



Investors & Analysts' Briefing

Reuters: EDP.LS
Bloomberg: EDP PL

EDP HAS ACCEPTED A BINDING OFFER FOR THE SALE OF 100% OF GAS DISTRIBUTION IN SPAIN

Lisbon, March 27th 2017: Pursuant to the terms and for the purposes of the article 17 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council and of article 248 of the Portuguese Securities code, EDP - Energias de Portugal, S.A. ("EDP") is providing the following information to the market:

EDP acknowledges the receipt and acceptance of the main terms and conditions of a formal Binding Offer to acquire its gas distribution subsidiary in Spain, Naturgas Energía Distribución, S.A. ("NED"). The fully funded Binding Offer has been presented by a consortium of investors comprising, amongst others, institutional investors advised by J.P. Morgan Asset Management, the Abu Dhabi Investment Council and Swiss Life Asset Managers. The offer has been submitted by Nature Investments, a special purpose vehicle set up on behalf of the consortium by Covalis Capital and White Summit Capital.

The offer for 100% of NED corresponds to a Firm Value of €2,591 million and should result in a c.€2.3 billion reduction on EDP's net debt in 2017. The Firm Value includes c.€200 million targeted to be paid post 2017 in an expected period of 5 years. In 2016 NED's EBITDA was €165 million (when adjusted for the full year contribution from LPG assets acquired from Repsol). The proposed transaction will have no impact on EDP's 1Q17 results and is expected to result in a net capital gain of c.€700m in 2017.

With the acceptance of the Binding Offer, EDP and the consortium of investors target to sign definitive agreements in April, while the completion of the proposed transaction will be subject to the customary regulatory approvals.

NED is EDP's subsidiary for gas distribution in Spain, comprising over 1 million supply points of natural gas and liquefied propane gas, located in the regions of the Basque Country, Cantabria and Asturias. This transaction does not include any gas supply activities, and will have no impact on EDP's relationship with gas customers in Spain.

The proceeds from this disposal will fund the potential acquisition of the shares of EDP Renováveis, S.A. ("EDPR") currently owned by minority shareholders, also announced today, while the remaining proceeds will be used to continue the deleverage path of EDP by reducing its debt.

EDP – Energias de Portugal, S.A.

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