

# 1Q 2010 Results Presentation

5<sup>th</sup> May, 2010





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**Highlights of the period**



## Capacity increase driving output growth

- Capacity added: +1.1 GW YoY
- Output increase: +28% GWh YoY

## Quality assets delivering 33% load factor

- Top-class assets delivering 33% load factor but lower by 2pp...
- ...with the strong 34% (+6pp) achieved in Europe...
- ...offset by the 9pp drop in the US to 31%

## Low risk portfolio with limited market exposure

- 81% of the portfolio with fixed prices, or limited exposure
- Average portfolio price flat YoY

...but quarterly performance impacted by wind resource below the historical average in the US

# Delivering strong cash-flow generation...



1Q 2010 highlights

**+22% increase in the gross profit,...**

- Capacity increase was the main top-line growth driver
- EU delivered a strong gross profit performance...
- ...while US was influenced by the low wind resource during 1Q

**...+20% in EBITDA and +27% in FFO**

- EBITDA growth fully reflects the gross profit performance
- Maintaining high efficiency levels: 76% EBITDA margin
- Strong increase in FFO reflecting higher cash-flow generation

**Solid balance sheet and right funding strategy**

- €2.6bn of Net Debt, representing 29% of the EV...
- ...including €0.9bn related to asset under construction
- 90% under long-term fixed rate loans (10 years)

**...and balance sheet discipline to support the growth program**

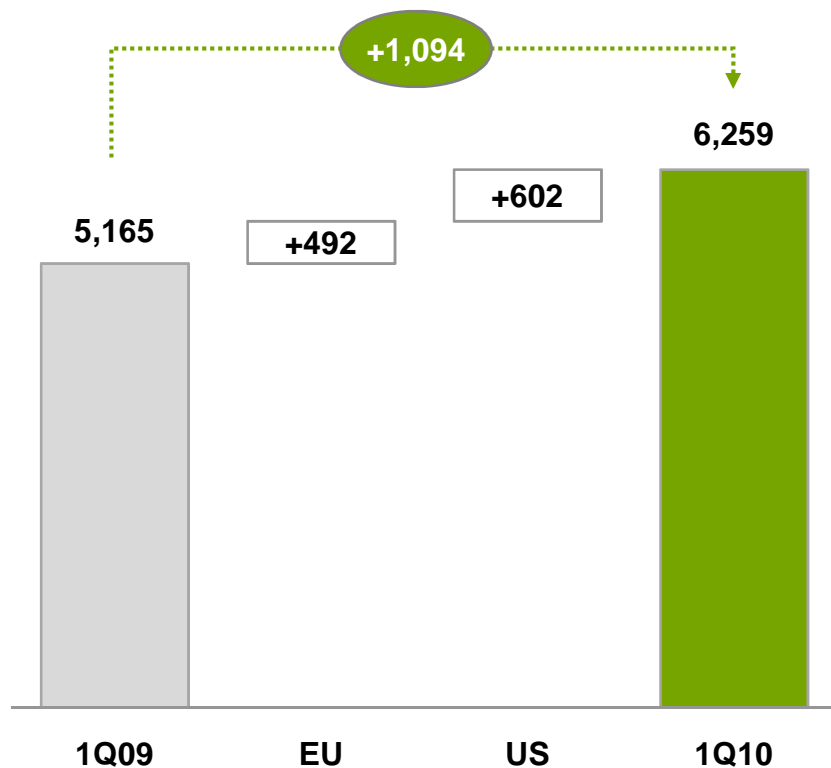


## **1Q10 operating and financial performance**

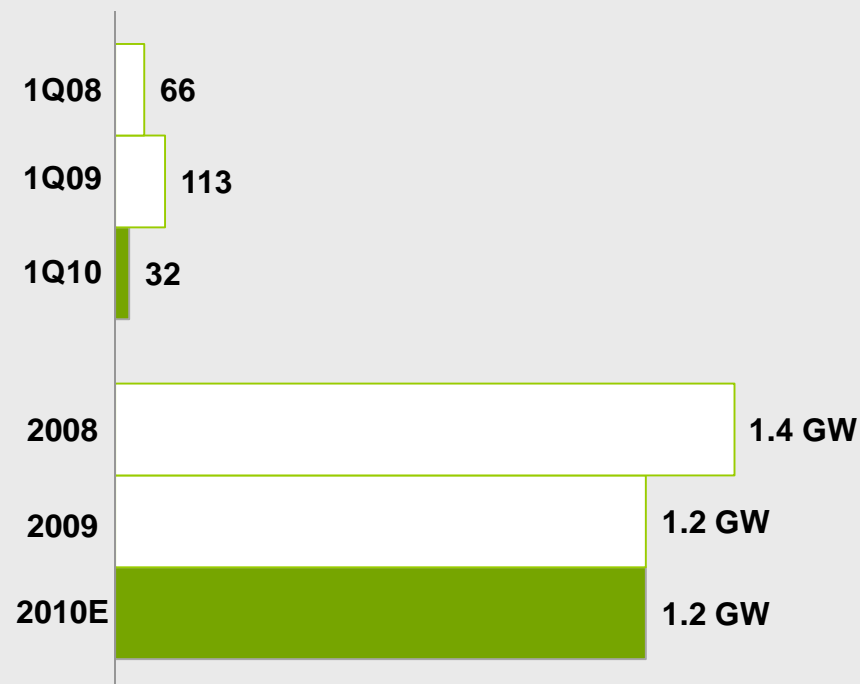
# Continuously delivering strong capacity growth



YoY Capacity Increase  
(Gross MW)



1Q and Year-end additions  
(Gross MW)

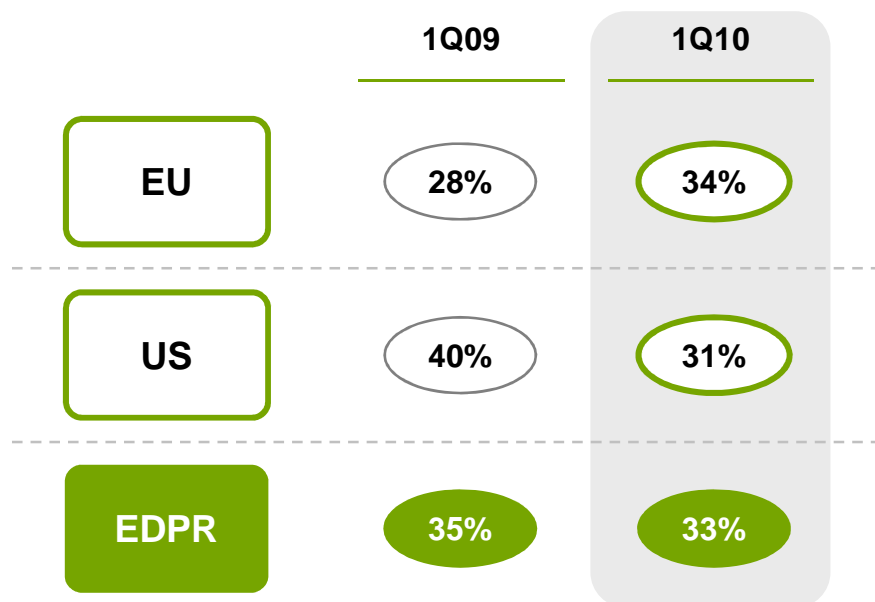


- Consistently meeting robust growth targets over the past years
- Back-end loaded installation profile driven by wind farm construction schedule
- As of Mar-10, EDPR had 1.2 GW under construction: 685 MW in EU; 398 MW in the US; and 70 in Brazil

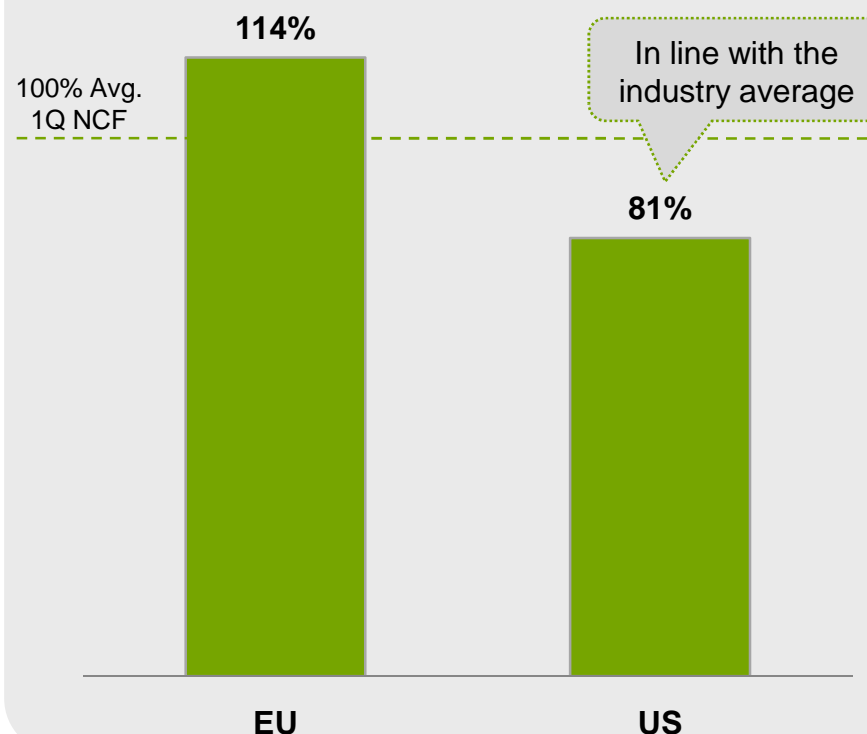
# Top quality load factors vs. sector average but impacted by the below average US wind resource during the quarter



