

EDP Announces Cash Tender Offer for up to \$500 Million of Outstanding Debt Securities Issued by EDP Finance B.V.

EDP – Energias de Portugal, S.A., a public company organized under the laws of Portugal (the **Company**), hereby announces that it has commenced a cash tender offer (the **Offer**) for an aggregate amount of up to \$500 million (the **Tender Cap**) of the 6.000% Notes due February 2, 2018 and 4.900% Notes due October 1, 2019, each issued by EDP Finance B.V with the benefit of a Keep Well Agreement executed by the Company (together, the **Notes**). The terms and conditions of the tender offer are described in an offer to purchase (the **Offer to Purchase**) dated today. Capitalized terms defined in the Offer to Purchase have the same meaning when used in this announcement unless expressly defined in this announcement.

Purpose of the Offer

The Company is currently seeking to optimise its liability portfolio and increase the average life of its debt. To support these objectives, the Company wishes to use available cash to reduce the amount of its outstanding debt as part of its ongoing liability management strategy. The consideration for the Offer is expected to be paid by the Company with cash on hand.

The Offer

The Offer is being made upon the terms and subject to the general conditions set forth in the Offer to Purchase. The Offer will expire at 11:59 p.m., New York City time, on December 15, 2016, unless extended at the sole discretion of the Company (such date and time, as it may be extended, the **Expiration Date**). Tenders of Notes may be withdrawn on or prior to 5:00 p.m., New York City time, on December 1, 2016, but may not be withdrawn thereafter (except in certain limited circumstances described in the Offer to Purchase).

The following table sets forth certain information relating to pricing for the Offer.

<u>Title of Security</u>	<u>CUSIP No.</u>	<u>ISIN (REG S) / ISIN (144A)</u>	<u>Principal Amount Outstanding</u>	<u>Acceptance Priority Level</u>	<u>Reference U.S. Treasury Security</u>	<u>Bloomberg Reference Page</u>	<u>Fixed Spread</u>	<u>Early Tender Premium⁽¹⁾</u>
6.000% Notes due February 2, 2018 issued by EDP Finance B.V.....	26835PAB6	XS0328781728/ US26835PAB67	\$1,000,000,000	1	0.75% due October 31, 2018	PX1	100 bps	\$30
4.900% Notes due October 1, 2019 issued by EDP Finance B.V.....	26835PAC4	XS0454935395/ US26835PAC41	\$1,000,000,000	2	1.00% due November 15, 2019	PX1	140 bps	\$30

- (1) As set forth herein, an early tender premium of \$30 per \$1,000 principal amount of Notes that are tendered and accepted for purchase (the **Early Tender Premium**) will be paid to holders of Notes who validly tender, and do not validly withdraw, their Notes on or before the Early Tender Date (defined below).

Subject to the Tender Cap, tendered Notes will be accepted in the order of the Acceptance Priority Levels set forth in the table above. The Company reserves the right, but is not obligated, to increase the Tender Cap. Tenders of Notes will be accepted only in principal amounts equal to \$100,000 or integral multiples of \$1,000 in excess thereof.

The Total Consideration for each \$1,000 principal amount of Notes tendered on or before 5:00pm (New York City time) on December 1, 2016 (the **Early Tender Date**) and accepted for payment by the Company pursuant to the Offer will be determined in the manner described in the Offer to Purchase by reference to a fixed spread specified in the table above for each series of the Notes over the yield based on the bid-side price of the Reference U.S. Treasury Security specified in the table above, as calculated by the dealer managers (identified below) for the tender offer at 11:00 a.m., New York City time, on December 2, 2016. Holders of Notes who validly tender their Notes after the Early Tender Date will, if such Notes are accepted by the Company, receive the tender consideration, which is equal to the Total Consideration minus \$30 per \$1,000 principal amount of Notes tendered by such holders and accepted for purchase by the Company. Accrued and unpaid interest up to, but excluding, the applicable settlement date will be paid in cash on all validly tendered Notes accepted and purchased by the Company in the Offer.

