Financial Results
9M10

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Conference call and webcast

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

Index

Main Highlights

Income Statement (€ m) (3)	9M10	9M09	Δ %	Δ Abs.
Gross Profit	**3,994**	**3,679**	**8.6%**	**+316**
Supplies and services	622	530	17%	+92
Personnel costs	436	408	6.8%	+28
Costs with social benefits	89	110	-19%	-21
Concession fees	188	186	0.8%	+1
Other operating costs (net)	9	17	-47%	-8
Operating costs	**1,344**	**1,252**	**7.3%**	**+92**
EBITDA	**2,651**	**2,427**	**9.2%**	**+224**
Provisions	68	34	101%	+34
Net depreciation and amortisation (1)	1,080	921	17%	+159
EBIT	**1,503**	**1,472**	**2.1%**	**+31**
Capital gains/(losses)	3	31	-92%	-28
Financial results	(348)	(379)	8.3%	+31
Results from associated companies	18	21	-12%	-3
Pre-tax Profit	**1,176**	**1,144**	**2.7%**	**+31**
Income taxes	306	309	-1.2%	-4
Discontinued activities	-	-	-	-
Net profit for the period	870	835	4.2%	+35
Net Profit Attributable to EDP Shareholders	**774**	**748**	**3.5%**	**+26**
Minority interests	96	87	10%	+9

Key Operational Data	9M10	9M09	Δ %	Δ Abs.
Employees	12,173	12,067	0.9%	+106
Installed capacity (MW)	21,318	19,145	11%	+2,173

Key Financial Data (€ m)	9M10	9M09	Δ %	Δ Abs.
FFO (Funds from operations)	2,075	1,798	15%	+277
Capex	1,959	2,528	-23%	-569
Maintenance	506	441	15%	+64
Expansion	1,453	2,087	-30%	-634
Net financial investment in the period	-10	23	-	-33

Key Balance Sheet Data (€ m)	Set-10	Dez-09	Δ %	Δ Abs.
Equity booK value	7,521	7,294	3.1%	+227
Net debt	16,246	14,007	16%	+2,240
Regulatory receivables	1,128	596	89%	+532
Net debt/EBITDA (x)	4.6x	4.2x	9.4%	+0.4
Adjusted net debt (2)/EBITDA (x)	4.3x	3.9x	9.7%	+0.4

EBITDA rose 9% (+€224m), to €2,651m in 9M10, driven by (i) a 28% (+€108m) YoY increase in Brazil, driven by a 22% appreciation of the Real against the Euro (+€89m impact on EBITDA), clear recovery in electricity demand and positive impact from annual tariff updates, (ii) a 28% (+€105m) YoY rise in wind operations, propelled by larger generation portfolio (+27%) and a 2% YoY rise in average selling price; and (iii) +12% (+€71m) YoY rise in regulated networks, driven by gas regulated activities, which rose €53m YoYin 9M10, on the back of the first time consolidation of the assets acquired from Gas Natural and higher regulated revenues from gas activities in Iberia. Excluding the forex impact (+€89m from Brasil, +€6m in US), EBITDA rose 5% YoY.

In 9M10, 86% of consolidated EBITDA stemmed from regulated and long term contracted activities, reflecting the maintenance of a low-risk profile in our operating activities. In turn, EBITDA from liberalised activities declined 23%, penalised by (i) a strong comparison basis (9M09) resulting, as expected, in lower unit margins YoY, and by (ii) fewer arbitrage opportunities in 3Q10. For 2010, EDP has already sold and forward contracted with clients 29TWh (representing a 38% rise over 2009 volumes) at prices around €50/MWh and thermal spreads close to €10/MWh. For 2011, EDP has contracted over 12TWh (c65% of expected output) at prices and thermal margins in line with 2010.

Operating costs rose 7% (+€92m) reflecting: (1) the impact from BRL/USD appreciation (+€44m); (2) increasing activity in supply (volumes sold 57% higher YoY), wind and conventional generation (installed capacity 11% higher YoY); and (3) the consolidation of operations acquired from Gas Natural (31-Dec-09).

EBIT rose 2% YoY (+€31m), to €1,503m, following a 20% increase in provisions and net depreciation and amortisation, mainly driven by the increase in installed capacity, FX impact and larger consolidation perimeter.

Net financial costs retreated 8% (-€31m), to €348m in 9M10, supported by a 9% (-€38m) decrease in net financial interests, driven by a c50bp reduction in the average cost of debt, from 4.0% in 9M09 to 3.5% in 9M10. **Minority interests** rose 11% to €96m in 9M10, on the back of EDP Brasil's sale of treasury stock to the market in 4Q09. **Net profit rose 4% YoY**, to €774m in 9M10, impacted by lower capital gains**. Adjusted for these, net profit grew 8% YoY in 9M10**, fuelled by sound operating and financial performance.

Net debt rose from €14.0bn in Dec-09 to €16.2bn in Sep-10, mainly reflecting: (1) €1.5bn expansion capex in 9M10 related to new generation capacity (mainly hydro and wind); (2) +€0.9bn in net debt related to regulatory receivables (+€0.5bn driven by higher tariff deficit in Spain and lower positive tariff deviations in Portugal; +€0.4bn through tax payment following the sale in 2009 of the right to receive tariff deficit in Portugal). Up to Sep-10, EDP spent €1.4bn in 3.439MW under construction (77% of which hydro and wind). Excluding regulatory receivables, **EDP's adjusted net debt/EBITDA** increased from 3.9x in Dec-09 to 4.3x, penalised by large cumulated expenditure in projects in progress. **Funds from operations** (FFO) rose 15% YoY to €2,075m as a result of: (1) a 11% increase of installed capacity; (2) recovery of electricity demand; (3) consolidation of the gas assets acquired from Gas Natural; and (4) decrease of our average cost of debt.

By Sep-10, total cash position and available credit facilities amounted to €3.9bn allowing EDP to meet its cash needs for 2012. In Oct-10, Standard & Poor's affirmed its 'A- with negative outlook, Moody's confirmed the "A3" rating with a stable outlook in Jul-10 and Fitch affirmed the "A-" rating with a stable outlook in Jun-10.

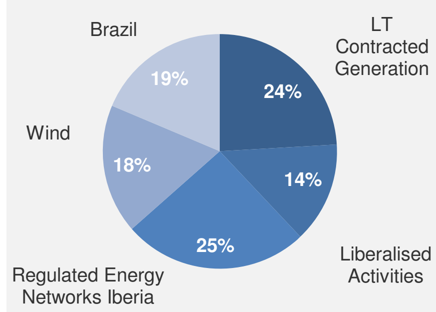
In light of the lack of visibility over the US wind market, EDP decided to cut its capex targets for 2011 and 2012, from an average of €2.4bn to an average of €2.1bn (2.2bn in 2011 and €2.0bn in 2012).

(1) Depreciation and amortisation expense net of compensation for depreciation and amortisation of subsidised asstes. (2) Excluding regulatory receivables. (3) Impacts of the adoption of IFRIC 12 are presented in page 34

EBITDA Breakdown

EBITDA (€ m)	9M10	9M09	Δ %	Δ Abs.	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10
LT Contracted Generation	638.5	610.6	4.6%	+28	216.4	203.8	190.4	214.8	213.8	208.4	216.3	-
Liberalised Activities Iberia	368.3	478.0	-23%	-110	163.2	131.4	183.3	163.8	161.6	118.5	88.2	-
Regulated Networks Iberia	678.3	607.3	12%	+71	218.4	191.0	197.9	223.0	237.6	226.5	214.3	-
Wind Power	473.1	368.5	28%	+105	154.4	116.4	97.7	174.0	184.5	158.4	130.2	-
Brazil	495.1	387.0	28%	+108	111.9	124.0	151.0	163.2	165.6	175.6	153.9	-
Other	(2.6)	(24.3)	89%	+22	(15.2)	(5.3)	(3.8)	(3.1)	(23.6)	3.9	17.1	-
Consolidated	**2,650.8**	**2,427.1**	**9.2%**	**+224**	**849.1**	**761.4**	**816.6**	**935.8**	**939.6**	**891.2**	**820.0**	**-**

EBITDA 9M10



EDP consolidated EBITDA increased 9% YoY (+€224m) to €2,651m in 9M10, driven by our operations in Brazil (+€108m), wind operations (+€105m) and regulated networks (+€71m). Excluding the forex impact (+€89m from Brasil and +€6m from US Wind), EBITDA rose 5% YoY.

LONG TERM CONTRACTED GENERATION IBERIA – EBITDA went up 5% YoY (+€28m) to €639m in 9M10 reflecting, on one hand, the positive impacts from: i) higher results from fuel procurement (€8m gain in 9M10 vs. €35m loss in 9M09; ii) higher hydro output at our mini-hydro plants (+94% YoY); and iii) additional thermal special regime capacity (+21MW of biomass; +25MW of cogeneration); and, on the other, the negative impacts from: iv) the decommissioning of our Barreiro fuel oil plant (-€13m).

LIBERALISED ACTIVITIES IBERIA – EBITDA from liberalised activities retreated 23% YoY (-€110m) to €368m in 9M10, penalised by a strong comparison basis, as in 9M09 EBITDA strongly benefitted from our hedging strategy. In the 3Q10 alone, EBITDA declined 26% QoQ reflecting a further contraction in gas supply margins, higher electricity generation costs, lower demand for complementary services and lower arbitrage gains through electricity purchases in the pool.

REGULATED NETWORKS IBERIA – EBITDA rose 12% YoY (+€71m) driven by: i) gas regulated activities, which rose by €53m YoY, to €167m in 9M10, on the back of the first time consolidation of the assets acquired from Gas Natural (+€32m); and ii) higher regulated revenues from the Iberian gas and Portuguese electricity distribution and last resort supply regulated activities (+€39m adjusted for Gas Natural's assets acquisition). EBITDA from electricity distribution and last resort supply activities in Portugal (c65% of EBITDA from regulated networks Iberia) increased 5% YoY, reflecting a 1% increase of regulated gross profit (+€11m) and a 2% decline in operating costs.

WIND POWER – EDP Renováveis' EBITDA grew 28% YoY (+€105m) fuelled by a 35% (+€152m) rise of gross profit, which was driven by: i) a 27% increase of installed capacity; ii) a relatively flat avg. load factor of 28%; iii) a 35% increase of wind production; and iv) a 2% increase of avg. selling price to €60/MWh in 9M10. Operating costs rose €48m, explained by the expansion of operations. In **Europe**, EBITDA rose 33% YoY (+€76m) with wind output increasing 43% on the back of an 19% increase of installed capacity and higher avg. load factor (+2pp to 26% in 9M10), while avg. wind tariffs retreated 6%, penalized by Spain (-10%). **In the USA,** EBITDA rose 20% YoY (+€30m) driven by a 28% increase of wind output (installed capacity went up by 35%) that was mitigated by a lower avg. load factor (-1pp to 30% in 9M10), penalized by low wind resources. Avg. selling price in the USA went up 3% YoY reflecting: i) a 5% increase of the avg. price of our PPA contracts, to USD55/MWh; and ii) a 30% rise of our avg. merchant price, to USD34/MWh.

BRAZIL – EBITDA rose 28% YoY (+€108m), driven by a 22% appreciation of the Real against the Euro (+€89m impact on EBITDA). In local currency, EBITDA grew 5% YoY, on the back of: i) a strong recovery of electricity demand in our concession areas (volumes of electricity sold went up 7%); ii) the positive impact from annual tariff updates at both Escelsa (Aug-09) and Bandeirante (Oct-09); and iii) a positive impact from tariff deviations in distribution (+€32m in 9M10 vs. €14m in 9M09). EBITDA performance at our Brazilian generation activity, up 1% YoY, was driven by a 1% increase of gross profit, following a 2% rise in electricity volumes sold and a flat avg. selling price.

Note that in 3Q10, EDP Soluções Comerciais (EBITDA: €19m in 9M10 vs. €20m in 9M09), our commercial shared services platform for the last resort and liberalized electricity and gas supply, was excluded from the regulated networks business unit and transferred to "Other & Adjustments".

(1) With the aplication of IFRIC 18, the assets received from the clients are registered at fair value, under operating revenues. Considering that IAS 16 establishes that the depreciation of an asset should be done within the time period during which economic benefits are generated, and these assets are not included in the regulatory basis, the assets are fully depreciated within the same year

Profit & Loss Items below EBITDA

Provisions, Deprec. & Amortizat. (€ m)	9M10	9M09	Δ %	Δ Abs.
EBITDA	**2,650.8**	**2,427.1**	**9.2%**	**+224**
Provisions	68.3	34.0	101%	+34
Depreciation and amortisation	1,096.6	1,003.9	9.2%	+93
Compensation for depreciation	(16.8)	(82.9)	80%	+66
EBIT	**1,502.7**	**1,472.2**	**2.1%**	**+31**

Financial Results (€ m)	9M10	9M09	Δ %	Δ Abs.
Net financial interest	(401.2)	(439.2)	8.6%	+38
Capitalized financial costs	126.7	86.5	46%	+40
Net foreign exch. diff. and derivates	(48.8)	14.9	-	-64
Investment income	15.7	15.1	4.0%	+1
Other Financials	(40.3)	(56.8)	29%	+16
Financial Results	**(347.9)**	**(379.3)**	**8.3%**	**+31**

Results from Associat. Companies (€ m)	9M10	9M09	Δ %	Δ Abs.
CEM (21%) - China/Macao	10.1	9.0	12%	+1
DECA II (EEGSA (21%)) - Guatemala	4.5	3.8	20%	+1
EDP Renováveis subsidiaries	2.7	3.1	-13%	-0
Other	1.0	5.0	-80%	-4
Results from associated companies	**18.3**	**20.9**	**-12%**	**-3**

Capital Gains/(Losses) (€ m)	9M10	9M09	Δ %	Δ Abs.
ESC 90 (49%) - Telecom Brazil	-	15.9	-	-16
Soto IV (25%) - CCGT Spain	-	12.9	-	-13
Oni SGPS - Telecom Portugal	6.9	-	-	+7
Other	(4.3)	1.8	-	-6
Capital Gains/(Losses)	**2.6**	**30.6**	**-92%**	**-28**

Income Tax (€ m)	9M10	9M09	Δ %	Δ Abs.
Pre-tax profit	**1,175.7**	**1,144.3**	**2.7%**	**+31**
Income taxes	305.5	309.1	-1.2%	-4
Effective tax rate (%)	*26.0%*	*27.0%*	*-1.0 pp*	-
Discontinued activities	-	-	-	-

Minority Interests (€ m)	9M10	9M09	Δ %	Δ Abs.
EDP Renováveis	3.2	13.7	-77%	-11
HC Energia	(0.1)	2.7	-	-3
Gas Portugal subsidiaries	4.3	1.2	258%	+3
Energias do Brasil	88.5	69.3	28%	+19
Other	-	0.2	-	-0
Minority Interests	**95.9**	**87.1**	**10%**	**+9**

The adoption of IFRIC 12 resulted in changes at the level of both depreciation & amortisation and compensation for depreciation. These changes, which resulted from a reclassification of depreciation of tangible fixed assets to intangible assets and the netting of subsidies accounted in liabilities with their respective assets, had no impact at the results level. (See impacts on page 34)

Net depreciation and amortisation (net of compensation from depreciation and amortisation of subsidised assets) increased by 17% YoY in 9M10 (+€159m), mostly due to: i) higher depreciations at EDPR (+€87m), explained by the increase of wind installed capacity and the forex impact of the appreciation of the USD against the EUR (+3%); ii) higher depreciations at Energias do Brasil (+€28m), mostly due to the forex impact of the Brazilian Real appreciation against the Euro (+22%); iii) the start of operations of Lares 1 and 2 CCGT in Portugal (Oct/Nov-09) (+€14m); iv) the first time consolidation of the gas assets acquired from Gas Natural (+€18m); and v) the application of IFRIC 18[(1)] on our gas and electricity distribution assets in Spain (+€14m).

Financial Results:

a) **Net financial interests** decreased 9% YoY, to €401m in 9M10, following a c50bp reduction of the average cost of debt, from 4.0% in 9M09 to 3.5% in 9M10, driven by the decline in short term interest rates (note that as of Sep-10 c56% of EDP's debt has floating rates, with the most significant indexing being the Euribor 3 months, which fell from an avg. of 1.4% in 9M09 to an avg. of 0.7% in 9M10), more than offsetting the 7% rise in average net debt;

b) **Capitalised financial costs** went up by €40m YoY to €127m in 9M10, reflecting: i) an increase of the amount of works in progress of the Pecém coal plant in Brazil (+€15m); ii) capitalization of interests on Fridão and Alvito hydro power plants concession rights (+€12m in Portugal); and iii) higher capitalization of financial costs at EDPR level (+€7m) due to higherinterest cost at EDPR level.

c) **Net foreign diff. exchange and derivatives** fell €64m YoY to a €49m loss in 9M10, reflecting, on the one hand, hedging operations in energy markets from our generation activity (-€15m) and, on the other, to a greater extend, hedging losses with interest rate and currency derivatives contracted for the financing and accounting of equipment at our Pecém coal plant in Brazil.

d) **Other financials** in 9M10 include a R$57m (€25m) one-off negative impact in Brazil related to a liability from the 2001 electricity rationing. 9M09 include an impairment loss of €29m to reflect the lower market value of EDP's stake in BCP.

Results from associated companies: please note that in Oct-10, EDP sold for USD127m its 21% stake in DECA II (Guatemala), which in the 9M10 contributed with €4.5m to EDP Group's net income. With this transaction EDP will recognize €46m after tax consolidated capital gain in 4Q10.

Capital gains/(losses) in 9M10 include a €7m gain related to contracted adjustments on the sale price of Oni SGPS (sold in 2007). In 9M09, capital gains totalled €31m, consequence of: i) the entry of Sonatrach into the capital of Soto 4 (with a 25% stake); and ii) the recognition of a €16m gain from the sale of Energias do Brasil's stake in ESC90 (Brazilian telecom company).

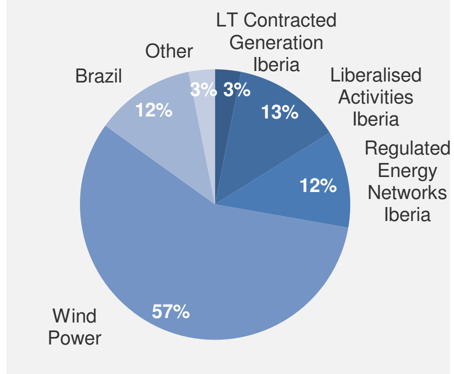
Minority interests increased 11% YoY to €96m in 9M10, on the back of higher minorities at Energias do Brasil, following the sale of treasury stock to the market in 4Q09, which increased the economic interest of EDP Brasil minorities from 28% to 35%; which was partly compensated by lower minorities at EDP Renováveis, due to a decrease of net income (-68% YoY to €22m in 9M10).

