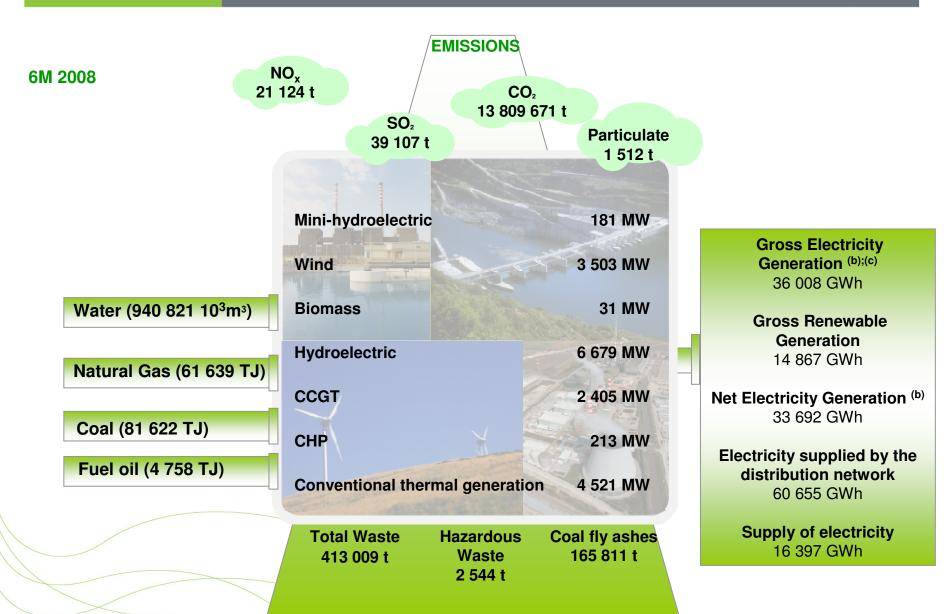


### Summary of EDP's Activities





## **Economic Indicators**



Sustainability Semester Indicators	9M2007	9M2008	Variation 08/07 h.v.	Goal for 2008
GVA per employee (€)	202 860	240 340	18,5%	n.a
Turnover (millions of euros)	8 621	10 262	19,0%	11 687
Contribution for GDP (Amount of Business) (%) (a)	7,09%	8,22%	1,12 p.p	6,86%P
Net operating investment (millions of €)	1 314	2 171	65,2%	3 806
Investment in renewable energies (millions of €)	623	1 418	127,5%	2 406
Investment in renewables in total investment (%)	47,43%	65,30%	17,87 p.p	63,21%
Investment in environment (millions of €)	86	62	-28,0%	n.a
Investment in environment in total investment (%)	6,53%	2,85%	-3,68 p.p	n.a
Net profit (millions of €)	665	940	41,3%	n.a
Profit per share (€)	0,182	0,257	41,3%	n.a
Market capitalisation (millions of €)	17 734	10 747	-39,4%	n.a

## **Operating Indicators**



Sustainability Semester Indicators	9M2007	9M2008	Variation 08/07 h.v.	Goal for 2008
Maximum installed power (MW) (m)	14 394	17 533	21,8%	17 847
Maximum certified net power (%)	<b>72</b> %	67%	-5,2p.p	72%
Gross electricity generation (GWh) (c); (d)	39 320	36 008	-8,4%	55 367 P
Gross renewable generation (GWh)	15 197	14 867	-2,2%	25 594
Renewable generation in total gross electricity generation (%)	38,65%	41,29%	2,64p.p	46,23%
Renewable power (MW)	8 025	10 394	29,5%	10 711
Renewable power in total power (%)	55,75%	59,29%	3,54p.p	60,01%
Electricity distribution (GWh)	60 509	60 655	0,2%	83 057
Electricity supply – liberalized market (GWh)	15 566	16 397	5,3%	19 027
Number of customers in the regulated market	9 696 534	9 270 934	-4,4%	9 799 140
Number of customers in the liberalized market	154 443	253 808	64,3%	200 298
Gas distribution (GWh)	16 878	17 453	3,4%	24 993
Gas supply (GWh)	13 175	18 286	38,8%	23 000
Number of clients in gas	778 109	822 069	5,6%	796 596
TIEPI - Iberian Peninsula <sup>(e)</sup> (min)	134	128	-4,2%	206
Total GWh generated per employee	3,01	2,94	-2,1%	4,27
Total GWh distributed per employee	4,63	4,96	7,2%	6,40

