

Sustainability Report

1st Quarter 2011

5 May



viva a nossa energia

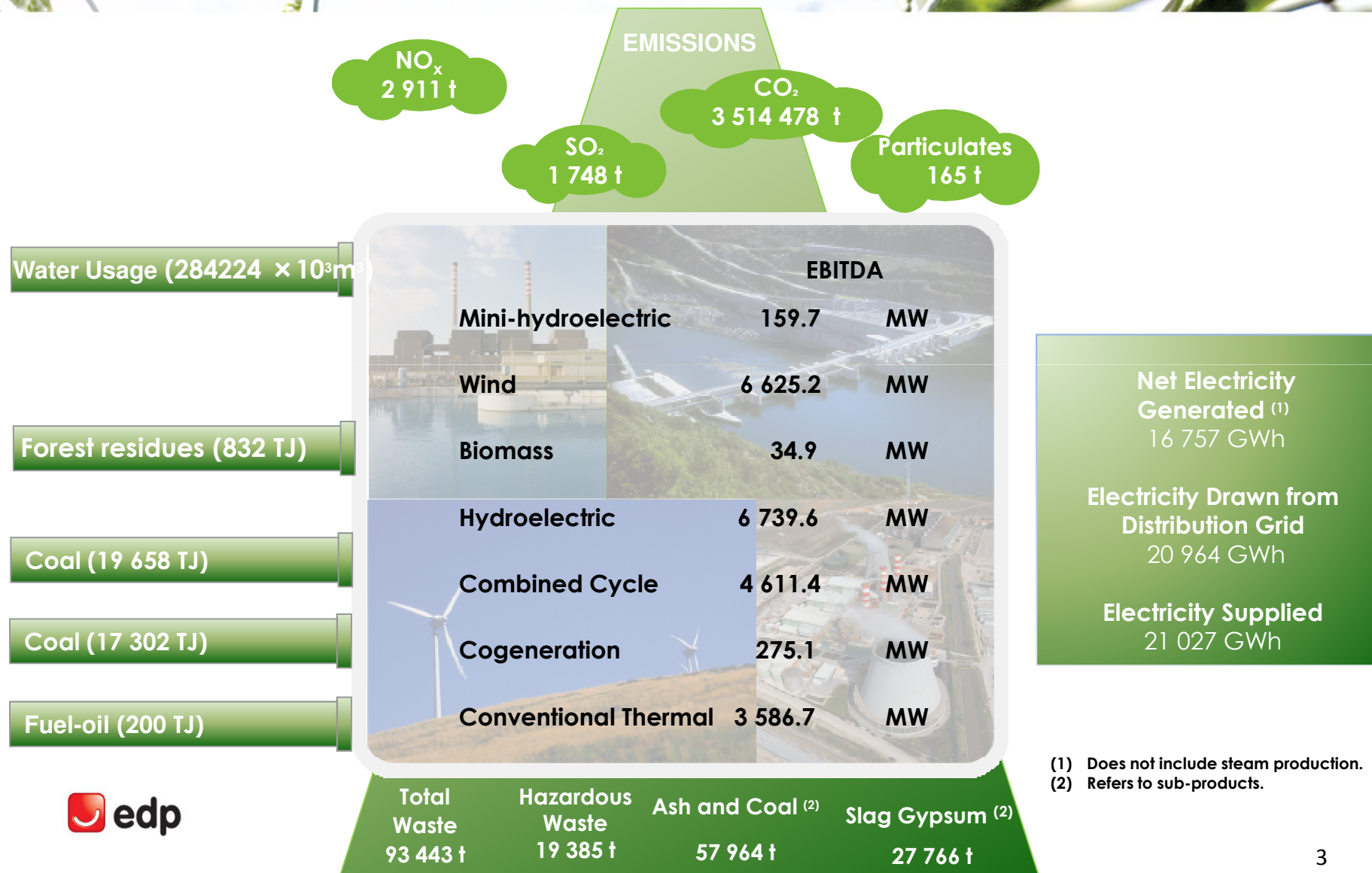
smart **energy** world



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Relevant Energy-Environmental Indicators

