



SUSTAINABILITY REPORT

1st Quarter 2012
10 MAY

a better energy, better future, better world.



INDEX

1ST QUARTER 2012

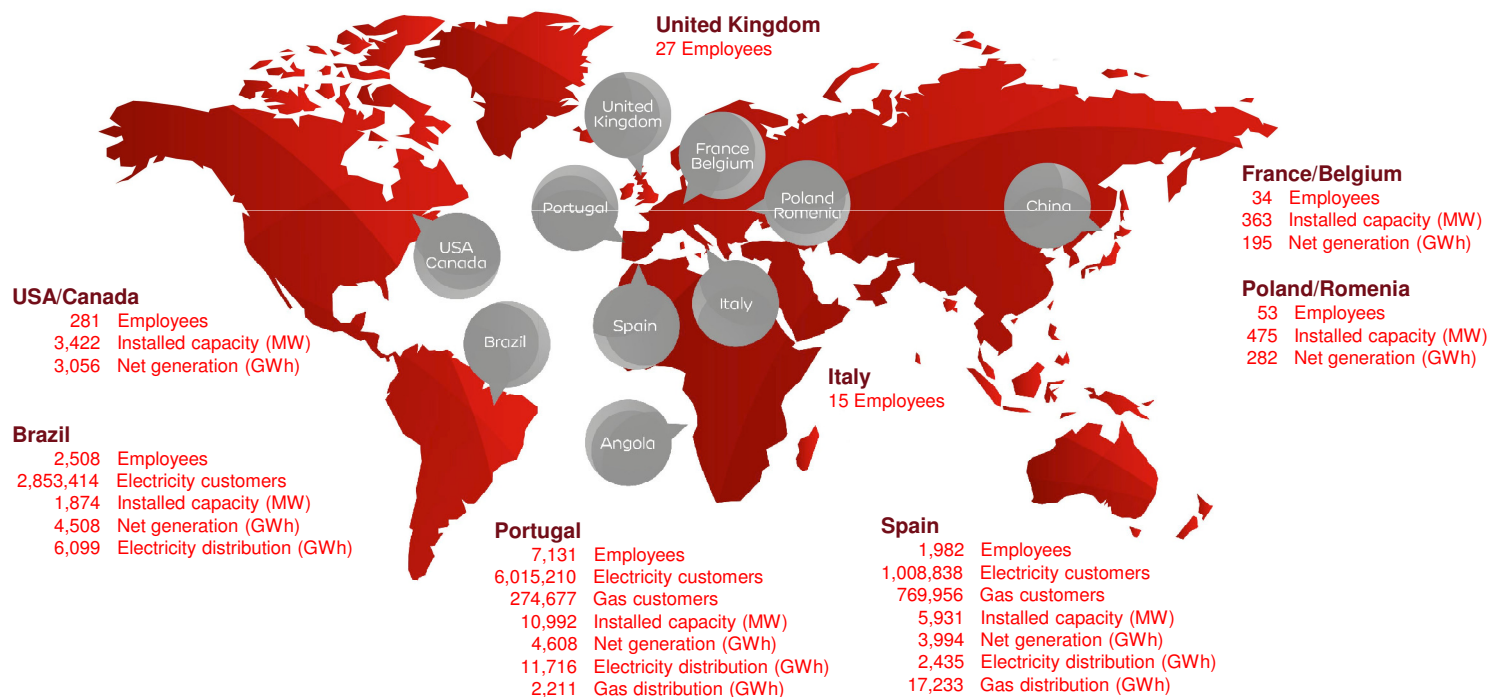
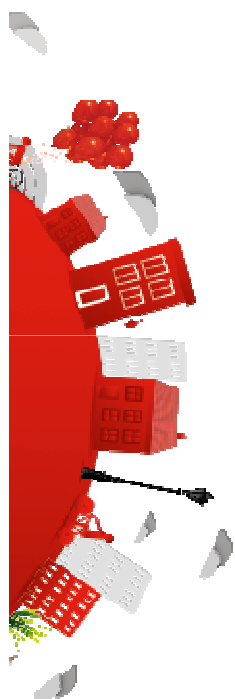
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COMPANY PRESENTATION

1ST QUARTER 2012

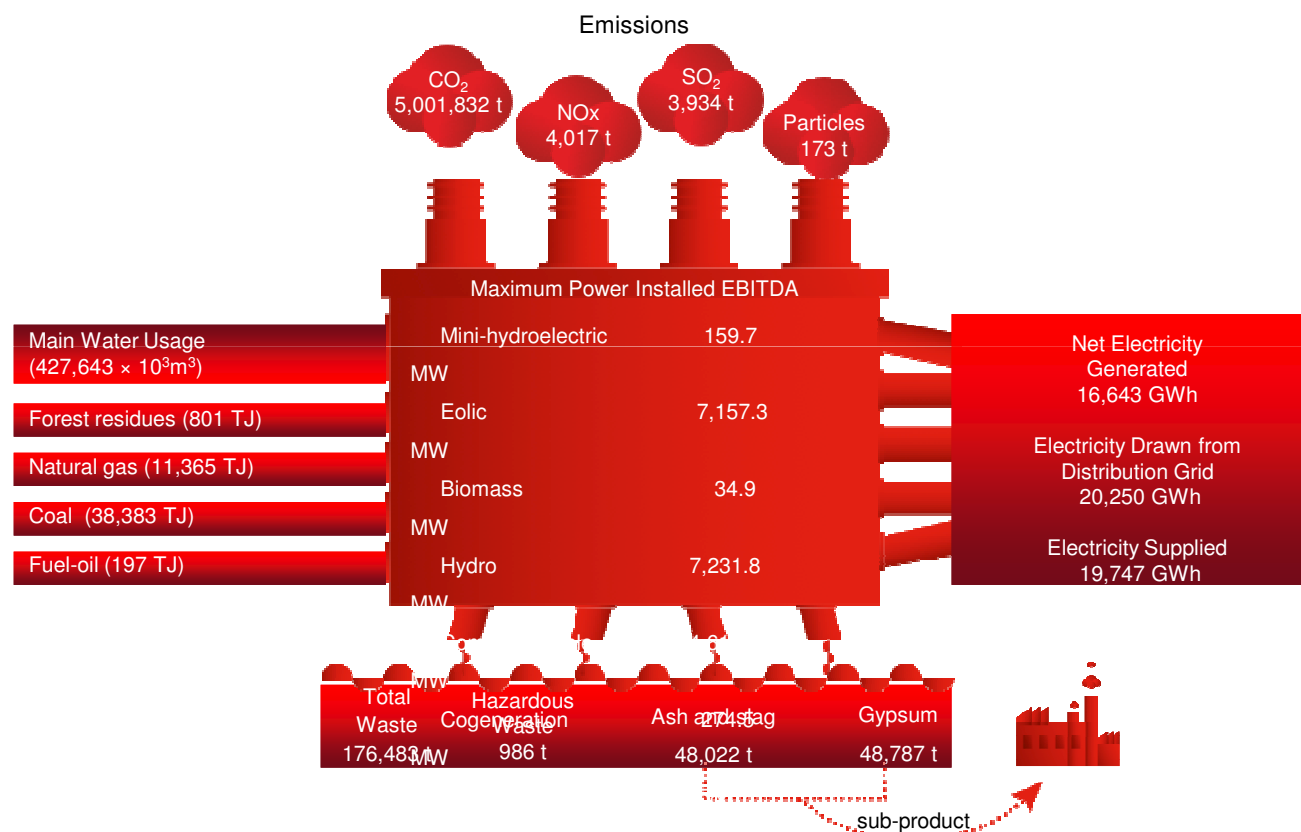
EDP-Energias de Portugal, SA with significant operations in the business of electricity and gas, present in 13 countries, had a gross operating profit of 1,003 million euros, 61% of which come from outside of Portugal, and a net profit of 341 million euros. With an energy distribution of 34.6 GWh, it has nearly 11 million customers. The number of employees has already exceeded 12,000.





