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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2012

Valores em Milhares Euros				
RUBRICAS	Notas	30-Jun-12	31-Dez-11	1-Jan-11
<b>ATIVO</b>				
<b>Ativo não corrente</b>				
Ativos fixos tangíveis	5	1 104 281	1 115 111	3 144 987
Propriedades de investimento	6	459 616	459 358	468 509
Goodwill	7	114 593	114 593	327 728
Ativos intangíveis	8	4 837 908	4 792 297	4 764 834
Ativos biológicos	9	19 346	21 552	23 109
Participações financeiras em associadas	10	509 202	522 615	3 051 672
Outras participações financeiras	11	877 825	1 038 908	1 329 630
Outros ativos financeiros	12	2 143 205	1 984 499	1 432 800
Ativos por impostos diferidos	13	312 440	293 597	295 218
Outras contas a receber	17	159 250	168 304	143 862
Diferimentos	18	501 010	430 171	332 895
		<b>11 038 674</b>	<b>10 941 004</b>	<b>15 315 243</b>
<b>Ativo corrente</b>				
Inventários	19	1 158 001	1 172 709	1 456 646
Ativos biológicos	9	2 834	2 859	2 733
Clientes	14	578 779	482 226	613 469
Adiantamentos a fornecedores	15	2 506	2 664	12 635
Estado e outros entes públicos	16	38 861	39 219	43 094
Outras contas a receber	17	213 931	279 900	374 929
Diferimentos	18	16 341	12 417	26 205
Outros ativos financeiros	12	15 679	10 697	10 926
Caixa e depósitos bancários	20	2 942 053	520 424	901 944
		<b>4 968 985</b>	<b>2 523 115</b>	<b>3 442 582</b>
Ativos não correntes detidos para venda	21	3 275 885	6 014 893	-
		<b>8 244 870</b>	<b>8 538 008</b>	<b>3 442 582</b>
<b>Total do ativo</b>		<b>19 283 545</b>	<b>19 479 012</b>	<b>18 757 825</b>
<b>CAPITAL PRÓPRIO E PASSIVO</b>				
<b>Capital próprio</b>				
Capital realizado		1 027 151	1 027 151	1 027 151
Reservas legais		730 233	724 491	725 084
Outras reservas		91 721	94 717	106 414
Ajustamentos em ativos financeiros		1 301	(479 642)	(467 963)
Resultados transitados		735 005	1 199 305	1 097 368
Resultado líquido do período atribuível aos detentores do capital da empresa-mãe		433 448	59 592	94 981
<b>Total do capital próprio atribuível aos detentores do capital da empresa-mãe</b>	22	<b>3 018 859</b>	<b>2 625 614</b>	<b>2 583 036</b>
Interesses que não controlam	23	650 185	625 460	551 594
<b>Total do capital próprio</b>		<b>3 669 044</b>	<b>3 251 073</b>	<b>3 134 630</b>
<b>Passivo não corrente</b>				
Provisões	24	33 732	32 590	196 917
Financiamentos obtidos	25	6 472 382	6 441 603	8 304 187
Responsabilidades por benefícios pós-emprego	26	40 870	43 249	126 690
Passivos por impostos diferidos	13	388 275	365 276	369 794
Acionistas / sócios		-	-	190
Outras contas a pagar	29	176 125	188 486	194 022
Outros passivos financeiros	30	52 491	38 456	16 107
Diferimentos	18	2 608 965	2 603 645	2 613 571
		<b>9 772 840</b>	<b>9 713 305</b>	<b>11 821 477</b>
<b>Passivo corrente</b>				
Provisões		92	304	-
Fornecedores	28	66 608	60 189	243 524
Adiantamentos de clientes	27	1 748	1 823	3 628
Estado e outros entes públicos	16	48 924	74 779	234 256
Acionistas / sócios		18	18	18
Financiamentos obtidos	25	1 652 183	1 724 671	1 912 502
Outras contas a pagar	29	829 420	1 398 666	1 321 143
Outros passivos financeiros	30	1 302	3 666	8 324
Diferimentos	18	28 660	28 546	78 325
		<b>2 628 954</b>	<b>3 292 662</b>	<b>3 801 718</b>
Passivos relacionados com ativos não correntes detidos para venda	21	3 212 708	3 221 972	-
		<b>5 841 661</b>	<b>6 514 635</b>	<b>3 801 718</b>
<b>Total do passivo</b>		<b>15 614 501</b>	<b>16 227 939</b>	<b>15 623 195</b>
<b>Total do capital próprio e do passivo</b>		<b>19 283 545</b>	<b>19 479 012</b>	<b>18 757 825</b>

**CONSOLIDATED INCOME STATEMENT BY NATURE FOR THE PERIOD ENDED AT 30 JUNE 2012**

Valores em Milhares Euros			
RUBRICAS	Notas	1º semestre 2012	1º semestre 2011
Vendas e serviços prestados	31	1 840 628	1 761 408
Subsídios à exploração	32	3 614	7 403
Ganhos e perdas imputados de associadas	33	3 379	163 144
Dividendos de participações ao custo e ao justo valor	34	231 686	38 075
Mais-valias resultantes de reprivatizações	35	574 169	-
Variação nos inventários da produção	36	(6 302)	(474)
Trabalhos para a própria entidade	37	15 037	16 718
Custo das mercadorias vendidas e das matérias consumidas	38	(130 880)	(157 985)
Fornecimentos e serviços externos	39	(1 009 599)	(930 230)
Gastos com o pessoal	40	(397 441)	(417 515)
Ajustamentos de inventários	41	(825)	(1 481)
Imparidade de dívidas a receber	42	(3 726)	(1 126)
Provisões	43	1 000	2 593
Imparidade de investimentos não depreciables / amortizáveis	44	(49 001)	(23 178)
Aumentos / reduções de justo valor	45	(164 397)	39 045
Outros rendimentos e ganhos	46	64 370	63 659
Outros gastos e perdas	47	(42 174)	(33 650)
<b>Resultado antes de depreciações, gastos de financiamento e impostos</b>		<b>929 536</b>	<b>526 405</b>
Gastos/reversões de depreciação e de amortização	48	(227 822)	(227 495)
Imparidade de investimentos depreciables / amortizáveis	44	59	-
Subsídios ao investimento	49	40 061	36 872
<b>Resultado operacional (antes de gastos de financiamento e impostos)</b>		<b>741 834</b>	<b>335 782</b>
Juros e rendimentos similares obtidos	50	3 451	4 186
Juros e gastos similares suportados	50	(219 520)	(193 336)
<b>Resultado antes de impostos</b>		<b>525 765</b>	<b>146 632</b>
Imposto sobre o rendimento do período	51	(47 587)	(39 141)
<b>Resultado líquido do período</b>		<b>478 179</b>	<b>107 491</b>
Resultado líquido dos interesses que não controlam	52	44 731	37 284
<b>Resultado líquido dos detentores do capital da empresa-mãe</b>		<b>433 448</b>	<b>70 208</b>
Resultado das unidades operacionais descontinuadas incluído no resultado líquido do período	53	655 722	68 041
Resultado das unidades operacionais descontinuadas incluído no resultado líquido dos detentores do capital da empresa-mãe	53	644 324	56 641
Resultado básico e diluído por ação (euros):			
Proveniente de unidades operacionais em continuação e de unidades operacionais descontinuadas		1,08	0,18
Proveniente de unidades operacionais descontinuadas		1,61	0,14

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED AT 30 JUNE 2012**

<i>Valores em Milhares Euros</i>		
<b>RUBRICAS</b>	<b>1º semestre 2012</b>	<b>1º semestre 2011</b>
<b>Resultado líquido no período</b>	478 179	107 492
<b>Outro rendimento integral</b>		
Ganhos e perdas com conversão de balanços expressos em moeda diferente	(3 081)	(3 324)
Ganhos e perdas da remensuração de ativos financeiros disponíveis para venda	19	7
Ganhos e perdas em instrumentos de cobertura (de fluxo de caixa)	(16 324)	952
Outro rendimento integral imputado de associadas e empreendimentos conjuntos	(6 202)	(21 320)
Ajustamentos por reconhecimento de impostos diferidos (só de rubricas do CP)	121	-
Outros ganhos e perdas	(15 776)	(850)
	(41 242)	(24 535)
<b>Rendimento integral</b>	436 936	82 958
Rendimento integral		
Atribuível aos detentores de capital	393 245	45 699
Atribuível aos interesses que não controlam	43 691	37 259

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED AT 30 JUNE 2012

DEMONSTRAÇÃO DE ALTERAÇÕES NO CAPITAL PRÓPRIO	TOTAL	Capital realizado	Reservas legais	Outras reservas	Excedentes de revalorização	Ajustamentos em ativos financeiros	Outras variações no capital próprio	Resultados transitados	Resultado líquido do período	Subtotal (antes de I.M.)	Interesses que não controlam
<b>Posição financeira em 01-01-2011</b>	3 125 982	1 027 151	725 084	106 414	21 359	(467 963)	-	1 064 126	98 217	2 574 388	551 594
Ajustamentos e correções com efeitos retrospectivos	8 648	-	0	0	(21 359)	(0)	-	33 243	(3 236)	8 648	0
<b>Posição em 01-01-2011 após ajustamentos e correções</b>	3 134 630	1 027 151	725 084	106 414	-	(467 963)	-	1 097 368	94 981	2 583 036	551 594
<b>Transações com proprietários de capital no 1º semestre de 2011</b>	(55 543)	-	770	(10 918)	-	148	-	79 984	(94 985)	(25 000)	(30 543)
Aplicação de resultados e distribuição de lucros e reservas	(61 598)	-	770	(10 918)	-	148	-	79 984	(94 985)	(25 000)	(36 598)
Outras transações	6 055	-	-	-	-	-	-	-	-	-	6 055
<b>Rendimento integral no 1º semestre de 2011</b>	82 958	-	(1 311)	(2 434)	-	(21 161)	-	398	70 208	45 700	37 259
Resultado líquido do período	107 492	-	-	-	-	-	-	-	70 208	70 208	37 284
Outro rendimento integral	(24 533)	-	(1 311)	(2 434)	-	(21 161)	-	398	-	(24 508)	(25)
<b>Posição financeira em 30-06-2011</b>	3 162 045	1 027 151	724 543	93 062	-	(488 976)	-	1 177 750	70 204	2 603 735	558 309
<b>Transações com proprietários de capital no 2º semestre de 2011</b>	-	-	-	-	-	-	-	-	-	-	-
Aplicação de resultados e distribuição de lucros e reservas	-	-	-	-	-	-	-	-	-	-	-
Outras transações	-	-	-	-	-	-	-	-	-	-	-
<b>Rendimento integral no 2º semestre de 2011</b>	89 029	-	(52)	1 655	-	9 334	-	21 555	(10 613)	21 878	67 150
Resultado líquido do período	57 104	-	-	-	-	-	-	-	(10 616)	(10 616)	67 720
Outro rendimento integral	31 924	-	(52)	1 655	-	9 334	-	21 555	3	32 494	(570)
<b>Posição financeira em 31-12-2011</b>	3 251 073	1 027 151	724 491	94 717	-	(479 642)	-	1 199 305	59 591	2 625 614	625 460
<b>Transações com proprietários de capital no 1º semestre de 2012</b>	(18 966)	-	6 583	64	-	-	-	52 945	(59 592)	0	(18 966)
Cobertura de prejuízos	-	-	-	-	-	-	-	(2 235)	2 235	-	-
Aplicação de resultados e distribuição de lucros e reservas	(22 691)	-	6 583	64	-	-	-	55 180	(61 827)	0	(22 691)
Outras transações	3 725	-	-	-	-	-	-	-	-	-	3 725
<b>Rendimento integral no 1º semestre de 2012</b>	436 936	-	(841)	(3 060)	-	480 944	-	(517 246)	433 448	393 245	43 691
Resultado líquido do período	478 179	-	-	-	-	-	-	-	433 448	433 448	44 731
Outro rendimento integral	(41 243)	-	(841)	(3 060)	-	480 944	-	(517 246)	-	(40 203)	(1 040)
<b>Posição financeira em 30-06-2012</b>	3 669 043	1 027 151	730 233	91 721	-	1 302	-	735 004	433 448	3 018 859	650 184
<b>Dividendos distribuídos em 2012 (a accionistas da empresa-mãe)</b>											
<b>N.º de ações do capital</b>											
<b>Dividendos por ação</b>											

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED AT 30 JUNE 2012

Valores em Milhares Euros		
RUBRICAS	1º semestre 2012	1º semestre 2011
<b>Atividades operacionais:</b>		
Recebimentos de clientes	1 980 566	1 660 264
Pagamentos a fornecedores	(1 542 756)	(1 392 644)
Pagamentos ao pessoal	(267 841)	(341 264)
Caixa gerada pelas operações	169 968	(73 644)
Pagamento / recebimento de imposto sobre o rendimento	(69 262)	(87 421)
Outros recebimentos / pagamentos relativos à actividade operacional	152 644	284 477
Fluxos de caixa das atividades operacionais	253 351	123 411
<b>Atividades de investimento:</b>		
Recebimentos provenientes de:		
Outros ativos fixos tangíveis	7 155	1 748
Ativos fixos intangíveis	160	38
Investimentos financeiros	2 534 924	95 918
Subsídios ao investimento	47 156	44 482
Juros e rendimentos similares	12 435	12 491
Dividendos	262 190	213 121
	2 864 020	367 798
Pagamentos respeitantes a:		
Outros ativos fixos tangíveis	(60 255)	(89 716)
Propriedades de investimento	(2 097)	(1)
Outros ativos intangíveis	(101 899)	(190 807)
Investimentos financeiros	(186 603)	(112 279)
Juros e gastos similares	-	(7)
Empréstimos concedidos	(1 219)	(172)
Outros ativos	(268)	(488)
Direito de concessão	(597)	-
	(352 939)	(393 470)
Fluxos de caixa das atividades de investimento	2 511 081	(25 672)
<b>Atividades de financiamento:</b>		
Recebimentos provenientes de:		
Realizações de capital e de outros instrumentos de capital próprio	3 725	1 679
Financiamentos obtidos	269 852	780 837
Subsídios e doações	-	3 654
Juros e rendimentos similares	1 245	945
Outras operações de financiamento	1 000	-
	275 822	787 115
Pagamentos respeitantes a:		
Reduções de capital e de outros instrumentos de capital próprio	-	(850)
Financiamentos obtidos	(444 126)	(691 801)
Contratos de locação financeira	(69 384)	(59 519)
Juros e gastos similares	(122 950)	(87 332)
Dividendos	(35 428)	(27 030)
Outras operações de financiamento	-	(334)
	(671 888)	(866 866)
Fluxos de caixa das atividades de financiamento	(396 066)	(79 751)
Variações de caixa e seus equivalentes	2 368 366	17 989
Das quais provenientes de unidades operacionais descontinuadas (Nota 53)	192 692	62 978
Efeito das diferenças de câmbio	(630)	1 967
<b>Caixa e seus equivalentes no início do período</b>	<b>471 180</b>	<b>712 744</b>
Descobertos bancários	278 104	234 544
<b>Caixa e seus equivalentes no fim do período</b>	<b>2 838 917</b>	<b>732 700</b>

RUBRICAS	1º semestre 2012	1º semestre 2011
<b>Caixa e seus equivalentes no fim do período</b>	<b>2 838 917</b>	<b>732 700</b>
Descobertos bancários	278 104	234 544
Variações de caixa por concentrações	-	-
Outros	1 466	1 465
Caixa e seus equivalentes classificados como ativos não correntes detidos para venda	(176 433)	(165 800)
<b>Caixa e depósitos bancários constantes do balanço</b>	<b>2 942 054</b>	<b>802 909</b>

## NOTES

### 1 - Parpública Group's economic activities

PARPÚBLICA – Participações Públicas, SGPS, SA (herein after designated by Company or PARPÚBLICA) is a whole owned public company, incorporated by Decree-Law Nr. 209/2000 as of September 2, with the aim to be an essential tool of the State, to intervene in the following areas:

- a) Managing participations in companies undergoing a privatizing process, or able to be privatized, in a certain term;
- b) Developing privatizing processes, as determined by the Government;
- c) Re-structuring companies transferred to its portfolio;
- d) Following participations in privatized companies, which grant special rights to the State;
- e) Managing surplus public real estate patrimony, through specialized subsidiary companies;
- f) Support to the work of the Finance Minister of the financial tutelage over State-owned companies and public-private partnerships.

The missions committed to PARPÚBLICA by the above mentioned Decree-Law are developed, by using the mechanisms of SGPS, which is, through its participations portfolio, as well as through the rendering of services to the Finance Ministry.

Considering the activities developed by the companies whose financial statements were included in the consolidated financial statements of the PARPÚBLICA Group, six business segments were identified: (i) Management of Other shareholding and miscellaneous services; (ii) Real estate Management and Promotion; (iii) Agricultural, Livestock breeding and Forestry; (iv) Production of Currency, Printing/Publications and Safety products; (v) Air Transport; and (vi) Water and Waste.

These consolidated financial statements relate to the period of 6 months ending 30 June 2012, were prepared from the accounting records of the company under the going concern and accrual basis assumptions and are presented in thousands of EUROS (tEUROS), except when referred another amount unit.



# Segment reporting

Valores em milhares de Euros

Rubricas	Segmentos de Negócio												Eliminações Inter-Segmentos		Consolidado	
	Gestão de O. Participações e Diversos		Gestão e Promoção Imobiliária		Exploração Agrícola, Pecuária e Florestal		Produção de Moeda, Publicações e Produtos de Segurança		Actividades Aeronáuticas		Águas e Resíduos					
	30-jun-12	31-dez-11	30-jun-12	31-dez-11	30-jun-12	31-dez-11	30-jun-12	31-dez-11	30-jun-12	31-dez-11	30-jun-12	31-dez-11	30-jun-12	31-dez-11	30-jun-12	31-dez-11
PATRIMÓNIO E O. INFORMAÇÕES																
Ativos																
Ativos dos negócios	5 009 883	7 621 180	1 801 787	1 823 288	92 569	92 149	123 748	127 080	2 924 102	3 088 974	6 747 962	6 665 898	(1 177 636)	(1 203 384)	15 522 415	18 215 186
(dos quais detidos para venda)	181 160	2 755 296							2 924 102	3 088 974						
Ativos diversos	2 566 142	117 325	108 435	84 586	5 628	6 680	61 589	64 445	170 623	170 623	888 457	827 052	(39 747)	(6 887)	3 761 126	1 263 824
(dos quais detidos para venda)									170 623	170 623						
Ativos totais	7 576 025	7 738 505	1 910 223	1 907 874	98 196	98 830	185 337	191 525	3 094 725	3 259 597	7 636 419	7 492 950	(1 217 383)	(1 210 271)	19 283 541	19 479 010
Passivos																
Passivos dos negócios	533 414	1 138 585	132 965	94 970	1 751	1 869	13 933	21 294	888 047	889 156	331 950	312 900	(40 291)	(7 458)	1 861 769	2 451 316
(dos quais detidos para venda)									888 047	889 156						
Passivos de financiamento e diversos	5 059 135	5 147 438	1 258 181	1 283 377	17 249	17 333	45 008	50 673	2 250 730	2 257 067	4 288 177	4 194 828	(1 177 092)	(1 202 812)	11 741 389	11 747 903
(dos quais detidos para venda)									2 250 730	2 257 067						
Subsídios para Activos	507	1 060	0	0	1 234	1 104	21	21	73 931	75 748	1 935 646	1 950 784	-	-	2 011 339	2 028 717
Passivos totais	5 593 057	6 287 082	1 391 147	1 378 347	20 234	20 307	58 961	71 988	3 212 708	3 221 971	6 555 773	6 458 512	(1 217 383)	(1 210 270)	15 614 496	16 227 936
Capital Próprio do Grupo	1 978 260	1 446 736	517 644	528 134	77 962	78 523	126 375	119 538	-247 625	-93 198	566 243	545 883	(0)	(1)	3 018 859	2 625 614
Interesses que não controlam	4 709	4 687	1 432	1 394	-	-	-	-	129 642	130 824	514 403	488 555	-	-	650 185	625 460
Capital Próprio	1 982 968	1 451 423	519 076	529 528	77 962	78 523	126 375	119 538	-117 983	37 626	1 080 646	1 034 438	(0)	(1)	3 669 044	3 251 074

## Segment reporting

Valores em milhares de Euros

Valores em milhares de Euro																
Rubricas	Segmentos de Negócio												Eliminações Inter-Segmentos		Consolidado	
	Gestão de O. Participações e Diversos		Gestão e Promoção Imobiliária		Exploração Agrícola, Pecuária e Florestal		Produção de Moeda, Publicações e Produtos de Segurança		Actividades Aeronáuticas		Águas e Resíduos					
	30-jun-12	30-jun-11	30-jun-12	30-jun-11	30-jun-12	30-jun-11	30-jun-12	30-jun-11	30-jun-12	30-jun-11	30-jun-12	30-jun-11	30-jun-12	30-jun-11	30-jun-12	30-jun-11
Vendas e serviços prestados	6 711	5 709	40 511	68 555	1 072	1 451	43 083	69 062	1 333 588	1 243 351	415 664	373 281	-	-	1 840 628	1 761 401
Subsídios à exploração	752	4 824	-	7	955	976	6	1	1 805	1 478	96	117	-	-	3 614	7 401
Ganhos e perdas imputados de associadas	5 654	170 270	-	-	-	-	-	-	(2 275)	(7 126)	-	-	-	-	3 379	163 141
Dividendos de participações ao custo e ao justo valor	231 675	38 063	-	-	-	-	-	-	11	12	-	-	-	-	231 686	38 075
Mais-valias resultantes de reprivatizações	574 169	-	-	-	-	-	-	-	-	-	-	-	-	-	574 169	-
Variação nos inventários da produção + Trabalhos para a própria entidade	-	-	(2 153)	(448)	620	(67)	1 241	495	(4 964)	967	13 991	15 297	-	-	8 735	16 241
Custo das mercadorias vendidas e das matérias consumidas	(5)	(5)	(9 972)	(41 462)	(1 257)	(1 064)	(10 992)	(19 636)	(93 820)	(82 989)	(14 834)	(12 829)	-	-	(130 880)	(157 985)
Fornecimentos e serviços externos	(3 137)	(6 896)	(6 698)	(6 005)	(1 111)	(1 126)	(6 342)	(6 151)	(883 074)	(803 787)	(109 236)	(106 287)	-	22	(1 009 599)	(930 230)
Gastos com o pessoal	(1 321)	(1 631)	(3 117)	(3 574)	(1 062)	(1 114)	(10 586)	(13 164)	(311 988)	(322 215)	(69 368)	(75 832)	-	14	(397 441)	(417 515)
Ajustamentos de inventários	-	-	275	146	-	-	134	51	(1 234)	(1 678)	-	-	-	-	(825)	(1 481)
Provisões	-	-	(120)	12	-	-	-	2	2 178	2 701	(1 058)	(122)	-	-	1 000	2 593
Imparidade (reversão) de activos não depreciáveis / amortizáveis	(49 235)	(22 628)	(75)	(54)	32	2	1 536	(129)	(2 362)	(502)	(2 623)	(993)	-	-	(52 728)	(24 305)
Aumentos / reduções de justo valor	(154 498)	34 891	180	(1 133)	508	1 531	-	5	-	104	(10 587)	3 648	-	-	(164 397)	39 045
Outros rendimentos e ganhos	34 805	26 270	7 169	4 169	1 187	1 212	1 785	3 289	28 269	29 489	24 015	23 087	(32 860)	(23 857)	64 370	63 659
Outros gastos e perdas	(850)	(56)	(4 053)	(1 635)	(42)	(66)	(5 020)	(3 673)	(25 283)	(22 503)	(6 926)	(5 718)	-	-	(42 174)	(33 650)
Resultado antes de depreciações, gastos de financiamento e impostos	644 719	248 811	21 946	18 579	902	1 735	14 844	30 151	40 850	37 302	239 134	213 649	(32 860)	(23 821)	929 536	526 401
Gastos/reversões de depreciação e de amortização	(2 696)	(3 175)	(564)	(603)	(902)	(509)	(2 861)	(2 974)	(101 007)	(101 284)	(119 791)	(118 950)	-	-	(227 822)	(227 495)
Imparidade de investimentos depreciáveis / amortizáveis	-	-	59	-	-	-	-	-	-	-	-	-	-	-	59	-
Subsídios ao investimento	-	-	-	-	73	42	-	-	2 070	2 360	37 918	34 470	-	-	40 061	36 872
Resultado operacional (antes de gastos de financiamento e impostos)	642 023	245 636	21 441	17 976	73	1 267	11 983	27 177	(58 087)	(61 622)	157 261	129 169	(32 860)	(23 821)	741 834	335 782
Juros suportados	(114 749)	(104 906)	(33 646)	(28 198)	(22)	-	(233)	(652)	(32 120)	(34 563)	(56 473)	(57 983)	32 859	23 821	(204 386)	(202 481)
Outros ganhos e perdas de financiamento	(3 839)	6	82	(1 322)	-	(3)	-	34	(5 829)	6 156	(2 097)	8 462	-	-	(11 683)	13 333
Resultado antes de impostos	523 434	140 735	(12 124)	(11 544)	51	1 264	11 750	26 559	(96 036)	(90 029)	98 691	79 648	(2)	(1)	525 765	146 633
Imposto sobre o rendimento do período	(8)	(38)	2 881	2 504	(12)	-	(4 746)	(6 916)	(13 923)	(15 572)	(31 779)	(19 118)	-	-	(47 587)	(39 141)
Resultado líquido do período	523 426	140 697	(9 243)	(9 040)	39	1 264	7 004	19 643	(109 959)	(105 601)	66 912	60 530	(2)	(1)	478 178	107 493
Resultado líquido dos Interesses que não controlam	18	-69	55	-14	0	0	0	0	11 398	11 400	33 260	25 966	-	0	44 731	37 284
Resultado líquido dos detentores do capital da empresa-mãe	523 408	140 766	(9 297)	(9 026)	39	1 264	7 004	19 643	(121 357)	(117 001)	33 652	34 564	(2)	(1)	433 447	70 209
Resultado das unidades operacionais descontinuadas incluído no resultado líquido do período	765 681	173 642	-	-	-	-	-	-	-109 959	-105 601	-	-	-	-	655 722	68 041
Resultado das unidades operacionais descontinuadas incluído no resultado líquido dos detentores do capital da empresa-mãe	765 681	173 642	-	-	-	-	-	-	-121 357	-117 001	-	-	-	-	644 324	56 641

## **2 - Basis of presentation and major accounting policies**

### **2a - Introduction**

The main accounting policies adopted by PARPÚBLICA Group in preparation of these consolidated financial statements are disclosed in the following notes. These policies have been consistently applied to all years presented.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards and Interpretations, collectively designated IFRS, issued by the International Accounting Standards Board (IASB), and as adopted by the European Union (EU), herein after designated IFRS/UE.

The preparation of the financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires some judgement from the Boars of Directors to apply the Group's accounting policies in the most correct way. The areas where significant judgements and estimates have been made in preparing the financial statements are disclosed in note 2ad.

All the amounts are presented in thousands of EUROS (tEUROS), rounded to the nearest thousand, except when referred another amount unit.

### **2b – Changes in accounting policies**

#### *2bi New standards, interpretations and amendments effective from 30 JUNE 2012*

- **Amendments to IFRS 7 Financial instruments: Disclosures** – Transfer of Financial Assets (Regulation nr. 1205/2011, of 22 November) > aim to help users of financial statements to better assess the risk exposures related to transfers of financial assets and the effect of such risks on the financial position of an entity. The purpose of the amendments is to promote transparency in the disclosure of transfer operations, in particular when they involve the securitisation of financial assets.

The over mentioned amendments to IFRS 7 had no significant impact in these financial statements.

#### *2bii New standards, interpretations and amendments not yet effective*

- **Changes to IAS 1 Presentation of Financial Statements** – Presentation of Other Comprehensive Income Headings (Regulation nr. 475/2012, of 5 of June) > they required the separated presentation between the other comprehensive income headings which may later be reclassified in the results and those that would never be reclassified. If the headings of the other comprehensive income are presented before the related fiscal impacts, than the income tax will be affected to each group of the respective headings.
- **Changes to IAS 19 Employees Benefits** (Regulation nr. 475/2012, of 5 of June) > Concerned mainly to the immediate recognition of all net asset and liabilities changes (deleting of the “corridor” and of the options in the presentation of actuarial gains and losses), to the desegregation and presentation of the components of the cost of the defined benefits, to the redefinition of the components of the

cost of the defined benefits, to the handling of changes, anticipated cancellations and payments of the plan, to post-employment benefits and to improving the disclosures.

These changes will be effective from the annual period started in 1 January 1, 2013.

## 2c - Basis of consolidation

These consolidated financial statements of PARPÚBLICA Group are the financial statements of a group presented as those of a single economic entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Subsidiaries included in the financial statements are listed in note 2e.

## 2d - Business Combinations

The consolidated financial statements incorporate the results of business combinations using the purchase method. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained.

## 2e - Subsidiaries

All entities controlled by PARPÚBLICA Group were deemed as subsidiary companies, and control is deemed as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence of control was assumed when PARPÚBLICA Group is, directly or indirectly holder, through subsidiary companies, of more than half of the voting power of an entity.

These entities classified as subsidiary companies are as follows:

Name	Location	Main Activity	Share capital owner		
			Entity	% of the share capital by its direct owner	
				30 Jun 2012	31 Dec 2011
AdP - Águas de Portugal, SGPS, S.A.	Lisboa	Investment management	PARPÚBLICA, SGPS, S.A.	72,17%	72,17%
ANA - Aeroportos de Portugal, S.A. (a)	Lisboa	Portugal Airport public service and civilian navigation Support	PARPÚBLICA, SGPS, S.A.	68,56%	68,56%
CE – Circuito do Estoril, SA	Alcabideche	Sport events	PARPÚBLICA, SGPS, S.A.	100,00%	100,00%
Companhia das Lezírias, S.A.	Samora Correia	Agriculture and livestock breeding	PARPÚBLICA, SGPS, S.A.	100,00%	100,00%

Name	Location	Main Activity	Share capital owner		
			Entity	% of the share capital by its direct owner	
				30 Jun 2012	31 Dec 2011
ENVC – Sociedade Imobiliária, S.A.	Viana do Castelo	Development of real estate projects	PARPÚBLICA, SGPS, S.A.	99,80%	99,80%
INCM - Imprensa Nacional Casa da Moeda, S.A.	Lisboa	Portuguese coin issuing, official printing and other publications	PARPÚBLICA, SGPS, S.A.	100,00%	100,00%
MARGUEIRA - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.	Almada	Management of real estate fund "Margueira Capital"	PARPÚBLICA, SGPS, S.A.	51,00%	51,00%
SAGESECUR - Sociedade de Estudos, Desenvolvimento e Participação em Projetos, S.A.	Lisboa	Studies, development and participation in security investments	PARPÚBLICA, SGPS, S.A.	80,50%	80,50%
SAGESTAMO - Sociedade Gestora de Participações Sociais Imobiliárias, S.A.	Lisboa	Investment management and rendering of services	PARPÚBLICA, SGPS, S.A.	100,00%	100,00%
TAP - Transportes Aéreos Portugueses, SGPS, S.A. (a)	Lisboa	Investment management	PARPÚBLICA, SGPS, S.A.	100,00%	100,00%
AdP – Águas de Portugal Serviços Ambientais, S.A.	Lisboa	Technical services	AdP - Águas de Portugal, SGPS, S.A.	100,00%	100,00%
Aquasis, S.A.	Lisboa	Geographic information systems	AdP - Águas de Portugal Serviços, S.A. EGF AdP – Águas de Portugal, SGPS, S.A.	54,98% 0,01% 0,01%	54,98% 0,01% 0,01%
Águas de Santo André, S.A.	V.N. Santo André	Multi-municipal water supply system	AdP - Águas de Portugal, SGPS, S.A.	100,00%	100,00%
EPAL – Empresa Portuguesa das Águas Livres, S.A.	Lisboa	Water distribution	AdP - Águas de Portugal, SGPS, S.A.	100,00%	100,00%
Empresa Geral do Fomento, S.A.	Lisboa	Investment management	AdP - Águas de Portugal, SGPS, S.A.	100,00%	100,00%

Name	Location	Main Activity	Share capital owner		
			Entity	% of the share capital by its direct owner	
				30 Jun 2012	31 Dec 2011
AdP Energias, S.A. (Reciclamas – Multigestão Ambiental, S.A.)	Lisboa	Environmental management	AdP - Águas de Portugal, SGPS, S.A.	100,00%	100,00%
AdP – Águas de Portugal Internacional, S.A.	Lisboa	Investment management	AdP - Águas de Portugal, SGPS, S.A.	100,00%	100,00%
Aquatec, Lda	Maputo	Technical services	AdP - Águas de Portugal Internacional, S.A.	100,00%	100,00%
Águas do Brasil, S.A.	Rio de janeiro	Water supply	AdP - Águas de Portugal, SGPS, S.A.	100,00%	100,00%
Águas do Algarve, S.A.	Faro	Multi-municipal water supply and sanitation	AdP - Águas de Portugal, SGPS, S.A.	54,44%	54,44%
Águas do Centro Alentejo, S.A.	Évora	Multi-municipal water supply and sanitation	AdP - Águas de Portugal, SGPS, S.A.	51,00%	51,00%
Águas do Centro, S.A.	Castelo Branco	Multi-municipal water supply and sanitation	AdP - Águas de Portugal, SGPS, S.A.	70,00%	70,00%
Águas do Douro e Paiva, S.A.	Porto	Multi-municipal water supply and sanitation	AdP - Águas de Portugal, SGPS, S.A.	51,00%	51,00%
Águas do Noroeste, S.A.	Barcelos	Multi-municipal water supply and sanitation	AdP - Águas de Portugal, SGPS, S.A.	56,66%	56,66%
Águas do Mondego, S.A.	Taveiro	Multi-municipal water supply and sanitation	AdP - Águas de Portugal, SGPS, S.A.	51,00%	51,00%
Águas do Norte Alentejano, S.A.	Portalegre	Multi-municipal water supply and sanitation	AdP - Águas de Portugal, SGPS, S.A.	51,00%	51,00%
Águas do Oeste, S.A.	Óbidos	Multi-municipal water supply and sanitation	AdP - Águas de Portugal, SGPS, S.A.	51,00%	51,00%
Águas de Trás-os-Montes, S.A.	Vila Real	Multi-municipal water supply and sanitation	AdP - Águas de Portugal, SGPS, S.A.	70,54%	70,54%

Name	Location	Main Activity	Share capital owner		
			Entity	% of the share capital by its direct owner	
				30 Jun 2012	31 Dec 2011
Águas do Zêzere e Côa, S.A.	Guarda	Multi-municipal water supply and sanitation	AdP - Águas de Portugal, SGPS, S.A.	87,46%	87,46%
AdRA - Águas da Região de Aveiro, S.A.	Aveiro	Integrated management of municipal services of water supply and sanitation	AdP – Águas de Portugal, SGPS, SA	51,00%	51,00%
AgDA - Águas Públicas do Alentejo, S.A.	Beja	Concession management of water supply services	AdP – Águas de Portugal, SGPS, SA	51,00%	51,00%
Sanest, S,A	Cascais	Multi-municipal water supply and sanitation	AdP - Águas de Portugal, SGPS, S.A.	51,00%	51,00%
Simarsul, S.A.	Setúbal	Multi-municipal water supply and sanitation	AdP - Águas de Portugal, SGPS, S.A.	51,00%	51,00%
Simlis, S.A.	Leria	Multi-municipal water supply and sanitation is	AdP - Águas de Portugal, SGPS, S.A.	70,16%	70,16%
Simria, S.A.	Aveiro	Sistema Multimunicipal de Saneamento de Águas Residuais	AdP - Águas de Portugal, SGPS, S.A.	67,72%	67,72%
Simtejo S.A.	Lisboa	Multi-municipal water supply and sanitation	AdP - Águas de Portugal, SGPS, S.A.	50,50%	50,50%
Simdouro S.A.	Vila Nova de Gaia	Multi-municipal water supply and sanitation	AdP - Águas de Portugal, SGPS, S.A.	51,00%	51,00%
Algar, S.A.	Faro	Multi-municipal water supply and sanitation	Empresa Geral do Fomento, SA	56,00%	56,00%
Amarsul, S.A.	Moita	Multi-municipal solid waste treatment	Empresa Geral do Fomento, SA	51,00%	51,00%
Ersuc, S.A	Coimbra	Multi-municipal solid waste treatment	Empresa Geral do Fomento, SA	51,46%	51,46%
Resiestrela, S.A.	Fundão	Multi-municipal solid waste treatment	Empresa Geral do Fomento, SA	62,95%	62,95%

