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Investors & Analysts' Briefing

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ANEEL REVISES BANDEIRANTE'S ELECTRICITY TARIFFS

EDP - Electricidade de Portugal, S.A. ("EDP") hereby communicates to the market and to the public in general the following:

The Brazilian electricity regulator, ANEEL, by the means of a resolution it now published, decided to amend the average electricity tariff increase granted to Bandeirante - within the October 23rd, 2003 tariff review - from 18.08% to 10.51%.

The present amendment is the result of an ad-hoc revision made by ANEEL to Bandeirante's October 2003 *regulated asset base* that was used to establish the electricity tariffs to be charged by the company between October 2003 and 2004.

This revision is provisional until ANEEL validates, definitely, the regulated asset base presented by Bandeirante - and valued by an independent entity accredited by ANEEL - to the opinion of this regulatory entity.

Despite the provisional status of this review (the definitive asset base and tariff impact is to be decided and communicated by ANEEL on the 23rd October 2005 tariff adjustment) EDP has opted to book the retroactive effects of this measure - between the 23rd October 2003 and the 23rd October 2004 - already on the 3rd quarter 2004 financials. The effective repercussion, on electricity tariffs, of the final and definitive amount to be considered by ANEEL will take place on the 23rd October 2005 tariff revision for a 12 months period.

The impact of this measure on Bandeirante's *results before taxes* is estimated to be in the order of the R\$104 million (Eur.29 million) of



which R\$81 million (Eur.22 million), in respect of excess revenues booked in 2004, were accounted for as an operating provision on the 3rd quarter and R\$23 million (Eur. 6 million) were accounted for as an extraordinary provision because they relate to the 2003 accounting period. The total estimated impact on EDP's 2004 *net income* is of R\$66 million (Eur.18 million).

Simultaneously, by the means of an additional resolution, ANEEL authorized Bandeirante to increase electricity tariffs for the 23rd October 2004 and 2005 period by an average of 15,95% on the “new” tariff. In practical terms, this represents a 11.4% increase on the average tariff charged by Bandeirante until the 22nd October 2004.

The cumulative effect of these two measures will not have a material impact on the results of the business plan announced to the market on the 2nd of December 2003.

EDP – Electricidade de Portugal, S.A.