

EDP ELECTRICIDADE DE PORTUGAL SA
Form 6-K
November 04, 2003

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Form 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO
RULE 13a-16 OR 15d-16 UNDER THE SECURITIES EXCHANGE
ACT OF 1934**

For the Month of November 2003

EDP- Electricidadé de Portugal

**Praça Marquês de Pombal, 12
1250-162 Lisbon, Portugal**

(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of
Form 20-F or Form 40-F.)

Form 20-F Form 40-F

(Indicate by check mark whether the registrant by
furnishing the information contained in this form
is also thereby furnishing the information to the
Commission pursuant to Rule 12g3-2(b) under the
Securities Exchange Act of 1934.)

Yes o No ý

Financial Results

9M2003

Investor Relations Department

Pedro Pires, Head of IR
Gonçalo Santos
Elisabete Ferreira
Cristina Requicha
Rui Antunes
Tel: +351 21 001 2834
Fax: +351 21 001 2899
Email: ir@edp.pt
Site: www.edp.pt

Reuters: EDPP.IN / EDP.N
Bloomberg: EDP PL / EDP US

Lisbon, 30 October 2003

EDP - Electricidade de Portugal, S.A. Headquarters: Praça Marquês de Pombal, 12 1250-162 Lisboa Portugal

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9M2003 Financial Results

| Financial Results Summary (m) | 9M2003 | 9M2002 | Δ% |
|--------------------------------|----------------|----------------|--------------|
| Operating Revenues | 5,186.7 | 4,650.0 | 11.5% |
| Operating Costs | 3,866.5 | 3,546.0 | 9.0% |
| EBITDA | 1,320.2 | 1,104.0 | 19.6% |
| Operating Results | 582.3 | 493.4 | 18.0% |
| Financial Results | (287.1) | (204.8) | -40.2% |
| Extraordinary Results | 84.7 | 63.9 | 32.5% |
| Net Profit | 257.6 | 267.3 | -4% |

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|------------------------|---------|-------|--------|
| Earnings per share | 0.086 | 0.089 | -3.6% |
| Cash Flow (1) | 995.6 | 877.9 | 13.4% |
| Adjusted Cash Flow (2) | 1,113.2 | 823.3 | 35.2% |
| Operating Investment | 547.0 | 740.4 | -26.1% |

| Financial Debt (m) | 9M2003 | YE2002 | Δ% |
|---------------------|--------|--------|----|
|---------------------|--------|--------|----|

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|----------------|---------|---------|-------|
| Financial Debt | 7,727.5 | 7,994.1 | -3.3% |
| Net Debt | 7,495.5 | 7,780.1 | -3.7% |

| Financial Results Summary (m) | Δ HC | Δ Escelsa | Δ Enersul | 9M2003 (3) | 9M2002 | Δ% |
|--------------------------------|-------------|-------------|-------------|----------------|----------------|-------------|
| Operating Revenues | 288.1 | 193.0 | 115.2 | 4,590.4 | 4,650.0 | -1.3% |
| Operating Costs | 231.0 | 147.4 | 82.4 | 3,405.7 | 3,546.0 | -4.0% |
| EBITDA | 57.1 | 45.6 | 32.8 | 1,184.7 | 1,104.0 | 7.3% |
| Operating Results | 28.7 | 25.1 | 17.8 | 510.7 | 493.4 | 3.5% |

| General Indicators | 9M2003 | 9M2002 | Δ% |
|--|-----------|-----------|-------|
| Number of electricity clients | | | |
| Portugal | 5,715,178 | 5,637,612 | 1.4% |
| Hidrocontábrico (4) | 558,872 | 548,364 | 1.9% |
| Brazil | 2,797,920 | 2,751,525 | 1.7% |
| Electricity sales (GWh) | | | |
| Portugal | 28,030 | 27,467 | 2.1% |
| Hidrocontábrico (4) | 8,836 | 8,264 | 6.9% |
| Brazil | 13,596 | 14,256 | -4.6% |
| Number of employees (core business) | | | |
| Portugal | 8,928 | 9,365 | -4.7% |
| Hidrocontábrico (4) | 1,645 | 1,361 | 20.9% |
| Brazil | 3,604 | 3,669 | -1.8% |

The EDP Group reported a significant growth at the operating level in the first nine months of 2003. EBITDA improved by 216.2 million or 19.6%, and EBIT was up 88.9 million or 18.0%. The change in the Group's consolidation perimeter was a major reason for this increase in EBITDA. Hidrocontábrico contributed an additional 57.1 million, while Escelsa and Enersul added 45.6 million and 32.7 million respectively.

Excluding the above effect, EDP's EBITDA still increased by 7.3% or 80.7 million. The Group's generation business EDP Produção (EDPP) contributed 10.9 million as a result of the company's successful effort in maintaining operating costs strictly under control. ONI had a positive impact of 40.0 million due to the increase in voice traffic, lower interconnection tariffs, rigorous cost cutting and the closure of its mobile venture ONI Way.

The positive contribution of these businesses was partly offset by Bandeirante's 11.9 million fall in EBITDA due to the devaluation of the Real. In local currency terms, the company's EBITDA was up 9.8%.

The Group's EBIT improved by 88.9 million or 18.0%. The new subsidiaries contributed 71.6 million. However, consolidated EBIT was negatively affected by higher amortisation charges and an increase in provisions at EDP Distribuição. Total provisions at EDPD increased 15.6 million from the 9M2002 figure. Provision charges for bad debts went up from 20.5 million in the 9M2002 to 37.0 million in the 9M2003 a 16.5 million increase - mostly due to a higher level of doubtful debtors and to interests charged but not received on overdue electricity bills. However, the slight improvement in the economic environment experienced in the third quarter of 2003 allowed for the recovery of some of these debts and EDPD recorded an extraordinary gain of 14.7 million in the 3Q2003 (or 16.0 million for the 9M2003).

(.../...)

(1) Cash flow = Net Income + Depreciation + Provisions

(2) Adjusted Cash flow = Cash Flow + Tariff Adjustment + Hydrological Correction + Hydrological Account Interest

(3) Excluding the changes in the consolidation perimeter

(4) Hidroantábriko is proportionally consolidated in accordance with EDP's stake in Hidroantábriko (40%). Figures presented above correspond to Hidroantábriko 100%.

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

Results Overview

| Revenues (m) | 9M2003 | 9M2002 | Δ% |
|------------------------|----------------|----------------|--------------|
| EDP Produção (1) | 1,004.1 | 1,095.4 | -8.3% |
| EDP Distribuição | 2,686.2 | 2,603.3 | 3.2% |
| Hidrocantábrico | 473.1 | 185.0 | 155.7% |
| Bandeirante | 345.9 | 444.4 | -22.2% |
| Escelsa | 193.0 | | |
| Enersul | 115.2 | | |
| ONI | 247.8 | 222.9 | 11.1% |
| Information Technology | 143.6 | 159.4 | -9.9% |
| Other & Adjustments | (22.2) | (60.4) | 63.2% |
| Consolidated | 5,186.7 | 4,650.0 | 11.5% |

| EBITDA (m) | 9M2003 | 9M2002 | Δ% |
|------------------------|----------------|----------------|--------------|
| EDP Produção (1) | 602.9 | 592.0 | 1.8% |
| EDP Distribuição | 396.1 | 363.0 | 9.1% |
| Hidrocantábrico | 105.3 | 48.2 | 118.3% |
| Bandeirante | 45.3 | 57.1 | -20.7% |
| Escelsa | 45.6 | | |
| Enersul | 32.8 | | |
| ONI | 2.2 | (37.8) | |
| Information Technology | 29.5 | 29.6 | -0.6% |
| Other & Adjustments | 60.5 | 51.8 | 16.9% |
| Consolidated | 1,320.2 | 1,104.0 | 19.6% |

| EBIT (m) | 9M2003 | 9M2002 | Δ% |
|------------------------|--------------|--------------|--------------|
| EDP Produção (1) | 421.2 | 408.1 | 3.2% |
| EDP Distribuição | 76.8 | 73.6 | 4.4% |
| Hidrocantábriço | 60.7 | 31.9 | 90.0% |
| Bandeirante | 19.1 | 35.7 | -46.5% |
| Escelsa | 25.1 | | |
| Enersul | 17.8 | | |
| ONI | (51.3) | (92.8) | 44.7% |
| Information Technology | 11.9 | 16.2 | -26.7% |
| Other & Adjustments | 1.0 | 20.7 | -95.2% |
| Consolidated | 582.3 | 493.4 | 18.0% |

(.../...)

Cost control is still a key management target. In the 9M2003 supplies and services on a consolidated basis, stripping out the impact of first time consolidations, went down 6.5%. Personnel costs were down 4.8%. EDP will continue to focus on cost cutting through operational savings and early retirements and particularly now that an agreement has been reached with the regulator. Up to 485.7 million of the costs incurred in early retirement program of 2003 and 2004 will be passed through to the electricity tariff over the next 20 years as from 2005. This will allow the company to implement a thorough modernization program in order to reach the desired efficiency levels.

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EDP's pre-tax profit went up 7.7% to 379.9 million following a 40.2% or 82.3 million net increase in financial charges versus the first nine months of 2002. Once again, the change in the consolidation perimeter was important. It had an impact on net interest costs of 47.8 million and 38.4 million in increased goodwill amortisation. The balance is due to the increase in debt at the holding level following the acquisition of Escelsa dollar denominated debt, the 40% stake in Hidrocantábrico and the first time appropriation of the accumulated losses since 2000 (7.2 million) from Electra, Cabo Verde's distribution company in which the Group owns 30.6%.

Despite the Group's excellent operating performance, net profit for the period decreased from 267.3 million in the 9M2002 to 257.6 million in the 9M2003. This 3.6% drop is due to the minority items, which were 35.8 million lower due lower net losses at Oni and the positive contribution of the Brazilian subsidiaries following their full consolidation.

(1) Excludes the Special Regime Producers (SRP) Enernova and EDP Bioeléctrica (Renewable Energy)

Investments and Financial Debt

| Operating Investments (m) | 9M2003 | YE2002 | 9M2002 |
|---------------------------------------|----------------|----------------|----------------|
| EDP Produção (1) | 127.6 | 239.4 | 145.8 |
| Renewables | 25.5 | 47.1 | 5.6 |
| EDP Distribuição | 218.0 | 371.2 | 211.7 |
| (-) Subsidies in cash | 43.4 | 56.9 | 42.9 |
| (-) Edinfor asset transfer | | 80.5 | 42.8 |
| (=) EDP Distribuição cash investments | 174.6 | 233.8 | 126.1 |
| Hidrocontábrico (40%) | 47.1 | 84.8 | 56.5 |
| Brazil | 103.2 | 202.8 | 117.2 |
| Telecoms | 31.9 | 312.0 | 219.4 |
| Information Technology | 26.8 | 41.8 | 31.2 |
| Other | 10.3 | 53.9 | 38.7 |
| Total | 547.0 | 1,215.4 | 740.4 |
| Financial Debt (m) | 9M2003 | YE2002 | 9M2002 |
| Holding (2) | 5,529.9 | 5,879.4 | 5,593.9 |
| EDP Produção (1) | 59.3 | 54.3 | 58.1 |
| Renewables | 15.9 | 14.8 | 14.5 |
| EDP Distribuição | | | 83.9 |
| Hidrocontábrico (40%) | 831.2 | 816.6 | 805.5 |
| Brazil | 591.5 | 550.2 | 321.1 |
| Telecoms | 668.6 | 622.1 | 644.2 |
| Information Technology | 23.5 | 25.6 | 34.3 |
| Other | 7.6 | 31.0 | 11.7 |
| Total Financial Debt | 7,727.5 | 7,994.1 | 7,567.2 |
| Cash and cash equivalents | 232.0 | 214.0 | 68.0 |

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| | | | |
|-----------------|----------------|----------------|----------------|
| Net Debt | 7,495.5 | 7,780.1 | 7,499.2 |
|-----------------|----------------|----------------|----------------|

Operating investment totalled 547.0 million in the 9M2003. If we exclude ONI Way's investment in the 9M2002 (154.3 million), operating investment would have gone down 6.7%.

EDPP's investment in the new TER CCGT (non-binding generation) amounted to 68.0 million in 9M2003. Total planned investment (at technical cost) amounts to 675.0 million, of which 57% has already been concluded. In the 9M2003 EDPP also invested 21.8 million in additional capacity at the Venda Nova hydro power plant (binding generation). Total investment in increasing Venda Nova's capacity (at technical costs) is expected to be 139.0 million of which 70% has already been completed. Investment in renewables will be to increase installed capacity (+18MW) at Enernova's wind farms. The company plans to invest around 400 million in a further 550MW capacity in wind generation until 2008.

The bulk of recurring investment at EDPD was related to the expansion and improvement of the distribution network.

40% of Hidrocantábrico's investment, amounting to an extra 47.1 million in EDP Group's capex, was mostly in wind farms. The P.E. Albacete wind farm (64 MW installed capacity) started operating in the 3Q2003 and P.E. Arlanzón (34 MW installed capacity) should start operating in April 2004.

ONI invested 31.9 million in the 9M2003, or 6% of the EDP Group's total investment. 71.8% of ONI's investments were in the Spanish fixed line operations.

At the end of the third quarter of 2003, the EDP Group's total financial debt amounted to 7,727.5 million. Vis-à-vis the YE2002, the holding company's debt decreased by 349.5 million, in great part thanks to the sale of part of EDP's stake in Iberdrola (70% of the 3% stake), amounting to 284.1 million.

The full consolidation of Escelsa and Enersul contributed a 304.8 million net increase to EDP's consolidated debt (net of EDP S.A.'s portion of the purchased Escelsa's Senior Notes - approximately 83%).

In the 9M2003, ONI and the Brazilian subsidiaries, account for 16% or 1,260.1 million of total EDP Group's consolidated debt. Stripping out the minorities' share of the financial debt of these subsidiaries, ONI and Brazil represent 797.8 million. In Brazil it is worth mentioning that the electricity utilities are financing State receivables through special loans contracted with BNDES to compensate for the rationing losses and Parcela A costs. The 41.3 million increase in Brazilian subsidiaries debt since YE2002 is strongly influenced by the 8.7% Brazilian Real appreciation against the Euro in the period.