The Company reserves the right, but is under no obligation, at any point following the Early Tender Date and before the expiration date of the Offer, to accept for purchase any Notes which have been validly tendered on or prior to the Early Tender Date (the date of such purchase being the **Initial Settlement Date**). The Initial Settlement Date will be determined at the Company's option and is currently expected to occur on December 6, 2016. Regardless of whether the Company chooses to exercise its option to have an Initial Settlement Date, the Company will purchase any remaining Notes that have been validly tendered by the expiration date of the tender offer and accepted for purchase, subject to the Tender Cap and the application of the Acceptance Priority Levels, three business days promptly following the expiration date of the Offer.

All Notes validly tendered and not validly withdrawn before the Early Tender Date having a higher Acceptance Priority Level will be accepted before any tendered Notes having a lower Acceptance Priority Level, and all Notes validly tendered after the Early Tender Date having a higher Acceptance Priority Level will be accepted before any Notes tendered after the Early Tender Date having a lower Acceptance Priority Level. However, Notes validly tendered and not validly withdrawn on or before the Early Tender Date will be accepted for purchase in priority to other Notes tendered after the Early Tender Date even if such Notes tendered after the Early Tender Date have a higher Acceptance Priority Level than Notes tendered prior to the Early Tender Date.

Notes accepted for purchase in accordance with the terms and conditions of the Offer may be subject to proration (rounded down to avoid the purchase of Notes in a principal amount other than in integral multiples of \$1,000), so that the Company will only accept for purchase Notes in an aggregate principal amount up to the Tender Cap. If purchasing all of the tendered Notes of a series of Notes of an applicable Acceptance Priority Level on any settlement date would cause the Tender Cap to be exceeded, the amount of that series of Notes purchased on that settlement date will be prorated based on the aggregate principal amount of that series of Notes tendered in respect of that settlement date such that the Tender Cap will not be exceeded. Furthermore, if the tender offer is fully subscribed as of the Early Tender Date, holders who validly tender Notes after the Early Tender Date will not have their Notes accepted for payment.

Important Dates

Date	Calendar Date and Time
Launch Date	November 17, 2016
Early Tender Date	5:00 p.m. (New York City time) on December 1, 2016, unless extended, with respect to any or all series of Notes.
Withdrawal Date.....	5:00 p.m. (New York City time) on December 1, 2016, for all Notes tendered on or before the Early Tender Date, except in certain limited circumstances where additional withdrawal rights are required by law (as determined by the Company). Any Notes tendered following the Early Tender Date may not be withdrawn (except in limited circumstances).
Price Determination Date	At or around 11:00 a.m. (New York City time) on December 2, 2016, unless extended, with respect to any or all series of Notes.
Initial Settlement Date (option of the Company) ..	For Notes that have been validly tendered and not validly withdrawn at or prior to the Early Tender Date and that are accepted for purchase, the Company will have the option for settlement to occur on the Initial Settlement Date, which is to be determined at its option and is expected to be December 6, 2016, assuming the Early Tender Date is not extended.
Expiration Date.....	11:59 p.m. (New York City time) on December 15, 2016, unless extended with respect to any or all series of Notes.
Final Settlement Date	Three business days promptly following the Expiration Date. Assuming the Offer is not extended, the Final Settlement Date is expected to be December 20, 2016.