(1) With the aplication of IFRIC 18, the assets received from the clients are registered at fair value, under operating revenues. Considering that IAS 16 establishes that the depreciation of an asset should be done within the time period during which economic benefits are generated, and these assets are not included in the regulatory basis, the assets are fully depreciated within the same year

Capital Expenditure Breakdown

Capex (€ m)	9M10	9M09	Δ %	Δ Abs.	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10
LT contracted gen. Iberia	60.8	72.6	-16%	-12	21.0	28.6	22.9	55.0	12.8	22.9	25.1	-
Liberalised activities Iberia	254.5	536.2	-53%	-282	292.2	108.8	135.3	167.7	54.8	94.4	105.3	-
Regulated networks Iberia	228.3	250.3	-8.8%	-22	63.4	94.7	92.2	112.4	66.2	83.9	78.2	-
Wind power	1,119.6	1,452.4	-23%	-333	403.5	509.0	539.9	238.8	382.0	452.3	285.3	-
Brazil	233.2	160.5	45%	+73	39.7	56.5	64.2	98.1	39.5	82.3	111.4	-
Other	62.2	56.1	11%	+6	20.6	14.9	20.6	34.8	17.3	3.3	41.6	-
EDP Group	**1,958.6**	**2,528.0**	**-23%**	**-569**	**840.5**	**812.5**	**875.0**	**706.7**	**572.6**	**739.1**	**646.9**	**-**
Expansion Capex	**1,452.9**	**2,086.6**	**-30%**	**-634**	**716.3**	**655.8**	**714.5**	**470.5**	**446.6**	**561.5**	**444.9**	**-**
Maintenance Capex	**505.7**	**441.4**	**14.6%**	**+64**	**124.2**	**156.7**	**160.5**	**236.3**	**126.0**	**177.7**	**202.1**	**-**

CAPEX 9M10



Generation Projects Installed in 2010 (€ m)	MW	Capex 2010
Wind Power	629	579.0
Hydro (Brazil)	2	0.5
Special regime (ex-wind)	25	3.1
Total	**656**	**582.6**

Generation Projects Under Construction (€ m)	MW	Capex 2010	Acc. Capex (1)
Hydro Portugal	1,884	128.3	361.0
Wind power (2)	743	450.8	409.7
CCGT Iberia	424	40.6	247.1
Coal Brazil	360	116.2	390.8
Hydro Brazil	18	4.1	15.0
Special regime (ex-wind)	10	3.9	4.7
Total	**3,439**	**743.8**	**1,428.3**

Consolidated capex totalled €1,959m in 9M10, 74% of which devoted to expansion projects. In line with EDP's strategy to increase its exposure to CO_2-free generation technologies and risk controlled activities, capex in new hydro and wind capacity represented 88% of expansion capex and regulated/LT contracted activities absorbed 84% of total capex. **Expansion capex** declined by €634m YoY, reflecting the slower pace of investments in both liberalised generation in Iberia (-€282m) and wind power (-€333m). The lower capex at our liberalised activities in Iberia was prompted by the payment of concession rights for Fridão (238MW) and Alvito (225MW) hydro power plants in Portugal, in 1Q09. **Maintenance capex** rose €64m YoY, to €506m in 9M10, mainly reflecting DeNOx investments at Sines (coal plant under PPA/CMEC regime) and pluri-annual works at some merchant power plants in Portugal.

In 9M10 EDP invested €583m in new capacity that came on stream during this period. The bulk of this reported to wind capacity, namely construction works of 629MW that came on stream in 9M10 and in the final works on wind capacity which entered in operation in 4Q09. Overall, EDP expanded its generation portfolio by 656MW in 9M10: (i) +629MW of wind capacity, of which 478MW in US, 174MW in Spain and 39MW in France; ii) +25MW of cogeneration capacity in Portugal (Barreiro plant); and (iii) +2MW of hydro capacity in Brazil (Rio Bonito). As of Sep-10, EDP total **installed capacity** amounted to 21.3GW.

By the end of Sep-10, EDP had already spent €1.4bn in 3,439MW under construction. **In Portugal,** EDP has so far spent €361m (21% of total capex planned) in the construction of 7 hydro power plants, totalling 1,844MW: (i) 5 plants repowerings due to start operations between Dec-2011 and 2015; and (ii) 2 new dams due to start operations in Oct-2013 and Dec-2013, respectively. **In wind**, EDP has so far spent €410m in 743MW under construction: 216MW in Spain, 336MW in Rest of Europe, 122MW in US and 70MW in Brazil. Average time-to-market of these assets is 12 to 18 months. Regarding **thermal capacity**, EDP has so far spent: (i) €247m (83% of total investment) in 424MW Soto 5 CCGT in Spain, expected to be commissioned in Dec-11; and (ii) €391m (67% of total investment) in our 360MW share in Pecém coal plant in Brazil, due to start-up by the end of 2011. On top of all this, EDP has already paid €1bn for hydro concession rights: (1)€285m the right to build and operate 3 new plants in Portugal and (2) €759m for the right to operate hydro plants currently under PPA/CMEC up to, on average, 2047.

In light of the lack of visibility over the US wind market, EDP decided to cut its capex targets for 2011 and 2012, from an average of €2.4bn to an average of €2.1bn (2.2bn in 2011 and €2.0bn in 2012).

(1) Accumulated capex net of debts to equipment suppliers; (2) Excluding Eólicas de Portugal (152MW).

Cash Flow

Consolidated Cash Flow (€ m)	9M10	9M09	Δ %	Δ Abs.
EBITDA	**2,650.8**	**2,427.1**	**9.2%**	**+224**
Income tax	(194.1)	(259.1)	25%	+65
Net financial interest	(401.2)	(439.2)	8.6%	+38
Net Income and dividends from associates	34.1	36.0	-5.3%	-2
Other adjustments	(14.6)	33.4	-	-48
FFO (Funds From Operations)	**2,075.0**	**1,798.3**	**15%**	**+277**
Net financial interest	401.2	439.2	-8.6%	-38
Net Income and dividends from associates	(34.1)	(36.0)	-5.3%	-2
Change in operating working capital	(1,377.1)	818.1	-	-2,195
Regulatory receivables (1)	(532.1)	991.3	-	-1,523
Operating Cash Flow	**1,065.0**	**3,019.5**	**-65%**	**-1,954**
Expansion capex	(1,452.9)	(2,086.6)	-30%	-634
Maintenance capex	(505.7)	(441.4)	15%	+64
Change in working capital from equipment suppliers	(302.7)	(125.8)	141%	+177
Net Operating Cash Flow	**(1,196.3)**	**365.6**	**-**	**-1,562**
Net financial (investments)/divestments	(10.4)	8.6	-	-19
Net financial interest paid	(291.3)	(407.3)	28%	+116
Dividends received from associates	32.2	30.6	5.2%	+2
Dividends paid	(561.8)	(507.2)	11%	+55
Anticipated proceeds from inst. partnerships in US wind	163.1	112.0	46%	+51
Other non-operating changes	(375.3)	(102.3)	-	-273
Decrease/(Increase) in Net Debt	**(2,239.8)**	**(500.0)**	**-**	**-1,740**

Major Net Financial Investments (€ m)	9M10	9M09	Δ %	Δ Abs.
Major Financial Investments	**100.4**	**67.5**	**49%**	**+33**
Consolidation perimeter EDP Renováveis	56.8	53.4	6.3%	+3
Other	43.6	14.1	208%	+29
Major Financial Divestments	**89.9**	**76.1**	**18%**	**+14**
Consolidation perimeter EDP Renováveis	81.8	-	-	+82
CCGT Soto IV	-	17.0	-	-17
ESC90 (Brazil)	-	34.4	-	-34
Other	8.2	24.6	-67%	-16
Net Financial (Investments)/Divestments	**(10.4)**	**8.6**	**-**	**-19**

Funds from operations (FFO) rose 15% YoY to €2,075m as a result of: 1) a 11% increase of installed capacity, 2) recovery of electricity demand, 3) consolidation of the gas assets acquired from Gas Natural and 4) decrease of our average cost of debt. FFO does not include the impact of tariff deviations in the regulated and long term contracted activities, reflected at the level of changes in operating working capital.

Consolidated operating cash flow decreased by 65% in 9M10 to €1,065m reflecting the sale without recourse in 1Q09 of the right to receive the Portuguese's tariff deficit accumulated in 2007 and 2008 in the amount of €1.2bn. Change in operating working capital in 9M10 is impacted by abnormally high annual corporate tax payment in Portugal in 2Q10 due to strong increase of EDP Group taxable income in 2009 related to the sale of the right to receive the 2007/2008/2009 Portuguese's tariff deficits in the amount of €1.7bn and by change in inventories. The variation in regulatory receivables generated in 9M10 had a negative contribution of €532m for EDP's free cash flow, essentially due to reduction of positive tariff deviation in Portugal, which is being paid back to clients through tariffs (+€408m) and additional tariff deficit generated in Spain in 9M10 (+€221m).

Expansion capex decreased 30% to €1,453m in 9M10 reflecting lower capex in wind and liberalised operations in Iberia due to the conclusion of Lares CCGT in 4Q09 and payment of €232m regarding the concession rights of Fridão and Alvito hydro power plants in Portugal in 1Q09. The decrease in "change in working capital related to property and equipment suppliers" reflects payments of construction works in Soto 5 and Pécem in Brazil.

Financial divestments mainly include the cash proceeds from: (1) restricted cash in wind US equity partnerships. **Financial investments** in 9M10 includes: (1) amounts related to the EDPR activity like payment of success fees related to development of wind projects previously acquired by EDP, and (2) acquisition of stakes in wind parks in Spain and projects in Italy. Note that sale of our stake in Deca II (Guatemala) in the amount of USD127 million will only be accounted in 4Q10.

The decrease of **net financial interest paid** reflects the decrease in the average cost of debt driven by the decline in short term interest rates.

On May13th 2010, EDP paid its **annual dividend** amounting to €562m (€0.155/share), a 11% increase vs. previous year.

The **"Other non-operating changes"** are mainly impacted by forex (appreciation of US dollar and Brazilian Real vs. the Euro over 9M10) and fair value from hedge.

Overall, net debt in 9M10 increased €2.2bn.

(1) Includes tariff adjustments securitization (€1.2bn in 1Q09).

Consolidated Balance Sheet

Assets (€ m)	Sep vs. Dec		
	Set-10	Dec-09	Δ Abs.
Property, plant and equipment, net	19,659	18,410	1,248
Intangible assets, net	9,861	9,629	232
Financial investments, net	593	618	-25
Deferred Tax asset	640	661	-21
Assets held for sale	68	-	68
Inventories	360	273	87
Accounts receivable - trade, net	2,117	2,008	109
Accounts receivable - other, net	4,807	4,736	71
Financial assets held for Trading	36	85	-49
Cash and cash equivalents	1,383	2,190	-806
Total Assets	**39,524**	**38,611**	**913**

Equity (€ m)	Set-10	Dec-09	Δ Abs.
Share capital	3,657	3,657	-
Treasury stock and share premium	385	382	3
Consol. net profit, reserv. and retaining earnings	3,480	3,255	225
Equity Book Value	**7,521**	**7,294**	**227**
Minority Interest	**2,858**	**2,688**	**170**
Total Equity	**10,379**	**9,982**	**397**

Liabilities (€ m)	Set-10	Dec-09	Δ Abs.
Medium/ Long-term debt & borrowings	14,748	13,486	1,261
Short-term debt & borrowings	2,918	2,794	123
Provisions	416	343	73
Hydrological correction account	85	113	-28
Deferred tax liability	841	760	80
Accounts payble - Other,net	10,138	11,132	-994
Total Liabilities	**29,145**	**28,629**	**516**
Total Equity and Liabilities	**39,524**	**38,611**	**913**

Regulatory Receivables (€ m)	Set-10	Dec-09	Δ Abs.
Portugal (1)	(101)	(509)	408
Spain (2)	723	501	221
Brazil (1)	(13)	18	-31
Annual deviation - Mkt vs. CMEC	520	585	-66
Regulatory Receivables	**1,128**	**596**	**532**

Prov. for Social Benefits & Inst. Part. Liability (€ m)	Set-10	Dec-09	Δ Abs.
Pensions (3)	1,053	1,109	-56
Medical care	779	770	8
Net institutional partnership liability (4)	1,003	835	168
Prov. for Social Benefits & Inst. Part. Liability	**2,835**	**2,715**	**120**

Note: The consolidated balance sheet had a significant impact as a result of the application of **IFRIC 12** to the gas distribution business, electricity distribution and generation business whose application resulted in the reclassification of tangible assets to intangible assets and financial investments and the netting of subsidies accounted in liabilities with their respective assets. Thus, the application of IFRIC 12 implied that 2009 consolidated balance sheet was amended.

Property, plant and equipments (net) assets rose by €1.2bn vs. Dec-09 to €19.7bn following: (1) the investments made in the construction of new generation plants, namely wind and hydro power plants, (2) an increase in the extension of our regulated energy network and (3) positive impact from foreign exchange differences in the 9M10, namely the apreciation of BRL and USD against Euro (€0.5bn). The €0.2bn increase vs. Dec-09 of **intangible assets** is mainly concerned with the update of fair value of Naturgas put option. Note that in Sep-10, EDP's balance sheet include €3.8bn (vs. €3.9bn by Dec-09) of works in progress (14% of total consolidated fixed assets of €30.1bn) largelly 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 €697m as of Sep-10, including essentially our financial stakes at CEM (21%), BCP (2.6%), REN (3.5%), Ampla (7.7%), and Deca (21% - stake sold in Oct-10).

Inventories increased by €0.1bn vs. Dec-09 reflecting essential seasonal higher stock levels of gas and an increase in market value of CO_2 licences.

Accounts receivable (other, net) recorded an increase by €0.1bn vs. Dec-09, following an increase in regulatory receivables mainly related to additional tariff deficit in Spain over 9M10. By Sep-10, EDP's balance sheet continued to include €1,141m of net regulatory receivables, not including regulatory receivables from Brazil, which are recognized in the balance sheet under Brazilian GAAP but not under IFRS.

The €0.2bn increase vs. Dec-09 of **Equity book value** reflects the net profit in the period, the annual dividend payment of €562m made in May-10 and the positive impact from appreciation of the Brazilian Real against the Euro (2.32 in 30-Sep-10 vs. 2.51 in 31-Dec-09.

The €0.2bn increase vs. Dec-09 of **equity attributable to minority interests** is also mostly related to the appreciation of Brazilian Real against the Euro.

The €10.1bn of **accounts payable (other, net)** include €1.8bn of unfunded pension fund and medical care liabilities. This amount is gross of taxes, and 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. The €1.0bn decrease vs. Dec-09 reflects the annual reduction of positive tariff deviation in Portugal (€0.4bn), decrease in accounts of equipment suppliers over the 9M10 (€0.3bn) and one off higher corporate tax payment in Portugal due to tariff deficit sale in 2009 (€0.4bn).

Net institutional partnership liability amounted €1,003m by Sep-10 vs. €835m by Dec-09. 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.
(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.

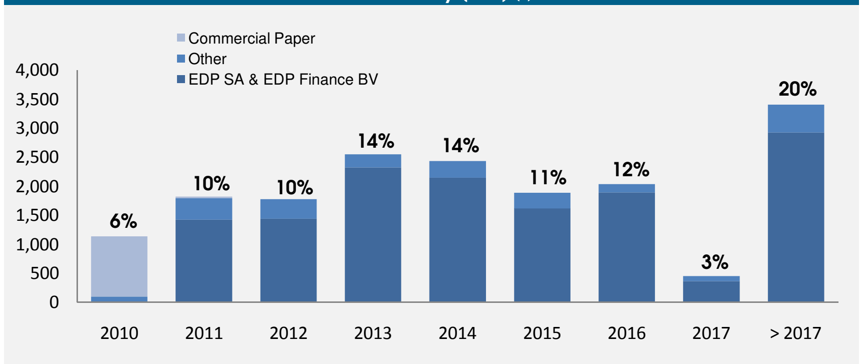
Consolidated Net Financial Debt

Nominal Financial Debt by Company (€ m)	9M10	YE2009	EDP %
EDP S.A. and EDP Finance BV	15,076.5	13,704.9	100%
EDP Produção	199.1	200.9	100%
HC Energia	125.3	335.8	97%
EDP Renováveis	547.2	539.3	78%
Portgás	88.7	100.9	72%
Energias do Brasil	1,411.0	1,245.6	65%
Nominal Financial Debt	**17,447.7**	**16,127.4**	**-**
Accrued interest on debt	206.6	245.5	-
Nominal Financial Debt + Accrued Interest	**17,654.3**	**16,372.9**	**-**
Fair value of hedged debt	11.3	(91.8)	-
Total Financial Debt	**17,665.6**	**16,281.1**	**-**
Cash and Cash Equivalents	**1,383.4**	**2,189.6**	**-37%**
EDP S.A., EDP Finance BV and other	576.3	1,305.4	-
EDP Renováveis	261.8	443.6	-
Energias do Brasil	545.3	440.5	-
Financial Assets at Fair Value through P&L	**35.8**	**84.9**	**-**
EDP Consolidated Net Debt	**16,246.4**	**14,006.7**	**-**

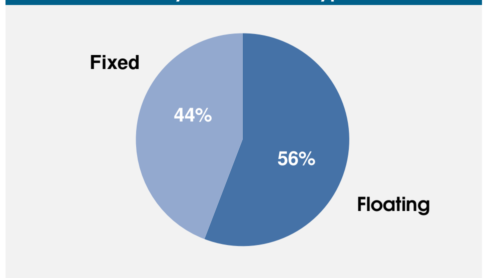
Debt Ratings	S&P	Moody's	Fitch
EDP SA & EDP Finance BV	**A-/Neg/A2**	**A3/Stab/P2**	**A-/Stab/F2**
Last Rating action	29-10-2010	13-07-2010	17-06-2010

Debt Ratios	9M10	YE2009
Net Debt / EBITDA	4.6x	4.2x
Net Debt / EBITDA adjusted	4.3x	3.9x

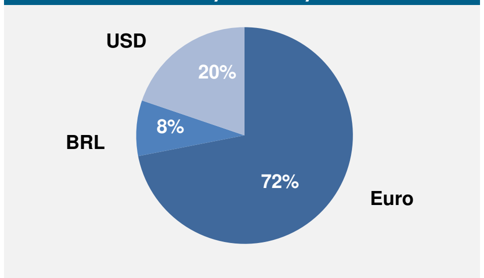
Debt Maturity (€ m) (1)



Debt by Interest Rate Type (1)



Debt by Currency (1)



In 9M10, EDP's net debt/EBITDA and net debt/EBITDA adjusted for regulatory receivables were 4.6x and 4.3x, respectively.

In Nov-10, EDP has signed a five year revolving credit facility in the amount of €2bn, replacing the €1.6bn RCF signed in Mar-09 and keeping the same purpose: backup credit facility. The transaction, initially targeted at €1.600m, closed with an amount 1.4x higher. It was self-arranged as a club deal involving 21 international banks.

