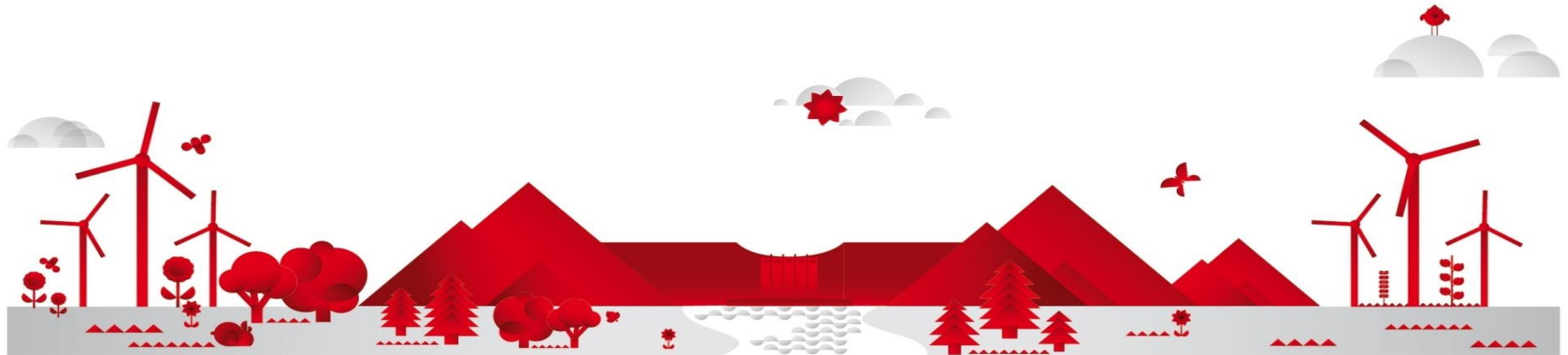




Sustainable Development

16 March 2017



Business Portfolio geographical diversified



Wind & Solar Power

31% of EBITDA

(13% North America; 6% Portugal; 6% Spain; 6% Other)

Listed subsidiary: EDP Renováveis (EDP has 77.5%)

IPO in Jun-08

Wind & Solar Power: 10.1GW

A worldwide renewable market leader



EDP Brasil

16% of EBITDA

Listed subsidiary: EDP Brasil (EDP has 51%)

Presence since 1996

Power generation: 2.5 GW (hydro and coal)

2 electricity distribution concessions



Portugal

39% of EBITDA

Privatisation in 1997 (IPO)

Single electricity distributor

Power generation: 9.2 GW (ex-wind)
(from which 5.9GW is hydro)



Spain

14% of EBITDA

Presence since 2001

Power generation 3.5 GW (ex-wind)

2 in gas distribution

EDP has remained focused on reinforcing its distinctive profile amongst European Utilities



Strategic Priorities

I Balance between Growth & Financial Deleverage

- **Focused growth:** long-term contracted renewables and regulated networks
- **Deleverage commitment:** improve visibility of medium term FCF profile

IV Attractive returns

- Attractive and sustainable dividend policy
- Well-diversified markets and competitive technologies



II Controlled Risk

- Keeping low risk profile reinforcing presence in our core markets and optimization of capital allocation

III Superior Efficiency

- Focus on Opex & Capex efficiency

EDP's 5 climate commitments are fully aligned with sector's sustainability agenda

Carbon Price Signal

- Higher CO₂ price needed to promote decarbonisation through coal-to-gas switching
- Further changes to ETS required

Investment Framework

- Lack of incentives for required investments
- Competition through auctions for LT contracts: win-win de-risking for investors and consumers

Security of Supply

- Capacity markets: key for assuring security of supply
- Services and grid management are fundamental for coping with business model evolution

1. Emissions

Reduce CO₂ specific emissions by 75% before 2030 (compared to 2005 levels)

2. Renewables

Increase of electricity generation from renewable energy sources, exceeding 75% of EDP's overall installed capacity by 2020

3. Efficiency

Provide customers with access to energy efficiency products and services to reduce consumption by 1 TWh before 2020 (against 2014 levels)

4. Innovation

Encourage partnerships in clean energy technologies, energy efficiency and smart grids research, by investing €200M in innovative projects by 2020

5. Smart Grids

Expand smart meters to more than 90% of EDP's low voltage power network delivery points in Iberia by 2030, utilizing new smart grid technology

Electric sector is pivotal for decarbonisation and EDP has been a long time committed player



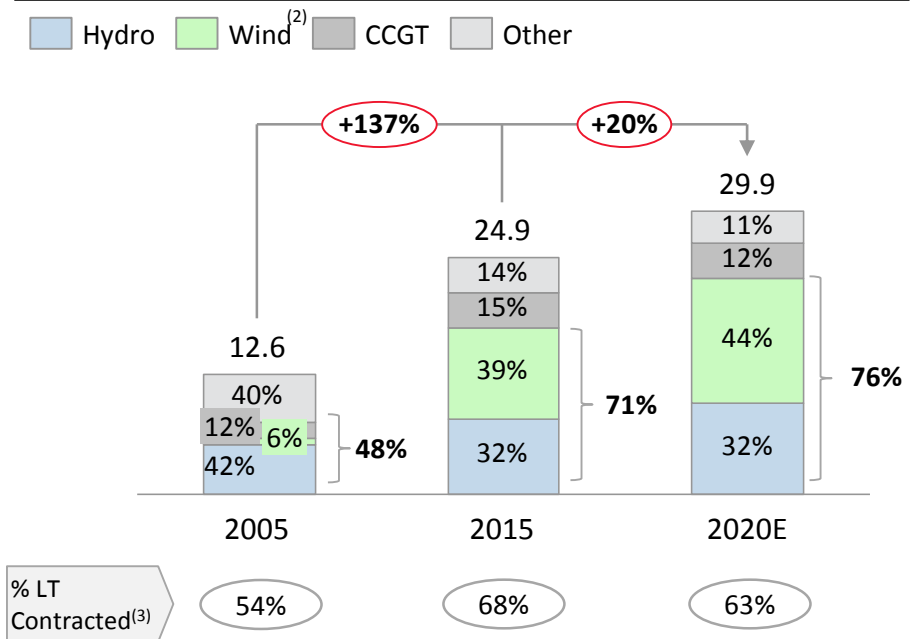
CONTINUE TO GROW	PRESERVE LOW RISK BUSINESS PROFILE	CLIMATE CHANGE	IMPROVE EFFICIENCY
1 Renewable Energy			
Growth focused on CO ₂ -free technologies where EDP has recognized competitive advantages.			
		2 Energy Efficiency	
Implementation of smart grids technologies and active promotion of demand side management by developing and offering innovative products and services. In order to promote the deployment of energy efficiency, EDP is also creating synergies for the management of the distributed generation/storage/consumers.			
		3 Innovation	
Innovation as a key element to energy efficiency improvement. Under this framework EDP implemented an innovation governance model based on 5 strategic areas: Cleaner Energy; Smarter Grids; Customer- Focused Solutions; Data Leap and Energy Storage.			
4 Our Stakeholders			
The engagement with the stakeholders is a strategic priority for maintaining an open and transparent dialogue.			
5 Our People			
Enable global business evolution through leadership & people performance, while developing a digital workplace.			

