



# renováveis

## 9M 2012 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](mailto:ir@edpr.com)  
Site: [www.edpr.com](http://www.edpr.com)

### Conference call and webcast

**Date:** Tuesday, November 6th, 2012, 14:00 GMT | 15:00 CET  
**Webcast:** [www.edpr.com](http://www.edpr.com)  
**Phone dial-in number:** +44 (0)20 7162 0077 | +1 334 323 6201  
**Phone Replay dial-in number:** +44 (0)20 7031 4064 | Access code: 924400 (until November 13th, 2012)

**November 6th, 2012**

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



9M12 Highlights	- 2 -
Consolidated Financial Statements	- 3 -
Top-Line Overview	- 4 -
Financial Overview	- 5 -
Asset Base and Capex	- 6 -
Cash-Flow	- 7 -
Net Debt and Institutional Partnership Liability	- 8 -
Business Platforms	- 9 -
Europe	- 10 -
US	- 14 -
Brazil	- 16 -
Quarterly Data	- 17 -
Income Statements	- 19 -
Annex	- 22 -

## Results Highlights

Operating Data	9M12	9M11	Δ 12/11
Installed Capacity (EBITDA MW + ENEOP)	7,738	7,280	+458
Load Factor (%)	29%	28%	+1 pp
Output (GWh)	13,345	11,975	+11%
Avg. Electricity Price (€/MWh)	63.9	57.8	+11%

Consolidated Income Statement (€m)	9M12	9M11	Δ 12/11
<b>Revenues</b>	<b>936</b>	<b>769</b>	<b>+22%</b>
Operating Costs (net)	(262)	(221)	+19%
<b>EBITDA</b>	<b>675</b>	<b>548</b>	<b>+23%</b>
EBITDA/Revenues	72%	71%	+1 pp
EBIT	344	239	+44%
Net Financial Expenses	(201)	(176)	+14%
<b>Net Profit (Equity holders of EDPR)</b>	<b>93</b>	<b>63</b>	<b>+48%</b>

Cash-Flow (€m)	9M12	9M11	Δ 12/11
Operating Cash-Flow	532	491	+8%
Capex	267	516	(48%)

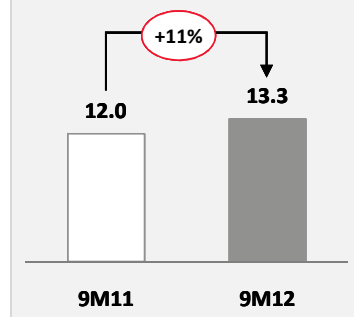
Balance Sheet (€m)	9M12	FY11	Δ €
PP&E (net)	10,388	10,455	(66)
Equity	5,526	5,454	+73
Net Debt	3,508	3,387	+120
Institutional Partnership Liabilities	979	1,011	(32)

Employees	9M12	9M11	Δ 12/11
<b>Total</b>	<b>850</b>	<b>809</b>	<b>+5%</b>

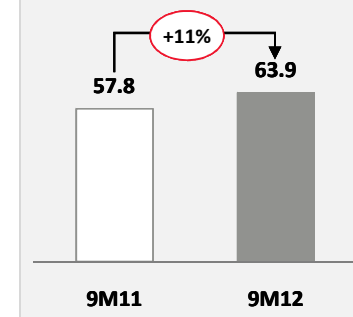
## Key Events

- Mr. João Manso Neto was elected to be the CEO of EDPR.
- EDPR executed a project finance of €177m for 125 MW in Spain.
- EDPR held its 2012 Investor Day in Oporto, Portugal.
- EDPR sold 4.5 MW of mini-hydro in Spain (€3m capital gain).
- EDPR executes project finance of €46m for 57 MW in Belgium.
- Wind sector and Portuguese Government reached an agreement for the extension of the remuneration framework.
- EDPR starts the construction of 39 MW of Solar PV projects in Romania.

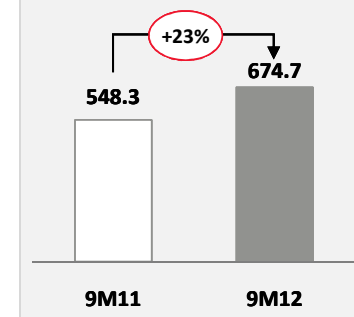
## Production (TWh)



## Prices (€/MWh)



## EBITDA (€m)



• In the 9M12, EDPR increased its electricity output by 11% YoY to 13.3 TWh, as a result of the capacity brought into operation in the last 12 months along with the recurrent top-quality performance of the company's load factors (29% in the 9M12, +1pp YoY).

• Average selling price grew 11% YoY to €63.9/MWh, following the ongoing positive performance in all of EDPR's regions – Europe +7%, US +3% and Brazil +3% – and the stronger US Dollar (+3% impact).

• Revenues in the 9M12 increased 22% YoY to €936m, outpacing volume growth given the sustained increase of the average selling price. EBITDA growth was in line with the Top-Line performance (+23% YoY to €675m) after a 15% Opex increase (excl. other operating income) and a €5m decline in other operating income, which resulted in a 72% EBITDA margin (+1pp YoY).

• EBIT increased 44% YoY to €344m as a result of solid double digit growth at operating level and depreciation costs which only increased 7% given the extension of the useful life of the wind assets to 25 years (2Q11).

• Net financial expenses increased 14% YoY to €201m in the 9M12. However, interest costs only increased by 9% which was below the 14% YoY average Financial Debt evolution (cost of debt declined 30bps YoY to 5.3%). The higher increase on total net financial expenses was mostly impacted by lower capitalisation of financial costs (-€16m vs. 9M11).

• All in all, Net Profit in the 9M12 increased 48% YoY to €93m or 31% on a like-for-like basis (Adj. Net Profit of €94m in the 9M12 vs. €72m in the 9M11) when adjusted by the change in the operating assets' useful life to 25 years, recognition of deferred taxes in the US, forex differences, capital gains, use of provisions and write-offs/impairments.

• Operating Cash-Flow grew 8% YoY to €532m in the 9M12, hampered by non-recurrent receivables in the 9M11. Operating Cash-Flow, for the first time ever, more than covered all capital expenditures of the period. However, Net Debt was up €0.1bn YTD to €3.5bn, given the investment activities plus debt service which were covered in 80% by the Operating Cash-Flow.

# Consolidated Financial Statements



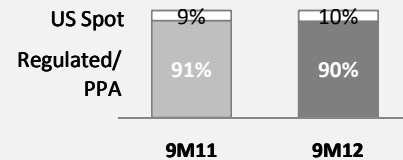
Note: The financial statements presented in this document are non-audited.

Consolidated Income Statement (€m)	9M12	9M11	Δ 12/11
Electricity sales and other	842.0	689.2	+22%
Income from Institutional Partnerships	94.2	79.7	+18%
<b>Revenues</b>	<b>936.2</b>	<b>768.8</b>	<b>+22%</b>
Other operating income	20.3	25.4	(20%)
Supplies and services	(183.5)	(164.5)	+11%
Personnel costs	(46.8)	(42.4)	+10%
Other operating costs	(51.6)	(39.0)	+32%
<b>Operating Costs (net)</b>	<b>(261.6)</b>	<b>(220.5)</b>	<b>+19%</b>
<b>EBITDA</b>	<b>674.7</b>	<b>548.3</b>	<b>+23%</b>
EBITDA/Revenues	72.1%	71.3%	+0.7 pp
Provisions	-	0.3	-
Depreciation and amortisation	(342.3)	(320.7)	+7%
Amortization of deferred income (government grants)	11.5	11.4	+1%
<b>EBIT</b>	<b>343.9</b>	<b>239.4</b>	<b>+44%</b>
Capital gains/(losses)	2.9	10.0	(72%)
Financial income/(expense)	(200.7)	(176.5)	+14%
Income/(losses) from group and associated companies	4.3	3.7	+15%
<b>Pre-Tax Profit</b>	<b>150.3</b>	<b>76.6</b>	<b>+96%</b>
Income taxes	(51.1)	(15.2)	+236%
Profit of the period	99.2	61.4	+62%
<b>Net Profit (Equity holders of EDPR)</b>	<b>92.6</b>	<b>62.6</b>	<b>+48%</b>
Non-controlling interests	6.6	(1.2)	-

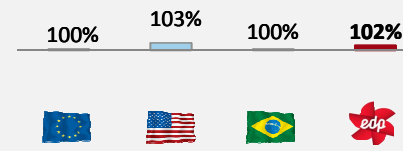
Assets (€m)	9M12	FY11
Property, plant and equipment, net	10,388	10,455
Intangible assets and goodwill, net	1,346	1,334
Financial investments, net	60	61
Deferred tax assets	68	56
Inventories	23	24
Accounts receivable - trade, net	152	146
Accounts receivable - other, net	804	750
Financial assets at fair value through profit and loss	0.4	0.2
Cash and cash equivalents	276	220
Assets held for sale	-	-
<b>Total Assets</b>	<b>13,118</b>	<b>13,045</b>
Equity (€m)	9M12	FY11
Share capital + share premium	4,914	4,914
Reserves and retained earnings	390	325
Consolidated net profit attrib. to equity holders of the parent	93	89
Non-controlling interests	131	127
<b>Total Equity</b>	<b>5,526</b>	<b>5,454</b>
Liabilities (€m)	9M12	FY11
Financial debt	4,018	3,826
Institutional partnerships	979	1,011
Provisions	61	58
Deferred tax liabilities	387	381
Deferred revenues from institutional partnerships	757	773
Accounts payable - net	1,390	1,542
<b>Total Liabilities</b>	<b>7,592</b>	<b>7,591</b>
<b>Total Equity and Liabilities</b>	<b>13,118</b>	<b>13,045</b>

# Top-Line Overview

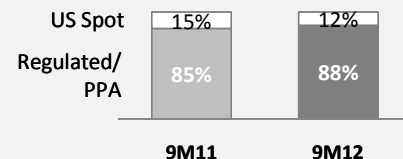
EBITDA MW	9M12	9M11	Δ 12/11	Capacity Breakdown by Remuneration	
Europe	3,738	3,553	+185	US Spot	9%
US	3,567	3,323	+244		10%
Brazil	84	84	-	Regulated/PPA	91%
<b>Total</b>	<b>7,388</b>	<b>6,959</b>	<b>+429</b>		<b>90%</b>
				<b>9M11</b>	<b>9M12</b>



Load Factor	9M12	9M11	Δ 12/11	9M12 Achieved Load Factor vs Average	
Europe	26%	25%	+0.9 pp	100%	103%
US	32%	31%	+0.8 pp	100%	102%
Brazil	30%	34%	(4.6 pp)		
<b>Total</b>	<b>29%</b>	<b>28%</b>	<b>+0.7 pp</b>		



GWh	9M12	9M11	Δ 12/11	GWh Breakdown by Remuneration	
Europe	5,977	5,240	+14%	US Spot	15%
US	7,204	6,632	+9%		12%
Brazil	164	103	+59%	Regulated/PPA	85%
<b>Total</b>	<b>13,345</b>	<b>11,975</b>	<b>+11%</b>		<b>88%</b>
				<b>9M11</b>	<b>9M12</b>



- EDPR added 429 MW to its EBITDA installed capacity in the last 12 months, of which 185 MW were in Europe and 244 MW in the US. As of Sep-12, EDPR had 90% of its portfolio under long-term contracts and visible regulatory frameworks, and only 10% purely exposed to US spot electricity markets.