In Jul-10, EDP contracted with the EIB a €140m loan maturing in 15 years.

In Mar-10, EDP issued a Euro public bond in the amount of €1bn maturing in 5 years, which was swapped to floating rate. Also in 2Q10, EDP issued two privately placed floating-rate notes in the amount of USD100m and €500m, with tenors of 5 years and 1 year, respectively.

As a consequence, the weight of floating rate in the Group's consolidated debt increased (50% Floating/50% Fixed by Dec-09 to 56% Floating/44% Fixed by Sep-10). EDP's main reference in floating interest rate are Euribor 1 month/3 months. Debt average maturity in debt was 5 years as at Sep-10.

During 2010, all rating companies affirmed EDP's rating and outlook. In Oct-10, Standard & Poor's affirmed the 'A- with negative outlook, Moody's confirmed the "A3" rating with a stable outlook in Jul-10 and Fitch affirmed the "A-" rating with a stable outlook in Jun-10.

As at Sep-10, committed liquidity facilities available amounted to €2,494m, which implied a total of €3,913m of cash and liquidity facilities available. This liquidity position allows EDP to cover its refinancing needs for 2012.

As at Sep-10, outstanding commercial paper amounted to €1bn. EDP intends to continue to roll it forward, having as back-up the renewed €2bn revolving credit facility, which is currently fully available.

The debt related to "Other" corresponds mainly to EDP Brasil local funding and EDP Renováveis' project finances, both of which are non-recourse to EDP.

The only material debt issues maturing until the end of 2011 are a €0.7bn bond in Mar-11 and a €0.5bn bond in Jun-11.

(1) Nominal Value.

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Business Areas

Iberian Electricity and Gas Markets

Electricity Balance (TWh)	Portugal 9M10	Portugal 9M09	Portugal Δ%	Spain (1) 9M10	Spain (1) 9M09	Spain (1) Δ%	Iberian Peninsula 9M10	Iberian Peninsula 9M09	Iberian Peninsula Δ%
Hydro	11.9	5.6	113%	31.1	17.8	75%	43.1	23.4	84%
Nuclear	-	-	-	45.8	40.3	14%	45.8	40.3	14%
Coal	4.4	9.2	-52%	16.0	26.4	-40%	20.4	35.6	-43%
CCGT	7.9	9.0	-12%	48.7	59.6	-18%	56.5	68.6	-18%
Fuel/gas/diesel	0.0	0.3	-99%	1.3	1.6	-16%	1.3	1.8	-28%
Own consumption	-	-	-	(4.8)	(5.4)	-12%	(4.8)	(5.4)	-12%
(-)Pumping	(0.3)	(0.7)	-52%	(3.4)	(2.6)	30%	(3.7)	(3.3)	13%
Conventional Regime	**23.9**	**23.4**	**2.1%**	**134.8**	**137.7**	**-2.1%**	**158.7**	**161.1**	**-1.5%**
Wind	6.3	4.7	34%	29.8	23.9	25%	36.1	28.6	26%
Other	6.6	4.8	36%	36.1	32.4	12%	42.7	37.2	15%
Special Regime	**12.8**	**9.5**	**35%**	**65.9**	**56.3**	**17%**	**78.8**	**65.8**	**20%**
Import/(export) net	2.1	4.0	-47%	(6.2)	(5.8)	6.9%	(4.1)	(1.8)	128%
Gross demand (before grid losses)	**38.8**	**36.9**	**5.2%**	**194.5**	**188.2**	**3.4%**	**233.3**	**225.1**	**3.7%**
Adjust. temperature, working days			4.0%			3.0%			n.a.

Gas Demand (TWh)	Portugal 9M10	Portugal 9M09	Portugal Δ%	Spain 9M10	Spain 9M09	Spain Δ%	Iberian Peninsula 9M10	Iberian Peninsula 9M09	Iberian Peninsula Δ%
Conventional demand	25.7	20.5	26%	189.6	174.1	8.9%	215.3	194.6	11%
Demand for electricity generation	16.6	18.4	-10%	101.6	122.0	-17%	118.2	140.4	-16%
Total Demand	**42.3**	**38.8**	**9.0%**	**291.2**	**296.1**	**-1.6%**	**333.5**	**334.9**	**-0.4%**

Electricity demand in the Iberian market rose 3.7% YoY in 9M10, prompted by clear recovery in both Portugal and Spain (adjusted for temperature and working days: +4% and +3%, respectively) and broadly closing the gap to 9M08 demand. Notwithstanding the slower growth pace in 3Q10 (+2.2% YoY), it is worth to note Portugal's superior resilience, which results from the connection of new industrial clients and should be diluted in the coming quarters. In spite of this demand recovery (+8.3TWh), residual thermal demand retreated 26% (28TWh) reflecting: (1) +19TWh of net hydro output, supported by high production factor (1.4x in both Portugal and Spain, well above the average year); (2) +7.5TWh of wind output, backed by 14% rise in installed capacity and stronger wind resources YoY; and (3) +5.5TWh of output from both other special regime and nuclear plants (which 2009 output had been affected by unexpected long outages).

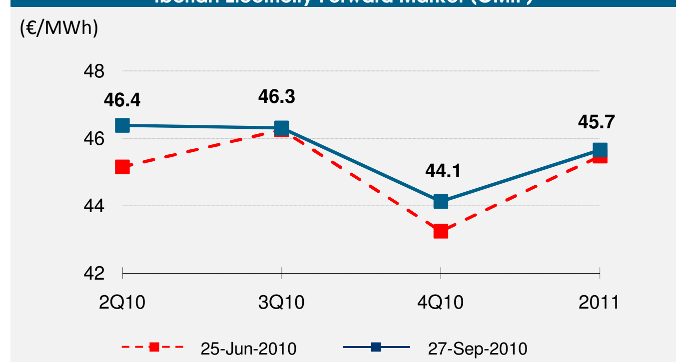
In 9M10, average load factor in Spain was higher at CCGT than at coal plants (32% vs 22%). In spite of CCGT's higher working hours (backed by gas' superior flexibility and sourcing conditions in Iberia), it is worth to mention the coal plants' higher load factor in 3Q10 (at 36%). Thermal installed capacity in Iberia rose 2% YoY reflecting the shutdown of fuel/gasoil and coal capacity (-1.5GW) and the start-up of new CCGT groups (+2.5GW).

Average electricity spot price in Spain rose 26% (QoQ), to €44/MWh in 3Q10, reflecting higher thermal demand (c+60% QoQ). Even so, 9M10 average pool price still fell 9% short of 9M09 price. As a result of a more regular hydro regime in 3Q10, Portugal's average pool price was €1.5/MWh higher than in Spain and net imports from Spain recouped in the quarter. In turn, average final price in Spain retreated by 3% in 9M10, reflecting lower pool price, on one hand, and the higher weight of system costs in the final price (as rising weight of wind in the system demands for more backup capacity), on the other hand.

In the Iberian gas market, volumes consumed were flat in 9M10, reflecting the mixed impact of (i) stronger conventional demand (+11% YoY) and (ii) lower consumption for electricity generation purposes (-16% YoY) stemming from lower working hours at CCGT plants. The gap between the price of LT gas sourcing contracts in Iberia and spot benchmark (based on NBP) continued to be significant, despite the latter's faster growth pace in 3Q10: +16% QoQ vs -3% QoQ from Spain's LT contracts reference.

Installed Capacity in Electricity (GW)	Iberian Peninsula 9M10	Iberian Peninsula 9M09	Iberian Peninsula Δ%
Hydro	21.2	21.2	-
Nuclear	7.4	7.4	-
Coal	11.9	12.2	-2.3%
CCGT	26.2	23.7	11%
Fuel/gas/diesel	4.7	6.0	-21%
Conventional Regime	**71.5**	**70.6**	**1.4%**
Wind	23.3	20.4	14%
Other special regime	17.0	16.2	4.9%
Special Regime	**40.3**	**36.6**	**10%**
Total	**111.8**	**107.1**	**4.4%**

Iberian Electricity Forward Market (OMIP)



Main Drivers	9M10	9M09	Δ%
Hydro coeficient (1.0 = avg. year)			
Portugal	1.37	0.68	101%
Spain	1.36	0.71	92%
Electricity spot price, €/MWh (2)			
Portugal	35.2	39.1	-10%
Spain	34.8	38.3	-9.2%
Electricity final price, €/MWh (2) (3)			
Spain	42.2	43.4	-2.7%
CO_2 allowances (EUA), €/ton (2)	14.4	13.1	10%
Coal (API2 CIF ARA), USD/t (2)	86.2	67.3	28%
Gas (CMP Spain), €/MWh (2)	21.7	22.4	-3.2%
Gas NBP, €/MWh (2)	15.9	12.7	25%
Brent, USD/bbl (2)	77.9	57.9	35%
EUR/USD (2)	1.31	1.36	-3.4%

(1) Source: REE (2) Average in the period (3) 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)	9M10	9M09	Δ%	Δ Abs.
PPA/CMEC Revenues	**750.7**	**920.7**	**-18%**	**-170**
Revenues in the market (i)	529.7	532.4	-0.5%	-3
Annual deviation (ii)	119.5	252.6	-53%	-133
PPAs/CMECs accrued income (iii)	101.5	135.7	-25%	-34
PPA/CMEC Direct Costs	**48.9**	**225.7**	**-78%**	**-177**
Coal	82.8	182.4	-55%	-100
Fuel oil	4.1	18.9	-78%	-15
CO_2 and other costs (net)	(38.0)	24.4	-	-62
Gross Profit PPA/CMEC	**701.8**	**695.0**	**1.0%**	**+7**
Thermal (cogen., waste, biomass)	42.2	39.1	8.0%	+3
Mini-hydro	40.2	20.4	97%	+20
Gross Profit Special Regime	**82.5**	**59.5**	**39%**	**+23**
Operating costs	145.6	143.9	1.2%	+2
EBITDA	**638.5**	**610.6**	**4.6%**	**+28**
Net depreciation and provision	174.1	191.5	-9.1%	-17
EBIT	**464.4**	**419.0**	**11%**	**+45**
At Fin. Results: Hedging Gains (Losses) (1)	(6.6)	3.4	-	-10
Employees (#)	1,420	1,469	-3.3%	-49

PPA/CMEC: Key Data	9M10	9M09	Δ %	Δ Abs.
Real/Contracted Availability (Km)				
Hydro plants	1.01	1.02	-0.3%	-0.0
Thermal plants	1.09	1.09	0.2%	+0.0
Installed Capacity (MW)	**6,931**	**6,987**	**-0.8%**	**-56**
Hydro (2)	4,094	4,094	-	-
Coal	1,180	1,180	-	-
Fuel oil	1,657	1,713	-3.3%	-56

Special Regime: Key Data	9M10	9M09	Δ %	Δ Abs.
Output (GWh)	**1,877**	**1,523**	**23%**	**+354**
Mini-hydro Portugal	457	236	94%	+221
Thermal Portugal	727	619	17%	+108
Thermal Spain	694	669	3.7%	+25
Average Gross Profit (€/MWh)				
Mini-hydro Portugal	88	87	1.6%	+1
Thermal Portugal	27	24	11%	+3
Thermal Spain	32	36	-9.3%	-3

Capex (€ m)	9M10	9M09	Δ %	Δ Abs.
PPA/CMEC Generation	**49.9**	**37.5**	**33%**	**+12**
Hydro recurrent	14.8	12.8	16%	+2
Thermal recurrent	11.4	12.3	-7.2%	-1
Non recurrent (environmental)	23.6	12.4	91%	+11
Special Regime	**11.0**	**35.0**	**-69%**	**-24**
Expansion	9.1	29.7	-69%	-21
Maintenance	1.9	5.3	-65%	-3
Total	**60.8**	**72.6**	**-16%**	**-12**

In 9M10, **EBITDA from LT contracted generation was 5% higher YoY (+€28m)** reflecting higher hydro output at our mini-hydro plants, new capacity on stream in the special regime and higher results from fuel procurement. This growth more than compensated the negative impact from the decommissioning of Barreiro and depreciation of PPA asset base.

Gross profit from PPA/CMEC was 1% higher YoY in 9M10, reflecting higher gains with fuel procurement: as a result of changes in fuel market prices between the moment of procurement and the moment of consumption, EDP posted a gain of €8m in 9M10 (vs a loss of €35m in 9M09). In line with the past, EDP posted real availability rates at our thermal plants ahead of contracted levels by 9%. Likewise, availability rate at our hydro plants was also 1% ahead of the contracted level in spite of the lower availability rate posted by Bemposta plant due to the ongoing repowering works. Having said this, PPA/CMEC gross profit also reflected the negative impact from the decommissioning of Barreiro (-€13m), the natural decline in PPA net asset base and lower working hours at our thermal plants. The 1% decline in installed capacity under PPA/CMECs results from the exclusion of our fuel oil plant, Barreiro (56MW).

The annual deviation ('revisibility') between market gross profit under CMECs assumptions and under actual market conditions amounted to €120m in 9M10. This deviation stemmed from low pool prices (€35/MWh vs. €53/MWh(3) CMEC reference) and from very low output in our thermal plants. This deviation is due to be recovered in up to 24 months, through TPA tariffs.

Gross profit from Special regime rose 39% (+€23m) in 9M10 propelled by higher output at mini hydro plants (+94% YoY) and new thermal capacity on stream: 29MW of biomass in Figueira da Foz (Jun-09), 13MW of biomass in Constância (Sep-09), both 50% owned by EDP group; and 25MW of cogeneration in Barreiro (Mar-10).

Operating costs rose 1% YoY in 9M10 reflecting (i) equipment write-offs and new capacity on stream in 9M10; and (ii) €10m restructuring costs in 9M09.

Net depreciation charges and provisions decreased 9% YoY as the decommissioning of Barreiro plant and the extension of the useful life in several plants outstood the impact from new capacity on stream.

Capex in LT contracted generation declined 16% (-€12m) YoY in 9M10, to €61m, mainly reflecting lower capex in new capacity under special regime (-€21m). Non-recurrent capex in 9M10, responsible for 54% of the total, was mainly driven by the new DeNox facility at Sines (€24m invested in 9M10, 56% of total investment incurred), due until 2011. This €100m-investment is due to be remunerated under PPA/CMEC system (8.5% ROA before inflation and taxes), being fully depreciated until 2017.

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 increase in liquidity of 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 main assumptions (outputs, market prices, fuel and CO2 costs) and market real data, which will be paid/received by EDP, through regulated tariffs, up to two years after taking place.
(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.

(1) Includes €0.05m of realised gains in 9M10 (vs €61m in 9M09); (2) Includes Aguieira and Raiva (360MW), subject to a tolling agreement, for a 5-year period starting in Apr-09; (3) Includes ancillary services and capacity payment

Liberalised Activities in the Iberian Market

Income Statement (€ m)	9M10	9M09	Δ%	Δ Abs.
Gross Profit	**539.7**	**638.0**	**-15%**	**-98**
Electricity generation	374.5	480.7	-22%	-106
Portugal	137.3	171.0	-20%	-34
Spain	232.1	321.8	-28%	-90
Adjustments	5.1	-12.1	-	+17
Electricity supply	97.4	75.2	30%	+22
Gas supply	67.8	82.1	-17%	-14
Operating costs	171.4	160.0	7.1%	+11
EBITDA	**368.3**	**478.0**	**-23%**	**-110**
Provisions	52.4	4.9	963%	+47
Net depreciation and amortisation	153.0	134.0	14%	+19
EBIT	**163.0**	**339.1**	**-52%**	**-176**

Electricity Performance	9M10	9M09	Δ%	9M10	9M09	Δ%
	Output (GWh)			Variable Cost (€/MWh) (1)		
Generation Output	12,637	14,262	-11%	34.7	32.9	5.6%
Electricity Purchases	24,106	9,618	151%	39.3	41.0	-4.2%
Electricity Sources	**36,744**	**23,880**	**54%**	**37.7**	**36.2**	**4.3%**
	Volumes Sold (GWh)			Average Price (€/MWh) (2)		
Grid Losses	1,104	698	-	n.a.	n.a.	-
Retail - Final clients	22,984	14,719	56%	51.4	63.4	-19%
Wholesale market	12,656	8,463	50%	47.6	44.3	7.3%
Electricity Uses	**36,744**	**23,880**	**54%**	**48.6**	**54.8**	**-11%**

Electricity Gross Profit (€ m)	9M10	9M09	Δ%	Δ Abs.
Before hedging (€/MWh)	10.8	18.6	-42%	-8
From Hedging (€/MWh) (3)	0.6	2.0	-70%	-1
Unit margin (€/MWh)	11.4	20.6	-45%	-9
Total Volume (TWh)	36.7	23.9	54%	+13
Subtotal	**419.6**	**492.9**	**-15%**	**-73**
Others (4)	**52.3**	**63.1**	**-17%**	**-11**
Total	**472.0**	**555.9**	**-15%**	**-84**

Gas Uses (TWh)	9M10	9M09	Δ%	Δ Abs.
Consumed by own power plants	19.2	17.9	7.2%	+1
Sold to Clients	25.2	15.6	61%	+10
Total	**44.4**	**33.5**	**33%**	**+11**

In 9M10, EBITDA from liberalised activities declined 23% YoY, penalised by a strong comparison basis (9M09) when unit margin in the electricity business reached €21/MWh reflecting our hedging policy. **Gross profit from liberalised activities was 15% lower YoY (-€98m)**, reflecting (i) an €84m decrease in electricity generation and supply, as higher sales to clients (+56%) did not fully compensate lower margin earned (-45% YoY, in line with previously anticipated); (ii) a €14m reduction in gas supply, hit by a sharp contraction in unit supply margins in the wake of tougher competition.

In 3Q10 alone, EBITDA from liberalised activities contracted by 26% QoQ reflecting a further contraction in gas supply margins, higher electricity generation costs, lower demand for complementary services(5) and fewer arbitrage opportunities in the Iberian market. As result of higher generation costs (+1% QoQ) and higher pool prices (+26% QoQ stemming from higher thermal demand), sourcing costs in 3Q10 were 24% higher QoQ. On top of this, average selling price was 2% lower QoQ, reflecting lower demand for complementary markets(5) in the wake of lower contribution of wind for the system output in the quarter.

In 9M10, electricity sales to final clients represented 182% of output from our liberalised electricity power plants, reflecting EDP's ability to adapt its own generation level to the relative cost of own generation and electricity purchases on a real-time basis.

Volumes: Total volumes sold rose by 12.9TWh YoY in 9M10 mainly driven by (i) +8.3TWh (+56%) rise in sales to retail clients, prompted by the expansion of the total free market (both in Portugal and Spain), and by (ii) +4.2TWh YoY increase in volumes sold in the wholesale market. Electricity purchases in the pool met nearly two thirds of total electricity needs (vs 40% in 9M09), reflecting its lower cost when compared with production at our plants. In spite of a 2% YoY increase in 3Q10, output from our merchant plants declined 11% YoY in 9M10.

