



renováveis

1H 2011 Results

Investor Relations Department

Rui Antunes, Head of IR
Francisco Beirão
Diogo Cabral

Phone: +34 902 830 700
Fax: +34 914 238 429
Email: ir@edpr.com
Site: www.edpr.com

Conference call and webcast

Date: Wednesday, July 27th, 2011, 14:00 GMT | 15:00 CET

Webcast: www.edpr.com

Phone dial-in number: +44 (0)20 7162 0177 | +34 917 889 896 | +351 800 782 051

Phone Replay dial-in number: +44 (0)20 7031 4064 Access code: 900075 (until August 3rd, 2011)

July 27th, 2011

EDP Renováveis, S.A. Head office: Plaza de la Gesta, 2 33007 Oviedo, Spain



1H11 Highlights	- 2 -
Consolidated Financial Statements	- 3 -
Operating Overview	- 4 -
Development of Capacity and Capex	- 5 -
Cash-Flow	- 6 -
Net Debt and Financial Expenses	- 7 -
Business Platforms	- 8 -
Europe	- 9 -
US	- 13 -
Quarterly Data	- 15 -
Income Statements	- 17 -
Annex	- 20 -

Results Highlights

Operating Data	1H11	1H10	Δ 11/10
Installed Capacity (EBITDA MW + ENEOP)	7,163	5,792	+1,370
Load Factor (%)	32%	31%	+1 pp
Output (GWh)	8,790	6,940	+27%
Avg. Electricity Price (€/MWh)	55.6	59.2	(6%)

P&L (€m)	1H11	1H10	Δ 11/10
Revenues	547	462	+18%
Operating Costs	137	119	+15%
EBITDA	409	343	+19%
EBITDA / Revenues	75%	74%	+1 pp
Net Profit (Equity holders of EDPR)	90	43	+109%

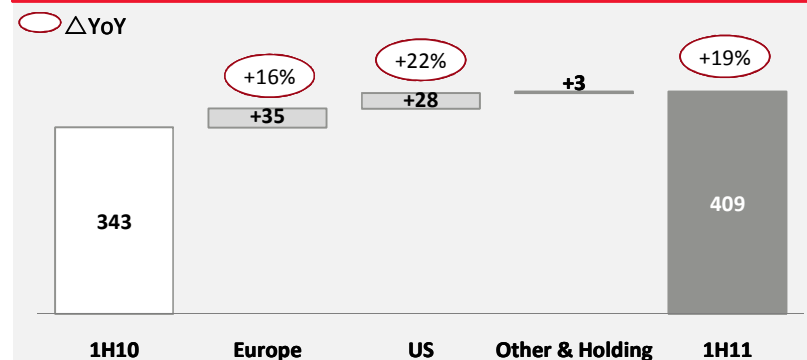
Cash-Flow (€m)	1H11	1H10	Δ 11/10
Operating Cash-Flow	353	237	+49%
Capex	345	834	(59%)

Balance Sheet (€m)	1H11	FY10	Δ €
Net Debt	3,285	2,848	+437
Net Institutional Partnership Liability	865	934	(69)

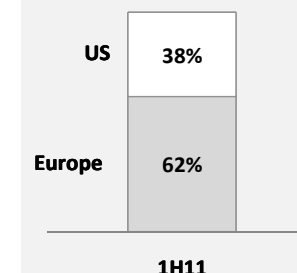
Key Events

- Mar: EDPR takes full control of Genesa (1.7 GW in Spain).
- Apr: EDPR sells its 16.67% financial stake in SEASA (12 MW Net).
- Jun: EDPR is awarded long-term contract for 45 MW in the US.
- Jun: EDPR enters into a partnership with Repsol to jointly develop 2.4 GW of offshore wind capacity in the UK.
- Jun: EDPR executes a project finance for 138 MW in Romania.
- Jun: EDPR is awarded 127 MW in a tender in Aragón, Spain.
- Jul: EDPR executes a project finance for 90 MW in Romania.
- Jul: EDPR establishes a new institutional partnership structure for 99 MW in the US.
- Jul: EDPR executes a project finance for 70 MW in Brazil.

EBITDA Growth (€m)



EBITDA Breakdown



• **EDPR installed 1.4 GW over the last 12 months (+24% YoY)**, of which 486 MW were added in the 1H11 (c60% of the expected for FY11). **Electricity output in the 1H11 increased by 27% YoY to 8,790 GWh**, mainly as a result of the capacity growth over the last 12 months along with an improvement in the average load factor to 32% (mainly given the strong wind resource in the US during 1H11).

• **Average selling price declined 6% YoY**, due to a weaker US Dollar and a different production mix following the higher weight of the US output, which is sold at prices below the portfolio average. Europe partly compensated US price performance through a sustained increase of its selling prices throughout all the geographies.

• **Revenues and EBITDA grew 18% and 19% YoY, respectively**, following the strong operating growth and a higher EBITDA margin (75% in the 1H11), although negatively impacted by a weaker US Dollar (-€9.2m impact at EBITDA level).

• In the 2Q11, **EDPR adjusted the useful life of its operating assets to 25 years**, following the result of a detailed technical study conducted by an industry expert on the expectable operating period that each turbine is able to be economically in operation. The useful life extension had a €21m net impact on the bottom line in the 2Q11 stand-alone, mainly as a result of lower depreciation charges.

• Below the EBIT line, EDPR realized in the 2Q an **after-tax capital gain of €6.6m after selling its stake in SEASA for a €2.0m/MW multiple**.

• **Net Income in the 1H11 posted a two-fold increase to €90m**, reflecting the operating performance in the period, the extension of the projects' useful life and the capital gain from the sale of EDPR's stake in SEASA.

• **Cash-Flow from operations grew 49% YoY to €353m in the 1H11** and more than **covered the €345m 1H11 capex**. Net Debt by Jun-11 was up €0.4bn (vs. Dec-10) to €3.3bn, but Gross Debt was stable at €3.6bn. Funding needs were mostly covered by Cash-Flow from operations and cash and equivalents.

Consolidated Financial Statements



Note: The financial statements presented in this document are non-audited.

Consolidated Income Statement (€m)	1H11	1H10	Δ 11/10
Revenues	546.6	462.4	+18%
Supplies and services	107.4	91.1	+18%
Personnel costs	25.4	23.8	+7%
Other operating costs / (income)	4.6	4.5	+1%
Operating Costs	137.3	119.4	+15%
EBITDA	409.2	342.9	+19%
EBITDA/Revenues	74.9%	74.2%	+0.7 pp
Provisions	(0.3)	(0.0)	-
Depreciation and amortization	219.2	201.6	+9%
Compensation of subsidized assets' depreciation	(7.9)	(4.8)	(67%)
EBIT	198.3	146.1	+36%
Capital gains/(losses)	10.1	-	-
Financial income/(expense)	(98.0)	(88.8)	(10%)
Income/(losses) from group and associated companies	3.4	3.3	+3%
Pre-Tax Profit	113.8	60.6	+88%
Income taxes	(23.5)	(16.4)	(43%)
Discontinued activities	-	-	-
Profit of the period	90.3	44.2	+104%
Equity Holders of EDPR	89.5	42.9	+109%
Non-controlling interests	0.8	1.3	(38%)

