

Reuters: EDP.P / EDP.N
Bloomberg: EDP PL / EDP US

Investors & Analysts' Briefing

INVESTOR RELATIONS DEPARTMENT

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EDP REACHES FRAMEWORK AGREEMENT WITH ENI FOR THE CONTROL OF PORTUGAL'S NATURAL GAS BUSINESS

In the context of the Resolution of the Council of Ministers 68/2003, of May 10, that establishes a restructuring plan for the Portuguese energy sector, EDP entered into a framework agreement with Eni, S.p.A., establishing the key principles in relation to the integration of the electricity and gas businesses and to the target shareholding structure of GDP, SGPS, SA, which is expected to be held 51% by EDP and 49% by Eni. It is expected that for a transitional period, REN (the Portuguese electricity grid operator) may hold a minority stake in GDP until such time as the unbundling of regulated assets, such as the high-pressure natural gas network, is concluded.

It is expected that the reference value for the purposes of this transaction, which consists in the direct entry of the above mentioned companies into Galp Energia's natural gas business, including the regulated assets that will be subsequently transferred to REN, will be 1,200 million euros.

The implementation of the transaction assumes that the direct entry of EDP into the natural gas business will be borne by the economic value resulting from its exit from the share capital of Galp Energia, where it currently holds a 14.27% stake, such that no additional investment by EDP is expected.



EDP and Eni will now initiate negotiations in relation to the final agreements for the structuring of the operation and for the definition of the corporate governance of GDP, with the aim of concluding them by March 31. In any case, the execution of the transaction will be dependent on the approval by the relevant anti-trust authorities.

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