Name	Location	Main Activity	Share capital owner		
			Entity	% of the share capital by its direct owner	
				30 Jun 2012	31 Dec 2011
Resinorte, S.A.	Celorico de Basto	Multi-municipal solid waste treatment	Empresa Geral do Fomento, SA	51,00%	51,00%
Resulima, S.A.	Viana do Castelo	Multi-municipal water supply and sanitation	Empresa Geral do Fomento, SA	51,00%	51,00%
Suldouro, S.A.	Sermond e	Multi-municipal solid waste treatment	Empresa Geral do Fomento, SA	60,00%	60,00%
Valnor, S.A.	Avis	Multi-municipal solid waste treatment	Empresa Geral do Fomento, SA	53,33%	53,33%
Valorlis, S.A.	Leria	Multi-municipal solid waste treatment	Empresa Geral do Fomento, SA	51,00%	51,00%
Valorminho, S.A.	Valença	Multi-municipal solid waste treatment	Empresa Geral do Fomento, SA	51,00%	51,00%
Valorsul, S.A.	São João da Talha	Multi-municipal solid waste treatment	Empresa Geral do Fomento, SA	56,17%	56,17%
ANAM – Aerop. Navegação Aérea da Madeira, SA (a)	Funchal	Airport infrastructures management	ANA, SA	70,00%	70,00%
NAER- Novo Aeroporto, S.A. (a)	Lisboa	Studies development for new airport construction	ANA, S.A.	84,41%	84,41%
Portway- Handling de Portugal, SA. (a)	Lisboa	Handling	ANA, S.A.	100,00%	100,00%
Lazer e Floresta - Empresa de Desenvolvimento Agro-Florestal Imobiliário Turístico e Cinegético,SA	Lisboa	Real estate forest development	PARPÚBLICA, SGPS, S.A.	100,00%	100,00%
SPE – Sociedade Portuguesa de Empreendimentos, S.A.	Lisboa	Mining/ore	PARPÚBLICA, SGPS, S.A.	81,13%	81,13%
BAÍA DO TEJO, S.A. (ex-QUIMIPARQUE – Parques Empresariais, S.A.	Barreiro	Industrial parks	PARPÚBLICA, SGPS, S.A.	100,00%	100,00%
AMBISIDER - Recuperações Ambientais, S.A.	Paio Pires	Environmental recovery and dismantlement of industries	BAÍA DO TEJO, S.A. (em 2008 SNESGES, S.A.)	100,00%	100,00%



Name	Location	Main Activity	Share capital owner		
			Entity	% of the share capital by its direct owner	
				30 Jun 2012	31 Dec 2011
ECODETRA - Sociedade de Tratamento e Deposição de Resíduos, S.A.	Paio Pires	Special industrial waste treatment and deposit	BAÍA DO TEJO, S.A. (em 2008) URBINDÚSTRIA, S.A.	51,00%	51,00%
APIS – Associação Parque Industrial do Seixal	Lisboa	Technologic and industry parks	BAÍA DO TEJO, S.A.	93,77%	93,77%
Fundo de Investimento Imobiliário Fechado Estamo	Lisboa	Real estate fund	SAGESECUR, S.A. ESTAMO, SGPS, S.A.	99,97% 0,03%	99,97% 0,03%
CONSEST – Promoção Imobiliária, S.A.	Lisboa	Real estate	SAGESTAMO, SGPS, S.A.	100,00%	100,00%
ESTAMO – Participações Imobiliárias, S.A.	Lisboa	Real estate	SAGESTAMO, SGPS, S.A.	100,00%	100,00%
FUNDIESTAMO - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.	Lisboa	Real estate fund management	SAGESTAMO, SGPS, S.A.	100,00%	100,00%
TAP - Transportes Aéreos Portugueses, S.A. (a)	Lisboa	Air transport	TAP, SGPS, S.A.	100,00%	100,00%
TAPGER - Sociedade de Gestão e Serviços, S.A. (a)	Lisboa	Management services	TAP, SGPS, S.A.	100,00%	100,00%
CATERINGPOR - Catering de Portugal, S.A. (a)	Lisboa	<i>Catering</i>	TAPGER, S.A.	51,00%	51,00%
L.F.P. - Lojas Francas de Portugal, S.A. (a)	Lisboa	Tax free shops' exploration	TAPGER, S.A.	51,00%	51,00%
MEGASIS - Soc. de Serviços e Engenharia Informática, S.A. (a)	Lisboa	Computer engineering services	TAPGER, S.A.	100,00%	100,00%
U.C.S. - Cuidados Integrados de Saúde, S.A. (a)	Lisboa	Health care services	TAPGER, S.A.	100,00%	100,00%
Aeropar Participações, S.A. (a)	Brasil	Transport services	TAP, SGPS, S.A. PORTUGÁLIA	99,00% 1,00%	99,00% 1,00%
PORTUGÁLIA – Companhia Portuguesa de Transportes Aéreos, S.A. ("PORTUGÁLIA") (a)	Lisboa	Air transport	TAP, SGPS, S.A.	100,00%	100,00%

Name	Location	Main Activity	Share capital owner		
			Entity	% of the share capital by its direct owner	
				30 Jun 2012	31 Dec 2011
TAP – Manutenção e Engenharia Brasil, S.A. (former VEM) (a)	Brazil	Air transportation maintenance and engineering	Aeropar Participações TAP, SGPS, S.A.	47,64% 51,00%	47,64% 51,00%

(a) Included in the disposal group held for sale according to IFRS 5.

TAP Group and ANA Group were included in the disposal group classified as held for sale in accordance with IFRS 5, as described in Note 21.

## 2f - Investments in Associates

All entities over which PARPÚBLICA Group has shares and a significant influence, and that are neither a subsidiary nor an interest in a joint venture, have been deemed as associated companies. Significant influence was deemed as the power to participate in the financial and operating policy decisions of the invested company but is not control or joint control over those policies. The existence of a significant influence was taken into account, when the parent company directly or indirectly holds 20% or more of the voting power in the invested company, or when it holds special voting rights.

Entities that qualify as associates except those whose shares are classified as held for sale in the non-current assets (see Note 21), are as follows:

Name	Location	Main activity	Share capital owner		
			Entity	% of the share capital by its direct owner	
				30 Jun 2012	31 Dec 2011
CVP - Sociedade de Gestão Hospitalar, S.A.	Lisboa	Health care units administration	PARPÚBLICA, SGPS, S.A.	45,00%	45,00%
Parcaixa, SGPS, SA	Lisboa	Investment management	PARPÚBLICA, SGPS, S.A.	49,00%	49,00%
INAPA – Investimentos Participações e Gestão, SA	Lisboa	Investment management	PARPÚBLICA, SGPS, S.A.	32,72%	32,72%

Name	Location	Main activity	Share capital owner		
			Entity	% of the share capital by its direct owner	
				30 Jun 2012	31 Dec 2011
ISOTAL - Imobiliário do Sotavento Algarvio, S.A.	Faro	Tourism development	PARPÚBLICA, SGPS, S.A.	31,05%	31,05%
CREDIP - Instituição Financeira de Crédito, SA	Lisboa	Banking	PARPÚBLICA, SGPS, S.A.	(c)	20,00%
Águas de Timor, S.A. (a)	Timor	Water supply	AdP - Águas de Portugal Internacional, S.A.	100,00%	100,00%
Clube de Golf das Amoreiras, S.A. (a)	Lisboa	Golf	EPAL, S.A.	100,00%	100,00%
ORIVÁRZEA, S.A.	Benavente	Rice selling and production	COMPANHIA DAS LEZÍRIAS, S.A.	26,81%	26,81%
CRL – Companhia das Lezírias e Associados Renováveis, Lda	Benavente	Timber and forest product industry	COMPANHIA DAS LEZÍRIAS, S.A.	20,00%	20,00%
PORTOSIDER	Paio Pires	Port management activities	BAÍA DO TEJO, S.A.	(c)	40,00%
Multicert - Serviços de Certificação Eletrónica	Lisboa	Electronics certification	INCM	20,00%	20,00%
Trevoeste	Alcobaça	Water sanitation	AdP, SGPS	43,24%	43,24%
Miese	Vila Real		AdP Energias, S.A.	40,00%	40,00%
SML – Sociedade Mineira do Lucapa, Lda	Angola	Diamond mining	SPE, S.A.	49,00%	49,00%
SPdH – Serviços Portugueses de Handling, S.A. (“SPdH”) (b)	Lisboa	Handling	TAPGER, SA PORTUGÁLIA TAP, S.A.	43,90% 6,00% 50,10%	43,90% 6,00% 50,10%

(a) Entity with no activity in the 1st semester of 2012, in liquidation phase.

(b) Included in the disposal group held for sale according to IFRS 5.

(c) Entity disposal in the 1st semester of 2012.

Summarised Financial information of associates are as follows:

Milhares de Euros

Empresas Participadas	Ativo total 30Jun12	Activo total 2011	Passivo 30Jun12	Passivo 2011	Total rendimentos e ganhos 30Jun12	Total rendimentos e ganhos 2011	RL 30Jun12	RL 2011
Águas de Timor (i)	N.d.	N.d.	N.d.	N.d.	N.d.	N.d.	N.d.	N.d.
Clube Golf das Amoreiras (i)	1 408	1 413	1 395	1 384	N.d.	N.d.	-16	-109
CREDIP - Instituição Financeira de Crédito, S.A. (iv)	N.d.	12 243	N.d.	348	N.d.	7 149	N.d.	193
CRL – Companhia das Lezírias e Associados Renováveis, Lda	4	4	1	1	0	0	-2	-2
CVP - Sociedade de Gestão Hospitalar, S.A.	43 187	51 408	33 567	39 496	16 404	46 926	-2 293	1 656
INAPA – Investimentos Participações e Gestão, S.A.	689 840	688 928	486 401	485 674	491 287	1 025 446	396	-5 978
ISOTAL - Imobiliário do Sotavento Algarvio, S.A.	N.d.	217	N.d.	4	N.d.	5	N.d.	-17
Miese (ii)	46	N.d.	60	N.d.	N.d.	N.d.	-4	N.d.
Multicert - Serviços de Certificação Eletrónica	4 757	4 360	1 378	1 031	4 030	3 249	617	567
ORIVÁRZEA, S.A.	13 387	13 387	8 025	8 025	17 137	17 137	444	444
Parcaixa, SGPS, S.A.	1 000 444	1 028 383	3 921	6 063	16 090	28 298	13 392	23 687
PORTOSIDER (iv)	N.d.	736	N.d.	10	N.d.	43	N.d.	33
SML – Sociedade Mineira do Lucapa, Lda	N.d.	N.d.	N.d.	N.d.	N.d.	N.d.	N.d.	N.d.
SPdH – Serviços Portugueses de Handling, S.A. ("SPdH")	19 199	24 703	25 179	147 788	50 667	N.d.	-2 275	-11 124
Trevoeste (iii)	3 218	3 219	782	760	N.d.	N.d.	-18	-70

(i) - Empresa sem atividade

(ii) - Apenas reportados valores a 31 de março de 2012

(iii) - Apenas reportados valores a 31 de maio de 2012

(iv) - Empresa em dissolução

N.d. - informação não disponível

On acquisition of the investment any difference between the cost of the investment and the investor's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities is accounted for in accordance with IFRS 3 Business Combinations and included in the carrying amount of the investment.

Investments in associates were accounted for using the equity method, whereby the investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the profit or loss of the investee is recognised in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportional interest in the investee arising from changes in the investee's equity that have not been recognised in the investee's profit or loss. The investor's share of those changes is recognised directly in the equity of the investor.

If the Group's share of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses; after the investor's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations.

After the equity method has been applied, IAS 39 requirements were applied, so as to determine whether it would be necessary to recognise any loss by additional impairment, considering the interest of the Group in each one of the associates.

SPdH is classified as an associate because AdC (Competition Authority) imposed, until its sale, that SPdH's management should be provided by a "management representative" that acts in name of AdC, and manages SPdH with independence from TAP Group.

A sales agreement was concluded at 18th June 2012 between TAP, S.A and Urbanos Grupo SGPS, S.A for the purchase of 50, 1% of the SPdH equity by Urbanos Grupo SGPS, S.A and will be in force as from the 20th July 2012 when the Competition Authority will give its approval to the referred operation.

It should be noted that the mentioned operation depends upon the allocation of the new tendering handling licenses for the Lisboa and Oporto Airports, under examination by INAC, as well as upon the conclusion of the ongoing privatization process.

## **2g - Property, plant and equipment**

Property, plant and equipment of PARPÚBLICA Group are measured at cost less accumulated depreciation and accumulated impairment losses.

In the initial recognition of an asset, the Group considers in the respective cost: (i) its purchase price; (ii) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; (iii) the initial estimate of the costs of dismantling and removing the item and restoring the site on which is located.

Direct expenses related with technical areas involved in the construction of assets for the Parpública Group are capitalised as property, plant and equipment. This capitalisation is based on the internal resources used and allocated time, and recognised in the statement of profit or loss as own work capitalised.

Subsequent costs are recognised only if it is probable that future economic benefits associated with those items will flow to the Group. Maintenance and repair expenses are charged to profit or loss on an accrual basis.

Parpública Group calculates the depreciation of its property, plant and equipment applying the straight-line method, according to the following estimated useful life (in years):

<b>Property, plant and equipment</b>	<b>Useful life</b>
Buildings and other constructions	4 to 50
Basic equipment	3 to 20
Transport equipment	4 to 10
Administrative equipment	4 to 16
Tools and utensils	4 to 16
Other tangible fixed assets	4 to 10

When there is an indication that an asset may be impaired, its recoverable value is estimated, and an impairment loss is recognised whenever the net value of an asset exceeds its recoverable amount. The Group recognises those impairment losses in profit or loss for the period.

The recoverable amount is determined as the higher of an asset's fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the continuing use of the asset and from its ultimate disposal.

The carrying amount of an item of property, plant and equipment is derecognised by PARPÚBLICA Group in the following situations: (i) on disposal; and (ii) when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment: (i) is included in profit or loss for the period when the item is derecognised; and (ii) is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

## **2h - Investment property**

Investment property of PARPÚBLICA Group come from the real estate properties held with the objective to earn rentals, for capital appreciation or both.

Investment property is initially measured at cost, including direct transaction costs. After initial recognition, investment property is measured at fair value, which reflects the market conditions. Fair value measurements are based in independent valuations held at the end of each reporting period.

Gains or losses arising from changes on fair value of investment property are recognised in the profit or loss of the period in which they occur.

An investment property shall be derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

## **2i - Goodwill**

*Goodwill* is the excess of the cost of an acquisition, in a business combination, over the acquirer's interest in the fair value of the identifiable assets, liabilities and contingent liabilities acquired. The cost of a business combination is the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree, plus any cost directly attributable to the business combination.

After initial recognition, the acquirer shall measure the goodwill acquired in a business combination, at cost, less any accumulated impairment loss.

The impairment test of cash-generating units to which the goodwill has been allocated is based on evaluations of equity oriented essentially towards a perspective of transaction.

## **2j – Other intangible assets**

Other intangible assets of PARPÚBLICA Group are recognised at cost, less accumulated amortization and accumulated impairment losses.

PARPÚBLICA Group calculates the amortization of other intangible assets applying the straight-line method, according to the following estimated useful lives (in years):

Other intangible assets	Useful life
Development expenses	3
Commercial and industrial rights	3 to 10
Software	3
Service concession rights	41

## 2k - Imparidade de ativos em geral

Intangible assets that do not have definite useful lives are not amortised, but are subject to annual impairment tests, as it happens, for instance with goodwill. Amortizable assets are revised as to impairment, whenever events or changes in the involving conditions indicate that its carrying amount exceeds its recoverable amount. An impairment loss is recognised when the recoverable amount of an asset is less than its carrying amount. Recoverable amount is the higher of an asset's or cash-generating unit's fair value less cost to sell and its value in use. In case of being impossible to attribute a recoverable amount to a certain asset, this asset shall be aggregated with other assets, so as they may jointly generate independent cash flows, and, in this way, constitute a cash-generating unit (CGU). Whenever there is an impairment loss in a CGU, which goodwill has been allocated to, the loss shall be allocated prior to the *goodwill*, and the remaining shall be rated among the assets, which compose it, based upon the net value of the balance of these assets. In this distribution among the assets, the adjusted value of each asset cannot be lower than the highest among the value of an asset deducted from sale expenses, its value of use, and 0 (zero).

Impairment loss is recognised in the consolidated statement of income. The asset amortization shall be prospectively adjusted according to its amortizable value, adjusted by the carrying impairment loss.

## 2l - Biological assets and agriculture produce

Biological assets are measured at their fair value less estimated point-of-sale costs. In the situations where the fair value cannot be measured reliably the biological assets are measured at its cost less any accumulated depreciation and any accumulated impairment.

Agricultural produce harvested from the Group's biological assets is measured at its fair value less estimated point-of-sale costs at the point of harvest. The carrying amount on harvest date will be the amount to recognise on inventories.

A gain or loss arising on initial recognition of a biological asset at fair value less estimated point-of-sale costs and from a change in fair value less estimated point-of-sale costs of a biological asset is included in the net profit or loss for the period in which it arises.

An unconditional Government grant related to a biological asset or to an agricultural produce measured at fair value less estimated point-of-sale costs is recognised as income when the Government grant becomes receivable.

If a Government grant related to a biological asset measured at fair value less estimated point-of-sale costs is conditional, PARPÚBLICA Group recognises the grant as income when, and only when, the conditions attached to the Government grant are met.

## **2m - Other financial assets**

Financial assets are classified according to each one of the following categories, depending on the purpose for which that financial asset was acquired:

- Financial assets at fair value through profit or loss are financial assets that were designated as such or are classified as held for trading, so that are held by PARPÚBLICA Group for the main purpose of generating short term profit and include derivatives not classified as hedging instruments. They are measured at fair value, and any subsequent changes in their fair values are directly recognised in profit or loss;
- Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity. These assets are initially measured at fair value plus direct transaction costs, and subsequently are measured at amortised cost using the effective interest method;
- Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially measured at fair value plus direct transaction costs, and subsequently are measured at amortised cost using the effective interest method.
- Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified in any of the previous categories. They are initially recognised at fair value plus direct transaction costs , and any subsequent changes in fair value are directly recognised in equity, with the exception of impairment losses and foreign exchange gains and losses, until the derecognition of the asset, moment in which the cumulative gain or loss previously recognised in equity will be recognised as profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the entity's right to receive payment is established.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured (as well as derivatives that are linked and that must be settled by delivery of such unquoted equity instrument), are measured at cost.

A financial asset is derecognised when (i) the contractual rights to the cash flows from the financial assets expire; or (ii) all risks and benefits associated to the holding of that asset have been substantially transferred; or (iii) despite the risks and the benefits have not been substantially transferred, the Group did not hold back the control over that asset.



The PARPÚBLICA Group evaluates on a regular basis whether there is objective evidence that a financial asset or a group of financial assets not measured at fair value through profit or loss, have any indications of impairment, and in that case, the future discounted cash flows arising from the asset are estimated and an impairment loss is recognised.

When there is any evidence of impairment in available-for-sale financial assets, the accumulated potential loss recognised in equity (corresponding to the negative variations in their fair value) is transferred to profit or loss. For the remaining categories of financial assets measured at cost or amortised cost (including investments in equity instruments measured at cost), the recognised impairment losses are directly recognised in profit or loss.

If, in a subsequent period, the amount of impairment loss decreases, and such fact is objectively related to an event which occurs after the recognition of impairment, the previously recognised impairment loss is reverted, not surpassing, however, the amortised cost which would result, had the impairment not been recognised, on the date on which it was reverted.

In the case of investments in equity instruments measured at cost, as well as investments in equity instruments classified as available-for-sale, the recognised impairment losses are not reversible. In the case of investments in debt instruments classified as available-for-sale, the reversal of those losses is recognised in the profit or loss.

## **2n - Other accounts receivable**

Accounts receivable are initially measured at their fair value and subsequently measured at amortised cost using the effective interest method. The existing impairment losses are recognized in profit or loss.

Accounts receivable impairment adjustment is established when there is objective evidence that the PARPÚBLICA Group will not receive in part or in full the amounts in debt, under the terms that were agreed upon. Significant financial difficulties from the debtor, the probability of the debtor becoming insolvent, or the successive failure, by the debtor, to pay his debts, are considered indicators that the account receivable is in a situation of impairment.

## **2o – Inventories**

Inventories are measured at the lower of cost and net realizable value. The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Positive differences between inventories' cost and its net realisable value are recognised in impairment losses of inventories.

The cost of inventories is assigned by using the weighted average cost formula.

The inventories concerning the biological assets related to the agricultural activity and the agricultural produce at the time of harvest are dealt with according to IAS 41, as referred to in Note 2l.

## **2p - Cash and bank deposits**

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **2q - Non current assets held for sale and related liabilities**

PARPÚBLICA Group classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The assets (or disposal groups) classified as held for sale are available for immediate sale in its present condition and its sale is highly probable.

It is expected that the sale of non current assets or disposal groups will be completed within one year from the date of classification as held for sale. Despite maintaining a commitment to sell those assets or disposal groups, there may occur events and circumstances beyond the control of the PARPÚBLICA Group that require the extension of the period to complete the sale beyond a year, in these cases, in these cases it is maintained the classification as held for sale.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of its carrying amount and fair value less costs to sell. Immediately before the initial classification of the asset (or disposal group) as held for sale, the respective carrying amounts were measured in accordance with the applicable IFRS. On the other hand, impairment losses are recognized for all reductions of the asset or group of assets for sale over its fair value less costs of sale, and gains are recognised for every increase in value from its fair value less cost of sale to limit of its initial carrying amount.

The companies considered as non-current assets held for sale are TAP, ANA, REN and HCB, as described in Note 21.

## **2r - Equity instruments**

A financial instrument is classified as being an equity instrument, when it evidences a residual interest in the assets of an entity after deducting all of its liabilities. Costs directly attributable to the issue of such equity instruments are recognised as a deduction to the value of the issue.

Dividends attributed to holders of equity instruments issued by PARPÚBLICA Group are only recognised as liabilities and directly debited in the equity in the financial year in which these distributions are approved by the shareholder of PARPÚBLICA Group.

## **2s - Provisions, contingent assets and contingent liabilities**

Provisions are recognised for liabilities of uncertain timing or amount that have arisen as a result of past transactions and are recognised for its present value whenever time value of money is significant.

Contingent assets and liabilities are not recognized in the financial statements, but disclosed in the notes. In the cases in which the possibility of an outflow of resources that incorporate economic benefits is remote, or if it is less probable that an inflow of economic benefits occur, the respective contingent liabilities or contingent assets are not disclosed.

## **2t - Derivative financial instruments and hedge accounting**

Derivative financial instruments are recognised at fair value on the date of their negotiation. Subsequently, the fair value of derivative financial instruments is measured in a regular basis, and changes in fair value (gains or losses) are recognised in profit or loss, except for fair value changes on hedging derivatives. Embedded derivatives are separated from the host contract whenever the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract and as long as the hybrid (combined) instrument is not measured at fair value with changes in fair value recognised in profit or loss. Embedded derivatives are registered at fair value with its changes to be recognised in profit or loss.

The fair value of the derivative financial instruments corresponds to their market value, when available, or, in its absence, it is determined by external entities based upon valuation techniques, including the discounted cash flow model and models of evaluation of options, according to what is appropriate, taking into account input data such as interest rate curves, underlying assets and volatilities.

PARPÚBLICA Group makes use of derivative financial instruments to cover its risks. The derivatives, which do not qualify for hedge accounting, are registered as negotiation derivatives.

The hedging instruments are registered at their fair value, and the gains or losses are recognized according with the hedging accounting model adopted by the Group.

A hedging relationship qualifies for hedge accounting if, and only if, all of the following conditions are met:

- At the inception of the hedge there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge. That documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how it will be assessed the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

- The hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk, consistently with the originally documented risk management strategy for that particular hedging relationship.
- For cash flow hedges, a forecast transaction that is the subject of the hedge must be highly probable and must present an exposure to variations in cash flows that could ultimately affect profit or loss.
- The effectiveness of the hedge can be reliably measured, i.e. the fair value or cash flows of the hedged item that are attributable to the hedged risk and the fair value of the hedging instrument can be reliably measured.
- The hedge is assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting periods for which the hedge was designated.

On a fair value hedging operation of an asset or liability, the balance value of that asset or liability, based on its specific accounting policy, is adjusted so that it reflects the change of the fair value attributed to the hedged risk. Fair value changes of hedging derivatives are recognised in profit or loss, together with the changes of fair value on the assets or liabilities attributed to the hedged risk. If the hedging operation ceases to fulfil hedge accounting criteria, the derivative financial instrument is transferred to held for trading portfolio and the hedge accounting is discontinued prospectively and the hedged asset or liability will then be measured according with the financial category in which they belong.

On a operation of hedging the exposure to variations in cash flows that are highly probable, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognised directly in equity, and will be transferred to profit or loss in the periods in which the hedged item will affect profit or loss. The ineffective portion of the gain or loss on the hedging instrument shall be recognised in profit or loss. Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, is accounted for similarly to cash flow hedges:

- (i) the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity through the statement of changes in equity; and
- (ii) the ineffective portion is recognised in profit or loss.

The gain or loss on the hedging instrument relating to the effective portion of the hedge that has been recognised directly in equity is recognised in profit or loss on disposal of the foreign operation.

## **2u - Other financial liabilities**

A financial instrument is classified as a financial liability whenever there is a contractual obligation to deliver cash or another financial asset to another entity; independently of its legal form. Financial liabilities are initially measured at fair value less transaction costs directly attributable to the issue of the financial liability, and subsequently measured by the amortized cost, using the effective interest method.

## **2v - Employee benefits**

PARPÚBLICA Group attributes retirement benefits to a part of its employees, through defined benefit plans, namely pension plans which guarantee survival, disability and age retirement complements, anticipated retirement pensions and healthcare during the retirement and the anticipated retirement periods. However, beyond the defined benefit plans, some subsidiaries of PARPÚBLICA Group give post-employment benefits to its employees, through defined contribution plans.

Defined benefits plans are financed through pension funds, complemented by specific provisions, whenever necessary.

In this context, PARPÚBLICA Group recognizes as a liability the net value between the present value of the obligation of defined benefits on the date of the balance less the fair value of the assets of the plan (should they exist), at the cost of which the obligations will be liquidated.

The actuarial gains and losses annually determined are recognized as an income or as an expense in the period they occur.

Retirement obligations of PARPÚBLICA Group are calculated on a regular basis by independent experts, individually for each plan, based upon the Projected Credit Unit Method, and in this way the present value of its definite benefits obligations and the respective current service costs are determined. For that purpose, certain actuarial assumptions are used. The actuarial assumptions are the Group's best available estimates of the variables, which will determine the final cost of providing post-employment benefits. The actuarial assumptions comprise:

- Demographic assumptions on the future features of current and former employees (and their dependent relatives) that are eligible to receive the benefits. The demographic assumptions deal with such matters as:
  - (i) mortality, either during or after the time of employment;
  - (ii) rotation, disability and anticipated retirement ratios of the employees;
  - (iii) the proportion of the members of the plan, when dependents, who are eligible to receive benefits;  
and
  - (iv) claims ratios, according the medical plans.
- financial assumptions, dealing with items such as:

- (i) discount rate;
- (ii) levels of future wages and of benefits;
- (iii) in the case of medical benefits, future medical costs including, when material, the cost of managing claims and payments of benefits; and
- (iv) expected return rate of the assets of the plan.

## **2w – Leases**

According with IAS 17 the PARPÚBLICA Group classifies the lease operations as finance leases or operating leases, in accordance with their substance and financial reality and not merely with legal form.

The finance leasing contracts are recorded on the date of its inception, as assets and liabilities, at the cost of acquisition of the leased property, or (if lower) at the present (discounted) value of future lease rents. Lease rents include: (i) finance charges that are charged directly to profit or loss; and (ii) reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability for each period.

The lease payments under operating lease contracts are registered as an expense in the period in which they occur, on a straight-line basis during the lease period.

The Group presents the leased assets to thirds (operating lease) in balance sheet according to its nature.

The income from operating lease contracts is recognized as income upon a straight-line basis during the lease period.

The initial direct costs incurred are added to the amount registered of the leased asset, and recognized as an expense during the lease period, upon the same basis of the lease income.

IAS 36 provisions are applied to determine whether the leased asset is impaired.

## **2x - Recognition of expenses and losses and of revenue and gains**

Expenses and income are recognised in the period, which they refer to, on an accrual basis, independently of their payment or receipt. Differences between the paid and received amounts and their respective expenses and incomes are registered as liabilities and as assets, respectively.

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from rendering of services is recognised when the outcome of a transaction involving the rendering of services can be estimated reliably, as follows:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group;
- the stage of completion of the transaction at the balance sheet date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue arising from the use by others of the Group's assets, yielding interest, royalties and dividends should be recognised when:

- it is probable that the economic benefits associated with the transaction will flow to the enterprise; and
- the amount of the revenue can be measured reliably.

Revenue from the use of those assets is recognised on the following basis:

- Interests are recognised using the effective interest method;
- Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement; and
- Dividends are recognised when Group PARPÚBLICA's (as shareholder) right to receive payment is established, except for associates where revenue corresponds to the result attributable to the participation.

Income and expense of construction contracts are recognised according with the stage of completion method.

Own work capitalized essentially correspond to the costs associated to the performance and repair of the Group's own equipment, and include costs with materials, direct man-power and general expenses.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset are capitalised. Other borrowing costs are recognised as an expense in the period in which it incurs them, in accordance with the effective interest method.

Government grants are recognized at fair value when there is reasonable assurance that the Group will comply with the conditions attached to it, and that the grant will be received. Government grants related to assets are booked as deferred income and recognised in the profit or loss, in the proportions in which depreciation on those assets is charged. Government grants related to income are recognized as income over the periods necessary to match them with the related costs, which they are intended to compensate, on a systematic basis. Government grants related to biological assets are treated as described in Note 2I.

## **2y - Income tax**

Income tax comprises current tax and deferred tax. Current tax is the amount of income tax to be paid or to be received regarding the net profit or loss for the period. Deferred taxes are assessed on the temporary differences between the accounting values of the assets and the liabilities and their tax base, by using the tax rates approved or substantially approved on the balance date in each jurisdiction, and which are expected to be applied, when the temporary differences are reversed.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized, unless those temporary difference arises from the initial recognition of an asset or liability in a transaction that:

- Is not a business combination; and
- At the time of the transaction affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for all taxable temporary differences, except when that deferred tax results from:

- The initial recognition of the goodwill; or
- The initial recognition of an asset or liability in a transaction that is not a business combination and does not affect, at the moment of that transaction, either the accounting profit or the taxable profit.

Deferred tax assets shall be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. The uncertainty of recoverability of tax losses carried forward and unused tax credits is considered in the calculation of deferred tax assets.

## **2z - Foreign currency transactions**

Transactions in foreign currency are translated at the exchange rate in effect on the transaction date. Monetary assets and liabilities denominated in foreign currency are converted into euro at the exchange rate at the reporting balance sheet date. Exchange differences resulting from this conversion are



recognized in results. Non-monetary assets and liabilities recorded at historical cost denominated in foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies recorded at fair value are translated at the exchange rate in force on the date on which the fair value was determined.

The financial statements of subsidiaries, joint ventures and associated companies whose functional currency differs from the euro are translated into euros as follows:

- Each balance sheet assets and liabilities are translated at the exchange rate on the date of the balance sheet;
- The income, expenses and cash flows highlighted in each financial statement are translated at the exchange rates at the dates of transactions; and
- All resulting exchange differences are recognised in equity.

#### **2aa – Regulated activities – recognition of regulatory assets and liabilities**

The companies that manage the multi-municipal systems (MMS) from AdP Group operate under regulated activities. The major effect of regulation over the activities of these companies is the scrutiny that the regulatory entity (ERSAR) uses in determining the rate to be applied to services rendered and as well in the corresponding annual budget. According to this scrutiny, the tariffs to practice by the companies must be approved by the body that exercises the grantor power, based upon the opinion of the regulator on its suitability.

Taking into account the hierarchy established in IAS 8, the companies of the Group with regulated activities adopted the rules provided by FAZ 72, issued by FASB (with which converges ED/2009/8 issued by IASB). In this way, there have been determined a set of criteria for recognition of assets and liabilities related with regulatory rules. These rules determine that a company should recognise in its financial statements the effects of its operating activity, so long as it provides services with prices subject to regulatory provisions.

Are only likely to be recognised regulatory assets and liabilities if, and only if: (i) an accredited body (for example, the regulator) determine the price that an entity should charge their customers for the goods or services that it provides, and that this price links customers to accept it, and (ii) the price established by the regulation (tariff) is determined to retrieve specific costs incurred to provide the goods or services and to achieve a certain remuneration.

The activities of AdP Group MMS Companies of AdP Group are regulated, as rates are determined by a third entity (Government) after considering the opinion of the regulator - ERSAR, and so, these standards are applicable to these companies.

In conclusion, it is required that a company recognises regulatory assets and liabilities if the regulator allows the recovery of the expenses previously incurred or the reimbursement of the amounts previously charged, and to be paid for its regulated activities, through adjustments in the rates charged to customers.

As so, when there is a right to increase, or an obligation to reduce the rates in future periods as a result of the current or expectable practice of the regulator, (i) the company should recognise a regulatory asset that allows the recover of expenses previously incurred; or (ii) the company should recognise a regulatory liability that allows the reimbursement of the amounts previously charged less the payment of the regulatory activity rendered. The effects of applying the requirements mentioned before are the recognition of an asset (or a liability), that other way would be recognised in the profit or loss, as an expense (or an income).

In addition to the effects of tariff deviations, the future contractual investment effects are treated as accrued costs. Thus, according to the rule of recognition of regulatory assets and liabilities, these assets (and/or liabilities) should be recognised in the balance sheet since the recovery of its cost (and/or refund) is eligible for the purpose of determining the rate by the regulator in subsequent periods.

It is established that the concession agreements of AdP Group companies contain the criteria for the establishment of rates or annual granted remuneration, based in the recovery of the investment expenses, operational expenses, financial expenses and, as well, a remuneration of the equity. Potentially, it can also be added remuneration for efficiency gains.

Hence, annually, AdP Group, determines the difference between the profit generated by its operations and the equity remuneration granted, and registers the gross value as an income – tariff deviations – and the related tax, as income tax, against the balance sheet, as required in the recognition of regulatory assets and liabilities.

The revenue from the tariff deviation corresponds to the credit or debit adjustments to be made to the revenue from regulatory activities, in a way that it shows the income required to accomplish the agreement terms regarding the recovery of the expenses, including income tax, and the annual guaranteed remuneration.

If this difference is positive (performed tariff > necessary tariff) a negative tariff deviation occurs and it should be registered by debiting revenue. This situation originates a deferred tax asset, regarding the adjustment in income tax. The net effect corresponds to the correction of profit or loss for the year in order to recover in full the expenses incurred and the annual guaranteed remuneration.

If this difference is negative (performed tariff < necessary tariff) a positive tariff deviation occurs and it should be registered by crediting revenue. This situation originates a deferred tax liability, regarding the adjustment in income tax. The net effect corresponds to the correction of profit or loss for the year in order to recover in full the expenses incurred and the annual guaranteed remuneration.

According to the concession and partnership management agreements and with regulatory rules, and whenever applicable, it is registered the annual share of estimated expenses to face contractual expenses in (regulated) investments not yet performed or in (regulated) expansion investments.

