



Financial Results

9M2007

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Results Summary (€ m)	9M07	9M06	Δ 07/06
Gross Profit	3,434.0	3,072.8	11.8%
Operating Costs	1,384.9	1,370.4	1.1%
EBITDA	2,049.1	1,702.4	20.4%
EBIT	1,275.9	984.8	29.6%
Net Profit	665.2	649.7	2.4%
Net Debt	11,175.3	9,283.1	20.4%

Operating Data	9M07	9M06	Δ 07/06
Electricity:			
Installed Capacity (MW)	14,386	13,122	+1,263 MW
Generation (GWh)	36,692	33,875	8.3%
Distribution (GWh)	60,509	58,771	3.0%
Retail (GWh)	63,843	59,293	7.7%
Clients (thousand)	9,781	9,631	+150 th
Gas:			
Distribution (GWh)	16,859	16,626	1.4%
Retail (GWh)	18,916	16,650	13.6%
Clients (thousand)	778	752	+26 th
Employees (Group)	13,436	13,912	-476

Consolidated EBITDA increased 20.4% YoY, to €2,049.1m in the 9M07. This sound growth was supported on the improvement of market activities in Iberia, which highlights edp's successful hedging strategy over its market operations, and on EBITDA improvements from our regulated distribution activities in Portugal, Spain and Brazil. Consolidated net profit amounted to €665.2m in the 9M07, up 2.4% YoY. Adjusted for non recurrent impacts, net profit would have increased by 57%. The adjustments of non recurrent items in 9M07 include a €30.3m capital gain from the sale of a 5% stake in REN during the IPO and €148m of non-recurrent financial gains with an interest rate SWAP which was linked to the CMECs.

In a period of adverse market environment, edp managed to improve significantly the profitability of its liberalized generation & supply activities in the Iberian market. Generation & supply EBITDA showed 6.2% YoY to €896.8m in the 9M07, due to a successful natural hedging strategy between liberalized generation and supply activities and a 29% increase, to €58/MWh in the 9M07, of our average net supply price in Iberian markets. Note that liberalized supply sales represented 70% of EDP's generation output in the market in 9M07. This impressive performance highlights the focus of edp on the preservation of the low risk profile of its business portfolio and of the high quality of edp's commercial platform in the Iberian energy retail market.

For the 4Q07 edp has already contracted 70% of the expected liberalized output in the Iberian market at an average price above €50/MWh. edp has already contracted 35% of its expected generation output for 2008 in the market at an average price of €55/MWh, and has already locked-in gross margins per MWh at attractive levels for the electricity volume already contracted, through the fixing of fuel costs at levels below current market prices.

EDP's wind gross installed capacity increased by 121% to 2,732MW, Following the financial closing of the acquisition of Horizon in US in Jul-07, which implied its first time consolidation in 3Q07. As of Sep-07, Horizon had 941 MW of gross capacity in operation and another 615 MW under construction. The company expects to have 1,556 MW in operation by the end of 2007. During the first 3 months of consolidation, Horizon's EBITDA contribution totalled €7m, which reflects the company's large construction in progress. In Europe, EDP's wind gross installed capacity increased by 45% to 1,791 MW in Sep-07. Currently, NEO has 579 MW under construction, and the company expects to deliver its 2007 target of wind capacity on schedule or at the most during the first weeks of year 2008. EBITDA increased 33.1% YoY mostly reflecting a 50% growth in consolidated installed capacity to 1,418 MW and higher average load factors, which reflects the high quality, in terms of wind resources, of the wind farms that EDP put into operation over the last 12 months.

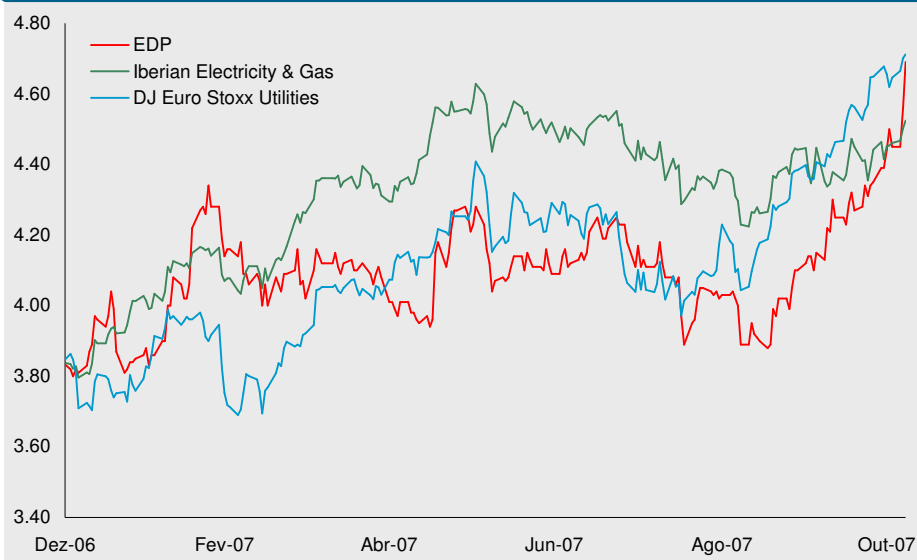
Regulated distribution activities in Portugal, Brazil and Spain benefited from tariff increases, which enable the recovery of higher electricity costs incurred in previous periods benefiting also from lower electricity procurement costs in 9M07. These factors allowed EDP to reduce the amount of regulatory receivables in the three regulated systems from €613m in Dec-06 to €593m in Sep-07.

Energias do Brasil contributed with an EBITDA of €447m, up 47% YoY due to the recovery through tariffs of higher electricity procurement costs incurred in past periods and also due to the increase of hydro generation capacity.

Operating costs at consolidated level remained under control, benefiting from the deconsolidation of ONI telecom business, and with positive prospects on improvement, following the ongoing implementation of the efficiency corporate-wide OPEX program. Consolidated capex rose 48.9% YoY to €1,341.2m, reflecting the consolidation of Horizon and a 37.0% increase in capex at our Iberian Core Business - Expansion investments represented 61%. Net debt increased 20% or by €1.9bn from Dec-06 to €11.2bn as of Sep-07, reflecting the acquisition of Horizon. Excluding the impact of the Horizon acquisition EDP's net debt would have been flat in the period. The financing of Horizon acquisition was done under favourable market conditions through the issue of long term debt USD denominated essentially at fixed rates.



YTD EDP Stock Performance on Euronext Lisbon



EDP Stock Market Performance

YTD 52W 2006

(07-11-2007)

EDP Share Price (Euronext Lisbon - €)

Close	4.69	4.69	3.84
Max	4.72	4.72	3.86
Min	3.79	3.51	2.58
Average	4.11	4.07	3.14

EDP's Liquidity in Euronext Lisbon

Turnover (€ m)	18,226.3	19,883.1	12,971.6
Average Daily Turnover (€ m)	81.7	75.9	49.9
Traded Volume (million shares)	4,435.1	4,888.4	4,128.0
Avg. Daily Volume (million shares)	19.9	18.7	15.9

EDP Market Value

Market Capitalisation (€ million)	17,149.2	-	14,041.1
Enterprise Value (€ million)	29,279.8	-	24,269.9

EDP's Main Events

Feb-16 The Portuguese Government announced the approval of a legislative package on CMEC and extension of hydro concessions

Apr-02 Sonatrach acquires a 2.035% ownership interest in EDP's share capital

Apr-04 ANEEL approves an 8.05% tariff increase at Enersul's annual tariff readjustment process

Apr-11 EDP and Sonatrach sign a potential partnership on gas procurement and CCGTs

May-04 EDP pays a €0.11 gross dividend per share (financial year 2006)

Jun-15 Early termination of Power Purchase Agreements (PPA)

Jul-02 Financial settlement of the acquisition of Horizon Wind Energy

Jul-03 Fitch downgrades EDP's senior unsecured debt to 'A' on Horizon acquisition

Jul-10 Horizon agrees on indicative terms of transaction with institutional equity investors (USD 700m)

Jul-18 S&P downgrades EDP's credit rating to 'A-' maintaining negative outlook

Aug-07 ANEEL approves the 2007 tariff reset for Escelsa

Aug-31 ANEEL reduces Enersul regulatory asset base

Aug-31 EDP presents Baixo Sabor hydro plant project

Out-11 Council of Ministers approves the reprivatisation of up to 5% of EDP through the issuance of exchangeable bonds

Out-17 Energias do Brasil contracts a PPA to build a coal plant in Brazil

Out-19 Moody's confirms EDP's LT credit rating to 'A2' assigning negative outlook

Out-24 ANEEL approves the 2007 tariff reset for Bandeirante

Out-26 EDP issues USD 2bn bonds maturing in 2012 and 2018

Out-31 EDP establishes strategic partnership with Sonatrach

Consolidated Financial Statements



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

Consolidated Income Statement (€ m)	9M07	9M06	Δ 07/06
Electricity Sales	7,430.0	6,787.3	9.5%
Other Sales	1,083.9	741.7	46.1%
Services Provided	106.9	224.6	-52.4%
Operating Revenues	8,620.8	7,753.6	11.2%
Electricity & Gas	3,614.7	3,365.1	7.4%
Fuel	726.4	750.6	-3.2%
Materials and goods for resale	845.7	565.0	49.7%
Direct Activity Costs	5,186.8	4,680.8	10.8%
Gross Profit	3,434.0	3,072.8	11.8%
Gross Profit/Revenues	39.8%	39.6%	0.2 pp
Supplies and services	499.6	546.2	-8.5%
Personnel costs	437.9	459.3	-4.7%
Costs with social benefits	90.9	55.2	64.9%
Concession fees	171.1	160.9	6.4%
Other operating costs (or revenues)	185.4	148.9	24.5%
Operating costs	1,384.9	1,370.4	1.1%
EBITDA	2,049.1	1,702.4	20.4%
EBITDA/Revenues	23.8%	22.0%	1.8 pp
Provisions for risks and contingencies	44.3	26.4	67.5%
Depreciation and amortisation	807.0	767.5	5.1%
Comp.of subsidised assets' depreciation	(78.1)	(76.3)	-2.4%
EBIT	1,275.9	984.8	29.6%
EBIT/Revenues	14.8%	12.7%	2.1 pp
Capital gains/(losses)	20.4	37.6	-45.8%
Financial income/(expense)	(297.6)	(178.0)	-67.2%
Income/(losses) from group and associated companies	16.8	155.2	-89.2%
Pre-tax profit	1,015.5	999.5	1.6%
Income taxes	257.6	293.1	-12.1%
Discontinued Activities	-	-	-
Minority interests	92.7	56.7	63.4%
Net Profit	665.2	649.7	2.4%

Assets (€ m)	9M07	2006
Property, plant and equipment, net	17,430	15,082
Intangible assets, net	5,012	3,722
Financial Investments, net	1,198	1,024
Deferred Tax asset	822	898
Other non-current assets	487	418
Inventories	206	229
Trade receivables	1,447	1,475
Other current assets	2,344	1,751
Financial assets held for trading	74	116
Cash and cash equivalents	607	753
Total assets	29,628	25,469

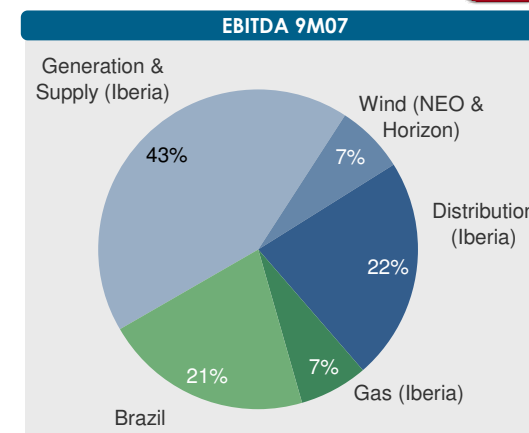
Equity (€ m)	9M07	2006
Share capital	3,657	3,657
Treasury stock and share premium	422	487
Reserves and retained earnings	1,285	504
Consolidated net profit attributable to equity holders of the parent	665	941
Minority interest	955	946
Total equity	6,984	6,535

Liabilities (€ m)	9M07	2006
Medium/ Long-term debt & borrowings	10,418	8,625
Short-term debt & borrowings	1,438	1,528
Provisions	428	388
Hydrological correction account	226	199
Deferred Tax liability	627	557
Other non-current liabilities	5,088	4,198
Other current liabilities	4,417	3,439
Total liabilities	22,644	18,934
Total equity and liabilities	29,628	25,469

EBITDA Overview: Consolidated EBITDA up 20%



EBITDA (€ m)	9M07	9M06	% Δ	Abs. Δ	1Q06	2Q06	3Q06	4Q06	1Q07	2Q07	3Q07
IBERIAN MARKET *	1,587.2	1,398.8	13.5%	188.4	468.5	436.0	494.3	472.7	545.1	482.3	559.8
Generation & Supply	896.8	844.3	6.2%	52.5	253.0	292.2	299.1	226.5	302.5	283.3	311.0
Wind (Europe & US)	147.0	105.1	39.8%	41.9	39.4	31.2	34.5	41.7	55.1	37.5	54.4
Distribution	474.4	410.4	15.6%	64.0	163.2	100.9	146.4	161.4	173.8	136.2	164.4
Gas	143.8	105.8	35.9%	37.9	23.7	45.9	36.2	38.9	52.5	46.9	44.4
Brazil	447.1	303.6	47.3%	143.5	106.1	56.0	141.6	130.3	159.2	163.9	124.1
Other & Adjustments	(59.9)	(66.8)	10.3%	6.9	(10.8)	(34.1)	(21.9)	4.1	(38.2)	(20.0)	(1.7)
Consolidated	2,049.1	1,702.4	20.4%	346.7	574.6	492.0	635.9	603.1	704.8	647.7	696.5



Iberian market generation and supply - Integrated generation and supply EBITDA increased 6.2% YoY to €896.8m in the 9M07. EBITDA from our liberalized generation and supply activity rose 30.1% YoY to €286.4m in the 9M07, reflecting the success of the generation & supply hedging strategy. On the costs side, electricity sourcing costs fell by 5% YoY due to a significant decrease in both volumes and purchase prices in the spot market, and to a 3% decline of the average variable generation costs, which was supported on lower gas prices and on a favorable change in the generation mix. Regarding electricity sales, EDP managed to increase its average net selling price in supply by 29% YoY to €58/MWh. Contracted generation activity (PPA/CMEC) posted a 2.2% decline at EBITDA level to €610.4m in the 9M07, reflecting a 1.3% YoY decrease in gross profit from PPAs/CMECs due to higher fuel-oil procurement costs than the ones accepted under the PPA rules (-€13m) and a slowdown of inflation in Portugal in the period.

Wind Europe & USA – EBITDA from EDP wind farms activity in Europe increased 33.1% YoY reflecting a 50% growth in consolidated installed capacity to 1,418 MW, higher average load factors (26% in the 9M07 vs. 25% in the 9M06), partly offset by a decrease of average wind tariffs (down 12.5% to €82/MWh in the 9M07). Horizon, edp's subsidiary for wind farms in the US, started being fully consolidated in the 3Q07. Horizon's contribution at the level of EBITDA was €7m, which results from the company's large construction in progress.

