Investor Day
May 2012

edp renováveis

Oporto, May 22nd, 2012

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Agenda

I	EDPR: a global leading company	*António Mexia, Chairman*
II	EDPR through 2015	*João Manso Neto, CEO*
III	Value creation proposition	*Rui Teixeira, CFO*
IV	Final remarks	*João Manso Neto, CEO*

EDPR: a global leading company

António Mexia, Chairman

EDPR: a global leading company

16.8 TWh of clean & safe energy

#3 worldwide wind energy player

Strategic core competences

Quality assets yielding a visible profitability for the long-term

Anticipating sector trends

Diversification and flexibility to accommodate new environments

Set to deliver long-term value creation

Clear value proposition through a distinctive investment case

From a solid Iberian Company in 2005 with 418 MW...

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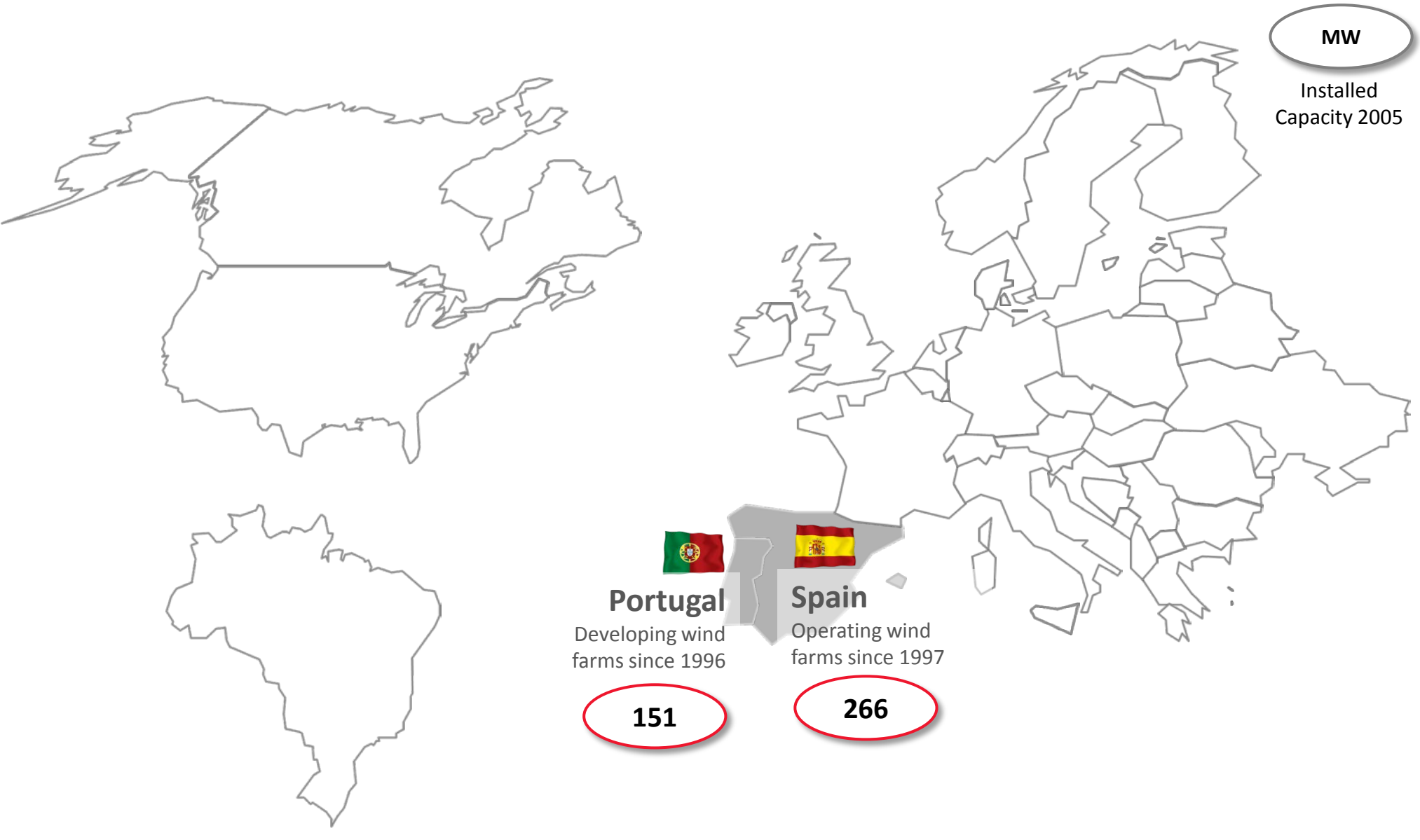
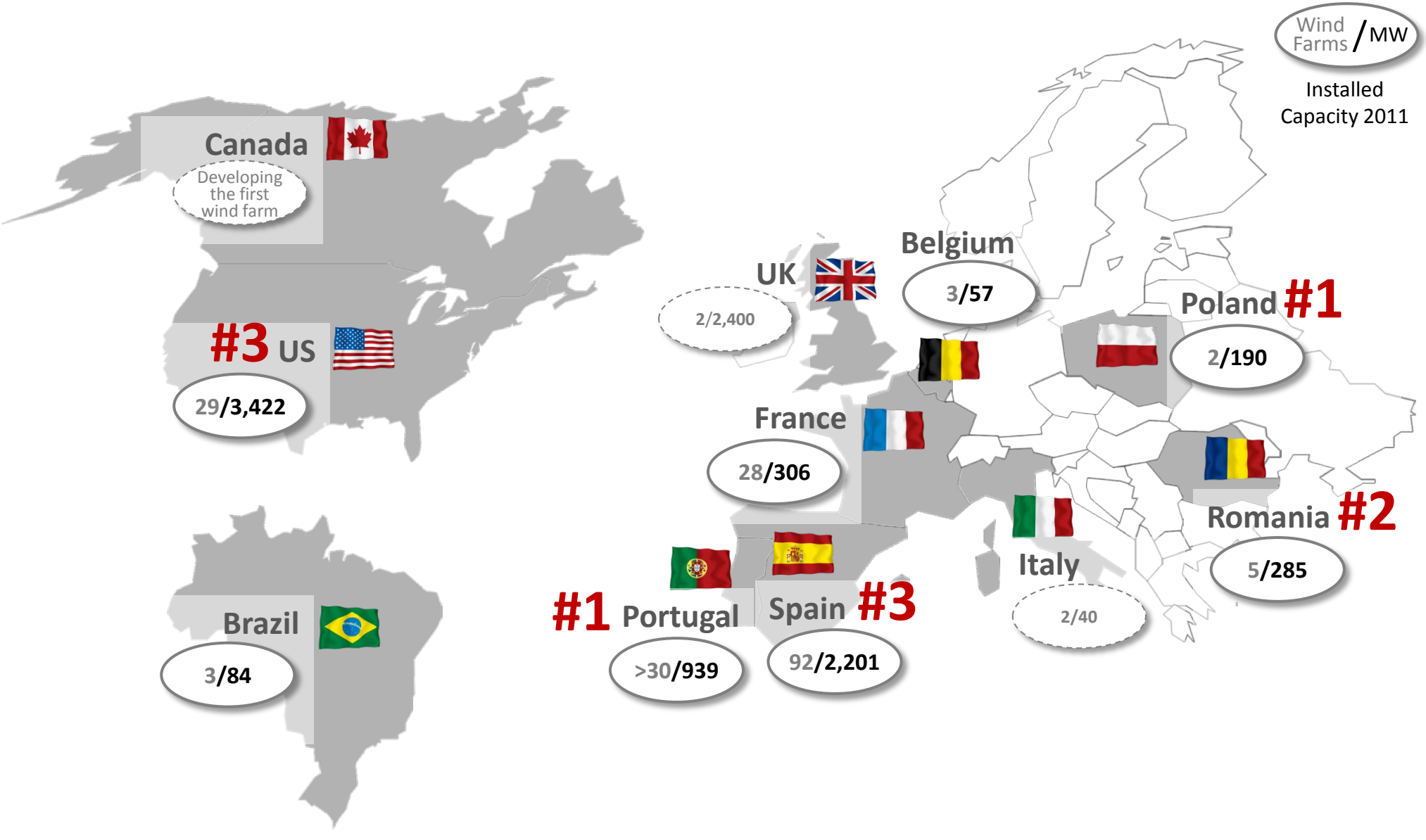


...to a worldwide player in 11 countries with a top quality portfolio of 7.5 GW in 2011...



Notes: Italy: Under construction, COD estimated by 2012YE; UK: Offshore wind projects under development

...becoming a global leader in renewable energy

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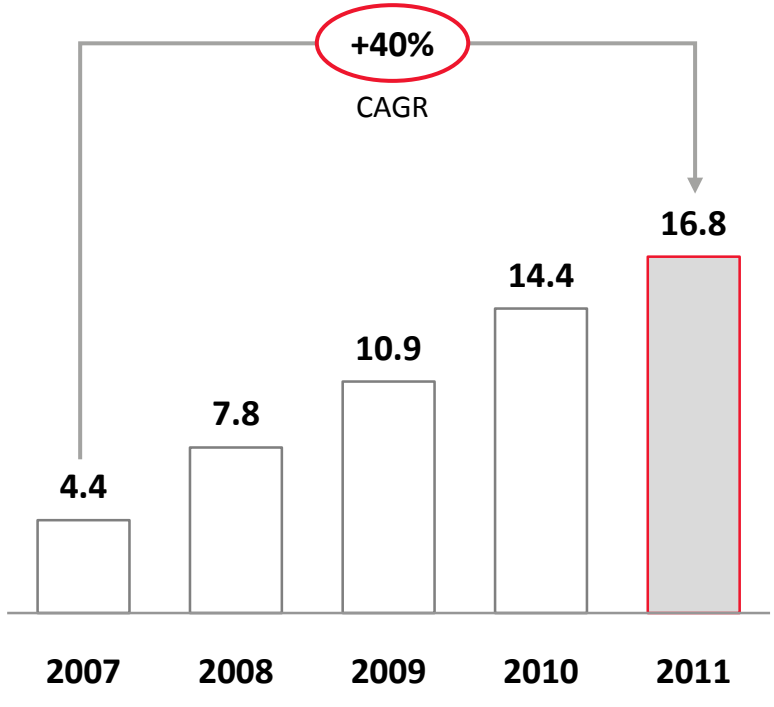
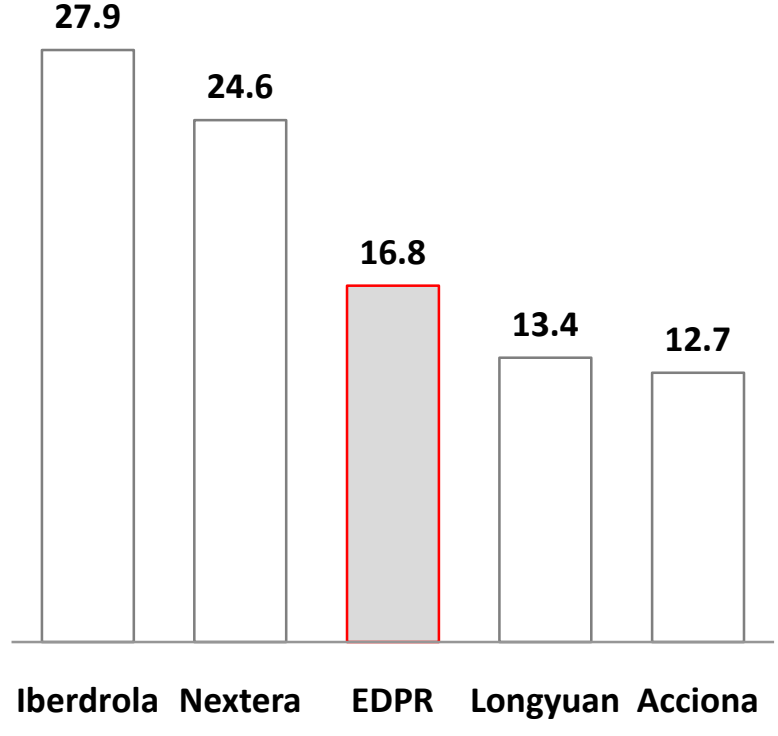
An outstanding growth rate over the last 5 years

Electricity Production Evolution
(TWh)



#3 worldwide wind energy producer

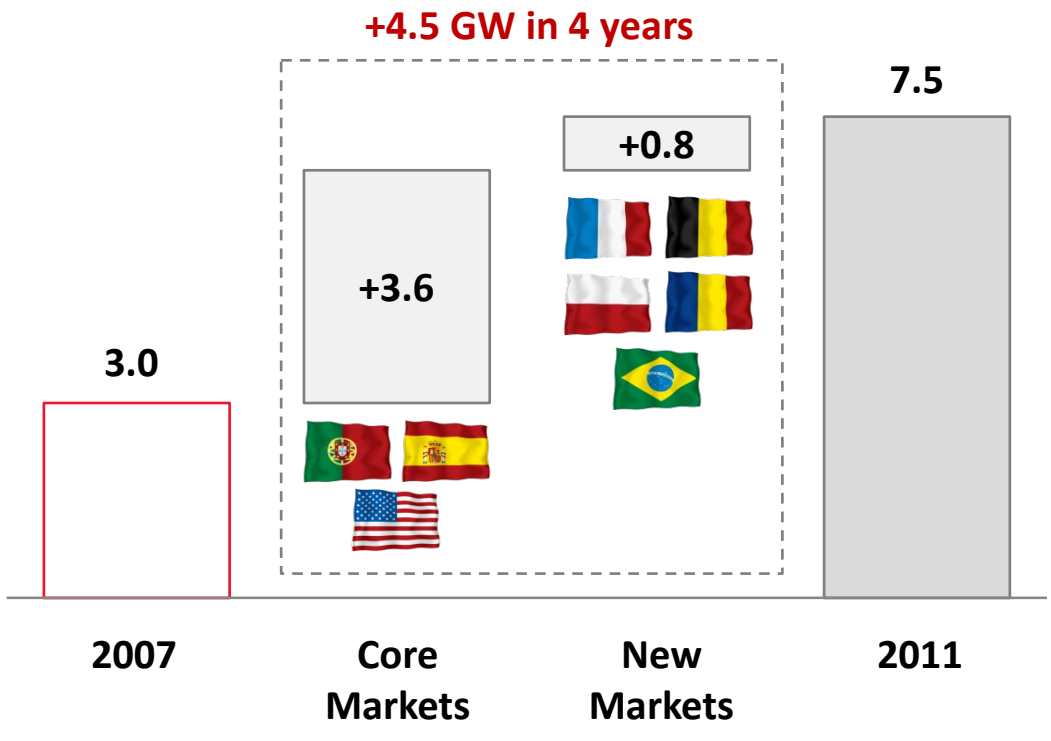
Top Wind Players
(TWh, 2011)



Source: Companies' Reports

This leadership position was achieved through a focused growth and seamless execution...

