EDP Renováveis
2014 Results

February 25th, 2015
15:00 CET | 14:00 UK/Lisbon

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IMPORTANT NOTE: Pursuant the implementation of IFRS 11, joint ventures previously consolidated using proportional method are from 2014 onwards consolidated by equity method. 2013 data presented in this document was restated for comparison purposes.

Agenda

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I Highlights

II 2014 Results

III Outlook and Conclusions

Financial performance impacted by activity in Spain, with 4Q14 already showing positive evolution...

EBITDA -1.9% YoY impacted by changes in Spanish regulation

- **EBITDA in Spain -25% YoY** due to regulatory changes and low pool prices…
- …while **rest of portfolio post solid performances (+9% YoY)**
- Recovery throughout the quarters, with **4Q14 EBITDA improving +9% YoY**

Net Income at €126m after EBITDA performance and one-offs

- **Lower financial expenses** (cost of debt @ 5.2%) and higher profits of associates…
- …**offsetting higher minorities** which result from successful asset rotation strategy
- **Non-recurrent** items with a cumulative impact of +**€20m at the bottom-line**

Stable Net Debt vs. Dec-2013

- **Efficient self-funding strategy** with cash-available for growth, asset rotation and tax equity proceeds **more than covering investment needs**
- **$0.4bn** from Asset Rotation + Tax Equity pending financial closing **in the 1Q15**
- Net Debt by year-end **impacted by €170m of forex translation** (stronger USD)

...while the successful execution on 3 strategic pillar created solid foundations

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Selective Growth	Operating Excellence	Self-funded Business
Adding +471 MW with 70% in US	Top-notch load factor: 30% (1% above average)	Cash-Available for Growth totalled €413m
Completed ENEOP; Entered new markets: Mexico	High availability: 97.6% (above target)	Asset Rotation already accomplished >60% of plan
1.5 GW of projects (2015-2017) with PPA/FiT already secured	Stronger Efficiency: Opex/MW -6%(1)	Secured $332m of Tax Equity & c€150m of Project Finance(2)

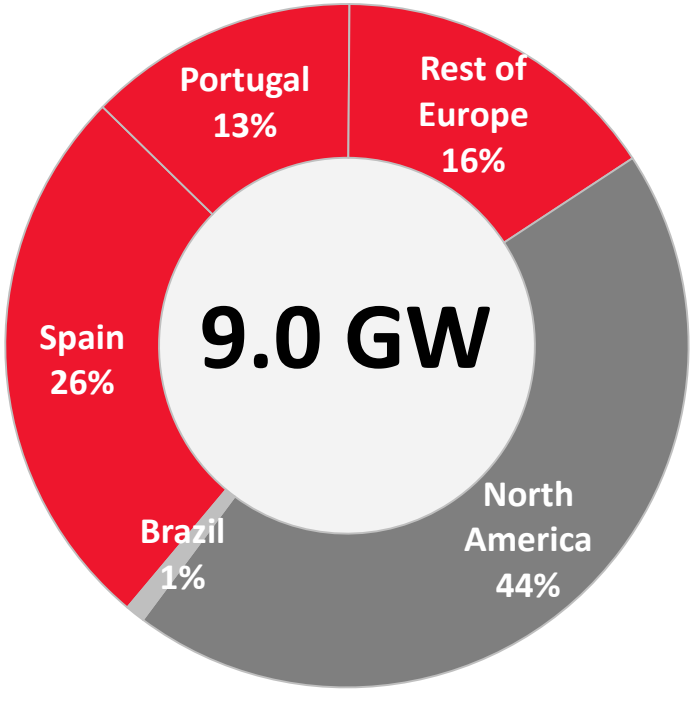
Execution of 2017 strategic agenda allows for an improved 2015 Outlook

Notes: (1) Opex excluding levies and write-offs; (2) Including Project Finances structured in Brazil in 1Q15

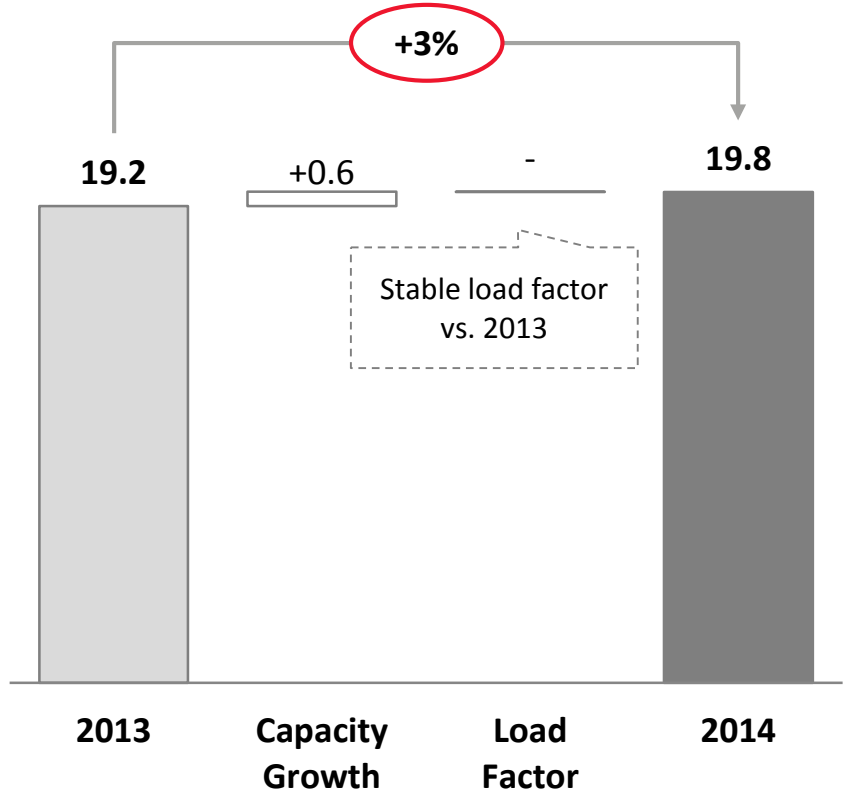
2014 Results

EDPR has today a portfolio of 9.0 GW of first-class assets with average 5.2 years old

Installed Capacity
(EBITDA MW + Equity Consolidated)



Electricity Production
(TWh)



Production in 2014 increased by 3% YoY with North America representing 52% of the total output

Notes: Installed capacity includes EDPR's Equity consolidated: 533 MW of EDPR's interest in ENEOP, and equity stakes of 174 MW in Spain and 179 MW in the US. Includes 82 MW of Solar PV.

