INVESTOR DAY 2014

14TH MAY

NEVERENDING ENERGY

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Agenda

Introduction *António Mexia, CEO*

Iberian Business *Miguel Stilwell de Andrade, Board Member*

EDP Renováveis *João Manso Neto, CEO EDP Renováveis*

EDP Brasil *Miguel Setas, CEO EDP Brasil*

Financials *Nuno Alves, CFO*

Conclusions *António Mexia, CEO*

INVESTOR DAY 2014

António Mexia, *CEO*

Introduction

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Over the last years, the European utilities have been significantly impacted by negative and unexpected events

Recent context

Economic crisis

- Destruction of power demand in Europe
- Generalized overcapacity
- ETS collapse
- Discussions on energy affordability

Regulatory pressure

- Regulatory cuts, higher sector taxes
- Capacity mechanisms considered as last resort option

Inadequate market design

- Renewables growth puts downward pressure on market prices
- Energy-only market does not provide efficient price signals to remunerate nor attract investments in capex-intensive technologies
- Inadequate integration of new technologies (e.g. auto-consumption) along the value chain

Energy shocks

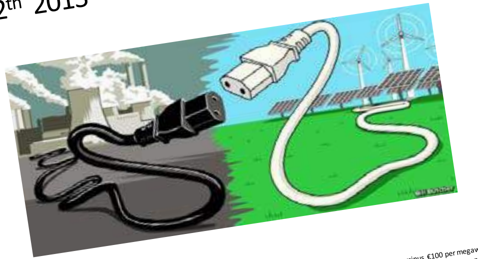
- Fukushima nuclear disaster
- Shale gas boom in the US (Henry Hub gas price: 4-5 \$/MBtu)

The Economist

European utilities

"How to lose half a trillion euros"

Oct 12th 2013



ON JUNE 16th something very peculiar happened in Germany's electricity market. The wholesale price of electricity fell to minus €100 per megawatt hour
(MWh). That is, generating companies were having to pay the managers of the grid to take their electricity. It was a bright, breezy Sunday. Demand was low.
Between 2pm and 3pm, solar and wind generators produced 28.9 gigawatts (GW) of power, more than half the total. The grid at that time could not cope wi
more than 45GW without becoming unstable. At the peak, total generation was over 51GW; so prices went negative to encourage cutbacks and protect the
grid from overloading.

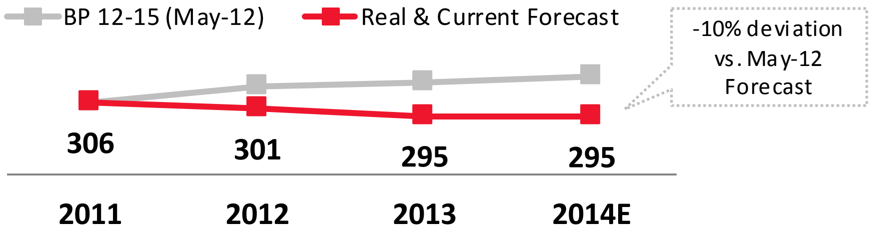
The trouble is that power plants using nuclear fuel or brown coal are designed to run full blast and cannot easily reduce production, whereas the extra ene
from solar and wind power is free. So the burden of adjustment fell on gas-fired and hard-coal power plants, whose output plummeted to only about 10%
capacity.

These events were a microcosm of the changes affecting all places where renewable sources of energy are becoming more important—Europe as a whol
Germany in particular. To environmentalists these changes are a story of triumph. Renewable, low-carbon energy accounts for an ever-greater share of
production. It is helping push wholesale electricity prices down, and could one day lead to big reductions in greenhouse-gas emissions. For establishe
utilities, though, this is a disaster. Their gas plants are being shouldered aside by renewable-energy sources. They are losing money on electricity gene
They worry that the growth of solar and wind power is destabilising the grid, and may lead to blackouts or brownouts. And they point out that you can
a normal business, in which customers pay for services according to how much they consume, if prices go negative. In short, they argue, the growth of
renewable energy is undermining established utilities and replacing them with something less reliable and much more expensive.

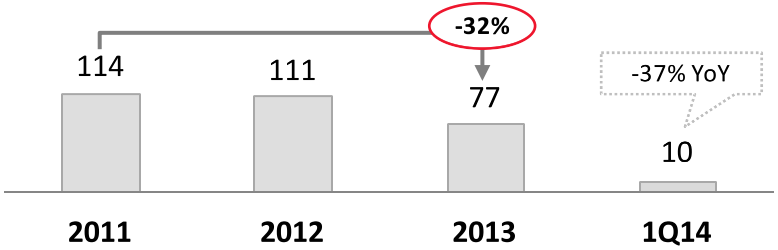
(…)

Iberian energy market conditions have been challenging

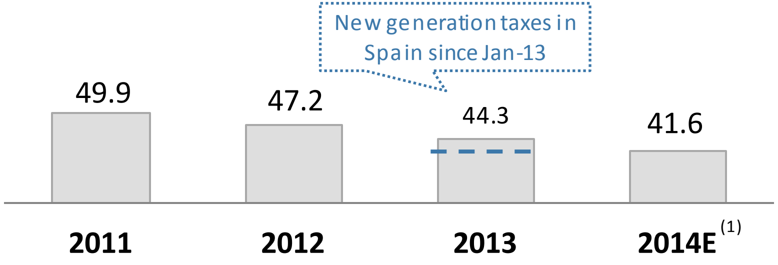
Electricity demand: Iberian Peninsula
(TWh)



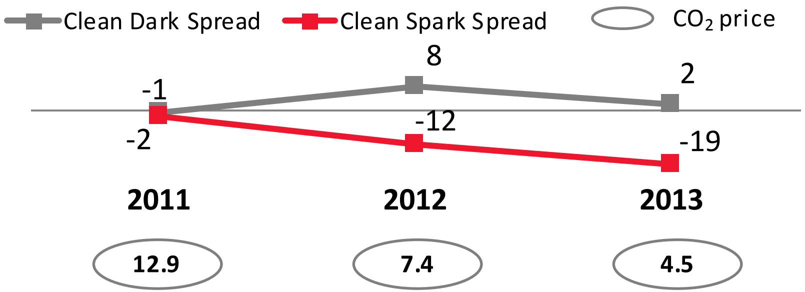
Thermal power demand in Iberian market
(TWh)



Spanish Pool price
(€/MWh)



Thermal spreads and CO_2 prices
(€/MWh; €/ton)



Electricity demand was negatively impacted by Iberian macro situation;

GDP was down in the 2011-13 period: Portugal -1.9% on average and Spain -0.9%

Depressed pool prices on lower demand, increase in special regime production and lower CO_2 prices

(1) Source: based on historical OMIE figures and OTC/OMIP forward prices for the remaining 2014 (as of May 5th, 2014).

Several waves of regulatory cuts in Iberia over the last 24 months

Regulatory and fiscal measures taken in the period

2012 | 2013 | 2014

May-12: Portugal
1st package
- Cut in capacity payments
- Agreed cut on CMEC financial revenues;
- Change in Special Regime remuneration

Dec-12: Spain
- **Generation Taxes**

Jan-13: Spain
- Change in CPI index of **regulated activities remuneration**

Feb-13: Spain
- **Wind: end of variable tariff option**

Jul-13: Spain
- **Regulatory cuts in electricity sector:** capacity payments, special regime and distribution

Oct-13: Portugal
2nd package
- Envisaging **clawback and ancillary services**

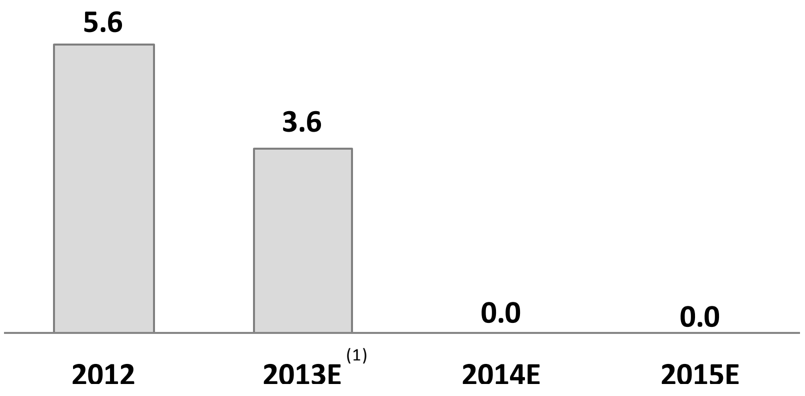
Jan-14: Portugal
- **New Energy Tax** (0.85% on net assets)

Feb-14: Spain
- **New remuneration scheme for Special Regime:** publication of Standards Proposal

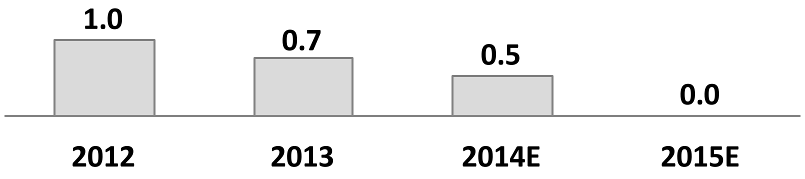
EDP's earnings before taxes affected by > €300m/year from regulatory/fiscal measures in Iberia

Reinforcement of financial sustainability of electricity systems in Spain and Portugal

Spain: Tariff Deficit
(€bn)



Portugal: Net change in system's regulatory receivables
(€bn)



Hard-landing imposed solution in Spain may face challenges; Portugal achieved soft-landing negotiated solution

Sound credit quality and improved market conditions allowed for positive developments on the securitisation front:

- **Portugal: EDP undertook several securitisation deals, totalling €2.0bn in 2012-2014**
- **Spain: In 2012-14, the FADE securitised ~€14.2bn of tariff deficits, from which €0.8bn reverted to EDP**

(1) Source: CNE "Liquidación Provisional Nº13 de 2013 del Sector Eléctrico"

Strategic architecture defined in 2012 has proven adequate to the evolution of our business environment

Business Plan 2012-2015
Strategic Priorities

1 ***Controlled Risk***

2 ***Superior Efficiency***

3 ***Focused Growth***

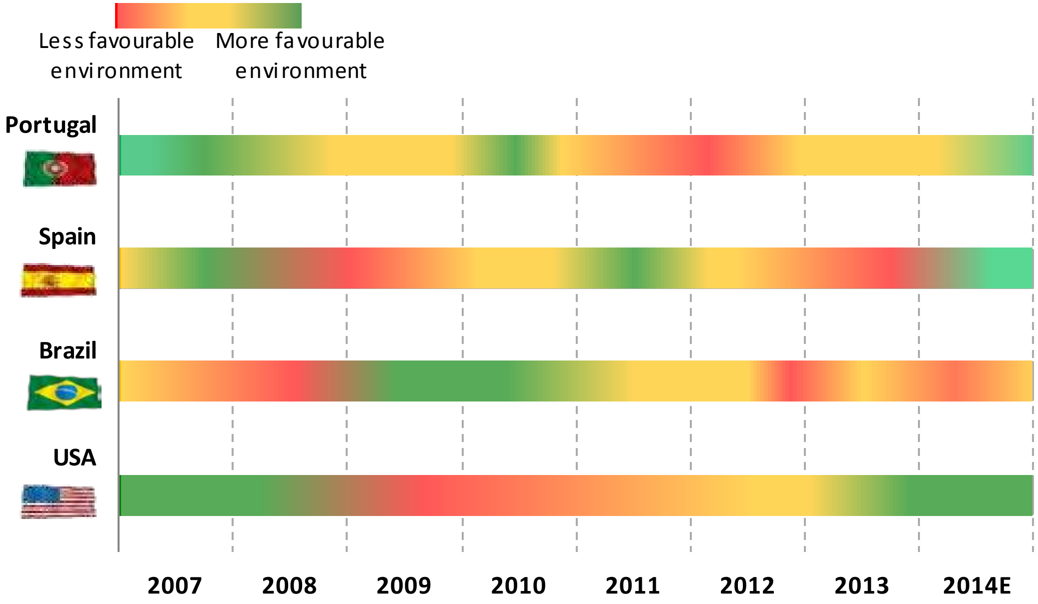
- ✓ Proactive management of legal/regulatory agenda
- ✓ Competitive refinancing and accelerated deleveraging
- ✓ Focus on Opex & Capex efficiency
- ✓ Assets/Markets allocation policy: Hydro and Wind (Brazil, US and other)

- ✓ Successful partnership with CTG

1 Controlled risk: diversified portfolio in terms of markets and regulatory environment

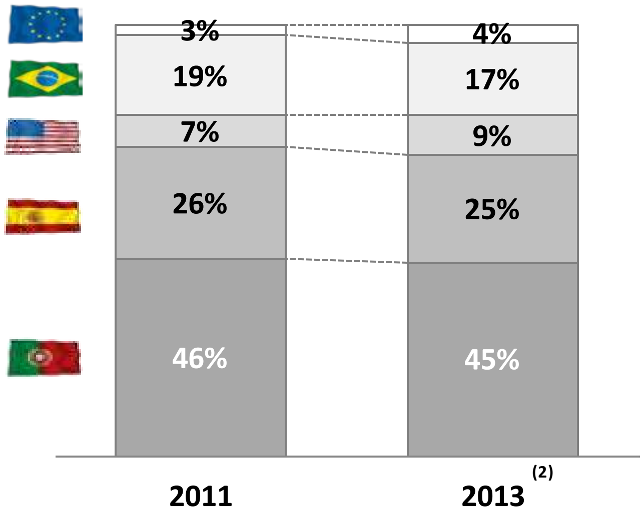
Energy, macro, regulatory and financial dynamics by Geography [(1)]

(Year)



EBITDA Breakdown by Geography

(%)



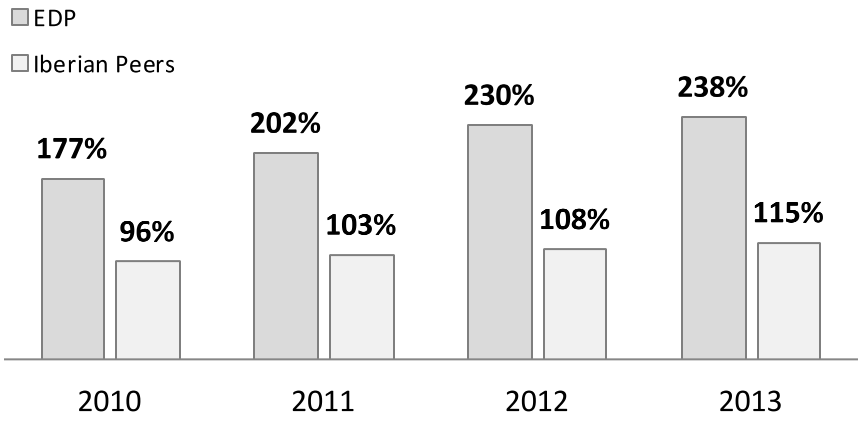
Geographic diversification allows low risk business profile, balanced profitability and lower dependence on a single economic and regulatory environment

(1) Illustrative; (2) Restated to reflect IFRS10 and IRFS11 implementation.

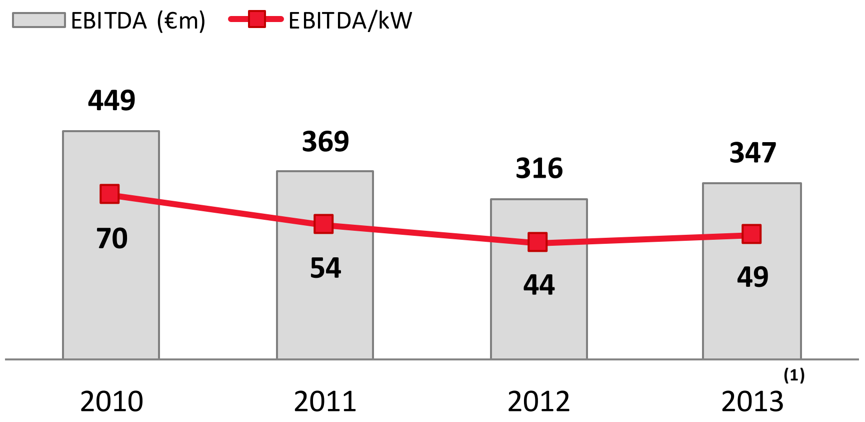
1

Controlled risk: successful energy management policy

Iberian market: Sales to clients vs. liberalised generation output
(%)



Iberian Liberalised Activities EBITDA
(€m; €/kW)



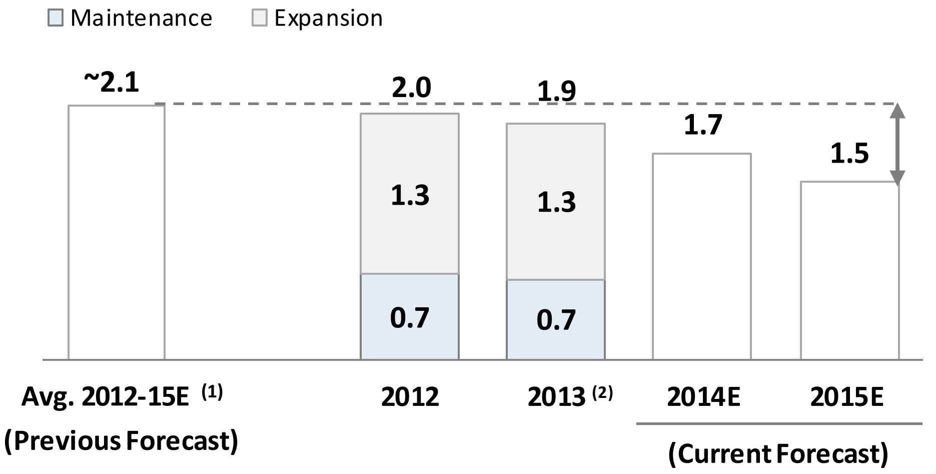
Long position on clients with a flexible generation portfolio and fuel contracting strategy limit the downside risk

Hedging strategy and energy management policy with a positive contribution to EDP's financial performance

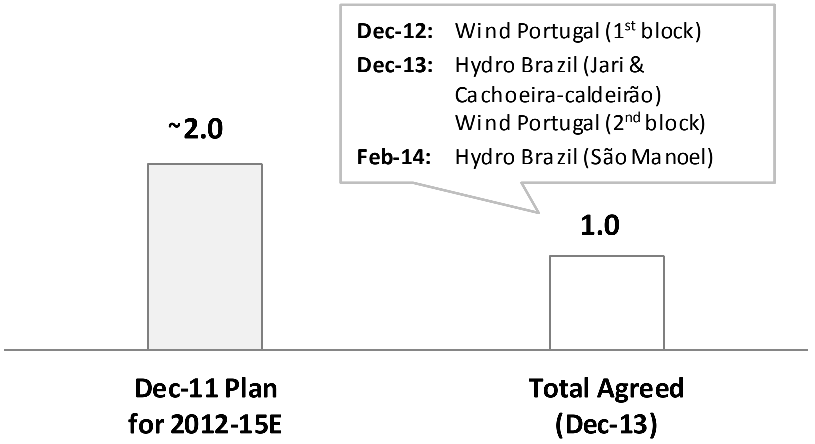
(1) Restated to reflect IFRS10 and IRFS11 implementation.

1 Controlled risk: downward revision of Capex and execution of partnership with CTG

2011-2015E Capex: Current forecast vs. Previous forecast (€bn)



CTG investments under partnership framework agreement with EDP (€bn)



Capex flexibility enabled EDP to adjust to the new environment

2014-15E Capex was cut from an avg. of €2.0bn/year to an avg. of €1.6bn/year

Full visibility already achieved on ~€1bn of CTG investments

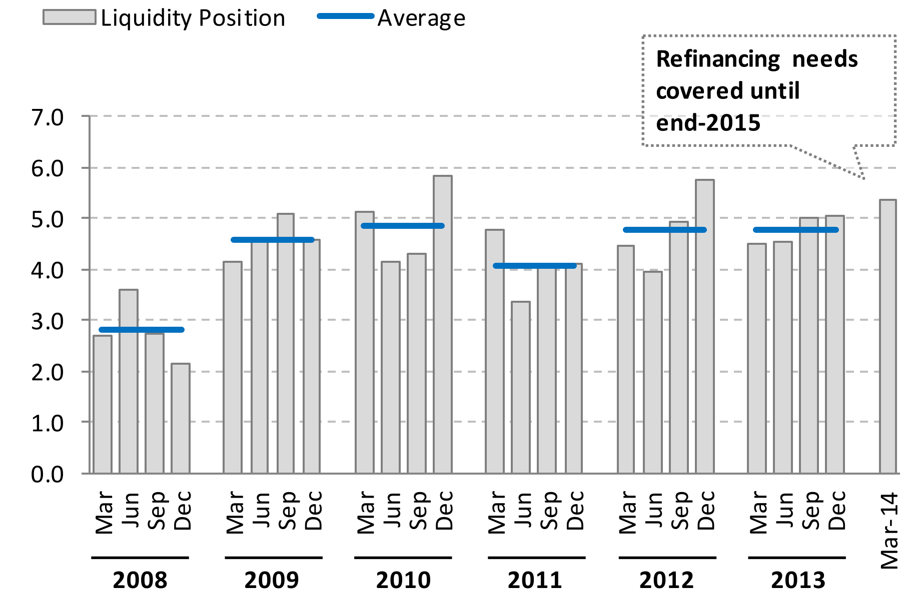
Other disposals: ~€0.5bn closed in 2012-13

Continued management action to assure maintenance of deleverage path

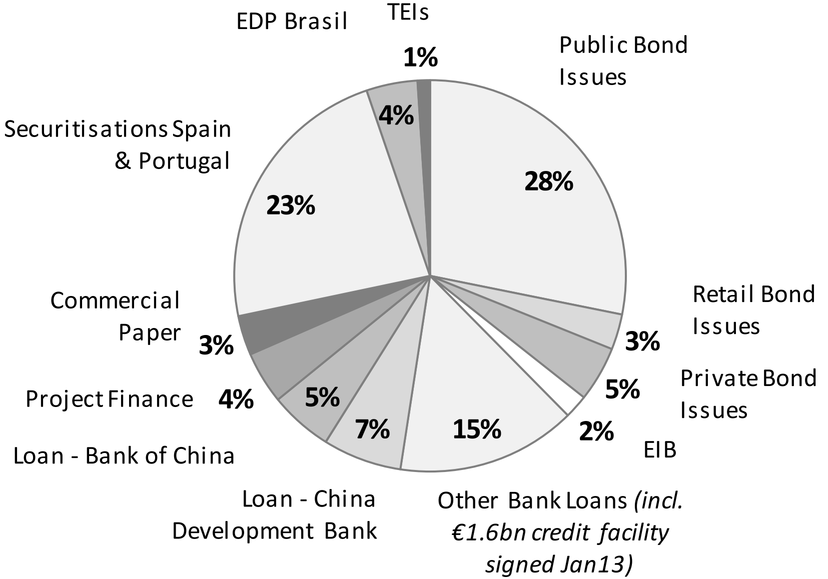
(1) Excluding May-12 Financial Divestments Target of ~€0.1bn per year on average in the 2012E-15E period; (2) Excluding Pecém I to reflect IFRS 11 implementation

1 Controlled risk: maintenance of comfortable liquidity position in tough credit markets environment

EDP Liquidity position
(€bn)



EDP Group: sources of new funding raised in 2011-Apr14
(%)



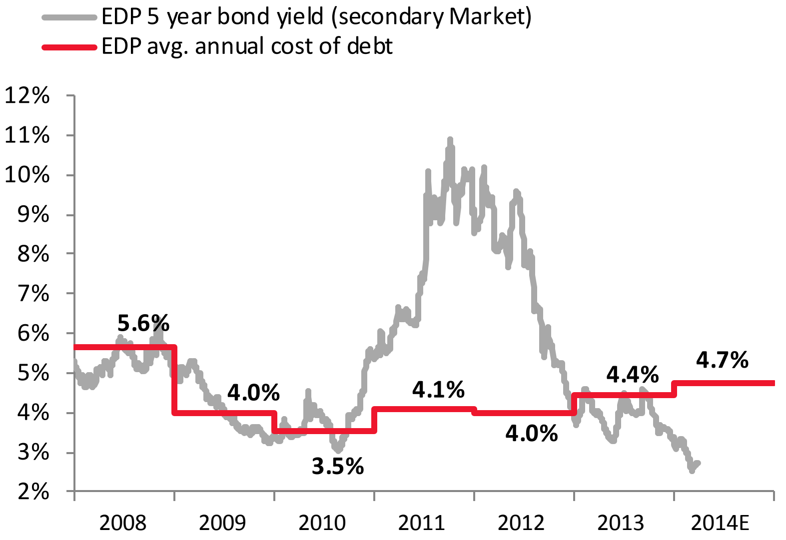
Post-2008, clear change in funding policy to 24 months ahead instead of previous 12 months

Maintenance of diversified sources of funding, targeting both low cost and low risk

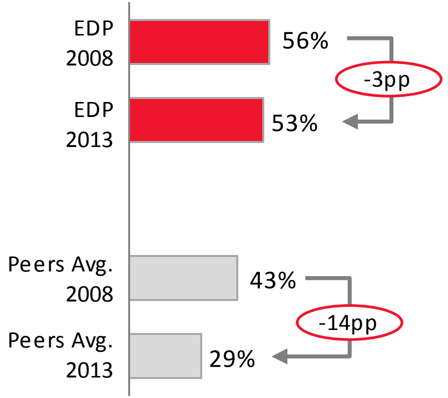
1

Controlled risk: beneficial management of cost of funding

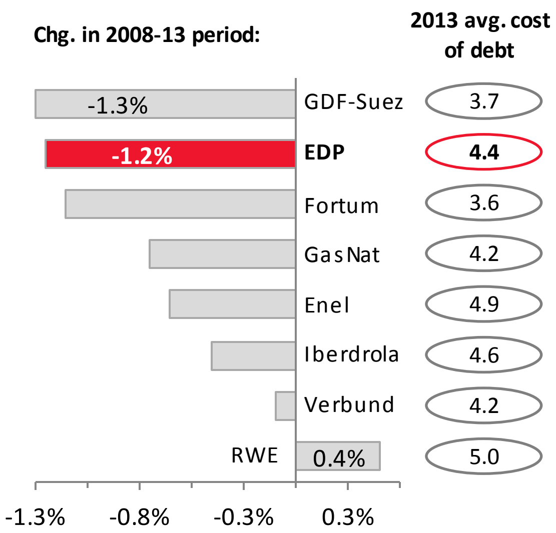
EDP 5 year yield vs. EDP avg. cost of debt: 2008-2014E (%)



Weight of floating rate debt: EDP vs. European peers (%)



Avg. cost of debt: EDP vs. European peers [1] (%)



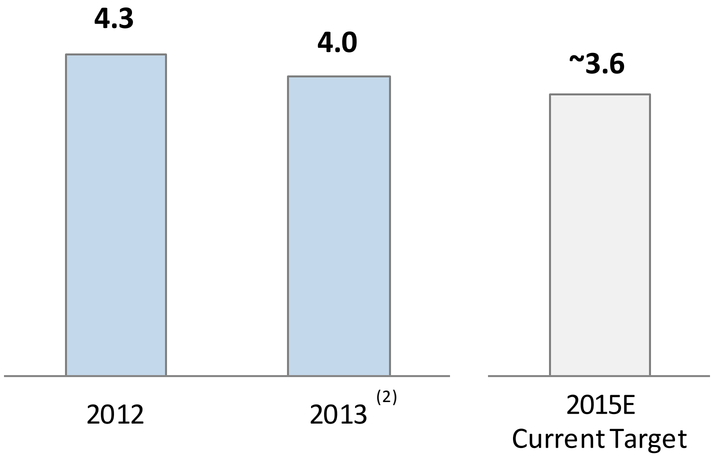
Efficient management of cost of funding: avg. cost of debt -120bp from 5.6% in 2008 to 4.4% in 2013

Lower than initially forecasted average cost of debt: Current ~4.7% for 2014E vs. previous ~5.0%

(1) Source: Company Reports.