Strategic focus on renewable energy:

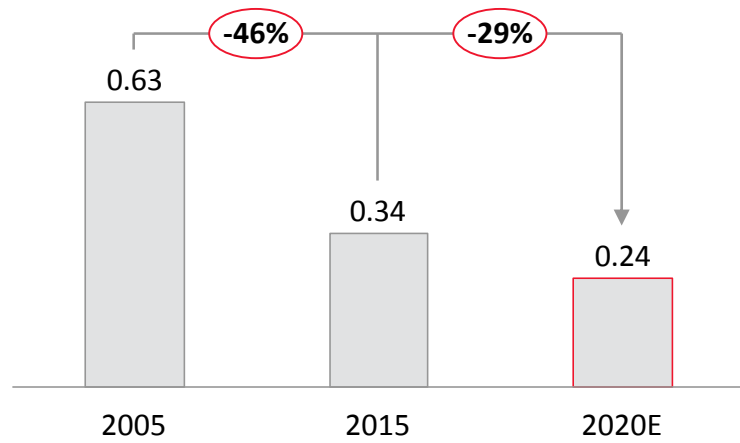
Weight of renewables up from 71% to 76% by 2020

1

EDP Group installed capacity by technology⁽¹⁾
(GW)



Specific CO₂ emissions
(ton CO₂/MWh)



Reduction of CO₂ emissions by more than 30% by 2020 vs. 2015

(1) Includes equity method consolidation

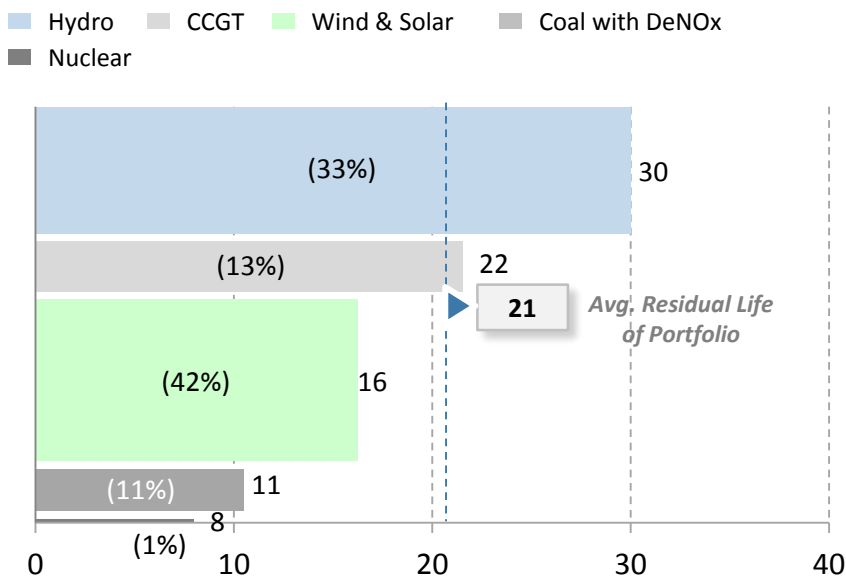
(2) Includes solar

(3) Including 2.562MW of Hydro PPA in Portugal by 2020 entitled to CMEC account receivable until 2027

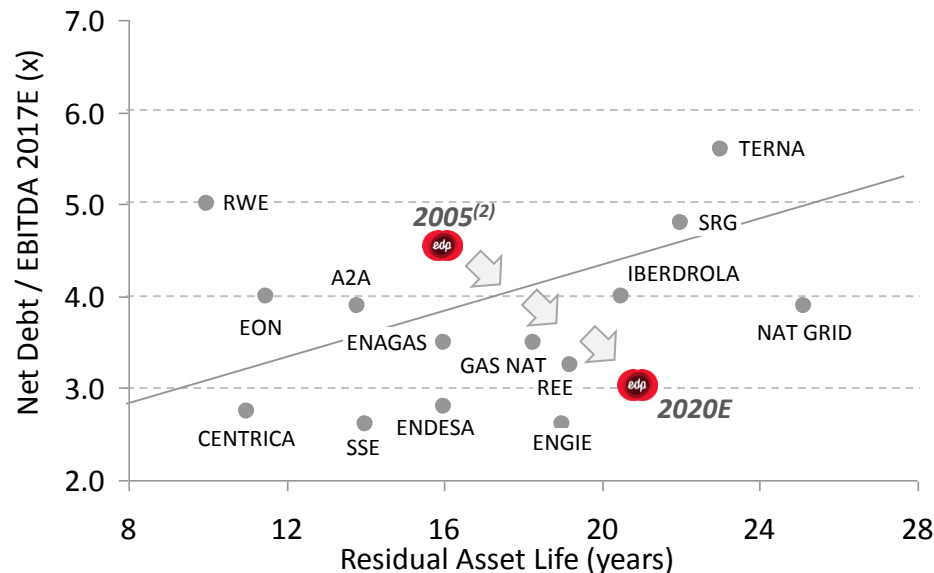
Strategic focus on renewable energy: Long residual asset life following growth in renewables

1

**Average Residual Useful Life of EDP's Generation – 2020E
by Technology⁽¹⁾**



European Utilities: 2017E Net Debt/EBITDA vs. Residual Asset Life⁽²⁾



EDP assets portfolio has one of the longest average residual lives amongst European Utilities
Higher visibility of medium long term free cash flows consistent with Net Debt/EBITDA target of ~3.0x

(1) Reference Date: Dec-20; Excluding: Special Regime (Mini-hydro, Cogeneration and Biomass) and Including MW attributable by Equity Consolidated Method (2) Estimates on ND/EBITDA and residual asset life for European Utilities peers according to Citi Research Estimates published in Citi Equity research report on EDPR published on April 20th 2016; data on EDP based on EDP historical figures 2005 and forecasts for 2020

