

Reuters: EDP.LS
Bloomberg: EDP PL

**INVESTOR RELATIONS
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**ENERGIAS DO BRASIL AND GRUPO REDE AGREE TO AN ASSET
EXCHANGE WHICH REINFORCES EDP GROUP'S POSITION IN
POWER GENERATION IN BRAZIL**

EDP – Energias do Brasil, S.A. (“Energias do Brasil”), a company owned in 64.6% by EDP – Energias de Portugal executed, today, a share exchange agreement with Grupo Rede that sets out the terms and conditions to enable an asset swap which object consists in a swap, on one hand, of Enersul’s (an electricity distribution company in Mato Grosso do Sul state) total share capital owned by Energias do Brasil and, on the other hand, of the company shareholdings owned on Rede Lajeado Energia S.A. (“Rede Lajeado”) and Investco S.A. (“Investco”) by Rede Energia, as well as shareholdings owned in Rede Lajeado and Tocantins Energia S.A. by Rede Power.

This agreement will allow Energias do Brasil to consolidate its position in Investco, in which it currently holds a 27.65% voting stake, which shall, in case the other shareholders do not exercise their pre-emption right, into a 73.00% voting stake (which will give the right over 73.00% of the energy generated by the plant). This will assure a managing control position by Energias do Brasil in Investco, the company that holds Lajeado Hydro plant in Tocantins.

This plant has a total installed capacity of 902.5 MW and is operated under a concession contract with the duration of 35 years (with maturity in December 2032), being the electricity generated in this plant sold under energy long term sale contracts with Grupo Rede’s distribution companies.

This operation is in line with EDP’s strategic targets to balance Brazil’s assets portfolio, through the exposure expansion, in the energy generation sector.

This operation’s closing will be subject to approval by the Brazilian energy sector regulator, ANEEL, and to other contractual and governance procedures as result of the handover of the management control of the companies involved in the agreement.

EDP – Energias de Portugal, S.A.