For the assets with useful lives longer than the concession agreement period (that will be materialized in the right to use the infrastructures – IFRIC 12), the amortization of the initial investments or of the future investments approved or demanded by the Grantor related with expansion or modernization of the initial

obligations, are recognised throughout the concession period. However, additional expansion or modernization investments, whose useful lives are longer than the concession period, and a residual amount is presented, will give place to an indemnity corresponding to the unamortized amount at the end of the concession period. Amortizations are calculated taking into account the initial investments and the investments yet to realize, that are included in the economic and financial feasibility study, based on effluent flow rates billed in the period and the effluents to bill until the end of the concession that are predicted in the feasibility study.

The procedure of recognition of accrued costs for contractual investment is justified by the need to ensure the accrual-based accounting and the matching, during the term of the concession contracts with the State, with income (fees) and costs (incurred and to be incurred) that constitute its basis of calculation. It is understood that these accruals, correspond to an obligation for tariff reimbursement in the future, allowing a level of stabilisation of these tariffs, as well as the matching, during the term of the concession contracts with the State, with income (fees) and costs (incurred and to be incurred) referred to earlier.

These accruals are recognized as depreciation costs and as liabilities (non-current). The liabilities are transferred to accumulated depreciation at the time of completion of the underlying investment.

## 2ab – Services in the scope of the concessions

Concessionary companies from AdP Group engaged in activities that constitute services of general economic interest (intermunicipal grants and partnerships – 11 of waste and 19 of water and sanitation).

Water and sanitation	Concession/ Partnership	Term	Period	Shareholder's remuneration	
				Rate	Basis <sup>(1)</sup>
Águas do Algarve	Concession	35 years	2001-2037	OT 10 years + 3%	S. Capital+Legal Reserve
Águas do Centro	Concession	30 years	2001-2031	OT 10 years + 3%	S. Capital+Legal Reserve
Águas do Centro Alentejo	Concession	30 years	2003-2032	OT 10 years + 3%	S. Capital+Legal Reserve
Águas do Douro e Paiva	Concession	30 years	1996-2026	OT 10 years + 3%	S. Capital+Legal Reserve
Águas do Mondego	Concession	35 years	2004-2039	OT 10 years + 3%	S. Capital+Legal Reserve
Águas do Norte Alentejano	Concession	30 years	2001-2030	OT 10 years + 3%	S. Capital+Legal Reserve
Águas do Noroeste	Concession	50 years	2010-2060	OT 10 years + 3%	S. Capital+Legal Reserve
Águas do Oeste	Concession	30 years	2001-2030	OT 10 years + 3%	S. Capital+Legal Reserve
Águas da Região de Aveiro	Partnership	50 years	2009-2059	OT 10 years + 3%	S. Capital+Legal Reserve
Águas de Santo André	Concession	30 years	2001-2030	OT 10 years + 3%	S. Capital+Legal Reserve
Águas de Trás-os-Montes	Concession	30 years	2001-2031	OT 10 years + 3%	S. Capital+Legal Reserve
Águas do Zêzere e Côa	Concession	30 years	2000-2030	OT 10 years + 3%	S. Capital+Legal Reserve
Águas Públicas do Alentejo	Partnership	50 years	2009-2059	OT 10 years + 3%	S. Capital+Legal Reserve
Sanest	Concession	25 years	1995-2020	TBA + 3%	S. Capital+Legal Reserve
Simarsul	Concession	30 years	2004-2034	OT 10 years + 3%	S. Capital+Legal Reserve
Simdouro	Concession	50 years	2009-2059	OT 10 years + 3%	S. Capital+Legal Reserve
Simlis	Concession	30 years	2000-2029	Euribor 6 meses + 3%	S. Capital+Legal Reserve
Simria	Concession	50 years	2000-2049	OT 10 years + 3%	S. Capital+Legal Reserve
Simtejo	Concession	43 years	2001-2044	OT 10 years + 3%	S. Capital+Legal Reserve

Waste	Concession/ Partnership	Term	Period	Shareholder's remuneration	
				Rate	Basis <sup>(1)</sup>
Algar	Concession	25 years	1996-2021	TBA + 3%	S. Capital+Legal Reserve
Amarsul	Concession	25 years	1997-2022	TBA + 3%	S. Capital+Legal Reserve
Ersuc	Concession	33 years	1997-2030	TBA + 3%	S. Capital+Legal Reserve
Resiestrela	Concession	25 years	2003-2027	TBA + 3%	S. Capital+Legal Reserve
Resinorte	Concession	30 years	2009-2039	OT 10 years + 3%	S. Capital+Legal Reserve
Resulima	Concession	25 years	1996-2021	TBA + 3%	S. Capital+Legal Reserve
Suldouro	Concession	25 years	1996-2021	TBA + 3%	S. Capital+Legal Reserve
Valorlis	Concession	25 years	1996-2021	TBA + 3%	S. Capital+Legal Reserve
Valorminho	Concession	25 years	1996-2021	TBA + 3%	S. Capital+Legal Reserve
Valorsul	Concession	25 years	2011-2034	OT 10 years + 3%	S. Capital+Legal Reserve
Valnor	Concession	35 years	2001-2036	OT 10 years + 3%	S. Capital+Legal Reserve

(1) In addition to the share capital and legal reserve, when applicable, the shareholder's remuneration shall be calculated over remuneration and debt (undistributed dividends).

The activities carried out by the Group are regulated the activities developed under concession by the inter-municipal water supply, sanitation and wastewater treatment and waste recovery services (services in "high"). These activities are developed in a context defined by the legislation and regulations in force, by the provisions of the public service concession contracts concluded with the State and by the provisions and recommendations issued by the regulatory authority of water and waste Services (ERSAR). In balancing the public interest with the financial balance of enterprises in accordance with the concession contract, the regulator can take measures with negative impact on cash-flow, with all the adverse consequences resulting from there.

The concessions managed by AdP Group are of type BOT (Built-Operate-Transfer), and generally include the reception infrastructure already built by municipalities (on payment of a consideration or not), the construction of new infrastructure, the maintenance and its operation. At the end of the term of the concession these infrastructures are transferred back to the grantor in full State of use. By does not deter the full enjoyment of the infrastructures (for example there are restrictions regarding its sale, pledge as security, etc.), these are classified as intangible assets under IFRIC 12 – Service concession contracts.

Contractually, the concessions are based on models for classification of infrastructure as a financial asset, since it does not present risk, having the right to a contractual guaranteed annual minimum remuneration, whose receipt can be deferred in time, but that is assured. However, the definition of a financial asset, established by IAS 32, is not associated with risk but is associated with the present and unconditional right to receive money or other financial asset. Among the various mechanisms for rebalancing of concession contracts of the companies of AdP Group, fare increase, direct compensation of the grantor and/or extension of the grant, the deadline extension does not comply with the requirements of that standard (IAS 32), since it is a future right to charge users, which precludes the option for recognition of the financial asset. In this way, the AdP Group companies of SMM or partnership managers classify the system's infrastructure that they explore as intangible assets –right to the use the infrastructures.

According to IFRIC 12, construction services revenue should be recognised in accordance with IAS 11-construction contracts. It should be noted that the AdP Group, in the construction of infrastructures acts as an "agent"/intermediate, transferring the risks and returns to a third party (who builds), without

appropriating any margin, in the course of its operational activity, revenue and charges with the acquisition of infrastructure have equal amount. Accordingly, and taking into account the regulated activity of AdP Group companies, revenue recognized is that which results from the application of tariffs approved strictly by the grantor and scrutinized by the regulator, more or less the underlying tariff deviation, as foreseen in the concession agreements, by which is not recognized revenue of construction services.

Intangible assets are recorded at cost of acquisition or production, including costs and income (net) direct and indirectly related to the investment projects, which are capitalized in construction in progress. The costs that can be capitalised are those related to the realisation of the investment. Operating costs are allocated to the intangible assets in progress by means of a percentage calculated on the basis of the respective projects personnel affectation. The finance charges relating to borrowings for investment financing in the course are entirely capitalized until its availability for use.

The expenses that materialise in expansion or modernisation of infrastructures, through economic regulation of concessions, are specifically remunerated to the extent that contribute to the formation of the tariff (i.e. have an implicit acceptance of the depreciation recovery by the regulator), being thus counted as part of the intangible asset. Conservation and maintenance costs, current costs are recognized in the respective years in which they occur.

The additional investment or expansion or modernisation imposed by the grantor, whose lifetime extends beyond the term of the concession, may have residual value that will give rise to compensation equivalent to the unamortized value of that date, so these amounts are classified as financial assets (discounted value to receive).

The intangible asset, right to the use of infrastructure, is amortised on a systematic basis in accordance with the standard for obtaining economic benefits, and are determined by economic regulation and by the acceptance of the amortization expenses in the annual formation of tariffs by the regulator.

Amortization in companies of UNA-PD are calculated by the sum of units, that is, by depreciation of contractual investments, which are economic and financial feasibility study used, based on effluent flow rates billed in this exercise and the effluents to bill by the end of the concession provided for in economic and financial feasibility study annexed to the grant agreement. Amortization in companies of UNR is calculated based on the term of the concession provided for in economic and financial feasibility study

## **2ac – Services in the field of airport concessions**

Due to the obligations of expansion or requalification of infrastructure established in the concession assigned to ANAM, SA, and due to the application of IFRIC 12, it is recognized the revenue of construction services against the accounting of an increase in the amount of the entitled concession right.

The obligations recognized based on renovations to the airport infrastructure, which are the establishment of concession, in order to maintain the level of services provided in the concession contract, are measured at the present value, taking into consideration the estimated period of completion.

## **2ad - Judgements, estimates and critical assumptions**

The preparation of consolidated financial statements according with IFRS requires PARPÚBLICA Group to make certain estimates and assumptions that affect the application of accounting policies and the amounts of income, expense, assets and liabilities. Changes in such assumptions or any differences of these assumptions with reality may have impact over the present estimates and judgements. The areas that involve a significant level of judgement and complexity, or where assumptions and significant estimates are made in preparing the consolidated financial statements are discussed below:

### *Useful lives of property, plant and equipment and intangible assets*

The determination of useful lives of assets, as well as the depreciation method is critical to determine the amount of depreciation/amortization to recognise on the consolidated income statement. These two parameters are defined according with the management's best judgement for the business and assets in question; however, they could be changed if the international best practice in the industries, for similar situations, points to a different benchmark.

### *Fair value for investment property and biological assets*

Investment property and biological assets that are measured at fair value are subject to independent valuations that are performed in a regular way. These valuations were performed according with discounted cash flow method.

### *Impairment*

The Group performs impairment tests in accordance with the accounting policy described in note 2k. The realizable values of cash-generating units are based on values in use or on market values considering the best estimates.

### *Fair value of financial instruments*

The fair value of financial instruments that have no active market is determined through valuations that reflect the mark-to-market value of those instruments. The Group uses valuation techniques and assumptions for the evaluation of derivatives contracted at the reporting date, with support from experts, and having inputs such as interest rate curves, underlying assets and volatilities.

#### *Retirement benefit obligations*

An obligation of the defined benefit plan is annually calculated by independent actuarial experts using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the future benefit payments, using the interest rate of high quality bonds issued in the same currency that the benefits will be paid and with terms of maturity that are close with those of the assumed obligation.

#### *Provisions*

Provisions are recognised when the Group has: i) a present legal or constructive obligation as a result of past events; ii) for which it is more likely that not requiring an expenditure of internal resources in payment of such obligation; and iii) the amount can be estimated with reasonableness. Whenever one of the criteria is not met or the existence of the obligation is subject to the occurrence (or not) of certain future events, PARPÚBLICA Group discloses this fact as a contingent liability, unless the assessment of the enforceability of the output of resources for payment is considered remote.

#### *Income tax*

The group recognises liabilities for tax additional settlements that may result from revisions by the tax authorities. When the end result of these situations is different from the values initially recorded, the differences will impact the income tax and tax provisions in the fiscal year in which such differences are noted.

### 3 - Restatements and reclassifications

RUBRICAS	31-Dez-11	Reexpressões	31-Dez-11 (final de n-1)
<b>ATIVO</b>			
<b>Ativo não corrente</b>			
Ativos fixos tangíveis	1 115 111	-	1 115 111
Propriedades de investimento	459 358	-	459 358
Goodwill	114 593	-	114 593
Ativos intangíveis	4 792 297	-	4 792 297
Ativos biológicos	21 552	-	21 552
Participações financeiras em associadas	522 615	-	522 612
Outras participações financeiras	1 038 908	-	1 038 908
Outros ativos financeiros	1 984 499	-	1 984 499
Ativos por impostos diferidos	293 597	(5 658)	299 255
Outras contas a receber	168 304	-	168 304
Diferimentos	430 171	-	430 171
	<b>10 941 004</b>	<b>(5 658)</b>	<b>10 946 659</b>
<b>Ativo corrente</b>			
Inventários	1 172 709	-	1 172 709
Ativos biológicos	2 859	-	2 859
Clientes	482 226	-	482 226
Adiantamentos a fornecedores	2 664	-	2 664
Estado e outros entes públicos	39 219	48	39 171
Outras contas a receber	279 900	(95)	279 995
Diferimentos	12 417	-	12 417
Outros ativos financeiros	10 697	-	10 697
Caixa e depósitos bancários	520 424	-	520 424
	<b>2 523 115</b>	<b>(47)</b>	<b>2 523 162</b>
Ativos não correntes detidos para venda	6 014 893	-	6 014 893
	<b>8 538 008</b>	<b>(5 705)</b>	<b>11 061 217</b>
<b>Total do ativo</b>	<b>19 479 012</b>	<b>(5 705)</b>	<b>19 484 714</b>
<b>CAPITAL PRÓPRIO E PASSIVO</b>			
<b>Capital próprio</b>			
Capital realizado	1 027 151	-	1 027 151
Reservas legais	724 491	1	724 491
Outras reservas	94 717	-	94 717
Ajustamentos em ativos financeiros	(479 642)	-	(479 642)
Resultados transitados	1 199 305	(1)	1 199 306
Resultado líquido do período atribuível aos detentores do capital da empresa-mãe	59 592	(1 070)	60 662
<b>Total do capital próprio atribuível aos detentores do capital da empresa-mãe</b>	<b>2 625 614</b>	<b>(1 070)</b>	<b>2 626 684</b>
Interesses que não controlam	625 460	-	625 460
<b>Total do capital próprio</b>	<b>3 251 073</b>	<b>(1 070)</b>	<b>3 252 143</b>
<b>Passivo não corrente</b>			
Provisões	32 590	-	32 590
Financiamentos obtidos	6 441 603	-	6 441 603
Responsabilidades por benefícios pós-emprego	43 249	1 351	41 898
Passivos por impostos diferidos	365 276	-	365 276
Acionistas / sócios	-	-	-
Outras contas a pagar	188 486	-	188 486
Outros passivos financeiros	38 456	-	38 456
Diferimentos	2 603 645	(5 658)	2 609 303
	<b>9 713 305</b>	<b>(4 307)</b>	<b>9 717 612</b>
<b>Passivo corrente</b>			
Provisões	304	-	304
Fornecedores	60 189	-	60 189
Adiantamentos de clientes	1 823	-	1 820
Estado e outros entes públicos	74 779	(328)	75 107
Acionistas / sócios	18	-	18
Financiamentos obtidos	1 724 671	-	1 724 671
Outras contas a pagar	1 398 666	-	1 398 666
Outros passivos financeiros	3 666	-	3 666
Diferimentos	28 546	-	28 546
	<b>3 292 662</b>	<b>(328)</b>	<b>3 292 987</b>
Passivos relacionados com ativos não correntes detidos para venda	3 221 972	-	3 221 972
	<b>6 514 635</b>	<b>(328)</b>	<b>6 514 960</b>
<b>Total do passivo</b>	<b>16 227 939</b>	<b>(4 635)</b>	<b>16 232 571</b>
<b>Total do capital próprio e do passivo</b>	<b>19 479 012</b>	<b>(5 705)</b>	<b>19 484 714</b>



RUBRICAS	1º semestre 2011	Reexpressões	1º semestre 2011 (final de n-1)
Vendas e serviços prestados	1 761 408	8 211	1 753 197
Subsídios à exploração	7 403	-	7 403
Ganhos e perdas imputados de associadas	163 144	-	163 144
Dividendos de participações ao custo e ao justo valor	38 075	12	38 063
Mais-valias resultantes de reprivatizações	-	-	-
Variação nos inventários da produção	(474)	-	(474)
Trabalhos para a própria entidade	16 718	-	16 718
Custo das mercadorias vendidas e das matérias consumidas	(157 985)	-	(157 985)
Fornecimentos e serviços externos	(930 230)	-	(930 230)
Gastos com o pessoal	(417 515)	(1 352)	(416 164)
Ajustamentos de inventários	(1 481)	-	(1 481)
Imparidade de dívidas a receber	(1 126)	(95)	(1 031)
Provisões	2 593	-	2 593
Imparidade de investimentos não depreciables / amortizáveis	(23 178)	-	(23 178)
Aumentos / reduções de justo valor	39 045	-	39 045
Outros rendimentos e ganhos	63 659	9 458	54 201
Outros gastos e perdas	(33 650)	242	(33 892)
<b>Resultado antes de depreciações, gastos de financiamento e impostos</b>	<b>526 405</b>	<b>16 476</b>	<b>509 929</b>
Gastos/reversões de depreciação e de amortização	(227 495)	-	(227 495)
Imparidade de investimentos depreciables / amortizáveis	-	-	-
Subsídios ao investimento	36 872	-	36 872
<b>Resultado operacional (antes de gastos de financiamento e impostos)</b>	<b>335 782</b>	<b>16 476</b>	<b>319 306</b>
Juros e rendimentos similares obtidos	4 186	(17 681)	21 867
Juros e gastos similares suportados	(193 336)	(242)	(193 094)
<b>Resultado antes de impostos</b>	<b>146 632</b>	<b>(1 447)</b>	<b>148 079</b>
Imposto sobre o rendimento do período	(39 141)	377	(39 517)
<b>Resultado líquido do período</b>	<b>107 491</b>	<b>(1 070)</b>	<b>108 561</b>
Resultado líquido dos interesses que não controlam	37 284	-	37 284
<b>Resultado líquido dos detentores do capital da empresa-mãe</b>	<b>70 208</b>	<b>(1 070)</b>	<b>71 278</b>
Resultado das unidades operacionais descontinuadas incluído no resultado líquido do período	68 041	68 041	-
Resultado das unidades operacionais descontinuadas incluído no resultado líquido dos detentores do capital da empresa-mãe	56 641	56 641	-
Resultado básico e diluído por ação (euros):			
Proveniente de unidades operacionais em continuação e de unidades operacionais descontinuas	0,18		0,18
Proveniente de unidades operacionais descontinuadas	0,14		

Restatements and reclassifications involved the following main amounts:

- Restatement of 5 658 tEuros in deferred tax assets against liabilities – non-current – of the AdP Group due to correction of the methodology adopted in the determination of deferred tax assets and liabilities relating to the tariff deviations.
- Restatement of 1 352 tEuros with retirement benefits expenses against responsibilities for post-employment benefits of INCM and as result of the change in measuring the responsibilities for post-employment benefits.
- Reclassification of the overall amount of 17 681 tEuros of Interest and Other financial income against Other income and gains, related to interest that do not refer to financial applications arising only from the temporary application of borrowings amounts and still unused.
- Reclassification of 8 211 tEuros Of Other income and gains from investment properties – Other operating income and gains – against Services rendered from SAGESTAMO Group.

#### 4 - Cash flows

The Consolidated cash flow statement was prepared under the provisions of IAS 7.

Operating cash flow essentially relates to the Air transport segment with 77% (30JUN11: 73%) of total receipts from trade debtors. In the payments to Trade creditors and staff, this operating segment has a weight of 87% (30JUN11: 80%) and 77% (30JUN11: 79%), respectively.

The financing and investing activities essentially concern the operations that come from AdP Group, TAP Group and ANA Group, with the exception of financial investment gains coming from the investment activity, in its majority embodying operations with PARPÚBLICA related to income from EDP and REN equity reprivatisation.

The cash flows from discontinued operations appear in Note 52.

## 5 - Property, plant and equipment

	1º semestre 2012									
Ativos fixos tangíveis	Terrenos e recursos naturais	Edifícios e outras construções	Equipamento básico	Equipamento de transporte	Ferramentas e utensílios	Equipamento administrativo	Outras imobilizações corpóreas	Imobilizações em curso	Adiantamentos por conta de imobilizações corpóreas	Total
<b>Ativo bruto</b>										
Saldo inicial	262 276	354 636	1 112 809	9 342	73	45 795	129 836	13 307	63 957	1 992 032
Adições	2 452	36	681	100	-	316	1 615	8 177	13	13 389
Alienações	(1 185)	-	(232)	(78)	-	-	(8)	-	(101)	(1 604)
Outras transferências/ abates	(10)	224	5 319	-	-	65	16	(6 511)	-	(897)
Diferenças câmbio	-	-	-	-	-	(3)	-	-	-	(3)
Saldo final	263 533	354 896	1 118 577	9 364	73	46 173	131 459	14 972	63 869	2 002 917
<b>Depreciações acumuladas</b>										
Saldo inicial	734	177 383	561 324	8 304	63	41 210	47 316	1	-	836 335
Adições	615	4 584	13 789	204	-	822	2 696	-	-	22 710
Alienações	-	-	(159)	(78)	-	-	(8)	-	-	(245)
Outras transferências/ abates	-	59	(545)	-	-	(201)	-	-	-	(688)
Diferenças câmbio	-	-	-	-	-	(2)	-	-	-	(2)
Saldo final	1 349	182 026	574 409	8 429	63	41 828	50 003	1	-	858 110
<b>Perdas de imparidade acumuladas</b>										
Saldo inicial	25 405	12 282	-	-	-	-	2 900	-	-	40 587
Alienações	(60)	-	-	-	-	-	-	-	-	(60)
Saldo final	25 345	12 282	-	-	-	-	2 900	-	-	40 527
<b>Valor líquido</b>	<b>236 839</b>	<b>160 588</b>	<b>544 168</b>	<b>934</b>	<b>10</b>	<b>4 345</b>	<b>78 556</b>	<b>14 971</b>	<b>63 869</b>	<b>1 104 281</b>

	Ano 2011									Total
	Terrenos e recursos naturais	Edifícios e outras construções	Equipamento básico	Equipamento de transporte	Ferramentas e utensílios	Equipamento administrativo	Outras imobilizações corpóreas	Imobilizações em curso	Adiantamentos por conta de imobilizações corpóreas	
<b>Ativos fixos tangíveis</b>										
<b>Ativo bruto</b>										
Saldo inicial	327 563	1 730 501	3 707 593	42 416	35 454	174 850	145 156	201 052	74 706	6 439 291
Adições	20	639	12 150	1 420	1 063	3 088	7 846	112 979	745	139 950
Transferência para "Detidos para venda"	(69 321)	(1 411 278)	(2 644 591)	(32 866)	(35 995)	(125 469)	(24 540)	(164 300)	(8 021)	(4 516 381)
Perdas Imparidade reconhecidas	(3 570)	(568)	(2 350)	-	-	-	-	-	-	(6 488)
Alienações	(1 132)	-	(16 776)	(745)	(1)	(42)	(2)	(559)	(1 317)	(20 574)
Outras transferências/ abates	8 827	35 702	58 419	(875)	446	(6 218)	1 368	(135 571)	(2 156)	(40 057)
Diferenças câmbio	(112)	(360)	(1 636)	(8)	(894)	(414)	8	(294)	-	(3 710)
Saldo final	262 276	354 636	1 112 809	9 342	73	45 795	129 836	13 307	63 957	1 992 032
<b>Depreciações acumuladas</b>										
Saldo inicial	450	866 975	2 117 368	33 772	20 704	154 370	61 180	(23)	-	3 254 795
Adições	553	46 179	171 696	3 200	2 031	7 402	6 217	-	-	237 279
Transferência para "Detidos para venda"	-	(733 237)	(1 713 458)	(26 885)	(22 319)	(109 652)	(19 576)	-	-	(2 625 127)
Alienações	-	-	(12 701)	(675)	(1)	(36)	(1)	-	-	(13 414)
Outras transferências/ abates	(269)	(2 430)	(341)	(1 101)	(42)	(10 510)	(513)	24	-	(15 182)
Diferenças câmbio	-	(104)	(1 240)	(7)	(310)	(363)	8	-	-	(2 016)
Saldo final	734	177 383	561 324	8 304	63	41 210	47 316	1	-	836 335
<b>Perdas de Imparidade Acumuladas</b>										
Saldo inicial	25 889	12 282	48	-	-	-	1 292	-	-	39 511
Adições	931	-	122	-	-	8	1 608	-	-	2 669
Transferência para "Detidos para venda"	-	-	(170)	-	-	(8)	-	-	-	(178)
Perdas Imparidade reconhecidas	508	-	-	-	-	-	-	-	-	508
Perdas Imparidade revertidas	(1 924)	-	-	-	-	-	-	-	-	(1 924)
Saldo final	25 405	12 282	-	-	-	-	2 900	-	-	40 587
<b>Valor Líquido</b>	<b>236 137</b>	<b>164 971</b>	<b>551 485</b>	<b>1 039</b>	<b>10</b>	<b>4 585</b>	<b>79 621</b>	<b>13 306</b>	<b>63 957</b>	<b>1 115 111</b>

Land and Buildings as at 30 June 2012 mainly include:

- 244 million euros (31DEC11: 246 million euros) related to infrastructures for production, transport and distribution of water of AdP Group; and
- 63 million euros (31DEC11: 61 million euros) related to Baía do Tejo Group.

The Land additions, in the amount of 2 452 thousand euros, are related to Baía do Tejo Group and the disposals, in the amount of 1 185 thousand euros, to Lazer e Floresta.

The Basic equipment mainly includes (net values) 538 million euros (31DEC11: 550 million euros) relating to equipment of production, transport and distribution of water of AdP Group.

In Fixed assets in progress it should be noted the additions made by AdP Group in the amount of 7, 3million euros, mainly related to the expansion and renovation of the Lisboa network, to the deviation of Vila Franca de Xira feeder to the new hospital, to the substitution of the pipelines of Reguengo's bridge and to the remodelling of the Olivais reservoir.

The decrease in this heading through transfer to Basic equipment includes basically the amount of 6,4 million euros from AdP Group, related mainly to the special work of duplicating the Castelo de Bode feeder and to the Lisboa network remodelling.

In Administrative equipment the amount (net values) of 3 million euros (31DEC11: 3,2 million euros) comes mostly from AdP Group.

Other tangible fixed assets (net values) mainly includes: (i) 66,5 million euros (31DEC11: 67,5 million euros) of rolling stock in operation in “Eixo Ferroviário Norte-Sul” from SAGESECUR; (ii) 8,7 million euros (31DEC11: 8,7 million euros) relating to INCM; and (iii) 3million euros (31DEC11: 3,3 million euros) from AdP Group.

Advances on tangible fixed assets (net assets) refers to: (i) advances made by Baía do Tejo Group related with the amount of 59,3 million euros (the same value as at 31DEC11) of the purchase and sale contract signed between Baía do Tejo Group and the Portuguese State for the acquisition of the buildings of the complex of Margueira; and (ii) advances made by Lazer e Floresta in the amount of 4,6 million euros (the same value as at 31DEC11), related to the acquisition of properties, pending the completion of the deed.

The initial balance of accumulated impairment losses is mostly related to assets of Companhia das Lezírias and Circuito Estoril.

## 6 - Investment property

Propriedades de investimento	1º semestre 2012		Ano 2011	
	Ao justo valor	Ao custo	Ao justo valor	Ao custo
<b>Saldo inicial</b>	458 193	1 165	467 248	1 261
Ajustamentos de justo valor - ganhos e perdas líquidos	-	-	(9 369)	-
Aumentos - aquisições	1 712	87	2 856	-
Alienações (sinal -)	(1 406)	-	(210)	-
Depreciações (sinal -)	-	(135)	-	(1 305)
Transferência para "Detidos para venda"	-	-	(2 862)	-
Outras variações	-	-	529	1 209
<b>Saldo final</b>	<b>458 499</b>	<b>1 117</b>	<b>458 193</b>	<b>1 165</b>
<b>Total</b>	<b>459 616</b>		<b>459 358</b>	

Investment property refers to the following entities:

Propriedades de Investimento por entidade	30-Jun-12	30-Dez-11
Grupo Sagestamo	179 580	179 550
Grupo Baía do Tejo	135 049	133 367
Companhia das Lezírias	53 302	53 302
Fundo II Estamo	46 897	46 897
Lazer & Floresta	43 671	45 077
Grupo AdP	1 117	1 165
<b>Total</b>	<b>459 616</b>	<b>459 358</b>

The principal criteria used to distinguish Investment property from Properties held for sale during the normal course of business comes from rental.

The increases of the current year of 1,7 million euros refer mainly to acquisitions from Baía do Tejo Group.

The decreases of the current year of 1,4 million euros refer totally to disposals of Lazer e Floresta.

The significant methods applied at 31 December 2011 in determining the fair value of investment property are described as follows:

- **Market Comparison Method** – Consists in relating the value of a real estate property, with the market data available from recent real estate transactions occurred in the same locations, with similar or comparable characteristics.
- **Cost Method** – Considers the sum of all expenses needed to build a property with the same characteristics and materials of the valuated property, considering the prices in place in the market.
- **Income Method** – Is an indirect method, commonly used in determining the market value of assets with the ability to generate income from its use. The fair value of the property corresponds to the investment needed to obtain an effective income generated from the exploration of the business, and is determined by capitalising that income with a *yield* (binomial Risk/income associated with the investment) adequate to the characteristics of the real estate property and to the level of risk of the real estate investment.
- **Residual Value Method** – This method is based on the principle of the maximum and best use of an urban property, according to the premises approved by the entities with jurisdiction over the real estate property and considering that the property is free of constructions, safeguards and urban commitments of public character. The urban land value is determined by deducting to the set of the potential earned income by the real estate property (determined using the Market Comparison Method and/or the Income Method), the expenses needed to the construction of the property, infrastructures and urban constructions, as well as related indirect expenses, like projects, fees, management, supervising, promotion and selling expenses (determined using the Cost Method). Considering the temporal character of the development of the investment, the global return study is performed from a cash flow analysis using a discount rate corresponding to the minimal return rate required by the investor/entrepreneur.

The major assumptions considered by PARPÚBLICA Group when using the Residual Value Method and the Income Method are described below:

Discount rates	Income Method	Residual Value Method
Grupo SAGESTAMO	Between 6% e 9%	Between 8% e 10%
Grupo Baía do Tejo	Between 7% a 10%	4,4%
Companhia das Lezírias	5,25%	15%
Fundo II Estamo	n.a.	10%
Lazer & Floresta	5,25%	n.a.

## 7 - Goodwill

Goodwill	1º semestre 2012		Ano 2011			
	Saldo inicial	Saldo final	Saldo inicial	Outras variações	Transferência para "Detidos para venda"	Saldo final
Reaching Force	-	-	91 605	-	(91 605)	-
Aero -LB	-	-	56 311	(4 620)	(51 691)	-
Portugália	-	-	63 099	-	(63 099)	-
AdP	95 005	95 005	95 005	-	-	95 005
Valorsul	3 307	3 307	3 307	-	-	3 307
Algar	130	130	130	-	-	130
Aquasis	210	210	210	-	-	210
ANA	15 850	15 850	15 850	-	-	15 850
NAER - Novo Aeroporto	-	-	690	-	(690)	-
Portway Handling de Portugal	-	-	1 430	-	(1 430)	-
Baía do Tejo	91	91	91	-	-	91
	<b>114 593</b>	<b>114 593</b>	<b>327 727</b>	<b>(4 620)</b>	<b>(208 515)</b>	<b>114 593</b>

The *Goodwill* amount at 30 JUNE 2012 amounts to 114,6 million euros, the same value recorded at 31 December 2011.

## 8 - Other intangible assets

Ativos intangíveis (valores líquidos)	1º semestre 2012			Ano 2011		
	Com vida útil indefinida	Com vida útil finita	Total	Com vida útil indefinida	Com vida útil finita	Total
Saldo inicial	3	4 792 294	4 792 297	3	4 764 831	4 764 834
Variação do perímetro de consolidação (sinal + ou -)	-	-	-	-	21	21
Transferência para "Detidos para Venda"	-	-	-	-	(194 520)	(194 520)
Adições	138	112 895	113 033	-	479 539	479 539
Alienações (sinal -)	-	(21)	(21)	-	-	-
Outras transferências/ abates	-	3 033	3 033	-	(88 508)	(88 508)
Amortizações	-	(70 435)	(70 435)	-	(169 069)	(169 069)
Saldo final	<b>141</b>	<b>4 837 767</b>	<b>4 837 908</b>	<b>3</b>	<b>4 792 294</b>	<b>4 792 297</b>

Other intangible assets come mainly from AdP Group with an amount of 4,8 billion euros (31DEC11: 4,8 billion euros). These intangible assets are mostly rights of infrastructures use (IFRIC 12), of UNA-PD (water) and UNR (waste) business units.

Additions (112,5 million euros)), as well as Other transfers/write-offs (3 million euros) and amortizations (70,1 million euros), mainly come from AdP Group. The business units that mostly contributed to this volume of investments were the UNA-PD (business unit for production and purification of water) and UNR (business unit for waste).

However, at 30 JUNE 2012, and in comparison with previous years, there is a significant reduction in investments undertaken by AdP Group companies. This reduction derives from the current economical, financial and regulatory conditions.

## 9 – Biological assets

1º semestre 2012								
Ativos biológicos não correntes	Saldo inicial	Aumentos derivados de aquisições	Diminuições devidas a colheitas	Variações do exercício derivadas de alterações no JV menos custos estimados no ponto de venda	Alienações	Depreciações	Outras variações	Saldo final
<b>Ativos - mensurados ao JV</b>								
Floresta	-	-	-	-	-	-	-	-
Pinhal	9 924	-	-	-	(434)	-	(3)	9 487
Eucaliptal	9 695	576	-	-	(2 261)	-	-	8 010
Bovinos reprodutores	772	3	-	(24)	(15)	-	-	736
	20 392	579	-	(24)	(2 710)	-	(3)	18 234
<b>Ativos - mensurados ao custo</b>								
Olival	376	2	-	-	-	(8)	-	370
Vinha	764	-	-	-	-	(42)	-	722
Outros	21	-	-	-	-	-	-	21
	1 160	2	-	-	-	(50)	-	1 112
<b>Total</b>	<b>21 552</b>	<b>581</b>	<b>-</b>	<b>(24)</b>	<b>(2 710)</b>	<b>(50)</b>	<b>(3)</b>	<b>19 346</b>

Ano 2011								
Ativos biológicos não correntes	Saldo inicial	Aumentos derivados de aquisições	Diminuições devidas a colheitas	Variações do exercício derivadas de alterações no JV menos custos estimados no ponto de venda	Alienações	Depreciações	Outras variações	Saldo final
<b>Ativos - mensurados ao JV</b>								
Floresta	-	-	-	-	-	-	-	-
Pinhal	10 372	-	(104)	(740)	(3)	-	400	9 924
Eucaliptal	10 459	-	-	667	(831)	-	(600)	9 695
Bovinos reprodutores	914	-	-	(141)	-	-	-	772
	21 744	-	(104)	(214)	(834)	-	(200)	20 392
<b>Ativos - mensurados ao custo</b>								
Olival	170	40	-	-	-	(6)	172	376
Vinha	1 164	-	-	-	-	(51)	(348)	764
Outros	32	21	-	-	-	-	(32)	21
	1 365	61	-	-	-	(57)	(208)	1 160
<b>Total</b>	<b>23 109</b>	<b>61</b>	<b>(104)</b>	<b>(214)</b>	<b>(834)</b>	<b>(57)</b>	<b>(408)</b>	<b>21 552</b>

1º semestre 2012								
Ativos biológicos correntes	Saldo inicial	Aumentos derivados de aquisições	Diminuições devidas a colheitas	Variações do exercício derivadas de alterações no justo valor menos custos estimados no ponto de venda	Alienações	Depreciações	Outras variações	Saldo final
<b>Ativos - mensurados ao JV</b>								
Floresta	-	-	-	-	-	-	-	-
Pinhal	400	-	-	-	-	-	-	400
Eucaliptal	1 600	-	-	-	-	-	-	1 600
Bovinos reprodutores	859	-	-	(25)	-	-	-	834
<b>Total</b>	<b>2 859</b>	<b>-</b>	<b>-</b>	<b>(25)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 834</b>

Ano 2011								
Ativos biológicos correntes	Saldo inicial	Aumentos derivados de aquisições	Diminuições devidas a colheitas	Variações do exercício derivadas de alterações no justo valor menos custos estimados no ponto de venda	Alienações	Depreciações	Outras variações	Saldo final
<b>Ativos - mensurados ao JV</b>								
Floresta	800	-	-	-	-	-	(400)	400
Pinhal	1 000	-	-	-	-	-	600	1 600
Eucaliptal	933	-	-	(74)	-	-	-	859
Bovinos reprodutores	2 733	-	-	(74)	-	-	200	2 859

The main Biological assets are forest (mainly pinewoods, eucalyptus woods and cork oak trees), olive trees and vine and also livestock breeding.

