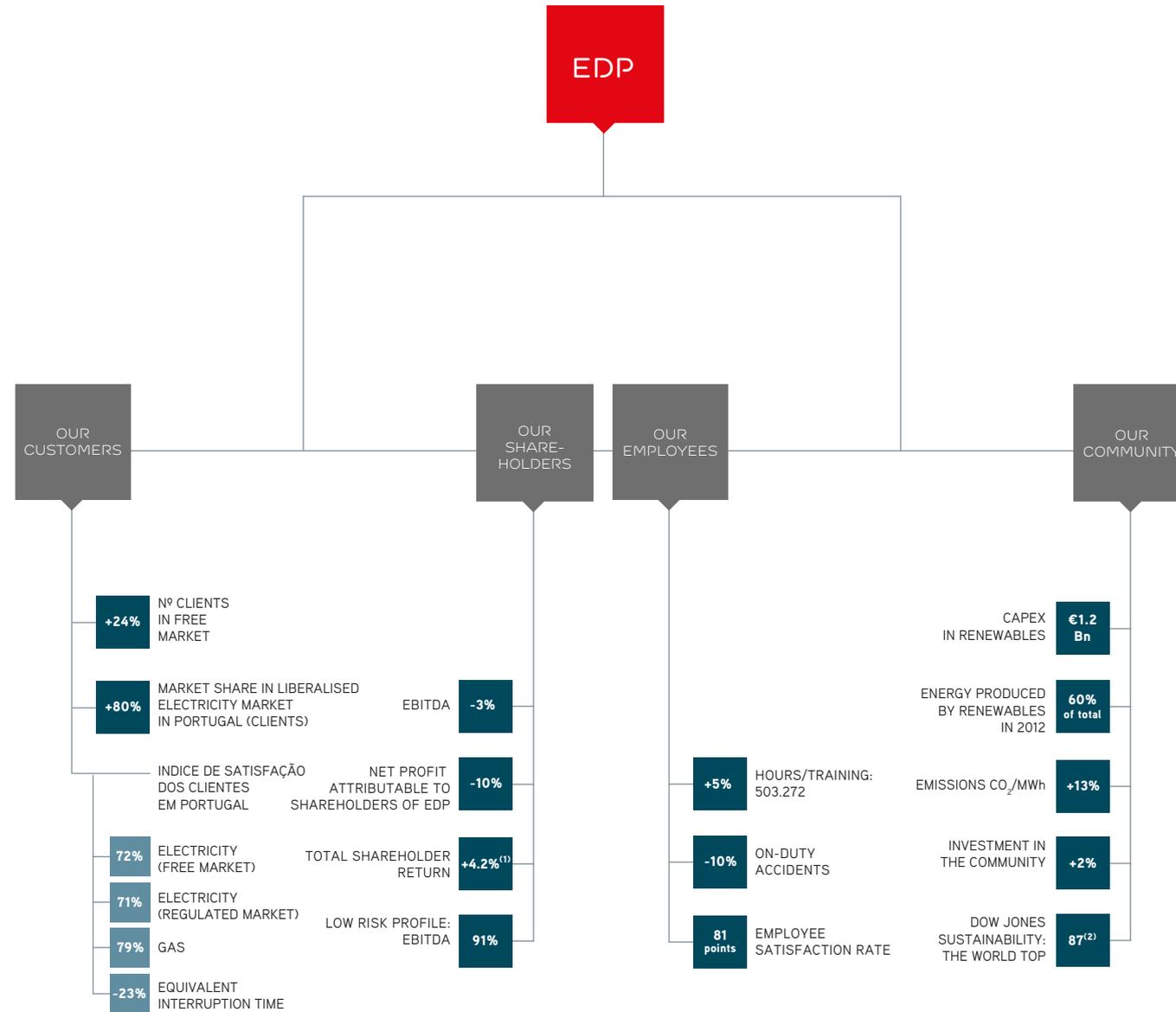




AN INTEGRATED AND SUSTAINABLE VISION: 2012 OVERVIEW



⁽¹⁾ 7.3 p.p. above the Utilities sector.

⁽²⁾ Highest score ever.

