



**ANNUAL GENERAL
SHAREHOLDERS' MEETING**

April 12th, 2007

**PROPOSAL OF POINT TWO OF THE AGENDA
Allocation of Profits in relation to the 2006 financial year**

In accordance with article 30/1 of the by-laws of EDP, the Executive Board of Directors, hereby submits for approval the following allocation of the profits:

Legal reserve	€ 25,784,821.02
Dividends *	€ 402,219,148.65
Endowment to EDP Foundation	€ 8,400,000.00
Profit or loss forwarded	€ 79,292,450.66

Lisbon, March 27th, 2007

EDP – Energias de Portugal, S.A.

The Executive Board of Directors

* The proposed dividend is 0.11 euros per share.