
EBITDA	**1.008**	**940**	**7,3%**	**+69**
Provisions	2	10	-76%	-8
Net depreciation and amortisation (2)	358	341	5,0%	+17
EBIT	**648**	**589**	**10%**	**+59**
Capital gains/(losses)	0	6	-96%	-6
Financial results	(133)	(118)	-13%	-15
Results from associated companies	6	7	-16%	-1
Pre-tax Profit	**520**	**483**	**7,7%**	**+37**
Income taxes	123	129	-4,4%	-6
Discontinued activities	-	-	-	-
Net profit for the period	397	354	12%	+43
Net Profit Attributable to EDP Shareholders	**342**	**309**	**11%**	**+33**
Non-controling Interest	55	45	21%	+10

Key Operational Data	1Q11	1Q10	Δ %	Δ Abs.
Employees	12.070	12.139	-0,6%	-69
Installed capacity (MW)	22.188	20.728	7,0%	+1.460

Key Financial Data (€ m)	1Q11	1Q10	Δ %	Δ Abs.
FFO (Funds from operations)	723	773	-6,5%	-51
Capex	393	573	-31%	-180
Maintenance	131	126	3,6%	+5
Expansion	262	447	-41%	-184
Net financial investment in the period	66	8	762%	+58

Key Balance Sheet Data (€ m)	Mar-11	Dez-10	Δ %	Δ Abs.
Equity booK value	8.128	7.855	3,5%	+274
Net debt	15.986	16.345	-2,2%	-358
Regulatory receivables	1.399	1.443	-3,1%	-44
Net debt/EBITDA (x)	4,0x	4,5x	-	-0,5x
Adjusted net debt (3)/EBITDA (x)	3,6x	4,1x	-	-0,5x

EBITDA increased 7% YoY (+€69m), to €1,008m in 1Q11, driven by a 19% (+€43m) rise in regulated networks, a 19% (€36m) increase in wind operations and a 20% (+€33m) rise in Brazil. These increases offset the decrease in LT Contracted generation (-7%, -€16m) and in liberalised activities (-21%, -€36m). Excluding the Forex impact (+€17m from Brasil, +€1m in US), EBITDA rose 5% in 1Q11.

EBITDA generated outside Portugal rose from 55% in 1Q10 to 61% in 1Q11. Moreover, **87% of consolidated EBITDA derived from regulated and long term contracted activities**, reflecting the maintenance of a low-risk profile of our operating activities. For 2011, EDP has already forward contracted with clients 24TWh at prices around €50/MWh. Additionally, 85% of expected output (excluding production based on Spanish coal, under RD1221/10 regime) has already forward contracted costs with an average clean thermal spread (including CO_2 free allowances) over €10/MWh.

Net operating costs(1) declined 9% (-€40m), to €423m, reflecting a 3% YoY increase in operating costs and a lower amount of other net operating costs. Operating costs rose by 3% YoY (+€10m), to €387m, driven by (i) a 20% rise (+€11m) in EDPR, on wider operations base and (ii) a 15% increase (+€9m) in Brazil, reflecting stronger Real vs. Euro (+€6m). In turn, operating costs in Iberia were 4% lower YoY, reflecting tight cost control. Other net operating costs declined from €85m in 1Q10 to €36m in 1Q11, mostly explained the €27m gain booked in the sale of transmission assets in Spain and by the application of IFRIC18 in Spain (+€10m).

EBIT rose 10% to €648m, following a 3% increase in net depreciation, amortisation and provisions, mainly driven by the increase in installed capacity. **Financial results** totalled €133m in 1Q11, mainly reflecting the increase in the average cost of debt (from 3.5% in 1Q10 to 3.8% in 1Q11) and the 13% increase in average net debt. **Non-controlling interests** rose 21% to €55m in 1Q11, following the 2% YoY increase of EDP Brasil net profit and +9% appreciation of BRL. **Net profit rose 11%**, to €342m in 1Q11.

Net debt declined from €16.3bn in Dec-10 to €16.0bn in Mar-11, supported by: (1) higher EBITDA generated, (2) lower expansion capex resulting from lower growth targets in the wind business, (3) positive impact from foreign exchange fluctuations (+€0.3bn) and (4) stable regulatory receivables, at €1.4bn. Up to Mar-11, EDP spent €1.4bn in 2,927MW under construction, c60% devoted to hydro and wind, c40% to the coal plant (with PPA) in Brazil. Half of this capacity is due to start operation in 2011-12. Looking forward, EDP will invest a total of €2.2bn in 2011 and €2.0bn in 2012.

Excluding regulatory receivables, **EDP's adjusted net debt/EBITDA** declined from 4.1x in Dec-10 to 3.6x in Mar-11, reflecting the large cumulated expenditure in projects in progress and slower pace of growth in wind. FFO/Net debt was unchanged vs. 2010, at 18% in 1Q11. In Apr-11, the 3 rating agencies updated EDP's rating and outlook, downgrading EDP credit rating in the wake of rating downgrades of the Republic of Portugal. EDP's credit rating stands now one notch and two notches above the Republic of Portugal by Standard & Poor's and Fitch respectively. **By Mar-11, total cash position and available credit facilities amounted to €4.8bn. This liquidity position allows EDP to cover its refinancing needs for the next 24 months.**

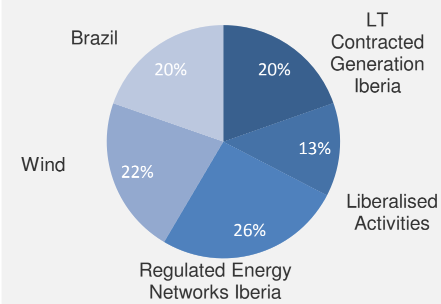
In 2Q11, EDP will pay (i) €231m for a 20% stake in Genesa to Caja Madrid, as previously announced, and (ii) 2010 dividends (€0.17/share). This is in line with EDP's target to steadily improve its free cash flow generation position and credit ratios over the next years.

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

EBITDA Breakdown

EBITDA (€ m)	1Q11	1Q10	Δ %	Δ Abs.	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
LT Contracted Generation	197,9	213,8	-7,5%	-16	213,8	208,4	216,3	238,1	197,9	-	-	-
Liberalised Activities Iberia	131,0	166,7	-21%	-36	166,7	113,4	88,2	80,6	131,0	-	-	-
Regulated Networks Iberia	275,7	232,4	19%	+43	232,4	231,6	214,3	260,1	275,7	-	-	-
Wind Power	220,1	184,5	19%	+36	184,5	158,4	130,2	239,6	220,1	-	-	-
Brazil	198,2	165,6	20%	+33	165,6	175,6	153,9	178,9	198,2	-	-	-
Other	(14,8)	(23,6)	37%	+9	(23,6)	3,9	17,1	(35,3)	(14,8)	-	-	-
Consolidated	**1.008,2**	**939,6**	**7,3%**	**+69**	**939,6**	**891,2**	**820,0**	**962,0**	**1.008,2**	**-**	**-**	**-**

EBITDA 1Q11



EDP consolidated EBITDA rose 7% (+€69m) YoY to €1,008m in 1Q11, driven by our operations in regulated networks (+€43m), wind (+€36m) and Brazil (+€33m). EBITDA from our LT Contracted in Iberia declined 7% (-€16m) and liberalised activities in Iberia retreated 21% (-€36m). Excluding forex impact (+€17m from Brasil and +€1m from US Wind), EBITDA rose 5% YoY.

LONG TERM CONTRACTED GENERATION IBERIA – EBITDA from LT contracted generation declined 7.5%, to €198m in 1Q11, mainly reflecting the exclusion of Carregado plant from LT Contracted portfolio after the end of its PPA, in Dec-10 (-€22m). Adjusted for this, EBITDA grew 3% (+€6m), backed by higher inflation YoY (+€6m on PPA/CMEC gross profit).

LIBERALISED ACTIVITIES IBERIA – EBITDA from liberalised activities totalled €131m in 1Q11 following a 21% drop. EBITDA from electricity business was 22% (-€34m) lower YoY, reflecting lower unit margins earned (-€3.4/MWh to €11/MWh), higher costs stemming from new capacity on stream and from the implementation of RD14/2010 (measures to reduce tariff deficit) in Spain. This was only partially compensated by higher revenues from capacity payments (backed by new capacity on stream in Spain and the first time attribution in Portugal, as from 1-Jan-11). Volumes of electricity sold to clients were 1.7x our own generation (vs. 1.9x in 1Q10) following (i) a significant deceleration in volumes growth, in the wake of increasing competition; and (ii) higher cost of electricity purchases. EBITDA from gas supply in Iberia was 12% (-€2m) lower YoY, reflecting the mixed impact of higher volumes (+14% YoY driven by Portugal) and higher operating costs.

REGULATED NETWORKS IBERIA – EBITDA rose 19% (+€43m) in 1Q11 driven by electricity distribution in Spain (+€41m) and regulated gas in Iberia (+€2m in Portugal and +€4m in Spain). EBITDA from electricity distribution activity in Spain jumped 160% (+€41m) YoY to €66m, mainly driven by a €27m non-recurrent gain from the sale of transmission assets, the impact from the application of IFRIC18 (€9m) and higher distribution regulated revenues (+€5m).

EBITDA from gas regulated activities rose 10% (+€6m) YoY, to €66m in 1Q11, driven by (i) higher regulated revenues and connection fees in Spain; and (ii) lower negative deviations in Portugal. In turn, EBITDA from electricity distribution in Portugal (52% of total from regulated networks) decreased 2% (-€3m) YoY to €144m, reflecting lower regulated revenues (-€12m, mostly due to a decrease in consumption and lower GDP deflator) and a decline in the net operating costs (-€8m). Excluding impacts from the sale of assets in Spain and IFRIC18, EBITDA from regulated networks rose 2% YoY.

WIND POWER – **EDPR's EBITDA increased +19% (+€36m) to €220m in 1Q11**, in line with the 19% YoY increase of installed capacity to 6,625MW by Mar-11. The EBITDA growth drivers were (1) **US** (+€21m) reflecting capacity additions (+23%), higher average load factor (+4p.p. YoY to 35%) and lower average selling price (-14% YoY in merchant capacity, -6% in PPA/hedged capacity); (2) **European markets ex Iberia** (+€11m), supported by capacity additions (+53%) and benefiting from the start-up of operations in Romania and Poland (the latter with selling prices above the portfolio's average); (3) **Spain** (+5%, including hedging results in energy markets), as new capacity additions (+12%), higher achieved prices in the pool (+86% YoY) were offset by lower average load factor (on abnormally high level in 1Q10) and lower hedging gains.

BRAZIL – EBITDA rose 20% (+€33m) YoY, positively impacted by a 9% appreciation of the Real against the Euro (+€17m impact on EBITDA). **In local currency, EBITDA from EDP Energias do Brasil rose 9% YoY** driven by (i) positive impact from tariff revision in distribution mainly in Bandeirante, (ii) increase of electricity demand and (iii) higher normalised quarterly sales in generation, in 1Q11, versus abnormally low sales in 1Q10.

In line with increasing liberalisation, EDP Soluções Comerciais, our commercial shared services platform for electricity and gas supply in Portugal (EBITDA: €5.1m in 1Q10, €7.3m in 1Q11), was excluded from the regulated networks business and transferred to liberalised activities.

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

Profit & Loss Items below EBITDA

Provisions, Deprec. & Amortizat. (€ m)	1Q11	1Q10	Δ %	Δ Abs.
EBITDA	**1.008,2**	**939,6**	**7,3%**	**+69**
Provisions	2,4	10,1	-76%	-8
Depreciation and amortisation	365,3	347,0	5,3%	+18
Compensation for depreciation	(7,3)	(6,1)	-19%	-1
EBIT	**647,7**	**588,6**	**10%**	**+59**

Financial Results (€ m)	1Q11	1Q10	Δ %	Δ Abs.
Net financial interest	(152,3)	(101,9)	-49%	-50
Capitalized financial costs	38,6	41,3	-6,5%	-3
Net foreign exch. diff. and derivates	(14,9)	(35,2)	58%	+20
Investment income	0,0	0,0	-79%	-0
Other Financials	(4,9)	(22,3)	78%	+17
Financial Results	**(133,5)**	**(118,1)**	**-13,0%**	**-15**

Results from Associat. Companies (€ m)	1Q11	1Q10	Δ %	Δ Abs.
CEM (21%) - China/Macao	1,5	1,9	-21%	-0
DECA II (EEGSA (21%)) - Guatemala	-	1,6	-	-2
EDP Renováveis subsidiaries	3,0	2,0	49%	+1
Other	1,3	1,4	-4,5%	-0
Results from associated companies	**5,8**	**6,9**	**-16%**	**-1**

Capital Gains/(Losses) (€ m)	1Q11	1Q10	Δ %	Δ Abs.
ESC 90 (49%) - Telecom Brazil	-	-	-	-
Oni SGPS - Telecoms Portugal	-	6,9	-	-7
DECA II (EEGSA (21%)) - Guatemala	-	-	-	-
Other	0,2	(1,1)	-	+1
Capital Gains/(Losses)	**0,2**	**5,8**	**-96%**	**-6**

Income Tax (€ m)	1Q11	1Q10	Δ %	Δ Abs.
Pre-tax profit	**520,3**	**483,2**	**7,7%**	**+37**
Income taxes	123,4	129,0	-4,4%	-6
Effective tax rate (%)	*23,7%*	*26,7%*	*-3,0 pp*	-
Discontinued activities	-	-	-	-

Non-controling Interest (€ m)	1Q11	1Q10	Δ %	Δ Abs.
EDP Renováveis	13,3	12,3	8,1%	+1
HC Energia	0,3	0,1	200%	+0
Gas Portugal subsidiaries	3,1	2,2	41%	+1
Energias do Brasil	38,4	30,4	26%	+8
Other	(0,6)	-	-	-1
Non-controling Interest	**54,5**	**45,0**	**21%**	**+10**

Net depreciation and amortisation (net of compensation from depreciation and amortisation of subsidised assets) increased by 5% YoY in 1Q11 (+€17m), mostly due to higher depreciations at EDPR (+€25m, explained by the increase of wind installed capacity partially), which was compensated by lower depreciation resulting from the exclusion of carregado power plant.

Financial Results:

Net financial interests paid increased 49% YoY, to €152m in 1Q11, following (1) a c30bp increase of the average cost of debt, from 3.5% in 1Q10 to 3.8% in 1Q11, driven by the increase in short term interest rates and (2) an increase by 13% in average net debt.

Capitalized financial costs decreased by 7% due to lower level of works in progress

c) **Net foreign exchange and derivatives** rose €20m YoY to a €15m loss in 1Q11, including hedging operations in energy markets from our generation activity from -€8m in 1Q10 to -€23m in 1Q11.

Results from associated companies: in Oct-10, EDP sold for USD127m its 21% stake in DECA II (Guatemala). EDP Renováveis subsidiaries includes essencialy our equity stake in ENEOP Portugal (€2.7m impact in 1Q11)

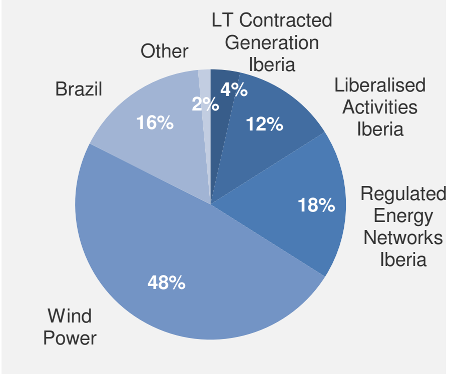
Non-controlling interests increased 21% YoY to €55m in 1Q11, following the increase of EDP Brasil net profit.

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

Capital Expenditure Breakdown

Capex (€ m)	1Q11	1Q10	Δ %	Δ Abs.	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
LT contracted gen. Iberia	13,9	12,8	7,9%	+1	12,8	22,9	25,1	35,1	13,9	-	-	-
Liberalised activities Iberia	49,0	54,8	-11%	-6	54,8	94,4	105,3	211,9	49,0	-	-	-
Regulated networks Iberia	70,5	66,4	6,1%	+4	66,4	84,1	78,7	141,4	70,5	-	-	-
Wind power	190,4	382,0	-50%	-192	382,0	452,3	285,3	112,1	190,4	-	-	-
Brazil	63,0	39,5	60%	+24	39,5	82,3	111,4	194,1	63,0	-	-	-
Other	5,9	17,1	-65%	-11	17,1	3,1	41,1	14,0	5,9	-	-	-
EDP Group	**392,7**	**572,6**	**-31%**	**-180**	**572,6**	**739,1**	**646,9**	**708,7**	**392,7**	**-**	**-**	**-**
Expansion Capex	**262,1**	**446,6**	**-41%**	**-184**	**446,6**	**561,5**	**444,9**	**520,0**	**262,1**	**-**	**-**	**-**
Maintenance Capex	**130,5**	**126,0**	**3,6%**	**+5**	**126,0**	**177,7**	**202,1**	**188,7**	**130,5**	**-**	**-**	**-**

CAPEX 1Q11



Generation Projects Installed in 1Q11 (€ m)	MW	Capex 1Q11
Wind Power	188	33,5
Special regime (ex-wind)	10	1,2
Total	**198**	**34,8**

Generation Projects Under Construction (€ m)	MW	Capex 1Q11	Acc. Capex (1)
Hydro Portugal	2.147	34,3	560,2
Wind power (2)	402	109,8	275,0
Coal Brazil	360	28,8	545,8
Hydro Brazil	18	0,6	32,2
Total	**2.927**	**173,6**	**1.413,2**

Consolidated capex amounted €393m in 1Q11, 67% of which devoted to expansion projects. In line with EDP's strategy to invest in risk controlled activities, regulated/LT contracted activities absorbed 86% of capex. **Maintenance capex** totaled €131m in 1Q11, also reflecting the DeNOx investment at our Sines coal plant (under PPA/CMEC regime) which should be in place in 2H11. **Expansion capex** amounted €262m, 89% of which in CO_2 free technologies, hydro and wind.