1 Controlled risk: continued deleverage as committed, but at a slower pace given setbacks mainly in Iberian regulation

Adjusted[1] Net Debt/EBITDA:
(x)



2015E Adj. Net Debt/EBITDA target reflects a changed environment vis-à-vis May-12 expectations

- **Unfavorable regulatory environment**
  Negative impact on EBITDA (> €300m per year) and Net Debt
- **Unfavorable market conditions**
  Depressed demand; lower thermal production and low pool prices
- **Weaker than initially forecasted BRL and USD**
  The Brazilian Real suffered a 26% devaluation between Dec-11 and Dec-13; The US Dollar devaluated 6% within the same time period

+

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Adj. Net Debt/EBITDA of 3.6x by 2015E, financial deleverage process to continue in 2016E-2017E

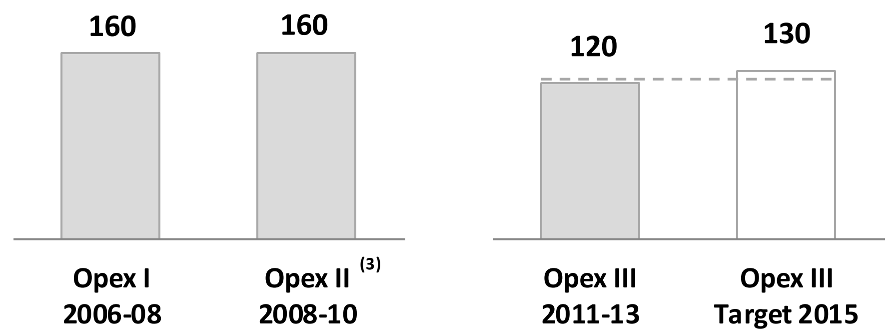
(1) Excluding Regulatory Receivables; (2) Restated to reflect IRFS10 and IFRS11 implementation.

2 Superior efficiency: maintaining a leading position in cost management and lean operations

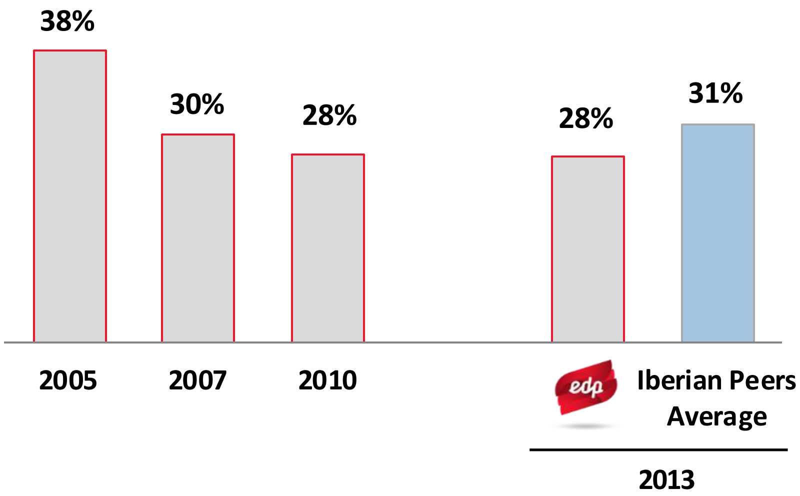
Efficiency programme: OPEX (1)
(€m)

OPEX I & II: 2006-10

OPEX III: 2011-13



OPEX/Gross Profit: 2013 (2)
(%)



OPEX I and OPEX II Corporate cost cutting programs:
€270m of total savings achieved in 2006-10(3)

OPEX III savings in 2011-13: ~€120m;
Anticipation of 2014 target for 2013

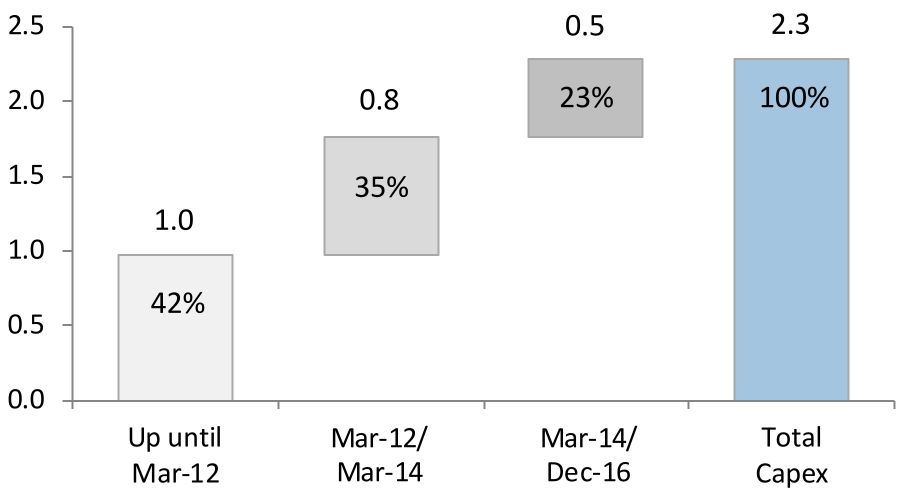
EDP OPEX/Gross Profit = 28%

Lowest ratio amongst Iberian Peers

(1) OPEX I savings measured regarding 2005 costs base; OPEX II savings measured regarding 2007 costs base and OPEX III savings measured regarding 2010 costs base;
(2) Source: Company Reports; (3) €50m of overlap savings with OPEX I referent to 2008

3 Focused growth: new hydro in Portugal
5 ongoing projects to start operations in 2014-16

New Hydro Capacity Investment Plan [(1)]
(€bn)



✓ **3 hydro repowerings (0.7GW) commissioned between Dec-11 and Dec-12**:

Under tough market conditions and strong hydro resources, these plants had a significant positive earnings contribution in 2012-1Q14
(EBITDA 1Q14: ~€40m)

✓ **5 hydro plants/repowerings under construction (+€0.5bn of remaining capex) to be commissioned:**

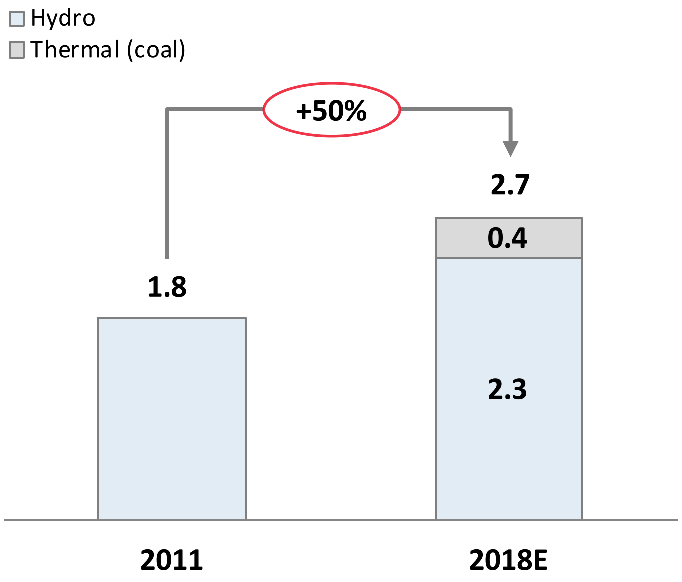
- **Dec-14:** Ribeiradio and Baixo Sabor (0.3GW);
- **2H15:** Venda Nova III and Salamonde II (1.0GW);
- **2H16:** Foz Tua (0.3GW)

8 new hydro plants in Portugal (2.2GW): 77% completed, on cost and on time delivery

(1) Total Investment Costs excluding Capitalised Costs for 8 hydro plants.

3 Focused growth: LT Contracted generation in Brazil
3 ongoing hydro projects to start operations in 2015-2018

Brazil: 2011-18E generation capacity [1]
(GW)



Pecém: 360MW coal plant fully commissioned in 2Q13

- Despite some initial setbacks, and after rigorous maintenance works, the plant is now operational (1Q14 avg. availability factor: 71% and improving);
- Proactive management actions allowed to contain downside impacts

Jari: 373MW in final construction stage; to start operations in Jan-15

- 92.4% concluded; execution ahead of schedule and below expected cost;
- 50% sold to CTG in Dec-13 (with capital gain)

2 hydro plants in early construction/development stage
PPAs financial conditions in respect of EDP's risk/return criteria

- **Cachoeira-caldeirão** (219MW under construction) to start in 2017; 50% sold to CTG; and
- **Sao Manoel** (700MW) under development to start operations in 2018; 33.3% sold to CTG (remaining 33.3% owned by Furnas)

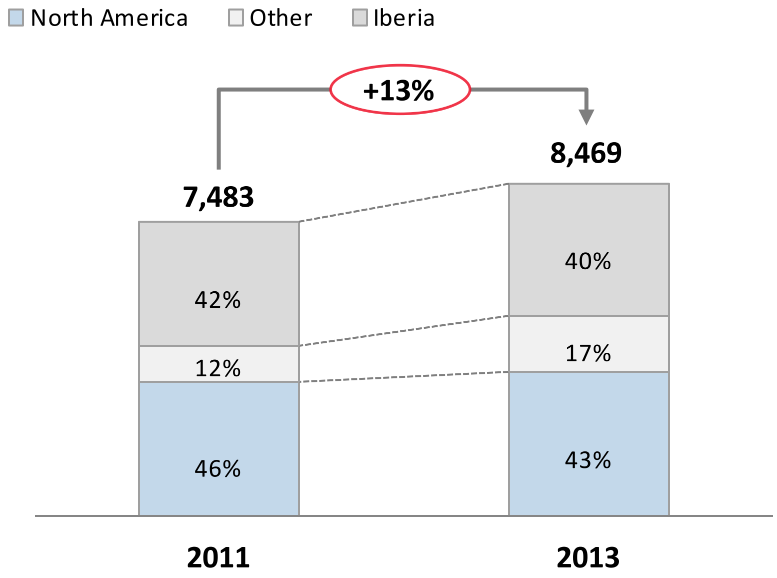
EDP Group was awarded the most capacity at A-5 auctions for new hydro projects in 2012-13

Partnership with CTG on new hydro projects allows risk diversification and enhances economies of scale

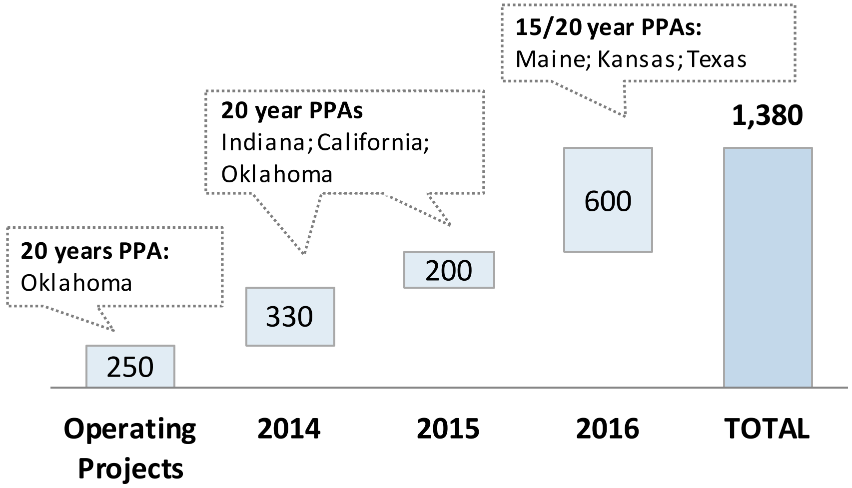
(1) Considering 50% of Jari and Cachoeira-Caldeirão (equity consolidation) and 33.3% of São Manoel (equity consolidation);

3 Focused growth: wind capacity up 13% in 2 years
2014-16 growth secured by PPAs already signed in US

Capacity additions in 2012 and 2013[1]
(MW)



PPA contracts for US wind signed between Dec-12 and Apr-14



PPAs signed in other markets: Brazil (236MW); Italy (60MW)

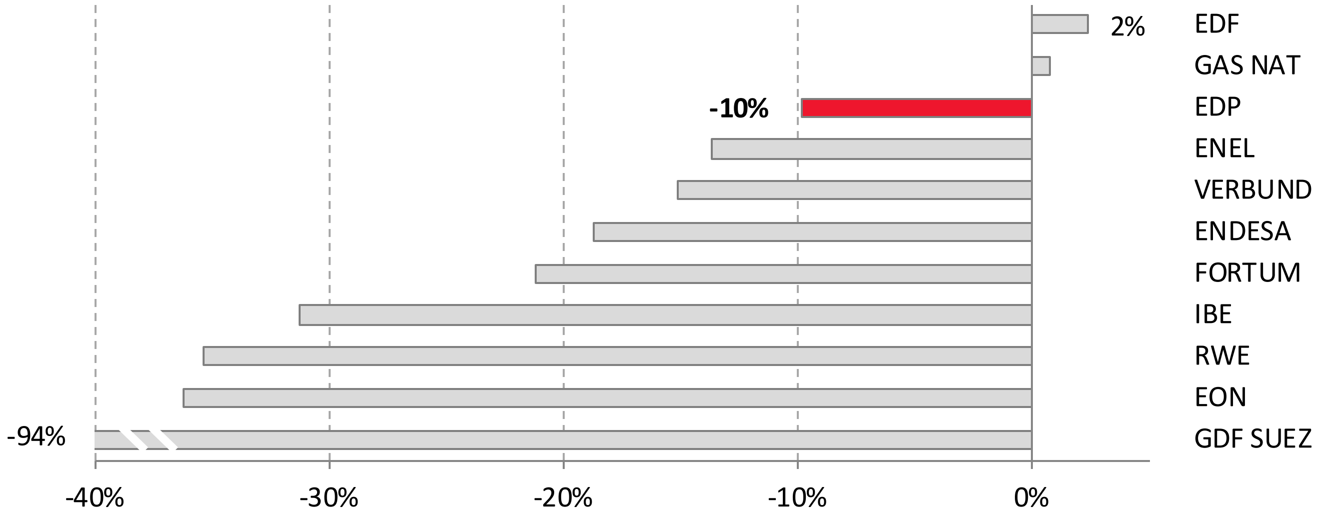
+1.0GW of wind capacity: balanced growth allowed to reinforce the diversification of EDPR's wind portfolio

EDP's good market positioning in US allowed to capture a window of opportunities for growth at attractive returns

(1) Including ENEOP

EDP's distinctive profile supports an above average performance

European Integrated Utilities – 2013 Reported EPS vs. Bloomberg Consensus as of Dec-11 (1)
(%)

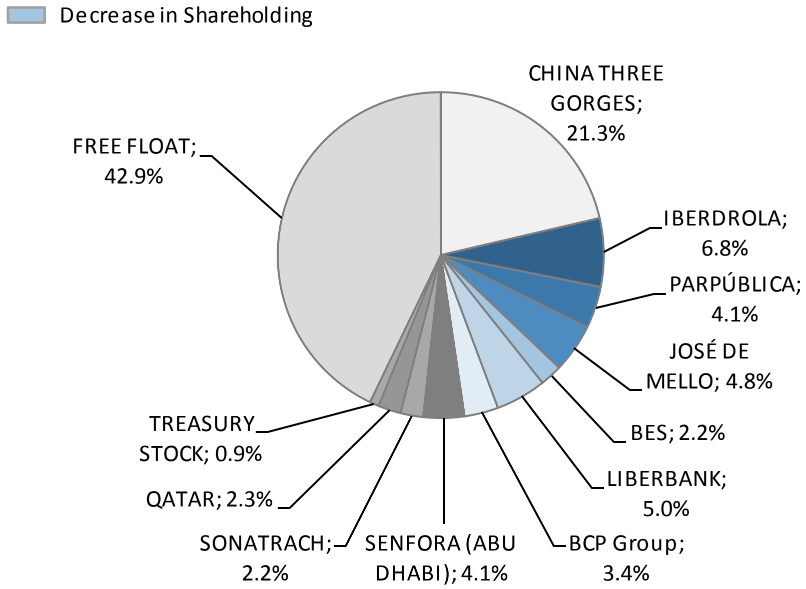


Despite tough macro, regulatory and market environments,
EDP's low risk profile amongst integrated European Utilities supported an above average performance

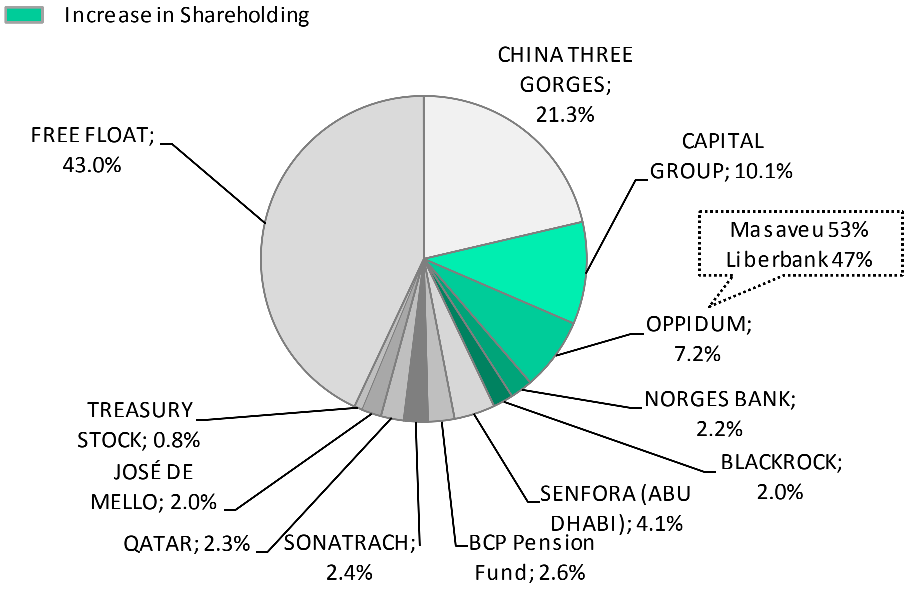
(1) Source: Bloomberg & Company Reports; EPS Adjusted for abnormal items.

Sound shareholder structure

EDP Shareholder Structure
(23-May-2012)



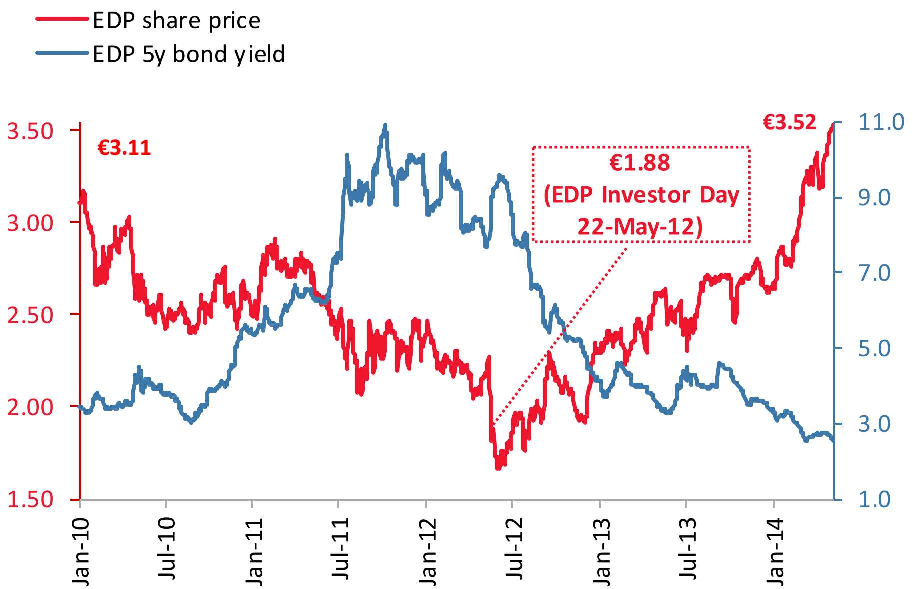
EDP Shareholder Structure
(14-May-2014)



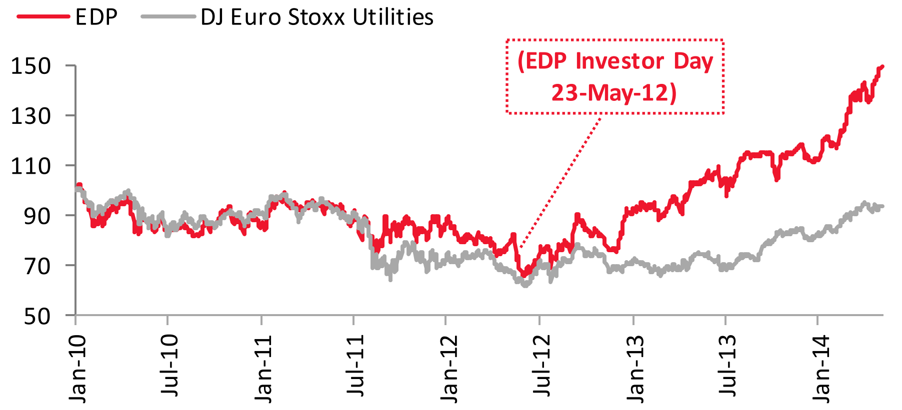
Overhang risk well absorbed by long term Institutional Investors

EDP TSR: +101% since May-12 Investor Day reflecting strong improvement of perception on EDP's business risks

EDP share price vs. 5 year bond yield
(€; %)



Total shareholder return(1): EDP vs. DJ Utilities Index
(Rebased 100)



Start Date	**01-Jan-10**	**22-May-12**	**01-Jan-10**
End Date	**22-May-12**	**06-May-14**	**06-May-14**
EDP TSR (%)	**-26%**	**101%**	**49%**
DJ Euro Stoxx Utilities TSR (%)	-35%	43%	-7%

Strong improvement of risk perception impacted positively on EDP's shareholder return/bond yields

(1) Total shareholder return assuming full reinvestment of dividends paid in the period.

May-14 vs. May-12: improving business prospects

Change in macro, regulatory and market environments

	May 2012	May 2014
Energy Markets	▪ Demand: strong decline ▪ CO_2 prices: strong decline ▪ Capacity in Iberia: still increasing	▪ **Demand: signs of recovery** ▪ **CO_2: back-loading ahead** ▪ **Capacity with slight decline**
Regulation Iberia	▪ Risk of potential cuts ahead; ▪ Tariff deficits perceived as unsustainable	▪ **Cuts already implemented on the utilities sector** ▪ **Financially sustainable electricity systems**
Credit Markets	▪ Bond markets closed (for Portugal and EDP); ▪ Bond yields > 10%; ▪ Portugal and EDP had been recently downgraded to high yield	▪ **Full access to credit markets (Portugal & EDP);** ▪ **Bond yields < 4%;** ▪ **Recent Improvements of credit rating outlooks**

Lower risk environment

(1) Total shareholder return assuming full reinvestment of dividends paid in the period

INVESTOR DAY 2014

Miguel Stilwell de Andrade,
Board Member

Iberian Business

NEVERENDING ENERGY

edp

EDP Iberian operations: ~50% Regulated Networks, ~50% generation and supply portfolio

EDP Iberian operations
(GW; th; km)

Portugal

Generation (GW)
Installed capacity: 8.7 GW

Clients (Thousands)
Electricity: 5,718
Gas: 375

Networks (km)
Electricity: 225,000
Gas: 4,484

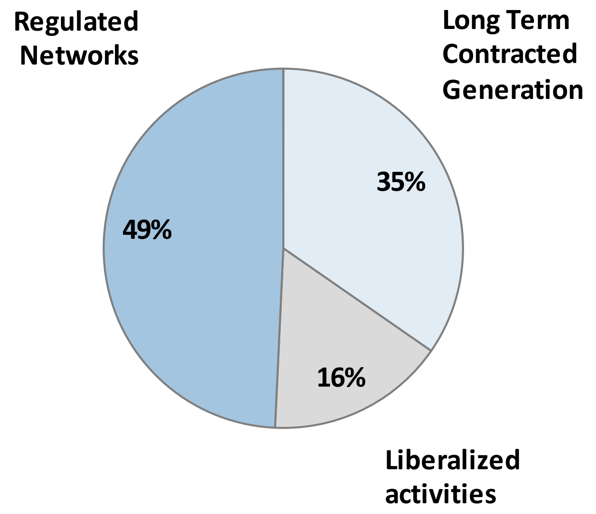
Spain

Generation
Installed capacity: 3.9 GW

Clients (thousands)
Electricity: 1,118
Gas: 796

Networks (Km)
Electricity: 23,293
Gas: 9,996

Iberian operations[1] – EBITDA breakdown 2013
(%)



EDP benefits from a high quality generation portfolio and strong electricity and gas clients' base

Note: Data as of Dec-13 (1) Iberian operations: generation & supply (Liberalised activities and LT Contracted generation) and Regulated networks (Electricity and gas distribution, in Portugal and Spain).

Iberian operations: emerging from a period of strong regulatory and market pressure

Demand destruction: 2013 Iberian demand back to 2005 level

High reserve margin in Iberia: over 35% in Spain and 25% in Portugal, in 2013

Low pool prices: capped by low residual thermal demand

Regulatory/fiscal changes: several waves in Portugal and Spain hit utilities' earnings

2014 can be a turning point:

Improved regulatory visibility, room for moderate improvement in market conditions

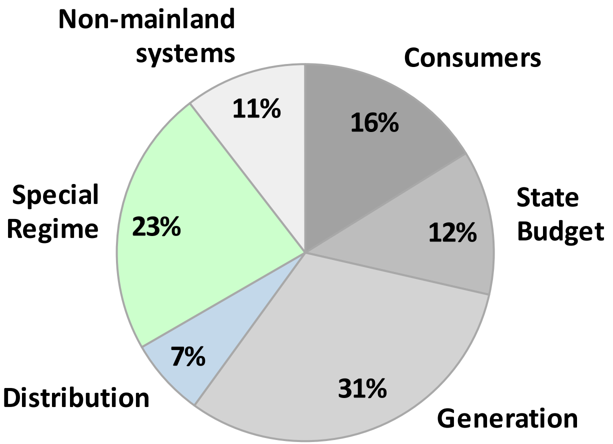
Key Drivers for Iberian operations in 2014E-17E

1. Improving regulatory and market environment
2. Reinforcing distinctive generation portfolio
3. Stable regulated networks
4. Strong position in supply
5. Solid track record in risk management
6. Increasing efficiency

Regulatory landscape in Spain: Lower regulatory risk after changes in 2012-14

1

Spain – Overall impact of 2012-14 regulatory/fiscal measures
(%)



System expected to be balanced in 2014 (vs. €3.9bn deficit in 2013), as long as commitments are fulfilled(1).

Potential regulatory changes

Electricity

- Changes in **ancillary services** markets signalled since 2013 (included in our business plan)
- Possible changes in the **wholesale markets:** basic guidelines agreed in the context of market coupling of Iberia and France must be preserved

Gas

- Regulated activities: Possible changes on the remuneration may be announced in 2Q14E
- Expected start-up of gas spot/forward market in Iberia (MIBGAS)

Cuts applied so far are enough to eliminate electricity tariff deficit

(1) State budget contributes with 50% of extra-peninsular costs; Potential future deficits to be financed by all regulated activities; Any additional revenue/cost must be compensated as to preserve system balance

1 Regulatory landscape in Portugal: Lower regulatory risk after cuts implemented in 2012-14

2nd package announced in Oct-13:

Clawback of possible gains by Portuguese generators due to distinct regulatory/fiscal rules vs. Spain

- Due to be reassessed every 6 months as to adjust for any further distortions arisen: as part of this, **any change to social tariff, special contribution or other costs paid by electricity generators must be factored in**
- Currently in place: transitory levy of €2-€3/MWh in off-peak/peak hours, applicable to all capacity in the liberalised market[(1)]; introduced in the wake of generation taxes in Spain

Special Contribution from Energy sector

- 0.85% tax on assets in 2014, applicable to electricity, gas and oil operations
- Expected impact on EDP: ~€47m after taxes.
- According to recent statements by finance minister, this extraordinary tax will be in place also in 2015 (terms to be known in 2015 budget).