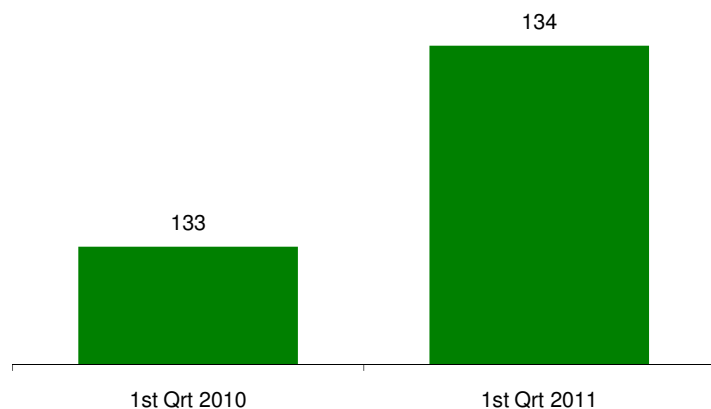
1st Quarter 2011



Sustainability Index

1st Quarter 2011

Sustainability Index base 100:2006 ⁽¹⁾



Main Factors

	1 rd Qtr 2010	1 rd Qtr 2011
• Renewables investment	76%	58%
• Specific CO ₂ emissions (t/MWh)	0,16	0.20
• Specific NO _x emissions (g/kWh)	0.2	0.2
• Specific SO ₂ emissions (g/kWh))	0.2	0,1
• Specific waste production(g/kWh) ⁽²⁾	5.0	5.4
• % of working women in total employees	21 %	22%
• Training hours / Hours worked	1.9%	1.6%
• EDP severity rate	108	123



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

Sustainability Indicators

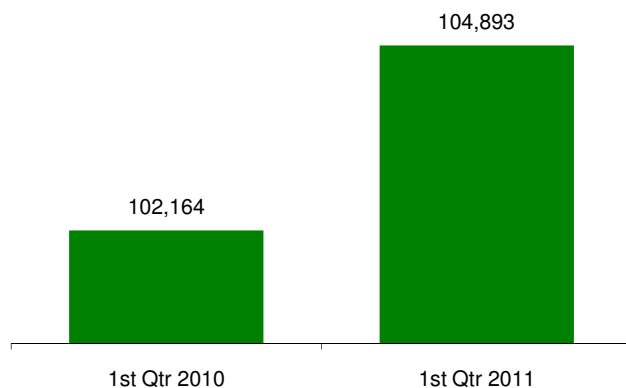
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Economic Indicators	Q1 2010	Q1 2011	Year-on-year Change 11/10	2011 Target
GVA per employee (€)	102 164	104 893	2.7 %	371 536
Turnover (EUR millions)	3 494	4 015	14.9%	14 873
Energy services billed (EUR thousand)	3 178	3 635	14.4%	n.d.
Direct economic value generated (EUR millions)	3 389	4 335	27.9%	15 413
Net operating investment (EUR millions)	573	393	-31.4%	2 217
Investment in renewable energies (EUR millions)	414	229	-44.7%	1 350
Investment in renewables as a proportion of total investment (%)	72.27%	58.29%	-14.0 p.p	60.89%
Economic value distributed (EUR millions)	2 485	3 564	43.4%	12 598
Staff costs	183	147	-19.7%	611
Supplier costs	194	208	7.2%	941
Community costs	2 227	2 644	18.7%	n.d.
Community contributions	70	111	57.6%	272
Net profit (EUR millions)	309	343	10.9%	1 027
Annualised return on equity (%)	33.82%	37.52%	3.7 p.p	28.09%
Market capitalisation (EUR millions)	10 750	10 048	-6.5%	n.d.
Economic value retained (EUR millions)	904	771	-14.7%	2 815

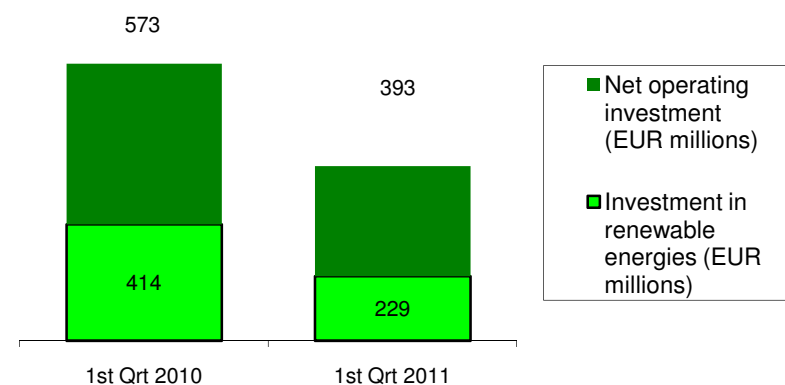
Sustainability Indicators

1st Quarter 2011

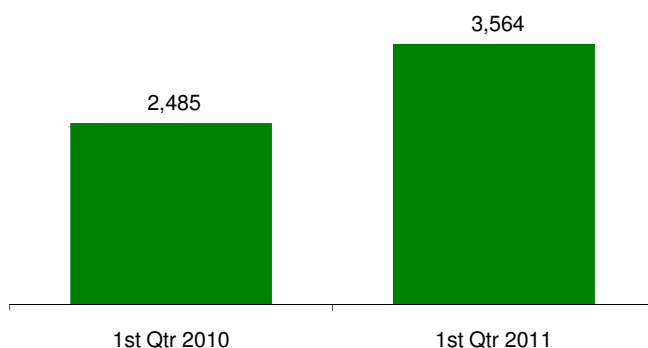
GVA per employee (EUR)



