2009

Management Report
Financial Statements and Notes
Corporate Governance Report
Sustainability Report

REFER

This is a report on the company Rede Ferroviária Nacional – REFER, *E.P.E.* (REFER). The data of an economic, social and environmental nature presented here in result from the activity of the company in 2009.
All the REFER reports are available at www.refer.pt.

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MANAGEMENT REPORT

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Message From The Board Of Directors

The year 2009 marked the start of the second mandate of the Board of Directors, maintaining its responsibility for the management of the railway infrastructure as regards asset construction, maintenance and preservation, capacity management, circulation management and safety, offering the market a reliable and high-quality network to optimise customer service.

In accordance with the stipulations of Decree-Law no. 71/2007, which defines the public management statute, for the first time in 2009 the Ministry of Public Works, Transport and Communication, and the Ministry of Finance, jointly defined REFER's management goals, for the period between 2009 and 2011:

1. Improved efficiency and cost control;
2. Reduction of the average waiting time for payment of suppliers;
3. Increased profitability;
4. Sustainability;
5. Quality and Reliability of Service;
6. Safety;
7. Control of investment.

One or more indicators were then associated to each of these goals and annual targets were defined. In 2009 over 75% of the defined targets were achieved.

The goals and indicators defined for the members of the Board of Directors in their different roles are clearly integrated into the strategic goals defined by REFER and the goals defined for the railway sector.

The safety of the railway infrastructure is one of the aims inherent to the activity, defined in the management contract signed between REFER and the different Ministerial Departments. Therefore, the company has been installing modern and reliable safety systems, such as Convel (automatic speed control system) and Rádio Solo Comboio (communication system with rolling stock on the track). Today 52.3% of the network is fitted with safety systems.

Compliance with rail transport punctuality, safety and quality, is one of REFER's responsibilities. In 2009, the punctuality rate for reasons imputable to REFER, had a positive variation, reaching levels of 99% in the suburban trains group and 97% in the regional and freight trains.

Level crossings are, increasingly, items that hinder the smooth running of the railway system. The increased flow of rail traffic and the speeds reached by the trains are incompatible with the high number of level crossings. As such, only through a concerted policy of elimination and reclassification of the safety surrounding the level crossings, can the per-

formance of the system be improved, contributing to fewer accidents. As part of this drive, in 2009 48 level crossings were either eliminated or reclassified.
In the field of rail safety and the effort to reduce rail accidents, in 2009 REFER invested heavily in prevention. The company took part in marking the "European Level Crossing Awareness Day", whose aim was to increase society's awareness of the need to respect the signalling and strictly comply with the safety rules whenever using a level crossing. A campaign was launched called "Stop, Listen and Look". Integrated into this campaign was the "Green Paper on Level Crossing Safety", the aim of which was to encourage public debate about the issue and gather contributions for the implementation of new measures to reduce the accident rate in these railway line crossings.

To increase train transport usage, the company has to be in harmony with the railway operators and their customers, providing the market with a reliable and high-quality railway network. In 2009, owing to the current economic circumstances, the use of the railway measured in TK (Train/Kilometre) fell in comparison to the previous year, which led to a reduction in the user fees received by REFER. This reduction was 3%, broken down into 1.4 million TK and EUR 1.6 million in user fees.
Worthy of note in this area is the fact that the company COMSA began to use the Portuguese rail system, starting tests on the railway.
CP Carga was also created to supply freight transport services, which had hitherto been supplied by CP.

As regards long-term investment, ever since its creation, REFER has undertaken modernisation and development projects on the national railway network, with the following highlighted in 2009:

- Investment in the continuation of construction of the Trofa Alternative Route, integrated into the remodelling of the Minho Line, between S. Romão and Lousado;

- Opening of the Cacia Multimodal Terminal integrated into the Aveiro Port Rail Link project;

- Opening of the Cais do Sodré Transport Interface. This interface intends to enhance the intermodality in order to increase the demand for public transport, thus ensuring sustainable mobility at a social, environmental and economic level.

- Presentation of the new passenger railway service on the Leixões Line. This new passenger service will contribute to the environmental sustainability, making access and mobility easier in an area that in recent years has undergone fast population growth and which has a significant potential market.

- Signing of several protocols to eliminate level crossings.

With regard to the environment, the following initiatives were completed:

- Work on monitoring noise and vibrations (operating phase) on the Évora, Minho, do Sul, Beira Baixa lines and the Braga branch.

- Monitoring of the water quality (in the Casa Branca / Évora section of the Évora Line), in line with the commitments made within the scope of the environmental assessment of the project. Completion of the development of the Strategic Noise Chart of Porto S. Bento/ Ermesinde Section, of the Minho Line. Upon the presentation of this chart, all the lines and sections of line that run over 60,000 journeys per year have now been charted, which was a top priority for REFER.

In the Financial Management area, the following points are highlighted:

- The contracting of two loans from the EIB with State guarantee amounting to EUR 100 million each, with floating interest rate, to fund the Northern Line.

- The full repayment of the EUR 250 million Logo Securities II loan.

- The issuance of a EUR 500 million Eurobond with State guarantee, maturing in 2019.

- The contracting of a loan from the EIB without State guarantee amounting to EUR 110 million, with fixed interest rate, to finance several railway infrastructure investments (Aveiro Port Rail Link, Operational Command Centres, etc).

- The issuance of a EUR 500 million Eurobond with State guarantee, maturing in 2024.

In line with the policy undertaken in previous years, REFER continued its trend to reduce the average workforce, reflecting the organisation's adaptation to the different modernisation programmes in the railway industry implemented in recent years. Since 1999 a total of 2969 employees have been released by REFER, which is 46% of the initial workforce. In 2009 the company had an average of 3518 employees, which was 55 fewer than in 2008. At the end of December the number of employees had risen to 3497.

Having defined the action and counting on the support we always receive from the Ministerial Department, the dedication and endeavour of the staff and the support of the other control and regulatory entities, we believe the pillars are in place to enable the construction of a stable future for REFER.

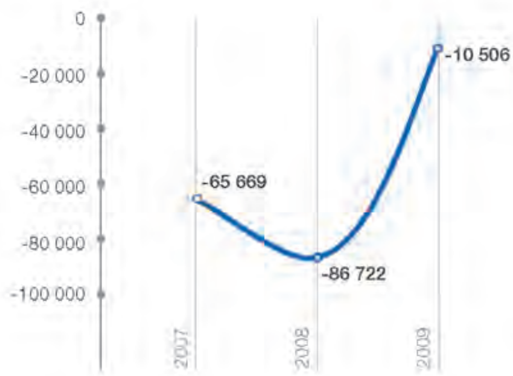
Overview Of Indicators

Operating Income

[thousands of euros]

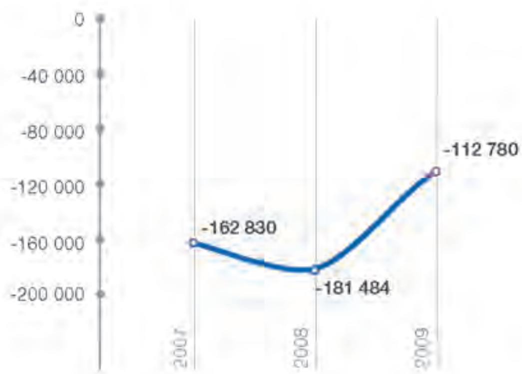
Financial Income

[thousands of euros]



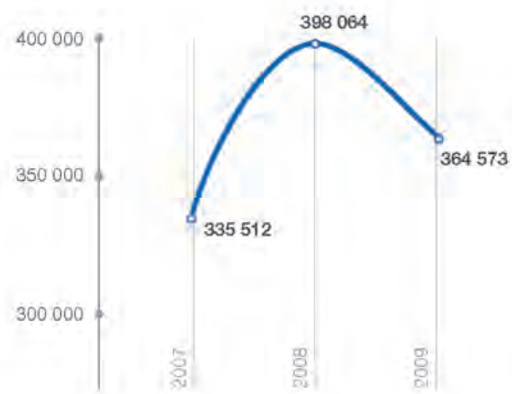
Net Income

[thousands of euros]



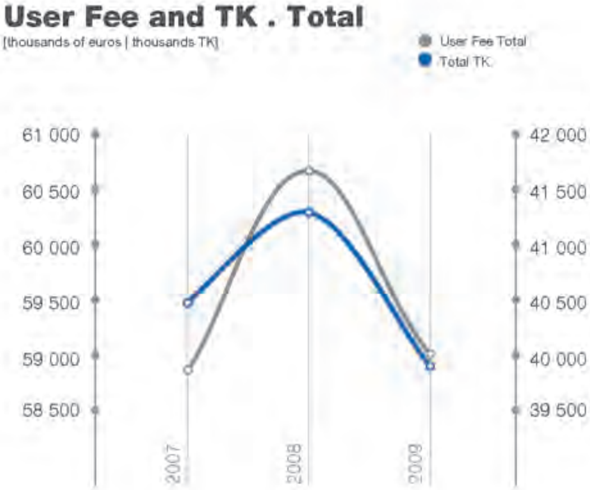
Investment in Modernisation

[thousands of euros]



User Fee and TK . Total

[thousands of euros | thousands TK]



Summary of the Year

January

Public Tender launched, aimed at installing the track superstructure in the Rail Link accessing Aveiro Port.

Start of environmental assessment impact of the quadruplication of the Contumil – Ermesinde section of the Minho Line.

Reappointment of the members of the Board of Directors for a second mandate.

Contracting of two EIB loans, each amounting to EUR 100 million. Both benefit from a State guarantee.

The international rating agency Standard & Poor's revised the rating of REFER downwards to A- in the wake of the same action taken for the Republic of Portugal.

February

10-Year issue of EUR 500 million Eurobond with State guarantee.

Commissioning of the General Civil Construction, Track and Power lines remodelling of the Minho Line, between S. Romão and Lousado, aimed at ending the railway bottleneck in the main network caused by a single-track crossing.

Opening on 15 February of the new pedestrian crossing at S. Pedro do Estoril station, definitively closing the level crossing at Km 21.208.

Signing in Águeda of a protocol between REFER and the Municipal Council for the elimination and reclassification of level crossings in Águeda Council.

Completion of the building work on the overpasses at Km 307+832 (Maceda) and 309+623 (Cortegaça), on the Northern Line.

Opening of the Cacia Multimodal Terminal.

Commissioning of the tender to paint the Maria Pia bridge, in Porto.

Commissioning of the contract to refurbish the superstructure of the track between Marco de Canaveses and Régua.

March

Opening of the Cais do Sodré transport interface.

Participation in Segurex – International Security and Safety Exhibition, held at Lisbon International Exhibition Centre (FIL).

Commissioning of the Tender for the Modernisation of the Castelo Branco - Vale de Prazeres section and signing of the Protocol for the Elimination of Level Crossings in the Council of Castelo Branco.

Signing of the Protocol for Elimination of Level Crossing in the Council of Vila Velha de Ródão.

Commissioning of the tender for the refurbishment of the superstructure of the track between Carvalha and Valença and raising of the station platforms at Caminha and S. Pedro da Torre stations.

Completion of the building work of the pedestrian underpasses of Areosa and the road underpasses at Carreço and Afife, on the Minho Line.

Commissioning of the tender for the construction of the road overpasses at Km 209+342, 210+256 and 211+328 of the Northern Line, in the council of Coimbra.

Opening of the road overpass at Km 8.512 of the Alentejo Line, parish of Moita, enabling non-level crossing of the railway, which previously had a level crossing at Km 8.766, which was decommissioned.

Commissioning of the construction/improvement works tender for the elimination of the level crossings at Km 15.440 and Km 22.365, of the Espinho / Sernada Section of the Vouga Line.

April

Construction of non-level crossings in the council of Coimbra and closure of the level crossings at Km 225.363 and 225.535 of the Northern Line, in the parish of Souselas.

Signing of the concession contract of an area that integrates the Aveiro / Cacia Logistics Platform, destined for the installation and operation of logistical activities that preferentially use rail transport.

Completion of the building works of the road underpass at Km 79.410 (Darque/Seca), which allowed the closure of the level crossing at Km 79.390, of the Minho Line.

May

Signing of the Protocol for the Enhancement and Rebuilding of the Cascais Line railway in the Carcavelos/Estoril section, allowing the elimination of the two last level crossings in the council (S. Pedro do Estoril and S. João do Estoril) and one level crossing at Estoril station.

Opening of the pedestrian overpass at Vila Franca de Xira station, eliminating the level crossings at Km 30.131 and 30.370.

Signing of two protocols that will enable the creation of a new passenger railway service on the Leixões Line. The protocols involve CP – Comboios de Portugal, *E.P.E.*, REFER, APDL – Administração dos Portos do Douro e Leixões, S.A and Matosinhos Municipal Council.

Commissioning of the building contract for the road overpass at Km 299.100 and the road underpass at Km 311.033 and respective access and connection roads.

June

Launch of the two first international tenders for the signalling control / command system and refurbishment of the stations, as such marking the beginning of the Modernisation Plan of the Cascais Line.

Commissioning of the contract for the modernisation of Raquete station. The modernisation of this station, located on the Sines Line, is part of the investment programme defined for the development of this rail route for freight.

Start of the general contract for modernisation of the Vale de Prazeres - Covilhã section and signing of the protocol for the elimination of level crossings in Fundão Council.

Signing of a Protocol between REFER and Guarda Municipal Council to eliminate and reclassify level crossings in this council.

Marking of the European Level Crossings Awareness Day, a joint initiative of the European Level Crossing Forum and the European Commission, with the involvement of the rail and road sector, the European and international railway associations, the public administration, the regulatory entities and the police forces.

Completion of the road underpasses construction contract at Km 68.700 and Km 74.640, the road overpass at Km 75.310, the pedestrian underpass at Km 75.630 and the respective accesses and connections, in the parishes of Barroselas, Vila Fria and Mazarefes.

Commissioning of the building work of the infrastructures of the 1st phase of reactivation of the commercial passenger service on Leixões line between the stations of Ermesinde and Leça do Balio.

July

Within the scope of the "STOP, LISTEN AND LOOK" campaign, and aimed at raising awareness among rail passengers and all people who come into contact with railways, a 5600 locomotive was emblazoned with the message "AT LEVEL CROSSING STOP, LISTEN and LOOK".

Commissioning of the contract to refurbish the Northern Line, along a section of around 35 km, between Km 70.450

and Km 105.100, in the Setil / Entroncamento subsection.

Elimination of the Alvarães level crossing (Viana do Castelo) and construction of the road underpass.

Commissioning of the contracts to raise the track and re-laying of the Tâmega line and Corgo Line, respectively.

Signing of the collaboration protocol between REFER, CP, Coruche Municipal Council, Cartaxo Municipal Council and Salvaterra de Magos Municipal Council for the resumption of the passenger service on the Vendas Novas Line.

August In step with the good practices of other foreign networks, for the first time in Portugal a double half barrier was installed at the Sabugo level crossing at Km 24.988 of the Western Line.

Presentation for the first time of the "railway forest fire prevention plan for the 2009-2011 period".

Commissioning of the contract of the 3rd Phase of the Aveiro Port Rail Link project, which comprises the installation of the track superstructure in the railway platform constructed in the two prior phases using the ballasted track and the concreted track and in the accesses to the terminals already constructed inside Aveiro Port.

September Commissioning and contracting of the refurbishment of S. Pedro do Estoril station.

Closure of the level crossings at Km 11.709 and Km 12.564 and passenger crossings at Km 13.195, in the Barreiro/ Pinhal Novo section of the Alentejo Line.

Installation of a double half barrier at the Miramar level crossing at Km 323.850, of the Northern Line.

Commissioning of the road overpass construction contract at Km 361.993 of the Algarve Line.

Signing of the Protocol to adapt the old Caniços Railway bridge for pedestrians, located at Km 35.451 of the Guimarães Line.

Reopening of the passenger transport railway service in the Vendas Novas Line, between Setil and Coruche, with connections to Lisbon.

Presentation ceremony of the new railway passenger service on the Leixões Line.

Signing of the protocol to refurbish the Douro Railway Line between Pocinho and Barca d´Alva and tourism operation between Régua and Barca d´Alva.

Contracting of a EUR 110 million EIB loan without State guarantee.

Commissioning of the contract to build the road underpass at Km 101.592 of the Beira Alta Line.

October Completion of the contract to paint the Maria Pia Bridge, in Porto, as part of the bridge inspection and maintenance plan. This operation aimed to provide anti-corrosion protection of the metal structure, through hydrostripping and subsequent painting.

Commissioning of the contract for the modernisation of the Bombel and Vidigal to Évora section.

Commissioning of "Alcácer Alternative Route (2nd Phase) – Railway and Fixed Electrical Traction Installations" contract.

Awarded 4th place in the Sustainable Development and Tourism category of the European Greenways Award, for the Rio Minho Ecotrail (e.g. Monção Branch).

Commissioning of the contract for the building of the road underpass at Km 322.178, of the Algarve Line.

15-YEAR issue of a EUR 500 million Eurobond with State guarantee.

Moody's, the international rating agency, changed the outlook for REFER's rating to Negative in the wake of the same decision with regard to the Republic of Portugal.

November Closure of the level crossings at Caxias and Estoril stations in order to increase safety of the crossings, enabling the installation of specific facilities for use by people of reduced mobility.

Participation in the "Climate Express" Train, between Brussels and Copenhagen – a journey completely free of CO2.

Commissioning of the first contract of the 1st Phase of the Mondego Mobility System (SMM) to refurbish the infrastructures of the Miranda do Corvo / Serpins section of the Lousã Branch.

December Completion of the pedestrian underpass at Km 13.733 and the respective public lighting. The pedestrian crossings were closed at Km 13.685 and Km 13.766, which led to enhanced safety for the local population of S. Lourenço and the Tomar Branch railway.

Commissioning of the contract works to build the pedestrian underpass at Km 203.378, in Pereira do Campo, council of Montemor-o-Velho, in the Alfarelos / Pampilhosa section of the Northern Line.

Disclosure of the Green Paper on Safety at Level Crossings, which is part of the “STOP LISTEN LOOK” campaign, presented within the scope of the European Level Crossing Awareness Day.

Commissioning of the contract for the building of the pedestrian overpass at Km 212.983 of the Northern Line, in the parish of S. Martinho do Bispo, in Coimbra council. This work will enable the closure of the automatic level crossing for pedestrians at Km 212.993.

Standard & Poor’s, the international rating agency, revised the REFER rating upwards to A. The outlook was changed to Negative in the wake of the same decision made in relation to the Republic of Portugal.

Economic Setting

European Economy

In 2009, the European economy recovered moderately over the year, after the strong recession felt in 2008, especially in the last quarter.
Essential aspects driving the recovery were the monetary policy and the budget measures taken, to stabilise the financial systems and stop the serious economic situation from worsening. The high level of tension in the financial markets contributed to a large extent to the collapse of international trade, as well as to a sharp fall in the confidence of companies. However, from the third quarter of 2009 onwards there was a gradual calming of these markets and a progressive reduction of the risk premiums, which nevertheless remained at higher levels than before the start of the financial crisis. In average annual terms, after recording growth of 0.5 percent in 2008, the GDP in the euro area shrank 4 percent in 2009.

The Harmonised Consumer Price Index (HCPI) decreased in the year, falling from 2.7% in 2008 to 0.9% in 2009. This evolution is linked to a sharp decline in demand, both at international and domestic level, resulting from the recent economic and financial crisis. The fall in demand contributed to a sharp fall in the prices of raw materials in the international markets, both energy and non-energy commodities, while domestically there was a tight squeeze on profit margins in a background of continuing strong growth in unit labour costs.
The shrinking of economic activity in 2009 was reflected both in the lasting negative behaviour of investment and exports and a considerable drop in private consumption, especially with regard to long duration goods.
This downward trend in demand was explained on the one hand by the big increase in the restriction of financing that occurred at the same time as banks implementing more stringent criteria to grant credit, and on the other by an increase in risk premiums, in a background of increased non-compliance in some credit segments more exposed to the cyclical conditions, notwithstanding the drop in the interest rates in the monetary market.

Portuguese Economy

Economic activity in Portugal fell in the last quarter of 2008 (-1.8%), a situation that worsened in the first quarter of 2009 (-3.9%). Annual GDP recorded negative growth of 2.7% in 2009, which was the sharpest drop in the last few decades. With regard to the breakdown in demand, this sharp drop essentially affected exports and investment, reflecting the steep decline in the demand outlook.

The financing needs of the Portuguese economy, measured through the joint current balance and capital balance deficit as a percentage of GDP, fell 10.5% in 2008 to 8.2% in 2009, reflecting a favourable evolution in the terms of exchange rather than exclusivity deriving from the big fall in the oil price.

(%)

Macroeconomic Scenario 2009		Growth rate
Private consumption	*	-0,9
Public consumption	*	2,0
GFCF	*	-11,7
Domestic demand	*	-2,9
Exports	*	-12,5
Imports	*	-10,8
GDP	**	-2,7
Current Balance + Capital Balance (% GDP)	*	-8,2
Harmonised Consumer Price Index	*	-0,9

Source: Bank of Portugal / INE (National Statistics Institute)
* forecast indicator released by the Bank of Portugal
** according to statistical data presented by INE

Inflation, measured through the annual variation of the Harmonised Consumer Price Index (HCPI), fell from 2.7% in 2008 to -0.9% in 2009.

OUTLOOK FOR THE ECONOMY

An open and fully integrated economy like Portugal's will inevitably be strongly affected by developments that occur at worldwide level, meaning that the outlook for economic growth has to be interpreted in the light of this international backdrop. Furthermore, the Portuguese economy has shown a set of weaknesses of a structural nature, which have limited its growth potential over the last decade, in a context of increased competition in the international markets and growing integration of the emerging market economies which have a similar export pattern to the Portuguese economy. These weaknesses are reflected, on the one hand, by the limited growth of total productivity of assets, which cannot be dissociated from the low skill level of the working population. On the other hand, the labour factor makes only a small contribution to growth, given the increase in structural unemployment, which will tend to continue in a background of low demand and low mobility in the job market, and further hindered by the level of human capital. These weaknesses, together with the challenges raised by the new international financing background deriving from the financial crisis, will tend to limit growth in economic activity in the medium term. In this background, GDP growth is expected to rise around 0.7% in 2010.

The current forecast points to an inflation rate of 0.7% in 2010.

According to forecasts from the Bank of Portugal, the external financing needs of the economy shall increase again as a consequence of the slight deterioration in the goods and services balance deficit and a big increase in the revenue balance deficit, as a result of a further deterioration in the position of international investment and a gradual increase in interest rates. The forecast is for a financing need of 9.8% of GDP in 2010.

A final point relates to the uncertainty linked to the start of the budget consolidation process, which compulsorily will reach 3% of GDP in 2013. The measures to be adopted by the Government in the Stability and Growth Plan will be crucially important for the stability of the economic recovery process in Portugal, given that the greater or lesser degree of austerity will have repercussions on the cost of public debt with direct consequences on other economic agents.

Evolution of Activity

As the public service provider managing Portugal's railway network infrastructure, REFER is responsible for taking action towards this objective, in accordance with the principles of modernisation, safety and efficacy, focusing especially on two business areas:

- **Infrastructure Management** this facet covers the management of the capacity, conservation and maintenance of the railway infrastructure and management of the respective circulation command and control systems, including signalling, regulation and expedition, so as to guarantee the safety and quality levels that are indispensable for the provision of the public railway service.

- **Investment** encompasses the construction, installation and renewal of the infrastructure, undertaken at the expense of the State (goods that comprise the railway public domain).

As well as the activities carried out within the scope of the "Infrastructure Management" and "Investment" missions, REFER will also carry out other complementary activities in the course of its normal functioning, aimed at obtaining maximum output from its assets, as shown below in the Integrated Profit and Loss Statement by Activity:

Integrated Profit and Loss Statement by Activity 2009

(millions of euros)

Identification	Infrastructure Management			Other Complementary Activities	Company Total
	Conservation	Operation	Total		
User Fee	32,1	26,9	59,0		59,0
Other Service Provision		12,6	12,6		12,6
Other Revenue	19,7	16,5	36,1	15,0	51,1
Operating Revenue	51,8	55,9	107,7	15,0	122,7
Cost of Sales	7,4	0,5	7,9	0,4	8,3
Subcontracts	52,4	20,6	73,0	1,5	74,5
Other external supplies and services	8,7	19,3	28,1	5,8	33,9
Personnel costs	35,3	55,1	90,4	6,4	96,8
Depreciation and amortisation for the year	2,0	1,0	3,0	0,3	3,3
Provisions for other risks and expenses				1,3	1,3
Other expenses	2,1	1,8	3,9	2,8	6,7
Operating Expenses	107,9	98,4	206,3	18,5	224,8
Operating Income	-56,1	-42,5	-98,6	-3,5	-102,1
Financing gains	0,0	0,0	0,0	162,4	162,5
Financing losses	28,8	21,8	50,6	130,7	181,3
Gains / Losses in associated companies				8,3	8,3
Earnings before tax	-84,9	-64,3	-149,2	36,6	-112,6
Tax for the year	0,1	0,1	0,2	0,0	0,2
Net Income for the year	-84,9	-64,4	-149,3	36,6	-112,8

Infrastructure Management

Characterisation of the Railway Network

In December 2009, the total track length of the railway network was 3618 km, of which 2842 km (78.6%) is currently open to train traffic. Around 4 km of this track length is operated by Mirandela Metro. The network is mainly broad track (Iberian gauge), with only 192 km of the length narrow track (metric gauge).

As part of the modernisation drive of the network, in recent years a high quantity of new facilities have been installed and many others have been remodelled and technologically converted to bring about a safer, more reliable and more flexible railway network, better suited to requirements and providing better connections between transport modes.
In 2009, the railway network could be broken down as follows:

Rede Ferroviária Nacional Characterization

(km)

Identification	With Train Traffic					Without Train Traffic	National Railway Network
	Electrified			Not Electrified	TOTAL		
	25 000V	1 500V	Sub-total				
Broad track	1 435	25	1 460	1 190	2 650	327	2 977
Single track	854	0	854	1 190	2 044	327	2 371
Double track	538	25	563	0	563	0	563
Multiple track	43	0	43	0	43	0	43
Narrow track	0	0	0	193	193	449	642
Single track	0	0	0	193	193	449	642
TOTAL	1 435	25	1 460	1 383	2 843	776	3 619

Since 1998 REFER has electrified 587 km of the railway network, and currently around 51% of the entire railway network is electrified. As such, the total length of Portugal's railway network that was electrified as of December 2009 was 1460 km. Out of this length, 854 km is a single broad track, 563 km a double broad track and 43 km a multiple broad track. In the year under analysis the electrification percentage of the railway network was unchanged.

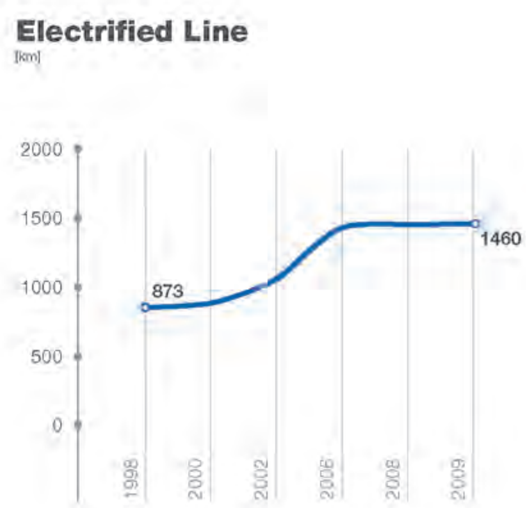
The first line of the network to use electrical traction was the Cascais Line, where a direct current of 1500 Volts was fitted and inaugurated in 1926. Only in 1956 did new electrification services start, with the implementation of an alternating current of 25,000 Volts.

Network Electrification

51% Electrified

49% Not Electrified

Electrification at 25,000 Volts, in the first 39 years, was implemented along 462 km of track. This length has been surpassed by the new services that have been put into place in recent years, illustrating the investment made in this area.



As for installed rail track safety systems, at the end of 2009 sophisticated Speed Control, Convel and ATS systems had been installed in 52.3% of the national railway network. The Convel System (a system shared between the operators and REFER) ensures extremely high circulation safety levels by guaranteeing compliance with signalling and with authorised train circulation speeds. This system assists the train driver's tasks by warning him/her about circulation conditions and by activating the braking system (forcing the train to stop) whenever any safety requirement is not met. This system is installed in 1459 km of track length, which is 51% of the total network in operation. The Ground-Train Radio is another safety system that is now operative in 51% of the track length. The Ground-Train Radio (system shared by the operators and REFER) is used for voice and data communications between train drivers of the operators and REFER personnel in charge of traffic control. As such, communications may be performed between the Command Post and the train driver, the stations and the train drivers and also between the train drivers of two trains. In 2009 this safety system was installed in 31 km of the railway network, in the Neves Corvo Branch. This railway branch connects Ourique to the Neves Corvo mine, in the council of Castro Verde and is only used by freight trains for transporting material from the mine.

These systems (Convel and Ground-Train Radio), in tandem with the high performance and reliability levels of the railway network, mean that most of the operating network is at the very highest level in terms of rail safety.

Command Control and Safety Systems

(km)

Identification	2007	2008	2009
Convel	1 444	1 459	1 459
ATS (Automatic Braking)	25	25	25
Ground/Train Radio	1 428	1 428	1 459
Ground/Train Radio without Data Transmission	25	25	25

The block signalling system, in turn, aims to ensure safe circulation in the same block (section of track), defining a space delimited by stations or signals, between which only one train can circulate in normal conditions.

There are three kinds of block signalling systems in the Portuguese rail network: the electrical block signalling system (automatic block signalling without manually controllable block), the electronic block signalling system (automatic block signalling with manually controllable block) and the mechanical block signalling (telephone block signalling). The electrical block signalling (automatic block signalling without manually controllable block) covers 4% of the national network. In this system the lines are split into blocks, which are preceded by signals that protect them, informing the train driver if the block is free or not, through light signals. The electronic block signalling (automatic block signalling with manually controllable block) differs from the previous one through automatic wrong line signalling. Nowadays, the modernisation of the railway network has increased this kind of railway operation, and in recent years profound changes have been made in the way the traffic is managed in most of the network. At the end of 2009, this kind of block signalling had been fitted into 48% of the railway tracks. Finally, in the mechanical block signalling, the safety of the circulation in a given block (which in this case is delimited by two stations and the respective signalling) is safeguarded through telephone communication. Only the manned stations can delimit blocks and give authorisation for trains to advance. Today, given the limitations of this solution, it is only used in low traffic density lines. This system is in place in 48% of the network.

Block Signalling Systems

(km)

Identification	2007	2008	2009
Electrical	122	122	119
Electronic	1 343	1 349	1 352
Mechanical	1 373	1 371	1 371

Infrastructure Management

Infrastructure Management includes two activities:

- Railway infrastructure conservation and maintenance;
- Operation (circulation control and command management and capacity management).

Infrastructure Management

(millions of euros)

Identification	2008	2009	Change
Revenue	**105,2**	**107,7**	**2%**
User Fee	60,6	59,0	-3%
Operation Subsidies	33,6	36,1	8%
Other revenue	11,0	12,6	14%
Expenses	**199,8**	**206,3**	**3%**
Materials	5,5	7,9	44%
Subcontracts	72,6	73,0	1%
Other Ext. Suppl. and Serv.	24,5	28,1	15%
Personnel	85,7	90,4	6%
Depreciation/Amortisation	3,1	3,0	-4%
Other expenses	8,3	3,9	-54%
Operating Income	**-94,5**	**-98,6**	**4%**
Average Personnel no.	**2 963**	**2 916**	**-2%**

Operating Revenue

Infrastructure management activity revenue totalled EUR 107.7 million in 2009, which was 2% (EUR 2.4 million) up on the previous year. The items that most contributed to this increase were Other Revenue, which accounted for 14% (EUR 1.5 million) and Operation Subsidies, which accounted for 8% (EUR 2.5 million). Operation Subsidies includes the amount paid for the provision of the public service, which rose EUR 2.5 million in comparison to 2008.

The 3% fall in the User Fee occurred essentially in the transport of freight owing to the economic climate.

The User Fee is the item with the greatest impact on total income, comprising 20% of the annual total. In 2009, the railway infrastructure traffic volume reached a total of 39.9 million train kilometres (TK), generating revenue of EUR 59 million. This item includes the amounts invoiced to the companies CP, FERTAGUS and TAKARGO and the new operator COMSA. The graph entitled “User Fee Revenue Growth” shows us that the average value per TK increased slightly, despite the TK and the user fee being slightly lower.

A total of 39.9 million TK were run in 2009, which was slightly down on the 2008 figure. In this drop the reduction of the TK run by CP is noteworthy, falling from 39.5 million TK in 2008 to 37.8 million TK in 2009. This decrease is explained by the fall in the transport of freight, owing to the economic climate. In contrast, there was an increase in TK run by the operators TAKARGO and COMSA, while the operator FERTAGUS maintained the levels of the previous year.

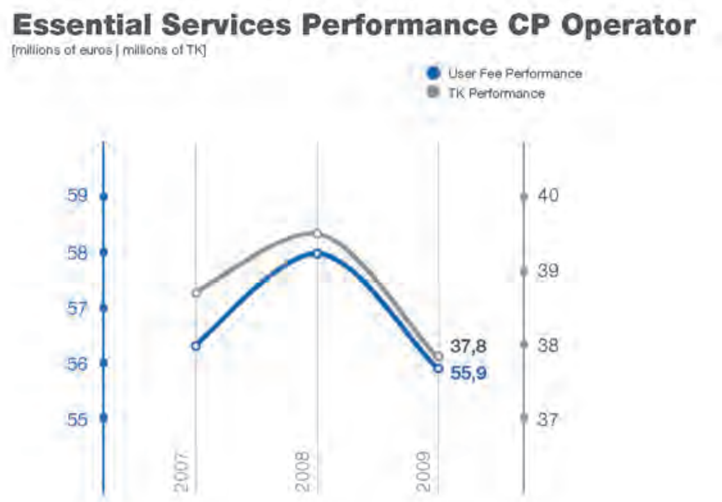
Analysing the revenue obtained from the operator CP, which accounts for nearly all the traffic on the national rail network (95% of the total TK), one sees that in 2009 this amount was EUR 55.9 million, which was 4% down compared to 2008.

The Operation Subsidies item includes amounts referring to Compensatory Indemnities assigned to REFER to settle accounts, as stipulated in the Council of Ministers Decision no. 114/2009, published in the Diário da República, 1st Series, no. 240, on 14 December 2009 (EUR 43.3 million). In 2009 the amount received was EUR 36.1 million, which was an increase of 8% compared to 2008.

Growth in TK

[thousands of TK per Operator]

	2005	2006	2007	2008	2009
CP	37 611	37 289	38 718	39 464	37 839
Fertagus	1620	1750	1771	1783	1771
Takargo				37	284
Comsa					15



The Other Revenue item rose 14% (EUR 1.5 million), making a big contribution to the increase in the Total Revenue from Infrastructure Management. The services rendered to the operators also included the provision of services connected to the railway activity, called additional services and auxiliary services, in line with the fee chart published in the Network Directory. Among these services, particularly noteworthy is the increase in revenue coming from the provision of traction power, which in 2009 was 6% up in relation to 2008, the increase in revenue from rolling stock parking, which increased 18% in 2009 compared to the previous year, and the utilisation of stations and stops, which generated a rise in income of 14%.

Additional Services (millions of euros)

Identification	2008	2009	Change (1)/(2)
Traction energy	3,7	3,9	6%
Manoeuvres	0,6	0,6	-6%
Parking of Rolling Stock	2,4	2,8	18%
Utilisation of Stations and Stops	2,5	2,8	14%

Operating Expenses

The Infrastructure Management expenses increased 3% compared to the same period the previous year. This rise is mainly due to the following factors:

A 44% rise in consumption of maintenance materials for the railway network. In 2008 the amount spent had been EUR 5.51 million, while in 2009 this amount was EUR 7.92 million. This increase derives essentially from the maintenance work carried out, especially the application of rails and crossties that accounted for around EUR 1.7 million and EUR 0.8 million, respectively.

Speciality (millions of euros)

Identification	2008	2009	Change
Track	24,4	25,1	3%
Signalling	17,8	17,6	-1%
Telecommunications	11,2	12,3	10%

The value of the subcontracts, which in recent years had been increasing, stagnated in 2009 when compared to 2008 (EUR 72.99 million in 2009 against EUR 72.62 million in 2008). Among the three specialities comprising this item, the most significant was telecommunications. However, the Track speciality continued to have the biggest proportion of the Subcontracts (33%).

The average workforce of the Infrastructure Management activity at the end of 2009 was 2916, which is 2% lower than at the end of 2008. The personnel costs were 6% higher when compared to the year 2008 (2009: EUR 90.44 million and 2008: EUR 85.69 million). This result shows the growth of the payroll and respective charges, as well as the compensation paid through redundancy agreements. The average cost per staff member of the infrastructure management activity rose 7% in 2009 (increasing from EUR 28,910 to EUR 31,020).

Operating Income

Operating Income from Infrastructure Management was 4% lower than in the previous year (2009: EUR -98.59 million and 2008: EUR -94.51 million) as a result of the increased operational spending that was not offset by the increased operational revenues in the year.

Conservation

Within Infrastructure Management, the Infrastructure Conservation activity encompasses the following tasks:

- Conservation of the track, signalling, telecommunications and other fixed installations;
- Planning of management and conservation activities;
- Controlling the operation parameters of quality, safety, reliability and economy;
- Managing accidents and incidents with implications on the infrastructure.

Conservation Activity

(millions of euros)

Identification	2008	2009	Change
Materials	5,2	7,4	43%
Subcontracts	52,3	52,4	0%
Other Ext. Suppl. and Serv.	6,9	8,7	26%
Personnel	30,8	35,3	15%
Depreciation/Amortisation	2,0	2,0	-3%
Other expenses	3,8	2,1	-45%
Expenses	**101,0**	**107,9**	**7%**
Personnel no.	**1 045**	**1 089**	**4%**

Operating Expenses

The railway infrastructure conservation and maintenance expenses include the spending on conservation and other operational expenses. In 2009, this amount increased 7% in comparison to 2008 (2009: EUR 107.9 million and 2008: EUR 101 million).
A 43% rise in consumption of the materials applied to the network contributed to this outcome.

The Conservation activity's Personnel Expense increased 15% in relation to 2008, rising in the year under analysis to EUR 35.3 million, while in the previous year this figure was EUR 30.8 million. This fact reflects the increase in employee numbers in this activity (4%) and the impact of the company wage increase agreement.
The average cost per employee of the conservation activity increased 10% in 2009.

Operation

Still within Infrastructure Management, Operation activities included:

- Circulation command and control management;
- Management of operation personnel assigned to circulation;
- Management of safety aspects, including operation event management;
- Authorisation and control of infrastructure restrictions;
- Capacity analysis;
- Assigning the capacity to operators;
- Planning infrastructure restrictions.
- Measuring, controlling, invoicing and collecting the utilised capacity

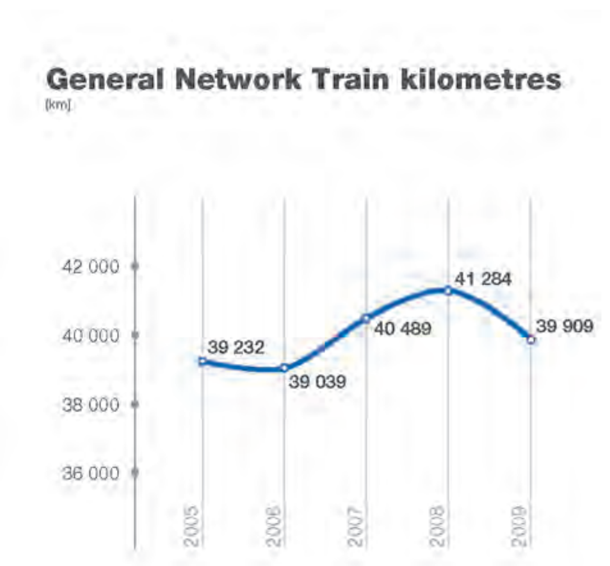
Operation Activity (millions of euros)

Identification	2008	2009	Change
Materials	0,3	0,5	57%
Subcontracts	20,4	20,6	1%
Other Ext. Suppl. and Serv.	17,6	19,3	10%
Personnel	54,9	55,1	0%
Depreciation/Amortisation	1,1	1,0	-4%
Other expenses	4,6	1,8	-61%
Expenses	**98,8**	**98,4**	**0%**
Average Personnel no.	**1 919**	**1 826**	**-5%**

In the Operation Activity, Expenses fell very slightly in 2009, driven essentially by the 61% reduction in Other Expenses.

The Materials Expense increased 57% (EUR 181,000), totalling EUR 496,000 in 2009, compared to EUR 315,000 in 2008. This variation is explained by the increase in the consumables of the signalling systems.

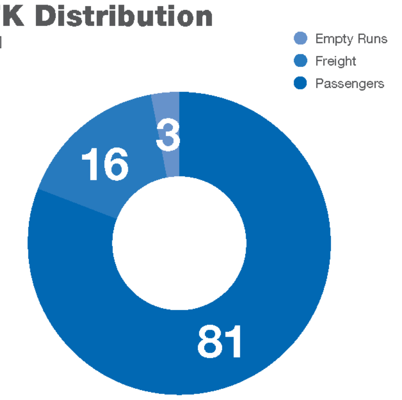
Personnel expense among operating staff increased slightly in 2009 when compared to 2008, by EUR 258,000 (0.47%). In contrast, the average number of employees fell 5% compared to 2008. The rise in personnel costs is explained by the 2.9% rise in wages, but also owing to redundancy agreements. The average cost per employee of the Operating Activity increased 6%.
The Operating Activity is also responsible, among other things, for allocating capacity among the various national rail network operators, measuring, controlling, invoicing and charging for capacity used, as well as requested and not used. In 2009 the total utilisation by the operators was 3% down on the 2008 figure (1.4 million fewer TK).



In 2009, there were five licensed operators: CP, which in 2009 split into CP and CP Carga, FERTAGUS, TAKARGO and COMSA. The same two passenger operators ran services in the year. CP operated over the whole national network while FERTAGUS ran a concession to operate the suburban passenger rail transport service along the North-South Rail Axis, between the stations of Roma - Areeiro and Setúbal. As regards freight traffic, TAKARGO, CP Carga, created in 2009, and COMSA, which began in test mode in 2009, are the players in this segment. In 2009 passenger traffic continued to account for the vast majority of the total utilisation, although it recorded an almost insignificant fall of 0.3%. Freight transport fell sharply, by 17%. The empty runs increased 4.4%, with TAKARGO and COMSA contributing most to this 186% increase.

Passenger services recorded a total of 32 million TK, which was 94,000 TK fewer than in 2008. Freight traffic clocked up 6 million TK, which was a drop of 1 million in relation to the previous year. The empty runs utilised 1 million TK, 45,000 more than in 2008.

TK Distribution
[%]



The graph below shows the preponderance of CP in the utilisation of the railway network. It was clearly the operator with the most TK:

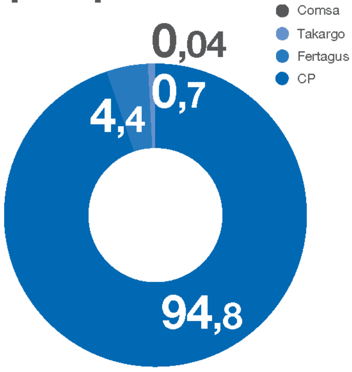
Among the network segments that registered the highest utilisation growth, especially noteworthy are the suburban train services of Porto, which increased 8.6% compared to 2008.

Punctuality Rate

There was a considerable improvement in the punctuality rate in most categories of trains in 2009, apart from the inter-regional services, where the rate fell by 3%. It is pointed out that in 2008 the punctuality rates for reasons attributed to REFER had reduced in most categories of services, essentially owing to the poor state of repair of the track, chiefly in the sections of the Northern Line between the stations of Vale de Santarém – Entroncamento, Alfarelos – Pampilhosa and Ovar – Gaia where rehabilitation work took place in 2009.

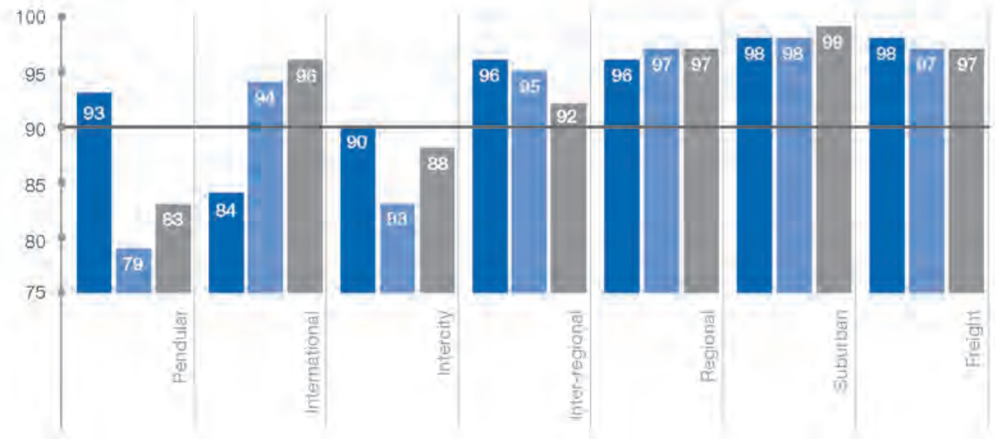
TK per Operator

[%]



Punctuality Rate

[%]



Investments

Investments include the management of projects and works. Investment expenses cover internal management spending, materials supplied by REFER, associated financial expenses and all external expenses paid to contractors, inspections, etc. The following internal fixed asset expenses were incurred:

Investment Activity

(millions of euros)

Identification	2008	2009	Change
Materials	11,8	18,2	55%
Subcontracts	1,1	0,8	-24%
Other Ext. Suppl. and Serv.	7,8	5,4	-31%
Personnel	23,5	22,9	-3%
Depreciation/Amortisation	1,2	1,0	-15%
Other expenses/revenues	-0,7	0,0	-100%
Expenses	**44,6**	**48,2**	**8%**
Average personnel no.	**510**	**497**	**-2%**

Investment Activity expenses were 8% up in 2009 compared to 2008. This rise is essentially explained by a 55% increase in materials spending.

Personnel expenses fell 3% compared to 2008, mainly because of a 2% reduction in the workforce. The average cost per employee was practically unchanged.

In terms of total investment costs, budget execution for 2009 was at 56%, as shown in the following table:

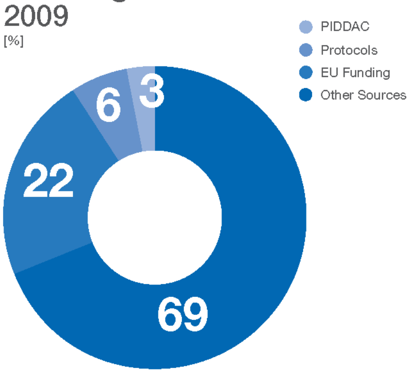
INVESTMENT EXECUTION IN 2009 . Investment at total costs

(thousands of euros)

Identification	Budget	Execution	% Done	% Weight
Long Duration Infrastructures	429 751	272 351	63%	75%
Materials	62 985	17 926	28%	5%
AV REFER subcontracting	35 000	2 404	7%	1%
TOTAL Long Duration Infrastructures Technical Costs	**527 736**	**292 681**	**55%**	**80%**
Overhead Costs	37 322	29 232	78%	8%
Financial Expenses (including Stamp Duty)	67 048	38 423	57%	11%
TOTAL Long Duration Infrastructure Total Costs	**632 107**	**360 335**	**57%**	**99%**
Management Support Structures	22 213	4 238	19%	1%
TOTAL Investment Budget	**654 320**	**364 573**	**56%**	**100%**

Investments in 2009 were financed by the State budget – Chapter 50 (PIDDAC), EU subsidies, protocols established between REFER and various entities and other financing sources.
The investment coverage is broken down as follows: EU subsidies accounted for 22% of the total (EUR 66 million), Chapter 50 of the State budget funded 3% of the total investment (EUR 10 million), other financing sources covered 69% (EUR 204 million) and the protocols contributed EUR 20 million (6% of the total), namely the construction of the new Aveiro Station, among others.

Financial Investment Coverage
2009
[%]



Consequently, about 69% of the investment in 2008 became a debt with an impact on the Financial Expenses.
Among the total contribution of EU Funds are the candidatures already presented and which are awaiting approval (Raquete Station and Aveiro Port Rail Link – 2nd and 3rd Phases) and candidatures currently being drawn up (Bombel / Casa Branca / Évora, Trofa Alternative Route and Mondego Mobility System). Therefore, the contributions to these projects are estimates.

Financial Investment Coverage 2009

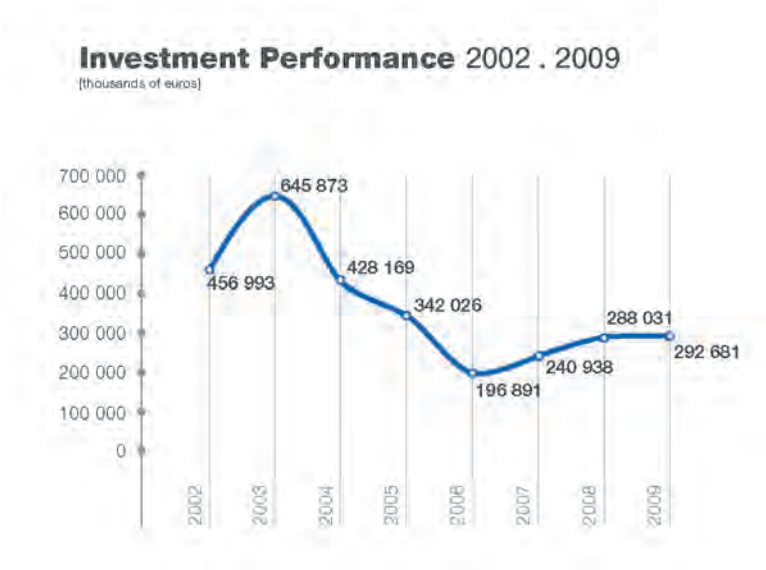
Investment at technical cost

(thousands of euros)

Investment Budget	Done	Financial Coverage			
		Protocols	PIDDAC	EU Funding	Other Sources
Total	**296 919**	**16 924**	**10 000**	**66 302**	**203 693**
Long Duration Infrastructures	**292 681**	**16 924**	**10 000**	**66 302**	**199 455**
New Investments	10 356				10 356
Modernisation / New Construction	247 307	16 924	10 000	66 302	154 081
Sub-Section 1.2/1.3 - Alhandra - Entroncamento/ Vila Franca De Xira - Vale De Santarém Segment	3 155			732	2 423
Sub-Sec. 2.1 - Entroncamento - Albergaria Segment	3 641			485	3 156
Sub-Sec. 3.2 - Quintans - Ovar Segment	1 086	13 684		869	- 13 466
Pinhal Novo - Setúbal (Setúbal Station)	8 499			6 799	1 700
Ironworks Branch Line	173			3	170
Aveiro Port Branch Link Line	28 772		1 300	16 139	11 333
Alcácer Alternative Route	29 176		7 200	19 225	2 751
Rail link for the port of Sines / Spain	11 039			6 168	4 872
Barreiro - Pinhal Novo	16 483			2 611	13 872
Trofa Alternative Route	17 148		1 500	11 340	4 308
Mondego Mobility System	5 771			1 852	3 919
Operational Command Centres	1 036	308		73	655
Elimination of capacity restrictions on the Rail Network (lines of Sines, South, Alentejo, V.Novas and private branch lines)	43			7	36
Other	121 286	2 932			118 354
High Speed Link Subcontracting	2 404	0		0	2 404
Compatibility Project for the High Speed Network Infrastructure between the stations of Arieiro and Oriente	2 404			0	2 404
Renovation	25 004				25 004
Transversal Projects	7 609				7 609
Management Support Structures	**4 238**	**0**	**0**	**0**	**4 238**
Research studies	1 814				1 814
Interventions in Fixed Assets	800				800
Operation Investments	1 624				1 624

Notes: The financial coverage of investments is determined according to expenses actually incurred.
The amount in 2009 does not include Investment Protocols/Financing or Investment accounting adjustments.

Since 2002 REFER has invested EUR 2.8912 billion in the national railway network (at technical costs):



National Railway Network Modernisation Actions

- **Minho Line**

  Commissioning of the improvements and reinforcements of the S. Miguel da Carreira, Tamel, Santa Lucrécia and Caminha tunnels. Adjudication of the contract to plant cork trees and management plan of the areas classified as residential of the Trofa Alternative Route project. Work has begun on the contract for the design / construction of the railway tunnel of the Trofa Alternative Route.

- **Guimarães Line**

  Development of the project to modify the layout of the drainage system in PI5 of the Guimarães Line, at the access to Lordelo Station. Commissioning, undertaking and inspection of the Contract to modify the layout of the drainage system in PI5 of the Guimarães Line, at the access to Lordelo Station.

- **North Line**

  Completion of the Electrical Installation works and Return of the Traction Current in the 1.2 Alhandra / Setil subsection. Completion of the pedestrian overpass construction contract at Vila Franca de Xira Station. Tender launched and contract awarded for initial drainage work in the area surrounding the Fátima tunnel, aimed at preventing possible flooding of the railway at times of intense rainfall, guaranteeing the safety of the train circulation. Rehabilitation of the tracks of Coimbra B Station. Construction of the Alfarelos Station technical building. Elimination of several level crossings of the Northern Line.

- **Aveiro Port Rail link**

Continuation of the services rendered for the Coordination and Safety Inspection of the Aveiro Port Rail link, awarded to DHV, SA, which is forecast to be completed at the end of February 2010. Completion of the contract for the construction of the Rail Link between Km 0+000 and the access overpass to Gafanha Bridge (inclusive). Completion of the contract for construction of the Aveiro Port Rail Link, 2nd Phase. Completion of the contract to modify the layout of the gas network at Km 7+523 of the Aveiro Port Rail Link, at Gafanha da Nazaré. Completion of service provision for control of the railway platform during ground levelling, in the Aveiro Port Rail Link. Completion of the contract for Construction of the Aveiro Port Rail Link, 3rd Phase, which involved assembling the railway track. Completion of service provision for the Removal of urban waste next to the PS3 road overpass of the Aveiro Port Rail Link.

- **Mondego Mobility System**

The contracts were awarded for the Refurbishment of the Infrastructures on the Miranda do Corvo / Serpins and Alto S. João/ Miranda do Corvo sections and inspection service provision of the Coimbra B / Serpins enterprise. On 25 November 2009 the Contract was awarded for the refurbishment of the Infrastructures of the Miranda do Corvo / Serpins section, and on 2 December 2009 the railway service along this section was closed.

- **Beira Baixa Line**

Completion of the contract for reinforcement of the Castelo Branco Station road underpass, Phase 1. Completion of the contract to construct the pedestrian underpass to replace the level crossing at Km 91+640.

- **Cascais Line**

Completion of archaeological study of the zone around S. Pedro do Estoril Station and execution project for its remodelling, and completion of the procedures to hire the contractor and inspection entity. Completion of the remodelling project and start of the procedures to hire the contractor, the inspection entity and the transplant of trees at S. João do Estoril Station, which do not fit into the future layout in their current position. Adjudication of the entire project to modernise the Cascais Line in the specialities of the Track, Power Lines, Drainage, Support Walls, Landscaping and Environment.

- **Sintra Line**

Work continued throughout 2009 on the Contract to quadruple the Sintra Line between Km 13+750 and 18+250, including the remodelling of Barcarena and Cacém Stations. Upon completion of this contract, forecast for August 2011, the quadruplication of the Sintra Line between Benfica and Cacém will be finished, and the stations along that section will be completely remodelled - Massamá/ Barcarena and Agualva/Cacém. In January 2009 the last pedestrian crossings along this section, which were between the bays of the Agualva and Cacém Stations, were eliminated. There are now no level crossings, either pedestrian or road, on the Sintra Line.

- **Alentejo Line**

Opening to the public, in September 2009, of stations at Apeadeiros do Barreiro, Barreiro A, Lavradio, Baixa da Banheira, Alhos Vedros, Moita and Penteado. At Baixa da Banheira a pedestrian underpass was also completed at Km 3+850.

Barreiro Station

- **Alcácer Alternative Route**

Completion of the alternative route between Pinheiro Station and Km 94 of the Southern Line – 1st Phase – Complementary Work. Completion of the work of the Contract for the Alternative Route between Pinheiro Station and Km 94 of the Southern Line – 1st Phase – Lowering of the PIA Surface to PK 6+463 and Drainage on the PIA to PK 1+114, 15+671, 22+842 and 23+889. Completion of the contract for the Alcácer alternative route (2nd Phase): Rail crossing of the River Sado – bridge and respective raised access roads.

Penteado Stop

Barreiro Stop

- **Rail Link to Sines Port / Elvas**

Completion of the prior study and environmental impact study of the Sines / Grândola section. Completion of the service provision for the reworking of the Évora Station modernisation project. Commissioning of the modernisation contract of Raquete Station. Elimination of the level crossing at PK 170+110, on 18 November 2009. Commissioning of the contract to modernise the Bombel and Vidigal to Évora section of the Alentejo Line, Vendas Novas and Évora.

Level Crossings

In line with the Level Crossing Elimination and Reclassification Plan for 2009, and under the terms of article 2 of Decree-Law no. 568/99 of 23 December, which REFER and external entities, namely Local Councils, are subject to, 48 actions were carried out. This included the elimination of 41 level crossings and 7 reclassifications, whereby 42 (88%) of these actions were carried out by REFER and the others in partnership with the external entities.

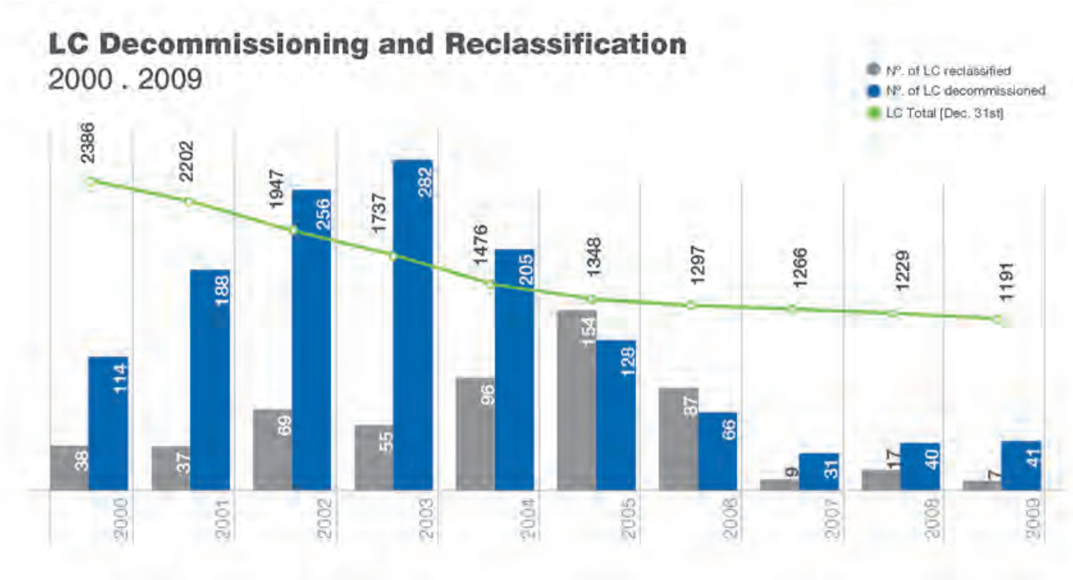
The total investment for these actions was around EUR 18.6 million, of which EUR 17.6 million was paid by REFER, as shown in the table below:

Project	Decommissioned LC	Reclassified LC	Cost (euros)		
			REFER	External	TOTAL
Overpass/Underpass	28	2	17 283 895	1 079 918	18 363 813
Automation	---	3	78 126		78 126
Alternative Road	7	---	188 836		188 836
Other	6	2	15 520		15 520
Total	**41**	**7**	**17 566 377**	**1 079 918**	**18 646 295**

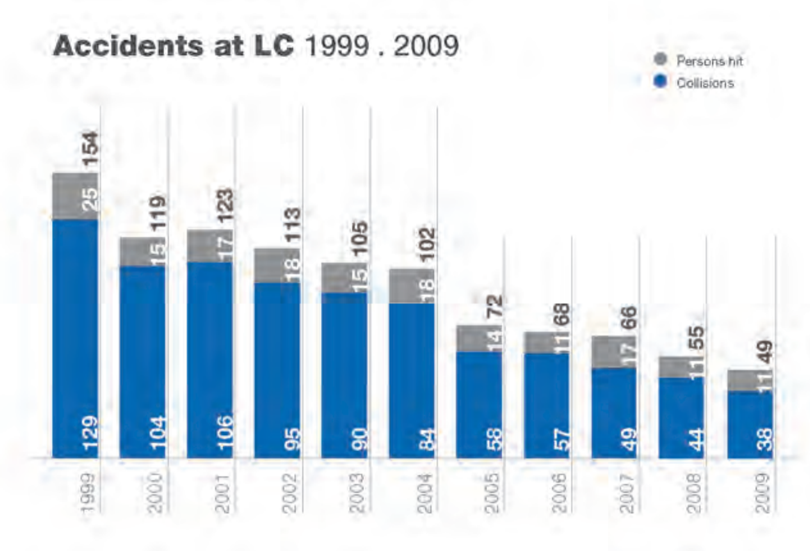
In December 2009, out of all the operating railway lines in Portugal, there were 1191 level crossings, which can be broken down into the following categories:

Type of LC		Number
Public LCs		
Automated (highways):		**335**
Automated with double lifting gates	2	
Automated with lifting gates	319	
Automatizadas com obstáculo	14	
With Guard		**107**
Without Guard		**461**
Type D	305	
5th Category	156	
Pedestrian		**161**
Automatic	24	
Non Automatic	137	
Total Public LCs		**1064**
Private LCs	7	
	120	
Total Private LCs		**127**
Total PN		**1191**

The average LC density at the end of 2009 was 0.419 LC/km.
The following graph shows the downward trend in the number of level crossings and the actions carried out in recent years:



The trend of accidents at level crossings over the past decade is as follows:



The above graph can be explained by the ongoing policy of elimination and improvement of safety at level crossings, which has contributed to the sustained reduction in accidents. However, persons hit at level crossings still account for the highest number of mortal accident victims, making the awareness campaigns in schools and in the media an increasingly important initiative.

