



Sustainability Report

1st quarter 2008



Summary of EDP's Activities



1stQ 2008

EMISSIONS

NO_x
16 139 t

SO₂
20 382 t

CO₂
5 307 826 t

Particulate
1 068 t

Water ^(g) (420 944 10³ m³)

Natural Gas (17 833 TJ)

Coal (35 850 TJ)

Fuel oil (1 457 TJ)

Mini-hydroelectric	100 MW
Wind	3 097 MW
Biomass	24 MW
Hydroelectric	6 027 MW
CCGT	2 152 MW
CHP	213 MW
Conventional thermal generation	4 353 MW

Total Waste^(d)
202 374 t

Hazardous
Waste ^(d)
696 t

Coal fly ashes
83 982 t

Gross Electricity
Generation ^(b)
13 301 GWh

Gross Renewable
Generation
5 071 GWh

Net Electricity Generation
12 250 GWh

Electricity supplied by the
distribution network
20 226 GWh

Supply of electricity
4 979 GWh



Economic Indicators



Sustainability Quarter Indicators	1Q2007	1Q2008	Variation 08/07 h.v.	Goal for 2008
GVA per employee (€)	71 661	78 032	8,9%	n.a
Turnover (millions of euros)	2 871	3 532	23,0%	11,687
Contribution for GDP (Amount of Business) (%) ^(a)	7,18%	8,07%	0,89 p.p.	6,86%P
Net operating investment (millions of €)	210	607	188,5%	3 806
Investment in renewable energies (millions of €)	103	399	285,8%	2 406
Investment in renewables in total investment (%)	49,15%	65,74%	16,59 p.p	63,21%
Investment in environment (millions of €)	9	19	97,7%	n.a
Investment in environment in total investment (%)	3,90%	3,06%	-0,84 p.p.	n.a
Net profit (millions of €)	241	263	9,1%	n.a
Profit per share (€)	0,257	0,083	-67,7%	n.a
Market capitalisation (millions of €)	14 699	14 041	-4,5%	n.a

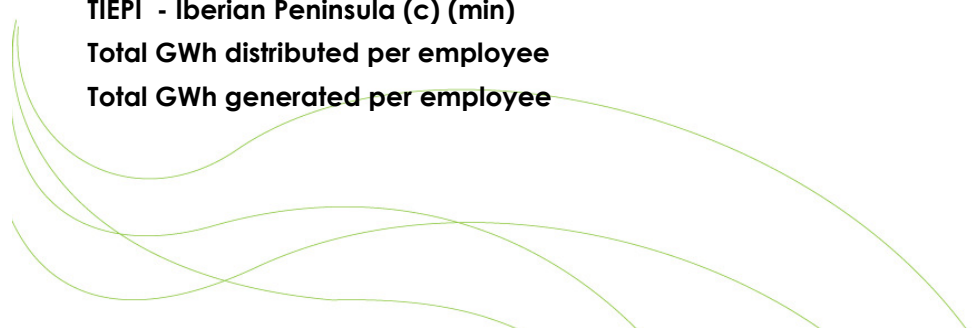




Operating Indicators



Sustainability Quarter Indicators	1Q2007 ^(a)	1Q2008 ^(a)	Variation 08/07 h.v.	Goal for 2008
Maximum installed power (MW)	13 512	15 967	18,2%	17 847
Maximum certified net power (%)	76%	68%	-8,12p.p	72%
Gross electricity generation (GWh) ^(b)	14 750	13 301	-9,8%	55 367 P
Renewable generation (GWh)	6 434	5 071	-21,2%	25 594
Renewable generation in total gross electricity generation (%)	43,62%	38,13%	-5,49p.p	46,23%
Renewable power (MW)	7 143	9 249	29,5%	10 711
Renewable power in total power (%)	52,87%	57,92%	5,06p.p	60,01%
Electricity distribution (GWh)	23 914	20 226	-15,4%	83 057
Electricity supply – liberalized market (GWh)	3 958	4 979	25,8%	19 027
Number of customers in the regulated market	9 712 123	9 906 417	2,0%	9 799 140
Number of customers in the liberalized market	95 917	212 321	121,4%	200 298
Gas distribution (GWh)	7 071	7 125	0,8%	24 993
Gas supply (GWh)	4 014	6 737	67,8%	23 000
Number of clients in gas	765 788	799 828	4,4%	796 596
TIEPI - Iberian Peninsula ^(c) (min)	n.a.	53	n.a.	206
Total GWh distributed per employee	1,13	1,04	-8,3%	4,27
Total GWh generated per employee	1,83	1,58	-14,0%	6,40