Unit margin (1)(2): Spreads achieved in electricity business reached €11/MWh (-45% YoY) in 9M10, reflecting higher sourcing costs (+4% YoY) and lower average selling price (-11%). The rise in average sourcing cost stemmed from higher generation costs in 9M10 (+6%) and, to lower extent, higher cost of electricity purchases in 3Q10 (+24% YoY in 3Q10). The decline in average selling price is explained by lower prices contracted with retail clients (-19%).

For 2010, EDP has already sold and forward contracted with clients 29TWh (over 100% of expected output) at prices around €50/MWh and thermal spreads close to €10/MWh. For 2011, EDP has already contracted over 12TWh (c65% of expected output) at prices and thermal margins in line with 2010.

Our gas sourcing activity in 2010 is based on a 4.3bcm (annual) portfolio of long term contracts, complemented with opportunistic operations in the spot market. Our consumption of gas rose 33% in 9M10, to 44TWh (3.8bcm), propelled by sales to clients (+61% YoY), which benefited from the start-up of operations in Portugal (Apr-09) and from the consolidation (as from Dec 31st, 2009) of the portfolio acquired from Gas Natural. Gas consumption at our CCGT/cogeneration plants rose 7% YoY, supported by the additional 863MW of CCGT in operation since 4Q09 and from start up of test period at Soto 5 (424MW), in Aug-10.

(1) Variable cost: fuel cost, CO2 cost net of free allowances, hedging costs (gains), system costs; (2) Average selling price: includes selling price (net of TPA tariff), ancillary services and others;
(3) Includes results from hedging on electricity; (4) Includes capacity payments, services rendered and others; (5) Includes secondary reserve margin, restriction market, deviation and intra-day markets, ancillary services.

Liberalised Electricity Generation in the Iberian Market

Income Statement (€ m)	9M10	9M09	Δ%	Δ Abs.
Gross Profit	**374.5**	**480.7**	**-22%**	**-106**
Portugal	137.3	171.0	-20%	-34
Spain	232.1	321.8	-28%	-90
Adjustments	5.1	-12.1	-	+17
Supplies and services	41.4	45.1	-8.1%	-4
Personnel costs	25.3	30.6	-17%	-5
Costs with social benefits	1.3	1.3	3.4%	+0
Other operating costs (net)	17.5	19.9	-12%	-2
Operating Costs	**85.5**	**96.8**	**-12%**	**-11**
EBITDA	**289.0**	**383.9**	**-25%**	**-95**
Provisions	38.8	7.1	444%	+32
Net deprec. and amortisation	149.5	131.3	14%	+18
EBIT	**100.7**	**245.5**	**-59%**	**-145**
Employees (#)	**779**	**789**	**-1.3%**	**-10**

Key Operating Data	9M10	9M09	Δ%	Δ Abs.
Generation Output (GWh)	**12,637**	**14,262**	**-11%**	**-1,625**
CCGT	7,202	7,507	-4.1%	-305
Coal	2,871	4,834	-41%	-1,963
Hydro	1,712	1,127	52%	+585
Nuclear	853	795	7.3%	+58
Generation Costs (€/MWh) (1)	**34.7**	**32.9**	**5.6%**	**+1.8**
CCGT	49.9	42.2	18%	+7.7
Coal	26.0	30.9	-16%	-4.9
Hydro	0.7	-	-	+0.7
Nuclear	3.7	3.3	12%	+0.4
Load Factors (%)				
CCGT	33%	48%	-	-14p.p.
Coal	30%	51%	-	-21p.p.
Hydro	29%	19%	-	10p.p.
Nuclear	84%	78%	-	6p.p.
CO_2 Emissions (mn tones)				
Total emissions (2)	6.6	8.5	-22%	-2
Free allowances (2) (3)	7.4	7.3	0.8%	+0

Capex (€ m)	9M10	9M09	Δ%	Δ Abs.
Expansion	**203.5**	**506.2**	**-60%**	**-303**
CCGT	46.5	167.0	-72%	-121
Hydro	157.0	339.2	-54%	-182
Maintenance	**46.6**	**24.3**	**91%**	**+22**
Recurrent	46.9	28.6	64%	+18
Non recurrent (environmental)	(0.3)	(4.3)	92%	+4
Total	**250.0**	**530.5**	**-53%**	**-281**

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.

In 9M10, our merchant electricity generation fleet posted a 6% increase in the average generation cost, mainly driven by higher gas costs and higher weight of CCGTs in the business mix following capacity additions in 2009. As a result of the lower cost of electricity purchases vis-a-vis our own generation, we have profited from our generation portfolio flexibility by meeting a larger portion of our needs in the supply activities through electricity purchases in the pool. Accordingly, production at our generation plants retreated by 11% YoY in 9M10.

CCGTs: **Output** decreased 4% YoY in 9M10, reflecting the mixed impact from weaker thermal demand in 9M10 and a 38% increase in installed capacity backed by 2 new CCGT groups in Portugal (Lares 1 and 2, 863MW). Load factors in 9M10 were in line with sector average, at 33%. In the 3Q10 alone, average load factor at our CCGTs was higher than the Spanish average (39% vs 37%), reflecting higher pool prices. **Average production costs** advanced 18% in 9M10 with higher costs from our long term gas contracts (oil-linked) being only slightly compensated by lower cost from CO_2 emissions deficit.

Coal: **Output** dropped 41% YoY in 9M10, penalised by a longer outage at Aboño 2 in 1Q10 and sharp contraction of thermal demand. In 3Q10, output recouped by 14% YoY, keeping an average load factor clearly ahead of the Spanish average: 40% vs 36% in 3Q10, on the back of our plants' higher efficiency and of the burnt of blast furnace gases at Aboño 2. In spite of the increase in international coal prices, our **average production cost** declined 16% in 9M10, supported by our sourcing strategy, higher contribution from blast furnace gases at Aboño plant (cheaper fuel source) and by lower CO_2 deficit in the period.

In 9M10 our thermal power plants have significantly increased the volumes sold in the complementary markets (2.0TWh vs -0.1TWh in 9M09), making use of its flexibility, particularly in 1Q10.

Total emissions of CO_2 fell 22% in 9M10, following a sharp reduction in coal output. As a result, total emissions fell short of free allowances attributable in the period.

Hydro & Nuclear: Hydro output rose 52% YoY in 9M10, reflecting extreme rainy weather in 1Q10 and high reservoir levels throughout 9M10. Also, nuclear output grew by 7%, reflecting Trillo's longer than expected outage for maintenance works in 1Q09 (during 7 weeks) and a 4-week outage for fuel recharging in 2Q10.

Operating costs declined 12% (-€11m) YoY in 9M10, mainly reflecting the end of CO_2 clawback (€16m in 9M09), which more than compensated higher costs related to new capacity on stream, nuclear levy and social bonus.

Capex in liberalised generation declined by €281m YoY to €250m in 9M10, reflecting the payment of Fridão and Alvito hydro concession rights in Jan-09 (€232m) and lower amount spent in new CCGTs following the start-up of 863MW in Portugal in 4Q09. **Expansion** capex amounted to €204m, namely: (1) €157m spent in the execution of 5 ongoing hydro plant repowering (Picote II, Bemposta II, Alqueva II, Venda Nova III; Salamonde II which construction works were awarded in Oct-10) and 2 new hydro plants (Baixo Sabor, Ribeiradio), due in 2011/15, (2) €47m invested in new CCGT capacity, namely in Soto 5 (424MW, due to start commercial operations in Jan-11). **Maintenance** capex rose to €22m impacted by pluri-annual works.

(1) Includes fuel costs, CO2 emission costs net of free allowances, hedging results; (2) Includes CO2 emissions from Aboño plant, which burns blast furnace gases;
(3) Amount corresponding to 75% of total free allowances attributed for the year.

Liberalised Electricity and Gas Supply in the Iberian Market

Income Statement (€ m)	Electricity Supply 9M10	9M09	Δ%	Δ Abs.
Gross Profit	**97.4**	**75.2**	**30%**	**+22**
Supplies and services	45.4	36.8	23%	+9
Personnel costs	10.5	8.3	27%	+2
Costs with social benefits	0.3	0.2	36%	+0
Other operating costs (net)	0.3	(8.5)	-	+9
Operating Costs	**56.6**	**36.8**	**54%**	**+20**
EBITDA	**40.9**	**38.4**	**6%**	**+2**
Provisions	13.5	-2.2	-	+16
Net depreciation and amortization	3.2	2.3	36%	+1
EBIT	**24.2**	**38.2**	**-37%**	**-14**

Income Statement (€ m)	Gas Supply 9M10	9M09	Δ%	Δ Abs.
Gross Profit	**67.8**	**82.1**	**-17%**	**-14**
Supplies and services	16.8	13.6	24%	+3
Personnel costs	2.6	2.9	-10%	-0
Costs with social benefits	0.0	0.0	-2.9%	-0
Other operating costs (net)	9.8	9.8	0.0%	+0
Operating Costs	**29.3**	**26.3**	**11%**	**+3**
EBITDA	**38.5**	**55.7**	**-31%**	**-17**
Provisions	0.0	0.0	-	+0
Net depreciation and amortization	0.3	0.4	-30%	-0
EBIT	**38.2**	**55.3**	**-31%**	**-17**

Key data	9M10	9M09	Δ%	Δ Abs.
Electricity in Portugal				
Volume Sold (GWh)	6,480	3,254	99%	+3,226
Market Share (%)	52%	66%	-	-14 p.p.
Avg. Selling Price (€/MWh)	51.9	70.5	-26%	-19
Number Clients (th.)	305	246	24%	+58
Electricity in Spain				
Free market				
Volume Sold (GWh)	15,579	11,023	41%	+4,556
Market Share (%)	12%	11%	-	1 p.p.
Avg. Selling Price (€/MWh)	51.5	63.3	-19%	-12
Number Clients (th.)	615	490	26%	+125
Last resort supply				
Volume Sold (GWh)	876	324	170%	+551
Number Clients (th.)	383	434	-12%	-51
Gas in Spain & Portugal				
Spain - Volume Sold (GWh)	20,600	15,104	36%	5,497
Spain - Market Share (%)	11%	8.7%	-	2 p.p.
Portugal - Volume Sold (GWh)	4,644	531	-	4,113
Portugal - Market Share (1) (%)	37%	24%	-	13 p.p.
Avg. Gross Margin (€/MWh)	1.2	3.1	-60%	-2
Number Clients (th.)	825	623	32%	+202
Capex (Electricity & Gas, Iberia) (€m)	**4.5**	**5.7**	**-22%**	**-1**
Employees (Electricity & Gas, Iberia)	**272**	**307**	**-11%**	**-35**

Our subsidiaries operating in electricity and gas liberalised supply have intra-group electricity and gas procurement contracts with other companies of the group.

Portugal Electricity Supply – Volumes supplied to EDP clients in the free market doubled YoY to 6.5TWh, reflecting the expansion of Portugal Electricity free market (+154% YoY) and a decline in EDP's market share from 66% in 9M09 to 52% in 9M10 (and c50% in 3Q10). In 3Q10 alone, 38% of total consumption in the Portuguese electricity market was in the free market. Moreover, quarterly growth in our volumes reflected a strong comparison basis. **Average selling price** in retail decreased 26% reflecting the higher weight of industrial clients and current market conditions.

Spain Electricity Supply – In 9M10, electricity **volumes supplied** to our clients in the free market rose 41% in the wake of a 26% expansion in the client base, by the agreement reached with CIDE(2) in Jul-09 and by some recovery in consumption. Market share rose 1p.p. to 12% reflecting EDP's ability to keep a share in the supply market the double of its share in generation. **Average selling price** declined 19% YoY, reflecting the adjustment of contracted prices to 2009 and current market conditions. Additionally, it is worth mentioning that as a result of the liberalisation process occurred in Jul-09, volumes supplied to clients under the last resort tariff are now jointly managed with the remaining liberalised activities (whereby electricity supply data as from Jul-09 onwards includes this activity).

In respect to electricity supply both in Portugal and Spain, it is noteworthy that gross profit is being penalised by the upward trend in system costs. This impact was particularly noticeable in 1Q10.

Spain & Portugal gas Supply – In **Spain**, volumes supplied increased by 41% YoY in 9M10, driving our market share 2pp higher in the period, to 11%. Volume growth in the period was prompted by a clear recovery in the industrial segment and by the consolidation of portfolio acquired from Gas Natural on Dec 31, 2009. In **Portugal**, operations kicked off in Apr-09 and volumes supplied in 9M10 reached 4.6TWh in 9M10, propelled by a steady quarterly growth (+33% QoQ in 3Q10). Our share in Portugal gas supply market (based on the annualised consumption with sales to cogeneration plants included) reached 37% in Set-10. **Average unit gross margin** in Iberia decreased from €3.1/MWh in 9M09 to €1.2/MWh in 9M10: fiercer competition and the adjustment of selling prices to the fall in sourcing costs over the last year is taking its toll over margins, with 3Q10 margin reaching €0.8/MWh.

The growth in 9M10 operating costs in both electricity and gas supply activities mainly reflects the impact of increasing activity and the inclusion of electricity last resort supply activities in Spain hereby.

Prospects:

Electricity and gas supply margins in both Portugal and Spain should continue under pressure in the quarters ahead, reflecting current competition environment, rising system costs (electricity) and depressed gas prices in international spot markets.

Volume-wise, EDP expects to expand its portfolio, benefiting from the expansion of free market in both countries. **EDP has already sold and forward contracted with clients a estimated volume of 29TWh in 2010, which represents a 38% increase over 2009 sales.** Additionally, the Portuguese Government's decision to end with the last resort supply tariff option for large clients (all segments except normal low-voltage) in 1-Jan-2011 should enhance growth in Portugal's free market: total consumption of these segments in the regulated market totaled 17TWh in 2009 and 7.9TWh in 9M10.

(1) Based on annualised consumption; (2) CIDE is an association of small electricity distributors in Spain

EDP Renováveis: Financial Performance

Income Statement	Europe (€ m)			USA (USD m)			EDP Renováveis (€ m) (1)		
	9M10	9M09	Δ %	9M10	9M09	Δ %	9M10	9M09	Δ %
Gross Profit	**390.8**	**291.1**	**34%**	**254.6**	**193.8**	**31%**	**587.2**	**435.0**	**35%**
Supplies and services	63.7	46.8	36%	89.3	64.7	38%	142.6	103.5	38%
Personnel costs	14.7	10.0	47%	21.9	21.0	4.3%	38.2	30.6	25%
Other operating costs (net)	5.2	3.4	54%	(93.6)	(96.9)	-3.4%	(66.7)	(67.6)	-1.4%
Operating Costs	**83.6**	**60.2**	**39%**	**17.5**	**(11.3)**	**-**	**114.1**	**66.5**	**72%**
EBITDA	**307.1**	**230.9**	**33%**	**237.1**	**205.0**	**16%**	**473.1**	**368.5**	**28%**
Provisions	(0.1)	(0.1)	-	-	-	-	(0.1)	(0.1)	-
Net deprec. and amortisation	151.0	110.8	36%	202.2	147.4	37%	306.9	219.9	40%
EBIT	**156.2**	**120.2**	**30%**	**34.9**	**57.6**	**-39%**	**166.3**	**148.8**	**11.8%**
Capital gains/(losses)	-	0.3	-	-	-	-	-	0.3	-
Financial results	(165.8)	(121.4)	37%	(61.7)	(51.9)	19%	(120.3)	(60.6)	98%
Results from associates	2.9	3.1	-	-	(0.3)	-	2.9	2.9	-
Pre-tax profit	**(6.8)**	**2.2**	**-**	**(26.7)**	**5.4**	**-**	**48.9**	**91.3**	**-46%**
Income taxes	2.7	(1.0)	-	-	-	-	25.8	21.3	21%
Discontinued activities	-	-	-	-	-	-	-	-	-
Profit for the period	(9.5)	3.2	-	(26.7)	5.4	-	23.1	70.0	-67%
Equity Holders of EDPR	**(10.8)**	**3.2**	**-**	**(26.7)**	**5.4**	**-**	**22.2**	**70.1**	**-68%**
Minority interests	1.3	(0.0)	-	-	-	-	0.9	(0.1)	-
Employees (#)	**395**	**351**	**13%**	**327**	**288**	**14%**	**818**	**690**	**19%**

EDP Renováveis	9M10	9M09	Δ %
Share price at end of period (€/share)	4.15	7.52	-45%
Number of shares issued (million)	872.3	872.3	-
Stake owned by EDP (%)	77.5%	77.5%	-
USD/EUR - End of period rate	1.36	1.46	6.8%
USD/EUR - Average of period rate	1.31	1.36	3.4%

EDPR Key Balance Sheet Figures (€ m)	9M10	9M09	Δ %
Bank loans and other	255.2	265.5	-3.9%
Loans with EDP Group companies	2,660.2	1,813.8	47%
Net Financial Debt	**2,915.4**	**2,079.3**	**40%**
Financial Debt	**3,323.0**	**2,429.1**	**37%**
Minority Interests	**118.4**	**97.9**	**21%**
Net Institutional Partnership Liability (2)	**1,003.1**	**811.4**	**24%**
Equity Book Value	**5,202.3**	**5,175.3**	**0.5%**

EDPR Financial Results (€ m)	9M10	9M09	Δ %
Net interest costs	(118.5)	(58.1)	104%
Institutional partnership costs (non-cash)	(48.4)	(42.4)	14%
Capitalised costs	52.2	45.3	15%
Forex differences	5.4	3.3	63%
Other	(11.1)	(8.7)	27%
Financial Results	**(120.3)**	**(60.6)**	**98%**

EDPR Operating Costs (3)	9M10	9M09	Δ %
Opex / Avg MW (€ th annualized)	44.5	37.2	20%
Opex / MWh (€)	19.3	17.4	10.9%

EDP Renováveis (EDPR) is EDP Group's subsidiary with ownership, management and development of wind power assets, with operations in 11 countries and its major markets being the USA (c38% of EBITDA in 9M10, operations in 9 states) and Spain (c37% of EBITDA in 9M10).

EDPR EBITDA rose 28% YoY to €473m in 9M10, reflecting a 27% YoY increase of installed capacity (6,181MW in 9M10), a 35% rise of wind power output, a flat load factor of 28%, and a 2% increase of avg. selling price to €60/MWh in 9M10. Net depreciation and amortisation rose 40% YoY from €220m in 9M09 to €307m in 9M10 reflecting the mentioned increase in installed capacity.

In 9M10, US operations contribution to EBITDA was positively affected by a 3% **appreciation of the USD against the EUR** (+€6m). As of Sep-10, 43% of EDPR's financial debt was in US Dollars, with US operations being fully funded in USD denominated debt (loans with EDP) and proceeds from institutional partnerships with local investors. The higher weight of EUR denominated debt – 57% in 9M10 vs. c48% in 9M09 – reflects the recent investments that the company has been undertaking in Europe.