It is pointed out that as a result of the work in this area, the goals set in 2005 in the Major Options of the 2005/2009 Plan, which defined a reduction in accidents at level crossings of 50% in comparison to 2004, have been surpassed. In 2009 a total of 49 accidents were registered, when the target was less than 51 accidents.
The following graph shows that the initiatives carried out have led to a downward trend in accidents that is also on course to achieve the goals defined in the Strategic Guidelines for the Railway Sector, which set a target of a 60% reduction in the accident rate by 2015 in comparison to 2005.

In June 2009, REFER presented the "STOP, LISTEN, LOOK" campaign, aimed at raising awareness in society of the need to comply with the safety regulations when going through level crossings, and avoidance of risks. In December 2009 the Green Paper was presented on Safety at Level Crossings, which was aimed at initiating the public debate about the problem and collecting contributions for the implementation of new measures to prevent accidents when crossing railway lines.

In an initiative to publicise the REFER actions with regard to level crossings, the company created a website (www.refer.pt/passagensdenivel) and a page on the social network site Facebook.

Complementary Activities

This item includes:

- Supplementary services, in particular: Telecommunications, concession of commercial spaces, sale of waste, etc;
- Material recovery and waste management;
- Works under the responsibility of third parties.

Other Complementary Activities

(millions of euros)

Complementary Activities	2008	2009	Change
Revenue	**15,8**	**15,0**	**-5%**
Other Revenue	15,8	15,0	-5%
Expenses	**15,8**	**18,5**	**17%**
Materials	0,4	0,4	8%
Subcontracts	1,2	1,5	30%
Other Ext. Suppl. and Serv.	4,5	5,8	29%
Personnel	6,4	6,4	0%
Depreciation/Amortisation	0,3	0,3	-13%
Provisions/adjustments	-0,6	1,3	-306%
Other Expenses	3,7	2,8	-24%
Operating Income	**0,0**	**-3,5**	**22 042%**
Average Personnel no.	**127**	**132**	**4%**

Operating Income

The operating income of Complementary Activities fell sharply in comparison to the previous year. In 2009 it reached the negative amount of EUR 3.5 million, when in 2008 this figure had been EUR -16,000. This deterioration is explained by the 17% increase in expenditure. The items Subcontracts (30% up) and Other External Supplies and Services (29% up) had the biggest influence on income. In this case, the IT and consultancy spends were particularly high.
The variation to the Provisions/adjustments item is explained chiefly by the ongoing legal processes.

Revenue fell 5% in comparison to 2008, due mainly to the provision of energy and water, which fell EUR 1.2 million in comparison to 2008.

Environment

1. Environment Management Systems

The main strategic guidelines mapped out for this area focus on a corporative approach to the processes right the way through REFER, as well as taking advantage of the opportunities in relation to the structuring methodologies of the management systems, in the fields of Environment and Quality. In this background the strategies have been drawn up taking into account the essential importance of convergence in order to channel the effort of the systems already in place in the operational areas to the respective productive processes that are essential for the performance of the company.
The ongoing work is being monitored, both in the construction area and in the maintenance area, covering both the contracting phase and the consequent execution phase of the jobs.
Emphasis also goes to the regular training, particularly for programmes carried out by the Human Resources Department geared towards both the Environment and the Quality areas.

2. Environmental Assessment

Environmental Assessment is an essential part of the company's Environment policy, in putting into practice the principle of prevention. This prior assessment of the projects is a progressively more deep-rooted part of our projects and the planning process, often constituting a critical stage in the undertaking of an initiative. Throughout 2009 the intense work that had been carried out in 2008 in this area continued apace (both in the investment design phase, and in the implementation), which led to resources being redirected to the team in the construction area.

As well as new projects (non-level connection of the Cascais Circular Line, Sines / North Grândola Line, Quadruplication of the Minho Line between Contumil and Ermesinde, as well as Pole 2 of the Leixões Logisitcs Platform) which required environmental assessments, the ongoing projects that started in the previous years also continued to be monitored, in addition to the environmental licensing processes. Among these, the following are highlighted:

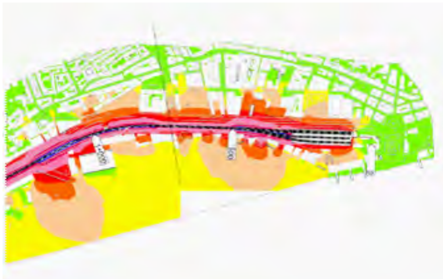
- Alfarelos Station and adjacent sections;
- Santarém alternative route;
- Km 88/Entroncamento;
- Bombel / Casa Branca;
- Raquete Station;
- Beira Baixa Line in the Castelo Branco / Covilhã and Covilhã / Guarda sections.

3. Environmental Monitoring

In 2009 the work was completed on noise and vibration monitoring (operating phase) on the Évora, Minho, South, Beira Baixa Lines and the Braga Branch, and the respective reports were written.
Likewise, the water quality was monitored (in the Casa Branca / Évora section of the Évora Line) following up on the commitments made as regards the environmental assessment of the project.

4. Noise

In 2009 the Strategic Noise Chart was completed for the Porto S.Bento/ Ermesinde section of the Minho Line. Upon the presentation of this chart, all lines and sections of line that have over 60,000 train journeys a year have been charted, which was the overriding priority of the REFER action. In the possession of this information, and in order to tackle the challenge of drawing up plans to reduce the noise on these lines, a joint analysis began of the charts already completed, in order to assess where efforts should be directed, what hierarchy of action to adopt and what tools should be used to bring about the intended effect.



Extract of the Cascais Line noise chart

Also this year production started on the first of two noise charts of the 2nd phase (lines or sections of line that ran 30,000 to 60,000 train journeys a year), referring to the Quintans/Ovar and Entroncamento/Albergaria sections.

5. Fauna and Flora

Throughout 2009 the following projects were carried out:

Saltworks to be rehabilitated in Alcácer do Sal

a. **Ecological rehabilitation of a Saltworks in Alcácer do Sal** – A detailed topographical study of the saltworks was carried out and the respective programme of action devised, which was sent to the ministerial department to obtain a statement and subsequently to begin the execution project.

Native Forest – Planting on 28 February – Afonsim (Vila Pouca de Aguiar)

b. Native Forest Promotion project – The first action in this project was undertaken as part of REFER's association in the Create Woods programme, run by Quercus. As well as the partnership, REFER also arranged technical support from Quercus to coordinate the multiple actions, which included planting over 25,000 Native Forest trees and bushes in 17 different locations. Two actions were organised which REFER employees were open to take part in. One was held in Afonsim (Vila Pouca de Aguiar) and the other in Pampilhosa (Mealhada).

6. Waste Management

In 2009, as well as the usual support from the operational entities in the establishment of management strategies for the waste produced, particularly noteworthy was the development of construction and demolition prevention and waste management plans, following on from and complementing the training plan mapped out in the previous year.

Property Assets

Property Assets belonging to REFER are part of the public railway domain. Under legal terms, REFER is responsible for the management and conservation of the said assets. Gaining maximum profit from this vast quantity of property assets is increasingly a priority of the company.

The following activities are worth pointing out:

a. Income earned from properties that are no longer required for the rail network amounted to approximately EUR 1.6 million. It is pointed out that in the year under analysis several buildings were yielded to different public entities, including some Passenger Buildings located in railway stations that were no longer required for the railway operation.

b. As part of the effort to utilise these properties as mentioned above, the National Ecotrails Plan continues afoot, which aims to:

   - Preserve old railway tracks, safeguarding them from other illegitimate occupations and creating a number of opportunities for future re-utilisation for Transport and Mobility;
   - Provide an excellent contribution to a future national network of about 600 km of "green paths", "cycling paths", "pedestrian paths", "nature paths", etc;
   - Contribute to a new type of tourism offer linked to Ecotourism / Nature tourism;
   - Help prevent desertification of many regions and rural areas whilst creating a potential for local jobs;
   - And somewhat contribute to the National Sustainable Development Strategy to be definitively approved at a national level.

By the end of 2009, 33 municipalities had been consigned nearly 350 km of decommissioned railway track. Currently, it is still necessary to sign protocols for nearly 300 km to achieve the goal laid out in the National Ecotrails Plan, a target we believe will be met within the few years. Of the decommissioned tracks, nearly 130 km of Ecotrails have already been opened and made available to either local populations or all parties interested in these kinds of facilities.

Safety

About 2100 trains circulated every day on the National Rail network in 2009, clocking up approximately 39.9 million TK. Most of the trains (about 80%) provide passenger services.
REFER continuously strives to ensure the safety of passengers, its personnel and the staff of the railway operators and service providers. Likewise, the company is always concerned with the safety of those who use level crossings.
Safety is also a foremost priority in the transport of freight, rolling stock and the prevention of forest fires in the vicinities of the railway.
These are intrinsic concerns of a high quality public service and an absolute priority of all the REFER personnel.
Notwithstanding the good practises among the various participants in the rail transport system, emphasis goes to identifying risk situations in order to apply preventative measures and corrective measures, thereby contributing to increased safety of operation and better cooperation between the various entities.
However, to ensure safety, three essential aspects must be taken into account: compliance with train circulation regulations and maintenance of the railway system; actions to prevent deterioration and emergency situations; and maintaining close contact with all external stakeholders.
The first two aspects depend somewhat on compliance with railway regulations, which reflect insofar as possible, the changes in market regulations (domestic and foreign), the technological advances in infrastructure construction and maintenance systems and the command, control and management of the circulation.
Accordingly, ongoing updates have been made to the Railway Regulations which, since REFER was founded in 1997, have been extensively implemented at all levels of the railway system.
Since the 1990s the sector has undergone huge transformation, through the newly transposed and implemented EU legislation packages for the railway sector. These packages aim essentially to create a rail transport network within Europe and to standardise the systems and conventional technical equipment (infrastructures, rolling stock, etc.), based on the Technical Specification for Interoperability, thus creating a safer and more sustainable common railway system among the Member States.
The impact of these goals is felt in the way each Member State's national rail network is adapted and transformed to comply with this European policy, not only in terms of a European vision, but also regarding the national strategic options.
As such, the operation safety policy helps the national rail network, together with all intervening participants, to maximise its operating capacity and to be intrinsically safe.
The identification of accidents, as outlined in Decree-Law no. 231/2007 of 14 June, has been standardised in conjunction with the railway operators – CP, FERTÁGUS, TAKARGO Rail – and with the participation of the Regulator – IMTT. In 2009 there was an especially sharp fall in the number of significant accidents, with 43 recorded in comparison to 73 the previous year.

It is also pointed out that around 90% of the TK run on Portugal's rail network was covered by Automatic Speed Control (Convel) and Ground-Train Radio safety systems by the end of the year. Additionally, the SDCRQ system (Overheated Wheels and Axle Boxes Detection System) was strategically installed at seven network sites, which greatly contributed to

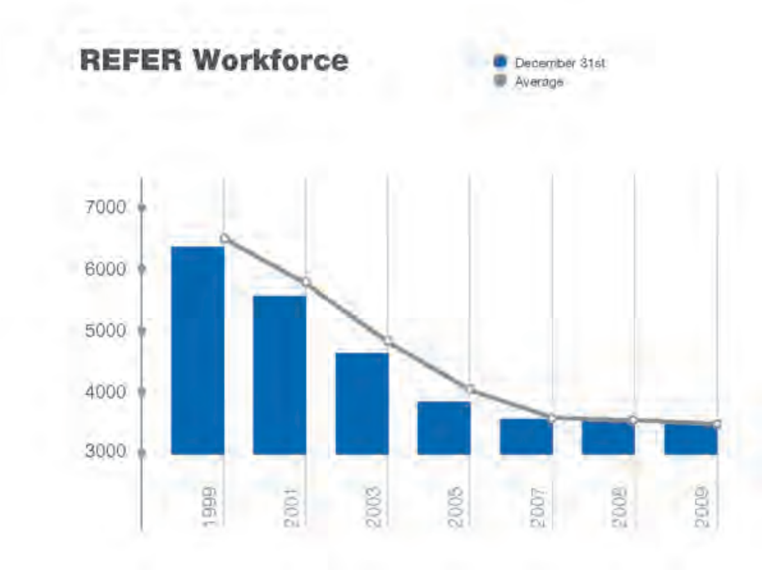
ensure that about 80% of the long-haul traffic, especially freight traffic, was better monitored, so as to reduce the risk of derailment.
Thus, in 2009 about 95% of significant accidents resulted from accidents at LCs and from persons hit by trains on tracks and at stations and stops.
REFER carried out an intensive internal and external campaign to raise awareness about the risks of crossing at LC, continuing its current policy of eliminating and reclassifying level crossings, and preventing improper use of the railway by pedestrians.
Also in 2009 awareness training initiatives were reinforced as regards operating safety and safety in building work that affects the circulation of the trains.

Human Resources

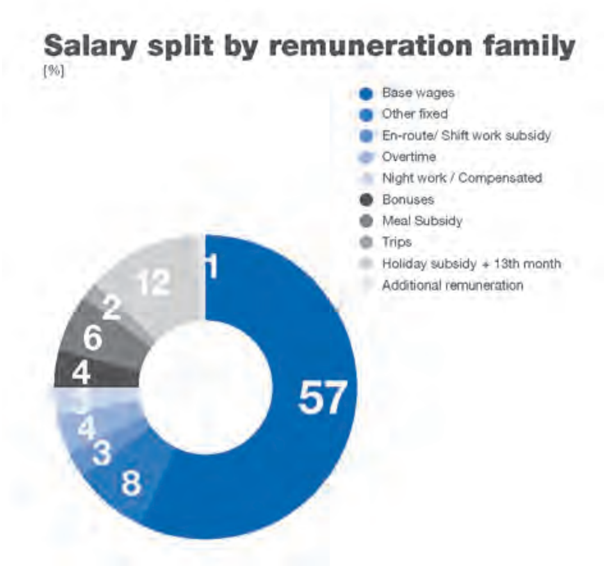
1. Personnel and wage policy

After two years in which the number of employees leaving the company slowed down, in 2009 there was a rise in the number of workers who left REFER, albeit fewer than in the first years of the company.
In December 2009 the REFER workforce numbered 3497, which resulted from 122 employees leaving and 64 arrivals, as well as a reduction in the number of workers suspended (58) when compared to the same period in 2008 (53). Consequently, the company reduced its workforce by 59 employees in the year.

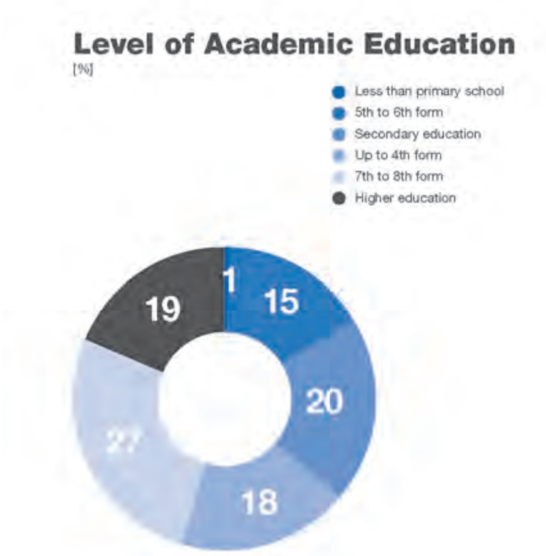
The monthly average number of workers was 3518, which is 1.6% less than in 2008.



he total payroll rose from EUR 83.6 million to EUR 85.9 million (+2.7%), resulting from a 2.9% rise in wages as negotiated with the Workers' Unions.
The payroll continues to reflect the high proportion of fixed components (80%), as is common among companies of the same nature as REFER.



The average age and the average number of years of service, as of December, was 45.8 and 20.4 years respectively. These figures are higher than in the previous years by around 0.4 years, since the balance between the incoming and outgoing workers was not enough to invert the "natural aging process".
The number of better qualified employees continued to increase. The level of academic education also increased, with the number of employees with higher education qualifications nearing 19% by the end of the year.



2. Enhancement of the potential of the Human Resources

As part of the "2007-2010 Training Strategy", training was given to REFER's workers throughout 2009, aimed at ensuring the employees of the company are equipped to fulfil the strategic goals set.
A budget of EUR 1.1 million was used to carry out 827 training actions, which 7662 employees took part in, leading to a total of 107,067 training hours.
The training carried out was geared towards all areas of the organisation. Particularly noteworthy given its importance and the number of workers who took part was the railway technical training, as part of REFER's middle management development programme, leadership and management training and the Renewal Training Programme.

In addition to these training actions, a programme of visits was run for workers to get to know several ongoing railway building work projects or sites of interest, such as the 25 de Abril Bridge, the Rossio tunnel, the Lisbon and Porto Operational Command Centres and the works on the Alcácer Alternative Route. A total of 45 workers took part in these visits, who had the opportunity to get to know the REFER business in more detail.

3. Recruitment and Mobility

The year 2009 saw a high level of internal mobility. The project to upgrade clerks to management assistants was practically completed. Likewise, the professional conversion of 112 employees took place, with special emphasis on the 28 Circulation Controllers who changed their job title and function to infrastructure operators and 12 Level Crossing guards who became management assistants.

In tandem, whenever necessary, REFER carried out external recruitment processes with a view to covering the critical, personnel and technical skills that are essential to fulfil the strategic goals of the company. As such, 38 technical staff members were hired, in line with the policy to increase the professional qualifications of the company workforce.

The year 2009 was also marked by the creation of the REFER Renewal Training Programme, within the scope of which 16 trainees were hired in areas linked to the core business of the organisation. This project will initially last for 12 months, at the end of which the company will be willing to integrate the trainees into the workforce. Emphasis is also given to the continuing Conventional Training Programme, which is now geared solely towards new graduates in the support areas of the company.

In 2010 REFER is expected to maintain its policy of converting the operating staff, above all as regards the transition of level crossing guards to general support and management assistants and redirecting employees from the circulation area of the north and central regions to a maintenance career. Furthermore, in order to prepare the company for the medium- and long-term aims, plans are in place for the recruitment of trainees through the REFER Renewal Training Programme.

4. Work and Labour Relations

The vast majority of the company employees (69%) are represented in 21 unions, which abide by the Company Agreement in force. A new union was created in 2009, the Associação Sindical dos Profissionais do Comando e Controlo Ferroviário – APROFER (Railway Command and Control Professional Union), which has significant membership in the Lisbon Operational Command Centre.

Despite the high percentage of employees belonging to unions and the high number of unions that represent them, REFER has a good working relationship with all the worker representative organisations and the workers' committee, with no labour conflicts or problems worthy of mention occurring in 2009.

REFER Shareholdings

REFER has shareholdings in a number of companies which were founded to restructure the railway sector, even before REFER was founded, and which complement railway infrastructure management activities.

Affiliated Companies and Main Activities

REFER TELECOM – Serviços de Telecomunicações, S.A.

REFER Telecom – Serviços de Telecomunicações, S.A., is a telecommunications operator licensed by ANACOM. Refer Telecom manages, supervises and maintains railway telecommunications networks and systems. It is also responsible for installing and managing telecommunications, which are essential for rail transport. It has a national coverage network and uses an optical fibre backbone with over 2800 km, allowing it to operate in the country's main district capitals and urban centres. Various connectivity services are supported on this network.
Its mission is to "effectively manage the telecommunications infrastructure yielded by the Shareholder, supplying respective services of excellence, as well as the optimisation of all the resources through a specialised offering to the rest of the market."

INVESFER - Promoção e Comercialização de Terrenos e Edifícios S.A.

A INVESFER S.A. is a company of public capital held by REFER EP. It renders property asset management services. Its strategic mission is to offer flexible and innovative solutions to enhance properties tailored to client needs.
The company's strategic vision is to be recognised as a leading property asset enhancement company, contributing to the success of its shareholders, clients, partners and employees.
It abides by the following values:

- Ethical and professional practice based on criteria of transparency and valuing of people;
- Provision of a service of the utmost quality and excellence, based on flexibility of procedures and persistence in the search for the best solutions;
- Engendering team spirit of cohesion, enthusiasm, dedication and determination of all the employees;
- Social responsibility, based on sustainability.

The railway buildings that are no longer used give rise to serious preservation difficulties, given their fragmentation, geographical isolation and in some cases the changes in the surrounding social and urban context. REFER, through INVESFER, has been undertaking actions to improve and refurbish the railway properties, to guarantee financial and environmental sustainability and enable them to be used by the populations.
While these actions have a greater impact on the outskirts of urban centres, in other places these initiatives are equally important, allowing the preservation of historical and museological assets, and generating opportunities for local business development in areas such as tourism, the hotel industry and commerce.

FERBRITAS - Empreendimentos Industriais e Comerciais, S.A

A FERBRITAS S.A. is a REFER Group company with over three decades of experience in the railway sector and is specialised in the planning of transports, infrastructure engineering and the production and commercialisation of aggregates. FERBRITAS S.A. performs two distinct activities:

- Transport engineering
- Aggregates

RAVE, Rede Ferroviária de Alta Velocidade, SA

RAVE, Rede Ferroviária de Alta Velocidade, SA, is a Portuguese company that develops and coordinates the works and studies necessary for decisions on the planning, construction, financing, supply and operation of a high-speed rail network to be installed in mainland Portugal, and the link to its counterpart Spanish network.
RAVE was founded through Decree-Law no. 323-H/2000, published in the Diário da República no. 291 (1st Series – Supplement), of 19 December.

2009 Indicators

The main indicators of the companies belonging to the REFER in 2009 are as follows:

December 2009

Subsidiaries	Ferbritas	Invester	Refer Telecom	CP Com	RAVE	G.I.L.	Metro Mondego	Fernave
Stake held	**98,43%**	**99,99%**	**100,00%**	**80,00%**	**40,00%**	**32,98%**	**2,50%**	**10,00%**
Real estate	4 273 687	2 328 087	14 857 331	30 292	109 227 751	74 775 228	25 874 712	1 676 811
Current Assets	21 536 669	22 060 074	21 887 241	4 444 464	4 922 699	3 834 661	3 350 999	1 526 037
Total Assets	28 053 292	24 581 950	37 346 455	4 538 695	114 199 853	79 725 781	29 252 855	3 248 801
Equity	13 698 566	15 109 062	21 819 363	566 727	2 159 787	(34 936 301)	358 848	(1 407 788)
Net Income	6 476 860	64 215	2 867 577	42 525	(34 593)	(1 850 025)	57 200	(1 775 321)
Liabilities	14 354 727	9 472 888	15 527 092	3 971 968	112 040 066	114 662 083	28 894 007	4 656 588
Operating Revenue	20 707 244	3 817 318	26 442 671	5 683 316	4 173 499	4 767 409	957 294	3 096 337
Operating Expenses	17 032 713	3 707 135	22 087 290	5 611 023	4 142 827	4 429 075	1 076 014	4 249 744
Number of personnel	208	25	153	9	31	6		
Turnover / No. personnel	100 159	235 557	172 602	631 480	7 468	511 910		
Revenues' coverage of costs	122%	103%	120%	101%	101%	108%	89%	73%
Financial autonomy	49%	61%	58%	12%	2%	-44%	1,2%	-43%

Note: The statements presented are forecasts.
The Net Income presented is before tax.

Income and Asset Structure

Operating Income

Operating Income

(10⁶ euros)

Operating Income	2008 (2)	2009 (1)	Change % (1)/(2)
Operating revenues	**121,1**	**122,7**	**1,3%**
Sales and Services Rendered	71,6	71,5	0%
Subsidies	33,6	36,2	8%
Other revenue	15,8	15,0	-5%
Operating expenses	**215,6**	**224,8**	**4%**
Cost of sales	5,9	8,3	41%
External supplies and services	102,8	108,4	5%
Personnel expenses	92,1	96,8	5%
Depreciation/Amortisation for the Year	3,5	3,3	-5%
Provisions for Other Risks and Expenses	-0,5	1,3	-365%
Adjustments to inventories and receivables	-0,1	0,0	-100%
Other Expenses	12,1	6,7	-45%
Operating Income	**-94,5**	**-102,1**	**8%**

REFER's Operating Income fell 8% (EUR 7.5 million) compared to 31 December 2008, which was the result of the higher Operating Expenses (EUR 9.2 million).

Operating Revenues rose EUR 1.6 million (1.3%), which was however insufficient to offset the increased costs.

The improvement in **Operating Revenues**, which accounts for 42% of total revenue, derived from a combination of:

- Increase in the Subsidies item, which grew 8%, as a result of the increase in Compensatory Indemnity paid to REFER in 2009.
- Decrease of 5% in the Other revenue item.

Revenues from User Fees fell from EUR 60.6 million to EUR 59 million. This drop of 2.7% reflects the 3.4% decline in the quantity of TK run.

(10⁶ euros)

User Fee	2008 (2)	2009 (1)	Change % (1)/(2)
Passengers	46,1	46,5	1%
Freight	11,3	9,5	-16%
Empty Runs	1,4	1,5	7%
Total Basic Fee	**58,9**	**57,6**	**-2%**
Requested capacity not used	1,7	1,4	-19%
Total	60,6	59,0	-3%
Basic Fee / TK without Annex I	1,5 €	1,5 €	1%

Operating Expenses increased to EUR 224.8 million, which was 4.3% up on the 2008 figure. This increase resulted essentially from the following factors:

- A 41% increase in Cost of Sales – this item reflects the rise recorded in track maintenance and the consequent increase in material consumption, namely rails.
- A 5% increase (EUR 4.78 million) in the Personnel Expenses item, resulting from the nominal increase in these costs due to wage rises, and also EUR 3.9 million referring to redundancy agreements.
- A 5% increase in the External Supplies and Services item (EUR 5 million) due mainly to the increase in consultancy, IT, electricity and water costs.

These items account for around 95% of Operating Expenses.

The proportion of Operating Expenses covered by the User Fees in 2009 was 26% (compared to 28% in 2008).

Financial Profit and Loss

(10^6 euros)

Financial Profit and Loss	31-12-2008	31-12-2009	%
Financial Losses			
Interest paid			
Loans	-64,5	-45,6	-29%
Derivative financial instruments	-109,3	-97,5	-11%
Other interest paid	-0,1	-0,1	-9%
Change in fair value			
Derivative financial instruments	-84,3	-33,2	-61%
Other financial losses	-3,6	-4,9	35%
	-261,8	**-181,3**	**-31%**
Financial Gains			
Revenue from Securities and other financial applications	0,0	0,0	-87%
Interest received			
Derivative financial instruments	133,2	114,7	-14%
Other interest received	0,0	0,0	-48%
Change in fair value			
Derivative financial instruments	36,1	47,7	32%
Other financial gains	0,1	0,0	-58%
	169,3	**162,5**	**-4%**
Gains/Losses among Assoc. Companies	5,8	9,2	60%
Gains/Losses from Other Fin. Investments	0,0	-0,9	-
Financial Income	**-86,7**	**-10,5**	**-88%**

Financial Income improved considerably, by around EUR 76 million, in comparison to 2008.

The variation in Financial Income was mainly down to the economic climate in 2009, which saw a big drop in interest rates, directly affecting the debt service cost.
It is in this background that the interest incurred on loans decreased 29% compared to 2008, and the interest incurred on the derivative financial instruments was 11% lower than in 2008.

The change in Gains and Losses deriving from variations in the fair value of the derivative financial instruments reflects the fluctuations registered in the financial market throughout the year.

Overall, the financial costs decreased 31% while the gains fell by just 4%.

The financial debt management chapter gives a detailed analysis of REFER's financial performance, including the investment component.

Gains/Losses among Associated Companies returned a positive balance because of the rise in value, through the asset equivalence method, of the shareholdings in FERBRITAS, INVESFER and REFER Telecom, with both FERBRITAS and INVESFER reversing their cycle of negative net income.

Analysing the overall financing needs, we see that there is a constant need to use financing to support the deficit of each of the activities.

(10^6 euros)

Cash Flow Statement	31-12-2008	31-12-2009
Operation deficit	-112,0	-128,1
Investment deficit	-194,9	-135,1
Financial costs	-203,1	-154,9
Total needs	**-510,0**	**-418,1**
Short-Term Debt	1 426,6	547,9
Medium- and Long-Term Debt	3 687,7	4 991,3
Total Debt	**5 114**	**5 539**

Net Income

Net Income	2008 (2)	2009 (1)	Change % (1)/(2)
Total Revenues	296,2	293,4	-1%
Total Expenses	477,7	406,1	-15%
Net Income	**-181,5**	**-112,6**	**-38%**

(10^6 euros)

This financial year presents a negative net income of EUR 113 million, which is 38% down on the 31 December 2008 figure.

The ratio of total revenues in relation to the total expenses went from 62% in 2008 to 72% in 2009.

The alleviating of the net income deficit can be explained by the big improvement in financial income (88% up) despite the fall of around 8% in the operating income.

Financial Position Statement

Asset Structure

Note that, as was the case in 2008, the Financial Position Statement is presented in accordance with the IAS regulations.

Assets

Investment in Long Duration Infrastructures (LDI) - Long Duration Infrastructure Investments reflects REFER's investments in infrastructures on behalf of the State.

In 2009 there was a EUR 953 million drop in net assets. This decrease is explained by the combination of the rise in investment in LDI (EUR 349 million) and a greater level of financial coverage of investment (+EUR 1.2 billion).
The LDI item, which in 2009 amounted to EUR 430 million, represents around 65% of the total assets and includes the following items of assets and liabilities (listed in line with the investment made):

(10^6 euros)

Long Duration Infrastructure (LDI) Investment Activity	31-12-2008	31-12-2009
Assets (LDIs)	7 232,7	7 581,9
Current Funds	-41,4	-44,7
Subsidies (LDIs)	-3 579,5	-3 709,3
Loan Expenses	404,5	503,7
Loans obtained	-2 632,0	-3 897,7
Asset Profitability	-	-3,1
	1 384,4	**430,9**

The variation in the LDI assets reflects the investment made in the infrastructure during the year, which at the end of the year amounted to a total of EUR 7,582 million.
The amount of subsidies attributed to the investment increased around EUR 129 million, of which 78% was attributed by Cohesion Fund.
Expenses from loans represent the interest imputable to the investment in LDI and not subject to capitalisation.
The loans obtained are loans benefiting from State guarantee or which are explicitly obtained for investment (EIB loans), and amount to EUR 3,897 million, to cover the financing of the investment made exclusively in LDIs.

Non-current Assets - reached EUR 97 million in 2008, which was EUR 6 million up on the 2008 figure. This increase is mainly down to a combination of:

- A EUR 16 million increase in investments in branch affiliates, resulting from a rise in value of the financial shareholdings owned in the capital of the companies FERBRITAS, INVESFER and REFER Telecom and CP Com of EUR 9 million and EUR 8 million of INVESFER loss coverage.

- Reduction of around EUR 8 million in loans and receivables, deriving from the total amortisation of the eliminations carried out by INVESFER.

- Decrease of around EUR 2.5 million in the "tangible fixed asset" item.

Current Assets – reached EUR 129 million in 2009, which was EUR 10 million up compared to 2008, due to the rise in value of the derivative financial instruments (+EUR 9 million) and increase in stocks (+EUR 1 million).
The "clients and other receivable accounts" item fell in comparison to 2008 (by EUR 2 million). A significant impact in this account was the balance with the operator CP, which registered an improvement in its average receivable term. In 2008 this was 183 days, whereas in 2009 it was 110 days.

Liabilities

As of 31 December 2009 REFER had negative **Equity Capital** of EUR 1,268 million, which was the result of successive years of negative net income.

The **Non-current Liabilities** rose to EUR 1,105 million – a drop of EUR 18 million – which is explained by the slight decrease in the medium- and long-term financing, which registered EUR 1,094 million (EUR 1,113 million in December 2008).

The **Current Liabilities** decreased by EUR 807 million, as a result of the decrease in the short-term banking finance. Part of the 2008 balance was renegotiated for medium and long-term financing to cover investment.

In the Asset structure, the investment in long duration infrastructures plays a significant role, accounting for 65% of the total Assets, compared to 87% in 2008. This variation is explained by the increase in medium- and long-term financing obtained to cover investments.

In Liabilities, it is the Non-current Liabilities that account for the largest relative proportion. This item rose to EUR 1,105 million, corresponding to 57% of total Liabilities.

Indicators

Among the main indicators, the improvement in the Average Payment Term is key. This is one of the objectives recommended by Council of Ministers Resolution 34/2008, which sets forth the timely payment programme, whereby Companies in the State corporate sector must establish payment deadline targets. In December 2009, REFER's average payment period was 44 days, a significant improvement compared to 2008 (59 days).
There was a 3.4% decrease in train kilometres (TK) in 2009 compared to 2008.
In 2009, the CP operator ran 39,404,000 TK, corresponding to 92% of total traffic, broken down into 31 million TK of passenger services, 6 million TK of freight and 0.8 million TK for empty runs.

In meeting its goal of providing high safety levels, the Average Density of Level Crossings per Kilometre decreased from 0.43 in 2008 to 0.42 in 2009.

Operating costs per train kilometre (TK) have decreased over recent years. This trend continued in 2009, with a 2.6% fall compared to the previous year.

Average personnel no. decreased just 1.5% in relation to 2008, contrasting with the trend in previous years which had sharper declines in personnel.

Personnel costs increased 5.6% compared to 2008, resulting from the wage and salary updates and also from the EUR 3.9 million paid out due to redundancy agreements.

Main Activity Indicators	2007 (3)	2008 (2)	2009 (1)	Change % (1)/(2)	Change % (2)/(3)
Train kilometre (TK) ('000)	40 489	41 284	39 865	-3,4%	2,0%
Network Utilisation Revenue (EUR '000)	57 267	60 596	58 986	-2,7%	5,8%
Infrastr. Mgmt. Op. Ex. (EUR '000)/TK	5,10	4,85	4,72	-2,6%	-4,9%
Long Duration Investments (LDIs) (EUR '000)	328 292	392 431	364 573	-7,1%	19,5%
Debt (Remunerated Liabilities/Net Assets) X100	64,37	65,81	67,02	1,8%	2,2%
Average personnel no.	3.579	3.573	3.518	-1,5%	-0,2%
Personnel costs (EUR '000)	108 319	113 384	119 694	5,6%	4,7%
Average payment term (days)	106	59	44	-25,4%	-44,3%
Network length (km)	3.614	3.618	3.619	N/A	N/A
With train traffic	2.838	2.842	2.843	N/A	N/A
Broad track	2.646	2.650	2.650	N/A	N/A
Electrified	1.436	1.460	1.460	N/A	N/A
Not electrified	1.402	1.382	1.383	N/A	N/A
Narrow track	192	192	193	N/A	N/A
Without train traffic	776	776	776	N/A	N/A
Average density of LCs per km	0,45	0,43	0,42	N/A	N/A

Financial Debt Management

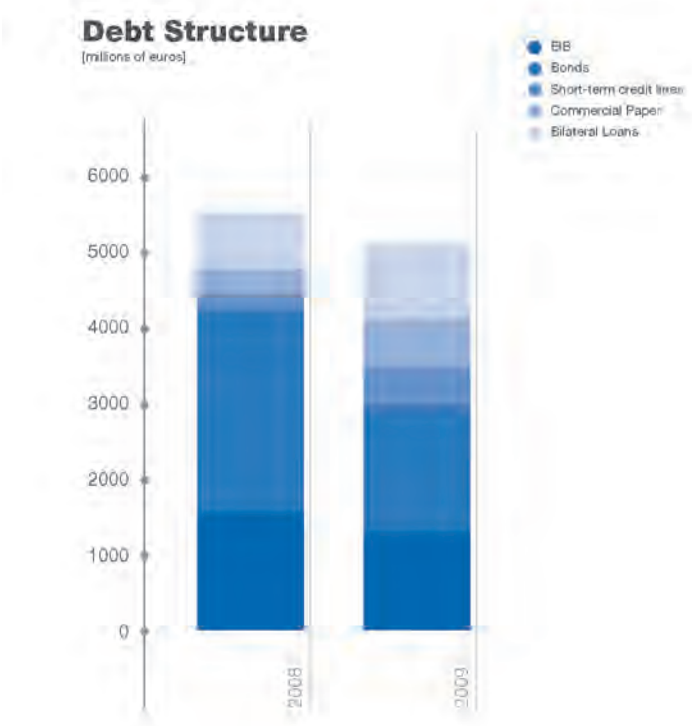
During 2009, financial markets suffered from a long period of high volatility, particularly affecting European capital markets. The turmoil felt the previous year as a consequence of the bankruptcy and bail-out of American and European banks by their governments hit its peak in the first quarter of 2009. Consequently, the reevaluation and deterioration of European sovereign credit risk due to the strong support to the financial system, which began in 2008, led to investors demanding a substantial increase in credit spreads to buy any asset class. The widening of spreads was amplified and supported by international ratings agencies which, after years of "relaxation" and with a deeply tarnished image, returned to focus on core credit risk analysis. The overall access to credit, both from capital markets and from banks, was severely affected, despite the improvement in liquidity due to cuts on interest rates and quantitative easing measures implemented by central banks.

It was in this context of uncertainty and higher refinancing risk that REFER launched a major initiative to refinance its short-term debt. This refinancing activity essentially took place through long-dated debt instruments generally used by infrastructure companies of similar size and asset structure. Primarily medium- and long-term debt was used, whether benefiting from the State guarantee or not, to best match the debt with the type of assets under its management (Long Duration Infrastructures) as well as to minimise the servicing of the debt.

Statutorily, prior authorisation must be obtained from the supervising ministries for any type of financing. These authorisations are provided collectively through the approval of the Activities Plan and Budget which sets out the planned financial operations. In the absence of this, individual authorisation must be obtained (Decree-Law no. 141/2008 and Decree-Law no. 300/2007).

To manage its cash, REFER has at its disposal short-term credit lines provided by commercial banks. These are used depending on timing requirements for approving and finalising medium- and long-term operations.

On 31 December 2009, the financial debt structure was as follows:

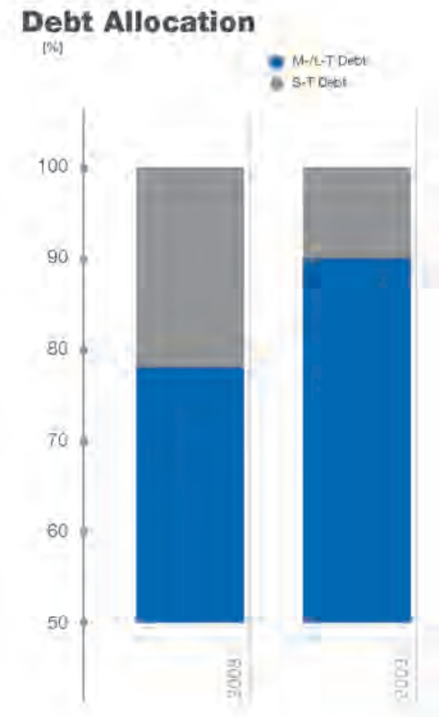


73% of total medium- and long-term outstanding debt benefited from the State's guarantee, representing an increase of 11% versus 2008. The improvement of this percentage resulted from the following operations:

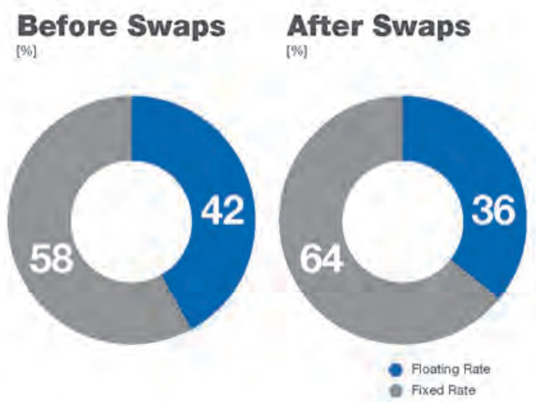
- Contracting of two EIB loans with a State guarantee, amounting to EUR 100 million each, with a floating interest rate (January);
- Full amortisation of the EUR 250 million Logo Securities II loan (January);
- EUR 500 million bond issue with a State guarantee for a 10-year period with an annual coupon of 5.875% and bullet amortisation (February);
- Contracting of EUR 110 m EIB loan without the State's guarantee, with a fixed interest rate (September); and
- EUR 500 million bond issue with the State's guarantee for a 15-year period, with an annual coupon of 4.675% and bullet amortisation (October);

Both bond issues were held as part of the Euro Medium Term Notes Programme in force since 2008 and with an overall amount of EUR 1,500 million. This Programme offered REFER greater flexibility in accessing the capital markets, not only because the contractual process was more agile, but also, and more importantly, due to the greater capacity for seizing opportunities that arose in the market. This aspect is key given the turbulent period of the first quarter of 2009, in which the credit spreads of peripheral eurozone countries grew considerably, with repercussions on the cost of debt for companies and banks from those countries.

Aside from the impact on the cost of debt from the increment in credit spreads, the drive to match the liability structure to the asset class was successful, and was reflected in a Medium- and Long-term Debt / Total Debt ratio of 90%, versus 78% achieved in 2008, as is shown in the chart:



At the same time as obtaining an appropriate debt structure, REFER seeks continuously to minimise financial costs. To this end, the decisions over choice of interest rate regime for medium- and long-term debt, interest rate risk management activities (Hedging) and also the drive to negotiate with the financial intermediaries with a view to minimising the credit spreads, are particularly important. As at 31 December 2009, the split of financial debt by interest rate regime was as follows:



Financial Income

Financial income is analysed through the overall financial income perspective, which adds the financial income obtained from the Investment Activity to the accounting figure (which comes from a direct reading of the Integrated Profit and Loss Statement and which includes the Infrastructure Management Activity and Hedging) which, in accordance with IFRS standards, are set out in detail in the Financial Position Statement. This approach gives a true indication of REFER's debt and risk management activity performance.

The chart below sets out the financial performance:

(millions of euros)

	Real		Deviation
	2009	2008	
Financial Income from Infrastructure Management Activity	**-42,3**	**-62,4**	**20,1**
Financial gains	0,0	0,1	0,0
Financial losses	-50,6	-68,2	17,6
Gains / Losses in Associated Companies	8,3	5,8	2,6
Financial Income from Hedging Activity	**31,7**	**-24,3**	**56,1**
Interest received from Derivative Financial Instruments	114,7	133,2	-18,5
Interest paid from Derivative Financial Instruments	-97,5	-109,3	11,8
Derivatives Fair Value Variation - Gains	47,7	36,1	11,6
Derivatives Fair Value Variation - Losses	-33,2	-84,3	51,1
Financial Income (DR)	**-10,5**	**-86,7**	**76,2**
Financial Income from Investment Activity	**-133,5**	**-163,5**	**30,0**
Financial gains	0,0	0,0	0,0
Financial losses	-133,5	-163,5	30,0
Overall Financial Income	**-144,0**	**-250,2**	**106,2**

Overall Financial Income recorded a considerable improvement of EUR 106 million, going from EUR -250 million in 2008 to EUR -144 million in 2009. This recovery is the result of interest rates market behaviour during the year, in particular the euro, and the management of the swap portfolio according to the following distribution:

- Financial Income from Infrastructure Management Activity: EUR +20 million;
- Financial Income from Investment Activity: EUR +30 million; and
- Financial Income from Hedging Activity: EUR +56.1 million.

The first two contributions were driven by the sharp fall in financial costs from debt despite the debt stock worsening by around EUR 430 million. As a result, the sharp fall in the euro's short-term interest rates throughout the year, typically the benchmark for floating rate debt (about 42% of the debt before Hedging effect), has had a positive effect on the interest mass that offsets the widening of the credit spreads, both in short-term debt instruments and in medium- and long-term operations.
It is also important to note that the considerable reduction in the short-term debt level limited the improvement presented in the financial results. This effect is mitigated however by the fact that REFER pursues a policy of matching its financial liabilities to its asset structure, thereby substantially reducing the refinancing risk for short-term debt, which becomes more relevant as the financial markets' liquidity problems grow.

With regard to the Hedging Activity Financial Income, this presented a positive performance of around EUR 32 million showing a recovery of EUR 56 million versus the year before. The swap portfolio's fair value recovered EUR 14 million during 2009 against the deterioration of EUR -48 million in 2008. The following factors were the key drivers of this effect:

- The sharp fall in euro interest rates, with a greater impact on terms up to two years, allowing the positive slope of the euro interest rate curve to increase;

- The positive slope of the sterling interest rate curve in the 30Y-10Y segment; and

- The continuous monitoring of financial markets and swap portfolio, prioritising the stability of portfolio's positions aiming to leverage the effects given above.

Regarding the cash component of the Hedging activity, the fixed/floating debt ratio (after the effect of hedging) changed from 61%/39% at the end of 2008 to 64%/36% at the end of 2009, due to the medium- and long-term operations taking place. However, this change fluctuated throughout the year as a result of the behaviour of the euro interest rates, which led to execution of swap operations and respective liquidation to take advantage of the fall in those rates, with considerable effects on the Overall Financial Income. However, comparing this cash component with the 2008 financial year, the net value of interest receivable/payable from swaps fell approximately EUR -6.7 million. This reduction arose as a result of the growing difference between the fixed rate payable and the floating rate receivable for specific swaps due to the fall in euro interest rates. In addition, despite this effect, the annual average interest rate REFER paid for its debt, after the effect of Hedging, was 3.3% in 2009.

The chart below presents the annual average cost of debt for the 2005-2009 period:

Annual average cost of debt	2009	2008	2007	2006	2005	2004
Average rate w/o hedging	**3,525%**	**4,836%**	**4,427%**	**3,528%**	**2,844%**	**2,831%**
MLT	3,682%	4,790%	4,399%	3,525%	2,842%	2,613%
ST	2,668%	5,029%	4,800%	3,537%	2,857%	3,612%
Average rate w/ hedging	**3,330%**	**4,234%**	**4,095%**	**3,785%**	**3,108%**	**2,908%**
MLT	3,451%	4,042%	4,043%	3,857%	3,150%	2,712%
ST	2,668%	5,029%	4,800%	3,537%	2,857%	3,612%
Average Euribor Six-Month Rate	**1,429%**	**4,727%**	**4,352%**	**3,276%**	**2,250%**	**2,165%**

Over the period in question, the annual average cost of debt never exceeded the 4.25% barrier, given the positive contribution of the Hedging activity in recent years. On the other hand, when REFER's financing cost is compared to the performance of the relevant benchmark (Euribor six-month rate) it can be seen that the increase in cost resulting from that differential reflects the credit spread implicit in the financing cost. This spread deteriorated in 2009 (+2.34 percentage points), as a result of the simultaneous increases of the credit spreads charged by both the banking sector and capital markets and of the proportion of fixed rate debt defined and achieved by REFER.

Finally, we turn to REFER's long-term credit rating attributed by the international agencies Moody's and Standard & Poor's (S&P). The table below reflects the changes, which largely followed the movements of the Republic of Portugal's credit rating:

Rating REFER	Moody's		S&P	
	Rating	Outlook	Rating	Outlook
01-Jan-09	**Aa2**	**Stable**	**A**	**Stable**
14-Jan-09	-		A	Negative
21-Jan-09	-		A-	Stable
29-Oct-09	Aa2	Negative	-	
07-Dec-09	-		A	Negative
31-Dec-09	**Aa2**	**Negative**	**A**	**Negative**

Despite these movements, REFER's cost of debt was affected mostly by the deterioration of the sovereign rating since all medium- and long-term operations performed during the year benefited explicitly or implicitly from State guarantees.

Outlook

One of the big challenges facing REFER's Management is its ability to take measures and define policies, in articulation with all the Stakeholders, that will enable the downward trend of railway use to be reversed and boost train usage as an alternative and economic means of transport, both for passengers and freight. The growth of rail transport should therefore be the basis of the future sustainability of the company. As such, regardless of the role that the company should play in the exclusive area of infrastructure management, in which REFER has specific responsibilities, issues such as intermodality, the ability to respond to the needs of the market and providing the supply to match demand play a special role here, and should be aspects that are always taken into account in the investment/modernisation decisions and the operation of the infrastructure.

Two other areas of activity are defined directly from the management goals set by the Ministry of Public Works, Transport and Communication and the Ministry of Finance, and which take on particular importance for the REFER management in the current economic climate. These are the clear objectives to improve the efficiency of the operation and control costs; in other words, to produce more and make better use of the resources. The idea is to bring about continuous improvement, with quantified aims that to a large extent are linked to efforts to cut wastefulness, simplifying processes and instilling a culture of accountability.

A fourth facet involves the contribution that the railway infrastructure management assets can make to the sustainability of the company. REFER manages a vast amount of properties throughout Portugal, which can be profited from, either through selling them when they are no longer of use to the rail network, or by identifying other uses, commercial or otherwise, which can complement and coexist with the core business of the company and which generate revenue that contributes to the future sustainability. Given that these assets are part of the Railway Public Domain, this is an area of activity that must be properly articulated with the respective ministerial departments.

Finally, it is fundamental to define a stable, responsible and transparent framework in the relationship between the State and REFER, clearly outlining the rights and duties of both parties, both as regards the management of the infrastructures and the investment made in rail infrastructures. The strategic guidelines for the railway sector presented in 2006 pointed towards the progressive contracting of the public service provided by the infrastructure manager up until 2010. The definition of this management framework will be decisive to enable the efficient and sustained management of the rail network.

Application of Income

Within the terms stipulated in no. 1 of article 245 of the Securities Code, the Board of Directors declares that, to the best of its knowledge, the information in the documentation rendering the accounts was prepared in compliance with the applicable accounting standards, and truly and appropriately portrays assets and liabilities, the financial situation and the income of REFER, and that the management report faithfully describes the company's business activities, performance and position, in addition to describing the main future risks and uncertainties.

In accordance with the provisions in force, it is proposed that the net income for the year – a deficit of EUR 112,779,931 – be transferred to "retained income".

Lisbon, 18 March 2010

The Board of Directors

Chairman Luís Filipe Melo e Sousa Pardal

Vice-Chairman Alfredo Vicente Pereira

Member Romeu Costa Reis

Member Alberto Castanho Ribeiro

Member Carlos Alberto Fernandes

FINANCIAL STATEMENTS AND NOTES

2

Declaration Of Compliance

Declaration as stipulated in Article 245, no. 1, subparagraph c) of the Securities Code.

Under the terms and for the purposes of the stipulation of Article 245, no. 1, subparagraph c) of the Securities Code, each member of the Board of Directors of REFER, *E.P.E.*, as identified below, underwrite the following declaration:
"I declare, under the terms and for the purposes of the stipulation of Article 245, no. 1, subparagraph c) of the Securities Code, that to the best of my knowledge, in exercising the duties assigned to me and based on the information supplied to the Board of Directors, the financial statements were written in compliance with the applicable accounting standards, and truly and appropriately portray the assets and liabilities, the financial situation and the income of REFER, *E.P.E.* and that the management report relative to the company activity in 2009 faithfully describes the important events that occurred in this period and the impact on the respective financial statements, in addition to describing the main future risks and uncertainties."

The Board of Directors

Chairman Luís Filipe Melo e Sousa Pardal

Vice-Chairman Alfredo Vicente Pereira

Member Romeu Costa Reis

Member Alberto Castanho Ribeiro

Member Carlos Alberto Fernandes

Financial Statements

Financial Position Statement

as at 31 December 2009

(euros)

Items	Notes	2009	2008
Assets			
Long Duration Infrastructure Investment Activities	4.	430 873 524	1 384 390 638
Non-current			
Tangible fixed assets	5.1.	39 855 916	42 371 945
Intangible assets	5.2.	3 141 735	3 419 881
Investments in branch companies	5.3.	50 857 068	34 603 559
Investments in associated companies	5.4.	863 915	877 752
Financial assets available for sale	5.6.	31 875	31 875
Loans and receivables	5.7.	2 497 861	9 849 012
		97 248 370	91 154 024
Current			
Derivative financial instruments	5.9.	26 947 070	17 596 647
Inventories	5.8.	14 418 050	12 925 569
Clients and other receivables	5.10.	85 458 255	87 609 941
Receivable income tax	5.15.	1 463 884	884 772
Cash and cash equivalents	5.11.	635 789	249 760
		128 923 048	119 266 689
Total assets		657 044 942	1 594 811 351
Equity			
Capital and reserves attributable to shareholders			
Capital		305 200 000	305 200 000
Cumulative results		-1 460 438 516	-1 278 954 549
		-1 155 238 516	-973 754 549
Results in the year attributable to shareholders		-112 779 931	-181 483 966
Total equity		-1 268 018 447	-1 155 238 515
Liabilities			
Non-current			
Loans obtained	5.12.	1 093 660 099	1 112 971 309
Provisions	5.14.	11 702 371	10 568 997
		1 105 362 470	1 123 540 306
Current			
Loans obtained	5.12.	547 901 255	1392 150 268
Derivative financial instruments	5.9.	99 504 050	104 716 922
Suppliers and other payables	5.13.	172 295 614	129 642 370
		819 700 919	1 626 509 560
Total liabilities		**1 925 063 389**	**2 750 049 866**
Total equity and liabilities		**657 044 942**	**1 594 811 351**

To be read in conjunction with the Notes to the Financial Statements

18 March 2010

Financial Director
Alberto Manuel Diogo

Chartered Accountant
Isabel Rasteiro Lopes

TOC 23435

The Board of Directors

Chairman	Luís Filipe Melo e Sousa Pardal
Vice-Chairman	Alfredo Vicente Pereira
Member	Romeu Costa Reis
Member	Alberto Castanho Ribeiro
Member	Carlos Alberto Fernandes

Integrated Profit and Loss Statement

as at 31 December 2009

(euros)

Items	Notes	2009	2008
Services rendered	5.16.1.	71 540 838	71 628 679
Operational subsidies	5.16.2.	36 149 307	33 612 872
Cost of materials consumed		-8 326 677	-5 885 660
External supplies and services	5.17.	-108 341 163	-102 753 507
Personnel expense	5.18.	-96 861 419	-92 051 527
Depreciation / amortisation for the year	5.1./5.2.	-3 290 831	-3 448 426
Provisions for other risks and charges	5.14.	-1 133 375	479 394
Adjustments to inventories and receivables	5.10.	-138 696	136 894
Other expenses	5.19.	-6 693 644	-12 067 567
Other revenues	5.20.	14 995 879	15 822 111
Operating Income		-102 099 781	-94 526 738
Financial losses	5.21.	-181 297 391	-261 828 049
Financial gains	5.21.	162 464 396	169 337 588
Gains/Losses in subsidiary and associated companies	5.22.	9 248 665	5 768 624
Gains/Losses in other companies	5.21.	-922 007	0
Earnings before tax		-112 606 117	-181 248 575
Tax for the year	5.23.2.	-173 814	-235 392
Net Income		-112 779 931	-181 483 967

To be read in conjunction with the Notes to the Financial Statements

18 March 2010

Financial Director
Alberto Manuel Diogo

Chartered Accountant
Isabel Rasteiro Lopes

TOC 23435

The Board of Directors

Chairman Luís Filipe Melo e Sousa Pardal

Vice-Chairman Alfredo Vicente Pereira

Member Romeu Costa Reis

Member Alberto Castanho Ribeiro

Member Carlos Alberto Fernandes

NOTE:
Income is not presented per share, since REFER is not covered by IAS 33, since its share capital has the legal status of "Statutory Capital" fully held by the Portuguese State, and is thus not indicated by shares or by any other type of certificates.

Statement of Equity Alterations
as at 31 December 2009

(euros)

	Share Capital	Cumulative Results	Total Equity
Balances on 1 January 2008	305 200 000	-1 278 954 549	-973 754 549
Income as at 31 December 2008		-181 483 966	-181 483 966
Balances on 31 December 2008	305 200 000	-1 460 438 516	-1 155 238 515
Income as at 31 December 2009		-112 779 931	-112 779 931
Balances on 31 December 2009	305 200 000	-1 573 218 447	-1 268 018 447

Cash Flow Statement
Period ending on 31 December 2009

(euros)

Items	2009	2008
Operation Activities		
Inflows from clients	90 786 528	90 676 858
Outflows to suppliers	-129 702 096	-123 152 621
Outflows to personnel	-116 603 662	-115 922 354
Flow generated by operations	-155 519 230	-148 398 117
Other inflows/outflows regarding operation activities	27 482 290	36 403 980
Flow from operation activities (1)	**-128 036 940**	**-111 994 138**
Investment Activities		
Inflows from:		
Investment subsidies	129 636 952	89 773 857
Outflows for:		
Tangible assets	264 735 172	284 648 930
Flow from investment activities (2)	**-135 098 220**	**-194 875 073**
Financing Activities		
Inflows from:		
Loans obtained	1 678 598 222	944 665 791
Interest	114 723 055	128 271 788
	1 793 321 277	1 072 937 578
Outflows for:		
Loans obtained	1 260 164 052	434 647 348
Interest and similar costs	269 636 036	331 380 979
	1 529 800 089	766 028 326
Flow from financing activities (3)	**263 521 189**	**306 909 252**
Variation of cash and cash equivalents (4)=(1)-(2)+(3)	**386 029**	**40 041**
Exchange rate effects	0	0
Cash and cash equivalents at the end of the period	635 789	249 760
Cash and cash equivalents at the beginning of the period	249 760	209 719
Variation of cash and cash equivalents	**386 029**	**40 041**

Notes to the Financial Statements for the year ending 31 December 2009

1. REFER Activities

Rede Ferroviária Nacional – REFER, *E.P.E.*, abbreviated to REFER, with its head office at the Santa Apolónia Station, Lisbon, was founded through Decree-Law no. 104/97, of 29 April, as a public corporate entity with administrative and financial autonomy and its own assets, subject to supervision by the Ministry of Finance and Public Administration and the Ministry of Public Works, Transport and Communications

REFER mainly provides a public service of managing the overall national railway infrastructures and also builds, installs and renews railway infrastructures.

In carrying out its activities to provide diligently a highly efficient and effective service, REFER relies on complementary services in business areas not covered by its main activities, but that are performed by its subsidiaries.

1.1 Company Mission

REFER's activities are split into two missions: Investment Activity in Long Duration Infrastructures (LDI) and Infrastructure Management (IM).

Long Duration Investments (LDI)

This part of the mission covers the following investments:

- New infrastructures and/or network expansion;
- Modernisation and rehabilitation, by introducing new technology in the operation mode;
- Replacement, which includes interventions resulting in lasting improvements or those which are likely to increase the value and/or lifetime of the asset whilst not altering the operation.

The financing necessary for its investments, as described above, is obtained by REFER and may be in the form of loans from financial institutions, suppliers, capital contributions by the shareholder or subsidies..