## **Environment Indicators**



Sustainability Semester Indicators	9M2007	9M2008	Variation 08/07 h.v.	Goal for 2008
CO <sub>2</sub> Emissions (kt)	17 546	13 810	-21,3%	22 555
Fleet CO <sub>2</sub> Emissions (kt) <sup>(f)</sup>	14,1	13,5	-4,6%	n.a.
NO <sub>x</sub> Emissions (kt)	38,15	21,12	-44,6%	35,28
SO <sub>2</sub> Emissions (kt)	72,89	39,11	-46,3%	43,77
Particulate emissions (kt)	2,73	1,51	-44,7%	1,01 P
$CO_2$ specific emissions (g $CO_2/kWh$ )	446	384	-14,1%	407
$NO_x$ specific emissions (g $NO_x$ /kWh)	0,97	0,59	-39,5%	0,64
SO <sub>2</sub> specific emissions (g SO <sub>2</sub> /kWh)	1,85	1,09	-41,4%	0,79
Total waste (t) <sup>(g)</sup>	669 046	413 009	-38,3%	1 044 303 P
Primary energy consumption (TJ)	189 624	157 656	-16,9%	233 407
Coal	126 504	81 622	-35,5%	150 719
Natural Gas	44 148	61 639	39,6%	78 573 P
Furnace gas	7 488	8 040	7,4%	n.a
Coke gas	1 434	862	-39,9%	n.a
Propane gas	2	0	-100%	n.a
Fuel oil	8 722	4 758	-45,4%	3 030
Gasoil	51	52	-2,8%	n.a
Forest waste	1 082	497	-54,0%	1 086
Fleet	194	184	-5,0%	n.a

## **Environment Indicators**



Sustainability Semester Indicators	9M2007	9M2008	Variation 08/07 h.v.	Goal for 2008
Consumption by generation (MWh) <sup>(h)</sup>	1 047 647	1 128 891	7,8%	n.a
Electricity consumption at administrative services (MWh)	24 135	15 759	-34,7%	n.a
Water use (10 <sup>3*</sup> m3*) <sup>(i)</sup>	1 326 141	940 821	-29,1%	2 473 565 P
Cooling water	1 321 562	937 056	-29,1%	n.a
Gross water	4 416	3 602	-18,4%	n.a
Safe water	163	163	-0,3%	n.a
Lines (HV and MV) in classified sites (%) (h)	11,08%	11,35%	2,5%	n.a
Substations in classified sites (%) <sup>(h)</sup>	5,76%	5,24%	-9,1%	n.a
Number of environmental complaints (h)	39	67	71,8%	n.a
Solved complaints index <sup>(h)</sup>	108	103	-4,4%	n.a
Number of environmental non-compliances (h)	35	68	94,3%	n.a
Solved non-compliances index <sup>(h)</sup>	2	12	480,9%	n.a

## **Social Indicators**



Sustainability Semester Indicators	1\$2007	1\$2008	Variation 08/07 h.v.	Goal for 2008
Number of employees (i)	13 078	12 229	-65%	12 980
Job rotation index or turnover	0,03	0,05	43,7%	n.a
Absenteeism rate (%)	3, 80%	3,42%	-0,38 p.p	n.a
Total training hours	288 501	299 536	3,8%	577 877
Trained employees (%)	n.a	82,01%	n.a	100%
Sponsorship & Patronage (thousand €) <sup>(k)</sup>	8 845	9 927	12,2%	n.a
On-duty accidents (number)	59	51	-13,6%	(i)
Severity rate (Tg)	214	174	-18,4%	(i)
Frequency rate (Tf)	3,51	3,07	-12,7%	(i)

## Quarter summary

#### • Economy

Until September 2008, EDP's VAB corresponded to 2 939 million euros, representing an increase of 10,8% compared to the homologous period. The wealth created per employee reached 240 thousand euros, corresponding to an homologous variation of 18,5%. For the same period, we point out the growth of EDP's turnover (19%) compared to 2007. In the period under analysis, there was a slowdown in the growth of the operating investment (+65,2%) and the significant contribution originated by the investment in renewable energies remained the same, which increased from 47,4%, in the 9 months of 2007, to 65,3% in the same period of the current year.