Capex in **new wind capacity** (72% of expansion capex), at EDPR level, amounted to €190m and was mainly invested in Brazil (32%), Poland (25%), Spain (16%), US (14%) and Romania (6%). Out of total wind capex, €34m were invested in the conclusion of 188MW which started operations in 1Q11, namely 109MW in Spain, 69MW in Romania and 10MW in Poland. Additionally, EDPR has so far spent €275m (€110m in 1Q11) in 402MW currently under construction and fully under long-term regulated schemes: 99MW in US (PJM), 92MW in Spain, 70MW in Brazil, 69MW in Romania, 60MW in Poland and 13MW in Belgium. For 2011, new wind capacity additions planned total 800-900MW, the bulk of which in European markets.

Capex in **new hydro capacity** (16% of expansion capex) totaled €41m in 1Q11, the bulk of which (€34m) devoted to 8 plants currently under construction (2,147MW due in 2011/15). The first plants to come on stream will be the repowering of Picote II and Bemposta II (437MW, 76% of capex already incurred), in the end of 2011, and Alqueva II (256MW, 61% of capex already incurred), in mid 2012.

In **Brazil**, EDP has already spent (1) €546m in its 360MW share in Pecém coal plant, due to start-up by the end of 2011; and (2) €32m in the repowering of Mascarenhas (18MW), due in 2012.

Overall, EDP increased its installed capacity by 198MW in 1Q11, to 22.2GW. Additionally, **up to Mar-11, EDP had already spent €1.4bn in 2,927MW under construction. Half of this capacity is due to start operation in 2011-12. Looking forward, EDP plans a total capex of €2.2bn in 2011 and €2.0bn in 2012.**

(1) Accumulated capex net of debts to equipment suppliers; (2) Excluding Eólicas de Portugal (58MW).

Cash Flow

Consolidated Cash Flow (€ m)	1Q11	1Q10	Δ %	Δ Abs.
EBITDA	**1.008,2**	**939,6**	**7,3%**	**+69**
Current Income tax	(110,4)	(70,2)	-57%	-40
Net financial interest	(152,3)	(101,9)	-49%	-50
Net Income and dividends from associates	5,8	7,0	-16%	-1
Other adjustments	(28,7)	(1,2)	-	-28
FFO (Funds From Operations)	**722,6**	**773,2**	**-6,5%**	**-51**
Net financial interest	152,3	101,9	49%	+50
Net Income and dividends from associates	(5,8)	(7,0)	-16%	-1
Change in operating working capital	(9,2)	(408,3)	-	+399
Regulatory receivables	44,3	(175,4)	-	+220
Other	(53,5)	(232,9)	-	+179
Operating Cash Flow	**859,9**	**459,9**	**87%**	**+400**
Expansion capex	(262,1)	(446,6)	-41%	-184
Maintenance capex	(130,5)	(126,0)	3,6%	+5
Change in working capital from equipment suppliers	(387,6)	(332,9)	16%	+55
Net Operating Cash Flow	**79,7**	**(445,6)**	**-**	**+525**
Net financial (investments)/divestments	66,1	7,7	-	+58
Net financial interest paid	(107,2)	(49,8)	-115%	-57
Dividends received from associates	0,1	0,0	-	+0
Dividends paid	(3,9)	0,0	-	+4
Anticipated proceeds from inst. partnerships in US wind	(3,9)	(2,6)	-49%	-1
Effect of exchange rate fluctuations	252,2	(154,0)	-	+406
Other non-operating changes	75,3	19,9	278%	+55
Decrease/(Increase) in Net Debt	**358,4**	**(624,3)**	**-**	**+983**

Net Financial (Investments)/Divestments (€ m)	1Q11	1Q10	Δ %	Δ Abs.
Major Financial Investments	**4,0**	**44,4**	**-91%**	**-40**
Consolidation perimeter EDP Renováveis	1,5	44,2	-97%	-43
Other	2,5	0,3	866%	+2
Major Financial Divestments	**70,1**	**52,1**	**35%**	**+18**
Consolidation perimeter EDP Renováveis	68,9	43,6	58%	+25
Other	1,2	8,5	-86%	-7
Net Financial (Investments)/Divestments	**66,1**	**7,7**	**762%**	**+58**

Funds from operations (FFO) decreased 7% YoY (-51m) to €723m following the +€69m increase in EBITDA (see EBITDA breakdown explanation), which was more than compensated by a €40m increase in current income tax (impacted by change in regulatory receivables) and by €50m raise in net financial interest due to a 30bp increase of average cost of debt and average net debt.

Operating cash flow rose by €400m in 1Q11, to €860m, mainly reflecting the positive contribution from a €44m decline in regulatory receivables in 1Q11 vs. a €175m increase in 1Q10. Note that in 1Q11, EDP received cash proceeds from tariff deficit securitization deals in Spain and received also regulatory receivables related to generation under CMEC system which compensate an increase in regulatory receivables from energy distribution & last resourt supply in Portugal.

Expansion capex decreased 41% to €264m in 1Q11 reflecting lower capex in wind activities. The amounts of "change in working capital related to property and equipment suppliers" in 1Q10 and 1Q11 are related to payments done in 1Q associated to investments in fixed assets made in 4Q.

Financial divestments mainly include restricted cash related to tax equity agreements in the wind US. **Financial investments** in 1Q11 includes amounts related to the EDPR activity namely payment of success fees related to development of wind projects previously acquired.

The €252m related to "**Effect of exchange rate fluctuations**" reflects the impact of depreciation of US dollar and Brazilian Real vs. the Euro in 1Q11.

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

Overall, **net debt** in 1Q11 decreased €0.4bn.

Going forward, on May13th 2011, EDP will pay its annual dividend amounting to €0.17/share (~€615m) and in Apr-11 EDP paid €231m for the acquisition of a 20% stake in Genesa.

Statement of Consolidated Financial Position

Assets (€ m)	Mar. vs. Dec.		
	Mar-11	Dec-10	Δ Abs.
Property, plant and equipment, net	19.996	20.324	-327
Intangible assets, net	10.061	9.963	98
Financial investments, net	559	591	-32
Deferred Tax asset	485	515	-30
Assets held for sale	-	31	-31
Inventories	377	357	20
Accounts receivable - trade, net	2.264	2.187	77
Accounts receivable - other, net	4.532	4.974	-441
Financial assets held for Trading	36	36	-0
Cash and cash equivalents	1.851	1.511	340
Total Assets	**40.163**	**40.489**	**-326**

Equity (€ m)	Mar-11	Dec-10	Δ Abs.
Share capital	3.657	3.657	-
Treasury stock and share premium	394	388	6
Consol. net profit, reserv. and retaining earnings	4.078	3.810	268
Equity Book Value	**8.128**	**7.855**	**274**
Non-controling Interest	**2.930**	**2.930**	**-1**
Total Equity	**11.058**	**10.785**	**273**

Liabilities (€ m)	Mar-11	Dec-10	Δ Abs.
Medium/ Long-term debt & borrowings	15.737	14.887	850
Short-term debt & borrowings	2.136	3.004	-868
Provisions	413	431	-18
Hydrological correction account	76	75	1
Deferred tax liability	840	856	-16
Accounts payble - Other,net	9.902	10.450	-547
Total Liabilities	**29.105**	**29.704**	**-599**
Total Equity and Liabilities	**40.163**	**40.489**	**-326**

Regulatory Receivables (€ m)	Mar-11	Dec-10	Δ Abs.
Portugal Distribution and Gas (1)	544	201	343
Portugal Annual CMEC Deviation	340	488	-149
Spain (2)	531	759	-228
Brazil (1)	-16	-5	-11
Regulatory Receivables	**1.399**	**1.443**	**-44**

Prov. for Social Benefits & Inst. Part. Liability (€ m)	Mar-11	Dec-10	Δ Abs.
Pensions (3)	1.077	1.104	-28
Medical care	804	800	3
Net institutional partnership liability (4)	887	934	-48
Prov. for Social Benefits & Inst. Part. Liability	**2.767**	**2.839**	**-72**

Total amount of Property, plant and equipments, intangible assets and goodwill decrease by €0.2bn vs. Dec-10 to €30.1bn following: (1) +€0.4bn due to capex in 1Q11, and (2) -€0.4bn of depreciations in the same period (3) -€0.5bn due to the depreciation of USD and BRL vs. EUR between Dec-10 and Mar-11 and (4) +€0.2bn due delivery to EDP in 1Q11 of annual CO2 free allowances. By Mar-11, EDP's balance sheet include €3.7bn of works in progress (12% of total consolidated fixed assets of €30.1bn) largely related to investments already made in plants, equipment or concession rights which are not yet operating or being depreciated.

The book value of **financial investments & assets held for sale** amounted to €559m as of Mar-11, including essentially our financial stakes at CEM (21%), BCP (2.6%), REN (3.5%) and Ampla (7.7%). The €31m of assets held for sale in Dec-10 were referent to our electricity transmission assets in Spain, which were sold to REE in Feb-11.

Total amount of Accounts receivable (trade & other, net) decreased €0.4m QoQ to €6.8bn. The main drivers for this decline were (1) -€0.2bn decline in gross regulatory receivables, following -€0.3bn decline in Spanish pending tariff deficit, -€0.2bn lower receivables from generation under CMEC system in Portugal and +€0.2bn increase in receivables in Portugal from energy distribution & last resourt supply; (2) -€0.1bn of tax receivables and (3) -€0.1bn decline of restricted cash required by tax equity partners in our US wind operations (restricted cash amounts are higher in the early stages of operation).

Total amount of EDP's net regulatory receivables decreased €44m in 1Q11, as a result of a €228m decline in Spain (strongly impacted by the €307m cash proceeds in the period from tariff deficit securitization deals), a €194m increase in Portugal (increase in pending receivables from energy distribution & last resource supply and a decline in pending receivables related to generation under CMEC system) and a €11m decline in Brazil (accounting to IFRS, regulatory receivables in Brazil are not recognized in statement of financial position or income statement).

Equity book value increased €274m in 1Q11 reflecting the €342m net profit in the period and a €69m negative impact in reserves, essentially due to the USD and BRL depreciation vs. the Euro in the period.

Accounts payable (other, net) fell -€0.6bn QoQ to €9.9bn in Mar-11, essentially due to declines in accounts payable to suppliers (-€0.2bn) and equipment suppliers (-€0.4bn). By Mar-11 accounts payable include unfunded pension fund and medical care liabilities of €1.9bn (gross, before deferred taxes). Note that more than 70% of these liabilities are related to employees from regulated electricity distribution and supply in Portugal, meaning that most of these liabilities should be part of the regulated cost base in the moment of payment. Accounts payable include also gross institutional partnership liability. Note that **Adjusted institutional partnership liability** amounted €887m by Mar-11 vs. €934m by Dec-10. This amount is adjusted by deferred revenue and restricted cash. The deferred revenue is related to tax credits already benefited by the institutional investor. The adjusted institutional partnership liability should be gradually reduced over the lifetime of each wind power plant.

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

Consolidated Net Financial Debt

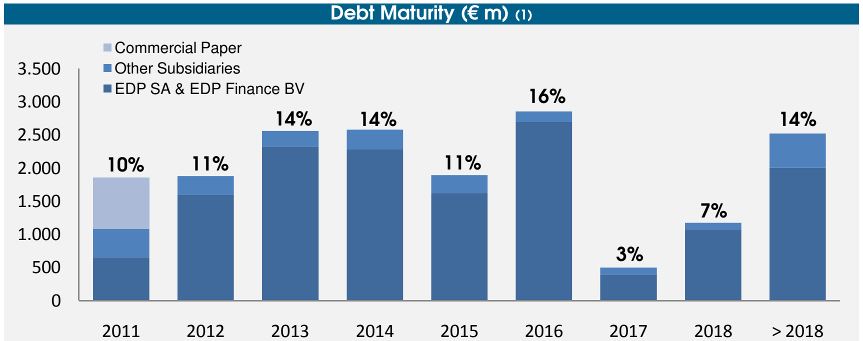
Nominal Financial Debt by Company (€m)	Mar-11	Dec-10	Δ %	Δ Abs.
EDP S.A. and EDP Finance BV	15.387,7	15.161,3	1%	226
EDP Produção + HC Energia + Portgás	313,6	332,5	-6%	-19
EDP Renováveis	747,0	728,9	2%	18
EDP Brasil	1.333,3	1.452,0	-8%	-119
Nominal Financial Debt	**17.781,6**	**17.674,6**	**1%**	**107**
Accrued Interest on Debt	202,2	265,1	-24%	-63
Fair Value of Hedged Debt	(110,7)	(48,0)	-	-63
Total Financial Debt	**17.873,1**	**17.891,6**	**0%**	**-19**
Cash and cash equivalents	**1.851,3**	**1.511,2**	23%	340
EDP S.A., EDP Finance BV and Other	1.156,2	579,6	99%	577
EDP Renováveis	254,7	423,7	-40%	-169
Energias do Brasil	440,4	507,9	-13%	-68
Financial assets at fair value through P&L	**35,5**	**35,7**	-1%	0
EDP Consolidated Net Debt	**15.986,3**	**16.344,7**	**-2%**	**-358**

Credit Lines by Mar-11 (€m)	Maximum Amount	Number of Counterparts	Available Amount	Maturity
Revolving Credit Facility	2.000	21	2.000	Nov-15
Domestic Credit Lines	230	12	230	Renewable
Underwritten CP Programmes	650	3	650	Renewable
Total Credit Lines	**2.880**		**2.880**	

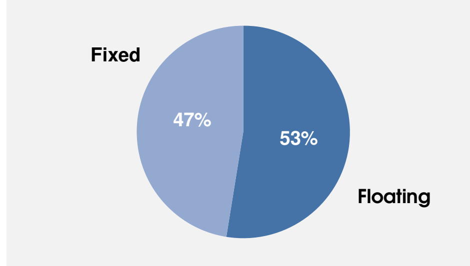
Debt Ratings	S&P	Moody's	Fitch
EDP SA & EDP Finance BV	BBB/Neg/A2	Baa1/CW-/P2	BBB+/CW-/F2
Last Rating Action	01-04-2011	06-04-2011	04-04-2011

Debt Ratios	1T11	YE2010
Net Debt / EBITDA	4,0x	4,5x
Net Debt / EBITDA adjust. by Reg. Receivables	3,6x	4,1x

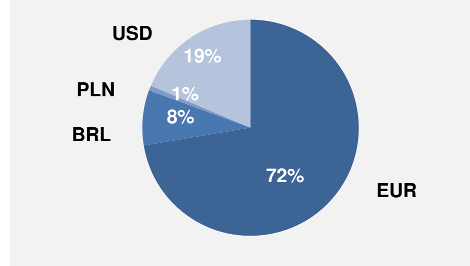
Debt Maturity (€ m) (1)



Debt by Interest Rate Type (1)



Debt by Currency (1)



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

EDP's funding strategy aims to maintain access to diversified funding sources and to assure its funding needs 24 months in advance. EDP targets a steady improvement of its free cash flow position and credit ratios over the next years. In 1Q11, EDP's net debt/EBITDA and net debt/EBITDA adjusted for regulatory receivables were 4.0x and 3.6x, respectively. In Apr-11, the 3 rating companies updated EDP's rating and outlook. All rating companies downgraded EDP credit rating in consequence of a rating downgrade of the Republic of Portugal. EDP's credit rating stands now one notch and two notches above the Republic of Portugal by Standard & Poor's and Fitch respectively, reflecting the high weight of activities out of Portugal in EDP's business mix and the low sensitivity to the economic cycle of EDP's business portfolio.

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

By Mar-11, debt average maturity was 5 years. The weight of floating rate in the Group's consolidated debt decreased (56% Floating/44% Fixed by Dec-10 to 53% Floating/47% Fixed by Mar-11). EDP's main reference in floating interest rate are Euribor 1 month/3 months. As at Mar-11, outstanding commercial paper amounted to €0.8bn. EDP intends to continue to roll it forward, having as back-up for this commercial paper program a €2bn revolving credit facility with 4.5 years maturity, which by Mar-11 was fully available. As at Mar-11, total committed liquidity facilities available amounted to €2,880m, which implied a total of €4,767m of cash and liquidity facilities available. This liquidity position allows EDP to cover its refinancing needs for the next 24 months.

(1) Nominal Value.

