

Results Presentation

1H 2012

July 25th, 2012
www.edpr.com



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Results Highlights

In the 1H12 EDPR delivered...



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Quality growth

+13%

Electricity Output

Higher profitability

+13%

EBITDA /avg MW in Oper.

Solid financial performance

+23%

Revenues & EBITDA

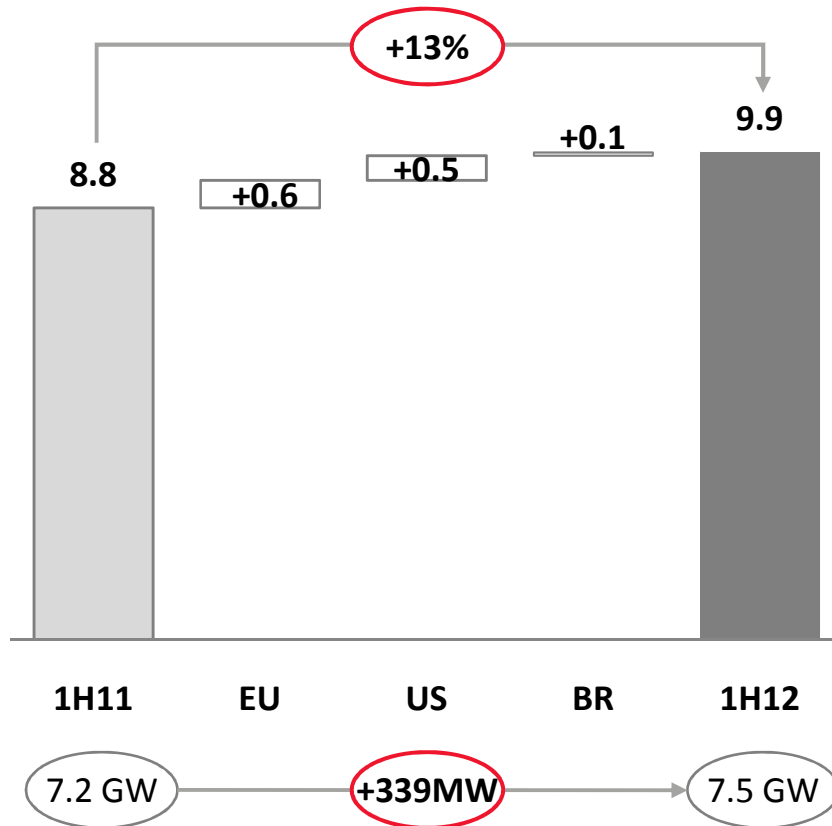
- Robust asset base of 7.5 GW (+339 MW YoY)
- Premium 32% load factor reflecting wind farms' high quality
- Optimised operations; Technical availability at 98%
- Selective investments in projects with above-average metrics
- Selling prices up 10% YoY; positive performance in all regions
- Opex per MW under control (+3% YoY ex-forex)
- EBIT outpacing EBITDA growth (+42% YoY or +26% YoY excluding asset life time extension)
- Cost of Debt under control (5.3% at Jun-12, -30bps YoY)
- Adj. Net Profit +33% YoY reflecting ongoing portfolio improvement



1H12 Performance

Electricity output of 9.9 TWh reflects capacity additions and assets recurrent leading performance

YoY Electricity Output and Installed Capacity ⁽¹⁾
(TWh, GW)



Load Factor and Technical Availability
(%)

	1H11	1H12
EU	26%	27%
US	36%	38%
BR	24%	25%
EDPR	32%	32%
EDPR Technical Availability	97.4%	97.6%

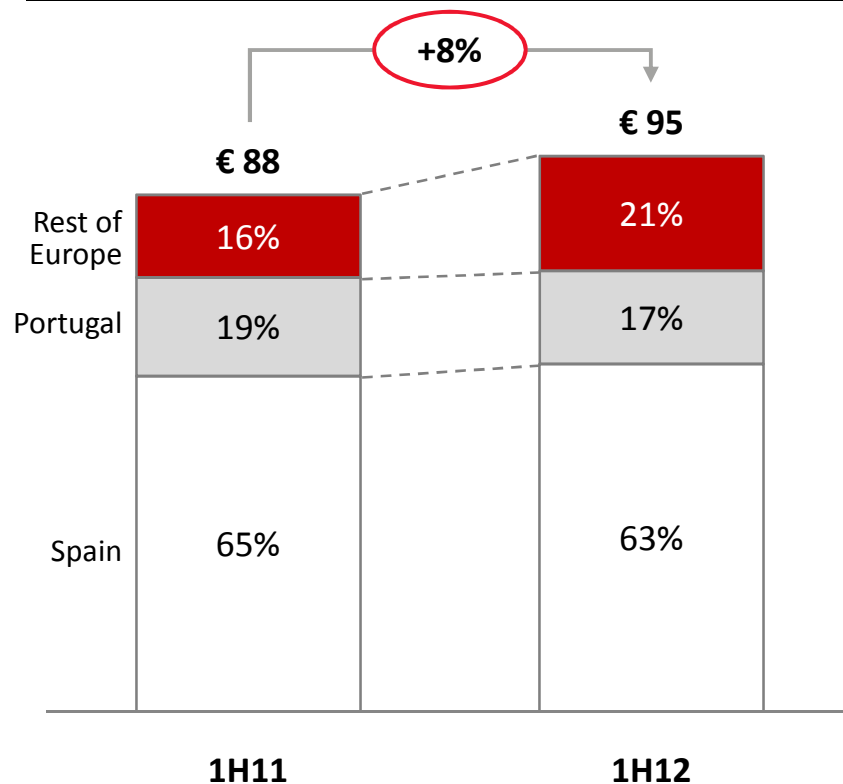
Higher capacity, balanced portfolio and premium load factors supported a 13% YoY output growth

EU: Stronger selling prices driven by higher output from CEE and positive performance in every region



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EU Price and Production breakdown evolution
(€/MWh, % reflects production relative weight)