The forests are registered at a fair value assessed through the method of the present value of the cash flows, discounted as foreseen in IAS 41. The area concerned is: (i) pine trees and other resinous trees, 3 726 hectares; (ii) Eucalyptus, 7 718 hectares; and (iii) cork oak trees, 8 421 hectares.

As the cork oak landscape (“montado de sobro”) is an asset under a conditioned regime it is classified as a tangible fixed asset.

The biological assets of olive trees and vine are evaluated at the depreciated cost (taking into account a 20 to 25 year useful life, respectively), since it is not possible to estimate reliably their respective fair value.

Working animals and the livestock breeding are evaluated at fair value.

The fair value of biological assets was determined, based on a valuation made by independent valuers using relevant physical, temporal and valuation indicators for the types of assets. For the estimate of fair value it was used the method of discounted cash flows with a discount rate of 5, 25%.

## 10 – Investments in associates

Participações financeiras em associadas	1º semestre 2012			
	Saldo inicial	Movimentos de equivalência patrimonial	Perdas imparidade reconhecidas	Saldo final
Parcaixa, SGPS, SA	500 688	(12 392)	-	488 296
CVP - Sociedade de Gestão Hospitalar, S.A.	10 280	(1 031)	-	9 248
Credip - Instituição Financeira de Crédito	2 379	0	-	2 379
ISOTAL - Imobiliário do Sotavento Algarvio, S.A.	66	-	-	66
Multicert - Serviços de Certificação Electrónica	666	10	-	676
ORIVÁRZEA, S.A.	1 468	-	-	1 468
INAPA - Invest. Part. E Gestão, SA	6 872	234	(234)	6 872
Águas de Timor	5	-	-	5
Mieses	187	-	-	187
CLR - Comp. Lezírias e Associados Renováveis, Lda	1	-	-	1
Sociedade Mineira do Luçapa	0	-	-	0
ACEs Quimiparque, Sneges Urbindustria, Portosider	4	-	-	4
	522 615	(13 179)	(234)	509 202



Participações financeiras em associadas	Ano 2011							
	Saldo inicial	Alienações	Movimentos de equivalência patrimonial	Transferência de e para "Detidos para Venda" e "Disponíveis	Perdas imparidade reconhecidas	Perdas Imparidade e revertidas	Outras transferências	Saldo final
EDP - Energias de Portugal, S.A.	1 890 089	-	(27 936)	(1 868 078)	-	5 925	-	(0)
REN – Rede Eléctrica Nacional, S.A.	631 060	-	(4 128)	(626 932)	-	-	-	-
Parcaixa, SGPS, SA	495 349	-	5 338	-	-	-	-	500 688
CVP - Sociedade de Gestão Hospitalar, S.A.	9 893	-	387	-	-	-	-	10 280
Credip - Instituição Financeira de Crédito	2 341	-	39	-	-	-	-	2 379
ISOTAL - Imobiliário do Sotavento Algarvio, S.A.	71	-	(5)	-	-	-	-	66
Multicert - Serviços de Certificação Electrónica	580	-	86	-	-	-	-	666
ORIVÁRZEA, S.A.	1 417	-	50	-	-	-	-	1 468
INAPA - Invest. Part. E Gestão, SA	18 407	-	13 231	-	(24 766)	-	-	6 872
ADA - Administração Aeroportos, Lda	1 382	(1 382)	-	-	-	-	-	-
Trevoeste, S.A.	550	-	-	-	(550)	-	-	-
Águas de Timor	5	-	-	-	-	-	-	5
Mieses	187	-	-	-	-	-	-	187
Clube Golf das Amoreiras	250	-	-	-	-	-	(250)	-
Netdouro	86	-	-	-	-	-	(86)	-
CLR - Comp. Lezírias e Associados Renováveis, Lda	1	-	-	-	-	-	-	1
ACEs Quimiparque, Snesges Urbindustria, Portosider	4	-	-	-	-	-	-	4
	3 051 672	(1 382)	(12 938)	(2 495 010)	(25 316)	5 925	(336)	522 615

From the main changes in the first semester 2012 we point out the following:

- Application of the equity method.
- Recognition of impairment loss of INAPA so that the value of participation corresponds to the fair value (quote price as of 30 JUNE 2012) less the selling costs (considered immaterial).

## 11 - Other investments – other methods

Outras participações financeiras	30-Jun-12	31-Dez-11
<b>Valorizadas ao justo valor</b>		
EDP - Energias de Portugal, S.A.	282 428	362 277
GALP	580 795	660 945
Portugal Telecom e ZON Multimédia	3 032	3 828
	866 255	1 027 050
<b>Valorizadas ao custo</b>		
Soc. Parque Industrial de Vendas Novas	34	34
Instituto da Habitação e Reabilitação Urbana	11 468	11 468
Portosider	-	290
Outros	68	66
	11 570	11 858
	<b>877 825</b>	<b>1 038 908</b>

Shares of EDP and GALP are underlying the swap option in the repayment of bonds (debt) issued (see note 25).

The changes occurred in fair value were registered as Increases / decreases in fair value (see note 45), and dividends were registered as dividends from Investments at cost and at fair value (see note 34).

The estimates used to assess the fair value of these investments were based on market references (when available), on recent transactions or on technical valuations.

Portosider held by Baía do Tejo Group was extinguished during the first semester of 2012.

## 12 – Other Financial Assets

Outros ativos financeiros	30-Jun-12		31-Dez-11	
	Correntes	Não correntes	Correntes	Não correntes
Investimentos financeiros pelo justo valor através de resultados				
Detido para negociação				
<i>Swaps</i> de taxa de juro	10 965	-	7 439	-
Outros	4 657	-	3 201	-
Detidos até à maturidade	-	-	-	-
Outros	-	691	-	1 700
Empréstimos correntes e contas a receber				
Fundo de renovação	-	3 966	-	4 316
Fundo de reconstituição	-	105 699	-	105 635
Outros	-	424	-	966
Adiantamentos relativos a privatizações	-	2 032 376	-	1 871 833
Disponíveis para venda				
Outros	57	8	57	8
Adiantamentos por conta de investimentos	-	41	-	41
	15 679	2 143 205	10 697	1 984 499

The amount of 2 032 million in advances concerning privatizations (31DEC11: 1 872 million euros), relates with the delivery of reprivatization receipts to the State in compliance with Law No. 11/90, of 14 April, to be compensated (pursuant to art. no. 9 of Decree-Law No. 209/2000, of 2 September) and the amounts not compensated by the State as a result of the intervention of the PARPÚBLICA in the settlement of ex-IPE. The terms of compensation that would allow measurement at amortised cost and impairment assessment are not defined.

The funds “Fundo de Renovação” and “Fundo de Reconstrução” are formed under the service concession agreements. The funds refer to medium to long-term financial applications.

The *swaps* – current assets in the amount of 10 965 tEUR (31DEC11: 7 439 tEUR) come from PARPÚBLICA and relate with the fair value of interest rate *swaps*’ structures, in order to disperse the interest rate risk.

The item of “other” financial investments at fair value through profit or loss - current assets - corresponds to units of participation held by SAGESECUR in Fundiestamo Fund I with 4 897 units (31DEC11: 3 363 units) and in the Imopoupança Fund with 1 970 units (31DEC11: 1 970 units), in the overall amount of 4 657 tEUR (31DEC11: 3 201 tEuros).

The amount presented in the item “other financial assets held-to-maturity- in amount of 691 tEUR (31DEC11: 1 700 tEuros), refers to the acquisition by INCM, of treasury bonds.

### 13 - Deferred tax assets and liabilities

Impostos diferidos	1º semestre 2012				Ano 2011				
	Saldo inicial	Variações com efeitos em resultados	Variações com efeitos no capital próprio	Saldo final	Saldo inicial	Variações com efeitos em resultados	Variações com efeitos no capital próprio	Transferência para "Detidos para venda"	Saldo final
<b>Ativos por impostos diferidos</b>									
<b>Não correntes</b>									
Prejuízos fiscais reportáveis	41 849	3 379	-	45 228	30 341	13 590	-	(2 082)	41 849
Responsabilidades com benefícios de reforma	14 971	-	-	14 971	26 345	(496)	6 081	(16 959)	14 971
Perdas de imparidade em existências	2 658	-	-	2 658	7 283	1 595	-	(6 220)	2 658
Ajustamentos de transição e variações de justo valor	2 169	-	-	2 169	935	1 102	132	-	2 169
Outras provisões e ajustamentos não aceites fiscalmente	4 170	(1 300)	(167)	2 704	3 446	3 305	-	(2 581)	4 170
Outros	227 780	16 911	18	244 710	226 868	22 120	416	(21 623)	227 780
	293 597	18 991	(148)	312 440	295 218	41 216	6 629	(49 465)	293 597
<b>Passivos por impostos diferidos</b>									
<b>Não correntes</b>									
Ajustamentos de transição e variações de justo valor	56 618	(149)	-	56 469	86 904	(2 964)	(2 012)	(25 310)	56 618
Reinvestimento de valores de realização	123	-	-	123	155	(31)	-	-	123
Subsídios ao investimento	(0)	-	-	(0)	2 463	(81)	-	(2 382)	-
Anulação de provisões	20	-	-	20	20	-	-	-	20
Alteração de perímetro	(15)	-	-	(15)	(15)	-	-	-	(15)
Outros	308 530	23 148	-	331 678	280 267	33 761	172	(5 670)	308 530
	365 276	22 999	-	388 275	369 794	30 684	(1 840)	(33 362)	365 276

The variation in tax losses carried forward in deferred tax assets amounting to 3, 4 million euros, comes essentially from SAGESTAMO Group.

The increase occurred in deferred tax assets by means of provisions, amounting to 1, 3 million euros, comes essentially from AdP Group (1 million euros).

The significant increase of other deferred tax assets and liabilities is in part explained by the application of IFRIC 12 in AdP Group, where there are significant temporary differences between the tax and accounting depreciation, and with equivalent impact deferred taxes associated with investment subsidies. It should be mentioned this heading also includes deferred tax assets and liabilities of tariff adjustments. In other deferred taxes liabilities a significant value is recorded from EPAL, due to the evaluation of the Property, plan and equipment when the international rules were adopted.

### 14 - Trade debtors

Cientes	30-Jun-12	31-Dez-11
Cientes c/c	553 619	459 080
Cientes de cobrança duvidosa	19 228	17 846
"Água em contador" por facturar	24 753	21 128
Perdas de imparidade acumuladas	(18 821)	(15 828)
	<b>578 779</b>	<b>482 226</b>

Trade debtors - Current account includes:

- Trade debtors from AdP Group in the amount of 471,7 million euros (31DEC11: 385,6 million euros) that is mainly related with debts from municipalities of 422,8 million euros (31DEC11: 345,8 million euros);
- Trade debtors from SAGESTAMO Group with a total amount of 54,4 million euros (31DEC11: 44,7 million euros), essentially relating to services rendered to Portuguese State entities;
- “Serviços de Estrangeiros e Fronteiras” amounting to 4,4 million euros (31DEC11: 7,4 million euros) and “Instituto de Registos e Notariado” amounting to 7,1 million euros (31DEC11: 7,7 million euros) and “Direcção Geral Assuntos Consulares” amounting 3,3 million euros from INCM; and
- Trade debtors from Baía do Tejo Group with a global amount of 3, 1 million euros (31DEC11: 2, 9 million euros).

The balance of Doubtful accounts comes essentially from AdP Group, with 16, 1 million euros (31DEC11: 15 million euros) and from INCM in the amount of 1, 4 million euros (31DEC11: 1 million euros).

Water on counter to bill relates with an estimate at 30 June 2012, which will only be invoiced after that date.

Variations on Impairment losses from trade debtors are detailed in Note 42.

## 15 - Advances to trade creditors

Adiantamentos a fornecedores	Correntes	
	30-Jun-12	31-Dez-11
Adiantamentos a fornecedores		
Conta corrente	988	953
De imobilizado	1 518	1 711
	2 506	2 664

The balance of advances to suppliers in 30 June 2012, corresponds mostly to AdP Group with 2,4 million euros (31DEZ11: 2,5 million euros).

## 16 - Public administrative sector

Estado e outros entes públicos	Correntes	
	30-Jun-12	31-Dez-11
<b>Ativo</b>		
Estado e outros entes públicos		
Imposto sobre o rendimento a receber	28 461	25 700
Outros	10 400	13 519
	38 861	39 219
<b>Passivo</b>		
Estado e outros entes públicos		
Imposto sobre o rendimento a pagar	24 825	35 383
Outros	24 098	39 396
	48 924	74 779

The variation recorded in income tax receivable arises essentially from PARPÚBLICA that in 30 JUNE 2012 1 presents an amount of 24,9 million euros (31DEC 11: 22,5 million euros).

The amount recorded under Other – current assets - includes mostly 8,9 9million euros relating AdP Group, of which 8,5 million euros correspond to VAT reclaimed (31DEC11: 11,5 million euros).

The amount recorded under Other - current liabilities - mostly includes: (i) 20,6million euros (31DEC11: 29,2 million euros) relating to AdP Group, of which 13, 1 million euros are retentions from rate of water resources and waste management (31DEZ11: 22 million euros); and (ii) 1,3 million euros from INCM, of which 6,7 million euros from unpaid VAT (31DEC11: 873 thousand euros).

## 17 - Other receivables

Outras contas a receber	30-Jun-12		31-Dez-11	
	Correntes	Não correntes	Correntes	Não correntes
Entidades participadas e participantes	1 830	-	1 820	-
Pessoal	790	-	485	-
Clientes	-	45 752	-	50 436
Fornecedores c/c	38	200	202	-
Outras despesas antecipadas	18	514	7	17 744
Ajustamentos por imparidade de outros devedores	(8 893)	-	(4 881)	-
Acréscimos de rendimentos	10 113	-	6 737	-
Subsídios ao investimento a receber	108 276	56 838	138 446	50 853
Venda de imóveis	17 954	25 029	35 274	25 029
Outros	83 804	30 917	101 809	24 242
	<b>213 931</b>	<b>159 250</b>	<b>279 900</b>	<b>168 304</b>

The line Trade debtors – non current assets relates totally with trade debtors from AdP Group as a result from the signing of agreements.

Government grants related to assets - current assets and non current assets – comes from AdP Group and is related with grants receivable from the Cohesion Fund.

Accrued income – current assets - includes:

- 2,2 million euros from INCM (31DEC11: 2,7 million euros), related to interests to be received and other accruals;
- 2,2 million euros (31DEC11: 913 thousand euros) from Companhia das Lezírias related to rentals and subsidies to be received ; and
- 2, 4 million euros (31DEC11: 1,7 million euros) mainly related with interests to be received by ESTAMO and fees from managing funds to be received by Fundiestamo.

The amount 8,9 million euros at 30 JUNE 2012 in Accumulated impairment results mostly from Adp Group, in the total amount of 8, 8 million euros (31DEC: 4,8 million euros).

The line Real estate sales – current and non-current assets - correspond to amounts due to ESTAMO from the sale of real estate, which will be paid in instalments.

Other in Other accounts receivable – non-current assets – includes mainly 30, 1 million euros (31DEC11: 23,6 million euros) from AdP Group, from which 23,3 million euros (31DEC11: 17,5 million euros) corresponds to the residual value to be received in the end of the concession, related to modernization and expansion benefits.

Other in Other accounts receivable – current assets – includes mainly 77,3 million of euros (31DEC11: 89,2 million euros) from AdP Group, standing out: (i) the increase from two fines from the affiliate Simtejo to the constructing Consortium of the ETAR in Alcântara in the amount of 2,2 million euros; (ii) the decrease resulting from the issue of debit notes estimated in 2011 by the affiliate Águas de Trás os Montes e Alto Douro related to the guaranteed minimum values in the amount of 3,8 million euros; (iii) the contraction in receivables in the amount of 2,1 million euros by AdP SGPS related to gains accruing to “Regime Especial de Tributação de Imposto” (Special Tax Regime); and (iv) the decrease resulting from the reclassification in the affiliate Valorlis of 5, 5 million euros to other non-current assets related to the residual value of expansion and modernization equipment. This line also includes 3, 4 million euros (31DEC11: 278 thousand euros) from INCM, of which 3, 1 million euros are due to banking guarantees calls.

Other prepayments – non-current assets – in the amount of 17, 2 million euros results from the reclassification of concessions costs to Intangible assets in AdP Group during the first semester of 2012.

## 18 - Deferrals

Diferimentos - ativo	30-Jun-12		31-Dez-11	
	Correntes	Não correntes	Correntes	Não correntes
Ativo regulatório - desvio tarifário	-	501 010	-	430 171
Outros gastos diferidos	15 886	-	11 962	-
Excesso de cobertura de responsabilidades pós-emprego	455	-	455	-
	<b>16 341</b>	<b>501 010</b>	<b>12 417</b>	<b>430 171</b>

Diferimentos - passivo	30-Jun-12		31-Dez-11	
	Correntes	Não correntes	Correntes	Não correntes
Rendimentos diferidos				
Subsídios relacionados com ativos	1 741	1 935 667	2 164	1 950 805
Outros	26 433	-	26 275	-
Passivo regulatório - desvio tarifário	-	106 523	-	106 831
Investimentos contratuais	-	566 775	-	546 009
Outros	485	-	107	-
	<b>28 660</b>	<b>2 608 965</b>	<b>28 546</b>	<b>2 603 645</b>

The lines regulatory asset – tariff deviations and regulatory liability – tariff deviations are in full from AdP Group and can be detailed as follows:

	ASSET		LIABILITIES		Net effect in Balance	Effect in results
	Deviation	Deferred tax	Deviation	Deferred tax		
<b>Production, Treatment e Transport</b>						
Águas do Algarve, S.A.	15 149	-	-	(4 014)	11 134	2 869
Águas do Centro Alentejo, S.A.	8 861	-	-	(2 348)	6 513	1 371
Águas do Centro, S.A.	56 815	-	-	(15 056)	41 759	8 726

Águas do Douro e Paiva, S.A.	2 167	-	-	(574)	1 592	1 903
Águas do Mondego, S.A.	10 093	-	-	(2 675)	7 418	2 264
Águas do Norte Alentejano, S.A.	29 117	-	-	(7 716)	21 401	2 487
Águas do Noroeste, S.A.	93 579	-	-	(24 798)	68 781	13 345
Águas do Oeste, S.A.	49 843	-	-	(13 208)	36 635	7 004
Águas de Trás-os-Montes e Alto Douro, S.A.	74 856	-	-	(19 837)	55 019	7 495
Águas do Zêzere e Côa, S.A.	47 301	-	-	(12 535)	34 766	5 468
Águas Públicas Alentejo, S.A.	1 457	-	-	(617)	839	429
Sanest, S.A.	-	6 889	(25 998)	-	(19 109)	(291)
Simarsul, S.A.	31 349	-	-	(8 308)	23 042	4 801
Simdouro, S.A.	5 003	-	-	(1 326)	3 677	1 830
Simlis, S.A.	16 484	-	-	(4 368)	12 115	(342)
Simria, S.A.	30 946	-	-	(8 201)	22 745	2 843
Simtejo, S.A.	-	6 716	(25 345)	-	(18 628)	(629)
<b>Total Production, Treatment e Transport</b>	<b>473 019</b>	<b>13 606</b>	<b>(51 343)</b>	<b>(125 581)</b>	<b>309 701</b>	<b>61 582</b>
<b>Solid waste</b>						
Algar, S.A.	-	970	(3 660)	-	(2 690)	1 791
Amarsul, S.A.	-	1 666	(6 287)	-	(4 621)	(4 924)
Ersuc, S.A.	-	2 604	(9 827)	-	(7 223)	(2 066)
Resiestrela, S.A.	-	651	(2 456)	-	(1 805)	(278)
Resinorte, S.A.	5 579	-	-	(1 478)	4 100	3 659
Resulima, S.A.	-	655	(2 470)	-	(1 816)	(704)
Suldouro, S.A.	-	1 797	(6 781)	-	(4 984)	(1 542)
Valnor, S.A.	-	1 603	(6 050)	-	(4 447)	(1 765)
Valorlis, S.A.	-	248	(935)	-	(687)	2 065
Valorminho, S.A.	-	369	(1 393)	-	(1 024)	(263)
Valorsul, S.A.	-	4 060	(15 320)	-	(11 260)	9 113
<b>Total Solid Waste</b>	<b>5 579</b>	<b>14 623</b>	<b>(55 180)</b>	<b>(1 478)</b>	<b>(36 457)</b>	<b>5 087</b>
<b>Distribution and collect</b>						
AdRA – Águas da Região de Aveiro, S.A.	22 412	-	-	(6 333)	16 079	4 476
<b>Total Distribution and collect</b>	<b>22 412</b>			<b>(6 333)</b>	<b>16 079</b>	<b>4 476</b>
<b>Total</b>	<b>501 010</b>	<b>28 229</b>	<b>(106 523)</b>	<b>(133 393)</b>	<b>289 323</b>	<b>71 45</b>

Other deferred expenses – current – derives mainly from AdP Group in the amount of 13, 2 million euros (31DEC11: 8, 3 million euros).

Net surplus on retirement benefit plan is described in Note 26.

Non-current deferred income mostly corresponds to Investment Government grants recorded by AdP Group, as follows:

	30-Jun-12	31-Dec-11
Government grants related with assets – EC Cohesion Fund	1 651 465	1 659 095
Government grants related with assets – Other	24 772	27 985
Asset integration	259 409	263 704
	<b>1 935 646</b>	<b>1 950 784</b>

EC Cohesion Fund_ movements for the period	30-Jun-12	31-Dec-11
Grants (year N-1)	1 659 095	1 577 458
Recognition of right to receive	24 357	148 316
Income recognition	(30 691)	(62 246)
Recognition adjustments (a)	(1 295)	(4 433)
Grants (year N)	1 651 465	1 659 095
<b>Receipts for the period</b>	<b>45 243</b>	<b>150 407</b>

Deferred income – current liabilities – includes:

- 22 million euros (31DEC11: 22 million euros) from AdP Group;
- 2,9 million euros from Baía do Tejo Group 31 DEC11: 2, 9 million euros); and
- 1,1, million euros from lease rents received by ESTAMO in advance (31DEC11: 1,1 million euros).

Contractual (service concession) investments – non current liabilities – refer entirely to AdP Group, as follows:

	30-Jun-12	31-Dec11
Water – Production, Treatment and Transport	331 864	325 578
Water - Distribution and collection	13 717	10 767
Solid waste	221 194	209 664
	<b>566 775</b>	<b>546 009</b>

## 19 - Inventories

Inventários	30-Jun-12	31-Dez-11
Mercadorias	847 989	820 484
Produtos acabados e intermédios	11 646	10 005
Subprodutos, desperdícios, resíduos e refugos	1 928	2 342
Produtos e trabalhos em curso	20 858	16 861
Matérias-primas, subsidiárias e de consumo	25 149	26 871
Adiantamentos por conta de compras	326 258	369 193
Ajustamentos acumulados em inventários	(75 827)	(73 047)
<b>TOTAL</b>	<b>1 158 001</b>	<b>1 172 709</b>

Merchandise includes, essentially, the amount of 834, 1 million euros of real estate owned by ESTAMO (31DEC11: 807, 3 million euros) and properties of Lazer e Floresta in the global amount of 13 million euros (31DEC11: 12, 3 million euros).

Finished and intermediate goods mostly refer to 9,7 million euros relating to INCM (31DEC11: 8,7 million euros), of which 3,2 million euros relating to various books (31DEC11: 3,2 million euros), 2, 8 million euros relating to commemorative coin collection (31DEC11: 1,5 million euros) and 1,2 million euros relating to PVC cards (31DEC11: 1,3 million euros).

Work in progress comprises essentially (i) 16,1 million euros of projects related with allotment projects from Baía do Tejo Group, of which 8,4 million euros (31DEC11: 8,4 million euros) from projects in phase of infrastructure and 6,8 million euros (31DEC11: 6,8 million euros) in land with infrastructure; and (ii) infrastructures related with ESTAMO in the amount of 3, 1 million euros ( 31DEC: 0 euros).

Raw materials and other, mainly include:

- coin and other items from INCM, in the amount of 17, 1 million euros (31 DEC: 19, 2 million euros); and
- reagents and counters from AdP Group, in the overall amount of 7, 2 million euros (DEC11: 6, 7 million euros).



Purchase advances are entirely related with real estate from ESTAMO.

## 20 - Cash and bank deposits

Caixa e depósitos bancários	30-Jun-12	31-Dez-11
Aplicações financeiras	55 254	477
Depósitos a prazo	741 427	404 698
Depósitos bancários imediatamente mobilizáveis	2 143 211	113 490
Numerário	2 161	1 759
	<b>2 942 053</b>	<b>520 424</b>

The cash equivalents shown by the Group essentially correspond to applications in time deposit accounts and other deposits readily convertible into cash, being the most relevant, the balances of PARPÚBLICA with 2 513 million euros (31DEC11: 98,9 million euros), AdP Group with 220, 5 million euros (31DEC11: 285,6 million euros), INCM with 60, 5 million euros (31DEC11: 63,4 million euros) and SAGESTAMO Group with 60, 1 million euros (31DEC:38,1 million euros).

The variation of Parpública's cash balances may be justified by the cash received from reprivatisations of EDP (sale of shares of 21,35%) and of REN (sale of shares of 40%) during the first semester of 2012.

**21 - Non current assets held for sale and related liabilities:**

Ativos não correntes detidos para venda e passivos relacionados	30-Jun-12	31-Dez-11
<b>Ativos</b>		
EDP	-	2 057 546
HCB	70 817	70 817
REN	110 342	626 932
TAP		-
TAP - Propriedades de investimento	2 012	2 862
TAP - Ativos fixos tangíveis	907 863	952 332
TAP - Goodwill	203 130	206 395
TAP - Outros ativos intangíveis	1 656	1 424
TAP - Outros ativos financeiros	3 133	3 258
TAP - Ativos por impostos diferidos	23 758	23 758
TAP - Outras contas a receber (não corrente e corrente) e diferimentos	83 269	201 116
TAP - Inventários	136 235	142 429
TAP - Clientes e adiantamentos a fornecedores	326 881	261 664
TAP - Estado e outros entes públicos	15 161	18 620
TAP - Caixa e depósitos bancários	121 166	167 365
	1 824 264	1 981 223
ANA		-
ANA - Activos fixos tangíveis	921 463	938 744
ANA - Goodwill	2 120	2 120
ANA - Outros activos intangíveis	191 384	193 096
ANA - Participações financeiras - outros métodos	777	363
ANA - Outros activos financeiros	102	97
ANA - Activos por impostos diferidos	28 751	25 707
ANA - Outras contas a receber (não corrente e corrente) e diferimentos	26 068	27 345
ANA - Inventários	528	530
ANA - Clientes e adiantamentos a fornecedores	41 046	31 288
ANA - Estado e outros entes públicos	2 955	4 734
ANA - Caixa e depósitos bancários	55 267	54 351
	1 270 461	1 278 374
	-	-
	<b>3 275 885</b>	<b>6 014 893</b>
<b>Passivos</b>		
TAP		-
TAP - Responsabilidade por benefícios pós-emprego	73 483	78 540
TAP - Provisões, passivos por impostos diferidos e Estado e outros entes públicos	162 570	295 974
TAP - Financiamentos obtidos (correntes e não correntes)	1 131 283	1 230 918
TAP - Fornecedores e adiantamento de clientes	88 278	158 299
TAP - Outras contas a pagar (não correntes e correntes) e diferimentos	861 366	551 824
	2 316 980	2 315 555
ANA		
ANA - Provisões, passivos por impostos diferidos e Estado e outros entes públicos	28 699	22 616
ANA - Financiamentos obtidos (correntes e não correntes)	688 784	697 814
ANA - Fornecedores e adiantamento de clientes	17 676	27 005
ANA - Outras contas a pagar (não correntes e correntes) e diferimentos	156 483	156 108
ANA - Responsabilidades por benefícios pós-emprego	428	
ANA - Outros passivos financeiros	3 657	2 874
	895 728	906 417
	<b>3 212 708</b>	<b>3 221 972</b>

In the Government programme it is determined the reprivatization of all the shares in REN and EDP, as well as of the full participation in the TAP and ANA. Internally, in PARPÚBLICA Group, is still considered the sale of HCB shares within one year.

During the first semester of 2012, the sale of 21, 35% of EDP capital shares and of 40% of REN capital shares was concluded.

The shares classified as non-current assets held for sale are measured by the lowest in the amount at the time of classification and the amount corresponding to fair value less sale costs.

The total of TAP Group assets amounts to 1 824 million euros at 30 JUNE 2012 (31DEC11: 1 981 million euros), mostly including:

- 907,8 million euros related to property, plant and equipment (31DEC11: 952,3 million euros), of which 688 million euros are related to flight equipment (585,5 million euros under leasing system) and 115,7 million euros related to buildings and other constructions;
- 316 million euros related to trade debtors of which 135 million euros related to private entities and 104 million euros related to travel agencies; and
- 203,1 million euros (31DEC11: 206,4 million euros) related to the *goodwill* of PORTUGÁLIA, Reaching Force and Aero-LB.

The negative variation in TAP Group assets during the first semester of 2012, in the amount of 157 million euros, includes mainly: 54 million euros of depreciations of basic equipment (flight equipment); and 119 million euros related to SPdH debt converted in supplementary capital payments.

The total assets of ANA Group at 30 JUNE 2012 were relatively stable in comparison with the recorded value at 31 December 2011, with a change of only 8 million euros. The total assets of ANA Group of 1 270 million euros at 30 JUNE 2012 (31DEC11: 1 278 million euros), mostly includes:

- 921,5 million euros related to property, plant and equipment (31DEC11: 938,7 million euros), of which 567 million euros related to lands used in airports activity and buildings and other constructions located in those lands, namely airport runways, aprons, roads; and
- 191,4 million euros related to intangible assets (31DEC11: 193,1 million euros), mainly as result from the concession rights of ANAM.

The TAP Group total liabilities at 30 JUNE 2012 were relatively stable in comparison with the recorded value at 31 December 2011, with a change of only 1, 4 million euros. The TAP Group total liabilities of 2 317 million euros at 30 JUNE 2012 (31DEC11: 2 316 million euros), mostly includes:

- 1 131 million euros related to funding granted; and
- 861 million euros related to other payable accounts and deferrals, of which 460 million euros related to TAP Group responsibilities with issued and not yet used tickets (pending flight documents) and 239,8 million euros related to expense accruals of the company activity.

The ANA Group total liabilities at 30 JUNE 2012 were relatively stable in comparison with the recorded value at 31 December 2011, with a change of only 10, 7 million euros. The ANA Group total liabilities of 895, 7 million euros at 30 JUNE 2012 (31DEC11: 906, 4 million euros), mostly includes:

- 688,8 million euros related to funding granted; and

- 156,5 million euros related to other payable accounts and deferrals, of which 74 million euros related to deferred income with investment grants in assets and 19,5 million euros related to contractual responsibilities concerning the ANAM concession contract.

## 22 - Equity

The share capital in the amount of 2,000,000,000 Euros, is represented by 400,000,000 nominative shares, with a par value of 5 Euros each, is paid in 1 027 151 thousand Euros and is held by the Portuguese State.

Legal reserve, non-distributable revenues, represents the reserve set up in compliance with Article 295 of the Trading Companies Code, which foresees that at least 5% of the net profit of the year has to be assigned to legal reserves until it reaches one fifth of the share capital. This reserve is not distributable, except in case of liquidation of the company, but it may be used to absorb losses, after the other reserves have been used, or incorporated into the share capital.

Adjustments in financial assets represents mainly: (i) adjustments from the application of the equity method as foreseen in IAS 28; (ii) adjustments at fair value of financial assets available for sale as foreseen in IAS 39; and (iii) adjustments at fair value of financial instruments cash flow coverage as well as Exchange differences resulting from the translation in foreign currency of operating units.

Adjustments in financial assets change is mainly related to the transfer of values resulting from the application of equity method as REN and EDP were no longer associate companies.

Retained earnings correspond to the net profit of the previous periods, in accordance to decisions of general meetings. The adjustments made, regarding the adoption, for the first time, of the International Financial Reporting Standards are also registered in this account and the effects of the Capitalpor merger (decrease of 291,5 million euros).

Other comprehensive income mainly relates with the recognition of other comprehensive income from associates when applying the equity method.

As at 30 JUNE 2012 other comprehensive income also included gains and losses on hedging instruments related with *swaps* for hedging the price of *jet fuel*.

## 23 - Non controlling interests – balance sheet

Interesses que não controlam (balanço)	30-Jun-12	31-Dez-11
Cateringpor	2 225	2 509
LFP	2 940	5 292
APIS	97	97
ENVC	1	1
SAGESECUR	6 594	6 573
ECODETRA	988	1 008
Margueira	347	289
Grupo ANA	119 115	118 244
ANAM	2 801	2 193
NAER	2 561	2 586
Grupo AdP	514 403	488 555
SPE	(1 887)	(1 887)
	<b>650 185</b>	<b>625 460</b>

## 24 - Provisions

1º semestre 2012						
Provisões (balanço)	Saldo inicial	Aumentos	Diminuições por utilização	Montantes não utilizados revertidos	Outros movimentos	Saldo final
<b>Provisões - não corrente</b>						
Provisão para processos judiciais em curso	5 634	100	-	(159)	25	5 600
Processos ambientais	6 730	-	-	-	-	6 730
Remoção de materiais	499	-	-	-	-	499
Benefícios de reforma e equivalentes / pensões	413	-	(21)	-	-	392
Provisões para investimentos financeiros	498	-	-	-	-	498
Impostos	474	2	-	-	-	476
Acidentes no trabalho e doenças profissionais	155	-	-	-	(14)	141
Outras provisões	17 403	1 730	(2)	(495)	(23)	18 613
Provisão para contingências laborais	784	-	-	-	-	784
	<b>32 590</b>	<b>1 832</b>	<b>(24)</b>	<b>(654)</b>	<b>(12)</b>	<b>33 732</b>

2011								
Provisões (balanço)	Saldo inicial	Aumentos	Diminuições por utilização	Montantes não utilizados revertidos	Efeito da passagem do tempo e de alterações na taxa de desconto	Outros movimentos	Transferência para "Detidos para venda"	Saldo final
<b>Provisões - não corrente</b>								
Provisão para processos judiciais em curso	48 352	3 180	(481)	(19 614)	(1 920)	1 941	(25 824)	5 634
Processos ambientais	9 016	-	(2 286)	-	-	-	-	6 730
Remoção de materiais	499	-	-	-	-	-	-	499
Benefícios de reforma e equivalentes / pensões	353	103	(43)	-	-	-	-	413
Provisões para investimentos financeiros	116 159	11 124	-	-	-	-	(126 785)	498
Impostos	1 932	12	-	-	-	-	(1 470)	474
Acidentes no trabalho e doenças profissionais	150	-	-	-	-	5	-	155
Outras provisões	20 455	4 505	(3 745)	(156)	(319)	2 140	(5 477)	17 403
Provisão para contingências laborais	-	784	-	-	-	-	-	784
	<b>196 917</b>	<b>19 707</b>	<b>(6 555)</b>	<b>(19 770)</b>	<b>(2 239)</b>	<b>4 086</b>	<b>(159 556)</b>	<b>32 590</b>

### Lawsuits in progress

Provisions for lawsuits in progress are incorporated under the risk assessments carried out by PARPÚBLICA Group's companies and its legal advisors, based on historical success rates by nature of the process and likelihood of unfavourable outcome, the existing provisions in 30 JUNE 2012 to address essentially the ongoing lawsuits relating to Income tax (IRC), in the amount of 3, 8 million euros from INCM.