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Business Areas

Iberian Electricity and Gas Markets

Electricity Balance (TWh)	Portugal			Spain			Iberian Peninsula		
	1Q11	1Q10	Δ%	1Q11	1Q10	Δ%	1Q11	1Q10	Δ%
Hydro	4,8	6,2	-23%	11,3	14,3	-21%	16,0	20,5	-22%
Nuclear	-	-	-	13,9	14,6	-4,9%	13,9	14,6	-4,9%
Coal	1,0	0,9	18%	7,6	4,2	80%	8,7	5,1	70%
CCGT	3,0	1,9	60%	13,9	14,5	-4,0%	16,9	16,4	3,3%
Fuel/gas/diesel	(0,0)	0,0	-	0,3	0,4	-11%	0,3	0,4	-12%
Own consumption	-	-	-	(1,7)	(1,5)	13%	(1,7)	(1,5)	12,7%
(-)Pumping	(0,1)	(0,1)	3,2%	(1,1)	(1,8)	-39%	(1,2)	(1,9)	-37%
Conventional Regime	**8,7**	**8,8**	**-1,5%**	**44,2**	**44,8**	**-1,1%**	**52,9**	**53,5**	**-1,2%**
Wind	2,6	2,9	-9,2%	12,8	13,2	-3%	15,4	16,1	-4,3%
Other	2,5	2,4	2,7%	12,5	11,5	8%	14,9	13,9	7,2%
Special Regime	**5,1**	**5,3**	**-3,8%**	**25,3**	**24,8**	**2%**	**30,3**	**30,0**	**1,0%**
Import/(export) net	(0,1)	(0,2)	-38%	(1,8)	(1,4)	28%	(1,8)	(1,5)	21%
Gross demand (before grid losses)	**13,6**	**13,9**	**-2,0%**	**67,8**	**68,1**	**-0,5%**	**81,4**	**82,0**	**-0,8%**
Adjust. temperature, working days			-1,8%			1,1%			n.a.

Gas Demand (TWh)	Portugal			Spain			Iberian Peninsula		
	1Q11	1Q10	Δ%	1Q11	1Q10	Δ%	1Q11	1Q10	Δ%
Conventional demand	9,4	9,4	0%	80,8	81,0	-0,3%	90,2	90,4	0%
Demand for electricity generation	6,2	4,0	57%	29,9	30,9	-3%	36,2	34,9	4%
Total Demand	**15,6**	**13,4**	**16,8%**	**110,7**	**112,0**	**-1,1%**	**126,3**	**125,3**	**0,8%**

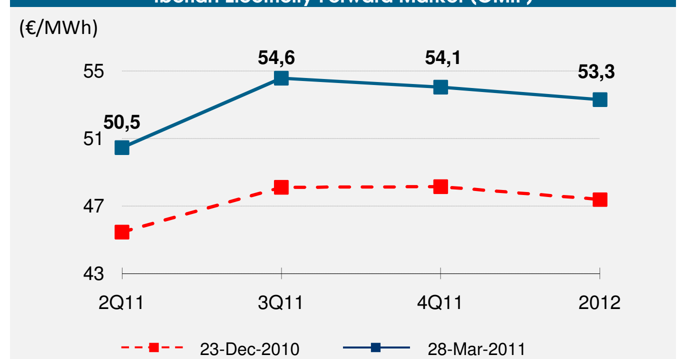
Electricity demand in Iberia declined 0.8% in 1Q11, to 81TWh. In Spain (83% of Iberian total), demand was 0.5% lower YoY due to temperature and calendar effects (adjusted for these, demand grew 1.1%). In Portugal (17% of total), demand declined 2% following lower consumption from the residential and SMEs segments. Notwithstanding the fall in Iberian total demand (-0.6TWh), residual thermal demand rose 19% (4TWh) propelled by: (1) -3.8TWh of net hydro output, supported by lower production factors (1.5x in 1Q10 and 1.1x in 1Q11); (2) -0.7TWh of nuclear output; (3) -0.7TWh of wind output supported by wind resources weaker YoY; and (4) +0.3TWh of net exports. In 1Q11, output from coal plants rose by 70% YoY as coal proved more cost competitive and RDL 1221/2010 came in force, in Feb-11. Coal load factor in Spain rose from 17% in 1Q10 to 31% in 1Q11. In turn, output from CCGTs rose 3% (+0.5TWh) in Iberia, driven by Portugal's (+1.1TWh, on the back of a 0.8GW capacity additions and higher load factors). In Spain, output from CCGTs dropped 4%, on average load factor 5pp lower YoY, at 25%. Thermal installed capacity in Iberia rose 7% YoY reflecting the shutdown of fuel/gasoil capacity (-1.8GW) and the start-up of new CCGT groups (+4.6GW). Wind installed capacity rose by 9% YoY representing 21% of installed capacity in Iberia in Mar-11.

Average electricity spot price in Spain surged 78% YoY in 1Q11, on abnormally low prices in 1Q10 (when hydro/wind resources flooded). On a quarterly basis spot price rose 5% to €45/MWh and forward price curve shifted upwards, both supported by higher fuel costs (gas, coal, CO2) in the wake of Lybian crisis and Fukushima nuclear accident. In 1Q11, Portugal's average pool price was €0.2/MWh higher than in Spain (€45.4/MWh) and Portugal was a net exporter to Spain. Average final price in Spain rose 57% YoY in 1Q11, standing €10.5/MWh ahead of pool price, reflecting the weight of ancillary services and capacity payments in the final price.

In the Iberian gas market, volumes consumed increased 0.8%, backed by a 57% increase in gas consumed for electricity generation purposes, in Portugal. Conventional demand was virtually flat. The gap between the price of CMP index (to which last resort tariffs are partially indexed to) and spot benchmark (based on NBP) was closed and the latter was even 5% ahead the former in 1Q11. As a result, gas supply margins were under further pressure. The rise in NBP price resulted from stronger demand in the period (reflecting a colder winter in Northern Europe and higher demand from Asia). Looking forward, the cost of Iberian LT gas contracts (oil-linked with some lag) should increase as to reflect the rise in brent price.

Installed Capacity in Electricity (GW)	Iberian Peninsula		
	1Q11	1Q10	Δ%
Hydro	21,2	21,2	-
Nuclear	7,5	7,5	-
Coal	12,6	12,6	0,0%
CCGT	28,7	24,1	19%
Fuel/gas/diesel	2,9	4,7	-38%
Conventional Regime	**72,9**	**70,0**	**4,1%**
Wind	24,3	22,3	8,6%
Other special regime	16,9	16,8	0,6%
Special Regime	**41,1**	**39,1**	**5,2%**
Total	**114,0**	**109,1**	**4,5%**

Iberian Electricity Forward Market (OMIP)



Main Drivers	1Q11	1Q10	Δ%
Hydro coeficient (1.0 = avg. year)			
Portugal	1,15	1,52	-24%
Spain	1,06	1,54	-31%
Electricity spot price, €/MWh (1)			
Portugal	45,4	25,2	80%
Spain	45,2	25,4	78%
Electricity final price, €/MWh (1) (2)			
Spain	55,7	35,5	57%
CO_2 allowances (EUA), €/ton (1)	15,3	14,4	6,8%
Coal (API2 CIF ARA), USD/t (1)	91,9	78,4	17%
Gas (CMP Spain), €/MWh (1)	21,6	21,2	1,9%
Gas NBP, €/MWh (1)	22,7	13,8	65%
Brent, USD/bbl (1)	105,1	77,3	36%
EUR/USD (1)	1,37	1,38	-1,1%

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

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

Income Statement (€ m)	1Q11	1Q10	Δ%	Δ Abs.
PPA/CMEC Revenues	**235,4**	**236,4**	**-0,4%**	**-1**
Revenues in the market (i)	260,3	192,7	35%	+68
Annual deviation (ii)	36,2	81,2	-55%	-45
PPAs/CMECs accrued income (iii)	(61,1)	(37,6)	62%	-23
PPA/CMEC Direct Costs	**24,1**	**10,8**	**123%**	**+13**
Coal	32,3	18,4	75%	+14
Fuel oil	1,0	2,1	-54%	-1
CO_2 and other costs (net)	(9,2)	(9,8)	-5,7%	+1
Gross Profit PPA/CMEC	**211,4**	**225,6**	**-6,3%**	**-14**
Thermal (cogen., waste, biomass)	15,2	14,9	2,3%	+0
Mini-hydro	19,5	24,0	-19%	-4
Gross Profit Special Regime	**34,7**	**38,8**	**-11%**	**-4**
Net Operating costs (1)	48,1	50,6	-5%	-3
EBITDA	**197,9**	**213,8**	**-7,5%**	**-16**
Net depreciation and provision	43,9	57,4	-24%	-14
EBIT	**154,0**	**156,4**	**-1,5%**	**-2**
At Fin. Results: Hedging Gains (Losses) (2)	(9,9)	(0,6)	1517%	-9
Employees (#)	1.356	1.432	-5,3%	-76

PPA/CMEC: Key Data	1Q11	1Q10	Δ %	Δ Abs.
Real/Contracted Availability				
Hydro plants	1,02	1,02	-0,1%	-0,0
Thermal plants	1,09	1,09	-0,8%	-0,0
Installed Capacity (MW)	**6.221**	**6.931**	**-10%**	**-710**
Hydro (3)	4.094	4.094	-	-
Coal	1.180	1.180	-	-
Fuel oil	946	1.657	-43%	-710

Special Regime: Key Data	1Q11	1Q10	Δ %	Δ Abs.
Output (GWh)	**680**	**744**	**-8,5%**	**-63**
Mini-hydro Portugal	223	275	-19%	-52
Thermal Portugal	248	239	3,8%	+9
Thermal Spain	208	229	-9,2%	-21
Average Gross Profit (€/MWh)				
Mini-hydro Portugal	87	87	0,1%	+0
Thermal Portugal	29	26	9,0%	+2
Thermal Spain	39	37	3,6%	+1

Capex (€ m)	1Q11	1Q10	Δ %	Δ Abs.
PPA/CMEC Generation	**11,6**	**11,0**	**5,0%**	**+1**
Hydro recurrent	4,3	3,1	40%	+1
Thermal recurrent	2,9	3,0	-3,4%	-0
Non recurrent (environmental)	4,3	4,9	-12%	-1
Special Regime	**2,3**	**1,8**	**26%**	**+0**
Expansion	1,2	1,7	-26%	-0
Maintenance	1,0	0,1	745%	+1
Total	**13,9**	**12,8**	**7,9%**	**+1**

EBITDA from LT contracted generation declined 7.5%, to €198m in 1Q11, mainly reflecting the exclusion of Carregado plant from LT Contracted portfolio after the end of its PPA, in Dec-10 (-€22m). Adjusted for this, EBITDA grew 3%, backed by higher inflation YoY (+€6m on PPA/CMEC).

Gross profit from PPA/CMEC declined 6% YoY to €211m in 1Q11, reflecting the end of PPA of our Carregado fuel oil plant (710MW). Adjusted for this impact (€24m), gross profit rose €10m, supported by higher inflation YoY (+€6m), availability rates steadily above contracted levels (+2% at hydro plants, +9% at thermal plants) and negligible contribution from results with fuel procurement (+€0.1m in 1Q11, -€0.6m in 1Q10). 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 ('revisibility') amounted to €36m in 1Q11, mostly due to thermal plants. The deviation generated at thermal plants in 1Q11 (€50m to be received in up to 24 months through TPA tariffs, paid by all Portuguese electricity consumers) stemmed from very low output and average clean dark spreads short of CMEC's reference. In turn, the deviation generated at our hydro plants was negative by €14m (an amount to paid back the system in up to 24 months) as the (i) higher than average output (resulting from an hydro production factor above the average year, at 1.15x in 1Q11) and (ii) revenues from ancillary services; compensated the negative impact from (iii) average realised prices in the pool short of initial CMEC's reference (€54/MWh(3)).

Gross profit from Special regime declined 11% YoY, to €35m in 1Q11, due to lower output at mini hydro plants (-19% following last year's abnormally high hydro resources). Gross profit from thermal special regime capacity was 2% higher YoY, reflecting higher contribution from Portugal (backed by a 4% volume increase and unit margin 9% higher YoY) and lower contribution from Spain (on lower output).

Net operating costs(1) retreated 5% YoY to €48m mainly impacted by the exclusion of Carregado plant from this portfolio. **Net depreciation charges** and provisions decreased 24% supported by the exclusion of Carregado plant and the extension of the useful life in several plants.

Capex in LT contracted generation amounted €14m in 1Q11, 40% of which devoted to non-recurrent projects. The bulk of investment in non-recurrent projects was devoted in the new DeNox facility at Sines (€4m, 70% of total investment incurred). This project involves an investment of €100m and will be in place in 2H11 and is due to be remunerated under PPA/CMEC system (8.5% ROA before inflation and taxes), being fully depreciated until 2017. The remaining non-recurrent capex (€1.2m) reported to Tudela cogeneration plant (10MW in Spain), on stream since Jan-11.

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

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net); (2) Includes -€7.7m of realised losses in 1Q11 (vs €3.9m gain in 1Q10);
(3) Includes Aguieira and Raiva (360MW), subject to a tolling agreement for a 5-year period, starting in Apr-09.

Liberalised Activities in the Iberian Market

Income Statement (1) (€ m)	1Q11	1Q10	Δ%	Δ Abs.
Gross Profit	**236,4**	**260,4**	**-9,2%**	**-24**
Electricity generation	150,3	181,7	-17%	-31
Portugal	61,1	66,0	-7,3%	-5
Spain	87,4	113,9	-23%	-26
Adjustments	1,7	1,8	-5,5%	-0
Electricity supply	65,6	58,2	13%	+7
Gas supply	20,6	20,6	-0,0%	-0
Net Operating costs (2)	105,4	93,7	12%	+12
EBITDA	**131,0**	**166,7**	**-21%**	**-36**
Provisions	1,1	0,3	297%	+1
Net depreciation and amortisation	56,4	53,1	6%	+3
EBIT	**73,5**	**113,3**	**-35%**	**-40**

Electricity Performance	1Q11	1Q10	Δ%	1Q11	1Q10	Δ%
	Output (GWh)			Variable Cost (€/MWh) (3)		
Generation Output	4.485	3.955	13%	34,6	28,0	23%
Electricity Purchases	8.357	8.012	4,3%	48,9	35,2	39%
Electricity Sources	**12.843**	**11.968**	**7,3%**	**43,9**	**32,9**	**34%**
	Volumes Sold (GWh)			Average Price (€/MWh) (4)		
Grid Losses	334	441	-	n.a.	n.a.	-
Retail - Final clients	7.824	7.553	3,6%	55,3	50,8	8,9%
Wholesale market	4.685	3.974	18%	56,5	45,4	25%
Electricity Uses	**12.843**	**11.968**	**7,3%**	**54,3**	**47,1**	**15%**

Electricity Gross Profit (€ m)	1Q11	1Q10	Δ%	Δ Abs.
Before hedging (€/MWh)	10,4	14,3	-27%	-4
From Hedging (€/MWh) (5)	0,4	0,0	n.m.	+0
Unit margin (€/MWh)	10,9	14,3	-24%	-3
Total Volume (TWh)	12,8	12,0	7,3%	+1
Subtotal	**139,7**	**170,9**	**-18%**	**-31**
Commercial Shared-services (1)	**42,9**	**42,6**	**0,7%**	**+0**
Others (6)	**33,3**	**26,3**	**27%**	**+7**
Total	**215,8**	**239,8**	**-10%**	**-24**

Gas Uses (TWh)	1Q11	1Q10	Δ%	Δ Abs.
Consumed by own power plants	6,8	5,5	24%	+1
Sold to Clients	10,9	9,6	14%	+1
Total	**17,7**	**15,1**	**17%**	**+3**

EBITDA from liberalised activities totalled €131m in 1Q11 following a 21% drop derived from (i) lower unit margins in both electricity and gas, and (ii) higher costs stemming from new capacity on stream and from the implementation of RD14/2010 (measures to reduce tariff deficit) in Spain. **Gross profit** from liberalised activities was 9% (-€24m) lower in 1Q11, driven by lower gross profit in electricity, on higher sourcing costs, lower arbitrage opportunities and lower revenues from ancillary services.

In the electricity business, gross profit was €24m lower YoY, as lower unit margins earned (-€3.4/MWh to €11/MWh) mitigated the positive impact from higher volume sold (+7% YoY) and higher revenues from capacity payments (backed by new capacity on stream in Spain and the first time attribution in Portugal, as from 1-Jan-11). Volumes supplied to clients were 1.7x our output (vs. 1.9x in 1Q10) following (i) a significant deceleration in growth of sales to clients, in the wake of increasing competition; and (ii) higher cost of electricity purchases.

Volumes: Total volume sold reached 13TWh in 1Q11 (+7% YoY), driven by (i) higher volumes sold in the wholesale market (+18% YoY), reflecting higher pool prices and (ii) higher sales to retail clients (+4%). As a result of the faster increase in 1Q11 pool prices (+5% QoQ) vis-a-vis the cost of our own generation (+2% QoQ), arbitrage opportunities were scarcer and the respective gains were lower. Generation output rose 13% YoY, to 4.5TWh, driven by CCGTs (+20%) and coal (+42% reflecting a longer than expected outage of Aboño's in 1Q10). In turn, electricity pool purchases were 4% higher YoY.

Unit margin (3)(4): Average spread achieved in electricity business reached €11/MWh (-24% YoY) in 1Q11, reflecting the terms forward contracted (and previously disclosed), lower gains with arbitrage opportunities and lower revenues in ancillary services following last year's abnormal 1Q10 (backed by very strong wind resources). The average sourcing cost rose 34% propelled by (i) higher generation costs (+23%) due to the lower weight of hydro in the generation mix, coupled with higher cost from coal, gas and, particularly, CO_2 deficit; and (ii) higher cost of electricity purchases (+39% YoY), driven by higher prices in the pool (+78% YoY). The average selling price advanced 15% YoY reflecting higher selling prices to retail clients (+9%) and higher prices realised in the wholesale market (+25%, reflecting the mixed impact from higher pool prices and lower revenues from ancillary services).

For 2011, EDP has already forward contracted with clients 24TWh at prices around €50/MWh. Additionally, 85% of expected output (excluding production based on Spanish coal, under RD1221/10 regime) has already forward contracted costs with an average clean thermal spread (including CO_2 free allowances) over €10/MWh.

Our **gas sourcing activity** in 2011 is based on an annual 4.3bcm portfolio of long term contracts. Our consumption of gas rose 17% YoY in 1Q11, to 18TWh (1.5bcm), mainly driven by higher consumption at our power plants.

