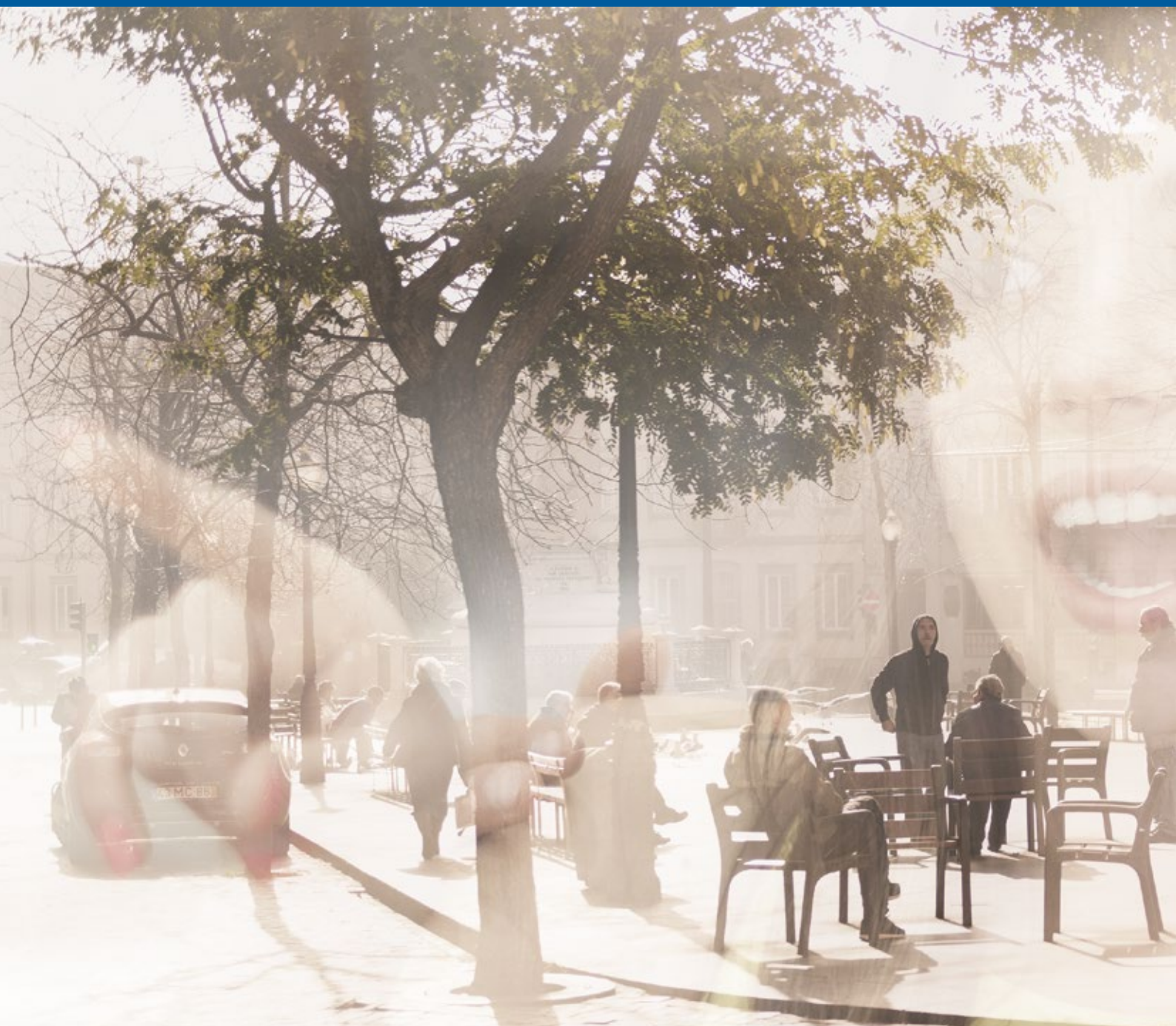


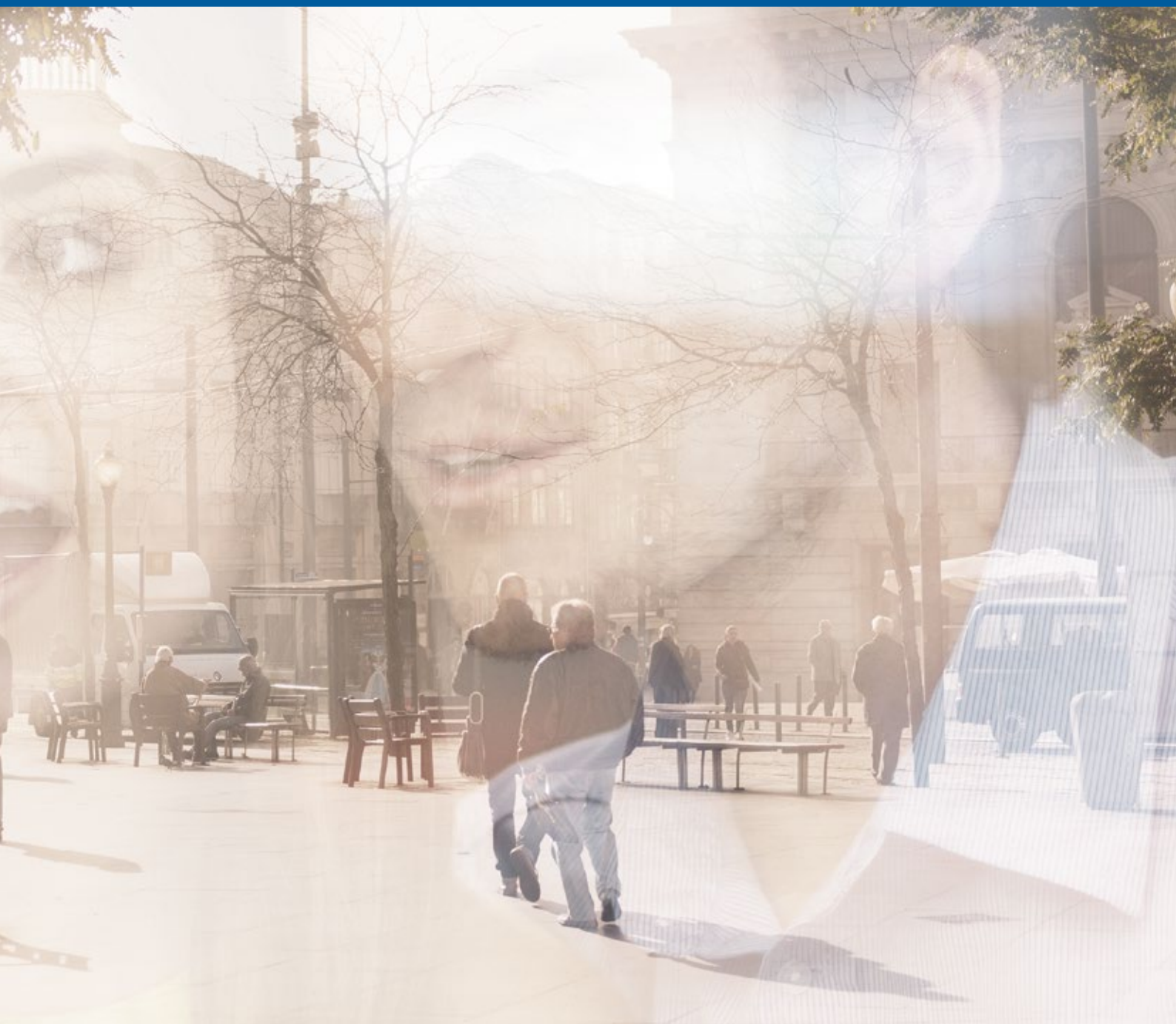


# ANNUAL REPORT 2015





# SUSTAINABILITY REPORT





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## MESSAGE FROM THE CHAIRMAN







# Ø1

**In fact, 2015 has been a very complicated year from an institutional and strategic point of view**

The current Executive Committee took office on 25 January 2016 and thereby have the responsibility of drawing up the report and accounts in spite of not being in office last year. In view of these circumstances, drawing up this report puts us in a delicate situation. The same principle applies also to the chairman's message. We have tried to make this report as descriptive and impartial as possible. Nevertheless, it is not possible to conceal some influence or opinion regarding the decisions that were made.

As a result of the orientation of the supervisor from that time, we have given special attention to a process in 2015, which involved the planning and launch of a call for tenders in view of the sub-concession of the operation and maintenance of the STCP network. Tendering and contracting decisions – which first occurred with the TMB/Moventis Consortium and afterwards with the Alsa company – failed in both cases and were essential in the financial year under review.

This STCP sub-concession operation, which could have shattered a noble example of decades of public transport service and was aiming towards a completely private business model, involved a significant number of the company's managerial staff. The managerial staff, without prejudice and demonstrating excellent professionalism, worked on sub-concession technical dossiers – however, the scenario of uncertainty and fear increased in regards to the future. As anticipated, there were negative consequences concerning social harmony, climate of understanding, and cooperation with workforce representative bodies.

At the end of the year, due to flaws in the sub-contracted process of the private investor, the Portuguese Government as a supervisor and the company's single shareholder informed that the STCP would remain a public service and its operation and maintenance would continue to be completely ensured, everyday, by its managers. This year, the current Board of Directors confirmed the flaws in the process and cancelled the contract with the private investor.

After ensuring the stability of STCP as a public service, the Government and regional authorities of the Porto District served by STCP have been working together to define a management model, which involves the latter in the management of the company. The well-defined objectives are: ensuring the best possible service to citizens and restoring customer confidence.

In fact, 2015 has been a very complicated year from an institutional and strategic point of view. Additionally, in terms of operational aspects, there were various constraints that generated instability and a reduction in effectiveness regarding the provided services. STCP cannot hire new employees due to restrictions imposed by the Portuguese Government, which, associated with the expected and natural retirement of a substantial number of employees, caused a supply reduction of over one million kilometres – about 6%. At the same time, the above-mentioned labour issues have done nothing to the necessary absenteeism reduction, especially in terms of strikes. These combined factors caused a decline in demand of 7.1% in 2015 with impact on performance indicators and revenue reduction.





**We highlight the positive reference to the three lines of the STCP tramcar, which have demonstrated a good performance. In fact, year after year, these lines attract attention not only from Portuguese citizens but also from tourists, increasing the number of passengers.**

The operating results were negative 21.4 million euros, presenting a worsening of 13.3 million euros compared to 2014. Nevertheless, thanks to a sound financial performance that improved by 36.5 million euros, the financial year of 2015 ended with an improved net result of 42%, decreasing to a negative 31 million euros.

We highlight the positive reference to the three lines of the STCP tramcar, which have demonstrated a good performance. In fact, year after year, these lines attract attention not only from Portuguese citizens but also from tourists, increasing the number of passengers. In 2015, this service had 460 thousand customers, over 10% compared to the previous year, which contributed a significant value to the company's revenues.

Another highlight was the reopening of the STCP Tramcar Museum last year following restoration works and readjustment of structural safety and functional conditions. After three years of closure, the Tramcar Museum, due to its unique characteristics and assets quality, now includes a new permanent collection and exhibition areas, establishing itself as a relevant tourist centre in Porto and Portugal.

To conclude, we want to leave a positive message regarding the reason for our existence to STCP's workforce and also to our customers. The service of public transport both by bus and tramcar is guaranteed by the permanent staff of STCP, and it has also ensured the mission and goals of these services, which are part of an almost 150 year heritage. This is the turning point towards recovery. We will restore the capacity to respond to the company's needs, namely by gradually integrating new drivers, which has been the case since October 2015. We will also restore stability, consolidating a standard of reference in providing public services by working together with the local authorities in a management model. But, above all, we will restore service quality and the confidence of customers in our company and also the pride of being part of STCP.

**Jorge Moreno Delgado**

**Chairman of the Board of Directors**





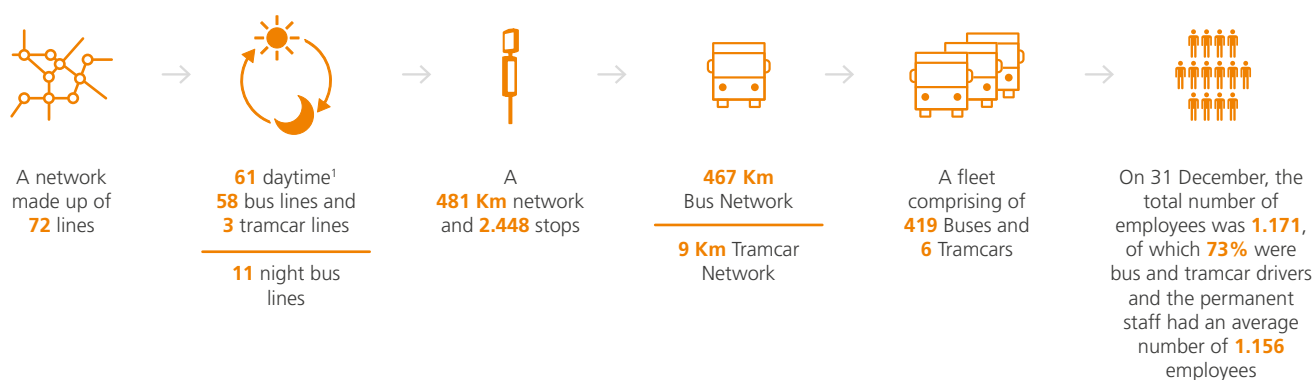
YEAR OF 2015



# Ø2

## 2.1. PRESENTATION OF THE COMPANY

- › It is a **100%** state-owned public-limited company
- › It is the main urban public passenger transport provider within the Porto Metropolitan Area with **69.2 million** passengers carried in the last financial year
- › It serves about 900 thousand residents of **33 parishes** and the **6 following municipalities**: Matosinhos, Maia, Valongo, Gondomar, Vila Nova de Gaia and Porto
- › On 31 December STCP operated:



### › In the financial year of 2015, STCP:

Completed **20.6 million** kilometres

Carried **233 thousand** passengers each weekday, on average

Generated a turnover of **44.9 million** euros

Presented a negative EBITDA<sup>2</sup> in the amount of **4.4 million** euros and a negative operational result of **21.4 million** euros

<sup>1</sup> 36 have nocturnal services.

<sup>2</sup> Results before depreciation, finance expenses and taxes, provisions, reversals, impairments, fair value variations, compensation for termination of contracts of employment, and operational leasing of financial component.

## 2.2. KEY EVENTS

DATE	EVENT
02 March	Route change in line 206, with new bus stop at Passeio Alegre
16 May	Night of Museums: Tours in tramcars during the night with actors
23 May	XXV Parade of historical tramcars
29 May	Annual General Meeting of STCP, S.A.
May and June	Special services provided to events such as Queima das Fitas, NOS Primavera Sound, Serralves Foundation non-stop party, and St. John celebrations
09 June	Publication in the Official Journal of Portugal of Decree-Law no. 52/2015 approving the legal system for public passenger transport services
10 June	Tramcar Museum participation in the event "Das Tripas Coração" celebrating 600 years since the Portuguese Period of Discoveries, sponsored by the Oporto City Council
12 and 13 June	Organisation of "Portugal Market" which took place in the area outside the Tramcar Museum
17 June	Statement from the Metropolitan Authority of Oporto Transports about an amendment in the bonds held by the STCP, under the Automobile Transport Regulation, regarding the granted routes of operation between the Portuguese Government and STCP, ruled by the same contractual framework
29 June	STCP collaboration in the logistics of "40 <sup>th</sup> IATM CONFERENCE" held by the International Association of Transport and Communication Museums, presenting "The Tramcar's Role in the Evolution of the City of Porto – A Vehicle for Pleasure and Labor"
31 July	The Memorandum of Understanding between the Portuguese Government and the Oporto Municipality intended to encompass and decide on questions that were still pending between the Portuguese government and/or government companies and the mentioned municipality
01 Oct.	Route extension to the Lionesa business centre and new timetable for 505 line
26 Oct.	Sub-concession contract of buses signed for a period of 10 years with the company Alsa, subject to examination by the Court of Auditors for its prior approval
October	Hiring of 30 drivers
October	STCP joined the National Day for Breast Cancer Prevention – drivers wear a pink t-shirt
Nov.	Hiring of 15 drivers
27 Nov.	Official reopening ceremony of the Tramcar Museum
06 Dec.	Christmas circus promoted by the Sports and Cultural Centre of the STCP and Oporto Metro workforce
December	Hiring of 15 drivers
18 Dec.	Tribute ceremony to workers who completed 25 years of service
28 Dec.	Parliamentary Assembly Resolution no. 145/2015 of 11 December, recommends the Government to abolish and reverse the sub-concessions transport system of the STCP, S.A. and Metro do Porto, S.A.



## 2.3. ACTIVITY EVOLUTION

### 2.3.1. Indicators

ACTIVITY KEY INDICATORS [1]	UNIT	2012	2013	2014	2015	15-14	%
<b>DEMAND AND REVENUE</b>							
<b>Bus</b>							
Passengers	10 <sup>3</sup>	93,399	80,035	74,043	68,700	-5,343	-7.2%
Passengers km	10 <sup>3</sup>	347,830	293,476	270,632	251,871	-18,761	-6.9%
Average journey per passenger	km	3.72	3.67	3.66	3.67	0.01	0.3%
Transport service revenue [2]	10 <sup>3</sup> €	49,443	45,632	44,715	41,426	-3,290	-7.4%
<b>Tramcar</b>							
Passengers	10 <sup>3</sup>	362	387	414	457	43	10%
Passengers km	10 <sup>3</sup>	582	605	666	745	80	12%
Average journey per passenger	km	1.61	1.56	1.61	1.63	0.02	1.3%
Transport service revenue [2]	10 <sup>3</sup> €	449	570	690	848	158	23%
<b>Total STCP</b>							
Passengers	10 <sup>3</sup>	93,761	80,421	74,457	69,157	-5,300	-7.1%
Passengers km	10 <sup>3</sup>	348,413	294,081	271,298	252,617	-18,681	-6.9%
Average journey per passenger	km	3.72	3.66	3.64	3.65	0.01	0.2%
Transport service revenue [2]	10 <sup>3</sup> €	49,892	46,202	45,405	42,274	-3,132	-6.9%
<b>SUPPLY</b>							
<b>Bus</b>							
Vehicles km	10 <sup>3</sup>	25,616	23,341	21,713	20,460	-1,253	-5.8%
Seats km	10 <sup>3</sup>	2,300,922	2,114,507	1,979,573	1,876,416	-103,157	-5.2%
Occupancy rate	%	15.1%	13.9%	13.7%	13.4%	-0.2 pp	-1.8%
<b>Tramcar</b>							
Vehicles km	10 <sup>3</sup>	115	116	111	111	0	-0.3%
Seats km	10 <sup>3</sup>	4,846	4,863	4,669	4,655	-14	-0.3%
Occupancy rate	%	12.0%	12.4%	14.3%	16.0%	1.8 pp	12%
<b>Total STCP</b>							
Vehicles km	10 <sup>3</sup>	25,731	23,457	21,824	20,571	-1,253	-5.7%
Seats km	10 <sup>3</sup>	2,305,768	2,119,370	1,984,242	1,881,072	-103,171	-5.2%
Occupancy rate	%	15.1%	13.9%	13.7%	13.4%	-0.2 pp	-1.8%
<b>OPERATIONAL PERFORMANCE [1]</b>							
Transport service revenue [2]	10 <sup>3</sup> €	49,892	46,202	45,405	42,274	-3,132	-6.9%
Revenue/passenger	cents €	53.2	57.5	61.0	61.1	0.1	0.2%
Revenue/passenger km	cents €	14.3	15.7	16.7	16.7	0.00	-0.01%
Revenue/seat km	cents €	2.16	2.18	2.29	2.25	0.0	-1.8%
Operational expenses [3]	10 <sup>3</sup> €	59,790	55,600	51,583	49,350	-2,233	-4.3%
Operational expense/passenger	cents €	63.8	69.1	69.3	71.4	2.1	3.0%
Operational expense/passenger km	cents €	17.2	18.9	19.0	19.5	0.52	2.7%
Operational expense/seat km	cents €	2.59	2.62	2.60	2.62	0.0	0.9%
Coverage rate [2]/[3]	%	83.4%	83.1%	88.0%	85.7%	-2.36 pp	-2.7%
<b>PROFIT AND LOSSES</b>							
Operational results	10 <sup>3</sup> €	-10,170	-6,425	-7,858	-21,140	-13,282	-169%
Financial results [4]	10 <sup>3</sup> €	-63,215	-8,758	-46,976	-10,465	36,510	78%
Net results [4]	10 <sup>3</sup> €	-73,439	-15,224	-54,847	-31,617	23,230	42%
EBITDA (management) [5]	10 <sup>3</sup> €	4,432	5,774	1,406	-4,419	-5,825	-414%

[1] Data from operation contracts (subcontracted services), void as of 13 October.

[2] Includes social season ticket compensation (Social A+), VAT net values.

[3] Operational expenses without depreciation, provisions, reversals, impairments, fair value changes, operational leasing of financial component, and compensation for termination of contracts of employment.

[4] Includes fair value variations and SWAPS interest.

[5] Results before depreciation, finance expenses and taxes, provisions, reversals, impairments, fair value variations, compensation for termination of contracts of employment, and operational leasing of financial component.





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### 2.3.2. Demand and Revenue

#### Demand

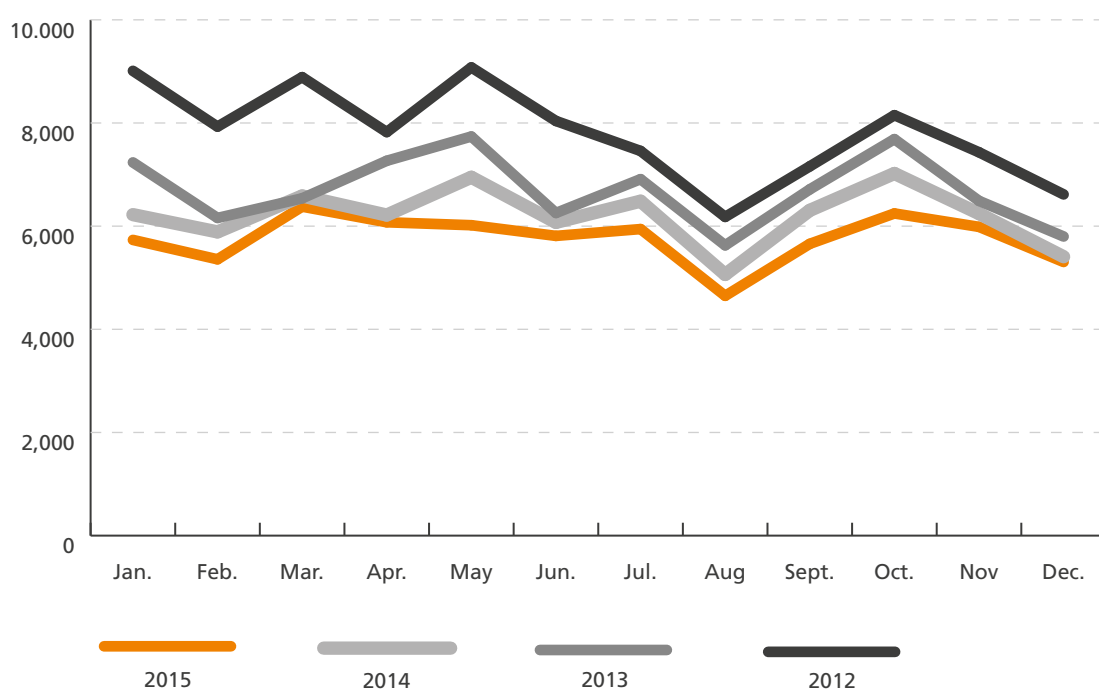
STCP carried 69.2 million passengers in 2015, 5.3 million less (-7.1%) than the previous year.

DEMAND	UNIT	2012	2013	2014	2015	15-14	%
<b>IN-HOUSE PRODUCTION</b>							
Passengers	10 <sup>3</sup>	85,062	78,675	74,457	69,157	-5,300	-7.1%
Passengers km	10 <sup>3</sup>	307,643	284,882	271,298	252,617	-18,681	-6.9%
Average journey per passenger	km	3.62	3.62	3.64	3.65	0.01	0.2%
<b>BUS SUBCONTRACTED PRODUCTION</b>							
Passengers	10 <sup>3</sup>	8,699	1,746	0	0		
Passengers km	10 <sup>3</sup>	40,769	9,198	0	0		
Average journey per passenger	km	4.69	5.27	N.A.	N.A.		
<b>TOTAL STCP</b>							
Passengers	10 <sup>3</sup>	93,761	80,421	74,457	69,157	-5,300	-7.1%
Passengers km	10 <sup>3</sup>	348,413	294,081	271,298	252,617	-18,681	-6.9%
Average journey per passenger	km	3.72	3.66	3.64	3.65	0.01	0.2%

The bus services are responsible for this collapse in the results due to non-compliance in terms of the planned supply, staff deficit, and increase of supply in other companies with the intermodal-fare pricing competing with the STCP network. In addition, the high level of unemployment in this region also influenced these results.

In contrast, the tramcar represents 0.7% of the global demand and it clearly has a touristic dimension with an increase of passengers of 10.5% (+43 thousand passengers).

Monthly passengers (thousands)





## Passengers by fare pricing and tickets

PASSENGERS	UNIT	2012	2013	2014	2015	15-14	%
<b>FARE PRICING</b>							
Intermodal fare pricing	10 <sup>3</sup>	46,618	65,928	62,620	58,687	-3,932	-6.3%
Single mode fare pricing	10 <sup>3</sup>	47,143	14,493	11,837	10,470	-1,367	-12%
% Intermodal fare pricing	%	50%	82%	84%	85%	0.8 pp	0.9%
<b>TICKET</b>							
Season tickets	10 <sup>3</sup>	74,842	63,695	58,841	54,278	-4,563	-7.8%
Occasional tickets [1]	10 <sup>3</sup>	15,711	13,847	12,913	12,169	-744	-5.8%
Tickets sold on board	10 <sup>3</sup>	3,208	2,879	2,703	2,710	7	0.3%
<b>PASSENGERS</b>	10 <sup>3</sup>	<b>93,761</b>	<b>80,421</b>	<b>74,457</b>	<b>69,157</b>	<b>-5,300</b>	<b>-7.1%</b>

[1] Daily and special tickets are included.

Passengers with intermodal fare pricing fell by 6.3%, 3.9 million passengers less compared to 2014. This fare pricing model was used by 85% of passengers, around 58.7 million validations.

Season tickets were used by about 78% of passengers, recording a 7.8% decrease with 4.6 million passengers less compared to 2014.

The tickets sold on board changed its negative trend in 2015 compared to previous years, increasing by 0.3%.

## Revenue resulting from transport service

Revenue from 2015 follows the demand reduction, reaching 42.3 million euros, which represents a decline of 3.1 million euros (-6.9%) compared to 2014.

In 2015 there were no price rises regarding the pricing of the fare.

REVENUE [1]	UNIT	2012	2013	2014	2015	15-14	%
In-house production	10 <sup>3</sup> €	45,010	45,166	45,405	42,274	-3,132	-6.9%
Bus subcontracted services	10 <sup>3</sup> €	4,882	1,036	0	0		
<b>Total STCP</b>	10 <sup>3</sup> €	<b>49,892</b>	<b>46,202</b>	<b>45,405</b>	<b>42,274</b>	<b>-3,132</b>	<b>-6.9%</b>

[1] Includes social season ticket compensation (Social A+), VAT net values.

## Revenue per Fare Pricing and by type of Tickets

REVENUE [1]	UNIT	2012	2013	2014	2015	15-14	%
<b>FARE PRICING</b>							
Intermodal fare pricing	10 <sup>3</sup> €	23,652	36,048	36,126	33,331	-2,795	-7.7%
Single mode fare pricing	10 <sup>3</sup> €	26,240	10,154	9,280	8,943	-337	-3.6%
% Intermodal fare pricing	10 <sup>3</sup> €	52.5%	79.8%	79.6%	78.8%	-0.7 pp	-0.9%
<b>TICKET</b>							
Season tickets	10 <sup>3</sup> €	30,891	29,081	28,966	26,287	-2,679	-9.3%
Occasional tickets [2]	10 <sup>3</sup> €	13,569	12,233	11,723	11,257	-467	-4.0%
Tickets sold on board	10 <sup>3</sup> €	5,432	4,888	4,716	4,730	14	0.3%
<b>Revenue [1]</b>	10 <sup>3</sup> €	<b>49,892</b>	<b>46,202</b>	<b>45,405</b>	<b>42,274</b>	<b>-3,132</b>	<b>-6.9%</b>

[1] Includes social season ticket compensation (Social A+), VAT net values.