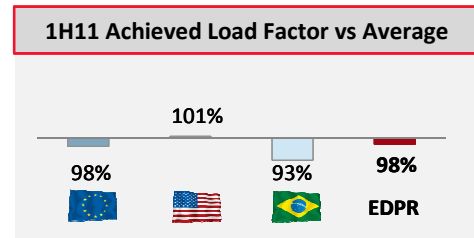
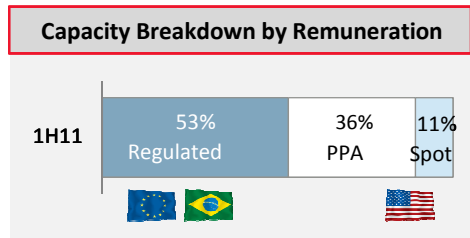
Assets (€m)	1H11	FY10
Property, plant and equipment, net	9,722	9,982
Intangible assets and goodwill, net	1,307	1,367
Financial investments, net	64	64
Deferred tax assets	39	39
Inventories	31	24
Accounts receivable - trade, net	116	144
Accounts receivable - other, net	557	757
Financial assets held for trading	36	36
Cash and cash equivalents	204	424
Total Assets	12,077	12,835
Equity (€m)	1H11	FY10
Share capital + share premium	4,914	4,914
Reserves and retained earnings	346	274
Consolidated net profit attrib. to equity holders of the parent	90	80
Non-controlling interests	123	126
Total Equity	5,472	5,394
Liabilities (€m)	1H11	FY10
Financial debt	3,556	3,534
Institutional partnerships	868	1,009
Provisions	47	54
Deferred tax liabilities	365	372
Deferred revenues from institutional partnerships	615	635
Accounts payable - net	1,154	1,839
Total Liabilities	6,605	7,442
Total Equity and Liabilities	12,077	12,835

Revenues: Mainly include electricity sales, other income related to revenues from institutional partnerships and cost of consumed electricity

EBITDA MW	1H11	1H10	Δ 11/10
Europe	3,526	2,936	+590
US	3,278	2,715	+563
Brazil	84	14	+70
Total	6,887	5,665	+1,222

Load Factor	1H11	1H10	Δ 11/10
Europe	26%	29%	(2 pp)
US	36%	32%	+4 pp
Brazil	24%	23%	+1 pp
Total	32%	31%	+1 pp

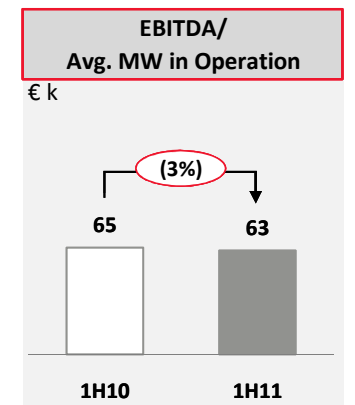
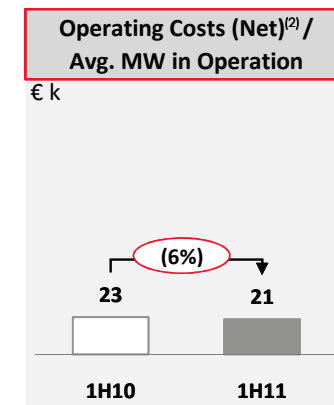
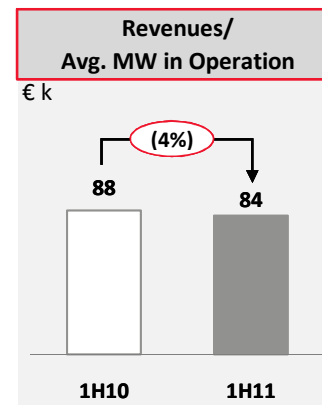
P&L Highlights (€m)	1H11	1H10	Δ 11/10
Revenues	547	462	+18%
Operating Costs	137	119	+15%
EBITDA	409	343	+19%
EBITDA / Revenues	75%	74%	+1 pp



Employees	1H11	1H10	Δ 11/10
Total	863	781	+10%

GWh	1H11	1H10	Δ 11/10
Europe	3,657	3,244	+13%
US	5,105	3,682	+39%
Brazil	29	14	+107%
Total	8,790	6,940	+27%

Price ⁽¹⁾ per MWh	1H11	1H10	Δ 11/10
Europe	€88.2	€84.3	+5%
US	\$44.7	\$49.0	(9%)
Brazil	R\$ 273.5	R\$ 251.0	+9%
Total	€55.6	€59.2	(6%)



- EDPR added 1,222 MW YoY to its EBITDA installed capacity, of which 590 MW were in Europe, 563 MW in the US and 70 MW in Brazil. As of Jun-11, EDPR had 89% of its portfolio under long-term contracts and visible regulatory frameworks, and only 11% purely exposed to the US spot electricity markets.

- During the first half of 2011, the average load factor increased by 1pp to 32%, one of the highest in the wind sector, as the company continues to leverage on its balanced portfolio and competitive advantages to maximize wind farm's output. In the US, the wind resource registered a strong recovery in the 2Q11, leading to an accumulated 1H11 load factor of 36% (+4pp YoY). In Europe, the load factor decreased to 26%, given the lower wind resource in the 1H11 vs. a very high resource registered in 1H10.

- Following the load factor improvement, the 1H11 electricity output increased 27% YoY, outpacing the new capacity brought online. The output in the US grew at a strong rate (+39% YoY), while in Europe the electricity generation improved by 13% YoY, below the capacity increase due to the lower wind resource.

- Out of the total electricity output in the 1H11, 84% was sold under long-term remuneration schemes, while 16% was exposed to the US spot electricity prices (spot exposure will decrease once all signed PPA contracts in the US start to contribute in 2012).

- Average selling price, excluding revenues associated with the Production Tax Credits in the US, was lower at €55.6/MWh due to: i) a weaker US Dollar (-€1.1/MWh impact); ii) a different generation mix, with a higher weight of the US (-€2.7/MWh impact); iii) a drop in the US average prices (-9%), following the low electricity spot prices and different structures in some of the new PPAs/hedge contracts (-€1.7/MWh impact); but mitigated by iv) a positive contribution from all European geographies (+5%), following the higher pool prices in Spain and a stronger output in the Rest of Europe, which was sold at prices above the portfolio average.

- All in all, Revenues increased 18% YoY, and EBITDA went up by 19% YoY, mainly as a result of a strong operating growth and an improved EBITDA margin.

⁽¹⁾ Excludes TEI Revenues

⁽²⁾ Includes other revenues

Development of Capacity and Capex



Installed Capacity (MW)	1H11	1H10	Δ YTD	Δ 11/10
Spain	2,190	1,923	+140	+267
Portugal	599	595	-	+4
France	284	241	-	+43
Belgium	57	57	-	-
Poland	168	120	+48	+48
Romania	228	-	+138	+228
Europe	3,526	2,936	+326	+590
US	3,278	2,715	+54	+563
Brazil	84	14	+70	+70
EBITDA MW	6,887	5,665	+450	+1,222
ENEOP -Eólicas de Portugal (equity consolidated)	275	127	+36	+148
EBITDA MW + Eólicas de Portugal	7,163	5,792	+486	+1,370

Under Construction (MW)	1H11
Spain	61
France	22
Poland	22
Romania	57
Italy	20
Europe	181
US	144
EBITDA MW	325
ENEOP -Eólicas de Portugal (equity consolidated)	50
EBITDA MW + Eólicas de Portugal	376

Capex (€m) ⁽¹⁾	1H11	1H10	Δ %	Δ €
Europe	154	285	(46%)	(131)
US	129	527	(76%)	(398)
Brazil	59	15	+284%	+44
Other	3	7	(55%)	(4)
Total Capex	345	834	(59%)	(489)

Pipeline (MW)	Tier 1	Tier 2	Tier 3	Sub-Total	Prospects	Total
Europe	473	1,164	4,503	6,140	4,275	10,415
North America	975	6,558	7,095	14,627	4,087	18,714
Brazil	81	153	560	794	700	1,494
Total	1,529	7,874	12,158	21,561	9,062	30,623

• By June 2011 EDPR managed a global portfolio of 7,163 MW in 8 different countries (including its interest in the Eólicas de Portugal consortium, equity consolidated). During the last 12 months, 1.2 GW (EBITDA) plus 148 MW (equity consolidated) were added to the installed capacity, of which 738 MW in Europe, 563 MW in the US and 70 MW in Brazil.

