2018

Financial Results

Conference call and webcast

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Webcast: www.edp.com

Lisbon, March 12th, 2019

EDP - Energias de Portugal, S.A. Headquarters: Av. 24 de Julho, 12 1249 - 300 Lisboa, Portugal

Content

Main Highlights

Key Operational Data	2018	2017	Δ %	Δ Abs.
Installed capacity (MW)	**27,151**	**26,753**	**1%**	**+399**
Weight of Renewables (1)	**74%**	**74%**	**-**	**0p.p.**
Production (GWh)	**71,963**	**70,001**	**3%**	**+1,963**
Weight of Renewables (1)	66%	56%	-	**10p.p.**
Customers supplied (thousand of contracts)	**11,445**	**11,472**	**-0%**	**-26**
Customers connected (thous.)	**10,343**	**10,228**	**1%**	**+115**

Key Income Statement data (€ m)	2018	2017	Δ %	Δ Abs.
Gross Profit	5,099	5,391	-5%	-292
EBITDA	**3,317**	**3,990**	**-17%**	**-673**
EBIT	**1,584**	**2,318**	**-32%**	**-734**
Financial Results & Equity results	(543)	(797)	32%	+254
Income taxes & CESE (2)	165	80	107%	+85
Non-controlling Interest	357	328	9%	+29
Net Profit (EDP Equity holders)	**519**	**1,113**	**-53%**	**-594**

Key Performance indicators (€ m)	2018	2017	Δ %	Δ Abs.
Recurring EBITDA (3)	**3,287**	**3,383**	**-3%**	**-96**
Iberia (Ex wind & Solar) & Other	1,413	1,399	1%	+14
Wind & Solar	1,300	1,368	-5%	-68
Brazil	574	616	-7%	-42
Recurring net profit (3)	**797**	**770**	**3%**	**+27**
OPEX (4) Performance				
OPEX Iberia (€ m)	**856**	**912**	**-6%**	**-56**
Core OPEX/MW (€/MW) - Wind & Solar	**43**	**42**	**2%**	**+1**
OPEX Brazil (BRL m)	**1,115**	**1,085**	**3%**	**+29**

Key Balance Sheet Data (€ m)	Dec-18	Dec-17	Δ %	Δ Abs.
Net debt	13,480	13,902	-3%	-422
Adjusted net debt/EBITDA (x) (5)	4.0x	3.9x	4%	0.2x

EDP results are materially impacted by one-off impacts in both 2017 and 2018, which materially distort YoY comparison: in 2017, +€268m in total, mainly driven by portfolio reshuffling and impairments in Iberia; in 2018, -€277m in total, mainly driven by an administrative decision on retroactive CMEC resulting in a one-off €285m provision booked in 3Q18 (full details on page 4). Excluding all the one-offs and the de-consolidation of gas distribution operations, **recurring net profit increased by 3% YoY, to €797m in 2018**, as market improvement in Iberia and Brazil outstood the effect from adverse regulatory developments in Portugal (announced in 4Q17), and particularly weak wind resources vs. LT average. Regulatory changes in Iberia (mostly in Portugal) dented net profit by €151m (excluding additional non-recurring after tax cost of €208m).

In 2018, EDP continued to implement its growth strategy focused on renewables and Brazil. **Total installed capacity reached 27.2 GW in Dec-18**, following the commissioning of 825 MW of new wind capacity, combined with the first sell down of a controlling stake in wind farms and the disposal of some mini-hydro plants in Portugal and Brazil. **By Dec-18, 74% of EDP installed capacity is renewables (hydro, wind and solar PV).** Also worth to note is the increase in equity-method capacity to 920 MW in Dec-18: 539 MW of hydro capacity in Brazil (+0.2 GW YoY) and 371 MW of wind capacity (the first asset rotation deal of a majority stake: +40 MW).

In terms of **total production, the weight of renewables advanced 10 p.p. YoY, to 66% in 2018**. EDP keeps focused in improving customers' satisfaction, the quality of service provided and enhancing customers engagement, leveraging on its **customers portfolio of 11.5 million** contracts spread throughout Iberia and Brazil.

EBITDA in 2018 reached €3,317m. Excluding the contribution from Iberian gas networks disposed over the 2H17 and one-off impacts (as per page 3), recurring EBITDA fell 3% (-€96m) YoY, to €3,287m in 2018, as underlying growth was hampered by the negative forex impact in the period: -5% or -€163m, prompted by BRL and, to a lower extent, USD depreciation vs. the Euro. In 2018, EBITDA performance further reflected the positive effect from i) hydro recovery to normalised level (despite very poor 4Q18) and strong OPEX performance in Iberia, ii) strong underlying growth in Brazil (local currency) and iii) benefits from portfolio expansion, particularly in wind capacity (+6% on average). These positives were nevertheless offset by regulatory cuts in Portugal (-€210m YoY recurring), low wind resources (6% below P50 in 2018 and at 6-year low record in 2H18, over 10% below average) and lower revenue per MWh in wind.

On efficiency, OPEX (staff + supplies & services costs; excluding staff restructuring costs) excluding forex increased 1% YoY. By main division, OPEX in **Iberia** decreased 3%, Core Opex/avg. MW at EDPR rose by 2% YoY and local currency OPEX at EDP **Brasil** grew 3%, 1pp short of inflation.

Net financial results (including equity results) **improved by 32% YoY (+€254m), to -€543m in 2018,** including a steady improvement in interest costs (-9% YoY) prompted by a lower average cost of debt (from 4.1% in 2017 to 3.8% in 2018) and the decrease of avg. debt (-10% or -€1.7bn YoY).

Net debt was down from €13.9bn in Dec-17 to €13.5bn in Dec-18. Recurring organic cash flow generated in 2018 (€1.2bn) more than covered the €0.7bn dividend payment to shareholders plus €0.4bn net debt reduction, while net expansion activity (€0.4bn) and one-off cash flow items were balanced with tariff deficit sales (contribution to a €0.6bn reduction in regulatory receivables).

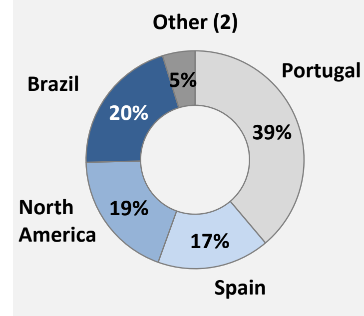
EDP Executive Board of Directors will submit to the upcoming ASM (April 24th) a proposal for the distribution of €0.19 dividend per share as to 2018 fiscal year.

(1) Including Wind, Solar, Hydro and mini-hydro capacity; (2) CESE: Extraordinary contribution from the energy sector; (3) Excluding one-off impacts as per page 3 (EBITDA) and page 4 (Net profit); In 2017, it excludes the contribution from Gas distribution in Iberia (€140m on EBITDA; €75m on net profit); (4) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (5) Net of regulatory receivables; Based on trailing 12 months recurring EBITDA and net debt excluding 50% of hybrid bond issue (including interest).

EBITDA Breakdown

EBITDA (€ m)	2018	2017	Δ %	Δ Abs.	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	4Q18 YoY Δ %	4Q18 YoY Δ Abs.
Generation & Supply Iberia	762	555	37%	+208	201	160	158	36	185	252	185	141	286%	104
Regulated Networks Iberia	625	898	-30%	-273	265	248	205	181	159	155	162	149	-18%	-32
Wind & Solar Power	1,300	1,366	-5%	-66	373	345	272	376	381	305	184	431	15%	55
Brazil	649	615	6%	+34	164	151	148	151	163	143	149	194	29%	43
Other	(19)	556	-	-575	8	(13)	583	(23)	5	(26)	8	(7)	71%	16
Consolidated EBITDA	**3,317**	**3,990**	**-17%**	**-673**	**1,011**	**892**	**1,367**	**721**	**893**	**829**	**688**	**907**	**26%**	**186**
- Adjustments (1)	31	607	-95%	-576	58	57	583	(91)	(18)	-	-	49	-	140
Recurring EBITDA	**3,287**	**3,383**	**-3%**	**-96**	**953**	**835**	**783**	**812**	**911**	**829**	**688**	**858**	**6%**	**46**

EBITDA 2018



Consolidated EBITDA amounted to €3,317m in 2018. Excluding the contribution from Iberian gas networks disposed over the 2H17 (€140m in 2017) and the one-off impacts(*), **recurring EBITDA fell 3% (-€96m) YoY, to €3,287m in 2018**, largely impacted by the adverse forex impact (-5% or -€163m, mainly due to BRL depreciation vs. the Euro) and weaker-than-average wind resources (-€69m vs. normalised year). In 2018, growth drivers of EBITDA included i) hydro recovery and strong OPEX performance in Iberia, ii) strong underlying growth in Brazil and iii) benefits from portfolio expansion. Nevertheless, such positives were overshadowed by regulatory cuts in Portugal (-€210m YoY recurring) and low wind resources (particularly in 3Q18 and 4Q18: 11% and 12% below the LT average, respectively).

WIND & SOLAR POWER (39% of EBITDA) – **EBITDA was 5% lower YoY (-€66m), at €1,300m in 2018,** penalised by i) -€36m forex impact (due to USD and BRL depreciation), ii) weak wind resources in 2018 (6% below LT average), iii) avg. selling price -7% YoY Ex-forex, following lower green cerificates revenues and the mix effect from new MWs (mainly in US, Brazil); and iv) expiration of the 10-year period PTCs in some wind farms in US (-€51m). These impacts outstood the effect from the 6% increase in avg. capacity and the gain on the first sell down transaction, corresponding to the upfront monetisation of value accretion of 499 MW built to sell and operate.

GENERATION & SUPPLY IN IBERIA (22% of EBITDA) – EBITDA advanced by 37% YoY to €762m, penalised by one-off effects (-€33m in 2018 vs. -€13m in 2017). **Recurring EBITDA increased 40% YoY, to €796m in 2018**, propelled by higher hydro contribution to the production mix (39% share in total production in 2018 vs. 22% in 2017, following improved hydro conditions) and higher selling prices, which more than compensated the adverse impact from weak thermal spreads and poor energy management results, due to the hedge position closed in 2017. Hydro resources improved from 53% below-the-average in 2017 to 5% above-the-average in 2018, although the seasonally strongest quarters (1Q and 4Q) were particularly weaker than average: hydro resources in 4Q18 fell 36% short of historical average.

REGULATED NETWORKS IN IBERIA (19% of EBITDA) – Excluding gas distribution in Iberia and restructuring costs (as per page 18), **EBITDA fell by 23% YoY, to €636m in 2018**, largely impacted by: (i) in Portugal (77% of total), the new regulatory terms applicable to electricity distribution and LRS as from 1-Jan-18 (-€164m YoY) which was only partially compensated by tight cost control; and (ii) in Spain (23% of total), our prudent approach to possible regulatory changes, even ahead of the end of the current regulatory period, in 2020.

BRAZIL (20% of EBITDA) - EBITDA was 6% higher YoY, to €649m in 2018, despite the adverse change of the BRL vs. the EUR (-16% YoY, -€127m impact). EBITDA in 2018 includes the gain booked in the sale of mini-hydros(*), net of €7m restructuring costs). Adjusted for these, **local currency recurring EBITDA was up 12%, to R$2,472m in 2018**, mainly reflecting: i) in **distribution (+7% YoY or +R$56m),** better operational performance; and ii) in **generation**, the successful portfolio integrated management (leading to a GSF impact net of hedging of R$151m in 2018) and the revision of Pecém contracted availability.

*(*) Non-recurring items: **(i) +€467m in 2017**, resulting from the net impact of the sale of gas distribution business in Spain and Portugal (+€574m); regulatory-driven provisions in Generation & supply (-€35m) and Regulated networks (-€42m); RH restructuring costs (-€30m); **(ii) +€31m in 2018**, net impact of the sale of mini-hydro plants Brazil (+€82m), and 2H17's share of the impact from the difference between CMEC final adjustment recognised in Dec-17 and approved by the Government on May 3rd (-€18m), restructuring costs (-€34m).*

(1) Adjustments for one-off impacts(*) and to exclude the 2017 contribution from Gas distribution in Iberia; (2) Includes Poland, Romania, France, Belgium, Italy and UK.

Profit & Loss Items below EBITDA

Profit & Loss Items below EBITDA (€ m)	2018	2017	Δ %	Δ Abs.	1Q18	2Q18	3Q18	4Q18	4Q18 YoY	
									Δ %	Δ Abs.
EBITDA	**3,317**	**3,990**	**-17%**	**-673**	**893**	**829**	**688**	**907**	**26%**	**+186**
Provisions	288	(4)	n.m.	+292	(7)	4	286	5	-	+10
Amortisation and impairment	1,445	1,676	-14%	-231	351	348	350	396	-36%	-225
EBIT	**1,584**	**2,318**	**-32%**	**-734**	**549**	**477**	**53**	**506**	**383%**	**+401**
Net financial interest	(626)	(691)	9%	+65	(148)	(144)	(148)	(186)	-3%	-6
Regulatory receivables-related fin. results	22	20	11%	+2	6	6	3	7	-	+11
Capitalized financial costs	34	33	1%	+0	7	8	9	10	14%	+1
Unwinding of long term liabilities(1)	(177)	(187)	6%	+11	(44)	(45)	(46)	(42)	14%	+7
Net foreign exchange differences and derivatives	(5)	(35)	86%	+30	25	(10)	(7)	(13)	-	-22
Investment income, net interest with associates and JV	(26)	(25)	-4%	-1	(8)	(5)	(7)	(7)	-	+1
Capital Gains/(Losses)	113	29	284%	+83	15	5	(0)	94	n.m.	+90
Other Financials	111	48	132%	+63	19	37	30	26	607%	+22
Financial Results	**(554)**	**(808)**	**31%**	**+254**	**(127)**	**(150)**	**(166)**	**(111)**	**49%**	**+105**
Share of net profit in JVs/associates (Details page 28)	**11**	**12**	**-6%**	**-1**	**1**	**2**	**6**	**2**	**138%**	**+1**
Pre-tax Profit	**1,041**	**1,521**	**-32%**	**-480**	**423**	**330**	**(108)**	**397**	**-**	**+507**
Income Taxes	**100**	**10**	**867%**	**+89**	**74**	**43**	**(67)**	**49**	**-**	**+215**
Effective Tax rate (%)	*10%*	*1%*	-	*8.9 pp*	*18%*	*13%*	*62%*	*12%*		*-138 pp*
Extraordinary Contribution for the Energy Sector	**65**	**69**	**-6%**	**-4**	**66**	**(2)**	**1**	**0**	**-**	**+1**
Non-controlling Interests (Details page 28)	**357**	**328**	**9%**	**+29**	**116**	**75**	**40**	**125**	**41%**	**+37**
Net Profit Attributable to EDP Shareholders	**519**	**1,113**	**-53%**	**-594**	**166**	**214**	**(83)**	**222**	**-**	**+255**

Amortisation and impairments fell by 14% YoY, to €1,445m in 2018, impacted by last year's impairments (€257m, mostly in coal plants in Iberia and EDPR), by the de-consolidation of gas distribution (€19m in 2017) and forex (-€43m). In 2018, amortisation and impairment charges reflect the impact from new capacity additions in the last 12 months and impairments in 4Q18 (€24m in coal plants in Iberia and €7m at EDPR).

On 26-Sep-18, DGEG notified EDP about an Order of the Secretary of State for Energy (SSE), from 29-Aug-18, quantifying at €285m the financial impact of an alleged overcompensation of the CMECs (details on page 11). Considering that the dispatch lacks legal, economic technical basis, EDP has taken necessary actions to protect its interests and rights. Although EDP considers that there were no innovative features weighted in the annual adjustments or in the final adjustment of the CMEC, a €285m provision was booked in 3Q18. As a result, total **provisions** amounted to €288m in 2018.

Net financial results amounted to -€554m in 2018 (+31% YoY). **Net interest expense improved by 9% YoY,** to €626m in 2018 supported by lower average debt in 2018 (-10% or €1.7bn YoY); better funding conditions and past years' liability management, gathering a 30bps YoY decline in the avg. cost of debt (from 4.1% in 2017 to 3.8% in 2018). These effects were smoothed by higher one-off costs mostly related to early debt prepayment: -€39m in 2018 vs. -€27m in 2017. **Capitalised financial expenses**, at €34m in 2018, are mainly related to new renewable capacity under construction and regulated networks. **Capital gains** (€113m in 2018) refer to the sale of our stake in Bioeletrica biomass plant in Portugal (€24m) vs. €25m in 2017 (sale of a stake in REN). It further includes the impact from the sale of some stakes in our UK (totalling 43%) and France (13.5%) offshore projects (totalling €87m). **Other financial results** in 2018 include the badwill arising from the acquisition of a stake in Celesc (+€18m in 2018) and higher financial guarantees in Brazil.

Share of net profit in joint ventures and associates was broadly stable at €11m in 2018, reflecting the mixed impact from contribution of CELESC (23.6% stake built up during 2018; +€6m on equity contribution) and early stage of operations at our hydro plants in Brazil. (Details on page 28).

Income taxes amounted to €100m (+€89m YoY). Note that excluding the major tax effect of €285m provision for alleged CMEC overcompensation, the effective tax rate stood at 14% in 2018.

Non-controlling interests amounted to €357m in 2018 (+9% or +€29m YoY). The evolution of non-controlling interests is justified by minorities' share on one-off impacts at EDP Brasil level (€40m). (Details on page 28)

Overall, net profit reached €519m in 2018, heavily impacted by one-off impacts(*). Excluding one offs and the contribution from gas networks in 2017, **recurring net profit rose 3% YoY, to €797m in 2018**, supported by hydro recovery from very weak level in 2017, underlining growth in Brazil, which more than compensated the effects from adverse regulatory changes in Portugal and weak wind resources in 2018.