Investments in Support and Management Structures (ISMS) and Infrastructure Management (IM)

This covers all investments without implications on railway concessions and operation and which are grouped into studies (e.g. organisational) and operation investments (e.g. furniture and IT equipment).
The Infrastructure Management mission corresponds to providing a public service, covering tasks such as the conservation and maintenance of infrastructures, capacity management, management of the regulation system, and safety, command and control of circulation.

1.2 Regulation of REFER's missions

User Fee Regulation

Through Decree-Law 104/97, of April 29, REFER was assigned the duty to render the public service of managing the overall national rail network and also granted the right to charge railway infrastructure user fees.
As regards the user fees, under the terms of Decree-Law no. 270/2003 of 28 October, republished through Decree-Law no. 231/2007 of 14 June, REFER shall establish and collect fees for using the infrastructure, to finance the infrastructure management activity, respecting the rules defined in the aforementioned legal decree, as well as those stipulated in Regulation no. 21/2005, of 3 February, by the IMTT.
REFER's activity of rendering essential, additional and auxiliary services, the description and conditions of which – including the fee charging conditions – are defined in the Network Directory.

User Fees for Essential Services

a. Base Fees

The essential fees derived from the infrastructure management include the following:

- the minimum access package;
- railway access to service facilities and to the supply of services;
- the use of infrastructures and equipment for the supply, transformation and distribution of traction electricity;
- the provision of emergency railway assistance within the terms stipulated in article 51 of Decree-Law 270/2003.

b) User Fee for Requested Capacity That Is Not Used

The amount owed for the capacity requested and not used corresponds to:

- 10% of the applicable user fee if the non-utilisation is notified before the technical timetable takes effect for the year in which the capacity is distributed;
- 25% of the applicable user fee if the non-utilisation is notified up to 12 weeks prior to the date for which the capacity was requested;
- 50% of the applicable user fee if the non-utilisation is notified up to six weeks prior to the date for which the capacity was requested;
- 75% of the applicable user fee if the non-utilisation is notified up to two weeks prior to the date for which the capacity was requested;

- 100% of the applicable user fee if the non-utilisation is notified within less than two weeks prior to the date for which the capacity was requested.

User Fees for Additional Services

- **Traction Power**

Since access to traction electricity required by the operators may be provided only through the infrastructures managed by REFER, the company provides the operators with access to the means which it manages. If contracts were signed covering payments to REFER of any service fee for checking, invoicing and/or distributing consumption, the fee regulations shall apply until that amount is reached.

- **Manoeuvres**

Manoeuvre services are charged according to the mobilisation of human resources (including travel time, if applicable), measured in minutes, and which may correspond to three professional categories: Manoeuvres Operator, Circulation Operator or Circulation Controller.

- **Parking of Rolling Stock**

Parking on station lines not assigned to circulation for periods equal to or greater than 1 hour shall be invoiced.

- **Utilisation of Stations and Stops**

REFER charges fees to rail transport companies for their right to use passenger stations and stops that are not included in the essential services. The fee for this service is defined per station and is applied to the number of commercial stops made in the passenger service at the station.

User Fees for Auxiliary Services

Services involving the use of REFER labour are invoiced according to the human resources mobilised.

Other Fees

The Network Directory, the railway regulations and the technical documentation necessary for studying the capacity requests are supplied to interested parties, upon request and payment of the publication cost.

2. Presentation Bases and Accounting Policies

2.1 Presentation Bases

The financial statements presented herein reflect REFER's income for the years ending on 31 December of 2009 and 2008.
These financial statements were assessed by the Board of Directors at a meeting held on 18 March 2010, which decided to submit them to approval by the respective ministerial department. The Board of Directors is of the opinion that these financial statements truly and appropriately reflect the operations by REFER, its financial position, performance and cash flows.
All amounts are expressed in euros (€), unless otherwise indicated.
REFER's financial statements were prepared according to the International Financial Reporting Standards (IFRS) as adopted by the European Union, and in force on 31 December 2009.

The IFRS include the accounting standards issued by the International Accounting Standards Board ("IASB") and the interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC"), and by the respective entities that preceded them.

The financial statements presented herein were prepared according to the principle of the historic cost, except for financial assets and liabilities recorded at the fair value, in particular derivative financial instruments, which are recorded at the respective market value, except for those for which the fair value is not available.
The preparation of financial statements according to the IFRS requires that the company formulate judgements, estimates and presuppositions that affect the application of the accounting policies and the amounts of income, costs, assets and liabilities. Estimates and associated presuppositions are based on historic experience and on other factors regarded as reasonable and form the basis for the judgements on the values of the assets and liabilities whose valuation is not evident through other sources. Issues requiring greater judgment detail or complexity, or for which the presuppositions and estimates are regarded to be significant, are presented in Note 2.3 (Main estimates and judgements used for preparing the financial statements).

2.2 Accounting Policies

The accounting policies used to prepare these financial statements are described in the following paragraphs and were applied in a consistent manner for the indicated years.

a. Shareholdings in Branch Companies

According to the concepts stipulated by IAS 27 – Consolidated and individual financial statements, branch companies are the companies controlled by REFER.

A situation of **control** exists when REFER holds the majority of votes in the respective company. A company may also be regarded as controlled when the holding company holds direct or indirect power to manage the financial and operational policies to obtain benefits arising from its activities, even when its shareholding is less than 50%.

The acquisition of branch companies is **initially** recorded by the purchase method.

The acquisition cost is measured by the fair value of the delivered assets, capital instruments issued and liabilities incurred or assumed on the acquisition date plus costs directly attributed to the acquisition. Identifiable acquired assets, liabilities and contingent liabilities in a corporate concentration are initially measured at the fair value on the acquisition date, regardless of the existence of minority interests.

Financial shareholdings in subsidiary companies are assessed by the Asset Equivalence Method since these are individual financial statements.

b. Financial Shareholdings in Associated Companies

As stipulated in "IAS 28 – investments in associated companies", associated companies are regarded as companies in which a **significant influence** is exercised over their financial and operational policies, although they are not directly controlled.
A significant influence is presumed to take place when the company has the power to exercise more than 20% of the voting rights in the associated company.
These financial stakes are **measured** through the asset equivalence method, that is, the financial statements include the company's stake in the total gains and losses of the associated company from the date on which the significant influence starts until the date on which it terminates.

c. Activity in Long Duration Infrastructure (LDI) investments

Due to the process to splitting up the railway activity in Portugal in 1997, REFER was assigned the responsibility of building and renovating long duration railway infrastructures. This activity is carried out according to the State's directives and for which financing is guaranteed through subsidies and loans, of which the majority are guaranteed by the State, whereby REFER plays the role of "agent" in this activity.

When any assets are withdrawn from the public railway domain, the profit or loss is attributed to this activity.

Therefore, all flows consequent to this activity are disclosed on the balance sheet, in the item "Long duration infrastructure investment activities" and include the following items:

- long duration infrastructures (LDI) of the public railway domain built by REFER, but which it is merely entitled to access to render the "Infrastructure management" services;

- assets of extinguished departments and assets transferred from CP, which REFER is merely entitled to access without being able to possess them;
- materials acquired through construction/repair of the LDI classified as stocks;
- balances payable to suppliers of LDI construction services;
- balances receivable from contributions by other entities in LDI investments;
- subsidies received to co-finance the construction of LDI;
- loans obtained specifically to finance the construction and repair of LDI, in particular loans benefiting from State guarantee;
- interest, State guarantee fees and stamp duty paid for loans obtained to finance the construction and repair of LDI, corresponding to current interest arising from activities on behalf of the State, which have not been capitalised as a cost of acquiring the LDI during their construction.
- the amount gained from railway public domain LDI that have been decommissioned through donation/sale;

Long Duration Infrastructures (LDIs)

The tangible fixed assets classified as long duration infrastructures belong to the railway public domain, and REFER merely has access to them so as to supply the infrastructure management services. Therefore, they are registered in the "long duration infrastructures investment activity" item of the financial statement, given that they do not qualify as assets controlled by this entity. These assets, in addition to the acquisitions and constructions subsequent to the splitting up of CP, also include the assets of extinguished departments and assets transferred from CP.

These assets were **initially registered** at cost. Given that the assets of the long duration infrastructure investments activity are not the object of depreciation, the value at which they are registered does not change.
The maintenance and repair costs that do not increase the lifetime of these assets are registered as costs in the year they are incurred.

d. Tangible Fixed Assets

Used in Infrastructure Management

Tangible fixed assets recorded in REFER's balance sheet refer to equipment used by REFER for infrastructure management purposes and not assigned to long duration infrastructure investment activities. It is **initially registered** at cost price.

After the **initial registry**, REFER adopted the cost model permitted by IAS 16, and the tangible fixed assets are registered at their cost minus any depreciation and any impaired asset losses.
Maintenance and repair costs that do not increase the lifetime of these assets are recorded as costs in the year in which they take place.

Gains or losses from the disposal of assets are determined by the difference between the asset's realisation value and the accounting value, and are recognised in the profit and loss account.

Capitalisation of Loan Costs

Interest on loans directly attributable to the acquisition or construction of eligible assets are capitalised as part of the cost of these assets. An asset eligible for capitalisation is an asset that requires a substantial period of time before it is available for use or for sale. The capitalisation of costs with loans begins when the investment starts, and **ends** when all the activities needed to make the asset available for use or for sale are substantially completed.

Depreciation

Depreciation is calculated according to the acquisition value, through the **straight-line depreciation method** and at the rates corresponding to the expected lifetime of each asset type. The most important annual depreciation rates (in %) are as follows:

Item	%
Land	Not depreciated
Buildings and other structures	2 - 100
Basic equipment	3,33 - 100
Transport equipment	4 - 100
Tools and utensils	12,5 - 100
Office equipment	12,5 - 100
Other tangible assets	12,5 - 100

An asset's lifetime is reviewed at the end of each year so that depreciation complies with the asset consumption pattern.

Leasing Contracts

The classification of the leasing operations into financial leasing or operational leasing depends on their substance, and not on their legal form. Operations whereby the risks and benefits inherent to the possession of the leased asset are transferred to the lessor are classified as financial leases. All other leasing operations are classified as operational leases.

Financial Leasing

Assets subject to leasing contracts are classified as tangible fixed assets according to IAS 17 – Leasing.
Assets acquired through financial leasing operations are depreciated according to the company's policy for tangible fixed assets of the same type.
Instalment payments consist of the financial expense and the financial amortisation of the capital. Expenses are assigned to the respective periods during the leasing term in order to obtain a constant periodic interest rate applicable to the lessor's remaining net investment.
On the date to which this annex refers, REFER had acquired 3 vehicles through financial leasing contracts (see note 5.1).

Operational Leasing Contracts

Assets attained through leasing contracts whereby the risks and benefits inherent to the possession of the leased asset are not included are classified as operational leases, in accordance with IAS 17 – Leasing, and are hence not registered in the tangible fixed assets item.
The rents are registered at cost in the respective periods of the leasing term (see note 5.17.).

e. Intangible Assets

Intangible assets are recorded at the acquisition cost minus depreciation and losses through impaired asset.

Intangible assets recognised on the balance sheet refer essentially to software licences.

Amortisation/Depreciation

Amortisation/Depreciation is calculated based on the acquisition value, through the straight-line depreciation method, over a 3-year period.

f. Derivative Financial Instruments

Derivative financial instruments are **recognised** on the date of their trade date by their fair value (IAS 39). Consequently, the fair value of derivative financial instruments is re-evaluated on a regular basis, whereby gains or losses arising from the said re-evaluation are recorded directly in earnings for the period, except when in relation to hedge derivatives.
Recognising fair value variations of hedge derivatives, in income for the period, depends on the nature of the hedged risk and on the hedging model applied.
The fair value of derivative financial instruments corresponds to their market value, when available, or when not available, it is determined by external entities based on valuation techniques.

Hedge Accounting

As of 31 December 2009 REFER did not classify any derivative financial instruments as hedge derivatives.

g. Financial Assets

REFER classifies its investments on their trade date according to the objective that determined their acquisition, in the following categories: financial assets at the fair value through income (held for trading and fair value option); loans and receivables; assets held until maturity; and financial assets available for sale, according to what is recommended by IAS 39 - Financial instruments.

Financial Assets at the Fair Value Through Income

This category includes: (i) financial assets for trade which are acquired for the main purpose of being traded in the short term, and (ii) financial assets designated at the time of their initial recognition at the fair value with variations recognised in the income. After their initial recognition, the financial assets at the fair value through the income are valuated at the fair value, and variations are recognised in income.
This category includes derivatives that are not qualified for the purpose of hedge accounting. Changes to their fair value are recognised directly in income for the year according to the accounting policy described in note 2.2, subparagraph h).

Financial Assets Held Until Maturity

These investments are non-derivative financial assets with stipulated or determinable payments and specified maturities, for which there is the intention and capacity of holding them until maturity.

These investments are **valuated** at the amortised cost based on the effective rate method and are deducted impairment losses.

Impairment losses are recorded based on the estimate and evaluation of losses associated to bad debt on the balance sheet date.
Impairment losses correspond to the difference between the accounting value of the asset and the current value of the estimated future cash flows (taking into account the recovery period) discounted at the original effective interest rate of the financial asset.
These assets are shown on the balance sheet, net of the recognised impairment.

Loans and Receivables

These correspond to non-derivative financial assets, with fixed or determined payments, for which there is no active securities market. They arise from normal operation activities, in the supply of goods or services, and are not meant for negotiation.

Loans and receivables are **initially** recognised at their fair value, and **subsequently** accounted by the amortised cost based on the effective interest rate method.

Impairment losses are registered when there are indicators that REFER will not receive all the amounts to which it is entitled according to the original terms of the signed contracts. In identifying situations of impairment, various indicators are used, such as: i) default analysis; ii) default for over 6 months; iii) debtor's financial difficulties; iv) probability of bankruptcy of debtor.

When due amounts to be received from clients or other debtors are subject to a renegotiation of the respective terms, they are no longer regarded as due and are handled like new credit.

Impairment losses correspond to the difference between the accounting value of the asset and the current value of the estimated future cash flows (taking into account the recovery period) discounted at the original effective interest rate of the financial asset.

These assets are shown on the balance sheet, net of the recognised impairment.

Financial Assets Available for Sale

Financial assets available for sale are non-derivative financial assets that:

- REFER intends to maintain for an indefinite time;
- Are designated as available for sale at the time of their initial recognition or;
- Do not fit into the above categories.

Financial assets available for sale are recorded at the fair value and the respective fair value variations are recognised directly in equity in the fair value Reserves item until the investments are derecognised, i.e. until an impairment loss is identified, at which time the accumulated amount of potential gains and losses recorded in reserves is transferred to income.

If a market value does not exist, the assets are maintained at the acquisition cost, although impairment tests should be performed.
Interest earned from fixed income instruments, when classified as assets available for sale, and the differences between the acquisition cost and the nominal value (premium or discount) are recorded in the income according to the effective interest rate method.
Shareholdings that are not holdings in group companies, joint or associated undertakings, are classified as financial assets available for sale.

h. Fair Value of Financial Assets and Liabilities

When determining the fair value of a financial asset or liability, if there is an active market, the market price is applied. This constitutes level 1 of the hierarchy of fair value, as defined in the IFRS 7, and used by REFER.

If there is no active market, which is the case for some financial assets and liabilities, valuation techniques generally accepted in the market are applied based on market, based on the market presuppositions. This constitutes level 2 of the hierarchy of fair value, as defined in the IFRS 7, and used by REFER.

In this level 2 of the hierarchy of fair value REFER applies valuation techniques for unlisted financial instruments, such as derivatives, for financial instruments at the fair value through income and for assets available for sale. The valuation models used most frequently are discounted cash flow models and option evaluation models which include, for example, interest rate curves and market volatility.

For some types of more complex derivatives, more advanced valuation models are used containing presuppositions and data that are not directly observable in the market. This constitutes level 3 of the hierarchy of fair value, as defined in the IFRS 7.

i. Impairment of Assets

In accordance with IAS 36 – Impairment of assets, whenever an asset's accounting value exceeds its recoverable amount, its value is decreased to the recoverable amount, and the loss by impairment is recognised in the year's income. The recoverable value corresponds to the highest value between the utilisation value and the fair value, and is determined whenever there are indicators of lost value.

j. Inventories

Goods, as well as raw, secondary and consumption materials are valuated at the lowest value between the acquisition or production cost and the net realizable value.

The acquisition or production cost includes all purchase costs, conversion costs and other costs incurred to place the inventories at the location and in their condition for use or sale. Net realisable value is the estimated sale price during the normal period of activity minus the respective sale costs, as stipulated in IAS 2 - Inventories.

Goods leaving the warehouse (consumption) are valuated at the weighted average cost.

At its warehouses, REFER has materials to be applied in the construction of tangible fixed assets for its Long Duration Infrastructure Investment Activities. These inventories are shown on the balance sheet in the "long duration infrastructure investment activities" item (see note 2.2, subparagraph c)).

k. Cash and Cash Equivalents

For cash flow statement purposes, cash and its equivalents include the amounts recorded on the balance sheet which also includes cash and liquid assets at other credit institutions.
Cash and cash equivalents include cash, bank deposits and other short-term investments of high liquidity and with initial maturities of up to 3 months.

l. Financial Liabilities

The financial liabilities represent the bonds contractually paid off against financial assets, regardless of their legal form. They are recorded initially by their fair value minus transaction costs and subsequently at the amortised cost, based on the effective rate method.

m.Loans Obtained

Medium- and Long-term Loans

The company recognises long-term and debenture loans as a non-current financial liability according to IAS 39 – Financial instruments; these financial liabilities are recorded (i) initially by their fair value minus transaction costs and (ii) subsequently at the amortised cost, based on the effective rate method.

REFER holds medium and long-term loans, in the form of bilateral loans and bonds, to finance the building of long duration infrastructures (LDI) and the infrastructure management activity. Loans to finance the building of LDI are recognised on the balance sheet in the item "Long Duration Infrastructure Investment Activities" (Note 2.2, subparagraph c)).

n. Payables to Suppliers and Other Creditors

The balances of suppliers and other creditors are recorded at the amortised cost.
The balances of suppliers and other creditors refer to the balances of payables to suppliers of the company's operating activities. The balances of suppliers related to the acquisition/construction of Long Duration Infrastructure activities are recorded on the balance sheet in the corresponding item (see note 2.2, subparagraph c)).

o. Adjustments and Provisions

Adjustments are recognised when impairment losses in the assets are registered on the balance sheet, as described in the previous notes.

Provisions are set up on the balance sheet whenever there is an obligation (legal or implicit) arising from a past event and whenever it is probable that a reasonably estimated decrease of resources, which include economic benefits, will be required to liquidate the obligation.

REFER records provisions for legal processes in progress and for which it is highly probable that they may imply outflows of economic benefits from the company (see note 5.1.4). This is an estimated value of the liabilities.

p. Recognising Revenue

The revenue is registered in the period to which it refers, regardless of when it is received in line with the accrual concept of accounting. The differences between the amounts received and the corresponding revenue are registered in the "other receivables" item.

REFER's revenue includes the fees for use of tracks, traction power, manoeuvres, use of Stations and stops, requested capacity not used, and other services (as described in note 1.2).

q. Income Tax

Income tax refers to current taxes. Income tax is recognised in the profit and loss account except when related with gains or losses recognised directly in reserves, in which case it is also recognised directly in reserves.

Current income tax is calculated according to the tax criteria valid on the balance sheet date.
REFER has no registered deferred tax assets or liabilities in its financial statements.

r. Transactions in Foreign Currency

Transactions in foreign currency are converted into euros at the exchange rate in force on the transaction date. On the balance sheet date, monetary assets and liabilities indicated in foreign currency are converted at the exchange rate applicable on that date, and the resulting exchange rate differences are recognised as earnings in the year. The main exchange rates used on the balance sheet date were as follows:

Currency	2009	2008
Swiss Franc (CHF)	1,48	1,49
Dollar (USD)	1,44	1,39
Swedish Krona (SEK)	10,25	10,87

s. Subsidies

Investment subsidies assigned to REFER are **initially** recognised when it is reasonably certain that the respective subsidy will be received. The subsidy is **subsequently** amortised in the proportion of the depreciation of the subsidised tangible fixed assets in compliance with IAS 20 - State Subsidies.
Operation subsidies are recognised in the profit and loss account in the same period as when the associated expenses are incurred, from the moment when their receipt is probable.
Subsidies obtained to finance assets acquired/built in long duration infrastructures are recognised on the balance sheet in the "long duration infrastructures investment activities" item (see note 2.2, subparagraph c)).

t. Information per Segment

Business Segments

A business segment is a distinct entity committed to supplying an individual product or service: i) that can generate revenue and incur costs; ii) whose operating income is regularly reviewed by the chief decision maker of the entity; and iii) which supplies distinct financial information.

The REFER Board of Directors is responsible for reviewing the internal information prepared so as to assess the performance of the company's activities and allocation of its resources. The decision to set up business segments is based on the information that is analysed by the Board of Directors, which did not lead to new segments in relation to those reported last year.

An entity should report the information about each business segment individually, which is identified as the aggregation of two or more segments with similar economic characteristics, or which exceed the quantitative parameters stipulated in the IFRS 8 – Business Segments.

REFER's main activity is rendering a public service of managing the overall infrastructure of the national rail network. When carrying out its activities, REFER needs to rely on complementary services; however the risks and returns associated to them are directly linked to its business activities.

In view of the aforementioned aspects, on 31 December 2009, only one business segment was identified. The REFER clients make up the entirety of this segment, and the whole activity is carried out in Portugal.

2.3 Main Estimates and Judgements Used in the Financial Statements

The main accounting estimates and judgements used as the basis for applying the accounting principles are discussed in this note in order to facilitate its understanding and to demonstrate how their application affects the earnings reported by the company and their disclosure.

The estimates and judgements with an impact on REFER's financial statements are continuously evaluated. On each date, the report represents the best estimate by the Board of Directors, taking into account the historical performance, the accumulated experience and the outlook on future events that, in the current circumstances, are believed to be reasonable. The intrinsic nature of the estimates and judgements may imply that the real impact of the situations which had been estimated may, for the purposes of the financial report, differ from the estimated amounts.

The Board of Directors believes that the estimates made are appropriate and that the financial statements adequately reveal the company's financial position and the result of its operations in all materially relevant aspects.

Fair Value of Derivative Financial Instruments

The fair value is based on market quotes, when available. When not available, the fair value is determined based on recent transaction prices which are similar and performed under market conditions or based on evaluation methodologies based on discounted future cash flow techniques (for plain-vanilla swaps) or assessment of options (for exotic swaps). Consequently, the use of other methodologies or different assumptions or judgements in applying a specific model could give rise to different financial income than that reported.

Impairment Losses of Debtors

Impairment losses regarding doubtful debt credits are based on the evaluation by the Board of Directors on the probability of recovering the respective receivables, the age of the balances, pardoning of debts and other factors. There are also other circumstances and facts that may alter the estimated impairment losses of receivables due to the presuppositions taken into account, including alterations to the economic climate, the sector's trends, the creditor position of the main clients and significant defaults.
This evaluation process is subject to various estimates and judgements. Alterations of these estimates may imply different levels of impairment and, consequently, may have different impacts on income.

Recognition of Income/Expenses

Expenses and income are registered in the year to which they refer, regardless of when paid or received, according to the accrual concept of accounting. At the end of the year estimates are made for the non-recognised amounts, which are added to the profit and loss balance sheet in the liabilities/receivables that pertain to the current year.

Provisions for Ongoing Legal Processes

The Board of Directors believes it is highly probable that some ongoing legal processes may imply outflows of economic benefits from the company. Therefore, an estimate is made of the liability, which is duly registered as a provision.

3. Financial Risk Management Policies

Financial Risks

REFER'S activities are subject to risk factors of a financial nature, namely credit risk, liquidity risk and interest rate risks associated with cash flows arising from loans obtained.

Risk management is dealt with by the Financial Department based on policies laid down by the Board.

The Financial Department identifies, assesses and performs operations so as to minimise any financial risk.

The Board defines the principles for risk management as a whole and for the policies covering specific areas, such as the use of derivative and non-derivative financial instruments, for interest rate risk, the increase or reduction of short-term lines and the medium and long-term operations to cover the risk of liquidity, among others.

Exchange Rate Risk Management

REFER is not subject to a significant exchange rate risk in its activities.

Credit Risk Management

Credit risk is associated with another party defaulting on its contractual obligations and resulting in a financial loss to REFER. REFER is subject to credit risk associated with its operational and financial activities.
REFER's main clients are CP and FERTAGUS; TAKARGO and CP Carga. Credit risk stemming from operational activity is mainly related to non-compliance of credits for services rendered to such entities. CP is the main counterparty and exclusive passenger operator throughout the network, with the exception of the 25 de Abril Bridge crossing. However, despite the fact that credit risk is highly concentrated in CP, it is mitigated by the legal nature of this entity. Impairment adjustments for accounts receivable are calculated on the basis of the counterparty's risk profile and financial condition.
As for credit risk associated with financial activity, REFER is subject to the national and international banking sector due to its demand deposits, financial applications and contracted derivative financial instruments. To date, REFER has not incurred any impairment resulting from non-compli-

ance of contractual obligations by banks.

The following table provides a summary, on 31 December 2009 and December 2008, of the credit quality of deposits, applications and derivative financial instruments with a positive fair value:

Financial Institutions (euros)

Rating	2009	2008
≥AA-	4 315 201	169 676
≥A-	23 242 793	17 627 650
Without rating	0	553
	27 557 994	**17 797 880**

The applied ratings are those assigned by Standard and Poor's on the dates of such reports.

Liquidity Risk Management

This type of risk stems from the perception formed by the market and international rating agencies regarding the likelihood of REFER breaching its contractual obligations in financial operations, whether directly rendered by banks or by the capital market itself. Such risk is conveyed through the cost associated with the contracts of these financial operations which impacts financial expenditure.
Given the legal nature of REFER, the ability to act on such risk is limited. However, REFER sets out to minimise the probability of a breach of commitment by means of a stringent and thoroughly planned management of its activity. As an example of one such measure for risk mitigation, REFER has contracted a medium-term credit line amounting EUR 500 million.

Prudent management of liquidity risk also implies maintaining a suitable level of cash and equivalents to meet liabilities, but mainly having access to credit lines with financial institutions to accommodate the current management. As previously mentioned, there is a medium-term credit line of EUR 500 million available (back-up line) which had never been used.

The management regularly monitors the available liquidity reserve (including undrawn credit lines; the back-up line and amounts in cash and equivalents) to meet estimated cash flows. It is therefore absolutely crucial to perform medium and long-term operations to guarantee a comfortable liquidity reserve level.

The table below presents the liabilities of REFER by residual and contractual maturity levels. The amounts presented in the tables are non-discounted contractual cash flows.

(euros)

	Less than 1 year	From 1 to 5 years	Over 5 years
31 December 2009			
Loans Obtained			
financial leasing	24 751	118 003	0
loans for investment activity	444 779 688	1 315 208 502	3 855 705 111
other loans	45 250 000	181 000 000	1 272 750 000
commercial paper	325 000 000	0	0
bank overdrafts	205 166 648	0	0
derivative financial instruments (gross outflow)	104 045 477	356 009 115	433 149 603
derivative financial instruments (gross inflows)	-96 178 169	-341 521 381	-440 121 042
	1 028 088 395	**1 510 814 239**	**5 121 483 673**
Suppliers and payables	69 310 478		
Financial guarantees	7 090 663	22 489 441	41 862 102
	1 104 489 536	**1 533 303 680**	**5 163 345 776**
31 December 2008			
Loans Obtained			
financial leasing	38 752	147 454	0
investment loans	131 008 300	1 259 783 233	2 347 071 497
other loans	321 245 920	253 568 278	1 448 327 713
commercial paper	626 100 000	0	0
bank overdrafts	306 156 868	0	0
derivative financial instruments (gross outflow)	92 627 682	310 858 863	365 399 167
derivative financial instruments (gross inflows)	-98 334 914	-310 491 040	-380 363 150
	1 378 842 609	**1 513 866 788**	**3 780 435 227**
Suppliers and payables	64 855 890	0	0
Financial guarantees	5 121 149	20 418 431	36 139 476
	1 448 819 648	**1 534 285 219**	**3 816 574 703**

Interest Rate Risk Management

Since 2003, REFER has actively managed its debt portfolio using derivative financial instruments to hedge interest rate risk. The company is not subject to an exchange rate risk in its activities and does not have liabilities associated with debt in any currency other than the euro. All contracted derivatives have, at the most, exactly the same maturity as the underlying liabilities.
REFER's counterparties in derivative contracts are national and international financial institutions with high rating and credibility. Operations are covered by ISDA contracts according to international standards. The main objective of the interest rate risk management is to provide protection against uncertainty, i.e. interest rate increases, insofar as REFER's revenue is immune to this variable and, thus, natural hedging is unfeasible.
The type of instrument is selected according to a cost/benefit analysis applied to each case. In addition to the main goal described above, REFER also performs operations to reduce the financing cost at a fixed or floating rate. Occasionally, the company restructures its positions to accommodate market developments. In managing its portfolio, the company aims for diversification as a means of maintaining a balanced

portfolio and low volatility, by applying a conservative approach in relation to the risks to be taken, both in terms of instrument characteristics and the indexes.
This strategy acts as the basis for the company's decision not to classify any of the derivative instruments as a hedge, since the non-assignable portfolio would have a potentially negative impact on results.

Interest Rate Sensitivity Test

REFER periodically uses sensitivity analysis to measure the extent to which results would be influenced by the impact of interest rate variations and volatility on the fair value of debt and derivative financial instruments. This analysis is one of the means to help make interest rate risk management decisions as, in practice, interest rates and volatility rarely change "ceteris paribus". Furthermore, there are also other variables that influence the fair value of those positions such as, for instance, correlations. The sensitivity test is based on the following assumptions:

- REFER uses derivative financial instruments (swaps) to cover the interest rate risk associated with medium and long term loans indexed to floating interest rates. The financial flow of the underlying loan is compensated by the receiving leg of the respective swap, resulting in a net position equal to that of the paying leg of the swap;

- REFER uses derivative financial instruments (swaps) to reduce financial costs associated with fixed rate medium and long term loans. The financial flow of the underlying loan is compensated by the receiving leg of the respective swap, resulting in a net position equal to that of the paying leg of the swap;

- On 31 December 2009, REFER had not acknowledged any loan obtained at a fair value;

- Changes to the fair value of loans and derivative financial instruments and other assets and financial liabilities are estimated by discounting future cash flows, using market rates at the time of reporting.

Under these assumptions, an increase or decrease of 0.5% and 5%, respectively, in interest rate curves (of the euro, sterling or Swedish krona) and in their volatility curve on 31 December 2009 would result in the following variations in the fair value of the loans and derivative financial instruments with the consequent direct impact on financial results:

31 de Dezembro de 2009

(euros)

	Variação no justo valor de instrumentos financeiros derivados			
	variação na curva de taxa de juro		variação na curva de volatilidade	
	-0,50%	0,50%	-5%	5%
EUR	34 250 000	-41 550 000	22 933 439	-23 182 082
GBP	-14 440 000	8 410 000	1 449 585	-1 941 164
SEK	160 000	-230 000	272 448	-356 508

(euros)

	Var no justo valor de empréstimos	
	variação na curva de taxa de juro	
	-0,50%	0,50%
EUR	143 873 806	-137 280 235

(euros)

	Efeito Líquido em Resultados			
	variação na curva de taxa de juro		variação na curva de volatilidade	
	-0,50%	0,50%	-5%	5%
EUR	-109 623 806	95 730 235	22 933 439	-23 182 082
GBP	-14 440 000	8 410 000	1 449 585	-1 941 164
SEK	160 000	-230 000	272 448	-356 508

Capital Risk Management

As for capital management, which is a broader concept than the capital shown on the balance sheet, REFER aims to safeguard the continuity of the company's operations.

REFER defines its financing plan after analysing CAPEX needs, the financing needs for the operational activities and State contributions and EU subsidies. It is within this scope that medium and long-term loans with or without State guarantee are planned as an additional means of ensuring the company's economic sustainability.

4. Long Duration Infrastructure Investment Activities

The balance shown on the balance sheet as "Long Duration Infrastructure Investment Activities" is based on investment activities in railway infrastructures and includes the following asset and liabilities items:

(euros)

Description	Notes	2009	2008
Investment in Long Duration Infrastructures			
Asset (LDIs)	4.1.	7 581 915 812	7 232 658 037
Revenue from assets	4.2.	-3 088 956	0
Working capital	4.3.	-44 674 710	-41 367 945
Subsidies (LDIs)	4.4.	-3 709 259 872	-3 579 474 216
Costs on loans expenses	4.5.	503 651 777	404 547 118
Loans obtained	4.6.	-3 897 670 526	-2 631 972 355
		430 873 524	**1 384 390 638**

4.1 LDI – Long Duration Investments

A summary of the cash flows is provided in the following table:

(euros)

Gross Assets	Opening Balance	Transfers	Increases	Reductions	Closing Balance
31 December 2009					
Fixed Tangible Assets – LDI					
Land and natural resources	147 473 633	74 155 555	12 700	-71 751	221 570 137
Buildings and other structures	3 761 649 338	924 380 773	10 471	-291 747	4 685 748 835
Basic equipment	30 268 679	-	-	-	30 268 679
Fixed assets in progress	3 285 639 263	-1 004 820 768	345 491 053	-	2 626 309 548
Advances for tangible fixed assets	7 627 124		8 453 294	-4 507 022	11 573 396
	7 232 658 037	**-6 284 440**	**353 967 518**	**-4 870 520**	**7 575 470 595**
Fixed Tangible Assets – Decommissioned LDIs					
Land and natural resources		28 572			28 572
Buildings and other structures		6 416 644			6 416 644
	0	**6 445 217**		**0**	**6 445 217**
Total Gross Fixed Tangible Assets - LDIs	**7 232 658 037**	**160 777**	**353 967 518**	**-4 870 520**	**7 581 915 812**
31 December 2008					
Fixed Tangible Assets – LDI					
Land and natural resources	146 540 402	933 231	-	-	147 473 633
Buildings and other structures	3 752 346 271	10 077 955	-	-774 889	3 761 649 338
Basic equipment	30 268 679	-	-	-	30 268 679
Fixed assets in progress	2 874 346 101	-560 883	411 854 046	-	3 285 639 263
Advances for tangible fixed assets	10 812 285	-5 223 168	2 038 008	-	7 627 124
Total Gross Fixed Tangible Assets - LDIs	**6 814 313 738**	**5 227 135**	**413 892 053**	**-774 889**	**7 232 658 037**

The Tangible Fixed Assets – Decommissioned LDIs item of EUR 6,445,217, refers to decommissioned assets from the public domain which are currently deactivated due to divestment and/or disposal.

4.1.1 Capitalised Financial Expenses

During the year, the company capitalised the expenses incurred on loans to finance this activity during the period in which Long Duration Infrastructure (LDI) assets were under construction.

As such, EUR 38,422,536 was capitalised, of which EUR 33,263,319 is interest and the remaining amount is for State guarantee fees and stamp duty.

Capitalised Financial Charges

(euros)

Item	2009-01-01	Δ in the Year	2009-12-31
Interest	318 671 781	33 263 319	351 935 100
State Guarantee Fees	15 926 012	2 648 110	18 574 122
Stamp Duty	4 851 295	2 511 107	7 362 402
Financial Charges	**339 449 088**	**38 422 536**	**377 871 625**

Item	2008-01-01	Δ in the Year	2008-12-31
Interest	251 097 116	67 574 665	318 671 781
State Guarantee Fees	13 085 122	2 840 890	15 926 012
Stamp Duty	2 367 553	2 483 742	4 851 295
Financial Charges	**266 549 791**	**72 899 297**	**339 449 088**

4.2 Revenue from Assets

This item refers to the sum arising from leveraging assets decommissioned from the public railway domain.

(euros)

Item	2009	2008
Revenue from Assets	-3 088 956	0

4.3 Current Funds

This item refers to the balances of current assets and liabilities associated to the Investment Activity in Long Duration Infrastructures.
They are broken down in the notes below.

4.3.1 Inventories

This item refers to warehoused materials of REFER to be applied to building railway infrastructures.

(euros)

Item	2009	2008
Inventories	27 880 116	19 268 188

4.3.2 Suppliers and Other Payables

The Suppliers of Fixed Assets item comprises debts arising from work in accordance with the modernisation / renovation policy applicable to the railway lines.

(euros)

Item	2009	2008
Suppliers of Fixed Assets	88 305 716	76 387 023

4.3.3 Receivables

This item consists of the receivable amount totalling EUR 15,750,890 from Espinho municipal council; EUR 7,500,000 was received in January 2010.

4.4 Subsidies

Movements in subsidies are as follows:

(euros)

31 December 2009	Opening Balance	Increases	Adjustments	Closing Balance
Subsidies				
Transferred				
from the extinct GNFL, GNFP, GECAF	678 085 773	-	-	678 085 773
from CP (Annex III and 2nd half of year)	128 604 887	-	-	128 604 887
from CP (Annex IV and V)	716 452 794	-	-	716 452 794
Subsidies obtained				
PIDDAC	640 399 157	10 000 000	-	650 399 157
FEDER/IOT	492 945 045	15 185 685	-	508 130 730
COHESION FUND	850 977 264	101 623 422	-	952 600 686
DGTREN	1 725 185	-	-	1 725 185
DGVII	13 049 107	2 976 551		16 025 658
Expo 98	31 147 349	-	-	31 147 349
EU - ERDF	7 101 823	-	-	7 101 823
AP Lisbon	949 736	-	-	949 736
INTF	158 713	-	-	158 713
SETEP	8 479	-	-	8 479
REN	2 418 465	-	-	2 418 465
PRODOURO	67 338	-	-	67 338
COPÉRNICOS	9 572	-	-	9 572
AP Aveiro	373 529	-	-	373 529
Others	15 000 000			15 000 000
Subsidies - Investment Activity	**3 579 474 216**	**129 785 657**	**-**	**3 709 259 872**

31 December 2008	Opening Balance	Increases	Adjustments	Closing Balance
Subsidies				
Transferred				
from the extinct GNFL, GNFP, GECAF	678 085 773	-	-	678 085 773
from CP (Annex III and 2nd half of year)	128 604 887	-	-	128 604 887
from CP (Annex IV and V)	716 452 794	-	-	716 452 794
Subsidies obtained				
PIDDAC	640 399 157	-	-	640 399 157
FEDER/IOT	467 277 143	25 667 902	-	492 945 045
COHESION FUND	787 961 304	63 015 960	-	850 977 264
DGTREN	1 725 185	-	-	1 725 185
DGVII	13 049 107	-		13 049 107
Expo 98	31 147 349	-	-	31 147 349
EU - ERDF	7 101 823	-	-	7 101 823
AP Lisbon	949 736	-	-	949 736
INTF	158 713	-	-	158 713
SETEP	8 479	-	-	8 479
REN	2 418 465	-	-	2 418 465
PRODOURO	67 338	-	-	67 338
COPÉRNICOS	9 572	-	-	9 572
AP Aveiro	373 529	-	-	373 529
Others	15 000 000			15 000 000
Subsidies - Investment Activity	**3 490 790 354**	**88 683 862**	**-**	**3 579 474 216**

Note 2.2 line u) describes the subsidies recognition policy

4.5 Loan Expenses

The Loan Expenses item refers to charges from loans to finance Long Duration Infrastructure Investments which were not subject to capitalisation in the LDIs constructed.

Costs on Loans (LDIs)

(euros)

Item	2009-01-01	Δ in the Year	2009-12-31
Interest	391 842 475	94 078 215	485 920 690
State Guarantee Fees	7 818 357	3 480 813	11 299 170
Stamp Duty	4 886 287	1 545 630	6 431 917
Financial Charges	**404 547 119**	**99 104 658**	**503 651 777**

Item	2008-01-01	Δ in the Year	2008-12-31
Interest	300 739 580	91 102 895	391 842 475
State Guarantee Fees	5 860 904	1 957 453	7 818 357
Stamp Duty	2 083 361	2 802 926	4 886 287
Financial Charges	**308 683 845**	**95 863 274**	**404 547 119**

The table below shows total charges paid for loans to finance Long Duration Infrastructure Investments:

Total Financial Charges (LDIs)

(euros)

Item	2009-01-01	Δ in the Year	2009-12-31
Interest	710 514 257	127 341 533	837 855 790
State Guarantee Fees	23 744 368	6 128 924	29 873 292
Stamp Duty	9 737 582	4 056 737	13 794 319
Financial Charges	**743 996 207**	**137 527 195**	**881 523 402**

Item	2008-01-01	Δ in the Year	2008-12-31
Interest	551 836 696	158 677 561	710 514 257
State Guarantee Fees	18 946 026	4 798 342	23 744 368
Stamp Duty	4 450 914	5 286 668	9 737 582
Financial Charges	**575 233 636**	**168 762 571**	**743 996 207**

4.6 Loans Obtained

The following list shows loans associated to Investment Activities:

(euros)

Item	2009	2008
Loans Obtained		
Bank Loans	2 297 670 526	2 031 972 355
Bonds	1 600 000 000	600 000 000
	3 897 670 526	**2 631 972 355**

The Eurobond 06/26, Eurobond 09/19 and Eurobond 09/24 were allocated by the nominal value, thus, the value of EUR 5,186,177 (in 2008: EUR 993,203) referring to the adjustment at the effective rate, is shown in the pre-payments item (see note 5.10.).

4.6.1 Debts to Credit Institutions

Reimbursement terms and periods for loans to finance investment projects are presented as follows:

2009

Name	Date of Signature	Amount (€)	Capital in debt	Amortisation			Interest Payment	Interest Rate	Latest Interest Rate
				Start Date	End Date	Period			
EIB Loans									
CP II E	1992-06-29	30 633 783	7 069 334	1998-06-15	2012-06-15	Annual	15-Jun	Variable EIB	0,905%
CP II B	1991-09-19	29 927 874	3 990 383	1997-09-15	2011-09-15	Annual	15-Sep	Fixed [2]	3,928%
CP III Linha do Norte-B	1997-07-14	49 879 790	43 229 151	2008-06-15	2022-06-15	Annual	15-Mar, 15-Jun, 15-Sep, 12-Jan	Variable EIB [1]	0,844%
Linha do Douro	1996-09-09	43 894 215	30 725 950	2007-09-15	2016-09-15	Annual	15-Mar, 15-Jun, 15-Sep 15-Dec	Variable EIB [1]	0,844%
Travessia Ferroviária do Tejo	1996-10-01	99 759 579	69 831 706	2007-09-15	2016-09-15	Anual	15-Mar, 15-Jun, 15-Sep, 15-Dec	Variable EIB [1]	0,844%
Travessia Ferroviária do Tejo-B	1997-11-14	99 759 579	53 205 109	2003-09-15	2017-09-15	Annual	15-Mar, 15-Jun, 15-Sep, 15-Dec	variable EIB [1]	0,844%
Travessia Ferroviária do Tejo-C	1998-11-26	25 000 000 25 000 000 49 759 579	16 990 000 17 430 000 29 855 748	2004-09-15	2018-09-15	Annual	15-Mar, 15-Jun, 15-Sep, 15-Dec	1st fixed repayment 2nd fixed repayment 3rd var. repayment	4,670% 5,800% 0,844%
Linha do Minho-A	1998-11-26	25 000 000 25 000 000 24 819 685	16 990 000 17 430 000 14 891 811	2004-09-15	2018-09-15	Annual	15-Mar, 15-Jun, 15-Sep, 15-Dec	1st fixed repayment 2nd fixed repayment 3rd var. repayment	4,670% 5,800% 0,844%
CP III Linha do Norte-D	2000-11-10	25 937 491	25 937 491	2011-09-15	2020-09-15	Annual	15-Mar, 15-Jun, 15-Sep, 12-Jan	Variable EIB [1]	0,844%
Ligação ao Algarve-A	2001-10-08	90 000 000	90 000 000	2012-09-15	2021-09-15	Annual	15-Mar, 15-Jun, 15-Sep, 15-Dec	Variable EIB [1]	0,834%
Linha do Minho-B	2001-10-08	59 855 748	59 855 748	2012-09-15	2021-09-15	Annual	15-Mar, 15-Jun, 15-Sep 15-Dec	Variable EIB [1]	0,834%
CPIII/2 L. Norte-A	2002-10-02	100 000 000	100 000 000	2013-03-15	2022-03-15	Annual	15-Mar, 15-Jun, 15-Sep, 15-Dec	Variable EIB [1]	0,834%
CPIII/2 L. Norte-B	2004-07-15	200 000 000	200 000 000	2014-12-15	2023-12-15	Annual	15-Mar, 15-Jun, 15-Sep, 15-Dec	Variable EIB [1]	0,844%
Suburbanos	2004-11-25	100 000 000	95 238 095	2009-06-15	2024-06-15	Annual	15-Mar, 15-Jun, 15-Sep, 12-Jan	Variable EIB [1]	0,844%
Suburbanos B	2005-12-14	100 000 000	100 000 000	2010-09-15	2025-09-15	Annual	15-Mar, 15-Jun, 15-Sep, 15-Dec	Fixed changeable	3,615%
Suburbanos C	2006-10-12	55 000 000	55 000 000	2011-03-15	2026-03-15	Annual	15-Mar, 15-Jun, 15-Sep, 15-Dec	Fixed changeable	4,247%
Ligação ao Algarve-B	2002-10-02	30 000 000	30 000 000	2012-03-15	2012-03-15	Annual	15-Mar, 15-Jun, 15-Sep, 15-Dec	Variable EIB [1]	0,834%
CPIII/2 L. Norte-C	2009-01-08	100 000 000	100 000 000	2017-06-15	2026-06-15	Annual	15-Mar, 15-Jun, 15-Sep, 15-Dec	Variable EIB [1]	0,768%
CPIII/2 L. Norte-D	2009-01-08	100 000 000	100 000 000	2017-12-15	2026-12-15	Annual	15-Mar, 15-Jun, 15-Sep, 15-Dec	Variable EIB [1]	0,770%
EIB Loans w/o State Guarantee									
REFER V	2008-08-20	160 000 000	160 000 000	2014-03-15	2033-03-15	Bullet	15-Mar	Fixed changeable	4,786%
REFER VI	2009-09-10	110 000 000	110 000 000	2013-09-15	2032-09-15	Bullet	15-Sep	Fixed changeable	2,976%
Eurobond with State Guarantee									
Eurobond 06/26	2006-11-08	600 000 000	600 000 000	2026-11-16	2026-11-16	Bullet	16-Nov	Fixed	4,047%
Eurobond 09/19	2009-02-18	500 000 000	500 000 000	2019-02-18	2019-02-18	Bullet	18-Feb	Fixed	5,875%
Eurobond 09/24	2009-10-18	500 000 000	500 000 000	2024-10-18	2024-10-18	Bullet	18-Oct	Fixed	4,675%
Schuldshein									
Emp. "Schuldshein" Berlin-Hannoversche Hypothekenbank	2000-07-16	250 000 000	250 000 000	2010-08-04	2010-08-04	Bullet	4-Feb; 4-Aug	Euribor 6M	1,142%
Emp. "Schuldshein" ABN AMRO BANK	2001-04-03	300 000 000	300 000 000	2011-04-11	2011-04-11	Bullet	9-Apr, 9-Oct	Euribor 6M - 0,03%	0,980%
Emp. "Schuldshein" WestLB AG	2002-10-02	200 000 000	200 000 000	2012-10-08	2012-10-08	Bullet	8-Apr, 8-Oct	Euribor 6M	1,010%
		3 897 670 526							

[1] cannot exceed Euribor 6M+0,15%   [2] changeable for 6 year periods

2008

Name	Date of Signature	Amount (€)	Capital in debt	Amortisation			Interest Payment	Interest Rate	Latest Interest Rate
				Start Date	End Date	Period			
EIB Loans									
CP II E	1992-06-29	30 633 783	9 425 779	1998-06-15	2012-06-15	Annual	15-Jun	Variable EIB	3,388%
CP II B	1991-09-19	29 927 874	5 985 575	1997-09-15	2011-09-15	Annual	15-Sep	Fixed [2]	3,928%
CP III Linha do Norte-B	1997-07-14	49 879 790	46 554 470	2008-06-15	2022-06-15	Annual	15-Mar, 15-Jun, 15-Sep, 12-Jan	Variable EIB [1]	3,349/4,938%
Linha do Douro	1996-09-09	43 894 215	35 115 372	2007-09-15	2016-09-15	Anual	15-Mar, 15-Jun, 15-Sep, 15-Dec	Variable EIB [1]	3,349/4,938%
Travessia Ferroviária do Tejo	1996-10-01	99 759 579	79 807 664	2007-09-15	2016-09-15	Annual	15-Mar, 15-Jun, 15-Sep, 15-Dec	Variable EIB [1]	3,349/4,938%
Travessia Ferroviária do Tejo-B	1997-11-14	99 759 579	59 855 748	2003-09-15	2017-09-15	Annual	15-Mar, 15-Jun, 15-Sep, 15-Dec	Variable EIB [1]	3,349%
Travessia Ferroviária do Tejo-C	1998-11-26	25 000 000	18 482 500	2004-09-15	2018-09-15	Annual	15-Mar, 15-Jun, 15-Sep, 15-Dec	1st fixed repayment	4,670%
		25 000 000	18 875 000					2nd fixed repayment	5,800%
		49 759 579	33 173 053					3rd var. repayment	3,349%
Linha do Minho-A	1998-11-26	25 000 000	18 482 500	2004-09-15	2018-09-15	Annual	15-Mar, 15-Jun, 15-Sep, 15-Dec	1st fixed repayment	4,670%
		25 000 000	18 875 000					2nd fixed repayment	5,800%
		24 819 685	16 546 456					3rd var. repayment	3,349%
CP III Linha do Norte-D	2000-11-10	25 937 491	25 937 491	2011-09-15	2020-09-15	Annual	15-Mar, 15-Jun, 15-Sep, 12-Jan	Variable EIB [1]	3,349/4,938%
Ligação ao Algarve-A	2001-10-08	90 000 000	90 000 000	2012-09-15	2021-09-15	Annual	15-Mar, 15-Jun, 15-Sep, 15-Dec	Variable EIB [1]	3,349/4,938%
Linha do Minho-B	2001-10-08	59 855 748	59 855 748	2012-09-15	2021-09-15	Annual	15-Mar, 15-Jun, 15-Sep, 15-Dec	Variable EIB [1]	3,349/4,938%
CPIII/2 L. Norte-A	2002-10-02	100 000 000	100 000 000	2013-03-15	2022-03-15	Annual	15-Mar, 15-Jun, 15-Sep, 15-Dec	Variable EIB [1]	3,349/4,938%
CPIII/2 L. Norte-B	2004-07-15	200 000 000	200 000 000	2014-12-15	2023-12-15	Annual	15-Mar, 15-Jun, 15-Sep, 15-Dec	Variable EIB [1]	3,349/4,938%
Suburbanos	2004-11-25	100 000 000	100 000 000	2009-06-15	2024-06-15	Annual	15-Mar, 15-Jun, 15-Sep, 12-Jan	Variable EIB [1]	3,349/4,938%
Suburbanos B	2005-12-14	100 000 000	100 000 000	2010-09-15	2025-09-15	Annual	15-Mar, 15-Jun, 15-Sep, 15-Dec	Fixed changeable	3,615%
Suburbanos C	2006-10-12	55 000 000	55 000 000	2011-03-15	2026-03-15	Annual	15-Mar, 15-Jun, 15-Sep, 15-Dec	Fixed changeable	4,247/3,349%
Ligação ao Algarve-B	2002-10-02	30 000 000	30 000 000	2012-03-15	2012-03-15	Annual	15-Mar, 15-Jun, 15-Sep, 15-Dec	Variable EIB [1]	4,938%
EIB Loans w/o State Guarantee									
REFER V	2008-08-20	160 000 000	160 000 000	2014-03-15	2033-03-15	Bullet	15-Mar	Fixed changeable	4,786%
Eurobond with State Guarantee									
Eurobond 06/26	2006-11-08	600 000 000	600 000 000	2026-11-16	2026-11-16	Bullet	16-Nov	Fixed	4,047%
Schuldshein									
Emp. "Schuldshein" Berlin-Hannoversche Hypothekenbank	2000-07-16	250 000 000	250 000 000	2010-08-04	2010-08-04	Bullet	4-Feb, 4-Aug	Euribor 6M	5,156%
Emp. "Schuldshein" ABN AMRO BANK	2001-04-03	300 000 000	300 000 000	2011-04-11	2011-04-11	Bullet	9-Apr, 9-Oct	Euribor 6M - 0,03%	5,405%
Emp. "Schuldshein" WestLB AG	2002-10-02	200 000 000	200 000 000	2012-10-08	2012-10-08	Bullet	8-Apr, 8-Oct	Euribor 6M	5,419%
		2 631 972 355							

[1] cannot exceed Euribor 3M+0,15%

[2] changeable for 5 year period

The loans from EIB, Schuldshein ABN, Schuldshein BHH, Schuldshein Westlb, Eurobond 06-26, Eurobond 09-19 and Eurobond09-24 were obtained exclusively to finance Long Duration Infrastructure investment projects.

The respective interest is paid every quarter, every half year or every year and at the end of the period.
With EIB loans, the capital will be reimbursed in equal annual installments after a grace period. The remaining loans will be reimbursed in equal and consecutive annual installments after the grace period.
In 2009, new loans were obtained exclusively for the financing of Long Duration Infrastructure investment projects:

- Two EIB loans, each of EUR 100 million, benefiting from State guarantee at a floating rate and partial reimbursements;
- An EIB loan of EUR 110 million, without State guarantee, at a fixed rate and partial reimbursements; and
- Two bond issues of EUR 500 million each, benefiting from State guarantee, at a fixed rate and bullet reimbursement, under the Euro Medium Term Notes Programme.

With the exception of the EIB REFER V and EIB REFER VI, all loans benefit from State guarantee.
The fair value of the fixed rate financial debt on 31 December 2009 is shown below:

(euros)

Item	Nominal Value	Owed Capital	Fair Value	Interest Rate
EIB - Minho A	25 000 000	16 990 000	18 343 885	4,67% - Fixa
	25 000 000	17 430 000	19 738 450	5,80% - Fixa
EIB - Tejo C	25 000 000	16 990 000	18 343 885	4,67% - Fixa
	25 000 000	17 430 000	19 738 450	5,80% - Fixa
EIB - CPIIB	29 927 874	3 990 383	4 113 380	3,928% - Fixa
EIB - Suburbanos B	100 000 000	100 000 000	99 817 101	3,615% - Fixa
EIB - Suburbanos C	55 000 000	55 000 000	57 725 770	4,247% - Fixa
EIB - REFER V	160 000 000	160 000 000	174 015 470	4,786% - Fixa
EIB - REFER VI	110 000 000	110 000 000	100 640 990	2,976% - Fixa
Eurobond 06/26	600 000 000	600 000 000	535 049 031	4,047% - Fixa
Eurobond 09/19	500 000 000	500 000 000	563 244 411	5,875% - Fixa
Eurobond 09/24	500 000 000	500 000 000	492 124 746	4,675% - Fixa
		2 097 830 383	2 102 895 568	

5. Infrastructure Management

5.1 Tangible Fixed Assets

Movements in the year in Tangible Fixed Assets items and the respective Depreciation items are presented below.

(euros)

2009	01-01-2009	Tranf.	Increases	Disp./Adj.	Invest. Miss. Amount	31-12-2009
Gross Assets						
Tangible Fixed Assets (TFA)						
Land and natural resources	1 978 116	275 952	-	-		2 254 068
Buildings and other constructions	34 416 627	1 811 992	115 709	-459 595		35 884 732
Basic equipment	21 511 927	-20 383	791 128	-36 965		22 245 708
Transport equipment	7 767 834	27 936	28 114	-349 904		7 473 980
Tools and utensils	512 185	-	20 005	-		532 190
Office equipment	10 401 739	98 238	298 083	-472 380		10 325 681
Other TFA	457 928	-	660	-		458 588
Fixed assets in progress	2 924 141	-2 410 101	73 058	-		587 097
Total Gross Tangible Fixed Assets	**79 970 497**	**-216 366**	**1 326 757**	**-1 318 844**		**79 762 044**
Depreciation						
Tangible Fixed Assets						
Buildings and other constructions	8 077 530	-	888 366	-20 693	234 696	9 179 899
Basic equipment	11 920 492	-26 436	1 051 216	-36 965	307 975	13 216 281
Transport equipment	7 222 512	26 436	163 397	-309 453	42 626	7 145 519
Tools and utensils	500 984	-	14 914	-	932	516 830
Office equipment	9 500 042	-	280 968	-471 290	151 935	9 461 655
Other TFA	376 992	-	6 896	-	2 054	385 942
Total Depreciation	**37 598 551**	**-**	**2 405 758**	**-838 401**	**740 217**	**39 906 126**
Total Net Tangible Fixed Assets	**42 371 946**	**-216 366**	**-1 079 001**	**-480 443**	**-740 217**	**39 855 916**

(euros)

2008	01-01-2008	Tranf.	Increases	Disp./Adj.	Invest. Miss. Amount	31-12-2008
Gross Assets						
Tangible Fixed Assets (TFA)						
Land and natural resources	1 978 116	5 253	-	-5 253		1 978 116
Buildings and other constructions	32 284 411	2 211 541	-	-79 325		34 416 627
Basic equipment	20 497 415	-43 579	1 062 996	-4 904		21 511 927
Transport equipment	7 662 744	181 292	338 286	-414 488		7 767 834
Tools and utensils	492 736	-	19 449	-		512 185
Office equipment	10 209 094	8 577	401 636	-217 567		10 401 739
Other TFA	452 023	-	6 395	-490		457 928
Fixed assets in progress	11 097 446	-8 250 672	77 367	-		2 924 141
Total Gross Tangible Fixed Assets	**84 673 985**	**-5 887 588**	**1 906 128**	**-722 028**		**79 970 497**
Depreciation						
Tangible Fixed Assets						
Buildings and other constructions	6 887 737	-	944 180	-	245 614	8 077 530
Basic equipment	10 693 833	-166 289	1 035 685	-5 852	363 115	11 920 492
Transport equipment	7 188 488	167 237	217 959	-414 488	63 316	7 222 512
Tools and utensils	483 564	39	16 449	-39	971	500 984
Office equipment	9 091 785	4 513	396 574	-223 611	230 780	9 500 042
Other TFA	331 827	-	12 679	-822	33 307	376 992
Total Depreciation	**34 677 233**	**5 500**	**2 623 527**	**-644 812**	**937 103**	**37 598 551**
Total Net Tangible Fixed Assets	**49 996 752**	**-5 893 088**	**-717 399**	**-77 217**	**-937 103**	**42 371 946**

The tangible fixed assets set up on third party property were not subject to any change in comparison to 31 December 2008, and presented the following details:

(euros)

Item	2009
Terreiro do Paço	42 040
ARTS Building	468 804
	510 844

The company's facilities at Terreiro do Paço are those indicated in Joint Dispatch 261/99 related with "establishing the CP concession" and the respective refurbishment which took place on 31/12/1999.

