EDP Investor Day

May 20th, 2010

Dow Jones Sustainability Indexes
Member 2009/10

EDP Brasil

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CEO

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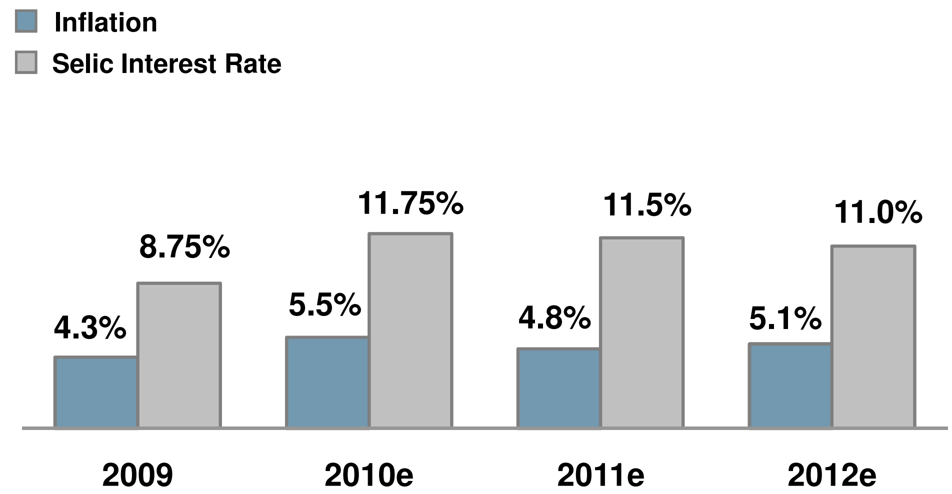
Brazil: Macro Scenario

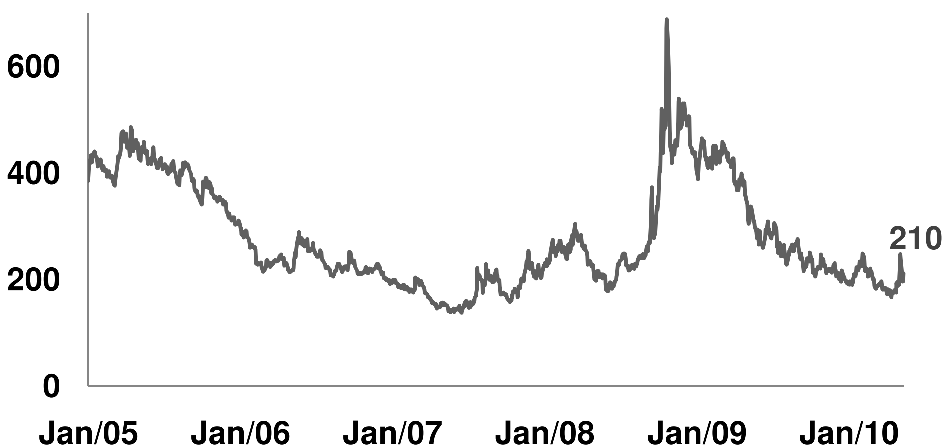
Current Data (as of May 17th, 2010)

- **Country Risk (EMBi Brazil): 210 points**
- **Selic Interest Rate: 9.50%**
- **TJLP: 6%**
- **EUR/BRL: R$ 2.22**
- **EUR/USD: US$ 3.24**

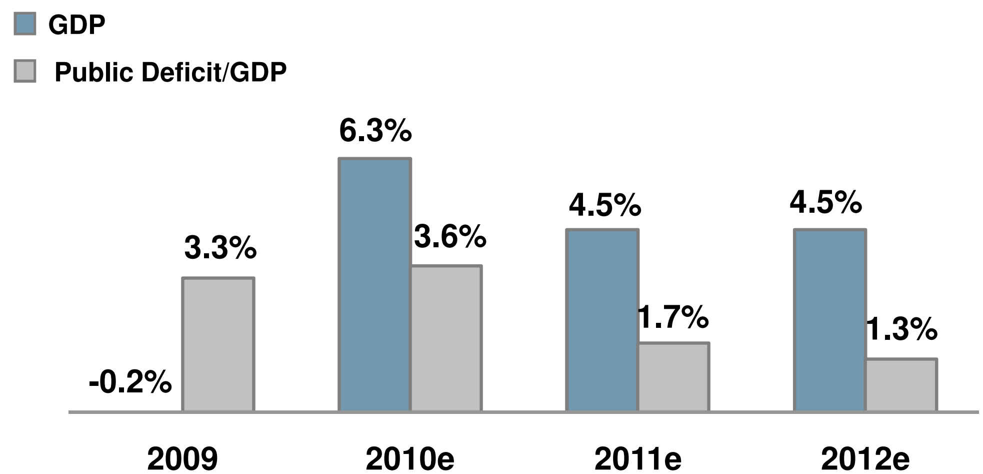
Forecasts



Country Risk (EMBi)



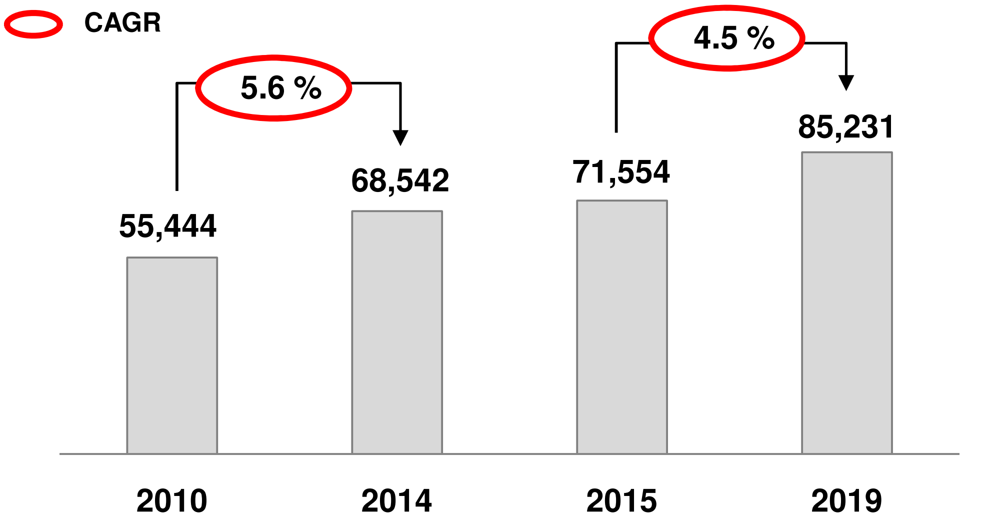
Public Accounts



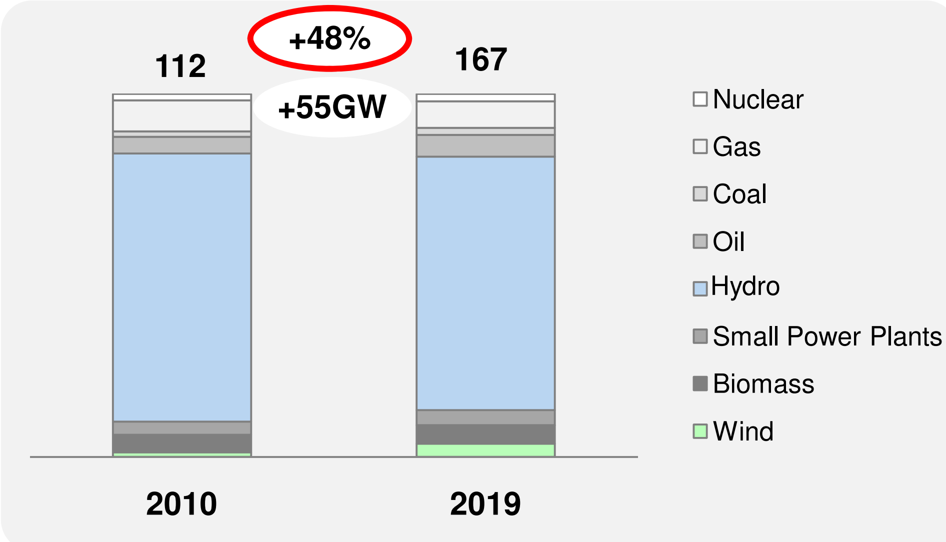
Sources: Bloomberg; Brazilian Central Bank; IMF; MCM; JP Morgan (EMBi)

Brazil: Increasing consumption of electricity

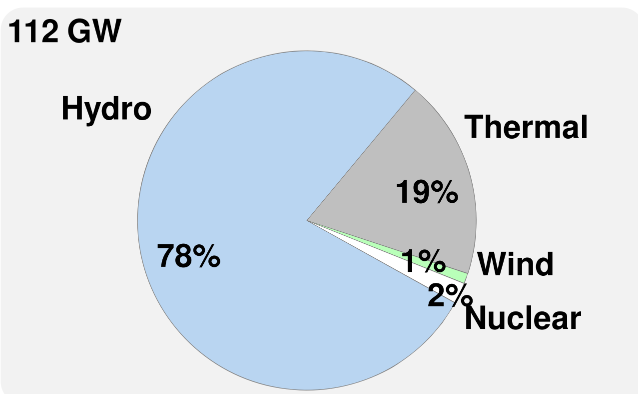
Consumption
(Avg. MW) 5.0% per year



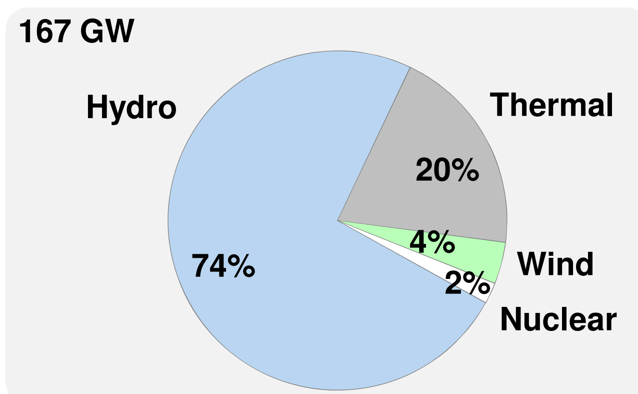
Brazilian installed capacity
(GW)



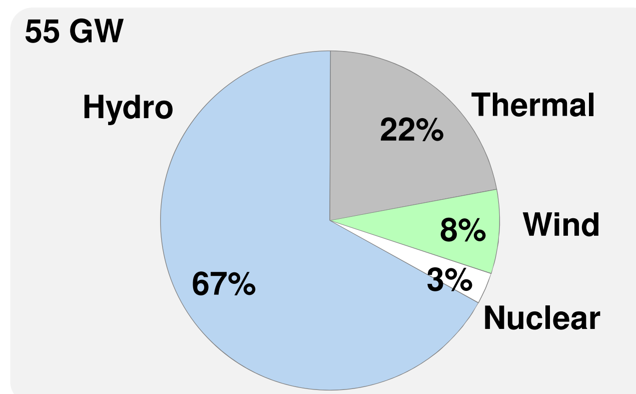
2010 Installed Capacity
(GW;%)



2019 Installed Capacity
(GW;%)



Installed Capacity Additions Breakdown (GW;%)

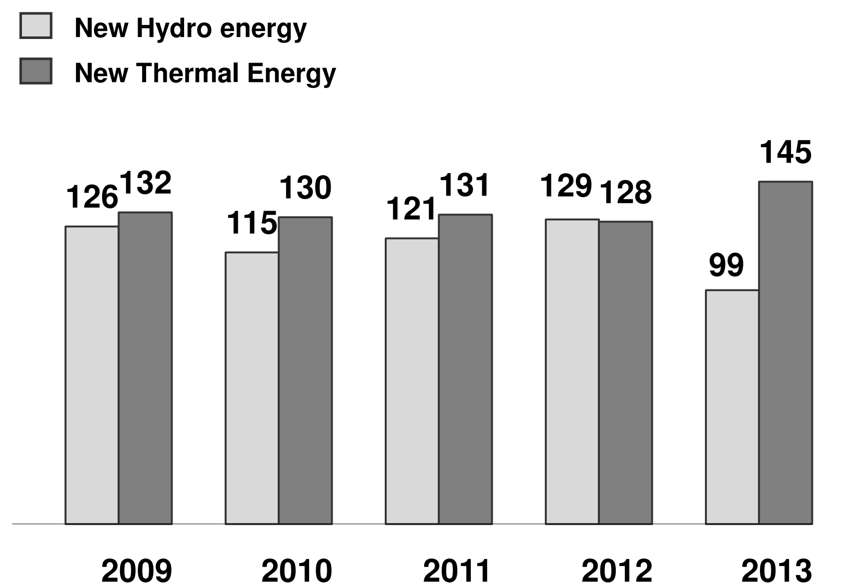


Regulatory Framework – Basis

Centralized Power System Planning

- Every year electricity distribution utilities inform the Ministry of Energy their additional power need for the year +5.
- Public auctions are organized for that supply, resulting in the award of 15 years or 30 years PPAs for the wining thermal or hydro plants, respectively.
- PPAs energy is bought by Distribution Companies at pro rata of their informed needs
- Those new power plants must be in operation at year +5
- Energy forecast errors may be marginally corrected in Y-3 and Y-1 auctions.

Electricity prices at regulated auctions
(R$/MWh)



Regulated prices as low as possible

- The Hydro or Thermal projects awarded with PPAs are the ones which offered the lowest prices for the energy.
- So, the energy price in the Regulated Market is always the cheapest.

Free market small but increasing

- Large clients can buy energy not allocated to PPA directly from traders or generators (In 2009, free costumers represented 24% of electricity consumption)

Distribution: Regulation Framework

Regulation Methodology

Regulated Asset Base (RAB): Assumed at market value of the assets, under rules defined by the regulator

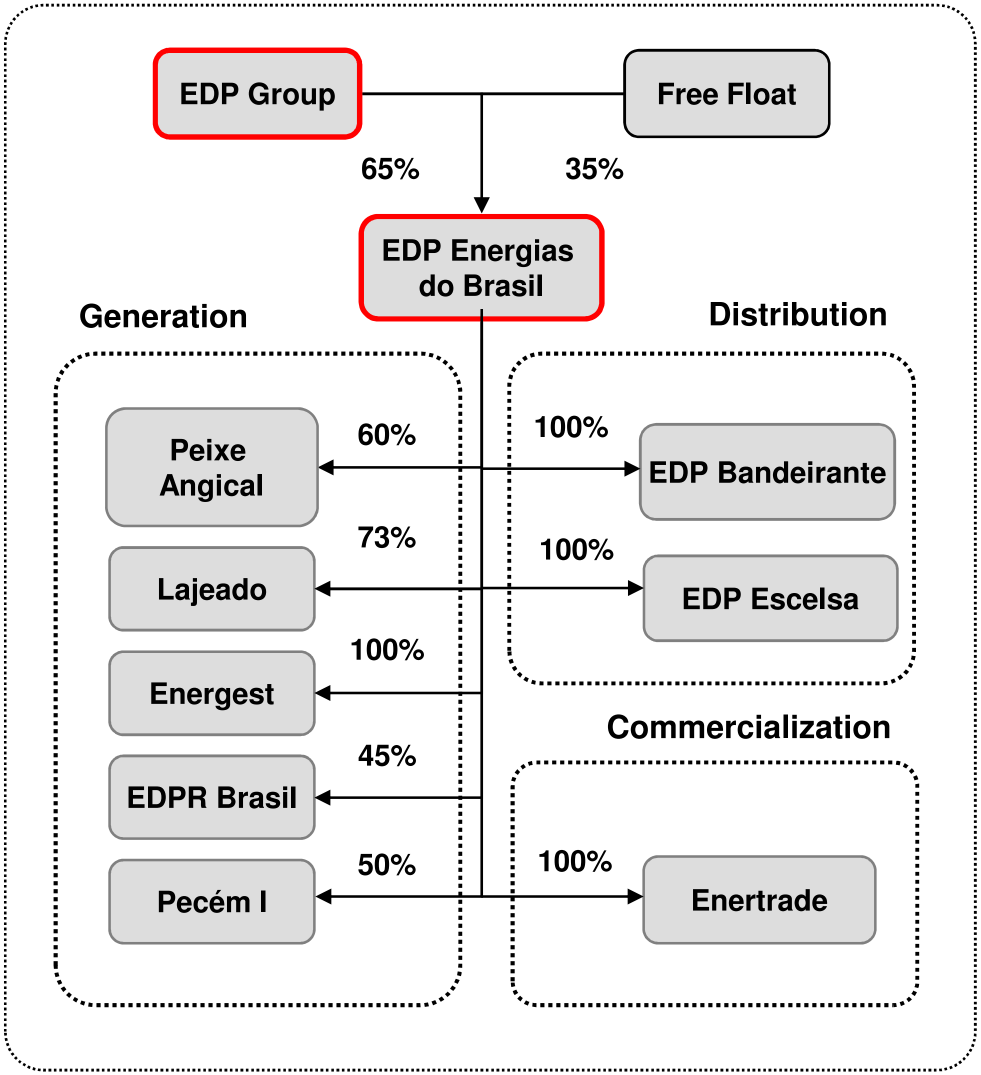
Return on RAB: 15% before taxes (9.95% after taxes)

Cost Base: Benchmark costs (reference company) for operation and maintenance - Set by the regulator taking into consideration the concession region characteristics less efficiency rates (CPI –X) applied on regulated gross profit. Efficiency factors applied annually

Non-controllable Costs: such as power purchase, transmission costs and power sector charges which are accepted by the regulator, passed through to clients in annual adjustments.

Distribution Subsidiary	Net RAB (R$m)	X-Factor (%)	Reference Company (R$m)	Regulatory Period (Years)	Next tariff Revision
EDP Bandeirante	1,221	1.01%	263	4	23-Oct-2011
EDP Escelsa	952	0.00%	221	3	07-Aug-2010

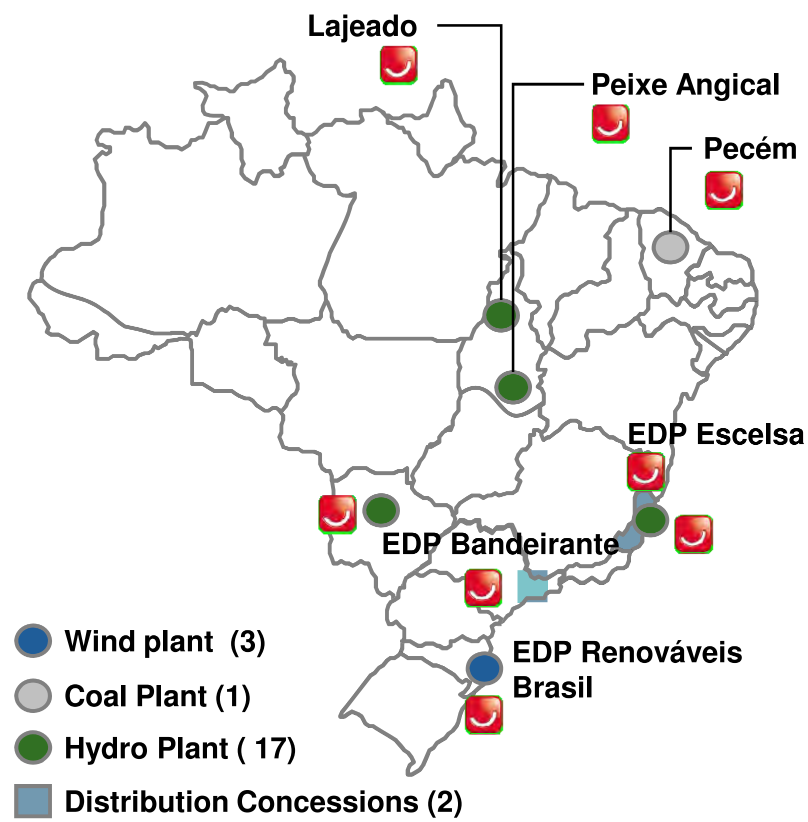
Holding structure



1Q10

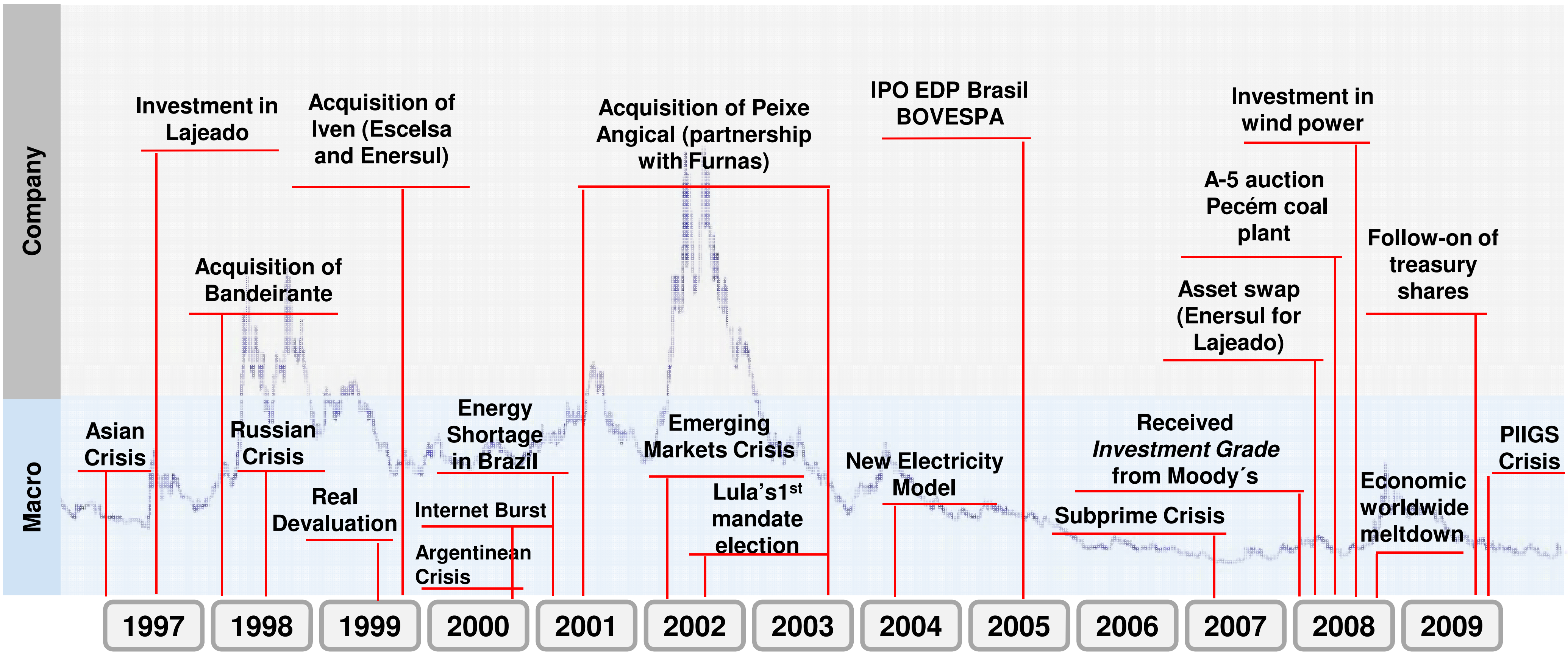
Electricity Generation (ex-wind): 1,741 MW (23 facilities)

Electricity Retail: 2.7m Customers



#4 in generation and #5 in distribution in Brazil

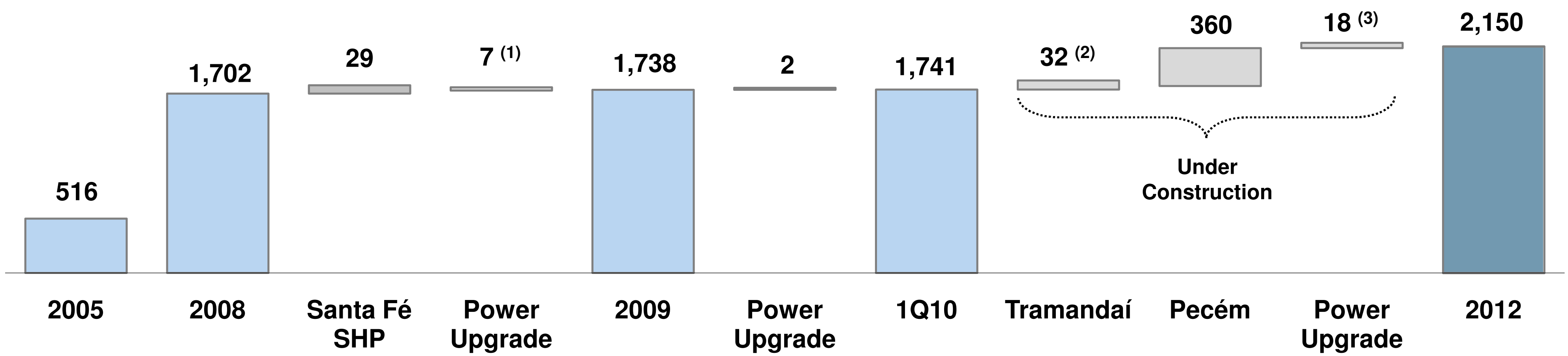
History



More than ten years of experience, crossing all sorts of situations

Generation: Installed Capacity

Energias do Brasil: Installed Capacity Evolution
(MW)



Projects Under Construction and Near Term Development

Under Construction: Thermal coal-fired – Pecém — **360 MW[1]**

Auction A-5 from 2007	
Installed Capacity	720 MW (615 average MW)
Ownership	50% EDP / 50% MPX
Financing	75% Debt / 25% Equity

Under Construction: Wind farm — **31.5MW[1]**

Tramandaí (Rio Grande do Sul)	
Ownership	55% EDPR / 45% EDP Energias do Brasil

Development Pipeline[4]

Small and Medium Hydro Plants (SHPs)	500 MW
Wind farms Ownership: 55% EDPR / 45% EDP Energias do Brasil	240 MW[1]
Thermal Gas-Fired Combined-Cycle Plant - RJ	500 MW
Total	1,240 MW

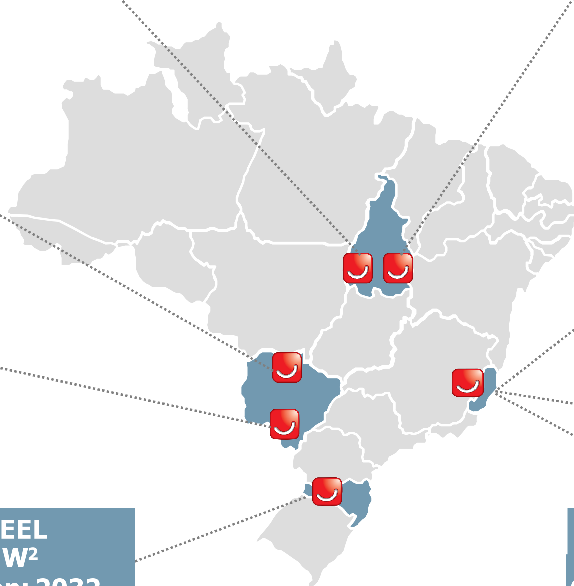
[1] Suíça HPP and 2 turbines of Rio Bonito SHP
[2] Corresponds to EDP Brasil's 45% stake in EDP Renováveis Brasil
[3] Mascarenhas HPP
[4] Represents EDP Brasil's proportional stake.

Significant Generation Business

HPP Lajeado
902.5 MW
Concession: 2032

HPP Peixe Angical
452 MW
Concession: 2036

Pantanal Energética
52.2 MW
Concession: 2029



CESA
61.9 MW
Concession: until 2025

Costa Rica
16 MW
Concession: until 2031

SHP Santa Fé
29.0 MW
Concession: 2031

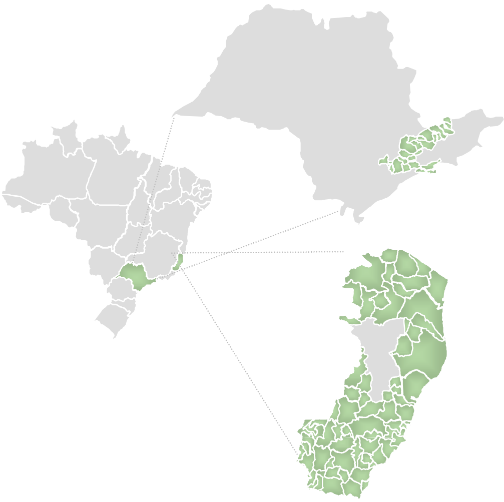
CENAEEL
6.2 MW[2]
Concession: 2032

Energest
212.1 MW
Concession: until 2025

Note: (1) 100% supported by PPAs; (2) Represents EDP Brasil's proportional stake.

Distribution: Companies Profiles

EDP Brasil Distribution Companies



edp
bandeirante

- ✓ Located in São Paulo, main economic center of Brazil with high industrial concentration
- ✓ Concession period: until 2028
- ✓ 1.5 million clients

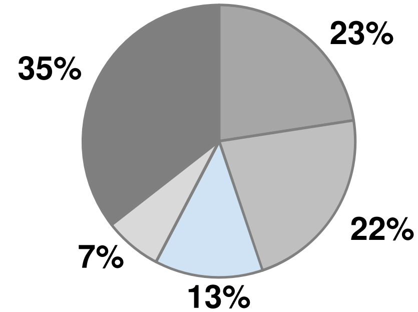
edp
escelsa

- ✓ Located in Espírito Santo, an exporter-centric state with strong economic activity
- ✓ Concession period: until 2025
- ✓ 1.2 million clients

EDP Brasil Distribution Companies (2009)

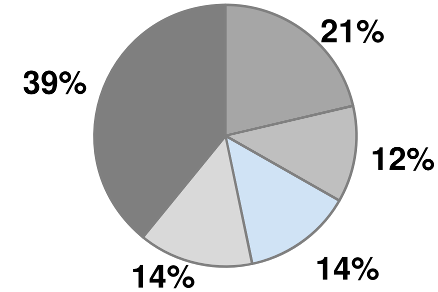
EDP Bandeirante

Volume: 13,292 GWh



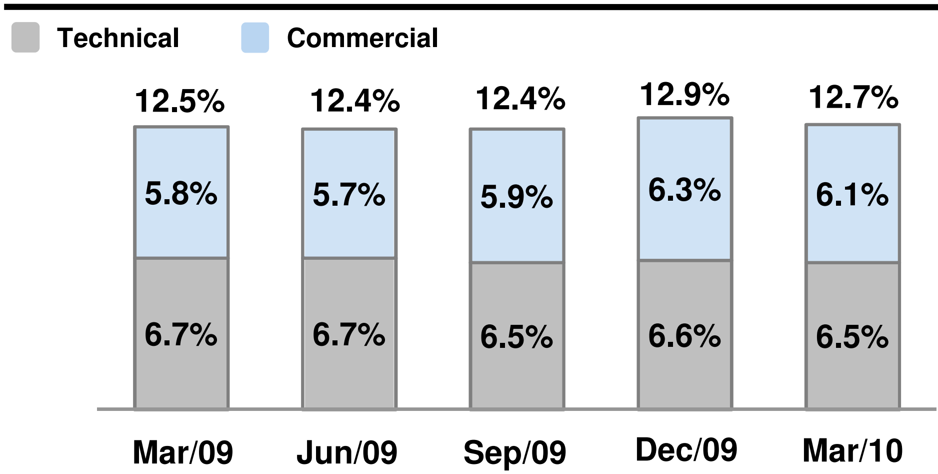
EDP Escelsa

Volume: 8,021 GWh

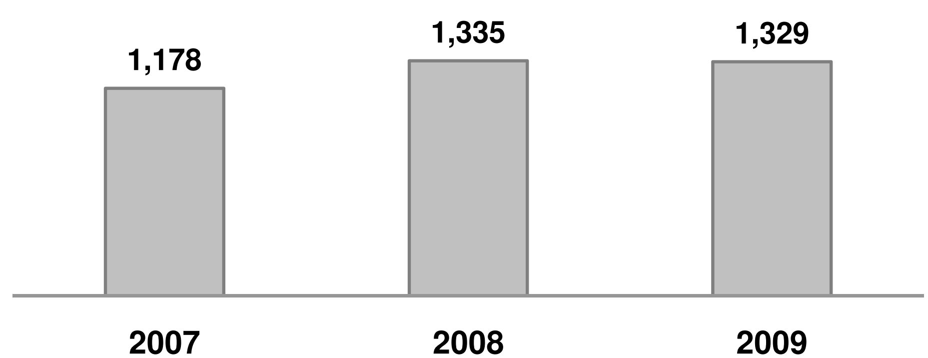


Residential
Industrial
Commercial
Rural & Other
Free Market (Industrials)

Total Losses – average of the last 12 months (%)

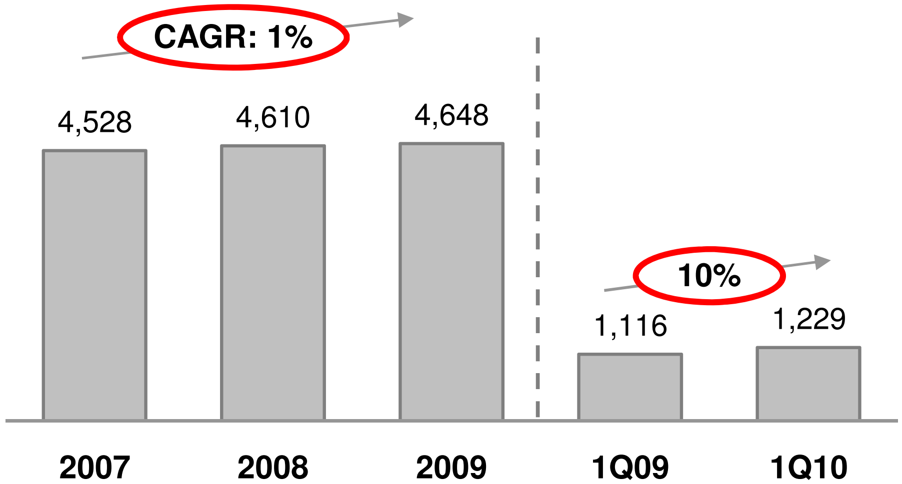


Clients/Employees

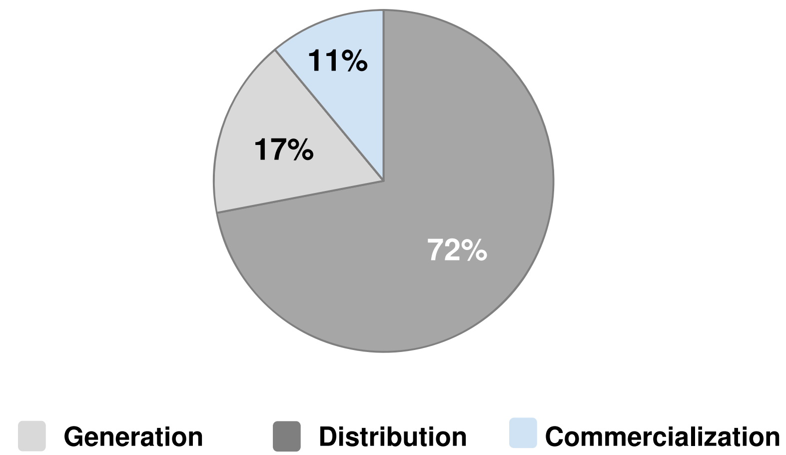


Financial Highlights

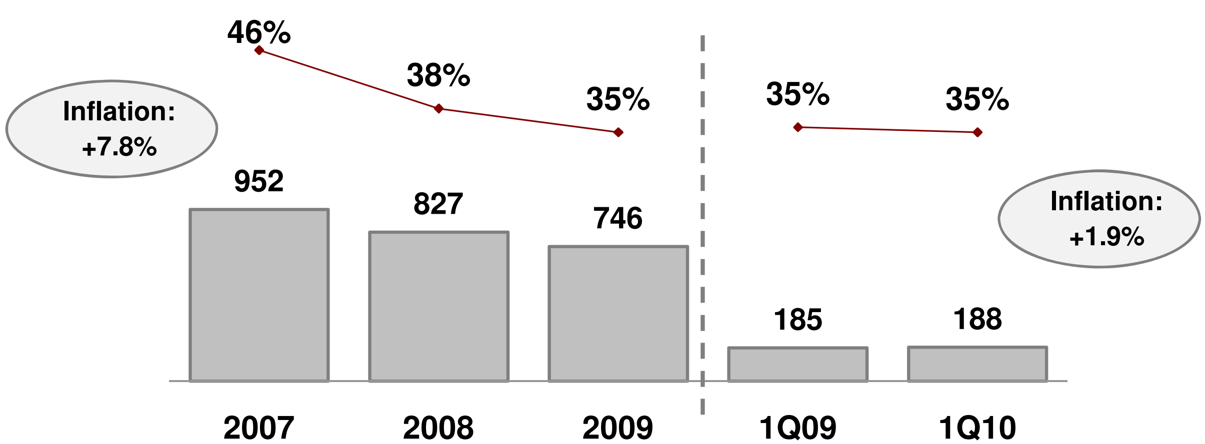
Net Revenue (R$ million)



Net Revenue Breakdown (1Q10)



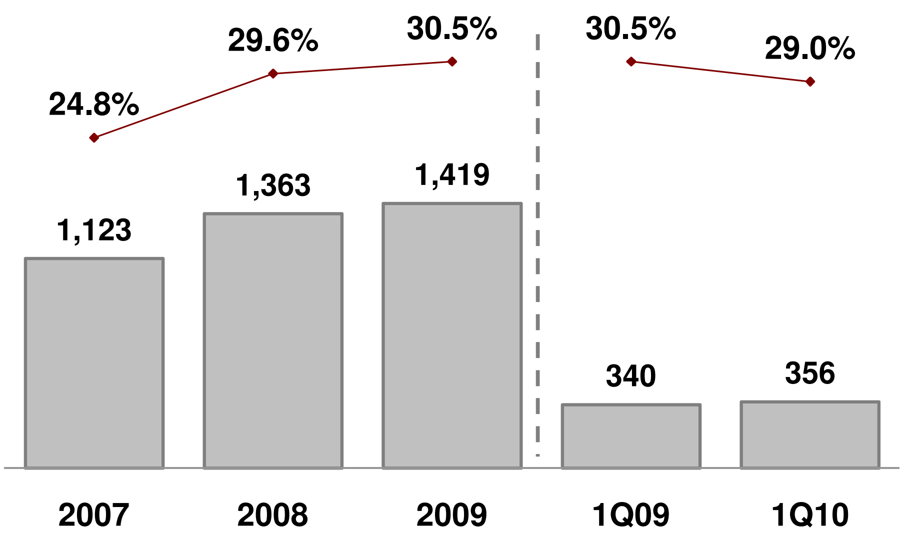
Opex (R$ million) and Opex/Gross Margin (%)



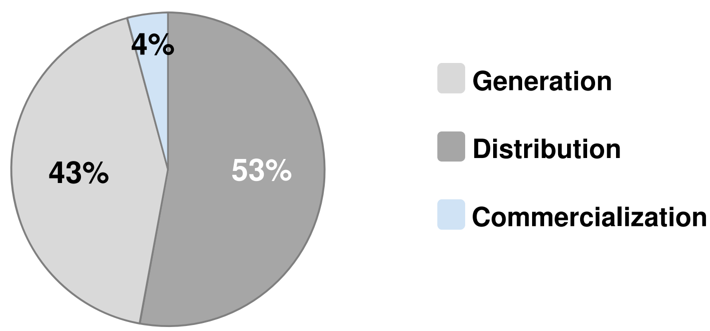
Note: Figures presented in Brazilian GAAP

Financial Highlights

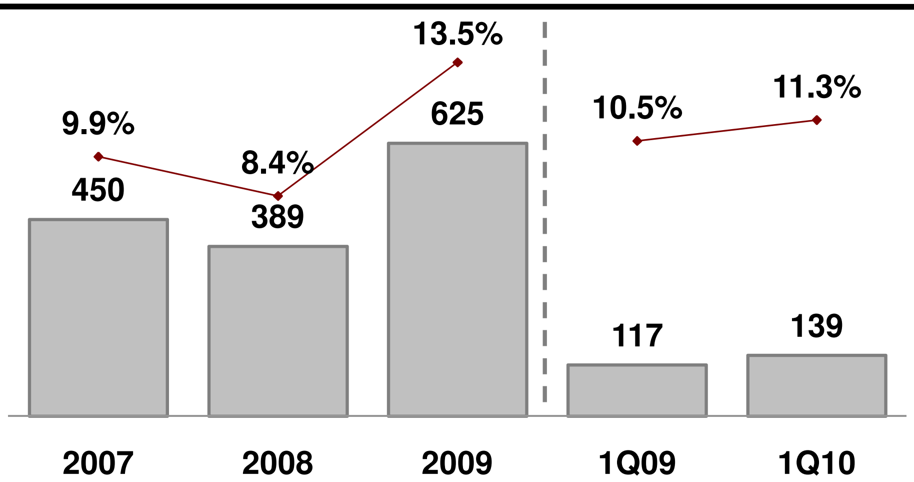
EBITDA (R$ million) and Margin (%)



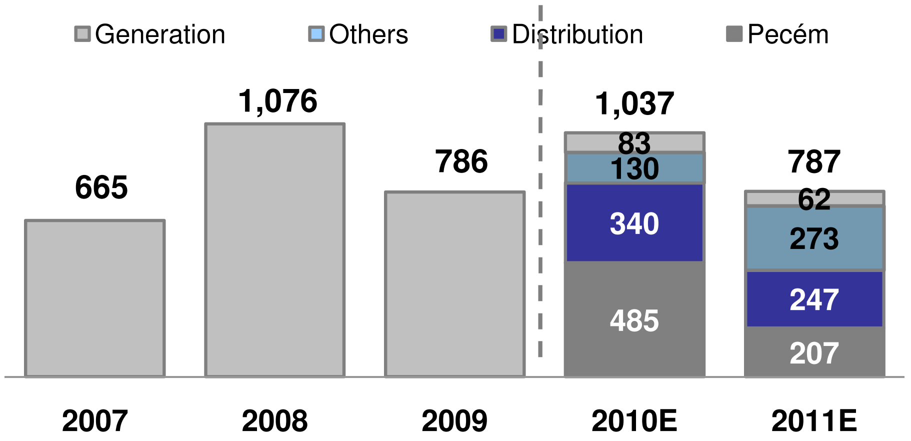
EBITDA Breakdown (1Q10) (1)



Net Income (R$ million) and Margin (%)



Capex (R$ million)

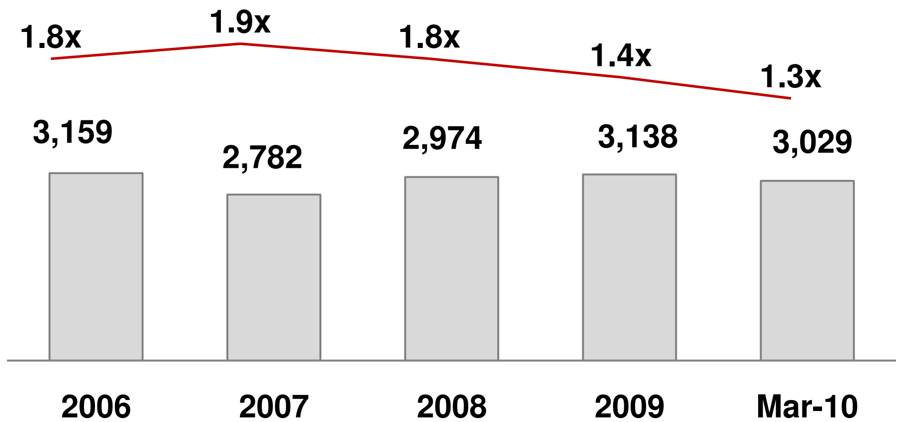


Note: Figures presented in Brazilian GAAP

(1) Numbers don't consider intra-group eliminations

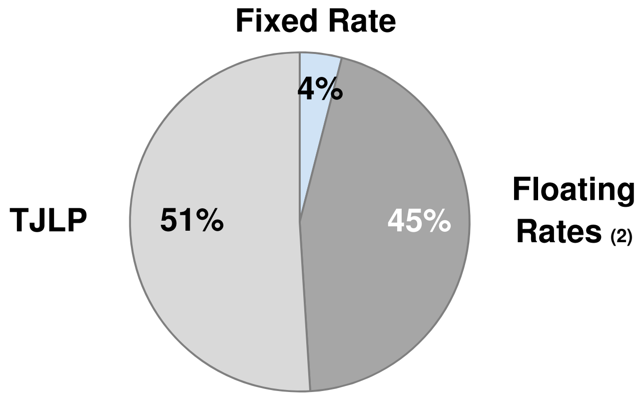
Financial Highlights

Gross Debt and Net Debt / EBITDA
(R$ million)

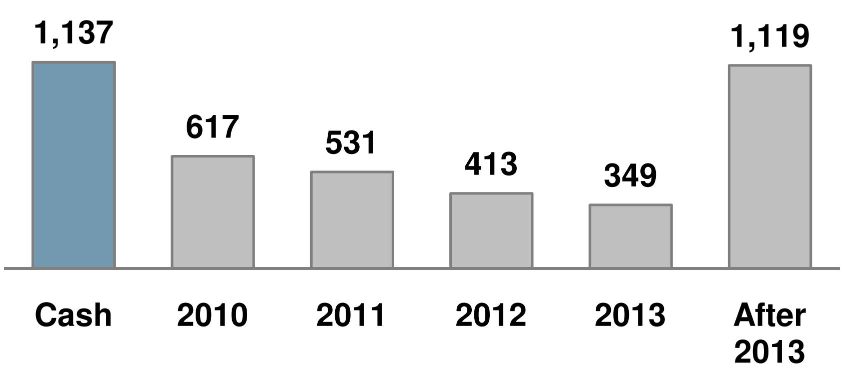


* Last 12-month EBITDA

Total Debt Breakdown (Mar-10)
(%)



