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Investors & Analysts' Briefing

INVESTOR RELATIONS DEPARTMENT

Miguel Viana, Head of IR
Elisabete Ferreira
Ricardo Farinha
Noélia Rocha

Phone +351 210012834
Fax: +351 210012899

Email: ir@edp.pt
Website: www.edp.pt

EARLY TERMINATION OF POWER PURCHASE AGREEMENTS (PPA)

Today, EDP – Energias de Portugal S.A. (“EDP”) and REN - Rede Eléctrica Nacional S.A. (“REN”) executed a set of addendums to the agreement for the early termination of its long term power purchase agreements (PPA), which is expected to result on the early termination of PPAs by 1 of July of 2007, although still subject to certain precedents being met such as the beginning of operation of MIBEL. The CMECs (Cost for the maintenance of Contractual Equilibrium) base value, which EDP is allowed to securitize, was set at €833 million following the discount of cash flows at a rate of 4.85% (4.6% Portuguese government bond yield with maturity on Jun-2014 + 0.25%).

Moreover, as announced to the market in 16 of February of 2007, it was approved today by the Portuguese Government, the setting of a €759 million value for the payment due by EDP with the purpose of ensuring the economic and financial balance of the hydro plants according to market conditions, for the period following the term set forth in the PPAs.

Following the setting of the €759 million value, EDP has executed with REN a contract for the future transfer of the concession contracts for the use of the hydro public domain, which should be signed between the Portuguese Government and REN within the next two years, upon which EDP will pay the total referred value. With the transfer of the above hydro concessions, EDP assures the rights to operate under market conditions 26 hydro plants with a 4.095 MW installed capacity after the term dates of their PPAs for a period that will last in average until 2047.

These agreements represent key contributions for the liberalization of the electricity sector and the increase of volumes liquidity in MIBEL, and at the same time assure the preservation to EDP of the present value of PPA contracts.

EDP – Energias de Portugal, S.A.