



Building a global leader in renewable energies

Relax Wind Parks acquisition - Poland

Lisbon, December 19th 2007



Transaction Description

Transaction Summary



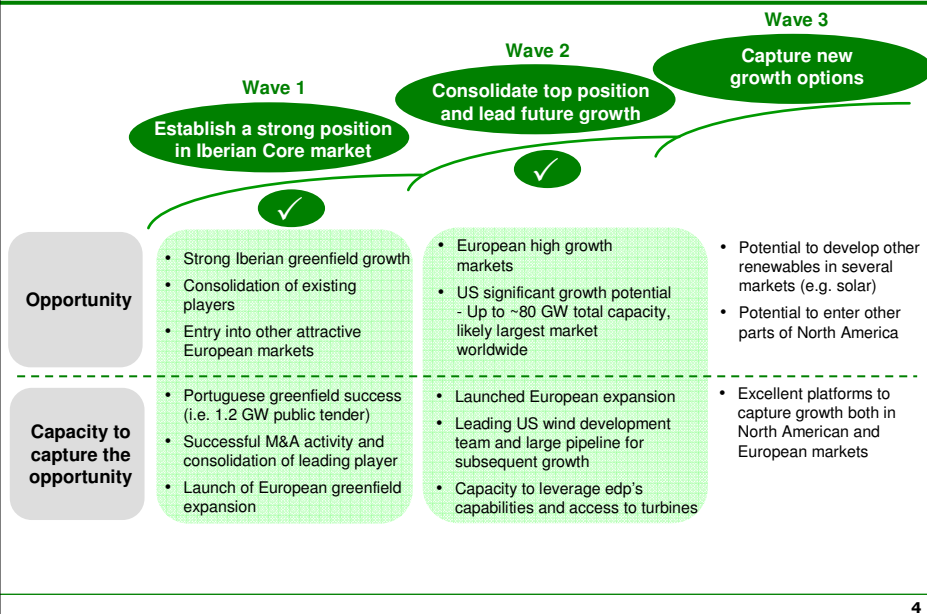
- Today, NEO – Nuevas Energías del Occidente, SL (“NEO”), EDP Group’s subsidiary for the renewables business, acquired “Relax Wind Parks”, a portfolio of wind projects to be developed in Poland
- The portfolio of projects acquired has a total gross capacity of 1,022 MW in different stages of development
- the first wind farm, with 120 MW of installed capacity, is expected to start operations in 2009. Turbines supply for this first wind park is already secured. The remaining of the capacity to be installed should start operations between 2010 and 2013.
- The price paid for this transaction is €54 millions and an additional success fee of €40,000 per megawatt on average.
- The companies acquired have an experienced high-quality management team with a superior knowledge of the electricity sector, in particular of the Polish renewable energies sector and of major local operators, and will continue managing these projects in Poland.
- Poland is one of the countries of Central and Eastern Europe with higher growth potential in the renewable energies sector, targeting that 10.4% of energy consumption in the 2010-2014 period should come from renewable energy sources.
- This operation is a natural fit to EDP’s strategy for renewable energies. The company’s entry into the Polish market for renewable energies allows the creation of an additional growth platform and of a starting point for the expansion of this business into Eastern Europe.
- This acquisition is expected to enable EDP to become one of the leaders in Poland, a market that today has about 200 MW of installed capacity, and to guarantee the future growth of the renewable energies business, mostly after 2010.

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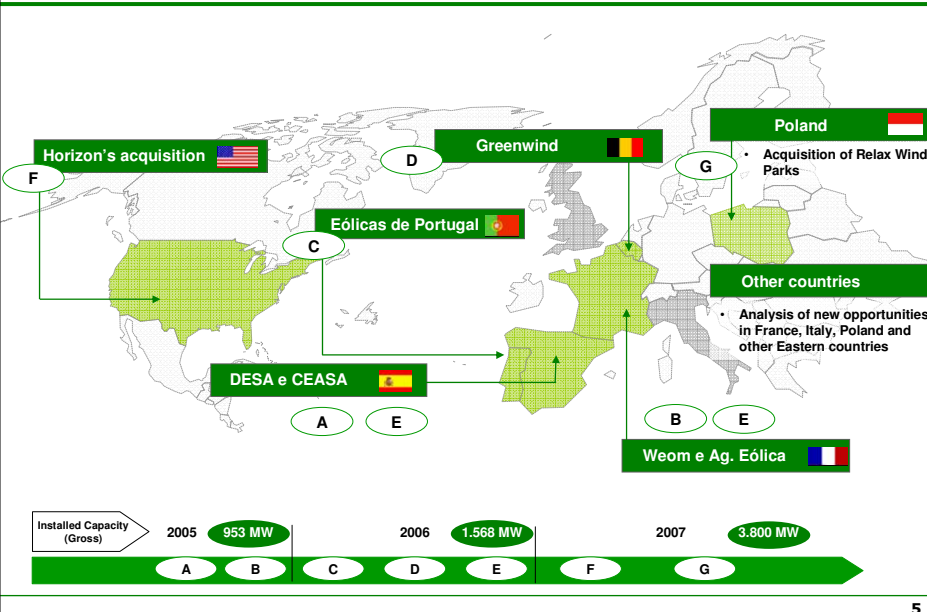
Strategic Rational