• For 2011, EDPR expects to install 800-900 MW, most of it in Europe. In 1H11, EDPR installed 486 MW (~60% of the forecast for the full year): 362 MW in Europe, 54 MW in the US and 70 MW in Brazil.

• By June 2011 EDPR had 376 MW under construction, of which 231 MW were in Europe and 144 MW in the US. In Europe, 61 MW were under construction in Spain, 50 MW in Portugal (related with the attributable capacity to EDPR under the Eólicas de Portugal consortium), 22 MW in France, 57 MW in Romania, 22 MW in Poland and was started the construction of the first wind farm in Italy (20 MW). In the US, EDPR is concluding the commissioning of the remaining capacity in the Timber Road II wind farm (45 MW) and started construction of the Blue Canyon VI wind farm in Oklahoma (99 MW).

• Capex in the 1H11 was €345m, reflecting the MW added in the period and the capacity under construction. The 1H11 capex decreased by 59% YoY mainly explained by the capacity growth deceleration planned for 2011. Out of the €345m capex for the 1H11, €118m were related to the conclusion of the new installed MW, while €227m were assigned to capacity under construction and under development.

• Today, EDPR has a pipeline of projects in excess of 30 GW in 11 different countries. Besides the current geographies with operating capacity, EDPR recently announced that it will develop up to 2.4 GW of wind offshore capacity in the UK jointly with Repsol, following the acquisition by Repsol of EDPR's previous partner SeaEnergy. EDPR therefore increases its presence in the UK offshore wind to 1.45 GW (60% of the partnership), and at the same time benefiting from a partnership with a company with a level of expertise in the energy sector and a strong commitment to the development of offshore wind capacity.

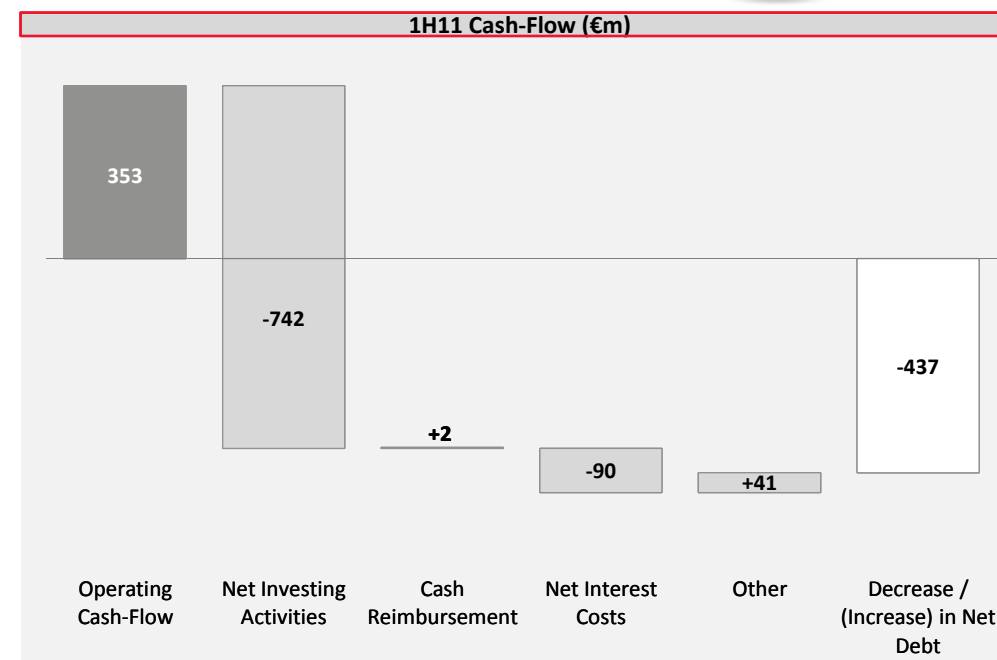
⁽¹⁾ Operating capital expenditures excluding cash reimbursement in the US

Cash-Flow (€m)	1H11	1H10	Δ 11/10
EBITDA	409	343	+19%
Current income tax	(33)	(15)	+119%
Net interest costs	(90)	(76)	+19%
Income from group and associated companies	3	3	+3%
FFO (Funds From Operations)	290	255	+13%
Net interest costs	90	76	+19%
Income from group and associated companies	(3)	(3)	+3%
Non-cash items adjustments	(60)	(56)	(6%)
Changes in working capital	36	(35)	-
Operating Cash-Flow	353	237	+49%
Capex and financial investments (divestments)	(500)	(815)	(39%)
Changes in working capital related to PP&E suppliers	(242)	93	-
Cash grant	2	-	-
Net Operating Cash-Flow	(388)	(485)	+20%
Proceeds (payments) related to institutional partnerships	(7)	109	-
Net interest costs	(90)	(76)	(19%)
Forex & other	48	(140)	-
Decrease / (Increase) in Net Debt	(437)	(593)	+26%

In the 1H11, EDPR's operations generated a cash-flow of €353m, delivering a 49% growth YoY, clearly demonstrating the recurrent cash generation capabilities of the operating assets. Investment activities including capex, acquisitions, investments & divestments, and working capital related to PP&E suppliers amounted to €742m, above the operating cash-flow and contributing to a €437m increase in the Net Debt in the period.

The key cash-flow items that explain the 1H11 cash evolution are the following:

- Funds From Operations, resulting from EBITDA after net interest expenses, associates and taxes increased 13% YoY. Interest expenses evolution came in line with the EBITDA;
- Operating Cash-Flow, adjusted by net financial costs, non-cash items (namely revenues from institutional partnerships) and net of changes in working capital, amounted to €353m (+49% YoY);



- Investing activities amounted to €742m, which encompasses: i) the capital expenditures with capacity installed and with projects under construction (€345m); ii) the financial investments and divestments, which includes the acquisition of a 20% additional stake in Genesa for €231m and the divestment of the financial stakes in two wind farms from which EDPR cashed-in a total €26m; and iii) the working capital related with PP&E suppliers of €232m, which reflects the payment of fixed assets booked in previous periods;
- Funding breakdown of investment activities: i) Operating Cash-Flow more than covered the 1H11 capex (€345m); while ii) the remaining investment expenditures were mostly covered by cash and equivalents;
- Forex translation decreased Net Debt by €109m as a consequence of the US dollar depreciation from Dec-10 to Jun-11 (-8%).

