SUPPLEMENT DATED 24 JUNE 2011 TO THE PROSPECTUS DATED 24 SEPTEMBER 2010

EDP - ENERGIAS DE PORTUGAL, S.A.

(incorporated with limited liability in the Portuguese Republic)

and

EDP FINANCE B.V.

(incorporated with limited liability in The Netherlands)

€ 12,500,000,000

Programme for the Issuance of Debt Instruments

This Supplement (the "**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the prospectus dated 24 September 2010 (the "**Base Prospectus**") prepared by EDP - Energias De Portugal, S.A. and EDP Finance B.V. (the "**Issuers**") in connection with their Programme for the Issuance of Debt Instruments (the "**Programme**") for the issuance of up to €12,500,000,000 in aggregate principal amount of instruments ("**Instruments**"). Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement has been approved by the United Kingdom Financial Services Authority (the "**FSA**"), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom, as a base prospectus supplement issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom.

The purpose of this Supplement is to update the Base Prospectus by (i) updating the disclosure on Portuguese taxation in accordance with the recent changes to tax and legal framework introduced by the Budget Law for 2011 (Law no. 55-A/2010, December 31) that entered into force on 1 January 2011, notably the change to the withholding tax rate applicable to Non-resident holders without a Portuguese permanent establishment which are legal persons on interest and other types of investment income obtained from 20% to 21.5%; the introduction of a withholding tax rate of 30% applicable if a payment is made to an account held on behalf of undisclosed beneficial owners, unless they are disclosed for these purposes; the change to the personal income tax rate established for the highest tax bracket from 45.88% to 46.5% applicable to Portuguese resident individuals; and the introduction of the requirement of Non-resident holders to be resident in a country with which Portugal has not entered into a Double Taxation Convention or a Tax Information Exchange Agreement to benefit from a domestic tax exemption from Portuguese capital gains taxation on the gains obtained on the disposal of the Instruments; (ii) updating the risk factors section; (iii) providing certain financial and ratings information and (iv) updating the EDP Group section to reflect recent changes to Portuguese energy legislation.

IMPORTANT NOTICES

Each of the Issuers accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new fact, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Instruments issued under the Programme has arisen or been noted, as the case may be, since publication of the Base Prospectus.

Investors should be aware of their rights under Section 87Q(4) of Financial Services and Markets Act 2000.

AMENDMENTS OR ADDITIONS TO THE BASE PROSPECTUS

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented in the manner described below.

RATINGS

The following paragraphs shall be added to the cover page (page 1) of the Base Prospectus:

"Instruments issued under the Programme may be rated or unrated. Unless otherwise specified in the applicable Final Terms, rated Instruments to be issued under the Programme will be rated Baa1 (creditwatch negative) in respect of Instruments with a maturity of more than one year by Moody's Investors Service Limited ("**Moody's**"), BBB+ (creditwatch negative) in respect of Instruments with a maturity of more than one year by Fitch Ratings Ltd. ("**Fitch**") and BBB (negative outlook) in respect of Instruments with a maturity of more than one year by Standard & Poor's Credit Market Services France SAS, a Division of The McGraw-Hill Companies Inc. ("**Standard & Poor's**"). Where a particular Series of Instruments is rated, its rating will not necessarily be the same as the rating applicable generally to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

As of the date of this Supplement, each of Moody's, Fitch and Standard & Poor's is established in the European Union and has applied for registration under Regulation (EC) No 1060/2009 (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority. Market participants can find the most up to date information on the status of the registration process on the website of the EU Commission: http://ec.europa.eu/internal_market/securities/agencies/index_en.htm.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

The rating of particular Series of Instruments to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to a relevant Series of Instruments will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms."

In the section entitled "Ratings" within "General Description of the Programme" on pages 8 to 9 of the Base Prospectus, the rating "A3" given by Moody's Investors Services Limited is replaced by the rating "Baa1 (creditwatch negative)", the rating "A" given by Fitch Ratings Ltd. is replaced by the rating "BBB+ (creditwatch negative)" and the rating "A-" given by

Standard & Poor's Ratings Services is replaced by "BBB (negative outlook)". The sentence "Where an issue of Instruments is rated, its rating will not necessarily be the same as the rating applicable to the Programme" is replaced by "Where a particular Series of Instruments is rated, its rating will not necessarily be the same as the rating applicable generally to the Programme."

RISK FACTORS

The following shall be added as an additional risk factor to the section entitled "Risks Related to EDP's Business" on page 23 of the Base Prospectus:

"**EDP's business and activities may be exposed to the potential impact of the IMF/Eurozone Stabilisation Programme**

In May 2011, the Portuguese government, with the support of the main Portuguese political parties, agreed to the IMF/Eurozone Stabilisation Programme (the "**Stabilization Programme**").

