



EDP — ENERGIAS DE PORTUGAL, S.A.

(incorporated with limited liability in the Portuguese Republic)

EDP FINANCE B.V.

*(incorporated with limited liability in The Netherlands
and having its statutory seat in Amsterdam)*

€13,500,000,000

Programme for the Issuance of Debt Instruments

This Supplement (the "**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the base prospectus dated 2 September 2015 as supplemented by the supplement dated 16 March 2016 (together the "**Base Prospectus**") prepared by EDP — Energias de Portugal, S.A. ("**EDP**") and EDP Finance B.V. ("**EDP B.V.**") (together, the "**Issuers**") in connection with their Programme for the Issuance of Debt Instruments (the "**Programme**") for the issuance of up to €13,500,000,000 in aggregate principal amount of instruments (the "**Instruments**"). Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement has been approved by the Central Bank of Ireland (the "**CBI**"), as competent authority under Directive 2003/71/EC (the "**Prospectus Directive**"). The CBI only approves this supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

The purpose of this Supplement is to (i) in respect of EDP, incorporate by reference in the Base Prospectus the unaudited consolidated interim financial statements of EDP for the six month period ended 30 June 2016 and the auditors' limited review report thereon which appear on pages 67 - 162 of EDP's interim report for the six month period ended 30 June 2016; and (ii) in respect of EDP B.V., incorporate by reference in the Base Prospectus the unaudited interim financial statements of EDP B.V. for the six month period ended 30 June 2016 which appear on pages 6 - 12 of EDP B.V.'s interim report for the six month period ended 30 June 2016.

IMPORTANT NOTICES

Each of the Issuers accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new fact, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Instruments issued under the Programme has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

Investors should be aware of their rights under Article 16(2) of the Prospectus Directive. In accordance with Article 16(2) of the Prospectus Directive, investors who have agreed to purchase or subscribe for any Instruments before this Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances (the "**Withdrawal Right**"). The Withdrawal Right will expire on 8 August 2016.

AMENDMENTS OR ADDITIONS TO THE BASE PROSPECTUS

With effect from the date of this Supplement, the information appearing in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented in the manner described below.

A. Documents incorporated by reference

In respect of EDP, a copy of the unaudited consolidated interim financial statements of EDP for the six month period ended 30 June 2016 and the auditors' limited review report thereon which appear on pages 67 - 162 of EDP's interim report for the six month period ended 30 June 2016 (the "**EDP Financial Statements**"), is incorporated by reference in and forms part of this Supplement. A copy of the EDP Financial Statements has been filed with the CBI, and is also available at <http://www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx>.

Any information contained in EDP's interim report for the six month period ended 30 June 2016 referred to above which is not incorporated by reference in this Supplement is either not relevant to investors or is covered elsewhere in the Base Prospectus, as amended by this Supplement.

In respect of EDP B.V., a copy of the unaudited interim financial statements of EDP B.V. for the six month period ended 30 June 2016 which appear on pages 6 - 12 of EDP B.V.'s interim report for the six month period ended 30 June 2016 (the "**EDP B.V. Financial Statements**"), is incorporated by reference in and forms part of this Supplement. A copy of the EDP B.V. Financial Statements has been filed with the CBI, and is also available at <http://www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx>.

Any information contained in EDP B.V.'s interim report for the six month period ended 30 June 2016 referred to above which is not incorporated by reference in this Supplement is either not relevant to investors or is covered elsewhere in the Base Prospectus, as amended by this Supplement.

Copies of the information incorporated by reference in this Supplement as described above can be obtained from the registered office of the Issuers and from the specified office of the Paying Agent for the time being in London and in Lisbon.

B. Update of the Summary of the Programme

As a result of the incorporation by reference in this Supplement of the EDP Financial Statements and the EDP B.V. Financial Statements, the Summary on pages 13 – 32 of the Base Prospectus has been amended to take into account such new information. The new Summary is attached as Appendix 1 hereto.

APPENDIX 1 SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as ‘Elements’. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of ‘not applicable’.

Section A – Introduction and warnings

Element	
A.1	<p>Introduction and Warning</p> <p>This summary should be read as introduction to the Base Prospectus and the applicable Final Terms.</p> <p>Any decision to invest in the Instruments should be based on consideration of the Base Prospectus as a whole, including any documents incorporated by reference and the applicable Final Terms.</p> <p>Where a claim relating to the information contained in the Base Prospectus and the applicable Final Terms is brought before a court of a Member State of the European Economic Area, the plaintiff investor might, under the national legislation of that Member State, have to bear the costs of translating the Base Prospectus and the applicable Final Terms before the legal proceedings are initiated.</p> <p>Civil liability may attach only to those persons who have tabled this summary, including any translation of it, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus and the applicable Final Terms, it does not provide, when read together with the other parts of the Base Prospectus and the applicable Final Terms, key information in order to aid investors when considering whether to invest in the Instruments.</p>
A.2	<p>Consent by Issuers for use of the Prospectus</p> <p>Certain Tranches of Instruments with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a “Public Offer”</p> <p>[Not applicable; the Instruments are not being offered to the public as part of a Public Offer]</p> <p>[Consent: Subject to the conditions set out below, the Issuer consents to the use of this Base Prospectus in connection with a Public Offer of the Instruments by the Managers[, [names of specific financial intermediaries listed in the final terms,] [and] [each financial intermediary whose name is published on the Issuer’s website (www.edp.pt) and identified as an Authorised Offeror in respect of the relevant Public Offer] [and any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) and publishes on its website the following statement (with the information in square</p>