Price Evolution by Market

	1H12	Δ% YoY	
Rest of Europe	€106	+11%	<ul style="list-style-type: none"> 2GC in Romania Higher output YoY of Poland/Romania
Portugal	€107	+5%	<ul style="list-style-type: none"> CPI indexation update Working hours adjustment to occur in the 4Q
Spain	€88	+7%	<ul style="list-style-type: none"> Higher hedging prices YoY (€52/MWh vs €44/MWh) Fixed Tariff Option decision

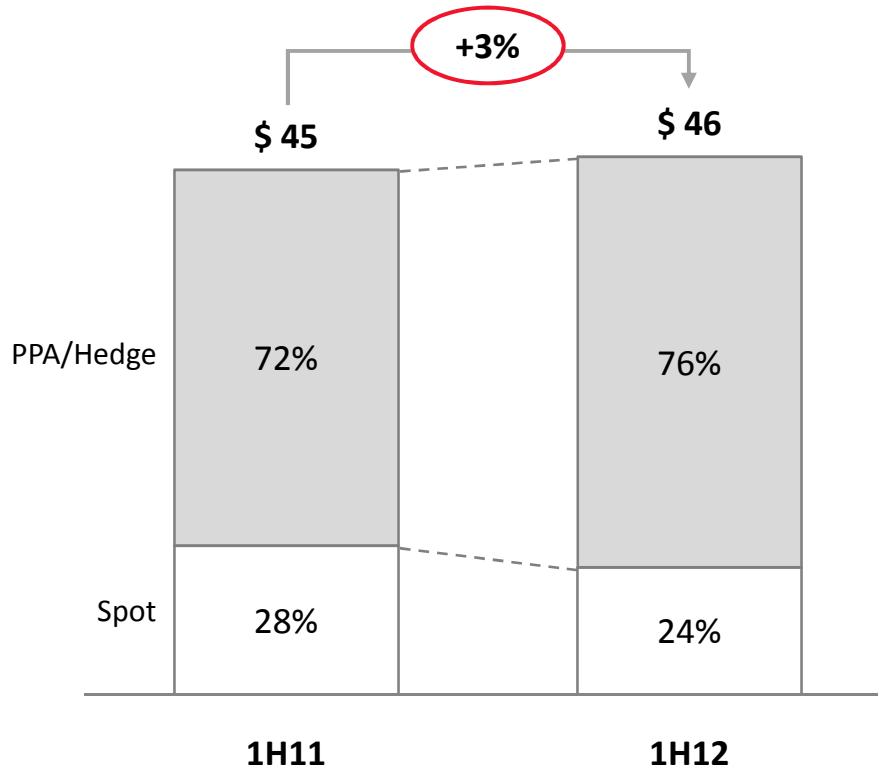
Solid price evolution on the back of regulatory definition, CPI indexation, and hedging strategy

US: Positive average price evolution driven by better PPA prices and higher contracted output



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US Price and Production breakdown evolution
(\$/MWh, % reflects production relative weight)



Price Evolution by Type

	1H12	Δ% YoY	
PPA / Hedges	\$52	+4%	<ul style="list-style-type: none"> Updated according with fixed escalators Output under PPA/hedges increased 17% YoY
Spot	\$25	-17%	<ul style="list-style-type: none"> Output with spot exposure decreased 9% YoY Very low spot prices: gas prices fell 36% YoY

Ongoing shift towards higher volumes under PPAs to keep driving the positive pricing trend

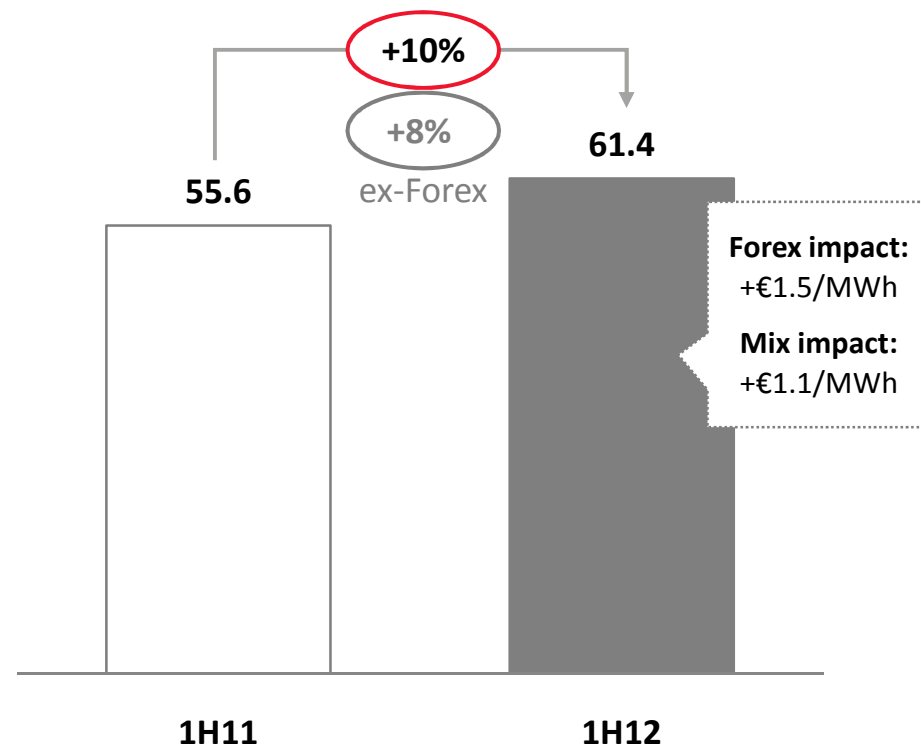
EDPR: Average selling price increased 10% YoY with stronger prices in all regions



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Region	Price Evolution		Output Mix (GWh)	
	1H12	Δ% YoY	1H11	1H12
EU	€95	+8%	42%	43%
US	\$46	+3%	58%	57%
BR	R\$279	+2%	0%	1%

EDPR Price Evolution
(€/MWh)



Selective investment criteria is being reflected in better metrics

Revenues increased 23% YoY to €673m...



