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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

EDP BANDEIRANTE: ANEEL APPROVES FINAL PARAMETERS FOR THE OCT-2007/OCT-2011 REGULATORY PERIOD

The Brazilian electricity regulator, ANEEL, approved yesterday the final regulatory parameters for the calculation of the tariffs of EDP Bandeirante over the regulatory period starting in Oct-2007 and ending in Oct-2011.

The major changes introduced by ANEEL, relatively to what had been provisionally established in 2007 and 2008, are:

- (i) The benchmark cost base recognized by the regulator “empresa de referência” decreased from R\$263 million to R\$247 million;
- (ii) The Xe component of the X factor, the index that is used in the calculation of the annual tariff adjustments increased from 0.74% to 1.01%;
- (iii) The percentage of revenue losses which are recognized as non-recoverable by the regulator increased from 0.50% to 0.60% of gross invoicing (including taxes).

Overall, the final tariff revision index now approved by ANEEL is -9.79%, which compares with the provisional index of -8.80% that was set in October 2007. These changes impact the current regulatory period, which started on October 23, 2007. The final index will be incorporated in the annual adjustment of EDP Bandeirante tariffs as from October 23, 2009.

EDP estimates that the impact of this revision should be between R\$35 million and R\$40 million.

EDP – Energias de Portugal, S.A.