Regulated electricity distribution in Iberian markets – EBITDA from regulated electricity distribution in Portugal increased 7.1% YoY to €400.7m in the 9M07. Gross profit increased 10.0% on the back of a 3.0% growth in electricity distributed but also due to the fact that, following the start of the MIBEL, electricity purchases were made at lower prices in July and August while electricity tariffs to final clients only decreased by Sept-07 (average decrease of 3% vs. Jan-07 tariffs). This translated into a €25.1m tariff deviation to be returned to the tariffs in 2009. Operating costs increased 12.1% in the period due to an increase in O&M and back-office costs, higher pension premiums and to the accounting of a €9.8m non-recurring cost with the on-going HR Restructuring program. EBITDA from our regulated distribution activity in Spain increased €37.7m YoY to €73.9m in the 9M07, reflecting the end of the application of RD 03/2006, fixing the intra-group electricity procurement price at €42.35/MWh (provisional), the application of RD 871/2007, of June 30, which set the provisional price referred to in RD 03/2006 at €49.23/MWh, and the 25.5% increase of distribution regulated revenues in 2007.

Gas regulated and liberalized activities – Gas Distribution and Transmission Regulated activities showed a 5.5% increase of EBITDA to €108.9m in the 9M07, reflecting a 5.6% increase in the number of supply points and the 5.7% growth in the extension of our gas networks. In the liberalized gas procurement and supply business EBITDA improved from €2.1m in the 9M06 (including a €15m negative impact from non recurrent gas purchases in the spot market) to €34.8m in the 9M07, reflecting the increase both in terms of volumes and gross margin per MWh.

Brazil – Energias do Brasil EBITDA contribution increased by 47.3% YoY to €447.1m in the 9M07, benefiting from a 1% appreciation of the Brazilian Real against the Euro between Sep-06 and Sep-07, and from the distribution and generation activities. EBITDA at electricity distribution increased 39.3% YoY to €326.7m in the 9M07, mostly due to demand growth and to the recovery through tariffs of regulatory receivables accumulated in the past. EBITDA of generation activity increased by 79.8% YoY to €118.2m in the 9M07 reflecting the growth of installed capacity to 1,043 MW in Sep-07.

Consolidated EBITDA – Overall, EDP reported a consolidated EBITDA of €2,049.1m in the 9M07, up 20.4% YoY. Excluding impacts from acquisitions (AE in Dec-06 and Horizon in Jul-07) and disposals (Oni in Jan-07) pro-forma EBITDA increased 19,8%.

* Including "Other & Adjustments" in the Iberian Market and Excluding Horizon (USA) and Neo's business activity in France

Capital Expenditures



CAPEX (€m)	9M07	9M06	Δ 07/06
Existing Plants	49.4	15.4	220.3%
New Plants	101.5	38.8	161.8%
Environmental	44.0	12.1	262.3%
Supply	0.2	0.1	120.2%
Portugal	195.1	66.4	193.7%
Existing Plants	14.9	14.1	5.5%
New Plants	122.0	109.0	11.9%
Environmental	41.8	41.3	1.2%
Supply	1.6	0.1	1327.3%
Spain	180.2	164.5	9.6%
Iberian Generation & Supply	375.4	231.0	62.5%
Europe - Neo	338.8	196.2	72.7%
USA - Horizon	256.2	-	-
Wind	595.0	196.2	203.3%
Distribution grid & Other	239.3	278.2	-14.0%
(-) Investment subsidies	82.6	99.5	-17.0%
Portugal	156.7	178.7	-12.3%
Distribution grid	30.7	28.2	9.0%
(-) Investment subsidies	23.3	5.7	312.6%
Spain	7.4	22.5	-67.3%
Iberian Distribution	164.1	201.2	-18.4%
Distribution network	7.2	10.8	-33.4%
Other	6.1	3.1	100.2%
Portugal	13.3	13.9	-3.9%
Distribution network	20.7	14.8	40.1%
Other	7.5	3.9	91.3%
Spain	28.1	18.7	50.8%
Iberian Gas	41.4	32.5	27.5%
Core Business	1,175.9	660.8	78.0%
Generation	11.8	81.7	-85.6%
Distribution	137.6	136.6	0.7%
Supply & Other	0.0	0.2	-77.5%
Brazil	149.4	218.5	-31.6%
Other	15.8	21.2	-25.5%
EDP Group	1,341.2	900.6	48.9%
Expansion Capex	818.5	416.8	96.4%
Maintenance Capex	522.6	483.8	8.0%

• **Consolidated Capex** amounted to €1,341.2m in the 9M07, up 48.9% YoY, reflecting the first time consolidation of Horizon, our US wind subsidiary (+€256m), and a 37.0% increase in capex at our Iberian Core Business, up to €906m in the 9M07. About 60% of edp group's 9M07 capex was invested in the expansion of installed capacity, namely in new wind farms and in new CCGTs in Spain and Portugal (Castejón 3, Soto 4 and Lares 1). These investments will enable the medium term growth of our business. It is also worth mentioning that close to 75% of EDP capex was related to regulated businesses, which present a low risk of return on investments, such as renewable energies, Iberian electricity and gas distribution and generation under PPA/CMEC.

• **Iberian Generation and Supply** – Capex at our generation business in Portugal in the 9M07 is related to: a) the beginning of construction works at Lares I CCGT (400 MW) – expected to start operations by the end of 2009; and b) the repowering of hydro plants Bemposta II (231 MW) and Picote II (178 MW) – expected to start operations in 2011. In Spain, edp continued the construction of the Castejón 3 CCGT (400 MW) – expected to start operations by Dec-07 - and Soto 4 CCGT (400 MW) – expected to start operations in the 3Q08. 2007 investment at Lares I, Picote II and Bemposta II are expected to amount to some €115m and 2007 investment at Castejón 3 and Soto 4 CCGTs should total some €165m. In addition, edp invested €85.8m to reduce the SO₂ and NO_x emissions at coal fired power plants, in order to comply with EU large combustion plants directive by Dec-07.

• **Wind Europe & US** – Capex at Horizon, edp's US subsidiary for wind energy, amounted to USD345m (€256m) in the 3Q07. Currently, Horizon has 615 MW of gross capacity under construction which are expected to enter into operation until the end of 2007. In the 9M07, NEO's capex in wind capacity amounted to €338.8m, up 72.7% YoY. It is worth mentioning that capex in wind capacity tends to be concentrated in the 3Q and 4Q of the year. NEO is forecasting total capex in wind capacity of about €600m for year 2007. Currently, NEO has 579 MW of gross capacity under construction, and the company expects to deliver its 2007 target of wind capacity on schedule. As of Sep-07, works in progress at NEO and Horizon amounted to €647m and €1,128m, respectively.

• **Iberian Distribution** - In the 9M07, capex at our Iberian distribution business amounted to €164.1m, mostly targeting the improvement of quality of service at our distribution networks. In Portugal, following the significant investments made in recent years at the distribution grid to improve service quality and favorable weather conditions, Equivalent Interruption Time (EIT) stood at 82 min in the 9M07, which compares with 119 min. in the 9M06 (or 98 min. when adjusted for non-recurring impacts). In Spain (Asturias), EIT decreased from 82 min. in the 9M06 to 56 min. in the 9M07.

• **Iberian Gas** - In the 9M07, capex amounted to €41.4m, up 27.5% YoY, out of which 67% was spent in the expansion of the gas distribution network (+385 Km, out of which +211 Km in Spain). The balance is related to the transmission network in Spain, marketing campaigns, new customers meter readings and revamping of facilities from LPG to NG.

• **Brazil – Energias do Brasil** capex in euro terms decreased 31.6% YoY, mostly due to the conclusion of the construction works at Peixe Angical hydro Plant, which last unit started industrial service in the 3Q06. In the 2Q07, Energias do Brasil increased its installed capacity by another 25 MW with the start of operations, in April 2007, of São João Hydro Plant (total investment amounted to R\$90m). The construction of Santa Fé hydro plant is expected to bring another 29 MW of installed capacity by 2009, when it is expected to start operations. Capex at distribution activity, which accounted for 92% of Energias do Brasil total capex, relates to the extension and improvement the distribution network in the concession areas of Bandeirante, Escelsa and Enersul.



Consolidated Cash Flow (€ m)	9M07	9M06
Net profit before minorities	757.9	706.5
Net depreciation and amortization	728.9	691.2
Net provisions	126.8	11.0
Non cash financial results	(9.7)	(13.4)
Deferred taxes	120.9	13.7
Other adjustments	(79.5)	(160.1)
FFO (Funds From Operations)	1,645.4	1,249.0
Net financial interest	374.9	348.9
Net Income from Associates and other Investments	(16.8)	(155.2)
Change in operating working capital	(38.8)	143.1
Hydro correction	21.6	(62.6)
Portugal & Spain Tariff Deficit	(85.9)	(153.7)
Horizon Equity Partners	395.0	-
Operating Cash Flow	1,964.6	1,585.8
Expansion Capex	(818.5)	(416.8)
Maintenance Capex	(522.6)	(483.8)
Change in working capital related to property and equipment suppliers	67.2	-
Net Operating Cash Flow	690.6	685.2
Net financial investments	(1,873.7)	529.5
Net financial interest paid	(399.8)	(348.9)
Dividends received from Associates and other Investments	35.6	-
Dividends paid	(401.4)	(365.6)
Other non-operating changes	56.4	(175.6)
Decrease/(Increase) in Net Debt	(1,892)	324.6

Net Financial Investments (€ m)	9M07	9M06
FINANCIAL INVESTMENTS	2,190.0	62.8
Renewables	-	4.1
BCP (0.6%)	85.6	-
Naturgas (9.39%)	122.0	-
Gas distribution minorities stakes	45.0	58.7
Horizon (100%)	1,937.5	-
FINANCIAL DIVESTMENTS	316.3	591.8
ONI (100%)	89.0	-
REN (10%)	126.0	-
Desa (20%)	97.1	-
Galp	-	576.4
Others	4.2	15.4
Net Financial Investments	1,873.7	(529.0)

EDP's consolidated operating cash flow increased by 24% YoY €1,964.6m supported essentially on the 32% growth of FFO. The strong growth of FFO is justified by a strong improvement of cash flow generated in liberalized generation and supply activities in Iberia. Regulated distribution activities in Portugal, Brazil and Spain benefited from tariff increases, which enable the recovery of higher electricity costs incurred in previous periods benefiting also from lower electricity procurement costs in 9M07. These factors allowed EDP to reduce the amount of regulatory receivables in the three regulated systems from €613m in Dec-06 to €593m in Sep-07.

At the level of changes in working capital we highlight the positive impact from receipt of revenues from Horizon equity partners amount to €395m, the positive impact from the hydro correction account in Portugal due higher hydro production levels, and lower level of tariff deficits in Portugal and Spain.

Financial investments of €1,937.5m are mainly related to the acquisition of Horizon.

As a result, net debt increased by €1,892m or 20% higher than in Dec-06.

Financial Debt and Provisions for Social Benefits



Nominal Financial Debt by Company (€ m)	9M07	YE2006	EDP %
EDP S.A. and EDP Finance BV	9,617.5	8,044.2	100%
EDP Produção	20.6	23.6	100%
HC Energia	406.5	213.3	97%
NEO Energia	591.0	579.3	99%
Portgás	105.6	113.0	72%
Energias do Brasil	1,028.3	1,018.7	62%
Other	0.0	21.3	-

Nominal Financial Debt	11,769.5	10,013.3
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Accrued Interests on Debt	142.9	134.7
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Nominal Financial Debt + Accrued Interests	11,912.4	10,147.9
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Fair Value on Hedged Debt	(55.7)	5.1
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Total Financial Debt	11,856.7	10,153.1
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Cash and cash equivalents	681.4	869.9
EDP S.A., EDP Finance BV and Others	174.7	441.6
HC Energia and Subsidiaries	30.6	19.5
NEO Energia	178.1	181.5
Portgás	0.0	0.0
Energias do Brasil	298.0	227.4

EDP Consolidated Net Debt	11,175.3	9,283.1
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Regulatory Receivables (€ m)	9M07	YE2006	Δ 07/06
Portugal ⁽¹⁾	244.7	212.3	15.2%
Spain	203.1	154.0	31.9%
Brazil ⁽¹⁾	145.0	246.5	-41.2%

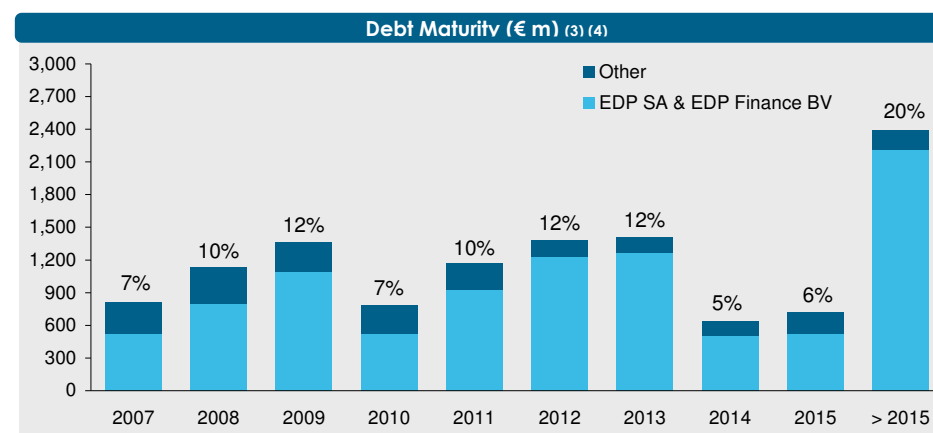
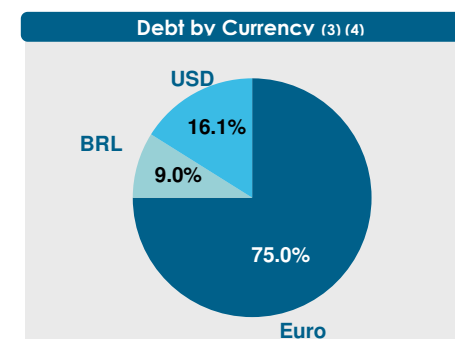
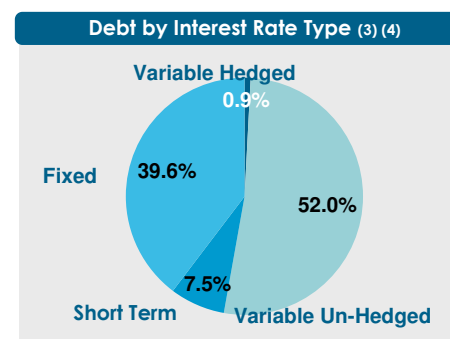
Regulatory Receivables	592.8	612.8	-3.3%
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Provisions for Social Benefits (€ m)	9M07	2006	Δ 07/06
Pensions ⁽²⁾	862.2	1,010.3	-14.7%
Medical Care	781.8	760.7	2.8%

Total	1,644.1	1,771.0	-7.2%
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Debt Ratios	S&P	Moody's	Fitch
EDP SA & EDP Finance BV	A-/Neg/A2	A2/Neg/P1	A-/Stab/F2
Last Rating Analysis	18-07-2007	19-10-2007	03-07-2007

Debt Ratios	9M07	YE2006
Net Debt / EBITDA	4.2x	4.0x



The acquisition of Horizon in July was funded through a dual tranche credit facilities Agreement totalling USD 3,000m: USD1,500m tranche with a 1 year maturity (plus 1 year extension option) and USD 1,500m tranche with a 7 year maturity. Outstandings under this credit facility were already partially refinanced with the proceeds of the USD 2,000m bond issue launched in October. This debut 144a reg S bond issue in the US was composed of two tranches: US\$1,000m maturing 2012, with a coupon of 5.375% and US\$1,000m, maturing in 2018 with a coupon of 6.000%.