Installed Capacity Evolution
(GW)



Anticipating market trends and new attractive wind markets

Local presence provides knowledge to succeed through development

Strong engineering and construction expertise

Growth based on own construction of wind farms

A selective growth story to bring top quality assets into operation

...supported by competences that yield superior profitability...

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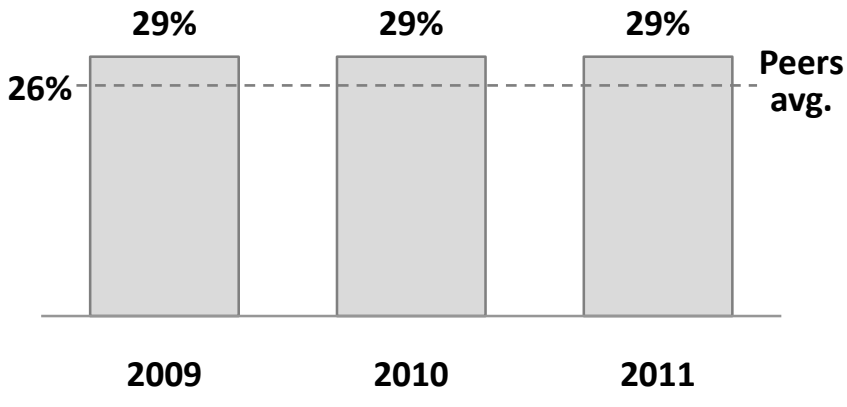
Knowledge difficult to replicate

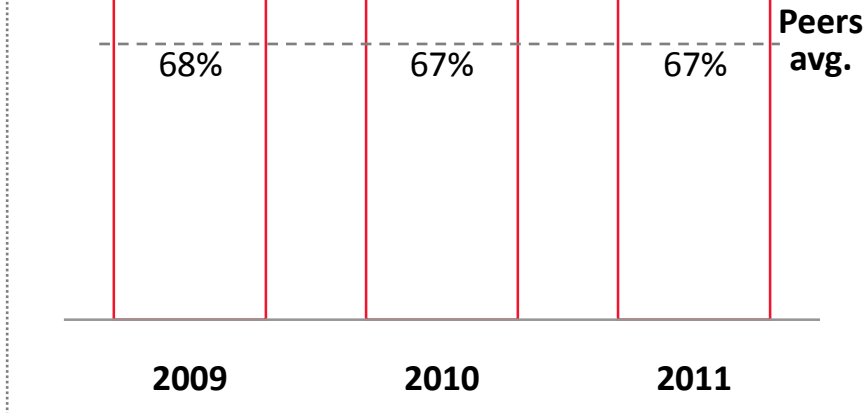
Load Factor
(%)



Stable top-notch load factors underlining portfolio's structural competitive advantage

Operational excellence and scale

EBITDA Margin
(%)



>5,000 real-time remote controlled turbines

>97% availability (continuous improvement)

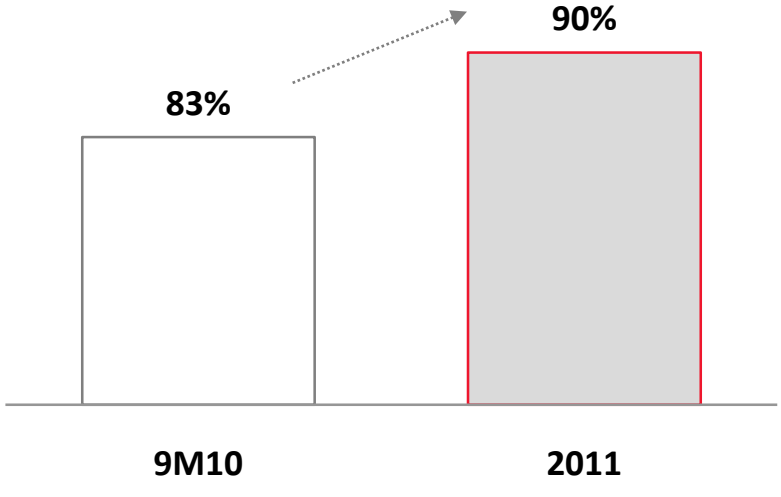
Distinctive O&M strategy

Source: Peers' companies reports

...and a strategic decision to maintain a low risk profile to lock-in expected IRR-WACC spread...

Increased Cash-Flow predictability...

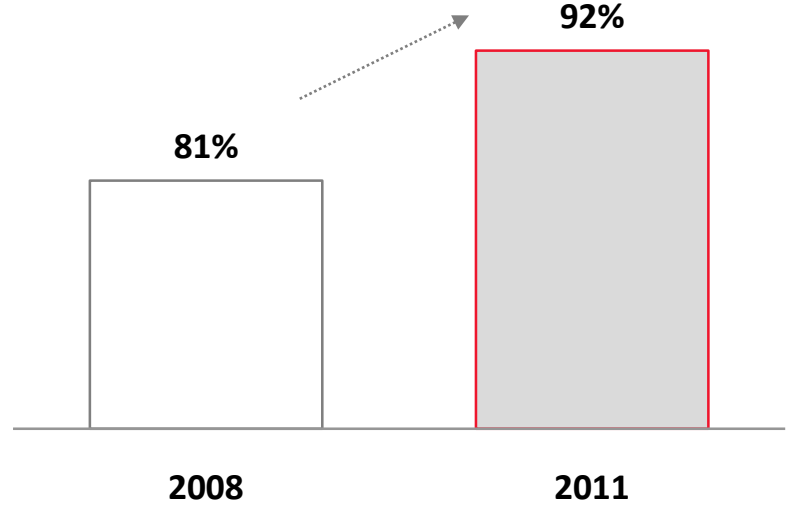
Regulated & PPA/LT Hedges
(MW, %)



>1,400 MW of PPAs closed in the last 3 years

...while securing long-term cost of capital

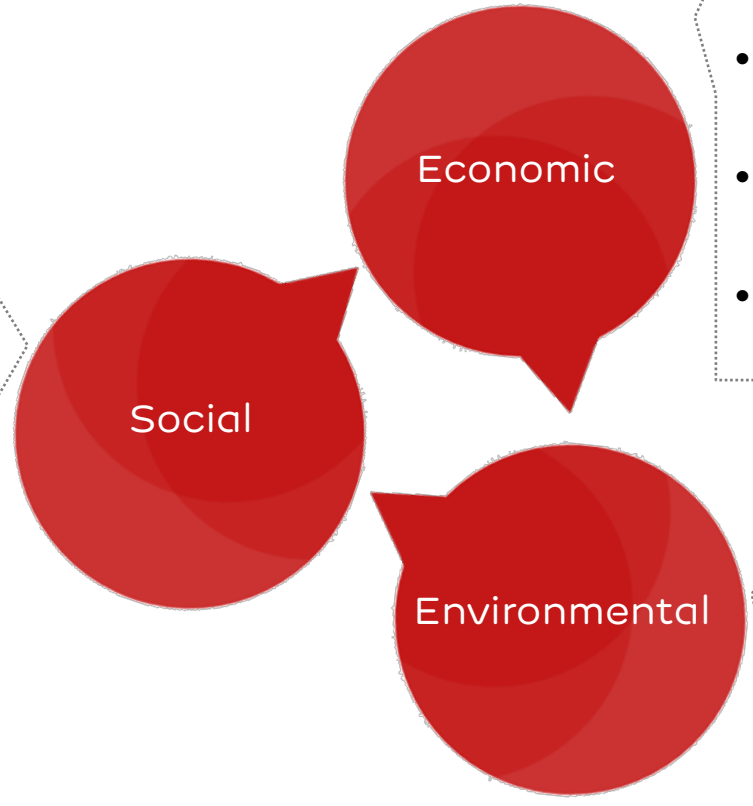
Long-term debt at fixed rates
(%)



Locking-in long-term cost of debt at attractive rates (5.4% at Dec-11)

...embedded within a distinctive and renowned sustainability policy

- Skilful and young team aligned with strategy and company targets
- Recognized has one of the best places to work
- Strong relationship with local communities



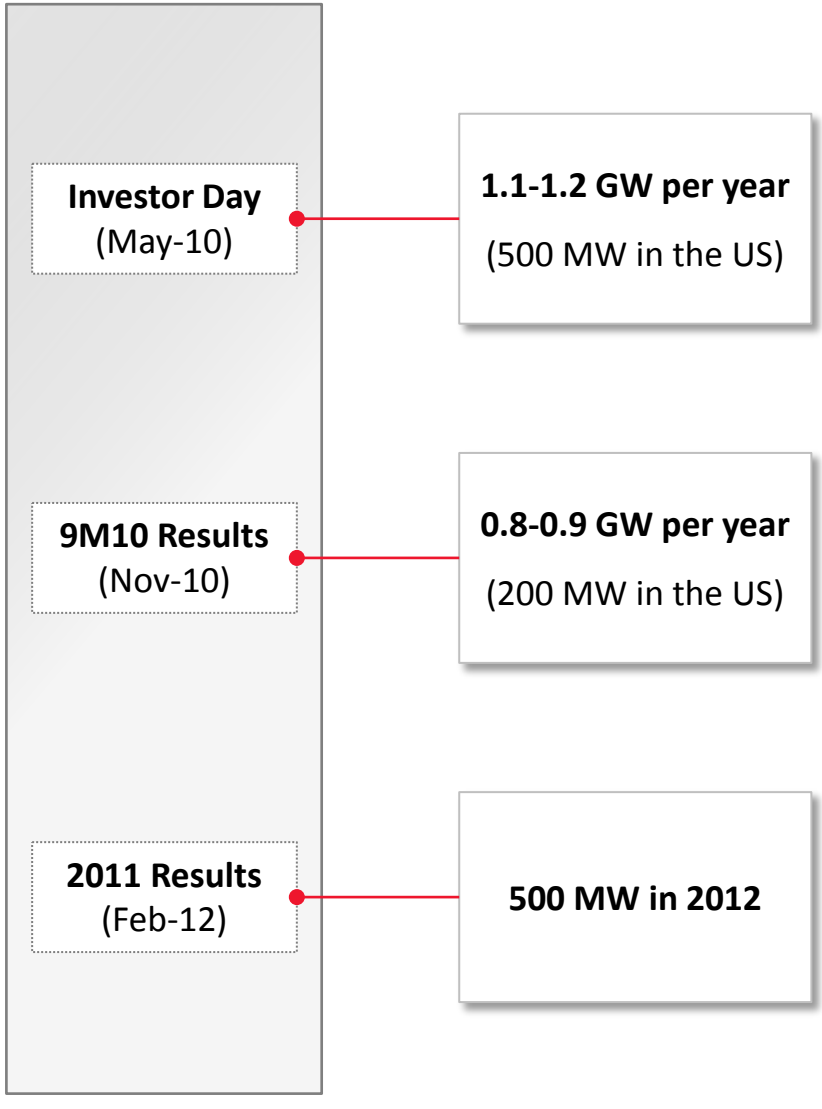
- Strict investment policy
- Quality assets
- Comprehensive O&M strategy
- Integrated risk management strategy
- Transparent corporate governance

- Contributing to CO2 avoidance
- Minimise environmental impacts
- Excellence in environmental management system
- Respecting biodiversity and promoting eco-efficiency

FTSE4Good

Sustainability performance recognized with the inclusion in the FTSE4Good index in 2011 and a solid base of Social Responsible Investors

Anticipating renewable energy market challenges and quickly adapting to new environments...



Proven flexibility on capital allocation to protect investments' profitability

Slowdown of the PPA market in the US
Quickly adapting to a new environment and stopping merchant build-out

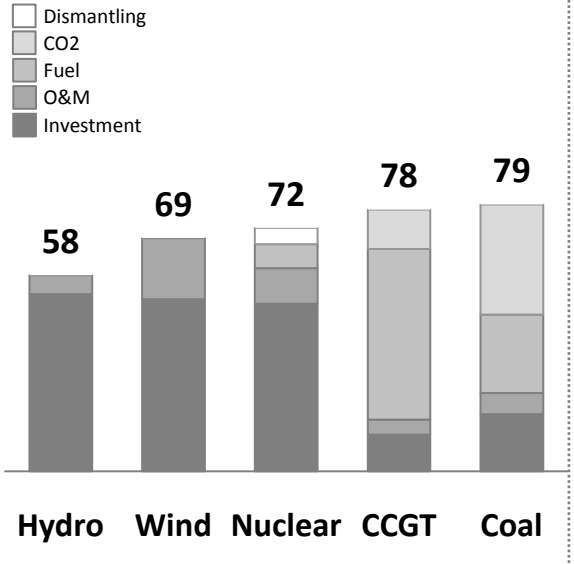
Sluggish core markets
Focusing on most profitable projects and starting to build a foothold in new growth platforms

EU financial crisis
Taking a more conservative approach to growth given uncertainty and increased credit spreads

...will continue to be critical to cope with the emerging trends...

Increased wind competitiveness

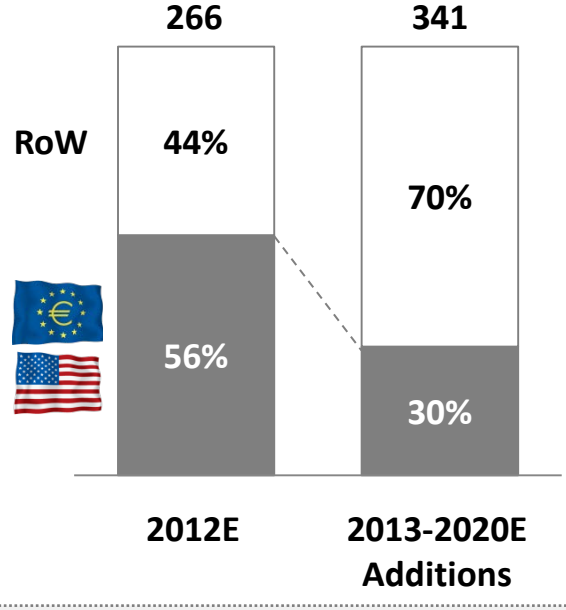
Levelised cost by technology
(€/MWh; new projects)



- Potential change in paradigm of some marginal markets
- Best projects and companies with premium track-record to be the winners

New wind markets and growth avenues are emerging

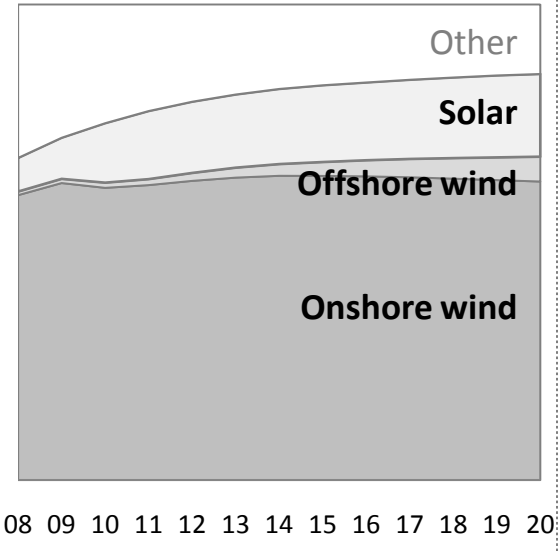
Onshore wind capacity by market
(GW)



- Core wind markets currently facing a depressed electricity demand
- New markets are emerging with high electricity demand growth and attractive conditions

More renewable technologies to become part of energy mix

Renewable market evolution
(GW, %)



- Improvement of the levelised cost of energy (LCoE) and the need to tap new endogenous resources…
- …with wind onshore remaining the most efficient technology

Source: EDPR; Emerging Energy Research

...requiring a new strategic approach to growth based on flexibility and further diversification...

