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Investors & Analysts' Briefing

INVESTOR RELATIONS DEPARTMENT

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ERSE SETS ELECTRICITY TARIFFS IN PORTUGAL FOR 2010

In accordance with and for the purposes of article 248 of the Portuguese Securities Code, EDP - Energias de Portugal, S.A. (EDP) discloses to the market and to the general public the following:

The Portuguese independent energy services regulator, ERSE, made public today the final document "Tariffs and prices for electricity and other services in 2010", which set a 2.9% average increase of final electricity tariffs in Portugal mainland for 2010.

ERSE established an 8.39% rate of return for the regulated activities of electricity distribution grid (operated by our subsidiary EDP Distribuição) and last resource supply (operated by our subsidiary EDP Serviço Universal). This rate corresponds to the 10 year portuguese government bond yield plus a 4.0% premium, and compares with an 8.55% rate that was in place over 2009. Overall, ERSE set 2010 regulated gross profit for EDP's regulated activities (excluding adjustments from previous years) at: (i) €1,189 million for electricity distribution grid; and (ii) €111 million for last resource electricity supply.

Other key assumptions now published by ERSE on the calculation of electricity tariffs in Portugal for 2010 include: (1) forecast for average electricity purchase price in 2010 of 50.8 €/MWh; (2) forecast for electricity consumption in Portugal for 2010 in line with the forecast for 2009 assumed in this document; (3) GDP deflator of 1.5%; (4) adjustments related to deviations at EDP Serviço Universal between expected and real costs with electricity purchases and costs with special regime generation: (i) estimated €814 million positive deviation in 2009 to be paid-back through 2010 tariffs; (ii) negative €186 million deviation originated in 2008 pending to be recovered through regulated tariffs in 2010.

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