[2] Includes daily and specials.

Season tickets corresponded to nearly 62% of the total revenue, 11% represented tickets sold on board and the remaining 27% corresponds to occasional tickets.

Intermodal revenue reached 79% of the revenue in 2015, about 0.7 p.p less. than in 2014.

The tramcar, operating a tourist service recorded a 23% rise in revenue, representing 2% (848 million euros) of the total revenue.

### Sales Network

At the end of 2015, there were 859 points of sale where passengers could add tickets to their travel card in various councils served by STCP.

In effect from 1 July 2015 with the integration of STCP service offices located in Bom Sucesso, in the Andante shops network, STCP no longer has its own service offices.

### Ticket Inspection

In May, a new contract was concluded with a new service provider for ticket inspection.

In 2015, the journey inspection rate was 2.9% and the passenger inspection (1.2%) was measured by the ratio between inspected passengers and the total number of passengers. Fare evasion rate detected by the control staff was 0.42%, 3.489 infringement notices were issued.

## 2.3.3. Supply

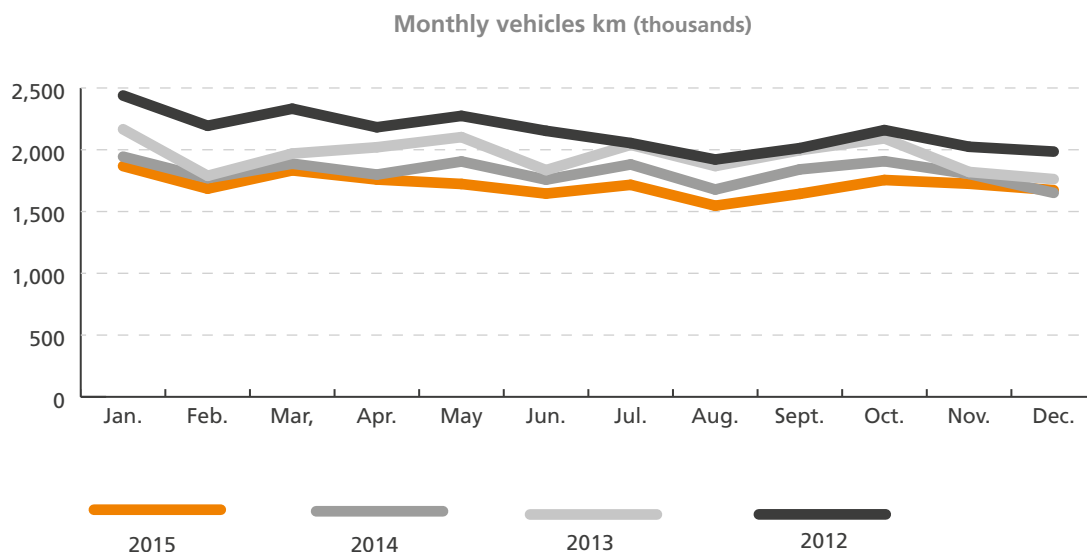
STCP's supply hit 20.6 million vehicles km in 2015, demonstrating a reduction of 5.7% (-1.3 million vehicles km) compared to 2014.

SUPPLY	UNIT	2012	2013	2014	2015	15-14	%
<b>IN-HOUSE PRODUCTION</b>							
Vehicles km	10 <sup>3</sup>	22,826	22,655	21,824	20,571	-1,253	-5.7%
Seats km	10 <sup>3</sup>	2,080,154	2,054,399	1,984,242	1,881,072	-103,171	-5.2%
Hours	10 <sup>3</sup>	1,468	1,446	1,397	1,309	-88	-6.3%
Average capacity	Seats	91.1	90.7	90.9	91.4	0.5	0.6%
Average speed	km/h	15.6	15.7	15.6	15.7	0.09	0.6%
Occupancy rate	%	14.8%	13.9%	13.7%	13.4%	-0.2 pp	-1.8%
<b>SUBCONTRACTED BUS SERVICES</b>							
Vehicles km	10 <sup>3</sup>	2,905	802	N.A.	N.A.		
Seats km	10 <sup>3</sup>	225,614	64,971	N.A.	N.A.		
Average capacity	Seats	78	81	N.A.	N.A.		
Occupancy rate	%	18.1%	14.2%	N.A.	N.A.		
<b>TOTAL STCP</b>							
Vehicles km	10 <sup>3</sup>	25,731	23,457	21,824	20,571	-1,253	-5.7%
Seats km	10 <sup>3</sup>	2,305,768	2,119,370	1,984,242	1,881,072	-103,171	-5.2%
Average capacity	Seats	89.6	90.4	90.9	91.4	0.5	0.6%
Occupancy rate	%	15.1%	13.9%	13.7%	13.4%	-0.2 pp	-1.8%

In spite of the planning of transport service in 2015 not registering a significant decrease in comparison with the previous year, the decline in the provided service was the main caused by operating difficulties, which led to non-compliances regarding planned journeys.

In 2015, the tramcar represented 0.5 of the total supply.





### Compliance rate of journeys of in-house production

JOURNEY COMPLIANCE RATE	2012	2013	2014	2015	15-14	%
Planned bus journeys [1]	2,075,274	2,083,561	2,056,633	2,036,178	-20,455	-1.0%
Lost bus journeys [2]	16,937	50,842	98,851	177,149	78,298	79.2%
Bus journey compliance rate	99.2%	97.6%	95.2%	91.3%	-3.9 pp	-4.1%
Planned tramcar journeys [3]	45,018	43,201	35,791	30,508	-5,283	-14.8%
Lost tramcar journeys [3]	1,395	1,477	1,927	3,501	1,574	81.6%
Tramcar journey compliance rate	96.9%	96.6%	94.6%	88.5%	-6.1 pp	-6.4%

[1] Source: Operation Department (Operation Assistance and Information System).

[2] Source: Operation Department (Integrated System of Occurrence Reporting), excluding strike days and/or plenaries.

[3] Source: Tramcar Unit.

The compliance rate of journeys made by bus was 91.3%, recording a 3.9 p.p. drop in comparison to 2014. Around 85% of the lost journeys were due to drivers and 10% to missing drivers on that day.

The compliance rate regarding tram journeys was 88.5%, which was 6.1 p.p. lower than the value recorded in 2014. Around 46% of loss journeys were due to lack of employees and 10% due to illegal parking.

### Network Detours

STCP route detours result mainly from sports, social or cultural events, and road works within the districts where STCP runs its network. Despite detours having increased to 286-39 more than in 2014, their average duration fell.

### Road Accident Rate

In 2015 a rate of 54 accidents per million kilometres travelled was recorded, while in 2014 this rate was 38, thus, representing an increase of 42%. The overall number of accidents reached 1.114.



DETOURS	2012	2013	2014	2015	15-14	%
Works on public roads	170	169	144	169	25	17%
By events	80	97	103	117	14	14%
Number of detours	250	266	247	286	39	16%
Average detours duration (days)	16	12	7	5	-2	-29%

## Free Road Operation

STCP performed free road operation resulting from a protocol signed with the Porto City Hall and also in partnership with the Porto Municipal Police, which took action to prevent illegal parking in order to improve traffic flow and contribute to more efficient public transport.

In addition, under this protocol, a group work comprised of three entities has been developing solutions to improve traffic flow in general.

In 2015, this operation had the following results:

FREE ROAD OPERATION	2012	2013	2014	2015	15-14	%
Penalty Charges	3,309	4,433	3,918	3,812	-106	-2.7%
Vehicle Clamping	210	286	86	43	-43	-50%
Tow-away Removals	201	284	83	48	-35	-42%
Corrective Measures	3,720	5,003	4,087	3,903	-184	-4.5%

## Bus Lanes

Bus lanes are available to STCP circulation represents only 5% of the total STCP network and run mostly across the city of Porto. In 2015 there were 24.135 metres of Bus lanes, 1.045 (4.3%) of these lanes are only to define bus stop areas.





## SUSTAINABLE DEVELOPMENT REPORT

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movido a gás natural

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# Ø3

**Over the past few years, STCP has maintained its commitment with Union Internationale des Transports Publics (UITP) concerning the area of sustainability and is Full Signatory Member of the Charter on sustainability by UITP.**

Since 2006, it is been common practice of the STCP to include sustainability issues in its Annual Report and Accounts. This approach has significant advantages by highlighting sustainability issues in the context of entrepreneurial activity reporting thus, giving particular emphasis to both social and environmental matters.

This chapter about sustainable development includes economic, social, and environmental indicators (extensively discussed in Chapter 4. and 5). The preparation of these chapters was based on the Global Reporting Initiative guidelines (GRI G3) that illustrate the performance and corporate practices in the area of sustainability, such as promoting transparency of sustainability activities and providing relevant information to different interest groups – Customers, Employees, among others.

Additionally, there is a disclosure regarding the development of principles, practices, and initiatives that intend to improve the company in terms of economic, environmental, and social impact.

Over the past few years, STCP has maintained its commitment with Union Internationale des Transports Publics (UITP) concerning the area of sustainability and is Full Signatory Member of the Charter on sustainability by UITP. This membership is voluntary and aims to ensure that its members apply the best sustainable practices and always strive to improve their activities.

These commitments of the STCP as the public transport service provider in the Porto Metropolitan Area are referred in its mission and quality policy, environmental responsibilities, and occupational safety and health (item 4.1).





### 3.1. INTEGRATED SYSTEM OF MANAGEMENT – QUALITY, ENVIRONMENT, AND OCCUPATIONAL SAFETY AND HEALTH

Since 2008, STCP has been certified with the Integrated Management System in the following legal benchmarks:

- › NP EN ISO 9001:2008 – Quality Management Systems.
- › NP EN ISO 14001:2012 – Environment Management Systems.
- › OHSAS 18001:2007/NP 4397:2008 – Security and Health at Work Management Systems.

The three-year cycle certification ends in December

2017. All STCP facilities and activities are covered by these certifications, except those related to the Tram Museum and deactivated facilities.

In the course of more than 100 years of business activity, STCP has always taken full responsibility towards the Community by providing a public service to transport passengers. These certifications demonstrate STCP's intention to have a dominant position among the passenger's transport providers and promote sustainable transport from the point of view of the environment and the safety of its employees.



#### Quality Management

As STCP almost signed a sub-concession contract regarding the bus service, which at the end did not happen, the year of 2015 has no quality management events to report.

#### Internal Audit and Annual Follow-up Audits

STCP ensured internal audits with its own human resources by using the auditing portfolio.

In the fourth quarter of 2015, there was an audit regarding the management system certifications in the areas of quality, environment, and safety and health at work performed by a certifying body, which determined the management system of STCP was in compliance with the standards on the certificates.

Externally, STCP has actively and permanently contributed for a decade, to the preparation of specification standards of public passenger transport by participating in the Portuguese Technical Committee for Standardisation – CT 148 (Transport, Logistics, and Services), which has been chairing for years. STCP collaborated and chaired a thematic session on transport quality, integrated into the 2º Fórum SPQ

Expo 2015/40th Quality Colloquium, organised by APQ – Portuguese Association for Quality and IPQ – Portuguese Quality Institute on 12-13 November 2015.

CT 148, as a technical standardisation body, is responsible for the preparation of normative documents as well as normative advice and opinion at the national level, working closely with the European standardisation body. This technical standardisation entity operates in the passenger transport domain, as well as goods, logistics, and parking lots. This Committee is represented by the major stakeholders in these areas at the national level, transport operators, logistics operators, consumer representatives, certification bodies, professional associations and transport-related companies.

#### Environmental Management

Environmental management-related issues are dealt with in item 3.4..

#### Safety and Health at Work Management System

Security and health at work management-related matters are referred to in item 3.5..

### 3.2. RESPONSIBILITY FOR CUSTOMERS

STCP's responsibility for customers is one of the main commitments of the policy of quality, environment, and safety and health at work, which implies:

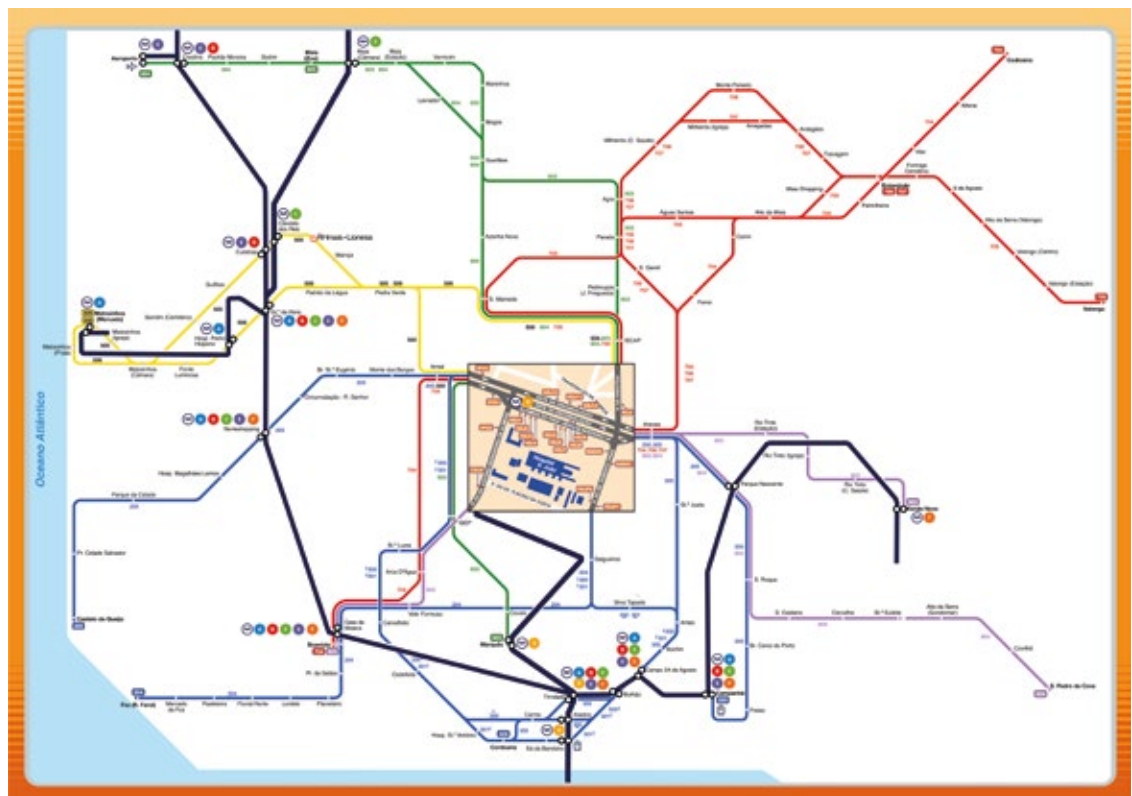
- › Follow demand evolution and ensure suitable supply;
- › Improve compliance with scheduled services despite external constraints;
- › Fulfil the duty of timely information on network, timetables, and fare pricing;
- › Accept suggestions and complaints, carry out analysis of them and pursue a number of feasible corrective measures;
- › Provide a high and consistent quality of services, characterised by safety, reliability, and kindness following an adequate policy based on training courses provided for the staff;
- › Give a quick and attentive response to meet impaired passengers' needs by expanding their mobility conditions and access to information.

In 2015, the planning regarding all STCP activities was stabilised as there was a strategy that involved a sub-concession contract of bus operations. Therefore, the commitments towards customers were kept concerning quality, environment, and safety and health at work policies, as well as the transport network to the public made up of 72 lines of public service, 69 bus lines and 3 tramcar lines, and a daily 24-hour service operating 365 days a year was delivered.

We have to point out the improvement on the 505 line to serve the Lionesa Business Centre, where new services were relocated and there was a lack of public transport service. In addition, there was a change in the 202 line in order to improve the connection between the Passeio Alegre area and Boavista in Porto.

After obtaining approval to hire new drivers, a program was initiated in September to hire new bus and tramcar drivers to address the lack of staff observed in the company with the goal of ensuring the planned service.

#### Lionesa Business Centre – network connections using line 505



### 3.2.1. Social Service

STCP has always had and defended a social service supply by ensuring mobility to areas at times with no commercial interest.

An estimate of the social service cost is presented in the table below. It is based on the social service kilometres and the calculation of the single mode fare pricing deficit:

	UNIT	2012	2013	2014	2015	15-14	%
Vehicles km social service [1]	10 <sup>3</sup>	8,315	7,791	7,622	7,230	-393	-5.2%
% Vehicles km social service	%	32%	33%	35%	35%	0.2 pp	0.7%
Social tickets sold [2]	10 <sup>3</sup>	301	102	83	79	-3	-4.1%
% Fare pricing deficit	%	3.7%	0.03%	1.63%	2.00%	0.4 pp	23%
Estimate of social service cost	10 <sup>3</sup> €	18,736	15,933	15,062	13,882	-1,180	-7.8%
Vehicle cost km social service	10 <sup>3</sup> €	16,886	15,920	14,324	13,038	-1,286	-9.0%
Fare pricing deficit [3]	10 <sup>3</sup> €	1,850	13	738	845	106	14%

[1] Taking into account the late night network, night-time service, service running on Saturdays, Sundays and holidays, as well as Z lines.

[2] Considering quantities of single mode season tickets: Seniors, Retirees and Pensioners, Students and Young People.

[3] Taking into consideration the difference in price between normal season tickets and single mode season tickets designed for Seniors, Retirees and Pensioners, Students, and Young People after reduction of the value received from PAII – Social Assistance Programme for Seniors under the Protocol signed with Financial Management Institute of the Social Security.

### 3.2.2. Customer Satisfaction

#### Assessment of Customer Satisfaction

In 2015, the Customer Satisfaction Survey was not undertaken due to the sub-concession strategy of the bus lines that would have happened in the beginning of April, but did not occur.

Therefore, customer satisfaction in 2015 was analysed based on customer contacts such as complaints, suggestions, and comments.

#### Customer Complaints

.664 complaints were recorded, 36% more than the year before. This increase of 36% is mainly due to complaints regarding non-compliance with timetables, corresponding to nearly 87% of the total complaints. The complaints regarding employee behaviour, despite representing 8% of the complaints in 2015, showed a decline of 13%.

This evolution and noncompliance with the timetables were some of the indicators presented to the supervisor in order to be given authorisation to hire bus and tramcar drivers, which was staff that STCP was lacking to ensure the planned supply. In September, the hiring of drivers was initiated, which will continue beyond the year 2015.

Most of the complaints, 85%, were made through the helpline – STCP Blue Line, 5% were presented through formal written complaints recorded in the Complaints Book, and the remaining ones were made at the Sales Points or at the Post Office – CTT.

### 3.2.3. Communication and Information

#### STCP Site

The information search on our STCP site continued to grow in 2015 with an increase of 20% of visits compared to the previous years, reaching a monthly average of 240 thousand visits. The most common searches were about timetables and fare pricing of specific lines.

#### MOVE-ME App

The MOVE-ME App gathers real-time information on public transport operators in Porto and information about the planned supply of 13 private operators, allowing access to diverse information, including STCP SMSBUS and route calculations with real-time or planned timetables.

The demand for information on mobile platforms continued to show an exponential growth in 2015. Over 10 million timetables requests were made at STCP bus stops, threefold compared to the previous year. In addition, almost 110 thousand STCP route requests were made, doubling the results of 2014.

The STCP line timetable requests represented around 90% of the total requests on this App, while the STCP routes represented about 75% of the total.



	2014	2015	%	STCP/TOTAL
Number of requests for bus arrival times at local bus stops	3,002,148	11,109,104	270%	
Number of requests for bus arrival times at local bus stops ONLY STCP	2,711,707	10,060,538	271%	91%
Number of requests for route calculations	100,771	141,450	40%	
Number of requests for route calculations regarding STCP	69,160	107,586	56%	76%

## Social Media

Facebook recorded a growth of 10% in terms of likes of the page, exceeding 13,000 at the end of the year. The publication with the greatest reach was about involving the bus and tramcar drivers in the initiative of the Liga Portuguesa Contra o Cancro (Portuguese Cancer League) on 30 October. The publication of drivers wearing pink t-shirts had around 60,000 visualisations and more than 7,000 involved other actions such as comments, clicks, and sharing.

These moments when STCP engages with the community creates an increase of likes on the Facebook page, demonstrating that STCP's core values – social conscience – has an impact on the image and reputation of the company.

On the other hand, there was a rise of negative comments and evaluations in 2015 associated with non-compliance of the planned services. Nevertheless, these comments created an opportunity for the company to explain the issues in its operation and the corrective measures that are implemented to solve them, demonstrating by listening the deserved support for our customers.

STCP also shares on other social media like Twitter, Vimeo, Youtube, Slideshare, and Flickr, though to a lesser extent.

## SMSBUS

SMSBUS service of timetables in real-time through text messages maintained its downward trend compared to the previous year, around 29%. The total requests were around 270,000, corresponding to a monthly average of approximately 22,000 requests. However, other free of charge alternatives increased their numbers, such as the MOVE-ME App to check real-timetables, SMSBUS widget for the computer, and the STCP site.

## Electronic displays inside buses

In addition to generating revenues from advertising, the main function of the electronic displays was mainly to inform customers regarding last minute changes with significant geographical impact, such as routes detours, usually due to events with considerable impact on the roads.

These devices have also been used to give passengers educational and awareness information regarding the correct use of public transport or for the company's specific campaigns.

## Dynamic information displayed on screens

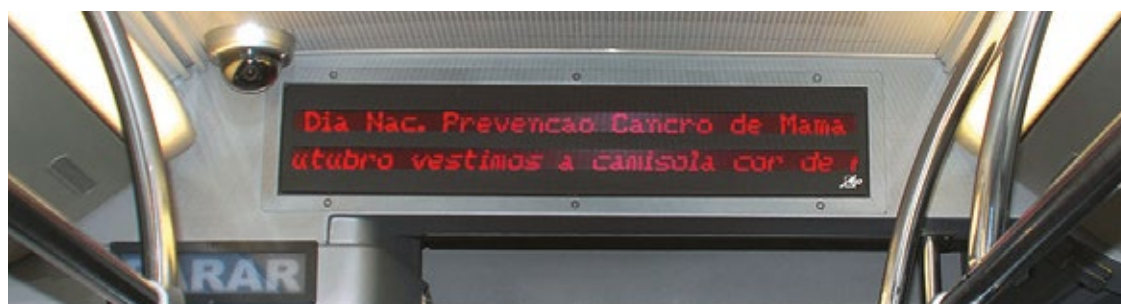
STCP keeps screens in operation installed at the four main light rail stations: Campanhã, Trindade, S. Bento, and Casa da Música.

## STCP Blue Line

In 2015, this helpline answered about 100 thousand telephone contacts, corresponding to approximately 320 calls per day, which represents a rise of 40% compared to the previous year. It also processed, or forwarded at the internal level, emails about questions, complaints, or suggestions of about 6,000 emails.

## Lost and Found Property

The Blue Line handled 4,119 cases and was able to deliver 68% of lost items to customers.



### 3.2.4. Projects



#### STCP integrates the Seamless Mobility project

In 2015, STCP continued to be a part of the Seamless Mobility pilot project, an innovative solution that intends to replace tickets to improve the operator's profitability and to provide real-time information on mobile phones. Included in this project are also consortium partners such as the Faculty of Engineering of the University of Porto, Novabase, Metro do Porto S.A., and Transportes Intermodais do Porto, ACE (TIP – Intermodal Transport of Porto). STCP, Metro do Porto, and TIP maintained their collaboration mainly in the functional description, scope definition, and pilot project logistics.

#### STCP provides Free Wi-Fi on buses

The success achieved among the users with this project, which involved the STCP and the company VENIAM, made them consider a solution to ensure continuity of service beyond the 6 month trial period. Therefore, there was a solution to maintain the service until June 2016 with a change regarding the operator that provides the communication.

It should be noted that it is a system completely developed in Portugal, which has turned the STCP into the first operator of urban public transport to provide Wi-fi on its bus fleet, supported by an innovative technology based on the unique trial of a vehicular network on this scale. For approximately 230 thousand daily STCP customers, this is a completely free service.

In addition to the extent and the coverage of the Wi-Fi network in Porto, the collection of large amounts of scientific data in the context of the Future Cities project will be used to develop knowledge regarding the internet of the future. This information is already being processed with Porto City Hall.

#### STCP prepares the reconnection of the Public Information Displays (PIP)

In 2015, STCP initiated the preparation works for PIP reconnection, which was turned off due to the need of recasting the equipment caused by a change in the communication system. This also changed the legislation associated with the electrical supply.

It is estimated that PIP will be reconnected during the year of 2016.

At the end of 2015, STCP had 56 PIP on public roads, 10 of which were installed during that year.

Distributed throughout the six municipalities served by the STCP network, this equipment is used to inform customers at the bus stops about the waiting time for the buses. Using this together with SMSBUS, GoBus, and MOVE-ME contributes to a more comfortable, efficient, and informed use of the public transport by passengers.



### 3.3. RESPONSIBILITY FOR THE COMMUNITY

Among STCP's reassured commitments to the policy of quality, environment, and safety and health at work, the following should be pointed out:

- › To promote ongoing communication and cooperation with external entities – notably, central and local institutions, trade associations, local governance authorities, and the general public.
- › To stand out by acting as a strong and effective deterrent to private car use through the promotion

of urban public passenger transport service that is high quality, safe, modern, and eco-friendly.

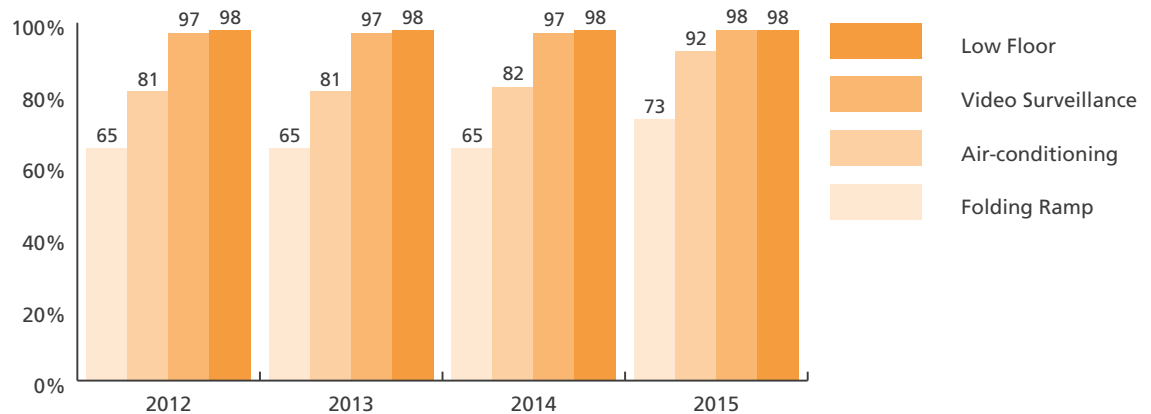
#### 3.3.1. Fleet

At the end of 2015, STCP's fleet was comprised of 419 buses, with an average life cycle of 13 years, and 6 historical tramcars that provide public service.

FLEET	2012	2013	2014	2015	% 2015
Diesel Vehicles	221	220	218	161	38%
Standard	173	172	170	118	28%
Articulated	20	20	20	20	5%
Minibuses	13	13	13	8	2%
Double-deckers	15	15	15	15	4%
Vehicles running on natural gas	254	254	256	258	62%
Standard	225	225	227	229	55%
Articulated	29	29	29	29	7%
Buses	475	474	474	419	100%
Tramcar	6	6	6	6	
Fleet	481	480	480	425	



Around 29% of the fleet vehicles, whose characteristics are shown in the table below, are integrated into EURO V and EEV standards.



Immobilisation rate of the bus fleet was 10%, +0.9 p.p. compared to 2014. There were 12.23 breakdowns per 10.000 km travelled, more 0.1% than the year previous year.