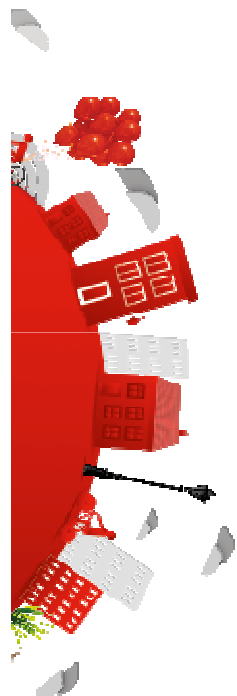
ENERGY-ENVIRONMENTAL INDICATORS RELEVANT

1ST QUARTER 2012





ECONOMIC INDICATORS RELEVANT 1ST QUARTER 2012



Direct impacts (some)

- 10,922,095 customers
- 39,695 GWh energy distributed
- 30,557 GWh energy supplied

Indirect impacts (some)

- Development of smart grids;
- Development of energy efficiency campaigns.

Economic value generated ⁽¹⁾
EUR millions 4,691

Direct impacts (some)

- 12,031 employees
- EUR millions 154.5 personnel costs
- EUR millions 324.9 invested
- EUR millions 7,975 "Market cap"

Direct impacts (some)

- Protocols with stakeholders to develop sustainability initiatives

Economic value distributed ⁽¹⁾
EUR millions 3,906

Economic value accumulated ⁽¹⁾
EUR millions 785

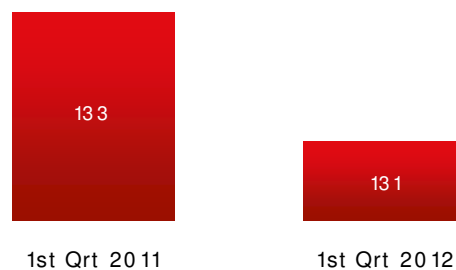
(1) Generated Economic Value (GEV): Turnover + other operating income + gains/losses with the sale of financial assets + gains/losses from associated companies + financial income
Distributed Economic Value (DEV): COGS + operating costs + other operating costs + current tax + financial costs + dividend payment;
Accumulated Economic Value (AEV): GEV – DEV.



SUSTAINABILITY INDEX

1ST QUARTER 2012

Sustainability Index base 100:2006 ⁽¹⁾



| Main Factors | 1 st Qrt 2011 | 1 st Qrt 2012 |
|--|--------------------------|--------------------------|
| Renewables investment (%) | 58 | 48 |
| Revenue from ISO 14001 certified installations (%) | 25.6 | 32.4 |
| Specific CO ₂ emissions (t/MWh) | 0.20 | 0.29 |
| Specific NOx emissions (g/kWh) | 0.2 | 0.2 |
| Specific SO ₂ emissions (g/kWh) | 0.1 | 0.2 |
| Specific waste production (g/kWh) ⁽²⁾ | 5.4 | 10.3 |
| % of working women in total employees | 22 | 22 |
| Training hours / Hours worked (%) | 1.6 | 1.5 |
| EDP severity rate | 123 | 125 |

1) Sustainability index developed by EDP and based on 26 performance indicators in the area of sustainability (http://www.edp.pt/en/sustentabilidade/abordagemasustentabilidade/Pages/default_new.aspx); (2) The specific production was calculated on the net production of added steam.



SUSTAINABILITY INDICATORS

1ST QUARTER 2012

| Profile | Economic Indicators | 1 st QR 2011 | 1 st QR 2012 | Year-on-year Change 12/11 | 2012 Target |
|---------|--|-------------------------|-------------------------|---------------------------|-------------|
| EC1 | GVA per employee (€) (1) | 104,828 | 102,980 | -1.8 % | n/k |
| EC1 | Turnover (EUR millions) | 4,015 | 4,412 | 9.9 % | n/k |
| EC1 | Energy services billed (EUR thousand) (2) | 9,408 | 10,391 | 10.4 % | n/k |
| EC1 | Direct economic value generated (EUR millions) | 4,335 | 4,691 | 8.2% | n/k |
| EC1 | Net operating investment (EUR millions) | 393 | 325 | -17.2 % | n/k |
| EC1 | Investment in renewable energies (EUR millions) | 229 | 156 | -31.9 % | n/k |
| EC1 | Investment in renewables as a proportion of total investment (%) | 58.29 | 47.97 | -17.7 % | n/k |
| EC1 | Economic value distributed (EUR millions) | 3,564 | 3,906 | 9.6 % | n/k |
| EC1 | Staff costs (EUR millions) | 147 | 155 | 5.0 % | n/k |
| EC1 | Supplier costs (EUR millions) | 208 | 216 | 3.8 % | n/k |
| EC1 | Community costs (EUR thousand) (3) | 2,644 | 2,644 | 0.0 % | n/k |
| EC1 | Community contributions (EUR millions) | 111 | 54 | -50.9 % | n/k |
| EC1 | Net profit (EUR millions) | 343 | 341 | -0.6 % | n/k |
| EC1 | Annualised return on equity (%) | 37.52 | 37.30 | -0.6 % | n/k |
| EC1 | Market capitalisation (EUR millions) | 10,048 | 7,975 | -20.6 % | n/k |
| EC1 | Economic value retained (EUR millions) | 771 | 785 | 1.9 % | n/k |

(1) The figure for 2011 has changed due to a change in the GVA value and in the methodology for reporting the number of employees.

(2) The result of 2011 has changed in accordance with the annual value reported.

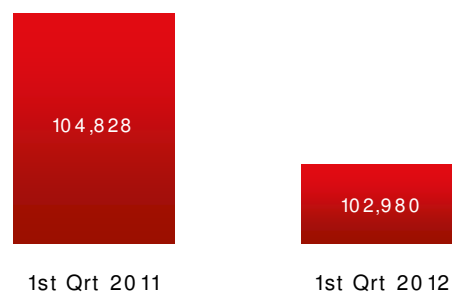
(3) The figure for 2012 is estimated.



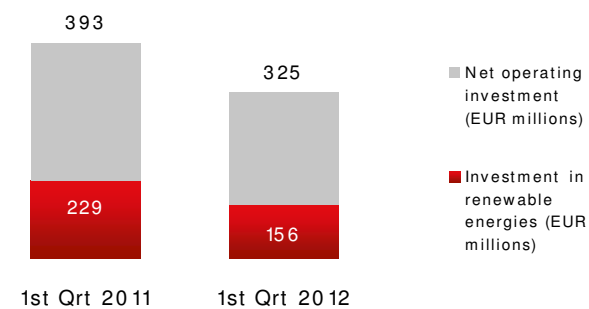
SUSTAINABILITY INDICATORS

1ST QUARTER 2012

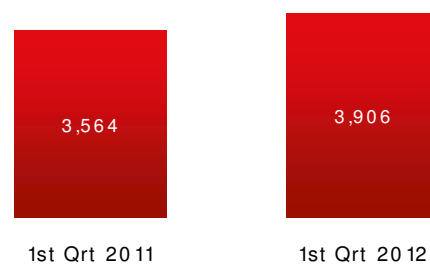
GVA per employee (EUR)



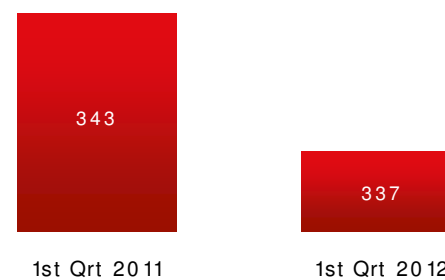
Investment (EUR millions)



Economic value distributed (EUR millions)



Net profit (EUR millions)