MAJOR EVENTS

- JAN 26** - For the fifth consecutive year, EDP is distinguished in the publication world, "Sustainability Yearbook 2012" SAM, obtaining the rank of gold for the third time.
- FEB 01** - Standard & Poor's downgrades EDP to "BB+" with negative outlook.
- FEB 16** - Moody's downgrades EDP to "Ba1" with negative outlook.
- FEB 20** - EDP's General Shareholders Meeting.
- MAR 15** - EDP is rated by Ethisphere as one of the three most ethical companies in the world in the sector of electricity.
- APR 03** - Fitch places utilities with sizeable exposure to Spain on rating watch negative.
- APR 17** - EDP's Annual General Shareholders Meeting.
- MAY 04** - EDP issues EUR 250 million 3 year retail bond through a public offering.
- MAY 11** - CTG acquires and Parpublica reduces qualified shareholding in EDP. Appointment of Representatives for the General and Supervisory Board by CTG.
- MAY 16** - Payment of gross dividend of EUR 0.185 per share for the 2011 financial year.
- MAY 17** - Portuguese Government announces set of measures for the power sector.
- MAY 22** - Qatar Holding notifies about qualifying holding in EDP.
- JUN 19** - EDP awarded as the most valuable Portuguese brand according to a study from the Brand Finance consultant, with a brand value of EUR 2.4 billion.
- JUL 20** - EDP sells its gas transmission assets in Spain to Enagás.
- JUL 23** - EDP wins the 2012 IR Magazine Europe Awards prize for best company in the Investor Relations area in Portugal and among the European utilities.
- JUL 26** - China Development Bank Corporation agrees on EUR 1,000 million loan to EDP.
- JUL 27** - EDP considered by Thomson Reuters Extel IRRRI 2012 as the best among the worldwide utilities in the class of "Sustainability and Corporate Governance Communication".
- JUL 30** - EDP proposes new collective labour agreement.
- AUG 01** - ANEEL approves a 14.29% tariff increase at EDP Escelsa's annual tariff readjustment process.
- AUG 02** - Fitch downgrades EDP to "BBB-" with outlook negative.
- SEP 13** - EDP in the top of world sustainability in the Dow Jones Index for the fifth year in a row, obtaining the same absolute score of the utilities leader.
- SEP 14** - EDP issues EUR 750 million 5 year bond.
- OCT 02** - ANEEL approved EDP Bandeirante's tariff review for the regulatory period 2011-15.
- OCT 15** - ERSE announces the proposal for electricity tariffs for 2013.
- OCT 17** - ANEEL approves a 11.45% tariff increase at EDP Bandeirante's annual tariff readjustment process.
- OCT 18** - Resignation of Mr. José Joaquim de Oliveira Reis as Member of the General and Supervisory Board.
- OCT 22** - Bank of China signs EUR 800 million loan with EDP.
- NOV 06** - EDP Renováveis sells a 49% equity stake in 599MW wind farms in the US.
- NOV 13** - EDP issues CHF 125 million 6 year bond.
- DEC 03** - EDP Brasil announces the beginning of the commercial operation of Pecém I's first group.
- DEC 13** - EDP sells tariff adjustments relative to the CMEC.
- DEC 14** - EDP Brasil is awarded a PPA for a 219 MW hydro plant at the Brazilian energy auction.
- DEC 17** - ERSE announces tariffs and prices for electricity and other services for 2013.
- DEC 20** - EDPR agrees with CTG on the first investment in minority stakes in wind farms.

A
WORLD
FULL
OF ENERGY

edp

MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE BOARD OF DIRECTORS

2012 witnessed tough macroeconomic conditions and austerity policies, especially in Portugal and Spain, which contributed to a fall in energy consumption to 2006 levels.

EDP achieved solid results in 2012, with a net profit of 1,012 billion euros. In spite of the volatility of the financial markets, the performance of EDP's shares resulted in a 4% rate of return for shareholders, as opposed to -3% for its European counterparts, which just goes to show the Company's capacity for differentiation.

This result is a consequence of the execution of a growth strategy focusing on internationalisation, strict asset allocation, improved efficiency and funding discipline. The context is sensitive, but this year's success can be summed up in two words: foresight and execution.

We are the largest Portuguese group, an international Group with more than 12,000 employees of 27 nationalities in four continents and 13 countries and we are ready for new challenges.

In this scenario, the endeavour to respond to the multiple challenges facing EDP's management requires the involvement of everyone who is committed and dedicated to the Company's success, i.e. employees, shareholders and partners.