Further Information

Questions and requests for assistance in connection with the Offer may be directed to:

The Global Co-ordinator of the Offer:

Morgan Stanley & Co. LLC
1585 Broadway, Floor 4
New York, NY 10036
In the U.S.:
U.S. Toll-free: (800) 624-1808
Collect: (212) 761-1057
Attn: Liability Management
In Europe:
Tel: +44 (0) 20 7677 5040
E-mail: liabilitymanagementeuropa@morganstanley.com
Attn: Liability Management Group

The Dealer Managers for the Offer:

Morgan Stanley & Co. LLC
1585 Broadway, Floor 4
New York, NY 10036
In the U.S.:
U.S. Toll-free: 1 (800) 624-1808
Collect: 1 (212) 761-1057
Attn: Liability Management
In Europe:
Tel: +44 (0) 20 7677 5040
E-mail: liabilitymanagementeuropa@morganstanley.com
Attn: Liability Management Group

Deutsche Bank Securities Inc.
60 Wall Street
New York, NY 10005
Attention: Liability Management Group
U.S. Toll-Free: 1 (866) 627-0391
Collect: 1 (212) 250-2955
In Europe: +44 20 7545 8011
E-mail: liability.management@db.com
Attn: Liability Management Group

Questions and requests for assistance in connection with the tender of Notes including requests for a copy of the Offer to Purchase may be directed to:

THE INFORMATION AND TENDER AGENT

D.F. King Ltd.
Email: edp@dfkingltd.com
Offer Website: <https://sites.dfkingltd.com/edp>

In New York:
48 Wall Street
New York, New York 10005
Banks and Brokers Call:(212) 269-5550
All Others Call Toll Free: (800) 431-9633

In London:
125 Wood Street
London EC2V 7AN
United Kingdom
By Telephone: +44 20 7920 9700

By facsimile (for eligible institutions only):
(212) 709-3328
Confirmation: (212) 232-3235
Attention: Peter Aymar

This announcement is released by EDP – Energias de Portugal S.A. and contains important information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR), encompassing information relating to the Notes described above. For the purposes of MAR and Article 2 of the Commission Implementing Regulation (EU) 2016/1055, this announcement is made by the Chief Financial Officer of EDP – Energias de Portugal S.A.

Disclaimer

This announcement must be read in conjunction with the Offer to Purchase. This announcement and the Offer to Purchase contain important information which should be read carefully before any decision is made with respect to the Offer. If any Noteholder is in any doubt as to the contents of this announcement or the Offer to Purchase or the action it should take, it is recommended to seek its own financial and legal advice, including in respect of any tax consequences, immediately from its stockbroker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser.

Each Noteholder is solely responsible for making its own independent appraisal of all matters as such Noteholder deems appropriate (including those relating to the Offer) and each Noteholder must make its own decision as to whether to tender any or all of its Notes for purchase pursuant to the Offer.

None of the Company, the Issuer, the Dealer Managers, the Information and Tender Agent or the trustee for the Notes assumes any responsibility for the accuracy or completeness of the information contained in this announcement or in the Offer to Purchase. None of the Dealer Managers, the Information and Tender Agent or the trustee for the Notes or any of their respective directors, officers, employees, agents or affiliates is acting for any Noteholder, or will be responsible to any Noteholder for providing any protections which would be afforded to its clients or for providing advice in relation to the Offer, and accordingly none of the Dealer Managers, the Information and Tender Agent or the trustee for the Notes or any of their respective directors, officers, employees, agents or affiliates assumes any responsibility for any failure by the Company to disclose information with regard to itself or the Notes which is material in the context of the Offer and which is not otherwise publicly available.

Holders of Notes should consult with their own advisers as needed to assist them in making an investment decision and to advise them whether they are legally permitted to tender Notes pursuant to the Offer. None of the Company, the Issuer, the Dealer Managers, the Information and Tender Agent or the trustee for the Notes or any of their respective directors, officers, employees, agents or affiliates make any representation or recommendation whatsoever regarding the Offer, or any recommendation as to whether Noteholder should tender Notes in the Offer.

Offer and Distribution Restrictions

Neither this announcement nor the Offer to Purchase constitutes an invitation to participate in the Offer in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws. The distribution of this announcement and the Offer to Purchase in certain jurisdictions may be restricted by law. Persons into whose possession either this announcement or the Offer to Purchase comes are required by each of the Company, the Issuer, the Trustee for the Notes, the Dealer Managers and the Information and Tender Agent to inform themselves about, and to observe, any such restrictions.

