# PROVISIONAL VOLUMES STATEMENT - 1Q12

Lisbon, April 19th, 2012

**EDP installed capacity reached 23.2GW in Mar-12, representing a 5% increase over the past 12 months. This growth was prompted by new wind capacity (+532MW) and the start-up of two hydro repowerings in Portugal: Picote II (246MW) and Bemposta II (191MW). In turn, generation output in 1Q12 reached 15TWh, 60% of which derived from $CO_2$-free technologies (wind & hydro) despite very dry weather conditions in Iberia. Energy distributed by EDP rose 3% supported by gas in Iberia.**

**Electricity and gas distribution in Iberia –** In 1Q12 **electricity distributed in Portugal** was 4% lower YoY driven by the residential, SME and public lighting segments, following the increase in taxation over electricity consumption (VAT up from 6% to 23% in Oct-11). Conversely, the industrial segment performed positively, fuelled by exporting sectors. **In Spain**, electricity distributed by HC Distribución in the region of Asturias was 5.3% lower YoY, due to lower demand from the industrial segment. **Gas distributed** grew 7.6% in Portugal YoY in 1Q12, backed by a 10% increase in supply points, and 19% YoY in Spain, backed by the connection of Cartagena LNG terminal in Murcia region.

**Brazil –** Growth in **electricity distributed** by Bandeirante+Escelsa slowed down significantly: +0.3% YoY in 1Q12 vs. +2% YoY in 4Q11. The expansion of clients base in the residential (+3%) and commercial (+8%) segments was the main growth driver of total volumes sold to final clients (+1.5%). In turn, lower industrial production resulted in a fall in volumes sold to industrial final clients (-4%, also impacted by the clients migration to the free market) and a fall in volumes distributed to large industrial clients in the free market (-1.7%). In **electricity generation** (where all plants are subject to PPA contracts), output rose by 5%, supported by our strategy of allocation of PPA's contracted volumes in the year, resulting in a higher allocation in the period. (For more detail see EDP Brasil release). EDP Brasil will release 1Q12 results on May 9th after Bovespa market close.

**Wind Power –** Output rose 18% YoY in 1Q12, outpacing the 8% expansion in installed capacity (+532MW excluding EDPR's stake in Eólicas de Portugal: +264MW in Europe, +198MW in US, +70MW in Brazil). In **US** (59% of total), output grew 26% propelled by an average load factor 6pp higher YoY, at 41%, and by higher installed capacity (+6%). In **Europe** (40% of total), output rose 6.2% YoY, mainly driven by operations outside Iberia (output 50% higher) reflecting capacity additions in Poland and Romania. In **Iberia**, output growth (-21% in Portugal, +4% in Spain), was penalized by weak wind resources which resulted in a fall in average load factors (-7pp in Portugal, to 24%; -2pp in Spain, to 28%). (For more details, see EDPR's press release). EDPR will release 1Q12 results on May 9th, before the NYSE Euronext Lisbon market opens.

**Long Term Contracted generation in Iberia –** Power plants operating under PPA/CMEC in Portugal are entitled with a stable contracted gross profit and an 8.5% RoA before inflation & taxes, adjusted for the ratio real vs. programmed availability levels. Output retreated 35% YoY in 1Q12, due to a 79% slump in hydro output following very weak hydro resources in the period (hydro coefficient of 0.19 in 1Q12 vs. 1.15 in 1Q11). In turn, coal output advanced 172% propelled by a 91% average load factor.

**Liberalised electricity and gas supply in Iberia** - Volumes of electricity supplied to our liberalised clients rose 1.9% YoY in 1Q12, driven by Portugal operations based on the contracting of some large clients in mid 2011 and, to lower extent, the larger client base (+26% YoY) propelled by the switch of residential clients from the regulated market. Volumes supplied in Spain were virtually flat, reflecting the mixed impact of new clients contracting and lower demand. In the gas business, volume supplied fell 6% in 1Q12, reflecting weak demand and a selective clients contracting policy.

**Liberalised generation in Iberia –** Installed capacity rose 437MW, to 7,574MW, in the wake of start up of our hydro plants (repowerings) of Picote II (246MW in Nov-11) and Bemposta II (191MW in Dec-11). Output from our merchant plants in 1Q12 was 21% lower YoY reflecting very dry weather conditions in the period and coal's more competitive cost vis-à-vis-CCGTs. As a result, output from our CCGTs fell 58% (on average load factor 17pp lower YoY) and hydro output fell 52%, while coal output surged 76%, also impacted by the implementation of RDL1221/2010, on Spanish coal. In 1Q12, generation from our own plants met 45% of the needs from our electricity supply business.

**EDP's 1Q12 results will be released on May 10th after market close. A conference call will be hosted by EDP's CEO, Mr. António Mexia on May 11th at 11:00 GMT.**

## Electricity Distribution - Iberia

| | 1Q12 | 1Q11 | Δ 12/11 |
|---|---|---|---|
| **Electricity Distributed (GWh)** | **14,151** | **14,779** | **-4.2%** |
| Portugal | 11,716 | 12,208 | -4.0% |
| Spain | 2,435 | 2,571 | -5.3% |
| **Supply Points (th)** | **6,774** | **6,800** | **-0.4%** |
| Portugal | 6,118 | 6,148 | -0.5% |
| Spain | 656 | 652 | 0.5% |

