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Investors & Analysts' Briefing

INVESTOR RELATIONS DEPARTMENT

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DISPOSAL OF HC ENERGIA STAKE IN TELECABLE

Hidroeléctrica del Cantábrico ("HC Energia") and Caja de Ahorros de Asturias ("Cajastur") signed today a memorandum of understanding ("MoU") providing for the sale to Cajastur of the 46% stake that HC Energia holds in Sociedad Promotora de las Telecomunicaciones en Asturias ("SPTA"), which holds 100% of the capital of Telecable de Asturias ("Telecable") for €53,7m. The book value of this stake in HC Energia is €18,2m, which is expected to result in a capital gain of €35.5m. Moreover, HC Energia will retain for a certain period of time the right to share a percentage of the upside that is generated if Cajastur sells this stake in Telecable for a price higher than the above referred.

Telecable is a cable TV operator in the Asturias region which was consolidated in EDP's accounts through equity method. Its contribution to EDP's 2005 results was €460,000.

This deal is still subject to several conditions, which include, among others, the negotiation of the definitive agreements, particularly the sale and purchase agreement, approval of the transaction by regulatory and competition authorities and its approval by the corporate bodies of EDP and Cajastur. Completion of the deal is expected to occur until the end of this year.

This disposal comes in line with EDP's strategy of focusing on its core energy business, which was presented in our strategic guidelines review of July 19th.

EDP – Energias de Portugal, S.A.