- In the 9M12, the company's load factor increased 1pp YoY to 29% – a top notch figure within the industry – reflecting its wind farms' high quality while capturing the benefits of a balanced portfolio. In Europe, the load factor increased 1pp YoY to 26% in the 9M12, extending the positive trend already reflected in the first two quarters of the year. In the US, EDPR achieved a 32% load factor in the 9M12 (+1pp YoY) following a stable YoY wind resource in the 3Q12 at 21%, a poorer 2Q12 (-4pp YoY) and a remarkable 1Q12 (+6pp YoY). In Brazil, load factor reached 30% (vs. 34% in 9M11).

- Electricity production was up 11% in the 9M12, reaching 13.3 TWh. EDPR's operations in Europe drove the overall electricity production growth by increasing 14% YoY to 6.0 TWh. This performance was supported by Central and Eastern European markets (Rest of Europe) with a 37% YoY growth to 1.2 TWh. In Iberia, electricity output in Portugal rose by 2% YoY and in Spain by 12% YoY on a stronger wind resource throughout the last two quarters. In the US, the electricity produced increased 9% YoY to 7.2 TWh on the back of

Selling Prices (per MWh)	9M12	9M11	Δ 12/11
Europe	€95.2	€88.7	+7%
US	\$47.1	\$45.5	+3%
Brazil	R\$ 284.6	R\$277.2	+3%
<b>Average Selling Price</b>	<b>€63.9</b>	<b>€57.8</b>	<b>+11%</b>

Electricity Sales and Other (€m)	9M12	9M11	Δ 12/11
Europe	566.9	464.8	+22%
US	257.5	212.3	+21%
Brazil	17.6	12.0	+46%
<b>Total</b>	<b>842.0</b>	<b>689.2</b>	<b>+22%</b>

Income from Institutional Partnerships (€m)	9M12	9M11	Δ 12/11
<b>Total</b>	<b>94.2</b>	<b>79.7</b>	<b>+18%</b>

Revenues	9M12	9M11	Δ 12/11
<b>Revenues (€m)</b>	<b>936.2</b>	<b>768.8</b>	<b>+22%</b>
<b>Revenues per avg. MW in operation (€k)</b>	<b>131.9</b>	<b>117.2</b>	<b>+13%</b>

higher capacity and the outstanding wind resource already disclosed in the 1Q12. EDPR's output in Brazil increased 59% to 164 GWh, given the contribution of the 70 MW wind farm commissioned in May-11.

- Average selling price increased to €63.9/MWh (+11% YoY) as a result of: i) stronger selling prices in Europe (+€2.83/MWh impact); ii) a favourable evolution in the \$/€ forex (+€1.77/MWh impact); iii) better average prices in the US (+€0.60/MWh impact); iv) higher prices and a higher output from Brazil (+€0.53/MWh impact); and v) the higher weight of the electricity produced in Europe which is sold at above-average prices (+€0.45/MWh).

- As a result of the 11% YoY output increase and stronger selling prices (+11% YoY), Electricity Sales went up 22% in the period. Income from Institutional Partnerships was €94m in the 9M12 (+18% YoY) given: i) the dollar appreciation (+9% YoY); and ii) the higher electricity output in the US (+9% YoY), leading to higher PTC related revenues.

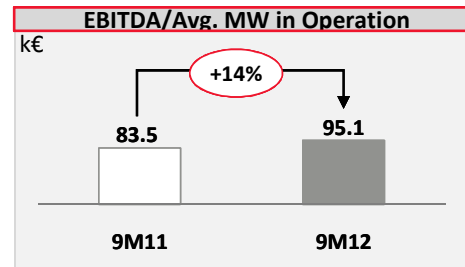
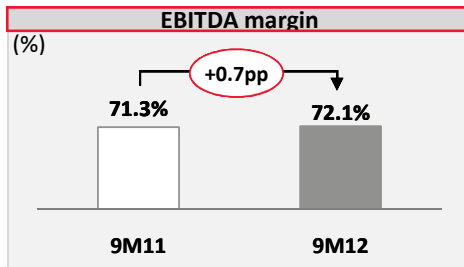
- Overall, Revenues increased by 22% YoY and on a per MW basis improved 13% YoY, clearly showing the quality of the investments done in the last 12 months and better metrics on a like-for-like comparison.

Revenues	9M12	9M11	Δ %
Revenues (€m)	936.2	768.8	+22%
Revenues per avg. MW in operation (€k)	131.9	117.2	+13%

Operating Costs (€m)	9M12	9M11	Δ %
Other operating income	20.3	25.4	(20%)
Supplies and services	(183.5)	(164.5)	+11%
Personnel costs	(46.8)	(42.4)	+10%
Other operating costs	(51.6)	(39.0)	+32%
<b>Operating Costs (net)</b>	<b>(261.6)</b>	<b>(220.5)</b>	<b>+19%</b>

#### Opex ratios - excluding other operating income:

Opex/avg. MW in operation (€k)	39.7	37.5	+6%
Opex/MWh (€)	21.1	20.5	+3%



EBITDA to EBIT (€m)	9M12	9M11	Δ %
<b>EBITDA</b>	<b>674.7</b>	<b>548.3</b>	<b>+23%</b>
Provisions	-	0.3	-
Depreciation and amortisation	(342.3)	(320.7)	+7%
Amortisation of deferred income (government grants)	11.5	11.4	+1%
<b>EBIT</b>	<b>343.9</b>	<b>239.4</b>	<b>+44%</b>

Net Financial Expenses (€m)	9M12	9M11	Δ %
Net interest costs	(152.0)	(139.4)	+9%
Institutional partnership costs (non cash)	(50.5)	(46.3)	+9%
Capitalised costs	13.3	29.3	(54%)
Forex differences & Forex Derivatives <sup>(1)</sup>	4.4	(15.5)	-
Other	(15.9)	(4.5)	(256%)
<b>Net Financial Expenses</b>	<b>(200.7)</b>	<b>(176.5)</b>	<b>+14%</b>

Profit Before Taxes to Net Income (€m)	9M12	9M11	Δ %
<b>Pre-Tax Profit</b>	<b>150.3</b>	<b>76.6</b>	<b>+96%</b>
Income taxes	(51.1)	(15.2)	+236%
Profit of the period	99.2	61.4	+62%
Non-controlling interests	6.6	(1.2)	-
<b>Net Profit (Equity holders of EDPR)</b>	<b>92.6</b>	<b>62.6</b>	<b>+48%</b>

- In the 9M12, Revenues increased 22% YoY to €936m, on the back of higher output and stronger prices. Net Operating Costs increased 19% YoY, however, when excluding Other operating income, Opex increased 15% in the period (from €246m in the 9M11 to €282m in the 9M12). On a unitary basis Opex increased 6% YoY per MW and 3% YoY per MWh, mostly impacted by a stronger US Dollar in the 9M12 vs. 9M11 (excl. this effect Opex per MW would have gone up +2%). Supplies and services (which includes O&M costs) plus personnel costs increased by 11% in the 9M12, reflecting the stronger US Dollar, the higher average capacity in operation and a lower capitalisation as a result of fewer FTEs allocated to construction and development activities. Other operating costs (which mainly includes taxes and leases/rents mostly linked to the operating performance) went up by 32% following the top-line growth, the stronger US Dollar, higher taxes (Spain and France) and grid access fees in Spain.

- Unitary EBITDA per average MW in operation, which measures the asset's profitability, increased 14% YoY clearly showing an ongoing improvement of EDPR's portfolio metrics. As a result, EDPR's EBITDA in the 9M12 increased 23% YoY to €675m, outpacing the capacity and the electricity output growth.

- The 7% increase in the depreciation and amortisation is explained by the company's asset base growth in the last 12 months (+429 MW), which was partly offset by the extension of the useful life of EDPR's assets to 25 years (introduced in 2Q11). Consequently, the 23% growth at the EBITDA level resulted in a 44% YoY growth at the EBIT level (+34% excluding the useful life extension impact).

- At the financing level, net interest costs before capitalisation increased 9% YoY to €152m in the 9M12, below the 14% average Financial Debt evolution. Institutional partnership costs increased 9% YoY given the stronger US Dollar, while the rest of the financial expenses lines were influenced by a lower capitalization, positive forex differences and higher other financial costs.

- Pre-Tax Profit increased 96% YoY to €150m. Income taxes amounted to €51m in the 9M12 following an effective tax rate of 34% (vs. 20% in the 9M11). In the 4Q11, EDPR started to recognize deferred tax liabilities against profits before taxes generated in the US. Such change resulted in the recognition of €12m (non-cash) US deferred taxes in the 9M12 (vs. zero in the 9M11).