Element	
	<p>brackets being completed with the relevant information):</p> <p><i>“We, [insert legal name of financial intermediary] refer to the offer of [insert title of relevant Instruments] (the “Instruments”) described in the Final Terms dated [insert date] (the “Final Terms”) published by [EDP – Energias de Portugal, S.A. / EDP Finance B.V.] (the “Issuer”). In consideration of the Issuer offering to grant its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Instruments in [specify Member State(s)] during the Offer Period and subject to other conditions to such consent, each as specified in the Base Prospectus, we hereby accept the offer by the Issuer in accordance with the Authorised Offeror Terms (as specified in the Base Prospectus) and confirm that we are using the Base Prospectus accordingly.”</i></p> <p>[EDP – Energias de Portugal, S.A. / EDP Finance B.V.]’s consent referred to above is given for Public Offer of Instruments during [] (the Ireland Offer Period).</p> <p>The conditions to the consent of [EDP – Energias de Portugal, S.A. / EDP Finance B.V.] [in addition to the conditions referred to above] are that such consent:</p> <p>(a) is only valid during the Ireland Offer Period; and</p> <p>(b) only extends to the use of this Base Prospectus to make Public Offers of the relevant Tranche of Instruments in [..]</p> <p>[EDP – Energias de Portugal, S.A. / EDP Finance B.V.]’s consent referred to above is given for Public Offer of Instruments during [] (the Portugal Offer Period).</p> <p>The conditions to the consent of [EDP – Energias de Portugal, S.A. / EDP Finance B.V.] [in addition to the conditions referred to above] are that such consent:</p> <p>(a) is only valid during the Portugal Offer Period; and</p> <p>(b) only extends to the use of this Base Prospectus to make Public Offers of the relevant Tranche of Instruments in [..]</p> <p>AN INVESTOR INTENDING TO PURCHASE OR PURCHASING ANY INSTRUMENTS IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH INSTRUMENTS TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR, INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE ISSUERS WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE PUBLIC OFFER OR SALE OF THE INSTRUMENTS CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION.</p>

Section B – Issuers and Keep Well Provider

Element	Title	
B.1	Legal and commercial names of the Issuers	<p>EDP – Energias de Portugal, S.A. (“EDP”)</p> <p>EDP Finance B.V. (“EDP B.V.”)</p>

Element	Title	
B.2	Domicile/legal form/legislation/country of incorporation	<p>EDP is a limited liability company incorporated and domiciled in the Portuguese Republic under Portuguese law.</p> <p>EDP B.V. is a limited liability company incorporated and domiciled in The Netherlands under Dutch law.</p>
B.4b	Trend information	Not Applicable; there are no known trends affecting the Issuers and the industries in which they operate.
B.5	Description of the Group	<p>EDP is a vertically integrated utility company and is the parent company of the EDP Group which operates in the business areas of generation, supply and distribution of electricity and supply and distribution of gas in Portugal, Spain, France, Belgium, Italy, Poland, Romania, the United States and Brazil.</p> <p>EDP B.V. is a wholly owned subsidiary of EDP.</p>
B.9	Profit forecast or estimate	Not Applicable; no profit forecast or estimate is made in the Base Prospectus.
B.10	Audit report qualifications	Not Applicable; there are no qualifications in the audit report on the historical financial information.

B.12

Selected historical key financial information:

In relation to EDP¹:

The table below sets out summary information extracted from the EDP Group's audited income statement for each of the two years ended 31 December 2015 and 31 December 2014 and from the EDP Group's unaudited income statement for each of the six month periods ended 30 June 2016 and 30 June 2015, respectively:

Condensed Income Statement

Thousands of Euros	Unaudited			
	Six Months Ended 30 June		Year Ended 31 December	
	2016	2015	2015	2014
Revenues from energy sales and services and other	7,147,613	7,947,694	15,516,799	16,293,883
Cost of energy sales and other	-4,177,858	-5,197,883	-10,062,093	-10,926,754
	<u>2,969,755</u>	<u>2,749,811</u>	<u>5,454,706</u>	<u>5,367,129</u>
Other operating income / (expenses):				
Other income.....	239,296	525,899	848,783	402,278
Supplies and services.....	-435,743	-434,189	-920,608	-896,959
Personnel costs and employee benefits	-323,500	-324,220	-652,979	-555,438
Other expenses.....	-383,054	-386,353	-805,944	-674,617
	<u>-903,001</u>	<u>-618,863</u>	<u>-1,530,748</u>	<u>-1,724,736</u>
	<u>2,066,754</u>	<u>2,130,948</u>	<u>3,923,958</u>	<u>3,642,393</u>
Provisions.....	5,025	-3,275	-16,056	-52,095
Amortisation and impairment.....	-744,345	-689,179	-1,464,523	-1,397,238
	<u>1,327,434</u>	<u>1,438,494</u>	<u>2,443,379</u>	<u>2,193,060</u>
Financial income	597,249	502,202	936,221	960,845
Financial expenses	-1,004,980	-866,449	-1,768,736	-1,532,742
Share of net profit in joint ventures and associates.....	-4,586	-23,287	-23,899	15,094
Profit before income tax and CESE	<u>915,117</u>	<u>1,050,960</u>	<u>1,586,965</u>	<u>1,636,257</u>
Income tax expense	-242,860	-193,803	-277,769	-310,952
Extraordinary contribution to the energy sector (CESE)	-58,834	-60,863	-62,054	-61,495
	<u>-301,694</u>	<u>-254,666</u>	<u>-339,823</u>	<u>-372,447</u>
Net profit for the period	<u>613,423</u>	<u>796,294</u>	<u>1,247,142</u>	<u>1,263,810</u>
Attributable to:				
Equity holders of EDP	<u>472,171</u>	<u>586,809</u>	<u>912,703</u>	<u>1,040,448</u>
Non-controlling Interests	<u>141,252</u>	<u>209,485</u>	<u>334,439</u>	<u>223,362</u>
	<u>613,423</u>	<u>796,294</u>	<u>1,247,142</u>	<u>1,263,810</u>
Net profit for the period				
Earnings per share (Basic and Diluted) - Euros.....	<u>0.13</u>	<u>0.16</u>	<u>0.25</u>	<u>0.29</u>

¹ Following the publication of a Supplement to the Base Prospectus dated 4 August 2016 selected historical key

The table below sets out summary information extracted from the EDP Group's audited statement of financial position as at 31 December 2015 and 31 December 2014 and from the EDP Group's unaudited statement of financial position as at 30 June 2016:

Consolidated Statement of Financial Position

Thousands of Euros	Unaudited Six Months ended 30 June	Year ended 31 December	
	2016	2015	2014
Assets			
Property, plant and equipment	22,986,269	22,773,716	20,523,100
Intangible assets	5,529,735	5,524,634	5,813,026
Goodwill	3,377,361	3,388,588	3,321,286
Investments in joint ventures and associates	759,326	664,011	872,974
Available for sale investments	170,324	200,206	224,457
Investment property	32,918	36,465	37,399
Deferred tax assets	445,976	272,498	218,747
Trade receivables	115,996	101,087	174,591
Debtors and other assets from commercial activities	2,773,208	3,211,231	3,052,139
Other debtors and other assets	496,123	444,257	780,877
Collateral deposits associated to financial debt	36,049	66,855	388,808
Total Non-Current Assets	36,723,285	36,683,548	35,407,404
Inventories	211,092	204,206	266,456
Trade receivables	1,843,313	1,895,517	1,945,103
Debtors and other assets from commercial activities	1,343,855	1,573,383	1,734,129
Other debtors and other assets	295,790	443,118	318,848
Current tax assets	342,435	314,867	371,653
Financial assets at fair value through profit or loss	7,508	9,288	10,665
Collateral deposits associated to financial debt	34,817	13,060	40,362
Cash and cash equivalents	1,528,753	1,245,449	2,613,995
Assets held for sale	-	154,529	164,402
Total Current Assets	5,607,563	5,853,417	7,465,613
Total Assets	42,330,848	42,536,965	42,873,017
Equity			
Share capital	3,656,538	3,656,538	3,656,538
Treasury stock	-61,891	-62,691	-69,931
Share premium	503,923	503,923	503,923
Reserves and retained earnings	4,142,008	3,659,302	3,550,487
Consolidated net profit attributable to equity holders of EDP	472,171	912,703	1,040,448
Total Equity attributable to equity holders of EDP	8,712,749	8,669,775	8,681,465
Non-controlling Interests	4,281,300	3,451,718	3,287,679
Total Equity	12,994,049	12,121,493	11,969,144

financial information for the six month period ended 30 June 2016 has been added together with comparative information for the same period in the prior financial year.

Liabilities			
Financial debt	16,426,484	15,653,876	16,400,827
Employee benefits	1,627,087	1,647,730	1,682,988
Provisions	483,210	481,439	463,975
Deferred tax liabilities	739,011	794,983	804,744
Institutional partnerships in USA wind farms	1,932,872	1,956,217	1,801,963
Trade and other payables from commercial activities.....	1,301,762	1,237,274	1,269,476
Other liabilities and other payables.....	747,647	548,136	517,486
Total Non-Current Liabilities	23,258,073	22,319,655	22,941,459
Financial debt	2,250,168	3,616,664	3,897,356
Employee benefits.....	174,667	175,763	197,285
Provisions	27,995	24,633	21,564
Hydrological correction account.....	6,553	11,417	1,010
Trade and other payables from commercial activities.....	2,548,687	3,380,358	3,182,255
Other liabilities and other payables.....	219,776	311,574	235,795
Current tax liabilities	850,880	517,380	415,821
Liabilities held for sale	-	58,028	11,328
Total Current Liabilities	6,078,726	8,095,817	7,962,414
Total Liabilities.....	29,336,799	30,415,472	30,903,873
Total Equity and Liabilities	42,330,848	42,536,965	42,873,017

The table below sets out summary information extracted from the EDP Group's audited statement of cash flows as at 31 December 2015 and 31 December 2014 and the EDP Group's unaudited statement of cash flows as at 30 June 2016 and 30 June 2015 respectively:

Consolidated Statement of Cash Flows

Thousands of Euros	Unaudited			
	Six Months Ended 30 June		Year Ended 31 December	
	2016	2015	2015	2014
Operating activities				
Cash receipts from customers	6,795,836	7,452,964	14,357,283	14,802,734
Proceeds from tariff adjustments sales	1,253,785	699,461	903,070	1,557,113
Payments to suppliers	-4,716,295	-5,508,327	10,512,735	-11,417,036
Payments to personnel	-447,234	-456,489	-781,382	-813,108
Concession rents paid	-142,475	-140,263	-277,627	-268,249
Other receipts / (payments) relating to operating activities	-362,027	-145,337	-462,695	-385,753
Net cash from operations	2,381,590	1,902,009	3,225,914	3,475,701
Income tax received / (paid)	-173,725	16,311	-141,780	-226,915
Net cash from operating activities	2,207,865	1,918,320	3,084,134	3,248,786
Investing activities				
Cash receipts relating to:				
Sale of assets / subsidiaries with loss of control	95,434	242,627	242,985	228,114
Other financial assets and investments	35,671	1,324	33,498	1,199
Changes in cash resulting from consolidation perimeter variations	-	1,948	101,389	35
Property, plant and equipment and intangible assets	3,185	7,471	11,596	13,685
Other receipts relating to tangible fixed assets	4,115	5,235	16,308	35,246
Interest and similar income	34,967	33,257	84,922	107,868
Dividends	10,004	23,958	34,359	38,441
Loans to related parties	32,998	5,099	4,482	-
	216,374	320,919	529,539	424,588
Cash payments relating to:				
Acquisition of assets / subsidiaries	-85,416	-95,423	-207,971	-21,774
Other financial assets and investments	-70,967	-45,858	-78,014	-115,323
Changes in cash resulting from consolidation perimeter variations	-1,085	-	-	-
Property, plant and equipment and intangible assets	-1,137,577	-1,126,491	-1,835,636	-1,736,269
Loans to related parties	-21,510	-17,642	-40,583	-
	-1,316,555	-1,285,414	-2,162,204	-1,873,366
Net cash from investing activities	-1,100,181	-964,495	-1,632,665	-1,448,778

Financing activities				
Receipts / (payments) relating to loans	-502,595	-1,407,259	-1,458,838	-46,219
Interest and similar costs including hedge derivatives	-448,359	-479,662	-920,577	-855,562
Share capital increases / (decreases) by non-controlling interests	145,640	-25,807	-46,168	-6,116
Receipts / (payments) relating to derivative financial instruments	-3,080	36,403	-22,808	56,561
Dividends paid to equity holders of EDP	-672,537	-672,308	-672,308	-671,879
Dividends paid to non-controlling interests	-119,585	-67,534	-128,971	-123,836
Treasury stock sold / (purchased)	-1,183	4,532	6,223	12,142
Sale of assets / subsidiaries without loss of control	556,080	394,950	394,904	109,107
Receipts / (payments) from wind activity institutional partnerships - USA	113,431	36,657	68,474	147,860
Net cash from financing activities	-932,188	-2,180,028	-2,780,069	-1,377,942
Changes in cash and cash equivalents	175,496	-1,226,203	-1,328,600	422,066
Effect of exchange rate fluctuations on cash held	107,808	-17,851	-39,946	35,222
Cash and cash equivalents at the beginning of the period	1,245,449	2,613,995	2,613,995	2,156,707
Cash and cash equivalents at the end of the period	1,528,753	1,369,941	1,245,449	2,613,995