SUSTAINABILITY INDICATORS

1ST QUARTER 2012

| Profile | Operating Indicators | 1 st Qrt 2011 | 1 st Qrt 2012 | Year-on-year Change 12/11 | 2012 Target |
|---------|---|--------------------------|--------------------------|---------------------------|-------------|
| | Electricity generation | | | | |
| EU1 | Maximum installed capacity EBITDA (MW) | 22,033 | 23,056 | 4.6 % | n/k |
| EU1 | Conventional thermal capacity | 3,587 | 3,587 | 0.0 % | n/k |
| EU1 | Renewables capacity EBITDA (MW) | 13,559 | 14,584 | 7.6 % | n/k |
| EU1 | Renewables capacity as a proportion of total capacity (%) | 61.54 | 63.25 | 2.8 p.p. | n/k |
| EU2 | Net electricity generated (GWh) | 16,757 | 16,643 | -0.7 % | n/k |
| EU2 | Net generation from conventional thermal | 1,909 | 4,201 | 120.0 % | n/k |
| EU2 | Generation from steam (GWh) | 541 | 543 | 0.5 % | n/k |
| EU2 | Net generation from renewables (GWh) | 12,195 | 13,665 | 12.1 % | n/k |
| EU2 | Renewables generation as a proportion of total net generation (%) | 72.78 | 82.11 | 12.8 p.p. | n/k |
| EDP | Total GWh generated per employee | 1.40 | 1.38 | -1.2 % | n/k |
| EDP | Electricity distributed (GWh) | 20,964 | 20,250 | -3.4 % | n/k |
| EDP | Electricity supply points | 9,567,280 | 9,630,548 | 0.7 % | n/k |
| EU29 | Installed Capacity Equivalent Interruption Time (TIEPI) (min) | 31 | 10 | -69.3 % | n/k |
| EU29 | Equivalent Interruption Time per Consumer (DEC) (hours) | 20 | 19 | -3.2 % | n/k |
| EDP | Total GWh distributed per employee | 1.75 | 1.68 | -3.9 % | n/k |
| EDP | Electricity Supplied (GWh) | 21,027 | 19,747 | -6.1 % | n/k |
| EDP | Free market supply (GWh) | 9,822 | 10,029 | 2.1 % | n/k |
| EDP | Supply of last resort (GWh) | 11,204 | 9,718 | -13.3 % | n/k |



SUSTAINABILITY INDICATORS

1ST QUARTER 2012

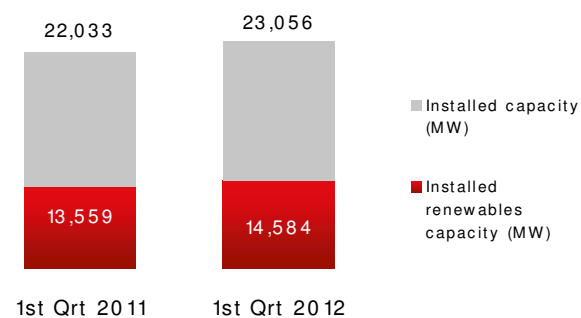
| Profile | Operating Indicators | 1 st Qrt 2011 | 1 st Qrt 2012 | Year-on-year Change 12/11 | 2012 Target |
|---------|---|--------------------------|--------------------------|---------------------------|-------------|
| EU3 | Number of electricity supply customers | 9,879,893 | 9,877,462 | -0,0 % | n/k |
| EU3 | Free market supply | 977,986 | 1,091,947 | 11.7 % | n/k |
| EU3 | Supply of last resort | 8,901,907 | 8,785,515 | -1.3 % | n/k |
| EDP | Energy sold - green tariff (GWh) | 3,724 | 4,273 | 14.7 % | n/k |
| EU3 | Number of customers - green tariff | 424,396 | 519,312 | 22.4 % | n/k |
| EDP | Energy sold - social tariff (GWh) | 116 | 399 | 244.4 % | n/k |
| EU3 | Number of customers – social tariff | 434,998 | 254,317 | -41.5 % | n/k |
| EU3 | Energy sold - Special Needs costumers (GWh) | 280 | 327 | 16.7 % | n/k |
| EU3 | Number of customers with special needs | 783 | 895 | 14.3 % | n/k |
| EDP | Gas distributed (GWh) | 16,539 | 19,445 | 17.6 % | n/k |
| EDP | Gas supply points (GWh) | 1,236,644 | 1,274,194 | 3.0 % | n/k |
| EDP | Gas supplied (GWh) | 11,435 | 10,810 | -5.5 % | n/k |
| EU3 | Number of gas customers | 1,064,790 | 1,044,633 | -1.9 % | n/k |
| EU3 | Free market | 686,364 | 672,278 | -2.1 % | n/k |
| EU3 | Last resort | 378,426 | 372,355 | -1.6 % | n/k |



SUSTAINABILITY INDICATORS

1ST QUARTER 2012

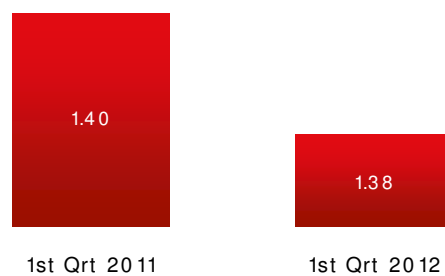
Installed capacity (MW)



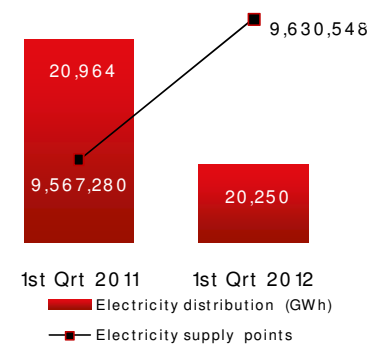
Net electricity generation (GWh)



GWh generated per employee



Electricity distribution and electricity supply





SUSTAINABILITY INDICATORS

1ST QUARTER 2012

| Profile | Environmental Indicators | 1 st Qrt 2011 | 1 st Qrt 2012 | Year-on-year Change 12/11 | 2012 Target |
|---------|--|--------------------------|--------------------------|---------------------------|-------------|
| EN1/EN3 | Primary energy consumption (TJ) | 41,454 | 53,794 | 29.8 % | n/k |
| EN1/EN3 | Total for generation | 41,387 | 53,733 | 29.8 % | 202,423 |
| EN1/EN3 | Coal | 17,302 | 38,383 | 121.8 % | 137,789 |
| EN1/EN3 | Fuel-oil | 200 | 196 | -2.0 % | 78 |
| EN1/EN3 | Natural gas | 19,658 | 11,365 | -42.2 % | 48,901 |
| EN1/EN3 | Balst furnace gas | 2,614 | 2,453 | -6.1 % | n/k |
| EN1/EN3 | Coke gas | 317 | 133 | -58.0 % | n/k |
| EN1/EN3 | Diesel | 28 | 24 | -15.6 % | n/k |
| EN1/EN3 | Forestry waste | 832 | 801 | -3.8 % | 7,857 |
| EN1/EN3 | Steel plant gas | 436 | 379 | -13.1 % | 7,799 |
| EN1/EN4 | Vehicle fleet fuel | 67 | 61 | -9.4 % | n/k |
| EN4 | Electricity consumption (MWh) | 417,091 | 623,150 | 49.4 % | n/k |
| EN4 | Electricity consumption on administrative services (MWh) (1) | 8,345 | 10,458 | 25.3 % | n/k |
| EN8 | Main Water usage (10 ³ m ³) | 284,224 | 427,643 | 50.5 % | n/k |
| EN8 | Refrigeration water | 282,332 | 425,520 | 50.7 % | n/k |
| EN8 | Raw water | 1,835 | 2,069 | 12.7 % | n/k |
| EN8 | Drinking water | 57 | 54 | -5.6 % | n/k |
| EN22 | Total waste (t) | 93,443 | 176,483 | 88.9 % | n/k |
| EN22 | Total hazardous waste (t) | 19,385 | 986 | -94.9 % | n/k |
| EN22 | Recovered waste (%) | 71 | 55 | -22 p.p. | n/k |
| EN22 | Sub-products (t) | 85,730 | 96,809 | 12.9 % | n/k |

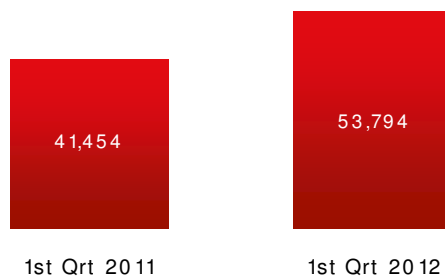
(1) Figure for 2011 was revised because it did not include a set of buildings that have changed the supplier.