Load Factor  
(%)



Achieved load factors vs. quarterly average  
(%)



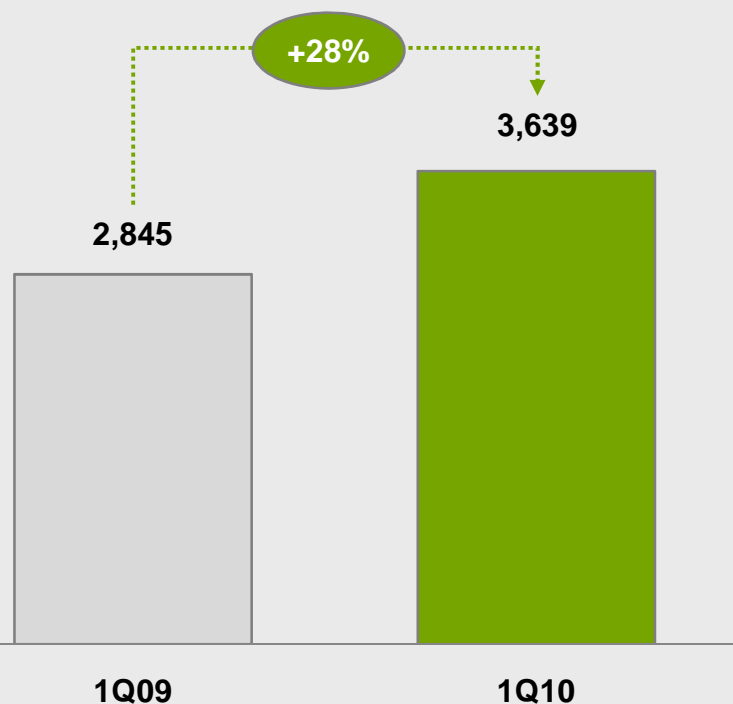
- EU: outstanding wind resource allowed the 2<sup>nd</sup> best 1Q since 2002
- US: achieving a 31% load factor, above main peers, but below historical average
- **EDPR delivered a 33% load factor** one of the highest within the industry, underlying its assets' quality and its top wind assessment team



# Electricity output increased by 28% with the European assets leading the growth



Electricity Output <sup>(1)</sup>  
(EBITDA GWh)



Electricity Output breakdown by region  
(EBITDA GWh)

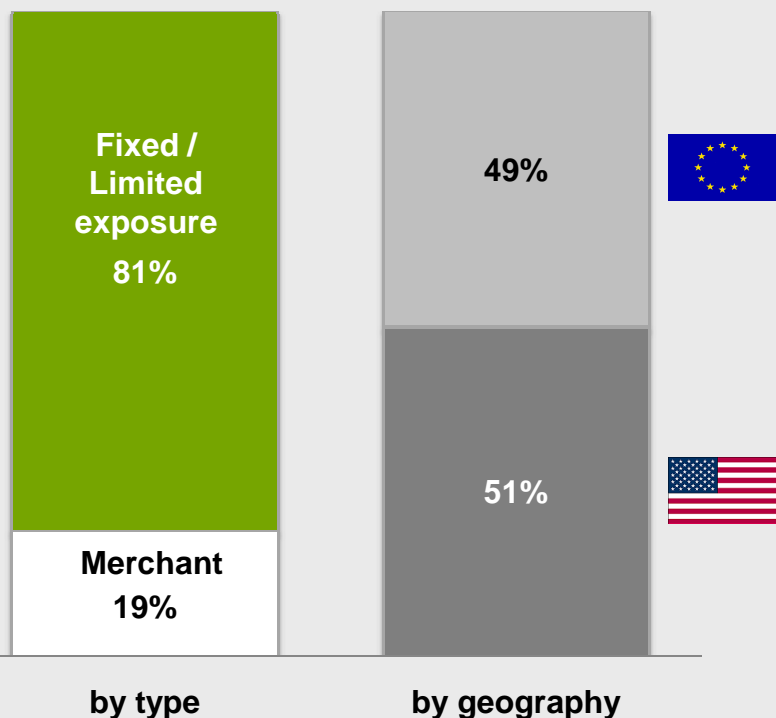
	1Q09	1Q10	Δ%
EU	1,163	1,856	+60%
US	1,675	1,777	+6%
EDPR	2,845	3,639	+28%

- 28% increase in electricity production, driven by a 60% output growth in the European platform
- US performance was largely influenced by the 9 pp decline in the first quarter load factor

# Ongoing portfolio management continues to successfully control the short term exposure to market volatility



**1Q10 Production Breakdown**  
(GWh weighted by revenue source)



**Avg. Selling Price**  
(€/MWh or \$/MWh)

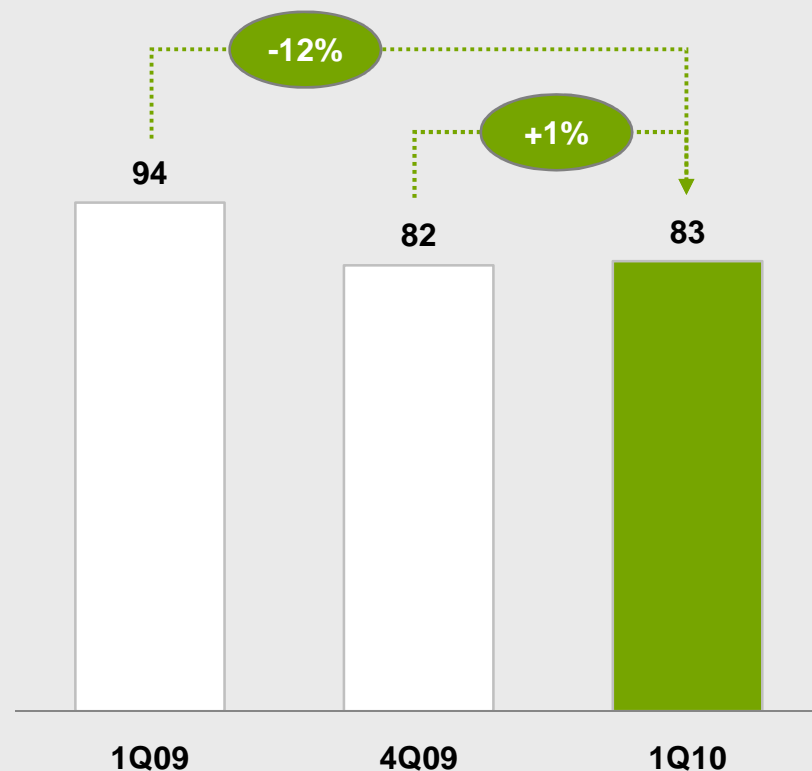
	1Q09	1Q10	Δ%
EU	€94	€83	-12%
US <sup>(1)</sup>	\$47	\$49	+6%
EDPR <sup>(1)</sup>	€60	€60	0%

- 81% of the 1Q10 electricity output was sold **with no exposure (or limited)** to market volatility
- Average portfolio performance remained stable on a YoY basis despite a difficult power pricing environment: different regional performance offset by portfolio effect

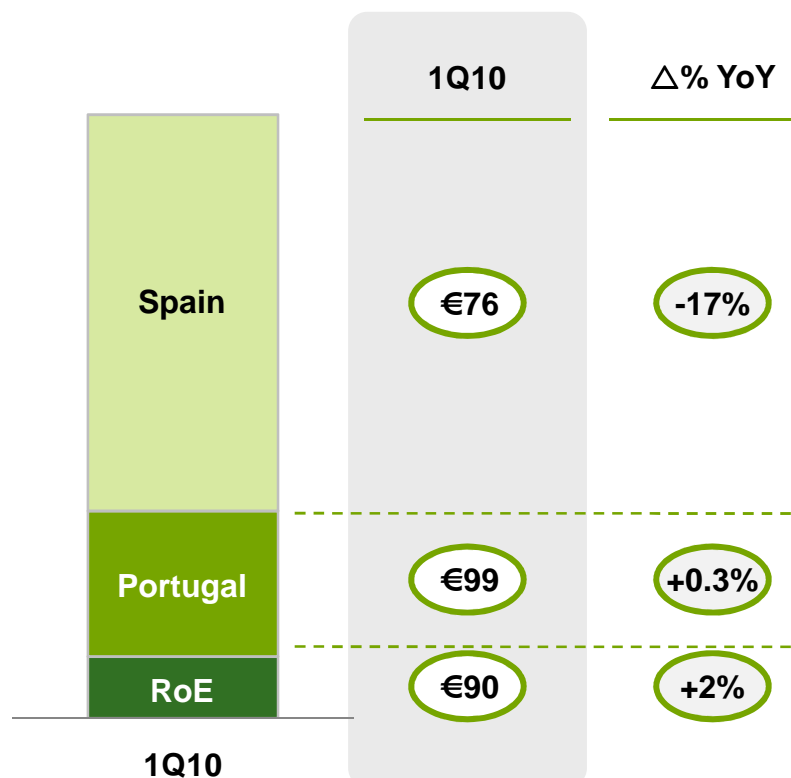
# Europe: unfavorable pricing environment YoY, but stable over the last six months



EU price evolution: YoY and QoQ  
(€/MWh)



Price per country  
(€/MWh)