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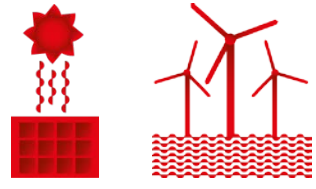
2 New Markets

Capture options in emerging wind markets with strong fundamentals

3 New Technologies

Focus on technologies with fast decline of LCoE and high growth



1 Current Markets

Reinforce presence in the current growth platforms

Funding Strategy

Self-funding, asset rotation and project finance

...and leverage on key strategic partnerships to capture additional value creation

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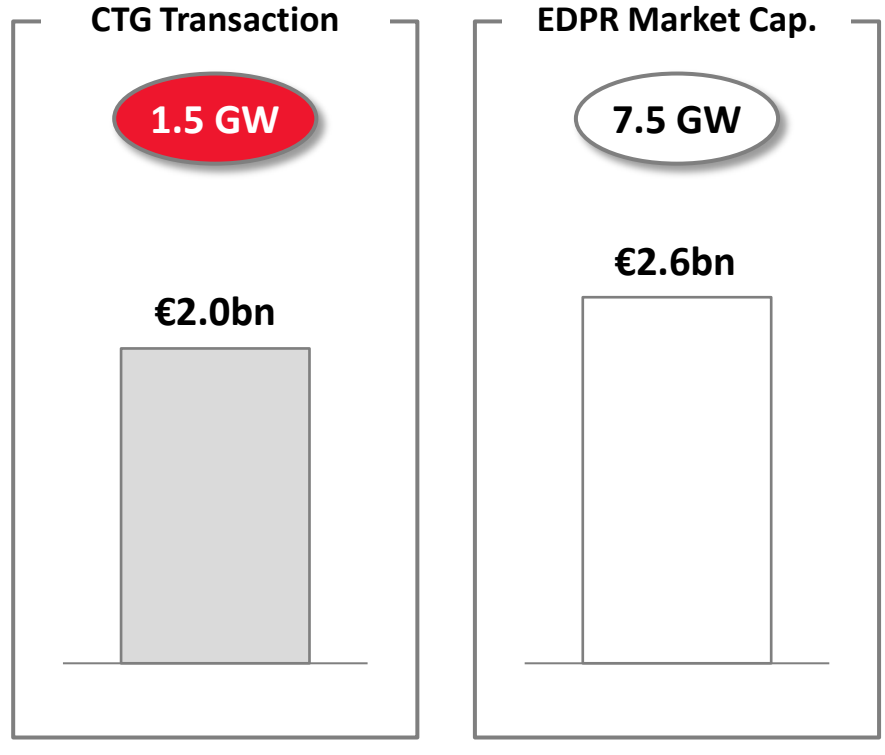
EDPR to crystallise value and raise funds to be re-invested in new value accretive projects

Short-term	**CTG to invest €2bn until 2015 in 1.5 GW (net)** *(minority stakes)* **€800m to be disbursed until May-2013**
Long-term	**Combine efforts to become worldwide leaders in renewable energy** **CTG is the largest renewable player in China with access to local technology**



Partnership to maximize value extraction from worldwide growth platform in renewables

Notes: Current Market Cap based on a share price of €3.00 (18/05/2012)

A clear roadmap for a global leader

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The right...

...sector	Wind is already a cost-adequate technology with lower risk and a more **stable business model** than conventional energy
...vision	**New attractive markets** are emerging while core markets are facing a sluggish demand and fiscal imbalance pressures
...strategy	Shifting growth to outside Iberia & US and entering new geographies and technologies: to **represent >70% of 2013-15 additions**
...funding policy	2013-15 growth to be based on a self-financing strategy: Operating **Cash-Flow to fully cover Capex**; asset rotation to provide further funds
...partner	CTG, a partnership on a worldwide platform for growth with clear benefits on **value crystallisation and future growth diversification**

...to result in higher profitability and earnings growth

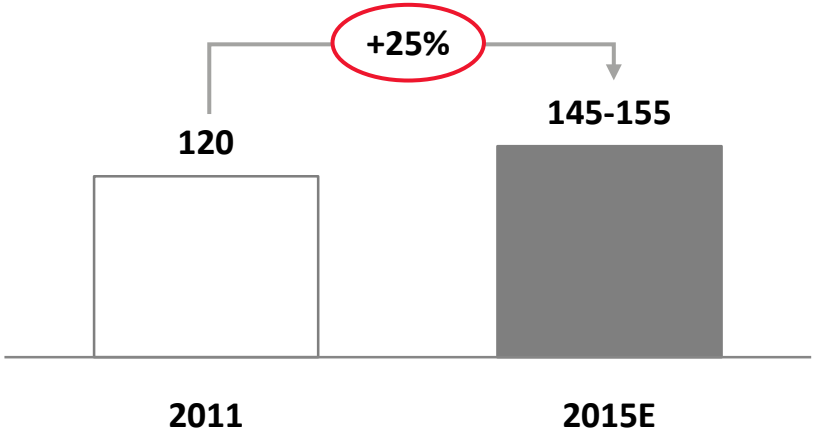
EDPR through 2015

João Manso Neto, CEO

EDPR to 2015: Investing in quality growth

Main Target:
Increase Portfolio's Profitability

EBITDA per average MW in operation
(€ thousand)



Net Debt/EBITDA declining to 2.0-2.2x

Net Profit increasing more than 3x

1 Existing Portfolio
- Young asset base
- Stable & recurrent Cash-Flow streams
- Superior O&M strategy

2 Quality Growth
- Strong foothold in attractive markets through 2015
- Diversified growth options anticipating market trends
- New MW with quality metrics & stronger profitability

3 Asset rotation
- Crystallising value through partnership with CTG through 2015
- Already engaged for other asset rotation deals

2012-2015: Ongoing optimisation of the current asset base and invest in top-quality projects

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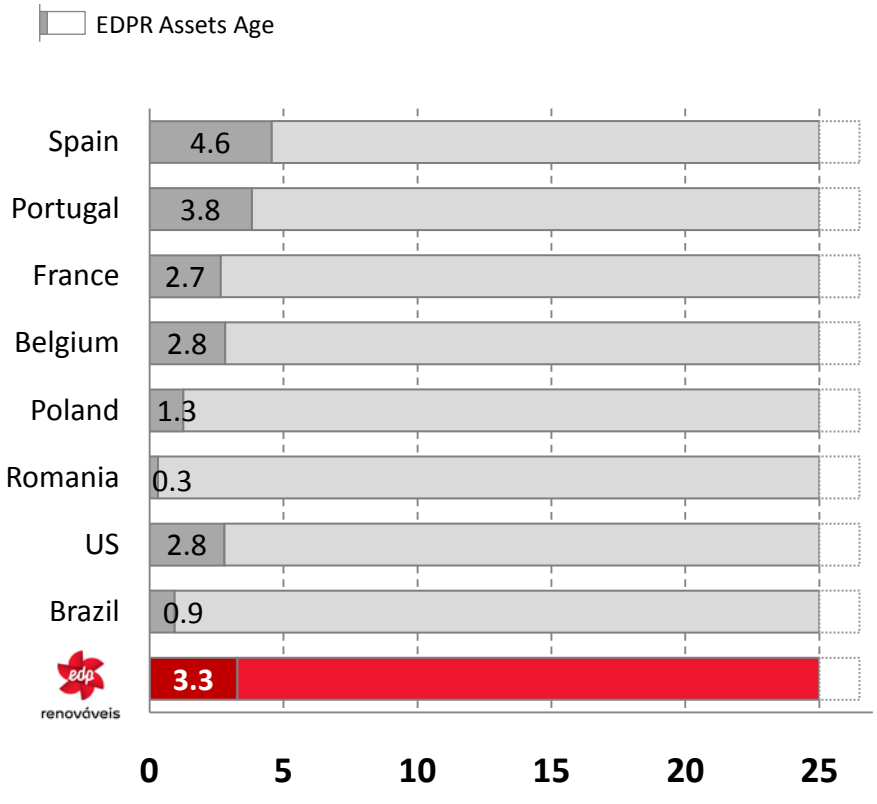
EDPR today has €10.7bn invested in a very young asset base...

Assets' Average Age and Residual Useful Life
(Years; weighted average)



Asset Base
(MW)

Spain	2,201
Portugal	939
France	306
Belgium	57
Poland	190
Romania	285
US	3,422
Brazil	84
	7,483

Invested Capital
(€ million)

Property, Plant and Equipment

(-) PP&E, assets under construction

(-) Cash grants received in the US

(=) Invested Capital in Existing Assets

10,690 (gross) | **8,927** (net)

Premium asset base with more than 21 years of useful life

Notes: 2011 Figures

...achieving premium performance based on a distinctive expertise...

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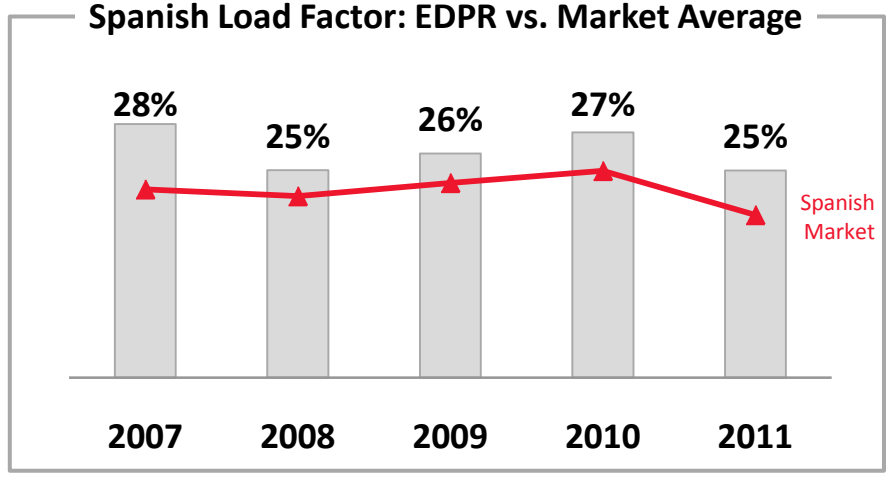
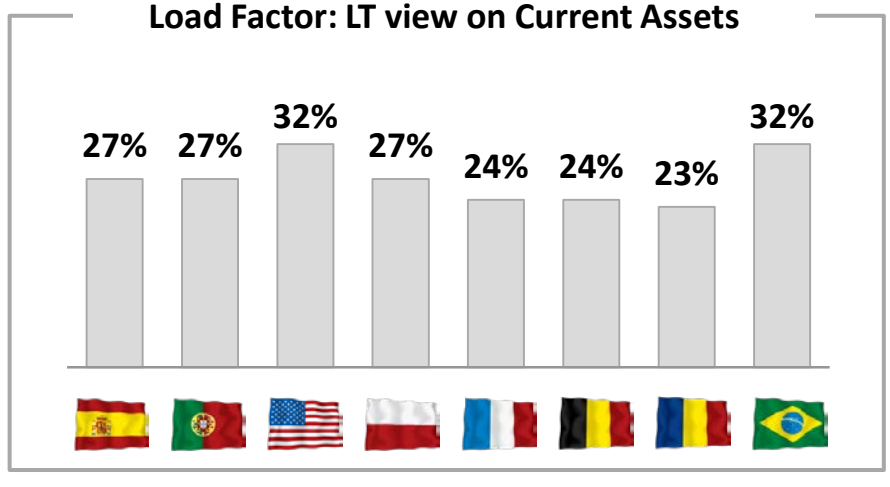
Energy Assessment & Engineering

Wind assessment is knowledge-based and difficult to replicate

- Provides site selection criteria
- Optimises layout for superior performance
- Supports turbine selection

Key value drivers to maximize load factors and revenues





Strong in-house wind energy assessment knowledge delivering a structural competitive advantage

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...set to deliver stable and recurrent Cash-Flow for the long-term

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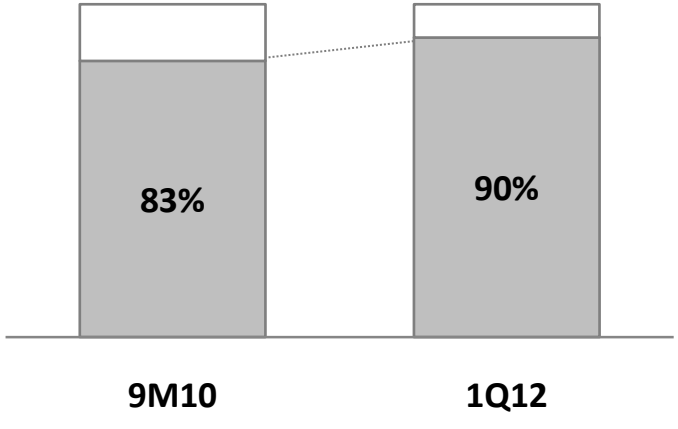
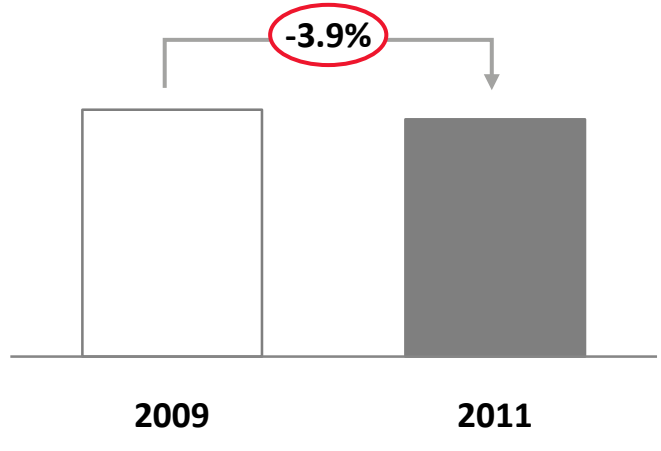
Low Risk Portfolio + **Operational Excellence**

Regulated & PPA/LT Hedges
(MW, %)



Controlled risk strategy yielding a predictable Cash-Flow stream

Opex per average MW in operation
(excl. other income and one-offs; €k)