Following the year-on-year debt increase, total debt over total capital, increased from 55.6% in the 9M2002 to 58.0% in the 9M2003 or from 55.4% to 57.3% if we consider net debt.

(1) Excludes the Special Regime Producers (SRP) Enernova and EDP Bioeléctrica (Renewable Energy)

(2) Net of overdrafts and deposits

EDP Produção (1)

| Energy emission (GWh) | 9M2003 | 9M2002 | Δ% |
|---|---------------|----------------|---------------|
| Hydroelectric | 10,164 | 3,767 | 169.8% |
| Thermoelectric | 9,717 | 14,158 | -31.4% |
| Binding Generation | 19,881 | 17,925 | 10.9% |
| HDN | 92 | 41 | 122.4% |
| Hidrocenel | 196 | 126 | 55.3% |
| EDP Energia | 198 | 63 | 212.3% |
| Non-Binding Generation | 485 | 231 | 110.4% |
| Biomass | 29 | 26 | 10.6% |
| Wind Farms | 78 | 77 | 1.5% |
| Cogeneration | 520 | 446 | 16.6% |
| Small Hydro (2) | 139 | 76 | 83.7% |
| Special Regime Producers | 766 | 625 | 22.6% |
| Total EDP emission | 21,133 | 18,780 | 12.5% |
| Pego thermal power station (SEP) | 3,046 | 3,757 | -18.9% |
| Tapada thermal power station (SEP) | 4,045 | 5,744 | -29.6% |
| Auto-producers (SEI) | 2,209 | 1,669 | 32.3% |
| Import / (Export) net | 2,044 | 924 | 121.2% |
| Direct sales to Ind. Clients (included in Cogeneration) | (401) | (343) | 17.0% |
| Pumping | (370) | (513) | -27.8% |
| Gross demand | 31,706 | 30,019 | 5.6% |
| Synchronous compensation | (24) | (29) | -15.4% |
| Own consumption - generation | (2) | (3) | -6.8% |
| Own consumption - transmission grid | (7) | (7) | 5.3% |
| Losses | (576) | (464) | 24.1% |
| Energy delivered to distribution | 31,095 | 29,517 | 5.3% |
| Hydrological coefficient | 1.28 | 0.50 | |
| Electricity sales (m) | 9M2003 | 9M2002 | Δ% |
| PPA Capacity Charge | 662.9 | 648.2 | 2.3% |
| PPA Energy Charge | 222.8 | 371.3 | -40.0% |
| Total CPPE | 885.7 | 1,019.5 | -13.1% |
| HDN | 30.7 | 16.4 | 87.8% |
| Hidrocenel | 31.1 | 17.7 | 75.4% |
| Total Small Hydro | 61.8 | 34.1 | 81.4% |

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|-----------------------------------|--------------|----------------|--------------|
| Cogeneration (Soporgen & Energin) | 30.9 | 18.0 | 71.3% |
| Total EDP Produção | 978.4 | 1,071.6 | -8.7% |

| Fuel costs (m) | 9M2003 | 9M2002 | Δ% |
|-----------------|--------------|--------------|---------------|
| Coal | 95.5 | 116.4 | -17.9% |
| Fuel-oil | 104.3 | 222.4 | -53.1% |
| Natural Gas | 17.0 | 15.8 | 7.1% |
| Diesel | 1.8 | 0.9 | 98.2% |
| CPPE | 218.6 | 355.5 | -38.5% |

| | | | |
|----------------------------------|--------------|--------------|---------------|
| Natural Gas (Soporgen & Energin) | 27.7 | 15.0 | 83.9% |
| Total EDP Produção | 246.3 | 370.5 | -33.5% |

| Electricity Purchases (m) | 9M2003 | 9M2002 | Δ% |
|------------------------------|--------|--------|----|
| HDN, Hidrocel & Cogenerators | 44.0 | 14.2 | |

EDP's total emission amounted to 21,133 GWh in 9M2003, of which 51% was hydro generation compared to 22% in 9M2002;

The 12.5% increase in EDP's emission resulted from heavy rainfall during the first quarter of the year (hydrological coefficient of 1.28 in 9M2003, 0.5 in 9M2002) and a 5.6% increase in Gross Demand following a cold winter and an unusually hot summer;

The PPA capacity charge increased 2.3%, reflecting i) the higher availability factors at the CPPE's hydro and thermal power plants and ii) the charge adjustment for inflation as foreseen in the PPA contracts;

The PPA energy charge dropped 40.0% due to a lower utilization of CPPE's thermal plants, because of a wet first semester. CPPE continued to buy coal and fuel at a lower price than that reflected in the PPA energy charge (218.6 million vs. 222.8 million). The increase in the natural gas cost in 9M2003 is artificial since only 8 months' costs were accounted for in 9M2002 (September's consumption amounting to 4.3 million was only booked in the 4Q2002);

EDPP's electricity generation gross profit remained stable at 688.2 million in 9M2003 (686,2 million in 9M2002).

(1) The Special Regime Producers (SRP) Enernova and EDP Bioeléctrica (Renewable Energy) were Excluded from the EDPP consolidation perimeter. For analysis purposes these two companies were deconsolidated from EDPP in both periods presented.

(2) HDN, Hidrocel (HCL) and EDP Energia's power stations with installed capacity of less than 10 MW operating in the Non-Bidding system are remunerated as Special Regime Producers (SRP). SRP generation in HDN represented 96 GWh in 9M2003 and 51 GWh in 9M2002, in HCL represented 29 GWh in 9M2003 and 21 GWh in 9M2002 and in EDP Energia represented 13 GWh in 9M2003 and 4 GWh in

| Operating Income Statement (m) | 9M2003 | 9M2002 | Δ% |
|---------------------------------------|----------------|----------------|---------------|
| Electricity Sales | 978.4 | 1,071.6 | -8.7% |
| Services Provided | 11.0 | 14.2 | -22.8% |
| Other Sales | 14.7 | 9.5 | 53.9% |
| Operating Revenues | 1,004.1 | 1,095.4 | -8.3% |
| Electricity | 44.0 | 14.2 | 210.8% |
| Fuel for electricity generation | 246.3 | 370.5 | -33.5% |
| Direct Activity Costs | 290.3 | 384.7 | -24.5% |
| Gross Profit | 713.8 | 710.7 | 0.4% |
| Gross Profit/Revenues | 71.1% | 64.9% | 6.2p.p. |
| Sundry materials and goods for resale | 2.7 | 3.6 | -25.0% |
| Supplies and services - Group | 12.2 | 8.6 | 42.0% |
| Supplies and services - Non-Group | 32.2 | 34.7 | -7.2% |
| Personnel costs | 91.2 | 90.5 | 0.8% |
| Generation centre rentals | 2.6 | 2.6 | 3.3% |
| Other operating costs (or revenues) | (1.3) | (3.0) | 56.8% |
| Own work capitalised | (28.6) | (18.1) | -58.0% |
| Operating Costs | 110.9 | 118.7 | -6.6% |
| EBITDA | 602.9 | 592.0 | 1.8% |
| EBITDA / Revenues | 60.0% | 54.0% | 6.0p.p. |
| Depreciation and amortisation | 174.3 | 168.6 | 3.4% |
| Provisions | 7.4 | 15.4 | -52.1% |
| EBIT | 421.2 | 408.1 | 3.2% |
| EBIT / Revenues | 42.0% | 37.3% | 4.7p.p. |

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| Personnel costs (m) | 9M2003 | 9M2002 | Δ% |
|-------------------------------------|---------------|---------------|---------------|
| Total Personnel Costs | 91.2 | 90.5 | 0.8% |
| Pension Premiums | 8.8 | 8.1 | 8.5% |
| Early Retirement Correction | 9.8 | 9.9 | -0.4% |
| Social benefits with early retirees | 1.0 | 1.0 | -0.4% |
| Medical care with inactives | 2.2 | 2.0 | 14.3% |
| Adjusted Personnel Costs | 69.3 | 69.5 | -0.3% |
| Number of employees | 2,062 | 2,153 | -4.2% |
| MW/Employee | 3.58 | 3.49 | 2.6% |
| Investment (m) | 9M2003 | 9M2002 | Δ% |
| Binding Generation | 36.5 | 27.6 | 32.5% |
| Non-Binding Generation | 69.3 | 105.9 | -34.5% |
| Special Regime Producers | 1.4 | 2.6 | -48.5% |
| Other investments | 5.0 | 2.9 | 73.4% |
| Financial costs and Investments | 17.1 | 7.0 | 144.1% |
| Total investment | 129.3 | 146.0 | -11.4% |
| Recurring investment | 16.5 | 17.3 | -4.9% |
| Non-recurring investment | 112.9 | 128.7 | -12.3% |

The consolidation perimeter of EDP Produção (EDPP) changed in July 2003 and now it excludes the special regime producers Enernova and EDP Bioelétrica. On a stand-alone basis, these two companies amount to 7.6 million gross profit, 5.6 million EBITDA and 2.7 million Operating Profit in 9M2003;

Non-group supplies and services drop 7.2%. However 9M2002 includes the full year's insurance charge. If we adjusted for this, non-group supplies and services would have remained unchanged;

Headcount went down 4.2% year-on-year. However, personnel costs went up following the 2003 actuarial study, which used more conservative assumptions, resulting in an increase in Pension premiums.

(1) The Special Regime Producers (SRP) Enernova and EDP Bioelétrica (Renewable Energy) were Excluded from the EDPP consolidation perimeter. For analysis purposes these two companies were deconsolidated from EDPP in both periods presented.

EDP Distribuição

| Energy Sales (GWh) | 9M2003 | 9M2002 | Δ% |
|--|---------------|---------------|--------------|
| Energy delivered to Distribution | 31,096 | 29,517 | 5.3% |
| Own consumption - distribution | (25) | (20) | 23.6% |
| Distribution losses | (2,140) | (1,850) | 15.7% |
| Total electricity sales (1) | 28,930 | 27,647 | 4.6% |
| Electricity sales - PES | 26,209 | 27,091 | -3.3% |
| VHV (Very high voltage) | 810 | 621 | 30.3% |
| HV (High voltage) | 2,657 | 2,540 | 4.6% |
| MV (Medium voltage) | 6,737 | 8,424 | -20.0% |
| SLV (Special low voltage) | 2,275 | 2,157 | 5.5% |
| LV (Low voltage) | 12,857 | 12,555 | 2.4% |
| PL (Public lighting) | 873 | 793 | 10.1% |
| Electricity sales - NBES | 2,722 | 556 | |
| EDP | 1,822 | 376 | |
| HV (High voltage) | 38 | 59 | -36.0% |
| MV (Medium voltage) | 1,784 | 317 | |
| Non-EDP | 900 | 180 | |
| HV (High voltage) | 57 | 76 | -25.7% |
| MV (Medium voltage) | 843 | 103 | |
| Regulated Revenues (2) | 9M2003 | 9M2002 | |
| Unit revenue for the UDGr: HV and MV (/ MWh) | 9.84 | 10.23 | |
| Electricity delivered to PES/NBES consumers: HV and MV (GWh) | 28,835 | 28,200 | |
| Unit revenue for the UDGr: LV (/ MWh) | 24.55 | 25.29 | |
| Electricity delivered to binding/non-binding consumers: LV (GWh) | 15,851 | 15,393 | |
| t-2 tariff adjustment (m) | (10.4) | (10.5) | |
| URD total allowed revenues (m) | 662.6 | 667.3 | |
| Allowed revenues for the NS activity: VHV; HV and MV (m) | 17.5 | 8.4 | |
| Allowed revenues for the NS activity: SLV (m) | 6.9 | 7.0 | |
| Allowed revenues for the NS activity: LV (m) | 94.8 | 86.6 | |
| t-2 tariff adjustment (m) | | | |
| CRedes total allowed revenues (m) | 119.2 | 102.1 | |
| Allowed revenues for the SPS activity: VHV; HV and MV (m) | 6.3 | 2.9 | |
| Allowed revenues for the SPS activity: SLV (m) | 1.8 | 1.4 | |
| Allowed revenues for the SPS activity: LV (m) | 59.1 | 54.5 | |
| t-2 tariff adjustment (m) | 17.0 | (4.3) | |

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| | | | |
|--|----------------|----------------|--------------|
| CSEP total allowed revenues (m) | | 84.2 | 54.4 |
| t-1 tariff adjustment for Energy Aquisition activity (m) | | 7.7 | |
| Total allowed revenues after tariff adjustment (m) | | 873.7 | 823.8 |
| Electricity Sales & Gross Profit (m) | 9M2003 | 9M2002 | Δ% |
| VHV (Very High Voltage) | 33.7 | 26.9 | 25.1% |
| HV (High Voltage) | 122.5 | 116.2 | 5.4% |
| MV (Medium Voltage) | 479.9 | 601.8 | -20.3% |
| SLV (Special Low Voltage) | 215.8 | 206.1 | 4.7% |
| LV (Low Voltage) | 1,664.3 | 1,557.3 | 6.9% |
| Public lighting | 71.2 | 62.2 | 14.4% |
| Interruptibility discounts | (19.7) | (19.0) | -3.9% |
| Tariff correction discounts | (1.1) | (3.8) | 71.9% |
| Invoiced Sales - PES | 2,566.7 | 2,547.9 | 0.7% |
| Invoiced Sales - NBES (3) | 47.3 | 7.4 | |
| Distribution 2000 Reposition | | 15.4 | |
| Distribution 2001 Reposition | (5.0) | | |
| Distribution 2002 Reposition | (7.7) | | |
| Distribution 2002 | 17.9 | 17.1 | |
| Distribution 2003 | 51.9 | | |
| Tariff Adjustments | 57.1 | 32.5 | |
| Electricity Revenues | 2,671.1 | 2,587.8 | 3.2% |
| Tariff adjustments reposition | 5.2 | 15.4 | |
| Sales to customers before reposition | 2,665.9 | 2,572.5 | 3.6% |
| Electricity purchases | 1,792.2 | 1,748.7 | 2.5% |
| Electricity Gross Profit | 873.7 | 823.8 | 6.1% |

In the non-binding system, EDP Energia achieved a 66.9% market share selling 1,822 GWh to its 1,174 clients. By the end of the 3Q2003, the number of clients with nonbinding customer status totalled 2,282 out of which 1,582 were actually acquiring energy in the liberalised market.

