

EDP ENERGIAS DE PORTUGAL SA

Form 6-K

May 25, 2005

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 May 2005

EDP- Energias de Portugal, S.A.

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

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(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 No

Financial Results

1Q2005

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Lisbon, 24 May 2005

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1Q2005 Performance

Results Summary (m)	1Q2005	1Q2004	Δ%
Gross Profit	979.0	894.2	9.5%
Operating Costs	417.7	382.8	9.1%
EBITDA	561.3	511.4	9.8%
EBIT	362.9	339.3	7.0%
Net Profit	216.9	194.5	11.5%
Net Debt	8,596.9	7,318.2	17.5%
Operating Data	1Q2005	1Q2004	Δ
Electricity:			
Installed Capacity (MW)	11,713	11,198	+515 MW
Generation (GWh)	11,949	11,681	2.3%
Distribution (GWh)	19,549	18,526	5.5%
Retail (GWh)	18,901	18,137	4.2%
Clients (thousand)	9,434	9,258	+176 th
Gas:			
Distribution (GWh)	6,860	6,330	8.4%
Retail (GWh)	5,577	4,697	18.7%
Clients (thousand)	569	548	+21 th
Employees (Group)	14,828	17,529	-2,701

The EDP Group s sustained operating growth in the 1Q2005 reflected in a healthy EBITDA growth of 9.8% and an 11.5% rise in Net Profit

Exposure to high growth markets

EDP continues to benefit from its exposure to markets with attractive growth rates, above the European average. Demand in Iberia posted a strong increase in the period - 7.7% in Portugal and 8.8% in Spain - while in Brazil, demand in EDP s concession areas went up by approximately 3%. EDP also benefited from the strong growth of the Spanish gas market. Our subsidiary Naturcorp increased its gas distribution volume 8.4% and consolidated its position as the second gas player in Spain.

Increase in installed capacity provides growth at the Iberian electricity generation activity

In the last 12 months Ribatejo II CCGT (392 MW) was brought into service and 3 wind farms (164 MW) started operations, increasing the installed CCGT and Wind capacity to 1,171 MW and 359 MW, respectively. By 2010, EDP expects to reach more than 4,000 MW and approximately 2,500 MW of installed capacity in CCGT and Wind farms, respectively.

EDP served 10 million energy clients for the first time

EDP reaffirms itself as a client oriented organisation with an enhanced value proposition. In the 2H2004 EDP improved its image with new branding and communication, and restructured the commercial organisation in Portugal.

EDP is benefiting from efficiency improvements

The EDP Group was able to reduce its workforce by 2,701 employees vis-à-vis the 1Q2004 due to the successful implementation of the HR Restructuring Program in 2003 and 2004, and to the sale of 60% of Edinfor to LogicaCMG. Wages with active workers in the domestic core business (excluding severance payments) fell 8.2% year-on-year.

Operating performance also reflects the full consolidation of Hidroantábriico s P&L

Spanish and Brazilian activities were the driving forces behind the operating performance. Hidroantábriico in Spain benefited from the rise in pool prices, while operations in Brazil continued to post strong increases following consumption growth and tariff adjustments.

Regarding our domestic electricity activities, EDP Produção was affected by the high pool prices in the energy management activity provided to EDP

Comercial, while EDP Distribuição that despite benefiting from a strong increase in demand was negatively impacted by high fuel costs, which will be passed through to tariffs in the following year.

Income Statement and Balance Sheet

Consolidated Income Statement (m)	1Q2005	1Q2004	Δ%
Electricity Sales	2,136.1	1,627.6	31.2%
Other Sales	175.3	75.5	132.2%
Services Provided	142.1	138.6	2.5%
Operating Revenues	2,453.5	1,841.7	33.2%
Electricity & Gas	1,195.6	806.7	48.2%
Fuel	267.2	103.3	158.8%
Materials and goods for resale	11.7	37.5	-68.7%
Direct Activity Costs	1,474.5	947.5	55.6%
Gross Profit	979.0	894.2	9.5%
Gross Profit/Revenues	39.9%	48.6%	-8.7%
Supplies and services	177.0	145.5	21.6%
Personnel costs	133.4	147.3	-9.5%
Costs with social benefits	25.1	34.9	-28.2%
Concession fees	51.4	46.7	10.2%
Other operating costs (or revenues)	30.9	8.4	268.7%
Operating costs	417.7	382.8	9.1%
EBITDA	561.3	511.4	9.8%
EBITDA/Revenues	22.9%	27.8%	-4.9%
Depreciation and amortisation	218.6	190.3	14.9%
Comp. of subsidised assets depreciation	(20.2)	(18.1)	-11.7%
EBIT	362.9	339.3	7.0%
EBIT/Revenues	14.8%	18.4%	-3.6%
Financial income/(expense)	(65.9)	(73.5)	10.3%
Amortisation of concession rights	(9.4)	(10.7)	12.7%
Discontinued Activities			
Pre-tax profit	287.6	255.1	12.8%
Income taxes	66.1	92.4	-28.5%
Deferred taxes	1.7	(20.0)	
Minority interests	3.0	(11.9)	
Net Profit	216.9	194.5	11.5%

Assets (m)	1Q2005	YE2004
Fixed assets	17,238.1	17,187.2
Intangible assets, net	2,946.2	2,934.9
Tangible assets, net	12,608.8	12,637.0
Financial Investments, net	1,683.2	1,615.3
Other assets	3,249.7	2,981.9
Inventories	158.4	168.6
Accounts receivable - trade, net	1,365.2	1,189.8
Accounts receivable - other, net	1,389.7	1,338.1
Cash and cash equivalents	336.4	285.3
Deferred Tax	1,048.0	1,080.7
Total assets	21,535.7	21,249.8