Debt Amortization Schedule (Mar-10) (1)
(R$ million)



Credit Lines
(million)

Instrument	Approved	Used	Available	Tenor	Availability
BNDES – CALC	R$900	R$190	R$710	Up to 10 years	2014
BNDES (Porto do Pecém I) (3)	R$705	R$350	R$355	17 years	2011
IDB (Porto do Pecém I) (3)	US$164	US$130	US$33	13 / 17 years*	2011
EIB (4)	€90	-	€90	Up to 10 years	2012
BNDES (SHP Santa Fé)	R$76	R$76	-	14 years	2010

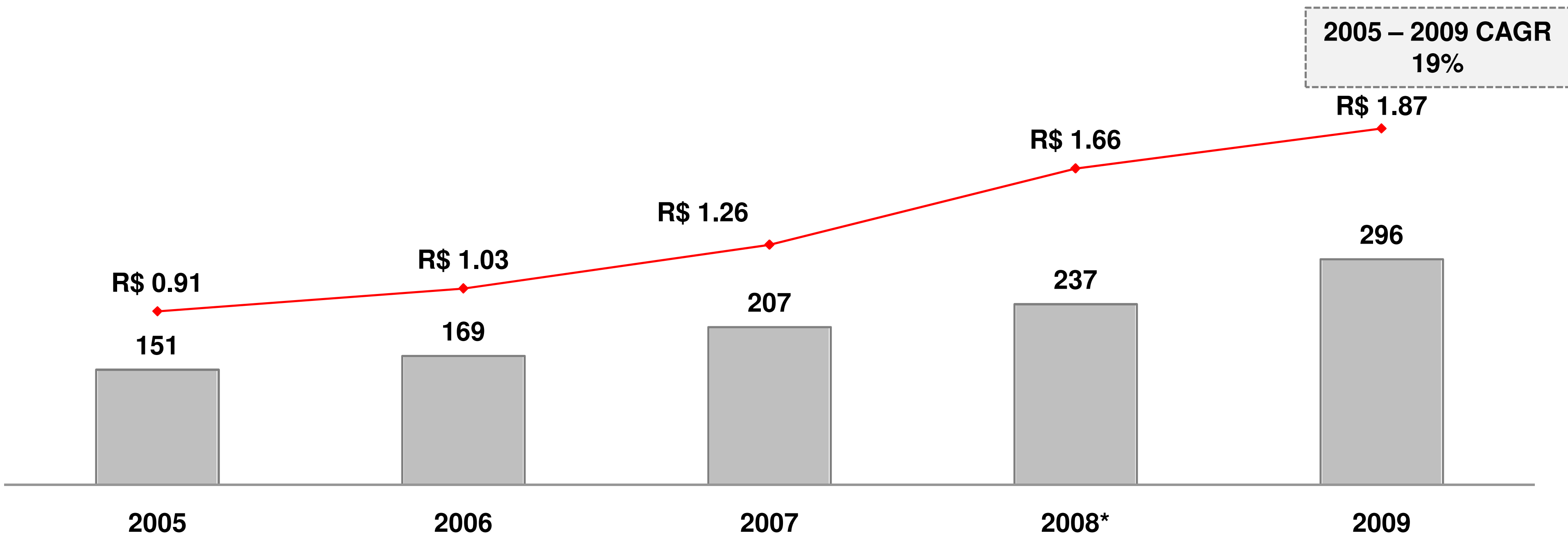
* 13 years for B-loan and 17 years for A-loan

(1) Consider principal, interest and hedge operations (2) Includes CDI and IGPM (3) Refer to EDP Energias do Brasil stake (4) Credit line of € 90 million (€ 45 million for each distribution company)

Financial Highlights

- Since the IPO, in 2005, EDP distributed to its shareholders R$1.1 billion and:
  - At the same time, EDP Brasil invested approximately R$4.4 billion in CAPEX
  - Company leverage ratio remains at a comfortable level (1.4x Net Debt / EBITDA 2009)

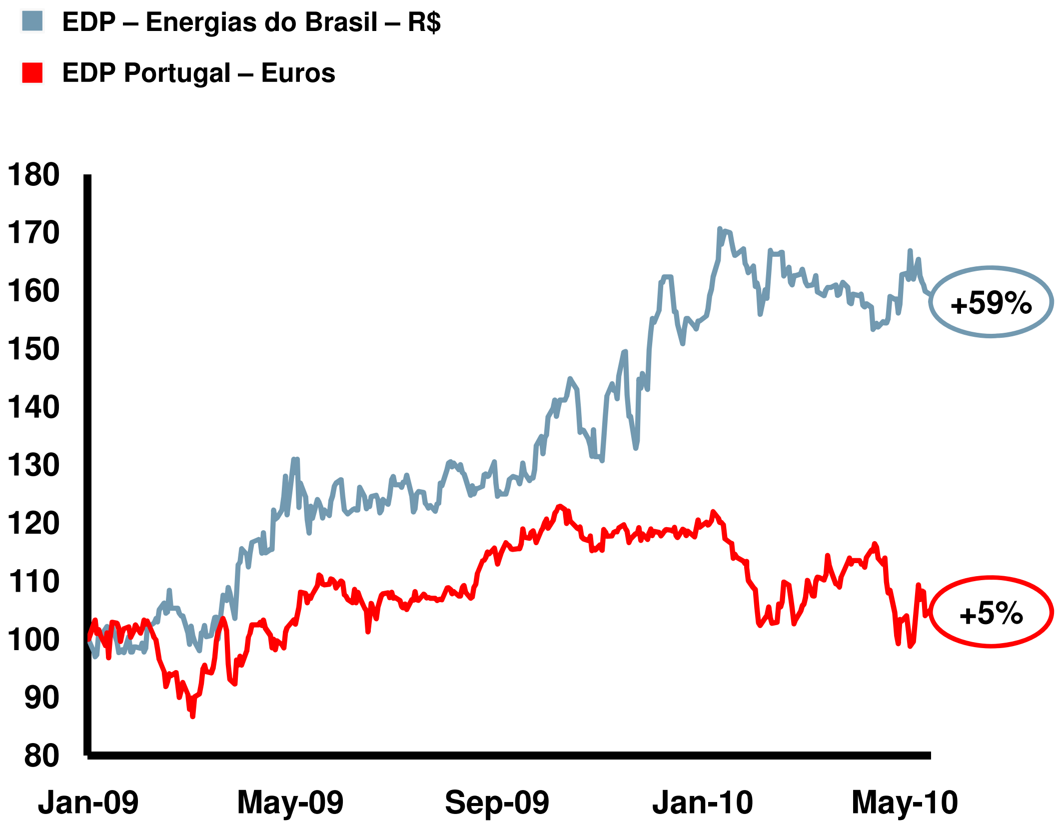
Payout (R$ million) **and Dividends** (R$ / share)



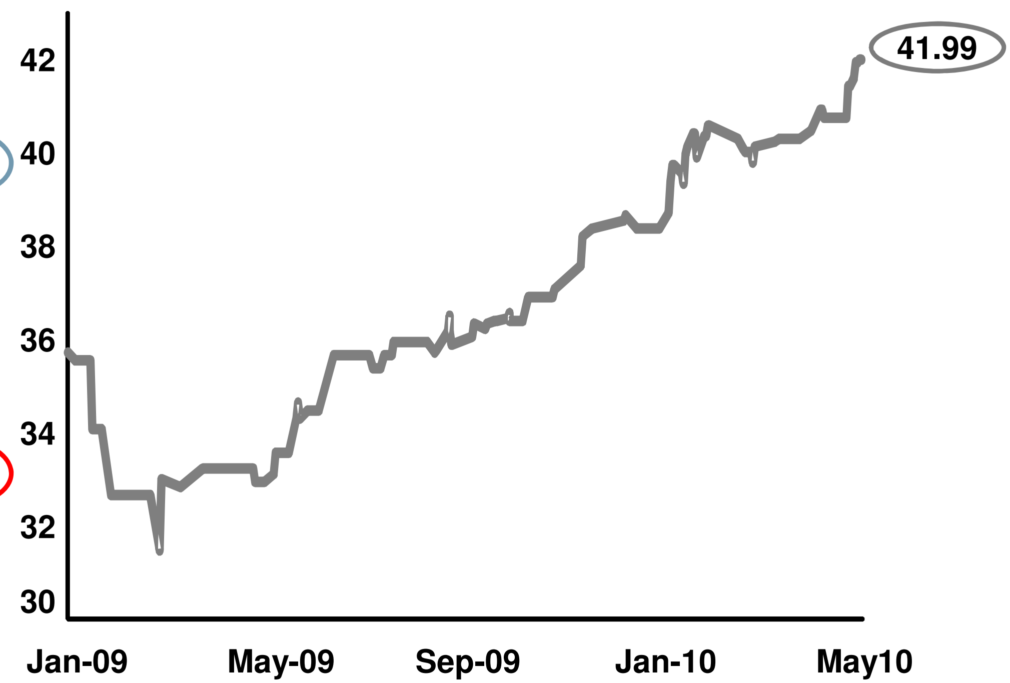
*67.5% of reported net income

Share Price Performance and Price Target

Energias do Brasil vs. EDP Portugal vs. EDP Renováveis



Energias do Brasil – Evolution of Price Target (R$)



Source: Bloomberg

EDP Brasil - Conclusions

Low risk free cash flow

Stable revenue stream, CPI update, average maturity 15 years (long-term PPA's)

New Generation under analysis: Diversified portfolio

Bid for new PPA contracts always under strict risk/return criteria

Demanding and transparent regulatory environment in distribution:

Recent regulatory reviews, low impact on revenues from low volatility in demand

Investment grade country; Energias do Brasil funded in local currency

Mitigation of impact on EDP's earnings and equity value from BRL/EUR volatility

Low risk business mix with growth potential from diversified pipeline

Consolidated Financials

Nuno Alves
CFO

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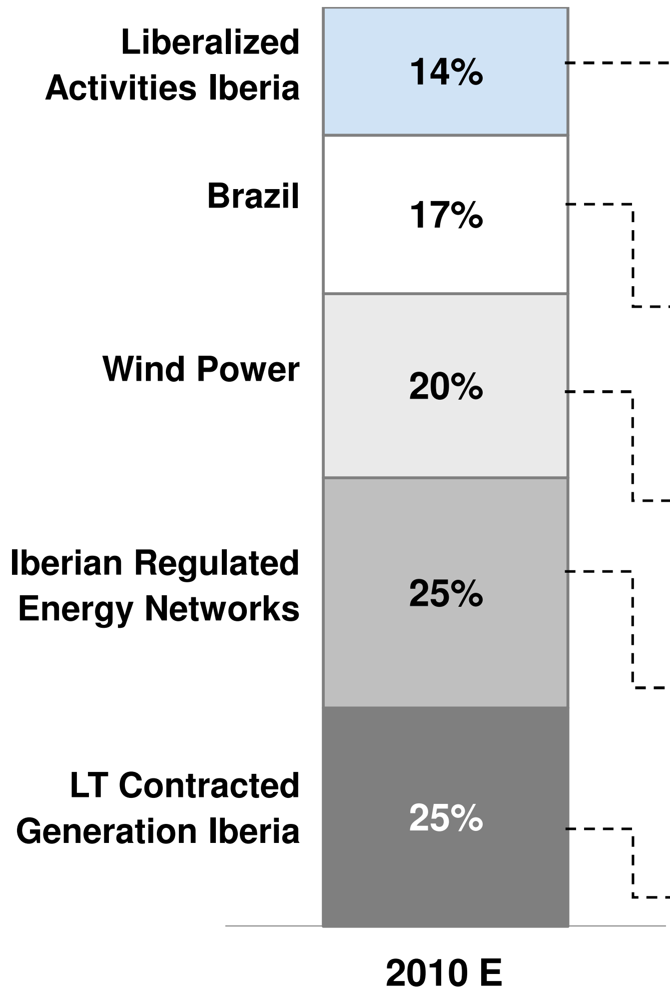
EBITDA Breakdown by division



Power plants and energy supply to clients in free market Portugal/Spain
- ✓ Power plants: 6.0 GW; 45% Portugal, 55% Spain; 55% CCGT, 25% Coal
- ✓ Electricity & gas supply: 1.6 mn clients, 32TWh sold
- ✓ Margin locked-in: 2010: >100% and 2011>40% expected energy volumes

EBITDA breakdown:~50% power generation;~50% electricity distribution
- ✓ Power plants: energy sold in long term contracts at inflation updated prices
- ✓ Electricity Distribution: regulated return on RAB with efficiency incentives

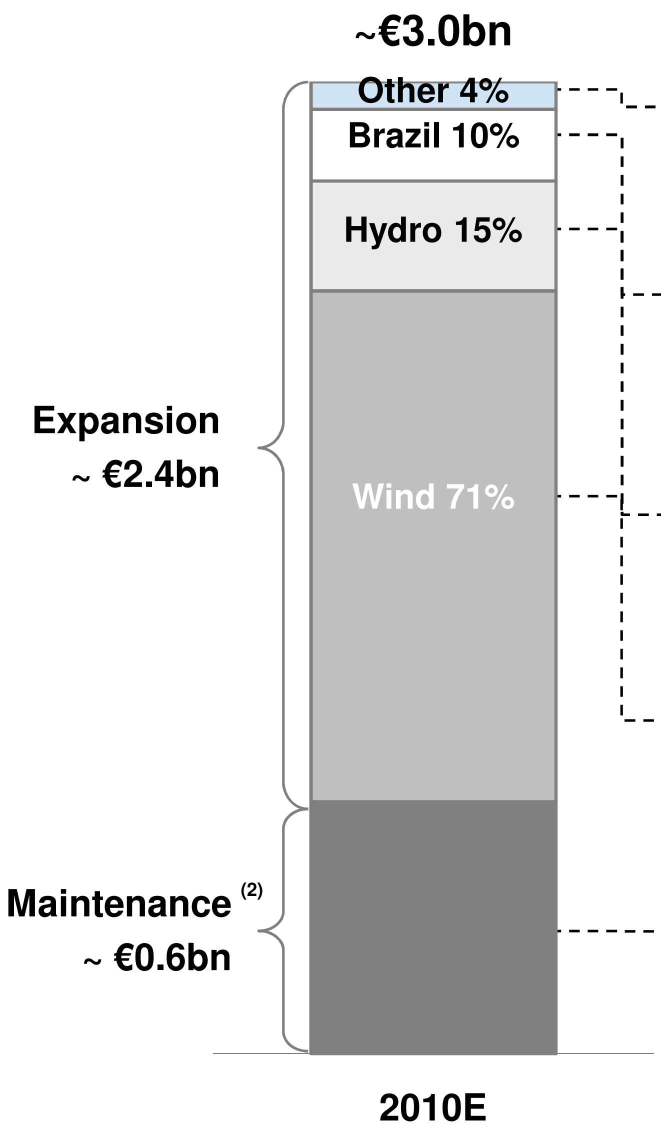
EBITDA breakdown: 40% USA; 35% Spain; 25% Rest of Europe
- ✓ USA: ~75% of energy sold through long term contracts with local utilities
- ✓ Spain: Selling price = fixed component + market price with cap & floor

Electricity and gas distribution in Portugal and Spain
- ✓ Return on RAB with efficiency incentives or stable regulated revenues
- ✓ Electricity distribution Portugal (~70% weight) rules fully set for 2009/2011

Power plants remunerated based on fixed RoA or fixed tariffs
- ✓ Power plants under PPA/CMEC regime in Portugal: 7 GW (RoA 8.5%)
- ✓ PPA/CMEC contracts: 7 Y avg. maturity, transfer to free market afterwards
- ✓ Special regime power plants Iberia (ex-wind): 0.47 GW with fixed tariffs

Low risk operating profile with relatively low sensitivity to economic cycle
>80% of EBITDA with very low risk on energy demand or energy prices

Capex 2010: No change over previous guidance Projects Execution on time and at cost



Conclusion of CCGT investments in Iberia

✓ Soto V CCGT in Spain, 424MW: to be commissioned in 1Q11

PPA coal plant in Brazil under construction

✓ Pecém, 360MW@50%: to be commissioned by the end of 2011

6 hydro plants under construction in Portugal

✓ 1,677MW to be commissioned between end of 2011 and 2015

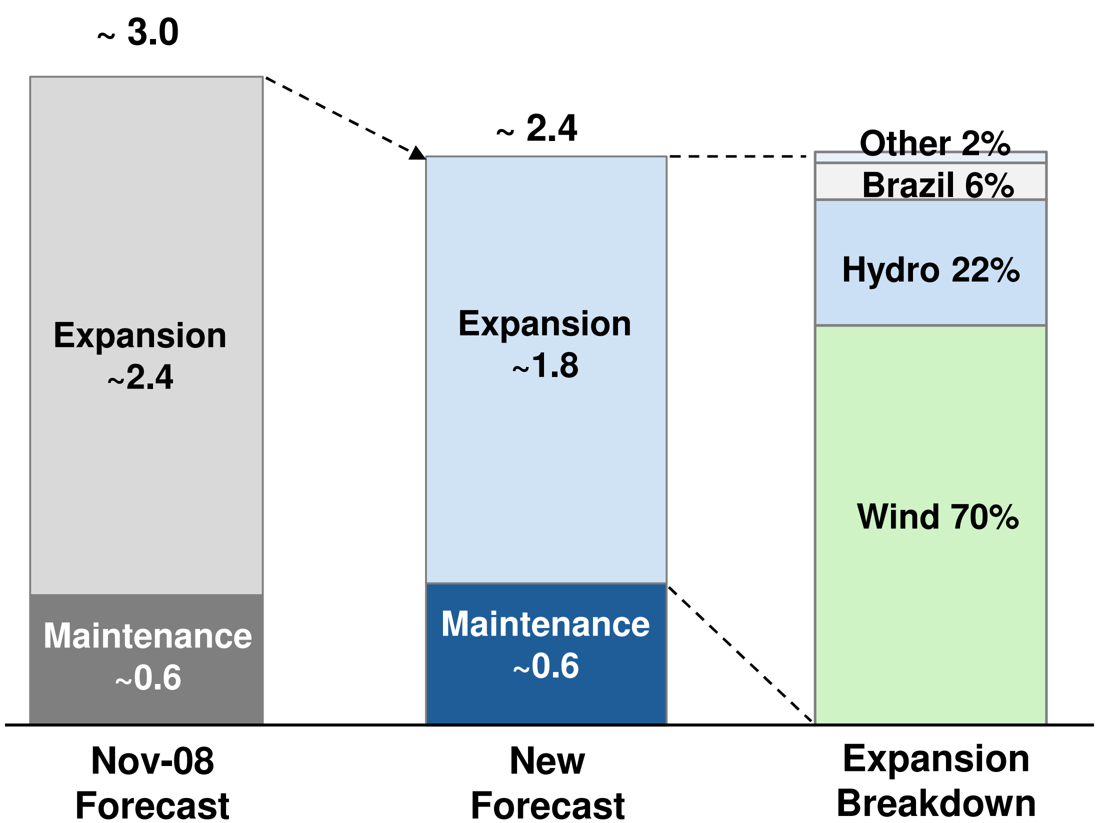
- **1.0GW[(1)] of wind capacity to be installed in 2010 (mostly with turbines contracted in 2007/08)**

- **Essentially related to or energy networks in Portugal, Spain and Brazil** (new connections and improvement of network reliability)

(1) New instalments of EBITDA capacity, which contribute to operational Capex. (2) Includes expansion investments in our electricity and gas networks In Portugal, Spain and Brazil.

Capex 2011-2012: Reduction from €3bn to €2.4bn/year

Average capex 2011-2012
(€ billion)



Lower capex in wind power:

- Delay in Energy Bill enactment postpones USA development
- Lower capex/MW (based on new turbines contract)
- Positive impact from cash grants on net capex

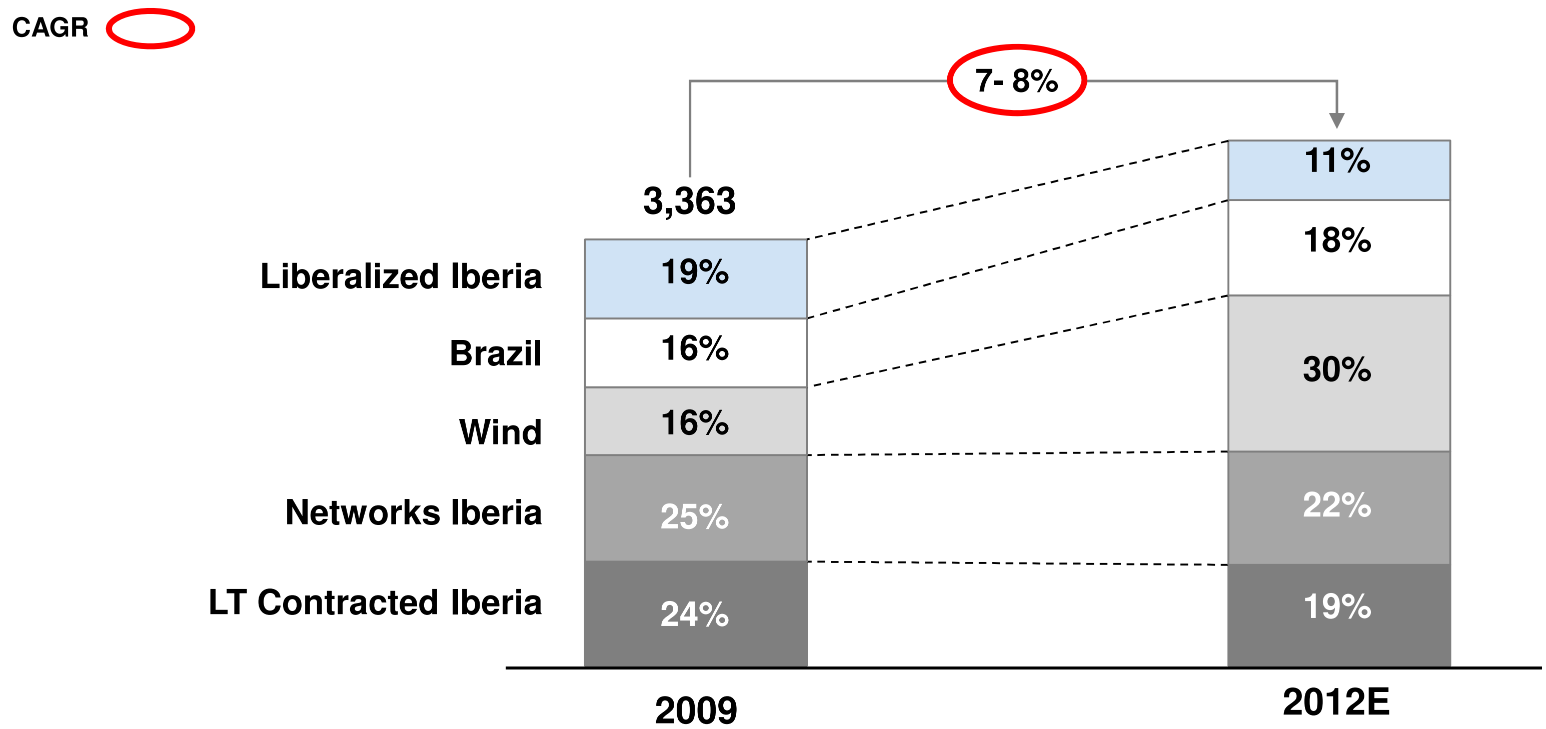
Slight higher capex in hydro in Portugal:

- Acceleration of execution program

Flexibility: > 40% of estimated expansion capex not yet contracted

EBITDA growth rate 2009-2012E: At the high single digits

EBITDA Growth
(€ million)



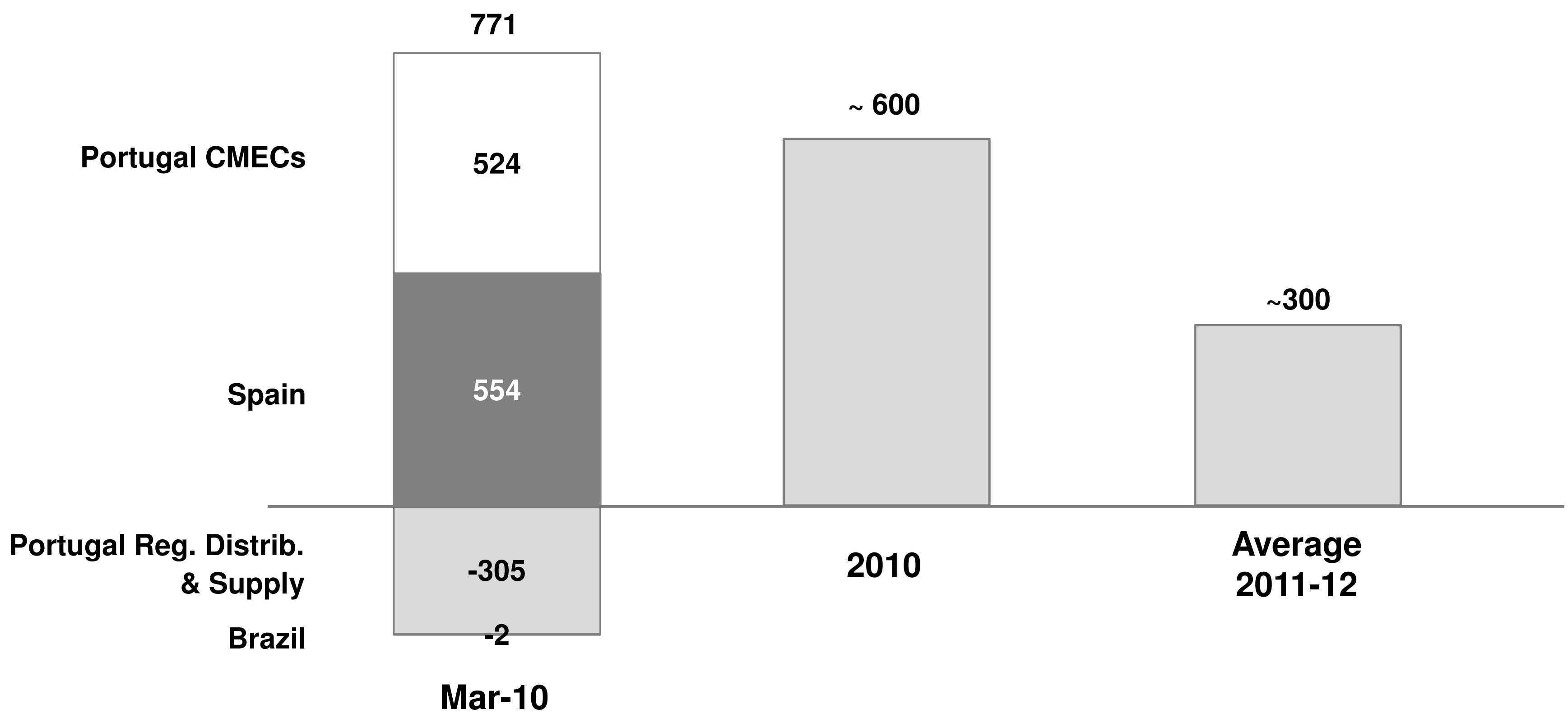
EBITDA growth supported on Higher Efficiency (€160m OPEX plan) + Commissioning of new capacity:

+ 3.2GW of wind capacity; Pecém coal plant in Brazil (Jan-12); 3 new hydro in Portugal (2011/2012)

Weight of low risk activities reduces uncertainty

Regulatory Receivables 2010-2012

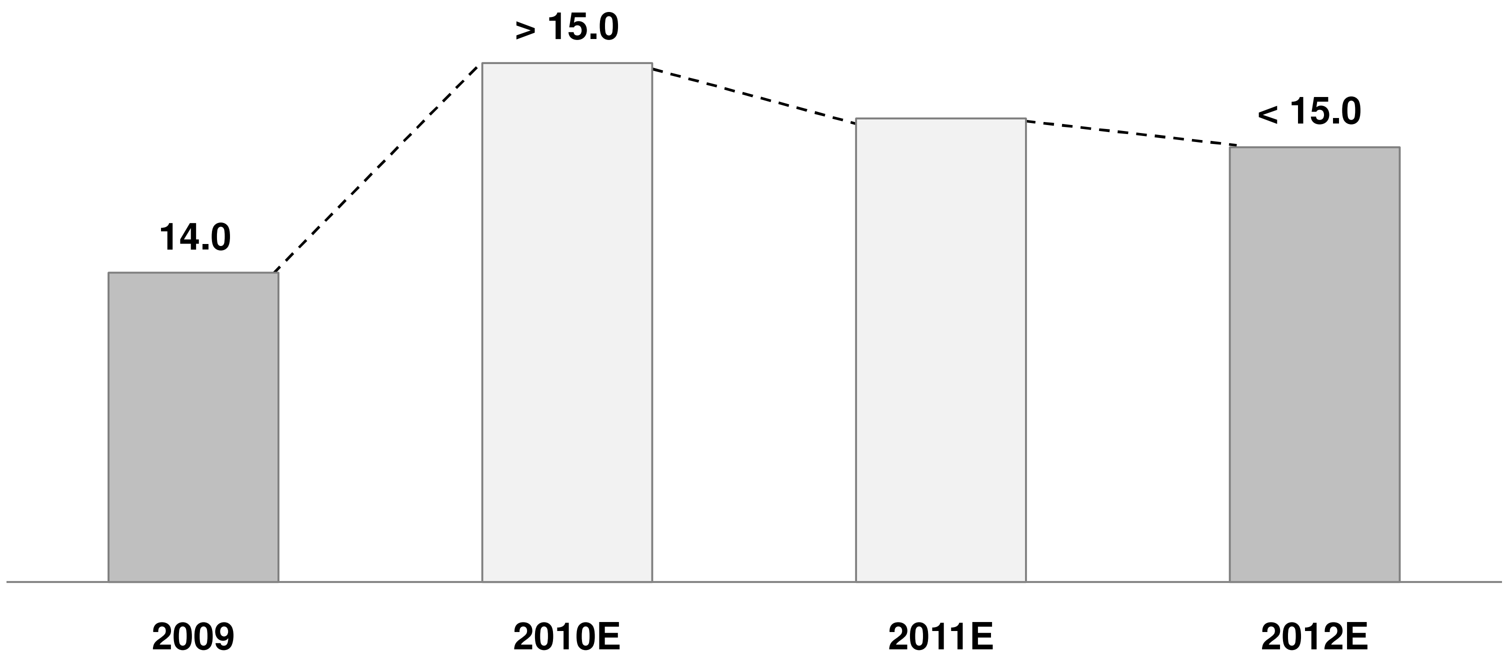
Regulatory Receivables
(€ million)



Gradual reduction of tariff deficit in Spain with annual securitization deals in 2010/2012
Maintenance of a balanced electricity system in Portugal

Net Debt: Peaking in 2010 and decreasing thereafter

Consolidated net debt
(€ billion)



Free cash flow positive in 2011 and 2012

EDP's consolidated net debt position

EDP consolidated net debt (March 31, 2010)
(€ million)

EDP S.A. and Other	12.712
Project finance	770
Energias do Brasil	756
Interest and fair value hedge adjustment	117
Total Net Debt	14.631

✓ **90% of consolidated debt raised at the holding level:**

- On-lent to the core business subsidiaries on arms length basis
- Efficient consolidated debt management and no material restrictions on upstreaming of cash from core subsidiaries

✓ **Most of EDP Renováveis third-party debt**

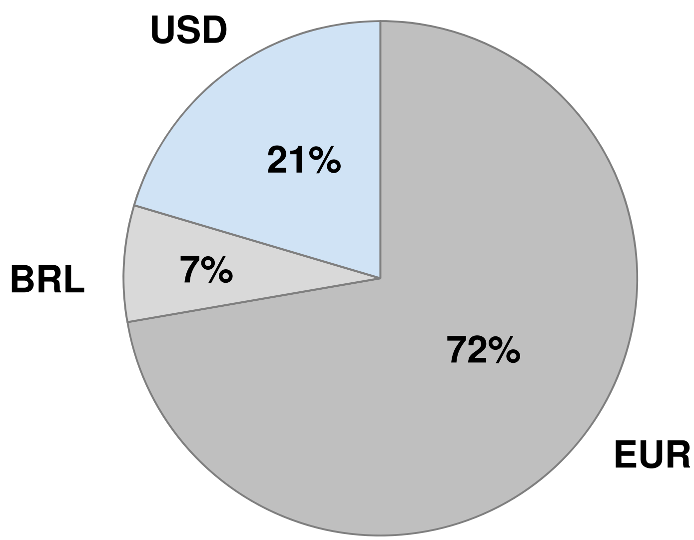
✓ **€200 million raised at EDP Produção**

✓ **5% raised at Energias do Brasil level:** Ring-fencing policy regarding Brazilian subsidiaries, whose debt is non recourse to EDP SA (exception: €359m of guarantees from "older" financings)

Net debt amounts to €14.6bn

Foreign operations funded in local currency: Reduces impact from volatility in forex markets

Debt by Currency (Mar-10)
(%)



US Dollar

- EDP Renováveis USA funded in US Dollar, through USD debt at EDP level and institutional partnerships

Brazillian Real

- All locally funded through bank lending and capital markets

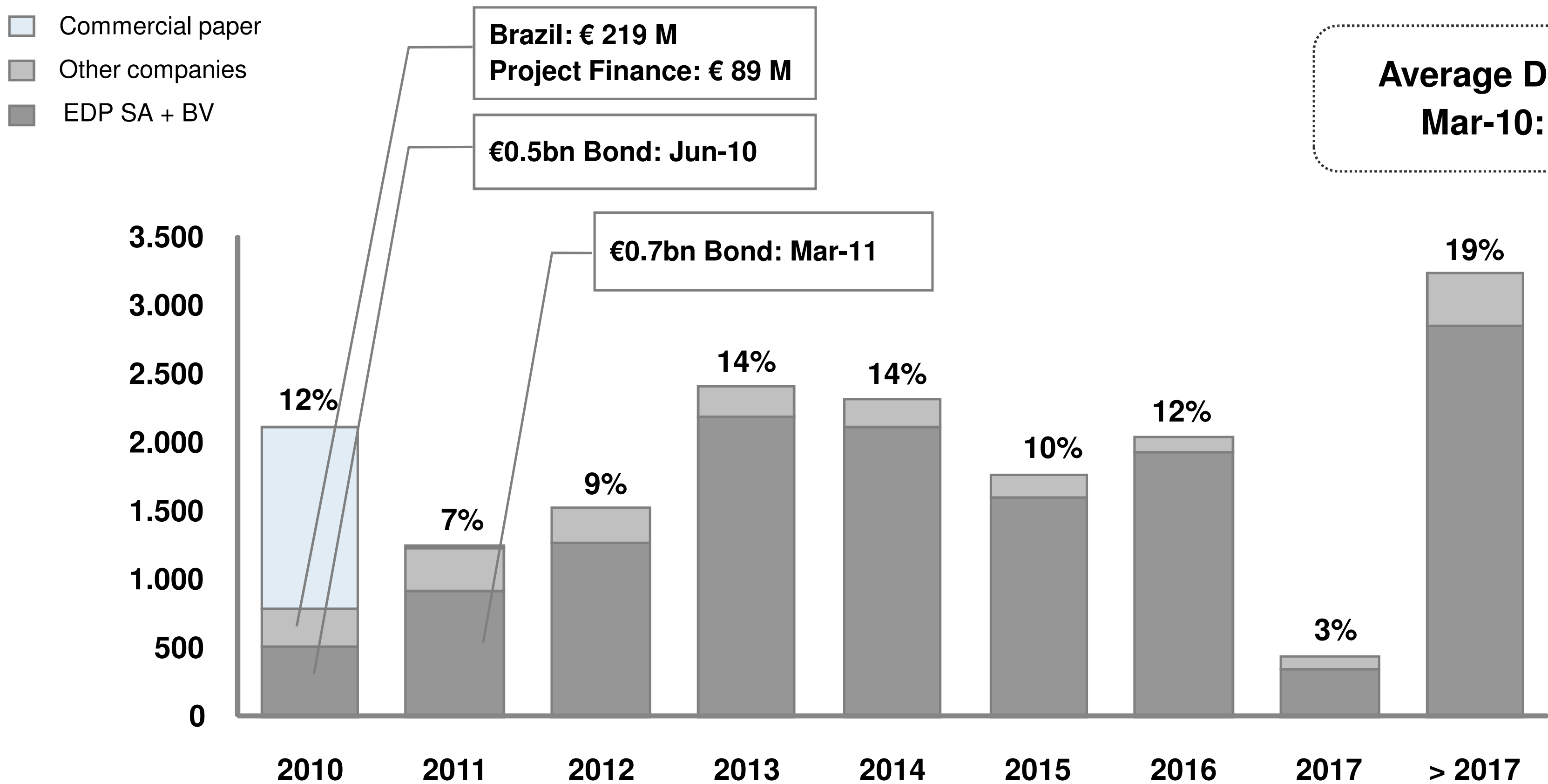
Other non-Euro

- Typically favoring Project Finance

Forex Policy: Always fund investments in the currency of the cash flow

EDP consolidated debt maturity profile

EDP consolidated debt maturity profile (March 31, 2010)
(€ million)



Average Debt Maturity
Mar-10: 5.3 years

€5.1bn of cash and liquidity facilities available by Mar-10

EDP liquidity position Mar-10

(€ million) **Sources of liquidity (Mar-10)**

Instrument	Maximum Amount	Number of counterparties	Utilised	Available	Maturity
Revolving Credit Facility (US$1.5bn)	1,113	22	1,113	-	02-07-2014
Revolving Credit Facility	1,600	19	-	1,600	04-03-2012
Domestic Credit Lines	375	14	17	358	Renewable
Underwritten CP Programmes	650	3	72	578	Renewable
Total Credit Lines	3,738		1,202	2,536	
Cash and Equivalents:				2,606	
Total Liquidity Available				5,142	

€5.1bn of cash and liquidity facilities available by Mar-10

EDP main sources and uses of funds in 2010-2011

Liquidity Available	
• Cash & Equivalents (Mar-10):	€2.6bn
• Available Credit Lines (Mar-10):	€2.5bn
Total:	€5.1bn

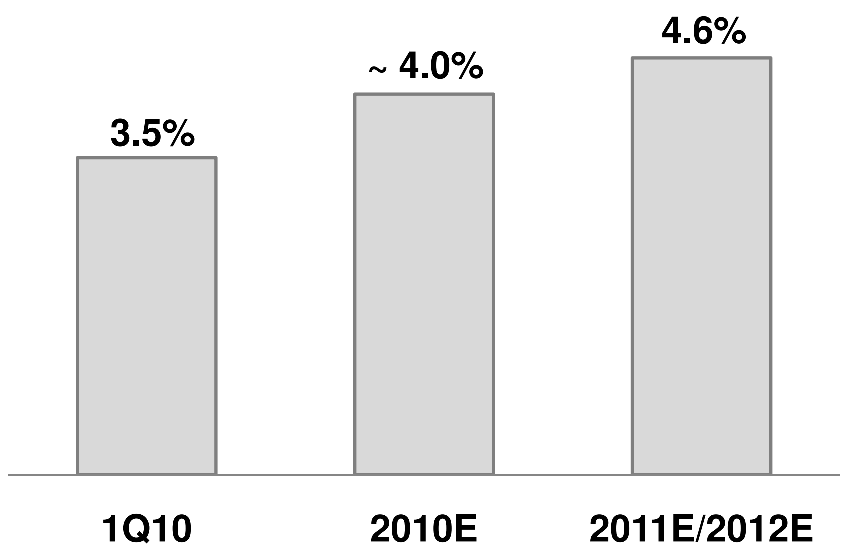
Refinancing needs next 24 months	
• Refinancing needs in the bond market 2010-2011:	
Bond issue maturing in Jun-10:	€0.5bn
Bond issue maturing in Mar-11:	€0.7bn
Total:	€1.2bn

Comfortable liquidity position covers funding needs over the next 24 months

Positive free cash flow contribution expected in 2011-2012

Average cost of debt

Assumptions on evolution of EDP avg. cost of debt (%)



Sensitivity to spread widening on refinancing:

Assuming refinancing spreads in excess of current market conditions

Impact would be:

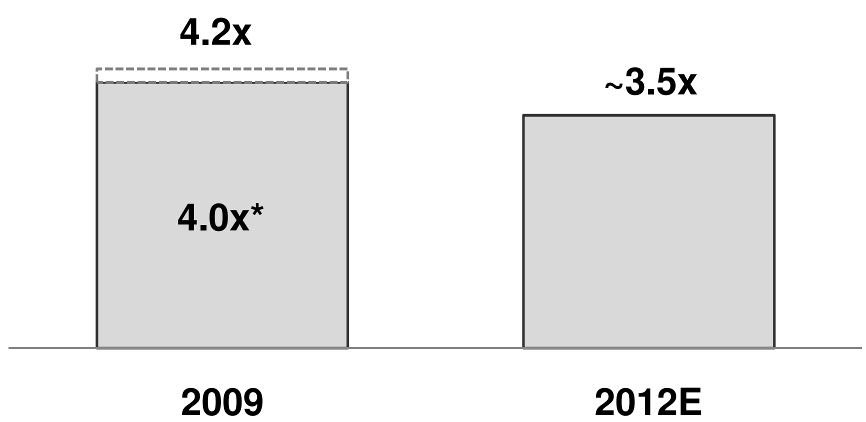
Less than 2% of EPS by 2012 (< €20m)

Assumption of a gradual increase of average cost of debt, based on: refinancing schedule, forex assumptions and gradual increase of Euribor

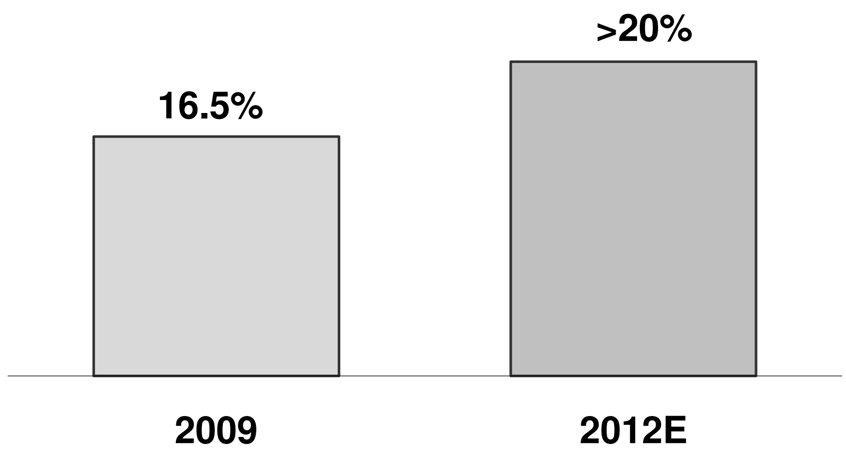
Short term market volatility in credit spreads with marginal impact on EDP's EPS in 2010-2012; key driver is quarterly trend on Euribor short term rate

Credit ratios

Net debt / EBITDA
(x)



FFO / Net debt**
(%)



Ratios to improve significantly with EDP's expansion capex slowdown in 2011/2012 and concentration of new capacity entering in 2012 (hydro, Brazil)

Improvement of credit ratios

allow EDP to be in the A region of credit rating metrics

Revised projections based on new market scenario result in sound credit metrics
Low risk operating profile and higher visibility on 2012 improve likelihood of projections

* Net debt / EBITDA adjusted by tariff deficit in Portugal and Spain

** FFO = EBITDA - Current Tax - Net Financial Interest + Net income and dividends received from associates - Working Capital of Provisions

Consolidated Financials - Conclusions

Low risk operating cash flow: EBITDA CAGR 2009-2012E 7%-8%

Capex 2011E/2012E cut to €2.4bn/year: lower MW additions and capex/MW in wind
Maintenance of a significant level of flexibility

Free cash flow positive in 2011-2012
Financial liquidity covers funding needs 24 months ahead

Target net debt/EBITDA 2012E: ~3.5x
Strongly committed to maintaining A rated credit metrics

Profitable growth maintaining a sound capital structure

Conclusion

António Mexia
CEO

Dow Jones Sustainability Indexes
Member 2009/10

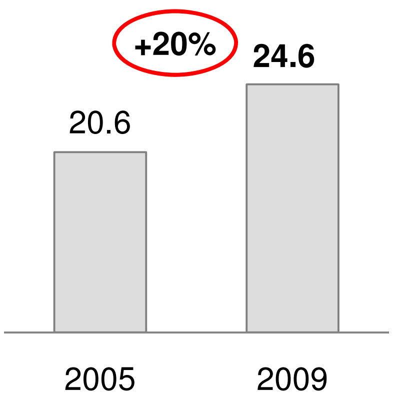
EDP Investor Day

May 20th, 2010

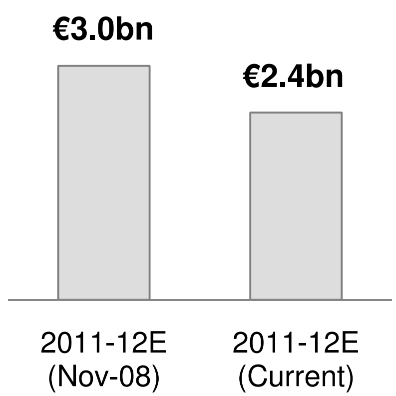
EDP: Reinforcing its distinctive equity story