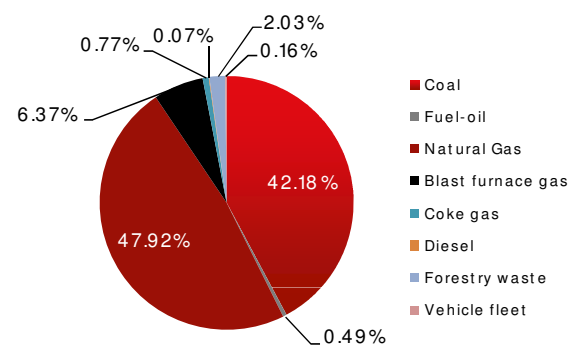
SUSTAINABILITY INDICATORS

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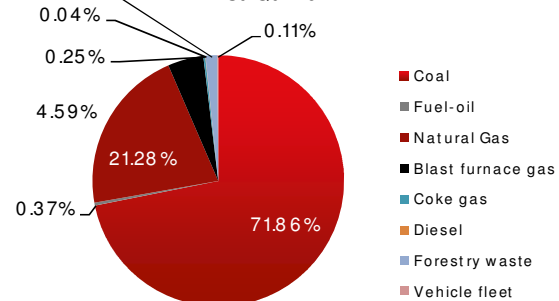
Primary energy consumption (TJ)



Primary energy consumption
1st Qtr 2011



Primary energy consumption
1st Qtr 2012





SUSTAINABILITY INDICATORS

1ST QUARTER 2012

| Profile | Environmental Indicators | 1 st Qrt 2011 | 1 st Qrt 2012 | Year-on-year Change 12/11 | 2012 Target |
|---------|---|--------------------------|--------------------------|---------------------------|-------------|
| EN16 | CO ₂ emissions (kt) (1) | 3,515 | 5,002 | 42.3 % | 18,005 |
| EN16 | CO ₂ emissions from vehicle fleet (kt) | 4.9 | 4.5 | -9.3 % | n/k |
| EN16 | Direct emissions (scope 1) (kt CO ₂ eq) | 3,524 | 5,017 | 42.4% | n/k |
| EN16 | Indirect emissions (scope 2) (kt CO ₂ eq) | 447 | 429 | -3.9 % | n/k |
| EN20 | NO _x emissions (kt) | 2.91 | 4.02 | 38.0 % | n/k |
| EN20 | SO ₂ emissions (kt) | 1.75 | 3.93 | 125.0 % | n/k |
| EN20 | Particles emissions (kt) | 0.17 | 0.17 | 5.2 % | n/k |
| EN16 | Overall specific CO ₂ emissions (g CO ₂ /kWh) (2) | 203 | 291 | 43.2 % | 272 |
| EN20 | Overall specific NOx emissions (g NOx/kWh) (2) | 0.17 | 0.23 | 38.9 % | n/k |
| EN20 | Overall specific SO ₂ emissions (g SO ₂ /kWh) (2) | 0.10 | 0.23 | 126.5 % | n/k |
| EN16 | CO ₂ intensity(g/€) | 875 | 1,134 | 29.5 % | n/k |
| EDP | No. of production facilities certified (ISO 14 001) | 106 | 166 | 56.6 % | 227 |
| EDP | Net maximum installed capacity certified (%) | 69 | 70 | 2.5 p.p. | 73 |
| EDP | No. of substations certified (ISO 14 001) | 21 | 126 | 500.0 % | 126 |
| EDP | Installed capacity of substations certified (%) | 2.8 | 24.6 | 764 p.p. | n/k |
| EDP | Certified gas distribution (ISO 14 001) (%) | 100 | 100 | 0 p.p. | 100% |
| EN30 | Environmental expenses (EUR millions) | 16 | 12 | -25.1 % | n/k |
| EN30 | Environmental income (3) | 1 | 2 | 73.3 % | n/k |
| EN30 | Environmental investment (EUR millions) | 10 | 6 | -39.9 % | n/k |
| EN30 | Environmental investment as a proportion of total investment % | 2.42 | 1.76 | -27.4 % | n/k |
| EN28 | Environmental fines and penalties (EUR thousands) | 0 | 209 | n/a | n/k |

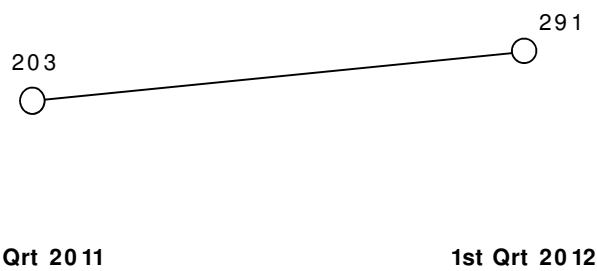
- (1) Not including vehicle fleet;
 (2) Calculated for net generation, as stipulated in the *Global Reporting Initiative*.
 (3) From sales of waste and sub-products



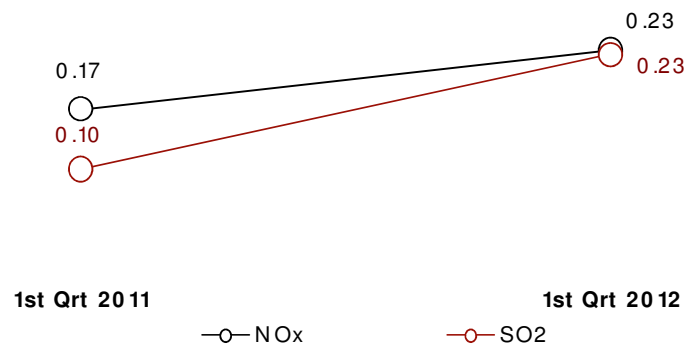
SUSTAINABILITY INDICATORS

1ST QUARTER 2012

Specific CO₂ emissions (g/kWh)



Specific emissions (g/kWh)



Waste per unit of electricity generated (g/kWh)





SUSTAINABILITY INDICATORS

1ST QUARTER 2012

| Profile | Social indicators | 1 st Qrt 2011 | 1 st Qrt 2012 | Year-on-year Change 12/11 | 2012 Target |
|------------------------------|--|--------------------------|--------------------------|---------------------------|--------------------|
| Employment | | | | | |
| LA1 | Total number of employees (M+F) | 11,963 | 12,031 | 0.6% | n/k |
| LA13 | Total number of employees | 2,588 | 2,641 | 2.0 % | n/k |
| LA2 | Staff turnover | 0.02 | 0.02 | 2.0 % | n/k |
| LA7 | Absenteeism (%) | 3.26 | 2.71 | -16.9 p.p. | n/k |
| EC1 | Personnel costs (EUR thousands) | 147,228 | 154,544 | 5.0 % | n/k |
| EC1 | Social benefits (EUR thousands) | 31,719 | 14,970 | -52.8 % | n/k |
| Training | | | | | |
| LA10 | Total number of training hours | 82,971 | 86,726 | 4.5 % | 782,849 |
| LA10 | Employees trained (%) | 64.11 | 49.80 | -22.3 % | n/k |
| EC1 | Training costs (mil €) | 1,246 | 1,196 | -4.0 % | n/k |
| EDP | Work productivity (1) | 236 | 220 | -6.9 % | n/k |
| Prevention and safety | | | | | |
| LA7 | On-duty Accidents (number) | 8 | 8 | 0.0 % | ... ⁽²⁾ |
| LA7 | Severity index EDP (Tg) | 123 | 125 | 1.6 % | ... ⁽²⁾ |
| LA7 | Frequency rate EDP (Tf) | 1.45 | 1.42 | -2.5 % | ... ⁽²⁾ |
| LA7 | On-duty death accidents Contractors (number) | 1 | 5 | 400.0 % | ... ⁽²⁾ |
| LA7 | On-duty accidents with disability Contractors (number) | 31 | 60 | 93.5 % | ... ⁽²⁾ |
| LA7 | Frequency rate EDP and Contractors (Tf_total) | 3.03 | 1.32 | -56.5 % | ... ⁽²⁾ |

(1) The result of 2011 has changed due to a change in the GVA value.

