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Investors & Analysts' Briefing

INVESTOR RELATIONS DEPARTMENT

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EDP ANNOUNCES THE SALE OF ONI

EDP - Energias de Portugal, S.A. ("EDP") has agreed today to sell to Win Reason, S.A., ("Win Reason") a company currently owned by The Riverside Company ("Riverside"), which will be in the future co-owned approximately in 1/3 by Gestmin, SGPS, S.A. ("Gestmin") the entire share capital of ONI SGPS, S.A. ("ONI"), the holding company of ONITELECOM – Infocomunicações, S.A., a wireline telecommunications service provider.

The sale, by EDP of 100% of the share capital of ONI will be preceded by the following steps:

- EDP will acquire the remaining 44% of the share capital of ONI from BCP, BRISA and GALP, together with all accessory capital for an amount of €1 each;
- EDP will additionally acquire ONI's bank loans from its main debt holders.

Following the restructuring of the debt and share capital and granting of the necessary regulatory approvals (namely from the Competition Authority and ANACOM), EDP will sell 100% of the share capital (together with the accessory capital and credits of EDP to ONI) to Win Reason in a transaction based on a Enterprise Value of €160 million.

On the financial settlement date of the transaction, EDP is expected to register a decrease in its consolidated net debt of €74 million and is expected to have a positive impact on the net profit of EDP approximately by €105 million on top of the additional positive effect arising from ONI deconsolidation.

In the first nine months of 2006, ONI had a negative contribution to EDP net profit of €41 million.



This transaction (which is expected to be completed until the beginning of 2007) represents a key step in the implementation of EDP's strategy defined (and communicated) by the Executive Board of EDP in its Strategic Plan, of refocusing on its core energy business.

EDP – Energias de Portugal, S.A.