PORTUGAL

GENERAL REPORT

ASECAP STUDY AND INFORMATION DAYS

BRUSSELS, 29th – 31st May 2011

NETWORK CHARACTERIZATION

In 2010, the total length of the APCAP members motorway network under operation (Figure 1) was 1,701 km (1,453 km tolled and 248 km non-tolled).

The total length of the Portuguese motorway network, including the State owned network and the shadow-toll operated network, was 2,745 km.

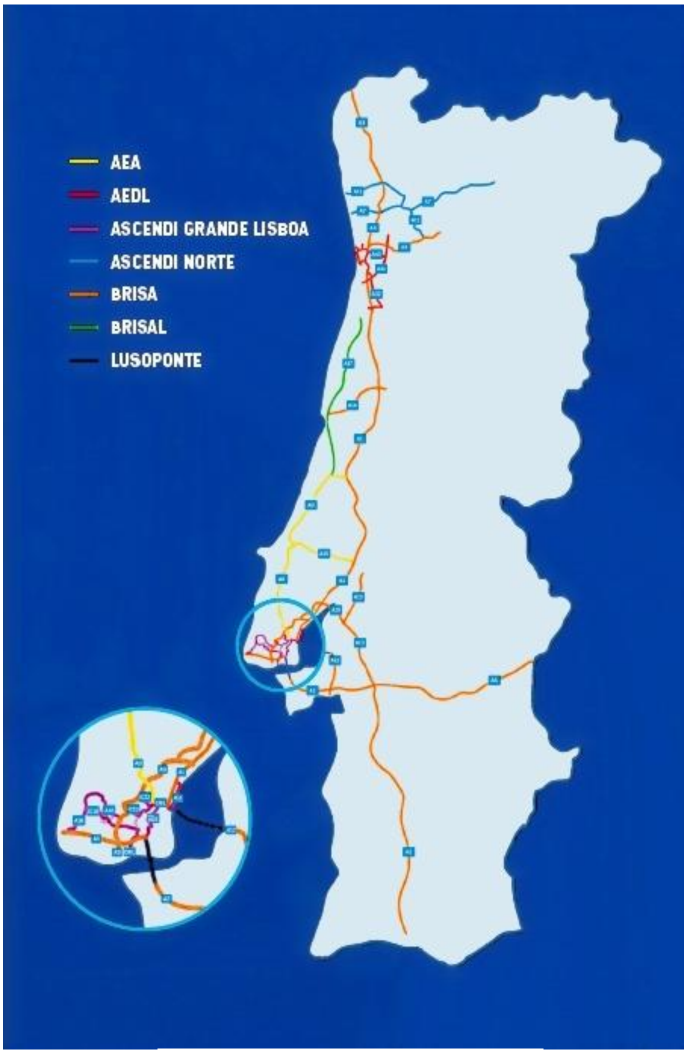

Figure 1

SERVICES

In a total of 156 toll plazas there are 1,200 lanes with 419 teletoll equipped lanes. On the 31st December 2010, there were 2,630,906 teletoll subscribers.

In terms of another services, the motorway network was equipped with 38 service areas, 2 rest areas, 71 restaurants and 7 hotels.

INVESTMENTS

The investments in 2010 reached an amount of € 545.8 million. This total includes € 418.7 million in new sections and € 127.1 million allocated to motorways in service (expansion works, rest areas and new facilities).

In 2011, an investment of € 254.3 million is foreseen as follows:

- € 167.2 million in new sections
- € 87.1 million in motorways in service

Financing

In 2010, the resources were broken down as follows:

Resources	€ Million	%
Bank loans	1,869.6	72
State (including UE)	-	-
Self-financing	720.5	28

Traffic

On the total network, the 2010 Average Annual Daily Traffic was 20,586 vehicles, distributed as follows:

Light vehicles: 19,553 (95%)

Heavy vehicles: 1,033 (5%)

The circulation was 11,897 x 10^6 vehicles x km. The GDP growth in 2010 was 1.3 %.

Tolls

Annual readjustments of toll tariffs take into account the growth of the domestic price index. In 2010, the average of toll tariffs was € 0.067 for light vehicles and € 0.167 for heavy vehicles. The earning average tariff HV/LV was 2.49.

Revenues

The annual toll revenue in 2010 reached € 725.3 million, which means a -1.7 % decrease from 2009.

Safety

In 2010, 6,087 accidents occurred, including 1,673 personal injury accidents. The number of fatal accidents was 49 with 61 dead.

Indicator	2010 (Number of accidents/ 10^9 veh x km)	2010/2009 (%)
Personal injury accident rate	140.6	-1
Fatal accident rate	4.1	11
Dead rate	5.1	22

Motorways Concessions in Portugal

New Real Toll Concessions

From 1999 until 2007, four new toll motorway tenders were launched by the Portuguese State, in common, all foresaw a return to real tolls and for the first three, an upfront payment to the State.

The risk allocation was also modified as expropriation risk was passed to the Concessionaire, namely due to the experience gathered from previous projects for which the State assumed far more compensations than initially expected.