The Stabilization Programme is expected to provide significant financial support of EUR 78 billion over the next three years in the form of a cooperative package of IMF and EU funding. On 10 May 2011, the European Commission approved the Stabilization Programme and on 16 May 2011, EU finance ministers approved the Stabilization Programme. The funding is subject to quarterly reviews for the duration of the Stabilization Programme to ensure the conditions of the Stabilization Programme are being met.

The Stabilization Programme is based on a three-prong strategy as follows:

• *Restoring competitiveness*. The first priority is to tackle structural problems that have caused Portugal to have low rates of growth over the past decade. This includes measures to reduce public sector involvement in the Portuguese economy and to address the issue of rent-seeking behaviour and excessive profits in the non-tradable sector. These measures may enable an easier entry in the telecommunications market, may include cutting subsidies in the electricity sector, and may reduce the number of regulated professions. In addition, the Stabilization Programme provides for a major reduction in social security contributions (offset by other tax and expenditure adjustments) aimed at significantly reducing labour costs and making Portugal's goods and services more competitive.

• *Strengthening fiscal policy*. Under the terms of the Stabilization Programme, a mix of measures amounting to approximately 10% of Portugal's GDP (including those in the 2011 budget) are aimed at reducing Portugal's budget deficit to 3% of GDP by 2013 and stabilising public sector debt. These measures include reducing public subsidies and transfers, better prioritising capital spending, shifting the composition of taxation toward indirect and property taxes, broadening Portugal's income tax base and implementing significant savings in current expenditure at all levels of public administration (i.e., general government, local and regional government and state-owned enterprises).

• *Ensuring the stability of the financial sector*. The Stabilization Programme provides for increasing Portuguese banks' capital positions, strengthening regulation and supervision in the sector and introducing a new solvency support mechanism (fully funded under the Stabilization Programme).

The measures envisaged by the Stabilization Programme might have an impact on EDP and/or in EDP's businesses and activities directly or indirectly through the impact on the Portuguese economy as a whole. Below are the key measures, as extracted from the Memorandum of Understanding on Specific Economic Policy Conditionality in connection with the Stabilisation Programme, that may directly impact EDP and/or EDP's business and activities:

"Privatisation

3.31 *The Government will accelerate its privatisation programme. The existing plan, elaborated through 2013, covers transport (Aeroportos de Portugal, TAP, and freight branch of CP), energy (GALP, EDP, and REN), communications (Correios de Portugal), and insurance (Caixa Seguros), as well as a number of smaller firms. … The Government commits to go even further, by pursuing a rapid full divestment of public sector shares in EDP and REN, and is hopeful that market conditions will permit sale of these two companies, as well as of TAP, by the end of 2011. … An updated privatisation plan will be prepared by March 2012.* …

Energy markets

…

Liberalisation of electricity and gas markets

5.1. Regulated electricity tariffs will be phased out by January 1, 2013 at the latest. Present a roadmap for the phasing out following a stepwise approach by end-July 2011. The provisions will specify:

i. The timeline and criteria to liberalise the remaining regulated segments, such as pre-determined conditions relating to the degree of effective competition in the relevant market;

ii. The methods to ensure that during the phasing-out period market prices and regulated tariffs will not diverge significantly and to avoid cross-subsidisation between consumers segments;

iii. The definition of vulnerable consumers and the mechanism to protect them.

5.2. Transpose the Third EU Energy Package by the end of June 2011. This will ensure the National Regulator Authority's independence and all powers foreseen in the package.

5.3. In the gas market, the Government will take measures to accelerate the establishment of a functioning Iberian market for natural gas (MIBGAS), in particular through regulatory convergence. Take up political initiatives with Spanish authorities with the aim of eliminating the double tariff. [Q3-2011]

5.4. Regulated gas tariffs are to be phased out by January 1, 2013 at the latest.

5.5. Review in a report the reasons for lack of entry in the gas market, despite the availability of spare capacity, and the reasons for the lack of diversification of gas sources. The report will also propose possible measures to address the identified problems. [Q4-2011]

Additional costs associated with electricity production under the ordinary regime

5.6. Take measures in order to limit the additional cost associated with the production of electricity under the ordinary regime, in particular through renegotiation or downward revision of the guaranteed compensation mechanism (CMEC) paid to producers under the ordinary regime and the remaining long-term power-purchase agreements (PPAs). [Q4-2011]

Support schemes for production of energy under the special regime (co-generation and renewables)