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Main drivers for Revenues performance

Quality assets: +339 MW YoY

Top-notch load factor (32%) and record availability (98%)

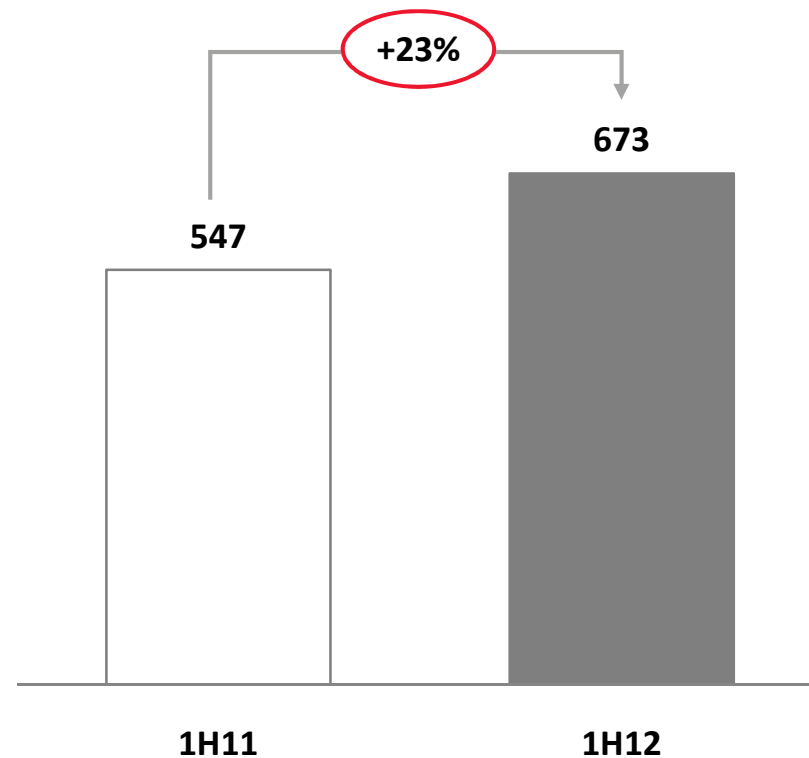
Solid electricity output: +13% YoY

EU +15%; US +10%; BR x3

Stronger selling prices: +10% YoY

EU +8%; US +3%; BR +2%

Revenues (€ million)



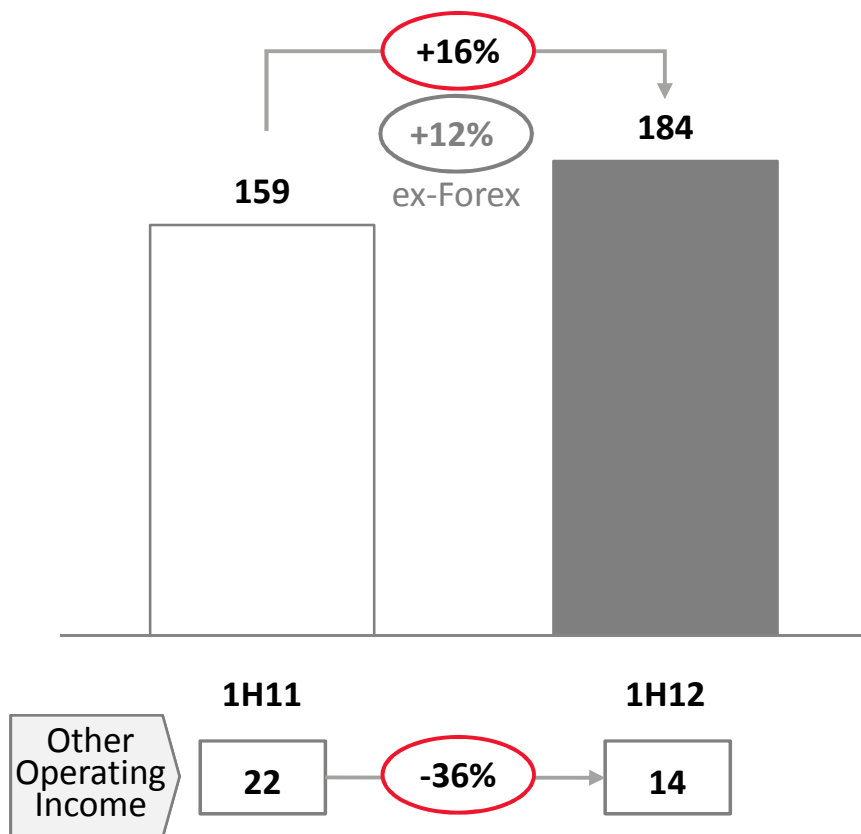
...reflecting a continuous improvement in the portfolio's metrics

Increasing efficiency remains at the core of EDPR



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Opex (excluding Other Operating Income) (€ million)



Opex/Average MW in operation (thousand)