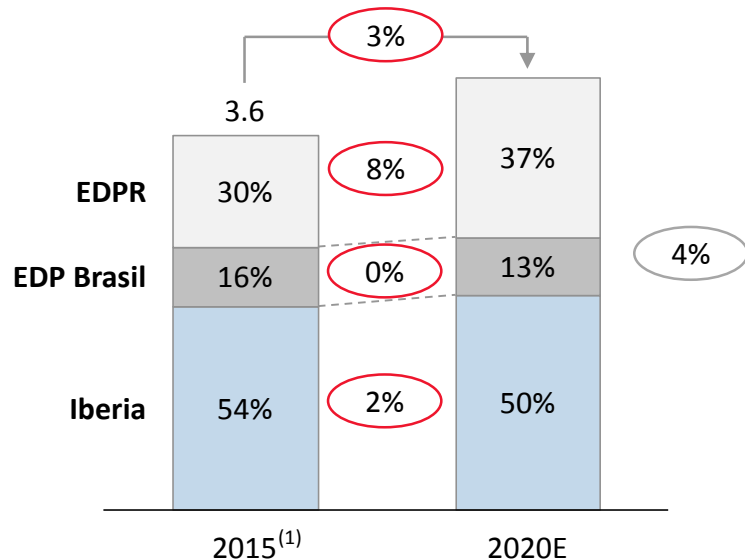
EBITDA growth in 2015-20: mostly driven by net expansion investments in long term contracted renewables



1 EBITDA Growth 2015-20⁽¹⁾

(%)

○ CAGR ○ CAGR ex-Forex



EDPR



Avg. capacity +8% CAGR in 2015-20 additions with long term PPAs or feed-in tariffs, mostly in US

EDP Brasil



EBITDA in local currency +4% CAGR, eroded by conservative assumption on EUR/BRL

Iberia



Slight improvement on **market conditions**



Further efficiency improvements



New hydro capacity



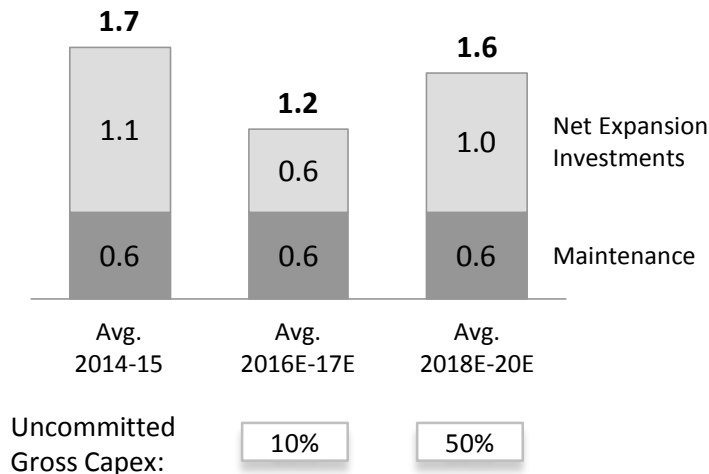
CMEC phase-out

Forex assumptions: 4% avg. annual devaluation of BRL vs. Euro; flat EUR/USD over the period
Delivery on EBITDA from longer time-to-market new hydro capacity in Portugal

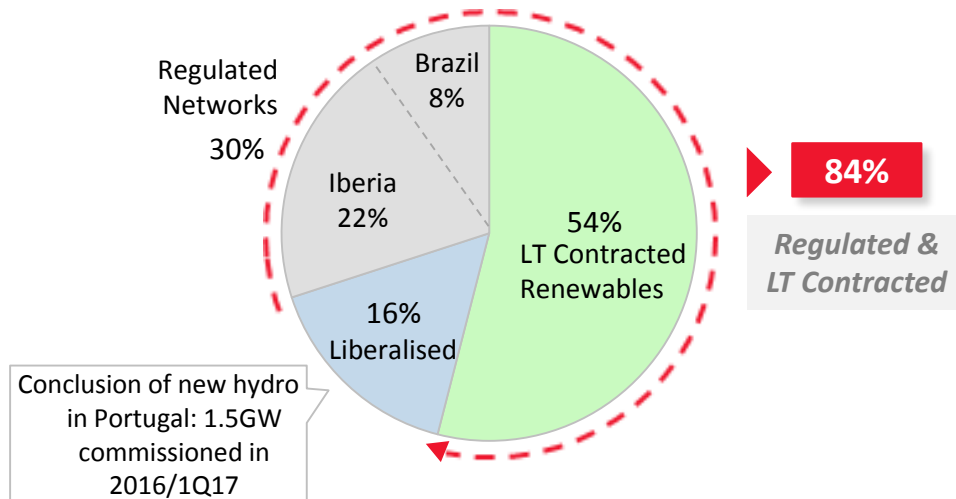
Capex 2016-20: Discipline and focus on long-term contracted renewables and regulated networks



1 Net Investments⁽¹⁾: 2016E-20E (€bn)



Breakdown of accumulated Net Investments⁽¹⁾: 2016E-20E (% of € bn)



- 84% of which on Regulated & LT contracted activities
- Asset rotation: €1.6bn target proceeds (60% already executed/agreed in 2016), to be reinvested at higher returns