Financial Leasing Contracts

REFER records financial assets acquired through financial leasing contracts in tangible assets.
On 31 December 2009, leasing contracts in force cover three vehicles, with the following respective values:

(euros)

Item	Gross Value	Accumulated Amortisation	Net Value 2009	Debt Value 2009
97-GN-03	51 015	-25 507	25 507	39 334
97-GN-04	51 015	-25 507	25 507	39 334
10-GO-71	51 015	-25 507	25 507	39 334
	153 044	**-76 522**	**76 522**	**118 003**

Minimum, non-cancellable future leasing payments in the financial leasing contracts entered into by REFER are as follows:

(euros)

Item	Less than 1 year	Between 1 and 5 years
In accordance with contract signed		
97-GN-03	13 111	26 223
97-GN-04	13 111	26 223
10-GO-71	13 111	26 223
	39 334	78 669
Current value of debt	**38 946**	**76 055**

5.2 Intangible Assets

In 2009 and 2008, the following movements occurred in the Intangible Assets items and respective Amortization items:

(euros)

2009	01-01-2009	Transf/Adj.	Increases	Disposals	Invest. Miss. Amount	31-12-2009
Gross Assets						
Intangible Assets						
Research & Development expenses	633.246	153.827	-	-124.305		662.768
Computer programs	16.378.348	803.216	9.261	-		17.190.825
Industrial property and other rights	29.928	-	-	-		29.928
Intangible assets in progress	1.569.285	-901.454	965.287	-		1.633.118
Total Gross Intangible Assets	**18.610.808**	**55.589**	**974.548**	**-124.305**		**19.516.639**
Amortisation						
Intangible Assets						
Research & Development expenses	615.207	-	8.761	-	1.079	625.047
Computer programs	14.545.791	-	876.311	-	297.827	15.719.929
Industrial property and other rights	29.928	-	-	-		29.928
Total Amortisation	**15.190.926**	**-**	**885.072**	**-**	**298.906**	**16.374.903**
Total Net Intangible Assets	**3.419.882**	**55.589**	**89.476**	**-124.305**	**-298.906**	**3.141.735**

(euros)

2008	01-01-2008	Transf/Adj.	Increases	Disposals	Invest. Miss. Amount	31-12-2008
Gross Assets						
Intangible Assets						
Research & Development expenses	892.861	-259.615	-	-		633.246
Computer programs	14.659.288	1.578.607	140.453	-		16.378.348
Industrial property and other rights	29.928	-	-	-		29.928
Intangible assets in progress	2.035.457	-1.430.269	964.097	-		1.569.285
Total Gross Intangible Assets	**17.617.534**	**-111.277**	**1.104.550**	**-**		**18.610.808**
Amortisation						
Intangible Assets						
Research & Development expenses	892.861	-286.673	7.941	-	1.079	615.207
Computer programs	14.101.541	1.022.323	816.958	-1.681.516	286.485	14.545.791
Industrial property and other rights	29.928	-	-	-		29.928
Total Amortisation	**15.024.329**	**735.649**	**824.899**	**-1.681.516**	**287.563**	**15.190.926**
Total Net Intangible Assets	**2.593.204**	**-846.926**	**279.651**	**1.681.516**	**-287.563**	**3.419.882**

5.3 Investments in Associated Companies

The movement recorded in 2009 in the financial investment item in associated companies is shown in the table below:

(euros)

Associated Companies	2009	2008
Opening Balance	**34 603 559**	**29 821 368**
Annual movement	16 253 508	4 782 191
Closing Balance	**50 857 068**	**34 603 559**

In general terms, movements over the year include the following gains and losses:

- There was an increase in the capital of associated companies, as may be observed in the following table, which gave rise to a positive effect, through application of the asset equivalence method, of EUR 9,262,502;
- REFER hedged the losses of INVESFER, standing at EUR 8,491,007. This operation was performed based on compensation of the financing loan that REFER had granted the company. Therefore, the gains in this item, standing at EUR 8,851,151, contrast with the loans and receivables item (see note 5.7), since the additional value of EUR 360,145 was used to liquidate outstanding amounts regarding operational activity;
- REFER TELECOM distributed dividends to REFER standing at EUR 1,500,000.

Details of Shareholdings in Associated Companies:

31 December 2009 (euros)

Companies	Shareholding %	Equity	Income in year	Total Assets	Total Liabilities	Revenue for the year	Balance Sheet Value
In the Group							**50 857 068**
FERBRITAS Empreend. Industriais e Comerciais, S.A. Rua José da Costa Pedreira nº11 - Lisboa	98,430	13 698 566	6 476 860	28 053 292	14 354 727	25 951 559	13 483 498
INVESFER Promoção e Com. De Terrenos e Edif., S.A. Palácio de Coimbra Rua de Santa Apolónia nº 51 - Lisboa	99,997	15 109 062	64 214	24 581 950	9 472 888	3 859 792	15 107 552
REFER Telecom Serviços de Telecomunicações, S.A. Rua Passeio do Báltico, 4 - 1990-036 Lisboa	100,000	21 812 636	2 867 577	37 346 455	15 527 092	26 498 023	21 812 636
CPCOM Exploração de Espaços Comerciais da CP, S.A. Av. Da República, 90 Galeria Fracção 4 - Lisboa	80,000	566 727	42 525	4 538 695	3 971 968	5 721 053	453 382

31 December 2008 (euros)

Companies	Shareholding %	Equity	Income in year	Total Assets	Total Liabilities	Revenue for the year	Balance Sheet Value
In the Group							**34 603 559**
FERBRITAS Empreend. Industriais e Comerciais, S.A. Rua José da Costa Pedreira nº11 - Lisboa	98,430	7 221 706	1 647 512	21 541 497	14 319 791	20 298 097	7 173 815
INVESFER Promoção e Com. De Terrenos e Edif., S.A. Palácio de Coimbra Rua de Santa Apolónia nº 51 - Lisboa	99,997	6 553 841	78 907	28 192 146	21 638 305	4 703 231	6 553 186
REFER Telecom Serviços de Telecomunicações, S.A. Rua Passeio do Báltico, 4 - 1990-036 Lisboa	100,000	20 451 786	4 194 995	37 248 032	16 796 246	26 777 042	20 451 786
CPCOM Exploração de Espaços Comerciais da CP, S.A. Av. Da República, 90 Galeria Fracção 4 - Lisboa	80,000	524 203	-88 449	4 248 760	3 724 557	5 496 406	424 773

This information was obtained from the respective non-audited pro forma financial statements for 2009, so alterations may have been made, which were not known on the date on which the disclosure of these accounts was approved. However, we believe there will be no significant alterations.

5.4 Investments in Associated Companies

The movements in the financial investment item in associated companies are shown in the following table:

(euros)

Associated Companies	2009	2008
Opening Balance	**877 752**	**891 319**
Annual movement	-13 837	-13 567
Closing Balance	**863 915**	**877 752**

Details of Shareholdings in Associated Companies:

31 December 2009 (euros)

Companies	Shareholding %	Equity	Income in year	Total Assets	Total Liabilities	Revenue for the year	Balance Sheet Value
Associated Companies							**863 915**
RAVE Av D.João II Lote 1.07.2.1, 1º Piso Parque das Nações - Lisboa	40,000	2 159 787	-34 593	114 199 853	112 040 066	4 204 642	863 915
GIL Gare Intermodal de Lisboa, S A. Av.D. João II, Estação do Oriente, lote 1.15 Lisboa	32,980	-34 936 301	-1 850 025	79 725 781	114 662 083	5 390 630	0

31 December 2008 (euros)

Companies	Shareholding %	Equity	Income in year	Total Assets	Total Liabilities	Revenue for the year	Balance Sheet Value
Associated Companies							**877 752**
RAVE Av D.João II Lote 1.07.2.1, 1º Piso Parque das Nações - Lisboa	40,000	2 194 379	-17 826	100 545 081	98 350 702	4 220 535	877 752
GIL Gare Intermodal de Lisboa, S.A. Av.D. João II, Estação do Oriente, lote 1.15 Lisboa	32,980	-33 016 320	-3 242 991	87 706 049	120 722 369	6 336 652	0

This information was extracted from the non-audited forecast financial statements of 2009. As such, certain changes may be made which are not known on the date of approval of these accounts, although it is believed that no significant alterations will take place.

5.5 Categories According to IAS 39

(euros)

Categories according to IAS 39	Credits and receivables	Financial assets at fair value through results	Financial assets available for sale	Financial liabilities at fair value through results	Other financial liabilities	Non-financial assets and liabilities	Total
31 December 2009							
Assets							
Cash and cash equivalents	635 789	-	-	-	-	-	635 789
Clients and other accounts receivable	74 841 195	-	-	-	-	10 617 059	85 458 255
Derivative financial instruments		26 947 070	-	-	-		26 947 070
Loans and accounts receivable	2 497 861		-	-	-	-	2 497 861
Financial assets available for sale	-	-	31 875	-	-	-	31 875
Total Financial Assets	**77 974 845**	**26 947 070**	**31 875**	**-**	**-**	**10 617 059**	**115 570 850**
Liabilities							
Non-current							
Loans obtained	-	-	-	-	-1 093 660 099	-	-1 093 660 099
Current							
Loans obtained	-	-	-	-	-547 901 255	-	-547 901 255
Liability derivative financial instruments	-	-	-	-99 504 050	-	-	-99 504 050
Group companies	-	-	-	-	-22 075 000	-	-22 075 000
Suppliers and other accounts payable					-147 286 425	-2 927 475	-150 220 614
Total Financial Liabilities	**-**	**-**	**-**	**-99 504 050**	**-1 810 922 779**	**-2 934 190**	**-1 913 361 019**

(euros)

Categories according to IAS 39	Credits and receivables	Financial assets at fair value through results	Financial assets available for sale	Financial liabilities at fair value through results	Other financial liabilities	Non-financial assets and liabilities	Total
31 December 2008							
Assets							
Cash and cash equivalents	249 760	-	-	-	-	-	249 760
Clients and other accounts receivable	78 139 720	-	-	-	-	9 470 220	87 609 941
Derivative financial instruments		17 596 647	-	-	-		17 596 647
Loans and accounts receivable	9 849 012		-	-	-	-	9 849 012
Financial assets available for sale	-	-	31 875	-	-	-	31 875
Total Financial Assets	**88 238 492**	**17 596 647**	**31 875**	**-**	**-**	**9 470 220**	**115 337 235**
Liabilities							
Non-current							
Loans obtained	-	-	-	-	-1 112 971 309	-	-1 112 971 309
Current							
Loans obtained	-	-	-	-	-1 392 150 268	-	-1 392 150 268
Liability derivative financial instruments	-	-	-	-104 716 922	-	-	-104 716 922
Group companies	-	-	-	-	-16 725 000	-	-16 725 000
Suppliers and other accounts payable					-109 465 207	-3 452 163	-112 917 370
Total Financial Liabilities	-	-	-	**-104 716 922**	**-2 631 311 784**	**-3 452 163**	**-2 739 480 869**

The following table presents a breakdown of the financial assets and liabilities at the fair value through the results in accordance with the levels defined in the IFRS7:

(euros)

Category according to IAS 39	Level 1	Level 2	Level 3	Total
Financial Assets				
Fair value of financial assets through results		26 947 070	-	26 947 070
	-	**26 947 070**	**-**	**26 947 070**
Financial Liabilities				
Fair value of financial liabilities through results		-99 504 049	-	-99 504 049
	-	**-99 504 049**	**-**	**-99 504 049**

5.6 Financial Assets Available For Sale

Financial Assets Available For Sale includes the following investments:

(euros)

Assets available for sale	2009	2008
Gross value of shareholding		
Fernave	64 494	64 494
Metro Mondego	26 875	26 875
CRV	5 000	5 000
	96 369	**96 369**
Impairment movement	**64 494**	**64 494**
Fernave	64 494	64 494
Net value of shareholding		
Fernave	-	-
Metro Mondego	26 875	26 875
CRV	5 000	5 000
	31 875	**31 875**

The shareholding in FERNAVE is 10% and in Metro Mondego is 2.5%. As for the CVR – Centro para a Valorização Resíduos [Waste Recycling Centre], REFER holds 10 share units.
Recognition of the impairment loss relative to FERNAVE is based on the fact that on 31 December 2009, it presented total negative equity of EUR 1,407,788.

5.7 Loans and Receivables

Summary of the loans granted to companies in which REFER has shareholdings, which are not capital instruments of those entities:

(euros)

Company	2009	2008
FERBRITAS	997 861	997 861
INVESFER	-	8 851 151
GIL	1 500 000	-
	2 497 861	**9 849 012**

As mentioned in note 5.3 above, REFER used the financial loan granted to INVESFER to cover the losses and liquidation of current credits related to operational activities owed to that entity.

The loans granted to GIL in 2009 set out to guarantee compliance of accrued responsibilities. The financial reinforcement, which was remunerated and had a grace period of one year, was accepted by all shareholders for an equal amount.

5.8 Inventories

(euros)

Item	2009	2008
Raw, Secondary and Consumption Mat.	13 964 004	12 674 703
Merchandise	545 205	342 026
Adjustment for Inventory Losses	-91 159	-91 159
Infrastructure Management	**14 418 050**	**12 925 569**

The Raw, Secondary and Consumption Materials item refers to the various types of materials that are included in infrastructure maintenance.

The adjustment for losses in stocks is performed on a yearly basis according to the inventory of stocks and refers to materials that are obsolete and technically depreciated and cannot be used for REFER's activities, and which might be sold should an interested buyer emerge.
The test performed at the end of 2009 concluded that the adjustment was suitable and no further changes were necessary.

5.9 Financial Derivative Instruments

REFER uses derivatives to manage its exposure to financial risks.
In line with its financial policies, REFER does not use derivatives for speculation purposes.
Although the contracted derivatives are effective hedging instruments against risks, not all would be qualified as hedge accounting instruments according to the rules and requirements of IAS 39 (see Note 2.2. subparagraph f). Thus, it was decided to consider the derivatives portfolio as of negotiation and, consequently, not qualify any of the positions as a hedge accounting instrument.

Instruments that do not qualify as hedge accounting instruments are classified as trade derivatives in the financial assets and liabilities category at the fair value through the results. Trade derivatives are recorded on the balance sheet by their fair value and their variations are recognised in financial results. On 31 December 2009 and on 31 December 2008, the nominal value of the REFER derivatives portfolio reached EUR 2.9 billion and EUR 2.75 billion, respectively, for an overall financial debt of EUR 5.539 billion in 2009 and of EUR 5.137 billion in 2008.

The fair value of existing derivatives is shown below:

(euros)

Underlying debt	Hedged (%)	Item	Fair value		Change in fair value Dec 09/ Dec 08		Nominal Amount (millions €)	Maturity
			Asset	Liability	<0	>0		
31 December 2009								
Logo II	100%	Plain vanilla			-3.122.650		0 (1)	30-01-2009
Schuldshein BHH	100%	Plain vanilla		-5.502.447	-4.970.960		250	04-08-2010
Schuldshein ABN	100%	Cap KO (Eur 6m < 5.80%)		-8.708.062	-6.519.449		300	11-04-2011
Schuldshein West LB	100%	Digital Cap (Stibor 12m<<6,25%;Euribor 12m <6,25%;Eur 6m <6,00%)		-626.647	-88.429		200	08-10-2012
Schuldshein West LB		Cap KO (Eur 6m < 6.00%)		-9.137.552	-7.006.298		200	08-10-2012
Eurobond 05/15		Dual Range (10Y GBP-10Y EUR Spread) e (10Y-2Y EUR Spread)		-8.292.462		29.181.541	150	16-03-2015
Eurobond 05/15		Plain vanilla	11.334.690			5.394.177,00	150	16-03-2015
Eurobond 05/15	100%	Plain vanilla	11.302.116			6.002.116,00	150	16-03-2015
Eurobond 05/15		Plain vanilla	4.310.264			4.310.264	150	16-03-2015
Eurobond 05/15		10Y-2Y EUR Spread Rib		-37.991.357		2.831.920	300	16-03-2015
Eurobond 06/21	100%	Cap KO (Eur 12m < 7%)		-15.589.408	-1.306.195		500	13-12-2021
Eurobond 06/26	50%	Cap KO (Eur 12m < 6.50%)		-8.477.338	-1.730.481		200	16-11-2026
Eurobond 06/26	50%	Long Cap		-1.143.205	-4.376.689		100	16-11-2026
Eurobond 09/24	50%	Plain vanilla		-4.035.572	-4.035.571		250	16-10-2024
			26.947.070	**-99.504.050**	**-33.156.723**	**47.720.018**	**2.900**	

(1) The nominal amount of this operation was EUR 250 million.

Underlying debt	Hedged (%)	Item	Asset	Liability	<0	>0	Nominal Amount (millions €)	Maturity
31 December 2008								
Logo I		Change in index rate Eur 6m in advance to Eur12 m in arrears		-	-	5.667.734		Expired
Logo II	100%	Plain vanilla	3.122.650		-3.444.722		250	31-01-2009
Schuldshein BHH	100%	Plain vanilla		-531.487	-8.296.766		250	04-08-2010
Schuldshein ABN	100%	Cap KO (Eur 6m < 5.80%)		-2.188.613	-11.701.626		300	11-04-2011
Schuldshein West LB	100%	Digital Cap (Stibor 12m<<6,25%;Euribor 12m <6,25%;Eur 6m <6,00%)		-538.218		1.518.459	200	08-10-2012
Schuldshein West LB		Cap KO (Eur 6m < 6.00%)		-2.131.254	-9.667.705		200	08-10-2012
Eurobond 05/15		Dual Range (10Y GBP-10Y EUR Spread) e (10Y-2Y EUR Spread)		-37.474.003	-13.598.105		150	16-03-2015
Eurobond 05/15	75%	Plain vanilla	5.940.513			10.457.955	150	16-03-2015
Eurobond 05/15		Plain vanilla	5.300.000			9.856.005	150	16-03-2015
Eurobond 05/15		10Y-2Y EUR Spread Rib		-40.823.277	-36.725.613		300	16-03-2015
Eurobond 06/21	100%	Cap KO (Eur 12m < 7%)		-14.283.213		1.590.285	500	13-12-2021
Eurobond 06/26	33%	Cap KO (Eur 12m < 6.50%)		-6.746.857	-342.410		200	16-11-2026
Eurobond 06/26		Plain vanilla	3.233.484		-520.355		100	16-11-2026
Eurobond 06/26		Eur Fly		-	-	6.994.205		Paid
			17.596.647	**-104.716.922**	**-84.297.302**	**36.084.643**	**2.750**	

5.10 Clients and Other Receivables

(euros)

	2009	2008
Clients a/c	28 862 774	42 288 600
Advances to Suppliers	767 022	396 258
Group Companies	0	3 036 025
Other Debtors	45 959 826	31 419 363
Adjustments to other Debtors	-1 973 578	-1 834 882
Accrued Revenue	1 992 174	3 230 613
Pre-payments	6 423 656	2 400 568
Tax Refunds	3 426 382	6 673 394
	85 458 255	**87 609 941**

Balances of **Clients and Other Receivables** are current balances, and, thus, they are approximate to their fair value.

Debits to **clients** include, essentially, user fees charged to entities that use the infrastructures (CP, CP Carga, FERTAGUS and TAKARGO) and also debits to operators for services rendered in commercial activities, manoeuvres, capacity requested and not used, use of stations, information services for the public, parking of the rolling stock and other services.

The operators' debt is broken down as follows:

(euros)

Company	2009	2008
CP	22 326 657	41 139 956
CP Carga	4 842 519	0
Fertagus	1 344 746	1 133 175
Takargo	348 852	15 469
	28 862 774	**42 288 600**

The value receivable from **Group Companies** in 2008 was fully owed by INVESFER and refers to the interest on loans. In 2009, operations were carried out to cover losses and settle the accounts with this subsidiary company (see note 5.3.).

In the **Other Debtors** item, around 36% is related to the partial accomplishment of the Protocol with Aveiro Council for the construction of a new railway station, road-rail interface and urban rehabilitation of the surrounding area.

It also includes a further EUR 1,047,389 in line with the Dispatch from the Secretary of State of Transport – no. 9.03/2004/SET of 11/03/2004, regarding the mission of the Gabinete Metro Sul do Tejo [South Tagus River Railway Crossing Office]. The amount refers to reimbursement requests already made, but which have not yet been received.

This item also includes expropriation amounts made available to the courts until a conclusive decision on the said expropriation processes is made.

The Other Debtors item also includes EUR 1,433,522 in VAT referring to the inversion of the taxpayer; in other words it is the amount of VAT that REFER was obliged to pay resulting from judicial measures and, due to a time difference in actual receipt of invoice, could not be deducted.

Adjustments to Other Debtors comes to EUR 1,973,573 which, after testing the probability of balance recovery, was strengthened by EUR 138.696.

This increase is recorded in the Adjustments to inventories and receivables item of the Integrated Profit and Loss Statement.

As in 2008, this adjustment refers to the balance of Benaterras – EUR 6,818 – which dates from 2001 to 2003, the Ateur balance – EUR 22,070 – which dates from 2003 to January 2006 and the O2 balance – EUR 1,805,995. The reinforcement provided in 2009 refers to the entities undergoing insolvency proceedings or to those which have been closed down.

As for the **Accrued Revenue** item, it is entirely related to operational income, particularly the amount relative to the infrastructure concession contract with REFER TELECOM (around 60% of the total).

The **Pre-payments** item includes the amount of EUR 5,186,177 (in 2008 this figure was EUR 993,203) referring to adjustment of the effective interest rate of Eurobond 06/26, Eurobond 09/19 and Eurobond 09/27 bond loans allocated to the Investment Mission.

The **Tax Refunds** item refers to the VAT from December 2009, amounting to EUR 1,526,859 and to EUR 1,840,261 regarding the reimbursement request during the period of July 2009. This outstanding amount was received in January 2010.

The amount owed to Social Security has risen to EUR 59,262 and is justified since REFER is a centralising company and, as such, temporarily substitutes Social Security by paying employees on sick leave/leave upon presentation of a medical certificate.

5.11 Cash and Cash Equivalents

Cash and Cash Equivalents on the cash flow statement for the year ending 31 December 2009 are reconciled with the amounts shown in the items of the financial position statement.

(euros)

Item	2009	2008
Cash	24 865	48 527
Bank deposits	610 924	201 233
Cash and cash equivalents	**635 789**	**249 760**

5.12 Loans Obtained

5.12.1 Current and Non-current Loans

The list of current and non-current loans to finance Infrastructure Management Activities is shown below:

(euros)

Item	2009	2008
Non-current Loans		
Bonds	1 093 542 096	1 112 823 855
Financial leasing	118 003	147 454
	1 093 660 099	**1 112 971 309**
Current Loans		
Bank loans	547 876 504	1 392 111 515
Financial leasing	24 751	38 752
	547 901 255	**1 392 150 268**
	1 641 561 354	**2 505 121 576**

The **Current Loans** item includes the amount of EUR 17,710,000 referring to interest incurred and expected to be recognised from loans allocated to Infrastructure Management, through recognition of the amortised cost (in 2008 this figure was EUR 9,914,000).

On 31 December 2009, REFER held EUR 325 million in commercial paper and around EUR 205 million in bank overdrafts, classified as "Debts to credit institutions".

5.12.2 Terms and Deadlines for Repayment of Loans

2009

Item	Signature date	Amount (€)	Outstanding Amount	Amortised cost	Amortisation			Interest payments	Interest rate
					Start Date	End Date	Interval		
Without State guarantee									
REFER Eurobond 2005/2015	2005-03-16	600 000 000	600 000 000	597 616 452		2015-03-16	Bullet	16-Mar	4,00%
REFER Eurobond 2006/2021	2006-11-30	500 000 000	500 000 000	495 925 644		2021-12-13	Bullet	13-Jan	4,25%
			1 100 000 000	**1 093 542 096**					

2008

Item	Signature date	Amount (€)	Outstanding Amount	Amortised cost	Amortisation			Interest payments	Interest rate
					Start Date	End Date	Interval		
Without State guarantee									
Emp. LOGO Securities "A2Loan"	2003-01-29	250 000 000	250 000 000	256 130 137		2009-01-30	Bullet	30-Jul 30-Jan	Euribor 6M+0,45
REFER Eurobond 2005/2015	2005-03-16	600 000 000	600 000 000	616 148 075		2015-03-16	Bullet	16-Mar	4,00%
REFER Eurobond 2006/2021	2006-11-30	500 000 000	500 000 000	496 675 680		2021-12-13	Bullet	13-Jan	4,25%
			1 350 000 000	**1 368 953 992**					

In January 2009 the EUR 250 million Logo Securities "A2 Loan" was fully amortised.

The fair value of financial debt at fixed rate, on 31 December 2009, is shown below:

(euros)

Item	Nominal Value	Outstanding Amount	Fair value	Interest rate
Eurobond 05/15	600 000 000	600 000 000	619 572 736	4,00% - Fixa
Eurobond 06/21	500 000 000	500 000 000	489 586 616	4,25% - Fixa
		1 100 000 000	**1 109 159 352**	

Regarding commercial paper, the recorded amounts are considered a reasonable estimate of the fair value.

5.13 Suppliers and Other Payables

This heading includes the following items:

(euros)

Item	2009	2008
Current Liabilities		
Suppliers and other payables		
Suppliers, c/a	35 818 929	34 042 992
Suppliers - Invoices Received and Pending	12 321 362	7 552 216
Payable Taxes	2 934 190	3 452 163
Group Companies	22 075 000	16 725 000
Other Creditors	21 170 186	23 260 681
Accrued Expenses	76 854 930	43 239 034
Deferred Income	1 121 018	1 370 283
Infrastructure Management	**172 295 614**	**129 642 370**

The p**ayable taxes** are broken down as follows:

(euros)

Item	2009	2008
Personal Income Tax Retained	885 698	855 780
Social Security	1 954 978	2 158 366
Other Taxes	93 514	438 018
	2 934 190	**3 452 163**

The Personal Income Tax (IRS) and Social Security balances are those corresponding to the processing of wages for December 2009, delivered to the State in January 2010. Other Taxes consists of Stamp Duty also processed in December 2009 and also delivered to the State in January 2010.

The amounts recorded under Group Companies refer to applications of treasury surpluses, as described in note 5.21, and are as follows:

(euros)

Item	2009	2008
REFER Telecom	11 450 000	13 450 000
FERBRITAS	7 750 000	1 250 000
INVESFER	2 875 000	2 025 000
	22 075 000	**16 725 000**

Under **other creditors**, especially noteworthy is the contribution of the Advances for Sales item, the total cost of which is EUR 16,693,000. Around 77% of this amount refers to the Promissory Purchase / Sale Contract signed on 28/07/2000 covering assigned Surface Rights whose deed has not yet been signed, although the amounts agreed in the said Promissory Purchase / Sale Contract are being received.

This item also includes the amounts received deriving from protocols with several entities and in relation to which the conditions are not fulfilled to enable recognition of the revenue.

The **accrued expenses** item includes the amount of EUR 53,120,000 of interest incurred from loans contracted for long duration infrastructures investment (in 2008 this figure was EUR 44,604,000. This amount includes the amount of EUR 19,937,000 in the bond securities item – non-current liabilities).

In addition to this interest, the Accrued Expenses item consists of liabilities for holidays and holiday subsidies for 2009 due in 2010, 18% of the balance, of rents for facilities and miscellaneous expenses in 2009 not invoiced by the respective entities until the end of the respective year.

Deferred Income includes EUR 899,772 for the value to be integrated in proportion to its depreciation of the wood cross-ties creosoting industrial establishment, part of the 2007 fixed tangible assets.

5.14 Provisions

The accumulated provisions and respective movements in 2009 were as follows:

(euros)

Item	01-01-2009	Increase	Reduction	31-12-2009
Legal proceedings in progress	10 568 997	1 133 374	-	11 702 371
	10 568 997	**1 133 375**	**-**	**11 702 371**

The provisions result from the identification of situations in which REFER believes there may be a reduction in the resources incorporating economic benefits, which can be reasonably estimated, and which will require payment of the obligation.

The provision for ongoing lawsuits includes civil industrial relations procedures. The provisions for legal proceedings refer to accidents and requests for indemnity for damage and occupation of land, deriving from LDI improvement and conservation work among other items of less relevance.

5.15 Income Tax

(euros)

Item	2009	2008
Recoverable Taxes		
Receivable Corp. Inc. Tax	1 463 884	884 772
	1 463 884	**884 772**

Of recoverable tax, EUR 560,000 refers to the special payments on account, whereby EUR 200,000 from 2003 and EUR 40,000 from 2004 were subject to a reimbursement request, in line with taxation laws.
The remaining value originates from deductions at source from capital and property income deducted by the entities owing this income, net of tax owed in 2009 referring to Autonomous Taxation (see note 5.23.2).

5.16 Services Rendered and Operation Subsidies

5.16.1 Services Rendered

The **services rendered** are listed below:

(euros)

Item	2009	2008
Utilisation of Slots [Fees]	57 603 605	58 896 718
Traction Energy	3 923 249	3 684 178
Manoeuvres/Station Rolling Stock	3 418 565	3 026 330
Utilisation of Stations and Stops	2 791 521	2 455 464
Other Services	1 515 731	1 171 553
Capacity Requested and Not Used	1 382 718	1 700 181
Public Information	464 845	140 449
Crossings	159 564	177 850
Conservation of Private Branch Lines	153 635	76 398
Third-party Responsibility	127 406	297 559
Provision of Services	**71 540 838**	**71 628 679**

This item includes income from services rendered, with emphasis on the income for use of the infrastructures, that is, the railway infrastructure user fees, approved by the National Railway Transport Institute and debited from CP Comboios, CP Carga, FERTAGUS and TAKARGO.

This item also includes services rendered by REFER employees for railway circulation manoeuvres and debited from the same companies for using railway complexes, the debit of traction energy, parking of rolling stock and utilisation of stops.

5.16.2 Operating Subsidies

In 2009, EUR 36,149,308 was spent on the standardisation of accounts (Council of Ministers Resolution no. 114/2009 of 14-12), that is, compensatory indemnity paid by the State to companies who provide a public service.

5.17 External Supplies and Services

External supplies and services is broken down as follows:

(euros)

Item	2009	2008
Subcontracts	74 510 027	73 794 671
Electricity	9 468 947	8 538 689
Specialised Works	6 355 083	4 402 518
Security and Safety	4 131 580	3 805 305
Rents and Rentals	2 251 908	987 529
Cleaning, Hygiene and Comfort	1 710 095	1 765 524
Insurance	1 364 371	1 371 838
Communications	1 353 588	1 393 638
Maintenance and Repair	1 099 049	1 401 615
Water	1 003 773	586 215
Royalties	931 368	645 480
Fuel	889 766	1 054 214
Personnel Transport	862 854	850 692
Fees	266 825	451 028
Advertising and Publicity	253 288	159 426
Office Materials	221 266	263 001
Travel and Accommodation	160 630	231 090
Others of Less than 200,000 Euros	1 506 745	1 061 034
External Supplies and Services	**108 341 163**	**102 753 607**

The **subcontracts** item refers essentially to subcontracting track maintenance, signalling, telecommunications and power lines services. Maintenance services for telecommunications systems are performed mostly by REFER TELECOM, a subsidiary company.
This increased cost of **specialised works** reflects the management and implementation of the National Ecotrails Plan, within the scope of the protocols signed with INVESFER. It is likewise influenced by the recognition as a cost of the amounts spent in preliminary studies linked to investment projects, but which did not go ahead. Examples of such cases are the studies on decommissioned property, general railway projects, tech-

nical assistance on the track, tests for ballast quality control, technical assistance for FERBRITAS, among others.
In 2009 a new REFER surveillance system contract came into force. The system is now in place in a higher number of stations (Famalicão, Gaia, Viana do Castelo, among others), which has resulted in an increase in **security and safety costs**.

The highest proportion of the **rents and rentals** item is taken by the renting of the ARTS Building, which also gave the biggest contribution to the variation from the previous year. Notwithstanding, the overall value of this rent is very similar to the 2008 figure. REFER was reorganised in 2009 which led to less occupation of this property by the services linked to the State Investment account mission, with a consequent increase in the costs borne by the company.
The increase in the **water** item is explained by a change to the accounting procedure in the year. The item is now recorded by its nature and not in an individual account.

Operational Leases

Rents and rentals includes EUR 953,649 for **operational leases** of vehicles and EUR 65,532 for the operational leases of equipment.
REFER, on the date to which this Annex pertains, holds 344 vehicles and 40 items of equipment, acquired through operational leasing contracts.

We now present the total minimum future payments of leasing, which cannot be cancelled, in the operational leasing contracts that REFER signed:

(euros)

Item	Less than 1 year	Between 1 and 5 years
In accordance with the contracts signed		
Vehicles	1 309 331	3 254 768
Equipment	78 996	95 446
Current value of debt		
Vehicles	1 296 419	3 163 230
Equipment	78 217	93 130

5.18 Personnel Expenses

(euros)

Item	2009	2008
Remuneration of Governing Bodies	372 523	393 478
Personnel Wages	71 113 734	69 220 267
Personnel Wages	15 021 385	14 510 034
Social Action Costs	716 394	616 879
Other Personnel Expenses	9 637 382	7 310 869
Personnel Expenses	**96 861 419**	**92 051 527**

Other Personnel Expenses essentially cover work accident insurance, training, recruitment, compensation and transport utilisation benefits.
In 2009 there was a rise in the amount of compensation paid to employees, amounting to around EUR 3,801,000 (in 2008 this figure had been EUR 1,380,000).
Wages remained stable in 2009, with a 3% rise compared to 2008.
The average number of employees during 2009 was 3,518 (compared to 3,573 in 2008).
Emphasis also goes to REFER's expenses on employee representation structures (information referred to by the Dispatch from the Secretary of

State of the Treasury, of 25 June 1980). For workers participating full time in these activities (Union Leaders and Employee Committee) expenses were calculated for the employee representation structure for the years of 2009 and 2008, amounting to EUR 174,711 and EUR 176,043 respectively.
The figures are broken down as follows:

(euros)

Item	2009	2008
Monthly Wages	100 207	100 396
Long-service Wage Rises	8 150	9 011
Holiday Pay and Thirteenth Month	20 664	22 199
Employer's Contribution	33 877	34 126
Others	11 812	10 311
Costs from Workers' Representation Groups	174 711	176 043

Number of participating employees:

Item	2009	2008
Part-time (Average)		
Union Leaders	134	174
Committees and Subcommittees	25	40
Full Time		
Union Leaders	7	8
Committees and Subcommittees		
No. of Employees Involved in Workers' Representative Groups	166	222

5.19 Other Expenses

The **other expenses** are broken down as follows:

(euros)

Item	2009	2008
INTF (National Institute for Rail Transport)	2 630 016	3 455 598
Indirect Taxes	2 511 912	2 921 124
Miscellaneous Operating Costs	1 145 497	4 763 921
Indemnities	246 874	732 998
Subscription Fees	149 198	173 421
Direct Taxes	10 147	20 505
Other costs	6 693 644	12 067 567

The Indirect Taxes item refers essentially to stamp duty and fees. As pointed out in note 5.17, in 2009 there was a change in accounting procedures, based on which the water cost component began to be recorded by nature.

5.20 Other income

The **other income** is broken down as follows:

(euros)

Item	2009	2008
Compensatory Indemnities	36 149 308	33 612 872
Utilisation and Licenses	6 164 133	5 922 586
Other Revenue	2 483 844	2 148 324
Telecommunications	1 892 775	1 720 213
Sale/assignment of Electricity and Water	1 162 707	2 432 175
Assignment of Materials and Personnel	1 123 651	1 592 945
Miscellaneous Sales	986 533	1 001 128
Miscellaneous Advertising	558 282	485 814
Equipment Rental	239 066	105 962
Home Conservation Fund	193 891	198 125
Contract Specifications	156 382	198 481
Nursery Schools, Cafeterias and Bar	13 554	16 358
Training Subsidies	1 062	0
Other Operating Revenue	**51 145 187**	**49 434 983**

The Utilisation and Licences item essentially includes the concession to use buildings and land (around 32%), the concession, licences and renting of commercial spaces (around 28%) and the concession of car parks (around 13%).

5.21 Financial Losses and Gains

Financial losses and gains can be broken down as follows:

(euros)

Item	2009	2008
Financial Losses		
Interest paid:		
Loans	-45 576 316	-64 460 278
Derivative Financial Instruments	-97 532 883	-109 309 672
Other Interest paid	-101 277	-111 138
Variation in Fair Value:		
Derivative Financial Instruments (note 5.9)	-33 156 723	-84 297 302
Other Financial Losses	-4 930 192	-3 649 659
	-181 297 391	**-261 828 049**
Financial Gains		
Income from Securities and Other Financial Applications	897	7 115
Interest Obtained		
Derivative Financial Instruments	114 717 050	133 183 648
Other Interest Obtained	2 592	4 992
Variation in Fair Value:		
Derivative Financial Instruments (note 5.9)	47 720 018	36 084 643
Other Financial Gains	23 840	57 190
	162 464 396	**169 337 588**
Gains/losses in Branch & Associated Companies	9 248 665	5 768 624
Gains/losses in Other Companies	-922 007	0
Financial Income	**-10 506 336**	**-86 721 837**

Interest Incurred refers to debt securities, medium- and long-term bank loans, and short-term credit Lines. It also includes remuneration paid for treasury applications of affiliate companies with REFER (see note 5.1.3). The affiliate companies are paid at the Euribor rate at 1 week minus 1 percentage point on a 365-day basis, with a minimum interest rate of 0.25%.

Interest incurred on derivative financial instruments includes swap operations (paying leg and premiums paid).
Interest obtained on derivative financial instruments refers to interest received from swap operations (receiving leg and premiums received) and other interest obtained from financial operations.

The reductions in fair value of derivative financial instrument operations are shown under Financial Losses and the increases under Financial Gains. The net effect of these variations came to EUR 14.563 million in 2009 compared to –EUR 48.212 million in 2008.

The amount of losses in other financial investments are linked to the coverage of losses by REFER to FERNAVE, in 2009 (see note 5.3).

5.22 Losses and Gains in Branch and Associated Companies

(euros)

Item	2009	2008
Losses in Branch Companies	-	-65 348
Gains in Branch Companies	9 262 502	5 847 540
	9 262 502	5 782 191
Losses in Associated Companies	-13 837	-13 567
	-13 837	-13 567
Gains/Losses in Branch and Associated Companies	**9 248 665**	**5 768 624**

Gains in Branch Companies refer to applying the asset equivalence method to the companies FERBRITAS, REFER TELECOM, INVESFER and CPCOM. Losses in Associated Companies relate to the shareholding held in RAVE.

5.23 Income Tax for the Year

5.23.1 Deferred Tax Assets and Liabilities

REFER did not recognise deferred tax assets or liabilities in the financial statements.
No deferred tax liabilities were identified in the year.
As for deferred tax assets, there are fiscal losses to be applied, totalling EUR 1,032,774,318. However, due to the current economic setting and the budgets for the upcoming years, the company does not expect to obtain tax profits in the future enabling it to recover the temporary asset differences.

(euros)

At report deadline	Amount
Year	
2003	110 760 638
2004	141 468 983
2005	157 556 515
2006	191 696 681
2007	222 339 125
2008	208 952 175
	1 032 774 318

5.23.2 Income Tax for the Year

(euros)

Item	2009	2008
Current tax in year	173 814	235 392
	173 814	**235 392**

Income tax for the year, recognised in the integrated profit and loss statement, refers to the autonomous taxation calculated in accordance with the taxation rules in force on the date of the report.

6. Statement Of Internal Results For The Long Duration Infrastructure Investment Activity

The **internal work** carried out for the investment activity in LDI, which was not recognised in the integrated profit and loss statement, is as follows.

(euros)

Item	2009	2008
Long Duration Infrastructure Investment Activity		
Consumables	168 111	347 092
Materials for Investment	17 925 797	11 281 800
Equipment	24 234	42 415
Labour	900 189	1 453 401
Overhead charges	29 232 016	31 500 636
Total Long Duration Infrastructure Investment Activity	**48 250 347**	**44 625 343**

Works for the company are recorded as a counterpart to the respective expenses item.

The variation in investment materials is explained by the higher investment, particularly in the Northern Line (between Setil and Entroncamento) and the Beira Baixa Line.

7. Remuneration of the Members of the Governing Bodies

This information is compiled in accordance with the Council of Ministers Resolution no. 155/2005 of 8 September 2005 and article 13º-A, of Decree-Law no. 558/99, of 17 December, as worded by Decree-Law no. 300/2007, of 23 August.

Board of Directors	Position	Social Security Regime	2009 Main Remuneration	Bonuses	Social Security deductions	Pension deductions (euros)
Luís Filipe Melo e Sousa Pardal	Chairman	Normal Regime	100 504	525	23 870	-
Alfredo Vicente Pereira	Vice-chairman	Normal Regime	93 006	527	22 089	-
Romeu Costa Reis	Member	CGA (pens. fund)	87 737	1 253	-	4 758
Alberto José Engenheiro Castanheiro Ribeiro	Member	Normal Regime	87 737	670	20 838	-
Carlos Alberto João Fernandes	Member	CGA (pens. fund)	87 737	1253	18 094	434
		Remuneration paid	**456 723**	**4 228**	**84 890**	**5 192**

Board of Directors	Position	Social Security Regime	2008 Main Remuneration	Bonuses	Social Security deductions	Pension deductions
Luís Filipe Melo e Sousa Pardal	Chairman	Normal Regime	66 536	24 038	16 770	-
Alfredo Vicente Pereira	Vice-chairman	Normal Regime	62 953	20 266	15 919	-
Romeu Costa Reis	Member	CGA (pens. fund)	58 859	19 213	-	4 617
Alberto José Engenheiro Castanheiro Ribeiro	Member	Normal Regime	58 859	19 213	14 947	-
Carlos Alberto João Fernandes	Member	CGA (pens. fund)	58 859	19 213	-	2 528
		Remuneration paid	**306 065**	**101 942**	**47 637**	**7 145**

In compliance with Decree-Law no. 71/2007, the values recorded in 2008 were re-expressed.
The following values were paid to the Audit Board:

Entity	2009 Monthly amount	Total Value	Social Security discounts	2008 Monthly value	Total value	Social Security discounts (euros)
Hilário Manuel Marcelino Teixeira	951	11 406	2 709	951	11 406	2 709
Salgueiro, Castanheira e Associados, SROC	-	-	-	3 604	10 812	-
Barbas, Martins, Mendonça & Associados, SROC	4 392	52 707	-	4 773	57 270	-
Remuneration paid	**5 343**	**64 113**	**2 709**	**9 327**	**79 488**	**2 709**

The amounts against the company Barbas, Martins, Mendonça & Associados, SROC were paid as remuneration for specialised work.

8. Balances/Transactions With Related Entities

Entities are considered related if REFER, directly or indirectly controls them, is controlled by them or is under common control. Entities are also related where REFER has a stake that gives them significant influence.

9. Information Concerning Related Entities

9.1 List of Related Entities

The following entities are identified as related entities of REFER:

	Relation
Branch Companies	
Invesfer	REFER holds 99,997% capital
Ferbritas	REFER holds 98,43% capital
CP Com	REFER holds 60% capital
Refer Telecom	REFER holds 100% capital
Associated Companies	
RAVE	REFER holds 40% capital
GIL	REFER holds 32,98% capital
Others	
CP	Control relation - State
CP Carga	Control relation - State

9.2 Balances and Transactions with Branch Companies

The following balances and transactions were recorded with **Branch Companies:**

(euros)

Company	2009	2008
Receivable Balances		
Invesfer	570 433	11 912 079
Ferbritas	996 522	998 477
CP Com	1 107 570	827 790
Refer Telecom	315 739	103 823
	2 990 263	**13 842 169**
Payable Balances		
Invesfer	4 274 212	4 224 305
Ferbritas	16 520 503	11 044 520
CP Com	6 000	61 065
Refer Telecom	14 731 068	19 367 123
	35 531 783	**34 697 013**
Purchased Services		
Invesfer	2 206 078	32 131 354
Ferbritas	18 050 010	13 462 550
Refer Telecom	14 411 127	13 998 789
	34 667 215	**59 592 693**
Rendered Services		
Invesfer	498 970	55 892
Ferbritas	81 651	74 220
CP Com	2 192 280	2 357 358
Refer Telecom	1 203 097	1 899 019
	3 975 999	**4 386 488**
Financial Costs		
Invesfer	7 246	51 730
Ferbritas	9 503	55 080
ReferTelecom	40 808	321 214
	57 557	**428 024**
Related Parties - Branch Companies		

9.3 Balances and Transactions with Associated companies

The following balances and transactions were recorded with Associated Companies:

(euros)

Company	2009	2008
Receivable Balances	**436 575**	**533 386**
RAVE	424 316	485 488
GIL	12 259	47 899
Payable Balances	**315 461**	**621 710**
GIL	315 461	621 710
Purchased Services	**1 051 538**	**0**
GIL	1 051 538	0
Rendered Services	**1 280 599**	**1 469 759**
RAVE	1 239 736	1 469 759
GIL	40 863	0
Financial Costs	**1 029**	**55 964**
RAVE	1 029	55 964
Related Parties - Associated companies		

The most relevant transactions with RAVE and included above refer essentially to the assignment of personnel by REFER.
Financial expenses include interest on treasury surplus applications.
In relation to GIL, the purchase and rendering of services refers to the renting of shops in Oriente Station.

9.4 Balances and Transactions with CP and CP Carga

The following balances and transactions were recorded with CP and CP Carga:

(euros)

Company	2009	2008
Receivable Balances	**27 156 013**	**41 139 956**
CP - Comboios de Portugal, *EPE*	22 313 494	41 139 956
CP Carga - Log Tr F Mercadorias, SA	4 842 519	0
Payable Balances	**1 440 257**	**4 140 516**
CP - Comboios de Portugal, *EPE*	1 423 306	4 140 516
CP Carga - Log Tr F Mercadorias, SA	16 950	0
Purchased Services	**3 350 187**	**11 125 627**
CP - Comboios de Portugal, *EPE*	3 332 157	11 125 627
CP Carga - Log Tr F Mercadorias, SA	18 029	0
Rendered Services	**67 648 737**	**69 553 903**
CP - Comboios de Portugal, *EPE*	62 024 835	69 553 903
CP Carga - Log Tr F Mercadorias, SA	5 623 902	0

The services rendered item essentially includes the values charged for essential services supplied to the various business units of CP.

10. Recently Issued Accounting Standards And Interpretations

The impact of the adoption of the standards and interpretations which came into force as of 1 January 2009 is as follows:

- IFRS 8, "Operational Segments". IFRS 8 replaces IAS 14 and converges in the report per segments with the US GAAP, SFAS. This new standard stipulates the use of "management vision", in accordance with which the information per segment is presented on the same information basis as reported internally by the management. There were no changes in the applicability of this standard to REFER.

- IAS 1 (review), "Presentation of the financial statements". The review of this standard forbids the presentation of revenue or expenses (i.e. changes in equity related to the shareholders) in the statement of changes in equity, requiring the transactions in equity deriving from non shareholder entities to be presented in the integrated profit and loss statement. REFER adopted the new financial statements structure as of 1 January 2009.

- IAS 23 (alteration), "Costs on loans obtained". The IAS 23 alteration stipulates that the costs of loans that are directly attributed to acquisition, construction or production of a "qualifiable" asset (an asset that requires a substantial period of time to reach its condition of use or sale), should be considered as part of the cost of acquisition. This alteration is not expected to have an impact on REFER's financial statements since it already applies this accounting process.

- IFRS 2 (alteration) "payments based on shares". The IFRS 2 alteration refers to the vesting and cancellation conditions. It clarifies that the concept of vesting conditions is limited to the conditions of provision of service and performance. The cancellation of a share plan should be registered in the same way as cancellation upon the initiative of the company or a third party. This alteration does not have any impact on REFER's financial statements, given that it does not own share plans.

- IAS 32 (alteration) "financial instruments": presentation and consequent alteration to IAS 1 "presentation of financial statements". This alteration requires that some financial instruments that comply with the definition of financial liability should be classified as capital instruments, when they possess certain specific conditions. The alteration to this standard has no impact on REFER's financial statements.

- IFRS 1 (alteration), "adoption for the first time of the IFRS" and consequent alteration to IAS 27 "individual and consolidated financial statements". The alteration to this standard allows entities that are adopting the IFRS for the first time to measure the investments in subsidiaries, joint enterprises and associate companies in separate accounts, at the presumed cost, which may correspond to the fair value of the investments on the date of the transition or the accounting value through which it was registered in the previous GAAP. This alteration had no impact on REFER's financial statements.

- IFRS 7 (alteration). The changes made aim to improve the disclosures relative to the application of the fair value. The fair value application level used for each asset or liability measured at fair value, and the methods and the presuppositions implemented are now disclosed. REFER has included this information in the annex to the financial statements.

- Annual improvement of the standards in 2008 (to be applied mostly to 1 January 2009). Following the process of reviewing the consistency of the practical application of the IAS/IFRS standards, the IASB decided to improve some standards (IAS 16, IAS 20, IAS 38 and IAS 40), to clarify some inconsistencies found. The adoption of these improvements did not have any significant impact on REFER's financial statements.

- IFRIC 9, "embedded derivatives" and IAS 39 "financial instruments: recognition and measuring". This change has clarified the accounting procedures for the embedded derivatives when the Entity has adopted the alteration made to IAS 39 regarding the reclassification of financial assets, as published by IASB in October 2008. This alteration had no impact on REFER's financial statements.

- IFRIC 13, "client loyalty programmes". IFRIC 13 clarifies that when goods or services are sold associated with client loyalty programmes, the transactions are considered "multi-elements" meaning that the product of the sale has to be allocated to the different components based on their fair value. IFRIC 13 is not relevant for REFER's activity.

- IFRIC 14, "limitation of assets deriving from benefit plans and their interaction with requirements of minimum contributions". IFRIC 14 clarifies the evaluation of the limit that in accordance with IAS 19 can be recognised as an asset. It also clarifies how the assets and liabilities with pensions can be affected by specific minimum contribution requirements. IFRIC 14 does not have any impact on REFER's financial statements.

Certain alterations and interpretations have been made to the standards, which despite having been published are only applied compulsorily to financial years starting on or after 1 July 2009. REFER decided not to adopt the said alterations earlier:

Standards

- IFRS 3 (review), 'concentration of activities' (to be applied to the years that start on or after 1 July 2009). The reviewed standard continues to apply to the method of purchasing a concentration of activities, with some significant changes. For example, all the amounts that comprise the price of the purchase are valued at their fair value. There is the option, from transaction to transaction, to measure the "non-controlled stakes" through the proportion of the value of the net assets of the entity acquired or the fair value of the assets and liabilities acquired. All the costs associated with the acquisition are registered as expenses. REFER will apply IFRS 3 (review) in the future to all the concentrations of activity that occur after 1 January 2010.

- IAS 27 (review), "Individual and consolidated financial statements" (to be applied to years that start on or after 1 July 2009). The reviewed standard requires that all transactions with "non-controlling stakes" should be recorded in Equity, when there is no change in the control of the Entity, with no registering of goodwill or earnings or losses. The standard also stipulates what should be recorded when losses occur. Any remaining interest in the entity is re-valued at the fair value, and a gain or loss is recognised in earnings for the year. REFER shall apply IAS 27 (review) in the future in transactions with "non-controlling interests" that occur after 1 January 2010.

- IFRS 5 (Improvement 2008) "Non-current assets held for sale and discontinued units" (to be applied to years that start on or after 1 July 2009). The improvement clarifies that all the assets and liabilities of a subsidiary should be classified as held for sale, if a partial sale plan results in the loss of control. Specific disclosures should be made if this subsidiary qualifies as a discontinued unit. REFER shall apply this improvement in the future to all partial sales of branch companies that occur after 1 January 2010.

- IAS 39 (alteration), "financial instruments – items eligible for hedging" (to be applied to years that start on or after 1 July 2009). This alteration clarifies which principles shall be applied in specific situations to ascertain whether risk hedging or a proportion of cash-flows is eligible to be categorised as "hedging". This alteration has no impact on REFER's financial statements.

- IAS 32 (alteration), "financial instruments: presentation - classification of rights issued" (to be applied to years that start on or after 1 February 2010). This alteration affects the accounting of rights issues in a currency that is different from the functional currency of the issuer. If the rights are issued pro-rata to the shareholders for a fixed amount in any currency, it is considered a transaction with shareholders to be recorded in Equity. If not, the rights shall be classified as liability derivative instruments. This alteration has no impact on REFER's financial statements.

- IFRS 2 (alteration), "Payments based on shares – transactions paid financially by the Group" (to be applied to years that start on or after 1 January 2009). This alteration has not yet been adopted by the EU. The change incorporates IFRIC 8, "Scope of IFRS 2" and IFRIC 11, "IFRS2, transaction with shares of the group and own shares", and affects the classification of the plans of the group in which the entity that receives the goods or services in exchange for payment plans based on shares paid financially by the group, is not liable for any payment. This alteration has no impact on REFER's financial statements.

- IFRS 1 (alteration), "Adoption of the IFRS for the first time" (to be applied to years that start on or after 1 January 2009). This alteration has not yet been adopted by the EU. This alteration to the standard exempts a first-time adopter of the IFRS from the retrospective application of the IFRS for the assets of the "oil & gas" activities, if the "total cost" method is applied within the scope of the previous standard. The change to this standard also exempts the entities from re-evaluating the classification of a current leasing contract in the light of IFRIC 4, "ascertaining whether an agreement contains a lease" when the application of the previous standard results in the same classification. This alteration has no impact on REFER's financial statements.

- IAS 24 (alteration) "related parties" (to be applied to years that start on or after 1 January 2011). This alteration has not yet been adopted by the EU. The change to the standard removes the general requirements of disclosure of related parties for public sector entities. However, the disclosure of the relationship of the entity with the State and any significant transactions that have taken place with the State or entities related to the State must obligatorily be reported. Furthermore, the definition of related party was changed to remove inconsistencies in the identification and disclosure of the related parties. REFER will assess whether this alteration has an impact on its financial statements.

- IFRS 9 (new), "financial instruments – classification and measuring" (to be applied to years that start on or after 1 January 2013). This alteration has not yet been adopted by the EU. IAS 39 sets out two categories of measuring: the amortised cost and the fair value. All the capital instruments are measured at the fair value. The debt instrument is measured at the amortised cost only when the entity holds it to receive the contractual cash-flows and the cash-flows represent the nominal value and the interest. If not, the debt instruments are valuated at the fair value through results. REFER will apply IFRS 9 in the year in which it comes into force.

- Annual improvement of the standards in 2009, to be applied mostly to years which start on or after 1 January 2010. These improvements have not been adopted by the EU. As part of the process to review the consistency and practical application of the IAS/IFRS, the IASB decided to make improvements to the standards in order to clarify some inconsistencies found. The most significant improvements are in the alterations made to IAS 17, 36 and 38. These improvements have been applied by REFER in the years they came into force.

Interpretations

  - IFRIC 12, 'Service concession agreements' (to be applied to financial years starting on 1 January 2010). This interpretation outlines how concessionaries of public services should apply IFRS standards when accounting for the infrastructure construction obligation assumed and the rights received within the scope of the concession contract. This interpretation does not have an impact on REFER's financial statements.

- IFRIC 14 (Amendment), 'IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction' (to be applied to financial years starting on or after 1 January 2011). This amendment to the interpretation has not yet been adopted by the European Union. This amendment clarifies that when the asset is a consequence of pre-payments made as minimum future contributions, the positive excess can be recognised as an asset. This alteration does not have an impact on REFER's financial statements.

- IFRIC 15, 'Real estate construction agreements' (to be applied to financial years starting on or after 1 January 2010, in the European Union). IFRIC 15 clarifies when to apply IAS 18, 'Revenue' or IAS 11, 'Construction contracts' to a given transaction. It is likely that more transactions qualify for application of IAS 18, 'Revenue'. IFRIC 15 does not have an impact on REFER's financial statements.

- IFRIC 16, 'Hedges of a Net Investment in a Foreign Operation' (to be applied to financial years starting on or after 1 July 2009, in the European Union). This interpretation applies to entities that hedge exchange rate risk arising from investments made in foreign operations and outlines what the conditions are to qualify as accounting hedging. This interpretation also defines what sums must be reclassified from equity to earnings when a foreign operation is divested. IFRIC 16 does not have an impact on REFER's financial statements.

- IFRIC 17, 'Distribution of non-cash assets to owners' (to be applied to financial years starting on or after 1 July 2009). This interpretation clarifies that: (a) dividends payable are recognised when they are appropriately authorised and are no longer at the discretion of the entity; (b) an entity must measure the dividend payable at the fair value of the net assets to be distributed; (c) an entity must recognise the difference between the value of the dividend paid and the book value of the net assets distributed in the profit and loss statement. IFRIC 17 should not have an impact on REFER's financial statements.

- IFRIC 18, 'Transfer of assets from customers' (to be applied to financial years starting on or after 31 October 2009). This interpretation clarifies the accounting treatment to be adopted for agreements in which a tangible asset, which is transferred from the customer, is used to provide future services. This interpretation is particularly relevant for the utilities sector in which gas or electricity services are provided. IFRIC 18 should not have an impact on REFER's financial statements.

- • IFRIC 19, 'Extinguishing financial liabilities with equity instruments' (to be applied to financial years starting on or after 1 July

2010). This interpretation clarifies which accounting treatment to adopt when an entity renegotiates the terms of a debt that results in the payment of the liability by issuing equity instruments (shares) to the creditor. A gain or a loss is recognised in earnings, based on the fair value of the equity instruments issued compared to the debt's book value. Simple reclassification of the debt's value in equity is not permitted. REFER will apply IFRIC 19 when this becomes effective.

11. Investment Commitments

The estimated value of investments to be made into Long Duration Infrastructures (LDI) for the public railway domain, and other investments that are not part of LDI (IEAG – Support and Management Structures integrating the investments of operation, studies and other fixed assets) necessary for developing the forecast activities, reached EUR 837 million.
Of the total investment planned, 96% (EUR 528 million) corresponds to investments in LDI; the remaining 4% (EUR 23 million) corresponds to investments in Support and Management Structures.

(millions of euros)

Programmes/Projects	2010 Estimate
Investment in LDI	
Carried out as part of PIDDAC	**113**
Integration of Structural Corridors of the Trans-European Transport Network	89
Development of Urban Accessibilities	22
Intermodal Coordination	1
Not part of PIDDAC	**702**
Total Investment in LDI	814
Total Investment in ISMS	23
Total REFER Investment	**837**
Investment commitment	

Note: Investment at technical cost

12. Guarantees And State Guarantees

On 31 December 2009, **loans which benefited from State guarantees** amounted to EUR 3,627,670,526 (in 2008: EUR 2,471,972,355), as referred to in note 4.6.1.
Total bank guarantees received from suppliers came to EUR 223,470,902 (in 2008: EUR 243,412,747).
Total bank guarantees received from clients/debtors came to EUR 5,645,109 (in 2008: EUR 3,405,851). These guarantees aim to ensure the

proper, complete fulfilment of the concession contract in favour of REFER, in compliance with the specific legislation for public works contracts.
On 31 December 2009, REFER assumed responsibility for guarantees given to courts at a value of EUR 440,368 (in 2008: EUR 401,057) and other guarantees worth EUR 2,632,592 (in 2008: EUR 2,741,092).
As the majority shareholder of FERBRITAS, REFER signed a comfort letter in favour of Banco Millennium covering medium- and long-term financing up to a level of EUR 2,033,865.
Also, as the majority shareholder of INVESFER, REFER is responsible for the comfort letter in favour of BPI covering short-term credit up to a level of EUR 249,399.

13. Contingencies

Lawsuits

At the end of 2009, the legal proceedings in progress, referring to expropriations, reached a value of EUR 640,187 (in 2008: EUR 4,879,201). This value is not reflected in the financial position statement.

In this case, deposits are made in the name of the court where the lawsuit is in progress. These deposits are equivalent to the arbitrated amount and are safeguarded at the bank Caixa Geral de Depósitos. Moreover, settling these proceedings does not imply a cost to the company but rather an investment in railway infrastructures. Besides these proceedings, there are also others related with accidents at infrastructures managed by the company, damages caused to third-party properties, but for which the company is at fault, and some suits in progress in the Labour Court covered by a provision.
Regarding the lawsuit against REFER, filed by the Teixeira/Duarte/EPOS consortium consequent to REFER's termination of the Rossio Tunnel Rehabilitation Contract and published in 2008, at the time of writing, there are no relevant additional conclusions or information about this process which may influence the accounts presented herein.

14. Subsequent Events

On 12 February 2010, REFER signed a contract with Parque Expo to transfer shares, in which Parque Expo transferred to REFER 1% of the equity of GIL – Gare Intermodal de Lisboa, S.A. without charge. From this date, REFER owned 33.98% of that company's equity.
In compliance with article 1 of Dispatch no. 20408/2009 of 28 August, CP must transfer to REFER the premises that were allocated to FERGRÁFICA/TEX's business, which were part of the set of assets mentioned in Annex B of Joint Dispatch no. 261/99 of 5 March. This transfer is pending due to underlying formalities which were not yet complete in 2009 and which were not reflected in the 2009 accounts either due to their nature.

Corporate Governance Report

3

Introduction

For a long time now, REFER, *E.P.E.* has taken particular care to handle issues surrounding corporate governance systems properly and to disclose regularly the positions and solutions taken by REFER, *E.P.E.* in this area to its stakeholders, the financial community, the authorities and the market in general.
In line with that sense of commitment and following the pattern of prior years, in this chapter the Board presents its annual management report of the main aspects regarding corporate governance, whilst also fulfilling its duty of information as outlined by Council of Ministers Resolution no. 49/2007 and the Portuguese Securities Exchange (CMVM) Ruling no. 5/2008.

Mission, Objectives and Policies

According to Decree-Law no. 104/97 of 29 April, REFER, *E.P.*'s main goal is to provide a public service of managing the national rail network. The company's goals also include:

- Construction, installation and renovation of the rail infrastructures, especially the respective studies, planning and development.
- Circulation command and control and promotion, coordination and development of all the activities relating to the rail infrastructure.
- Activities complementary or subsidiary to the main goal.