Social Tariff

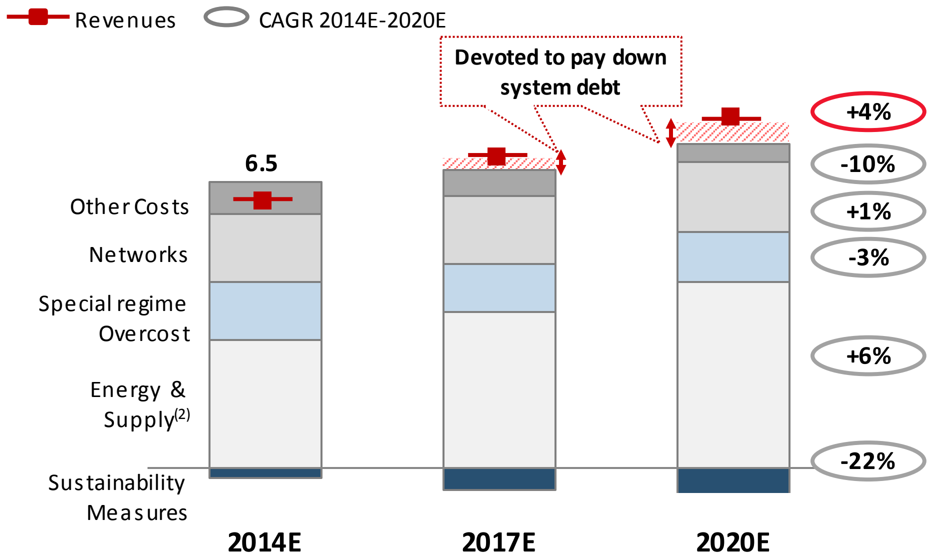
- Scope due to increase from Jan-15 onwards;
- Cost to be shared between State budget and generation plants in the liberalised market

The clawback will be netted of any further generation costs like social tariff or extraordinary contribution

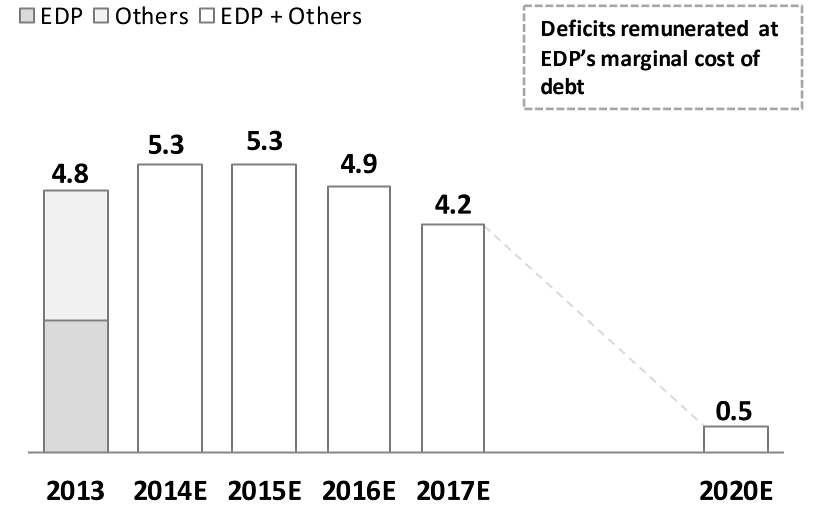
(1) Excluding CCGT with working hours < 2,000/year

Portugal Electricity System: Sustainability is ensured with the measures in place

Portugal Electricity System – Cost of the year vs. Revenues[1] (€ bn)



Portugal Electricity system – Regulatory Receivables (€ bn)



- **Sustainability measures:** Impact from 1st & 2nd package[3] expected to grow over 2014-2020E
- **Moderate tariff rise (1.5%-2.0% CAGR above inflation) and demand growth (+0.9% CAGR in 2013-17E)**
- **Lower investments in the system (new capacity, grids)**

(1) Revenues corresponding to system costs included in the tariff. Costs of the year corresponding to costs included in the tariff of the year plus ex-ante tariff deficit created in the year, minus past tariff deviations and deficits recovered in the year. (2) Includes estimated energy and supply costs in the free market. (3) 1st package in May-12, 2nd package in Oct-13

1 Energy markets in Iberia: Re-balancing mainly prompted by supply

Demand growing ~1% CAGR 2013-17E…

- Economic recovery drives increase in demand
- Increasing use of electricity (electric vehicles, heat pumps)
- Energy efficiency initiatives by EU and Governments slows down demand growth

Balance between demand and supply

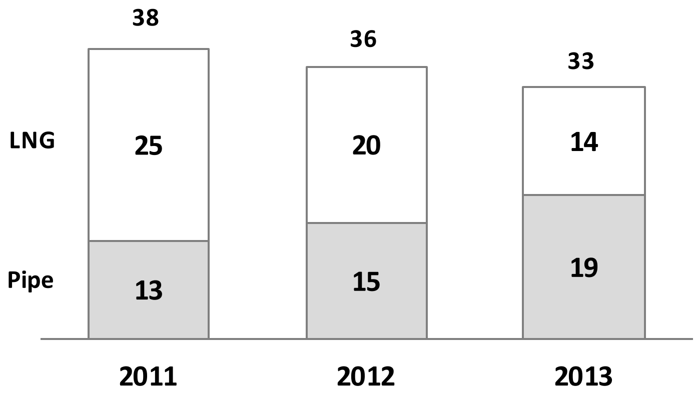
… Supply will gradually fall

- Implementation of CO_2 backloading program; Proposed creation of a stability reserve mechanism as from 2021
- Capacity driven by shutdowns of coal and cogen (environmental and regulation driven) and possible mothballing of CCGTs
- Take-or-pay pressure diverted away from Iberia
- No new licensing of capacity

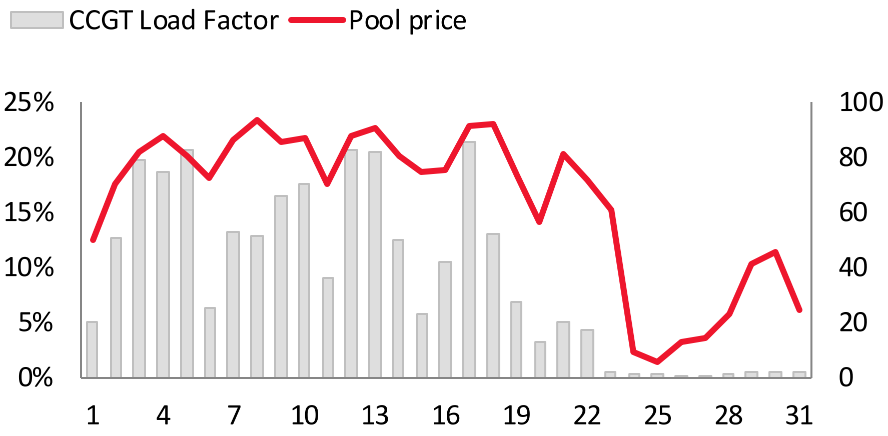
Average Iberian pool price of ~€55/MWh in the 2014E-17E period

1 Strong integration with International LNG markets is supportive for power prices in Iberia

Iberian Market - Net gas consumption
(bcm)



Spain in Dec-13 – Daily CCGT load factors and Pool price
(%, €/MWh)



Fall in LNG consumption in Iberia prompted by its diverting to Asia/Latam at higher margins

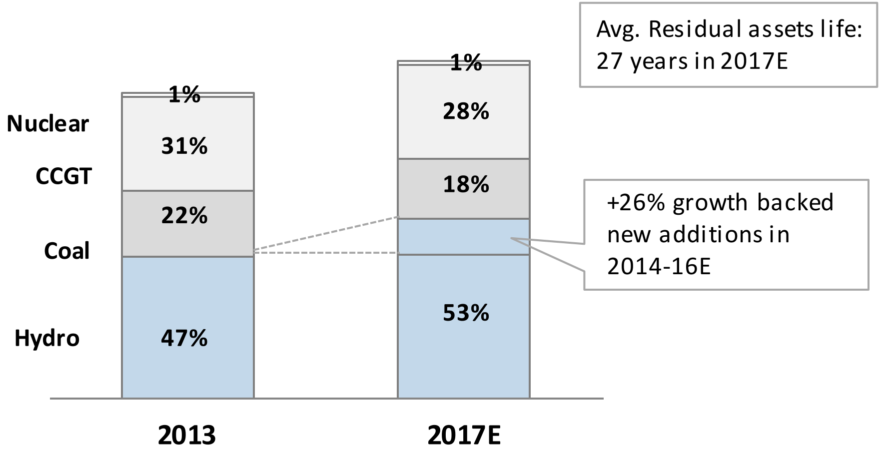
Unexpected cold weather, low wind/hydro resources and lower nuclear availability in the system

If CCGTs are needed, power prices in Iberia must increase in order to provide positive spreads

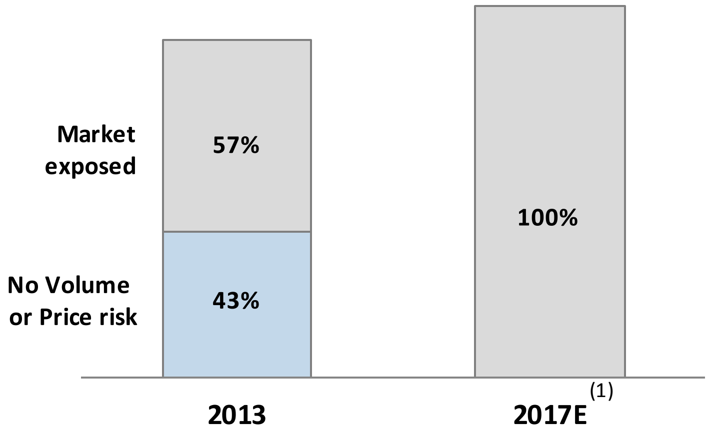
Source: ENAGAS, REN, OMEL, EDP

EDP is reinforcing a distinctive generation portfolio

EDP Conventional generation– Installed capacity
(MW)



EDP Conventional generation – Risk profile
(MW)



A Delivery on new hydro capacity will raise the weight of hydro in our portfolio to 53%

B PPA/CMEC will enter a new phase in 2017, with exposure to volatility

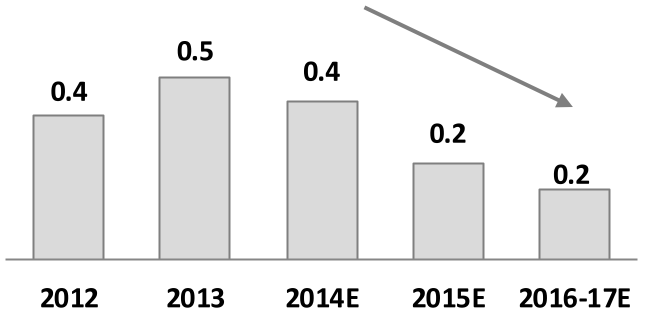
- **CCGTS:** Technical features of our fleet allow to concentrate operations in the best hours and in ancillary services
- **Coal:** Our fleet is the most efficient in Iberia; historical load factor at 57%(1) (vs. sector's 40%); ~85% of portfolio with DeSOx / DeNOx as of 2017; Decommissioning of Soto 2 (236MW) in Dec-15

(1) Considers PPA/CMEC generation in the liberalised activities for 12-months in 2017

New Hydro Capacity in Portugal: +1.5GW in 2014-16

Plant	Completion Rate[1]	Expected Start-up date	Type	MW	Total Output (GWh)[2]	Net of Pumping (GWh)[2]
Baixo Sabor	91%	Dec.2014	New plant With Pumping	173	460	200
Ribeiradio/Ermida	80%	Dec.2014	New plant	81	134	134
Venda Nova III	78%	2H15	Repowering With Pumping	756	1.441	21
Salamonde II	66%	2H15	Repowering With Pumping	207	386	136
Foz Tua	40%	2H16	New plant With Pumping	252	667	272
Total	**73%**			**1.468**	**3.088**	**763**

EDP - Capex in New Hydro Capacity in Portugal[3]
(€ bn)



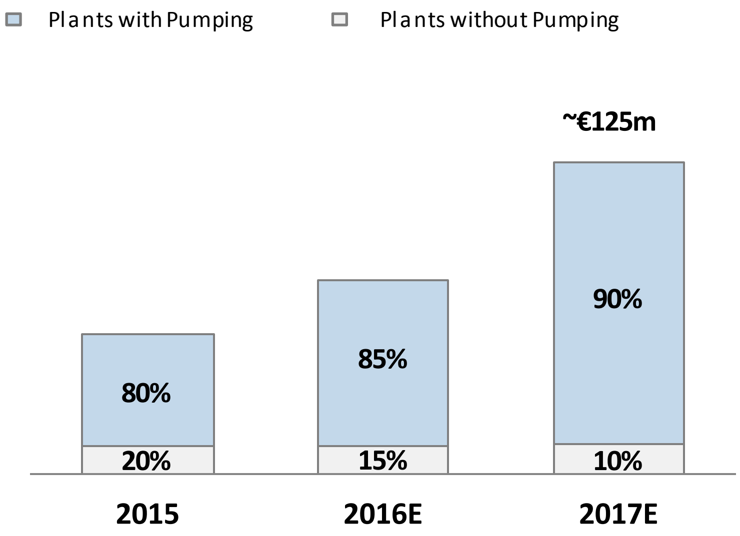
- **2 repowering projects** using existing reservoirs **(66% of new MW):** lower capex/MW, lower execution risk
- **4 projects have pumping capabilities (95% of new MW)**: 75% of expected electricity production will use electricity also as fuel (driven by intraday/week/month price volatility); expected net output is 0.2% of Iberian power demand

€1.3bn of works in progress by Mar-14: 73% of total capex already incurred

(1) As of Mar-14. (2) On an average hydro year (3) Capacity under construction. Capex including capitalised costs.

New Hydro capacity in Portugal: Expected EBITDA of ~€125m in the 1st full-year of operation

EBITDA – Contribution from new hydro capacity in Portugal
(€ million)



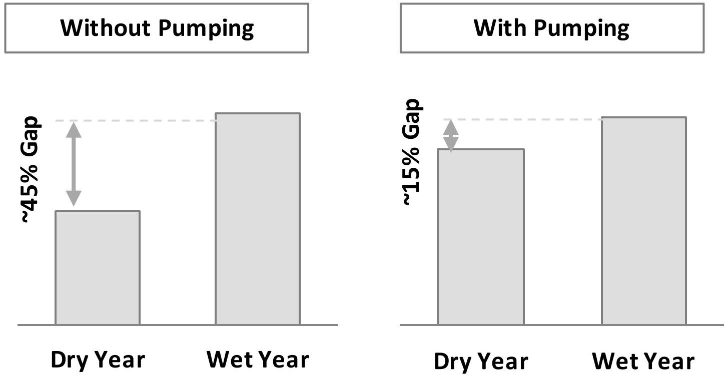
- Delivery of new hydro capacity prompts for a 5-year extension of residual life of our hydro portfolio, to 35 years in 2017E
- Repowering imply high synergies with existing plants on O&M costs

~90% of Additional EBITDA derives from capacity with pumping

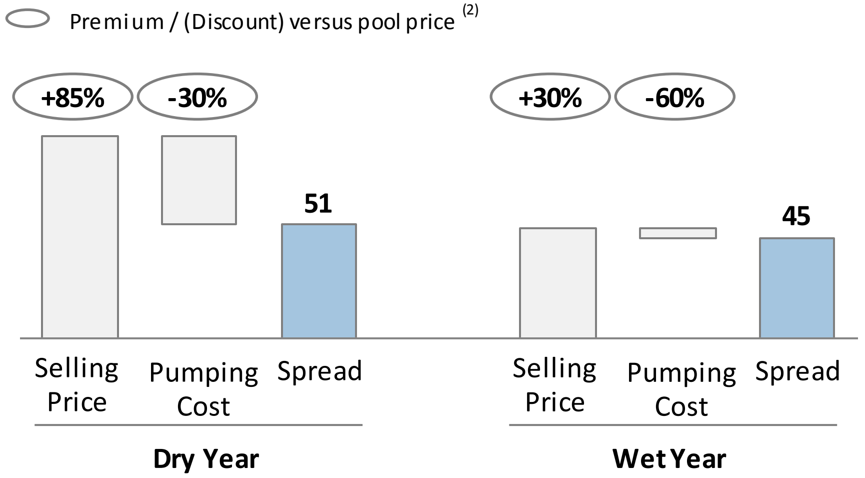
2A

Hydro with pumping reduces portfolio risk and delivers attractive incremental returns

EDP - Hydro gross profit per MW installed(1)
(€/MW installed)



EDP Pumping activity(1) – Spreads versus avg. Pool price
(€/MWh produced)



- Plants with pumping contribute to reduce the volatility of hydro gross profit between wet and dry years

- Pumping's profitability is driven by spreads between off-peak and peak prices, rather than absolute prices

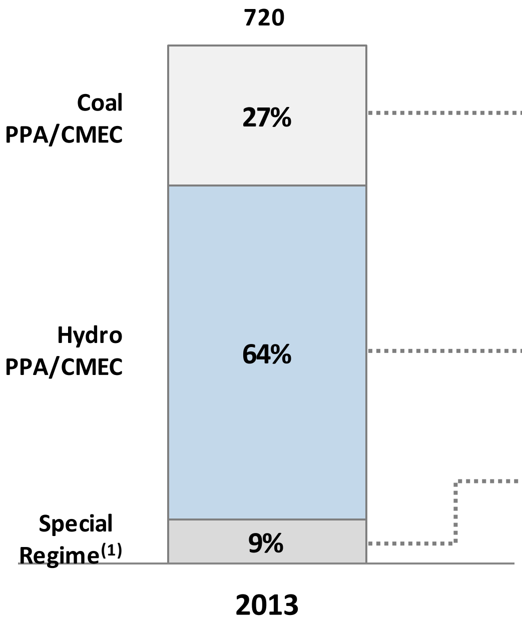
Recent market dynamics in Iberia support the economics of hydro pumping and storage at adequate returns

By 2017E, 40% of overall EDP's hydro capacity will have pumping

(1) Based on years of 2012 ('Dry Year') and 2010 ('Wet Year'); Plants with Pumping based on Alqueva; Plants without pumping based on Douro-river plants and Alto Lindoso hydro plants.
(2) Average pool price: €37/MWh in 2010 ('Wet Year'), €48/MWh in 2012 ('Dry Year').

2B PPA/CMECs account for ~90% of EBITDA from LT Contracted generation

LT Contracted generation in Iberia – EBITDA breakdown
(€ million)



Sines coal plant (1,180MW; PPA end in Dec-17)

- Consistently beating Iberian load factors: 70% in 2008-13 (vs. 40% sector)
- All environmental investments completed (DeNOx, DeSOx)
- EDP will operate Sines coal plant after the end of PPA

The most representative block with impact as from 2017

EBITDA from Special regime (Ex-wind): ~80% in Portugal, ~20% in Spain

- Portugal: mostly mini-hydro (strong contribution in 2013)
- Spain's (cogen & waste): capacity shutdowns in feb-14 on remuneration cuts

Our Sines plant is amongst the most efficient coal plants in Iberia and has no major capex needs

(1) Excluding wind

PPA/CMECs new phase: as from 2017, hydro under PPA/CMECs will be exposed to price and volumes short term volatility

PPA/CMEC– Gross profit profile
(€ million)

Earnings component volume and price risk-free

Earnings component exposed to volume and price volatility

1994 — **2007** — **2017** — **2027**

PPAs with no volume/price risk

CMECs with no volume/price risk

CMECs with volume/price risk

A) Contracted Gross Profit ('PPA')
=
Contracted Net Assets[1] x 8.5%[2]
+
Annual Depreciation
+
Contracted costs w/efficiency incentives

Full pass-through of new costs of operation (post-1994)

A) PPA Accrued Income[3]
Annual difference between 'PPA Gross Profit' and 'Expected Gross Profit in the Market', as estimated in 2007 (assumed pool price: €50/MWh (2007 prices) + 2% inflation per year)

B) Actual Gross Profit in the Market
(Plants must perform efficiently)
+
C) Annual Deviations[4]
(secures the achievement of 'Expected Market Gross Profit' as assumed in 2007)

B) Actual Gross Profit in the Market
(Plants must perform efficiently)

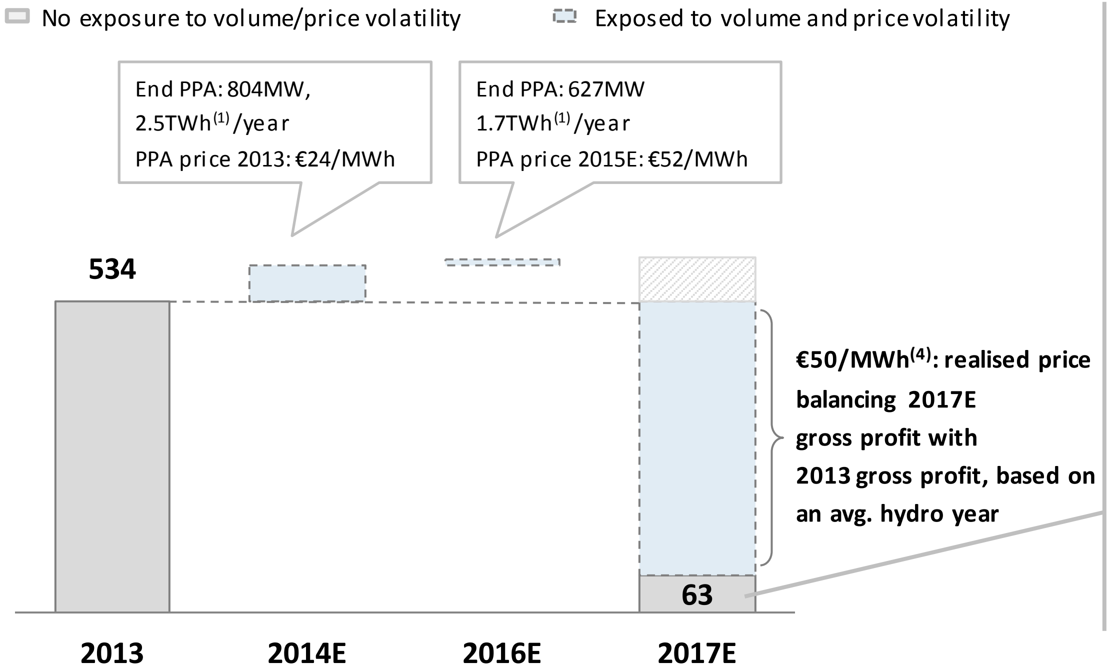
End of compensations for Deviations between Actual and Expected Gross profit in the market

CMEC system will only end in 2027, the maturity date of the last hydro PPA

(1) Inflation updated. (2) Return on Assets before inflation and taxes; (3) PPA accrued income is received through the 'CMEC fee': an annuity calculated on the base of the NPV of PPA accrued income throughout PPAs' life. (4) Deviation between 'Expected gross profit in the market', as estimated in 2007, and the 'Actual gross profit in the market (simulated through Valoragua model based on real context).

2B Hydro PPA/CMEC: with a €50/MWh price in 2017, gross profit in 2017E would be in line with 2013

Hydro plants with PPA/CMEC – Gross profit dynamics in 2013-17E
(€ million; Portfolio with 27 plants and 9.4TWh output[1])



PPA Accrued Income

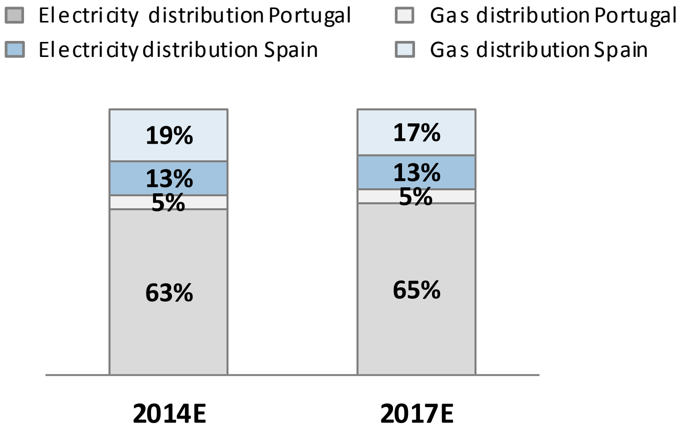
- Fixed revenue component (€63m[2] in 2017E), due to gradually fall as PPAs terminate:
  - 0.5TWh[1] in Dec-20/2022
  - 4.3TWh[1] in Dec-24
  - 0.4TWh[1] in Dec-27
- Due to be reassessed in 2017[2] for the remaining PPA period: 2017 market price assumption is currently €61/MWh
- Cash profile: amount received through access tariffs (CMEC fee[3]): avg. €67m/year until 2027.

High quality assets, low marginal cost technology, long concession period beyond PPA maturity

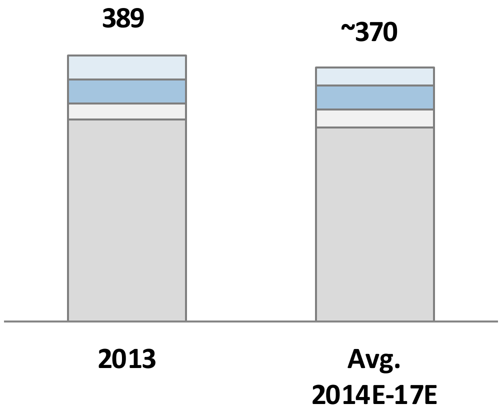
(1) Based on an average hydro year. (2) PPA accrued income and CMEC fee due to be reassessed in 2017 based on the rules contractually defined in 2004. (3) The 'CMEC fee' corresponds the annuity calculated on the base of the NPV of PPA accrued income throughout PPAs' life. (4) Assuming no changes in 2017 to the CMEC assumptions defined in 2007

Regulated networks: 65% of EBITDA derives from Electricity distribution in Portugal

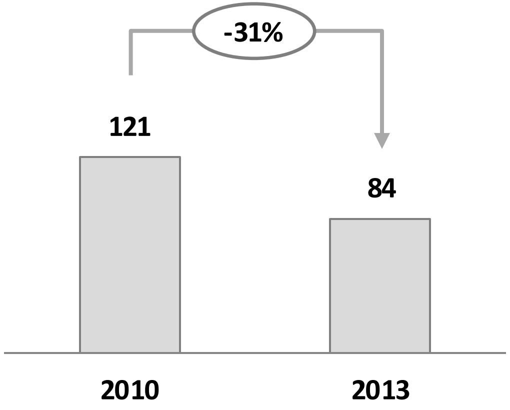
Reg. Networks - EBITDA breakdown
(€ million)



Reg. Networks - Capex breakdown
(€ million)



Electricity Distribution Portugal – EIT(1)
(minutes)



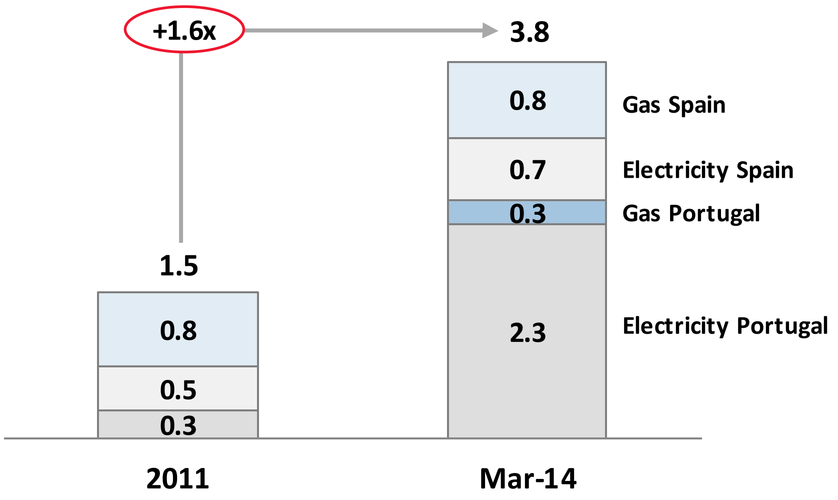
- **Regulation:** No major changes in model expected in the next regulatory period for electricity distribution in Portugal, in 2015-17
- **EBITDA:** stable on regulation, low inflation environment and tight cost control
- **Focused capex:** targeting harmonisation throughout concession area of high quality grid standards already achieved; improvements in grid efficiency, lower grid losses and O&M costs

Focusing on capex and OPEX efficiency improvements

(1) Equivalent Interruption Time; Adjusted for non-recurring impacts (rainstorms, high winds and summer fires).