### 3.3.2. Community Engagement

#### 202 Line with a new bus stop at Passeio Alegre

On 2 March, STCP – working together with Porto City Hall – implemented an improvement on the 202 line with a new destination: Passeio Alegre. This new route created greater mobility between one of the oldest areas of Foz, close to the Passeio Alegre garden, and places such as the cemetery, market, Garcia de Orta Health Centre, Schools of Francisco Torrinha, Garcia de Orta, Clara de Resende and Fontes Pereira de Melo, bem como ao Estádio do Bessa e à Boavista. Ficam também facilitadas as ligações a outras linhas da Rua do Campo Alegre e Avenida da Boavista. The connection between other lines of the Rua do Campo Alegre and Avenida da Boavista are now easier.



### 505 line extended to the Lionesa Business Centre

On 1 October, the 505 line was extended to the Lionesa business centre to provide access to services and commercial premises. It should also be emphasised that this line provides a large transport network to São João Hospital and the metro stations of Cândido dos Reis and Custóias.

This new bus stop, for both directions, was installed close to the main entrance of the business centre. It was the materialisation of a long-desired request of employees and visitors. An information desk placed close to the business centre entrance provided customised information to all passengers.

### STCP joined the National Day for Breast Cancer Prevention

On 30 October, the bus and tramcar drivers took part in the National Day for Breast Cancer Prevention by wearing pink t-shirts. Around 700 STCP employees participated in this highly visible and national campaign by the Portuguese Cancer League promoted in various national public transport companies.

As part of STCP's strategy for Corporate Social Responsibility, the company welcomed the fact that its employees united for this cause and the Workers Committee immediately joined and made possible all the logistics involving t-shirt delivery starting at 5 a.m. before the buses left the parking lot.



Furthermore, the company provided information to the customers about Breast Cancer Prevention through flyers and messages on the displays. The Facebook page and company site pointed out this initiative to send a message to the wider public, which resulted in a lot of positive comments regarding STCP participation in this campaign.

### Collaboration with the academic community

#### Queima das Fitas 2015 academic festivities – special transport service

During the Queima das Fitas academic festivities, STCP once again provided special transport service from 3 to 10 May, including large vehicles and high frequency. Two shuttles were created to provide continuous night service between the Queimódromo and the centre of the city or the São João Hospital/Areosa. The trips between Trindade or São João Hospital and Queimódromo were planned according to the Queima das Fitas poster and the expected number of students each night.

The STCP shuttles hired by the Federação Académica do Porto – FAP (Academic Federation of Porto) are free of charge to students and also to those from previous years. This service, which had as a main objective student safety and accident prevention, received support from the PSP (Public Security Police), which demonstrates a strong sense of social responsibility from the event organisers.

#### Promotion of shows and cultural initiatives

During the year, there were various partnerships with college musical groups and several institutions to promote shows and cultural initiatives.

#### Junior University project

In 2015 STCP ensured once again the organisation of summer school programmes at the University of Porto by promoting the event in bus posters with information regarding faster and cheaper routes, as well as an appropriate ticket for each route and distribution of the suitable types.

#### Projects and academic works

Throughout the year, STCP gave attentive responses to several requests by supplying data and images, and authorising the capture of images under the scope of academic work and projects.

STCP cooperated in promoting on the company site and Facebook page a survey for a Ph.D. in Civil Engineering in FEUP (Faculty of Engineering of the University of Porto).



### Transport services to major events

#### **STCP was the official transport of "NOS Primavera Sound"**

STCP once again participated in *Nos Primavera Sound* to ensure public transport mobility to the major music festival of Porto, which took place in June.

This service was designed to allow faster and more comfortable travel between Parque da Cidade and downtown Porto with some intermediate bus stops, higher frequency, and timetables adjusted to the concerts.

During this special service for *NOS Primavera Sound*, a mobile Sale Point was available to sell tickets for the buses in the Cidade de Salvador square and a sale point of Andante tickets for bus and metro was also available at the festival facilities.

#### **Special STCP shuttle for Serralves Foundation Celebrations**

In addition to the usual service of 201, 203, 207, 502 and 504 lines, STCP did a special transport operation between Casa da Música e Serralves from 30 to 31 May to serve the population in the 12<sup>th</sup> edition of the Serralves Foundation Celebrations. The 2015 program included events in Serralves for 40 hours non-stop in the centre of Porto, on 29 May.

#### **São João (St. John) Celebrations**

STCP carried out special operations for the São João celebrations, in which several lines operated enhanced services all night long with high capacity, double-decks and articulated buses allocated for this purpose. A total number of 21 lines ran a night service until 6 a.m. covering the main points of the network in the city of Porto and the surrounding municipalities.

#### **NOS D'Bandada promotes Jorge Palma concert in STCP tramcar**

On 12 September, the 5<sup>th</sup> festival edition, NOS D'Bandada, returned to downtown Porto with a Jorge Palma concert on one of the STCP's tramcars. The concert was broadcasted from the tram along the route of line 22. Starting and ending in Carmo, the concert had stops in locations defined by the event organisers. This allowed the entry and exit of spectators that attended the show inside the tramcar between stops.





### 3.3.3. Promoting Safety on Public Transport

In 2015, STCP – through its own initiative – held a meeting with the Police Force of Porto in view of the establishment of cooperation involving responsive procedures in cases of insecurity in public transport in tramcars. The transport characteristics associated with its use mainly by foreign tourists sometimes causes inappropriate behaviours in some groups, which increases criminal incidents. Therefore, cooperation with the authorities intended to prevent these situations.

STCP maintains cooperation with various safety, criminal, and traffic authorities with which the company interacts through protocols and work groups. The goal is to find the best solutions to improve traffic flow, both in terms of criminal incidents and problems arising during passenger inspection.

PSP (Public Security Police) supported STCP's special service operations, ensuring boarding safety and paying special attention to bus routes.

In the context of civil protection, STCP was involved in several meetings with various municipal services, as part of its municipal emergency plans, and cooperated directly in two emergency exercises, one in Matosinhos and another in Maia.

During 2015 various emergency exercises were performed in the STCP vehicle collection facilities – Francos, Via Norte, and Massarelos – in order to assess the intervention ability in the case of an accident inside those facilities, where there are continuous activities.

### 3.3.4. Tramcar Museum

The Museum reopened on 28 November 2015 with two renovated spaces. One with a new and permanent exhibition of tramcars and the other comprised of the machine room in the old thermal power plant, where energy was produced for the tramcars of Porto, which is now a space that everyone can visit.

The Museum, which had been closed to public since the end of 2012 for restoration works, is located in the historic building of Massarelos, classified as a Municipal Heritage Site and having commemorated its 100<sup>th</sup> anniversary in 2015.

The Museum has a unique and valuable collection with approximately thirty vehicles, including historical tramcars. The machine room includes large panels where the energy supply control was made. These machines generated or transformed the electrical energy and there is also a replica of the museum.

The building now has a renovated space that can host events such as conferences and congresses with a capacity for 300 people, which can also be rented.

#### Official reopening of the Tramcar Museum

The reopening ceremony took place on 27 November with about 200 guests and members of the media.

The theme involving light, sound, and movement was the focal point of this event. The Tramcar Museum was decorated with a show of lights inside the building and also outside, accompanied by sound and movement in a dance show combined with jazz. A video was presented before a short speech from the Chairman of the Board of Directors of STCP. The building and equipment restoration was emphasised.

#### Project musealisation of the old thermoelectric power station of Massarelos

The musealisation project of the old thermoelectric power station of Massarelos partly-financed (around 70%) by QREN (National Strategic Reference Framework) – North Portugal Regional Operational Programme (ON2) reached approximately 1 million euros. It was concluded on June 2015.

Until May 2015, the restoration works were performed in the building of Massarelos, where the Museum is located. This work contract was aimed at fundamental safety conditions related to the roofs and slabs on the supports of the main building structures to allow it to be reopened to visitors that want to see the Museum's permanent exhibition.

The integrated works of the Musealisation Project of the old thermoelectric power station of Massarelos included interventions to conserve and restore the machines involved in energy production, as well as the General Monitoring Panel in the old machine room. These works were concluded on June 2015.

Furthermore, all interpretative and promotional materials were designed by the company regarding this project.

The EDP Foundation, through its programme "Illuminate the Heritage", supported STCP in developing the Musealisation project of the old machine room with its technical and scientific support, its promotion, and by providing a financial contribution of 41 thousand euros to support STCP's social financing. This is included in the musealisation of the machine room in the Musealisation project of the old thermoelectric power station of Massarelos.

#### Restoration works in the Museum support spaces

In addition to the actions taken during the above-mentioned project in Massarelos, structural changes were also organised in some of the visitor access and reception spaces of the Museum. In particular, a new architectural project inside the Museum, which resulted in expanded and upgraded spaces including a store, reception, cloakroom, WC's, educational service space, and improvements in the event room.

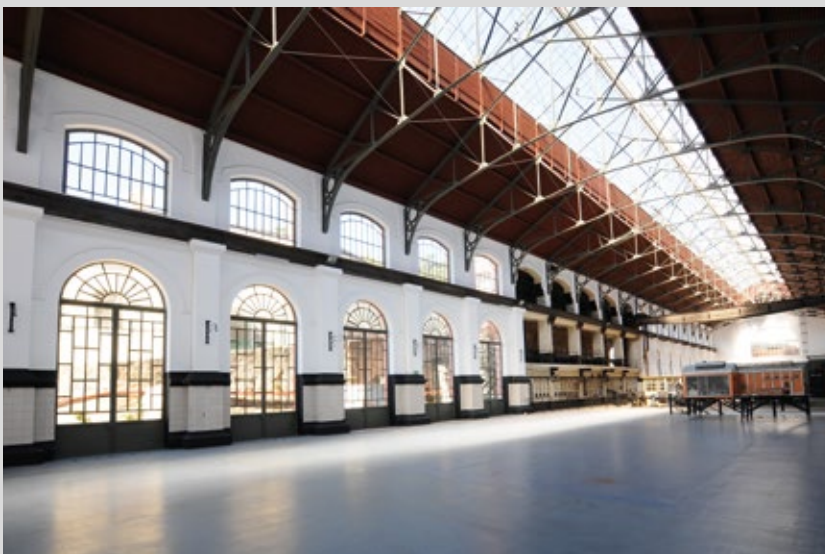
In 2016, the works will continue on non-restored areas, such as the birthday room.

THE INTEGRATED WORKS  
OF THE MUSEALISATION  
PROJECT OF THE OLD  
THERMOELECTRIC  
POWER STATION OF  
MASSARELOS INCLUDED  
INTERVENTIONS TO  
CONSERVE AND  
RESTORE THE MACHINES  
INVOLVED IN ENERGY  
PRODUCTION...

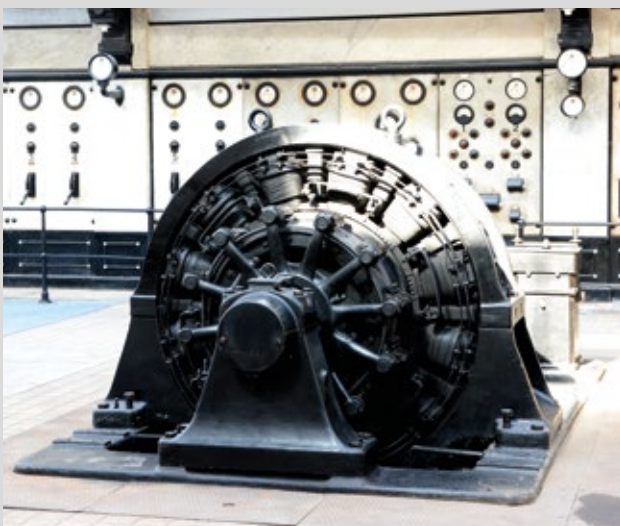








THE BUILDING NOW HAS A RENOVATED SPACE THAT CAN HOST EVENTS SUCH AS CONFERENCES AND CONGRESSES WITH A CAPACITY FOR 300 PEOPLE, WHICH CAN ALSO BE RENTED.







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## Activities for the public

Although the permanent exhibition of the Museum was closed until the end of November due to the restoration works, it was still possible during the year of 2015 to inform the public about the Museum through outdoor programmes. Tramcar trips with commentary and performances were made and also visits were organised to the building close to the Museum, where there were tramcars from the collection. The target audience was comprised of schools and various groups and associations. Additionally, the Tramcar leasing was maintained to touristic agencies/promoters or directly to companies and private persons.



The Birthdays programme was suspended due to the work in progress.

During 2015 various programmes have been agreed with Porto Lazer to organise events in the city, high-lighting "Volta ao Verão em 12 horas" and "A viagem de Sonhos".

Besides the number of visitors exceeding expectations in this low season period of tourism, there was also room hiring in the Museum in December in which the biggest highlight goes to the Réveillon in the Museum.

## Spotlight Events

**Night of Museums – "Museums for a Sustainable Society"** – This celebration on 17 May included a nocturnal journey on board a tramcar from the Museum's collection close to the Douro River with commentary from two guides and performances by actors. Afterwards, the tragedy faced by the miners' widows in their daily fight for survival was re-enacted in Zorra 66 (an open tramcar). In 2015, the highlight was the 100<sup>th</sup> anniversary of the thermoelectric power station of Massarelos and Zorra 66. The demand exceeded the available seats.

**XXV Annual Parade of Historic Tramcars** – On 23 May, the 25<sup>th</sup> edition of the Annual Parade of Historic Tramcars took place, which included 17 vehicles. This parade marked the start of the St. John celebrations in Porto, according to a partnership with Porto Lazer. The parade spotlight was the work tramcars.

Once again, the audience numbers were excellent and besides the diverse performances along the parade, we emphasised the 1<sup>st</sup> Baile em Marcha (Dance on Board) in Zorra 66 with Batucada Radical group – comprised of 15 musicians who invited the public to join the parade.

## Participation in the celebrations of 600 years since the Portuguese period of Discoveries | Das Tripas Coração

– On 10 June, Mário Fonseca, a graffiter was challenged to use his art on Tramcar 287 with the theme, Portuguese Period of Discoveries. Tramcar 287 was in an exhibition on 10 June in Infante. There were activities inside the vehicles with children, but later the vehicle made several journeys so that the work could be appreciated by the general public.

**Portugal Market in the Museum** – From 13 to 14 June, the outside space of the Museum was used in partnership with the company Portugal Market, which sells Portuguese high-quality products from tents. The objective was to create a new reason to attract more tourists. After the reopening of the Museum, this new partnership was approved.

**40<sup>th</sup> IATM Conference in Porto** – Although the work restoration was not completed on 29 June, there was a visit from the lecturers to the new exhibition space and a presentation about the Tramcar Museum during this conference.

**Um Objeto e Seus Discursos por Semana (One object and its talks per week)** – On 4 July, this cycle of talks, promoted by the Culture Department of Porto City Hall, was performed in a spot with work still in progress in area 2 of the Museum, where the American Tramcar was placed and which was surrounded by chairs and the talks with a different theme every week occurred with an audience exceeding 100 people.

**IACM (International Association of Customs Museums)** – On 17 September, the Museum participated in this conference in the Alfândega providing a journey in a historical tramcar to 40 lecturers.

**European Heritage Days** – Despite the fact that the Museum was still closed on 26 and 27 September, there were visits to the Reservas (Supplies) and Machine Room included in the theme "Technique and Industry" with interventions from the Association of Industrial Archaeology and Atelier Samthiago.





**Expo Classics – 8<sup>th</sup> Show of Cars and old Motorcycles in Guimarães** – This event, held on 24 and 25 October by the Classic Cars Club of Guimarães, showed its visitors unique buses in the country. STCP/ Tramcar Museum provided iconic buses such as AEC, Leyland, Daimler, and HansaLloyd.

### 3.3.5. Associations and partnerships

STCP is a member of the following entities:

- › Union Internationale des Transports Publics (UITP)
- › Portuguese Technical Committee for Transport, Logistics and Service Standardisation (CT148)

STCP is associated with the following entities:

- › AEP – Portuguese Trade Association
- › Porto Trade Association
- › ADEPORTO – Porto Energy Agency
- › APVGN – Portuguese Association of Vehicles running on Natural Gas
- › CODIPOR – Portuguese Association for Product Identification and Codification
- › ISQ – Welding and Quality Institute
- › ATC Porto Tours – Entrepreneurs Association for Cultural Tourism Development in Porto <sup>[1]</sup>
- › INEGI – Mechanical Engineering and Industrial Management Institute
- › AMTC – Association for the Transport and Communication Museum
- › Porto Archives Fan Association
- › Porto Coliseu Fan Association
- › Porto Information Provision on Consumption and Arbitration Centre
- › Serralves Foundation

[1] On 17 September 2015, an extraordinary general meeting of ATC Porto Tours included the associate STCP and a project to fuse the Entrepreneurs Association for Cultural Tourism Development in Porto and the Regional Association of Tourism of Porto was approved. Therefore, from that date on the STCP is associated with the ATP.





### 3.4. ENVIRONMENTAL RESPONSIBILITY

*“Reducing environmental impact arising from transport operations, by providing facilities and equipment with effective solutions and technological developments, encouraging a gradual reduction of pollution levels and the consumption of natural and energy resources”, is one of STCP’s commitments regarding the policy of quality, safety, and health at work.*

As a public transport road operator, STCP plays a vital role in the urban environmental quality of the area where it operates. The commitment of making an outstanding contribution in order to provide a better quality of life leads the company to ensure continuous improvement, always searching for the most effective technological solutions targeting lower levels of air pollutants, thus, contributing to both social and environmental sustainability.

In 2015 STCP’s Environmental Certification was renewed by APCER.

#### Indicators evolution:

PERCENTAGE OF BUSES RUNNING ON NATURAL GAS	› 2015 62% › 2014 54%
VARIATIONS IN WATER SUPPLY FROM PUBLIC NETWORK	› 2015 -0.1% › 2014 -3%
VARIATIONS OF ENERGY CONSUMPTION ON PREMISES	› 2015 -8% › 2014 -1%

In 2015 STCP reinforced communication with the Regulatory Bodies pursuant to provisions laid down by legal legislation which regulates its activity in terms of environmental impact, namely monitoring of emission sources, controls on the use of fluorinated gas sources of greenhouse gases that affect the ozone layer, and also analysis, control, and management of wastes.

#### Training and Awareness Raising

The training regarding environmental concerns focused on raising awareness to drivers to use more economic and efficient driving methods.

#### Fleet: Savings with the use of natural gas

By using natural gas instead of diesel in 2015, around 2 million euros in fuel consumption was saved. Additionally, there was a prevention of approximately 1,154 tons of CO<sub>2</sub> emissions.

Since 2001, the year when buses running on natural gas came into operation, savings due to energy diversification – gas consumption instead of diesel – totalled nearly 31 million euros and 8,160 tonnes of CO<sub>2</sub> emissions. For 15 years the savings per year represented approximately 2.1 million euros and 544 tonnes of CO<sub>2</sub> emissions.



## Fleet: Atmospheric Pollutant Emissions

CO <sub>2</sub> EMISSIONS	UNIT	2012	2013	2014	2015	15-14	%
Diesel	ton	14,080	12,505	11,668	10,867	-800	-6.9%
Natural gas	ton	18,655	19,800	19,063	18,128	-935	-4.9%
CO <sub>2</sub> emissions	ton	32,735	32,306	30,731	28,996	-1,735	-5.6%
CO <sub>2</sub> emissions /vehicles.km.total	kg	1,402	1,400	1,382	1,385	0,002	0.2%

In 2015, the CO<sub>2</sub> emissions from the fleet were reduced by 5.6% due to the decline in travelled kilometres. The CO<sub>2</sub> kilometres per vehicle remained the same, 1.38% of the total kilometres per vehicle.

## Distribution of STCP's fleet in 2015 by EURO standards

The STCP fleet is comprised of vehicles that are in compliance with standards such as EURO II (46%), EURO III (25%), EURO V (7%), and EEV (22%). That is to say, about 29% of the fleet is in compliance with the most demanding standards in force, from the environmental point of view, in the European Union.

## Energy consumption in tonnes equivalent of oil (teo)

(Calculations made in compliance with Ordinance no. 228/90 of 27 March)

	2012	2013	2014	2015	15-14	%
kWh tramcar	369,670	406,806	400,317	377,522	-22,795	-5.7%
kWh/100km	310	341	351	334	-18	-5.0%
Tramcar electricity (teo)	107	118	116	109	-7	-5.7%
kWh fixed installed electricity	4,465,817	3,959,143	3,916,696	3,593,042	-323,654	-8.3%
Fixed installed electricity (teo)	1,295	1,148	1,136	1,042	-94	-8.3%
Diesel litres	5,357,625	4,758,484	4,439,752	4,135,249	-304,503	-6.9%
Litres/100km	55,0	54,1	53,9	54,8	0,8	1.6%
Diesel (teo)	4,675	4,152	3,874	3,608	-266	-6.9%
m <sup>3</sup> natural gas [1]	9,484,226	10,066,228	9,691,622	9,216,250	-475,372	-4.9%
m <sup>3</sup> /100km	69,7	70,4	69,2	68,8	-0,4	-0.6%
Natural gas (teo)	7,777	8,254	7,947	7,557	-390	-4.9%
Energy consumption (teo)	13,854	13,673	13,073	12,317	-756	-5.8%

[1] Source: Values obtained through measuring equipment at Francos Bus Depot delivery point.

The energy consumption in teo registered a decline of 5.8% compared to 2014.

## Water

The consumption was basically identical to 2014, however, there was a reduction of 13% in water consumption from the public network and an increase of 7% in water consumption from underground reservoirs.

	UNIT	2012	2013	2014	2015	15-14	%
Water consumption from public network	m <sup>3</sup>	7,722	7,270	7,630	6,629	-1,001	-13%
Water consumption from underground reservoirs	m <sup>3</sup>	25,315	15,142	14,096	15,080	984	7,0%
<b>Total water consumption</b>	<b>m<sup>3</sup></b>	<b>33,037</b>	<b>22,412</b>	<b>21,726</b>	<b>21,709</b>	<b>-17</b>	<b>-0,1%</b>

## Waste management

STCP carries out waste collection and is committed to ensuring adequate treatment and disposal focusing on waste valorisation, whenever possible.

In 2015 a decline in hazardous waste occurred in relation to the year before with the exception of fluorescent lamps.

There was a decline in non-hazardous waste such as miscellaneous wood and metal waste. The latter registered the most significant decrease (-58%).

## Evolution of the most significant waste:

WASTE	UNIT	2012	2013	2014	2015	15-14	%
<b>HAZARDOUS INDUSTRIAL WASTE</b>							
Used oils	litres	11,837	14,650	13,100	11,505	-1,595	-12%
Used batteries	UNIT.	160	167	175	73	-102	-58%
Fluorescent lamps	kg	251	271	202	238	36	18%
<b>NON-HAZARDOUS INDUSTRIAL WASTE</b>							
Wood	kg	4,760	3,920	7,560	4,120	-3,440	-46%
Miscellaneous industrial waste	kg	24,060	35,720	25,520	24,420	-1,100	-4%
Metal waste	kg	68,261	27,041	83,804	34,804	-49,000	-58%
<b>OTHER WASTE</b>							
Paper and cardboard	kg	14,490	5,250	5,555	6,135	580	10%
Demolition and construction waste	kg	1,280	48,760	52,680	6,540	-46,140	-88%
Hospital waste group III and IV	kg	62	59	55	39	-16	-29%

### 3.5. RESPONSIBILITY FOR EMPLOYEES

The company is committed to ensuring its policy of quality, environment, safety and health at work, therefore it will “ensure healthy professional and social growth and development of the staff, namely by promoting the necessary and suitable working conditions and practices targeted at preventing injuries, wounds, and potential damage to health and well-being”.

#### 3.5.1. Human resources

On 31 December 2015 the number of employees was 1,171, staffing levels having been reduced by 2 employees in relation to the same period of the previous year. This reduction resulted from 69 departures and 67 hirings. The latter was mainly for vehicle crew. This translates into a 72.9% greater prominence in staff levels, which is its maximum level since 2012.

All employees had a permanent contract.

PERMANENT STAFF <sup>[1]</sup>	2012	2013	2014	2015	15-14	%
Permanent staff on 31 December <sup>[1]</sup>	1,262	1,231	1,173	1,171	-2	-0.2%
Vehicle crew on 31 December <sup>[2]</sup>	886	860	826	854	28	3.4%
% vehicle crew	70.2%	69.9%	70.4%	72.9%	2.5 pp	3.6%
Average number of permanent staff	1,287	1,245	1,206	1,156	-50	-4.1%

[1] Excluding Governing Bodies and Seconded Personnel Includes leased workforce.

[2] Bus and Tramcar drivers.

#### Absenteeism rate

ABSENTEEISM RATE	2012	2013	2014	2015	15-14	%
Company total	7.0%	6.7%	7.4%	8.6%	1.2 pp	16%
Vehicle crew	7.8%	7.2%	8.4%	9.2%	0.8 pp	9.2%

In 2015 the total absenteeism rate was 8.6% and the vehicle crew represented 9.2% + 1.2 p.p. and 0.8 p.p., respectively, compared to 2014.

During this year, the strikes on weekends and holidays persisted.

#### Supplementary Work

SUPPLEMENTARY WORK <sup>[1]</sup>	2012	2013	2014	2015	15-14	%
Overtime total	99,594	101,882	96,701	78,164	-18,537	-19%
Vehicle crew overtime	98,109	99,123	94,620	75,247	-19,373	-20%
Total cost (euros) <sup>[2]</sup>	589,436	587,243	546,769	448,474	-98,295	-18%
Vehicle crew cost (euros) <sup>[2]</sup>	578,971	568,273	532,649	428,489	-104,160	-20%

[1] From a payment perspective: work paid over the year.

[2] Taxes on remuneration are not included.

The amount of extra hours of supplementary work decreased around 20% and the most representative staff was the vehicle crew (around 96%).

With regards to the cost of supplementary work, it decreased 18%, reaching a reduction of 20% in vehicle crew.



### Permanent staff characteristics

At the end of 2015, the average seniority was 21.5 years, reducing in comparison to 2014 due to employment contract terminations of employees with more years of service and the hiring of new employees.

In relation to the average age, it was slightly below 49 years and only 16% of the permanent staff had less than 40 years.

AGE STRUCTURE	2012	2013	2014	2015	% 2015
18-29 years	12	10	9	10	1%
30-39 years	283	237	173	171	15%
40-49 years	408	431	456	489	39%
50-59 years	427	379	347	316	30%
>=60 years	132	174	188	185	16%
<b>Total</b>	<b>1,262</b>	<b>1,231</b>	<b>1,173</b>	<b>1,171</b>	<b>100%</b>

The qualification level maintained an increasing trend in the past few years. In 2015 a growing trend continued in relation to employees with secondary education (around 27%) compared to 2012 (23%). In contrast, the percentage of employees with basic education decreased from 70% in 2012 to 67% in 2015. The percentage of employees with higher education decreased from 7% to 6% due to contract terminations without senior management hiring.

### Promoting equality in Labour and Employment

Women maintained numbers around 7% as part of the workforce. Nevertheless, there was an increase of 34% in relation to the ones that are drivers in comparison to the 28% of 2014. Others have technical and administrative tasks. Nonetheless, we must also stress the fact that there was a decline in the percentage of women in management positions as a consequence of the permanent staff departure.

### Permanent staff on 31 December 2015

POSITION	TOTAL	FEMALE (F)	MALE (M)	% OF F PER POSITION	% PER POSITION PER F
Senior Management positions	7	2	5	29%	2%
Vehicle crew	854	28	826	3%	34%
Others	310	52	258	17%	63%
<b>Total</b>	<b>1,171</b>	<b>82</b>	<b>1,089</b>	<b>7%</b>	<b>100%</b>

Regarding the principle of gender equality, as set out in paragraph 1 of the Ministers Council Resolution (MCR) no. 19/2012 of 23 February, STCP issued a diagnostic report in May of 2012 about the situation of men and women based on Equality Indicators. The company has not yet implemented the Equality Plan determined by the RCM.

From time to time, information is reported regarding the monitoring of the legal system of a state-owned enterprise in compliance with the V National Plan for Gender Equality, Citizenship, and Non-discrimination 2014-2017, approved by the MCR no. 103/2013, December 31.

