

Reuters: EDP.LS
Bloomberg: EDP PL

**INVESTOR RELATIONS
DEPARTMENT**

Miguel Viana, Head of IR
Elisabete Ferreira
Sónia Pimpão
Noélia Rocha
Ricardo Farinha

Phone +351 210012834
Fax: +351 210012899

Email: ir@edp.pt
Website: www.edp.pt

**COMPETITION AUTHORITY AUTHORISES OPERATION OF ALQUEVA
AND ACQUISITION OF MINI-HYDROS BY EDP**

In accordance with the provisions laid down in article 248 of the Portuguese Securities Code, EDP – Energias de Portugal, S.A. (“EDP”) hereby discloses the following:

The Portuguese Competition Authority has yesterday notified EDP of the Draft Decision of non-opposition to the following two operations that were previously notified to the Authority:

- a) Operation and management by EDP – Gestão da Produção de Energia, S.A. (“EDP Produção”) of the hydroelectric power plants of Alqueva and Pedrogão, for a period of 35 years, under the terms provided in EDP’s press releases of 24 October 2007 and 14 January 2008;
- b) EDP’s acquisition of 80% of Pebble Hydro, Lda and H. Janeiro de Baixo, Lda, as part of the deal reached by EDP and Banco Espírito Santo de Investimento with Babcock & Brown and disclosed to the market in our press release dated 21 December 2007.

The draft decisions referred here-above are subject to a number of undertakings, such as EDP’s commitment to maximize the availability of the mini-hydro plants to be acquired and to provide information, on an annual basis, about the operating conditions of the hydroelectric plants concerned, as well as EDP’s commitment to temporarily assign, for a period of 5 years, the right to operate and manage the hydroelectric facility of Agueira-Raiva (with an installed capacity of 360 MW), to an operator to be selected in the upcoming months. The temporary assignment of these rights is subject to the administrative licenses and authorizations that come to be necessary.



In exchange for the rights' assignment, EDP will receive an appropriate rent, whilst revenues and costs related to the operation will be supported by the chosen operator. Thus, financial neutrality of this operation from EDP group stand point will be secured under the terms of CMECs regime. On the other hand, EDP shall maintain the obligations provided in the concession contracts for the use of the hydro domain, particularly in respect of the execution of the operation and management of the plants by EDP.

EDP – Energias de Portugal, S.A.