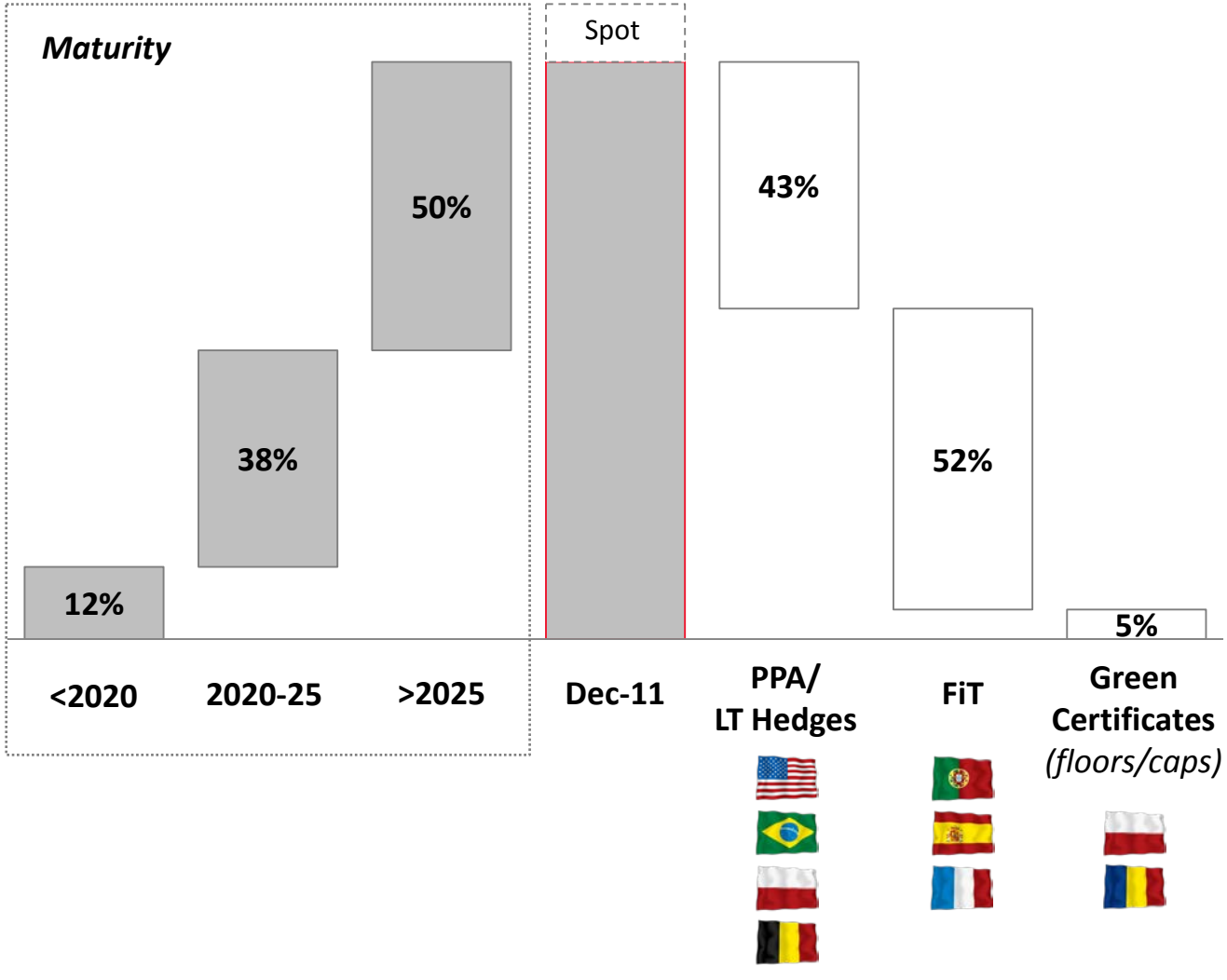
Superior O&M strategy capturing additional value through higher efficiency and availability

Management is focused on keeping top-line visibility and efficient operations throughout the assets' life cycle

1

90% of the capacity under stable & supportive price conditions for the long-term…

Capacity under Regulated Frameworks & PPA/LT Hedges
(MW; 2011)



Portfolio exposed to a diversified set of economic regimes

88% of PPA/Regulated Frameworks with a long-term maturity beyond 2020

Update on Portugal:
Voluntarily choose to accept a tariff duration increase for old assets (*ongoing negotiations*).
Selling price to remain unchanged.

Notes: PPA/LT Hedges: US, Brazil, Specific Polish projects, Belgium

...with revenues highly linked to inflation and fixed escalators

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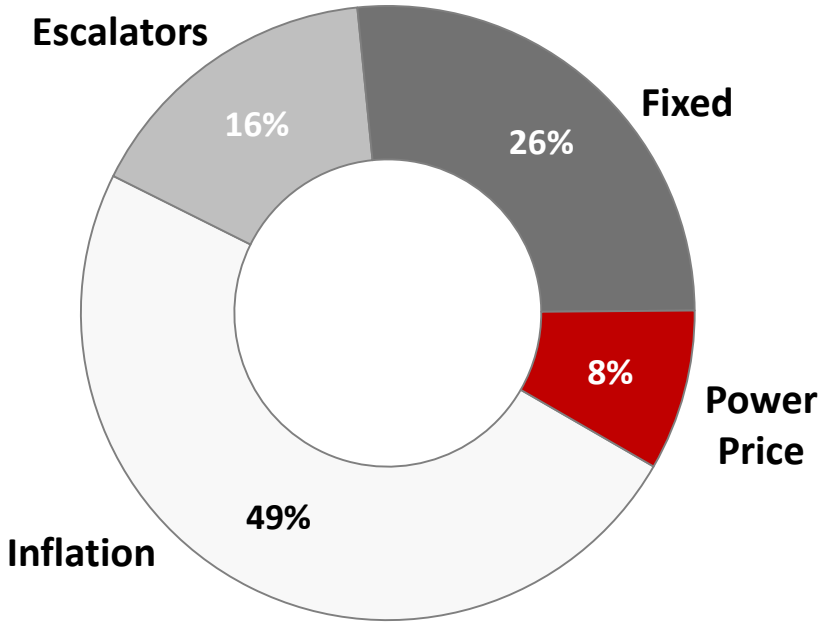
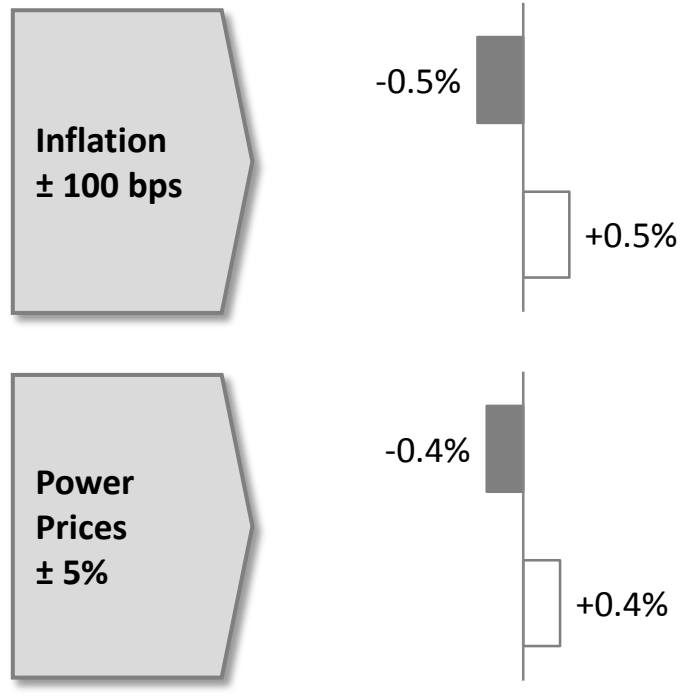
Revenues' Levers
(€ million; 2012E)



Sensitivity to Inflation and Power Prices
(% of revenues)



EDPR's selling price with high resilience to market volatility

Operational excellence is at the core of EDPR throughout the projects' life cycle

1. Performance Optimisation

Remote control system and performance management

Data from over 2 million sensors in >5,000 WTG, monitored and controlled in real time

Proprietary management systems to analyse WTG performance

Continuous improvement

Systematic review of underperformance, root cause analysis and implement improvement initiatives to maximize availability, efficiency and reduce costs

Innovative product enhancements

Power-enhancing retrofits pioneered by EDPR to boost annual production (by up to 1.8% in some WTG in 2011)

2. Comprehensive O&M Strategy

Closely manage the initial warranty contracts

Proactive supervision through quality assurance and control inspections to identify serial/infancy defects

End of warranty

Exhaustive end of warranty inspections before launching competitive tenders

Post initial warranty O&M contract

1. **Full Scope** agreements with O&M contractors

2. **Modular Maintenance Model** (M3), keeping high value-added activities in house

Continuous optimisation to result in top availability and productivity levels

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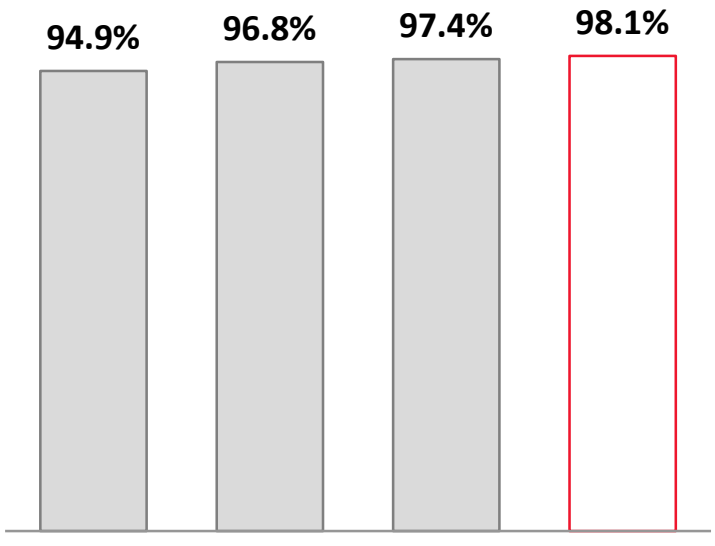
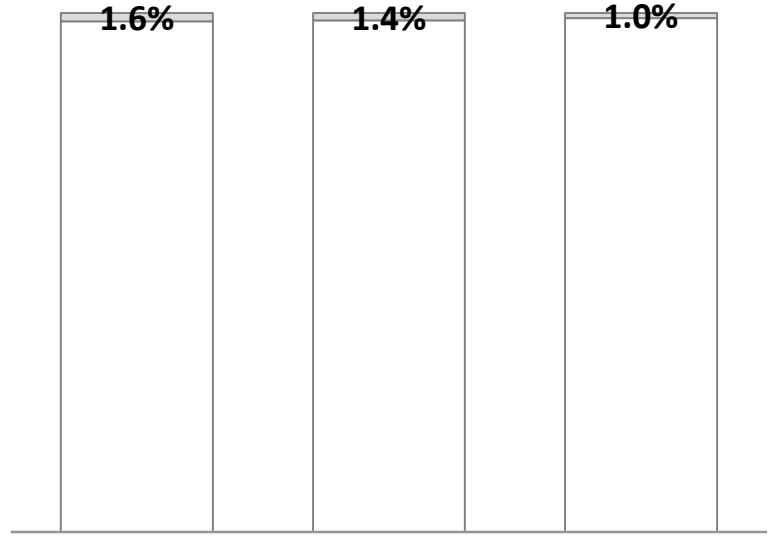
Technical Availability
(%)



Continuous improvement through a systematic review and analysis of wind farm performance to result in high productivity levels

Large Components Failure Rate
(% per year)

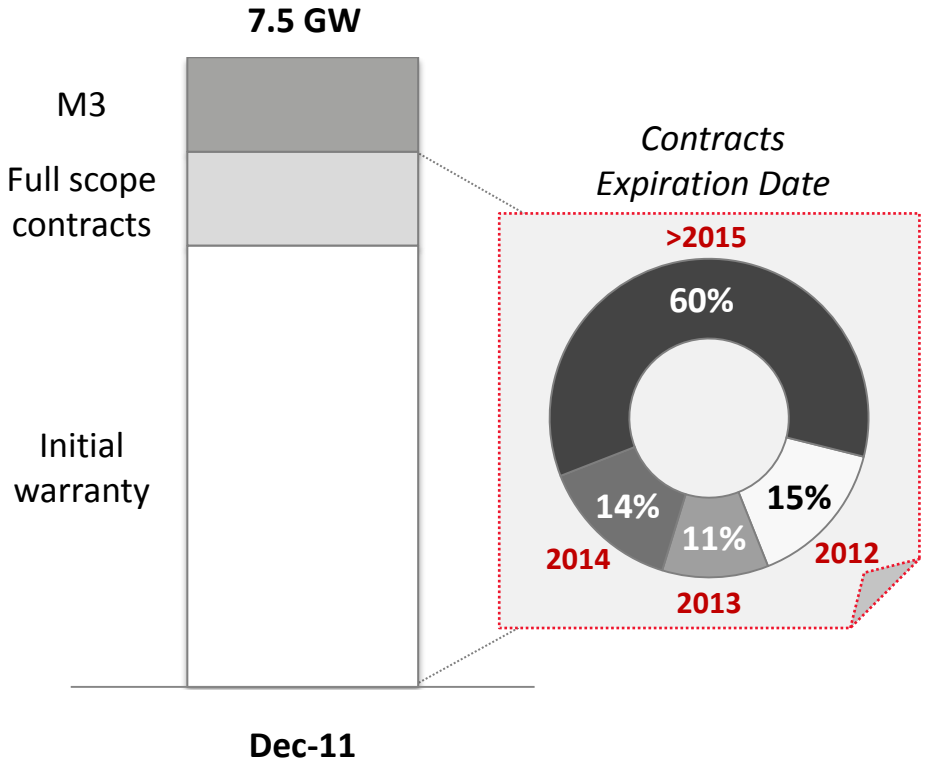


Proprietary management and active performance supervision to result in low failure rates out of the initial warranty period