Recurrent premium load factor reflecting distinctive core competences

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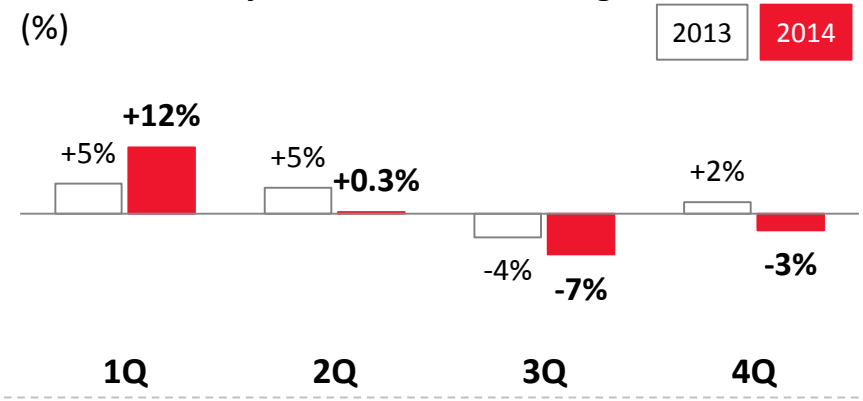
Load Factor and Technical Availability

	2014	Δ% YoY	2014 vs. average
	27%	-1.2pp	101%
	33%	+1.0pp	101%
	32%	+0.8pp	99%
	30%	-0.2pp	101%
EDPR Technical Availability	97.6%	-0.1pp	

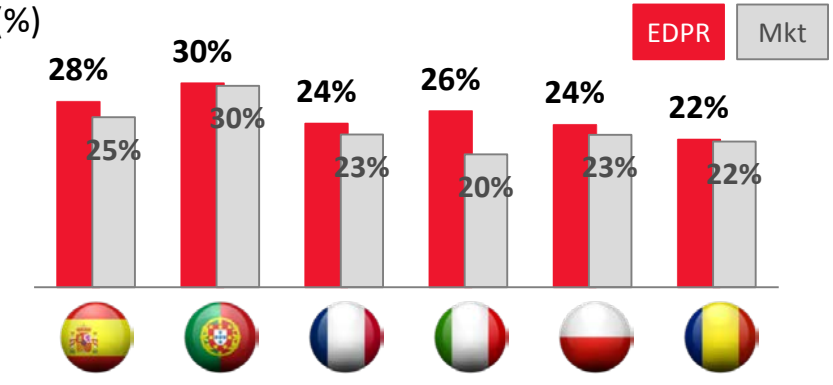
EDPR Quarterly Load Factor vs. Average

(%)



2014: EDPR Load Factor vs. Market Averages (1)

(%)



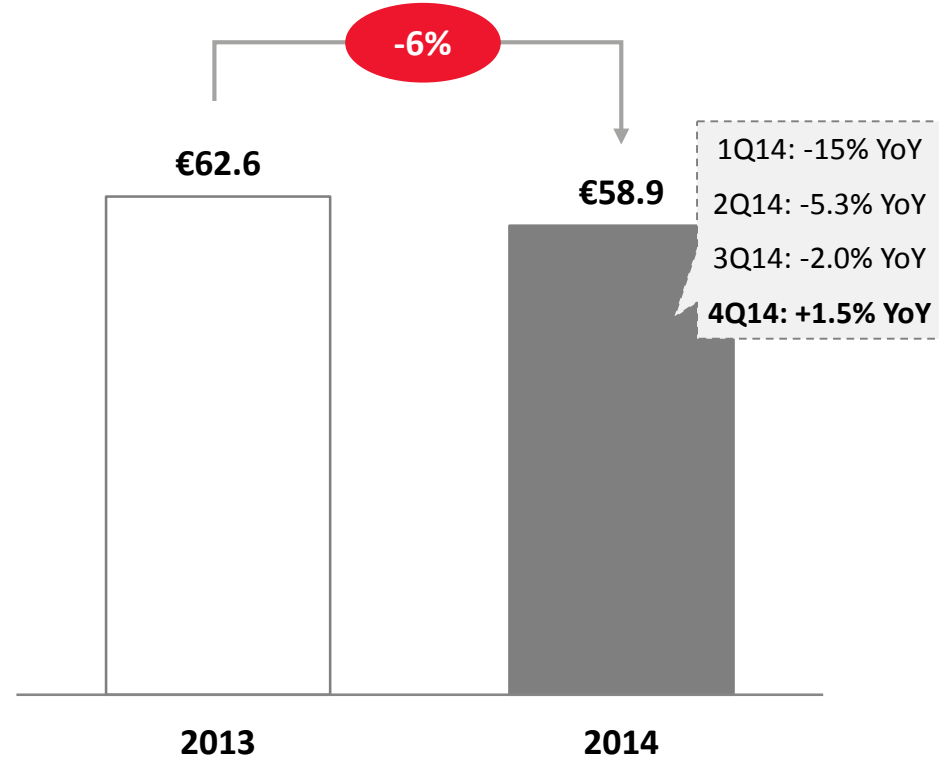
2014 load factor is 1% above average on the back of high availability (>97.5%) following outstanding wind resource in 1Q14 but below average through the 2H14

Notes: (1) Average load factor calculated with base on information from REE (Spain), REN (Portugal), RTE (France), Terna (Italy), PSWE (Poland) and ENTSOE/Transelectrica (Romania).