EDP 2009 vs. 2012

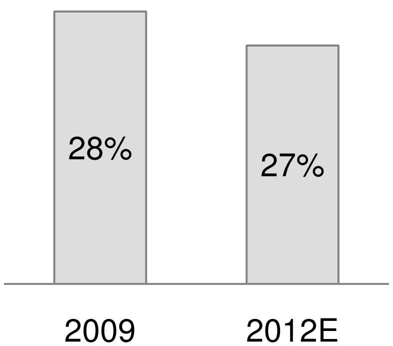
More Power…
Installed Capacity (GW)



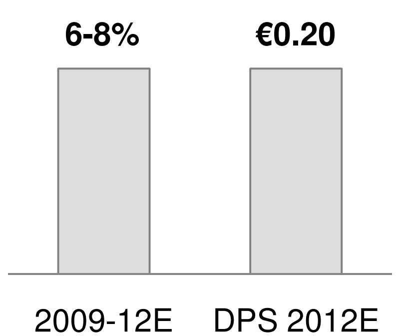
More Flexible…
Cut on Capex/year 2011-12E



More Efficient…
Opex/Gross Profit (%)

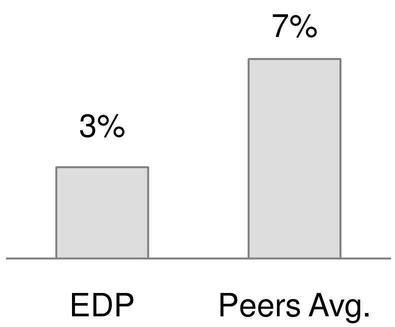


More Profitable…
EPS CAGR (%) & DPS



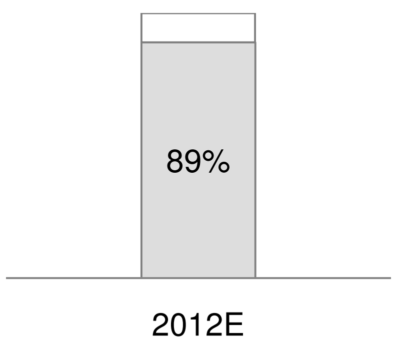
EDP 2012 vs. Utilities Average

Lower CO_2…
Free CO_2 as % EBITDA 2012E

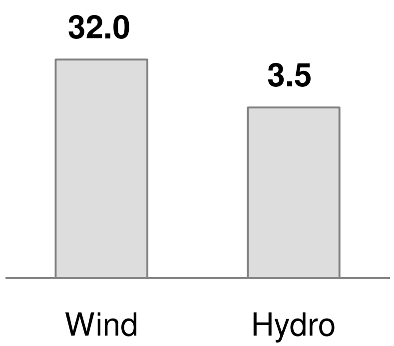


More renewable…
%Wind and Hydro (GW)

Lower Risk…
% Low Risk EBITDA



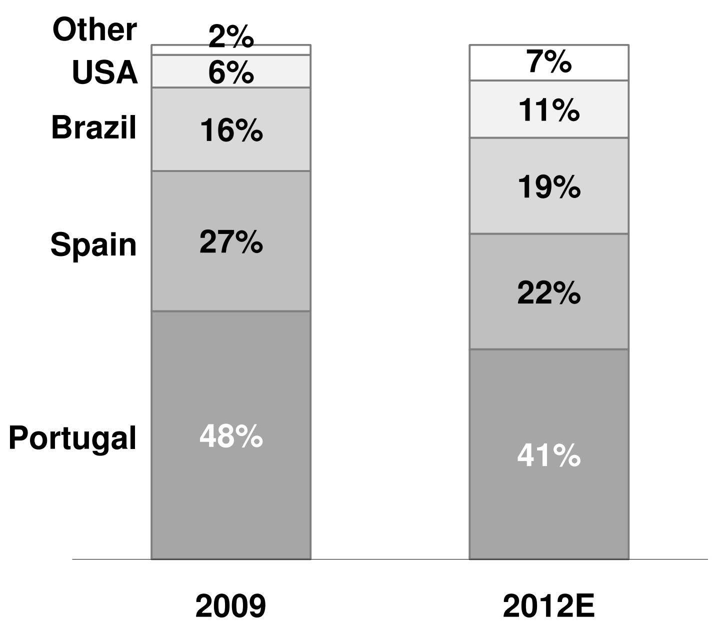
More Options…
Wind & Hydro Pipeline (GW)



Controlled Risk: Country diversification
Distinct macro and energy sectors dynamics

EBITDA Breakdown by Geography

(€m;%)

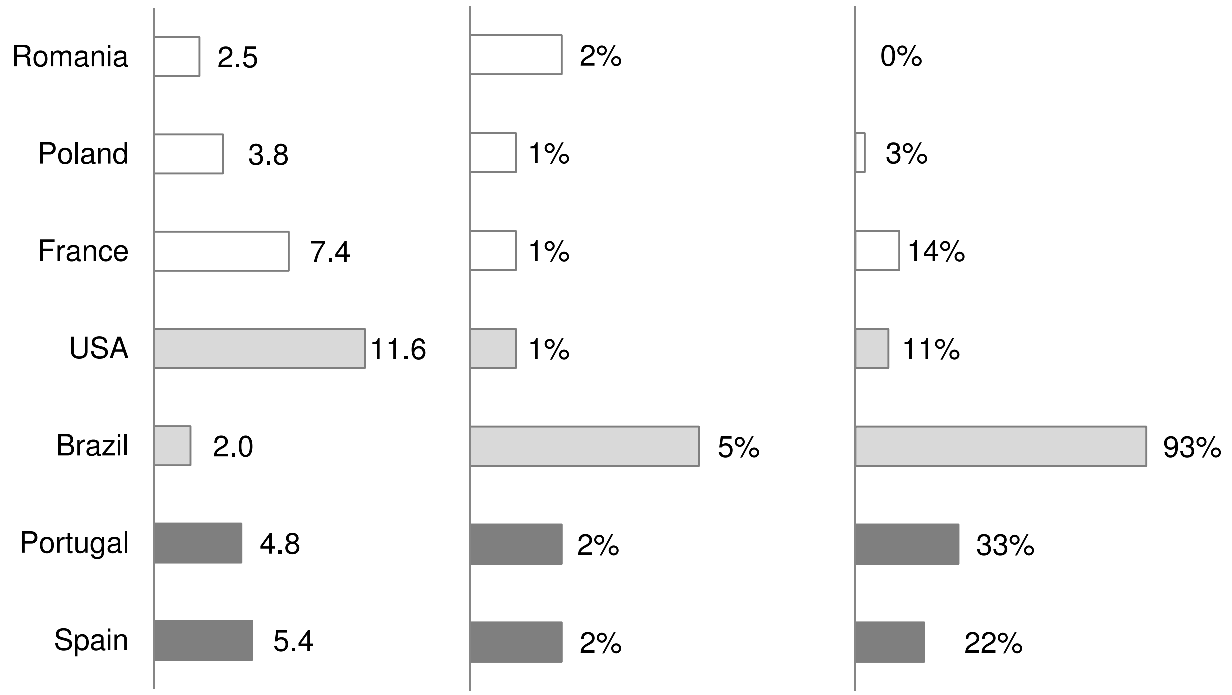


Electricity Consumption

2009 Per Capita (MWh) | CAGR (%) 2009/20E

Renewables (2009)

(as % Power Production)



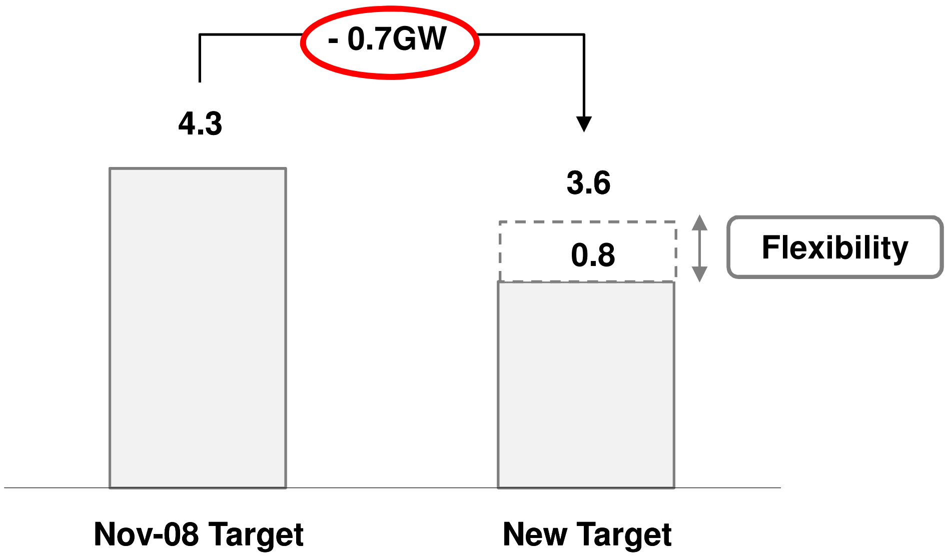
Lower dependence on a single economic and regulatory environment through higher geographical diversification

- ✓ **USA, Other EU**: Low weight of renewables, high level of CO_2 emissions
- ✓ **Brazil:** Stronger growth potential of GDP & energy consumption
- ✓ **Iberia:** Higher renewables weight, needs backup/flexibility

Source: IEA - International Energy Agency; EIU - The Economist Intelligence Unit; EIA - US Energy Information Administration: AWEA – America Wind Energy Association; ONS – Operador Nacional do Sistema Elétrico (Brazil); EWEA; International Energy Agency

Controlled Risk: Control exposure to market volatility

Wind Power Capacity Additions 2010E-2012E[1]
(GW)



Iberian Market – EDP Sales to clients
(% of Generation Output)

Slower PPA market in US:

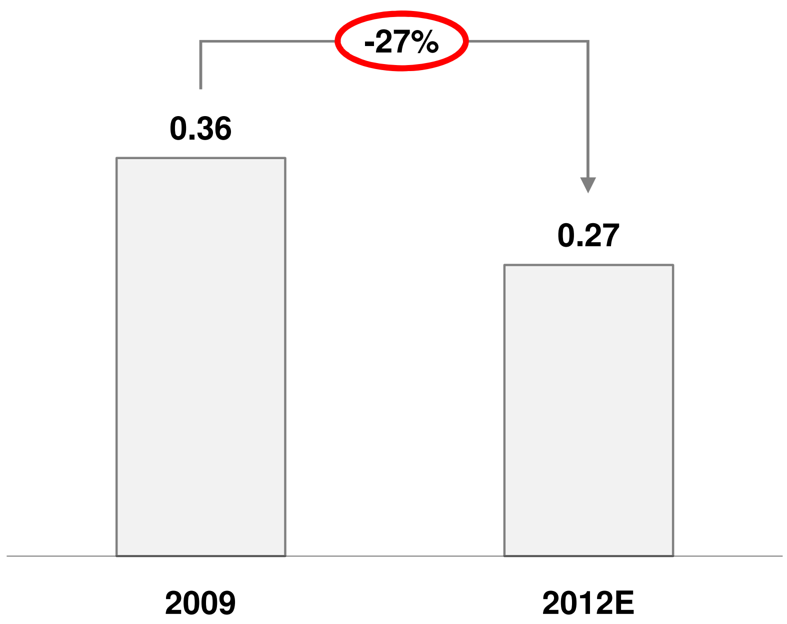
- **Cut in capex:** 700MW
- **Maintain flexibility** on capex
- **Limit merchant risk** to maximum of 20% of capacity

- **Focus on direct energy supply to final clients**
- **Active management of gas contracts**
- Optimization of **flexible generation assets**
- Close follow-up of **regulatory agenda**

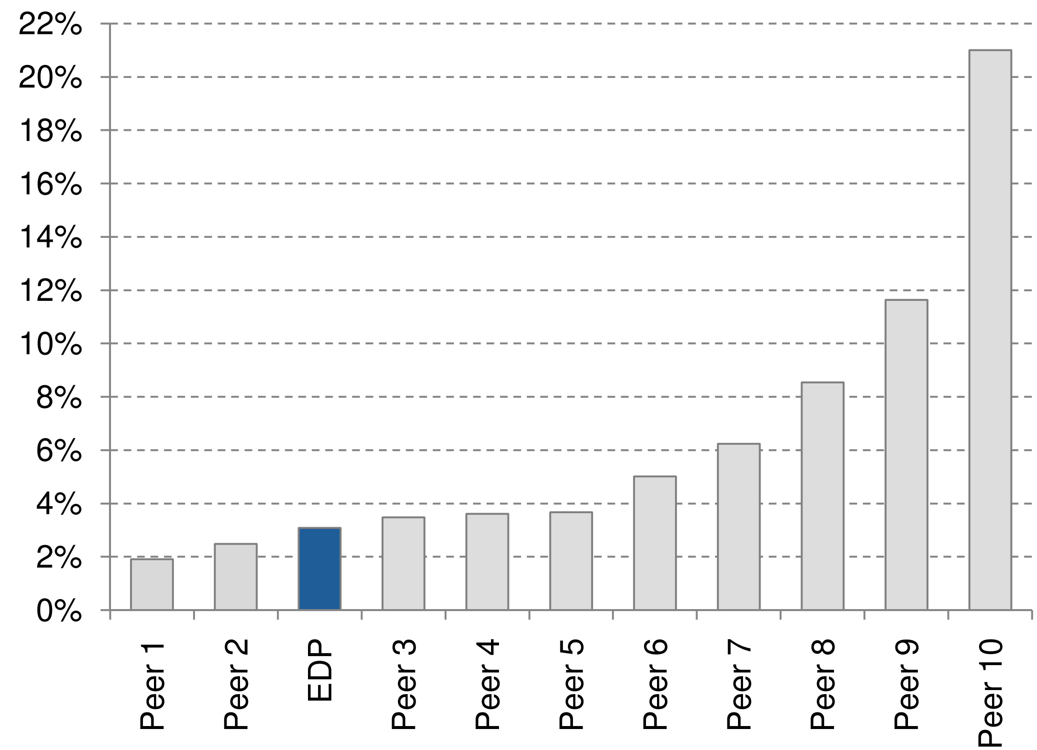
[1] Gross capacity which included 480MW from ENEOP in Portugal attributable to EDP (40% stake – Equity Method consolidation)

Controlled Risk: EDP is one of the European Utilities less exposed to the 2013 carbon cliff

CO_2 Emissions
(ton/MWh)



Market value of CO_2 Free Allowances ETS attributed in 2009 as a % of 2012E EBITDA consensus Bloomberg [1]



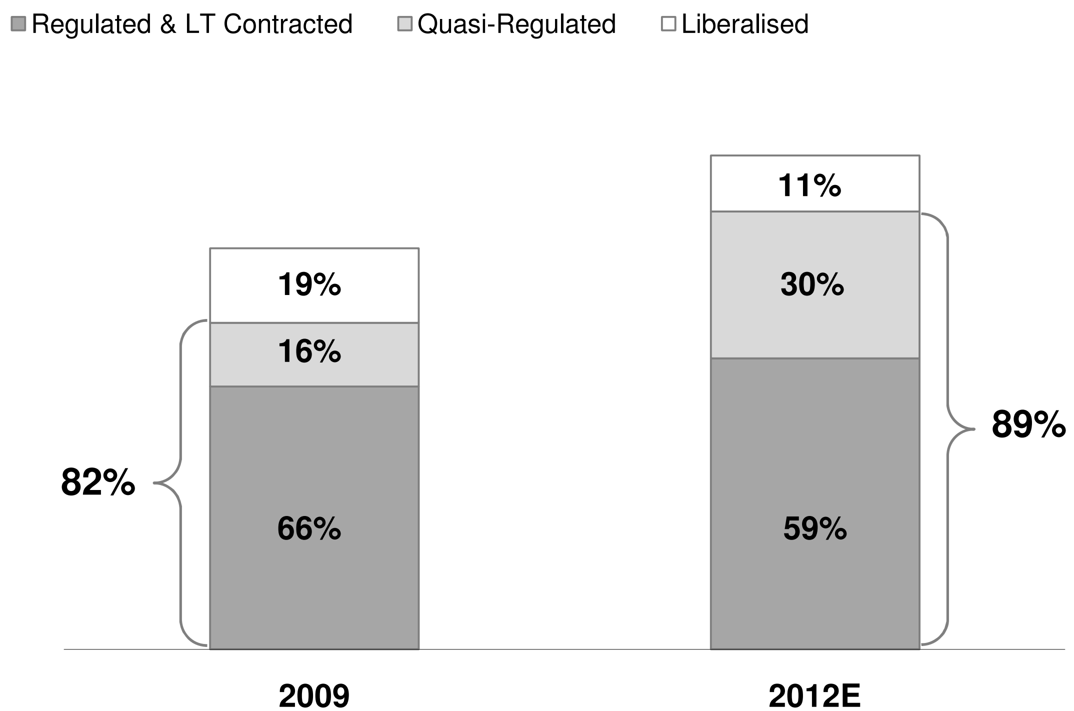
Expected Reduction of CO_2 emissions: -27% between 2009 and 2012

Reducing CO_2 exposure by investing in clean technologies

[1] 2009 CO_2 Free Allowances valued at €15.65/ton (May 14th , 2010); EBITDA 2012E consensus Bloomberg on May 16th 2010; CO_2 free allowances ETS attributed in 2009 from public sources; EDP data excludes CO_2 free allowances from (a) PPA/CMEC power plants (pass-through of CO_2 costs) and (b) from burn of blast furnace gas at Aboño coal plant.

Controlled Risk: Maintain high weight of low risk activities

EBITDA Breakdown by Business [1]
(€m;%)



Maintain low risk profile:

- Low exposure to **liberalized activities** in 2009-2012, even considering new hydro plants
- Growth concentrated in **wind power:** maximum of 20% exposure to merchant by 2012
- **Regulated & LT Contracted:** New PPA Coal Plant in Brazil, decommissioning of PPA Fuel-oil Portugal, new gas networks Spain

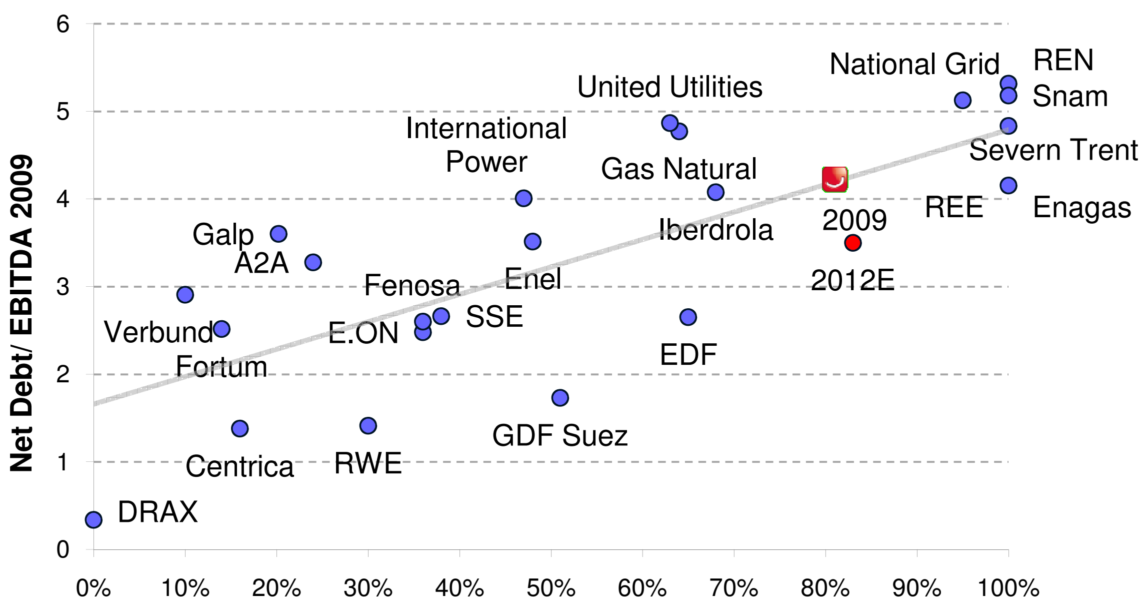
Utilities trend for this decade: shift to a higher share of fixed costs and fixed revenues

EDP's business profile is already aligned with our view for the future if the sector

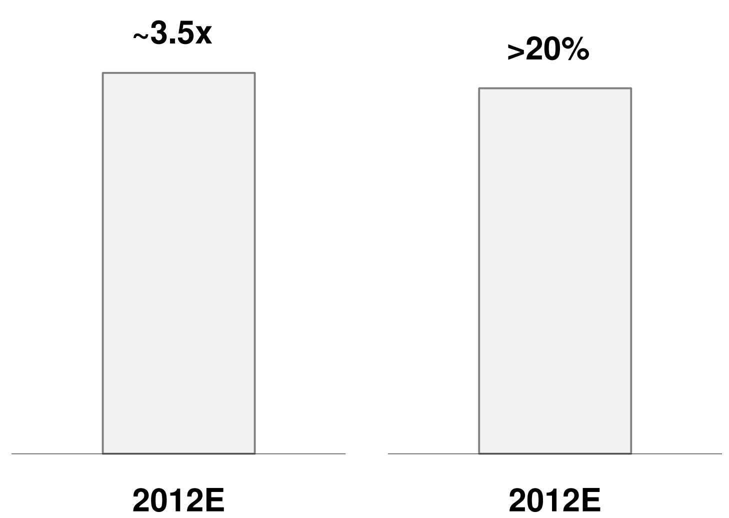
[1] Quasi-Regulated: EDP Renováveis; Regulated Activities: LT Contracted Generation, Regulated Networks Iberia and Brazil.

Controlled Risk: Improve credit ratios, maintain A rating

European Utilities: 2009 Net Debt/EBITDA vs. Business Mix
(x;%)



Net Debt/EBITDA | **FFO/Net Debt****



Efficient capital structure

Balanced with low risk operating profile

Ratios for 2012 fully consistent with:

Target credit rating in A region

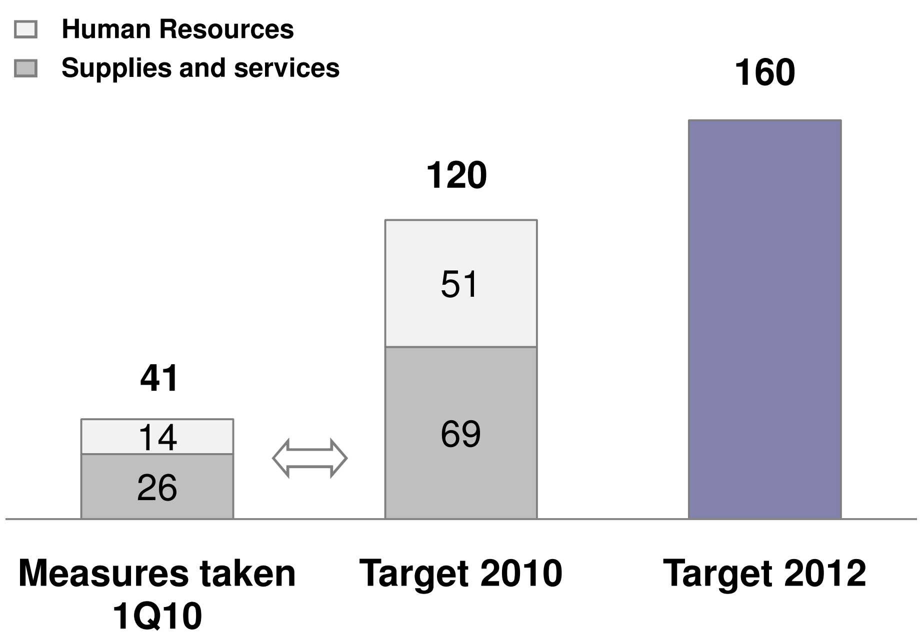
** FFO = EBITDA + Current Tax + Net Financial Interest + Net income and dividends received from associates + Working Capital of Provisions

Sources: Bloomberg for Net Debt/EBITDA 2009 and Brokers' Reports for Breakdown of EBITDA (for other companies excluding EDP).

Efficiency: Opex reduction by €160m/year in 2012

Opex reduction program - Sustained efficiency improvement

Efficiency Program 2010-12 annual savings [1]
(€ m)



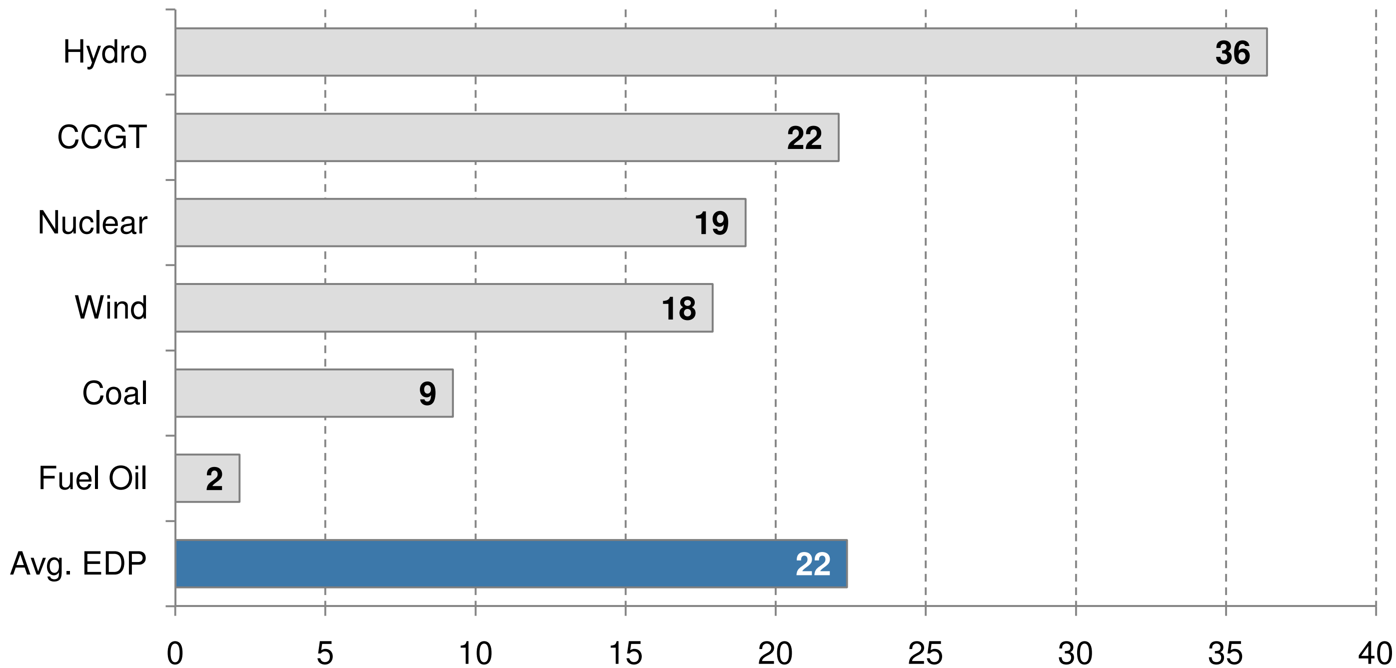
- ✓ **Personnel costs:**
  Increase of efficiency levels per employee
- ✓ **Supplies & services:**
  Includes costs savings in areas such as
  - IT systems/Telecoms
  - Integrated commercial / corporate services
  - O&M management
  - Specialised Works

Recurrent control over expenses and operating processes
Opex/gross profit of 27% in 2012

[1] Savings measured regarding the 2007 cost base.

Efficency & Growth: Long residual life of generation portfolio, Lower replacement capex, O&M and CO_2 costs

Average Residual Useful Life of EDP's Generation Portfolio by Technology Dec-2009[1]
(Years)



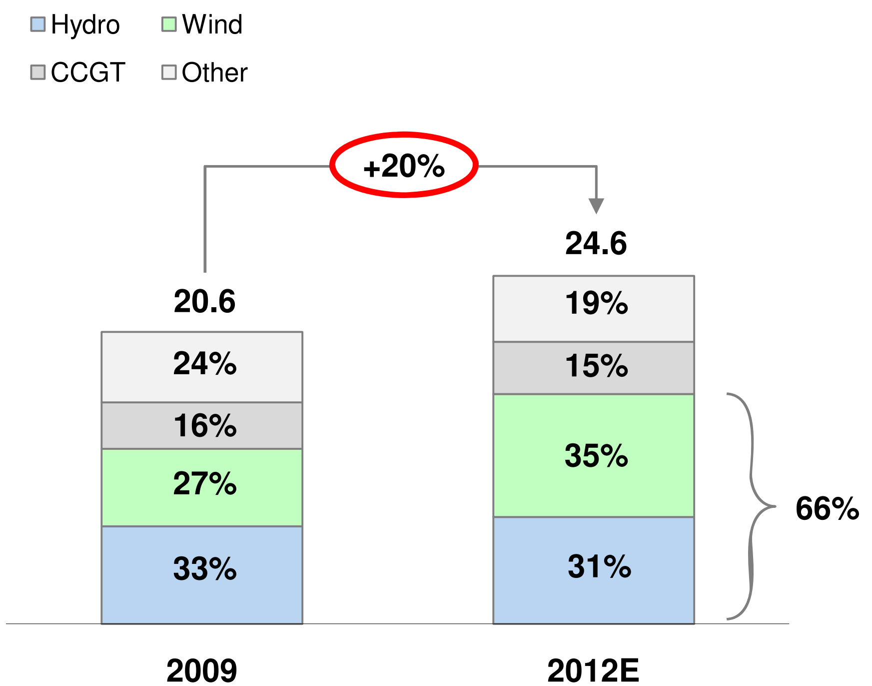
Long residual life of generation assets will be a key medium-long term competitive advantage

Static valuation multiples do not capture the low level of maintenance and replacement capex

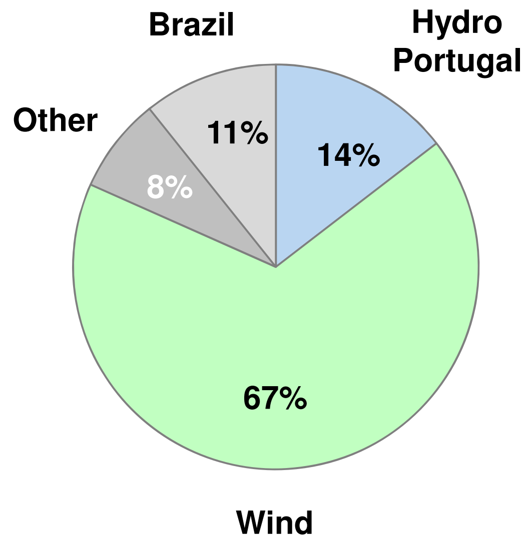
[1] Reference Date: Dec-09; Excluding Special Regime Capacity (mini-hydro, Cogeneration and Biomass) and Tunes and Barreiro fuel-oil facilities (PPA terminated in Dec-07 and Dec-09, respectively)

Growth: 20% increase of installed capacity in 2009-2012

EDP Group Installed Capacity by Technology
(GW; %)



2010-12 Installed Capacity Additions
(%)



Installed capacity 2012E: > 24GW

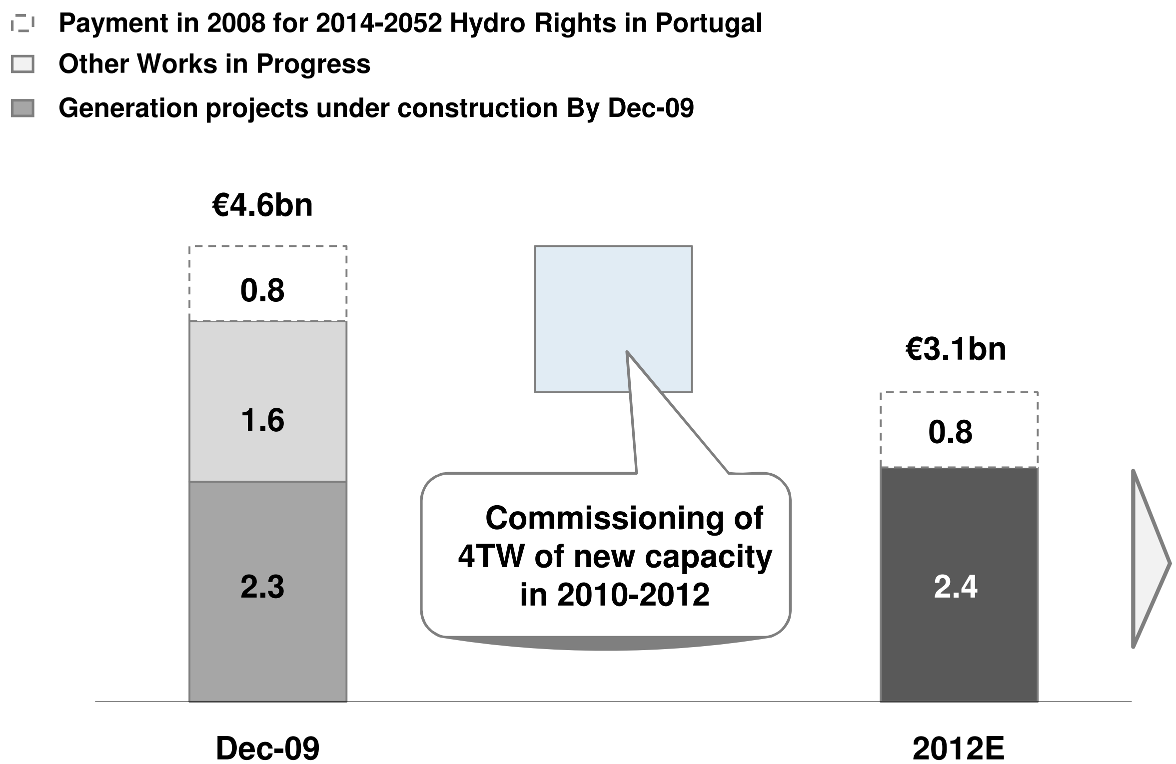
✓ Investment in free CO_2 technologies (Wind & Hydro increases from 60% to 66%)

2009-12: Growing where is profitable

✓ Wind: 1.2 GW per year in 2010-12
✓ Mar-11: Soto 5 (CCGT);
✓ Dec-11: Pecém (Brazil); Picote II / Bemposta II (Hydro)
✓ Jul-12: Alqueva II (Hydro)

Growth: €4.6bn of capital already invested in EBITDA growth for 2009-2012 and for post 2012

EDP Works in Progress
(€bn)



Growth visibility post-2012:

- ✓ **Hydro rights:** €759m paid in 2008, first EBITDA contribution in 2014
- ✓ **New Hydro Plants:** by Dec-12 1.9GW to be under construction representing €1.2bn of accumulated capital invested (including concession rights)
- ✓ **Wind:** diversified pipeline of options in 11 countries

€2.3m invested in generation projects under construction: mostly hydro and wind
Investing in the future: Already visibility on growth of free cash flow post-2012

Commitments

Cost cutting program of €160m will enhance operating efficiency

EBITDA CAGR 2009-2012: 7%-8%

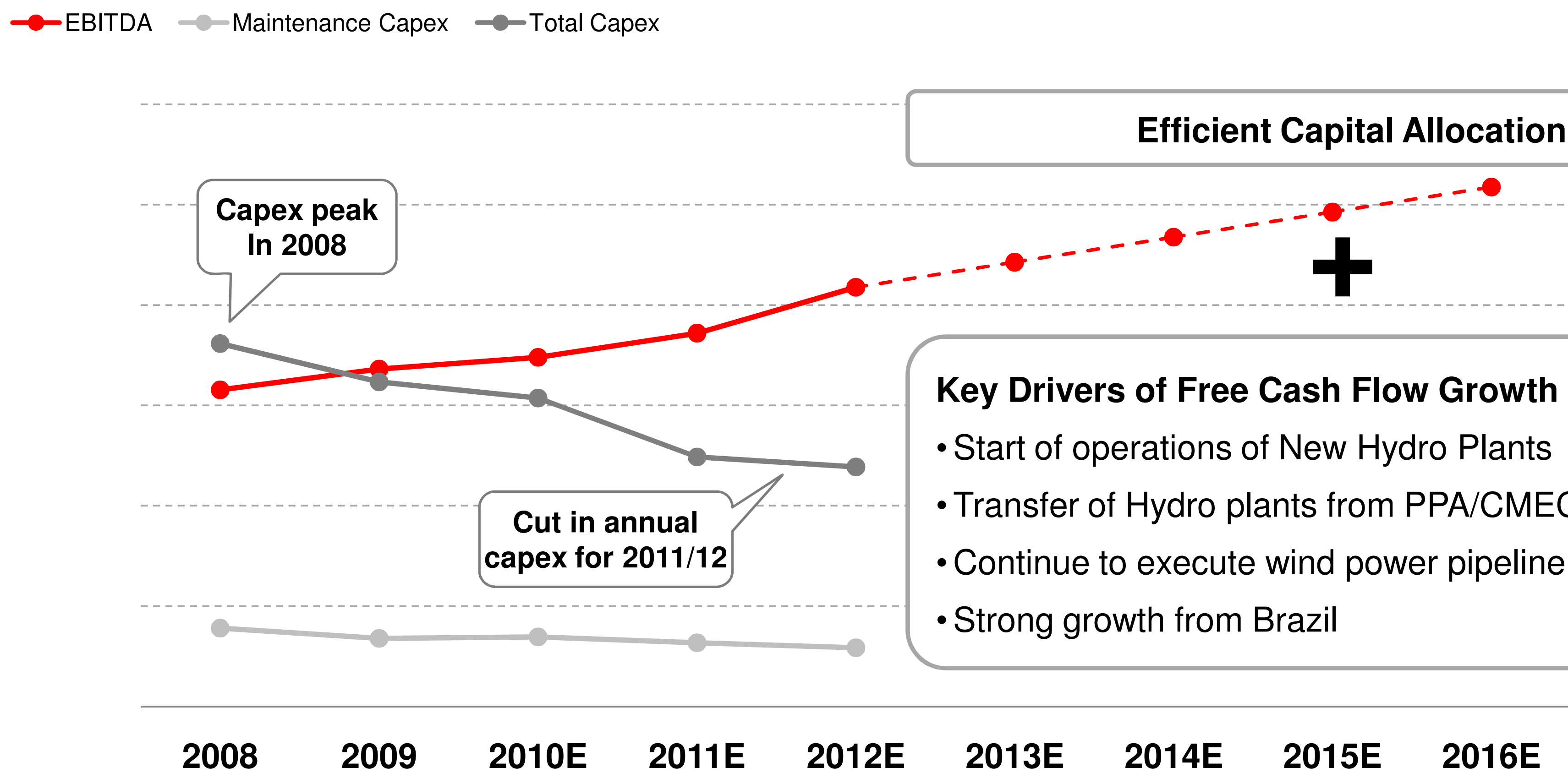
Net Debt / EBITDA: ~3.5x by 2012

Net profit CAGR 2009-2012: 6%-8%

Dividend per share to continue to increase €0.015 per year; €0.20 by 2012

Keeping growth track with strong free cash flow improvement

EBITDA and Capex 2008-2012E
(€ million)



Key Drivers of Free Cash Flow Growth Post 2012:

- Start of operations of New Hydro Plants
- Transfer of Hydro plants from PPA/CMEC to market
- Continue to execute wind power pipeline
- Strong growth from Brazil

EBITDA clearly above capex (expansion+maintenance) with positive gap widening post 2012

Low risk, profitable growth strategy puts EDP is in an unique position

Strategy

2006-2008
The right strategy…


• Creation of Growth options (i.e. wind, hydro)

• Proactive risk management (i.e. regulatory, financial, markets)

• Focus on efficiency

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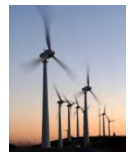
The Right options
Hydro, wind, Hedging, Brazil Swap

Execution success
Full delivery of the strategic agenda

2009-2012
…for *the current context…*




• Execution and creation of new growth options

• Maintenance of a low risk profile

• Continued focus on efficiency

09 10 11 12

Growth where it is more profitable
Renewables

More efficient
#1 Iberian Peninsula

Prepared for the new paradigm
>50% generation CO2 free in 2009

2012 +
… which puts EDP in a unique position


• New potential and new growth options

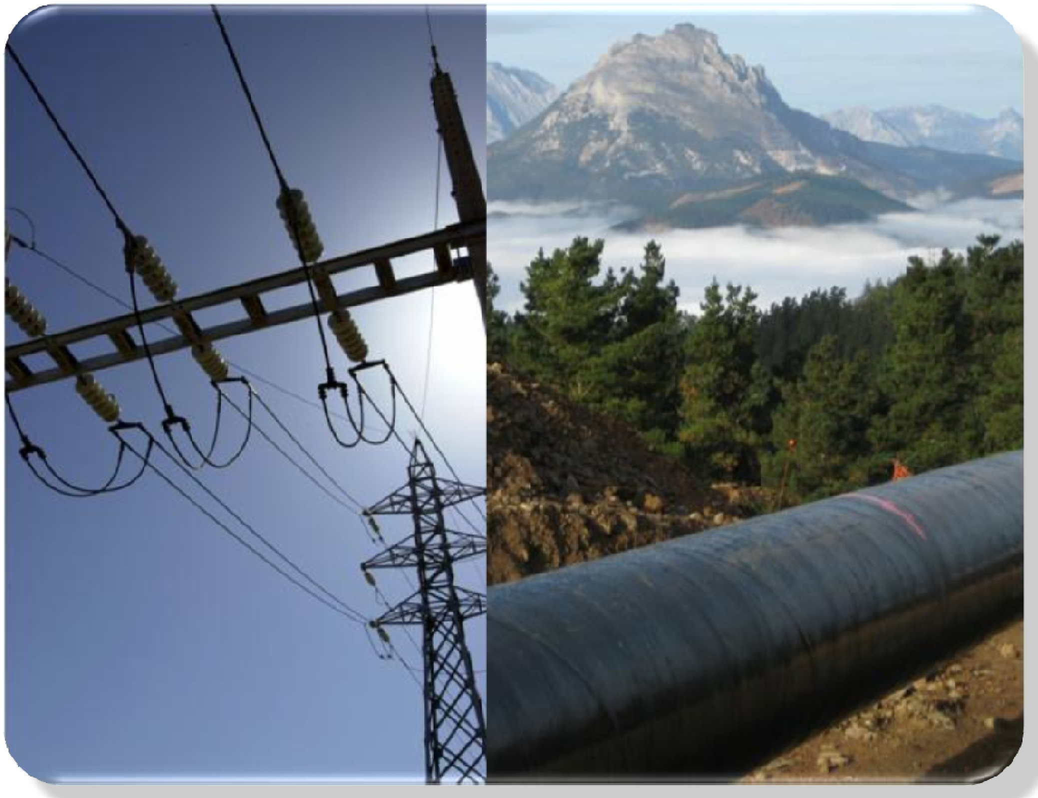
13 14 15 16+

Visibility on growth
Hydro

Available *Cash flow*
***Positive free cash* flow from 2011**

Unique Equity story
>70% *CO2 free* in 2020


edp
feel our energy



Iberian Regulated Energy Networks

António Martins da Costa
Board Member

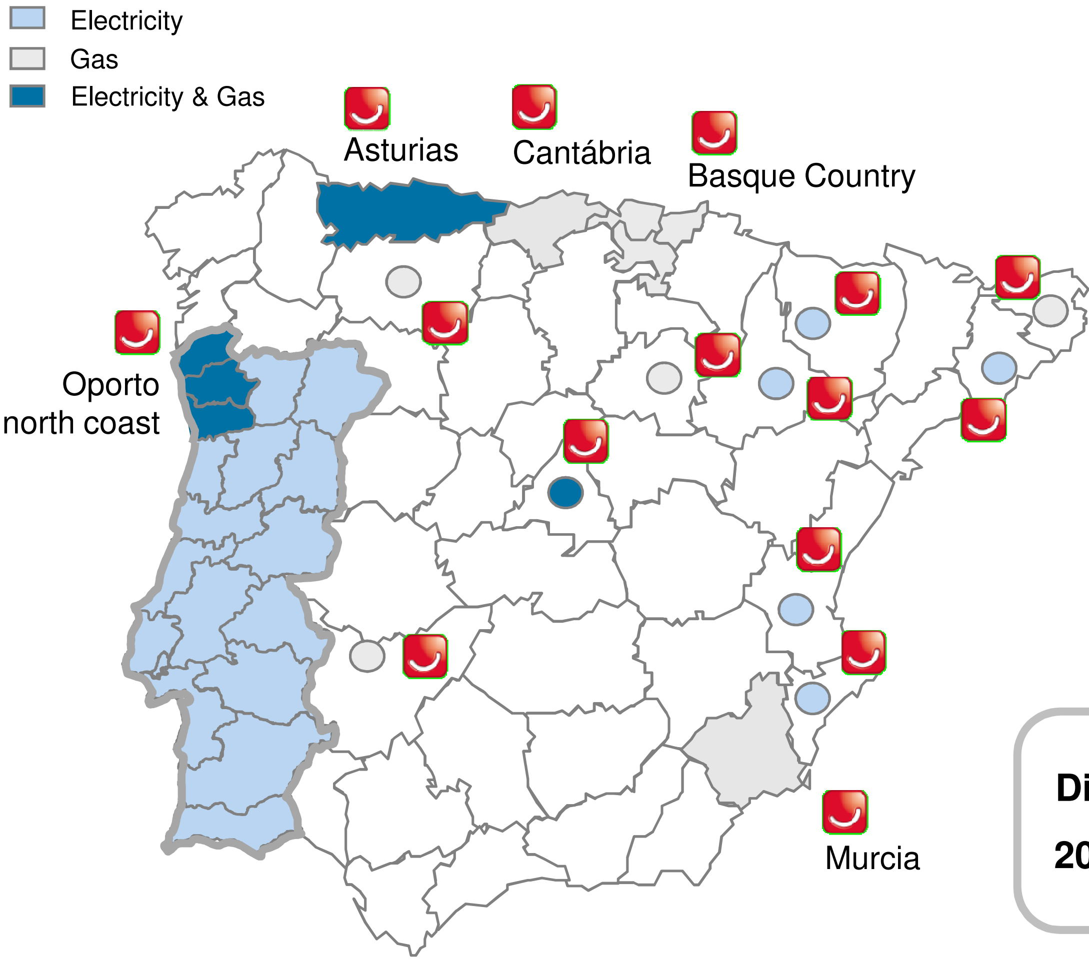
Dow Jones Sustainability Indexes
Member 2009/10

EDP Investor Day

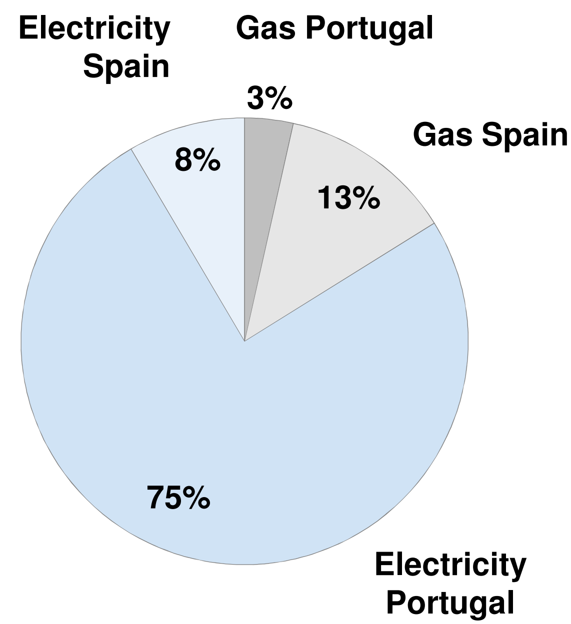
May 20th, 2010

EDP Energy Regulated Networks Iberia: Geographical footprint

Geographical Presence



2010E Regulated Revenues[(1)]



Diversified portfolio Portugal/Spain, Electricity/Gas

2010 regulated revenues set by regulators: ~€1.7bn

Distribution of electricity in Portugal represents more than 2/3 of the portfolio in all metrics

[(1)] Electricity Portugal: €1.3bn in accordance with ERSE's consumption forecast; Gas Portugal: regulated revenues set for the year going from Jul-09 to Jun-10; Electricity Spain: regulated revenues exclude €7m from transmission activity which has to be sold to REE before July 3rd, 2010.

