

EDP ENERGIAS DE PORTUGAL SA

Form 6-K

February 16, 2006

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**Form 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO**  
**RULE 13a-16 OR 15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the Month of February 2006

**EDP- Energias de Portugal, S.A.**

**Praça Marquês de Pombal, 12**

**1250-162 Lisbon, Portugal**

**(Address of principal executive offices)**

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F  Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes  No

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Lisbon, February 16<sup>th</sup> 2006

Reuters: EDPP.IN / EDP.N

Bloomberg: EDP PL / EDP US

**EDP LAJEADO REACHES AGREEMENT WITH ELETROBRÁS  
REGARDING THE REDEEMABLE PREFERRED  
SHARES ISSUED BY INVESTCO**

INVESTCO, S.A. ( Investco ) the company that holds the concession for the hydro power plant Luiz Eduardo Magalhães ( Lajeado power plant ) with an installed capacity of 902.5 MW located in the Brazilian state of Tocantins and its shareholders EDP Lajeado Energia, S.A. ( EDP Lajeado ), Rede Lajeado Energia, S.A., CEB Lajeado, S.A. and Paulista Lajeado, S.A., reached an agreement with Centrais Eléctricas Brasileiras, S.A. Eletrobrás ( Eletrobrás ), for the acquisition of Investco s redeemable shares ( PN-R Shares ) currently held by Eletrobrás.

The above-mentioned PN-R Shares, which represented 37.52% of Investco s total capital, were redeemable in five annual instalments, the last one maturing on December 31, 2007. The value of these shares was annually adjusted by IGP-M (inflation) plus a 12% spread. As of November 30, 2005, the value of these shares totalled R\$1,067.3 million.

EDP Lajeado, in which Energias do Brasil holds a 99.99% stake, is responsible for 27.65% of the total PN-R Shares redeemable by Eletrobrás, which value totalled R\$295.1 million as of November 30, 2005.

**INVESTOR RELATIONS DEPARTMENT**

With the conclusion of the present agreement, EDP Lajeado acquired from Electrobrás 27.65% of the PN-R Shares in the following conditions:

Pedro Pires, Head of IR

Gonçalo Santos

Elisabete Ferreira

Cristina Requicha

Rui Antunes

Catarina Mello

i) credits attributed to Eletrobrás in the amount of R\$110.5 million to be used in the subscription of 83,234,057 new preferred shares without voting or redemption rights, corresponding to 40.07% of EDP Lajeado total capital, and;

Phone +351 210012834

Fax: +351 210012899

Email: ir@edp.pt

*EDP Energias de Portugal, S.A. Listed Company Head Office: Praça Marquês de Pombal,12 1250-162 Lisboa*

*Portugal Share Capital 3 656 537 715 Registered with the Commercial Registry Office of Lisbon under no. 1805*

*Company Tax Number 500 697 256*

- ii) credits attributed to Eletrobrás in the amount of R\$184.6 million to be used in the acquisition of securities representative of Partes Beneficiárias <sup>(1)</sup> of EDP Lajeado. These securities give the right to receive a dividend equal to 10% of net income and are convertible into preferred shares, with no voting right, at the end of the concession of Lajeado power plant (2032). The conversion of the Partes Beneficiárias into preferred shares will correspond, by the time of the conversion, to 5.084% of total EDP Lajeado's outstanding shares.

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- (3) Issued securities, in accordance with Brazilian law, that give its holders the right to receive a dividend out of the company's net profit, but without conferring voting right.

**ANNEX**

Shareholder structure before the agreement:

Shareholder structure after the agreement:

Legend:

ON Ordinary Shares

PN Preferred Shares

PN-R Redeemable Preferred Shares

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: February 16, 2006

EDP- Energias de Portugal, S.A.

By: /s/ João Ramalho Talone  
Name: João Ramalho Talone  
Title: Chief Executive Officer