STCP pursues a human resources policy based on equal opportunities, respect for human rights and non-discrimination, promoting the recognition and valorisation of abilities and skills, and implementing systems to ensure employee well-being.

Regarding male and female employee pay, the respective ratio equals 1 in STCP, so there is no gap by gender under each and every professional category.

Freedom of association of workers represents a guaranteed right and nearly 88% of the employees have joined trade unions.

The principles and rules of good practice of interpersonal relationships are set out in the Code of Ethics and Conduct, launched at the end of 2008.

In 2009 the "Prevention Plan of Risks of Corruption and Related Infringements" was approved in compliance with guidelines outlined by the Prevention of Corruption Council.

Detailed rules, codes, and relevant regulations in force in the company are available on the intranet for the entire staff's consultation.



PRODUCTIVITY <sup>[1]</sup>	2012	2013	2014	2015	15-14	%
Vehicles km (10 <sup>3</sup> )/ average number of permanent staff	17.7	18.2	18.1	17.8	-0.3	-1.7%
Seats km (10 <sup>3</sup> )/ average number of permanent staff	1,617	1,650	1,645	1,627	-18,1	-1.1%
Passengers (10 <sup>3</sup> )/ average number of permanent staff	66	63	62	60	-1,9	-3.0%
Passengers km (10 <sup>3</sup> )/ average number of permanent staff	239	229	225	219	-6,4	-2.8%

[1] Excluding subcontracted services.

### 3.5.2. Professional development

#### Training

In 2015 a total number of 9,424 hours of training was delivered involving 177 employees. The hours of training provided to the vehicle crew corresponded to 89% of the total number of hours of training, representing 8,385 hours. An important part of this training was dedicated to new drivers that entered the company in October 2015.

#### Awards

In the year of 2015, no awards were given in accordance with the State Budget.

#### Employee Performance Evaluation

Employee performance evaluation has been carried out as determined by the company.

#### Internships

In 2015, STCP took on three trainees for curricular internships: one at the higher education level and the others for professional internships.



### 3.5.3. Social benefits

#### Promotion of balance between private and professional life

STCP pursues an active policy of reconciling the balance between the personal and professional life of its staff by taking measures with tangible impact, namely through the provision of financial support and logistics to STCP's Cultural and Sports Centre – an Organisation voluntarily run by STCP staff, organising sports and cultural activities targeted at all staff and their respective families. Among these activities, a special Christmas party and a fortnight summer period during the bathing season aimed at employees' children should be highlighted.

Employees with children aged under 6 attending infant care facilities receive a fixed value contribution from the company.

STCP ensures medical financial assistance to the staff corresponding to the amount non-subsidised by Social Security. The company also provides medical care through access to STCP's own health care facilities.

STCP also provides a canteen service at the Francos premises providing meals for the staff at production cost. Additionally, there are also food and beverage vending machines installed across all premises.

The company maintained its availability similarly to what occurred in 2014, to sell overall bus network season tickets at a discount of 50% to employees' families and retirees, as a consequence of the loss of transport privilege according to the State Budget in force.

#### Pension Fund

STCP created a Pension Fund in 1998 to cover costs, such as retirement complements, to its workforce. This was transferred in December of the referred year to the BPI pension fund – ABERTO VALORIZAÇÃO.

Since 1 May 1975, the company has designed a Fund that provides pension supplement and disability benefits to all staff bound to the company through open-ended employment contracts signed until 2005 (inclusive) calculated and based on a fixed formula and paid on the clear understanding that the sum of the pension settled by Social Security plus this supplement does not exceed 650 euros (established amount since 2007).

The complement ceiling was changed to 600 euros in accordance with Articles 75 of the Decree-Law 83-C/2013, 31 December that laid down new rules regarding the payment of pension complements by the state-owned enterprise presenting negative net results during the last three financial years. Furthermore, the new rules require that only the retirement

complements that added together with the pension received by the recipient (from Social Security or from Caixa Geral de Aposentações [Civil Servants' Pension Fund] or another system of social protection system) that are equal or inferior to 600 euros will continue to be paid. Complement payments would only be permissible for situations agreed on 31 December 2013.

On 31 December 2014, Law no. 82-B/2014 was published and its Article no. 78 maintained the regime established in Article 75 of Law no. 83-C/2013, 31 December as mentioned on item 29 presented in the notes to the financial statements.

Since the STCP is exclusively public, the company is considered a state-owned enterprise in accordance with Articles 2, 5, and 9 of Decree-Law no. 133/2013, October 3, and cumulatively has been presenting negative net results in the last three years. Therefore, the above-mentioned legislation is applied.

For these reasons, the estimate of the liabilities entered into by the STCP with the benefits adjusted, reflecting the changes imposed by Decree-Law no. 83-C/2013 and Decree-Law no. 82-B/2014 of 31 December, which maintained the adjustment of the plan of pensions in 2014 and 2015.

For that reason, the actuarial report was prepared in accordance with the new regulations of the above-mentioned Decree-Laws. The present value of obligations for retirement pension complements and disability benefits on 31 December 2015 came to a total of 1,776,576.00 euros.

On 31 December 2015, the value of this fund was 1,142,024.00 euros. The coverage rate of obligations is approximately 64%.

In January 2016 contributions of 209,546.00 euros to the fund have been made in order to cover the minimum required level of funding by ASF (Insurance and Pension Funds Supervisory Authority) on 31 December 2015.

### Paid pensions and recipient number evolution

PAID PENSIONS	UNIT	2012	2013	2014	2015	15-14	%
Number of recipients	10 <sup>3</sup> €	498	478	346	315	-30	-8.8%
Número de beneficiários	no.	256	219	199	189	-10	-5.0%

### 3.5.4. Health and safety of workers

#### Employee health

STCP's health care facilities located at Francos Bus Depot maintained a high level of health care services in 2015 having offered 3,436 medical appointments of general practice medicine and specialty appointments. A significant proportion of these appointments (951) corresponded to the specialty of stomatology. Additionally, skilled nursing care services were also delivered at the nursing unit located on the premises of Francos, Via Norte Bus Depot.

Occupational Medicine provided 1,826 medical appointments of which 50% corresponded to follow-up testing. There were also 629 specialty appointments in support of occupational medicine. Sensory testing totalling 1,927 including visual and auditory tests were performed and extended to all the staff as it was included in the protocol agreement of periodic follow-up testing as well as for personnel recruitment purposes.

The Alcoholic Beverage Control team as part of Occupational Medicine conducted 5,720 tests with eight positive results were shown.

#### Security-Related Training and Awareness Raising

In the course of 2015, the following training, as well as awareness raising, actions were delivered concerning security issues, involving 140 employees. It was focused on continuous training and driver hiring, safe driving, and staff working with lubricants and in high places.

#### Employee Security

Several inspections of the workplace were performed to ensure proper evaluation of labour conditions. One of them included an occupational physician (Tramcar Unit).

In the course of 2015, 67 Hygiene and Safety at Work inspections were carried out. Premises have been inspected as well as every workplace and equipment as a result.

#### Work-Related Accident Indicators

With reference to work-related accident indicators and according to the table below, a significant improvement has been recorded compared to the previous year, except in terms of the frequency rate where there was deterioration.

WORK ACCIDENT INDICATORS		2012	2013	2014	2015	%
Frequency Rate (FR)	= (No. of work-related accidents involving sick leave / No. of actual worked hours) x 1.000.000	= 34.7	30.0	43.4	45.6	5.1%
Severity Rate (SR)	= (No. of lost days / No. of actual worked hours) x 1.000.000	= 1,005	705	1,409	1,136	-19%
Incidence Rate (IR)	= (Total No. of accidents / Total No. of employees) x 1.000	= 75.2	60.1	87.6	85.6	-2.2%

### Consultation with the employees

In addition, the Management System of Safety and Health at Work, as provided by Decree-Law no. 3/2014 and Decree-Law no. 50/2005, and with the goal of engaging the workforce in the safety and health issues, the company performed two consultations in July and December. The collection information is being statistically analysed.

#### 3.5.5. Internal communication and relationship with stakeholders

In 2015, the celebration of the 25<sup>th</sup> anniversary of STCP and the Christmas party together with the Metro of Porto were once again celebrated in the Tramcar Museum after its reopening at the end of the year.

There is no new development in terms of internal communication. Intranet is still the main tool of STCP's internal communication, widely accessible to all the staff providing regular daily news as well as database query, relevant manuals, and features such as holiday planning, payslip view, and the schedule of daily service for vehicle crew.

At the same time, new work orders and other relevant information to the majority of employees are published.

Every month there were meetings between the Board of Directors and Works Council with the presence of various managers of different company's areas.

Additionally, there were meetings between the Board of Directors and the different trade unions.





A tall, curved glass skyscraper with a blue-tinted facade dominates the background. In the foreground, a modern white and blue bus is parked on a cobblestone street. The bus features advertisements for 'goldenergy' and 'Gás natural low cost' on its upper side, and the 'STCP' logo on its lower side. The bus number '3118' is visible on the front. The scene is set in an urban environment with other buildings and trees visible.

## CORPORATE GOVERNANCE

# Ø4

**... recognised as a benchmark company among those adopting the best practices in the public passenger transport sector both at the national and European level.**

Since 2013, STCP has provided a Corporate Governance Report regarding good practices in an individualized way.

This chapter contains all relevant information released on STCP's Corporate Governance regarding the previous financial year of 2015 as set forth in Decree-Law no.133/2013, October 3, which approved the new Legal Scheme of the State Corporate Sector (LSSCS).

Following are the provisions of Letter no. 712 of 12 February 2016 from the Directorate-General for Finance and Treasury (DGTF).

## 4.1. CORPORATE MISSION, OVERVIEW, VALUES AND POLICY

STCP – Porto Public Transport Company, S.A. is a state-owned public-limited company, whose main goal is the delivery of urban public passenger transport within the Porto Metropolitan Area (PMA) as well as the operation of other complementary or subsidiary activities pursuant to Decree-Law no. 202/94 of 23 July.

As the leading public transport operator within the Porto Metropolitan Area, STCP makes an outstanding contribution to the sustainable development of the operated area.

### Mission

PSTCP's Corporate Mission is to provide safe urban public passenger transport within the Porto Metropolitan Area in close cooperation with the other road, rail, and light railway operators, thus, providing a major contribution to improve people's mobility and an alternative to private car use. The company's activity seeks to create social and environmental benefits based on a framework of economic rationale by searching for continuous improvements.

### Overview

STCP aims at being recognised as a benchmark company among those adopting the best practices in the public passenger transport sector both at the national and European level.

### Values

The following values define STCP's position towards the society in general, customers, the shareholder, stakeholders, and suppliers and also the relationship with everyone working in the company or those cooperating with it:

Legality, Responsibility, Accuracy, Transparency and Impartiality, Cooperation, Quality, Public Service, Social Awareness, Modernity, Security, and Environmental Concerns.

### Policy

Under the scope of the Quality, Environment, and Safety and Health at work policies, STCP aims to:

- › Stand out by acting as a strong and effective deterrent to private car use through the promotion of urban public passenger transport service of high quality that is safe, modern, and eco-friendly.
- › Meet disabled customers' needs by providing wide access to the transport network, timetables, and products particularly designed for passengers with mobility impairments within the limits allowed by concessions and by the rational use of human and material resources.
- › Promote ongoing communication and cooperation with external entities, notably central and local institutions, trade associations, local governance authorities, and the general public.

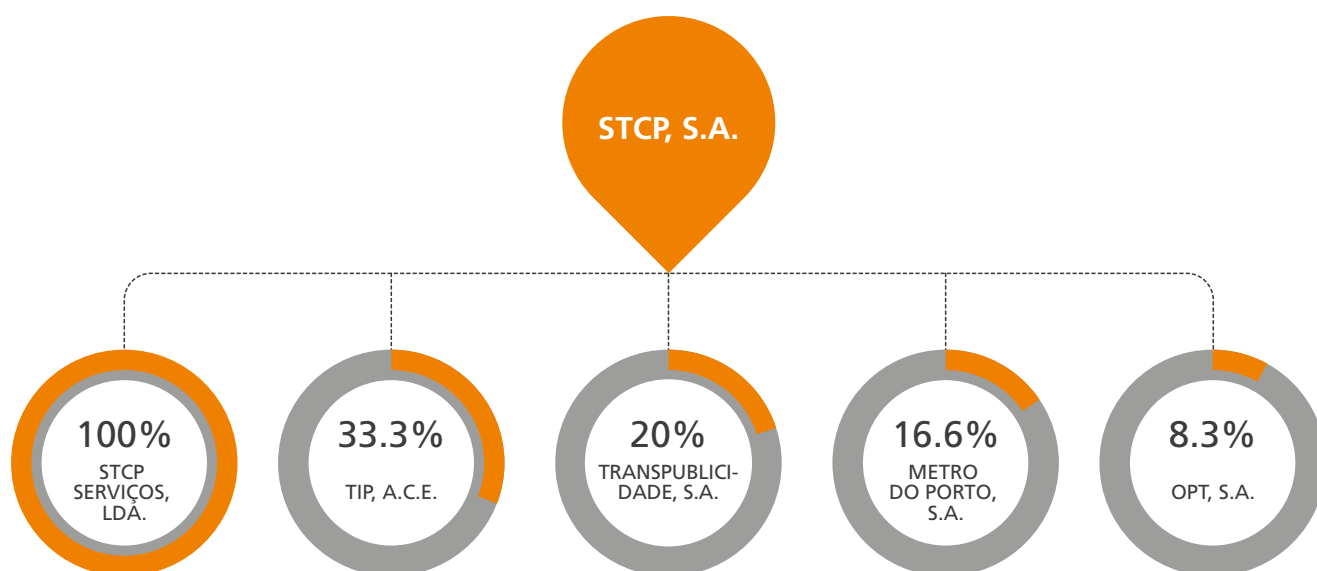


- › Ensure social and healthy professional growth and development of its staff, notably by promoting suitable conditions for the performance of activities towards the prevention of injuries, wounds, and potential health damage.
- › Minimise environmental impact of the supporting activity, by providing facilities and equipment with effective, technologically-advanced solutions that may contribute to a progressive reduction of pollution levels and the consumption of natural and energy resources.
- › Develop all its activities, products, and services under an integrated management system in the areas of quality, environment, and security and health at work with the involvement of its employees, suppliers, outsourcing agents, and local authorities and customers.
- › Seek continuous improvement and observe the requirements set out in the Integrated Management System, including not only those legally and statutorily applicable, but also those in which the company is deeply engaged to meet on its own initiative by regularly evaluating performance through internal audits carried out to identify compliance with standards culminating in the annual review of the System.

## 4.2. CORPORATE GOVERNANCE MODEL AND IDENTIFICATION OF GOVERNING BODIES

The Portuguese State is the sole shareholder of the STCP whose role is performed by the Government member responsible for the financial area, in cooperation with the Government member responsible for the transport sector.

STCP, S.A. owns stakes in several other companies running as follows:



STCP's monistic and Latin model of corporate governance is composed of a Board of Directors, two Auditing Bodies, the Supervisory Board, and the Statutory Auditor as set out in the company's articles of association.

### Governing Bodies

The members of the governing bodies elected for the three-year period of 2012-2014 were under the management regime since 2014. Therefore, on 25 January 2016 by Unanimous Written Social Resolution, there was a new election to appoint new members of the governing bodies for a three-year mandate 2016-2018.



On 24 February 2016 by Unanimous Written Social Resolution, a Non-Executive Board Member was appointed.

### Mandate 2016-2018

POSITION	GOVERNING BODIES	ELECTION
	<b>BOARD OF THE GENERAL MEETING</b>	
Chairman	José António Ferreira de Barros	25/Jan./16
Deputy Chair	Maria Teresa Vasconcelos Abreu Flor Morais	25/Jan./16
Secretary	Carlos Maria Pinheiro Torres	25/Jan./16
	<b>BOARD OF DIRECTORS</b>	
Non Executive Chairman	Jorge Moreno Delgado	25/Jan./16
Executive Board Member	Tiago Filipe da Costa Braga	25/Jan./16
Executive Board Member	Pedro José Ferreira Morais	25/Jan./16
Non Executive Board Member	Helena Sofia da Silva Borges Salgado Fonseca Cerveira Pinto	24/feb./16
	<b>SUPERVISORY BOARD</b>	
Chairman	Pedro Romano Martinez	25/Jan./16
Permanent Member	Ana Alexandra Filipe Freitas	25/Jan./16
Permanent Member	Paulo Jorge Rodrigues Mateus	25/Jan./16
Alternate Member	Dino Jorge Ramos Santos	25/Jan./16
	<b>STATUTORY AUDITOR</b> António Magalhães & Carlos Santos, Sociedade de Revisores Oficiais de Contas (Statutory Auditor Association) represented by Carlos Alberto Freitas dos Santos, Statutory Auditor no. 177	09/Sep./09

### Mandate 2012-2014

POSITION	GOVERNING BODIES	ELECTION
	<b>BOARD OF THE GENERAL MEETING</b>	
Chairman	José António Ferreira de Barros	06/Jun./14
Deputy Chair	Maria Teresa Vasconcelos Abreu Flor Morais	06/Jun./14
Secretary	Carlos Maria Pinheiro Torres	06/Jun./14
	<b>BOARD OF DIRECTORS</b>	
Non Executive Chairman	João Velez Carvalho	10/Aug./12
Executive Board Member	André da Costa Figueiredo e Silva Sequeira	29/Jun./12
Executive Board Member	Alfredo César Vasconcellos Navio	29/Jun./12
Non Executive Board Member	António José Lopes	10/Aug./12
	<b>SUPERVISORY BOARD</b>	
Chairman	Pedro Romano Martinez	06/Jun./14
Permanent Member	Ana Alexandra Filipe Freitas	06/Jun./14
Permanent Member	Paulo Jorge Rodrigues Mateus	06/Jun./14
Alternate Member	Dino Jorge Ramos Santos	06/Jun./14
	<b>STATUTORY AUDITOR</b> António Magalhães & Carlos Santos, Sociedade de Revisores Oficiais de Contas (Statutory Auditor Association) represented by Carlos Alberto Freitas dos Santos, Statutory Auditor no. 177	09/Sep./09

On 29 June 2012 by Unanimous Written Social Resolution, prepared in accordance with Article 54 (1) of Companies Code, the following members for the STCP's Board of Directors were elected:

- › Executive Board Member: André da Costa Figueiredo e Silva Sequeira
- › Executive Board Member: Alfredo César Vasconcellos Navio



On 10 August 2012, by Unanimous Written Social Resolution, which was prepared in accordance with Article 54(1) of Companies Code, the following members for the STCP's Board of Directors were elected:

- › Non-Executive Chairman: João Velez Carvalho
- › Non-Executive Board Member: António José Lopes

Two of the four Board Members hold chief executive roles and the two remaining ones perform non-executive positions. None of them earn any additional remuneration for positions held in association.

On 6 June 2014 by Unanimous Written Social Resolution prepared in accordance with Article 54 (1) of Companies Code, the following members for Board of the General Meeting and Supervisory Board to join the STCP's Board of Directors (2012-2014) were elected:

### Board of the General Meeting

Chairman: Eng. José António Ferreira de Barros

Deputy Chair: Maria Teresa Vasconcelos Abreu Flor Morais

Secretary: Carlos Maria Pinheiro Torres

### Supervisory Board

Chairman: Professor Dr. Pedro Romano Martinez

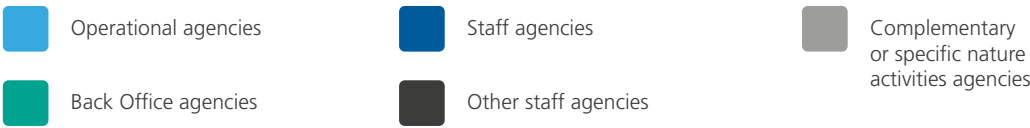
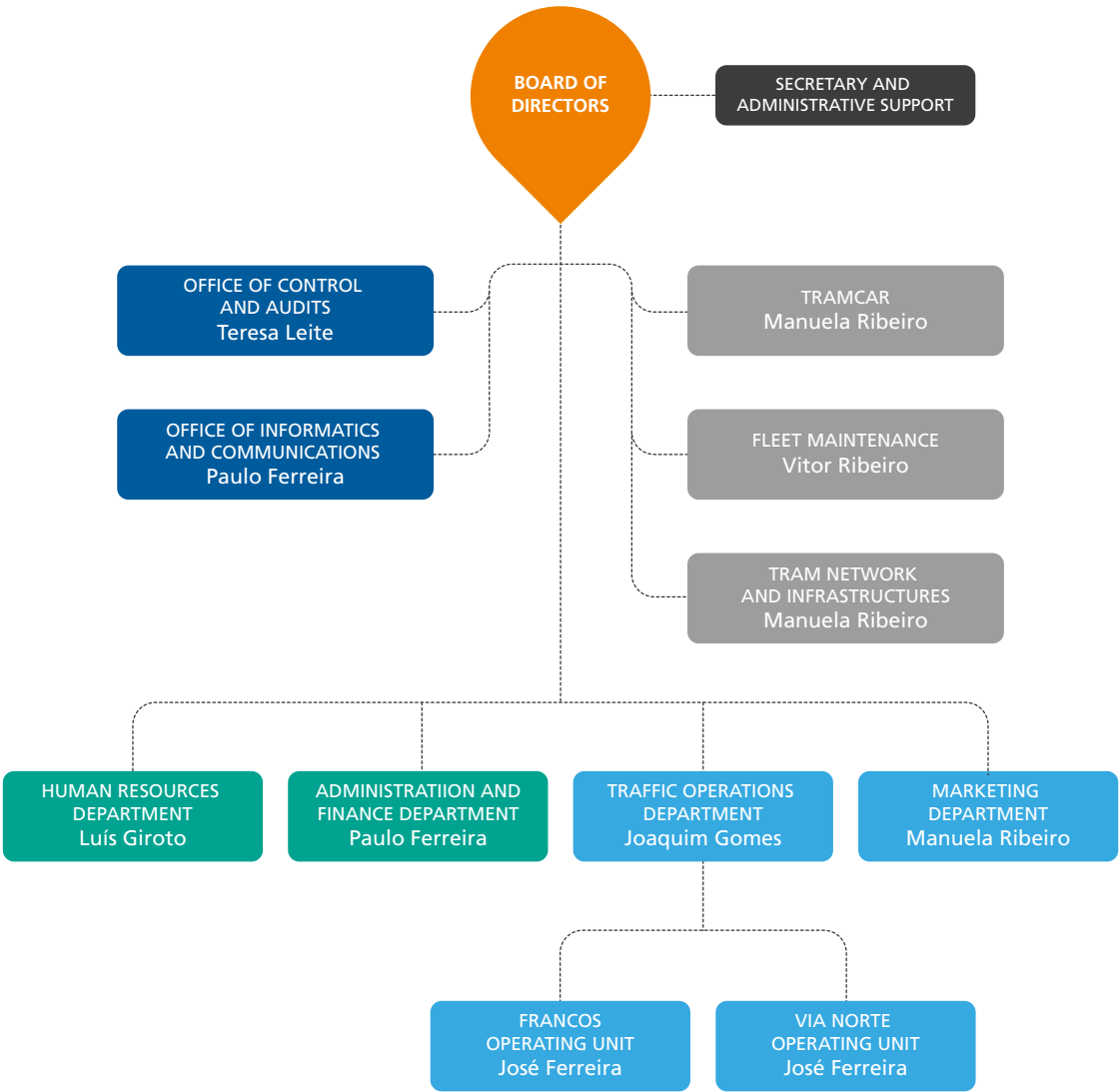
Permanent Member: Ana Alexandra Filipe Freitas

Permanent Member: Paulo Jorge Rodrigues Mateus

Alternate Member: Dino Jorge Ramos Santos

Other members of the governing bodies were elected in 2009-2011 and remained in office.

Macro Structure on 31 December 2015





### 4.2.1. Duties and Responsibilities

#### General Meeting

The duties of the company's General Meeting are set out in Article 8 of the respective Articles of Association:

1 - The General Meeting deliberates on all matters for which law or present Articles of Association attribute its competence.

2 - It is the responsibility of the General Meeting, in particular, to:

- a) Deliberate on the management report and accounts for the year, as well as on the proposed appropriation of profit or loss and proceed with the general assessment of the company's management and supervision;
- b) Elect and dismiss the members of the General Meeting, Board of Directors and Supervisory Board;
- c) Deliberate on any amendments to the articles of association and share capital increases;
- d) Deliberate on the remunerations of the governing bodies, and may, for the effect, appoint a remuneration setting committee;
- e) Deliberate on any projects to expand the lines operated by the company;
- f) Authorise the acquisition and disposal of immovable assets, as well as the undertaking of investments, when, in each case, the value exceeds that corresponding to 10% of the share capital of the company;
- g) Authorise the acquisition and disposal of shareholdings, in this last case only when the value exceeds that corresponding to 10% of the share capital of STCP, S.A.;
- h) Deliberate on the emission of bonds.

#### Board of Directors

The Board of Directors is responsible for the management of the company under the terms of Article 11 of the respective Articles of Association:

1 - The Board of Directors is responsible for:

- a) The management of corporate business and the practice of all acts relating to the corporate object that does not fall under the competence attributed to other governing bodies of the company;
- b) The preparation of the annual report;
- c) The acquisition, disposal, or encumbrance of movable and immovable assets and shareholdings, without prejudice to the provisions in subparagraphs f) and g) Article 8 (2);
- d) The representation of the company in and out of court, as plaintiff or defendant, holding powers to waive, come to terms, and confess in any pleas, as well as sign arbitration agreements;
- e) The establishment of the technical and administrative organisation of the company and its internal operating regulations;

f) The appointment of attorneys empowered as deemed suitable;

g) The exercise of all other duties attributed by the law or by the General Meeting.

2 - The Board of Directors may, within its legal limits, delegate some of its duties to one or more of its members.

#### REGARDING SPECIFIC DUTIES OF EACH MEMBER OF THE BOARD OF DIRECTORS IN 2015:

##### Non-Executive Chairman – João Velez Carvalho

Held the position of non-executive Chairman. He was responsible for overseeing and evaluating the management of the company carried out by the other Board Members with the aim of achieving strategic goals, the efficiency of the company's activities, and reconciliation of the interests of the shareholder with the general interest. He was also responsible for strategic decisions of Human Resources and monitoring of the company's Safety Authority Operation.

He performed executive roles in Metro do Porto, S.A. as Chairman of the Board of Directors and Chairman of the Executive Board, and in TIP – Transportes Intermodais do Porto, ACE was a member of the Board of Directors.

##### Executive Board Member – André da Costa Figueiredo e Silva Sequeira

Performed executive roles. He was responsible for the direct coordination of the Secretariat and Administrative Support to the Board of Directors, Marketing, Planning, Control and Audits, Informatics and Communications, and Administration and Finance.

He acted on behalf of STCP in the associate's Board of Directors – Transportes Intermodais do Porto, ACE (TIP-ACE), and is the Manager of the company STCP SERVIÇOS – Transportes Urbanos, Consultoria e Participações, Unipessoal, Lda..

##### Executive Board Member – Alfredo César Vasconcellos Navio

Performed executive roles. He was responsible for the direct coordination of the Traffic Operations, Human Resources Department, Fleet Maintenance, Tramcar Network as well as the Tramcar Museum.

He acted on behalf of STCP in the associates OPT – Optimização e Planeamento de Transportes, S.A. and TRANSPUBLICIDADE – Publicidade em Transportes, S.A..

### Non-Executive Board Member – António José Lopes

Held the position of non-executive Chairman. He was responsible for overseeing and evaluating the company's management carried out by the other Board Members with the aim of achieving strategic goals, the efficiency of the company's activities, and reconciliation of the interests of the shareholder with the general interest. He was also responsible for strategic decisions and oversight of the Planning and Control Department. Additionally, he was the Representative for the Integrated Management System and Quality.

He performed executive roles in Metro do Porto, S.A. as Chairman of the Board of Directors, in TRANSPUBLICIDADE – Publicidade em Transportes, S.A. He was a Chairman of the Executive Board and in TIP – Transportes Intermodais do Porto, ACE was a member of the Board of Directors.