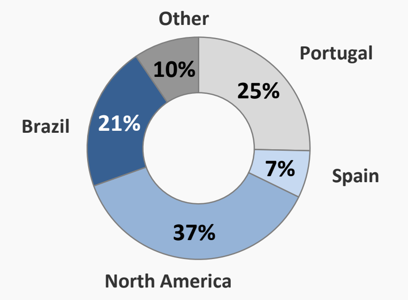
(*) Non-recurring items: (i) ***+€268m in 2017****, including net gain on disposals (NED and EDP Gas: +€574m; REN stake: +€25m), restructuring costs (-€21m), regulatory-driven costs/provisions (-€61m); impairments at coal plants in Iberia and other (-€191m); debt prepayment fees and others (-€33m); impact from US fiscal reform (+€44m) and the extraordinary energy tax (-€69m); (ii)* ***-€277m in 2018****, including regulatory impacts (-€208m), impairments at coal plants in Iberia (-€21m), restructuring costs (-€21m), net gain on disposals (Mini-hydros: +€40m; Bioelectrica:+€24m); debt prepayment fees and others (-€26m) and the extraordinary contribution for the energy sector (-€65m).*

(1) Includes unwinding of medium, long term liabilities (regarding dismantling & decommissioning provision for wind assets, TEIs and Alqueva/Pedrogão concessions) and interest on medical care and pension fund liabilities.

Investment activity

Capex (€ m)	2018	2017	Δ %	Δ Abs.	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
Expansion	**1,394**	**1,017**	**37%**	**+377**	**112**	**351**	**188**	**365**	**283**	**217**	**505**	**389**
Wind & Solar	1,275	1,051	21%	+224	93	331	291	337	265	199	461	349
Brazil	77	11	n.m.	+67	-	1	1	9	5	11	39	23
Iberia and Other	42	(45)	-	+87	19	19	(103)	20	13	7	5	18
Maintenance	**637**	**709**	**-10%**	**-72**	**140**	**144**	**143**	**282**	**85**	**144**	**163**	**245**
Regulated Networks Iberia	276	349	-21%	-73	73	73	71	132	34	52	63	126
Regulated Networks Brazil	152	158	-4%	-6	42	35	39	41	26	34	43	49
Other	209	202	3%	+7	25	36	32	109	24	58	57	70
Consolidated Capex	**2,031.17**	**1,725**	**18%**	**+306**	**252**	**495**	**331**	**647**	**368**	**362**	**668**	**634**

CAPEX 2018



Net financial investments/ (Divestments) (1) (€m)	2018	2017	Δ %	Δ Abs.
Financial Investments	**210**	**433**	**-51%**	**-222**
EDPR Perimeter	105	10	911%	**+95**
EDP Brasil Perimeter	105	91	15%	**+14**
Tender offer for EDPR shares	-	299	-	**-299**
Iberia and Other	-	32	-	**-32**
Financial Divestments	**745**	**3,081**	**-76%**	**-2,337**
EDPR Perimeter	422	272	55%	+150
EDP Brasil Perimeter	150	13	1096%	+137
Sale of NED + EDP Gas	38	2,745	-99%	-2,707
Other	135	52	161%	+83
Net Financial Investment	**(534)**	**(2,649)**	**80%**	**+2,114**

Summary of Expansion Investment activity (1) (€m)	2018	2017	Δ %	Δ Abs.
Expansion capex	1,394	1,017	37%	+377
Net financial Investm./(Divestm)(1)	(534)	(2,649)	80%	+2,114
Proceeds from TEI in US	(399)	(445)	10%	+46
Other (2)	(111)	299	-	-410
Total	**350**	**(1,777)**	**-**	**+2,127**

Consolidated capex amounted to €2,031m in 2018, supported by an acceleration of expansion capex, particularly in renewables and transmission in Brazil. In line with EDP strategy, the bulk of total capex (89%) was devoted to regulated and long term contracted activities, including expansion projects (c70% of total capex).

Maintenance capex (€637m in 2018) was mostly absorbed by regulated networks in Brazil and Iberia (67% of total). The decline in 2018 is mainly supported by the de-consolidation of gas distribution in Iberia (€24m capex in 2017) and weaker BRL/EUR rate underlying capex.

Expansion capex was mostly dedicated to new renewable capacity and the transmission lines in Brazil:

1) New wind & solar capacity: capex amounted to €1,275m in 2018, of which 59% was applied in North America, 27% in Europe and 13% in Brazil. Onshore wind under construction by the end of Dec-18 totalled 344 MW: 58% in US and 42% in Europe.
2) Transmission lines in Brazil: capex is ramping up, with €73m invested in 2018, as the execution of the R$3.1bn capex planned until 2022 is proving ahead of schedule.

Net financial divestments amounted to €534m, including: (i) in Brazil, the acquisition of a 23.6% stake in Celesc (Centrais Elétricas de Santa Catarina) for €89m, combined with the sale of several small hydro plants (€150m); (ii) at EDPR level, the sale of a 43% stake in Moray East offshore wind project (23% in 4Q18), the sale of a 13.5% stake in our France offshore projects (4Q18) and the asset rotation of 499 MW of wind onshore capacity in the US and Canada (4Q18), explaining the bulk of €422m; (iii) in Iberia, the cash in of additional €38m relative to the disposal of Naturgas Energia Distribuición ('NED') and the sale of mini hydro/biomass plants in Portugal (€135m).

Overall, net expansion activity resulted in net cash investment of €350m, including an acceleration of expansion capex (+€377m YoY, to €1,394m), proceeds from new TEI structures (€399m) and net impact from disposals/acquisitions (-€534m in 2018). Note that 2017 investment activity was marked by an intense portfolio reshuffling activity and changes in the consolidation perimeter.

(1) Includes shareholders loans; (2) Includes Change in WC Fixed asset suppliers, change in consolidation perimeter and other

Cash Flow Statement

Consolidated Cash Flow (€m)	2018	2017	Δ %	Δ Abs.
Operating Activities				
Cash receipts from customers	14,237	13,825	3%	+412
Proceeds from tariff adjustments sales	1,289	1,193	8%	+96
Cash paid to suppliers and personnel	(11,770)	(11,406)	-3%	-365
Concession rents & other	(694)	(718)	3%	+24
Net Cash from Operations	**3,061**	**2,894**	**6%**	**+167**
Income tax received/(paid)	**(123)**	**(659)**	**81%**	**+535**
Net Cash from Operating Activities	**2,938**	**2,236**	**31%**	**+702**
Net Cash from Investing Activities	**(1,179)**	**570**	**-**	**-1,749**
Net Cash from Financing Activities	**(2,335)**	**(1,797)**	**-30%**	**-538**
Changes in Cash and Cash Equivalents	**(576)**	**1,008**	**-**	**-1,584**
Effect of exchange rate fluctuations	(21)	(129)	84%	+109

Change in Net Debt (€ m)	2018	2017	Δ %	Δ Abs.
Recurring CF from Operations (1)	**2,605**	**2,686**	**-3%**	**-80**
Recurring EBITDA	3,287	3,383	-3%	-96
Change in operating working capital, taxes and other	(681)	(697)	2%	+16
Maintenance capex (2)	(664)	(754)	12%	+90
Net interests paid	(570)	(630)	10%	+60
Payments to Institutional Partnerships US	(174)	(195)	11%	+21
Other	(13)	(319)	96%	+306
Recurring Organic Cash Flow	**1,184**	**787**	**50%**	**+397**
Net Expansion	**(350)**	**1,777**	**-**	**-2,127**
Expansion capex	(1,394)	(1,017)	-37%	-377
Net Fin. Investm./Divestments	534	2,649	-80%	-2,114
Proceeds from Institut. Partnerships in US	399	445	-10%	-46
Other	111	(299)	-	+410
Change in Regulatory Receivables	**602**	**34**	**1673%**	**+568**
Dividends paid to EDP Shareholders	**(691)**	**(691)**	**0%**	**+0**
Effect of exchange rate fluctuations	**(13)**	**618**	**-**	**-631**
Other (including one-off adjustments)	**(310)**	**(494)**	**37%**	**+185**
Decrease/(Increase) in Net Debt	**422**	**2,031**	**-79%**	**-1,608**

Funds from Operations (€m)	2018	2017	Δ %	Δ Abs.
EBITDA	**3,317**	**3,990**	**-17%**	**-673**
Current income tax	(246)	(178)	-38%	-67
Net financial interests	(626)	(691)	9%	+65
Net Income and dividends received from Associates	(15)	17	-	-32
FFO Adjustments	(194)	(121)	-61%	-73
FFO - Funds From Operations	**2,237**	**3,017**	**-26%**	**-780**

(1) Excluding Regulatory Receivables; (2) Maintenance capex includes payables to fixed assets suppliers.

Recurring organic cash flow amounted to €1.184m in 2018 (+50% YoY). Note that the adverse impact from regulatory developments in Portugal in late 2017 and the disposal of gas distribution in Iberia (-€129m YoY) on Recurring organic cash flow was smoothed out by the correspondent income tax effect. In detail, it is worth to highlight: (i) **Recurring cash flow from operations, reaching €2.6bn in 2018,** was €0.1bn lower YoY in the wake of the impact from weak wind resources and the de-consolidation of gas assets, even if this was cushioned by lower income taxes; (ii) **Net interests paid (net of capitalised expenses) amounted to €570m,** posting a €60m YoY improvement, mirroring EDP's improvement trajectory in terms of financial debt and the respective cost; (iii) Other items include €196m gain from the sale of stakes in renewable projects during 2018. Note that expenditure in maintenance capex (€664m) includes payables to fixed assets suppliers.

Net expansion activity comprised the construction of new wind capacity and execution of programmed capex in transmission lines in Brazil; but also, equity contributions by EDPR (mainly focused in wind offshore projects) and in Brazil (hydro generation). Additionally, our expansion activity encompassed the acquisition of 23.6% stake in CELESC for €89m and several disposals, mainly in 4Q18: asset rotation transactions in offshore wind (€189m in 2018), the first asset rotation of majority stake deal in wind onshore (€226m in 4Q18), the disposal of several small hydro plants in Brazil and Portugal (€285m closed in 4Q18). Note that in 2017, net expansion divestments (€1.8bn) included net proceeds from portfolio reshuffling (€2.4bn).

Regulatory receivables fell by €602m in 2018, driven by Portugal on system deleveraging (-€0.8bn YoY, to €3.8bn) and EDP's asset rotation deficit strategy (€1.3bn in 2018).

On 2-May-18, **EDP paid its annual dividend totaling €691m** (€0.19/share).

Effects of exchange rate fluctuations had a negligible impact on net debt, reflecting balanced effects from the appreciation of the USD (+5%) and depreciation BRL (-19%) vs. Dec-17, both against the Euro.

One-off impacts (included in **Other**) amounted to €0.3bn in 2018, including the taxes cash out (energy tax previously provisioned and fiscal revaluation: €0.2bn), extraordinary contribution to pension fund and early debt prepayment costs. In 2017, total one-off impacts amounted to €0.5bn, including €0.4bn tax-related (arising from 2016 reduction in regulatory receivables, fiscal revaluation program and other), extraordinary contribution to pension fund and costs arising from early debt prepayments.

Overall, recurring organic cash flow generated in 2018 more than covered dividend payment to shareholders plus net debt reduction. Net expansion activity and one-off cash flow items were balanced by lower regulatory receivables arising from tariff deficit sales. **Net debt** decreased by €0.4bn in the year, to €13.5bn as of Dec-18.

Funds from operations (FFO) were 26% lower YoY, at €2,237m in 2018, reflecting i) a €673m decrease in reported EBITDA (see details on page 3); ii) a €67m increase in current income tax; iii) a €65m decrease in net financial interests paid; iv) a €32m decrease in net income and dividends received from Associates, following the disposal of a 3.5% stake in REN in 2017; and v) higher impact from FFO adjustments mainly explained by higher extraordinary contribution to pension fund.

Consolidated Financial Position

Assets (€ m)	Dec-18	Dec-17	Δ Abs.
	Dec vs. Dec		
Property, plant and equipment, net	22,708	22,731	-23
Intangible assets, net	4,737	4,747	-11
Goodwill	2,251	2,233	19
Fin. investments & assets held for sale (details page 28)	1,088	1,236	-148
Tax assets, deferred and current	1,560	1,390	170
Inventories	342	266	76
Other assets, net	6,946	7,028	-82
Collateral deposits	193	45	148
Cash and cash equivalents	1,803	2,400	-597
Total Assets	**41,627**	**42,075**	**-448**

Equity (€ m)	Dec-18	Dec-17	Δ Abs.
Equity attributable to equity holders of EDP	8,968	9,546	-578
Non-controling Interest (Details on page 28)	3,932	3,934	-2
Total Equity	**12,900**	**13,480**	**-580**

Liabilities (€ m)	Dec-18	Dec-17	Δ Abs.
Financial debt, of wich:	16,085	16,918	-833
Medium and long-term	*13,462*	*15,470*	*-2,007*
Short term	*2,623*	*1,448*	*1,174*
Employee benefits (detail below)	1,407	1,522	-115
Institutional partnership liability (US wind)	1,269	1,249	20
Provisions	1,018	753	266
Tax liabilities, deferred and current	1,238	1,122	117
Deferred income from inst. partnerships	962	915	47
Other liabilities, net	6,746	6,117	630
Total Liabilities	**28,727**	**28,595**	**132**
Total Equity and Liabilities	**41,627**	**42,075**	**-448**

Employee Benefits (€m)	Dec-18	Dec-17	Δ Abs.
Employee Benefits (bef. Tax)	**1,407**	**1,522**	**-115**
Pensions	759	763	-4
Medical care and other	648	759	-111
Deferred tax on Employee benefits (-)	**-422**	**-459**	**37**
Employee Benefits (Net of tax)	**985**	**1,064**	**-78**

Regulatory Receivables (€m)	Dec-18	Dec-17	Δ Abs.
Regulatory Receivables	**287**	**870**	**-583**
Portugal Distribution (1)	120	608	-488
Portugal Annual CMEC Deviation	96	237	-140
Brazil	71	26	45
Change in Fair value (+)	**-**	**-**	**-**
Deferred tax on Regulat. Receivables (-)	**-68**	**-266**	**198**
Regulatory Receivables (Net of tax)	**219**	**604**	**-385**

Total amount of **property, plant & equipment and intangible assets** remained flat vs. Dec-17 at €27.4bn as of Dec-18, mainly driven by an acceleration in CAPEX in the 2018 which outstood depreciation charges and forex impact from the depreciation of the BRL (-11%) against the EUR between Dec-17 and Dec-18. As of Dec-18, EDP works in progress amounted to €1.7bn (6% of total consolidated tangible and intangible assets): 51% at EDPR level, 9% at EDP Brasil level and the remaining 40% at Iberian level.

The book value of **financial investments & assets held for sale** decreased by €148m vs. Dec-17 (details on page 28). Worth noting in this regard that some mini-hydro plants, along with a biomass plant in Portugal and small hydro plants in Brazil, were sold during 4Q18. Note also that by Dec-18, financial investments include: i) €357m at EDPR level, corresponding to equity stakes in 356MW wind farms in US and Spain, and 33% and 29.5% stakes in offshore projects in UK and France, respectively; ii) €456m at EDP Brasil level (mainly related to 23.6% stake in Celesc, 50% stake in Jari, 50% stake in Cachoeira Caldeirão and 33% stake in São Manoel); and iii) €264m at EDP level, including a 50% equity stake in EDP Asia (the owner of a 21% stake in CEM) and other.

Tax assets net of liabilities, deferred and current remained flat vs. Dec-17 at €0.3bn in Dec-18. **Other assets (net)** decreased €0.1bn vs. Dec-17 to €6.9bn as of Dec-18, supported essentially by the €0.6bn reduction in regulatory receivables, which was mostly mitigated by the impact of changes to IFRIC 12 - Concessions through the adoption of IFRS 15 regarding under construction concession assets. Note that other assets (net) includes €0.16bn in cash yet to collect from the disposal of Naturgas Distribuición.

Total amount of EDP's **net regulatory receivables** was €0.6bn lower vs. Dec-17, at €287m as of Dec-18 **(€219m net of tax)**, due to the combined effect of the sale of €1.3bn of regulatory receivables in Portugal and the annual increase of deficit reflected in EDP's accounts. Worth noting that the total Portuguese system debt has decreased significantly in 2018 by €0.8bn to €3.8bn, on the back of demand growth (+2.9% YoY in the 2018) and past regulatory cuts in Portugal.

Equity book value attributable to EDP shareholders decreased by €0.6bn to €9.0bn as of Dec-18, reflecting the net profit for the period (€0.5bn) which was more than offset by the annual payment of dividends (€0.7bn), by the €0.1bn impact of IFRS 9 and IFRS 15 adoption and by the impact of exchange differences arising on consolidation, following the depreciation of BRL against EUR.

Non-controlling interest (details on page 28) were stable vs. Dec-17, at €3.9bn as of Dec-18, as the results attributable to minority stakes in the period were offset by the YTD depreciation of BRL against the EUR.

Pension fund, medical care and other employee benefit liabilities fell by €0.1bn vs. Dec-17 to €1.4bn as of Dec-18 **(€1.0bn, net of tax)**, reflecting the recurrent payment of pension and medical care expenses in 2018, as well as a one-off €0.1bn contribution to the pension fund.

Institutional partnership liabilities increased 2% YoY, following the benefits appropriated by the tax equity partners during the period, new tax structure and forex impact.

Provisions by Dec-18 amounted to €1.0bn (+€266M vs Dec-17), mainly explained by the recognition of a provision of €285m related with CMEC and the payment of 2017 and 2018 CESE.

Other liabilities (net) increased €0.6bn YoY, mainly supported by the working capital related with wind farms construction activity.

(1) Tariff deviations to be recovered/(returned) through tariffs in the following years by electricity distribution and last resort supply and gas in Portugal.