- All in all, Net Profit increased 48% YoY to €93m or 31% on a like-for-like basis when adjusted for change in the operating assets' useful life to 25 years, recognition of deferred taxes in the US, forex differences, capital gains, use of provisions and write-offs/impairments.

<sup>(1)</sup> EDPR changed its Net Financial Expenses presentation to include forex derivatives in the forex differences line (previously in the "other") to better reflect the impact of forex

Installed Capacity (MW)	9M12	YTD	YoY	Under Construc.
Spain	2,284	+84	+90	26
Portugal	615	+2	+16	-
France	306	-	+22	8
Belgium	57	-	-	-
Poland	190	-	-	130
Romania	285	-	+57	93
Italy	-	-	-	40
<b>Europe</b>	<b>3,738</b>	<b>+86</b>	<b>+185</b>	<b>296</b>
<b>US</b>	<b>3,567</b>	<b>+145</b>	<b>+244</b>	<b>70</b>
<b>Brazil</b>	<b>84</b>	-	-	-
<b>EBITDA MW</b>	<b>7,388</b>	<b>+231</b>	<b>+429</b>	<b>367</b>
ENEOP - Eólicas de Portugal (equity consolidated)	350	+24	+29	29
<b>EBITDA MW + Eólicas de Portugal</b>	<b>7,738</b>	<b>+255</b>	<b>+458</b>	<b>395</b>

Capex (€m) <sup>(1)</sup>	9M12	9M11	Δ %	Δ €
Spain	52	116	(55%)	(64)
Portugal	9	1	-	+8
Rest of Europe (RoE)	70	99	(29%)	(29)
<b>Europe</b>	<b>131</b>	<b>216</b>	<b>(39%)</b>	<b>(85)</b>
<b>US</b>	<b>132</b>	<b>237</b>	<b>(44%)</b>	<b>(104)</b>
<b>Brazil</b>	<b>3</b>	<b>60</b>	<b>(95%)</b>	<b>(57)</b>
Other	0.5	4	(88%)	(3)
<b>Total Capex</b>	<b>267</b>	<b>516</b>	<b>(48%)</b>	<b>(249)</b>

Property, Plant & Equipment - PP&E (€m)	9M12	FY11	Δ €
<b>Property, Plant &amp; Equipment (net)</b>	<b>10,388</b>	<b>10,455</b>	<b>(66)</b>
(+) Accumulated Depreciation	2,101	1,764	+337
(=) Property, Plant & Equipment (gross)	12,489	12,218	+271
(-) PP&E assets under construction	1,263	1,206	+57
(=) PP&E existing assets (gross)	11,226	11,013	+214
(-) Cash grants in the US	374	368	+6
<b>(=) Invested capital on existing assets</b>	<b>10,853</b>	<b>10,645</b>	<b>+208</b>

- As of Sep-12, EDPR managed a global portfolio of 7.7 GW of onshore wind energy spread over 8 different countries, of which 7.4 GW fully consolidated and with an additional 350 MW equity consolidated through the interest in the Eólicas de Portugal consortium.

- In the last 12 months, EDPR added 429 MW to its EBITDA consolidated capacity and 29 MW (attributable to EDPR) through the Eólicas de Portugal consortium. Out of the 458 MW added over the last 12 months, 214 MW were in Europe and 244 MW in the US. In Europe, 90 MW were added in Spain, 57 MW in Romania, 22 MW in France and 45 MW in Portugal (of which 29 MW correspond to the ongoing capacity growth of the Eólicas de Portugal consortium that is attributable to EDPR). During the 9M12, EDPR expanded its installed capacity by 255 MW: 231 MW to its EBITDA consolidated capacity and 24 MW (attributable to EDPR) through the Eólicas de Portugal consortium.

- EDPR continues to focus on projects with top-line visibility, above-average prices and a high renewable resource in order to improve the portfolio metrics. As of Sep-12, EDPR had 395 MW under construction: 356 MW of wind energy and 39 MW of Solar PV. The under construction capacity, together with the capacity already installed in the 9M12, provides good visibility for the 2012 expected additions (500 MW). In Europe, EDPR had 296 MW under construction (130 MW in Poland, 93 MW in Romania – of which 54 MW of Wind and 39 MW of Solar PV – 40 MW in Italy, 29 MW in Portugal, 26 MW in Spain and 8 MW in France) and in the US 70 MW were under construction from the Marble River wind farm.

- In Sep-12, EDPR started the construction of 39 MW of Solar PV in Romania, successfully executing in advance one of its strategic decisions to selectively diversify into new renewable technologies (initially expected for 2014-15). Romania has one of the most attractive solar incentive schemes in Europe (6 Green Certificates per MWh for 15 years) for a limited volume of capacity to be installed (Solar PV expected to reach 260 MW by 2020; c.1% of the 2020 expected renewable energy generated).

- Capex in the 9M12 was €267m reflecting the 231 MW installed YTD and the works done in the period for the 367 MW under construction. The 9M12 capex decreased by 48% YoY and should remain lower than last year's as a result of the lower expected capacity additions for 2012. Out of the €267m capex in the 9M12, €131m were in Europe (€70m in the Rest of Europe, €52m in Spain and €9m in Portugal), while €132m were in the US.

- Net PP&E in the 9M12 decreased vs. Dec-11 as the capex levels were below the depreciation levels in the period (as a result of the heavily skewed CODs towards the end of the year). PP&E includes the total investments, including capex (gross of cash grants) and Purchase Price Allocation (resulting from M&A transactions), incurred with existing assets, assets under construction and assets under development. If excluded the PP&E for assets under construction and adjusting for the total cash grants received in the US, the gross invested capital on existing assets amounts to €10.9bn by Sep-12.

<sup>(1)</sup> Operating capital expenditures excluding cash reimbursement in the US.

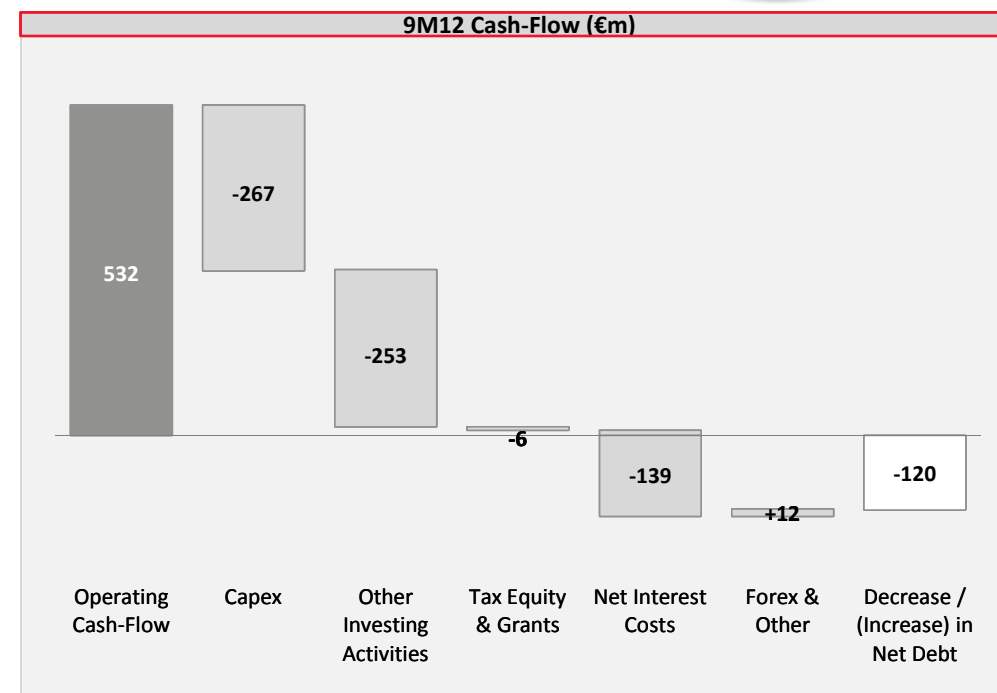


Cash-Flow (€m)	9M12	9M11	Δ 12/11
<b>EBITDA</b>	<b>675</b>	<b>548</b>	<b>+23%</b>
Current income tax	(50)	(36)	+37%
Net interest costs	(152)	(139)	+9%
Income from group and associated companies	4	4	+15%
<b>FFO (Funds From Operations)</b>	<b>477</b>	<b>376</b>	<b>+27%</b>
Net interest costs	152	139	+9%
Income from group and associated companies	(4)	(4)	+15%
Non-cash items adjustments	(78)	(97)	(20%)
Changes in working capital	(15)	76	-
<b>Operating Cash-Flow</b>	<b>532</b>	<b>491</b>	<b>+8%</b>
Capex	(267)	(516)	(48%)
Financial (investments) divestments	(16)	(195)	+92%
Changes in working capital related to PP&E suppliers	(237)	(266)	(11%)
Cash grant	5	2	+221%
<b>Net Operating Cash-Flow</b>	<b>18</b>	<b>(485)</b>	<b>-</b>
Proceeds (payments) related to institutional partnerships	(11)	72	-
Net interest costs (post capitalisation)	(139)	(110)	+26%
Forex & other	12	(75)	-
<b>Decrease / (Increase) in Net Debt</b>	<b>(120)</b>	<b>(598)</b>	<b>(80%)</b>

In the 9M12, EDPR generated an Operating Cash-Flow of €532m, 8% above the 9M11 levels and compares unfavourably with the 27% YoY performance of the FFO, given non-recurrent changes in working capital registered in the 9M11 (mostly related to VAT payments/receivables).