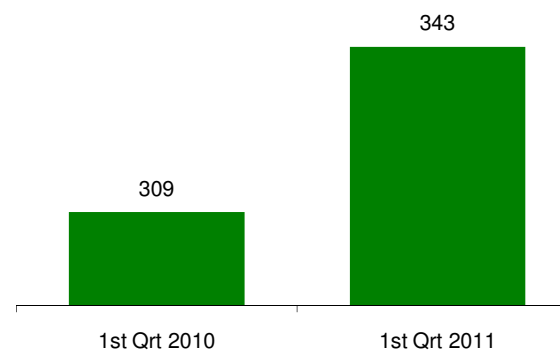
Investment (EUR millions)



Economic value distributed (EUR millions)



Net profit (EUR millions)



Sustainability Indicators

1st Quarter 2011

Operating Indicators	Q1 2010	Q1 2011	Year-on-year Change 11/10	2011 Target
<u>Electricity generation</u>				
Maximum installed capacity EBITDA (MW)	20 573	22 033	7.1%	22 763
Renewables capacity EBITDA (MW)	12 504	13 559	8.4%	14 279
Renewables capacity as a proportion of total capacity (%)	60.78%	61.54%	0.8 p.p	62.73%
Net electricity generated ⁽¹⁾ (GWh)	16 265	16 757	3.0%	61 778
Generation from steam (GWh)	541	541	-0.1%	n.d.
Net generation from renewables (GWh)	12 389	12 195	-1.6%	37 636
Renewables generation as a proportion of total net generation (%)	76.17%	72.78%	-3.4 p.p	60.92%
Total GWh generated per employee	1.35	1.40	3.7%	5.07
Electricity distributed (GWh)	20 716	20 964	1.2%	82 648
Electricity supply points	9 451 507	9 567 280	1.2%	9 406 666
Installed Capacity Equivalent Interruption Time (TIEPI) (min) ⁽¹⁾	53	31	-40.7%	180
Equivalent Interruption Time per Consumer (DEC) (hours) ⁽²⁾	26	20	-22.8%	23
Total GWh distributed per employee	1.72	1.75	1.8%	6.79
Electricity Supplied (GWh)	21 811	21 027	-3.6%	80 566
Free market supply (GWh)	9 193	9 822	6.8%	41 584
Supply of last resort (GWh)	8 875	11 204	26.3%	38 982



(1) Related to Portugal and Spain; (2) Related to Brazil

Sustainability Indicators

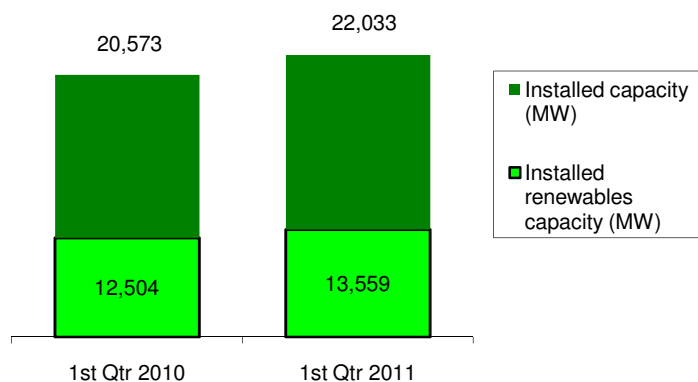
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Operating Indicators	Q1 2010	Q1 2011	Year-on-year Change 11/10	2011 Target
Number of electricity supply customers	9 741 260	9 897 893	1.4%	9 972 187
Free market supply	821 251	977 986	19.1%	334 848
Supply of last resort	8 920 009	8 901 907	-0.2%	8 637 339
Green energy sold (GWh)	2 716	3 724	37.1%	n.d.
Number of customers – green tariff	371 080	424 396	14.4%	n.d.
Energy sold on social tariff (GWh)	51	116	126.6%	n.d.
Number of customers – social tariff	418 245	434 998	4.0%	n.d.
Number of customers with special needs	833	783	-6.0%	n.d.
Gas distributed (GWh)	14 921	16 539	10.8%	49 633
Gas supply points (GWh)	1 198 663	1 236 644	3.2%	1 260 964
Gas supplied (GWh)	10 297	11 435	11.1%	35 494
Number of gas customers	1 254 082	1 064 790	-15.1%	1 104 784
Free market	825 031	686 364	-16.8%	751 169
Last resort	199 741	378 426	89.5%	353 615