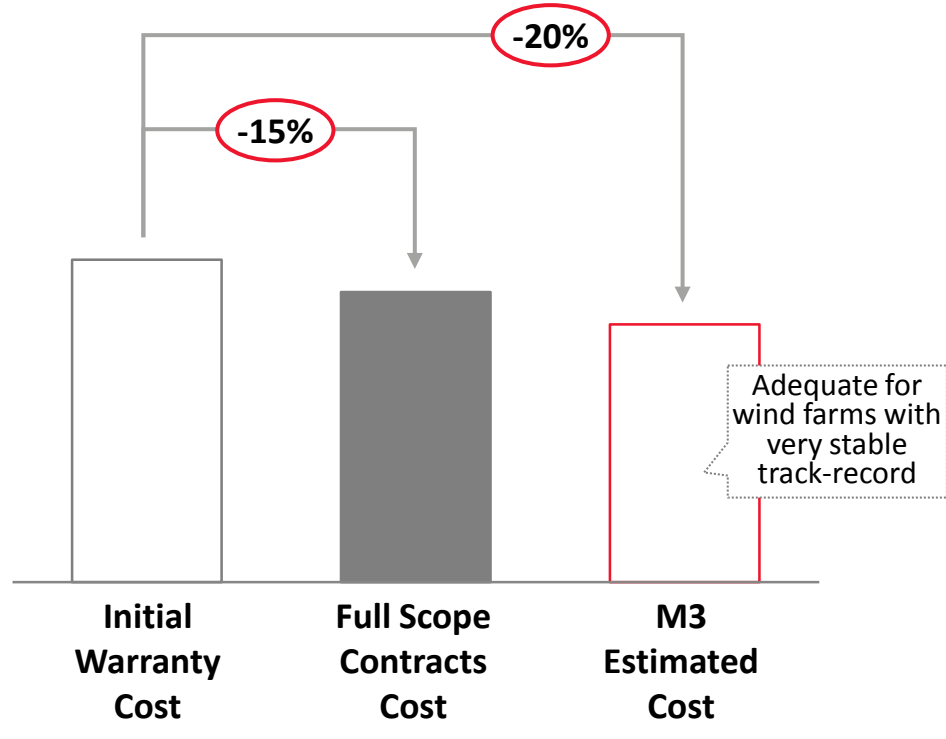
1

EDPR O&M strategy is successfully implemented resulting in lower O&M costs

Breakdown by O&M Contracts
(GW; 2011)



2011 O&M Service Tenders
(€k per MW)

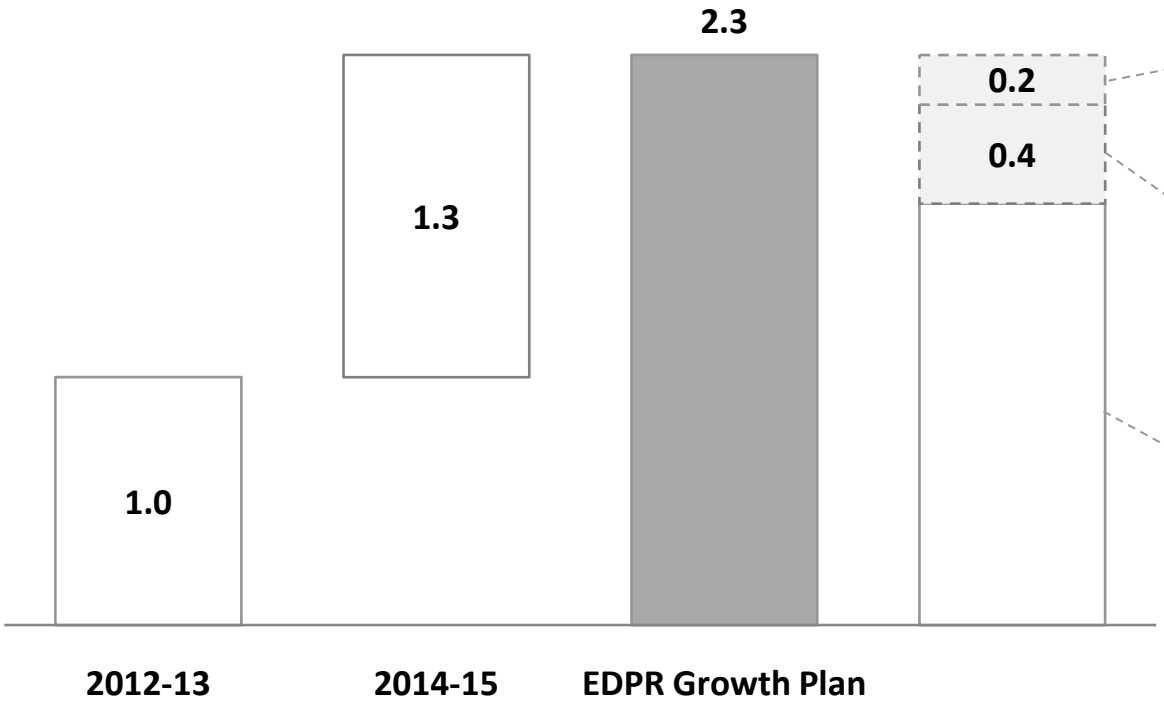


85% of O&M costs predictable/fixed for the medium/long-term

Combination of O&M strategic options, competitive tenders and market context yielding lower O&M costs

2012-2015 investment priorities: Quality growth focused on highly profitable projects

2012-15 Capacity Additions
(GW)



New Markets/Techs (2014-15)
Pursuing 0.2 GW to execute post-2014

US (2014-15)
0.4 GW subject to PTC extension & PPA contracts (no additions in 2013)

Current Markets
New additions mostly coming from current growth platforms (Poland, Romania and Brazil)

A sensible 2012-2015 growth plan anticipating market challenges and opportunities

2012 growth: investment plan secured through the construction of top quality projects

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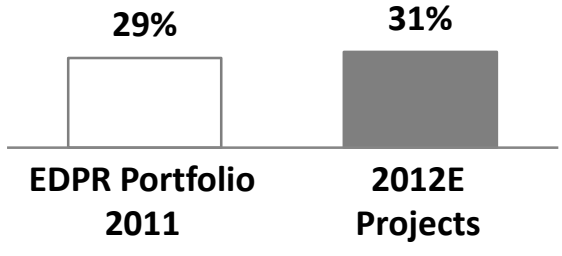
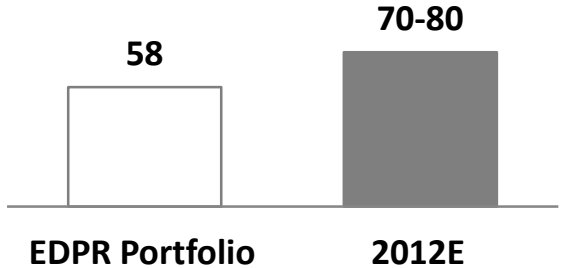
2012E Projects' Metrics

Load Factor (%)



Selling Price (€/MWh)

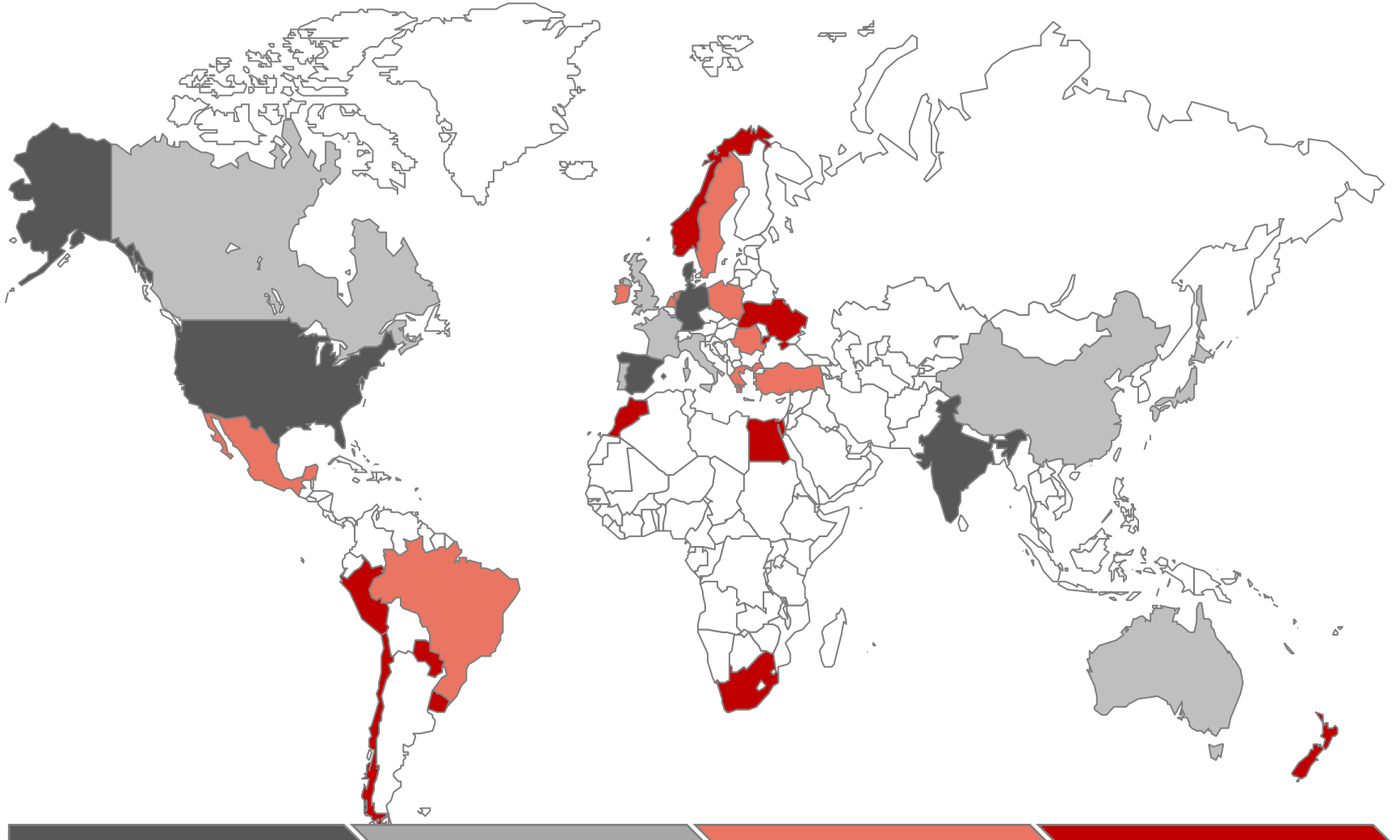


2012 Capacity Additions: 500 MW

- Pre-registered capacity in **Spain**: 110 MW
- Projects in **Poland/Romania** > 100 MW
- Overpowering option in **Portugal**: up to 30 MW
- EDPR first wind farms in **Italy**: 40 MW
- Marble River wind farm in the **US**: 215 MW (10Y contract awarded by NYSERDA)
- First projects of **ENEOP**'s 3rd phase

Focus on projects with top-line visibility, above-average prices and high wind resource

Wind sector 2013 onwards: additional growth markets expected to arise through 2015-2020

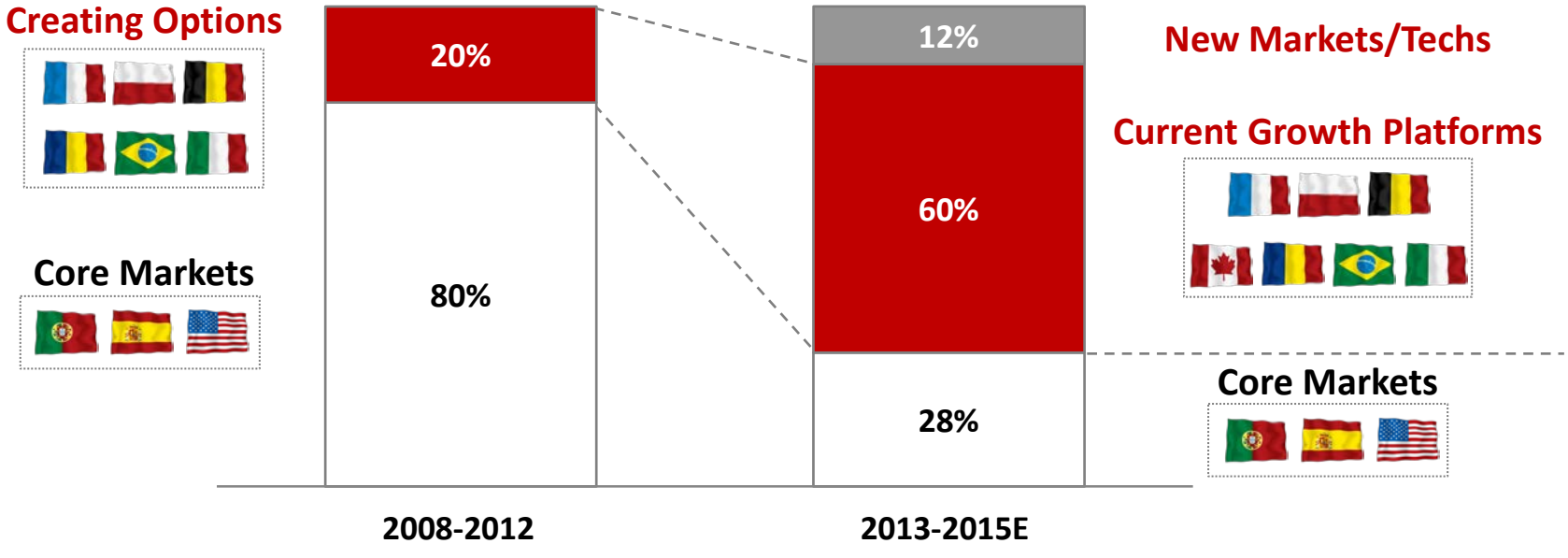


Original wind markets	Early wind markets	Emerging wind markets	Future wind markets
Reached 2 GW of installed capacity before 2005	Reached 2 GW of installed capacity between 2005 and 2010	Expected to reach 2 GW of installed capacity between 2010 and 2015	Expected to reach 2 GW of installed capacity between 2015 and 2020

Source: EDPR; Emerging Energy Research

2013-2015: EDPR to shift its growth into early and emerging wind markets

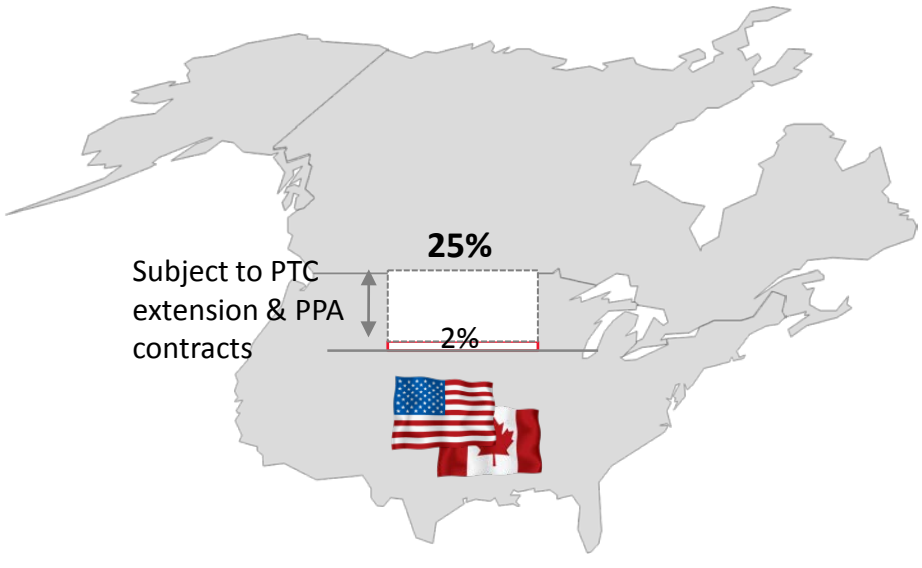
EDPR Growth Breakdown
(MW; %)