In 2008, REFER's statutes were published in Decree-Law no. 141/2008 of 22 July, which came into effect on 23 July 2008. This Decree-Law amends the statute which created Rede Ferroviária Nacional, REFER, *E.P.*, and its statutes, in order to adapt them to the new legal framework for the State's corporate sector.
Therefore, Rede Ferroviária Nacional, REFER, E.P., was transformed into a public corporate entity called Rede Ferroviária Nacional, REFER, *E.P.E.*, which includes an alteration to the structure of its governing bodies. The remit of the former Audit Committee is now shared between two new governing bodies: the Audit Board and the Chartered Accountant.
At the same time, adjustments were made to REFER's remit with regard to rail infrastructure maintenance for the 25 de Abril Bridge.

The description and remit of REFER, *E.P.E.* is as follows:

"REFER, *E.P.E.* is a corporate public entity with a legal nature, administrative and financial autonomy and its own assets, subject to supervision by the Ministers responsible for the finance and transport sectors."

In summary, REFER has the following Mission:

"Provide a competitive transport infrastructure to the market by managing and developing an efficient and safe rail network that is environmentally friendly."

And the following Vision:

"REFER will be an exemplary european railway infrastructure manager"

To carry out its activities, REFER has structured itself around the two aspects of its mission, whilst always keeping in mind that its main goal is to provide a public infrastructure management service. However, the whole corporate and administrative structure serves each activity in the same manner.
In addition to the activities covered by its missions – Infrastructure Management and Investment Management – REFER also carries out other complementary activities alongside its normal operations.
In accordance with its corporate purpose, REFER carries out two complementary business activities:

- **Infrastructure Management and Operation**, as a public service provider which manages the whole national rail network infrastructure, which includes circulation command and control and the promotion, coordination and development of all activities relating to the rail infrastructure.

- **Investment** to build, install and renew the rail infrastructure, which includes, in particular, studies, planning and development, an activity carried out on behalf of the State (the assets are part of the public railway domain).

- **Other Activities** such as building, installing and managing interfaces with other transport modes and using spaces to enhance its assets.

The Strategic Guidelines for the Rail Sector (OESF), presented by the Government in October 2006 and part of the general transport policy, set out a set of Strategic Objectives for the sector. These form the framework for developing REFER's activities. They include:

- Improving accessibility and mobility, in order to increase rail transport's share of the market;

- Ensuring acceptable levels of safety, interoperability and environmental sustainability;

- Moving to a sustainable financial model which promotes efficiency;

- Promoting research, development and innovation.

In terms of mission, the following are the company's key Objectives and Policies:

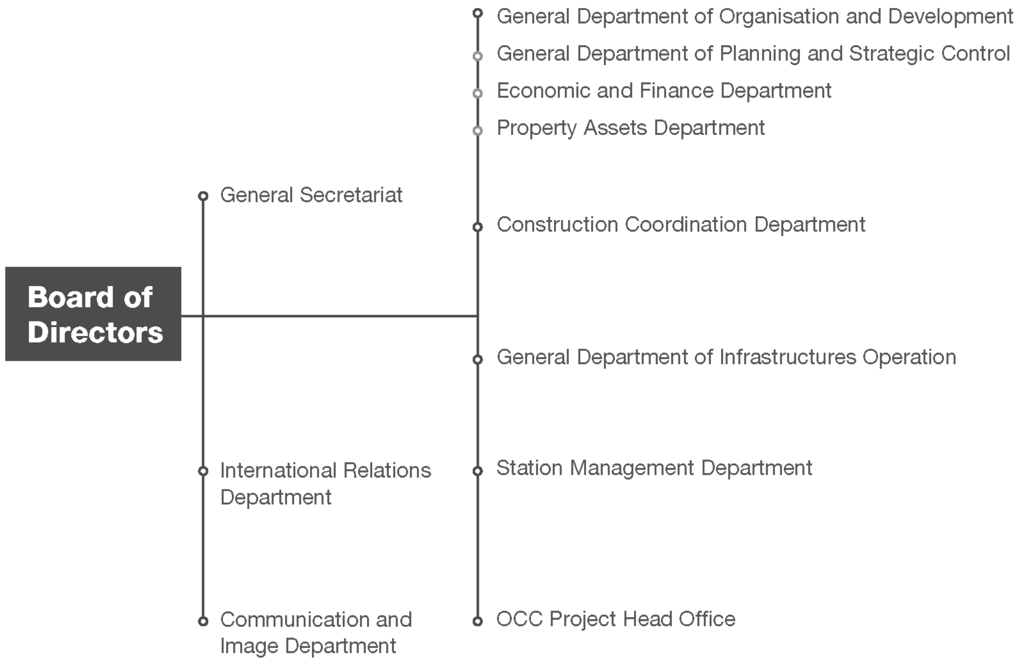
- To improve the network's service levels;
- To improve and modernise the network infrastructure;
- To improve the services provided to end clients;
- To sustain high safety levels;
- To promote environmental sustainability;
- To ensure economic and financial sustainability;
- To reduce the cost of services provided;
- To increase the contribution from non-operational activities;
- To increase the organisation's productivity;
- To optimise management and control of investments and contracts;

- To encourage process regularisation and standardisation of the network infrastructure;
- To strengthen technical and management expertise;
- To encourage professional development.

The following are the key projects completed during 2009:

- Cacia Multimodal Platform: Unveiled on 20 February.
- Cais do Sodré Transport Interface: Unveiled on 13 March.
- Reopening of the passenger rail transport service on the Vendas Novas line: September
- Completion of the painting of Maria Pia Bridge, Porto: October
- Launch of the new passenger rail service on the Leixões line, connecting Ermesinde – Leça do Balio
- Closure of various Level Crossings

Structure


Board of Directors
General Secretariat
International Relations Department
Communication and Image Department
General Department of Organisation and Development
General Department of Planning and Strategic Control
Economic and Finance Department
Property Assets Department
Construction Coordination Department
General Department of Infrastructures Operation
Station Management Department
OCC Project Head Office

Governing Bodies

According to its statutes (Decree-Law no. 104/97 of 29 April), the governing bodies of REFER, E.P. include the Board of Directors as its management body and the Audit Committee as its supervisory body. Decree-Law no. 141/2008 of 22 July transformed REFER into a public corporate entity and thereby altered the structure of its governing bodies. The remit of the former Audit Committee is now shared between two new governing bodies: the Audit Board and the Chartered Accountant. On 31 December 2009, the dispatch appointing the members of the Audit Board had not yet been disclosed, due to which, in accordance with Decree-Law no. 141/2008 of 22 July, the Audit Committee retained its role.

Board of Directors (Decree-Law No. 104/97 of 29 April).
"The general remit of the Board of Directors is to use all means necessary to manage and develop the company and to manage its assets, notwithstanding the responsibility of care of supervisory ministries."
(Decree-Law no. 104/97 of 29 April).

Chairman of the Board
Luís Filipe Melo e Sousa Pardal

- Corporate Relations
- General Secretariat
- Organisational Development
- Construction
- Human Resources
- Property Assets

Vice-Chairman of the Board
Alfredo Vicente Pereira

- Economics and Finance
- Planning and Strategy
- Provisions and Logistics

Board Member
Romeu Costa Reis

- Legal Affairs
- International Relations
- Auditing
- Communications and image
- EU Funds

Board Member
Alberto Castanho Ribeiro

- Infrastructure Engineering and Operation
- Safety
- Stations Management

Board Member
Carlos Alberto Fernandes

- Information Systems and Technology
- Tariffs and Infrastructure Access
- Liaison with the Fertagus Concession Contract
- State Contracts

Annual Objectives 2009-2011

Decree-Law no. 71/2007 establishes that management functions performed by public managers must be subject to systematic evaluation, according to the objectives outlined in article 11 of Decree-Law no. 558/99 of 17/12, or the management contract, as well as the criteria defined in Parliament (article 6, no. 1). Following the Decree-Law, a Management Contract was signed on 30 July 2009 between the REFER Administration and the Ministries of Finance and Public Administration (Secretary of State for the Treasury and Finances) and the Ministry of Public Works, Transport and Communications (Secretary of State for Transport), representing the Portuguese State, for each of the Senior Management members, which establishes quantified indicators and targets with a view to pursuing the objectives set.

The indicators and targets proposed for 2009 and their degree of completion were defined, as given in the table below:

REFER Annual Objectives 2009-2011

Objective	Indicator	Calculation Formula	2009 Target	2010 Target	2011 Target	Weighting (100%)
1. Cost containment and efficiency improvement	Growth rate of total operating costs (Infrastructure Management, Investments and Other)	[Custos de Funcionamento Ano N / Custos de Funcionamento Ano N-1]-1	8%	4%	3%	20%
2. Reduction of suppliers' average payment term	Suppliers' average payment term	(Saldo fornecedores exigível)/ /(Compras+FSE+Investimento) (12 meses)*365 (RCM 34/2008 e Inf. DGT)	50 days	42 days	36 days	5%
3. Profitability increase	EBITDA margin (%)	EBITDA/Rendimentos Próprios (em %)	-157%	-138%	-129%	20%
4. Sustainability	Growth of non-core income (EUR millions)	Rendimentos, excluindo trabalhos para a própria empresa, Core e subsídios à exploração	≥14M€	≥15M€	≥16M€	15%
5. Quality and reliability of service	Punctuality Index (%)	[Ipp*CP/CT+IPm*CM/CT]/CT (%)	83%	84%	85%	10%
	Network Quality Index (IQV)	The network function's technical parameters are evaluated through specific equipment, giving rise to a qualitative structure for the state of the network.	Good: 67 Accept.: 23 Poor: 6 Bad: 4	Good: 68 Accept.: 23 Poor: 6 Bad: 3	Good: 69 Accept.: 23 Poor: 6 Bad: 2	10%
6. Safety	Number of significant accidents taking place per train kilometre among operators of the national rail network	No. of Significant Accidents/Train kilometre	1,771	1,682	1,597	5%
7. Investment control	Financial deviation (%)	Financial deviation from the investment budget (%) ((Financial value achieved for the period)/(Value budgeted for the period)-1)	46%	≤11%	≤10%	15%

Management Objectives for 2009 – 2011
Status at 31 December 2009

Objective	Indicator	Calculation Formula	2009 [%] Real	2009 [%] Target	2009 [%] Deviation	Weighting (100%)
1. Cost containment and efficiency improvement	Growth rate of total operating costs (Infrastructure Management, Investments and Other)	[Operating Costs Year N / Operating Costs Year N-1]-1	1%	8%	7pp	20%
2. Reduction of suppliers' average payment term	Suppliers' average payment term (days)	(Suppliers balance receivable)/(Purchasing+External Suppliers+ Investment)(12 months)*365 (Council of Ministers Resolution no. 34/2008 and DGT info)	44 days	50 days	6 days	5%
3. Profitability increase	EBITDA margin (%)	EBITDA/Own Income (in %)	-154%	-157%	-3pp	20%
4. Sustainability	Growth of non-core income (EUR millions)	Income, excluding work for the company, Core and operating subsidies	15	≥14M€	-1M€	15%
5. Quality and reliability of service*	Punctuality Index	[Ipp*CP/CT+IPm*CM/CT]/CT (%)	88%	83%	-5%	10%
	Network Quality Index (IQV)	The network function's technical parameters are evaluated through specific equipment, giving rise to a qualitative structure for the state of the network.	Good: 64% Accept.: 24% Poor: 8% Bad: 4% (General network inspection campaign 2nd half 09)	Good: 67% Accept.: 23% Poor: 6%	Good: -3% Accept.: 1% Poor: 2% Bad: 0	10%
6. Safety**	Number of significant accidents taking place per train kilometre among operators of the national rail network	No. of Significant Accidents/ Train kilometre	0,98%	1,771	-0,791	5%
7. Investment control***	Financial deviation (%)	Financial deviation versus the amount Contracted (%)	46%	≤12%	34%	15%

Observations:

* Good: 67%; Acceptable: 23%; Poor: 6%; Bad: 4%; (General network inspection campaign 1st half 09)

** Significant accidents presented: numbers are provisional. Final values for year N will be released only in the 1st quarter of year N+1.

***Percent deviation is modular; Investment considered: Long Duration Infrastructure + Support and Management Structures

Audit Bodies (Decree-Law No. 141/2008 of 22 July).
"The audit bodies are responsible for monitoring the company's legality, regularity and good financial and asset management."

Audit Board

"It is the Audit Board's responsibility, notwithstanding further roles that may be attributed to it by law, to:

- Audit management and compliance with regulatory standards applicable to the company's activities, with the particular purpose of fulfilling the objectives stipulated in the annual budgets;

- Issue opinions on the company's financial statements, in particular the profit and loss statement, the trading account and other documents submitted annually by the Board, as well as the annual Board report;
- Issue an opinion on any issue of interest to the company which is submitted by the Board for assessment;
- Inform the relevant authorities about any company management irregularities detected;
- Issue an opinion on the legality and suitability of the Board's conduct in cases where the law requires their approval or agreement."

Chartered Accountant

"The Chartered Accountant shall perform all examinations and checks necessary for the review and legal certification of accounts, as well as performing the following duties:

- Check the regularity of the books, accounting records and the underlying documents;
- At the time and using the means deemed appropriate, check cash levels and stock of any type of goods or values belonging to the company or received by it as a guarantee or deposit or for any other purpose;
- Check the accuracy of the financial statements;
- Check whether the accounting policies and valuation criteria applied by the company lead to a correct evaluation of the assets and results.

Quarterly, the Audit Board and the Chartered Accountant must send the Ministers for Finance and Transport a brief report outlining the implemented control measures and any detected anomalies, as well as budget deviations and respective causes."
As mentioned above, on 31 December 2009, the dispatch appointing the members of the Audit Board had not yet been disclosed, due to which, in accordance with Decree-Law no. 141/2008 of 22 July, the Audit Committee retained its role.

Audit Committee

Role	Governing Bodies	Election
Audit Committee		
Chairman (Chartered Accountant)	Barbas, Martins, Mendonça & Associados, SROC, Lda Represented by Dr. Issuf Ahmad	DC 641/2005
Board Member	Hilário Manuel Marcelino Teixeira	
Suspended mandate	José Manuel Alves Portela	

Auditing

Assistance is provided to the Audit Committee according to the contract signed in 2009 for External Auditing Service Provision to the REFER Group:

External Auditing: Pricewaterhousecoopers & Associados – Sociedade Revisores Oficiais De Contas, Lda.

Remuneration to Members of Governing Bodies

The following remuneration statute was issued for the governing bodies of REFER *E.P.E.*:

1. Board Of Directors
Executive Directors

Chairman

- Remuneration of EUR 7,226, 14 times per year;

Vice-Chairman

- Remuneration of EUR 6,685, 14 times per year;

Board Members

- Remuneration of EUR 6,307, 14 times per year.

2. Audit Committee

Audit Committee Member
Hilário Manuel Marcelino Teixeira

- Remuneration for Audit Committee Work EUR 950.51
  12 times per year

The governing body members were remunerated as follows:

(euros)

Board of Directors Remunerations 2009	Luís Filipe Melo e Sousa Pardal Chairman	Alfredo Vicente Pereira Vice-Chairman	Romeu Costa Reis Board Member	Alberto José Engenheiro Castanho Ribeiro Board Member	Carlos Alberto João Fernandes Board Member
1. REMUNERATION					
1.1. Base remuneration	86 052	79 636	75 123	75 123	75 123
1.2. Accumulated management positions	-6 046	-6 046	-6 046	-6 046	-6 046
1.3. Complementary remuneration					
1.4. Despesas de representação	444	360	336	336	336
1.5. Management bonuses (……months)					
1.6. Other (to be given in detail)					
Holiday subsidy	7 226	6 685	6 307	6 307	6 307
Christmas subsidy	7 226	6 685	6 307	6 307	6 307
2. OTHER FRINGE BENEFITS AND COMPENSATIONS					
2.1. Telephone usage spends	612	430	165	711	1 127
2.2. Acquisition value of the service vehicle by the company	18 708	14 208	13 534	14 013	13 557
2.3. Fuel value used by the service vehicle	3 903	2 960	1 915	2 484	1 915
2.4. Travel subsidy	81	167	917	334	917
2.5. Meal subsidy					
2.6. Other (to be given in detail)					
3. SOCIAL BENEFITS COSTS					
3.1. Compulsory social security	22 033	20 252	4 757	19 001	18 528
3.2. Complementary retirement plans					
3.3. Health insurance	253	253	253	253	253
3.4. Life insurance	7	7	7	7	7
3.5. Other (to be given in detail)					
4. ADDITIONAL INFORMATION					
4.1. Origin payment option (y/n)	n	n	n	n	n
4.2. Social Security Regime	Regime Normal	Regime Normal	CGAposentações	Regime Normal	Reg. Normal/CGA
4.3. Compliance with no. 7 of CMR no. 155/2005					
4.4. Vehicle acquisition year by the company	AOV 2009	AOV 2007	AOV 2007	AOV 2007	AOV 2007
4.5. Exercise of option to acquire vehicle					
4.6. Usufruct of company home	n	n	n	n	n
4.7. Paid roles outside the group					
4.8. Other (to be given in detail)					

According to Article 4 of Decree-Law no. 141/2008 of 22 July, REFER, *E.P.E.* will be audited by an Audit Board and a Chartered Accountant.

(euros)

Audit Committee 2009	**Hilário Manuel Marcelino Teixeira**	**Barbas, Martins, Mendonça & Associados, SROC, Lda**
Remuneration		
Base Remuneration	11 406	
Compulsory social security	2 709	
Social Security Regime	Regime Normal	
Fees		56 734
Total	14 115	56 734

This Decree-Law states that until the latter is appointed, the members of the Audit Committee retain their functions.

Internal and External Rules and Regulations

This chapter lists the external and internal regulations to which REFER is subject:

- **The Constitution of the Republic of Portugal**, whose Article 84 defines the national railway lines as Public Domain.

- **Law for Land Transport System Bases, Law no. 10/90 of 17 March**: the land transport system includes the infrastructures and assets allocated to land transport of passengers and freight within the Portuguese territory or which terminate within it or pass through it and is governed by this law, its underlying decree-laws and regulations.

- **Decree-Law no. 104/97,** which created REFER, *E.P.*, was published on **29 April 1997.**

- REFER, whose statutory capital is 100% held by the state, is governed jointly by the Ministry of Finance and the Ministry of Public Works, Transport and Communications. REFER carries out activities to fulfil its goals, according to the principles of modernisation and effectiveness, to provide a public service of managing the national rail network infrastructures regularly and continuously. As was decreed, **REFER:**

    - may carry out all necessary or convenient management activity to fulfil its objectives;

    - maintains the rights and assumes the responsibilities assigned to the State by the applicable legal provisions and regulations covering the Public Railway Domain;

    - Decree-Law no. 104/97 was changed and reissued as Decree-Law no. 141/2008.

- **Decree-Law no. 299-B/98** published on 29 September 1998, created **Instituto Nacional do Transporte Ferroviário (INTF - National Railway Transport Institute)** which regulates and inspects the rail sector, supervises activities and intervenes in public service concessions. This Decree-Law was revoked by Decree-Law no. 147/2007, which creates IMTT – Instituto da Mobilidade e dos Transportes Terrestres (Mobility and Land Transport Institute).

- **Decree-Law no. 568/99 of December 23**, which revises regulations applicable to level crossings, approved by Decree-Law no. 156/81, of June 9 and establishes the obligation to prepare multi-year plans to decommission level crossings. It was amended by Decree-Law no. 24/2005 of 26 January.

- For contracting purposes, REFER is subject to Decree-Law no. 223/01, in the specific case of works contracts, and everything not regulated therein is covered by Decree-Law no. 59/99.

- **Decree-Law no. 93/2000** of 23 May, establishes the conditions to be met in the national territory to obtain interoperability of the trans-European high speed railway system (transposes Council Directive no. 96/48/EC of 23 July 1996). It was altered by Decree-Law no. 152/2003 of 11 July, which rectifies omissions detected in the transposition of Council Directive no. 96/48/EC of 23 July, carried out by Decree-Law no. 93/2000 of 23 May.

- **Decree-Law no. 270/2003** of 28 October was published in **October 2003** and transposed Directives nos. 2001/12/EC, 2001/13/EC and 2001/14/EC to national law, commonly referred to as the "1st Railway Package" to open the railway transport market to participation by private companies, thus guaranteeing a number of criteria regarding technical, financial and safety capacity (altered by Decree-Law no. 146/2004 of 17 June). This Decree-Law was changed and reissued as Decree-Law no. 271/2007.

- **Decree-Law no. 276/2003 of 4 November**, which establishes the new legal framework applicable to public railway domain assets, including rules on their utilisation, divestment and exchange as well as the rules applicable to relationships with adjacent owners and the population in general with those assets, for which legislative authorisation was given by Law no. 51/2003 of 22 August.

  Consequent to what was stipulated in this legal statute, **REFER** prepared and **published**, in this year, the first edition of the **Network Directory** which provides rail transport companies essential information for their access to and utilisation of the national rail infrastructure managed by REFER and open to rail transport.

- **Decree-Law no. 24/2005 of 26 January** alters the Level Crossing Regulations approved by Decree-Law no. 568/99 of 23 December.

- In March 2005, INTF published **Regulation no. 21/2005** covering the user fees applicable to services provided to operators by the infrastructure manager.

- **Decree-Law no. 156/2005** of 15 September establishes the obligation for all goods and service providers that are in contact with the general public to maintain a complaints book.

- As an issuer of securities, REFER must publish all the information stipulated in the **Securities Code** and in the Portuguese Securities Exchange (CMVM) Rulings nos. 5/2008 and 11/2005, in reference to the application of the IFRS.

- **Regulation no. 11/2005** defines the scope of the **International Accounting Standards**

- Decree-Law no. 200/2006 created IMTT - **Instituto da Mobilidade e dos Transportes Terrestres (Mobility and Land Transport Institute)**, merging various entities, including the INTF - **Instituto Nacional do Transporte Ferroviário (National Railway Transport Institute).**

- **Council of Ministers Resolution no. 49/2007** defined the Good Governance principles for the State's corporate sector companies.

- **Decree-Law no. 71/2007 of 27 March** which defines the Public Management statute.

- **Decree-Law no. 300/2007** of 23 August amends the legal framework for the **State corporate sector**, introduced by Decree-Law no. 558/99.

- **Decree-Law no. 18/2008 of 29 January** regulates the **drafting and implementation of public contracts**, thereby defining all consequent procedures from the moment the decision is made to contract an entity until the contract award and execution.

- REFER's statutes were altered through publication of **Decree-Law no. 141/2008 of 22 July**, which came into effect on 23 July 2008. This Decree-Law amends the statute which created Rede Ferroviária Nacional, REFER, *E.P.*, and the respective Statutes, in order to adapt them to the new legal framework for the State's corporate sector. Therefore, Rede Ferroviária Nacional, REFER, *E.P.*, was transformed into a public corporate entity called **Rede Ferroviária Nacional, REFER, *E.P.E.***

- **Ruling no. 5/2008 of the Portuguese Securities Exchange** defines the duties of information of those issuing securities.

Information on Relevant Transactions with Related Entities

The following table illustrates the most relevant transactions by REFER with companies within its group during 2009:

(euros)

Company	Transaction Description	Amount
Rave – Rede de Alta Velocidade, SA	Staff Concession	1 117 650,99
	Other Service Provision	125 594,10
	Total Revenue	**1 243 245,09**
CPCom – Exploração de Espaços Comerciais da CP, SA	Commercial Spaces Concession	2 093 773,27
	Advertising Panels	25 136,64
	Other Service Provision	323 352,64
	Total Revenue	**2 442 262,51**
Refer Telecom – Serviços de Telecomunicações, SA	Network Concession Contract	1 391 019,96
	Other Concessions	725 771,00
	Other Service Provision	810 137,00
	Total Revenue	**2 926 927,96**
	Acquisitions of Services	14 971 365,25
	Total Acquisitions	**14 971 365,25**
Ferbritas – Empreendimentos Industriais e Comerciais, SA	Miscellaneous Supplies and Services	26 329,88
	Total Revenue	**26 329,88**
	Acquisitions of Services	18 040 005,37
	Total Acquisitions	**18 040 005,37**
Invesfer – Promoção e Comercialização de Terrenos e Edifícios, SA	Miscellaneous Supplies and Services	508 951,00
	Total Revenue	**508 951,00**
	Acquisitions of Services	2 212 754,33
	Total Acquisitions	**2 212 754,33**

Information about Other Transactions

As of 30 July 2008, REFER, E.P.E. will be covered by the new Public Contracts Code (PCC) approved by Decree-Law no. 18/2008 of 29 January. By regulating public contracting matters, the PCC transposes EU Directives nos. 2004/17 and 2004/18 (of the European Parliament and the Council, both of 31 March 2004), defining the rules that, until now, were dispersed among the following statutes:

- Decree-Law no. 59/99 of 2 March (public works contracts);
- Decree-Law no. 197/99 of 8 June (acquisitions of goods and services);
- Decree-Law no. 223/2001 of 9 August (works contracts and acquisitions within special sectors);
- Various other statutes and articles regarding public contracting.

In 2007, REFER implemented internal contracting procedures – centralised in the Contracting, Procurement and Logistics Department – applicable to all contractual procedures for works or service provision contracts to be carried out through a contractual process or direct agreement, whose estimated value is equal to or greater than EUR 250,000.

The following table lists the suppliers whose invoices were greater than EUR 1 million, which represent 88% of total invoicing:

(euros)

Company	Amounts Invoiced in 2009	Company	Amounts Invoiced in 2009
Ferrovias e Construções, SA	30 045 322	Bento Pedroso Construções SA	3 533 460
Teixeira Duarte - Engenharia e Construções, SA	26 579 196	CONDURIL, SA	3 397 041
Thales - Security Solutions & Services, SA	23 546 300	Aurélio Martins Sobreiro & F.ºs, SA	3 130 570
Ferbritas - Empreendimentos Industriais e Comerciais, SA	21 654 161	Ramalho Rosa Cobetar Soc. Constr.SA	2 921 730
Dimetronic SA	21 563 250	COBA - Consult Ob Barrag Planeam SA	2 487 503
Obrecol - Obras e Construções SA	19 130 608	Credit Suisse	2 307 453
Edifer - Construções Pires Coelho & Fernandes, SA	18 625 028	AVS-Corretor Seguros , SA	2 272 452
Refer Telecom – Serviços de Telecomunicações, SA	16 261 375	EFACEC-Sistemas de Electronica SA	2 239 264
Somague - Engenharia SA	15 641 108	EDP Distribuição Energia SA (Porto)	2 078 125
Neopul – Sociedade de Estudos e Construções, SA	14 855 453	Siemens,SA	2 019 591
Fergrupo - Construções e Técnicas Ferroviárias SA	14 705 501	DHV, SA	2 016 284
Futrifer - Indústrias Ferroviárias SA	13 809 042	ALSTOM TRANSPORTE, SA	1 801 447
Somafel - Engenharia e Obras Ferroviárias, S.A	11 993 761	Iberlim-Sociedade Técnica	1 662 518
ArcelorMittal España, SA	10 811 002	Petróleos de Portugal-Petrogal-SA	1 598 831
Construtora Abrantina, SA	9 909 366	OFM-Obras Púb, Ferrov. Marítimas SA	1 445 418
Opway - Engenharia, SA	9 837 606	João Mata Lda	1 377 164
Mota-Engil - Engenharia e Construção,SA	8 920 329	Maranhão - Soc de Construções Lda	1 280 032
EDP - Distribuição de Energia, SA (Lisboa)	7 595 494	TPF Planege - Consultores Eng	1 273 208
CP - Comboios de Portugal, EPE	7 064 294	GIL - Gare Intermodal da Lisboa SA	1 261 846
Grupo 8 - Vigilância e Prevenção Electrónica, Lda	5 033 852	FITONOVO, Lda.	1 208 685
Geofer - Produção e Comercialização de Bens Equipamentos, SA	4 905 757	FUTRIMETAL-Ind e Com de Prod Metál	1 207 601
Monte Adriano - Eng Construção, SA	4 567 954	Gapres - Gabinete Proj Eng Ser SA	1 186 017
Promorail - Tecnologias de	4 332 300	Railtech International	1 109 838
Spie Batignolles Europe	4 261 044	RAILTECH PORSOL	1 064 853
Sociedade de Construções Soares da Costa, SA	4 261 044	Accenture, Consultores de Gestão,	1 043 946
Satepor - Indústria de Travessas de Betão, SA	4 137 155	Efacec - Servicos Manut Assist SA	1 030 939
BRISA Engenharia e Gestão, SA	4 356 112	EFACEC Engenharia SA	1 005 215

NB: Values include VAT

Contracts signed in 2009 whose value exceeded EUR 250,000 are shown in the annexes.
They are as follows:

Anexos:
Annex I – Contracts that were not signed through a public tender (Direct Award)
Annex II – Works contracts whose value exceeded EUR 250,000
Annex III – Acquisition of Goods whose value exceeded EUR 250,000
Annex IV – Acquisition of Services whose value exceeded EUR 250,000

Ethics and Conduct Code

Regarding company ethics, the Ethics Committee conducted its activity of monitoring the implementation of REFER's Ethics and Conduct Code and publishing its content. In the latter aspect, members of the Ethics Committee held meetings with company elements and took part in integration internships. An area dedicated to ethics was created in the internal portal where the Committee publishes best practice in this field.
The committee focussed essentially on disclosure measures and awareness raising actions which placed the many day-to-day work activities within a framework of principles and values fundamental for REFER and compliant with the conduct regulations in force.
The Ethics Committee also continued to monitor specific requests submitted to it, many of which were clarification requests for the code's practical application, which signifies that personnel use it as another work tool, thus having accepted its principles and standards of conduct.
All these factors help increase the culture of responsibility and integrity characteristic of REFER's actions, based on the ethical principles of rigour, transparency, honesty and impartiality in fulfilling the company's mission of providing the market with a competitive transport infrastructure whilst managing and developing an efficient, safe and environmentally friendly railway network.
The Ethics and Conduct Code may be consulted at www.refer.pt.
Any person or entity may contact the Ethics Committee by e-mail at comissao.etica@refer.pt.

Risk Management System

The Corruption Prevention Board's Recommendation of 1 July 2009 required public entities to draft a risk management plan for corruption and associated crimes, as well as an annual report on implementation of the plan.
Value creation involves risk, and as best practice recommends, management risks must be a responsibility for senior manager level (i.e. those responsible for operational and corporate departments) and residual risk must be accepted at executive manager level (Board of Directors).
Under these terms, REFER drafted the plan, with a broad scope, describing the risk control management system implemented by the company and not only the risk management system for corruption and associated crimes.
Any situations which could jeopardise the following were considered risk events: the pursuit of the organisation's strategic objectives; the economical and efficient usage of available resources; the safeguarding of the institution's assets; compliance with the law and procedures in place and the confidence in and integrity of the information available.
For each risk event identified, its probability of occurrence, potential effects and the relevant manager responsible for its control and management were assessed, thereby allowing analysis of the need to implement or improve risk management prevention and mitigation measures.

In 2010, the Risk Management Supervisory Committee was created, an independent body directly reporting to the Board of Directors, with the following remit: to identify and describe situations of poor conduct which are liable to occur; to evaluate the risk management processes introduced in partnership with those responsible for the institution's operational and corporate departments; to issue strategic guidelines regarding the company's risk management process in accordance with the residual risk acceptance set out by the executive directors; to supervise and verify the effective and efficient operation of the risk management processes and to draft the risk management prevention plan annual report, in compliance with that set out in the Corruption Prevention Board's recommendation.

Evaluation of the Level of Compliance with the Good Governance Principles

Council of Ministers Resolution no. 49/2007 of 28 March approved the Good Governance principles for the State's corporate sector companies. In order to clarify the 2009 Annual Report's compliance with that introduced by the Council of Ministers Resolution, the following table was drafted, describing each of the principles, to make them understood more easily:

Good Governance Principles for Companies in the State Corporate Sector (Council of Ministers Resolution no. 49/2007 of 28 March)	Applied Y	N	NA	Comments	Support Documentation
I. PRINCIPLES FOR STATE-OWNED COMPANIES					
I.1. Mission, objectives and general principles for company conduct					
1.1. Does the company announce and disseminate its mission, objectives and policies in its headquarters and to subsidiaries that it controls? How?	√			Publication in the Annual Report, the company website and publication on the internal portal.	Annual Report
1.2. Does the company draft activity plans and budgets which are suitable for the resources and financing available? Describe them.	√			The Activity Plan is drafted with the collaboration of several of the companies' governing bodies, collaborating towards a shared objective. In the specific case of the Investment Activity, the plan is drafted in compliance with the informal instructions from the supervising ministries.	
1.3. Does the company define its sustainability strategies in the economic, social and environmental fields, identifying objectives and explaining the planning, execution and control tools? How?	√			Each area of the company defines its strategy, considering and interacting with these three aspects. It is published through the Sustainability Report	Sustainability Report
1.4. Does the company have equality plans, aiming to achieve equal treatment and opportunities between the sexes, eliminating discrimination and promoting balance between employees' personal family and professional lives? Provide examples.	√			REFER works towards equality between the sexes, eliminating discrimination and promoting the personal, family and professional life of staff. Examples: a) work is remunerated in the same way whether carried out by men or by women; b) recruitment and selection treats candidates of both sexes in the same way; c) the company provides its married or common law couples the option of taking holidays together; d) the working hours are adapted to the needs of those with family	
1.5. Does the company provide annual information to the supervising ministries and the general public, regarding the extent to which the company mission was pursued, the objectives were fulfilled, the social responsibility and sustainable development policies were carried out and the public service was provided? In what way?	√			Through the Annual Report and the Sustainability Report	Annual Report and Sustainability Report
1.6. Does the company plan and establish research, development, innovation and integration policies for new technologies in the manufacturing process? How?	√			REFER's structure includes a department dedicated to project management in the field of Research and Development. It has also set up agreements with Universities.	
1.7. Does it set professional development programmes for company personnel? Exemplify.	√			REFER regularly offers its employees the chance to take part in internal professional mobility processes that are designed to prepare them for roles with higher qualifications and greater professional status. These processes are accompanied by contextual training activities for the new categories that aim to qualify and develop the employees professionally. The company also makes regular use of professional conversion processes. In this aspect, we draw attention to the technical career integration processes, which involve giving absolute priority to (or even to incentivise) the offering of roles in this area to employees from other categories who have the key requirements (basic training and professional experience).	
1.8. Does the company set and publish adopted procedures for goods and services acquisition? By what means?	√			A contracting manual has been created with procedures and template documents to use, which is available on the company's internal portal.	
1.9. Does the company use tender award criteria aimed towards principles of economics, effectiveness and efficiency which ensure equality of opportunity between the economic agents who operate in the relevant market? Give examples.	√			In market consultations for tender awards, rules are defined which address the principles mentioned.	
1.10. Does the company publish annually all the transactions which have not taken place under market conditions, as well as the list of suppliers which represent more than 5% of the total external supplies, if this percentage corresponds to over EUR 1 million? Provide examples.	√			This information is provided in the Annual Report	Annual Report
1.11. Has the company created or subscribed to an Ethics Code, which it publishes among its staff, clients, suppliers and the general public? Provide examples.	√			REFER's ethics code is published on its site as well as on the internal portal.	

Good Governance Principles for Companies in the State Corporate Sector (Council of Ministers Resolution no. 49/2007 of 28 March)	Applied Y	Applied N	Applied NA	Comments	Support Documentation
I.2. Management and audit structures					
2.1. For large-scale, complex companies, has the company specialised its supervisory function, creating specialist committees, among which there is an audit committee or a committee for financial subjects? Explain.		√			
2.2. Is an individual performance evaluation drafted each year for the executive directors, by non-executive members of the management body, by members of the general and supervisory board or, where these do not exist, by members of the audit body? Explain.			√		
2.3. Similarly, is an annual report drafted giving an overall analysis of the governance structures and mechanisms in force within the company? Explain.		√			
2.4. Are annual audits made of the company accounts, by independent entities? Give examples.	√			External auditors issue the annual audit of the accounts and the Chartered Accountant issues the Legal Certification of Accounts	Annual Report
2.5. Has a control system appropriate for the size and complexity of the company been created and maintained by the management body? Give details.	√			By the approval of specific standards and the development of application software (SAP and E contratos)	
2.6. Is there rotation and limitation of mandates for audit body members? Give examples.	√			As defined in the company statutes, the members of the audit board are appointed by joint decree of the ministers responsible for the financial and transport sectors for three-year periods, which are renewable up to zthree times.	
I.3. Remuneration and other rights					
3.1. Are total remunerations - fixed and variable - and other fringe benefits (health insurance, vehicle usage, etc.) offered to each member of the management and audit bodies made public? Through what means?	√			In the Annual Report and the site for the State's Corporate Sector	Annual Report
I.4. Prevention of conflicts of interest					
4.1. Do the organisation's managers desist from participating in decisions involving their own interests, such as approving their own expenses?	√				
4.2. Do the members of the company's bodies send a declaration to the company's administrative and audit body and to the IGF (Inspecção-Geral de Finanças - the Inland Revenue) containing indication of any asset holdings they have in the company or relevant relationships that may be liable to creating conflicts of interest?	√				
I.5. Publication of relevant information					
5.1. Does the company publish immediately all information available which may affect the economic, financial or asset position of the company in a significant way, or the conditions of providing a service to the public?	√			On the Portuguese Securities Exchange site and the SEE site, the information is published immediately upon becoming available	
I.6. Adjustments to size and specificity of each company					
6.1. Does the company make explicit any reasons for which it is not in a position to follow the good governance principles, due to its size or remit, should that be the case?		√			
II. PRINCIPLES REGARDING PUBLICATION OF INFORMATION					
1. Does the company publish on its own site and the Ministry of Finance site, the historical and current financial information for the company, the identity and curriculum vitae of members of the company bodies, public service duties, financing model and financial support received from the State in the last three financial years? Give details.	√			Information published through the Annual Report and on the Finance Ministry portal (SIRIEF - Economic and Financial Information Collection System)	Annual Report
2. Was a Consumer Ombudsman appointed, freely accessed and free of charge?	√			The company site has an option labelled "Serviço ao cidadão" ("Service to the citizen"), through which the citizen can ask questions and make suggestions. These are forwarded to the respective departments according to their subject.	
3. Do the management reports include a section on governance of the companies which includes: internal and external regulations; relevant transactions; remunerations for the social bodies; sustainability report; analysis of the degree of compliance with the good governance principles? Give details.	√			See Annual Report	Annual Report

Annexes

Annex I – Contracts that were not signed through a public tender (Direct Award)

(Annex referred to in the Corporate Governance chapter, Information on Other Transactions)

Process no.	Object	Contract Type	Procedure Type	Supplier	Signing date	Contract price
5432	Prestação de Serviços de expropriação para a modernização do troço Vale Prazeres / Covilhã da Linha da Beira Baixa	Acquisition of Services	In-house contract	FERBRITAS – Empreendimentos Industriais e Comerciais, S.A.	07-01-2009	326.500,00 EUR
5510	Prestação de Serviços de expropriações para o Sistema de Mobilidade do Mondego no Sub-troço Miranda do Corvo / Serpins do Ramal da Lousã	Acquisition of Services	In-house contract	FERBRITAS – Empreendimentos Industriais e Comerciais, S.A.	07-01-2009	1.318.000,00 EUR
5402	1.º Adicional ao Contrato n.º 01/05/CA/CCO: Empreitada de Concepção/Construção do Centro Comando Operacional de Lisboa	Works contract	Additional	Alcatel-Lucent Portugal, S.A.	08-01-2009	1.815.565,15 EUR
5568	Prestação de Serviços para a realização do estudo prévio e projecto de execução relativos à Modernização da Estação da Raquete	Acquisition of Services	In-house contract	FERBRITAS – Empreendimentos Industriais e Comerciais, S.A.	21-01-2009	398.324,68 EUR
4349	Empreitada geral de construção civil, via e catenária da Variante da Trofa da Linha do Minho	Works contract	Public Tender	OPWAY - Engenharia, S.A.	23-01-2009	23.478.603,09 EUR
4894	Empreitada de Construção de Passagem Inferior de Peões ao Km 91,640 (PIP da Rua Terminal) – Castelo Branco	Works contract	Public Tender	CONDURIL - Construtora Duriense, S.A.	02-02-2009	478.240,00 EUR
5575	2.º Adicional ao Contrato n.º 896: Empreitada de beneficiação e refaço do túnel das Alhadas, ao PK 7,368 do Ramal da Figueira da Foz	Works contract	Additional	Mota-Engil, Engenharia e Construção, S.A.	02-02-2009	306.749,67 EUR
5476	Prestação de serviços para a elaboração do Projecto das Pontes da Terceira Travessia do Tejo, no eixo Chelas/Barreiro	Acquisition of Services	Direct Award	GRID - Consultas, Estudos e Projectos de Engenharia, Lda.	04-02-2009	400.000,00 EUR
3844	Empreitada de Pintura da Ponte Maria Pia	Works contract	Public Tender	CONDURIL - Construtora Duriense, S.A.	05-02-2009	2.399.880,00 EUR
4746	Empreitada de Conservação de Superestrutura de Via no Troço Caíde/Marco na Linha do Douro	Works contract	Public Tender	Fergrupo - Construções e Técnicas Ferroviárias, S.A.	05-02-2009	299.355,12 EUR
4896	Prestação de Serviços de Coordenação e Fiscalização da Empreitada Geral de Via, Catenária e Construção Civil da Variante da Trofa, na Linha do Minho	Acquisition of Services	Public Tender	Cinclus - Planeamento e Gestão de Preojectos, S.A.	05-02-2009	811.637,75 EUR
4506	Empreitada de Reabilitação da superestrutura de via entre Marco de Canavezes e Régua (Km 75,600/100,350) - Linha do Douro	Works contract	Public Tender	Fergrupo - Construções e Técnicas Ferroviárias, S.A.	06-02-2009	4.557.940,85 EUR
5161	Linha do Norte Subtroço 3.2 – Quintans / Ovar Passagem Superior ao Km 273+633 (Quinta Do Cruzeiro)	Works contract	Direct Award	Pramorail - Tecnologias de Caminhos de Ferro, S.A.	06-02-2009	835.584,41 EUR
4360	Empreitada de Reabilitação da superestrutura de via entre Carvalha e Velença (Kms 123,550/129,540) e alteamento das Gares de Caminha e São Pedro da Torre - Linha do Minho	Works contract	Public Tender	Fergrupo - Construções e Técnicas Ferroviárias, S.A.	10-02-2009	2.274.260,25 EUR
4782	Empreitada Geral de Modernização da Linha da Beira Baixa - Troço Castelo Branco/Vale de Prazeres - Via, Construção Civil, Electrificação, RCT+TP, Construção da variante às curvas 226/227 Remodelação de Estações, Passagens Desniveladas de Alcains, Lardosa e Castelo Novo	Works contract	Public Tender	Ramalho Rosa Cobetar - Sociedade de Construções, S.A.	10-02-2009	26.346.000,00 EUR
4686	Renovação Integral da Via entre o Pk 178,400 ao 188,500 da Linha da Beira Baixa	Works contract	Public Tender	Somafel - Engenharia e Obras Ferroviárias, S.A.	12-02-2009	4.798.616,59 EUR
3635	Prestação de Serviços de acompanhamento do LNEC às Empreitadas da "Variante entre a Estação do Pinheiro e o Km 94 da Linha Sul" e da "Variante de Alcácer (2.ª Fase) - Atravessamento Ferroviário do Rio Sado - Ponte e Viadutos de Acesso"	Acquisition of Services	Direct Award	LNEC - Laboratório Nacional de Engenharia Civil, I.P.	16-02-2009	560.000,00 EUR
2107	Subtroço 2.3 (Alfarelos/Pampilhosa) – Construção de Passagens Desniveladas, Caminhos de Acesso e de Ligação (Fase 2)	Works contract	Public Tender	Obrecol - Obras e Construções, S.A.	19-02-2009	3.868.800,00 EUR
4056	2.º Adicional ao Contrato n.º 02/05/CA/SE: Execução da Empreitada de Renovação Integral da Via e Plataforma da linha de Évora - Troço Casa Branca/Évora - Trabalhos a Mais e a Menos	Works contract	Additional	Mota-Engil, Engenharia e Construção, S.A.	19-02-2009	916.554,52 EUR
5716	4.º Adicional ao Contrato n.º 1889: Alargamento e Estabilização da Plataforma Ferroviária Contígua ao Rio e Construção do Passeio Pedonal Ribeirinho entre Alhandra e Vila Franca de Xira	Works contract	Additional	Ferrovias e Construções, S.A.	19-02-2009	381.788,15 EUR
5446	Prestação de Serviços para a elaboração do Estudo Prévio da Ligação desnivelada da Linha de Cascais re do Porto de Lisboa à linha de Cintura pelo meio da Av. de Ceuta e posterior enquadramento no EIA do Projecto de Alcântara	Acquisition of Services	Direct Award	Gapres - Gabinete Projectos de Engenharia e Serviços, S.A.	26-02-2009	254.915,00 EUR
5706	6.º Adicional ao Contrato n.º 009/2003/CA/NS: Empreitada JE461/JE462 - Estação e Interface de Pinhal Novo	Works contract	Additional	Teixeira Duarte - Engenharia e Construções S.A.	02-03-2009	464.058,35 EUR
5129	Prestação de Serviços para a Revisão do Estudo Prévio de Dezembro de 2004 com vista è inclusão de duas novas vias entre Ovar e Silvalde, no Subtroço 3.3 (Ovar / Gaia), com Coordenação de Segurança de Projecto	Acquisition of Services	Direct Award	GIBB Portugal	11-03-2009	635.831,18 EUR
5549	Prestação de Serviços para a elaboração do Projecto da Variante de Santarém (Linha do Norte) - Bloco 2	Acquisition of Services	Direct Award	Gapres - Gabinete Projectos de Engenharia e Serviços, S.A.	11-03-2009	1.181.777,61 EUR
3067	Empreitada de Construção de Passagem Inferior ao Km 101+592 na Linha da Beira Alta	Works contract	Public Tender	Pramorail - Tecnologias de Caminhos de Ferro, S.A.	19-03-2009	529.530,29 EUR
4951	Linha do Norte - Subtroço 2.3 (Alfarelos / Pampilhosa) - Construção de Passagens Desniveladas aos Kms 225,333 e 225,535 e Respectivos Caminhos de Acesso e ligação (Fase 3A)	Works contract	Public Tender	Obrecol - Obras e Construções, S.A.	19-03-2009	3.290.000,00 EUR
5717	4.º Adicional ao Contrato n.º 08/04/CA/CM: Prestação de Serviços de Manutenção e Reparação de Avarias nos Equipamentos de Sinalização da Linha da Beira Alta	Works contract	Additional	Alcatel-Lucent Portugal, S.A.	25-03-2009	1.215.179,64 EUR
5557	Prestação de Serviços de Assessoria e Fiscalização e de Coordenação de Segurança de Obra no âmbito da Empreitada de Quadruplicação da Linha de Sintra entre os km 13.750 e 18.250 e remodelação das estações de Barcarena e do Cacém	Acquisition of Services	In-house contract	FERBRITAS – Empreendimentos Industriais e Comerciais, S.A.	30-03-2009	6.513.159,00 EUR
4343	Empreitada da Linha do Algarve - Troço Tunes/Lagos - Km 307,040 a 308,390 e Tunes/VRSA - Km 350,110 a 359,330 e 362450 a 364,350 - Substituição de travessas de madeira por travessa de betão	Works contract	Public Tender	Neopul - Sociedade de Estudos e Construções, S.A.	07-04-2009	1.572.752,40 EUR
5007	Prestação de Serviços de Assessoria e Fiscalização e Coordenação de Segurança em Obra relativa à Empreitada deConstrução Civil, Via e Catenária - Modernização da Linha da Beira Baixa – Troço Castelo Branco/Vale de Prazeres	Acquisition of Services	Public Tender	Ws Atkins Portugal - Consultores e projectistas Internacionais, Lda.	14-04-2009	1.495.600,00 EUR
5019	Empreitada de Substituição de Travessa de Madeira na Linha da Beira Baixa entre o Entroncamento e Ródão	Works contract	Public Tender	Pramorail - Tecnologias de Caminhos de Ferro, S.A.	14-04-2009	302.326,00 EUR
5702	2.º Adicional ao Contrato n.º 1422: Empreitada do Terminal Multimodal de Cacia	Works contract	Additional	OPWAY - Engenharia, S.A.	20-04-2009	1.366.692,10 EUR

Process no.	Object	Contract Type	Procedure Type	Supplier	Signing date	Contract price
5136	Prestação de Serviços de Assessoria e Fiscalização e de Coordenação de Segurança de Obra no âmbito da Empreitada de Modernização do Troço Bombel e Vidigal a Évora	Acquisition of Services	Public Tender	GIBB Portugal	21-04-2009	1.432.048,00 EUR
5699	1.º Adicional ao Contrato n.º 26/05/CA/DGEN/IV/ML: HE474 - Empreitada de Concepção/Construção da Passagem Inferior ao Km 3+850 e da Passagem Superior ao Km 4+405, da Linha do Alentejo	Works contract	Additional	Promorail - Tecnologias de Caminhos de Ferro, S.A.	21-04-2009	430.437,15 EUR
4972	Empreitada da Linha do Norte - Subtroço 2.3 (Alfarelos / Pampilhosa) – Construção do Edifício Técnico da Estação de Alfarelos	Works contract	Public Tender	Nortejuvil - Sociedade de Construções, Lda.	23-04-2009	464.849,94 EUR
5367	Prestação de Serviços de Assessoria e Fiscalização e de Coordenação de Segurança de Obra no âmbito da Empreitada de Renovação integral de via entre os PKs 178,400 a 188,500 – Linha da Beira Baixa	Acquisition of Services	Direct Award	AFAPLAN - Planeamento e Gestão de Projectos, S.A.	24-04-2009	277.300,00 EUR
5589	Protocolo de acompanhamento para o Projecto de Desnivelamento de Alcântara	Acquisition of Services	Direct Award	LNEC - Laboratório Nacional de Engenharia Civil, I.P.	28-04-2009	495.000,00 EUR
4913	Empreitada da Linha do Douro - Intervenção Geotécnica UON - Marcos-Aregos - Pk 63+575 a 74+150 - Estabilização de Talude - Pk 115+340 – 115+383 e PK 155+900	Works contract	Public Tender	OFM - Obras Públicas, Ferroviárias e Marítimas, S.A.	29-04-2009	498.704,19 EUR
5316	Prestação de serviços de vigilância humana em diversas instalações da REFER	Acquisition of Services	Public Tender	Grupo 8 - Vigilância e Prevenção Electrónica, Lda.	29-04-2009	12.400.439,04 EUR
4957	Linha do Douro - Troço Caíde/Marco - Supressão da Passagem de Nível ao Km 50+274 - Construção da Passagem Inferior Rodoviária ao Km 50+420 e dos restabelecimentos 5, 5.1, 5.2, 5.3 e 5.5	Works contract	Public Tender	Obrecol - Obras e Construções, S.A.	30-04-2009	2.072.573,38 EUR
5721	4.º Adicional ao Contrato n.º 05/04/CA/CM: Manutenção dos Sistemas ESTW de Sinalização das Linhas do Norte (Troços de Braço Prata/Alhandra e Azambuja/Resguardo de Santana Cartaxo), Sintra, Cintura, Sul (Troço Alvito/Pinhal Novo) e Alentejo (Troço Barreiro/Pinhal Novo), incluindo a manutenção do Centro de Comando Operacional de Lisboa	Works contract	Additional	Alcatel-Lucent Portugal, S.A.	06-05-2009	4.746.869,09 EUR
5150	Empreitada Geral de Modernização do Subtroço Vale de Prazeres/Covilhã - Trabalhos de Construção Civil, Via e Catenária, Passagens Desniveladas e RCT+TP - Troço Castelo Branco/Covilhã - Linha da Beira Baixa	Works contract	Public Tender	OPWAY - Engenharia, S.A.	07-05-2009	26.970.069,00 EUR
4582	Conservação da Superstrutura de Via na Linha do Norte, Troço Valega/Gaia	Works contract	Public Tender	Fergrupo - Construções e Técnicas Ferroviárias, S.A.	08-05-2009	1.843.890,40 EUR
5393	Linha do Norte - Subtroço 3.3 (Ovar/Gaia) -Construção de Passagem Superior Rodoviária ao Km 304+681	Works contract	Public Tender	Obrecol - Obras e Construções, S.A.	08-05-2009	894.123,00 EUR
3663	Empreitada da Linha do Norte - Regularização da Ribeira de Silvalde	Works contract	Public Tender	OFM - Obras Públicas, Ferroviárias e Marítimas, S.A.	15-05-2009	1.437.642,37 EUR
5504	Linha do Norte - Subtroço 3.3 (Ovar/Gaia) Construção de Passagem Superior Rodoviária ao Km 299+100 e de Passagem Inferior Rodoviária ao Km 311+033	Works contract	Public Tender	Obrecol - Obras e Construções, S.A.	22-05-2009	3.284.000,00 EUR
5039	Empreitada da Linha do Vouga - Espinho/Sernada/Aveiro - Substituição de Travessas de Madeira	Works contract	Public Tender	Fergrupo - Construções e Técnicas Ferroviárias, S.A.	26-05-2009	259.070,00 EUR
4843	Empreitada de Modernização da Estação da Raquete	Works contract	Public Tender	Neopul - Sociedade de Estudos e Construções, S.A.	29-05-2009	5.991.163,00 EUR
4861	Empreitada da Linha do Minho – PK 0+804 – 1+459 – Estabilização de Taludes de Escavação	Works contract	Public Tender	Ancorpor - Geotec. Fundações, Lda.	29-05-2009	298.966,00 EUR
4844	Prestação de Serviços de Assessoria e Fiscalização e Coordenação de Segurança de Obra no âmbito da Empreitada de Modernização da Estação da Raquete	Acquisition of Services	Limited Tender	TPF Planege - Consultores de Engenharia e Gestão, S.A.	12-06-2009	288.925,00 EUR
5532	Linha do Norte - Subtroço 1.3 - Setil/Entroncamento - Empreitada de Reabilitação da Via entre os Km´s 70.450 e 105.100	Works contract	Public Tender	Somafel - Engenharia e Obras Ferroviárias, S.A.	26-06-2009	13.499.970,49 EUR
4831	Linha do Douro - Troço Caíde - Marco - Supressão de PN ao km 51+951, 52+797 e 55+842 da Linha do Douro e km 0+793 da Linha do Tâmega	Works contract	Public Tender	Obrecol - Obras e Construções, S.A.	30-06-2009	1.428.000,00 EUR
5164	Prestação de Serviços de Fiscalização e Coordenação de Segurança de Obra da Empreitada Geral - Modernização da Linha da Beira Baixa – Troço Vale Prazeres/Covilhã	Acquisition of Services	Public Tender	Cinclus - Planeamento e Gestão de Preojectos, S.A.	30-06-2009	1.798.960,00 EUR
5384	Prestação de Serviços de Recolha e envio para valorização energética de cerca de 6.000 toneladas de resíduos de travessas de madeira (estilha), existentes no Complexo Logístico do Entroncamento	Acquisition of Services	Direct Award	AVE - Gestão Ambiental e Valorização Energética, S.A.	30-06-2009	251.940,00 EUR
4868	Linha do Minho - Troço Nine - Valença - Supressão de Passagem de Nível ao Km 71+349, em Alvarães, no Concelho de Viana do Castelo - Construção da Passagem Inferior Rodoviária ao Km 71+269	Works contract	Public Tender	Aurélio Martins Sobreiro & Filhos, S.A.	15-07-2009	898.406,20 EUR
4769	Prestação de Serviços para a Realização de Trabalhos de Sinalização/Telecomunicações no Troço Barcarena-Cacém, da Linha de Sintra	Acquisition of Services	Direct Award	THALES - Security Solutions & Services, S.A.	28-07-2009	374.429,28 EUR
5523	Assistência Técnica no âmbito do Projecto da Empreitada de Quadriplicação de via entre os Pk's 13.750 e 18.250 da Linha de Sintra e Remodelação das estações de Barcarena e Cacém	Acquisition of Services	In-house contract	FERBRITAS – Empreendimentos Industriais e Comerciais, S.A.	31-07-2009	423.193,20 EUR
3185	Empreitada de beneficiação e reforço dos Túneis de S. Miguel da Carreira, do Tamel, de Stª Lucrécia e de Caminha na Linha do Minho, Pks 41.849 - 59.303 - 63.265 - 104.196 na Linha do Minho	Works contract	Public Tender	Ferrovias e Construções, S.A.	11-08-2009	8.744.318,93 EUR
5580	Empreitada com Elaboração de Projecto da Linha de Sines – Remodelação de Sinalização da Estação da Raquete	Works contract	Direct Award	Dimetronic, S.A. (Sucursal Poruguesa)	21-08-2009	4.623.621,12 EUR
5490	Empreitada no Ramal Ferroviário de Acesso ao Porto de Aveiro – 3.ª Fase	Works contract	Public Tender	Ferrovias e Construções, S.A.	27-08-2009	3.712.041,44 EUR
5386	Empreitada de Protecção Anti-corrosiva de Pontes Metálicas na Linha do Leste – Pinturas 2009	Works contract	Public Tender	Prozinco - Construção e Manutenção, S.A.	07-09-2009	600.100,00 EUR
5211	Empreitada de Reabilitação da Linha do Leste do Km 245.851 ao Km 264,620	Works contract	Public Tender	Fergrupo - Construções e Técnicas Ferroviárias, S.A.	14-09-2009	4.303.992,48 EUR
5135	Empreitada de Modernização do Troço Bombel e Vidigal a Évora	Works contract	Public Tender	SOMAGUE - Engenharia, S.A.	25-09-2009	48.420.283,10 EUR
5189	Empreitada de Barcarena - Cacém RCT+TP entre os Km's 13,750 e 18,250 da Linha de Sintra	Works contract	Direct Award	THALES - Security Solutions & Services, S.A.	25-09-2009	317.441,77 EUR