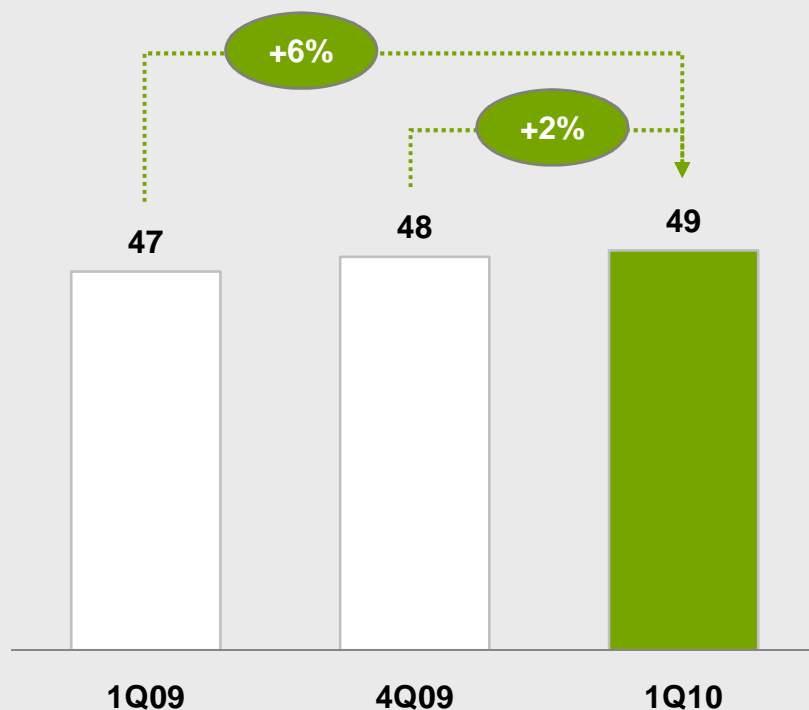


- Unfavourable price performance in Spain due to the 43% drop in the realised pool price (to €23/MWh) but partly mitigated by EDPR's hedging strategy
- Price stability in Portugal and Rest of Europe enabling attractive returns

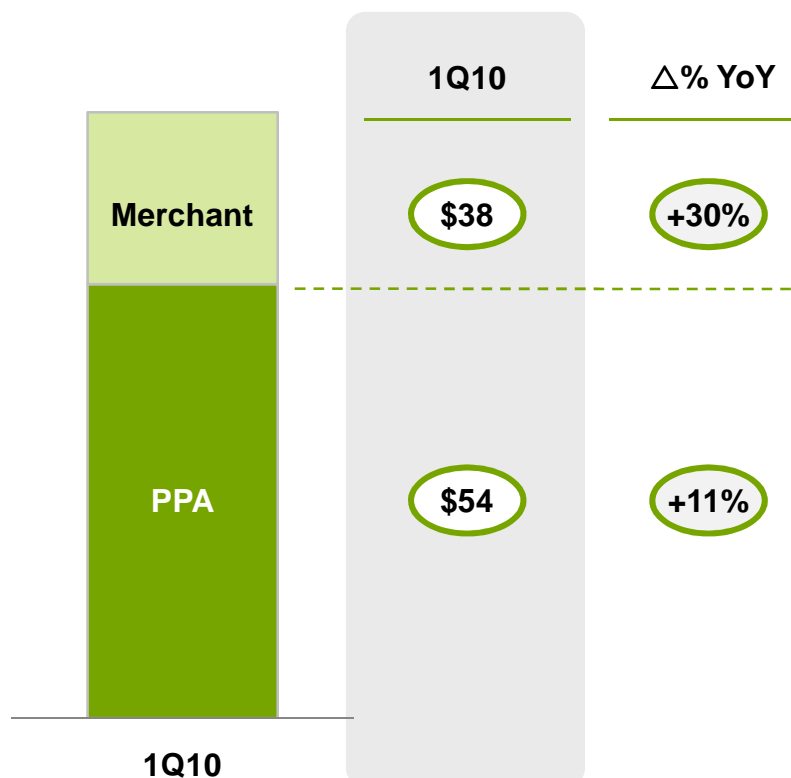
# United States: stable portfolio price performance delivering YoY and quarterly increases



US price evolution: YoY and QoQ <sup>(1)</sup>  
(\$/MWh)



Price per type  
(\$/MWh)

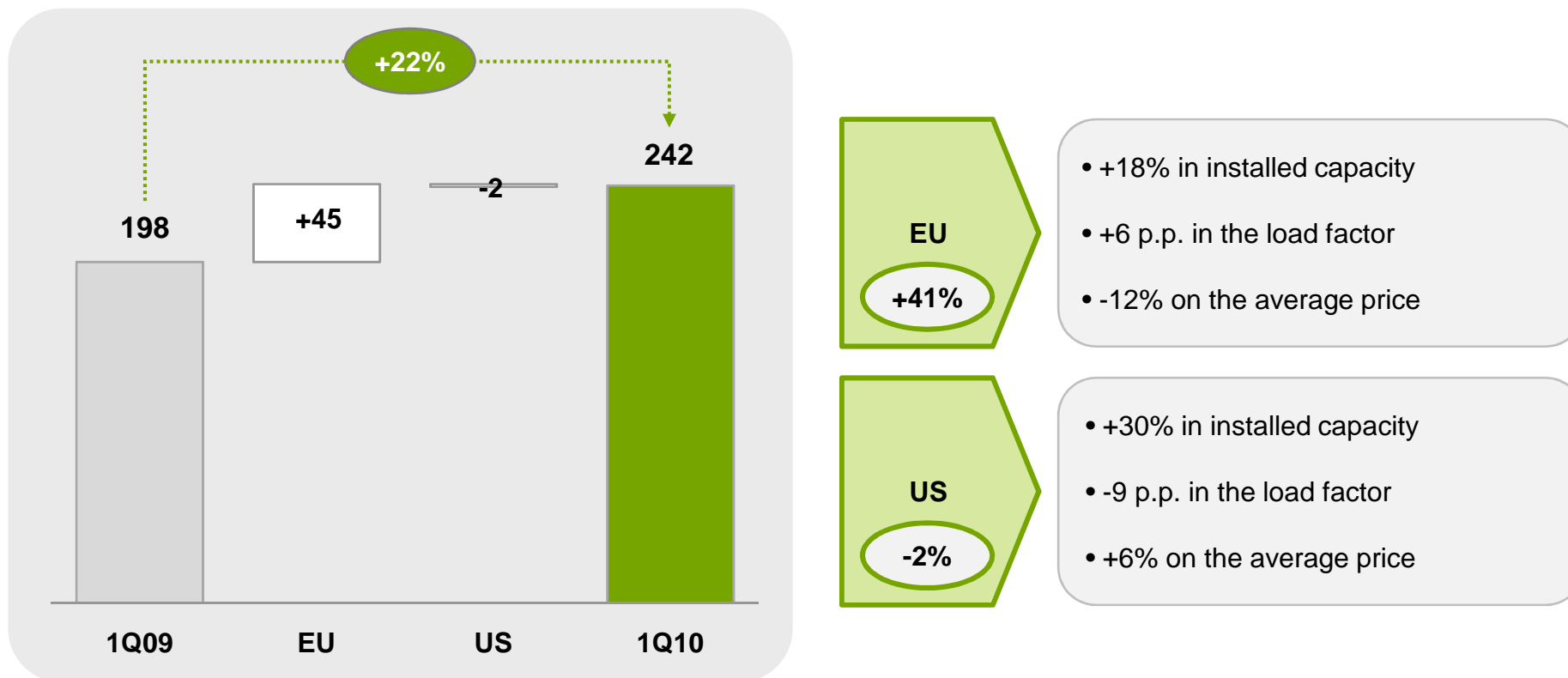


- Favorable upward trend on the average portfolio price: 72% sold under PPAs and 28% merchant
- PPA prices increasing by 11% reflecting the higher prices achieved on the latest contracts
- Strong YoY recovery on the merchant prices (power + REC) by 30%