#### Operating and Environment

- In the first nine months of 2008, the maximum installed power registered an homologous variation of 20%. For this variation we would like to highlight the most significant positive contribution of wind power valued in 1 378,9 MW.
  - Comparing the 2nd and 3rd quarters of 2008, there was a variation of 7,3%. The main contributions to this were the launching of operations in Soto 4 (418 MW) and of several wind farms (265 MW) in Spain, France and USA, the conclusion of the operations of exclusive control of Lajeado's hydro plant (902,5 MW) and of 11 mini-hydro installations of Pebble Hydro and, finally, of the biomass plant of Vila Velha de Ródão with 12 MW power.
- As to electricity generation, there was a 8,4% reduction, compared to the homologous period, due to the reduction in thermal generation (-12,4%), in spite of the growth in CCGT generation (45,6%). This evolution was due to programmed breaks in Sines and Soto power plants for the installation of desulphurizing equipment.
  edp

## Quarter summary

#### Operating and Environment

- Primary energy consumption showed a 17% reduction compared to the homologous period. The homologous decrease of 35,5% in soal consumption and the increase of 39,6% in natural gas consumption are to be highlighted. This fact was due to the higher use of CCGT over conventional thermal plants. The  $CO_2$  emission factor was 383,5 g/kWh, representing a 14,1% decrease compared to the homologous period.
- In the scope of internal initiatives concerning the energy efficiency program, we can outline an homologous reduction of about 34,7% in the office buildings' electric consumption.

#### Contribution to social development

- In the period of January to September of 2008, there were 51 on-duty accidents 13,6% less than in the homologous period.
- EDP involved about 10 million euros in social investment actions, 52% of which were originated in projects of corporate promotion, 25% in actions developed in the scope of the patronage politic of EDP Foundation and 21% in initiatives supported by Energias do Brazil Institute.
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#### January

- EDP is Silver in Sustainability matters. In terms of Sustainability performance, SAM classified EDP in Silver category for the electricity sector, side by side with Spanish congeners
- Best of European Business (BEB). EDP won the "Best of European Business" (BEB)
  award in "cross-border M&A fusions and acquisitions" category.
- -On January 17, Portgás and Vulcano organised a Workshop on "Natural Gas + Solar = good energetic certification", with the purpose of presenting different solutions on thermal solar systems and analysing the performance of natural gas versus the one of electricity, as an energy source supporting both systems.

#### February

–Approval of EDP's Code of Ethics Regulation. This approval will ensure the correct and complete application of EDP's Code of Ethics, published in 2005, namely through the articulation between the existing organs in EDP's current governing model and the Ethics Committee, via the adoption of an efficient operating methodology, which goes, namely, through the creation of the ethics ombudsman figure.



-EDP was invited to present the project "The Environment belongs to us all - Let's use energy well" in the "Electricity Industry Activities on Energy Efficiency" workshop, organized by Eurelectric, which took place in the European Commission facilities, under the scope of the "Sustainable Energy Week 2008" event.

-Hidrocantábrico Foundation sponsored the art lighting of Vieyu Bridge in Lugones, with the aim of emphasizing its medieval construction.

#### March

-In the last edition of the Corporate Register Reporting Awards, EDP's 2006 sustainability report was classified in "Transparency Aspect" category in 10th place in "openness & honesty" report, and obtained 2nd place regarding "best carbon disclosure" report.

-EDP signed a cooperation protocol with the Portuguese Association of Electrical and Electronic Equipment Waste Management. This will broaden the reception network for this kind of waste to all its generation centres (thermal and hydroelectric) in Portugal.

-A framework was established for the Distribution Programme 2010. This programme is composed by 10 complementary projects, one of which (ECODIS) aims to contribute to launch an environmental culture integrated in Organization management and is composed by two subprojects: Environmental Management System and Incorporation of Environmental Costs.



-In the scope of the contest "Business ideas in the area of energy efficiency" (PPEC), organized in partnership with the University of Coimbra, a prize was delivered to the winning team following the selection process of innovative projects in the area of energy efficiency.

-The analysis and selection of 95 candidacies presented to EDP Solidária 2007 Programme was closed. The protocols with the winner entities from 2006 edition have been signed.

-In the scope of the cooperation arrangement between Hidrocantábrico Foundation and the University of Oviedo, 125 fellowships were delivered to be carried out in HC Energía headquarters.

#### • April

•ECO Programme actions concerning 2008 were presented. In the scope of this Programme, EDP expects an investment of 7 million euros to be applied in measures supporting energy efficiency, which will allow to reduce families' and enterprises' energy consumption. As an example, we can outline actions and initiatives such as the use of electronic speed controllers and the creation of the site "the environment belongs to us all".