In relation to EDP B.V.²:

The table below sets out summary information extracted from EDP B.V.'s audited income statement for each of the two years ended 31 December 2015 and 31 December 2014 and EDP B.V.'s unaudited income statement for each of the six month periods ended 30 June 2016 and 30 June 2015, respectively:

Income Statement

Thousands of Euros	Unaudited		Year Ended 31 December	
	Six Months Ended 30 June			
	2016	2015	2015	2014
Interest income	318,687	364,484	705,667	787,198
Interest expenses	-315,575	-393,801	-747,647	-771,703
Net interest income / (expense)	3,112	-29,317	-41,980	15,495
Net other financial income and expenses	7,800	-17,566	-18,564	6,028
Net financial income / (expense)	10,912	-46,883	-60,544	21,523
Other operating income / (expenses)				
Services rendered	609	851	2,055	1,768
Supplies and services	-1,356	-1,465	-2,660	-3,598
Personnel costs	-22	-20	-39	-1
Profit / (Loss) before income tax	10,143	-47,517	-61,188	19,692
Tax (expense) / benefit	-2,531	11,924	15,297	-4,913
Profit / (Loss) for the period	7,612	-35,593	-45,891	14,779

² Following the publication of a Supplement to the Base Prospectus dated 4 August 2016 selected historical key financial information for the six month period ended 30 June 2016 has been added together with comparative information for the same period in the prior financial year.

The table below sets out summary information extracted from EDP B.V.'s audited statement of financial position as at 31 December 2015 and 31 December 2014 and from EDP B.V.'s unaudited statement of financial position as at 30 June 2016:

Statement of Financial Position

	Unaudited		
	Six Months ended 30 June	Year ended 31 December	
Thousands of Euros	2016	2015	2014
Assets			
Loans to and receivables from group entities	12,855,533	12,931,757	11,857,845
Derivative financial instruments	218,296	203,998	178,373
Deferred tax assets	10,005	10,005	-
Total Non-Current Assets	13,083,834	13,145,760	12,036,218
Loans to and receivables from group entities	1,263,488	1,631,137	4,333,366
Derivative financial instruments	40,917	84,587	80,239
Debtors and other assets	1,262	1,789	1,548
Tax receivable	5,075	5,075	3,175
Cash and cash equivalents	1,556	806	193,365
Total Current Assets	1,312,298	1,723,394	4,611,693
Total Assets	14,396,132	14,869,154	16,647,911
Equity			
Share capital	2,000	2,000	2,000
Share premium	11,980	11,980	11,980
Reserves and retained earnings	84,012	130,129	114,655
Profit / (loss) for the period	7,612	-45,891	14,779
Total Equity	105,604	98,218	143,414
Liabilities			
Debt securities	9,908,591	9,369,836	10,466,159
Loans and credit facilities from third parties	2,338,191	2,336,111	2,643,765
Derivative financial instruments	122,385	190,781	124,685
Total Non-Current Liabilities	12,369,167	11,896,728	13,234,609
Debt securities	1,229,613	2,524,513	1,851,318
Loans and credit facilities from third parties	210,031	211,250	829,588
Loans from group entities	488,311	34,268	377,832
Amounts owed on commercial paper	-	110,000	210,000
Derivative financial instruments	-10,463	-6,201	-3,926
Trade and other payables	1,413	378	27
Tax payable	2,456	-	5,049
Total Current Liabilities	1,921,361	2,874,208	3,269,888
Total Liabilities	14,290,528	14,770,936	16,504,497
Total Equity and Liabilities	14,396,132	14,869,154	16,647,911

The table below sets out summary information extracted from EDP B.V.'s audited statement of cash flows as at 31 December 2015 and 31 December 2014 and from EDP B.V.'s unaudited statement of cash flows as at 30 June 2016 and 30 June 2015 respectively:

Statement of Cash Flows

Thousands of Euros	Six Months Ended 30 June		Year Ended 31 December	
	2016	2015	2015	2014
	<i>(Unaudited)</i>			
Cash flows from operating activities				
Profit/(Loss) for the period	7,612	-35,593	-45,891	14,779
Adjustments for:				
Net interest income / (expense)	-3,073	29,449	42,178	-9,249
Net other financial income and expenses.....	-85,888	545	241	-77,772
Supplies and services	-	-	-64	-
Tax income	2,531	-11,924	-15,297	4,913
	<u>-78,818</u>	<u>-17,523</u>	<u>-18,833</u>	<u>-67,329</u>
Changes in:				
Loans to and receivables from group entities.....	1,349,795	363,837	1,181,282	-1,379,809
Debtors and other assets.....	147	962	-241	924
Amounts owed on commercial paper.....	-110,000	55,000	-100,000	-70,000
Loans from group entities.....	-322,232	377,832	898,187	2,021,571
Trade and other payables	1,415	831	379	-1,586
	<u>840,307</u>	<u>780,939</u>	<u>1,960,774</u>	<u>503,771</u>
Interest received.....	134,490	170,904	318,832	336,751
Interest paid	-314,516	-365,099	-669,126	-692,053
Tax received / (paid)	-	-1,849	-1,889	1,771
Net cash flow from operating activities	<u>660,281</u>	<u>584,895</u>	<u>1,608,591</u>	<u>150,240</u>
Cash flows from financing activities				
Proceeds from issued debt securities	595,476	744,893	744,893	2,836,571
Redemption of debt securities	-1,250,000	-1,582,366	-1,582,366	-1,377,911
Proceeds of loans and credit facilities from third parties	-	-110,021	1,489,980	514,177
Redemption of loans and credit facilities from third parties.....	-6,566	153,233	-2,471,767	-2,175,976
Net cash flow from financing activities	<u>-661,090</u>	<u>-794,261</u>	<u>-1,819,260</u>	<u>-203,139</u>
Net increase / (decrease) in cash and cash equivalents	<u>-809</u>	<u>-209,366</u>	<u>-210,669</u>	<u>-52,899</u>
Cash and cash equivalents at the beginning of the period.....	806	193,365	193,365	238,173
Effect of exchange rate fluctuations on cash and cash equivalents held	<u>1,559</u>	<u>17,740</u>	<u>18,110</u>	<u>8,091</u>
Cash and cash equivalents at the end of the period	<u>1,556</u>	<u>1,739</u>	<u>806</u>	<u>193,365</u>

Statements of no significant or material adverse change

There has been no significant change in the financial or trading position of EDP or the EDP Group since 30 June 2016³ and there has been no material adverse change in the financial position or prospects of EDP or the EDP Group since 31 December 2015.