# Gross profit increased by 22% in 1Q10...



**Gross Profit**  
(€ million)

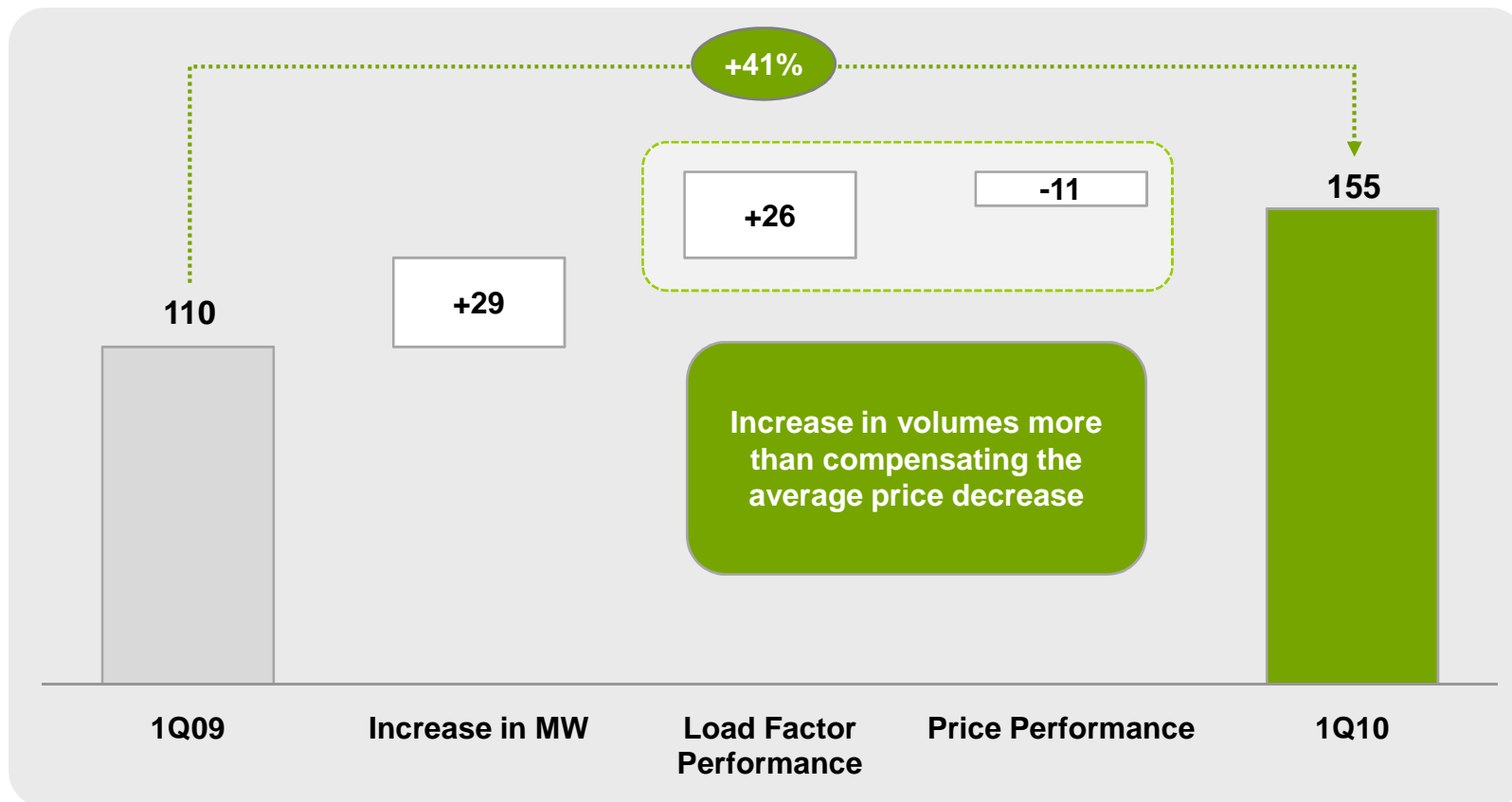


...but not fully reflecting the growth execution on the installed capacity  
due to the non-controllable effect of low wind in the US and unfavourable forex

# European platform Gross Profit increased by 41% YoY...



Gross Profit  
(€ million)

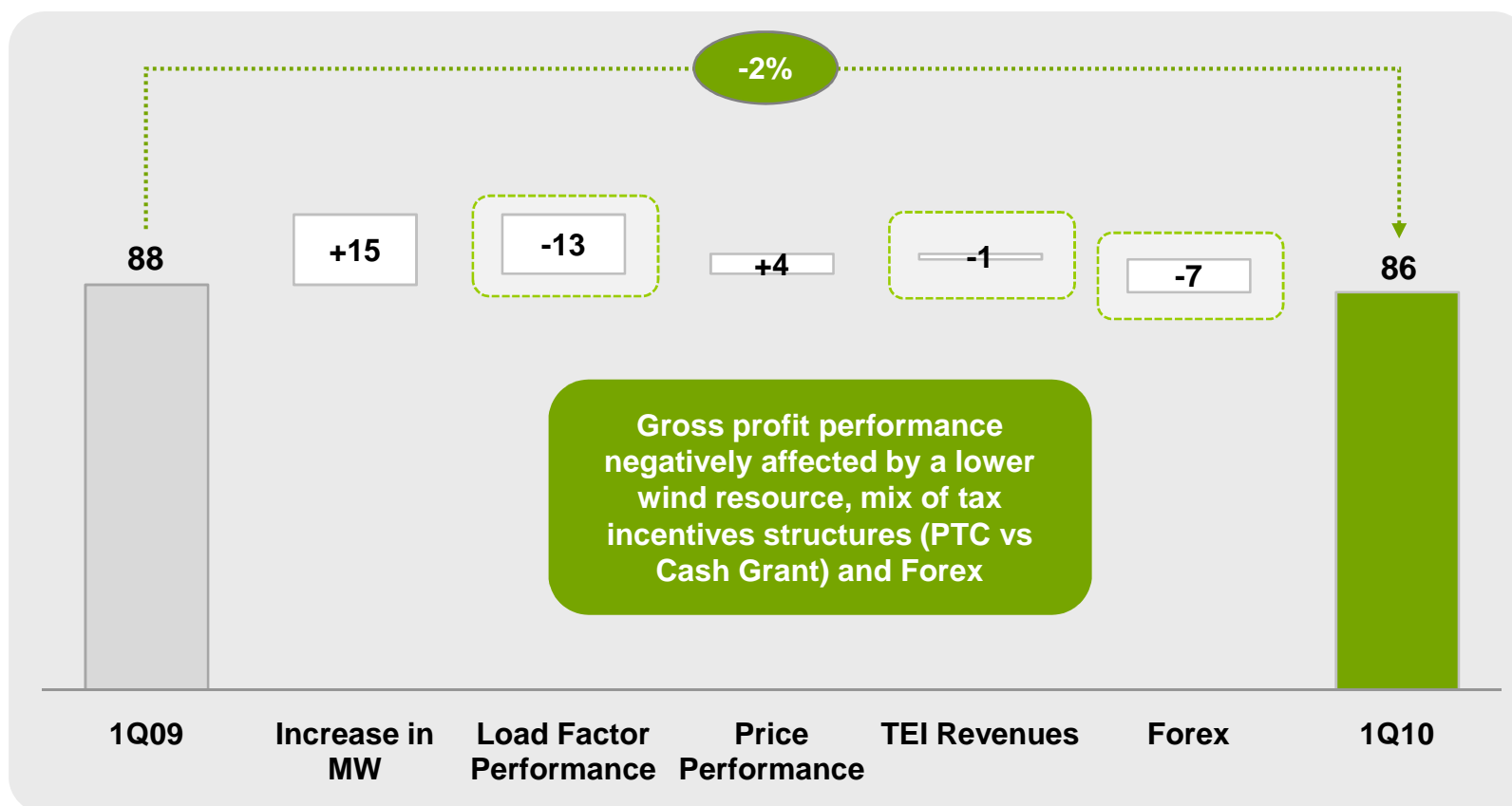


...supported on the new installed capacity and the above average load factor

# US platform Gross Profit decreased by 2% YoY, negatively influenced by wind and forex...



Gross Profit  
(€ million)

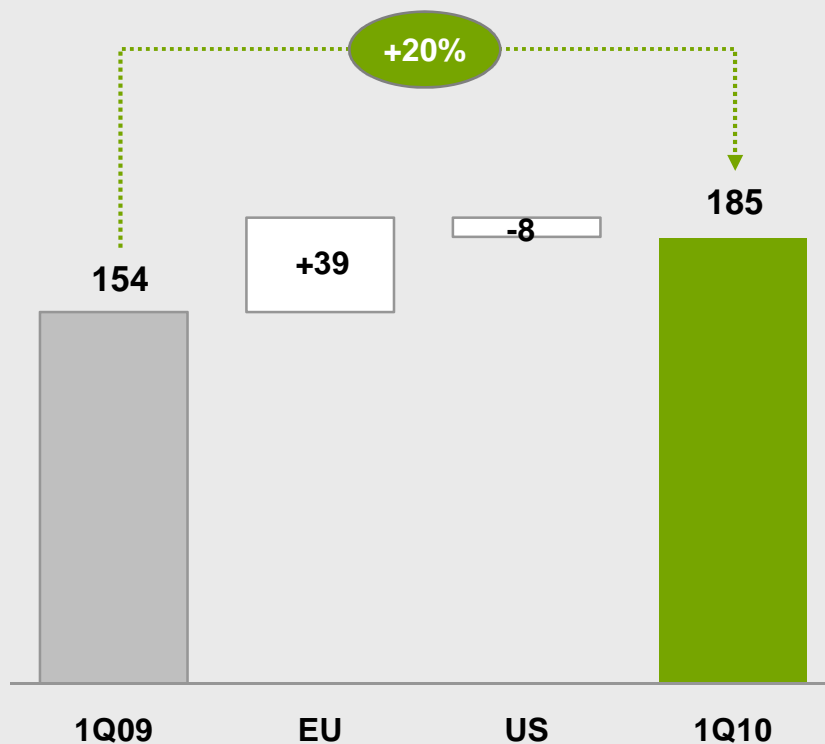


...but with a positive evolution in terms of growth execution and prices,  
leading to a 6% gross profit growth in US Dollars (in line with the output increase)

# EBITDA increased 20%, fully reflecting the Gross Profit performance...



EBITDA: contribution by region  
(€ million)



EBITDA margin: breakdown by region  
(%)