The key cash-flow items that explain the 9M12 cash evolution are the following:

- Funds From Operations, resulting from EBITDA after net interest expenses, income from associates and current taxes increased 27% YoY (outpacing the EBITDA growth as a result of a lower leverage of the company). Current income taxes increased 37% vs. the 236% increase of the P&L income taxes line, as the deferred taxes recognised in both periods (namely the US deferred tax accounting in the 9M12) are non-cash;
- Operating Cash-Flow, before net interest costs, adjusted by non-cash items (namely income from institutional partnerships) and net of changes in working capital, amounted to €532m (+8% YoY). The changes in working capital's YoY comparison is influenced by non-recurrent receivables in the 9M11 (mostly related to VAT collection);



- Capital expenditures with the ongoing construction and development works totalled €267m, while the other investment activities amounted to €253m, reflecting the invoice payments to equipment suppliers (€237m) related to investments made in the previous periods (impacting mostly the 1Q of the year);
- In the 9M12 the Operating Cash-Flow, for the first time ever, more than covered the investment activities (capex of the period + changes in working capital related to PP&E suppliers);
- Forex & other includes €3m of positive forex translation impact;
- All in all, Net Debt increased €120m YTD, or €117m if excluded the forex translation impact.



# Net Debt and Institutional Partnership Liability

Net Debt (€m)	9M12	FY11	Δ €
Bank loans and other	944	837	+107
Loans with EDP Group related companies	3,074	2,989	+85
<b>Financial Debt</b>	<b>4,018</b>	<b>3,826</b>	<b>+192</b>
Cash and cash equivalents	276	220	+56
Loans to EDP Group related companies and cash pooling	234	219	+15
Financial assets held for trading	0.4	0.2	+0.2
<b>Cash &amp; Equivalents</b>	<b>510</b>	<b>439</b>	<b>+72</b>
<b>Net Debt</b>	<b>3,508</b>	<b>3,387</b>	<b>+120</b>

Net Debt Breakdown by Assets (€m)	9M12	FY11	Δ €
Net debt related to assets in operation	3,142	3,169	(27)
Net debt related to assets under construction & develop.	366	218	+147

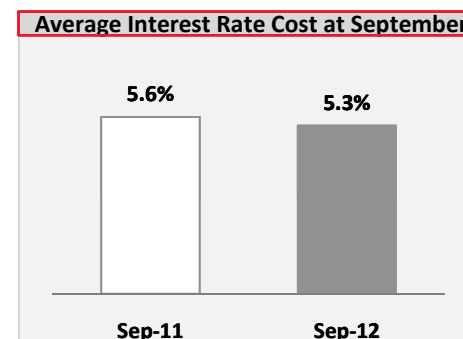
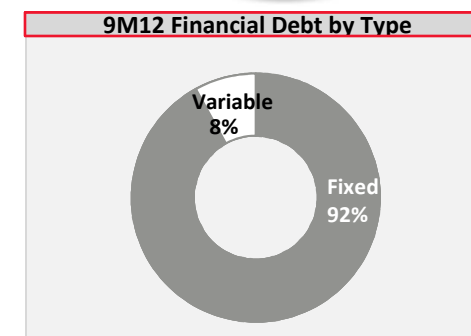
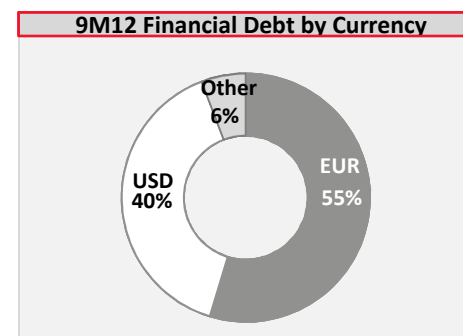
Average Debt (€m)	9M12	9M11	Δ %
Average financial debt	4,018	3,539	+14%
Average net debt	3,503	3,234	+8%

Institutional Partnership (€m) <sup>(1)</sup>	9M12	FY11	Δ €
<b>Institutional Partnership Liability</b>	<b>979</b>	<b>1,011</b>	<b>(32)</b>

- Net Debt only increased €0.1bn vs. Dec-11 to (€3.5bn) given that the Operating Cash-Flow covered 80% of the investment activities and debt service in the period. Average Financial Debt increased 14% in the last 12 months (€4.0bn in the 9M12 vs. €3.5bn in the 9M11), while the average Net Debt increased 8% YoY.

- 76% of EDPR's Financial Debt was represented by loans with EDP Group while loans with financial institutions represented 24%. EDPR continues to diversify its funding sources and execute top quality projects to enable the company to have access to local project financing at competitive costs. In the 9M12, EDPR closed €177m through a project finance for 125 MW in Spain and signed a project finance of €46m for 57 MW in Belgium (funded in Oct-12).

- Liabilities referred to as institutional partnerships in the US (€979m) decreased €32m vs. Dec-11, given that the tax equity partners are capturing the tax benefits generated by the projects.



**Enterprise Value (30 September 2012)**

	€bn	%
<b>Market Cap.</b>	<b>3.0</b>	<b>40%</b>
<b>Minorities</b>	<b>0.1</b>	<b>2%</b>
<b>TEI</b>	<b>1.0</b>	<b>13%</b>
<b>Net Debt</b>	<b>3.5</b>	<b>46%</b>
<b>EV</b>	<b>7.7</b>	<b>100%</b>

- As of Sep-12, 55% of EDPR's Financial Debt was Euro denominated, while 40% was funded in US Dollar given the investments in the US. The remaining 6% is mainly related to debt in Polish Zloty and in Brazilian Real.

- 92% of EDPR's Financial Debt is at a fixed rate and most of it (80%) has a post-2018 maturity. 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.

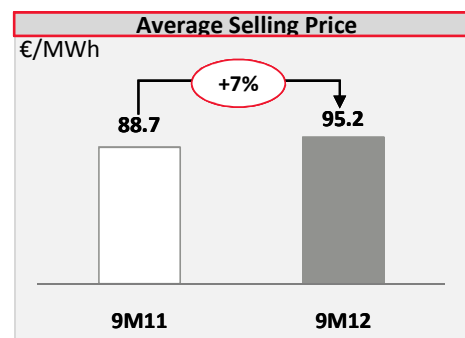
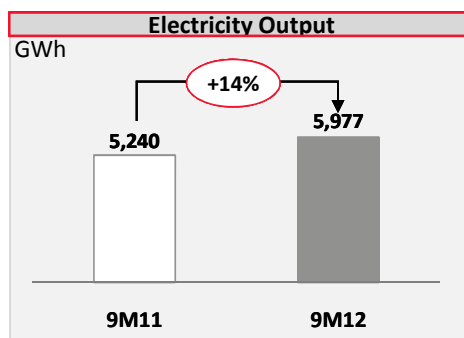
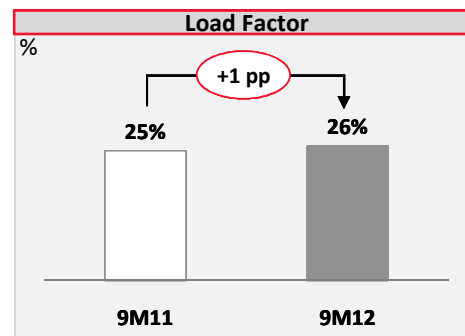
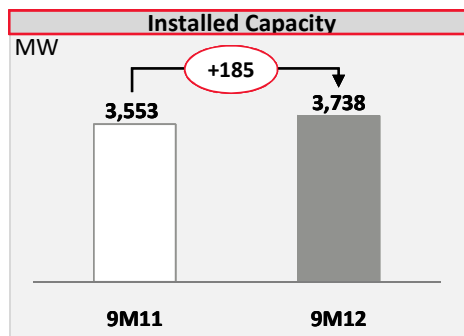
- As of Sep-12, the average interest rate was 5.3%, a 10bps decrease vs. Dec-11 and 30bps vs. Sep-11, reflecting the attractive rates closed in the latest funding deals.

<sup>(1)</sup> Net of tax credits already benefited by the institutional investors and yet due to be recognised in the P&L.



**renováveis**

**Business Platforms**



- EDPR's consolidated wind installed capacity in Europe totalled 3,738 MW by Sep-12, increasing by 185 MW YoY of which 86 MW were added in the 9M12. Over the past 12 months, 90 MW were added in Spain, 57 MW in Romania, 22 MW in France and 16 MW in Portugal. Additionally, 29 MW attributable to EDPR were installed through the Eólicas de Portugal consortium (equity consolidated).

- In the period, EDPR delivered a 26% load factor, +100bps vs. 9M11, explained by the stable-to-positive load factors YoY in Iberia and the higher load factor in the Rest of Europe (23% vs. 21% in the 9M12). The 9M12 load factor was strongly influenced by the 2Q12 and 3Q12 YoY performances. In the 3Q12 standalone, Spain experienced a stronger wind resource YoY (23% vs. 21%) and Portugal delivered once again a very strong 3Q (25% load factor). Rest of Europe load factor went up +2pp YoY to 22% in the 3Q12.

- The electricity output increased 14% YoY to 5,977 GWh in the 9M12 following the increase in the average installed capacity and the higher load factor YoY.

Income Statement (€m)	9M12	9M11	Δ 12/11
<b>Revenues</b>	<b>566.9</b>	<b>464.8</b>	<b>+22%</b>
Other operating income	8.5	6.7	+28%
Supplies and services	(88.0)	(78.3)	+12%
Personnel costs	(18.9)	(17.0)	+11%
Other operating costs	(29.3)	(18.5)	+58%
<b>Operating Costs (net)</b>	<b>(127.6)</b>	<b>(107.2)</b>	<b>+19%</b>
<b>EBITDA</b>	<b>439.3</b>	<b>357.7</b>	<b>+23%</b>
EBITDA/Revenues	77.5%	76.9%	+1 pp
Provisions	-	0.3	-
Depreciation and amortisation	(168.1)	(158.0)	+6%
Amortisation of deferred income (government grants)	0.9	1.1	(16%)
<b>EBIT</b>	<b>272.1</b>	<b>201.0</b>	<b>+35%</b>

Opex ratios - excluding other operating income	9M12	9M11	Δ 12/11
Opex/Average MW in operation (€k)	37.1	34.7	+7%
Opex/MWh (€)	22.8	21.7	+5%

Employees	9M12	9M11	Δ 12/11
Total Europe	385	418	(8%)

- The 9M12 average price in European markets improved 7% YoY, or €7/MWh, to €95/MWh, reflecting: i) a 12% increase in the Rest of Europe achieved price to €107/MWh, combined with its higher relative contribution for the platform's output (20% in 9M12 vs. 17% in 9M11); ii) stronger prices in Spain (+7% YoY) due to higher hedging prices and due to the strategic option of electing the fixed tariff for the capacity under the RD 661/2007, and iii) better prices in Portugal (+4% YoY) mostly reflecting the CPI indexation.