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

Liberalised Electricity Generation in the Iberian Market

Income Statement (€ m)	1Q11	1Q10	Δ%	Δ Abs.
Gross Profit	**150,3**	**181,7**	**-17%**	**-31**
Portugal	61,1	66,0	-7,3%	-5
Spain	87,4	113,9	-23%	-26
Adjustments	1,7	1,8	-5,5%	-0
Supplies and services	14,2	14,8	-4,0%	-1
Personnel costs	10,0	9,0	12%	+1
Costs with social benefits	0,4	0,4	4,2%	+0
Other operating costs (net)	11,5	6,8	68%	+5
Net Operating costs (1)	**36,2**	**31,0**	**17%**	**+5**
EBITDA	**114,1**	**150,6**	**-24%**	**-37**
Provisions	(2,0)	0,4	-	-2
Net deprec. and amortisation	52,2	48,3	8,0%	+4
EBIT	**63,9**	**101,9**	**-37%**	**-38**
Employees (#)	**769**	**783**	**-1,8%**	**-14**

Key Operating Data	1Q11	1Q10	Δ%	Δ Abs.
Generation Output (GWh)	**4.485**	**3.955**	**13%**	**+530**
CCGT	2.341	1.959	20%	+382
Coal	1.048	737	42%	+311
Hydro	783	957	-18%	-174
Nuclear	313	303	3,4%	+10
Generation Costs (€/MWh) (2)	**34,6**	**28,0**	**23%**	**+6,6**
CCGT	51,9	47,7	9%	+4,2
Coal	31,1	22,3	39%	+8,8
Hydro	0,0	-	-	+0,0
Nuclear	3,6	3,4	7,8%	+0,3
Load Factors (%)				
CCGT	29%	28%	-	1p.p.
Coal	33%	23%	-	10p.p.
Hydro	40%	49%	-	-9p.p.
Nuclear	93%	90%	-	3p.p.
CO_2 Emissions (mn tones)				
Total emissions (3)	2,3	1,8	30%	+1
Free allowances (3)	2,7	2,5	9,5%	+0

Capex (€ m)	1Q11	1Q10	Δ%	Δ Abs.
Expansion	**41,2**	**35,9**	**15%**	**+5**
CCGT	-	15,8	-	-16
Hydro	41,2	20,0	106%	+21
Maintenance	**5,5**	**18,2**	**-70%**	**-13**
Recurrent	5,5	17,9	-69%	-12
Non recurrent (environmental)	-	0,3	-	-0
Total	**46,7**	**54,0**	**-14%**	**-7**

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

The output from our own generation plants rose 13% YoY, to 4.5TWh in 1Q11, reflecting a very weak comparison basis. Note that in 1Q10 pool prices were very low (€25/MWh) vis-à-vis the cost of our own generation, whereby we made use of our generation portfolio flexibility by meeting a larger portion of our needs in the supply activities through electricity purchases in the pool in that quarter. The YoY increase of output from our merchant portfolio in 1Q11 was backed by higher output from CCGT and coal plants. **Average production cost advanced to €35/MWh** (+23% YoY) in 1Q11, mainly supported by higher contribution from CCGT/coal to the generation mix and higher CO_2 costs.

<u>CCGTs:</u> **Output** rose by 20% YoY, to 2.3TWh in 1Q11, reflecting higher installed capacity and an average load factor 1pp higher YoY, at 29%. Installed capacity rose 14% YoY to 3.7GW in Mar-11, reflecting the start up of commercial operations at Soto 5 in Dec-10 (428MW in Spain). Average load factors in Portugal (33%) were higher than in Spain (24% in line with Spain's average). **Average production cost** advanced 9% in 1Q11, reflecting higher average gas cost. As from Jan-11, our CCGT plants in Portugal (2,039MW) are also entitled to receive capacity payments (€20/kW/year for 10 years).

<u>Coal:</u> **Output** rose 42% YoY, to 1.0TWh in 1Q11, reflecting the longer than expected outage at our Aboño plant in 1Q10. Average load factor was 10pp higher YoY, at 33% in 1Q11, consistently beating the Spanish average (31%) in the wake of its higher efficiency and favourable location. Since Feb 26, 2011, our Soto 3 plant is producing electricity under the conditions of RD 1221/2010, which results in an 1.3TWh/year margin-guaranteed production. Our **average production cost** reached €31/MWh (+39% YoY), driven by higher coal prices.
In 1Q11 volumes sold in the complementary markets were 26% lower YoY, at 0.9TWh, reflecting a very strong comparison basis. Note that in 1Q10, abnormally high wind resources required more backup capacity.

Total emissions of CO_2 rose 30% YoY in 1Q11, in line with higher coal and CCGT output. Even so, total emissions fell 13% short of free allowances attributable for the period.

<u>Hydro & Nuclear:</u> Hydro output was 18% lower YoY, supported by an extreme rainy weather in 1Q10. In turn, nuclear output was 3% higher YoY backed by an average load factor 3p.p. higher, at 93%.

Net operating costs(1) advanced to €36m (+17% YoY) mainly driven by higher costs related to the implementation of RD 14/2010 in Spain (+€5m). **Net depreciation charges** rose 8%, driven by new capacity on stream.

Capex in liberalised generation amounted €47m, 88% of which (or €41m) reporting to the development of new hydro capacity. The bulk of capex in new hydro capacity reported to projects under construction: 5 hydro plant repowerings (Picote II, Bemposta II, Alqueva II, Venda Nova III, Salamonde II) and 3 new hydro plants (Baixo Sabor, Ribeiradio and Foz Tua), due in 2011/15. The first plants to come on stream will be Picote II (246MW) and Bemposta II (191MW) in the end of 2011. A third project (Alqueva II with 256MW) will be on stream in mid 2012. **Maintenance** capex totalled €6m in 1Q11.

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

Liberalised Electricity and Gas Supply in the Iberian Market

Income Statement (1) (€ m)	Electricity Supply			
	1Q11	1Q10	Δ%	
Gross Profit	**65,6**	**58,2**	**13%**	**+7**
Supplies and services	41,3	41,1	0,4%	+0
Personnel costs	11,9	11,6	3,3%	+0
Costs with social benefits	1,5	1,4	5,1%	+0
Other operating costs (net)	5,4	1,0	452%	+4
Net Operating costs (2)	**60,0**	**55,0**	**9%**	**+5**
EBITDA	**5,5**	**3,1**	**77%**	**+2**
Provisions	3,2	-0,1	-	+3
Net depreciation and amortization	4,0	4,6	-14%	-1
EBIT	**(1,6)**	**-1,4**	**17%**	**-0**

Income Statement (€ m)	Gas Supply			
	1Q11	1Q10	Δ%	Δ Abs.
Gross Profit	**20,6**	**20,6**	**0,0%**	**-0**
Supplies and services	5,0	5,6	-10%	-1
Personnel costs	0,7	0,9	-15%	-0
Costs with social benefits	0,0	0,0	24,5%	+0
Other operating costs (net)	3,3	1,1	197%	+2
Net Operating costs (2)	**9,1**	**7,6**	**20%**	**+2**
EBITDA	**11,5**	**13,0**	**-12%**	**-2**
Provisions	0,0	0,0	-	-
Net depreciation and amortization	0,2	0,1	43%	+0
EBIT	**11,3**	**12,8**	**-12%**	**-2**

Key data	1Q11	1Q10	Δ%	Δ Abs.
Electricity in Portugal				
Volume Sold (GWh)	2.189	2.031	7,8%	+159
Market Share (%)	43%	54%	-	-12 p.p.
Avg. Selling Price (€/MWh)	53,2	53,2	0,1%	+0
Number Clients (th.)	308	273	13%	+35
Electricity in Spain				
Free market				
Volume Sold (GWh)	5.303	5.077	4,5%	+227
Market Share (%)	12%	12%	-	1 p.p.
Avg. Selling Price (€/MWh)	56,5	52,5	7,6%	+4
Number Clients (th.)	670	548	22%	+122
Last resort supply				
Volume Sold (GWh)	274	374	-27%	-99
Number Clients (th.)	347	412	-16%	-65
Gas in Spain & Portugal				
Spain - Volume Sold (GWh)	8.631	8.567	0,7%	64
Spain - Market Share (%)	11%	11%	-	0 p.p.
Portugal - Volume Sold (GWh)	2.232	998	124%	1.234
Portugal - Market Share (3) (%)	29%	21%	-	8 p.p.
Avg. Gross Margin (€/MWh)	0,8	0,6	26%	+0
Number Clients (th.)	813	825	-1,4%	-12
Capex (Electricity & Gas, Iberia) (€m)	**2,4**	**1,3**	**84%**	**+1**
Employees (Electricity & Gas, Iberia)	**999**	**954**	**4,7%**	**+45**

Our subsidiaries operating in electricity and gas liberalised supply have intra-group electricity and gas procurement contracts with other companies of the group. In line with increasing liberalisation in Portugal, EDP Soluções Comerciais (our commercial shared-service platform in Portugal) is now included in the consolidation perimeter of electricity supply in 2011 and 2010. EBITDA contribution totalled €5.1m in 1Q10, €7.3m in 1Q11.

Portugal Electricity Supply – Volumes supplied to EDP clients in the free market increased by 8% YoY, to 2.2TWh in 1Q11. Having said this, volume sold in 1Q11 was 5% lower QoQ due to tough competition in the free market, unattractive market conditions in the residential segment vis-a-vis regulated tariffs and EDP's focus in the most attractive segments. EDP's market share reached 43% in 1Q11, backed by higher exposure to smaller clients (as reflected in the 13% YoY expansion of clients portfolio). **Average selling price** in retail was virtually flat YoY, at €53.2/MWh in 1Q11.

Spain Electricity Supply – Volumes supplied to our clients in the free market rose 4% YoY backed by a wider client portfolio (+14%). Market share reached 12% reflecting EDP's ability to keep a share in the supply market the double of its share in generation. Note that as a result of our strategy to focus on the most attractive segments/clients, our portfolio of clients expanded 3% QoQ and volumes supplied retreated 5% QoQ. **Average selling price** advanced to €57/MWh in 1Q11 (+8% YoY), resulting in lower unit margins.

Spain & Portugal Gas Supply – Volumes supplied in **Spain** were almost unchanged YoY, at 8.6TWh, but fell 6% short of 4Q11, reflecting a share in the market of 11% and tough market environment. In **Portugal**, volumes supplied in 1Q11 reached 2.2TWh in 1Q11, rising 124% YoY but falling 3% short of 4Q10. **Average unit gross margin** stood at €0.8/MWh in 1Q11, reflecting unfavourable market conditions and the impact from low CMP gas sourcing cost priced in 1Q11 last resort tariffs in Spain.

Net operating costs(2) in electricity and gas supply activities rose €5m and €2m, to €60m and €9m, respectively, reflecting increasing activity.

Prospects:

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

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

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

EDP Renováveis: Financial Performance

Income Statement	EDP Renováveis (€ m) 1Q11	1Q10	Δ %	Δ Abs.
Gross Profit	**254,2**	**219,2**	**16%**	**35,0**
Supplies and services	55,1	42,5	29%	12,5
Personnel costs	12,1	13,3	-8,7%	(1,2)
Other operating costs (net)	(33,1)	(21,1)	57%	(12,0)
Net Operating Costs (1)	**34,0**	**34,7**	**-1,8%**	**-0,6**
EBITDA	**220,1**	**184,5**	**19%**	**35,6**
Provisions	(0,3)	(0,0)	-	(0,3)
Net Deprec. & amortisation	119,1	94,0	27%	25,2
EBIT	**101,3**	**90,6**	**12%**	**10,7**
Capital gains/(losses)	-	-	-	-
Financial Results	(38,4)	(29,9)	28%	(8,5)
Results from associates	3,0	2,0	-	1,0
Pre-tax profit	**65,9**	**62,7**	**5,1%**	**3,2**
Income taxes	14,7	17,5	-16%	(2,8)
Discontinued Activities	-	-	-	-
Profit for the period	51,1	45,2	13%	6,0
Equity holders of EDPR	**49,2**	**42,6**	**16%**	**6,6**
Non-controlling interests	2,0	2,6	-25%	(0,7)

Operational Overview	1Q11	1Q10	Δ %
Installed Capacity (MW)	**6.625**	**5.567**	**19%**
Europe	3.388	2.930	16%
USA	3.224	2.624	23%
Brazil	14	14	0,0%
Output (GWh)	**4.421**	**3.639**	**21%**
Europe	1.985	1.856	7,0%
USA	2.430	1.777	37%
Brazil	6	6	-10%
Avg. Load Factor (%)	**33%**	**33%**	**0 pp**
Avg. Elect. Price (€/MWh)	**57,9**	**59,9**	**-3,3%**
EBITDA (€m)	**220,1**	**184,5**	**19%**
Europe	140,6	129,6	8,5%
USA	79,9	58,9	36%
Other & Adjustments	(0,4)	(4,0)	-89%
EBIT (€m)	**101,3**	**90,6**	**12%**
Europe	81,5	84,3	-3,3%
USA	21,1	10,9	93%
Other & Adjustments	(1,4)	(4,6)	-71%
Capex (€m) (2)	**190,4**	**382,0**	**-50%**
Europe	100,3	166,4	-40%
USA	26,6	199,5	-87%
Brazil	61,5	12,6	389%

EDPR Equity Market Data	1Q11	1Q10	Δ %
Share price at end of period (€/share)	5,07	5,79	-12%
Number of Shares Issued (million)	872,3	872,3	-
Stake Owned by EDP (%)	77,5%	77,5%	-

EDPR Key Balance Sheet Figures (€ m)	1Q11	1Q10	Δ %
Bank Loans and Other (net)	467,4	130,3	259%
Loans with EDP companies (net)	2.608,6	2.448,6	6,5%
Net Financial Debt	**3.076,0**	**2.578,9**	**19%**
Non-controlling interests	**128,3**	**122,2**	**5,0%**
Net Institutional Partnership Liability (3)	**886,8**	**1.436,3**	**-38,3%**
Equity Book Value	**5.318,8**	**5.386,8**	**-1,3%**
EUR/USD - End of Period Rate	1,42	1,35	-5,4%

EDPR Financial Results (€ m)	1Q11	1Q10	Δ %
Net Interest Costs	(44,5)	(31,3)	-42%
Institutional Partnership costs (non-cash)	(15,5)	(15,9)	2,1%
Capitalised Costs	14,8	14,8	-0,1%
Forex Differences	9,0	5,9	54%
Other	(2,2)	(3,4)	34%
Financial Results	**(38,4)**	**(29,9)**	**-28%**

EDPR Operating Data	1Q11	1Q10	Δ %
Employees (#)	852	760	12%
Opex / Avg. MW in Operation (€ th) (5)	41,1	45,1	-8,9%

EDP Renováveis (EDPR) owns and operates all wind power assets of EDP Group (wind farms in operation in 8 countries) and develops projects for potential wind farms (in 11 countries). The two main markets in which EDPR operates are USA (36% of EBITDA in 1Q11) and Spain (38%). Other markets include Portugal (15% of EDPR's 1Q11 EBITDA), France, Poland, Romania, Belgium and Brazil (the latter 5 representing 11% of EDPR's EBITDA).

EDPR's EBITDA increased +19% (+€36m) to €220m in 1Q11, in line with the 19% YoY increase of installed capacity to 6,625MW by Mar-11. The main drivers of EBITDA growth were: (1) **US (EBITDA +€21m YoY**, including a +€1m impact from forex) reflecting 600MW of new additions (57% of capacity additions), higher avg. load factor (+4pp to 35%) and lower avg. selling price (both in PPA and merchant segments); (2) **European markets ex Iberia (EBITDA +€11m YoY)** backed by capacity additions of 218MW (21% of total added), following the start up of operations in in Romania and Poland (the latter already with selling prices above the portfolio's average). **EBITDA in Spain rose +€4m YoY** (including hedging results in energy markets), following 236MW of new capacity (22% of total additions), partially compensated by lower avg. load factor (-4pp on abnormally strong 1Q10).