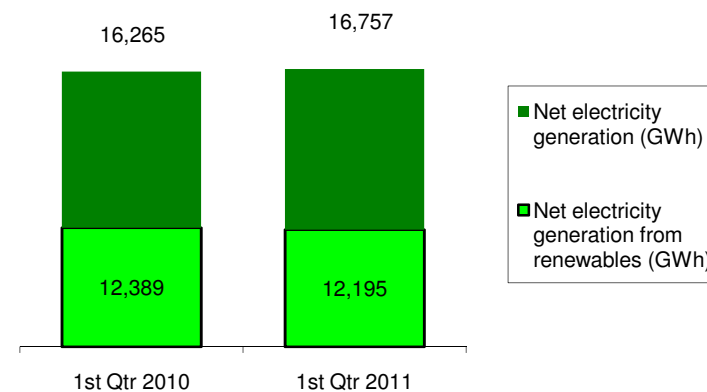
Sustainability Indicators

1st Quarter 2011

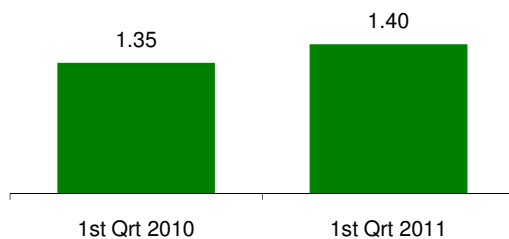
Installed capacity (MW)



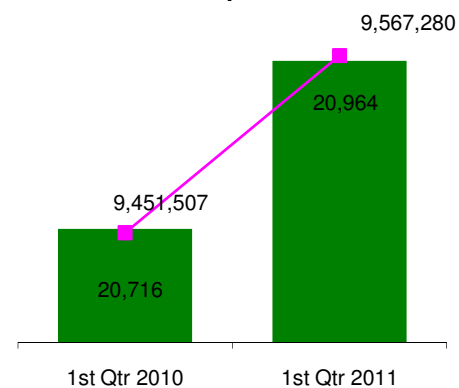
Net electricity generation (GWh)



GWh generated per employee



Electricity distribution and electricity supply points



Sustainability Indicators

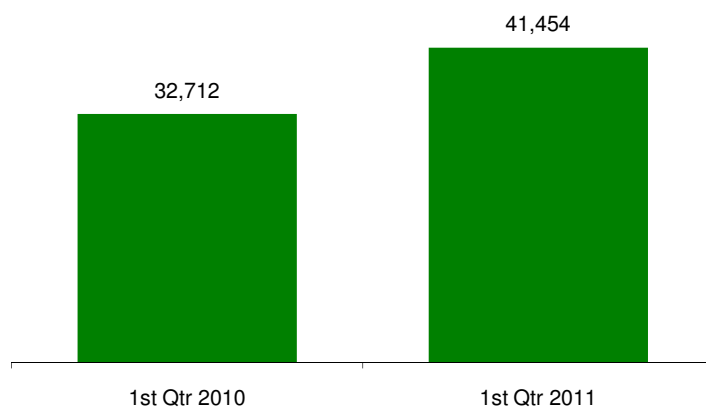
1st Quarter 2011

Environmental Indicators	Q1 2010	Q1 2011	Year-on-year Change 11/10	2011 Target
Primary energy consumption (TJ)	32 712	41 454	26.7%	n.d.
Total for generation	32 654	41 387	26.7%	209 365
Coal	13 828	17 302	25.1%	117 235
Fuel-oil	334	200	-40.1%	212
Natural gas	16 177	19 658	21.5%	78 089
Balst furnace gas	1 587	2 614	64.7%	n.d.
Coke gas	255	317	24.3%	n.d.
Diesel	34	28	-18.8%	n.d.
Forestry waste	294	832	182.8%	4 102
Steel plant gas	145	436	201.0%	9 726
Vehicle fleet fuel	57	67	16.8%	n.d.
Electricity consumption at power stations (MWh)	363 491	417 091	14.7%	n.d.
Electricity consumption by administrative buildings (MWh)	6 254	6 432	2.9%	n.d.
No. of production facilities certified (ISO 14 001)	82	106	29.3%	164
Net maximum installed capacity certified (%)	66%	69%	2.5 p.p.	72%
No. of substations certified (ISO 14 001)	6	21	250.0%	93
Installed capacity of substations certified (%)	0.86%	2.84%	2.0 p.p	23%
Certified gas distribution (ISO 14 001) (%)	100%	100%	0,0%	100%