Net Financial Debt

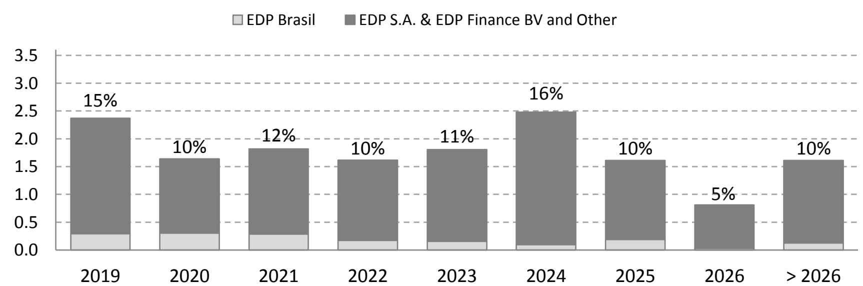
Net Financial Debt (€ m)	Dec-18	Dec-17	Δ %	Δ Abs.
Nominal Financial Debt	**15,766**	**16,575**	**-5%**	**-809**
EDP S.A. and EDP Finance BV	13,228	14,079	-6%	-851
EDP Renováveis	882	992	-11%	-110
EDP Brasil	1,656	1,504	10%	152
Accrued Interest on Debt	258	261	-1%	-3
Fair Value of Hedged Debt	61	81	-25%	-21
Derivatives associated with Debt (2)	(116)	(141)	18%	26
Collateral deposits associated with Debt	(193)	(45)	-326%	-148
Hybrid adjustment (50% equity content)	(391)	(391)	0%	0
Total Financial Debt	**15,385**	**16,340**	**-6%**	**-955**
Cash and cash equivalents	**1,803**	**2,400**	**-25%**	**-597**
EDP S.A., EDP Finance BV and Other	922	1,608	-43%	-687
EDP Renováveis	386	388	-1%	-2
EDP Brasil	496	404	23%	92
Financial assets at fair value through P&L	**102**	**38**	**172%**	**64**
EDP Consolidated Net Debt	**13,480**	**13,902**	**-3%**	**-422**

Credit Lines by Sep-18 (€m)	Maximum Amount	Number of Counterparts	Available Amount	Maturity
Revolving Credit Facilities	75	1	75	Jul-19
Revolving Credit Facility	3,300	24	3,300	Oct-23
Revolving Credit Facility	2,240	17	2,010	Mar-23
Domestic Credit Lines	226	7	226	Renewable
Underwritten CP Programmes	50	1	50	2021
Total Credit Lines	**5,891**		**5,661**	

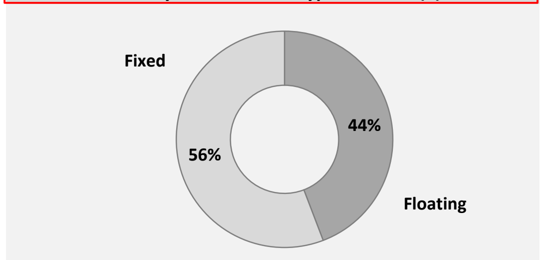
Credit Ratings	S&P	Moody's	Fitch
EDP SA & EDP Finance BV	**BBB-/Stable/A-3**	**Baa3/Stable/P3**	**BBB-/Stab/F3**
Last Rating Action	08-08-2017	03-04-2017	05-12-2018

Key ratio	Dec-18 (3)	Dec-17
Net Debt / EBITDA adjust. for Reg. Receivables (x) (3)	4.0x	3.9x

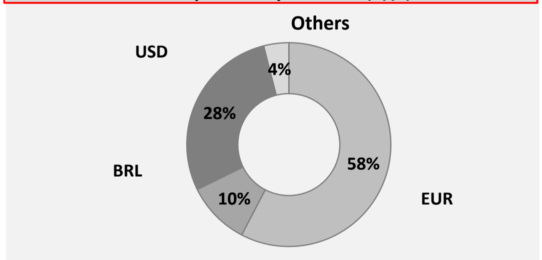
Debt Maturity (€ m) by Dec-18 (1)



Debt by Interest Rate Type - Dec-18 (1)



Debt by Currency - Dec-18 (1)(2)



EDP's financial debt is essentially issued at holding level (EDP S.A. and EDP Finance B.V.) through both debt capital markets and bank loans. Maintaining access to diversified sources of funding and assuring refinancing needs at least 12-24 months ahead continue to be part of the company's funding strategy.

In Dec-18, **Fitch** affirmed EDP's credit rating at "BBB-", with Stable outlook. In Aug-17, **S&P** upgraded EDP's credit rating to "BBB-" with Stable outlook. In Apr-17, **Moody's** affirmed EDP's credit rating at "Baa3" with Stable outlook.

Looking at 2018's major debt repayments and refinancing deals: in Feb-18 EDP repaid USD531m of a USD1,000m bond with a 6% coupon, of which USD469m had been bought back in Dec-16. In Mar-18, EDP signed a 5-year revolving credit facility (with options to extend for 2 additional years, subject to bank's approval) in the amount of €2.24bn, which can be drawn in either EUR or USD, replacing a €2.00bn facility that was maturing in Feb-20. In Jun-18, EDP issued a €750m bond with a yield of 1.67%, maturing in Jan-26. In Sep-18 EDP exercised the option (and obtained bank's approval) to extend the maturity of the €3.3bn RCF for 1 year to Oct-23. In Oct-18, EDP made its first ever "Green Bond" issuance of €0.6bn with a 7-year maturity and a yield of 1.959%. Also, in Oct-18, EDP issued R$1.2bn, at a transmission line project level, with a coupon of IPCA + 6.72% maturing in Oct-28. EDP's long dated bond issues are in line with the Group's financial policy of extending the average term of its debt portfolio and reinforcing its financial flexibility.

In 4Q18, EDP bought-back €500m of several bonds and sold significant tariff deficit, which contributed to a decrease of the share of EUR in Debt.

The weight of consolidated financial debt through capital markets stood at 81%, while the remaining debt was raised mainly through bank loans. **Refinancing needs in 2019** amount to €2.4bn, consisting in €1.4bn in bonds and €1.0bn in bank loans. **In 2020 and 2021**, refinancing needs amount to approx. €3.5bn. Total cash and available liquidity facilities amounted to €7.6bn by Dec-18. This liquidity position allows EDP to cover its refinancing needs beyond 2020.

In Jan-19, EDP extended €2,095m out of the €2,240m Revolving Credit Facility maturity until Mar-24 and issued €1.000m of subordinated green notes with a yield of 4.5%.

(1) Nominal Value includ. 100% of the hybrid bond; (2) Derivatives designated for fair-value hedge of debt; (3) Based on trailing 12 months recurring EBITDA and net debt exclud. 50% of hybrid bond issue (includ. interest).

Business Areas

Iberian Electricity and Gas Markets

Electricity Balance (TWh)	Portugal 2018	Portugal 2017	Portugal Δ%	Spain 2018	Spain 2017	Spain Δ%	Iberian Peninsula 2018	Iberian Peninsula 2017	Iberian Peninsula Δ%
Hydro	12.3	6.4	91%	36.1	20.6	76%	48.4	27.0	79%
Nuclear	-	-	-	53.2	55.6	-4%	53.2	55.6	-4%
Coal	11.1	13.6	-18%	34.9	42.6	-18%	46.0	56.2	-18%
CCGT	10.1	13.5	-25%	26.4	33.9	-22%	36.5	47.4	-23%
(-)Pumping	(1.6)	(2.2)	-29%	(3.2)	(3.7)	-13%	(4.8)	(5.9)	-19%
Conventional Regime	**31.9**	**31.3**	**2%**	**147.4**	**149.0**	**-1%**	**179.3**	**180.3**	**-1%**
Wind	12.4	12.0	3%	48.9	47.5	3%	61.3	59.5	3%
Other	9.3	9.0	3%	47.3	48.3	-2%	56.6	57.3	-1%
Special Regime	**21.6**	**21.0**	**3%**	**96.2**	**95.8**	**1%**	**117.9**	**116.8**	**1%**
Import/(export) net	(2.7)	(2.7)	-1%	9.9	8.0	24%	7.2	5.3	36%
Gross demand (before grid losses)	**50.9**	**49.6**	**2.6%**	**253.5**	**252.8**	**0.3%**	**304.4**	**302.4**	**0.7%**
Adjust. temperature, working days			1.7%			0.3%			n.a.

Gas Demand (TWh)	Portugal 2018	Portugal 2017	Portugal Δ%	Spain 2018	Spain 2017	Spain Δ%	Iberian Peninsula 2018	Iberian Peninsula 2017	Iberian Peninsula Δ%
Conventional demand	44.1	42.1	5%	287.5	275.1	5%	331.6	317.2	5%
Demand for electricity generation	20.8	27.6	-25%	61.8	75.7	-18%	82.6	103.3	-20%
Total Demand	**64.9**	**69.7**	**-7%**	**349.3**	**350.8**	**0%**	**414.3**	**420.5**	**-1%**

Electricity demand in Iberia grew 0.7% in 2018, following a 1.1 % YoY decline in 4Q18 (vs. +0.8% in 3Q18). In Spain (83% of Iberia), demand adjusted for temperature and working days was up 0.3% YoY. In Portugal (17% of total), demand adjusted for temperature and working days increased 1.7% YoY (total demand up by 2.6%), driven by both the residential and business segments.

Installed capacity in Iberia decreased by 0.3 GW to 118.1 GW as of Dec-18, mainly reflecting a reduction in CCGT installed capacity.

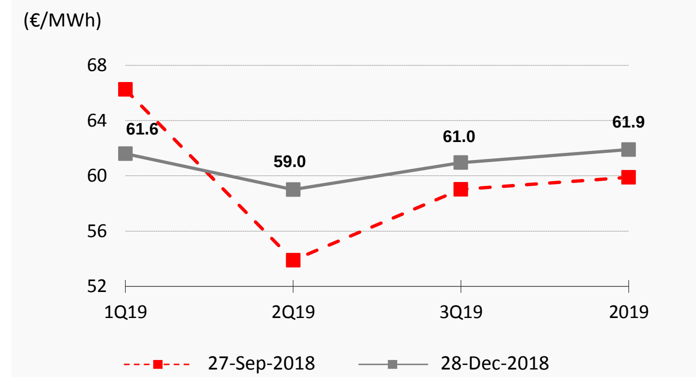
Residual thermal demand (RTD) declined 20% YoY in 2018 (-21 TWh), mostly supported by a strong rebound of hydro resources in Iberia since Mar-18 (5% and 30% above the average year in Portugal and Spain in 2018, respectively, vs. c.50% below average year in 2017). Even so, an extremely dry 4Q in Portugal (hydro resources 33% below historical average) drove reservoirs levels below avg. historical levels as of Dec-18. All in all, hydro output (net of pumping) posted an YoY increase of 22 TWh. Wind output increased 1.8 TWh YoY backed by outstanding wind resources in 1Q18, and net imports increased 1.9 TWh YoY, fully driven by Spain. In turn, nuclear output fell 2.4 TWh, reflecting some nuclear outages, particularly in 2Q18. As a result, coal output decreased 18% YoY (-10 TWh) and CCGT output fell 23% YoY (-11 TWh). Overall, higher demand in Iberia (+2 TWh YoY) was tackled by higher production from renewables and net imports, leading to lower avg. load factors at both coal (-9p.p. YoY to 48%) and CCGTs (-4p.p. YoY to 14%), respectively.

Average electricity spot price rose 10% YoY, to c.€57/MWh in 2018 (+8% YoY in 4Q18), fuelled by the rise in commodities prices in the European markets. **Average CO_2 prices** soared 172% YoY, to €15.9/ton in 2018. The **average electricity final price** in Spain rose by 7%, to €63/MWh. The difference between final electricity price and pool price derives from the contribution from profiling, restriction market, ancillary services and capacity payments.

In the Iberian gas market, consumption was slightly lower, reflecting the mixed impact from: (i) 5% YoY increase in conventional gas demand (80% of total gas consumption in Iberia), mostly driven by the cold snap in the beginning of the year; and (ii) 20% YoY decline in gas consumption for electricity generation, due to a lower thermal gap.

Installed Capacity in Electricity (GW)	Iberian Peninsula 2018	Iberian Peninsula 2017	Iberian Peninsula Δ%
Hydro	24.4	24.4	0%
Nuclear	7.0	7.0	-
Coal	11.3	11.3	0%
CCGT	28.4	28.8	-1%
Conventional Regime	**71.0**	**71.4**	**-1%**
Wind	28.1	28.1	0%
Other special regime	19.0	18.8	1%
Special Regime	**47.0**	**47.0**	**0%**
Total	**118.1**	**118.4**	**-0.2%**

Iberian Electricity Forward Market (OMIP)



Main Drivers (1)	2018	2017	Δ%
Hydro coeficient (1.0 = avg. year)			
Portugal	1.05	0.47	123%
Spain	1.30	0.50	160%
Wind coeficient (1.0 = avg. year)			
Portugal	1.00	0.97	3%
Electricity spot price, €/MWh			
Portugal	57	52	9%
Spain	57	52	10%
Electricity final price, €/MWh (2)			
Spain	63	59	7%
CO2 allowances (EUA), €/ton	15.9	5.8	172%
Coal (API2 CIF ARA), USD/tonne	92	84	9%
Mibgas, €/MWh	24	21	16%
Gas NBP, €/MWh	23	17	32%
Brent, USD/bbl	71	54	31%
EUR/USD	1.18	1.13	-4%

Sources: EDP, REN, REE, Enagas, OMEL, OMIP, Mibgas, CNMC; (1) Average in the period; (2) Final price reflects spot price and system costs (capacity payment, ancillary services).

Generation & Supply in Iberia

Income Statement (€ m)	2018	2017	Δ%	Δ Abs.
Gross Profit	**1,434**	**1,236**	**16%**	**+199**
OPEX (1)	450	471	-5%	-21
Other operating costs (net)	222	210	6%	+12
Net Operating costs	**672**	**681**	**-1%**	**-9**
EBITDA	**762**	**555**	**37%**	**+208**
Amortisation, impairment and Provisions	696	583	19%	+113
EBIT	**67**	**(28)**	**-**	**+95**

Gross Profit breakdown (€ m)	2018	2017	Δ%	Δ Abs.
Electricity Sources & Uses	**1,247**	**956**	**30%**	**+290**
Total Volume (TWh) - Details below	70.3	70.6	-0%	-0
Unit margin (€/MWh)	17.7	13.5	31%	+4
Before hedging (€/MWh) - Details below	18.9	12.8	47%	+6
From Hedging (€/MWh) (2)	(1.1)	0.7	-	-2
Other	**187**	**279**	**-33%**	**-92**
Electricity generation (Detail page 12), Energy supply	178	275	-35%	-97
Gas trading, other and adjustments	9	5	98%	+5
Total	**1,434**	**1,236**	**16%**	**+199**

Electricity Sources & Uses	2018	2017	Δ%	2018	2017	Δ%
	Output (GWh)			Variable Cost (€/MWh) (3)		
Own production (4)	33,849	33,293	2%	29	33	-14%
Purchases	36,492	37,345	-2%	59	59	1%
Electricity Sources	**70,341**	**70,638**	**-0%**	**44**	**47**	**-5%**
	Volumes Sold (GWh)			Average Price (€/MWh) (5)		
Grid Losses	4,355	2,269	92%	n.a.	n.a.	-
Final customers	32,137	35,076	-8%	69	62	13%
Wholesale market	33,849	33,293	2%	65	61	7%
Electricity Uses	**70,341**	**70,638**	**-0%**	**63**	**59**	**6%**

Gas Uses (TWh)	2018	2017	Δ%	Δ Abs.
Consumed at EDP power plants	11.7	14.2	-18%	-2.5
Sold in wholesale markets	12.0	10.3	17%	+1.7
Sold to Final customers	10.6	12.1	-13%	-1.5
Total	**34.3**	**36.6**	**-6%**	**-2.3**

On 3-May-18, it has come to EDP's knowledge, through a DGEG's letter of Apr-18, that the ERSE's amount of €154m for the final adjustment of CMEC had been officially approved. Although EDP considers that the administrative act contained in the Order of approval of the Secretary of State for Energy (SSE) lacks technical, economic and legal basis, a provision corresponding to the difference of the amounts already recognised in revenues was booked, with an impact on EBITDA of -€30m, of which -€18m relative to 2H17 (one-off).

Excluding the one-off impacts, **recurring EBITDA rose 40% YoY, to €796m in 2018**, propelled by hydro's higher output and contribution to the production mix (39% share in total production in 2018 vs. 22% in 2017) and higher selling prices, which more than compensated the adverse impact from weak energy management results, due to the hedge position closed in 2017. One-off impacts include CMEC adjustment (€18m in 2018) and restructuring costs (€15m in 2018 vs. €13m in 2017).

Gross profit excluding CMEC one-off impact rose by 18% YoY, to €1,453m in 2018, mainly driven by higher avg. unit margin (up from €14/MWh in 2017 to €18/MWh in 2018):

Volumes: Total volume sold was broadly flat YoY, at 70 TWh in 2018, reflecting the mixed impact from an 8% fall in sales to customers, mainly prompted by business customers; and 2% rise in sales in the wholesale market, driven by higher production. Generation output was 2% higher YoY, reflecting an increase in hydro production; electricity purchases were 2% lower YoY.

Unit margin (2)(3): Avg. electricity spread before hedging rose from €12/MWh in 2017, to €19/MWh in 2018, mainly reflecting a cheaper generation mix. **Avg. sourcing cost** declined 5% YoY, to €44/MWh in 2018, mainly supported by a higher contribution from hydro production in the generation mix. **Avg. selling price** rose 6% YoY in 2018, almost in line with the increase in the electricity market final price.

Net operating costs amounted to €672m in 2018 (-1% YoY). Cost related to tax and levies fell by €32m YoY (€36m decrease in Spain, €4m YoY increase in Portugal), as a result of 2H17's increase in clawback in Portugal; and from Oct-18 the suspension of generation taxes and tax on gas in Spain and clawback in Portugal.

