





**A top wind developer**

**A world class wind developer with a sound asset portfolio located in 11 countries and with distinctive core competences providing competitive advantages**



**Attractive assets in operation**

**A portfolio set to deliver stable cash-flows for the long-term on the back of a low risk portfolio**



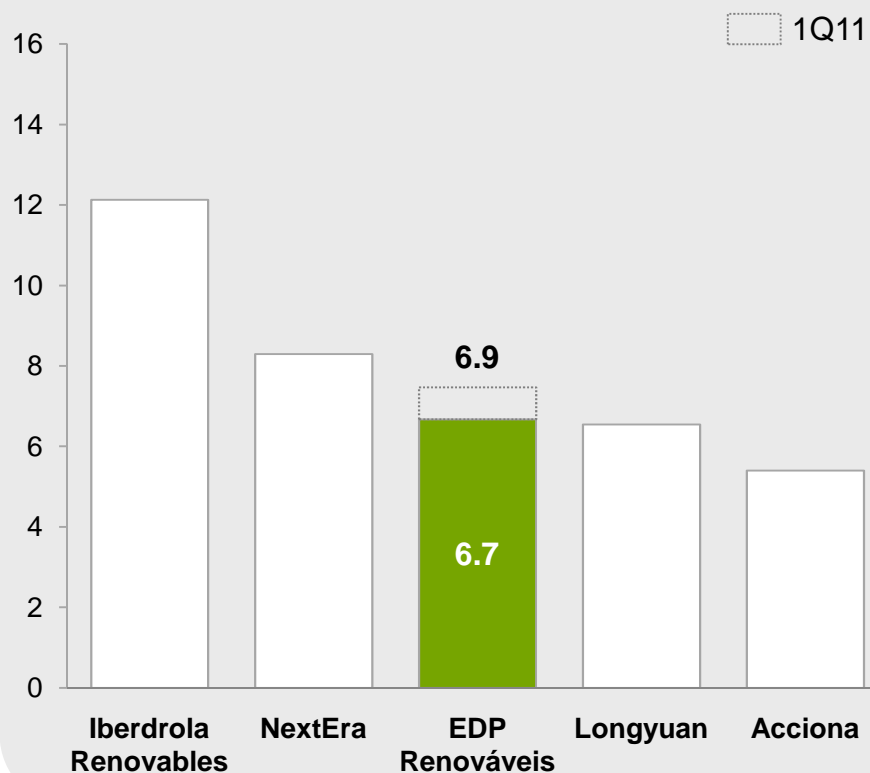
**Valuable 2011-12 growth options**

**+0.8-0.9 GW/year executing a flexible growth strategy and improving portfolio risk profile through diversification and valuable options**

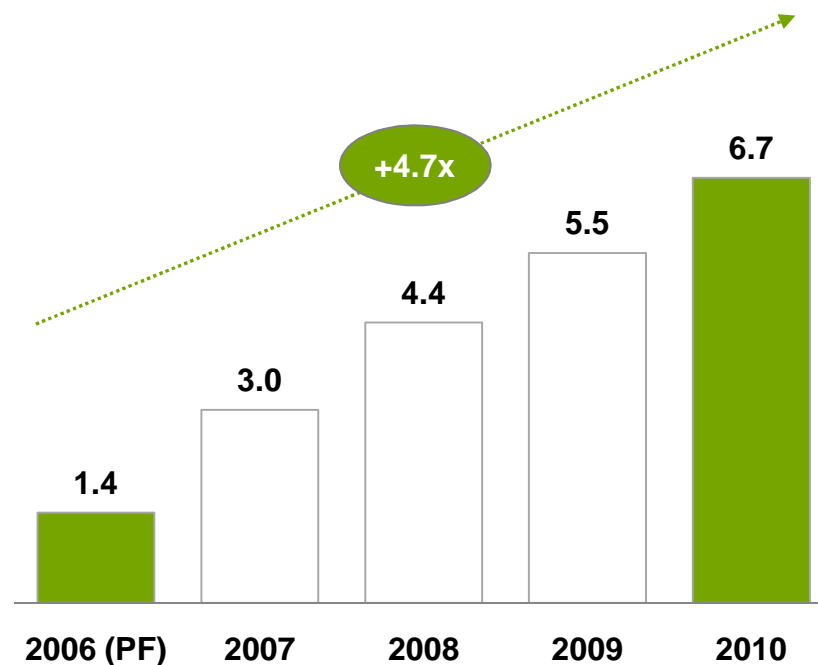
# EDPR: a global leading company in a growing sector...



2010: Top wind players by installed capacity (GW)



Installed Capacity Historic Growth (GW)

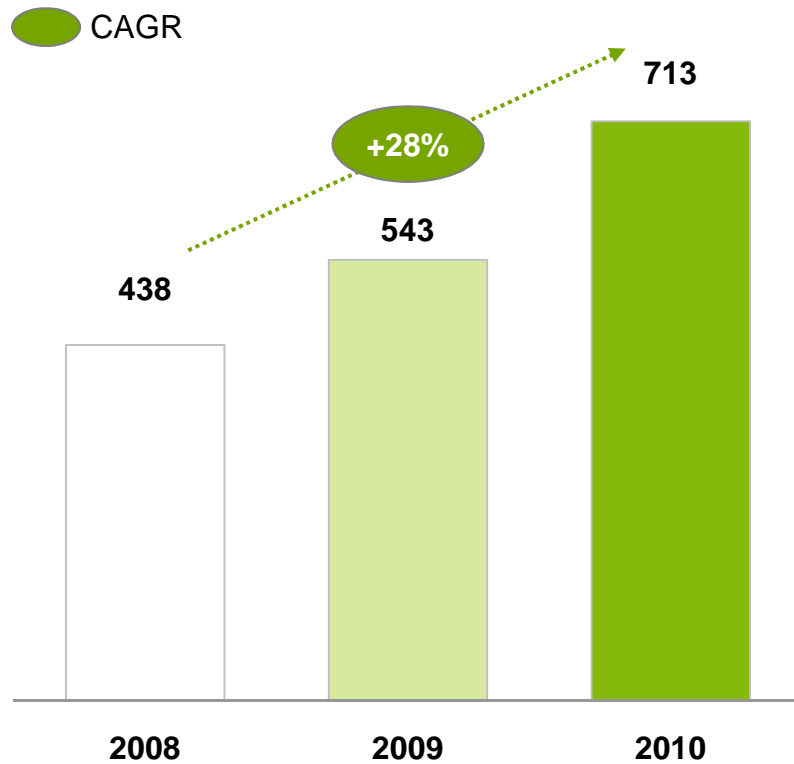


EDPR became a top wind player in the world through the delivery on growth targets

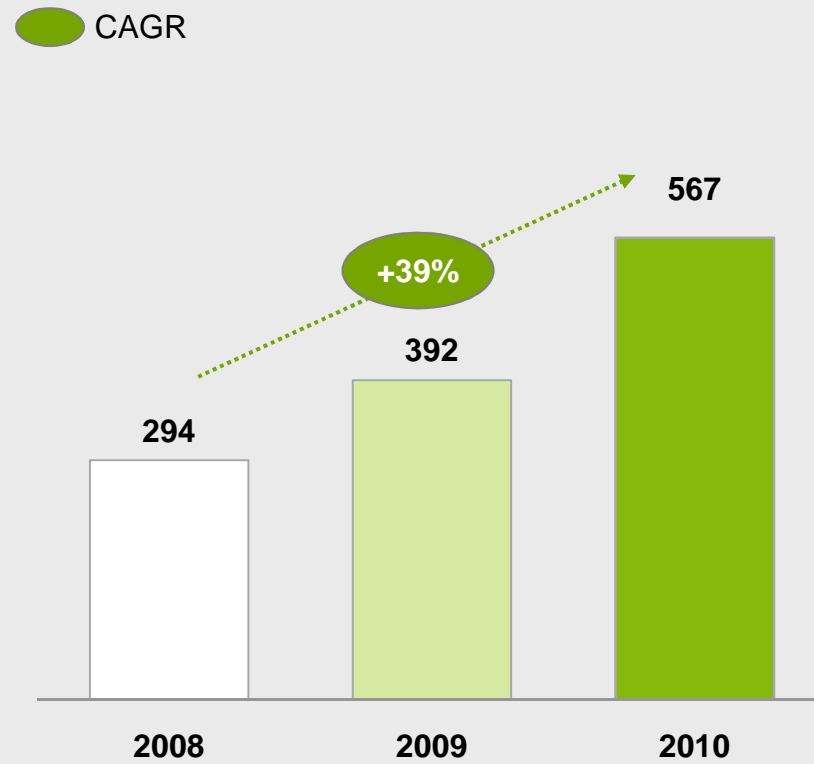
# ...delivering robust EBITDA and Operating Cash-Flow growth...



**EBITDA**  
(€m)

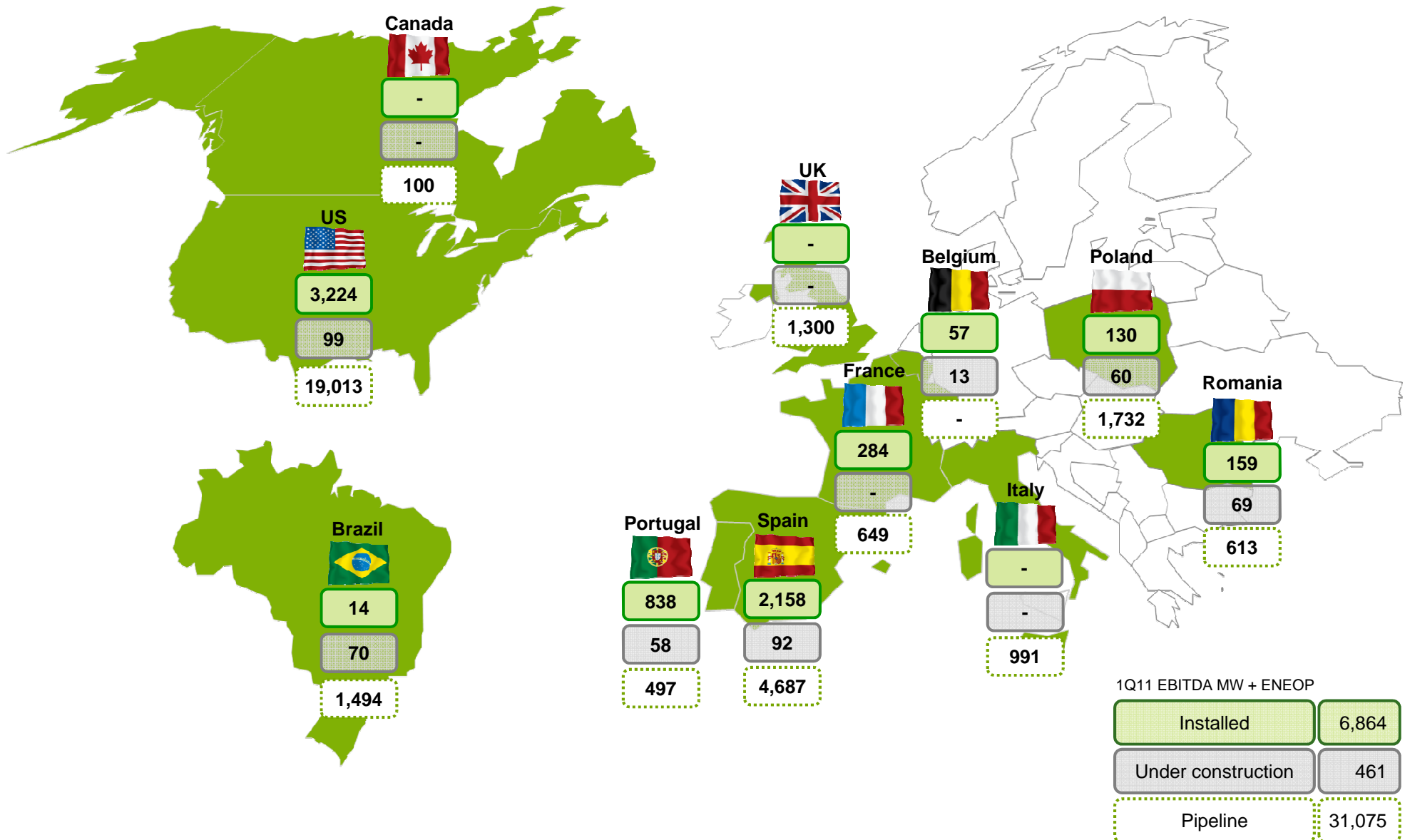


**Operating Cash-Flow (Before Capex)**  
(€m)



Invested capital in existing assets is returning higher Cash-Flows YoY

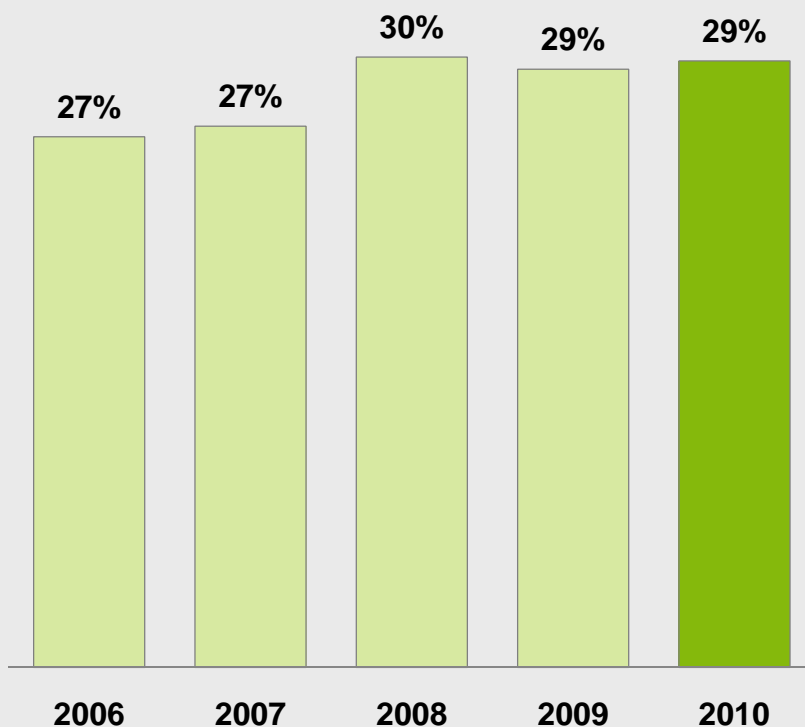
# ...with a sound and diversified portfolio in 11 countries



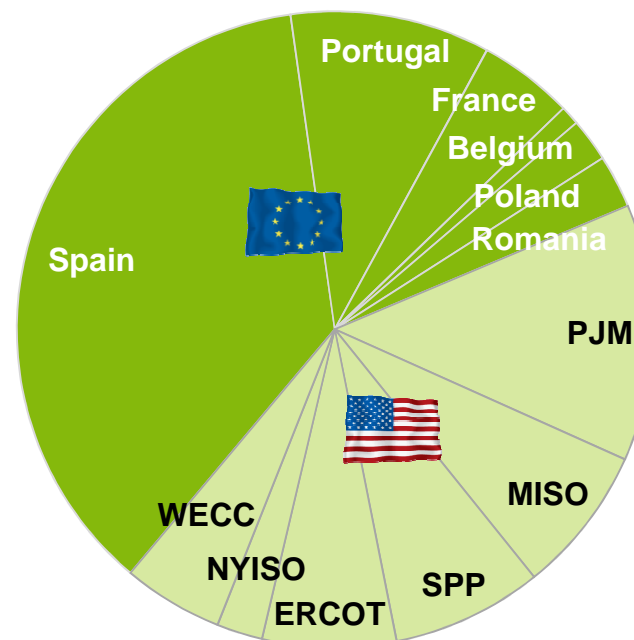
# Quality assets delivering stable top notch load factors underlining portfolio's superior profitability



EDPR Load Factor: Historical Evolution (%)