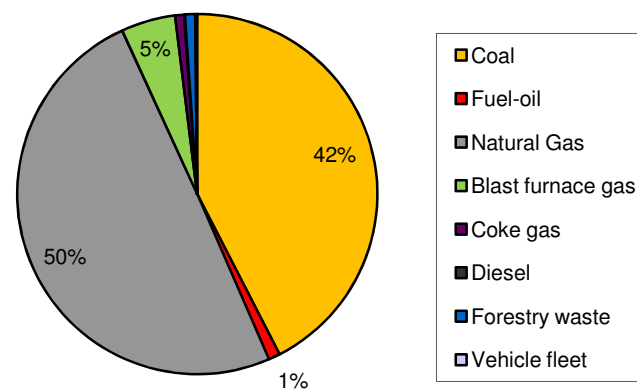
Sustainability Indicators

1st Quarter 2011

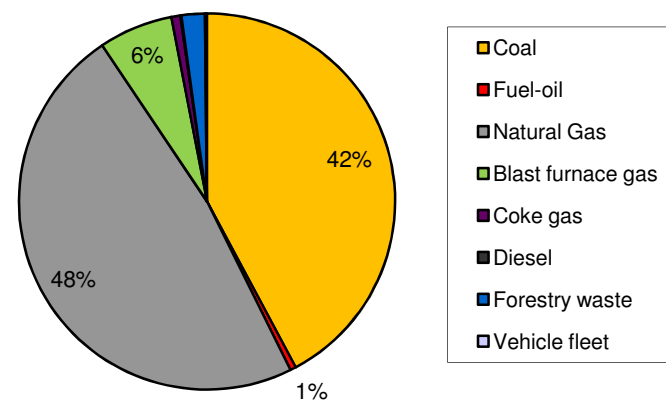
Primary energy consumption (TJ)



Primary energy consumption 1st Qtr 2010



Primary energy consumption 1st Qtr 2011



Sustainability Indicators

1st Quarter 2011

Environmental Indicators	Q1 2010	Q1 2011	Year-on-year Change 11/10	2011 Target
CO ₂ emissions (kt) ⁽¹⁾	2 637	3 515	33.3%	14 583
CO ₂ emissions from vehicle fleet (kt)	4.2	4,9	18.6%	n.d.
NO _x emissions (kt)	3.10	2.91	-6.1%	24,98
SO ₂ emissions (kt)	3.13	1.75	-44.2%	16,38
Particulate emissions (kt)	0.15	0.17	8.7%	1,46
Overall specific CO ₂ emissions (g CO ₂ /kWh) ⁽²⁾	157	203	29.5%	236
Overall specific NO _x emissions (g NO _x /kWh) ⁽²⁾	0.18	0.17	-8.8%	0,40
Overall specific SO ₂ emissions (g SO ₂ /kWh) ⁽²⁾	0.19	0.10	-45.8%	0,27
CO ₂ emissions intensity (g/€)	755	875	16.0%	981
Water usage (10 ³ m ³)	207 877	284 224	36.7%	n.d.
Refrigeration water	206 969	282 332	36.4%	n.d.
Raw water	854	1 835	114.8%	n.d.
Drinking water	53	57	7.4%	n.d.
Total waste (t)	84 834	93 443	10.1%	n.d.
Total hazardous waste (t)	723	19 385	2579.8%	n.d.
Recovered waste (%)	124%	71%	97.8 p.p	n.d.
Sub-products (t) ⁽³⁾	n.a.	85 730	n.a.	n.d.
Environmental expenses (EUR millions)	13	16	21.4%	n.d.
Environmental investment (EUR millions)	10	10	-6.6%	n.d.
Environmental investment as a proportion of total investment %	1.78%	2.42%	36.2 p.p.	n.d.
Environmental fines and penalties (EUR thousands)	3	0	-100%	n.d.



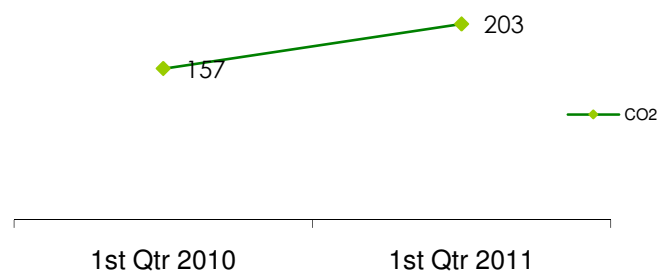
(1) Not including vehicle fleet; (2) Calculated for net generation, as stipulated in the *Global Reporting Initiative*

(3) In 2010 began the process of declassifying certain residues (gypsum, fly ash and slag).

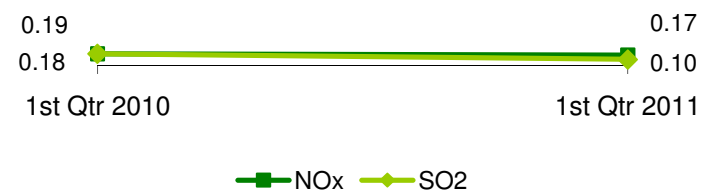
Sustainability Indicators

1st Quarter 2011

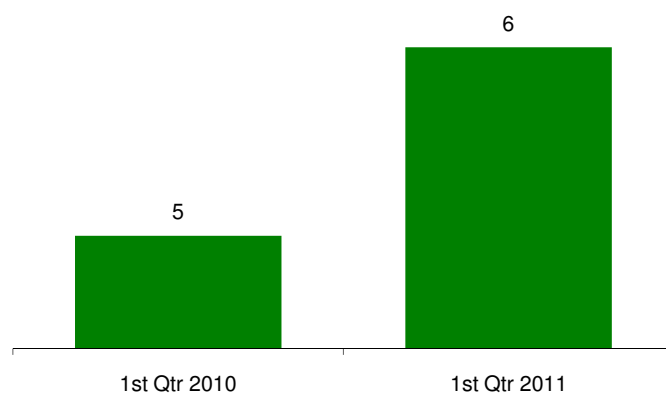
Specific CO2 emissions (g/kWh)