Environment Indicators



Sustainability Quarter Indicators	1T2007	1T2008	Variation 08/07 h.v.	Goal for 2008
CO ₂ Emissions (kt)	6 320	5 308	-16,0%	26 555
NO _x Emissions (kt)	14,48	16,14	11,5%	35,28
SO ₂ Emissions (kt)	28,57	20,38	-28,7%	43,77
Particulate emissions (kt)	0,89	1,07	19,5%	1,01 P
CO ₂ specific emissions (g CO ₂ /kWh)	428	399	-6,9%	407
NO _x specific emissions (g NO _x /kWh)	0,98	1,21	23,6%	0,64
SO ₂ specific emissions (g SO ₂ /kWh)	1,94	1,53	-20,9%	0,79
Total waste (t) ^(d)	255 922	202 374	-20,9%	1 044 303 P
Total hazardous waste (t) ^(d)	781	696	-11,0%	n.a.
Recovered waste (%) ^(d)	88%	97%	-8,78 p.p	n.a.
Primary energy consumption (TJ)	67 466	58 135	-13,8%	233 407
Coal	45 946	35 850	-22,0%	150 719
Natural Gas	11 356	17 836	57,1%	78 573 P
Furnace gas	2 758	2 606	-5,5%	n.a.
Coke gas	505	203	-59,8%	n.a.
Propane gas	1	n.a.	n.a.	n.a.
Fuel oil	6 519	1 457	-77,6%	3 030
Gasoil	20	11	-45,0%	n.a.
Forest waste	361	172	-52,3%	1 086





Environment Indicators



Sustainability Quarter Indicators	1T2007	1T2008	Variation 08/07 h.v.	Goal for 2008
Consumption by generation (e) (MWh)	445 170	496 882	11,6%	n.a.
Electricity consumption at administrative services (e) (MWh)	6 600	5 394	-18,3%	n.a.
Water use (f) (10 m3*)	562 980	420 944	-25,2%	2 473 565 P
Cooling water	561 463	419 523	-25,3%	n.a.
Gross water	1 465	1 384	-5,5%	n.a.
Safe water	52	37	-28,5%	n.a.
Lines (HV and MV) in classified sites (%) (e)	11,03%	11,1%	1,0%	n.a.
Substations in classified sites (%) (e)	5,5%	5,5%	0,0%	n.a.
Number of environmental complaints (e)	10	18	80,0%	n.a.
Number of environmental non-compliances (e)	5	12	140,0%	n.a.





Social Indicators



Sustainability Quarter Indicators	1T2007	1T2008	Variation 08/07 h.v.	Goal for 2008
Number of employees ^(g)	13 037	12 827	-1,6%	12 980
Number of female employees ^(g)	2 131	2 409	13,0%	n.a.
Job rotation index or turnover	0,01	0,02	16,7%	n.a.
Absenteeism rate (%)	3,69%	3,40%	-0,29 p.p	n.a.
Total training hours	86 110	81 228	-5,7%	577 877
Trained employees (%)	35,98%	33,89%	-2,09 p.p	100%
Sponsorship & Patronage (thousand €)	1 789	2 565	43,4%	n.a.
On-duty accidents (number)	24	18	-25,0%	... (h)
Severity rate (Tg)	252	212	-16,0%	... (h)
Frequency rate (Tf)	4,09	3,14	-23,4%	... (h)





Quarter summary

- **Economy**

- During the first quarter of 2008, EDP's VAB corresponded to 1 001 million euros, representing an increase of 14,6% compared to the homologous quarter. The wealth created per employee reached 78 thousand euros, corresponding to an homologous variation of 8,9%. For the same period, we point out the high growth of EDP's turnover (23%) compared to the 1st quarter 2007. In the period under analysis, there was a high growth of the operating investment (+188,7%) originated by the investment in renewable energies, which increased from 49%, in the first quarter of 2007, to 61% in the same quarter of the current year.