### Supervisory Board

Under the terms of Article 14 of the Company's Articles of Association:

1 - Supervision of the Company belongs to the Supervisory Board, composed of a Chair, two permanent members, and one alternate member and a statutory auditor or a company of chartered accountants who are not members of the supervisory board.

2 - Supervisory Board and the Statutory Auditor or a Company of Chartered Accountants are empowered and entrusted with the duties attributed by the Companies Code.

### 4.2.2. Curricula Vitae of the Members of the Board of Directors

#### Non-Executive Chairman – João Velez Carvalho

**Date of Birth:** 17 April 1947

#### Education:

Degree in Finance, Instituto Superior de Ciências Económicas e Financeiras da Universidade Técnica de Lisboa (1970) – High Institute of Economic and Financial Sciences of the Technical University of Lisbon.

Post-graduate Degree, Universidade de Paris XII – University of Paris XII having obtained Certificat d'Aptitude à l'Administration des Entreprises (diplôme d'État) (1972).

Master of Business Administration (MBA) by Instituto Superior de Estudos Empresariais da Universidade do Porto – High Institute of Entrepreneurial Studies of the University of Porto (1994).

Master of Science in Quantitative Methods for Management by Escola de Gestão da Universidade do Porto – School of Management of the University of Porto (2008).

Ph.D. in Industrial Management at the University of Aveiro (2008/2013).

#### Professional Career:

From July 2012 to January 2016, Chairman of the Board of Directors and Chairman of the Executive Committee for Metro do Porto, S.A..

Since 1975: Assistant Lecturer at Instituto Superior de Contabilidade e Administração do Instituto Politécnico do Porto – High Institute of Accounting and Administration of Porto Polytechnic Institute (scientific area of Strategic Management/ Assistant Lecturer). Director of Master's Programme in Logistics of Associação de Politécnicos do Norte (2009/2011) – Northern Association of Polytechnics.

After 2006: Senior Management Consultant at several companies (strategic management); Management of internationalisation projects.

From 2003 to 2006: STCP's Board Director – Sociedade de Transportes Colectivos do Porto, S.A., responsible for the coordination of Human Resources, Traffic Operations, Fleet Maintenance, and Tramcar Museum, Member of TIP's Board – Transportes Intermodais do Porto, ACE (2006).

From 2000 to 2003: Senior Management Consultant at several companies (strategic management); Management of internationalisation projects.

From 1999 to 2000: Consultant providing environmental advice (in the domains of water and sanitation, solid and industrial wastes) at EURISCO, S.A. (AEP Group) and LawGibb, S.A., project development of industries relocation in association with Roland Berger & Partners and Consultant at RAR – Sociedade de Controlo (Holding), S.A..

From 1989 to 1998: Managing Director of SET – Serviços e Tecnologias, S.A. Executive Board Member of RAR AMBIENTE, SA; Board Member of NUTRIGER, SGPS, S.A.; Board Member of CLIMAESPACO – Sociedade de Produção e Distribuição de Energia Térmica Urbana, S.A. – Generation and Distribution of Urban Thermal Energy; Managing Director at RAR – Sociedade de Capital de Risco, S.A. – Venture Capital Company; Executive Board Member of GROWELA Cabo Verde, SARL; Member of the Board of the General Meeting of RECOLTE – Recolha, Tratamento e Eliminação de Resíduos, S.A. – Collection, Handling, and Disposal of Wastes; Chair of the Supervisory Board at Imperial – Produtos Alimentares, S.A. – Foodstuff Company.

From 1975 to 1989: Chief Administrative and Finance Officer at MOLIN – Materiais de Desenho de Mário Lino, Lda. – Drawing Material Company; Executive Board Member of MOLIN SOUTH AFRICA, S.A.; Executive Board Member of MOLIN U.K., S.A..

### Executive Board Member – André da Costa Figueiredo e Silva Sequeira

**Date of Birth:** 19 September 1980

**Education:**

From 2012 to January 2016, Executive Member of the Board of Directors in Sociedade de Transportes Colectivos do Porto, SA. (STCP).

From September 2009 to June 2012 – Controller at Mota-Engil SGPS, SA.

From January 2007 to August 2009 – Board Director at Mota-Engil Central Europe Slovenská Republika, a.s.; Board Director at Mota-Engil Engineering, a.s.; Manager at M-Invest Slovakia Mierova, s.r.o.; Manager at M-Invest Slovakia Trnavska, s.r.o.; Manager at M-Invest Slovakia, s.r.o.; Member of the Supervisory Board of Bergamon, a.s.; Representative of Mota-Engil Engenharia e Construção – Slovakia Branch Office.

From January 2006 to December 2006 – Controller in Mota-Engil Central Europe, SA..

From July 2004 to December 2005 – Assistant to Finance Director at Mota-Engil Engenharia e Construção, SA – Angola Branch Office.

From July 2003 to June 2004 – International Business Technician at Mota-Engil Engenharia e Construção, SA..

### Executive Board Member – Alfredo César Vasconcellos Navio

**Date of Birth:** 15 January 1967

**Education:**

Degree in Informatics and Management, Portucalense University Infante Dom Henrique (1988-1994).

Post-graduate Degree in Finance, Portucalense University Infante Dom Henrique (1998-2000).

**Professional Career:**

From 2012 to January 2016, Executive Member of the Board of Directors in Sociedade de Transportes Colectivos do Porto, SA. (STCP).

From 2012 to January 2016, Executive Member of the Board of Directors of OPT – Optimização e Planeamento de Transportes, S.A.

From 2012 to January 2016, Executive Member of the Board of Directors of TRANSPUBLICIDADE – Publicidade em Transportes, SA.

From 2010 to 2012 – Manager Sales Technician at the Real Estate Unit of EP – Estradas de Portugal, SA.

From 2009 to 2010 – New Business Planning and Development Technician at Delegação Regional do Porto da EP – Estradas de Portugal, SA.

From 2004 to 2008 – Head of Administration and Finance Division at Direção de Estradas do Porto do IEP – Instituto das Estradas de Portugal.

From 2002 to 2004 – Director of Administration and Finance Division at Direção de Estradas do Porto do ICERR – Instituto para a Conservação e Exploração da Rede Rodoviária – Directorate of Porto Roads of ICERR – Institute for the Maintenance and Operation of Road Network.

From 2000 to 2002 – Organisation, administrative, and financial control of contract processes and provision of technical support for computer users at Direção de Estradas do Porto of ICERR – Instituto para a Conservação e Exploração da Rede Rodoviária – Directorate of Porto Roads of ICERR – Institute for the Maintenance and Road Network Operation.

From 1997 to 2000 – Technical support to the Accounting Information System and Contract Information System at Direção de Estradas do Porto da JAE – Junta Autónoma de Estradas e ICERR – Instituto para a Conservação e Exploração da Rede Rodoviária – Directorate of Porto Roads of JAE – Autonomous Public Body for Road Construction, Repairs and Maintenance and ICERR – Institute for the Maintenance and Operation of Road Network.

From 1995 to 1997 – Technical Support for the Accounting Information System at Direção de Estradas de Viana do Castelo da JAE – Junta Autónoma de Estradas – Directorate of Viana do Castelo Roads of JAE – Autonomous Public Body for Road Construction, Repairs, and Maintenance.

1995 – Consultant providing guidance and support for computer users at COMPTA RH – Organização e Gestão de Recursos Humanos, SA. – Organisation and Management of Human Resources.

**Other Activities:**

Since 2015 – Chairman of the Board of the General Meeting at Futebol Clube da Foz.

Since 2012 – 1<sup>st</sup> Secretary of the General Meeting of ADEPORTO – Porto Energy Agency.

From 2011 to 2013 – 1<sup>st</sup> Secretary of Bonfim Parish Council Meeting.

From 2009 to 2011 – Member of Bonfim Parish Council Meeting.

From 2011 to 2012 – Chairman of the Board of the General Meeting of ESV – Expansión Sin Vello – Estética, SA.

From 2007 to 2010 – Chairman of the Supervisory Board of the Leisure and Cultural Centre of the Staff of EP – EP – Estradas de Portugal, EPE.



### Non-Executive Board Member – António José Lopes

Date of Birth: 23 November 1957

#### Education:

Degree in Economics, University of Porto, 1982.

Post-graduate Degree in Executive Management, Faculty of Economics and Management of the Catholic University of Portugal, 1998/1999.

#### Professional Career:

Since 13 July 2012 – Chairman of the Executive Committee for Metro do Porto, S.A.

Since 30 July 2012 – Executive Member of the Board of Directors at Nortrem – Aluguer de Material Ferroviário, ACE.

Since 2 August 2012 – Manager Consultant at Metro do Porto – Consultoria em Transportes Urbanos e Participações, Unipessoal, Lda.

Since 22 August 2012 – Executive Member of the Board of Directors of TRANSPUBLICIDADE – Publicidade em Transportes, SA.

Since 21 December 2012 – Executive Member of the Board of Directors at Associação Porto Digital.

Since 28 January 2013 – Chairman of the Supervisory Board of the Entrepreneurs Association for Cultural Tourism Development in Porto and the Regional Association of Tourism of Porto (ATC – Porto Tours).

Since 27 March 2013 – Executive Member of the Board of Directors in TIP – Transportes Intermodais do Porto, ACE.

From 2010 to 2011 – Director-General at Tablestock, Serviços para Hotelaria e Restauração – Hotel and Restaurant Services.

From 1998 to 2010 – Director-General of Purchasing & Investment and Information System at Vista Alegre Atlantis S.A.

From 1997 to 1998 – Director-General – Empresa Continental Importadora, S.A.

From 1990 to 1997 – Administrative and Financial Director – EC-Material Eléctrico, Grupo General Electric, which from January 2006 became GE Power Controls Portugal.

From 1986 to 1989 – Head of Control and Management at – Empresa Electro-Cerâmica, Grupo Vista Alegre.

From 1985 to 1986 – Assistant Finance Director at STCP (Serviços de Transportes Coletivos do Porto).

## 4.3. REMUNERATION OF THE GOVERNING BODIES

### 4.3.1. Remuneration Plan

#### 1. Board of Directors

On 29 June 2012, a Unanimous Written Social Resolution set out the remuneration to be paid to Board Members according to the Bylaws of Board Members of state-owned public companies as laid down by Decree-Law no. 8/2012, of 18 January, MCR no. 16/2012 of 14 February, and MCR no. 36/2012 of 26 March, running as follows:

- › Executive Board Members: gross value: €3,662.56, supplemented by 40% corresponding to a fixed allowance stipulated for representation of the company, amounting to € 1,465.02.

To these gross values, 5% and 10% reduction will apply respectively, in accordance with the procedure laid down in Article 12 of Decree-Law no. 12-A/2010 and Article 19 (1), sub-paragraph c) and no. 9, sub-paragraph c) of Decree-Law no. 55-A/2010, running as follows:

- › Executive Board Members: net value €3,131.49, supplemented by 40% corresponding to a fixed allowance stipulated for representation of the company amounting to €1,252.60.

To this remuneration, other reductions that may be legally determined will be applied. In compliance with provisions laid down in Article 21(1) and in Article 29 of the State Budget for 2012, during the period of time in which the Programme for Economic and Financial Assistance – PEFA is in force, neither holiday nor Christmas bonuses will be granted. The same procedure will apply to variable performance-based awards.

On 10 August 2012, a Unanimous Written Social Resolution set out the remuneration to be paid to Board Members according to Bylaws of Board Members of state-owned public companies as laid down by Decree-Law no. 8/2012 of 18 January, MCR no. 16/2012 of 14 February, and MCR no. 36/2012 of 26 March, running as follows:

- › Non-Executive Chairman: gross value €1,144.55.
- › Non-Executive Board Member: gross value €915.64.

Nevertheless, the newly appointed Board Members do not earn any remuneration, as they are remunerated as executive board directors of Metro do Porto, S.A.

It is established that to the gross values, 5% and 10% reduction will apply respectively, in accordance with Article 12 of Decree-Law no 12-A/2010 of 30 June, and Article 19 (1) sub-paragraph c) and no. 9, sub-paragraph q) of Decree-Law no. 55-A/2010 of 31 December, and of Decree-Law no 64-B/2011 of 30 December, or any other reductions that may legally be determined.

In compliance with provisions laid down in Article 21(1) and in Article 29 of Decree-Law no. 64-B/2011 of 30 December, during the period of time in which the Programme for Economic and Financial Assistance – PEFA – is in force, neither holiday nor Christmas bonuses will be granted. The same procedure will apply to variable performance-based awards.

By deliberation taken at STCP's General Meeting held on 18 June 2013 regarding the remuneration policy of STCP's Governing Bodies, the following was decided:

– Item 5 – "(...) In compliance with the provisions laid down in Article 37 of Decree-Law no. 66-B/2012, 31 December, which states that during the period of time in which the PEFA Programme is in place, management bonuses will not be awarded. Holiday pay will be made according to provisions set forth in the amending budget and the Christmas bonus will be paid monthly in twelfths. Actual remuneration to be earned by the members of the Board of Directors should not exceed the amounts set out until the date 01-03-2012 on which MCR no. 16/2012 begins to take effect".

– Item 8 – "(...) it was established that "executive Board members are afforded the following benefits:

- › Overall social benefits granted to all employees of the company;
- › Maximum limit covering monthly average fuel costs and toll charges for service vehicles corresponding to one-fourth of the monthly allowance amount stipulated for representation of the company pursuant to Article 33 (3) under Bylaws of Board Members of state-owned public companies;
- › Maximum limit covering expenses incurred with communications including mobile phone, home phone, and the internet whose maximum amount should not exceed €80.00 as per procedure laid down in Article 32 (3 and 4) under the Bylaws of Board Members of state-owned public companies.

The following are not allowed:

- › Meal allowance exceeding the amount set out by Ordinance no. 1553-D/2008 of 31 December amended by Ordinance no. 1458/2009 of 31 December in compliance with Article 39 (1) under Decree-Law no. 66-B/2012 of 31 December;
- › Use of credit cards and any other payment instruments for the purpose of incurring expenses arising from acting on behalf of the company according to provisions laid down in Article 32 (1) under Bylaws of Board Directors of state-owned public companies;
- › Reimbursement of any expenses that may be considered as expenditure incurred with the personal representation of the company as set forth in Article 32 (2) under the Bylaws of Board Members of state-owned public companies".

By deliberation taken at STCP's General Meeting held on 29 May 2015, the following was stated in the sixth item:

*"Statement regarding the Remuneration Policy of the governing and supervisory bodies of STCP – Sociedade de Transportes Colectivos do Porto, S.A.*

*The remunerations of the governing bodies of state-owned enterprises should be fixed based on the complexity, challenge, and responsibilities of their positions, and in compliance with normal practices of the respective activity sector. It should also be taken into account the established principles and guidelines by the shareholder, and the market situation. Given the current economic and financial situation at the national level, it is necessary to define a remuneration policy for public managers consistent with effective risk management. It should be coherent with the nature of activity, and with the strategy of the company business, promoting its sustainable development. Hence, it is extremely important to approve a remuneration system that translates into effective wage moderation, adjusted to the company characteristics. Transparency in relation to remuneration policies and its effective application shall also be ensured. In light of the fact that Portugal is on the Programme for Economic and Financial Assistance (PAFE), the Decree-Law no. 8/2012 of 18 January, and the Amendment Statement no. 2/2012 of 25 January, changes have been made to the Decree-Law no. 71/2007 of 27 March that has approved the status of state-owned public companies, as well as, the MCR no. 16/2012 published in the Official Journal 1<sup>st</sup> series of 14 February. This amendment defines the categories and criteria to establish the monthly income of public managers according to the limit of the Prime Minister's monthly income, which gives STCP, S.A. a C rate.*

*Thus, under Article 2 of Decree-Law no. 28/2009 of 19 June, it is stated that in the year of 2015 the remuneration of the public managers of STCP, S.A. will be evaluated in accordance with the principles set out in MCR no. 16/2012, published in the Official Journal 1<sup>st</sup> series of 14 February, without prejudice to the application of the current remuneration reductions, as well as other provisions that may be legally defined in the future.*

*There will be no bonus systems for the Board of Directors as required by Article 41 of 2014 State Budget Law and the Christmas bonus will be paid monthly in twelfths as set out in Article 35 of the 2014 State Budget Law (...)."*

## 2. Board of the General Meeting and Supervisory Board

On 6 June 2014 by Unanimous Written Social Resolution the following remuneration was established to be paid to the members of the Board of the General Meeting and Supervisory Board:

### Board of the General Meeting

- › Chairman: Attendance voucher in the amount of € 500.00.
- › Deputy Chair – Attendance voucher with the value of € 425.00.
- › Secretary – Attendance voucher amounting to € 350.00.

### Supervisory Board

- › Chairman: gross value of € 1,281.90 paid 14 times a year.
- › Members: gross value of € 961.42 paid 14 times a year.

The remuneration reduction set out in Article 33 of Decree-Law no. 83-C/2013 of 31 December will be applied to these values. Additionally, the payment of the Christmas bonus to the Supervisory Board will be paid monthly in twelfths as set out in Article 35 of the same Decree-Law, without prejudice to the provisions that may be legally defined in the future.

According to the provisions in item 21 of MCR no. 16/2012 of 14 February and item 3 of MCR no. 36/2012 of 26 March, it is established that during the PAFE Programme the remuneration to be effectively paid to the elected members may not exceed the amounts provided on 1 March 2012, which is the date of entry into effect of the MCR no. 16/2012 of 14 February. Other reductions applicable to these remunerations may legally be determined in the future.

By deliberation taken at STCP's General Meeting held on 29 May 2015, the following was stated in the sixth item:

*"Statement regarding the Remuneration Policy of the governing and supervisory bodies of STCP – Sociedade de Transportes Colectivos do Porto, S.A.*

*The remunerations of the governing bodies of state-owned enterprises should be fixed based on the complexity, challenge, and responsibilities of their positions, and in compliance with normal practices of the respective activity sector. It should also be taken into account the established principles and guidelines set by the shareholder and the market situation. Given the current economic and financial situation at the national level, it is necessary to define a remuneration policy for public managers consistent with effective risk management. It should be coherent with the activity nature, and with the strategy of the company business, promoting its sustainable development. Hence, it is extremely important to approve a remuneration system that translates into effective wage moderation, adjusted to the company characteristics.*

*Transparency in relation to remuneration policies and its effective application shall also be ensured.*

*In light of the fact that Portugal is on the Programme for Economic and Financial Assistance (PAFE), the Decree-Law no. 8/2012 of 18 January, and the Amendment Statement no. 2/2012 of 25 January, changes have been made to the Decree-Law no. 71/2007 of 27 March that has approved the status of state-owned public companies, as well as the MCR no. 16/2012 published in the Official Journal 1<sup>st</sup> series of 1 February. This amendment defines the categories and criteria to establish the monthly income of public managers according to the limit of the Prime Minister's monthly income, which gives STCP S.A. a C rate (...)*

*There will be no bonus systems to the Board of Directors as required by Article 41 of 2014 State Budget Law and the Christmas bonus will be paid monthly in twelfths as set out in Article 35 of the 2014 State Budget Law.*

*The remuneration paid to the Supervisory Board established according to the criteria set out in Order 764/SETF/2012 of 4 May is included in the current remuneration reduction, as well as other provisions that may be determined in the future".*

## 3. Statutory Auditor

On 9 September 2009 by Unanimous Written Social Resolution, the shareholder – the Portuguese State, under the proposal of the Supervisory Board, Sociedade António Magalhães e Carlos Santos, S.R.O.C – represented by Carlos Alberto Freitas dos Santos, was elected as the Statutory Auditor of STCP, S.A. for the three-year period 2009/2011.

The established remuneration of the Statutory Auditor stands at fifteen thousand and six hundred euros of fees, payable in monthly twelfths of one thousand and three hundred euros, the respective contract having been concluded.

This remuneration is subject to reductions and reversals established by the applicable legislation in force.



### 4.3.2. Remunerations and Other Benefits

#### General Meeting Board

MANDATE			ANNUAL REMUNERATION 2015 (€)				
(START - END)	POSITION	NAME	VOUCHER FIXED AMOUNT (€)	GROSS (1)	REMUNERA- TION REDUC- TIONS (2)	REMUNERA- TION REVER- SAL (3)	FINAL VALUE (4) = (1)-(2)+(3)
2012-2014	Chairman	José António Ferreira de Barros	500	500	0	0	500
2012-2014	Deputy Chair	Maria Teresa Vasconcelos Abreu Flor Morais	425	425	0	0	425
2012-2014	Secretary	Carlos Maria Pinheiro Torres (*)	350	334	0	0	334

(\*) Voucher fixed amount does not match the gross value, since the Decree-Law no. 1212/15-SEPT, 4 August 2015, the remuneration may not exceed the amounts given on 1 March 2012, in accordance with MRC no.21, 16/2012 and MCR no.3. 36/2012.

#### Board of Directors

MANDATE			DESCRIPTION	
(START - END)	POSITION	NAME	METHOD	DATE
2012-2014	Non Executive Chairman	João Velez Carvalho	Written Social Unanimous Resolution	10/Aug./12
2012-2014	Executive Board Member	André da Costa Figueiredo e Silva Sequeira	Written Social Unanimous Resolution	29/Jun./12
2012-2014	Executive Board Member	Alfredo César Vasconcellos Navio	Written Social Unanimous Resolution	29/Jun./12
2012-2014	Non Executive Board Member	António José Lopes	Written Social Unanimous Resolution	10/Aug./12

MEMBER OF SB (SUPERVISORY BOARD)	ACCUMULATION OF FUNCTIONS		
	ENTITY	FUNCTION	REGIME
André da Costa Figueiredo e Silva Sequeira	TIP – Transportes Intermodais do Porto, ACE	Member of the Executive Committee	Private
	STCP SERVIÇOS – Transportes Urbanos, Consultoria e Participações, Unipessoal, Lda.	Manager	Private
Alfredo César Vasconcellos Navio	OPT – Optimização e Planeamento de Transportes, S.A.	Member of the Executive Committee	Private
	TRANSPUBLICIDADE – Publicidade em Transportes, S.A.	Member of the Executive Committee	Private

BYLAWS OF BOARD MEMBERS OF STATE-OWNED COMPANIES				
MEMBER OF SB (SUPERVISORY BOARD)	FIXED	CLASSIFICATION	GROSS MONTHLY REMUNERATION (€)	
			MONTHLY REMUNERATION	REPRESENTATION EXPENSES
João Velez Carvalho [1]			1,145	0
André da Costa Figueiredo e Silva Sequeira	Yes	C	3,663	1,465
Alfredo César Vasconcellos Navio	Yes	C	3,663	1,465
António José Lopes [1]	Yes	C	916	0

[1] Do not earn any remuneration once they are paid by Metro do Porto, S.A company as Executive Board Directors.

MEMBER OF SB (SUPERVISORY BOARD)	ANNUAL REMUNERATION (€)					
	VARIABLE	FIXED *	GROSS (1)	REMUNERATION REDUCTIONS (2)	REMUNERATION REVERSAL (3)	FINAL VALUE (4) =(1)-(2)+(3)
André da Costa Figueiredo e Silva Sequeira	0	68,856	68,856	10,328	1,719	60,246
Alfredo César Vasconcellos Navio	0	67,882	67,882	10,182	1,738	59,437

\* Includes remuneration + expenses incurred with personal representation.

MEMBER OF SB (SUPERVISORY BOARD)	SOCIAL BENEFITS (€)						
	MEAL ALLOWANCE		SOCIAL PROTECTION SCHEME			LIFE INSURANCE	PERSONAL ACCIDENT INSURANCE
	AMOUNT/DAY	AMOUNT PAID PER YEAR	IDENTIFY	AMOUNT	HEALTH INSURANCE		
André da Costa Figueiredo e Silva Sequeira	4,27	1.003	Social security	15,395	0	0	319
Alfredo César Vasconcellos Navio	4,27	974	CGA	15,280	0	0	319

MEMBER OF SB (SUPERVISORY BOARD)	COSTS OF MOBILE COMMUNICATIONS (€)			NOTES
	ESTABLISHED MONTHLY AMOUNT		ANNUAL AMOUNT	
André da Costa Figueiredo e Silva Sequeira	80		223	
Alfredo César Vasconcellos Navio	80		698	The exceeding amount was deducted from the established monthly amount.

MEMBER OF SB (SUPERVISORY BOARD)	COSTS REGARDING VEHICLES								
	ALLO- CATED VEHICLE	CONTRACT	REFERENCE VALUE OF THE VEHICLE (€)	CONTRACT TYPE	YEAR BEGIN- NING	YEAR END	MONTHLY LEASE AMOUNT (€)	ANNUAL LEASING EXPENSES (€)	INSTALL- MENTS REMAINING CONTRACT- TUAL (NO.)
André da Costa Figueiredo e Silva Sequeira	Yes	Yes	38,513	ALD	2009	2016	800	9,600	6
Alfredo César Vasconcellos Navio	Yes	Yes	44,332	ALD	2010	2016	875	10,503	6

MEMBER OF SB (SUPERVISORY BOARD)	GASTOS ANUAIS ASSOCIADOS A VIATURAS (€)					NOTES
	MONTHLY AMOUNT FUEL AND TOLL CHARGES (€)	FUEL	TOLL CHARGES	OTHER REPAIRS	INSUR- ANCE (*)	
André da Costa Figueiredo e Silva Sequeira	366	1,255	82	907		
Alfredo César Vas- concellos Navio	366	2,815	670	140		The exceeding amount was deducted from the established monthly amount.

(\*) Included in the ALD leasing value.

MEMBER OF SB (SUPERVISORY BOARD)	ANNUAL COSTS ASSOCIATED WITH TRAVEL EXPENSES (€)					TOTAL TRAVELS EXPENSES (€)
	TRAVEL EXPENSES	ACCOMMODA- TION EXPENSES	SUBSISTENCE COSTS	OTHER		
				IDENTIFY	AMOUNT	
André da Costa Figueiredo e Silva Sequeira	0	0	0		0	0
Alfredo César Vasconcellos Navio	0	0	0		0	0

Measures were taken according to provisions laid down by Article 32 of Bylaws of Board Directors of state-owned public companies as republished by Decree-Law no. 8/2012 of 18 January in particular regarding:

- › Credit cards and any other payment instruments were not used for the purpose of incurring costs associated with the representation of the company;
- › There was no reimbursement of any expenses that may be considered as expenditure incurred with the personal representation of the company.

## Supervisory Board

MANDATE			DESCRIPTION			MONTHLY FIXED REMUNERATION (€)
(START - END)	POSITION	NAME	METHOD	DATE		
2012-2014	Chairman	Pedro Romano Martinez	Written Social Unanimous Resolution	06/Jun./14		1,282
2012-2014	Executive Board Member	Ana Alexandra Filipe Freitas	Written Social Unanimous Resolution	06/Jun./14		961
2012-2014	Executive Board Member	Paulo Jorge Rodrigues Mateus	Written Social Unanimous Resolution	06/Jun./14		961

NAME	ANNUAL REMUNERATION 2015 (€)			
	GROSS (1)	REMUNERATORY REDUCTIONS (2)	REMUNERATION REVERSAL (3)	FINAL VALUE (4) = (1) - (2) + (3)
Pedro Romano Martinez [1]	17,947	2,824	341	15,464
Ana Alexandra Filipe Freitas [2]	13,460	2,155	256	11,561
Paulo Jorge Rodrigues Mateus [3]	13,460	2,261	256	11,455

The remuneration deductions in the Supervisory Board 2015 includes a settlement regarding 2014, in compliance with the Decree-Law no. 1212/15SEPT of 4 August 2015:

[1] The remuneration reduction of 2014 is 222€.

[2] The remuneration reduction of 2014 is 203€.

[3] The remuneration reduction of 2014 is 309€.

## Statutory Auditor

MANDATE		IDENTIFICATION OF STATUTORY AUDITOR			DESCRIPTION			
(START - END) (1)(2)	POSITION	NAME	REGISTER NO. IN THE STATUTORY AUDITOR ASSOCIATION	CGSMC REGISTER NO.	METHOD (3)	DATE	MONTHLY SUB- CONTRACTED REMUNERA- TION (€)	NO. OF MANDATES IN THE AUDITOR ASSOCIATION
Nov.-Dec. 2008	Statutory auditor	António Magalhães & Carlos Santos, S.R.O.C.	53	20161396	DUE	25/Nov./08	1,300	1
2009-2011	Statutory auditor	António Magalhães & Carlos Santos, S.R.O.C.	53	20161396	DUE	09/Sep./09	1,300	1

(1) Elected to complete the 2006-2008 mandate.