Following this refinancing transaction, 40% of our debt carries a fixed rate and our available committed liquidity facilities amount to €2,700m. Nevertheless, we maintain €2.7bn of available committed liquidity facilities at Oct-07.

During this quarter, and reflecting the impact of the Horizon acquisition our credit ratings have been revised downwards by Fitch and S&P to A- and A- (negative outlook) respectively, while Moodys' have maintained our rating at A2 but change the outlook to negative.

Our net debt/EBITDA showed a small increase of 0.2x, with net debt increase being partially compensated by a sound growth of EBITDA.

⁽¹⁾ Tariff deficits and tariff deviations to be recovered in the following years through tariffs

⁽²⁾ Pension include the Provision for the HR Restructuring Program costs of EDP Distribuição, which are being recovered through the tariffs

⁽³⁾ Nominal Value

⁽⁴⁾ Debt adjusted by issued 144 A/ Reg S Notes in the total amount of US\$ 2bn in Oct-07

Financial Income/(Expense) & Minority Interests



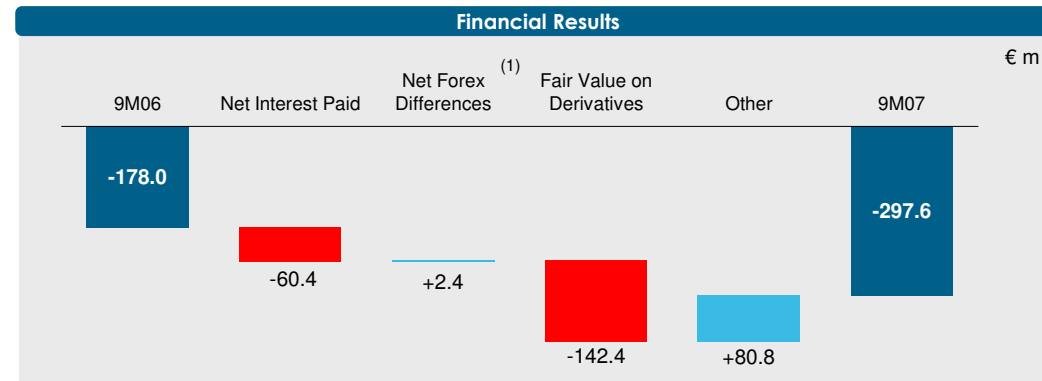
Financial Results (€ m)	9M07	9M06	Δ 07/06
Investment income	35.6	3.5	911.8%
Financial Investments Gains/(Losses)	35.6	3.5	911.8%
Net financial interest paid	(372.2)	(311.8)	-19.4%
Net foreign exchange differences	16.0	16.1	-0.6%
Other Financials	23.1	114.2	-79.8%
Financing Gains/(Losses)	(333.2)	(181.5)	-83.5%
Financial results	(297.6)	(178.0)	-67.2%

Income from Equity Method (€ m)	9M07	9M06	Δ 07/06
REN (30% as of June-06)	-	166.9	-
Electra (30.6% as of Jun-06)	-	(42.6)	-
Edinfor (40%)	(6.4)	(0.9)	-577.6%
Setgás (19.8%)	1.3	0.8	59.8%
CEM (22%)	6.3	10.7	-40.9%
Turbogás (40%)	10.2	9.7	5.7%
DECA II (EEGSA (21%))	3.0	6.8	-55.6%
HC's subsidiaries	0.3	1.1	-73.2%
NEO's subsidiaries	1.1	2.3	-53.9%
Other	1.0	0.4	136.7%
Income from group & associated companies	16.8	155.2	-89.2%

Minority Interests (€ m)	9M07	9M06	Δ 07/06
NEO Energia	3.0	3.8	-21.8%
HC Energia	-	4.2	-
Naturgás	7.3	20.5	-64.3%
Portgás	3.4	2.6	29.3%
Energias do Brasil	77.0	23.8	223.8%
Other	2.0	1.9	7.9%
EDP Group	92.7	56.7	63.4%

• Financial results at edp group reflect:

a) a €32.1m increase in **investment income** due to: i) the distribution of dividends received from REN which amounted to €29.1m in the 9M07; and ii) the distribution of dividends received from CERJ which amounted to €1.6m in the 9M07;



b) a 19.4% increase in **net financial interests paid** on the back of an 0.8p.p. increase in edp group's average cost of debt (4.9% in the 9M07 vs. 4.1% in the 9M06), following the increase of interest rates in the period;

c) a sharp decrease of **other financials**. The 9M06 includes two significant items of financial revenues: i) following the increase in interest rates, the €118m negative impact of the mark-to-market recorded at YE05 related to the fair value of the derivative contracted to hedge the effect of interest rate changes on the NPV calculation of value of the CMEC was fully reverted; ii) a €30m gain was accounted for from the early termination of the previously mentioned derivative. The total positive impact accounted in the 9M06 from the CMEC derivative amounts to €148m. In addition, 9M07 financial results include an €10.4m gain (vs. a €3.5m loss in the 9M06), related to the hedging operations in energy markets associated to the liberalised generation and supply activity.

• **Income from group and associated companies** amounted to €16.8m in the 9M07, down from €155.2m in the 9M06. In the 9M06, income from group and associated companies include: i) the equity contribution of 30% of REN, which reflects both the recovery in the 9M06 of previous year's tariff differences and the capital gain on the disposal of its 18.3% stake in Galp; and ii) a €44.2m provision related to guarantees that edp gave for Electra's financing, in which edp assumed 60% of the total amount of the responsibility.

• Regarding edp's current stake in REN, please note that following the agreements made for the disposal of a 20% stake in REN (4 blocks of 5% each) and the sale of another 5% in July, during the IPO, our stake in the company is no longer consolidated through the Equity Method. The deal on the sale of the 20% stake was concluded in Oct-07 and the respective capital gain will be accounted in 4Q07.

⁽¹⁾ Net Forex Differences in chart were adjusted for hedge instruments accounted in "Other Financials"



Business Areas



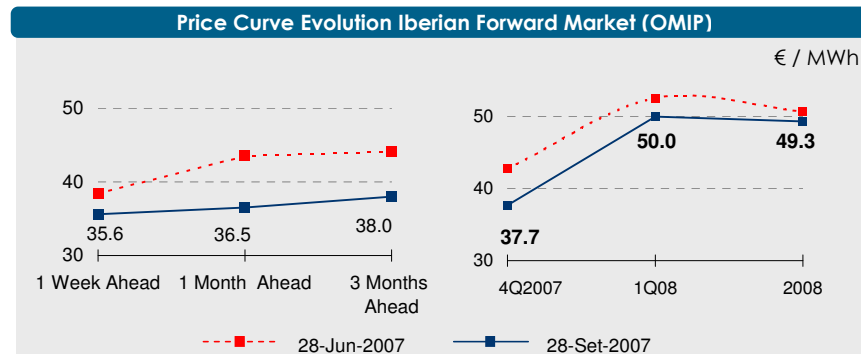
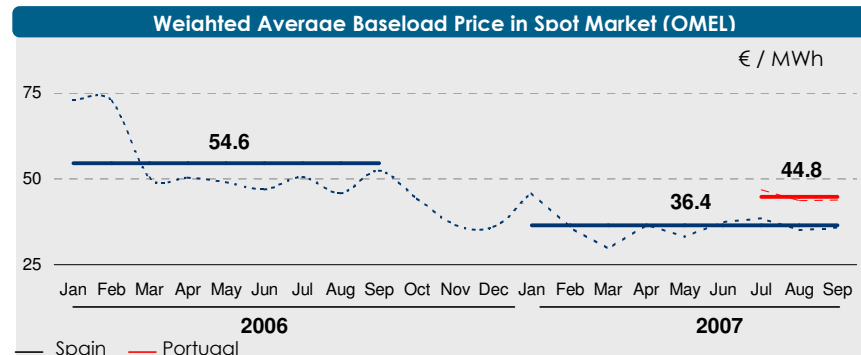
Energy Balance (GWh)	Portugal			Spain		
	9M07	9M06	Δ 07/06	9M07	9M06	Δ 07/06
Hydro	7,956	5,562	43.0%	21,698	15,776	37.5%
Nuclear	-	-	-	40,505	44,330	-8.6%
Coal	8,456	10,742	-21.3%	53,847	51,644	4.3%
CCGT	7,620	8,414	-9.4%	46,649	49,852	-6.4%
Fuel/Gas/Diesel	661	1,603	-58.8%	1,870	4,967	-62.4%
Own consumption	-	-	-	(6,246)	(6,575)	5.0%
(-)Pumping	(362)	(489)	25.9%	(3,236)	(3,873)	16.4%
Conventional Regime	24,331	25,833	-5.8%	155,088	156,122	-0.7%
Wind	2,931	1,803	62.6%	17,552	14,654	19.8%
Other	4,719	4,159	13.5%	23,654	22,011	7.5%
Special Regime	7,650	5,962	28.3%	41,206	36,665	12.4%
Import / (Export) net	5,060	4,872	3.9%	(2,823)	(2,557)	-10.4%
Gross demand (before grid losses)	37,041	36,667	1.0%	193,471	190,229	1.7%
Adjusted to temperature and working days			2.4%			3.8%
Regulated System	32,776	29,477	11.2%	141,308	141,510	-0.1%
Liberalized Market	4,407	6,710	-34.3%	51,883	48,676	6.6%

In 9M07, electricity demand in Iberia increased by 1.6% YoY, a modest performance due to the mild weather recorded in both countries. In fact, adjusted to working days and temperature, gross demand was up by 2.4% in Portugal and 3.8% in Spain. On the supply side, hydro production grew by 39%, due to higher rain levels than last year, which are still below its historical figures. Wind output increased by 24% due to both an increase installed capacity (+16% YoY) and average load factor. This coupled with a weak demand resulted in a 6% decrease in the conventional thermal output. In fact, CCGT output was down by 7% despite the 15% increase in installed capacity. The higher use of low marginal costs technologies, together with the decline CO2 prices led to a 33% YoY decline of the weighted average price in the daily spot market in the period in Spain. Even though the single Iberian market, Mibel, started at the 1st of July, the two countries showed different prices due to interconnection capacity restrictions. In fact, along the 3Q07 there was congestion within 80% of the hours, due to maintenance works in the interconnection grid by REE, and low availability levels of coal plants in Portugal due to programmed outages.

Over the 3Q07, price in the Iberian electricity forward market (OMIP) for the 4Q07 showed a downward trend closing at the end of September at levels in the €37-€38/MWh range. For 2008, forward electricity prices remained steady in the €49-€50/MW range, supported by CO2 emission rights prices for 2008-2012 in the €22-€23/ton range, and by the recent increase of oil and coal prices. In September, the second regulated supply auction took place setting a price of 38,5€/MWh for a 6,500MW of volume traded for the 4Q07. This price is broadly in line with the second VPP auction of Endesa/Iberdrola whose price stood at 39,1€/MWh.

Volumes of electricity sold to retail in the market fell by 34% YoY in Portugal, as at Jan-07 tariffs were updated at 6.2%, despite the initial proposal from the regulator of 12.4%, and then at Sep-07 there was an downward revision of 3.0%, decreasing the attractiveness of the liberalized market. On the other hand, volumes sold in the Spanish liberalized supply market increased by 7% YoY following the rise of electricity retail tariffs in Spain announced in Jan-07 and Jul-07 and the decline of forward wholesale prices over the 9M07, increasing the competitiveness of the liberalized market vs. the regulated system.

Installed Capacity Iberian Market (MW)	Iberian Peninsula		
	9M07	9M06	Δ 07/06
Hydro	18,119	18,119	-
Nuclear	7,439	7,439	0%
Coal	12,261	12,332	-0.6%
CCGT	18,249	15,893	14.8%
Fuel/Gas/Diesel	6,527	6,579	-0.8%
Wind	14,525	12,491	16.3%
Other Special Regime	11,884	11,479	3.5%
Total	89,004	84,332	5.5%



Main Drivers of Generation Costs	9M07	9M06	Δ 07/06
Hydro Coefficient (1.0 = average year)			
Portugal	0.90	0.65	38.5%
Spain	0.72	0.56	28.6%
CO ₂ Rights 2007 €/t ¹	0.1	13.2	-99.5%
CO ₂ Rights 2008 €/t ¹	21.7	18.7	16.0%
Coal (API2 CIF ARA) USD/t ¹	95.7	65.6	45.9%
Gas (CMP) €/MWh	20.3	20.2	0.2%
Brent (USD/bbl) ¹	76.9	61.7	24.6%
Eur/USD ¹	1.42	1.27	11.8%

¹ End of Period

Contracted Generation in the Iberian Market: PPAs/CMECs and Special Regime



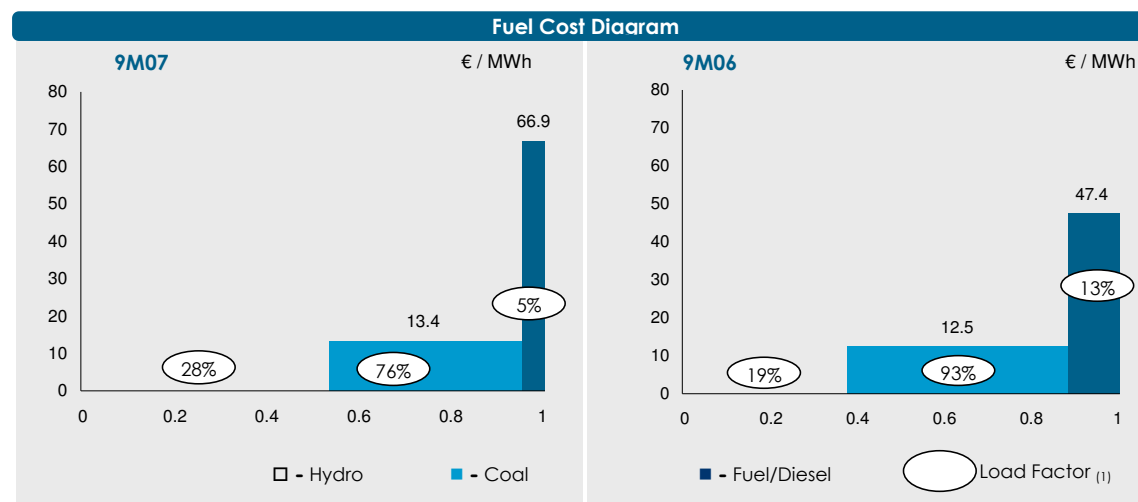
Gross Profit (€ m)	9M07	9M06	Δ 07/06
PPA Revenues (1H07 and 9M06)	579.9	957.1	
Capacity Charge	466.9	697.1	
Energy Charge	113.0	260.0	
PPA/CMEC Revenues (3Q07)	306.2		
Revenues in the market	202.2		
Annual Deviation - Market vs. CMEC Assumptions	48.9		
PPAs/CMECs Accrued Income	35.6		
Base CMEC Fee	19.5		
PPA/CMEC Direct Costs	191.2	252.8	-24.4%
Coal	132.5	135.4	-2.1%
Fuel Oil	50.9	110.0	-53.7%
Other Costs (Net)	7.8	7.4	5.0%
Gross Profit PPAs/CMECs	694.9	704.3	-1.3%
Cogeneration, Waste & Biomass	37.5	23.7	57.8%
Mini-Hydro	9.2	8.5	8.8%
Gross Profit Special Regime	46.7	32.2	44.9%
Gross Profit Other	7.6	23.2	-67.3%
Operating Costs	138.8	135.7	2.3%
EBITDA	610.4	624.1	-2.2%
Depreciation & Provisions	195.4	143.7	36.0%
EBIT	415.0	480.4	-13.6%
Real/Contracted Availability Factor (Km)	9M07	9M06	Δ 07/06
Hydro Plants	1.04	1.04	-0.6%
Thermal Plants	1.07	1.06	0.4%
Electricity Generation Output (GWh)	9M07	9M06	Δ 07/06
Hydro Plants	7,545	5,231	44.2%
Thermal Plants	6,636	8,885	-25.3%
Sines	5,975	7,282	-17.9%
Setúbal	478	1,235	-61.3%
Carregado	96	243	-60.6%
Barreiro	87	125	-30.3%
Tunes	0	0	-67.6%
Total PPAs	14,181	14,116	0.5%
Cogeneration Portugal	561	537	4.5%
Cogeneration + Waste Spain	390	381	2.3%
Mini-Hydro Portugal	119	107	10.4%
Biomass Portugal	21	21	-2.9%
Total Special Regime	1,090	1,046	4.2%
Special Regime Tariffs (€/MWh)	9M07	9M06	Δ 07/06
Cogeneration Portugal	85	84	0.8%
Mini-Hydro Portugal	85	84	0.6%
Biomass Portugal	114	111	2.3%

At June 15th, EDP and REN (which until June 30th was the single buyer of Portuguese electricity regulated system) agreed on the early termination of the long term PPAs between the two entities for the electricity produced in 26 hydro plants and 5 thermal plants owned by EDP in Portugal. These PPAs were replaced by the CMECs financial system to conciliate: (1) the preservation of the NPV of these PPAs and a stable contracted gross profit over the next 10 years with an implicit 8.5% ROA real pre tax and (2) the increase in liquidity of the Iberian electricity wholesale market. In terms of EDP's P&L, the total gross profit under the previous PPAs and the total gross profit resulting from the new CMECs financial system will keep the same profile over the next 10 years.