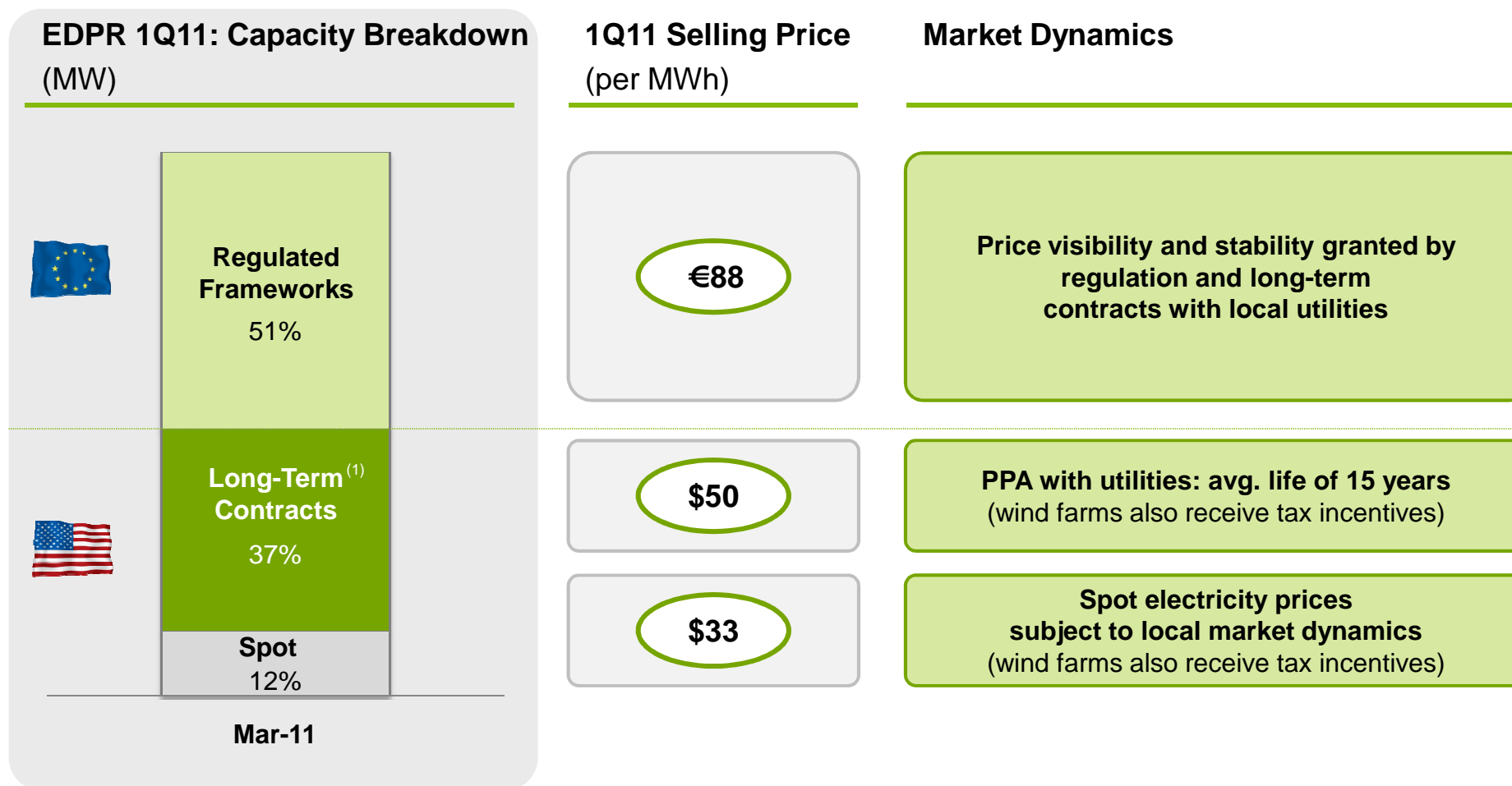


EDPR 1Q11: Portfolio Diversification <sup>(1)</sup> (MW)



- **Maximize output:** i) second-to-none wind assessment knowledge; ii) designing premium projects by optimizing site layout; and iii) selecting the best fit turbine
- **Minimizing volatility:** portfolio effect enables annual load factor stabilization

# EDPR's assets are exposed to attractive economic frameworks with long-term visibility

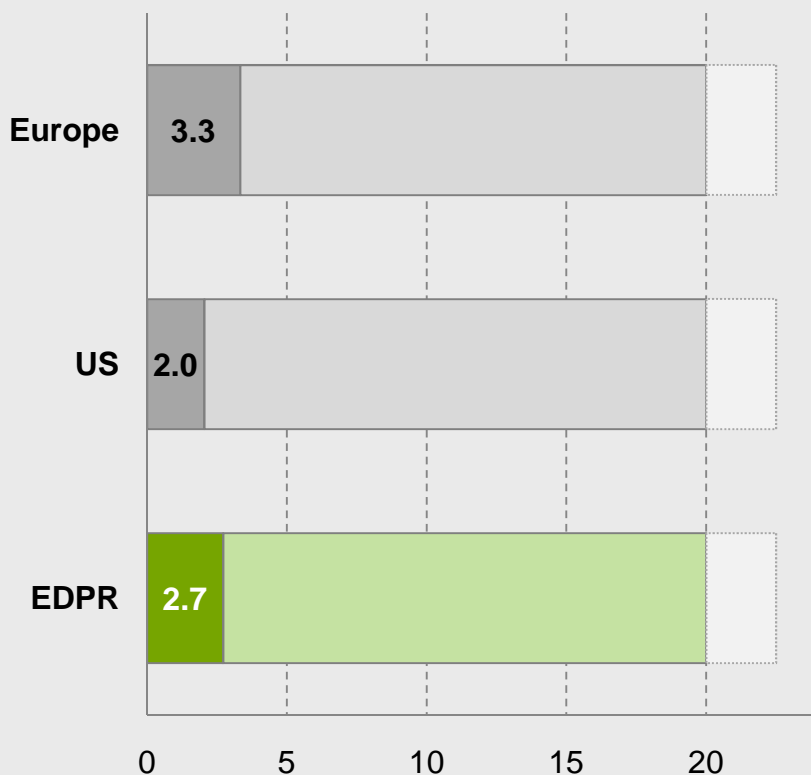


**c90% of the portfolio is subject to regulated frameworks or long-term contracts**

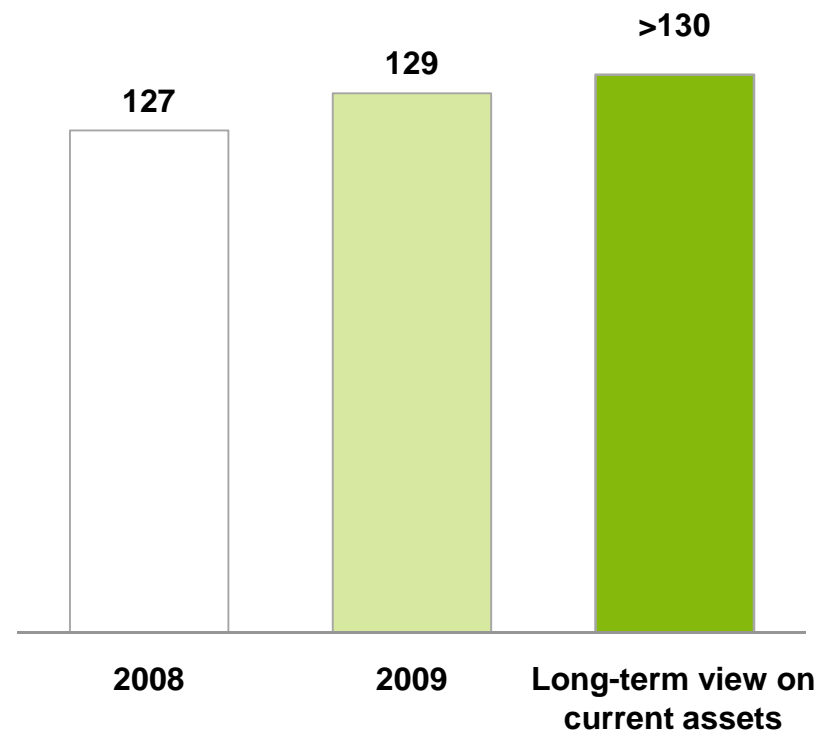
# EDPR has a young asset base with a long residual useful life...



**Assets' Average Age and Residual Useful Life**  
(Years; 2010)



**EBITDA per MW <sup>(1)</sup>**  
(€th)



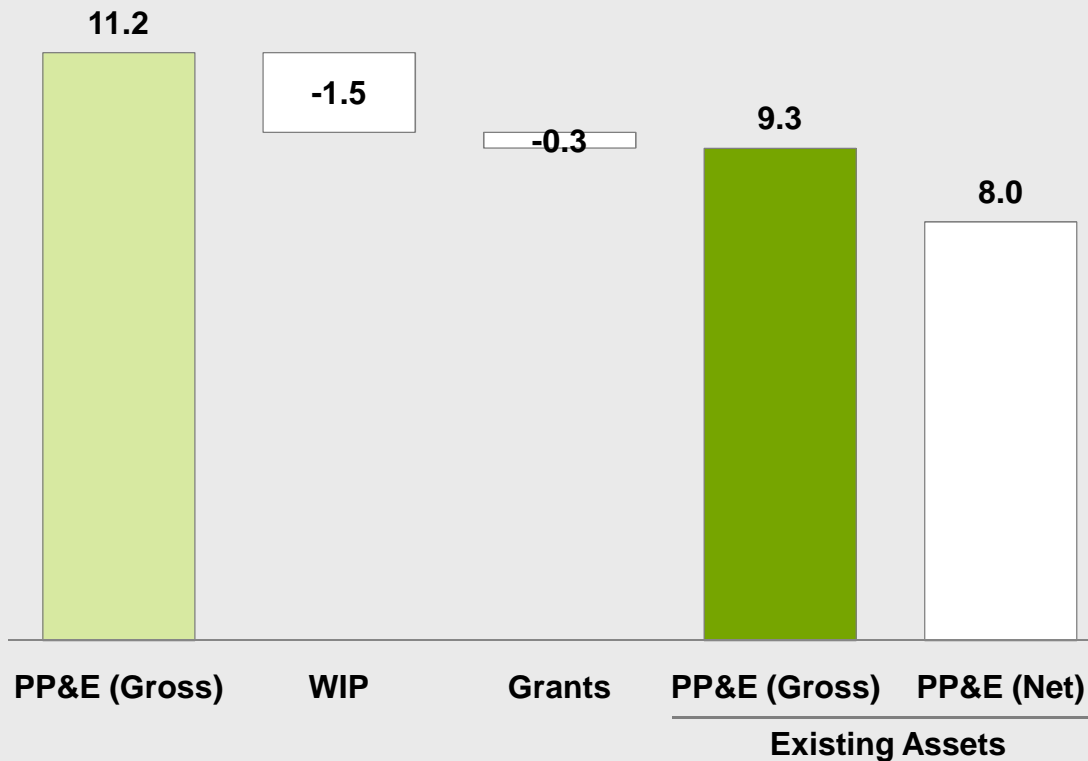
**... set to deliver stable and recurrent EBITDA...**



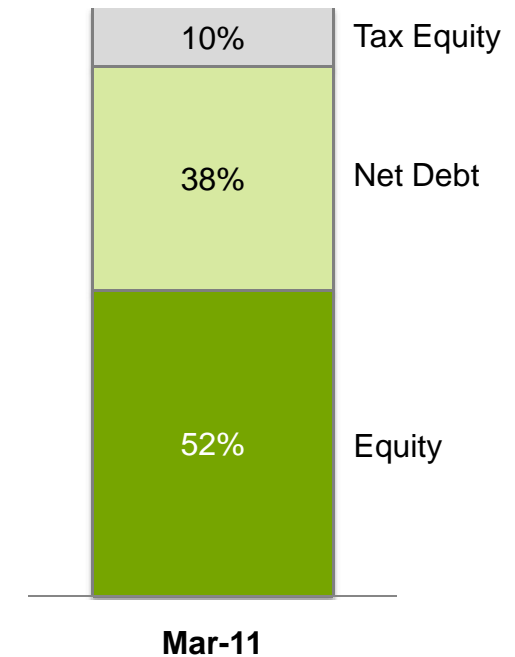
# ...and bear fruits from the invested capital already done on existing assets



1Q11 Invested Capital on Fixed Assets  
(€m)



Capital Structure



Per MW (€m)

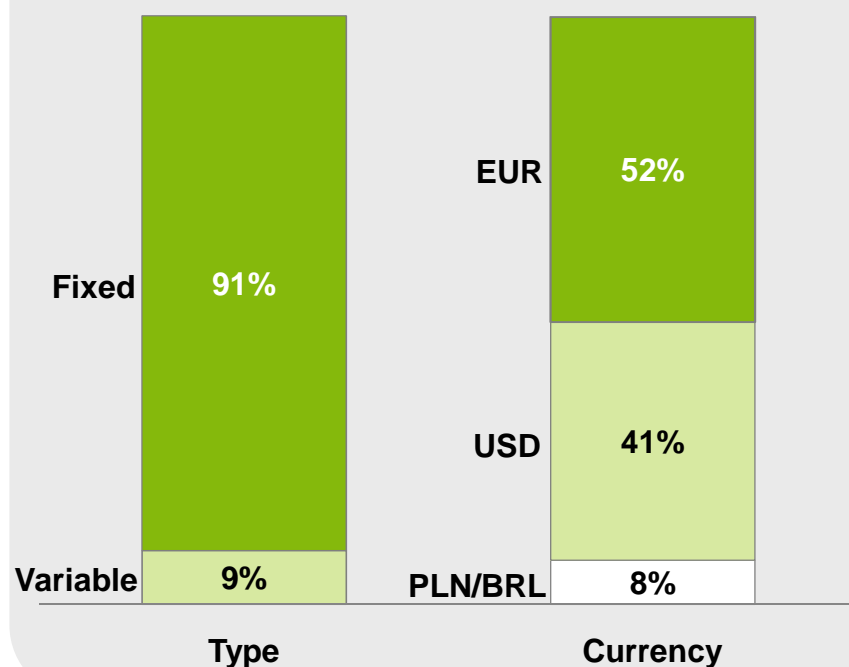
1.41

1.20

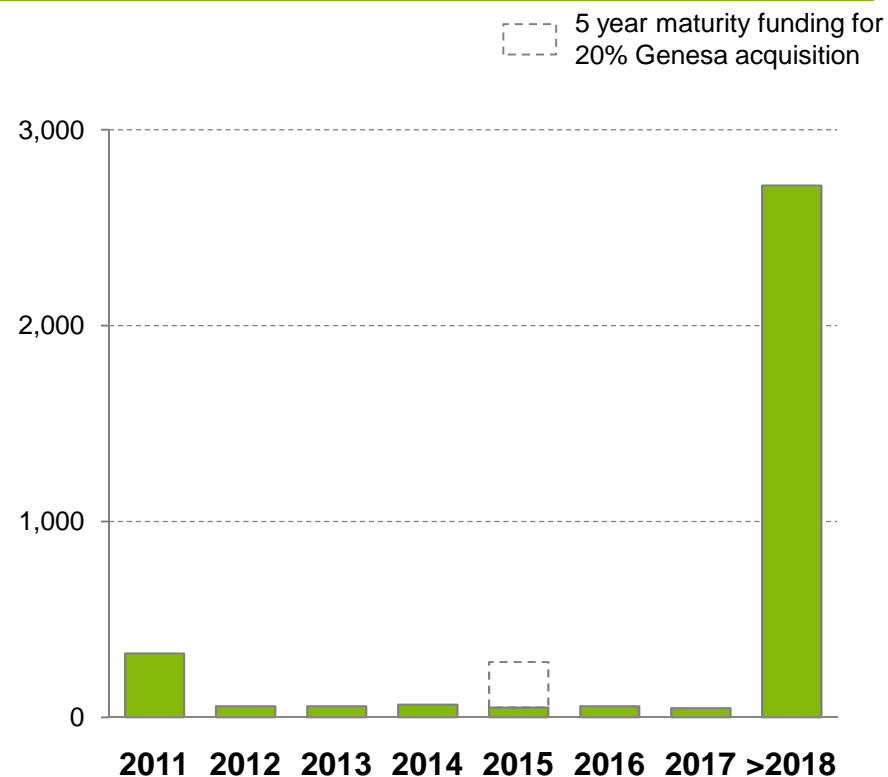
# Funding strategy to support growth and portfolio risk management