Electricity Revenues amounted to 2,671.1 million, up 3.2% year-on-year, benefiting from a 4.6% growth in consumption that followed both a cold winter and a particularly warm summer. VHV electricity revenues rose 25.1% due to additional energy needs from one of EDP's industrial clients (an iron-foundry that started operating a new furnace). The continued transfer of some MV clients from the binding (PES) to the nonbinding system led to a 20.3% decrease in this segment's electricity revenues.

The bulk of the tariff adjustment comes from a 51.9 million benefit due to a lower than expected real consumption in the binding system as the number of MV clients that shifted to the liberalised market came above the regulator's expectations. For the 2003 tariffs, the regulator (ERSE) estimated a 2.2% growth in PES consumption.

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The Use of the Distribution Grid activity accounted for 76% of the company's total allowed revenues. Despite the positive effect of higher consumption, translated into a 2.7% increase in allowed revenues for this activity, the 2003 tariff cuts led to a 0.7% decrease in the Use of the Distribution Grid's allowed revenues.

(1) Figure presented include Sales to EDP Group.

(2) Allowed Revenues for the 9M2003 and 9M2002 were calculated on the basis of estimated consumption.

(3) In the 9M2002, part of these revenues was accounted under services provided. As such, for comparison purposes figures presented in the 9M2002 include the amount accounted under that item (4,1 million).

| Operating Income Statement (m) | 9M2003 | 9M2002 | Δ% |
|---------------------------------------|----------------|----------------|--------------|
| Electricity sales - Group | 25.8 | 0.7 | |
| Electricity sales - Non-Group | 2,645.3 | 2,583.0 | 2.4% |
| Services provided | 13.8 | 18.3 | -24.7% |
| Other sales | 1.4 | 1.3 | 6.8% |
| Operating Revenues | 2,686.2 | 2,603.3 | 3.2% |
| Direct Activity Costs | 1,792.2 | 1,748.7 | 2.5% |
| Gross Profit | 894.0 | 854.6 | 4.6% |
| Gross Profit/Revenues | 33.3% | 32.8% | 0.5p.p. |
| Sundry materials and goods for resale | 77.3 | 50.8 | 52.2% |
| Supplies and services - Group | 57.0 | 56.4 | 1.1% |
| Supplies and services - Non-group | 79.7 | 90.9 | -12.3% |
| Personnel costs | 300.8 | 289.7 | 3.8% |
| Concession fees | 128.5 | 115.3 | 11.5% |
| Other operating costs (or revenues) | (15.7) | (8.7) | -80.3% |
| Own work capitalised | (129.8) | (102.8) | -26.2% |
| Operating Costs | 497.9 | 491.6 | 1.3% |
| EBITDA | 396.1 | 363.0 | 9.1% |
| EBITDA / Revenues | 14.7% | 13.9% | 0.8p.p. |
| Depreciation and amortization | 260.9 | 246.7 | 5.8% |
| Provisions | 58.4 | 42.7 | 36.6% |
| EBIT | 76.8 | 73.6 | 4.4% |
| EBIT/ Revenues | 2.9% | 2.8% | 0.0p.p. |
| Personnel Costs (m) | 9M2003 | 9M2002 | Δ% |
| Total personnel costs | 300.8 | 289.7 | 3.8% |
| Pension premiums | 42.1 | 27.9 | 51.0% |
| Early retirement correction | 56.9 | 58.0 | -1.8% |
| Social benefits with early retirees | 7.9 | 8.7 | -8.6% |
| Medical care with inactives | 10.0 | 9.8 | 2.5% |
| Adjusted personnel costs | 183.8 | 185.4 | -0.8% |
| Number of employees | 6,801 | 7,191 | -5.4% |
| Investment (m) | 9M2003 | 9M2002 | Δ% |
| Distribution grid | 165.6 | 144.2 | 14.8% |
| Public lighting | 13.1 | 7.1 | 85.0% |
| Information systems | 12.2 | 42.8 | -71.6% |

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| | | | |
|---|--------------|--------------|-------------|
| Other investments | 27.1 | 17.7 | 52.8% |
| Operating investment | 218.0 | 211.8 | 2.9% |
| Investment subsidies (cash) | 43.4 | 42.9 | 1.3% |
| Operating investment (excl. subsidies) | 174.6 | 169.0 | 3.3% |

EDPD's Gross Profit for the period rose 4.6% reflecting: (i) a 16.8% increase in the Network Services allowed revenues; (ii) a 54.7% increase in the Supply in the PES allowed revenues; which were partly offset by (iii) a decrease of 3.8% and 2.9% in unit revenues for the Use of the Distribution Grid for HV/MV and LV segments, respectively.

Sundry materials rose 52.2% year-on-year. However, note that the increased costs are being capitalised and accounted for under own work capitalised, and subsequently depreciated.

Non-group supplies and services fell 12.3% on the back of a 35.6% decrease in maintenance costs due to the renegotiation of some maintenance contracts which are no longer being billed on a retainer basis, and a higher recourse to internal resources.

Even though EDPD reduced its workforce by 390 employees, personnel costs for the period increased 3.8% due to a 51% increase in pension premiums following the 2003 actuarial study, which was made on the basis of more conservative assumptions.

Last year's operating investment includes 42.8 million worth of assets relative to the transfer of the SAP/ISU platform from Edinfor to EDPD. Excluding this amount, EDPD's operating investment would have increased 29% to 218.0 million, of which 76% was invested in the distribution grid. Investment subsidies for the period (cash & in kind)

amounted to 83.2 million.

Hidrocantábrico (100%) - Generation

| Spain Energy Balance (GWh) | 9M2003 | 9M2002 | Δ% |
|---------------------------------|----------------|----------------|-------------|
| Generation | 137,277 | 128,616 | 6.7% |
| Special Regime | 29,129 | 24,842 | 17.3% |
| Imports | 6,557 | 6,848 | -4.2% |
| System Demand - Coverage | 172,963 | 160,306 | 7.9% |
| Regulated Distribution | 119,143 | 111,855 | 6.5% |
| Supply | 48,478 | 45,851 | 5.7% |
| Exports | 5,342 | 2,600 | 105.4% |

Source: OMEL

| HC s Net Electricity Generation (GWh) | 9M2003 | 9M2002 | Δ% |
|---------------------------------------|---------------|---------------|-------------|
| Hydroelectric | 616 | 487 | 26.4% |
| Nuclear | 917 | 868 | 5.6% |
| Aboño | 4,902 | 5,254 | -6.7% |
| Soto de Ribera | 2,935 | 3,574 | -17.9% |
| Coal | 7,837 | 8,828 | -11.2% |
| Castejón CCGT | 1,101 | | |
| Total Generation | 10,470 | 10,183 | 2.8% |
| Pumping | (99) | (94) | 5.4% |
| Energy delivered to the Pool | 10,371 | 10,089 | 2.8% |

| HC s Performance in the Pool | 9M2003 | 9M2002 | Δ% |
|---------------------------------------|--------|--------|----------|
| Average HC Selling Price (1) (/MWh) | 36.56 | 46.98 | -22.2% |
| Average Pool Price (1) (/MWh) | 38.59 | 50.58 | -23.7% |
| HC s market share in wholesale market | 7.6% | 7.8% | -0.3p.p. |

| HC s Fuel Costs | 9M2003 | 9M2002 | Δ% |
|----------------------------------|--------|--------|-------|
| Average HC Fuel Cost (/MWh) (2) | 15.6 | 16.0 | -2.3% |

Demand in the Spanish electricity market grew 6.3% in comparison with the 9M2002 because of a harsh winter and an unusually hot summer.

Due to the hot and dry 3Q2003 thermal generation as a percentage of the total Spanish electricity emission had a strong increase in this period, leading to an increase of the pool prices from 34.07/MWh on the 1H2003 to 38.59/MWh on the 9M2003. Nevertheless, in the 9M2003 the pool prices dropped 23.7% vis-à-vis 9M2002 as a result of a higher hydrological coefficient in 2003 (1.07 in 9M2003 versus 0.48 in 9M2002).

Although Hidrocantábrico is heavily weighted on thermal power generation, it was able to increase its net emission by 2.8% under these hydrological conditions thanks to the start of Castejón CCGT's operations in October 2002. In terms of market share in the wholesale market, the company fell 0.3 p.p. from 7.84% in the 9M2002 to 7.55% in the 9M2003 as a result of a higher rainfall in 2003.

(1) Includes wholesale market, ancillary services and capacity payment.

(2) Excluding hydroelectric emission.

Hidrocontábrico (100%) - Distribution & Supply**Distribution****Energy Sales - GWh**

| Electricity | 9M2003 | 9M2002 | Δ% |
|--------------------------|---------------|---------------|-------------|
| Low Voltage | 1,566 | 1,445 | 8.4% |
| Medium Voltage | 728 | 615 | 18.4% |
| High Voltage | 4,093 | 4,106 | -0.3% |
| Total | 6,387 | 6,166 | 3.6% |
| of which: access clients | 899 | 798 | 12.7% |

| Gas (1) | 9M2003 | 9M2002 | Δ% |
|--------------------------|---------------|---------------|---------------|
| Total | 4,976 | 1,206 | 312.8% |
| of which: access clients | 1,795 | 250 | 616.6% |

of Customers

| Electricity | 9M2003 | 9M2002 | Δ% |
|--------------------------|----------------|----------------|-------------|
| Low Voltage | 556,437 | 545,960 | 1.9% |
| Medium Voltage | 686 | 624 | 9.9% |
| High Voltage | 18 | 19 | -5.3% |
| Total | 557,141 | 546,603 | 1.9% |
| of which: access clients | 1,166 | 531 | 119.6% |

| Gas (1) | 9M2003 | 9M2002 | Δ% |
|--------------------------|----------------|----------------|---------------|
| Total | 548,338 | 154,075 | 255.9% |
| of which: access clients | 736 | 12 | 6033.3% |

Revenues - m

| Electricity | 9M2003 | 9M2002 | Δ% |
|---------------------------|---------------|---------------|-------------|
| Transmission tariff | 4.6 | 2.5 | 85.3% |
| Distribution tariff | 69.2 | 67.1 | 3.2% |
| Commercialisation tariff | 5.7 | 5.4 | 5.8% |
| Regulated revenues | 79.6 | 75.0 | 6.1% |

| Gas | 9M2003 | 9M2002 | Δ% |
|---------------------------|-------------|-------------|---------------|
| Transport tariff | 1.6 | 0.2 | 804.4% |
| Distribution tariff | 33.4 | 17.1 | 95.8% |
| Commercialisation tariff | 2.7 | 1.4 | 94.4% |
| Regulated revenues | 37.7 | 18.6 | 102.5% |

Supply

Energy Sales - GWh

| Electricity | 9M2003 | 9M2002 | Δ% |
|---------------|--------------|--------------|--------------|
| Asturias | 745 | 838 | -11.1% |
| Rest of Spain | 2,603 | 2,058 | 26.5% |
| Total | 3,348 | 2,896 | 15.6% |

| Gas | 9M2003 | 9M2002 | Δ% |
|-------------------------|--------------|--------------|---------------|
| Asturias/Basque Country | 1,253 | 137 | 814.8% |
| Rest of Spain | 1,758 | 1,052 | 67.1% |
| Total | 3,011 | 1,189 | 153.2% |

of Customers

| Electricity | 9M2003 | 9M2002 | Δ% |
|---------------|--------------|--------------|--------------|
| Asturias | 1,048 | 473 | 121.6% |
| Rest of Spain | 1,849 | 1,819 | 1.6% |
| Total | 2,897 | 2,292 | 26.4% |

| Gas | 9M2003 | 9M2002 | Δ% |
|-------------------------|------------|-----------|---------------|
| Asturias/Basque Country | 166 | 11 | 1409.1% |
| Rest of Spain | 80 | 72 | 11.1% |
| Total | 246 | 83 | 196.4% |

Revenues - m

| Electricity | 9M2003 | 9M2002 | Δ% |
|---------------|--------------|--------------|--------------|
| Asturias | 41.8 | 44.6 | -6.3% |
| Rest of Spain | 143.8 | 109.5 | 31.4% |
| Sales | 185.6 | 154.0 | 20.5% |

| Gas | 9M2003 | 9M2002 | Δ% |
|-------------------------|--------|--------|--------|
| Asturias/Basque Country | 17.4 | 2.0 | 779.9% |

| | | | |
|---------------|-------------|-------------|---------------|
| Rest of Spain | 26.7 | 15.2 | 75.1% |
| Sales | 44.1 | 17.2 | 156.3% |

Electricity Distribution: Hidrocantábrico's regulated revenues for the electricity distribution activity increased 6.1% to 79.6 million. This is mainly explained by the increase of the transmission remuneration as a result of expansion of the activity to outside Asturias.

Gas Distribution: The 9M2003 figures of Hidrocantábrico's gas distribution activity include Naturcorp's figures as from the 1st August 2003. It is important to note that Naturcorp is fully consolidated in Hidrocantábrico. Naturcorp contributed with 3,619 GWh of gas distributed and 383 thousand clients. In terms of regulated revenues Naturcorp represented 11.5 million. Note that the presented operating data considers 100% of Naturcorp's gas distribution subsidiaries figures, while in the financial data is being considered the consolidation method of Naturcorp's subsidiaries into Naturcorp. If we apply the same methodology to the operating data (Gas de Euskadi and Donostigas fully consolidated, and GasNalsa and Bilbogas proportionally consolidated at 50%) the contribution of Naturcorp would be 3,395 GWh and 326 thousand clients.

Electricity Supply: The electricity supply activity has benefited from the liberalisation for all customers as of January 2003 and the 6.3% growth in electricity demand. In this activity, the company was able to increase its average sales price 4.2% to 55.4/MWh in the 9M2003.

Gas Supply: The strong year-on-year growth in the gas supply activity is explained by the fact that Hidrocantábrico initiated this activity at the beginning of 2002 and by the inclusion of Naturcorp since 1 August 2003. Naturcorp has contributed with 947 GWh of gas sold and 100 clients.