Regarding gross profit break down there are now 4 components: **1) Revenues in the market:** Results from the sale of electricity in the Iberian wholesale market, including ancillary services and in the future capacity payments; **2) Annual deviation - market vs. CMECs calculation assumptions:** Difference between CMECs main assumptions (outputs, market prices and fuel costs) and the market real data. These deviations will be paid/received by EDP through regulated tariffs one year after they take place. **3) PPAs/CMECs Accrued Income:** Reflects the annual differences in terms of cash flow profile between PPAs and CMECs, assumed at the beginning of the system. The sum of these differences will be zero at the end the 20,5 years lifetime of the CMEC system, guaranteeing the full preservation of the net present value of PPAs. **4) CMEC Base Fee:** Fixed monthly fee of €6,5m to be received by EDP through regulated tariffs over the 20,5 years lifetime of the CMECs system, if not securitized before. In Jun-07 the present value of this monthly fees amounted to €833m.

In 9M07, gross profit from PPAs/CMECs showed a slight 1.3% decline YoY as a result of: (1) a €13m negative impact associated to a non-recurrent negative impact of higher fueloil procurement costs than the ones accepted and so not passed through and (2) a slowdown of inflation in Portugal in the period. The availability factor of our PPA plants continued clearly above levels contracted.

The decline of the average load factor of our Sines coal plant is explained by a major programmed stoppage for maintenance works and desulphurization investment, which last all 2Q07. This plant will have similar maintenance works over 2008, to conclude the desulphurization investment. These investments should amount to approximately €227m and will be remunerated at an 8.5% ROA and fully depreciated over the PPAs/CMECs lifetime.



⁽¹⁾ Load Factor: number of equivalent hours to the output of a power plant relative to the total number of hours in the period

Liberalised Electricity Generation and Supply in the Iberian Market



Financial Highlights (€ m)	9M07	9M06	Δ 07/06
Gross Profit - Liberalized Generation and Supply	461.4	368.1	25.3%
Generation in the market	399.3	450.6	-11.4%
Portugal	92.2	112.7	-18.2%
Spain	307.1	337.8	-9.1%
Supply	62.2	(82.4)	-
Portugal	12.8	(39.0)	-
Spain	49.3	(43.5)	-
Operating costs	175.1	148.0	18.3%
EBITDA	286.4	220.2	30.1%
Depreciation and amortization	95.0	91.9	3.3%
EBIT	191.4	128.2	49.3%
At Financial Results Level:			
Hedging Gains (Losses) in Energy Markets	10.4	-3.49	-

Market Performance	9M07	9M06	Δ 07/06	9M07	9M06	Δ 07/06
	Output (GWh)			Variable Cost (€/MWh)		
Generation Output	15,533	14,990	3.6%	26.8	27.6	-2.7%
CCGT	5,902	6,046	-2.4%	41.1	42.9	-4.2%
Coal	7,887	7,270	8.5%	21.7	20.8	4.1%
Hydro	853	824	3.5%	-	-	-
Nuclear	891	851	4.8%	3.3	3.0	9.2%
Electricity Purchases & Other	1,920	1,245	54.2%	36.2	99.1	-63.5%
Electricity Sources	17,453	16,235	7.5%	28.2	33.2	-14.9%
	Volume Sold (GWh)			Average Price (€/MWh)		
Grid Losses & Other	246	76	-			
Portugal	2,138	3,524	-39.3%	57.9	41.4	39.8%
Spain	7,883	6,469	21.9%	58.0	48.5	19.5%
Retail	10,021	9,993	0.3%	58.0	46.8	23.9%
Wholesale Spot Market	6,246	3,739	67.0%	49.0	77.7	-37.0%
Wholesale Forward Market	939	2,427	-61.3%	43.8	59.3	-26.1%
Total Volume	17,453	16,235	7.5%	53.7	54.7	-1.8%

Load Factor	9M07	9M06	Δ 07/06
CCGT	57%	59%	-1.4 pp
Coal	79%	73%	6.2 pp
Hydro	19%	19%	0.7 pp
Nuclear	87%	83%	4.0 pp

Number of Supply Clients	9M07	9M06	Δ 07/06
Number of Clients (th)	154.4	69.4	122%
Portugal	106.5	7.9	1256%
Spain	47.9	61.6	-22%

In 9M07, EBITDA in the liberalised electricity generation and supply activities in the Iberian market was up by 30%, and gross profit was up by 25% YoY a performance that was achieved in an adverse market environment with average pool prices decreasing by 33% which highlights the successful hedging strategy, with 70% of production covered by direct sales to retail customers. Note that results from financial hedging in energy markets associated to this activity are accounted at the level of financial results and amounted to -€3.5m in 9M06 and €10.4m in 9M07. Adjusting these impacts, gross profit and EBITDA would have increased by 29% and 36%, respectively.

Output from EDP's liberalized generation plants in the Iberian market rose by 3.6% YoY, supported on a high 79% load factor of our coal plants in the period, higher hydro production and recovery of the average load factor in our CCGTs to 73% in 3Q07 vs. 63% in 3Q06. This increase is mainly explained by our Portuguese plant, as programmed stoppages for DeSox investments in coal plants in Portugal and maintenance works in the interconnection grid, which limited imports, had to be offset by higher CCGT production. The output of our CCGT plants continued to be sold essentially in peak hours, which together with the Portugal/Spain market splitting impact justify the €49/MWh price realized in the spot market in 9M07 (includes capacity payment and ancillary services). Electricity sourcing costs fell by 15% YoY due to significantly lower volumes and prices of purchases in the spot market, and a 3% decline on average variable cost in generation, supported on lower gas prices and favourable change in the generation mix.

Regarding future capacity changes, Soto III coal plant is expected to have a programmed outage for Desox upgrade in the 1Q08, the new Castejon III CCGT with a capacity of 400MW is expected to start commercial operations in Dec-07. EDP was awarded with the Alqueva 240MW hydro plant concession in Oct-07 and will start operating it in the 4Q07.

Regarding electricity sales in the Iberian market, EDP managed to increase its average net selling price in supply by 24% YoY to €58/MWh (including capacity payment, ancillary services and supply margin) with volumes posting a flat performance, supported by Spain (volumes up by 22% YoY). In fact, the Spanish market benefited from retail tariff increases in Jan-07 and Jul-07. In Portugal volumes declined by 39% YoY given that retail tariff increases did not fully reflect the increase of generation costs. Volumes sold in OMEL increased by 67% while volumes sold in wholesale forward market decreased by 61% following the end of assimilated bilateral contracts with regulated distribution in Spain.

Over the next quarters, the market environment for the supply activity in Portugal should be deteriorated by the increase of generation costs. Note that according to ERSE's preliminary proposal average retail tariff in Portugal should increase by 2.9% in Jan-08 following the 3.0% decline recorded in Sep-07. In Spain, the flat tariffs for 4Q07 vs. 3Q07 and similar prospects for 1Q08, should put a break in market growth. Nevertheless the expected end of last resource retail tariffs for medium voltage consumers is likely to lead to a recover on market dynamics in 2H08.

Going forward, for the 4Q07 EDP has already contracted 70% of the expected output of its liberalized generation plants the Iberian market at an average price above €50/MWh through sales contracts with retail customers or in forward markets. For 2008, EDP has already contracted 35% of its expected generation output in the market at an average price of €55/MWh. For the volume already contracted for 2008 EDP has already locked-in an average spark spread of €15/MWh and an average dark spread of €30/MWh, both before CO2 costs.



Income Statement (€ m)	Electricity Generation						Electricity Supply						Generation & Supply		
	Portugal			Spain			Portugal			Spain			Total		
	9M07	9M06	Δ 07/06	9M07	9M06	Δ 07/06	9M07	9M06	Δ 07/06	9M07	9M06	Δ 07/06	9M07	9M06	Δ 07/06
Operating Revenues	1,405.7	1,493.7	-5.9%	598.6	593.0	0.9%	242.7	279.2	-13.1%	601.3	424.3	41.7%	-	-	-
Direct Activity Costs	591.5	645.9	-8.4%	272.6	250.1	9.0%	223.9	312.1	-28.3%	552.0	467.7	18.0%	-	-	-
Gross Profit	814.2	847.7	-4.0%	325.9	342.9	-4.9%	18.8	(33.0)	-	49.3	(43.5)	-	1,210.6	1,127.9	7.3%
Gross Profit/Revenues	57.9%	56.8%	1.2 pp	54.5%	57.8%	-3.4 pp	7.8%	-11.8%	19.6 pp	8.2%	-10.2%	18.5 pp			
Supplies and services	66.8	70.0	-4.5%	42.2	34.1	23.9%	16.5	9.0	83.5%	22.8	19.6	16.0%	146.3	138.4	5.7%
Personnel costs	63.5	62.5	1.6%	25.5	22.5	13.4%	3.7	4.3	-13.7%	4.0	4.0	-0.5%	96.7	94.3	2.5%
Costs with social benefits	18.3	11.2	62.9%	1.0	1.0	-1.8%	0.2	0.3	-44.3%	0.1	0.1	46.6%	19.6	12.6	55.1%
Generation centre rentals	2.9	2.8	4.4%	-	-	-	0.0	0.0	0.3%	-	-	-	-	-	-
Other operating costs / (revenues)	(6.5)	(4.5)	-44.4%	48.7	45.9	-	1.0	10.4	-	(13.6)	(17.8)	-	51.3	38.3	34.1%
Operating Costs	145.0	142.0	2.1%	117.4	103.5	13.4%	21.3	24.0	-11.2%	13.3	6.0	123.9%	313.9	283.6	10.7%
EBITDA	669.2	705.7	-5.2%	208.5	239.4	-12.9%	(2.5)	(57.0)	95.6%	36.0	(49.4)	-	896.8	844.3	6.2%
EBITDA / Revenues	47.6%	47.2%	0.4 pp	34.8%	40.4%	-5.5 pp	-1.0%	-20.4%	19.4 pp	6.0%	-11.6%	17.6 pp			
Provisions for risks and contingencies	9.2	0.8	984.0%	0.0	0.6	-92.9%	(1.8)	(2.1)	15.3%	(3.5)	-	-	4.0	(0.7)	-
Depreciation and amortization	191.2	163.6	16.9%	92.7	65.4	41.8%	3.7	3.6	4.1%	1.8	1.8	-2.7%	289.4	239.5	20.9%
Comp. of subsidised assets' depr.	(2.7)	(2.8)	4.6%	(0.3)	(0.1)	-162.6%	-	-	-	-	-	-	(3.0)	(3.1)	3.2%
EBIT	471.5	544.1	-13.4%	116.1	173.5	-33.1%	(4.4)	(58.4)	92.4%	37.7	(51.2)	-	606.4	608.6	-0.4%
EBIT / Revenues	33.5%	36.4%	-2.9 pp	19.4%	29.3%	-9.9 pp	-1.8%	-20.9%	19.1 pp	6.3%	-12.1%	18.3 pp			
Employees	1,572	1,681	-6.5%	536	457	17.3%	80	90	-11.1%	190	197	-3.6%	2,378	2,425	-1.9%

Summing up, our integrated generation and supply business, including long term contracted generation and liberalized operations, showed a 7% YoY growth of gross profit as the strong improvement of gross profit in our supply activity more than compensated the decline reported by our generation operations. EBITDA was up by 6% YoY despite the 11% increase of operating costs. Including the impact from hedging instruments in energy markets accounted at the level of financial results, gross profit and EBITDA of generation & supply would have increased 9% and 8% YoY, respectively.

The Royal Decree Law 03/06, which established the partial devolution of CO2 emissions free allowances at market prices until the end of 2007, had a significant impact on generation & supply P&L both in 9M06 and 9M07. In 9M06, operating costs included €46m related to these costs, booked at the level of "other costs". In 9M07, the "other costs" line include €2m related to RD 03/06 costs referent to 9M07, following the sharp decline of the market price of CO2 emissions, and €40m of provisions related to potential deviations between EDP's interpretation of the RD 03/06 in our 2006 accounts and the final regulatory outcome, expected to be announced by the Spanish government by the end of this year. Excluding the impact Royal Decree Law 03/06 in Spain, operating costs for the integrated generation and supply activity would have risen by 8% YoY.

In Portugal, operating costs in generation rose by 2%, essentially due to a €4.6m increase of costs with social benefits related to higher pension premiums and costs related to the ongoing HR restructuring Program. Below the EBITDA line, our generation activity in Portugal reported a 17% increase of depreciation and amortization, mostly due to: (i) the accounting in the 9M07 of an €13.4m depreciation related to the extension of the concession period of the hydro plants under PPA/CMEC; and (ii) the acceleration of depreciation rate of our thermal plants that were under PPA contracts, which will be fully depreciated at the term of the concession period. In Spain, operating costs in the generation activity increased by 16.4%, essentially due to the transfer in Jan-07 of the special regime thermal plants in Spain from Neo to HC Energia, higher O&M costs in coal plants due to the new DeSox facilities and negative impact from the Royal Decree Law 03/06. The higher depreciation level in generation divisions in Spain is explained by the transfer in Dec-06 of the cogeneration waste and biomass activities from NEO into this business area and the acceleration of depreciation of Soto II coal plant, which is expected to be decommissioned before 2015.

On the supply side, operating costs in Portugal decreased by 11%. Excluding other operating costs, which in 9M06 included €10.4m costs with consumption deviation (€5.4m) and provisions for bad debtors (€5.0m), operating costs of supply in Portugal would have risen 50% YoY reflecting the strong growth of activity in the residential segment. Operating costs in our supply activity in Spain were impacted by some non recurrent provisions' reversals at the level of other operating revenues. Excluding these provisions, operating costs would have increased 13% YoY reflecting the increase of electricity volume sold.