EDP has been successfully implementing its long term strategy for the renewables business...



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... betting in a highly diversified portfolio both in terms of geography and regulation



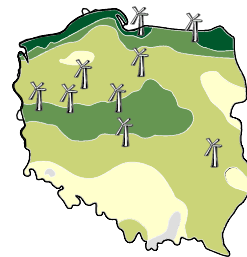
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Relax is well positioned to lead the renewables sector in Poland, supported by an experienced management team



- Growth platform for the polish market, expected to allow leading position in a market with 200 MW currently in operation.
- Total gross capacity of 1.022 MW, in different development stages
- Supply of 120 MW of turbines for the first farm, starting operations in 2009, is already secured
- Farms located in good wind condition spots
- Highly skilled and experienced management team with great knowledge of the electricity sector, in particular of the polish renewables sector and of its major local operators.

Relax wind farms locations



Ideal conditions 2.350 Weak conditions 1.750 Hours (net)



The Polish Market

The polish market presents good evolution prospects



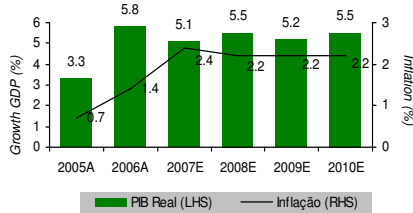
- 1 Favourable macroeconomic and energy market fundamentals
- 2 Favourable and stable regulatory framework
- 3 Good wind and interconnection and transmission conditions
- 4 Attractive renewable energy market, with wind energy driving the growth
- 5 Market controlled by small local players, but the world leading operators are already present

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1 Economy with good macroeconomic fundamentals and growing electricity demand

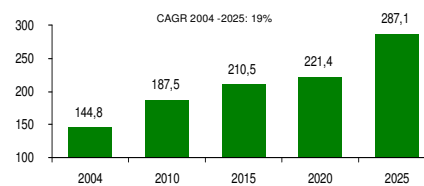


Macroeconomic Indicators



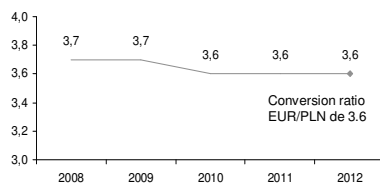
Source: Deutsche Bank e Millennium BCP consensus

Electricity Gross Demand (TWh)



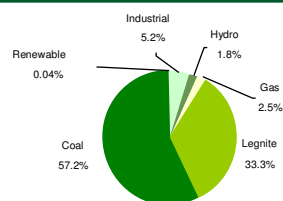
Source: Ernst & Young

Exchange Rates EUR/PLN



Source: Deutsche Bank e Millennium BCP consensus

Generation Mix



Source: Regulator

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2 Favourable regulatory framework, with clear and ambitious targets for the wind energy



Weight of the green energy in the final electricity consumption



source: Poyry

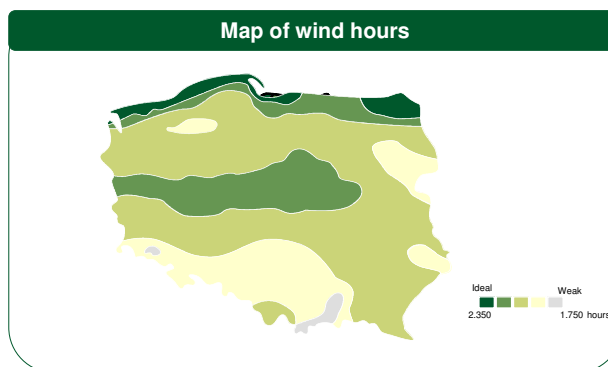
- Distributors are obliged to purchase all renewable energy at a pre-determined price (PLN 119,70/MWh em 2007 ~31,40 €)
- EU subsidies are available for investments in renewable energies
- Energy price has two components:
 - Black Energy, which is the energy pool price
 - Price of the Renewable Energy Certificates
- Green Certificates can be sold in the market (with a 242,40 PLN cap) or through bilateral contracts