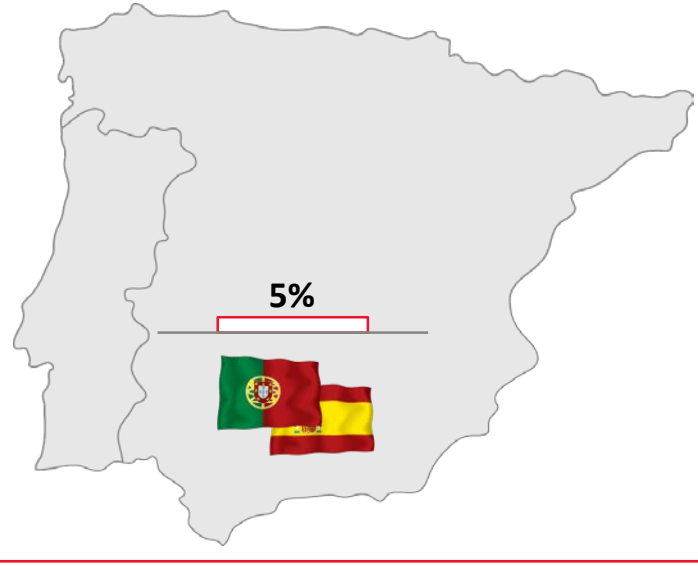


72% of the plan through the execution of current growth options and the addition of new markets/technologies

US potential remains on fundamentals but could suffer from discontinuities; slowdown in Iberia

Percentage of 2013-15 additions





North America

US

- 2013 without additional installations given uncertainty on the PTC extension
- 2014/15 potentially recovering from late PTC extension
- Focus development in regions with stronger business fundamentals: East Coast/West Coast

Canada

- To contribute with first wind farms post-2013

Iberia

Portugal

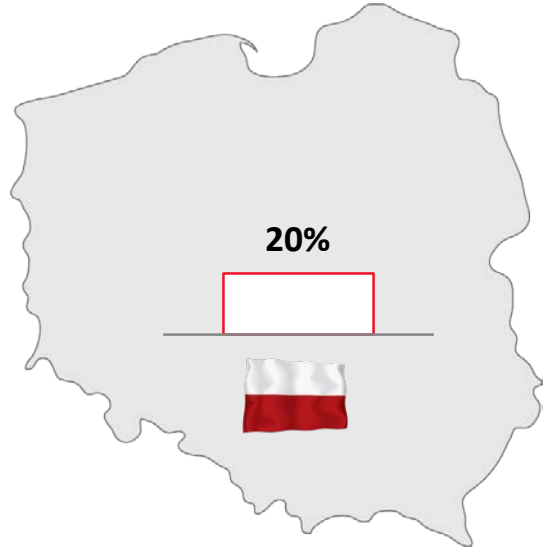
- Investing in Portugal through the completion of ENEOP project (expected for 2014)

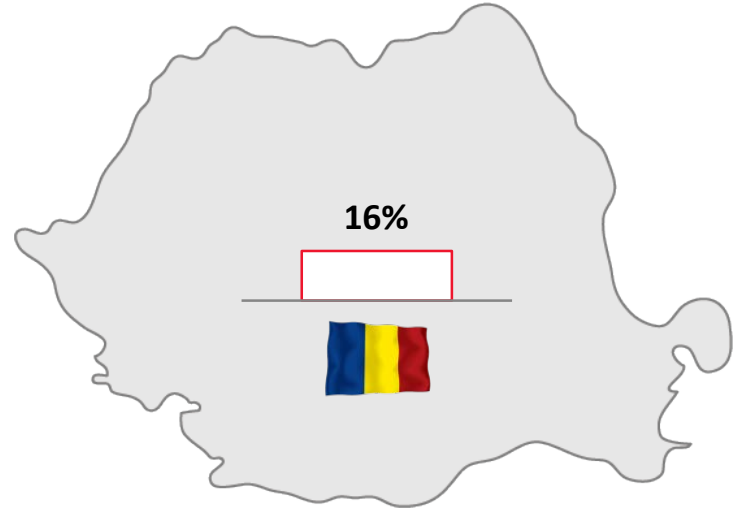
Spain

- Spain's moratorium forcing to halt new investments
- New regulation for additional installations will define future run rate for the market
- Competitive projects (>2,800 hours) are ready in case new regulation is presented

Central and Eastern Europe to continue to show its attractiveness

Percentage of 2013-15 additions





Poland

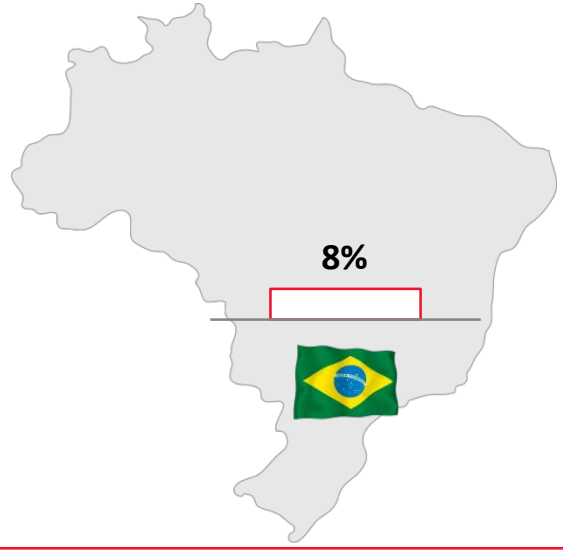
- EDPR is currently the market leader in Poland
- New RES Act applicable to future capacity is in the drafting phase and will potentially come into force in 2013
- An attractive outcome is expected given the constructive drafting process
- Keep developing advanced stage pipeline and execute quality projects

Romania

- EDPR is the second largest wind player in Romania
- New Law approving the 2 Green Certificate regime was enacted by the end of 2011
- Current regime is valid until 2017 and thereafter it changes to a 1 Green Certificate regime
- Bring forward projects to benefit from the front-loaded profitability

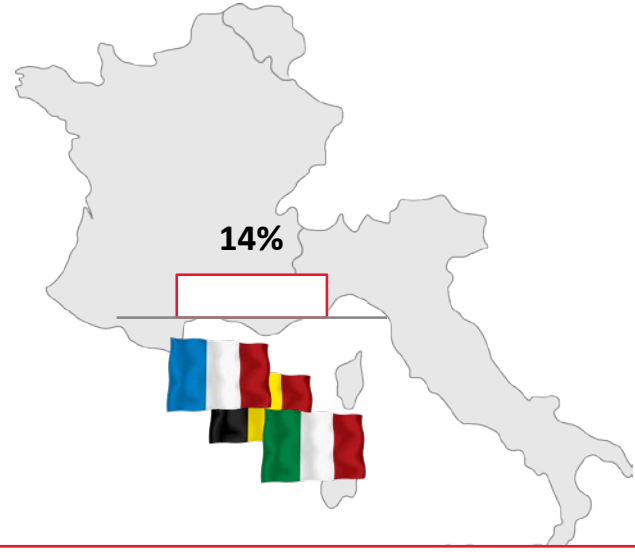
Brazil to gain increased weight; Other European countries supported by stable frameworks

Percentage of 2013-15 additions



Brazil

- An effective tender system is in place to award 20-year PPAs
- Develop the 120 MW awarded in the A-5 auction in Dec-11 (COD expected for 2015)
- Bring forward new high quality projects to participate in the forthcoming tenders



Italy, France and Belgium

Italy

- New tendering system to be more competitive but to eliminate uncertainties
- Ready to participate in the 2013 wind tenders

France and Belgium

- Very stable frameworks

2

EDPR is currently working on 3 fronts to increase growth options through 2015...

1. New Wind Onshore Markets

- Strong electricity demand growth
- Attractive wind resource
- Frameworks through PPAs, tenders or FiT

2. Solar PV

- Fast decline of the solar energy cost
- Competitive advantages through CTG partnership

3. Wind Offshore

- Execute new options on a fast growing technology

...representing c.200 MW (1) (12%) of the 2013-2015 capacity additions to execute post 2014

(1) Excludes Offshore Wind capacity

New wind onshore: selectively execute new growth options through a strict investment criteria

Opportunities identified		Framework	EDPR status
	Turkey	Feed-in tariff option and high power prices	Engaged with local players
	Peru	Tenders, PPA for 20 years	Screening for opportunistic transactions
	South Africa	Tenders, PPA for 20 years	Preparing for the Aug- 2012 energy tender
	Mexico	Tenders, or PPAs directly with industrials, or selselling energy to the US	Approaching local developers
	Chile	PPAs directly with industrials, very high power prices	Preparing for the next wind concession tender
	Morocco	Tenders, PPA for 20 years	Participating in the upcoming tender pre-qualification phase
	Ukraine	Feed-in tariff through 2030	Engaging with local players

Wind Resource

Low | Average | High | World Class

Solar: intensify activities as a result of the fast technology improvements

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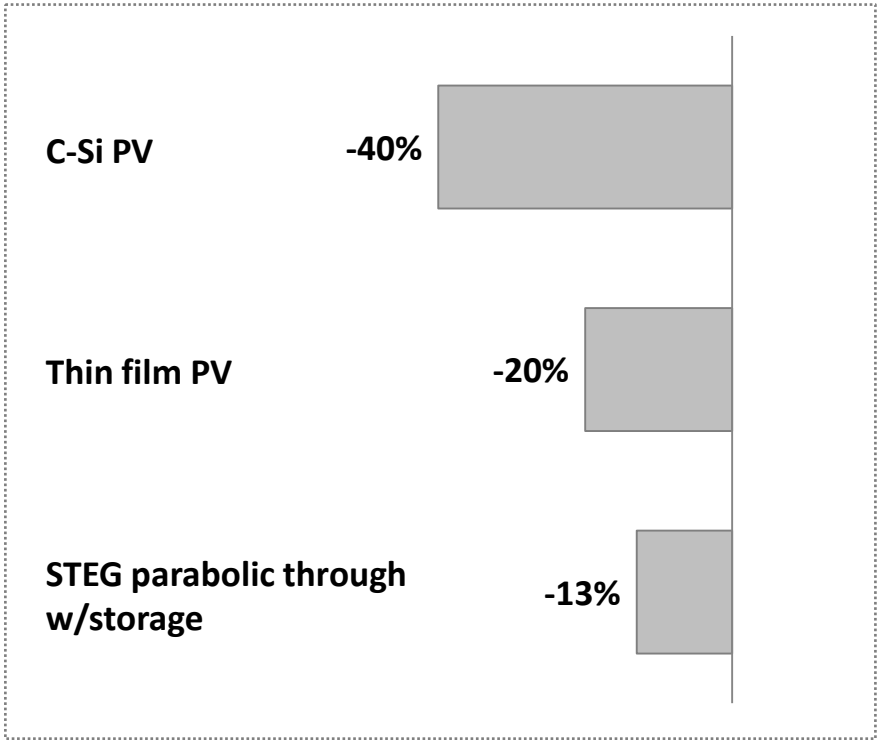
Levelised Cost of Energy (LCoE) reduction
(2011 vs. 2009; %)



Solar PV

Technology Cost
Solar PV is the technology with the fastest cost decline among renewable energy sources

Levelised Cost of Energy (LCoE)
Capex has dropped strongly in the last years leading to LCoE of c€100/MWh in the sunniest regions

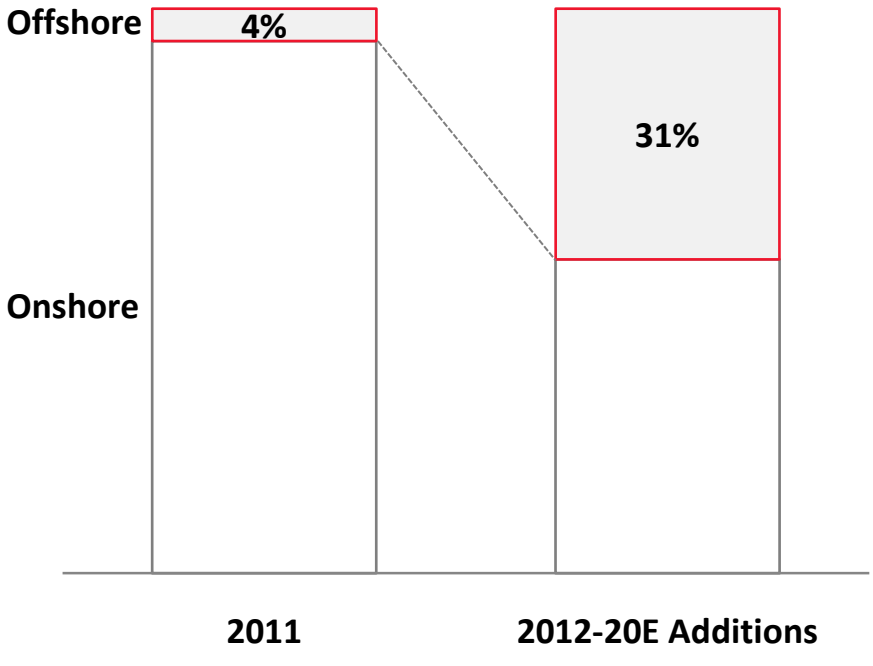
CTG Partnership
Preferred access to the main PV suppliers in China, that have dominated the module market in the last years

Currently tracking opportunities in the most attractive solar markets

Source: New Energy Finance

Wind offshore: capture additional opportunities in the European market

Wind offshore European market growth
(%)



EDPR Wind Offshore Strategy

Avoid the "early entrant risk" in a still non-mature technology

Further diversify the projects under development: currently developing 2 projects in UK with 2.4 GW

Actively tracking multiple offshore projects (UK, Germany, France and Poland) and analysing stake swaps

EDPR would take a conservative approach given the high level of investments and increased complexity

Source: Emerging Energy Research

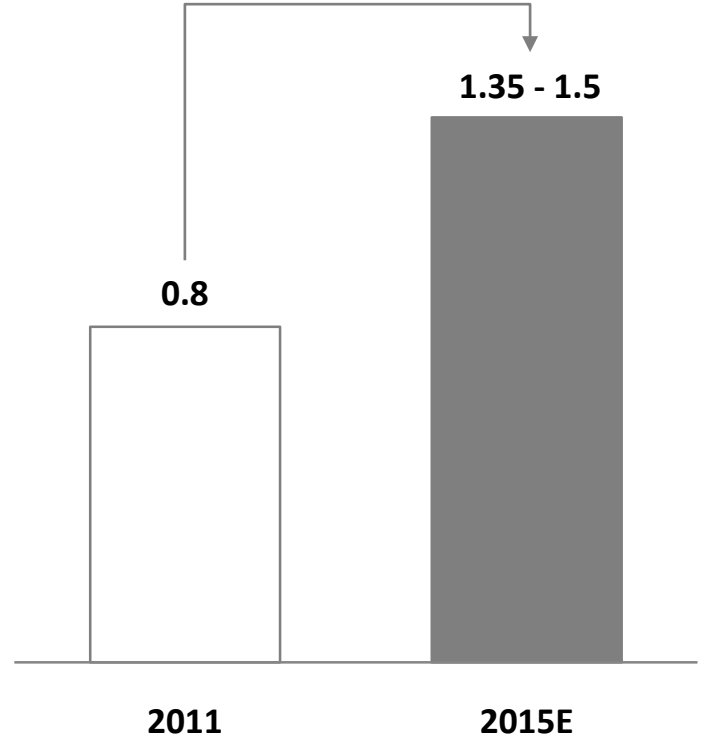
Execution of 2012-2015 quality projects to result in a superior portfolio for 2015

Strategic Indicators
(2015E vs. 2011)

		2015E
Selective Growth (△MW)	+30%	**9.8 GW**
Higher Profitability (EBITDA/avg.MW)	+25%	**€145-155k**
Controlled Risk (% MW covered)	+2p.p.	**>90%**

2015E EBITDA Target

(€ billion)



2012-2015 growth to be based on a self-financing strategy

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EDPR to fund its growth through...