Specific Emissions (g/kWh)



Waste per unit of electricity generated (g/kWh)



Sustainability Indicators

1st Quarter 2011

Social indicators	Q1 2010	Q1 2011	Year-on-year Change 11/10	2011 Target
<u>Employment</u>				
Total number of employees (M+F)	12 037	11 963	-0.6%	12 176
Total number of employees	2 534	2 588	2.1%	n.a.
Staff turnover	0.02	0.02	19.3%	n.a.
Absenteeism (%)	3.28%	3.26%	-0.02 p.p	n.a.
Personnel costs (EUR thousands)	150 542	147 228	-2.2%	610 619
Social benefits (EUR thousands)	32 777	31 719	-3.2%	118 792
<u>Training</u>				
Total number of training hours	92 277	82 971	-14.7%	528 554
Employees trained (%)	77.69%	64.11%	-13.6 p.p	n.a.
Training costs (mil €)	1 758	1 246	-29.2%	10 497
Work productivity	234	237	1.1%	n.a.
<u>Prevention and safety</u>				
On-duty Accidents (number)	11	8	-27.3%	...(1)
Severity index EDP (Tg)	108	123	14.2%	...(1)
Frequency rate EDP (Tf)	2.06	1.45	-29.6%	...(1)
On-duty death accidents Contractors (number)	1.00	1.00	0.0%	...(1)
On-duty accidents with disability Contractors (number)	7.00	31.0	342.9%	...(1)
Frequency rate EDP and Contractors (Tf_total)	3.16	3.03	-3.9%	...(1)

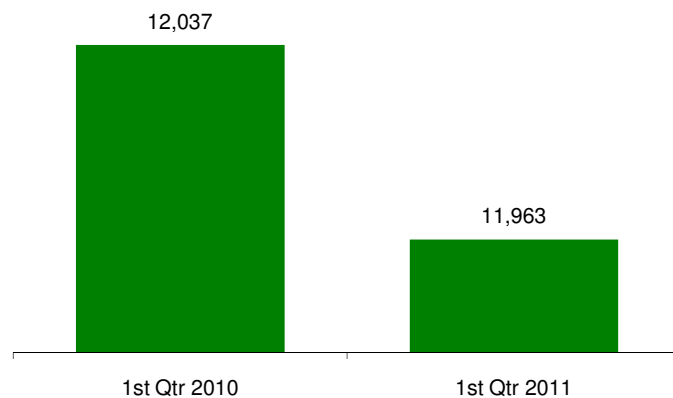


(1) Target set in accordance with the EDP accident prevention and safety action plan, which seeks to achieve a 10% reduction on the figures recorded in 2010.

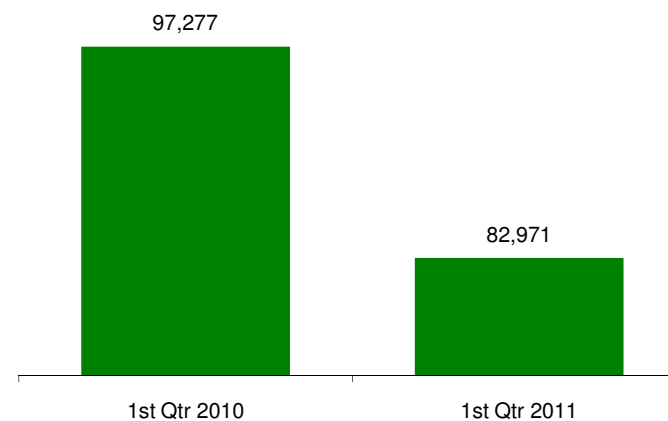
Sustainability Indicators

1st Quarter 2011

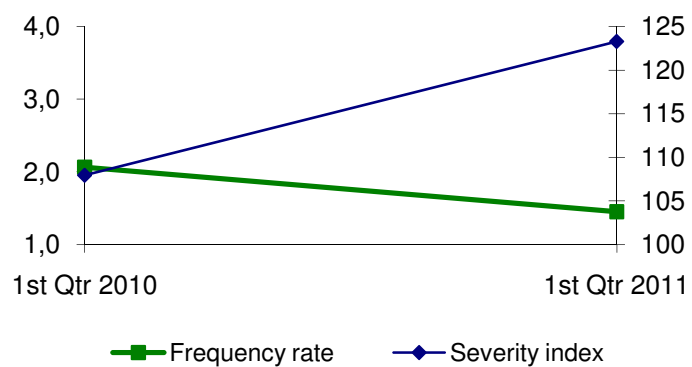
Number of employees



Volume of training (h)