Process no.	Object	Contract Type	Procedure Type	Supplier	Signing date	Contract price
5087	Empreitada para a Construção de Passagem Inferior ao Km 322.178 do troço Tunes-Lagos na Linha do Algarve	Works contract	Public Tender	Fergrupo - Construções e Técnicas Ferroviárias, S.A.	30-09-2009	307.150,83 EUR
5650	Empreitada com Elaboração de Projecto da Linha do Minho - Sinalização da Variante da Trofa	Works contract	Direct Award	Dimetronic, S.A. (Sucursal Poruguesa)	13-10-2009	2.660.365,20 EUR
5637	Prestação de Serviços de Assessoria, Fiscalização e Coordenação de Segurança de Obra no âmbito Empreitada de Beneficiação e Reforço dos Túneis de S. Miguel Carreira, Tamel, Stª Lucrécia e Caminha, da Linha do Minho	Acquisition of Services	Public Tender	DHV, S.A.	04-11-2009	899.960,89 EUR
5378	Empreitada de Reabilitação das Infraestruturas no troço Miranda do Corvo/Serpins do Ramal da Lousã - Sistema de Mobilidade do Mondego	Works contract	Public Tender	DST - Domingos da Silva Texeira	24-11-2009	22.694.395,54 EUR
5417	Empreitada da Linha do Norte Subtroço 2.3 (Alfarelos/Pampilhosa) - Construção de Passagem Superior Pedonal no km 212,983	Works contract	Public Tender	Obrecol - Obras e Construções, S.A.	04-12-2009	363.057,90 EUR
5651	Empreitada com Elaboração de Projecto para a Linha do Minho - Instalação do Ssitema de Convel na Variante da Trofa	Works contract	Direct Award	Bombardier Transportation Portugal, S.A.	22-12-2009	449.661,71 EUR
5010000142	8.º Adicional ao Contrato n.º 05/06/CA/AL: Prestação de Sserviços de Vigilância Humana nas instalações da REFER	Acquisition of Services	Additional	Grupo 8 - Vigilância e Prevenção Electrónica, Lda.	18-02-2009	915.721,10 EUR
5010000046	Prestação de Serviços na Linha do Norte - Ovar/Gaia - Correcção de Defeitos Geométricos de Via detectados pela EM120	Acquisition of Services	Direct Award	Fergrupo - Construções e Técnicas Ferroviárias, S.A.	25-02-2009	339.735,00 EUR
5010000117	Linha do Norte - Vale de Santarém/Entroncamento Prestação de Serviços de Manutenção de Via -Ataque Mecânico – Vias A e D do Km 70,450 ao Km 105,500	Acquisition of Services	Negotiation Procedure	Ferrovias e Construções, S.A.	02-03-2009	780.147,50 EUR
10002176388	1.º Adicional ao Contrato n.º 2702: Empreitada de Ligação Ferroviária ao Porto de Aveiro entre o Km 0+0000 e o viaduto de acessoà Ponte da Gafanha, inclusivé	Works contract	Additional	SOMAGUE - Engenharia, S.A.	17-03-2009	1.210.263,59 EUR
5010000122	Preatação de Serviços de Expropriação na Linha da Beira Baixa para a Modernização do Troço Covilhã / Guarda - Renovação Integral de Via entre os PK 178,400 a 188,500	Acquisition of Services	In-house contract	FERBRITAS – Empreendimentos Industriais e Comerciais, S.A.	18-03-2009	510.500,00 EUR
5010000134	Prestação de serviços para a Reformulação do Projecto de Execução do troço S. José/ Alto de S. João do Sistema de Mobilidade do Mondego no Ramal da Lousã com Coordenação de Segurança de Projecto	Acquisition of Services	In-house contract	FERBRITAS – Empreendimentos Industriais e Comerciais, S.A.	09-04-2009	387.874,00 EUR
5010000394	1.º Adicional ao Contrato n.º 2866: Prestação de Serviços de Manutenção das Instalações Eléctricas da Energia de Tracção - Lote 1 - Instalações situadas a norte da Zona Neutra de V. Santarém (inclusive)	Acquisition of Services	Additional	Efacec - Servicos de Manutenção e Assistência Técnica, S.A.	30-04-2009	718.375,00 EUR
5010000127	Prestação de Serviços de Trabalhos de Manutenção Geral de Via - Linha da Beira Alta – Pampilhosa (exclusive) e Vilar Formoso (inclusive)	Acquisition of Services	Direct Award	Somafel - Engenharia e Obras Ferroviárias, S.A.	19-05-2009	390.256,24 EUR
5110000017	3.º Adicional ao Contrato n.º 2631: Empreitada de Construção de Passagens Desniveladas ao Km 63+161, Km 65+433, Km117+480 da Linha do Alentejo e ao Km 96+100, Km 101+935 e Km 108+480 da Linha de Évora - Trabalhos a Mais e a Menos	Works contract	Additional	TECNOVIA - Sociedade de Empreitadas, S.A.	21-05-2009	357.688,29 EUR
5010000101	Prestação de serviços para a Concepção de soluções para os Serviços Afectados do Projecto de Desnivelamento Ferroviário de Alcântara	Acquisition of Services	Direct Award	Tecnep - Estudos e Projectos de Desenvolvimento, S.A.	28-05-2009	373.940,00 EUR
5010000128	Prestação de Serviços de manutenção de Via na Linha do Oeste, entre Meleças (exclusive) e Louriçal (exclusive)	Acquisition of Services	Direct Award	Promorail - Tecnologias de Caminhos de Ferro, S.A.	28-05-2009	375.112,40 EUR
5010000180	Prestação de serviços para a Elaboração de Estudos Prévio da Ligação Desnivelada da Linha de Cascais e do Porto de Lisboa à Linha de Cintura – Variante 2 e 3	Acquisition of Services	Direct Award	Gapres - Gabinete Projectos de Engenharia e Serviços, S.A.	28-05-2009	400.000,00 EUR
5010000106	Prestação de Serviços para a Elaboração de Estudo de Obras de Arte e Estruturas Especiais do Projecto de desnivelamento ferroviário de Alcântara	Acquisition of Services	Direct Award	COBA - Consultores para Obras, Barragens e Planeamento, S.A.	29-05-2009	302.875,00 EUR
5010000183	Prestação de Serviços para o Estudo da Caracterização Geotécnica e Ambiental e Acompanhamento da Prospecção Geotécnica do Projecto de desnivelamento de Alcântara	Acquisition of Services	Direct Award	COBA - Consultores para Obras, Barragens e Planeamento, S.A.	29-05-2009	399.783,00 EUR
5010000288	1.º Aditamento ao Contrato n.º 2317: Prestação de Serviços de Assessoria e Fiscalização e Coordenação de Segurança da Variante entre a Estação do Pinheiro e o Km 94 da Linha do Sul	Acquisition of Services	Additional	TPF Planege - Consultores de Engenharia e Gestão, S.A.	29-05-2009	1.237.620,00 EUR
5010000653	2.º Adicional ao Contrato n.º 15/05/CA/CM: Prestação de Serviços de Manutenção de Infra-estruturas Ferroviárias, na área Metropolitana de Lisboa	Acquisition of Services	Additional	Ferrovias e Construções, S.A.	29-05-2009	29.634.176,90 EUR
5010000329	Serviços de Aluguer Operacional de veículos - Processo AOV/01/QUALIF	Acquisition of Services	Limited Tender via Advance Qualification	Lease Plan Portugal - Comércio e Aluguer de Automóveis e Equipamentos, Lda.	01-06-2009	2.532.878,88 EUR
5010000329	Serviços de Aluguer Operacional de veículos - Processo AOV/01/QUALIF	Acquisition of Services	Limited Tender via Advance Qualification	FINLOG - Aluguer e Comércio Auto., S.A.	01-06-2009	825.600,96 EUR
5010000403	Prestação de Serviços de Manutenção Integral da Sinalização nos troços de Tecnologia SSI	Acquisition of Services	Direct Award	Dimetronic, S.A. (Sucursal Poruguesa)	01-06-2009	34.534.560,60 EUR
5010000566	1.º Adicional ao Contrato n.º 2899: Prestação de Serviços de Manutenção das Instalações Eléctricas da Energia de Tracção - Lote 2 - Instalações situadas a sul da Zona Neutra de V. Santarém (exclusive)	Acquisition of Services	Additional	ENSULMECI - Gestão de Projectos de Engenharia, S.A.	19-06-2009	733.599,35 EUR
5010000618	2.º Adicional ao Contrato n.º 1467/CA/CM: Manutenção Integral do Sistema de Sinalização no Troço Entroncamento (Exclusive) – Alfarelos (Exclusive) da Linha do Norte e extensão ao Ramal de Tomar, incluindo a manutenção do Sistema Convel e Passagens de Nível	Acquisition of Services	Additional	THALES - Security Solutions & Services, S.A.	19-06-2009	985.657,92 EUR
5010000298	Linha de Leixões - Reactivação do Serviço de Passageiros - 1.ª Fase	Works contract	Direct Award	Maranhão - Sociedade de Construções, Lda.	22-06-2009	476.445,00 EUR
5010000399	Prestação de Serviços de Materialização e cálculo de Poligonal de apoio e determinação da posição actual da via na Linha do Corgo (PK 0,000 a 25,100)	Acquisition of Services	Direct Award	ARTESCAN Unipessoal, Lda.	25-06-2009	352.500,00 EUR
5010000667	3.º Aditamento ao Contrato n.º 2491: Prestação de Serviços no Âmbito de Telecomunicações Ferroviárias	Acquisition of Services	Additional	REFERTELECOM, S.A. - Telecomunicações Ferroviárias	02-07-2009	12.062.476,69 EUR

Annex II – Works contracts whose value exceeded EUR 250,000

(Annex referred to in the Corporate Governance chapter, Information on Other Transactions)

Process no.	Object	Contract Type	Procedure Type	Supplier	Signing date	Contract price
5010000182	Prestação de serviços para a Elaboração de Prospecção geotécnica do projecto de Desnivelamento Ferroviário de Alcântara	Acquisition of Services	Direct Award	Mota-Engil, Engenharia e Construção, S.A.	06-07-2009	410.494,00 EUR
5010000152	Prestação de Serviços de Controlo de Vegetação e Limpeza de Órgãos Drenantes - Centro de Manutenção da Guarda	Acquisition of Services	Negotiation Procedure	FITONOVO, Lda.	16-07-2009	2.182.990,75 EUR
5010000153	Prestação de Serviços de Controlo de Vegetação e Limpeza de Órgãos Drenantes - Centro de Manutenção do Entroncamento	Acquisition of Services	Negotiation Procedure	Ferrovias e Construções, S.A.	16-07-2009	3.713.258,60 EUR
5010000154	Prestação de Serviços de Controlo de Vegetação e Limpeza de Órgãos Drenantes - Centro de Manutenção de Coimbra	Acquisition of Services	Negotiation Procedure	FITONOVO, Lda.	16-07-2009	1.084.860,04 EUR
5010000249	Prestação de Serviços de Controlo de Vegetação e Limpeza de Órgãos Drenantes - Centro de Manutenção de Aveiro	Acquisition of Services	Negotiation Procedure	FITONOVO, Lda.	16-07-2009	1.166.036,72 EUR
5010000251	Prestação de Serviços de Controlo de Vegetação e Limpeza de Órgãos Drenantes - Centro de Manutenção de Ermesinde	Acquisition of Services	Negotiation Procedure	FITONOVO, Lda.	16-07-2009	3.689.429,35 EUR
5010000132	Empreitada de Construção da Passagem Superior Rodoviária (63+472), em Vila Velha de Ródão, para supressão da Passagem de Nível ao km 63+373 da Linha da Beira Baixa	Works contract	Direct Award	Ramalho Rosa Cobetar - Sociedade de Construções, S.A.	17-07-2009	1.446.654,00 EUR
5010000568	Empreitada na Linha do Corgo (PK 1,200 ao 25,190) – Levantamento da Via e Reperfilamento da Plataforma	Works contract	Direct Award	Fergrupo - Construções e Técnicas Ferroviárias, S.A.	17-07-2009	4.423.937,44 EUR
5010000569	Empreitada na Linha do Tâmega (Pk 0,400 ao 12,853) – Levantamento da Via e Reperfilamento da Plataforma	Works contract	Direct Award	Ferrovias e Construções, S.A.	17-07-2009	2.473.665,00 EUR
5010000668	Licenciamento de Software Microsoft - "Enterprise Agreement Subscription" (EAS) - triénio 2009/2012	Acquisition of Services	Direct Award	Microsoft Ireland Operations Ltd.	22-07-2009	833.110,52 EUR
5110000099	2.º Adicional ao Contrato n.º 36/05/CA/CM: Prestação de Serviços de Assistência, Manutenção e Reparação de Máquinas e Equipamentos de Via e Catenária	Acquisition of Services	Additional	EMEF - Empresa de Manutenção de Equipamento Ferroviário, S.A.	29-07-2009	800.000,00 EUR
5010000071	Empreitada de execução de acessibilidades provisórias e drenagem da área limítrofe do Armazém de Logística na Estação do Entroncamento	Works contract	Public Tender	OLIVEIRAS, S.A. - Construção e Engenharia	31-07-2009	490.866,33 EUR
5110000040	1.º Adicional ao Contrato n.º 2901: Ramal Ferroviário de Acesso ao Porto de Aveiro - 2.ª Fase	Works contract	Additional	Obrecol - Obras e Construções, S.A.	31-07-2009	1.327.410,69 EUR
5010000710	Prestação de Serviços de Manutenção Integral da Sinalização no troço Tunes/Lagos	Acquisition of Services	Direct Award	THALES - Security Solutions & Services, S.A.	03-08-2009	324.999,96 EUR
5010000545	Prestação de Serviços de expropriação no Ramal da Lousã, Troço Alto de S. João / Miranda do Corvo para o Sistema de Mobilidade do Mondego	Acquisition of Services	In-house contract	FERBRITAS – Empreendimentos Industriais e Comerciais, S.A.	13-08-2009	879.000,00 EUR
5010000816	Prestação de Serviços de Expropriação na Linha da Beira Baixa, Troço Castelo branco/Covilhã, Subtroço Vale de Prazeres/Covilhã para: Passagem Superior 1 ao km 146+685 (PS1) e Restabelecimento 1 Passagem Superior de Peões 1 ao km 146+871 (PP1), Caminho Paralelo 6 (CP6), Caminho Paralelo de Acesso à E.N. 343 (CP1), Plataforma de Passageiros da Estação do Fundão, Passagem Inferior de Peões ao km 147+305 (PP2), Passagem Inferior Rodoviária 2 ao km 147+806 (PIR2) e Restabelecimento 2, Passagem Superior de Peões 3 ao km 148+373 (PP3), Passagem Inferior Rodoviária 3 ao km 148+911 (PIR3) e Restabelecimento 3	Acquisition of Services	In-house contract	FERBRITAS – Empreendimentos Industriais e Comerciais, S.A.	13-08-2009	266.250,00 EUR
5110000003	1.º Adicional ao Contrato n.º 3289: HF 603 - Prestação de Serviços no âmbito da Assessoria, Fiscalização e Coordenação das Empreitadas HE 470, HE 474, HE 478, HE 479 e HE 476	Acquisition of Services	Additional	ECG - Engenharia, Coordenação e Gestão, Lda.	21-08-2009	326.448,25 EUR
5010000039	Empreitada de Construção de uma Passagem Superior ao Km 361,993 da Linha do Algarve (Troço Tunes/Vila Real de Santo António)	Works contract	Direct Award	Crope Engenharia, Lda.	27-08-2009	368.424,30 EUR
5010000391	Prestação de serviços de Aluguer e Gestão de Storage – Datacenter de Contumil	Acquisition of Services	Direct Award	REFERTELECOM, S.A. - Telecomunicações Ferroviárias	31-08-2009	262.500,00 EUR
5010000224	Aquisição de 240.000 tirafundos corrente para pregação duplamente elástica (lote 1) e 50.000 tirafundos tipo corrente (lote 2), ambos galvanizados a quente	Acquisition of Goods	Direct Award	FUTRIMETAL -Indústria e Comércio de Produtos Metálicos, S.A.	07-09-2009	286.400,00 EUR
5010000197	Aquisição de 50.000 Espirais N2 para Travessas de Madeira Usadas (lote 1) e de 240.000 Espirais N3 para Travessas de Madeira Novas (lote 2)	Acquisition of Goods	Direct Award	Lusorail - Equipamento e Materiais Ferroviários, Lda.	09-09-2009	287.700,00 EUR
5010000577	Empreitada de Remodelação da Estação de S. Pedro do Estoril - Linha de Cascais	Works contract	Direct Award	Obrecol - Obras e Construções, S.A.	11-09-2009	4.998.880,00 EUR
10002175624	Empreitada com Elaboração de Projecto para a Linha de Sines - Readaptação do Sistema CONVEL da Estação da Raquete	Works contract	Direct Award	Bombardier Transportation Portugal, S.A.	25-09-2009	343.811,02 EUR
5010000452	Prestação de Serviços de manutenção geral da via - Linhas da Beira Alta - Pampilhosa(excl.)/Vilar Formoso (incl.) e Oeste Mira Sintra/Meleças (incl.)-Louriçal (excl.)	Acquisition of Services	Negotiation Procedure	Somafel - Engenharia e Obras Ferroviárias, S.A.	30-09-2009	8.428.021,24 EUR
5010000559	Empreitada da Linha da Beira Baixa - Troço Covilhã/Guarda - Alargamento e reforço da Passagem Inferior da Baiúca	Works contract	Direct Award	Ferrovias e Construções, S.A.	30-09-2009	630.000,00 EUR
5110000050	1.º Adicional ao Contrato n.º 2652: Empreitada de Quadruplicação da Via entre os PKs 13,750 e 18,250 da Linha de Sintra e Remodelação das Estações de Barcarena e Cacém - Erros e Omissões	Works contract	Additional	Edifer - Construções Pires Coelho & Fernandes, S.A.	30-09-2009	689.802,21 EUR
5010001003	Acordo de Regularização Contratual (Contrato n.º 2800): Prestação de Serviços de Assessoria, Fiscalização e Coordenação de Segurança de Obra no Âmbito da Empreitada para a Implementação das Medidas Definitivas do Sistema de Retorno de Corrente de Tracção e Terras de Protecção da Zona Suburbana de Lisboa	Acquisition of Services	In-house contract	FERBRITAS – Empreendimentos Industriais e Comerciais, S.A.	01-10-2009	474.876,90 EUR
10002176390	Empreitada de execução da Variante de Alcácer (2.ª Fase) - Via-Férrea e Instalações Fixas de Tracção Eléctrica	Works contract	Public Tender	Somafel - Engenharia e Obras Ferroviárias, S.A.	02-10-2009	18.889.438,64 EUR
5010000009	Empreitada da Linha do Vouga - Espinho/Sernada/Aveiro - Substituição de Travessas de Madeira	Works contract	Public Tender	Ferrovias e Construções, S.A.	08-10-2009	339.295,00 EUR
5010001377	3.º Adicional ao Contrato n.º 29/05/CA/CM: Prestação de Serviços de Manutenção de Infraestruturas Ferroviárias na Zona Operacional de Conservação Sul	Acquisition of Services	Additional	Neopul - Sociedade de Estudos e Construções, S.A.	08-10-2009	19.818.560,19 EUR

Process no.	Object	Contract Type	Procedure Type	Supplier	Signing date	Contract price
5010001321	5.º Adicional ao Contrato n.º 05/04/CA/CM: Manutenção dos Sistemas ESTW de Sinalização das Linhas do Norte (Troços de Braço de Prata/Alhandra e Azambuja/Resguardo de Santana Cartaxo), Sintra, Cintura, Sul (Troço Alvito/Pinhal Novo) e Alentejo (Troço Barreiro/Pinhal Novo), incluindo a manutanção do Centro de Comando Operacional de Lisboa	Acquisition of Services	Additional	THALES - Security Solutions & Services, S.A.	09-10-2009	4.751.476,08 EUR
5010000018	Linha do Vouga - Troço Espinho/Vila da Feira - Km 0,600 a 19,600 - Ataque Mecânico Pesado	Acquisition of Services	Public Tender	Ferrovias e Construções, S.A.	14-10-2009	337.000,00 EUR
5110000049	2.º Adicional ao Contrato n.º 2652: Empreitada de Quadruplicação da Via entre os PKs 13,750 e 18,250 da Linha de Sintra e Remodelação das Estações de Barcarena e Cacém - Trabalhos a Mais e a Menos	Works contract	Additional	Edifer - Construções Pires Coelho & Fernandes, S.A.	15-10-2009	321.239,87 EUR
5110000137	1.º Aditamento ao Contrato n.º 53: Prestação de Serviços de Gestão e Implementação do Plano Nacional de Ecopistas	Acquisition of Services	In-house contract	INVESFER - Promoção e Comercialização de Terrenos e Edifícios, Lda.	15-10-2009	1.398.390,00 EUR
5010001082	Prestação de Serviços de Expropriação na Linha do Norte, Subtroço 1.3 – Setil / Entroncamento, Trecho do km 88+000 ao Entroncamento (exclusive)	Acquisition of Services	In-house contract	FERBRITAS – Empreendimentos Industriais e Comerciais, S.A.	16-10-2009	260.250,00 EUR
5010001111	Aquisição de 10.000 toneladas de carril 54E1 , qualidade R260	Acquisition of Goods	Limited Tender via Advance Qualification	ArcelorMittal España, S.A.	27-10-2009	6.450.000,00 EUR
5010000484	Empreitada de construção do Túnel de Agualva, na Linha de Sintra	Works contract	Direct Award	Obrecol - Obras e Construções, S.A.	29-10-2009	2.579.786,00 EUR
5010001251	Prestação de serviços para a Elaboração do Projecto de Execução do troço Portagem/S. José do Sistema de Mobilidade do Mondego no Ramal da Lousã com Coordenação de Segurança de Projecto	Acquisition of Services	In-house contract	FERBRITAS – Empreendimentos Industriais e Comerciais, S.A.	03-11-2009	979.163,30 EUR
5010001255	Prestação de serviços para a realização de trabalhos preparatórios, estudos e assessoria técnica no âmbito da modernização da Linha do Norte e quadruplicação da linha de cintura entre as estações do Arieiro e Oriente para compatibilização com as infra-estruturas da Rede de Alta Velocidade	Acquisition of Services	In-house contract	FERBRITAS – Empreendimentos Industriais e Comerciais, S.A.	09-11-2009	1.235.193,00 EUR
5010000227	Prestação de Serviços para a Elaboração do Projecto de Requalificação de Estações e Apeadeiros a Linha de Cascais	Acquisition of Services	Public Tender	Viyella & Carvalho, Lda.	16-11-2009	1.894.090,00 EUR
5010000632	Empreitada da Linha do Norte, Estação de Coimbra B - Reabilitação das Vias A e D	Works contract	Direct Award	Vias Y Construcciones, S.A.	16-11-2009	1.478.423,37 EUR
5010000495	Aquisição de 150.000 Palmilhas Isolantes de Borracha para Chapim Metálico em Travessas de Madeira, Carril UIC 54 (Lote 1) e 300.000 Palmilhas Isolantes de Borracha para Travessas de Betão com Fixação SL, Carril UIC 54 (Lote 2).	Acquisition of Goods	Direct Award	FABOR - Fábrica de de Artefactos de Borracha, S.A.	17-11-2009	277.995,00 EUR
5010000988	Construção da Passagem Inferior Pedonal PI1, ao Km 7+146 no Ramal Ferroviário de Acesso ao Porto de Aveiro	Works contract	Direct Award	Obrecol - Obras e Construções, S.A.	17-11-2009	710.995,67 EUR
5010000190	Empreitada com elaboração de projecto de instalação de sinalização electrónica na variante de Alcácer - Linha do Sul	Works contract	Direct Award	Dimetronic, S.A. (Sucursal Poruguesa)	19-11-2009	5.686.488,02 EUR
5010002414	Instalação dos Sistemas de Telecomunicações, na Linha de Cascais	Acquisition of Services	Direct Award	REFERTELECOM, S.A. - Telecomunicações Ferroviárias	19-11-2009	5.000.000,00 EUR
5010000049	Empreitada de Substituição das Zonas Neutras de Isoladores de Secção por Zonas Neutras Seccionadas em Gouveia e Pegões	Works contract	Public Tender	Neopul - Sociedade de Estudos e Construções, S.A.	24-11-2009	358.978,33 EUR
10002176779	Empreitada de construção da Passagem Inferior Pedonal ao Km 203,378 – Linha do Norte - Subtroço 2.3 – Alfarelos / Pampilhosa	Works contract	Public Tender	HFN - Henriques, Fernandes & Neto, Lda.	24-11-2009	612.997,49 EUR
5010000696	Aquisição Balizas de Sistema Convel	Acquisition of Goods	Direct Award	Bombardier Transportation Portugal, S.A.	25-11-2009	379.176,98 EUR
5010001214	Prestação de Serviços de Expropriações para o Sistema de Mobilidade do Mondego no Troço São José / Alto de São João do Ramal da Lousã	Acquisition of Services	In-house contract	FERBRITAS – Empreendimentos Industriais e Comerciais, S.A.	25-11-2009	265.800,00 EUR
5110000130	5.º Adicional ao Contrato n.º 08/04/CA/CM: Prestação de Serviços de Manutenção e Reparação de Avarias nos Equipamentos de Sinalização da Linha da Beira Alta	Works contract	Additional	Alcatel-Lucent Portugal, S.A.	30-11-2009	1.215.179,64 EUR
5010001526	Prestação de serviços para a Elaboração do Projecto de Execução do troço Portagem (excl.) / Coimbra B do Sistema de Mobilidade do Mondego no Ramal da Lousã com Coordenação de Segurança de Projecto	Acquisition of Services	In-house contract	FERBRITAS – Empreendimentos Industriais e Comerciais, S.A.	10-12-2009	888.630,85 EUR
5110000022	1.º Adicional ao Contrato n.º 2704: Empreitada da Variante de Alcácer (2.ª Fase) – Atravessamento Ferroviário do Sado - Ponte e Viadutos de Acesso	Works contract	Additional	Teixeira Duarte - Engenharia e Construções S.A.	10-12-2009	1.421.688,33 EUR
5010000327	Empreitada da Linha do Algarve – Troço Faro / Vila Real de Santo António – Substituição de Travessas de Madeira por Travessas de Betão e de Carris em Barras Curtas por Carris em Barras Longas Soldadas	Works contract	Public Tender	Neopul - Sociedade de Estudos e Construções, S.A.	15-12-2009	2.370.972,24 EUR
5010000328	Empreitada da Linha do Algarve – Troço Tunes / Lagos – Substituição de Travessas de Madeira por Travessas de Betão e de Carris em Barras Curtas por Carris em Barras Longas Soldadas	Works contract	Public Tender	Neopul - Sociedade de Estudos e Construções, S.A.	15-12-2009	1.590.254,02 EUR
5010001861	Modernização da Linha do Norte e quadriplicação da Linha de Cintura entre as Estações do Areeiro e Oriente para compatibilização com as novas infra-estruturas da Rede de Alta Velocidade - Projectos da Intervenções Autónomas 1 e 2	Acquisition of Services	In-house contract	FERBRITAS – Empreendimentos Industriais e Comerciais, S.A.	15-12-2009	2.113.792,70 EUR
5010000557	Prestação de Serviços para a elaboração dos projectos de Via, Catenária, Drenagens, Muros de Suporte, Paisagismo e Ambiente da Linha de Cascais com Coordenação de Segurança e Saúde de Projecto	Acquisition of Services	In-house contract	FERBRITAS – Empreendimentos Industriais e Comerciais, S.A.	18-12-2009	1.795.324,45 EUR
5010000856	Prestação de Serviços para a Elaboração do Projecto de Execução da Ligação Desnivelada entre a Linha de Cintura, a Linha de Cascais e o Terminal de Contentores de Alcântara, com Coordenação de Segurança de Projecto	Acquisition of Services	Direct Award	COBA - Consultores para Obras, Barragens e Planeamento, S.A.	23-12-2009	3.519.025,00 EUR
5110000055	1.º Adicional ao Contrato n.º 3646: Remodelação da Estação de Setúbal	Works contract	Additional	Monte Adriano - Engenharia e Construção, S.A.	23-12-2009	378.742,06 EUR
5110000185	2.ª Renovação da Apólice de Seguro de Responsabilidade Civil	Acquisition of Services	Additional	Assicurazioni Generalli	28-12-2009	1.328.437,52 EUR

Annex III – Acquisition of Goods whose value exceeded EUR 250,000

(Annex referred to in the Corporate Governance chapter, Information on Other Transactions)

Process no.	Object	Contract Type	Procedure Type	Supplier	Signing date	Contract price
5010001923	Prestação de Serviços para a valorização imobiliária do património da REFER na cidade de Espinho	Acquisition of Services	In-house contract	INVESFER - Promoção e Comercialização de Terrenos e Edifícios, Lda.	29-12-2009	252.500,00 EUR
5110000030	1.º Adicional ao Contrato n.º 3244: HE470 - Modernização do Troço Barreiro/Pinhal Novo (exclusive) - Electrificação e Modernização de Estações e Apeadeiros	Works contract	Additional	Construtora Abrantina, S.A.	30-12-2009	796.977,47 EUR
5010001010	Prospecção geológica-geotécnica do projecto de desnivelamento ferroviário de Alcântara, nas áreas de desenvolvimento das variantes 2 e 3	Acquisition of Services	Direct Award	Geoplano Aherne - Consultores Geotécnicos, S.A.	31-12-2009	313.914,00 EUR

SUSTAINABILITY REPORT

4

The Report

REFER, *E.P.E.* hereby presents its sixth Sustainability Report, for the first time including it as an integral part of the Annual Report. As in previous reports, REFER will disclose its economic, social and environmental performance in 2009 within the context of the company's commitments, strategy and management approach.

The principles followed in drawing up this Sustainability Report were essentially transparency, relevance and comprehensiveness, in order to provide easy and objective reading for the stakeholders.
This document discloses the Sustainability Report to the ministerial department and is the basis for evaluating REFER's sustainable performance in the future. The intention is to transparently describe the sustainability of the organisation's activities, providing relevant information for the different stakeholders such as the Clients, the Shareholder and the Personnel, among others. The company thus discloses its principles, practices, programmes and initiatives to improve its performance in regard to economic, environmental and social impacts caused by its activities in 2009.

In accordance with Dispatch no. 26 811/2004, published in DR, Series II, of 24 December 2004, companies supervised by the transport sector must include a separate document in their annual reports portraying the social and environmental aspects of their activities.
The submitted report format was approved by the Environmental Audit performed by the Ministry of Public Works, Transport and Communications through notice number 51-03/03/2006.

GRI Structure

This report complies with the Global Reporting Initiative (GRI) guidelines for preparing sustainability reports through an "Informal Approach," whereby reports are based on the GRI guidelines without meeting all their content. This option is a more suitable approach for the current situation of our organisation and ensures that it will progressively evolve toward the "Formal Application" of the GRI Directives.
Organisations participate in the GRI on a voluntary basis as a means of informing their various stakeholders about the social, economic and environmental aspects of their activities. Until now, about 1000 organisations in distinct fields (chemicals, pharmaceutics, telecommunications, transport, energy, public authorities, among others), some of which operate in Portugal, have published reports in line with the GRI guidelines.

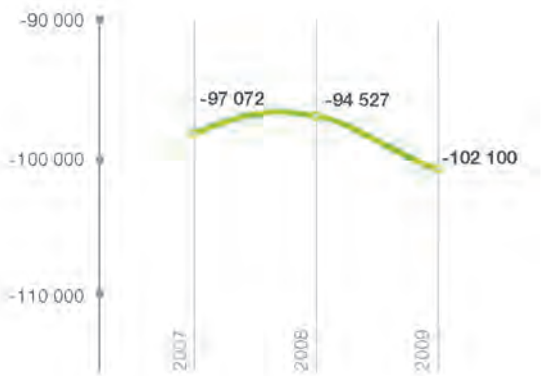
Justifying the Indicators

REFER's activities give rise to a number of impacts on the economic, environmental and social systems in which it operates. Knowing those impacts is essential for evaluating a particular company's performance in three sustainability areas: economic, social and environmental.
As such, the range of selected indicators reveals the relationship between the manager of the Portuguese rail infrastructure and the various stakeholders (entities coexisting within its corporate environment).

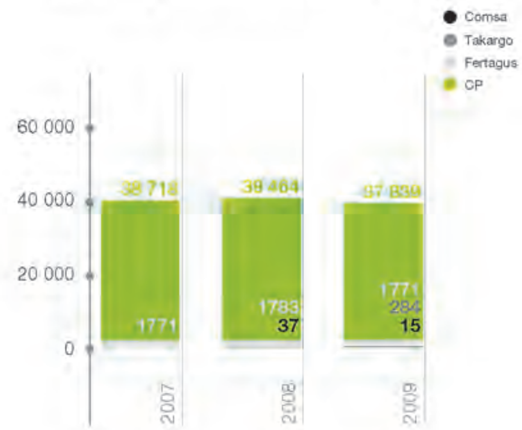
Main Sustainability Indicators

Economic Perspective

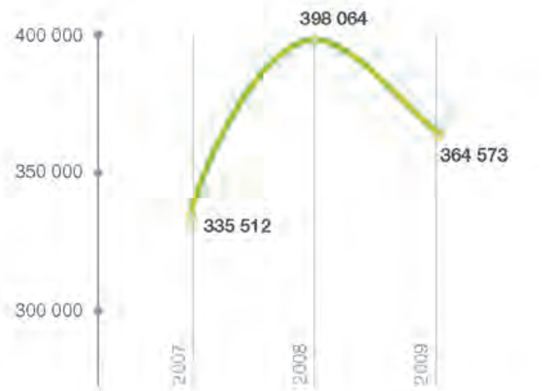
Operating Income
[thousands of euros]



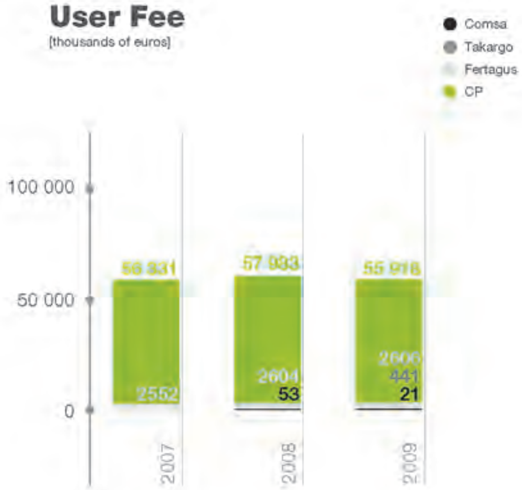
Train kilometres (TK) Completed
[thousands of TK]



Investment in Modernisation
[thousands of euros]

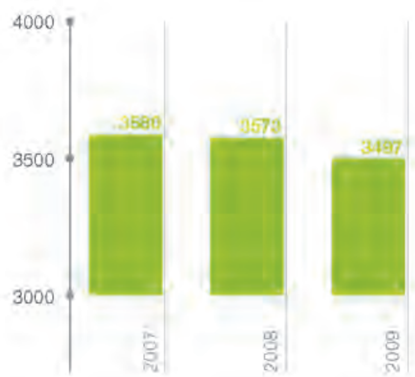


User Fee
[thousands of euros]

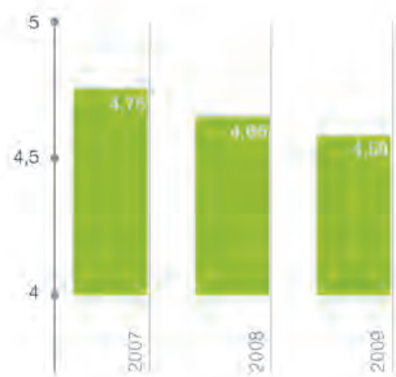


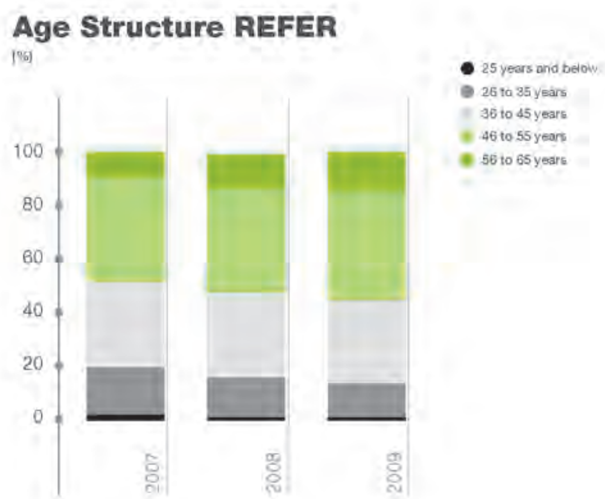
Social Perspective

Total Personnel

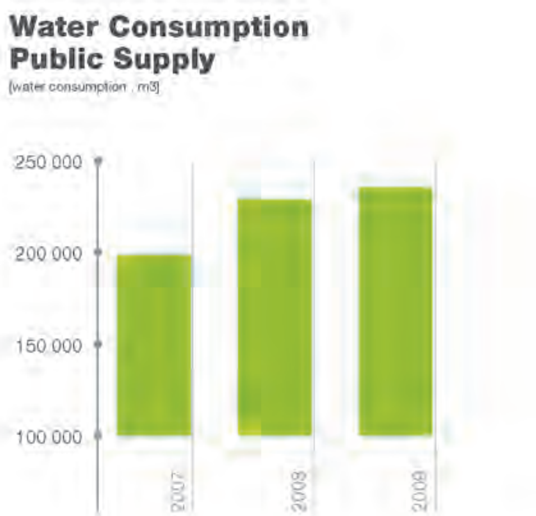


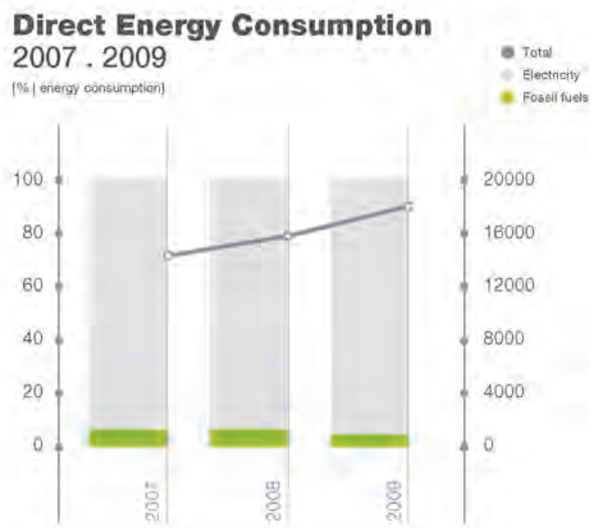
Ratio Men/Women





Environmental Perspective





Main Sustainability Actions in 2009

In line with REFER's Social Responsibility Policy, in 2009 the document entitled "Bases for a social responsibility policy" was drawn up, which comprises a benchmark for the company's actions.
REFER understands Sustainable Responsibility as voluntary integration of social, environmental and economic concerns by companies in their activities and their interaction with the stakeholders.

Taking into account the two essential facets of the company's activity – the internal and the external – one can say that the former includes topics such as management of human resources, health and safety in the workplace, adaptation to change and management of the environmental impact and the natural resources of the business.
As for the second facet, the concern focuses above all on the local communities, business partners, suppliers and clients, and the environmental issues are viewed from a global perspective.

External Facet

In 2009 REFER undertook several initiatives to promote economic, social and environmental sustainability, of which the following are highlighted:

- Continuation of the development of the National Ecotrails Plan, to:
    - preserve decommissioned railway trails;
    - contribute to a future network of 750 km of "green trails", "pedestrian paths", etc.;
    - fight against the desertification of some regions;
    - contribute to a new ecological tourist service.
- Campaigns to raise awareness at Level Crossings
- REFER joined the 2008 Quercus Forest Programme in 2009
- REFER volunteers helped to plant the Native Forest in Afonsim and Pampilhosa
- Initiative to raise awareness about safety in crossing railway lines at Leal da Câmara Secondary School in Rio de Mouro
- Participation in the Quercus "Earth Condominium" initiative, which encourages the conservation of the common good.
- Marking of the "European Level Crossings Awareness Day", aimed at raising awareness in society about the need to respect signalling and strict compliance with the safety rules at level crossings.
- Collaboration in the Banco Alimentar food collection for the needy initiative in supermarkets

- Charity action for the Casa Betânia, an initiative which has the overriding aim of collecting food, hygiene products and vouchers

- Blood donor sessions

Internal Facet

In 2009 REFER carried out various actions to promote social sustainability for its personnel. Within this framework, REFER personnel have access to the following social benefits:

- Health insurance

- Seasonal vaccination

- Creation of the "Send Ideas" Programme to stimulate, facilitate and recognise the participation of the company's personnel by implementing their ideas to improve the company

- Organisation of cultural events, namely the book fair

- Promotion of the "New Opportunities – (Recognition, Validation and Certification of Skills)" initiative

- REFER support for education:
    - Scholarships
    - Pre-school subsidy
    - REFER holiday camps

- Discounts for CP train fares

- Possibility to join the GALP card fuel discounts programme

- Other partnerships and discounts
    - Restaurants and Hotels
    - Clinics, Doctors and Pharmacy
    - Bank products
    - Culture and Sport
    - Consumption goods
    - IT equipment

- REFER also has a railway club

A Vision of Sustainable Development

The search for a more sustainable company development model has been a major concern during recent decades in view of the opportunities, but also the threats, which affect the social setting, the structure of economic activities and the environmental balance.

The concept of Sustainable Development is normally defined as "meeting the needs of the present without compromising the ability of future generations to meet their own needs, which means allowing persons, now and in the future, to reach a satisfactory level of social and economic development and a human and cultural fulfilment, whilst making a reasonable use of earth's resources and preserving species and natural habitats."

Sustainable Development is based on three essential pillars:

Sustainable Development can only be achieved if these three pillars evolve harmoniously.

Strategic Vision and Mission

The REFER mission is to "manage the national rail network in terms of its construction, conservation, asset preservation and capacity management." Aware that a corporate unit's sustainability is evaluated by its capacity to overcome future challenges through balanced actions in three areas that are not always easily reconciled (Economy, Society and the Environment) and aware of its role as a public service provider, REFER has defined the following strategic goals:

- Improve accessibility and mobility in order to increase the share of the transport market that opts for rail transport;
- Guarantee suitable safety standards, interoperability and environmental sustainability;
- Evolve to a sustainable financing model and enhance efficiency;
- Encourage research, development and innovation.

Analysis Perspectives

REFER's mission involves the following company goals and policies:

- Improve the network's service levels;
- Improve and modernise the network's infrastructure;
- Improve the services rendered to the end clients;
- Guarantee high safety levels;
- Encourage environmental sustainability;
- Ensure economic-financial sustainability;
- Reduce the costs of services rendered;
- Increase the contribution from businesses outside the operation;
- Increase the organisation's productivity levels;
- Optimise the management and control of the investments / contracts;
- Encourage the unification of processes and standardisation of the network infrastructures;
- Strengthen the technical and management skills;
- Encourage professional development;

Council of Ministers Resolution 109/2007, of August 20, approved the **National Strategy for Sustainable Development – ENDS 2015**, which sets the target, among others, of **increasing the rail transport market share** to 26% in 2009, taking into account the implementation of a high-speed rail network.

Ensure economic-financial sustainability through responsibility and commitment contracts. Rationalising the cost structure and by increasing the contribution from businesses not related with the operation; Optimise client services and thereby also ensure high levels of operation safety and reliability.

Maintain the strategy for a concerted introduction of new information technology for modernising processes and developing personnel skills, within a perspective of new management practices oriented toward a Quality Management model.

For environmental purposes, the new mission stipulated in deliberation 33/07, of August 30, places emphasis on "...integrating the various environmental requirements in infrastructure operation and maintenance and in the planning, design and execution of new investment projects."

Mission

To provide the market with a competitive transport infrastructure by managing and developing an efficient, safe and environmentally friendly railway network.

Company Presentation

EU Directive 440/91 and the Base Law of the Land Transport System stipulate guidelines for the indispensable and urgent restructuring of the national railway system, particularly by highlighting the need to separate railway infrastructure management from transport production. The government defined the general guidelines for this reorganisation according to a model based on three entities:

1. **Rail sector regulatory entity**, whose main goal is to regulate activities between rail operators and the infrastructure manager, whilst fostering safety, quality and environmental protection, thus making it a central State administration body;

2. Infrastructure management entity charged with guaranteeing the installation, development and maintenance of railway infrastructures, as well as "managing the circulation command and control systems", for which Decree-Law no. 104/97 of 29 April has already been published and which created **REFER;**

3. Transport Operator – **CP** is responsible for providing passenger and freight services and must reorganise its structure in order to become a market-oriented company with a client culture.

The process to create Rede Ferroviária Nacional – REFER, *E.P.E.* was completed in 1999, the year in which the company began performing all the functions it had been assigned.

History

1997 REFER was founded through the integration of the investment activities of former Lisbon and Porto railway hubs, of 25 de Abril Bridge and of CP itself.

1998 REFER was assigned the conservation and maintenance activities that had been performed by CP until that time.

1999 REFER was assigned all circulation control and management, including all other activities related with the management and operation of the National Railway Network.
The railway line along 25 de Abril Bridge and the North – South Railway Axis were officially inaugurated on 29 July 1999. These facilities were essential for linking the Tagus river's south margin to Lisbon, and were later assigned to a private operator.

2000 Work began to design a quality management system (QMS) in compliance with standard NP EN ISO 9001:2000, to be implemented at REFER.
Start of studies covering the use of disabled railway assets.

2001 Signing of the first protocol to build an Ecotrail based on the former Monção Branch Line.
"Living Stations," start-up of the first project stage covering thirteen cities. This project aimed to re-qualify the railway and its surroundings by once again assigning it the role of a major catalyst for social, cultural and economic development in the communities which it serves.

2002 The first Network Directory was issued, establishing access and utilisation conditions for the national railway 2002 infrastructure to meet the expected provisions of DL-270/2003 of 28 October.

2003 The company obtained the Quality Certificate for the Lisbon ZOC, according to Standard NP EN ISO 9001:2000, issued by APCER (Portuguese Certification Association). The CP/REFER agreement was signed, which covered the railway infrastructures User Fee (UF) for the 1999-2002 period. The Environment and Safety Departments were created. The 2004 Network Directory was published, which was prepared according to the provisions of DL-270/2003 of October 28.

2004 Inaugural trip for the Braga/Faro direct link on 30 May 2004. The work to build this link aimed to give this essential network section (Atlantic Axis) a competitive edge over other means of transport. Signing of a protocol with UMIC (Innovation and Knowledge Mission Unit), within the scope of initiatives for promoting the information society.

2005 In June 2005, the Quality Certificate was issued to the Porto Conservation Operation Zone, according to standard NP EN ISO 9001:2000 and issued by APCER (Portuguese Certification Association).
Electrification of the Beira – Baixa Line (Mouriscas A – Castelo Branco).

2006 In 2006, Portugal celebrated its 150th year of railway operation, a milestone in our country's history when the. inaugural train trip was made from Lisbon - Santa Apolónia Station to Carregado.

2007

REFER commemorated its 10th year on 29 April 2007. The work to renovate the Rossio Station building was completed. The Santa Apolónia station was adapted for the new underground station.

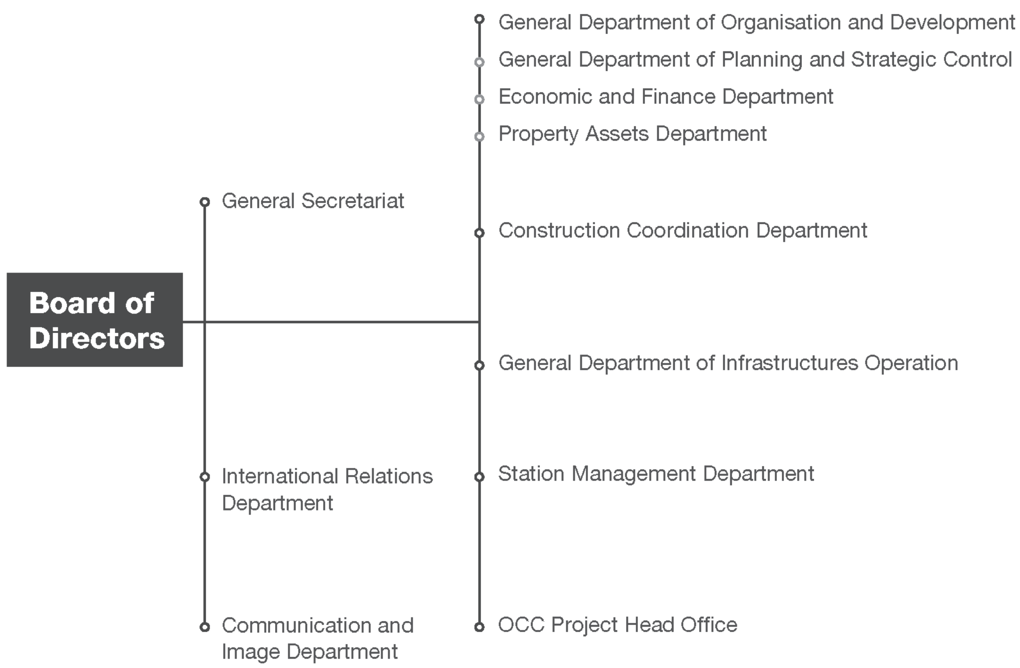
2008

In 2008, the highlight was the reopening of the totally renovated Rossio Tunnel and Station. Completion of the works contracts for the Railway Link to the National Ironworks, 1st stage of the Alcácer Alternative Route, Multimodal Terminal of Cacia and Electrification and Signalling of the Barreiro – Pinhal Novo Section. Operation start-up of the Porto Operation Command Centre on April 22.

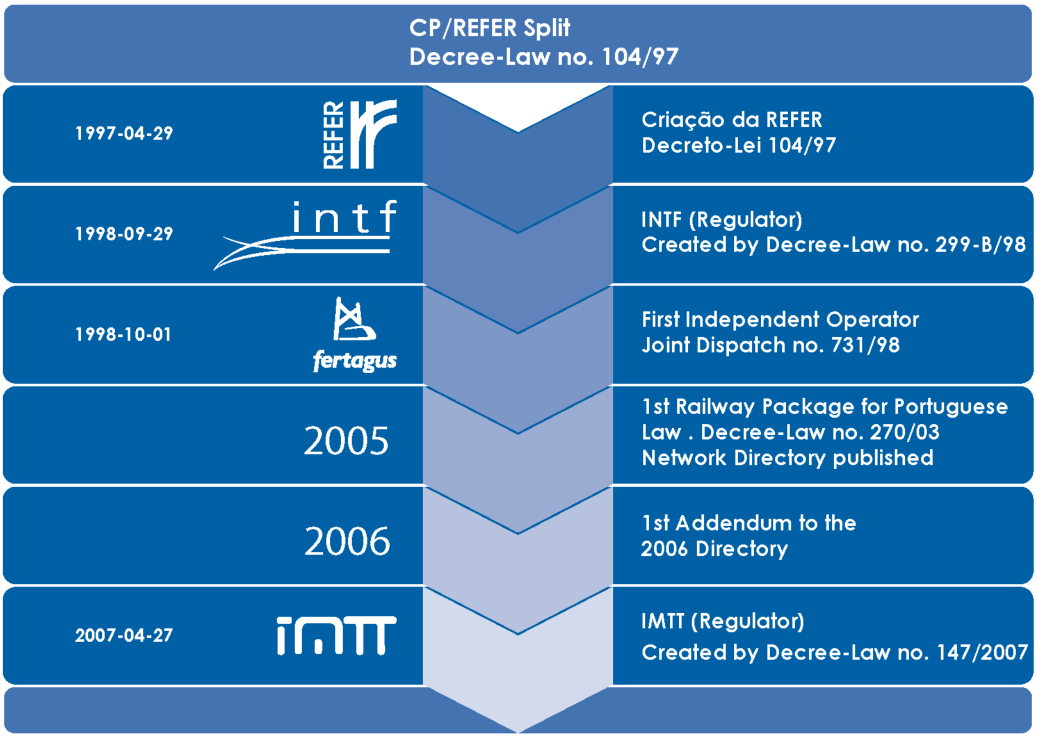
2009

The year 2009 was marked by the opening of the Cacia Multimodal Platform and the Cais do Sodré Transport Interface. Reopening of the Vendas Novas passenger railway service.
Completion of the painting of Maria Pia Bridge, in Porto.

Organisational Chart for the REFER Business



Legal Framework



The Base Law for the Land Transport System, Law 10/90 of 17 March, states that the terrestrial transport system includes the infrastructures and production means allocated to land transport of passengers and freight within the Portuguese territory or when the trip ends or has part of its route within the said territory and is governed by this law, its development decree-laws and regulations.

Decree-Law 104/97, which created REFER, *E.P.*, was published on 29 April 1997.

REFER is a company whose statutory capital is 100% held by the State and is supervised jointly by the Ministry of Finance and the Ministry of Public Works.

It carries out its assigned activities according to the principles of modernisation and effectiveness in order to ensure a regular and continuous public service of managing the national rail network infrastructure.

It is therefore established that REFER:

- may carry out all necessary or convenient management acts to fulfil its objectives;
- maintains the rights and accepts the responsibilities assigned to the State by the applicable legal provisions and regulations covering the Public Railway Domain.

Decree-Law no. 299-B/98, published on 29 September 1998, created the National Railway Transport Institute (INTF) which regulates and inspects the rail sector, supervises the activities carried out and intervenes in public service concessions. The Decree-Law was revoked by Decree-Law no. 147/2007.
In September of the same year, through Joint Order 731/98, the concession for the rail passenger transport service on the North-South Axis was granted to FERTAGUS, the first private operator.
Decree-Law no. 93/2000 was published in May 2000, which establishes the conditions to be met in the national territory to obtain interoperability of the trans-European high speed railway system (transposes Council Directive 96/48/EC, of 23 July 1996). It was altered by Decree-Law no. 152/2003, of 11 July, which rectifies omissions detected in the transposition of Council Directive 96/48/EC, of 23 July.
In October 2003, Decree-Law no. 270/2003, of 28 October, was published, which transposes Directives 2001/12/EC, 2001/13/EC and 2001/14/EC, commonly called the "1st Railway Package," into national law. These new laws opened the rail transport market to private business entities whilst guaranteeing a number of criteria regarding technical and financial capacity and safety issues. This Decree-Law was changed and republished through Decree-Law no. 271/2007.
Decree-Law no. 276/2003, of 4 November, establishes the new legal policy applicable to public railway domain assets, including rules on their respective utilisation, disfranchising, exchange and the rules applicable to relations between bordering proprietors and the population in general with those assets, legislative authorisation given by Law 51/2003, of 22 August.
Consequent to the said law's provisions, in this year REFER prepared and published the first edition of its Network Directory. This directory provides rail transport companies with the essential information they need to access and use the national railway infrastructure managed by REFER and available for rail transport.
In March 2005, INTF published its Regulations 21/2005 covering the general tariff schedule for services rendered to operators by the infrastructure manager.

The 2006 Network Directory, published in September 2005, was the first directory to be prepared according to the rules stipulated in Regulation no. 21/2005. After its publication, the operators filed appeals that forced REFER to present the properly compiled processes to the Regulatory Entity and to provide, in 2006, a variety of further information complementary to the submitted information it used to justify the tariff rates, so that INTF could reach a decision.
The 1st Addendum to the 2006 Directory was published based on that decision.
Decree-Law no. 200/2006 created the IMTT - Instituto da Mobilidade e dos Transportes Terrestres (Institute of Mobility and Land Transport) by merging various entities, including the former INTF – Instituto Nacional do Transporte Ferroviário (National Institute for Rail Transport).
Council of Ministers Resolution no. 47/2007 defines the principles of Good Governance for companies in the State's corporate sector.
On 22 July 2008, Decree-Law no. 141/2008 decreed an amendment to REFER's statutes, which took effect on 23 July of that year. This Decree-Law alters the statute that created the National Rail network, REFER, *E.P.*, and

the respective statutes, in order to adapt them to the new legal system of the State's corporate sector. Therefore, Rede Ferroviária Nacional, REFER, *E.P.*, was transformed into a public corporate entity now called **Rede Ferroviária Nacional, REFER, *E. P. E.***

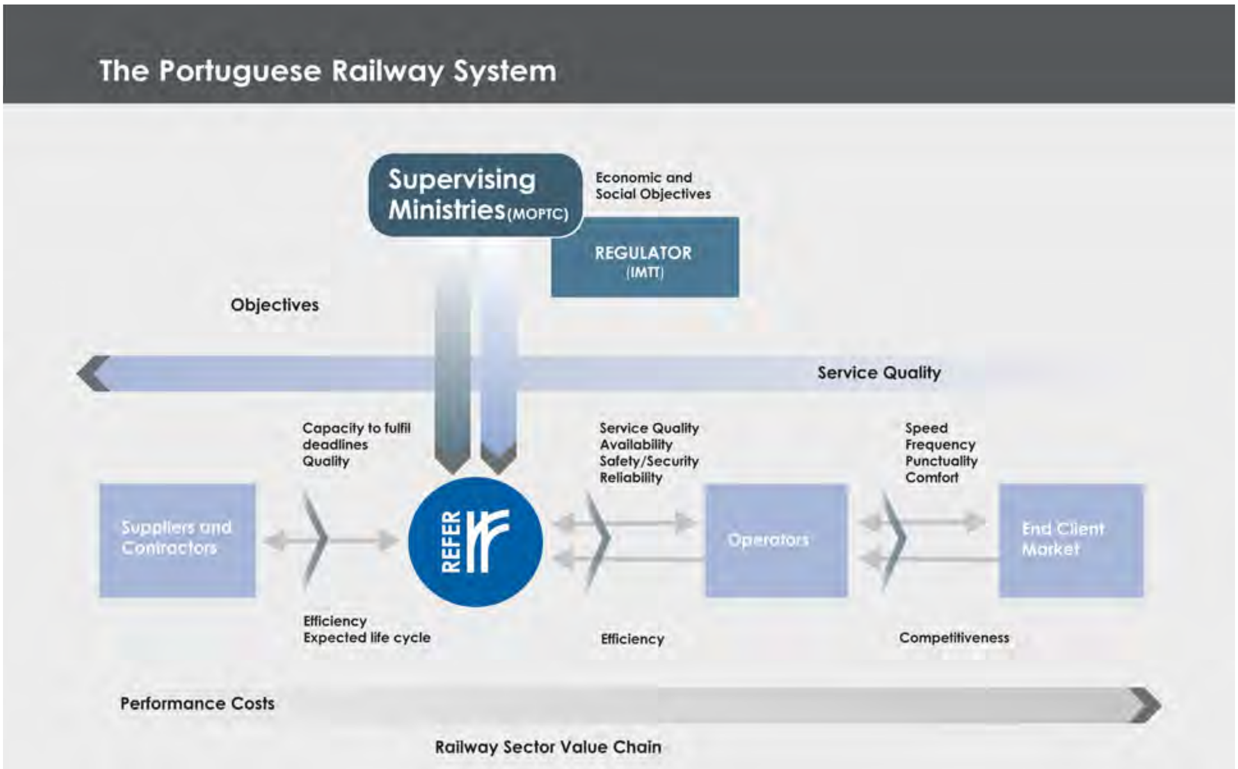
Business Areas

REFER renders a public service by managing the overall national rail network infrastructure and is therefore responsible for carrying out activities to meet its goals according to the principles of modernisation and effectiveness by operating essentially in two business areas:

- **Infrastructure Management** encompasses management of the railway infrastructure's capacity, conservation and maintenance and also management of the respective circulation command and control systems, including signalling, regulation and punctuality in order to ensure the indispensable safety and quality conditions of a public rail transport system.

- **Investment** consists of building, installation and renewal of the infrastructure, an activity carried out on behalf of the State (the assets are part of the public railway domain).

REFER thus plays a key role in the railway sector's value chain. It must ensure the rail network's availability, capacity, reliable operating conditions, quality and safety whilst also fulfilling the State's network modernisation objectives.



Infrastructure Management and Operation

In December 2009, the national rail network covered 3619 km of track, of which 2843 km are currently open to train traffic. This length includes 4 km which are run by the Mirandela Metro. The network is predominantly broad track (Iberian gauge), with only 192 km in narrow track (metric gauge).

Because of the network modernisation, REFER has commissioned a significant number of new facilities and renovated and technologically converted many others in recent years to make railway operation safer, more reliable, more flexible and better suited to demands and to provide more mobility among the various means of transport.

In 2009 the national rail network could be broken down as follows:

Rede Ferroviária Nacional Characterization

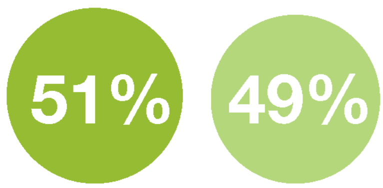
(km)

Identification	With Train Traffic					Without Train Traffic	National Railway Network
	Electrified			Not Electrified	TOTAL		
	25 000V	1 500V	Sub-total				
Broad track	1 435	25	1 460	1 190	2 650	327	2 977
Single track	854	0	854	1 190	2 044	327	2 371
Double track	538	25	563	0	563	0	563
Multiple track	43	0	43	0	43	0	43
Narrow track	0	0	0	193	193	449	642
Single track	0	0	0	193	193	449	642
TOTAL	1 435	25	1 460	1 383	2 843	776	3 619

The total length of Portugal's rail network that was electrified as of December 2009 was 1460 km. Out of this length, 854 km is in single track and 607 km in double track. In the year under analysis the electrification percentage of the rail network was unchanged. However, since 1998 REFER has electrified 587 km of the rail network, and currently around 51% of the entire rail network is electrified.

The first line of the network to use electrical traction was the Cascais Line, where a direct current of 1500 Volts was fitted and inaugurated in 1926. Only in 1956 did new electrification services start, with the implementation of an alternating current of 25,000 Volts. Electrification at 25,000 Volts, in the first 39 years, was implemented along 462 km of track. This length has been surpassed by the new services that have been put into place in recent years, illustrating the investment made in this area. In 2009 no significant changes occurred in this area, with 1460 km of track electrified (the same figure as in 2008), but plans are in place to increase the length of track electrified in 2010. Out of these 1460 km of electrified track, 854 km is single broad track, 563 km in double broad track and the remaining 43 km in multiple broad track.