(1) Considering 100% of Naturcorp's gas distribution subsidiaries

Hidrocontábrico (100%)

| Business Areas Breakdown | Generation & Supply | | | Electricity Distribution | | | Gas Distribution | | | Special Regime | | |
|-----------------------------|---------------------|--------------|---------------|--------------------------|-------------|---------------|------------------|-------------|---------------|----------------|--------------|---------------|
| | 9M2003 | 9M2002 | Δ% | 9M2003 | 9M2002 | Δ% | 9M2003 | 9M2002 | Δ% | 9M2003 | 9M2002 | Δ% |
| Revenues | 693.2 | 656.4 | 5.6% | 320.2 | 384.0 | -16.6% | 98.5 | 41.0 | 140.4% | 25.0 | 14.7 | 69.8% |
| Direct Costs | 451.9 | 390.2 | 15.8% | 237.8 | 308.1 | -22.8% | 53.2 | 16.3 | 226.9% | 15.6 | 9.5 | 64.2% |
| Gross Profit | 241.3 | 266.2 | -9.3% | 82.4 | 76.0 | 8.4% | 45.3 | 24.7 | 83.4% | 9.4 | 5.2 | 80.0% |
| Gross Profit/Revenues | 34.8% | 40.6% | -5.7p.p. | 25.7% | 19.8% | 5.9p.p. | 46.0% | 60.3% | -14.3p.p. | 37.6% | 35.4% | 2.1p.p. |
| Personnel Costs | 26.3 | 25.0 | 5.0% | 16.3 | 16.5 | -0.9% | 4.3 | 1.7 | 155.1% | 3.5 | 3.2 | 8.4% |
| Other Operating Costs (net) | 22.4 | 11.6 | 93.7% | 14.1 | 16.0 | -12.0% | 4.7 | 2.7 | 76.6% | (0.2) | (2.1) | 88.1% |
| EBITDA | 192.6 | 229.6 | -16.1% | 52.0 | 43.5 | 19.5% | 36.3 | 20.4 | 78.3% | 6.2 | 4.1 | 51.1% |
| EBITDA/Revenues | 27.8% | 35.0% | -7.2p.p. | 16.2% | 11.3% | 4.9p.p. | 36.8% | 49.7% | -12.8p.p. | 24.7% | 27.8% | -3.1p.p. |
| Depreciation | 70.0 | 61.3 | 14.2% | 21.4 | 20.3 | 5.4% | 10.8 | 6.6 | 63.7% | 4.6 | 2.1 | 116.2% |
| Provision | 0.6 | 0.8 | -27.7% | 0.6 | 0.5 | 19.1% | 0.6 | 0.7 | -20.9% | 0.8 | 5.2 | -85.5% |
| EBIT | 122.0 | 167.5 | -27.2% | 30.0 | 22.7 | 32.1% | 24.9 | 13.0 | 91.4% | 0.8 | (3.3) | |
| EBIT/Revenues | 17.6% | 25.5% | -7.9p.p. | 9.4% | 5.9% | 3.5p.p. | 25.3% | 31.7% | -6.5p.p. | 3.2% | -22.2% | 25.4p.p. |
| Operating Investment | 19.3 | 61.9 | -68.8% | 30.4 | 38.9 | -21.7% | 13.0 | 23.2 | -44.0% | 45.5 | 16.1 | 183.3% |
| # of employees | 584 | 582 | 0.3% | 395 | 383 | 3.1% | 319 | 70 | 355.7% | 137 | 151 | -9.3% |

Activities EBITDA 9M2003 (1)**Generation & Supply**

D%

The electricity generation and supply activity, which accounts for 67% of Hidrocontábricos' s operating cash-flow, fell 16.1% at the EBITDA level due to a drop in Hidrocontábrico' s selling price to the wholesale market vis-à-vis 9M2002 as a result of a higher rainfall in 2003.

The increase in operating costs versus 9M2002 is due to: i) maintenance work at Aboño I in the 1Q2003; ii) the start of Castejón CCGT operations in October 2002; and iii) the lower capitalized expenses during the 9M2003 following the conclusion of Castejón CCGT in September 2002.

Electricity Distribution

The prevailing regulation for the Spanish electricity distribution provides this activity with a stable gross profit. The 19.5% EBITDA growth stated in the 9M2003 is mainly explained: i) by lower costs related to the implementation of the network in the new markets, following the last year' s investments; and ii) by the increase of the transmission regulated revenues.

Gas Distribution

The full consolidation of Naturcorp had an important impact on the gas activity' s results. Naturcorp contributed an extra 71.7 million to the revenues, 17.7 million to the gross profit and 13.8 million to the consolidated EBITDA of Hidrocontábrico. In terms of employees, Naturcorp contributed with 250 workers.

Special Regime

The 9M2003 net emission of Hidrocontábrico' s special regime generators increased 23% to 145 GWh. Hidrocontábrico has slowed down its investment programme in this business area in comparison with the budget at the beginning of 2003, postponing the start-up of P.E. Arlanzón wind farm (34 MW) to April 2004 due to technical reasons, and delaying the investment in P.E. Albacete wind farm (124 MW), which should start operating on schedule in November 2004.

(1) Holding costs not included.

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| Income Statement (m) | 9M2003 | 9M2002 | Δ% |
|-------------------------------------|----------------|----------------|---------------|
| Revenues | 1,182.8 | 1,087.6 | 8.8% |
| Direct Costs | 802.8 | 714.3 | 12.4% |
| Gross Profit | 380.0 | 373.3 | 1.8% |
| Gross Profit/Revenues | 32.1% | 34.3% | -2.2p.p. |
| Supplies and services | 57.4 | 44.5 | 29.0% |
| Personnel costs | 64.2 | 58.4 | 9.9% |
| Other operating costs (or revenues) | 2.7 | 2.2 | 22.6% |
| Own work capitalised | (7.6) | (9.2) | 17.8% |
| Operating Costs | 116.7 | 95.8 | 21.7% |
| EBITDA | 263.3 | 277.5 | -5.1% |
| EBITDA/Revenues | 22.3% | 25.5% | -3.3p.p. |
| Depreciation | 109.1 | 92.7 | 17.7% |
| Provision | 2.5 | 7.3 | -65.2% |
| EBIT | 151.7 | 177.5 | -14.5% |
| EBIT/Revenues | 12.8% | 16.3% | -3.5p.p. |
| Financial income and gains | 10.3 | 11.6 | -10.8% |
| Financial expenses and losses | 124.0 | 103.2 | 20.2% |
| Financial Results | (113.7) | (91.6) | -24.1% |
| Extraordinary income and gains | 17.7 | 3.6 | 387.2% |
| Extraordinary expenses and losses | 13.6 | 38.6 | -64.7% |
| Extraordinary Results | 4.1 | (35.0) | |
| Income Before Taxes | 42.1 | 50.9 | -17.3% |
| Income taxes | (4.0) | 20.0 | |
| Minority interests | 3.9 | (1.3) | |
| Net Profit | 42.2 | 32.2 | 31.0% |
| Investment (m) | 9M2003 | 9M2002 | Δ% |
| Recurring investment | 72.2 | 57.5 | 25.7% |
| Non-recurring investment | 45.6 | 83.7 | -45.5% |
| Total operating investment | 117.8 | 141.2 | -16.6% |
| Number of employees | 9M2003 | 9M2002 | Δ% |

| | | | |
|----------------------------|--------------|--------------|--------------|
| Number of employees | 1,645 | 1,361 | 20.9% |
|----------------------------|--------------|--------------|--------------|

Consolidated EBITDA in the 9M2003 was mainly affected by:

- i) the inclusion of two months of Naturcorp contributing with 13.8 million to the EBITDA;
- ii) the decline in generation revenues due to a higher hydrological coefficient and lower pool prices vis-à-vis 9M2002, however, Hidrocantábrico was able to recover in the 3Q2003 as a result of the hot summer;
- iii) the increase in supplies and services as a result of the start of Castejón CCGT operations in October 2002, the maintenance works at Aboño I and the consolidation of Naturcorp;
- iv) lower capitalized expenses in the period with the conclusion of the construction of Castejón CCGT.

Hidrocantábrico's financial results worsen by 24% due to the fact that Adygesinval's loan (1,080 million) to acquire Hidrocantábrico was contracted in July 2002. The 3Q2003 financial results also include the goodwill amortization of Naturcorp (3.3 million).

Income taxes include the total tax benefit (25 million) granted by the Navarre Autonomous Region on the investment made in Castejón CCGT.

Also noteworthy, Naturcorp contributed with 1.9 million to Hidrocantábrico's net income.

Note: Hidrocantábrico was proportionally consolidated in accordance with EDP's stake in Hidrocantábrico (40%).

Bandeirante

| Energy Sales (GWh) | 9M2003 | 9M2002 | Δ% |
|---|----------------|----------------|---------------|
| Energy contracted | 8,281 | 10,231 | -19.1% |
| Energy purchase on MAE (wholesale market) | 64 | | |
| Total energy purchases | 8,345 | 10,231 | -18.4% |
| Contract losses | (80) | (639) | -87.5% |
| Transmission losses | (216) | (225) | -4.0% |
| Energy delivered to distribution | 8,049 | 9,367 | -14.1% |
| Distribution losses | (765) | (653) | 17.2% |
| Energy sales to MAE (wholesale market) | 171 | 1,136 | -84.9% |
| Residential | 1,596 | 1,581 | 0.9% |
| Industrial | 3,890 | 4,476 | -13.1% |
| Commercial | 876 | 834 | 5.0% |
| Other | 752 | 688 | 9.3% |
| Energy sales to final customers | 7,113 | 7,578 | -6.1% |
| Total energy sales | 7,284 | 8,714 | -16.4% |
| Gross profit (R\$ m) | 9M2003 | 9M2002 | Δ% |
| Energy acquisition | 725.4 | 628.0 | 15.5% |
| Other direct activity costs | 191.4 | 183.0 | 4.6% |
| Total direct activity costs | 916.8 | 811.0 | 13.0% |
| Electricity sales to MAE (wholesale market) | 7.1 | 58.2 | -87.8% |
| Residential | 443.4 | 323.2 | 37.2% |
| Industrial | 549.6 | 507.1 | 8.4% |
| Commercial | 207.9 | 167.9 | 23.8% |
| Other | 120.2 | 95.3 | 26.2% |
| Electricity sales to final customers | 1,321.1 | 1,093.4 | 20.8% |
| Total electricity sales | 1,328.2 | 1,151.7 | 15.3% |
| Regulatory tariff reposition | (73.0) | (57.8) | -26.2% |
| Other revenues & taxes | (52.5) | (7.8) | -573.3% |
| Total revenues | 1,202.7 | 1,086.0 | 10.7% |
| Gross profit | 285.9 | 275.1 | 4.0% |

The Brazilian Electricity distribution companies are reducing their exposure to contratos iniciais (take-or-pay contracts with generators) in 2003-2006. In 2003 these contracts were reduced by 25% leading to a decrease of 19.1%

in Bandeirante's total energy contracted in the 9M2003. This reduction had a positive impact on profitability, as the surplus energy contracted last year was sold at very low prices in the wholesale market (MAE).

Energy sales to final customers declined 6.1% as some industrial clients switched to the free market (these industrial consumers represented some 743 GWh). Nevertheless, the clients that switch to the free market continue to pay for the use of the distribution grid, which is being accounted for as other revenues & taxes.

Excluding industrial clients, energy sales increased 3.9%, reflecting the steady recovery in consumption following the rationing programme.

Revenues from electricity sales to final customers amounted to R\$1,321.1 million, increasing 20.8% as a result of:

- i) the 19.09% yearly tariff adjustment in October 2002;
- ii) an improvement in the client mix (increase in the weight of the residential and commercial segments); and
- iii) the change in criteria for the low-income customers that as of June 2002 are billed as regular consumers.

The average tariff to final clients increased from R\$144.3/MWh in the 9M2002 to R\$185.7/MWh in the 9M2003 (net of value added taxes).

Although energy contracted from contratos iniciais has decreased 25%, energy acquisition costs increased by 15.5%. This is explained by higher unit costs from Itaipú's USD-indexed acquisitions and also due to the adjustment in the average tariff (both costs are a pass-through to the final tariff) of the contratos iniciais.

October's Tariff Revision: Bandeirante will benefit from the tariff revision occurred last October 22nd where ANEEL granted an average tariff increase of 14.68%, plus 3.4% to be recovered between 2004 and 2006 in the annual tariff adjustments. ANEEL also established an X Factor of 1.83% to be reflected in the calculation of controllable costs in the annual tariff adjustments. With this tariff revision ANEEL defines an Index that, besides reflecting the cost evolution of the company, enables a more adequate return on investments.

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| Income Statement (1) | R\$ million | | | million | | |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | 9M2003 | 9M2002 | Δ% | 9M2003 | 9M2002 | Δ% |
| Revenues | 1,202.7 | 1,086.0 | 10.7% | 345.9 | 444.4 | -22.2% |
| Direct Activity Costs | 916.8 | 811.0 | 13.0% | 263.7 | 335.1 | -21.3% |
| Gross Profit | 285.9 | 275.1 | 4.0% | 82.2 | 109.3 | -24.7% |
| Gross Profit/Revenues | 23.8% | 25.3% | -1.6p.p. | 23.8% | 24.6% | -0.8p.p. |
| Sundry materials & goods for resale | 5.1 | 5.8 | -11.0% | 1.5 | 2.4 | -38.1% |
| Supplies and services | 52.6 | 55.1 | -4.6% | 15.1 | 21.6 | -30.1% |
| Personnel costs | 66.7 | 62.1 | 7.5% | 19.2 | 24.7 | -22.4% |
| Other operating costs (or revenues) | 4.0 | 8.7 | -54.2% | 1.2 | 3.4 | -65.8% |
| Operating Costs | 128.5 | 131.7 | -2.5% | 37.0 | 52.1 | -29.1% |
| EBITDA | 157.5 | 143.4 | 9.8% | 45.3 | 57.1 | -20.7% |
| EBITDA/Revenues | 13.1% | 13.2% | -0.1p.p. | 13.1% | 12.9% | 0.2p.p. |
| Depreciation | 84.5 | 83.9 | 0.7% | 24.3 | 33.7 | -27.8% |
| Provision | 6.5 | | | 1.9 | | |
| EBIT | 66.4 | 59.4 | 11.8% | 19.1 | 23.5 | -18.6% |
| EBIT/Revenues | 5.5% | 5.5% | 0.1p.p. | 5.5% | 5.3% | 0.2p.p. |
| Financial Results | (77.4) | (46.5) | -66.3% | (22.2) | (18.4) | -21.1% |
| Extraordinary Results | 8.1 | (17.9) | | 2.3 | (8.0) | |
| Income Before Taxes | (2.8) | (5.0) | 43.1% | (0.8) | (2.9) | 71.5% |
| Income taxes | (3.5) | 3.9 | | (1.0) | 1.0 | |
| Net Profit | 0.6 | (8.9) | | 0.2 | (3.8) | |

EBITDA increased 9.8% vis-à-vis the 9M2002 reflecting the improvement of the company's gross margin and a decline in operating costs of 2.5%.