Net depreciation and amortization rose +27% (+€25m) reflecting portfolio expansion. Overall, **EDPR EBIT rose 12% YoY (+€11m) to €101m.**

Following the investment in new capacity, **EDPR's net debt rose 19% YoY (+€0.5bn) to €3.1bn by Mar-11**, slightly benefiting from the 5.4% depreciation of USD vs. EUR. By Mar-11, 41% of EDPR's debt was USD denominated, as a result of the Group's strategy to fund operations in local currency. Intra-group loans granted by EDP (84% of net debt) are contracted at fixed rates for 10 years. The bulk of EDPR's debt contracted with entities out of EDP Group refers to project finance long-term funding in Spain and Poland while EDPR continues monitoring opportunities in project finance market in Romania, Poland and Brazil, all in local currency. Avg. gross debt rose from €2.7bn in 1Q10 to €3.4bn in 1Q11 while avg. interest cost rose from 4.9% in 1Q10 to 5.4% in 1Q11, following higher cost on new funding contracted, which justifies the **+42% YoY (+€13m) increase of net interest costs to €45m**. Liabilities with Institutional partnerships in US fell to €887m by Mar-11 mainly due to tax equity partners continuing to receive the tax benefits associated to our wind farms operations (namely PTCs and MACRs) and forex impact. EDPR pre-tax profit rose +5% (+€3m). Following a decline in effective tax rate from 28% in 1Q10 to 22% in 1Q11 and +€0.6m increase of non controlling interests, **EDPR net profit rose 16% (+€7m) YoY to €49m in 1Q11.**

Note that in April 2011, EDP paid €231m for the increase of its equity stake from 80% to 100% at Genesa, a sub-holding which had 1.7GW of installed capacity in Spain by Dec-10. Also in April, EDPR sold its 16.67% equity stake in a 74MW wind farm in Spain by €10.7m (€24.5m EV) which should result in an capital gain of €6.6m after-tax to be booked in 2Q11.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net). (2) Includes Capex from EDPR SA

(3) Net of deferred revenue and restricted cash. (4) Supplies and services, personnel costs and other operating costs. (5) Annualized figures

EDP Renováveis: US & Spain

US	1Q11	1Q10	Δ %	Δ Abs.
Installed capacity (MW)	**3.224**	**2.624**	**23%**	**600**
Under PTC	2.024	2.024	0,0%	0
Under cash grant flip	401	202	99%	200
Under cash grant	799	398	101%	401
Avg. Load Factor (%)	35%	31%	-	4 pp
Avg. Final Selling Price (USD/MWh)	45,9	49,2	-6,6%	-3,3
USD/EUR - Avg. of period rate	1,37	1,38	-1,1%	-0,01
PPA's/Hedged				
Installed Capacity (MW) (1)	2.459	1.888	30%	571
Electricity Output (GWh)	1.695	1.273	33%	422
Avg. Final Selling Price (USD/MWh)	50,4	53,8	-6,2%	-3,3
Merchant				
Installed Capacity (MW) (1)	764	735	3,9%	29
Electricity Output (GWh)	735	504	46%	231
Avg. Final Selling Price (USD/MWh)	32,6	38,0	-14%	-5,4
Gross Profit (USD m)	110	87	27%	23
PTC Revenues & Other (USD m)	41	32	28%	9
Adjusted Gross Profit (USD m)	**152**	**119**	**27%**	**32**
EBITDA (USD m)	**109**	**81**	**34%**	**28**
EBIT (USD m)	29	15	91%	14
Net Capex (USD m)	**36**	**276**	**-87%**	**-239**
Gross Capex	37	276	-87%	-239
Cash grant received	(1)	-	-	-1
Capacity under construction (MW)	**99**	**398**	**-75%**	**-299**

Spain	1Q11	1Q10	Δ %	Δ Abs.
Installed capacity (MW)	**2.158**	**1.923**	**12%**	**236**
Avg. Load Factor (%)	30%	34%	-	-4 pp
Avg. achieved pool price (€/MWh)	43,2	23,2	86%	20,0
Avg. final selling price (€/MWh)	81,6	76,4	6,8%	5,2
Capacity under Transitory Regime				
Installed capacity (MW)	1.153	1.153	0,0%	0
Electricity output (GWh)	740	875	-15%	-134
Capacity under RD 661/2007				
Installed capacity (MW)	1.005	770	31%	235
Electricity output (GWh)	532	344	55%	188
Hedging Results (€m)	**0,0**	**8,7**	**-100%**	**-9**
Gross Profit (€m) (2)	103	93	11%	10
EBITDA (€m) (2)	**83**	**79**	**4,8%**	**4**
EBIT (€m) (2)	44	48	-8,5%	-4
Capex (€m)	**30**	**47**	**-37%**	**-17**
Capacity under construction (MW)	**92**	**308**	**-70%**	**-216**

In US, installed capacity rose 600MW (+23%) YoY, following the completion in 2010 of (1) **Meadow Lake II+III+IV** (301MW in Indiana State, power currently sold in PJM market and already partially contracted to be sold through PPA from 2012 onwards, fiscal incentives received through a cash flip deal for 100MW and through cash grant for 200MW); (2) **Top Crop II** (198MW in Illinois State power fully sold through PPA, fiscal incentives received through cash grant) and (3) **Kitittas Valley** (101MW in Washington State, power currently sold in WECC market, fiscal incentives received through a cash flip deal). **Avg. load factor** in 1Q11 was 35%, 4pp ahead of 31% achieved in 1Q10 but still below normalized levels, namely for wind farms in the regions of PJM and MISO power markets. **Average selling price** (excluding revenues from fiscal incentives such as PTCs) for energy sold through PPA/Hedged fell 6% YoY to USD50/MWh, given new PPA contracts for 200MW, with a lower starting price but higher price updates over the lifetime of the contract and lower curtailment revenues in ERCOT market. Average selling price in merchant power markets fell 14% YoY reflecting lower market prices in the regions in which we sell our production. Overall, avg. selling price in US fell 7% YoY to USD45.9/MWh. In 1Q11, adjusted gross profit (including revenues from PTCs) rose +USD32m, EBITDA rose +USD28m, and EBIT rose +USD14m YoY. By Mar-11, EDPR had 99MW under construction related to Timber Road II wind farm in Ohio (PJM), with a 20-year PPA already contracted. In Dec-10, the US government extended the fiscal incentive cash grant option for wind power projects which start construction before 2011 year end as long as placed in service until 2012 year end.

In Spain, our wind farms are remunerated under two regimes (1) the transitory regime, applied to wind farms that started operations before 2008, receive a unit tariff resulting from the sum of the price achieved in the pool + a fixed premium of €38.3/MWh. In the beginning of 2013 wind farms under transitory regime will be transferred to the RD 661/2007 regime; (2) the RD 661/2007 regime, applied to all wind farms that started operations since 2008, has two tariff options: (a) avg. price achieved in the pool + a premium (€20.1/MWh until Dec-12 and €30.9/MWh afterwards) with a cap (€91.7/MWh) and a floor (€76.9/MWh). The other option (b) is a fixed tariff of €79.1/MWh. All tariffs set by RD661/2007 (including cap, floor & premium) are updated at CPI-x and guaranteed for 20 years. EDPR is currently moving its installed capacity remunerated under RD661/2007 from the cap & floor option to the fixed tariff option, which is more attractive under current market conditions (around 50% of RD661/2007 capacity in each option in 1Q11).

In 1Q11, EDPR EBITDA in Spain, including hedging results, rose €4m (+5%) to €83m and EBIT fell €4m (-8%) to €44m. EDPR expanded its portfolio in Spain by 235MW YoY (+12%), 109MW of which in 1Q11. The avg. price achieved in the pool rose 86% YoY to €43.2/MWh in 1Q11 (€2.0/MWh below the avg. pool price due to the normal concentration of wind production in off-peak hours), reflecting the abnormally low price in 1Q10 (€23.2/MWh) resulting from very strong hydro and wind power production. The increase in pool price lead to a 27% increase of avg. selling price for capacity under transitory regime to €85.6/MWh. In order to limit revenues' exposure to pool price short term volatility, EDPR sells in forward market volumes equivalent to part of the expected production under transitory regime. For 1Q11, EDPR had previously sold in forward markets 484GWh at a price of €44.5/MWh, which became fully in line with avg. pool price in 1Q11, so with a neutral impact in 1Q11 results (€0.0m result in 1Q11 vs. a €9m hedging gain in 1Q10). Avg. selling price for capacity under RD661/2007 was €79/MWh, slightly above the floor in cap & floor option and in line with the fixed tariff option. Overall, avg. selling price in Spain, including hedging results rose 7% to €81.6/MWh, offsetting the decline of avg. load factor due to abnormally high levels in 1Q10 versus more normalized levels in 1Q11.

Going forward, EDPR has already sold forward 0.8TWh of power in Spain for the rest of 2011 at an avg. price of €44/MWh and 0.9TWh (around 30% of transitory regime expected output) for 2012 at an avg. price of €51/MWh. EDPR has currently 92MW under construction in Spain.

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

(2) Includes hedging results in energy markets

EDP Renováveis: Portugal, Rest of Europe & Brazil

Portugal	1Q11	1Q10	Δ %	Δ Abs.
Installed capacity (MW)	**599**	**595**	**0,7%**	**4**
Avg. Load Factor (%)	31%	36%	-	-6 pp
Electricity Output (GWh)	395	448	-12%	-53
Avg. Final Selling Price (€/MWh)	102	99	2,4%	2
Gross Profit (€m)	40	45	-10%	-5
EBITDA (€m)	**34**	**39**	**-13%**	**-5**
EBIT (€m)	25	30	-16%	-5
Capex (€m)	**0**	**2**	**-91%**	**-2**
Capacity under construction (MW)	**0**	**0**	**-**	**0**
ENEOP Installed capacity (MW) (1)	239	101	137%	138

Rest of Europe (2)	1Q11	1Q10	Δ %	Δ Abs.
France & Belgium				
Installed Capacity (MW)	341	292	17%	49
Avg. Load Factor (%)	28%	31%	-	-3 pp
Electricity Output (GWh)	207	176	18%	31
Avg. Final Selling Price (€/MWh)	89,7	90,4	-0,8%	-1
Poland				
Installed Capacity (MW)	130	120	8,3%	10
Avg. Load Factor (%)	29%	-	-	-
Electricity Output (GWh)	76	14	455%	62
Avg. Final Selling Price (PLN/MWh)	442	-	-	-
EUR/PLN - Avg. of period rate	3,95	-	-	-
Romania				
Installed Capacity (MW)	159	0	-	159
Avg. Load Factor (%)	23%	-	-	-
Electricity Output (GWh)	35	0	-	35
Avg. Final Selling Price (RON/MWh)	325	-	-	-
EUR/RON - Avg. of period rate	4,22	-	-	-
Gross Profit (€ m)	30	17	78%	13
EBITDA (€ m)	**23**	**12**	**85%**	**11**
EBIT (€ m)	12	8	62%	5
Capex (€m)	**71**	**118**	**-40%**	**-47**
Capacity under construction (MW)	**142**	**265**	**-47%**	**-123**

Brazil	1Q11	1Q10	Δ %	Δ Abs.
Installed Capacity (MW)	**14**	**14**	**0,0%**	**0**
Avg. Load Factor (%)	19%	21%	-	-2 pp
Electricity Output (GWh)	6	6	-10%	-1
Avg. Final Selling Price (R$/MWh)	263	235	12%	29
EUR/BRL - Average of period rate	2,28	2,49	-8,5%	-0,21
Gross Profit (R$ m)	1	1	0,5%	0
EBITDA (R$ m)	**(1)**	**(0)**	**-270%**	**-1**
EBIT (R$ m)	(2)	(1)	-68%	-1
Capex (R$ m)	**140**	**31**	**348%**	**109**
Capacity under construction (MW)	**70**	**70**	**0,0%**	**0**

In Portugal, avg. load factor fell to a more normalized level of 31% in 1Q11 (wind power production index down from 1.29x in 1Q10 to 1.04x in 1Q11) implying a 12% YoY decline in production, while avg. tariff rose 2% due to updates to inflation in the period. Wind power tariffs in Portugal are updated to inflation and set for 15 years. Overall EBITDA was €34m in 1Q11, a €5m YoY decrease similar also at gross profit and EBIT levels.
Still in Portugal, EDPR holds an equity stake in ENEOP consortium (equity method consolidated by EDPR) which has a license to build wind power capacity of 1,200MW (480MW attributable to EDPR) expected to be fully operational by Dec-12. ENEOP's wind farms are remunerated at a tariff lower than the older wind farms (avg. tariff of €73.5/MWh in 1Q11) being also updated to inflation and fixed for 15 years. By Mar-11, ENEOP had an installed capacity of 598MW (239 MW attributable to EDPR) and 145MW under construction (58MW attributable to EDPR).

In European markets out of Iberia, EBITDA rose +€11m YoY (+85%) to €23m and EBIT rose +€5m to €12m.

In France, our capacity increased 49MW between Mar-10 and Dec-10, and currently there is no capacity under construction. Wind power in France is sold through fixed tariffs updated in line with inflation for 15 years. In 1Q11, EDPR avg. tariff in France was €85.9/MWh (+0.7% YoY). **In Belgium,** our 57MW wind farm sells its power through a 5 year PPA (2014 maturity) at an avg. selling price at €112/MWh and EDPR is currently building a new 13MW wind farm.

In Poland, our 120MW Margonin wind farm has now more than 12 months of full operation and in 1Q11 continued showing a better than expected load factor. Power produced by EDPR in Poland is currently sold in spot market (avg. Polish baseload spot price was PLN198.7/MWh in 1Q11, +5% YoY) and EDPR has a long term contract for 15 years for the sale of the green certificates equivalent to Margonin expected production (in Poland, the penalty to local utilities for non delivering the green certificates requested by the law is fixed at PLN274.9/MWh for 2011). Note that Margonin wind farm was funded in local currency through a PLN535m 15 year project finance loan contracted in 4Q10 with a consortium headed by EIB and EBRD. Additionally, in 1Q11 EDPR installed more 10MW in Poland and by Mar-11 had more 60MW capacity in construction stage (Korsze wind farm) which has already a PPA signed for 10 years.

In Romania, EDPR installed its first wind farm (Pestera, 90MW) in Dec-11. Additionally in 1Q11 EDPR installed the first stage of the Cerdanova wind farm (69MW) while the second stage (more 69MW) was still under construction by Mar-11. In Romania, EDPR sells its wind power production in the market receiving also green certificates (GCs) per MWh produced. In 2010 the Romanian government approved the entitlement to wind producers of 2 GCs per MWh produced until 2017, with the price of GCs having a floor (€27.6) and a cap (€56.2) set in Euros. Given that this entitlement to 2 GCs per MWh is still in under implementation (expected to occur still in 2011), in 1Q11 EDPR still received just 1 GC per MWh produced. This fact added to the preliminary trial period of the recently installed wind farms justify the avg. selling price of RON325/MWh in 1Q11, which is still below normalized levels.

In Brazil, EDPR's 14MW capacity had a abnormally low load factor in 1Q11, which together with the early stage and still low scale of EDPR's operations in Brazil justify the marginally negative EBITDA in 1Q11. EDPR is building the Tramandaí wind farm (70MW) expected to start operations in 2Q11 and which was already funded in local currency.

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

Electricity Distribution and Last Resort Supply in Portugal

Income Statement (€ m)	1Q11	1Q10	Δ %	Δ Abs.
Gross Profit	**330,3**	**341,4**	**-3,2%**	**-11**
Supplies and services	78,8	80,1	-1,6%	-1
Personnel costs	31,5	35,7	-12%	-4
Costs with social benefits	18,6	20,1	-7,8%	-2
Concession fees	60,6	59,6	1,6%	+1
Other operating costs (net)	(2,7)	(1,0)	-163%	-2
Net Operating Costs (1)	**186,7**	**194,5**	**-4,0%**	**-8**
EBITDA	**143,5**	**146,9**	**-2,3%**	**-3**
Provisions	6,9	0,4	1621%	+6
Net depreciation and amortisation	59,7	59,8	-0,2%	-0
EBIT	**77,0**	**86,6**	**-11%**	**-10**

Gross Profit Performance	1Q11	1Q10	Δ %	Δ Abs.
Gross Profit (€m)	**330,3**	**341,4**	**-3,2%**	**-11**
Regulated gross profit - current period	327,7	340,0	-3,6%	-12
Non-regulated gross profit	2,6	1,4	90%	+1
Distribution Grid				
Reg. revenues - current period (€ m)	302,0	312,8	-3,4%	-11
Electricity distributed (GWh)	12.208	12.241	-0,3%	-34
Clients connected (th)	6.147,8	6.126,1	0,4%	+22
Last Resort Supply				
Reg. revenues - current period (€ m)	26,2	27,8	-5,7%	-2
Clients supplied (th)	5.787,3	5.828,4	-0,7%	-41
Electricity sold (GWh)	7.084	8.501	-17%	-1.417
Wholesale procurement price (€/MWh)	56,2	42,9	31%	+13
Regulatory Receivables (€ m)				
Beginning of Period	**188,4**	**(508,9)**	**-**	**+697**
Previous periods tariff deviations (2)	22,0	127,3	-83%	-105
Tariff deviation in the period	325,3	80,3	305%	+245
Other (3)	1,6	(3,3)	-	+5
End of Period	**537,2**	**(304,6)**	**-**	**+842**

Capex & Opex Performance	1Q11	1Q10	Δ %	Δ Abs.
Controllable Operating Costs (4)	**110,3**	**115,8**	**-4,8%**	**-6**
Cont. costs/client (€/client)	17,9	18,9	-5,1%	-1
Cont. costs/km of network (€/Km)	499,1	527,9	-5,5%	-29
Employees (#)	3.623	3.756	-3,5%	-133
Capex (Net of Subsidies) (€m)	**51,5**	**46,7**	**10%**	**+5**
Network ('000 Km)	220,9	219,3	0,8%	+2
Equivalent interruption time (min.) (5)	21	42	-50%	-21

EBITDA from electricity distribution and last resort supply activities in Portugal in 1Q11 decreased 2% YoY to €144m, as a result of lower regulated revenues (-€12m) mostly due to a decrease in consumption and low GDP deflator (0.5% in 2011 tariffs referent to the 12 month ending in Jun-10), which were partially offset by a decline in the net operating costs (-€8m) following a decrease of personnel costs as a consequence of a lower headcount. EBIT fell 11% or €10m YoY, following an one-off increase of provisions (+€6m) derived from legal costs.

In Dec-10, ERSE defined an 8.56% rate of return for the regulated activities for 2011 (8.39% in 2010), which set 2011 regulated gross profit at €1,309m. ERSE set a 3.8% avg. increase for normal low voltage tariffs for 2011, assuming electricity consumption of 49TWh and an avg. cost of electricity procurement by last resort supplier of €47/MWh (including ancillary services). ERSE's reinterpretation of DL 90/2006 of May 24th, related to system costs with cogeneration in 2009, 2010 and 2011, will create a new regulatory receivable to EDP of €185m by Dec-11, to be recovered by 40% in 2012 and 60% in 2013.

