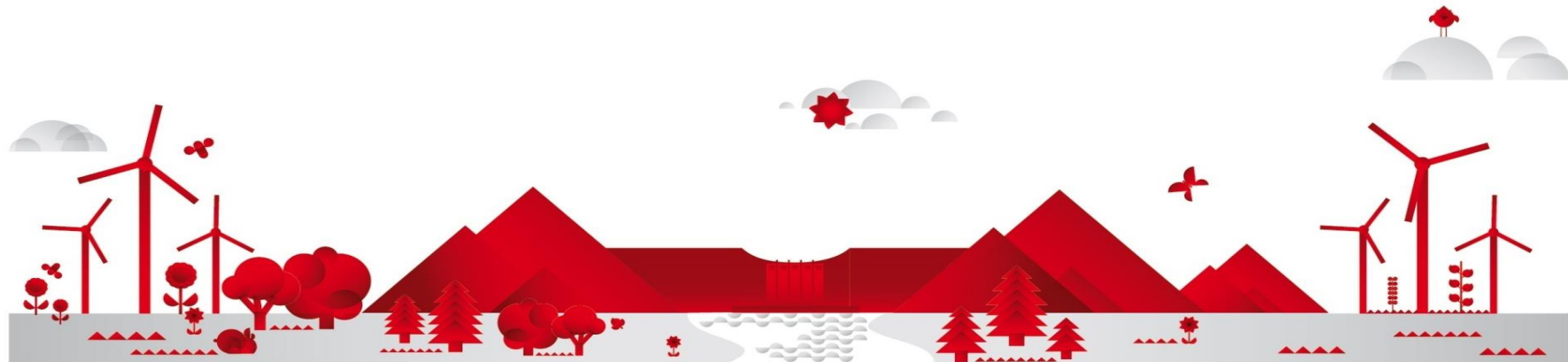




Results Presentation 1Q17

Lisbon, May 3rd, 2017



1Q17: Key Highlights



Recurring EBITDA: €1,011m, -5% YoY

Hydro production in Iberia -54% YoY: 1Q17 the driest 1Q of the last 5 years, vs. the very rainy 1Q16

Recurring Net Profit: €285m, -1% YoY

Benefiting from interest costs -13%, BRL vs. Euro +29%, lower effective tax rate

Net debt flat at €16.0bn by Mar-17

1Q17 marked by significant expansion investments in wind (US and Mexico) and absence of proceeds from disposals/TEIs

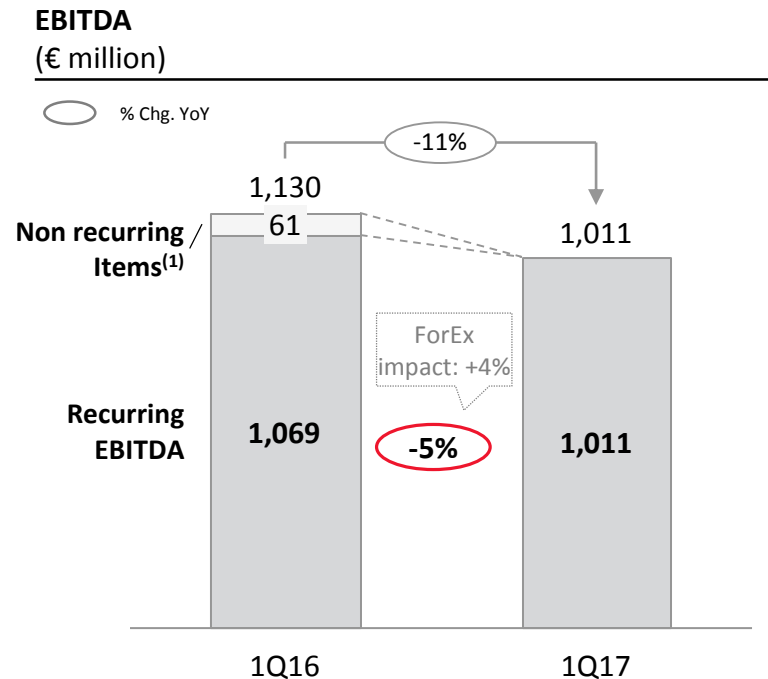
Apr-17: Definitive Agreements for disposal of gas distribution: ~€3.0bn proceeds; capital gains > €0.7bn

March 27th: Preliminary announcement of voluntary tender offer over EDPR's 22.5% free float at €6.80/share

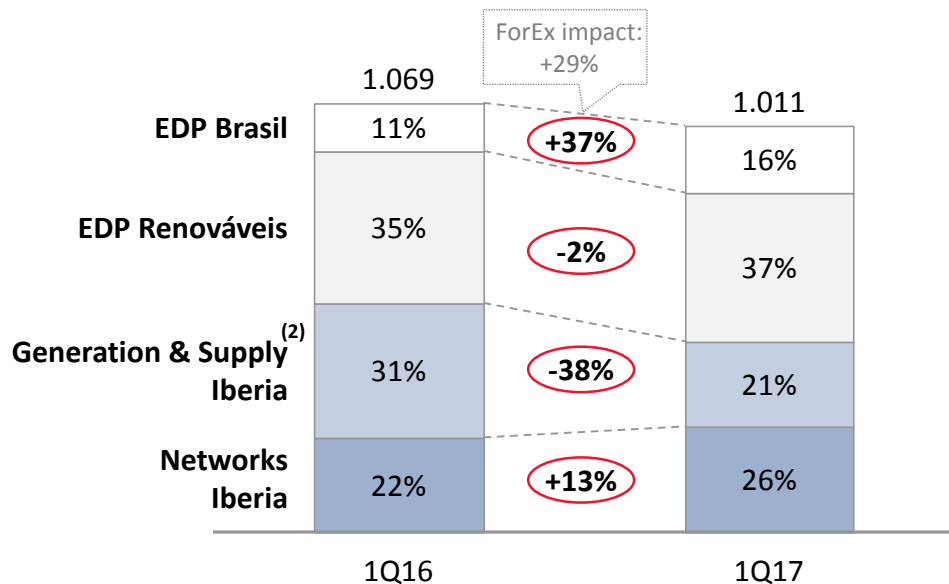
AGM on April 19th: Approval of annual dividend of €0.19/share; Payment: May 17th (ex-dividend: May 15th)

DPS +3% YoY, 72% pay-out ratio: Sustainable dividend policy

Recurring EBITDA: -5%



Recurring EBITDA (€ million)