On 26-Sep-18, DGEG notified EDP about a dispatch issued by the Secretary of State for Energy (SSE) on 29-Aug-2018 on the financial impact of the "innovative features" of the PPA Cessation Agreements, which quantified at €285 million the alleged overcompensation of EDP related to the calculation of the real availability factor of the plants under the CMEC regime. Additionally, the dispatch from SSE also mentioned that the possible charging of a maximum amount of €72.9 million for alleged overcompensation of plants under CMEC regime operating on ancillary services market is still under analysis. Considering that the dispatch lacks legal, economic technical basis, EDP presented in Oct-18 a complaint with the SSE, but with no follow up on the issue so far. As a result, EDP has taken legal action in Fev-19 as to protect its rights and interests. Even though EDP considers that there were no innovative features weighted in the annual adjustments or the final adjustment of the CMEC, this aspect was reflected in 3Q18 through a provision of €285m. As a result, **amortisation, impairment and provisions** increased by 19% YoY, to €696m in 2018, partly offset by higher impairments' recognition in 2017 (€196m from Sines and Soto 3) vs. 2018 (€24m from Sines and Soto 3).

In 2018, total gas consumed/sold declined by 4% YoY, driven by a 18% YoY decrease in gas consumption at our CCGT plants (-2.5 TWh) and 7% YoY decline in sales to final customers (-0.9 TWh). In turn, sales in wholesale market increased 17% YoY (+1.7 TWh).

EDP is adapting its hedging strategy to the current market conditions. As a result, for 2019, EDP has so far forward contracted with clients electricity sales of ~28 TWh, at an avg. price of c.€58/MWh (excluding naturally-hedged price-indexed volumes), and has already secured avg. thermal spread at a high single digit per MWh for around 90% of expected thermal production.

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (2) Includes results from hedging on electricity; (3) Variable cost: fuel and CO2 cost, hedging costs (gains), system costs;
(4) Excludes production at mini-hydro, cogeneration and waste plants; (5) Average selling price: includes selling price (net of TPA tariff), ancillary services and others.

Electricity Generation in Iberia

Income Statement (€ m)	2018	2017	Δ%	Δ Abs.
Gross Profit	**1,153**	**931**	**24%**	**+222**
OPEX (1)	241	252	-4%	-11
Other operating costs (net)	154	166	-7%	-12
Net Operating costs	**396**	**419**	**-5%**	**-23**
EBITDA	**757**	**512**	**48%**	**+245**
Amortisation, impairment; Provision	656	576	14%	+81
EBIT	**101**	**(63)**	**-**	**+164**

Key Operating Data	2018	2017	Δ%	Δ Abs.
Generation Output (GWh)	**34,555**	**33,778**	**2%**	**+777**
Hydro	13,305	7,182	85%	+6,123
CCGT	5,333	8,029	-34%	-2,696
Coal	14,016	16,847	-17%	-2,831
Nuclear	1,196	1,236	-3%	-40
Mini-hydro, Cogener. & Waste	706	485	46%	+221
Hydro pumping volume (GWh)	**2,438**	**2,228**	**9%**	**+211**
Generation Costs (€/MWh) (2)	**29**	**33**	**-14%**	**-5**
Hydro	7	19	-61%	-12
CCGT	59	53	11%	+6
Coal	39	32	22%	+7
Nuclear	5	5	4%	+0
Load Factors (%)				
Hydro	21%	12%	-	10p.p.
CCGT	16%	25%	-	-8p.p.
Coal	67%	80%	-	-13p.p.
Nuclear	88%	91%	-	0p.p.
Employees (#)	**1,482**	**1,601**	**-7%**	**-119**
Capex (€m)	**142**	**172**	**-18%**	**-30**
Expansion	35	71	-51%	-36
Maintenance	107	101	6%	+6

Other financial details (€ m)	2018	2017	Δ%	Δ Abs.
At Gross profit level:				
Capacity payments & Other	41	54	-23%	-13
Mini-hydro, cogeneration & waste	54	39	39%	+15
CMEC annual deviation	5	108	-95%	-103
At EBITDA level:				
Regulatory costs (3)	218	237	-8%	-19

Our liberalised generation & supply activities are jointly managed as most of our production is sold to our supply units at fixed prices. The current section refers only to electricity generation operations.

The **overall generation portfolio in Iberia** (excluding wind and solar) encompasses a total of 13.5 GW, of which 53% in hydro capacity, 28% in CCGT, 18% in coal (86% with DeNOx), 1% of cogeneration and waste; and 1% in nuclear. **Production** in 2018 increased 2% YoY (+0.8 TWh), to 34.6 TWh, reflecting a sharp rebound of hydro resources to normalized levels in 2018, which enabled a 6.1 TWh YoY increase in hydro output. This increase in hydro output was, however, partially offset by a lower production at our coal (-2.8 TWh) and CCGT (-2.7 TWh) plants.

Avg. production cost fell 14% YoY, to €29/MWh in 2018, driven by hydro's higher contribution to the production mix (39% of total output in 2018 vs. 22% in 2017). **Avg. production cost at our coal plants** increased 22% YoY, fuelled by a higher coal and CO_2 prices. **Avg. production cost at CCGTs** logged an 11% YoY increase, due to a higher cost of gas.

Gross profit from generation in Iberia rose 24%, to €1,153m in 2018, benefitting from a lower avg. production cost and higher gross profit from mini-hydro, cogeneration and waste plants (+39% YoY), on the back of the strong recovery in hydro output which more than compensated the impacts from: (i) the €18m one-off provision from CMEC; (ii) 23% YoY decrease in capacity payments following the interruption in Spain, by Jul-18; and (iii) weak energy management results, due to the hedge position closed in 2017. Also note that the annual deviation from PPA/CMEC gross profit vs CMEC reference, totalling €108m in 2017, ceased to be in force since Jun-17 (€5m booked in 2018 reflects prior years adjustments).

Net operating costs decreased by 5% YoY, to €396m in 2018, due to tight cost control. **Regulatory costs** decreased 8% YoY, to €218m in 2018, impacted by: (i) at gross profit level, a €13m YoY increase in social tariff and coal levy in Portugal; (ii) at 'Other operating costs' level, a €32m YoY decrease due to lower generation taxes in Spain, only partly offset by higher clawback in Portugal.

It is noteworthy that, in Spain, RDL 15/2018 of 5-Oct-18 approved a 6-month suspension of the 7% tax on generation with effect from 1-Oct-2018, and has put an end to the green cent tax on gas for electricity generation purposes. RDL 15/2018 was definitively approved by Parliament in 18-Oct-18. Accordingly, in order to harmonize the regulatory mechanisms in the Iberian electricity market, the Portuguese regulator suspended the clawback mechanism with effect from Oct-18.

In respect to capacity payments in Spain, availability payments have been definetely abolished in Dec-18. In Portugal, the Government decided to suspend the auction for the attribution of capacity payment in 2018 (Dispatch 93/2018) in Apr-18, until the EC formally pronounces on the fit of the auction rules with EC framework. Note that the EC has already approved capacity mechanism in 6 European countries. Moreover, note that the current rules have been set in Mar-17 and the auction for capacity payments in 2018 (Ministerial order nr. 2275-A/2017) was initially scheduled for May-17, revenues from capacity payments amounted to €5m in 2017.

Capex decreased by 18% YoY, to €142m in 2018. Note that the €35m of expansion capex in 2018 is mostly related to final works in Foz-Tua hydro plant surrounding area (vs. €71m in 2017 allocated to Venda Nova III and Foz-Tua).

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (2) Includes fuel costs, CO2 emission costs, hedging results;
(3) Includes: (i) at gross profit, social tariff in Portugal; (ii) at the level of operationg costs, generation taxes in Spain (incl. fuel, nuclear waste, hydro resources), clawback in Portugal.

Electricity and Gas Supply in Portugal and Spain

Income Statement (€ m)	2018	2017	Δ%	Δ Abs.
Gross Profit	**273**	**304**	**-10%**	**-30**
OPEX (1)	214	227	-5%	-12
Other operat. costs (net)	64	39	63%	+25
Net Operating costs	**278**	**266**	**5%**	**+12**
EBITDA	**(5)**	**38**	**-**	**-43**
Amortisation, impairment; Provisions	39	7	433%	+32
EBIT	**(44)**	**30**	**-**	**-74**

Key data	2018	2017	Δ%	Δ Abs
Portfolio of Customers (th.)				
Electricity	**5,273**	**5,287**	**0%**	**-14**
Portugal	4,119	4,153	-1%	-35
Spain	1,154	1,133	2%	+20
Gas	**1,555**	**1,541**	**1%**	**+14**
Portugal	659	658	0%	+2
Spain	895	883	1%	+12
Dual fuel penetration rate (%)	**30%**	**30%**	**1%**	**+0**
Other Services				
Services to contracts ratio (%)	18%	17%	6%	0p.p.
Volume of electricity sold (GWh)	**30,669**	**32,249**	**-5%**	**-1,580**
Residential	13,216	12,869	3%	+347
Business	17,452	19,380	-10%	-1,928
Volume of gas sold (GWh)	**11,256**	**12,119**	**-7%**	**-862**
Residential	6,070	6,031	1%	+39
Business	5,186	6,088	-15%	-901
Electronic invoicing (%)	34%	30%	13%	4p.p.
Complaints per 1000 contracts (#)	31	26	19%	+5
Employees (#)	694	538	29%	+156
OPEX per customer (2) (€)	31	33	-5%	-2
EBITDA per customer (2) (€)	-1	6	-	-6
Capex (€m)	**26**	**24**	**10%**	**+2**

Our electricity and gas supply activities in Portugal and Spain are managed by integrated platforms, ensuring a responsive and competitive commercial structure. EDP Group's subsidiaries that operate in this business segment have intra-group electricity and gas procurement contracts with our generation and energy trading divisions. The current section refers only to energy supply, but excludes gas trading and sourcing activities.

As of Dec-18, **EDP's electricity portfolio in Iberia** remained relatively stable YoY, totaling 5.3m customers, strongly biased towards residential and SME customers (c.43% of total consumption). In Portugal, according to the most recent data released by ERSE, 94% of total electricity consumption was in the liberalized market as of Dec-18. Note that, following the publication of DL 105/2017, electricity customers in Portugal are, since 1-Jan-18, allowed to return to the regulated market until the end of 2020.

EDP targets to leverage on its portfolio of customers, offering additional products and innovative services, as part of its strategy to build a longer-term relationship with customers backed by the enhancement of customer's satisfaction and loyalty levels. The rate of dual fuel offer is currently at 30%, including different stages of evolution in Spain and Portugal: in Portugal, dual offer rate corresponds to 16% in Dec-18; in Spain, dual offer rate, is currently at 79%. As a result of this strategy, EDP's gas portfolio in Iberia increased 1% YoY, to 1.6m customers in Dec-18. The penetration rate of service contracts in Iberia increased from 17% in Dec-17 to 18% in Dec-18.

Electricity volumes sold in Iberia fell 5% YoY, to 31 TWh in 2018, reflecting the mixed impact from: (i) a 3% YoY increase in the residential segment; and (ii) a 10% YoY decrease in the business segment, reflecting more selective commercial criteria.

Gross profit at our supply activities in Iberia declined by 10% YoY, to €273m in 2018, penalised by higher sourcing costs, adverse regulatory changes in Portugal and prior year adjustments.

Net operating costs increased by 5% YoY, to €278m in 2018, impacted by the adoption of IFRS 9, related with the estimates of clients' impairments (€14m). **Amortisation** increased due to the accounting of the costs associated with the acquisition of new clients as D&A, following the adoption of the IFRS 15 methodology.

EDP is building the ground for a decrease in cost per customer through higher digitalisation rate and higher customer satisfaction: electronic invoicing (per avg. residential client) represents a 34% rate as of Dec-18, a 4pp increase vs. Dec-17.

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (2) Based on the number of contracts.

EDP Renováveis: Financial Performance

Income Statement	EDP Renováveis (€ m)			
	2018	2017	Δ %	Δ Abs.
Gross Profit	**1,512**	**1,602**	**-6%**	**-90**
OPEX (1)	460	428	8%	+33
Other operating costs (net)	(249)	(192)	29%	-56
Net Operating Costs	**212**	**235**	**-10%**	**-24**
EBITDA	**1,300**	**1,366**	**-5%**	**-66**
Amortisation, impair.; Provision	546	563	-3%	-17
EBIT	**754**	**803**	**-6%**	**-49**
Financial Results	(220)	(302)	-27%	+82
Share of Profit from associates	2	3	-39%	-1
Pre-tax profit	**536**	**504**	**6%**	**+31**
Capex (€m) (2)	**1,275**	**1,051**	**21%**	**+224**
Europe (3)	354	151	134%	+203
North America	757	708	7%	+49
Brazil	164	192	-15%	-28

Operational Overview	2018	2017	Δ %	Δ Abs.
Installed Capacity (MW)	**11,301**	**10,676**	**6%**	**+625**
Europe	5,272	5,061	4%	+211
North America	5,562	5,284	5%	+278
Brazil	467	331	41%	+137
Output (GWh)	**28,359**	**27,621**	**3%**	**+738**
Avg. Load Factor (%)	**30%**	**31%**	**-3%**	**-1p.p.**
Avg. Elect. Price (€/MWh)	**53.7**	**59.2**	**-9%**	**-5**
Employees (#)	**1,388**	**1,220**	**14%**	**+168**
Core Opex/Avg. MW (€ th) (4)	**42.8**	**42.1**	**2%**	**+1**
EBITDA (€m)	**1,300**	**1,366**	**-5%**	**-66**
Europe (3)	653	729	-10%	-76
North America	634	599	6%	+36
Brazil	33	56	-42%	-24
Other & Adjustments	(20)	(17)	16%	-3
EBIT (€m)	**754**	**803**	**-6%**	**-49**
Europe (3)	399	437	-9%	-38
North America	361	340	6%	+21
Brazil	19	46	-59%	-27
Other & Adjustments	(26)	(20)	31%	-6

EDPR Equity Market Data	2018	2017	Δ %	Δ Abs.
Share price at end of period (€/share)	7.78	6.97	12%	0.8
Number of Shares Issued (million)	872.3	872.3	-	-
Stake Owned by EDP (%)	82.6%	82.6%	-	-

EDPR Key Balance Sheet Figures (€ m)	2018	2017	Δ %	Δ Abs.
Financial investm, assets held for sale	**357**	**312**	**14%**	**+45**
Net Financial Debt	**3,060**	**2,806**	**9%**	**+254**
Bank Loans and Other (Net)	291	537	-46%	-246
Loans with EDP Group (Net)	2,769	2,269	22%	+500
Non-controlling interests	**1,613**	**1,560**	**3%**	**+53**
Net Institutional Partnership Liability (5)	**1,269**	**1,249**	**2%**	**+20**
Equity Book Value	**6,509**	**6,335**	**3%**	**+174**
EUR/USD - End of Period Rate	1.15	1.20	5%	-0.05

Financial Results (€ m)	2018	2017	Δ %	Δ Abs.
Net financial Interests	(139)	(139)	0%	+0
Institutional Partnership costs	(81)	(89)	9%	+8
Capitalised Costs	24	16	46%	+7
Forex Differences	(2)	(3)	40%	+1
Other	(22)	(87)	75%	+65
Financial results	**(220)**	**(302)**	**27%**	**+82**

EDP, through EDP Renováveis (EDPR, 82.6% owned by EDP) owns, operates and develops **wind and solar capacity**. As of **Dec-18, EDP has a portfolio of 11,301 MW** (of which 145 MW solar) and holds **equity stakes in further 371 MW**. During 2018, we built out 826 MW (mainly in US, Brazil, Italy) fully long term contracted, and executed our **first sell down transaction** (sale of 80% stake in 499 MW, 200 MW comissioned in 2018). As a result we added 40 MW to our equity portfolio in operation, retaining O&M operations of the whole capacity.

Wind & solar EBITDA decreased by 5% YoY (-€66m) to €1,300m in 2018, penalised by: i) adverse forex impact (-€35m) due to USD and BRL depreciation; ii) weak wind resources (-6% below the historical average in 2018; -12% in 4Q18), translated into an avg. load factor of 30% (-1pp YoY); iii) lower avg. selling price (-7% YoY ex-forex), following lower revenues from green ceriticates (Romania and Poland) and the mix effect from new MWs (mainly in US, Brazil); and iv) expiration of the 10-year period PTCs in some wind farms (-€51m). These impacts outstood the effect from 6% increase in avg. capacity and gain booked on the first sell down, corresponding to the upfront monetisation of value accretion of 499 MW built to sell and operate.

Opex rose by 8% YoY to €460m in 2018, on the back of the new capacity installed, higher headcount and offshore costs crossed charged to projects' SPVs. Core Opex per avg. MW in operation was €43K, +2% YoY. **Other operating costs (net), amounting to €249m net revenue** (+€56m YoY), include: i) **in 2017**, +€29m gain on the sell down (with loss of control) of a stake in UK offshore project Moray East; ii) **in 2018**, €109m gain subsequent to the aforementioned sale of a majority stake in wind farms, along lower generation taxes in Spain.

EBIT decreased by 6% YoY, to €754m in 2018, following EBITDA performance, and lower depreciation charges YoY following lower impairments (€7m in 2018 vs. €50m in 2017) and forex impact.

Expansion activity resulted into €0.5bn net expenditure in 2018, mainly reflecting i) €1.1bn net investments devoted to capacity built out (+826 MW) and under construction in Dec-18 (344 MW), ii) proceeds from new tax equity financing structures (€0.4bn) and other. In Dec-18, we executed its first sell down on wind onshore, selling a 80% stake in some US/Canada wind farms. Along with the stake sales in wind offshore during the year, this transaction provided proceeds of €0.4bn in the period.

EDPR's net debt amounted to €3.1bn in 2018 (vs. €2.8bn in Dec-17), driven by recurring organic cash flow (€0.6bn), net investments, dividend payment and Forex impact.

