



## PROVISIONAL VOLUMES STATEMENT - 1H09

Lisbon, July 17<sup>th</sup>, 2009

In 1H09, EDP's volume performance was marked by (1) slight decline of electricity demand in Portugal vs. a more significant YoY drop in Spain, (2) 33% increase in wind power output and (3) recoup in liberalized generation (+9% YoY in 2Q09) backed by higher CCGT and nuclear output.

**Electricity distribution** - The volume distributed in Portugal fell 2.3% in 1H09 or 3.1% adjusted for temperature and working days. Notwithstanding the faster pace of decline in 2Q09 (-3.7%), Portugal's demand continues to outperform the Spanish market (-6.3% in 1H09, -7.1% in 2Q09). This outperformance is backed by Portugal's lower exposure to heavy industries (such as automotive and steel) and by the more limited room for decline of construction sector activity, which was already at low levels in 1H08. Even so, it is noteworthy that both markets unveiled some signs of stabilisation in June, with demand falling by 2.0% in Portugal and 2.6% in Spain. In Spain, electricity distributed by HC Distribución in the region of Asturias declined 7.5% in 1H09.

**Gas distribution** - The number of clients connected in 1H09 grew 5.3% YoY and 1.2% QoQ, backed by a 2.9% QoQ increase in Portugal. Volumes distributed declined 4.6% YoY, penalised by a decline in demand from the industrial segment.

**Brazil** - We concluded in Sep-08 an asset swap with Grupo Rede (full disposal of distribution company Enersul and increase of our stake in Lajeado hydro plant to 73%, from 27.7%) which justify most of the 67% increase in our generation output. The volume of electricity distributed by Bandeirante+Escelsa showed a mixed performance: (1) volume supplied by Bandeirante+Escelsa to final clients (clients on which EDP is responsible for electricity supply, mostly residential, commercial and medium size industrials) showed a steady 1% YoY increase throughout the half-year, supported by higher volumes sold to residential and commercial clients; (2) volumes distributed in our concession areas to large industrial consumers which are supplied directly in the free market (clients in which EDP just collects third party access tariffs) fell 25% YoY, penalized by a strong decline of the activity in the mining industry. The number of clients connected to our electricity grid kept rising in 1H09: +2% YoY driven by Escelsa concession (+4.2% YoY and +1.1% QoQ). (for more details see Energias do Brasil release)

**Wind Power** - Installed capacity rose 43% (+1,395MW EBITDA) in the last 12 months, to 4,632 MW by Jun-09. Capacity additions in 1H09, representing 20% of the annual target, comprised 113MW in 1Q09 (99MW in US, 14MW in Brazil) and 136MW in 2Q09 (101MW in US, 10MW in Belgium, 8MW in France). By Jun-09, the group had 1.3GW under construction. Wind power output increased 33% YoY in 1H09, prompted by a 53% increase in US output driven capacity additions (+61%). In Spain, output rose 11% YoY helped by a 32% increase in installed capacity. Load factors were weaker YoY (-3pp to 25% in Europe, -2pp to 36% in US) due to: (1) low wind resources, (2) a different geographical mix in US and (3) lower availability factors (for more details see EDP Renováveis release).

**LT Contracted generation Iberia** - Electricity generation plants operating under PPA/CMEC in Portugal are entitled with a stable contracted gross profit and an 8.5% RoA before inflation and taxes, adjusted for the ratio real vs. programmed availability levels rather than output. In 1H09, output surged 38% YoY driven by (1) higher hydro output in 1Q09 (+17% YoY in 1H09) and (2) higher coal output in 2Q09 (+63% YoY in 1H09) stemming from low hydro production (due to a dry 2Q09). In 1H09, hydro production factor was up to 0.69 (vs 0.61 in 1H08), short of average hydro year (1.0).

**Liberalised generation** - Generation output showed a strong recovery in 2Q09 (+9% YoY) backed by an 18% YoY (+108% QoQ) increase in CCGT, as improving commercial conditions in Apr-09 (due to lower gas costs) and higher residual thermal demand (stemming from lower hydro and nuclear output) resulted in 2Q09 CCGT load factors of 59% (flat YoY and above the Spanish average, at 39%). In spite of harsh conditions of demand, particularly in Spain, output retreated by only 2.8% YoY in 1H09, supported by healthy load factors of our coal plants (at 58% vs Spanish average of 37%), reflecting above-the-sector efficiency levels of our plants, commercial conditions more favourable to coal than to CCGTs in 1Q09 and the outage of our Soto 3 plant in 1Q08. Hydro output rose by 22%, driven by more favourable weather conditions in 1Q09. Our nuclear output showed a 12% YoY decline in 1H09 penalised by a longer than expected programmed outage at our Trillo plant.