Iberian recurring EBITDA -17% YoY, penalized by hydro volumes impact on generation & supply
Positive impacts: stronger BRL & USD, growth in regulated networks (Iberia & Brazil) and efficiency gains

(1) In 1Q16: gain on the sale of Pantanal (+€61m); In 1Q17: No impact; (2) Includes "Other"

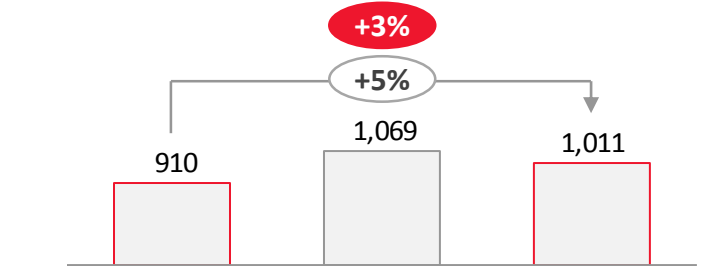
Hydro production in 1Q17: 36% below long-term average

Hydro Coefficient and Power Production in 1Q: Last 10 Years
(Deviation vs. avg. hydro year; TWh)

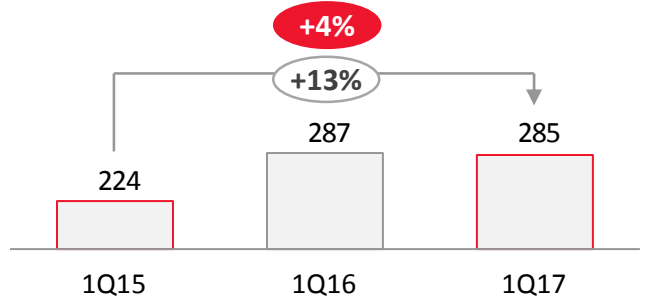


Recurring EBITDA
(€ million)

Target CAGR 2015-20
CAGR 1Q15-17



Recurring Net Profit
(€ million)



Resilient business model: recurring EBITDA and earnings growth vs. 2015 base clearly above 2016-20 growth targets

Regulated and long term contracted operations performing fully in line with expectations

2017 key moving parts:

**Low Hydro
Production
Iberia YTD**

- No impact on medium-term guidance
- Easier YoY comparison in 2H17 (hydro factor 4Q16 Portugal of 0.50x)

**Gas Networks
Disposals**

- Net debt reduction driven by ~€3.0bn cash proceeds (including ~€0.2bn over the next 5 years)
- EBITDA: -€210m/year recurring post closing, capital gains >€0.7bn (at closing)

**EDPR
tender offer**

- €6.80 offer per share represents maximum €1.3bn financial investment

Magnitude of net debt reduction dependent to outcome of tender offer over EDPR

Recurring Net Profit 2017 > Recurring Net Profit 2016

Investments: Focus on renewables and electricity networks

Hydro Portugal & Brazil

- Long and sizeable investment cycle ending in 2017

Wind & Solar LT Contracted

- 0.4GW under construction; >65% of 2016-20 additions target secured (mostly US)

EDPR Tender offer

- Integration trends: Renewables, storage, smart grids and customers

Brazil electricity transmission

- R\$3bn expected investment (95% in 2019-21); Expected RoE: 12%-14% (80% BNDES funding)

Capital recycling through the execution of value accretive deals

Gas distribution Iberia

- Adequate timing, given strong appetite from potential buyers: clearly value enhancing

Asset-rotation Partnerships

- Deal agreed with CTG on wind portfolio Portugal (€0.2bn); Continue to explore opportunities

Value accretive growth preserving financial deleverage targets



Visibility on profitable growth driven by renewables and regulated networks (avg. MW +6% YoY)

Deleverage commitment
Improved visibility with €3bn of gas networks disposals

Keeping a low risk profile:
~75% weight of EBITDA from Regulated and LT Contracted
Value of portfolio diversification by market and technology

Reinforced efficiency:
OPEX IV savings in 1Q17: 21% above target

Sustainable dividend policy
€0.19 per share as a floor (72% payout in 2016)