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3 Good wind and interconnection and transmission conditions



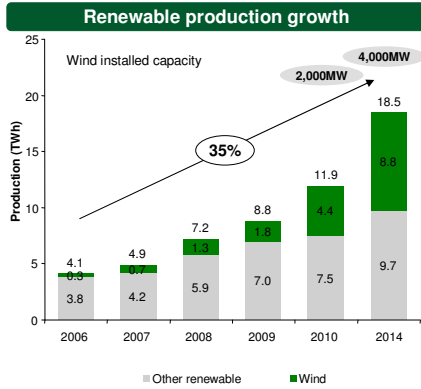
Map of wind hours



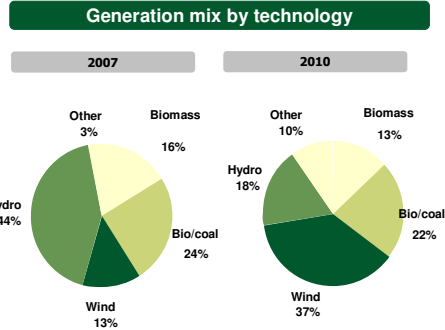
- Poland has good wind conditions, particularly in the north region
- Transmission network is being restructured in order to host the expected growth in demand and wind farm installation

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4 Strong growth expected in the renewables sector...



Source: Neo

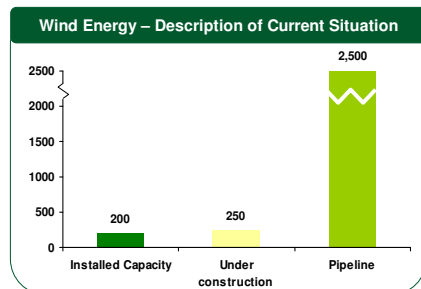
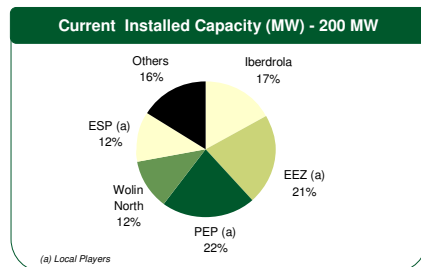


Source: Relax - Power Industry in Poland

- In the coming years, the renewable energy growth driver in Poland will be wind

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5 Although controlled by small local players, the polish market already has the presence of world leading companies



- Market is controlled by small local players. (70%)
- This small players have strong development teams, but with limited experience in construction, financing and operation, and limited financial resources
- Medium size players have different experience levels, in the other hand they have limited balance sheets, highly exposed to potential foreign investors

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Conclusions

Relax is a natural fit to EDP's strategy, in a growth and value added perspective



- 1** In line with EDP's Strategic Plan 2007-2010
- 2** Consolidation of EDP's global leading position in renewable energies, with the creation of growth options in adjacent markets
- 3** Entry in a market with strong growth potential, creating the conditions to consolidate a leading position in the medium and long term
- 4** Diversification of the revenue sources lowering the "portfolio"/regulatory risk

Relax acquisition fits the strategic plan parameters:

- Market in an initial development stage, but with good growth prospects
- Favourable regulatory environment
- Local experienced management team

With Relax, EDP's total pipeline of some 13,950 MW



(Gross MW)	Installed Capacity (Sep-07)	Pipeline		
		TOTAL	Under Construction	Under Development
WIND	2,732	13,946	1,194	12,752
Portugal	392	756	56	700
Spain	1,325	2,059	499	1,560
Poland	0	1,022	0	1,022
Europe (Other)	75	494	24	470
USA	941	9,615	615	9,000

High quality pipeline will support EDP's growth in wind power in the future

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Key Figures



- 1 Total Gross Capacity 1,022 MW
- 2 120 MW in operation by the end of 2009
- 3 The remaining capacity should be in operation between 2010 and 2013
- 4 Price: €54 million and an average "success fee" of €40.000 per MW
- 5 Global EDP pipeline, in different stages of development, of close to 13.950 MW

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