Personnel costs increased 7.5% versus 9M2002 and 15.7% when compared to 2Q2003, following the last salary adjustment on June 2003 of 9%.

Financial results were adversely affected by financing contracts linked to the IGP-M price index. It is worth mentioning that the year-on-year IGP-M price index increased 21.4% in September 2003 versus 28.2% on June 2003, leading to a slight recovery of the loss incurred with these contracts since the beginning of the year.

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In 2003, Bandeirante has already invested R\$37.7 million in the modernization of the distribution grid in order to reduce maintenance costs and improve service quality (see Investment table).

| Financial Debt (R\$ m) | 9M2003 | YE2002 | Δ% |
|--------------------------------|--------------|--------------|---------------|
| EDP Brasil S.A. (Group) | 256.8 | 382.2 | -32.8% |
| BNDES | 247.9 | 272.0 | -8.8% |
| Other | 261.8 | 159.4 | 64.3% |
| Local currency | 766.5 | 813.5 | -5.8% |
| Dollar Denominated Debt | 42.3 | 51.9 | -18.5% |
| Total Financial Debt | 808.8 | 865.4 | -6.5% |
| Asset to Recover (2) | 326.5 | 322.4 | 1.3% |

(2) rationing losses and Parcela A

| Investment (R\$ m) | 9M2003 | 9M2002 | Δ% |
|------------------------------------|---------------|---------------|--------------|
| Recurring investments | 56.7 | 54.4 | 4.2% |
| Non-recurring investments | 37.7 | 12.5 | 201.8% |
| Total Operating Investments | 94.3 | 66.8 | 41.1% |
| Number of employees | 9M2003 | 9M2002 | Δ% |
| Number of employees | 1,336 | 1,369 | -2.4% |

(1) **Important note:** the income statement presented above does not correspond to the statutory accounts of Bandeirante, being only taken for consolidation purposes in EDP Group. The 9M2002 figures already include the effect of Bandeirante's asset revaluation computed on the YE2002. Below EBITDA line, figures are not directly comparable with the ones presented on the 9M2002 Results.

Escelsa

| Energy Sales (GWh) | 9M2003 | 9M2002 | Δ% |
|---|--------------|--------------|---------------|
| Energy contracted | 4,427 | 5,279 | -16.1% |
| Self generation | 860 | 821 | 4.8% |
| Energy purchase on MAE (wholesale market) | 113 | | |
| Total energy purchases | 5,400 | 6,100 | -11.5% |
| Contract losses | (99) | (266) | -62.6% |
| Transmission losses | (149) | (151) | -1.0% |
| Energy delivered to distribution | 5,151 | 5,683 | -9.4% |
| Distribution losses | (723) | (597) | 21.1% |
| Energy sales to MAE (wholesale market) | 15 | 424 | -96.4% |
| Residential | 908 | 840 | 8.1% |
| Industrial | 2,042 | 2,391 | -14.6% |
| Commercial | 563 | 617 | -8.6% |
| Other | 899 | 814 | 10.4% |
| Energy sales to final customers | 4,413 | 4,662 | -5.3% |
| Total energy sales | 4,428 | 5,086 | -12.9% |
| Gross profit (R\$ m) | 9M2003 | 9M2002 | Δ% |
| Energy acquisition | 312.7 | 308.4 | 1.4% |
| Other direct activity costs | 97.9 | 88.5 | 10.6% |
| Total direct activity costs | 410.5 | 396.9 | 3.4% |
| Electricity sales to MAE (wholesale market) | 0.1 | 24.8 | -99.7% |
| Residential | 236.6 | 185.1 | 27.8% |
| Industrial | 228.8 | 227.8 | 0.4% |
| Commercial | 125.1 | 109.4 | 14.4% |
| Other | 120.9 | 95.4 | 26.8% |
| Electricity sales to final customers | 711.5 | 617.8 | 15.2% |
| Total electricity sales | 711.6 | 642.6 | 10.7% |
| Regulatory tariff reposition | (33.8) | (34.2) | 1.2% |
| Other revenues & taxes | (6.7) | (18.7) | 64.1% |
| Total revenues | 671.1 | 589.7 | 13.8% |
| Gross profit | 260.6 | 192.8 | 35.1% |

Escelsa benefited from the termination of 25% of the contratos iniciais which led to a decrease of 16.1% in total

energy contracted.

Energy sales to final customers declined 5.3% as some industrial and commercial clients switched to the free market (these consumers represented some 971 GWh). Nevertheless, the company continues to receive the bulk of the revenue as the clients that have switched to the free market still pay for the use of the distribution grid.

Excluding industrial clients, energy sales increased 4.4%, reflecting the steady recovery of the consumption following the rationing programme.

Revenues from electricity sales to final customers increased 15.2% to R\$711.5 million, mostly explained by:

- i) the 15.97% yearly tariff adjustment in August 2002;
- ii) the 17.30% yearly tariff adjustment in August 6th, 2003, with reflections on the 3Q2003 performance;
- iii) the improvement in the client mix (increase of the residential segment).

The average tariff to final customers increased from R\$132.5/MWh in the 9M2002 to R\$161.2/MWh in the 9M2003 (net of value added taxes).

Although energy contracted from *contratos iniciais* has decreased 25%, direct activity costs increased by 3.4% as a result of higher costs from Itaipú's USD-indexed acquisitions, the annual adjustments in *contractos iniciais* and a rise in the transmission cost.

| Income Statement | R\$ million | | | million | | |
|-------------------------------------|--------------|----------------|--------------|-------------|----------------|---------------|
| | 9M2003 | 9M2002 | Δ% | 9M2003 | 9M2002 | Δ% |
| Revenues | 671.1 | 589.7 | 13.8% | 193.0 | 224.6 | -14.1% |
| Direct Activity Costs | 410.5 | 396.9 | 3.4% | 118.1 | 151.2 | -21.9% |
| Gross Profit | 260.6 | 192.8 | 35.1% | 74.9 | 73.5 | 2.0% |
| Gross Profit/Revenues | 38.8% | 32.7% | 6.1p.p. | 38.8% | 32.7% | 6.1p.p. |
| Sundry materials & goods for resale | 5.9 | 5.1 | 13.9% | 1.7 | 2.0 | -14.0% |
| Supplies and services | 29.9 | 33.1 | -9.7% | 8.6 | 12.6 | -31.8% |
| Personnel costs | 51.3 | 47.2 | 8.6% | 14.8 | 18.0 | -18.0% |
| Other operating costs (or revenues) | 14.9 | 3.4 | 333.6% | 4.3 | 1.3 | 227.4% |
| Operating Costs | 102.0 | 88.9 | 14.7% | 29.3 | 33.9 | -13.4% |
| EBITDA | 158.6 | 103.9 | 52.6% | 45.6 | 39.6 | 15.2% |
| EBITDA/Revenues | 23.6% | 17.6% | 6.0p.p. | 23.6% | 17.6% | 6.0p.p. |
| Depreciation | 44.2 | 42.6 | 3.6% | 12.7 | 16.2 | -21.8% |
| Provision | 27.3 | 11.0 | 147.3% | 7.8 | 4.2 | 86.7% |
| EBIT | 87.2 | 50.3 | 73.4% | 25.1 | 19.2 | 30.9% |
| EBIT/Revenues | 13.0% | 8.5% | 4.5p.p. | 13.0% | 8.5% | 4.5p.p. |
| Financial Results | 103.0 | (781.2) | | 29.6 | (297.6) | |
| Extraordinary Results | 70.2 | (5.5) | | 20.2 | (2.1) | |
| Income Before Taxes | 260.4 | (736.4) | | 74.9 | (280.5) | |
| Income taxes | 93.1 | (77.9) | | 26.8 | (29.7) | |
| Net Profit | 167.3 | (658.5) | | 48.1 | (250.8) | |

EBITDA margin increased from 17.6% to 24.3% despite the 9.6% year-on-year increase in operating costs, mainly due to the average tariff increase vis-à-vis the 9M2002 and also due to the termination of 25% of the take-or-pay contracts during 2003.

Operating costs increased as a result of i) higher personnel costs due to the 3Q2002 annual salary adjustment of approximately 8% and lower capitalized costs; and ii) an increase of the other operating costs line as a result of costs incurred with energy conservation programmes enforced by ANEEL and compulsory contributions to the Energy Development Account.

Provisions increase substantially due to a creation of a generic provision associated with employee and fiscal liabilities.

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Financial results had a marked improvement due to the effect of the Real's appreciation on the dollar denominated debt. Net foreign exchange differences were positive in R\$186.3 million. Extraordinary results were influenced by the reversion of a R\$75 million provision related to the potential drop in market value of the dollar denominated assets.

| Financial Debt (R\$ m) | 9M2003 | YE2002 | Δ% |
|------------------------------------|----------------|----------------|---------------|
| BNDES | 264.7 | 333.1 | -20.5% |
| Other | 108.6 | 33.4 | 225.7% |
| Local currency | 373.4 | 366.4 | 1.9% |
| Senior Notes | 1,259.9 | 1,592.5 | -20.9% |
| Other | 32.2 | 52.8 | -39.0% |
| Dollar Denominated Debt | 1,292.1 | 1,645.3 | -21.5% |
| Total Financial Debt | 1,665.4 | 2,011.7 | -17.2% |
| Asset to Recover (1) | 185.0 | 177.5 | 4.2% |
| Hedging: Dollar Denominated Asset | 197.1 | 296.3 | -33.5% |
| Investment (R\$ m) | 9M2003 | 9M2002 | Δ% |
| Recurring investments | 37.5 | 38.8 | -3.2% |
| Non-recurring investments | | | |
| Total Operating Investments | 37.5 | 38.8 | -3.2% |
| Number of employees | 9M2003 | 9M2002 | Δ% |
| Number of employees | 1,338 | 1,357 | -1.4% |

(1) rationing losses and Parcela A

Important note: the 2002 figures presented in this section are given only for analysis purposes. In 2002 Escelsa was equity consolidated in EDP from January until September and fully consolidated from October until December. EDP controls 54.74% of Escelsa.

Enersul

| Energy Sales (GWh) | 9M2003 | 9M2002 | Δ% |
|---|---------------|---------------|--------------|
| Energy contracted | 2,252 | 2,482 | -9.3% |
| Self generation | 272 | 269 | 1.2% |
| Energy purchase on MAE (wholesale market) | 46 | | |
| Total energy purchases | 2,571 | 2,751 | -6.5% |
| Contract losses | (26) | (84) | -69.4% |
| Transmission losses | (66) | (68) | -1.8% |
| Energy delivered to distribution | 2,479 | 2,600 | -4.6% |
| Distribution losses | (395) | (363) | 8.9% |
| Energy sales to MAE (wholesale market) | 14 | 221 | -93.6% |
| Residential | 646 | 628 | 2.8% |
| Industrial | 486 | 498 | -2.5% |
| Commercial | 404 | 387 | 4.4% |
| Other | 534 | 503 | 6.2% |
| Energy sales to final customers | 2,069 | 2,016 | 2.7% |
| Total energy sales | 2,084 | 2,237 | -6.8% |
| Gross profit (R\$ m) | 9M2003 | 9M2002 | Δ% |
| Energy acquisition | 156.6 | 128.9 | 21.5% |
| Other direct activity costs | 52.0 | 48.8 | 6.5% |
| Total direct activity costs | 208.6 | 177.7 | 17.4% |
| Electricity sales to MAE (wholesale market) | (0.8) | (16.8) | 95.5% |
| Residential | 164.6 | 127.2 | 29.4% |
| Industrial | 74.6 | 58.9 | 26.5% |
| Commercial | 98.2 | 76.5 | 28.3% |
| Other | 83.5 | 64.3 | 29.8% |
| Electricity sales to final customers | 420.8 | 326.9 | 28.7% |
| Total electricity sales | 420.1 | 310.1 | 35.5% |
| Regulatory tariff reposition | (20.3) | (15.9) | -27.9% |
| Other revenues & taxes | 0.9 | 11.1 | -92.0% |
| Total revenues | 400.6 | 305.3 | 31.2% |
| Gross profit | 192.0 | 127.6 | 50.5% |

Enersul, like the other Brazilian distribution companies, benefited from the 25% reduction of the contratos iniciais ,

which led to a decrease of 9.3% in energy contracted.

Energy sales to final clients increased 2.7% on the back of higher consumption in the residential and commercial segments in the period. Other includes rural and public segments. Energy sales to industrial clients had a slight decrease of 2.5% as some of these clients switched to the free market in the 9M2003.

Excluding industrial clients, energy sales increased 4.4%, reflecting the steady recovery of the consumption following the rationing programme.

Revenues from electricity sales to final customers increased 28.7%, mostly explained by the tariff revision occurred last April 8th. ANEEL granted an average tariff increase of 32.59%, plus 9.67% to be recovered in equal parts during the next four years, which is already being accrued on the electricity sales.

Although energy contracted from contratos iniciais has decreased 25%, direct activity costs increased by 17.4% as a result of higher costs from Itaipú's USD-indexed acquisitions, the tariff adjustment in contratos iniciais and a rise of the transmission cost.

Overall, gross profit increased more than 50% following a tariff revision that enables a more adequate return on the company's asset base.