Selling price decreased 6% YoY to €59/MWh impacted by lower realised price in Europe

	2014	△% YoY	
EU	€80.3	**-10%**	Lower prices in Spain (after regulatory changes) & GC in Romania at floor
NA	$50.8	**+5%**	Supported by higher PPA/Hedge output **(+6% YoY incl. hedges)**
BR	R$346	**+12%**	Inflation + working hours adjustment

EDPR Price Evolution
(€/MWh)



4Q14 average price 1.5% above 4Q13 mostly driven by higher realised price in Spain and US

Impact of new regulation in Spain was magnified by very low market prices, mainly in 1Q14

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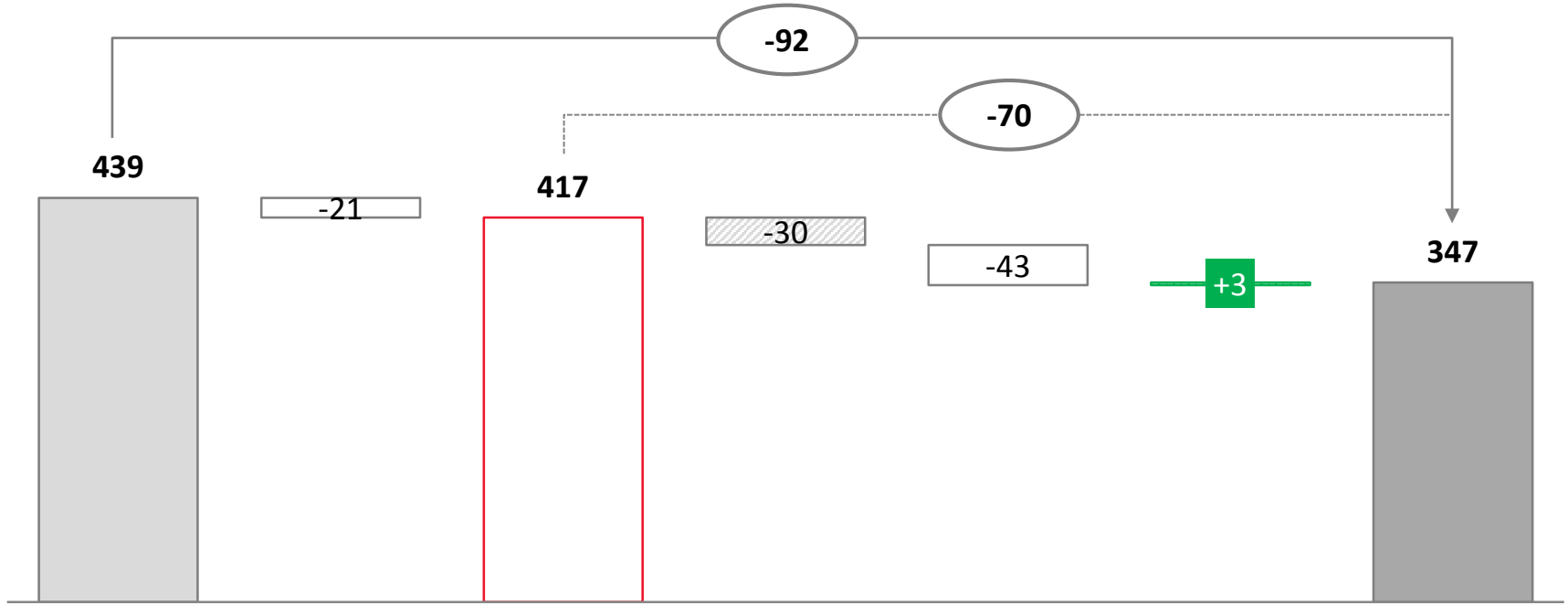
Electricity Sales evolution in Spain

€ million



	2013	2013 Previous Regulation	2014 New Regulation
TWh	5.5	5.1	5.2
€/MWh	80.3	81.9	67.0

Revenues totalled €1.3bn (-3% YoY) despite the negative impact of regulatory changes in Spain…

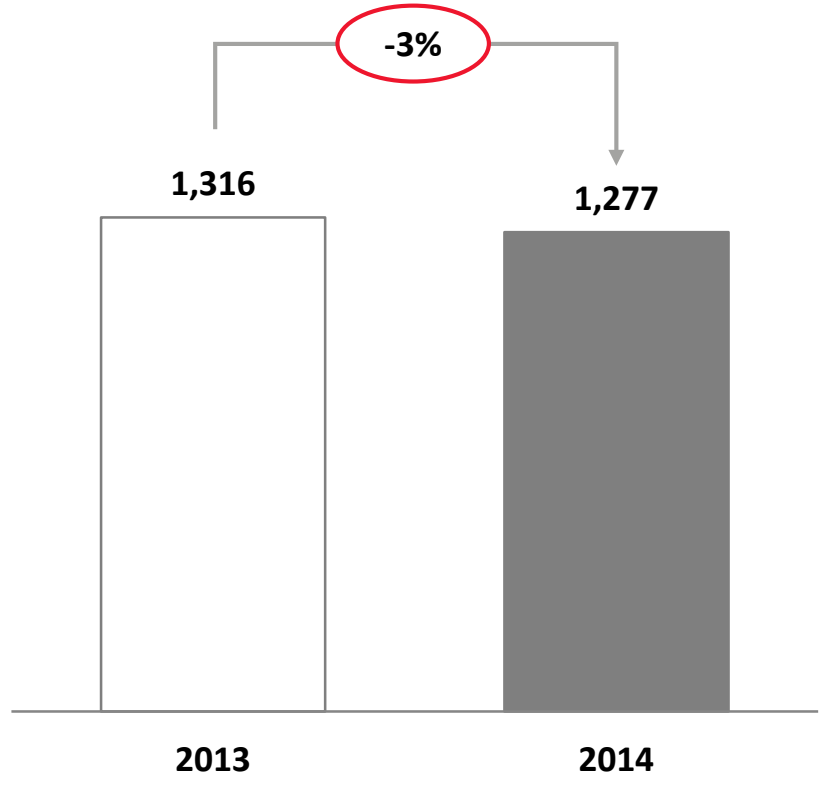
Main drivers for Revenues performance

Quality assets: +393 MW (EBITDA) YoY
Top-notch load factor: 30%
High availability: 97.6%

Electricity output: +3% YoY
EU +1%; NA +4%; BR +3%

Lower average selling price: -6% YoY
EU -10%; NA +5%; BR +12%

Revenues (1)
(€ million)