- Revenues increased 22% YoY to €567m in the 9M12 (+€102m YoY) fuelled by higher electricity output and better realised prices. In detail, the revenues performance is the result of: i) higher average capacity in the period (+€50m); ii) better average selling price (+€30m); and iii) stronger wind resource (+€25m). Operating costs increased 19% YoY, below the top-line growth, albeit negatively impacted by other operating costs (+€11m YoY, or +58%), driven by the increase in taxes, in leases/rents reflecting the top-line performance and the payment of the €0.5/MWh grid transmission fee in Spain (+€2m). Supplies and services and personnel costs increased at 12% and 11% YoY well below the 22% revenues growth. All in all, EBITDA improved 23% YoY to €439m (+€82m vs. 9M11) with a solid 77% EBITDA margin.

Installed Capacity (MW)	9M12	9M11	Δ 12/11
MW under Transitory Regime	1,153	1,153	-
MW under RD 661/2007	1,131	1,042	+90MW
<b>Total MW</b>	<b>2,284</b>	<b>2,194</b>	<b>+90MW</b>

Avg. Load Factors (%)	9M12	9M11	Δ 12/11
<b>Load Factor</b>	<b>26%</b>	<b>25%</b>	<b>+1 pp</b>

Electricity Output (GWh)	9M12	9M11	Δ 12/11
Transitory Regime	1,930	1,815	+6%
RD 661/2007	1,807	1,525	+18%
<b>Total GWh</b>	<b>3,737</b>	<b>3,340</b>	<b>+12%</b>

Average Selling Price (€/MWh)	9M12	9M11	Δ 12/11
Transitory Regime	89.6	90.2	(1%)
RD 661/2007	83.5	77.2	+8%
<b>Avg. Selling Price (incl. Hedging)</b>	<b>88.0</b>	<b>82.6</b>	<b>+7%</b>

Avg. realised price in the pool	45.6	46.4	(2%)
---------------------------------	------	------	------

P&L Highlights - including hedging (€m)	9M12	9M11	Δ 12/11
<b>Revenues</b>	<b>326.3</b>	<b>274.7</b>	<b>+19%</b>
Operating costs (net)	(69.1)	(61.8)	+12%
<b>EBITDA</b>	<b>257.2</b>	<b>212.8</b>	<b>+21%</b>
EBITDA/Revenues	78.8%	77.5%	+1 pp

- In Spain, EDPR increased its installed capacity to 2,284 MW by adding 90 MW in the last 12 months (74 MW in the 3Q12). Out of the total installed capacity, 1,153 MW is under the Transitory Regime and 1,131 MW under the RD 661/2007. Starting from Jan-13, all the capacity will be remunerated according to the RD 611/2007 and the applied premium will return to its original level as per the RD 1614/2010 (details on the "Remuneration Framework" table). In Jan-12, the Spanish Government introduced a moratorium on the payment of the regulated tariffs to renewable projects not pre-registered. In Sep-12, the Government approved a draft bill that includes a set of measures, aimed at granting financial and environmental sustainability to the electricity sector, among which to introduce taxes on electricity sales generated by the Spanish electricity producers.

- EDPR's load factor in Spain in the 9M12 was 26%, +100bps YoY, with the 3Q12 (23% vs. 21% in the 3Q11) extending the positive trend already reflected in the 1H12 figure. In a leading wind energy market, EDPR has proven, once again, its ability to achieve load factors above the market average (+215bps premium in the 9M12) reflecting its first-class assets. The electricity output in the period increased 12% YoY to 3,737 GWh on the back of higher average installed capacity and stronger wind resource.

## Remuneration Framework

### Transitory Regime Assets

**Applicability:** Only applicable to wind farms that started operation 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.

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).

### Regulatory Update RD 1614/2010:

- No impact.

### RD 661/2007 Assets

**Applicability:** Compulsory for all wind farms that start operation after 2008.

#### Two Options:

1. Fixed tariff (€81.3/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 2012 was set at €20.1/MWh, while the cap and floor at €94.3/MWh and €79.1/MWh, respectively. All values, with the exception of the pool price, are fixed for 20 years and indexed to CPI-x.

#### Regulatory Update RD 1614/2010:

- 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.

- The 9M12 average selling price registered in Spain increased 7% YoY to €88/MWh, reflecting EDPR's strategy of reduced exposure to market price volatility. In the period, 3,209 GWh (86% of the 9M12 output) were sold without exposure to market prices and only 14% (528 GWh) sold at market prices plus €38.3/MWh premium. In the 9M12, EDPR sold 1,688 GWh at fixed tariffs, 1,402 GWh hedged and 119 GWh at fixed floor mechanism. For the 4Q12, EDPR sold forward 0.5 TWh at €52/MWh for the capacity under the Transitory Regime, resulting in an expected 85% of production to be sold through fixed tariffs, floors and hedges. In detail, the YoY price performance is explained by: i) better hedging prices (€52/MWh vs. €44/MWh, +18% YoY); ii) the strategic decision to elect the tariff option under the RD 661/2007 which currently implies a realised price above the fixed floor mechanism; iii) the CPI-x update of all the regulated prices under the RD 661/2007, and iv) lower production sold at market prices (14% vs. 18% in 9M11).

- Revenues in the 9M12 increased 19% YoY to 326m (+€52m), reflecting higher output (+12% YoY), on the back of higher average installed capacity and stronger wind resource, and higher prices (+7% YoY). The 9M12 EBITDA in Spain increased 21% YoY with a 79% EBITDA margin (+1pp YoY).

Installed Capacity (MW)	9M12	9M11	Δ 12/11
<b>EBITDA MW</b>	<b>615</b>	<b>599</b>	<b>+16MW</b>
ENEOP - Eólicas de Portugal (equity consolidated)	350	321	+29MW

Avg. Load Factors (%)	9M12	9M11	Δ 12/11
<b>Load Factor</b>	<b>26%</b>	<b>26%</b>	<b>(0 pp)</b>

Electricity Output (GWh)	9M12	9M11	Δ 12/11
<b>GWh</b>	<b>1,046</b>	<b>1,027</b>	<b>+2%</b>

Average Selling Price (€/MWh)	9M12	9M11	Δ 12/11
<b>Avg. Selling Price</b>	<b>107.1</b>	<b>102.6</b>	<b>+4%</b>

P&L Highlights (€m)	9M12	9M11	Δ 12/11
<b>Revenues</b>	<b>113.9</b>	<b>107.1</b>	<b>+6%</b>
Operating costs (net)	(21.5)	(19.6)	+10%
<b>EBITDA</b>	<b>92.4</b>	<b>87.5</b>	<b>+6%</b>
EBITDA/Revenues	81.1%	81.7%	(1 pp)

- In Portugal, EDPR's EBITDA consolidated installed capacity as of Sep-12 totalled 615 MW (+16 MW YoY), plus 350 MW equity consolidated through its 40% interest in the Eólicas de Portugal consortium (+29 MW YoY). The 615 MW are under the old tariff regime and remunerated according to a 15 years regulated fixed tariff (older assets tariff duration starts to mature by 2020). In the beginning of Sep-12, the wind energy sector and the Portuguese government reached an agreement for the assets under the old tariff regime, where operators can voluntarily acquire an extension to the current remuneration framework. With this agreement, EDPR expects to extend the duration of the remuneration framework for 7 more years beyond the initial 15 years. The remuneration for the capacity of the Eólicas de Portugal is kept unchanged, according to the tariff defined through a competitive tender (details on the "Remuneration Framework" table).

- The 9M12 load factor delivered by EDPR in Portugal was stable YoY at 26%, with the very strong wind resources throughout the 3Q12 (25% vs. 25% in the 3Q11) and 2Q12 (30% vs. 23% in the 2Q11) offsetting the below average 1Q12 wind resource. The electricity output in the period increased 2% YoY to 1,046 GWh.

## 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.

**Duration extension:** 7 years (voluntary) with cap/floor on the market price.

**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**

### 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.

- The average selling price achieved in Portugal in the 9M12 increased 4% YoY to €107/MWh (relatively stable since the beginning of 2012) mainly reflecting the CPI indexation update and voltage dips remuneration. Prices in Portugal have a negative correlation with the annual working hours and the adjustment traditionally occurs in the 4Q of each year.

- Revenues in the 9M12 increased 6% YoY to €114m, following the 2% YoY increase in the electricity output and the +4% YoY price performance. In the period, EBITDA increased in line with revenues to €92m (+6% YoY, or +€5m) with an 81% EBITDA margin.

- EDPR's activities in Portugal account for 12% of the Company's total installed capacity and 14% of the 9M12 EBITDA.

Installed Capacity (MW)	9M12	9M11	Δ 12/11
France	306	284	+22MW
Belgium	57	57	-
Poland	190	190	-
Romania	285	228	+57MW
<b>Total MW</b>	<b>838</b>	<b>759</b>	<b>+79MW</b>

Load Factors (%)	9M12	9M11	Δ 12/11
France	23%	21%	+2 pp
Belgium	21%	20%	+1 pp
Poland	25%	24%	+1 pp
Romania	20%	16%	+5 pp
<b>Average Load Factor</b>	<b>23%</b>	<b>21%</b>	<b>+1 pp</b>

Electricity Output (GWh)	9M12	9M11	Δ 12/11
France	463	399	+16%
Belgium	79	75	+5%
Poland	313	237	+32%
Romania	338	161	+110%
<b>Total GWh</b>	<b>1,194</b>	<b>873</b>	<b>+37%</b>

P&L Highlights (€m)	9M12	9M11	Δ 12/11
<b>Revenues</b>	<b>127.0</b>	<b>83.4</b>	<b>+52%</b>
Operating costs (net)	(25.9)	(22.9)	+13%
<b>EBITDA</b>	<b>101.1</b>	<b>60.5</b>	<b>+67%</b>
EBITDA/Revenues	79.6%	72.6%	+7 pp

- In the Rest of Europe, EDPR had by Sep-12 838 MW of wind installed capacity across France (306 MW), Romania (285 MW), Poland (190 MW) and Belgium (57 MW). In the last 12 months, 57 MW were installed in Romania and 22 MW in France. Currently, EDPR has 270 MW under construction: 130 MW in Poland, 93 MW in Romania (includes 39 MW of Solar PV), 40 MW in Italy and 8 MW in France.