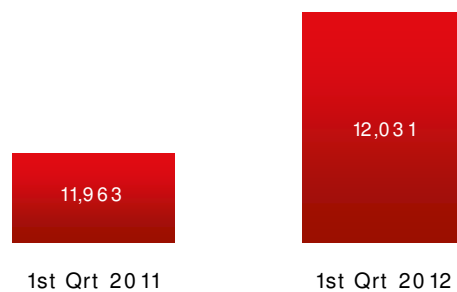
(2) Target set in accordance with the EDP accident prevention and safety action plan, which seeks to achieve a 10% reduction on the figures recorded in 2011.



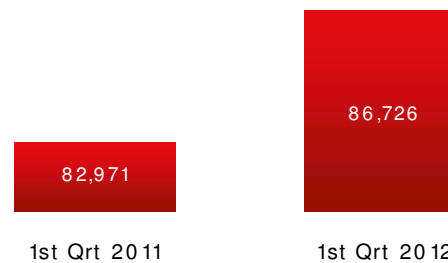
SUSTAINABILITY INDICATORS

1ST QUARTER 2012

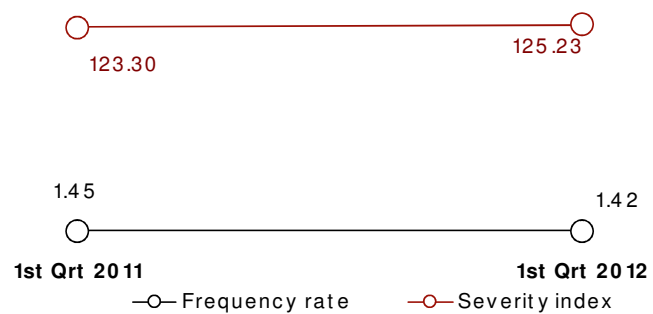
Number of employees



Volume of training (h)



EDP frequency rate and Severity index







RECOGNITION

1ST QUARTER 2012

Awards and other accolades for the EDP Group and its companies

26 Jan - EDP is SAM (Sustainable Asset Management) Gold Class and world leader of the 2012 electricity sector: The "Sustainability Yearbook 2012", of the consultant SAM, was presented at the World Economic Forum in Davos, Switzerland, in which EDP is referred to as the world leader of the Electricity Sector for the second consecutive year. The "Sustainability Yearbook 2012" includes 15% of the companies with the best sustainability performance in each of the 58 sectors assessed by SAM. This is the fifth year that EDP is included and the third consecutive year it has been classified as "SAM Gold Class".

26 Jan - InovGrid Project wins "Utility of the Year Award 2012": EDP wins award at the "European Smart Metering Awards 2012", in the "Smart Metering UK & Europe Summit 2012", in London. The prize was awarded to EDP Distribuição, based on the contribution and the impact of the InovGrid Project in the field of smart grids, energy efficiency and its customer orientation.

17 Feb - HC Energía wins recognition at the Annual Congress of Occupational Health and Prevention of Labour Risks: Antonio Pereira and Alberto Cueto received the award for best Oral Communication. Alberto Cueto, who is in charge of the Group's *Servicio de Prevención de Riesgos Laborales* in Spain, also received the Prevention of Occupational Risks award in the individual category. The Congress was organised by *Sociedad Castellana de Medicina y Seguridad del Trabajo*.

Mar - EDP Renováveis wins "Best Investor Relations" award for the renewable energy sector: EDP Renováveis wins awards at the 2012 All-Europe Executive Team by Institutional Investor. EDP was first in three categories, of a total of 18 companies named in the renewable energy sector: Best Investor Relations, Best CFO - Rui Teixeira (Sell Side + Buy Side) and Best Investor Relations Professional - Rui Antunes (Head of IR).



RECOGNITION

1ST QUARTER 2012

Awards and other accolades for the EDP Group and its companies

15 Mar – Ethisphere recognises EDP as one of the world's three most ethical companies of the electricity sector:

The Group has been recognised worldwide for the implementation of transparent practices in its business and dealings with all its stakeholders. 100 countries involving 36 sectors of activity participated in this 6th edition of the awards. The method used for this classification includes the analysis of codes of ethics, investment in innovation and sustainable business practices, corporate citizenship activities, and the opinion of senior management, sector peers, suppliers and customers.

30 Mar - EDP Bandeirante receives 2012 Solidarity Award in Guarulhos: The Municipality of Guarulhos, in Brazil, distinguished EDP Bandeirante as one of the 15 companies that most helped the city of Guarulhos in 2011, out of a total of 200 award winners. The electricity distributor played an important role in aiding urban agriculture by granting the right to use its land, areas where its distribution towers are located or power line lanes, for the cultivation of vegetable gardens by local communities. Also in this municipality it sponsored the purchase of toys for Christmas that were delivered to children.

30 Mar - EDP employee wins award of the Internal Communication Observatory:

Rita Monteiro, EDP employee of the Brand and Communication Department, won the prize awarded by the Internal Communication Observatory in the category of Best Academic Work in Internal Communication. The master's thesis that led to the award is on the challenge of internal communication in cultural organisations.



HIGHLIGHTS

1ST QUARTER 2012



HIGHLIGHTS

1ST QUARTER 2012

January

OHSAS 18001:2007 certification for Wind Farms of EDP: EDP Renováveis continues its certification plan of the Occupational Risk Prevention Management Systems, according to OHSAS 18001:2007. In France, 6 wind farms were certified, and in Spain the certification was extended to 16 wind farms.

In Spain, BYD supplies electric vehicles to HC Energía: Following the strategic agreement signed with BYD, the first units of its F3DM electric vehicle were delivered. HC Energía will incorporate these vehicles into the fleet of its facilities of Elche and Sagunto. Both HC Energía and BYD belong to the Spanish Electric Vehicle Forum (FOREVE). The use of such vehicles fits in with the action plan for the establishment of the electric vehicle, aimed at individuals, companies and public administration.

02 - EDP MOP installs the thousandth charging station of the Mobi.E project - The installation of the thousandth slow charging station of the Electric Mobility Project took place in Belém, in Lisbon. EDP MOP - Operação de Pontos de Carregamento de Mobilidade Elétrica, S.A. is the company responsible for installing, maintaining and operating in Portugal the pilot network project of Mobi.e, an innovative project in the world, that covers 25 cities nationwide at this stage. By the end of this year, the pilot network composed of 1,300 charging stations will be completed.

02 - In Brazil, Paraíso and São João certified by OHSAS 18001:2007: After the audit by Bureau Veritas Certification (BVC), the Paraíso and São João hydroelectric power stations, located in Mato Grosso do Sul and Espírito Santo, respectively, were recommended to receive OHSAS 18001:2007 certification, which evaluates the health and safety management system. The power stations passed the 4th maintenance audit of the Environmental Management System certified according to ISO 14000:2004, thus maintaining, once more, certification.



HIGHLIGHTS

1ST QUARTER 2012

January

02 - EDP and China Three Gorges establish strategic partnership: The Portuguese Council of Ministers has selected the buyer of the 21.35% stake held by Parpública, in the 8th stage of privatisation of the share capital of EDP. The process is however still in the finalisation phase, since the documentation and formal approvals will only occur early next year. The new shareholder of EDP, chosen by the Government, will be China Three Gorges ("CTG"), the largest Chinese operator of the clean energy field. The choice not only considered the offer price, but also the proposed industrial project for EDP and the contribution to the development of the national economy, evaluated according to clear criteria identified from the start of the process.