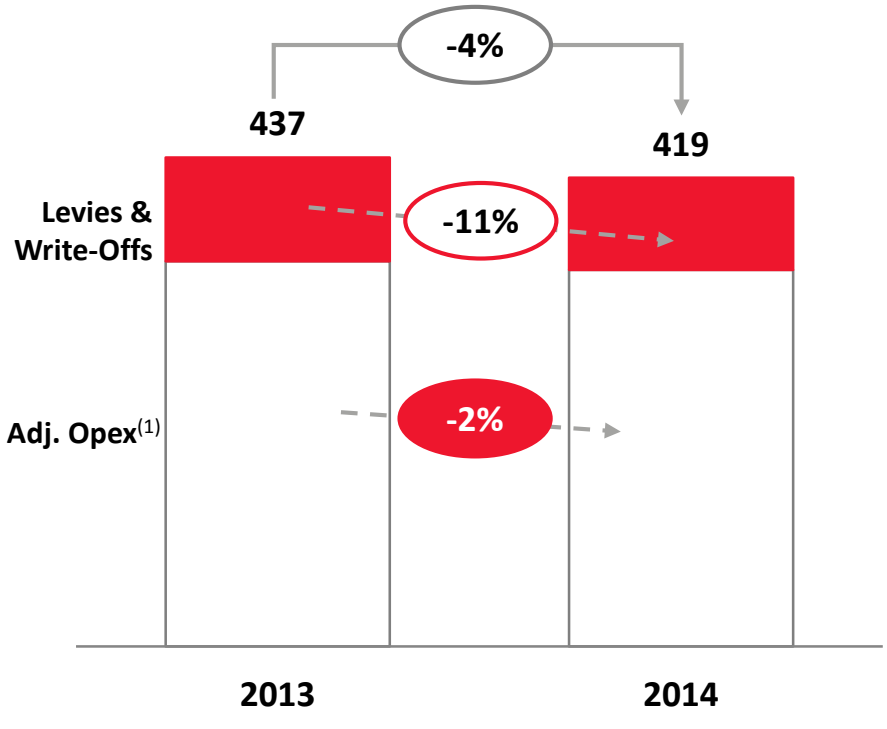


US activity already showing solid performance in 2014 (+7% YoY)

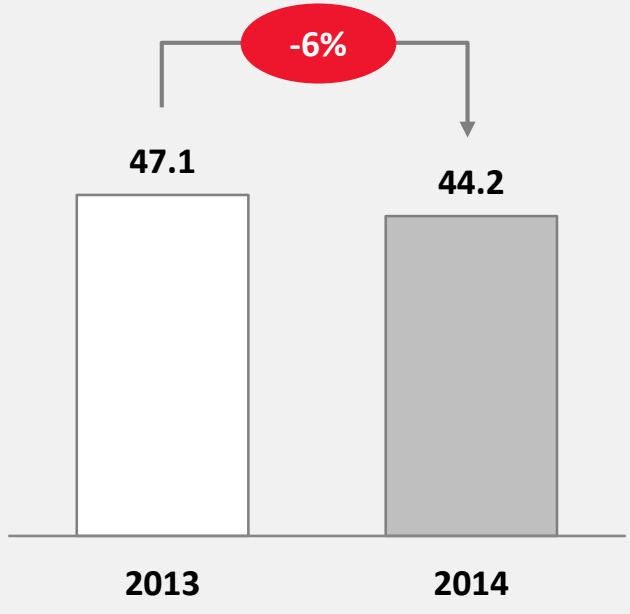
(1) Do not include gains with hedges accounted in financial results

...partially mitigated by an ongoing focus on efficiency and control over Opex

Opex (excludes Other Operating Income)
(€ million)



Adj. Opex/MW (ex-Levies & Write-Offs)
(€k)

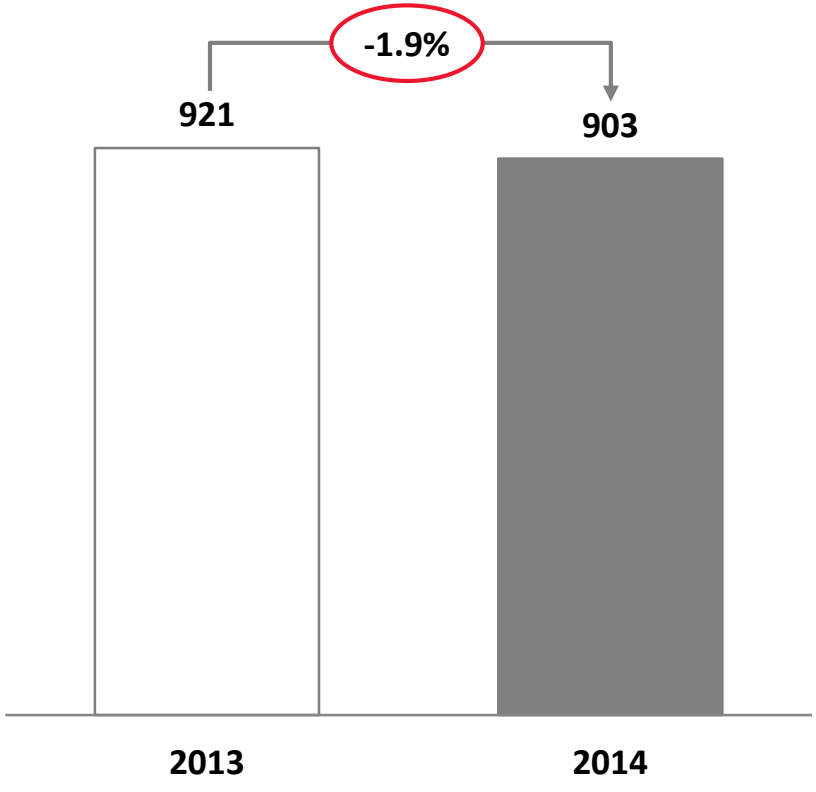


Operating costs per average MW decreasing 6% YoY

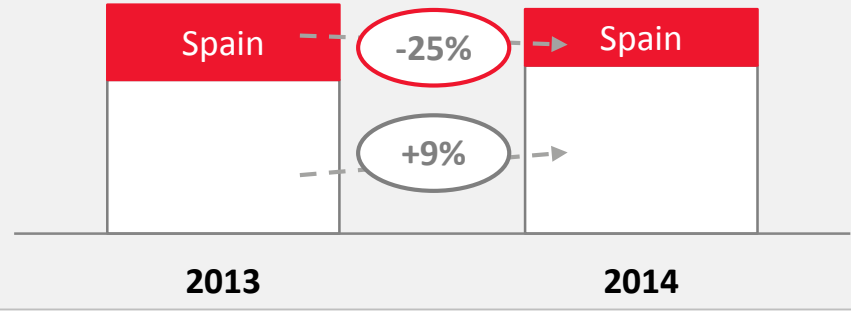
Notes: (1) Opex excluding levies and write-offs.