EDPR's financial debt increased 37% YoY (+€0.9bn) to €3.3bn in Sep-10, mostly reflecting the investments undertaken in the construction of new wind capacity, and to a lower extend, the forex impact of the appreciation of the USD against the EUR (c€90m). Loans with EDP, which account for 83% of that amount, are contracted at fixed rates for 10 years, while external debt with financial institutions is mostly related to project finance with a long-term profile.

Liabilities referred as institutional partnerships in the USA (regarding "tax equity agreements" and "cash flip deals" entered into with local investors) increased from €811m in Sep-09 to €1.003m in Sep-10, following: i) the closing of Vento III in Jun-10; and ii) the establishment of a new institutional partnership structure for Meadow Lake (99MW) in Sep-10.

Financial costs rose 98% YoY to €120m in 9M10, due to higher interest expenses on the back of both a 40% increase of net debt and higher avg. cost of debt from 4.7% in 9M09 to 5.0% in 9M10, reflecting the wider spreads on the debt contracted throughout 2009. Capitalised costs went up 15% YoY to €52m in 9M10 mostly due to higher average interest cost.

(1) Includes Holding, other and consolidation adjustments. (2) Net of deferred revenue and restricted cash. (3) Supplies and services, personnel costs and other operating costs.

EDP Renováveis: installed capacity & capex

Installed Capacity (MW)	Gross	% Held (1)	Capacity Contrib. to EBITDA Sep-10	Sep-09	∆ %	∆ Abs
Spain	**2,390**	**1,890**	**2,035**	**1,752**	**16%**	**283**
Transitory Regime	1,414	1,072	1,153	1,101	4.7%	52
RD 661/2007	976	818	882	651	36%	231
Portugal	**741**	**721**	**595**	**553**	**7.6%**	**42**
Old Remuneration	595	575	595	553	7.6%	42
New Remuneration	146	146	-	-	-	-
France	**259**	**259**	**259**	**211**	**23%**	**48**
Poland	**120**	**116**	**120**	**-**	**-**	**120**
Belgium (PPA)	**57**	**40**	**57**	**57**	**0.0%**	**-**
USA	**3,337**	**3,120**	**3,101**	**2,295**	**35%**	**806**
PPA/Hedged	2,204	2,022	2,003	1,824	10%	180
Merchant	1,133	1,098	1,098	472	133%	627
Brazil	**14**	**8**	**14**	**14**	**-**	**-**
Total	**6,917**	**6,153**	**6,181**	**4,882**	**27%**	**1,299**

Gross MW	Under Constr.	Pipeline Tier 1	Tier 2	Tier 3	Prosp.	Total
Spain	**216**	**300**	**436**	**1,821**	**2,387**	**5,160**
Portugal	**152**	**195**	**32**	**74**	**200**	**653**
Rest of Europe	**336**	**153**	**554**	**2,347**	**1,926**	**5,315**
France	25	76	54	139	434	728
Poland	70	-	386	776	678	1,910
Romania	228	57	26	30	500	841
Other (2)	13	20	88	1,402	314	1,837
USA	**122**	**948**	**7,184**	**6,895**	**3,887**	**19,036**
Brazil	**70**	**81**	**153**	**456**	**491**	**1,251**
Total	**895**	**1,676**	**8,359**	**11,593**	**8,891**	**31,415**

Capex (€ m)	9M10	9M09	∆ %	∆ Abs.
Spain	125	472	-73%	-346
Portugal	2	71	-97%	-69
Rest of Europe	262	251	4.2%	+11
Europe	**390**	**794**	**-51%**	**-404**
USA - Gross capex	698	689	1.3%	+9
USA - Cash grant received	-	-35	-	+35
USA - Net Capex	**698**	**654**	**1.3%**	**+9**
Other	**32**	**4**	**634%**	**+27**
Total	**1,120**	**1,453**	**-23%**	**-333**

During the past 12 months, EDPR increased its consolidated base of installed capacity (EBITDA) by 1,299MW, which represents a 27% YoY increase. As such, EDPR currently manages a portfolio of 6,181MW of capacity. Additionally, EDPR holds 146MW through its interest in the Eólicas de Portugal consortium (consolidated through the equity method). In 9M10, EDPR total additions amounted to 691MW, of which 516MW were added in the 3Q10 alone (387MW in the USA, 112MW in Spain, 18MW in France). Additionally, 18MW were added from the capacity growth of the Eólicas de Portugal consortium that is attributable to EDPR. As of Sep-10, EDPR had 895MW of **wind capacity under construction**, of which: i) 743MW to be consolidated at EBITDA level (31% in Romania, 29% in Spain and 16% in USA); and ii) 152MW to be equity consolidated, corresponding to EDPR's interest in the Eólicas de Portugal consortium (Portugal).

Capex amounted to €1,120m in 9M10, out of which 62% (or €698m) were invested in the USA and 35% (or €390m) in Europe. Investment in Europe was, in turn, mostly allocated to Romenia (€166m), Spain (€125m), Poland (€47m) and France (€41m). EDPR's investment in Brazil amounted to €22m. EDPR's capex for the period reflects not only the 743MW currently under construction, which account for €451m of capex, but also the final works with the capacity in operation and with the capacity installed in the period, representing €579m of capex. In Apr-10, EDPR signed a turbine procurement agreement with Vestas that will bring flexibility of access to new turbines. This contract previews an initial firm order of 1,500MW, to be supplied, installed and commissioned in 2011 and 2012 with flexibility on quantity, place and date of delivery and also flexibility to choose commercially available wind turbine models and classes for each project, under a given notice.

In the USA, the market environment for new wind installations remains challenging, as the lower electricity demand is postponing utilities' short-term needs on new PPAs with renewable operators. There are no news on the approval by the US Congress of a Federal RES, which is not putting homogeneous pressure on utilities to close PPAs or to purchase renewable credits. Taking into consideration the current regulatory and market environment in the USA, EDPR decided to limit US growth to the contracted capacity, adjusting downwards its previous targeted growth of new installations for 2011-2012 to a total 0.8-0.9GW of additional capacity per year (EBITDA MW + Eólicas de Portugal), out of which: i) for 2011, 0.5-0.6GW are to be located in Europe, 0.2GW in the USA and 0.1GW in Brazil; and ii) for 2012, 0.6-0.7GW are to be located in Europe and 0.2GW in the USA. Looking at 2010, additional capacity should total 1.1GW, of which 46% in the USA and 54% in Europe. This will allow EDPR to limit its exposure to merchant risk.

(1) Installed capacity not adjusted for the 80% stake that EDPR holds in Genesa sub-holding in Spain. (2) Other include Belgium, Italy and UK.

EDP Renováveis: Operating Performance

Operating Data	9M10	9M09	Δ %	Δ Abs.
EBITDA MW	**6,181**	**4,882**	**27%**	**+1,299**
EBITDA MW + Eólicas de Portugal	**6,327**	**4,925**	**28%**	**+1,402**
Eólicas de Portugal	146	43	237%	+102
Avg. Wind Load Factor (%)	**28%**	**28%**	**-**	**0 pp**
Europe	**26%**	**24%**	**-**	**2 pp**
Portugal	27%	25%	-	3 pp
Spain	26%	24%	-	2 pp
Rest of Europe	22%	19%	-	2 pp
USA	**30%**	**31%**	**-**	**-1 pp**
Brazil	**27%**	**22%**	**-**	**6 pp**
Electricity Output (GWh)	**9,818**	**7,295**	**35%**	**+2,523**
Europe	**4,615**	**3,225**	**43%**	**+1,390**
Portugal	1,045	829	26%	+216
Spain	3,054	2,156	42%	+898
Rest of Europe	516	240	115%	+276
USA	**5,178**	**4,050**	**28%**	**+1,128**
Brazil	**24**	**19**	**25%**	**+5**

Wind Tariffs	9M10	9M09	Δ %	Δ Abs.
Average Unit Tariffs	**59.9**	**59.0**	**1.5%**	**+1**
Europe (€/MWh)	**84.6**	**89.9**	**-5.9%**	**-5**
Portugal	99.6	99.2	0.5%	+0
Spain (1)	78.0	86.4	-10%	-8
Avg. Achieved Pool Price	*32.0*	*37.4*	-14%	-5
Rest of Europe	93.1	89.2	4.4%	+4
USA (USD/MWh)	**49.4**	**48.1**	**2.7%**	**+1**
PPA/Hedged Capacity	54.7	52.2	4.8%	+3
Merchant Capacity	33.8	26.0	30%	+8
Brazil (BRL/MWh)	**252.3**	**258.6**	**-2.4%**	**-6**

Gross Profit	9M10	9M09	Δ %	Δ Abs.
Gross Profit (€ m)	**587.2**	**435.0**	**35%**	**+152**
Europe	**390.8**	**291.1**	**34%**	**+100**
Portugal	105.9	84.2	26%	+22
Spain (2)	225.3	170.8	32%	+54
Rest of Europe	47.6	21.6	121%	+26
Other & Adjustments	12.0	14.4	-17%	-2
USA	**193.7**	**142.5**	**36%**	**+51**
Others	**2.7**	**1.5**	**82%**	**+1**
USA Adjusted Gross Profit (€ m)	**268.8**	**202.9**	**32%**	**+66**
Gross Profit	193.7	142.5	36%	+51
PTC Revenues & Other	75.1	60.4	24%	+15

Wind power output rose 35% YoY to 9.8GWh in 9M10. In **Europe**, wind output went up 43% YoY, on the back of both a 19% YoY increase of installed capacity and higher avg. load factor, which grew by 2pp YoY to 26%. In the **USA**, electricity output went up by 28% YoY, following a 35% YoY increase of installed capacity, while avg. load factor recorded a slight 1pp YoY decrease to 30%, penalized by lower wind resources affecting the country.

Average selling price in the USA went up by 3% YoY to USD49/MWh in 9M10. The avg. price from our long-term selling contracts (PPAs) rose 5% YoY to USD55/MWh in 9M10, reflecting higher prices from the last contracts added to our PPAs' portfolio. Note that in 9M10, our wind power output sold through PPAs (or hedged) amounted to 3,761GWh (+10% YoY, representing 73% of our output in the USA in 9M10 vs. 84% in 9M09). The avg. selling price of wind power sold in merchant markets rose 30% YoY to USD34/MWh in 9M10, reflecting a recovery of electricity prices through demand growth. The volume of wind power sold in merchant markets amounted to 1,417GWh (+124% YoY, supported on new capacity commissioned, and representing 27% of our output in the USA in 9M10 vs. 16% in 9M09). In Feb-10, EDPR closed a 20-year PPA contract in USA with TVA (Tennessee Valley Authority), starting Sep-10, for 115MW of its Pioneer Prairie I wind farm. EDPR actively keeps on negotiations or marketing efforts to close new PPA contracts in USA for its wind power plants under construction, in late development and already in operation but without PPA, aiming to continue to reduce its exposure to short term energy markets volatility.

Average wind tariffs in Spain fell 10% YoY reflecting a 14% YoY decrease in the achieved pool price to €32/MWh in 9M10, which was partly offset by forward contracted sales at higher prices for 1,295GWh, with a positive impact of c€3.7/MWh on the avg. selling price (or €11m at gross profit level). Note that, in 9M10, 35% of EDPR wind power output in Spain (or 1,073GWh) was protected by the cap & floor system, 42% of output (or 1,295GWh) was sold forward, and just 22% of output (or 686GWh) was exposed to pool price performance. For 4Q10 EDPR has sold forward c76% of the expected wind power output that is not under the cap & floor system (floor c€75/MWh), fixing a selling price of €82/MWh (€44/MWh pool price + €38/MWh fixed premium). For 2011 EDPR already sold forward c54% of the expected production that is not under the cap & floor system, with a fixed selling price of €81/MWh (€43/MWh pool price + €38/MWh fixed premium).

The Rest of Europe delivered an avg. selling price of €93/MWh in 9M10, up 4% YoY: i) the avg. selling price from France, in spite of benefiting from stable tariffs (growing at an inflation type rate), fell 6% YoY to €83/MWh, reflecting the trial period (at lower tariffs) of the recently installed capacity; ii) the contribution from the Belgian market (avg. selling price of €112/MWh in 9M10) improved significantly, reflecting the end of the trial period that occurred in 9M09, and is benefiting from a high price/low risk profile through a long term PPA; ii) In Poland, where EDPR has a long-term contract to sell the green certificates of its 120MW at stable prices for 15 years, wind assets achieved an attractive avg. price of €109/MWh.

Overall, gross profit went up by 35% YoY (+€152m), with the main contributions coming from: i) Spain (+€54m, +32% YoY), following a 42% increase of wind output that more than compensated a 10% reduction of avg. selling price; and ii) the USA (+€51m, +36% YoY), which, in spite of a lower avg. load factor (driven by lower wind resources), benefited from a 28% rise in wind output and a 3% increase in avg. selling prices. Note that gross profit from RoE went up by an impressive 121% YoY, due to a strong increase in electricity generation along with a 4% avg. final price increase. In the USA, the 32% YoY increase of adjusted gross profit (+€66m), is partly explained by a 24% increase (+€15m) in revenues from institutional partnerships (PTC revenues & Other). In Portugal, gross profit went up 26% YoY (+€22m), due to a 26% increase of wind generation and slightly increasing wind tariffs.

(1) Including the hedging gain (9M10: €3.7/MWh and 9M09: €6.5/MWh). (2) Excluding the hedging gain (9M10: €11m vs. 9M09: €14m), which is being included in "Other & Adjustments" at the European platform level.

Electricity Distribution and Last Resort Supply in Portugal

Income Statement (€ m) (1)	9M10	9M09	Δ %	Δ Abs.
Gross Profit	**998.7**	**988.8**	**1.0%**	**+10**
Supplies and services	242.5	243.7	-0.5%	-1
Personnel costs	101.6	101.4	0.2%	+0
Costs with social benefits	54.6	62.2	-12%	-8
Concession fees	178.8	179.7	-0.5%	-1
Other operating costs (net)	(7.3)	(5.4)	-35%	-2
Operating Costs	**570.2**	**581.5**	**-1.9%**	**-11**
EBITDA	**428.5**	**407.2**	**5.2%**	**+21**
Provisions	1.7	(0.1)	-	+2
Net depreciation and amortisation	178.6	179.6	-0.6%	-1
EBIT	**248.2**	**227.7**	**9.0%**	**+21**

Gross Profit Performance	9M10	9M09	Δ %	Δ Abs.
Gross Profit (€m)	**998.7**	**988.8**	**1.0%**	**+10**
Regulated gross profit - current period	992.8	981.8	1.1%	+11
Non-regulated gross profit	6.0	6.9	-14%	-1
Distribution Grid				
Reg. revenues - current period (€ m)	911.1	890.7	2.3%	+20
Electricity inflows (GWh)	38,369	36,520	5.1%	+1,850
Clients connected (th)	6,143.8	6,108.4	0.6%	+35
Last Resort Supply				
Reg. revenues - current period (€ m)	83.5	92.9	-10%	-9
Clients supplied (th)	5,802.5	5,853.9	-0.9%	-51
Electricity inflows (GWh)	25,184	31,308	-20%	-6,124
Wholesale procurement price (€/MWh)	47.1	46.8	0.5%	+0
Regulatory Receivables (€ m)				
Beginning of Period	**(508.9)**	**1,145.4**	**-**	**-1,654**
Previous periods tariff deviations (2)	381.9	(986.6)	-	+1,368
Tariff deviation in the period	35.0	(206.3)	-	+241
Other (3)	(9.2)	3.7	-	-13
End of Period	**(101.2)**	**(43.7)**	**-**	**-57**

Capex & Opex Performance	9M10	9M09	Δ %	Δ Abs.
Controllable Operating Costs (4)	**344.1**	**345.1**	**-0.3%**	**-1**
Cont. costs/client (€/client)	56.0	56.5	-0.9%	-0
Cont. costs/km of network (€/Km)	1,558.9	1,583.5	-1.6%	-25
Employees (#)	3,765	3,842	-2.0%	-77
Capex (Net of Subsidies) (€m)	**149.8**	**172.9**	**-13%**	**-23**
Network ('000 Km)	220.7	217.9	1.3%	+3
Equivalent interruption time (min.) (5)	73	72	2.1%	+1

EBITDA from electricity distribution and last resort supply activities in Portugal increased 5% YoY to €429m in 9M10, reflecting a 1% increase of regulated gross profit (€993m) and a 2% decline in operating costs, on the back of lower costs with social benefits, a reduction of provisions for doubtful debts and lower supplies and services. Note that EDP Soluções Comerciais (EBITDA: €19m in 9M10 vs. €20m in 9M09), our commercial shared services platform for the last resort and liberalized electricity and gas supply, was excluded from this business unit in 3Q10 and transferred to "Other & Adjustments".

Electricity inflow into the grid went up 5% YoY to 38.4TWh in 9M10 (+3.7% adj. for temperature and working days), reflecting both an improvement of industrial demand and more favourable weather conditions. **Distribution grid regulated revenues** totalled €911m in 9M10. Additionally, our electricity distribution company, EDP Distribuição (EDP D), recorded a €130m positive tariff deviation: i) c€112m are related to a delay of the costs pass-through to REN, expected to have little impact at the end of the year and in line with what was defined by the regulator for 2010 tariffs; ii) the balance mostly reflects a consumption and pricing mix more favourable than ERSE's assumption.

In 9M10, volumes supplied by our **last resort supplier**, EDP Serviço Universal (EDP SU), fell 21% YoY to 23TWh, essentially due to a switching of clients to liberalized suppliers, namely in the industrial segment – EDP SU market share in electricity supply in Portugal fell from 85% in 9M09 to 65% in 9M10. Regarding electricity purchases: i) volumes acquired from special regime producers (SRP) rose 35% YoY (16% above ERSE's assumption); and ii) total avg. cost of electricity purchase came 12% above forecasts due to an higher avg. cost of special regime generation (€101/MWh vs. ERSE's estimate of €91/MWh), which more than offset the lower than expected wholesale procurement price (€47/MWh vs. ERSE's assumption of €51/MWh). Overall, the higher volumes purchased from SRP at higher costs, reflected into a €165m negative tariff deviation recorded at EDP SU level to be recovered from the tariffs.

All in all, a €35m negative tariff deviation was recognized in 9M10, which along with the devolution through tariffs of €382m of tariff deviations from previous periods, among other, translated into higher **regulatory receivables**. Note that until Dec-10, a total of €509m will have been returned to the tariffs: EDP SU will have paid back €629m while EDP D will have recovered €120m.

Controllable operating costs remained relatively flat at €344m in 9M10: i) S&S benefited from lower communication and back office expenses, offsetting the increase in both O&M costs, due to adverse weather conditions, and costs with clients services; ii) personnel costs remained flat, reflecting both a lower headcount and a 1.5% annual avg. salary update for 2010. **Costs with social benefits** fell 12% YoY due to lower provisions for medical care and pension fund.

Capex amounted to €150m and was mostly dedicated to network expansion and service quality. Due to adverse weather conditions, Equivalent Interruption Time (EIT) went up 1min. YoY to 73min.