5.7. Review the efficiency of support schemes for co-generation and propose possible options for adjusting downward the feed-in tariff used in co-generation (reduce the implicit subsidy). [Q4-2011]

5.8. Review in a report the efficiency of support schemes for renewables, covering their rationale, their levels, and other relevant design elements.21 [Q4-2011]

5.9. For existing contracts in renewables, assess in a report the possibility of agreeing a renegotiation of the contracts in view of a lower feed-in tariff.22 [Q4-2011]

5.10. For new contracts in renewables, revise downward the feed-in tariffs and ensure that the tariffs do not over-compensate producers for their costs and they continue to provide an incentive to reduce costs further, through digressive tariffs. For more mature technologies develop alternative mechanisms (such as feed-in premiums). Reports on action taken will be provided annually in Q3-2011, Q3-2012 and Q3-2013.

5.11. Decisions on future investments in renewables, in particular in less mature technologies, will be based on a rigorous analysis in terms of its costs and consequences for energy prices. International benchmarks will be used for the analysis and an independent evaluation will be carried out. Reports on action taken will be provided annually in Q3-2011, Q3-2012 and Q3-2013.

5.12. Reduce the delays and uncertainty surrounding planning, authorisation and certification procedures and improve the transparency of administrative requirements and charges for renewable energy producers (in line with Article 13 and 14 of EU Directive 2009/28/EC). Provide evidence of the measures taken to this end. [Q4-2011]

Energy policy instruments and taxation

5.13. Review existing energy related instruments, including taxation and energy efficiency incentives. In particular, evaluate the risk of overlapping or inconsistent instruments [Q3-2011].

5.14. Based on the results of the review, modify energy policy instruments to ensure that they provide incentives for rational use, energy savings and emission reductions. [Q4-2011]

5.15. Increase VAT tax rate in electricity and gas (presently at 6%) as well as excises for electricity (presently below the minima required by EU legislation). [Q4-2011]

...

Competition, public procurement and business environment

...

Competition and sectoral regulators

7.19 *The Government will eliminate "golden shares" and all other special rights established by law or in the statutes of publicly quoted companies that give special rights to the state (end-July 2011)."*

As such, the Portuguese Republic's special rights in EDP, i.e. its holding of class B shares not being subject to the 5% voting rights limitation provided for in EDP's by laws, as well as the rights attributed the Portuguese Republic in respect of certain decisions to be taken in EDP's general shareholders meeting pursuant to Decree-law no. 141/2000 of 15 July, are likely to be eliminated.

The detailed terms and conditions of implementation of the measures of the Stabilization Programme are as yet unknown, and when implemented they could have a material adverse effect on EDP's business, financial condition or results of operations."

DOCUMENTS INCORPORATED BY REFERENCE:

1. In respect of EDP, a copy of the auditors report and audited consolidated annual financial statements for the financial year ended 31 December 2010 which appear on pages 274 to 279 and pages 160 to 265, respectively, of the annual report for the year ended 31 December 2010 is incorporated by reference in and forms part of this Supplement. The aforementioned annual report has been filed with the FSA.

2. In respect of EDP B.V., a copy of the auditors report and audited annual financial statements for the financial year ended 31 December 2010 which appear on pages 26 to 27 and pages 7 to 24, respectively, of the annual report for the year ended 31 December 2010 is incorporated by reference in and forms part of this Supplement. The aforementioned annual report has been filed with the FSA.

Any information contained in the annual reports referred to above which is not incorporated by reference in this Supplement is either not relevant to investors or is covered elsewhere in the Base Prospectus as amended by this Supplement.

Copies of the information incorporated by reference in this Supplement as described above can be obtained from the registered office of the Issuers and from the specified office of the Paying Agent for the time being in London.

If documents which are incorporated by reference to this Supplement themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference or attached to the Supplement.

EDP GROUP

The following paragraphs are inserted after the last paragraph of the section headed "*Evolution of the Portuguese Electricity System*" on page 91 of the Base Prospectus:

"Directive 2009/72/EC was recently transposed into Portuguese law by Decree-Law no. 78/2011 of 20 June 2011 ("Decree-Law 78/2011"), which amended the Decree-Law 29/2006 and introduced changes into the New Electricity Framework.

Following the amendments introduced by Decree-Law 78/2011 to Decree-Law 29/2006, the New Electricity Framework now adopts a regime of stricter separation between the entities acting in the generation and supply of energy from the transmission and distribution system operators, on attributing new powers to the national energy regulator and on the reinforcement of the consumers' protection rights."