There has been no significant change in the financial or trading position of EDP B.V. since 30 June 2016⁴ and there has been no material adverse change in the financial position or prospects of EDP B.V. since 31 December 2015.

³ Updated to refer to 30 June 2016 following the publication of a Supplement to the Base Prospectus dated 4 August 2016.

B.13	Events impacting the Issuers' solvency	Not Applicable; there are no recent events particular to the Issuers which are to a material extent relevant to the evaluation of the Issuers' solvency.
B.14	Dependence upon other group entities	<p>EDP is the parent company of EDP Group. EDP is not dependent upon other entities within the EDP Group.</p> <p>EDP B.V. is a funding vehicle for the EDP Group and its sole purpose is to raise finance in the international loan and capital markets and provide funds and investment services to the EDP Group companies, including by entering into intra-group loan agreements. EDP B.V. is exposed to interest rate risk and currency risk over its outstanding intra-group loans and external borrowings, which could adversely impact its ability to meet its financial obligations. Therefore, given its sole purpose as a funding vehicle for the EDP Group, EDP B.V. relies on the ability of other companies in the EDP Group to meet their financial obligations. It does not have any other sources of revenue.</p>
B.15	Principal activities	<p>EDP's principal activities include the generation, distribution and supply of electricity. EDP also distributes gas and acts as wind power operator.</p> <p>The principal activity of EDP B.V. is to raise funds in the international markets and to provide financial and investment services to the EDP Group.</p>
B.16	Controlling shareholders	<p>EDP B.V. is directly owned and controlled by EDP.</p> <p>EDP is neither directly nor indirectly owned or controlled by any one party. The most significant shareholdings in EDP's share capital (i.e. shareholdings equal to or higher than 2 per cent.) are, as at 30 June 2015: China Three Gorges, owning 21.35 per cent.; Capital Group Companies, Inc., owning 17.07 per cent.; Oppidum, owning 7.19 per cent.; BlackRock, Inc. owning 5.00 per cent.; Senfora BV owning 4.06 per cent.; Fundação Millennium BCP and BCP Group Pension Fund, owning 2.44 per cent.; Sonatrach owning 2.38 per cent. and Qatar Investment Authority, owning 2.27 per cent..</p>
B.17	Credit ratings	<p>Each of EDP and EDP B.V. has been rated Baa3 by Moody's Investors Service Limited ("Moody's"), BBB- by Fitch Ratings Ltd. ("Fitch") and BB+ by Standard & Poor's Credit Market Services France SAS, a Division of The McGraw-Hill Companies, Inc. ("Standard & Poor's"). Instruments issued under the Programme with a maturity of more than one year have been rated Baa3 by Moody's, BBB- by Fitch and BB+ by Standard & Poor's. Instruments issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above.</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating agency.</p>
B.18	Description of the Keep Well Agreement	[EDP has entered into a Keep Well Agreement with EDP B.V., pursuant to which EDP has agreed that, for so long as EDP B.V. has any Instruments outstanding under the Programme, it will make available to EDP B.V. funds sufficient to meet its payment obligations or repay borrowings then maturing to the extent that EDP B.V.'s

⁴ Updated to refer to 30 June 2016 following the publication of a Supplement to the Base Prospectus dated 4 August 2016.

		funds or other liquid assets are insufficient to meet its payment obligations or repay its borrowings. Under the terms of the Keep Well Agreement the Trustee may, on behalf of holders of any Instruments issued by EDP B.V. under the Programme, enforce EDP B.V.'s rights under the Keep Well Agreement against EDP. Holders of Instruments do not have any direct rights against EDP. The Keep Well Agreement is not a guarantee and EDP has no obligation to pay any amounts due under the Instruments issued by EDP B.V.] / [Not Applicable]
B.19/B.1	Legal and commercial name of the Keep Well Provider	EDP - Energias de Portugal, S.A.
B.19/B.2	Domicile/ legal form/ legislation/ country of incorporation	The Keep Well Provider is a limited liability company incorporated and domiciled in the Portuguese Republic under Portuguese Law.
B.19/B.4b	Trend information	Not Applicable; there are no known trends affecting EDP and the industries in which it operates.
B.19/B.5	Description of the Group	EDP is a vertically integrated utility company and is the parent company of the EDP Group which operates in the business areas of generation, supply and distribution of electricity and supply and distribution of gas in Portugal, Spain, France, Belgium, Italy, Poland, Romania, the United States and Brazil.
B.19/B.9	Profit forecast or estimate	Not Applicable; no profit estimate or forecast is made regarding EDP.
B.19/B.10	Audit report qualifications	Not Applicable; there are no qualifications in the audit report on the historical financial information.
B.19/B.12	Selected historical key financial information:	Historical key financial Information about EDP as Keep Well Provider is the same as the historical key information for EDP as Issuer and is provided in Element B.12 above.
B.19/B.13	Events impacting the Keep Well Provider's solvency	Not Applicable; there are no recent events particular to EDP which are to a material extent relevant to the evaluation of the Keep Well Provider's solvency.
B.19/B.14	Dependence upon other Group entities	EDP is not dependent upon other entities within the EDP Group.
B.19/B.15	The Keep Well Provider's Principal activities	EDP's principal activities include the generation, distribution and supply of electricity. EDP also distributes gas and acts as a wind power operator.
B.19/B.16	Controlling shareholders	EDP is neither directly nor indirectly owned or controlled by any one party.
B.19/B.17	Credit ratings	<p>EDP has been rated Baa3 by Moody's, BBB- by Fitch and BB+ by Standard & Poor's.</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>