My thanks to everyone

António Mexia
Chairman of the Executive Board of Directors

Start-up of Alqueva II hydro plant repowering



Strategic partnership with China Three Gorges



EDP in the top of world sustainability Dow Jones index for the 5th consecutive year

ESTAMOS NO TOP

A EDP É UMA DAS EMPRESAS ENERGÉTICAS MAIS SUSTENTÁVEIS DO MUNDO

Pelo 5º ano consecutivo estamos nos índices de Sustentabilidade Dow Jones. Estamos também no top 3 das empresas energéticas mais sustentáveis do mundo. Mais uma prova de que o desenvolvimento sustentável continua no topo das nossas prioridades.

www.edp.pt

EDP issues retail bonds through public offering

este é o momento de investir na energia global

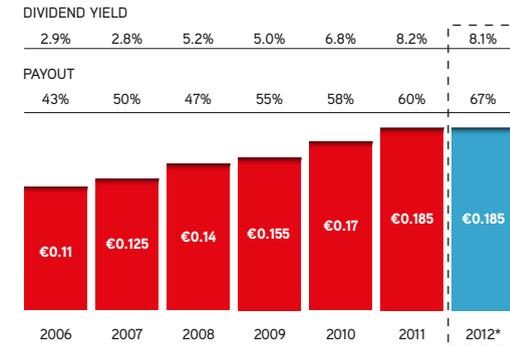
NOVA EMISSÃO DE OBRIGAÇÕES TAXA FIXA EDP 2012-2015 SUBSCREVA E GANHE 6% AO ANO*

Não dispensa a consulta do prospeto, do respetivo sumário e da demais documentação da Oferta (incluindo as Condições Finais), disponíveis em www.edp.pt e www.cmvm.pt

* Taxa Anual Nominal Bruta

BANCO ESPÍRITO SANTO | BANCO POPULAR | BARCLAYS | BPI | Millennium bcp

DIVIDEND HISTORY



■ DIVIDEND PER SHARE

* Considering the dividend to be proposed by the Executive Board of Directors to the General Shareholders Meeting.

The Executive Board of Directors will submit to the General Meeting of Shareholders approval a proposal for the distribution of a gross dividend of EUR 0.185 per share.

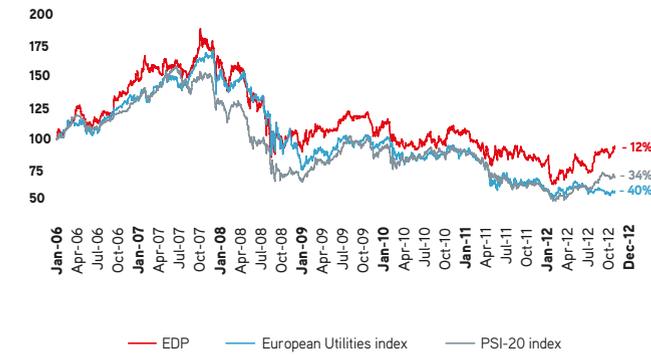
EDP'S PROFITABILITY AT EVERY STAGE OF RE-PRIVATIZATION

DATE	ACQUISITION PRICE IN ESCUDOS	ACQUISITION PRICE IN EUROS	ADJUSTED ACQUISITION PRICE IN EUROS ⁽³⁾	ANNUALISED EQUIVALENT SHAREHOLDER RETURN WITH DIVIDEND REINVESTMENT ^{(2) (5)}	ANNUALISED EQUIVALENT SHAREHOLDER RETURN BEFORE DIVIDENDS ^{(2) (6)}
1 st Privatization stage	16/Jul/97	2,250\$00	11.22	2.16	5.5%
2 nd Privatization stage	28/Jun/98	4,300\$00	21.45	4.12	0.9%
3 rd Privatization stage	23/Oct/00	-	3.10	2.98	3.2%
5 th Privatization stage ⁽¹⁾	2/Dec/04	-	2.264	2.264 ⁽⁴⁾	5.9%

- Increase in capital in order to finance the acquisition of an additional stake in Hidrocarbónica.
- The calculation of annualised equivalent shareholder return do not take into account bank commissions, discounts for small investors and employees in OPV, loyalty bonuses, tax benefits of privatization and taxes on dividends and capital gains
- Considering the acquisition price in euros adjusted by: (i) the stock split carried out on 20 July 2000, in which each share was split into five, and by (ii) capital increase carried out in 2 December 2004.
- Considering the subscription price of €1.84 and the average price of the subscription rights of €0.0933.
- Considering the price of EDP shares on 21-Mar-13, valued at € 2,478. Shareholder return assuming reinvested dividends paid on the shares of EDP at closing price of the day of dividend payment.
- Considering the price of EDP shares on 21-Mar-13, valued at € 2,478.

