



Julián Martínez-Simancas
General Secretary and Secretary of the Board of Directors

To the National Securities Market Commission

Bilbao, December 7, 2010

Re: Intra-group change of the shareholding interest in EDP – ENERGÍAS DE PORTUGAL, S.A.

Dear Sirs,

Pursuant to Section 82 of Law 24/1988, of July 28, on the Securities Market (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) and related provisions, we hereby advise you that IBERDROLA PARTICIPAÇÕES, SGPS S.A. has transferred its total shareholding interest in EDP – ENERGÍAS DE PORTUGAL, S.A. (“EDP”) to IBERDROLA ENERGÍA, S.A. SOCIEDAD UNIPERSONAL (“Iberener”)¹.

In particular, Iberener has acquired 248,437,516 shares of EDP, representing 6.794% of the share capital of EDP.

Please be advised of all of the foregoing for such purposes as may be appropriate.

Yours truly,

General Secretary and Secretary of the Board of Directors

¹ A wholly-owned subsidiary of IBERDROLA, S.A.

IMPORTANT INFORMATION

This communication does not constitute an offer to purchase, sell or exchange or the solicitation of an offer to purchase, sell or exchange any securities. The shares of IBERDROLA, S.A. may not be offered or sold in the United States of America except according to an effective registration statement under the Securities Act or according to a valid exemption from registration.

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