### Environmental proceedings

Provisions for environmental liabilities and removal of materials come from Baía do Tejo Group and are intended to ensure the charges which will be supported with the environmental recovery of the territory

that is affection, including also the costs of demolition and dismantling of old steelworks and removal of waste and debris, destined for landfill.

In the context of the development of the project of environmental recovery the application processes on EU under the QREN are currently under development, by means of two “Agrupamentos Complementares de Empresa” (ACE), formed between Baía do Tejo and Empresa Geral de Fomento. As a result of the work carried out by the 30 JUNE 2012, the company was considered as liable for the work undertaken by the ACE in the amount of 2 286 thousand euros.

#### *Other provisions*

Other provisions corresponds mainly to provisions of AdP Group in the amount of 16 million euros (31DEC11: 14,9 million euros), mainly to address: (i) the debts that are in legal ongoing proceeds, (ii) the cost of treatment of sludge from ETAR; (iii) to the negative performance of EGF’s delegation in Maputo; (iv) to fiscal problems, with an increase of the provision of 600 thousand euros in the first semester of 2012. The Adp Group also made an increase of the provision in the amount of 200 thousand euros to cope with a *terminations* that will occur in July 2012 in the affiliate Resinorte and made a provision of 700 thousand euros to cope with financial investments. In addition it was made the reversal amount of 500 thousand euros in the provision made in previous years to cope with a trade creditor process, having both parts reach agreement in the first semester of 2012.

Provisions from SAGESTAMO Group are also included in the amount 2 226 thousand euros (31DEC11: 2 226 thousand euros) to cover the liability contractually assumed, at the time of purchase to the State, to share with the State the gains obtained with the sale of some real estate properties.

## **25 - Borrowings**

Financiamentos obtidos	30-Jun-12		31-Dez-11	
	Passivo corrente	Passivo não corrente	Passivo corrente	Passivo não corrente
Passivos por locação financeira	2 954	21 217	3 768	22 352
Empréstimos por obrigações	118 970	4 540 215	37 752	4 532 784
Papel comercial	875 606	-	1 055 082	-
Empréstimos bancários	416 806	1 895 862	392 540	1 871 447
Descobertos bancários	237 841	-	235 458	-
Outros empréstimos obtidos	5	15 088	71	15 020
	<b>1 652 183</b>	<b>6 472 382</b>	<b>1 724 671</b>	<b>6 441 603</b>

Borrowings are essentially related to bonds issued and to borrowings from national and foreign credit institutions.

Maturity and interest rate type analysis (nominal amounts) is as follows:

Financiamentos obtidos	30-Jun-12	31-Dez-11
<b>Por maturidades</b>		
Até 1 ano	1 532 606	1 682 775
De 1 ano até 2 anos	909 997	911 034
De 2 anos até 3 anos	1 589 117	1 647 426
De 3 anos até 4 anos	86 072	108 337
De 4 anos até 5 anos	104 011	130 215
Superior a 5 anos	3 842 771	3 711 606
	<b>8 064 573</b>	<b>8 191 393</b>
<b>Por tipo de taxa de juro</b>		
Taxa variável		
Expira num ano	1 452 037	1 641 533
Expira entre 1 e 2 anos	61 196	48 349
Expira entre 2 e 3 anos	26 593	49 456
Mais de 3 anos	1 164 796	1 385 562
	2 704 622	3 124 900
Taxa fixa		
Expira num ano	80 569	41 241
Expira entre 1 e 2 anos	848 802	862 685
Expira entre 2 e 3 anos	1 562 524	1 597 970
Mais de 3 anos	2 868 056	2 564 597
	5 359 951	5 066 493
	<b>8 064 573</b>	<b>8 191 393</b>

Bonds issued, mostly by PARPÚBLICA, are measured at amortized cost and the option embedded in two of them is measured at fair value. In 30 June 2012 and 31 December 2011 was as follows:

	30-Jun-12	31-Dec-11
PARPÚBLICA		
500,0 million euros issued in 2004	513 359	502 773
500,0 million euros issued in 2005	518 274	504 067
150,0 million euros issued in 2005	152 138	150 047
250,0 million euros issued in 2006	251 295	251 295
1 015,2 million euros issued in 2007	1 011 577	990 305
800,0 million euros issued in 2009	827 060	812 618
885,6 million euros issued in 2010	885 482	859 431
Sub-total PARPÚBLICA	4 159 185	4 070 536
AdP group	500 000	500 000
<b>Total</b>	<b>4 659 185</b>	<b>4 570 536</b>

The two bonds of 500.0 million Euros, the one of 150.0 million Euros and the one of 250.0 million Euros, respectively issued on October 14, 2004, September 22, 2005, December 28, 2005 and November 16, 2006, foresee, among other dispositions, the possibility for the bondholders to exercise their right to an anticipated reimbursement of the bonds, if the State stops holding the totality of the share capital of PARPÚBLICA and/or loses the direct or indirect control over the company, and/or also if Articles 501 to 503 of the Trading Companies Code stop being applied in the relationship between the State and the company. Additionally, PARPÚBLICA has the obligation to reimburse the bondholders, in case of an anticipated maturity of other financial debts, of insolvency, of total or substantial cessation of business, or of submission to lawsuits that affect the assets and the revenues.

The 800 million Euro *Medium Term Notes* loan was issued on July 2009 under a programme of a total amount of 1 500 million euros, with a 4 year maturity, reimbursement on 2013 and an annual interest rate of 3,5%. It foresees the possibility for the bondholders to exercise their right to an anticipated reimbursement of the bonds, if the State stops holding the totality of the share capital of PARPÚBLICA and/or loses the direct or indirect control over the company, and/or also if Articles 501 to 503 of the Trading Companies Code stop being applied in the relationship between the State and the company. Additionally, PARPÚBLICA has the obligation to reimburse the bondholders, in case of an anticipated maturity of other financial debts, of insolvency, of total or substantial cessation of business, or of submission to lawsuits that affect the assets and the revenues.

The 1,015.2 million euros loan was issued following Decree-Law Nr. 382/2007 as of November 15, over the 7th re-privatization phase of EDP, as the issued instrument gives to the bondholders the right to be reimbursed for the nominal value of the bonds or according to the current value of the EDP shares, if higher, and to be reimbursed in advance if a change of control in EDP occurs. If the reimbursement is determined by the current value of the underlying shares, PARPÚBLICA can choose between hand-over of the shares, or of the corresponding amount in cash. Investors have the right to reclaim an anticipated reimbursement on 18 December 2012, or its swap after 18 December 2013. It foresees the possibility for the bondholders to exercise their right to an anticipated reimbursement of the bonds, if the State stops holding the totality of the share capital of PARPÚBLICA and/or loses the direct or indirect control over the company, and/or also if Articles 501 to 503 of the Trading Companies Code stop being applied in the relationship between the State and the company. Additionally, PARPÚBLICA has the obligation to reimburse the bondholders, in case of an anticipated maturity of other financial debts, of insolvency, of total or substantial cessation of business, or of submission to lawsuits that affect the assets and the revenues.

The 885, 65 million euros loan was issued following Decree-Law 185/2008, of 19 September, over the 5th phase of reprivatization of the share capital of GALP, as the issued instrument gives to the bondholders the right to be reimbursed for the nominal value of the bonds or according to the current value of the GALP shares, if higher. If the reimbursement is determined by the current value of the underlying shares, PARPÚBLICA can choose between hand-over of the shares, or of the corresponding amount in cash. Investors have the right to reclaim an anticipated reimbursement on 28 September 2015, or its swap after 28 March 2013. PARPÚBLICA has the right to reimburse the bonds, if its value is 30% or higher, in at least 20 useful days over 30 consecutive days, after 13 October 2013. It foresees the possibility for the bondholders to exercise their right to an anticipated reimbursement of the bonds, if the State stops holding the totality of the share capital of PARPÚBLICA and/or loses the direct or indirect control over the company, and/or also if Articles 501 to 503 of the Trading Companies Code stop being applied in the relationship between the State and the company or in the event of a change in control in GALP. Additionally, PARPÚBLICA has the obligation to reimburse the bondholders, in case of an anticipated maturity of other financial debts, of insolvency, of total or substantial cessation of business, or of submission to lawsuits that affect the assets and the revenues.



The embedded option in the two convertible loans and the related shares are measured at fair value through profit or loss (see note 11). The effects on profit or loss over the years related to changes in fair value of the loans and of the shares are as follows:

	1st semester 2012	2011	2010	2009	Until 2008
Changes in options' fair value	0	124 497	-54 671	64 792	327 617
Changes in fair value of underlying assets	-159 994	-190 337	246 754	124 044	177 778
<b>Net gain/Net loss</b>	<b>-159 994</b>	<b>-65 840</b>	<b>192 083</b>	<b>188 836</b>	<b>-149 839</b>

The evolution of the carrying amounts of the issued bonds with embedded options is as follows:

Emprest de 1 015 150 m€	30-06-2012	31-12-2011	31-12-2010	Valor à data da emissão
Obrigações no passivo:	1 012 728 593	991 664 834	983 992 458	1 015 404 381
Base (bond floor)	1 012 728 593	991 664 834	983 992 458	961 601 431
Opção	0	0	0	53 802 950
Despesas	1 150 997	1 359 637	1 776 916	2 930 791
Acções no activo	282 427 688	362 277 147	377 428 847	260 957 113
Passivo - Activo	730 300 905	629 387 687	606 563 611	754 447 268

Emprest de 885 650 m€	30-06-2012	31-12-2011	31-12-2010	Valor à data de emissão
Obrigações no passivo:	885 481 758	859 431 397	971 764 147	885 650 000
Base (bond floor)	890 550 186	864 905 124	859 191 206	847 567 050
Opção	0	0	124 197 097	38 082 950
Despesas	5 068 428	5 473 727	6 249 074	6 439 973
Acções no activo	580 754 090	660 898 154	832 801 365	402 628 541
Passivo - Activo	304 727 668	198 533 242	138 962 782	483 021 459

Bank Borrowings – non current – includes the amount of 1 868 451 thousand euros (31DEC11: 1 844 36 thousand euros), related with borrowings from European Bank of Investment in AdP Group.

Finance lease liabilities included in other borrowings, mainly relate with AdP Group, and are detailed, as follows:

Passivos por locação financeira	30-Jun-12	31-Dez-11
<b>Locações financeiras</b>		
<b>Dívidas respeitantes a locação financeira</b>		
Terrenos e recursos naturais	273	340
Edifícios e outras construções	21 316	22 205
Equipamento básico	1 717	2 383
Equipamento de transporte	850	1 162
Equipamento administrativo	15	30
	24 171	26 120
<b>Futuros pagamentos mínimos</b>		
Até 1 ano	3 340	4 247
De 1 ano até 5 anos	9 391	10 012
Mais de 5 anos	13 812	14 730
	26 543	28 989
<b>Juros</b>		
Até 1 ano	386	479
De 1 ano até 5 anos	1 172	1 361
Mais de 5 anos	814	1 028
	2 372	2 868
<b>Valor presente dos pagamentos mínimos</b>		
Até 1 ano	2 954	3 768
De 1 ano até 5 anos	8 219	8 650
Mais de 5 anos	12 998	13 702
	24 171	26 120

## 26 – Retirement benefits obligations

Responsabilidades por benefícios pós-emprego	30-Jun-12	31-Dez-11
Responsabilidade por serviços passados no início do período	74 671	162 479
Custo de juros	1 597	15 828
Custo do serviço corrente	265	3 535
Contribuições para fundo de pensões - empregador	(7)	(14 638)
Ganhos e perdas atuariais	2 985	(3 389)
Alterações cambiais nos planos mensurados numa moeda diferente	-	(2 303)
Rendimento ativos do fundo	(1)	(7 779)
Benefícios pagos	(3 148)	(6 514)
Reconhecimento custo do serviço passado	75	4 058
Outros	-	1 933
Transferência para "Detidos para venda"		(78 540)
Responsabilidade por serviços passados no final do período	76 437	74 671
Excesso de cobertura (EGF)		
Excesso de cobertura (EGF)	(2 729)	(2 729)
Valor no início do período	36 415	36 920
Retorno efetivo	770	1 590
Contribuição ao fundo	-	1 376
Benefícios pagos	(1 173)	(2 305)
Outros	625	(1 167)
	33 908	33 685
Excesso de cobertura	455	455
Responsabilidades por benefícios pós-emprego	40 870	43 249

The evolution of the Responsibilities in the latest 5 years was as follows:

	30-Jun-12	31-Dez-11	31-Dez-10	30-Dez-09	30-Dez-08
Valor presente das responsabilidades	86 826	88 982	289 840	267 939	228 788
Valor dos ativos dos fundos	46 411	46 188	160 597	139 306	113 215
Défices dos planos	40 415	42 794	129 243	128 633	115 573

The fair value of the assets of the plans was as follows:

Justo valor por categoria dos ativos dos planos (em valor)	1º semestre 2012	31-Dez-11	1º semestre 2011
Instrumentos de capital próprio	10 217	9 665	15 442
Instrumentos de dívida	33 266	32 828	33 751
Propriedade	678	678	1 567
Outros ativos	2 250	3 017	3 578
	46 411	46 188	54 338

By force of what has been established in the corporate agreements, the “PARPÚBLICA Group” keeps, in some of the companies (PARPÚBLICA, by merger with “Portucel”, “Companhia das Lezírias”, “Lazer e

Floresta”, “EPAL”, “EGF” E “INCM”, a set of obligations of defined benefits to their employees, who are treated under IAS 19.

Under the Regulation of Social Benefits in force, the permanent staff of the ex-“Portucel, SGPS, with more than five years of service, are entitled, after having been retired, or in any situation of disableness, to a monthly complement of retirement or disableness. This complement is defined according to a formula, which takes into account the updated gross monthly remuneration for the professional category of the employee on the date of his / her retirement and the number of years of service, at most 30, and survival pensions are also guaranteed to the wife and to direct descendants. In order to cover this responsibility, there is an autonomous pension fund, managed by an outer entity.

“EPAL” has a social benefit plan for its workers, which has, inherent to it, the compromise of the payment of a retirement pension complement (for age or disableness), attributed by Social Security. Additionally, it also supports the responsibilities stemming from pre-retirement situations. The responsibilities stemming from the Pension Plan are financed through the EPAL Pension Fund, which was constituted back in November 1990, and the pre-retirement situations are supported directly by the company. The global responsibilities of the company are covered through the assets of the Pensions Fund, and by a specific provision, which is registered in the company’s liabilities. On March the 22<sup>nd</sup> 2008, “EPAL” changed the defined benefit pensions plan to a mixed plan of defined benefit and defined contribution.

As far as the pre-retirement situations are concerned, during the first semester of 2008, “EPAL” changed the criteria/presupposed related to the accounting of the responsibilities of the company for the pre-retirees. Up till that moment, it was presupposed that a set of co-workers, around 10% of those electable for pre-retirement, would annually pass into the situation of pre-retirement, and that presupposed would contribute to the calculation of the respective responsibilities. As this situation shows itself disadjusted from the reality, only the effective pre-retirement responsibilities started being deemed as provision, and when the co-worker enters a pre-retirement situation, the corresponding total responsibility is recognized in that year.

Also during the first semester of 2008, the Pension Plan was changed, passed through a “Defined Benefit Plan” (“DB”) TO A Mixed Plan of Defined Benefit and Defined Contribution (“CD”). In that sequence, the portion of the company’s responsibilities corresponding the co-workers presently in a CD situation was reduced, as well as the corresponding value of the fund, as it was transferred to the individual accounts of the co-workers in the CD Plan, in conformity with the agreement signed between the Company and the Organizations, which represent the Workers of “EPAL”

INCM has responsibilities relating health care concerning both the active and the non-active staff, covered by the civil servants regimen and by the general regimen, and has no fund for that purpose, and its responsibilities are recognized in its liabilities. INCM recognizes right away all the actuarial gains and losses of the value of its responsibilities for past services, with health care post-employment benefits.

“Companhia da Lezírias” attributes post-employment benefits to part of its co-workers, through defined benefit plans, namely pension plans, which guarantee retirement complements due to age, disableness and survival, pre-retirement pensions and health care during retirement and pre-retirement.

The responsibilities of the various companies of the “PARPÚBLICA” Group were determined by actuarial studies, elaborated independent entities, individually for each one of the companies, using the method called “Projected Credit Unit”, and with the following dominant presupposed:

	30-Jun-12	31-Dec11
Mortality table	TV 88/90	TV 88/90
Invalidity table	EVK80	EVK80
Revenue rate	4,10%/4,75%	4,50%/4,75%
Growth rate		
Wages	0% untill 2014; after 1,5% - 2,5%	1,5% - 2,5%
Pensions	0% untill 2014; after 1,25% - 1,5%	1,25% - 1,5%
Social security retirement pension	2,5%	2,5%

## 27 - Advances to Trade debtors

The advances made by trade debtors amount to € 1,748 thousand Euros (in December the 31<sup>st</sup> 2011: € 1,823 thousand Euros).

## 28 – Trade creditors

Fornecedores	30-Jun-12	31-Dez-11
Fornecedores c/c	64 187	56 652
Fornecedores - facturas em recepção e conferência	2 421	3 537
	66 608	60 189

The debt to trade creditors c/c results, above all, from values to be paid: (i) by the AdP Group, with € 46,639 thousand Euros (on December the 31<sup>st</sup> 2011: € 44,279 Euros); (ii) by “PARPÚBLICA”, with € 4,897 Euros (on December the 31<sup>st</sup> 2011: € 546 thousand Euros); (iii) by INCM, with € 4,297 thousand Euros (on December the 31<sup>st</sup> 2011: € 5,173 thousand Euros); (iv) by “Circuito Estoril” (Estoril Race Track), with € 3,707 thousand Euros (on December the 31<sup>st</sup> 2011: € 3,781 thousand Euros); (v) by SAGESTAMO Group, with € 1,960 thousand Euros (on December the 31<sup>st</sup> 2011: € 1,254 thousand Euros); and (vi) by “Baía do Tejo” Group, with € 1,875 thousand Euros (on December the 31<sup>st</sup> 2011: € 890 thousand Euros) in the development of their operational activity.

## 29 - Other payable accounts

Outras contas a pagar	30-Jun-12		31-Dez-11	
	Correntes	Não correntes	Correntes	Não correntes
Adiantamentos por conta de vendas	72 166	662	62 606	-
Fornecedores de imobilizado	75 237	30 437	79 966	30 684
Entidades do grupo/filiais	0	-	2	-
Entidades participantes e participadas	4 672	-	2 213	-
Pessoal	14 987	-	8 860	-
Acréscimos de gastos	60 387	-	49 049	-
CGD e Parcaixa - ações da EDP	516 175	-	516 175	-
Adiantamento da alienação da EDP	-	-	600 000	-
Outros	85 795	145 026	79 795	157 802
	829 420	176 125	1 398 666	188 486

The advances made on account of sales essentially relate to the sale of properties, made by SAGESTAMO Group, and include the amount of € 26 million Euros (the same amount as on December the 31<sup>st</sup> 2011), referring to the building of the “Pavilion of Knowledge”, and € 19 million Euros (on December the 31<sup>st</sup> 2011. € 0 Euros) relating to the building placed on Rua Prof. Sousa da Câmara (Street) Nrs. 143 – 143 A, in Lisbon.

The debts to suppliers of fixed assets essentially stem from AdP Group, with current liabilities amounting to € 74,222 thousand Euros, and non-current liabilities amounting to € 30,437 thousand Euros (on December the 31<sup>st</sup> 2011: € 79,029 Euros) in current liabilities and € 30,684 in non-current liabilities).

The rubric of Addition of Expenses – current liabilities – includes as follows:

- € 53,651 thousand Euros, referring to the AdP Group (on December the 31<sup>st</sup> 2011: € 41,446 thousand Euros), relating to the addition of interest, electric power, insurance, etc.. This increase is mainly due to the addition of expenses with electric power, to the participated company “Sanest”, which specialized the beneficiation works, which are being carried out by the consortium, for the amount of € 13,7 million Euros, and to the estimate, by EPAL, of the subsoil taxes due to the Lisbon Town Hall;
- € 393 thousand Euros of SAGESCUR (on December the 31<sup>st</sup> 2011: € 4,449 Euros) referring to interest of loans to be paid); and
- € 2,477 thousand Euros of INCM (on December the 31<sup>st</sup> 2011: 2,806 thousand Euros).

The rubric Others – current liabilities – essentially includes as follows:

- € 72,858 thousand Euros (on December the 31<sup>st</sup> 2011: € 63,169 thousand Euros) relating to AdP Group;
- € 10,262 thousand Euros (on December the 31<sup>st</sup> 2011: € 13,749 thousand Euros) referring to SAGESTMAO Group; and
- € 2,305 thousand Euros (on December the 31<sup>st</sup> 2011: € 150 thousand Euros) of “Baía do Tejo” Goup.

The rubric “Others – non-current liabilities” essentially includes:

- € 140,182 thousand Euros (on December the 31<sup>st</sup> 2011: € 152,934 Euros) relating to the AdP Group, concerning debts to counties, for the integration of its patrimony in the multi-municipal systems;
- € 4,822 thousand Euros (on December the 31<sup>st</sup> 2011: € 4,846 thousand Euros) corresponding to the net debt of the “Baía do Tejo Group” to the General Direction of Treasury.

The amount of € 516,175 thousand Euros (on December the 31<sup>st</sup> 2011: the same amount) stems from “PARPÚBLICA”, and concerns to part of the debt, due to acquisitions of shares, as a reinforcement of positions in associated companies, with a view to their re-privatization.

The amount of € 600 million Euros concerned the advance made by “China Three Gorges” in the acquisition of the participation in EDP.

### 30 - Other financial liabilities

Outros passivos financeiros	30-Jun-12		31-Dez-11	
	Correntes	Não correntes	Correntes	Não correntes
<i>Swaps</i>	1 302	52 491	3 666	38 456

The amount existing in “Other Financial Liabilities – Non-Current Liabilities”, amounting to € 52,491 thousand Euros (on December the 31<sup>st</sup> 2011: € 38,456 thousand Euros) corresponds to the *swaps* of interest rate and of exchange rate of the AdP Group, which are not integrated in the coverage accounting measured by the fair value, on the date of balance, based upon valuations indicated by independent entities. These *swaps* are associated to a global national amount of €295 million Euros.

The balances in “Other Financial Liabilities – Current Liabilities” concern the fair value of structures of *swaps* of interest rates, with a view to scatter the risk of the interest rate of “PARPÚBLICA”.

### 31 - Revenue

Rébito das vendas e dos serviços prestados	1º semestre 2012	1º semestre 2011
Vendas		
Mercado interno	243 391	274 577
Mercado externo	74 625	98 177
	<b>318 017</b>	<b>372 754</b>
Prestações de serviços		
Mercado interno	494 511	458 887
Das quais: rendas de propriedade de investimento	27 829	24 278
Mercado externo	1 028 101	929 768
	<b>1 522 611</b>	<b>1 388 654</b>
<b>Total</b>	<b>1 840 628</b>	<b>1 761 408</b>

Through the report by segments of business presented in Note 1, the Aviation Activities are pointed out as the most significant segment, contributing with around €1,334 million Euros (in the 1<sup>st</sup> semester of 2011: € 1,243 million Euros), and correspond to 72% (1<sup>st</sup> semester of 2011: 71%) of the total of Sales and rendered services. This entire segment concerns discontinued units and activities, due to the fact that its assets and liabilities have been included in a group meant to be alienated, and held for sale, according to IFRS 5. The second most significant segment is that of “Águas e Resíduos” (Water and Waste), which contributes with around € 416 million Euros (in the 1<sup>st</sup> semester of 2011: € 373 million Euros), and corresponds to 23% (in the 1<sup>st</sup> semester of 2011: 21%) of the total of Sales and rendered services.

### 32 – Grants related to income

Subsídios à exploração	1º semestre 2012	1º semestre 2011
Relacionados com ativos biológicos	955	-
Relacionados com contratos de construção	-	772
Outros	2 659	6 631
<b>Total</b>	<b>3 614</b>	<b>7 403</b>

The grants related to income related to biological assets concern the operational activity of “Companhia das Lezírias”.

The rubric “Others” concerns the grants related to income essentially stemming from the following companies:

- TAP Group: €1,802 thousand Euros (in the first semester of 2011: €1.214 thousand Euros) in subsidies to be received from the State, relating to the co-participation in the price of sale of tickets to passengers flying to and from the archipelago of Azores, providing the passengers are framed in the applicable legal regimen. The amount recognized in each year corresponds to the estimate, by the TAP Group, of the amount to receive, for tickets flown in that same year, by passengers covered by that benefit.
- “Circuito Estoril” (Estoril Race Track) - € 752 thousand Euros (1<sup>st</sup> semester of 2011: € 4,052 thousand Euros) in subsidies meant to carry out the “Moto GP”, organized by the “Circuito Estoril” (Estoril Race Track).

### 33 – Share of profit and loss of associates

Ganhos/perdas imputados de associadas	1º semestre 2012	1º semestre 2011
<b><u>Ganhos pela aplicação do método de equivalência patrimonial</u></b>		
CVP - Sociedade de Gestão Hospitalar, S.A.	0	779
Credip - Instituição Financeira de Crédito	39	33
EDP - Energias de Portugal, S.A.	-	127 322
REN – Rede Eléctrica Nacional, S.A.	-	34 082
INAPA - Invest. Part. E Gestão, SA	91	363
Parcaixa, SGPS, SA	6 562	7 693
ADA - Administração Aeroportos, Lda	-	174
<b>Subtotal</b>	<b>6 691</b>	<b>170 446</b>
<b><u>Perdas pela aplicação do método de equivalência patrimonial</u></b>		
CVP - Sociedade de Gestão Hospitalar, S.A.	1 032	-
ISOTAL - Imobiliário do Sotavento Algarvio, S.A.	5	2
SPdH - Serviços Portugueses de Handling, S.A.	2 275	7 300
<b>Subtotal</b>	<b>3 312</b>	<b>7 302</b>
<b>TOTAL</b>	<b>3 379</b>	<b>163 144</b>

Both EDP and REN were valued by the patrimonial equivalence method up to the 1<sup>st</sup> semester of 2011, and from that date on they started being classified as assets held for sale (see Note 21).

### 34 - Dividend from investments at cost or at fair value

Dividendos de participações ao custo e ao justo valor	1º semestre 2012	1º semestre 2011
EDP - Energias de Portugal, SA	172 448	25 758
PT - Portugal Telecom, SA	521	1 042
REN	45 034	0
GALP	11 616	8 131
ZON	18	18
HCB	2 038	3 055
Futuro	11	12
IHRV (ex-INH)		60
	<b>231 686</b>	<b>38 075</b>

However, albeit the participations in EDP (21.35%) and in REN (40%) have been alienated in 2012, “PARPÚBLICA” received the dividends of the aforesaid participations, concerning the year of 2011.

The variations in the dividends of these participations significantly stem from having been classified as non-current assets held for sale, and their income has stopped being recognized by the patrimonial equivalence method (corresponding to the semester result), and started being recognized by the dividends received.

### 35 – Gains resulting for reprivatizations

Mais-valias resultantes de reprivatizações	1º semestre 2012
EDP	500 050
REN	74 120
	<b>574 169</b>

Gains concern the alienations of 21.35% of EDP and of 40% of REN, which were alienated for € 2,548,769 thousand Euros and for € 556,108 thousand Euros respectively, not including the dividends received by “PARPÚBLICA”.

### 36 – Changes in inventories of finished goods and work in progress

Variação nos inventários da produção (variação da produção)	1º semestre 2012			1º semestre 2011		
	Produtos acabados e intermédios	Subprodutos, desperdícios, resíduos e	Produtos e trabalhos em curso	Produtos acabados e intermédios	Subprodutos, desperdícios, resíduos e	Produtos e trabalhos em curso
Inventários iniciais <sup>1</sup>	(10 006)	(2 342)	(24 234)	(9 959)	(1 945)	(33 036)
Regularização de inventários <sup>1</sup>	(2 269)	0	(3 221)	(1 705)	(18)	(11 362)
Transferência para "Detidos para venda"			-			16 755
Existências finais <sup>1</sup>	12 661	930	22 178	11 521	1 748	27 528
<b>Variação da produção</b>	<b>387</b>	<b>(1 411)</b>	<b>(5 278)</b>	<b>(144)</b>	<b>(215)</b>	<b>(115)</b>
			<b>(6 302)</b>			<b>(474)</b>

<sup>1</sup> para efeitos de demonstração da variação dos inventários da produção inclui-se os inventários e suas variações relativas às entidades detidas para venda



### 37 – Own work capitalised

Trabalhos para a própria entidade	1º semestre 2012	1º semestre 2011
<b>Ativo não corrente</b>		
Ativos fixos tangíveis	721	1 333
Outros ativos não correntes	13 765	14 872
	14 486	16 205
<b>Ativo corrente</b>		
Inventários	551	513
	551	513
<b>TOTAL</b>	<b>15 037</b>	<b>16 718</b>

Own work capitalised related to the tangible fixed assets, essentially include the capitalization of direct costs related to the technical areas involved in the construction of the assets of the ANA Group, which amount to € 653 thousand Euros (1<sup>st</sup> semester of 2011: € 1.003 thousand Euros), decomposed as follows:

- Sold goods and consumed matters- € 4 thousand Euros;
- Supplies and outer services - € 107 thousand Euros;
- Other expenses - € 542 thousand Euros.

Own work capitalised concerning the Other non-current assets, and amounting to € 13,765 thousand Euros (1<sup>st</sup> semester 2011: € 14,872 thousand Euros), concern the capitalization of expenses incorporated into the formation of the cost of the rights to use the infrastructures of the AdP Group, decomposed as follows:

- Expenses with the staff - € 3,499 thousand Euros (in the first semester of 2011: € 4,440 thousand Euros);
- Supplies and outer services - € 1,972 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 2,728 thousand Euros);
- Financial expenses - € 8,263 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 7,704 thousand Euros, and
- Other capitalized expenses and gains - € 31 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 0 Euros)

Own work capitalised relating to inventories, and amounting to € 551 thousand Euros, concern the expenses with the staff and other expenses included in the cost of acquisition/production of inventories of the TAP Group (in the 1<sup>st</sup> semester of 2011: € 513 thousand Euros).

### 38 – Inventories consumed and sold (CEVMC)

Custo das mercadorias vendidas e das matérias consumidas (CMVMC)	1º semestre 2012		1º semestre 2011	
	Mercadorias	Matérias-primas, subsidiárias e de consumo	Mercadorias	Matérias-primas, subsidiárias e de consumo
Inventários iniciais <sup>1</sup>	849 590	191 068	633 741	231 765
Compras <sup>1</sup>	88 411	70 742	49 320	86 034
Regularização de existências <sup>1</sup>	694	(6 965)	302	(3 520)
Transferência para "Detidos para venda"	-	-	(13 779)	(176 230)
Inventários finais <sup>1</sup>	(879 919)	(182 741)	(620 349)	(29 299)
<b>Inventários consumidos e vendidos</b>	<b>58 775</b>	<b>72 105</b>	<b>49 236</b>	<b>108 750</b>
		<b>130 880</b>		<b>157 985</b>

<sup>1</sup> para efeitos de demonstração dos inventários consumidos e vendidos inclui-se os inventários e suas variações relativas às entidades detidas para venda

Inventories consumed and sold (CEVMC) amounted, in June 2012, to € 130,880 thousand Euros (in the 1<sup>st</sup> semester 2011: € 157,985 thousand Euros), and essentially includes as follows:

- € 92,784 thousand Euros (in the 1<sup>st</sup> semester 2011: € 81,932 thousand Euros), mainly related to the technical material meant to repair aircraft of the TAP Group;
- € 14,834 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 12,839 thousand Euros), relating to reagents and counters of the AdP Group;
- € 110,992 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 19,636 thousand Euros) in coins and other goods relating to INCM; and
- € 9,452 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 41,218 Euros) in buildings of the SAGESTAMO Group.

### 39 - Materials and services consumed

Fornecimentos e serviços externos	1º semestre 2012	1º semestre 2011
Combustíveis	395 971	330 608
Outros materiais e serviços consumidos	119 460	117 677
Trabalhos especializados	72 140	78 960
Assistência por terceiros nos aeroportos	73 518	69 412
Taxas de navegação aérea	63 914	63 066
Rendas e alugueres	17 716	33 863
Subcontratos	32 442	33 058
Comissões	21 544	31 571
Conservação e reparação de equipamento de voo	59 368	29 988
Conservação e reparação de outros ativos	34 091	29 300
Locação operacional de aviões	25 579	26 116
Encargos especiais da atividade de venda - atividade de transporte aéreo	19 647	18 388
Despesas a bordo	20 833	17 627
Vigilância e segurança	14 727	14 422
Taxas de aterragem	14 516	12 361
Seguros	9 435	10 370
Honorários	4 530	4 491
Alojamento e alimentação nas escalas	10 169	8 952
	1 009 599	930 230

The segment of activity, which had the greatest contribution to this rubric of the income statement, was the sector of aviation activities, which represented 87% (86% in June 2011) of the incurred expenses.

Fuels are the most representative expense, 39% of the total of the supplies and outer services.

The accrual of supplies and outer services mainly results from the increase of the activity of the TAP Group, face to the same period, and followed by the average price increase of the *jet fuel*.

The other Materials and services consumed essentially stem from the TAP Group, with € 54,806 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 62,770 thousand Euros), from the AdP Group, with € 46,105 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 42,713 Euros) and from the ANA Group, with €13,256 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 15,930 Euros).

#### 40 - Employee benefit expenses

Gastos com o pessoal	1º semestre 2012	1º semestre 2011
Remunerações	296 574	315 359
Encargos sociais	61 479	64 224
Outros gastos com o pessoal	35 079	30 912
Gastos com benefícios de reforma	4 309	7 020
	<b>397 441</b>	<b>417 515</b>

Board and executive members' remunerations in the first semester of 2011 of PARPÚBLICA were, as follows:

General Assembly Board:	0 Euros
Board of Directors:	151 thousand Euros
Statutory Auditor:	34 thousand Euros

Employee benefit expenses in the first semester of 2012, amounted to € 397 million Euros (in the 1<sup>st</sup> semester of 2011: € 418 million Euros), and showed a 21 million Euros reduction, face to the homologous period of 2011. The net variation essentially stems from the € 6 million Euros decrease in the TAP Group (in the 1<sup>st</sup> semester of 2012: € 261 million Euros; in the 1<sup>st</sup> semester of 2011: € 267 million Euros), from the 7 million Euros reduction, in the AdP Group (1<sup>st</sup> semester of 2012: € 69 million Euros; 1<sup>st</sup> semester of 2011: € 76 million Euros) and from the 4 million Euros reduction in the ANA Group (1<sup>st</sup> semester of 2012: € 51 million Euros; 1<sup>st</sup> semester of 2011: € 55 million Euros).

The other employee benefit expenses essentially stem from the TAP Group (€ 20,401 thousand Euros), decomposed as follows:

- Insurances - € 5,967 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 5,556 thousand Euros);
- Social action expenses - € 5,855 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 6,735 thousand Euros);
- Co-participations in meals - € 2,438 thousand Euros (in the 1<sup>st</sup> semester 2011: € 2,431 thousand Euros);
- Professional accidents insurances - € 1,746 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 1,632 thousand Euros);
- Other expenses with employee - € 4,395 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 3,116 thousand Euros).

By force of what has been established in the agreements of the company, the PARPÚBLICA Group keeps a set of benefit obligations towards its employees, who are dealt with under the terms foreseen in IAS 19.

Gastos com benefícios de reforma	1º semestre 2012	1º semestre 2011
Custo do serviço corrente	3 459	4 536
Custo de juros	2 524	1 313
Retorno esperado dos ativos do plano	(770)	(792)
Ganhos e perdas actuariais	(236)	-
Custo do serviço passado	-	1 438
Outros	(668)	525
<b>TOTAL</b>	<b>4 309</b>	<b>7 020</b>

Retirement benefit expenses essentially stem from the TAP Group, with € 4,135 thousand Euros. The movement occurred in the year, relating to the liabilities of defined benefits, as well as the main actuarial presupposed used in the elaboration of the studies, are presented in Note 26.