On October 15th 2010, the Portuguese Regulator proposed a 3.8% avg. tariff increase for low voltage electricity tariffs in Portugal in 2011. The proposal is currently under discussion by the Tariff Council and final outcome should be known by December 15th, 2010. Note that the end of last resort supply tariff option for large clients (Very High, High, Medium and Special Low Voltage) was announced starting 2011 (year of transition). In 9M10, these clients represented 35% of last resort supply volumes and €4m of EDP's last resort supply revenues.

(1) 9M2009 Pro-forma, excluding EDP Soluções Comerciais. (2) Includes the assignment to a third party of the right to tariff deficits/adjustments and recovery or pay-back through the tariffs of previous years' tariff deviations.
(3) Includes interests on 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) (1)	9M10	9M09	Δ %	Δ Abs.
Gross Profit	**120.7**	**143.4**	**-16%**	**-23**
Supplies and services	39.3	44.0	-11%	-5
Personnel costs	14.8	14.1	5.2%	+1
Costs with social benefits	2.8	2.1	30%	+1
Other operating costs (net)	(18.9)	(3.1)	-517%	-16
Operating Costs	**37.9**	**57.2**	**-34%**	**-19**
EBITDA	**82.8**	**86.2**	**-3.9%**	**-3**
Provisions	-	1.7	-	-2
Net depreciation and amortisation	35.5	20.1	76%	+15
EBIT	**47.2**	**64.3**	**-27%**	**-17**

Gross Profit Performance	9M10	9M09	Δ %	Δ Abs.
Gross Profit	**120.7**	**143.4**	**-16%**	**-23**
Regulated gross profit	112.9	116.0	-2.7%	-3
Other non-regulated gross profit	7.9	27.3	-71%	-19
Regulated Revenues (€ m)	**112.9**	**116.0**	**-2.7%**	**-3**
Distribution	103.3	104.1	-0.8%	-1
Transmission	5.2	5.9	-11%	-1
Supply	4.4	6.0	-28%	-2
Distribution				
Electricity distributed (GWh)	6,837	6,704	2.0%	+133
Clients connected (th)	649.1	641.6	1.2%	+8
Regulatory Receivables (€ m) (2)				
Beginning of Period	**501.4**	**283.7**	**77%**	**+218**
Previous periods tariff deficits (3)	64.7	77.3	-16%	-13
Tariff deficit in the period	150.7	112.9	33%	+38
Other (4)	6.1	(23.8)	-	+30
End of Period	**722.8**	**450.0**	**61%**	**+273**

Capex & Opex Performance	9M10	9M09	Δ %	Δ Abs.
Controllable Operating Costs (5)	**54.1**	**58.1**	**-6.9%**	**-4**
Cont. costs/client (€/client)	83.4	90.6	-8.0%	-7
Cont. costs/km of network (€/Km)	2,449	2,691	-9.0%	-242
Employees (#)	381	367	3.8%	+14
Capex (net of subsidies) (€ m)	**26.9**	**32.6**	**-17%**	**-6**
Network ('000 Km)	22.1	21.6	2.3%	+1
Equivalent interruption time (min.)	50	119	-58%	-69

EBITDA from our electricity distribution activity in Spain decreased 4% YoY to €83m in 9M10: (i) 9M09 include a €17m non-recurrent income related to the recognition of the upfront connection fees previously paid by new clients (consequence of the end of the regulated final tariff in Jul-09); and (ii) 9M10 include a €13.2m operating income consequence of the application of IFRIC18[6]. Excluding these impacts, **recurrent EBITDA increased by 1% YoY**, benefitting from lower supplies and services, on the back of a fall in marketing and back-office expenses, which more than compensated a 4% YoY reduction in Gross Profit, consequence of both lower regulated revenues and lower revenues from upfront network connection fees. Please note that our last resort supply activity in Spain is now included in our liberalised activities in Iberia.

Regulated revenues totalled €113m in 9M10, down 3% YoY but up 1% vs. 2009 avg., as the 4Q09 was negatively impacted by a downward revision of 2009 regulated revenues in Dec-09. Taking into account CNE's publication of Jun-10, which gives some additional insight on the new remuneration model for the electricity distribution activity, the amount of regulated revenues accounted for in 9M10 now follows a more conservative approach, implying a total amount of regulated revenues for 2010 of €150m (or €143m excluding €7m for the transmission assets, which sale, agreed in Jul-10 with REE to comply with current legislation, is pending approval by the competent authorities; Capital gain of €27m before taxes expected to be accounted for in 4Q10). Note that in accordance with the Ministerial Order published in Dec-09, which provisionally set the amount of revenues for electricity distribution, transmission and supply regulated activities, HC Distribución (HC D) 2010 regulated revenues would be higher by €3m.

Electricity distributed by HC D went up by 2% YoY, following some recovery of the industrial activity vs. a particularly weak 9M09. Consumption from HV and MV segments (mostly industrial), rose 3% YoY while consumption from the LV segment (mostly residential) remained flat at 1.9TWh.

In Dec-09, the Spanish Government defined a 2.64% avg. increase for 1H10 last resort tariffs vs. 2H09, assuming an avg. cost of electricity of €60/MWh. Also, by the end of Jun-10, the Spanish Government announced its intention to freeze electricity tariffs from July 1st, 2010 (but not ruling out the possibility of future tariff increases). As a consequence, 9M10 Spanish tariff deficit was estimated at €2.6bn for the system as a whole, out of which €151m were attributed to HC Energia. More recently, Spain's Industry Ministry announced a 5.1% avg. increase in last resort tariffs from Oct-10 vs. 1H10, assuming an avg. cost of electricity of €70/MWh, while keeping access tariffs frozen. Currently, the Spanish electricity system tariff deficit for 2010 is estimated at €3.6bn. Ending Sep-10, HC Energia's **regulatory receivables** amounted to €723m (including interests/financial updates): i) €148m regarding 9M10 tariff deficit; ii) €254m from the 2009 tariff deficit; and iii) €320m from the 2006-08 acc. tariff deficit.

Controllable operating costs went down 7% YoY, due to lower supplies and services explained by a fall in marketing and back-office expenses, as commercial costs associated to regulated supply were transferred to our liberalised activities.

Capex decreased 17% YoY to €27m in 9M10, reflecting an increase in subsidies, lower investments in new markets and lower network planning & development expenses. Equivalent interruption time fell 69min. YoY as 9M09 was strongly affected by the Klaus cyclone in 1Q09, which damaged our distribution grid.

(1) 9M2009 Pro-forma, excluding HC CUR, which started its activity in Jul-09. (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 aplication of IFRIC 18, the assets received from the clients are registered at fair value, under operating revenues. Considering that IAS 16 establishes that the depreciation of an asset should be done within the time period during which economic benefits are generated, and these assets are not included in the regulatory basis, the assets are fully depreciated within the same year.

Gas - Regulated Activity

Income Statement (€ m)	Portugal 9M10	Portugal 9M09	Portugal % Δ	Spain 9M10	Spain 9M09	Spain % Δ	Total 9M10	Total 9M09	Total % Δ
Gross Profit	**43.9**	**24.6**	**79%**	**184.1**	**136.8**	**35%**	**228.1**	**161.4**	**41%**
Supplies and services	9.7	8.2	19.1%	25.0	18.0	39%	34.7	26.1	33%
Personnel costs	3.6	3.4	5%	18.0	14.1	27%	21.5	17.6	23%
Costs with social benefits	0.2	0.1	151%	0.3	0.3	8.3%	0.5	0.4	34%
Other operating costs(net)	1.8	1.9	-	2.5	1.5	67%	4.3	3.4	25%
Operating Costs	**15.2**	**13.6**	**12.4%**	**45.8**	**33.9**	**35%**	**61.1**	**47.5**	**29%**
EBITDA	**28.7**	**11.0**	**160%**	**138.3**	**102.9**	**34%**	**167.0**	**113.9**	**47%**
Provisions	0.0	0.4	-98%	-0.1	-0.2	-41%	(0.1)	0.2	-
Net depreciation and amortisatio	8.6	7.9	9.5%	44.8	25.1	79%	53.4	32.9	62%
EBIT	**20.1**	**2.8**	**628%**	**93.6**	**78.0**	**20.0%**	**113.7**	**80.8**	**41%**
Capex (net os subsidies) (€ m)	**25.7**	**20.7**	**24%**	**25.8**	**24.1**	**6.8%**	**51.5**	**44.9**	**15%**
Distribution	25.7	20.7	24%	15.1	14.2	6.1%	40.8	35.0	17%
Transmission	-	-	-	10.7	9.9	7.9%	10.7	9.9	7.9%
Employees (#)	**102**	**98**	**4.1%**	**378**	**283**	**34%**	**480.0**	**381.0**	**26%**

Regulated Activity	9M10	9M09	% Δ	Abs. Δ
Number of Supply Points (th)	**1,220.3**	**916.9**	**33%**	**+303**
Portugal	240.8	215.2	12%	+26
Spain	979.4	701.7	40%	+278
Gas Distributed (GWh)	**39,298**	**18,735**	**110%**	**+20,563**
Portugal	5,048	4,343	16%	+705
Spain	34,250	14,392	138%	+19,858
Regulated Revenues (€ m)	**211.8**	**144.2**	**47%**	**+68**
Portugal	43.9	24.6	79%	+19
Spain	167.8	119.6	40%	+48
Distribution	149.5	104.9	42%	+45
Transmission	18.3	14.7	25%	+4
Network (Km)	**12,812**	**9,321**	**37%**	**+3,491**
Portugal - Distribution	3,689	3,371	9.4%	+318
Spain				
Distribution	8,736	5,588	56%	+3,148
Transmission	387	362	7.0%	+25

On December 31st, 2009, Naturgas Energia (NGE) completed the acquisition from Gas Natural of its low pressure natural gas distribution activities in the regions of Cantabria and Murcia, as well as of its high pressure natural gas distribution assets in the regions of the Basque Country, Asturias and Cantabria. These assets started being consolidated at P&L level from Jan-10 onwards. In Jul-10, subsequent to the exercise of a put option held by Ente Vasco de Energia over a 30.4% stake in NGE, HC Energia signed an agreement for the purchase of a 29.4% stake in NGE for €617m to be paid in 3 tranches between 2010 and Jul-13. HC Energia currently owns 65.6% of NGE.

EBITDA from gas regulated activities went up 47% YoY to €167m in 9M10, due to both the first time consolidation of the assets acquired from Gas Natural (+€32m) and higher regulated revenues from our activities in both Spain and Portugal. Excluding the contribution of the assets acquired from Gas Natural, EBITDA increased 18%YoY.

In **Spain**, gas regulated activities gross profit went up 35% YoY (+€47m) to €184m in 9M10, including the first time contribution of the assets acquired from Gas Natural (+€44m). Note that 9M10 gross profit include a €6m non-recurrent loss to adjust last year's regulated revenues for the negative impacts of the economic crisis on gas demand and inflation. On a pro-forma basis, excluding this one-off impact, gross profit went up 11% YoY. **Regulated revenues** increased 40% YoY to €168m: i) the assets acquired from Gas Natural contributed with an additional €39m, regarding c3,000Km of distribution network and 260th points of supply; excluding this contribution, ii) gas distribution regulated revenues (excluding Gas Natural assets) grew 8% YoY, reflecting an increase of our network's extension, a 3% rise in the number of supply points to 719th, and higher volumes of gas distributed. Gas distributed through high pressure network (mostly industrials) benefited from a recovery of the industrial sector and a particularly weak comparison vs. 9M09. The volume of gas distributed through low pressure network (mostly residentials) increased 19%YoY to 6.4TWh in 9M10, backed by an increase in the number of supply points; iii) gas transmission regulated revenues rose 25% YoY, due to a 7% increase of transmission network length.

The Ministerial Order published in Dec-09 set the remuneration for the gas regulated activities. Regulated revenues attributable to Naturgas Energia (NGE) in 2010 amount to €168m, up 5% YoY, excluding the contribution of the assets acquired from Gas Natural, which represent another €50m of regulated revenues in 2010.

In **Portugal**, gas distribution activity **regulated revenues** went up by €19m YoY to €44m in 9M10, following a 16% increase of the volumes of gas distributed, supported by a 12% increase of supply points, and the recognition of the asset initial revaluation, not considered in 2009 regulated revenues.

In Jun-10, the Portuguese regulator (ERSE) set the gas tariffs for Portugal for the year going from Jul-10 to Jun-11. The 9% return on assets that was defined for gas distribution translated into a regulated gross profit of €61m, up 21% YoY. Additionally, starting Jul-10, the transitional last resort tariff option for gas clients with annual consumption >10.000m^3 was terminated, in accordance with the undergoing liberalization calendar.

Controllable operating costs(1) increased 29% YoY, due to the first time consolidation of the assets acquired from Gas Natural (+€12m). Excluding this effect, controllable operating costs rose €1m YoY, on the back of higher O&M and customer services expenses.

Capex increased by €6m YoY to €51m in 9M10, following: i) the investments on the Bergara-Irun transmission pipeline, to be fully operational by the end of 2010 (total capex of €68m); and ii) higher investments on the distribution networks and points of supply.

(1) Supplies & services and personnel costs.

EDP - Energias do Brasil: Financial Performance

Income Statement	Consolidated (R$ m)				Consolidated (€ m)			
	9M10	9M09	Δ %	Δ Abs.	9M10	9M09	Δ %	Δ Abs.
Gross Profit	**1,702.9**	**1,617.6**	**5.3%**	**+85**	**727.4**	**567.4**	**28%**	**+160**
Supplies and services	285.3	239.6	19%	+46	121.9	84.1	45%	+38
Personnel costs	163.6	155.8	5.0%	+8	69.9	54.7	28%	+15
Costs with social benefits	23.8	38.6	-38%	-15	10.2	13.5	-25%	-3
Other operating costs (net)	71.2	80.4	-11%	-9	30.4	28.2	7.8%	+2
Operating Costs	**544.0**	**514.4**	**5.7%**	**+30**	**232.4**	**180.5**	**29%**	**+52**
EBITDA	**1,159.0**	**1,103.2**	**5.1%**	**+56**	**495.1**	**387.0**	**28%**	**+108**
Provisions	14.3	21.6	-34%	-7	6.1	7.6	-19%	-1
Net depreciation and amortisation	259.1	236.9	9.4%	+22	110.7	83.1	33%	+28
EBIT	**885.6**	**844.7**	**4.8%**	**+41**	**378.3**	**296.3**	**28%**	**+82**
Capital gains/(losses)	-	121.0	-	-121	-	42.4	-	-42
Financial results	(168.9)	(179.5)	-5.9%	-11	(72.1)	(63.0)	15%	+9
Results from associates	(0.9)	(0.3)	-	-1	(0.4)	(0.1)	-	-0
Pre-tax profit	**715.8**	**785.9**	**-8.9%**	**-70**	**305.8**	**275.7**	**11%**	**+30**
Income taxes	237.7	234.7	1.3%	+3	101.5	82.3	23%	+19
Effective tax rate (%)	33%	30%	3.3 pp	+0	33%	30%	3.3 pp	+0
Profit for the period	478.1	551.2	-13%	-73	204.2	193.4	5.6%	+11
Equity Holders of Energias do Brasil	**384.2**	**468.3**	**-18%**	**-84**	**164.1**	**164.3**	**-0.1%**	**-0**
Minority interests	93.9	82.9	13%	+11	40.1	29.1	38%	+11
Capex	**546.0**	**452.3**	**21%**	**+94**	**233.2**	**158.7**	**47%**	**+75**

Energias do Brasil	9M10	9M09	Δ %
Share price at end of period (R$/share)	36.60	29.20	25%
Number of ahares Issued (million)	158.8	158.8	0.0%
Treasury stock (million)	0.3	15.8	-98%
Number of shares owned by EDP (million)	102.9	102.9	0.0%
Real/Euro - End of period rate	2.32	2.61	12%
Real/Euro - Average of period rate	2.34	2.85	22%
Inflation rate (IGP-M - 12 months)	7.8%	0.0%	-
Interest rate (CDI)	9.60	10.40	-80 pp
Employees (#)	2,360	2,366	-6

Key Balance Sheet Figures (€ m)	9M10	9M09	Δ %
Net financial debt	887	979	-9.4%
Regulatory receivables	(13)	40	-
Minority interests	781	668	17%
Equity book value	2,006	1,510	33%

Rating & Debt Ratios	9M10	9M09	Δ %
Net debt / EBITDA	1.3x	1.9x	
			Moody's
Energias do Brasil			**Ba1/Sta**
Last Rating action			08-04-10

In local currency, EDP Energias do Brasil's 9M10 EBITDA rose 5% YoY driven by (i) a strong recovery of electricity demand and (ii) the positive impact from annual tariff updates in Escelsa (Aug-09) and Bandeirante (Oct-09).

In 9M10, EDP Energias do Brasil's contribution to consolidated **EBITDA was positively affected by the 22% appreciation of the Real against the Euro** (+€89m impact on EBITDA).

Note that 9M10 YoY comparison is impacted by **some non recurrent issues** from which we highlight: (1) additional revenue (R$6m) as compensation for termination of contract by a consumer in 1Q10 and (2) R$15m HR restructuring costs related to headcount reduction program in 1Q09.

In Nov-09, EDP Brasil sold 15.5 million treasury shares (9.8% of its share capital) through a secondary public distribution offer at a price of R$28.50 per share leading EDP Energias do Brasil to decrease its treasury stock position to 0.2% of share capital.

Net financial costs in BRL terms decreased 6% YoY impacted by: (1) lower average cost of debt (from 10.2% in 9M09 to 7.6% in 9M10) and (2) R$57m one-off negative impact in 9M10 due to the regulatory cost unwinding related to 2001 rationing liability (regulator resolution).

Net financial debt decreased 9% YoY in EUR terms (-19% in BRL terms) which supported a decrease in net debt/EBITDA ratio to 1.3x in 9M10. In Jun-10, EDP Brasil signed a loan agreement for R$135m with Banco do Brasil to mature in 2015 with 100% of CDI cost and in Jul-10 Bandeirante issued bonds in the amount of R$390m maturing in 6 years with a coupon of CDI + 1.5%, which implied an increase of average maturity in debt to 5.4 years by Sep-10.

Of the total gross debt at Sep-10, 100% **were denominated in local currency or** protected from exchange rate through hedging instruments. **The weight of fixed rate in EDP Brasil's debt was 52% by Sep-10**. EDP Brasil's main benchmark in fixed interest rate is TJLP, which is defined as the cost of financing granted by the BNDES and currently stands at 6%.

Capital gains in 9M09 are fully related to the sale of our stake in the telecom company Esc90. **Minority interests in EUR terms** rose at balance sheet level following the appreciation of the BRL. At income statement level, minority interests in BRL terms increased due to better financial results in Lajeado hydro plant, in which we do not have 100% ownership.

Overall, EDP Brasil net profit in 9M10 (under IFRS) decreased 13% YoY in BRL. Excluding capital gains, EDP Brasil net profit in 9M10 rose 11% YoY.