Net Debt and Financial Expenses

Net Debt (€m)	1H11	FY10	Δ €
Bank loans and other	730	733	(3)
Loans with EDP Group related companies	2,826	2,800	+26
Financial Debt	3,556	3,534	+23
Cash and cash equivalents	204	424	(220)
Loans to EDP Group related companies and cash pooling	31	226	(194)
Financial assets held for trading	36	36	-
Cash & Equivalents	271	685	(414)
Net Debt	3,285	2,848	+437

Net Debt Breakdown by Assets (€m)	1H11	FY10	Δ €
Net debt related to assets in operation	2,907	2,435	+471
Net debt related to assets under construction & develop.	379	413	(34)

Institutional Partnership (€m) ⁽¹⁾	1H11	FY10	Δ €
Net Institutional Partnership Liability	865	934	(69)

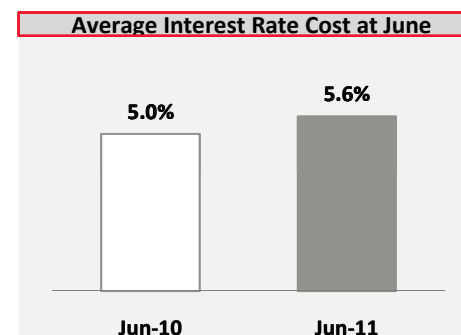
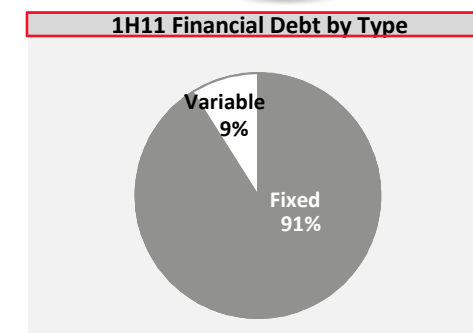
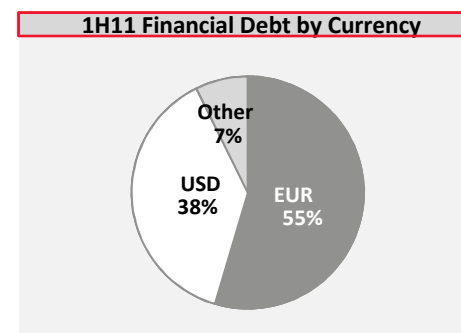
Net Financial Expenses (€m)	1H11	1H10	Δ %
Net interest costs	(90.5)	(76.2)	(19%)
Institutional partnership costs (non cash)	(30.3)	(31.5)	+4%
Capitalised costs	23.0	34.7	(34%)
Forex differences	4.4	(11.9)	-
Other	(4.5)	(3.8)	(17%)
Net Financial Expenses	(98.0)	(88.8)	(10%)

- EDPR's Gross Financial Debt was stable at €3.6bn. 80% of EDPR's debt corresponds to loans with EDP Group, while debt with financial institutions is mostly related to project finance.

- Net Debt as of Jun-11 amounted to €3.3bn, increasing from the €2.8bn at the end of 2010, mainly reflecting the investment payments done in the period through Cash-Flow and cash and equivalents, and the payment of €231m to Caja Madrid (for the 20% stake in Genesa). Net debt related to assets in operation amounted to €2,907m and related to assets under construction and development amounted to €379m.

- Liabilities referred to as institutional partnerships in the US decreased to €865m in the 1H11 from €934m in Dec-2010 mainly due to the i) lower liability given that wind farms are generating tax benefits to the tax equity partners; and ii) forex translation.

- The net financial expenses amounted to €98m in the 1H11, 10% above the €89m registered in the 1H10. This is mainly explained by the increase in interest costs as a result of a higher average debt, in line with the growth over the last 12 months (avg. 1H11 Gross Debt of €3.6bn vs. avg. 1H10 Gross Debt of €2.9bn), partially mitigated by ii) positive forex differences.



Enterprise Value (30 June 2011)

	€bn	%
Market Cap.	4.0	48%
Minorities	0.1	1%
TEI	0.9	11%
Net Debt	3.3	40%
EV	8.2	100%

- As of June 2011, 55% of EDPR's financial debt was Euro denominated, while 38% was in US Dollars given the investments in the US which are financed in US Dollars. The remaining 7% is related to the financing of the 70 MW in operation in Brazil and to a project finance in Zloty for 120 MW in operation in Poland.

- 91% of EDPR's financial debt is at a fixed rate. EDPR continues to follow a long-term fixed rate funding strategy to match the operating cash flow profile with its financing costs, therefore mitigating its interest rate risk. Most of the debt contracted with EDP and financial institutions have a post-2018 maturity.

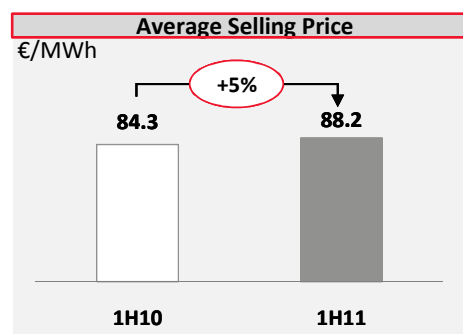
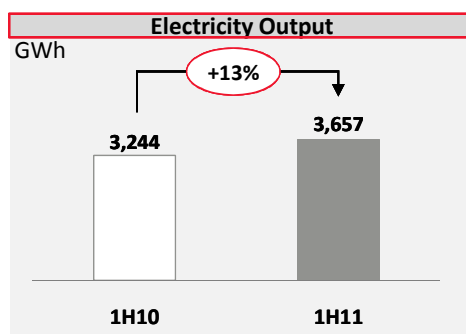
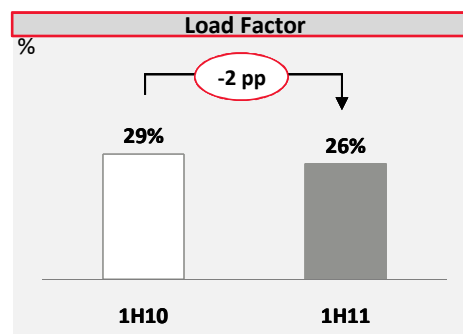
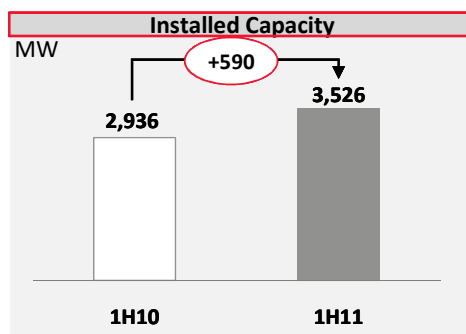
- As of Jun-11, the average interest rate was 5.6%, a 60bps increase vis-à-vis Jun-10, reflecting the long-term duration profile of debt and the wider spread on the new debt contracted in 2010 in line with the current market prices.

⁽¹⁾ Net of i) tax credits already benefited by the institutional investors and yet due to be recognised in the P&L; and ii) restricted cash



renováveis

Business Platforms



- EDPR's consolidated wind installed capacity in Europe totalled 3,526 MW by Jun-11, a 590 MW YoY increase of which 362 MW in the 1H11. Over the last 12 months, 267 MW were added in Spain, 4 MW in Portugal and 319 MW in the Rest of Europe. In Portugal, 148 MW were also installed related to the capacity attributable to EDPR in the Eólicas de Portugal consortium (equity consolidated).

- During the period, the average load factor decreased to 26% given the lower wind resource in the 1H11 vs. a strong wind resource in the 1H10. Despite the lower wind resource, EDPR's load factors in the European market continued to demonstrate a recurrent and clear competitive advantage vis-à-vis the rest of the industry, enabling the company to achieve superior returns on its assets.

- Electricity generation in Europe increased by 13% YoY to 3,657 GWh following the capacity brought into operation throughout the last 12 months, but influenced by a lower wind resource in the period.