Furthermore, two projects (Grande Lisboa and Douro Litoral) experimented a mix of greenfield and brownfield, requiring upgrading, operating and maintaining existing roads for a period of five years with no toll collection, combined with a thirty year concession for the new construction stretches with real toll.

Concession	Length* (km)	Investment (M€)
Brisal	92	500
Grande Lisboa	20	140
Douro Litoral	76	870
Túnel do Marão	30	350

*Greenfield

The Subconcession Model and Mega State-Owned Concession

In late 2007, early 2008 the Portuguese Toll road market underwent a major transformation, from the previous model where EP - Estradas de Portugal acted as National Authority and Grantor to a new model where EP is now The main Concessionaire in Portugal, leaving its previous role to InIR, the new road regulator.

With this change, the whole state-owned road network was transformed into a 75 year road concession that is now responsible for all new tenders, as they would become its own Sub-Concessions.

The old paradigm changed dramatically: where the privates usually had to deal with traffic risk, those Subconcessions (private) only collect tolls, by means of exclusively electronic toll collection, deliver them directly to EP and are rewarded by both operational service (traffic-related) and availability payments (fixed in time and value).

In this new layout, InIR (the regulator) acts both as a Grantor for Concessionaires both Public (EP) and Private (those who have not became subconcessions, like Brisa, Lusoponte and Autoestradas do Atlântico, etc.). EP itself acts both as Grantor for the Sub-Concessionaires and as Concessionaire to InIR.

The Availability Payment Model and the Sub-Concessions

In 2007, together with important changes to the concession model for the road sector, EP issued a new set of tenders, more than ten projects were announced despite only seven projects being effectively delivered and awarded.

Revolutionizing the previous model, major changes were introduced to these new tenders, namely: (i) both brownfield and greenfield were now awarded for a thirty year period; (ii) only electronic toll collection; (iii) the revenues collected through tolls are delivered to EP – Estradas de Portugal, S.A.; (iv) the Concessionaire revenues are a mix of service (based on traffic levels assessed) and availability revenues.

Concession	Length* (km)	Investment (M€)
Douro Interior	261	623
Transmontana	130	509
Baixo Alentejo	124	315
Baixo Tejo	32	186
Litoral Oeste	85	348
Algarve Litoral	187	142
Pinhal Interior	173	939

*Greenfield

The substantial number of projects awarded allowed the State to transfer most of the national road network to private Subconcessionaires responsible for thirty years for upgrades, maintenance and operation, including the DBFO for new national roads.

Shadow Tolls turn Real under the Subconcession Model

As a direct consequence of the financial crisis, the government decided to convert the 7 shadow-toll concessions into the real toll model, renegotiating all the existing Concession and Financial Contracts. Last 15th October the first set of 3 of those concessions have already started collecting tolls, among a national wave of protests. The other 4 will migrate until next 1st April 2011.

One should mention that the operational model is real toll concessions but, again, acting through the subconcession model, where the previous concessionaires (privates) have became subconcessionaires who only operate the roads and collect tolls to EP, being paid for the availability of those roads.

Concession	Length (km)	Investment (M€)
Beira Interior	178	585
Algarve	134	200
Costa de Prata	110	300
Interior Norte	160	450
Beira Litoral Alta	180	450
Norte Litoral	109	350
Grande Porto	58	350

Future and present trends

Ever since the late 90's the need for new roads and the financial sustainability of shadow tolls has been a key political issue in Portugal, despite the global financial crisis and the crushing budget crisis, projects were presented and awarded but reality pushed the government to introduce toll collection on most of the existing shadow toll roads.

As a cause/consequence of this fundamental change, EP Concession was created and will now receive the collected tolls of the former shadow toll roads and assure availability and service payments to these new sub-Concessionaires.

Pari passu to this trend, the State is promoting a new operational model of toll collection, 100% cashless, based only in electronic solutions, both pre and/or post payments.

MAIN APCAP KEY FIGURES

Country: PORTUGAL	**2010**
Network length (km)	1,701.3
2 x 2 lanes (km)	1,223.0
2 x 3 lanes (km)	460.7
2 x 4 lanes (km)	17.7
No. of km in construction	76.5
Forecasts of opening motorway sections in 2011	76,5
Annual toll revenue (€)	725,312,319
Permanent staff	2,501
Average daily traffic (LV) (a)	19,553
Average daily traffic (HV) (a)	1,033
Average daily traffic (LV+HV) (a)	20,586
Total number of accidents (a)	5.939
No. of personal injury accidents (a)	1,673
No. of dead (a)	61
Km travelled (10^6 x km) (a)	11,897
No. of toll plazas	156
No. of lanes	1,200
No. of teletoll equipped lanes	419
No. of teletoll subscribers	2,630,906
No. of services areas	38
No. of rest areas	2
No. of restaurants	71
No. of hotels	7

(a) *Not available for AEDL and ASCENDI GRANDE LISBOA (except A16)*