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Investors & Analysts' Briefing

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NATURGAS ACQUIRES FULL CONTROL OF BILBOGAS

Naturgas Energía Grupo, S.A. ("Naturgas") – EDP Group's company for gas transport, distribution and supply in Spain – obtained today the control of 100% of the gas distribution company Bilbogás, S.A. ("Bilbogás"), following regulatory approval of the agreement signed with the Municipality of Bilbao, regarding the acquisition of the remaining 50% of Bilbogás' share capital. This transaction amounted to 35 million euros.

This agreement represents another important step towards the consolidation of Naturgas as an integrated energy operator and market leader in the Basque Country's gas market. During the last months, Naturgas also concluded negotiations with local municipalities to acquire the remaining 45% in the share capital of two other gas distribution companies in the Basque Country: Gas Hernani and Gas Pasaia. The agreed value for both of these transactions amounted to approximately 1 million euros.

In 2005, Bilbogás, Gas Hernani and Gas Pasaia, distributed 702 GWh, 33 GWh and 17 GWh, respectively, and received regulated revenues in the amounts of 11 million euros, 1 million euro and 1 million euro, respectively.

Naturgas is the second gas operator in the Spanish market with a 12% market share in the gas distribution activity. Regarding the gas supply activity in the liberalised market, Naturgas is the fifth operator in the Spanish market, with a 6.4% market share. In the Basque Country, Naturgas is leader in both activities, and also the second largest electricity supplier in that region.

EDP – Energias de Portugal, S.A.