## Gas Distribution - Iberia

| | 1Q12 | 1Q11 | Δ 12/11 |
|---|---|---|---|
| **Gas Distributed (GWh)** | **19,444** | **16,539** | **18%** |
| Portugal | 2,211 | 2,054 | 7.6% |
| Spain | 17,233 | 14,485 | 19% |
| **Supply Points (th)** | **1,274** | **1,237** | **3.0%** |
| Portugal | 276 | 252 | 9.7% |
| Spain | 998 | 985 | 1.3% |

## Electricity Distribution - Brazil

| | 1Q12 | 1Q11 | Δ 12/11 |
|---|---|---|---|
| **Electricity Distributed (GWh)** | **6,202** | **6,185** | **0.3%** |
| Final Clients | 3,902 | 3,846 | 1.5% |
| Access Clients | 2,300 | 2,339 | -1.7% |
| **Supply Points (th)** | **2,859** | **2,767** | **3.3%** |
| Bandeirante | 1,559 | 1,514 | 2.9% |
| Escelsa | 1,300 | 1,253 | 3.7% |

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Lisbon, April 19th, 2012

## Wind Power Europe, USA & Brazil

| | Installed Capacity (MW) | | | Output (GWh) | | Load Factor | | |
|---|---|---|---|---|---|---|---|---|
| | 1Q12 | 1Q11 | Δ MW | 1Q12 | 1Q11 | 1Q12 | 1Q11 | Δ GWh |
| **Europe** | **3,652** | **3,388** | **+264** | **2,109** | **1,985** | **27%** | **29%** | **6.2%** |
| Portugal | 613 | 599 | +14 | 314 | 395 | 24% | 31% | -21% |
| Spain | 2,201 | 2,158 | +43 | 1,317 | 1,272 | 28% | 30% | 3.5% |
| Rest of Europe | 838 | 630 | +208 | 477 | 317 | 28% | 28% | 50% |
| **Brazil** | **84** | **14** | **+70** | **48** | **6** | **26%** | **19%** | **737%** |
| **USA** | **3,422** | **3,224** | **+198** | **3,056** | **2,430** | **41%** | **35%** | **26%** |
| **Total EBITDA MW** | **7,157** | **6,625** | **+532** | **5,213** | **4,421** | **34%** | **33%** | **18%** |
| **Total EBITDA MW + Eól. Port.*** | **7,483** | **6,864** | **+619** | | | | | |

* Eólicas de Portugal is equity method consolidated.

## Liberalised Electricity Generation in the Iberian Market

| | Installed Capacity (MW) | | | Output (GWh) | | Load Factor | | |
|---|---|---|---|---|---|---|---|---|
| | 1Q12 | 1Q11 | Δ MW | 1Q12 | 1Q11 | 1Q12 | 1Q11 | Δ GWh |
| **Generation** | **7,574** | **7,137** | **+437** | **3,530** | **4,485** | **22%** | **29%** | **-21%** |
| CCGT | 3,736 | 3,736 | - | 973 | 2,341 | 12% | 29% | -58% |
| Coal | 1,460 | 1,460 | - | 1,846 | 1,048 | 58% | 33% | 76% |
| Hydro | 1,347 | 910 | +437 | 376 | 783 | 13% | 40% | -52% |
| Nuclear | 156 | 156 | - | 335 | 313 | 99% | 93% | 6.8% |
| Fuel Oil/Diesel | 875 | 875 | - | 0 | - | 0% | 0% | - |

## Liberalised Energy Supply to Retail Customers in the Iberian Market

| Volumes (GWh) | 1Q12 | 1Q11 | Δ 12/11 |
|---|---|---|---|
| **Electricity** | **7,917** | **7,767** | **1.9%** |
| Portugal | 2,322 | 2,189 | 6.1% |
| Spain* | 5,595 | 5,578 | 0.3% |
| **Gas** | **10,208** | **10,863** | **-6.0%** |
| Portugal | 1,596 | 2,232 | -29% |
| Spain | 8,612 | 8,631 | -0.2% |

| Supply Points (th) | 1Q12 | 1Q11 | Δ 12/11 |
|---|---|---|---|
| **Electricity** | **1,417** | **1,325** | **6.9%** |
| Portugal | 388 | 308 | 26% |
| Spain* | 1,028 | 1,018 | 1.1% |
| **Gas** | **776** | **814** | **-4.6%** |
| Portugal | 6.3 | 0.7 | 833% |
| Spain | 770 | 813 | -5.3% |

* Includes Last Resort Supply

## PPA / CMEC and Special Regime (excluding Wind)

| | Installed Capacity (MW) | | | Output (GWh) | | Load Factor | | |
|---|---|---|---|---|---|---|---|---|
| | 1Q12 | 1Q11 | Δ MW | 1Q12 | 1Q11 | 1Q12 | 1Q11 | Δ GWh |
| **Total PPAs/CMECs Portugal** | **6,221** | **6,221** | **-** | **3,200** | **4,956** | **24%** | **36%** | **-35%** |
| Hydro | 4,094 | 4,094 | - | 846 | 4,092 | 9% | 46% | -79% |
| Coal | 1,180 | 1,180 | - | 2,353 | 864 | 91% | 34% | 172% |
| Fuel Oil | 946 | 946 | - | 2 | 0 | 0% | 0% | - |
| **Brazil Hydro PPAs** | **1,790** | **1,735** | **+55** | **2,647** | **2,530** | **68%** | **67%** | **4.6%** |
| **Special Regime in Iberia (ex-wind)** | **469** | **470** | **-1** | **608** | **681** | **59%** | **66%** | **-11%** |