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Investors & Analysts' Briefing

**INVESTOR RELATIONS
DEPARTMENT**
Miguel Viana, Head of IR
Sónia Pimpão
Elisabete Ferreira
Ricardo Farinha
Rui Freitas
Noélia Rocha

Phone +351 210012834
Fax: +351 210012899

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

EDP INCREASES GAS REGULATED ACTIVITIES IN SPAIN

EDP Group, through its sub-holding for the gas business in Spain, Naturgas Energia, which is 64% indirectly owned by EDP, agreed to acquire from Gas Natural SDG, S.A. ("Gas Natural") its activities of low pressure natural gas distribution and supply (including last resource) in the regions of Cantabria and Murcia, as well as the high pressure natural gas distribution assets in the regions of the Basque Country, Asturias and Cantabria. These assets represented at the end of 2008 approximately 2,860 Km of gas network, 248,000 points of gas supply, 11.0 TWh/year of gas distributed, 214,000 gas supply clients, including also a portfolio of electricity costumers and other services in these regions.

The acquisition price will be calculated on the basis of a global enterprise value of €330 million, after obtaining the required authorizations by the regulatory and competition authorities, to which this operation is subject to. EDP expects that the assets to be acquired by Naturgas will have a €35 million EBITDA contribution by 2010, before one-off integration costs, which corresponds to a 2010 E EV/EBITDA multiple of 9.4x.

The assets to be acquired have a high geographical match with Naturgas' existing operations, which are mostly located in the Basque Country and Asturias regions, both of which having borders with Cantabria. Naturgas also has some activity in the region of Murcia.

Through this deal, EDP reinforces its position as the second largest gas distribution company in its core market, the Iberian Peninsula, increasing its market share in terms of points of gas supply from 11% to 14% (based on 2008 public information) and surpassing 1 million clients connected, while reinforcing the weight of regulated low risk activities in its business portfolio.

EDP – Energias de Portugal, S.A.