Section C – Securities

Element	Title	
C.1	Description of Instruments/ISIN	<p>The Instruments to be issued under the Programme may be Fixed Rate Instruments, Floating Rate Instruments, Zero Coupon Instruments, Instalment Instruments or a combination of the foregoing.</p> <p><i>Issuance in Series</i></p> <p>Instruments will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Instruments of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Instruments of each Tranche will all be subject to identical terms in all respects.</p> <p><i>Forms of Instruments</i></p> <p><u>Bearer Instruments:</u></p> <p>Instruments may be issued in bearer form.</p> <p>Instruments in bearer form may initially be in the form of a Temporary Global Instrument exchangeable for a Permanent Global Instrument which is exchangeable for definitive bearer Instruments or a registered Instrument in definitive form in certain limited circumstances.</p> <p>Temporary Global Instruments may also be issued which are exchangeable for definitive bearer Instruments or registered Instruments on or after a specified date.</p> <p>Bearer Instruments in definitive form will, if interest bearing, have Coupons attached and, where the Instruments have more than 27 coupon payments, Talons for further Coupons.</p> <p>Each Bearer Global Instrument will be issued in either "Classic Global Note" or "CGN" form or in "New Global Note" or "NGN" form. CGN Instruments will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. and NGN Instruments will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.</p> <p><u>Registered Instruments:</u></p> <p>Instruments may be issued in registered form.</p> <p>Instruments may initially be in the form of Global Registered Instruments, registered in the name of (i) a common depositary for Euroclear and Clearstream, Luxembourg; or (ii) a common safekeeper for Euroclear and Clearstream, Luxembourg, and such Instruments will be exchangeable for registered Instruments in definitive form in certain limited circumstances.</p> <p>Each Tranche of Instruments represented by a Global Registered Instrument may or may not be held under the new safekeeping structure ("New Safekeeping Structure" or "NSS"). Instruments that are not held under NSS will be registered in the name of a common depositary (or its nominee) for Euroclear and/or</p>

Element	Title	
		<p>Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Instrument will be deposited on or about the issue date with the common depository. Instruments that are held under the NSS, will be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and the relevant Global Registered Instrument will be deposited on or around the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.</p> <p><u>Book Entry Instruments</u></p> <p>Instruments issued by EDP may be issued in dematerialised book-entry form ("<i>forma escritural</i>").</p> <p>Such Instruments will be held through Interbolsa and will either be (i) <i>nominativas</i> (in which case Interbolsa, at the request of the Issuer, can ask for information regarding the identity of the holders of the Instruments and transmit such information to the Issuer); or (ii) <i>ao portador</i> (in which case Interbolsa cannot inform the Issuer of the identity of the holders). Form and title to the Book Entry Instruments will be evidenced by book entries.</p> <p>Form of the Instruments: [].</p> <p>Type of Instruments: [] Instruments.</p> <p>ISIN: [].</p> <p>Common Code: [].</p> <p>[The Instruments will be consolidated to form a single series with [identify earlier Tranches] on [Issue Date/exchange of the Temporary Global Instrument for interests in the Permanent Global Instrument, which is expected to occur on or about [date].]</p>
C.2	Currency	<p>Subject to compliance with all applicable laws, regulations and directives, the Instruments may be denominated in any currency agreed between the relevant Issuer and the relevant Dealer(s) at the time of the issue of such Series of Instruments (the "Specified Currency"), and the Book Entry Instruments will be denominated in Euro or such other currency as can be settled through Interbolsa, in all cases subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.</p> <p>Specified Currency: [].</p>
C.5	Restrictions on transferability	<p>There are no restrictions on the free transferability of the Instruments.</p>
C.8	Rights attached to the Instruments, including ranking and limitations on those rights	<p>Instruments issued under the Programme will be subject to, amongst others, the following terms and conditions:</p> <p><i>Status (Ranking)</i></p> <p>Instruments will constitute direct, unconditional, unsubordinated and (subject to the provisions of the Issuer's negative pledge below) unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.</p>

Element	Title	
		<p><i>Taxation</i></p> <p>All payments in respect of Instruments will be made without deduction for or on account of withholding taxes imposed by the Issuer's country of incorporation. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances, be required to pay additional amounts to cover the amounts so deducted.</p> <p><i>Negative pledge</i></p> <p>The terms of the Instruments will contain a negative pledge provision which restricts the right of the Issuers to create or have outstanding any mortgage, lien, pledge or other charge or to otherwise secure any obligations (subject to certain conditions and exceptions) over the whole or any part of their assets whilst the Instruments remain outstanding.</p> <p><i>Events of default</i></p> <p>(a) default in payment of any principal or interest due in respect of the Instruments, continuing for a specified period of time;</p> <p>(b) non-performance or non-observance by the Issuer (or, if the Issuer is EDP B.V., by EDP) of any of its other obligations under the conditions of the Instruments, the Trust Deed, or, in the case of Book Entry Instruments, the Interbolsa Instrument, in certain cases continuing for a specified period of time;</p> <p>(c) any indebtedness (other than the Instruments) of EDP B.V. (if EDP B.V. is the Issuer), or EDP, or certain subsidiaries of EDP becomes due and payable prior to its stated maturity as a result of a default, such indebtedness is not paid at its maturity, a guarantee or indemnity in respect of such indebtedness given by such company is not honoured when due and called upon, or any security interest over the assets of such company becomes enforceable, in certain cases where the indebtedness amounts to at least US\$50,000,000; and</p> <p>(d) events relating to the insolvency or winding up of EDP B.V. (if EDP B.V. is the Issuer), EDP or certain subsidiaries of EDP;</p> <p>(e) save for the purposes of reorganisation on terms previously approved by an extraordinary resolution of the Holders, EDP B.V. (if EDP B.V. is the Issuer), EDP or certain of its subsidiaries, or EDP and those certain subsidiaries (including EDP B.V.) taken as a whole cease or threaten to cease to carry on the whole or a major part of their business;</p> <p>(f) any requirements of any governmental or public body or authority necessary to enable or permit EDP B.V. or EDP to comply with its obligations under the Instruments, the Trust Deed or the Keep Well Agreement or, for the validity or enforceability of any such obligations, fails to remain in full force and effect or any law, decree or directive of any competent authority of or in The Netherlands or Portugal is enacted or issued which materially impairs the ability or right of EDP B.V. or EDP to perform such obligations;</p> <p>(g) in relation to certain of its subsidiaries, EDP ceases to own</p>