Electricity distributed decreased 0.3% YoY to 12.2TWh in 1Q11, reflecting a lower demand from the residential (milder winter) and SME segments.

Distribution grid regulated revenues declined €11m to €302m in 1Q11, essentially on the back of lower consumption as well as low GDP deflator update (which came below the X factor) in tariff calculations for 2011. In 1Q11, our electricity distribution company, EDP Distribuição (EDP D), recorded a €216m negative tariff deviation: i) €191m related to the delay of the pass-through costs to REN, expected to retreat over the rest of 2011; ii) €45m regarding the reinterpretation of DL90/2006 and; iii) -€20m related to a consumption and tariff mix different from ERSE's initial assumption

In 1Q11, volumes supplied by our **last resort supplier, EDP Serviço Universal** (EDP SU), fell 17% YoY to 7.1 TWh, as a result of the switching of clients to liberalized suppliers, especially in the industrial segment, as 2011 will be the last year in which the last resort tariff will be available to them. As a consequence, EDP SU market share in electricity supply dropped from 69% to 58% in 1Q11. Regarding electricity purchases: i) volumes acquired from special regime producers (SRP) fell 3% YoY (25% above ERSE's assumption); and ii) total avg. cost of electricity purchased came 38% above forecasts due to a wholesale procurement final price above the expected (€56/MWh vs. ERSE's assumption of €47/MWh) and an higher avg. cost of SRP (€100/MWh vs. ERSE's estimate of €98/MWh). Overall, the higher volumes purchased at higher costs, resulted in a €110m negative tariff deviation supported by EDP SU to be recovered through tariffs.

All in all, a €325m negative tariff deviation was created over 1Q11 in the regulated activities in Portugal, which along with the devolution through tariffs of €22m of positive tariff deviations from previous periods, translated into €537m of pending regulatory receivables by the end of Mar-11.

Controllable operating costs decreased 5% YoY resulting from lower personnel costs reflecting: i) a decrease of the number of employees by 133 and; ii) the annual salary update (+1.8%).

Capex in 1Q11 increased 10% YoY to €51m and was mostly dedicated to network expansion and service quality. As a consequence of the adverse weather conditions felt in 1Q10, the Equivalent Interruption Time (EIT) fell to 21 minutes in 1Q11 vs. 42 minutes in 1Q10.

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

Electricity Distribution in Spain

Income Statement (€ m)	1Q11	1Q10	Δ %	Δ Abs.
Gross Profit	**46,1**	**41,1**	**12%**	**+5**
Supplies and services	13,4	12,0	11%	+1
Personnel costs	4,9	5,1	-3,6%	-0
Costs with social benefits	0,4	0,7	-38%	-0
Other operating costs (net)	(38,6)	(2,1)	-1783%	-37
Net Operating Costs (1)	**(19,8)**	**15,8**	**-**	**-36**
EBITDA	**65,9**	**25,3**	**160%**	**+41**
Provisions	-	-	-	-
Net depreciation and amortisation	7,2	6,9	4,3%	+0
EBIT	**58,7**	**18,4**	**219%**	**+40**

Gross Profit Performance	1Q11	1Q10	Δ %	Δ Abs.
Gross Profit	**46,1**	**41,1**	**12%**	**+5**
Regulated gross profit	41,6	38,6	7,9%	+3
Other non-regulated gross profit	4,4	2,6	73%	+2
Regulated Revenues (€ m)	**41,6**	**38,6**	**8%**	**+3**
Distribution	40,2	35,3	14%	+5
Transmission	-	1,8	-	-2
Network Commercial Management	1,5	1,5	-	-
Distribution				
Electricity distributed (GWh)	2.571	2.516	2,2%	+55
Clients connected (th)	652,3	645,8	1,0%	+6
Regulatory Receivables (€ m) (2)				
Beginning of Period	**759,1**	**501,4**	**51%**	**+258**
Previous periods tariff deficits (3)	(265,4)	48,7	-	-314
Tariff deficit in the period	25,6	-	-	+26
Other (4)	12,0	3,9	206%	+8
End of Period	**531,2**	**554,0**	**-4,1%**	**-23**

Capex & Opex Performance	1Q11	1Q10	Δ %	Δ Abs.
Controllable Operating Costs (5)	**18,3**	**17,2**	**6,9%**	**+1**
Cont. costs/client (€/client)	28,1	26,6	5,8%	+2
Cont. costs/km of network (€/Km)	810	782	3,6%	+28
Employees (#)	383	384	-0,3%	-1
Capex (net of subsidies) (€ m)	**6,1**	**5,2**	**18%**	**+1**
Network ('000 Km)	22,6	21,9	3,2%	+1
Equivalent interruption time (min.) (7)	11	14	-25%	-4

EBITDA from our electricity distribution activity in Spain jumped 160% YoY to €66m in 1Q11 mainly reflecting: i) the inclusion of €27m non-recurrent gain related to the sale of transmission assets to REE; ii) income of €9m consequence of the application of IFRIC18(6) and iii) €2m of transmission regulated revenues included in 1Q10 (sold in 1Q11).

Excluding these impacts, **EBITDA rose 25% YoY (+€6m)**, on the back of an increase in the distribution regulated revenues.

Electricity distributed by HC, essentially in the region of Asturias, went up by 2% YoY, on the back strong demand in the industrial segment, namely steel and aluminum.

Regulated revenues totaled €42m in 1T11, increasing 8% YoY as a result of higher distribution revenues (+€5m) in line with the Ministerial Order published in Dec-10 by the Spanish government, which was partially offset by the loss of transmission revenues (€2m), activity sold in 1Q11 to REE, in order to comply with the Law 17/2007 of July 4th which forces distribution companies to sell their transmission assets to REE.

For 1Q11 the Spanish government defined an avg. 10% rise on the last resort tariff (LRT), based on an avg. baseload cost of electricity of €49/MWh and maintaining the access tariffs frozen, while for the 2Q11 the LRT stood flat QoQ, based on an avg. baseload cost of €52/MWh and the access tariffs increased 11% QoQ.

Even though, the tariffs paid by electricity customers were not enough to cover system costs, creating a deficit regarding the whole system of €420m on Mar-11 Spanish electricity system financial clearing (regarding Jan-11) of which 6.08% (€26m) are attributable to HC Energia. In 1Q11 a total amount of €6bn of the Spanish deficit was securitized by FADE (the fund in charge of the securitization) of which €307m are entitled to HC.

Overall, by the end of Mar-11, HC Energia's **regulatory receivables** amounted to €531m (including interests/financial updates): i) €26m regarding 1Q11 tariff deficit; ii) €82m from the 2010 tariff deficit; iii) €114m from the 2009 tariff deficit and iv) €309m from the 2006-08 accumulated tariff deficit.

Controllable operating costs went up 7% YoY (+€1m), due to a quarterly increase in supplies and services.

Capex stood at €6m in 1Q11, while equivalent interruption time fell to 11 minutes in 1Q11, reflecting not only favorable weather conditions but also the investments on quality of service made in recent years.

(1) Net Operating Costs = Operating Costs (Supplies and services + Personnel costs + Costs with social benefits) + Other operating costs (net) (2) Net of CO2 clawback costs. (3) Includes the recovery/payment of previous periods tariff deficits. (4) Includes interests/financial updates on tariff deficits. (5) Supplies & services and personnel costs. (6) With the application of IFRIC 18, the assets received from customers ensuring their direct access to the energy distribution network, are registered as assets at fair value against operating income, and amortized through their useful lives. (8) Adjusted for non-recurring impacts (rainstorms, high winds and summer fires).

Gas - Regulated Activity

Income Statement (€ m)	Portugal			Spain			Total			
	1Q11	1Q10	% Δ	1Q11	1Q10	% Δ	1Q11	1Q10	% Δ	Δ Abs.
Gross Profit	**21,1**	**18,5**	**14%**	**64,2**	**60,9**	**5,4%**	**85,3**	**79,4**	**7,3%**	**5,8**
Supplies and services	3,4	2,2	53%	8,5	7,1	20%	11,8	9,3	27,8%	2,6
Personnel costs	1,3	1,5	-11%	5,8	5,6	4,2%	7,1	7,1	0,9%	0,1
Costs with social benefits	0,1	0,1	0,9%	0,1	0,1	5,2%	0,2	0,2	3,6%	0,0
Other operating costs(net)	(0,1)	0,1	-	0,1	2,6	-96%	(0,0)	2,7	-	(2,7)
Net Operating Costs (2)	**4,6**	**3,9**	**19%**	**14,5**	**15,3**	**-5,4%**	**19,1**	**19,2**	**-0,5%**	**-0,1**
EBITDA	**16,5**	**14,7**	**12%**	**49,7**	**45,6**	**9,0%**	**66,2**	**60,2**	**10%**	**5,9**
Provisions	0,0	0,0	127%	(0,3)	-	-	(0,3)	0,0	-	(0,3)
Net deprec. & amortisation	3,0	2,8	8,8%	14,4	14,7	-1,8%	17,5	17,5	-0,1%	-0,0
EBIT	**13,4**	**11,9**	**13%**	**35,5**	**30,9**	**15%**	**49,0**	**42,7**	**15%**	**6,2**
Capex (net os subsidies) (€ m)	**6,3**	**6,8**	**-7,2%**	**7,5**	**7,5**	**-0,1%**	**13,8**	**14,3**	**-3,4%**	**(0,5)**
Distribution & Other	6,3	6,8	-7,2%	6,7	3,3	106%	13,0	10,1	29%	3,0
Transmission	-	-	-	0,8	4,3	-81%	0,8	4,3	-81%	(3,5)
Employees (#)	**103**	**97**	**6,2%**	**378**	**374**	**1,1%**	**481**	**471**	**2,1%**	**10**

Regulated Activity	1Q11	1Q10	% Δ	Abs. Δ
Number of Supply Points (th)	**1.236,6**	**1.198,5**	**3,2%**	**+38**
Portugal	251,8	229,2	10%	+23
Spain	984,8	969,4	1,6%	+15
Gas Distributed (GWh)	**16.539**	**14.380**	**15%**	**+2.159**
Portugal	2.054	1.920	7,0%	+135
Spain	14.485	12.460	16%	+2.025
Regulated Revenues (€ m)	**77,4**	**73,9**	**5%**	**+4**
Portugal	21,1	18,5	14%	+3
Spain	56,3	55,3	1,8%	+1
Distribution	49,7	49,3	0,7%	+0
Transmission	6,7	6,0	11%	+1
Network (Km)	**13.850**	**12.618**	**9,8%**	**+1.232**
Portugal - Distribution	3.853	3.547	8,6%	+306
Spain				
Distribution	9.580	8.684	10%	+896
Transmission	417	387	7,9%	+30

EBITDA from gas regulated activities rose 10% YoY (+€6m) to €66m in 1Q11, driven by higher regulated revenues and connection fees in Spain and recovery of deviations ifrom previous years in Portugal.

In **Spain**, gas regulated activities gross profit went up 5% YoY (+€3m) to €64m in 1Q11, due mostly to higher regulated revenues and the increase of the connection fees.

Regulated revenues rose 2% (+€1m) as a consequence of the update on the tariff parameters of the price index.

The volume of gas distributed through the distribution network rose 16% to 14.5 GWh, backed by a particularly weak comparison basis and the 2% increase in the number supply points. In Dec-10 it was set the remuneration for the gas regulated activities for 2011, where the regulated revenues attributable to Naturgas Energia (NGE) amounted to €221m, including transmission.

In **Portugal**, the recovery of deviations from previous years led to an increase in the gross profit by 14% to €21m.

Gas volumes distributed went up 7% YoY, in line with the 10% YoY increase in the number of supply points, justified by the penetration potential in the region operated by EDP and by the investments carried out by our operator EDP Gás Distribuição. In Jun-10, the Portuguese regulator (ERSE) set the gas tariffs for Portugal for the year going from Jul-10 to Jun-11, defining a 9% return on assets resulting on regulate revenues of €61m. On April 15th 2011, ERSE proposed a 3.9% avg. last resort tariff increase for small clients (consumption <=10.000 m^3/year) and a 6.1% avg. access tariff decrease for large clients (consumption >10.000 m^3/year). The proposal is currently under discussion by the Tariff Council and final outcome should be known by June 15th, 2011.

Controllable operating costs(1) rose 16% YoY (+€3m), due to higher supplies and services related to back-office expenses.

Capex fell €1m resulting from higher levels of investments in the transmission network in 2010, which was partially offset by the investment in NGE's new head offices in 2011.

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

EDP - Energias do Brasil: Financial Performance

Income Statement	Consolidated (R$ m)				Consolidated (€ m)			
	1Q11	1Q10	Δ %	Δ Abs.	1Q11	1Q10	Δ %	Δ Abs.
Gross Profit	**647,3**	**595,8**	**8,6%**	**+51**	**283,9**	**239,1**	**19%**	**+45**
Supplies and services	93,7	89,4	4,7%	+4	41,1	35,9	14%	+5
Personnel costs	59,0	54,9	7,5%	+4	25,9	22,0	17%	+4
Costs with social benefits	12,6	12,3	1,9%	+0	5,5	5,0	11%	+1
Other operating costs (net)	30,2	26,5	14%	+4	13,3	10,6	25%	+3
Net Operating Costs (1)	**195,5**	**183,2**	**6,7%**	**+12**	**85,8**	**73,5**	**17%**	**+12**
EBITDA	**451,8**	**412,7**	**9,5%**	**+39**	**198,2**	**165,6**	**20%**	**+33**
Provisions	2,0	4,3	-54%	-2	0,9	1,7	-49%	-1
Net depreciation and amortisation	83,2	86,1	-3,4%	-3	36,5	34,6	5,6%	+2
EBIT	**366,6**	**322,2**	**14%**	**+44**	**160,8**	**129,3**	**24%**	**+31**
Capital gains/(losses)	0,0	-	-	+0	0,0	-	-	+0
Financial results	(47,7)	(7,0)	586%	-41	(20,9)	(2,8)	650%	-18
Results from associates	(1,2)	(0,1)	-	-1	(0,5)	(0,0)	-	-1
Pre-tax profit	**317,7**	**315,2**	**0,8%**	**+3**	**139,3**	**126,5**	**10%**	**+13**
Income taxes	103,8	104,8	-1,0%	-1	45,5	42,1	8,2%	+3
Effective tax rate (%)	33%	33%	-0,6 pp	-0	33%	33%	-0,6 pp	-0
Profit for the period	213,9	210,4	1,7%	+4	93,8	84,4	11%	+9
Equity Holders of Energias do Brasil	**188,6**	**185,2**	**1,8%**	**+3**	**82,7**	**74,3**	**11%**	**+8**
Non-controlling interests	25,4	25,2	0,7%	+0	11,1	10,1	9,7%	+1
Capex	**143,6**	**98,4**	**46%**	**+45**	**63,0**	**39,5**	**60%**	**+24**

Energias do Brasil	1Q11	1Q10	Δ %
Share price at end of period (R$/share)	39,70	34,20	16%
Number of shares Issued (million)	158,8	158,8	-
Treasury stock (million)	0,3	0,3	-
Number of shares owned by EDP (million)	102,9	102,9	-
Euro/Real - End of period rate	2,31	2,40	4%
Euro/Real - Average of period rate	2,28	2,49	9%
Inflation rate (IGP-M - 12 months)	11,0%		-
Net Debt / EBITDA (x)	1,16	1,13	
Average Cost of Debt (%)	9,4	8,4	100 pp
Interest Rate (CDI)	10,40	9,10	130 pp
Employees (#)	2.392	2.361	31

Key Balance Sheet Figures (€ m)	1Q11	1Q10	Δ %
Net financial debt	2.101	1.864	13%
Regulatory receivables	(36,3)	(5,5)	-555%
Non-controling Interests	4.786	4.550	5%
Equity book value	1.872	1.802	4%

Financial Results (€ m)	1Q11	1Q10	Δ %
Net Interest Costs	(58,2)	(23,5)	-147%
Capitalised Costs	21,9	27,3	-20%
Forex Differences	(4,7)	(15,0)	69%
Other	(6,7)	4,3	-
Financial Results	**(47,7)**	**(7,0)**	**-586%**

In local currency, EDP Energias do Brasil's 1Q11 EBITDA rose 9% YoY driven by (i) positive impact from tariff revision in distribution mainly in Bandeirante, (ii) increase of electricity demand and (iii) normalized quarterly sales in 1Q11 vs. abnormally low in 1Q10 in generation.

In 1Q11, EDP Energias do Brasil's contribution to consolidated **EBITDA was positively affected by the 9% appreciation of the Real against the Euro** (+€17m impact on EBITDA).

Financial results increased R$41m to -R$48m impacted by higher net financial debt and higher average cost of debt (from 8.4% in 1Q10 to 9.4% in 1Q11) due to an increase by 300bp since Mar-10 in Brazil target rate (Selic) to 11.75%. Note that in 1Q10, we had a R$11m one-off positive impact on other financial cost related to a new law that exempts interest costs on overdue tax payments.

Net financial debt increased 13% YoY mostly due to the expansion capex on Pecém coal plant. The new loans associated to this investment have long-term maturities between 13 and 17 years. Average maturity in debt was 5.3 years by Mar-11. As Mar-11, **100% gross debt was denominated in local currency** or protected from exchange rate through hedging instruments. **The weight of fixed rate in EDP Brasil's debt was 66% by Mar-11**.

Overall, EDP Brasil net profit in 1Q11 increased 2% YoY due to a good operational performance which compensated negative impact from financial results.

