

Reuters: EDPP.IN / EDP.N
Bloomberg: EDP PL / EDP US

Investors & Analysts' Briefing

EDP INCREASES ITS STAKE IN NATURGAS TO 61.83%

EDP, through its 96.86% held Spanish subsidiary Hidroeléctrica Del Cantábrico S.A. ("HC Energia"), signed a sale and purchase agreement with Gas Natural SDG, S.A. ("Gas Natural") for the purchase of a 9.39% stake in the share capital of Naturgas Energia Grupo, S.A. ("Naturgas"). This transaction represents an investment of €122 million and allows HC Energia to increase its participation in Naturgas from 56.18% to 65.57%, which represents an increase of EDP's indirect participation in Naturgas from 54.42% to 61.83%.

In addition to the afore-mentioned acquisition, which fits EDP's strategy of reinforcing its position in the Iberian core business, EDP established with Gas Natural a set of operational agreements that will contribute to increase flexibility and reduce risk in our activities in the liberalized Iberian gas market.

Naturgas is the second largest operator in Spanish gas distribution, owning a gas distribution and transmission network of 5,096 kms with some 648 thousand clients connected as of Mar-07. In the gas liberalised market, Naturgas sold 13,755 GWh in 2006 and had 283 thousand clients as of Mar-07.

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