(2) Elected to the 2009-2011 mandate and remained in this position.

(3) DUE – Written Social Unanimous Resolution.



NAME	ANNUAL REMUNERATION 2015 (€)			
	GROSS (1)	REMUNERATION REDUCTION (2)	REMUNERATION REVERSAL (3)	FINAL VALUE (4)=(1)-(2)+(3)
António Magalhães & Carlos Santos , S.R.O.C.	15,600	1,560	312	14,352

Received an additional remuneration of 4,282 euros for auditing the consolidated accounts and includes remuneration reductions imposed by the applicable law.

#### 4.4. MANAGEMENT OBJECTIVES AND DEGREE OF COMPLIANCE

Through the Ministers Council Resolution (MCR) no. 47/2014 of 22 July, the Portuguese Government determined opening to privatization the operation of the public service of passenger transport provided by public companies, such as Metro do Porto, S.A. (MP) and Sociedade de Transportes Colectivos do Porto, S.A. (STCP). Concerning this measure, on 8 August 2014, STCP and MP together with the Bodies governed by public law launched an international public tender for a sub-concession contract to operate the public service of passenger transport provided by both companies for a period of 10 years. This procedure had some amendments on 14 October 2014, 12 November 2014, and 9 December 2014.

Despite the fact that the public tender had been granted to the Ferrocarril Metropolitana de Barcelona SA./Transports Ciutat Comtal S.A. in relation to STCP's provided services, which was subject to a suspended condition under Article 20 (3) of the Tender Programme. This was raised due to a resolution of the Authority of Metropolitan Transports of Porto by adding to the operation of public service of passenger transport, granting securities under the Regulamento de Transportes em Automóveis (Car transportation regulation). Nevertheless, the sub-concession contracted was not concluded regarding STCP bus services due to tender expiration due to the lack of a timely security deposit payment.

As a result of the termination of the public tender for operating the transport system of STCP, the Board of Directors on 21 August 2015 considered launching a new limited tendering procedure.

Order no. 9660-A/2015 of 24 August by the Ministry of Finance and Economy approved a new tendering procedure and its launch, because it did fit into the set of measures of the Strategic Transport Plan – PET and Strategic Transport and Infrastructures Plan – PETI3+ for 2014-2020, which had the purpose to meet the commitments subscribed by the Portuguese Government within the framework of the Programme for Economic and Financial Assistance (PAFE).

In accordance with the decisions made by the Board of Directors, the entities that obtained parts in the public tender on 8 August 2014 were invited to submit proposals. On 3 September 2015 nine proposals

were presented. Using the preliminary and final reports concerning the proposals that raised no objections, the jury proposed that the sub-concession of the transport system of STCP should be granted to the Agrupamento Alsa National Express, which is composed of: Nex Continental Holdings S.L.U./Alsa Ferrocarril S.A.U./Alsa Atlantica S.L.U., under the terms of remuneration laid down in Article 36 in the tender document of STCP, S.A.

On 14 September 2015, STCP deliberated to award the proposal of Agrupamento Alsa National Express and did the required communication on item 10.4 of Invitation to Tender to present proposals on 17 September 2015, when there would be a decision regarding the granting approval.

Nonetheless, on 18 September 2015, STCP was cited on Injunction no. 2149/15.6BEPRT initiated in the Tribunal Administrativo e Fiscal do Porto (Administrative and Fiscal Court of Porto) by a group of citizens under the alleged right of Popular Action. The suspension of the effects of the STCP's Board of Directors decision on 21 August 2015 that approved the limited tendering procedure after consulting various entities was required. STCP submitted in compliance with Article 128 (1) of Code of Administrative Procedure, in a Resolution setting out the grounds on which the decision of the Board of Directors on 5 October 2015 is based. This resolution determined the end of the suspension of the period, which had been suspended on 18 September with a notification on the same day to the winner group.

After delivering the licensing documents and the tender security, the sub-concession contract of the transport sub-system (STCP bus fleet) was awarded on 26 October 2015.

On 30 October 2015, the above-mentioned contract was submitted to the Court of Auditors supervision according to Articles 45 and 46 of Decree-Law of Organisation and Court of Auditors Procedure approved by Decree-Law no. 98/97 of 26 August, and in accordance with Article 81 of the referred Law and with the instructions on Resolution no. 14/2011 of 11 July.



The Court of Auditors, within the preliminary supervision procedure, returned the previous procedure to complete the respective study (Letter Ref. DECOP/ UAT.2/ 5245/ 2015, dated 12-11-2015).

The Assembly Resolution no. 145/2015, published in the Official Journal 1<sup>st</sup> series no. 252 on 28 December 2015, gave a recommendation to the Portuguese Government in terms of cancellation and reversal of the sub-concession contracts of the transport systems of Metro do Porto, S.A. and Sociedade de Transportes Colectivos do Porto, S.A., as defined in points 1 and 2:

*“1 – Apply the necessary changes to urgently cancel the sub-concession procedure of the public service of public transport provided by STCP – Sociedade de Transportes Colectivos do Porto, S. A., and Metro do Porto.*

*2 – All the necessary measures should be taken to restore the legal conditions that were in force before the sub-concession procedure”.*

Taking into account the recommendations drawn up by the Assembly and based on legal opinions concerning the Board of Directors elected on 25 January 2016, and by Unanimous Written Social Resolution decided in February 2016 about the intention to cancel the granting approval and the sub-concession of the transport system of STCP, S.A. concluded between the STCP – Sociedade de Transportes Colectivos do Porto, S.A. Alsa Metropolitana do Porto, Lda. Therefore and for the purposes of Articles 121 and 122 of the Code of Civil Procedure, the groups Holdings, S.L.U., Alsa Ferrocarril, S.A.U., Alsa Atlantica, S.L.U.,

as well as Alsa Metropolitana do Porto, Lda. were notified about the above-mentioned pending decision and legal effects that the cancellation of the granting approval of STCP, S.A. would cause after the contract celebration on 26 September 2015.

The company constituted through Management Forecasting Instruments 2015 in its final version of 15 December 2014, the Activities Plan and Budget for 2015, and the Investment Plan and Disposal of Assets 2015 approved in the General Assembly on 29 May 2015.

The following gives an overview, in figures or in general terms, of the achieved targets regarding management goals according to Article 38 of Decree-Law no. 133/2013 of 3 October.

## Management Contract Objectives

No management contract was established for 2015.

#### 4.4.1. Cost Reduction Plan (CRP)

PRC	UNIT	OBJEC.									2015/2014		2015/2010	
			2015	2014	2013	2012	2011	2010	Δ ABS.	VAR. %	Δ ABS.	VAR. %	Δ ABS.	VAR. %
(1) CMVMC	10 <sup>3</sup> €		859	1.078	1.341	1.260	1.545	1.421	-218	-20%	-562	-40%		
(2) ESS	10 <sup>3</sup> €		19.270	22.096	24.847	31.021	32.622	32.611	-2.827	-13%	-13.341	-41%		
(3) Personnel expenses [a]	10 <sup>3</sup> €		28.796	29.314	31.427	29.134	34.062	39.045	-518	-1,8%	-10.249	-26%		
(4) Operating expenses = (1)+(2)+(3)	10 <sup>3</sup> €		48.925	52.488	57.615	61.415	68.229	73.077	-3.563	-6,8%	-24.152	-33%		
(5) Turnover (T) [b]	10 <sup>3</sup> €		44.931	48.127	49.541	53.493	54.253	52.778	-3.196	-6,6%	-7.847	-15%		
(6) Weight of costs/ NV = (4)/(5)	%		108,9%	109,1%	116%	115%	126%	138%	-0,2 pp	-0,2%	-30 pp	-21%		
STATE BUDGET 2015 DECREE-LAW, ARTICLE 61 No.3														
Communications (ESS)	10 <sup>3</sup> €		104,1	160,8	197,1	360,7	425,2	441,1	-57	-35%	-337	-76%		
Travels/ Accommodations (ESS)	10 <sup>3</sup> €	in line with 2014	2,0	1,7	2,3	1,9	9,3	15,6	0,3	16%	-14	-87%		
Subsistence costs (personnel expenses)	10 <sup>3</sup> €		1,1	0,4	0,2	0,4	1,9	2,7	0,7	173%	-2	-61%		
No. of Employees [c]	no.		1.183	1.185	1.243	1.273	1.336	1.515	-2	-0,2%	-332	-22%		
No. of Permanent Staff [d]	no.		1.134	1.134	1.209	1.236	1.299	1.450	0	0,0%	-316	-22%		
No. of Administration Positions [e]	no.		7	8	12	13	14	N/A	-1	-13%	N/A	N/A		
No. of Employees/ Administration Positions	no.		169	148	104	98	95	N/A	21	14%	N/A	N/A		
VEHICLES														
No. of vehicles [f]	no.	lower than 2014	52	52	55	N/A	N/A	N/A	0	0%	N/A	N/A		
Vehicles expenses	10 <sup>3</sup> €		160	172	218	N/A	N/A	N/A	-12	-7%	N/A	N/A		

[a] Without indemnities arising from employment contract terminations (Article 61(2) from the Decree-Law 82-B/2014, 31 December – the indemnities paid for contract termination are not included in the personnel expenses).

[b] Turnover = sales and provided services + other income and gains + own company works.

[c] On 31 December Includes governing bodies and requested and leased workforce.

[d] On 31 December Includes governing bodies. The difference to the employees are the absences due to illness and/or work accident whose sick leave exceeds one month and to employees leased or requested for another company.

[e] On 31 December.

[f] Three vehicles were sold in 2014.



Under the application of measures to cut down on operating costs in accordance with circular letter no. 11157 of 2 December 2014 regarding instructions for the preparation of Management Forecasting Instruments for 2015, it is important to note the following:

- › The headings Cost of Goods Sold and Materials Consumed (CGSMC), External Supplies and Services (ESS) and Costs Incurred with Personnel deducted from Severance Payments (SP) arising from employment contract terminations reached 48.9 million euros in 2015, a decline of 33% (24.2 million euros) compared to 2010.
- › The EBITDA (management) was negative with 4.4 million euros in comparison with 2014 when there was a positive value of 1.4 million euros. It needs to be taken into consideration that in 2015 there were compensatory indemnities. However, in 2014 this represented an amount of 4.7 million euros.
- › The total amount of costs with communications, travels, and subsistence was 107.1 million euros in 2015, which was lower by 55.7 million euros (-34%) compared to 2014.  
  
All expenses, with the exception of travel costs that increased 277 euros (+16%) in comparison with the previous year, presented a decline.
- › The costs associated with the fleet were reduced by 7%, around 12 thousand euros compared to 2014, although the number of vehicles was the same.
- › The turnover was 44.9 million euros, a decline of 6.6% (€ -3.2 M) compared to 2014.
- › The weight of costs on Turnover was 108.9%, a decline of 0.2 p.p. compared to the previous year.

### Human resources

- › The total number of employees (including Governing bodies and requested and leased workforce) on 31 December 2015 was 1,183, which was reduced 0.2%, less 2 employees compared to 31 December 2014.  
  
The vehicle crew (bus and tramcar drivers) on 31 December 2015 comprised 854 employees, representing 72.2% of the workforce.
- › The administration positions on 31 December 2015 presented a reduction of 13%, one employee less compared to 2014 due to permanent staff departure.
- › The ratio of employee number/administration positions registered a positive evolution of 14% compared to 2014, from 148 in 2014 to 169 in 2015.
- › The application to all employees of the guidelines regarding the remunerations in force in 2015 was confirmed, specifically the guidelines from the State Budget Law of 2015.
- › Post-employment benefits – it complied with the legislation in force, as was explained in item 3.5.3 of Pension Fund.

On 31 July 2015, STCP requested its supervisor to hire more drivers in order to provide the public service of passenger transport. The request included the recruitment and hiring of 139 drivers to provide the public service of passenger transport until 31 December 2015. This number was considered necessary and vital to ensure the services that the company is obliged to guarantee. This requirement was motivated by the departure of employees in recent years due to retirement or contract terminations.

The mentioned request has obtained authorisation from the shareholder, issued by an Order of the Minister of Infrastructures, Transports, and Communications (SET) – Letter Ref. 7325, dated 14 August 2015. On items 1 and 2 of the SET Order, there is the following information:

"1 – It is considered that all the requirements set in Article 58 (3) of 2015 State Budget Law were met and for public reasons, STCP may in exceptional circumstances hire 139 drivers to provide the public service of passenger transport.

2 – This authorisation does nothing to detract from the fact that there is a need to implement management measures in order to meet targets set out for 2015 regarding the STCP establishment plan".

On the basis of the authorisation received, STCP hired 60 drivers before the end of 2015 - 30 on October, 15 in November and 15 in December.

### 4.4.2. Financial Management Risks and Debt Limits

The policy of debt portfolio management and financial risk is presented in Note 28 of financial statements.

In 2015, the STCP financing model was ensured with funds from the State, upon the company application. This was based on estimated financial statements in order to ensure the company's liquidity to properly function.

The risk management and compliance with the maximum limits to further indebtedness defined for 2015, in the Decree-Law no. 82-B/2014 of 31 December, established in accordance with Circular Letter to prepare the IPG (Management Forecasting Instruments) – 2015, are presented in the next table.

Financial costs evolution and average financing rate in the last three years:

YEARS	2015	2014	2013
Financial Costs (€) [1]	14,761,383	19,653,131	21,350,025
Average financing rate (%)	1.72%	3.55%	4.48%

[1] Finance interest and other financial instruments (*swap*) and financial costs.

Evolution of the remunerated liabilities in 2015-2013:

REMUNERATED LIABILITIES (€)	2015	2014	2013	15-14	%
Loans Received (current and non-current)	425,588,098	415,208,460	395,935,043	10,379,638	2.5%
.... granted by DGTF (Directorate-General for Finance and Treasury) [1]	313,368,424	301,250,249	0	12,118,175	4.0%
Increase of capital by allocation	3,006,762	0	0	3,006,762	
Increase of capital by credit conversion	2,849,363	0	0	2,849,363	
<b>Adjusted Debt</b>	<b>431,444,223</b>	<b>415,208,460</b>	<b>395,935,043</b>	<b>16,235,763</b>	<b>3.9%</b>

[1] Bond nominal value.

STCP ended 2015 with a remunerated liability of 426 million euros, registering an increase of 2.5% compared to 31 December 2014.

According to the guidelines of Annex I of Letter 712/16 of DGTF of 12 February, the adjusted debt was 3.9%. It exceeded 0.9 p.p. of the debt limit of 3% established in Article 61 (5) of Decree-Law no. 84-B/2014 of 31 December.

#### 4.4.3. Principle Unity of State Treasury

According to Article 125 of Decree-Law no. 82-C/2014 of 31 December, STCP submitted to the Secretary of State of the Treasury (SET), the request for an application to the regime of exception under the State Treasury Unit Principle (UTE) for the year of 2015.

By Order no. 875/15 of SET of 5 June, and Order no. 1681/15 of 15 September, the regime of exception for UTE was authorised, as regards the operations related to financing and bank guarantees.

The company focused its existing financial resources on the Agência de Gestão da Tesouraria e da Dívida Pública – IGCP, E.P.E (Portuguese Treasury and Debt Management Agency), and used the same method in relation to the current banking management by using the services provided by the IGCP.

It should be noted that during the year 2015, the company did not make a financial application. However, the company received a net amount of marginal interest as a result of the existence of a security deposit in Demand Deposits in a bank. This amount was made available to Budget Directorate-General in accordance

with Article 125 (8) of the above-mentioned Decree-Law, which determines that these amounts should go to the state.

#### 4.4.4. Medium Term Payment and Late Payment

##### Evolution of the Medium Term Payment to Suppliers (MTP)

Evolution of Medium Term Payment to Suppliers in accordance with MCR no. 34/2008 of 22 February, containing an amendment introduced by Order no. 9870/2009 of 13 April – in other words, through the ratio of debt to the suppliers and sundry creditors, and acquisitions of goods and services, registered a variation in 2015 of 13% and 9% respectively.

In 2015, the MTP was 66 days. This represents a decline of 3 days compared to 2014, in other words, 4% less.

MTP [1]	2015	2014	VAR. 15/14	
			AMOUNT	%
Deadline (days)	65.5	68.4	-2.9	-4.2%

[1] In compliance with MCR no. 34/2008, 22 February, as amended by the Decree-Law no. 9870/2009, 13 April.

In 2015 there was non-compliance regarding the objectives laid down in item 9 of MCR no. 34/2008, which establishes that an MTP higher or equal to 45 days should be reduced and achieve a reduction of 15% to 25%.

### Late Payments (“arrears”)

The following presents the late payments (“arrears”), as defined in Decree-Law no. 65-A/2011 of 17 May, as well as the adopted strategy to decrease them:

OVERDUE DEBTS (EUROS)	IN ACCORDANCE WITH ARTICLE 1 OF DECREE LAW 65-A/2011				
	0-90 DAYS	90-120 DAYS	120-240 DAYS	240-360 DAYS	> 360 DAYS
Acquisition of Goods and Services	190,358	1,158	28,061	5,948	52,394
Acquisition of Capital Goods	9,572	0	0	19,234	0
<b>Total</b>	<b>199,930</b>	<b>1,158</b>	<b>28,061</b>	<b>25,181</b>	<b>52,394</b>

In 2015, the overdue debts amounted to 107 thousand euros, with approximately 50 thousand euros (47%) associated with transactions between the affiliated companies of STCP, TIP, and Metro do Porto, which are simultaneously debtors and creditors. The remaining amount is related to verification and regularisation of invoices.

STCP has made every possible effort to reduce its medium term payments and late payments to suppliers. Both presented a reduction compared to 2014 of 3 days regarding medium term payments and 118 thousand euros in late payments.

## 4.5. INTERNAL AND EXTERNAL RULES OF PROCEDURE

STCP is ruled by its articles of association approved by Decree-Law no. 202/94 of 23 July, amended by Declaration no. 101/94 of 30 July, complemented and clarified regarding lines operated by STCP covering trolley car or tram mode by Decree-Law no. 379/98 of 27 November, and by Companies Code.

Seeing that the company's sole shareholder is the State, STCP is subject, where applicable, to regulations and guidelines outlined in the State Corporate Sector, set out in Decree-Law no. 133/2013 of 3 October (RJSPE), in Judgement no. 413/2014 of 26 June, as well as Decree-Law no. 75/2014 of 12 September delivered by the Constitutional Court.

STCP complies with provisions set out in Order no. 14.277/2008 of 23 May concerning special information duties, regularly reporting to the Directorate General to the Treasury and Finance and to Inspection General for Public Financial Control Audit through the Systems for the Collection of Economic and Financial Information (SIRIEF), the annual and pluriannual activity plans, the annual budgets, including estimated financial operations with the State, the annual and pluriannual investment plans and respective financing sources, the quarterly reports on budget execution accompanied by the reports of the supervisory board, and the copies of the minutes of the General Meetings (GM).

STCP initiated the procedure for privatization of the operation of the public service of passenger transport in compliance with MRC no. 47/2014 of 22 July, as well as the Assembly Resolution no. 145/2015 of 28 December that recommended to the Government the cancellation and reversal of the sub-concession contract of STCP S.A. and Metro do Porto, S.A. transport systems.

The company calculates the average settlement time relative to payables in compliance with the provisions laid down by MCR no. 34/2008 of 22 February (Pay on Time Programme), amended by Order no. 9870/2009 of 13 April.

In terms of the legislative framework for companies of the State Corporate Sector, particular note should be made of the following legal instruments: Bylaws of the Board Members of state-owned public companies according to the Decree-Law no. 71/2007 of 27 March, which was republished by Decree-Law no. 8/2012 of 18 January, the MCR no. 16/2012 of 14 February stating the criteria for the remuneration of Board Members of the state-owned public companies. In addition, there is also Article 12 of Decree-Law no. 12-A/2010 and Decree-Law no. 59/2013 of 23 August laying down a scheme for the provision of information on remunerations, supplements, and other key components of remuneration of the staff of state-owned entities targeting respective analysis, characteristics, and determination of appropriate remuneration policy.

The MCR no. 8/2011 of 25 January – spelling reforms – determined the application of the spelling reforms, as of January 1 2012, to the Government and all departments and entities under the supervision of the Government.

As a company of the passenger public road transport sector, STCP is subject to the observance of the provisions in the following diplomas:

- Decree-Law no. 52/2015 of 9 June, which approves the System of Public Service for Passengers Transport.
- Decree-Law no. 3/2001 of 10 January, Legal system or regime of access to passenger road transport activity through means of vehicles with over nine seats.



- › Decree-Law no. 28/2006 of 4 July, sanctions regime which would apply to infringements in terms of passenger collective transport, with amendments introduced by Decree-Law no. 14/2009 of 14 January, 114/2011 of 30 November, and 83-C/2013 of 31 December.
- › MCR no. 45/2011, which approves the Strategic Transport Plan – PET for 2011-2015 that was updated to Strategic Transport and Infrastructures Plan – PETI3+ for 2014-2020 in April of 2014.

The company is also covered by several diplomas under specific regimes:

- › Traffic Regulations approved by Decree-Law no. 114/94 of 16 March, which has been the subject of amendments.
- › Decree-Law no. 18/2008 of 29 January Public Procurement Code, for the acquisition of products, ser-

vices, and contract work with amendments made in the meantime.

- › On labour matters, the Company is essentially ruled by Company Agreements granted with the various trade unions, by Orders issued by the Board of Directors and by the internal Notices of the Company. Alternatively, the rules in the Labour Code, Law no. 7/2009 of 12 February, and respective regulations are applicable to these matters with amendments made in the meantime.

For everything else, the Company commits to comply with the legislation and regulation in force. The company observes its Manual on Quality, Environment, and Security and Health at Work with the respective matrix of processes, and corresponding procedures, as well as, internal procedures. It is also ruled by the Code of Ethics and Conduct and observes the Prevention Plan of Risks of Corruption and Related Infringements.

## 4.6. INFORMATION ON RELEVANT TRANSACTIONS WITH RELATED ENTITIES

### Acquisition of goods and services to related entities

ENTITY	DESCRIPTION	AMOUNT [1]
TIP – Transportes Intermodais do Porto, A.C.E.		1,185,021
	Commission on sales generated from single mode and intermodal fare pricing	1,004,275
	Single mode fare pricing validation fee	69,946
	Ticket acquisition	70,028
	Supply contract for annual season tickets to STCP staff and relatives	40,774
Metro do Porto, S.A.		65,883
	Contract for the provision of legal services	44,280
	Casa da Musica Protocol – parking spaces occupancy	21,603
OPT – Optimização e Planeamento de Transportes, S.A.		93,456
	Software maintenance	93,456

## Sale of goods and services to related entities

ENTITY	DESCRIPTION	AMOUNT [1]
Metro do Porto, S.A.		247,127
	Rental and lending of premises, and related services	247,127
TIP – Transportes Intermodais do Porto, A.C.E.		34,702,774
	Revenue generated from STCP single mode fare pricing	3,905,084
	Revenue generated from STCP intermodal fare pricing	30,536,715
	Rental and lending of premises, and related services	120,617
	Seconded staff and associated costs	72,988
	Provision of checking services of intermodal fare pricing revenue	56,250
	Commission on sales generated from intermodal fare pricing at STCP sales points	11,119

[1] Amounts in euros including VAT.

## 4.7. INFORMATION ON OTHER TRANSACTIONS

### 4.7.1. Public Contracting

- » According to procedures set in place in the company, goods and services are acquired through consultation with at least three suppliers. Exceptionally in the case of specific technical issues, whenever duly founded, there may be a tendering procedure. In accordance with the above-mentioned procedures whenever determined by the Law, public tenders are launched.

Since 2010, Regulation for Suppliers has come into force in STCP, which specifies the minimum legal criteria of requirements and good practices to be followed by providers of services and goods delivered to the company on safety and hygiene at work domains. The process of selection, evaluation, and qualification of suppliers is set out in internal procedures, according to criteria enabling the objective assessment of the fulfilment of the proposed commitments, the most recent of which dates from November 2014.

Procedures set in place in the company regarding the acquisition of products and services are regulated in the matrix of procedures integrated into the Manual on Quality, Environment, and Security and Health at Work, which was last revised in October 2014 with reviews performed when appropriate.

- » Contracts with a value of more than 5 million euros and compliance with Article 47 of the Law of Organisation and Court of Auditors Process:

- » In 2014, there was a public tender for the fuel supply of the STCP fleet with an estimated amount of 10.4 million euros, including extension. This public tender resulted in the conclusion of an agreement sent to the Court of Auditors to receive approval, which was obtained in 2015 by Order on 24 February 2015.

- » In 2015 the following public tenders were launched:

#### Public Tender of STCP, S.A.

- » *Notice of procedure no. 2700/2015* – Public tender for Power Supply in Medium Voltage or Special Low Voltage for the second half of 2015 – Awarded.
- » *Notice of procedure no. 6312/2015* – Public tender for Cleaning Services of Facilities and Vehicles – Awarded.
- » *Notice of procedure no. 2721/2015* – Public tender for Power Supply in Medium Voltage or Special Low Voltage for the first half of 2016 – Awarded.
- » *Notice of procedure no. 7253/2015* – Public tender for Supply of Natural Gas – Awarded.

### 4.7.2. Over-the-Counter Transactions

During the reporting year, there were no over-the-counter transactions.

### 4.7.3. Undocumented Expenditure

There was no undocumented expenditure in order to fulfil the provisions of Article 16 (2) of the Decree-Law no. 133/2013 of 3 October, which banned this situation.

#### 4.7.4. Supplier List Accounting for More Than 5% of the ESS

NAME	CITY	ADDRESS	AMOUNT [1]
Gold Energy – Comercializadora de Energia, S.A.	Vila Real	Rua 31 de Agosto, n.º 12	4,900,296
Man Truck & Bus Portugal, Sociedade Unipessoal Lda.	Alverca do Ribatejo	Quinta das Cotovias	4,592,194
Petróleos de Portugal – Petrogal, S.A.	Lisboa	Rua Tomás da Fonseca, Torre C	4,377,013
Banco Bpi, S.A.	Porto	Rua Tenente Valadim, n.º 284	1,821,998
Vadeca – Ambiente Preservação e Controle, S.A.	Porto	Rua de Almeiriga, n.º 360	1,233,897
Tip – Transportes Intermodais Porto, A.C.E.	Porto	Avª Fernão de Magalhães, n.º 1862 – 9º	1,185,190
<b>TOTAL</b>			<b>18,110,589</b>
5% ESS 2015= 19,269,787.12 * 5%			963,489

[1] Amounts in euros including VAT.

#### 4.7.5. Accession to the National Public Procurement Agency

STCP joined the National Public Procurement Agency (SNCP) in March 2011 through a contract with the National Procurement Agency, E.P.E. (ANCP).

In 2015, there were no awards under this system.

#### 4.7.6. Vehicle Fleet

Implemented measures within the framework of the STCP fleet, regarding the guidelines laid down in Article 61 (4) of the Decree-Law no. 82-B/2014 of 31 December, complemented with Order no. 1182/13-SET of 12 June, Order no. 1668/13-SE of 6 September:

- During the year of 2015, STCP did not carry out any acquisitions of new vehicles, thus the evolution of the number of vehicles is the following:

ON 31 DECEMBER	2012	2013	2014	2015
No. of Vehicles [1]	56	55	52	52
Absolute Variation	-10	-1	-3	0
Variation %	-15%	-2%	-5%	0%

[1] Includes light and heavy-duty, and commercial vehicles. Includes leased vehicles to Metro do Porto with leasing contracts: one vehicle in 2013 and 2014 and three.

#### 4.7.7. Institutional Marketing

Pursuant to no. 10 of the Minister Council Resolution no. 47/2010 provides summary information about some institutional publicity initiatives during the year of 2014, according to Annex 1 of the Order no. 1246/2011 from the Office of the Minister for Parliamentary Affairs, and the respective regulations and technical specifications being laid down in the ordinance from the Presidency of the Council of Ministers and Ministry of Finance and Public Administration no. 1297/2010.