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

(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)	1Q11	1Q10	Δ %	Δ Abs.
Gross Profit	**422,6**	**400,6**	**5,5%**	**+22**
Supplies and services	71,7	68,6	4,4%	+3
Personnel costs	40,7	39,7	2,6%	+1
Costs with social benefits	10,7	11,5	-6,4%	-1
Other operating costs (net)	26,3	28,7	-8,4%	-2
Net Operating Costs (1)	**149,4**	**148,5**	**0,6%**	**+1**
EBITDA	**273,1**	**252,2**	**8,3%**	**+21**
Provisions	2,1	3,7	-44%	-2
Net deprec. and amortisation	41,7	45,4	-8,0%	-4
EBIT	**229,4**	**203,1**	**13%**	**+26**

Gross Profit Performance	1Q11	1Q10	Δ %	Δ Abs.
Regulated Revenues	**406**	**346**	**17%**	**+60**
Tariff deviation in the Period (3)	30	27	10%	+3
Dev. from previous year (2)	(4)	30	-	-34
Others	(9)	(2)	318%	-7
Gross Profit	**423**	**401**	**5,5%**	**+22**
Regulatory Receivables (R$ m)	**(36)**	**(6)**	**-555%**	**-31**
Clients Connected (th)	**2.767,5**	**2.679,9**	**3,3%**	**+88**
Bandeirante	1.514,4	1.474,2	2,7%	+40
Escelsa	1.253,1	1.205,8	3,9%	+47
Electricity Distributed (GWh)	**6.185**	**5.959**	**3,8%**	**+226**
Bandeirante	3.641	3.547	2,7%	+95
Escelsa	2.544	2.413	5,4%	+131
From which:				
To clients in Free Market (GWh)	2.339	2.216	5,6%	+124
Electricity Sold (GWh)	**3.846**	**3.744**	**2,7%**	**+102**
Bandeirante	**2.307**	**2.220**	**3,9%**	**+87**
Resid., Commerc. & Other	1.546	1.471	5,1%	+75
Industrial	761	749	1,7%	+13
Escelsa	**1.539**	**1.524**	**1,0%**	**+15**
Resid., Commerc. & Other	1.277	1.272	0,4%	+5
Industrial	262	252	3,9%	+10

Capex & Opex Performance	1Q11	1Q10	Δ %	Δ Abs.
Controllable Operating Costs (4)	**112,4**	**108,3**	**4%**	**+4**
Cont. costs/client (R$/client)	40,6	40,4	0,5%	+0
Cont. costs/km (R$/Km)	1,3	1,3	2,1%	+0
Employees (#)	1.981	2.003	-1,1%	-22
Capex (net of subsidies) (R$m)	**72,4**	**48,1**	**51%**	**+24**
Network ('000 Km)	85,0	83,7	1,6%	+1

In electricity distribution in Brazil, the **EBITDA in 1Q11 increased by 8% YoY.** Excluding impact of tariff deviation, EBITDA rose 30% YoY mainly reflecting:

Growth of electricity volumes sold and distributed in 1Q11: Volume of electricity sold increased by 3% YoY in 1Q11. In the residential & commercial segment, volume sold in 1Q11 rose 3% YoY reflecting essentially a rise of 3% YoY in the number of clients connected. In the industrial segment, electricity volumes sold rose 2% in 1Q11 reflectintg the favorable Brazilian economic outlook, with industrial production expansion mainly at Escelsa's concession area (Mining (+5.0%), Chemicals (+6.7%) and Non-metallic Minerals (+12.4%). Regarding electricity distributed (but not sold) to free market clients (essentially large industrial consumers supplied directly in the free wholesale market from which EDP collects only third party access tariffs), volume of electricity distributed increased 6% YoY in 1Q11 positively impacted by consumption increase in Escelsa's concession area.

Positive impact from annual tariff updates (Escelsa from Aug-10 to Aug-11 and Bandeirante from Oct-10 to Oct-11), which reflect essentially annual updates on cost base (CPI-X) and pass-through costs. In Aug-10, Escelsa started a new 3-year regulatory period (from Aug-10 to Jul-13) with a Return on RAB set at 9.95% after taxes. In Oct-10, Bandeirante had an annual tariff readjustment for the period between Oct-10 to Oct-11 (+7.91%). Meanwhile, the discussion about the new methodology for the 3rd Tariff Review cycle, that started in Sep-10, resulted in the publication by ANEEL of draft on new regulatory framework in which set a new Return on RAB at 7.57% after taxes. Given the significant amount of feedback received, the regulator decided to postpone a final decision until all inputs are analyzed and changes/improvements are incorporated. Thus, ANEEL approved a new public hearing to gather feedback regarding guidelines to be adopted for discos' tariff reviews until the new methodology for the 3rd Tariff Review cycle is decided and will propose the maintenance of current tariff levels for discos which will go through tariff review before the final methodology is approved. All the assumptions of the new methodology will only be applicable to the next regulatory period (Bandeirante from Oct-11 onwards and Escelsa from Aug-13 onwards).

Impact from tariff deviations at gross profit level was lower in 1Q11 than in 1Q10. Gross profit for distribution in Brazil includes the cash flow impact from deviation from annual regulated revenues. Tariff deviation created in previous years and being return through tariffs in 1Q11 amounted to R$4m (vs. R$30m recovered in 1Q10). On the other hand, a new tariff deviation of R$30m was created in 1Q11 (vs. tariff deviation of R$27m in 1Q10). This tariff deviation in 1Q11 was created due to: (1) lower cost with energy purchase due to increase of hydro power production and a cost below the one set by the regulator in the tariff revision and (2) appreciation of BRL against USD in 1Q11, which decreased Itaipu hydro production costs (USD denominated). As a result, the amount of regulatory receivables to be returned to consumers increased from R$6m by Mar-10 to R$36m by Mar-11 and will be paid back by EDP Brasil from the next annual tariff revisions onwards.

Controllable operating costs increased by 4% YoY below inflation of 11% in 1Q11. This increase is supported by: (1) supplies and services increased due to higher outsourcing costs on IT services and network O&M essentially following expiration of old contracts, (2) personnel costs increased 3% YoY as a result of an annual average salary update of +5% in Nov-10. Other operating costs decreased by 8% due to lower costs with provisions for doubtful clients in 1Q11 (-R$7m), which compensated write-off of some distribution assets .

Capex increased 51% YoY to R$72m, most of it in Bandeirante.and devoted to network expansion.

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

Brazil: Electricity Generation and Supply

Income Statement (R$M)	Generation			
	1Q11	1Q10	Δ %	Δ Abs.
Gross Profit	**207,2**	**182,6**	**13%**	**+25**
Supplies and services	13,7	12,4	11%	+1
Personnel costs	10,3	9,0	14%	+1
Costs with social benefits	0,7	0,6	23%	+0
Other operating costs (net)	0,8	2,8	-72%	-2
Operating Costs	**25,4**	**24,7**	**3,0%**	**+1**
EBITDA	**181,8**	**157,9**	**15%**	**+24**
Provisions	0,0	(0,5)	-	+1
Net depreciation and amortisation	46,5	37,1	25%	+9
EBIT	**135,3**	**121,3**	**11%**	**+14**

Generation	1Q11	1Q10	Δ %	Δ Abs.
Gross Profit (R$ m)	**207,2**	**182,6**	**13%**	**+25**
Lajeado	72,9	72,7	0,4%	+0
Peixe Angical	78,4	63,2	24%	+15
Energest (15 hydro plants)	55,9	46,7	20%	+9
Installed Capacity - Hydro (MW)	**1.735**	**1.735**	**0,0%**	**+0**
Lajeado	903	903	-	-
Peixe Angical	452	452	-	-
Energest (15 hydro plants)	380	380	0,0%	+0
Electricity Sold (GWh)	**1.982**	**1.781**	**11%**	**+200**
Lajeado	826	711	16%	+115
Peixe Angical	591	538	10%	+54
Energest (15 hydro plants)	564	533	5,9%	+31
Average Selling Price (R$/MWh)	**126,2**	**119,1**	**5,9%**	**+7**
Lajeado	110,6	103,5	6,9%	+7
Peixe Angical	157,4	149,7	5,1%	+8
Energest (15 hydro plants)	116,3	109,2	6,5%	+7
Capex (R$ million)	**70,9**	**50,0**	**42%**	**+21**
Maintenance	1,2	6,2	-81%	-5
Expansion	69,7	43,8	59%	+26
Pécem	65,7	35,8	83%	+30
Other	3,9	8,0	-51%	-4
Employees (#)	**262**	**263**	**-0,4%**	**-1**

Supply	1Q11	1Q10	Δ %	Δ Abs.
Gross profit (R$ m)	16,0	11,0	46%	+5
Operating costs (R$ m)	0,3	(3,9)	-	+4
EBITDA (R$ m)	15,8	14,9	6%	+1
				-
Electricity sales (GWh)	2.330	2.086	11,7%	+244
Number of clients (#)	89	128	-30%	-39

EBITDA in our electricity generation activities in Brazil increased by 15% essentially due to our quarterly allocation of PPA's yearly contracted volumes, which implied higher electricity sold in 1Q11.

Electricity volume sold increased 11% YoY in 1Q11. The allocation of PPA's yearly contracted volumes for 2011 was committed by distribution companies at the end of December 2010 within the limits established in the contracts. The very dry weather in Brazil in 4Q10, implied a decline of the hydro reservoirs, to extremely low levels, and an increase in spot price. Aware of the probability of a similar scenario, customers allocated more energy in the 1H11 in order to protect themselves. However, the hydro reservoirs during 1Q11 were already at 1Q10 levels and as a consequence spot market price were at same level of 1Q10 (R$27.7/MWh in 1Q10 vs. R$25.5/MWh in 1Q11). In 2011**,** Lajeado committed again with a one-year contract to sell energy in market (367GWh) with prices below our average price in PPA contracts.

Average selling price increased 6% YoY in 1Q11 supported by an updating of prices to inflation which implied that gross profit increased by R$25m. All EDP Brasil's installed capacity is contracted under PPA long term contracts with an average maturity of 15 years.

Net operating costs increased by 3% below inflation recorded in the period.

Net Depreciation and amortization increased by R$9m to R$47m due to write-off of development costs associated to pipeline projects (biomass). This cost was already accrued at EDP Brasil's level.

Capex increased by 42% YoY to R$71m. Expansion capex represents 98% of total capex from which 94% refers to the construction of Pécem coal plant. The start-up is scheduled to the end of 2011 and we already invested R$1,245m. Until the conclusion of Pecém coal plant works, we expect to invest further R$256m. The other expansion capex is related to the repowering of Mascarenhas (18MW), which conclusion is planned to occur in 2012.

In **Pecém coal plant,** EDP Brasil holds a 50% stake in partnership with MPX Mineração e Energia. The conditions contracted with the Brazilian electricity system include the availability of an installed capacity of 615MW for a 15-year term starting in January 2012 and an expected EBITDA of R$240m in the first year of operation with full pass through of fuel costs. The project will be financed with 75% of long term debt, which is already contracted.

In Oct-10, EDP Brasil announced the acquisition of two projects to build mini-hydro plants in Mato Grosso, to Group Bertin, totaling 49.5MW of installed capacity and 27.5MW of assured energy. The start of construction of these plants is planned in the middle of 2011, with commissioning expected in Dec-12. The estimated total investment is R$306m.

Our trading and supply activity is carried out by our Enertrade subsidiary in the free market essentially through a service of energy sourcing to large industrial clients without incurring in material energy market risk. **In 1Q11, EBITDA in supply grew by 6% to R$16m YoY** due to: (1) increase of electricity supplied by 12% and (2) increase of average price per MWh by 15%.

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

Income Statements

Income Statement by Business Area

1Q11 (€m)	Long-Term Contracted Generation	Iberian Liberalised Activities	Regulated Networks Iberia	Wind Power	Brazil	Other & Adjustments	EDP Group
Gross Profit	**246,0**	**236,4**	**461,6**	**254,2**	**283,9**	**(50,5)**	**1.431,4**
Supplies and services	22,7	60,5	104,0	55,1	41,1	(74,8)	208,3
Personnel costs	18,6	22,7	43,5	11,5	25,9	25,0	147,2
Costs with social benefits	5,5	1,9	19,2	0,6	5,5	(0,9)	31,7
Other operating costs (net)	1,3	20,2	19,3	(33,1)	13,3	15,3	36,0
Operating costs	**48,1**	**105,4**	**186,0**	**34,0**	**85,8**	**(35,5)**	**423,2**
EBITDA	**197,9**	**131,0**	**275,7**	**220,1**	**198,2**	**(15,0)**	**1.008,2**
Provisions	(0,0)	1,1	6,6	(0,3)	0,9	(5,9)	2,4
Net depreciation and amortisation (1)	43,9	56,4	84,4	119,1	36,5	17,7	358,0
EBIT	**154,0**	**73,5**	**184,6**	**101,3**	**160,8**	**(26,8)**	**647,7**

1Q10 (€m)	Long-Term Contracted Generation	Iberian Liberalised Activities	Regulated Networks Iberia	Wind Power	Brazil	Other & Adjustments	EDP Group
Gross Profit	**264,4**	**260,4**	**461,9**	**219,2**	**239,1**	**(42,5)**	**1.402,3**
Supplies and services	23,8	61,5	101,4	42,5	35,9	(70,7)	194,2
Personnel costs	19,2	21,4	47,9	12,9	22,0	27,1	150,5
Costs with social benefits	5,8	1,8	21,0	0,4	5,0	(1,1)	32,8
Other operating costs (net)	1,8	8,9	59,3	(21,1)	10,6	26,0	85,2
Operating costs	**50,6**	**93,7**	**229,5**	**34,7**	**73,5**	**(18,7)**	**462,7**
EBITDA	**213,8**	**166,7**	**232,4**	**184,5**	**165,6**	**(23,9)**	**939,6**
Provisions	(0,3)	0,3	0,4	(0,0)	1,7	8,0	10,1
Net depreciation and amortisation (1)	57,8	53,1	84,3	94,0	34,6	17,2	340,9
EBIT	**156,4**	**113,3**	**147,8**	**90,6**	**129,3**	**(49,0)**	**588,6**

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

Quarterly Income Statement

Quarterly P&L (€ m)	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
Electricity Revenues	3.118,7	2.927,8	3.100,3	3.389,8	3.558,4	-	-	-
Gas Revenues	336,8	284,3	330,5	396,6	418,9	-	-	-
Other Revenues	38,8	56,3	45,2	145,7	37,7	-	-	-
Operating Revenues	**3.494,3**	**3.268,4**	**3.476,0**	**3.932,1**	**4.015,0**	**-**	**-**	**-**
Electricity	1.688,5	1.558,2	1.700,7	1.860,8	2.032,0	-	-	-
Gas	221,4	193,9	211,8	318,2	334,9	-	-	-
Fuel	172,4	176,4	270,2	318,2	191,3	-	-	-
Materials and goods for resale	9,7	13,2	27,7	25,1	25,4	-	-	-
Direct Activity Costs	**2.092,0**	**1.941,7**	**2.210,5**	**2.522,3**	**2.583,6**	**-**	**-**	**-**
Revenue from assets assigned to concessions	84,4	85,4	56,5	165,8	86,3	-	-	-
Expenditure with assets assigned to concessions	(84,4)	(85,4)	(56,5)	(165,8)	(86,3)	-	-	-
Gross Profit	**1.402,3**	**1.326,7**	**1.265,5**	**1.409,8**	**1.431,4**	**-**	**-**	**-**
Supplies and services	194,2	210,4	217,1	240,6	208,3	-	-	-
Personnel costs	150,5	145,9	139,5	139,5	147,2	-	-	-
Costs with social benefits	32,8	28,1	28,5	64,0	31,7	-	-	-
Other operating costs (net)	85,2	51,1	60,5	3,7	36,0	-	-	-
Operating costs	**462,7**	**435,4**	**445,6**	**447,8**	**423,2**	**-**	**-**	**-**
EBITDA	**939,6**	**891,2**	**820,0**	**962,0**	**1.008,2**	**-**	**-**	**-**
Provisions	10,1	29,2	29,0	35,3	2,4	-	-	-
Net depreciation and amortisation (1)	340,9	364,3	374,6	367,0	358,0	-	-	-
EBIT	**588,6**	**497,7**	**416,4**	**559,8**	**647,7**	**-**	**-**	**-**
Capital gains/(losses)	5,8	(1,0)	(2,2)	58,2	0,2	-	-	-
Financial Results	(118,1)	(114,8)	(115,0)	(137,1)	(133,5)	-	-	-
Results from associated companies	6,9	6,2	5,2	5,1	5,8	-	-	-
Pre-tax profit	**483,2**	**388,1**	**304,4**	**486,1**	**520,3**	**-**	**-**	**-**
Income taxes	129,0	102,9	73,6	121,7	123,4	-	-	-
Discontinued Activities	-	-	-	-	-	-	-	-
Net Profit for the period	354,2	285,2	230,8	364,4	396,9	-	-	-
Net Profit Attributable to EDP	**309,2**	**255,6**	**209,5**	**304,7**	**342,4**	**-**	**-**	**-**
Non controling interests	45,0	29,6	21,3	59,8	54,5	-	-	-