Liabilities with Institutional partnerships (net) amounted to €1,269m (+2% YoY), reflecting the tax benefits retained by institutional investors (€140m), the establishment of new tax equity financing structures (€399m) and forex impact.

Financial results (net) amounted to -€220m in 2018 (+27% YoY), following stable Net interest costs, lower financial cost related to institutional partnerships costs (-9% YoY) and gain on the sale of non-controlling stakes in France and UK offshore projects (+€87m, at the level of Other financial results).

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (2) Net of government grants; (3) Includes Holding costs and adjustments at the level of EDPR Europe;
(4) Core Opex defined by Supplies and services (including O&M activities) and Personnel costs; (5) Net of deferred revenue.

EDP Renováveis: North America & Brazil

North America	2018	2017	Δ %	Δ Abs.
EUR/USD - Avg. of period rate	1.18	1.13	-4%	0.05
Installed capacity (MW)	**5,562**	**5,284**	**5%**	**+278**
PPA's/Hedged/Feed-in tariff	4,768	4,600	4%	+168
Merchant	793	684	16%	+109
Avg. Load Factor (%)	34%	35%	-3%	-1 p.p.
Electricity Output (GWh)	**15,644**	**15,091**	**4%**	**+553**
US	14,873	14,410	3%	+463
Canada	71	75	-5%	-3
Mexico	700	606	15%	+93
Avg. Selling Price (USD/MWh)	**45.3**	**46.4**	**-2%**	**-1.1**
US	44.1	45.5	-3%	-1.5
Canada	112.8	112.1	1%	+1
Mexico	64.4	59.5	8%	-
Adjusted Gross Profit (USD m)	**901**	**930**	**-3%**	**-29**
Gross Profit (USD m)	682	676	1%	+7
PTC Revenues & Other (USD m)	219	255	-14%	-36
EBITDA (USD m)	**749**	**676**	**11%**	**+73**
EBIT (USD m)	427	384	11%	+43
Installed capacity (MW Equity)	**219**	**179**	**22%**	**+40**
Capex (1) (USD m)	**894**	**799**	**12%**	**+94**
Capacity under construction (MW)	**199**	**480**	**-58%**	**-281**

In North America (NA), installed capacity totalled 5,562 MW in Dec-18 (90 MW solar PV in US and the rest wind onshore: 5,242 MW in the US, 200 MW in Mexico, 30 MW in Canada). As of Dec-18, 86% total installed capacity is long term contracted (PPA/Hedged). Additionally, EDPR owns equity stakes in other wind projects, equivalent to 219 MW (+40 MW YoY).

During 2018, EDP group **built out 478 MW, all in the US and long term contracted**. The bulk of new capacity additions was concentrated in wind onshore, while solar capacity accounted for 60 MW additions. As part of **EDP asset rotation strategy**, the **first asset rotation of majority stake transaction** was announced in Dec-18, encompassing: **i)** As per capacity in operation, the sale of an 80% stake in Meadow Lake VI (already in operation and equivalent to 160 MW), retaining a 20% equity stake (40 MW); **ii)** As per future capacity additions, the sale of a controlling stake in 299 MW to be installed in 2019, of which 199 MW was already under construction by Dec-18. The asset rotation strategy, allowing capital recycling, enhances upfront value crystallization, reflected in a USD 129m contribution in 2018.

Electricity production in 2018 advanced by 4%, as 5% increase in installed capacity was hampered by wind and solar resources: 7% short historical average in 2018, following 15% shorter than LT average resources in 4Q18. **Average selling price** fell by 2%, to USD45/MWh, prompted by lower US prices.

Income from institutional partnerships declined 14% YoY to USD219m in 2018, following the expiration of the 10-year production tax credit ("PTCs") of some wind farms. In 2018, EDPR established **new institutional partnership** equity financing structures, in exchange for interests in Arkwright (78MW), Turtle Creek (199MW) and Meadow Lake VI (200MW) wind farms, for a total amount of USD464m.

All in all, EBITDA in North America rose by 11% YoY, to USD749m in 2018, reflecting particularly weak wind resources in 2018, the first asset rotation of majority stake gain and portfolio expansion.

As of Dec-18, **wind capacity currently under construction** in NA is fully concentrated in the US, Kansas: 199 MW Prairie Queen. Additionally, during 2018, EDPR has secured long-term PPAs in the US for nearly 1.2 GW of new capacity to be built in 2019-2020.

Brazil	2018	2017	Δ %	Δ Abs.
Euro/Real - Average of period rate	4.31	3.60	-16%	+0.70
Installed Capacity (MW)	**467**	**331**	**41%**	**+137**
Avg. Load Factor (%)	40%	43%	**-7%**	-3 p.p.
Electricity Output (GWh)	1,235	861	43%	+374
Avg. Final Selling Price (R$/MWh)	195	289	-32%	-93
Gross Profit (R$ m)	215	226	-5%	-11
EBITDA (R$ m)	**140**	**203**	**-31%**	**-63**
EBIT (R$ m)	82	166	-51%	-84
Capex (R$ m)	**706**	**693**	**2%**	**+13**
Capacity under construction (MW)	**-**	**137**	**-**	**-137**

In **Brazil**, installed capacity reached 467 MW in Dec-18, fully long-term contracted (20 years from inception), following the commissioning of Babilônia wind project in 4Q18.

Gross profit in 2018 declined by 5%, driven by a 3 pp decline in the avg. load factor, to 40% and last year's temporary PPA unwinding at Baixas do Feijão. Along with the lower price of PPAs on capacity commissioned in the past 12 months impacted the evolution of both avg. selling price (-32% YoY to R$195/MWh) and production (+43% YoY). **Avg. selling price** was down YoY justified by the lower PPA unwinding volumes. **All in all, EBITDA amounted to R$140m in 2018.**

In 2018, EDPR signed: i) a 20-year PPA to sell the energy produced by two wind farms in Rio Grande do Norte (Jerusalem, 176MW; Monte Verde, 253MW), expected to start commercial operations in 2024; and ii) 15-year PPA to sell the energy produced by a solar photovoltaic park (Pereira Barreto, 199MW), expected to be commissioned in 2022.

- Energy is sold either under PPAs (up to 20 years), Hedges or Merchant prices; Green Certificates (Renewable Energy Credits, REC) subject to each state regulation
- Tax Incentive: (i) PTC collected for 10-years since COD ($24/MWh in 2018); (ii) Wind farms beginning construction in 2009-10 could opt for 30% cash grant in lieu of PTC

- Feed-in Tariff for 20 years (Ontario)
- Renewable Energy Support Agreement (Alberta)

- Bilateral Electricity Supply Agreement for 25 years under self-supply regime

- Installed capacity under PROINFA program
- Competitive auctions awarding 20-years PPAs

(1) Net of cash grants

EDP Renováveis: Spain & Portugal

Spain	2018	2017	Δ %	Δ Abs.
Installed capacity (MW)	**2,312**	**2,244**	**3%**	**+68**
Avg. load factor (%)	26%	27%	-	-0 p.p.
Production (GWh)	**5,164**	**5,095**	**1%**	**+68**
Prod. w/capac. complement (GWh)	4,669	4,692	0%	-23
Standard production (GWh)	4,205	4,140	2%	+65
Above/(below) std. prod. (GWh)	464	552	-16%	-88
Prod. w/o cap. complement (GWh)	495	404	23%	+91
Avg. Price (€/MWh)	**72.4**	**77.0**	**-6%**	**-5**
Total GWh: realised pool (€/MWh)	52.9	49.9	6%	+3
Regulatory adj. on std. GWh (€m)	-45	-18	-156%	-27
Complement (€m)	181	181	0%	+0
Hedging gains/(losses) (€m)	-35	-25	-44%	-11
Gross profit (1)	407	416	-2%	-9
EBITDA (1)	**266**	**276**	**-3%**	**-9**
EBIT (1)	158	164	-3%	-6
Installed capacity (MW Equity)	152	152	0%	-
Capex (€m)	**76**	**48**	**59%**	**+28**
Capacity under construction (MW)	**29**	**68**	**-58%**	**-39**

In **Spain**, wind installed capacity totaled 2,312MW (MW EBITDA) in Dec-18, following new additions of 68 MW in 2H18 (Muxia). Additionally, EDPR owns equity stakes in other wind projects equivalent to 152MW.

In 2018, **total production** was broadly unchanged (+1% YoY), supported by capacity additions and stable load factor. **Average selling price** fell by 6% YoY, reflecting i) -€35m losses related to the hedging strategy in place (-€11m YoY), ii) a 6% increase in the average realised pool price, to €53/MWh, resulting in lower regulatory adjustment (-€45m, -€27m YoY, refleclting baseload higher than regulatory caps). **All in all, EBITDA in Spain declined 3% YoY to €266m in 2018.**

The remuneration framework in Spain is in place since Feb-17, establishing the new parameters of remuneration for renewable energy assets for 2017-2019 which includes: an increase of wind profile coefficient to 14.79% from previous 11.11%; 2014-2016 regulatory adjustments; and new forecasted pool prices with defined caps and floors for the standard production. 91% of Spanish capacity is entitled to receive capacity complement.

As of Dec-18, we had 68 MW of wind onshore capacity under construction in Spain.

Portugal	2018	2017	Δ %	Δ Abs.
Installed capacity (MW)	**1,309**	**1,253**	**4%**	**+55**
Avg. Load factor (%)	27%	27%	-	0 p.p.
Electricity output (GWh)	2,995	2,912	3%	+83
Avg. selling price (€/MWh)	90.8	90.0	1%	+1
Gross profit	272	261	4%	+11
EBITDA	**223**	**212**	**5%**	**+11**
EBIT	169	158	7%	+11
Capex (€m)	**79**	**27**	**191%**	**+52**
Capacity under construction (MW)	**47**	**55**	**-15%**	**-9**

In **Portugal**, total installed capacity reached 1,309 MW in Dec-18 (5 MW of which solar PV), following the commissioning of 55 MW during the year.

Total production in 2018 was up by 3% in 2018, mainly reflecting the increase in installed capacity and stable load factors, at 27%. **Avg. selling price** reached €91/MWh, as the 1% YoY increase translated the inflation indexation of the feed-in-tariff. **All in all, EBITDA in Portugal rose by 5% YoY, to €223m in 2018.**

As of Dec-18, EDPR had 47 MW of wind onshore capacity under construction in Portugal (Feed-in-tariff).

- Wind energy receives pool price and a premium per MW, if necessary, in order to achieve a target return established as 'Spanish 10-year Bond yields + 300bp'; Every 3 years, there will be revisions as to compensate deviations from the expected pool price
- Premium calculation is based on standard assets (standard load factor, production and costs)

- Older Wind farms: Feed-in Tariff inflation-indexed and inversely correlated with load factor. Duration: 15 years (Feed-in tariff updated with inflation) + 7 years (extension cap/floor system: €74/MWh - €98/MWh)
- ENEOP: price defined in a international competitive tender and set for 15 years (or the first 33 GWh per MW) + 7 years (extension cap/floor system: €74/MWh - €98/MWh). Tariff for first year established at c.€74/MWh and CPI monthly update for following years
- VENTINVESTE: price defined in a international competitive tender and set for 20 years (or the first 44 GWh per MW)

(1) Includes hedging results in energy markets;

EDP Renováveis: Rest of Europe

Rest of Europe	2018	2017	Δ %	Δ Abs.
Installed capacity (MW)	**1,652**	**1,564**	**6%**	**+88**
Avg. load factor (%)	23%	27%	-	-4 p.p.
Electricity output (GWh)	3,321	3,662	-9%	-341
Avg. selling price (€/MWh)	73.8	79.4	-7%	-6
Poland				
Installed capacity (MW)	418	418	0%	-
Avg. load factor (%)	25%	30%	-	-5 p.p.
Electricity output (GWh)	919	1,093	-16%	-174
Avg. selling price (PLN/MWh)	254	265	-4%	-11
EUR/PLN - Avg. Rate in period	4.26	4.26	0%	+0
Romania				
Installed capacity (MW)	521	521	0%	-
Avg. load factor (%)	23%	28%	-18%	-5 p.p.
Electricity output (GWh)	1,059	1,295	-18%	-236
Avg. selling price (RON/MWh)	255	337	-24%	-81
EUR/RON - Avg. Rate in period	4.65	4.57	-2%	+0
France				
Installed capacity (MW)	421	410	3%	+11
Avg. load factor (%)	23%	23%	-	-0 p.p.
Electricity output (GWh)	829	808	3%	+21
Avg. selling price (€/MWh)	90	90	0%	-0
Belgium & Italy				
Installed capacity (MW)	292	215	36%	+77
Avg. load factor (%)	25%	25%	-	-0 p.p.
Electricity output (GWh)	514	466	10%	+48
Avg. selling price (€/MWh)	109	117	-7%	-8
Gross profit	246	289	-15%	-43
EBITDA	**169**	**238**	**-29%**	**-70**
EBIT	82	117	-30%	-34
Capex (€m)	**193**	**78**	**147%**	**+115**
Capacity under construction (MW)	**69**	**88**	**-22%**	**-19**

In **European markets outside of Iberia,** EDP group installed capacity totaled 1,652 MW in Dec-18, the bulk of which concentrated in wind onshore (solar PV accounts for 50 MW, in Romania). Net additions during 2018 reached 88 MW (+77M in Italy and Belgium; +11MW in France) and further 69MW are **under construction:** +50MW in Italy and +19MW in France.

In Poland, we operate 418 MW of wind capacity. Average selling price was 4% lower YoY at PLN254/MWh driven by lower green certificates' prices arising from the change in the calculation method of the substitution fee (Sep-17). Avg. load factor decreased -5p.p. YoY, to 25% in 2018, justifying a 16% reduction in production).

In Romania, EDP group has 521 MW in operation: 471 MW in wind and 50MW of solar PV. In 2018, wind and solar production declined 18% to 1,059 GWh, reflecting a 6pp YoY decline in the avg. load factor (to 23%). Average selling price fell by 24%, following the previously defined reduction in the Green Certificates attributed per MWh produced post-2017.

In France, our wind onshore installed capacity rose by 11 MW, to 421 MW in Dec-18, contributing for a similar increase in production. Average tariff was stable at €90/MWh.

In Belgium & Italy, the 292 MW wind onshore in operation (221 MW in Italy, 71 MW in Belgium) represented a 36% YoY increase YoY, driven by new capacity additions in Italy. Electricity produced grew by 10% in 2018, to 514 GWh, backed by average capacity expansion and broadly stable load factor. Average selling price was lower at €109/MWh (-7% YoY), due to lower market prices in Italy (in wind farms installed before 2013) and different mix (production vs. price).

All in all, **EBITDA in Rest of Europe decreased by 29% YoY, to €169m in 2018**, driven by i) lower prices particularly in Poland (-4% YoY) and Romania (-26% YoY) mainly derived from regulatory changes; and ii) lower avg. load factor (-4 p.p. YoY), at 23% in 2018.

In Jul-18, EDPR secured a 20-year CfD at the **Greek energy auction** to sell electricity produced by Livadi 45MW wind farm, with expected commercial operation in 2020.

In the wind offshore, EDPR continues pursuing risk-controlled growth, with two projects secured in Europe:

i) In UK, EDPR has a 33.3% equity stake in 950MW Moray East project, with an awarded 15-year Contract for Difference ("CfD") of £57.5/MWh (2012 tariff-based) from 2022 onwards. The wind farm obtained FID in 4Q18 and will be equipped with 100 turbines of 9.5MW from Vestas, and has entered the construction phase. Moray East is expected to be commissioned in early 2022.

ii) In France, EDPR has a 29.5% equity stake in the consortium Eoliennes en mer des Iles d'Yeu et de Noirmoutier (in partnership with Engie and CDC), which has been developing two offshore wind projects since 2014 (round 2 tender), due to receive a feed-in tariff for 20 years, as defined by the French government (Jun-18): Dieppe-Le Tréport (496MW) and the islands of Yeu and Noirmoutier (496MW), with environmental and maritime permits granted.