**1Q11: Debt Profile**  
(%)



**Debt Maturity**  
(€m)



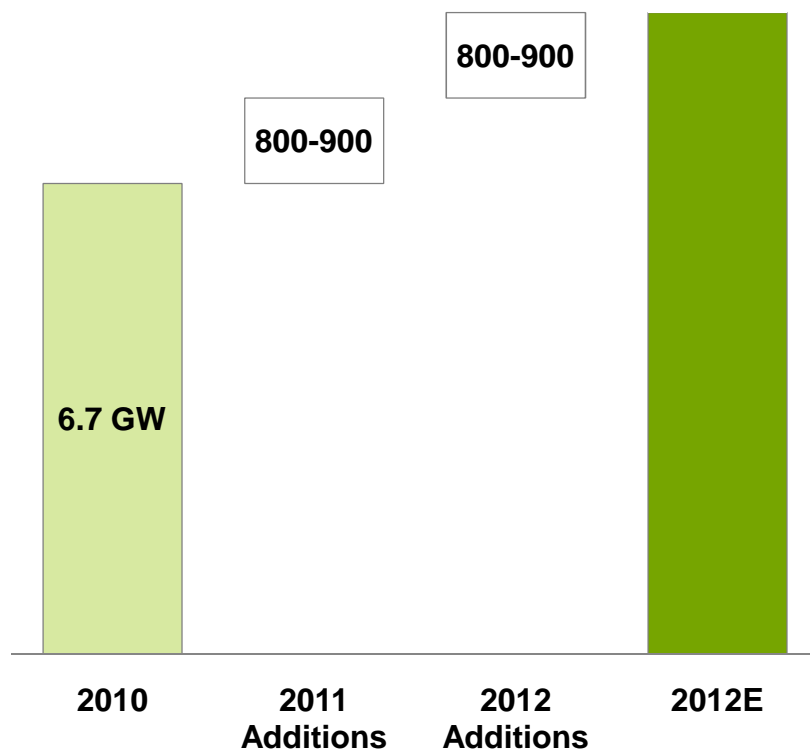
**Funding cost at 5.4%**

**Net Financial Liabilities of €3.3bn**

# 2011/12: EDPR to execute profitable growth



**2011-12E Additions**  
(EBITDA MW + ENEOP)



**Quality assets, lower unitary capex and higher Cash-Flow from operations**

**Executing projects with secured top-line visibility**

**Capital expenditures below €1bn/year**

**Funding needs to be covered by Cash-Flow, project finance and tax equity**

**EDPR to deliver growth with high visibility on value drivers**

# 2011-12 Investments: Strong visibility on value creation



## 2011-12E Additions by Region (%)

**Iberia**  
34%


**Western Europe**  
10%


**Central and Eastern Europe**  
29%

**Americas**  
28%

## 2011-12E Additions by Country (%)

 Portugal 19%


 Spain 15%


 France 5%


 Belgium 5%

 Italy 5%

 Poland 22%

 Romania 6%

 Brazil 4%

 US 24%

- Feed-in tariff (15 years)
- Feed-in tariff or variable regime with collars (20 years)

- Feed-in tariff (15 years)
- Green certificate markets (mandatory green quotas)

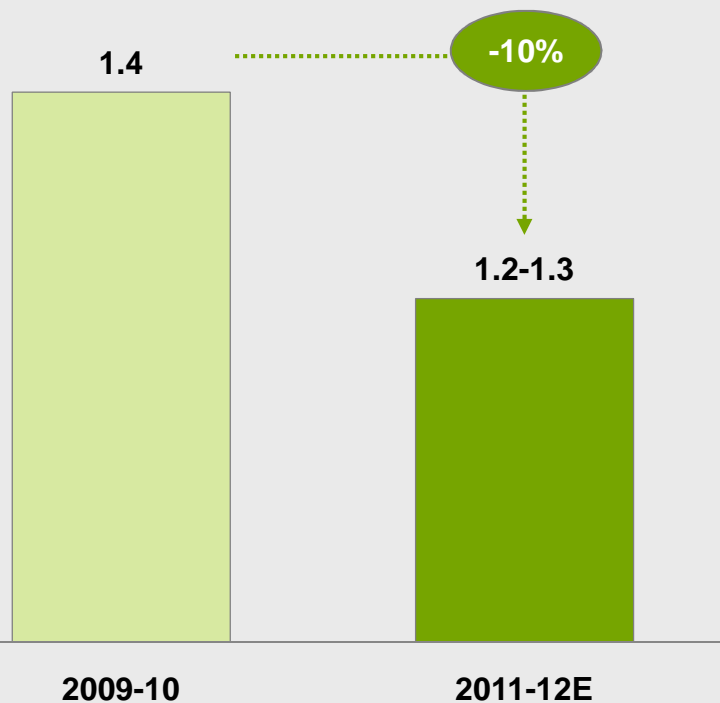
- Green certificate markets (mandatory green quotas)
- Green certificate markets (mandatory green quotas)

- PPA (20 years)
- Long-term contracts + Tax incentives

# EDPR has secured competitive turbines for 2011/12



Capex/MW  
(€m)



Optimizing cost and selecting best technology

Key decision drivers:

- Total cost of ownership
- Best fit with EDPR's pipeline to maximize Wind Farms' output
- Flexibility on time, geography and model

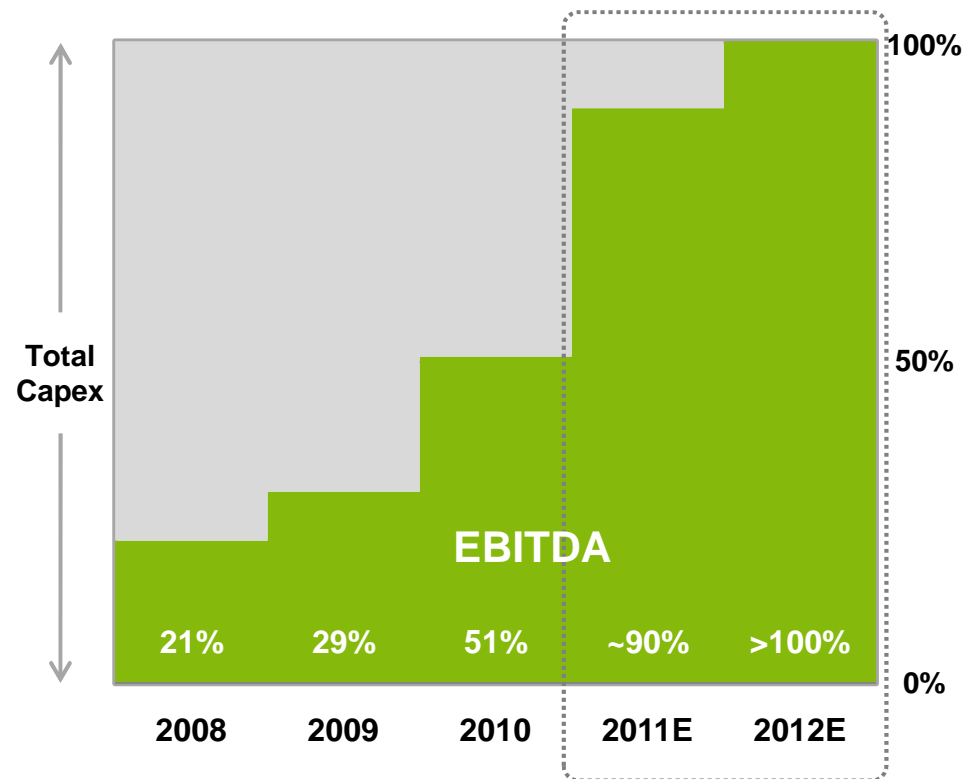
Competitive new sourcing contract allowing for a lower cost of energy

# 2012E: EBITDA higher than Capex

## Ongoing increase of Operating Cash-Flow



2008-12E: EBITDA vs Capex  
(% of EBITDA in total Capex)



EBITDA CAGR 2009-12 of 25%

2011-12 Avg Capex below €1bn/year

2012E: For the first time EDPR generates more EBITDA than its Capex in a period

EDPR is entering a cycle of robust and increasing Cash-Flows with lower external funding

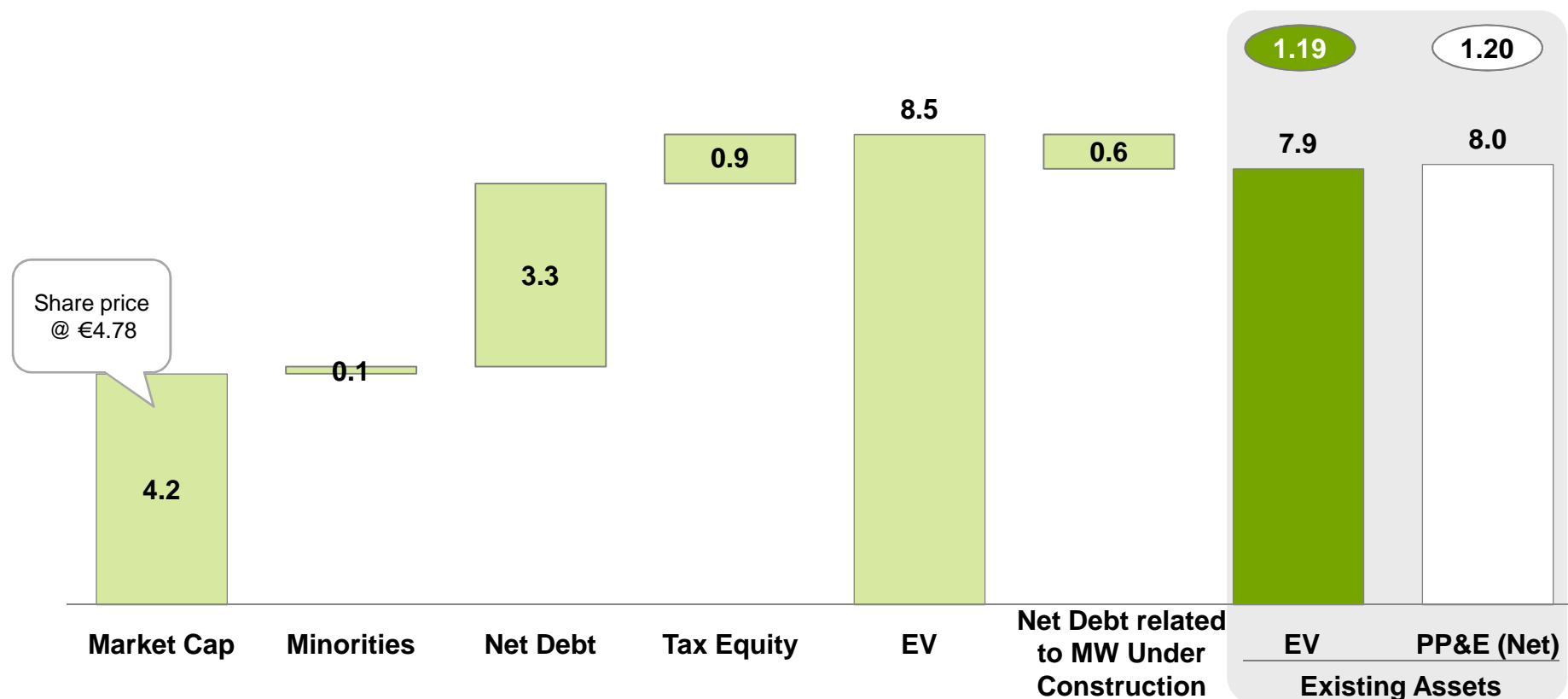
# Market view: Implicit market valuation vs. Net invested capital on existing fixed assets



## Market's implicit view on EDPR existing assets valuation

(€bn)

○ Per MW (€m)



Market is discounting zero NPV on existing assets and zero value for growth

# EDPR: an attractive combination of value + growth



**A global wind player with distinctive core competences to deliver profitable growth**



**High quality asset base underlined by the increased Cash-Flow capabilities of operating assets**



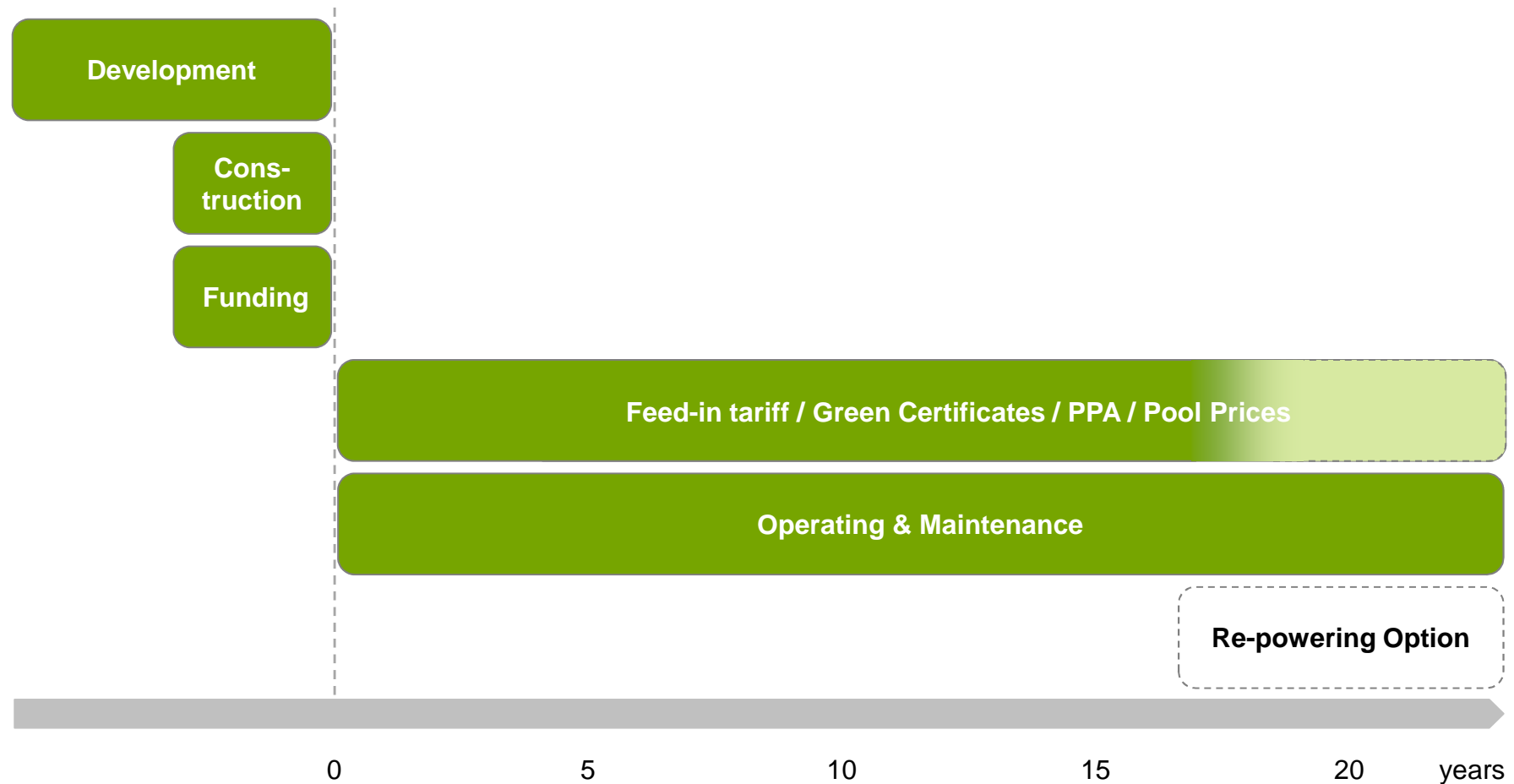
**2011-12 new projects under visible and stable remuneration frameworks and lower Capex/MW**





## **Case Study: Wind Farm Economics**

# Wind business: competitive on development, capital intensive at construction and a cash-cow during operating phase



Early phases of project life to have a high strategic importance to selected the best projects that will maximize Cash-Flows during the operating phase

# 4 key areas are critical to successfully identify most profitable projects and swiftly bring them to the ready-to-build phase



## Wind Assessment/ Site Selection

- Top-class wind resource assessment team with strong intrinsic knowledge
- Select best sites with high wind resource and adequate landscape
- Collect and analyse wind data and forecast long-term wind resource

## Land Agreements

- Progressively secure selected sites through the negotiation with landowners
- Close lease contracts for 20-40 years
- Study best wind farm layout and design