- •Under the scope of the project "Learning to Venture", EDP Foundation and EDP launched the venture project 2008, with the participation of 30 collaborators, to activate school groups belonging to 5th and 6th grades.
- •EDP's Group 2007 sustainability report deserved A+ application level from Global Reporting Initiative (GRI). This classification represents the highest recognition level allowed by the international sustainability report guidelines, which corresponds to a compliance of more than 90 sustainability indicators.

A cooperation protocol for 3 years was signed between EDP Foundation and Casa da Música Foundation, assuming the statute of patronage for the Piano Cycle, through the attribution of 200 000 euros in 2008 and 250 000 in the two following years. Also during this month, EDP Foundation signed a protocol for 3 years to support Red Nose Operation, through the attribution of 100 000 euros per year.

• In Brazil, EDP received greetings from Victor Civita Foundation, partner of Energias do Brasil in the project "Letras de Luz", under the scope of the social work developed with children and teenagers of 51 Brazilian municipalities belonging to 4 Brazilian states.



#### May

- •Works in solar heating system belonging to the houses of Mogi das Cruzes and Guarulhos, in Brazil, were approved. These works aim to reduce electric energy consumption between 30% and 40%. The project involves Bandeirante and the Housing and Urban Development Company. Bandeirante expects to invest about 8 million reais (20 million euros) in the project.
- •EDP Renováveis, one of the biggest wind energy companies worldwide, with a gross wind capacity installed of 3,7 GW by March 31, announced the approval of the Public Offer Prospect of Subscription by the Market of Values Commission and of the Admission to Negotiation of representative shares of its own social capital in Eurolist by Euronext Lisbon.
- •EDP joined London Benchmarking Group (LBG), a congregation of more than 100 enterprises who work together to determine social investment return through the creation of a global measuring pattern and sharing best practices.



•A protocol between EDP Foundation and Serralves Foundation was signed with the purpose of supporting contemporary art and young artistic creation, being one of the main patronage projects of EDP Foundation, estimated in 315 thousand euros in the period of 2007/2008.

#### <u>June</u>

- •EDP obtained the certificate of its Environmental Management System, according to ISO 14 001:2004, applicable to corporate management of environmental policies and strategic environmental plans, environmental information and performance of EDP Group organizations.
- •EDP Comercial started the 1st phase of distributing 45 000 compact fluorescent bulbs to clients belonging to the residential sector. These actions, that took place in Faro, Beja, Évora, Setúbal, Portalegre, Santarém, Leiria and Coimbra municipalities, were part of the tangible measures approved by the Regulator Authority under the scope of the Consumption Efficiency Promotion Plan implementation for 2008.
- •HC Energía obtained the ISO 14 001:2004 certificate of Environmental Management System of its hydroelectric plants. Being so, in Spain, EDP has all of its generation area certified, with the exception of some renewable plants with around 3 MW and one plant belonging to the ordinary regime with 79 MW.



- •EDP Renováveis Brasil was created (55% EDP Renováveis and 45% Energias do Brasil) and will be functioning as a growing platform of wind market in Brazil. It owns the investments of the company in renewable energies in South America.
- •EDP Renováveis Brasil purchased 100% of Cenaeel (Centro Nacional da Energia Eòlica) for the amount of 51 million reais. At the present moment, this company has 70 MW in expansion projects to be developed and 13,8 MW in use in the municipality of Água Doce, in Santa Catarina.
- •EDP Renováveis Brasil announced the intention of developing viability studies in partnership with CEMIG for the construction of 500 MW wind farms in the states of Minas Gerais and Espírito Santo. A collaboration protocol has been signed with the State of Espírito Santo for the study of projects representing more than 200 MW.
- Under the scope of the environment management system certification of electric energy distribution in Portugal, the environmental diagnosis of 60 HV substations was concluded. It is foreseen that 3 of these substations will come to obtain the ISO 14 001:2004 certification during the current year.



• Energias do Brasil signed an exchange of shares agreement with Grupo Rede, establishing the terms and conditions for the promotion of assets swap. This interchange aims, on one hand, the whole of the society participation detained in the distribution company Enersul and, on the other, the society participations detained by Grupo Rede in Investco, which will allow the control of the hydro plant of Lajeado (902,5 MW). The conclusion of this operation depends of the accordance of the Brazilian regulator entity of the electric sector, ANEEL, and of the accomplishment of other society and contract acts decurrent from the change of control in these targeted societies.