Income Statement (€m)	1H11	1H10	Δ 11/10
Revenues	321.2	274.0	+17%
Supplies and services	49.2	40.7	+21%
Personnel costs	10.2	8.8	+16%
Other operating costs / (income)	5.7	3.4	+66%
Operating Costs	65.1	53.0	+23%
EBITDA	256.1	221.0	+16%
EBITDA / Revenues	79.7%	80.7%	(1 pp)
Provisions	(0.3)	-	-
Depreciation and amortization	107.7	96.4	+12%
Comp. of subsidized assets' depreciation	(0.7)	(0.5)	(40%)
EBIT	149.4	125.2	+19%

Opex ratios - excluding other revenues	1H11	1H10	Δ 11/10
Opex / Average MW in operation (€ th, annualized)	43.7	43.6	+0%
Opex / MWh (€)	19.2	17.9	+7%

Employees	1H11	1H10	Δ 11/10
Total Europe	414	395	+5%

- In the 1H11, the average selling price of electricity in EDPR's European regions increased 5% to €88.2/MWh, following the positive selling prices trend in all EDPR geographies: i) higher prices in Spain (+6% YoY) on the back of a recovery in pool prices; ii) higher prices in the Rest of Europe (+5%) combined with higher output (16% of total in Europe in 1H11 vs. 11% in 1H10); and ii) better prices in Portugal (+2% YoY) reflecting the inflation update.

- EDPR reached Revenues of €321m in the 1H11 in Europe, representing a 17% YoY increase as a result of: i) the +€52m impact from the new capacity brought into operation in the period; ii) the positive effect from the improvement in the selling prices (+€13m); more than compensating iii) the unfavorable impact from the load factor evolution (-€16m). The increase in operating costs mainly reflects the ongoing growth program and revenue expansion.

- All in all, EBITDA totalled €256m, increasing 16% YoY, with 1H11 EBITDA margin reaching 80%.

Installed Capacity (MW)	1H11	1H10	Δ 11/10
MW under Transitory Regime	1,153	1,153	-
MW under RD 661/2007	1,037	770	+267MW
Total MW	2,190	1,923	+267MW
Avg. Load Factors (%)	1H11	1H10	Δ 11/10
Load Factor	27%	28%	(1 pp)
Electricity Output (GWh)	1H11	1H10	Δ 11/10
Total GWh	2,375	2,110	+13%
Average Selling Price (€/MWh)	1H11	1H10	Δ 11/10
Avg. realized price in the pool	44.6	28.3	+58%
Avg. Final Selling Price (incl. Hedging)	82.2	77.4	+6%
P&L Highlights - including hedging (€m)	1H11	1H10	Δ 11/10
Revenues	193.5	162.4	+19%
Operating costs	38.5	30.0	+28%
EBITDA	155.1	132.4	+17%
EBITDA / Revenues	80.1%	81.5%	(1 pp)

- In Spain, EDPR's wind installed capacity as of Jun-11 amounted to 2,190 MW increasing by 267 MW YoY and by 140 MW in the 1H11. By June, 61 MW were under construction in Spain.

- Load factor decreased from 28% to 27% in the 1H11, however EDPR continued to deliver quality load factors vis-à-vis the rest of the sector. In the 2Q11 alone, EDPR reached a 25% load factor figure, widening its c200bp average historical spread over the Spanish market average load factor to c400bp.

- EDPR's average selling price increased by 6% YoY to €82.2/MWh, due to the strong recovery of the pool price over the last 12 months (+58% YoY to €44.6/MWh) and the inflation update to the fixed tariff and floor price under the RD 661/2007 regime.

- EDPR continued its hedging strategy for the capacity under the transitory regime on which 853 GWh have been sold forward for 1H11. Out of the total 2,375 GWh generated in the

Remuneration Framework	
Transitory Regime Assets	RD 661/2007 Assets
<p>Applicability: Only applicable to wind farms that started operations before 2008. Wind farms had to decide before 2009 if they maintain this remuneration scheme or join the new one. Wind farms that decided to remain in this system may only remain until December 2012.</p> <p>Variable tariff - market indexed revenues equals achieved pool price plus a premium+incentive with no explicit cap or floor (premium+incentive was set at €38.3/MWh).</p> <p>Regulatory Update RD 1614/2010:</p> <ul style="list-style-type: none"> • No impact. 	<p>Applicability: Compulsory for all wind farms that start operations after 2008.</p> <p>Two Options:</p> <ol style="list-style-type: none"> 1. Fixed tariff (€79.1/MWh) with annual update according to CPI-x. 2. Variable tariff - market indexed revenues equals pool price plus a premium with a cap and a floor. Premium in 2011 was set at €20.1/MWh, while the cap and floor at €91.7/MWh and €76.9/MWh, respectively. All values, for the exception of the pool price, are fixed for 20 years and indexed to CPI-x. <p>Regulatory Update RD 1614/2010:</p> <ul style="list-style-type: none"> • Temporary 35% reduction of premium until 31/12/2012. • Future revisions to the premium can only be applied to the post-2012 capacity. • Cap of 2,589 annual equivalent hours to receive the premium, if the average for the Spanish wind sector surpasses 2,350 hours in each year.

1H11 in Spain, more than 80% were sold through hedges, fixed tariffs or at the fixed floor price mechanism (853 GWh hedged + 1,068 GWh at fixed tariffs or floor), while only 19% were sold at market prices plus €38/MWh premium (454 GWh). For the full 2011 expected production under the transitory regime, EDPR sold forward 1.6 TWh (at an average price of €44/MWh) and closed a collar for an additional 0.4 TWh (at a price between €35 and €55/MWh). Close to 80% of the capacity under the RD 661/2007 has already been moved to the fixed tariff (€79.1/MWh vs. €76.9/MWh of the floor price under the variable regime). For 2012, EDPR already sold forward 1,097 TWh at €51.7/MWh.

- Revenues in the 1H11 increased 19% YoY to €194m, benefiting from i) the capacity additions (+€32m); and ii) the improvement in the average selling price (+€13m). These positive effects more than offset the negative effect from the decrease on the load factor (-€9m). All in all, the 1H11 EBITDA in Spain increased 17% YoY to €155m, while the EBITDA margin reached 80%.

Installed Capacity (MW)	1H11	1H10	Δ 11/10
EBITDA MW	599	595	+4MW
ENEOP - Eólicas de Portugal (equity consolidated)	275	127	+148MW

Avg. Load Factors (%)	1H11	1H10	Δ 11/10
Load Factor	27%	31%	(4 pp)

Electricity Output (GWh)	1H11	1H10	Δ 11/10
GWh	697	772	(10%)

Average Selling Price (€/MWh)	1H11	1H10	Δ 11/10
Avg. Final Selling Price	102.1	99.7	+2%

P&L Highlights (€m)	1H11	1H10	Δ 11/10
Revenues	72.4	78.1	(7%)
Operating costs	12.6	12.8	(2%)
EBITDA	59.7	65.3	(9%)
EBITDA / Revenues	82.5%	83.6%	(1 pp)

- In Portugal, EDPR's installed wind capacity as of Jun-11 totalled 599 MW of consolidated capacity, plus 275 MW equity consolidated through its interest in the Eólicas de Portugal consortium. All 599 MW are under the old tariff regime, while the new tariff will be only applied to the capacity attributable to EDPR under the Eólicas de Portugal consortium.

- EDPR's load factor in Portugal in the 1H11 was 27%, -4pp vis-à-vis 1H10, given the lower wind resource, compared to a particularly strong 1H10. Such performance led to an electricity output of 697 GWh (-10% YoY).

- Average electricity prices slightly increased in the 1H11, reaching €102.1/MWh (+2% YoY), reflecting the annual inflation update.

Remuneration Framework

Portugal has one single system with two sets of parameters which apply depending on the entry date of the wind farm. Remuneration formula has different components to account for: i) avoided investments in alternative production systems; ii) O&M costs of alternative production methods; iii) valuation of avoided CO2 emissions; and iv) CPI indexation

Before DL 33A/2005

Applicability: Wind farms licensed until February 2006 (before the 2006 competitive tender).

Evolution: CPI; remuneration is updated since the publication of the law.

Duration: 15 years since the publication of DL 33A/2005, pool + green certificates thereafter if applicable.