Keeping a distinctive profile amongst European Utilities

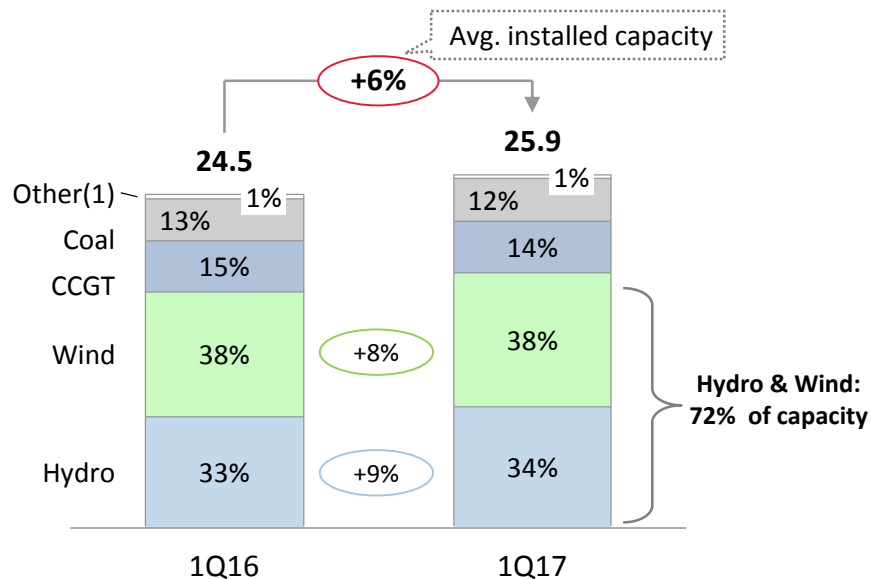


Results Analysis

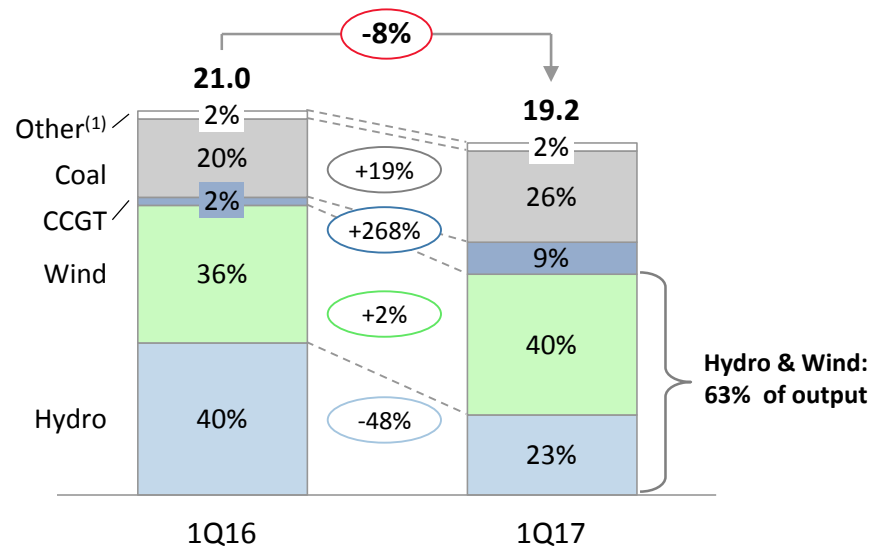
EDP's global generation portfolio: reinforced with more competitive renewables



**Installed Capacity
(GW)**



**Production Breakdown
(TWh)**



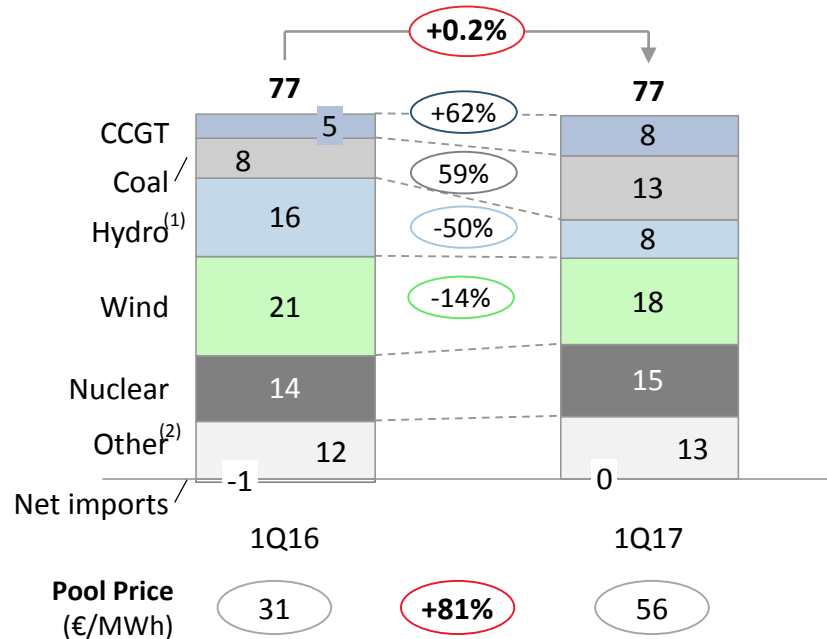
Installed capacity +6%: +0.7GW wind (mostly US and Mexico), +0.7GW Hydro pumping Portugal

Electricity production -8%: 48% reduction in hydro (-54% Iberia, -24% Brazil); sharp increase in CCGT output

(1) Others include thermal special regime (cogeneration, biomass), nuclear and solar

Overview of Iberian Market in 1Q17

Electricity Demand and Supply in Iberia ⁽¹⁾ (TWh)

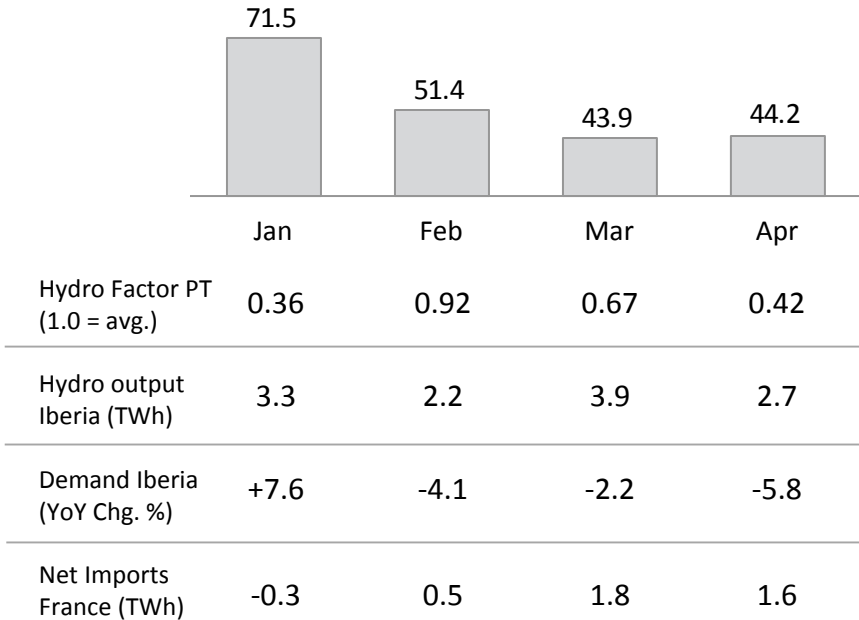


- **Electricity demand:** +0.2%
- **Hydro production:** -50%;
- **Coal and CCGT production:** +59%
- **Wind production:** -14% Portugal: 16% above LT avg. in 1Q16, in line with LT average in 1Q17
- **Absence of net imports from France in 1Q17**

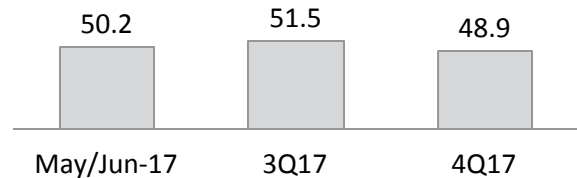
Low hydro volumes and nuclear outages in France: Avg. pool price +81% to €56/MWh

Iberian electricity market environment

Spain - Spot Electricity Price (Monthly avg. 2017)
(€/MWh)



Spain - Forward Electricity Prices for Remaining 2017⁽¹⁾
(€/MWh)



EDP hedging strategy in energy markets:

- Forward sales: 30TWh of electricity sold at ~€55/MWh, mostly hedged through residential & SMEs
- Improved thermal spreads locked-in vs. 2016
- CCGTs in short term markets: room to explore short-term peak modulation / ancillary services needs