The second paragraph of the section headed "*The Current Portuguese Electricity System*" on page 91 of the Base Prospectus shall be deleted in its entirety and replaced by the following:

"The electricity sector activities are required to be developed in accordance with the principles of rationality and efficiency in the use of necessary resources and in accordance with the principles of competition, environmental sustainability and consumer protection, with the purpose of increasing competition and efficiency in the Portuguese Electricity System, in the context of the creation of the internal energy market."

The third paragraph of the section headed "*Electricity Transmission*" on page 94 of the Base Prospectus shall be deleted in its entirety and replaced by the following:

"The activities of the transmission system operator (or the concessionaire for the electricity transmission network) must be independent, both legally and organisationally, from other activities in the electricity sector. The minimum criteria for ensuring this independence are set out in the New Electricity Framework and include, among others, restrictions on the possibility of exercising control over the transmission system operator or by the transmission system operator in other companies operating in the generation or supply of electricity, including restrictions in the appointment of corporate bodies in or by the transmission system operator and restrictions on the ownership of the transmission system operator's share capital. No person or entity may directly or indirectly hold more than 10 per cent. of the concessionaire's share capital. For entities operating in the electricity sector, this limit is reduced to 5 per cent. The limitations are not applicable to the Portuguese state, the concessionaire or entities controlled by either of them."

The following paragraph is inserted after the last paragraph of the section headed "*Electricity Transmission*" on page 94 of the Base Prospectus:

"The New Electricity Framework also establishes a certification procedure for the transmission system operator, which shall be carried out by ERSE and which has the objective of evaluating the fulfilment of the referred independence criteria."

The fourth and fifth paragraphs of the section headed "*Electricity Distribution*" on page 94 of the Base Prospectus shall be deleted in their entirety and replaced by the following:

"Entities carrying out electricity distribution activities must be independent from entities carrying out activities unrelated to the distribution of electricity, from a legal, organisational and decision-making standpoint. The minimum criteria for ensuring this independence are set out in the New Electricity Framework and include, among others, restrictions aimed at ensuring that the entities carrying out electricity distribution activities have an independent and effective decision making power and obligations ensuring that the respective trademark and communications are distinct from the trademark and communications of all the other entities acting in the energy sector. Operators of distribution networks at low voltage who supply fewer than 100,000 customers are not subject to the independence criteria set out in the New Electricity Framework, although subject to the obligations of ensuring that their respective trademarks and communications are distinct from the trademark and communications of all the other entities acting in the energy sector.

Entities carrying out electricity distribution activities which supply more than 100,000 customers and who are vertically integrated as a company or a group shall establish and implement a compliance programme, subject to previous approval by ERSE, which sets out the measures taken in order to ensure that discriminatory conduct is excluded, and ensure that compliance with that programme is adequately monitored."

In the first sentence of the first paragraph of the section headed "*Electricity Supply*" on page 94 of the Base Prospectus, the word "licensing" is deleted and replaced by the words "prior registration".

In the fourth paragraph of the section headed "*Electricity Supply*" on page 94 of the Base Prospectus, the word "licensed" is deleted.

The first two sentences of the first paragraph of the section headed "*Logistics for Switching Suppliers*" on page 95 of the Base Prospectus are removed in their entirety and replaced by the words "Under market conditions, consumers are free to choose their electricity supplier and are exempt from any payment when switching suppliers, which process should not take more than three weeks".

The following paragraphs are inserted on page 97 of the Base Prospectus after the last paragraph of the section headed "*Electricity Tariffs*":

"Under Decree-Law 78/2011, the calculation of the tariffs shall take into account the clients protection from tariffs' evolution.

For the purposes of calculation of the tariffs for 2012, the over costs resulting from the generation under the special regime, including the adjustments which result from the two prior years, shall be reflected in the profits to recover by the regulated companies in a 5 year period. This mechanism may also be applied by ERSE to the subsequent years, taking into account the tariff stability necessities."

TAXATION

In the second paragraph of the section headed "1. Instruments issued by EDP B.V." (page 124 of the Base Prospectus), the rate "45.88%" is replaced by the rate "46.5%", the rate "20%" is replaced by the rate "21.5%" and the section "(being already foreseen that after 31 December 2010 said rate should be increased to 46.5%)" is deleted in its entirety from the Base Prospectus. The words ", subject to the aforementioned progressive tax rates" are inserted at the end of the paragraph after the words "unless an option for aggregation is made".

The following paragraph is inserted after the second paragraph of section "1. Instruments issued by EDP B.V." (page 124 of the Base Prospectus):

"Interest and other investment income paid or made available (*"colocado à disposição"*) to accounts in the name of one or more accountholders acting on behalf of undisclosed entities is subject to a final withholding tax at 30%, unless the beneficial owner of the income is disclosed, in which case the general rules will apply."