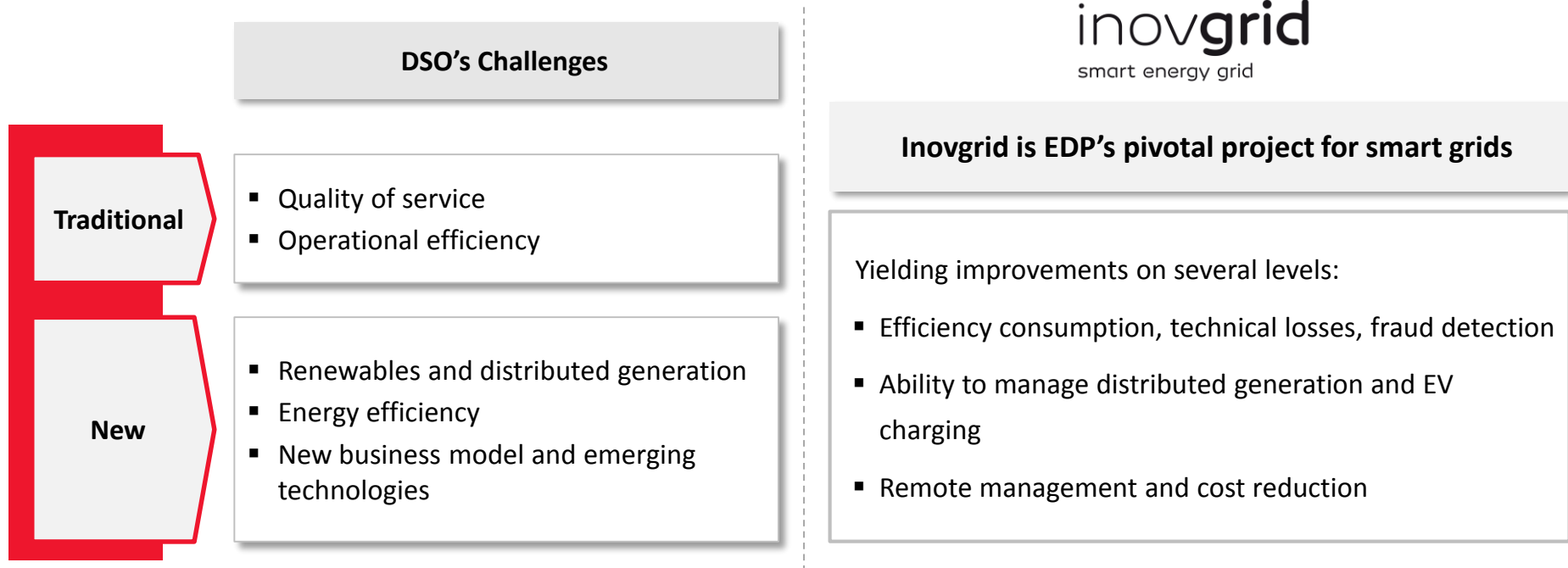
Avg. net investments €1.4bn/year with avg. time to EBITDA < 2 years supporting medium term FCF growth

(1) Net Investments include capex and financial investments in the period and €1.6bn of financial divestments of minority stakes in wind farms by EDPR in 2016-20; disposals to CTG or others not included in these figures

Traditional business models no longer respond to sector's innovation challenges...



2



Smart grid technologies are fundamental in the new design of utilities' business model

EDP leverages on Inovgrid and supports a holistic view of electricity's value chain

What drives you?

PURCHASES DRIVERS

SMART TECH

ENERGY EFFICIENCY

DEMAND-SIDE RESPONSE

ELECTRIC MOBILITY

CUSTOMER CHOICE

STORAGE

ACCESS TO CONSUMPTION DATA

DISTRIBUTED GENERATION

10

EDP has been positioning itself on each element of the new downstream business ...



2



Solar energy

- Self consumption launched in 2015 with ~9k system sales until now
- Several communication campaigns and commercial innovation
- EDP re:dy for asset management

Distributed storage

- Technical solutions evaluation
- Lithium battery pilot tests
- Battery integration with solar energy solutions
- Commercial launch December 2016



New downstream



- Electric mobility offer launched in 2014
- Offer comprises special tariff, wallbox and 1 year electricity offer
- Partnership with 14 car manufacturers

Electric mobility

- In house development
- All home's energy management
- Should become an automatic energy optimization tool
- EDP re:dy should require a distinct approach from the traditional one

Home energy management

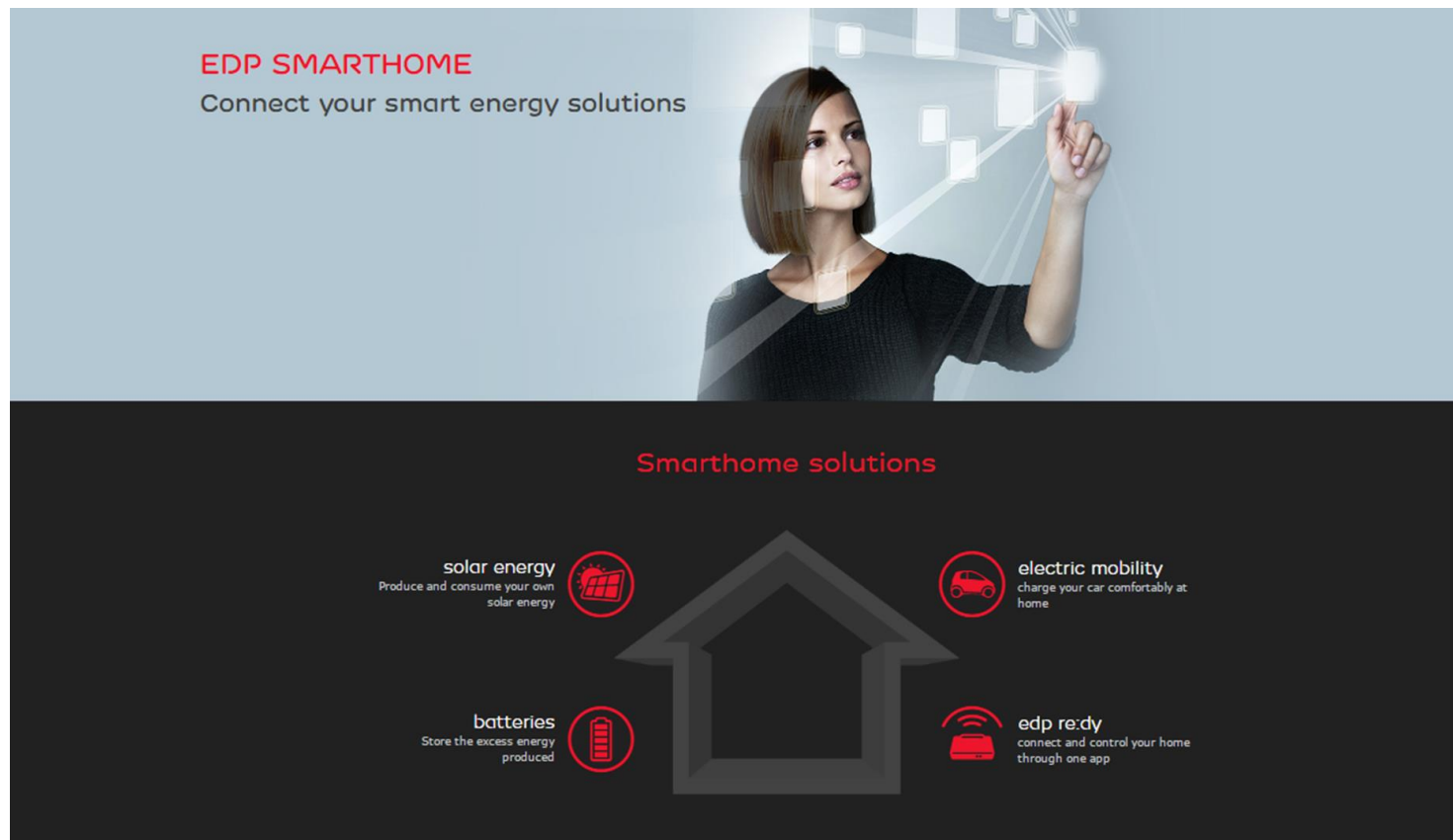


Value creation will derive more and more from offering the right services
and being consciously part of customers' daily life

... and launched a new commercial concept, EDP Smarthome, to put them all together.