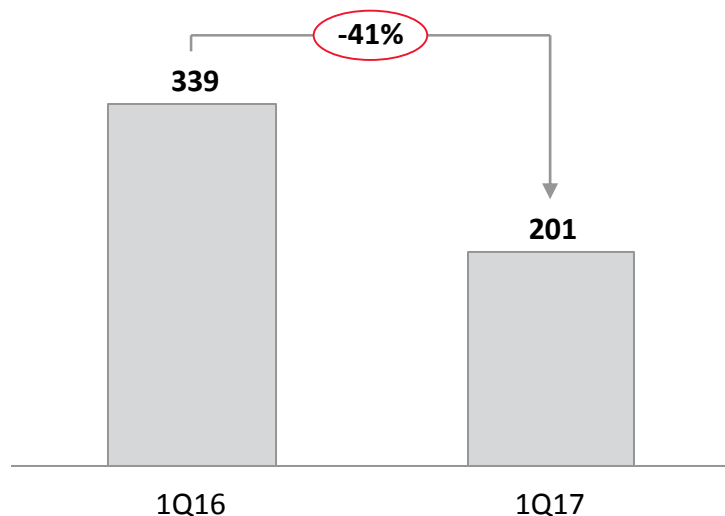
After a complex environment in 1Q17 (namely in Jan-17) normalisation expected for the remaining of 2017

(1) OMIP: as of April 28th, 2017

Generation and Supply Iberia (21% EBITDA)



EBITDA Generation & Supply Iberia (€ million)



- **Hydro:** Capacity +12%, production -54%
- **Avg. sourcing cost +76%:**
 - Lower weight of hydro on production mix (33% in 1Q17 vs. 62% in 1Q16)
 - High spot price inflates the cost of demand forecast deviations in supply
- **Energy management:** wiped out on high pool prices, particularly in Jan-17

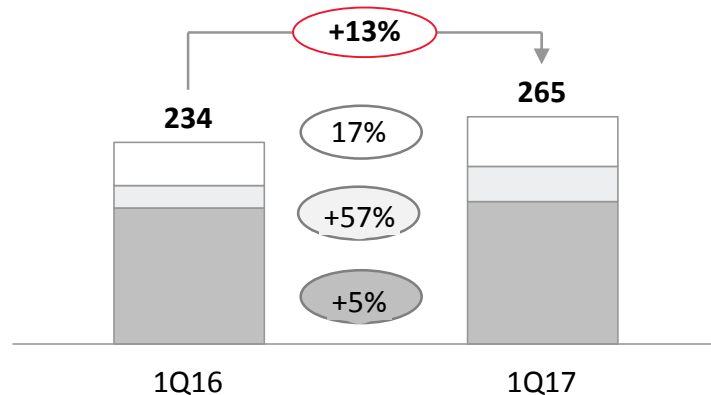
Weak performance in 1Q17 following low hydro production and high pool prices

Regulated Energy Networks Iberia (26% of EBITDA)

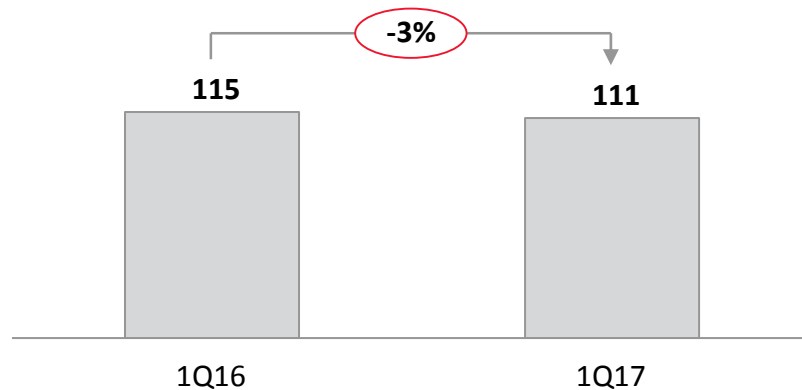


EBITDA - Regulated networks
(€ million)

□ Gas Iberia □ Electricity Spain ■ Electricity Portugal



Controllable Costs⁽¹⁾ - Regulated networks
(€ million)



- **Electricity Spain:** positive impact from new remuneration model (in place as from Jun-16, retroactive to Jan-16)
- **Electricity Portugal:** RoRAB +44bp YoY to 6.8% (indexed to Portugal Gov. 10Y yields moving average)
- **Efficiency:** Controllable costs -3% YoY

EBITDA +13% supported by electricity distribution returns and efficiency

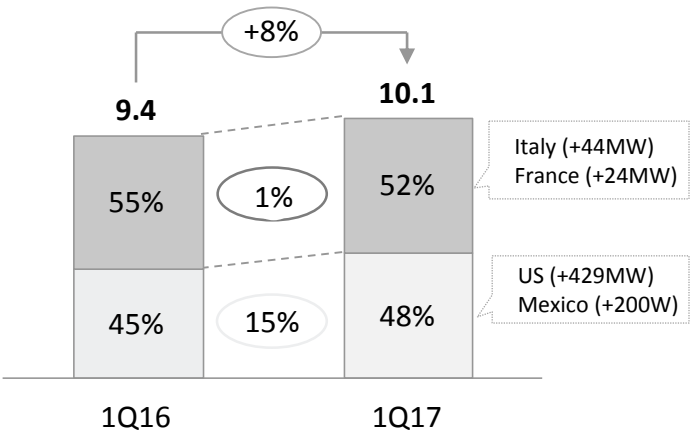
(1) Controllable costs = Supplies & Services + Personnel costs (excluding costs with social benefits)

EDP Renováveis (37% of EBITDA)



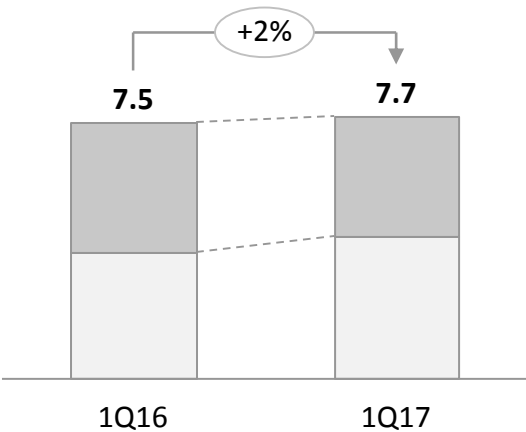
EDPR Installed Capacity
(GW)