Indexation to operating hours: yes.

After DL 33A/2005

Applicability: Wind farms licensed after February 2006 (applies only to the 2006 competitive tender).

Evolution: CPI; remuneration is constant in nominal terms until the 1st year of operation.

Duration: 33 GWh of production up to 15 years limit, pool + green certificates thereafter if applicable.

All the wind farms that contribute to Portugal's EBITDA are under the old remuneration scheme

Eólicas de Portugal is under the new remuneration scheme

- Revenues were €72m in the 1H11 (-7% YoY), given the decrease in the electricity output (-10%) fully impacted by a lower wind resource.

- EBITDA decreased 9% YoY to €60m in the period, following the decrease in Revenues along with the stable operating costs. EBITDA margin was 83%.

- In the 1H11, Portugal represented 12% of EDPR total consolidated installed capacity (vs. 15% in the 1H10) and nearly 15% of total EDPR EBITDA (vs. 19% in the 1H10).

Installed Capacity (MW)	1H11	1H10	Δ 11/10
France	284	241	+43MW
Belgium	57	57	-
Poland	168	120	+48MW
Romania	228	-	+228MW
Total MW	737	418	+319MW

Load Factors (%)	1H11	1H10	Δ 11/10
France	23%	26%	(3 pp)
Belgium	21%	22%	(1 pp)
Poland	26%	-	-
Romania	19%	-	-
Average Load Factor	23%	25%	(2 pp)

Electricity Output (GWh)	1H11	1H10	Δ 11/10
France	284	248	+15%
Belgium	52	55	(5%)
Poland	147	59	-
Romania	101	-	-
Total GWh	585	362	+61%

P&L Highlights (€m)	1H11	1H10	Δ 11/10
Revenues	55.7	32.7	+70%
Operating costs	13.4	7.7	+74%
EBITDA	42.3	25.0	+69%
EBITDA / Revenues	75.9%	76.4%	(0 pp)

- In the Rest of Europe, EDPR's installed wind capacity as of Jun-11 totalled 737 MW, of which 284 MW in France, 228 MW in Romania, 168 MW in Poland, and 57 MW in Belgium. This represents a 319 MW YoY increase. In the 1H11, EDPR installed 138 MW in Romania and 48 MW in Poland. By June, a total of 121 MW were under construction in the Rest of Europe: 57 MW in Romania, 22 MW in Poland, 22 MW in France and was started the construction of the first wind farm in Italy (20 MW).

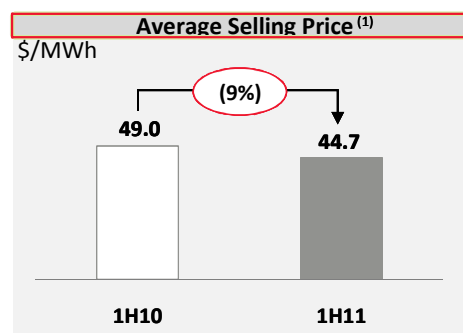
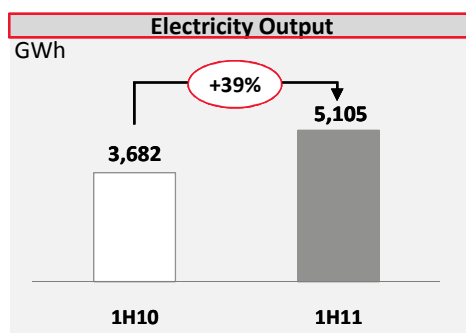
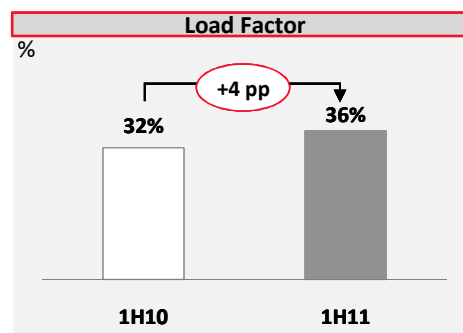
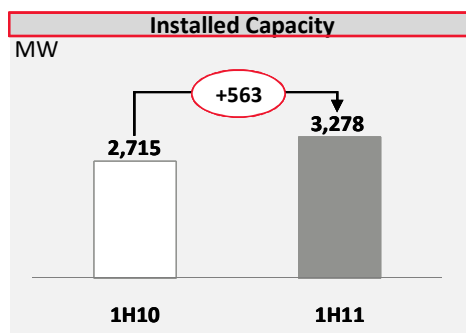
- Electricity output increased by a sound 61% to 585 GWh on the back of capacity installed over the last 12 months, particularly in Central and Eastern Europe.

Remuneration Framework
France
System: Feed-in tariff, stable for 15 years. First 10 years: receive €82/MWh; inflation type indexation and with an x factor only until the start of operation. Years 11-15: depending on load factor receive €82/MWh @2,400 hours decreasing to €28/MWh @3,600 hours.
Belgium
System: Market price plus green certificate (GC) system. Separate GC prices with cap and floor for Wallonia (€65/MWh-100/MWh) and Flanders (€80/MWh-125/MWh). Option to negotiate long-term PPAs.
Poland
System: Electricity market price plus GC. Option to chose a regulated electricity price (PLN195.3/MWh for 2011) every 12 months. DisCos have a substitute fee for non compliance with GC obligation, which in 2011 is PLN274.9/MWh. Option to negotiate long-term PPAs.
Romania
System: Market price plus GC system. Wind generators receive 2 GC for each 1MWh produced until 2017 (not yet enforced by regulation). The trading value of GCs has a floor of €27.6 and a cap of €56.2. Option to negotiate long-term PPAs.

Average Selling Price (€/MWh)	1H11	1H10	Δ 11/10
France	86.1	82.8	+4%
Belgium	112.0	112.2	(0%)
Poland	114.5	-	-
Romania	87.1	-	-
Avg. Final Selling Price	95.7	91.4	+5%

- The average selling price increased 5% YoY to €95.7/MWh in the 1H11, mainly as a result of the increased contribution of the Polish assets which are achieving attractive prices of €114.5/MWh under stable long-term contracts. France also showed evidence of a tariff improvement (+4% YoY), standing at €86.1/MWh in the 1H11. In Belgium the average price was €112.0/MWh, benefiting from a long-term power purchase agreement (PPA). Romania is reaching prices of €87.1/MWh, reflecting the trial period of the new wind farms and the receivable of one green certificate per MWh. The two green certificate scheme, approved by law in 2010, should be introduced in the next few months, given the approval by the European Commission on the July 13th, 2011.

- Revenues increased in the 1H11 by an impressive 70% YoY to €56m, as a result of a strong increase in electricity generation (benefiting from the growth in the installed capacity), along with a 5% average final price increase. The Rest of Europe's EBITDA grew by 69% YoY to €42m, representing the region with the strongest growth at the EBITDA level.



- In the US, EDPR's wind installed capacity as of Jun-11 totalled 3,278 MW, representing a 563 MW increase YoY: 462 MW were added in the PJM market and 101 MW in the WECC market.

- The average load factor in the period was 36%, having improved by a significant 4pp vs. 1H10, with all states where EDPR is present registering a strong YoY.

- Following the increase in installed capacity and a strong load factor performance, the electricity output increased 39% in the 1H11, reaching a total of 5,105 GWh.

- The average selling price in the 1H11, excluding revenues associated with the Production Tax Credits (PTC), dropped 9% YoY. This performance reflects i) the low electricity spot prices affecting the merchant output sales; and ii) lower average PPA/hedge contracts' final prices as a result of different pricing structures in some of the new contracts (with a lower starting point and higher escalators) and lower curtailment revenues (as a result of lower curtailment and higher generation).