Source: Bloomberg

PERFORMANCE OF EDP VERSUS PSI 20 INDEX AND THE EUROPEAN UTILITIES INDEX



Source: Bloomberg

EDP's 2012 FINANCIAL RESULTS

	2012	2011	%
Total Assets	42,628	41,268	+3%
Total Equity	11,432	11,387	+0%
Net Debt	18,233	16,880	+8%
Capex	2,011	2,161	-7%
EBITDA	3,628	3,756	-3%
EBIT	2,143	2,267	-5%
Net profit attributable to shareholders of EDP	1,012	1,125	-10%

In 2012 European stock markets showed a recovery versus the previous year, following the accomplishment of the financial aid programs by Portugal and Ireland, and the suspension by the European Central Bank of the minimum credit rating threshold required for the acquisition of bonds issued by sovereign countries. The United States and Asian markets also exhibited a positive performance with the indexes showing valuations when compared to 2011. Nevertheless, the performance of Utilities sector in Europe underperformed again versus the average of other sectors, with the Stoxx 600 Utilities index, related to companies in the Eurozone, fell 9%, affected by economic slowdown and consequently to a fall in the energy demand.

In this environment, the results of EDP showed again resilience against a challenging background.

EDP consolidated EBITDA fell by 3% year-on-year in 2012, penalised by a 22% fall in Brazil mainly due to tariff deviations to be recovered in the coming years and to the delay in the start-up of Porto Pecém plant. EBITDA from wind operations rose by 17% backed by portfolio expansion, stronger wind resources and higher prices.

EDP continues to diversify its portfolio geographically: in 2012, Portugal accounted for 46% of the group's EBITDA, Spain for 25%, Brazil for 15%, US for 9% and the Rest of Europe (excluding Iberia) accounted for 5% of EBITDA.

EDP Group's operating costs rose 2% in the Iberian Peninsula, below inflation, reinforcing the continued focus on efficiency, although there was an increase in costs related to clients' switching to the free market, as part of the liberalisation process.

Consolidated capex totalled EUR 2,011 million in 2012, standing 7% below 2011. Expansion capex was 6% lower year-on-year, backed by lower expansion in wind and solar, although there has been increased capex in new hydro capacity in Portugal and in new coal and hydro capacity in Brazil. Capex in new hydro capacity in Portugal totalled EUR 442 million in 2012, the bulk of which devoted to the conclusion of Alqueva II, a 256MW hydro repowering with pumping which started operations in December 2012; and the ongoing construction/repowering works in 5 other plants: 2 repowerings (963MW) and 3 new plants (505MW). In 2012, EDP was the largest direct investor in Portugal, with a 5% increase in capex to 906 million euros.

EDP Group's consolidated net debt at the end of 2012 amounted to EUR 18,233 million, reflecting the increase in regulatory receivables in Portugal and the execution of the planned investment programme. The average cost of debt fell from 4.1% in 2011 to 4.0% in 2012. The ratio of adjusted net debt/EBITDA stood at 4.3x at the end of 2012. Regarding the **position of financial liquidity**, in December 2012, EDP had a total cash position and available credit lines of EUR 3.9 billion euros. In February 2013, EDP held a position of financial liquidity of EUR 5.8 billion euros after funding of EUR 1.6 billion signed in January 2013 and EUR 245 million received in February 2013 relating to the sale of gas transmission assets in Spain, will allow EDP to cover its refinancing needs beyond 2014.

Regarding the **strategic partnership with China Three Gorges (CTG)**, is to highlight the conclusion of the acquisition of 21.35% of EDP's share capital by CTG, the appointment of representatives of the members of the General and Supervisory Board, agreement on EUR 1,000 million loan from the China Development Bank Corporation and also the agreement between EDP Renováveis and CTG for the first tranche of the sale of minority interests in wind farms in the amount of EUR 359 million.

Net profit attributable to shareholders of EDP fell 10%, to EUR 1,012 million.