Europe and Brazil North America



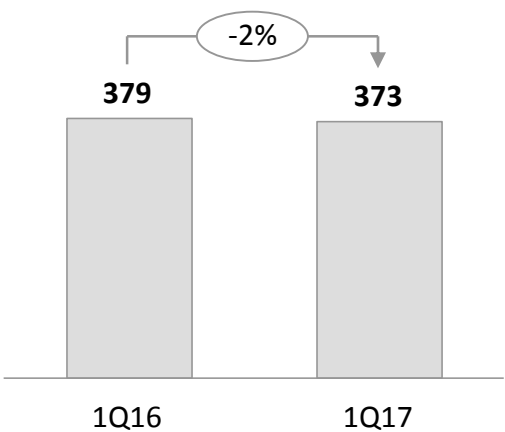
Production
(TWh)

+7% vs. Long Term avg. **+1%**



EDPR EBITDA
(€ million)

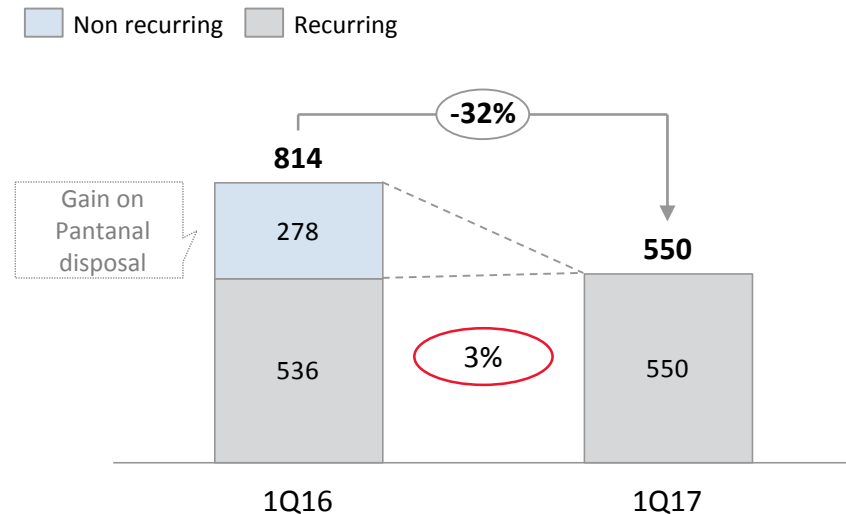
ForEx impact: +2%



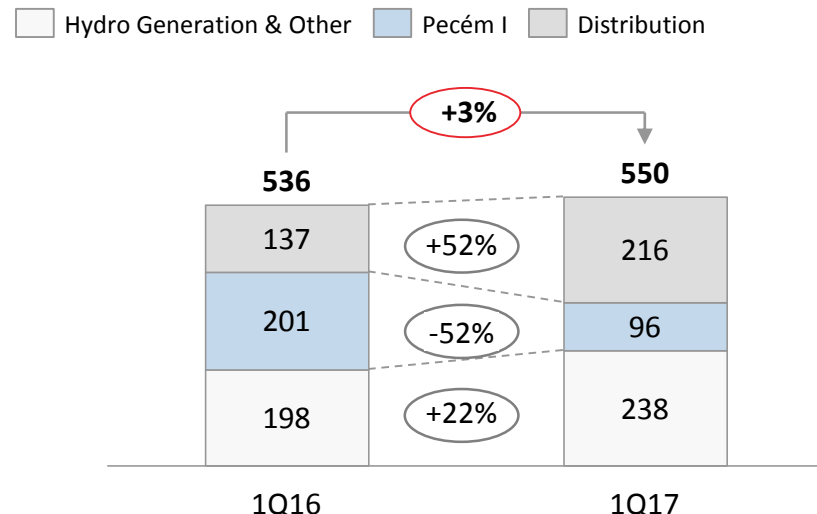
EBITDA -2%; Portfolio expansion offset by normalisation of wind resources, positive forex impact

EDP Brasil (16% of EBITDA)

EDP Brasil EBITDA (BRL million)



EDP Brasil Recurring EBITDA (BRL million)



- **Distribution:** Increase of regulated revenues; lower negative impact from overcontracting (increase of PLD)
- **Hydro Generation:** Strong performance in 1Q17 (GSF 109%) to be diluted over 2017 (2017 GSF forecast ~85%)
- **Pecém coal plant:** 1Q16 impacted by insurance compensation revenue, 1Q17 penalized by increase of PLD

Strong performance on operating costs



Weight on Opex

Business area	Indicator	YoY Change	Main drivers
55% Iberia	Opex	+2%	<ul style="list-style-type: none">Avg. MW: +6%; Avg. # customers: +1%Thermal prod.: +60%; Inflation Portugal +1.4%
25% EDPR	Core Opex/MW:	-1%	<ul style="list-style-type: none">Average installed capacity: +8%Opex ex-forex: +6%
20% EDP Brasil	Opex in BRL (inflation adjusted):	+1%	<ul style="list-style-type: none">Opex in BRL: +6%Avg. Inflation 1Q17: +4.9%⁽¹⁾

Opex IV corporate-wide efficiency programme: €34m savings in 1Q17, 21% above target

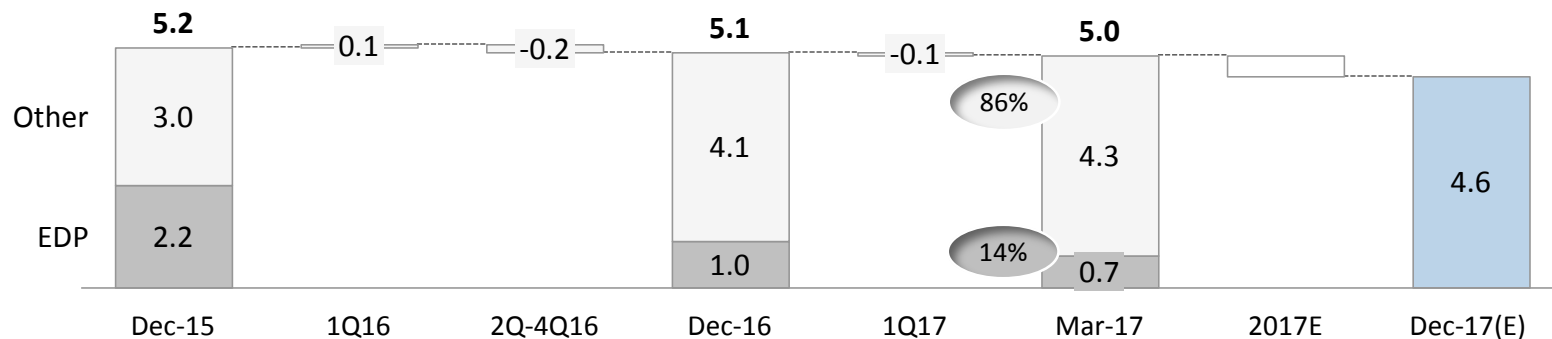
(1) Avg. IPCA 1Q17 vs. 1Q16

Portugal Electricity System on track to ~€0.5bn surplus in 2017



Portugal: Electricity System Regulatory Receivables (€bn)

○ Share of total receivables in the system



Demand⁽¹⁾ (YoY Chg.)

