



Investors & Analysts' Briefing

Reuters: EDP.LS
Bloomberg: EDP PL

ERSE ANNOUNCES TARIFFS AND PRICES FOR ELECTRICITY AND OTHER SERVICES FOR 2014

Lisbon, December 15th 2013: Pursuant to the terms and for the purposes of article 248 of the Portuguese Securities code, EDP - Energias de Portugal, S.A. ("EDP") provides the following information to the market and general public:

The Portuguese Energy Services Regulatory Authority ("ERSE") made public the final document regarding the "Tariffs and prices for electricity and other services for 2014" in Portugal, which set a 2.8% average increase of final normal low voltage (NLV) electricity tariffs in Portugal mainland for 2014.

ERSE set 2014 regulated gross profit for EDP's regulated activities (excluding adjustments from previous years) at: (1) €1,260 million for electricity distribution (operated by our subsidiary EDP Distribuição); and (2) €78 million for last resort electricity supply (operated by our subsidiary EDP Serviço Universal).

These regulated revenues are based on a preliminary 9.5% rate of return which was defined for the 2012-14 regulatory period and will be definitively set according to the daily average of the 5-year credit default swaps of the Portuguese Republic between October 2013 and September 2014 (8.56% final rate of return in 2013).

Regarding the variation on regulatory receivables, it is worth to highlight EDP's recovery in 2014 of: (1) €50 million regarding the 2012 deferral on the special regime overcost; (2) €292 million regarding the 2013 deferral on the special regime overcost; (3) €75 million regarding the 2013 deferral of the 2011 annual CMEC revisibility (to be recovered in 2014 and 2015); (4) €118 million related to the annual CMEC revisibility estimated for 2013; and (5) €339 million regarding EDP Distribuição and EDP Serviço Universal previous year adjustments. On the other hand, ERSE defined a deferral on the special regime overcost of €1,534 million to be recovered between 2015 and 2018.

Other key assumptions published by ERSE on the calculation of electricity tariffs in Portugal for 2014 include: (1) a forecast for average electricity procurement price of €59/MWh, based on a forecast for average pool price of €53.5/MWh; (2) a forecast for average special regime premium of €61/MWh; (3) an expected electricity demand in Portugal of 44.5 TWh in 2014 (flat vs. ERSE's expected demand for 2013); and (4) a GDP deflator of 1.3%.

EDP – Energias de Portugal, S.A.

Investor Relations Department

Miguel Viana, Head of IR
Sónia Pimpão
Elisabete Ferreira
Ricardo Farinha
Noélia Rocha
phone +351 21 001 2834
fax +351 21 001 2899
ir@edp.pt