**Supply** - In 1H09, 92% of our liberalized electricity output in Iberian market was sold directly to liberalized customers. In Portugal, volumes supplied to our liberalised retail clients grew 163% YoY reflecting the increase in the client base (+36% YoY) and the new breath provided by 2009 tariffs to the growth of the liberalised supply in industrial segment. In Spain, volumes supplied rose 12% YoY (+16% in 2Q09), reflecting new growth opportunities created by the end of the last resource tariff to industrial clients and the decline in electricity prices. In turn, the volume of gas sold in the liberalized market in Spain declined 9% YoY (-6.6% in 2Q09) penalised by a decline in demand from large industrial clients.

**EDP's 1H09 results will be released on July 30th after market close. A conference call will be hosted by EDP's CEO, Mr. António Mexia on July 31th at 10:00 AM GMT.**

### Electricity Distribution - Iberia

	1H09	1H08	Δ 09/08
<b>Electricity Distributed (GWh)</b>	<b>28.968</b>	<b>29.899</b>	<b>-3.1%</b>
Portugal*	24.425	24.988	-2.3%
Spain	4.543	4.911	-7.5%
<b>Number of Clients (th)</b>	<b>6.732</b>	<b>6.690</b>	<b>0.6%</b>
Portugal	6.093	6.067	0.4%
Spain	639	623	2.6%

\* Electricity volume that entered into the distribution grid

### Gas Distribution - Iberia

	1H09	1H08	Δ 09/08
<b>Gas Distributed (GWh)</b>	<b>14.118</b>	<b>14.791</b>	<b>-4.6%</b>
Portugal	3.009	3.016	-0.2%
Spain	11.109	11.775	-5.7%
<b>Supply Points (th)</b>	<b>909</b>	<b>863</b>	<b>5.3%</b>
Portugal	211	188	12.2%
Spain	698	675	3.4%

### Electricity Distribution - Brazil

	1H09	1H08	Δ 09/08
<b>Electricity Distributed (GWh)</b>	<b>10.072</b>	<b>12.731</b>	<b>-20.9%</b>
<b>Bandeirante + Escelsa</b>	<b>10.072</b>	<b>11.080</b>	<b>-9.1%</b>
Final Clients	6.813	6.749	1.0%
Access Clients	3.258	4.332	-24.8%
<b>Enersul**</b>	<b>n/a</b>	<b>1.650</b>	<b>n/a</b>
<b>Number of Clients (th)</b>	<b>2.612</b>	<b>3.284</b>	<b>-20.5%</b>
<b>Bandeirante + Escelsa</b>	<b>2.612</b>	<b>2.560</b>	<b>2.0%</b>
Bandeirante	1.444	1.439	0.3%
Escelsa	1.167	1.121	4.2%
Enersul**	n/a	724	n/a

\*\* Enersul was excluded from EDP's consolidation perimeter on September 1st 2008

#### INVESTOR RELATIONS DEPARTMENT

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**Wind Power Europe, USA & Brazil**

	Installed Capacity (MW)			Output (GWh)		Load Factor		Δ GWh	Output (GWh)		Load Factor		Δ GWh
	1H09	1H08	Δ MW	2Q09	2Q08	2Q09	2Q08		1H09	1H08	1H09	1H08	
<b>Wind Europe</b>	<b>2.495</b>	<b>1.916</b>	<b>+579</b>	<b>1.000</b>	<b>885</b>	<b>23%</b>	<b>24%</b>	<b>13,0%</b>	<b>2.163</b>	<b>1.957</b>	<b>25%</b>	<b>28%</b>	<b>10,5%</b>
Portugal	553	517	+36	261	223	23%	25%	16,9%	542	509	25%	29%	6,4%
Spain	1.692	1.277	+415	667	594	23%	25%	12,2%	1.465	1.324	26%	28%	10,6%
Rest of Europe	250	122	+128	73	68	18%	19%	6,7%	157	124	22%	26%	26,2%
<b>Wind Brazil</b>	<b>14</b>	<b>n/a</b>	<b>n/a</b>	<b>7</b>	<b>n/a</b>	<b>20%</b>	<b>n/a</b>	<b>n/a</b>	<b>15</b>	<b>n/a</b>	<b>21%</b>	<b>n/a</b>	<b>n/a</b>
<b>Wind USA</b>	<b>2.123</b>	<b>1.321</b>	<b>+802</b>	<b>1.398</b>	<b>1.043</b>	<b>32%</b>	<b>36%</b>	<b>34,0%</b>	<b>3.073</b>	<b>2.003</b>	<b>36%</b>	<b>38%</b>	<b>53,4%</b>
<b>Total EBITDA MW</b>	<b>4.632</b>	<b>3.237</b>	<b>+1.395</b>	<b>2.405</b>	<b>1.929</b>			<b>24,7%</b>	<b>5.251</b>	<b>3.960</b>			<b>32,6%</b>
<b>Total Gross MW</b>	<b>5.301</b>	<b>3.846</b>	<b>+1.455</b>										