	1H11	1H12	Δ %
EU (EUR)	22.1	24.6	+11%
US (USD)	31.8	30.0	-6%
EDPR (EUR)	24.6	26.1	+6%

+3% excluding €//\$ Forex translation

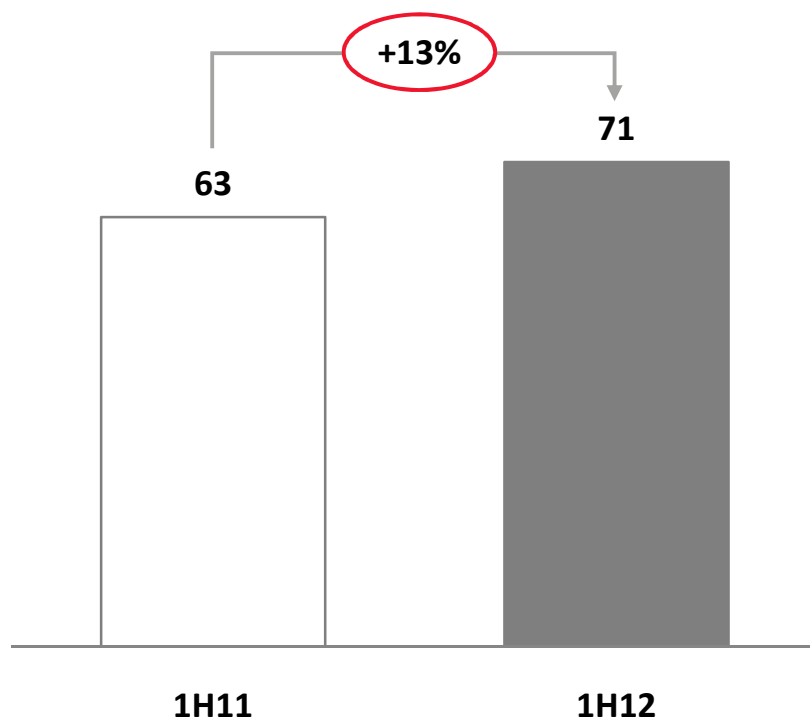
- Europe: O&M costs under control; Opex influenced by higher taxes/rents & grid access fee in Spain
- US: Efficiency improvements on the back of strong control over costs and the reorganization implemented
- EDPR: strong control over Opex and focus on efficiency (Revenues +23% YoY vs. Opex +16% YoY)

EDPR delivering higher profitability leading to solid EBITDA growth



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EBITDA/average MW in operation
(€ thousand)



EBITDA and EBIT
(€ million)

	1H11	1H12	Δ %
Europe	256	315	+23%
US	160	196	+23%
Brazil	1	6	+301%
Other	(8)	(13)	-
EBITDA	409	504	+23%
<i>EBITDA mg.</i>	75%	75%	-
D&A	(211)	(222)	+5%
EBIT	198	282	+42%

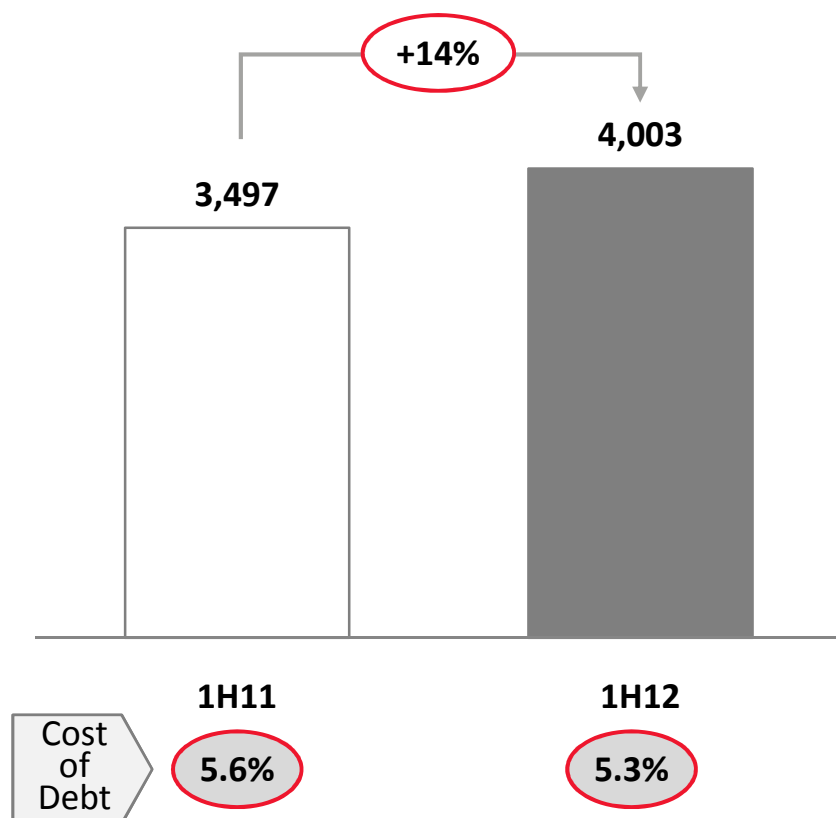
- Ongoing profitability improvement: quality load factors, stronger prices and controlled costs
- EBITDA growth outpacing electricity production growth in every region
- Excluding impact of the extension of assets useful life to 25 years EBIT still increased above EBITDA (+26% YoY)

Cost of debt reduced by 30bps YoY to 5.3%

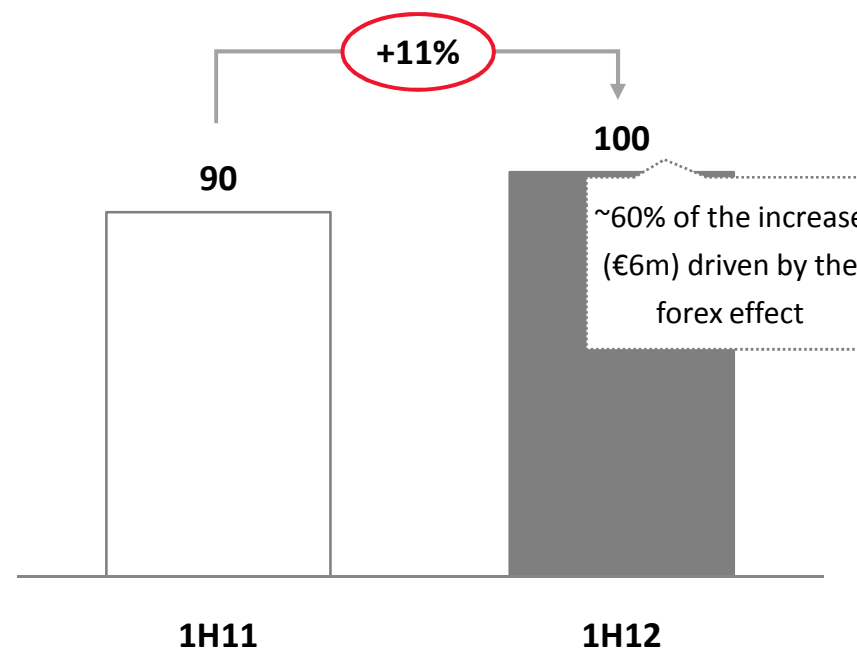


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Average Financial Debt
(€ million)