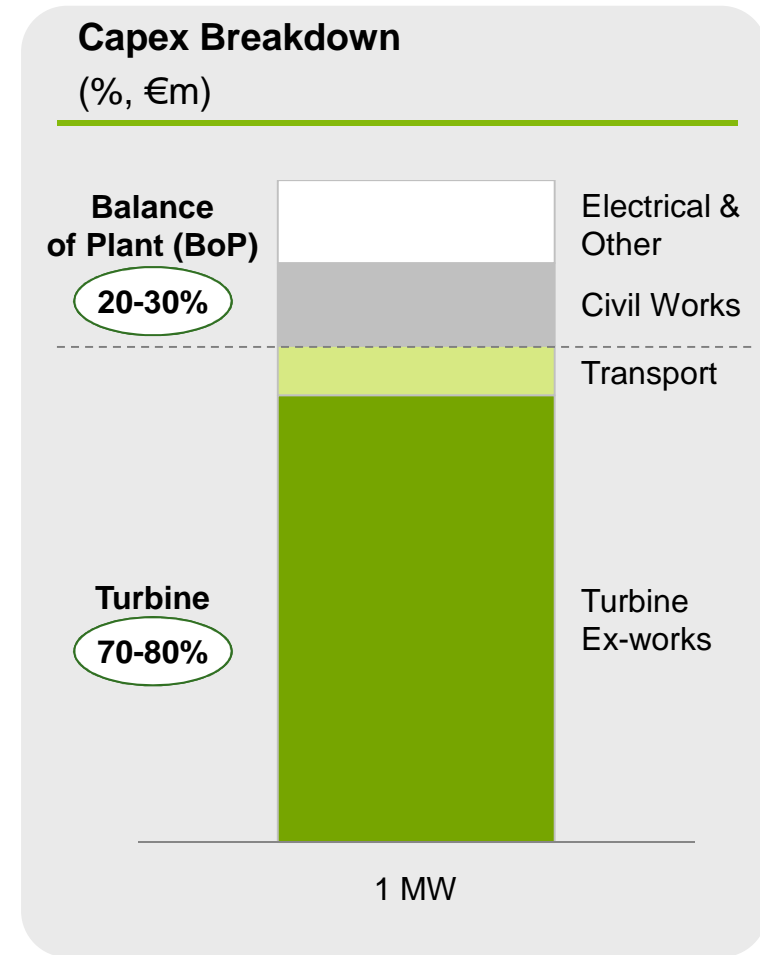
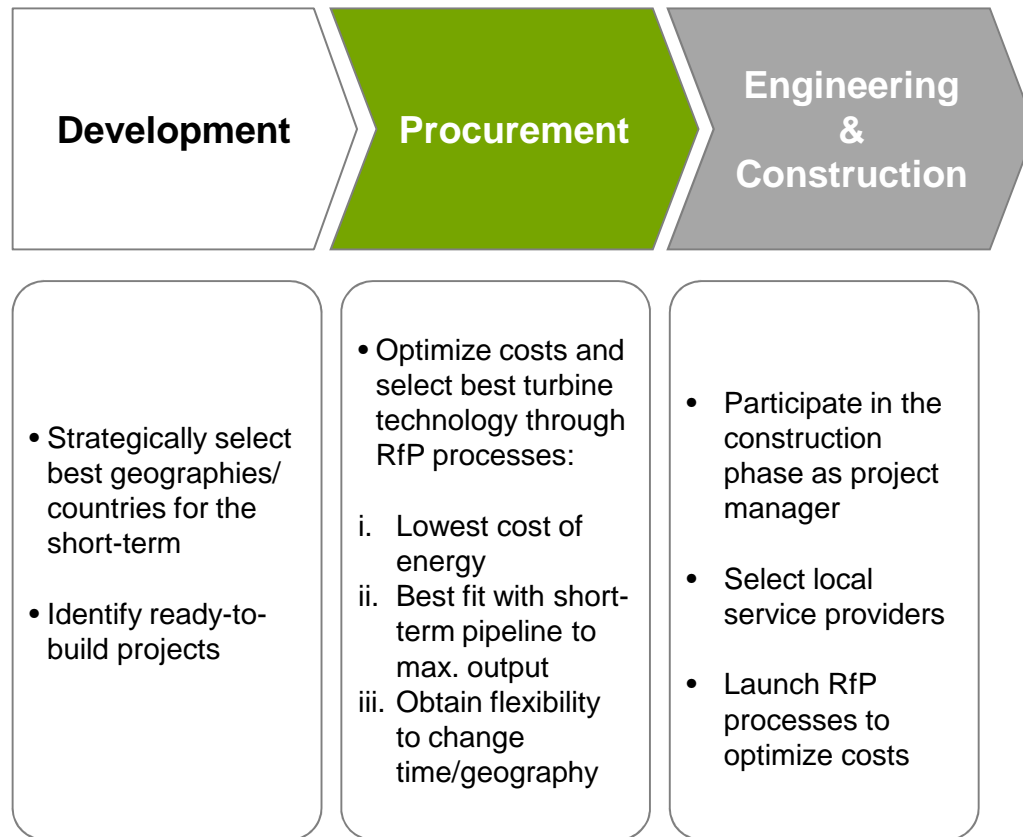
## Licenses & Permitting

- Setup a team with local/regional business knowledge about each market specifics
- Obtain key permits and licenses: environmental, construction, operating, etc.
- Participate in local auctions or tenders to award capacity to be developed

## Interconnection

- Study in an early phase local grid feasibility studies
- Secure in early stage the first places in the interconnection administrative queues
- Obtain interconnection agreement

# Competitive capex is critical to maximize projects profitability



**Capital intensive business with most critical strategic decisions to be taken upfront**

# Different remuneration frameworks drive different revenues and Cash-Flow profiles during the operating phase



## Feed-inTariff

price per MWh



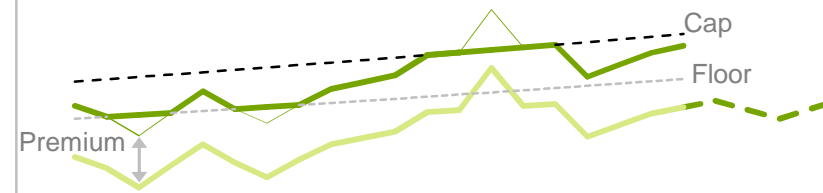
e.g.: Spain, Portugal, France

0

15/20yrs

## Feed-in Premium with Collars

price per MWh



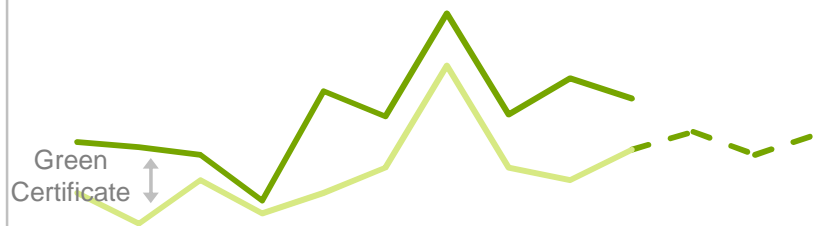
e.g.: Spain (Market Option)

0

20yrs

## Green Certificates

price per MWh



e.g.: UK, Belgium, Poland, Romania, Italy, US

0

20yrs

## PPA

price per MWh



e.g.: US, Belgium, Poland, Brazil

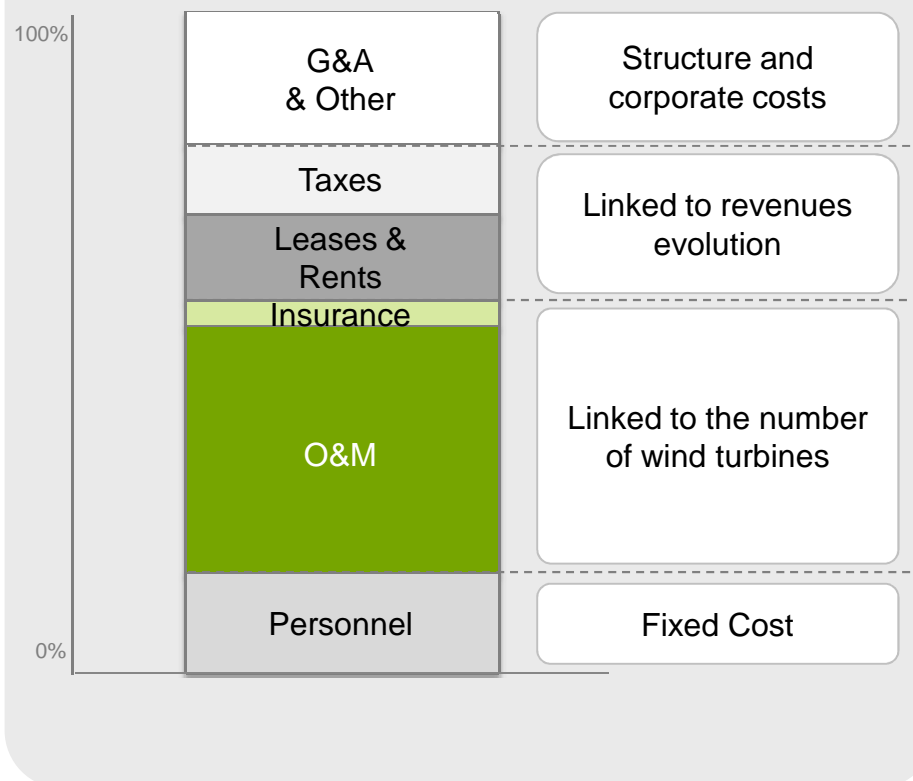
0

15/20yrs

# Wind electricity generation is a high EBITDA margin business, with a high fixed cost structure



## Operating Expenses (%)



## EDPR 2009-10: Operational Efficiency Metrics

	2009	2010
EBITDA margin	75%	75%
Opex / MW (€th)	43	43
Opex / MWh (€)	17	16

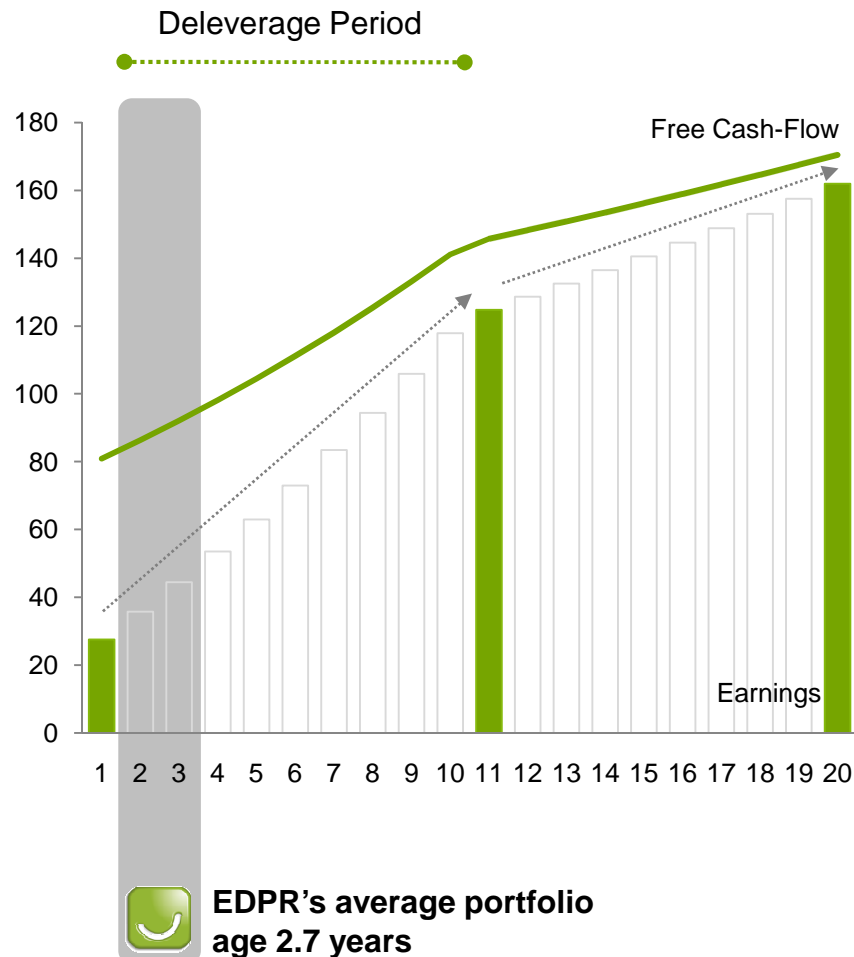
EDPR is delivering one of the highest EBITDA margin in the sector

# Case Study: Earnings profile of a generic wind project

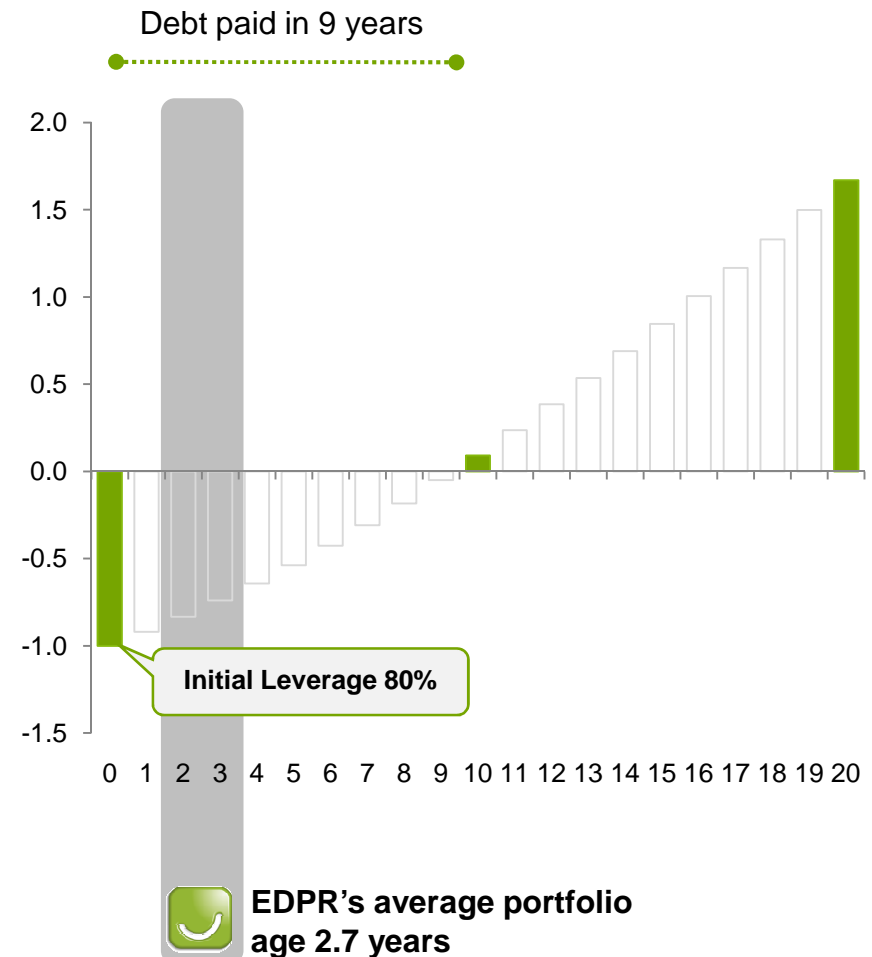


ILLUSTRATIVE, NON-EXHAUSTIVE

Earnings and Free Cash-Flow profile  
(€th/MW)



(Net Debt) / Net Cash  
(€m/MW)



# Case Study:

## Valuation model of a generic wind project



### Main Assumptions

MW	NCF	Selling Price	Capex	Opex	WACC	CPI	Terminal Value
1	28%	€79/MWh	€1.25m/MW	€45k/MW	7.0%	2%	15%