EDP Energy Regulated Networks Iberia: 2009 Highlights

( ) % Weight on Total Regulated Networks Iberia

Regulated Networks Iberia Owned by EDP

- 100%: EDP Distribuição; EDP Serv. Universal; EDP Sol. Comerciais
- 100%: HC Distribución; HC Explotación Redes; HC Ultimo Recurso
- 72%: EDP Gás Distribuição; EDP Gás Serv. Univ.
- 63.5%: Naturgas Energia

Underlying Activities	Portugal Electricity Distribution Portugal Last Resource Supplier	Spain Electricity Distribution Spain Last Resource Supplier[2]	Portugal Gas Distribution Portugal Last Resource Supplier	Spain Gas Distribution Spain Gas Transmission
EBITDA 2009 (€m)	590 (69%)	104 (12%)	21 (2%)	137 (16%)
GWh[3]	46,146 (68%)	9,131 (13%)	6,133 (5%)	18,968 (14%)
# Clients connected (th)	6,120 (77%)	645 (8%)	221(3%)	964 (12%) [1]

(1) Nb. of Clients Connected include the contribution of regulated assets acquired from Gas Natural. These assets started being consolidated at P&L level only in Jan-2010.
(2) As of April 2009, Last Resource Supply activity was transferred to our liberalised activities in Spain. (3) Weight calculated considering Electricity Equivalent GWh.

Electricity distribution Portugal has a clear and stable regulatory framework: regulatory metrics for 2009-2011

	2009	2010 [1]	2011 E
Regulated Asset Base	Electricity Distribution Regulated Asset Base: €2.8 bn		
	Working Capital: €146m[2]	€121m	
Return on RAB & Working Capital	10 Year Portuguese Government Bond Yield + 400bp		
	8.55%	8.39%	
Cost Base	Negative Gap on Costs: €77m (c9%)[3]	Efficiency factor: 3.5% on controllable costs per MWh	
		GDP Deflator Update: + 1.5%	
Regulated Gross Margin	€1.32bn	€1.30bn	€1.30bn

[1] In accordance with 2010 tariffs set by the Portuguese regulator ERSE (assuming 45.1TWh of electricity consumption for 2010). [2] Real 2009 Working Capital for EDP Serviço Universal came below ERSE's assumption of €255m. [3] Weight over total PT GAAP costs presented to ERSE for 2009 Tariff Review.

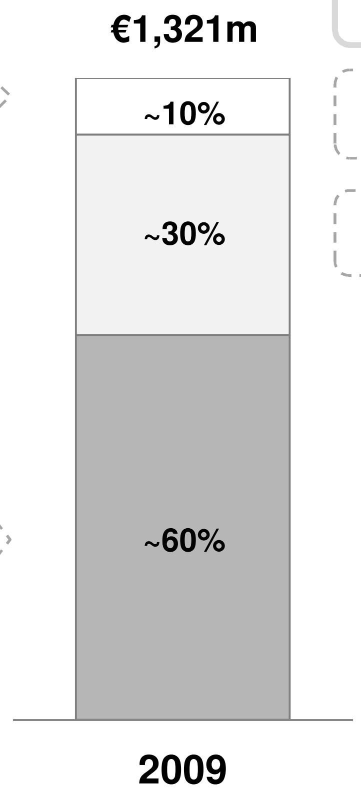
Electricity Distribution Portugal: Revenues with low sensitivity to energy consumption and economic cycle

Electricity Distribution Portugal: Breakdown of 2009 Regulated Revenues (3)

Variable Revenues
Depends on GWh distributed in
Non-low Voltage[1] (mostly industrial)

Variable Revenues
Depends on GWh distributed in
Low Voltage[2] (mostly residential)

Fixed Revenues
No impact from electricity consumption



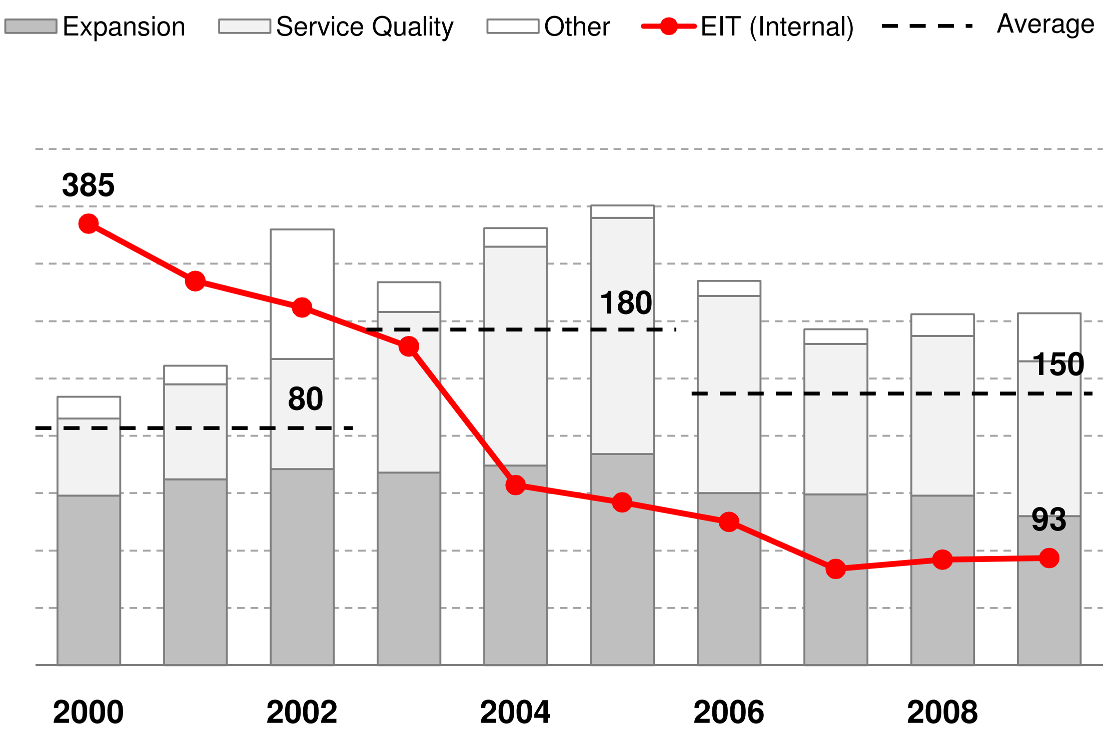
2009 Demand	1Q10 Demand
- 5% YoY	+ 6% YoY
+ 3% YoY	+ 1% YoY

Decline in electricity demand in 2009 had an immaterial impact of -€7m at EBITDA level (4)

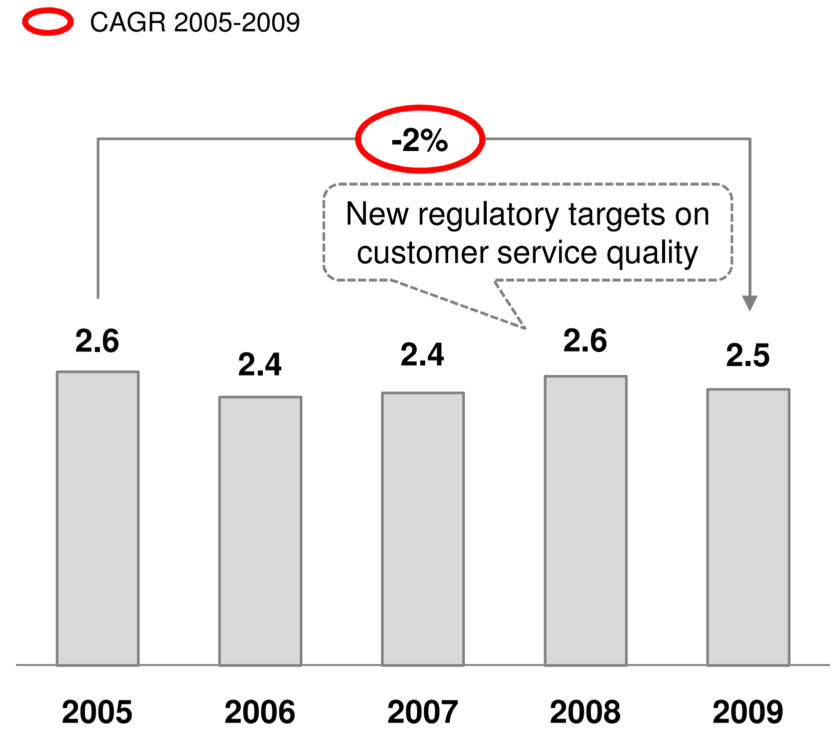
(1) Non-low Voltage: Very High Voltage + High Voltage + Medium Voltage (mostly industrial clients) (2) Low Voltage: Special Low Voltage + Low Voltage (mostly residential clients).
(3) Including Last Resource Supply Activity in Fixed Revenues (do not depend on Volumes distributed; depend on number of clients) (4) Assuming flat demand vs. 2008 (46.5 TWh).

Electricity Distribution Portugal: Efficiency improvements

Network Capex[(1)] & Equivalent Interruption Time[(2)]
(€m; min.)



Opex[(3)]/km of Network
('000€/km)



2000-2009: Internal EIT improved 76%
in line with European Benchmarks
Strong investments for service quality improvement:
Current ~€150m per year on a total of €300m per year

Opex/km efficiency ratio improved by an average of 2% p.a. between 2005 and 2009

[(1)] EDP Distribuição's Capex in accordance with PT GAAP; [(2)] Equivalent Interruption Time internal to EDP Distribuição (regarding interruptions originated at EDP Distribuição's network); [(3)] Supplies and Services + Personnel Costs + Costs with Social Benefits (excluding HR Restructuring costs)

Electricity Distribution Spain: New Return on RAB system will improve visibility of returns on new investments

Until 2008: Stable regulated revenues updated annually, but no clear Return on RAB system

New Return on RAB framework: 2009 was the 1st transition year; final settings expected in 2010

Provisional Regulated Revenues 2010: €146m[(1)]

4-year regulatory periods (2009-2012)

Remuneration for the 1st year	**Annual Updates**
Return on Regulated Asset Base + Costs Base	Inflation + Activity Increase (recognized increase of asset base & costs) + Quality of Service Incentive + Losses Reduction Incentives

No material impact expected on regulated revenues on past investments

Regulatory stability for new investments and encourages quality improvement and loss reduction

(1) Excluding €7m from Transmission Activity which has to be disposed off until Jul-2010.

Gas Distribution and Transmission Iberia: Limited impact expected from future reviews

Gas Spain		Gas Portugal	
Transmission	Return on asset base + Costs Base	**Distribution**	Return on asset base (concession assets revaluation) + Costs Base
Distribution	Regulated Revenues updated annually (inflation, efficiency factor and demand)	**Supply**	Supply margin (return on working capital) + Cost Base

Possible change to Return on Assets Base methodology in 2011

Expected limited impact on regulated revenues

2010 Regulated Revenues: €218m

Current regulation preserves value of initial concession contracts

Low gas penetration (22%)[(1)] = high volume growth

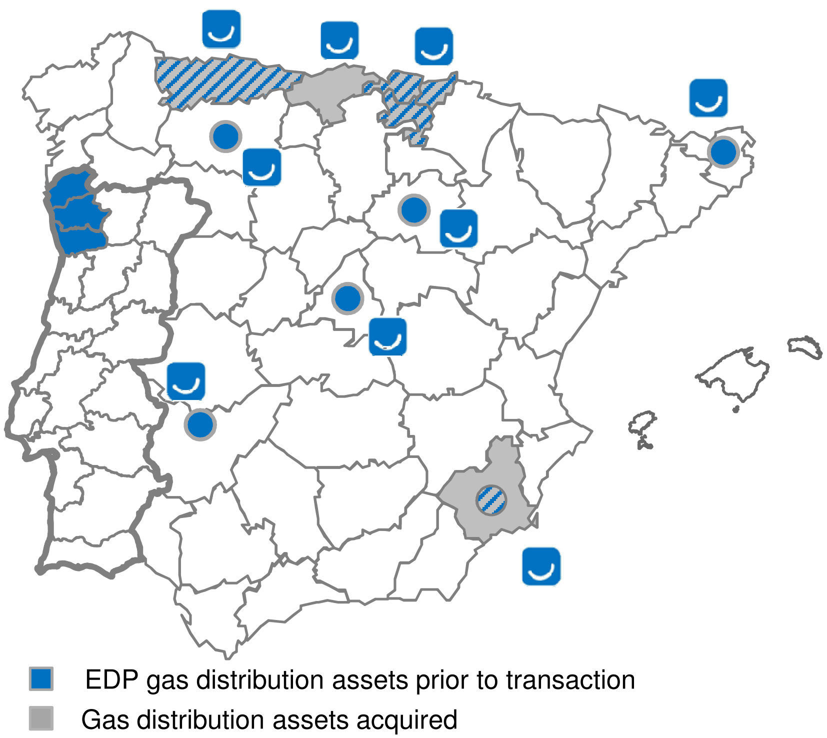
Strong growth of regulated revenues explained by stable unit tariffs per MWh & asset revaluation to reflect conditions of initial concession contract

Jun09-Jul10 Regulated Revenues: €51m

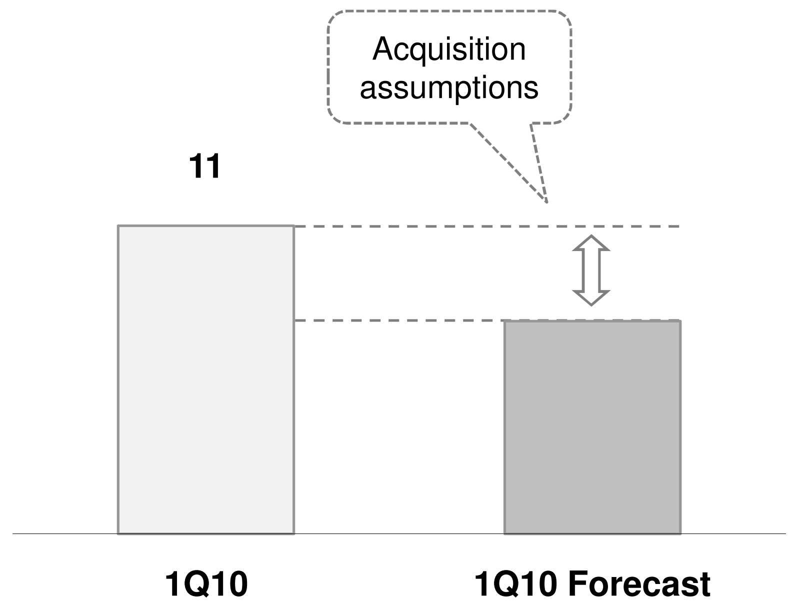
(1) EDP Gás penetration rate in its concession area.

Assets acquired from Gas Natural in Dec-09: Reinforcement of #2 position in gas distribution in Spain

Geographical fit with EDP's assets
(€m)



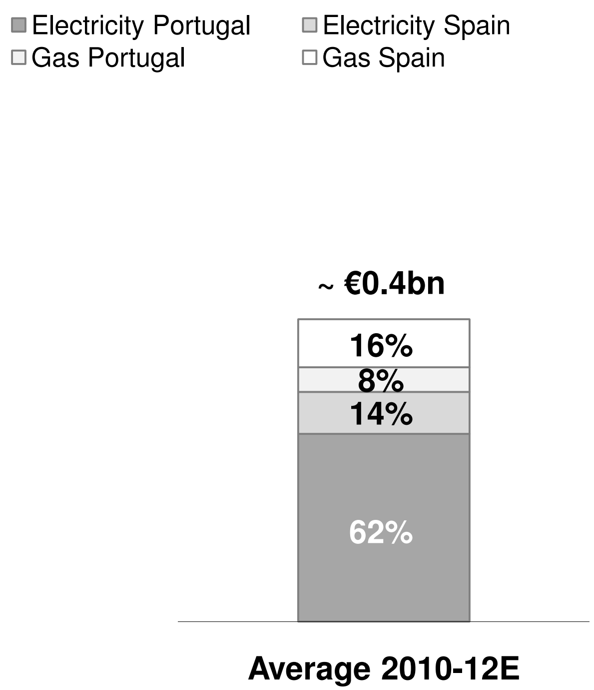
EBITDA of assets acquired from Gas Natural
(€m)



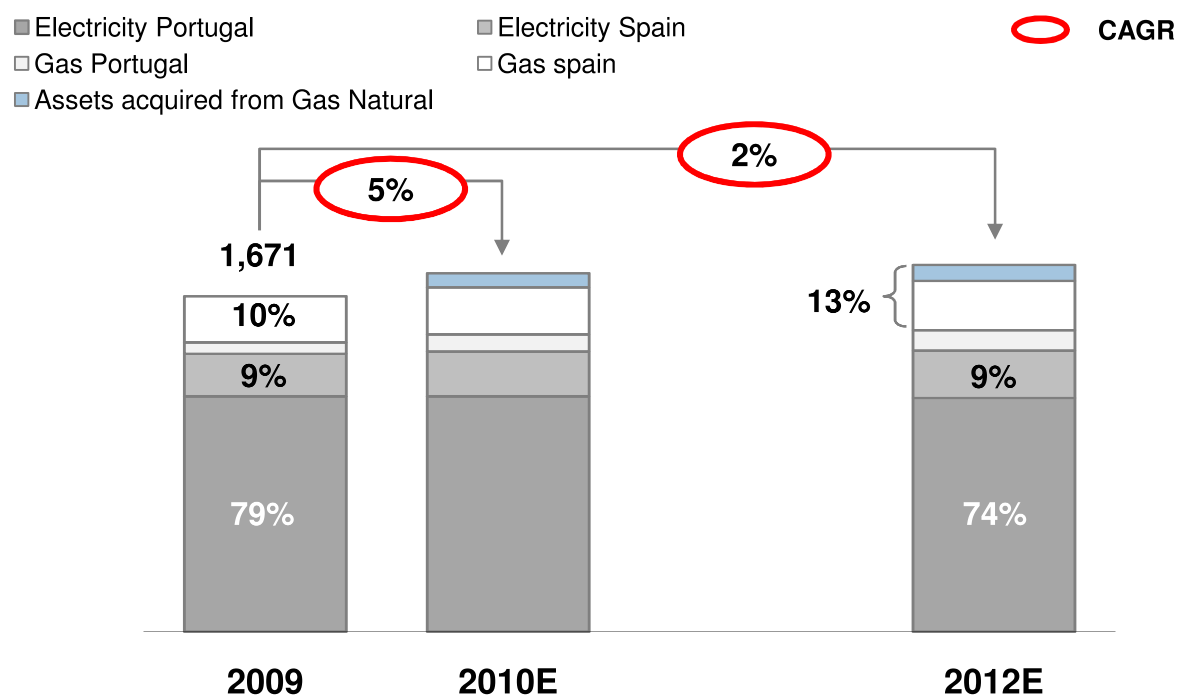
Fast integration of assets acquired: Strong synergies, economies of scale
1Q10 operating performance already above assumptions made in acquisition

Capex & Regulated Revenues: Expected Integrated Performance 2009-2012

Average Annual Capex: 2010E-2012E
(€bn)



Regulated Revenues
(€m)

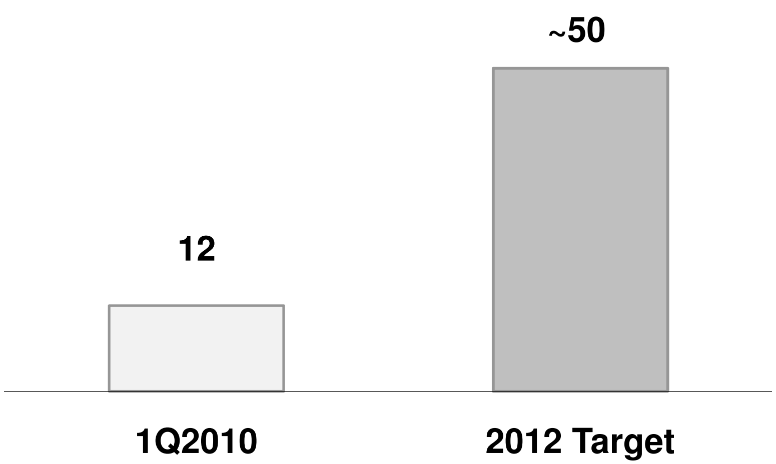


- Clients connected: +3% 2009-12
- **Capex to improve networks quality** (~€150m/year at Electricity Distribution Portugal)
- **SmartGrids:** Pilot InovCity €15m

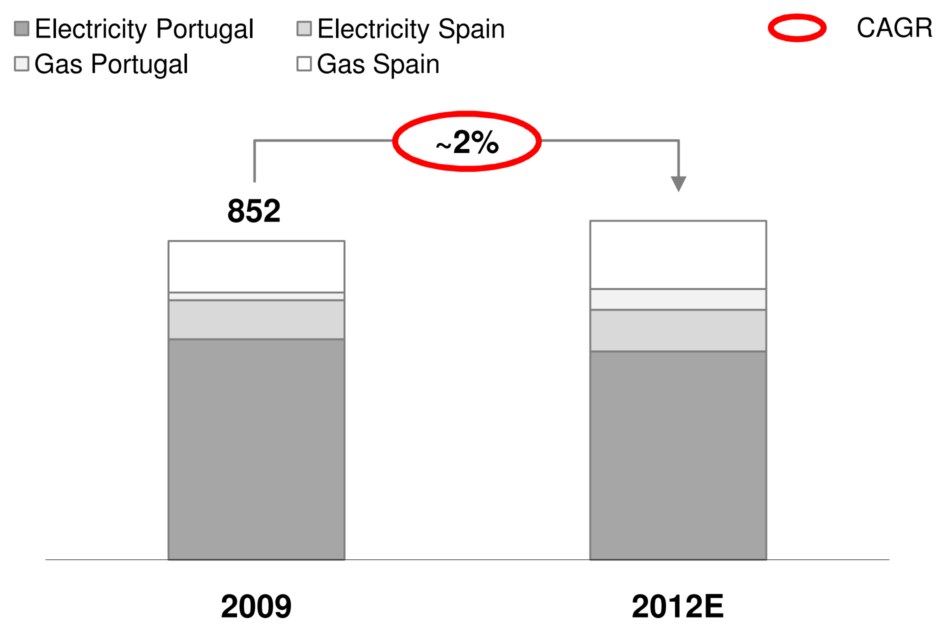
- **Electricity Portugal:** Assumes 2012 regulation in line with 2009-11
- **Electricity Spain:** Transmission sold until Jul-10 (reg. rev. €7m)
- **Gas Spain:** Integration of assets acquired from Gas Natural
- **Gas Portugal:** Value of concession contracts is preserved

Efficiency and EBITDA
Stable and low risk profile businesses

Opex II Programme[1]: EDP Distribuição
(€m)



EBITDA: 2009-2012E
(€m)



- **Greater operational efficiency:** Human resources & third party contracting

- **Stable regulatory framework + continuous efficiency efforts result on a 2% CAGR of EBITDA in 2009-2012**

(1) Savings measured regarding the 2007 costs base.

Conclusions

Stable regulatory environment; Good visibility on regulated revenues: ~€1.7bn for 2010
Energy distributed volumes: low impact on regulated revenues from changes in energy demand

Capex 2010E-2012E: average of €0.4bn/year
Focus on service quality improvements; network expansion

Strong focus on efficiency improvement
Opex II program: current achievements above targets

Energy Regulated Networks EBITDA 2009-12: ~2% CAGR

Stable regulatory environment providing good visibility on returns

Energy Supply Short-medium Term Challenges

Jorge Cruz de Morais
Board Member

Dow Jones Sustainability Indexes
Member 2009/10

EDP Investor Day
May 20th, 2010

EDP Commercial Platforms in Iberian Electricity and Gas:

Energy Supply Iberia

- EDP Serv. Univ. / EDP Comercial
- EDP Gás Serv. Univ. / EDP Gás.Com
  - EDP Soluções Comerciais (spans EDP Serv. Univ. / EDP Comercial and EDP Gás Serv. Univ. / EDP Gás.Com)
- NE Suministro SUR / NE Suministro
- HC Ultimo Recurso / HC Energia

Underlying Activities	Electricity Suppliers Portugal Last Resource and Liberalized	Gas Suppliers Portugal Last Resource and Liberalized	Gas Suppliers Spain Last resource and Liberalized	Electricity Suppliers Spain Last Resource and Liberalized
GWh	43,154	3,264	21,261	16,060
# Clients (th)	6,102	215	833[1]	949

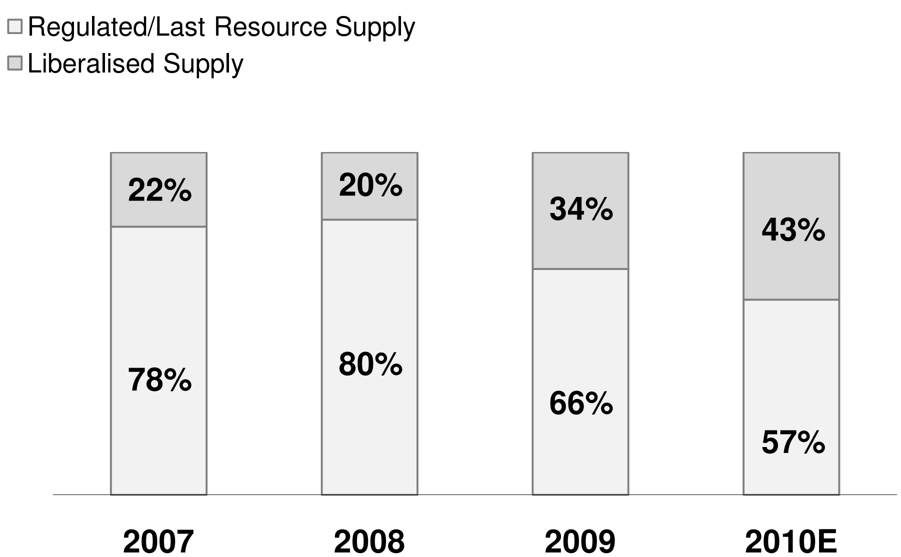
EDP has 7 million electricity clients and 1 million gas clients, of which 0.5 million are dual fuel clients

Note: 2009 Data.

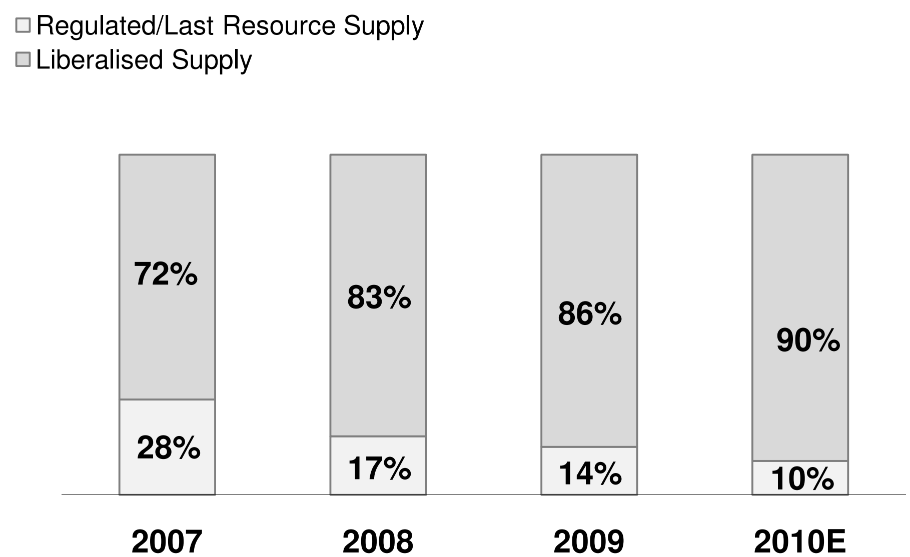
Liberalization process: Gradual transfer of clients from regulated integral tariffs to a free market environment

EDP's energy supply in Iberia 2007-2010E: Volume breakdown Regulated Integral Tariff vs. Free market price
(TWh; %)

Electricity



Gas

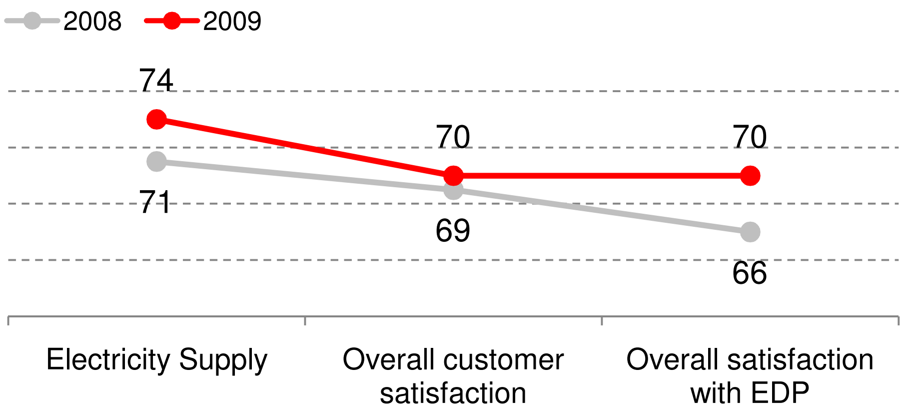


- EDP has a 21% Iberian market share of electricity supply, but more than 50% is still supplied through last resource tariffs
- Electricity liberalization process in Portugal still less advanced than in Spain

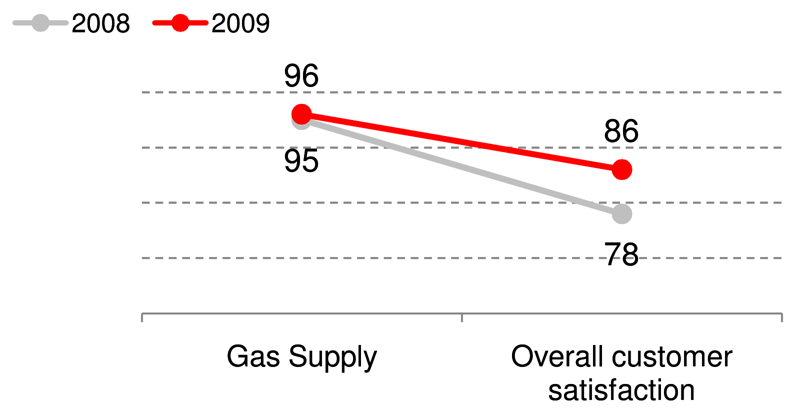
- EDP has a 9% Iberian market share of gas supply, and the last resource supply activity (essentially Portugal) is becoming marginal

Commercial Activity: Improvement of Customer Satisfaction

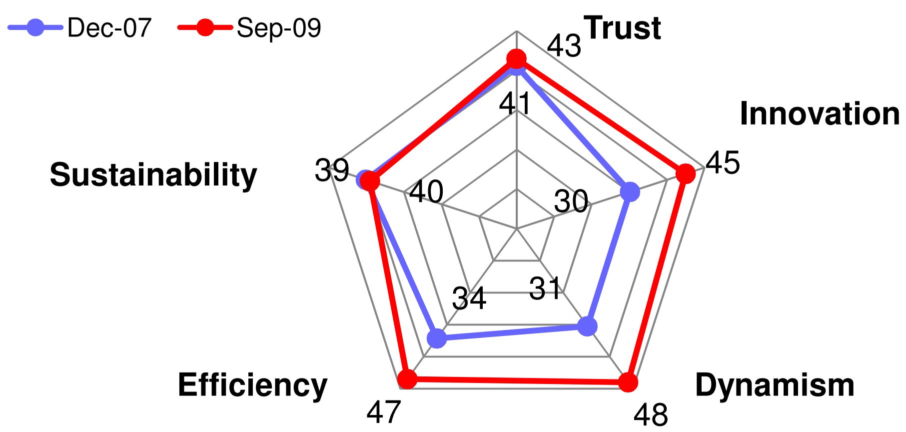
Portugal Electricity: Customer Satisfaction



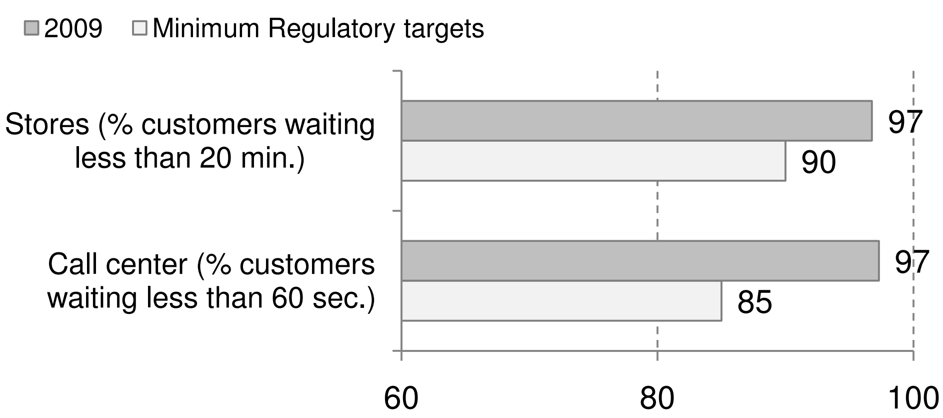
Iberia Natural Gas: Customer Satisfaction



EDP Brand Perception 2009 vs. 2007



Customer Service Indicators (Portugal)

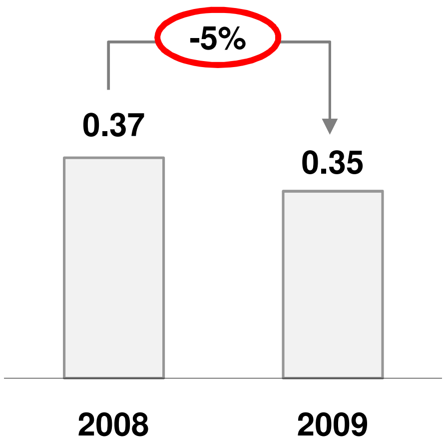


High level of customer satisfaction is a key success factor in the ongoing liberalization process

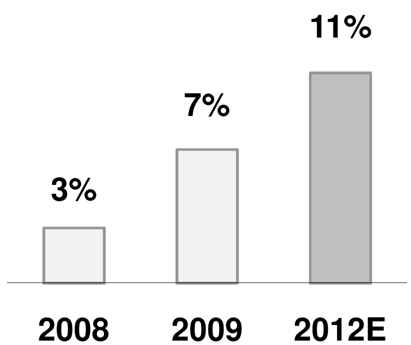
Commercial activity: efficiency improvement

Invoicing Costs (Portugal)

Avg. Costs
(€)

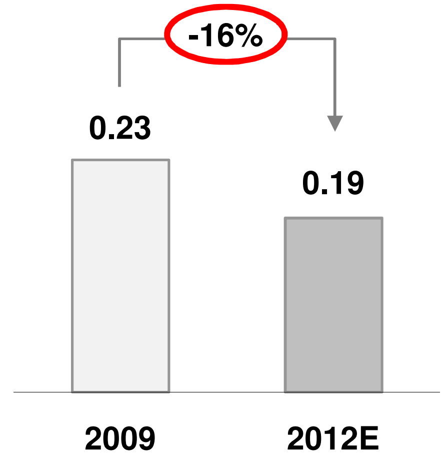


Weight electronic invoicing
(%)

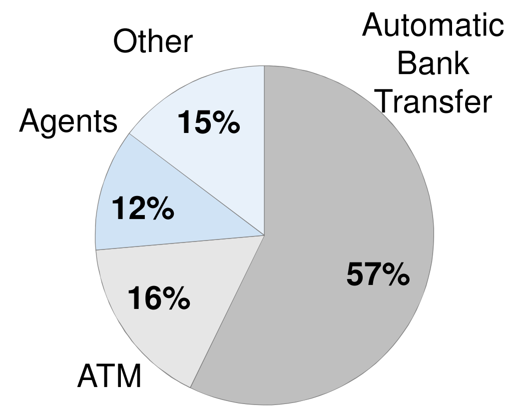


Collecting Costs (Portugal)

Avg. Costs
(€)



2009 Mix
(%)



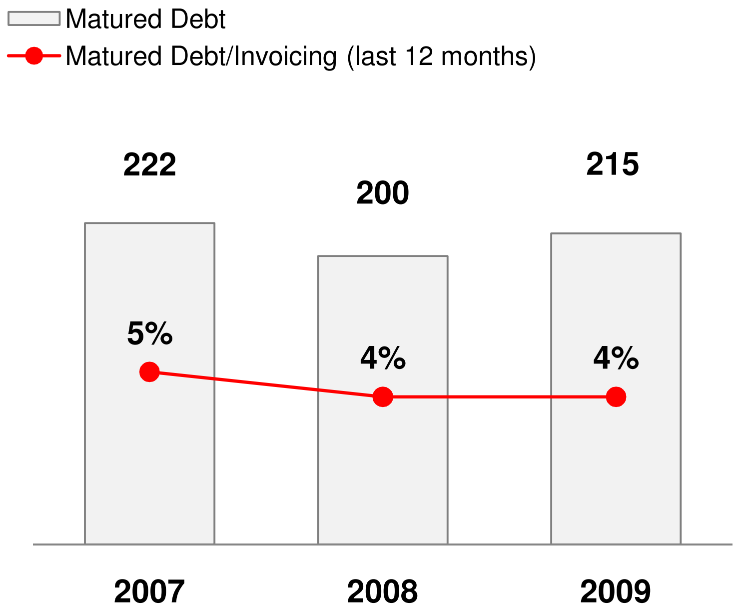
sharedp

Share EDP project: Integration of commercial support services at Iberian level: call centers, IT systems, best practices increasing economies of scale and efficiency, reduction in external supplies

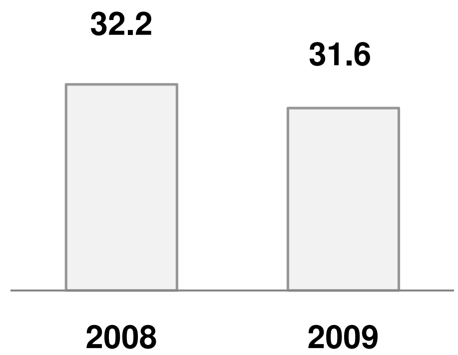
Control of commercial costs maintaining quality standards

Commercial Activity: Control over bills collection

Matured Debt / Invoicing [(1)]
(€m; %)

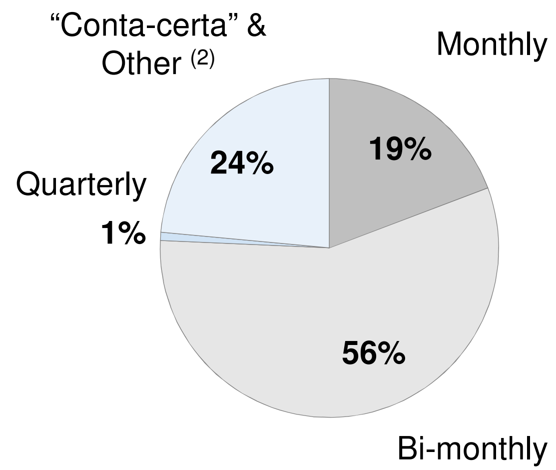


Average Collecting Period
(Days)



Average Invoicing Mix
(%)

2009



Level of matured debt maintained under control even considering the low economic cycle

Stable avg. collecting period ~32 days (significant weight of bi-monthly invoicing)

(1) Excluding EDP Distribuição (debt from municipalities). (2) Monthly payment and annual invoicing.

