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Investors & Analysts' Briefing

INVESTOR RELATIONS DEPARTMENT

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ONI S.G.P.S. SELLS ITS SPANISH TELECOMMUNICATIONS OPERATIONS TO TELE2 Telecommunication Services, S.L.

Today, Oni SGPS ("Oni"), a wireline telecommunications service provider 56.61% owned by the EDP Group, signed a Sale and Purchase Agreement for the sale of its 99.93% stake in the share capital of Comunitel Global S.A. ("Comunitel"), along with all its subsidiaries and affiliated companies, to Tele2 Telecommunication Services, S.L. ("Tele2").

Comunitel, the Spanish arm of ONI's fixed line business, is a telecommunications operator specialized in providing voice and data communication services to small and medium size corporate clients, large enterprises, single owner - home office customers (SoHos) and more recently the top end of the residential market.

The transaction value of the above mentioned 99.93% stake in Comunitel is based on a total enterprise value of Eur. 257 million and net financial debt of Eur. 42 million. The consideration to be received in cash on completion is Eur. 215 million (including shareholders' loans in the amount of Eur. 100 million). The book value of the Comunitel stake object of the Sale and Purchase Agreement now entered into by Oni and Tele2 is of Eur. 164 million and the company is expected to register a Eur. 51 million accounting gain resulting from this transaction. The successful completion of this transaction is conditional on a non-opposition decision by the Spanish competition authority.

This transaction is in line with the decision taken by Oni and its shareholders to completely focus the company's activities on the Portuguese broadband fixed line telecommunications business



where it has a relative competitive advantage by virtue of the strong backing of its shareholders, national leaders in their respective economic sectors. In addition, the proceeds from the transaction will enable Oni to significantly reduce its financial debt.

EDP – Energias de Portugal, S.A.

Background Information

Comunitel is a leading alternative telecommunications operator offering advanced solutions to businesses and high end residential customers in Spain. Comunitel was founded in 1998 and was one of the first operators to hold a fixed line telecommunications licence in the Spanish market. With the aim of extending its telecommunications operations outside Portugal, ONI purchased Comunitel in June 2001 from Grapes Communications N.V.. Comunitel subsequently purchased Ola Internet S.A. a leading internet service provider in 2002 and fully integrated its operations into Comunitel on January 1, 2005.

Core to its strategy, Comunitel exploits the growing needs for communications products and solutions among Spanish businesses by providing competitively priced, bundled services tailored to Small and Medium Enterprises ("SMEs"), Large Enterprises and Single Owner/Home Office customers ("SoHos") and more recently the top end of the residential market. Comunitel had 79,070 customers at end March 2005, of which 12,453 were direct ULL customers, 391 other direct customers and 66,226 indirect customers. Of the direct and indirect customers, approximately 63,000 were SoHos, 14,000 were SMEs and 1,400 were Large Enterprises.

Since 1998 Comunitel has installed a national telecommunications network. The Company operates a 16,730km backbone fibre network across Spain (of which 10,108km are owned and 6,622km are leased via IRUs) composed of 5 regional rings. The backbone network is connected to the incumbent's local access networks via leased circuits within cities at 191 locations in 79 cities across Spain to provide the final link to the Comunitel's customers. Comunitel's network is currently within close reach of approximately 50% of the Spanish business communications market. The network footprint is independent from Telefónica's network, and provides a platform for the deployment of end-to-end services independently of other operators' networks. Comunitel also leases an international network connecting Spain to London, New York and Guayaquil.

Germinus XXI S.A. ("Germinus") provides IT consulting services and innovative technology solutions to businesses in Spain, and was founded in February 2002. Germinus is in the process of being legally integrated in the Comunitel Group, though Germinus' operations were already integrated in the Comunitel Group companies from a management perspective

The following table shows the highlights of the proforma consolidated financials for Comunitel and Germinus.

Comunitel proforma consolidated including Germinus

EURm	2003A	2004A	Q1 2005A
Revenues	162.64	174.13	42.67
Gross Profit	50.46	58.88	16.01
EBITDA	5.03	10.55	4.05
EBIT	(23.20)	(16.17)	(2.14)
Net income	(22.59)	(18.15)	(2.35)
CAPEX (excluding Germinus) ¹	29.77	20.41	4.59
Business customers (EOP)			
Indirect access customers ²	60,148	64,564	66,226
Direct access customers	4,666	10,782	12,844
Total customers	64,814	75,346	79,070
Headcount (EOP, excluding Germinus) ³	546	446	436

¹ CAPEX for Germinus in 2004 was approximately EURO.3m

² Including VAS customers

³ Headcount for Germinus was 47 in 2004 and 43 in 2004