Shareholders equity (m)	1Q2005	YE2004
Share capital	3,656.5	3,656.5
Own shares	(43.9)	(31.7)
Retained earnings and other reserves	84.6	7.6

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Net profit for the year	216.9	404.8
Shareholders equity	3,914.1	4,037.3
Minority interest	732.1	729.7
Hydrological correction account	313.4	364.2
Liabilities (m)	1Q2005	YE2004
Provisions	2,283.6	2,301.1
Financial Debt	9,269.2	9,161.2
Short-term debt & current portion of long-term debt	2,070.8	1,975.1
Long-term debt	7,198.5	7,186.1
Other liabilities	4,455.6	4,085.1
Accounts payable - trade, net	4,259.2	3,876.8
Accounts payable - other, net	196.4	208.3
Deferred Tax	567.8	571.2
Total liabilities	16,576.2	16,118.6
Total liabilities and shareholders equity	21,535.7	21,249.8

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

EBITDA Overview

EBITDA (m)	1Q2005	1Q2004	Δ%
EDP Produção	207.1	221.6	-6.5%
EDP Comercial	(6.6)	1.1	
Enernova & EDP Bioelétrica	7.2	4.6	56.2%
EDP Distribuição	160.6	167.5	-4.1%
Hidrocantábrico ⁽¹⁾	139.3	41.0	239.9%
Brazil	73.4	54.1	35.7%
Oni	7.6	3.4	121.9%
Other & Adjustments	(27.3)	18.1	
Consolidated	561.3	511.4	9.8%

EDP Produção s EBITDA decreased 6.5% reflecting the negative impact of the high Spanish pool prices in the electricity purchase service rendered to EDP Comercial. This impact was mitigated by the extra output provided by the Ribatejo II (CCGT) and by a fall in personnel costs and social benefits.

Despite the strong increase in demand, the negative change in **EDP Distribuição** s EBITDA reflects a swing in fuel costs adjustments that affected the energy acquisition activity (note that these deviations are passed-through to tariffs in the following year). This negative impact in the gross profit was partly offset by an 11.8% decrease in operating costs.

EDP fully consolidated **Hidrocantábrico** for the first time. Hidrocantábrico posted a strong EBITDA increase (+35.9%) following the sharp rise in pool prices from 33/MWh to 56/MWh. The consequent system tariff deficit was not deducted (41m) from revenues, given its strong likelihood of recovery.

Brazil continues to provide strong growth. All activities in Brazil posted an EBITDA increase in the 1Q2005 following higher volumes in distribution and supply activities and the positive impact of the annual tariff adjustments. Following the corporate restructuring in Brazil, which is expected to yield further efficiency gains upon full implementation, Energias do Brasil owns 100% of its distribution subsidiaries after the roll-up of minorities into the holding level, thus reducing the stake of EDP in Energias do Brasil to 69.3%.

Oni s EBITDA surged more than two fold year-on-year, as a result of a positive evolution of the mix of services provided by Comunitel and a strict control of personnel costs and supplies & services.

Consolidated EBITDA was up 9.8% amounting to 561.3m in the 1Q2005, as a result of the full consolidation of Hidrocantábrico and the good operating performance in Spain and Brazil.

⁽¹⁾ 40% in the 1Q2004

Capex

CAPEX (m)	1Q2005	1Q2004	Δ%
EDP Produção	28.0	8.3	235.7%
EDP Comercial	0.3	1.4	-79.9%
Enernova & EDP Bioeléctrica	4.3	10.8	-60.3%
EDP Distribuição	57.2	46.5	23.2%
Hidrocantábrico ⁽¹⁾	35.0	25.8	n.a.
Iberian Energy	124.8	92.8	34.5%
Brazil	63.6	44.6	42.7%
Telecoms	6.4	6.1	4.9%
Other	1.4	5.3	-73.0%
Total	196.2	148.8	31.9%

The EDP Group's capital expenditure totalled 196.2 m in the 1Q2005, up 31.9% year-on-year, on the back of the initial construction works of the third 392 MW unit at Ribatejo (CCGT), investments in the Portuguese distribution grid, development of the Peixe Angical power plant in Brazil and the full consolidation of Hidrocantábrico's operating investment. Note that the figures presented correspond to the EDP Group's cash out flow on operating investments, considering the consolidation method for each subsidiary.

EDPP's investment in the 1Q2005 is mainly related to the construction of the third 392MW unit at Ribatejo (CCGT) (17.2m). As at March 2005, 85.9m had already been invested in this unit. Total investment is expected to reach 197m until 2006, when it should start operations.

EDPD's capex was focused on the distribution network in order to improve the quality of service. Investments in the distribution grid, accounting for 92% of EDPD's operating investment, increased 22.0% year-on-year, which along with favourable weather conditions, allowed for a 13.4% improvement of Equivalent Interruption Time (49min in the 1Q2004 vs. 43min in the 1Q2005).

50% of Hidrocantábrico's capex was allocated to the construction of new wind farms. During 2005 the following wind farms should start operations: Las Lomillas (50MW - 50% held by Genesa) (May); La Sotonera (19MW) (July); La Brújula (74 MW) (September); and El Boquerón (22 MW) (December).

65% of the capex in Brazil was related to the construction of the Peixe Angical hydro power plant (450 MW), which amounted to R\$144m (41m) in the 1Q2005. EDP