Energy Efficiency: A new business line for EDP

EU targets a 20% improvement in energy efficiency until 2020, incentives under analysis

New business opportunity to utilities: Depending on evolution of regulatory incentives

Energy efficiency: small business but growing, relevant for customer & regulatory involvement

Key energy efficiency business lines to EDP:

- ✓ Development and offering energy efficiency services to clients
- ✓ Decentralized energy generation (micro generation)
- ✓ Increased remote control at consumption point to enable management of demand curve

Portuguese regulator supports projects to promote consumers' efficient energy behavior:

EDP has had regulatory support for: media campaigns; distribution of efficient light bulbs; consulting services…

eco.edp energia mais eficiente

EDP offers to its customers distributed generation solutions from certified technology providers:

Solar PV, Solar Thermal and Micro Wind

MY ENERGY MICROGERAÇÃO edp

Smart Grids: Key to meet challenges of more renewables, distributed generation and electric vehicles

InovGrid

Benefitting consumers and offering a technological leap forward in distribution network service and capabilities

43% of consumption in Portugal already with smart metering

- ✓ **Operational Efficiency**
- ✓ **Energy Efficiency**
- ✓ **Service Quality**
- ✓ **Renewable Energy**
- ✓ **Electric Vehicles**

Cutting-edge Smart Grids project is being commercially tested in the Portuguese city of Évora, the 1st Iberian InovCity, during 2010-11

Total investment: €15m

(31.300 smart meters installed; integration of IT systems; setting up communications infrastructures; remote network control systems)

Project in line with world technological trends and already a reference in Europe

Electric Vehicles: EDP is actively involved with governments on the set-up of the future business model

Electricity Network	Electricity Supply	Slow Charging Posts	Fast Charging Posts	Other Mobility Services
▪ EDP Distribuição	▪ EDP Comercial ▪ Other	▪ Municipalities ▪ EDP Distribuição ▪ Other	▪ EDP Distribuição ▪ Service Stations ▪ Parking Spaces ▪ Other	

- **Pilot project of 6 charging posts for electric vehicles in Lisbon** (35 users for now);
- **Government target for Portugal by 2012**: 1,300 slow charging points + 50 fast charging points. Total investment: ~€13m, (before subsidies);
- Estimated fleet in Portugal by **2020: ~160,000 vehicles** (estimated **electricity consumption of 500GWh)** which would require an **investment of €200-250m** in both slow and fast charging posts;

Electric Vehicles to become relevant for the electric utilities business over the next decade

Conclusions

EDP is focused on its customers satisfaction: key success factor in liberalization process

Commercial services efficiency is improving: Key to be competitive in the supply market

Tight control over doubtful debts: Even more important on a low economic cycle

Leading the way for innovation: energy efficiency, smart grids, electric vehicles

Customer relationship: a key competitive advantage which EDP continues to enhance

EDP Renováveis

Ana Maria Fernandes
CEO

Dow Jones Sustainability Indexes
Member 2009/10

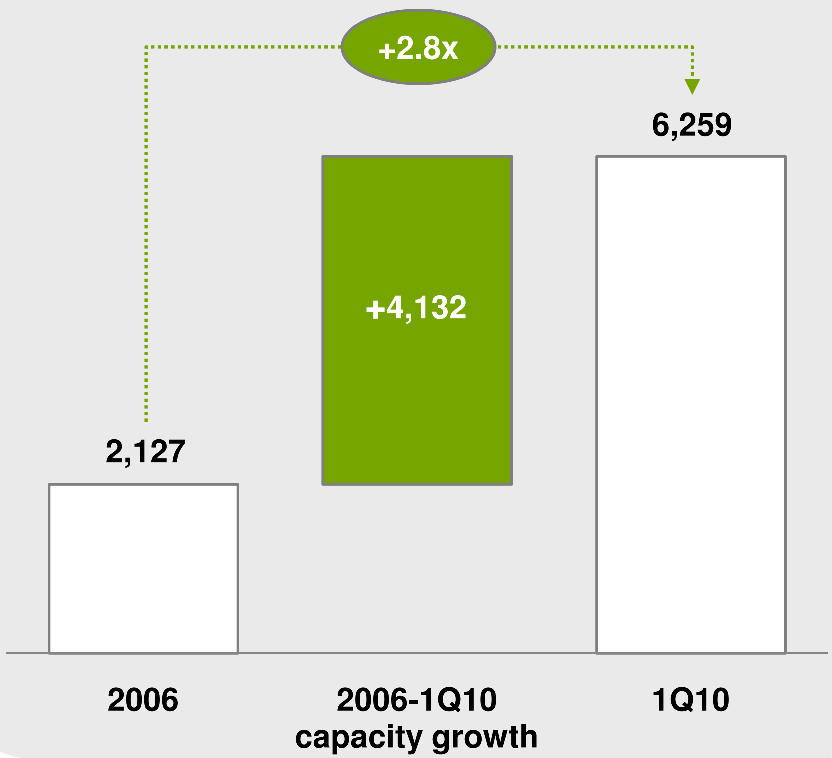
EDP Investor Day

May 20th, 2010

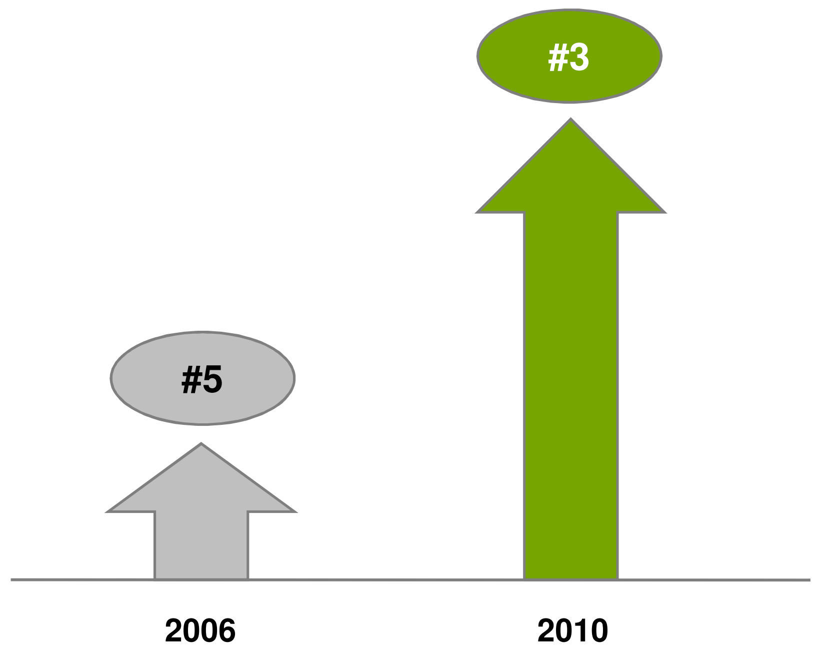
A top global leader on the right path of sustainability and value creation

EDPR grew by more than 2.8x over the last 3 years…

Evolution of Installed Capacity
(Gross MW)



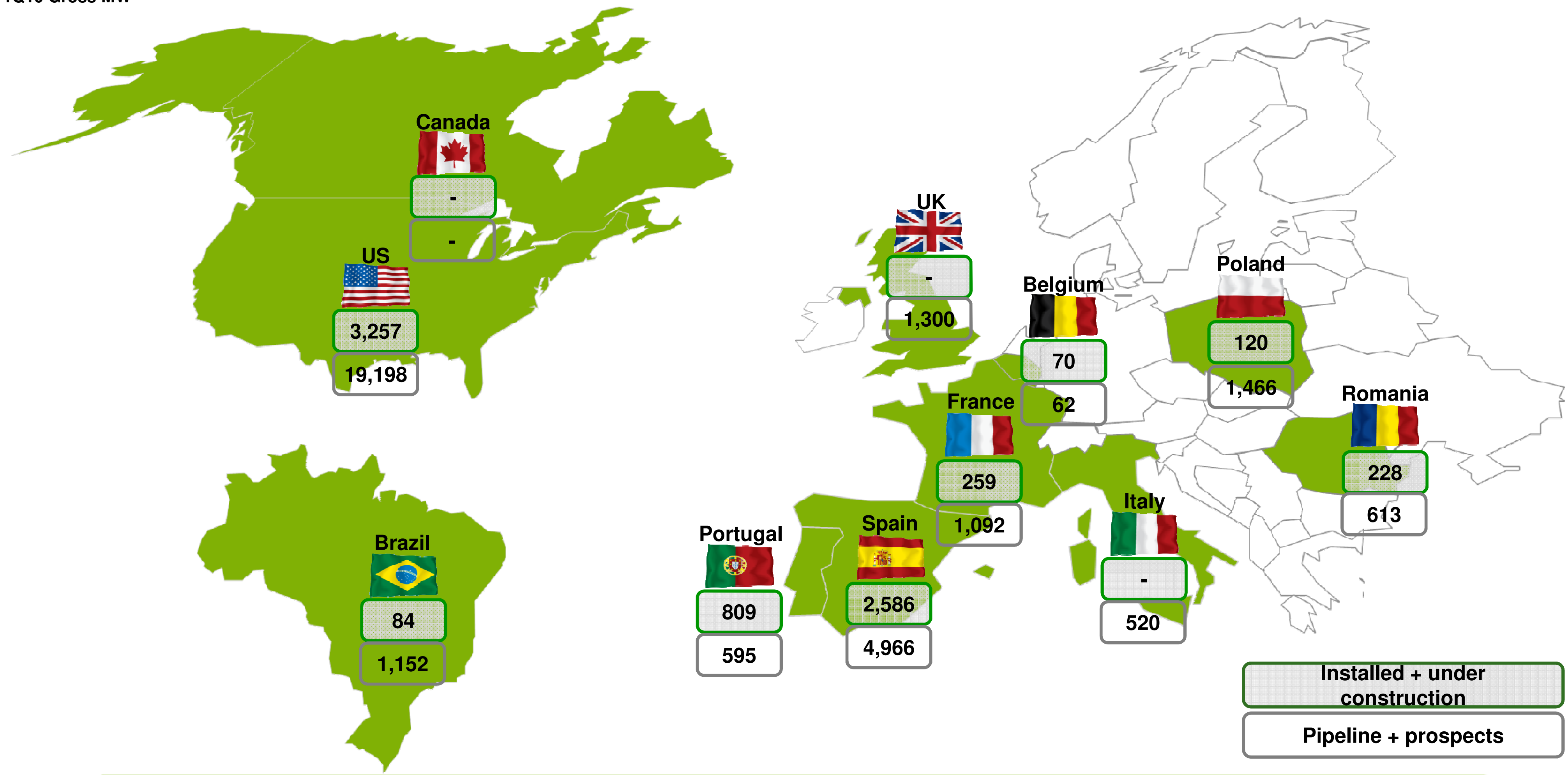
EDPR: #3 wind player worldwide
(MW)



Delivery on growth targets at an average of 1.4 GW/year to become 3rd largest player in the world

...through a selective approach to new markets building a sound portfolio in 11 countries...

1Q10 Gross MW



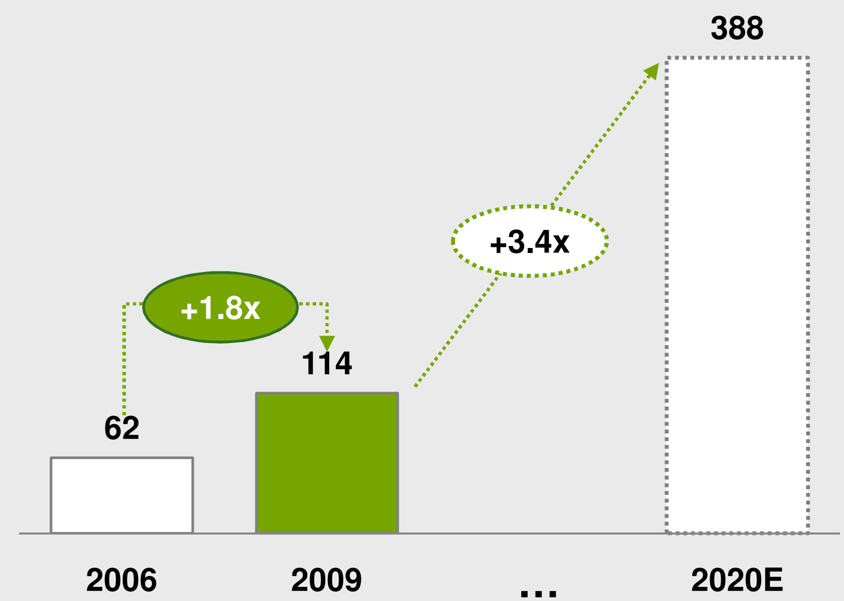
8 European countries, 26 States in the US, Brazil and Canada

...which are determined to promote sustainable growth through renewable technologies

Europe targets set for 20% of energy produced from renewable sources by 2020

US current RPS targets at state level, adding up to 13% by 2020

Wind market in US + EU: target-driven growth (GW)

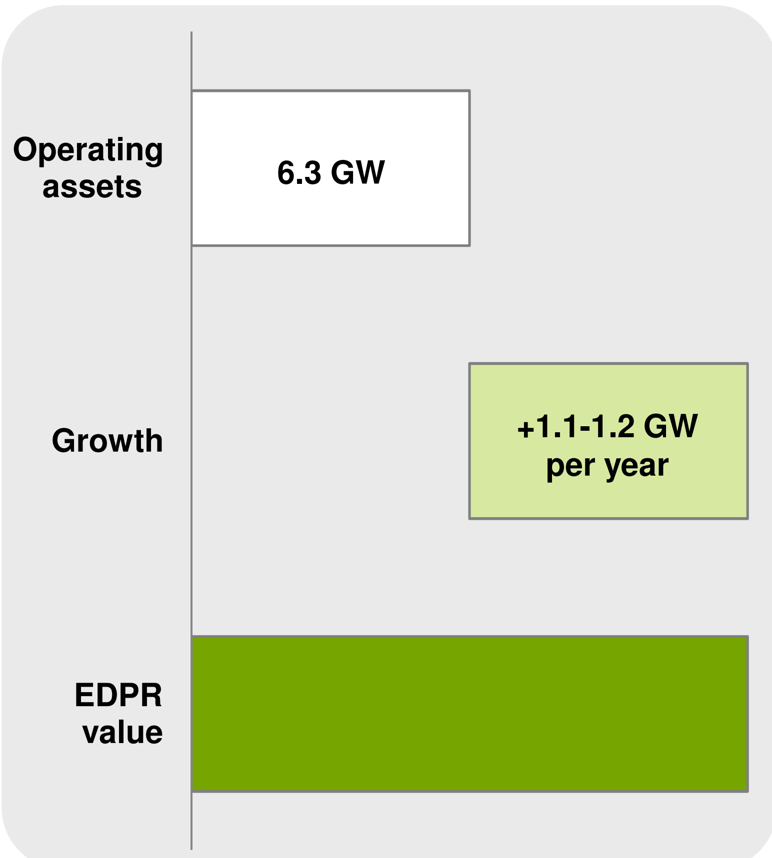


EDP Renováveis grew 2.8x since 2006, outpacing the sector growth rates through 2009

Source: EER Wind Energy Market Forecast; EER US Renewable Policy Index: State RPSs

EDPR actively manages its portfolio through an integrated approach

EDPR's fundamental value



Key value drivers in portfolio management

Stability and visibility

- Maximize long-term visibility on expected return
- Minimize short-term volatility of cash-flow streams

Optionality and Flexibility

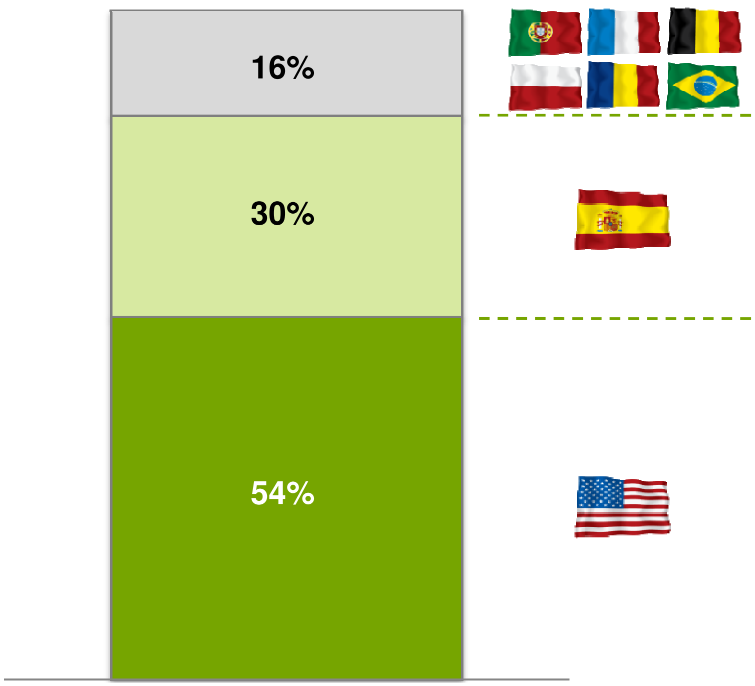
- Maximize optionality to execute
- Maximize flexibility to accommodate growth paces

Integration

- Maximize portfolio's risk / return through integration of growth options with operating assets

EDPR's wind operating assets are under visible remuneration schemes with stable prices for the long-term

2010E EDPR's production breakdown (GWh weighted by revenue source)



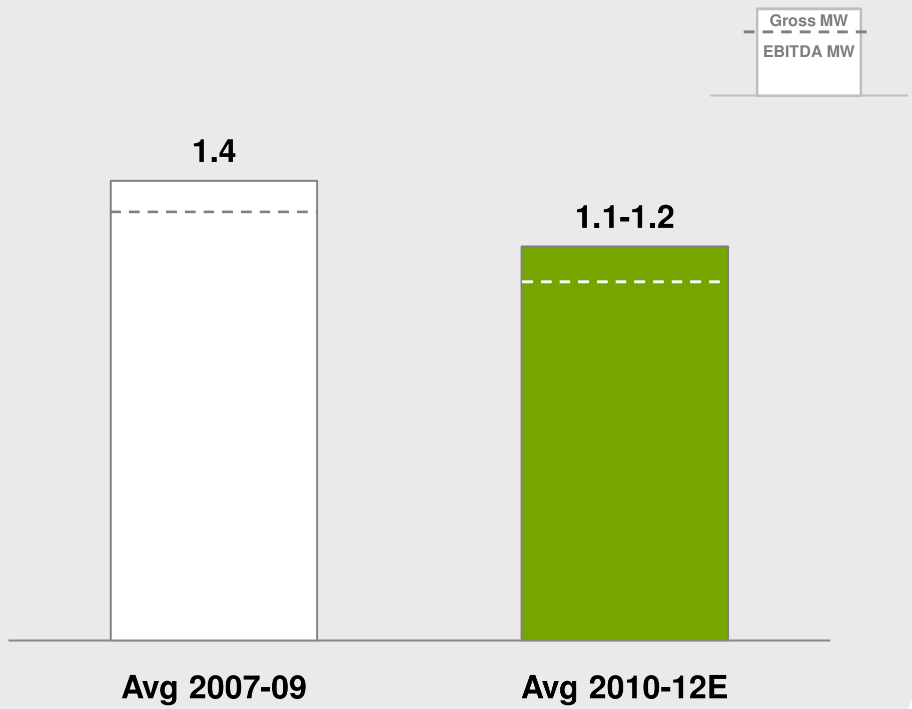
By country

Short-term market exposure	Long-term remuneration view
Limited	Feed-in tariffs + Long-term PPAs
80% of 2010E production already hedged	Floor price for 100% of the capacity post-2012
70% of 2010E production under long-term PPAs for 15 years	Following a low risk approach through long-term PPAs

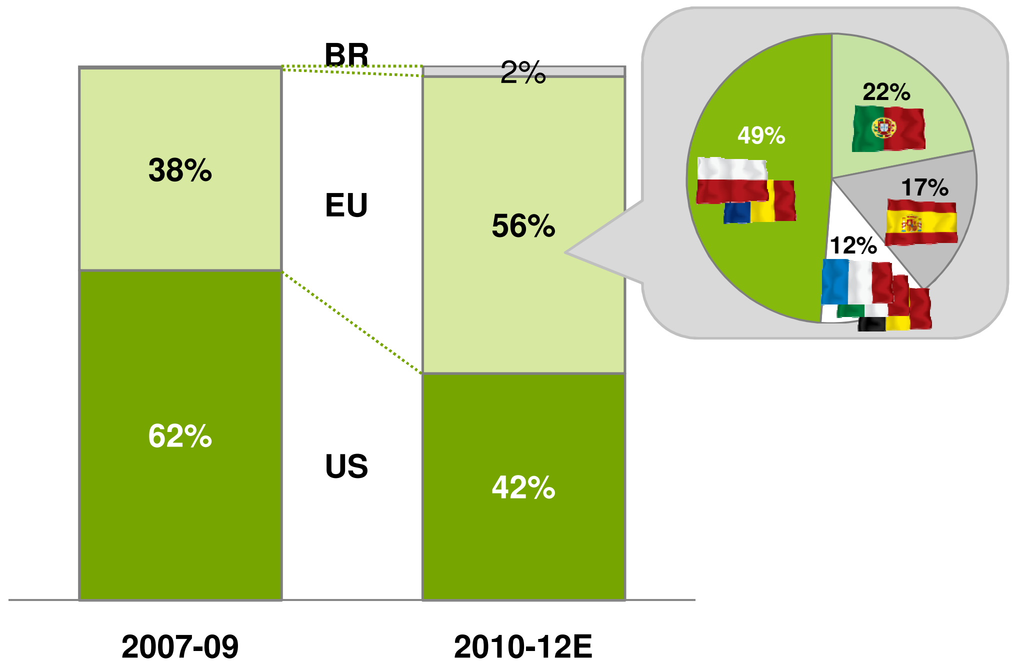
More than 80% of the expected output to deliver stable cash flows in 2010 following an active risk management policy

Adapting the growth pace and taking advantage of optionality to rebalance portfolio mix maintaining the risk profile

EDPR's average annual capacity additions (Gross GW)



EDPR's new additions geographic breakdown (% of EBITDA MW + ENEOP)

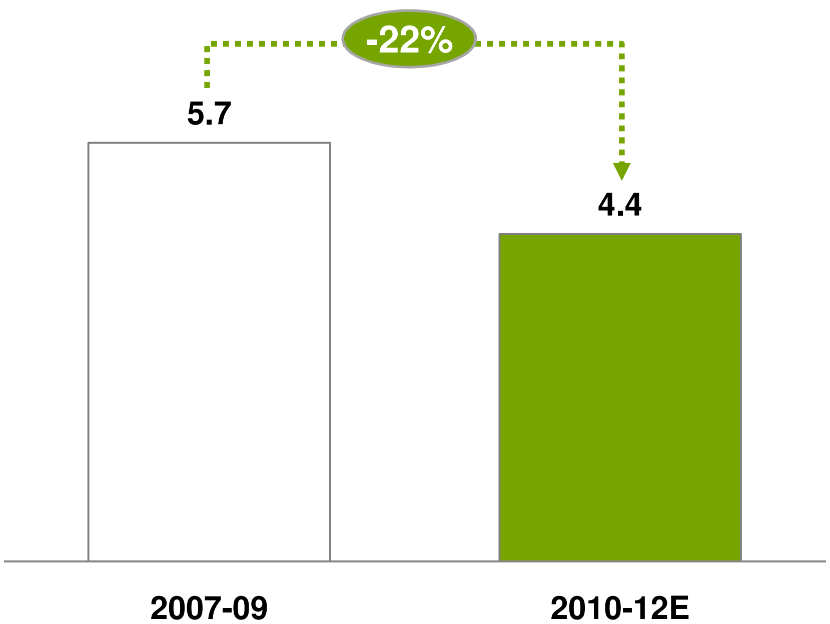


Flexible growth by adjusting the pace to current economic and market environment…

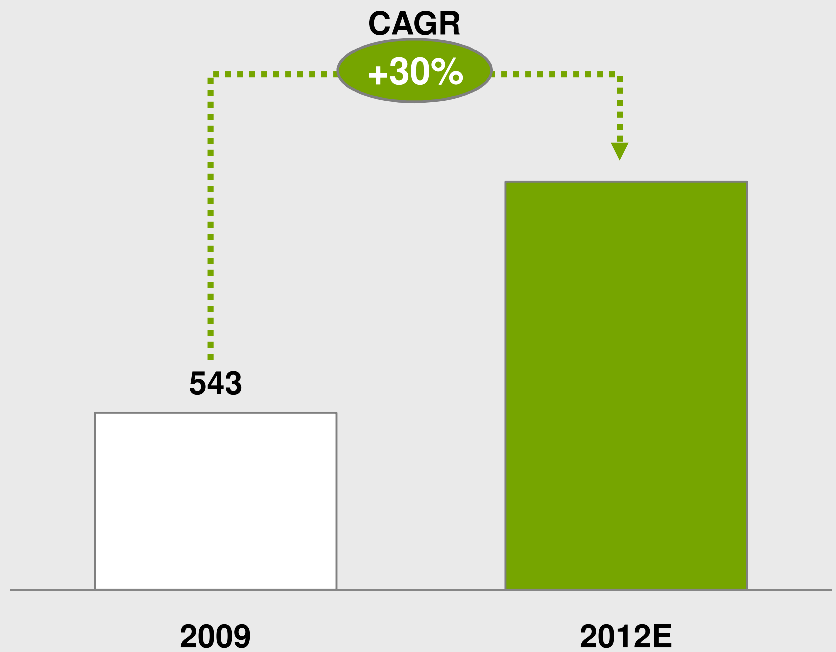
…rebalancing the portfolio to maintain the low risk and high visibility profile of the company

Efficient capex program and a 30% annual EBITDA growth through 2012...

2010-12E Capex plan
(€bn)



2009-12E: EBITDA
(€m)



- Overall reduction of unitary cost of building (-10% in Capex/MW)...
- ...with higher efficiency (-25% in Capex/MWh)

- Ongoing increase of the installed capacity in attractive markets
- Maintaining high efficiency levels and gaining economies of scale

…based on distinctive core competences providing a competitive advantage to EDPR

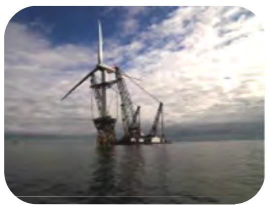
Development	Technical	Procurement	O&M
Track record being applied in 11 countries	Top quality load factors	Long-term procurement strategy	Maintenance of high efficiency levels
Efficient and focused execution Critical local knowledge	 27%  34%	Optimizing costs and selecting best technology Flexibility on time, geography and models	97% in availability ~75% EBITDA margin

Optimizing profitability through efficiency in operations and world class professional teams and assets

Preparing the company to a sustainable long-term value creation

Preparing the company with options to invest in new technologies in the future…

…ensuring a sustainable company in the present

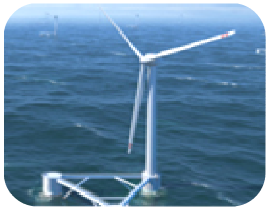


Offshore

Awarded in the UK Round 3 with 1.3 GW in Scotland

Solar

Starting greenfield development of 5 solar projects in Arizona and California (565 MW)



Other technologies

Framework agreement with EDP Inovação for R&D in renewable tech

Stakeholders Value

Number 1 in Reputation among the top listed Portuguese companies

Sustainability Certification

A+ evaluation by the Global Reporting Iniciative (GRI)

Dow Jones Sustainability Index

Strong contributor to EDP's position in the DJ Index

EDPR's business strategy is set to deliver a sustainable and profitable long-term growth

A sustainable growth…

+1.1-1.2GW/year

…based on accretive value…

30% EBITDA CAGR 2010-12E

…at a low and controlled risk

>80% production with no exposure to market volatility

Disclamer

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Introduction

António Mexia
CEO

Dow Jones Sustainability Indexes
Member 2009/10

EDP Investor Day
May 20th, 2010

Capacity to foresee the challenges ahead…

We saw it…

- ***"Supply provides margin and a hedge to the generation business: (1) Margin stability regardless of market spreads pressure (2) Guaranteed volume crucial to manage gas take-or-pays"*** - EDP Strategic Presentation Jul-06
- ***"In a context of short-term overcapacity of energy, liberalised clients will be key to secure generation volumes"*** EDP Investor Day Presentation Jan-07
- ***"Value of hydro increases with intermittent generation weight growth, namely wind"***- EDP Investor day presentation Jan-08
- ***"Tariff Deficit Portugal (€1.7bn): To be monetized in 1Q09"-*** EDP Investor day presentation Nov-08

…we did it.

Anticipation & execution as key elements of success

EDP's strategy proved to be even more adequate

Strategic agenda for 2009-2012 presented in Nov-08:

Controlled risk

1. Manage regulatory agenda to maintain a low risk profile of free cash flow
2. Actively manage exposure to energy markets through hedging strategies
3. Reduce CO_2 emissions through investments in "clean" generation
4. Sound capital structure, with continued improvement in credit ratios

Superior efficiency

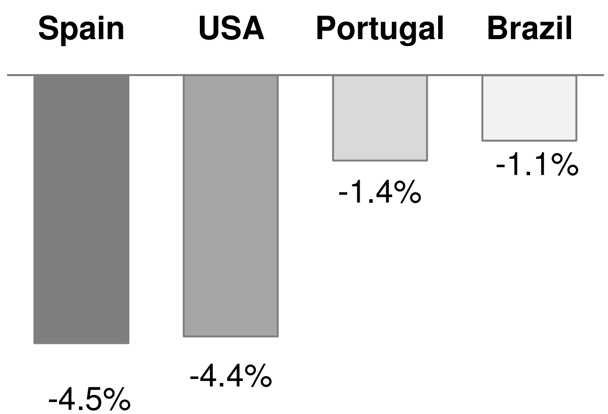
5. Selective investment policy, privileging returns and low risk investments
6. Further enhancing efficiency improvement: All businesses and geographies
7. Promote an integrated culture across all geographies

Focused growth

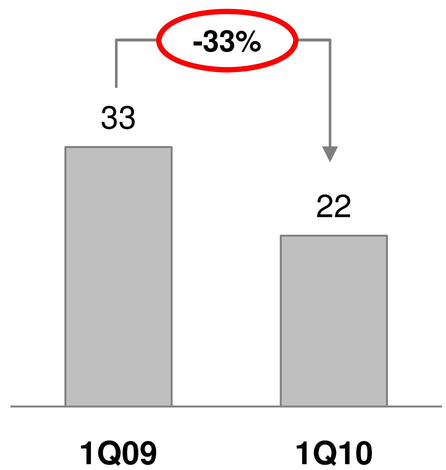
8. Wind: Focus on high return projects and execution of existing pipeline
9. Hydro: Gradual increase of capacity in Portugal by executing current plan
10. Brazil: Execute generation projects; strict analysis of new opportunities

Dealing with tough energy markets

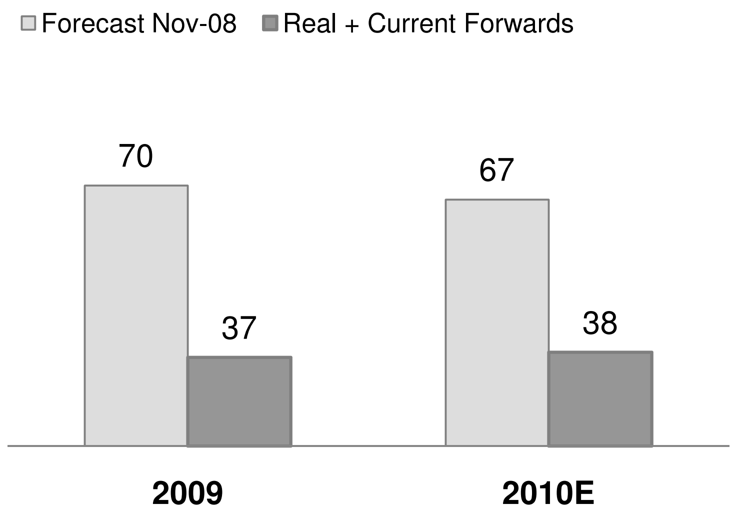
Electricity Demand: 2009 vs. 2008
(Δ%)



Thermal Power Demand Iberia
(TWh)



Pool Price Spain: Forecast Nov-08 vs. Real
(€/MWh)

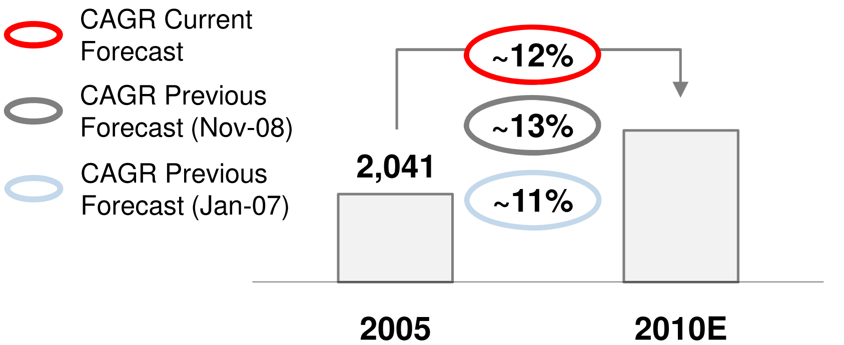


Depressed energy markets in 2009 and 2010-to-date

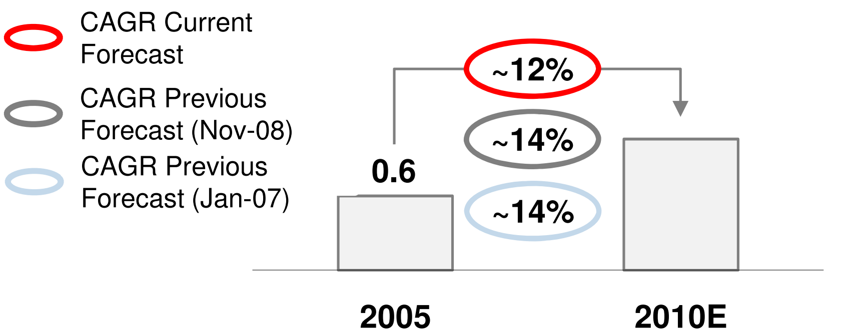
Significant declines in energy demand and power prices vs. Nov-08 forecast

EDP's performance less affected by the adverse energy markets environment

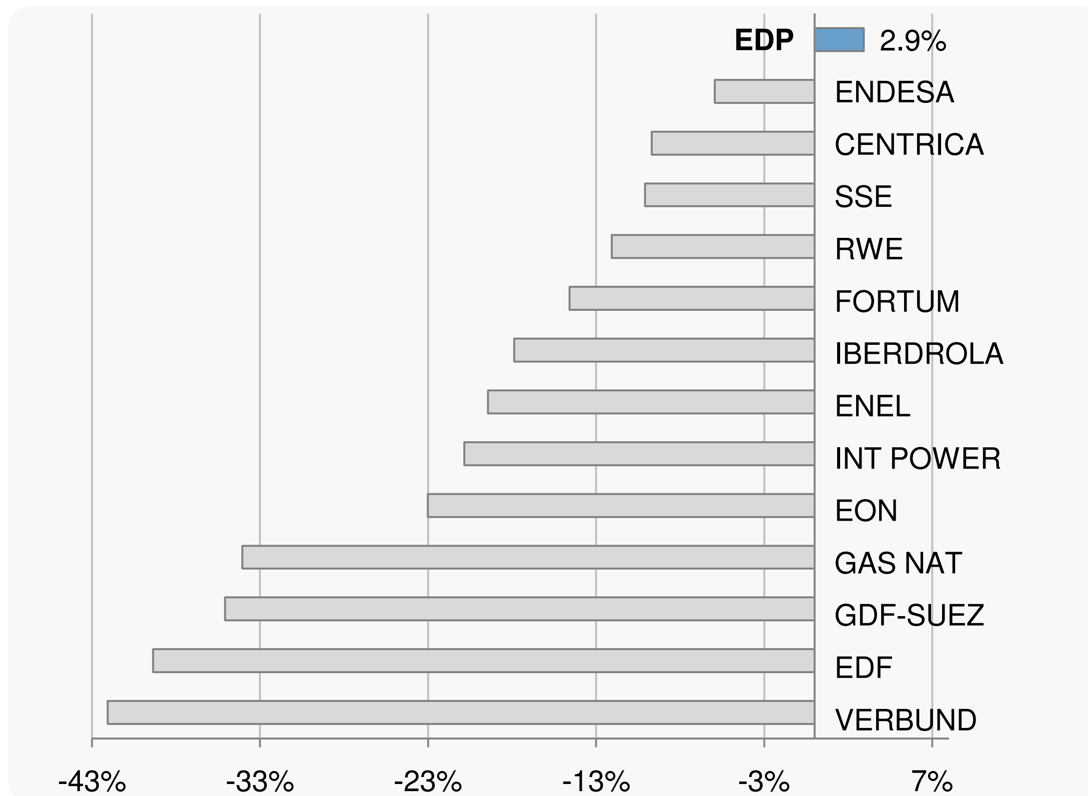
EBITDA
(€m)



Recurrent Net Profit
(€bn)



EPS10E Consensus: Change from Jan-09 to Date (1)
(%)

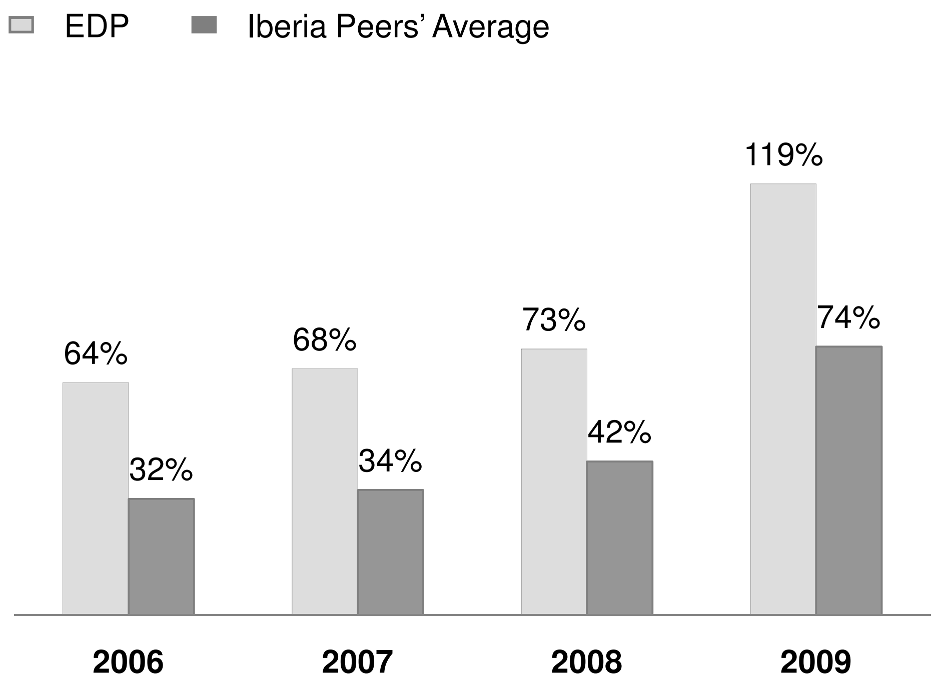


EDP's strategy focused on risk management, efficiency improvement and profitable growth: EDP's current forecasts for 2010 in line with current consensus; No change in dividend policy

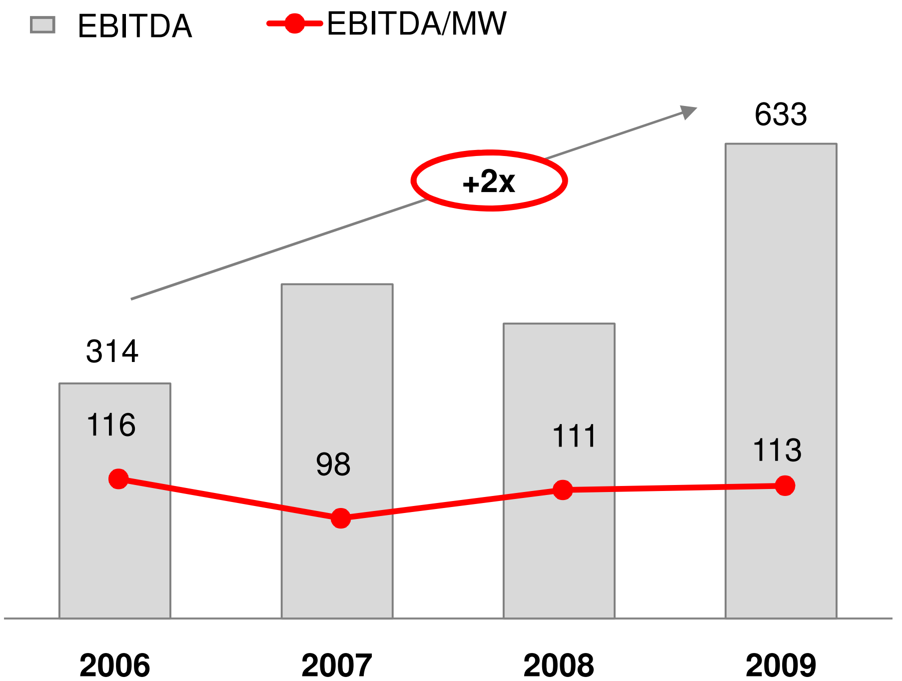
(1) Source: Change of Bloomberg EPS Consensus: May 13th 2010 vs. December 31st 2008

Controlled risk: (1) Hedging Policy

Sales to clients as a % of liberalised generation output



EDP's Liberalised Activities Iberia: EBITDA 2006/09



Hedging = lower uncertainty

Know the clients: build relationships + Fixing of selling prices & fuel costs 6-18 months ahead

Hedging strategy: a key driver for EDP's financial performance, namely in a period of weak energy markets

(1) Electricity generation and supply; (2) Liberalised activities

Controlled risk: (2)
Successful follow up of key regulatory issues

PORTUGAL

- ✓ Securitization of 2008-2009 tariff deficit: forecasts of tariff balance in 2010
- ✓ Ongoing liberalisation process in gas and electricity
- ✓ Electricity distribution: Stable regulated revenues for the 2009-2011 period
- ✓✗ Environmental approvals for new hydro plants

SPAIN

- ✓ End of CO_2 claw-back, replaced by social tariff, end of G4 tariffs and nuclear costs
- ✓ Full liberalisation of clients
- ✗ Tariff deficit: Pending securitisation, system sustainability needs to be reinforced
- ✓✗ Domestic Coal
- ✓✗ Wind: Pre-registration + tariffs after Dec-2012

BRAZIL

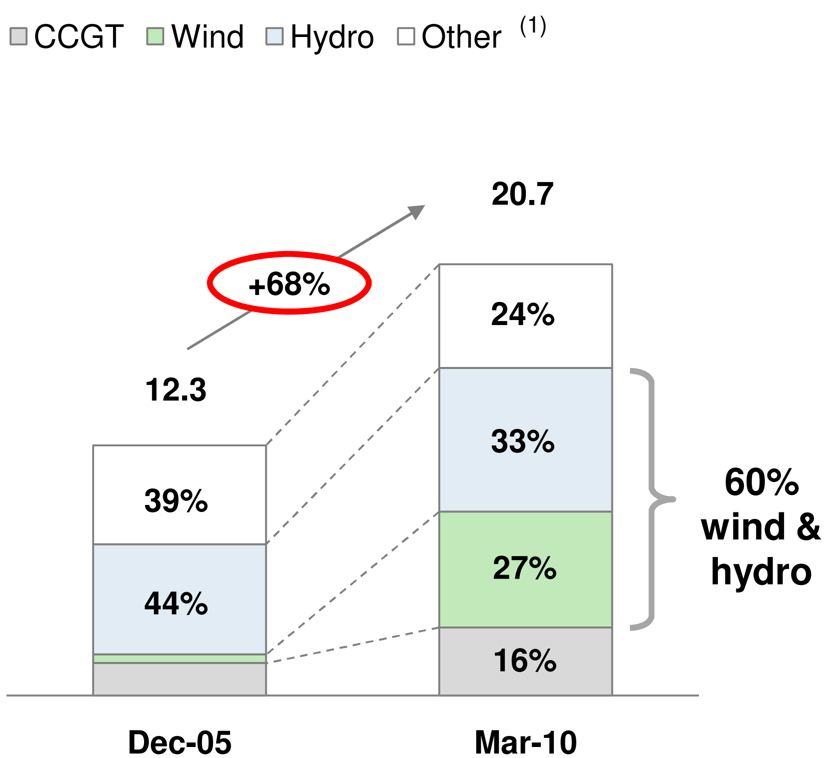
- ✓ Stable regulatory period in distribution

USA

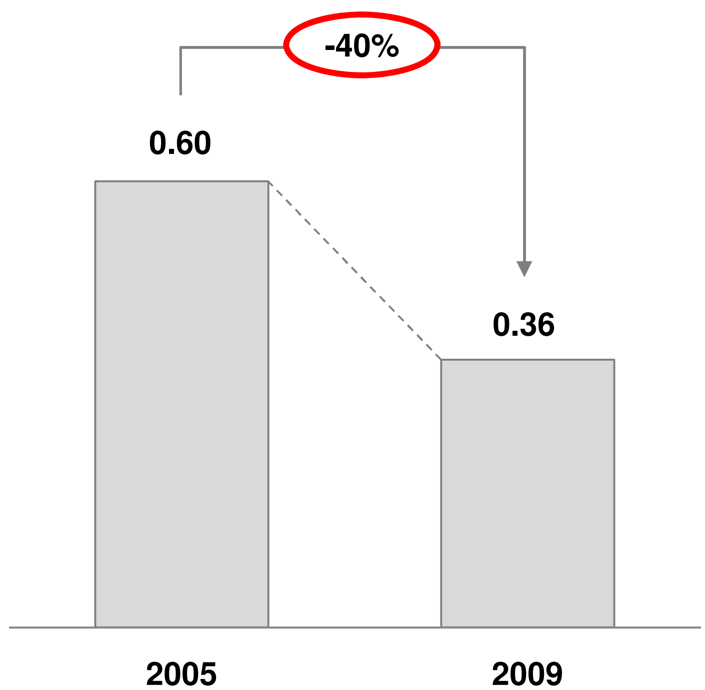
- ✓ ITC/Cash Grant approved and working well
- ✗ Federal RPS and CO_2 cap & trade legislation still not approved

Controlled Risk: (3) Reduction of CO_2 emissions

EDP's total Generation Capacity: Dec-05 vs. Mar-10
(GW)