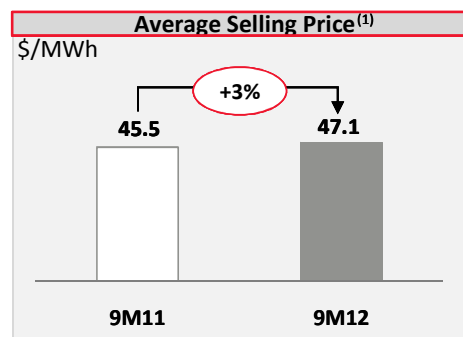
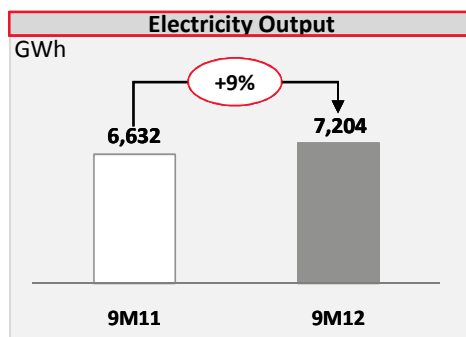
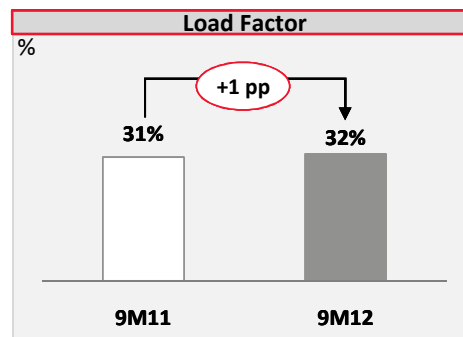
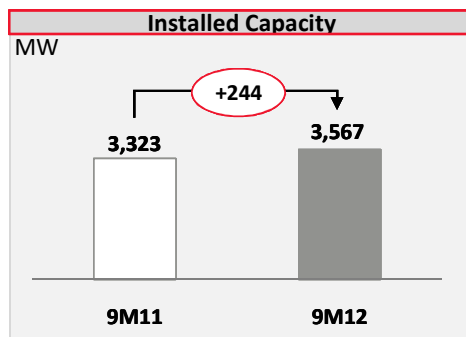
- The electricity output grew a solid 37% YoY to 1,194 GWh driven by the increase in average installed capacity and the 9M12 load factor increase to 23% (+1pp YoY) based on a stronger wind resource YoY in all the countries. Poland and Romania represented 55% of the Rest of Europe output (vs. 45% in the 9M11), increasing the electricity generated by 32% and 110% YoY, respectively, as a result of the investments made in the previous periods and the load factor evolution in both countries.

Remuneration Framework
<b>France</b>
<b>System:</b> 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.
<b>Belgium</b>
<b>System:</b> 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.
<b>Poland</b>
<b>System:</b> Electricity market price plus GC. Option to choose a regulated electricity price (PLN198.9/MWh for 2012) every 12 months. DisCos have a substitute fee for non compliance with GC obligation, which in 2012 is PLN286.7/MWh. Option to negotiate long-term PPAs.
<b>Romania</b>
<b>System:</b> Market price plus GC system. Wind generators receive 2 GC for each 1MWh produced until 2017. The trading value of GCs for 2012 has a floor of €28.2 and a cap of €57.4. Option to negotiate long-term PPAs.

Average Selling Price (€/MWh)	9M12	9M11	Δ 12/11
France	88.5	86.1	+3%
Belgium	112.0	112.0	-
Poland	101.2	112.0	(10%)
Romania	137.5	89.0	+54%
<b>Average Selling Price</b>	<b>107.3</b>	<b>95.9</b>	<b>+12%</b>

- The strong increase of the selling prices in Romania (+54% YoY) and its higher YoY weight in the Rest of Europe's output (28% vs. 18% in the 9M11) were the main drivers for the €107/MWh average selling price performance (+12% YoY). The price performance in Romania (+54% YoY to €137/MWh) follows the full implementation of the two green certificates scheme per each MWh produced, reinforcing Romania's attractiveness for wind energy development. In France, the wind tariff improved 3% YoY to €88/MWh, while in Belgium the selling price was stable in €112/MWh due to the long-term contracts in place. In Poland, the average realized price was €101/MWh under attractive long term contract structures (the YoY evolution is mostly driven by the Zloty devaluation and a different contract structure in the 70 MW installed in 2011 vs. the 120 MW installed in 2010).

- All in all, the 9M12 revenues increased 52% YoY to €127m due to the 37% YoY increase in production and the 12% higher prices YoY. Operating costs evolution remained well below the business growth and only increased 13% YoY. Hence, the Rest of Europe's EBITDA grew 67% YoY to €101m, with Poland and Romania representing c.70% of the EBITDA in the period. EBITDA margin improved to 80%.



- In the US, EDPR's wind installed capacity as of Sep-12 totalled 3.6 GW, representing a 244 MW increase in the last 12 months: 99 MW were added in Oklahoma and 145 MW in New York.

- The US average load factor increased to 32% in the 9M12, having improved +100 bps vs. 9M11, given the better wind resource in the Central and Eastern regions.

- Following the contribution of the capacity installed in the last 12 months and a strong load factor performance, the electricity output increased 9% in the 9M12, reaching 7,204 GWh.

- The average selling price in the 9M12, excluding revenues associated with the Production Tax Credits (PTC), increased by 3% vs. 9M11. This performance reflects the 3% increase in the average selling price for PPA/hedge contracts in place (given the price escalators) that more than offset the unfavourable evolution of the electricity spot prices affecting the merchant output sales.

Income Statement (US\$m)	9M12	9M11	Δ 12/11
Electricity sales and other	329.9	298.6	+10%
Income from institutional partnerships	120.7	112.1	+8%
<b>Revenues</b>	<b>450.5</b>	<b>410.6</b>	<b>+10%</b>
Other operating income	18.0	19.8	(9%)
Supplies and services	(101.8)	(101.8)	(0%)
Personnel costs	(27.1)	(25.6)	+6%
Other operating costs	(26.1)	(25.5)	+2%
<b>Operating Costs (net)</b>	<b>(137.0)</b>	<b>(133.2)</b>	<b>+3%</b>
<b>EBITDA</b>	<b>313.5</b>	<b>277.5</b>	<b>+13%</b>
EBITDA/Revenues	69.6%	67.6%	+2 pp
Provisions	-	-	-
Depreciation and amortisation	(214.6)	(222.5)	(4%)
Amortisation of deferred income (government grants)	13.6	14.6	(7%)
<b>EBIT</b>	<b>112.5</b>	<b>69.6</b>	<b>+62%</b>

Opex ratios - excluding other operating income	9M12	9M11	Δ 12/11
Opex/Average MW in operation (\$k)	43.5	46.9	(7%)
Opex/MWh (\$)	21.5	23.1	(7%)

Employees	9M12	9M11	Δ 12/11
<b>Total US</b>	<b>250</b>	<b>274</b>	<b>(9%)</b>

- Revenues grew 10% YoY to \$451m in the 9M12, benefiting from i) the capacity brought into operation on the last 12 months, ii) the solid load factor in the period, iii) the PPA price escalators; only hampered by iv) low merchant prices.

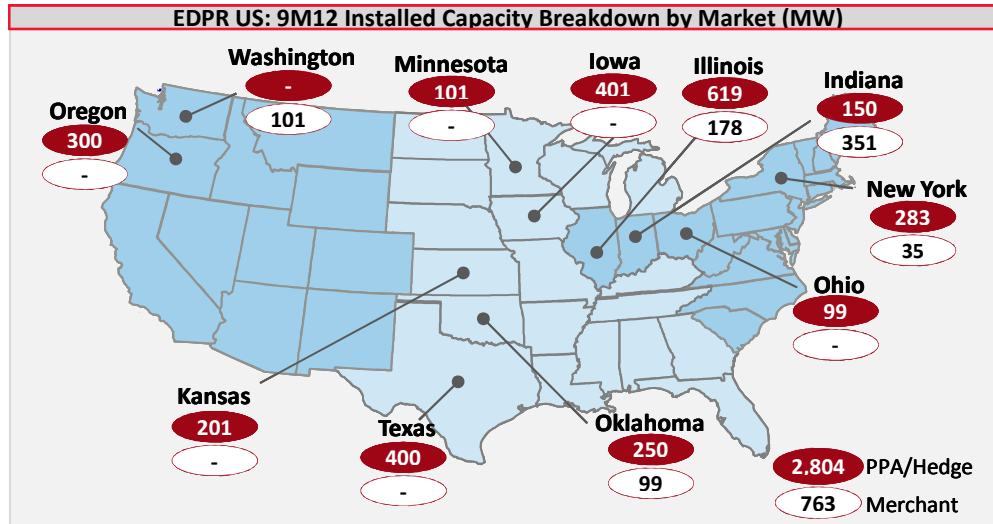
- Operating costs increased 3% YoY, well below the business growth pace. Supplies and services remained unchanged YoY despite the installed capacity growth, as a result of favorable new O&M contracts established for the post-warranty period, while personnel costs increased 6% (or \$1m) given lower capitalisation as a result of fewer FTEs allocated to construction and development activities. Opex on a per MW basis decreased 7%, being a good indicator of the company's high efficiency levels.