2



R & D: 5 main strategic areas of innovation

3

Cleaner energy

- Identify & develop competitive **alternative clean generation** to reduce emissions.
- e.g. Smart Green Gas project

Smarter Grids

- Development of smart grid **infrastructure and applications** with client/operations focus.
- e.g. Predis - generation predictive models

Client-focused Solutions

- Focusing on innovative offerings to improve **customer satisfaction & engagement**.
- e.g. EDP Re:dy home management

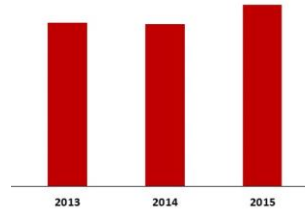
Energy Storage

- Analyse **technological breakthroughs** of energy storage and its applications.
- e.g. Energy Storage project

Data Leap

- Leverages the development of ITC¹ to support innovation in all business areas.
- e.g. Forecasting of turbine lifetime via big data analytics

€35M
Investments



EDP is present and within the several layers of energy innovation

¹ Information and Communications Technology

EDP Ventures

Corporate venture capital looking for opportunities for early stage investments in the cleantech sector.

EDP Starter

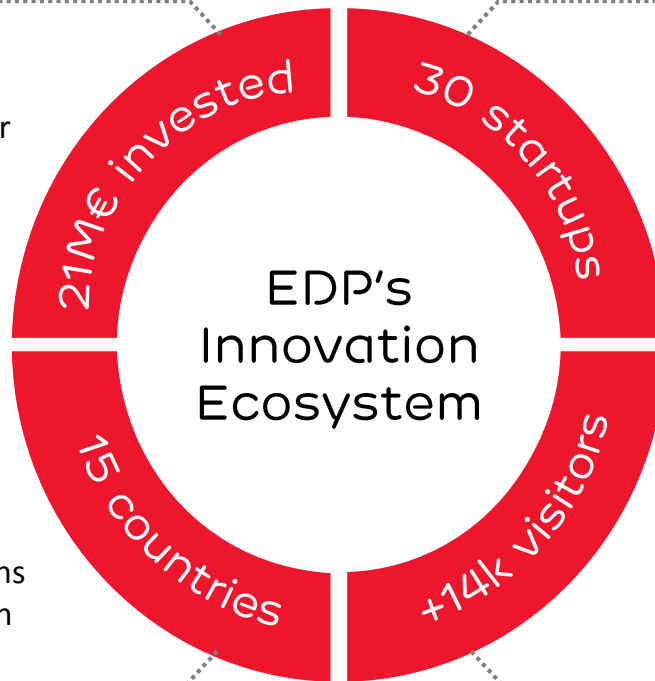
Innovative incubation / acceleration concept, equity free, for start-ups operating in the energy sector.

JV Innovation

Partnership with Microsoft to develop business solutions as well create synergies with a vast network of partners.

Fablab EDP

The “Fabrication Laboratory” consists of a set of digital fabrication tools for rapid prototyping and inventions.



EDP works its ecosystem for innovation from within but in an open circuit with external entities

The further information flows, the further innovation grows

EDP works on a 360° spectrum in stakeholders management...



4

Employees

- **Sense of community** through active communication (intranet, corporate TV, bi-annual employee gatherings, ethics ombudsman)
- **Sense of empowerment** through training (EDP University), job mobility and individual development plans

Customers

- **Customers are key:** EDP 365 Customer Program, Customer Ombudsman,...

Suppliers

- **Involvement:** EDP offers incentives for suppliers according to evaluation on performance; offers training and provides access to a web dedicated platform and to Ethics Ombudsman

Community

- **Active membership of society:** EDP participates in local communities developing regions where business is present and acting as a cultural and social patron (mainly through EDP Foundation)

... and is supported on an HR strategy that fosters Global Business and People Performance

5

EDP's strategic guiding principles
Business Plan 2016-2020

Maintain deleveraging as a central priority	Requires a people agenda to support the business evolution while creating Multinational Culture	Resilient and diverse workforce with a skillset matching future growth mix and Business Model Evolution
... while ensuring a consistent & selective growth path		Leaders as culture champions, driving talent growth as a key strategic imperative
Reinforce EDP's low risk profile		Talent growth through employee enterprise contribution

Continue pursuit for further efficiency	Requires a people agenda that contributes for an overall profile of top efficiency and profitability	Efficiency deriving from solid and reliable people related decisions
Target top return to shareholders		HR sustainable cost efficiency to support functional evolution

- Drive Generation Renewal
- Lead to Inspire
- Grow Global Talent

- Hire to retire ratio: 2/3
- 90% fulfillment of skills

- Employee Engagement > 75%

- Employee Enablement > 75%

- Seek Efficiency
- Transform HR

- €0,35M EBITDA/Employee in 2020 vs. €0,29M in 15

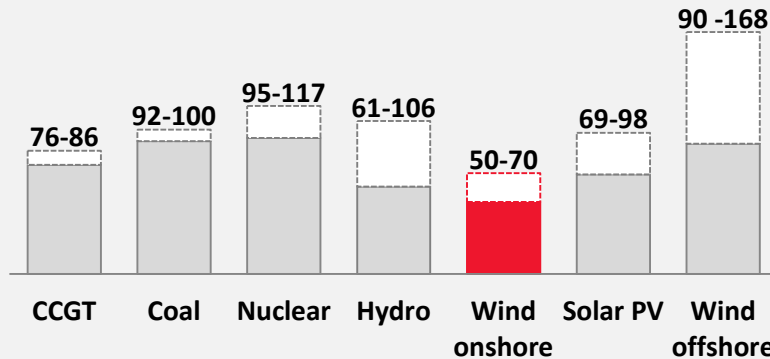
- >75% digital

ANNEXES

Looking forward, economic rationale and increasing competitiveness is boosting the uptake of renewables...

Wind already competes with all sources of energy...