EBITDA performance impacted by activity in Spain; remaining portfolio contributing with 9% growth

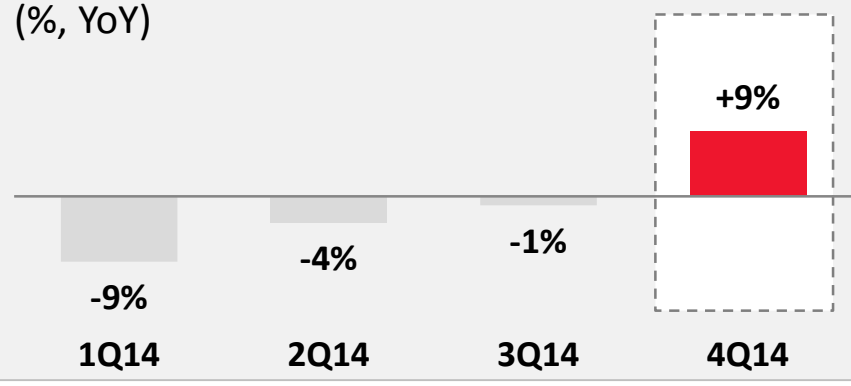
EBITDA
(€ million)



EBITDA
(€ million)



EBITDA: Quarterly Evolution
(%, YoY)



Resilient portfolio despite impact from abnormal year in Spain, and a good performance from 4Q14

Net profit in the period totalled €126m

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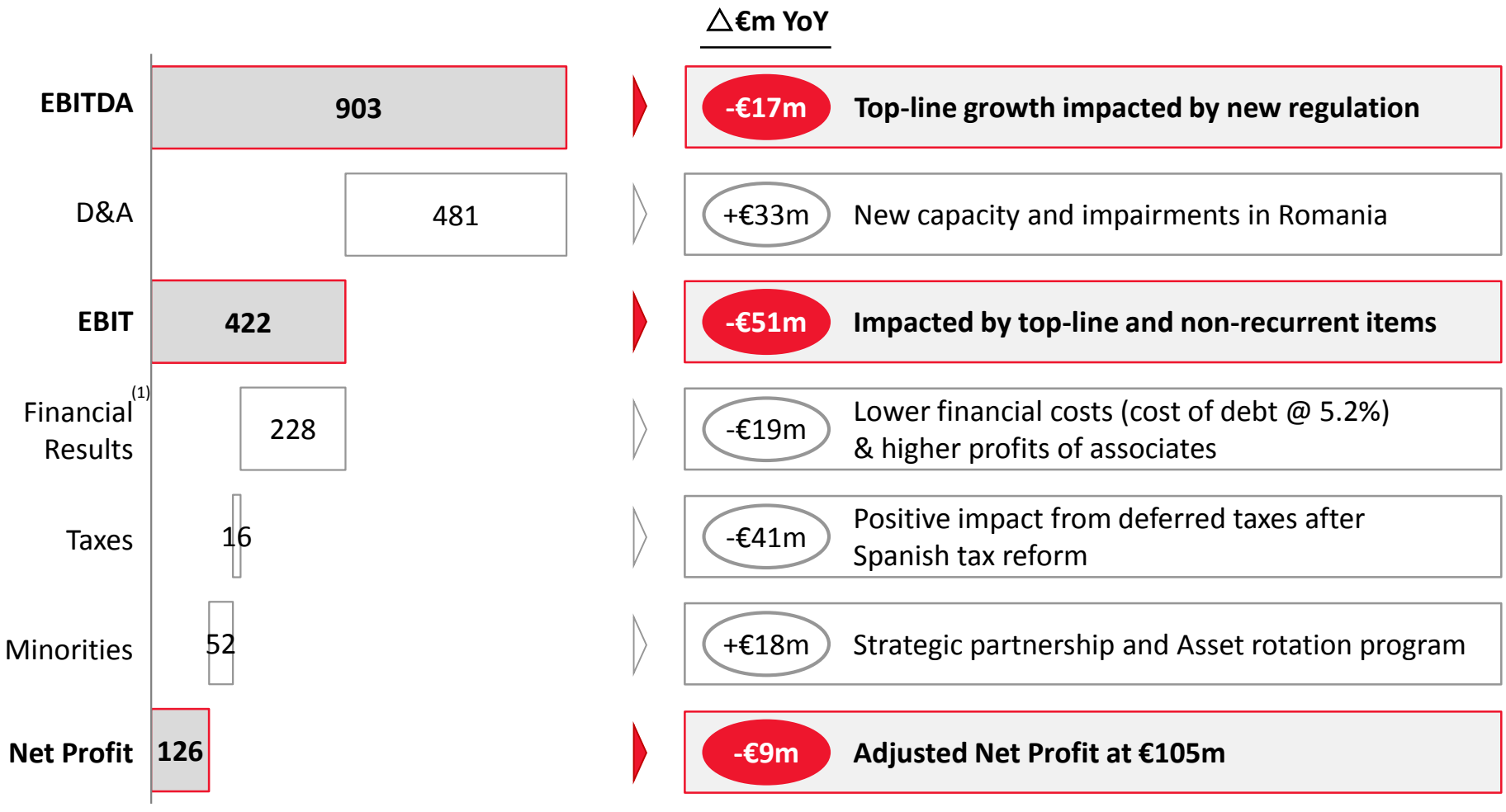
EBITDA to Net Profit
(€ million)