In the first paragraph of the section headed "2. Instruments issued by EDP not integrated in a centralised control system recognised by the Portuguese Securities Code *("Código dos Valores Mobiliários")*" (page 125 of the Base Prospectus), the rate "45.88%" is replaced by the rate "46.5%" and the section "(being already foreseen that after December 31, 2010 said rate should be increased to 46.5%)" is deleted in its entirety from the Base Prospectus.

The following paragraph is inserted after the first paragraph of the section headed "2. Instruments issued by EDP not integrated in a centralised control system recognised by the Portuguese Securities Code (*"Código dos Valores Mobiliários"*)" (page 125 of the Base Prospectus):

"Interest and other investment income paid or made available (*"colocado à disposição"*) to accounts in the name of one or more accountholders acting on behalf of undisclosed entities is subject to a final withholding tax at 30%, unless the beneficial owner of the income is disclosed, in which case the general rules will apply."

In the sixth paragraph of the section headed "2. Instruments issued by EDP not integrated in a centralised control system recognised by the Portuguese Securities Code (*"Código dos Valores Mobiliários"*)" (page 125 of the Base Prospectus), "at a rate of 20 per cent. for non resident entities and at a rate of 21.5 per cent. for non resident individuals" is replaced by "at a rate of 21.5%, both for non resident entities and non resident individuals".

The following paragraph is inserted after the sixth paragraph of the section headed "2. Instruments issued by EDP not integrated in a centralised control system recognised by the Portuguese Securities Code ("Código dos Valores Mobiliários")" (page 125 of the Base Prospectus):

"Interest and other investment income paid or made available ("colocado à disposição") to accounts in the name of one or more accountholders acting on behalf of undisclosed entities is subject to a final withholding tax at 30%, unless the beneficial owner of the income is disclosed, in which case the general rules will apply."

In paragraph 12 of the section headed "2. Instruments issued by EDP not integrated in a centralised control system recognised by the Portuguese Securities Code (*"Código dos Valores Mobiliários"*)" (page 126 of the Base Prospectus), "or if the individual is resident in a country with which Portugal has not entered into a Double Taxation Convention or a Tax Information Exchange Agreement" is inserted at the end of the first sentence, after "(*Lista dos países, territórios e regiões com regimes de tributação privilegiada, claramente mais favoráveis*)".

In paragraph 13 of the section headed "2. Instruments issued by EDP not integrated in a centralised control system recognised by the Portuguese Securities Code (*"Código dos Valores Mobiliários"*)" (page 126 of the Base Prospectus), a coma (",") is inserted after "or" and, at the end of the first sentence, "or if the holder is resident in a country with which Portugal has not entered into a Double Taxation Convention or a Tax Information Exchange Agreement" is inserted.

The following paragraphs are added to the heading "(b) Internationally Cleared Instruments" of the section headed "3. Instruments issued by EDP integrated in a centralized control system recognized by the Portuguese Securities Code", (page 128 of the Base Prospectus), after b) (ii):

"In addition, the international clearing system managing entity shall inform the direct register entity of the income paid to each participant for each security payment.

No Portuguese exemption shall apply at source under the special regime approved by Decree-law 193/2005 if the above rules and procedures are not followed. Accordingly, the general Portuguese tax provisions shall apply as described above.

If the conditions for the exemption to apply are met, but, due to inaccurate or insufficient information, tax is withheld, a special refund procedure is available under the special regime approved by Decree-law 193/2005. The refund claim is to be submitted to the direct or indirect register entity of the Instruments within 90 days from the date the withholding took place. A special form for these purposes was approved by Order (''Despacho'') n. 4980/2006 (2.nd series), published in the Portuguese official gazette, 2.nd series, n. 45, of 3 March 2006 issued by the Portuguese Minister of Finance and Public Administration (currently ''*Ministro das Finanças e da Administração Pública''*) and may be available for viewing at www.portaldasfinancas.gov.pt

The refund of withholding tax in other circumstances or after the above 90 days period is to be claimed to the Portuguese tax authorities under the general procedures or through form 22-

RFI, approved by Order ("*Despacho*") n. 4743-A/2008, of 8 February 2008 (2.nd series), as rectified by Rectification no. 427-A/2008, of 29 February 2008, published in the Portuguese official gazette, second series, no. 45, of 29 February 2008, of the Portuguese Minister of Finance and may be available for viewing and downloading at www.portaldasfinancas.gov.pt and within the general deadlines."