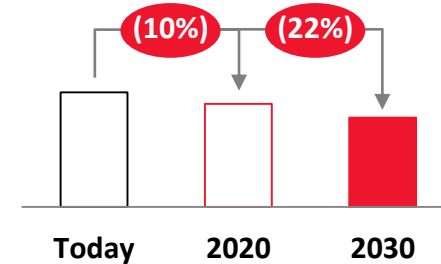
Levelised Cost of Energy¹ (LCoE)
(€/MWh, 2016)



Wind onshore is today amongst the cheapest and most competitive technologies

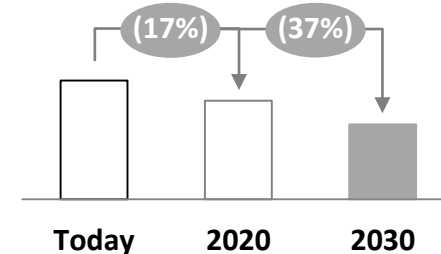
...and Solar PV is structurally set to increase its attractiveness

Indexed LCoE² (€/MWh)



Wind Onshore

Long-lasting technology with decreasing LCoE



Solar PV

Set to be a highly competitive technology

US wind: core growth driver in 2016-20 supported by visible framework and good appetite for PPA



Production Tax Credits scheme phase-down



Start of construction...

2016

2017

2018

2019

2020

2021

...end of construction

Full PTC (\$23/MWh¹)

80% PTC¹

60% PTC¹
(until 2022)

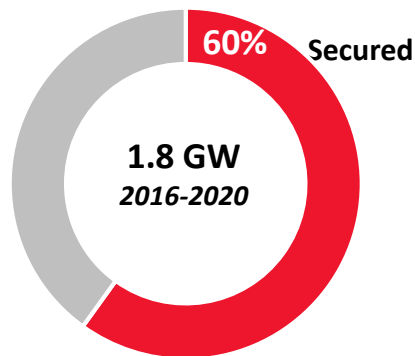
40% PTC¹
(until 2023)

100% of PTCs value if installed until 2020
under safe-harbor conditions (5% capex invested in 2016)

EDPR strategy under “safe-harbour conditions” to maximizing projects returns

Capacity additions (GW)

■ secured
■ under negotiation/identified



Option to grow 3.1 GW
with safe harbour

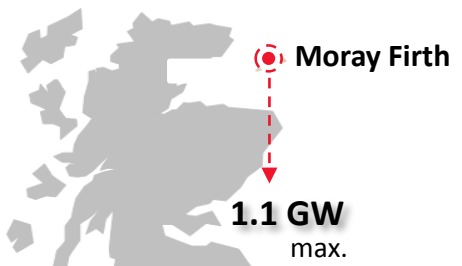
Project Name	MW	State	CoD
Hidalgo	250	Texas	2016
Timber Road III	100	Ohio	2016
Jericho	78	New York	2016
Arkwright	79	New York	2017
Meadow Lake V	100	Indiana	2017
Quilt Block	98	Wisconsin	2017
Red Bed	99	Oklahoma	2017
Turtle Creek	200	Iowa	2018
Meadow Lake VI	75	Indiana	2018

1.1GW already secured
>55% secured with non-utilities

Offshore projects to support growth options and capture a new wave of industry development and R&D leadership



UNITED KINGDOM

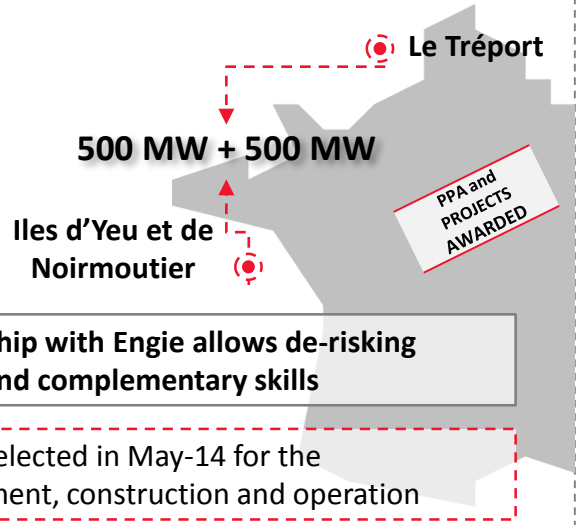


Consent granted for offshore wind development;
Partnership with CTG (up to 30%)

Next step: CfD¹ allocation
Auction: 3Q 2016 (expected)



FRANCE



Partnership with Engie allows de-risking
and complementary skills

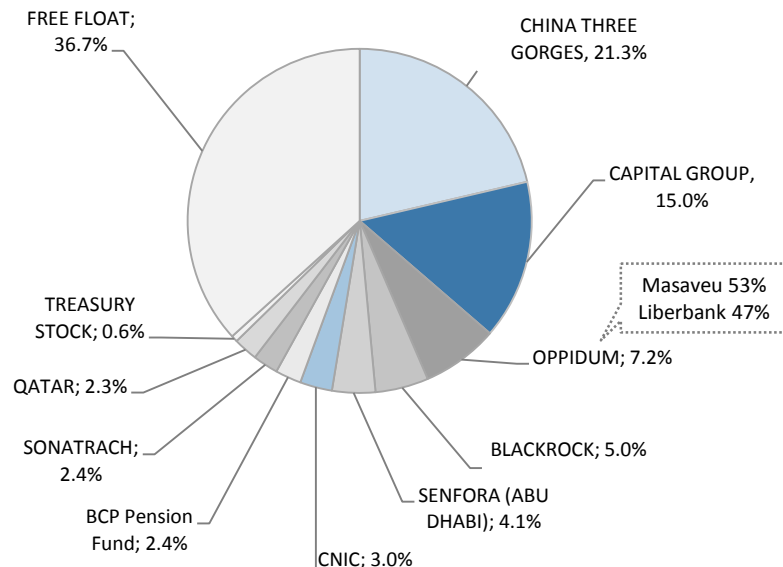
Selected in May-14 for the
development, construction and operation

Offshore projects to represent less than 10% of total investment needs through 2020 and to be developed through partnerships
Projects expected CoD after 2020