#### July

- The Competition Authority approved EDP's exclusive control over Pebble Hydro-Consultancy, Investments and Services and Hidroeléctrica de Janeiro de Baixo companies, both belonging to the Australian group Babcock & Brown. Pebble Hydro owns, indirectly, a set of societies that explore a set of 11 mini-hydric installations. Hidroeléctrica Janeiro de Baixo still hasn't started any activity.
- António Mexia got the Best CEO award in Investor Relations area under the scope of the Investor Relation & Governance Awards ceremony, organized by Deloitte, with the support of Diário Económico and Semanário Económico newspapers.



- In Brazil, EDP started the works to install the Porto de Pecém Thermal Power Plant, in São Gonçalo do Amarante, Ceará, with an installed capacity of 720 MW, corresponding to a total investment of approximately 1,2 million dollars. This building project, to be executed in partnership with MPX Energia, in a 50% proportion, has its exploration launching foreseen to 2011 and is going to make use of imported mineral coal.
- •A contract was signed for the installation of the Sines Generation Plant denitrification with a consorts formed by Alstom Power Itália Spa, Alstom Portugal SA and Etacec Engenharia SA, in the value of 91 million euros. This amount is to be added to a set of investments being done, which will sum 326 million euros in the environmental requalification of the plant.
- •Public presentation of the "ex-situ conservation of river organisms critically endangered" Project, under the scope of EDP's Group Politic of Biodiversity concretion and of the assumed compromise with Business & Biodiversity initiative.
- •Hidrocantábrico Foundation concluded the artistic lighting project of San Estebán de Ciaña church in Langreo, corresponding to a value of 17 thousand euros. To be mentioned that the artistic lighting of relevant historical and cultural heritage elements of Principado de Asturias corresponds to one of the main activities of this Foundation.



- The results of the satisfaction survey addressed to HC workers were displayed. An improvement towards 2006 was registered in what concerns the company, the working area and motivation, as well as the fact that workers highly value employment stability, personal development opportunities and conciliation between professional and family life.
- •EDP wins the contest to build the hydroplants of Fridão (256 MW) and Alvito (136 MW) for a term of 65 years. The total investment in building both plants is estimated in 510 million euros, being the start of operation foreseen to 2016. EDP's proposal consisted of an offer of 161,7 million euros summed to the minimum value of 70 million euros set in the contest programme, to be paid by EDP during 2008.
- •EDP Comercial carried out one more action under the scope of the Consumption Efficiency Promotion Plan, by offering a 50 euros voucher to 30 thousand domestic clients for each new A+ or A++ fridge or freezer purchased in Worten stores. This action was brought up through promoters in the selected stores, who distributed a flyer containing information on good practices in the use of white goods.



#### **August**

- •HC Energia obtained the renewal of its Quality Management System certification through the UNE EN ISO 9001:2000, implemented in electric energy and gas commercialization in the free market. The certification's renewal by AENOR awarded the efforts made by HC Energia, who accomplished every requirement of the standard in every area of activity and correspondent process associated to the commercial services. To be emphasized that, along the audition period, there was one minor non-compliance registered.
- •Energias do Brasil and MPX, a company belonging to EBX Group, settled an agreement to expand the Porto do Pecém thermal plant project, in the State of Ceará, with the aim of installing a new unit with 360 MW of installed power, which will also use imported mineral coal.
- •Bandeirante Energia received the Alto Tietê Business Social Responsibility Mogi News award, promoted by the 2nd edition of this newspaper, for the Bandeirante Community Education programme, created in 2001, with the goal of improving education and environment in the schools belonging to Alto Tietê, Vale do Paraíba and the northern coastline of the State of S. Paulo.



#### <u>September</u>

- •Through its company Naturgas Energía, EDP came to an agreement with Iniciativas Emeritenses, S.A. and Extremadura 2000 de Gas, S.A. for the acquisition of 100% of Gas Merida for 15 M€. Gas Merida is a natural gas distribution company, with its headquarters in Merida, the capital of the Autonomous Community of Extremadura. The company started its activity in 2001 and at the present counts with 100 km of network and a great potential of growing. In 2007, its billing corresponded to 1.7 M€. This agreement will be approved, as established by the rule, by the Defence Service under the Economy and Finance Ministry and by the National Energy Commission (CNE).
- •In the 4th of this month, EDP became the only Portuguese company in 2008 to integrate Dow Jones Sustainability Indexes World & Stoxx. These are the indexes that distinguish companies who, in each sector of activity, show the best performance in matters related to sustainability, showing excellence in economic and social management.
- Another annual edition of "EDP Solidária" Programme (2008) was launched, aiming to distribute an amount of 350 thousand euros for projects promoting the improvement of life quality, in particular of socially disadvantaged people, and the integration of communities with social exclusion risk.