- **Operating and Environment**

- Compared to the homologous period, a 9,7% decrease in electricity generation was registered. The main contribution to this was the reduction in electricity generation from renewables (-21,2%). Primary energy consumption showed a 14% reduction compared to the homologous period. The homologous decrease of 77,6% in fuel oil consumption and the increase of 57% in natural gas consumption is to be highlighted. This fact is due to the higher use of CCGT over conventional thermal plants. The CO₂ emission factor was 398 g/kWh, representing a 7% decrease compared to the homologous period.



Quarter summary

- **Contribution to social development**

- Compared to the homologous period, the female employee's rate showed only a slight increase going from 18,9% to 19,1%. This value stands below the national average one for the "Industry, Construction, Energy and Water" sector, which corresponds to 27%.
- In the period of January to March 2008, there were 18 on-duty accidents - 25% less than the homologous period.
- In the first quarter, EDP's contributions for sponsoring and patronage matters felt an increase of 43,4% compared with the homologous period. The main reason for this evolution were EDP's contributions for sports (61,4%). As to patronage activity in Portugal, we should emphasize the identification of new social projects to be supported under EDP Health Programme, in particular the Red Nose Operation and Music in Hospitals, about to be official next April. In this same quarter, among the various activities of Hidrocantábrico Foundation within educational, cultural, property interest, environmental and social areas, those to deserve a highlight are the arrangement signed between this Foundation and Asturiana de Energía Foundation, with the aim of promoting efficient consumption and to disseminate knowledge over the different sources of energy.



Relevant Issues

- **January**

- EDP is Silver in Sustainability matters. In terms of Sustainability performance, SAM classified EDP in Silver category for the electricity sector side by side with Spanish congenerous
- Best of European Business (BEB). EDP won “Best of European Business” (BEB) in “cross-border M&A – fusions and acquisitions” category.

- **February**

- Approval of EDP Code of Ethics Regulation. The approval of this regulation will put into operation the corporate Ethic Committee functioning, which should act in articulation with the Corporate Governance and Sustainability Committee of the General and Supervisory Board.
- EDP was invited to present the project “The Environment belongs to us all – Let’s use energy well” in the “Electricity Industry Activities on Energy Efficiency” workshop, organized by Eurelectric, that took place in the European Commission facilities, under the scope of the “Sustainable Energy Week 2008” event.
- Hidrocantábrico Foundation sponsored the art lighting of Vieyu Bridge in Lugones, with the aim of emphasizing its medieval construction.



Relevant Issues

• March

- EDP signed a cooperation protocol with the Portuguese Association of Electrical and Electronic Equipment Waste Management. This will broaden the reception network for this kind of waste to all its generation centres (thermal and hydroelectric) in Portugal.
- A framework was established for the Distribution Programme 2010. This programme is composed by 10 complementary projects, one of which (ECODIS) aims to contribute to launch an environmental culture integrated in Organization management and is composed by two subprojects: Environmental Management System and Incorporation of Environmental Costs.
- In the scope of the contest “Business ideas in the area of energy efficiency” (PPEC), organized in partnership with the University of Coimbra, a prize was delivered to the winning team following the selection process of innovative projects in the area of energy efficiency.
- The analysis and selection of 95 candidacies presented to EDP Solidária 2007 Programme was closed, and the results will be officially presented until the end of April. The correspondent protocols will be signed with the winner entities next May. In this quarter protocols with winner entities from 2006 edition have been signed.
- In the scope of the cooperation arrangement between Hidrocantábrico Foundation and the University of Oviedo, 125 fellowship were delivered to be executed in HC Energía head-quarters.



Notes

Clarification:

The shown information was not verified by any independent external entity. The presentation includes values concerning the account consolidation perimeter of EDP Group. Values do not include nuclear power plant of Trillo.

Map symbols:

h.v.- homologous variation

p.p- percentage point

P- interim

n.a.- not available

GVA- Gross Value Added

GDP- Gross Domestic Product

Footnote:

(a) GDP value for the first quarter 2008 is interim

(b) Includes steam generation (Barreiro and CCGT)

(c) Values for Portugal and Spain

(d) Does not include Enernova, Bioelétrica and Energias do Brazil

(e) Values concerning Portugal only

(f) Does not include Energias do Brazil and the values of Spain for safe and cooling water are interim

(g) Active Employees; does not include governing bodies

(h) Aims were established according to predicted in EDP's prevention and security action plan, under the scope of which the expectations are to achieve a 10% reduction relative to values recorded in 2007.



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