In May-10, EDP Brasil paid an **a dividend** of R$296.3m, corresponding to R$1.87 per share.

Brazil: Electricity Distribution

Income Statement (R$ m)	9M10	9M09	Δ %	Δ Abs.
Gross Profit	**1,070.2**	**973.2**	**10%**	**+97**
Supplies and services	214.3	177.7	21%	+37
Personnel costs	117.6	115.2	2.1%	+2
Costs with social benefits	20.7	29.8	-31%	-9
Other operating costs (net)	59.0	53.9	9.5%	+5
Operating Costs	**411.6**	**376.6**	**9.3%**	**+35**
EBITDA	**658.6**	**596.7**	**10%**	**+62**
Provisions	10.8	8.2	31%	+3
Net deprec. and amortisation	137.7	124.7	10%	+13
EBIT	**510.2**	**463.7**	**10%**	**+46**

Gross Profit Performance	9M10	9M09	Δ %	Δ Abs.
IFRS Gross Profit	**1,070**	**973**	**10%**	**+97**
Tariff Deviation (1)	15	64	-77%	-50
Deviat. from previous year (2)	(89)	(104)	-15%	+15
Others	25	26	-1.3%	-0
Brazilian GAAP Gross Profit	**1,021**	**959**	**6.5%**	**+62**
Regulatory Receivables (R$ m)	**(31)**	**114**	**-**	**-145**
Clients Connected (th)	**2,711.0**	**2,620.9**	**3.4%**	**+90**
Bandeirante	1,488.1	1,434.7	3.7%	+53
Escelsa	1,222.9	1,186.1	3.1%	+37
Electricity Distributed (GWh)	**17,782**	**15,529**	**15%**	**+2,253**
Bandeirante	10,744	9,747	10%	+997
Escelsa	7,038	5,782	22%	+1,256
From which:				
To clients in Free Market (GWh)	6,795	5,273	29%	+1,521
Electricity Sold (GWh)	**10,987**	**10,256**	**7.1%**	**+732**
Bandeirante	**6,738**	**6,326**	**6.5%**	**+412**
Resid., Commerc. & Other	4,338	4,187	3.6%	+151
Industrial	2,400	2,139	12%	+261
Escelsa	**4,249**	**3,930**	**8.1%**	**+319**
Resid., Commerc. & Other	3,460	3,230	7.1%	+229
Industrial	789	700	13%	+90

Capex & Opex Performance	9M10	9M09	Δ %	Δ Abs.
Controllable Operating Costs (3)	**331.9**	**292.9**	**13%**	**+39**
Cont. costs/client (R$/client)	122.4	111.8	9.6%	+11
Cont. costs/km (R$/Km)	3.9	3.5	13%	+0
Employees (#)	2,003	2,026	-1.1%	-23
Capex (net of subsidies) (R$m)	**234.0**	**221.9**	**5.5%**	**+12**
Network ('000 Km)	84.2	84.2	0.0%	+0

In electricity distribution in Brazil, the **EBITDA in 9M10 increased by 10% YoY.** Adjusted for tariff deviations EBITDA rose by 5%. Gross profit in 9M10 surged 10% YoY mainly reflecting:

Significant recovery of electricity volumes sold and distributed in 9M10: Volume of electricity sold increased by 7% YoY in 9M10 (+8% vs. 9M08) and by 4% YoY in 3Q10. In the residential & commercial segment, volume sold in 9M10 rose 5% YoY and 2% YoY in 3Q10 reflecting: (i) a rise of 3% YoY in the number of clients connected and (ii) an increase of consumption per client supported by higher penetration of electrical home appliances. In the industrial segment, electricity volumes sold rose 12% in 9M10 reflecting the recovery of Brazilian industrial production. 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 29% YoY in 9M10 (+15% YoY in 3Q10 and +2% vs. 9M08), reflecting a strong recovery of demand namely from the mining and steel sectors and a weak 9M09 comparison basis. However, the volume of electricity distributed in 3Q10 fell 1% compared to 2Q10, supported by the reduction in the volume of electricity sold in Escelsa due to temperatures decrease in Espirito Santo state, which presented values below the historical average for this state, mainly in July and August, which resulted in a reduced use of electrical equipment such as air conditioning.

Positive impact from annual tariff updates (Escelsa since Aug-09 and Bandeirante since Oct-09), 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. Meanwhile, ANEEL published a draft of new regulatory framework in which set a new Return on RAB at 7.15% after taxes. All the assumptions in this draft are in public discussion and will only be applicable to the next regulatory period (Bandeirante from Oct-11 onwards and Escelsa from Aug-13 onwards).

Positive impact from tariff deviations at gross profit level was higher in 9M10 than in 9M09. Gross profit under IFRS for distribution in Brazil includes the cash flow impact from tariff deviation, while gross profit under Brazilian GAAP is closer to the normalized regulated gross profit. Tariff deviation created in previous years and being recovered through tariffs in 9M10 amounted to R$89m (vs. R$104m in 9M09). On the other hand, a new positive tariff deviation of R$15m was created in 9M10 (vs. positive tariff deviation of R$64m in 9M09). This positive tariff deviation in 9M10 was created due to an increase in sector charges reflecting a change in calculation methodology by regulator. As a result, the amount of regulatory receivables decreased from R$114m pending collection by Sep-09 to R$31m by Sep-10 which are owed to consumers and will be paid back by EDP Brasil in the next annual tariff revisions.

Personnel costs increased 2% YoY as a result of annual salary update. Supplies and services increased due to: (1) adverse weather conditions (storms and floods) in the beginning of 2010, which implied an increasing of the volume of calls to the toll-free customer support and an increase in repairs and maintenance works and (2) change of legislation imposing tougher mandatory minimum levels of customer services. Other operating costs increased in 9M10 as a result of a fine related with an electricity "blackout" that happen in the end of 2009 in the Bandeirante and Escelsa concession areas (R$4m). This cost is still under discussion with the regulator.

(1) 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 .
(2) Regulatory receivables being generated in the current period to be recovered by EDP through tariffs in the next annual tariff adjustment.
(3) Supplies & services and personnel costs.

Brazil: Electricity Generation and Supply

Income Statement (R$M)	Generation			
	9M10	9M09	Δ %	Δ Abs.
Gross Profit	**604.8**	**596.4**	**1.4%**	**+8**
Supplies and services	42.8	34.9	23%	+8
Personnel costs	26.9	25.3	6.3%	+2
Costs with social benefits	1.7	3.0	-43%	-1
Other operating costs (net)	7.9	12.1	-34%	-4
Operating Costs	**79.3**	**75.2**	**5.5%**	**+4**
EBITDA	**525.4**	**521.2**	**0.8%**	**+4**
Provisions	(0.7)	0.9	-	-2
Net depreciation and amortisation	110.5	103.4	6.9%	+7
EBIT	**415.6**	**417.0**	**-0.3%**	**-1**

Generation	9M10	9M09	Δ %	Δ Abs.
Gross Profit (R$ m)	**604.8**	**596.4**	**1.4%**	**+8**
Lajeado	262.5	257.5	1.9%	+5
Peixe Angical	206.2	206.2	0.0%	+0
Energest (15 hydro plants)	136.0	132.7	2.5%	+3
Installed Capacity - Hydro (MW)	**1,734**	**1,725**	**0.5%**	**+9**
Lajeado	903	902	0.1%	+1
Peixe Angical	452	452	-	-
Energest (15 hydro plants)	380	371	2.3%	+9
Electricity Sold (GWh)	**5,923**	**5,789**	**2.3%**	**+133**
Lajeado	2,578	2,425	6.3%	+154
Peixe Angical	1,723	1,703	1.2%	+20
Energest (15 hydro plants)	1,622	1,662	-2.4%	-40
Average Selling Price (R$/MWh)	**118.9**	**118.5**	**0.3%**	**+0**
Lajeado	102.1	106.3	-4.0%	-4
Peixe Angical	150.9	149.0	1.3%	+2
Energest (15 hydro plants)	111.6	105.2	6.0%	+6
Capex (R$ million)	**311.0**	**228.4**	**36%**	**+83**
Maintenance	28.4	25.5	11%	+3
Expansion	282.7	202.9	39%	+80
Pécem	272.0	126.6	115%	+145
Other	10.7	76.3	-86%	-66
Employees (#)	**252**	**251**	**0.4%**	**+1**

Supply	9M10	9M09	Δ %	Δ Abs.
Gross profit (R$ m)	23.3	45.3	-49%	-22
Operating costs (R$ m)	0.8	19.1	-96%	-18
EBITDA (R$ m)	22.6	26.3	-14%	-4
Electricity sales (GWh)	5,946	6,243	-4.8%	-297
Number of clients (#)	84	107	-21%	-23

GENERATION:

EBITDA in our electricity generation activities in Brazil increased 1% driven by a 1% rise in gross profit.

Installed capacity increased by 1% as a result of the repowering of hydro plants Suiça (+3MW in 4Q09) and Rio Bonito (+4MW in 4Q09 and +2MW in 1Q10).

Electricity volume sold increased 2% YoY in 9M10 (in the 3Q10 +27% vs. 1Q10 and +20% vs. 2Q10) due to our intra-annual power production strategy. Since the spot prices were low early in the year, distribution companies reduced the volume of energy purchased from our PPA in generation and replaced that volumes with purchases in the spot market. The strategy of seasonal adjustments in the volumes of electricity sold by EDP is to allocate more volume in the second half of 2010, when spot prices were expected to recover (average spot price increased 178% QoQ from R$40.7 in 2Q10 to R$113.3 in 3Q10).

Average selling price was flat YoY in 9M10. All EDP Brasil's installed capacity is contracted under PPA long term contracts with an average maturity of 15 years and prices updated to inflation.

Operating costs rose by 6% YoY reflecting mainly one-off legal costs associated with the merger of all companies of Lajeado group and earlier works related with environment and maintenance.

Capex increased by 36% YoY to R$311m. Expansion capex represents 91% of total capex from which 94% refers to the construction of Pécem coal plant. The start-up is scheduled by the end of 2011 and we already invested R$1,024m (67% of total). The 9M10 other expansion capex is related to the repowering of Mascarenhas (18MW), which conclusion is for 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 615 MW for a 15-year term starting in January 2012 and an 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, that 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 49.5 MW of installed capacity and 27.5 MW of assured energy. The start of construction of these plants is planned for Mar-11, with operation expect to start in Dec-12. The total estimated investment is R$304m.

LIBERALIZED ELECTRICITY SUPPLY:

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 9M10, EBITDA in supply retreated by R$4m YoY** due to: (1) a one-off gain in 1Q10 due to an agreement with a costumer on a contract termination (R$6m) and (2) re-activation in 3Q09 of the supply contract with Ampla, which implied an additional profit (R$21.4m). This issue implied an increase in 3Q09 operating costs due to accounting of a provision for the difference between contracted price and value paid by Ampla (R$10.4M). Excluding non recurrent impacts, EBITDA in 9M10 rose by 9% to R$17m.

Income Statements

Income Statement by Business Area

9M10 (€m)	Long-Term Contracted Generation	Iberian Liberalised Activities	Regulated Networks Iberia	Wind Power	Brazil	Other & Adjustments	EDP Group
Gross Profit	**784.1**	**539.7**	**1,347.6**	**587.2**	**727.4**	**8.4**	**3,994.5**
Supplies and services	73.7	103.6	316.5	142.6	121.9	(136.7)	621.6
Personnel costs	53.3	38.4	138.0	36.5	69.9	99.8	435.9
Costs with social benefits	15.7	1.7	57.9	1.6	10.2	2.2	89.3
Concession rents	3.9	-	178.8	5.7	-	(0.7)	187.7
Other operating costs (net)	(0.9)	27.7	(22.0)	(72.4)	30.4	46.4	9.2
Operating costs	**145.6**	**171.4**	**669.2**	**114.1**	**232.4**	**11.0**	**1,343.7**
EBITDA	**638.5**	**368.3**	**678.3**	**473.1**	**495.1**	**(2.6)**	**2,650.8**
Provisions	(4.0)	52.4	1.6	(0.1)	6.1	12.2	68.3
Net depreciation and amortisation (1)	178.0	153.0	267.5	306.9	110.7	63.7	1,079.8
EBIT	**464.4**	**163.0**	**409.1**	**166.3**	**378.3**	**(78.5)**	**1,502.7**

9M09 (€m)	Long-Term Contracted Generation	Iberian Liberalised Activities	Regulated Networks Iberia	Wind Power	Brazil	Other & Adjustments	EDP Group
Gross Profit	**754.5**	**638.0**	**1,293.5**	**435.0**	**567.4**	**(9.6)**	**3,678.9**
Supplies and services	68.5	95.4	313.9	103.5	84.1	(135.5)	529.8
Personnel costs	48.8	41.8	133.0	30.3	54.7	99.7	408.3
Costs with social benefits	26.3	1.5	64.7	0.3	13.5	3.7	110.1
Concession rents	3.9	-	179.7	3.6	-	(0.9)	186.2
Other operating costs (net)	(3.6)	21.3	(5.1)	(71.2)	28.2	47.8	17.4
Operating costs	**143.9**	**160.0**	**686.2**	**66.5**	**180.5**	**14.7**	**1,251.8**
EBITDA	**610.6**	**478.0**	**607.3**	**368.5**	**387.0**	**(24.3)**	**2,427.1**
Provisions	1.4	4.9	1.8	(0.1)	7.6	18.3	34.0
Net depreciation and amortisation (1)	190.1	134.0	232.7	219.9	83.1	61.2	921.0
EBIT	**419.0**	**339.1**	**372.8**	**148.8**	**296.3**	**(103.9)**	**1,472.2**

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

Quarterly Income Statement

Quarterly P&L (€ m)	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10
Electricity Revenues	2,877.3	2,409.1	2,744.3	2,991.3	3,118.7	2,927.8	3,100.3	-
Gas Revenues	326.2	209.4	185.6	260.3	336.8	284.3	330.5	-
Other Revenues	29.8	38.0	35.9	91.0	38.8	56.3	45.2	-
Operating Revenues	**3,233.3**	**2,656.4**	**2,965.8**	**3,342.6**	**3,494.3**	**3,268.4**	**3,476.0**	**-**
Electricity	1,464.8	1,045.2	1,343.9	1,486.6	1,688.5	1,558.2	1,700.7	-
Gas	218.3	128.0	98.5	196.4	221.4	193.9	211.8	-
Fuel	272.3	273.4	287.3	222.7	172.4	176.4	270.2	-
Materials and goods for resale	17.1	16.8	11.1	10.5	9.7	13.2	27.7	-
Direct Activity Costs	**1,972.5**	**1,463.5**	**1,740.8**	**1,916.1**	**2,092.0**	**1,941.7**	**2,210.5**	**-**
Gross Profit	**1,260.8**	**1,193.0**	**1,225.1**	**1,426.4**	**1,402.3**	**1,326.7**	**1,265.5**	**-**
Supplies and services	165.5	187.9	176.3	238.4	194.2	210.4	217.1	-
Personnel costs	141.3	142.5	124.5	131.7	150.5	145.9	139.5	-
Costs with social benefits	35.4	30.6	44.1	48.2	32.8	28.1	28.5	-
Concession fees	61.8	62.5	61.9	62.4	62.7	62.7	62.3	-
Other operating costs (net)	7.6	8.0	1.8	9.8	22.5	(11.6)	(1.8)	-
Operating costs	**411.7**	**431.5**	**408.5**	**490.6**	**462.7**	**435.4**	**445.6**	**-**
EBITDA	**849.1**	**761.4**	**816.6**	**935.8**	**939.6**	**891.2**	**820.0**	**-**
Provisions	4.7	14.1	15.2	40.7	10.1	29.2	29.0	-
Net depreciation and amortisation (1)	312.3	300.1	308.5	397.7	340.9	364.3	374.6	-
EBIT	**532.1**	**447.2**	**492.8**	**497.4**	**588.6**	**497.7**	**416.4**	**-**
Capital gains/(losses)	12.9	15.0	2.8	29.1	5.8	(1.0)	(2.2)	-
Financial Results	(165.5)	(121.7)	(92.1)	(107.4)	(118.1)	(114.8)	(115.0)	-
Results from associated companies	4.6	9.1	7.2	4.3	6.9	6.2	5.2	-
Pre-tax profit	**384.1**	**349.6**	**410.6**	**423.4**	**483.2**	**388.1**	**304.4**	**-**
Income taxes	88.0	105.5	115.6	90.6	129.0	102.9	73.6	-
Discontinued Activities	-	-	-	-	-	-	-	-
Net Profit for the period	296.1	244.1	295.0	332.7	354.2	285.2	230.8	-
Net Profit Attributable to EDP	**265.3**	**214.1**	**268.6**	**275.8**	**309.2**	**255.6**	**209.5**	**-**
Minority interests	30.8	30.0	26.4	57.0	45.0	29.6	21.3	-

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

Income Statement by Business Area

9M10 (€ m)	Generation Iberia	Supply Iberia	EDP Renováveis	Distribution Iberia	Gas Iberia	Energias do Brasil	Other & Adjustments	**EDP Group**
Operating Revenues	**2,937.6**	**1,996.6**	**591.4**	**3,815.3**	**1,202.2**	**1,570.2**	**(1,874.6)**	**10,238.6**
Direct Activity Costs	**1,778.9**	**1,899.2**	**4.1**	**2,695.8**	**906.3**	**842.8**	**(1,883.0)**	**6,244.1**
Gross Profit	**1,158.7**	**97.4**	**587.2**	**1,119.5**	**295.9**	**727.4**	**8.4**	**3,994.5**
Supplies and services	115.1	45.4	142.6	281.8	51.6	121.9	(136.7)	621.6
Personnel costs	78.6	10.5	36.5	116.4	24.2	69.9	99.8	435.9
Costs with social benefits	17.0	0.3	1.6	57.4	0.6	10.2	2.2	89.3
Other operating costs (net)	20.5	0.3	(66.7)	152.6	14.0	30.4	45.7	196.8
Operating costs	**231.2**	**56.6**	**114.1**	**608.2**	**90.3**	**232.4**	**11.0**	**1,343.7**
EBITDA	**927.5**	**40.8**	**473.1**	**511.3**	**205.5**	**495.1**	**(2.6)**	**2,650.8**
Provisions for risks and contigencies	34.9	13.5	(0.1)	1.7	(0.1)	6.1	12.2	68.3
Net depreciation and amortisation (1)	327.5	3.2	306.9	214.1	53.7	110.7	63.7	1,079.8
EBIT	**565.1**	**24.2**	**166.3**	**295.4**	**151.9**	**378.3**	**(78.5)**	**1,502.7**