Income Statement (US\$m)	1H11	1H10	Δ 11/10
Revenues	311.6	247.8	+26%
Supplies and services	68.7	57.0	+20%
Personnel costs	15.1	14.2	+6%
Other operating costs / (income)	3.8	2.3	+65%
Operating Costs	87.5	73.5	+19%
EBITDA	224.1	174.2	+29%
EBITDA / Revenues	71.9%	70.3%	+2 pp
Provisions	-	-	-
Depreciation and amortization	153.3	137.9	+11%
Comp. of subsidized assets' depreciation	(10.1)	(5.6)	(80%)
EBIT	80.9	42.0	+93%

Opex ratios - excluding other revenues	1H11	1H10	Δ 11/10
Opex / Average MW in operation (\$ th)	57.0	62.6	(9%)
Opex / MWh (\$)	18.0	22.4	(20%)

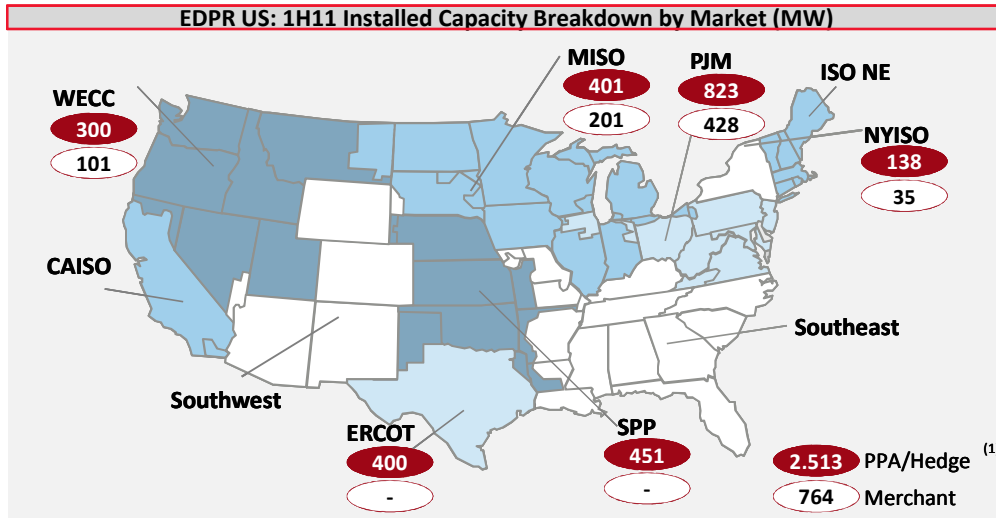
Employees	1H11	1H10	Δ 11/10
Total US	326	309	+6%

- Revenues grew 26% YoY to \$312m in the 1H11, benefiting from i) the capacity installed in the last 12 months, the strong recovery in the load factor and the continued monetization of tax credits through institutional partnership transactions; but hampered ii) by low merchant prices and different long-term contracts' pricing structures.

- Operating costs increased by 19% YoY, mainly reflecting the business growth in supplies and services. Opex/MW decreased by 9%, in result of a strong control on costs and efficiency.

- All in all, 1H11 EBITDA in the US increased 29% to \$224m, mainly driven by higher capacity in operation and a strong recovery in the load factor.

⁽¹⁾ Excluding Institutional partnership revenues
 Note: Average exchange for the 1H11 was 1.40 USD/EUR. Exchange rate at Jun-2011 was 1.45 USD/EUR



Remuneration Scheme

Electricity + Green Price	+	Tax Incentives
Long term PPA		PTC, ITC (30% of investment) or Cash Grant in lieu of ITC
or		and
Power Price + REC		MACRS (depreciation of 95% of the asset over the first 5 years)

- By Jun-11, EDPR had a footprint in the US of 3,278 MW spread throughout a total of 6 markets and 10 states. In the 2Q11, EDPR started the construction of one of its most competitive projects, representing a major keystone of a new cycle for the wind business with improved competitiveness vis-à-vis conventional technologies. The Blue Canyon VI wind farm (99 MW under construction) in Oklahoma, takes advantage of very competitive characteristics, namely low capex per MW and strong wind resource (i.e., in the 40s), making it profitable even at low energy prices. The very strong economics of the project provides to EDPR plenty of optionality in order to protect its intrinsic value. The project will also benefit from an Oklahoma PTC between US\$4-US\$5/MWh on top of the federal tax incentive.

- Regarding the current fleet performance during the 1H11, load factors were strong in all regions, with the main highlights being the capacity in the SPP and ERCOT markets (as shown in the top-right tables). Such performance along with capacity growth led to a strong output growth in every market.

Load Factors (%)	1H11	1H10	Δ 11/10
PJM	35%	32%	+3 pp
MISO	37%	34%	+3 pp
SPP	44%	38%	+6 pp
ERCOT	43%	31%	+11 pp
NYISO	26%	24%	+3 pp
WECC	29%	29%	+1 pp

Average Load Factor	1H11	1H10	Δ 11/10
	36%	32%	+4 pp

Electricity Output (GWh)	1H11	1H10	Δ 11/10
PJM	1,811	961	+88%
MISO	976	888	+10%
SPP	866	740	+17%
ERCOT	742	542	+37%
NYISO	198	177	+12%
WECC	513	373	+37%

Total GWh	1H11	1H10	Δ 11/10
	5,105	3,682	+39%

Average Selling Price (US\$/MWh)	1H11	1H10	Δ 11/10
Avg. PPA/Hedge price	49.6	54.8	(9%)
Avg. Merchant price	30.1	33.5	(10%)
Avg. Final Selling Price	44.7	49.0	(9%)

Tax Incentives	1H11	1H10	Δ 11/10
MW under PTC	2,024	2,024	-
MW under cash grant flip	455	293	+163MW
MW under cash grant	799	398	+401MW

Income from institutional partnerships (US\$m)	1H11	1H10	Δ 11/10
	85.5	68.1	+26%

- In the 1H11 the output under PPA contracts was 3,654 GWh (72% of total output), while the output exposed to merchant prices totalled 1,450 GWh (28%). Average selling price at the wind farms under PPAs dropped 9% YoY explained by: i) a different pricing structure on a 200 MW 5 year PPA/hedge contract signed late 2010, with a lower starting price (vs. portfolio average) but with a double digit escalator; and ii) lower curtailed production following technical improvements at ERCOT system, leading to lower revenues from curtailment (which are paid by the off taker and included in the final selling price) but resulting in a higher actual output (i.e., lower final price but higher volumes with approximately neutral impact on revenues). Selling prices at merchant wind farms continue to be under pressure given the low gas prices and weak electricity demand.

- Income from institutional partnerships increased 26% YoY, explained by i) higher load factor from projects generating PTCs; and ii) tax equity deals closed in the last 12 months. The projects that opted for the cash reimbursement benefited from lower depreciation charges, booked as compensation of subsidised assets' depreciation (\$10m in the 1H11).