#### 41 - Increases and reversals of inventories adjustments

Ajustamentos em inventários	1º semestre 2012		1º semestre 2011	
	Perdas em inventários	Reversão de ajustamentos em inventários	Perdas em inventários	Reversão de ajustamentos em inventários
Mercadorias	-	275	-	146
Produtos acabados e intermédios	-	134	-	51
Matérias-primas, subsidiárias e de consumo	1 234	-	1 920	242
	<b>1 234</b>	<b>409</b>	<b>1 920</b>	<b>439</b>
		<b>(825)</b>		<b>(1 481)</b>

The amounts registered in the rubric of Inventories (see Note 19) are net of accumulated losses of imparity.

The losses and reversions of the adjustments concerning goods are registered according their net payable value.

The losses and reversions of the adjustments concerning the inventories of raw-materials, subsidiaries and of consumption refer to the TAPA Group, concerning technical material meant to repair its own aircraft and in the works performed for other aviation companies.

#### 42 - Increases and reversals of receivables adjustments

Imparidade de dívidas a receber (perdas/reversões)	1º semestre 2012		1º semestre 2011	
	Ajustamentos em contas a receber	Reversão de ajustamentos em contas a receber	Ajustamentos em contas a receber	Reversão de ajustamentos em contas a receber
Clientes	4 749	2 944	2 751	1 534
Contas a receber - não corrente	156	-	95	-
Outras contas a receber - correntes	3 537	2 006	209	418
Outros ativos e passivos financeiros	234	-	23	-
	<b>8 676</b>	<b>4 950</b>	<b>3 078</b>	<b>1 952</b>
		<b>(3 726)</b>		<b>(1 126)</b>

The amounts registered in the rubrics of Customers and other accounts receivable (see Notes 14 and 17) are net of accumulated imparity losses.

The reinforcement made in adjustments in accounts receivable essentially results from: (i) € 2,667 thousand Euros made by the AdP Group; (ii) € 4,699 Euros made by the ANA Group; and (iii) € 932 thousand Euros made by the INCM.

The reversion of adjustments made in accounts receivable, in the first semester of 2012, essentially concerns to: (i) € 2,243 thousand Euros in the TAP Group and (ii) € 2,468 thousand Euros from INCM.

#### 43 - Provisions

Provisões (gastos / reversões)	1º semestre 2012	1º semestre 2011
Provisão para processos judiciais em curso	2 169	2 709
Outras provisões	(1 169)	(116)
	<b>1 000</b>	<b>2 593</b>

The main variations are discriminated in Note 24 – Provisions, and the most significant amounts of the TAP Group, resulting from judicial suits in progress, are pointed out.

#### 44 - Impairment of assets (expense/reversals)

Imparidade de outros investimentos não depreciáveis	1º semestre 2012		1º semestre 2011	
	Perdas por imparidade	Reversão das perdas por imparidade	Perdas por imparidade	Reversão das perdas por imparidade
<b>Ativos fixos não depreciáveis</b>				
EDP - Energias de Portugal, S.A.	-	-	0	5 925
INAPA - Invest. Part. E Gestão, SA	55	-	5 642	-
HCB - Hidroelétrica de Cahora Bassa, S.A	-	-	22 500	-
REN - Rede Eléctrica Nacional, S.A.	48 946	-	-	-
Sociedade Mineira do Lucapa	-	-	411	-
Outros ativos financeiros	-	-	550	-
	<b>49 001</b>	<b>-</b>	<b>29 103</b>	<b>5 925</b>
	<b>(49 001)</b>		<b>(23 178)</b>	

In the first semester of 2012, the losses by imparity, amounting to € 48,946 Euros, and relating to REN, relate to the re-measurement of the remaining entered amount of the 9.9% participation (after 40% having been re-privatized) to the fair value, less selling costs; the value of the shares, on June the 30<sup>th</sup> 2012, correspond to this (see Note 21).

INAPA's losses by imparity were taken into account, after the patrimonial equivalence method was applied in that associated company. Therefore, the amount of losses by imparity, of € 234 thousand Euros, referring to INAPA, (in the 1<sup>st</sup> semester of 2011: € 5,642 thousand Euros) corresponds to the difference between the entered amount after the patrimonial equivalence method had been applied, and the fair value (given by the quotation of the INAPA shares) on June the 30<sup>th</sup> 2012, less the estimated selling costs.

The reversions of the EDP (in the 1<sup>st</sup> semester of 2011) were taken into account after the patrimonial equivalence method had been applied. Therefore, the amount of € 5,925 thousand Euros of the Reversion by loss of imparity, referring to EDP, corresponds to the difference between the amount entered after the

patrimonial equivalence method had been applied and the fair value (given by the quotation of the shares of these companies) on June the 30<sup>th</sup> 2011, less the estimated selling costs.

The loss by imparity, relating to the HCB (in the 1<sup>st</sup> semester of 2011) is the result of evaluation studies carried out by independent entities, in which the “Dividend Discount Model” was used, to calculate the value of the company. The average value indicated in the final versions of these studies, for the participation of 15%, amounts to € 77.5 million Euros; this value was deemed as a reference for the fair value, less the selling costs, and gave therefore origin to the recognition of an additional Loss by imparity amounting to € 22.5 million Euros.

Taking into account the present stoppage of the mines that compose the universe of the “Sociedade Mineira do Lupaca (SML)” (Lupaca Mining Company), Lupaca, Calonda, Yetwene, and given the uncertainties, which surround an eventual resumption of ore production, the probabilities of the existence of imparity were deemed as strong, concerning the amount entered referring to the participation of 49% that the SPE holds in SML, as well as concerning the supplies and other credits held by SPE over SML. The accrual of imparity (in the 1<sup>st</sup> semester of 2011), relating to this asset, concerns the debts of this company to SPE.

#### 45 - Net changes in fair value

Aumentos / reduções de justo valor	1º semestre 2012	1º semestre 2011
<b>Ajustamentos positivos</b>		
Propriedades de investimento	180	103
Ativos biológicos	817	-
Ganhos de outras participações valorizadas ao justo valor através de resultados	5 892	127 756
Ganhos de outros investimentos financeiros	-	1
Outros	406	1 890
	7 295	129 750
<b>Ajustamentos negativos</b>		
Propriedades de investimento	-	1 134
Activos biológicos	309	-
Perdas de outras participações valorizadas ao justo valor através de resultados	160 797	89 215
Outros	10 587	355
	171 693	90 704
	<b>(164 397)</b>	<b>39 045</b>

The fair value adjustments in investment properties concern as follows:

- “Baía do Tejo”: € 180 thousand Euros plus. In the first semester of 2011: € 1,031 thousand Euros minus (TAP: € 103 thousand Euros plus and FUNDIESTAMO: €1,134 thousand Euros minus).  
The methods used to determine the fair value are discriminated in Note 6 (Investment Properties).

The fair value positive and negative adjustments in biological assets concern as follows:

- “Companhia das Lezírias”: € 508 thousand Euros plus.  
The methods used to determine the fair value are discriminated in Note 9 (Biological Assets)

In the first semester of 2012, the profits and losses of other participations valued for their fair value through results (net values) utterly stem from PARPÚBLICA, and amount to € 154,904 thousand Euros minus (in the 1<sup>st</sup> semester of 2011: € 34,892 Euros plus):

As outras reduções de justo valor no montante de 10 587 milhares de euros no primeiro semestre de 2012, resultam da variação do valor dos *swaps* do Grupo AdP.

#### 46 - Other operating income

Outros rendimentos e ganhos operacionais	1º semestre 2012	1º semestre 2011
Rendimentos suplementares	27 576	27 741
Ganhos em existências	431	1 438
Ganhos em imobilizações	2 892	1 940
Ganhos na venda de Prop. Inv. ao custo por incapacidade determinar o Justo Valor	194	-
Outros rendimentos e ganhos de propriedades de investimento	1 023	1 150
Rendimentos de juros e outros rendimentos financeiros	28 426	26 790
Outros juros obtidos	23 450	26 519
Desc de pronto pagamento obtidos	221	127
Outros rendimentos e ganhos financeiros	4 755	144
Outros rendimentos e ganhos financeiros	3 821	4 583
Diferenças de câmbio favoráveis	7	16
<b>Total</b>	<b>64 370</b>	<b>63 659</b>

The supplementary incomes mainly stem from the aviation activities segment and refer, among others, to the sale of miles of the TAP Victoria programme to partners, amounting to € 8,311 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 5,768 thousand Euros), to sales of reconditioned store material, amounting to € 3,346 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 3,701 thousand Euros), incomes from advertisements, amounting to € 4,337 thousand Euros (in the 1<sup>st</sup> semester of 2011: 3,073 thousand Euros), revenues and sub-lettings, amounting to € 1,042 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 1,838 thousand Euros). They also include € 3,630 thousand Euros referring to the AdP Group (in the 1<sup>st</sup> semester of 2011: € 2,925 thousand Euros) and € 2,556 thousand Euros relating to the ANA Group (in the 1<sup>st</sup> semester of 2011: € 3,710 thousand Euros).

The rubric “Incomes from interests and other financial incomes is essentially composed by other interests obtained, amounting to € 23,450 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 26,519 thousand Euros), which essentially include as follows:

- € 19,418 thousand Euros of the Adp Group (in the 1<sup>st</sup> semester of 2011: € 11,067 thousand Euros);
- € 1,341 thousand Euros of “PARPÚBLICA” (in the 1<sup>st</sup> semester of 2011: € 1,488 thousand Euros);
- € 1,219 thousand Euros of the “SAGESTAMO Group” (in the 1<sup>st</sup> semester of 2011: € 2,285 thousand Euros).

The rubric “Gains in fixed assets” essentially stems from “Lazer e Floresta” and amounts to € 2,346 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 940 thousand Euros).

#### 47 - Other operating expenses

Outros gastos e perdas operacionais	1º semestre 2012	1º semestre 2011
Impostos	11 340	11 941
Perdas em imobilizações	1 000	1 309
Utilização fraudulenta de cartões de crédito	393	59
Perdas em existências	2 460	1 659
Multas e penalidades	212	519
Diferenças de câmbio desfavoráveis	9 565	1 957
Gastos e perdas de serviços financeiros	4 420	7 866
Outros	12 783	8 341
	<b>42 174</b>	<b>33 650</b>

Taxes expenses essentially includes € 4,740 thousand Euros of the AdP Group (in the 1<sup>st</sup> semester of 2011: € 4,349 thousand Euros), € 3,373 thousand Euros of the TAP Group (in the 1<sup>st</sup> semester of 2011: € 5,247 thousand Euros) and € 2,360 thousand Euros of INCM (in the 1<sup>st</sup> semester of 2011: € 1,708 thousand Euros).

The losses in fixed assets essentially refer to the TAP Group, the total losses of which amount to € 840 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 708 thousand Euros).

As far as the Losses in inventories are concerned, these refer, in their majority, to the TAP Group, with a total loss amounting to € 2,161 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 541 thousand Euros).

The unfavourable exchange rate differences almost totally stem from the TAP Group.

The expenses and losses of financial services essentially concern the TAP Group; these expenses and losses amount to € 2,327 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 6,793 thousand Euros) and relate to financial services.

The rubric “Others” essentially includes as follows:

- € 4,628 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 5,016 thousand Euros) from the ANA Group, € 3,4 million Euros of which (in the 1<sup>st</sup> semester of 2011: € 3,986 thousand Euros) concern to incentives to the aviation companies, and the goal of which is the captation of traffic, namely the formation of new routes and /or frequencies and the optimization of the capacity offered in the airports of the ANA Group;
- € 2,048 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 1,035 thousand Euros) from the AdP Group;
- € 2,345 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 830 thousand Euros) relating to the INCM.

#### 48 - Expense/reversals of depreciation and amortization

Gastos/reversões de depreciação e de amortização	1º semestre 2012	1º semestre 2011
<b>Ativos fixos tangíveis</b>		
Terrenos e recursos naturais	298	4
Edifícios e outras construções	23 374	23 270
Equipamento básico	86 275	86 101
Equipamento de transporte	1 531	1 560
Ferramentas e utensílios	1 002	941
Equipamento administrativo	3 232	3 543
Outras imobilizações corpóreas	3 478	8 534
	119 191	123 954
<b>Outros ativos intangíveis</b>		
Outros ativos fixos intangíveis		-
Com vida útil finita	108 519	103 409
	108 519	103 409
<b>Propriedades de investimento (método do custo)</b>	1	25
<b>Ativos biológicos (método do custo)</b>	111	107
<b>Total</b>	<b>227 822</b>	<b>227 495</b>



#### 49 - Grants related to assets

Subsídios ao investimento	1º semestre 2012	1º semestre 2011
Subsídios ao investimento	40 061	36 872
<b>Total</b>	<b>40 061</b>	<b>36 872</b>

Grants related to assets come mainly from the water and waste segment (95% of total grants) and from the aeronautical activities segment (5% of total grants).

#### 50 - Interest and other financial income / expense

Juros e outros rendimentos e gastos de financiamento	1º semestre 2012	1º semestre 2011
<b>Rendimentos e ganhos</b>		
Juros de invest. finan. não registados pelo justo valor através de resultados	87	178
Outros juros	569	492
Dif. de câmbio favoráveis	-	3 262
Outros rendimentos e ganhos financeiros	2 795	254
	<b>3 451</b>	<b>4 186</b>
<b>Gastos e perdas</b>		
Juros suportados	202 875	184 766
Dif. de câmbio desfavoráveis	4 046	-
Outros gastos e perdas financeiros	12 598	8 570
	<b>219 520</b>	<b>193 336</b>

Other interests – income - amounting to € 202,875 thousand Euros (in the 1<sup>st</sup> semester of 2011: € 184,766 thousand Euros) include as follows:

- € 112,319 thousand Euros from “PARPÚBLICA” (in the 1<sup>st</sup> semester of 2011: € 104,061 thousand Euros);
- € 56,474 thousand Euros from the AdP Group (in the 1<sup>st</sup> semester of 2011: € 46,918 thousand Euros)
- € 23,556 thousand Euros from the TAP Group (in the 1<sup>st</sup> semester of 2011: € 21,789 thousand Euros); and
- € 8,564 thousand Euros from the ANA Group (in the 1<sup>st</sup> semester of 2011: € 8,451 thousand Euros).

The increase in financial interests is explained by the accrual of the financings in the Group, and by the significant increase of the interest rates (namely in the spreads), as well as of the increase of the short-term financings.

The unfavourable exchange differences utterly stem from the TAP Group.

The other expenses and financial losses, amounting to € 12,598 thousand Euros, (in the 1<sup>st</sup> semester of 2011: € 8,570 thousand Euros) refer to the following:

- € 4,892 thousand Euros to the AdP Group (in the 1<sup>st</sup> semester of 2011: € 2,857 thousand Euros);

- € 5,349 thousand Euros to “PARPÚBLICA” (in the 1<sup>st</sup> semester of 2011: € 0 Euros);
- € 1,150 thousand Euros to the TAP Group (in the 1<sup>st</sup> semester of 2011: € 1,345 thousand Euros); and
- € 1,202 thousand Euros to the ANA Group (in the 1<sup>st</sup> semester of 2011: € 576 thousand Euros).

## 51 - Net income tax for the period

Impostos sobre o rendimento (DR)	1º semestre 2012	1º semestre 2011
Gasto/rendimento por impostos correntes	47 668	48 444
Ajustamentos reconhecidos no período de impostos correntes de períodos anteriores	333	(9 554)
Gasto/rendimento relacionada com a origem e reversão de diferenças temporárias	(642)	(633)
Gasto provenientes de redução ou reversão de um ativo por impostos diferidos	227	883
<b>TOTAL</b>	<b>47 587</b>	<b>39 141</b>

Impostos sobre o rendimento - relação entre o gasto de impostos e o lucro contabilístico	1º semestre 2012	1º semestre 2011
Resultado antes de imposto	616 471	146 632
Taxa	26,2%	12,4%
Produto	161 587	18 174
Rendimentos e gastos não dedutíveis ou não tributáveis	(232 109)	(19 181)
Gastos não dedutíveis	51 424	5 660
Ativos e passivos por impostos diferidos	24 111	-
Derrama	6 969	4 517
Tributações autónomas	1 731	1 908
Diferenças temporárias	17 663	7 088
Amortizações não aceites fiscalmente + taxa	70	-
Utilização de prejuízos fiscais não reconhecidos anteriormente	29 176	(2 699)
Atualização de encargos com explorações agrícolas (majoração encargos dedutíveis)	-	(163)
Outros	(13 035)	23 836
<b>TOTAL</b>	<b>47 587</b>	<b>39 141</b>
<b>Prejuízos fiscais não relevados como ativos por impostos diferidos (por data de extinção):</b>	<b>1º semestre 2012</b>	<b>1º semestre 2011</b>
N	12 375	5 212
N+1	90 688	20 692
N+2	45 710	32 480
N+3	52 512	52 089
N+4	22 753	10 314
N+5	5 614	12 517
<b>TOTAL</b>	<b>229 652</b>	<b>133 304</b>

Net income tax for this period, amounting to € 47,587 thousand Euros, (in the 1<sup>st</sup> semester of 2011: € 39,141 thousand Euros), generally correspond to the AdP Group (1<sup>st</sup> semester of 2012: € 31,779 thousand Euros; in the 1<sup>st</sup> semester of 2011: € 19,118 thousand Euros), to the ANA Group (in the 1<sup>st</sup> semester of 2012: € 11,108 thousand Euros; in the 1<sup>st</sup> semester of 2011: € 13,045 thousand Euros), to INCM (in the 1<sup>st</sup> semester of 2012: € 4,746 thousand Euros; in the 1<sup>st</sup> semester of 2011: € 6,916 thousand Euros) and to the TAP Group (in the 1<sup>st</sup> semester of 2012: € 2,815 thousand Euros; in the 1<sup>st</sup> semester of 2011: 2,527 thousand Euros).

The “PARPÚBLICA Group” is subject to corporate income tax of taxes on the Income of Corporate Bodies (IRC) and to the corresponding local tax. The calculation of the current tax of the year up till June the 30<sup>th</sup> 2012 corresponds to the annual rate of 25%, accrued by the local tax. Starting from the year of 2008, the local tax started being calculated up till the maximum limit of 1.5% over the taxable profit, and therefore the tax can reach the maximum aggregated rate of 26.5%.

The declarations of self-liquidity, of the “PARPÚBLICA Group” are subject to an inspection and to an eventual adjustment by the Tax Authorities for a timespan of four years.

## 52 - Non-controlling interests – profit or loss

Interesses que não controlam (resultado líquido)	1º semestre 2012	1º semestre 2011
<b>Interesses que não controla (resultado líquido)</b>		
Cateringpor	143	296
LFP	1 802	1 708
SAGESECUR	18	(69)
ECODETRA	(3)	(5)
Margueira	58	(9)
ANA, SA	8 870	9 128
ANAM	608	404
NAER	(25)	(136)
Grupo AdP	33 260	25 966
	<b>44 731</b>	<b>37 284</b>

## 53 - Discontinued Operational Units

The results and cashflows relating to the discontinued operational units have a correspondence (i) in the non-current assets held for sale (the TAP Group, the ANA Group and a participation in HCB); (ii) in the dividends obtained from EDP, from REN, and from HCB; (iii) in the added values obtained with EDP and REN.

The results and cashflows of the discontinued operational units, classified as such in the first semester of 2012, are as follows:

RUBRICAS	1º semestre 2012	1º semestre 2011
Vendas e serviços prestados	1 333 588	1 243 351
Subsídios à exploração	1 805	1 478
Ganhos/perdas imputados de subsidiárias, associadas e empreendimentos conjuntos	(2 275)	154 278
Dividendos de participações ao custo e ao justo valor	191 522	28 825
Mais-valias resultantes de reprivatizações	574 169	
Variação nos inventários da produção	(6 168)	(549)
Trabalhos para a própria entidade	1 204	1 516
Custo das mercadorias vendidas e das matérias consumidas	(93 820)	(82 989)
Fornecimentos e serviços externos	(883 074)	(803 787)
Gastos com o pessoal	(311 988)	(322 215)
Ajustamentos de inventários (perdas/reversões)	(1 234)	(1 678)
Imparidade de dívidas a receber (perdas/reversões)	-	-
Provisões (aumentos / reduções)	2 178	2 701
Imparidade de investimentos não depreciables / amortizáveis (gastos/reversões)	(2 362)	(17 077)
Aumentos / reduções de justo valor	-	104
Outros rendimentos e ganhos	28 269	29 489
Outros gastos e perdas	(25 283)	(22 503)
<b>Resultado antes de depreciações, gastos de financiamento e impostos</b>	<b>806 531</b>	<b>210 944</b>
Gastos/reversões de depreciação e de amortização	(101 007)	(101 284)
Imparidade de investimentos depreciables / amortizáveis (gastos/reversões)	-	-
Subsídios ao investimento	2 070	2 360
<b>Resultado operacional (antes de gastos de financiamento e impostos)</b>	<b>707 594</b>	<b>112 020</b>
Juros e rendimentos similares obtidos	569	3 754
Juros e gastos similares suportados	(38 518)	(32 161)
<b>Resultado antes de impostos</b>	<b>669 645</b>	<b>83 613</b>
Imposto sobre o rendimento do período	(13 923)	(15 572)
<b>Resultado líquido do período das unidades operacionais descontinuadas</b>	<b>655 722</b>	<b>68 041</b>
Resultado líquido dos interesses que não controlam	11 398	11 400
<b>Resultado líquido dos detentores do capital da empresa-mãe</b>	<b>644 324</b>	<b>56 641</b>

RUBRICAS	1º semestre 2012	1º semestre 2011
<b>Fluxos das:</b>		
Atividades de exploração	167 942	151 456
Atividades de investimento	194 813	21 272
Atividades de financiamento	(170 063)	(109 750)

## 54 - Related parties

The balances and transactions among the companies of the Group, which integrate the perimeter of consolidation are eliminated in the consolidation process, and are no target of disclosure in the present Note. The balances and transactions of the main companies of the “PARPÚBLICA” Group with related parties are as follows:

Saldos e transações com entidades relacionadas em 30-Jun-12	Total	Estado e Outras Empresas Públicas	Entidades com controlo conjunto ou influência significativa sobre a entidade	Associadas	Gerência da entidade ou da respetiva entidade-mãe	Outras partes relacionadas
Saldos ativos	461 831	-	1 149	5 778	-	454 904
Saldos passivos	178 104	-	-	59 910	-	118 194
Rendimentos	234 396	-	-	30 560	-	203 836
Gastos	76 839	-	-	40 152	165	36 522

Saldos e transações com entidades relacionadas em 30-Jun-12	Total	Estado e Outras Empresas Públicas	Entidades com controlo conjunto ou influência significativa sobre a entidade	Associadas	Gerência da entidade ou da respetiva entidade-mãe	Outras partes relacionadas
Saldos ativos	461 831	-	1 149	5 778	-	454 904
Saldos passivos	178 104	-	-	59 910	-	118 194
Rendimentos	234 396	-	-	30 560	-	203 836
Gastos	76 839	-	-	40 152	165	36 522

The terms and conditions practiced between the “PARPÚBLICA” Group and its related parties are substantially identical to the terms, which would normally be contracted between independent entities, in comparable operations.

## 55 - Financial assets and liabilities

	30-Jun-12					
Ativos e Passivos Financeiros	Empréstimos concedidos e contas a receber	Ativos financeiros disponíveis para venda	Ativos financeiros ao justo valor por via de resultados	Passivos financeiros ao justo valor por via de resultados	Passivos financeiros mensurados pelo custo amortizado	Total
<b>Ativos</b>						
<b>Ativo não corrente</b>						
Participações financeiras - outros métodos	-	11 570	866 255			877 825
Outros ativos financeiros	2 142 465	8	41			2 143 205
Outras contas a receber	159 250	-	-			159 250
	<b>2 301 715</b>	<b>11 578</b>	<b>866 296</b>	-	-	<b>3 180 280</b>
<b>Ativo corrente</b>						
Cientes	578 779	-	-			578 779
Adiantamentos a fornecedores	2 506	-	-			2 506
Outras contas a receber	213 931	-	-			213 931
Outros ativos financeiros	-	57	15 622			15 679
Caixa e depósitos bancários	2 942 053	-	-			2 942 053
	<b>3 737 269</b>	<b>57</b>	<b>15 622</b>	-	-	<b>3 752 948</b>
<b>Total do ativo</b>	<b>6 038 984</b>	<b>11 635</b>	<b>881 918</b>	-	-	<b>6 933 228</b>
<b>PASSIVOS</b>						
<b>Passivo não corrente</b>						
Financiamentos obtidos				-	6 472 382	6 472 382
Outras contas a pagar				-	176 125	176 125
Outros passivos financeiros				52 491	-	52 491
	-	-	-	<b>52 491</b>	<b>6 648 507</b>	<b>6 700 998</b>
<b>Passivo corrente</b>						
Fornecedores				-	66 608	66 608
Adiantamentos de clientes				-	1 748	1 748
Acionistas / sócios				-	18	18
Financiamentos obtidos				-	1 652 183	1 652 183
Outras contas a pagar				-	829 420	829 420
Outros passivos financeiros				1 302	-	1 302
	-	-	-	<b>1 302</b>	<b>2 549 976</b>	<b>2 551 278</b>
<b>Total do passivo</b>	-	-	-	<b>53 793</b>	<b>9 198 483</b>	<b>9 252 276</b>
<b>Valor Líquido</b>	<b>6 038 984</b>	<b>11 635</b>	<b>881 918</b>	<b>(53 793)</b>	<b>(9 198 483)</b>	<b>(2 319 049)</b>

# PARPÚBLICA – PARTICIPAÇÕES PÚBLICAS (SGPS), S. A.

NÍVEL NA HIERARQUIA DO JUSTO VALOR NA QUAL AS MENSURAÇÕES DO JUSTO VALOR SÃO CATEGORIZADAS NA SUA TOTALIDADE, SEPARANDO AS MENSURAÇÕES DO JUSTO VALOR EM CONFORMIDADE COM OS NÍVEIS DEFINIDOS NO PARÁGRAFO 27A DA IFRS 7	30-Jun-12			
	Nível 1	Nível 2	Nível 3	Total
Ativos financeiros ao justo valor por via de resultados	866 296	15 622	-	881 918
Ativos financeiros ao justo valor - derivados de cobertura	-	260	-	260
Ativos financeiros disponíveis para venda - justo valor	102	-	777	879
	<b>866 398</b>	<b>15 882</b>	<b>777</b>	<b>883 057</b>
Passivos financeiros ao justo valor por via de resultados	-	53 793	-	53 793
Passivos financeiros ao justo valor - derivados de cobertura	-	17 669	-	17 669
	<b>-</b>	<b>71 462</b>	<b>-</b>	<b>71 462</b>

	31-Dez-11						
	Empréstimos concedidos e contas a receber	Ativos financeiros disponíveis para venda	Ativos financeiros ao justo valor por via de resultados	Investimentos detidos até à maturidade	Passivos financeiros ao justo valor por via de resultados	Passivos financeiros mensurados pelo custo amortizado	Total
<b>Ativos e Passivos Financeiros</b>							
<b>Ativos</b>							
<b>Ativo não corrente</b>							
Participações financeiras - outros métodos	-	11 858	1 027 050	-	-	-	1 038 908
Outros ativos financeiros	1 982 750	8	41	1 700	-	-	1 984 499
Outras contas a receber	168 304	-	-	-	-	-	168 304
	<b>2 151 054</b>	<b>11 866</b>	<b>1 027 091</b>	<b>1 700</b>	<b>-</b>	<b>-</b>	<b>3 191 711</b>
<b>Ativo corrente</b>							
Clientes	482 226	-	-	-	-	-	482 226
Adiantamentos a fornecedores	2 664	-	-	-	-	-	2 664
Outras contas a receber	279 900	-	-	-	-	-	279 900
Outros ativos financeiros	-	57	10 640	-	-	-	10 697
Caixa e depósitos bancários	520 424	-	-	-	-	-	520 424
	<b>1 285 214</b>	<b>57</b>	<b>10 640</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 295 911</b>
<b>Total do ativo</b>	<b>3 436 268</b>	<b>11 923</b>	<b>1 037 731</b>	<b>1 700</b>	<b>-</b>	<b>-</b>	<b>4 487 622</b>
<b>PASSIVOS</b>							
<b>Passivo não corrente</b>							
Financiamentos obtidos	-	-	-	-	-	6 441 603	6 441 603
Outras contas a pagar	-	-	-	-	-	188 486	188 486
Outros passivos financeiros	-	-	-	-	38 456	-	38 456
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38 456</b>	<b>6 630 089</b>	<b>6 668 545</b>
<b>Passivo corrente</b>							
Fornecedores	-	-	-	-	-	60 189	60 189
Adiantamentos de clientes	-	-	-	-	-	1 823	1 823
Acionistas / sócios	-	-	-	-	-	18	18
Financiamentos obtidos	-	-	-	-	-	1 724 671	1 724 671
Outras contas a pagar	-	-	-	-	-	1 398 666	1 398 666
Outros passivos financeiros	-	-	-	-	3 666	-	3 666
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 666</b>	<b>3 185 367</b>	<b>3 189 033</b>
<b>Total do passivo</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42 122</b>	<b>9 815 456</b>	<b>9 857 578</b>
<b>Valor Líquido</b>	<b>3 436 268</b>	<b>11 923</b>	<b>1 037 731</b>	<b>1 700</b>	<b>(42 122)</b>	<b>(9 815 456)</b>	<b>(5 369 955)</b>

NÍVEL NA HIERARQUIA DO JUSTO VALOR NA QUAL AS MENSURAÇÕES DO JUSTO VALOR SÃO CATEGORIZADAS NA SUA TOTALIDADE, SEPARANDO AS MENSURAÇÕES DO JUSTO VALOR EM CONFORMIDADE COM OS NÍVEIS DEFINIDOS NO PARÁGRAFO 27A DA IFRS 7	31-Dez-11			
	Nível 1	Nível 2	Nível 3	Total
Ativos financeiros ao justo valor por via de resultados	1 030 292	7 439	-	1 037 731
Ativos financeiros ao justo valor - derivados de cobertura	-	429	-	429
Ativos financeiros disponíveis para venda - justo valor	-	-	-	-
	<b>1 030 292</b>	<b>7 868</b>	<b>-</b>	<b>1 038 160</b>
Passivos financeiros ao justo valor por via de resultados	-	42 122	-	42 122
Passivos financeiros ao justo valor - derivados de cobertura	-	1 665	-	1 665
	<b>-</b>	<b>43 787</b>	<b>-</b>	<b>43 787</b>

## 56 - Perspective on risks arising from financial instruments

The risks, the organizations are exposed to, can have their origin both in outer and in inner factors. The identification of the relevant risks is based upon a profound knowledge of the organization, of its activity and of the market, where that activity is developed. The materially relevant risks, the Group is exposed to, based upon the perspective of loss, which each of them may represent, are as follows:

- Market risk, which includes three kinds of risk: (i) exchange rate risk – is the risk of the fact, that the amount of a financial instrument turns out to float, due to exchange rate changes; (ii) interest rate risk – is the risk of the fact, that the amount of a financial instrument turns out to float, due to interest rate changes in the market; and (iii) price risk - is the risk of the fact that the amount of a financial instrument turns out to float, as a result of price changes in the market, either these changes may be caused by specific factors of the individual instrument or of its issuer, or by factors, that affect all the instruments negotiated in the market.
- Credit risk – is the risk, that a participant of a financial instrument turns out not to accomplish an obligation, and makes the other participant incur in a financial loss. The “PARPÚBLICA” Group is subject to credit risk, due to the credit it grants to its customers. However, credit sales are subject to rules, which ensure that these sales are made to customers with a history of appropriate credit, and which are within the limits of the exposure of the maximum balances, which are pre-defined and approved for each customer.
- Liquidity Risk – (also referred to as financing risk) – is the risk of the fact that the Group turns out to find difficulties to obtain funds to meet compromises associated to the financial instruments. The liquidity risk may result from a lack of capacity to quickly sell a financial asset at the closing of the market, for its fair value.

Due to their expression within the “PARPÚBLICA” Group, the following entities deserve to be referred: “PARPÚBLICA”, the AdP Group, the ANA Group and the TAP Group.

### PARPÚBLICA

In the practice of its activity, “PARPÚBLICA” identifies the following areas of financial risks, which may affect their patrimonial value or the interest of third parties: (i) credit risk, (ii) liquidity risk, and (iii) market risk, by the interest rate and by the price.

#### *i) Credit Risk*

The credit risk, associated to the possibility of one of the parties involved in a financial instrument not honouring its obligation, shows itself, as to the financial investments of its surplus cash, and to the *swaps* contracted.

#### *(ii) Liquidity Risk*

The liquidity risk is mitigated by the existence of three programmes of Commercial Paper, amounting to the total of € 1,825 million Euros, and which are contracted with financial institutions of recognized solidity, similarly to what already existed in 2011. These instruments allow “PARPÚBLICA” have immediate access to liquidity.

The segmentation of the debt by nature of instruments and by remaining time up till maturity is as follows (nominal values in € millions of Euros):

30-Jun-12	< 3 months	4-12 months	1-2 years	2-5 years	> 5 years	Total
<b>Borrowings</b>	745,0	130,0	800,0	1.514,2	1.785,7	<b>4.974,8</b>
Commercial Paper	745,0	130,0				875,0
<i>Eurobonds</i>			800,0	499,0	900,0	2.199,0
EDP Convertible Bonds				1.015,2		1.015,2
Galp Convertible Bonds					885,7	885,7

30-Dec-2011	< 3 months	4-12 months	1-2 years	2-5 years	> 5 years	Total
<b>Borrowings</b>	920,0	130,0	800,0	1.514,2	1.785,7	<b>5.149,8</b>
Commercial Paper	920,0	130,0				1.050,0
<i>Eurobonds</i>			800,0	499,0	900,0	2.199,0
EDP Convertible Bonds				1.015,2		1.015,2
Galp Convertible Bonds					885,7	885,7

30-Jun-11	< 3 months	4-12 months	1-2 years	2-5 years	> 5 years	Total
<b>Borrowings</b>	750,0	350,0	0,0	2.315,2	1.785,7	<b>5.200,8</b>
Commercial Paper	750,0	350,0				1.100,0
<i>Eurobonds</i>				1.300,0	900,0	2.200,0
EDP Convertible Bonds				1.015,2		1.015,2
Galp Convertible Bonds					885,7	885,7

*Covenant* clauses existing in debt instruments are as follows:

Borrowings	Covenants
<i>Eurobonds</i>	
EMTN 800M€ - 2009 due 2013	Cross Default / Negative Pledge
Bonds 500M€ - 2004 due 2014	Cross Default / Force Majeure
Bonds 500M€ - 2005 due 2020	Cross Default / Force Majeure
Bonds 150M€ - 2004 due 2020	Cross Default
Bonds 250M€ - 2006 due 2026	Cross Default
EDP Convertible Bonds - 2007 due 2014	Cross Default
Galp Convertible Bonds - 2010 due 2017	Negative Pledge / Restriction on Activities



i) *Market Risk*

*Interest rate risk*

The interest rate risk concerns the possibility of, by change of the interest rates in the market, a variation of the remuneration of financial instruments at a changeable rate, or a variation in the fair value of fixed rate financial instruments start existing.

The medium and long-term debt, as far as the sort of interest rate contracted is concerned, kept the distribution exiting on December the 31<sup>st</sup> 2011, this means, 96.3% in fixed rate, and the rest in a changeable rate.

Therefore, with so a high percentage of debt, issued at a fixed rate, “PARPÚBLICA” has, in terms of cashflow, a reduced exposition to the floating of the interest rate. As to the fair value risk, it is not relevant for the existing financings, but it is for the effect it may have on yields in the secondary market, which may condition new debt issues.