Network Electrification



Electrified Not Electrified

As for installed railway track safety systems, at the end of 2009 sophisticated Speed Control, Convel and ATS systems had been installed in 52.3% of the national rail network. The Convel System (a system shared between the operators and REFER) ensures extremely high circulation safety levels by guaranteeing compliance with signalling and with authorised train circulation speeds. This system assists the train driver's tasks by warning him/her about circulation conditions and by activating the braking system (forcing the train to stop) whenever any safety requirement is not met. This system is installed in 1459 km of track length, which is 51% of the total network in operation. The Ground-Train Radio is another safety system that is now operative in 51% of the track length. The Ground-Train Radio (system shared by the operators and REFER) is used for voice and data communications between train drivers of the operators and REFER personnel in charge of traffic control. As such, communications may be performed between the Command Post and the train driver, the stations and the train drivers and also between the train drivers of two trains. In 2009 this safety system was installed in 31 km of the rail network, in the Neves Corvo Branch. The railway branch connects Ourique to the Neves Corvo mine, in the council of Castro Verde and is only used by freight trains for transporting material from the mine.

These systems (Convel and Ground-Train Radio), in tandem with the high performance and reliability levels of the rail network, mean that most of the operating network is at the very highest level in terms of rail safety.

Command Control and Safety Systems

(km)

Identification	2007	2008	2009
Convel	1 444	1 459	1 459
ATS (Automatic Braking)	25	25	25
Ground/Train Radio	1 428	1 428	1 459
Ground/Train Radio without Data Transmission	25	25	25

The block signalling system is an operating system that controls the circulation of trains by ensuring that there is just one train in each block at any given moment in time. A block is a stretch of line where, in normal operation conditions, only one train may circulate at a time.
There are three kinds of block signalling systems in the Portuguese rail network: electrical block signalling (automatic block signalling without manually controllable block), electronic block signalling (automatic block signalling with manually controllable block) and mechanical block signalling (telephone block signalling).

Block Signalling Systems

(km)

Identification	2007	2008	2009
Electrical	122	122	119
Electronic	1 343	1 349	1 352
Mechanical	1 373	1 371	1 371

The electrical block signalling (automatic block signalling without manually controllable block) covers 4% of the national network. This system, which operates automatically through the movement of the trains themselves in order to protect successive trains travelling in the same direction and on the same track, maintains the correct safety distance between them. The electronic block signalling (automatic block signalling with manually controllable block) comprises automatic electronic block signalling with an incorporated manually controllable block, which associates two blocks to one section of track between two adjacent stations, making them incompatible; one for one circulation direction and another for the opposite direction. The basic functions of this system are as follows: to prevent trains travelling in the same section of track between adjacent stations; to guarantee automatic spacing of the trains on the track, for a given circulation direction; to guarantee the automatic signal to the LC in the direction the block is pointing to. This system is in place in 48% of the network.
The mechanical block signalling system (telephone), is carried out through (advanced) telephone messages between the supervising station and its collateral stations that affect the circulation. Authorisation is requested for occupation of a single block in a given direction between the aforementioned stations, and is implemented on 48% of the national network.

In 2009 there was a decrease in the average TK run by the operators of 3.3%. There was a superficial rise of 4% in the empty runs, and a slight decrease of 0.29% in passenger transport. Freight transport fell 17%.

TK Distribution

[%]

In 2009 there were two passenger operators, CP and FERTAGUS, running services on the national rail network. FERTAGUS ran the concession for suburban passenger services on the North-South axis, between the stations of Roma - Areeiro and Setúbal. There was a slight fall in the TK run for passenger transport by these two operators in comparison to 2008.

In the wake of the liberalisation of the freight transport, in 2008 two new operators appeared – TAKARGO and COMSA RAIL. The former began to operate in 2008 and the latter only in 2009, although they used very little capacity.

In the year under analysis, TAKARGO recorded an increase of 672%, going from the 37,000 TK registered in 2008 to 284,000 TK in 2009. In 2009 TAKARGO dominated paper paste traffic between Alverca and Espartal, container traffic between Alverca and Madrid and container traffic between Entroncamento and Constanti.
In 2009 the operator COMSA used little capacity, given that the international traffic is being undertaken in partnership with TAKARGO. However, it requested capacity to be reserved for technical tests of its trains and attribution of routes for the training of train drivers, through FERNAVE. In its first functioning year it used 15,000 TK.
The transport of freight by the CP group fell by 20% in 2009.
Efforts followed on from the previous year regarding attracting and developing the rail transport business, aimed at optimising the utilisation of the capacity available and maximising the corresponding revenue. Especially noteworthy was the work carried out to contract out access to the railway infrastructure, in all its variants. There are currently 5 operators

(CP, CP Carga, FERTAGUS, TAKARGO and Comsa), and the Performance Improvement Regime is being developed, which is in an experimental period in the 1st half of 2010.
In relation to 2009 the following events are worthy of mention:

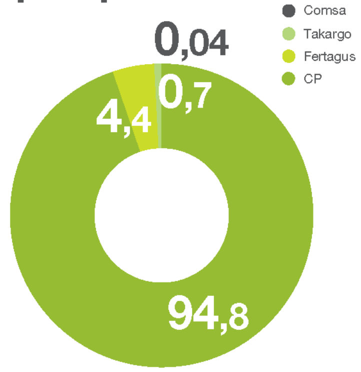
- Start-up of first interoperable trains (from TAKARGO/Comsa) in Iberia, in a combined REFER/ADIF effort.
- "Iberian Link" international service achieved, through the CP Carga/Renfe consortium, between Entroncamento and Madrid (Abronigal).
- Establishment of new Coruche – Setil connection, with link to the Tomar – Lisbon regional service.
- Extension of the Entroncamento – Elvas to Badajoz regional service.
- Establishment of the new inter-regional passenger link between Caldas da Rainha and Figueira da Foz.
- Empty runs as part of training by the operator Comsa, with a view to future operation in Portugal.
- Establishment of new passenger urban service between Ermesinde and Leça do Balio.
- After the setting up of CP Carga as an autonomous Operator, the contacts between this company and REFER are made directly without having to go through CP.

In 2009 CP, as in previous years, is the main operator in terms of TKs, accounting for 94.8% of total TKs, while FERTAGUS ran 4.44%, TAKARGO 0.71% and Comsa, in its first year of functioning as a rail freight transport operator, 0.04%.

The distribution of rail traffic on the various lines of the network is very heterogeneous, with 75% of the total traffic on the main network, 19% on the complementary network and 6% on the secondary network.

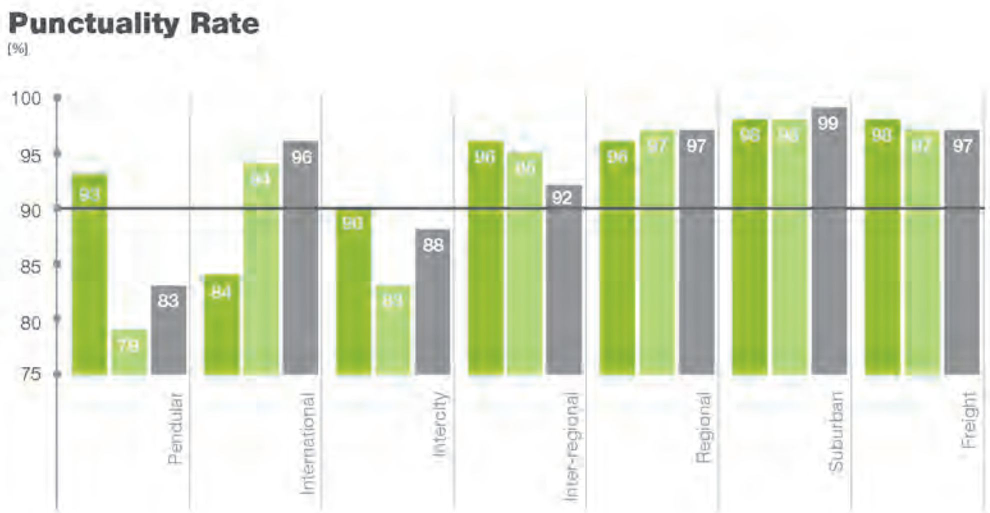
The **Main** Rail network includes axes with the greatest demand and main accesses to the logistics platforms, ports, airports and frontiers.
The **Complementary** Rail network is used essentially to complete the network and for links to the main network, covering territories of secondary demand and in combination with territories adjacent to the main network's corridors. When high speed trains begin to operate, the complementary network will be used essentially for distribution purposes within the territory, functioning as a means of providing a link to towns not serviced directly by the main network.
The **Secondary** rail network is essentially associated with transport services that have low demand, adapted to the characteristics of the respective area: population density, mobility and installed activities.
There was a considerable improvement in the average punctuality rate in 2009, in most categories of trains apart from the inter-regional category,

TK per Operator
[%]



TK in the General Network
[%]

which fell 3%. In 2008, the punctuality rate for reasons imputed to REFER had decreased in most categories of trains, mainly because of the poor state of repair of the track, especially in the sections of the Northern Line between the stations of Vale de Santarém – Entroncamento, Alfarelos – Pampilhosa and Ovar - Gaia, which required extensive rehabilitation work. This work took place in 2009.



REFER aims to provide operators with a highly safe, reliable and flexible infrastructure by modernising the network. For this purpose, it has commissioned a substantial number of new facilities, many of which did not exist previously, and facilities that replaced very rudimentary systems by introducing new technology. Accordingly, in recent years REFER has made large investments to expand and modernise the rail network.

Infrastructure management costs include two large and dominant items, "External suppliers and services," especially "Subcontracts," and the "Personnel expenses" item.
In the "External supplies and services" item, the "Subcontracts" category has contributed the most to the respective amount, corresponding to 72% of the total. The contribution of this item did not change in relation to 2008. External supplies and services increased 15%.

Personnel expenses were 6% up on the previous year, despite a 2% reduction in the workforce.
This rise in Personnel expenses is in part explained by increased wages and respective charges, but also due to redundancy agreements: EUR 3.9 million in 2009, compared to EUR 1.5 million last year.
The average number of personnel assigned to Infrastructure Management in 2009 was 2916, which was 1.6% down on the 2008 figure.

Investment

Investment in construction, installation and renewal of the rail infrastructure is carried out by REFER in the name of and at the expense of the State.
REFER's investment in 2009 amounted to EUR 365 million, which was a 56% realisation rate (EUR 654 million). Of this amount, EUR 360 million was assigned to investment in long duration infrastructures (99% of the total investment) and EUR 4 million was spent on investment in management support structures (1% of the total investment).
Among REFER's actions with regard to the national rail network, key investments were the Aveiro Port Rail Link, the Sines Port – Spain Rail Link, the Alcácer Alternative Route and the Trofa Alternative Route.

During 2009, to modernise and develop the National Rail network, REFER carried out various investment activities, of which the following are highlighted:

- Minho Line

Commissioning of the improvements and reinforcements of the S. Miguel da Carreira, Tamel, Santa Lucrécia and Caminha tunnels. Adjudication of the contract to plant cork trees and management plan of the areas classified as residential, of the Trofa Alternative Route project. Work has begun on the contract for the design / construction of the railway tunnel of the Trofa Alternative Route.

- Guimarães Line

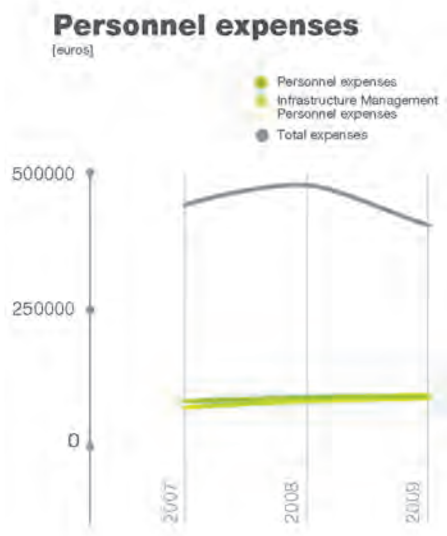
Development of the project to modify the layout of the drainage system in PI5 of the Guimarães Line, at the access to Lordelo station. Commissioning, undertaking and inspection of the Contract to modify the layout of the drainage system in PI5 of the Guimarães Line, at the access to Lordelo Station.

- Northern Line

Completion of the Electrical Installation works and Return of the Traction Current in the 1.2 Alhandra / Setil subsection. Completion of the pedestrian overpass construction contract at Vila Franca de Xira station. Tender launched and contract awarded for initial drainage work in the area surrounding the Fátima tunnel, aimed at preventing possible flooding of the railway at times of intense rainfall, guaranteeing the safety of the train circulation. Rehabilitation of the tracks of Coimbra B Station. Construction of the Alfarelos station technical building.
Elimination of several level crossings on the Northern Line.

- Aveiro Port Rail Link

Continuation of the services rendered for the Coordination and Safety Inspection of the Aveiro Port Rail link, awarded to DHV, SA, which is forecast to be completed at the end of February 2010. Completion of the contract for the construction of the Rail Link between Km 0+000 and the access overpass to Gafanha Bridge (inclusive). Completion of the contract for construction of the Aveiro Port Rail Link, 2nd Phase. Completion of the contract to modify the layout of the gas network at km 7+523 of the Aveiro Port Rail Link, at Gafanha da Nazaré. Completion of service provision for control of the railway platform during ground levelling, in the Aveiro Port Rail Link. Completion of the contract for Construction of the Aveiro Port Rail Link, 3rd Phase, which involved assembling the railway track. Completion of service provision for the Removal of urban waste next to the PS3 road overpass of the Aveiro Port Rail Link.



- Mondego Mobility System

The contracts were awarded for the Refurbishment of the Infrastructures on the Miranda do Corvo / Serpins and Alto S. João/Miranda do Corvo sections and inspection service provision of the Coimbra B / Serpins enterprise. On 25 November 2009 the Contract was awarded for the refurbishment of the Infrastructures of the Miranda do Corvo / Serpins section, and on 2 December 2009 the railway service along this section was closed.

- Beira Baixa Line

Completion of the contract for reinforcement of the Castelo Branco station road underpass, Phase 1. Completion of the contract to construct the pedestrian underpass to replace the level crossing at Km 91+640.

- Cascais Line

Completion of archaeological study of the zone around S. Pedro do Estoril station and execution project for its remodelling, and completion of the procedures to hire the contractor and inspection entity. Completion of the remodelling project and start of the procedures to hire the contractor, the inspection entity and the transplant of trees at S. João do Estoril station, which do not fit into the future layout in their current position. Adjudication of the entire project to modernise the Cascais Line in the specialities of the Track, Power Lines, Drainage, Support Walls, Landscaping and Environment.

- Sintra Line

Work continued throughout 2009 on the Contract to quadruple the Sintra Line between Km 13+750 and 18+250, including the remodelling of Barcarena and Cacém stations. Upon completion of this contract, forecast for August 2011, the quadruplication of the Sintra Line between Benfica and Cacém will be finished, and the stations along that section will be completely remodelled - Massamá/Barcarena and Agualva/Cacém. In January 2009 the last pedestrian crossings along this section, which were between the bays of the Agualva and Cacém Stations, were eliminated. There are now no level crossings, either pedestrian or road, on the Sintra Line.

- Alentejo Line

Opening to the public in September 2009 of stations at Apeadeiros do Barreiro, Barreiro A, Lavradio, Baixa da Banheira, Alhos Vedros, Moita and Penteado. At Baixa da Banheira a pedestrian underpass was also completed at Km 3+850.

- Alcácer Alternative Route

Completion of the alternative route between Pinheiro station and Km 94 of the Southern Line – 1st Phase – Complementary Work. Completion of subcontract work for the Alternative Route between Pinheiro Station and Km 94 of the Southern Line – 1st Phase – Lowering of the PIA Surface to PK 6+463 and Drainage on the PIA to PK 1+114, 15+671, 22+842 and 23+889. Completion of the contract for the Alcácer alternative route (2nd Phase): Rail crossing of the River Sado – bridge and respective raised access roads.

- Sines Port / Elvas Rail Link

Completion of the prior study and environmental impact study of the Sines / Grândola section. Completion of the service provision for the reworking of the Évora station modernisation project. Commissioning of the modernisation contract of Raquete station. Elimination of the level crossing at PK 170+110, on 18 November 2009. Commissioning of the contract to modernise the Bombel and Vidigal to Évora section of the Alentejo Line, Vendas Novas and Évora.

In line with the Level Crossing Elimination and Reclassification Plan for 2009, and under the terms of article 2 of Decree-Law no. 568/99 of 23 December, which REFER and external entities, namely Local Councils, are subject to, 48 actions were carried out. This included the elimination of 41 level crossings and 7 reclassifications, whereby 42 (88%) of these actions were carried out by REFER and the others in partnership with the external entities.

The total investment for these actions was around EUR 18.6 million, of which EUR 17.6 million was paid by REFER, as itemised in the table below.

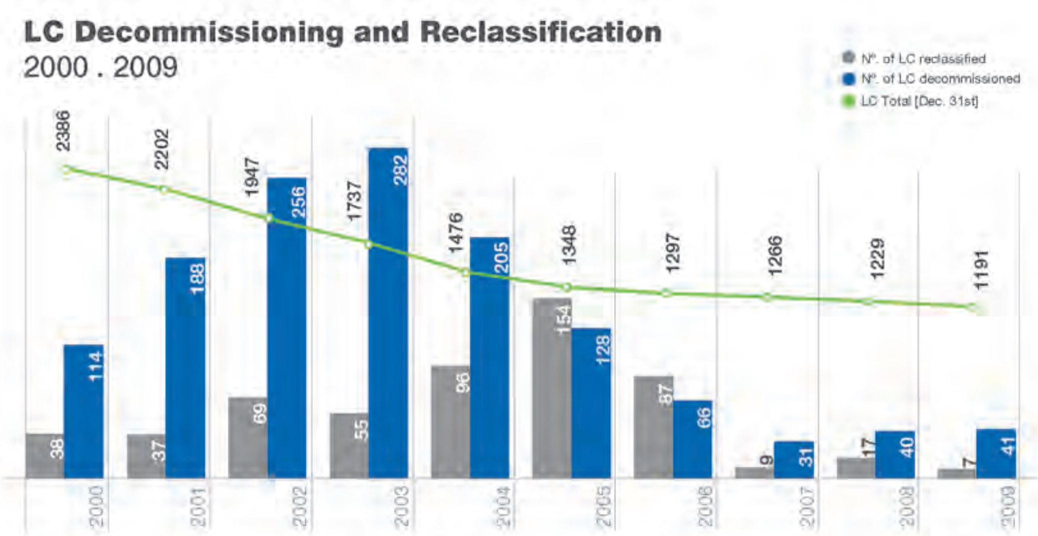
Project	Decommissioned LC	Reclassified LC	Cost (euros)		
			REFER	External	TOTAL
Overpass/Underpass	28	2	17 283 895	1 079 918	18 363 813
Automation	---	3	78 126		78 126
Alternative Road	7	---	188 836		188 836
Other	6	2	15 520		15 520
Total	**41**	**7**	**17 566 377**	**1 079 918**	**18 646 295**

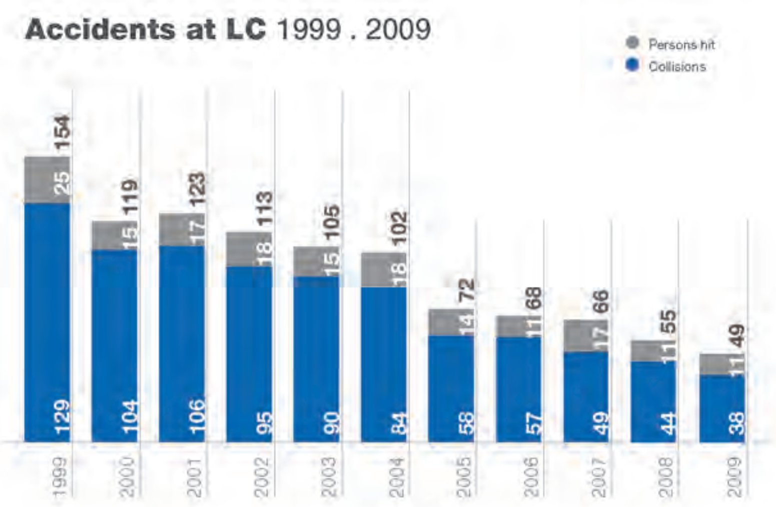
In December 2009, out of all the railway lines in operation, there were 1191 Level Crossings, broken down as follows:

Type of LC		Number
Public LCs		
Automated (highways):		335
Automated with double lifting gates	2	
Automated with lifting gates	319	
Automatizadas com obstáculo	14	
With Guard		107
Without Guard		461
Type D	305	
5th Category	156	
Pedestrian		161
Automatic	24	
Non Automatic	137	
Total Public LCs		1064
Private LCs	7	
	120	
Total Private LCs		127
Total PN		**1191**

The average density of Level Crossings at the end of 2009 was 0.419 LC/km.

The following graph shows the downward trend in the number of Level Crossings and the actions carried out in recent years:





The above graph can be explained by the ongoing policy of elimination and improvement of safety at Level Crossings, which has contributed to the sustained reduction in accidents. However, persons hit at level crossings still account for the highest number of mortal accident victims, making the awareness campaigns in schools and in the media an increasingly important initiative.

As a result of the work in this area, the goals set in 2005 in the Major Options of the 2005/2009 Plan, which defined a reduction in accidents at level crossings of 50% in comparison to 2004, have been surpassed. In 2009 a total of 49 accidents were registered, when the target was less than 51 accidents.
The following graph shows that the initiatives carried out have led to a downward trend in accidents that is also on course to achieve the goals defined in the Strategic Guidelines for the Railway Sector, which set a target of a 60% reduction in the accident rate by 2015 in comparison to 2005.

Company Size

After two years in which the number of employees leaving the company slowed down, in 2009 there was a rise in the number of workers who left REFER, albeit fewer than in the first years of the company.
In December 2009 the REFER workforce numbered 3497, which resulted for 122 employees leaving and 64 new staff members, and also a reduction in the number of workers suspended (58) when compared to the same period in 2008 (53).

Refer's Role in the Transport Infrastructure Management Sector

Rail transport policy in the different countries has traditionally been drawn up individually by each country, which led to a general situation of lack of interconnection and interoperability, thus holding back the development of the European railway market and leading to growth in road transport, which in turn has resulted in negative impacts in terms of energy, the environment, congestion and accidents.
This situation led to the adoption of a European policy of sustainable mobility, which has unequivocally supported the development of railways. Its aim is to progressively create an integrated European rail network, which provides access to all operators.
Against this background, the process to liberate the railway market began through Directive no. 91/440/EC, which led to the separation of accounts for the infrastructure management and the operation of the railway system, in order to make the fees set for use of the infrastructure as transparent as possible and open up access to international services.

The consolidation of the Portuguese rail model, inspired by the reform of the rail sector designed by the European Union, comprises a firm step towards the development and improvement of the rail system.

The analysis presented in this chapter is based on the comparison of the data for a set of companies which are considered representative of "transport infrastructure management" in terms of their economic indicators.

Swot Analysis of the Railway Sector in Portugal

Taking into account the evolution of the railway sector in Portugal, as portrayed in the previous section, and the main guidelines of the European transport policy and national policy, as mentioned above, the main strengths and weaknesses of the Portuguese railway system are now weighed up, as well as the main opportunities and threats.

Strenghts

Large capacity transport with high safety and reliability levels and low accident index;

High energy efficiency and environmentally sustainable;

Transport associated with high punctuality, regularity and comfort levels, among the passengers;

Modernised network in the areas of higher demographic density, namely in the Metropolitan Areas of Lisbon and Porto and good connections with the metropolitan networks;

Potential for efficient participation in overall transport offerings, both for passengers and freight;

System favouring innovation, research and development, specifically through process automation and computerisation.

Weaknesses

Uncompetitive intercity and international journey time matrix, compared to other transport types;

Limits to the interoperability level with the European rail network;

Existence of certain infrastructure constraints with considerable limits on capacity;

Inadequate offering in certain services, both in terms of timetables and regularity, and in terms of rolling stock used;

Insufficient coordination with other transport models, on various lines and services;

Less efficient management in the client relationship;

Pricing framework;

Weak market culture and insufficient commercial aggression in unregulated tariff freight services;

Low reliability and flexibility of freight services;

High operation deficits.

Opportunities

European transport policies and their evolving consolidation and application;

Creation of a single integrated strategic planning and regulation body for the land transport sector;

Completion of the High Speed Network and creation of new rail corridors;

Development of the National Logistic Platform Network;

Increased competitiveness of Portugal's ports and airports.

Threats

High costs and need for long time periods to make investments in the rail infrastructure;

Amount payable for use of the infrastructure a distorting factor for competition;

Maintained intervention policies regarding the road network which, in a climate of financial and functional inadequacy, promote an undesirable growth in road transport;

Difficulties in promoting intermodality;

REFER Group

REFER has shareholdings in a number of companies which were founded to restructure the railway sector, even before REFER was founded, and which complement railway infrastructure management activities.

REFER TELECOM – Serviços de Telecomunicações, S.A.

REFER Telecom – Serviços de Telecomunicações, S.A., is a telecommunications operator licensed by ANACOM. Refer Telecom manages, supervises and maintains railway telecommunications networks and systems. It is also responsible for installing and managing telecommunications, which are essential for rail transport. It has a national coverage network and uses an optical fibre backbone with over 2800 km, allowing it to operate in the country's main district capitals and urban centres. Various connectivity services are supported on this network.
Its mission is to "manage effectively the telecommunications infrastructure yielded by the Shareholder, supplying respective services of excellence, as well as the optimisation of all the resources through a specialised offer to the rest of the market."

INVESFER - Promoção e Comercialização de Terrenos e Edifícios S.A.

INVESFER S.A. is a company of public capital held by REFER EP. It renders property asset management services. Its strategic mission is to offer flexible and innovative solutions to enhance properties tailored to client needs.
The company's strategic vision is to be recognised as a leading property asset enhancement company, contributing to the success of its shareholders, clients, partners and employees.
It abides by the following values:

- Ethical and professional practice based on criteria of transparency and valuing of people;
- Provision of a service of the utmost quality and excellence, based on flexibility of procedures and persistence in the search for the best solutions;
- Engendering team spirit of cohesion, enthusiasm, dedication and determination of all the employees;
- Social responsibility, based on sustainability.

The railway buildings that are no longer used give rise to serious preservation difficulties, given their fragmentation, geographical isolation and in some cases the changes in the surrounding social and urban context.
REFER, through INVESFER, has been undertaking actions to improve and refurbish the railway properties, to guarantee financial and environmental sustainability and enable them to be used by the populations.
While these actions have a greater impact on the outskirts of urban centres, in other places these initiatives are equally important, allowing the preservation of historical and museological assets, and generating opportunities for local business development in areas such as tourism, the hotel industry and commerce.

FERBRITAS - Empreendimentos Industriais e Comerciais, S.A.

A FERBRITAS S.A. is a REFER Group company with over three decades of experience in the railway sector and specialises in the planning of transport, infrastructure engineering and the production and sale of aggregates. FERBRITAS S.A. performs two distinct activities:

- Transport Engineering
- Aggregates (sold in 2009)

RAVE, Rede Ferroviária de Alta Velocidade, S.A.

RAVE, Rede Ferroviária de Alta Velocidade, SA, is a Portuguese company that develops and coordinates work and research necessary for decisions on the planning, construction, financing, supply and operation of a high-speed rail network to be installed in mainland Portugal, and the link to its counterpart Spanish network.
RAVE was founded through Decree-Law no. 323-H/2000, published in the Diário da República no. 291 (1st Series – Supplement), of 19 December.

Governance Structure

Areas Supervised by Members of the Board of Directors
The Government defines REFER's general goals and the framework in which the respective activities must be carried out to ensure that these activities are in harmony with the country's policies as a whole and in each sector.

The Board of Directors has five members: the Chairman, the Vice-Chairman and three board members are nominated by the Government, are in office for a three-year period, which is renewable for equal periods within the limits stipulated in the Public Management Statute and remain in office until they are replaced or their duties are declared as having ceased.

The general remit of the Board of Directors is the use of all means necessary to manage and develop the company and to manage its assets, notwithstanding the responsibility of care of supervisory ministers. Naturally, the Board Members must abide by the duties and obligations legally established for public managers, of which the most important is the lack of a conflict of interests.

REFER's current Board of Directors was appointed in late 2005, and was re-appointed on 21 January 2009.

The following table lists the members of the Board of Directors and their duties:

Chairman of the Board
Luís Filipe Melo e Sousa Pardal
(Date of Birth: 24 October 1946 – 63 years of age)

- Corporate Relations
- General Secretariat
- Organisational Development
- Construction
- Human Resources
- Property Assets

Vice-Chairman of the Board
Alfredo Vicente Pereira
(Date of Birth: 17 September 1952 – 57 years of age)

- Economics and Finance
- Planning and Strategy
- Provisions and Logistics

Board Member
Romeu Costa Reis
(Date of Birth: 6 August 1952 – 57 years of age)

- Legal Affairs
- International Relations
- Auditing
- Communications and image
- EU Funds

Board Member
Alberto Castanho Ribeiro
(Date of Birth: 10 March 1963 – 46 years of age)

- Infrastructure Engineering and Operation
- Safety
- Stations Management

Board Member
Eng.º Carlos Alberto Fernandes
(Date of Birth: 7 July 1967 – 42 years of age)

- Information Systems and Technology
- Tariffs and Infrastructure Access
- Liaison with the Fertagus Concession Contract
- State Contracts

In 2009, REFER's Board of Directors met 52 times, as shown in the table below:

Month	Number of meetings
January	5
February	4
March	4
April	5
May	4
June	3
July	5
August	4
September	3
October	6
November	4
December	5
TOTAL	**52**

In 2009, REFER's members of the Board of Directors were also board members at the following companies:

Name	REFER position	Company	Position
Luís Filipe Melo e Sousa Pardal	Chairman	Refer Telecom	Chairman
		Rave	Chairman
Alfredo Vicente Pereira	Vice - Chairman	Invesfer	Chairman
		Gil	Chairman
		Rave	Board Member
Romeu Costa Reis	Board Member	Invesfer	Board Member
		Ferbritas	Chairman
		Rave	Board Member
Carlos Alberto João Fernandes	Board Member	Rave	Board Member
		CP Com	Board Member
Alberto José Engenheiro Castanho Ribeiro	Board Member	CP Com	Chairman
		Rave	Board Member

Sustainability

Quality	Implement and maintain Quality Systems and performance monitoring in compliance with the strategy and goals.
Safety	Implement the necessary safety requirements to eliminate accidents, material damages and personal injuries, thereby enhancing the values of the community, of the state, of the compant and of its employees.
Environment	Comply with environmental protection requirements in the planning, design and implementation of new projects and in the network operation and conservation, according to the Environmental Management System and as part of an implicit ongoing improvement process.
Social	Harmonise Human Resources Management activities with the company's overall strategy. Define Human Resources guidelines and management tools to attain good personnel satisfaction/motivation and productivity levels. Support initiatives promoting the development of the surrounding community.

Quality

The key strategies defined for this area aim to follow a corporate approach to REFER's cross-over processes, as well as to seize opportunities arising in terms of methodologies for structuring quality management systems. It is in this context that the strategies are analysed and structured, also taking into account the fundamental importance of focusing the drive towards systems organised in operational areas, to assist the productive processes that are essential for the performance of the company.

Objective 2009: Ensure that QMS processes are systematised and guarantee their implementation. Improve the quality of projects by managing their execution in accordance with ISO 9001:2000

Objective 2010: Follow a corporate approach to REFER's cross-over processes, as well as to seize opportunities arising in terms of methodologies for structuring management systems.

Safety

Safety at REFER is understood as a responsibility for each and every individual, requiring the company's cooperation along with committed and responsible participation by all personnel.

The Safety Policy essentially covers three aspects:

Work Safety for personnel and those at construction companies.

Facilities Safety in terms of emergency and surveillance.

Operation Safety to support the entities that carry out these activities.

Objective 2009: Install OpenOffice open source software solutions in station "environments" and for Security Surveillance. Increase the network's safety. Reduce the accident rate at level crossings.

Objective 2010: Strengthen the safety framework for contractors, not only by developing the regulatory structure of compulsory processes and drafting risk analysis forms for projects awarded externally, but also by strengthening training and raising awareness about rail safety.

Environment

After reviewing the Environmental Policy in August 2007, 2009 is a year of continuing the execution of the main strategy guidelines arising from this process.

Objective 2009: The company continued to develop the network of operational environmental managers, especially in the investment area. In parallel, the company maintained its performance regarding evaluation of the main investment projects' environmental impact. The Strategic Noise Maps were delivered to the Portuguese Environmental Agency for the Major Rail Infrastructures with over 60,000 runs per year. Diligence aiming at implementing the projects included in the B&B commitment was launched.

Objective 2010: Continue with the work performed in 2009, bearing in mind that 2010 and the years following are expected to involve large investments which will call for closer monitoring in this important area for the company and which will modernise the infrastructure.

Social

REFER's social policy initiatives may be analysed according to two aspects:

1. Internal social responsibility – the human resources, safety and health policies implemented up to now reveal a strict and ongoing commitment to personnel needs. This commitment has, in particular, resulted in a number of measures providing assistance to education and professional development incentives for the company's personnel and their family members (railway rest home, holiday camps, support to railway sports and social associations, etc.);

2. Disability support program, particularly for mobility problems and/or

work means adapted to the various disabilities; qualitative improvement of work processes by increasing digitisation and electronic data filing and transmission means (gradual termination of the traditional hard copy filing).

- Supported the urban rehabilitation of stations and surrounding zones in collaboration with town councils;

- Carried out campaigns to promote public transport (and, in particular, train transport) in urban zones and safety awareness campaigns for safe procedures at level crossings;

- Periodically collected blood donated by personnel and delivered it to health services;

- Disclosed the activities of the company and of its associated companies through an internet site;

- Maintained a program of academic internships through protocols with various academic institutions of middle and higher education;

- Supported social institutions such as Volunteer Fire Fighter Brigades of various towns and non-governmental organisations such as Médicos do Mundo (World Doctors);

- Code of Ethics Document. This proposes a number of general conduct principles essential for providing quality services, whilst also meant to encourage employees to apply good corporate practices.

Objective 2009: Develop and consolidate the company's activities in accordance with the objectives specified for 2008 for the REFER Group, in order to optimise the resources shared by various companies and by fostering the use of synergies.
Consolidate the company's Organisational and Human Resources development strategy, thus ensuring the management of in-house knowledge, the development of professional skills, personnel qualification and strengthening the culture of leadership and Social Responsibility.

Objective 2009: Convert operational personnel, above all with regard to Level Crossing Guards becoming General and Administrative Support assistants and personnel working in the North and Centre region circulation area becoming maintenance personnel.

Ethics – A REFER Commitment

Regarding company ethics, the Ethics Committee conducted its activity of monitoring the implementation of REFER's Ethics and Conduct Code and publishing its content. In the latter aspect, members of the Ethics Committee held meetings with company elements and took part in integration internships. An ethics area was created in the portal where the

Committee publishes best practice in this field.
The committee focussed essentially on disclosure measures and awareness-raising actions which placed the many day-to-day work activities within a framework of principles and values that are fundamental for REFER and that comply with the conduct regulations in force.
The Ethics Committee also continued to monitor specific requests submitted to it, many of which were clarification requests for the code's practical application, which signifies that personnel use it as another work tool, thus accepting its principles and standards of conduct.
All these factors help increase the culture of responsibility and integrity characteristic of REFER's actions, based on the ethical principles of rigour, transparency, honesty and impartiality in fulfilling the company's mission of providing the market with a competitive transport infrastructure whilst managing and developing an efficient, safe and environmentally friendly rail network.
The Ethics and Conduct Code may be consulted at www.refer.pt.
Any person or entity may contact the Ethics Committee by e-mail at comissao.etica@refer.pt.

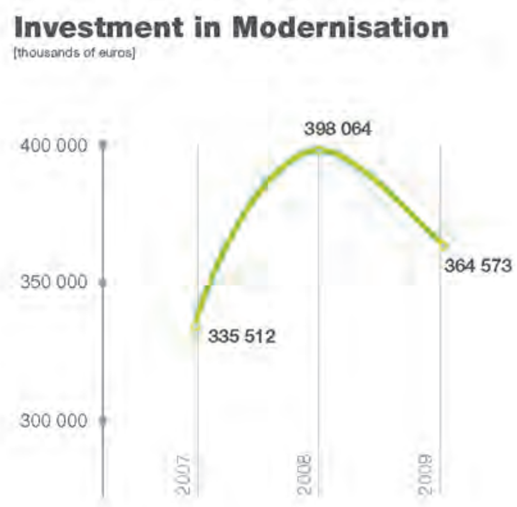
Economic Performance

REFER's main goal is to provide a public service by managing the national rail infrastructure. It strives to play an essential role in inverting the growing trend favouring individual transport. It aims to do so by improving train transport services and by offering a safe, comfortable, fast and punctual service, characteristics that customers notice and appreciate.

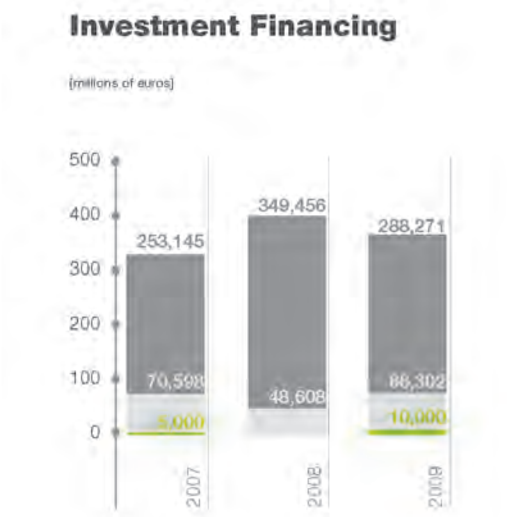
In its activities and on behalf of the State, REFER has implemented large investment projects to modernise and develop the National Rail Network. Modernisation is important as it is the only means of enabling operators to offer a quality service to end customers. Development is also important, since the National Rail Network contributes to cohesion and economic and social development of all the country's regions. In summary, to meet the population's growing mobility needs and maintaining pace with the European market, REFER implements a strategy oriented toward revitalising and promoting the use of trains as the preferred means of reliable and safe transport in harmony with environmental policies.

Main Indicators

The value of the investment made by REFER in the 2002 to 2009 period was over EUR 3 billion. In 2009, the investment into modernising the infrastructure was EUR 365 million, 8% less than 2008.



The investments were financed as follows over the last few years:

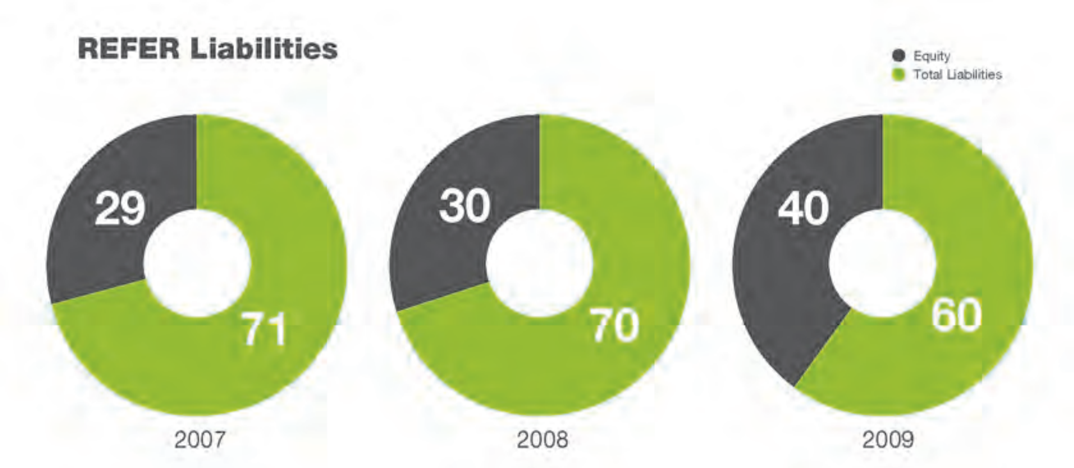


Even though it did not obtain financing from the State in 2008, this value rose to EUR 10 million in 2009, used to hedge investments in the Aveiro port link branch line and the Alcácer Alternative Route. Despite the country's difficult economic situation and the precarious world economic setting, REFER maintained high investment levels. Therefore, in 2009, REFER's total investment reached EUR 365 million, 8% less than 2008. Diminished State financing in recent years has led to a higher dependence on external financing which undermined the company's economic and financial situation.

(thousands of euros)

	2007	2008	2009
Total Liabilities	2 332 313	2 750 050	1 925 063
Equity	-973 755	-1 155 239	-1 268 018
Total Assets	1 358 558	1 594 811	657 045

REFER's liabilities have been increasing in recent years, however in 2009 that trend changed, and by the end of the year it reached EUR 1,926 million, a fall of 30% versus 2008.



The fall of EUR 825 million in liabilities, about 30%, is due to a fall of 61% in Loans Obtained allocated to Infrastructure Management. This fact reflects the increase in support from the State through providing State guarantees to debt issues to support the investment activity. This same reason explains the fall in Assets.

REFER's Equity has been falling in the past years due to successive years of negative net income.

(thousands of euros)

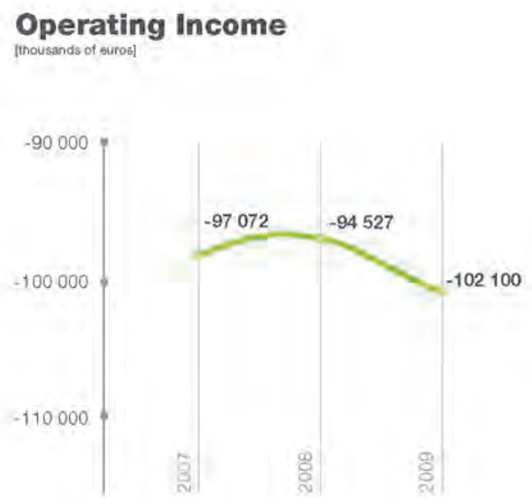
	2007	2008	2009
Equity	-973 755	-1 155 239	-1 268 018

(thousands of euros)

	2007	2008	2009
Turnover	73 212	71 629	71 541
Operating Income	-97 072	-94 527	-102 100
Net Income	-162 830	-181 484	-112 780

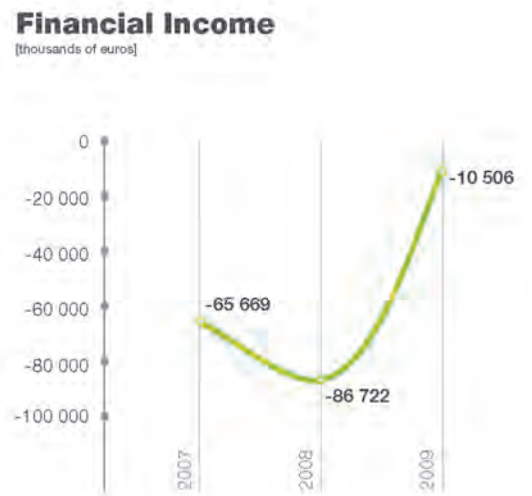
Operating Income

REFER's Operating Income has worsened recently, reaching a negative EUR 102.1 million in 2009, which is 8% down on 2008 and 5% down on 2007. This value is mainly the result of the increase in the cost of sales in 2009, which grew 41% (EUR 2.4 million) when compared to the year before.



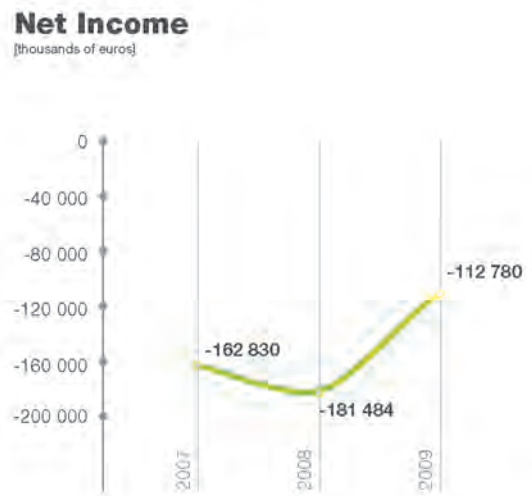
Financial Income

Financial Income in 2009 improved significantly by about EUR 76 million, +88% versus 2008.
This recovery is due to the strong increase in the Financial Income from Hedging Activity, which reached positive ground in 2009, reaching EUR 31.7 million, and also to the reduction of financial debt costs, due to the fall in interest rates.



Net Income

The company achieved negative Net Income of EUR 113 million for the year, an improvement on 2008 by EUR 69 million.
Total Income's percentage of Total Costs rose from 62% in 2008 to 72% in 2009.
Net Income's progress was essentially driven by the reversal of Financial Income's performance.



Stakeholders

List of Interested Parties		Expectations and Needs	Means of communication
Shareholder	State	Results obtained	Management Reports
		Social Stability	Management Contract
		Fulfilment of public service obligations	Clear and transparent reporting
		Social and environmentally responsible behaviour	
Clients	Rail operators	Network offering in safe conditions	
	Rail transport users	Confidence and satisfaction in the service offered	
Suppliers		Transparency	
		Fulfilment of payment timeframes	
		Increase in the company's investment creating new supplies	
Supervisory Ministries	Ministry of Public Works and Transport		
	Ministry of Finance		
Supervisory Ministries			
Financial Bodies			
Supervisory Authorities	Portuguese Securities Exchange		
	IGOPTC		
	IGF		
Social Communication		Access to reliable and relevant information	
Community in General			
Regulator	IMTT	Quality standards in products and services	Regular reporting
Personnel		Appropriate remuneration	Regular information
		Stability (job security, salary and social protection)	Personalised communication
		Professional growth and progress opportunities	
		Good work conditions	
Trades Unions and workers committees		Respect for their opinions	Frequent meetings
		Transparent negotiations	
		Participation in work negotiation processes	

Shareholder

The State, REFER's sole shareholder, plays a crucial role in the company's sustainable development and is committed to providing financial support to REFER through annual financial allocations, to hedge both investments and infrastructure management costs.

In the last three years, the State has made the following financial allocations:

(thousands of euros)

	2007	2008	2009
Capital Endowments	0	0	0
Chapter 50 of the State Budget	5 000	0	10 000
Compensatory Payments	31 017	33 613	36 149
TOTAL	**36 017**	**33 613**	**46 149**

The above table reveals the State's lower financial effort in 2008. In 2009 that amount rose 37% (2008: EUR 33.613 million; 2009: EUR 46.149 million). There is also a continuous increase of 8% in the Compensations level of recent years, which although contributions to investment were discontinued in 2008 (chapter 50 of the State Budget), they were resumed in 2009 at a level of EUR 10 million which were allocated to works on the Aveiro port link branch line and the Alcácer alternative route.

Note, however, that the State's importance as a shareholder is also shown through its issuing of State guarantees for REFER's loan requests and through its effect on the credit rating (indexed to the rating of Portugal as a whole).

Personnel

In December 2009, the company had 3,497 employees, a reduction of 59 individuals during the year, meaning a sharper fall in the number of employees than in the year before.

(thousands of euros)

	2007	2008	2009
Number of employees as at December	3 573	3 556	3 497

Financially, Personnel Expense is one of the highest expense items, representing 24% of total expenses. Although employees have reduced in recent years, this decrease has not been fully replicated in the Personnel Expense item.

(thousands of euros)

	2007	2008	2009
Breakdown of Infrastructure Management			
Personnel Costs	83 341	85 687	90 444
Total Infrastructure Management Expenses	206 452	199 752	206 281
Weight of Personnel Expenses	40,37%	42,90%	43,85%
Breakdown of Investment Activity Personnel Costs			
Personnel Costs	26 158	23 475	22 862
Total Investment Expenses	47 421	44 625	48 245
Weight of Personnel Expenses	55,16%	52,61%	47,39%

The percentage of Personnel Expenses arising from Infrastructure Management activities has increased in relation to the company's total expenses. Personnel expenses from investment activities on the other hand have fallen.

Suppliers

REFER's importance for this group of stakeholders may be analysed from two perspectives:

1. Investment

2. Rail infrastructure conservation and maintenance activities.

(thousands of euros)

	2007	2008	2009
Infrastructure Management Activity External Suppliers and Services (ESS) Costs			
Infrastructure Management ESS	104 427	97 099	101 053
Total Infrastructure Management Expenses	206 452	199 752	206 281
Weight of ESS Costs in Total Expenses	50,58%	48,61%	48,99%
Investment Activity External Suppliers and Services (ESS) Costs			
Investment ESS	9 739	8 892	6 179
Total Investment Expenses	42 426	44 625	48 245
Weight of ESS Costs in Total Expenses	22.96%	19,93%	12,81%

The company's External Supplies and Services item was 27% of total expenses in 2009 having been 21% in 2008. The External Supplies and Services value for 2009 was driven by a stabilisation of the subcontracts component and an increase in the Other External Supplies and Services value.

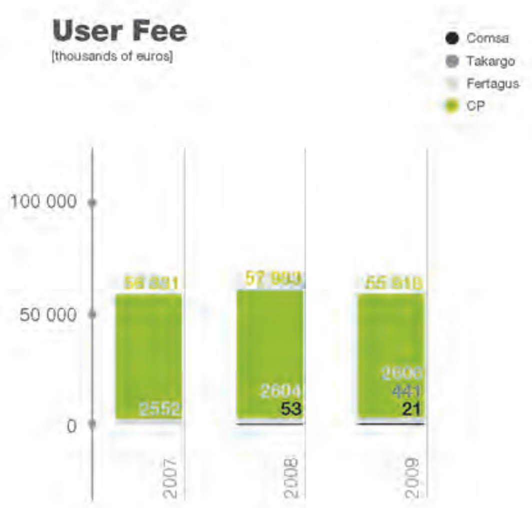
The Infrastructure Management activity recorded an increase in External Suppliers in 2009 of 4% compared to 2008. This item's share of the activity's total expensees was 49% in 2009, having stayed level when compared to 2008.

Clients

Through Decree-Law no. 104/97 of April 29, REFER was assigned the duty of providing the public service of managing the overall national rail network and was granted the right to charge railway infrastructure user fees.
REFER's major clients consist of:

- CP – Comboios de Portugal,
- CP Carga
- FERTAGUS
- TAKARGO
- COMSA

In 2009, the CP client covered about 38 million Train / Kilometres (TK) for which it paid EUR 56 million. FERTAGUS covered 1.8 million TK, for which it paid EUR 3 million. TAKARGO, exclusively a freight transport operator, covered 284,000 TK in 2009 for which it paid EUR 441,000. The operator COMSA began testing and training drivers in 2009, and recorded 15,000 TK in this year, equating to EUR 27,000.
The relative importance of the operators and growth in the User Fee invoiced are shown in the chart.



Revenue growth from the user fee charged to the railway operators is illustrated in the following chart:

(thousands of euros)

User Fee	2007	2008	2009
CP	56 331	57 983	55 918
Fertagus	2 552	2 604	2 606
Takargo		53	441
Comsa			21
Total User Fee Invoicing	**58 883**	**60 641**	**58 986**
Total Revenue	**278 069**	**296 786**	**293 477**
CP User Fee / Total Income percent	**20%**	**20%**	**19%**

(thousands of tk)

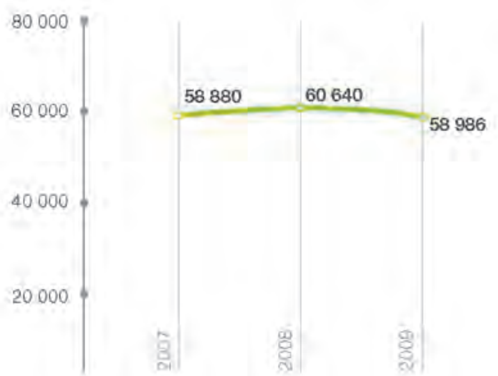
TKs completed	2007	2008	2009
CP	38 718	39 464	37 839
Fertagus	1 771	1 783	1 771
Takargo		37	284
Comsa			15
Total Tks	**40 489**	**41 284**	**39 909**

The user fee revenue item comprises a large portion of total income, around 20%. Note that the amount charged to the CP operator comprises 19% of total revenue. This reduction is most notable in terms of freight train traffic.

Revenue growth from essential services provided to all the operators is illustrated in this chart:

Essential Services User Fee Performance

(thousands of euros)



An analysis of revenue performance from the CP operator – which owns nearly all the traffic on the national rail network, representing 95% of TK – clearly reveals the annual earnings trend from essential services.

The services provided to the operators also involve:

- the minimum access package;
- railway access to service facilities and to the supply of services;
- the use of infrastructures and equipment for the supply, transformation and distribution of traction electricity;
- the provision of rail emergency assistance within the terms stipulated in article 51 of Decree-Law no. 270/2003.

The State allocated about EUR 36.15 million in compensation indemnities to REFER to settle the accounts, an 8% increase over the allocation in 2008 and a 17% increase over that of 2007.

As is known, only a part of the costs of infrastructure management are paid by fees charged to passenger and freight operators. The other part, safeguarding the operation's efficiency, should include a public contribution, which is still not fully the case. Moreover, the construction and maintenance of the infrastructures have been financed through loans. For a sustained and efficient future, in which management are responsible for results, we believe that it is essential to search for an economic and financial sustainability framework for the company.
With a well defined operational context and the support that we have always enjoyed from the supervising ministries, the dedication and drive of our employees and assistance from other regulatory and controlling entities, we believe the foundations are in place to construct a stable future for REFER.

Social Performance

Even though REFER has been in existence now for 12 years in 2009, its origins reach back to the creation of railroads in Portugal. Its employees are repositories of age-old and unique knowledge within the country, for which reason Human Capital is one of the main strategic assets of the company. Thus, the Human Resources policy has a key aim of optimising valorisation, professional development and motivation of its employees, in an approach aligned with the organisation's strategic objectives.

Employment

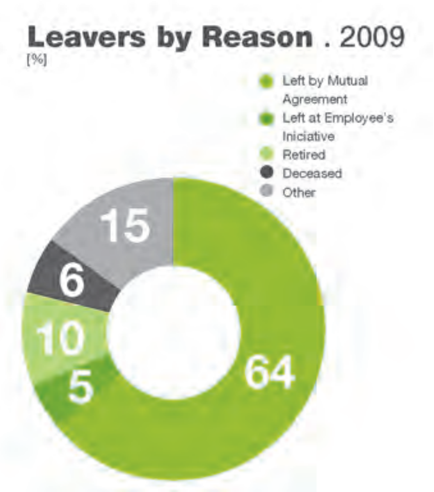
Personnel numbers performance

During 2009, REFER's personnel numbers decreased, reflecting the organisation's adoption of the various rail sector modernisation programmes implemented over several years.

Since 1999, REFER's personnel numbers have fallen to 2,969 individuals, representing 46% of the initial level. In 2009, the company had an average of 3,518 personnel, 55 less than in 2008.

Leavers of 2009

2009 was characterised by an increase in the company's leavers versus 2008. Thus 122 individuals left versus 64 in the previous period. The main driver of this was the number of individuals leaving by mutual consent, which was clearly higher than 2008 (from 34 to 78). This kind of agreement represents 64% of the total of REFER's leavers, which demonstrates the effort made by the company to adapt to the new technological framework of the rail sector.
2010 will bring fresh challenges in terms of personnel adjustment in light of the real needs of the service provided. The number of leavers this year is expected to stay similar to that of 2009. However, the legal restrictions regarding the number of individuals leaving by mutual consent with the right to unemployment benefits continues to be a limiting factor.



Recruitment and Mobility 2009

The year 2009 saw the implementation of the personnel mobility programmes with the aim of providing qualified personnel for available roles at the new Operational Command Centres of Lisbon and Porto and allocating excess personnel to other work positions with the least social impact for the personnel in question. Thus, in 2009, REFER continued to find internal solutions for employees' needs arising during the year.

122 employees took part in professional conversion, among which were the 28 Traffic Controllers who requalified as Infrastructure Operators and the 12 Level Crossing Guards who moved into General and Administrative Support. Furthermore, the Migration of Administrative Staff to Management Assistants Project was almost complete.

This integration into new work posts required the personnel to acquire the technical and personal skills needed to carry out future tasks adequately. The skills survey took place as part of this, which allowed training and learning strategies to be designed for each worker to help them adapt more quickly to the new professional reality.

In parallel, whenever necessary, REFER developed external recruitment processes with a view to filling key personal and technical need gaps, essential for fulfilment of the organisation's strategic objectives. A key example of this was strengthening the company's technical personnel through recruitment of 38 new employees, in line with the policy of increasing the company personnel's professional qualifications.

2009 was also marked by the creation of the Renew REFER Internship Programme, as part of which 16 interns were recruited to areas connected to the organisation's core business. This project has an initial duration of 12 months, after which the integration of the participants will be the company's goal. Aside from this, the Conventional Internships Programme will be continued, now directed only at graduates with training in the area of company support.

The past year was also characterised by the continuity given to the integration internships for new hires. 16 personnel members took part in these activities, as well as some of the main managers of the company, achieving high satisfaction levels.

In 2010, REFER's investment into the conversion of operational personnel is expected to continue, especially regarding Level Crossing Guards moving to General and Administrative Support and personnel in the traffic area in the North and Central region moving to careers in maintenance. Aside from this, as part of preparing the company for the medium- and long-term objectives, the recruitment of interns through the Renew REFER Internships Programme is expected to be continued.

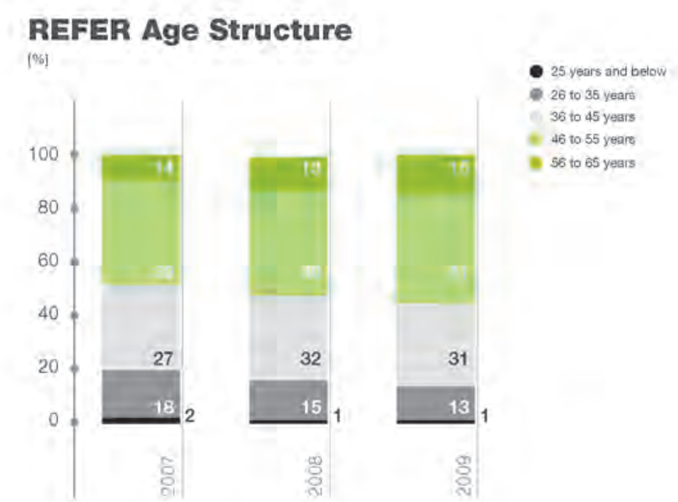
Turnover 2009

Although the increasing number of leavers has had a perceptible impact on REFER's turnover, it is thought to be staying at very low levels, reflecting the stability and safety the company offers its personnel.

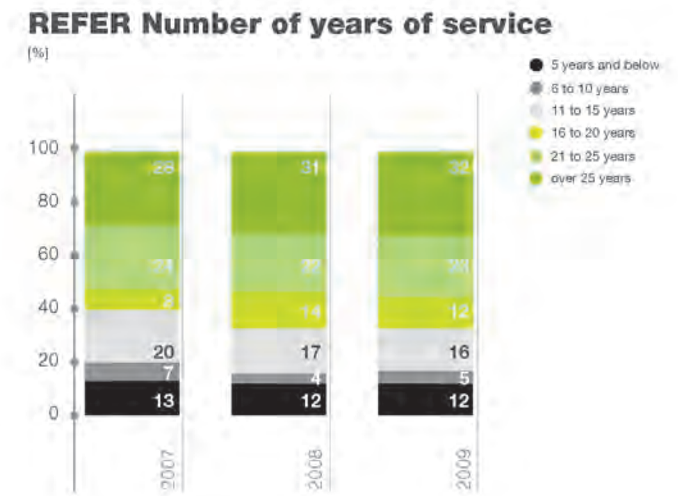
Turnover	2008	2009
$\frac{\text{Leavers}}{\text{Average Personnel}}$	1,8%	3,5%
$\frac{\frac{\text{Leavers + New Hires}}{2}}{\text{Average Personnel}}$	1,5%	2,6%

Age Groups and Years of Service

An analysis of REFER's personnel age groups reveals a clear predominance of employees aged between 46 and 55. The average age increased from 45.5 to 45.8 versus the year before.

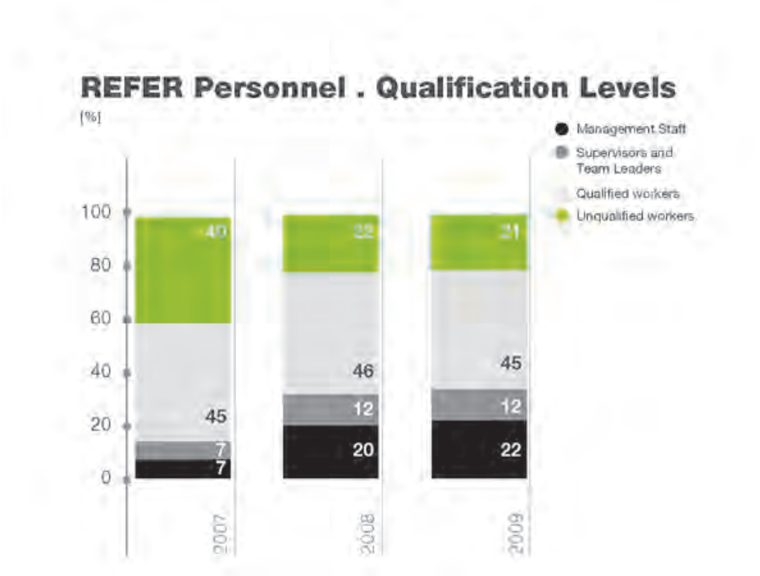


Meanwhile, the average number of years of service also increased to 20.4 years. Employees with over 25 years of service continue to be those with the greatest share of the company's human resource structure.