Notes: (1) CfD – Contract for Difference

EDP Shareholder Structure

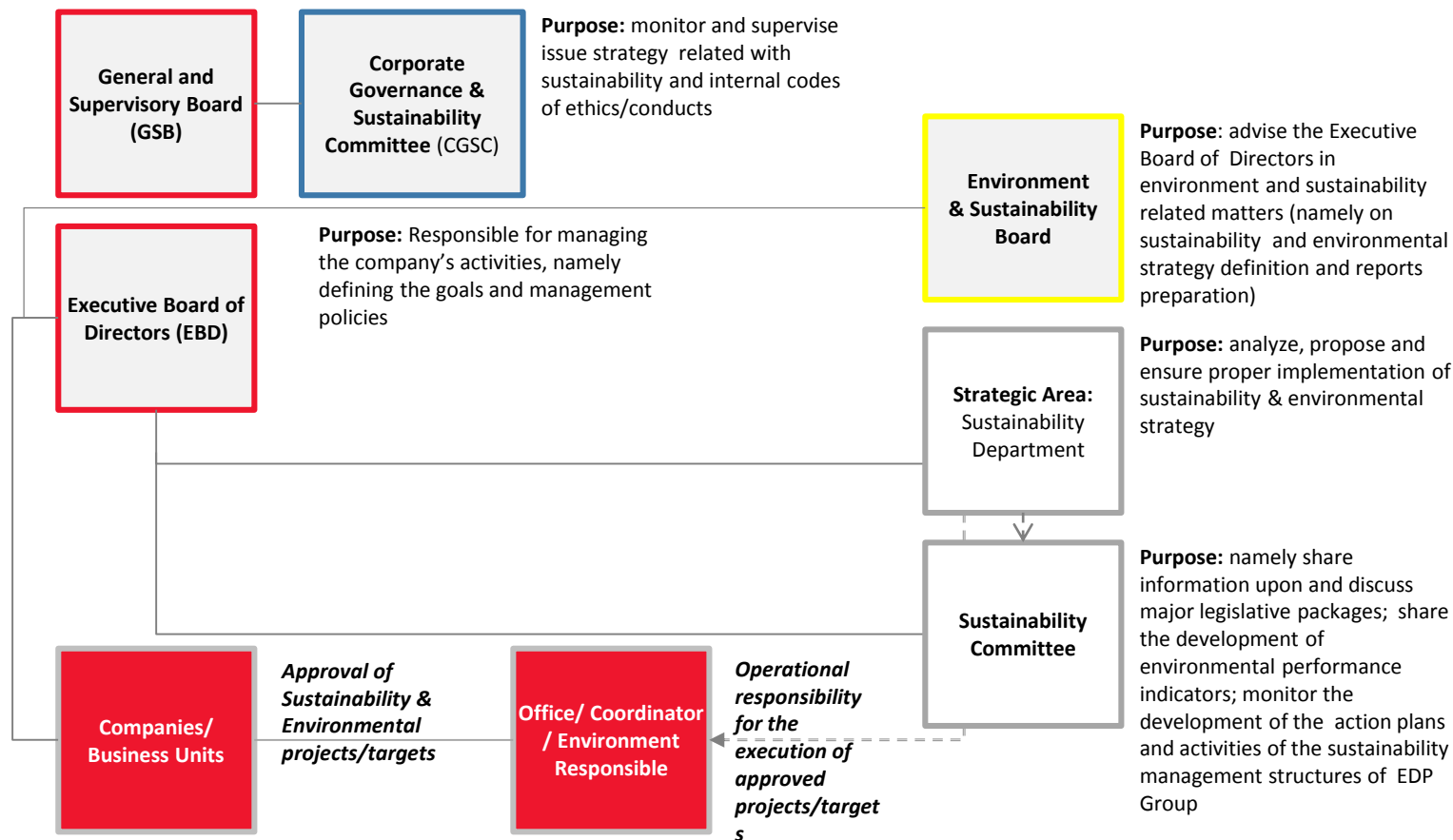
(January 9th, 2017)



- **Dec-11: CTG won the privatisation of a 21.35% stake in EDP** (@€3.45/share: 50% above market price on date of announcement)
- CTG represented by **5 members in the General and Supervisory Board** out of total 21 members (non executive, majority independents)
- **CTG is China's largest clean energy group** (100% owned by People's Republic of China): 59.5GW of installed capacity, mostly large hydros
Rating: S&P: A+; Moody's: Aa3; Fitch: A+