	1Q09	1Q10
EU	82%	84%
US	76%	68%
EDPR	78%	76%

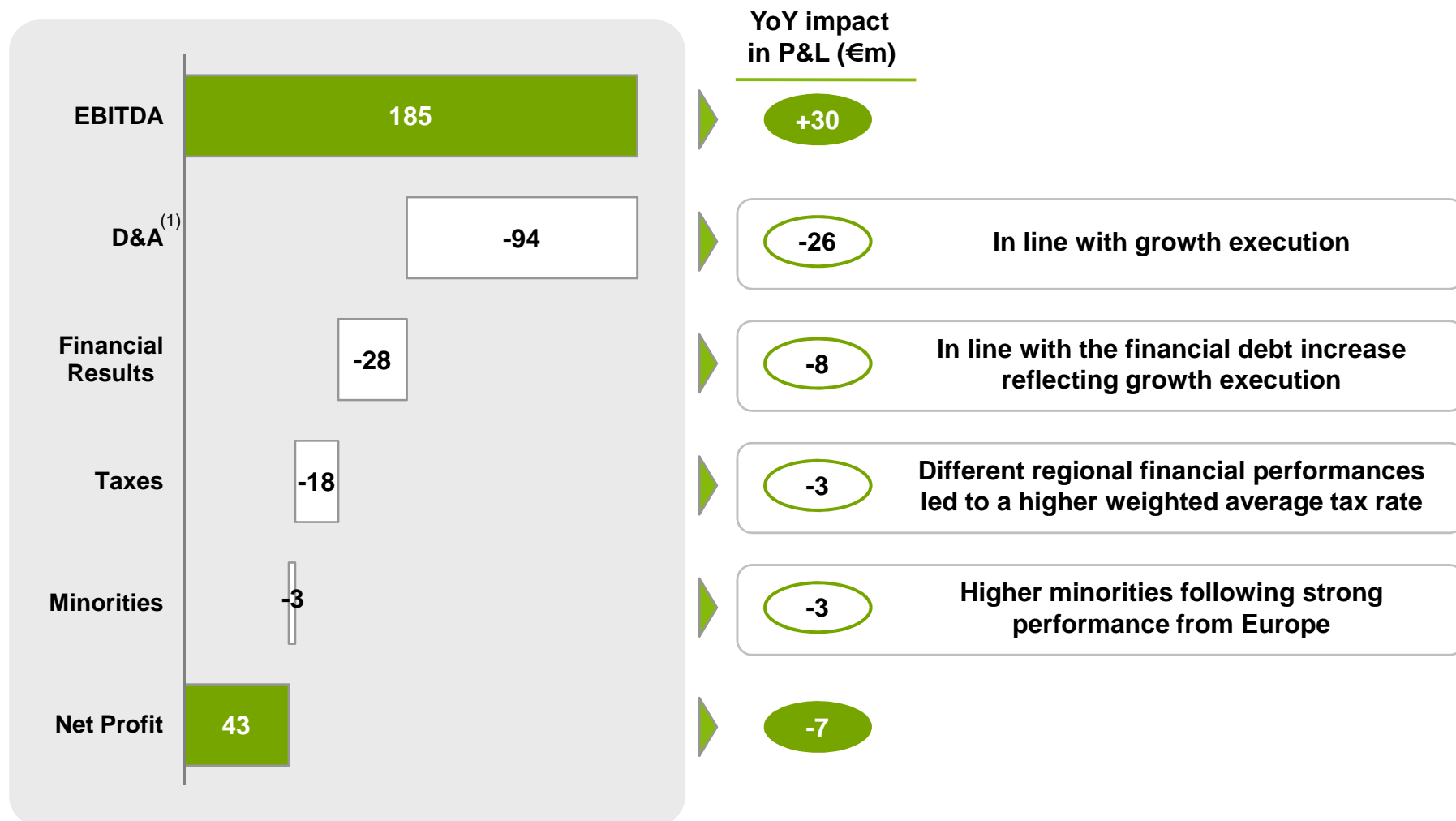
...and the maintenance of high levels of efficiency



# Net profit of €43m mainly reflecting the weaker US gross profit and higher depreciation charges



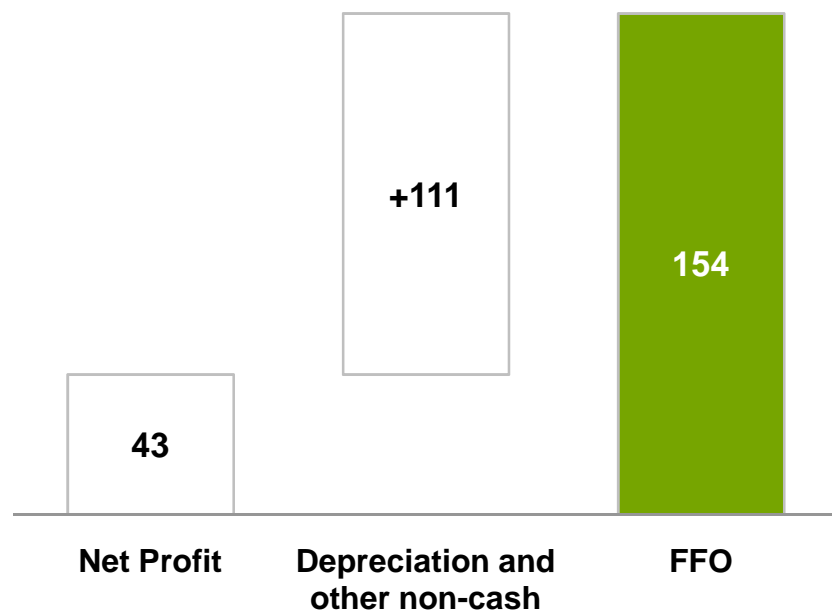
## 1Q10: EBITDA to Net profit (€m)



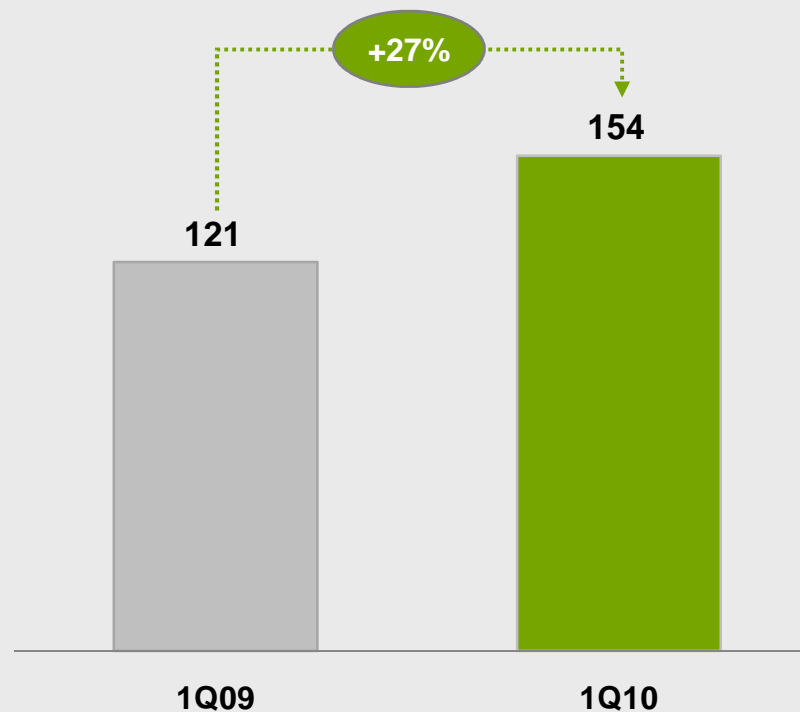
# All in all, EDPR delivered a strong 27% growth on cash-flow generation...



1Q10: Net Profit to FFO  
(€m)

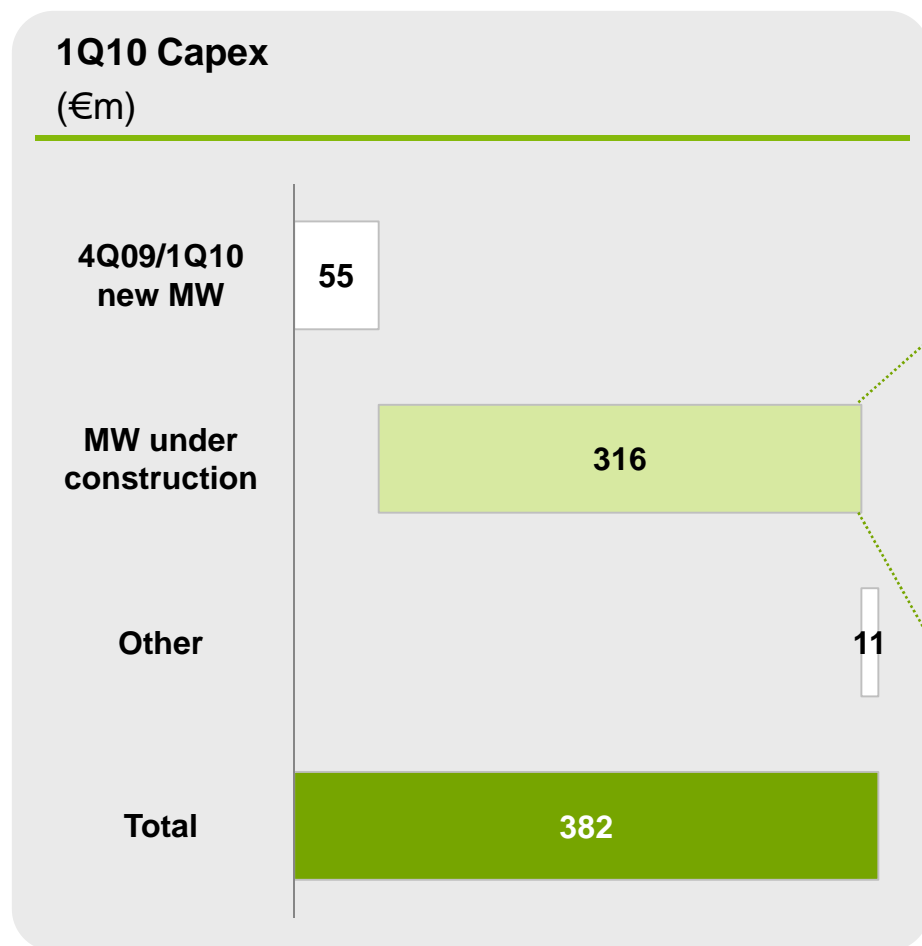


Funds From Operations  
(€m)