EDP frequency rate and Severity index





Recognition 1st Quarter 2011





Recognition

1st Quarter 2011

Awards and other accolades for the EDP Group and its companies

Feb 7th - Prémios Reputação 2010 - EDP received awards in the first Prémios Reputação for the A tua energia (Your energy) project in the Energy, Environment and Ecology category, its Annual Report and Accounts in the Financial Communication, Mergers and Acquisitions category, the Concert at Alqueva Dam, in the Events category, edpON Corporate Television in the Corporate TV & Videos category and ON magazine in Corporate Publications. These prizes from APECOM (Associação Portuguesa das Empresas de Conselho em Comunicação e Relations Públicas) are awarded to the best work and the best corporate communication and public relations experts.

Feb 15th - EDP Renováveis in Brazil receives award for the most innovative company - Cenaeel Wind Farm in Santa Catarina has been voted the most innovative electricity company in the southern region of Brazil by Amanhã magazine. The champions of innovation are chosen in partnership with Edusys, a consultancy firm that uses the Innovation Index method.

Feb 17th - EDP Empreendedor Sustentável Sabor 2010 - EDP awarded a cash prize to eight of the 21 projects that reached the final phase of this initiative, which was designed to foster the creation of jobs and increase the business dynamic in the area of the Baixo Sabor, Bemposta and Picote dams.

The projects were devised by micro-companies responsible for creating 54 new jobs and almost 2 million euros in initial investment. The programme began in June 2010 and attracted more than 100 would-be entrepreneurs. It involved them in training, the discussion of ideas and guidance on bringing their projects to maturity. EDP set up a partnership with EEIG GLOOCAL-SPA Consultoria and the municipal councils in the areas in which the three dams are located. Nineteen local organisations were also involved.

Feb 28th - EDP is SAM Gold Class and world leader in the electricity sector in 2011 - For the fourth year running, EDP has been included in the global Sustainability Yearbook 2011, which features 15% of the companies with the best sustainability performance in each of the 58 sectors evaluated by SAM. It was given Gold Class SAM 2011 by SAM sustainability investing. It has also been declared world leader in the electricity sector in 2011.



Recognition

1st Quarter 2011

Acknowledgement of members of the company's managing bodies, companies and other employees

Jan 5th - Prémio Cidadania Júnior for employees' children - Eight

EDP employees' children were picked out for their good school and civic practices in Conciliar Programme and won cheques for between €500 and €1,500. EDP received 107 entries in three classes (9th grade, 12th grade and higher education).

Feb 7th - Prémios Reputação 2010 - The first Prémios Reputação awarded prizes to António Mexia, EDP's CEO, who was voted Communication Personality of the Year. This prize from APECOM (Associação Portuguesa das Empresas de Conselho em Comunicação e Relations Públicas) goes to the best corporate communication and public relations experts.



Highlights 1st Quarter 2011





Highlights

1st Quarter 2011

Jan.

5th - Fundação EDP and Fundação Benfica together in fighting truancy and school failure - The aim of Para Ti Se Não Faltares (For you is you don't miss school) is to combat truancy and improve the grades and attendance rates of children at risk aged 6 to 16. It fosters social inclusion, equal opportunities between the genders, the development of social and personal skills and orientation towards merit. The project will take place in Porto, Portalegre and the Tua region, focusing particularly on the areas where EDP is making new investments in hydroelectric power. Fundação EDP, the main patron, will donate €495,000 to the project by 2013 in order to benefit around 500 children.

17th - Study visits 2010 - The facilities of EDP Produção received 41,962 visitors and 2010 was the year with the largest number. Cávado-Lima was the power plant visited most, with 17,000 visitors.

20th - EDP introduces SOS Brasil - EDP in Brazil and Instituto EDP started the SOS Brasil campaign to help collect goods for the victims of the heavy rains, floods and landslides in different states in Brazil, especially in the Group's concession areas, such as São Paulo and Espírito Santo. EDP in Brazil asked its employees to help collect toiletries, cleaning products, clothing and non-perishable foodstuffs.

EDP distributes energy-saving light bulbs to residents of eight municipalities in the Leiria district - In 11 days EDP gave four energy-saving bulbs in exchange for four incandescent ones to everyone coming to the EDP light bulb swap van. This campaign was part of the ECO EDP Programme, and its target was to hand out 800,000 compact fluorescent bulbs in mainland Portugal. Throughout its life, this campaign will help save energy equivalent to that used by more than 66,000 households in a whole year and prevent CO₂ emissions, representing the annual carbon footprint of over 9,000 people. It avoids energy costs of more than 20 million euros.