STCP's Annual Report and Accounts was not included in this scope, in accordance with the definition of institutional publicity included in item 2 of the MCR no. 47/2010 of 25 of June.

#### Summary of institutional publicity initiatives developed in 2015:

1 - Annual expenditure incurred with Publicity distributed by quarters:

(amount in euros, VAT excluded)

1T 2015	2T 2015	3T 2015	4T 2015	2015
0	695	198	3,048	3,941

Notes:

Considering protocol with FAP (Porto Academic Federation), the amount was 2.500 euros.

Considering the value incurred with publications required by law.



2 – In the year of 2015, there were no initiatives over 15 thousand euros.

3 – Total annual expenditure incurred with the media:

(amount in euros, VAT excluded)

Global Notícias Publicações, S.A	420
Imprensa Nacional Casa da Moeda	1,021
<b>Total per Media</b>	<b>1,441</b>

## 4.8. RECOMMENDATIONS

### 4.8.1. Shareholder Recommendations

During STCP's General Meeting on 29 May 2015, when approving the financial statements of 2014, the following explanation of the vote was given by the shareholder:

*"Given the circumstances where the company has the necessary means for servicing debt, the Shareholder (The State) recommends the enhancement of necessary approaches regarding the goal to reduce the Medium Term Payment to Suppliers in accordance with MCR no. 34/2008 of 22 February".*

The evolution of the Medium Term Payment (MTP) and Overdue Debts is explained in detail in item 4.4.4 of this report, as well as, the reasons for the non-compliance.

### 4.8.2. Court of Auditors Recommendations

In 2015, there were no recommendations from the Court of Auditors.

## 4.9. RISK MANAGEMENT AND CONTROL SYSTEMS

### Risk Management

STCP has no system for global risk management.

The operation risks are managed in a transversal and widespread way depending on the type of risk. The policy of integrated management for Quality, Environment, and Security and Health at Work defines and foresees specific-risk plans, including insurance policies to provide coverage in terms of various operation risks. It is the responsibility of all employees to reduce the risk factors by minimizing their impact and identifying, whenever possible, opportunities for improvements.

Main risks identified:

- › Increase of the transport competitive system
- › Inefficiency of the supervising system regarding exclusivity that STCP maintains for public transport operation in the city of Porto
- › Non-existence of a solution for economic and financial recovery

Risk Management aims to ensure sustained business growth and safeguard the value of STCP through the adoption of best practices.

### Control Systems

In December 2008, the company achieved the Integrated Management System certification for Quality, Environment, and Security and Health at Work (SIG-QAS), having been renewed in 2015 further to audits carried out by APCER, for Certification renewal purposes.

A Manual of Processes, Procedures, and Internal Procedures was produced and widely disclosed. It is reviewed whenever necessary.

The company has an internal control system suited to its size and complexity: overall objectives are set every year, which are evaluated on a monthly basis in the monthly management information by the Board of Directors. Budget execution control reports are regularly prepared.

Supervision roles, duly separated from executive management duties, are ensured by the Supervisory Board, who oversees the company's activity and issues respective control and supervision reports.

Non-Executive Board Directors continually oversee and evaluate the management of the company performed by the remaining Board Members.

The Management is supervised by the Ministries of Economy and Finance as well as by the Supervisory Board and a Statutory Auditor who, among many other attributions, may attend meetings of the Board of Directors.

Both the Court of Auditors and the Inspectorate-General for Finance (IGF) perform supervision functions and financial control of the company in compliance with the law in force.

#### 4.10. CODE OF ETHICS AND CONDUCT

Since the end of 2008 STCP has been issuing its own Code of Ethics and Conduct, which is available for wide consultation both on the company site for the general public as well as on the Intranet for its staff.

This Code is a vital instrument for normative references to be observed across the entire company and also for representing a number of requirements to be met by suppliers and service providers in their business relationship with STCP.

#### 4.11. PREVENTION PLAN OF CORRUPTION AND RELATED INFRINGEMENTS

On 1 July 2009, the company produced its Prevention Plan of Risks of Corruption and Related Infringements, following the recommendation of the Council for Prevention of Corruption in December 2009. STCP's Prevention Plan of Risks of Corruption and Related Infringements was sent to the above Council, to the Ministry of Public Works, Transport and Communications, and also disclosed to the general personnel through its publication on the company intranet and is also available on the site.

Prevention Plan of Risks of Corruption and Related Infringements was reviewed in June 2012. There is an ongoing review of this plan.

In 2015, there was no annual report regarding corruption prevention according to provisions laid down in Article 46 (1) of the Decree-Law no. 133/2013 of 3 October.

#### 4.12. INFORMATION DISCLOSURE

STCP has complied with information disclosure requirements pursuant to provisions laid down in Article 53 of Decree-Law no. 133/2013 of 3 October:

INFORMATION DISCLOSED ON 31 DECEMBER 2015 BY THE SEE (STATE-OWNED ENTERPRISES) PORTAL - DGTF	DISCLOSURE		
	Y/N/N.A	UPDATE	COMMENTS
STATUTES	Y	06/Jul/15	
COMPANY CHARACTERISTICS	Y	30/Jul/15	
FUNCTIONS OF SUPERVISOR AND SHAREHOLDER	Y	21/Aug/13	updated at 12 Jan. 2016
GOVERNANCE MODEL/MEMBERS OF GOVERNING BODIES			
Identification of governing bodies	Y	01/Jul/15	
Fixed remuneration	Y	01/Jul/15	
Disclosure of the governing bodies remuneration	Y	01/Jul/15	
Identification of functions and responsibilities of the governing bodies	Y	01/Jul/15	
PUBLIC FINANCIAL EFFORT	Y	27/Mar/15	
OVERVIEW FORM	Y	01/Jul/15	
HISTORICAL AND ACTUAL FINANCIAL INFORMATION	Y	03/Jun/15	
PRINCIPLES OF SOUND GOVERNANCE			
Internal and external rules that the company is obliged to follow.	Y	01/Jul/15	
Relevant transactions with related entities	Y	01/Jul/15	
Other transactions	Y	01/Jul/15	
Assessment of the company sustainability in the following areas			
Economic	Y	01/Jul/15	
Social	Y	01/Jul/15	
Environmental	Y	01/Jul/15	
Assessment of the compliance with the good governance principles	Y	01/Jul/15	
Code of Ethics	Y	01/Jul/15	

#### 4.13. SUMMARY TABLE INDICATING COMPLIANCE WITH LEGAL OBLIGATIONS

COMPLIANCE WITH LEGAL GUIDELINES	COMPLIANCE Y/N/NA
<b>MANAGEMENT OBJECTIVES/BUDGET AND ACTIVITY PLANS</b>	
<b>FINANCIAL RISK MANAGEMENT</b>	Y
<b>DEBT GROWTH LIMITS</b>	N
<b>VARIATION OF MTP TO SUPPLIERS</b>	N
<b>LATE PAYMENTS DISCLOSURE ("ARREARS")</b>	Y
<b>SHAREHOLDER RECOMMENDATIONS ON APPROVAL OF ACCOUNTS:</b>	
"(...) reinforcement of the necessary steps for reducing the average time to pay suppliers, in compliance with MCR no. 34/2008 (...)"	N
<b>REMUNERATIONS:</b>	
Non attribution of management performance bonuses as set forth in Article 41 of the Decree-Law no. 82-B/2014	Y
Governing Bodies – remuneration reduction and reversals in force in 2015	Y
External Auditor – remuneration reduction as provided for in Article 75 of Decree-Law no. 82-B/2014	N/A
Remaining staff – remuneration reduction, in accordance with the law in force in 2015	Y
Remaining staff – prohibition on remuneration increase under the terms of Article 38 of the Decree-Law no. 83-B/2014	Y
<b>ARTICLE 32 OF BYLAWS OF BOARD MEMBERS OF STATE-OWNED PUBLIC COMPANIES</b>	
Use of Credit Cards	Y
Reimbursement of expenses incurred with personal representation of the company	Y
<b>UNDOCUMENTED EXPENDITURE – ARTICLE 16(2) OF DL 133/2013.</b>	
Prohibition of undocumented expenditure.	Y
<b>PROMOTION OF EQUAL PAY BETWEEN WOMEN AND MEN – NO.2 OF MCR NO. 18/2014</b>	
Preparation and disclosure of a report regarding the remuneration payed to women and men	N
<b>PUBLIC CONTRACTING</b>	
Public Contracting Regulations met by the company	Y
Public Contracting Regulations met by associates	N/A
Contracts subject to Court of Auditors approval	Y
<b>CORRUPTION PREVENTIONS – ARTICLE 46(1) OF DL 133/2013</b>	
Preparation and disclosure of the annual report	N
<b>AUDITS CONDUCTED BY THE COURT OF AUDITORS</b>	N/A
<b>FLEET PARKING</b>	
No. of vehicles	Y
Vehicle expenses	Y
<b>STATE-OWNED PUBLIC COMPANY OPERATING COSTS (ARTICLE 61 OF LAW NO. 82-B/2014)</b>	Y
<b>REDUCTION OF STAFFING LEVELS (ARTICLE 60 OF LAW NO. 82-B/2014)</b>	
No. of employees	Y
Turnover/No. of employees	N
No. of leadership positions	Y
<b>PRINCIPLE OF UNITY OF TREASURY (ARTICLE 124 OF DECREE-LAW NO 82-B/2014)</b>	
Centralised availabilities in the Portuguese Treasury and Debt Management Agency (IGCP)	Y
Interest earned due to non-compliance from Portuguese Unity of Treasury and distributed as a revenue to the Portuguese Government	Y



QUANTIFICATION/IDENTIFICATION	EXPLANATION/REFERENCE TO THE REPORT
	Item 4.4. (no management contract was established in 2015)
Financing average rate of 1.72%	Item 4.4.2.
Variation of +3.9% regarding 2014	Item 4.4.2.
Variation of less 2.9 days regarding 2014	Item 4.4.4.
Total amount of 106.795 euros	Item 4.4.4.
	Item 4.4.4.
Variation of less 2.9 days regarding 2014	
	Items 4.3.1. and 4.3.2.
23,955 euros	Item 4.3.2.
189,015 euros	Item 4.4.1.
	In spite of STCP having suspended the application of the professional and career progression system published in the Work and Employment Bulletin as well as the application of the seniority allowances evolution system as of 1 January 2011, due to the application of the State Budget Laws, it is not possible to quantify remuneration reduction owing to the complexity of its valuation.
	Item 4.3.1.
	Item 4.3.1.
	Item 4.7.3.
	Item 3.5.1.
	Item 4.7.1.
	Item 4.7.1.
	Item 4.7.1.
	Item 4.11.
	Item 4.8.2. (There was none in 2015)
52	Item 4.7.6.
159.897 euros	Item 4.7.6.
	Item 4.4.1.
-2, -0.2% compared to 31 December 2014	Item 4.4.1.
-2.633 euros, -6% compared to 2014	Item 4.4.1.
-1, -13% compared to 31 December 2014	Item 4.4.1.
95% availabilities	Item 4.4.3.
0,49 euros, distributed on 5 January 2016	Item 4.4.3.

# MANAGEMENT REPORT



# Ø5

## 5.1. YEAR IN REVIEW

In 2015, STCP maintained its status as the greatest transport provider in the Porto Metropolitan Area with a total of 69.2 million passengers carried, 7.1% less compared to 2014. The transport service revenue reached 42.3 million euros, 6.9% less than the previous year.

In 2015 there were no price rises regarding fare pricing.

The total kilometres of vehicles was 20.5 million, which represented a decline of 5.8% compared to 2014.

## 5.2. COMPANY ASSETS EVOLUTION

In 2015, the asset reached 92.2 million euros, presenting a slight decline of 336 thousand euros (-0.4%) compared to 2014. The current asset increased 2.9 million euros due to a variation in the financial resources in the account opened in IGCP, following the signature of the loan contracts with the Portuguese Government. The non-current asset decreased about 3.2 million euros due to the amortisation of the tangible fixed asset.

The liability in 2015 registered an increase of 23.7 million euros (+4.1%) compared to the previous year. This variation is justified by the increase of provisions for ongoing legal proceedings, financing increase as a result of the debt contracted by the State, and the rise in other financial liabilities.

In 2015, the shareholders' equity reached 501.7 negative million euros, presenting a worsening of 24 million euros (5%) compared to 2014 as a consequence of negative retained earnings.

FINANCIAL STATEMENT	UNIT	2012	2013	2014	2015	15-14	%
Non-current asset	10 <sup>3</sup> €	87,070	80,541	76,388	73,151	-3,237	-4.2%
Current Assets	10 <sup>3</sup> €	6,889	10,408	16,178	19,078	2,900	18%
<b>Asset</b>	<b>10<sup>3</sup> €</b>	<b>93,958</b>	<b>90,949</b>	<b>92,566</b>	<b>92,230</b>	<b>-336</b>	<b>-0.4%</b>
Shareholder equity	10 <sup>3</sup> €	-407,639	-422,997	-477,720	-501,722	-24,002	-5.0%
Liability	10 <sup>3</sup> €	501,598	513,946	570,285	593,951	23,666	4.1%
<b>Shareholder equity and liability</b>	<b>10<sup>3</sup> €</b>	<b>93,958</b>	<b>90,949</b>	<b>92,566</b>	<b>92,230</b>	<b>-336</b>	<b>-0.4%</b>

STCP had a capital increase in 2015.

The State as a shareholder and by Unanimous Written Social Resolution on 15 June 2015, decided to increase the share capital of STCP, S.A. in 5,856,125 euros by the issue of 1,171,225 shares with a value of 5 euros each to be assumed by the Portuguese Government. The share capital increase was performed on 23 June 2015, and was registered on 2 July 2015.

The share capital of STCP changed to 85,505,125 euros.

There are no overdue debts to the State or other public bodies, including Social Security.



### 5.3. INVESTMENT

In 2015, investments corresponded to 1,324 thousand euros.

The main investments were associated with the Musealisation of thermoelectric power station of Massarelos with a sum of approximately 450 thousand euros, which was partly-financed by QREN (National Strategic Reference Framework) – North Portugal Regional Operational Programme (ON2). There was also the restoration and improvement of the Massarelos building with 272 thousand euros,

the acquisition of ticket vending machines with 182 thousand euros, the placement and update of Public Information Displays (PIP) with a total of 185 thousand euros, and the supply and installation of video surveillance cameras on the buses with an amount of 86.4 million euros, representing 60% of the contract.

The remaining investment was used to acquire IT and workshop equipment to replace the existing ones, and there was also the acquisition of the bus fleet after the end of the operating leasing.

	UNIT	2012	2013	2014	2015	15-14	%
Rolling Stock	10 <sup>3</sup> €	18	0	8	92	84	1065%
Infrastructures	10 <sup>3</sup> €	1,057	0	150	765	615	411%
Others	10 <sup>3</sup> €	1,266	67	219	468	249	114%
<b>Investment</b>	<b>10<sup>3</sup> €</b>	<b>2,341</b>	<b>67</b>	<b>376</b>	<b>1,324</b>	<b>948</b>	<b>252%</b>

In 2015, the total amount of 1.7 million euros was assigned to STCP by PIDDAC – Plan for Investment and Central Government Development Expenditure, defined in the Budget Law of 2015, which was used to finance the projects, tickets vending machines, supply, and installation of surveillance cameras. Additionally, it was used to finance the bus fleet, through amortisation of the capital from the existing leasing contracts and repair parts and fleet maintenance.

### 5.4. FINANCING

STCP ended the year of 2015 with a total remunerated debt of 425.6 million euros compared with the 415.2 million euros of 2014. The debt increased 2.5% (+10.4 million euros).

	UNIT	2012	2013	2014	2015	15-14	%
Non-current remunerated debt	10 <sup>3</sup> €	237,826	113,461	410,341	369,939	-40,401	-9.8%
Current remunerated debt	10 <sup>3</sup> €	132,839	282,474	4,868	55,649	50,781	1043%
<b>Remunerated debt</b>	<b>10<sup>3</sup> €</b>	<b>370,665</b>	<b>395,935</b>	<b>415,208</b>	<b>425,588</b>	<b>10,380</b>	<b>2.5%</b>
Increase of capital by allocation	10 <sup>3</sup> €	0	0	0	3,007	3,007	
Increase of capital by credit conversion	10 <sup>3</sup> €	0	0	0	2,849	2,849	
<b>Adjusted Debt</b>	<b>10<sup>3</sup> €</b>	<b>370,665</b>	<b>395,935</b>	<b>415,208</b>	<b>431,444</b>	<b>16,236</b>	<b>3.9%</b>

According to the guidelines of Annex I of Letter 712/2016 of DGTF of 12 February, the adjusted debt was 3.9%. It exceeded 0.9 p.p. of the debt limit of 3% established in Article 61 (5) of Decree-Law no. 84-B/2014 of 31 December.

#### 5.4.1. Account in Agência de Gestão da Tesouraria e da Dívida Pública – IGCP, E.P.E (Portuguese Treasury and Debt Management Agency)

Following guidelines outlined in Circular Letter 844 of 3 February 2011, STCP opened in 2011 an account at the Treasury and Public Debt Management Agency, E.P.E., all reimbursements and other funds from Public Bodies having begun to be received into this account.

Pursuant to Article no. 125 of the Decree-Law no. 84-B/2014 of 31 December, every transaction concerning funds must be through bank services made available by the Treasury and Public Debt Management Agency, E.P.E., unless otherwise provided for in Law, or in situations recognised as such or in exceptional cases.

In 2015, STCP exceptionally addressed a request to the Secretary of State to the Treasury regarding the principle of unity of treasury based on the relationship with commercial banks, concerning financial support to the activity, medium/long term consolidation operations, financial leasing operations or operating lease, interest rate risk hedge, issuance of bank guarantees, transactions by cheque, the use of ATM equipment, among others. As expressly set forth in Order no. 875/2015 and 1681/2015 from the Secretary of State to the Treasury, from 5 June to 15 September, respectively, a partial exception scheme was authorised in 2015.

#### 5.4.2. Year Financing Operations

##### 5.4.2.1. Granting of Financing

The financing operations were exclusively granted by the Portuguese State with a total amount of 12,118,175 euros.

The financing needs assessment and the corresponding granting were based on the cash flows from financial activities adjusted during the year and duly justified.

As expressly set forth in Order no. 629/2015-SET of 4 May from the Secretary of State to the Treasury, and Secretary of Infrastructures, Transport and Communication of 15 May 2015, the granting of a medium-term loan was approved amounting to 4,540,000 euros to handle operational needs regarding the second quarter of 2015.

The disbursement was implemented in phases in the following amounts and dates:

- a) 1,875,000 euros on 22 May 2015
- b) 1,511,000 euros on the same date, 22 May
- c) 1,154,000 euros on 16 June 2015.

As expressly set forth in Order no. 1220/2015-SET of 4 August from the Secretary of State to the Treasury, and Secretary of Infrastructures, Transport and Communication of 16 September 2015, a second granting of a medium-term loan was approved amounting to 3,178,175 euros. In addition, the respective debt was also authorised to deal with operational needs regarding the third quarter of 2015:

- a) 1,472,710 euros on 30 September 2015
- b) 1,705,465 euros on the same date, 30 September.

With respect to the fourth quarter, as expressly set forth in Order no. 1900/2015-SET of 19 November from the Secretary of State to the Treasury, a third medium-term loan was granted amounting to 4,400,000 euros to deal with operational needs of the company between October and December of 2015. The amount was made available in a single payment on 26 November 2015.



The contractual conditions are the following:

STCP	DATE	DISBURSEMENTS (euros)	REPORTED TAX	START DATE FOR THE INTEREST CALCULATION
1 <sup>st</sup> LOAN – 2015	22/05/15	1,875,000.00	1.16%	22/05/15
	22/05/15	1,511,000.00	1.16%	22/05/15
	16/06/15	1,154,000.00	1.89%	16/06/15
2 <sup>nd</sup> LOAN – 2015	30/09/15	1,472,710.00	1.23%	30/09/15
	30/09/15	1,705,465.00	1.23%	30/09/15
3 <sup>rd</sup> LOAN – 2015	26/11/15	4,400,000.00	1.172%	26/11/15
<b>Total 2015</b>		<b>12,118,175.00</b>		

#### 5.4.2.2. Capital Endowment

On 15 June, the only shareholder (Portuguese Government) through a declared intention by Unanimous Written Social Resolution decided to increase the company share capital by 5,856,125 euros through the issue of 1,171,225 new shares with a value of 5 euros each, to be assumed by the shareholder as follows:

- › 3,006,762.30 euros, in cash at the date of subscription
- › 2,849,362.70 euros by credit conversion in share capital from the State/Directorate General to the Treasury and Finance.

As provided for in Article 28 of the Companies Code, the report was prepared by an independent statutory auditor.

Due to this change in the Share Capital, the company carried out the associated procedures, such as changes to the Company's Statutes, entry regarding the new capital in the Commercial Register, notification to Portuguese Securities Market Commission, and disclosure to the market by press-release as the issuer of the marketable securities with duties of informing the market.

#### 5.4.3. Instruments of Financial Risk Management

Since 2007 the company held an interest rate risk hedge operation, representing 25% of the bond nominal value amounting to 100 million euros issued in the same year. These operations were carried out with Santander Totta Bank, which will be due in June of 2022.

On 31 December 2014, the Mark-to-Market was determined by the Portuguese Treasury and Debt Management Agency – IGCP, E.P.E, which according to the given information by that entity was -120,124,380.31 euros. On 31 December 2015, the same entity defined the amount, which was -115,961,315.70 euros.

This operation received a lawsuit from the Commercial Court of London on 10 May 2013, in order to request the legality of the acknowledgement of the contract with STCP, S.A.

On the basis of the legal arguments of nullity of contract, the Board of Directors authorised by the supervisor orientation decided to cancel the obligations of the contract. Therefore, STCP suspended the payment of all obligations related to the matter in dispute, although the obligations are part of the financial statement.

### 5.5. PROFIT AND LOSS

#### Net Results

The net result of the financial year (2015) was negative in 31.6 million euros, presenting a reduction of 23.2 million euros compared to 2014, which is an improvement of 42%. This evolution represents an improvement in the financial results of 36.5 million euros. The operating results were negative 21.4 million euros, presenting a worsening of 13.3 million euros.

The net result without variation in the swap fair value and excluding compensatory indemnities was negative 35.9 million euros, presenting a negative variation of 11%, 3.7 million euros compared to 2014.



RESULTS	UNIT	2012	2013	2014	2015	15-14	%
Operating income	10 <sup>3</sup> €	64,396	61,374	53,004	46,036	-6,968	-13%
Operating expenses	10 <sup>3</sup> €	74,566	67,799	60,863	67,176	6,314	10%
<b>Operational results</b>	10 <sup>3</sup> €	<b>-10,170</b>	<b>-6,425</b>	<b>-7,858</b>	<b>-21,140</b>	<b>-13,282</b>	<b>-169%</b>
Financial income	10 <sup>3</sup> €	6	12,592	1	4,296	4,295	305555%
Financial expenses	10 <sup>3</sup> €	63,221	21,350	46,977	14,761	-32,216	-69%
<b>Financial results</b>	10 <sup>3</sup> €	<b>-63,215</b>	<b>-8,758</b>	<b>-46,976</b>	<b>-10,465</b>	<b>36,510</b>	<b>78%</b>
Tax for the Year	10 <sup>3</sup> €	53	41	13	12	-1	-11%
<b>Net result (NR)</b>	10 <sup>3</sup> €	<b>-73,439</b>	<b>-15,224</b>	<b>-54,847</b>	<b>-31,617</b>	<b>23,230</b>	<b>42%</b>
NR without compensatory indemnities	10 <sup>3</sup> €	-83,650	-25,435	-59,564	-31,617	27,947	47%
NR without swap fair value variation	10 <sup>3</sup> €	-31,169	-27,815	-27,523	-35,910	-8,387	-30%
NR without swap fair value variation and without CI	10 <sup>3</sup> €	-41,380	-38,027	-32,240	-35,910	-3,670	-11%

## Financial Results

The financial results of 2015 were negative 10.5 million euros, registering an improvement compared to 2014 of 36.5 million euros.

In total, both interests and finance costs registered a reduction of 7.4 million euros (-57%). The costs decrease due to financial conditions of the contracted loans achieved by the shareholder, and also the historically low levels of Euribor rates at that date for the commercial debt servicing, in relation to medium and long term operations.

The loss of variation in the swap fair value reduced to 31.6 million euros, while the respective interests increased 2.5 million euros (+37%).

	UNIT	2012	2013	2014	2015	15-14	%
Finance interest	10 <sup>3</sup> €	15,008	14,442	11,987	5,396	-6,591	-55%
Finance costs	10 <sup>3</sup> €	1,918	2,456	984	211	-774	-79%
Interest from other financial instruments	10 <sup>3</sup> €	4,025	4,452	6,682	9,155	2,473	37%
<b>Financial costs</b>	10 <sup>3</sup> €	<b>20,952</b>	<b>21,350</b>	<b>19,653</b>	<b>14,761</b>	<b>-4,892</b>	<b>-25%</b>
<i>Loss of swap fair value</i>	10 <sup>3</sup> €	42,269	-12,592	27,324	-4,293	-31,617	-116%
Average finance tax	%	4,75%	4,48%	3,55%	1,72%	-1,8 pp	-51%
Remunerated debt	10 <sup>3</sup> €	370,665	395,935	415,208	425,588	10,380	2.5%

## Operating profit

The operating results were negative 21.1 million euros, presenting a worsening of 13.3 million euros compared to 2014. The operating costs registered an increase of 6.3 million euros (+10%) and the operating income had a reduction of 7.0 million euros (-13%).

## Operating Income

The operating income in 2015 was 46.0 million euros, presenting a decline of 7 million euros (-13%) compared to 2014.

	UNIT	2012	2013	2014	2015	15-14	%
Provision of services	10 <sup>3</sup> €	50,072	46,321	45,511	42,375	-3,137	-6.9%
Operating allowances	10 <sup>3</sup> €	10,729	11,832	4,862	0	-4,862	-100%
Other operating income	10 <sup>3</sup> €	3,421	3,220	2,616	2,557	-59	-2.3%
Reversals	10 <sup>3</sup> €	175	0	16	1,105	1,089	6919%
<b>Operating income</b>	<b>10<sup>3</sup> €</b>	<b>64,396</b>	<b>61,374</b>	<b>53,004</b>	<b>46,036</b>	<b>-6,968</b>	<b>-13%</b>

The provision of services decreased 3.1 million euros (-6.9%), in line with the decline in demand and lack of changes in the fare pricing. The transport revenue comprised a total of 42.4 million euros, of which 38.7 million euros are from the ticket revenue and 3.6 million euros from the compensation of Social Andante fare pricing.

In 2015, there were no operating subsidies, which originated a decline in the operating income of 4.9 million euros.

The amount of reversals of impairment represented a total of 1.1 million euros. An amount of 205 thou-

sand euros is related to a reversal due to cutting outdated inventories. The other amount of 893 thousand euros essentially concerns an indemnity charged to the Porto Municipality due to STCP's direct costs with the removal of the tramway between the Praça Cidade S. Salvador and Praça Gonçalves Zarco, which was reversed with the signature on 31 July 2015 of the Memorandum of Understanding between the Portuguese Government, represented by Secretary of State to the Treasury, Secretary of Infrastructures, Transports and Communications, and Secretary of Territory Planning and Conservation of Nature, and the Porto Municipality.

## Operating Costs

The operating costs were 67.2 million euros, 6.3 million euros more (+10%) compared to 2014.

	UNIT	2012	2013	2014	2015	15-14	%
ESS+CGSMC	10 <sup>3</sup> €	32,281	26,188	23,174	20,129	-3,045	-13%
Personnel expenses	10 <sup>3</sup> €	30,954	31,638	30,647	29,713	-934	-3.0%
Other expenses and losses	10 <sup>3</sup> €	1,616	906	966	1,115	149	15%
Amortisations	10 <sup>3</sup> €	5,817	5,791	4,393	4,204	-189	-4.3%
Provisions	10 <sup>3</sup> €	2,537	2,564	1,338	11,674	10,336	772%
Impairments and operating fair value variation	10 <sup>3</sup> €	1,361	711	344	341	-3	-1.0%
<b>Operating expenses</b>	<b>10<sup>3</sup> €</b>	<b>74,566</b>	<b>67,799</b>	<b>60,863</b>	<b>67,176</b>	<b>6,314</b>	<b>10%</b>

Overall, the operating costs related to the current company activity (ESS + CGSMC, Personnel expenses, other expenses and losses, and amortisations), reached 55 million euros in 2015, presenting a decline of 4 million euros compared to 2014 (-6.8%).