“PARPÚBLICA” has three interest rate swaps structures contracted, with a view to disperse the interest rate risk (swap from fixed rate to variable rate, swap from variable rate to variable rate, and swap from fixed rate to fixed rate). The total national amount of the structures amounts to € 550 million Euros. The set of the three structures had the following impacts, with effects on the results (€ thousands of Euros):

	1st semester of 2012	2011	1st semester of 2011
Net cash flows	800	3 500	800
Changes in fair values	5 900	2 900	1 500

The only financing at a variable interest rate amounts to € 150 million Euros, which pays an annual interest equal to the *Euro Mid Swap* for ten years – 0.48%. A 1% variation in the indexing rate is translated into a change, in the annual amount, concerning interest payable, of € 1.5 million Euros. This financing has, associated to it, a swap, in which “PARPÚBLICA” annually receives the 10 year *Euro Mid Swap* – 0.48% and pays, every quarter, the 3 month Euribor + 0.02% with a 8% limit, which showed a favourable behaviour for “PARPÚBLICA”. The provisional, not discounted, flows of the interests of the existing medium and long term debt and of the agreed *swaps* are as follows (in € million Euros):

30-Jun-12	<1 year	1 a 5 years	>5 years	Total
Medium and long term debt interest	-159,7	-456,9	-247,7	-864,3
Flows from <i>swaps</i>	1,7	7,6	5,1	14,4

31-Dec-2011	<1 year	1 a 5 years	>5 years	Total
Medium and long term debt interest	-159,7	-456,3	-247,4	-863,4
Flows from <i>swaps</i>	2,1	6,0	9,5	17,6

30-Jun-11	<1 year	1 a 5 years	>5 years	Total
Medium and long term debt interest	-161,0	-538,6	-328,7	-1.028,3
Flows from <i>swaps</i>	3,3	7,2	10,5	21,0

In order to minimize the risk in the interest rate through the increase of the spreads in short term financings, the Commercial paper programmes, existing on June the 30<sup>th</sup> 2012, had a fixed spread, up to the limit of € 875 million Euros, which is in force up till the date of its renovation.

The fair values of the swaps, in € millions of Euros, would be the following, by variations in the bend of the interest rate and in the volatility:

Notional	Interest rate			Volatility		
	-1%	0%	+1%	-5%	0%	+5%
€150M - 2014	0,0	2,2	0,0	0,0	2,2	0,0
€150M - 2020	1,2	9,3	-0,9	-0,1	9,3	0,1
€250M - 2026	2,3	-1,3	-3,3	2,9	-1,3	-3,6

### Price Risk

Price risk is the possibility of the value of any financial instrument to float, as a result of changes in the market prices, either these changes be caused by specific factors of the individual instrument or of its issuer, or by factors, which affect all the instruments negotiated in the market. It is set in the case of the two bond loans of nominal amounts of € 1,015.15 million Euros and of € 885.65 million Euros, with built-in options in favour of the investors to exchange bonds, respectively for EDP and GALP shares held in the portfolio, for the results in the variation of the quotation of these shares.

The € 1,015.15 million Euros financing shall mature on December the 18<sup>th</sup> 2014, and has the possibility that the investors may ask for the reimbursement of the bonds on December the 18<sup>th</sup> 2012. Should, on the date of reimbursement of the bonds, the value of the shares, which constitute the subjacent asset, be higher than the conversion price (€ 6.70 a share), and “PARPÚBLICA” chooses to pay the reimbursement in money, then the amount of the reimbursement may be adjusted to the value of the shares.

The € 885.65 million Euros financing shall mature on November the 28<sup>th</sup> 2017, and has the possibility that (i) the investors may exchange the bonds for shares, starting on March 2013, (ii) the company makes a call, to reimburse the bonds, starting on October the 13<sup>th</sup> 2013, and (iii) the investors may ask for the reimbursement of the bonds on September the 28<sup>th</sup> 2015. Should, on the date of reimbursement of the bonds, the value of the shares, which constitute subjacent asset, be higher than the conversion price (€ 15.25 a share) and “PARPÚBLICA” chooses to pay the reimbursement in money, then the amount of the reimbursement may be adjusted the value of the shares.

By the measuring of the fair value of the options, and also of the subjacent shares, the annual net results, stemming from the evolution of the quotations of subjacent asset, are recognized. These results were the following (in € million Euros):

	million euros		
	1st semester of 2012	2011	1st semester of 2011
Changes in the value of options	0	124,5	-81,5
Changes in the value of the underlying asset	-160,0	-190,3	116,1
<b>Net Gain/Net Loss</b>	<b>-160,0</b>	<b>-65,8</b>	<b>34,6</b>

The results, in the built-in option, in the bonds exchangeable for GALP shares by positive and negative 15% variations in the quotation of the shares, on June the 30<sup>th</sup> 2012, should be as follows:

GALP Convertible Bonds						
GALP Shares			Option			Net Change (M€)
Quote	Value (M€)	Change	Value %	Value (M€)	Change	
10,0	580,8	-	2,4%	21,5	-	-
11,5	667,9	15,0%	5,3%	47,0	118,5%	61,6
8,5	493,6	-15,0%	0,9%	7,7	-64,2%	-73,3

The results, in the same option, by variations in the **spread** of credit and in the implicit volatility, should be as follows:

GALP Convertible Bonds							
Credit Spread				Implicit Volatility			
Basis points	Value %	Value (M€)	Change		Value %	Value (M€)	Change
1415	2,4%	21,5	-	22%	2,4%	21,5	-
1627	2,7%	23,6	9,9%	37%	7,2%	64,1	197,9%
1203	2,3%	20,2	-6,2%	7%	0,0%	0,1	-99,6%

Relativamente à opção embutida nas obrigações permutáveis em ações da EDP, a variação na mesma ordem percentual da cotação, do *spread* de crédito ou da volatilidade não alterariam o valor nulo que tem em 30 JUNE 2012.

As to the built-in option in the bonds exchangeable for EDP shares, the variation, in the same percentage value of the quotation, of the **spread** of credit or of the volatility, would not change the nil value it has, on June the 30<sup>th</sup> 2012.

#### Adp Group

#### **Risk Factors**

The activities of the AdP Group are exposed to a variety of factors of financial risk: credit risk, liquidity risk and cashflows risk, associated to the interest rate. It is a current practice, in the AdP Group, among other instruments, to contract derivative financial instruments, in order to minimize some of the risks, which it is exposed to. The AdP Group developed and implemented a risk managing programme, which, along with the permanent monitoring of the financial markets, seeks to minimize the potential adverse results in the financial performance of AdP and its participated companies. The management of the risk is lead by the central treasury department, based upon policies approved by the Board of Directors. The treasury

identifies, evaluates and carries out operations with a view to minimize the financial risks, in close cooperation with the operational units of the AdP Group.

- i) The Board of Directors provides principles to manage the risk as a whole, and policies that cover specific areas, such as the exchange rate risk, the interest rate risk, the credit risk, the usage of derivatives, other non-structured instruments and the investment of the liquidity surplus. The Board of Directors is responsible for defining risk managing general principles, as well as the limits to exposure. All the operations carried out with derivative instruments need a previous approval from the Board of Directors, which defines the parameters of each operation, and approves formal documents, which describe the goals of the aforesaid operations.

*i) Credit Risk*

The credit risk is essentially related to the risk of a counterpart failing in its contractual obligations; this will result in a financial loss for the AdP Group,. The AdP Group is subject to the credit risk in its operational, investment and treasury activities.

The credit risk related to operations is essentially related to credits for services rendered to customers (water, sanitation and residue services). This risk is theoretically reduced, given the features of the service rendered (to State-owned entities – counties). However, given the particular economic and financial situation of Portugal in the latest year, with direct consequences for the local municipalities, the amount of overdue balances has been significantly growing.

The adjustments of imparity for accounts receivable are calculated, taking the following into account: (i) the risk profile of the customer, according the fact that it is an institutional or a corporate customer; (ii) the average tem to receive payments, which differs from business to business; and (iii) the financial condition of the customer.

In the 2012 State Budget, Nr. 1 of Article 58 established that the local municipalities, which have overdue debts to the entities that manage the multi-municipal systems of the sector of water, of basic sanitation and of residues, should present, up till February the 15<sup>th</sup> 2012, to the ministry of the sector tutelage, the conditions to rectify their respective debts.

On August the 28<sup>th</sup> 2012, the “Programa de Apoio à Economia Local” (PAEL ( = Local Economy Supporting Programme) was created, the goal of which is to rectify the payment of debts of the counties, overdue for more than 90 days, and registered in the General Direction of the Municipalities until March the 31<sup>st</sup> 2012.

The PAEL (Local Economy Supporting Programme) covers all the payments with a more than 90 days delay, of the counties, no matter its nature, commercial or administrative may be, and the adhering counties are allowed to sign up a loan agreement with the State, under the terms and conditions defined by Act Nr. 43/2012.

The medium and long term debt legal limits, foreseen by the Law of Local Finances, do not prejudice the loan agreements, under the aforesaid diploma. The fund available to finance the PAEL (Local Economy Supporting Programme) amounts to € 1thound million Euros. 263 counties are in the right conditions to benefit from the agreement signed up between the Government and the municipalities, to receive a € 1 thousand million credit line.

The PAEL (Local Economy Supporting Programme) is divided into two programmes: the first programme is aimed at the municipalities in a situation of structural unbalance, and with a request to a financial re-balancing presented to the State. In this case, the financing agreement may reach 100€ of the debt. The second programme is aimed at the remaining municipalities with at least a 90 day overdue debt, and the agreements may cover between 50% up to 90% of the debt.

To the municipalities, which sign up an agreement under PAEL (Local Economy Supporting Programme), a set of obligations is imposed, among which fines, in case there is a debt increase within the timespan of the agreement.

The Board of Directors of the AdP Group closely followed (along with the tutelage) these negotiations, and is optimistic as to the result of process. Albeit on this date the amounts, which shall be paid to the AdP Group, may not be exactly determined, it is expectable that significant parts of the debt of the Municipalities, previous to December the 31<sup>st</sup> 2011, turn out to be liquidated, when these agreements are signed up and the amount is made available by the Central Government to the Municipalities.

Additionally, the Board of Directors of the AdP Group is evaluating the adoption of other steps, which aim at ensuring the recoverability of the balances receivable from the Municipalities, among which setting the mechanism associated to Credit Privilege into motion, which is focused on the current debt.

Albeit taking into account the uncertainty on the terms in which the customers Municipalities will accomplish their obligations, the Board of Directors of the AdP Group still thinks that, on these balances, there are, up till the present date, no indicators, which may lead to recognizing losses by imparity.

The following table represents the maximum exposure of the Group to credit risk (not including balances of customers and of other debtors) on June the 30<sup>th</sup> 2012, without taking into account any collateral held or other credit improvements. For the assets in the balance, the defined exposition is based upon their entered amount, as reported in the balance.

<b>Banking Financial Assets</b>	<b>1st semester 2012</b>
Banking deposits	52 771
Time deposits	167 697
Other loans	54 904
Equipment renovation fund	3 966
Reconstitution capital fund	105 698
Other	162
<b>Total</b>	<b>385 198</b>

<b>Rating</b>	<b>1st semester 2012</b>
A2	690
A3	32 296
BI	20 965
Ba I	5 717
Ba 3	317 948
Baa 3	6 726
Unknown rating	857
<b>Total</b>	<b>385 198</b>

Note: The rating notes were obtained in the financial institutions websites on July 2012.

*ii) Exchange Rate risk*

The exposure to the exchange rate risk, of the AdP Group, is not relevant. This risk is consubstantiated in future trading transactions, recognized assets and liabilities, as well as in net investments in foreign operations, which were not incurred or expressed in the functional currency of the AdP Group. The Central Treasury of the AdP Group is in charge for managing the net exposure of the AdP Group in each currency, by centrally contracting swaps, with a view to minimize the trading risks, and recognized assets and liabilities. The AdP Group owns investments in foreign currency, the net assets of which are exposed to the exchange rate risk by conversion, as well as financings in foreign currency exposed to the exchange risk. The exchange rate exposure, inherent to the net assets in foreign currency, is managed through contracting loans in the same currency, and the loans with swaps to cover the exchange rate.

*iii) Liquidity risk*

The management of the liquidity risk implies the management of the available assets at a reasonable level, the validity of the consolidation of the floating debt through an adequate amount of credit facilities and the skill to liquidate market positions. In virtue of the dynamics of the subjacent business, the treasury of the AdP Group intends to ensure the flexibility of the floating debt, keeping, for that purpose, the available credit lines. The AdP Group manages the liquidity risk by concentrating and maintaining credit lines and financing facilities with the compromise to firmly take, before national and international financial institutions, a high notation of credit, which allow the immediate access to funds. In this last year, this practice has been highly conditioned by the well-known difficulties to access the credit market in Portugal, as well as by the growing increase of the debts from customers.

As well as Portugal, the AdP Group is going through a stage of reduced liquidity. Face to this problem, the AdP Group analysed its investment compromises, and made, once again, a calendar of the investments of the AdP Group, by making a map of the aforesaid investments, face to their importance, financial, economic and environmental impact, and minimizing, in this way, all the risks associated to the compromises linked to the various entities.

The table below shows the responsibilities of the AdP Group by contractual and residual maturity intervals. The amounts shown in the table are the contractual cashflows, not discounted and payable in the future (without the interests, which these liabilities are being remunerated at).

	<b>&lt; 1 year</b>	<b>1 a 5 years</b>	<b>&gt; 5 years</b>
Borrowings	643 966	444 530	1 943 846
Trade creditors and other liabilities	268 764	77 097	93 521

The AdP Group does not foresee any difficulties to accomplish its short-term responsibilities. Particularly concerning the short-term bank loans, the AdP Group thinks it is in the right conditions to ensure the renovation of its main credit lines, and, for that reason, its immediate demandability is not expectable. Additionally, it is expected that, up till the end of this year, the AdP Group strengthens the usage of the financing line of the BEI III, and that influxes regarding candidatures to investment subsidies may be generated.

*iv) Risk of Cashflows and of Fair Value associated to the interest rate*

The interest rate risk of the AdP Group essentially stems from contracting long-term loans. In this scope, the loans obtained with interest calculated at variable rates expose the AdP Group to the cashflow risk, and the loans obtained with a fixed rate interest expose the AdP Group to the fair value risk, associated to the interest rate. The AdP Group manages the cashflow risk associated to the interest rate, by contracting swaps, which allow converting loans with interest calculated at a variable rate into loans with interest calculated at a fixed rate. Equally associated to the volatility of the interest rates is the guaranteed remuneration of the concession contracts, and, consequently, the tariff deviation.

The table below shows an analysis of sensibility of the financial expenses of the AdP Group:

	1st semester of 2012	Average Rate + 1%	Average Rate - 1%
Juros suportados	56 474	68 717	46 39

*v)Capital Risk*

The goal of the AdP Group, relating to the management of capital, is a wider concept than the capital released in the balance, it is keeping an optimal capital structure, by prudently using a debt, which allows it to reduce the capital cost.

The intention of the capital risk management is to safeguard the continuity of the Group's operations, along with an adequate remuneration to the shareholders, and generating benefits to all interested third parties.

The Policy of the AdP Group is to contract loans from financial institutions, on the level of the mother-company, the AdP, SGPS, S.A. (Inc.) (except EPAL, and the investment loans), which, on its turn, will make loans to its daughter companies. This policy envisages to optimize the capital structure, with a view to a greater supervising efficacy and to reduce the average cost of capital.

	1st semester of 2012	2011
Non current borrowings	2 388 376	2 365 064
Current borrowings	643 966	612 838
Cash and equivalent	(277 124)	(286 274)
<b>Debt</b>	<b>2 755 218</b>	<b>2 691 628</b>
Grants related to assets	1 935 646	1 950 784
Total equity	1 080 646	1 034 439
<b>Capital</b>	<b>5 771 510</b>	<b>5 676 851</b>
<b>Debt/Capital</b>	<b>0,48</b>	<b>0,47</b>

The financing model of the AdP Group is typically based upon two types: remunerated bank financing, with a particular incidence on the financings contracted at the BEI and on the capital and reserves and on the non-reimbursable investment subsidies.

vi) *Regulatory Risk*

The regulator may take steps with a negative impact on the cashflow, along with all the adverse consequences, which stem from them. So as to minimize these risks, the AdP Group has sought to more closely follow the activities of the regulator, seeking, in this way, to anticipate potential negative impacts on the companies, and stemming from the rules issued by the ERSAR. The Programme of the XIX Constitutional Government, as well as the Financial and Economic Assistance Plan, foresee the autonomization of the residues subsector, from the Group “Águas de Portugal” (Waters of Portugal) (AdP), and the need to implement the steps necessary to its opening to the private sector. Therefore, during the first semester of 2012, various workgroups were initiated, in order to develop studies relating to the revision of the regulation model in force, namely on the level of the regulation of the urban residues treatment multi-municipal systems, on the level of the economic and legal framework.

Grupo ANA (The ANA Group)

The activities of the ANA Group are exposed to a variety of financial risk factors: credit risk, liquidity risk and cashflow risk, associated to the interest rate. The Group holds a risk managing programme, which focuses its analysis on the financial markets, seeking to minimize adverse results, and using derivative financial instruments to cover certain risks it is exposed to. The derivatives are contracted only with the purpose to economically cover financial risks the Group is exposed to, particularly the interest rate risk.

• *Market risk – Interest rate*

As the Group has no remunerated significant assets, the profit and the operational cashflows are substantially independent from the interest rate changes of the market.

The interest rate risk of the Group stems from obtained long-term loans, and the loans issued with variable interest rates expose it to a cashflow risk associated to the interest rate, and the loans issued with fixed rates expose it to the fair value risk of the debt.

The Group manages the cashflow risk associated to the interest rate, by contracting derivative instruments, which allow the transformation of variable interest rates into fixed interest rates.

The analysis of sensibility to interest rate variations allows the Group to obtain the following impacts on the results:

Nature	Scene with current rate	Scene +1%	Scene -1%
Floating rate funding	(3 904)	(3 398)	3 324
Fixed rate funding	(13 419)	-	-
Interest from financial leases	(120)	(13)	12
Interest from time deposits	697	-	-
<b>Estimated impact on profit and loss / Scene with current rate</b>		<b>(3 411)</b>	<b>3 336</b>



*i)Credit Risk*

The ANA Group is subject to credit risk, which it grants to its customers. However, the sales on credit are subject to rules, which ensure that these are made to customers with a history of appropriate credit, and which are within the exposure limits of the maximum balances, previously defined and approved for each customer. As far as the balances receivable from financial institutions are concerned, the following table shows a summary of the credit quality of the deposits and of the investments:

<b>Rating</b>	<b>Receivables from financial institutions</b>	
	<b>1st semester of 2012</b>	<b>2011</b>
Cash equivalents		
Aa3	-	5 560
Baa2	-	3 800
Baa3	8	-
Ba1	6 474	-
Ba2	-	23 473
Ba3	47 747	21 111
B1	106	-
Other	873	348
	<b>55 208</b>	<b>54 92</b>

*ii)Capital Risk*

The goal of the ANA Group, relating to the management of capital, is also to safeguard the Groups ability to continue its activity and carry out the investments necessary to the prosecution of the object of the concession, to keep an optimal capital structure, which allows it to reduce the capital cost, and to create long-term value for its shareholders.

This management is carried out through steps such as the issue of debt instruments (debenture loans), the negotiation and the rescheduling of the debt, and capital inflows from the shareholders.

In 2012, the strategy of the Group was to maintain the “gearing” between 60% and 70%. The gearing ratios, on June the 30<sup>th</sup> 2012 and on December the 21<sup>st</sup> 2011, were the following:

	<b>1st semester of 2012</b>	<b>2011</b>
Total borrowings	689 536	698 708
Cash and cash equivalents	(55 267)	(54 351)
Net debt	634 269	644 357
Equity	386 234	380 872
Total capital	1 020 503	1 025 229
Gearing (%)	62,2	62,9

The financing policy of the ANA Group bore the following principles and conditions in mind:

- Maintaining a balanced capital structure;
- Accomplishing the debt levels and ratios agreed with the financing entities;

- Limits foreseen by Decision Nr. 510/10 of the Secretariat of State of the Treasury and of Finance, which established a set of determinations relating to the maximum limits of annual growth of debt foreseen in Growth and Stability Programme 2010-2013, where it is established that an average debt growth within the timespan of 2010-2013 shall not exceed 5.5%;
- Revision for the downgrade of the debt rating of the Portuguese State, and its eventual repercussion on ANA.

At the end of the semester of 2012, the medium and long-term loans of the ANA Group represented € 663.3 million Euros, out of total of € 690 million Euros, and a weight of 96% of the total debt.

On June the 30<sup>th</sup> 2012, the weight of the variable rate dbt in the Group amounted to 39%. The cover of the risk of this component is balanced between the natural hedging of the business and the contraction of derivative instruments under the light of the requisites of IAS 39.

Once most of the debt of the Group is contracted with the “Banco Europeu de Investimentos (BEI)” (= European Investments Bank), which foresees the direct fixation of the interest rates without any accrued costs, the Group privileges this option whenever possible.

In the case of fixing the interest rates with no resource to the BEI (European Investments Bank) the ANA Group will privilege the contraction of covering instruments that meet the requisites of IAS 39.

As it is an intensive capital business, the ANA Group has been privileging financing solutions aimed at the stability of the capitals employed.

Minimizing the affectation of outside capital to the financial covering of the annual and pluriannual investments has been reached through auto-financing and adopting a pro-activity policy, when capturing EU supports, without stopping to take the minimization of the WAAC into account.

#### TAP Group

The year in progress made obvious the impact of the crisis of European sovereign debts upon the world economy. If in Europe, in average terms, the economy stagnated, and if, in the Euro Zone, the IMF is counting upon a recession, in various emergent economies a clear slow-down started to be felt. In the case of Brazil, for instance, after a 7.5% GDP growth, reached in 2010, the pace of the economy slowed down to 2.7% in 2011, having slowed even more in the present year.

The world economy is resenting itself, not only due to the economic contraction of its European engine, but also due to the persistent lack of dynamism of the North-American economy, with obvious difficulties in the recovery of investment and in job creation. These two focuses of weakness, in Europe and in the USA, are breaking, more and more, the positive contribution that the emergent economies normally give to the world economy. Globally, the scale is pending mote in the negative sense – albeit there are important prosperity focuses in countries rich in raw-materials, such as those in the Persian Gulf or in Angola – and the final result is a clear “cooling off” of the world economy.

As Portugal is placed in the fulcrum of the European crisis, and the sales of the Group, in Portugal and in Europe, represent around 65% of the total sales, the Group could not possibly escape, safe and sound, from the unfavourable results of the present situation.

*i) Price Risk*

The conjugated effect of the low demand and of the persistently high fuel prices created adverse conditions for the profitability of the Group. It was, however, possible to mitigate this negative impact, and even obtain an interesting growth, all the more in such an adverse environment. In reality, in the scope of air transportation of passengers, either the revenue, or the turnover, measured by the number of passengers by used (flown) kilometres (PKU), turned out to show a 6% growth in the year, face to an identical timespan of the previous year, and the various commercial strategies, both in net and in pricing, and developed market by market, worked efficaciously. Either Europe or Africa turned out to evolve in line along with the general average, and, for its turn, the revenue grew above the average in the Americas, in the USA, in Venezuela and in Brazil, and below the average in Portugal.

Once more the importance of the strategy of diversifying routes and of conquering new markets and destinations, this means, innovation, of the Group could be seen. This was the case of the Miami route, in the USA, which contributed to a growth higher than 30% in the number of passengers, in the USA. Also the new African destinations, in Ghana and in Mali, for instance, gave a non-neglectable contribution to the performance of the routes in Africa, where the Luanda route was negatively pointed out, eventually by fall in the business traffic. In general terms, it can be said that air transportation got a good reply to the increase of the supply made available and to the new opened destinations, and suffered a very slight fall in the global load factor.

As far as other activities of the Group are concerned, we should particularly mention the cargo, which turned out to be more prejudiced than the air transportation of passengers, by the impact of the crisis, and its revenue decreased 3%, face to an equal timespan in the previous year. However, the activity of maintenance and engineering for third parties had a significant increase in this semester, which may mean a counter-cyclical component, which the aircraft maintenance and reparation sometimes have. In compensation, the expenses with the maintenance and reparation of aircraft, and particularly of reactor engines rose skyhigh, and were a growing weight in the costs of the Group; this partly results from the flight hours increase, imposed to the aircraft fleet, and from the increase of its average age.

*ii) Exchange rate risk*

Given the features of the activity of the Group, particularly the strong international and inter-continental component of the air transport, the exposure of the revenue to multiple currencies is a natural and unavoidable reality. On the side of the costs, the weight that the fuel supply has on the expenses of the Group, generates a exchange exposure to the U.S. Dollar in the expense that, on the present fuel price levels, is above the component, in U.S. Dollars, of the receivables resulting from the sales of tickets in the markets of the USA, Brazil, and Angola; this creates, therefore, a short exchange exposure to the U.S. Dollar, with some impact.

In the scope of the revenues, we should refer that the Brazilian market is responsible for around one quarter of the total air transport revenue of the Group, and that, particularly in this market, there is a mix of two overlapped exchange exposures, to the U.S. Dollar and to the Brazilian Real, which result from the different timings between the issue of tickets their sale, in cash or in instalments, and transfer of the

revenues to the headquarters, sometimes via New York. The final exchange impact of the sales in Brazil resulted, therefore, in the 1<sup>st</sup> semester, from conjugating the valuation of the U.S. Dollar face to the Euro and the devaluation, occurred in parallel, of the Brazilian Real, face to the Euro.

On the aggregate level, if the total of receivables, either directly or indirectly exposed to the U.S. Dollar, surpassed the amount of € 250,000 thousand Euros in the 1<sup>st</sup> semester, the total expense with fuel amounted, in the same timespan, to almost €400,000 thousand Euros.

Other sources of passive exchange exposure are, for instance, the expenses with the operation, and above all the aircraft maintenance, and also the lease rents for aircraft which are in operational lease. In these, there is a denomination of the U.S. Dollar in almost every contract in force, which corresponds, in the 1<sup>st</sup> semester of the year, to expenses amounting to nearly € 25,000 thousand Euros; this value surpasses the component of the service of the debt, which is denominated in U.S. Dollars. Also in the scope of the liabilities there was, since the end of 2011, a rise in the percentage of the financings denominated in U.S. Dollars, face to previous semesters and years, rising from 3% one year ago, up to the present 13%.

The exposure of the Group to the interest rate risk, on June the 30<sup>th</sup> 2012 and on December the 31<sup>st</sup> 2011, based upon the values of the financial position, of the financial assets and liabilities of the Group, in currencies, converted to € Euros, at the exchange rates in force on the date of this report, is shown as follows:

Assets and liabilities in currencies	1st semester of 2012			
	USD	BRL	Other	TOTAL
<b>ASSETS</b>				
Cash and cash equivalent	4 151	1 996	42 944	49 091
Accounts receivable – Trade debtors	58 161	118 970	24 626	201 757
Accounts receivable . Other	21 388	24 983	851	47 222
	<b>83 700</b>	<b>145 949</b>	<b>68 421</b>	<b>298 070</b>
<b>LIABILITIES</b>				
Debt	150 733	-	-	150 733
Accounts payable – Trade creditors	10 626	13 191	1 179	24 996
Accounts payable - Other	5 402	7 887	1 388	14 677
	<b>166 761</b>	<b>21 078</b>	<b>2 567</b>	<b>190 406</b>

Assets and liabilities in currencies	2011			
	USD	BRL	Other	TOTAL
<b>ASSETS</b>				
Cash and cash equivalent	11 435	6 741	31 548	49 724
Accounts receivable – Trade debtors	54 782	89 468	14 864	159 114
Accounts receivable . Other	24 010	24 032	2 825	50 867
	<b>90 227</b>	<b>120 241</b>	<b>49 237</b>	<b>259 705</b>
<b>LIABILITIES</b>				
Debt	155 083	-	-	155 083
Accounts payable – Trade creditors	24 040	15 602	5 147	44 789
Accounts payable - Other	8 451	4 043	725	13 219
	<b>187 574</b>	<b>19 645</b>	<b>5 872</b>	<b>213 091</b>

On June the 30<sup>th</sup> 2012, a 10% (positive or negative) variation of all the exchange rates, with reference to the Euro, would result in an impact on the results of the year of nearly € 10,766 thousand Euros.

*i) Interest rate risk*

If in the scope of the behaviour of the raw-material markets, namely electric power, only in the end of the semester there was a slight lull, and these markets kept, most of the time, immune to the successive economic and financial “earthquakes”, which resulted from the debt crisis, from the rating lows, from the bailout requests, from the pardon of the Greek debt and from the significant deepening of the global economic crisis, the interest rate markets suffered, however, enormous impacts, due to the lack of confidence of the investors.

The interest rate of the BCE (European Central Bank) kept the value of 1%, but the Euribor rates continuously fell down, in a inverse way of that of the rise of the yields of the several debt timespans of Portugal, Spain and Italy.

In the table of the remunerated liabilities below, uniting capital and interest, the presupposed relating to the interest rate of the market and the exchange rate of the Eurodollar, were assumed as follows: 3% for Euribor, 1.75% for the Libor of the Dollar and 1.259 in the Eurodollar. The values of the liabilities the values payable within the timespans shown, including the estimate of the contractual cashflows with amortization and interests, not discounted, until the end of the life of the loans. A presupposed that simplifies the linear intra-annual amortization pace, for the purpose of calculating the future interests, was taken into account:

	1st semester of 2012				
	< 1 year	1- 2 years	3 - 5 years	6 - 10 years	TOTAL
Borrowings	161 070	86 400	290 725	25 538	563 733
Finance leases	153 179	106 595	290 729	153 882	704 385
<b>Total</b>	<b>314 249</b>	<b>192 995</b>	<b>581 454</b>	<b>179 420</b>	<b>1 268 118</b>
Fixed rate borrowings	51 710	51 660	200 517	24 767	328 654
Fixed rate finance leases	68 291	67 152	184 284	117 381	437 108
<b>Total</b>	<b>120 001</b>	<b>118 812</b>	<b>384 801</b>	<b>142 148</b>	<b>765 762</b>

	2011				
	< 1 year	1- 2 years	3 - 5 years	6 - 10 years	TOTAL
Borrowings	151 328	96 471	310 254	50 204	608 257
Finance leases	137 371	133 065	324 397	189 238	784 071
<b>Total</b>	<b>288 699</b>	<b>229 536</b>	<b>634 651</b>	<b>239 442</b>	<b>1 392 328</b>
Fixed rate borrowings	51 747	51 648	203 143	49 047	355 585
Fixed rate finance leases	67 168	67 212	193 499	137 717	465 596
<b>Total</b>	<b>118 915</b>	<b>118 860</b>	<b>396 642</b>	<b>186 764</b>	<b>821 181</b>

The TAP Group uses the sensitivity analysis technique, which measures the changes estimated in the results, of an immediate increase or decrease of the market interest rates, along with all the other constant variables. This analysis is made only for illustrative purposes, as, in the practice, the market rates seldom change alone.

The sensibility analysis is based upon the following presupposed:

- Changes in the market interest rates affect the revenues or expenses of interests of variable financial instruments;
- Changes in the market interest rates only affect the revenues or expenses of interest, relating to financial instruments with fixed interest rates, should these be recognized at their fair value.

Under these presuppositions, a 0.5% increase or decrease in the market interest rates, for every currency, in which the Group has loans, on June the 30<sup>th</sup> 2012, would result in a decrease or increase of the amount of the maturing interests, amounting to around € 5,075 thousand Euros.

*iii) Fuel price risk*

The average price of the jet fuel was, in the 1<sup>st</sup> semester of 2012, very close to the very high average levels already in force in 2011 (as well as in the 1<sup>st</sup> semester of 2011). With an average market price of USD 1,026 Dollar per tonne, once again on record levels, the effect on the exploration has been, once again very strong, such as in 2008, and such as in the latest year. The relative weakness of the Euro in this year, compared with the other fuel price increases, and the increase of the consumed volumes, according to the increase of the activity, have been two factors, which even more aggravated the fuel invoice, which was close to € 400,000 thousand Euros in the semester. The hedging carried out in the end of 2011, despite the opportune timing, in which it was contracted, had a simply marginal impact on the reduction of the total cost.

As far as the consumed volume is concerned, this had record levels, reaching nearly 445 thousand tonnes of jet fuel along the semester, compared to around 420 thousand in the same timespan of the previous year, slightly below the around 7% rise in the total number of places and tonnes, by offered kilometre (PKO and TKO respectively) of the global operation.

In terms of analysis of sensibility, in the invoicing of the 1<sup>st</sup> semester of 2012, the impact of the variation of USD 100 Dollars per tonne, at a 1.25 exchange rate of the Eurodollar, shall be, for the standard consumption of the semester, amounting to 450 thousand tonnes, € 36,000 thousand Euros.

The exposure to the fuel price is, as far as costs are concerned, the most important factor, generator of exchange rate exposure of the Group (especially when the fuel quotations are high), as the jet fuel market is denominated in Dollars and fuel is the main rubric of variable expenses. A considerable decrease of the fuel price significantly reduces, on its turn, the net exposure of the Group face to the Dollar.

*iv) Credit risk and liquidity risk*

In this contest of financial difficulties, the contraction of new operations got even more difficult than in the previous years. In any case, the reinforcement of the financing obtained in the end of 2011 proved to be enough to stabilize the cashflow of the Group during the IATA winter timespan, and just one punctual operation, to readjust financings, was carried out; this re-adjustment operation had already been foreseen

since the end of 2011, and was carried out in the beginning of this year. Globally, the total of the debt decreased, either face to the end of last year, or face to the homologous timespan of the previous year.

The component of the total debt at a fixed rate, which represented around 53% one year ago, went up to a level close to 60% during this semester. The average rate in the total of the financings kept at very moderate levels, and went on benefitting from the high average duration of most of the financings and leasings in force, with no margin change all along its lifetime. As to the margin rise in short term lines, which also happened this year, it was generally compensated by the Euribor rates decrease. This decrease, to very low levels, of the Euribor rates, also benefitted the various long-term operations with floating rates.

Beyond the financial management, both in short and in long-term management, and the cashflow management, also in the scope of management of the current assets a rigorous follow-up of monitoring the positions of customers and of the repercussion of the effects of the economic crisis, in the credit quality of these, was made, and it was possible to avoid the aggravation, for instance, of the adjustments to a little significant value for the size of the activity.

The following table shows elements relating to the position of liquidity of the Group on June the 30<sup>th</sup> 2012 and on December the 31<sup>st</sup> 2011, as well as the balances of the accounts receivable, which reflect the maximum credit risk on these same dates:

	1st semester of 2012	2011
<b>Non-current assets</b>		
Court deposits – Brazil	21 090	22 221
Associates and other non-current assets	15 201	15 435
<b>Current assets</b>		
Cash and cash equivalent	121 166	167 365
Accounts receivable - trade debtors	316 333	250 482
Associates and other current assets	51 050	167 836
	<b>524 840</b>	<b>623 339</b>
<b>Off-balance sheet exposure</b>		
Guarantees	50 546	44 414
Other commitments	202 065	218 876
	<b>252 611</b>	<b>263 290</b>

The quality of credit risk and of liquidity risk of the Group, on June the 30<sup>th</sup> 2012 and on December the 31<sup>st</sup> 2011, face to the financial assets (cash and cash equivalents, and derivative financial instruments), the counterparts of which are financial institutions, is detailed as follows:

	1st semester of 2012	2011
AA-	1 963	1 107
A+	3 423	81
A	21 819	15 765
A-	1 825	-
BBB	-	4 087
BBB-	894	32 339
BB+	30 056	1 088
BB	-	52 773

BB-	18 108	25 050
B+	3 293	-
Other	39 689	35 289
	<b>121 070</b>	<b>167 579</b>
Derivative financial instruments	260	429
Bank deposits	120 810	167 150
	<b>121 070</b>	<b>167 579</b>

“Others” contains values referring to various international financial institutions, which it has not been possible to obtain the notation of rating for.

On June the 30<sup>th</sup> 2012 and on December the 31<sup>st</sup> 2011, the balances receivable from customers showed the following antiquity structure, taking into account the maturity date of the open values:

	1st semester of 2012	2011
Undue amounts	161 427	180 782
From 1 a 90 days	110 902	44 810
From 91 a 180 days	5 946	7 407
From 181 a 270 days	15 642	10 982
From 271 a 365 days	10 211	1 330
Over 366 days	77 692	73 908
	<b>381 820</b>	<b>319 219</b>
impairments	(65 487)	(68 737)
<b>Net balance</b>	<b>316 333</b>	<b>250 482</b>

The values shown correspond to the open values, face to the maturity timespans contracted. Despite there are delays in the liquidation of some values face to these timespans, which does not result in the identification of imparity situations beyond those considered through the corresponding losses.