Shareholders with overhang positions have exited or decreased their holdings

Sustainability within EDP's corporate governance



EDP is recognised by the most important indices on sustainability



Other recognition

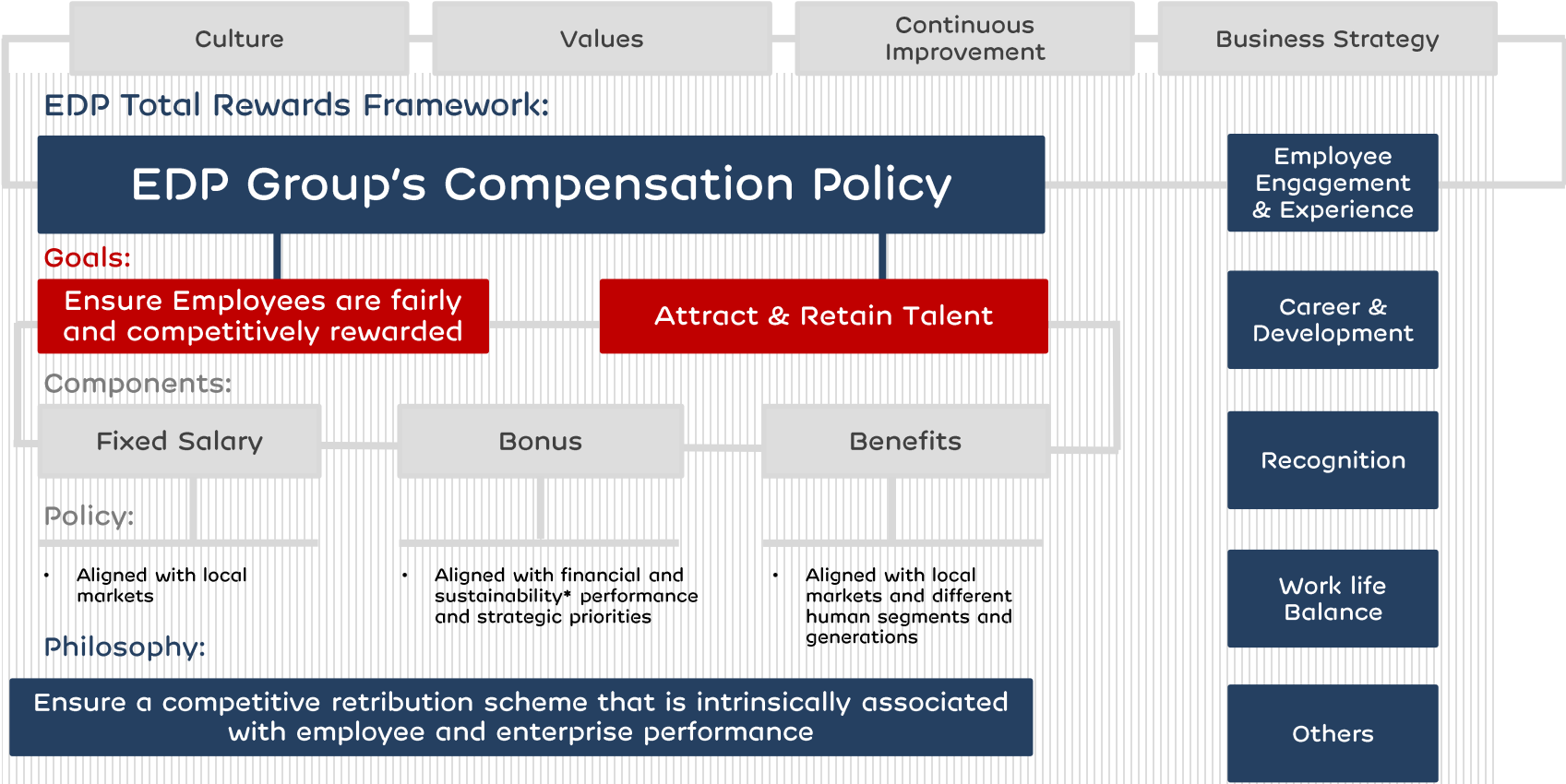


Sector wide leading position by actively contributing to global sustainability agenda

ESG ranking: Besides some well known ratings, Bloomberg notices also RobecoSAM data in 2016



More than arising from a mere algorithm, compensation at EDP is rather a way of recognising the drive, know-how, skills, performance and energy of employees.



*all employees have sustainability KPIs in their performance appraisal

The Compensation Committee appointed by the GSB is specifically responsible for the annual evaluation of the EBD, taking into account, among other factors, the accomplishment of the strategy and objectives previously set, planned and budgeted



Annual Fixed Component (defined for each EBD member in the annual general assembly)

+ Retirement Saving Plans
(reference: 10% of the annual fixed component value)

Variable Component (as a cap, it can be 2x the value of the annual fixed component)

Divided in two components

Annual

- Goal's Achievement - Floor: 90%/Cap: 110%
- Can go up to 80% of the annual fixed component value

Pluriannual

- Annually provisioned
- Mandate Goals' Achievement - Floor: 90%/Cap:110%
- Can go up to 120% of the annual fixed component valued

80%
Quantitative

- 25% Total shareholder return vs. Eurostoxx utilities and PSI20
 - 20% Earnings per share
 - 15% Net debt to EBITDA
 - 13% Operating cash flow excluded regulatory receivables
 - 7% Residual income
- (All EBD members get the same evaluation)

65%
Quantitative

- 18,5% Total shareholder return vs. Eurostoxx utilities and PSI20
 - 18,5% Earnings per share
 - 15% Net debt to EBITDA
 - 8% Sustainability Performance Indicator
 - 5% Operating cash flow excluded regulatory receivables
- (All EBD members get the same evaluation)

20%
Qualitative

- Discretionary evaluation. Each EBD member is individually evaluated by the Compensation Committee, based on each EBD member's individual performance

35%
Qualitative

- Discretionary evaluation. Each EBD member is individually evaluated by the Compensation Committee, based on each EBD member's individual performance

Key data on EDP securities



Bonds	Currency	Amount (million)	Maturity	Coupon	Market Price (Bid)	Market Yield	ISIN Code
EDP BV Euro MTN	EUR	750	21/09/2017	5.750%	103.0	0.1%	XS0831842645
EDP BV Euro MTN	EUR	650	15/04/2019	2.625%	104.9	0.3%	XS1057345651
EDP BV Euro MTN	EUR	300	29/06/2020	4.125%	111.2	0.7%	XS0223447227
EDP BV Euro MTN	EUR	750	14/09/2020	4.875%	114.2	0.8%	XS0970695572
EDP BV Euro MTN	EUR	600	20/01/2021	4.125%	111.9	1.0%	XS0995380580
EDP BV Euro MTN	EUR	1,000	18/01/2022	2.625%	106.3	1.3%	XS1111324700
EDP BV Euro MTN	EUR	600	23/03/2023	2.375%	103.9	1.7%	XS1385395121
EDP BV Euro MTN	EUR	600	29/09/2023	1.875%	100.6	1.8%	XS1558083652
EDP BV Euro MTN	EUR	1,000	12/02/2024	1.125%	94.9	1.9%	XS1471646965
EDP BV Euro MTN	EUR	750	22/04/2025	2.000%	98.8	2.2%	XS1222590488
EDP Hybrid Notes	EUR	750	16/09/2075	5.375%	105.9	3.8%	PTEDPUOM0024
EDP BV Euro MTN	GBP	200	09/08/2017	6.625%	102.1	1.4%	XS0152784715
EDP BV Euro MTN	GBP	325	04/01/2024	8.625%	132.4	3.2%	XS0397015537
EDP BV Euro-Dollar ⁽¹⁾	USD	531	02/02/2018	6.000%	103.2	2.3%	XS0328781728
EDP BV Euro-Dollar ⁽¹⁾	USD	969	01/10/2019	4.900%	104.7	3.0%	XS0454935395
EDP BV Euro-Dollar	USD	750	15/01/2020	4.125%	102.5	3.2%	XS1140811750
EDP BV Euro-Dollar	USD	750	14/01/2021	5.250%	106.1	3.5%	XS1014868779

Equity	Stock Exchange	(€)	P/E 2016	P/E 2017E	P/BV 2016	DY 2016E	Market Cap	Avg. Daily Volume 52 Weeks (# tm)
EDP SA	Euronext Lisbon	€2.82	11.1	10.9	1.1	6.7	€10,326m	6.0
EDP Renováveis	Euronext Lisbon	€6.20	48.8	30.1	0.9	0.7	€5,404m	0.4
EDP Brasil	BM&FBOVESPA	R\$13.64	12.7	12.4	1.0	3.8	R\$8,277m	2.2

Source: Bloomberg as of March 8th, 2017. (1) Initial issue size at €1bn. Amount shown is net of notes repurchased in Dec-16: USD469m and USD30.5m of 2018 and 2019-maturities, respectively.

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Next Events

Mar 17th - Madrid Roadshow

May 3rd - EDP 1Q17 Results