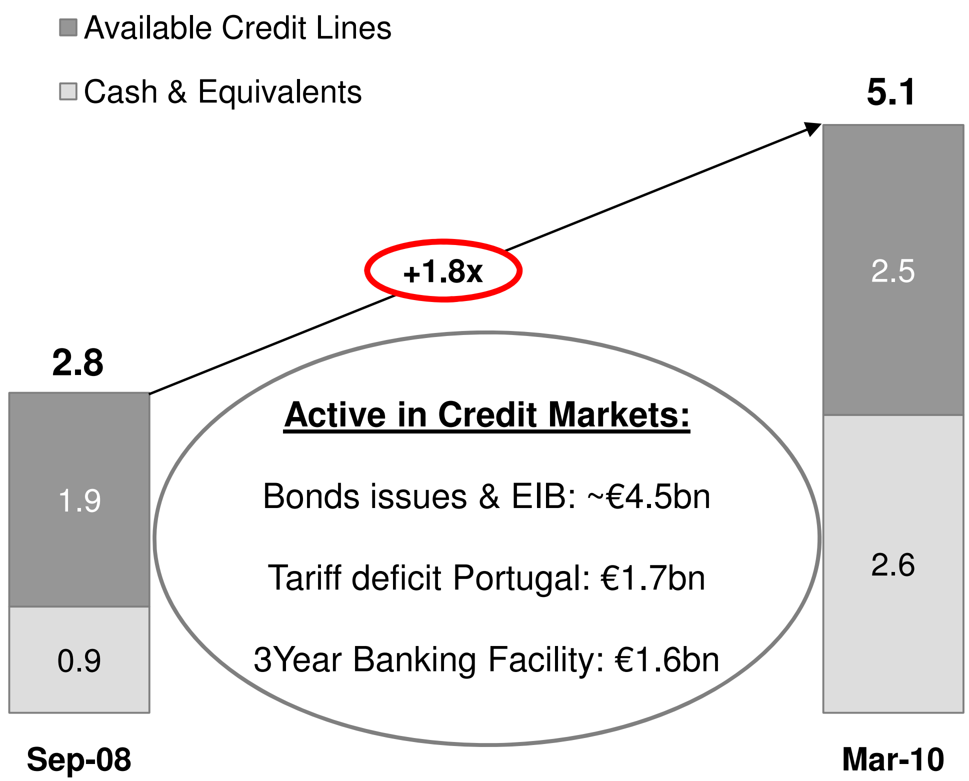
CO_2 Emissions
(ton/MWh)



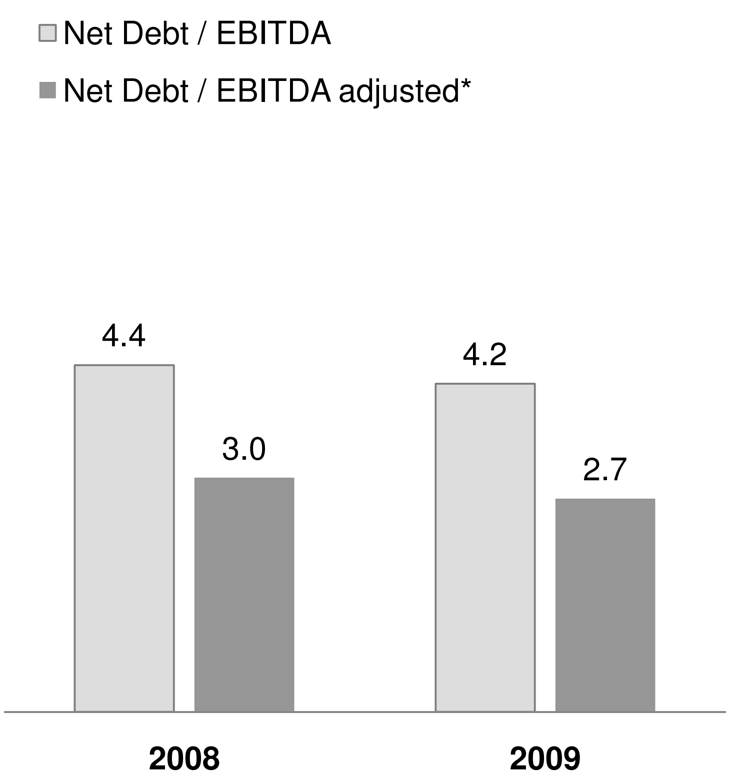
Expansion focused in low CO_2 technologies; Wind & Hydro represent 60% of EDP's capacity
EDP is now well prepared to face the challenges of CO_2 regulation over the next decade

Controlled Risk: (4) Improvement of Financial liquidity & credit ratios

Available Liquidity (€m)



Net Debt/EBITDA (x)



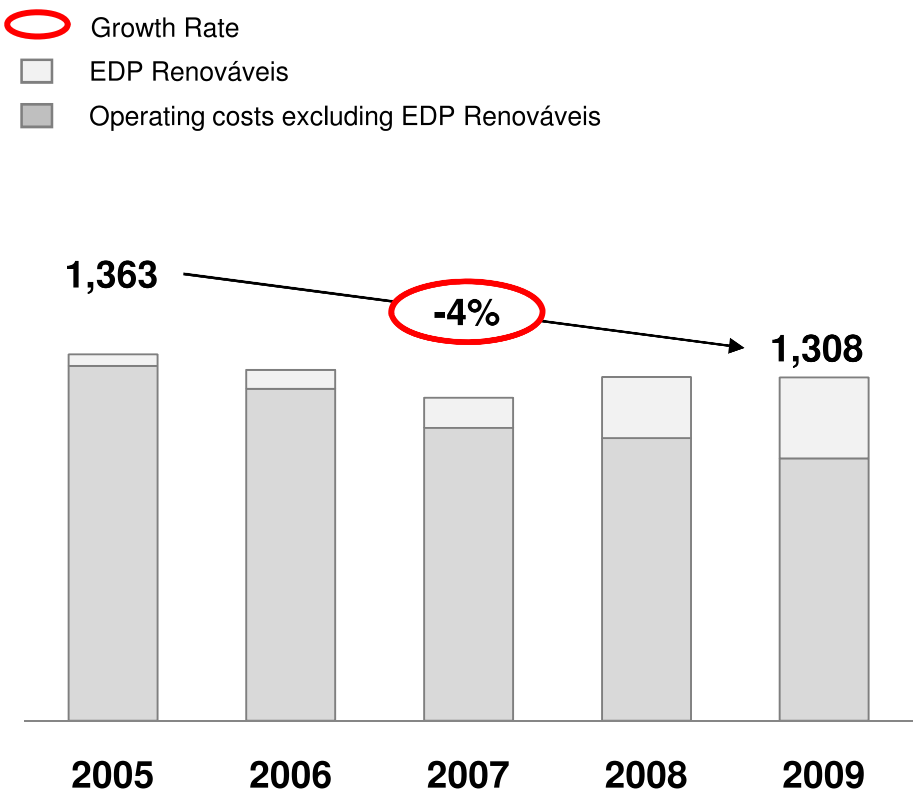
Change in financial liquidity policy following the crisis: Funding secured 24 months ahead (vs. 12m before)

Improvement of credit ratios even considering significant realized investment not yet generating EBITDA

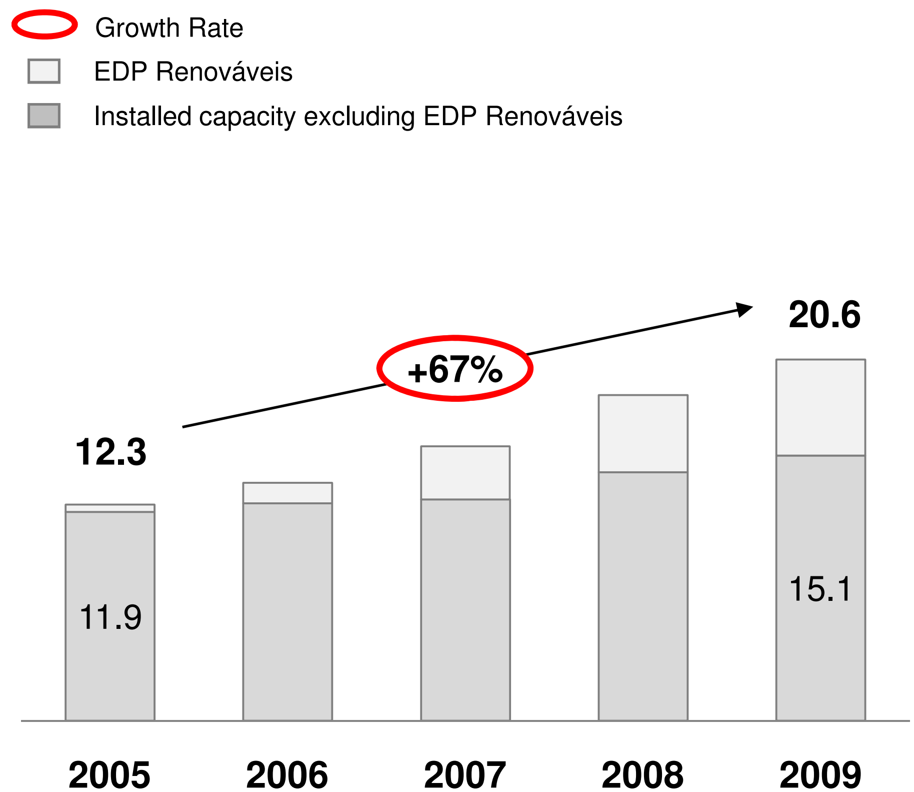
*Net debt adjusted for: (1) regulatory receivables (2) works in progress and (3) €759m payment of hydro domain extension in Portugal

Efficiency: (1) Decline in absolute operating costs in a period of strong expansion of generation capacity

Operating Costs[1]: 2005-2009
(€ millions)



Installed Capacity 2005-2009
(GW)



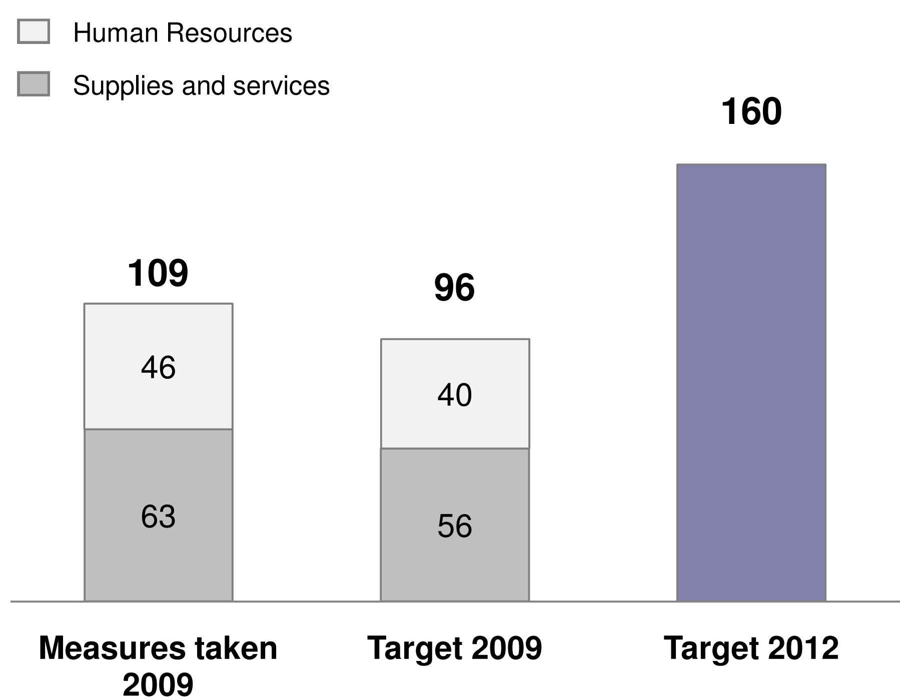
Operating Cost Reduction (S&S + HR): -4% between 2005 and 2009

Installed Capacity: +67% between 2005-2009

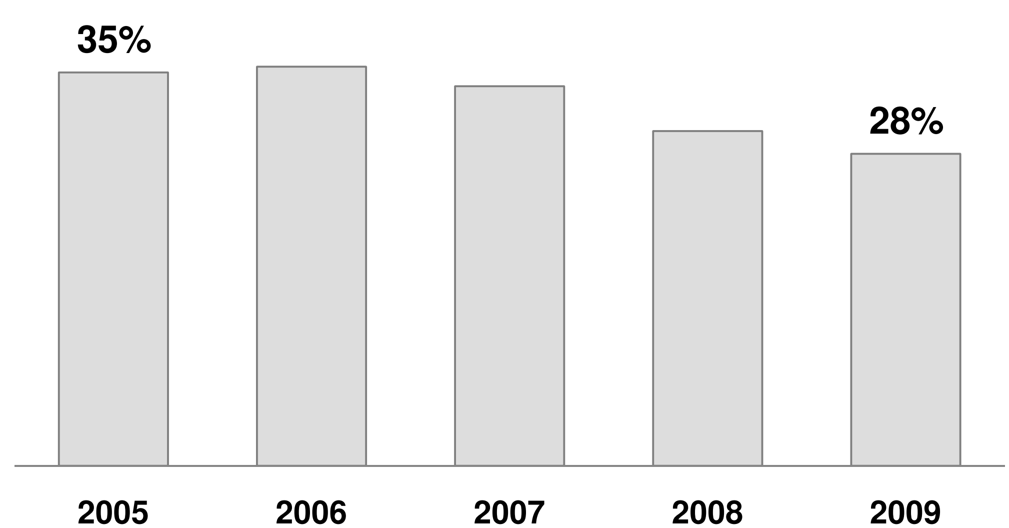
[1] Supplies and services + Personnel Costs

Efficiency: (2) Achieving the lowest Opex/Gross Profit ratio among Iberian peers

Efficiency Program 2008-12 annual savings [2]
(€ million)



Opex/Gross Profit: 2005-2009



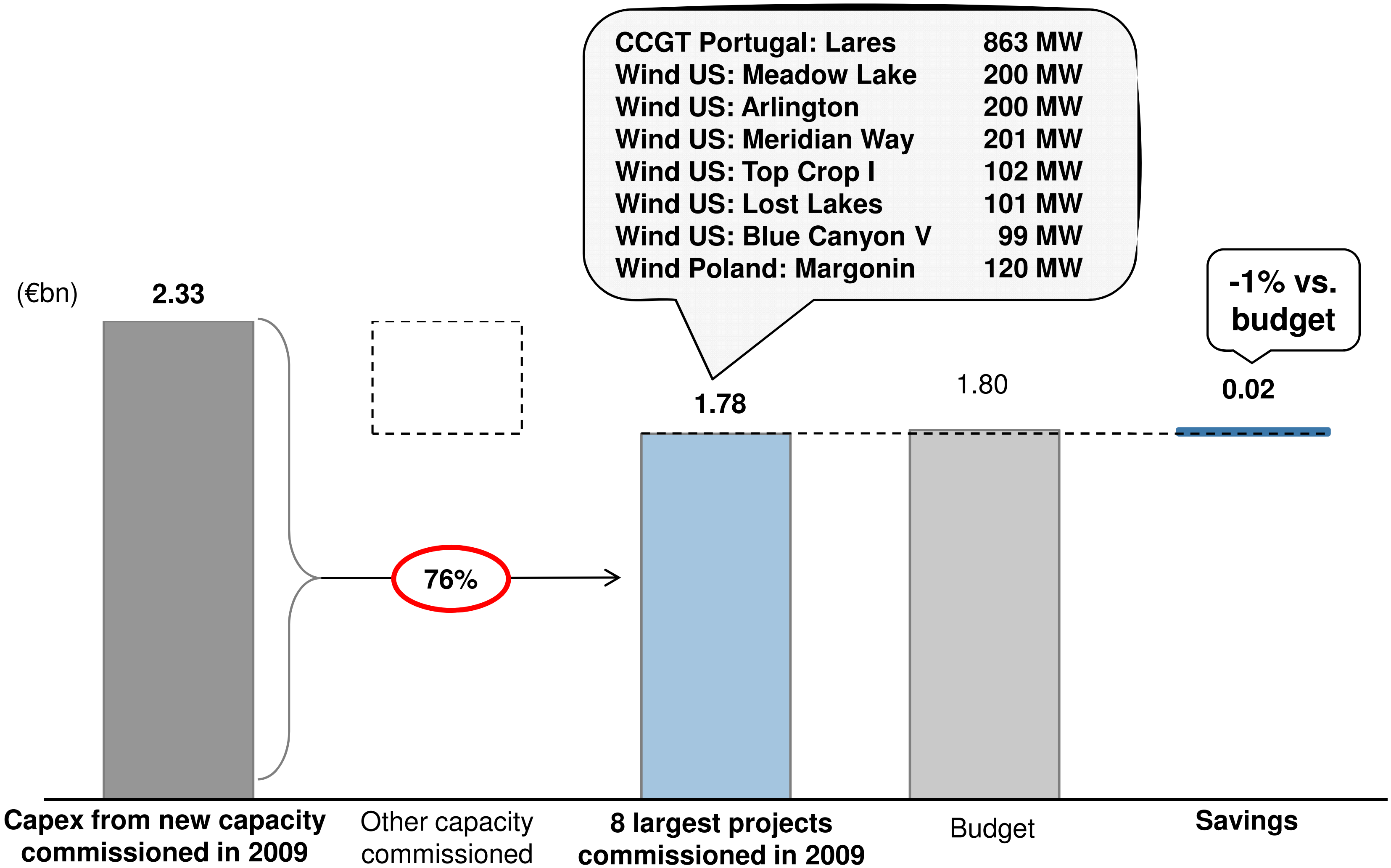
€109m cost savings achieved in 2009:
14% above an already ambitious target

Strong efficiency effort in 2005-2009
Reaching the lowest Opex/Gross Profit ratio among Iberian peers in 2009

(1) Personnel Costs & Social Benefits + Supplies & Services ex HR restructuring costs

(2) Savings measured regarding the 2007 cost base

Efficiency: (3) Delivery of new capacity on time and at cost



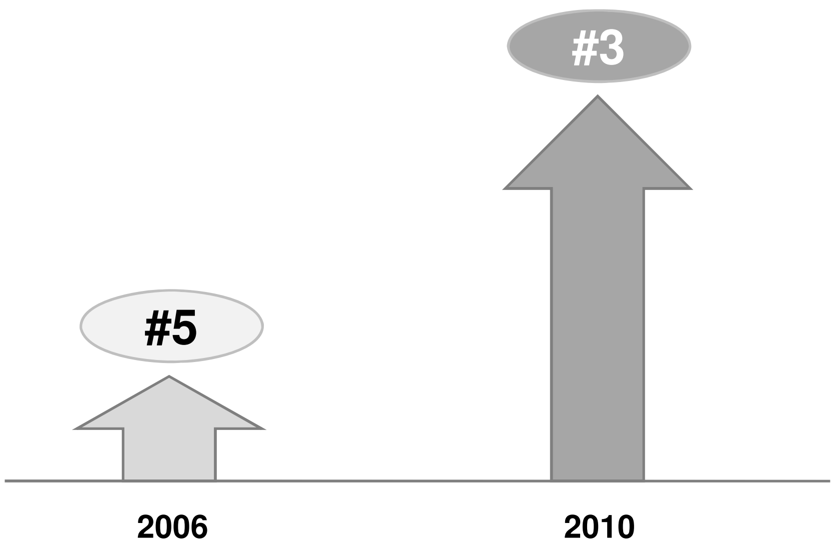
Timing, cost & quality of development: Even more relevant in a period of strong organic growth

Growth (1):
Creation of # 3 worldwide player in wind power

Identification of competitive advantage for EDP: Early mover, internal know-how, scale

Business with attractive returns, low risk profile, key growth drive in power sector, reduces exposure to CO_2

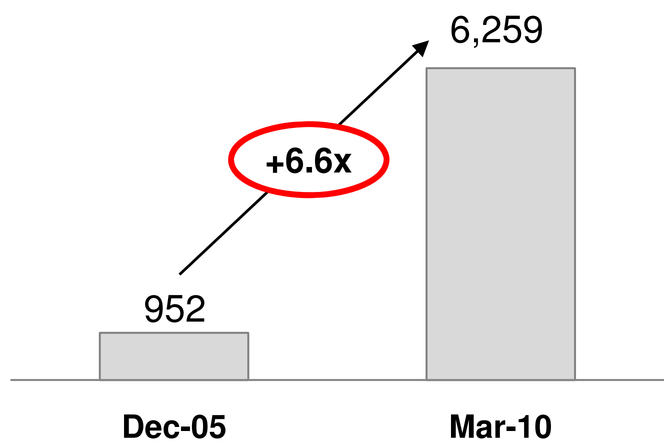
EDPR: #3 Leader in the Sector
(World ranking by net capacity)



operations in Portugal and Spain

8 European countries, 26 states in US, Brazil and Canada

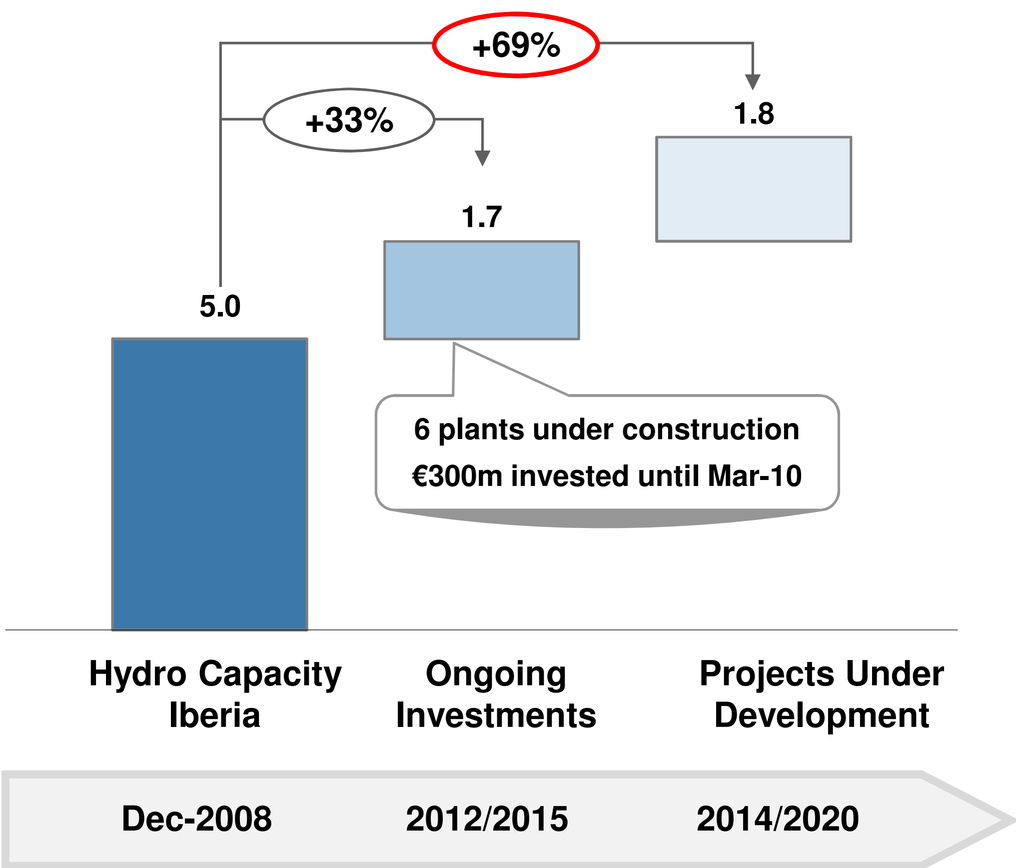
Wind Power Installed Capacity
(Gross MW)



- **Flexibility:** No attachment to a single turbine manufacturer; several market options.
- **Risk management in energy markets**: restricting risk in EDP Group as a whole

Growth (2): #1 Hydro Developer in Europe

EDP's Investment Plan in Hydro Portugal
(GW)



Developments since 2008:

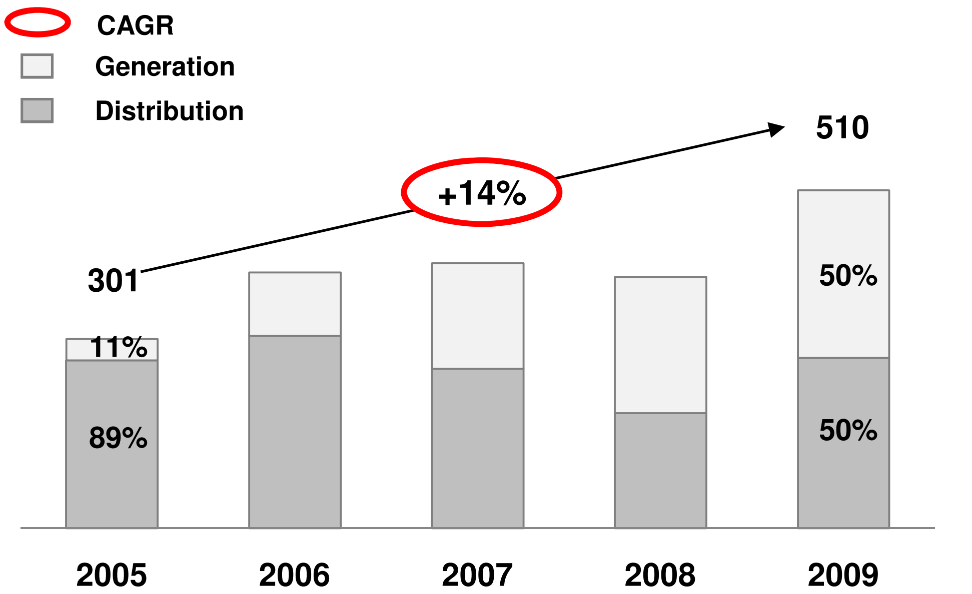
- **Plants which started construction:**
  Ribeiradio (Nov-09)
  Venda Nova III (Jan-10)
- **Environmental permits advancing:**
  Foz Tua
  Alvito
  Fridão
- **Other plants in awarding process**

Increase of volatility in electricity prices due to more renewables in the system:
Reinforcement of attractive return prospects on EDP's new hydro projects

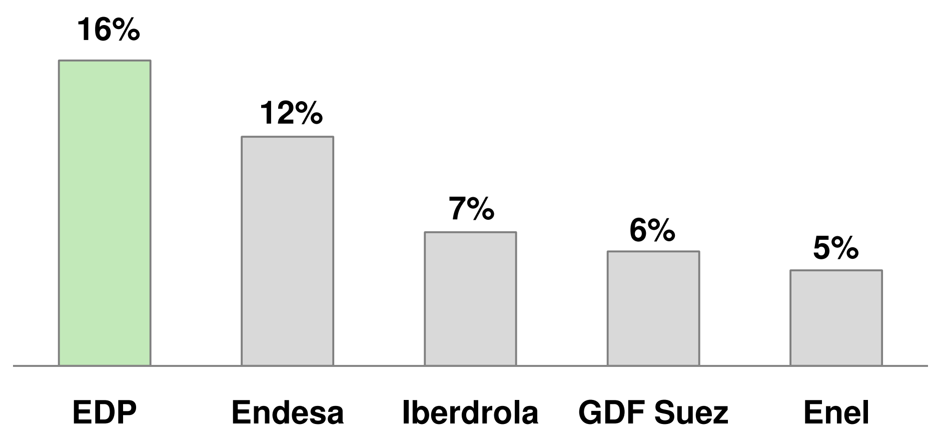
(1) Average year; (2) Projects with pumping: output net of pumping is 30GWh in Alqueva II ,230GWh in Baixo Sabor and and 17GWh in Venda Nova III

Growth: (3) Higher weight of a strong growth market

EDP Brasil: 2005-2009 EBITDA(1)
(€ million)



European Utilities: Weight of Brazil on EBITDA 2009(2)



- Significant efficiency improvements in distribution
- Growth in generation: strict investment criteria
- More balanced portfolio distribution vs. generation

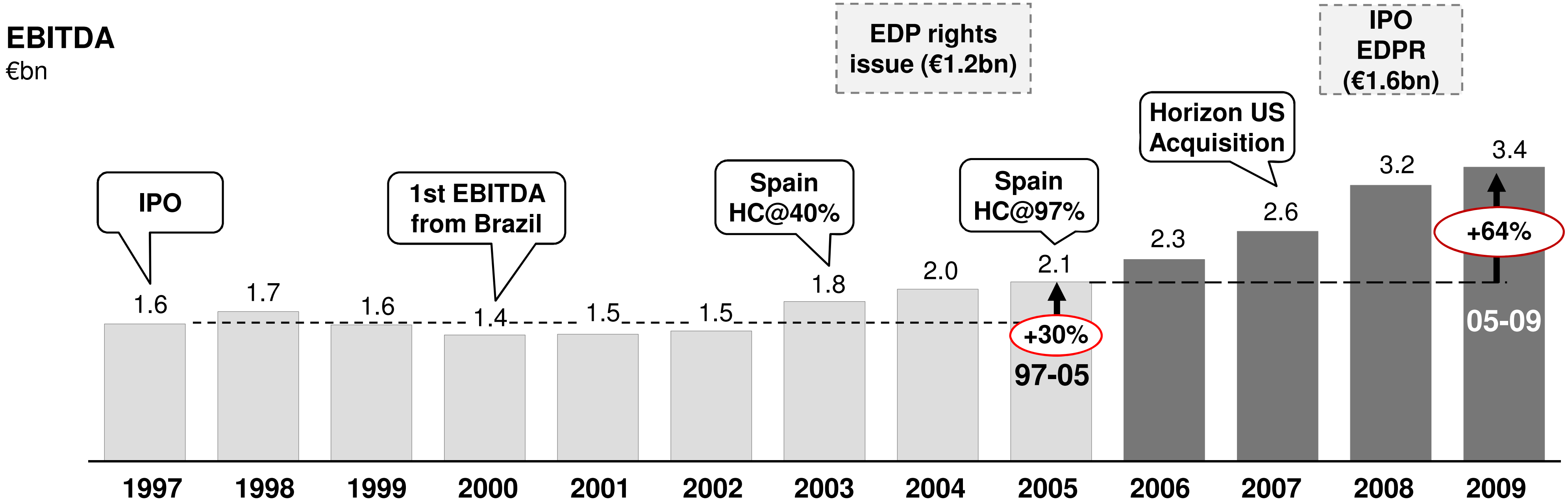
15 year presence in Brazil, provides an attractive source of growth and diversification in EDP's business portfolio

Brazilian macro and market environment distinct vs. EU and US
EDP is the European utility with more Brazil in its business mix

* Figures in Brazilian GAAP which excludes the impact from tariff deviations in distribution

(2) Source: Companies' public data

EDP's growth accelerated in 05-09



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
EBITDA Outside Portugal (%)	0%	0%	0%	8%	7%	10%	18%	19%	46%	44%	51%	49%	52%
Installed Capacity (TW)	7.5	7.5	7.5	8.4	11.0	11.1	11.5	11.7	12.3	13.6	15.7	18.6	20.6
Dividend per share (€cent/share)	0.13	0.14	0.14	0.14	0.11	0.09	0.09	0.09	0.10	0.11	0.125	0.14	0.155

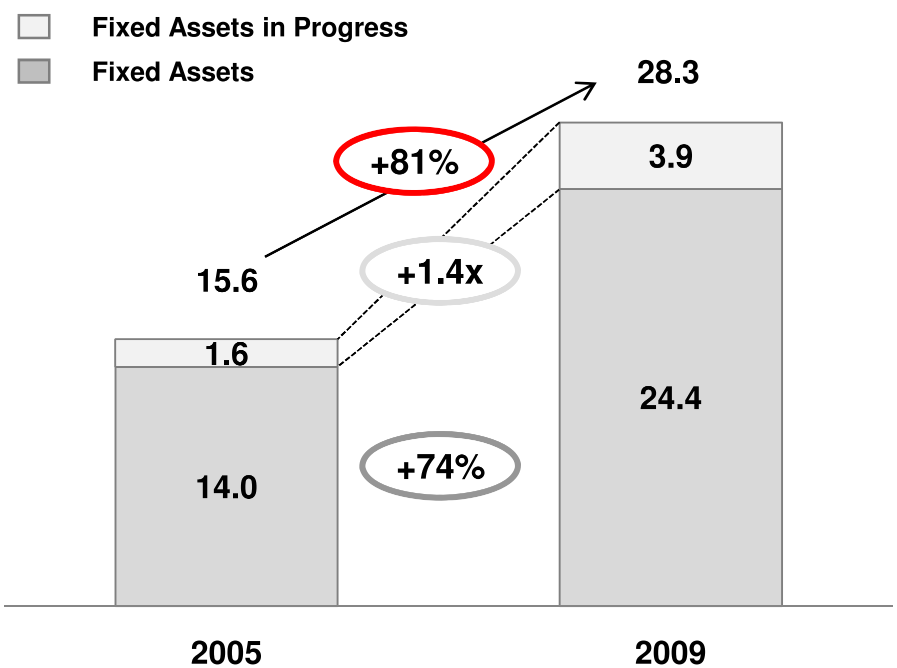
+13%

+67%

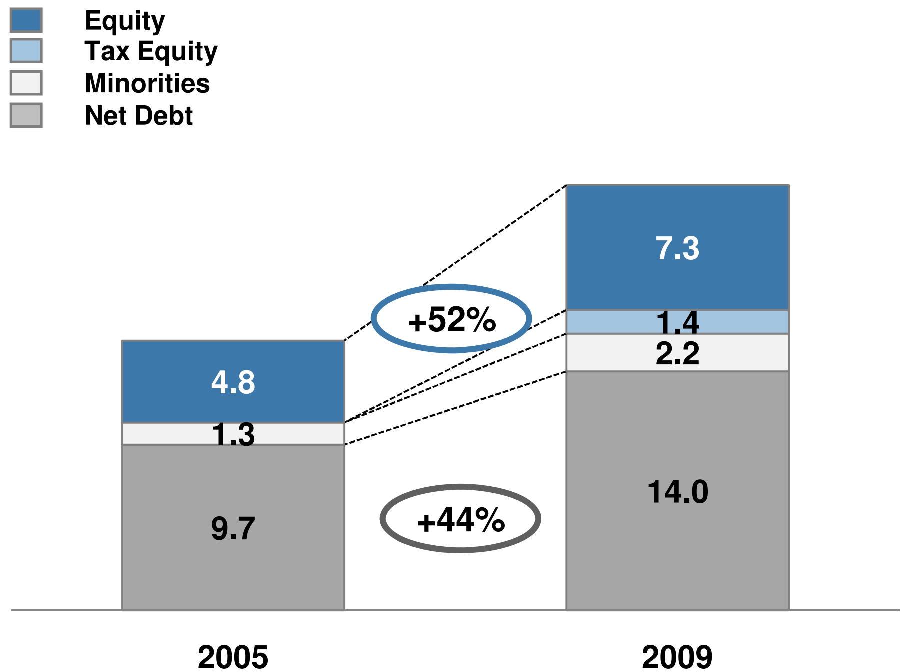
+55%

Almost doubling asset base with a balanced capital structure…

Assets
(€ bn)



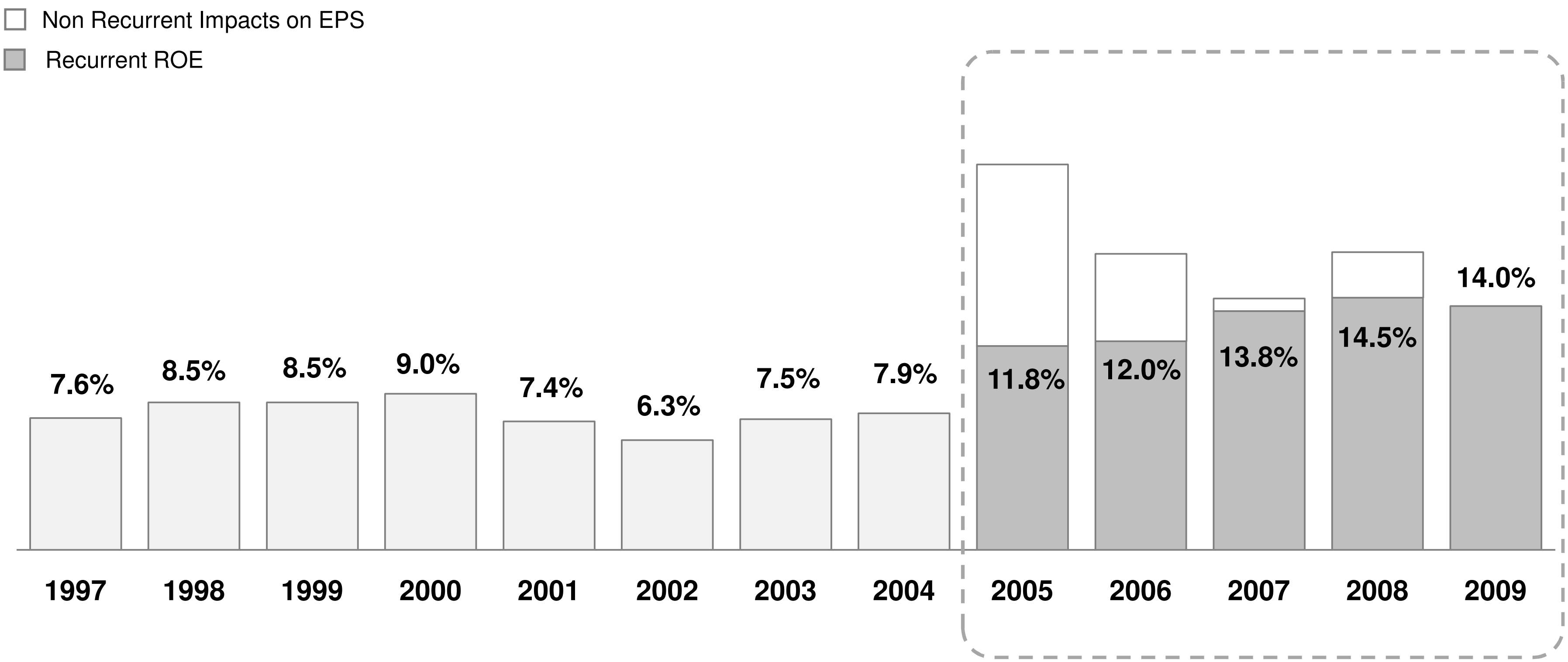
Equity and Liabilities
(€ bn)



- **Asset base: +64% increase on installed capacity, works in progress more than doubles;**
- **Balanced growth of equity vs. net debt, support strong asset base increase;**

...continued improvement of shareholders' return...

EDP's Return on Equity: 1997-2009
(%)



No capital increase since 2004

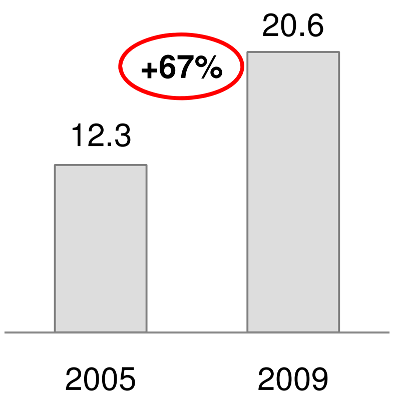
Shareholders' equity increased 50% in 2005-2009

€2.3bn of dividends paid in 2006-2010 (€0.63 per share)

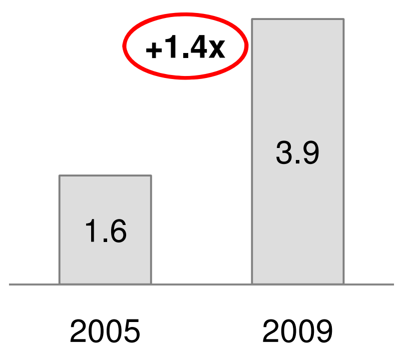
...turning EDP into a distinctive company

EDP 2005 vs. 2009

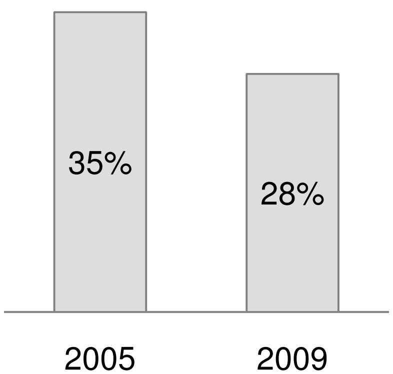
More Power…
Installed Capacity (GW)



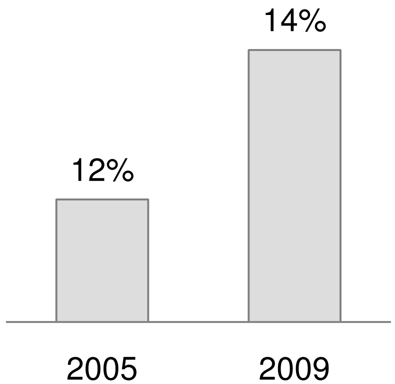
More Investment in Future…
Works in Progress (€bn)



More Efficient…
Opex/Gross Profit (%)

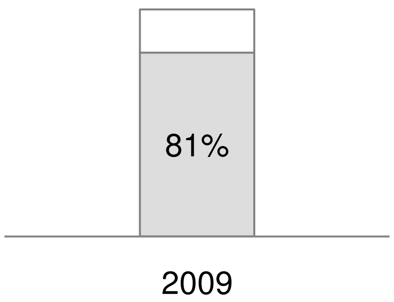


More Profitable…
Recurrent ROE



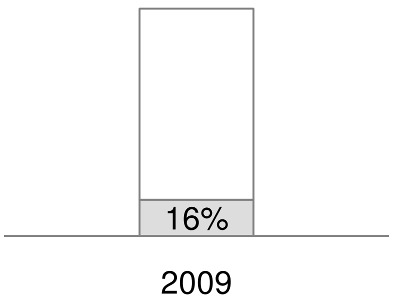
EDP 2009 vs. Utilities Average

Lower Merchant Risk…
% Regulated + LT Contracts

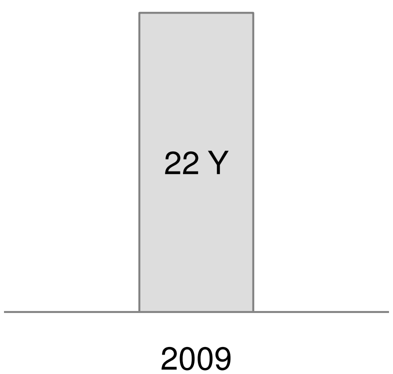


Cleaner…
%Wind and Hydro (GW)

More Growth Markets…
% Brazil EBITDA

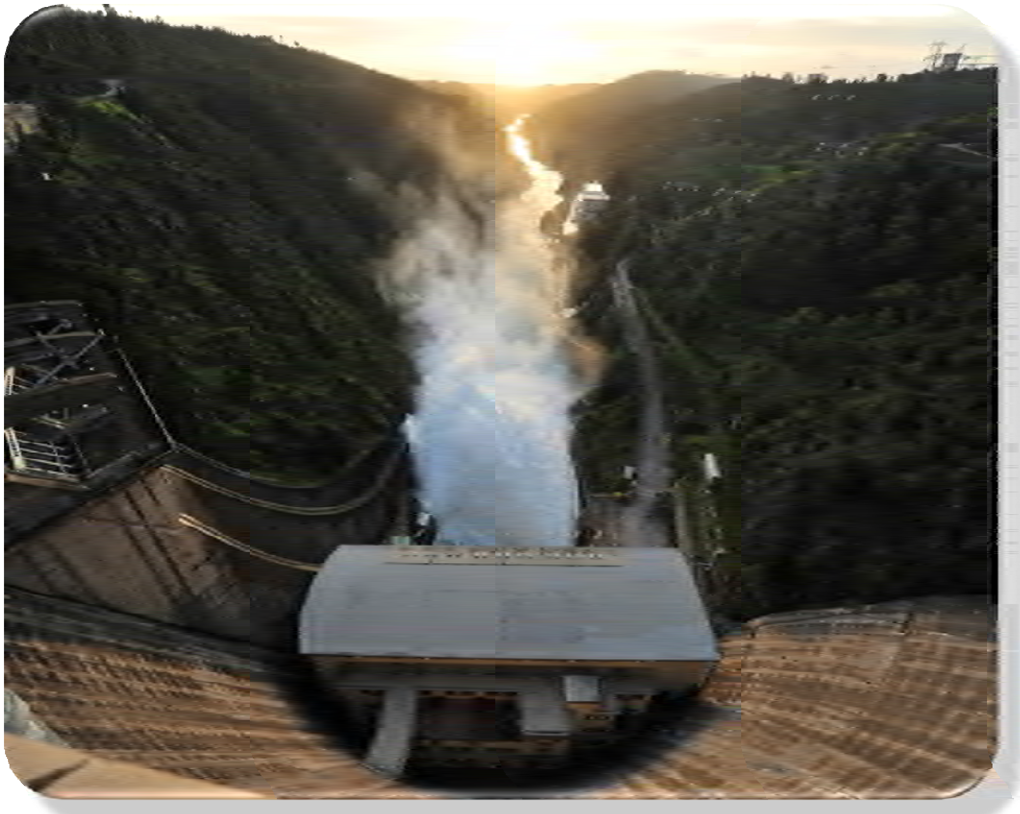


Longer Asset Life…
Avg. Residual Life Plants



Agenda of the day

Introduction	*António Mexia, CEO*
Iberian Market Context	*Pedro Ferreira, Head of Energy Planning*
Iberian Generation & Supply	*João Manso Neto, Generation Iberia COO*
Iberian Regulated Energy Networks	*António Martins da Costa, EDP Board Member*
Energy Supply Short-medium Term Challenges	*Jorge Cruz de Morais, EDP Board Member*
Coffee Break	
EDP Renováveis	*Ana Maria Fernandes, EDP Renováveis CEO*
EDP Brasil	*António Pita de Abreu, Energias do Brasil CEO*
Consolidated Financials	*Nuno Alves, CFO*
Conclusions	*António Mexia, CEO*
Lunch	