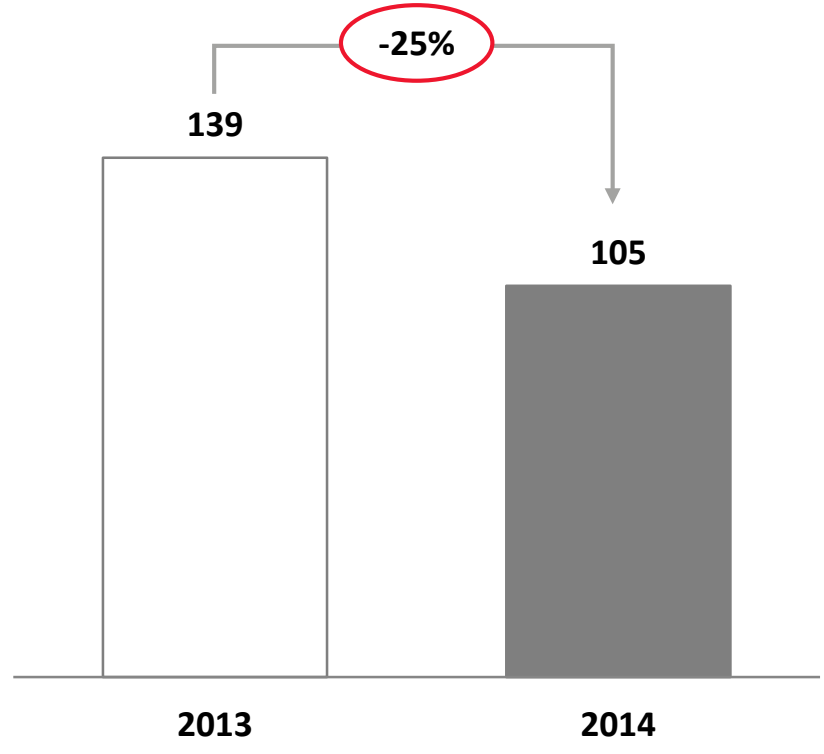


Notes: (1) Includes Share of profit of associates.

Adjusted Net Profit decreased 25% YoY to €105m

(€ million)	2013	2014	
Reported Net Profit	**135.1**	**126.0**	**-7%**
One-off gains[(1)]	(5.8)	(12.7)	
Write-offs/ impairments	+17.3	+24.7	
Forex losses (gains) & Forex derivatives	+5.4	+3.5	
Provisions & other adjustments	(2.0)	(11.6)	
Income Tax	(10.6)	(25.0)	
Adjusted Net Profit	**139.4**	**105.0**	**-25%**

Adjusted Net Profit
(€ million)

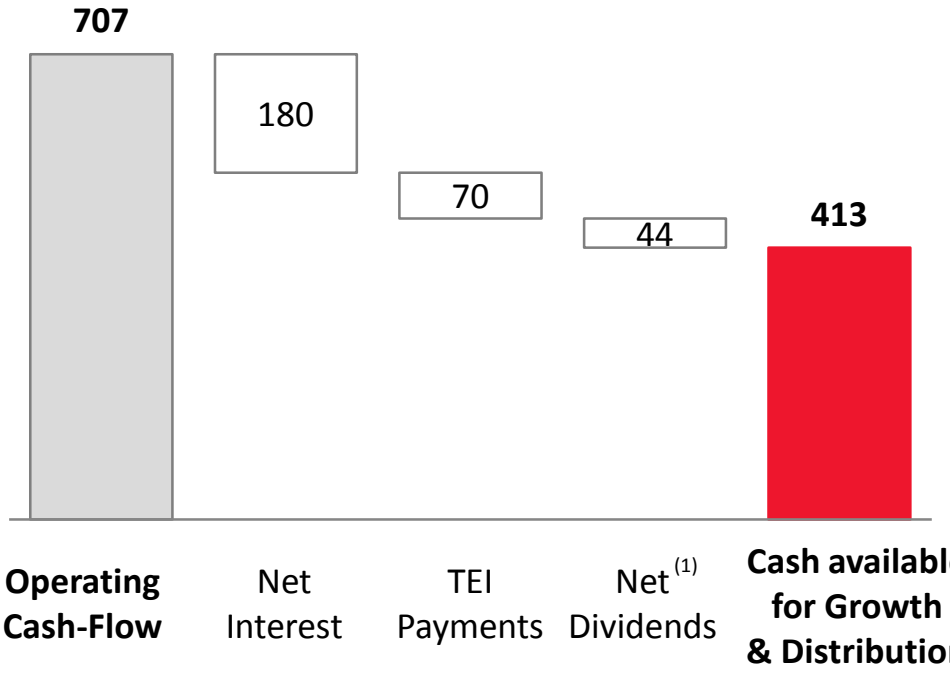


2014 net profit impacted by top line performance

Notes: (1) Assets' revaluation and contracts' restructuring

Operating cash-flow increasing 4% YoY; Cash-available for growth at €413m

2014 Cash Available for Growth and Distributions
(€m)



Quality assets mostly exposed to low risk PPA/FiT frameworks…

…delivering increased Operating Cash-Flow (+4% YoY)