EDP in Brazil rescues fish - An operation called Resgate de Peixes (Fish Rescue) took place at UHE Mascarenhas, in the municipality of Baixo Guandu, Espírito Santo at the end of January. Around 2.4 tonnes or six million fish were rescued.



Highlights

1st Quarter 2011

Feb.

1st - EDP donated 73 tonnes of goods to charity - The goods were donated to 340,000 beneficiaries. The Recolha de Bens EDP 2010 Campaign took place in December 2010 and January 2011 and also involved the Group's companies in Spain and Brazil. In Portugal, EDP employees contributed 519 hours of volunteer work and helped collect 34 tonnes of goods. They were donated to 99 charitable institutions and helped around 334,000 people. Thirty-seven tonnes of goods were collected in Brazil and two tonnes at Naturgás in Spain. The partners in this project were Urbanos, Fundação Benfica, Ativism and Mop, along with Diário Económico, Lusa and TSF as media partners.

18th - EDP begins construction of Foz Tua Dam - Work began on the Foz Tua Dam after the signing of the contract awarded to the Mota-Engil / Somague / MSF consortium. The project involves an investment of 305 million euros and will help to create 4,000 jobs, 1,000 of them directly, over the next five years. Foz Tua will begin to generate power in 2015. It will have an installed capacity of 251 MW and will generate a gross average of 585 GWh a year, net average of 275 GWh year. Five municipalities will participate in setting up Sociedade de Desenvolvimento Regional do Vale do Tua, in order to enhance the region's local resources. The Tua line has been closed down between the dam and Brunheda station and a mobility project will be undertaken with a multimodal system for which EDP will provide a maximum of 10 million euros to leverage the overall financing of the project's key activities.

18th - EDP signs agreements with the WindFloat project - EDP signed a project agreement and a turnkey contract with several partners to set up the first real-scale WindFloat equipped with a two megawatt Vestas V80 offshore wind turbine off the Portuguese coast. InovCapital, Principle Power, Vestas Wind Systems A/S, A. Silva Matos and Fundo de Apoio à Inovação are some of the partners. The system will be tested at an EDP wind farm in Aguçadoura, where it will be connected to the grid for at least 12 months.



Highlights

1st Quarter 2011

Feb.

19th - General meeting of Associação Dadores de Sangue da EDP - The general meeting of our blood donors' association, Associação de Dadores de Sangue da EDP, was held in Porto. All members were invited.

24th - EDP opens FabLab - EDP opened the first prototyping lab in Portugal, FabLab (Fabrication Laboratory). It is open to the community as a whole for quick implementation of ideas and projects. It has laser cutting machines, vinyl cutters, small and large milling cutters and 3D printers. It is based on the principle of learning by doing.

EDP distributes energy-saving light bulbs in four municipalities in the Évora district - EDP handed out energy-saving light bulbs to the residents of Arraiolos, Mora, Redondo and Viana do Alentejo in the Évora district in exchange for four incandescent bulbs taken to the EDP bulb swap van. This was part of the ECO EDP Programme.



Highlights

1st Quarter 2011

Mar.

2nd - Call for tenders for road to Alvito Dam - Under an agreement between EDP Produção and Vila Velha de Ródão Municipal Council, a call for tenders will be issued for the restoration of Municipal Road 1355 between the IP2 and Vale do Cobrão and Foz do Cobrão. It should be completed in March 2012. The agreement has been approved by the local authority and ratified by Vila Velha de Ródão Municipal Assembly.

23rd - New volunteer programme at EDP - The new programme was introduced after a survey of EDP employees on volunteer work in Portugal in December 2010,. It provides for each employee taking four hours a month to join EDP's volunteer team.

23rd - EDP in Brazil benefits hospitals with EE programme - EDP Escelsa will benefit 10 institutions and hospitals with its energy efficiency programme. It involves an investment of R\$ 1.2 million and will help save 819 MWh of electricity per year, a reduction de 272 KW, equivalent to the consumption of 340 homes. The plan provides for the replacement of 6,108 lighting points, 298 air conditioning units and 128 refrigerators.

25th - EDP in Brazil opens two substations – The state of Espírito Santo will have two new EDP Escelsa distribution substations, which will benefit more than 25,000 inhabitants. They involved an investment of more than R\$ 5 million.

EDP Renováveis obtains OHSAS 18001:2007 certification - An audit of the occupational risk management system at EDP Renováveis Europa was conducted in 2010. It resulted in renewal of its OHSAS 18001:2007 certification.



Notes 1st Quarter 2011



Notes

1st Quarter 2011

Notes:

- ✓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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