- All in all, EBITDA in the US increased 13% to \$314m, given the higher capacity in operation along with a solid load factor and good efficiency levels. EBITDA margin increased 2pp to 70% in the 9M12.

<sup>(1)</sup> Excluding Institutional partnership revenues.

Note: Average exchange for the 9M12 was 1.28 USD/EUR. Exchange rate at Sep-12 was 1.29 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 Sep-12, EDPR had 3.6 GW in the US spread throughout a total of 11 states. Currently, EDPR has the remaining 70 MW under construction from the Marble River wind farm in the State of New York, which already has a long term contract to sell the RECs.
- Regarding the current fleet performance during the 9M12, EDPR registered strong YoY load factor evolutions in the Central and Eastern regions, leading to an average load factor of 32% vs. 31% in the 9M11. The overall better load factors along with capacity growth led to a double digit increase of the electricity output in Central and Eastern regions, while in the West it fell by 7% YoY, given the lower wind resource and higher curtailment (in the 9M12).
- In the period, the output under PPA contracts increased 16% to 5,571 GWh, reflecting the PPAs signed over the previous periods, while the output exposed to merchant prices declined 11% to 1,633 GWh given the positive contribution from the PPA contracts put into place throughout the last 12 months related to the capacity that was previously merchant.

Load Factors (%)	9M12	9M11	Δ 12/11
West	28%	31%	(2 pp)
Central	36%	35%	+1 pp
East	29%	28%	+1 pp
<b>Average Load Factor</b>	<b>32%</b>	<b>31%</b>	<b>+1 pp</b>

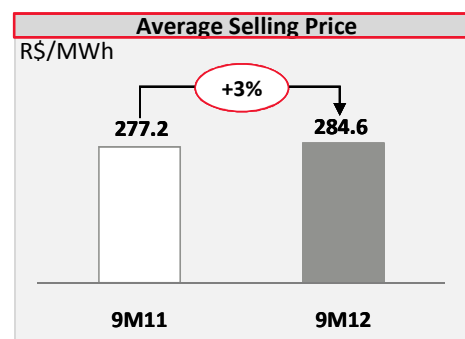
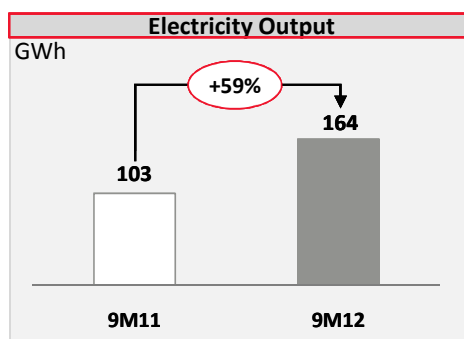
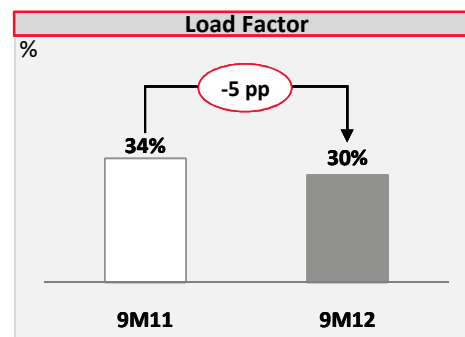
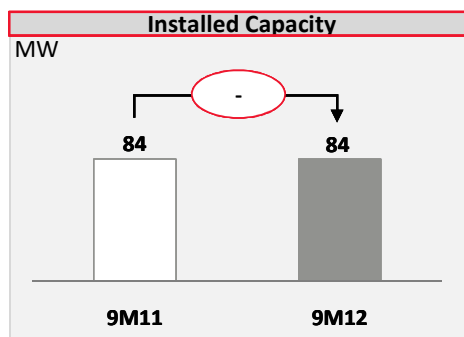
Electricity Output (GWh)	9M12	9M11	Δ 12/11
West	742	802	(7%)
Central	3,468	3,097	+12%
East	2,993	2,733	+10%
<b>Total GWh</b>	<b>7,204</b>	<b>6,632</b>	<b>+9%</b>

Electricity Output by Contract Type (GWh)	9M12	9M11	Δ 12/11
PPA/Hedge	5,571	4,788	+16%
Merchant	1,633	1,844	(11%)
<b>Total GWh</b>	<b>7,204</b>	<b>6,632</b>	<b>+9%</b>

Average Selling Price by Contract Type (US\$/MWh)	9M12	9M11	Δ 12/11
Avg. PPA/Hedge price	52.2	50.5	+3%
Avg. Merchant price	27.0	30.2	(10%)
<b>Avg. Final Selling Price</b>	<b>47.1</b>	<b>45.5</b>	<b>+3%</b>

Tax Incentives	9M12	9M11	Δ 12/11
MW under PTC (Tax Equity Structure)	2,123	2,024	+99MW
MW under cash grant flip (Tax Equity Structure)	500	500	-
MW under cash grant	799	799	-
<b>Income from institutional partnerships (US\$m)</b>	<b>120.7</b>	<b>112.1</b>	<b>+8%</b>

- Average selling price at the wind farms under PPAs increased 3% YoY, as a result of price escalators, while selling prices at the merchant wind farms decreased 10% due to the very low gas prices in the country during the nine months of the year (gas prices fell 16% YoY to \$3.08/MMBtu, although recovering in the recent months). Overall, the average selling price in the US increased 3% in the 9M12 vs. 9M11 (\$47.1/MWh vs \$45.5/MWh) with the better PPA prices and higher production under PPAs more than offsetting the low merchant prices.
- Income from institutional partnerships increased 8% YoY to \$121m, explained by i) higher load factors 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 in the P&L as amortisation of deferred income (\$14m in the 9M12). The Marble River wind farm (215 MW, of which 145 MW already in operation) will apply for the cash reimbursement program.



- EDPR's wind installed capacity in Brazil totalled 84 MW by Sep-12. The company's installed capacity in Brazil is fully under incentive programs for renewable energy development, which provides long-term visibility, through long-term contracts to sell the electricity produced for 20 years, which translates into a stable and visible cash-flow generation throughout the projects' life.

- In the 9M12, EDPR's average load factor in Brazil was 30% vs. 34% in the 9M11, given the different production mix YoY (the newly 70 MW wind farm, installed in May-11, started operations during the best wind resource season of the year). The 9M12 load factor was in line vis-à-vis the long-term expected figure.

- Electricity generation in Brazil increased 59% to 164 GWh in the 9M12 following the shorter period of operation of the 70 MW concluded in May-11 during the 9M11 period.

- In the 9M12, the average selling price of EDPR in Brazil increased 3% to \$R284.6/MWh following the inflation update.

Income Statement (R\$m)	9M12	9M11	Δ 12/11
<b>Revenues</b>	<b>43.3</b>	<b>27.6</b>	<b>+57%</b>
Other operating income	-	-	-
Supplies and services	(11.1)	(7.5)	+49%
Personnel costs	(2.0)	(2.3)	(14%)
Other operating costs	(1.9)	(0.1)	-
<b>Operating Costs (net)</b>	<b>(15.0)</b>	<b>(9.9)</b>	<b>+52%</b>
<b>EBITDA</b>	<b>28.3</b>	<b>17.7</b>	<b>+60%</b>
EBITDA/Revenues	65.4%	64.2%	-
Provisions	-	-	-
Depreciation and amortisation	(11.9)	(6.5)	+82%
Amortisation of deferred income (government grants)	-	-	-
<b>EBIT</b>	<b>16.4</b>	<b>11.2</b>	<b>+47%</b>

Opex ratios - excluding other revenues	9M12	9M11	Δ 12/11
<b>Opex/Average MW in operation (R\$ k)</b>	<b>178.4</b>	<b>201.8</b>	<b>(12%)</b>
<b>Opex/MWh (R\$)</b>	<b>91.4</b>	<b>95.8</b>	<b>(5%)</b>

Employees	9M12	9M11	Δ 12/11
<b>Total Brazil</b>	<b>21</b>	<b>15</b>	<b>+40%</b>

- EDPR reached Revenues of R\$43m in the 9M12 in Brazil, representing a 57% YoY increase following the electricity generation performance and the selling price positive evolution. Overall, the 9M12 EBITDA in Brazil increased 60% to R\$28m, while the EBITDA margin reached 65%.

- In Dec-11, the company secured in the energy A-5 auction 20-year PPAs for 120 MW, which clearly reinforced EDPR's presence in a market with a low risk profile, attractive wind resource and strong growth prospects. For December 2012, EDPR foresees to participate in the upcoming expected (but not yet fully confirmed) A-3 and A-5 auctions in order to secure the development of pipeline and to strengthen its position in the Brazilian market.