Net Interest Costs
(€ million)



- Nominal Cost of Debt at 5.3% (-30bps YoY, stable QoQ), reflecting the LT debt profile at fixed rates (87% fixed)
- Net interest costs increased below the average financial debt evolution (11% vs 14%)
- Net financial expenses (+38%) mostly impacted by lower interests capitalised and forex differences

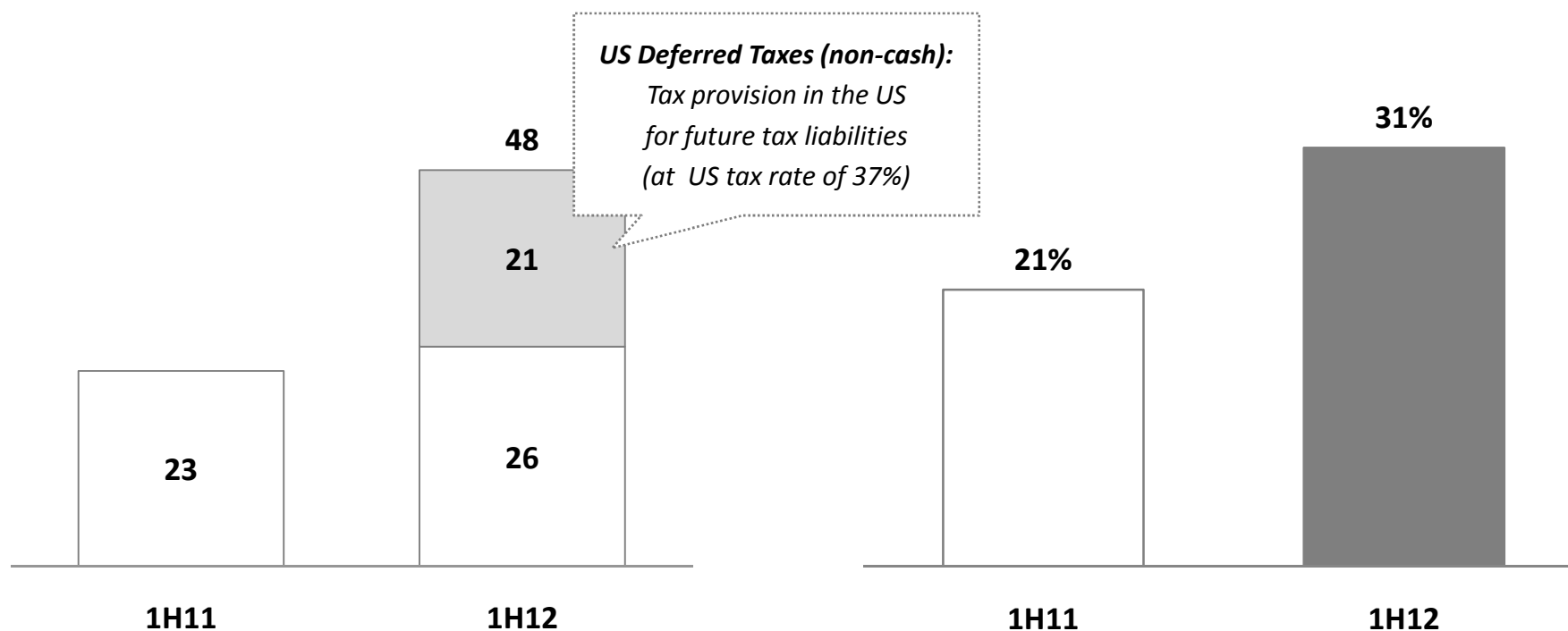
Income Taxes increased to €48m given the €21m non-cash impact from US deferred taxes



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Income Taxes
(€ million)

Effective Tax Rate
(%)



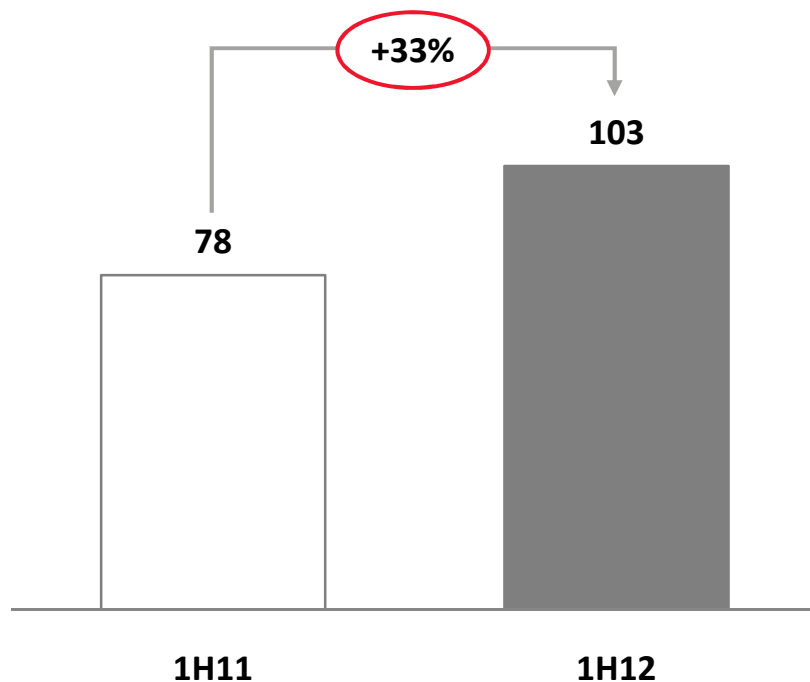
- In the 4Q11, EDPR started to recognise deferred tax liabilities against profits before taxes in the US
- Effective tax rate increased to 31% in the 1H12 and is expected to remain at this level in the long-term