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| Income Statement | R\$ million | | | million | | |
|-------------------------------------|--------------|---------------|---------------|--------------|---------------|---------------|
| | 9M2003 | 9M2002 | Δ% | 9M2003 | 9M2002 | Δ% |
| Revenues | 400.6 | 305.3 | 31.2% | 115.2 | 116.3 | -0.9% |
| Direct Activity Costs | 208.6 | 177.7 | 17.4% | 60.0 | 67.7 | -11.4% |
| Gross Profit | 192.0 | 127.6 | 50.5% | 55.2 | 48.6 | 13.6% |
| Gross Profit/Revenues | 47.9% | 41.8% | 6.1p.p. | 47.9% | 41.8% | 6.1p.p. |
| Sundry materials & goods for resale | 5.9 | 5.2 | 13.1% | 1.7 | 2.0 | -14.6% |
| Supplies and services | 25.3 | 24.0 | 5.3% | 7.3 | 9.1 | -20.5% |
| Personnel costs | 39.1 | 35.7 | 9.6% | 11.2 | 13.6 | -17.2% |
| Other operating costs (or revenues) | 7.8 | 2.0 | 284.9% | 2.2 | 0.8 | 190.6% |
| Operating Costs | 78.0 | 66.9 | 16.6% | 22.4 | 25.5 | -11.9% |
| EBITDA | 114.0 | 60.7 | 87.9% | 32.8 | 23.1 | 41.8% |
| EBITDA/Revenues | 28.5% | 19.9% | 8.6p.p. | 28.5% | 19.9% | 8.6p.p. |
| Depreciation | 41.1 | 39.3 | 4.7% | 11.8 | 15.0 | -20.9% |
| Provision | 10.9 | 7.2 | 51.9% | 3.1 | 2.7 | 14.7% |
| EBIT | 62.0 | 14.2 | 335.1% | 17.8 | 5.4 | 228.5% |
| EBIT/Revenues | 15.5% | 4.7% | 10.8p.p. | 15.5% | 4.7% | 10.8p.p. |
| Financial Results | (26.6) | (62.0) | 57.1% | (7.6) | (23.6) | 67.6% |
| Extraordinary Results | (20.4) | (3.7) | -445.2% | (5.9) | (1.4) | -311.6% |
| Income Before Taxes | 15.0 | (51.5) | | 4.3 | (19.6) | |
| Income taxes | 20.7 | (7.2) | | 6.0 | (2.8) | |
| Net Profit | (5.7) | (44.2) | 87.1% | (1.6) | (16.9) | 90.3% |

The EBITDA margin increased from 19.9% to 29.8% despite the 8.5% year-on-year increase in operating costs, mainly due to the tariff revision on April 8th and also due to the termination of 25% of the take-or-pay contracts.

Operating costs increased as a result of i) a lower capitalization of personnel costs due to a decrease in the operating investment; ii) higher expenses related to customer services; and iii) compulsory contributions to the Energy Development Fund.

Enersul manage to improve the financial results due to the effect of the Real's appreciation in the dollar denominated debt.

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The extraordinary results took their toll on Net Income as the company decided to make a R\$19.8 million adjustment for a provision related to the eventual divestment of a gas turbine at the Campo Grande Thermoelectric Plant.

It is important to note that the abnormal effective income tax rate is mostly explained by the fact that extraordinary provisions and some of the operating provisions are not tax deductible.

| Financial Debt (R\$ m) | 9M2003 | YE2002 | Δ% |
|------------------------------------|---------------|---------------|---------------|
| Magistra S.A. (Group) | 138.1 | 66.0 | 109.4% |
| BNDES | 167.4 | 157.7 | 6.2% |
| Others | 118.0 | 154.1 | -23.5% |
| Local currency | 423.5 | 377.8 | 12.1% |
| Dollar Denominated Debt | 156.4 | 199.4 | -21.6% |
| Total Financial Debt | 579.9 | 577.2 | 0.5% |
| Asset to Recover (1) | 124.0 | 114.3 | 8.5% |
| Hedging: Dollar Denominated Asset | 6.4 | 6.0 | 7.1% |
| Investment (R\$ m) | 9M2003 | 9M2002 | Δ% |
| Recurring investments | 33.0 | 42.6 | -22.4% |
| Non-recurring investments | | 36.6 | |
| Total Operating Investments | 33.0 | 79.2 | -58.3% |
| Number of employees | 9M2003 | 9M2002 | Δ% |
| Number of employees | 930 | 943 | -1.4% |

(1) rationing losses and Parcela A

Important note: the 2002 figures presented in this section are given only for analysis purposes. In 2002 Enersul was equity consolidated in EDP from January until September and fully consolidated from October until December. EDP controls 35.69% of Enersul.

Telecoms - Fixed Line (Portugal & Spain)

| Operating Revenues (m) | Pro-Forma(1) | | Δ% |
|--|--------------|--------------|---------------|
| | 9M2003 | 9M2002 | |
| Voice telecommunications services | 167.2 | 122.6 | 36.4% |
| Data telecommunications services | 61.1 | 63.0 | -3.0% |
| Other telecommunications services | 17.1 | 19.2 | -11.0% |
| Revenues from telecom. services | 245.4 | 204.7 | 19.9% |
| Equipment sales | 2.4 | 18.2 | -86.8% |
| Revenues from equipment sales | 2.4 | 18.2 | -86.8% |
| Operating revenues | 247.8 | 222.9 | 11.1% |
| Direct Activity Costs (m) | 9M2003 | 9M2002 | Δ% |
| Cost of telecommunications services | 132.3 | 113.3 | 16.7% |
| Cost of equipment sales | 2.2 | 12.0 | -81.9% |
| Direct activity costs | 134.5 | 125.3 | 7.3% |
| Gross Profit (m) | 9M2003 | 9M2002 | Δ% |
| Gross profit on telecom. services | 113.1 | 91.4 | 23.7% |
| Gross profit on equipment sales | 0.2 | 6.2 | -96.3% |
| Gross Profit | 113.3 | 97.6 | 16.1% |

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Oni Spain operating data for the 9M2003 includes OLA Internet contribution (acquired in 2003) and excludes Germinus contribution (object of a selling process)

Voice traffic operated by ONI rose 63.3% to 1,954.4 million minutes, of which 300.6 million minutes relate to OLA Internet's activity (residential segment). The number of equivalent client lines (CLIs) totalled 628.2 thousand (OLA Internet: 80.6 thousand).

Revenues from voice services benefited from OLA Internet's contribution (€ 27.8 million), a recently acquired Spanish telecommunications company. Voice services' revenues at ONI Spain increased 52.1% year-on-year to € 108.4 million, representing 64.8% of total proceeds from this activity.

Despite a 24.3% increase in the number of registered Internet accounts, up to 420.8 thousand by the end of 9M2003, ISP traffic fell by 9.2% as ONI encouraged clients to transfer from dial-up access to xDSL access.

Revenues from data services at ONI Portugal, which accounted for 81.4% of total revenues from this activity, increased by 2.0%. This evolution was based on: (i) a 14% decrease in bandwidth access revenues; which was more than offset by (ii) a sharp increase in revenues from xDSL access following the above mentioned transfer of clients and (iii) a 15% rise in the average price per minute.

The decrease in other telecommunication services, namely e-services and rental of equipments, reflects Germinus's equity consolidation for the 9M2003. Excluding Germinus's contribution from the 9M2002 financial statements, proceeds from other telecommunication services would have increased by 2.4%.

Gross margin on telecommunication services increased 1.4 p.p. to 46.1% mostly due to both ONI's development and increased use of its extensive access network and a 10% drop in interconnection costs (May 2002).

(1) Excluding ONI Way contribution

Important Notes: Germinus was consolidated in ONI's 9M2003 Financial Statements through the Equity Method (€ 2.1 million loss), as it is in the process of being sold.

In view of the shut-down of UMTS operations and for analysis purposes, the figures presented in the 9M2002 do not include ONI Way's contribution.

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| Operating Income Statement (m) | Pro-forma(1) | | Δ% |
|---|---------------|---------------|---------------|
| | 9M2003 | 9M2002 | |
| Revenues from telecommunications services | 245.4 | 204.7 | 19.9% |
| Revenues from equipment sales | 2.4 | 18.2 | -86.8% |
| Operating revenues | 247.8 | 222.9 | 11.1% |
| Direct activity costs | 134.5 | 125.3 | 7.3% |
| Gross Profit | 113.3 | 97.6 | 16.1% |
| Gross Profit/Revenues | 45.7% | 43.8% | 2.0p.p. |
| Supplies and services - Group | 0.6 | 6.8 | -91.7% |
| Supplies and services - Non-Group | 67.1 | 72.7 | -7.6% |
| Personnel Costs | 44.4 | 53.5 | -17.1% |
| Other operating costs (or revenues) | (0.9) | (2.6) | 63.9% |
| Own work capitalised | | (0.1) | |
| Operating costs | 111.2 | 130.3 | -14.7% |
| EBITDA | 2.2 | (32.7) | |
| EBITDA/Revenues | 0.9% | (14.7)% | 15.6p.p. |
| Depreciation and amortisation | 50.4 | 40.6 | 24.3% |
| Provisions | 3.0 | 8.8 | -65.3% |
| EBIT | (51.3) | (82.1) | 37.5% |
| EBIT/Revenues | (20.7)% | (36.8)% | 16.1p.p. |
| Number of Employees | 9M2003 | 9M2002 | Δ% |
| Fixed Line Portugal | 594 | 744 | -20.2% |
| Fixed Line Spain (2) | 589 | 655 | -10.1% |
| Total | 1,183 | 1,399 | -15.4% |

| Investment (m) | Pro-forma(1) | | Δ% |
|-----------------------------------|--------------|-------------|---------------|
| | 9M2003 | 9M2002 | |
| Fixed line Portugal | 9.0 | 33.0 | -72.8% |
| Recurrent | 0.9 | 3.9 | -76.8% |
| Non-recurring | 8.1 | 29.1 | -72.3% |
| Fixed line Spain (2) | 22.9 | 32.1 | -28.8% |
| Recurring | 6.3 | 3.0 | |
| Non-recurring | 16.6 | 29.1 | -43.0% |
| Total operating investment | 31.9 | 65.2 | -51.1% |

On a pro-forma basis (i.e. excluding OLA Internet and Germinus contributions for the 9M2003 and 9M2002, respectively) supplies and services fell 13.8% year-on-year as a result of the continued cost cutting program implemented by ONI. The major savings were achieved at: (i) fixed network expenses (-25%); (ii) advertising (-42%) and (iii) specialized works, namely IT services (-26%).

The decrease in personnel costs reflects: (i) the equity consolidation of Germinus and (ii) a reduction of ONI's workforce (261 employees between September 2002 and September 2003), which were partly offset by (iii) the inclusion of OLA Internet's contribution and (iv) an average salary increase of 3.0% at ONI Spain (covering only half of the headcount).

On a pro-forma basis, depreciation and amortisation increased 23.3% during the period as a result of: (i) ONI Spain's recent investments made in the acquisition of cable access rights (IRU's), which are accounted for as intangible assets and (ii) last year's strong investment at ONI Portugal for the expansion of the network and acquisition of direct access infrastructures.

EBITDA Break-even was achieved at ONI in the 9M2003 at 2.2 million. For the 3Q2003 ONI Group EBITDA totalled 4.7 million: (i) 2.5 million at ONI Portugal and (ii) 2.3 million at ONI Spain.

Operating investment at ONI totalled 31.9 million, down 51.1% year-on-year. The sharp decrease in investment at ONI Portugal follows heavy investment undertaken in 2002 in the expansion of the network and acquisition of access equipment. ONI Spain's investment for the 9M2002 includes: (i) 11.2 million for the acquisition of cable access rights (IRU's) and (ii) 4.6 million regarding the incorporation of Grapes Espanha's assets into Comunitel's Balance Sheet (merger of the two companies). 9M2003 investment at ONI Spain is mostly related to the acquisition of IRU's (8.0 million), and to direct access equipment.

(1) Excluding ONI Way contribution

(2) Includes OLA Internet

Information Technology

| Operating Income Statement (m) | 9M2003 | 9M2002 | Δ% |
|---------------------------------------|---------------|---------------|---------------|
| Sales | 22.5 | 28.5 | -21.2% |
| Services Provided | 121.1 | 130.9 | -7.5% |
| Operating Revenues | 143.6 | 159.4 | -9.9% |
| Sundry materials and goods for resale | 20.0 | 19.9 | 0.9% |
| Supplies and services - Group | 9.6 | 9.3 | 3.3% |
| Supplies and services - Non-group | 40.9 | 48.2 | -15.2% |
| Personnel Costs | 50.3 | 57.7 | -12.8% |
| Other operating costs (or revenues) | -1.0 | 0.4 | |
| Own work capitalised | -5.7 | -5.7 | 0.7% |
| Operating Costs | 114.1 | 129.8 | -12.0% |
| EBITDA | 29.5 | 29.6 | -0.6% |
| EBITDA/Operating Revenues | 20.5% | 18.6% | 1.9p.p. |
| Depreciation and amortisation | 17.0 | 13.2 | 28.8% |
| Provisions | 0.6 | 0.2 | 149.3% |
| EBIT | 11.9 | 16.2 | -26.7% |
| EBIT/Operating Revenues | 8.3% | 10.2% | -1.9p.p. |
| Number of employees | 9M2003 | 9M2002 | Δ% |
| Number of Employees | 1,683 | 1,818 | -7.4% |
| Operating Investment (m) | 9M2003 | 9M2002 | Δ% |
| Operating Investment | 26,756 | 30,807 | -13.1% |

Operating Revenues at Edinfor totalled 143.6 million, down 9.9% year-on-year. The company suffered the negative effects of: (i) the slowdown of the Portuguese economy and (ii) the reallocation to EDP Distribuição (EDPD) of assets related to an IT system which resulted in a decrease in services invoiced by Edinfor to EDPD.

In the 9M2003, sales and services provided to non-EDP Group companies accounted for 41.7% of Edinfor's operating revenues.

Supplies and services were affected by both the economic slowdown and the abovementioned transfer of assets to EDPD.

Personnel costs went down 12.8% year-on-year following: (i) a reduction of 135 employees; (ii) successful wage negotiations and (iii) the on-going restructuring process which is estimated to bring additional cost savings until the end of the year.

The company's good operating performance enabled a 1.9p.p. increase in EBITDA margin to 20.5% in the 9M2003.

The amortisation of assets related to an IT project ISU/Communications that had been accounted for under as work in progress and was now transferred to fixed assets, translated into a 28.8% increase in depreciation and amortisation.

All together, EBIT fell 26.7% to 11.9 million in the 9M2003. Please note that the slow economic environment should continue to impact the company in the 4Q2003.