4 Clients portfolio expansion backed by strong pace of liberalisation in Portugal

EDP – Clients portfolio in the Free market
(Million)

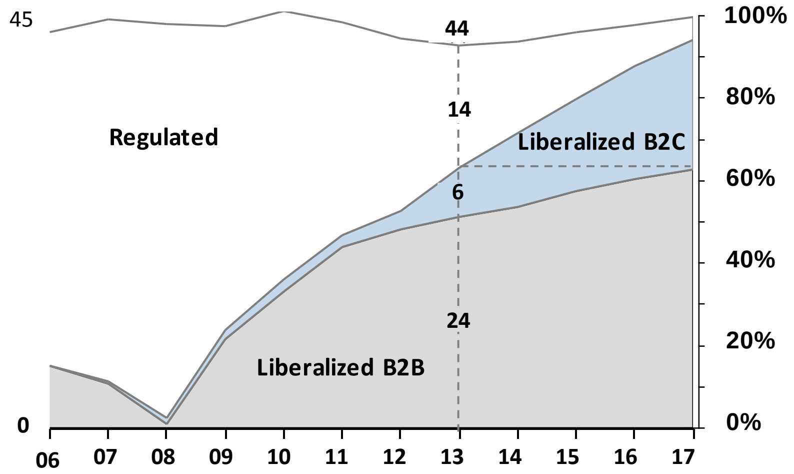


- **In Portugal**, strong portfolio expansion, backed by liberalisation process in electricity and gas
- Timeframe for the phasing-out of transitory regulated tariffs:
  - ✓ Dec-14: Clients ≥ 10.35kVA
  - ✓ Dec-15: Clients < 10.35kVA
- **In Spain,** supplier with the highest growth in gas and electricity; highest percentage of products per client (1.8); Highest share of clients in free market

Liberalization process to continue to be a challenge and an opportunity for EDP in 2014-2017

4 In Portugal, 84% of clients that move to free market chose EDP as a supplier

Electricity in Portugal: Volume supplied in 2006-17E
(TWh)



Focus on returns and value-added proposals

- Market leader in all segments of electricity and B2C gas
- Growth focused on residentials / SMEs
- Increasing focus on dual-fuel offer (electricity & gas) and value-added services

Maintain a high level of clients' satisfaction

- High level of client **satisfaction** in Portugal (1) :
  7.9 for Electricity supply; 7.5 for service quality

Competitive pricing through cost control

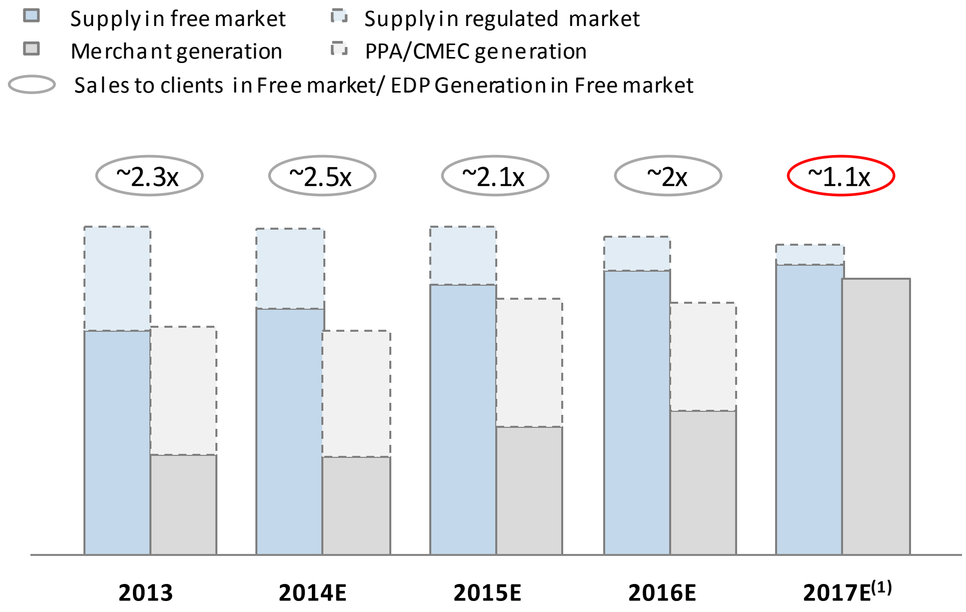
- Control of commercial costs, credit risk and bad debts to maximise competitiveness

Clear market leader focused on adding value to our clients and to EDP

(1) Satisfaction indicators based on electricity consumers in the liberalised Market (scale 0-10)

5 Risk management: Strong presence in supply allows to successfully manage additional market exposure

EDP electricity volumes – Generation & supply integrated activity (GWh)



Main drivers in 2014-17E

Volumes supplied

- Higher weight of supply in free market vs. last resort backed by the liberalisation in Portugal
- Increasing weight of longer-maturity contracts with industrials

Generation volumes

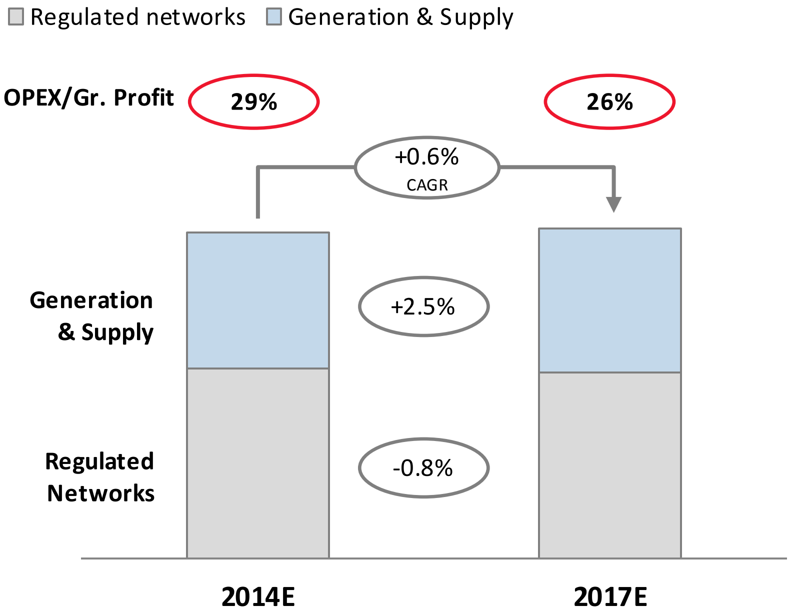
- Higher share of liberalised generation prompted by the gradual switching of plants from PPA/CMECs to market

EDP aims at replicating the good track record in market risk management to a wider merchant portfolio

(1) Considers PPA/CMEC generation in the liberalised activities for 12-months in 2017

6 Efficiency: OPEX/Gross profit improves from 29% to 26% on portfolio optimisation and headcount reduction

EDP Iberian operations [1] – Operating costs
(€ million)



Generation & Supply activities in Iberia

- New capacity on stream adds O&M costs
- Optimisation of maintenance policy as to well accommodate the transition of PPA/CMEC capacity to merchant
- Client Services/Marketing related to clients' switching from the regulated to the liberalised market in Portugal

Regulated Networks in Iberia

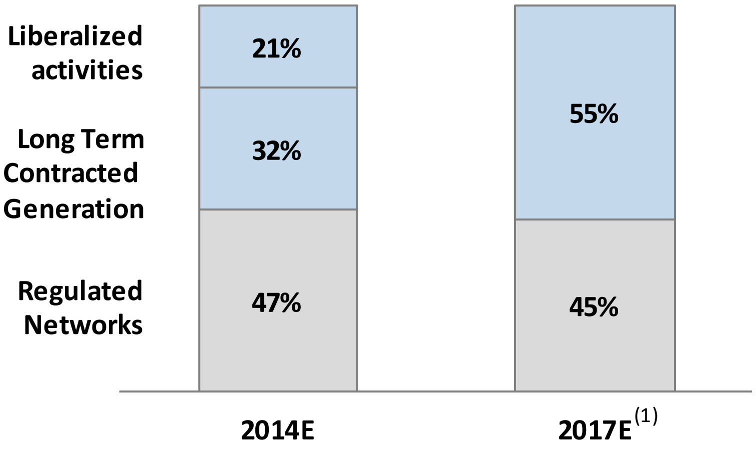
- Tight cost control, related to corporate cost savings' program
- Net headcount reduction mainly driven by retirements

Even with capacity additions and some volume growth, operating costs are due to evolve below inflation

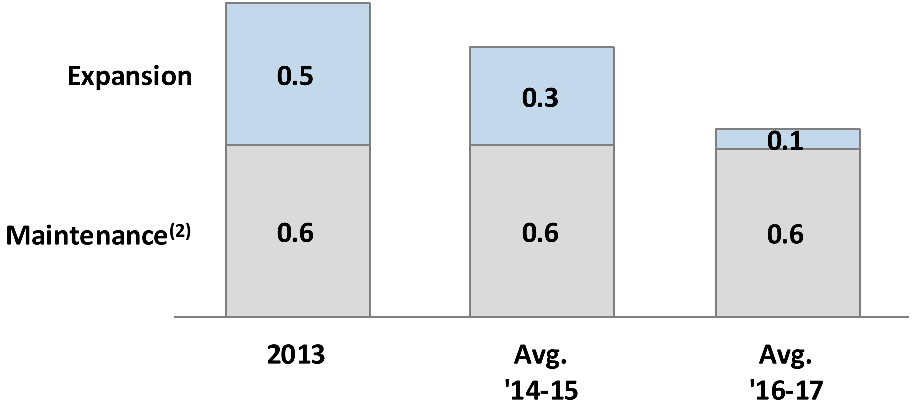
(1) Iberian operations: generation & supply (Liberalised activities and LT Contracted generation) and regulated networks (Electricity and gas distribution, in Portugal and Spain).

Iberian operations: Capex will fall with the completion of the new hydro program and higher efficiency on networks

Iberian operations – EBITDA breakdown
(€ million)



Iberian operations – Capex breakdown
(€ million)



EBITDA in Iberia expected to grow at ~1% CAGR in 2014E-17E

(1) Considers PPA/CMEC generation in the liberalised activities for 12-months in 2017 (2) Includes non-recurrent environmental capex in Spain.

EDP Iberian Business key drivers 2014E-17E

Through adequate strategic positioning in current environment...

Stable regulation Lower regulatory receivables Market improvement	High-quality assets Strong clients portfolio Risk management	Focus on Opex and Capex efficiency

...EDP will achieve its targets...

EBITDA New Hydro	Lower Avg. Capex/year	Opex	EBITDA Iberian Business
2017E +€125m	*2016-17E* ~€0.6bn	*CAGR 14E-17E* +0.6%	*CAGR 14E-17E* +~1%

...leading to

Low-risk business model with strong Free Cash Flow generation

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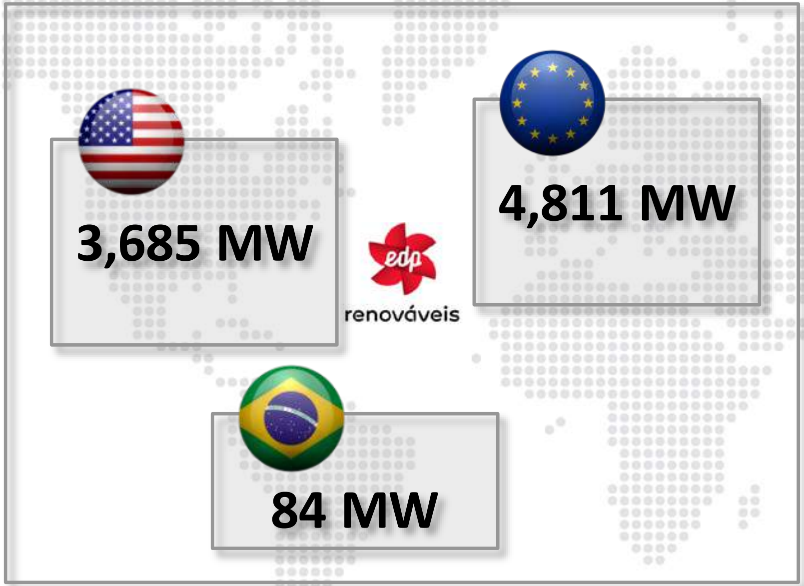
João Manso Neto, *CEO*

EDP Renováveis

NEVERENDING
ENERGY

EDPR is a market leader with 8.6 GW of installed capacity worldwide…

#4 worldwide wind player



EDP Group company focused on wind and solar investments	**77.5%** EDP SHAREHOLDING
Leader in the most competitive renewable technology	**WIND** ONSHORE
Diversified operating portfolio	**10** COUNTRIES
Young assets with long residual life	**5** YEARS AVERAGE LIFE
Solid generation of Operating Cash-Flow	**700** MILLION €

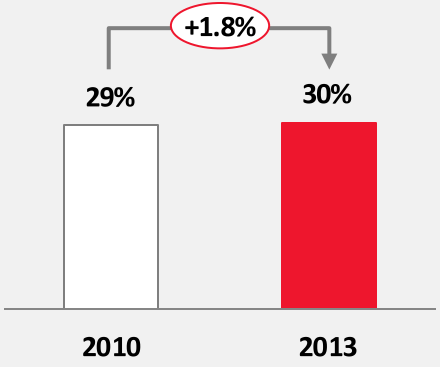
Notes: Installed capacity as of 1Q 2014, including 50 MW of solar PV capacity in Europe; European countries: Portugal, Spain, France, Belgium, Poland, Romania and Italy; US includes Canada

… developed from key core competencies, managed and operated on standards of excellence…

EDPR has a structural competitive advantage…

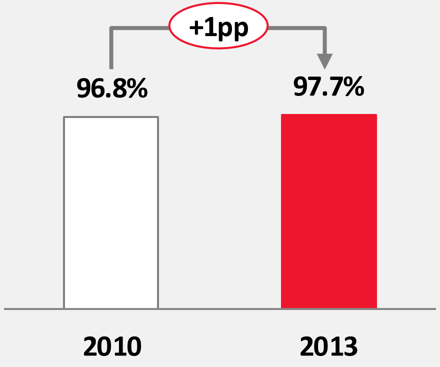
… and is continuously improving key operating metrics

Load Factor
(%)



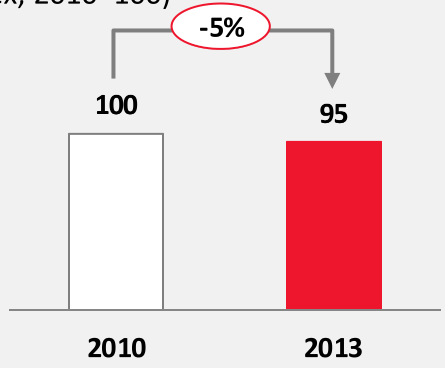
Distinctive know-how and selective approach

Availability
(%)



Introduced boost programs to maximize production

OPEX/MW[1]
(index, 2010=100)



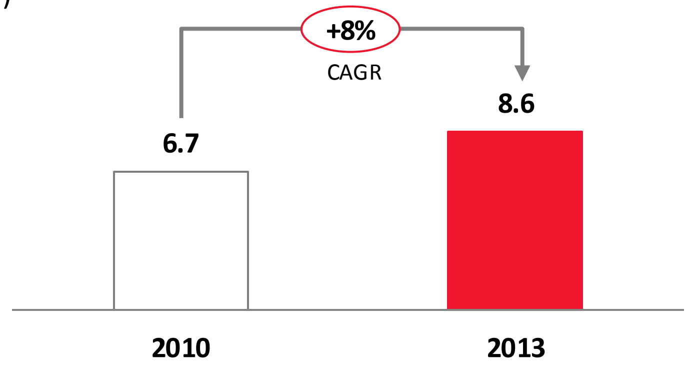
Strong focus on efficiency and cost control

Notes: 1) OPEX net of levies and write-offs

… flawlessly executing a selective growth profile…

EDPR achieved strong growth levels…

Installed capacity
(GW)

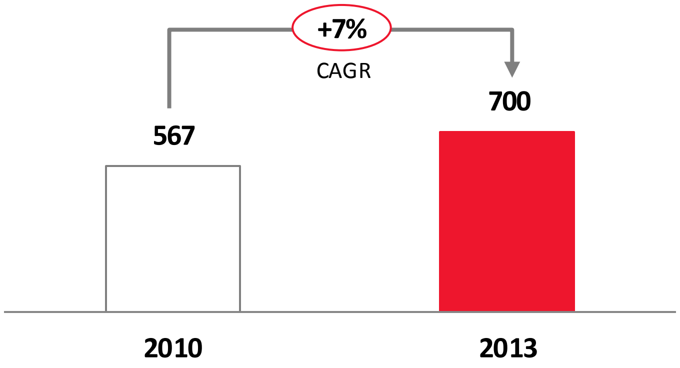


Countries #

2010	2013
8	10

… resulting in a robust cash generation capacity

Operating Cash-Flow
(€m)



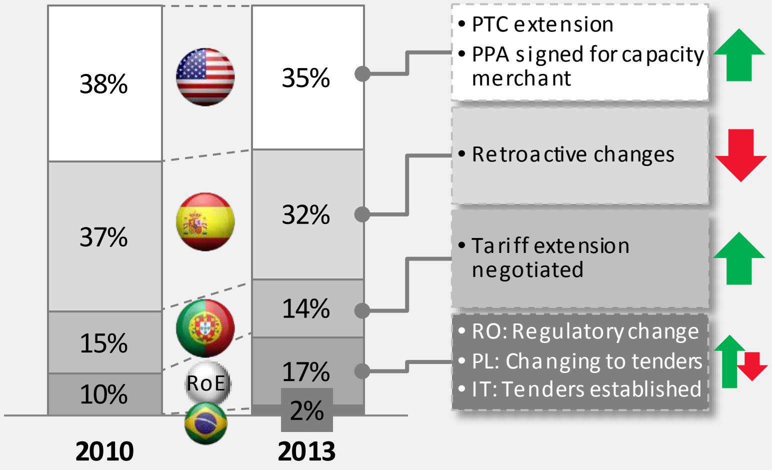
OCF/Capex (%)

2010	2013
41%	112%

…and presenting a diversified low risk portfolio based on a solid balance sheet

Well diversified portfolio exposed to different markets…

EBITDA
(%, €m)



… with the right funding for a capital intensive industry

Debt Metrics Overview

1Q14 Net Debt	Net Debt / EBITDA
€3.2bn	**3.5x**
-5% YoY	2013YE

Cost of Debt	LT Fixed Debt
5.2%	**86% fixed**
stable YoY	*83% ≥2018 maturity*

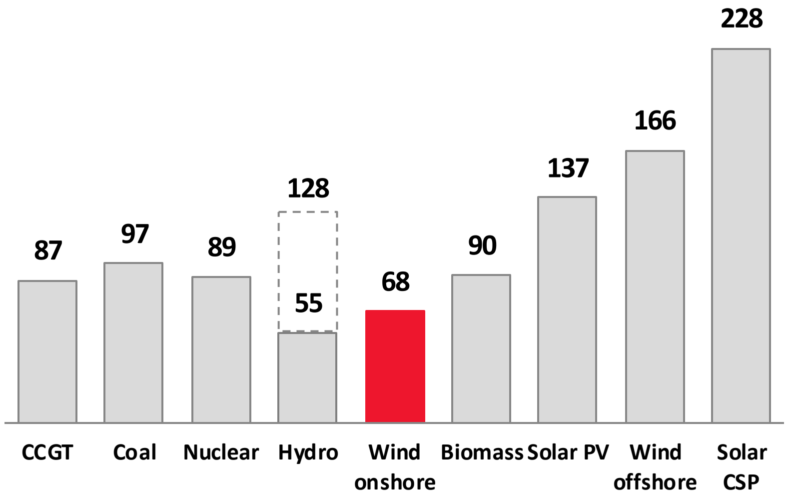
Wind onshore is a competitive technology…

renováveis

Wind competes with all technologies…

… requiring predictable revenue streams originated through ex-ante competition (e.g. auctions)

Levelised Cost of Energy (LCoE)
(€/MWh, 2012)



Zero marginal technology (price taker in marginal markets)

Capital intensive industry with long return period

Lowest LCoE is awarded a LT PPA

Auction designed to account for balancing costs

Demand driven by:
- Regulators defining capacity for auctions
- Private entities aiming to fulfil consumption needs

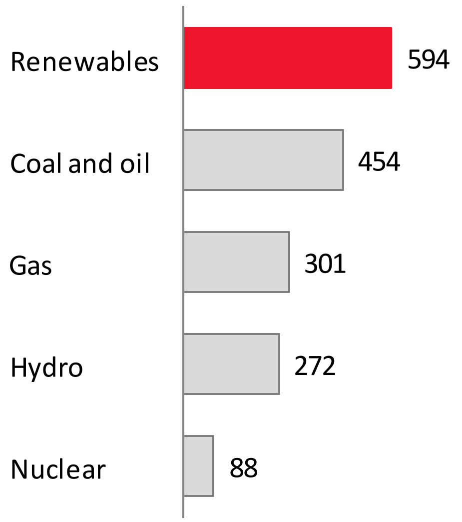
Lower risk premium for predictable cash-flow streams

Notes: Source: EDPR Analysis, wind onshore @ 25% load factor

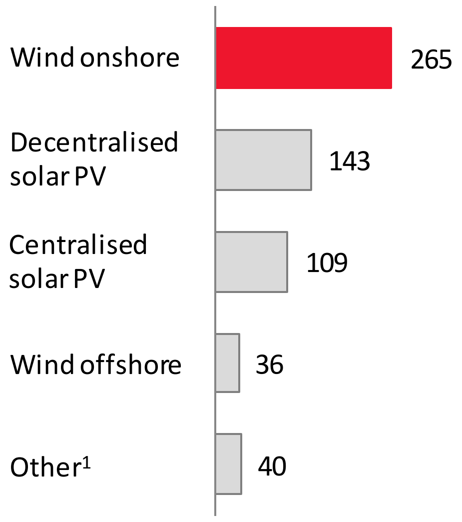
... and perceived by the market as the largest growth driver in renewables...

renováveis

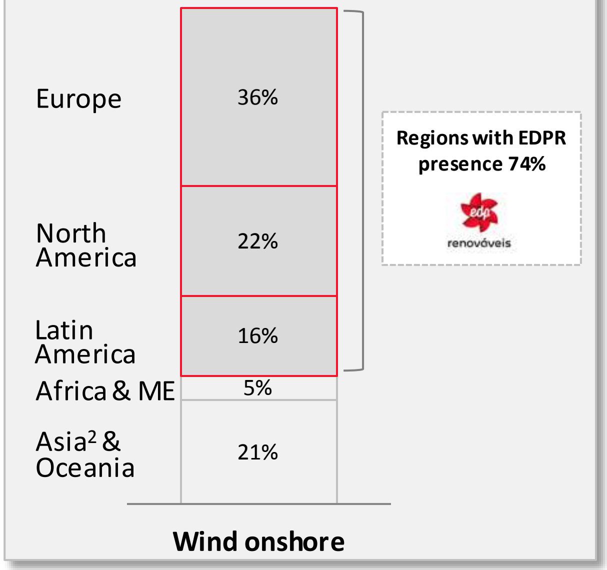
2014-2020 Worldwide Additions
(GW)



2014-2020 Renewables Additions
(GW)



2014-2020 Wind Onshore Additions
(GW, ex-China)



c.3/4 of the growth is expected to come from regions where EDPR is already present

Notes: Source: IHS Emerging Energy Research (2014); EPIA Global Market Outlook for PV; 1) Includes Biomass, waste and other; 2) Asia ex-China

... supporting EDPR's medium-term view about sector fundamentals

renováveis

Medium-term positive prospects in Europe despite short-term challenges

Ongoing demand for wind outside Europe due to its competitiveness

EUROPE

Short-term pressure

- Excess installed capacity
- Renewables perceived as expensive
- Depressed wholesale prices

Medium-term trends

- Consensus over decarbonisation
- Wind is cost competitive
- Market re-design (LT contracts)

US

Coal retirement planned through 2020
42 GW

Existing Wind Demand through 2020

PTC qualification demand [1] (existing PTC)	**+19 GW**
RPS demand (West + Northeast)	**+22 GW**
Non-RPS demand (wind competitive with gas)	**+7 GW**

PTC extension **+14 GW**
(to further increase wind competitiveness)

OTHER MARKETS

Strong electricity demand [2]

+ 3.7 % CAGR 2020

+ 3.5 % CAGR 2020

Good natural resource (load factor)

> 40 %

> 40 %

Long-term contracts awarded based on competitive systems (PPA/Auctions)

Notes: 1) for 2014-2016 period; 2) Source: IHS CERA

EDPR's strategic plan through 2017 to distinctively create value supported by 3 pillars

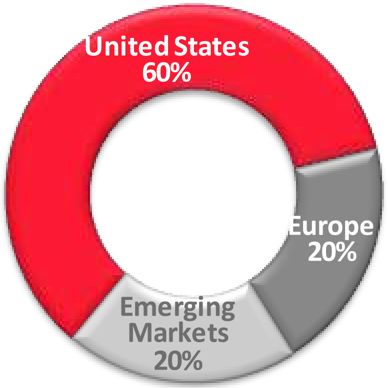
edp renováveis

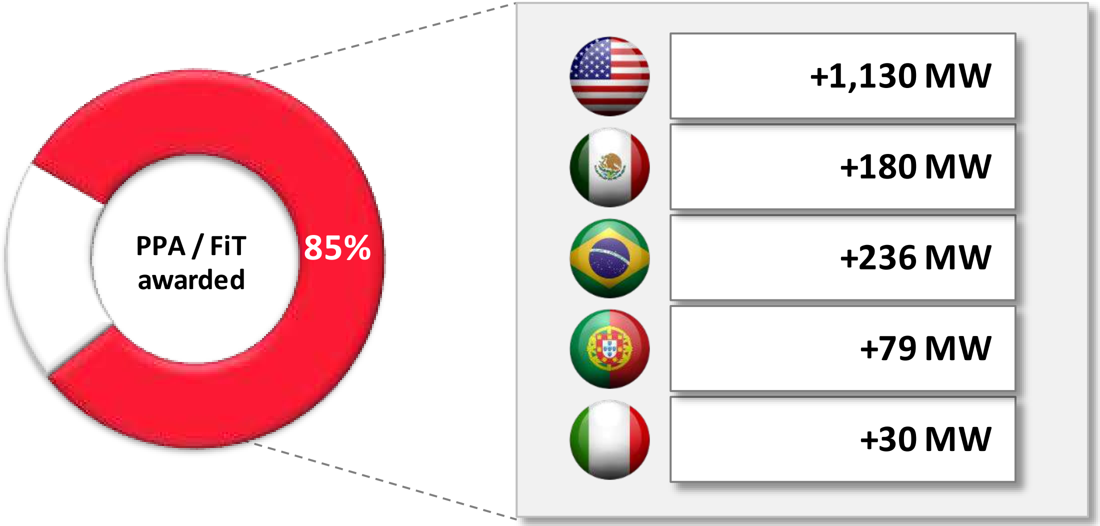
1. Selective growth		2. Operational excellence		3. Self-funded business	
2014-2017		*2014-2017*		*2014-2017*	
Investing in quality projects	**>500 MW/year**	Maintaining high availability levels	**>97.5%**	Strong Operating Cash-Flow generation	**€3.5bn**
Growing through projects with LT contracts already awarded	**85%** signed	Leveraging quality growth on distinctive wind assessment	**31.5% Load Factor**	Asset Rotation to enhance value growth	**€0.7bn** (ex-CTG)
Developing offshore 1 GW awarded in France and projects in the UK	**post-2017 growth**	Increasing efficiency, reducing OPEX/MW	**-2% CAGR**	Net Investment supported by Asset Rotation Program (Capex + Investments - AR)	**€1.8bn**