+0.7%

-0.6%

Wind Factor (1.0=avg.)

1.00

1.01

Special Regime Premium (€/MWh)

63

51

Tariff surplus of €56m in 1Q17 vs. tariff deficit of €59m in 1Q16

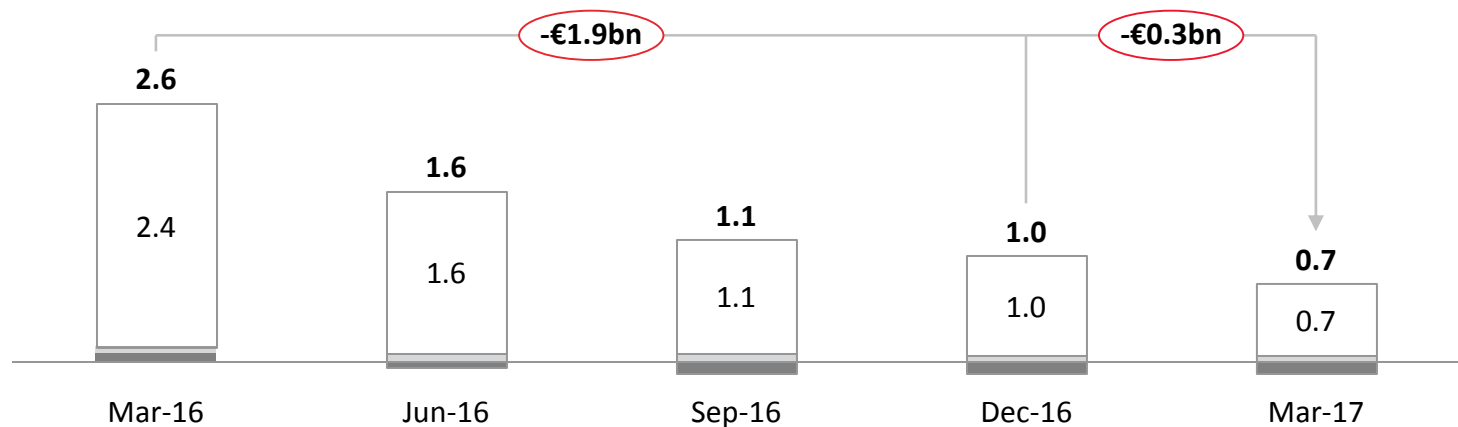
(1) Electricity distributed by EDP.

EDP's regulatory receivables at a 9-Year bottom



Net Regulatory Receivables: EDP Balance Sheet (€ billion)

□ Portugal ■ Spain ■ Brazil



- **Portugal: -€0.3bn YTD;** including €0.6bn of sales without recourse in 1Q17
- **Brazil: €0.1bn regulatory payables in Mar-17** on lower than expected sourcing costs (to be reverted)

