



ANNUAL GENERAL SHAREHOLDERS' MEETING

EDP – ENERGIAS DE PORTUGAL, S.A.

19th April 2017

Non-binding translation
For information purposes only

**PROPOSAL OF ITEM 2 OF THE AGENDA
Allocation of profits in relation to the 2016 financial year**

In accordance with number 1 of article 30 of EDP's Articles of Association, the Executive Board of Directors hereby proposes for approval by the Shareholders the following allocation of 2016 profits, in the total value of € 758,031,088.54:

Dividends *	€ 694,742,165.85
Endowment to EDP Foundation**	€ 7,200,000.00
Retained Earnings	€ 56,088,922.69

* The proposed dividend is € 0.190 per share.

** The proposed endowment to EDP Foundation remains unchanged since 2012.

The dividend value considers the total shares representing EDP's share capital. Nevertheless, under the applicable legal terms, there is no payment of dividends regarding own shares held by EDP as of the date that dividends are made available for payment. Accordingly, such value is added to the amount of retained earnings.

Lisbon, 2nd March 2017

EDP – Energias de Portugal, S.A.

The Executive Board of Directors

António Mexia

Nuno Almeida Alves