A visible growth plan based on contracts already signed with low exposure to wholesale prices and regulatory schemes…

United States represents 60% of EDPR growth plan…

…with 85% of the new capacity already awarded though competitive auctions (PPA and FiT)

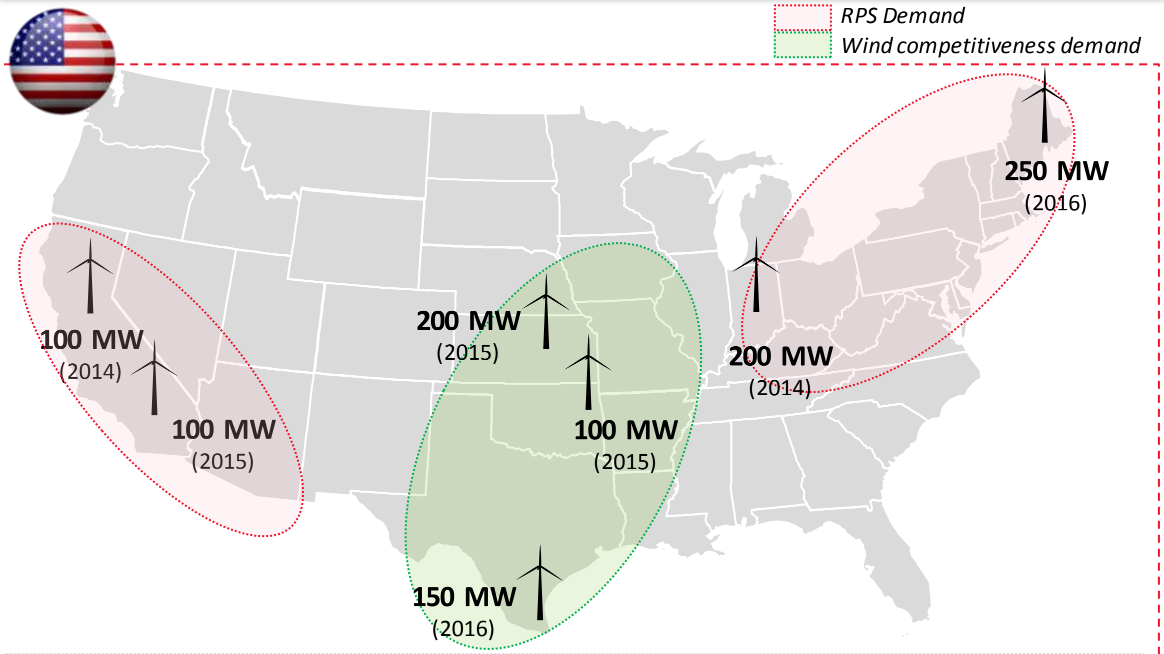




EDPR high quality pipeline successfully bided and awarded with long term contracts enables a low risk growth strategy

Investments in the US are at the core of EDPR growth strategy with 1,130 MW of new additions already secured

EDPR: #1 in new wind PPA in the US market



Exploring further growth options in RfP in Massachusetts and New York if PTC are extended

Economics of PPA already secured (1.1 GW)

Average metrics

Load Factor 43%

Price $48/MWh
(PPA first year)

Projects' IRR > 10%

Notes: Map excludes 30 MW solar PV project in California (2014)

European Markets to deliver 0.4 GW of low-risk profitable growth opportunities…

edp renováveis

PORTUGAL

Conclusion of ENEOP project

Project awarded in 2006
(EDPR with a 40% stake)

Asset splitting expected for 2015 with
EDPR fully consolidating 534 MW equivalent

ITALY

Execution of projects with PPA

30 MW awarded in 2013 to be installed in 2014

Participating in new energy auctions
for 2015-17 additions

FRANCE

Ongoing growth in a low risk market

60-70 MW through pipeline development

Low risk system based on Feed-in Tariffs

POLAND

Growth is subject to new energy law

System to be based in energy auctions

EDPR has competitive projects in pipeline

...and selected emerging wind energy markets through 416 MW of high quality projects with long-term PPA secured

BRAZIL

Execution of projects with PPA

236 MW awarded in 2011 and 2013 to be installed in the 2015-17 period

Current market conditions call for further auctions of wind energy

MEXICO

Execution of projects with PPA

180 MW with 25 year PPA to be installed in 2016

Platform for future growth in a promising market

NEW MARKETS

Prospecting markets with strong fundamentals

Strong electricity demand growth

Robust renewable resources

Long-term contracts awarded based on competitive systems (PPA/Auctions)

EDPR/GDF Suez awarded with 1,000 MW offshore wind project in France and developing UK projects with Repsol…

edp renováveis

Offshore wind development

EDPR's Partnership Strategy critical for de-risking and complementary skills

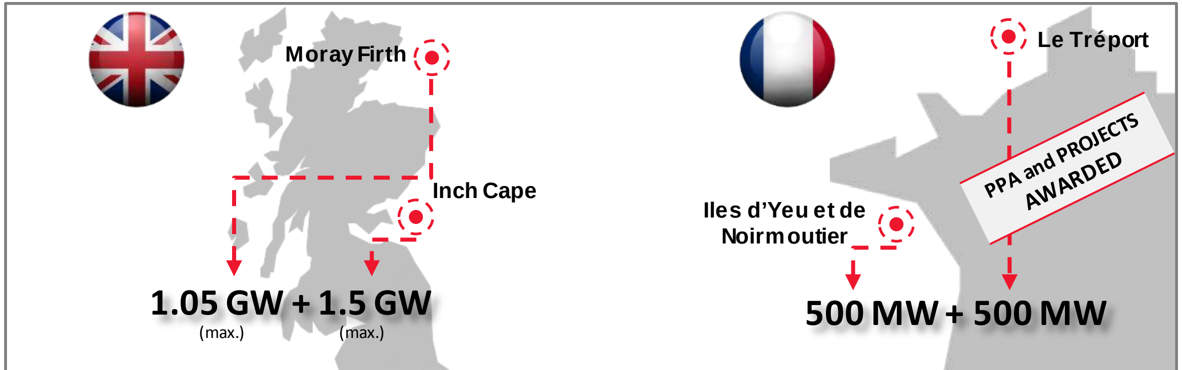
Onshore Restrictions

Scarce opportunities in some onshore markets due to population density (UK, France, Netherlands…)

Solar inefficiency in Northern Europe

Industrial development

Opportunities for countries to capture a new wave of industry development and R&D leadership



Partnership with Repsol

Consent granted (Moray)
Next step: CfD allocation for 500 MW + 500 MW

Partnership with GDF Suez and Neoen (Areva Turbines)

Selected in May-14 for the development, construction and operation

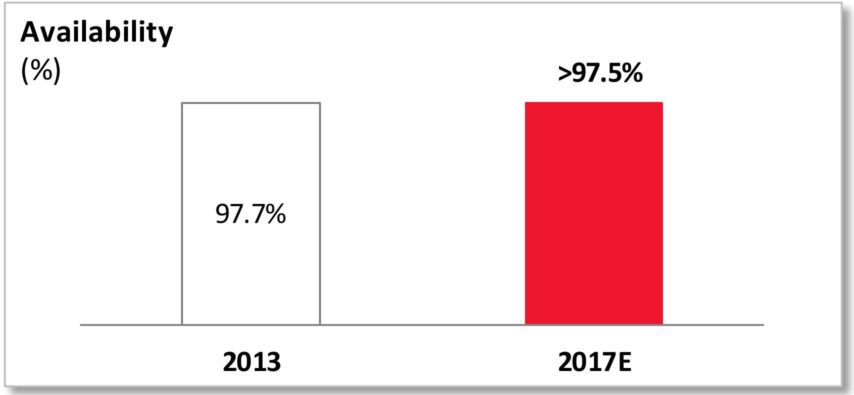
… support growth alternatives post-2017

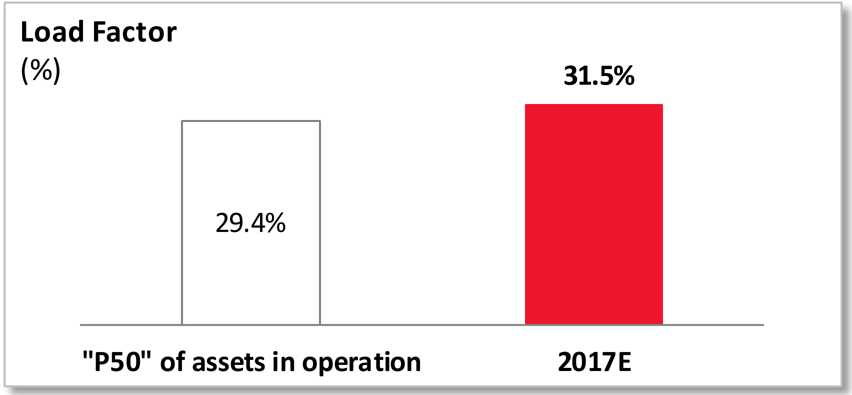
Quality growth supported by distinctive competences and unique wind assessment know-how…

renováveis

Keep maximizing productivity levels…

… and reach second-to-none load factor metrics





Predictive maintenance tools and 24h Control and Dispatch centre optimize wind farm fleet, reduce damage and improve planning

New spare parts warehousing strategy key in reducing downtime

Power-enhancing retrofits boost production and ensure that older models keep up-to-date with new technological improvements

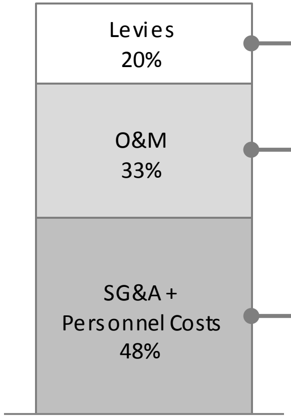
Expertise in wind farm layout and turbine generator choice critical to achieve optimal investment yields

… keeping efficiency metrics on highest levels of excellence

renováveis

Strong focus on cost control…

Operating costs breakdown [1]
(€m, %)



2013 Opex

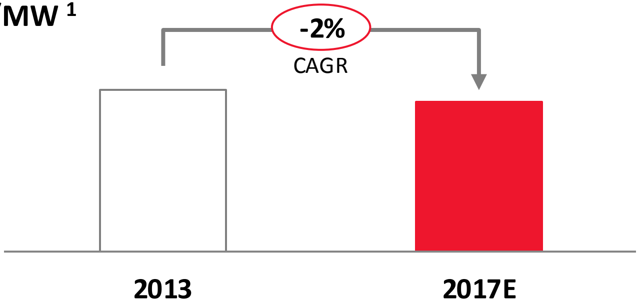
- Increased in recent years, mostly penalised by the introduction of new levies (e.g. 7% tax in Spain)

- Superior O&M strategy delivering higher efficiency
- M3 program will continue to drive controlled O&M costs

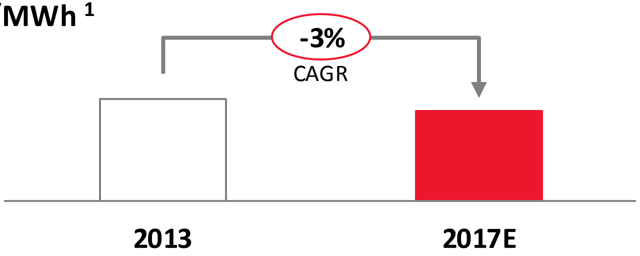
- Strict cost control plan to fully benefit from economies of scale

… leading to improvements in efficiency ratios

Opex/MW [1]
(€k)



Opex/MWh [1]
(€k)

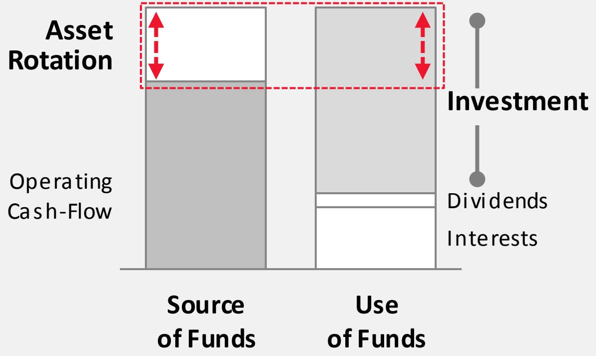


Notes: 1) Excluding write-offs

Growth enhanced by EDPR's asset rotation strategy designed to accelerate value creation…

Asset Rotation Strategy

1 Self-funding Strategy [1]



2 Accelerate value growth

Crystallise projects' NPV, capturing value created **&** **Allowing the execution of additional market opportunities with superior returns**

IRR double-digit *Re-investing* **>** **IRR** single-digit *Selling*

… and to maintain a self-funding strategy

Notes: 1) Illustrative and non-exhaustive

A rigorous expansion plan of €1.8bn in the 2014-17 period

renováveis

2014-2017: EDPR Investment Plan

+ Capex	€2.4bn
+ Financial Investments	€0.1bn
= Total Investment	€2.5bn
- Asset Rotation (ex-CTG)	€0.7bn
= Net Investment	€1.8bn

- Strong visibility from PPAs already signed
- Mostly on offshore projects with COD post 2017
- +500 MW/year + Future options
- Quality projects attractive to institutional investors
- Solid investment plan

EDPR value proposition supported by three strategic pillars

By delivering on its strategy…

Selective and profitable growth	Quality assets delivering increased profitability	Self-funding business model

… EDPR expects to achieve solid growth targets…

Electricity Output	EBITDA	Net Profit
+9%	+9%	+11%
CAGR 13-17	*CAGR 13-17*	*CAGR 13-17*

… maintain its dividend policy…

Dividend payout ratio
25-35%

… and lead in a green and competitive sector with increased worldwide relevance

INVESTOR DAY 2014

Miguel Setas, *CEO*

EDP – Energias do Brasil

NEVERENDING ENERGY

edp

Corporate profile: integrated private electric company with operations in distribution, generation and trading

EDP
Energias de Portugal

51%

Free Float

49%

Energias do Brasil

16% of Group's EBITDA[1]

3rd **largest private trading company (sales)**

- 9% of market share[1][2]

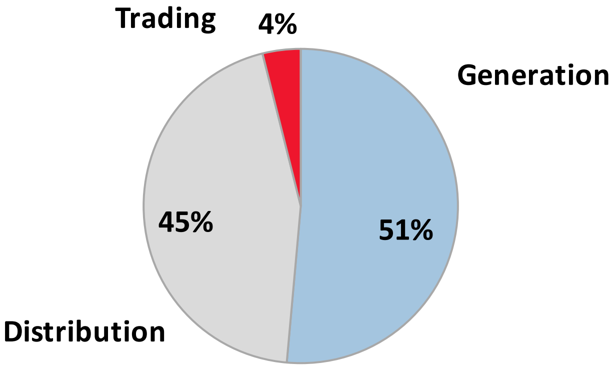
4th **largest private generation group (installed capacity)[1,3]**

- 2.2 GW of installed capacity and 1.4 Avg.MW of assured energy
- 1.5 GW under construction (proportional stake: 635 MW)
- Long term concessions and PPAs
- Partnership with local and foreign companies

6th **largest private distribution group (energy)[4]**

- 3.1 million customers supplied by two distribution companies

2013 EBITDA breakdown
(%)

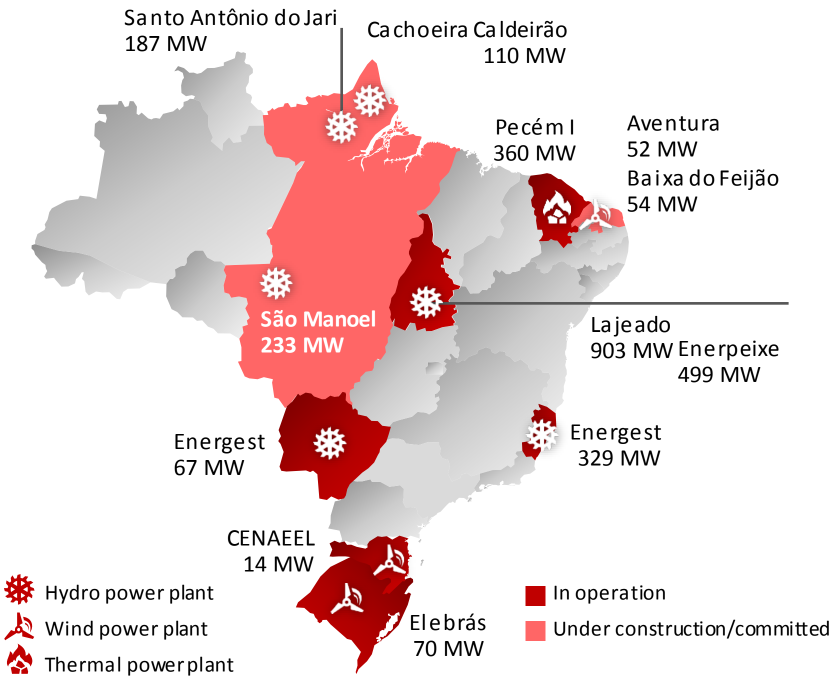


(1) In 2013; (2) Source: CCEE; (3) Source: Aneel. Take into account the consolidation criteria; (4) In 2012. Source: Abradee.

Corporate profile: operations in 11 Brazilian States

Generation[1]

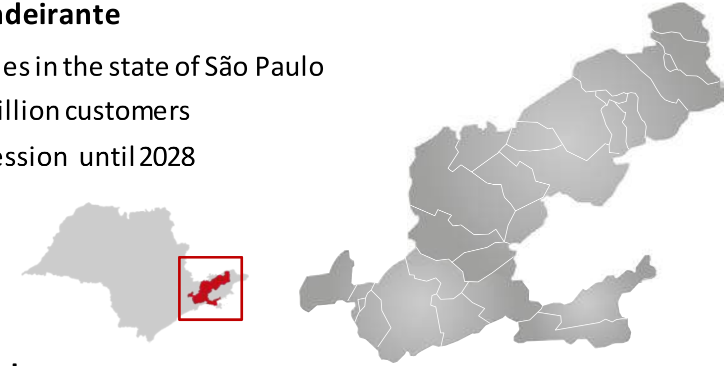
- **Present in 10 States**
- **Hydro: 76%; Small Hydro: 6%; Thermal: 16% and Wind Power: 2%**



Distribution

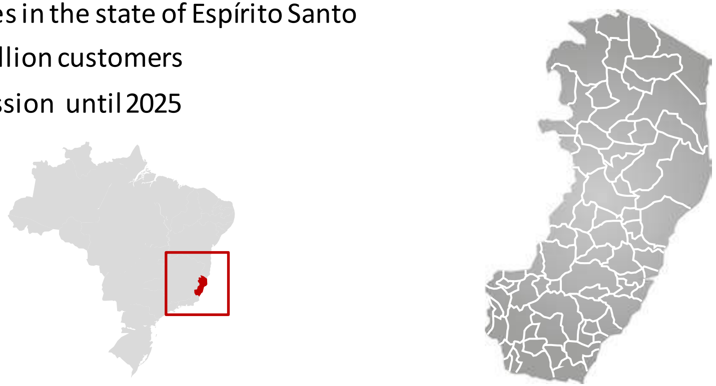
EDP Bandeirante

- 28 cities in the state of São Paulo
- 1.7 million customers
- Concession until 2028



EDP Escelsa

- 70 cities in the state of Espírito Santo
- 1.4 million customers
- Concession until 2025



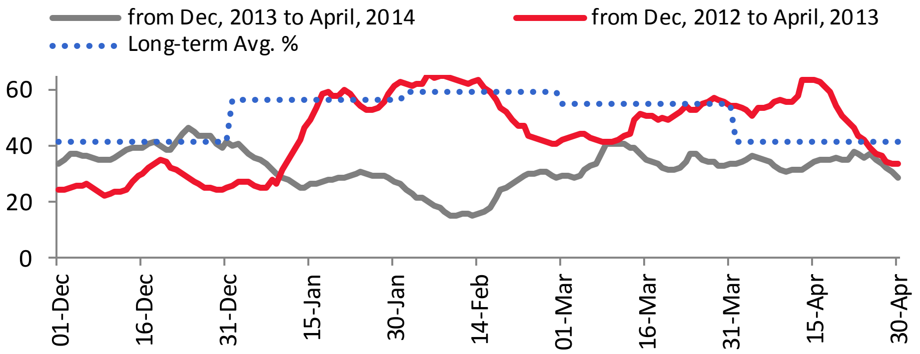
(1) In 2013; (2) Source: CCEE; (3) Source: Aneel. Take into account the consolidation criteria; (4) In 2012. Source: Abradee.

Strategic focus 2014E-2017E

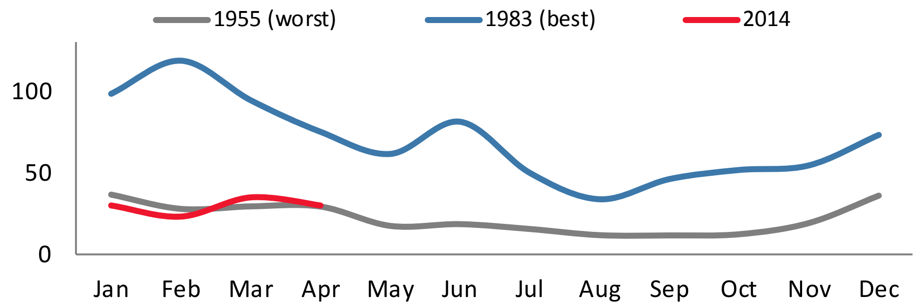
1. Energy Scenario
2. Cost control and capital discipline
3. Operational and financial improvement of Pecém I
4. Growth delivery (execution)
5. Quality and customer satisfaction

Energy scenario: low rainfall and reservoirs levels

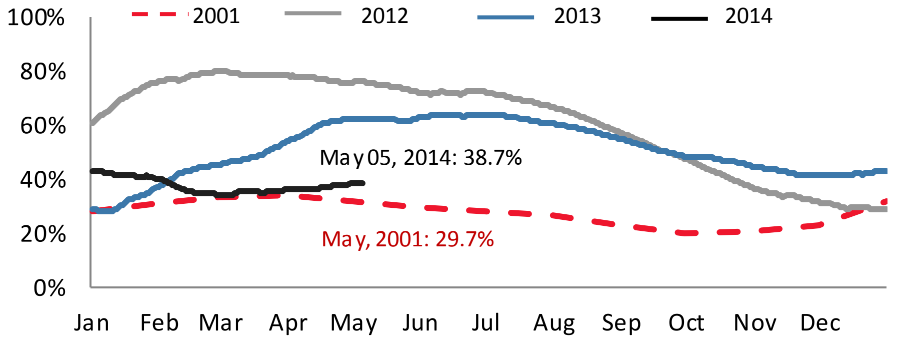
Rainfall / Natural energy inflow(1) | Southeast Rainy season (2014 vs. 2013) (Avg. GW)



Rainfall / Natural energy inflow(1) Southeast Annual Performance since 1930(1) (Avg. GW)



Historical reservoirs levels(1) | Southeast (%)

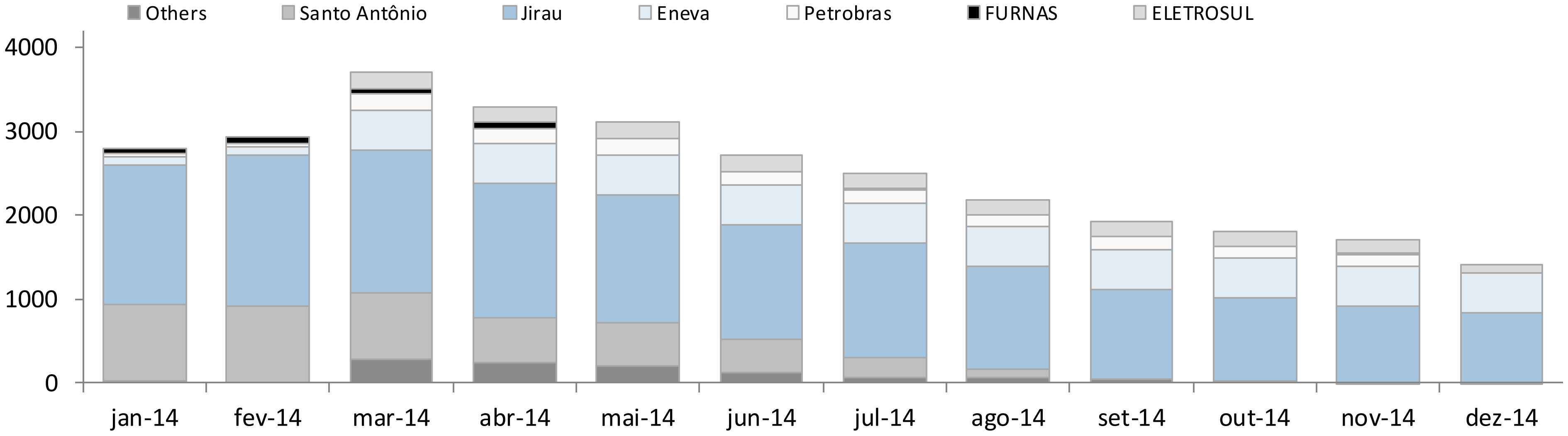


- The natural energy inflow (southeast) in the rainy season of 2014 was 29% below 2013 and the sixth worst since 1930
- 8.4% consumption growth in 1Q14 vs. 1Q13 mainly due to higher temperatures

(1) Source: Operador Nacional do Sistema (ONS)

1 Delay on commissioning of new generation capacity: 2.3 avg. GW expected to start operations before year-end

Startup of commercial operation[1] | Power plants delayed
(Avg. MW)



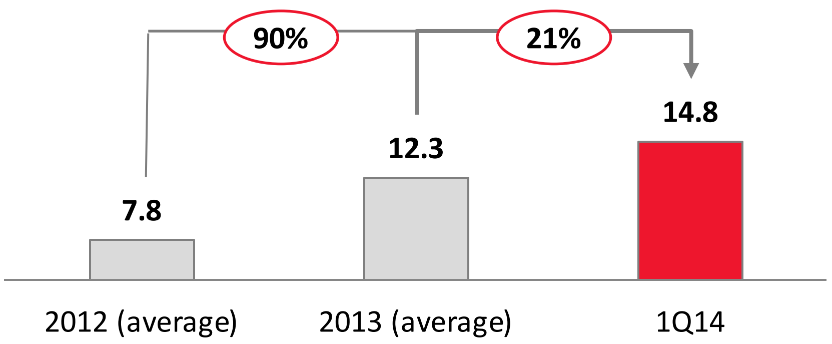
7,000 Avg. MW have been canceled or delayed

- 3,560 Avg. MW from plants auctioned and canceled by Aneel with startup of operation expected from 2010 to 2013
- 3,500 Avg. MW from projects delayed with startup of operation expected to 2014

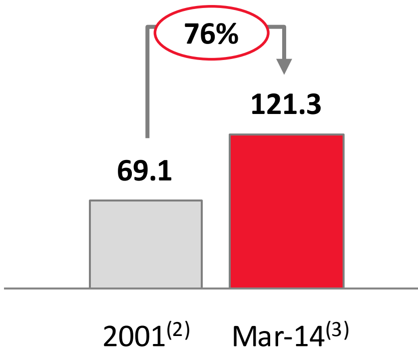
(1) Source: Aneel. Elaboration: EDP Energias do Brasil

Strong increase of system costs due to higher thermal dispatch

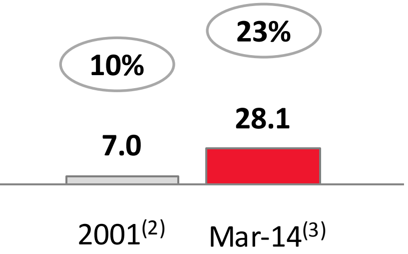
Thermal dispatch(1) | National integrated system (SIN)
(Avg. GW)



Total installed capacity
(GW)



Thermal installed capacity
(GW)



Disbursement to cover tariff deficit(4)
(R$bn)

- **The average thermal dispatch in 1Q14 was 90% above the average of 2012 and 21% above of 2013**
- **21.1GW increase of thermal installed capacity since 2001**

(1) Source: Operador Nacional do Sistema (ONS). 2) Source: Instituto Acende Brasil. 3) Source: Aneel. Elaboration: EDP Energias do Brasil. 4) Source: Aneel. Take into account CVA account, energy security charge, involuntary exposure and coverage for the costs of hydrological risk.