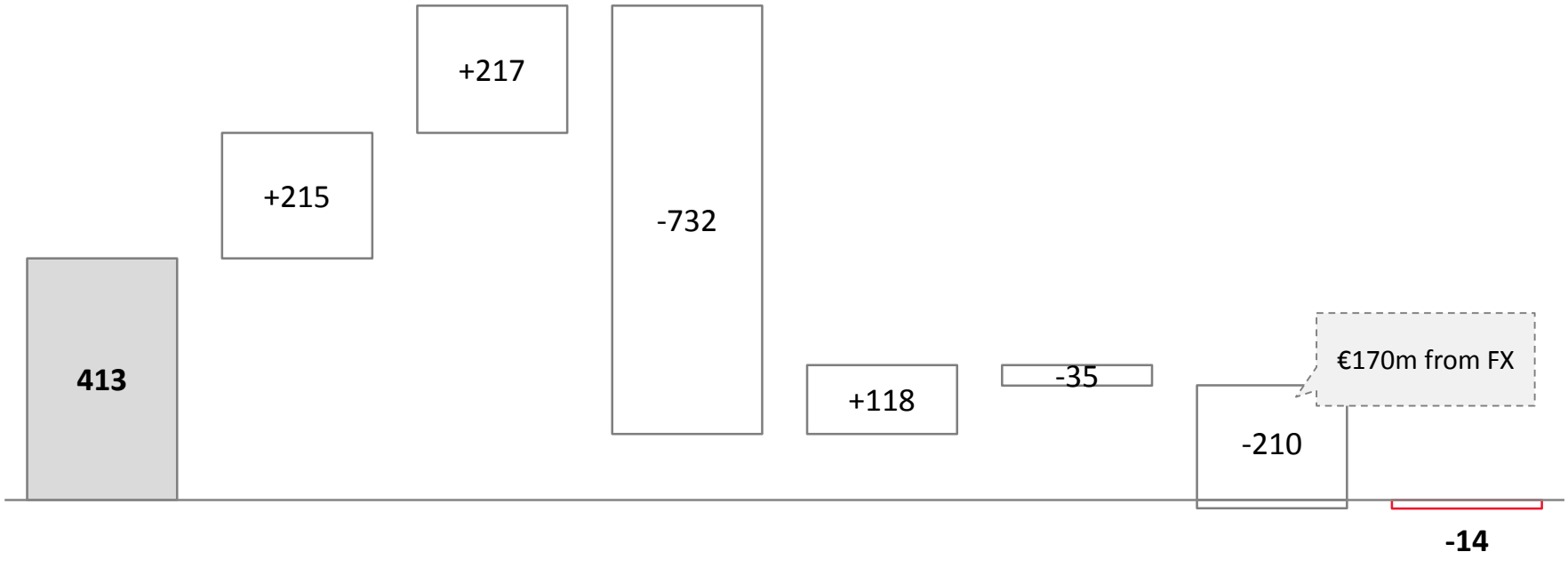
Higher minorities related to the execution of the Asset Rotation avoid the increase of net interest costs

Quality assets and operational excellence leading to solid cash-flow generation

Notes: (1) Net Dividends includes dividends paid to non-controlling interests and dividends received from associated companies. Excludes dividends to EDPR shareholders.

An efficient self-funding strategy leading to a stable Net Debt evolution

2014 Cash-Flow
(€m)



Additional $343m of Asset Rotation and $43m from Tax Equity Investors to be received in 1Q15

Notes: (1) Includes payments to PPE suppliers, investment grant in Poland and loans to Associated Companies (namely ENEOP).

Outlook and Conclusions

EDPR is executing a sound growth plan based on 1.5 GW of projects with long-term visibility…

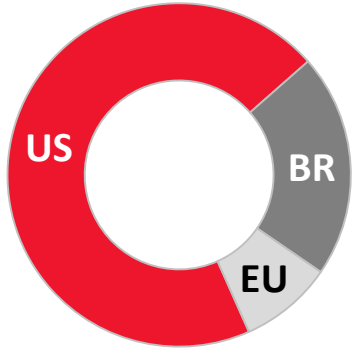
On the road for 2017 objectives delivering 0.6 GW in 2015…

…with more 0.9 GW already awarded with LT contracts/FiT

2015

Execution on-track

~+0.6 GW



+400 MW
with LT PPA

+120 MW
with LT PPA

>50 MW
FR | PL | IT

443 MW already under construction
+100 MW in US starting construction

2016-17

High visibility LT contracts

+400 MW | +155 MW
15/20 years PPA; LT REC contracts

+180 MW
25-year USD bilateral agreement

+117 MW
20-year PPA

>70 MW
FiT/PPA

Additional options secured post Dec-14 PTC extension

...continuously improving returns through revenue maximization and cost control...

Revenue Maximization

Ongoing implementation of innovative power enhancing products

Maximizing operating wind farms output (+100 GWh already in 2015)

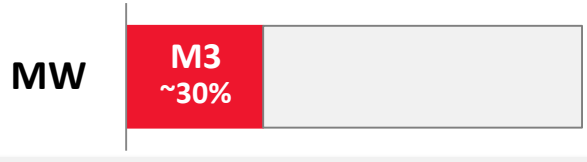
Keep high levels of availability

>97.5%

Reduction of downtimes by managing warehousing of critical components

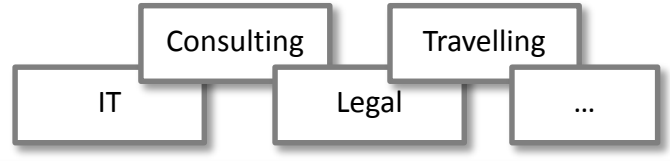
Cost Control

Comprehensive O&M strategy to increase efficiency



Successfully implementation of M3 (1) maximizing outsourcing alternatives

Discipline over G&A costs



Comprehensive cost control management

Notes: (1) Proprietary model (M3 - Modular Maintenance Model).

...and delivering a self-funding strategy supported by the ongoing execution of asset rotation

Asset Rotation transactions established in 2014

Fiera Axium	EFG Hermes	Northleaf CP
36% **1,101 MW**	49% **270 MW**	49% **30 MW**