Income Statement (€ m)	9M07	9M06	Δ 07/06
Gross Profit	181.0	144.1	25.6%
Gross Profit/Revenues	94%	78.6%	15.8 pp
Supplies and services	29.4	22.6	30.1%
Personnel costs	10.2	8.2	24.0%
Generation centre rentals	1.0	0.9	12.8%
Other operating costs / (revenues)	0.5	7.3	-
Operating Costs	41.1	39.0	5.4%
EBITDA	139.9	105.1	33.1%
EBITDA / Revenues	73.0%	57.3%	15.6 pp
Provisions for risks and contingencies	-	(0.0)	-
Depreciation and amortization	62.4	53.9	15.8%
Compensation of subsidised assets' depreciation	(0.1)	(0.9)	87.4%
EBIT	77.7	52.2	48.9%
EBIT / Revenues	40.5%	28.5%	12.0 pp

Number of Employees	9M07	9M06	Δ 07/06
Number of employees	273	233	+ 40

• In Dec-06, EDP reinforced the visibility of its European wind generation pipeline through the acquisition of a group of companies designated as Agrupación Eólica ("AE"), with a total of 155 MW in operation (146 MW in Spain and 9 MW in France).

• As of Sep-07, NEO consolidated wind installed capacity in Europe totalled 1,418 MW, up 475 MW YoY, both through acquisitions (+88 MW) and organic growth (+387 MW). On a quarterly basis, NEO increased its capacity by 59 MW in Portugal. Note that entries into operation of new wind power capacity in the Iberian Peninsula are usually concentrated in the 4Q due to better weather conditions for final construction works over the 3Q. Currently, NEO has 579 MW under construction, and the company expects to deliver its 2007 target of wind capacity on schedule or at the most during the first weeks of year 2008.

• NEO's electricity output from wind power totalled 2,153 GWh in the 9M07, up 65.5% YoY, on the back of the additional capacity that was brought on stream, but also as a result of an increase in the average load factor of our portfolio of wind farms (up 1.3p.p. YoY to 26.2% in the 9M07) which confirms the high quality of the pipeline that is entering into operation.

• Gross profit increased 25.6% YoY: i) in Spain, despite a 17.7% decrease in average tariffs, which is the result of a fall in pool prices when compared to 2006, gross profit benefited from the increase in both installed capacity and load factors; ii) in Portugal, gross profit benefited not only from higher wind capacity but also from an improvement of the load factor and average tariffs (updated at inflation).

Consolidated Installed Capacity (MW)	9M07	9M06	Δ 07/06
Portugal	392	261	+130
Spain	951	681	+270
France	75	-	+75
Wind Europe	1,418	943	+475

Electricity Generation (GWh)	9M07	9M06	Δ 07/06
Portugal	553	312	77.1%
Spain	1,519	989	53.7%
France	81	-	-
Total	2,153	1,301	65.5%

Avg. Load Factors (%)	9M07	9M06	Δ 07/06
Portugal	25%	23%	2.1 pp
Spain	27%	26%	0.5 pp
France	28%	-	-
Total	26%	25%	1.3 pp

Wind Average Tariffs (€/MWh)	9M07	9M06	Δ 07/06
Portugal	98	95	2.4%
Spain	77	93	-17.7%
France	76	-	-
Total	82	94	-12.5%

Gross Profit (€ m)	9M07	9M06	Δ 07/06
Portugal	55.1	31.8	73.4%
Spain	105.8	96.7	9.4%
France	6.6	-	-
Wind	167.4	128.5	30.3%
Other & Adjustments	13.5	15.6	-13.4%
Total	181.0	144.1	25.6%

• Supplies and services increased 30.1% YoY following: i) the increase of operating activity and international expansion; and ii) the first time consolidation of AE (+€2.1m), which partly compensated the impact of the de-consolidation of waste and biomass activities transferred to HC Energia (-€4.9m). Personnel costs reflect an increase in the number of employees that results from higher operating activity and international expansion.

• 9M06 other operating costs include: i) a €1.5m non-recurring expense related to an indemnity that NEO had to pay as a consequence of a delay in the re-start of operations of the Sidergás (waste – 20 MW) power plant after an outage for maintenance; and ii) a €2.6m one-off cost to account for fixed asset losses.

• All in all, EBITDA improved €34.8m YoY to €139.9m in the 9M07, which corresponds to a 73% EBITDA margin (up 15.6 p.p. YoY).



Income Statement (€ m)		I	9M07
Gross Profit			11.3
Gross Profit/Revenues			100%
Supplies and services			3.8
Personnel costs			4.4
Generation centre rentals			-
Other operating costs / (revenues)			(3.9)
Operating Costs			4.2
EBITDA			7.1
EBITDA / Revenues			62.4%
Provisions for risks and contingencies			-
Depreciation and amortization			8.0
Compensation of subsidised assets' depreciation			-
EBIT			(1.0)

Number of Employees		I	9M07
Number of employees			169

• In Jul-07, EDP concluded the acquisition of Horizon, a leading developer, owner and operator of wind power generation in the United States. The final price of the transaction was set at an enterprise value of USD 2,740 million for Horizon, already including the capital expenditures undertaken between the end of 2006 and the date of the acquisition. This operation was financed through a syndicated loan of USD 3,000 million contracted at EDP level, split by a USD 1,500 million "tranche" with a 1 year maturity (with an option to extend it for another year) and another USD 1,500 million "tranche" with a 7 years' maturity. In Oct-07, EDP issued bonds in the total amount of USD 2,000 million (USD1,000 million 5-Year term - coupon of 5.375%; + USD1,000 million 10-Year term - coupon of 6.000%) which was used to repay the first "tranche" drawn by EDP under the credit facilities agreement used to finance the acquisition of Horizon. This acquisition is a natural fit to EDP's strategy, positioning the company in one of the most attractive renewables markets both in terms of growth and profitability.

• In Jul-07, Horizon closed a transaction with institutional equity partners for a portfolio of wind projects with 722 MW of net installed capacity. Total contribution from the investors was about USD 700m.

Gross Installed Capacity (MW)		% held	9M07
Maple Ridge I		50%	231
Maple Ridge II		50%	91
Madison		100%	12
Blue Canyon I		25%	74
Blue Canyon II		100%	151
Twin Groves I		100%	198
Lone Star I		100%	184
Wind USA			941

Consolidated Installed Capacity (MW)		I	9M07
Maple Ridge I			116
Maple Ridge II			45
Madison			12
Blue Canyon II			151
Twin Groves I			198
Lone Star I			184
Wind USA			706

Electricity Generation (GWh)		I	9M07
Wind USA			297

• As of Sep-07, Horizon had 941 MW of gross capacity in operation and another 615 MW in construction. The company expects to have 1,556 MW in operation by the end of 2007, which is in line with the announced targets. EDP Group started fully consolidating Horizon in Jul-07.

• The United States is a fast growing market in terms of renewable energy, where a 35% increase of wind capacity is expected for 2007, up to 15,575 MW ⁽¹⁾. Horizon's wind market share in terms of capacity was 3% in 2006, and it is expected to reach the 8.5% by the end of 2007.

• During the first 3 months of consolidation, wind production from our USA wind portfolio was affected by below average wind conditions in July and by low availability factors in some wind farms that recently started operations.

• Horizon's contribution at the level of gross profit for the 3Q07 amounted to €11.3m, or €16.0m when adjusted to include revenues from Horizon's "equity partners" (USD 6.35m).

• 3Q07 Horizon's contribution at the level of EBITDA totalled a mere €7m, which results from the company's large construction in progress.

⁽¹⁾ Source: AWEA - American Wind Energy Association.

Distribution in Portugal



Electricity Consumers (thousand)	9M07	9M06	Δ 07/06
Regulated Supply	5,915	5,955	-39
Liberalized Market Supply	110	11	98
Total Electricity Consumers	6,025	5,966	59

Electricity Distributed (GWh)	9M07	9M06	Δ 07/06
Very High Voltage	1,131	1,051	7.6%
High Voltage	4,664	4,081	14.3%
Medium Voltage	10,869	10,657	2.0%
Low Voltage	18,126	17,998	0.7%
Electricity Distributed	34,790	33,787	3.0%
o/w Third-Party Access	4,203	5,826	-27.9%

Electricity Sales & Gross Profit (€ m)	9M07	9M06	Δ 07/06
Electricity Revenues	3,432.4	3,157.1	8.7%
Electricity Purchases	2,472.0	2,283.3	8.3%
Electricity Gross Profit	960.4	873.8	9.9%
Total Allowed Revenues	935.3	1,000.8	-6.5%
Tariff Difference to Recover/(Return)	(25.1)	126.9	-

Equivalent Interruption Time (min.)	9M07	9M06	Δ 07/06
Equivalent Interruption Time	82	119	-37

• In the 9M07, electricity distributed in Portugal increased 3.0%, on the back of an increase in consumption from HV and MV segments, up 14.3% and 2.0%, respectively. Excluding the impact from co-generators consumption as well as the temperature and working days effects, electricity distribution would have increased 3.1% YoY.

• Electricity revenues in the 9M07 include €36.8m from the €49m 2007 tariff deficit attributed to EDP Distribuição (DL 237-B/2006 recognizes the recovery of this tariff deficit, as well as of the 2006 tariff deficit, which amounted to €125m, with interest, in a 10 year period starting in 2008).

• Allowed revenues decreased 6.5% YoY, reflecting lower revenues from the recovery of previous years' costs. Excluding previous years adjustments, allowed revenues would have increased 3.0% YoY. The Use of the Distribution Grid (UDGr) activity represented about 80% of allowed revenues and despite a 1.9% decrease of the UDGr average unit revenue, the 2.2% increase of the fixed component of the UDGr allowed revenues, (which reduces risk exposure to deviations of electricity demand in Portugal) along with a 2.0% increase of the electricity flow at our network enabled allowed revenues from this activity to increase by 1.0% in the period (pag. 30 Annex). In Oct-07, the Portuguese regulator (ERSE) proposed a 2.9% average tariff increase for electricity tariffs in Portugal in 2008. The proposal is currently being discussed by the Tariff Council and final outcome should be known by December 15th.

• In the 9M07, electricity gross profit came €25.1m above allowed revenues. This tariff deviation, to be returned to the tariffs in 2009, compares with an accumulated €4m negative deviation in Jun-07. Such evolution reflects: i) the fact that in July and August, following the start of

Income Statement (€ m)	9M07	9M06	Δ 07/06
Gross Profit	970.8	882.6	10.0%
Gross Profit/Revenues	28.1%	27.8%	0.3 pp
Supplies and services	186.4	177.3	5.1%
Personnel costs	143.1	136.9	4.5%
Costs with social benefits	64.1	44.9	42.8%
Concession fees	168.1	154.9	8.6%
Other operating costs / (revenues)	8.4	(5.6)	-
Operating Costs	570.1	508.4	12.1%
EBITDA ⁽¹⁾	400.7	374.2	7.1%
EBITDA / Revenues	11.6%	11.8%	-0.2 pp
Provisions for risks and contingencies	3.5	4.0	-11.5%
Depreciation and amortization	253.3	252.1	0.5%
Compensation of subsidised assets' depreciation	(64.0)	(62.0)	-3.2%
EBIT	207.9	180.1	15.4%
EBIT / Revenues	6.0%	5.7%	0.3 pp

Number of Employees	9M07	9M06	Δ 07/06
Number of Employees	5,122	5,256	-134
Employee/TWh ⁽²⁾	110	117	-5.4%
Clients / Employee	1,176	1,135	3.6%

the MIBEL, electricity purchases were made at lower prices while electricity tariffs to final clients only decreased by Sept-07 (average decrease of 3% vs. Jan-07 tariffs), and ii) the seasonality impacts of changes in the consumption mix on the company's electricity gross profit when compared to ERSE's forecasts for the year.

• Supplies and services increased 5.1% YoY following an increase in O&M, clients disconnections (in case of default payments) and billing expenses as well as an increase in back-office costs, which more than compensated the successful control achieved over commercial costs. Personnel costs increased 4.5% YoY, or 2.9% excluding severance payments and personnel costs capitalization, reflecting a €4.0m one off expense accounted for in the 9M07 and the 2.8% average salary increase for year 2007, which more than compensated the positive impacts of savings achieved through personnel reduction. Costs with social benefits increased 42.8% YoY due to higher pension premiums (+€8.6m) and the accounting of a €9.8m cost related to the ongoing HR restructuring Program (HRRP) – Pursuing efforts to improve efficiency levels at EDP Distribuição are expected to reflect in a significant reduction in the number of employees by the 4Q07, following an increased acceptance of early retirements.

• The reduction in the number of employees was mostly achieved through the HRRP started in 2006 and translated until now into 104 retirements and early retirements achieved during the 4Q06 and another 37 during the 9M07. Recurring efforts to improve efficiency levels reflected into an improvement of efficiency ratios – Employee/TWh decreased 5.4% YoY to 110 (annualised) – narrowing the gap to Iberian best practices.

⁽¹⁾ Normalized EBITDA (i.e. excluding tariff differences, t-2 and t-1 tariff adjustments and HR restructuring costs recovery) is €356.9m for the 9M07 and €390.7m for the 9M06

⁽²⁾ Annualized

Distribution in Spain



Electricity Consumers (thousand)	9M07	9M06	Δ 07/06
Regulated Supply	562	535	5.0%
Liberalized Market Supply	52	64	-19.8%
Total Electricity Consumers	613	599	2.3%

Electricity Distribution (GWh)	9M07	9M06	Δ 07/06
High Voltage	4,408	4,388	0.5%
Medium Voltage	893	897	-0.4%
Low Voltage	1,817	1,789	1.6%
Electricity Distributed	7,118	7,074	0.6%
o/w Third-Party Access	1,110	1,027	8.1%

Regulated Revenues (€ m)	9M07	9M06	Δ 07/06
Transmission	3.4	6.5	-48.8%
Distribution	95.9	73.4	30.6%
Supply	5.8	5.7	2.1%
Electricity Regulated	105.1	85.6	22.7%

Equivalent Interruption Time - Asturias (min.)	9M07	9M06	Δ 07/06
Equivalent Interruption Time	56	82	-26

• Electricity distributed in Spain increased by a mere 0.6% YoY to 7.1TWh in the 9M07, mostly due to a growth in consumption of HV and LV segments.

• Spanish distribution activity gross profit increased 2.1% YoY to €109.4m in the 9M07, reflecting: a) €19.4m increase in the remuneration of the regulated activities recognised in the 2007 tariff; b) the accounting in the 9M06 of a €14.7m positive impact from deviations on the cost of electricity purchases; and c) a €2.5m decrease in services rendered:

a) Regulated revenues increased by 25.5% in accordance to what is recognised in RD 1634/2006, which sets the revenues for the Spanish regulated electricity activities. Out of the €3,571.1m attributed to the electricity distribution activity, €123.1m or 3.45% were allocated to our electricity distribution division in Spain (up from 3.2% in 2006);

b) In the 9M06, our Spanish distribution activity recorded a €14.7m extra revenue because its average purchase cost was lower than the average purchase costs of the distribution companies in the system, which is the one recognised in the regulatory liquidations. During the 2H06, there was a substantial increase of volumes traded in the secondary markets, at higher prices than in the daily market, creating cost deviations among other distribution companies in the system, due to their bidding strategies.