04 - In Brazil, EDP Bandeirante and EDP Escelsa certified according to ISO 9001:2008: The distributor companies EDP Bandeirante and EDP Escelsa were certified according to ISO 9001:2008, the International Quality Management System Standard in the scope of the "Handling of Low Voltage Electricity Consumer Complaints." The external audit process was conducted by Bureau Veritas Certification.

10 - Visits to power stations in 2011: EDP Produção power stations received 35,841 visitors during 2011, 6,121 less visitors than in the preceding year. This is due to the absence of Carregado and less demand at all facilities except the Cávado-Lima Power Station, which welcomed over 17,500 visitors. This decrease in demand is not strange given the financial difficulties in schools, especially in relation to paying the cost of transport.

12 - HC Energía recorded the highest supply quality rating for the 4th consecutive year: In Spain, HC Energía registered, for the 4th consecutive year, the best supply quality rating of its history, both in its traditional market and in the new territories. The average equivalent interruption time of installed capacity of HC Energía was 39 minutes in 2011. The company has reduced this indicator by more than a third since 2007. These rates reflect the more than EUR 300 million invested in the 2007-2012 period to improve the distribution networks.



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20 - Lisbon Installs PLC Prime Hubs - The Commercial Services of the Lisbon Grid and Customers Department (DRCL) installed in November, in some selected transformer stations, Powerline Carrier Prime hubs of the supplier ZIV. This technology makes it possible to transmit broadband voice and data over the power grid. This Mini Pilot PLC Prime aims to study alternatives in the development of Smart Grids. The hubs will aggregate all the information of the Smart Meters with a built-in Prime PLC communication modem that will be installed in selected customers and will use the grid as a communication medium.

20 - Dam lays bare fragments of the history of Vale Sabor: The work on the remains found of the medieval necropolis and fortified settlement of the second Iron Age, under the supervision of the Institute for Archaeological Heritage Management (IGESPAR), is part of the Heritage Protection Plan. This plan, which is ongoing since 2008, is one of the mitigation measures associated with the construction of the Baixo Sabor Hydroelectric Dam. The remains of buildings, engraved stones, skeletons, objects of worship and everyday objects were found at the two archaeological sites under study in the area of the future reservoir of Sabor Dam. These two sites, subject to detailed investigation during the construction of the Hydroelectric Dam, will be adequately protected for submerging under the waters from 2013, so that they may undergo study in the future. The finds will be kept by IGESPAR, which will hold dialogue with the representatives of the local communities to decide where they will be archived and displayed.

24 - Setúbal Power Station supports the construction of the pedestrian walkway: The Setúbal Power Station in partnership with Setúbal Municipal Council and the Parish Council of Praias do Sado joined forces to build a pedestrian walkway that connects the Praias do Sado railway station and Setúbal Polytechnic, a longstanding demand of the residents of that area of the city.

26 - Accident at Foz Tua Dam: In the afternoon of 26 January an accident occurred in the construction of the dam at Foz Tua, causing three fatalities. EDP immediately initiated the Emergency Plan and requested the opening of an investigation. The work on the dam of Foz Tua is being implemented by the Mota-Engil, Somague and MSF consortium, companies with several works in progress and which meet the highest safety standards required internationally. Various managers visited the site in order to monitor the occurrence more closely.



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27 - Naturgas Energía supports the development of activities concerning sustainability and energy efficiency: In Spain, the Mayor of Murcia, Miguel Ángel Cámara, and the manager of HC Energía in Murcia, João Rosa, together with the Secretary of ALEM, Antonio Marín, signed a collaboration agreement whereby HC Energía undertakes to participate in the development of activities that promote savings, energy efficiency and fight climate change, with the ALEM Consortium.

31 – Parte de Nós Volunteering: At Christmas, nearly 400 EDP volunteers in Portugal participated in around 100 initiatives undertaken with 4,000 people of 54 hospitals or Social Security institutions, from the north to the south of Portugal. Visits were also offered to Kidzania, to football matches, the Electricity Museum and Bread Museum. In addition to the volunteering initiatives, almost 2,000 hygiene and cleaning products were collected and offered to charities. Overall, about 500 EDP employees were volunteers in initiatives that covered more than 8,200 people, to a total of 5,000 volunteer hours. About half of EDP Renováveis employees accepted the challenge to "donate a day" to UNICEF. The company joined the initiative and raised over EUR 20,500 for the institution. In Bilbao, the employees of Naturgas supported the Multiple Sclerosis Association by selling chocolate to nearly 2,000 people. Toys were offered in HC Energía initiatives organised at Hogar de San Jose and the Food Bank. In Brazil, supplies, food, electrical appliances, nappies and hygiene products were collected and given to various organisations, benefiting more than 3,000 people.



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HC Energía and Naturgas give prizes to their customers: In 2011, customers who subscribed to any of the B2C campaigns, such as Formula gas+light, Formula Light, electronic billing, home heating plan or Car-e, participated in monthly prize draws. Throughout the year, 18 efficient electrical appliances, 30 mini-portable computers, 39 ipad2 and 28 awards of one year of free energy were handed out.

In Spain, 50,000 customers have already used the HC Energía kiosks: Through an intuitive navigation system, the user can perform various operations such as paying bills with a bank card or printing bank documents. The first kiosks were installed in Oviedo, Gijón and Avilés and at Gijón Los Fresnos Shopping Centre, followed by others of Naturgas in the Basque Country. Further kiosks are being planned for Asturias, Basque Country, Santander, Mérida, Figueres and Murcia.

HC Energía and Naturgas give prizes to their customers: In 2011, customers who subscribed to any of the B2C campaigns, such as Formula gas+light, Formula Light, electronic billing, home heating plan or Car-e, participated in monthly prize draws. Throughout the year, 18 efficient electrical appliances, 30 mini-portable computers, 39 ipad2 and 28 awards of one year of free energy were handed out.

The Principality of Asturias supports an R&D+Innovation project of Naturgas Energía: The project "Catalytical breakdown of biogas for the production of high added value carbon materials" received financial support from the Asturias Science, Technology and Innovation Plan for the years 2011 and 2012. This is a joint project of Naturgas Energía Distribución, Biogás Fuel Cell and INCAR (the National Carbon Agency of the Higher Council of Scientific Investigation). The sustainable aspect of the project focuses on the capturing of carbon dioxide using biogas to manufacture renewable natural gas (biomethane) and carbon products of high added value, such as carbon nanotubes.

Naturgas Energía has more than 170,000 natural gas supply points in Cantabria: In addition to the 170,000 supply points, Naturgas has 20,000 electricity customers and 38,000 customers of the Servicio Funciona for maintenance of domestic gas and electricity systems. Cantabria is above the average in Spain (15) with 28 gas supply points per 100 inhabitants.



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03 - EDP Bandeirante office in São José de Campos implements sustainable concept: The new customer service store in Brazil uses FSC certified wood furniture ("green stamp"). The new floor was developed from 70% recycled post-consumption PVC. The water discharged in the toilets can be adjusted according to use. Outside, a film was applied to optimise the operation of air conditioning equipment. The store has photovoltaic panels that generate electricity even on cloudy days and which have a service life of up to 25 years, and stone cladding that provides acoustic comfort.

06 - EDP Sustainable Entrepreneur Award Sabor 2011: The 2nd edition of this award aims to promote entrepreneurship practices in the municipalities of Alfândega da Fé, Macedo de Cavaleiros, Mogadouro, Torre de Moncorvo and Miranda do Douro. Municipal days were held in the five municipalities with different themes designed to raise the awareness of potential entrepreneurs and hold idea workshops. Currently, the "Internal Bank" phase is in progress, when the candidates submit their business idea to a panel composed of representatives of EDP Produção, the University of Trás-os-Montes and Alto Douro, Bragança Polytechnic, business associations of the respective municipality and SPA, the consultant in which Fundação EDP and EDP Produção have entrusted leadership of the process.