Adjusted Net Profit increased 33% YoY to €103m



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Adjusted Net Profit (€ million)



(€ million)	1H11	1H12	
Reported Net Profit	89.5	100.0	+12%
Change in the assets' useful life	+17.0	-	
Deferred tax in the US	(9.7)	-	
Capital gains	(7.1)	(2.1)	
Forex differences & Forex derivatives	(4.4)	(0.7)	
Provisions adjustments, write-offs/impairments	(7.6)	+6.0	
Adjusted Net Profit	77.8	103.2	+33%

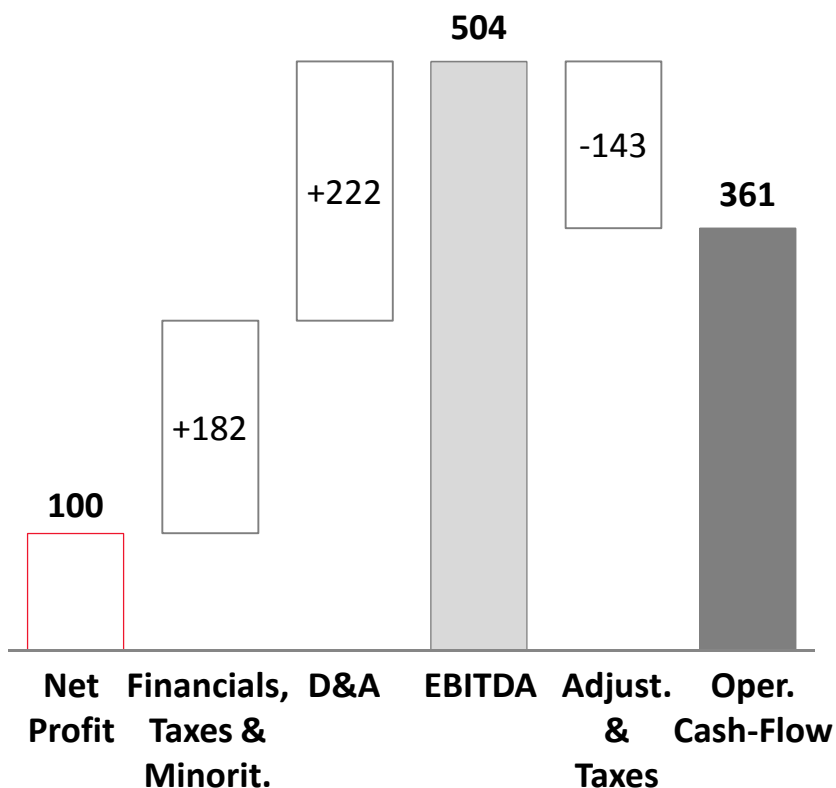
Solid bottom-line reflecting higher profitability and controlled cost of debt

Operating Cash-Flow of €361m impacted by intra-annual working capital

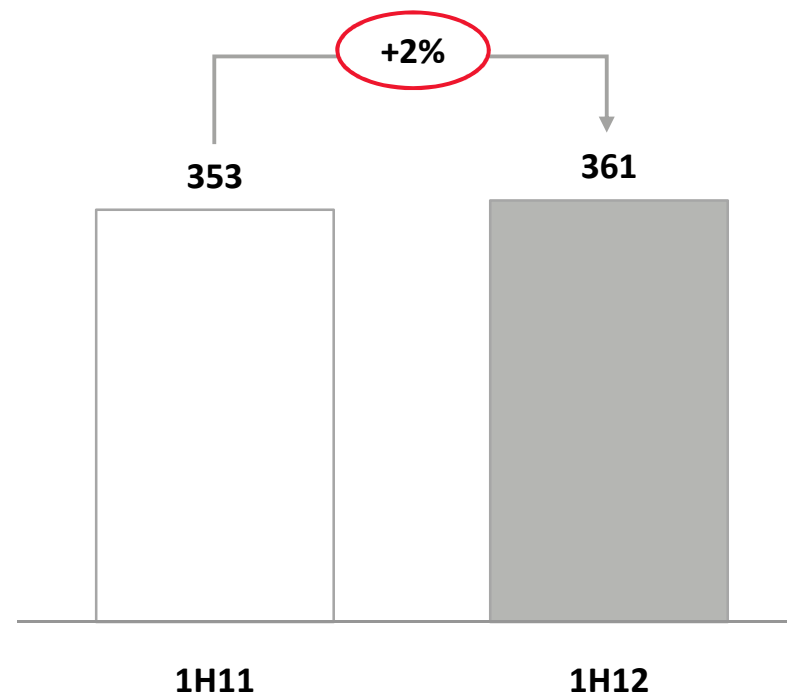


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1H12 Net Profit to Cash-Flow
(€ million)



Operating Cash-Flow Evolution
(€ million)



Changes in working capital (-€46m in the 1H12 mainly related to VAT receivables) to normalise until year-end