### Valuation Model (illustrative, non-exhaustive)

Years	0	1	2	3	...	10	...	20	21															
Production (MWh)		2,365	2,365	2,365	...	2,365	...	2,365																
Tariff (€/MWh)		79.0	80.6	82.2	...	94.4	...	115.1																
+ Revenues (€th)		193.8	197.6	201.6	...	231.6	...	282.3																
- Operating Costs (€th)		45.0	45.9	46.8	...	53.8	...	65.6																
= EBITDA (€th)		148.8	151.7	154.8	...	177.8	...	216.7																
EBITDA margin (%)		76.8%	76.8 %	76.8 %	...	76.8 %	...	76.8 %																
- Depreciations (€th)		62.5	62.5	62.5	...	62.5	...	62.5																
= EBIT (€th)		86.3	89.2	92.3	...	115.3	...	154.2																
EBIT margin (%)		44.5%	45.2%	45.8%	...	49.8%	...	54.6%																
- Taxes (€th)		25.9	26.8	27.7	...	34.6	...	46.3																
- Capex (€th)	1,250	-	-	-	...	-	...	-																
= Cash-Flow (€th)	-1,250	122.9	125.0	127.1	...	143.2	...	170.5	278.6															
EV (Sum of DCF, €th)	1,549																							
Project IRR (unlevered)	9.6%																							
IRR/WACC	1.4x																							
		<table><tr><th>Years</th><th>1</th><th>2</th><th>10</th><th>20</th></tr><tr><td>EV/EBITDA</td><td>10.4x</td><td>10.2x</td><td>8.7x</td><td>7.1x</td></tr><tr><td>P/E</td><td>29.8x</td><td>23.0x</td><td>7.0x</td><td>5.1x</td></tr></table>								Years	1	2	10	20	EV/EBITDA	10.4x	10.2x	8.7x	7.1x	P/E	29.8x	23.0x	7.0x	5.1x
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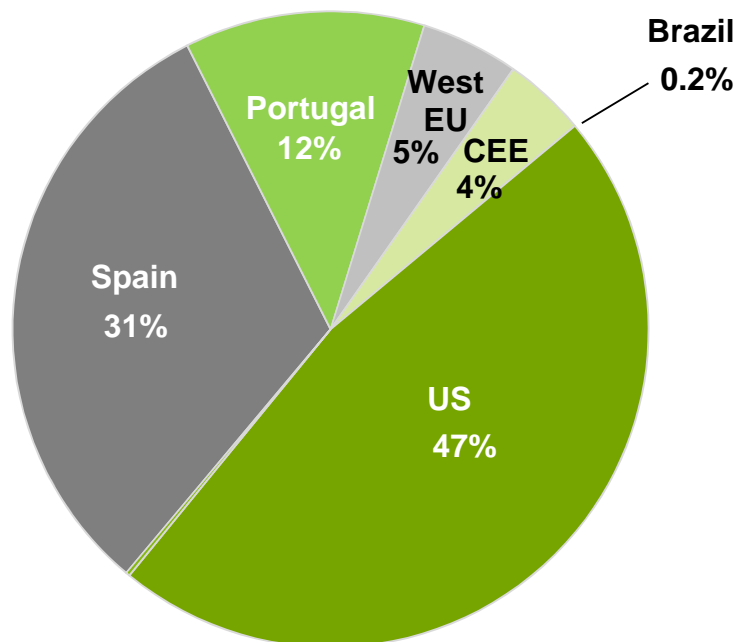


# **EDPR Markets and Regulation**

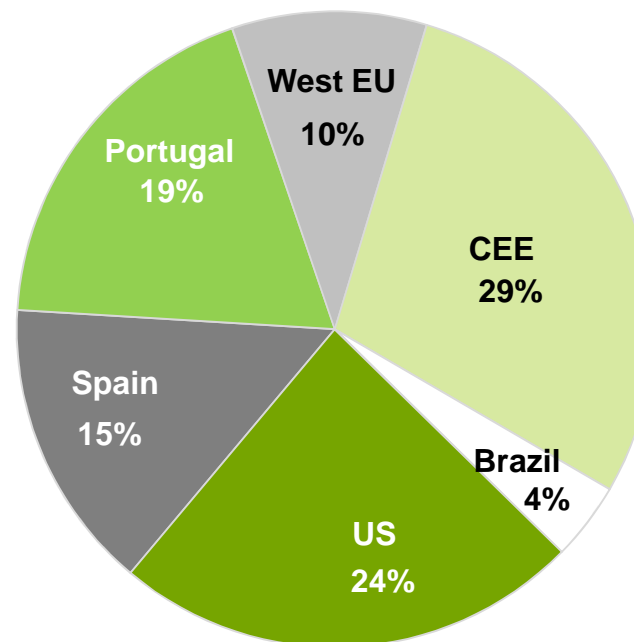
# EDPR holds a top quality asset base spread among attractive markets...



**EDPR: Installed Capacity Breakdown (MW)**



**EDPR: 2011/12 Growth (MW)**

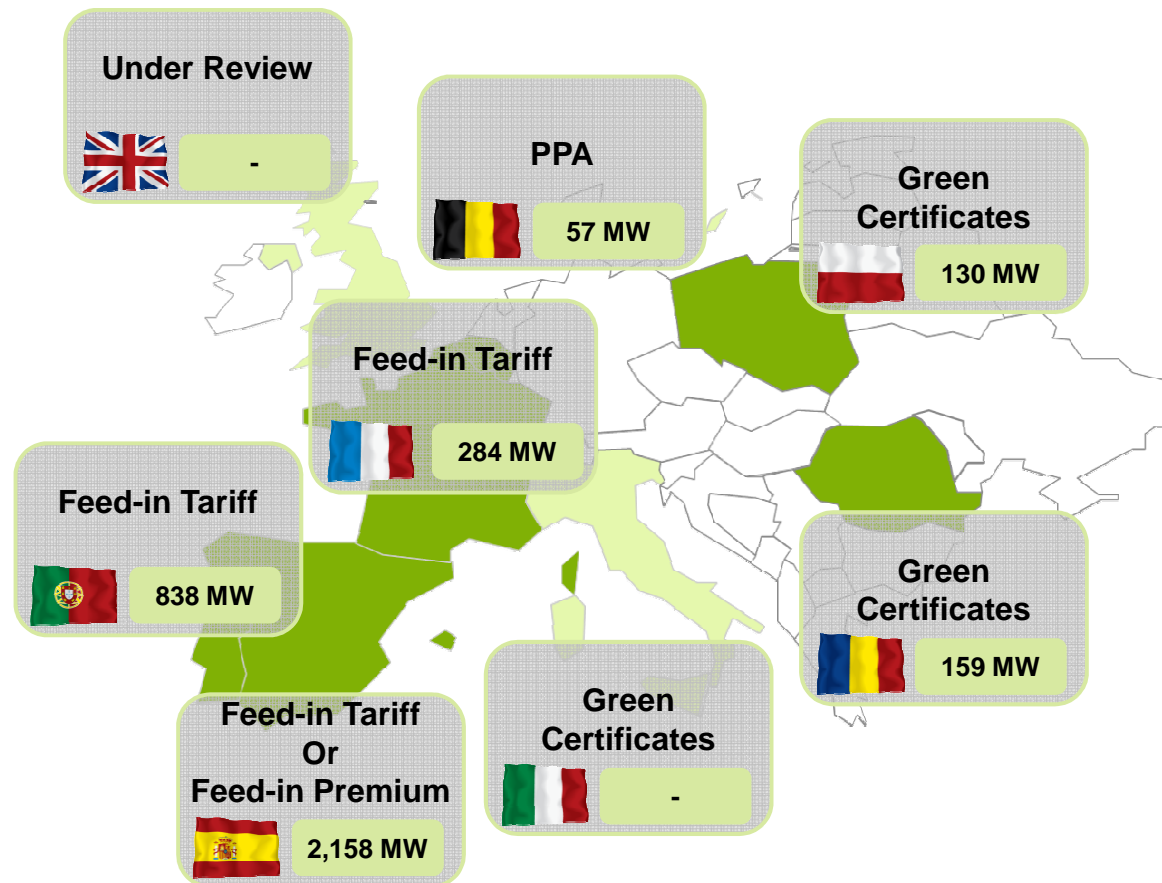


**... being able to pursue the best investment opportunities, given the current market dynamics**

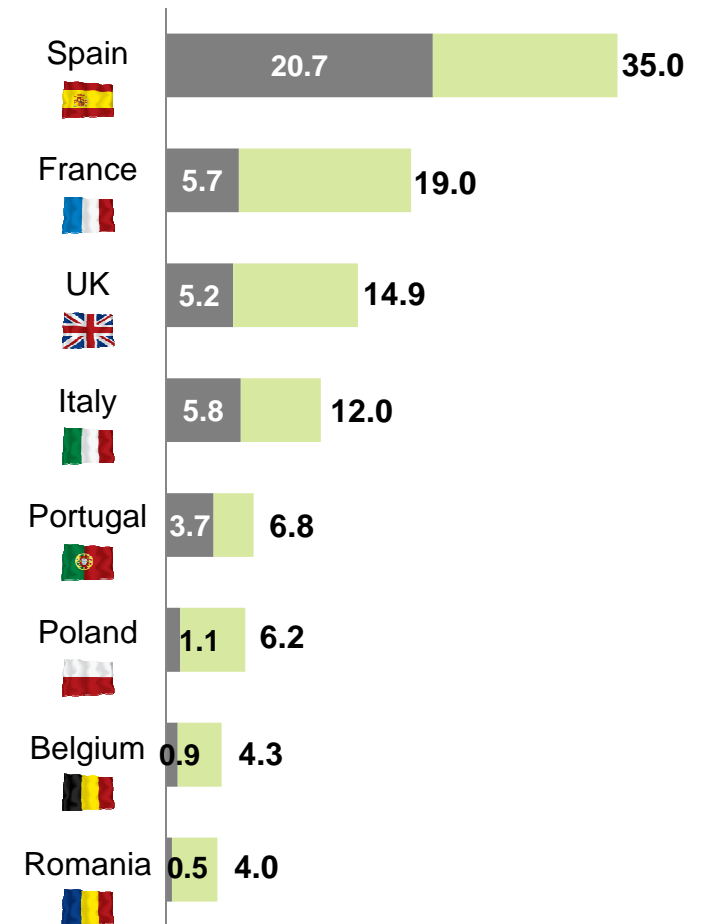
# Europe: Markets with supportive regulatory frameworks



## EDPR: European assets overview (1Q11 MW)



## Wind 2010 vs. Targets 2020 <sup>(1)</sup> (Country GW)



■ Installed capacity 2010 ■ National Target 2020

<sup>(1)</sup> Source: National Renewable Energy Action Plans

# Spain: Keeping an ambitious growth plan for Wind



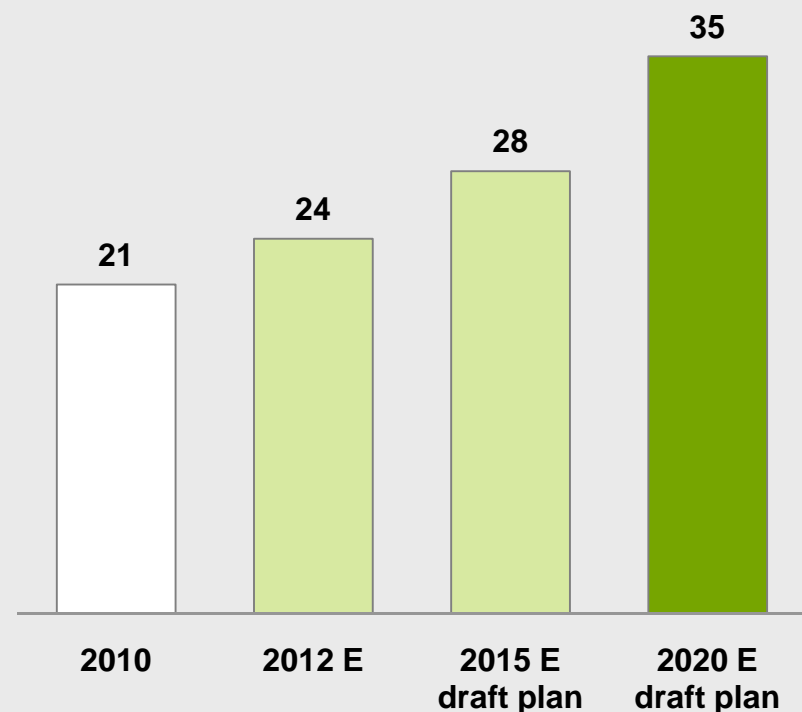
## Market and Regulation Overview

By 2012, wind installed capacity is expected to reach 23.6 GW (capacity already awarded under the pre-registry process)

Existing regulation provides supportive and attractive remuneration, with visibility for 20 years for assets to be installed until Dec. 2012

Regulation framework for post-2013 capacity to be defined in near future in order to support country's growth plan for wind capacity

## Spain: Wind Installed Capacity (GW)

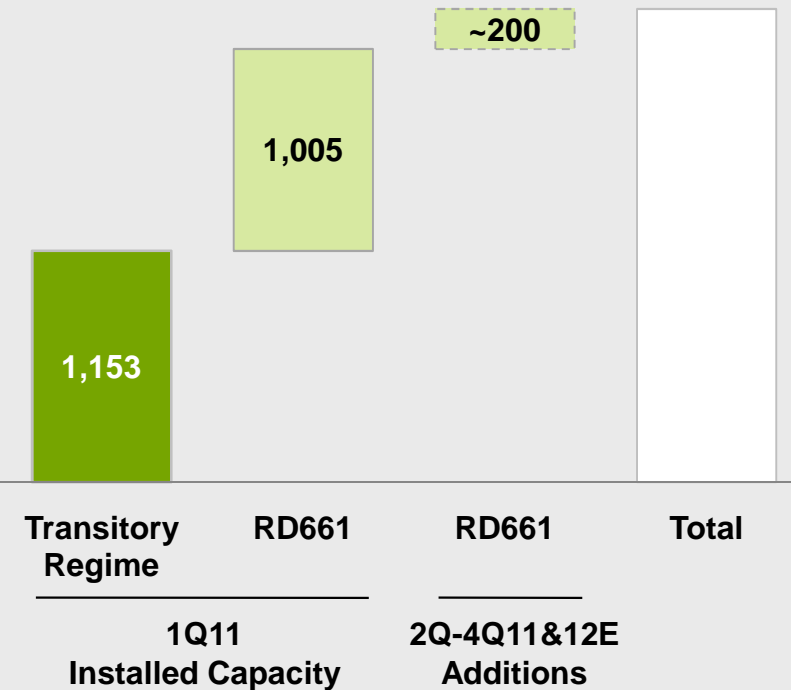


- The established remuneration framework offers visibility for the useful life of the wind farms
- The recently published draft plan for renewable energy in Spain reiterates strong growth targets

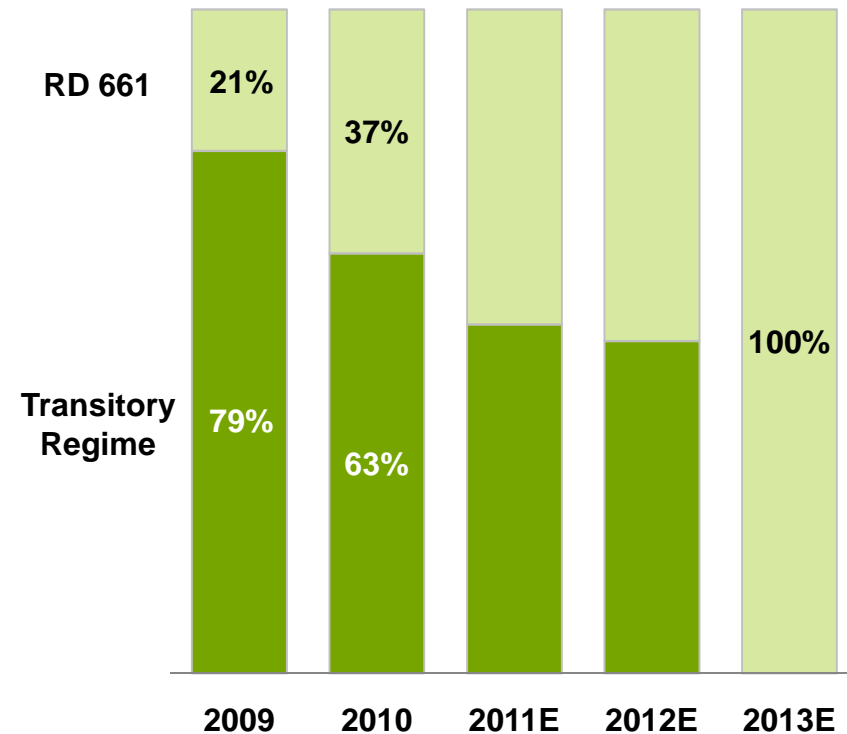
# Spain: EDPR's new additions in Spain through 2012 to be under the existing framework