Element	Title	
		<p>directly or indirectly more than 50 per cent. of the issued share capital or voting rights attached thereto or similar right of ownership or, in relation to EDP B.V. (if EDP B.V. is the Issuer), EDP ceases to own directly or indirectly 100 per cent. of the issued share capital or voting rights attached thereto or similar right of ownership or EDP shall cease to have direct or indirect control of certain subsidiaries or EDP B.V.; and</p> <p>(h) the Keep Well Agreement ceases to be in full force and effect.</p> <p>Meetings</p> <p>The terms of the Instruments will contain provisions for calling meetings of holders of such Instruments to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p> <p>Governing law</p> <p>English law, except that with respect to Book-Entry Instruments only, the form and transfer of the Instruments, creation of security over the Instruments and the Interbolsa procedures for the exercise of rights under the Book Entry Instruments are governed by, and shall be construed in accordance with Portuguese law.</p>
C.9	Interest/Redemption	<p>Interest</p> <p>The terms of the relevant Series of Instruments will be agreed between the relevant Issuer and the relevant Dealer(s) at the time of the issue of such Series of Instruments.</p> <p>Nominal interest rate: [].</p> <p>Interest commencement date: [].</p> <p>Interest Payment date(s): [].</p> <p>Reference rate: [].</p> <p>Yield: [].</p> <p>Redemption, Maturity and Redemption Price</p> <p>The terms under which Instruments may be redeemed will be agreed between the relevant Issuer and the relevant Dealer at the time of issue of the relevant Instruments.</p> <p>Maturity: [].</p> <p>Redemption price: [].</p> <p>Provisions relating to early redemption: [].</p> <p>Representation of holders</p> <p>The Trustee, who represents the holders of Instruments other than Book Entry Instruments, is: Deutsche Trustee Company Limited.</p>
C.10	Derivative component in the	Not Applicable; there is no derivative component in the

Element	Title	
	interest payments	interest payments.
C.11 C.21	Listing and admission to trading / distribution	<p>Application will or has been made for Instruments to be admitted to trading on the Irish Stock Exchange. The Programme also permits Instruments to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer, including without limitation, Euronext Lisbon.</p> <p>[Application has been made for the Instruments to be admitted to trading on [the Irish Stock Exchange/Euronext Lisbon] with effect from [].]</p> <p>[The Instruments are neither listed nor admitted to trading on or by any competent authority or stock exchange.]</p>

Section D – Risks

Element	Title	
D.2	Key risks regarding the Issuers	<p>The key risks that are specific to the Issuers are as follows.</p> <p>Regulation: The EDP Group's operating results are highly affected by laws and regulations implemented by public entities in the various jurisdictions in which it operates. Changes to such laws and regulations may have an effect on concessions, licences and permits held by the EDP Group, taxes, levies and other charges to which it may be subject and also the development and profitability of energy projects.</p> <p>In addition, changes to environmental, health and safety laws and regulations to which EDP is subject that would result in them becoming more restrictive or less favourable, or if a stricter interpretation of current regulations were to be applied, this could lead to changes in EDP's operating conditions that might require additional capital expenditures, increase its operating costs or otherwise hinder the development of its business.</p> <p>EDP's cash flow is also subject to possible changes in the amounts and timings of the recovery of regulatory receivables from the energy systems.</p> <p>Competition and demand: EDP's profitability, in particular from its supply activities may be affected by significant changes in energy demand in each of the countries where it operates. In the Iberian Peninsula, electricity generation is subject to licensing by the competent authorities, which is carried out in a competitive environment. Consequently, new electricity generation power plants may be licensed to EDP's competitors in the markets where it operates, affecting the profitability of certain of its power plants. Furthermore, EDP may be unsuccessful in obtaining licences for the construction or operation of new power plants, and it could therefore be unable to increase or maintain its generation capacity or market share. EDP may also face competition as a result of the</p>

Element	Title	
		<p>transmission of electricity from regions with excess capacity or lower energy prices. With respect to the development of wind power generation, EDP primarily faces competition in relation to bidding for or acquiring available sites and grid interconnection rights, and in setting prices for energy produced.</p> <p>In addition, the increase of competition in electricity and natural gas supply in liberalised markets in the Iberian Peninsula (where customers are free to choose their supplier) may reduce EDP's margins and reduce its ability to sell electricity and natural gas to value added final customers.</p> <p>Profit Margin: The selling price and gross profit per unit of energy sold by EDP may decline significantly due to a deterioration of market conditions. This may result from an adverse imbalance between supply and demand in the electricity and natural gas markets in which EDP operates, the performance of international and/or regional energy prices such as oil, natural gas, coal, CO₂ allowances and green certificates, below-average rainfall or wind speed levels, higher cost of power plant construction, a change in the technological mix of installed generation capacity and administrative decisions imposed by legislative and regulatory authorities. In addition, certain of EDP's power plants in Portugal have ceased and others may in the future cease to benefit from the stranded cost compensation mechanism provided for under the Portuguese CMEC legislation, which will result in such power plants becoming exposed to market prices and volatility. Although EDP currently uses and may use various financial and commodity hedging instruments as well as bilateral Power Purchase Agreements and long-term fuel supply agreements in order to mitigate market risks, there is no certainty that such strategies will successfully hedge all of these risks.</p> <p>Counterparty Risk: EDP is exposed to counterparty risk in some of its businesses such as its electricity and natural gas supply to final customers, its energy wholesale activities in the Iberian Peninsula and in international fuel markets, as well as its Power Purchasing Agreements in the United States, Italy, Belgium and Brazil. Counterparties may not comply with their contractual obligations, they may become subject to insolvency or liquidation proceedings during the term of the relevant contracts or the credit support received from such counterparties will be inadequate to cover EDP's losses in the event of its counterparty's failure to perform.</p> <p>Macroeconomic Climate: The global economy and the financial system have experienced a period of significant turbulence and uncertainty, including a very severe dislocation of the financial markets and stress to the sovereign debt and economies of certain European Union countries including Portugal and Spain where EDP has a relevant presence, also accompanied by recessionary conditions and trends in many economies throughout the European Union, including Portugal and Spain. EDP is not able to predict how the economic cycle is likely to develop in the short term or the coming years or whether there will be a further deterioration of the global, Portuguese and Spanish economic cycle.</p> <p>Finance: EDP's financial position may be adversely affected by a number of factors including restrictions on its ability to borrow from the capital markets and other lending sources and the cost of such borrowings which may be affected by changes to EDP's credit</p>