...increasing its weight as a source to fund the ongoing growth program

# Capex in the period amounted to €382m...



**MW Under Construction (Gross MW)**

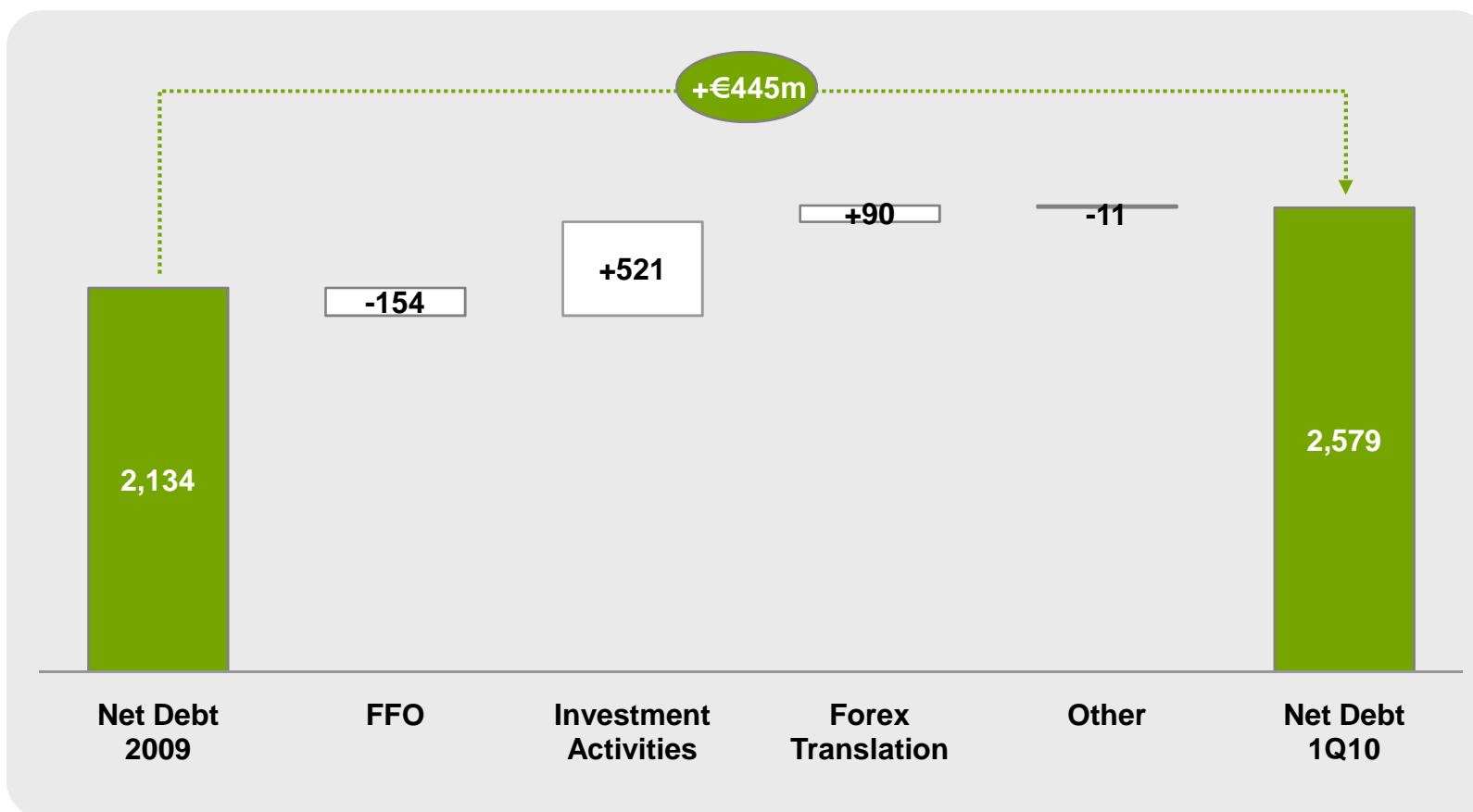
Iberia	421
Western EU (ex-Iberia)	37
Eastern Europe	228
US	398
Brazil	70
<b>EDPR</b>	<b>1,153</b>

...mainly reflecting the diversified 1.2 GW under construction in different attractive regions

# Net Debt increased by €445m...



Net Debt Evolution  
(€ million)

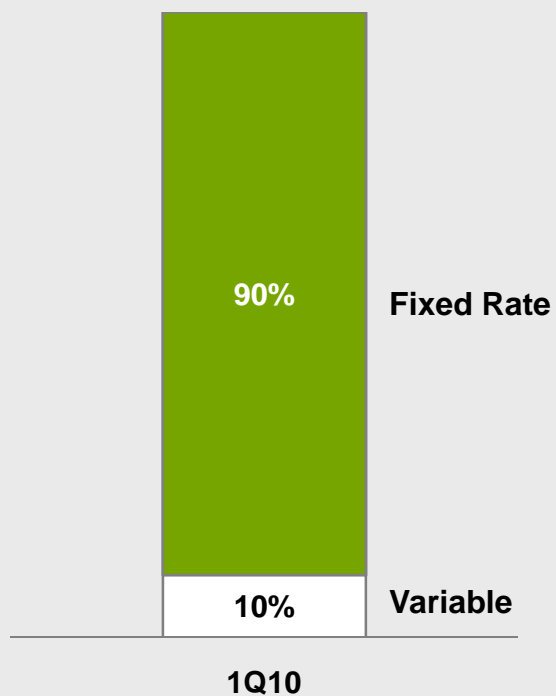


...mainly reflecting the investment activities and the forex translation  
impact on the dollar denominated debt

# The right funding strategy on a capital intensive industry...

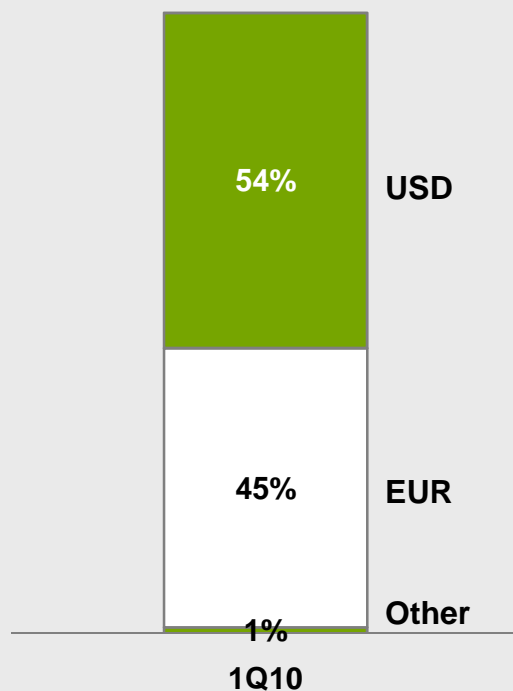


Debt by type  
(%)



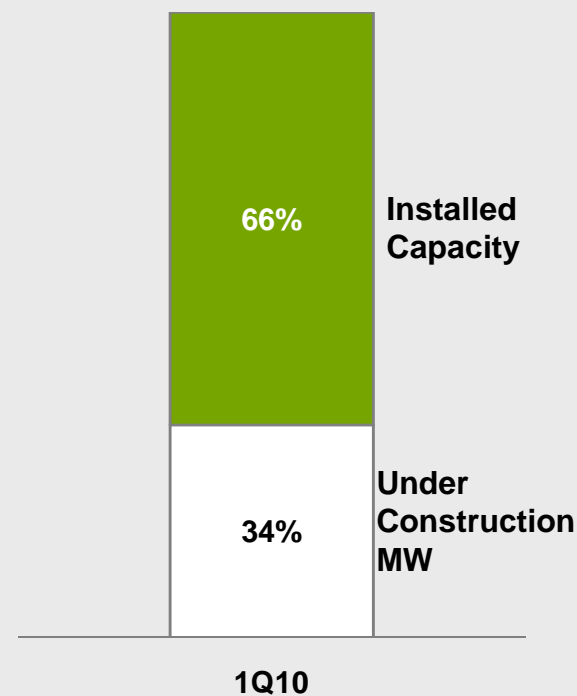
Cost of debt of 4.9%  
(fixed rate loans for 10 years)

Debt by currency  
(%)