Iberian Market Context

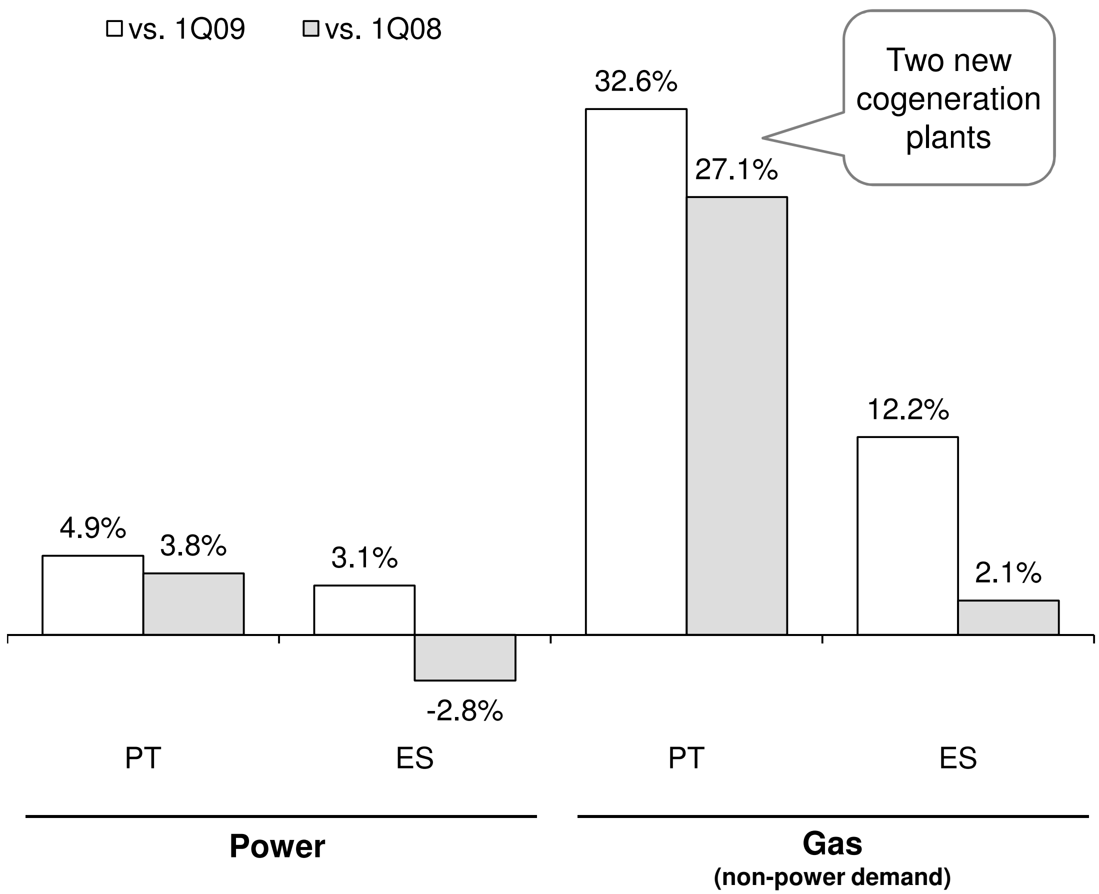
Pedro Neves Ferreira
Energy Planning

Dow Jones Sustainability Indexes
Member 2009/10

EDP Investor Day
May 20th, 2010

Iberian power and gas demand is showing signs of recovery, and power demand expected to grow at ~1.5%/year post 2010

Demand showing signs of recovery
% growth



Medium term outlook for power demand

- 2008 levels fully recovered by 2010 in Portugal and by 2011 in Spain
- Energy efficiency expected to slow growth to ~1.5%/2% a year in the medium term

Sources: REN, REE, ENAGAS, OMEL

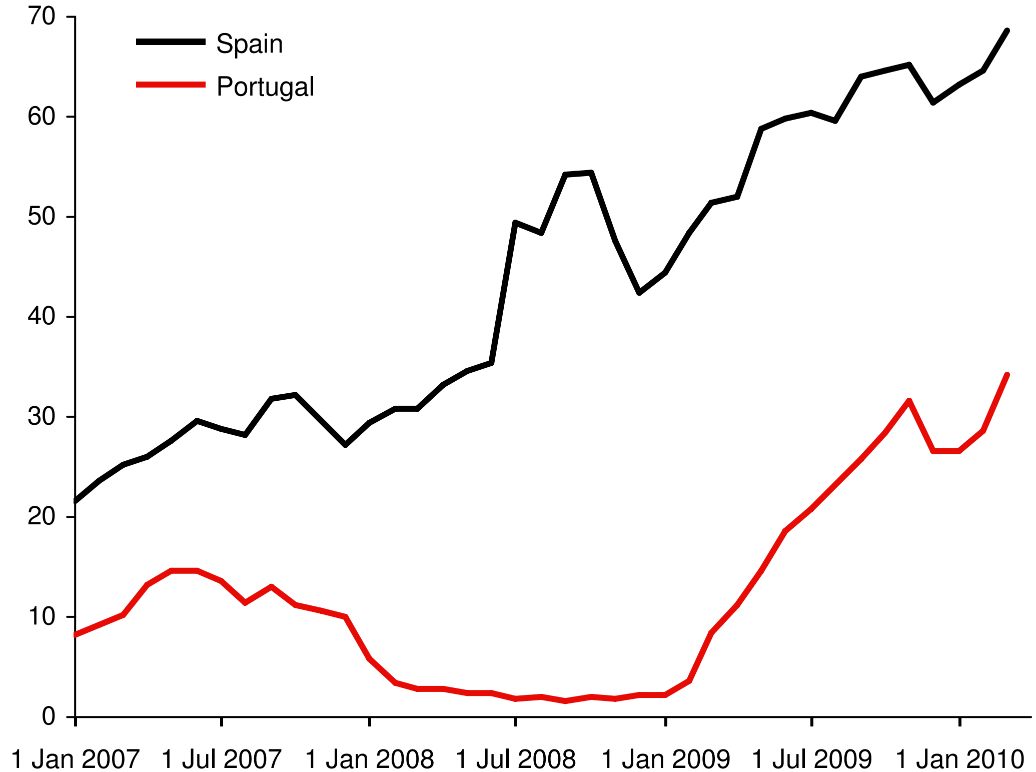
Retail is fully liberalized in Spain and rapidly progressing in Portugal

Liberalization calendar

	Spain	Portugal
Electricity	• End of tariffs since 01/07/09 • Tariff of last resort for LV clients <10 kW	• Regulated tariffs still in place (end by 2011?) • Sufficient head-room to grow free retail
Natural gas	• End of tariffs since 01/07/08 • Tariff of last resort for clients <50 MWh/year since 01/07/09	• End of tariffs for clients >10 km^3/year as of 01/07/10

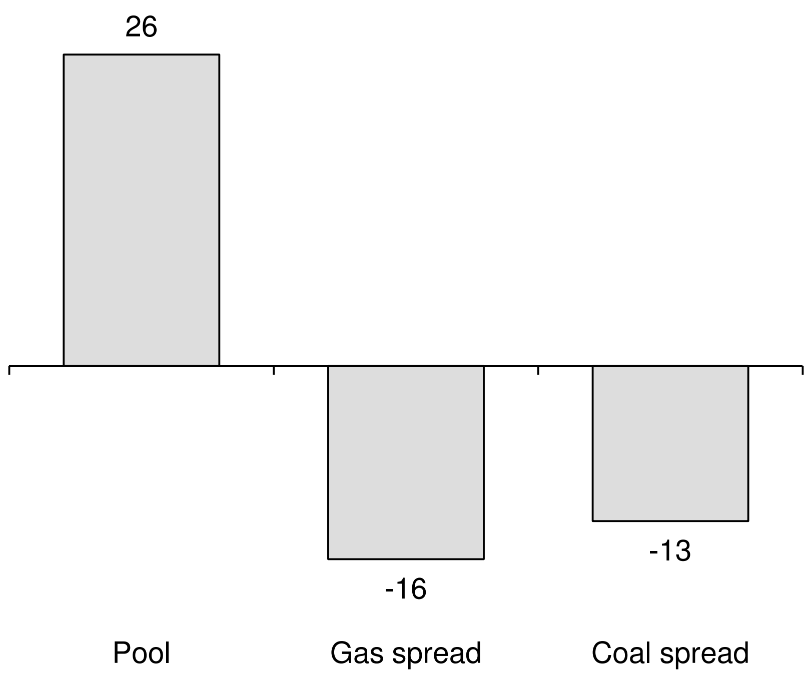
Share of liberalized retail business for electricity

%

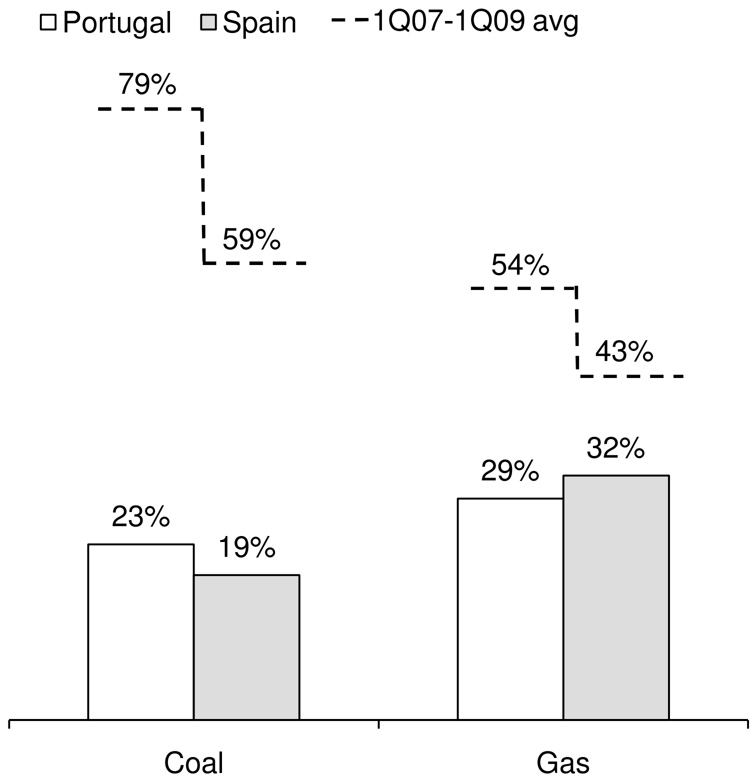


Still, current Iberian wholesale market context is challenging

Low pool prices, below thermal gen. costs
€/MWh, 1Q10



Low thermal load factors
%, 1Q10

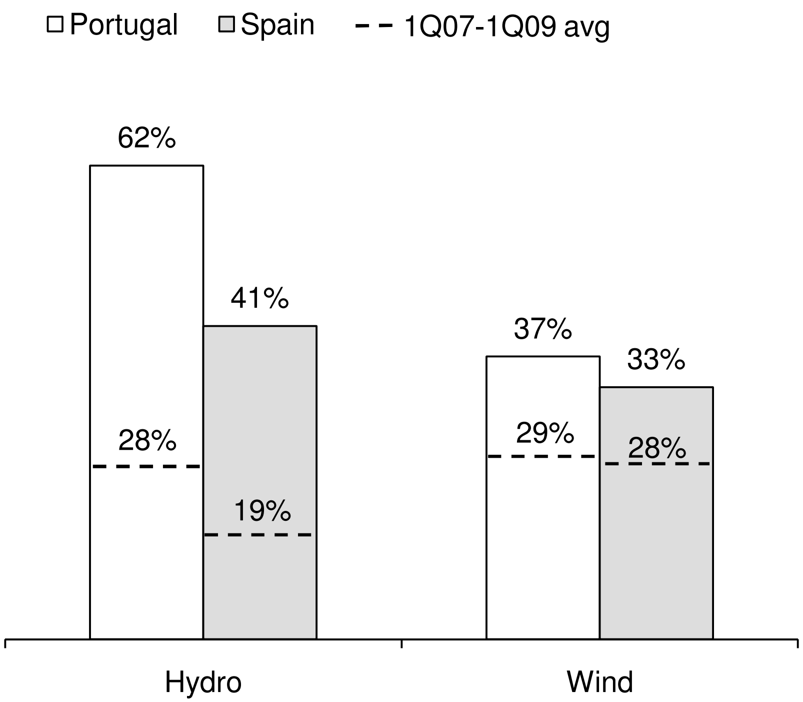


- **Hedging strategies strongly mitigate impacts to agents**
- **Recovery expected by 2012 (pool 50-55 €/MWh and gas load factor ~35%)**

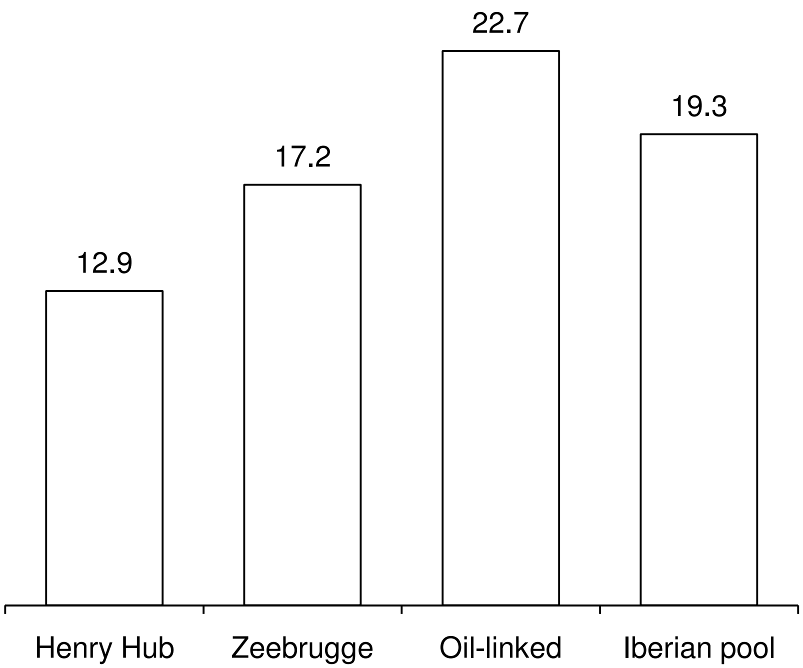
Sources: OMEL, Reuters, P48

This scenario is caused by short/medium term factors, such as high wind and hydro generation and gas oversupply

Strong wind and hydro during 1Q'10
% load factor, 1Q10



Low international gas prices attracting additional gas into Iberia
€/MWhg, OTC for 2H10



Effect will naturally revert to mean

Gas oversupply expected to reabsorb by 2012-15

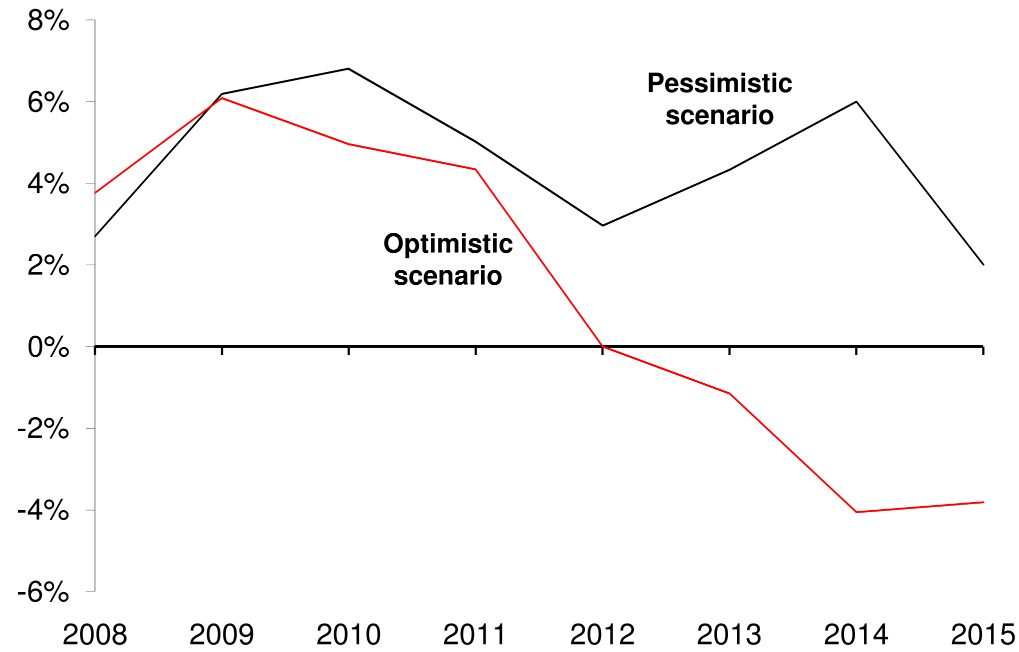
Sources: REN, REE, Reuters, ENAGAS

Several uncertainties affect global gas markets, although balance expected by 2012-2015

Key uncertainties

- **Supply**
  - LNG supply
  - Unconventional gas development
  - Contractual flexibility (volume: ToP, pricing: oil vs. spot indexation)
- **Demand**
  - Economic recovery
  - CO_2 legislation

World LNG excess supply
%, 2008-2015

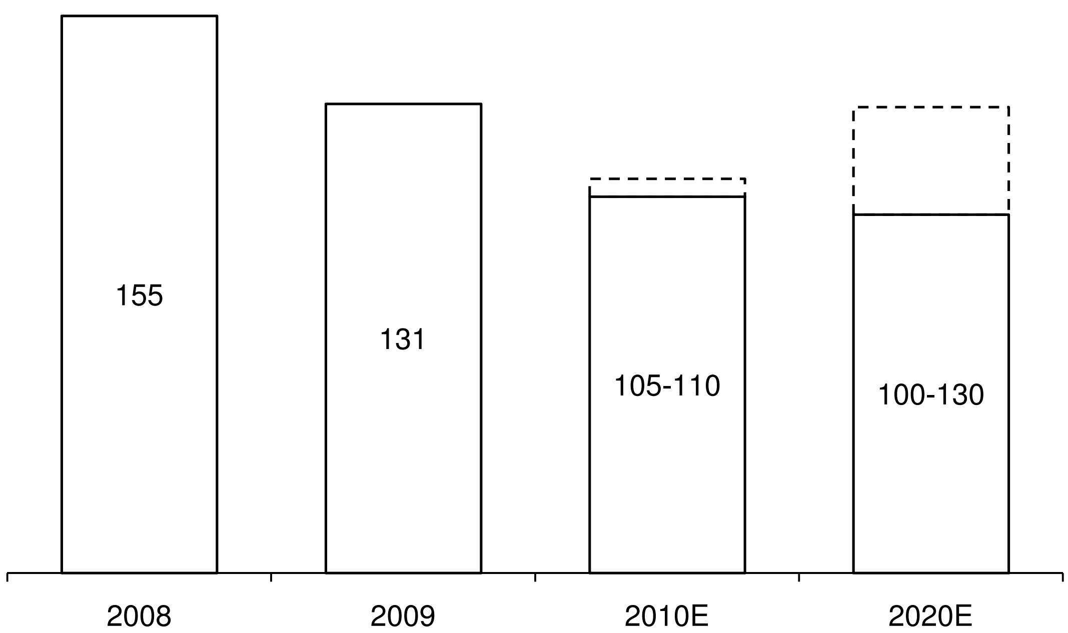


Recent spot price recovery could point to earlier scenarios

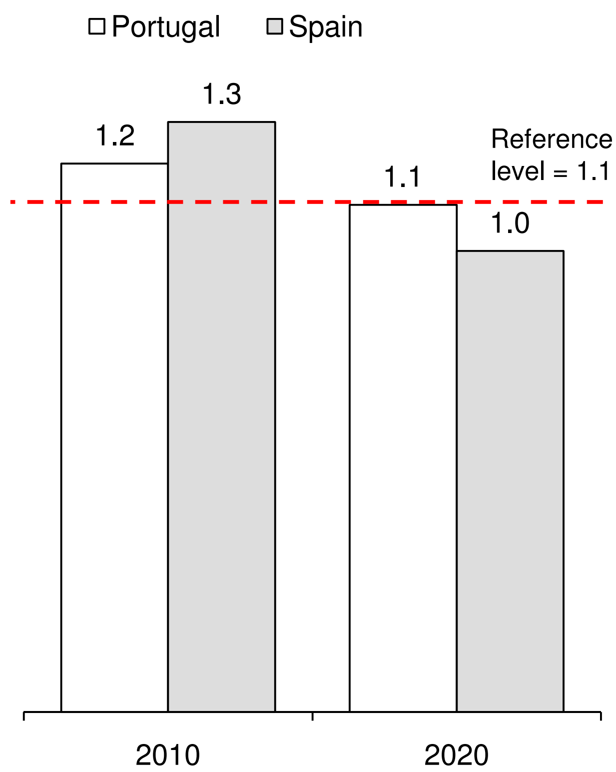
Sources: Research analysts

Structural reasons also explain current market context – increased back-up function of thermal generation due to RES

Thermal demand to remain stable…
TWh, Iberia



… But capacity is needed
Reserve margin(1)



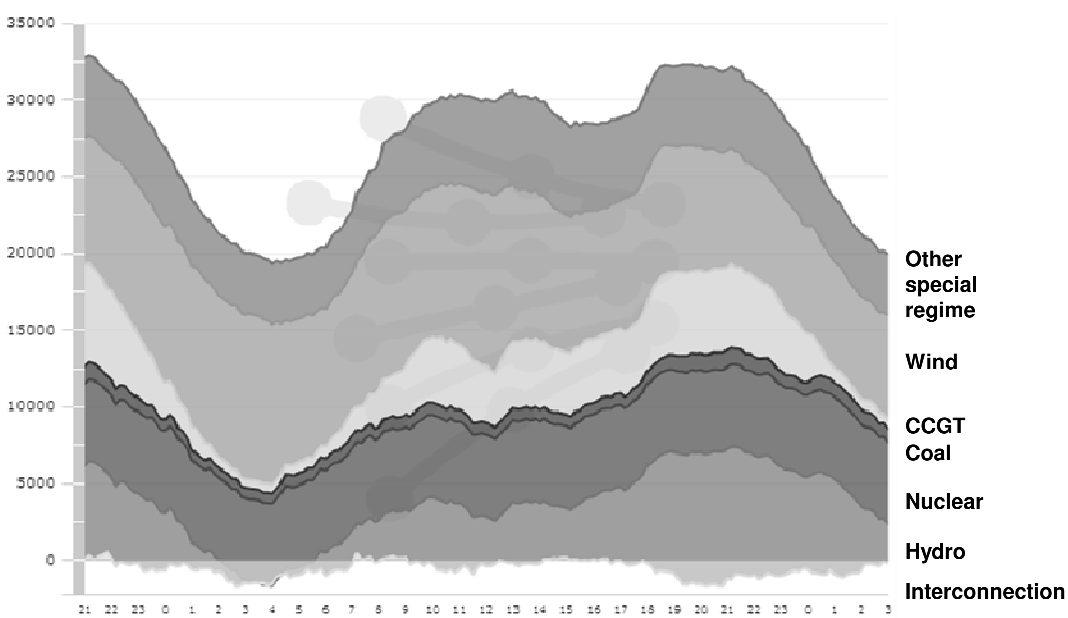
- **Need for capacity payments to sustain existing capacity and promote new builds with back-up function**

Sources: REN, REE

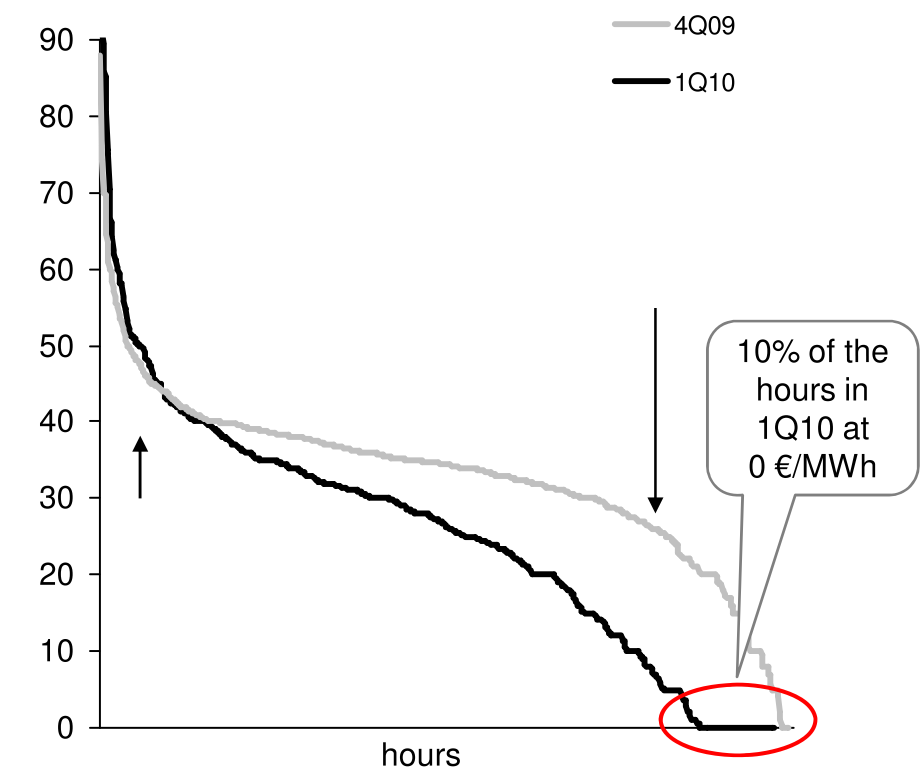
(1) Assumes planned decommissions due to deSOx , new RES additions to meet 2020 targets and thermal capacity under construction

Increased renewables penetration will also put a premium on flexibility (CCGT and hydro) and storage (pumping)

Generation by technology in Spain on 30/12/09
MW



Hourly price duration curves in Spain
€/MWh



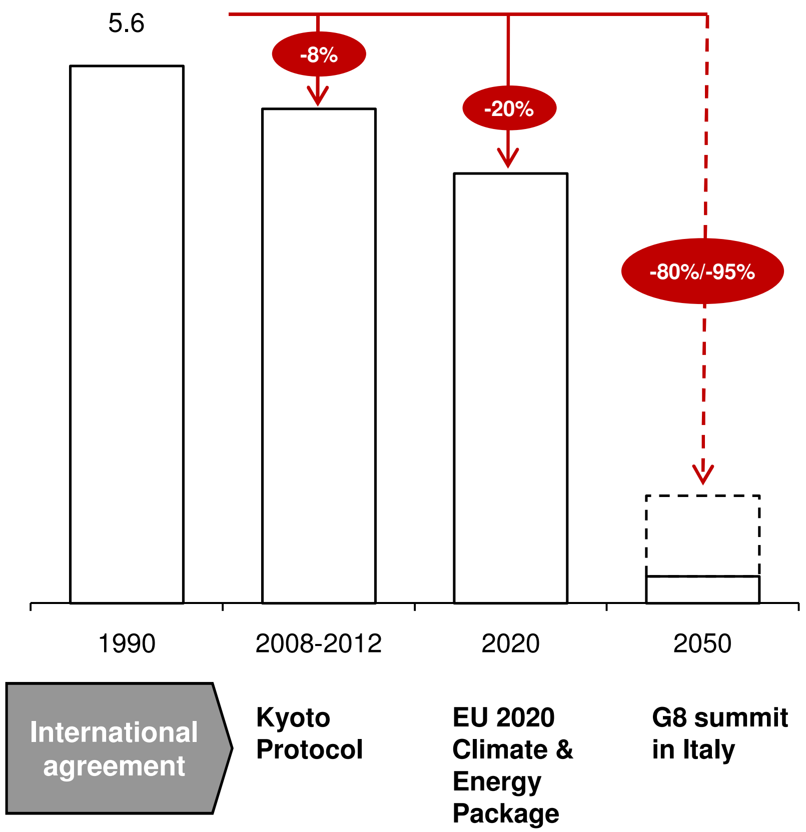
- **CCGT and hydro absorb demand and RES variability**

- **Greater price volatility creates opportunity for pumping**
- **Flexible generation concentrates output in best hours**

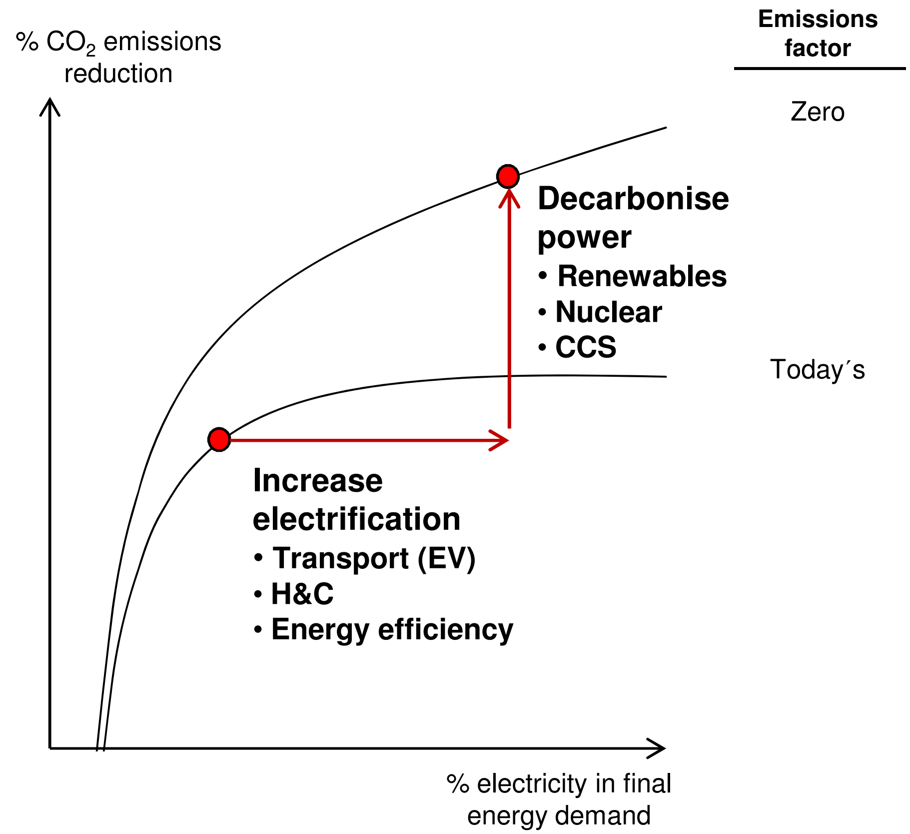
Sources: REE, OMEL

In the longer term, increased electrification of energy usage will be key to achieve CO_2 reductions

Strong push to reduce CO_2…
$GtCO_2e$, EU27 emissions targets



… will require more electricity with (near) zero emissions



- **Current share of electricity in final demand is ~25% up from <10% in 1970s**
- **Future upside exists for electricity demand**

EDP's business model fits well with market's short term challenges and medium term trends

Market context is challenging…

- ✓ Low pool prices
- ✓ Low clean spreads
- ✓ Excess gas in Iberia
- ✓ Structurally low thermal load factors
- ✓ Increased retail competition
- ✓ End of free CO_2 allowances in 2013

…But EDP has the key features to be a winner

- ✓ Exposure to generation assets with fixed returns
- ✓ Hedging strategy integrated at Iberian level
- ✓ Flexible and competitive generation portfolio
- ✓ Flexible and balanced sourcing contracts
- ✓ Stable relationship with clients
- ✓ Effective access to retail clients (power & gas)
- ✓ Exposure to free/low CO_2 emission technologies

Iberian Generation & Supply

João Manso Neto
Board Member

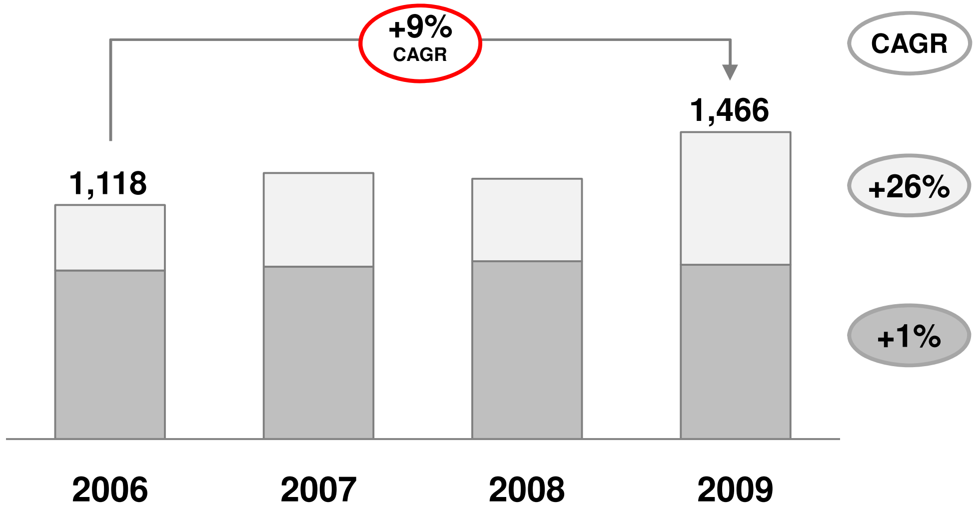
Dow Jones Sustainability Indexes
Member 2009/10

EDP Investor Day
May 20th, 2010

EDP has done well even in challenging market conditions

EDP - EBITDA Iberian Generation & Supply
(€ million)

LT Contracted generation[1] Liberalised activities[2]



	2006	2007	2008	2009	CAGR
Installed Capacity (GW)	11.4	11.6	12.5	13.4	+6%
EBITDA/MW (€ 000)	98	111	103	113	+5%

LT Contracted Generation:

- Stable results: 8.5% ROA before inflation and taxes

Liberalised activities:

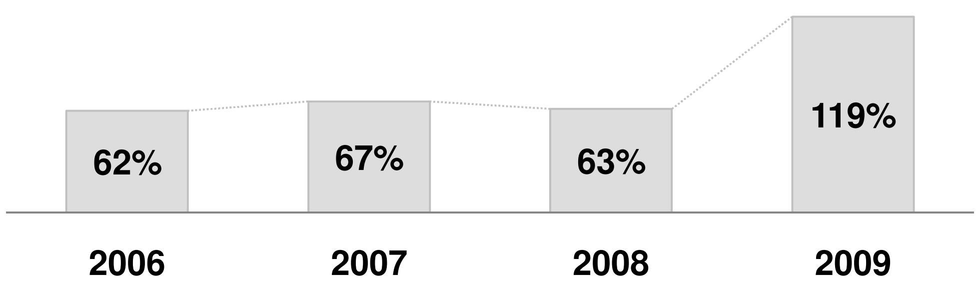
- Successful hedging strategy
- Increase in installed capacity
- +20% CAGR increase in volumes supplied to clients

LT Contracted generation provides stability, liberalised activities prompt for growth

[1] Includes PPA/CMEC and Special regime (ex-wind); [2] Includes liberalised electricity generation and supply, liberalised gas supply

Profitable growth in liberalised activities prompted by strong presence in clients supply, expansion in installed capacity

EDP – Sales to clients
(% of generation output)



- Stable relationship with clients
- Long position in clients in 2009
- 'Produce-or-buy' daily decision backed by the flexibility of plants portfolio

	2006	2007	2008	2009	CAGR
Avg. Pool Price (€/MWh)	50.7	39.3	64.4	37.0	-10%
Avg. Price Retail (€/MWh)	44.9	58.6	62.0	62.0	+11%
Gross Profit (€ 000/MW) (1)	116	141	106	126	+3%
EBITDA (€m) (2)	314	446	393	633	+26%

- Integrated management of generation and supply activities reduces the exposure to energy markets volatility
- The bulk of selling prices and fuel costs are fixed between 6-18 months ahead

Hedging strategy reduces exposure to spot market volatility

(1) Electricity generation and supply; (2) Liberalised activities: Electricity generation & supply, gas supply

EDP's distinctive portfolio is well prepared for current challenging market context and is aligned with MT trends

	Key features to be a winner	EDP's distinctive assets and strategy
Short term	✓ Exposure to generation assets with fixed returns	✓ >60% capacity long term contracted ✓ New investments outweigh decommissioning
	✓ Flexible generation portfolio	✓ Distinctive coal plants ✓ High flexibility of CCGT fleet
	✓ Flexible and balanced sourcing contracts	✓ Balanced and diversified gas sourcing with flexible allocation
	✓ Hedging strategy integrated at Iberian level	✓ 2010: fully hedged and 2011: >40% contracted
	✓ Effective access to retail clients (power & gas)	✓ Integrated management at Iberian level
Medium term	✓ Exposure to free/low CO_2 emission technologies	✓ Hydro is 55% of LT conventional capacity ✓ CO_2 licenses position meet needs until 2014-15
	✓ Competitive thermal generation	✓ EDP's diversified portfolio aligned with MT trends

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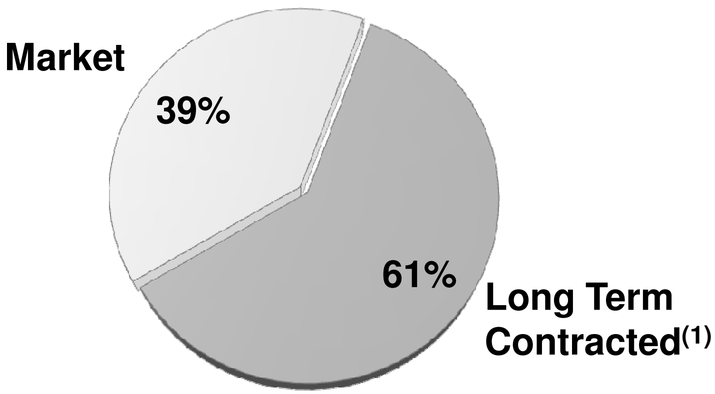
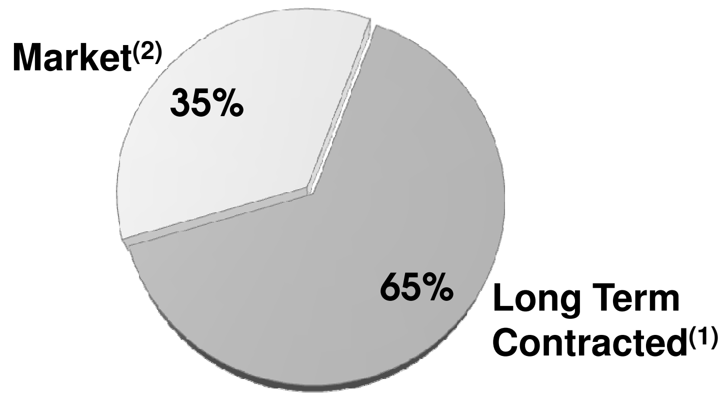
Today >60% of our conventional generation in Iberia is Long Term Contracted

EDP - Generation & supply portfolio in Iberia
(2006-09, MW & EBITDA)

MW



EBITDA

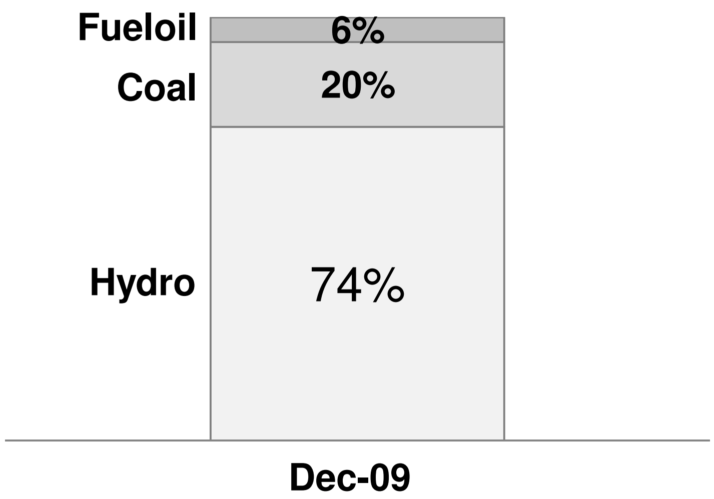


The bulk of LT Contracted generation is PPA/CMEC:
Remuneration at 8.5% ROA; no volume or price risk, inflation updated

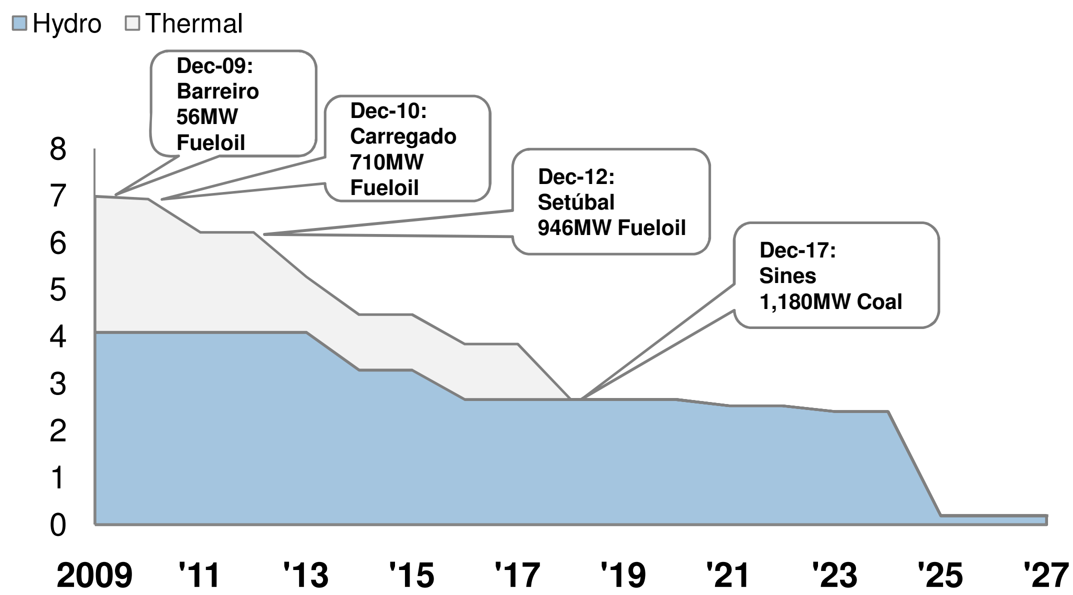
(1) Includes PPA/CMEC (94%) and Special Regime (6%, ex-wind); (2) Liberalised activities: liberalised electricity generation and supply, gas supply

PPA/CMEC generation: hydro capacity accounts for 74% of present value

PPA/CMEC: Present value(1) breakdown
(%)



PPA/CMEC: Lifetime
(GW)



- **Hydro represents 74% of the present value of PPA/CMEC**

- **Fueloil decommissioned in 2011/13: low present value**
- **Hydro/coal plants become merchant after PPA end**

Upcoming PPA expirations: all fueloil, representing just 6% of total value

(1) Present value of contracted gross profit as of 1/1/10, assuming an annual inflation of 2%. This does not include the value of hydro beyond the end of PPA ('extension of hydro domain')

Material impact from transfer of Hydro plants to merchant after the end of PPA

Thermal PPA terminations 2010-12

Thermal PPA Plants	MW	PPA end date	Gross profit[1] (€ mn)	EBIT[1] (€ mn)
Carregado	710	Dec-10	97	55
Setúbal	946	Dec-12	109	62

- Fueloil plants expected to be decommissioned after the end of PPA

New investment under PPA

Plant	Project	Capex (€ mn)	1st Full year operation	EBIT[1] (€ mn)
Sines	DeNOx	100	2012	23

- New investment to be remunerated at 8.5% ROA with payback until Dec-17

Hydro PPA termination 2010-15

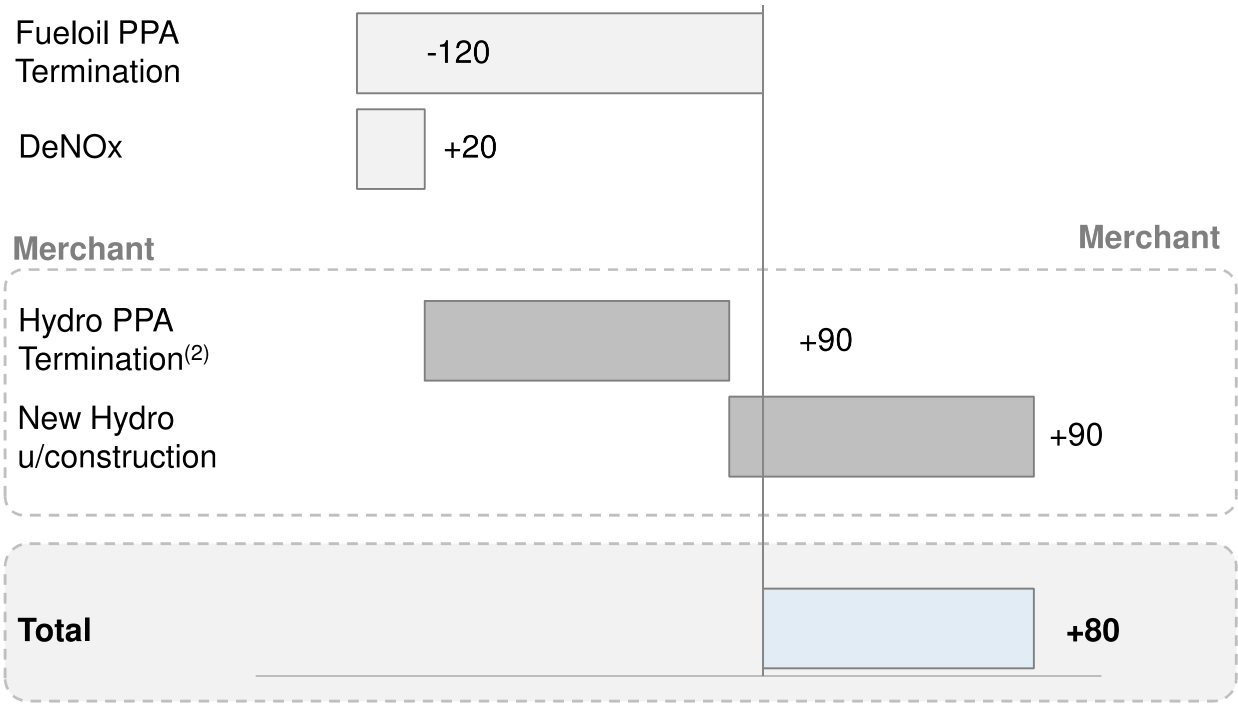
Hydro PPA end date	MW	Output (TWh)[2]	PPA price (€/MWh)[3]	Impact on EBT (€/MWh)[4]
Dec-13	804	2.5	25	~80
Dec-15	627	1.8	48	~10