1 Impacts to the business from current energy scenario

Distribution

Higher non manageable costs being supported by:

- **Resources from National Treasury:** R$4bn
- **Resources from the financial market to CCEE[1]:** R$ 11.2bn raised through financial institutions (private and state owned)
- **Auction A-0:** distribution companies contracted 57% of its demand (3.3 Avg. GW)
  - R$262/MWh for thermal power plants
  - R$271/MWh for hydro power plants

- **These funds will cover the bulk of the thermoelectric generation costs and DisCos involuntary exposure to the spot market in 2014**
- **Any remaining deficit will be recovered in the next tariff adjustments**

Generation

Expectation of GSF (Generating scaling factor) below 100% level for 2014

1Q14 Average GSF: 96.2%

- **Generation companies need to acquire energy from the spot market to comply with their contracts 100% GSF level**
- **The amount spent will not be recovered**

1) CCEE: power commercialization chamber

1

Energy scenario: monitoring and contingency plan

RATIONING RISK

CONTIGENCY PLAN

Financial

- Working capital improvement
- Reduction of operational costs
- Financial covenants renegotiated already in 2013
- Debt rollover

Protect cash Flow

Regulatory

- Rationing format design
- Review of regulatory loss trend
- Tariff flags

Contribute to framework

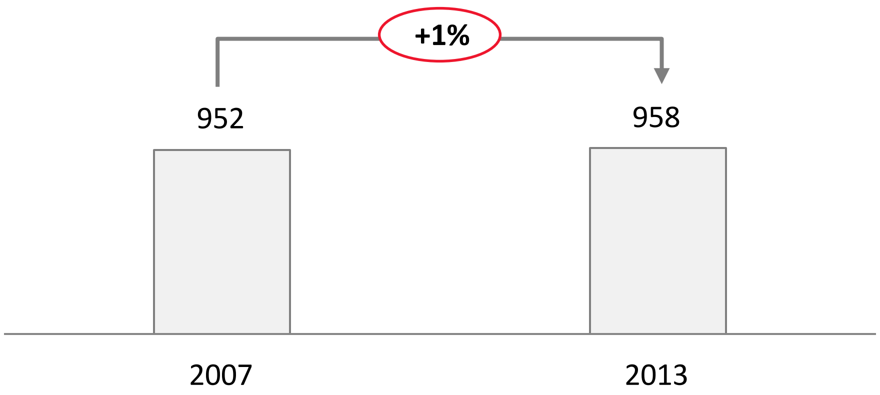
Operational

- IT systems
- Customer service
- Delinquency control and credit recovery
- Non-technical losses
- Increase assets security

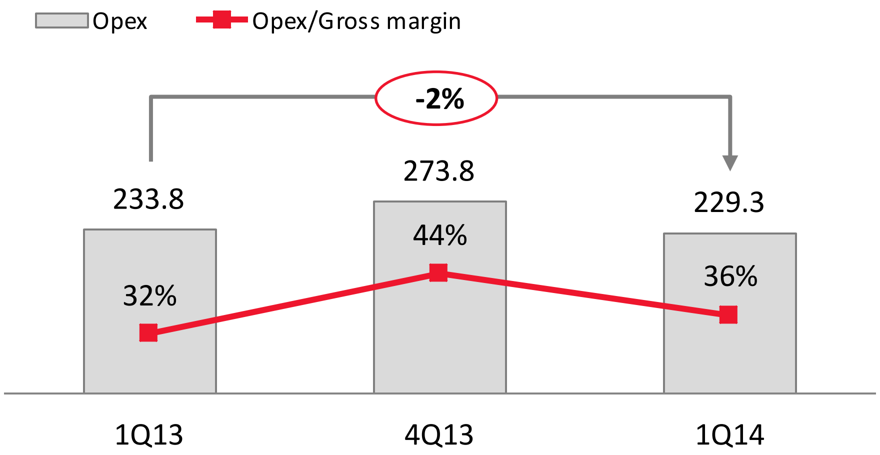
Adapt to scenario

Cost control and capital discipline: strong track record

Historical costs | Opex[1]
(R$m)



Comparison of quarterly costs| Opex[1] / Gross margin[2]
(R$m) / (%)



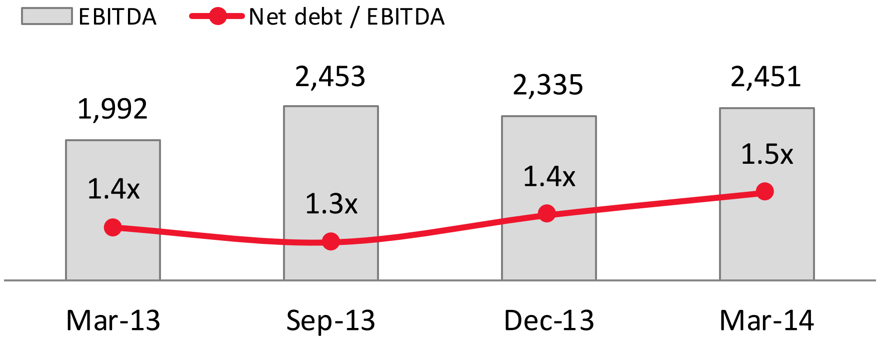
Historical costs below inflation (IPCA) : 43.7%

1Q14: Total Opex down by 2% YoY; Distribution Costs down by 3.8% YoY

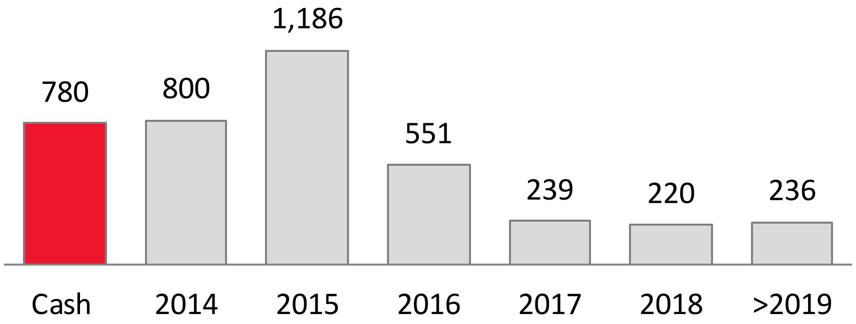
(1) PMSO (personnel, materials, services, others); (2) Gross margin adjusted for regulatory assets and liabilities.

2 Cost control and capital discipline: ring fenced operation

Net debt / EBITDA (last twelve months)
(R$m)



Gross debt amortization schedule[1]
(R$m)



Issuances in 2013 and 2014 YTD

(R$m)	2013	2014 YTD
Debentures	2,041	600
BNDES	245	65
Others	68	209
Total	**2,354**	**854**

Ratings

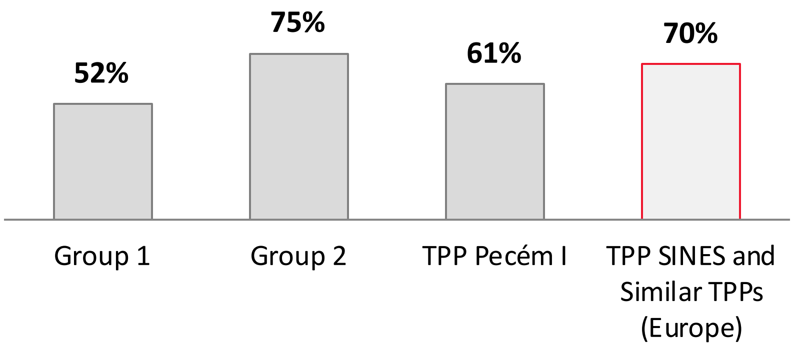
	EDPBR	EDPB Bandeirante	EDPB Escelsa
Moody's Global	Ba1	Baa3	Baa3
S&P Local		brAA+	brAA+

Investment Grade

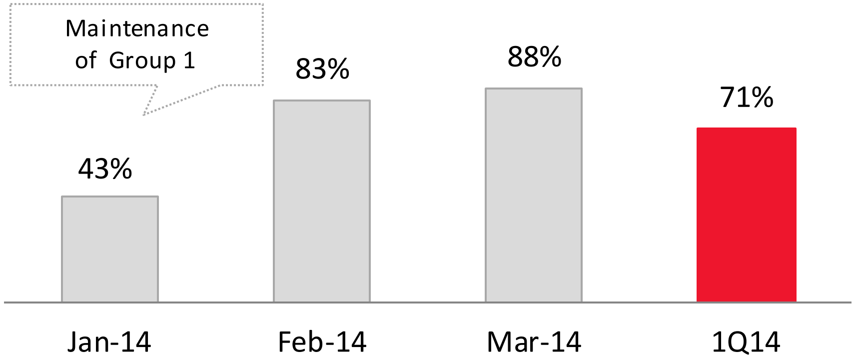
(1) Not taking into account the effects of the stakes in Pecém I TPP, and Santo Antonio do Jari, Cachoeira Caldeirão and São Manoel HPPs. Assuming these projects: gross debt at R$ 6,0 billion

Pecém I: operational and financial improvement on track

Availability Index | 1st year of operation (2013)[1]
(%)



Availability Index[1] | 1Q14
(%)



- In January 2014 Federal Court granted a legal injunction partially suspending down time penalties
- Claim to recover the incurred down time penalties since 2012
- 2013 EBITDA: -R$52.8 million[2] ; 1Q14 EBITDA: R$ 24.4 million[2]

Proactive management action to deliver suitable operational and financial performance

(1) Consider the number of hours that equipment is available in relation to the total number of hours of availability of the equipment; (2) 50% stake

4 Growth delivery: hydro projects under construction and committed

Hydro projects under construction and committed

	EDP Brasil Stake[1]	Capacity (100%) (MW)	Contracted Energy (Avg. MW)	Capex(e) (R$bn)	Debt/Equity	Startup of Commercial Operation
Stº António do Jari	50%	373	217.7	1.1	67%/33%	Jan 2015
Cachoeira Caldeirao	50%	219	129.7	1.1	52%/48%	2017
São Manoel	33%	700	409.5	2.7	68%/32%	2018

Jari: 92% completed
On time and On cost

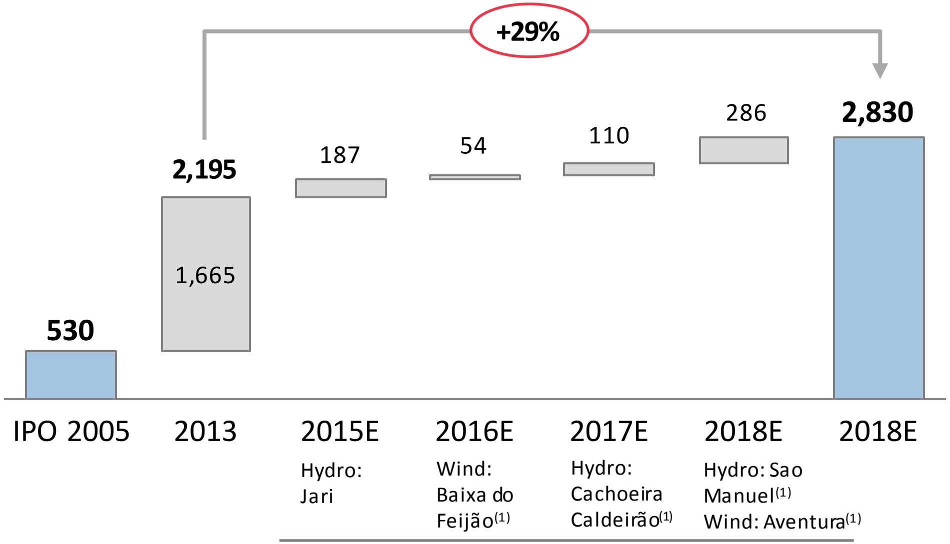
- **Jari goals for 2014:**
  - Operating License and Reservoir Filling;
  - Installation and commissioning of electromechanical generating units;
  - Start of commercial operation

- **Cachoeira Caldeirão**: Conclusion of rock excavation in April 2014; Beginning of the main structure construction
- **São Manoel:** Concession contract granted with 134 days in advance[2]
- **Partnership with CTG for hydro projects:** Jari and Cachoeira Caldeirão since Dec-13[1] and São Manoel since Feb-14[1]

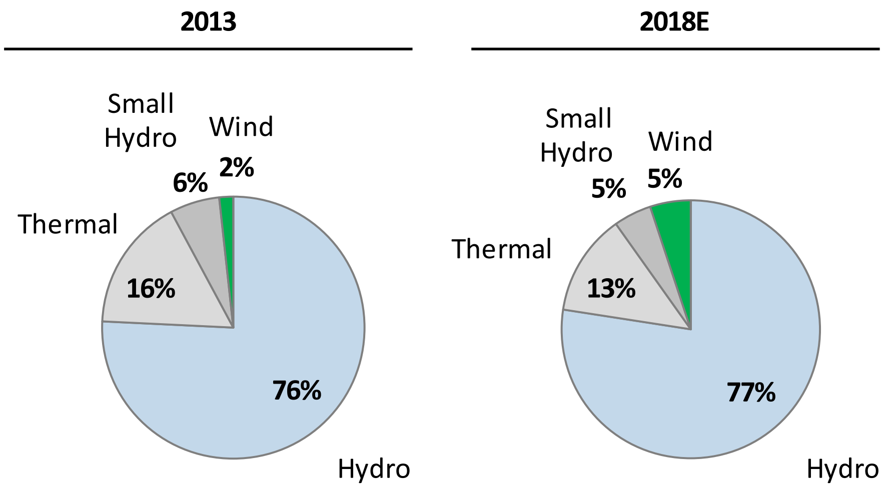
(1) To be approved in accordance with the dictates of the market based on the market communique released in December, 2013 and February, 2014 (Partnership with CTG). Criteria of consolidation (equity method);
(2) Concession contracted granted by Ministry of Mines and Energy in April 10, 2014.

Growth Delivery: +2.3GW of capacity from 2005 to 2018

Installed Capacity Evolution
(MW)



Installed Capacity by Source
(MW)



+29% of capacity increase mostly driven by commissioning of new hydro capacity

(1) Take into account the proportional consolidation

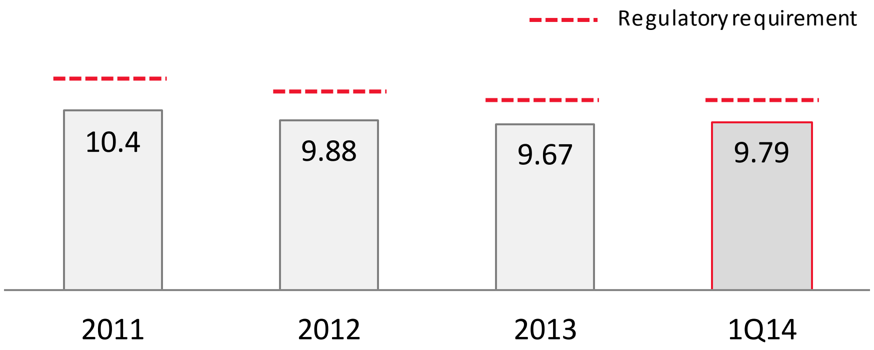
5 Quality and customer satisfaction in electricity distribution: consistent improvement

EDP Bandeirante

(DEC [hours] |Outage duration per customer)

EDP Escelsa

(DEC [hours] |Outage duration per customer)



DEC (outage duration per customer)**:**

- Improvement of 20% in Bandeirante since 2011 and 6% in Escelsa
- Quality indicators below regulatory requirement
- Brazilian Ranking in 2013: Bandeirante 4th and Escelsa 7th

FEC (outage frequency per customer):

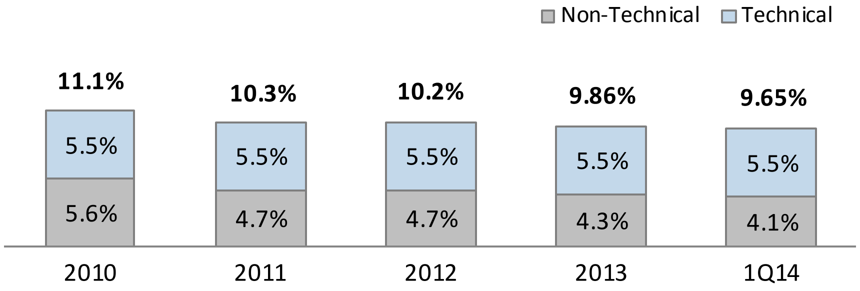
- Indicators steady and below regulatory requirement since 2011

- Escelsa: Finalist in the National Quality Award – PNQ (2013) and Winner of Espírito Santo Quality Award – PQES
- Bandeirante: Featured in the criteria "customers" from the National Quality Award – PNQ (2012 and 2013)

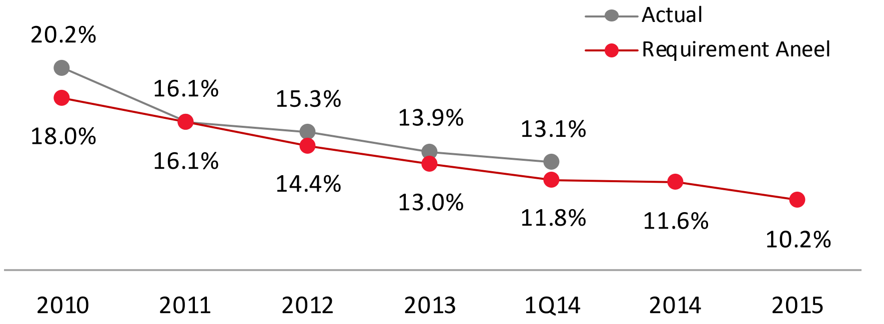
5 Quality and customer satisfaction in electricity distribution: Challenge | energy losses trend

EDP Bandeirante

Total Losses
(%)

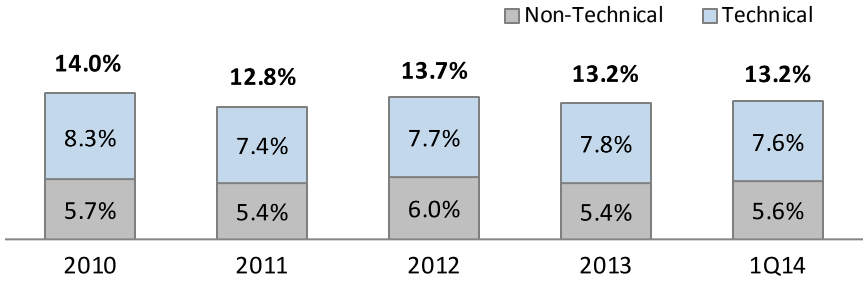


Losses (low voltage)
(%)

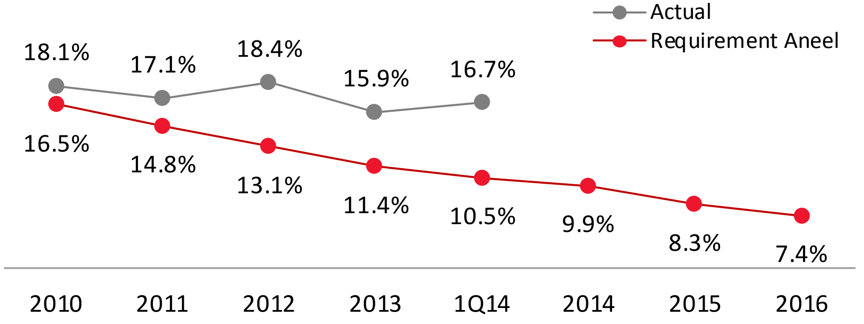


EDP Escelsa

Total Losses
(%)



Losses (low voltage)
(%)



EDP Brasil: Leading position in the Brazilian Energy Sector

Delivering on its strategy...

- **Growth Delivery On time and On cost**
- **Cost Control and Capital Discipline**
- **Operational excellence and Quality improvement**

...EDPBR will achieve its targets...

Installed Capacity	EBITDA [1]	Net Debt/EBITDA	Dividend policy
2018E 2.8 GW	*CAGR 13E-17E* +5~8%	< 2x	*Minimum* 50%

...leading to

Successful execution of growth opportunities and market & regulatory risks management

(1) Considers EBITDA pro forma

INVESTOR DAY 2014

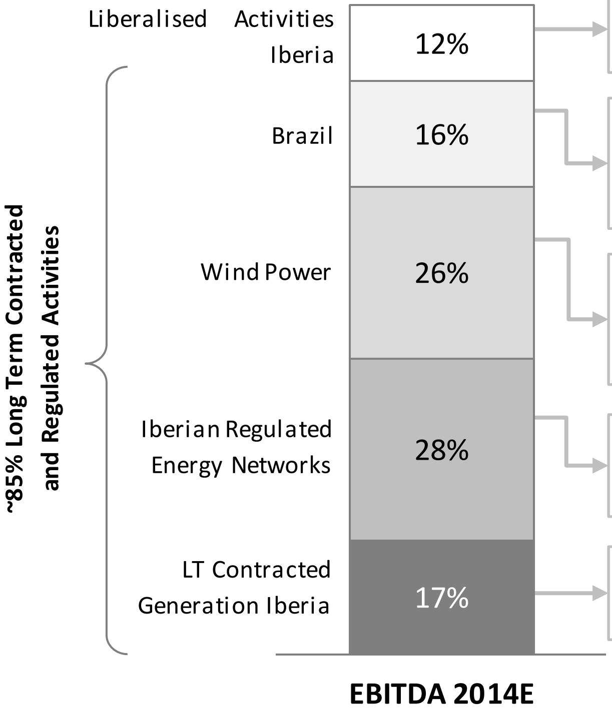
Nuno Alves, *CFO*

Financials

NEVERENDING ENERGY

edp

Today, EDP has a low risk operating profile with low sensitivity to economic cycles



Liberalised generation and supply in Portugal and Spain:
- 7.8GW: 48% CCGT; 31% Hydro; 19% Coal; 2% Nuclear

EBITDA: ~55% electricity generation; ~45% electricity distribution
- Generation: 1.8GW Hydro; PPA contracts (inflation updated)
- Distribution: regulated return on RAB with efficiency incentives

EBITDA: 60% Europe, 37% North America and 3% Brazil
- Portugal & France: 1.0 GW with feed-in tariffs (inflation updated)
- USA: 3.8GW mostly long term contracts + tax incentives

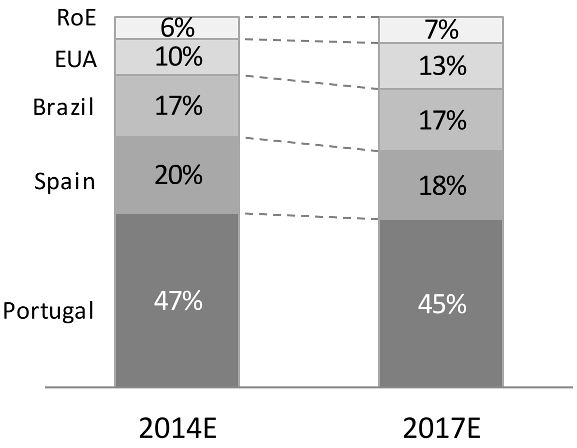
Electricity and gas distribution in Portugal and Spain: EBITDA ~60% from electricity Portugal
- Regulated return on RAB with efficiency incentives or regulated revenues annually updated

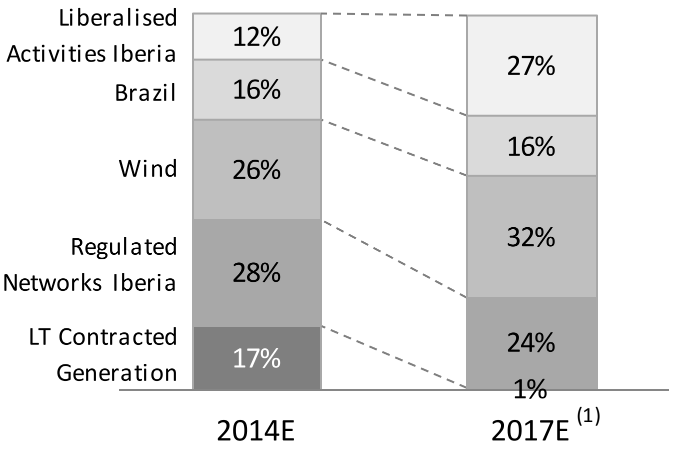
Generation under PPA/CMEC contracts or Feed-in tariffs
- 4.5 GW under PPA/CMEC in Portugal (8.5% RoA): 74% hydro and 26% coal;

LT Contracted and Regulated activities represent >85% of EBITDA: Support for a resilient performance

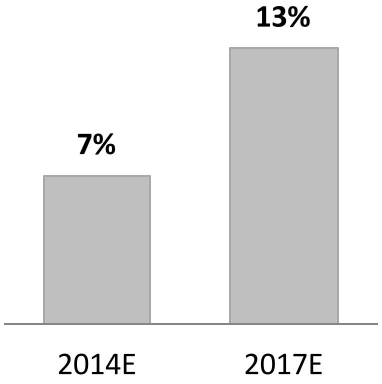
Diversification of portfolio but low risk business profile will change until 2017

EBITDA breakdown by geography and by segment 2014E-2017E
(%)





Total EBITDA@risk
(%)



2017: ~ >70% of EBITDA coming from Regulated Activities
Business resilience based on quality asset mix and diversified markets despite difficult regulatory environments

Changes in CMEC and new hydro capacity contribute to a slight increase of overall risk position of EDP by 2017

(1) Considers all PPA/CMEC generation in the liberalised activities segment for 12-months in 2017

Improvement of credit ratios will mitigate increase of business risk

2014E-2017E Outlook	2014E	2017E
Net Debt (1) / EBITDA	~ 3.8x	~ 3.0x
FFO / Net Debt (1)	~ 17%	~ 22%

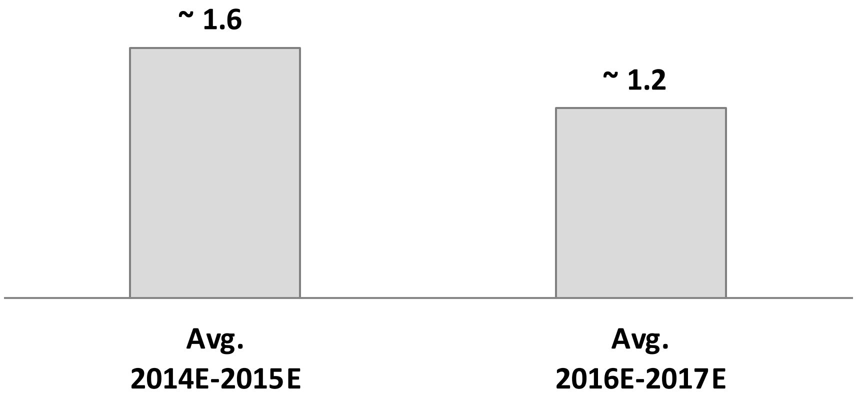
Ratios to improve significantly on lower net investments and new capacity additions

EDP continues strongly committed to its financial deleverage process

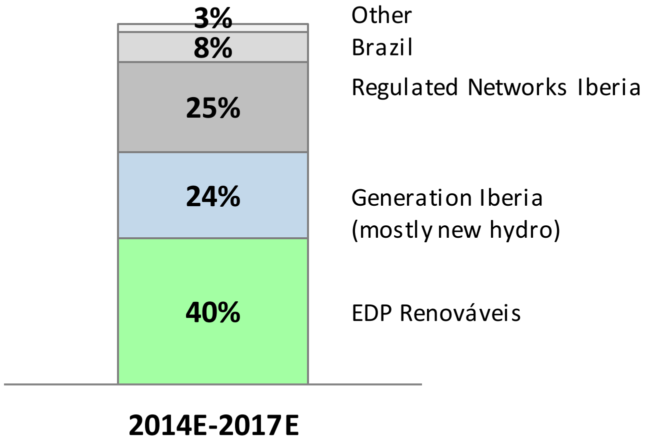
(1) Adjusted by regulatory receivables

Growth capex focused on wind and hydro

Net Investments(1): 2014E-2017E
(€bn)