Italy

None of the Offer, this announcement, the Offer to Purchase or any other document or materials relating to the Offer have been or will be submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa* (CONSOB) pursuant to Italian laws and regulations. The Offer is being carried out in Italy as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the **Italian Financial Services Act**) and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended. Holders or beneficial owners of the Notes that are located in Italy can tender Notes for purchase in the Offer through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Italian Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

United Kingdom

The communication of this announcement, the Offer to Purchase and any other documents or materials relating to the Offer is not being made and such documents and/or materials have not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or

materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Financial Promotion Order**)) or persons who are within Article 43 of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.

France

The Offer is not being made, directly or indirectly, to the public in the Republic of France (**France**). Neither this announcement, the Offer to Purchase nor any other document or material relating to the Offer has been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*), other than individuals, acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*, are eligible to participate in the Offer. This Offer to Purchase has not been and will not be submitted for clearance to nor approved by the *Autorité des Marchés Financiers*.

Belgium

The Offer is not being made, directly or indirectly, to the public in Belgium. Neither this announcement, the Offer to Purchase nor any other documents or materials relating to the Offer have been submitted to or will be submitted for approval or recognition to the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten* / Financial Services and Markets Authority) and, accordingly, the Offer may not be made in Belgium by way of a public offering, as defined in Articles 3 and 6 of the Belgian Law of 1 April 2007 on public takeover bids as amended or replaced from time to time. Accordingly, the Offer may not be advertised and the Offer will not be extended, and neither this announcement and the Offer to Purchase nor any other documents or materials relating to the Offer (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than "qualified investors" in the sense of Article 10 of the Belgian Law of 16 June 2006 on the public offer of investment instruments and the admission to trading of investment instruments on a regulated market (as amended from time to time), acting on their own account. Insofar as Belgium is concerned, this announcement and the Offer to Purchase has been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Offer. Accordingly, the information contained in this announcement and the Offer to Purchase may not be used for any other purpose or disclosed to any other person in Belgium.

Portugal

The Offer is not being made directly or indirectly to the public in Portugal or under any circumstances which are deemed to be a public offer under the Portuguese Securities Code, as amended and restated from time to time (*Código dos Valores Mobiliários*). In respect of any Noteholders that are resident, located or established in Portugal, each Offer is only being made to institutional (i.e. qualified) investors (*investidores qualificados*) as defined in article 30 of the Portuguese Securities Code. Neither this announcement, the Offer to Purchase nor any document, circular or offering material in relation to the Offer has been or will be subject to approval by, and registered with, the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*). In addition, neither this announcement, the Offer to Purchase nor any document, circular or offering material in relation to the Offer has been or will be publicly distributed in Portugal and no publicity or marketing activities related to the Offer have or will be conducted in Portugal.

General

Neither this announcement nor the Offer to Purchase constitutes an offer to buy or the solicitation of an offer to sell Notes (and tenders of Notes in the Offer will not be accepted from Noteholders) in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require an Offer to be made by a licensed broker or dealer and either of the Dealer Managers or either of the Dealer Managers' respective affiliates is such a licensed broker or dealer in any such jurisdiction, such Offer shall be deemed to be made by such Dealer Manager or affiliate, as the case may be, on behalf of the Company in such jurisdiction.

Each Noteholder participating in the Offer will also be deemed to give certain representations in respect of the other jurisdictions referred to above and generally as set out in "*Procedures for Tendering*" in the Offer to Purchase. Any tender of Notes for purchase pursuant to an Offer from a Noteholder that is unable to make these representations will not be accepted. Each of the Company, the Dealer Managers and the Information and Tender Agent reserves the right, in its absolute discretion, to investigate, in relation to any tender of Notes for purchase pursuant to the Offer, whether any such representation given by a Noteholder is correct and, if such investigation is undertaken and as a result the Company determines (for any reason) that such representation is not correct, such tender shall not be accepted.