**EDPR 2011/12: Installed capacity evolution (EBITDA MW)**



**EDPR: Production breakdown by regime (GWh; %)**



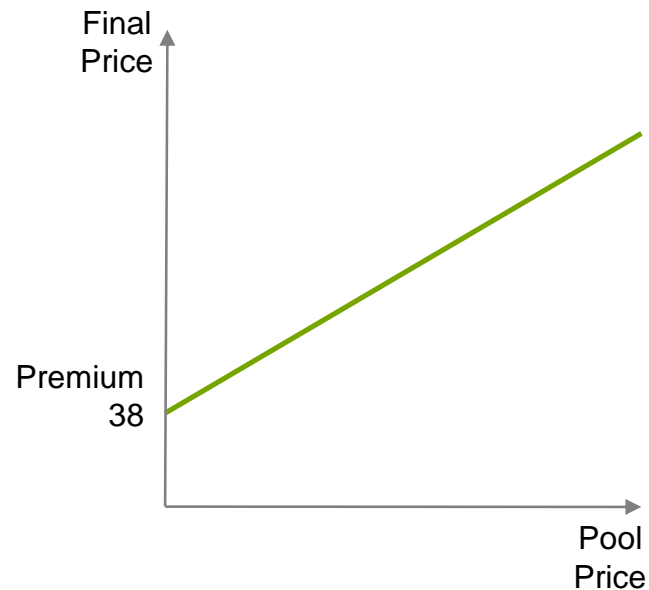
2011-12 capacity additions under the pre-registry scheme

# Spain: existing remuneration schemes for Spanish wind farms (applicable to all wind farms to be built until 2012)



## Transitory Regime (only until 2012, RD 661/2007 afterwards)

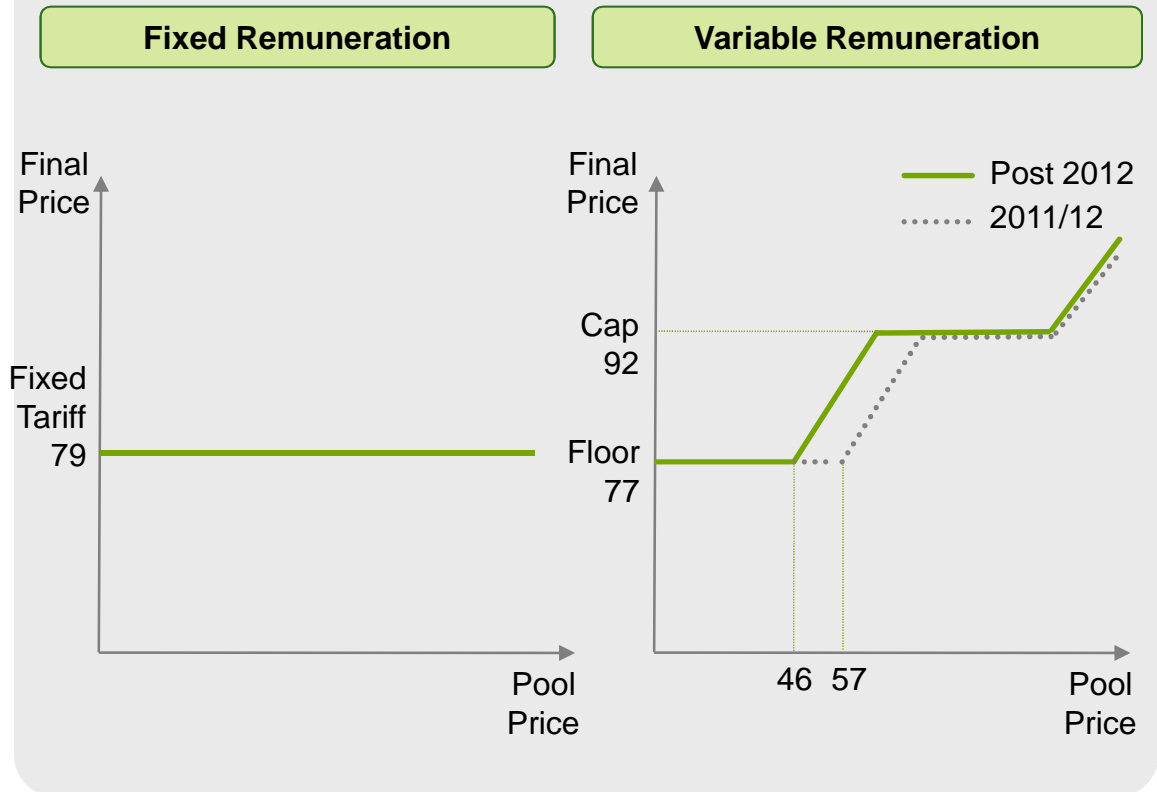
(€/MWh)



- Transitory Regime: pool price + premium (possibility of hedging)

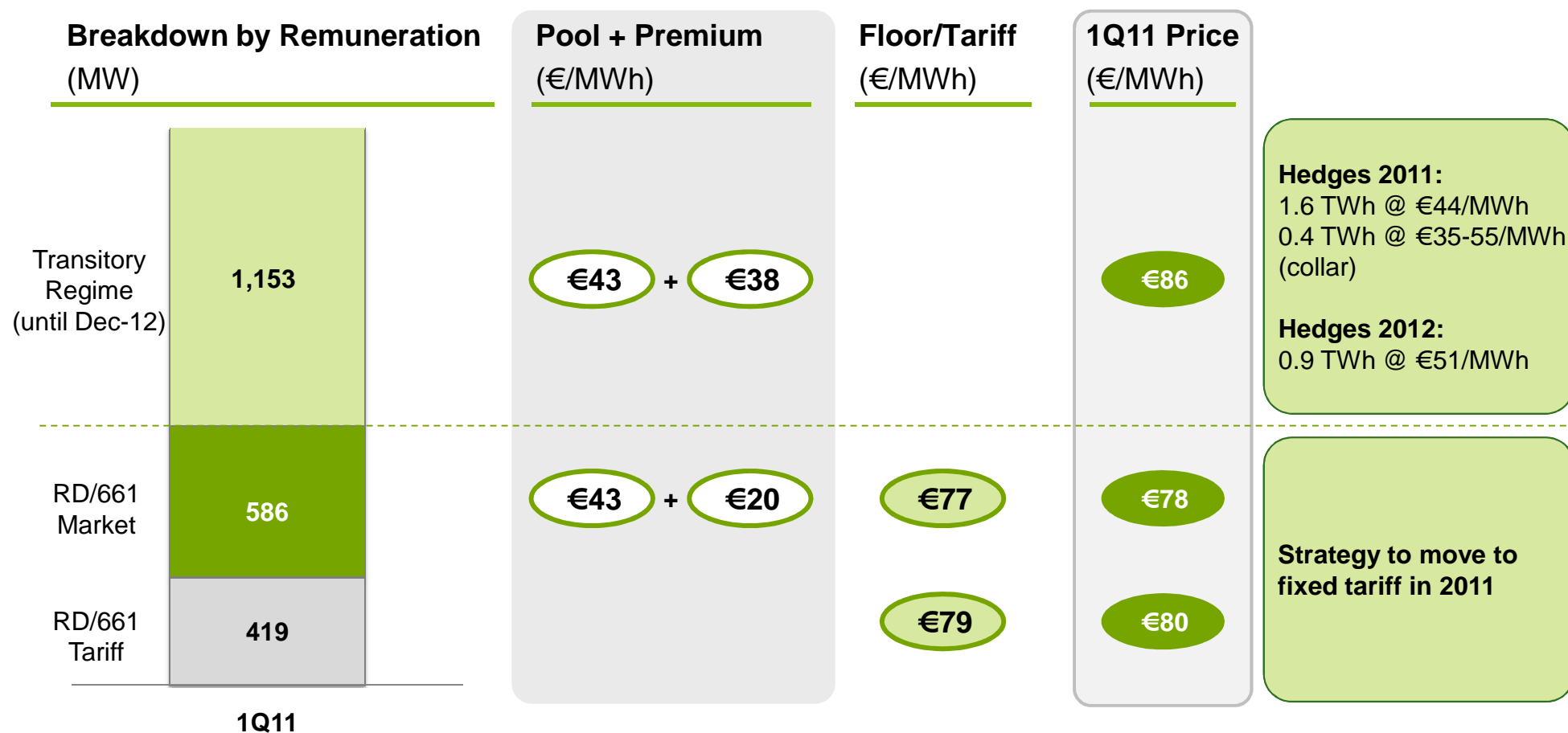
## RD 661/2007 (applicable for 20 years lifetime of the project)

(€/MWh)



- Option to choose between fixed and variable remuneration every 12 months
- Fixed tariff, floor and cap, updated annually at CPI-x

# Spain: EDPR 1Q11 realized prices by regime



Proactive asset management provides strong visibility on revenues

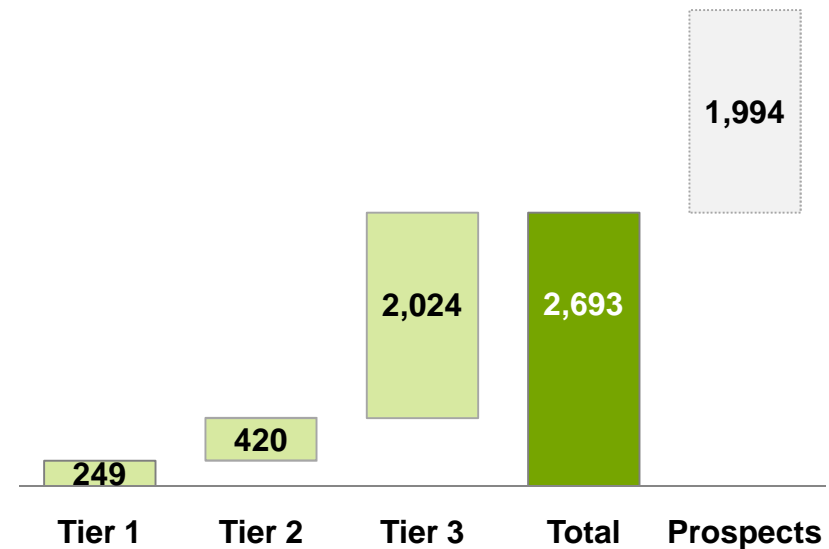
# Spain: EDPR was awarded MW in the country's best locations and has a large portfolio of projects available...



Spain: Location of tenders won by EDPR (MW)



EDPR's Pipeline in Spain (MW)



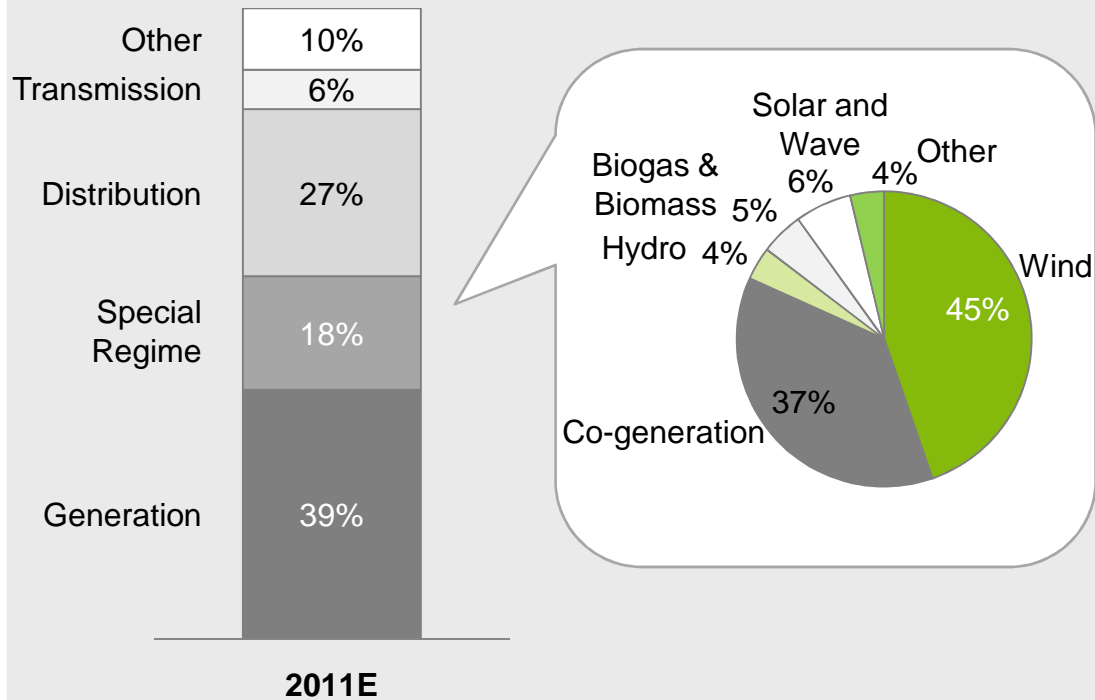
...building valuable options of investment in case the new regulation post-2013 provides the adequate profitability



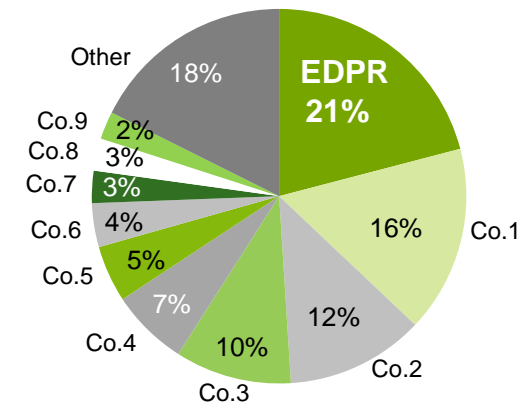
# Portugal: Market Overview



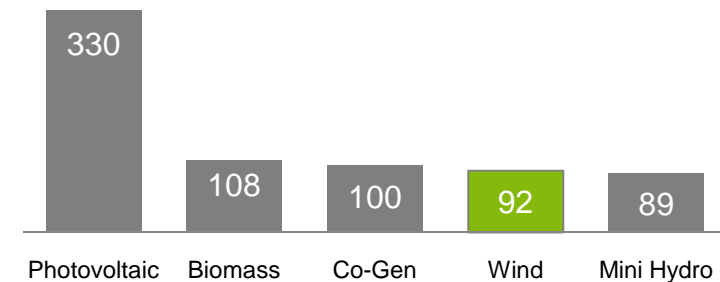
## Portugal: 2011E Overview of Electricity System Costs (%)