Breakdown of accumulated consolidated Capex
(%)



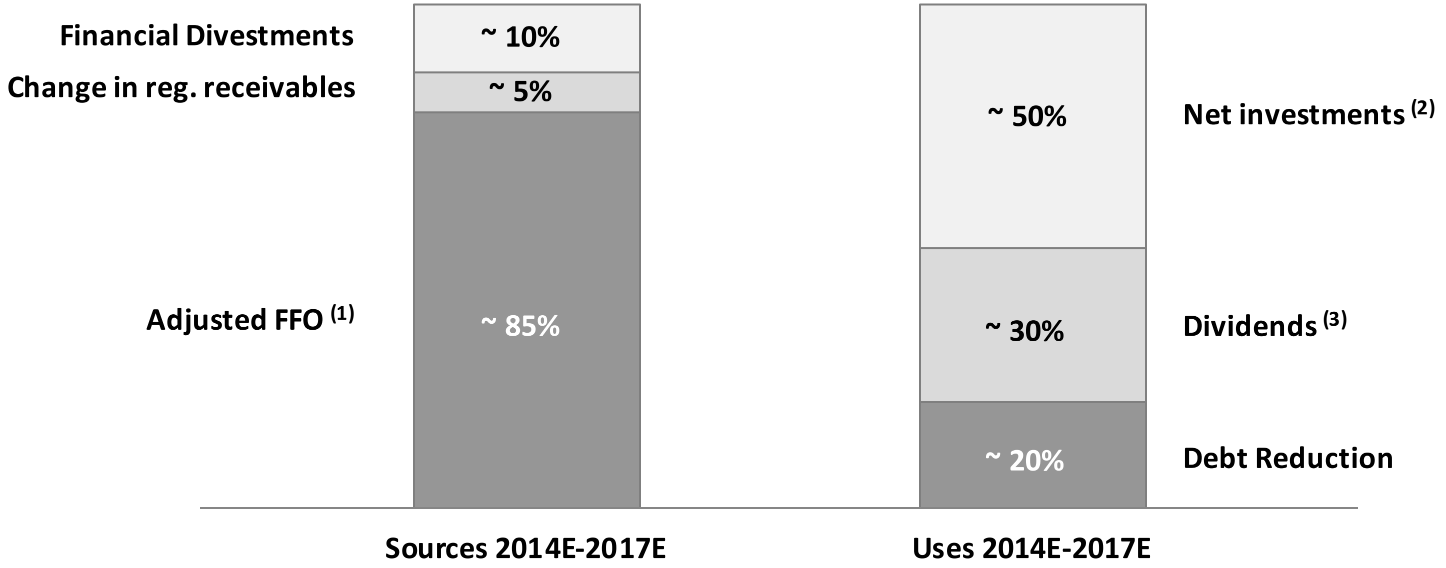
Maintenance capex stable at ~0.65bn in the 2014E-17E period

EDPR asset rotation: €0.7bn of investment contingent to similar amount of disposals

(1) Net Investments include capex and financial investments in the period and €0.7bn of financial divestments of minority stakes in wind farms by EDPR in 2014E-2017E; disposals to CTG not included in these figures

Deleveraging supported on growing cash flows with low risk profile

2014E-2017E: Sources and Uses of Funds
(%)



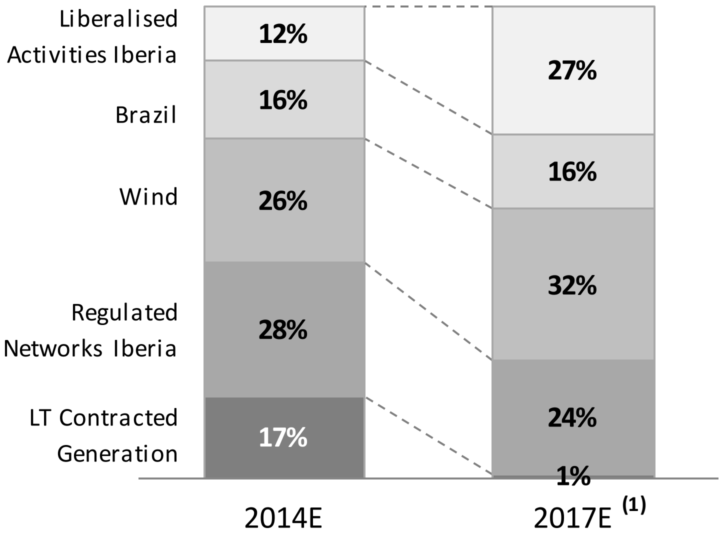
Free Cash Flow positive in 2015E-2017E period

(1) Adjusted FFO includes changes in working capital and excludes changes in regulatory receivables (2) Net of TEI and includes perimeter variations, namely ENEOP consolidation from 2015 onwards
(3) Includes dividends paid to EDP shareholders and minorities

EBITDA drivers: 2014E-2017E

EBITDA Breakdown 2014E-2017E

(%)



Major Drivers for EBITDA 2014E-2017E

Capacity additions:

- **Wind power**: 500MW[2] per year (mostly US)
- **Hydro in Portugal**: ~250MW in 4Q14; ~960MW in 2H15 and ~250 in 2H16

Other contractual issues:

- Expected **assets split at ENEOP in 2015** (EDPR stake: 40%): 534MW of wind in Portugal to move from equity method to full consolidation

Stabilization of regulatory environment

Slight improvement of market conditions in Iberia

Efficiency improvement:

- OPEX program implementation

Organic growth supports EBITDA improvement by capacity build-up on wind and hydro

Sustained efficiency improvement: fully accretive to EBITDA

(1) Considers all PPA/CMEC generation in the liberalised activities segment for 12-months in 2017

(2) Including ENEOP contribution

Resilient performance enhanced by diversification and risk management

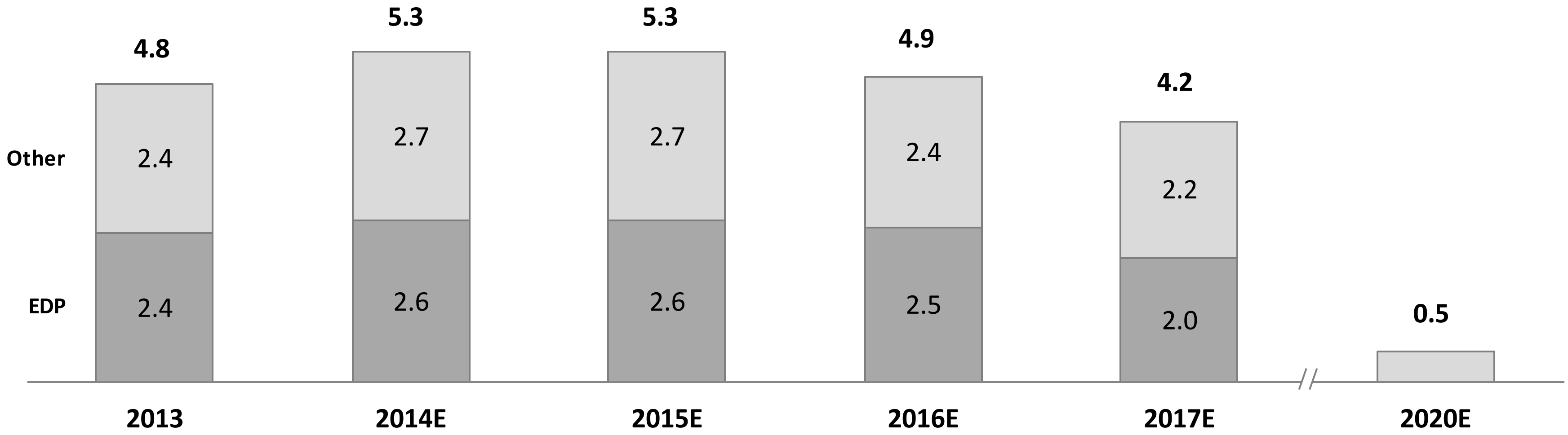
2014E-2017E Outlook	2014E	CAGR 2014E-2017E
EBITDA	~ € 3.5 bn	~ 5%
Net Profit	~ € 0.9 bn	~ 5%

EBITDA and Net Profit 2014 outlook: in line with previous guidance and current consensus

EBITDA and Net Profit 2014-17 growth outlook: supported by new hydro and wind capacity

Portuguese electricity system regulatory receivables to peak in 2015, and converging to zero by 2020

Electricity Regulatory Receivables - Portugal
(€bn)

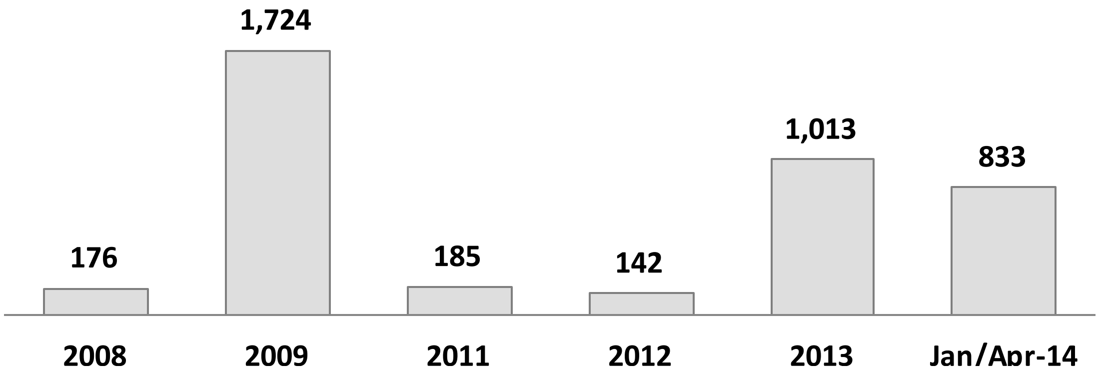


Business Plan 2014E-17E includes €0.8bn/year average securitization of tariff deficit

Regulatory receivables in Portugal with an adequate remuneration and should be eliminated by 2020

EDP has been conducting several monetisation operations, either by private placements or securitisation

Monetisation of regulatory receivables in the Portuguese electricity system
(€bn)



Tariff deficit tranches available for monetization by EDP:

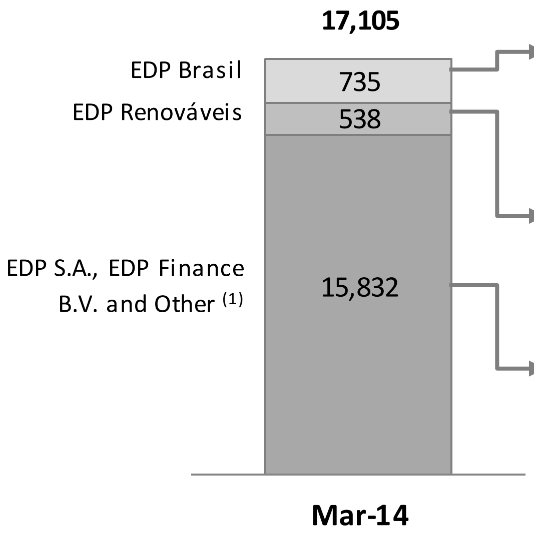
- **~€350m,** out of €1,275m deficit created in 2013 to be collected in 2014-17; interest rate of 5.85%%
- **€1,534m** deficit to be created in 2014 to be collected in 2015-18; (provisional rate of 4.82%)

- **Securitisable deficits with relatively short maturities, low risk and adequate remuneration**
- **No state guaranty: achievement of a rating higher than the Sovereign's rating**
- **Excellent track-record of transactions executed**

Earnings dilution balance: Selling at least as much as the increase of the year in the balance sheet

Net debt

EDP consolidated net debt position: Mar-14
(€ million)

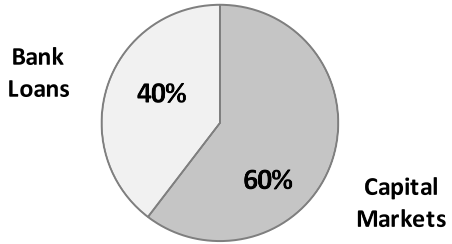


4% raised at EDP Brasil
Bank loans and capital markets;
Ring-fenced policy essentially 'non-recourse' to EDP S.A.

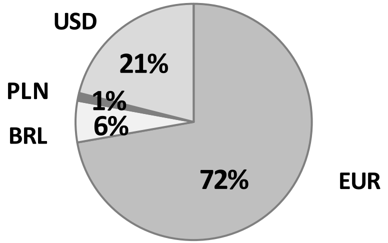
3% raised at EDP Renováveis
Essentially project finance related
(Poland, Romania, Brazil and Spain)

93% raised at EDP S.A. and Finance B.V.
On lent to core business subsidiaries
Efficient management

EDP consolidated debt by instrument: Mar-14
(%)



EDP consolidated debt by currency: Mar-14
(%)



Debt essentially issued at holding level through both capital markets (public and private) and bank loans
Maintenance of diversified funding sources, targeting both low cost and low risk

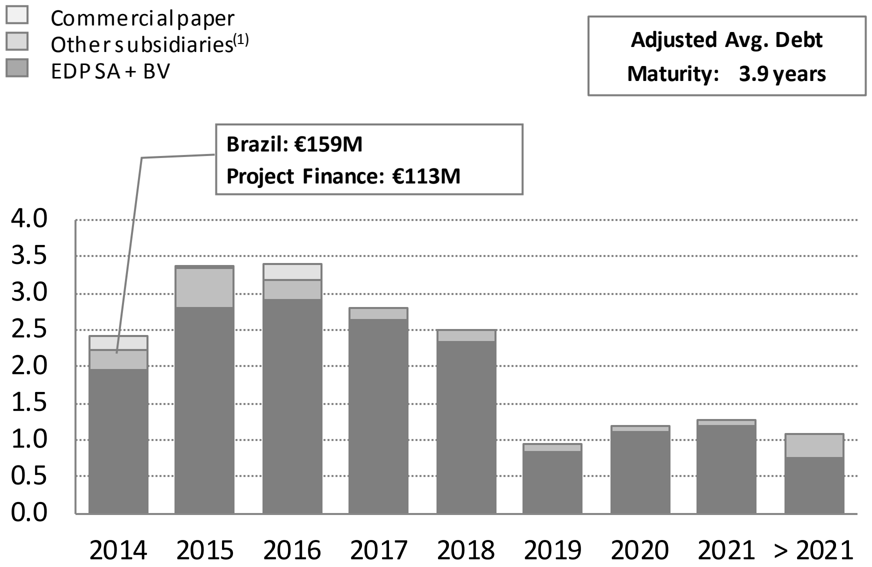
(1) Including accrued interest, fair value hedge and collateral deposits associated with debt.

Financial Liquidity position

Sources of liquidity: Mar-14
(€ m)

Instrument	Maximum Amount	Number of counterparties	Available	Maturity
Revolving Credit Facility	2,000	21	2,000	Nov-15
Domestic Credit Lines	159	8	159	Renewable
Underwritten CP Programmes	100	1	100	Oct-16
Total Credit Lines	2,259		2,259	
Cash & Equivalents:			1,685	
Total Liquidity Available			**3,944**	

EDP consolidated debt maturity profile as of Mar-14
(€ bn)



Financial liquidity by Mar-14: €3.9bn

(1) Includes essentially EDP Brasil and project finance at EDPR level.

Main sources and uses of funds

Sources of funds	
▪ Cash & Equivalents (Mar-14) :	€1.7bn
▪ Available Credit Lines (Mar-14):	€2.3bn
▪ Eurobond Issue (Apr-14):	€0.65bn
▪ Securitisations in Portugal (Apr-14):	€0.75bn
TOTAL	€5.4bn

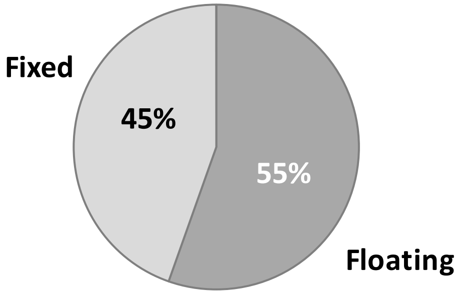
Use of funds	
▪ **Refinancing needs in 2014:**	
RCF maturing in Jun-14	€1.1bn
Bond maturing in Dec-14	€0.4bn
Loans maturing in 2014:	€0.4bn
Total 2014	**€1.9bn**
▪ **Refinancing needs in 2015:**	**€2.7bn**
TOTAL	**€4.6bn**

Financial liquidity covers refinancing needs until end of 2015

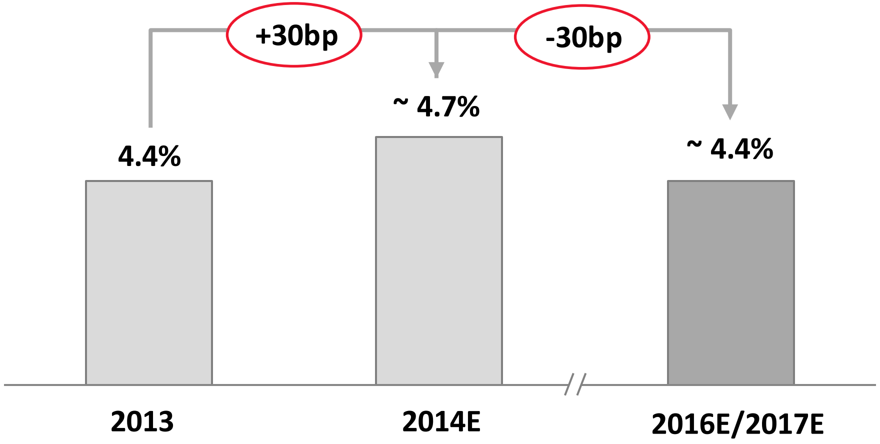
Average cost of debt

Balanced interest rate debt structure between fixed and variable

1Q14 debt by interest rate term
(%)



Avg. cost of debt 2013-2017E
(%)



Inflation linked cash flows allow higher weight of floating rates

Lower marginal cost of debt will lead to gradual decrease of average cost of debt

Main sources of risk to EDP's Business Plan 2014-17

	Risks	Mitigation
Market environment	▪ Recovery of demand ▪ Decrease of inflation with negative impact in regulated activities ▪ Energy market prices	⇨ Positive signs ⇨ Hedged provided by floating rates (55%) ⇨ Hedging Policy
Forex and Interest rate	▪ Market volatility in credit spreads ▪ Forex exposure on P&L - Brazilian real and US dollar	⇨ High financial liquidity ⇨ Funding in local currency
Regulatory Revenues	▪ More material regulatory/fiscal measures in Iberia ▪ Regulatory review in Brazilian distribution	⇨ Balanced electricity systems reduce probability ⇨ To be aligned with country risk evolution
Regulatory Receivables	▪ Lower securitization deals than expected ▪ Brazil - Mechanism to compensate higher than expected cost of energy	⇨ Low probability in current market conditions ⇨ Visibility on most of 2014 needs
Disposals Plan	▪ Investments by China Three Gorges ▪ EDPR: Minority disposals to other investors	⇨ CTG/EDP with aligned interests ⇨ €0.7bn of investments conditioned by disposals

EDP to preserve its low risk profile

Key drivers for EDP's Financial Metrics in 2014E-17E

By delivery on its strategy…

- Execution of value enhancing growth
- Reduction of financial leverage
- Efficient management of financial liquidity and cost of debt

…EDP will achieve its targets…

EBITDA	*CAGR 14E-17E*	+~5%
Lower Avg. Net Investment	*2016E-17E*	€1.2bn
Net Debt[1]/EBITDA	*2017E*	~3.0x
Avg. Cost of Debt	*2016E/17E*	~4.4%

…leading to

Free Cash Flow positive in 2015E-17E period

Strong commitment to improve financial leverage and investment grade metrics

(1) Adjusted for Regulatory Receivables

INVESTOR DAY 2014

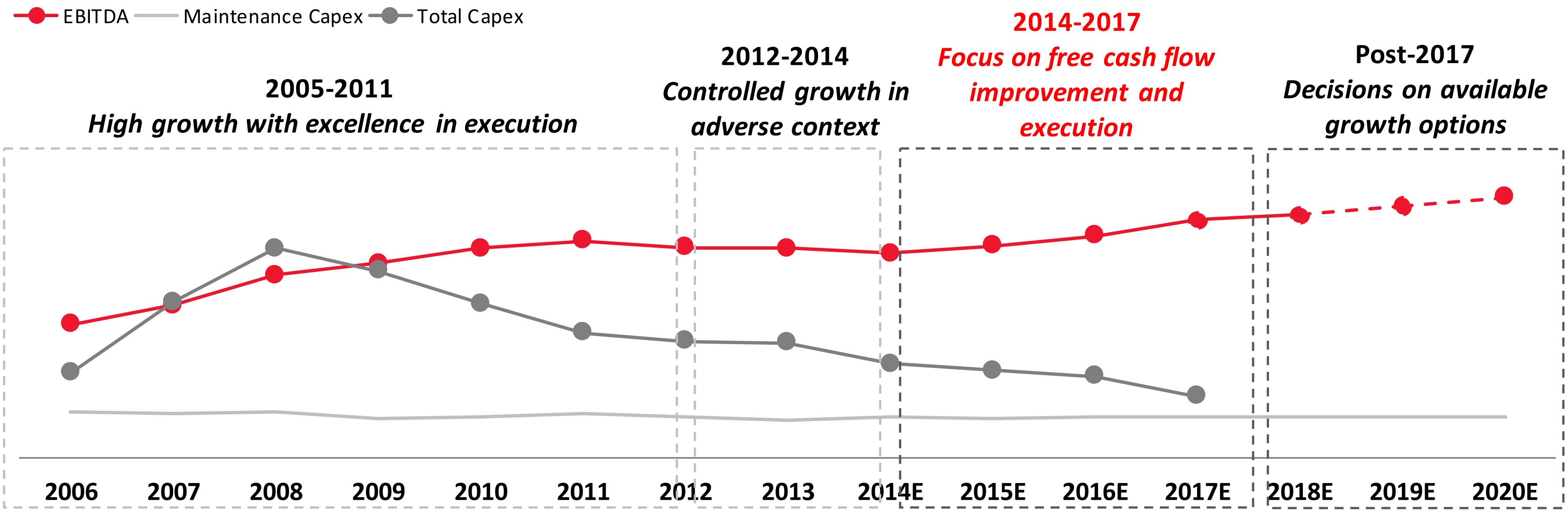
António Mexia, *CEO*

Conclusions

NEVERENDING ENERGY

2014E-17E to be focused on organic growth execution and free cash-flow improvement

Evolution of Capex and EBITDA
(€m)



Short-term operational/financial discipline along with the creation of future growth opportunities leveraging on EDP's distinctive capabilities

EDP strategic agenda aims at addressing key challenges

1. *Continue to **grow***
2. *Maintain **financial deleveraging***
3. *Preserve **low risk business profile***
4. *Improve **efficiency***
5. *Deliver **attractive returns***

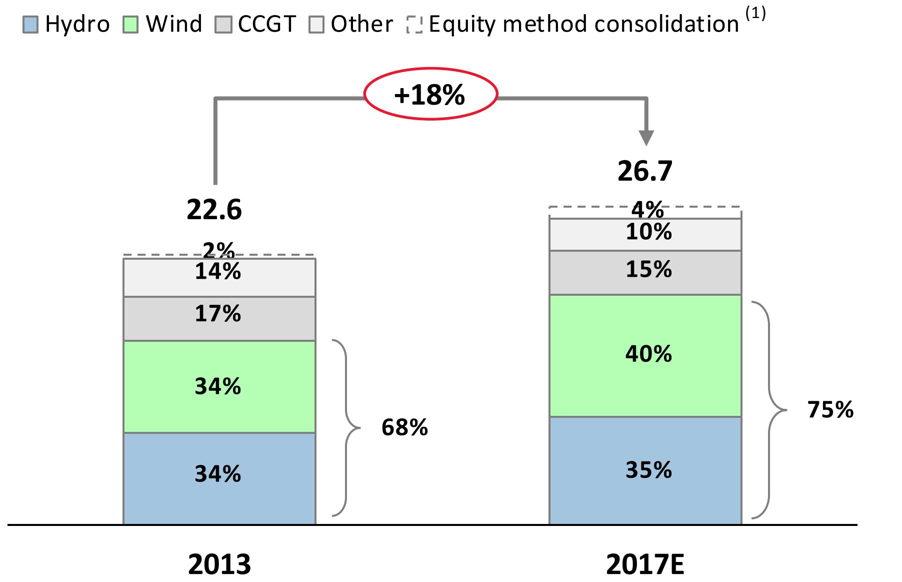
Reinforcement of Strategic Agenda

Balancing growth & financial deleverage

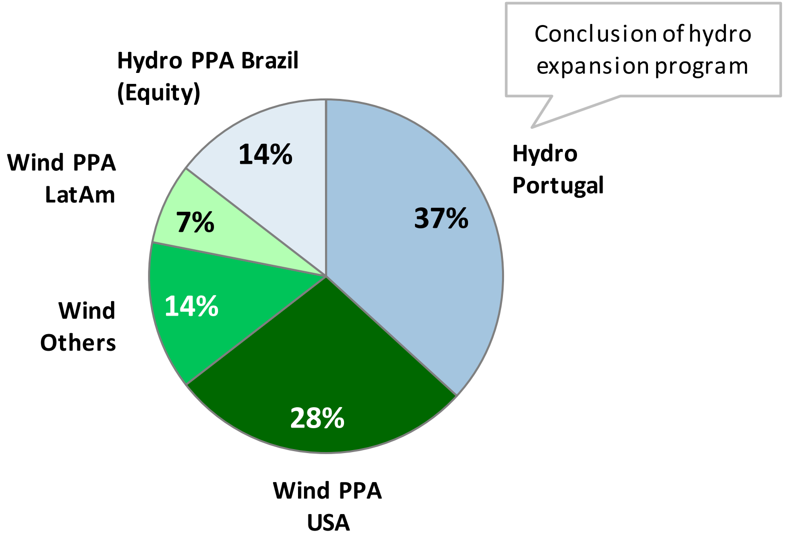
Focus on profitability & shareholder return

Growth: +18% capacity increase in 2013-17E

EDP Group installed capacity by technology
(GW)



2013-2017E Capacity additions (2)
(% of new MW)



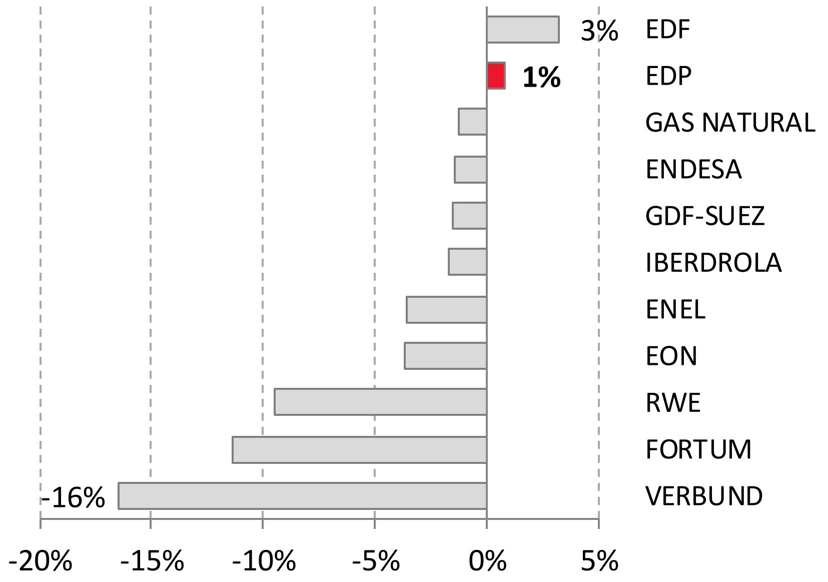
Organic growth focused on CO_2-free technologies