⁽¹⁾ PPA and Long-term hedges. Includes PPA for 83 MW starting in Jan-2012 and 175 MW starting in Jun-2012.



renováveis

Quarterly Data

Quarterly Data



Quarterly Data	2Q10	3Q10	4Q10	1Q11	2Q11	Δ YoY	Δ QoQ
EBITDA MW							
Europe	2,936	3,066	3,200	3,388	3,526	+20%	+4%
US	2,715	3,101	3,224	3,224	3,278	+21%	+2%
Brazil	14	14	14	14	84	-	-
EDPR	5,665	6,181	6,437	6,625	6,887	+22%	+4%
Load Factor							
Europe	23%	21%	30%	29%	23%	+0 pp	(6 pp)
US	33%	24%	37%	35%	38%	+5 pp	+3 pp
Brazil	25%	35%	21%	19%	26%	+1 pp	+7 pp
EDPR	29%	23%	34%	33%	31%	+2 pp	(2 pp)
GWh							
Europe	1,388	1,371	2,017	1,985	1,672	+20%	(16%)
US	1,906	1,496	2,511	2,430	2,675	+40%	+10%
Brazil	7	11	6	6	23	-	-
EDPR	3,301	2,878	4,534	4,421	4,370	+32%	(1%)
Tariff/Selling Price							
Europe (€/MWh)	86	85	83	88	89	+3%	+2%
US (\$/MWh) ⁽¹⁾	49	49	44	46	44	(10%)	(5%)
Brazil (R\$/MWh)	265	254	263	263	276	+4%	+5%
Average Portfolio Price (€/MWh)⁽¹⁾	59	61	55	58	53	(9%)	(8%)
Revenues (€m)							
Europe	119	117	171	173	148	+25%	(14%)
US	101	82	113	111	111	+11%	+0%
Brazil	1	1	1	1	3	-	-
EDPR	220	200	285	284	262	+19%	(8%)
EBITDA (€m)							
Europe	91	86	155	141	115	+26%	(18%)
US	72	49	108	80	80	+10%	(0%)
Brazil	0	0	(1)	(0)	2	-	-
EDPR	158	130	240	220	189	+19%	(14%)
EBITDA Margin							
Europe	77%	74%	90%	81%	78%	+1 pp	(3 pp)
US	72%	60%	95%	72%	72%	(0 pp)	(1 pp)
Brazil	-	41%	-	-	64%	-	-
EDPR	72%	65%	84%	77%	72%	+0 pp	(5 pp)
Net Profit EDPR (€m)	0	(21)	58	49	40	-	(18%)
Capex (€m)							
Europe	119	105	149	100	54	(55%)	(46%)
US	328	171	85	27	102	(69%)	+278%
Brazil	3	7	49	62	(2)	-	(104%)
EDPR	452	285	281	191	155	(66%)	(19%)
Net Debt (€m)	2,726	2,915	2,848	3,076	3,285	+21%	+7%
Net Institutional Partnership Liability (€m)	1,053	1,003	934	887	865	(18%)	(2%)

⁽¹⁾ Excludes institutional partnership revenues



Income Statements

EDPR: Income Statement by Region



1H11 (€m)	Europe	US	Brazil	Other/Adj.	Consolidated
Revenues	321.2	222.0	3.3	(0.0)	546.6
Supplies and services	49.2	48.9	1.4	7.9	107.4
Personnel costs	10.2	10.7	0.6	3.9	25.4
Other operating costs / (income)	5.7	2.7	0.0	(3.9)	4.6
Operating Costs	65.1	62.4	1.9	7.9	137.3
EBITDA	256.1	159.7	1.4	(7.9)	409.2
EBITDA/Revenues	79.7%	71.9%	41.8%	n.a.	74.9%
Provisions	(0.3)	-	-	-	(0.3)
Depreciation and amortization	107.7	109.3	1.1	1.1	219.2
Compensation of subsidized assets' depreciation	(0.7)	(7.2)	-	(0.0)	(7.9)
EBIT	149.4	57.6	0.3	(9.0)	198.3

1H10 (€m)	Europe	US	Brazil	Other/Adj.	Consolidated
Revenues	274.0	186.7	1.5	0.1	462.4
Supplies and services	40.7	43.0	1.0	6.5	91.1
Personnel costs	8.8	10.7	0.3	4.0	23.8
Other operating costs / (income)	3.4	1.7	0.1	(0.8)	4.5
Operating Costs	53.0	55.4	1.4	9.7	119.4
EBITDA	221.0	131.3	0.2	(9.6)	342.9
EBITDA/Revenues	80.7%	70.3%	10.1%	n.a.	74.2%
Provisions	-	-	-	(0.0)	(0.0)
Depreciation and amortization	96.4	103.9	0.6	0.7	201.6
Compensation of subsidized assets' depreciation	(0.5)	(4.2)	-	0.0	(4.8)
EBIT	125.2	31.6	(0.5)	(10.2)	146.1

EDPR Europe: Income Statement by Country



1H11 (€m)	Spain ⁽¹⁾	Portugal	RoE	Other/Adj. ⁽¹⁾	Total Europe
Revenues	195.3	72.4	55.7	(2.2)	321.2
Supplies and services	31.5	9.6	8.9	(0.9)	49.2
Personnel costs	3.0	1.5	1.5	4.2	10.2
Other operating costs / (income)	3.9	1.5	3.1	(2.8)	5.7
Operating Costs	38.5	12.6	13.4	0.6	65.1
EBITDA	156.8	59.7	42.3	(2.7)	256.1
EBITDA/Revenues	80.3%	82.5%	75.9%	n.a.	79.7%
Provisions	(0.3)	(0.0)	-	(0.0)	(0.3)
Depreciation and amortization	70.5	15.4	20.8	1.1	107.7
Compensation of subsidized assets' depreciation	(0.1)	(0.5)	(0.2)	(0.0)	(0.7)
EBIT	86.7	44.9	21.7	(3.8)	149.4

1H10 (€m)	Spain ⁽¹⁾	Portugal	RoE	Other/Adj. ⁽¹⁾	Total Europe
Revenues	151.0	78.1	32.7	12.1	274.0
Supplies and services	26.9	9.0	5.4	(0.6)	40.7
Personnel costs	3.0	1.5	1.2	3.1	8.8
Other operating costs / (income)	0.1	2.3	1.1	(0.1)	3.4
Operating Costs	30.0	12.8	7.7	2.4	53.0
EBITDA	121.0	65.3	25.0	9.7	221.0
EBITDA/Revenues	80.1%	83.6%	76.4%	n.a.	80.7%
Provisions	0.0	(0.0)	-	0.0	-
Depreciation and amortization	64.7	17.7	13.0	1.0	96.4
Compensation of subsidized assets' depreciation	(0.1)	(0.3)	(0.1)	(0.0)	(0.5)
EBIT	56.4	48.0	12.1	8.7	125.2

⁽¹⁾ **Important Note on Spain and Other:** EDPR is actively hedging its exposure to the Spanish pool price. Although entirely related to the Spanish assets, the hedging gain of €11m in 1H10 (loss of €1.7m in 1H11) is being accounted at the European platform level (Other/Adj.). On page 10, the hedging gain was included in the Spanish division only for analytical purposes.



renováveis

Annex

Portfolio of Projects



Pipeline (MW)	Tier 1	Tier 2	Tier 3	Subtotal	Prospects	Total
Spain	248	420	2,027	2,695	1,994	4,689
Portugal ⁽¹⁾	176	10	35	220	200	420
Rest of Europe	49	734	2,441	3,224	2,082	5,306
- France	49	58	148	255	331	586
- Belgium	-	13	-	13	-	13
- Poland	-	478	665	1,142	590	1,732
- Romania	-	-	556	556	-	556
- Italy	-	186	68	254	717	971
- UK	-	-	1,005	1,005	443	1,448
Europe	473	1,164	4,503	6,140	4,275	10,415
US	975	6,558	7,095	14,627	3,987	18,614
Canada	-	-	-	-	100	100
North America	975	6,558	7,095	14,627	4,087	18,714
Brazil	81	153	560	794	700	1,494
EDPR	1,529	7,874	12,158	21,561	9,062	30,623

⁽¹⁾ Including 176 MW of Tier 1 projects related to the capacity attributable to EDPR on the Eólicas de Portugal consortium



renováveis

powered by nature