Element	Title	
		<p>ratings and adverse market conditions and volatility in the global credit markets. EDP operates in a capital-intensive business and in particular has significant construction and capital expenditure requirements. The recovery of its capital investment occurs over a substantial period of time. EDP expects to finance a significant part of its capital expenditure from its operating activities. If it is unable to do so it may need to finance these expenditures from outside sources. It may not be possible to raise funds from outside sources on acceptable terms or at all leading to a reduction of its planned capital expenditures.</p> <p>Instruments issued by EDP B.V.: The Instruments issued by EDP B.V. are obligations of EDP B.V. and not of EDP. The Keep Well Agreement entered into between EDP and EDP B.V. is not a guarantee and EDP has no obligation to pay any amounts due under the Instruments issued by EDP B.V.. Although under the terms of the Keep Well Agreement the Trustee may, on behalf of holders of any Instruments issued by EDP B.V., enforce EDP B.V.'s rights under that agreement against EDP to require it in certain circumstances to make available funds sufficient to enable EDP B.V. to meet its payment obligations, holders of Instruments issued by EDP B.V. do not have any direct rights against EDP.</p>
D.3	Key risks regarding the Instruments	<p>Changes in interest rates will affect the value of Instruments which bear interest at a fixed rate – if market rates increase above the rate paid on the Instrument, the value of the Instrument will be adversely affected.</p> <p>If the Issuers have the right to redeem any Instruments at their option, this may limit the market value of the Instruments concerned. During any period when the Issuers may elect to redeem the Instruments, and potentially prior to this period, the market value of the Instruments will generally not rise above the price at which they can be redeemed. Investors may also be unable to reinvest redemption proceeds at an effective yield as high as the yield on the Instruments being redeemed.</p> <p>Fixed/Floating Rate Instruments which bear interest at a rate that converts, at the option of the Issuer, from a fixed rate to a floating rate, or vice versa, may be issued under the Programme. If the Issuer elects to exercise such option, this will affect the secondary market and the market value of the Instruments, since the Issuers may be expected to convert the rate to produce a lower overall cost of borrowing. This means that where the Issuers convert from a fixed rate to a floating rate, the spread on these Instruments may be less favourable than then prevailing spreads on comparable Floating Rate Instruments tied to the same reference rate. The new floating rate may also be lower than the rates on other Instruments and where the Issuers convert from a floating rate to a fixed rate, the fixed rate may also be lower than then prevailing market rates.</p> <p>Instruments may be issued under the Programme at a substantial discount or premium to their principal amount and the market values of these Instruments tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest bearing securities. Generally, there will be greater price volatility the longer the term remaining on the Instrument.</p>

Element	Title	
		<p>Inverse Floating Rate Instruments (where the interest rate is equal to a fixed rate minus a rate based on a reference rate) may be issued under the Programme and the market values of these Instruments will typically be more volatile than that of conventional Floating Rate Instruments. This is because in addition to decreasing the interest rate of the Instruments, an increase in the reference rate may reflect an increase in prevailing interest rates, which may further adversely affect the market value of these Instruments.</p> <p>An investor may not receive payment of the full amounts due in respect of Instruments as a result of amounts being withheld by the Issuer in order to comply with applicable laws.</p> <p>Investors who hold less than the minimum specified denomination may be unable to sell their Instruments and may be adversely affected if definitive Instruments are subsequently required to be issued.</p> <p>There may be no or only a limited secondary market in the Instruments and this would adversely affect the value at which an investor could sell his Instruments.</p> <p>The value of an investor's investment may be adversely affected by exchange rate movements where the Instruments are not denominated in the investor's own currency.</p> <p>Any credit rating assigned to the Instruments may not adequately reflect all the risks associated with an investment in the Instruments.</p>

Section E – Offer

Element	Title	
E.2b	Reasons for the offer and use of proceeds	<p>The net proceeds from each issue of Instruments issued by EDP, will be applied by EDP for its general corporate purposes.</p> <p>The proceeds of Instruments issued by EDP B.V. will be on-lent to, or invested in, EDP Group companies.</p>
E.3	Terms and conditions of the offer	<p>Under the Programme, the Instruments may be offered to the public in a Public Offer in [Ireland or Portugal].</p> <p>The terms and conditions of each offer of Instruments will be determined by agreement between the Issuer and the relevant Dealer at the time of issue and specified in the applicable Final Terms. An Investor intending to acquire or acquiring any Instruments in a Public Offer from an Authorised Offeror will do so, and offers and sales of such Instruments to an Investor by such Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements.</p>

Element	Title	
		<p>[Not Applicable – the Instruments are not being offered to the public as part of a Public Offer.]</p> <p>[The issue of the Instruments is being offered in a Public Offer in [Ireland] [and] [Portugal].]</p> <p>Offer Price: []</p> <p>Conditions to which the offer is subject: []</p> <p>Offer Period: []</p> <p>Description of the application process: []</p> <p>Details of the minimum and/or maximum amount of application: []</p> <p>Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: []</p> <p>Details of the method and time limits for paying up and delivering the Instruments: []</p> <p>Manner in and date on which results of the offer are to be made public: []</p> <p>Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: []</p> <p>Whether tranche(s) have been reserved for certain countries: []</p> <p>Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: []</p> <p>Amount of any []</p>

Element	Title	
		<p>expenses and taxes specifically charged to the subscriber or purchaser:</p> <p>Name(s) and []</p> <p>address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.</p>
E.4	Interests material to the issue/offer	<p>There are no interest(s) material to issues of the Instruments under the Programme, save for any fees payable to the Dealer(s) acting as underwriters of issues of Instruments and that any Dealer and its affiliates may also have engaged, and may in the future engage in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuers and their affiliates in the ordinary course of business.</p> <p>[The [Dealers/ Managers] will be paid aggregate commissions equal to [] per cent. of the nominal amount of the Instruments.]</p> <p>The following additional interest(s) are material to issues of the Instruments: [].</p>
E.7	Expenses charged to the investor by the Issuer or an offeror	<p>Not applicable. No expenses will be chargeable by the Issuer to an Investor in connection with any offer of Instruments. Any expenses chargeable by a Relevant Dealer or an Authorised Offeror to an Investor shall be charged in accordance with any contractual arrangements agreed between the Investor and such Relevant Dealer or an Authorised Offeror at the time of the relevant Public Offer.</p>