- Price is set through bilateral contracts; Wind receive 1 GC/MWh which can be traded in the market. Electric suppliers have a substitution fee for non compliance with GC obligation. From Sep-17 onwards, substitution fee is calculated as 125% of the avg market price of the GC from the previous year and capped at 300PLN

- Wind assets (installed until 2013) received 2 GC/MWh until 2017 and 1 GC/MWh after 2017 until completing 15 years; 1 out of the 2 GC earned until Mar-2017 can only be sold from Jan-2018 and until Dec-2025. Solar assets receive 6 GC/MWh for 15 years. GC are tradable on market under a cap and floor system (cap €35 / floor €29.4); Wind assets (installed in 2013) receive 1.5 GC/MWh until 2017 and after 0.75 GC/MWh until completing 15 years. The GCs issued starting in Apr-2017 and the GCs postponed to trading from Jul-2013 will remain valid and may be traded until Mar-2032

- Feed-in tariff for 15 years: (i) €82/MWh up to 10th year, inflation updated; (ii) Years 11-15: €82/MWh @ 2,400 hours, decreasing to €28/MWh @3,600 hours, inflation updated
- Wind farms under RC 2016 scheme receive 15-year CfD which strike price value is similar to existing FiT fee plus a management premium

- Wind & solar energy sold at 'Market price + green certificate (GC)'; Separate GC prices with cap and floor for Wallonia (€65/MWh-100/MWh); Option to negotiate long-term PPAs

- Projects online before 2013 are (during 15 years) under a pool + premium scheme (premium=1x€180/MWh –"P-1")x0.78, being P-1 previous year average market price; Assets online from 2013 onwards were awarded a 20 years contract through competitive auctions

Regulated Networks in Iberia (1)				
Income Statement (€ m)	**2018**	**2017**	**Δ %**	**Δ Abs.**
Gross Profit	**1,280**	**1,596**	**-20%**	**-316**
OPEX (2)	413	467	-12%	-54
Other operating costs (net)	242	231	5%	+11
Net Operating Costs	**655**	**698**	**-6%**	**-43**
EBITDA	**625**	**898**	**-30%**	**-273**
Amortisation, impairm.; Provisions	286	307	-7%	-22
EBIT	**339**	**591**	**-43%**	**-251**
Capex & Opex Performance	**2018**	**2017**	**Δ %**	**Δ Abs.**
Controllable Operating Costs (3)	**383**	**398**	**-4%**	**-14**
Cont. costs/customer (€/supply point) (3)	56	58	-4%	-2
Cont. costs/km of network (€/Km) (3)	1,552	1,612	-4%	-61
Employees (#)	3,602	3,440	5%	+162
Capex (Net of Subsidies) (€m)	**276**	**349**	**-21%**	**-73**
Network ('000 Km) (3)	247	247	0.2%	+0

Electricity Distribution in Spain				
Income Statement (€ m)	**2018**	**2017**	**Δ %**	**Δ Abs.**
Gross Profit	**193**	**185**	**4%**	**+8**
OPEX (2)	55	58	-4%	-2
Other operating costs (net)	(7)	(12)	40%	+5
Net Operating Costs	**48**	**46**	**6%**	**+3**
EBITDA	**145**	**140**	**3%**	**+5**
Amortisation, impairm.; Provisions	31	49	-36%	-17
EBIT	**113**	**91**	**25%**	**+22**
Gross Profit Performance	**2018**	**2017**	**Δ %**	**Δ Abs.**
Gross Profit	**193**	**185**	**4%**	**+8**
Regulated Revenues	189	188	1%	+1
Non-regulated gross profit	3	-3	-	+6
Electricity Supply Points (th)	666	664	0%	+2
Electricity Distributed (GWh)	9,360	9,331	0%	+29
Other Key data	**2018**	**2017**	**Δ %**	**Δ Abs.**
Capex (Net of Subsidies) (€m)	**33**	**37**	**-11%**	**-4**
Network (Km)	20,709	20,613	0.5%	+96
Employees (#)	307	307	-	-

Our Regulated networks in Iberia in 2017 and 2018 include our activities of distribution of electricity, in Portugal and Spain; and electricity last resort supply activity in Portugal (LRS). Furthermore, Regulated networks in Iberia in 2017 included gas distribution activities in Spain (up to Jul-17, when its disposal was completed) and Portugal (up to Oct-17, when disposal was completed).

Excluding the contribution from gas distribution in Iberia, EBITDA from regulated networks fell by 23% YoY (-€191m), to €636m in the 2018, largely impacted by: (i) in Portugal (77% of total), the new regulatory terms applicable to electricity distribution and LRS as from 1-Jan-18, which largely explain a €164m decrease in gross profit; and (ii) in Spain (23% of total), our prudent approach to possible regulatory changes, even ahead of the end of the current regulatory period, in 2020. Note that 2018 EBITDA from regulated networks includes €11m of one-off restructuring costs.

Controllable costs in the electricity networks fell by 4% YoY, to €383m in 2018, reflecting tight cost control and costs savings prompted by the increasing share of smart meters installed.

Capex amounted to €276m in 2018, the majority of it (88%) related to electricity in Portugal.

ELECTRICITY DISTRIBUTION IN SPAIN

The terms of regulated revenues for electricity distribution in Spain are set for the period 2016-19, under the regulatory framework designed in Dec-13 (Law 24/2013 and RD 1048/2013), Dec-15 (Ministerial order IET 2660/2015) and Jun-16 (Ministerial order IET 980/2016), encompassing a return on RAB equivalent to a 200bp premium over 10-year Spanish bond yields, equaling to 6.5%. Having said this, in Sep-17, the government initiated a process to change one of the terms of IET 980/2016 (*lesividad*), for which clarity is expected during 2019. Additionally, CNMC proposed a change in the regulatory framework from the current bond-linked model to a WACC-linked model, with a 5.58% return on RAB for the next regulatory period, starting in 2020. By means of Royal Decree-Law 1/2019 (Jan-19) CNMC is now entitled to establish the regulatory framework from 2020 on instead of Ministry or Government, so we expect that the specifities of the new regulatory period, including the rate of return, will be established by CNMC during 2019.

EBITDA from our electricity distribution activity in Spain amounted to €145m in 2018 (+3% YoY), reflecting by a prudent approach as to a possible regulatory change ('lesividad'), stable regulated revenues and cost discipline.

(1) In 2017, includes results from gas distribution in Spain and Portugal, sold in Jul-17 and Oct-17, respectively; (2) OPEX = Supplies and services + Personnel costs + Costs with social benefits;
(3) Only for electricity networks; Controllable Costs includes Supplies & services and personnel costs.

Electricity Distribution and Last Resort Supply in Portugal

Electricity Distribution & LRS in Portugal

Income Statement (€ m)	2018	2017	Δ %	Δ Abs.
Gross Profit	**1,084**	**1,245**	**-13%**	**-160**
OPEX (1)	355	368	-3.6%	-13
Concession fees	258	255	1.2%	+3
Other operating costs (net)	(9)	(9)	-1.7%	-0
Net Operating Costs	**604**	**614**	**-1.6%**	**-10**
EBITDA	**480**	**630**	**-24%**	**-150**
Amortisation, impairment; Provisions	254	246	3%	+8
EBIT	**226**	**384**	**-41%**	**-158**

Gross Profit Performance	2018	2017	Δ %	Δ Abs.
Gross Profit (€m)	**1,084**	**1,245**	**-13%**	**-160**
Regulated gross profit	1,076	1,240	-13%	-164
Non-regulated gross profit	9	5	79%	+4
Distribution Grid				
Regulated revenues (€ m)	1,039	1,203	-14%	-164
Electricity distributed (GWh)	46,059	44,753	2.9%	+1,306
Supply Points (th)	6,226	6,187	0.6%	+39
Last Resort Supply				
Regulated revenues (€ m)	36	36	0%	+0
Customers supplied (th)	1,125	1,223	-8%	-97
Electricity sold (GWh)	3,016	3,243	-7%	-227

Capex & Opex Performance	2018	2017	Δ %	Δ Abs.
Controllable Operating Costs (2)	**330**	**344**	**-4%**	**-14**
Cont. costs/client (€/customer)	53.0	55.6	-5%	-3
Cont. costs/km of network (€/Km)	1,457	1,521	-4%	-64
Employees (#)	3,285	3,129	5%	+156
Capex (Net of Subsidies) (€m)	**243**	**288**	**-16%**	**-45**
Network ('000 Km)	226	226	0.1%	+0
Equival. interruption time (min.) (3)	61	53	15%	+8

EBITDA from electricity distribution and last resort supply (LRS) in Portugal amounted to €480m in 2018 (-24% YoY or -€150m), penalized by the new regulatory terms in place as from 1-Jan-18 (-€164m on regulated revenues, in line with the regulatory framework in place until the end of 2020). Such impact was just partly offset by a good cost performance: controllable costs fell by 4% YoY.

In 2018, regulated gross profit amounted to €1,076m, posting a 13% decline YoY (-€164m).

In electricity distribution, regulated revenues amounted to €1,039m in 2018, declining by €164m YoY, driven by tougher regulatory terms and lower rate of return on HV/MV assets: 5.42% in 2018 vs. 6.68% in 2017 (and ERSE's assumption of 5.75%). **Electricity distributed in 2018** rose by 2.9% YoY (+1.3%, adjusted for temperature effect), mainly driven by the residential segment.

In the **last resort electricity supply activity (LRS)**, regulated revenues were flat at €36m in 2018. In 2018, **total number of customers supplied by the LRS** declined by 97 thousand, to 1,125 thousand at the end of 2018 (representing 18% of total electricity customers in Portugal), mostly in the residential segment. Note that, following the publication of DL 105/2017, electricity customers in Portugal are, since 1-Jan-18, allowed to return to the regulated market until the end of 2020. The volume of electricity supplied by our LRS fell by 7% YoY, to 3 TWh in the 2018.

Controllable operating costs were 4% lower YoY in 2018, supported by lower average headcount in 2018 and initial fruits reaped from the rising share of smart meters installed.

Capex amounted to €243m in 2018, including €31m invested in smart meters. The **equivalent interruption time** totaled 61 minutes in 2018 (vs. 53 minutes in 2017).

On 18-Dec-2018, ERSE released 2019 electricity tariffs, setting a 3.5% average tariff decrease for normal low voltage (NLV) segment, applicable to clients in the regulated market (out of the Social Tariff). Accordingly, **regulated revenues for 2019** were assumed at €1,060m in the electricity distribution and €31m in the last resort electricity supply. Electricity distribution regulated revenues preliminarily set assume a rate of return on assets (RoRAB) of 5.42% (reflecting an underlying avg. 10-year Portuguese bond yields of 1.86%) and an expected electricity demand in Portugal of 46.4 TWh in 2019 (0.8% above 2018 electricity distributed).

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (2) Supplies & services and personnel costs. (3) Adjusted for non-recurring impacts (rainstorms, high winds and summer fires).

EDP Brasil: Financial Performance

Income Statement	Consolidated (R$ m)				Consolidated (€ m)			
	2018	2017	Δ %	Δ Abs.	2018	2017	Δ %	Δ Abs.
Gross Profit	**3,779**	**3,494**	**8%**	**+285**	**877**	**969**	**-9%**	**-92**
OPEX (1)	1,115	1,085	3%	+29	259	301	-14%	-42
Other operating costs (net)	(151)	192	-	-343	(30)	53	-	-84
Net Operating Costs	**964**	**1,277**	**-25%**	**-313**	**228**	**354**	**-36%**	**-126**
EBITDA	**2,815**	**2,217**	**27%**	**+599**	**649**	**615**	**6%**	**+34**
Amortisation, impairment; Provisions	668	621	8%	+47	155	172	-10%	-17
EBIT	**2,147**	**1,595**	**35%**	**+551**	**494**	**443**	**12%**	**+51**
Financial results	(366)	(548)	33%	+181	(85)	(152)	-44%	+67
Results from associates	3	(16)	-	+19	1	(5)	-	+5
Pre-tax profit	**1,783**	**1,031**	**73%**	**+752**	**409**	**286**	**43%**	**+123**

Capex & Financial Investments	(R$ m)				(€ m)			
	2018	2017	Δ %	Δ Abs.	2018	2017	Δ %	Δ Abs.
Capex	**1,132**	**764**	**48%**	**+369**	**263**	**214**	**23%**	**+49**
Distribution	655	560	17%	+94	152	158	-4%	-6
Transmission	316	38	731%	+278	73	11	596%	+63
Generation	124	151	-18%	-27	29	42	-31%	-13
Supply and Other	38	14	163%	+23	9	4	120%	+5
Net Financial Invest. & Acquisitions	**-203**	**319**	**-**	**-522**	**105**	**91**	**15%**	**+14**

Energias do Brasil	2018	2017	Δ %	Δ Abs.
Share price at end of period (R$/share)	14.75	14.00	5%	+0.75
Number of shares Issued (million)	606.9	606.9	-	-
Treasury stock (million)	0.6	0.7	-	-
Number of shares owned by EDP (million)	310.8	310.8	-	-
Euro/Real - End of period rate	4.44	3.97	-11%	+0.47
Euro/Real - Average of period rate	4.31	3.60	-16%	+0.70
Inflation rate (IPCA - YoY)	3.7%	3.5%	-	-
Net Debt / EBITDA (x)	1.6	2.0	-	-0.4
Average Cost of Debt (%)	8.8	11.4	-	-2.5p.p.
Average Interest Rate (CDI)	6.4	9.9	-	-3.5p.p.
Employees (#)	2,986	2,906	3%	+80

Key Balance Sheet Figures (R$ Million)	YE18	YE17	Δ %	Δ Abs.
Financial investm, assets held for sale	2,025	1,547	31%	+478
Net financial debt	4,417	4,432	0%	-15
Regulatory receivables	316	101	211%	+214
Non-controling Interests	1,149	1,158	-1%	-9
Equity book value	8,565	7,924	8%	+640

Financial Results (R$ Million)	2018	2017	Δ %	Δ Abs.
Net Interest Costs	(464)	(458)	-1%	-7
Capitalised Costs	24	9	173%	+15
Forex Differences and Derivatives	(20)	14	-	-33
Other	94	(113)	-	+206
Financial Results	**(366)**	**(548)**	**33%**	**+181**

In local currency, EDP Brasil ("EDPB") EBITDA increased 27% YoY (+R$599m) to R$2,815m in 2018, impacted by (i) **the sale of small-hydro plants** (+R$375m); (ii) better results in **Pecém coal plant** (+R$129m YoY) mainly due to revision of the contracted availability; (iii) higher EBITDA in **distribution** (+R$56m YoY) on better operational performance; (iv) **successful portfolio integration management** which led to a GSF impact net of hedging of R$151m.

EBITDA in distribution increased 7% YoY, driven by the update of the concessions assets' value to inflation (+R$34m), continuing reduction of losses (+R$37m) and increase in distributed energy volumes (+R$43m). However, gains due to overcontracting policy were R$73m lower than in 2017. **Generation & Supply EBITDA** grew 9% YoY (+R$138m), pushed by an active hedging strategy and by Pecém (reduction in the provision for penalties on unavailability). **EBITDA in EUR terms**, which reached €649m, was negatively impacted by BRL avg. depreciation against the EUR by 16% (-€127m).

OPEX costs increased 3%, below the average IPCA rate of +3.7% YoY. **Net operating costs decreased by 25%** YoY (-R$313m), mainly impacted by gains on the sale of small-hydro plants in the 3Q18 (R$34m) and the 4Q18 (R$341m).

Net financial debt was flat at R$4.4bn at the end of 2018**.** Financial results improved 33% YoY to R$366m, reflecting lower cost of debt (from 11.4% in 2017 to 8.8% in 2018), in line with the declining interest rates in Brazil - average annual CDI stood at 6.4% in 2018 vs. 9.9% in 2017. **Net debt/EBITDA** decreased to 1.6x from 2.0x, backed on higher EBITDA levels.

Capex surged 48% (+R$369m) in 2018 vs. 2017, mainly due to **Transmission** investments (+R$278m), a segment in which EDPB was awarded with 5 transmission lines with a total investment of R$3.1bn up to 2022. Espírito Santo line was the first one concluded, having entered into operation at the end of Dec-18, 20 months ahead of schedule. Capex in **Distribution** increased by R$94m YoY, reflecting investments to improve operational efficiency of the distribution grids.

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits.

Brazil: Electricity Distribution

Income Statement (R$ m)	2018	2017	Δ %	Δ Abs.
Gross Profit	**1,832**	**1,731**	**6%**	**+101**
OPEX (1)	760	718	6%	+42
Other operating costs (net)	185	182	2%	+3
Net Operating Costs	**945**	**900**	**5%**	**+46**
EBITDA	**887**	**831**	**7%**	**+56**
Amortisation, impairment; Provisions	256	222	15%	+34
EBIT	**631**	**609**	**4%**	**+22**

Gross Profit Performance	2018	2017	Δ %	Δ Abs.
Gross Profit (R$ m)	**1,832**	**1,731**	**6%**	**+101**
Regulated revenues	1,650	1,628	1.4%	+23
Other	182	104	76%	+79
Regulatory Receivables (R$ m)				
Beginning of period	**101**	**(392)**	**-**	**+493**
Recovery of past deviations	(11)	397	-	-408
Annual deviation (2)	225	96	134%	+129
CDE/ACR Account (3)	-	-	-	-
End of period	**316**	**101**	**211%**	**+214**
Customers Connected (th)	**3,451**	**3,377**	**2%**	**+74**
EDP São Paulo	1,887	1,839	3%	+48
EDP Espírito Santo	1,564	1,538	2%	+26
Electricity Distributed (GWh)	**25,007**	**24,263**	**3%**	**+744**
EDP São Paulo	15,192	14,806	3%	+386
EDP Espírito Santo	9,814	9,457	4%	+357
From which:				
To customers in Free Market (GWh)	11,224	10,552	6%	+672
Electricity Sold (GWh)	**13,769**	**13,697**	**1%**	**+72**
EDP São Paulo	**7,934**	**7,974**	**-1%**	**-40**
Resid., Commerc. & Other	6,638	6,570	1%	+69
Industrial	1,296	1,405	-8%	-109
EDP Espírito Santo	**5,835**	**5,723**	**2%**	**+112**
Resid., Commerc. & Other	5,240	5,067	3%	+173
Industrial	595	655	-9%	-61

Capex & Opex Performance	2018	2017	Δ %	Δ Abs.
Controllable Operating Costs (1)	**760**	**718**	**6%**	**+42**
Cont. costs/customer (R$/customer)	220	213	4%	+8
Cont. costs/km (R$/Km)	8	8	5%	+0
Employees (#)	**2,186**	**2,146**	**2%**	**+40**
Capex (net of subsidies) (R$m)	**655**	**560**	**17%**	**+94**
Network ('000 Km)	92	92	1%	+1

EBITDA from our electricity distribution activity in Brazil increased by +R$56m YoY to R$887m in 2018, mostly due to: (i) the growth in distributed energy volumes (+R$43m); (ii) a reduction of the losses, which allowed for an increase in results of +R$37m YoY; (iii) the update of the concession's assets value to inflation, as contemplated by the regulatory framework (+$R34m). However, the gains due to overcontracting policy were R$73m lower than in 2018.

Volumes of electricity sold increased slightly in 2018 by 1% vs. 2017. At the same time, **volumes distributed to clients in the free market** increased 6% YoY to 11.2 TWh in 2018. All in all, **electricity distributed** increased 3% YoY in 2018.

The volumes of energy contracted surpassed by more than 5% the volumes demanded by clients during 2018. The **overcontracted** volumes are sold at the spot price (PLD) which was higher than the long-term sourcing contracted prices, leading to a gain of R$28m on 2018.

The trajectory of **lower non-technical losses** observed in the recent quarters was maintained. Non-technical losses in the low-voltage segment have decreased both for EDP Espírito Santo, reaching 11.15% in 2018 (-0.8p.p. YoY), the lowest value of the last 16 years, as well as for EDP São Paulo, whose level stood at 8.46% in 2018 (-1.1p.p. YoY). Both figures stood below ANEEL threshold of 11.45% and 8.87% respectively. This is the reflex of strong investment for reducing losses (R$93m in 2018), which allowed a revenue of R$229m in this year.