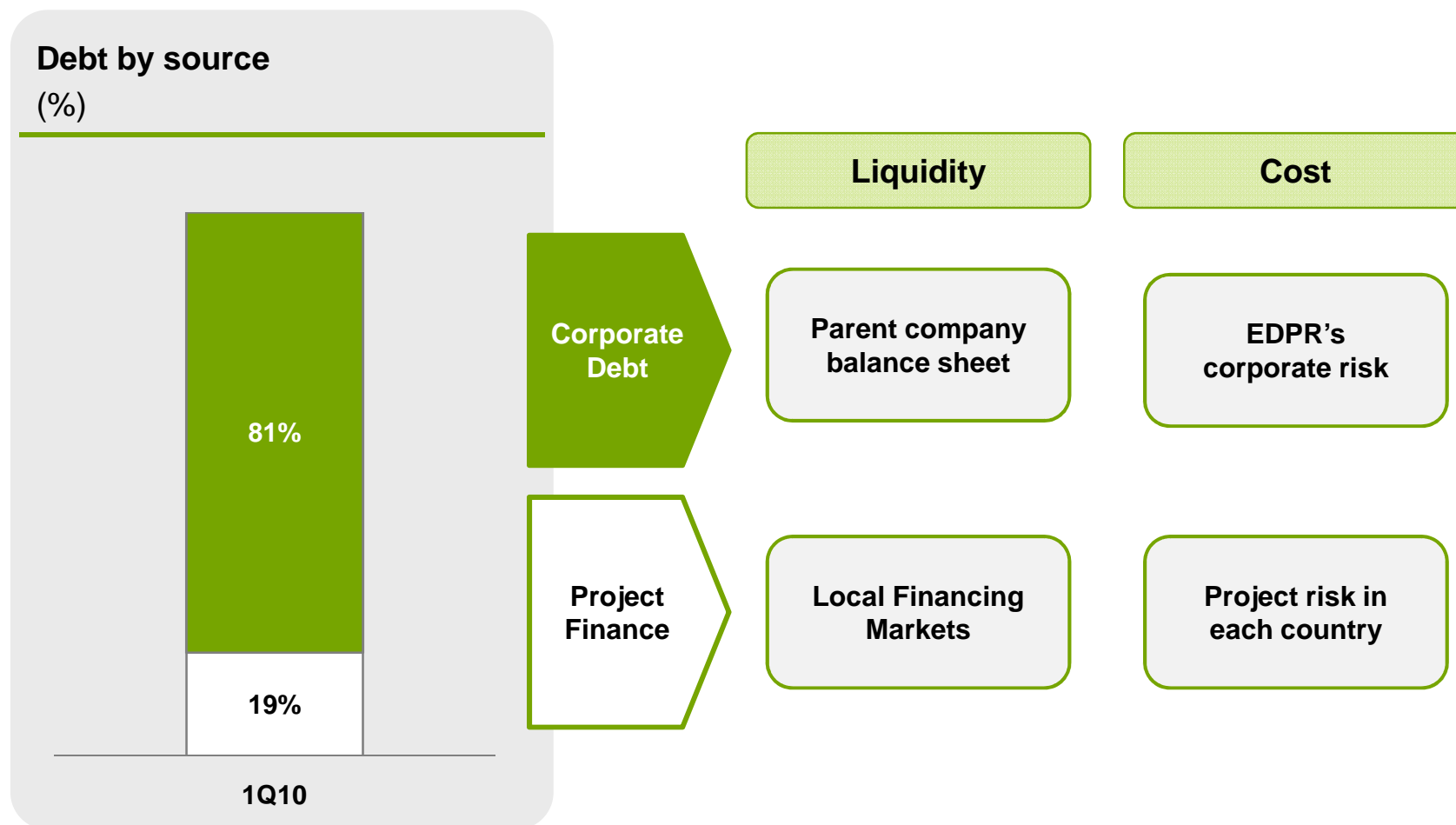
Natural hedge of forex risk

Debt by asset  
(%)



34% related to assets  
under construction

# ...with different funding sources to support growth and portfolio risk management



Flexible funding strategy to adapt to different economic cycles and to enable a competitive cost



## **Outlook and conclusion**

# Managing key drivers to increase visibility, optionality and flexibility...



## Optimizing portfolio's exposure to market volatility

- Targeting additional forward sales in Spain for 2010 and 2011
- Limiting merchant exposure by adjusting growth portfolio mix
- Gaining long-term contracts in the US: i) 115 MW 20y PPA closed in Feb-10; and ii) 170 MW 10y REC contract awarded in Apr-10

## Increasing short-term diversification and future optionality

- Increasing operations in Eastern Europe as a new growth driver
- Enlarging pipeline optionalities: +520 MW in Italy, +1.3 GW in UK and initiating pipeline development in Canada

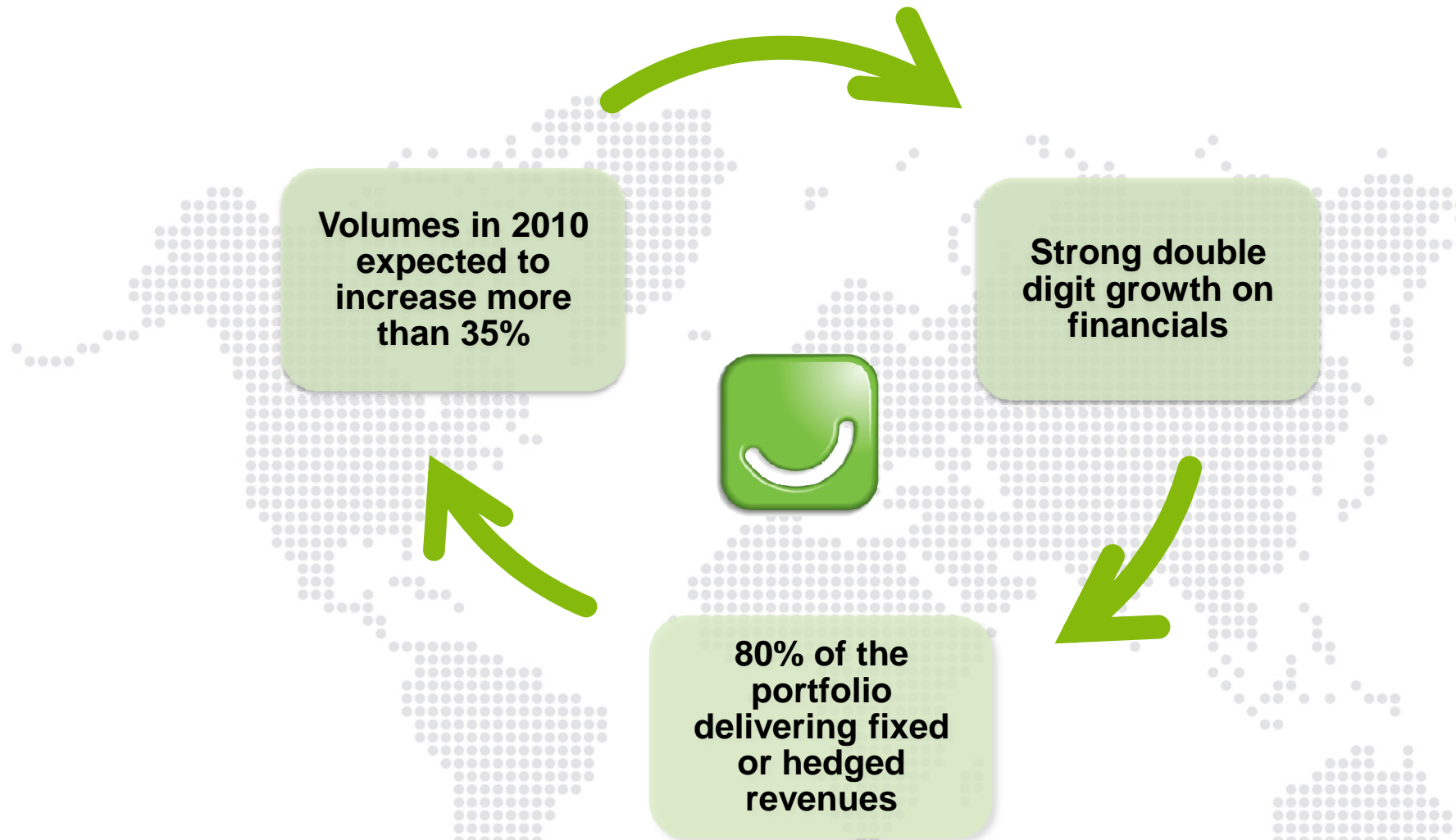
## Introducing flexible and competitive sourcing

- New sourcing to provide increased competitive edge post-2010
- Enhanced risk management strategy through flexibility in deliveries: geographies, turbine models and timing

**...to deliver a sustainable business model oriented towards value creation**



# EDPR expects to deliver premium performance in 2010...



...through a solid business model based on focused growth, solid profitability and controlled risk

# Invitation: EDP Renováveis Investor Day 19<sup>th</sup> of May 2010, Lisbon



**edpLive**  
INVESTOR DAY  **edp**

**INVITATION**  
Investor Day May 2010 – Lisbon

EDP and EDP Renováveis have the pleasure to invite you to their Investor Day to be held in Lisbon on May, 19<sup>th</sup> and 20<sup>th</sup>.  
Location: Hotel Cascais Miragem (30 minutes by car from Lisbon airport)  
<http://www.cascaismirage.com>

**May 19<sup>th</sup> - EDP Renováveis Investor Day**  
15:30 - Welcome Coffee  
16:00 - 18:00 Presentations + Q&A  
18:00 - 19:00 - Cocktail  
21:00 - Dinner with EDP Group's management

**May 20<sup>th</sup> - EDP Investor Day**  
09:00 - Welcome Coffee  
09:30 - 12:30 Presentations + Q&A  
12:30 - 14:00 - Lunch