• 9M07 gross profit includes €49.1m related to the 2007 tariff deficit, as retail tariffs are not enough to cover for electricity procurement costs – this amount compares with €153.7m in the 9M06. The Spanish government is currently auctioning an estimated €1.5bn tariff deficit for year 2007. In case the 2007 tariff deficit does not reach this amount, the difference will be used to finance future years' tariff deficits. As for the 2006 tariff deficit, nothing has been decided yet regarding its recovery.

Income Statement (€ m)	9M07	9M06	Δ 07/06
Gross Profit	109.4	107.2	2.1%
Gross Profit/Revenues	99.9%	66.9%	33.0 pp
Supplies and services	40.2	39.4	2.0%
Personnel costs	18.5	19.0	-2.5%
Costs with social benefits	0.8	0.6	27.1%
Other operating costs / (revenues)	(24.0)	12.0	-
Operating Costs	35.4	71.0	-50.0%
EBITDA	73.9	36.2	104.2%
EBITDA / Revenues	67.6%	22.6%	45.0 pp
Provisions for risks and contingencies	-	-	-
Depreciation and amortization	22.9	19.1	20.0%
Compensation of subsidised assets' depreciation	(1.9)	(1.6)	-17.8%
EBIT	53.0	18.8	182.1%
EBIT / Revenues	48.4%	11.7%	36.7 pp

Number of Employees	9M07	9M06	Δ 07/06
Number of Employees	390	392	-2
Employee/TWh ⁽¹⁾	41	42	-1.1%
Consumers / Employee	1,572	1,528	2.9%

• In Jun-07, HC Energia reached an agreement with REE for the sale of the electricity transmission assets that the company owns in the region of València, for €16.8m. These assets recorded €2m of allowed revenues in 2006.

• Operating costs decreased 50% YoY to €35.4m in the 9M07, which is mostly explained by the following:

a) RD 03/2006, of February 24, considered that the generation sales and the distribution purchases of electricity made simultaneously and within the same group had to be netted off and priced at a provisional €42.35/MWh. In the 9M06, HC Energias' distribution purchases that were netted against its own generation amounted to 1,115 GWh, which translated into a €15.5m negative impact that was accounted at "other operating costs". Currently, RD 03/2006 is no longer applicable and therefore no such costs were accounted for in the 9M07;

b) More recently, RD 871/2007, of June 30, set the provisional price referred to in RD 03/2006 at €49.23/MWh, which reflected into an €10m positive impact accounted for in the 9M07 at the level of "other operating revenues".

• Supplies and services, personnel costs and costs with social benefits increased by a mere 0.8% YoY, reflecting the success of the company's costs control policy. All in all, EBITDA improved €37.7m YoY to €73.9m in the 9M07. Note that the company's continued efforts to improve efficiency levels translated into an improvement of efficiency ratios such as Employee/TWh, which improved 1.1% YoY and Consumers/Employee, which also improved 2.9% in the period, allowing the company to keep up with Iberian best practices.

⁽¹⁾ Annualized



Income Statement (€ m)	Portugal			Spain			Total		
	9M07	9M06	Δ 07/06	9M07	9M06	Δ 07/06	9M07	9M06	Δ 07/06
Operating Revenues	72.9	70.6	3.3%	143.6	163.5	-12.2%	216.5	234.0	-7.5%
Direct Activity Costs	36.4	37.9	-4.0%	26.4	47.8	-44.7%	62.8	85.7	-26.7%
Gross Profit	36.5	32.7	11.8%	117.1	115.7	1.3%	153.7	148.3	3.6%
Gross Profit/Revenues	50.1%	46.3%	3.8 pp	81.6%	70.8%	10.8 pp	71.0%	63.4%	7.6 pp
Supplies and services	6.1	5.6	8.7%	19.8	17.2	14.9%	25.9	22.8	13.4%
Personnel costs	3.9	3.3	18.5%	12.9	14.7	-11.8%	16.8	17.9	-6.3%
Costs with social benefits	0.0	0.0	199.8%	0.3	0.2	22.9%	0.3	0.2	30.0%
Other operating costs / (revenues)	1.0	0.6	77.5%	0.7	3.5	-79.3%	1.8	4.1	-56.9%
Operating Costs	11.0	9.5	16.5%	33.7	35.6	-5.3%	44.7	45.0	-0.7%
EBITDA	25.5	23.2	10.0%	83.4	80.1	4.2%	108.9	103.3	5.5%
EBITDA / Gross Profit	69.8%	71.0%	-1.2 pp	71.2%	69.3%	2.0 pp	70.9%	69.6%	1.3 pp
Provisions risks and contingencies	0.1	(0.1)	-	0.2	-0.0	-	0.3	-0.1	-
Depreciation and amortization	9.4	5.7	65.0%	23.0	22.7	1.6%	32.5	28.4	14.3%
Comp. of subsidised assets' depr.	(1.1)	(1.1)	-0.1%	(1.2)	(1.1)	-9.6%	(2.3)	(2.2)	-5.0%
EBIT	17.0	18.6	-8.6%	61.5	58.5	5.0%	78.5	77.2	1.7%
EBIT / Gross Profit	46.6%	57.0%	-10.4 pp	52.5%	50.6%	1.9 pp	51.1%	52.0%	-0.9 pp

Regulated Activity	9M07	9M06	% Δ	Abs. Δ
Number of supply points (th)	838.6	794.0	5.6%	+45
Portugal	175.8	158.8	10.7%	+17
Spain	662.8	635.2	4.3%	+28
Final Clients	235.6	371.4	-36.6%	-136
Access Clients	427.2	263.8	61.9%	+163
Gas Distributed (GWh)	16,859	16,626	1.4%	+233
Portugal	1,826	1,661	9.9%	+165
Spain	15,033	14,965	0.5%	+68
Final Clients	3,915	4,822	-18.8%	-907
Access Clients	11,118	10,143	9.6%	+975
Regulated Revenues (€ m)	147.7	145.0	1.9%	+2.7
Portugal	36.5	32.7	11.8%	+3.9
Spain	111.2	112.4	-1.0%	-1.1
Transmission	12.2	12.1	0.6%	+0.1
Distribution	92.3	92.2	0.2%	+0.2
Regulated Supply	6.7	8.1	-17.1%	-1.4
Network (Km)	8,363	7,912	5.7%	+451
Portugal - Distribution	2,910	2,736	6.4%	+174
Spain - Distribution	5,138	4,927	4.3%	+211
Spain - Transmission	315	250	26.4%	+66

Our gas regulated activity, includes the Portgás regional gas distribution concession in Portugal (72% owned by EDP), and Naturgas gas distribution and transmission networks in Spain (63.51% owned by EDP), which are present essentially in the Basque and Asturias regions.

Overall, our gas regulated activity showed a 5.5% YoY growth of EBITDA to €108.9m, reflecting the 5.6% increase in the number of supply points to 838,600 customers (+45,000 customers connected) and a 5.7% increase in the extension of our networks to 8,363 Kms.

In Spain, our gas regulated revenues fell by 1.0% YoY to €111.2m in 9M07:

- Gas distribution regulated revenues remained flat (+ 0.2% YoY to €92.3m) essentially due to a flat volume of gas distributed, still above the 11.5% decline of conventional gas demand in the Spanish market, despite the increase in the number of supply points in our distribution network to 662,800 customers (28,000 additional customers connected), and a 4.3% YoY increase in the extension of our gas distribution network to 5,138 kms. Note that the YoY comparison of our gas distribution activity has a positive contribution from the acquisition of the remaining 50% equity stake in gas distributor Gasnalsa (full consolidated since Nov-06).
- Gas transmission regulated revenues grew by 0.6% YoY to €12.2m, following the 26.4% increase of our gas transmission network to 315 kms (entrance into service of the pipeline between Soria and Agreda, new investments in Santurtzi and Zierbana). In the 9M06, regulated revenues include a non-recurrent positive impact due to the accounting in 2006 of the upgrade of Septentrional Gas network as a primary gas infrastructure, with retroactive impact from 2004.
- Regulated supply revenues fell 17.1% YoY to €6.7m. Note that regulated gas supply tariffs in Spain are expected to end in Jun-08. Nevertheless, this eventual measure should have no major impact on Naturgas results, given that more 60% of our supply points are already access clients. In addition, Naturgas will be the last resort supplier in the Pais Basco and Asturias regions and so expects to retain part of its current regulated supply customers in the liberalized market.

In Portugal, our gas regulated revenues grew by 11.8% YoY to €36.5m, reflecting a 10.7% YoY increase in the number of supply points to 175,800, the 9.9% growth of gas volumes distributed and a 6.4% increase of the extension of our network to 2,910 kms. The 29% YoY increase in the number of new clients connected to the network allowed a strong increase of penetration rates and efficiency ratios. Regarding the unbundling process, the role of the last resort supplier will be created until the liberalized market is fully efficient. Our company will assume this role in our concession area.

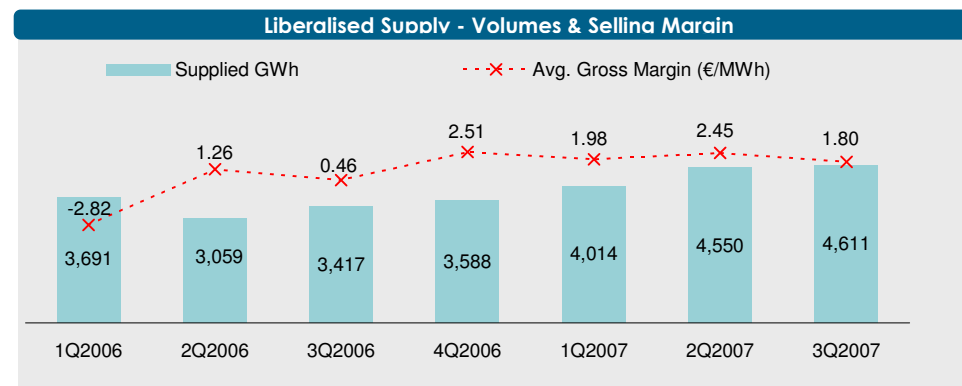
Supplies and services, personnel costs and costs with social benefits increased by 5% in line with the increase of the gas regulated activity.

Gas - Liberalized Activity



Income Statement (€ m)	9M07	9M06	Δ 07/06
Revenues	858.3	547.7	56.7%
Direct Activity Costs	807.4	531.8	51.8%
Gross Profit	50.9	16.0	218.8%
Gross Profit/Revenues	5.9%	2.9%	3.0 pp
Supplies and services	8.0	7.7	2.9%
Personnel costs	1.9	1.7	8.3%
Costs with social benefits	0.0	0.0	32.6%
Other operating costs / (revenues)	6.2	4.3	42.8%
Operating Costs	16.1	13.8	16.1%
EBITDA	34.8	2.1	1540.6%
EBITDA / Revenues	4.1%	0.4%	3.7 pp
Provisions for risks and contingencies	0.1	-	-
Depreciation and amortization	0.4	0.2	132.6%
Compensation of subsidised assets' depreciation	-	-	-
EBIT	34.4	2.0	1661.4%
EBIT / Revenues	4.0%	0.4%	3.6 pp

Supply Activity	9M07	9M06	Δ 07/06
Number of Clients	366.8	221.6	65.5%
Gas Supplied (GWh)	13,175	10,167	29.6%
Industrial	10,067	8,310	21.1%
Residential/Commercial	3,108	1,857	67.4%
Avg. Gross Margin (€/MWh)	2.08	1.67	24.3%



Our gas liberalised activity includes our gas supply business in Spain, developed through our commercial platforms Naturgas and HC Energia, and our wholesale gas procurement activities. EBITDA from our gas liberalized activities showed a strong improvement from €2.1m in 9M06 to €34.8m in 9M07.

Our gas procurement activity is currently based on our 1bcm/year long term contract with Trinidad & Tobago, on which EDP has a gas swap agreement with Gas Natural, and the 0.5bcm/year contract with ENI. Furthermore, EDP has also a 1.2bcm/year contract with Galp for the procurement of its liberalized 1200 MW CCGT plant in Portugal and a 0.35bcm/contract with Gas Natural for the procurement of its 400MW CCGT plant in Spain.

In 1Q06, our gas procurement costs in the liberalized market showed a non-recurrent sharp increase, explained by a stronger than expected growth of gas demand from our liberalized customers, which had to be satisfied with gas purchases in the spot market at abnormally high prices. The extra-cost of this operation vs. the recurrent procurement cost with our long term gas procurement contracts was €15m in 1Q06.

The volume of gas sold by EDP in the liberalized Spanish gas market rose 29.6% YoY, vs. a 5.1% YoY increase of conventional gas demand in the Spanish gas liberalized market. Moreover, the number of liberalized gas clients increased from 221,600 in Sep-06 to 366,800 in Sep-07, following the success attained by Naturgas and HC Energia in its offers to clients that switched from the regulated system to the liberalised market and on their dual-fuel offer in the Spanish residential market. This increase of market share both in terms of volumes and number of customers reflects our competitive gas procurement portfolio and the strong commercial capabilities of our Naturgas/HC Energia energy supply platforms in Spain.

In the end of October, EDP has reached with Sonatrach, an agreement which includes the supply by Sonatrach to EDP of a maximum annual volume of 1.6 bcm of natural gas from Algeria through long-term contracts with high flexibility which fit the demand profile of natural gas in the Iberian Peninsula. It is foreseen that the supply of gas will start during the first half of 2008.

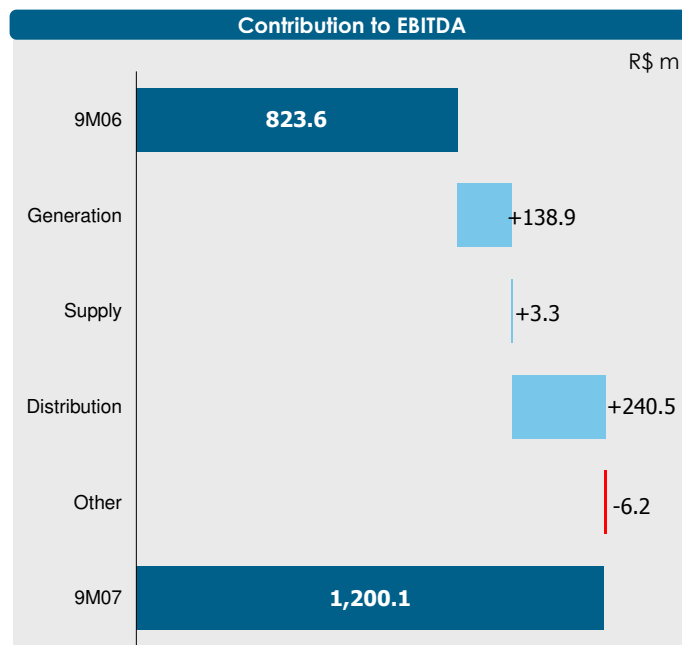
The partnership includes the supply of an annual volume of natural gas in order to satisfy the expected needs of each of EDP's CCGT projects in which Sonatrach comes to have a minority equity stake of 25%. The 3 projects for CCGT plants included in these agreements are:

- Soto 4 - (425MW gross installed capacity) - expected to start operations by Aug-08, located in Asturias/Spain;
- Lares 1 - (440MW gross installed capacity) - expected to start operations by Jul-09, located at Figueira da Foz/Portugal;
- Lares 2 - (440MW gross installed capacity) - expected to start operations by Aug-09, located at Figueira da Foz/Portugal. The inclusion of this plant is subject to an option to be exercised until July 1st 2008.