06 - EDP among the best investments of the Brazilian electricity sector: In order to be a Top Pick, the analysts of Itaú considered the consistency of the company's results over the past three years, the good management of expectations by the Investor Relations area, as well as the credibility and quality of the management of the company. EDP in Brazil was recognised for its significant appreciation potential and the possibility of becoming part of the Bovespa index in the second half of the year. The investment by EDP in Brazil in renewable energy is considered to give strong potential for positive return for investors.

13 – Jari hydroelectric power plant invests in safety: At the construction site, a Civil and Criminal Liability training was attended by engineers, foremen and heads of section from the construction consortium, in order to promote safety practices in the work environment, helping to deal with potential risk situations.



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14 - Human Capital Management of EDP in Brazil launches Valuing Experience: Employees with more than 20 years' experience in the electricity sector will become tutors of work colleagues, with the aim being to exchange experience, technical knowledge and much more. On completing the Strategic Mapping, Human Resources will provide a list of employees with knowledge on critical issues and, according to needs, will schedule sessions of knowledge sharing.

20 - Shareholders approve the members of the EBD and GSB: EDP's shareholders approved the election of the new Executive Board of Directors, led by António Mexia, with the favourable vote of 99.8% of the share capital attending the meeting. The members of the General and Supervisory Board, headed by Eduardo Catroga, was approved by 84% of the votes.

24 - Performance Ranking of Face-to-Face Channels: In order to maximise the performance of the Face-to-Face Sales Network, a monthly ranking of stores and agents was implemented in 2011, with the aim of increasing customer satisfaction, boosting sales and raising operating efficiency. The ranking also envisages awards for the three stores, three customer service and sales agents, and exclusive agent with the best rating, as well as the employees of the agent in charge of managing the respective partnerships. An annual ranking was also envisaged for the face-to-face channels, to find the best store, the best exclusive agent and the best customer service and sales agents as well as the best manager of an agent.

27 - New Bemposta and Picote power stations reinforce the country's hydroelectric production by 4%: These projects represent a total investment of 300 million euros and are the first of a set of 12 to come into operation. These two projects, recovering about 1,200 hm³ flow which will not be discharged, will contribute more than 375 GWh/year to the national electricity generation system (4% of the total hydroelectric power produced in Portugal in an average hydrological year by the 35 existing major dams). It is estimated that the reduction of CO₂ will be around 220,000 ton/year. The works of Picote II and Bemposta II created about 3,000 jobs, including 750 direct jobs, 19% of which are local. 112 companies were involved in the construction, many of them SMEs, and 13% of those were local companies.



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27 – EDP gives additional 5 million to municipalities with dams: EDP signed an agreement with the National Association of Portuguese Municipalities for voluntary support of 5 million euros per year to local initiatives related to sustainability, to be implemented by the municipalities where ordinary status hydroelectric power plants are located. The support that EDP provides is related to the fact that the legal framework for annual rents to be paid to municipalities in the area of influence of power plants, dating from 1983 is not aligned with reality and does not assist the municipalities with hydroelectric power plants in their borders.

28 - Souto Moura presents the design for the building of the Foz Tua hydroelectric power plant: The work reflects the EDP objective EDP to reduce the impact of that infrastructure on the landscape of the Douro Wine Region, classified as World Heritage, and bring a new focal point of culture and tourism attraction to the region. The building, which is almost entirely underground, adopts typical forms and materials of the region, minimising the morphological changes of the slopes, the exposed volume of the works and its visual impact. The construction of Foz Tua dam began in 2011 and is scheduled for completion in 2016, involving an investment of around EUR 305 million and creating about 4,000 direct and indirect jobs. The new power plant will consist of an arched-type concrete dam, an underground power plant with two reversible generator sets with a total power of 259 MW. Annual gross production of 585 GWh is envisaged.



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02 - Operation and Maintenance of the Distribution networks of HC Energía obtains OHSAS 18001:2007 certification: The audit performed by AUDELCO in February did not detect any major non-conformity. In 2012, Hidrocantábrico Distribución Eléctrica obtained certification according to the ISO 9001:2000 Quality Management standard, ISO 14001:2004 Environmental Management standard and OHSAS 18001:2007 Occupational Health and Safety Management standard.

02 - Students of Trás-os-Montes plant and adopt trees in the areas covered by the dams: The "Learn Biodiversity" Project developed with the students and teachers of schools of Sendim, Mogadouro and Torres de Moncorvo of the region between the International Douro and Sabor-Tua entered the 3rd stage of implementation: the reforestation of areas affected by the Bemposta, Picote and Baixo Sabor dams. This is a project to cement EDP's relationship with local communities, contributing to increased knowledge on biodiversity and the participation of all in preserving the natural heritage of each region.

05 - Wireless sensors: EDP Distribuição forms part of the European consortium: The European research project "Wireless Sensor and Actuator Networks for the Protection of Critical Infrastructures" - WSA4CIP, developed a cheap and quick to implement solution based on networks of wireless sensors and actuators for the monitoring of critical infrastructures. The European research consortium involved twelve industrial and academic partners, which included EDP Distribuição and INESC (Institute of Systems and Computer Engineering) Innovation. In Portugal, the project aimed to implement a network of wireless sensors in one part of the power distribution grid of EDP Distribuição, fed by the S. Sebastião substation.



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06 – Fourth edition of the HC Energia plan to support doctoral students: Beneficiaries will receive financial support for enrolment and instruction, and the research work should be part of an HC Energia R&D+Innovation project.

09 - EDP Inovação promotes the sharing of knowledge and launches “Remarks”: The new tool aims to share over the web information and knowledge gained that is usually stored and managed individually. The aim is to provide each user with a more functional, simple, friendly and intuitive “favourites” manager that allows the user, at the same time, to automatically and anonymously share knowledge with the EDP community.

12 - EDP solidária - The North Portugal Occupational Medicine team collected the waste paper of one month to exchange for food for the Porto Food Bank Against Hunger. This initiative is part of the “Paper for Food” campaign, in which a company that collects and processes all kinds of paper will, in partnership with the Food Bank, donate a certain value of food products in exchange for paper to recycle.

12 - Employee Line: A telephone line was created for all employees of Naturgas, so that they can settle doubts and facilitate the management of the “Tarifa de Empleado” benefit.

13 - The team of EDP Renováveis NA, wins the Global Management Challenge USA: Employees of EDPR NA won the national final of the “Global Management Challenge USA”. The team will take part in the international final in Ukraine, in April. The Global Management Challenge is the largest management and strategy simulation competition. According to the organisation, over the past 33 years more than 480,000 university students and employees of companies have taken part in the competition.



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13 - EDP funds innovative clean technology projects in the energy sector: The EDP Inovação award aims to support embryonic business projects with innovative technologies or business models in the areas of energy efficiency, electric mobility, energy storage, power generation from renewable sources and other areas in the energy sector. The works that have progressed to the development stage of innovation will benefit from a set of training courses, including those of the Fablab EDP laboratory. The winning team receives a prize of EUR 50,000 to invest exclusively in the development and implementation of the project. EDP will promote the prize in the major universities of the country.

16 – EDP launches ClickIdea 2.0 Programme: The internal ClickIdea programme was relaunched so that the ideas EDP employees put forward for implementation are immediately available to be commented on, discussed and improved by all employees. Periodically, the Evaluation Committee meets to select the best ideas presented, taking into account those most voted for. The best ideas win prizes.

16 - Investco helped more than 14,000 children and young people in 2011: Investco S.A., in charge of the construction and operation of the Lajeado hydroelectric power station, developed seven programmes in the state of Tocantins in 2011, through Instituto EDP, which contributed to improving the quality of public education, access to culture and social inclusion, benefiting about 14,000 people: EDP Solidária, Diálogo EDP Solidária, EDP nas Escolas, EDP Amiga da Criança, EDP Cultura, Natal Solidário and Boca Livre.