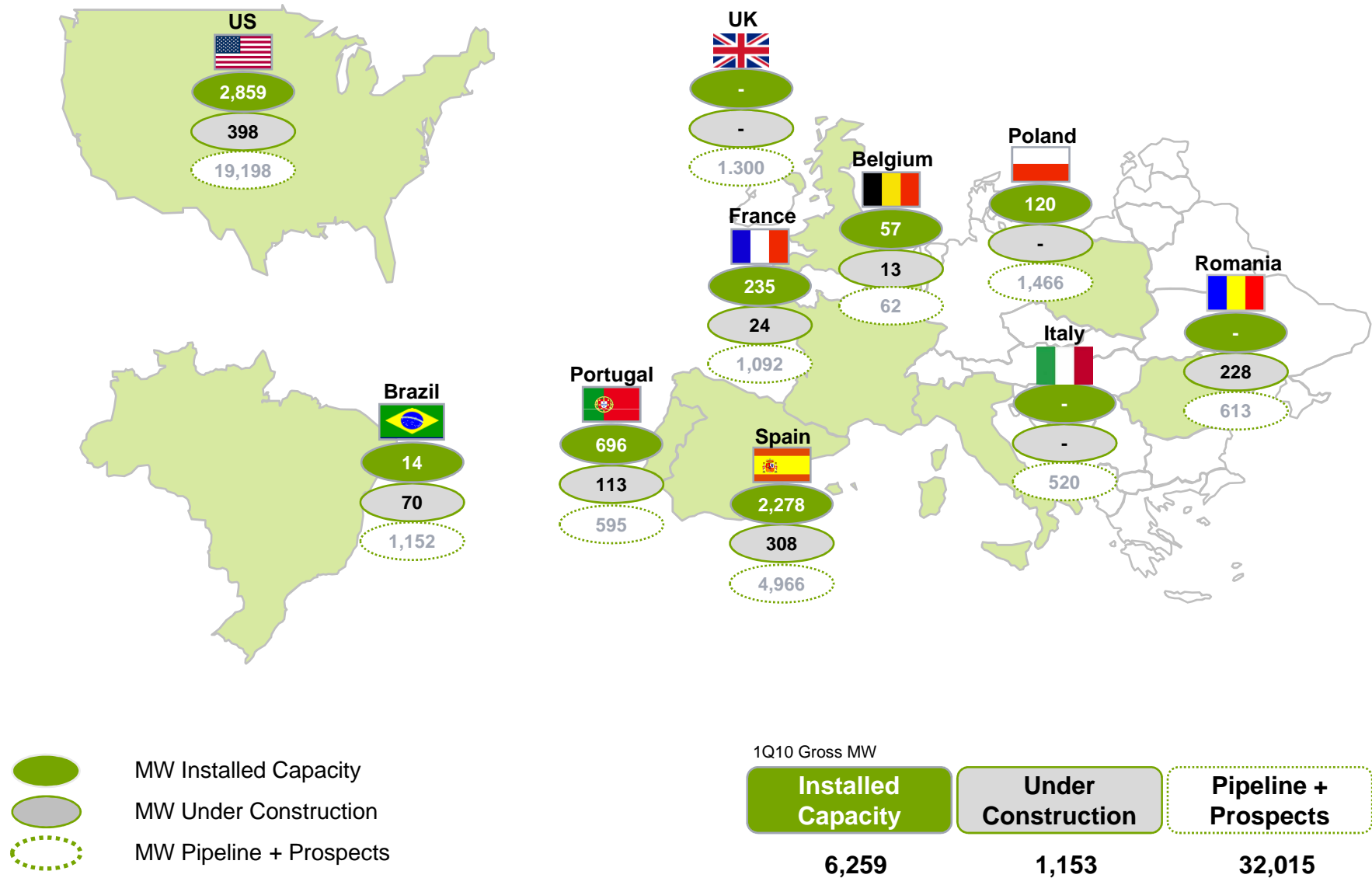
Please confirm your presence in the event by filling the existing file and sending it back to [ir@edp.pt](mailto:ir@edp.pt). For further information please call Noélia Rocha (Tel: +351 21 001 28 34)

 **edp renováveis**  
powered by nature



**Annex**

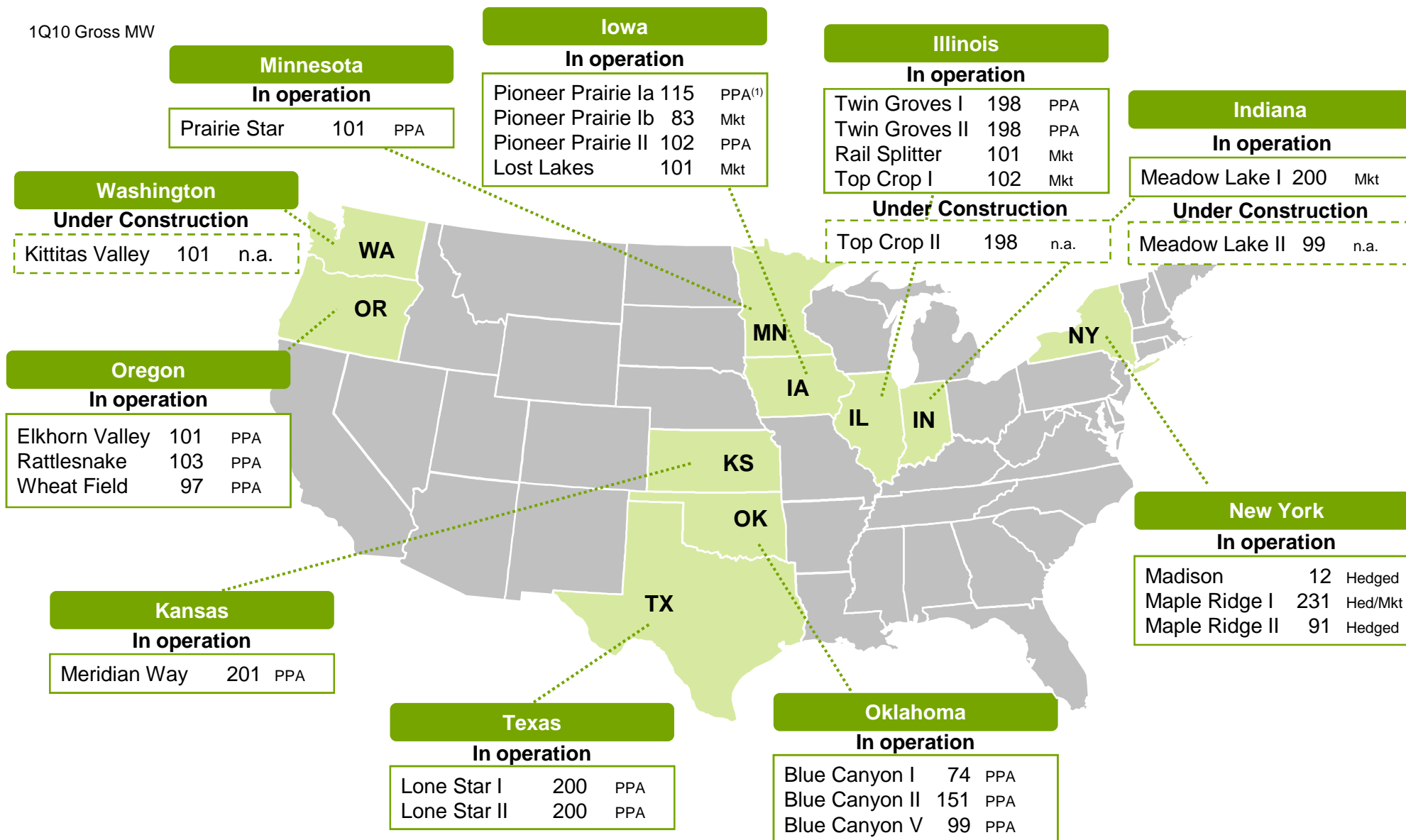
# EDPR: a pure wind player with a quality asset base



# US: EDP Renováveis footprint



1Q10 Gross MW



Note: (1) Pioneer Prairie I PPA for 115 MW with TVA to start in September 2010

# EDPR: 1Q10 Installed Capacity



## 1Q10

## Installed Capacity (MW)

	Gross (100%)	EBITDA Consolidation	Net (% Held)
<b>Spain</b>	<b>2,278</b>	<b>1,923</b>	<b>1,795</b>
under Transitory Regime	1,414	1,153	1,072
under RD 661/2007	864	770	723
<b>Portugal</b>	<b>696</b>	<b>595</b>	<b>676</b>
under old remuneration	595	595	575
under new remuneration	101	-	101
<b>France</b>	<b>235</b>	<b>235</b>	<b>235</b>
under old remuneration	9	9	9
under new remuneration	226	226	226
<b>Belgium</b>	<b>57</b>	<b>57</b>	<b>40</b>
PPA	57	57	40
<b>Poland</b>	<b>120</b>	<b>120</b>	<b>116</b>
Long Term Green Certificate Contract	120	120	116
<b>TOTAL EUROPE</b>	<b>3,386</b>	<b>2,930</b>	<b>2,862</b>
<b>US</b>			
PPA	1,825	1,750	1,769
Hedged	264	138	138
Merchant	770	735	735
<b>TOTAL US</b>	<b>2,859</b>	<b>2,624</b>	<b>2,642</b>
<b>Brazil</b>			
PPA	14	14	8
<b>TOTAL BRAZIL</b>	<b>14</b>	<b>14</b>	<b>8</b>
<b>EDP RENOVÁVEIS</b>	<b>6,259</b>	<b>5,567</b>	<b>5,511</b>

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## Next Events

**UBS Clean Energy Conference, London: May 26<sup>th</sup>-27<sup>th</sup>**

**NYSE Euronext/BES Portuguese Day, New York: May 26<sup>th</sup>-27<sup>th</sup>**

**Roadshow Boston: May 28<sup>th</sup>**

**Credit Suisse The Future of Energy, Washington: June 2<sup>nd</sup>-4<sup>th</sup>**