+4.1GW of wind & hydro capacity until 2017; weight of hydro & wind up from 69% to 75%

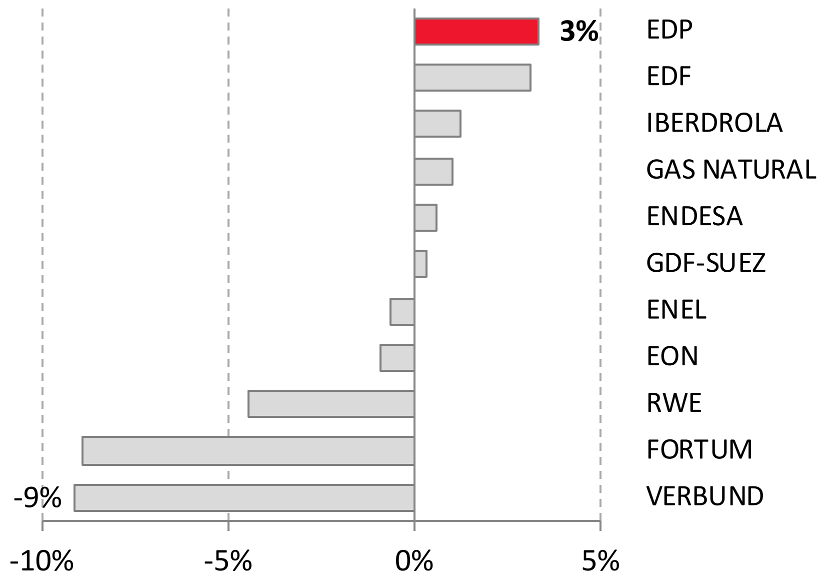
(1) Equity method consolidation: Pecém I (720MW@50%); Jari (373MW@50%) and Cachoeira-caldeirão (219MW@50%)
(2) Excludes ENEOP wind in Portugal which consolidation method expected to change from equity to full consolidation by 2015

1 Growth: EDP's EBITDA targets clearly above market expectations for the sector

European Integrated Utilities EBITDA CAGR
Bloomberg Consensus for 2015E vs. 2013 Reported (1)
(%)



European Integrated Utilities EBITDA CAGR
Bloomberg Consensus for 2017E vs. 2013 Reported (1)
(%)

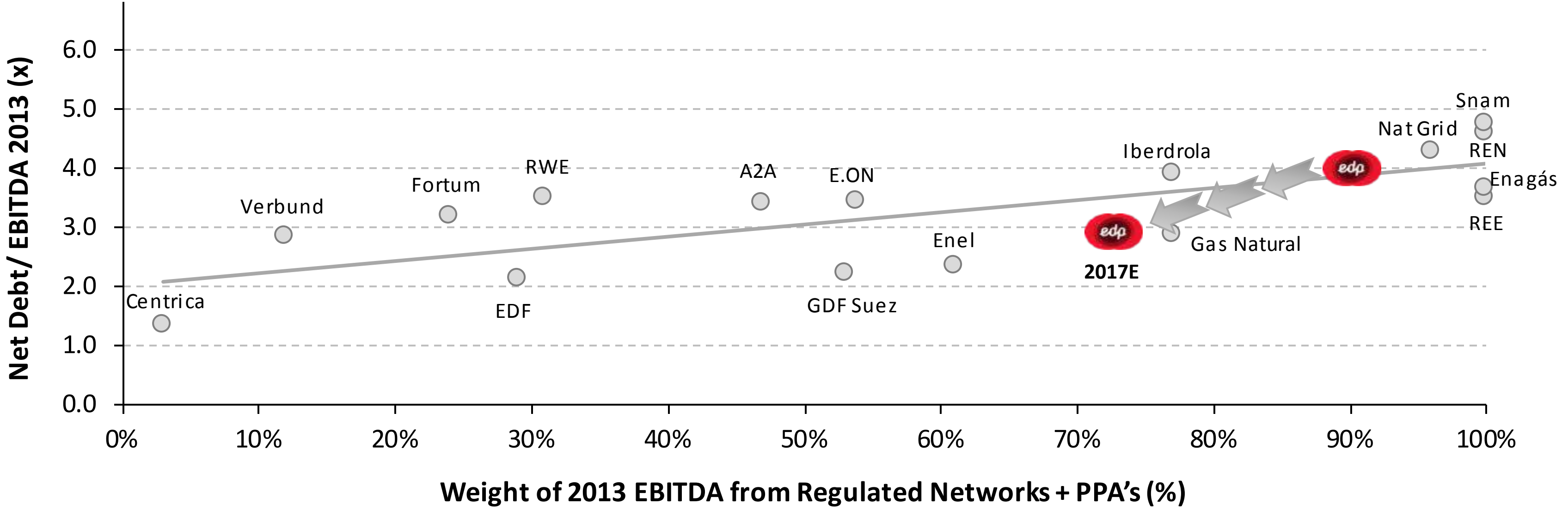


2013-17 growth driven by wind & hydro organic growth execution and efficiency improvements

(1) Source: Company Reports, for reported EBITDA 2013, and Bloomberg consensus as of 28 of April 2014; EDP EBITDA CAGR based on EDP's 2014E-17E business plan targets

Financial deleveraging: maintenance of EDP's low risk profile

European Utilities: 2013 Net Debt/EBITDA vs. Business Mix (1)
(x;%)



Gradual termination of PPAs and new stage of CMECs system post 2017 in Portugal:

EDP will continue to be one of the most regulated names amongst integrated European Utilities

(1) Source: Bloomberg and Company Reports. EDP's Net Debt/EBITDA excluding regulatory receivables

2 Financial deleveraging: Partnership with CTG and EDPR's asset rotation

Main principles of EDP's disposal program:

- Maintenance of operating control of key strategic assets (disposal of stakes ≤ 50%)
- Asset rotation: expected risk/return combination in new projects has to be more attractive than in the deals of disposal of minority stakes in existing projects

Disposals to financial/strategic partners allow:

- Risk diversification
- Sharing of economies of scale
- Value crystallisation

Partnership with CTG

- Commitment/framework, aligned interests
- CTG Partnership for total €2bn of investments (including co-capex)
- €1bn already agreed (€0.6bn pending financial closing in 2014-15)

EDPR Asset Rotation Strategy

- €0.7bn on wind capacity investments in 2015-2017 subject to the execution of similar amount of disposals of minority stakes in wind farms under favorable relative risk/return terms

Other potential disposals

- No further disposals assumed in this business plan
- Any scenario subject to EDP's main principles for disposals

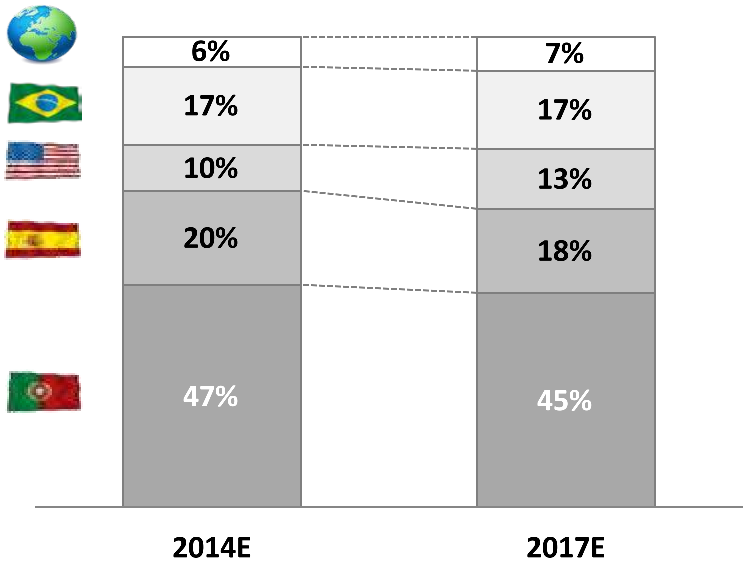
CTG Partnership and EDPR's asset rotation: marginal EPS dilution impact fully reflected in EPS growth target for 2017E

(1) Including EDPR Asset Rotation and proceeds yet to be cashed-in from disposals agreed with CTG in Dec-13 (50% Jari, 50% Cachoeira Caldeirão and 49% ENEOP) and Feb-14 (33.3% São Manoel)

3 Low risk: maintenance of diversification in terms of markets and regulatory environments

EBITDA Breakdown by Geography

(%)



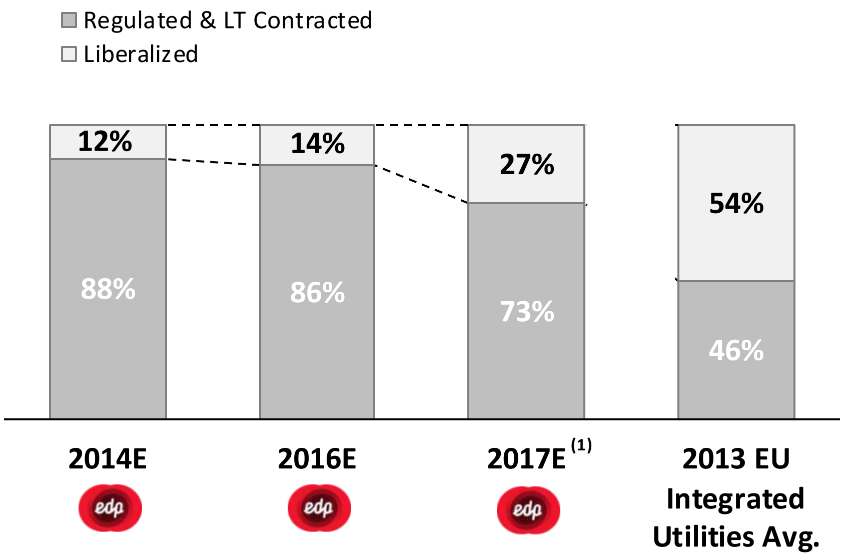
- **United States:** major growth driver in 2014E-2017E period fully based on wind power additions sold through PPAs
- **Portugal:** EBITDA growth supported by commissioning of new hydro plants and the asset split of ENEOP consortium (full consolidation of 534MW wind farms from 2015 onwards)
- **Brazil:** New capacity additions to be mostly equity consolidated
- **Creation of growth options post 2017:**
  - Focused on technologies where EDP has recognized competitive advantages: **Wind and hydro**
  - **Potential markets:** Countries with growing energy demand, declining macro risk and sound regulatory/contractual frameworks: **LatAm and Southern Africa regions**

Focus on key markets while exploring options for future growth (subject to sound regulation/contract frameworks)

Low risk: By 2017, EDP will continue to be amongst the most regulated/LTC integrated utilities in Europe

EBITDA Breakdown by Business Profile

(%)



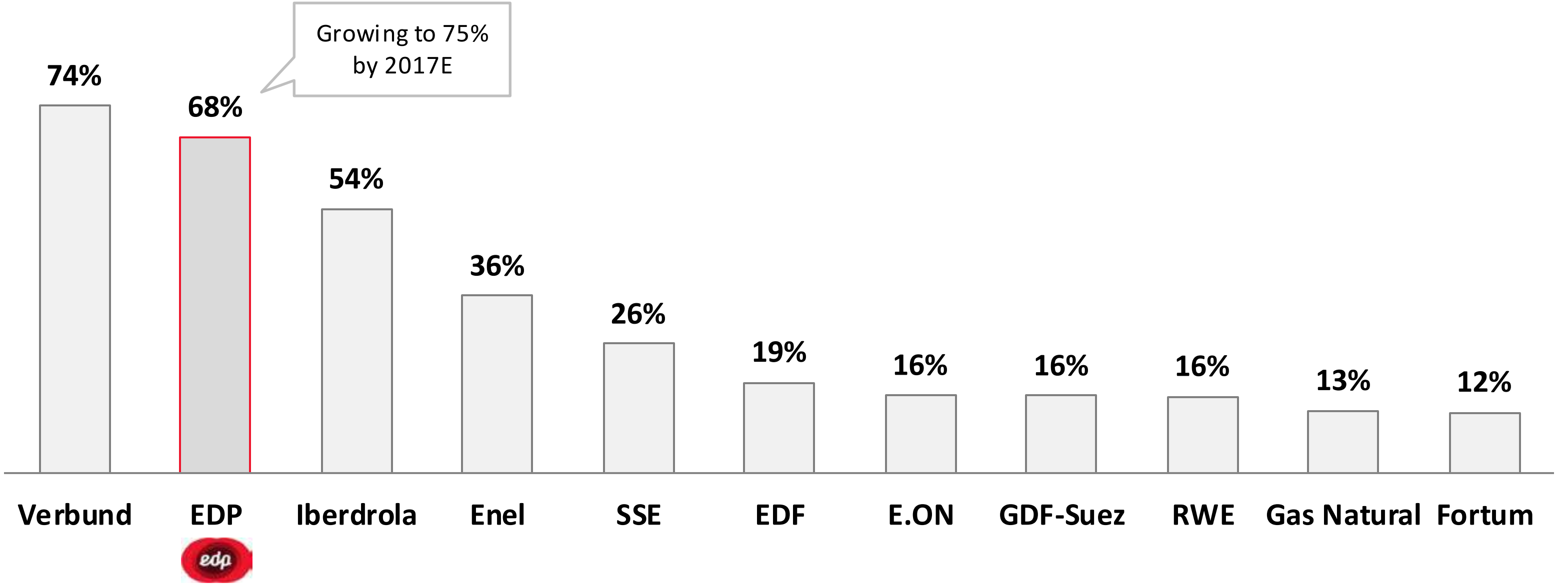
- **Regulated and LT Contracted businesses:**
  - ✓ Regulatory outlook more stable in Iberia post 2012-14 hits;
  - ✓ Networks and renewables: strong portfolio stabilizers (regulated, PPAs & feed-in tariffs).
- **Liberalised business supported by:**
  - ✓ Assets quality;
  - ✓ Scenario of moderate market recovery;
  - ✓ Strong position in clients;
  - ✓ Good track record in risk management.

Maintenance of relatively low exposure to market volatility

(1) Considers PPA/CMEC generation in the liberalised activities for 12-months in 2017

Low risk: EDP has the 2nd highest weight of hydro & wind in Europe

% Weight of Hydro & Wind in 2013 Generation Mix
Major European peers (MW)

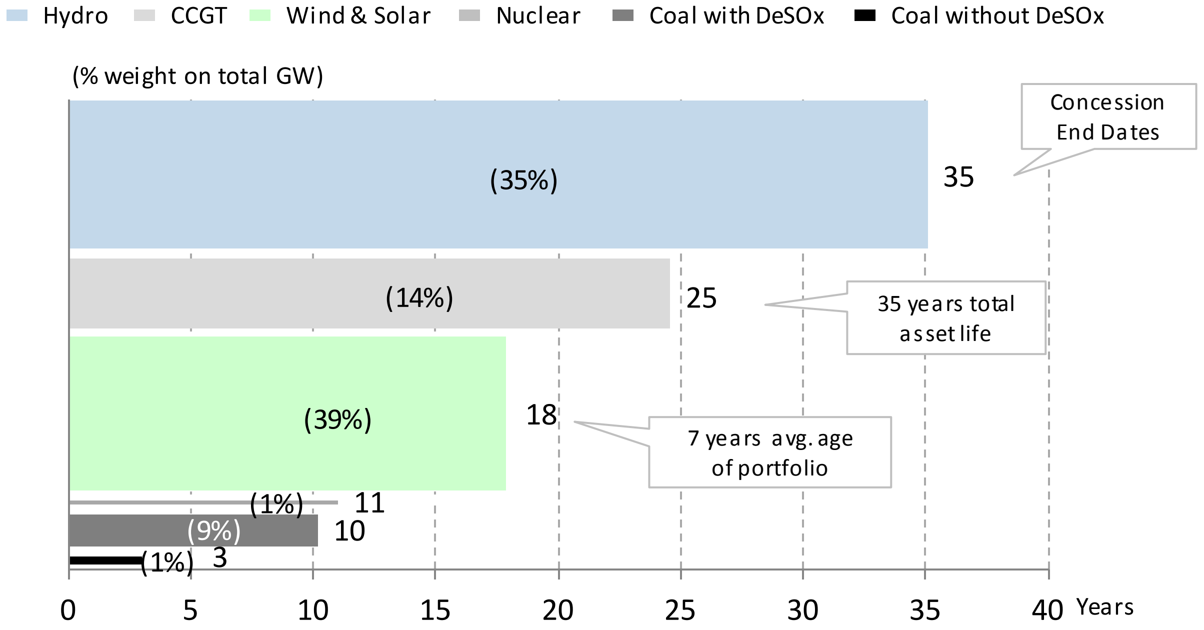


Superior asset mix: Low marginal cost, significant weight of electricity sold through PPAs/regulated tariffs

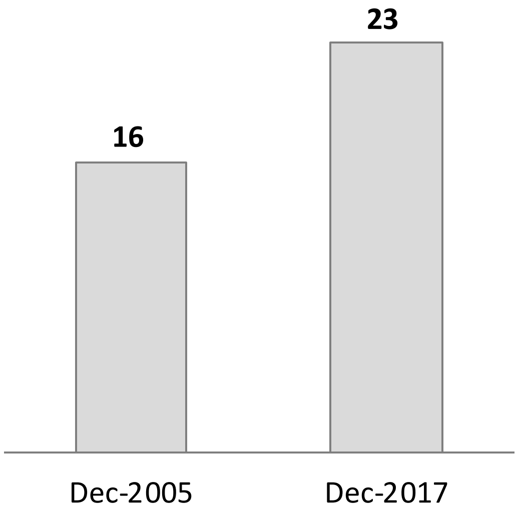
Source: Companies reports

3 Low risk: EDP portfolio of assets with a long average residual life

Average Residual Useful Life of EDP's Generation Portfolio by Technology Dec-2017 [1] (Years)



Average Residual Useful Life of EDP's Generation Portfolio (Years)

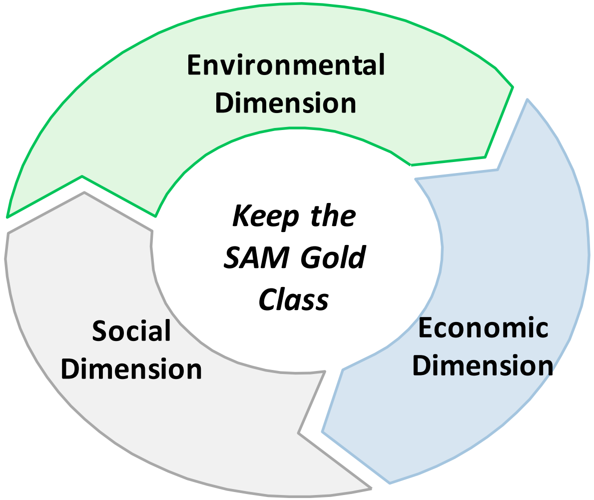


Long Average Residual Life of Portfolio in 2017E: 23 years of low exposure to CO_2 and other environmental risks

(1) Reference Date: Dec-17; Excluding: Special Regime (Mini-hydro, Cogeneration and Biomass) and Tunes (for system's backup); Including MW attributable by Equity Consolidated

3 Low risk: Sustainability as an integrated component of EDP's strategy

EDP's strategy integrates the 3 pillars of sustainable development



Major strategic Sustainability targets by 2017

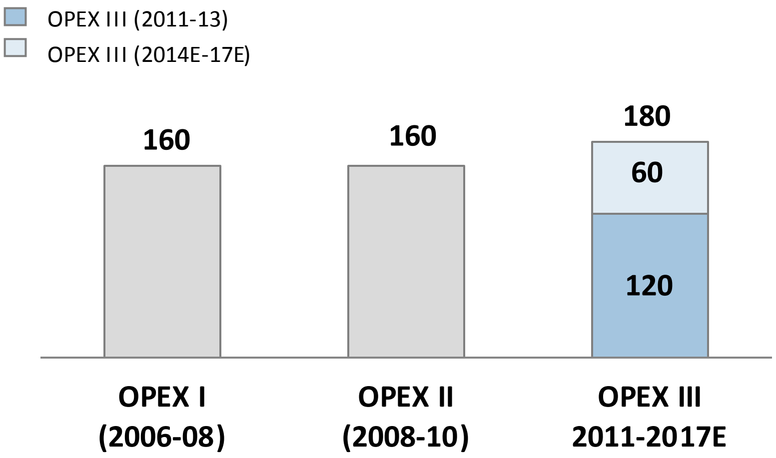
Environmental Dimension	▪ Reduce CO_2 specific emissions by 70% until 2020 (vs. 2008); ▪ Globally extend environmental externalities evaluation;
Economic Dimension	▪ Achieve 75% of clean capacity; ▪ Maintain R&D investment up to €20M/year;
Social Dimension	▪ Keep employees' Global Satisfaction level above 80%; ▪ Maintain EDP part of the World Most Ethical Companies of the Ethisphere Institute;

DJ Sustainability Index: EDP with the best score for utilities worldwide in 2013

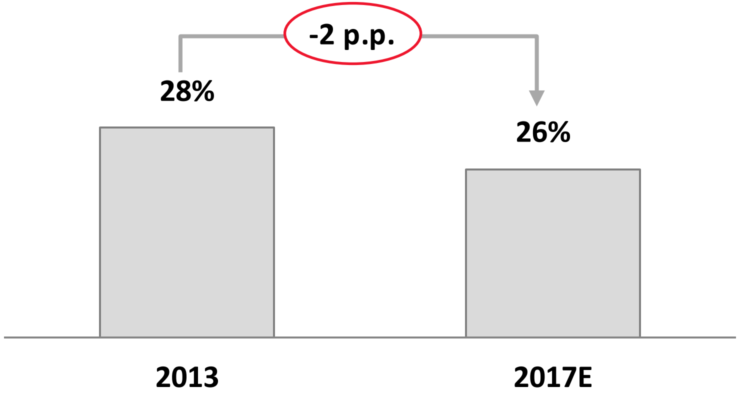
EDP aims at maintaining a leadership position in terms of sustainability best practices

Efficiency: OPEX III program cost savings extended to €180m/year by 2017E

Efficiency Program: annual savings [1]
(€ m)



OPEX/Gross Profit
(%)



- **Iberia**: Headcount reduction, mostly driven by retirements; Corporate and support functions optimization; Challenging low-inflation environment
- **Brazil:** Opex evolution below inflation in the period

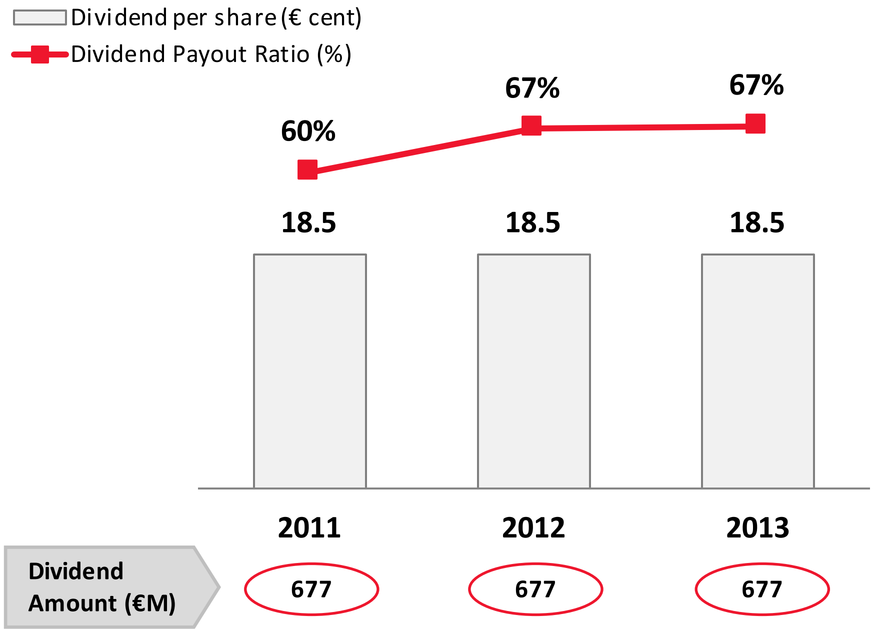
Maintaining a leading position in efficiency and lean operations

(1) OPEX I savings measured regarding the 2005 costs base; OPEX II savings measured regarding the 2007 costs base and OPEX III savings measured regarding the 2010 costs base; (2) €50m of overlap savings with OPEX I referent to 2008

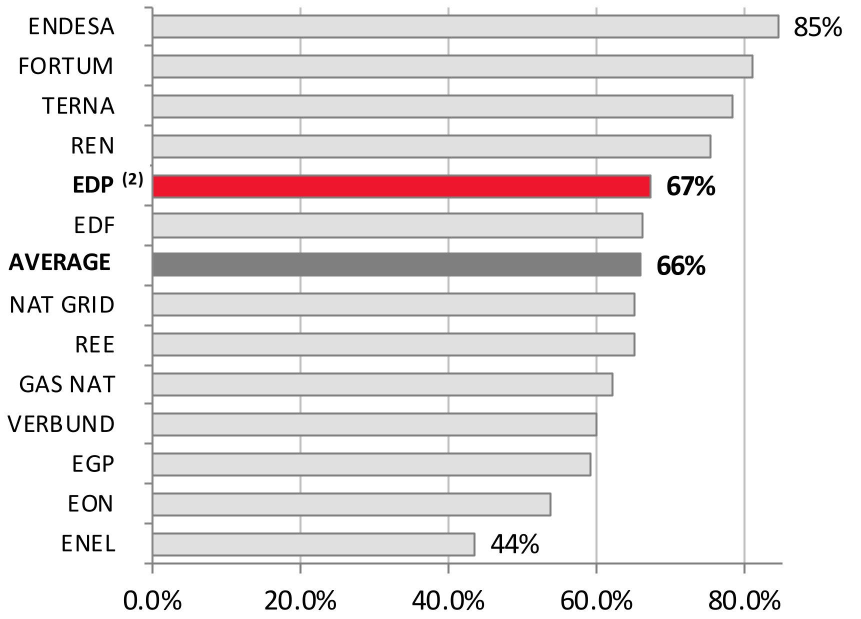
5

Attractive dividend policy 2014E-2017E

EDP's dividend performance 2011-2013
(€ cents; %)



Avg. Payout Ratio 2013: European Utilities peer group [1]
(%)



Maintenance of a €0.185 dividend per share per year as a floor

Target payout ratio in the 55%-65% range

(1) Source: Bloomberg Payout 2013 (based on Adjusted EPS excluding one-offs / special events) and Company Reports
(2) Considering a dividend of €0.185 per share to be proposed and approved in the next AGM, and based on EDP 2013 Net Income of €1,005m.

EDP strategic agenda…

By delivery on its strategy…

- Continue to grow ✓
- Financial deleveraging ✓
- Low risk profile ✓
- Attractive returns ✓

…EDP will achieve its targets…

EBITDA & Net Profit	Net Debt[1]/EBITDA	Reg. & LT Contracted EBITDA	Dividend per Share
CAGR 14E-17E +~5%	*2017E* ~3.0x	*2017E* >70%	*Floor* €0.185

…leading to

Balanced growth & deleverage, maintaining controlled risk and attractive returns

(1) Adjusted for Regulatory Receivables

…reinforcing our distinctive equity story

Visibility on significant growth through wind and hydro:

Installed capacity rises from 69% in 2013 to 75% in 2017E; Low marginal cost technologies

Unique low risk portfolio

Weight of EBITDA from regulated and LT Contracted activities to keep clearly above our peers

Good geographical and technological diversification

Key markets: Portugal, Spain, Brazil and USA; Diversified and efficient generation mix

Superior risk management:

Debt (cost, liquidity, leverage), energy markets (hedging, PPAs), anticipation of regulatory trends

The most efficient company in Iberia

The lowest OPEX/Gross profit ratio among peers since 2009

Keeping a distinctive profile amongst European utilities