Cash-Flow from Operations

Accumulated operating Cash-Flow to fully cover the Capex for the 2012-2015 additions

€3.8bn

Asset rotation

Sell minority stakes of existing assets to crystallise value, accelerate value growth cycle and be ready to fund additional growth options

>€2.0bn

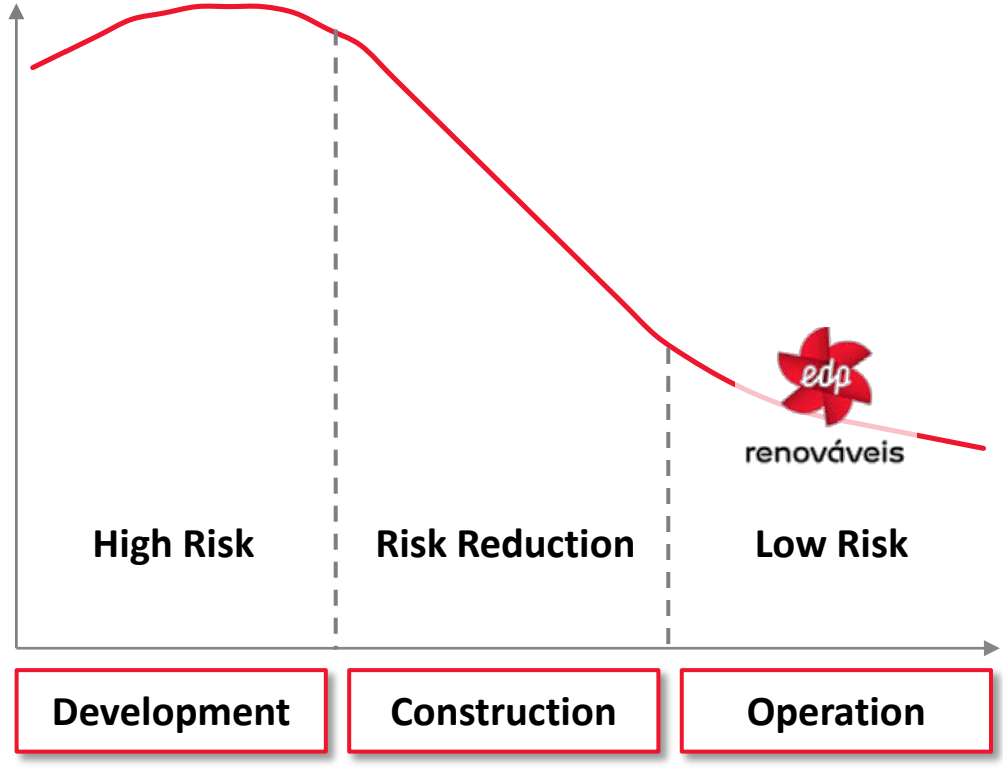
Project Finance & Tax Equity

Continue to secure long-term funding sources in the market, under competitive terms, based on selected quality projects

>€1.0bn

Current portfolio is ready for asset rotation and value crystallisation

Cost of Capital throughout the life cycle of a wind farm
(WACC; %)



Identify mature projects operationally optimised and with a low risk profile

Enter into transactions to sell non-controlling stakes to crystallise future cash flow stream

Re-invest in the development of quality and value accretive projects

Opportunity to accelerate value growth through asset rotation and to fund future growth options

3

Partnering with CTG for the sale of minority stakes in wind farms

Transaction Scope

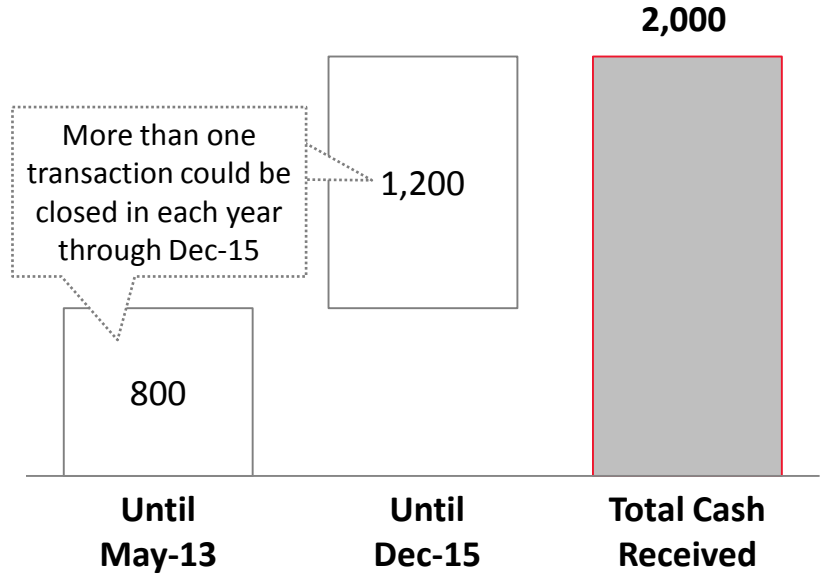
Capacity

- CTG to acquire minority stakes equivalent to 1,500 MW (net)
- The acquisition of minority stakes will materialise upon 900 MW of operating capacity and 600 MW of co-capex

Profile

- 1,500 MW (net) to be similar to EDPR's portfolio geographical exposure (more concentrated in Spain, Portugal and US)
- Assets with Project Finance and Tax Equity can be selected

EDPR Cash-In
(€ million)



EDPR to sell equivalent to 20% of the 2011YE capacity for the amount of €2.0bn

3

CTG is committed to invest €800m until May-2013

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After the first announcement, EDPR and CTG immediately started engaging…

CTG selected to acquire a 21.35% stake in EDP	Kick-off meetings between EDPR and CTG	Wind assets' selection process starts	Data room	CTG became EDP shareholder and the Strategic Partnership is in place
Dec. 22th, 2011	**Jan-2012**	**Feb-2012**	**Mar/Apr-2012**	**May 11th, 2012**

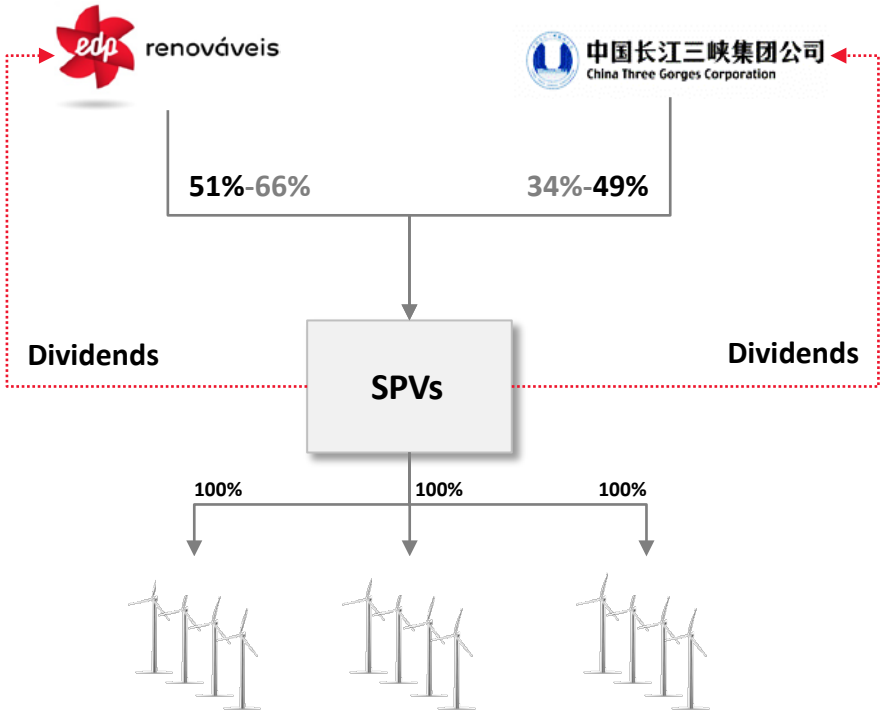
…to deliver the transactions and fulfil the partnership agreement

Preliminary timetable	First minority stake transaction	Second minority stake transaction	Third minority stake transaction
	3Q2012	**4Q2012 / 1Q2013**	**2Q2013**

3

Minority stakes' transactions have clear pre-agreed valuation criteria and rules

Structure Under Analysis



Transaction Framework

- Discounted Cash-Flow (DCF) valuation methodology based on fairness opinion
- No asset will be sold below book value
- Pre-agreed minimum return on CTG invested capital
- EDPR to keep full consolidation of the assets and to keep managing its operations

A clear transaction framework in place protecting interests of EDPR's shareholders and all parties involved

3

EDPR and CTG to design a new worldwide growth platform...

Worldwide partnership for future growth to deliver solid results

EDPR and CTG share the vision of clean energy development

"Think global act local" approach with each partner leading the projects on its markets

Global scale provides further technological and industrial advantage

...through the increase of growth options and competitive advantages

Value Creation Proposition

Rui Teixeira, CFO

EDPR: A distinctive investment case

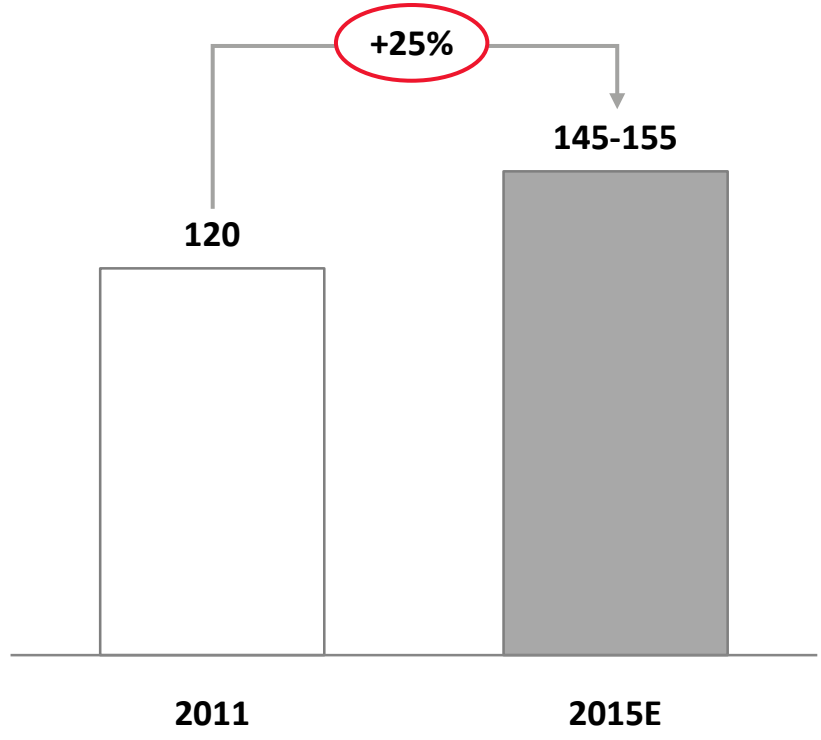
Strategic Core Competences	Load Factor	• Structural competitive advantage yielding premium load factors
	Low Risk	• >90% of revenues with prices linked to inflation or fixed escalators
	O&M	• Comprehensive strategy to minimize costs throughout lifecycle
Selective and Quality Growth	MW Growth	• Execute selective growth plan keeping flexibility and adding options
	Geo Expansion	• Increase diversification: >70% of 2013-15 new additions outside core markets
	Profitability	• Quality investments leading to a 25% increase on EBITDA/MW
Stronger Cash-Flow Generation	EBITDA	• EBITDA to reach €1.35-€1.5bn in 2015
	Operating Cash-Flow	• Cash-Flow to reach over €1bn in 2015; €3.8bn cumulative in 2012-15
	Cash Available	• €2.3bn of cash-surplus for dividends, debt payment and additional growth

Strict investment criteria will lead to an ongoing improvement in EDPR key value drivers

EDPR's key metrics through 2015

	2011	2015E
Load Factor (%)	29%	29%
Selling Price (€/MWh)	58	>70
Opex per avg. MW (€k/MW)		+0.9%

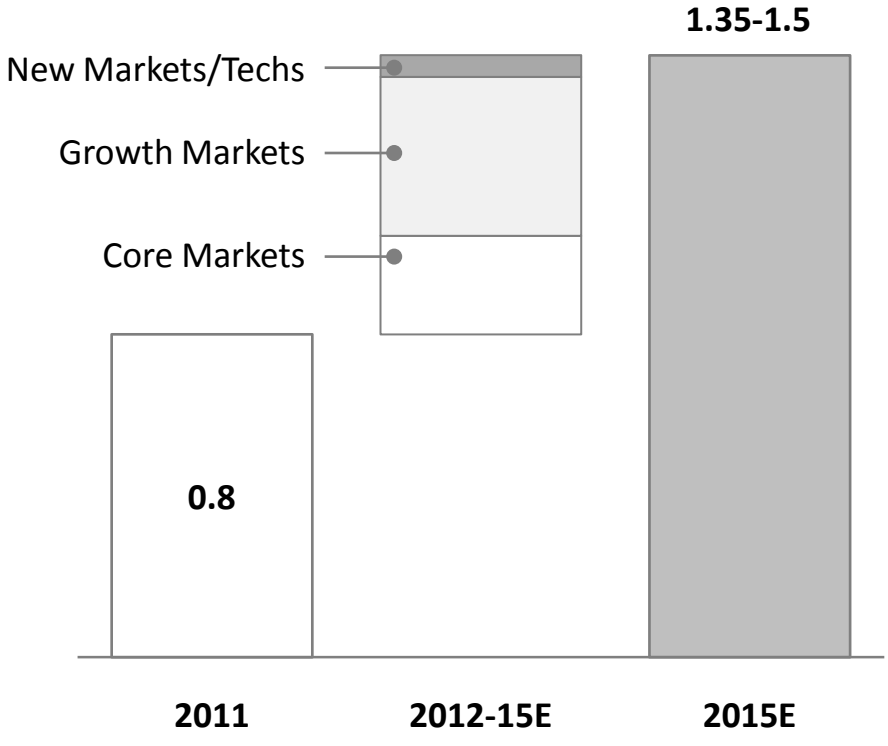
EBITDA per Average MW in Operation
(€ thousand)