Consolidated Financial Results & Consolidated Extraordinary Results

| Financial Results (m) | 9M2003 | 9M2002 | Δ% |
|---|----------------|----------------|---------------|
| Income from group&assotiated companies | 7.5 | (43.1) | |
| Investment income | 35.9 | 25.2 | 42.1% |
| Goodwill amortization | (75.9) | (33.1) | -129.2% |
| Financial Investments Gains/(Losses) | (32.6) | (51.0) | 36.1% |
| Net Interest paid | (265.0) | (197.0) | -34.5% |
| Net foreign exchange differences | 2.0 | 67.7 | -97.1% |
| Selic on rationing losses and Parcela A | 32.7 | 14.0 | 132.6% |
| Other | (24.1) | (38.5) | 37.3% |
| Financing Gains/(Losses) | (254.5) | (153.7) | -65.5% |
| Financial results | (287.1) | (204.8) | -40.2% |

| Income from Equity Method (m) | 9M2003 | 9M2002 | Δ% |
|---------------------------------------|---------------|---------------|-----------|
| REN (30%) | 10.9 | 14.7 | -26.1% |
| Escelsa (54.74%) (1) | | (63.4) | |
| HidroCantábrico (19% x 50%) (2) | | 5.6 | |
| CEM (22%) | 2.5 | | |
| Electra (30.6%) | (7.2) | | |
| Other | 1.3 | | |
| Total | 7.5 | (43.1) | |

| Goodwill amortization (m) | 9M2003 | 9M2002 | Δ% |
|-----------------------------------|---------------|---------------|---------------|
| Hidrocantábrico | 24.1 | | |
| EBE | 6.3 | 9.6 | -34.3% |
| IVEN | 28.1 | 13.8 | 103.8% |
| ACE Holding | 2.8 | 2.2 | 26.6% |
| Comunitel | 7.9 | 7.5 | 5.6% |
| Other | 6.7 | | |
| Total | 75.9 | 33.1 | 129.2% |

The Group's financial loss was 82.3 million or 40.2% higher than in the first nine months of 2002, again mainly due to changes in the Group's consolidation method and perimeter, specifically: Escelsa and Enersul, were previously consolidated by the equity method and are now fully consolidated; Hidrocantábrico, which was equity consolidated for the first 5 months of 2002 and 40% proportional consolidated from June until September 2002, was now 9 months 40% proportional consolidated.

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| Extraordinary Results (m) | 9M2003 | 9M2002 | Δ% |
|---|-------------|-------------|--------------|
| Fixed assets gains / (losses) | 11.8 | 17.5 | -32.6% |
| Increase/(decrease) in deprec. and provisions | 27.6 | 22.5 | 22.9% |
| Prior year adjustment (net) | (1.7) | (4.8) | 65.0% |
| Hydrological correction | | | |
| Depreciation of subsidies and concessions | 58.5 | 56.4 | 3.6% |
| Bad debts | (4.9) | (0.7) | -561.8% |
| Inventory gains / (losses) | (0.9) | (1.5) | 41.6% |
| Other gains / (losses) | (5.7) | (25.5) | 77.6% |
| Extraordinary Results | 84.7 | 63.9 | 32.5% |

9M2002 Hydrological Fund (m)

| Initial Balance (31 Dec 2001) | Changes to Hydrological Fund | | EDP Extraordinary Income | Final Balance (30 Set 2002) |
|----------------------------------|------------------------------|-----------------|--------------------------------|--------------------------------|
| | 9M2002 | Financial Costs | | |
| 387.5 | -95.7 | 8.6 | | 300.4 |

9M2003 Hydrological Fund (m)

| Initial Balance (31 Dec 2002) | Changes to Hydrological Fund | | EDP Extraordinary Income | Final Balance (30 Set 2003) |
|----------------------------------|------------------------------|-----------------|--------------------------------|--------------------------------|
| | 9M2003 | Financial Costs | | |
| 324.1 | 52.9 | 7.7 | | 384.7 |

The EDP Group's net extraordinary gains amounted to 84.7 million. Most of this figure results from recurring depreciation of subsidised EDPD investments and from the divestment in Iberdrola, booked under fixed assets gains/(losses).

As of the 1st of October 2003, EDP is no longer a shareholder of Iberdrola, following the sale of its 3% stake in the company to BBVA (1,11% on the 25th of September) and to BANCAJA (the remainder 1.89% on the 30th of September and 1st of October). As a result, the 9M2003 fixed assets gains include 15.3 million resulting from the sales on the 25th and on the 30th of September. The sale on the 1st of October will only be accounted for in the 4Q2003 and amounted to an extra 2.5 million capital gain.

Fixed assets gains/losses also include the sale of ONI Way's assets following the company's shutdown process. The assets whose sale generated net losses had not been accounted for in ONI Way's shutdown provision. In 9M2002 gains on fixed asset also include the sale of office buildings to EDP's pension fund.

(1) Escelsa and Enersul were equity consolidated until September 2002. Since October 2002 these companies are fully consolidated. EDP controls 54.74% of Escelsa and 35.69% of Enersul.

(2) Hidrocantábrico was equity consolidated (19% x 50%) through May 30, 2002. Since June 2002 it was proportionally consolidated in accordance with EDP's stake in Hidrocantábrico (40%).

Consolidated Financial Results Analysis

(1) In 9M2002 EDP equity consolidated a 63.4 million loss from Escelsa and Enersul (now fully consolidated), mostly due to the impact of the Brazilian Real devaluation on these companies' US\$ denominated debt. In 2003 EDP equity consolidated 7.2 million of accumulated losses (between 2000 and 2002) for Electra, Cabo Verde's distribution company in which the Group owns 30.6% (until 1H2003 the book value of Electra in EDP's accounts only reflected acquisition cost);

(2) Although EDP received 4.7 million less in dividends from BCP in 9M2003 than in 9M2002, EDP booked a further 12.0 million in dividends from Iberdrola. Galp dividends in 9M2003 amounted to 6.2 million;

(3) In 2003 EDP started amortizing the goodwill resulting from the tender offer on IVEN (November 2001), which added an extra 15.8 million to goodwill amortization. The variation also reflects goodwill amortization from Hidrocantábrico in 9M2003 (24.1 million). In 2002 goodwill amortization from Hidrocantábrico was only reflected in the YE accounts, after the completion of the merger process of the company with Adygesinval, the acquisition vehicle;

(4) EDP started to fully consolidate Escelsa only in the 4Q2002. In 9M2003 Escelsa's net interest charges amounted to 36.7 million, which include a 10% coupon payment on a 431 million bond issue in US\$. EDP S.A. owns approximately 83% of this issue. Thus, in the Group's consolidated accounts, 83% of the coupon on Escelsa's issue (that is received by EDP S.A.) is netted off against the total coupon paid by Escelsa. The change in net interest charges is also due to the full consolidation of Enersul (+ 7.6 million), the proportional consolidation of 40% of Hidrocantábrico (+ 25.7 million) and the increased debt at the Holding company level;

(5) EDP S.A. actively manages interest rate risk on financial debt at EDP S.A., in order to reduce its cost of funding. This policy has been effective over the past years and resulted in gains on derivatives;

(6) Because of Escelsa's US\$ bond issue, the company's P&L is influenced by forex differences arising from Real volatility. By September 2002 EDP S.A. had acquired a US\$165.3 million asset with the sole purpose of covering its share of the Brazilian subsidiaries' US\$ debt and mitigate the effects of this exposure that was affecting EDP's consolidated P&L [see (1)]. By YE2002 EDP had purchased approximately 83% of Escelsa's US\$ bond issue. In 9m2003 EDP fully consolidated Escelsa and the gains registered locally by the company, following the Real appreciation, were netted off, in Group consolidation, against the loss booked at EDP S.A..

(7) The amounts of the rationing losses and the balance of the non-controllable cost account (Parcela A) approved by ANNEL to be recovered by the Brazilian distribution companies through the tariffs, later converted to a special purpose loan by BNDES, accrue interest at the SELIC Brazilian benchmark interest rate.

Consolidated Income Statement

| Consolidated Income Statement (m) | 9M2003 | 9M2002 | Δ% |
|---------------------------------------|----------------|----------------|--------------|
| Electricity Sales | 4,781.6 | 4,305.5 | 11.1% |
| Other Sales | 69.1 | 62.2 | 11.1% |
| Services Provided | 336.0 | 282.3 | 19.0% |
| Operating Revenues | 5,186.7 | 4,650.0 | 11.5% |
| Electricity | 2,533.5 | 2,168.4 | 16.8% |
| Fuel | 312.8 | 370.5 | -15.6% |
| Sundry materials and goods for resale | 96.2 | 116.8 | -17.6% |
| Supplies and services | 451.3 | 460.1 | -1.9% |
| Personnel costs | 493.5 | 474.8 | 3.9% |
| Concession fees | 132.0 | 118.3 | 11.6% |
| Other operating costs (or revenues) | (0.3) | (9.3) | 97.1% |
| Own work capitalised | (152.6) | (153.8) | 0.8% |
| Operating costs | 3,866.5 | 3,546.0 | 9.0% |
| EBITDA | 1,320.2 | 1,104.0 | 19.6% |
| EBITDA/Revenues | 25.5% | 23.7% | 1.7p.p. |
| Depreciations | 617.1 | 523.2 | 17.9% |
| Provisions | 120.8 | 87.3 | 38.3% |
| EBIT | 582.3 | 493.4 | 18.0% |
| EBIT/Revenues | 11.2% | 10.6% | 0.6p.p. |
| Financial Results | (287.1) | (204.8) | -40.2% |
| Extraordinary Results | 84.7 | 63.9 | 32.5% |
| Pre-tax profit | 379.9 | 352.6 | 7.7% |
| Income Taxes | 144.0 | 142.9 | 0.8% |
| Minorities* | (21.8) | (57.6) | 62.2% |
| Net Profit | 257.6 | 267.3 | -3.6% |

* Minorities were 35.8 million lower due to lower net losses at ONI and the positive contribution of the Brazilian subsidiaries EDP now fully consolidates.

Adjusted Cash Flow and Consolidated Balance Sheet

| Cash Flow (m) | 9M2003 | 9M2002 | Δ% |
|-------------------------------|----------------|--------------|--------------|
| Net Profit | 257.6 | 267.3 | -3.6% |
| Depreciation | 617.1 | 523.2 | 17.9% |
| Provisions | 120.8 | 87.3 | 38.3% |
| Cash-Flow | 995.6 | 877.9 | 13.4% |
| Tariff Adjustment | 57.1 | 32.5 | 75.7% |
| Hydrological Correction | 52.9 | (95.7) | |
| Hydrological Account Interest | 7.7 | 8.6 | -10.3% |
| Adjusted Cash-Flow | 1,113.2 | 823.3 | 35.2% |

| Assets (m) | 9M2002 | YE2002 | 9M2002 |
|----------------------------------|-----------------|-----------------|-----------------|
| Currents assets | | | |
| Cash and cash equivalents | 232.0 | 214.0 | 68.0 |
| Accounts receivable - trade, net | 769.6 | 864.6 | 773.3 |
| Shareholders | | | 8.8 |
| Accounts receivable - other, net | 671.9 | 573.2 | 544.4 |
| Inventories | 158.1 | 150.3 | 178.4 |
| | 1,831.7 | 1,802.1 | 1,572.9 |
| Long-term receivables | | | |
| Long-term receivables | 220.4 | 260.6 | 275.5 |
| Investments, net | 1,474.1 | 1,896.0 | 3,381.3 |
| Fixed assets, net | 11,328.7 | 11,204.2 | 10,406.2 |
| Intangible assets, net | 2,083.9 | 1,843.1 | 1,319.1 |
| Accrued income | | | |
| Accrued income | 553.4 | 343.6 | 271.0 |
| Prepaid expenses | | | |
| Prepaid expenses | 266.6 | 229.6 | 216.9 |
| Deferred Tax | | | |
| Deferred Tax | 538.5 | 546.0 | 363.2 |
| Total assets | 18,297.3 | 18,125.2 | 17,806.0 |

| Liabilities (m) | 9M2003 | YE2002 | 9M2002 |
|---|---------|---------|---------|
| Current liabilities | | | |
| Short-term debt and current portion of long-term de | 1,521.8 | 1,887.0 | 3,293.1 |
| Accounts payable - trade, net | 800.1 | 1,017.8 | 783.1 |
| State and other public entities | 62.6 | 49.8 | 71.6 |
| Accounts payable - other, net | 544.2 | 174.5 | 274.0 |
| | 2,928.8 | 3,129.0 | 4,421.8 |

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| | | | |
|--|-----------------|-----------------|-----------------|
| Long-term debt | 6,205.7 | 6,107.0 | 4,274.1 |
| Provisions | 807.3 | 806.3 | 807.0 |
| Hydrologic correction account | 384.7 | 324.1 | 300.4 |
| Other liabilities | 104.3 | 126.8 | 85.9 |
| Accrued expenses | 413.4 | 294.5 | 357.6 |
| Deferred income | 1,533.6 | 1,433.9 | 1,372.6 |
| Deferred Tax | 326.7 | 344.1 | 154.0 |
| Total liabilities | 12,704.4 | 12,565.8 | 11,773.3 |
| Minority interest | 189.9 | 65.2 | 182.0 |
| Shareholders equity(m) | 9M2003 | YE2002 | 9M2002 |
| Share capital | 2,951.1 | 2,956.5 | 2,961.2 |
| Revaluation reserves | 1,172.7 | 1,172.7 | 2,020.9 |
| Legal reserves | 260.5 | 243.7 | 243.7 |
| Other reserves | (334.2) | (429.6) | (104.1) |
| Equity Adjustments | (267.4) | (269.0) | |
| Retained earnings | 1,362.7 | 1,484.6 | 461.7 |
| Net profit for the year | 257.6 | 335.2 | 267.3 |
| Shareholders equity | 5,403.0 | 5,494.2 | 5,850.7 |
| Total liabilities and shareholders equity | 18,297.3 | 18,125.2 | 17,806.0 |

EDPs shareholding in BCP was marked-to-market as of the 30th September 2003, resulting in an updated Equity Adjustment Reserve of 267.4 million.