The agreement includes the supply by Sonatrach to EDP of a maximum annual volume of 0.7 bcm of natural gas which will allow an expansion under competitive conditions of EDP's gas liberalized supply activity in the Iberian Peninsula.



Income Statement	R\$ million									€ million		
	Distribution			Generation			Supply			Consolidated		
	9M07	9M06	Δ 07/06	9M07	9M06	Δ 07/06	9M07	9M06	Δ 07/06	9M07	9M06	Δ 07/06
Operating Revenues	3,308.2	3,196.5	3.5%	412.1	349.2	18.0%	464.5	377.0	23.2%	3,720.2	3,531.5	5.3%
Direct Activity Costs	1,741.0	2,028.3	-14.2%	45.3	95.7	-52.6%	405.9	331.8	22.3%	1,729.1	2,066.5	-16.3%
Gross Profit	1,567.2	1,168.2	34.2%	366.8	253.4	44.7%	58.6	45.2	29.7%	1,991.1	1,465.0	35.9%
Gross Profit/Revenues	47.4%	36.5%	10.8p.p.	89.0%	72.6%	16.4p.p.	12.6%	12.0%	0.6p.p.	53.5%	41.5%	12.0p.p.
Supplies and services	258.2	219.2	17.8%	24.6	52.9	-53.6%	4.3	5.4	-19.5%	297.5	286.0	4.0%
Personnel costs and soc. benefits	188.9	237.2	-20.4%	20.4	9.9	106.6%	6.0	4.3	38.4%	233.2	264.1	-11.7%
Other operating costs/(revenues)	243.1	75.4	222.6%	4.6	12.4	-62.7%	9.5	0.0	-	260.3	91.3	185.0%
Operating Costs	690.3	531.8	29.8%	49.6	75.1	-34.0%	19.9	9.8	103.6%	791.0	641.4	23.3%
EBITDA	876.9	636.4	37.8%	317.2	178.3	77.9%	38.7	35.4	9.3%	1,200.1	823.6	45.7%
EBITDA / Revenues	26.5%	19.9%	6.6p.p.	77.0%	51.1%	25.9p.p.	8.3%	9.4%	-1.1p.p.	32.3%	23.3%	8.9p.p.
Prov. for risks and contingencies	35.1	13.6	158.0%	0.0	0.0	-61.3%	-	-	-	33.5	13.7	145.3%
Depreciation and amortization	168.9	168.6	0.2%	53.0	24.0	120.5%	0.2	0.2	-3.0%	233.4	203.7	14.6%
Comp. of subsid. assets' depreciat	(18.1)	(17.6)	-2.6%	-	-	-	-	-	-	(18.1)	(17.6)	-2.6%
EBIT	691.0	471.8	46.4%	264.2	154.2	71.3%	38.5	35.2	9.4%	951.3	623.8	52.5%
EBIT / Revenues	20.9%	14.8%	6.1p.p.	64.1%	44.2%	19.9p.p.	8.3%	9.3%	-1.0p.p.	25.6%	17.7%	7.9p.p.
Employees	2,857	2,935	-78	237	253	-16	15	16	-1	3,180	3,299	-119



EDP's activities in Brazil, through Energias do Brasil (owned 62.4% by EDP), were positively impacted by the distribution and generation businesses. In 9M07, Energias do Brasil contribution to EDP's EBITDA benefited by the 1% appreciation of the Real against the Euro, from an average BRL/Euro rate of 2.71 in 9M06 to 2.68 in 9M07 (+€5m impact at the EBITDA level).

In 9M07, Energias do Brasil's EBITDA increased 45.7% to R\$ 1,200m. EBITDA of generation activity increased by 78% YoY impacted by the increase of installed capacity. In distribution, EBITDA increased by 38% driven essentially by: i) demand growth, ii) the positive impact from the tariff readjustments process in our distribution companies and consequent receivables through tariffs of regulatory receivables accumulated in previous years and iii) energy costs lower than the ones considered on tariff assumptions which was offset by iv) a provision accounted in respect to Enersul to reassess the regulatory asset base by ANEEL. Excluding non recurrent tariff deviations, one-off staff reduction and one-off provision in Enersul, normalized EBITDA would have increased 11% from R\$617m to R\$684m. EBITDA of liberalized supply increased by 9.3% following an increase in volume sold.

Operating costs of Energias do Brasil increased by 23.3%:

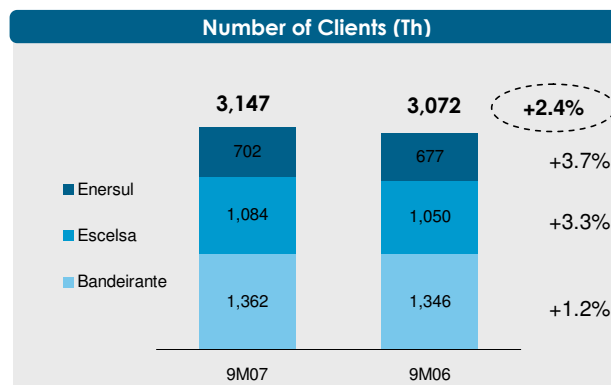
- a) a supplies and services increase of 4.0%, essentially due to: i) the increase in expenditure with maintenance of distribution networks, resulting from a load growth due to market expansion and ii) operating efficiency programs, IT expenses, call centers and customer services;
- b) a 11.7% decline of personnel costs, reflecting the staff reduction by 119 employees, which implied savings associated to the implementation of the Redundancy Plan (R\$ 25m). Excluding the one-off cost (R\$ 52m) booked in the 9M06, personnel cost would have increased by 9.7% essentially due to an increase in average wages.
- c) the rise in "Other operating costs" is explained by: i) R\$ 146m one-off provision regarding a probable reduction of Enersul Regulatory Asset Base, ii) an increase in provisions for doubtful clients in distribution (+15%) and the reinforcement of the provision for potential losses at the level of the liberalised supply activity (R\$ 9m) regarding a divergence of opinion with the regulator about the terms of the supply contract with Ampla.

Excluding one-offs (redundancy plan and provision regarding potencial revision of Enersul's RAB), operating costs rose by 9.4%.

Brazil: Distribution



Distribution Activity				Bandeirante				Escelsa				Enersul				Distribution			
				9M07	9M06	Δ 07/06		9M07	9M06	Δ 07/06		9M07	9M06	Δ 07/06		9M07	9M06	Δ 07/06	
GWh	Final Clients			5,969	5,877	1.6%		3,653	3,477	5.0%		2,087	2,015	3.6%		11,709	11,369	3.0%	
	Third-party access			3,925	3,676	6.8%		2,639	2,568	2.8%		328	297	10.6%		6,893	6,541	5.4%	
	Electricity Distributed			9,894	9,553	3.6%		6,292	6,045	4.1%		2,415	2,312	4.5%		18,601	17,910	3.9%	
Losses/EIT	Equiv. Interrupt. Time (Hours)			8.0	9.8	-18.7%		9.5	6.1	54.3%		13.4	14.1	-4.6%					
	Technical Losses			8.48%	8.20%	0.03 pp		7.83%	7.90%	-0.01 pp		14.05%	14.60%	-0.04 pp		9.07%	9.00%	0.01 pp	
	Commercial Losses			2.53%	2.50%	0.01 pp		5.58%	5.20%	0.07 pp		8.22%	7.40%	0.11 pp		4.39%	4.10%	0.07 pp	
	Total Electricity Losses			11.01%	10.70%	0.03 pp		13.41%	13.10%	0.02 pp		22.27%	22.00%	0.01 pp		13.46%	13.10%	0.03 pp	
R\$ million	IFRS Gross Profit			724	454	59.5%		466	364	28.1%		397	351	13.1%		1,567	1,168	34.2%	
	Rationing Losses and Parcela A			(64)	(46)	-37.0%		(52)	(32)	-62.8%		(40)	(27)	-49.1%		(155)	(105)	-47.9%	
	Adjustments of Tariff Revisions			(18)	50	-		22	(8)	-		(42)	(38)	-9.9%		(37)	4	-	
	Tariff dev. in recuperation			(42)	(35)	-20.4%		(62)	(27)	-130.5%		(12)	(12)	-3.8%		(115)	(73)	-58.1%	
	Tariff dev. to be recovered			(26)	58	-		11	98	-88.3%		(5)	18	-		(20)	174	-	
	Others			(12)	1	-		(11)	(70)	84.5%		(8)	(3)	-126.6%		(11)	(72)	84.0%	
	Brazilian GAAP Gross Profit			563	482	16.7%		375	325	15.3%		290	289	0.4%		1,228	1,097	12.0%	
	Regulatory Receivables			60	244	-75.4%		163	226	-28.2%		139	255	-45.6%		361	725	-50.2%	



Last Tariff Revisions and Readjustments			
	Bandeirante Out-07 Revision	Escelsa Ago-07 Revision	Enersul Abr-07 Readjust.
Part A	-5.87%	-4.88%	3.32%
Part B	-2.35%	-1.73%	1.12%
Readjust. Index	-8.22%	-6.61%	4.44%
Past Costs	-3.67%	-2.70%	1.54%
Other	-0.58%	-0.31%	2.07%
Financial Items	-4.25%	-3.01%	3.61%
Total Index	-12.47%	-9.62%	8.05%

Notes:

Part A: Non-controllable costs, which is a pass-through to the tariff
Part B: Controllable costs, depreciation and return on invested capital, which are updated to inflation (IGP-M) and adjusted by an X factor.
Readjustment Index: Gives the total increase to be applied to electricity base revenues
Financial Items: Recovery (or return) of past costs (or revenues) for a period of 12 months

PERFORMANCE OF DISTRIBUTION GROSS PROFIT:

The gross profit of the DisCos in 9M07 increased 35.8% positively impacted by: (1) a 3.9% YoY growth of electricity distributed volumes, (2) the cash-in through tariffs of regulatory receivables accumulated in previous years and (3) lower than expected energy costs vs. the ones assumed in tariffs' calculation which will have to be given back in the next annual tariff revisions. On a normalized base, gross profit would increase by 12% YoY.

1. Recurrent growth of electricity distribution gross profit: Total electricity distributed by Energias do Brasil increased 3.8% YoY supported by an increase in the number of clients (2.4%).

2. Positive tariff deviation: Distribution gross profit in 9M07 includes a R\$20m positive tariff deviation from energy procurement costs lower than the ones set in the regulator's assumptions for tariff calculation. Note that in 9M06 distribution gross profit recorded a R\$174m negative tariff deviation. These non recurrent component of gross profit will have to be returned to the system through a negative impact in the next annual tariff adjustment.

3. Recovery through tariffs of regulatory receivables accumulated in the past: In 9M07 our distribution activity recovered through tariffs R\$175m of regulatory receivables which the system owed us due to lower than expected gross profit in past periods. In Set-07, our distribution activity had total regulatory receivables of R\$361m, which should be recovered over the next quarters, meaning that Energias do Brasil distribution gross profit is expected to continue to be positively impacted by the cash-in through tariffs of these receivables.

Total electricity losses increased in this quarter in distribution activity due to the increase in commercial losses, mainly due to the effects of the "Light for All" Universalization programme.

REGULATORY UPDATE:

Bandeirante and Escelsa: New regulatory periods of 4 years and 3 years started for Bandeirante in Oct-07 and for Escelsa in Aug-07 respectively. The Brazilian regulator, ANEEL, set a return of RAB after taxes of 9.95% for the new regulatory periods, and established new regulatory asset bases (Bandeirante's RAB still on a preliminary basis) and accepted controllable costs (still on a preliminary basis) which are in line with the company's expectations.

Enersul: Current regulatory period had started in Apr-03 and will end in Apr-08. The Enersul region has retail tariffs higher than the Brazilian average due to lower population density. In Aug-07 ANEEL notified Energias do Brasil that regulatory asset base previously attributed to Enersul on the current regulatory period may be revised downwards by R\$185.2m. Taking into consideration this fact, EDP has accounted a provision of R\$146m in 3Q07. A final decision by ANEEL is expected by the end of November.



Generation

Hvdro Installed Capacity (MW)	9M07	9M06	Δ 07/06
Lajeado (27.65%)	250	250	-
Peixe Angical	452	452	-
Energest (13 Hydro plants)	342	266	+76
Total	1,043	968	+76
Electricity Sold (GWh)	9M07	9M06	Δ 07/06
Lajeado (27.65%)	892	913	-2.3%
Enerpeixe	1,728	1,283	34.7%
Energest (13 Hydro plants)	1,468	1,196	22.7%
Total	4,089	3,392	21%
Gross Profit (R\$ million)	9M07	9M06	Δ 07/06
Lajeado (27.65%)	66.2	96.5	-31.4%
Enerpeixe	186.3	76.9	142.4%
Energest (13 Hydro plants)	114.2	80.1	42.6%
Total	367	253	45%
Average Selling Price (R\$/MWh)	9M07	9M06	Δ 07/06
Lajeado	85.8	82.6	4.0%
Peixe Angical	127.0	123.6	2.8%
Energest (13 Hydro plants)	82.1	72.3	13.6%

GENERATION CAPACITY IN OPERATION:

In Sep-07, Energias do Brasil had an installed capacity of 1,043 MW. The high growth of generation volumes is explained by the increase of the installed capacity and from the gradual start-up of Peixe Angical during 2Q06 and 3Q06. The strong gross profit growth had a contribution of R\$ 109m from the start of Peixe Angical (452MW) and R\$34m from Energest due to the start of the fourth engine of Mascarenhas (50 MW) and São João mini hydro plant (25 MW) and an increase in the average sale price. Lajeado's contribution is penalized by less favourable hydrological conditions and maintenance stoppage.

GENERATION CAPACITY UNDER DEVELOPMENT:

On October 16, the company announced the sale of energy from the coal power plant Pecém, project in which it holds a 50% stake in partnership with MPX Mineração e Energia. The conditions contracted in the electricity auction promoted by the Brazilian regulatory authorities include the availability of an installed capacity of 615 MW for a 15-year term starting in January 2012 and a gross margin of R\$417.4m per year (amount at 2007 nominal prices to be updated at inflation) with the full pass through of fuel costs. According to the engineering and procurement agreement already agreed with suppliers, the new plant will represent a USD1.3bn capex. The project should be financed with 75% of long term debt with the Brazilian development bank BNDES and in the market.

Regarding new hydro capacity, the installation license to begin the construction of Santa Fé mini-hydro was issued in the beginning of October 2007. Santa Fé will have an installed capacity of 29 MW (assured energy of 16 MW) and should start-up in Jul-09. The total estimated investment for the construction is R\$120 million.

Additionally, ANEEL ratified a 17.5 MW power upgrade in the Mascarenhas Hydro Power Plant. The additional capacity should be fully operational by the end of 2009. The ratification process for the 2.3 MW power upgrade to Suíça Hydro Power Plant installed capacity is currently in progress, and the additional capacity should be operational in 2009. Assured energy from both power upgrades (11.7 average MW) has been contracted in the liberalised market for R\$ 130.00/MWh.

Moreover, Energias do Brasil is also carrying out feasibility studies for new hydro projects. The studies of 12 hydro plants with a total installed capacity of 1,022 MW. In addition, Energias do Brasil is studying the viability of 24 new mini hydro plants with a total potential installed capacity of 538MW in the states of de Goiás, Minas Gerais, Espírito Santo and Mato Grosso do Sul.