Adjusted net expansion investments

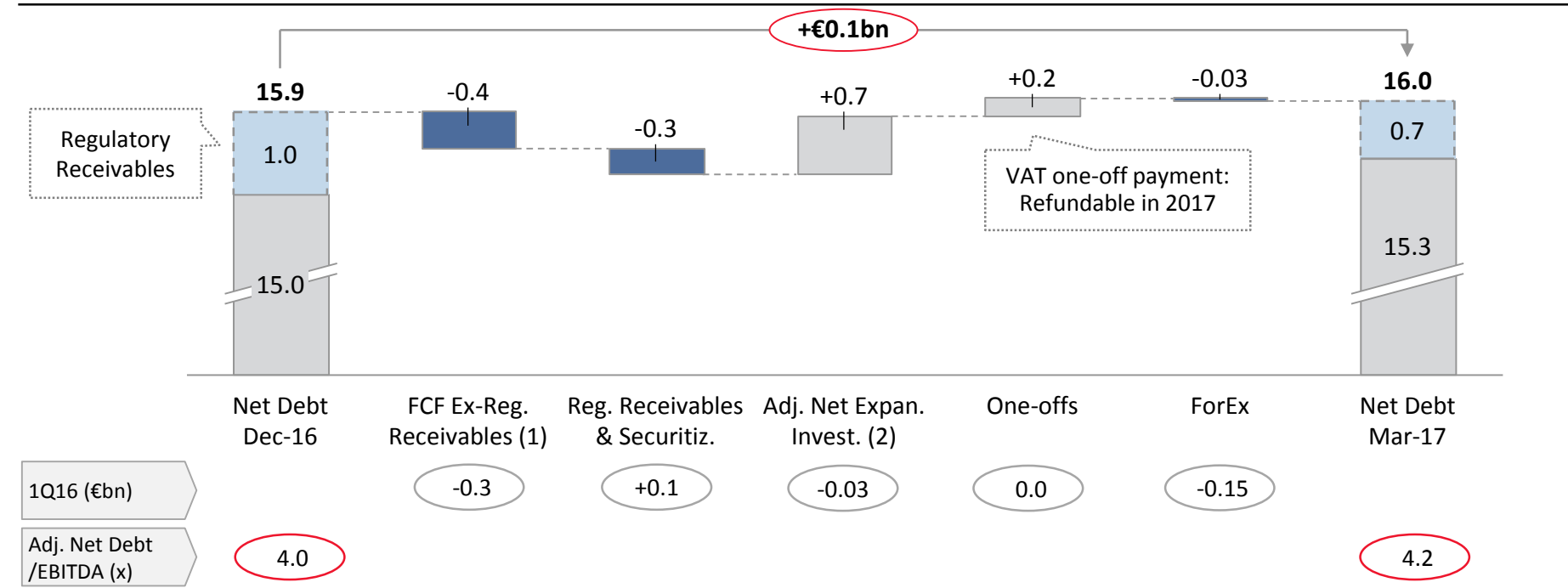


(€ million)	1Q16	1Q17	Δ Abs.	
Expansion Capex	127	112	-15	<ul style="list-style-type: none"> ▪ New hydro plants Portugal reaching full completion
Change in Equipment Suppliers	322	309	-13	<ul style="list-style-type: none"> ▪ Seasonal 1Q effect at EDPR level (post 4Q commissioning)
Change in Consolidation Perimeter	25	215	+190	<ul style="list-style-type: none"> ▪ 1Q17: full consolidation of Mexico wind farm
Net Financial Investments	(292)	27	+319	<ul style="list-style-type: none"> ▪ 1Q16: US wind asset rotation deal and Pantanal mini-hydro disposal in Brazil
TEI Proceeds	(216)	-	+216	<ul style="list-style-type: none"> ▪ 1Q16: TEI proceeds corresponding to 2015 US projects
Total Adj. Net Expansion Invest.	(33)	662	+696	

Disposals agreed: Gas distribution Iberia (~€3.0bn), wind portfolio Portugal (49% stake, €0.2bn); closing expected in 2Q/3Q17
TEI proceeds from 2017 projects expected in 4Q17; **hydro plants under construction Portugal/Brazil:** completion in 2017

Change in net debt

Change in Net Debt: Mar-17 vs. Dec-16
(€ billion)



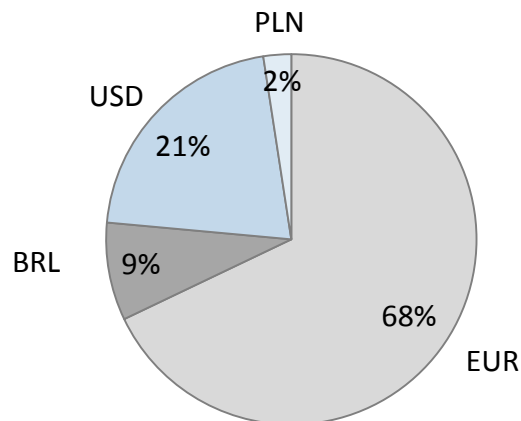
Sound free cash flow, offset by one-off VAT (€0.2bn) and higher net expansion investments (€0.7bn)

(1) EBITDA - Maintenance capex - Interest paid - Income taxes + Chg. in work. Capital excluding regulatory receivables; (2) Expansion capex, Net financial investments (incl. shareholder loans transferred in asset rotation deals), TEI proceeds, Chg. in work. capital from equip. suppliers; acquisitions and disposals; and changes in consolidation perimeter.

Financial Debt profile by currency and maturity



EDP consolidated debt by currency: Mar-17
(%)

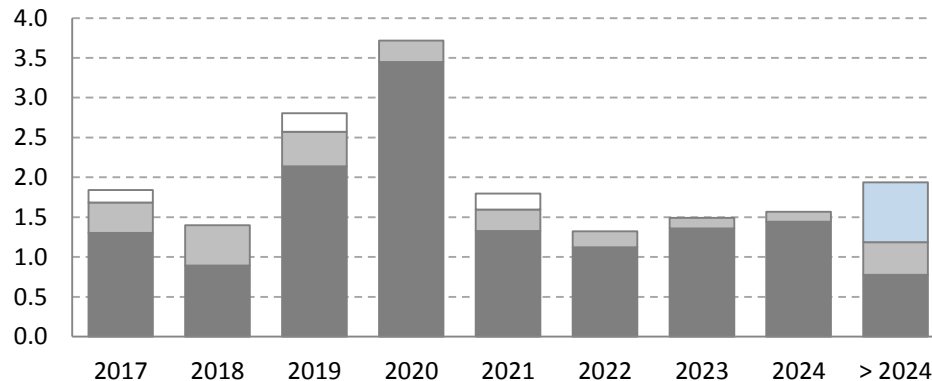


EDP consolidated debt maturity profile as of Mar-17
(€ billion)

Commercial Paper
Other Subsidiaries

Hybrid Bond
EDP S.A. & EDP Finance BV

**Avg. Debt Maturity:
4.9 years**



Natural hedge policy: Investments and operations funded in local currency to mitigate ForEx risk

Average debt maturity: 4.9 years in Mar-17 vs. 5 years in Dec-16

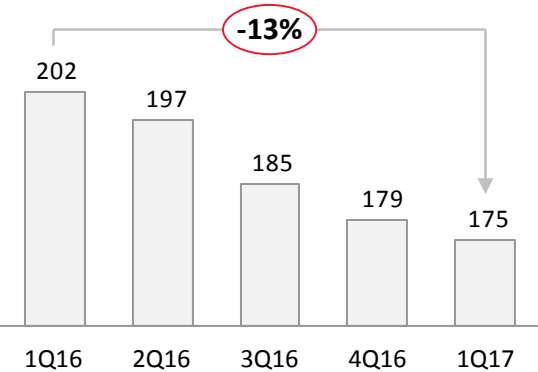
Financial liquidity vs. Refinancing needs

Financial liquidity (Mar-17)		Refinancing needs 2017-2019	
▪ Cash & Equivalents:	€1.6bn	▪ 2017:	€1.5bn
▪ Available Credit Lines:	€4.0bn	6.625% GBP Bond maturing @Aug-17	€0.32bn
Revolving Credit Facility (Jun-19)	€3.73bn	5.75% Eurobond maturing @ Sep-17	€0.75bn
Other RCF/Credit lines	€0.26bn	Bank Loans and ECP	€0.4bn
		▪ Refinancing needs 2018:	€0.9bn
		▪ Refinancing needs 2019:	€2.4bn
TOTAL	€5.6bn	TOTAL	€4.8bn

€5.6bn of financial liquidity by Mar-17 covered refinancing needs beyond 2018

Net interest costs: -13%

Net Interest Cost ⁽¹⁾
(€ million)



Avg. Net Debt
(€bn)

17.2

-7%

16.0

Avg. Cost of
Debt (%)

