



**EDP — ENERGIAS DE PORTUGAL, S.A.**

*(incorporated with limited liability in the Portuguese Republic)*

and

**EDP FINANCE B.V.**

*(incorporated with limited liability in The Netherlands  
and having its statutory seat in Amsterdam)*

**€12,500,000,000**

**Programme for the Issuance of Debt Instruments**

This Supplement (the "**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the prospectus dated 3 September 2013 (the "**Base Prospectus**") prepared by EDP — Energias de Portugal, S.A. ("**EDP**") and EDP Finance B.V. ("**EDP B.V.**") (together, the "**Issuers**") in connection with their Programme for the Issuance of Debt Instruments (the "**Programme**") for the issuance of up to €12,500,000,000 in aggregate principal amount of instruments ("**Instruments**"). Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement has been approved by the Central Bank of Ireland (the "**CBI**"), which is a competent authority for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing measures in Ireland, as a base prospectus supplement issued in compliance with the Prospectus Directive and relevant implementing measures in Ireland.

The purpose of this Supplement is to (i) incorporate by reference in the Base Prospectus the third quarter consolidated financial statements of EDP for the nine months ended 30 September 2013 and the auditor's limited review report thereon; (ii) disclose the placement of the long term credit rating of each of the Issuers assigned by Standard & Poor's on CreditWatch with negative implications; (iii) disclose expected fiscal changes affecting the Portuguese energy sector following the announcement by the Portuguese government of the draft State Budget for 2014; and (iv) disclose a State Aid enquiry recently opened by the European Commission in respect of Portugal and water resources concessions granted by Portugal to EDP.

## IMPORTANT NOTICES

Each of the Issuers accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new fact, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Instruments issued under the Programme has arisen or been noted, as the case may be, since publication of the Base Prospectus.

Investors should be aware of their rights under Article 16(2) of the Prospectus Directive.

In accordance with Article 16(2) of the Prospectus Directive, investors who have agreed to purchase or subscribe for any Instruments before this Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances.

## AMENDMENTS OR ADDITIONS TO THE BASE PROSPECTUS

With effect from the date of this Supplement, the information appearing in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented in the manner described below.

### 1. Documents incorporated by reference

A copy of the consolidated financial statements of EDP for the nine months ended 30 September 2013 and the auditor's limited review report thereon, which appear on pages 21 – 102 to the third quarter 2013 report of EDP, is incorporated by reference in and forms part of this Supplement. A copy of the third quarter 2013 report has been filed with the CBI, and is also available at <http://www.edp.pt/en/Investidores/publicacoes/relatorioeconotas/Pages/RelatorioeContas.aspx>.

Any information contained in the third quarter 2013 report referred to above which is not incorporated by reference in this Supplement is either not relevant to investors or is covered elsewhere in the Base Prospectus, as amended by this Supplement.

Any documents themselves incorporated by reference in the document incorporated by reference in this Supplement shall not form part of this Supplement.

Copies of the information incorporated by reference in this Supplement as described above can be obtained from the registered office of the Issuers and from the specified office of the Paying Agent for the time being in London and in Lisbon.

### 2. The section entitled "EDP and the EDP Group" on pages 105 – 165 of the Base Prospectus is updated as follows:

#### RECENT DEVELOPMENTS

##### Credit Ratings

On 20 September 2013, Standard & Poor's placed the "BB+" long-term credit rating of both EDP and EDP B.V. on CreditWatch with negative implications.

This negative CreditWatch placement mirrors that of the Republic of Portugal on 18 September 2013 since, according to Standard & Poor's rating criteria, sovereign risk is a key factor that influences a utility company's credit strength.

##### Portuguese State Budget for 2014

On 15 October 2013, the Portuguese Government announced the draft State Budget for 2014 proposing the creation of an extraordinary contribution applicable to economic operators in the energy sector that undertake any of the following activities: (i) the generation, transmission or distribution of electricity; (ii) the transportation, distribution, storage or wholesale supply of natural gas; or (iii) the refining, treatment, storage, transportation, distribution and wholesale supply of crude oil and oil products.

The contribution rate will be 0.85 per cent on the fixed tangible and intangible assets of such operator, as of 1 January 2014 or as of the first day of the fiscal year. In the case of electricity generation, the contribution rate will only be applicable to power plants in operation at that date.

Among others, the following assets will be exempt from this rate:

- (i) CCGTs with an annual utilization of installed capacity in 2013 of up to 2,000 hours (which will be subject to a reduced rate of 0.425 per cent if annual utilization is above 2,000 hours and below 3,500 hours);
- (ii) hydroelectric plants with installed capacity below 20 MW;

- (iii) wind farms; and
- (iv) power plants holding electricity generation licenses awarded following tender procedures or competitive consultation.

The Government expects the contribution to generate €150 million, of which €50 million will be allocated to the reduction of the tariff deficit of the electricity sector and to energy efficiency measures.

According to the information set out in the proposal, the impact net of taxes for EDP of this extraordinary contribution is expected to be approximately €45 million in 2014.

The draft State Budget for 2014 also proposes a reduction in the corporate tax rate from 25 per cent to 23 per cent, as well as the continuance of the state surcharge of 5 per cent on taxable income exceeding €7.5 million which is currently in force.

The proposals mentioned above are currently under discussion by the Portuguese Parliament. The approval of a final version of the State Budget for 2014 is expected to take place at the end of November 2013.

#### **State Aid inquiry into water resources concessions granted by Portugal to EDP**

On 18 September 2013 the European Commission issued a press release stating that it has opened an in-depth State Aid inquiry into water resources concessions granted by Portugal to EDP for electricity generation and will inquire about the situation in other Member States.

As with any State Aid investigation, such proceedings are solely conducted between the European Commission and the Member State concerned (in this case, Portugal).

Although EDP's business, financial condition, prospects and/or results of operations could be adversely affected by the outcome of this inquiry, it is difficult to predict the outcome at this stage in the process.