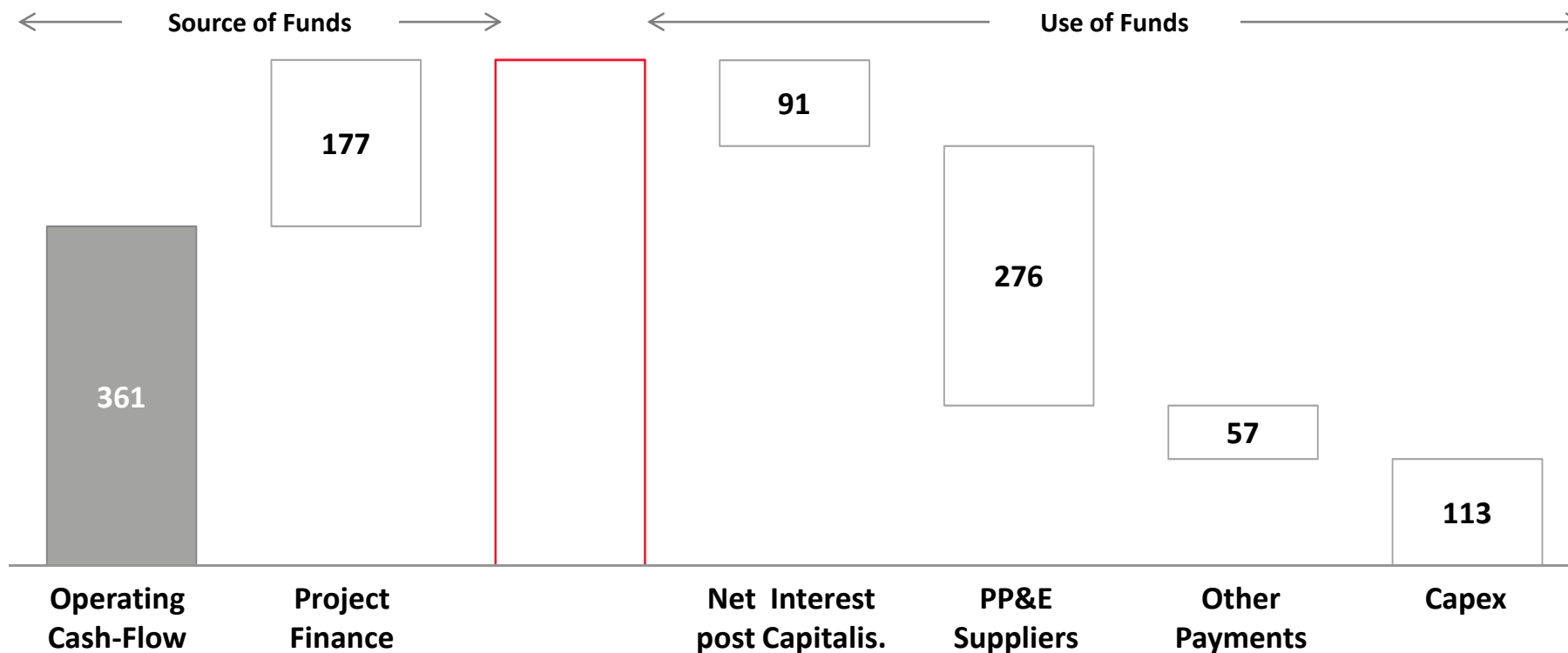
Operating Cash-Flow as the main source of funding...



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1H12: Source and Use of Funds

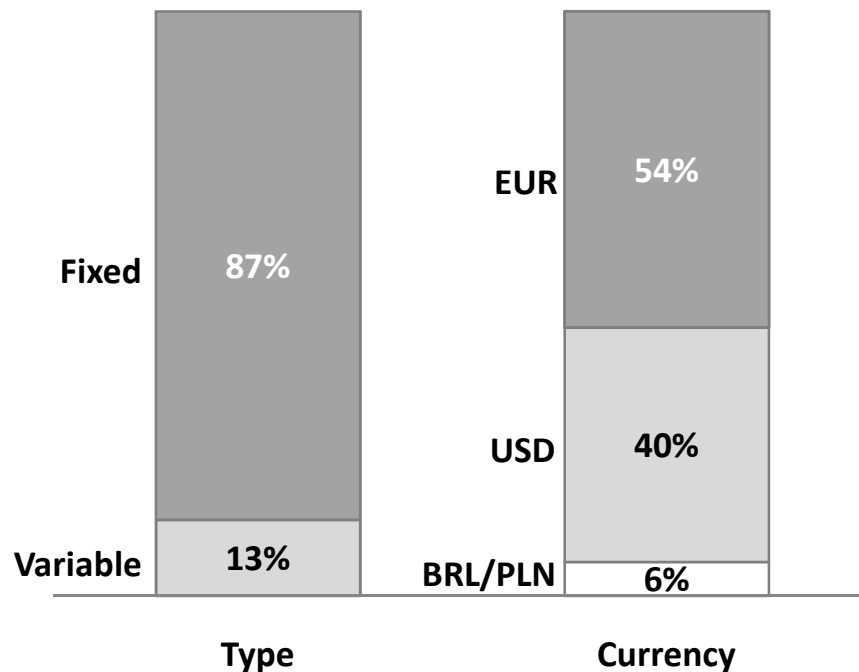
(€ million)



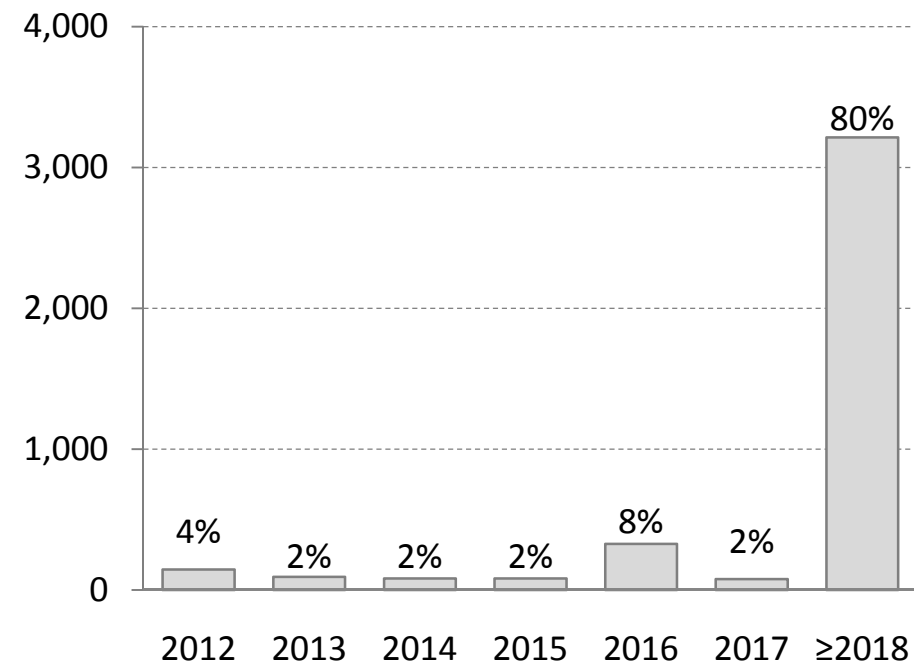
...with the remaining being sourced through successfully closed project finance in Spain despite the difficult market context