**renováveis**

**Quarterly Data**

# Quarterly Data

Quarterly Data	3Q11	4Q11	1Q12	2Q12	3Q12	Δ YoY	Δ QoQ
<b>EBITDA MW</b>							
Europe	3,553	3,652	3,652	3,664	3,738	+5%	+2%
US	3,323	3,422	3,422	3,422	3,567	+7%	+4%
Brazil	84	84	84	84	84	-	-
<b>EDPR</b>	<b>6,959</b>	<b>7,157</b>	<b>7,157</b>	<b>7,169</b>	<b>7,388</b>	<b>+6%</b>	<b>+3%</b>
<b>Load Factor</b>							
Europe	21%	27%	27%	27%	22%	+1 pp	(5 pp)
US	21%	37%	41%	34%	21%	(0 pp)	(13 pp)
Brazil	40%	36%	26%	25%	38%	(2 pp)	+14 pp
<b>EDPR</b>	<b>21%</b>	<b>32%</b>	<b>34%</b>	<b>31%</b>	<b>22%</b>	<b>+1 pp</b>	<b>(9 pp)</b>
<b>GWh</b>							
Europe	1,583	2,061	2,109	2,109	1,760	+11%	(17%)
US	1,527	2,698	3,056	2,552	1,597	+5%	(37%)
Brazil	75	66	48	45	71	(5%)	+57%
<b>EDPR</b>	<b>3,185</b>	<b>4,825</b>	<b>5,212</b>	<b>4,705</b>	<b>3,427</b>	<b>+8%</b>	<b>(27%)</b>
<b>Tariff/Selling Price</b>							
Europe (€/MWh)	90	86	96	95	96	+7%	+1%
US (\$/MWh) <sup>(1)</sup>	48	46	46	46	51	+6%	+12%
Brazil (R\$/MWh)	279	278	276	283	291	+5%	+3%
<b>Average Portfolio Price (€/MWh)<sup>(1)</sup></b>	<b>64</b>	<b>57</b>	<b>60</b>	<b>62</b>	<b>70</b>	<b>+10%</b>	<b>+12%</b>
<b>Revenues (€m)</b>							
Europe	144	170	201	198	168	+17%	(15%)
US	70	123	141	125	87	+24%	(30%)
Brazil	9	8	5	5	8	(12%)	+66%
<b>EDPR</b>	<b>222</b>	<b>300</b>	<b>346</b>	<b>327</b>	<b>263</b>	<b>+18%</b>	<b>(20%)</b>
<b>EBITDA (€m)</b>							
Europe	102	182	159	156	124	+22%	(21%)
US	38	73	107	89	49	+31%	(44%)
Brazil	6	5	3	3	6	(6%)	+134%
<b>EDPR</b>	<b>139</b>	<b>252</b>	<b>263</b>	<b>240</b>	<b>171</b>	<b>+23%</b>	<b>(29%)</b>
<b>EBITDA Margin</b>							
Europe	71%	107%	79%	79%	74%	+3 pp	(5 pp)
US	54%	59%	76%	71%	57%	+3 pp	(14 pp)
Brazil	70%	69%	63%	52%	74%	4 pp	+21 pp
<b>EDPR</b>	<b>63%</b>	<b>84%</b>	<b>76%</b>	<b>73%</b>	<b>65%</b>	<b>+3 pp</b>	<b>(8 pp)</b>
<b>Net Profit EDPR (€m)</b>	<b>(27)</b>	<b>26</b>	<b>62</b>	<b>38</b>	<b>(7)</b>	<b>(72%)</b>	<b>n.a.</b>
<b>Capex (€m)</b>							
Europe	62	152	40	31	61	(2%)	+99%
US	108	169	14	27	91	(15%)	+240%
Brazil	1	2	1	1	2	+159%	+170%
<b>EDPR</b>	<b>171</b>	<b>313</b>	<b>55</b>	<b>58</b>	<b>154</b>	<b>(10%)</b>	<b>+164%</b>
<b>Net Debt (€m)</b>	<b>3,447</b>	<b>3,387</b>	<b>3,544</b>	<b>3,533</b>	<b>3,508</b>	<b>+2%</b>	<b>(1%)</b>
<b>Institutional Partnership Liability (€m)</b>	<b>965</b>	<b>1,011</b>	<b>963</b>	<b>1,009</b>	<b>979</b>	<b>+1%</b>	<b>(3%)</b>

<sup>(1)</sup> Excludes institutional partnership revenues.



## Income Statements

# EDPR: Income Statement by Region



9M12 (€m)	Europe	US	Brazil	Other/Adj.	Consolidated
Electricity sales and other	566.9	257.5	17.6	(0.0)	842.0
Income from institutional partnerships	-	94.2	-	-	94.2
<b>Revenues</b>	<b>566.9</b>	<b>351.8</b>	<b>17.6</b>	<b>(0.0)</b>	<b>936.2</b>
Other operating income	8.5	14.1	-	(2.3)	20.3
Supplies and services	(88.0)	(79.5)	(4.5)	(11.5)	(183.5)
Personnel costs	(18.9)	(21.1)	(0.8)	(6.0)	(46.8)
Other operating costs	(29.3)	(20.4)	(0.8)	(1.1)	(51.6)
<b>Operating Costs (net)</b>	<b>(127.6)</b>	<b>(107.0)</b>	<b>(6.1)</b>	<b>(20.9)</b>	<b>(261.6)</b>
<b>EBITDA</b>	<b>439.3</b>	<b>244.8</b>	<b>11.5</b>	<b>(20.9)</b>	<b>674.7</b>
EBITDA/Revenues	77.5%	69.6%	65.4%	n.a.	72.1%
Provisions	-	-	-	-	-
Depreciation and amortisation	(168.1)	(167.6)	(4.8)	(1.8)	(342.3)
Amortisation of deferred income (government grants)	0.9	10.6	-	0.0	11.5
<b>EBIT</b>	<b>272.1</b>	<b>87.8</b>	<b>6.7</b>	<b>(22.6)</b>	<b>343.9</b>

9M11 (€m)	Europe	US	Brazil	Other/Adj.	Consolidated
Electricity sales and other	464.8	212.3	12.0	0.0	689.2
Income from institutional partnerships	-	79.7	-	(0.0)	79.7
<b>Revenues</b>	<b>464.8</b>	<b>292.0</b>	<b>12.0</b>	<b>0.0</b>	<b>768.8</b>
Other operating income	6.7	14.1	-	4.7	25.4
Supplies and services	(78.3)	(72.4)	(3.3)	(10.6)	(164.5)
Personnel costs	(17.0)	(18.2)	(1.0)	(6.2)	(42.4)
Other operating costs	(18.5)	(18.2)	(0.0)	(2.3)	(39.0)
<b>Operating Costs (net)</b>	<b>(107.2)</b>	<b>(94.7)</b>	<b>(4.3)</b>	<b>(14.4)</b>	<b>(220.5)</b>
<b>EBITDA</b>	<b>357.7</b>	<b>197.3</b>	<b>7.7</b>	<b>(14.4)</b>	<b>548.3</b>
EBITDA/Revenues	76.9%	67.6%	64.2%	n.a.	71.3%
Provisions	0.3	-	-	-	0.3
Depreciation and amortisation	(158.0)	(158.2)	(2.9)	(1.6)	(320.7)
Amortisation of deferred income (government grants)	1.1	10.4	-	-	11.4
<b>EBIT</b>	<b>201.0</b>	<b>49.5</b>	<b>4.9</b>	<b>(16.0)</b>	<b>239.4</b>

# EDPR Europe: Income Statement by Country



9M12 (€m)	Spain <sup>(1)</sup>	Portugal	RoE	Other/Adj. <sup>(1)</sup>	Total Europe
Revenues	321.2	113.9	127.0	4.8	566.9
Operating Costs (net)	(69.1)	(21.5)	(25.9)	(11.1)	(127.6)
<b>EBITDA</b>	<b>252.1</b>	<b>92.4</b>	<b>101.1</b>	<b>(6.3)</b>	<b>439.3</b>
EBITDA/Revenues	78.5%	81.1%	79.6%	n.a.	77.5%
Depreciation, amortisation and provisions	(108.4)	(20.0)	(35.9)	(3.0)	(167.2)
<b>EBIT</b>	<b>143.8</b>	<b>72.4</b>	<b>65.2</b>	<b>(9.3)</b>	<b>272.1</b>

9M11 (€m)	Spain <sup>(1)</sup>	Portugal	RoE	Other/Adj. <sup>(1)</sup>	Total Europe
Revenues	280.4	107.1	83.4	(6.1)	464.8
Operating Costs (net)	(61.8)	(19.6)	(22.9)	(2.9)	(107.2)
<b>EBITDA</b>	<b>218.6</b>	<b>87.5</b>	<b>60.5</b>	<b>(9.0)</b>	<b>357.7</b>
EBITDA/Revenues	77.9%	81.7%	72.6%	n.a.	76.9%
Depreciation, amortisation and provisions	(101.8)	(21.3)	(31.8)	(1.8)	(156.7)
<b>EBIT</b>	<b>116.8</b>	<b>66.3</b>	<b>28.7</b>	<b>(10.7)</b>	<b>201.0</b>

<sup>(1)</sup> **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 €5.0m in the 9M12 (loss of €5.9m in the 9M11) is being accounted at the European platform level (Other/Adj.). On page 11, 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
<b>Spain</b>	<b>81</b>	<b>227</b>	<b>1,861</b>	<b>2,169</b>	<b>1,648</b>	<b>3,817</b>
<b>Portugal<sup>(1)</sup></b>	<b>103</b>	<b>9</b>	<b>21</b>	<b>133</b>	<b>200</b>	<b>333</b>
<b>Rest of Europe</b>	<b>177</b>	<b>1,866</b>	<b>950</b>	<b>2,992</b>	<b>1,716</b>	<b>4,707</b>
- France	25	80	215	320	244	564
- Belgium	13	-	30	43	-	43
- Poland	94	395	174	663	702	1,365
- Romania	-	264	30	294	200	494
- Italy	45	122	58	225	570	795
- UK	-	1,005	443	1,448	-	1,448
<b>Europe</b>	<b>361</b>	<b>2,102</b>	<b>2,832</b>	<b>5,294</b>	<b>3,564</b>	<b>8,858</b>
<b>US</b>	<b>775</b>	<b>3,868</b>	<b>2,945</b>	<b>7,588</b>	<b>2,805</b>	<b>10,393</b>
<b>Canada</b>	<b>-</b>	<b>30</b>	<b>-</b>	<b>30</b>	<b>500</b>	<b>530</b>
<b>North America</b>	<b>775</b>	<b>3,898</b>	<b>2,945</b>	<b>7,618</b>	<b>3,305</b>	<b>10,923</b>
<b>Brazil</b>	<b>146</b>	<b>-</b>	<b>737</b>	<b>883</b>	<b>581</b>	<b>1,464</b>
<b>EDPR</b>	<b>1,282</b>	<b>6,000</b>	<b>6,514</b>	<b>13,795</b>	<b>7,450</b>	<b>21,245</b>

<sup>(1)</sup> All of Tier 1 projects are related to the capacity attributable to EDPR on the Eólicas de Portugal consortium.



**renováveis**

powered by nature