- **Dec-13: PPA end for 2.5TWh with a €25/MWh price implicit in PPA**
- **Transfer to market implies an increase in 2014-16 EBT of ~€90m on the back of higher realised prices**

(1) Last full year of operation; (2) Annual output in average hydro year; (3) Based on capacity charge and on output in an average hydro year
(4) Impact on EBT calculated based on a market price (including ancillary services) of €55/MWh in 2014E

PPA/CMEC: Positive impact from new investments outweigh PPA thermal decommissioning

EBIT[1] - Impact from new investments and PPA thermal decommissioning
(2010-16, € million)



- **Fueloil:** expected decommissioning after the end of PPA (Carregado in Dec-10, Setúbal in Dec-12)
- **DeNOx:** ~€100m capex, remunerated at 8.5% ROA with full payback until Dec-17; Start-up in 2010-11
- **Hydro PPA:** ~50% of Hydro output w/ PPA transferred to market in 2014/16:
  - ✓ 2014: 2.5TWh @ €25/MWh PPA price
  - ✓ 2016: 1.8TWh @ €48/MWh PPA price
- **New Hydro**: Start-up in 2012-15, 2/3 of which pumping capacity

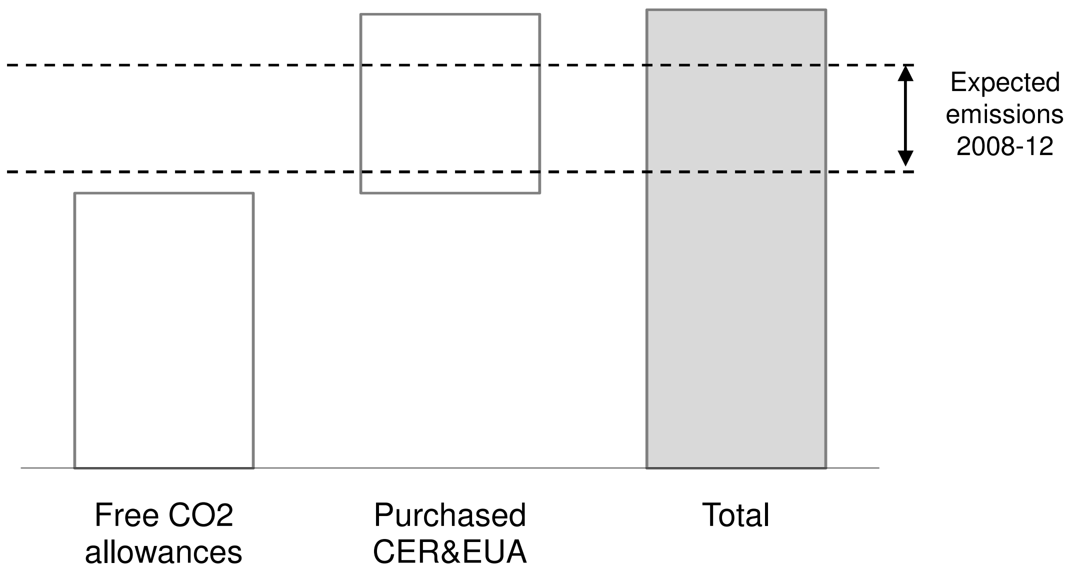
Net impact from new investments in 2010-15 fully compensates the decommissioning of thermal PPA; Net impact on EBIT: ~ +€80m

(1) Based on 1st full year of contribution; (2) Impact based on a market price (including ancillary services) of €55/MWh in 2014E

Our position in CO_2 licenses meet our needs up to 2014-15

- Increase of EDP's capacity concentrated in low CO_2 emissions technologies
- Lower working hours in thermal generation
- PPA/CMEC generation: CO_2 costs passed through

EDP - 2008-2012 coverage of CO_2 emissions [1]
(Mton)

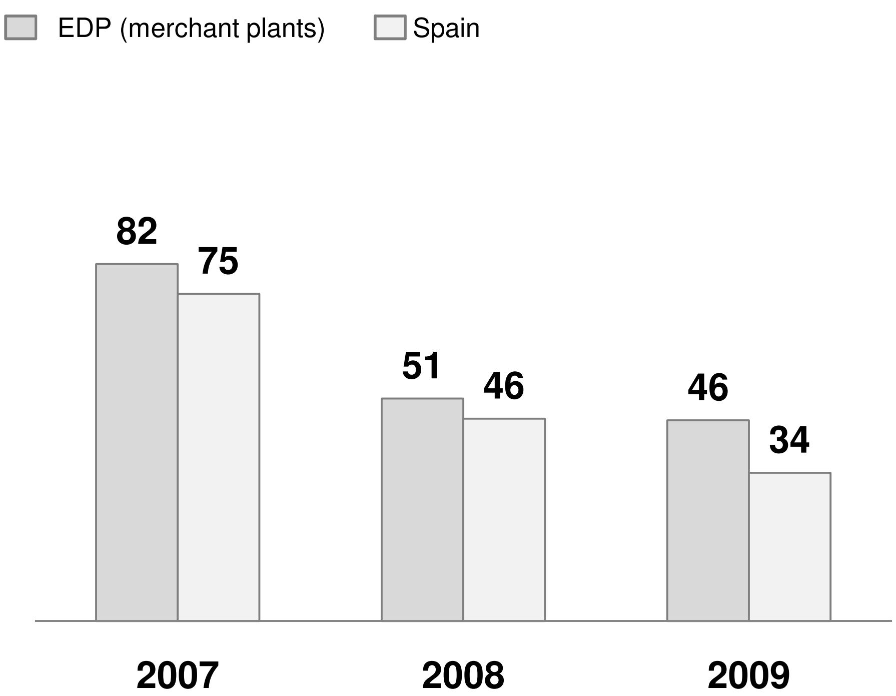


Lower thermal working hours support lower CO_2 emissions

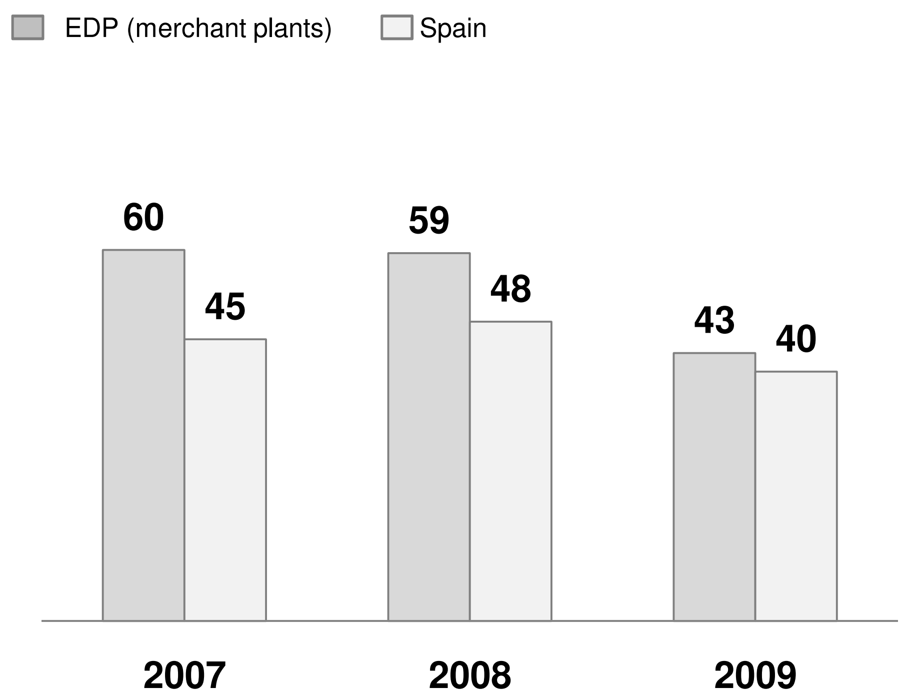
[1] Includes merchant capacity and cogeneration

EDP's thermal generation plants work more hours than the Spanish average…

Coal – Average load factor
(%)



CCGT – Average load factor
(%)



…supported by clear competitive advantages

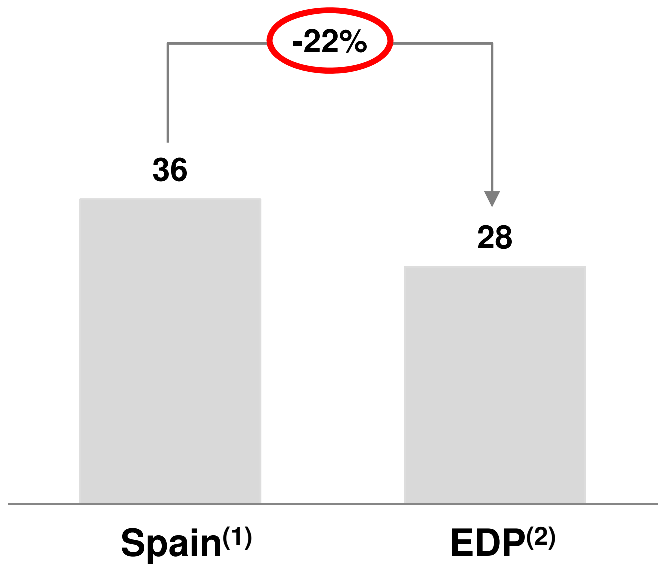
Our coal plants have distinctive features which result in highly competitive production costs

Our merchant coal plants have distinctive features

	Aboño 1	Aboño 2	Soto 2	Soto 3
Higher efficiency & Lower freights[(1)]	✓	✓	✓	✓
Blast Furnace Gases	✓	✓		
Favourable Location	✓		✓	
Domestic coal				✓
DeSOx		✓		✓

Coal production costs – EDP vs Spain

(2009, €/MWh)



- Our coal fleet is the most efficient in Iberia: lower transportation costs and heat rates
- Lower-cost blast furnace gases meet ~30% of Aboño fuel needs
- Plants located close to heavy energy consumption areas
- RDL 134/2010 on Spanish coal defines 2TWh/year output at Soto 3 until 2012

[(1)] Average of coal plants in Spain

[(2)] Aboño 2, our most efficient plant, which also burns blast furnace gases

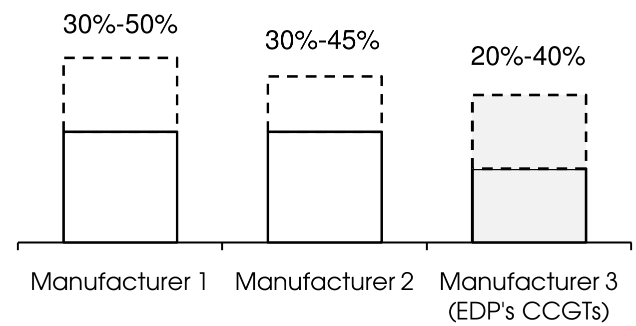
EDP's CCGT fleet has distinctive technical characteristics which guarantee greater operational flexibility

Distinctive features of our CCGT plants in Spain		Quantification

Low minimum operating levels

- Extraordinary minimum operating levels (up to 20% of nominal rating)

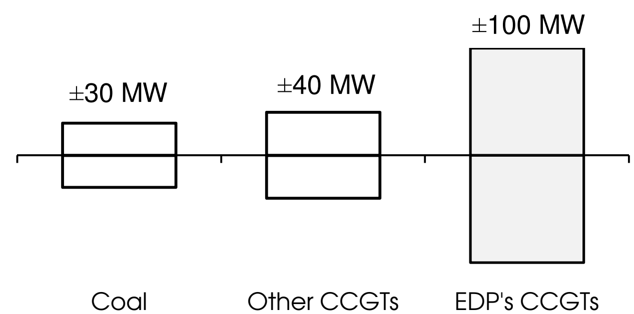
Min operating levels



Wide secondary reserve margin

- Capable of moving up/down at a fast rate, reaching +- 100 MW in 15 minutes

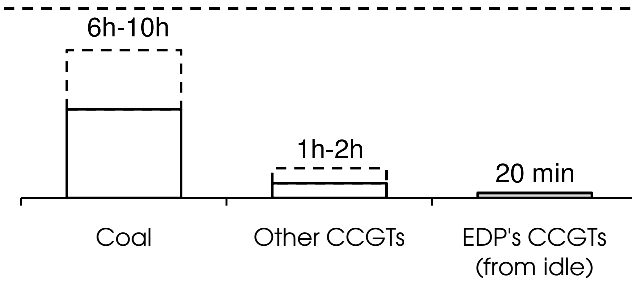
Secondary reserve margin



Idle operation

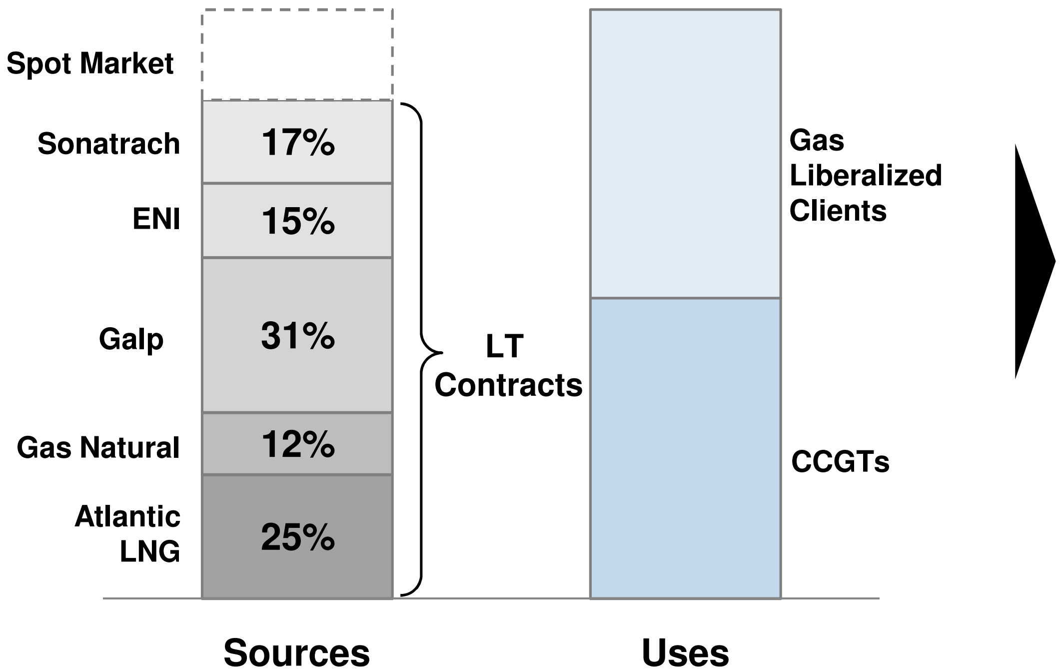
- Faster start-up from idle operation

Start-up time



EDP has a comfortable gas take-or-pay position even in a scenario of <3,000 working hours at our CCGT in 2010-12

Gas sourcing, 2010E
(TWh)

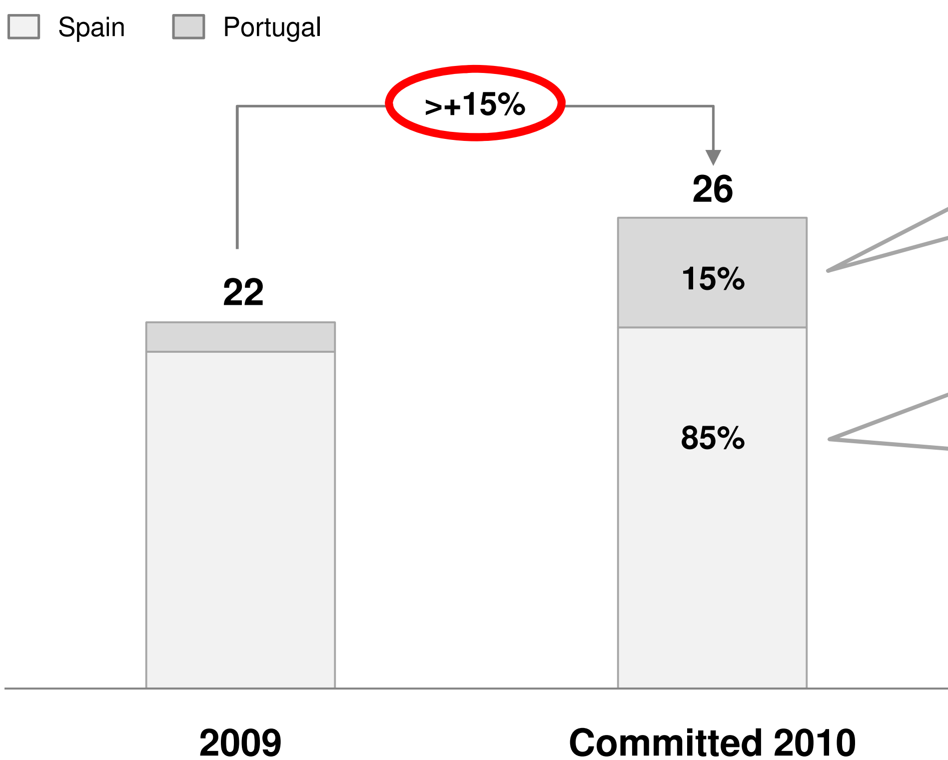


- Several LT gas sourcing contracts renegotiated: volumes, pricing and destiny clauses; Other renegotiations ongoing
- Start-up of 3 CCGT groups with little increase in gas contracted (2009-10)
- Acquisition of gas supply portfolio in Cantabria & Murcia with no gas attached
- Good growth prospects in gas supply to final clients in Portugal and Spain
- Opportunistic spot gas purchases support supply margins

Integrated management of electricity & gas operations in Portugal & Spain enhances our flexibility

Gas supply to final clients: >15% expected growth prompted by market liberalisation and consolidation

EDP - Gas supplied in Iberia
(TWh)



Portugal: Start-up of operations in industrial segment in Apr-09

✓~25% of market share, 1TWh sold in 1Q10

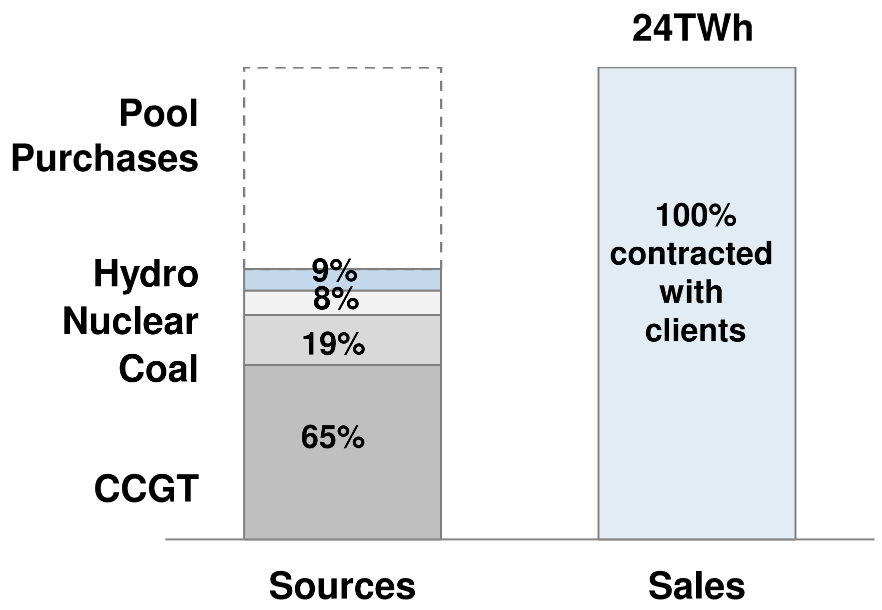
Spain:

- **Higher weight of residential clients: volumes & margins more stable**
- **Acquisition of gas clients in Cantabria & Murcia:**
  - ✓ Mostly residential clients; 0.6TWh of consumption in 1Q10
- **Stronger commercial effort on dual fuel offer**

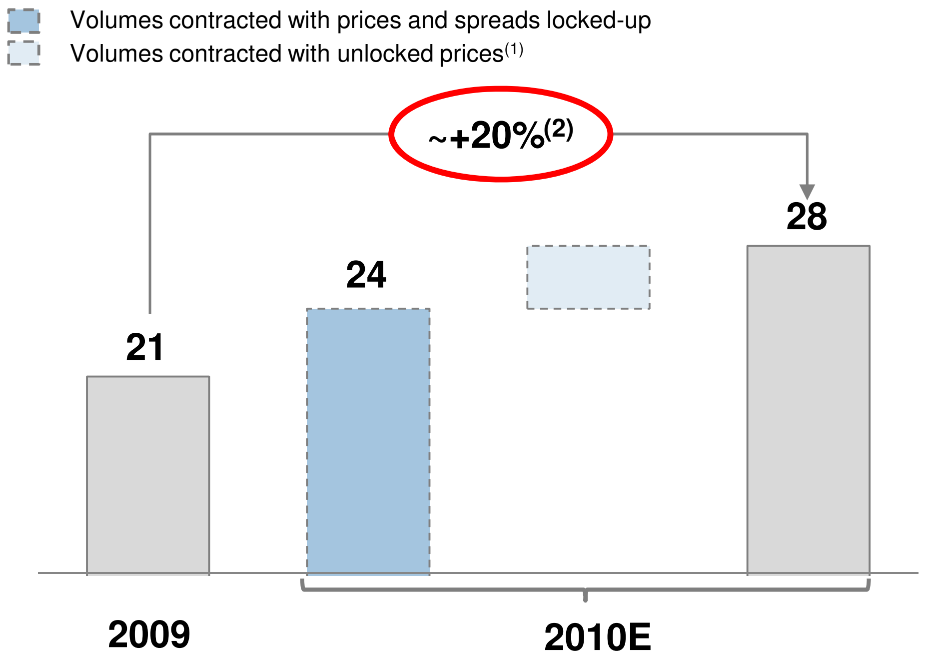
Opportunistic purchases of spot gas support supply margins in industrial segment: 0.6bcm already bought in 2010

Hedging: High visibility for 2010

EDP: Electricity forward contracting - 2010
(%)



EDP: Electricity supplied in Iberia - 2010
(TWh)



- Avg. price: ~€50/MWh
- Average Clean Thermal Spread: ~€10/MWh

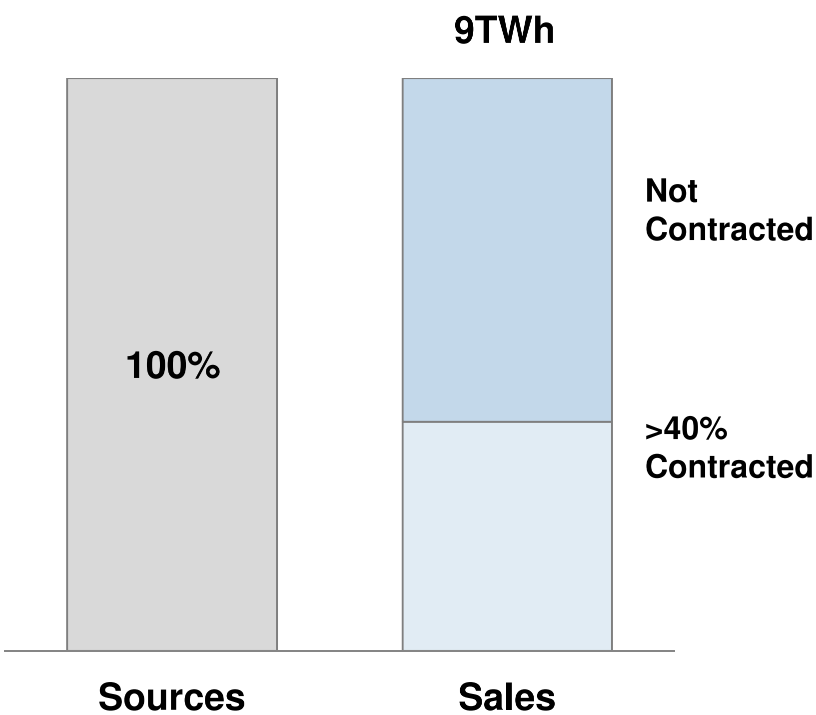
- Volumes contracted: ~20% YoY growth, excluding the positive impact from last resource supply in Spain included as from 2010

Main risks on the upside backed by portfolio optimisation

(1) Includes last resource supply, residential consumption with tariffs indexed to last resource tariff and industrial consumption contracted with prices indexed to market prices;
(2) Excluding Spain's last resource supply, included in volumes supplied as from 2010.

Hedging: 9TWh with prices and spreads closed for 2011

EDP: Electricity forward contracting – 2011
(%)

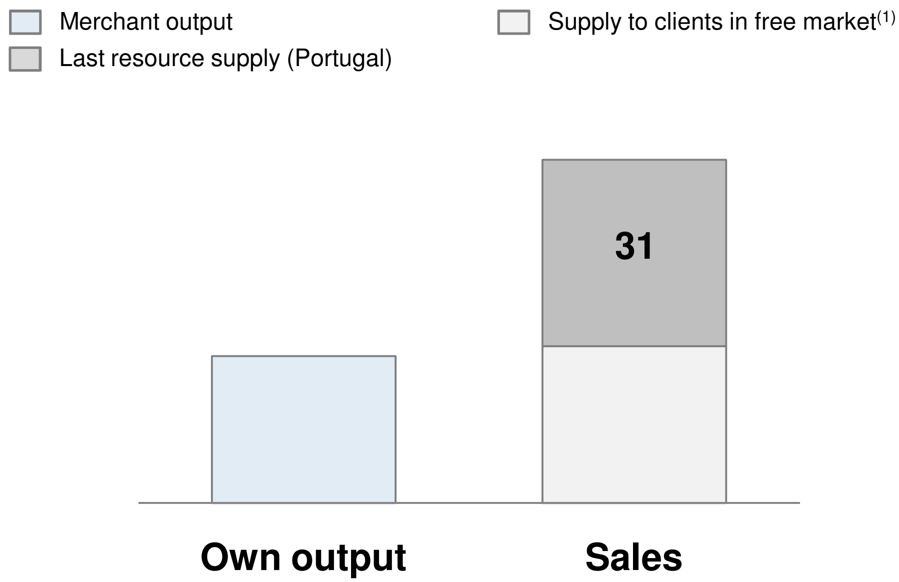


- **~9TWh sold to clients with spreads closed:**
  - ✓ **Avg. price: ~€50/MWh**
  - ✓ **Avg. Clean Thermal Spread: ~€10/MWh**
- EDP has a strong track-record in forward contracting sales and lock-up spreads
- Current market conditions do not allow to lock-up spreads at adequate levels
- 2011 volumes forward contracted up to May-10 are in line with historical average

EDP is monitoring market opportunities to further lock-up spreads and to benefit from potential expansion of free market in Portugal

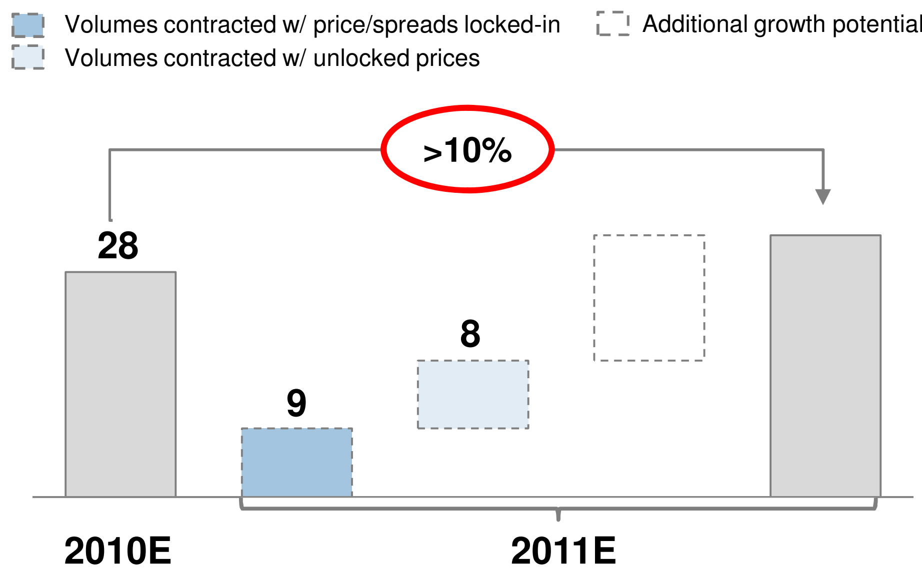
Hedging for 2011: Significant growth potential from further liberalisation in Portugal

EDP – Liberalised output and total electricity supply
(2010E, TWh)



- 31TWh sold in last resource supply in Portugal
- Full liberalisation of Portuguese market may enhance EDP's electricity supply in free market

EDP: Electricity supplied in Iberia - 2011
(TWh)



- Additional growth potential stemming from:
- Significant weight from stable industrial clients
- Potential expansion in Portuguese free supply market

Contracted volumes and stable relationship with clients allow us to anticipate sound growth in 2011

(1) Includes last resource supply in Spain

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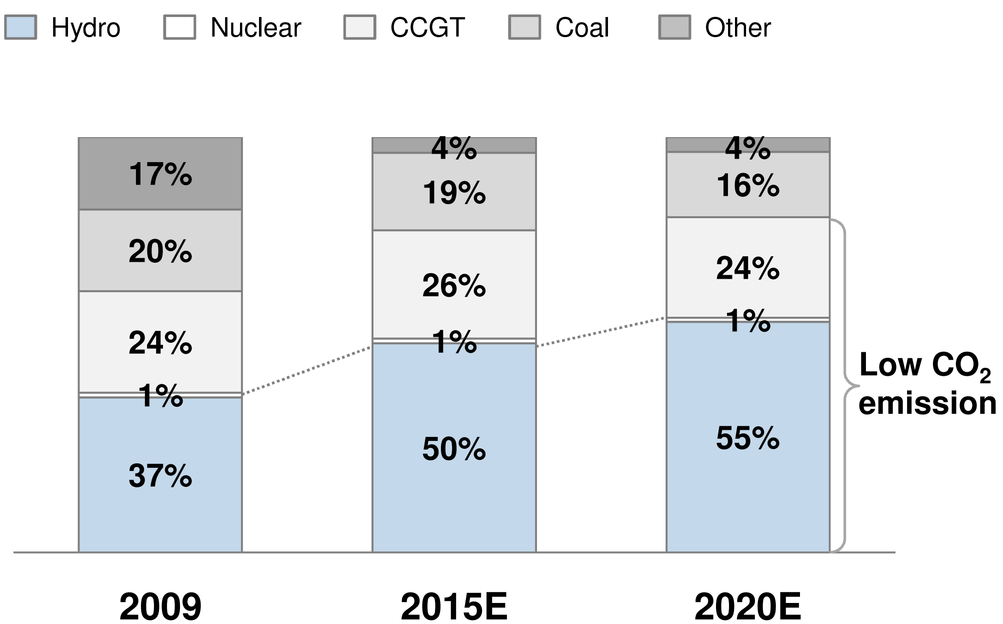
Medium term	✓ Exposure to free/low CO_2 emission technologies	✓ Hydro is 55% of LT conventional capacity ✓ CO_2 licenses position meet needs until 2014-15
	✓ Competitive thermal generation	✓ EDP's diversified portfolio aligned with MT trends

EDP is increasing exposure to Hydro capacity: 55% of conventional portfolio in 2020E

EDP – Conventional installed capacity in Iberia
(MW)

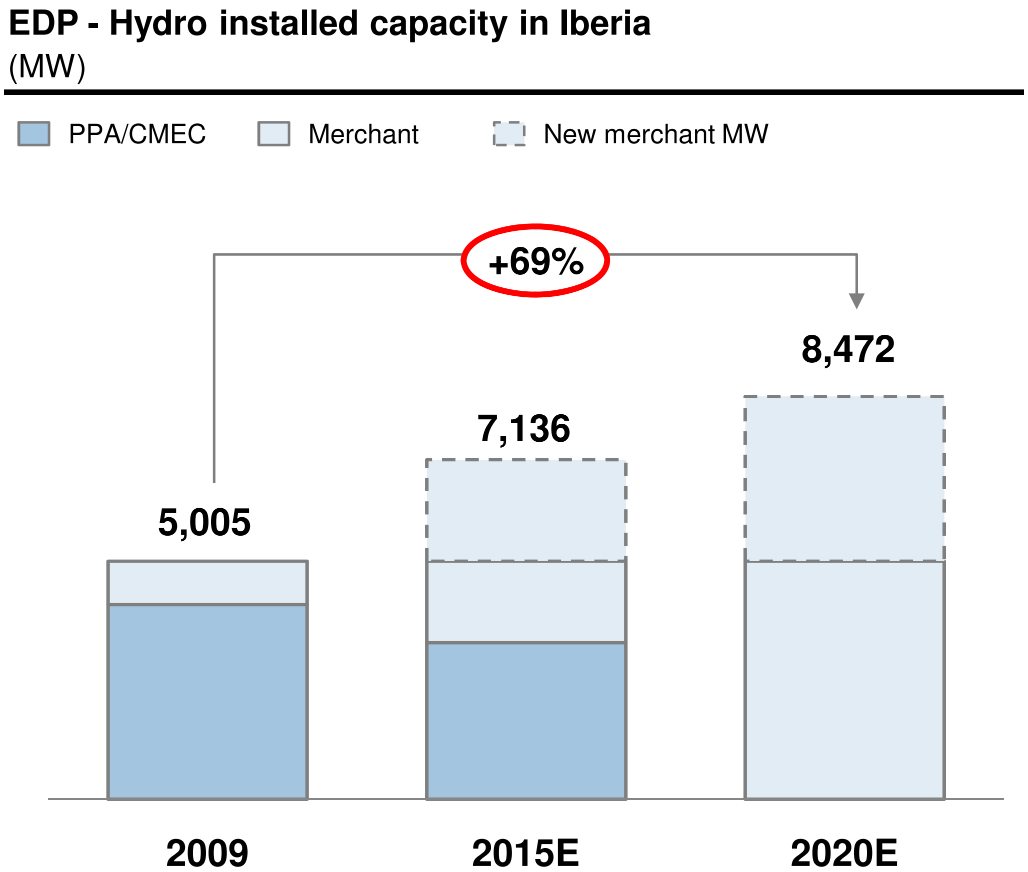


- **Hydro: CO_2 free technology**
  - ✓ 55% of EDP's portfolio(1)
- **Hydro with pumping: storage capacity**
  - ✓ ~44% of our Hydro plants has pumping(1)
- **CCGT: backup capacity**
  - ✓ Flexibility is key to act as backup capacity
- **Reducing CO_2 emissions**
  - ✓ Low CO_2 emission technologies account for 80% of our capacity(1)

Free and low CO_2 emission technologies will account ~80% of our generation portfolio in 2015-20

(1) In 2020E

Our secured pipeline represents a 69% increase in hydro capacity up to 2020E



- **3,468MW of new hydro capacity**
  - ✓ ~50% already under construction
  - ✓ ~50% secured, under development
- **4,094MW currently under PPA**
  - ✓ 804MW to switch to merchant in 2014
  - ✓ 3,290MW with volume risk as of 2017

In 2020E, 44% of our hydro capacity will have pumping (vs. 21% in 2009)

EDP is building 1.7GW of new hydro capacity in Portugal…

Hydro plants	Type	MW	To enter in operation	GWh/Year[1]
Picote II	Repowering	246	Dec-2011	239
Bemposta II	Repowering	191	Dec-2011	134
Alqueva II	Repowering w/ Pumping	256	Jul-2012	381[2]
Ribeiradio	New Plant	77	Oct-2013	134
Baixo Sabor	New plant w/ Pumping	171	Dec-2013	444[2]
Venda Nova III	Repowering w/ Pumping	736	May-2015	1,273[2]
Total		**1,677**		**2,605**

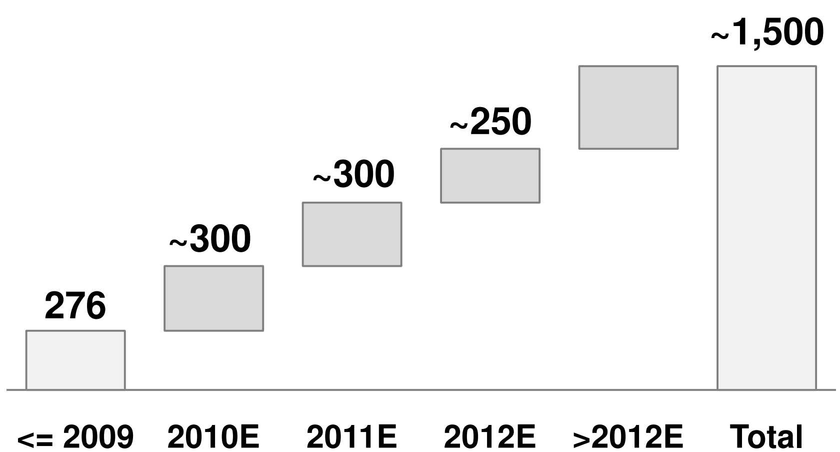
- ✓ **Repowering: extends the useful life of existing plants by ~25 years**
- ✓ **Pumping capacity: improves water management of all plants; enhances projects IRRs**
- ✓ **New plants: making use of unexplored hydro capacity, improve water management efficiency in existing plants (namely in Douro basin)**

[1] Average hydro year [2] Projects with pumping: output net of pumping is 30GWh in Alqueva II, 230GWh in Baixo Sabor and 17GWh in Venda Nova III

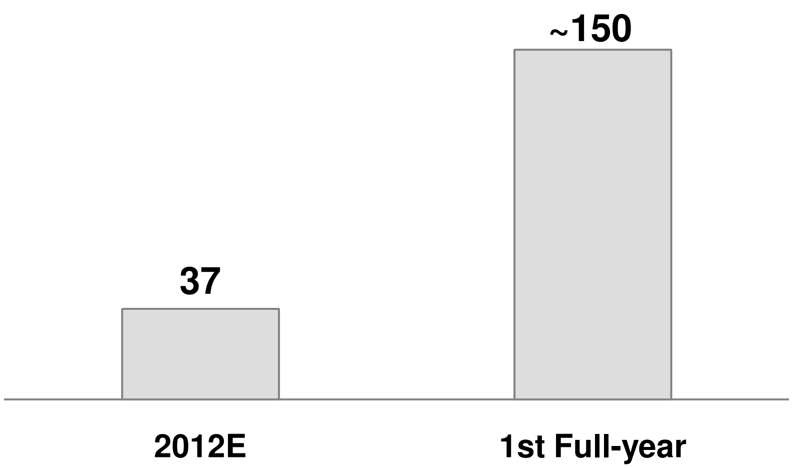
… In which EDP has already invested ~€300m

EDP - Hydro capacity under construction
(€ million)

Capex



EBITDA



~€300m invested up to Mar-10: 30% of total capex already incurred

EBITDA from new projects not fully reflected in 2012E

…And expects to generate ~€150m of EBITDA in the first year of full operation

Moreover EDP has a firm pipeline of 1.8GW of Hydro projects under development

Potential EBITDA contribution by 2020: >€180m

Total capex: €1.9bn(1)

Hydro Plans	Type	MW	GWh/Year	1st full year operation	Status
Foz Tua	New Pl.. w/ Pumping	251	585(2)	2015	Environmental compliance
Fridão	New Plant	238	295	2016	Environmental compliance
Alvito	New Pl. w/ Pumping	225	369(2)	2016	Environmental compliance
Salamonde II	Repow. w/ Pumping	204	274(2)	2016	Waiting environmental compliance
Paradela II	Repow. w/ Pumping	318	616(2)	2019(3)	Preliminary licensing
Other	New Pl. w/ Pumping	555	859	2020	Early stage
TOTAL		**1,791**			

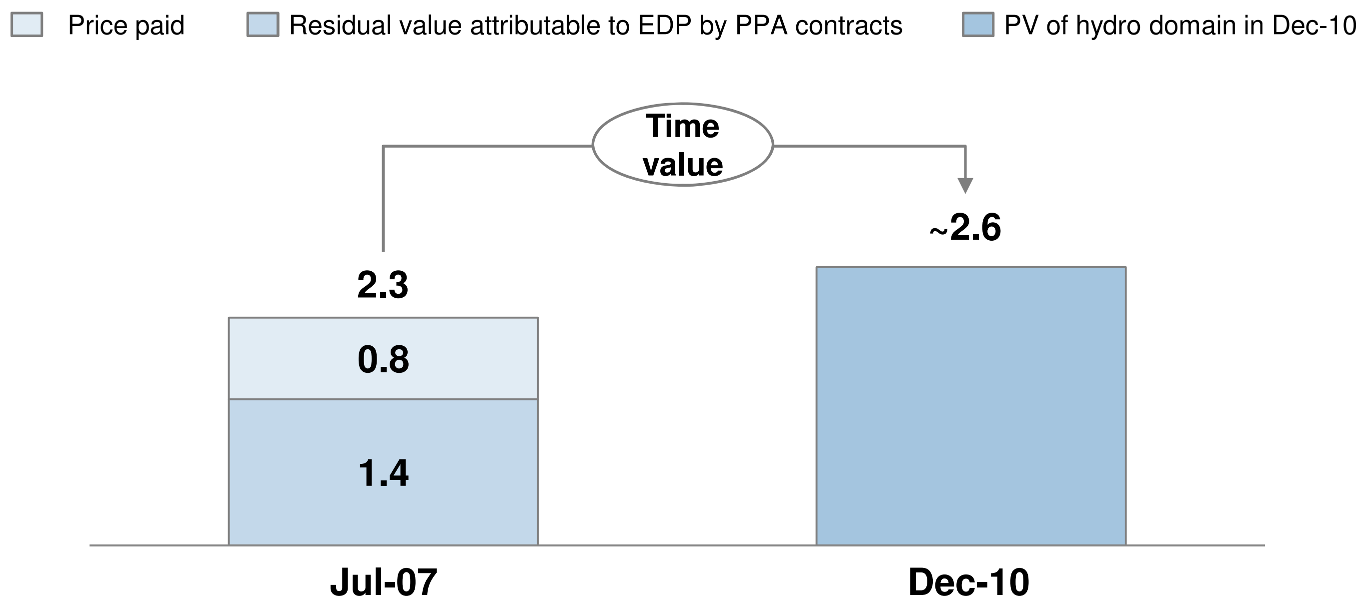
Concession rights already paid: €285mn

Low impact on 2010-2012 capex: ~€200m

(1) Excludes up-front fees; (2) Projects with pumping; Output net of pumping of 275GWh in Foz Tua, 67GWh in Alvito, 79GWh in Salamonde II, 57GWh in Paradela II
(3) Start date expected between 2015 and 2018

EDP extended the rights to operate hydro plants in the market after the end of PPA and until 2047

EDP - Extension of Hydro domain: Present value implicit in the price paid in Apr-08
(€ billion)



- ✓ **Right to operate hydro plants in free market after the end of PPA contracts until 2047[1]**
- ✓ **Main assumptions: €50/MWh[2] electricity price for 2007, 2%/year inflation, WACC of 7.8%**

The €759m paid in 2008 secures cash flow rights in 2014-52

[1] On average; [2] Including capacity payments and ancillary services; Equivalent price in 2017:~€60/MWh

EDP has a diversified thermal portfolio aligned with medium term trends

CCGT

- ✓ System needs thermal backup capacity to guarantee adequate reliability
- ✓ However, expected low working hours are insufficient to assure minimum profitability levels

Need for capacity payments to guarantee adequate remuneration

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Coal

- ✓ Sines: option to operate in the market beyond 2017; Plant equipped with modern deSOx and deNOx fully paid back under PPA
- ✓ Aboño 2: vertically integrated with steel plant (very competitive and with unique environmental performance)

Two of the most efficient coal plants in Iberia: key to diversification of fuel sources

Conclusions

High weight of sales to clients, flexible plants, balanced gas position, produce-or-buy optimisation
Hedging: 2010 fully hedged; Good level of coverage of liberalised production for 2011

PPA/CMEC: Stable 8.5% ROA reduces EDP exposure to market until Dec-16
2010/12 end of fueloil PPAs; 2014 hydro PPAs@€25/MWh transferred to market: material positive impact

CCGT fleet: key for the security of the system, requiring adequate fixed remuneration

New Hydro Plants: Returns' prospects improve due to higher wind in the system (more volatility)
Hydro installed capacity to increase 69% until 2020: EBITDA contribution from 2012 onwards

Reinforcing a strong competitive position in Iberian market:
Low CO_2, flexible and low-cost generation portfolio + Strong position in clients