EDPR to deliver stronger profitability

EBITDA's strong performance based on quality investments and diversification strategy

2011-15E EBITDA Evolution
(€ billion)



2012-15 investments with higher EBITDA per average MW

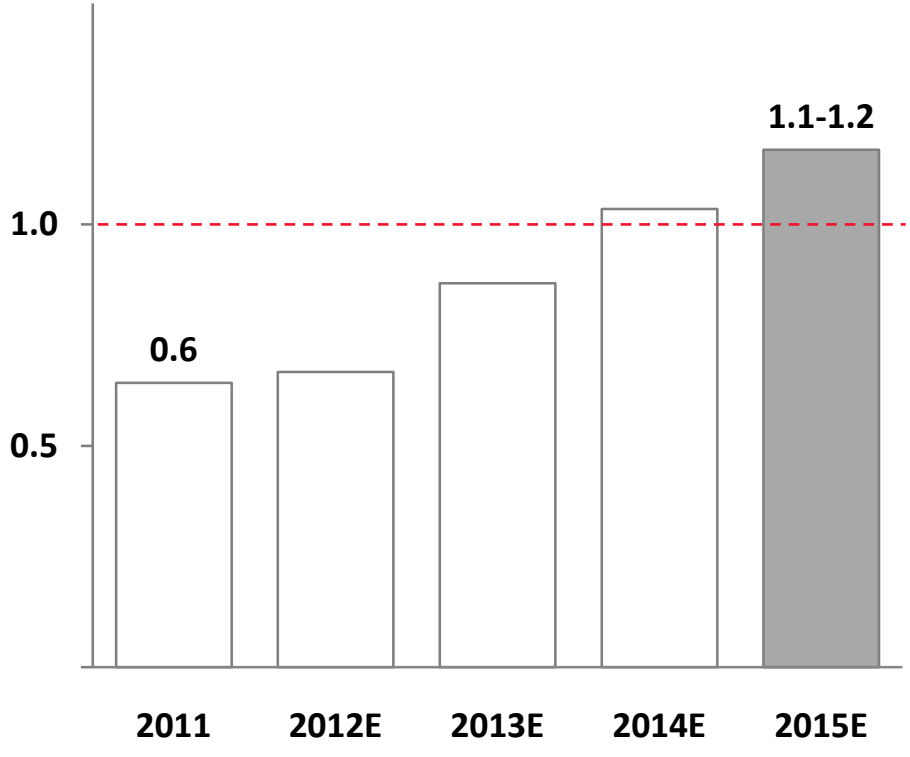
EDPR diversification strategy to represent 65% of EBITDA growth in the period

Management focused in keeping visibility and efficient operations throughout the assets' life cycle

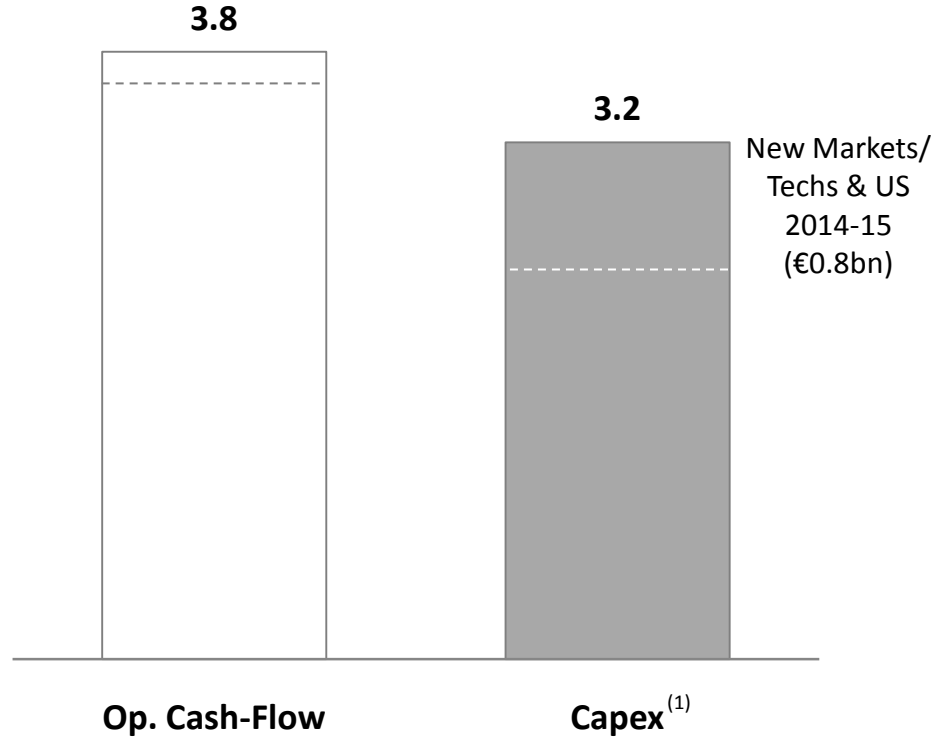
EBITDA to keep growing at double digit rates through 2015

Operating Cash-Flow to exceed Capex in the 2012-15 period, reaching over €1bn in 2015

Operating Cash-Flow
(€ billion)



2012-15: Operating Cash-Flow vs. Capex
(€ billion, accumulated)



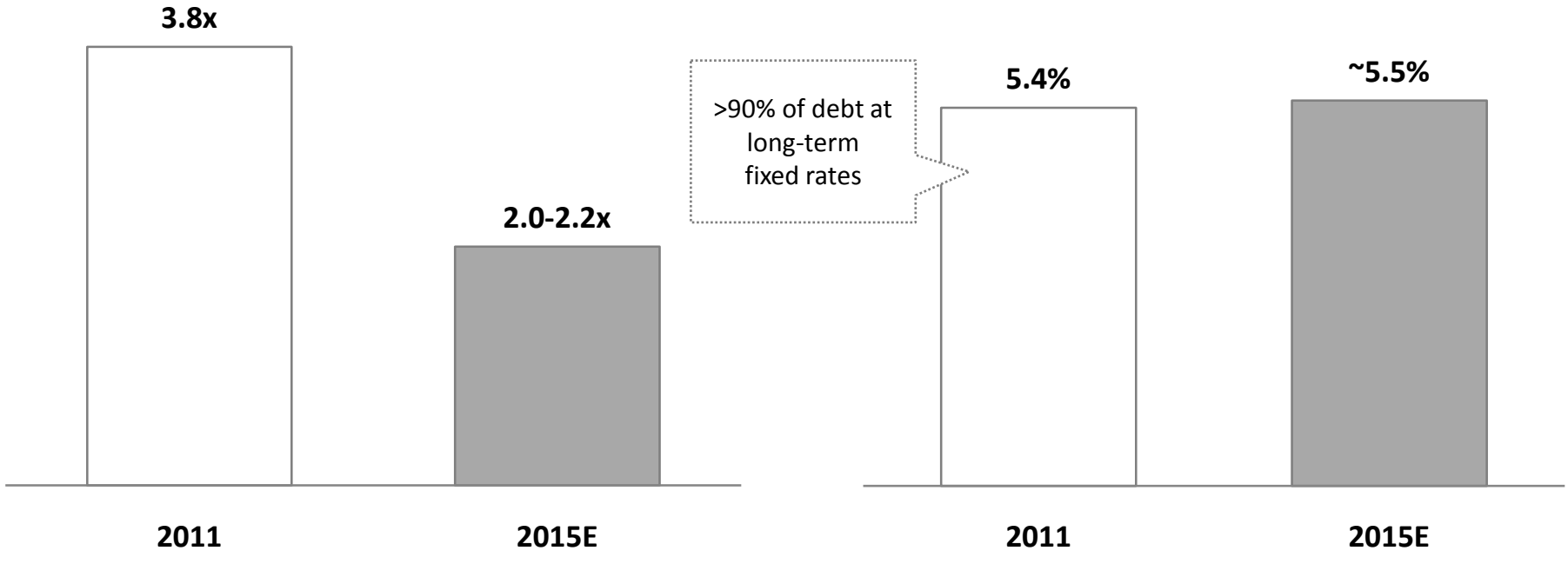
EDPR's assets have strong Cash-Flow capabilities

Notes: (1) Capex includes construction, onshore and offshore development expenses

Robust Balance Sheet allows for stable cost of capital for the long-term

Net Debt/EBITDA
(x)

Cost of Debt
(%)



c80% of Financial Debt maturities starting in 2018 matching Cash-Flow profile with business model

EDPR to keep executing alternative funding options on the back of quality assets

Project Finance

	Status
Spain	• Already closed for 125 MW
Portugal	• ENEOP: 2nd portfolio of Projects fully financed, partially disbursed
France/ Belgium	• Advanced for 57 MW in Belgium • Initial contacts for French assets
Poland/ Romania	• Multilaterals and commercial banks engaged for existing operating assets • Ongoing transaction for future projects

CTG Investment & Tax Equity

CTG Investment

CTG to invest €2bn until 2015 in 1.5 GW (net)
(*minority stakes*)

€800m to be disbursed until May-2013

Tax Equity

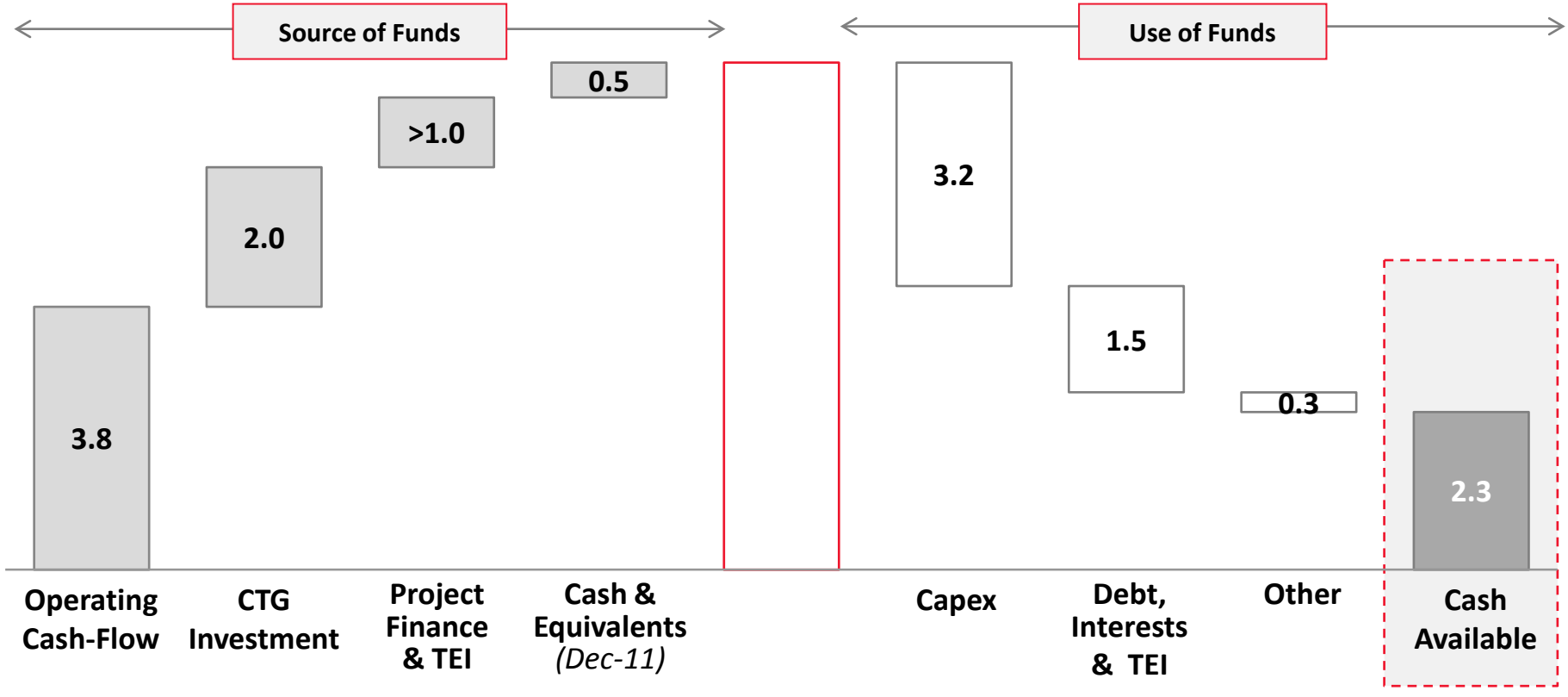
Ongoing negotiations for Tax Equity structure for 215 MW
(*under construction*)

Tax Equity and other alternative structures to be settled for the up to 400 MW additions
(until 2015)

Over €1bn of alternative financing expected on top of CTG Investment (€2bn)

EDPR to present a robust cash surplus in 2012-15

2012-15: Source and Use of Funds
(€ billion, accumulated)



Strong Operating Cash-Flow, CTG investment and alternative funding options

EDPR with competitive options to increase shareholders' value

Cash available 2012-15E Cumulative

€2.3bn

1 **Shareholder remuneration**

25% to 35% payout from 2013 (2012 results)

2 **Paydown Corporate Debt**

Start to pay most-expensive debt

3 **Pursue and execute new-growth options**

Value accretive to current Business Plan

Final Remarks

João Manso Neto, CEO

EDPR to focus on returns to bring value growth to shareholders

Operating quality assets	Premium load factors, low risk approach and operational excellence
Executing profitable growth	EBITDA per average MW to increase 25% through 2015
Anticipating market trends	>70% of the plan based on current growth platforms and new markets
Engaging in valuable partnerships	€2bn through asset rotation and establishing a worldwide partnership
Funding growth through own sources	Operating Cash-Flow to fully cover Capex needs
Strengthening the balance sheet	Net Debt/EBITDA of 2.0-2.2x in 2015 proving the robust capital structure
Increasing shareholder value	Earnings to increase >3x through 2015 along with a 25%-35% dividend payout

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powered by nature

Studying the voluntary extension of the tariff duration in Portugal for assets under old regime

EDPR's assets under analysis

Installed Capacity under the old regime	613 MW
% of EDPR's assets	8%
Average years to tariff term	10y
Market share in Portugal	17%

Government's proposal on wind energy

(included in the set of measures announced for the electricity sector)

Tariff duration: increase duration for assets under the old regime

Selling price: unchanged

Investment: operators to compensate the electricity system through 2020 for the new license duration

Regime: non-binding

Status: ongoing negotiations

Sector impact: €13-26m per year from 2013-2020 (Government's estimate)

Portugal to preserve legal stability

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