The Escelsa bonds bought by EDP S.A. (accounted in EDP S.A.'s balance sheet), serve the sole purpose of covering Escelsa's US Dollar liability, therefore on a consolidated basis this asset and the corresponding liability are netted off.

Income Statement by Business Areas

| 9M2003 (m) | EDP Produção (1) | EDP Distribuição | HC(2) | Bandeirante | Escelsa | Enersul | ONI | Information Technology | EDP Consolidated |
|--|---------------------|---------------------|--------------|--------------|--------------|--------------|---------------|---------------------------|---------------------|
| Electricity Sales | 978.4 | 2,671.1 | 404.8 | 338.5 | 180.9 | 113.7 | | | 4,781.6 |
| Other Sales | 14.7 | 1.4 | 59.9 | | | | 2.4 | 22.5 | 69.1 |
| Services Provided | 11.0 | 13.8 | 8.4 | 7.4 | 12.1 | 1.5 | 245.4 | 121.1 | 336.0 |
| Operating Revenues | 1,004.1 | 2,686.2 | 473.1 | 345.9 | 193.0 | 115.2 | 247.8 | 143.6 | 5,186.7 |
| Electricity | 44.0 | 1,792.2 | 249.7 | 263.7 | 118.1 | 59.2 | | | 2,533.5 |
| Fuel | 246.3 | | 65.2 | | | | | | 312.8 |
| Sundry materials and goods for resale | 2.7 | 77.3 | 6.2 | 1.5 | 1.7 | 2.5 | 2.2 | 20.0 | 96.2 |
| Supplies and services | 44.3 | 136.7 | 22.9 | 15.1 | 8.6 | 7.3 | 200.0 | 50.5 | 451.3 |
| Personnel costs | 91.2 | 300.8 | 25.7 | 19.2 | 14.8 | 11.2 | 44.4 | 50.3 | 493.5 |
| Concession fees | 2.6 | 128.5 | | | | | | | 132.0 |
| Other operating costs (or revenues) | (1.3) | (15.7) | 1.1 | 1.2 | 4.3 | 2.2 | (0.9) | (1.0) | (0.3) |
| Own work capitalised | (28.6) | (129.8) | (3.0) | | | | | (5.7) | (152.6) |
| Operating costs | 401.2 | 2,290.1 | 367.8 | 300.6 | 147.4 | 82.4 | 245.6 | 114.1 | 3,866.5 |
| EBITDA | 602.9 | 396.1 | 105.3 | 45.3 | 45.6 | 32.8 | 2.2 | 29.5 | 1,320.2 |
| EBITDA/Revenues | 60.0% | 14.7% | 22.3% | 13.1% | 23.6% | 28.5% | 0.9% | 20.5% | 25.5% |
| Depreciations | 174.3 | 260.9 | 43.6 | 24.3 | 12.7 | 11.8 | 50.4 | 17.0 | 617.1 |
| Provisions | 7.4 | 58.4 | 1.0 | 1.9 | 7.8 | 3.1 | 3.0 | 0.6 | 120.8 |
| EBIT | 421.2 | 76.8 | 60.7 | 19.1 | 25.1 | 17.8 | (51.3) | 11.9 | 582.3 |
| EBIT/Revenues | 42.0% | 2.9% | 12.8% | 5.5% | 13.0% | 15.5% | -20.7% | 8.3% | 11.2% |
| Financial Results | (64.6) | (26.2) | (45.5) | (22.2) | 29.6 | (7.6) | (38.4) | (8.2) | (287.1) |
| Extraordinary Results | 7.6 | 81.0 | 1.6 | 2.3 | 20.2 | (5.9) | (6.0) | (0.9) | 84.7 |
| Pre-tax profit | 364.3 | 131.7 | 16.8 | (0.8) | 74.9 | 4.3 | (95.7) | 2.8 | 379.9 |
| Income taxes | 120.2 | 41.9 | (1.6) | (1.0) | 26.8 | 6.0 | (7.2) | 2.1 | 144.0 |
| Minority interests | (0.3) | | 1.6 | | | | 0.2 | (0.6) | (21.8) |
| Net Profit | 244.4 | 89.8 | 16.9 | 0.2 | 48.1 | (1.6) | (88.6) | 1.3 | 257.6 |

Note: Business segment accounts not audited

- (1) The Special Regime Producers (SRP) Enernova and EDP Bioelétrica (Renewable Energy) were Excluded from the EDPP consolidation perimeter
- (2) 40% Consolidation

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| 9M2002 (m) | EDP Produção (1) | EDP Distribuição | HC(2) | Bandeirante(3) | Escelsa | Enersul | ONI (4) | Information Technology | EDP Consolidated |
|---------------------------------------|---------------------|---------------------|--------------|----------------|---------|---------|----------------|---------------------------|---------------------|
| Electricity Sales | 1,071.6 | 2,583.7 | 185.0 | 444.4 | | | | | 4,305.5 |
| Other Sales | 9.5 | 1.3 | | | | | 18.2 | 28.5 | 62.2 |
| Services Provided | 14.2 | 18.3 | | | | | 204.7 | 130.9 | 282.3 |
| Operating Revenues | 1,095.4 | 2,603.3 | 185.0 | 444.4 | | | 222.9 | 159.4 | 4,650.0 |
| Electricity | 14.2 | 1,748.7 | 93.2 | 335.1 | | | | | 2,168.4 |
| Fuel | 370.5 | | | | | | | | 370.5 |
| Sundry materials and goods for resale | 3.6 | 50.8 | 19.1 | 2.4 | | | 125.4 | 19.9 | 116.8 |
| Supplies and services | 43.2 | 147.3 | 17.9 | 21.6 | | | 93.6 | 57.5 | 460.1 |
| Personnel costs | 90.5 | 289.7 | 10.3 | 24.7 | | | 70.9 | 57.7 | 474.8 |
| Concession fees | 2.6 | 115.3 | | | | | | | 118.3 |
| Other operating costs (or revenues) | (3.0) | (8.7) | (2.6) | 3.9 | | | (3.7) | 0.4 | (9.3) |
| Own work capitalised | (18.1) | (102.8) | (1.1) | (0.6) | | | (25.4) | (5.7) | (153.8) |
| Operating costs | 503.4 | 2,240.3 | 136.8 | 387.2 | | | 260.8 | 129.8 | 3,546.0 |
| EBITDA | 592.0 | 363.0 | 48.2 | 57.1 | | | (37.8) | 29.6 | 1,104.0 |
| EBITDA/Revenues | 54.0% | 13.9% | 26.1% | 12.9% | | | -17.0% | 18.6% | 23.7% |
| Depreciations | 168.6 | 246.7 | 14.0 | 21.4 | | | 46.2 | 13.2 | 523.2 |
| Provisions | 15.4 | 42.7 | 2.3 | | | | 8.8 | 0.2 | 87.3 |
| EBIT | 408.1 | 73.6 | 31.9 | 35.7 | | | (92.8) | 16.2 | 493.4 |
| EBIT/Revenues | 37.3% | 2.8% | 17.3% | 8.0% | | | -41.6% | 10.2% | 10.6% |
| Financial Results | (63.2) | (20.9) | (4.8) | (18.4) | | | (33.0) | (8.5) | (204.8) |
| Extraordinary Results | 12.6 | 74.0 | (4.0) | (8.3) | | | 22.2 | (0.3) | 63.9 |
| Pre-tax profit | 357.5 | 126.6 | 23.1 | 9.1 | | | (103.6) | 7.4 | 352.6 |
| Income taxes | 118.0 | 41.8 | 8.4 | 5.1 | | | (10.7) | 4.5 | 142.9 |
| Minority interests | (0.4) | | (0.1) | | | | (0.8) | (0.0) | (57.6) |
| Net Profit | 239.9 | 84.8 | 14.8 | 3.9 | | | (92.2) | 2.9 | 267.3 |

Note: Business segment accounts not audited

(1) The Special Regime Producers (SRP) Enernova and EDP Bioeléctrica (Renewable Energy) were Excluded from the EDPP consolidation perimeter

(2) 40% of June 2002

(3) Accounts consolidated in the 9M2002

(4) Includes ONI Way

Balance Sheet by Business Areas

| 9M2003 (m) | EDP Produção (1) | EDP Distribuição | HC(2) | Bandeirante | Escelsa | Enersul | ONI | Information Technology | EDP Consolidated |
|---|---------------------|---------------------|----------------|--------------|--------------|--------------|----------------|---------------------------|---------------------|
| Intangible assets | 4.4 | 0.3 | 607.6 | 12.7 | 8.5 | 5.1 | 296.2 | 7.3 | 2,083.9 |
| Fixed assets | 4,194.2 | 4,328.3 | 1,083.5 | 328.0 | 238.4 | 204.1 | 231.3 | 96.6 | 11,328.7 |
| Financial Investments | 37.7 | 0.2 | 42.3 | | 189.0 | 2.8 | 78.5 | 64.4 | 1,474.1 |
| Current assets | 989.2 | 392.8 | 167.3 | 168.2 | 178.8 | 48.2 | 160.1 | 78.6 | 1,831.7 |
| Long-term receivables | 1.1 | 90.2 | 6.8 | 13.6 | 75.0 | 39.3 | 8.9 | | 220.4 |
| Accruals and deferrals | 35.2 | 274.3 | 23.7 | 133.5 | 105.8 | 82.3 | 115.0 | 31.9 | 1,358.5 |
| Total assets | 5,261.8 | 5,086.0 | 1,931.2 | 656.1 | 795.5 | 381.8 | 890.0 | 278.8 | 18,297.3 |
| Provisions | 118.6 | 323.8 | 40.6 | 48.4 | 48.5 | 0.0 | 29.2 | 2.9 | 807.3 |
| Hydrologic correction account | | | | | | | | | 384.7 |
| Financial debt | 2,408.6 | 811.0 | 831.2 | 236.9 | 487.8 | 129.4 | 619.5 | 83.7 | 7,727.5 |
| Other medium and long term liabilities | 15.0 | | 4.9 | 18.1 | 8.3 | 1.5 | 171.3 | 1.7 | 104.3 |
| Other short term liabilities | 726.2 | 1,055.9 | 145.3 | 129.6 | 99.4 | 95.4 | 184.3 | 106.4 | 1,406.9 |
| Accruals and deferrals | 130.4 | 1,373.0 | 66.3 | 43.5 | 38.2 | 31.5 | 56.4 | 16.3 | 2,273.7 |
| Total liabilities | 3,398.8 | 3,563.7 | 1,088.3 | 476.5 | 682.1 | 257.9 | 1,060.7 | 211.0 | 12,704.4 |
| Minority interests | 35.5 | | 161.7 | | | | 0.1 | 7.0 | 189.9 |
| Shareholders equity | 1,827.4 | 1,522.4 | 681.1 | 179.6 | 113.3 | 123.9 | (170.9) | 60.8 | 5,403.0 |
| Total liabilities + equity | 5,261.8 | 5,086.0 | 1,931.2 | 656.1 | 795.5 | 381.8 | 890.0 | 278.8 | 18,297.3 |

Note: Business segment accounts not audited

(1) The Special Regime Producers (SRP) Enernova and EDP Bioeléctrica (Renewable Energy) were Excluded from the EDPP consolidation perimeter

(2) 40% Consolidation

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| 2002 (m) | EDP Produção | EDP Distribuição | HC(1) | Bandeirante | Escelsa | Enersul | ONI | Information Technology | EDP Consolidated |
|---|-----------------|---------------------|----------------|--------------|--------------|--------------|---------------|---------------------------|---------------------|
| Intangible assets | 5.9 | 0.1 | 444.4 | 4.2 | | | 344.1 | 8.6 | 1,843.1 |
| Fixed assets | 4,324.1 | 4,329.8 | 983.6 | 307.6 | 203.5 | 171.1 | 242.9 | 86.1 | 11,204.2 |
| Financial Investments | 25.9 | 0.2 | 92.0 | | 201.5 | 2.5 | 68.4 | 68.0 | 1,896.0 |
| Current assets | 820.5 | 558.2 | 167.3 | 158.1 | 209.8 | 48.0 | 150.7 | 141.5 | 1,802.1 |
| Long-term receivables | 1.9 | 93.0 | 21.3 | 76.5 | 51.8 | 39.1 | | | 260.6 |
| Accruals and deferrals | 21.6 | 160.0 | 1.5 | 104.3 | 74.2 | 56.1 | 105.4 | 21.9 | 1,119.1 |
| Total assets | 5,199.9 | 5,141.4 | 1,710.0 | 650.7 | 740.9 | 316.8 | 911.4 | 326.1 | 18,125.2 |
| Provisions | 116.8 | 312.4 | 38.5 | 41.8 | 44.8 | 10.4 | 22.1 | 2.8 | 806.3 |
| Hydrologic correction account | | | | | | | | | 324.1 |
| Financial debt | 2,458.8 | 945.7 | 816.6 | 233.1 | 542.0 | 155.5 | 628.2 | 90.2 | 7,994.1 |
| Other medium and long term liabilities | 15.0 | 54.5 | 34.4 | 37.0 | 15.7 | 8.9 | 123.5 | 1.2 | 126.8 |
| Other short term liabilities | 631.5 | 1,022.0 | 127.7 | 108.2 | 76.2 | 26.8 | 168.0 | 141.4 | 1,242.0 |
| Accruals and deferrals | 88.4 | 1,287.4 | 23.5 | 60.6 | 2.1 | | 56.6 | 15.9 | 2,072.6 |
| Total liabilities | 3,310.4 | 3,622.2 | 1,040.8 | 480.6 | 680.8 | 201.6 | 998.5 | 251.5 | 12,565.8 |
| Minority interests | 34.9 | | 4.9 | | | | (0.8) | 6.8 | 65.2 |
| Shareholders equity | 1,854.6 | 1,519.2 | 664.4 | 170.1 | 60.1 | 115.2 | (86.3) | 67.8 | 5,494.2 |
| Total liabilities + equity | 5,199.9 | 5,141.4 | 1,710.0 | 650.7 | 740.9 | 316.8 | 911.4 | 326.1 | 18,125.2 |

Note: Business segment accounts not audited

(1) 40% Consolidation

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated November 3, 2003

EDP- Electricidadé de Portugal

By: */s/ João Ramalho Talone*

Name: João Ramalho Talone

Title: Chief Executive Officer