Right funding strategy adjusted to the investment profile of a capital intensive industry

1H12: Debt Profile
(%)



Debt Maturity @ Jun-12
(€ million)



Long-term fixed rate debt structure designed to match Cash-Flow profile with business model



Outlook and Conclusions

2012 execution in line with EDPR's best expectations...

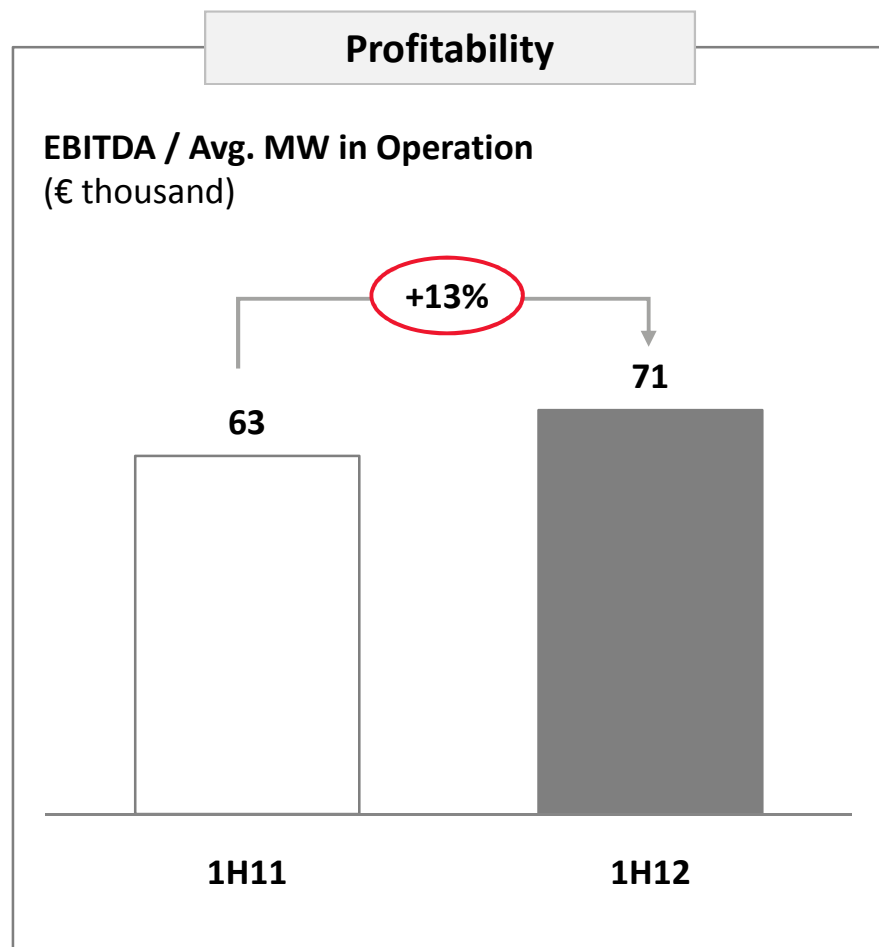
	2012 Execution	1H12 status
Installed Capacity	8 GW of installed capacity +500 MW in 2012	19 MW installed 515 MW under construction ✓
Load Factor	Keep delivering a top-sector load factor	32% load factor Wind index 103% ✓
Electricity Output	Single digit output growth	+13% YoY in the 1H12 Expecting high single digit for FY12 ✓
Selling Prices	Sustainable improvement of the average selling price	+10% YoY in the 1H12 Indicating a solid improvement for FY12 ✓

Ongoing improvement of the portfolio's metrics

...indicating a good start to meet 2015 strategic targets



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2015 Strategic Targets

EBITDA / Avg. MW in Oper.
(2015E vs. 2011)

+25%

EBITDA
(2015E)

€1.35–1.5 bn

Net Profit
(2015E vs. 2011)

>3x

EDPR is on the right track to execute the strategic road map defined in May-2012

Further clarity on key business topics to emerge throughout 2012



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Regulation in EU countries

- **Spain:** Awaiting the Government to unveil the electricity market reform
- **Portugal:** 5 year tariff (post-15y contracts) under negotiation
- **Poland:** Draft RES Act for new assets improved; to be enforced in 2013
- **Romania:** Approved new law clarifying that regulatory revisions for new assets would happen no sooner than 2015
- **Italy:** Already approved new framework ruling pre/post 2012 assets

North America market

- PTC extension may be discussed in the lame-duck session of the US Congress following the November general elections
- Recent empowerment of EPA may improve long-term market perspectives

Sales of minority stakes in wind farms to CTG

- Process entered the official due diligence stage for the 1st transaction
- 1st deal expected to be closed between 3Q12/4Q12
- €800m to be invested until May-13



Solid 1H12 results in line with EDPR's best expectations
at the operating and financial levels



Quality investments are being reflected
in an ongoing profitability improvement



On track to achieve short and
long-term strategic targets



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Next Events

12 Sept: BBVA Iberian Conference (London)

13 Sept: Morgan Stanley Power & Utility Summit (London)

20 Sept: BPI Iberian Conference (Porto)

04 Oct: Macquarie Alternative Energy (London)



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