Provisions for doubtful clients stood at R$85m in 2018 (slightly higher than R$82m in 2017). EDPB keeps tackling the situation through increased proximity to clients, regardless of some economic improvement and unemployment reduction in the region of EDP São Paulo.

Regulatory receivables amounted to R$316m at the end of 2018 - which despite being an increase of +R$214m vs Dec-17, it is still a significant reduction vs. R$501m at 3Q18, to be recouped from the system in the following years.

OPEX and other operating costs were higher YoY at R$760m (+R$42m) **and R$185m** (+R$3m), respectively. **Distribution capex** in 2018 was more than twice the amount of depreciations, reflecting investments to improve quality of service and reducing energy losses.

Worth noting that in Nov-18, EDPB acquired 1,518,000 preferential shares of CELESC by R$63.7m, which together with previous shares' purchases resulted in a total 23.56% stake in CELESC.

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (2) Net of extraordinary tariff increase and tariff flags impacts; (3) Including financial update of the corresponding regulatory assets/liabilities;

Brazil: Electricity Generation and Supply

Income Statement (R$M)	Generation			
	2018	2017	Δ %	Δ Abs.
Gross Profit	**1,684**	**1,545**	**9%**	**+139**
OPEX (1)	228	231	-1%	-3
Other operating costs (net)	6	(1)	-	+7
Net Operating Costs	**234**	**230**	**2%**	**+4**
EBITDA	**1,450**	**1,315**	**10%**	**+135**
Amortisation, impairment; Provisions	368	372	-1.1%	-4
EBIT	**1,082**	**943**	**15%**	**+139**

Key Data	2018	2017	Δ %	Δ Abs.
Gross Profit (R$ m)	**1,684**	**1,545**	**9%**	**+139**
Hydro	**959**	**943**	**2%**	**+15**
PPA contracted revenues & Other	971	1,073	-9%	-102
GSF impact (net of hedging)	(13)	(130)	90%	+117
Thermal	**725**	**601**	**21%**	**+125**
PPA contracted revenues	700	680	3%	+20
Other	26	(79)	-	+105
Installed Capacity (MW)	**2,320**	**2,466**	**-6%**	**-147**
Hydro	1,599	1,746	-8%	-147
Thermal	720	720	-	-
Electricity Sold (GWh)	**13,336**	**13,289**	**0%**	**+48**
PPA contracted	10,858	11,663	-7%	-804
Hydro	7,403	7,065	4.8%	+338
Thermal	3,455	4,597	-25%	-1,142
Other	2,478	1,626	52%	+852
Avg. Hydro Sale Price (R$/MWh) (2)	**186**	**181**	**3%**	**+5**
Installed Capacity (MW Equity)	**539**	**364**	**48%**	**+175**
Capex (R$ m)	**124**	**151**	**-18%**	**-27**
Financial Investments (R$ m)	**62**	**319**	**-81%**	**-257**
Employees (#)	**433**	**488**	**-11%**	**-55**

EBITDA Breakdown (R$ m)	2018	2017	Δ %	Δ Abs.
Pecém (100%)	596	467	28%	+129
Lajeado (73% owned by EDPB)	359	363	-1%	-3
Peixe Angical (60% owned by EDPB)	202	259	-22%	-57
Other (100%)	292	226	29%	+66
EBITDA	**1,450**	**1,315**	**10%**	**+135**

Supply	2018	2017	Δ %	Δ Abs.
Gross profit (R$ m)	**220**	**211**	**4%**	**+9**
Net Operating costs (R$ m)	42	36	18%	+6
EBITDA (R$ m)	**178**	**176**	**2%**	**+3**
Electricity sales (GWh)	18,102	17,804	2%	+298
Capex (R$ m)	**22**	**5**	**316%**	**+17**

EBITDA from our electricity generation activities and supply in Brazil went up 9% YoY (+R$138m) to R$1,628m in 2018, reflecting +R$129m of higher EBITDA at Pecém coal plant in 2018, mostly due to the revision of the availability reference and consequent reduction in the provision for penalties on unavailability.

Hydro gross profit increased 2% YoY to R$959m. Worth noting that EDPB hedging and GSF insurance coupled with the sale of uncontracted volumes, offset the impact of GSF which otherwise would have had a negative impact of -R$603m in 2018 (-R$662m in 2017).

EDP will continue to manage its portfolio of plants and contracts, handling volumes and hedges together with its supply business as to minimize the impact of hydro deficits and price volatility.

The **average price of hydro volumes** was R$186/MWh in 2018, 3% higher YoY, due to PPA prices being inflation updated annually, but also due to higher prices on new short-term and long-term contracts. **Hydro volumes sold increased 5%.**

Pecém gross profit reached R$725 in 2018, a 21% increase YoY, mainly due to the abovementioned availability effect. Pecém's electricity sold decreased 25% YoY, due to the increase of hydro resources in the 4Q18 and programmed maintenance that occurred in the 2H18.

EDPB operates 2.9 GW of capacity, of which 0.5 GW are equity consolidated. Equity accounted capacity refers to a 50% equity stake in **Santo António do Jari** hydro plant (393 MW), to a 50% equity stake in **Cachoeira-Caldeirão** hydro plant (219 MW), both in partnership with CTG, to a 33% equity stake in **São Manoel** hydro plant (700 MW, fully online in Apr-18) in partnership with CTG and Furnas.

Hydro installed capacity at EBITDA level was reduced by 147 MW, reflecting the sale of EDP PCH (previous owner of 7 small-hydro plants) and Santa Fé and Costa Rica small-hydro plants in the 2H18.

Capex was reduced by R$27m to R$124m in 2018, mainly due to lower capex needs in Pecém coal plant. Worth noting that the final equity investments devoted to São Manoel, Jari and Cachoeira-Caldeirão hydro plants are classified as "**financial investments**" (equity-method accounted) and in 2018 amounted to R$62m (-81% YoY).

Electricity supply EBITDA increased 2% YoY to R$178m in 2018, reflecting higher volumes and evidencing the integration of the portfolio through the hedging strategy developed to deal with price volatility.

(1) OPEX = Supplies & services + Personnel costs + Costs with social benefits; (2) Calculated with PPA prices and volumes.

Income Statements
& Annex

Income Statement by Business Area

2018 (€m)	Generation & Supply Iberia	Regulated Networks Iberia	Wind & Solar	Brazil	Corpor. Activ. & Adjustments	**EDP Group**
Revenues from energy sales and services and other	8,382	4,795	1,528	3,212	(2,638)	15,278
Gross Profit	**1,434**	**1,280**	**1,512**	**877**	**(4)**	**5,099**
Supplies and services	291	276	345	146	(101)	957
Personnel costs and employee benefits	159	137	115	113	127	652
Other operating costs (net)	222	242	(249)	(30)	(11)	174
Operating costs	**672**	**655**	**212**	**228**	**15**	**1,782**
EBITDA	**762**	**625**	**1,300**	**649**	**(19)**	**3,317**
Provisions	278	3	0	11	(5)	288
Amortisation and impairment (2)	417	282	546	144	55	1,445
EBIT	**67**	**339**	**754**	**494**	**(69)**	**1,584**

2017 (€m)	Generation & Supply Iberia	Regulated Networks Iberia(1)	Wind & Solar	Brazil	Corpor. Activ. & Adjustments	**EDP Group Pro-forma**	Gas Networks Iberia	**EDP Group Reported**
Revenues from energy sales and services and other	7,818	5,067	1,637	3,433	(2,481)	15,473	273	15,746
Gross Profit	**1,236**	**1,428**	**1,602**	**969**	**(10)**	**5,225**	**166**	**5,391**
Supplies and services	314	292	327	172	(127)	976	14	991
Personnel costs and employee benefits	158	137	101	129	146	671	10	681
Other operating costs (net)	210	234	(192)	53	(573)	(268)	(2)	(270)
Operating costs	**681**	**663**	**235**	**354**	**(558)**	**1,375**	**26**	**1,401**
EBITDA	**555**	**766**	**1,366**	**615**	**548**	**3,850**	**140**	**3,990**
Provisions	(6)	(2)	(0)	8	(4)	(4)	0	(4)
Amortisation and impairment (2)	589	297	563	164	43	1,657	19	1,676
EBIT	**(28)**	**470**	**803**	**443**	**509**	**2,197**	**121**	**2,318**

(1) Includes only Electricity distribution in Portugal and Spain, LRS in Portugal; Excludes Gas distribution in Spain and Portugal, stated on column "Gas Networks Iberia", following its disposal, in Jul-17 and Oct-17, respectively.
(2) Depreciation and amortisation expense net of compensation for depreciation and amortisation of subsidised assets.

Quarterly Income Statement

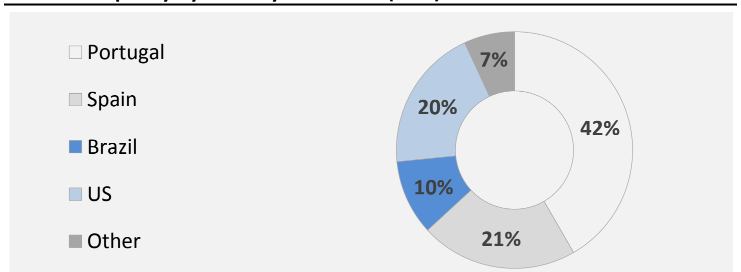
Quarterly P&L (€ m)	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	Δ YoY %	Δ QoQ %
Revenues from energy sales and services and other	4,233	3,642	3,779	4,092	4,032	3,527	3,752	3,967	-3%	6%
Cost of energy sales and other	(2,710)	(2,272)	(2,549)	(2,823)	(2,639)	(2,227)	(2,582)	(2,730)	3%	-6%
Gross Profit	**1,523**	**1,370**	**1,229**	**1,269**	**1,393**	**1,299**	**1,170**	**1,237**	**-3%**	**6%**
Supplies and services	227	246	235	283	209	233	234	280	-1%	19%
Personnel costs and Employee Benefits	171	169	159	181	163	162	147	180	-1%	22%
Other operating costs (net)	114	64	(531)	83	128	75	100	(130)	-	-
Operating costs	**512**	**479**	**(137)**	**548**	**501**	**470**	**482**	**330**	-40%	**-32%**
EBITDA	**1,011**	**892**	**1,367**	**721**	**893**	**829**	**688**	**907**	**26%**	**32%**
Provisions	4	(2)	(0)	(5)	(7)	4	286	5	-	**-98%**
Amortisation and impairment (1)	359	349	346	621	351	348	350	396	-36%	13%
EBIT	**648**	**545**	**1,021**	**105**	**549**	**477**	**53**	**506**	**383%**	**863%**
Financial Results	(197)	(173)	(223)	(215)	(127)	(150)	(166)	(111)	49%	33%
Share of net profit in joint ventures and associates	(1)	8	4	1	1	2	6	2	138%	-66%
Profit before income tax and CESE	**450**	**379**	**801**	**(110)**	**423**	**330**	**(108)**	**397**	-	**-**
Income taxes	66	53	56	(165)	74	43	(67)	49	-	-
Extraordinary contribution for the energy sector	70	(2)	2	(0)	66	(2)	1	0	-	-64%
Net Profit for the period	315	328	743	56	282	289	(43)	347	526%	**-**
Net Profit Attributable to EDP	**215**	**235**	**696**	**(33)**	**166**	**214**	**(83)**	**222**	-	**-**
Non-controlling Interests	100	93	47	89	116	75	40	125	0	212%

(1) Depreciation and amortisation expense net of compensation for depreciation and amortisation of subsidised assets.

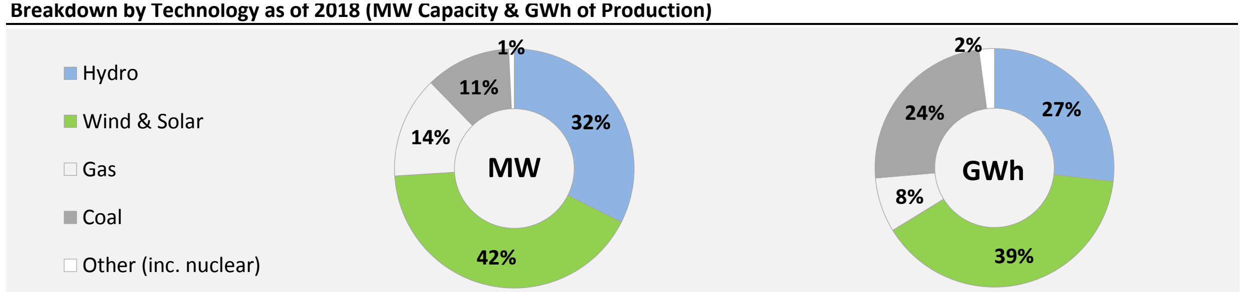
Generation Assets: Installed Capacity and Generation

Technology	Installed Capacity - MW (1)				Electricity Generation (GWh)				Electricity Generation (GWh)							
	2018	2017	Δ MW	Δ %	2018	2017	Δ GWh	Δ %	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
Wind	**11,156**	**10,531**	**625**	**6%**	**28,133**	**27,466**	**667**	**2%**	**7,690**	**6,777**	**5,224**	**7,775**	**8,719**	**6,620**	**5,145**	**7,648**
US	5,242	4,965	278	6%	14,721	14,332	389	3%	4,059	3,764	2,348	4,161	4,455	3,735	2,666	3,865
Portugal	1,304	1,249			2,987	2,904	83	3%	876	657	670	702	1,064	608	455	860
Spain	2,312	2,244	68	3%	5,164	5,095	68	1%	1,442	1,223	1,065	1,365	1,766	1,101	894	1,404
Brazil	467	331			1,235	861	374	43%	147	167	249	298	159	262	416	399
Rest of Europe (2)	1,601	1,513	88	6%	3,255	3,592	-337	-9%	1,050	754	713	1,075	1,068	697	541	948
Rest of the World (3)	230	230	0	0%	771	681	90	13%	115	213	179	174	208	217	173	173
Solar	**145**	**145**	**0**	**0%**	**226**	**155**	**71**	**46%**	**28**	**51**	**47**	**29**	**43**	**69**	**70**	**44**
Hydro	**8,792**	**9,019**	**-226**	**-3%**	**19,296**	**11,424**	**7,872**	**69%**	**4,364**	**2,606**	**1,813**	**2,641**	**6,154**	**5,863**	**3,189**	**4,090**
Portugal	**6,767**	**6,847**	**-80**	**-1%**	**12,648**	**6,948**	**5,700**	**82%**	**2,921**	**1,537**	**1,160**	**1,330**	**3,790**	**4,172**	**2,249**	**2,437**
Pumping activity	2,806	2,806	0	0%	-2,438	-2,228	-211	9%	-550	-652	-334	-692	-636	-329	-130	-1,343
Run of the river	2,408	2,395			6,161	2,802	3,359	120%	1,364	713	370	356	1,685	2,424	1,098	954
Reservoir	4,294	4,303			6,090	3,907	2,183	56%	1,409	771	779	947	1,940	1,605	1,120	1,425
Small-Hydro	65	148			397	238	159	67%	148	52	10	27	165	143	32	58
Spain	**426**	**426**	**0**	**0%**	**1,054**	**472**	**582**	**123%**	**175**	**88**	**58**	**151**	**408**	**370**	**108**	**168**
Brazil	**1,599**	**1,746**	**-147**	**-8%**	**5,594**	**4,004**	**1,590**	**40%**	**1,268**	**981**	**596**	**1,160**	**1,956**	**1,321**	**832**	**1,485**
Gas/ CCGT	**3,729**	**3,729**	**0**	**0%**	**5,333**	**8,029**	**-2,696**	**-34%**	**1,713**	**1,388**	**2,833**	**2,095**	**1,302**	**846**	**1,802**	**1,383**
Portugal	2,031	2,031			4,091	5,941	-1,850	-31%	1,105	1,203	2,336	1,297	907	660	1,532	992
Spain	1,698	1,698			1,242	2,087	-846	-41%	608	185	497	798	395	186	270	391
Coal	**3,124**	**3,124**	**0**	**0%**	**17,471**	**21,444**	**-3,973**	**-19%**	**5,041**	**5,304**	**5,444**	**5,656**	**3,965**	**3,926**	**5,260**	**4,320**
Portugal	1,180	1,180			8,067	9,426	-1,359	-14%	2,192	2,486	2,497	2,250	1,734	1,635	2,431	2,267
Spain	1,224	1,224			5,948	7,421	-1,473	-20%	1,860	1,758	1,723	2,080	1,045	1,248	1,861	1,794
Brazil	720	720			3,455	4,597	-1,142	-25%	988	1,060	1,224	1,326	1,186	1,043	968	258
Nuclear - Trillo (15.5%)	**156**	**156**	**0**	**0%**	**1,196**	**1,236**	**-40**	**-3%**	**333**	**223**	**339**	**340**	**331**	**187**	**337**	**340**
Other	**49**	**49**	**0**	**0%**	**309**	**247**	**62**	**25%**	**45**	**57**	**72**	**73**	**84**	**82**	**73**	**70**
Portugal	24	24			182	119	64	53%	15	26	38	40	51	50	41	40
Spain	25	25			126	128	-2	-1%	30	31	34	33	32	32	32	30
TOTAL	**27,151**	**26,753**	**399**	**1%**	**71,963**	**70,001**	**1,963**	**3%**	**19,215**	**16,406**	**15,773**	**18,607**	**20,598**	**17,593**	**15,877**	**17,895**
Of Which:																
Portugal	11,311	11,336	-25	0%	27,984	25,346	2,638	10%	7,110	5,912	6,729	5,595	7,548	7,127	6,711	6,598
Spain	5,840	5,772	68	1%	14,729	16,439	-1,710	-10%	4,449	3,508	3,715	4,766	3,976	3,123	3,502	4,128
Brazil	2,787	2,797	-10	0%	10,285	9,463	822	9%	2,403	2,208	2,069	2,783	3,301	2,626	2,216	2,142
US	5,332	5,055	278	5%	14,873	14,410	463	3%	4,074	3,789	2,369	4,177	4,486	3,779	2,711	3,896

Installed capacity by Country as of 2018 (MW)



Breakdown by Technology as of 2018 (MW Capacity & GWh of Production)



(1) Installed capacity that contributed to the revenues in the period; (2) Includes Poland, Romania, France, Belgium; (3) Includes Canada and Mexico.