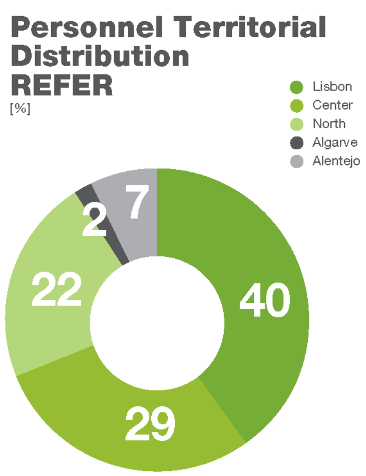
Professional Qualifications

The renewal of REFER personnel has had a significant impact in terms of the qualifications of its professionals. The group of "Qualified Professionals" continues to include a higher number of employees, as has been the case for 10 years. However, there is a significant loss among "Non-Qualified Professionals" in favour of an increase among "Higher Management". This trend has been driven by the policy of modernisation of the rail sector mentioned above which gave rise to the need for recruiting highly specialised technicians, offsetting the departure of significantly less qualified operational personnel.



Territorial Distribution

The area around Lisbon has the highest concentration of personnel members (40%) as most of the company's governing bodies are based there and the highest volume of rail traffic passes through there.



Labour and Labour Relations

Unions

The great majority (69%) of employees are represented by 21 labour unions. A key point in 2009 was the creation of a new union, APROFER (Union Association of Rail Command and Control Professionals), which is strongly represented in the Lisbon Operational Command Centre.

Social Peace

Although a high number of workers belong to a labour union and despite the high number of labour unions representing them, REFER has maintained good relations with all worker representation entities and the Workers Committee, with no work relations conflicts and problems to mention for 2009.

Work Health and Safety

Regarding health and safety at work during 2009, the company once again focused on fulfilling legal requirements and the social responsibility principles, with activities taking place in the following fields:

- **Framework for contractors and service providers**, in which 18 audits/inspections were made and 33 site visits. 14 Health and Safety Plans, 5 technical compilations, 6 Safety Procedure Forms and 34 technical opinion reports were drawn up also. Regarding support to services contracted out, 63 Health and Safety Plans, 5 safety regulations forms, and 11 technical compilations were analysed and 26 meetings were held;

- **Contracting**, through 91 contracting assessment boards for works contracts, 54 proposal evaluations, 150 documents analysed and 29 meetings held;

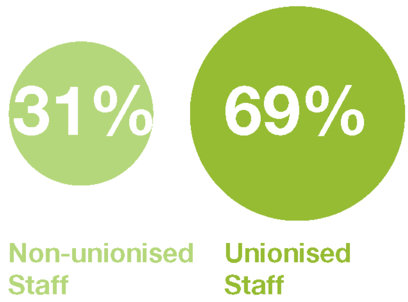
- **Internal and risk analysis**, in which 37 ground visits were made, 60 Risk Evaluation Forms were drawn up, and 4 Safety Procedure Manuals were published, respectively associated to Track, Bridges, Signalling and Power Line and Traction Power projects;

- **Prevention of professional risks**, a subject for which rail safety courses were developed and held as part of the professional training in rail safety certification in accordance with IET77. Technicians, middle managers and medical monitoring teams took part in these courses, which trained 251 personnel out of a total of 800 forecast for 2009-2010. Regarding work safety training, 53 training exercises were held which involved 488 participants;

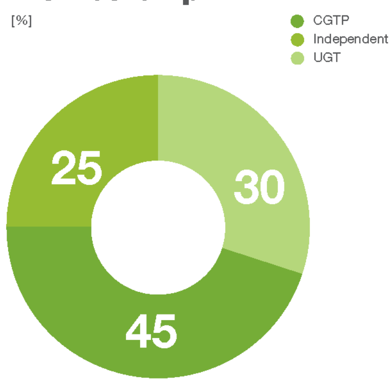
- **Employee medical monitoring and health**, a key part of which were the various opinion reports on Working Conditions and the implementation of the Local Improvement Annual Plan (PMCT). 2941 medical exams were also held as part of healthcare at work, 3519 blood alcohol tests were held internally, 11 processes were held relating to the compensation system for work accidents, and 15 extraordinary pest control campaigns and certain rehabilitation and recuperation for employees with medical conditions took place. The internal contingency plan for the threat from the swine flu pandemic was developed and launched, and was drawn up in compliance with the guidance by the Health Department and with the participation of IMTT and SET.

The programme for 2010 includes strengthening the safety framework for contract work, not only through the development of the regulatory structure for compulsory procedures and the drafting of risk analysis forms for projects awarded outside the company, but also through strengthening training and awareness surrounding rail safety. It is important to

Union Membership Rate
2009
[%]



Breakdown of Union Membership
[%]



note that, in this year, training in rail safety will not just be given to REFER personnel, but also to contractors and external suppliers.

Personnel and Asset Safety

REFER's work in the area of Personnel and Asset Safety focuses on the following areas:

- **Risk analysis and identification of vulnerabilities** across a wide geographical area of the rail infrastructure, using 331 studies, of which 200 took place in stations and stops. There were also 14 interventions as part of illegal occupations;

- **Promotion of Personnel and Asset Safety,** supported by two campaigns directed at schoolchildren and on level crossings risks;

- **Improvement of the quality of surveillance**, with key advances made in surveillance process structures (human and technical) and prevention of threats through use of modern systemisation technologies for collecting, communicating and handling safety data. The external supplier of the private surveillance contract was revised as well, at a real value of EUR 4.135 million per year, strengthening equipment and personnel – to 72 surveillance posts (corresponding to 15 new posts). The computerisation of private surveillance posts was launched, and video-surveillance coverage of the railway space began with the support of new equipment and the upgrading of other equipment that became obsolete – 273 new CCTV cameras were installed. A key step involved increasing the support for handling the information collected by the company's CCTV systems, the monitoring of the rapid growth in requests for recorded images made by police and judicial entities (384 formal requests) and the automatic access to 15 of the company's buildings (accumulated total) via the Integrated Access Control System.

- **Response Capacity in Emergency Situations**, an area in which 13 training and awareness initiatives have been held for internal personnel, with a total of 305 participants. With the new legislation entering into force covering safety conditions against fires in buildings (CSCIE), the surveying, analysis, description and requirements for local conditions needed to be reviewed, with 55 technical safety conditions forms drafted about fire in concession spaces within stations, involving all the stations in Greater Lisbon, 13 technical forms regarding stations and 100 forms regarding buildings. Nine evacuation simulations were held around the company's buildings.

The plan for 2010 is to consolidate the structures begun for preventing petty crime, vandalism and trespassing on the rail space, and strengthening the protection measures for key infrastructures in line with the EU drive to combat high criminality and terrorism, in close collaboration with the State Forces and Security Services. In the other aspect, institutional relationships will be developed with official entities represented by DGS, IMTT, SET, ANPC and others connected to the roles of first aid and rescue, in protecting the national rail infrastructure.

Human Resources Development

Potential and Performance Management System (SGDP)

The past year saw the Performance Management Model recover, while 2009 was characterised by the analysis and implementation of improvement measures that were intended to increase the system's efficiency and align it with the company's nature. Thus the following alterations to the SGDP have been defined:

- Introduction of the Personal Attitude Component: differentiation of the evaluation through valorisation of effort, interest and availability shown by employees;
- Review of the skills description, proficiency levels and professional profiles: to clarify the definition of the skills and the proficiency levels and make them more objective, and to adjust the profiles to the current demands and context for the company personnel;
- Differentiated evaluation according to the performance of each body;
- Drafting of support documentation, support manual and the skills and professional profiles directory;
- Alteration of the process steps and their timing;

Finally, as was the case with the 2007 performance evaluation, all REFER personnel were evaluated who had been in service for at least six months in the year 2008.

Training

The training given to REFER personnel during 2009 was framed within the "2007-2010 Training Strategy", designed to ensure a better alignment between the skills possessed by company personnel and the strategic objectives it aims to achieve.

Based on a budget of EUR 1,100,000, 827 training courses were held in which 7662 employees took part, which corresponded to a training volume of 107,067 hours.

This training allowed various topics crossing over the entire organisation to be covered, in particular, due to their importance and the number of personnel taking part:

- **Rail Technical Training** – Key activity involved professional rail safety training in fulfilment of Technical Exploration Instruction 77 (IET77). 251 employees took part in this activity, from various professional levels (technical director, safety manager, safety coordinator, project and surveillance manager);

- **Development Programme for Middle Managers** – The main objective was to strengthen the leadership skills of the personnel in the Traffic Inspector, Infrastructure Inspector and Specialist categories. 72 middle managers and 52 senior managers took part in this programme;

- **Leadership and Management Training** – Held with the aim of developing leadership and people management skills, as well as clarifying operational concepts and principles. 69 employees took part in these initiatives, 1st and 2nd line directors in the organisation.

- **Renew REFER Internship Programme** – Aimed at the company's technical railway areas, this programme was created with the aim of facing the growing difficulties of recruitment in a competitive work market, increasing average age within the company and the risk of losing internal knowledge with some of the company's most experienced technical personnel in the medium term. In the first year, 16 interns were recruited for a one-year period, who had degrees in engineering. This programme includes a first phase of organisational training focusing on a profound knowledge of the company, a second phase of training in engineering - track, geo-technics, power line and traction power, monitoring and performance of the infrastructure and signalling and electromagnetic compatibility – and a third phase in which the interns will be in contact with the technical teams to which they will belong in the future. At the end of the internship's first year, the interns are expected to be ready for integration into the REFER team.

The programme will be held again, starting in 2010, with an estimated recruitment of eight interns, also from the engineering discipline.

Aside from running these training initiatives, a programme also began of staff visits by the company's support bodies to various rail projects under way or other points of interest, such as the 25 de Abril bridge, the Rossio tunnel, the Lisbon and Porto Operational Command Centres or the projects at the Alcácer alternative route site. 45 employees took part in these visits, taking the chance to understand REFER's business more closely.

Employee Benefits

REFER's Benefits Plan aims to provide its employees a set of benefits that offer real compensation, in parallel to their remuneration. As part of this, the company established a set of protocols in the areas of health, education, culture and sport, which its employees can enjoy. They include:

- **Health Insurance** – Applicable to all company personnel, covering 90% of health expenses in any medical field held within the "Advance Care" network. Aside from this, all appointments made outside the approved network (any doctor, clinic or hospital) also benefit from a 70% contribution to the cost. It should also be noted that the employee's family members can benefit from this insurance, in which case the family group premium is paid by the employee;

- **Personal Accident Insurance** – This covers any kind of professional and extra-professional risk of Permanent Disabling Injury and Death;

- **Study Grants** – Delivered to the children that achieve average marks of 14 or above in the 9th year of school and the end of higher education. The sum spent in 2009 was EUR 140,000 in 2009;

- **Pre-School Subsidy** – Awarded to children of four months to six years of age who attend créches, kindergartens or nurseries recognised by Social Security. Within this, from 2009 it was decided that this support would be retained for deceased employees, or for those who had been designated as having a permanent disabling injury, arising from a work accident. This benefit cost the company EUR 135,000 in 2009;

- **Christmas Party and REFER anniversary** – For employees and their families. In 2009, an anniversary party was held in the Entroncamento railway rest home, which not only brought different generations of rail workers together in celebration, but also offered the space a refit which included earthworks to enlarge the car park, clearing of adjacent land and the creation of an allotment. Also as part of this event, the fundraising ticket was created, the proceeds from which will go towards building the new railway rest home at Pinhal Novo and through which around EUR 10,000 was raised;

- **REFER Holiday Camp** – Aimed at employees' children between the ages of six and 16, this was held in 2009 in São Martinho do Porto and Cadaval, with the participation of 120 young girls and boys.

- **Discounts and Partnerships** – involving services including fuel, telecoms, hotels, banking products, gyms and culture (theatre, books, tourism and travel, etc).

Aside from the social benefits described above, employees who move from CP to REFER and their respective families have Rail Transport Concessions at their disposal, paid for by the company. This is the component with the greatest share of the organisation's cost structure, with a value of EUR 3.3 million in 2009.

Diversity and Opportunity

Gender Equality

Historically the rail sector has always had a high male population among its personnel. This phenomenon is mainly due to the nature of the activity, involving a high level of physical demands and exposure to risk conditions in the operational areas, where the greatest number of personnel are concentrated.

In the last decade, the male-female ratio has become even more unbalanced, given the high number of individuals leaving by mutual consent in the category with the greatest female presence, Level Crossings Guards.

Nevertheless, REFER has built its operation based on equal treatment of employees of both sexes. In recent years, the growing trend of male predominance in the company has reversed, as a result of the reduction in the number of departures of Level Crossing Guards and the arrival of more highly qualified personnel of the female sex. Between 1999 and 2009 the male-female executives ratio fell from 4.07 to 2.68.

Furthermore, there are no significant deviations regarding differences in Basic Pay for men and women and which in two of the professional categories in which women are more strongly represented, their average basic pay is above that of their male colleagues (Management and Technical Assistants).

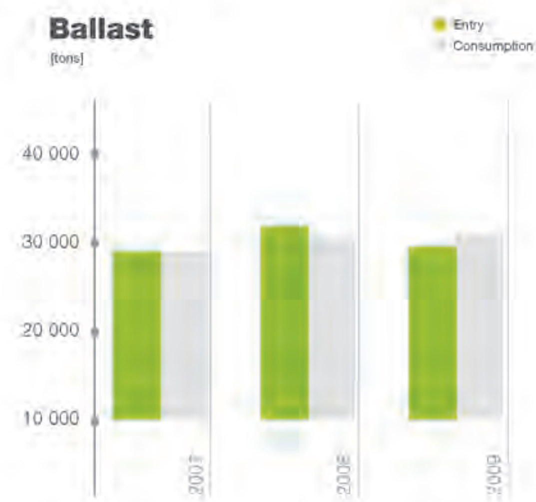
Men-Women Ratio – Basic Pay per Professional Category (Professional Categories with 10 or more women)	**M/W**
General Support Assistant	1,02
Administrative Support Operator	1,07
Management Assistant	0,94
Junior Technician	1,02
Technician	0,97
Specialist Technician	1,03

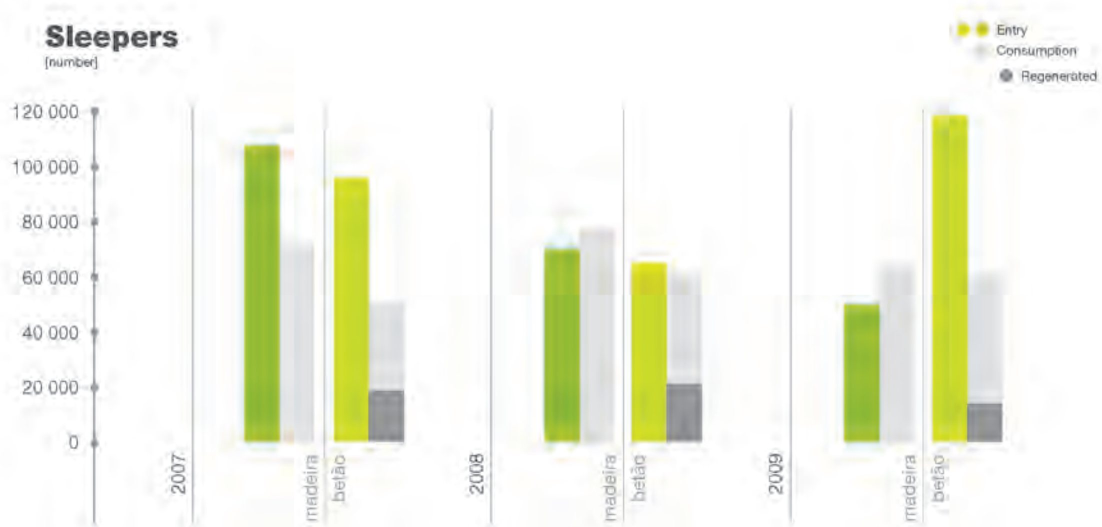
Environmental Performance

Following the framework defined for the company's Environmental Policy, REFER concluded that, of the main necessary measures, it needed to create a network of individuals with responsibility over environmental aspects, who would be included in the company's technical teams.
Having prioritised the investment area already, the process under way in the area of exploration and maintenance is expected to be continued during 2010, comprising added support to our work for the environment.

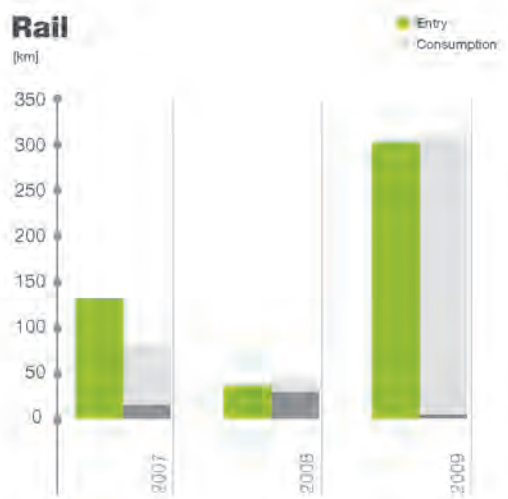
Materials

Of the main materials consumed by REFER, consumption of ballast increased slightly during 2009, while total consumption of sleepers (wooden and concrete, new and used) decreased. The reusage percentage of sleepers versus the overall value also fell, from 26% to 18%, between 2008 and 2009.

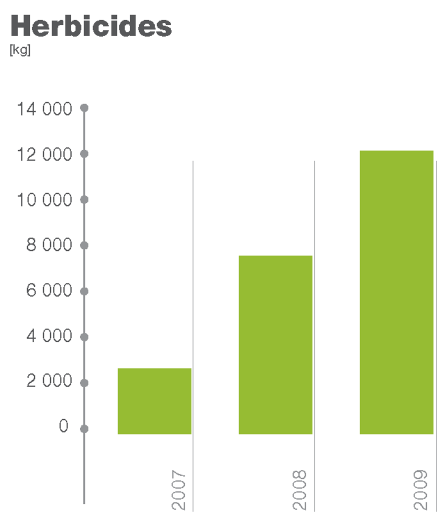




Consumption of rail track in 2009 rose considerably, around 70%, versus 2007, and around 80% versus 2008. The level of recycled rail track versus total consumption fell from 41% to 1% from 2008 to 2009.

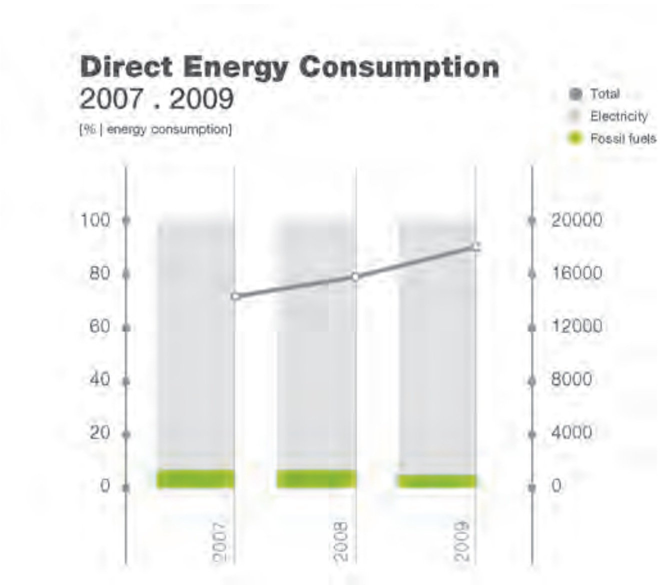


The intensification of weed-killing activity to control vegetation cover has driven an increase in the quantity of herbicides consumed in the last two years versus 2007. The growth was more emphatic in 2008 (64%) than in 2009 (38%) versus the previous years, 2007 and 2008, respectively.



Energy

Total energy consumption increased 14% year-on-year in 2009, with fossil fuel consumption falling 20% in the same period, mainly due to the fall in consumption of diesel by the car fleet that was recorded at 14%. The increase in total energy consumption was driven by electricity, which increased 16% versus 2008.

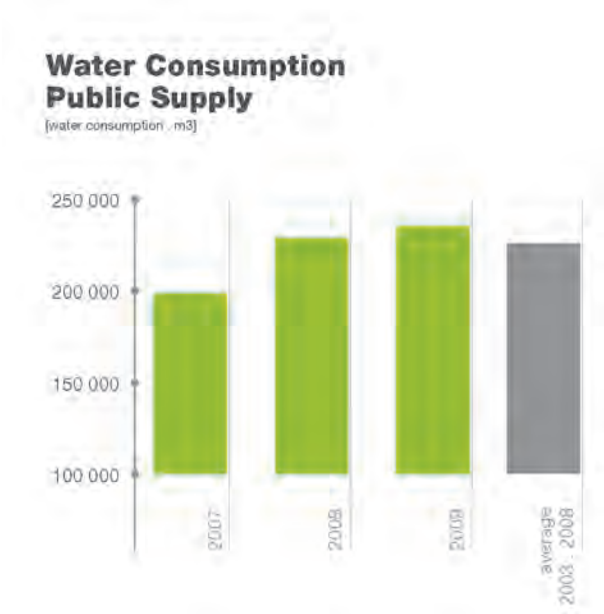


In line with EU and national energy efficiency policies, and with a view to reducing direct energy consumption in 2009, REFER launched its strategy definition for this area, aiming to create the management basis necessary, while outlining activity strategies affecting the areas of Stations and Buildings.

The energy consumed by rail transport of passengers and freight during 2009 fell 1.3% versus consumption in 2008, which itself increased 0.2% versus 2007. In 2009, energy returned to the grid through the braking process (13%) increased around 5% versus values recorded in 2007 and 2008.

Water

Water consumption increased 3% year-on-year in 2009 (230 thousand m3), which is a smaller increase than the level achieved in 2008 versus the prior year (15%).



Biodiversity

The proportion of sensitive, protected and Rede Natura (Nature Network) areas occupied by the national rail network remained the same as in 2007, 8% and 7% compared with the rail network with traffic and total network, respectively.
As a result of the company's B&B commitment in 2007, in 2009 particular initiatives went ahead which aim to promote biodiversity, specifically the development of the Indigenous Forest and the restoration of a saltworks in Sado.

Promotion of the Indigenous Forest

REFER in association with Quercus's Create Woods programme made a financial contribution to the project to ensure resident technical support in Quercus, and planted around 25,800 trees and bushes in 18 different places in the north and south of the country, in areas defined as public, or belonging to charitable organisations.
Aside from this support, it encouraged its employees to participate in the plantations, with two locations organised for the purpose, Afonsim (Vila Pouca de Aguiar) and Pampilhosa (Mealhada).

Afonsim (Vila Pouca de Aguiar) - 28 February 2009

Ecological Promotion of a Saltworks in Sado

The activity programme was developed and presented to the Institute of Nature Conservation and Biodiversity in order to win its approval as a supervisory entity for the Sado Estuary Nature Reserve. The implementation project's progress is shown below.

Crystallisation Area of the Miranda e João Dias Santos Saltworks, acquired by REFER

Environmental Impact

In 2009, Environmental Impact Declarations were issued for the projects of the "Alfarelos Station and Adjacent Sections" and the "Leixões Logistical Platform – Hub 2 –Gatões/Guifões", within the modernisation of the Northern Line and the Portugal Logistics programme, respectively. An opinion report was also issued on the Implementation Project Environmental Compliance Report (RECAPE) regarding the "Km 88+000-Entroncamento (exclusive)" project of the Northern Line.

Environmental Monitoring

As part of REFER's Environmental Impact Evaluation (AIA) procedures, during 2009, the environmental monitoring of different environmental aspects went ahead, both in the construction phase and in the exploitation phase, of various projects.

Construction stage

Alcácer do Sal Alternative Route	Monitoring of superficial water resources Monitoring of fauna
Aveiro Port Rail Link	Monitoring of nesting birds
Trofa Alternative Route	Noise monitoring Vibration monitoring Monitoring of superficial and subterranean water resources

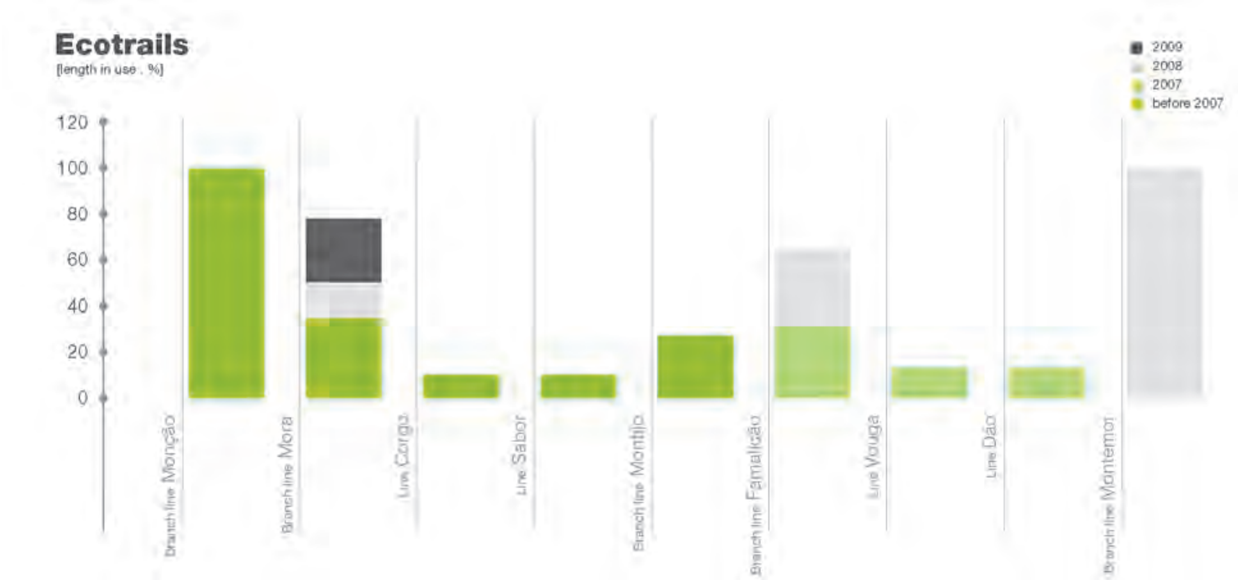
Operation stage

Minho Line between Lousado and Nine	Monitoring of noise environmental aspect
Braga Branch Line between Nine and Braga	Monitoring of noise environmental aspect
Beira Baixa Line between Mouriscas A/Castelo Branco	Monitoring of noise environmental aspect
South Line	Monitoring of noise and vibration environmental aspects
Évora Line between Casa Branca/Évora	Monitoring of noise environmental aspect

Environmental Recovery

Rehabilitation of Decommissioned Assets

The ecotrail network of 2009 totalled 135 km, following the completion of 17 km (the Arraiolos district crossing) on the Mora branch line.



Compensation Projects

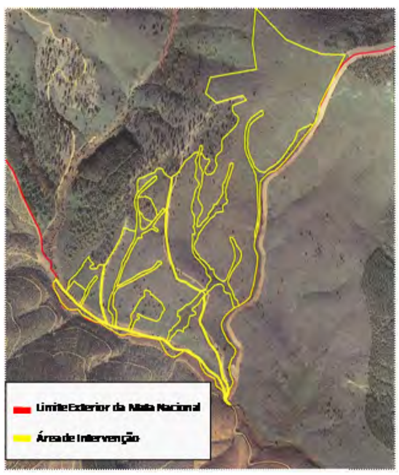
As a compensatory measure for the destruction of cork-oaks and holm-oaks, as part of the maintenance or investment activity, REFER committed itself in 2009 to reforesting a total of about 75ha of areas essentially for public (93%), private (1.7%) and Public Railway Domain (5.6%) management. These areas came to 38ha in the Sines region, 32ha in Penamacor, 1.3ha in Trofa and 4.2ha in Santarém. In 2009 the projects of Sines and Trofa were consolidated, with implementation complete during 2010.

Landscape

In this area the team worked to ensure environmental requirements were included in the tender specifications/technical conditions for projects and contracting work for stabilising embankments/building of retaining structures, in compliance with the landscape principles (ecological, functional and aesthetic), to ensure that those structures are integrated into the landscape.

Maintenance/operation environmental monitoring

Following the strategy defined in 2008, maintenance contracts were monitored effectively in 2009, ensuring the environmental requirements established in the respective tender specifications and the legal updates about the environment that involved adjustments to the Environment Management Systems developed for each Service Provision were followed. That support was aimed particularly at the effecting monitoring of nine maintenance contracts, which from July 2009, became five contracts, since the Service Provision Contract for Integral Maintenance of Signalling Systems was taken up at national level. From this decision



(above) Area to be reforested in Penamacor (bellow) Area to be reforested in Sines by central government, each contract was formally closed within the Environment aspect.

Audits were held as part of the maintenance contracts in progress, allowing their legal and contractual compliance to be assessed, but also their areas for potential improvement to be identified, to find a greater efficiency in the Environmental Management System implemented. A future aim is for all the contracts to be audited, establishing different levels and timeframes for holding quarterly/six-monthly operational control audits for example, according to the performance history for each service provider.

Environment Audits Performed in 2009

Service Provision Designation	Service Provider	REFER body associated to contract
Service Provision of Integrated Maintenance of Signalling Systems installed in the Greater Porto section	Dimetronic	UON – Ermesinde Maintenance Centre
Service Provision of Maintenance of Rail Infrastructure in the Metropolitan Area of Lisbon - 1st addendum to Contract 15/05 – CA/CM	Consórcio Ferrovias/ Mota-Engil/ Visabeira	UOC – Lisbon Maintenance Centre / UOS – Setúbal Maintenance Centre
Service Provision of Maintenance in the South Operational Conservation Zone – 1st addendum	Consórcio Somague / Neopul / EIP	UOS
Service Provision of Maintenance of the Track on the West Line between Meleças (Exclusive) and Louriçal (Exclusive)	Promorail/ Edifer/ Opway	UOC – Caldas da Rainha Maintenance Centre

Examples of improvements made to Yards Providing Rail Infrastructure Maintenance Services in the Lisbon Metropolitan Area

Yard at Vila Franca de Xira

The Waste Holding Area improved significantly due to the roofing of the entire surrounding area and the construction of retaining structures for the existing barrels in an uncovered area.

Yard at Alcântara

The Waste Holding Area was improved through the reorganisation of the space and the increased side protection to avoid water entering and remaining in its interior.

Yard at Penalva

The Waste Holding Area underwent continuous improvement. This included the recycling of product storage equipment for wrapping bulbs.

Similarly, maintenance and engineering works contracts have been monitored environmentally. Since the launch of the model supporting the departments, seven works contracts are currently in fulfilment of the Tender Specifications.

Maintenance/operation environmental diagnosis

Since the environmental diagnosis of Operation Units (OU) began in 2007, communication and collaboration between governing bodies has improved. In 2009, as part of the defined strategy, an Operational Environment Manager was trained for the south region (Southern Operation Unit), allowing the operationality intended and supported by the environmental objectives defined centrally to be adopted in the medium/long term at local level.
Finally, mention must be made of the environment training that has been held regularly, specifically as part of the programmes launched by the Human Resources Department.

Emissions, Effluents and Waste

Emissions

CO2 emissions arising from direct electricity consumption, based on the National Grid's emission factor, reached the equivalent of 28,000 tons of CO2 in 2009, about 16% higher than in 2008.
The environmental gains from replacing diesel rolling stock with electric trains following the electrification of the network have remained unaltered since 2005, the year in which the Mouriscas A – Castelo Branco section of the Beira Baixa electrified line began operating.

Effluents

The production of domestic effluents in 2009 decreased slightly (2.5%) versus 2008, a year which had shown almost the same value as the previous year, of 53,000 m3.

Waste

Due to the work carried out in previous years to implement the strategy proposed in the Waste Management Plan (WMP), in 2009 the company was able to carry out the following valorisation projects:

- Wood waste used for energy purposes. In 2009, REFER sent about 6000 tons of wood sleeper waste from the Entroncamento Logistics Complex to the SECIL facilities in Outão for energy generation.

- This solution, instead of sending the waste to hazardous waste landfills (the solution used in the past), decreased consumption of petcoke (fuel used at cement plants) by about 3000 tons.

- Material valorisation of around 1350 tons of metal waste (ferrous and non-ferrous).

By implementing selective collection networks, both for maintenance activities (used oil, lubricating grease, batteries) and social facilities (administrative zones where REFER's services operate), it was possible to route this waste correctly.
Regarding waste from administrative activities, the protocol applicable to computer consumables signed with AMI - Assistência Médica Internacional, which, by guaranteeing a suitable destination for around 2900 tons of ink and toner, promoting their recycling, resulted in economic assistance to the AMI Foundation which is important for its fund-raising campaign and its humanitarian aid campaigns.

Noise

Noise produced by the railway is one of the greatest environmental challenges faced by REFER. This situation has become increasingly more evident through the work carried out by the company's environmental department.
In 2009, 24 complaints were submitted regarding noise generated by activities for which REFER is responsible.

Year	2005	2006	2007	2008	2009
No. of complaints	29	27	19	23	24

Directive no. 2002/49/EC of 25 June was transposed into national law through Decree-Law no. 146/2006 of 31 July, decreeing that strategic noise maps are to be drawn up in two phases for the Large Rail Transport Infrastructures. The first phase covers rail track sections with over 60,000 trains per year, and the second, rail track sections with over 30,000 trains per year.

REFER drafted all the Strategic Noise Maps corresponding to the first phase, which were presented to the Portuguese Environment Agency by August 2008. They were approved. Aside from these, REFER is drafting strategic noise maps for the second phase.
We take the opportunity to mention that REFER was the first transport infrastructure management entity in Portugal to complete and receive approval for its Strategic Noise Map, under the terms of Decree-Law no. 146/2006 of 17 July, specifically that for the Cascais Line in 2006.

GIF (Major Rail Infras) 60k (line)	3D Cartography	Noise Map	Reduction Plan
Cascais	Complete	Complete	90%
Sintra	Complete	Complete	60%
Cintura	Complete	Complete	40%
Northern (up to Azambuja)	Complete	Complete	40%
Minho (up to Ermesinde)	Complete	Complete	40%
GIF (Major Rail Infras) 60k (line)	**3D Cartography**	**Noise Map**	**Reduction Plan**
Northern (Entroncamento – Albergaria-dos-Doze)	Complete	1st half 2010	2010
Northern (Quintans – Ovar)	Complete	1st half 2010	2010

Within REFER's activity field, the modernisation of tracks is a key factor for other measures to take effect, since this is a key reduction measure in terms of infrastructure, tackling the source of the problem, which must be matched by steps taken on the rolling stock.

As well as recognised, sometimes controversial, acoustic barriers, REFER has researched other noise reduction measures that may be applied once their effectiveness is proven and after they have been duly accepted. Such measures include:

- Installation of Noise Absorbers onto the track ("Rail Dampers");
- Fixed Track Lubricants;
- Acoustic Polishing;
- Absorbent Coverings for concrete walls;
- Acoustic Barriers (inclined or curved).

Last but not least, since the publication of the first General Noise Ruling (in 1987), it has clearly become necessary to promote a new policy of land management regarding key infrastructures such as the key communication arteries in metropolitan areas and main cities. Since then, it has become evident that the goal is to stop occupancy for specific sensitive uses of space adjacent to these channels, which have been located on that land for over a century in the case of the known rail network. Only this shared activity will have a positive effect on this topic.

Measures implemented by REFER as at 31.12.2009

Noise reduction measures	Implemented	In research
Network electrification	52% of the network with traffic 100% of the major railway transport infrastructures (GIF)	-
Track with continuous welded rail (CWR)	83% of the major railway infrastructure 72% of the network with traffic	-
Use of less noisy Rolling Stock (This measure is the exclusive responsibility of the rail operators)	Partially for 121 km 24% of the major railway infrastructure	25 km 25 km of GIF
Installation of 'rail dampers'	0 km 0 km of GIF	0,5 km 0.5 km of GIF
Ballast sheet	54 600 m^2 48 254 m^2 of GIF	54 600 m^2 48 254 m^2 of GIF
Track treated with resilient rail pads	6 km	6 km
Track treated with sleeper soles	1 km	1 km
Fixed Track Lubricant on low radius curves	1 unit	23 units
Acoustic barriers	61 km 46 km of GIF	Currently research is taking place on noise reduction measures in place along 88km of rail track (88km of the major railway infras.). Such measures include those indicated in this chart and not only acoustic barriers.

(*) Currently research is taking place on noise reduction measures in place along 88km of rail track (88km of the major railway infras.). Such measures include those indicated in this chart and not only acoustic barriers.

Cost of Environmental Actions

We will now present some costs associated to REFER's environmental policy measures.

Area	Action	Year	Cost (euros)
NOISE	Acoustic barriers installed	2007	2 500 000
	Acoustic barriers in the project/construction stage	2007 2008	33 000 000 36 082 000
	Protocol signed with the Signal Analysis and Processing Centre of the Instituto Superior Técnico (Various)	2007 2008 2009	11 000 11 000 11 000
	Digital cartography of the North Line (Lisbon Sta. Apolónia/ Azambuja) and Cintura Line	2007	64 085
	Sintra Line Noise Map	2007	29 000
	Cintura Line Noise Map	2007	19 500
	Level Crossing Campaign Evaluation Research	2007	8 300
	Roma-Areeiro Station Public Address System Evaluation Research	2007	8 850
	Acoustic Description Research for urban occupation	2007	4 850
	Digital cartography of the Minho Line (Porto S. Bento/Ermesinde)	2008	23 463
	North Line Noise Map (Lisbon Sta. Apolónia/Azambuja)	2008	49 300
	Digital cartography of the North line (Entroncamento/Albergaria-dos-Doze)	2009	45 200
	Digital cartography of the North line (Quintans/Ovar)	2009	35 462
WASTE	Waste management	2007 2008 2009	38 945 57 213 313 275
	Analyses of waste to determine whether it is suitable for landfills	2007 2009	22 341 3 655
	Implementation of the paper/cardboard selective waste collection	2008 2009	2 358 1 278
	Protocol wtih the Waste Valorisation Centre (WVC) of the University of Minho	2007 2008 2009	2 000 2 000 2 000

Area	Action	Year	Cost (euros)
ENVIRONMENTAL EVALUATION	Studies on main environmental impacts, environmental incidents and environmental compliance reports for the execution project	2008	252 868
		2009	343 402
	Environmental monitoring of the Guimarães, Douro, Beira Baixa lines	2007	68 346
	Environmental monitoring of the Évora line	2008	980
	Environmental monitoring of the Minho, Beira Baixa Sul and Évora lines and the Braga branch line	2009	9 990
	Environmental monitoring of the rail link to the Aveiro port	2009	5 000
PROPERTY ASSETS	Protocol signed with the University of Évora	2007	20 000
		2008	10 000
		2009	30 000
BIODIVERSITY	Consultancy	2007	32 000
		2008	32 000
		2009	20 000
	Installation of stork nest dissuaders and platforms	2007	5 095
		2008	15 140
		2009	104 100
	Ecological recovery of the Sado Valley Salt Lake	2008	70 000
LANDSCAPE	Protocol signed with the University of Évora	2007	15 000
	Landscape Integration Project for the section of Bombel/Casa Branca/Évora, on the Évora Line, and for Castelo Branco/Covilhã on the Beira Baixa Line	2009	44 136

List of All Indicators

GRI Code	REFER Financial Performance	Page
	Financial Indicators	
	Total Assets	219
	Operating Income	220-221
	Net Income	220-221
EC1	Turnover	
	Investment Volume	182,218-219
	Shareholders	
	Investment coverage by various subsidies	219
	Personnel	
	Personnel Expense Structure, namely remunerations, social costs	223
	Suppliers	
	Breakdown of costs item 62, namely weight of subcontracts	224
	Clients	
	Services Rendered (User Fee)	225-226
	Available network capacity	197
	Punctuality rate for reasons for which REFER is responsible	201
	Investment and conservation expenses for stations and interfaces	nd
	Employment	
LA1	Number of employees per qualification	231
LA1	Number of employees per NUT II region	232
LA12	Personnel benefits beyond the legal requirement	236
	Work and Labour Relations	
LA3	TUnion Membership Rate	232
	Health and Safety	
LA9	Average Annual Training Hours	235
LA9	Number of Trainees	235
LA9	Training Costs / Personnel Costs	235
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	Community	
	Accident Rates at LC	208
	Investments to decommission and convert LCs	205
	Number of LCs decommissioned	206
	Diversity and Opportunity	
LA11	Men-women ratio at the company	238
LA11	Men-women ratio in management positions	238
	Age structure	230
	Seniority Graph	231

GRI Code	REFER Financial Performance	Page
	Materials	
EN1	Tons ballast; km and tons of rail; no. and tons of sleepers (wood, dual-block and concrete); kg of herbicides and their nature; Origin of Materials.	239-240
	Energy	
EN3	Joule of electricity purchased; Joule of fossil fuel, diesel, consumed.	240-241
	Water	
EN5	Cost of total water consumption	241-242
	Biodiversity	
EN6	Area of rail domain assigned to protected areas; Indication of minimisation measures.	242
EN7	Indication of impacts: On protected areas; Area, if possible as a %, of impermeable areas.	243
EN27	Indication of measures implemented to: Collect abandoned waste; Requalify sections without traffic; Reforest areas subject to works (Int. Landscaping Project).	243
	Emissions, effluents and waste	
EN11	Tons of waste by type and origin; Indication of destinations.	246
EN30	Tons of subs and CO2 ton equivalents from operators, relationships with electrification of lines.	
EN31	Quantity of waste classified as dangerous.	
	Suppliers	
EN33	Indication of implemented measures.	249
	Noise	
AM1	Indication of measures implemented at the work sites (investment/conservation) to minimise noise; Indication of noise caused by train circulation and measures implemented by REFER, *EP* to minimise impact; Total no. of individuals potentially affected by noise levels > 55dB(A); Linear metres with continuous welded rail; Linear metres of acoustic barriers installed and in the project stage; Linear metres of electrified track.	247-250

Table of Commitments to Medium- and Long-Term Goals

	Objectives	Targets for 2010
Social	Increase the organisation's productivity	Encourage the work ethic factor
	Promote the Qualification and Valorisation of the Company's Human Resources	Reinforce in-house policies and initiatives for personnel development to ensure the availability and suitability of in-house skills to meet operation needs and the company's development;
		Maintain the goal defined previously, to increase training quality and suitability, thus promoting compliance with legal requirements applicable to the number of work hours/employee;
	Match personnel to the needs of the business	Create conditions for excess employees to retrain;
		Negotiate employees to leave their contracts under mutual accord..
Environmental	Develop and Implement the REFER Environmental Management System	Continue to develop the internal network of environment skills. Implement the audit plan.
	Implement the Environmental Monitoring Plans resulting from REFER's investment projects.	Implementation of the following monitoring plans: Lines of Minho, Beira Baixa, South and the Braga branch line - Noise Évora Line – Fauna/Flora
	Ensure acoustic protection* of receptors significantly** affected by train traffic noise.	Make an overall analysis of the effort needed to mitigate the impact of noise on the lines with over 60,000 runs/year and consolidate an action plan.
	* Acoustic protection of receptors is regarded as guaranteed if the legal thresholds are met or, when those thresholds are not met, if measures agreed with local population representatives are implemented.	As part of the action plan, create Reduction Plans for railway sections with over 60,000 trains per year (length: 105 km), in particular the Sintra and Cascais lines.
	** Receptors are regarded as significantly affected when subject to noise levels higher than the legal thresholds for mixed zones (a criterion that may be reviewed according to legislative amendments).	Develop the Strategic Noise Maps and Reduction Plans for the Quintans/Ovar and Entroncamento/Albergaria sections of the North Line (sections with over 30,000 and under 60,000 runs/year).
	Eliminate waste dispersal outside the network of specified concentration locations.	Expand REFER's selective waste collection network: - lead batteries network; - lubricant grease collection network. - waste sorting centres in the maintenance centres.
	Foster the implementation of minimisation or compensation measures for environmental impacts.	Continue to develop the ecological rehabilitation project for a Salt Lake along the Sado River (enrolled in the B&B initiative); Start the Ecological Continuum Project (enrolled in the B&B initiative);
		Implement the cork-oak compensation project in the areas of Sines, Penamacor and Trofa.
		Develop the Lines' nature database.

	Objectivos	Metas para 2010
Safety	Increase safety levels on the network	Implement the Safety Management System;
	Rail safety	Reduce the Accident Rate on Level Crossings.
Financial	Efficiently manage financial resources	Match the financial debt's term profile to the maturity of the assets aiming to reduce their effective cost
		Minimise the Opportunity Cost of resources held as collateral.
		Maximise obtaining available EU resources
		Ensure optimum financial resources associated to projects (in the tender stage) and their proper recording.
	Rationalisation of costs	Personnel awareness raising campaigns aimed at reducing some operation costs.
	Reduce the average payment period	Reduce the average supplier payment period to 42 days
	Reduce the average period for receipts	Reduce the average period for receipts from clients to 60 days

Glossary

"1st Railway Package" a set of EU directives defining the conditions for providing rail transport services and managing the rail infrastructure, which promotes a uniform means of issuing licenses to railway operators, providing access to rail infrastructures and issuing safety certificates.

Acoustic Barrier panels placed in a row along both sides of the rail track in zones where the surrounding area must be protected from the impact of noise from passing trains.

BAC Business Activity Code.

Ballast material of a selected particle size on which the sleepers are placed and embedded. Ballast distributes the loads transmitted by the sleepers to the platform, provides elasticity to the track and facilitates drainage. Ballast may consist of coarse sand, limestone gravel and hard-rock gravel, in two particle sizes – normal (from 25 to 50 mm) and fine (from 16 to 31.5 mm) used for levelling.

Ballast sheet rubber or synthetic carpet placed between the ballast and the track bed to decrease the noise level propagated through the track structure.

Broad track the so-called broad or normal track has a gauge of 1668 mm, which is used in the Iberian Peninsula. The European broad track has a gauge of 1435mm.

CH4 methane

Complementary network the national railway's complementary network, which includes the lines and branch lines of public interest not included in the main network. DL no. 10/90 of 17 March.

CONVEL abbreviation for Automatic Speed Control. A train protection system that, through inductive resonance circuits placed on the track and through corresponding onboard equipment, periodically checks whether the speed limit is being met, braking is being applied and stop signs are being complied with. In the event of an anomaly, the system activates automatic braking, thus assisting the drivers in carrying out their duties and preventing trains from exceeding the speed limits imposed by safety conditions.

Core business a company's main business.

CO^2 carbon dioxide.

Core Business negócio principal de uma empresa

Credit rating entities classified according to their credit risk.

CWR abbreviation for continuous welded rail: rail sections welded together to form an indefinite length, in which a central zone has a width that varies with the sleeper fixture type and on which internal stresses reach a maximum whilst impeding movements.

dB(A) A-weighted decibels.

Double track railway transport infrastructure whose transversal profile has two tracks where, normally, there is only one circulation direction on each track.

Dual-block sleeper sleeper consisting of two reinforced concrete blocks (not pre-stressed), with base plates for the rails, connected by a metallic bar (crossbeam) to ensure the track has the right gauge.

Ecotrail a non-motorised trail for leisure and nature walks along decommissioned railway corridors.

Electrified lines railway transport infrastructure whose tracks are equipped for electric traction, including installations for signaling, CONVEL and telecommunications.

Empty run an empty train run for rolling stock management or other reasons.

Environmental Management System The Environmental Management System is an integral part of the company's overall management system and includes a functional structure, planning activities, responsibilities, practices, procedures, processes and resources to develop, implement, review and maintain the Environmental Policy.

Infra-estrutura ferroviária Conjunto de todas as instalações fixas respeitantes às vias principais e de serviço e às estações necessárias à circulação ferroviária, incluindo edifícios afectos ao serviço das infra-estruturas, bem como o conjunto dos elementos referidos na parte A do Anexo I Regulamento nº1108/70 / CE. DLnº270/2003 de 28 de Outubro

EU Funds EU financial support instruments.

Freight trains used essentially for freight traffic.

GDP Gross Domestic Product, the value of goods produced and services provided in a country during one year.

GFCF Gross Fixed Capital Formation that indicates the value of durable goods acquired each year aiming to increase the country's production capacity.

Ground-train radio w/ data transmission Communication system for circulation control and command, with sound and data transmission connected to the CONVEL system, between drivers and ground or vice-versa.

Ground-train radio w/o data transmission Sound communication system for circulation control and command between drivers and ground or vice-versa.

GVA Gross Value Added corresponding to the output value of a company, sector or country, minus the value of intermediate consumption; the sum of all GVA corresponds to the GDP.

IFRS International Financial Reporting Standards.

INE National Statistics Institute.

Insulator ceramic insulation device placed on power lines to insulate the voltage zone which has a rupture resistance, by traction, of 9 tons.

Intercity the passenger train family that regularly connects two cities.

kCO2e kilogram of carbon dioxide equivalent.

koe kilogram of oil equivalent.

LC abbreviation for Level Crossing: where the track crosses a national or municipal road at track level.

Long distance common abbreviated means of describing long-distance passenger trains whose routes are longer than a specific threshold, normally set from 50 to 100 km.

Main network the main railway network consists of the lines used to provide national and international, long distance, high speed and high quality passenger transport services and of the lines used basically to transport large numbers of passengers commuting to work. DL no. 10/90 of 17 March.

Monoblock sleeper track sleeper of only one part made of pre-stressed concrete. The pre-stressing compression is sufficiently high to ensure that the sleeper will never be subject to traction caused by the loads for which it was designed. It weighs 50% more than the dualblock sleeper.

Multiple track train transport infrastructure whose transversal track profile has more than two tracks which normally features traffic in one direction on each track.

Narrow track track in which the gauge, distance between the inner sides of the rail heads, is of 1 metre. This is why it is also called the Metre Track.

Narrow track sleeper wood sleeper 240 cm wide for metre track (where the distance between the inner sides of the rail head is of 1 m), also called narrow track.

Notch different levels between credit ratings.

NP EN ISO 9001:2000 guideline standard for implementing quality management systems.

N^2O Nitrous oxide.

NUT Territorial Unit classification for statistical purposes.

Outsourcing contracting of external specialists to perform some of the company's specific tasks more effectively and at a lower cost.

PCBs polychlorinated biphenyls.

Pendular Pendular motion train, also known as the "tilting train" or simply "pendular" and whose technology allows it to travel at higher speeds than conventional trains on curves without compromising safety and whilst providing greater passenger comfort.

PIDDAC the Central Administration's Development Investment and Expense Programme.

Public Railway Domain public domain assets assigned to the functioning and operation of the public railway service.

Public Service service of a public interest to meet a public need rather than for profit.

Rail pad rubber or synthetic padding placed between the sole plate and the rail foot to decrease the noise propagated through the air and the track's structure.

Railway infrastructure all fixed facilities related with main and service tracks and the stations necessary for train circulation, including buildings assigned to infrastructure services, and the elements indicated in part A of Annex I of Regulation no. 1108/70/EC. DL no. 270/2003 of 28 October.

Regional current abbreviated description of regional trains that meet a specific region's needs, particularly an autonomous region. DL no. 10/90 of 17 March and DL no. 270/2003 of 28 October.

Single track train transport infrastructure whose transversal track profile has only one track which may have traffic in both directions.

Sleeper a component placed perpendicular to the track connecting the rail to the ballast. Train wheels run over the rail transmitting high stress, and the sleeper receives that stress and transmits it, now less intensely, to the ballast bed such that it is compatible with their resistance and deformation capacity. Sleepers and their fixtures guarantee a specific distance between the rails (track gauge).

Standard ISO 14001 guideline standard for implementing and certifying environmental management systems.

Statutory capital capital amount specified in the company's articles of association.

Suburban current abbreviated description of suburban trains that meet transport needs within a municipality or a metropolitan transport region. DL no. 10/90 of 17 March.

TK abbreviation for train-kilometre, a railway operation rendering unit, corresponding to a train moving 1 km. Its cost depends on the characteristics of the track and train in question.

Train family the group of trains with the same circulation itinerary or with identical route times.

Turnover net value of sales and services provided, including compensation indemnities from normal activities by the entities and after deductions, not including value added tax or other taxes directly related with sales and rendered services.

Undersleeper pads a rubber or synthetic pad placed under sleepers to decrease noise propagated through the air and the track structure.

User Fee amount paid by a railway operator for using a line or line section.

Value chain management model to determine the value added to the product by the chain's individual parts or segments, whereby the product progressively evolves through that very chain.

Waste Management Plan document prepared by the Environment Department in collaboration with the Provisioning and Logistics Department, the Conservation and Maintenance Department and the General Engineering Department that, having evaluated the reference situation, drafted the lines of action, orientations and strategic goals for developing REFER's waste management system.

Weed control periodic preventive treatment using suitable equipment to eliminate weeds growing on the track ballast and along track shoulders.

Wood Sleepers for Wide Track wood sleepers, 260 cm wide, for wide track (where the distance between the inner side of the rail heads is of 1.668 meters).

REPORTS FROM THE COMPANY'S AUDITORY BODIES

6

BARBAS, MARTINS, MENDONÇA & ASSOCIADOS, SROC, LDA.
AUDIT FIRM

OFFICIAL AUDITOR'S REPORT

» INTRODUCTION

1. We have audited the financial statements of **Rede Ferroviária Nacional REFER, E.P.E.** which include the Financial Position Statement for 31 December 2009 (total assets of EUR 657,045,000 and total negative equity of EUR 1,268,018,000, including negative net income of EUR 112,780,000), the Integrated Income Statement, the Statement of Alterations to Equity and the Cash Flow Statement for the year ending on that date and the accompanying notes.

» RESPONSIBILITIES

2. The company's Board of Directors is responsible for preparing the Management Report and the financial statements showing the company's true and appropriate financial situation, the result of its operations, alterations to its equity and cash flows. It is also responsible for having its historic financial information prepared in accordance with the international financial reporting standards (IFRS) as applied in the European Union, and for applying suitable accounting criteria and policies for maintaining an appropriate internal control system.

3. We are responsible for expressing a professional and independent opinion based on our examination of those financial statements.

» SCOPE

4. Our examination was performed in compliance with the Technical Review/Auditing Standards and Directives of the Order of Chartered Accountants requiring that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free of materially relevant distortions. To this end, the said audit includes:

    - a sample check of the documents supporting the figures and disclosures specified in the financial statements and evaluation of the estimates based on judgements and criteria defined by the Board of Directors and used for preparing the said statements;
    - the assessment of whether the accounting policies and their disclosure are suitable in view of the circumstances;
    - confirmation of the applicability of the principle of continuity; and
    - the assessment of whether the financial statements were adequately presented overall.

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5. Our examination also included checking whether the financial information in the management report was in agreement with the financial statements.

» OPINION

6. In our opinion, the said financial statements present in an appropriate and true manner, in all materially relevant aspects, the financial position of Rede Ferroviária Nacional - REFER, E.P.E, on 31 December 2009, as well as the income from its operations, the alterations to its equity, cash flows and the annexes for the year ending on that date in accordance with the International Financial Reporting Standards as applied in the European Union.

7. We are also of the opinion that the management report is in agreement with the financial statements.

» EMPHASIS

8. Without affecting our opinion expressed above, we draw attention to the following factors:

a) The company, within the perspective that investments on public long duration infrastructures (LDIs) are made on behalf of the entity which has granted the concession - the state, does not subject these assets to depreciation or impairment, merely including an item in the Financial Position Statement called “Investments on Long Duration Infrastructures” with a balance of about EUR 430,874,000, which results essentially from the difference between the balances of the tangible fixed assets accounts – LDIs (EUR 7,581,916,000) and investment subsidies (EUR 3,709,260,000) and loans obtained (EUR 3,897,671,000), showing a loss of capital (negative equity), as shown in the financial statements and note no. 4;

b) The associated company “Gil – Gare Intermodal de Lisboa, S.A.,” in which REFER has an approximate 33% shareholding had negative equity estimated at around EUR 35,000,000, as a result of that company’s high liabilities (around EUR 115,000,000), against low operating profitability. Therefore, the necessary measures must be taken to rectify this situation, which may imply increasing the respective share capital, taking into account article 35 of the Companies Code.

Lisbon, 26 April 2010

Barbas, Martins, Mendonça & Associados, S.R.O.C., Lda.
Audit Firm no. 100
(enrolled at C.M.V.M. no. 8968),
Represented by:

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Audit Report in respect of the Individual Financial Information

(Free translation from the original version in Portuguese)

Introduction

1 As required by law, we present the Audit Report in respect of the Financial Information included in the Board of Directors Report and the financial statements of Rede Ferroviária Nacional - REFER, E.P.E., comprising the statement of financial position as at December 31, 2009, (which shows total assets of Euro 657.045 thousand and a total negative shareholder's equity of Euro 1.268.018 thousand, including a net loss of Euro 112.780 thousand), the statement of income, the statement of changes in equity and the cash flow statement for the year then ended and the corresponding notes to the accounts.

2 As described in Note 2 of the notes to the accounts, the financial statements have been prepared based on the context of the Company's activity. Arising from the activity of managing the railway infrastructure, the sustainability of the Company is ensured by supplementary capital transfers ("prestações acessórias"), which have not been charged and received, and thus the Company has been generating and accumulating losses. Arising from the activity of investing in Long Term Infrastructures (ILD's) the statement of financial position presents a balance of some Euro 430.874 thousand, relating to the agency/management activity performed by the Company on behalf of the granter. This heading shows increases related with the non specific loans obtained to finance the investments made and the related interest, and decreases in respect of the subsidies received.

Responsibilities

3 It is the responsibility of the Company's Board of Directors (i) to prepare financial statements which present fairly, in all material respects, the financial position of the company, the changes in equity, the result of its operations and its cash flows; (ii) to prepare historic financial information in accordance with International Financial Reporting Standards as adopted by the EU which is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code; (iii) to adopt adequate accounting policies and criteria; (iv) to maintain appropriate systems of internal control; and (v) to disclose any relevant matters which have influenced the activity, the financial position or results of the company.

4 Our responsibility is to verify the financial information included in the documents referred to above, namely if it is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code, and to issue an independent and professional report based on our audit.

Scope

5 We conducted our examination in accordance with the Standards and Technical Recommendations approved by the Institute of Statutory Auditors, which require that we plan and perform the examination to obtain reasonable assurance about whether the financial statements are free of material misstatement. Accordingly, our examination included: (i) verification, on a sample basis, of the evidence supporting the amounts and disclosures in the financial statements, and assessing the reasonableness of the estimates, based on the judgments and criteria of the Board of Directors used in the preparation of the financial statements; (ii) assessing the appropriateness and consistency of the accounting principles used and their disclosure, as applicable; (iii) assessing the applicability of the going concern basis of accounting; (iv) assessing the overall presentation of the financial statements; and (v) assessing whether the financial information is complete, true, timely, clear, objective and licit.

6 Our examination also covered the verification that the financial information included in the Board of Director's Report is in agreement with the remaining documents referred to above.

7 We believe that our examination provides a reasonable basis for our opinion.

Opinion

8 In our opinion, the financial statements referred to above, present fairly in all material respects, the financial position of Rede Ferroviária Nacional - REFER, E.P.E. as at December, 31, 2009 the changes in equity, the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and the information included is complete, true, timely, clear, objective and licit.

Emphasis

9 Without qualifying the opinion stated on the previous paragraph, we draw attention to the fact that the entities "GIL – Gare Intermodal de Lisboa, S.A.", "Metro Mondego, S.A." and "Fernave – Formação Técnica, Psicologia em Transportes e Portos, S.A." present a situation of loss of half their initial shareholding capital. Thus, as indicated by article 35 of the Companies Code, measures should be taken to overcome this situation.

Lisbon, April 29, 2010

PricewaterhouseCoopers & Associados, S.R.O.C., Lda.
represented by:

José Manuel Oliveira Vitorino, R.O.C.