Electricity volumes sold to liberalized customers showed a growth (+7.5%), capturing customers that switched from the regulated system to the liberalised market and the increase of demand in the liberalised market (+7.5% in the number of clients)

Overall, the increase in volumes sold allied to a margin improvement implied an increase in the gross profit of Enertrade of 21.7%, which more than compensated the end of some self-dealing contracts (please note that the new regulatory framework does not allow the trading of electricity through "self-dealing" - companies within the same group).

Trading and Supply

Financial and Operating Data	9M07	9M06	Δ 07/06
Number of clients	72	67	7.5%
Electricity Sales (GWh)	5,519	5,132	7.5%
Gross Profit / GWh	10.6	8.8	20.6%



Income Statements

Income Statement by Business Area



9M07 (€ m)	Generation Iberia	Supply Iberia	NEO - Renewables	Horizon	Distribution Iberia	Gas Iberia	Energias do Brasil	Other & Adjustments	EDP Group
Electricity Sales	1,967.0	815.1	176.2	7.7	3,820.5	(0.1)	1,378.2	(734.5)	7,430.0
Other Sales	18.8	0.0	12.7	3.5	4.4	1028.5	0.0	16.0	1083.9
Services Provided	16.8	28.9	3.0	0.1	40.4	46.3	7.9	(36.4)	106.9
Operating Revenues	2,002.5	844.0	191.8	11.3	3,865.3	1,074.7	1,386.1	(754.9)	8,620.8
Electricity & Gas	186.6	763.8	0.1	0.0	2,773.7	(0.0)	636.6	(746.1)	3,614.7
Fuel	658.3	2.6	0.1	-	-	0.4	-	65.1	726.4
Materials and goods for resale	15.2	9.4	10.6	-	11.5	869.9	7.6	(78.4)	845.7
Direct Activity Costs	860.1	775.8	10.8	0.0	2,785.2	870.2	644.2	(759.5)	5,186.8
Gross Profit	1,142.5	68.2	181.0	11.3	1,080.2	204.5	741.9	4.6	3,434.0
Gross Profit/Revenues	57.1%	8.1%	94.4%	99.8%	27.9%	19.0%	53.5%	-0.6%	39.8%
Supplies and services	107.0	39.3	29.4	3.8	214.8	33.9	110.8	(39.4)	499.6
Personnel costs	89.0	7.7	10.1	4.3	161.6	18.7	74.0	72.6	437.9
Costs with social benefits	19.3	0.3	0.1	0.1	76.8	0.3	12.9	(18.9)	90.9
Concession fees	2.9	0.0	-	-	168.1	-	-	-	171.1
Other operating costs (or revenues)	61.0	(12.6)	1.5	(3.9)	(15.6)	7.9	97.0	50.2	185.4
Operating costs	279.2	34.7	41.1	4.2	605.8	60.8	294.7	64.5	1,384.9
EBITDA	863.3	33.5	139.9	7.1	474.4	143.8	447.1	(59.9)	2,049.1
EBITDA/Revenues	43.1%	4.0%	73.0%	62.4%	12.3%	13.4%	32.3%	7.9%	23.8%
Provisions for risks and contingencies	9.2	(5.2)	0.0	0.0	3.5	0.3	12.5	23.9	44.3
Depreciation and amortisation	284.0	5.5	62.4	8.0	276.1	32.9	87.0	51.3	807.0
Comp.of subsidised assets' depreciation	(3.0)	-	(0.1)	-	(65.9)	(2.3)	(6.7)	(0.1)	(78.1)
EBIT	573.1	33.3	77.7	(1.0)	260.6	112.8	354.4	(135.1)	1,275.9
EBIT/Revenues	28.6%	3.9%	40.5%	-8.5%	6.7%	10.5%	25.6%	17.9%	14.8%

Income Statement by Business Area



9M06 (€ m)	Generation Iberia	Supply Iberia	NEO - Renewables	Distribution Iberia	Gas Iberia	Energias do Brasil	Other & Adjustments	EDP Group
Electricity Sales	2,093.2	656.8	154.6	3,290.3	75.3	1,286.0	(768.9)	6,787.3
Other Sales	28.2	14.3	26.1	2.5	659.4	0.0	11.2	741.7
Services Provided	(5.1)	32.3	2.7	44.4	47.1	15.8	87.4	224.6
Operating Revenues	2,116.4	703.5	183.3	3,337.2	781.8	1,301.8	(670.3)	7,753.6
Electricity & Gas	177.7	760.0	8.4	2,338.4	89.9	749.3	(758.5)	3,365.1
Fuel	722.4	-	16.3	0.8	0.0	-	11.2	750.6
Materials and goods for resale	12.0	19.9	14.6	8.2	527.6	12.4	(29.7)	565.0
Direct Activity Costs	912.1	779.9	39.2	2,347.4	617.5	761.8	(777.0)	4,680.8
Gross Profit	1,204.3	(76.4)	144.1	989.8	164.3	540.0	106.7	3,072.8
Gross Profit/Revenues	56.9%	-10.9%	78.6%	29.7%	21.0%	41.5%	-15.9%	39.6%
Supplies and services	109.8	28.6	22.6	216.7	30.5	105.4	32.6	546.2
Personnel costs	86.0	8.3	8.2	155.9	19.4	97.3	84.1	459.3
Costs with social benefits	12.3	0.4	0.0	45.5	0.2	0.0	-3.3	55.2
Concession fees	2.8	0.0	-	154.9	-	3.2	(0.0)	160.9
Other operating costs (or revenues)	42.8	(7.3)	8.2	6.4	8.3	30.5	60.1	148.9
Operating costs	253.6	30.0	39.0	579.4	58.5	236.5	173.6	1,370.4
EBITDA	950.7	(106.4)	105.1	410.4	105.8	303.6	(66.8)	1,702.4
EBITDA/Revenues	44.9%	-15.1%	57.3%	12.3%	13.5%	23.3%	10.0%	22.0%
Provisions for risks and contingencies	1.4	(2.1)	(0.0)	4.0	1.4	5.0	16.7	26.4
Depreciation and amortisation	234.1	5.4	53.9	271.1	28.6	75.1	99.3	767.5
Comp.of subsidised assets' depreciation	(3.1)	-	(0.9)	(63.6)	(2.2)	(6.5)	0.0	(76.3)
EBIT	718.3	(109.7)	52.2	198.9	78.0	230.0	(182.9)	984.8
EBIT/Revenues	33.9%	-15.6%	28.5%	6.0%	10.0%	17.7%	27.3%	12.7%



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Annex

EDP installed capacity & electricity generation



Installed Capacity - MW ⁽¹⁾	9M07	9M06	Δ MW
LT Contracted Generation and Special Regime	8,725	8,243	482
LT Contracted Generation (PPAs/CMECs)	6,999	6,999	-
Hydro	4,094	4,094	-
Run off the river	1,860	1,860	-
Reservoir	2,234	2,234	-
Coal	1,192	1,192	-
Sines	1,192	1,192	-
Fuel oil	1,713	1,713	-
Setúbal	946	946	-
Carregado	710	710	-
Barreiro	56	56	-
Special Regime	1,726	1,244	482
Small-Hydro	66	66	-
Cogeneration+Waste	238	231	7
Biomass	5	5	-
Wind	1,418	943	475
Portugal	392	261	130
Spain	951	681	270
France	75	-	75
Liberalised Electricity Generation	3,911	3,911	-
Hydro	670	670	-
Portugal	244	244	-
Spain	426	426	-
Coal	1,523	1,523	-
Aboño I	342	342	-
Aboño II	536	536	-
Soto Ribera I	63	63	-
Soto Ribera II	236	236	-
Soto Ribera III	346	346	-
CCGT	1,563	1,563	-
Ribatejo (3 groups)	1,176	1,176	-
Castejón (1 group)	387	387	-
Nuclear	156	156	-
Trillo	156	156	-
Brazil	1,043	968	76
Hydro	1,043	968	76
USA	706	-	706
Wind	706	-	706
TOTAL	14,386	13,122	1,263

Electricity Generation	9M07	9M06	Δ GWh
LT Contracted Generation and Special Regime	17,423	16,463	960
LT Contracted Generation (PPAs/CMECs)	14,181	14,116	65
Hydro	7,545	5,231	2,314
Run off the river	4,882	3,117	1,765
Reservoir	2,663	2,114	549
Coal	5,975	7,282	-1,307
Sines	5,975	7,282	-1,307
Fuel oil	661	1,603	-942
Setúbal	478	1,235	-757
Carregado	96	243	-147
Barreiro	87	125	-38
Special Regime	3,243	2,347	895
Small-Hydro	119	107	11
Cogeneration+Waste	951	918	33
Biomass	21	21	-1
Wind	2,153	1,301	852
Portugal	553	312	241
Spain	1,519	989	531
France	81	-	81
Liberalised Electricity Generation	15,623	14,977	646
Hydro	955	822	134
Portugal	277	233	44
Spain	678	589	90
Coal	7,887	7,270	617
Aboño I	1,870	1,911	-40
Aboño II	3,110	2,445	665
Soto de Ribera I	-2	31	-33
Soto Ribera II	1,172	1,102	70
Soto Ribera III	1,737	1,781	-44
CCGT	5,889	6,035	-146
Ribatejo (3 groups)	4,581	4,788	-207
Castejón (1 group)	1,308	1,247	61
Nuclear	891	851	41
Trillo	891	851	41
Brazil	3,349	2,435	914
Hydro	3,349	2,435	914
USA	297	-	297
Wind	297	-	297
TOTAL	36,692	33,875	2,817

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

Electricity Distribution and Supply in Portugal



Electricity Distributed (GWh)	9M07	9M06	Δ 07/06
Electricity Distributed - Regulated Market	30,587	27,961	9.4%
VHV (Very high voltage)	1,129	1,014	11.3%
HV (High voltage)	4,654	3,992	16.6%
MV (Medium voltage)	7,563	5,902	28.1%
SLV (Special low voltage)	1,897	1,694	12.0%
LV (Low voltage)	14,236	14,318	-0.6%
PL (Public lighting)	1,108	1,040	6.5%
Electricity Distributed - Liberalised Market	4,203	5,826	-27.9%
EDP	2,138	3,521	-39.3%
Non-EDP	2,065	2,305	-10.4%
Total Electricity Distributed ⁽¹⁾	34,790	33,787	3.0%

Electricity Consumers ⁽²⁾	9M07	9M06	Δ 07/06
Electricity Sales - Regulated Market	5,915,342	5,954,561	-39,219
VHV (Very high voltage)	55	19	36
HV (High voltage)	207	176	31
MV (Medium voltage)	20,561	19,405	1,156
SLV (Special low voltage)	25,318	24,320	998
LV (Low voltage)	5,821,139	5,864,004	-42,865
PL (Public lighting)	48,062	46,637	1,425
Electricity Sales - Liberalised Market	109,841	11,382	98,459
EDP	106,508	7,885	98,623
Non-EDP	3,333	3,497	-164
Total Electricity Consumers	6,025,183	5,965,943	59,240
% Change YoY			1.0%

Electricity Sales (€ m)	9M07	9M06	Δ 07/06
VHV (Very high voltage)	58.5	47.8	22.4%
HV (High voltage)	269.8	214.0	26.1%
MV (Medium voltage)	660.9	499.8	32.2%
SLV (Special low voltage)	220.4	186.4	18.2%
LV (Low voltage)	2,006.9	1,918.7	4.6%
PL (Public lighting)	86.7	78.7	10.1%
Interruptibility Discounts	-32.4	-29.3	-10.3%
Tariff Correction Discounts	-	-	-
2006 Tariff Deficit Recognition	36.8	91.5	-59.8%
Invoiced Sales - Regulated Syst.	3,307.5	3,007.5	10.0%
Invoiced Sales - Non-regulated Syst.	117.2	149.7	-21.7%
Invoiced Sales - Other	7.7	-	-
Electricity Revenues	3,432.4	3,157.1	8.7%

Regulated Revenues (€ m)	9M07	9M06	Δ 07/06
Fixed component of the UDGr: HV and MV (€ m)	104.6	102.3	2.2%
Unit revenue for the UDGr: HV and MV (€/ MWh)	5.5	5.6	-1.8%
Electricity delivered to BES/NBES: HV and MV (GWh)	34,822	33,893	2.7%
Fixed component of the UDGr: LV (€ m)	204.1	199.7	2.2%
Unit revenue for the UDGr: LV (€/ MWh)	13.4	13.6	-1.2%
Electricity delivered to BES/NBES: LV (GWh)	18,125	17,998	0.7%
UDGr allowed revenues	743.7	736.6	1.0%
Average assets of the NS activity (net of amortisations)	248.9	246.2	1.1%
Annual Return on average assets of NS activity (%)	8.0	8.0	-
Assets' amortisation of NS activity	32.1	32.6	-1.5%
Annual structural commercial costs of NS activity	59.9	53.3	12.2%
Network Supply allowed revenues	106.9	100.7	6.1%
Average assets of SPS activity (net of amortisations)	18.2	15.9	14.6%
Annual Return on average assets of SPS activity (%)	8.0	8.0	-
Assets' amortisation of SPS activity	1.8	1.6	15.1%
Annual structural commercial costs of SPS activity	63.2	50.4	25.3%
Supply in Public System allowed revenues	66.1	52.9	24.8%
Incentives	-	-	-
t-2 tariff adjust. for UDGr, SPS and NS	63.0	27.5	128.8%
t-1 & t-2 tariff adjust. for Energy Acquisition	-75.1	64.9	-
HR Restructuring Costs Recovery	30.8	18.1	70.3%
Total Allowed Revenues	935.3	1,000.8	-6.5%

⁽¹⁾ Figures presented include sales to EDP Group for final consumption. GWh distributed in 9M07 include own consumption and sales to EDP power plants (35 GWh)

⁽²⁾ Figures presented include EDP Group companies

EDP Wind Capacity and CO2 Emissions



Wind Farms in 9M07	Installed Capacity		
	100%	% Held ⁽¹⁾	Consolidated
PORTUGAL	392	386	392
Enernova	392	386	392
SPAIN	1,325	937	951
Genesa	816	552	560
Desa	332	280	282
Agrupación Eólica / Ceasa	176	105	109
TOTAL IBERIA	1,716	1,323	1,343
FRANCE	75	75	75
NEO	30	30	30
Agrupación Eólica	45	45	45
TOTAL EUROPE	1,791	1,398	1,418
USA	941	724	706
Horizon	941	724	706
TOTAL EUROPE AND USA	2,732	2,122	2,123

CO2 Emissions	CO2 Emissions (absolute,tCO2)		Specific (tones/GWh)		GWh	
	9M 2007	9M 2006	9M 2007	9M 2006	9M 2007	9M 2006
TOTAL PPA's/CMECs	5,998	7,991			6,636	8,885
Coal	5,330	6,536	0.89	0.90	5,975	7,282
Fuel Oil	667	1,455	1.01	0.91	661	1,603
TOTAL LIBERALISED GENERATION	8,759	8,481			13,776	13,305
Coal	6,630	6,224	0.84	0.86	7,887	7,270
CCGT	2,129	2,257	0.36	0.37	5,889	6,035
SPECIAL REGIME	591	920			971	939
Cogeneration + Waste	589	918	0.62	0.62	951	918
Biomass	1	1	0.06	0.06	21	21
TOTAL PRODUCTION THERMAL	15,347	17,391	0.72	0.75	21,384	23,128
CO₂ FREE GENERATION					15,309	10,747
TOTAL PRODUCTION			0.42	0.51	36,692	33,875

⁽¹⁾ MW not adjusted for the fact that Neo has an 80% stake in Genesa and Desa.