Regulated Networks: RAB, Networks, Customers and Performance indicators

RAB	2018	2017	Δ %	Δ GWh
Portugal (€ m)	**2,996**	**2,970**	**0.9%**	**25**
High / Medium Voltage	**1,832**			
Low Voltage	**1,164**			
Spain (€ m)	**950**	**950**	**0.0%**	**-**
Brazil (BRL m)	**4,696**	**4,204**	**11.7%**	**492**
EDP Espírito Santo	2,449	2,226	10.0%	223
EDP São Paulo	2,247	1,978	13.6%	269
TOTAL (€ m)	**5,036**	**4,979**	**1.2%**	**57**

Networks	2018	2017	Δ %	Δ Abs.
Lenght of the networks (Km)	**339,177**	**338,179**	**0.3%**	**998**
Portugal	226,308	226,027	0.1%	281
Spain	20,709	20,613	0.5%	96
Brazil	92,160	91,538	0.7%	622
DTCs (thous.)				
Portugal	19	15	28%	4
Spain	7	-	-	7
Energy Box (th)				
Portugal	1,923	1,270	51%	653
Spain	644	609	6%	35

Quality of service	2018	2017	Δ %	Δ Abs.
Losses (% of electricity distributed)			-	-
Portugal (1)	9.6%	10.0%	-3.6%	-0.4 p.p.
Spain	3.4%	3.5%	-3.1%	-0.1 p.p.
Brazil				
EDP São Paulo	8.4%	8.7%	-3.4%	-0.3 p.p.
Technical	5.6%	5.5%	1.6%	0.1 p.p.
Comercial	2.8%	3.2%	-12.0%	-0.4 p.p.
EDP Espírito Santo	11.9%	13.0%	-8.0%	-1 p.p.
Technical	7.5%	8.3%	-9.2%	-0.8 p.p.
Comercial	4.4%	4.7%	-5.7%	-0.3 p.p.
Telemetering (%)				
Portugal	69%	66%	5%	3 p.p.

Customers Connected (th)	2018	2017	Δ %	Δ Abs.
Portugal	**6,226**	**6,187**	**0.6%**	**39**
Very High / High / Medium Voltage	25	25	1.0%	0.2
Special Low Voltage	36	36	2.0%	0.7
Low Voltage	6,164	6,126	0.6%	38
Spain	**666**	**664**	**0.3%**	**2**
High / Medium Voltage	1	1	1.1%	0.0
Low Voltage	665	663	0.3%	2.3
Brazil	**3,451**	**3,377**	**2.2%**	**74**
EDP São Paulo	1,887	1,839	2.6%	48
EDP Espírito Santo	1,564	1,538	1.7%	26
TOTAL	**10,343**	**10,228**	**1.1%**	**115**

Electricity Distributed (GWh)	2018	2017	Δ %	Δ GWh
Portugal	**46,056**	**44,748**	**2.9%**	**1,308**
Very High Voltage	2,366	2,158	9.6%	208
High / Medium Voltage	21,996	21,715	1.3%	281
Low Voltage	21,694	20,875	3.9%	819
Spain	**9,360**	**9,331**	**0.3%**	**29**
High / Medium Voltage	7,110	7,109	0.0%	1
Low Voltage	2,250	2,222	1.3%	28
Brazil	**25,007**	**24,704**	**1.2%**	**303**
Free Customers	11,224	10,993	2.1%	231
Industrial	1,890	2,060	-8.2%	-170
Residential, Comercial & Other	11,892	11,651	2.1%	242
TOTAL	**80,423**	**78,783**	**2.1%**	**1,640**

(1) Excludes Very High Voltage

Financial investments & Assets for Sale; Non-controlling interests; Provisions

Financial investments & Assets for Sale	Attributable Installed Capacity - MW (1)				Share of profit (2) (€ m)				Book value (€ m)			
	2018	2017	Δ MW	Δ %	2018	2017	Δ Abs.	Δ %	2018	2017	Δ Abs.	Δ %
EDP Renováveis	**371**	**331**	**40**	**12%**	**2**	**3**	**-1**	**-39%**	**357**	**312**	**45**	**14%**
Spain	152	152										
US	219	179										
Other	0	0										
EDP Brasil	**539**	**364**	**175**	**48%**	**1**	**-5**	**5**	**-**	**456**	**381**	**74**	**20%**
Generation - Hydro	539	364										
Distribution												
Iberia (Ex-wind) & Other	**10**	**10**	**0**	**0%**	**9**	**13**	**-5**	**-36%**	**264**	**311**	**-47**	**-15%**
Spain - Cogeneration & Waste	10	10										
Macao - Distribution (CEM)												
Other												
Assets Held for Sale (net of liabilities)									**11**	**116**	**-105**	**-90%**
TOTAL	**920**	**705**	**215**	**30%**	**11**	**12**	**-1**	**-6%**	**1,088**	**1,121**	**-33**	**-3%**

Non-controlling interests	Attributable Installed Capacity - MW (1)				Share of profits (2) (€ m)				Book value (€ m)			
	2018	2017	Δ MW	Δ %	2018	2017	Δ Abs.	Δ %	2018	2017	Δ Abs.	Δ %
EDP Renováveis	**4,747**	**4,643**	**104**	**2%**	**210**	**231**	**-21**	**-9%**	**2,739**	**2,654**	**85**	**3%**
At EDPR level:	**2,781**	**2,785**	**-5**	**0%**	**159**	**180**	**-22**	**-12%**	**1,613**	**1,560**	**53**	**3%**
Iberia	851	851										
North America	1,210	1,215										
Rest of Europe	557	557										
Brazil	162	162										
17.4% attributable to free-float of EDPR (3)	**1,966**	**1,858**	**109**	**6%**	**51**	**51**	**0**	**1%**	**1,125**	**1,094**	**32**	**3%**
EDP Brasil	**1,742**	**1,814**	**-72**	**-4%**	**151**	**100**	**51**	**51%**	**1,225**	**1,308**	**-83**	**-6%**
At EDP Brasil level:	**606**	**606**	**0**	**0%**	**33**	**22**	**11**	**50%**	**259**	**291**	**-32**	**-11%**
Hydro	606	606										
Other	0	0										
49% attributable to free-float of EDP Brasil	**1,137**	**1,208**	**-72**	**-6%**	**118**	**78**	**40**	**51%**	**967**	**1,017**	**-51**	**-5%**
Iberia (Ex-wind) & Other	**12**	**12**	**0**	**0%**	**-4**	**-3**	**-1**	**39%**	**-32**	**-28**	**-4**	**15%**
TOTAL	**6,501**	**6,469**	**32**	**1%**	**357**	**328**	**29**	**9%**	**3,932**	**3,934**	**-2**	**0%**

Provisions (Net of tax)	Employees benefits (€ m)			
	2018	2017	Δ Abs.	Δ %
EDP Renováveis	0	0		
EDP Brasil	115	135		
Iberia (Ex-wind) & Other	870	928		
TOTAL	**985**	**1,064**		

(1) MW attributable to associated companies & JVs and non-controlling interests; (2) Share of profit in JVs & associates and from non-controlling interests; assets held for sale not included; (3) 22.5% up to Aug-17. 17.4% thereafter.

EDP - Sustainability performance

Main Events 2018 (a)

EDP elected world leader in the social dimension of sustainability
The Group is in the top 2 of energy companies on the Dow Jones Sustainability Index and was considered the best in the world in criteria such as environmental policy management.
EDP increases score on FTSE4Good Global Index
EDP is in the top 2 of companies with the highest ESG score on FTSE4Good Global Index with a score 4.6 out of 5.
Ethisphere Institute - World's Most Ethical Companies 2018
The Most Ethical Companies in the World in 2018, published by the Ethisphere Institute, includes 135 companies from 23 countries and recognizes the EDP Group for its seventh consecutive year.
EDP has been recognized as one of the companies in the world with the best climate change practices
For the 4th consecutive year, having been recognized an A- in the CDP Climate Change category ranked at the highest performance level ('Leadership') and in the CDP Water category, maintaining its 'Management' performance level and B rating.
Green Bond Pionner Awards 2019
EDP has been recognized by the Climate Bond Initiative (CBI) for being the first portuguese company which issued green bonds.

EDP Internal Sustainability Index (base 2010-12)

	2018	2017	Δ %
Sustainab. Index (b)(c)(d)	**108**	**103**	**5%**
Environmental	107	93	15%
%Weight	33%	33%	
Economic	106	106	0%
%Weight	37%	37%	
Social	113	111	2%
%Weight	30%	30%	

This Sustainability Index was developed by EDP and is based on 33 sustainability performance indicators.

Economic Metrics

Economic Metrics	2018	2017	Δ %
Economic Value (€m)	**16,308**	**17,234**	**-5%**
Distributed	14,471	14,910	-3%
Accumulated	1,837	2,324	-21%
Energy Serv. Revenues (b)	**1,443**	**1,104**	**31%**
Energy Efficiency Serv.	151	134	13%

Social Metrics

Social Metrics	2018	2017	Δ %
Employees	**11,631**	**11,657**	**0%**
Total hours of training	**398,394**	**473,078**	**-16%**
On-duty Accidents (e)	**29**	**28**	**4%**
Severity Rate (Tg) (f)	114	131	-13%
Freq. rate (Tf) (f)	2.11	2.03	4%
Fatal accidents (3rds)	7	10	-30%

Environmental Metrics

Environmental Metrics	2018	2017	Δ %
Absolute Atmospheric Emissions (kt)			
CO2 (c)(g)	18,404	23,129	-20%
NOx	14.3	17.0	-16%
SO2	21.3	29.8	-29%
Particle	2.050	1.494	37%
Specific Atmospheric Emissions (g/KWh)			
CO2 (c)(g)	257.0	333.5	-23%
NOx	0.20	0.25	-19%
SO2	0.30	0.43	-31%
GHG emissions (ktCO2 eq)			
Direct Emissions (scope 1) (c)	18,429	23,159	-20%
Indirect emissions (scope 2) (d)	602	802	-25%
Other indirect emissions (scope 3)	11,334	13,039	-13%
Primary Energy Consumption (TJ) (h)	**221,634**	**276,668**	**-20%**
Max. Net Certified Capacity (%)	**97%**	**90%**	**8%**
Water Use (10^3 m^3)	**1,537,614**	**1,758,417**	**-13%**
Total Waste to final disposal (t)	**349,329**	**666,771**	**-48%**
Environmental Matters (€ th) (j)	**264,482**	**237,469**	**11%**
Investments	68,987	73,197	-6%
Expenses	195,495	164,272	19%
Environmental Fees and Penalties (€)	**3,389**	**18,848**	**-82%**

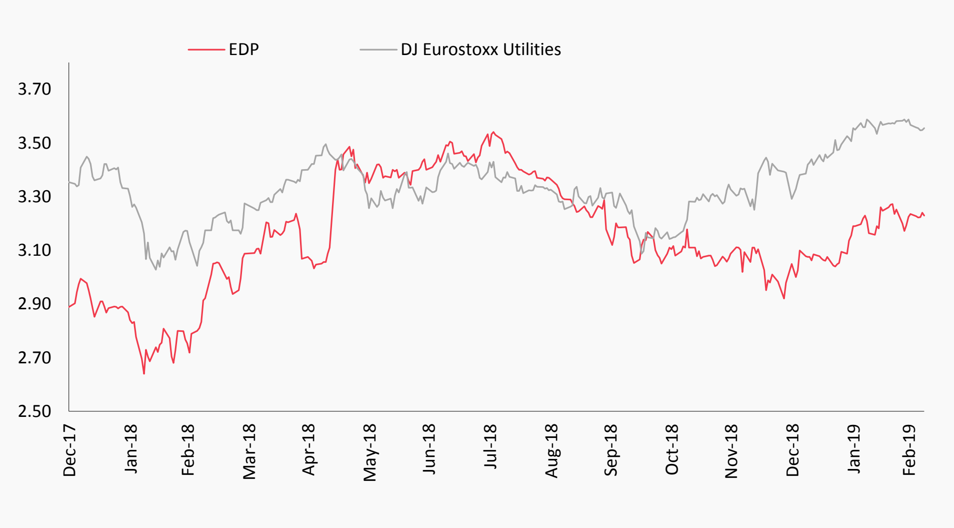
Environmental Metrics - CO2 Emissions

CO2 Emissions	Absolute (ktCO2) (c)		Specific (t/MWh)		Generation (i) (GWh)	
	2018	2017	2018	2017	2018	2017
Iberia	**14,433**	**17,737**	**0.70**	**0.68**	**20,503**	**25,985**
Coal	12,245	14,558	0.87	0.86	14,016	16,847
CCGT	2,030	3,030	0.38	0.38	5,332	8,029
Cogeneration + Waste	158	150	0.14	0.13	1,155	1,109
Brazil	**3,971**	**5,392**	**1.15**	**1.17**	**3,455**	**4,597**
Coal (PPA contracted)	3,971	5,392	1.15	1.17	3,455	4,597
Thermal Generation	**18,404**	**23,129**	**0.77**	**0.76**	**23,958**	**30,582**
CO_2 Free Generation					**47,656**	**39,045**
CO_2 Emissions			**0.26**	**0.33**	**71,614**	**69,627**

(a) Detailed information about the progress of EDP contribution to the United Nations Sustainable Development Goals can be found at: www.edp.com>Investors.
(b) Services provided under energy supply, instalation of more efficient and/or building retrofit, and sustainable mobility, which generate revenues for the company.
(c) The stationary emissions do not include those produced by the burning of ArcelorMittal steel gases in EDP's power plant in Spain.
(d) Scope 2 emissions according with GHG Protocol based location methodology.
(e) Accidents leading to an absence of one more calender day and fatalities.
(f) EDP + ESP (External Services Provider). (g) Includes only stationary emissions. (h) Including vehicle fleet.
(i) Includes heat generation (2018: 643 GWh vs 2017: 639 GWh).
(j) Report methodology was revised. Inclusion of consumptions CO2 emissions licenses, as environmental expenses in 2018.

EDP Share Performance

EDP Stock Performance on Euronext Lisbon



EDP Stock Market Performance	YTD	52W 08-03-2019	2016
EDP Share Price (Euronext Lisbon - €)			
Close	3.230	3.230	2.885
Max	3.549	3.549	3.389
Min	2.631	2.837	2.641
Average	3.075	3.207	3.012
EDP's Liquidity in Euronext Lisbon			
Turnover (€ m)	10,597	4,656	5,044
Average Daily Turnover (€ m)	19	18	20
Traded Volume (million shares)	3,446	1,452	1,675
Avg. Daily Volume (million shares)	6.2	5.7	6.6

EDP Share Data	2018	2017	Δ %
Number of shares Issued (million)	3,656.5	3,656.5	-
Treasury stock (million)	21.8	21.9	-0.6%

EDP's Main Events

29-Jan: EDP sells EUR 97 million of tariff deficit in Portugal
7-Mar: EDP signed a 5-year revolving credit facility in the amount of €2,240,000,000
12-Mar: EDP sells EUR 150 million of tariff deficit in Portugal
21-Mar: EDP Brasil acquires 14.5% of Celesc and will launch bid for up to 33.6%
23-Mar: EDPR announces the sale of a 20% stake in UK wind offshore project
27-Mar: EDP Brasil launches bid for up to 33.6% of CELESC
5-Apr: EDP's General Shareholders' Meeting
5-Apr: Payment of Dividends – Financial Year 2017
6-Apr: Appointment of Representatives for the General Supervisory Board
9-Apr: EDP informs about news published today on BFM Business
27-Apr: EDP Brasil announces results of the bid for CELESC
15-May: Announcement regarding launching of preliminary offer announcement over EDP
18-May: Capital Group's ownership interest in the capital of EDP decreases to 9.973%
12-Jun: EDP sells EUR 641m in securitization of electricity tariff deficit in Portugal
20-Jun: EDP issues EUR 750 million bond maturing in January 2026
4-Jul: EDP Renováveis is awarded long-term CfD for 45MW of wind at Greek energy auction
19-Sep: EDP Renováveis successfully establishes new institutional partnership structure for 280MW in the US
27-Sep: Secretary of State for Energy's decision on alleged CMEC overcompensation
1-Oct: Capital group's ownership interest in the share capital of EDP decreases to 2.958%
9-Oct: EDP issues first EUR 600 million green bond maturing in October 2025
14-Oct: Capital Group leaves its Qualified Shareholding Position in EDP
16-Oct: ERSE announces proposal for electricity tariffs in 2019
16-Oct: Paul Elliott singer notifies qualified shareholding in EDP
26-Oct: EDP Brasil sells mini-hydro plants
29-Oct: EDP Brasil closes R$ 1.2 billion funding for new transmission line
14-Nov: EDPR announces sale of additional 13.4% in UK wind offshore project
7-Dec: EDP sells Portuguese tariff deficit for 384 Million euros
7-Dec: Results and pricing of cash tender offers for debt securities
18-Dec: EDPR sells 13.5% stake in French offshore wind projects
19-Dec: EDP concludes sale of 100% of EDP Small Hydro
21-Dec: EDP concludes sale of EDP PCH and Santa Fé
28-Dec: EDPR concludes the sale of 10% stake in Moray Offshore (UK) to CTG
31-Dec: EDPR announces its first sell down transaction in North America of a 499 MW portfolio of onshore wind assets

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