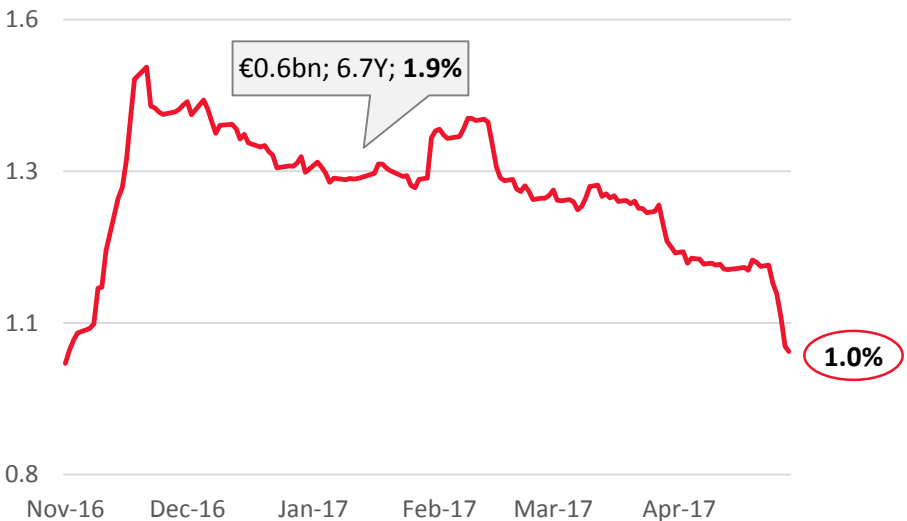
4.5

-20bp

4.3

EDP 5-Year Bond Yield (last 6 months)
(%)

Latest Bond Issue (amount; maturity; yield)



Steady deleveraging process and marginal cost clearly below average cost of debt

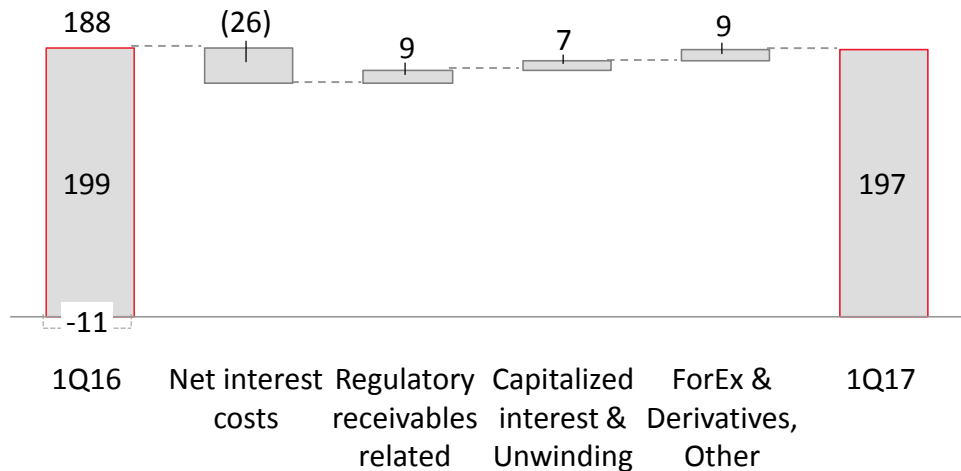
(1) 4Q16 net interest cost excludes non recurring costs with bond buybacks (€49m)

Financial Results

Financial Results & Associates: 1Q17 vs. 1Q16

(€ million of net cost)

□ One-offs⁽¹⁾



- **Net interest costs:** -13% YoY
- **Regulatory receivables related:**
75% decline on balance sheet, lower returns
- **Capitalised interest:** Commissioning of Venda Nova III hydro plant in Jan-17;
Unwinding: Increase of TEIs amount
- **Other:** Forex & energy derivatives (-€5m in 1Q17 vs. +€6m in 1Q16)

Flat recurrent net financial costs: lower interest costs offset by lower financial revenues and forex

(1) One offs in 1Q16: gain on the sale of Tejo Energia (€13m)

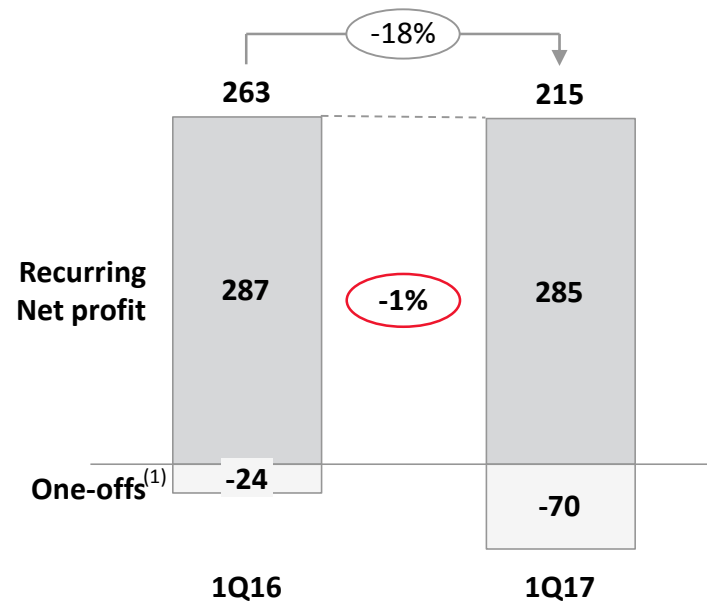
Net Profit breakdown



(€ million)	1Q16	1Q17	Δ %	Δ Abs.
EBITDA	1,130	1,011	-11%	-119
Net Depreciations and Provisions	369	363	-2%	-6
EBIT	760	648	-15%	-113
Financial Results & Associated Companies	(188)	(197)	+5%	-10
Income Taxes	152	66	-57%	-86
Extraordinary Energy Tax in Portugal	59	70	+18%	+11
Non-controlling interests	100	100	+0%	+0
Net Profit	263	215	-18%	-47

Net Profit (€ million)

○ % Chg. YoY



(1) Adjustments (shown net of tax and minorities): i) at EBITDA level, +€24m in 1Q16, Zero in 1Q17; at Financial Results level, +€11m in 1Q16, zero in 1Q17; at Extraordinary energy tax, -€59m in 1Q16, -€70m in 1Q17.



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Next Events

May 10th-12th: London: Roadshow

May 17th-19th: US Roadshow (Chicago/Boston/NYC)

May 11th: Frankfurt ESN Conference

Jun 6th-7th: Credit Suisse Conference (London)

July 27th: Release of 1H17 Results

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