- •EDP Renováveis participated in the launching construction ceremony of a new wind farm in Margonin, in the Polish region of Wielopolska. This will be the first of several investments planned by EDP in the sector of renewables in Poland, East Europe and Central Europe. This wind farm, with an installed capacity of 120 MW, will be constituted by 60 turbines, supplied by Gamesa, and will annually produce around 260 000 MW of electricity. The first phase, with an installed capacity of 20 MW, will be concluded until the end of 2008, and the second one, with 100 MW, will be finished by the first semester of 2010.
- •Bandeirante was integrated in Brazil's social and environmental Good Practices Bank and in the Good Practices Bank of the National Quality Foundation, following the publication of the 30 companies list of the 2008 Benchmarking Programme. This distinction was due to the Bandeirante's Community Education Programme.
- •The assets exchange operation with Grupo Rede, announced in June, was concluded. EDP Energias do Brasil assumes 73% of Investoo's voting capital, a company that operates Luiz Eduardo Magalhães Hydroelectric (Lajeado), located in Tocatins river, which allows it to completely consolidate in its generation assets portfolio the hydro plant with 902,5 MW of installed capacity.



- •EDP took part in the opening ceremony of the largest solar thermal plant in the country, capable of saving until one million kWh of electricity per year, in Caixa Geral de Depósitos headquarters' building. This was a technological partnership with this institution. The great innovation of this infrastructure lies in the fact of being the largest solar thermal plant in Europe with absorption chiller, allowing the use of water in the cooling system of the building. Through this, the generated energy is used in its maximum possibility to heat in winter and to refrigerate in summer.
- •Six supply points to electric vehicles were installed in Lisbon. EDP joined this initiative with Lisboa E-Nova and Lisbon's municipality.
- •The first commercial project of wave power was launched in a ceremony that took place in Aguçadoura, in Portuguese north coast. The project is a joint-venture with 77% detained by a group of three promoters EDP, Efacec and Babcock & Brown and 23% by the technologist, Pelamis Wave Power Limited. The project represents a significant step in the efforts to turn wave energy possible as an electricity source commercially viable. Babcock & Brown will detain 46,2% of the project's participation, whereas EDP will detain 15,4% with an acquisition option of 15,4% more from Babcock & Brown. By its turn, Efacec will retain another 15,4%. The project's total investment is around 9 million euros.



- •The 12th wind farm of EDP Reneváveis started exploration through its participated Horizon Wind Energy. The farm will have an installed capacity of 301 MW, 200 of which will be operational until the end of the year.
- •EDP Energias do Brasil was one of the companies recognized in the third edition of the "2008 Smile of Goodness Award" promoted by the NGO Turma do Bem, in the "Companies of Goodness" category, due to the volunteer support given to the making of the project Dentist of Goodness.



### Notes



#### Clarification:

The shown information was not verified by any independent external entity. The presentation includes values concerning the account consolidation perimeter of EDP Group. Values do not include nuclear power plant of Trillo.

#### Map symbols:

h.v.- homologous variation

p.p- percentage point

P- interim

n.a.- not available

**GVA- Gross Value Added** 

**GDP- Gross Domestic Product** 

#### Glossary

This information is complemented by the definitions of sustainability indicators that can be found in our Portuguese site under the link Glossário.



### Notes

#### Footnote:

- (a) GDP value for the third quarter 2008 is interim
- (b) Only applies to environmental expenses to control air pollution (Sines, Soto and Aboño)
- (c) Does not include nuclear power plant of Trillo; does not include Soto's group IV value in the month of September
- (d) Includes steam generation (Barreiro and CCGT)
- (e) Values for Portugal and Spain
- (f) Values concerning Portugal and Brazil
- (g) Does not include Labelec and Naturgás
- (h) Values concerning Portugal
- (i) Does not include Labelec, Naturgás and Energias do Brasil
- (j) Active employees; does not include governing bodies; Investco employees were included
- (k) 2008 value does not include Fundación Hidrocantábrico expenses and includes, for the first time, Horizon social expenses
- (I) Aims were established according to predicted in EDP's prevention and security action plan, under the scope of which the expectations are to achieve a 10% reduction relative to values recorded in 2007
- (m) Does not include nuclear power plant of Trillo; includes Soto's group IV in the month of September.







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