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# Investors & Analysts' Briefing

## INVESTOR RELATIONS DEPARTMENT

Pedro Pires, Head of IR  
Cristina Requicha  
Elisabete Ferreira  
Gonçalo Santos  
Rui Antunes

Tel: +351 21 001 2834  
Fax: +351 21 001 2899

Email: [ir@edp.pt](mailto:ir@edp.pt)  
Site: [www.edp.pt](http://www.edp.pt)

## THE EU COMMISSION AUTHORIZES EDP TO INCREASE ITS STAKE IN HIDROCANTÁBRICO FROM 39,5% TO 95,7%

EDP - Electricidade de Portugal, S.A. ("EDP") hereby communicates to the market and to the public in general the following:

Today, the Competition DG of the Commission of the European Communities ("EU Commission") informed EDP of its decision not to oppose the transaction we announced to the financial market on July 29, 2004, which consists of the increase of EDP's stake in the share capital of Hidrocantábrico from 39.5% to 95.7%. The proposed acquisition was notified to the EU Commission on August 5, 2004.

In its decision, the EU Commission considered this operation not to give rise to any competition concerns since it is a change in the structure of control of Hidrocantábrico from a situation where three shareholders exercise joint control over the company to a situation of sole control by EDP.

Additionally, the EU Commission considered that the transaction does not significantly alter the competitive structure at either national level – in the markets where each of the companies operate – or at the level of an integrated Iberian market where both companies face competition from other Spanish players and where EDP and Hidrocantábrico's combined share in electricity generation was approximately 18% in 2003.

The non-opposition by the EU Commission represents a major step for the successful completion of the proposed transaction.

## EDP – ELECTRICIDADE DE PORTUGAL, S.A.