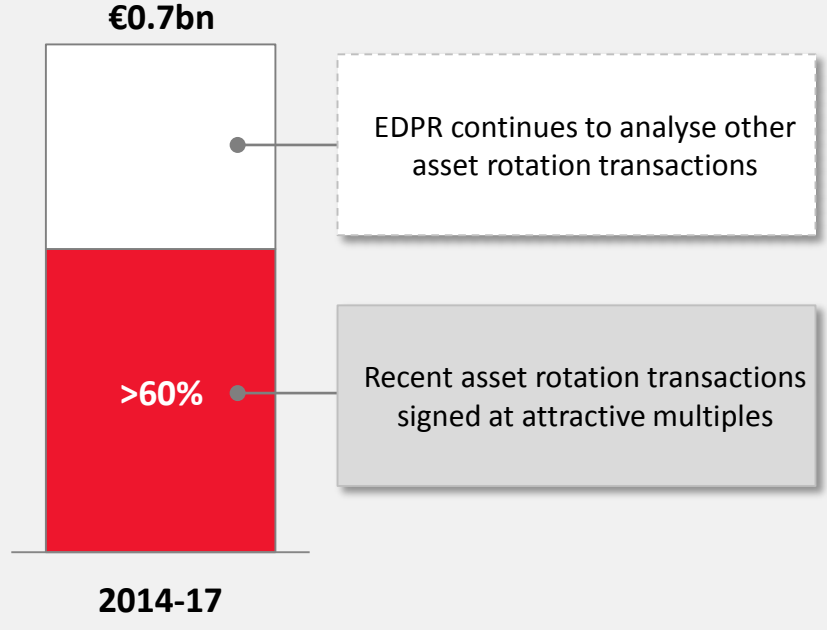
Minority Sales

Transaction with CTG and MoU with EDP Brasil

- EDP Brasil to exit EDPR Brasil structure (45% shareholding)
- CTG to acquire 49% minority stake in EDPR Brasil wind farms

Asset Rotation Target for 2014-17

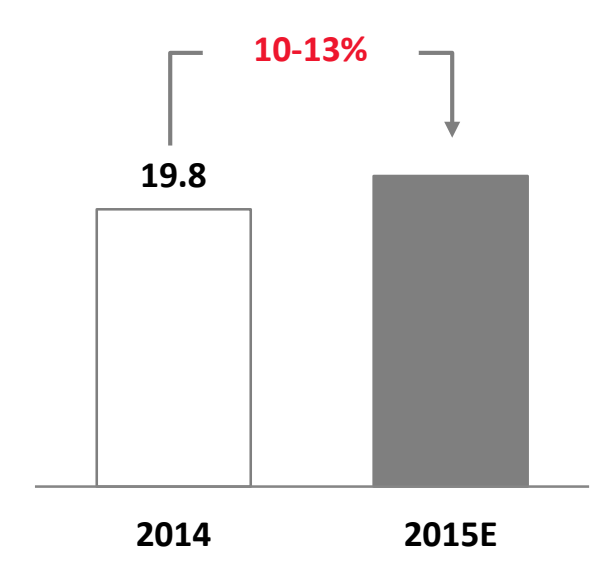
(€m, %)



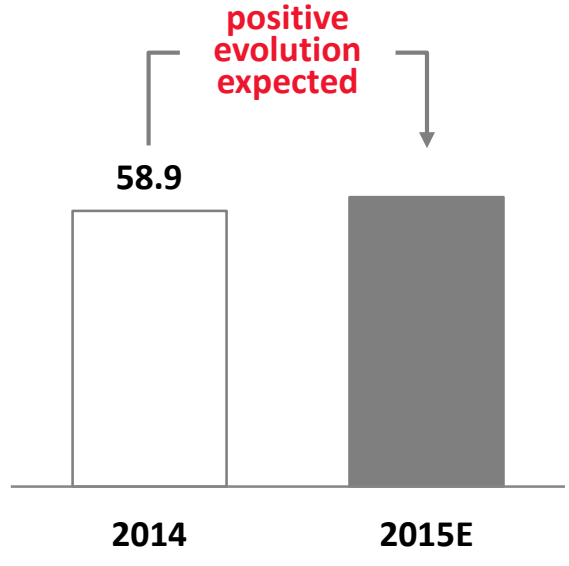
EDPR continues to pursue its asset rotation strategy to re-invest in quality and value accretive projects

EDPR with visible drivers to deliver strong performance in 2015

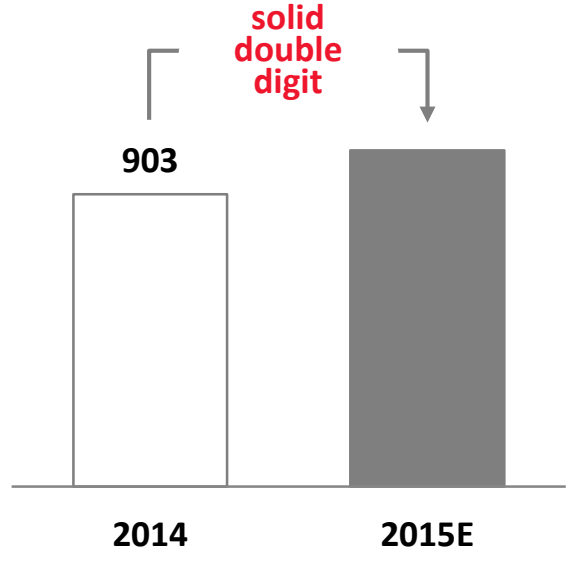
Electricity Output
(GWh)



Average Selling Price
(€/MWh)



EBITDA
(€m)



Electricity output to benefit mostly from 2014 new capacity (+471 MW)	Recovery in Spain, based on hedges secured for 2015: 2 TWh @ €47/MWh (reaching optimal hedge %)	Keep high efficiency levels; increased MW under M3 strategy
EDPR to start applying full consolidation to its 40% economic interest in ENEOP (expect 6 to 9 months of full consolidation)	Production exposed to wholesale prices in the US hedged at 70%	EBITDA to benefit from strengthening of USD-to-Euro translation (2014 avg $/€1.33; 2014 EBITDA in US $477m)

Conclusions

- 2014 results impaired by regulatory changes in Spain
- Capacity additions progressing as planned with 1.5 GW of visible growth for 2015-17
- Ongoing revenue maximization initiatives and Opex discipline to yield higher returns
- Efficient self-funding strategy based on strong cash-flow generation and on a successful asset rotation program (>60% of 2017 target achieved)
- Strong performance expected for 2015 based on clear positive drivers

IR Contacts

Rui Antunes, Head of Planning & Control and IR

Francisco Beirão

Maria Fontes

Paloma Bastos

E-mail: ir@edpr.com

Phone: +34 914 238 402

Fax: +34 914 238 429

Serrano Galvache 56, Edificio Olmo, 7th Floor

28033, Madrid - Spain

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Mar 10th - 11th	Roadshow Geneva/Zurich
Mar 11th	Roadshow Boston
Mar 12th	Roadshow New York
May 5th	**1Q15 Results**

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