Out of the total value of accounts receivable from customers, the balances of the aviation companies and of the travel agencies are mainly regulated by the IATA Clearing House system; this substantially minimizes the credit risk of the TAP Group.

## 57 - Contingent assets and liabilities

### AdP Group

Company	Process discription	Risk evaluation	30-jun-2012
Águas do Algarve	The first refers to the “Sotavento System”, which is running in the Administrative Court of the Lisbon area, amounting to € 2,662,385.97 Euros. AdP understood that no amounts referring to thisplea are due or demandable, and therefore no provision for that purpose has been constituted.	Remote	2 662
Águas do Algarve	Lawsuit running in Court and already duly pleaded.The 2 <sup>nd</sup> Lawsuit refers to the “Barlavento System”, which is running in the Administrative Court of theLisbon area, and amounting to € 1,909,823.20 Euros. AdP understood that no amounts referring to thisplea are due or demandable, and therefore no provision for that purpose has been constituted.	Remote	1 910



Company	Process description	Risk evaluation	30-jun-2012
Águas do Algarve	The 3 <sup>rd</sup> Lawsuit (Process Nr. 516/09.3 – Belle- Somague, Engigás, Neopul, Constructors ACE, amounting to € 9,191,597.54 Euros, and is based upon the alleged technical unfeasibility of the Ria Formosa crossings. On its turn, and beyond the plea to this Lawsuit, “Águas do Algarve” established a lawsuit amounting to € 1,894,762.79 Euros, for breach of taskwork contract, imputable to the Contractor. AdP understood that no amounts referring to this plea are due or demandable, and therefore no provision for that purpose has been Constituted.	Remote	9 192
Águas do Douro	Suit of liquidation of the Municipal Tax - real estate conveyance tax. Authoress: public finances; defendant: Águas do Douro e Paiva; Court: Administrative and Tax Court of Porto. The company has, outstanding in TAF (Court) of Porto a lawsuit of legal impugnation against the liquidation of the municipal tax –real estate conveyance tax, amounting to € 1,695,912.85 Euros and accrued compensation interests amounting to € 681,431.72 Euros. The lawsuit waits pleading from the Public Finances	Remote	1 696
Águas do Noroeste	Construtora do Tâmega, S.A. Suit Nr. 515/05.4BERG. Another trial is expected	Remote	2 966
Águas do Noroeste	Construtora do Tâmega, S.A. and Others. Suit Nr.256/05.4 BERG. The development of the lawsuit is expected	Remote	3 327
Águas do Noroeste	Inginieria SA. Suit Nr. 476/10.8 BEBRG. development of the lawsuit is expected	Remote	1 579
Águas do Noroeste	Alberto Martins de Mesquita & Filhos, SA. Suit Nr. 113/10.OTYVNG – The homologation of the sentence is expected	Remote	8 457
Águas do Noroeste	Alexandre Barbosa Borges SA. Suit Nr. 1380/11.8BEBRG The development of the lawsuit is expected.	Remote	3 230
Águas de Santo André	Setting injunction suits and ordinary administrative suits to the counties of Santiago do Cacém and of Sines	NA	5 259
Águas de Santo André	Lawsuit relating the international public competition of the environmental liabilities	Remote	9 007
Águas de Trás-os-Montes e Alto Douro	Lawsuit , in which Conduril intends to recognize the right to the legal time expansion to do the taskwork and that ATMAD be condemned to pay Conduril a Compensation for over-expenses with legal time Expansions.	Remote	2 020
Águas de Trás-os-Montes e Alto Douro	Fine for lack of license (the work was duly licensed by CCDRN, according to license P.Dv. Nr. 266/07)	Remote	2 500
Águas de Trás-os-Montes e Alto Douro	Fine for throwing residual waters into the gutter	Remote	2 500
Águas de Trás-os-Montes e Alto Douro	Fine for throwing residual waters to effluent	Remote	2 500
Águas de Trás-os-Montes e Alto Douro	Fine for throwing residual waters into a water line on the soil	Remote	2 500
Águas de Trás-os-Montes e Alto Douro	Fine for throwing residual waters, in an ATMAD water elevating station to the soil.	Remote	2 500
Águas de Trás-os-Montes e Alto Douro	Through this lawsuit, it is alleged that R., in the scope of the Taskwork Contract for the Construction of the Waterdamm of Pretarouca, imposed a serial of alterations and changes to the initial project, and changed its object and the initial form of the competition, with a view to obtain an indemnity for itself; the lawsuit was pleaded, and plenty of documental evidence was gathered, deemed as relevant for the request to be declined. In both situations, the appointment for the trial audition is expected, and on the present date it is not	Remote	4 384

Company	Process description	Risk evaluation	30-jun-2012
	possible to state, with a reasonable probability, which the final estimate of the responsibilities will be, including legal costs and other charges .		
<b>Águas de Trás-os-Montes e Alto Douro</b>	Financial rebalancing of the work-permanence contract beyond the foreseen end.	Remote	1 860
<b>Águas de Trás-os-Montes e Alto Douro</b>	Lawsuit declaring condemnation for the lack of payment of invoices issued by ATMAD.	Remote	2 055
<b>Águas de Trás-os-Montes e Alto Douro</b>	Lawsuit declaring condemnation for the lack of payment of the invoices issued by ATMAD.	Remote	3 176
<b>Águas de Trás-os-Montes e Alto Douro</b>	Common Administrative Lawsuit in which the Consortium SADE/EDIOC asks for the value of € 3,053,327.10 Euros, as an indemnity for over-expenses in the work. ATMAD has pleaded, and counterclaimed, asking for the value of €1,917,816.48 Euros, as an indemnity for the losses caused by AA, to ATMAD, for the delay to finish the work, and ATMAD has contractually fined this consortium, and these Fines are not being discussed in Court.	Remote	4 917
<b>Águas de Trás-os-Montes e Alto Douro</b>	Lawsuit declaring condemnation for the lack of payment of invoices issued by ATMAD	Remote	1 737
<b>Águas de Trás-os-Montes e Alto Douro</b>	Following to the Contract of “Taskwork for the Construction of the South Douro Lot 1 Residual Water Treating Stations, awarded by the “Águas de Trás-os Montes e Alto Douro” (ATMAD) company, to the Consortium constituted by the Companies “Construções Gabriel A.S. Couto S.A. / ISOLUX Ingenieria, S.L., dated March the 6 <sup>th</sup> 2008, for the value of € 3,663,955.64 Euros, this consortium interposes a common, ordinary administrative lawsuit claiming a loss of € 1,638,712.24 Euros and delinquent interest amounting to € 25,227.50 Euros from the first company, and € 28,571.08 Euros from the second company. The Consortium supports this claim, based upon a pretense financial rebalancing, which it declares to be entitled to, due to the fact that the Owner of the Work has troubled the start or the normal development of the works, essentially due to: unavailability of the land; change of the initial project; lack of linkage to the to the electric power net, for the start of the installations. In this sense, ATMAD pleaded and counterclaimed, and it notorious that it does not assist any reason to the AA. And ATMAD requested the payment of € 1,130,255.86 Euros in reconversion	Remote	2 823
<b>Águas do Zêzere e do Côa</b>	Lawsuit Nr. 99/08.1 – BECTB – Administrative Court of Castelo Branco: Lawsuit against “Águas do Zêzere e Côa S.A. by the contractor “Construtora Abrantina e Marsilop”, relating to competition H, where the payment of the global amount of € 2,285,321.63 Euros is requested, relating to stoppage expenses, differential of the price revision calculation, indemnity for emerging damages and cessant profits and financial expenses, and the payment of the commercial interests matured since March the 31 <sup>st</sup> 2008. The lawsuit awaits decision accepting the formalities of the right of action, and the appointment of trial. A meeting has been appointed so as to try and find an agreement to regulate the debt.	Possible	2 285
<b>Águas do Zêzere e do Côa</b>	Lawsuit nr. 38/09.2 – BECTB – Administrative Court of Castelo Branco: Lawsuit against “Águas do Zêzere e Côa S.A. by the contractor “Abrantina/Marsiliop, relating to the competition of sanitation 10 – Sub-system of Fundão, where these request the payment of the global amount of € 3,254,767.52 Euros, relating to indemnity for aggravation of costs of yard, structure expenses, general expenses, and opportunity expenses, compensation for the change of	Possible	3 255

Company	Process discription	Risk evaluation	30-jun-2012
	the project, updating of costs and as reimbursement of costs incurred until December the 31 <sup>st</sup> 2008, accrued by the costs falling due, up till the total payment. The lawsuit awaits decision accepting the formalities of the right action and the trial to be appointed		
Águas do Zêzere e do Côa	Lawsuit Nr. 225/09.3 – BECTB – Administrative Court of Castelo Branco: Lawsuit against “Águas do Zêzere e Côa S.A., by the contractor “Abrntina/Marsiliop”, relating to the competition I, where these request the payment of the global amount of € 6,077,796.43 Euros, relating to the indemnity for losses with the stopped direct means of the work, costs of yard and of structure, general expenses, financial costs, bank guarantee costs, indemnity and interest up to the total payment. The lawsuit awaits decision accepting the formalities of right of action, and the trial to be appointed. A meeting has been appointed so as to try and find an agreement to regulate the debt.	Possible	6 078
Águas do Zêzere e do Côa	Arbitral lawsuit suggested by MUNICÍPIO DO FUNDÃO (Fundão County), where this entity claims the payment of an indemnity amounting to € 43,394,957.71 Euros. Parallely, “Águas do Zêzere e Côa” claims, from the Fundão County the payment of an indemnity amounting to € 186,149 Euros. By decision dated October the 29 <sup>th</sup> 2010, the Court of Arbitration only partly recognized the claim of the Fundão County, with an amount to establish and a value limit of € 762,022.59 Euros. On its turn, as to the “Águas do Zêzere e Côa”, SA, the request for an Indemnity, formulated, was judged as partly consequent, with the attribution of an indemnity alsoto be established in the sentence, and with a maximum limit of €364,615 Euros. Both parties appealed from the decision of the Court of Arbitration, and the lawsuit is, at the moment, awaiting the decision of the Central Administrative Court South. Two negotiation stages have already elapsed, to regulate the debt, strengthening a new round of negotiations, which may lead to the solution of this lawsuit	Remote	43 395
Águas do Zêzere e do Côa	Common administrative lawsuit, as an ordinary suit, proposed by the County of Aguiar da Beira, County of Almeida, County of Belmonte, County of Celorico da Beira, County of Figueira de Castelo Rodrigo, County of Fornos de Algodres, County of Fundão, County of Gouveia, County of Guarda, County of Manteigas, County of Penamacor, County Of Pinhel, and County of Sabugal against the Ministry of Agriculture, Sea, Environment and Ordination of the Territory and the “Águas doZêzere e Côa” SA. By this lawsuit, the counties intend i) the contract of concession and management of the multi-municipal system of water supply meant for public consumption and for recollection, treatment and throwing out effluents, signed up on September the 15 <sup>th</sup> 2000, between the Portuguese State and the “Águas do Zêzere e Côa SA be declared null; ii) the contracts of recollection of effluents and of water supply, signed up on that same date, between the aforesaid Counties and “Águas doZêrere e Côa, SA” be declared null; and iii) the contracts of granting and valuation of municipal infrastructures signed up between the aforesaid counties and “Águas do Zêzere e Côa, SA” – Lawsuit Nr. 450/11.7 BECTB, running in the Administrative and Tax Court of Castelo Branco , be declared null. At the moment, the stage of sanitation of the lawsuit is expected, and which is previous to the stage of Trial.	Remote	n/a

Company	Process description	Risk evaluation	30-jun-2012
<b>SANEST</b>	As Act 12/2008, of February the 26 <sup>th</sup> entered into force, SANEST sued injunction lawsuits against the County of Sintra and the County of Oeiras, to recover debts of the respective SMAS, related to the rendering of services of effluents recollection in the area of the respective County, according to the Contract of Concession and the Contract of Recollection of Effluents. Following the declination of the suit of injunction against the County of Oeiras, with the defendant (County of Oeiras) being pardoned, due to alleged mistake in the form of the suit, SANEST sued, with a common condemnation suit, so as to safeguard the non-prescription of the aforesaid debt. In the injunction suit against the County of Sintra, SANEST claims the payment of a debt amounting to € 1,845,277.04, and accrued interest, overdue and falling due, referring to the invoicing from January 2006 up to May 2008, including the settlement of the 2006 invoice	Possible	1 845
<b>SIMLIS</b>	3-LAWSUIT 1552/09.5BELRA – TAF Leiria / t Common administrative Ordinary Lawsuit, presented by “Construtora Abrantina” SA , on September the 29 <sup>th</sup> 2009, requesting SIMLIS to be condemned to pay the amount of € 3,099,892.27 Euros, relating to losses caused by performance losses, permanence at work, ceasing profits, financial expenses and losses due to mounting and dismounting the yard – “ Performance taskwork in the sanitation net of Maceira -3 <sup>rd</sup> , 5 <sup>th</sup> and 6 <sup>th</sup> stages”	Remote	3 100
<b>SIMRIA</b>	Ordinary, common administrative Lawsuit Nr. 760/05.2BEVIS, running its terms in the Fiscal and Administrative Court of Viseu, presented by the companies “Construtora Abrantina, SA”, and “Jaime Ribeiro & Filhos SA”, in which, in the scope of the taskwork denominated “Multi-Municipal System to Sanitize the Ria de Aveiro – Interceptors South and Vouga – Draining Pipes”, it is requested SIMRIA to be condemned to recognize the right of the aforesaid companies to the legal extension of the timespan of that taskwork up till April 2003, and to pay these an indemnity amounting to € 8,896,803.00 Euros, accrued by the respective interests, overdue and falling due, at the legal rate. In this lawsuit, SIMRIA deducted the re-conventional request against the aforesaid companies, claiming from them an indemnity amounting to € 7,820,565.53 Euros, accrued by interests, fines applied to the contractor for the delay in the performance of the work, ceasing profits image damages and others. In this lawsuit, it is expected the elaboration of the decision accepting the formalities of right of action by the Court, and respective notification to the parties, even though the ulterior lawsuit terms will proceed.	Possible	1 076
<b>SIMRIA</b>	Ordinary Common Administrative Lawsuit Nr. 1075/08.0BEVIS running its terms in the Administrative and fiscal Court of Viseu, moved by the companies “Construtora Abrantina, SA” and “Jaime Ribeiro & Filhos SA” in which, in the scope of the taskwork denominated “Multi-Municipal System to Sanitize the Ria de Aveiro – Interceptors Sule Vouga – Draining Pipes”, it is requested SIMRIA SA to be condemned to recognize the right of the aforesaid companies to the legal extension of the timespan of that taskwork up till the 24 <sup>th</sup> 2004, and to pay these the amount of € 4,407,430.48 Euros, as an indemnity for losses allegedly suffered by the contractor in the above named taskwork, more work, revision of prices and delinquent interest for alleged time difference between the contractually expected payments and the actually carried out. In this Lawsuit the 18 <sup>th</sup> of October 2012 has already been designated for the discussion audience and the trial to take place	Possible	4 407
<b>Águas do Centro Alentejo</b>	Injunction against the County of Évora, against which no opposition was deducted. The subsequent declaration Lawsuit is waiting for the trial to be appointed.	Possible	5 600 Includes capital interest and justice tax

Company	Process discription	Risk evaluation	30-jun-2012
<b>Águas do Centro Alentejo</b>	Injunction against the County of Évora, against which no opposition was deducted. Document valid to commence the execution suit being prepared in the Court of Beja	Possible	4 605 Includes capital interest and justice tax
<b>Águas do Centro Alentejo</b>	Confession of debt issued by the County of Reguengos de Monsaraz, in December 2011.	Possible	2 304 Includes capital interest and justice tax s

ANA Group

thousand euros:

Description	30-jun-2012	2011
Labour nature Lawsuits	488	1 563
Expropriation Lawsuits	437	510
Lawsuit for the indemnity for canceling the adjudication of a contract	134	134
Contingent costs of the lawsuit of property of land of the ALS by the Lisbon Town Hall against the Portuguese State, ANA, EP and TAP	150	150
Lawsuit for the indemnity for road accidents	314	314
Administrative lawsuit for damages caused by unviabilising a lot	103	103
Lawsuits against ANAM, in the scope of the Project to amplify the Funchal airport, in Madeira	299	299
Lawsuits to contest the application of the traffic tax	266	266
Administrative Lawsuits	35 + 1,370 / month till the process end	35 + 1,370 / month till the process end
Indemnity Lawsuits for damages	589	589
Insolvency Lawsuits	133	133
Lawsuit of competition for licensing	468	468
Other responsibilities	595	615

TAP Group

*i) Contingent Assets*

On June the 30<sup>th</sup> 2012 and on December 2011, the TAP Group did not own any contingent assets.

*ii) Contingent Liabilities*

The Brazilian subsidiary TAP ME Brazil owns tributary, civil and labour lawsuits, involving loss risks, classified by the Board of Directors as possible, based upon the evaluation of its legal consultants, whom no provision was constituted for.

Description	30-jun-2012	2011
<b>Labour Lawsuits – Guarantee Fund of the service time (“FGTS”)</b>	89 113	75 212
<b>Not deposited between 2002/2004 and Risk/ insalubrity</b>		
The main labour lawsuit is a lawsuit moved by the union where the deposit of the FGTS within the timespan between 2002 and 2004, of all the civil servants of Porto Alegre is claimed. The other lawsuit refers to the application for the additional insalubrity and risk payment to all the civil servant, who work as maintenance auxiliary of the aircraft, in Porto Alegre. After an analysis of the expert evidence, it has been concluded that the activities carried out are not featured as dangerous or insalubre. This lawsuit is presently in the Labour High Court, in Brasilia, with an appeal of the union, to be judged. TAP ME Brazil thinks, based upon the information from its attorneys, no materially relevant impacts will result from these lawsuits, susceptible to affect its		

Description	30-jun-2012	2011
financial statements on June the 30 <sup>th</sup> 2012..		
<b>Tax Case - Tax foreclosure of obligation of payment Of Merchandise and Services Circulation Tax ("ICMS")</b> In March 2009, a tax assessment notice was written against TAP ME Brazil on the supposed demand of payment of ICMS, which falls upon the import of merchandise. The subsidiary presented an administrative impugnation over the tax assessment notice, which was judged as being consequent. In December 2009, the appeal of the State was judged consequent in the Taxpayers Council. According to the attorneys of this subsidiary, the probability of loss is possible in the administrative scope, and remote in the legal scope.	115 950	117 260
<b>Tax Case – Tax foreclosure of accessory obligations of The ICMS</b> <In December 2007, the subsidiary was notified, in the scope of a tax foreclosure, proposed by the Finance Ministry of the State of São Paulo (Guarulhos), relating to accessory obligations of the ICMS. The subsidiary carried out the attachment of 2% of the invoicing, as well as the suspension of the performance with the reasons for a revision of the tax foreclosure. The subsidiary presently awaiting the decision of the Judge as to the suspension of the tax foreclosure. The loss probability by the subsidiary is deemed as possible.	10 621	10 708
<b>Tax Case – Tax Assessment Notice of import tax (II), manufactured products tax ("IPI"), social integration programme ("PIS") and contribution for the financing of social security ("COFINS")</b> On October the 16 <sup>th</sup> 2007, the subsidiary was notified by the Federal Reserve, which thought that the exemption of II and IPI and the 0% rate of PIS and COFINS are not applicable to the importing operations of the subsidiary. The judgment of the defense presented by the subsidiary is expected. TAP ME Brazil thinks, based upon information from its attorneys, that no materially relevant impacts, susceptible to affect its financial statements, shall result from this Case, on June the 30 <sup>th</sup> 2012. The probability of loss by the subsidiary is deemed as possible.	35 814	82 299
<b>Tax Case – tax assessment notice of legal person income tax ("IRPJ"), social contribution over the net profit ("CSLL"), PIS and COFINS, referring to 2007.</b> The Brazilian Federal Tax Authority thought that there would be inconsistency in the declarations presented by the subsidiary TAP ME Brazil, not taking into account all the accounting for the timespan, and arbitrating the value of the tax due. The case still is in the 1 <sup>st</sup> jurisdiction, and awaits judgment in the commissionership of the Federal Revenue of Judgment. The prognoses of the attorneys deem the loss as possible.	47 754	-
<b>Tax Case – tax assessment notice of IRPJ / CSLL</b> In April 2012, two administrative lawsuits, stemming from the non-homologation of the compensation, carried out through the Declaration of compensation of Taxes referring to negative balances of IRPJ and of CSLL, by supposed usage of undue credits. A Manifestation of Unconformity was presented, and the judgment in 1 <sup>st</sup> jurisdiction is expected. The prognoses of the attorneys deem the loss as possible.	3	-
<b>Tax Case – tax assessment notice – Tax Fine</b> The company has been fined for not having complied with the temporary export regimens in 2009. All the stemming Administrative lawsuits are being defended in the scope of the Taxpayers Council; the probability of loss is deemed as possible	166	-
<b>Others – Seized Assets</b> The subsidiary TAP ME Brazil has various seized assets, amounting to € 19,037 thousand Euros (€ 21,384 thousand euros in December 2011), which refer to guarantees requested in tax and labour suits. Among these goods are vehicles, computers, components, items of the hangars in Rio de Janeiro and in Porto Alegre, among others. The Lisbon Town Hall presented, in previous years, in the High Administrative Court, an appeal, which is awaiting the decision of the Portuguese Government, and con-substantiated in Decree-Law Nr. 351/89 of October the 13 <sup>th</sup> , under which the land, buildings and other constructions, used by the TAP Group, and placed near the Lisbon airport were transferred to the property of TAP, S.A. – and so freeing them from public domain. At the same time, a civil lawsuit was presented, the proceduring of which depends upon the outcome of the aforesaid lawsuit. On July the 20 <sup>th</sup> 2012, the Lisbon Town Hall announced having signed a "global agreement" with the Portuguese State, relating to the aforesaid lands, and buildings and other constructions, recognizing that they are property of the State. consequently,	19 037	

Description	30-jun-2012	2011
TAP, S.A. thinks, also based upon the information stemming from its attorneys, that from the outcome of these legal suits no material impacts will result, susceptible to affect its financial statements on June the 30th 2012.		
<b>Others – Pension Fund Brazil</b> In 2009, the company, which manages the AERUS fund (Brazil's Pension Fund) alleged that TAP ME Brazil had debts, not recognized in the transference of responsibilities with post-employment benefits to the aforesaid Fund, amounting to € 16.5 million Euros(= \$ 40 million Reals), because it was co-responsible for the deficit in the pensions funds of other sponsors (VARIG and VASP).	-	16 500

#### Baía do Tejo Group

##### *i) Contingent Liabilities*

Description	30-jun-2012	2011
<b>Environment Fine</b> , which the General Inspection of the Environment showed the intension to apply, and which is claimed in the Ministry of Environment. In February 2011, by Court decision, a € 15 thousand Euros fine was applied to “Baía do Tejo”; this fine was impugned, and is in a stage of audience of trial. No provision was constituted for this lawsuit, because there is uncertainty about the timeliness or the amount of the necessary future expense for its liquidation, should it effectively occur, albeit the Board of Directors is convinced that this will not occur.	15	15
<b>Several lawsuits in progress</b> with a supplier, which claims the payment of invoices in debt and their respective delinquent interest, as well as of other works rendered, and the lawsuit globally amounts to € 4,732 thousand Euros. As a result of the Court decision pronounced in June 2010, and relating to one of the Lawsuits, “Baía do Tejo” was condemned to pay the invoices in debt. However, an appeal was made, requesting a suspensive effect, and a bank guarantee amounting to € 1,666 thousand Euros was given. However, a sentence favourable to “Baía do Tejo” was also pronounced, relating to one of the lawsuits, in which interest for invoice payment delay is claimed. We point out that, out of the value of the claimed debt, the company has registered an invoice for the amount of € 635 thousand Euros. On the other hand, once this matter is related to the Lawsuit on the unpollution of the historical dusts in Maia, all the costs of this lawsuit have been assumed by the State, by Decision of the Secretary of State of the Treasury and Finances Nr. 814/08-SETF, of October, and for that reason no provision was constituted. Also related to the Lawsuit of the historical dusts in Maia, a litigious lawsuit is running, presented in July 2008, against “Urbindústria”, “Sneges”, “SN Longos” and the aforesaid supplier, referring to a request for the supposed removal of residues unduly deposited within the lands of the author of the lawsuit. The request of the lawsuit amounts to € 1,045 thousand Euros. Such as in the above named situation, it is assumed that the eventual charges, which may occur, shall be assumed by the State, and therefore no provision will be constituted for that purpose.	0	0

#### General aspects

Regarding the liquidity process of Siderurgia Nacional, SGPS, S.A., there is no relevant information to add to what was known at 31 December 2011. Some responsibilities resulting from the agreements celebrated in July 1995 between Lusosíder, Aços Planos, S.A., Siderurgia Nacional – Empresa de Produtos Longos, S.A., and Siderurgia Nacional – Empresa de Serviços, S.A., (later called SNESGES), were assumed by Urbindustria, considering the Despacho Conjunto of the Secretaries of State of Treasury and Finance and of Industry and Energy. These responsibilities were related to environmental decontamination actions, solid waste



treatment, and sediments in the facilities of those companies, in Seixal and Maia generated before their constitution.

Regarding the mentioned agreements of 1995, the former Siderurgia Nacional – Empresa de Serviços, S.A., also assumed similar environmental responsibilities.

Thou, considering the merger process occurred in 2009, all these responsibilities were incorporated in Baía do Tejo.

On the other hand, former Quimiparque, after incorporating in its assets an industrial park in Barreiro, where, through out the years, a chemistry industry was developed, also assumed responsibilities due to the existing waste and sediments in the industrial park.

## **58 - Subsequent relevant events**

### *i) TAP Group*

In 20 July 2012, the Competition Authority decided not to oppose to the purchase and sale agreement between TAP S.A. and Urbanos Grupo SGPS, S.A where the latter buys 50, 1% of SPdH equity. It is worth notice that the mentioned operation is pending from the approval of the new *handling* licences - open tender – to the Lisboa e Oporto airports, being analyzed by INAC as well as from the ongoing privatization process.

### *ii) Grupo AdP*

In 6 July a separate agreement to finalize the construction of Alcântara ETAR was signed with the constructor consortium. This agreement foresees the payment of 11,6 million euros until the end of 2012, through the execution of the not yet finished works.

Having in consideration the short term deficit perspective of Simtejo treasury, due to the high debts of its major clients (more than one year), an increase of the indebtedness in the amount of 10 million euros was approved by the shareholders during the Extraordinary General Meeting at 19 July 2012. This debts referred to the water sector, sanitation and waste of municipalities (Law 64-B/2011 of 30 December, State Budget for 2012).

### *iii) PARPÚBLICA*

At the beginning of July 2012, the sale of 7, 5% of the capital hold by Hidroelétrica Cahora Bassa (HCB) to REN, SA in the amount of 38, 4 million euros was concluded. This sale corresponds to 50% of the investment of 15% held on JUNE 2012 in HCB and recorded in Non-current Assets held for sale.

## 59 - Non-accounting nature disclosures

### *i) Guarantees*

#### AdP Group

Responsibilities with bank guarantees given to business units of the companies included in the consolidation perimeter of AdP Group were as follows:

BU	Courts	Financial Institutions	Grantors	Other	1st semester of 2012	2011
UNAPD	10 850	-	2 688	18243	31 780	31 289
EPAL	5 434	33 338	-	289	39 060	31 360
UNADR	-	-	-	98	98	78
UNR	153	44 168	4 065	2 627	51 013	48 404
UNI	-	-	-	-	-	2 768
Corporate	-	500	-	278	778	1 211
<b>TOTAL</b>	<b>16 437</b>	<b>78 006</b>	<b>6 753</b>	<b>21 535</b>	<b>122 730</b>	<b>115 110</b>

The holding company (AdP SGPS), regarding the borrowings contracted with BEI, is the grantor for the fulfilment of the contracted obligations.

#### ANA Group

	1st semester of 2012	Increases	Decreases	2011
BEI financing	200 247		2 910	203 157
IRC	3 011	32		2 979
Expropriation litigation	492			492
Management of custos warehouses	718			718
Other	173	15	9	167
	<b>204 640</b>	<b>47</b>	<b>2 919</b>	<b>207 513</b>

#### TAP Group

	1st semester of 2012	2011
<b>Bank guarantees given to TAP S.A. headquarters</b>		
Portugese State – Exploration of Azores flying route	4 234	2 715
Natwest - <i>Acquiring</i> regarding credit cards	2 608	2 514
Labour court	3 505	3 440
Aircrafts	20 991	15 891
Fuel	4 392	4 317
Other	7 779	8 646
<b>Guarantees given to L.F.P., S.A.</b>		
Concession agreements regarding the exploration of the airport shops	6 336	6 336

	1st semester of 2012	2011
Bank guarantees given to other Group companies	539	393
Cautions given to insurance companies	162	162
<b>Total</b>	<b>50 546</b>	<b>44 414</b>

The increase occurred in the current year in bank guarantees provided by the TAP Group relating to aircrafts is mainly due to the new operating lease contracts.

#### Baía do Tejo Group

Em 30 JUNE 2012, the bank guarantees given to third parties were as follows:

Beneficiary	Nature	1st semester of 2012	2011
Seixal Municipality	Good execution of the construction contract	141	141
Seixal Civil Court	Caution to be attributed a suspension effect to the appeal related with Terriminas process (Maia dust).	1 666	1 666
BESLEASING - Imobiliária, S.A.	Guarantee na eventual reimbursement of the sale price o fone of the lots of the Industrial Park (PIS), sold by former Urbindústria, S.A..	249	249
Administração do Porto de Lisboa (APL)	Guarantee the expenses related with the use of Seixal terminal.	68	68
Administração do Porto de Lisboa (APL)	Use of the public domain area.	42	42
EDP	Guarantee the electric infrastructures in the Seixal Industrial Park - Process EDP-RCLER.	21	21
Almada Labour Court	Caution for a process involving a former worker	19	19
SLE	Supplying of electrical power to the facilities located in Barreiro Park	7	7
		<b>2 213</b>	<b>2 213</b>

Additionally, the Company have contracted sales promising contracts of lots located in PIS I, between former Urbindústria and particulars, jointly guaranteed, to ensure contingent indemnities to pay to the former owners of the lands of former Siderurgia Nacional, S.A.

In turn, it promised, as collateral, to the Municipality of Seixal, to make the lieu of compliance of 10 plots of land in Parque Industrial do Seixal – 3rd stage (PIS III) in the event of breach of commitment to proper implementation of the infrastructure to make in that park, budgeted in 4 660 thousand euros.

ii) Off-Balance Commitments

AdP Group

Contractual Investment

The estimate of off-balance sheet commitments assumed by AdP Group resulting from the celebration of the concession agreements regarding initial, replacement, renewal and expansion investments to be made throughout the remaining concession period, can be shown as it follows:

	Contractual investment	Investment made	Ongoing investment	Unaccomplished contractual investment	Unaccomplished contractual investment	Unaccomplished contractual investment	Unaccomplished contractual investment
				(N)	(N+1)	(N+2...N+5)	(>N+5)
UNA-PD	6 521 001	4 123 339	609 472	166 563	172 393	374 134	1 075 102
UNA-DR	1 435 670	869 158	201 095	43 276	45 546	116 605	193 108
UNR	483 968	4 161	6 937	9 733	9 503	127 210	326 425
	<b>8 440 640</b>	<b>4 996 658</b>	<b>817 505</b>	<b>219 572</b>	<b>227 441</b>	<b>617 949</b>	<b>1 594 635</b>

Companies	Supply and Sanitation	Waste	Distribution and collection	1st semester of 2012	2011
Contractual investment	6 521 001	1 435 670	483 968	8 440 640	8 416 088
Investment made	4 123 339	869 158	4 161	4 996 658	4 952 232
Ongoing investment	609 472	201 095	6 937	817 505	751 274
Contractual investment					
Contractual investment - N	166 563	43 276	9 733	219 572	
Contractual investment (N+1)	172 393	45 546	9 503	227 441	452 234
Contractual investment (N+2 .. N+5)	374 134	116 605	127 210	617 949	670 249
Contractual investment (>N+5)	1 075 102	193 108	326 425	1 594 635	1 627 264

In the following table it can be found the future commitments of AdP Group regarding the rents to be paid to municipalities, as defined in the concession agreements.

	Rents already recognised	Recognised rents not yet paid	Future rents - (N)	Future rents - (N+1)	Remaining future rents	1st semester of 2012	2011
Águas do Algarve, S.A.	616			55	3 107	3 778	3 778
Águas do Centro Alentejo, S.A.	1 187	86	86	177	4 340	5 876	5 790
Águas do Mondego, S.A.	29 300		700	1 431	4 836	36 267	36 267
Águas do Norte Alentejano, S.A.	289		27	54	1 022	1 391	1 391
Águas do Noroeste, S.A.	3 308	111	231	194	3 867	7 710	7 760
Águas do Oeste, S.A.	33		2	5	118	158	158
Águas de Santo André, S.A.	5 028			479	8 859	14 365	14 365
Águas de Trás-os-Montes e Alto Douro, S.A.	2 883	1 117	322	684	13 268	18 274	18 434
Águas do Zêzere e Côa, S.A.	6 600	742	393	876	20 184	28 795	29 859
Águas Públicas Alentejo, S.A.	82	381	320	320	14 704	15 806	15 806
Simarsul, S.A.	1 929	185	278	284	6 069	8 746	8 985
Simdouro, S.A.	28 865		2 194	6 725	36 097	73 881	71 543
Simlis, S.A.	1 100		51	101	1 627	2 879	2 879

Simtejo, S.A.	38 852	8 045				46 898	47 272
	<b>120 073</b>	<b>10 667</b>	<b>4 604</b>	<b>11 384</b>	<b>118 096</b>	<b>264 824</b>	<b>264 286</b>

#### ANA Group

Off-balance sheet financial commitments assumed	1st semester of 2012	2011
With signed contracts in progress	133 389	98 934

#### TAP Group

At 30 June 2012 there were financial commitments assumed by affiliate TAP S.A. regarding aircrafts operating leases, in the amount of 202 065 thousand euros (218 876 thousand euros at 31 December 2011).

Additionally, it is contracted with Airbus a future purchase of twelve Airbus A350, with 3 more as an option, to be received between 2015 and 2017, subject to negotiating adjustments.

#### Baía do Tejo Group

At 30 June 2012 there were the following off-balance commitments:

Nature	1st semester of 2012	2011
MT payment regarding "Complexo da Margueira"	3 781	3 781
Employee benefits estimate regarding the workers of former Quimigal	2 350	2 350
Renting contracts	80	152
<b>Total</b>	<b>6 211</b>	<b>6 284</b>

As mentioned above, there are also responsibilities assumed for the execution of infrastructure of PIS III lands, estimated in about 10 180 thousand euros.

#### *iii) Employees at service*

Throughout the semester ended in June 2012 and the year 2011, the average number of employees at service (in the company and in all affiliates) was 19 920 and 20 109, respectively.

#### *iv) Fees and services performed by the Statutory Auditor (ROC)*

The fees of the Statutory Auditors of the Companies from PARPÚBLICA Group on the first semester of 2012 were the following:

- Statutory Audit – 1 245 thousand euros;
- Other assurance services – 244 thousand euros.

## **APPROVAL OF THE FINANCIAL STATEMENTS**

The present financial statements were approved for issue in the Board of Directors' meeting on 31 August 2012, being their opinion that they present a complete, true, timely, clear, objective and licit view of the operations of PARPÚBLICA Group, as well as of its financial position as at 30 June 2012 and of its performance and cash-flows in the first semester of 2012 in compliance with the International Financial Reporting Standards as adopted in the European Union.

### ***Board of Directors***

**Joaquim José de Oliveira Reis**  
***Chairman***

**Carlos Manuel Durães da Conceição**  
***Director***

**José Manuel Pereira Mendes Barros**  
***Director***

**Fernanda Maria Mouro Pereira**  
***Non-Executive Director***

**Pedro Soares Vasquez**  
***Non-Executive Director***

**Pedro Miguel Nascimento Ventura**  
***Non-Executive Director***

**Mário Alberto Duarte Donas**  
***Non-Executive Director***