## Portugal: Wind Players (% Installed and Awarded Capacity)

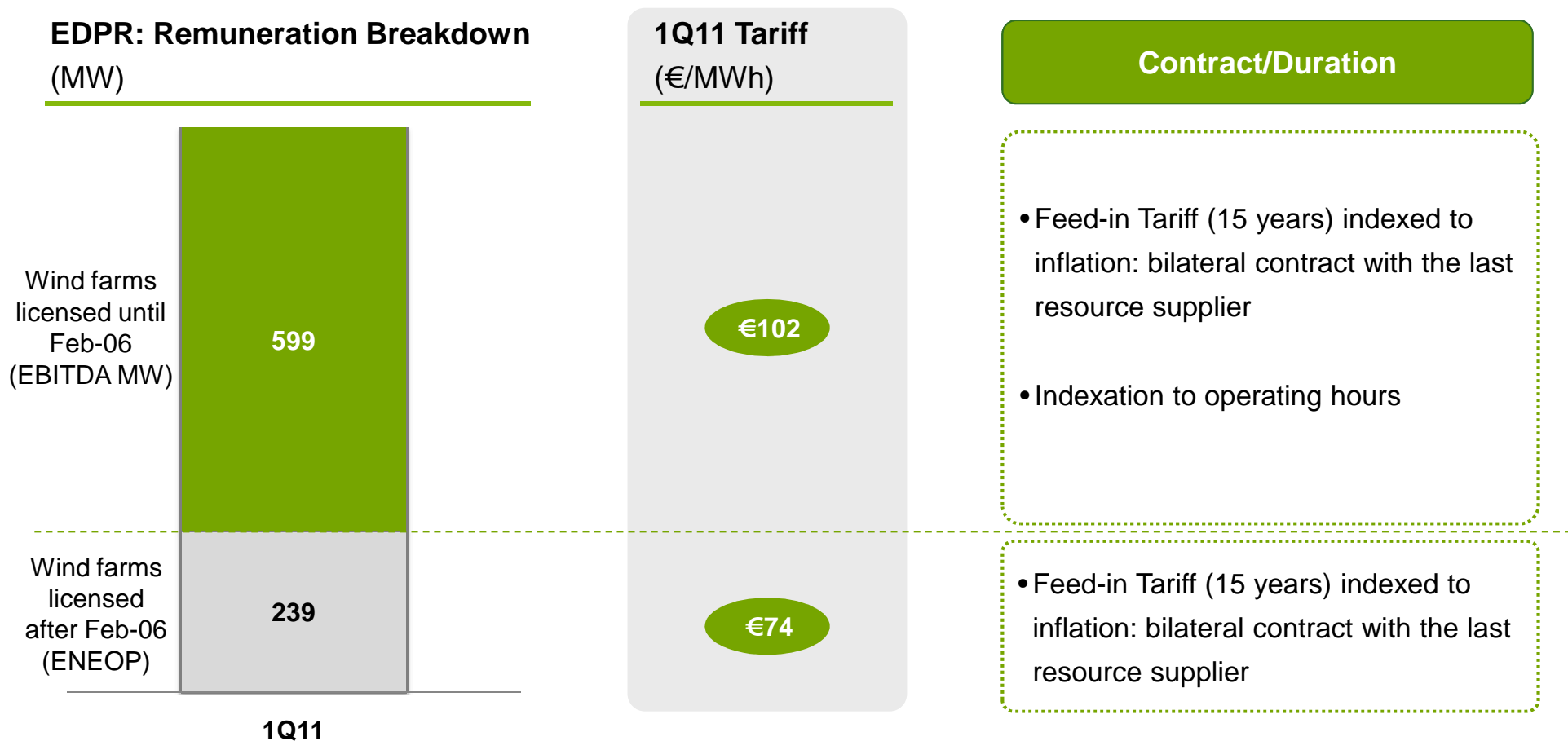


## 2010: Average Price per Technology (€/MWh)



**Wind represents 8% of the expected 2011 system costs (17% of total electricity generation)**

# Portugal: Revenues visibility through a inflation adjusted 15Y Feed-in Tariff with different starting prices



1Q11: Portugal accounted for 15% of EDPR's EBITDA

# Portugal: Executing growth through 2012 under the ENEOP project



## EDPR's priorities through 2012

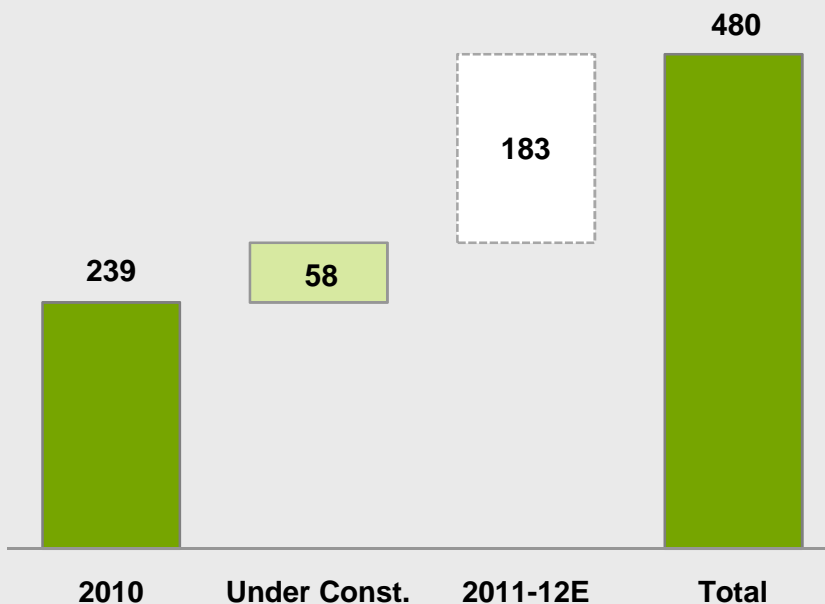
### 2006 Tender

- Awarded 1.2 GW to Eólicas de Portugal Consortium (ENEOP)
- EDPR has a 40% stake
- Full consolidation post asset splitting after full commissioning
- Feed-in Tariff @ €74/MWh (15 years) increasing with inflation

### Other

- Monitoring overpowering opportunity
- Continue to develop pipeline for new tenders

## EDPR: 40% stake @ ENEOP (Net MW)

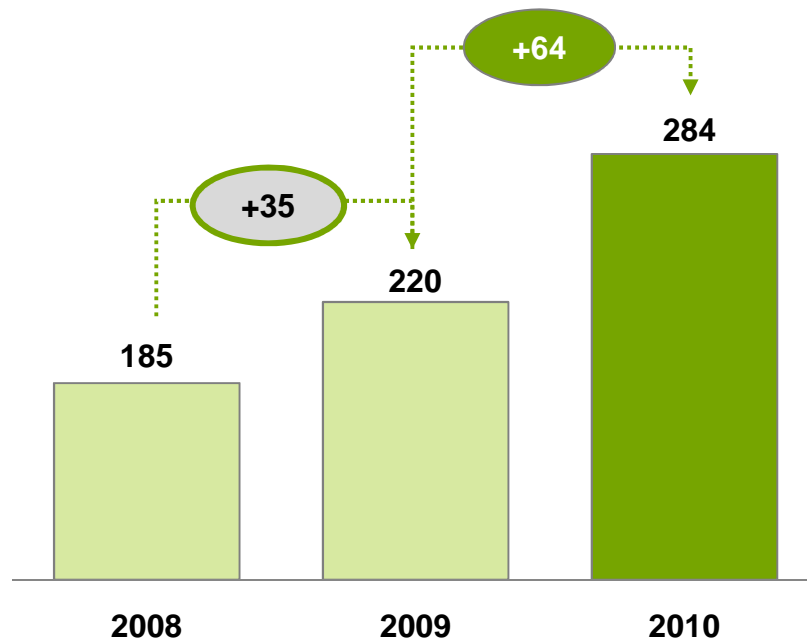


Ongoing growth through Eólicas de Portugal and overpowering opportunities

# France: A mature market with a stable remuneration



EDPR: Installed Capacity Evolution  
(MW)



## Regulation

- Feed-in Tariff, stable for 15 years
- Updated to inflation type index
- Price at €86/MWh (1Q11)

## EDPR

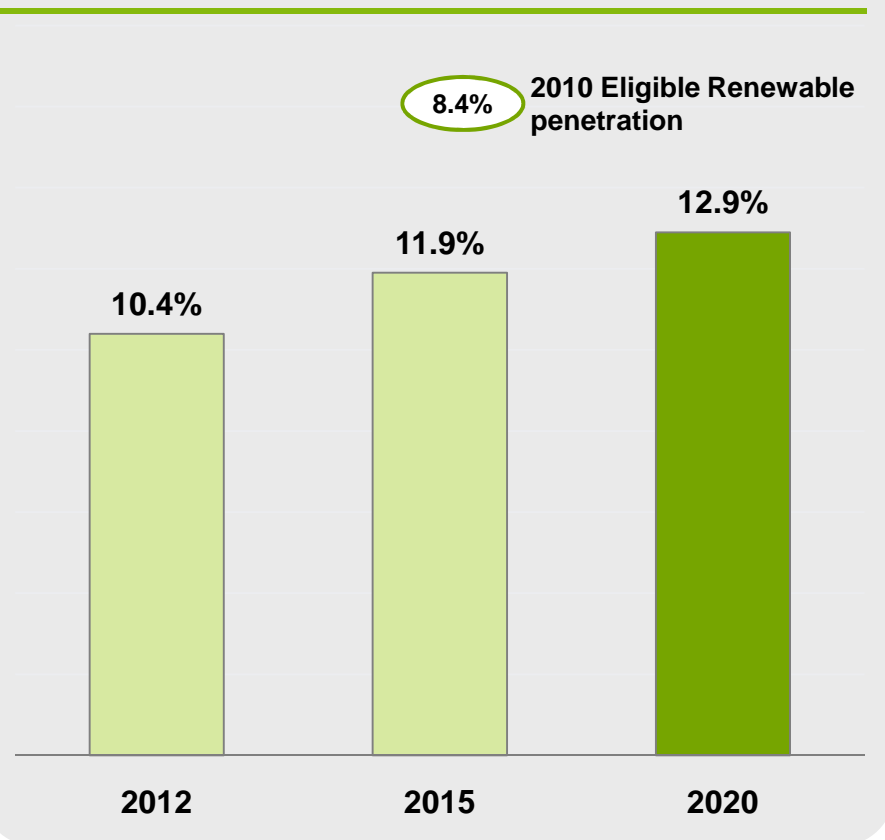
- EDPR currently has a pipeline of 649 MW in France
- The company expects to maintain its historical average annual growth rate

The French market offers one of the most visible Feed-in Tariffs for the long-term

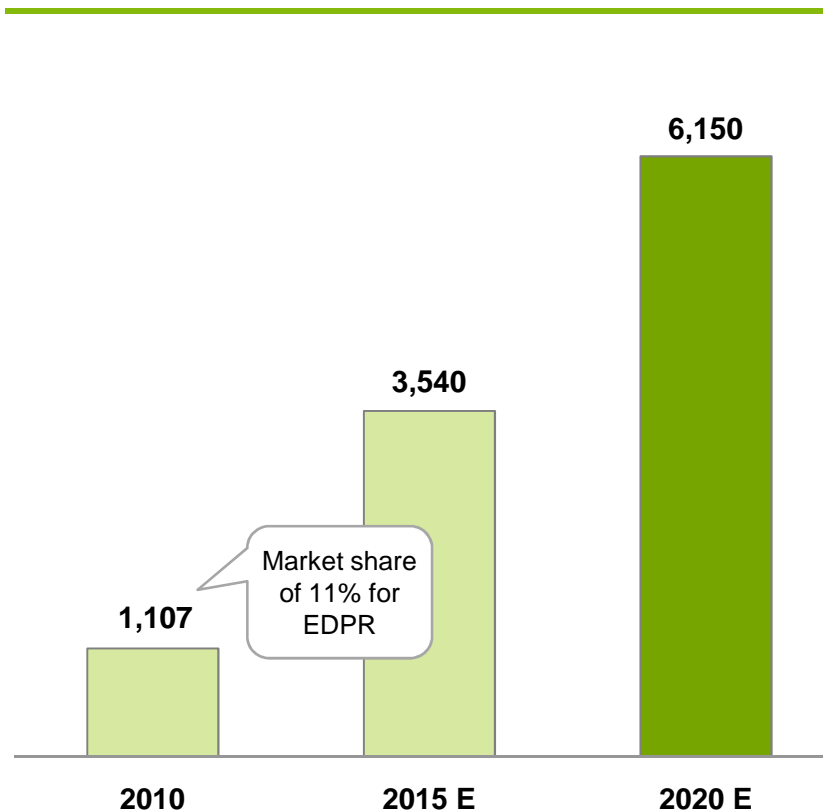
# Poland: Mandatory renewable quotas and ambitious targets



Poland: Mandatory Renewable Green Quotas (%)



Target wind onshore capacity in the country <sup>(1)</sup> (MW)

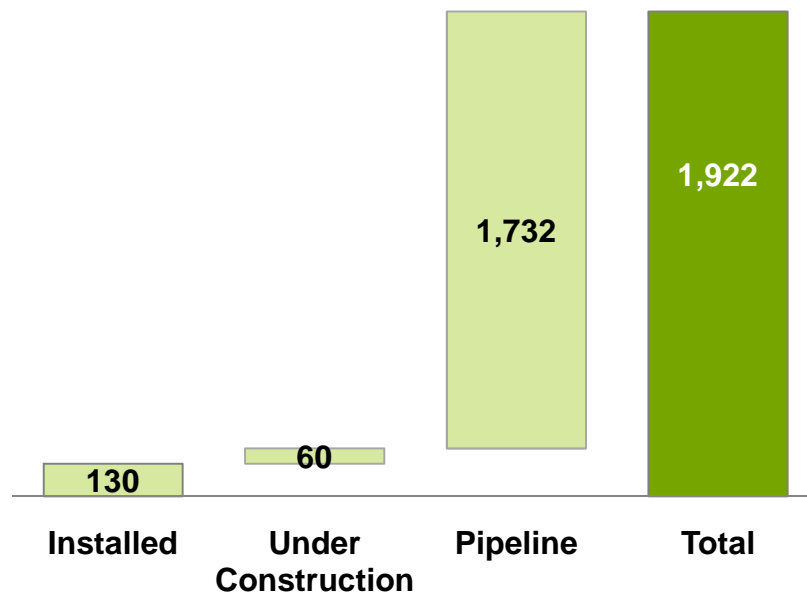


Poland offers sustainable investment opportunities, considering both the current gap of green quotas and the continuous growth set by the National RES Program

# Poland: EDPR has been developing its growth opportunities in a country with an attractive remuneration



EDPR 1Q11: Footprint in Poland  
(MW)



## Regulation

- Electricity price plus green certificate (GC)
- 2010: electricity pool price @ €48/MWh plus green certificate @ €68/MWh
- Option to choose a regulated electricity price (€49.7/MWh @ 2011) every 12 months
- DisCos. non-compliance RES penalty at €70.1/MWh (2011)

## EDPR

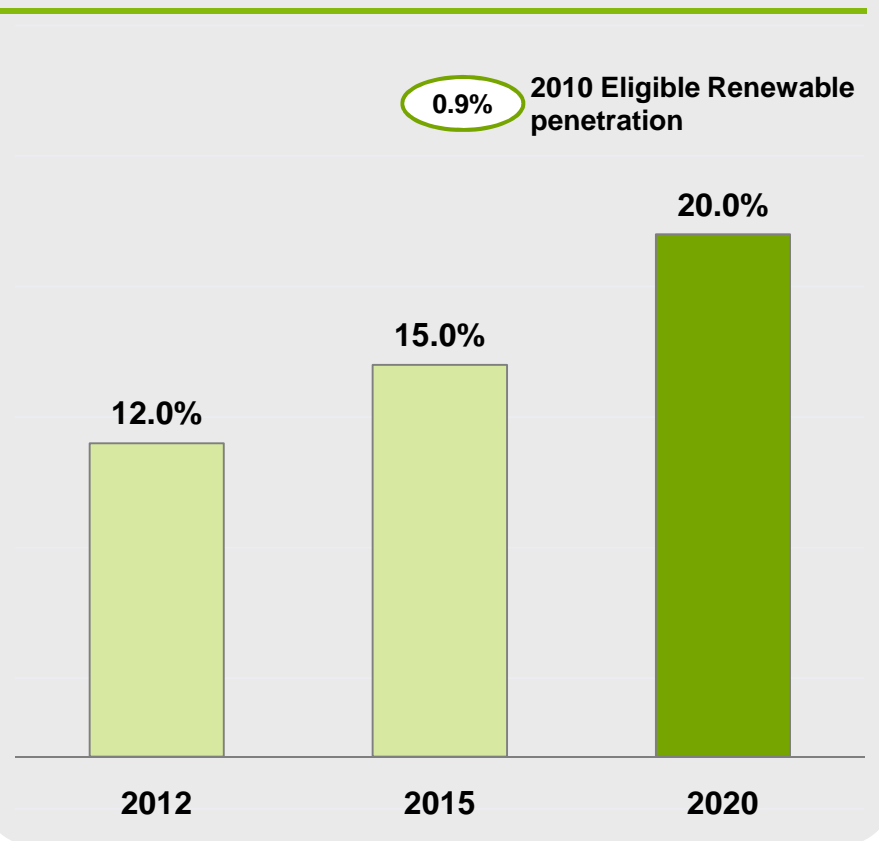
- Two contracts already closed:
  - 120 MW contract for selling GC (15 yrs)
  - 70 MW PPA for Pool + GC (10 yrs)
- Realised price stable @ €112/MWh

EDPR has a large pipeline, enabling to capture attractive investment opportunities

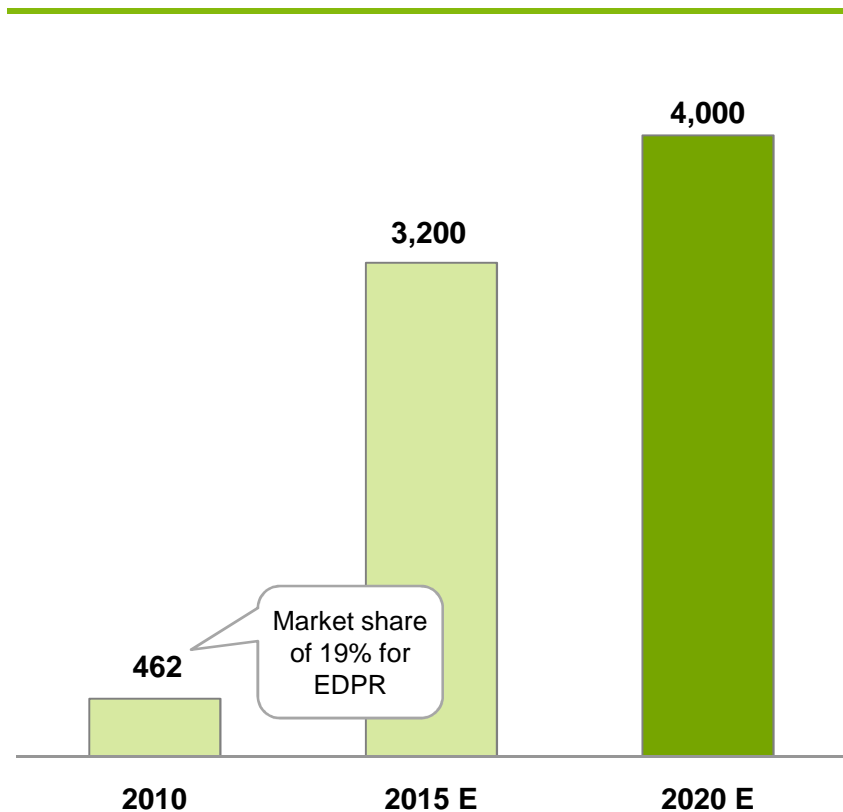
# Romania: Young market with a supportive regulatory framework...