**Liberalized Electricity Generation in the Iberian Market**

	Installed Capacity (MW)			Output (GWh)		Load Factor		Δ GWh	Output (GWh)		Load Factor		Δ GWh
	1H09	1H08	Δ MW	2Q09	2Q08	2Q09	2Q08		1H09	1H08	1H09	1H08	
<b>Generation</b>	<b>5.096</b>	<b>4.678</b>	<b>+418</b>	<b>5.073</b>	<b>4.658</b>	<b>46%</b>	<b>46%</b>	<b>8,9%</b>	<b>9.622</b>	<b>9.905</b>	<b>43%</b>	<b>48%</b>	<b>-2,8%</b>
CCGT	2.405	1.987	+418	3.074	2.602	59%	60%	18,1%	4.549	5.467	43%	63%	-16,8%
Coal	1.460	1.460	-	1.311	1.384	41%	43%	-5,3%	3.701	3.168	58%	50%	16,8%
Hydro	910	910	-	376	470	19%	24%	-20,0%	913	750	23%	19%	21,8%
Nuclear	156	156	-	312	202	92%	59%	54,6%	459	520	67%	77%	-11,8%
Fuel oil/Diesel	165	165	-	-	-	0%	0%	-	-	-	0%	0%	-

**Liberalized Energy Supply to Retail Customers in the Iberian Market**

Volumes (GWh)	1H09	1H08	Δ 09/08	2Q09	2Q08	Δ 09/08	Number of Clients (th)	1H09	1H08	Δ 09/08
	<b>Electricity</b>	<b>8.898</b>	<b>7.164</b>	<b>24,2%</b>	<b>4.930</b>	<b>3.514</b>		<b>40,3%</b>	<b>Electricity</b>	<b>450</b>
Portugal	1.504	572	162,7%	1.083	196	452,0%	Portugal	230	170	35,5%
Spain	7.394	6.591	12,2%	3.847	3.318	15,9%	Spain	219	111	97,1%
<b>Gas Spain</b>	<b>10.843</b>	<b>11.910</b>	<b>-9,0%</b>	<b>4.831</b>	<b>5.173</b>	<b>-6,6%</b>	<b>Gas Spain</b>	<b>627</b>	<b>496</b>	<b>26,5%</b>

**PPAs / CMECs**

	Installed Capacity (MW)			Output (GWh)		Load Factor		Δ GWh	Output (GWh)		Load Factor		Δ GWh
	1H09	1H08	Δ MW	2Q09	2Q08	2Q09	2Q08		1H09	1H08	1H09	1H08	
<b>Total PPAs/CMECs Portugal</b>	<b>6.987</b>	<b>6.987</b>	<b>-</b>	<b>3.536</b>	<b>2.997</b>	<b>23%</b>	<b>20%</b>	<b>18,0%</b>	<b>8.799</b>	<b>6.398</b>	<b>29%</b>	<b>21%</b>	<b>37,5%</b>
Hydro	4.094	4.094	-	1.131	2.299	13%	26%	-50,8%	3.976	3.396	22%	19%	17,1%
Coal	1.180	1.180	-	2.380	591	92%	23%	302,8%	4.588	2.822	89%	55%	62,6%
Fuel Oil	1.713	1.713	-	25	107	1%	3%	-77,0%	236	180	3%	2%	30,8%
<b>Brazil Hydro PPAs*</b>	<b>1.725</b>	<b>1.044</b>	<b>+681</b>	<b>1.944</b>	<b>1.161</b>	<b>52%</b>	<b>51%</b>	<b>67,5%</b>	<b>4.060</b>	<b>2.654</b>	<b>54%</b>	<b>58%</b>	<b>53,0%</b>

\* Lajeado hydro plant (902.5 MW) was full consolidated from September 1st 2008 onwards and 27.65% before that date.