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Investors & Analysts' Briefing

EDP SIGNS AGREEMENT FOR THE SALE OF A 50% STAKE IN EDP PRODUÇÃO – BIOELÉCTRICA, S.A. TO CELULOSE DO CAIMA

EDP – Energias de Portugal, S.A. (“EDP”) signed today a Sale and Purchase Agreement with Celulose do Caima, SGPS, S.A. (“Celulose do Caima”) for the sale of 50% of the share capital of EDP Produção – Bioelétrica, S.A. (“EDP Bioelétrica”), as well as 50% of the credit rights held by EDP, regarding shareholder loans and supplementary capital contributions made to EDP Bioelétrica. The conclusion of this transaction is subject to the non-opposition of the Portuguese Competition Authority.

Additionally, EDP and Celulose do Caima signed a Shareholder’s Agreement that defines the rights and obligations of each of the shareholders of EDP Bioelétrica.

The value of the transaction for the sale of the 50% stake in EDP Bioelétrica amounts to €7.5 million and includes shares, shareholder loans and supplementary capital contributions, booked at EDP Group’s financial statements for the total amount of €14.4 million.

EDP Bioelétrica is a special regime producer that operates a 9 MW forestry residues biomass power plant in Mortágua. In 2004, energy output of the Mortágua plant totalled 49 GWh.

Celulose do Caima centres its activity in the areas of forestry management and production; paper pulp production and supply; and operates a 7 MW biomass power plant in Constância.

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This transaction is the first step in the creation of a partnership between EDP and Celulose do Caima to promote greater efficiency in the integration between the forestry activity, that produces biomass, and the energy production activity, which uses this natural resource as a raw material. This integration will have the additional benefit of addressing one the main contemporary concerns in Portugal – the forest fires – by allowing a better management of the country’s woodland.

EDP – Energias de Portugal, S.A.