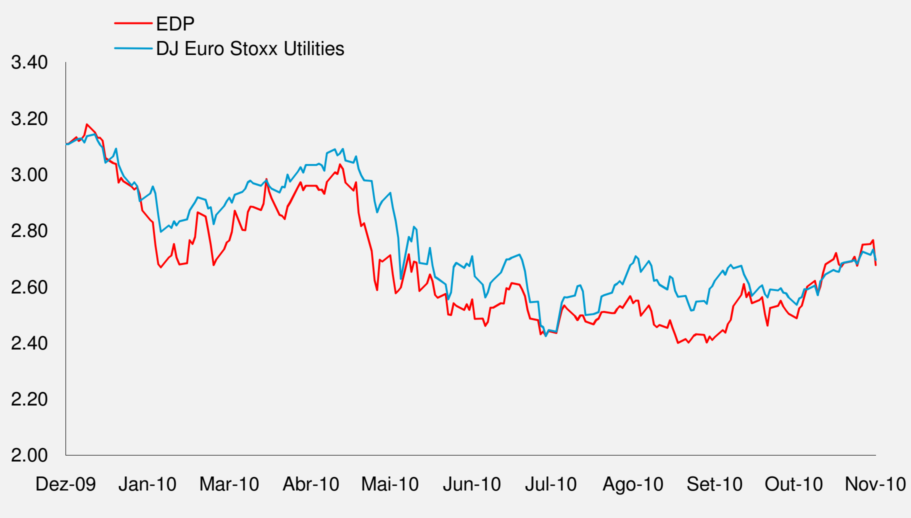
9M09 (€ m)	Generation Iberia	Supply Iberia	EDP Renováveis	Distribution Iberia	Gas Iberia	Energias do Brasil	Other & Adjustments	**EDP Group**
Operating Revenues	**2,591.8**	**1,302.9**	**440.9**	**3,635.9**	**859.0**	**1,199.6**	**(1,174.4)**	**8,855.6**
Direct Activity Costs	**1,356.6**	**1,227.6**	**5.8**	**2,503.8**	**615.5**	**632.2**	**(1,164.8)**	**5,176.8**
Gross Profit	**1,235.2**	**75.2**	**435.0**	**1,132.1**	**243.5**	**567.4**	**(9.6)**	**3,678.8**
Supplies and services	113.6	36.8	103.5	287.7	39.7	84.1	(135.5)	529.8
Personnel costs	79.4	8.3	30.3	115.5	20.5	54.7	99.7	408.3
Costs with social benefits	27.6	0.2	0.3	64.3	0.4	13.5	3.7	110.1
Other operating costs (net)	20.3	(8.5)	(67.6)	171.2	13.2	28.2	46.8	203.6
Operating costs	**240.7**	**36.8**	**66.5**	**638.7**	**73.8**	**180.5**	**14.7**	**1,251.8**
EBITDA	**994.5**	**38.4**	**368.5**	**493.4**	**169.7**	**386.9**	**(24.3)**	**2,427.0**
Provisions for risks and contigencies	8.6	(2.2)	(0.1)	1.6	0.2	7.6	18.3	34.0
Net depreciation and amortisation (1)	321.4	2.3	219.9	199.8	33.3	83.0	61.2	920.9
EBIT	**664.5**	**38.2**	**148.8**	**292.0**	**136.1**	**296.3**	**(103.9)**	**1,472.2**

(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 (03-11-2010)	2009
EDP Share Price (Euronext Lisbon - €)			
Close	2.68	2.68	3.11
Max	3.19	3.19	3.22
Min	2.40	2.40	2.34
Average	2.71	2.75	2.88
EDP's Liquidity in Euronext Lisbon			
Turnover (€ m)	4,189	4,866	5,027
Average Daily Turnover (€ m)	28	25	19
Traded Volume (million shares)	1,548	1,768	1,743
Avg. Daily Volume (million shares)	10.4	9.2	6.7

EDP's Main Events

Jan-13: EDP signs construction contract for Venda Nova III 736 MW new hydro plant

Jan-27: EDP Renováveis enters the Italian wind market through the acquisition of 520 MW to be developed

Feb-10: Replacement of representative of Sonatrach in the General Supervisory Board

Mar-09: EDP issues EUR1bn 5 year bond

Mar-12: Pictet reduced its participation in EDP's share capital

Apr-16: EDP's Annual General Shareholders Meeting

Apr-26: EDP Renováveis awards Vestas a procurement contract to deliver up to 2.1 GW of wind capacity

Apr-27: EDP announces divdend payment announcement to May 13th (€0.155 – Gross dividend)

Jun-17: Fitch mantains EDP's long term 'A-' stable credit rating

Jun-28: EDP Renováveis fully closes Vento III institutional partnership structure

Jun-29: Blackrock decreases participation in EDP

Jul-13: Moody's confirmed EDP's long term credit rating to 'A3' assigning stable outlook

Jul-28: EDP reinforces control over Naturgas

Jul-29: EDP sells electricity transmission assets in Spain to REE

Aug-04: ANEEL approves the 2010 tariff reset for EDP Escelsa

Aug-23: Attribution of capacity payment for electricity generation in Portugal

Oct-06: Change in Qualified Participation (Parpública and CGD)

Oct-07: ANEEL approves tariff increase at EDP Bandeirante's annual tariff readjustment process

Oct-21: EDP sells its stake in DECA II (Guatemala)

Oct-29: Standard & Poor's affirms EDP's rating

Nov-03: EDP signed credit facility of €2bn

Source: Bloomberg

EDP - Installed capacity & electricity generation

Installed Capacity - MW (1)	9M10	9M09	Δ MW	Δ 10/09
PPA/CMEC	**6,931**	**6,987**	**-56**	**-0.8%**
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	**1,657**	**1,713**	**-56**	
Setúbal	946	946	-	
Carregado	710	710	-	
Barreiro	-	56	-56	
Special Regime (Ex-Wind)	**473**	**455**	**18**	**3.9%**
Small-Hydro	160	160	0	
Cogeneration+Waste	275	257	18	
Biomass	38	38	-	
Liberalised Electricity Generation	**5,999**	**5,096**	**903**	**18%**
Hydro	**910**	**910**	**-**	
Portugal	484	484	-	
Spain	426	426	-	
Coal	**1,460**	**1,460**	**0**	
Aboño I	342	342	-	
Aboño II	536	536	-	
Soto Ribera II	236	236	-	
Soto Ribera III	346	346	-	
CCGT	**3,308**	**2,405**	**903**	**38%**
Ribatejo (3 groups)	1,176	1,176	-	
Lares (2 groups)	863	-	863	
Castejón (2 group)	843	811	32	
Soto IV (1 group)	426	418	8	
Nuclear	**156**	**156**	**-**	
Trillo	156	156	-	
Gasoil	**165**	**165**	**-**	
Tunes	165	165	-	
Wind (More detail on page 16)	**6,181**	**4,882**	**1,299**	**27%**
Europe	3,066	2,573	493	
USA	3,101	2,295	806	
Brazil	14	14	-	
Brazil (Ex-Wind)	**1,734**	**1,725**	**9**	**0.5%**
Hydro	**1,734**	**1,725**	**9**	**0.5%**
Lajeado	903	902	1	
Peixe Angical	452	452	-	
Energest	380	371	9	
TOTAL	**21,318**	**19,145**	**2,173**	**11%**

Electricity Generation (GWh)	9M10	9M09	Δ GWh	Δ 10/09
PPA/CMEC	**13,768**	**12,176**	**1,592**	**13%**
Hydro	**10,574**	**4,974**	**5,599**	**113%**
Run off the river	6,821	3,299	3,522	
Reservoir	3,753	1,675	2,078	
Coal	**3,193**	**6,943**	**-3,750**	**-54%**
Sines	3,193	6,943	-3,750	
Fuel oil	**2**	**259**	**-257**	**-99%**
Setúbal	-6	185	-191	
Carregado	8	-3	11	
Barreiro	-	77	-77	
Special Regime (Ex-Wind)	**1,885**	**1,525**	**361**	**24%**
Small-Hydro	465	237	228	
Cogeneration+Waste	1,272	1,204	68	
Biomass	148	83	65	
Liberalised Electricity Generation	**12,637**	**14,262**	**-1,625**	**-11%**
Hydro	**1,712**	**1,127**	**585**	**52%**
Portugal	958	484	474	
Spain	754	643	111	
Coal	**2,871**	**4,834**	**-1,963**	**-41%**
Aboño I	807	1,017	-209	
Aboño II	1,538	2,604	-1,066	
Soto Ribera II	175	510	-334	
Soto Ribera III	350	704	-353	
CCGT	**7,202**	**7,507**	**-305**	**-4.1%**
Ribatejo (3 groups)	2,140	4,852	-2,711	
Lares (2 groups)	1,903	-	1,903	
Castejón (2 group)	2,125	1,622	502	
Soto IV (1 group)	1,034	1,032	2	
Nuclear	**853**	**795**	**58**	**7%**
Trillo	853	795	58	
Gasoil	**0**	**-**	**0**	
Tunes	0	-	0	
Wind	**9,818**	**7,295**	**2,523**	**35%**
Europe	4,615	3,225	1,390	
USA	5,178	4,050	1,128	
Brazil	24	19		
Brazil (Ex-Wind)	**5,124**	**5,097**	**27**	**0.5%**
Hydro	**5,124**	**5,097**	**27**	**0.5%**
Lajeado	2,306	2,385	-79	
Peixe Angical	1,710	1,508	202	
Energest	1,109	1,204	-96	
TOTAL	**43,233**	**40,355**	**2,878**	**7.1%**

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

EDP - Volumes distributed, clients connected and networks

ELECTRICITY

Electricity Distributed (GWh)	9M10	9M09	Δ GWh	Δ %
Portugal	**35,539**	**33,836**	**1,703**	**5.0%**
Very High Voltage	1,101	1,136	-35	-3.1%
High / Medium Voltage	15,730	14,676	1,054	7.2%
Low Voltage	18,709	18,024	684	3.8%
Spain	**6,837**	**6,704**	**133**	**2.0%**
High / Medium Voltage	4,936	4,811	125	2.6%
Low Voltage	1,901	1,893	8	0.4%
Brazil	**17,782**	**15,529**	**2,253**	**15%**
Free Clients	6,795	5,273	1,521	29%
Industrial	3,190	2,839	351	12%
Residential, Comercial & Other	7,798	7,417	381	5.1%
TOTAL	**60,158**	**56,069**	**4,089**	**7.3%**

Clients Connected (th)	9M10	9M09	Abs. Δ	Δ %
Portugal	**6,144**	**6,108**	**35.4**	**0.6%**
Very High / High / Medium Voltage	24	23	0.3	1.2%
Special Low Voltage	34	33	0.6	1.9%
Low Voltage	6,086	6,052	34.5	0.6%
Spain	**649**	**642**	**7.5**	**1.2%**
Final	383	434	-51.0	-12%
Access	266	207	58.5	28%
Brazil	**2,711**	**2,621**	**90.1**	**3.4%**
Bandeirante	1,488	1,435	53.4	3.7%
Escelsa	1,223	1,186	36.8	3.1%
TOTAL	**9,504**	**9,371**	**133.0**	**1.4%**

Networks	9M10	9M09	Abs. Δ	Δ %
Lenght of the networks (Km)	**327,047**	**323,695**	**3,351**	**1.0%**
Portugal	220,725	217,917	2,808	1.3%
Spain	22,097	21,594	503	2.3%
Brazil	84,225	84,184	40	0.0%
Losses (% of electricity delivered to the grid)				
Portugal	-7.4%	-7.3%	-0.0 pp	
Spain	-3.7%	-5.0%	1.2 pp	
Brazil				
Bandeirante	-11.0%	-11.0%	-0.1 pp	
Technical	-5.4%	-5.1%	-0.4 pp	
Comercial	-5.6%	-5.9%	0.3 pp	
Escelsa	-14.8%	-14.7%	-0.0 pp	
Technical	-8.5%	-8.8%	0.4 pp	
Comercial	-6.3%	-5.9%	-0.4 pp	

GAS

Gas Distributed (GWh)	9M10	9M09	Δ GWh	Δ %
Portugal	**5,048**	**4,343**	**706**	**16%**
Low Pressure (P ≤ 4 Bar)	2,212	1,923	289	15%
Medium Pressure (P > 4 Bar)	2,813	2,396	418	17%
LPG	23	24	-0	-1.8%
Spain	**34,250**	**14,392**	**19,858**	**138%**
Low Pressure (P ≤ 4 Bar)	18,008	5,386	12,622	234%
Medium Pressure (P > 4 Bar)	16,242	9,006	7,236	80%
TOTAL	**39,299**	**18,735**	**20,564**	**110%**

Supply Points (th)	9M10	9M09	Abs. Δ	Δ %
Portugal	**240.8**	**215.2**	**25.6**	**12%**
Final	240.3	215.1	25.2	12%
Access	0.5	0.1	0.4	411%
Spain	**979.4**	**701.7**	**277.8**	**40%**
Final	-	-	-	-
Access	979.4	701.7	277.8	40%
TOTAL	**1,220.3**	**916.9**	**303.4**	**33%**

Networks	9M10	9M09	Abs. Δ	Δ %
Lenght of the networks (Km)	**12,812**	**9,321**	**3,491**	**37%**
Portugal	3,689	3,371	318	9.4%
Spain	9,123	5,950	3,173	53%
Distribution	8,736	5,588	3,148	56%
Transmission	387	362	25	7.0%

EDP - Sustainability performance

3Q10 Main Events

- **Jul-10: Ribatejo CCGT** keeps EMAS* registration;
- **Jul-10**: Sevares power plant (cogeneration) obtains Environmental Certification; Sidergás power plant obtains EMAS* registration;
- **Aug-10**: **Lares CCGT** obtains Environmental Certification;
- **Aug-10: Mobi.E Project** - Connecting to the network of the 1st Electric Vehicle Charging Post;
- **Sep-10: EDP leader of Utilities 2010/211** - For the 3rd year in a row, EDP integrated the World and European DJ SI , and was considered, for the 1st time, the leader of Utilities when considering the SAM sustainability benchmark evaluation ;
- **Sep-10: Projecto Kakuma** - EDP and the ONU Agency for the Refugees (ACNUR) visited the Kakuma refugees camp to see the projects that are being developed by EDP in the renewable energies area.

EDP Internal Sustainability Index (base 2006)

	9M10	9M09	Δ %
Sustainability Index	**129**	**123**	**4.8%**
Environmental	150	137	9.2%
%Weight	36%	36%	
Economic	114	114	0.0%
%Weight	33%	33%	
Social	120	116	3.6%
%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

Economic Metrics	9M10	9M09	Δ %
Economic Value (€m)(1)			
Directly Generated	9,912	8,528	16%
Distributed	6,832	5,662	21%
Accumulated	3,080	2,866	7.5%

Social Metrics

Social Metrics	9M10	9M09	Δ %
Employees (c)	**12,065**	**11,980**	**0.7%**
Training (hours trainee)	**276,601**	**218,810**	**26%**
On-duty Accidents	32	32	0.0%
EDP Severity Rate (Tg)	119	147	-19%
EDP Frequency rate (Tf)	2.06	2.07	-0.7%
Freq. rate EDP+ESP(f) (Tf)	5.07	4.52	12%

Environmental Metrics

Environmental Metrics	9M10	9M09	Δ %
Absolute Atmospheric Emissions (kt) (a)			
CO_2	10,372.8	15,577.5	-33%
NOx	12.0	26.4	-55%
SO_2	6.6	16.2	-59%
Particle	0.299	0.792	-62%
Specific Atmospheric Emissions (g/KWh)			
CO_2	236.37	376.66	-37%
NOx	0.27	0.47	-42%
SO_2	0.15	0.31	-51%
Primary Energy Consumption (TJ) (b)	**126,949**	**173,047**	**-27%**
Max. Net Certified Capacity (%)	**68%**	**64%**	**4 pp**
Water Use (10^3 m^3)	**751,642**	**1,336,768**	**-44%**
Total Waste (t) (e)	**360,033**	**459,264**	**-22%**
Environmental Costs (€ th)	**56,874**	**58,135**	**-2.2%**
Environmental Fees and Penalties (€ th)	**3.9**	**37.0**	**-89%**

Environmental Metrics - CO_2 Emissions

CO_2 Emissions	Absolute ($ktCO_2$)		Specific (t/MWh)		Generation (d) (GWh)	
	9M10	9M09	9M10	9M09	9M10	9M09
PPA/CMEC	**2,909**	**6,369**			**3,195**	**7,553**
Coal	2,882	6,027	0.90	0.87	3,193	6,943
Fuel Oil & Natural Gas	27	342	14.12	0.56	2	610
Liberalised	**6,628**	**8,465**			**10,073**	**12,340**
Coal	3,878	5,700	1.35	1.18	2,871	4,834
CCGT	2,750	2,764	0.38	0.37	7,202	7,507
Special Regime	**835**	**744**	**0.29**	**0.27**	**2,924**	**2,733**
Thermal Generation	**10,373**	**15,578**	**0.64**	**0.69**	**16,192**	**22,627**
CO_2 Free Generation					**27,693**	**18,730**
CO_2 Emissions			**0.24**	**0.38**	**43,884**	**41,357**

(a) Excluding vehicle fleet.
(b) Including vehicle fleet.
(c) Excluding Corporate Bodies.
(d) Includes heat generation (1,504 GWh: 9M10 vs. 1,800 GWh: 9M09).
(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

IFRIC 12 - Impact on Financial Statements

Consolidated Balance Sheet (€m)	Set-10	Dec-09
Intangible assets		
Concession		
Portugal		
Electricity		
Distribution	2,370.9	2,424.5
Generation	120.1	123.0
Gas	280.5	264.0
Brazil		
Electricity		
Distribution and transport	855.6	849.4
Tangible fixed assets	(5,832.8)	(5,684.2)
Receivables for Concessions - IFRIC 12	450.2	370.3
Total impact on Assets	**(1,755.4)**	**(1,653.1)**
Allowances and asset investment - not current	(2,851.5)	(2,672.3)
Allowances and investment assets - current	1,096.1	1,019.1
Total impact on Liabilities	**(1,755.4)**	**(1,653.1)**

IFRIC 12 was adopted by the EU Commission on March 25, 2009 and applies to the exercises that begin after that date. In the EDP, the application of this interpretation is mandatory from January 1, 2010, being mandatory the presentation of comparative for the year 2009.

IFRIC 12 is designed to provide an accounting framework to the bussinesses developed by operators in public-private infrastructure concessions, under which services of public interest are provided.

IFRIC 12 applies to contracts of public-private concession in which the concession regulator: controls or regulates the type of services that can be provided using the underlying infrastructure; controls or regulates the price at which services are provided; controls/holds a significant interest in the infrastructure at the end of the concession.

Income Statements (€m)	9M10	9M09
Amortization of concession rights	241.6	230.3
Depreciation of tangible fixed assets	(318.8)	(304.2)
Compensation for depreciation	77.0	73.8
Other	0.3	0.1
Total impact on Profit & Loss	**-**	**-**

As a result of the application of IFRIC 12 to the gas distribution business, electricity distribution and generation business, the consolidated income statement shows a reclassification of depreciation of tangible fixed assets to intangible assets.