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Investors & Analysts' Briefing

NATURGAS ENERGIA ACQUIRES FULL CONTROL OF GASNALSA

Naturgas Energía Grupo, S.A. ("Naturgas"), a company 56.3% owned by HC Energia, agreed to acquire the remaining 50% in the share capital of gas distribution company Gasnalsa through the acquisition of the minority stakes of Ayuntamiento de Vitoria-Gasteiz (20%), Diputación Foral de Alava (20%) and Gas Natural (10%). This transaction amounts to 45 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. This operation is part of Naturgas' strategy to acquire local municipalities' distribution companies where Naturgas has majority stakes.

This deal is pending regulatory approval from Spanish Ministry of Economy and CNE. A decision from these entities is expected in approximately two months.

In 2005, Gasnalsa reported total revenues of 27.7 million euros, EBITDA of 8.2 million euros and provided services to 60,000 costumers. In 2005, Gasnalsa was consolidated in EDP's financial statements by the proportional method.

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