17 - HC Energía celebrates “El Viaje Energético”, in Laboral: HC Energía organised a party for the entire family, El Viaje Energético, at the Laboral Art and Industrial Creation Centre, in Gijón. Workshops were held, guided tours provided and the characters of the Viva Nuestra Energía programme made an appearance. The Asturian schools were invited to participate in a drawing competition for children. All entries received were exhibited during the party on the walls of the Industrial Art and Creation Centre. The interactive and travelling Viva Nuestra Energía project aims to familiarise primary school children with the concepts of where electricity comes from and how to use it safely and efficiently. Between 2010 and today, more than 20,000 students of Asturias have participated in this initiative. Almost 60,000 student from Astúrias, Basque Country, Madrid and Murcia have taken part in this project, and it has received a score of 4.86 out of 5 from more than 320 teachers that have taken part.



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20 - António Mexia formalises partnership in Beijing: EDP and China Three Gorges (CTG) will create two companies to support research projects in both countries and manage energy services in Asia, fulfilling one of the areas of the partnership. The "operational baseline requirements" of the partnership defined in the memorandum also involves CTG taking a stake in EDP's wind farms, through "a minority stake of 34-49%", the study of joint investment opportunities, particularly in Latin America, and access to the Chinese financial system. The "exchange in relation to good practices" of management, human resources and technology was also enshrined in the agreement.

20 - Fundação EDP, 2011 Balance Sheet and projects for 2012: a Fundação EDP presented its Annual Report for 2011 and Business Plan for 2012. 1.9 million people have benefited in the year 2011. The budget of EUR 14.5 million was fully implemented in projects of social innovation, the promotion of exhibitions, enhancing the Museum of Electricity, and in programmes such as EDP Solidária or EDP Volunteering. In 2012, the challenge posed by the current economic and social context is greater and more demanding. In the International Year of Sustainable Energy for All, Fundação EDP will use its experience gained in Kakuma to participate in the building of a solar village in Cabiri, Angola, providing solar energy solutions to 500 families. In Venezuela, the Foundation will also be involved in a project which will benefit 5,000 people. Also in 2012, EDP and the Foundation are partners of the UN at the Rio+20 Summit, a meeting of world leaders to renew commitments to sustainable development. The mission is to help make the conference a global event, in order to maximise the message's impact. The Rio+20 Lisbon spot will be installed at the Museu da Electricidade (Museum of Electricity), to form a "bridge" between Portugal and the conference in Rio de Janeiro. Parque SOLARiedade is another project that promises to make a difference. Citizens and companies offer solar panels and EDP undertakes to assemble and manage a photovoltaic solar farm to provide solar energy to charities.

20 - Serra de Serpa, Electrification Project promotes development: EDP Distribuição is ensuring the electrification of 246 houses and family-oriented agri-food farms scattered across Serra de Serpa, in the parishes of Vila Nova de São Bento, Salvador and Vila Verde de Ficalho. This is a project funded by PRODER that EDP applied for in conjunction with Serpa Municipal Council and with the support of the Farmers Association of Serpa Municipality. The expansion of the grid is done via the two-phased construction of over 210 km of low and medium voltage network and 86 new transformer stations, in an investment of about EUR 5 million. The 1st phase of the project, completed at the end of 2011, consisted of the construction of about 62 km of low and medium voltage power lines and 26 transformer stations, providing power to 60 new customers.



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21 - HC Energía prepares for the general overhaul of Aboño 2, which will involve the installation of modern control systems and a new stator for the generator: The implementation of these projects at Aboño 2 is important to ensure the uniqueness of this Asturian power station which generates electricity from, in addition to coal, coke and furnace gases from the neighbouring Arcelor-Mittal plant, with consequent energy recovery. The use of these steel manufacturing gases, a unique example in Spain, ensures that more than 800,000 tCO₂/year is not emitted. This project involves more than 300 people from 30 different companies.

22 - EDP launches Trainee programme for recent graduates: This programme will invest in the development of recent graduates with high potential, who may become professionals of excellence, capable of adding value to the EDP Group. The programme duration is 20 months and it will start in October 2012. The EDP Trainee Program is based on three fundamental pillars: training, job rotation and project development. The training plan includes several training courses to ensure the acquisition of specific knowledge and skills development. To achieve an across-the-board perspective of EDP, each trainee will rotate through three Business Units (job rotation) and in each of those Business Units the trainee will be involved in challenging projects (development of projects).

23 - 87.9 % of Group employees answered the satisfaction survey: Participation in Portugal was 92.5%. EDP has been listening to its employees through a survey since 2006. The results of 2011 are the best ever and all major indicators have improved compared to previous years. The Overall Satisfaction score is 81 points. The satisfaction survey was carried out for the first time simultaneously (in the same year), in all geographies of the Group. This permitted the results to be gathered and analysed globally.

26 – EDP in Brazil awards University Challenge 2011 Prize: 5 design students of the Faculty of Architecture and Urbanism of University of Sao Paulo won the second edition of the prize to encourage innovation and creativity. A total of 55 projects were entered, involving 226 students from various states. With the "Positive Energy" project, EDP would take microgeneration and energy efficiency to various establishments in which the consumer public would see the company as a generator of clean energy and the sites would gain the "positive energy" stamp. Every purchase from locations with the stamp would earn consumers points that could be redeemed for prizes. The winning team received a prize of R\$ 15,000 and the supervising professor a prize of R\$ 7,000.



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27 - EDP in Brazil awards Innovation and Entrepreneurship Award – EDP 2020: The winner of this second edition of the prize received 100,000 reais to develop the project "Energia Verde do Sertão". The project of the chemical engineer Diego de Moura Rebouças, aged 27, is exchanging polluting fuels for biomass in thermoelectric power plants. Besides generating clean energy, it enables new forms of income for local communities.

27 – In Brazil, EDP Bandeirante trains teachers in the Good Energy in Schools programme: Through face-to-face initiatives and the Procel Education methodology, nearly 900 primary school teachers of the public education system of 11 municipalities of São Paulo state will take part, between March and April, in the energy efficiency training course, which is intended to be transmitted to students in an interdisciplinary manner and as an additional curriculum area. The initiative will run to the end of 2012. It has a Mobile Education Unit where game-playing activities will be developed with students.

30 – Entrepreneurship Support for Tua - EDP Sustainable Entrepreneur Award: The second edition of the EDP Sustainable Entrepreneur Award in the Sabor region benefitted 170 potential entrepreneurs, of the 243 applicants, and it has already assisted the launch of more than 40 new local business projects. This programme has now expanded to the Vale do Tua region (Alijó, Carrazeda de Ansiães, Mirandela, Murça and Vila Flor). The aim is to enhance and harness the opportunities for self-employment generated by the construction of the Foz Tua dam, which forms part of a set of compensatory measures for the population, to be managed by the recently created Vale do Tua Development Agency.

30 - Audit for the Renewal of the Environmental Management System (EMS) certification of EDP Distribuição, conducted by Lloyd's: The performance of the EMS certification audit concluded the cycle of three years, according to the NP EN ISO 14001 standard. No non-compliance was registered for the audited facilities and activities, with only a few improvement recommendations of voluntary compliance for the company. As regards the facilities, a further 33 substations and 14 high voltage switching stations were included in the EMS in addition to the 40 substations already integrated in the System.



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Notes:

- ✓ In the tables, the column designated by “profile” concerns the GRI indicator. When there was no correspondence with the GRI indicator, the designation “EDP” was used because this indicator is important to analyse EDP’s performance;
- ✓ The figures reported have not been audited;
- ✓ The figures reported exclude information for the Trillo nuclear power station.

Glossary:

<http://www.edp.pt/pt/Pages/Glossario.aspx>

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