Romania: Mandatory Renewable Green Quotas (%)



Target wind onshore capacity in the country <sup>(1)</sup> (MW)

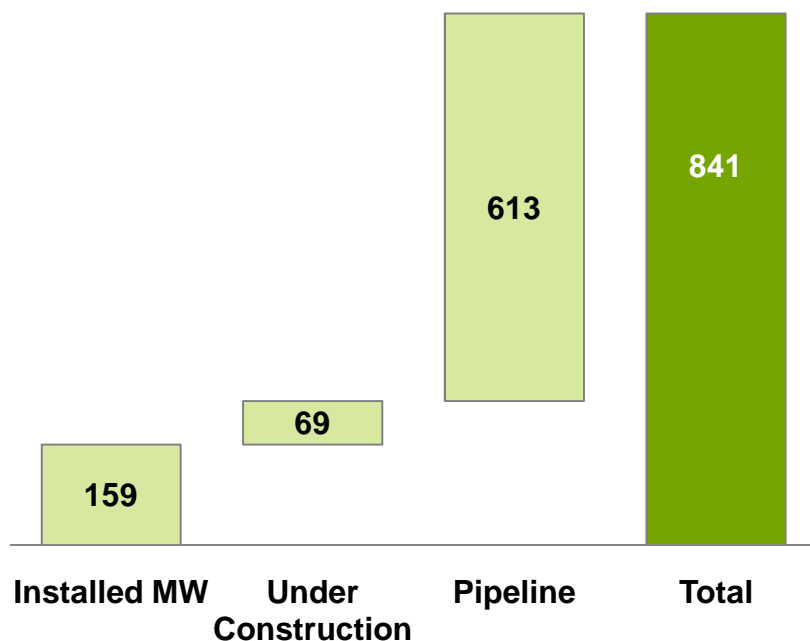


...to execute an ambitious growth plan

# Romania: EDPR installed its first MW in the country in 2010...



EDPR 1Q11: Footprint in Romania  
(MW)



## Legislation approved in 2010

- 2x green certificates (GC) per MWh until 2017
- GC Floor and Cap of €28 - €56 per MWh (inflation linked)
- Penalty of €110 per missing green certificate (inflation linked)

- Currently, EDPR receives 1x green certificate per MWh
- 2x GC expected to be introduced throughout 2011

...and will keep on increasing its presence through the execution of its pipeline



# New markets: New countries (Italy) and new technologies (UK)

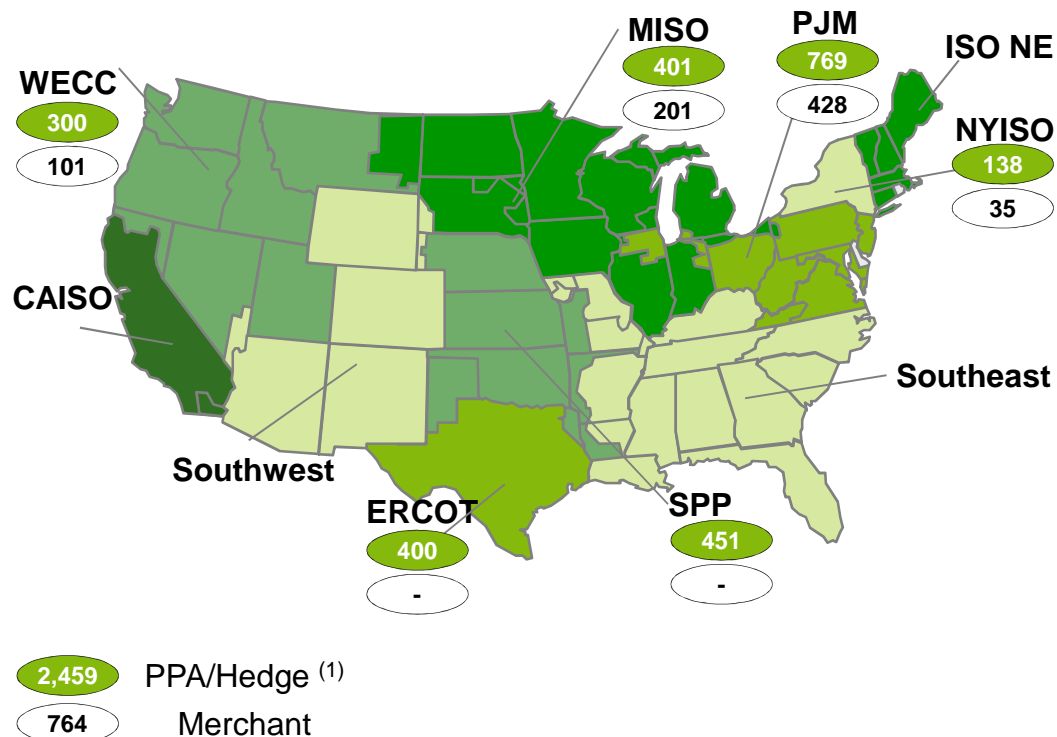


	EDPR	2010 Remuneration	Regulatory Updates
Italy	<p><b>Pipeline of 991 MW</b></p> <p>Installing the 1st MWs in 2011 and mature pipeline to benefit from attractive tariff scheme</p>	<p><b>Green Certificates</b></p> <p><b>€166/MWh</b></p>	<ul style="list-style-type: none"><li>• <b>Transitory regime</b> (WF with COD up to 2012): green certificates until 2015; then feed-in tariff scheme (to be defined)</li><li>• <b>New regime</b> (WF with COD in 2013 onwards): tender system of floor price (to be defined)</li></ul>
UK (Offshore)	<p><b>Pipeline of 1,300 MW</b></p> <p>Advance with permitting, studies and define technical solutions (likely to start construction in 2015, depending on projects' economics)</p>	<p><b>Green Certificates</b></p> <p><b>£120/MWh</b></p>	<p>New remuneration scheme under revision (expected to be launched until Summer 2011)</p>

# US: EDPR has a large and diversified portfolio spread among regions with different wind resources and market profiles



## EDPR: US Installed Capacity Breakdown (1Q11, MW)



## EDPR: Types of Remuneration in the US (1Q11, % MW)

### PPA 76%

- Average price of \$50.4/MWh
- Average duration of 15 years
- Average escalator of 1.5%
- Stability for the long-term

### Merchant 24%

- Average merchant price of \$32.6/MWh
- Merchant position mainly in the MISO and PJM markets
- Merchant price driven by the low gas prices

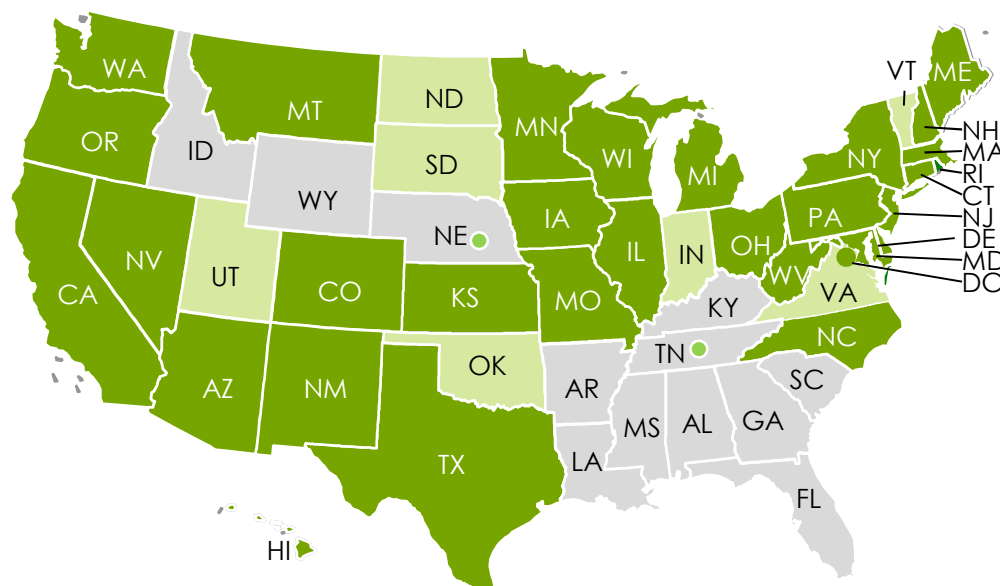
Regardless the pressure from lower demand for electricity and low gas prices, EDPR managed to close 841 MW of PPAs in 2010, therefore lowering its merchant exposure to 24%

<sup>(1)</sup> PPA and long-term hedges. Includes PPA for 83 MW starting in Jan-2012 and 175 MW starting in Jun-2012.

# US: The market provides the wind developers with two types of incentives



## Renewable Energy Portfolio Standards by State



Many states have non-compliance penalties of \$10-\$60 per MWh

## Tax Incentives available in the US

### PTC or Cash Grant

- Projects installed before Dec. 12
  - i. PTC @ ~\$21/MWh for first 10Years
  - ii. Cash Grant of 30% of the eligible investment value
- Option to monetize through tax equity structures along with MACRS

+

### MACRS

- Depreciation of 95% of asset over the first 5 years
- In place, as is, since 1986
- Expected to be in place for the foreseeable future

EDPR has been a market leader in the monetization of tax incentives through equity structures

# US: Electricity spot prices have been pressured by low gas prices and electricity demand, but show signs of slight recovery

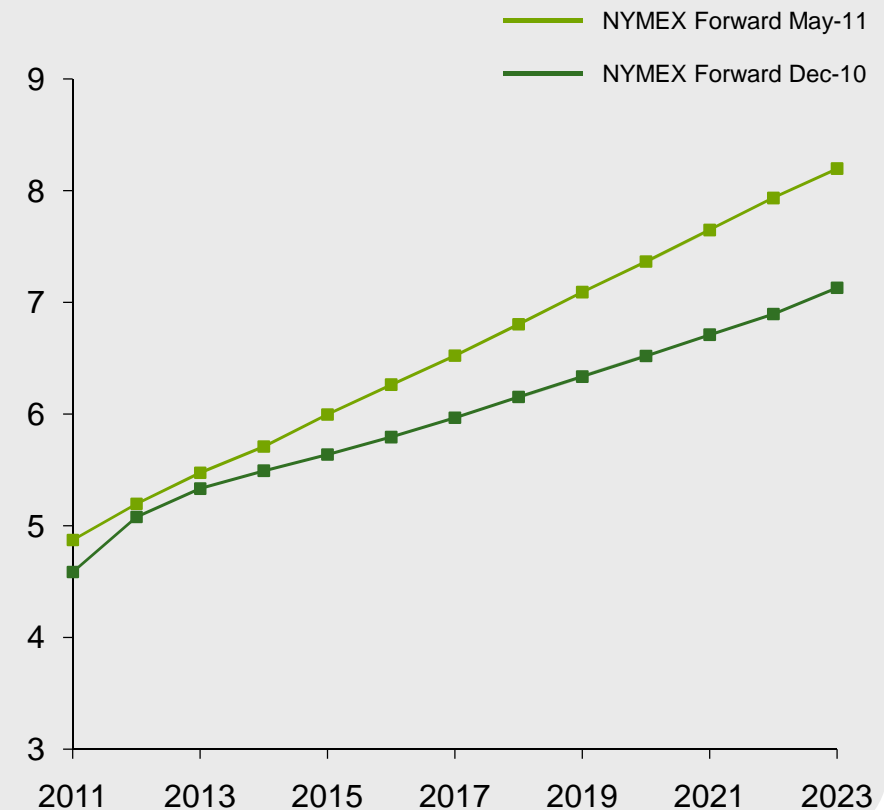


## US: spot prices and main market figures (\$/MWh on-peak, \$/MMBtu, TWh)

	2008	2009	2010	Δ 08-09	Δ 09-10
<b>NY Zone A</b>	68.3	35.5	43.9	-48.0%	+23.5%
<b>PJM West</b>	83.7	44.6	53.7	-46.7%	+20.4%
<b>Cinergy</b>	66.9	34.6	41.5	-48.2%	+19.8%
<b>NI Hub</b>	66.1	34.5	40.8	-47.9%	+18.5%
<b>ERCOT North</b>	73.4	34.9	41.2	-52.5%	+17.9%
<b>Mid-C</b>	65.0	35.7	35.9	-45.1%	+0.7%
<b>Gas prices</b>	8.8	3.9	4.4	-55.5%	+10.1%
<b>Elec. Demand</b>	4,119	3,950	4,120	-4.1%	+4.3%

2010 already shows a positive evolution in prices and demand, yet still below 2008 levels

## NYMEX gas price forward curves (\$/MMBtu)

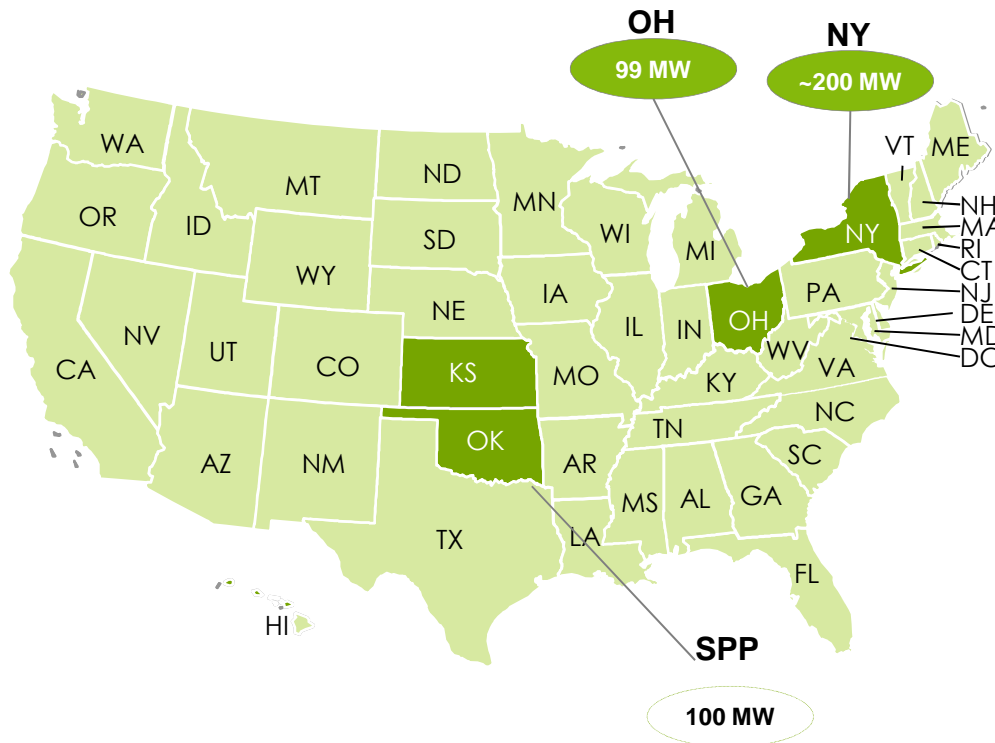


The evolution of the forward curves show evidence of some recovery in gas prices

# US: EDPR has projects scheduled to be installed in 2011/12...



## EDPR US: 2011/12 Projects



## EDPR: Remuneration visibility for 2011/12

### 2011

- 99 MW 20-year PPA in Ohio already closed
- Studying 100 MW in SPP with premium Load Factor and very competitive capex cost

### 2012

- 171 MW 10-year REC contract in New York

...with assured and visible profitability for the long-term mainly through PPA contracts

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**1H 2011 Results: 27 July 2011**