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

Income Statement by Business Area

1Q11 (€ m)	Generation Iberia	Supply Iberia	EDP Renováveis	Distribution Iberia	Gas Iberia	Energias do Brasil	Other & Adjustments	EDP Group
Gross Profit	**396,2**	**65,6**	**254,2**	**376,4**	**105,6**	**283,9**	**(50,5)**	**1.431,4**
Supplies and services	36,9	41,3	55,1	92,2	16,6	41,1	(74,8)	208,3
Personnel costs	28,6	11,9	11,5	36,4	7,9	25,9	25,0	147,2
Costs with social benefits	5,9	1,5	0,6	19,0	0,2	5,5	(0,9)	31,7
Other operating costs (net)	12,8	5,4	(33,1)	19,3	3,1	13,3	15,3	36,0
Operating costs	**84,3**	**60,0**	**34,0**	**166,9**	**27,7**	**85,8**	**(35,5)**	**423,2**
EBITDA	**312,0**	**5,5**	**220,1**	**209,5**	**77,9**	**198,2**	**(15,0)**	**1.008,2**
Provisions for risks and contigencies	(2,0)	3,2	(0,3)	6,9	(0,3)	0,9	(5,9)	2,4
Net depreciation and amortisation (1)	96,1	4,0	119,1	66,9	17,7	36,5	17,7	358,0
EBIT	**217,9**	**(1,6)**	**101,3**	**135,7**	**60,5**	**160,8**	**(26,8)**	**647,7**

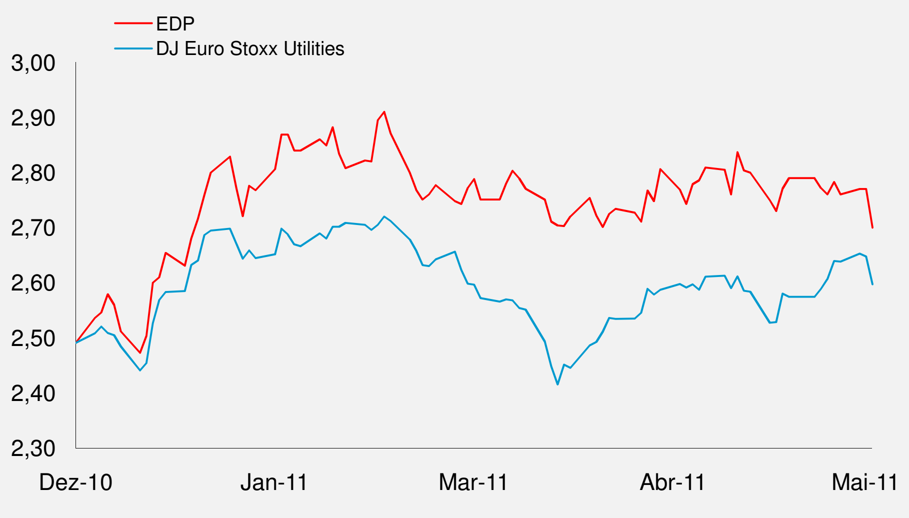
1Q10 (€ m)	Generation Iberia	Supply Iberia	EDP Renováveis	Distribution Iberia	Gas Iberia	Energias do Brasil	Other & Adjustments	EDP Group
Gross Profit	**446,1**	**58,2**	**219,2**	**382,5**	**99,8**	**239,1**	**(42,5)**	**1.402,3**
Supplies and services	38,6	41,1	42,5	92,1	14,6	35,9	(70,7)	194,2
Personnel costs	28,2	11,6	12,9	40,8	7,9	22,1	27,1	150,5
Costs with social benefits	6,2	1,4	0,4	20,8	0,2	5,0	(1,2)	32,8
Other operating costs (net)	8,7	1,0	(21,1)	56,5	3,5	10,6	26,0	85,2
Operating costs	**81,6**	**55,0**	**34,7**	**210,3**	**26,3**	**73,5**	**(18,7)**	**462,7**
EBITDA	**364,5**	**3,1**	**184,5**	**172,2**	**73,5**	**165,6**	**(23,9)**	**939,6**
Provisions for risks and contigencies	0,1	(0,1)	(0,0)	0,4	0,0	1,7	8,0	10,1
Net depreciation and amortisation (1)	106,1	4,6	94,0	66,8	17,6	34,6	17,2	340,9
EBIT	**258,3**	**(1,4)**	**90,6**	**105,0**	**55,9**	**129,3**	**(49,0)**	**588,6**

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

Annex

EDP Share Performance

YTD EDP Stock Performance on Euronext Lisbon



EDP Stock Market Performance	YTD	52W (04-05-2011)	2010
EDP Share Price (Euronext Lisbon - €)			
Close	2,700	2,700	2,491
Max	2,920	2,920	3,185
Min	2,470	2,376	2,376
Average	2,743	2,599	2,652
EDP's Liquidity in Euronext Lisbon			
Turnover (€ m)	1.571	5.516	6.305
Average Daily Turnover (€ m)	18	21	24
Traded Volume (million shares)	572	2.122	2.378
Avg. Daily Volume (million shares)	6,5	8,1	9,1

EDP's Main Events

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

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

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

Feb-14: AllianceBernstein L.P. notifies significant shareholding in EDP

Mar-15: Resignation of member of the General and Supervisory Board

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

Mar-25: Fitch downgrades edp's senior unsecured rating to 'A-', on rating watch negative

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

Mar-30: EDP Renováveis takes full control of Genesa

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

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

Apr-6: Moody's places 'baa1' of EDP under review for possible downgrade

Apr-14: Annual General Shareholders

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

Apr-27: EDP announces dividend payment announcement to May 13th (€0.17/share – gross dividend)

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

Source: Bloomberg

EDP - Installed capacity & electricity generation

Installed Capacity - MW (1)	1Q11	1Q10	Δ MW	Δ 11/10
PPA/CMEC	**6.221**	**6.931**	**-710**	**-10,2%**
Hydro	**4.094**	**4.094**	**-**	
Run off the river	1.860	1.860	-	
Reservoir	2.234	2.234	-	
Coal	**1.180**	**1.180**	**-**	
Sines	1.180	1.180	-	
Fuel oil	**946**	**1.657**	**-710**	
Setúbal	946	946	-	
Carregado	-	710	-710	
Special Regime (Ex-Wind)	**470**	**471**	**-2**	**-0,4%**
Small-Hydro	160	160	-0	
Cogeneration+Waste	275	275	1	
Biomass	35	37	-2	
Liberalised Electricity Generation	**7.137**	**6.023**	**1.114**	**19%**
Hydro	**910**	**910**	**-**	
Portugal	484	484	-	
Spain	426	426	-	
Coal	**1.460**	**1.460**	**-**	
Aboño I	342	342	-	
Aboño II	536	536	-	
Soto Ribera II	236	236	-	
Soto Ribera III	346	346	-	
CCGT	**3.736**	**3.276**	**460**	**14%**
Ribatejo (3 groups)	1.176	1.176	-	
Lares (2 groups)	863	863	-	
Castejón (2 group)	843	811	32	
Soto IV (1 group)	426	426	-	
Soto V (1 group)	428	-	428	
Nuclear	**156**	**156**	**-**	
Trillo	156	156	-	
Gasoil	**875**	**221**	**654**	
Tunes + Carregado	875	221	654	
Wind (More detail on page 16)	**6.625**	**5.567**	**1.058**	**19%**
Europe	3.388	2.930	458	
USA	3.224	2.624	600	
Brazil	14	14	-	
Brazil (Ex-Wind)	**1.735**	**1.735**	**0**	**0,0%**
Hydro	**1.735**	**1.735**	**0**	**0,0%**
Lajeado	903	903	-	
Peixe Angical	452	452	-	
Energest	380	380	0	
TOTAL	**22.188**	**20.728**	**1.460**	**7%**

Electricity Generation (GWh)	1Q11	1Q10	Δ GWh	Δ 11/10
PPA/CMEC	**4.954**	**6.081**	**-1.127**	**-19%**
Hydro	**4.092**	**5.325**	**-1.233**	**-23%**
Run off the river	2.920	3.403	-483	
Reservoir	1.172	1.922	-750	
Coal	**864**	**754**	**110**	**15%**
Sines	864	754	110	
Fuel oil	**-3**	**2**	**-5**	**-**
Setúbal	-3	-2	-1	
Carregado	-	4	-4	
Special Regime (Ex-Wind)	**681**	**747**	**-66**	**-9%**
Small-Hydro	224	278	-54	
Cogeneration+Waste	411	424	-13	
Biomass	46	45	1	
Liberalised Electricity Generation	**4.485**	**3.956**	**530**	**13%**
Hydro	**783**	**957**	**-174**	**-18%**
Portugal	501	581	-80	
Spain	282	376	-94	
Coal	**1.048**	**737**	**311**	**42%**
Aboño I	278	432	-154	
Aboño II	724	89	635	
Soto Ribera II	-2	179	-180	
Soto Ribera III	47	37	10	
CCGT	**2.341**	**1.959**	**382**	**19,5%**
Ribatejo (3 groups)	568	789	-221	
Lares (2 groups)	894	312	583	
Castejón (2 group)	346	565	-219	
Soto IV (1 group)	390	293	98	
Soto V (1 group)	142	-	-	
Nuclear	**313**	**303**	**10**	**3%**
Trillo	313	303	10	
Gasoil	**0**	**0**	**-0**	
Tunes + Carregado	0	0	-0	
Wind	**4.421**	**3.639**	**782**	**21%**
Europe	1.985	1.856	129	
USA	2.430	1.777	653	
Brazil	6	6		
Brazil (Ex-Wind)	**2.530**	**2.171**	**358**	**16,5%**
Hydro	**2.530**	**2.171**	**358**	**16,5%**
Lajeado	1.260	1.077	184	
Peixe Angical	770	650	120	
Energest	499	445	55	
TOTAL	**17.071**	**16.594**	**477**	**3%**

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

EDP - Volumes distributed, clients connected and networks

ELECTRICITY

Electricity Distributed (GWh)	1Q11	1Q10	Δ GWh	Δ %
Portugal	**12.208**	**12.241**	**-34**	**-0,3%**
Very High Voltage	446	310	136	43,8%
High / Medium Voltage	5.104	5.065	39	0,8%
Low Voltage	6.658	6.866	-208	-3,0%
Spain	**2.571**	**2.516**	**55**	**2,2%**
High / Medium Voltage	1.820	1.747	73	4,2%
Low Voltage	751	769	-18	-2,3%
Brazil	**6.185**	**5.959**	**226**	**3,8%**
Free Clients	2.339	2.216	124	5,6%
Industrial	1.023	1.001	22	2,2%
Residential, Comercial & Other	2.823	2.743	80	2,9%
TOTAL	**20.963**	**20.716**	**247**	**1,2%**

Clients Connected (th)	1Q11	1Q10	Abs. Δ	Δ %
Portugal	**6.148**	**6.126**	**21,7**	**0,4%**
Very High / High / Medium Voltage	24	24	0,2	0,9%
Special Low Voltage	34	33	0,3	0,8%
Low Voltage	6.090	6.069	21,2	0,3%
Spain	**652**	**646**	**6,5**	**1,0%**
Final	347	412	-64,5	-16%
Access	305	234	71,0	30%
Brazil	**2.767**	**2.680**	**87,6**	**3,3%**
Bandeirante	1.514	1.474	40,3	2,7%
Escelsa	1.253	1.206	47,3	3,9%
TOTAL	**9.568**	**9.452**	**115,8**	**1,2%**

Networks	1Q11	1Q10	Abs. Δ	Δ %
Lenght of the networks (Km)	**328.555**	**324.884**	**3.672**	**1,1%**
Portugal	220.931	219.280	1.651	0,8%
Spain	22.639	21.944	695	3,2%
Brazil	84.985	83.660	1.326	1,6%
Losses (% of electricity distributed)				
Portugal (2)	-2,7%	-3,3%	0,6 pp	
Spain	-3,8%	-4,4%	0,6 pp	
Brazil				
Bandeirante	-10,9%	-11,0%	0,1 pp	
Technical	-5,3%	-5,3%	-0,0 pp	
Comercial	-5,6%	-5,8%	0,1 pp	
Escelsa	-13,4%	-15,2%	1,8 pp	
Technical	-8,2%	-8,4%	0,2 pp	
Comercial	-5,2%	-6,7%	1,6 pp	

GAS

Gas Distributed (GWh)	1Q11	1Q10	Δ GWh	Δ %
Portugal	**2.054**	**1.920**	**135**	**7,0%**
Low Pressure (P ≤ 4 Bar)	701	915	-214	-23%
Medium Pressure (P > 4 Bar)	1.343	993	350	35%
LPG	10	12	-1	-11%
Spain	**14.485**	**12.460**	**2.025**	**16%**
Low Pressure (P ≤ 4 Bar)	8.194	7.565	630	8,3%
Medium Pressure (P > 4 Bar)	6.291	4.895	1.395	29%
TOTAL	**16.539**	**14.380**	**2.159**	**15%**

Supply Points (th)	1Q11	1Q10	Abs. Δ	Δ %
Portugal	**251,8**	**229,2**	**22,7**	**10%**
Final	251,2	229,0	22,1	10%
Access	0,7	0,1	0,5	385%
Spain	**984,8**	**969,4**	**15,4**	**2%**
Final	-	-	-	-
Access (1)	984,8	969,4	15,4	2%
TOTAL	**1.236,6**	**1.198,5**	**38,1**	**3%**

Networks	1Q11	1Q10	Abs. Δ	Δ %
Lenght of the networks (Km)	**13.850**	**12.618**	**1.232**	**10%**
Portugal	3.853	3.547	306	8,6%
Spain	9.997	9.071	926	10%
Distribution (1)	9.580	8.684	896	10%
Transmission	417	387	30	7,9%

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

EDP - Sustainability performance

1Q11 Main Events

Jan: EDP Brasil and EDP Institute, aiming to assist in the collection of goods for the victims of heavy rains, floods and landslides in several northern states, mainly in the concession areas of the Group as Sao Paulo and Espirito Santo, launches campaign "SOS Brazil";

Feb: EDPR in Brazil receives award for "most innovative company";

Feb: For the fourth consecutive year, EDP is distinguished in the publication world, "Sustainability Yearbook 2011" SAM, obtaining the rank of gold;

Feb: EDP signed a contract on a project and turnkey with various partners to implement the first full-scale WindFloat, equipped with an offshore wind turbine Vestas V80 2 megawatt (MW);

Mar: EDP launches new program of Volunteers, which provides that each employee take 4 hours per month to join the team of EDP's volunteers.

EDP Internal Sustainability Index (base 2006)

	1Q11	1Q10	Δ %
Sustainability Index	**134**	**133**	**0,8%**
Environmental	156	155	0,5%
%Weight	36%	36%	
Economic	119	120	-1,3%
%Weight	33%	33%	
Social	126	121	3,4%
%Weight	31%	31%	

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

Economic Metrics	1Q11	1Q10	Δ %
Economic Value (€m)(1)			
Directly Generated	4.335	3.389	28%
Distributed	3.564	2.485	43%
Accumulated	771	904	-15%

Social Metrics	1Q11	1Q10	Δ %
Employees (c)	**11.963**	**12.037**	**-0,6%**
Training (hours trainee)	**82.971**	**97.277**	**-15%**
On-duty Accidents	**8**	**11**	**-27%**
EDP Severity Rate (Tg)	123	108	14%
EDP Frequency rate (Tf)	1,45	2,06	-30%
Freq. rate EDP+ESP(f) (Tf)	3,03	3,16	-3,9%

Environmental Metrics	1Q11	1Q10	Δ %
Absolute Atmospheric Emissions (kt) (a)			
CO_2	3.514,5	2.637,4	33%
NOx	2,9	3,1	-6%
SO_2	1,7	3,1	-44%
Particle	0,165	0,152	9%
Specific Atmospheric Emissions (g/KWh)			
CO_2	203,21	156,93	29%
NOx	0,17	0,18	-9%
SO_2	0,10	0,19	-46%
GHG emissions (ktCO2 eq)			
Direct Emissions (scope 1)	3.524	-	-
Indirect emissions (scope 2)	447	-	-
Primary Energy Consumption (TJ) (b)	**41.454**	**32.712**	**27%**
Max. Net Certified Capacity (%)	**69%**	**66%**	**2 pp**
Water Use (10^3 m^3)	**284.224**	**207.877**	**37%**
Total Waste (t) (e)	**93.443**	**84.834**	**10%**
Environmental Costs (€ th)	**15.974**	**13.161**	**21%**
Environmental Fees and Penalties (€ th)	**0,0**	**3,0**	**-**

Environmental Metrics - CO_2 Emissions

CO_2 Emissions	Absolute ($ktCO_2$)		Specific (t/MWh)		Generation (d) (GWh)	
	1Q11	1Q10	1Q11	1Q10	1Q11	1Q10
PPA/CMEC	**872**	**716**			**862**	**756**
Coal	868	701	1,00	0,93	864	754
Fuel Oil & Natural Gas	4	15	(1,49)	6,82	(3)	2
Liberalised	**2.335**	**1.794**			**3.389**	**2.696**
Coal	1.448	1.025	1,38	1,39	1.048	737
CCGT	888	769	0,38	0,39	2.341	1.959
Special Regime	**307**	**127**	**0,31**	**0,13**	**997**	**1.010**
Thermal Generation	**3.514**	**2.637**	**0,67**	**0,59**	**5.248**	**4.462**
CO_2 Free Generation					**12.050**	**12.344**
CO_2 Emissions			**0,20**	**0,16**	**17.298**	**16.806**

(a) Excluding vehicle fleet.
(b) Including vehicle fleet.
(c) Excluding Corporate Bodies.
(d) Includes heat generation (1,504 GWh: 1Q11 vs. 1,800 GWh: 1Q10).
(e) Waste sent to final disposal.
(f) ESP: External Services Provider.
* Eco- Management and Audit Scheme.

(1) Generated Economic Value (GEV): Turnover + gains/losses with the sale of financial assets + other financial income + other financial costs + gains/losses from associated companies.
Distributed Economic Value (DEV): Turnover – operating profit, income taxes and dividends; Accumulated Economic Value (AEV): GEV – DEV