The year provisions of 11.7 million euros are related to the enhancement of the provision values for other risks, costs, and two ongoing legal cases. The most significant item is related to the amount of 10 million euros that STCP has an obligation to pay to the Porto Municipality, corresponding to the market value / book value of the assets on 30 June 2015. Now those assets are owned by the company (i.e., assets acquired until 1949 and also the assets acquired between 1950 and

1975), according to the Memorandum of Understanding signed on 31 July 2015 between the Portuguese Government, represented by Secretary of State to the Treasury, Secretary of Infrastructures, Transports and Communications, and Secretary of Territory Planning and Conservation of Nature, and the Porto Municipality. It was also determined in the Ministers Council Resolution no. 85/2015, published in the Official Journal, 1<sup>st</sup> series no. 193 of 2 October 2015.

### EBITDA (management)

The EBITDA (management) was negative 4.4 million euros, presenting a negative variation of 5.8 million euros compared to 2014.

	UNIT	2012	2013	2014	2015	15-14	%
Sales and provided services	10 <sup>3</sup> €	50,072	46,321	45,511	42,375	-3,137	-6.9%
Compensatory indemnities	10 <sup>3</sup> €	10,211	10,211	4,717	0	-4,717	-100%
Other allowances and financial compensations	10 <sup>3</sup> €	517	1,621	145	0	-145	-100%
Other income and earnings	10 <sup>3</sup> €	3,421	3,220	2,616	2,557	-59	-2.3%
<b>Operating income for EBITDA</b>	<b>10<sup>3</sup> €</b>	<b>64,221</b>	<b>61,374</b>	<b>52,989</b>	<b>44,931</b>	<b>-8,057</b>	<b>-15%</b>
CGSMC	10 <sup>3</sup> €	1,260	1,341	1,078	859	-218	-20%
ESS (excluding the financial part of leasing)	10 <sup>3</sup> €	27,780	21,926	20,224	18,580	-1,645	-8.1%
Personnel costs without indemnities for termination of contracts	10 <sup>3</sup> €	29,134	31,427	29,314	28,796	-518	-1.8%
Other expenses and losses	10 <sup>3</sup> €	1,616	906	966	1,115	149	15%
<b>Operating expenses for EBITDA</b>	<b>10<sup>3</sup> €</b>	<b>59,790</b>	<b>55,600</b>	<b>51,583</b>	<b>49,350</b>	<b>-2,233</b>	<b>-4.3%</b>
<b>EBITDA (management)</b>	<b>10<sup>3</sup> €</b>	<b>4,432</b>	<b>5,774</b>	<b>1,406</b>	<b>-4,419</b>	<b>-5,825</b>	<b>-414%</b>

## 5.6. PROPOSAL FOR THE DISTRIBUTION OF PROFITS

The Board of Directors proposes that net results calculated for the financial year in the negative amount of 31,617,189.85 euros should be fully transferred to the Retained Earnings account.

Porto, 28 April 2016

### BOARD OF DIRECTORS

#### Non-Executive Chairman:

(Jorge Moreno Delgado)

#### Executive Board Members:

(Tiago Filipe da Costa Braga)

(Pedro José Ferreira Morais)

#### Non-Executive Board Member:

(Helena Sofia da Silva Borges Salgado  
Fonseca Cerveira Pinto)

## 5.7. ANNEX TO THE MANAGEMENT REPORT

### Shareholder on 31 December 2015

List referred to in Article 448 (4) of the Companies Code.

SHAREHOLDER	NO. OF SHARES	% OF SHARE CAPITAL
Portuguese Government	17,101,025	100%

Porto, 28 April 2016

### BOARD OF DIRECTORS

#### Non-Executive Chairman:

(Jorge Moreno Delgado)

#### Executive Board Members:

(Tiago Filipe da Costa Braga)

(Pedro José Ferreira Morais)

#### Non-Executive Board Member:

(Helena Sofia da Silva Borges Salgado  
Fonseca Cerveira Pinto)



## PROSPECTS FOR 2016





# Ø6

## **STCP will regain the conditions for restoring client trust in the company and ensuring good quality service to the population**

The XXI Constitutional Government's Programme has undertaken to strengthen the power of local authorities within the area of transport, which involves abolishing the concessions and privatisation tender of the collective transports of Lisbon and Porto. Therefore, the Government as the only shareholder in STCP aims to increase the supply of collective transports to significantly increase its use, through a modal transference of the individual transport. This will ensure mobility sustainable standards and reduce greenhouse gas emissions.

The eventual process of STCP intermunicipal management by the local authorities served by this company (Porto, Matosinhos, Maia, Valongo, Gondomar, and Vila Nova de Gaia), as a state-owned company, will be analysed during the year 2016.

On the operational side, the hiring of new drivers initiated in October 2015, ends a reduction cycle of permanent staff and starts in a gradual, balanced, and sustainable way the rehabilitation of the operation capacity of STCP in order to better respond to citizen needs. In 2016, the admission process will continue during several months to restore the lost demand capacity. This will be made gradually and be adjusted to the training and integration capacity of STCP.

STCP will regain the conditions for restoring client trust in the company and ensuring good quality service to the population.

The reopening of the Tramcar Museum on November 2015 with a new permanent exhibition of tramcars and a new exhibition room, "The Machine Room of the Old Thermoelectric Power Station of Massarelos", and its connection with the tramcar network will make these spaces of historical and tourism heritage dynamic during 2016 through various events.







# ACCOUNTS AND ANNEXES





A photograph of a blue steel truss bridge. A white bus with the number 906 and the destination 'MADRIENNE VIA PTE. LUIS I' is driving on the bridge. Several pedestrians are walking on the sidewalks. The bridge has a complex steel structure with many beams and rivets. The background shows a rocky hillside and some buildings.

## ACCOUNTS FOR THE YEAR 2015



Ø7

**BALANCE SHEET**

31 DECEMBER 2015 AND 2014

(amounts expressed in euro)

ASSETS	NOTES	31-12-2015	31-12-2014
<b>NON-CURRENT ASSETS</b>		<b>73,151,178.37</b>	<b>76,387,870.77</b>
Tangible fixed assets	8	55,824,996.03	58,139,849.13
Investment property	12	16,633,826.00	17,280,026.00
Intangible assets	7	480,562.34	764,384.51
Holdings – Equity method	6,14	138,577.20	131,092.00
Holdings – Other methods	6,15	25,000.00	25,000.00
Others assets	28.1.2.1	48,216.80	47,519.13
<b>CURRENT ASSETS</b>		<b>19,078,442.16</b>	<b>16,177,965.28</b>
Inventories	19	347,751.29	437,026.38
Customers	28.2.3	2,681,036.08	2,789,929.79
Advances to suppliers		58,813.08	0.00
State and other public entities	32	1,440,418.07	1,305,138.79
Other debtors	33	3,257,823.03	3,385,187.68
Deferred income	34	163,121.78	336,416.10
Cash and bank deposits	4	11,129,478.83	7,924,266.54
<b>Total assets</b>		<b>92,229,620.53</b>	<b>92,565,836.05</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>NOTES</b>	<b>31-12-2015</b>	<b>31-12-2014</b>
<b>SHAREHOLDERS' EQUITY</b>			
Fully paid-up capital	28.4.1	85,505,125.00	79,649,000.00
Legal reserves	28.4.2	74,907.42	74,907.42
Other reserves	28.4.2	25,727.80	25,727.80
Retained profit		-596,860,056.56	-542,672,309.53
Financial Asset Adjustment	28.4.4	124,765.19	122,236.59
Revaluation surplus	28.4.3	38,052,012.98	38,701,163.50
Other changes in shareholders' equity	28.4.5	2,972,865.50	1,226,636.31
Net income for the period		-31,617,189.85	-54,846,993.72
<b>Total shareholders' equity</b>		<b>-501,721,842.52</b>	<b>-477,719,631.63</b>
<b>LIABILITY</b>			
<b>Non-current liability</b>		<b>507,909,552.58</b>	<b>540,759,570.85</b>
Provisions	22	22,096,718.17	10,423,030.46
Obtained Loans	28.1.1	369,939,327.13	410,340,513.79
Post-retirement benefit liability	29	634,552.00	464,032.00
Other financial liabilities	28.1.3	115,238,955.28	119,531,994.60
<b>Current liability</b>		<b>86,041,910.47</b>	<b>29,525,896.83</b>
Suppliers	31	2,308,575.67	4,735,124.75
State and other public entities	32	964,276.54	919,450.58
Obtained Loans	28.1.1	55,648,771.31	4,867,946.49
Sundry payables	33	6,217,097.72	7,495,573.70
Deferred income	34	2,204,694.97	1,964,232.63
Other financial liabilities	28.1.3	18,698,494.26	9,543,568.68
<b>Total Liabilities</b>		<b>593,951,463.05</b>	<b>570,285,467.68</b>
<b>Total shareholders' equity and liabilities</b>		<b>92,229,620.53</b>	<b>92,565,836.05</b>

Certified Accounting Technician no. 6622

Board of Directors  
Non-Executive Chairman  
Executive Board Members  
Non-Executive Board Member



## PROFIT AND LOSS STATEMENT

For the period ending on 31 December 2015 and 2014

(amounts expressed in euro)

INCOME AND EXPENSES	NOTES	2015	2014
Sales and provided services	21	42,374,606.42	45,511,137.04
Operating subsidy	23		4,861,805.41
Profits/Losses attributable to subsidiaries, associates and joint ventures	14	7,485.20	5,874.60
Changes in production inventories	19		-1,360.87
Own work capitalised	7,8	51,932.40	
Cost of goods sold and materials consumed	19	-859,380.35	-1,077,856.77
Supplies and services	35	-19,269,787.72	-22,096,393.66
Personnel expenses	36	-29,713,495.44	-30,647,166.98
Inventories Impairment (losses/reversals)	19	204,985.63	9,277.76
Receivables impairment (losses/reversals)	28.2.3	892,425.48	-4,898.61
Provisions (increases/reductions)	22	-11,673,687.71	-1,338,054.78
Non-depreciable investments/Amortisable impairment (losses/reversals)	28.1.2.1	-80.00	588.40
Fair value increases/reductions	12	-88,639.91	-339,108.80
Other income and earnings	38	2,504,720.31	2,615,751.24
Other expenses and losses	37	-1,115,113.25	-964,721.44
<b>Earnings before depreciation, finance expenses and taxes</b>		<b>-16,684,028.94</b>	<b>-3,465,127.46</b>
Depreciation and amortisation expenses/reversals	7,8	-4,204,449.66	-4,393,148.88
Depreciable assets/amortisable (losses/reversals) impairment	13	-251,850.82	
<b>Operating profit (before finance expenses and taxes)</b>		<b>-21,140,329.42</b>	<b>-7,858,276.34</b>
Interest and similar income	11	4,296,224.48	1,405.58
Interest and similar expenses	11	-14,761,383.08	-46,977,035.38
<b>Earnings before taxes</b>		<b>-31,605,488.02</b>	<b>-54,833,906.14</b>
Income taxes	26	-11,701.83	-13,087.58
<b>Net income for the period</b>		<b>-31,617,189.85</b>	<b>-54,846,993.72</b>

Certified Accounting Technician no. 6622

Board of Directors  
Non-Executive Chairman  
Executive Board Members  
Non-Executive Board Member

## FUNCTIONS STATEMENT

For the period ending on 31 December 2015 and 2014

ITEMS	(amounts expressed in euro)	
	2015	2014
Sales and provided services	42,374,606.42	50,372,942.45
Sales and provided services cost	-45,949,227.36	-50,165,229.30
<b>Gross balance</b>	<b>-3,574,620.94</b>	<b>207,713.15</b>
Other income	4,735,956.07	2,632,119.00
Distribution expenses	-1,625,180.82	-2,022,684.50
Administrative expenses	-5,883,269.67	-5,665,645.66
Other expenses	-14,793,214.06	-3,008,702.42
<b>Operating profit (before finance expenses and taxes)</b>	<b>-21,140,329.42</b>	<b>-7,857,200.43</b>
Financial expenses (net)	-10,465,158.60	-46,976,705.71
<b>Earnings before taxes</b>	<b>-31,605,488.02</b>	<b>-54,833,906.14</b>
Income taxes	-11,701.83	-13,087.58
<b>Net income for the period</b>	<b>-31,617,189.85</b>	<b>-54,846,993.72</b>

Certified Accounting Technician no. 6622

Board of Directors  
Non-Executive Chairman  
Executive Board Members  
Non-Executive Board Member

**STATEMENT OF CHANGES IN EQUITY**

for the year ending on 31 December 2014

DESCRIPTION		NOTES	FULLY PAID-UP CAPITAL	LEGAL RESERVES	OTHER RESERVES
EQUITY ON 1 JANUARY 2014	1		79,649,000.00	74,907.42	25,727.80
<b>CHANGES IN THE REFERENCE PERIOD</b>					
Revaluation surplus of tangible and intangible fixed assets		28.4			
Revaluation surplus of tangible and intangible fixed assets and stating changes		28.4			
Other known changes in shareholder equity					
	2				
NET INCOME FOR THE PERIOD	3				
TOTAL BALANCE	4=2+3				
<b>OPERATIONS WITH EQUITY HOLDERS IN THE PERIOD</b>					
	5				
EQUITY ON 31 DECEMBER 2014	6=1+2+3+5		79,649,000.00	74,907.42	25,727.80

**STATEMENT OF CHANGES IN EQUITY**

for the year ending on 31 December 2015

DESCRIPTION		NOTES	FULLY PAID-UP CAPITAL	LEGAL RESERVES	OTHER RESERVES
EQUITY ON 1 JANUARY 2015	6		79,649,000.00	74,907.42	25,727.80
<b>CHANGES IN THE REFERENCE PERIOD</b>					
Revaluation surplus of tangible and intangible fixed assets		28.4			
Revaluation surplus of tangible and intangible fixed assets and stating changes		28.4			
Other known changes in shareholder equity					
	7				
NET INCOME FOR THE PERIOD	8				
TOTAL BALANCE	9=7+8				
<b>OPERATIONS WITH EQUITY HOLDERS IN THE PERIOD</b>					
Fully paid-up capital			5,856,125.00		
	10		5,856,125.00		
EQUITY ON 31 DECEMBER 2015	6+7+8+10		85,505,125.00	74,907.42	25,727.80



(amounts expressed in euro)

RETAINED PROFIT	FINANCIAL ASSET ADJUSTMENT	REVALUATION SURPLUS	OTHER CHANGES IN SHAREHOLDER EQUITY	NET INCOME FOR THE PERIOD	TOTAL
-528,216,966.77	122,236.59	39,867,800.83	704,529.03	-15,223,813.01	-422,996,578.11
768,470.25		-768,470.25			
		-398,167.08			-398,167.08
-15,223,813.01			522,107.28	15,223,813.01	522,107.28
-14,455,342.76		-1,166,637.33	522,107.28	15,223,813.01	123,940.20
				-54,846,993.72	-54,846,993.72
				-39,623,180.71	-54,723,053.52
-542,672,309.53	122,236.59	38,701,163.50	1,226,636.31	-54,846,993.72	-477,719,631.63

(amounts expressed in euro)

RETAINED PROFIT	FINANCIAL ASSET ADJUSTMENT	REVALUATION SURPLUS	OTHER CHANGES IN SHAREHOLDER EQUITY	NET INCOME FOR THE PERIOD	TOTAL
-542,672,309.53	122,236.59	38,701,163.50	1,226,636.31	-54,846,993.72	-477,719,631.63
661,775.29		-661,775.29			
		12,624.77			12,624.77
-54,849,522.32	2,528.60		1,746,229.19	54,846,993.72	1,746,229.19
-54,187,747.03	2,528.60	-649,150.52	1,746,229.19	54,846,993.72	1,758,853.96
				-31,617,189.85	-31,617,189.85
				23,229,803.87	-29,858,335.89
					5,856,125.00
					5,856,125.00
-596,860,056.56	124,765.19	38,052,012.98	2,972,865.50	-31,617,189.85	-501,721,842.52

## CASH FLOW STATEMENT

For the period ending on 31 December 2015 and 2014

(amounts expressed in euro)

	NOTES	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES – DIRECT METHOD</b>			
Receivables from clients		45,955,402.40	49,270,228.44
Payment to suppliers		-26,323,776.86	-26,230,079.57
Payments to personnel		-23,746,294.16	-24,953,502.83
<b>Cash flow generated from operations</b>		<b>-4,114,668.62</b>	<b>-1,913,353.96</b>
Tax income payment/receipt		31,854.77	-49,314.00
Other receipts/payments		-3,101,700.26	4,764,552.69
<b>Cash flows from operating activities (1)</b>		<b>-7,184,514.11</b>	<b>2,801,884.73</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
Payments in respect of:			
Tangible fixed assets		-1,292,339.92	-107,875.15
Intangible assets		-46,045.05	-101,665.20
Financial investments		-413.79	
Other assets		-157,654.34	-105,052.88
		<b>-1,496,453.10</b>	<b>-314,593.23</b>
Receipts from:			
Tangible fixed assets		297,192.03	116,831.14
Investment grants		1,976,717.39	
Interest and similar income		310,423.63	188,591.12
		<b>2,584,333.05</b>	<b>305,422.26</b>
<b>Cash flow from investment activities (2)</b>		<b>1,087,879.95</b>	<b>-9,170.97</b>
<b>CASH FLOWS FROM FINANCE ACTIVITIES</b>			
Receipts from:			
Obtained Loans		12,123,257.26	960,388,128.52
Capital and other shareholders' equity instruments achievements		5,856,125.00	
		<b>17,979,382.26</b>	<b>960,388,128.52</b>
Payments in respect of:			
Obtained Loans		-257.91	-927,683,742.10
Interest and similar expenses		-3,325,464.70	-14,453,010.30
Other financial operations		-5,351,813.20	-5,394,862.09
		<b>-8,677,535.81</b>	<b>-947,531,614.49</b>
<b>Cash flows from finance activities (3)</b>		<b>9,301,846.45</b>	<b>12,856,514.03</b>
<b>CHANGES IN CASH AND CASH EQUIVALENTS (1+2+3)</b>		<b>3,205,212.29</b>	<b>15,649,227.79</b>
Cash and cash equivalents as of January		7,924,266.54	-7,724,961.25
Cash and cash equivalents as of December	4	11,129,478.83	7,924,266.54

Certified Accounting Technician no. 6622

Board of Directors  
Non-Executive Chairman  
Executive Board Members  
Non-Executive Board Member

## NOTES FOR THE FINANCIAL STATEMENTS

For the period ending on 31 December 2015  
(Amounts expressed in euro)

### 1. INTRODUCTORY NOTE

Sociedade de Transportes Colectivos do Porto, S.A. was established by Decree-Law no. 202/94 of 23 July, as a state-owned public-limited company of exclusively public capital, having succeeded Serviço de Transportes Colectivos do Porto, set up by Decree-Law no. 38144 of 30 December 1950. Its headquarters are located in the city of Porto, Fernão de Magalhães Avenue, 1862 – 13th floor.

STCP ensures the delivery of public road passenger transport on an exclusive basis within the limits of the municipality of Porto, and on a general competitive basis in the adjoining municipalities – Matosinhos, Maia, Valongo, Gondomar and Vila Nova de Gaia – within the Metropolitan Area of Porto. The company operates mainly buses and, to a lesser extent, tramcars.

In October 2013, Decree-Law no. 133/2013 was published, which introduced a reform in the framework applicable to state-owned companies in order to make it more coherent and comprehensive. The indicated reform included all business organisations, whether of an administrative or business nature, owned by the State and stated that these organisations should have the same system concerning core issues, regardless of the legal form they may take. Therefore, the sectorial scope application concerning state-owned companies was extended, which made its concept more comprehensive. Through this legislative amendment, STCP was included in the principles and rules of this diploma.

During the financial year of 2015, the company followed the guidelines of Decree-Laws no. 75/2014 and 82-B/2014, particularly with regard to reducing the employee's remunerations, and expenditure and investment restraint.

On 8 August 2014, a Public Service Contract was signed between the Portuguese Government and STCP. On 10 December 2014, there was an addition to the above-mentioned contract.

As laid down in the Order no. 875/15-SET of 5 June, and Order no. 1681/15-SET of 30 November, STCP has authorised an exception to comply with the principle of unity of treasury, in terms of bank guarantees, and operations related to financing in view of the importance of commercial banking in its activity.

In 2014, there was an audit to renew the Quality, Environment, and Security and Health at Work certifications for another three years. In 2015, the first follow-up audit was carried out to control the three-year certifications.

The attached financial statements have the amounts expressed in euros. The transactions in a foreign currency are included in the financial statements according to the policy on item 3.8..

### 2. ACCOUNTING STANDARDS FOR THE PREPARATION OF FINANCIAL STATEMENTS

#### 2.1. Accounting standards adopted

The attached financial statements were produced under the provisions in force in Portugal, laid down in Decree-Law no. 158/2009, of 13 July (amended), and in accordance with the conceptual structure, accounting and financial reporting standards and consigned interpretative standards, respectively, in notices 15652/2009, 15655/2009, and 15653/2009 of 27 August.

#### 2.2. Derogations to the adopted accounting standards

Not applicable.

#### 2.3. Non-comparable contents of the accounts

Not applicable.

#### 2.4. Adoption for the first time of NCRF: Transitory disclosures

Not applicable.

### 3. MAIN ACCOUNTING POLICIES

The main accounting policies used in the preparation of the attached financial statements are as follows:

#### 3.1. Basis of presentation

The attached financial statements were produced under the assumption of continuity of operations based on STCP's accounting ledgers, kept in accordance with the generally accepted accounting principles.

#### 3.2. Financial investments

Investments in the subsidiaries of jointly controlled companies and associates are recorded through the equity method. Pursuant to the equity method, financial holdings are recorded at their acquisition cost and are adjusted subsequently in accordance with the alterations which occur, after their acquisition, in proportion to the shareholding in net assets of the corresponding entities. The net income includes its respective portion of the net income of these entities.



Any excess of the cost of acquisition over the fair value of the identifiable assets and liabilities of each acquired entity, on the acquisition date, is recognised as goodwill and is maintained in the value of the financial investment. If the difference between the acquisition cost and fair value of the acquired net assets and liabilities is negative, this value is recognised as income for the year.

An assessment is made on an annual basis of the financial investments when there are indications that the asset may be impaired, with impairment losses, if any, being recognised as costs in the income statement. When impairment losses which have been recognised in the previous year no longer exist, they are reversed.

When the amount of the stake of the company in the accumulated losses of the participant exceeds the value for which the investment is recorded, the investment is reported at null value, unless the company has assumed commitments to cover the losses of the associated company, in these cases a provision is recorded to meet these obligations.

Unrealised gains in transactions with the subsidiaries of jointly controlled companies and associates are eliminated in proportion to the interest of the participant in them, against the corresponding heading of the investment in the participated company. Likewise, unrealised losses are also eliminated, but only to the extent that the loss is not the result of a situation where the transferred asset is impaired.

### 3.3. Business combinations

Acquisitions of subsidiaries and businesses are recorded through the acquisition method. The corresponding cost is determined as the aggregate, on the acquisition date, of:

- › Fair value of assets which have been or are to be delivered;
- › Fair value of liabilities which have been incurred or taken on;
- › Fair value of equity instruments issued by the company in exchange for control over the subsidiary; and
- › Costs directly attributable to the acquisition.

When applicable, the cost of the business combination or acquisition includes the effect of contingent payments agreed under the transaction. Any subsequent alterations in these payments are recorded against the corresponding *goodwill*.

In the event of the initial recognition of an acquisition not being concluded by the end of the reporting period in which it occurred, the company reports provisional amounts for the items whose recognition is incomplete. These provisional amounts may be adjusted during a period of 12 months from the acquisition date.

### 3.4. Non-current assets held for sale

Non-current assets or groups for disposal are classified as held for sale when their book value is essentially restored through a sale and not through its continued use. This condition applies only when its sale is highly probable and the non-current assets or groups for disposal are available for immediate sale in their present conditions. The corresponding sale must be concluded within a period of one year, from the date of the classification of the non-current assets or groups for disposal as available for sale.

When the company is committed to a plan to sell a subsidiary which involves the loss of control over it, all the assets and liabilities of that subsidiary are classified as held for sale, provided that the requirements referred to in the previous paragraph are met, even if the company retains some minority interest in the subsidiary after the sale.

Non-current assets or groups for disposal classified as held for sale are measured at the lowest amount between their book value before the classification and their fair value minus the costs related to their sale.

Non-current assets or groups for disposal held for sale should not be the object of depreciation or amortisation.

### 3.5. Revenue

Revenue is measured at the fair value of the retribution which has been or will be received, taking into consideration the value of any commercial discounts and quantities granted by the entity. The difference between the fair value and the nominal value of the retribution is recognised as revenue from interests.

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

- › All the risks and advantages of the ownership of the goods are transferred to the buyer;
- › The company does not maintain any control over the sold goods;
- › The value of the revenue can be measured reliably;
- › It is probable that the future economic benefits associated with the transaction will flow to the company;
- › The costs incurred or to be incurred with respect to the transaction can be measured reliably.

Revenue arising from the provision of services is recognised in accordance with the percentage completion of the transaction on the reporting date, provided that all the following conditions have been met:

- › value of the revenue can be measured reliably;
- › It is probable that the future economic benefits associated with the transaction will flow to the company;
- › The costs incurred or to be incurred with respect to the transaction can be measured reliably;

- › The percentage completion of the transaction on the reporting date can be measured reliably.

Revenue arising from royalties is recognised on an accrual basis, in accordance with the substance of the corresponding contracts, provided it is likely that economic benefits will flow to the company and their value can be measured reliably.

The revenue from interests is recognised using the effective interest rate method, provided it is likely that economic benefits will flow to the company and their value can be measured reliably.

Revenue arising from dividends must be recognised when the right of the company to receive the corresponding value has been established.

### 3.6. Construction contracts

Not applicable.

### 3.7. Leases

Leases are classified as financial or operating leases according to the substance of the contracts in question and not their form.

Lease contracts are classified as:

- › Financial leases: if all the risks and advantages inherent to the possession of the leased asset are substantially transferred through them, or as
- › Operating leases: if all the risks and advantages inherent to the possession of the leased asset are not substantially transferred through them.

Assets acquired through financial leasing contracts, as well as the corresponding liabilities, are recorded at the beginning of the leasing at the lowest amount between the fair value of the assets and the present value of the minimum payments of the lease. Financial lease payments are divided between financial costs and reduction of the liability, in order to obtain a steady interest rate over the outstanding balance of the liability.

Operating lease payments are recognised as a cost, on a straight line basis, during the lease period. Any incentives which have been received are recorded as a liability, with their aggregate value being recognised as a reduction of the cost related to the lease, also on a straight line basis.

Contingent rents are recognised as costs for the period in which they are incurred.

### 3.8. Foreign currency transactions and balances

Transactions in foreign currency are recorded initially at the exchange rate of the dates of the transactions.

On each reporting date, the book values of the monetary items denominated in foreign currency are updated to the exchange rates of that date.

Any currency conversion differences arising from the updates referred to above are recorded through profit or loss for the period when they are generated.

The volume of transactions of the company in currency other than the functional currency (euro) is practically non-existent and immaterial.

### 3.9. Financial costs incurred with received loans

Financial costs incurred with received loans are recognised as costs in the financial statement for the year when they are incurred, in accordance with the accrual principle.

The financial costs of loans received incurred with acquisition, construction or production of assets which may be qualified as such (tangible fixed assets in progress) are capitalised, and are an integral part of the cost of the asset. Capitalisation of these financial costs begins when expenses start to be incurred with asset and when the activities required to prepare the asset for its intended use or sale are in progress. This capitalisation ceases when all the activities required to prepare the asset for its intended use or sale have been concluded substantially. The capitalisation is suspended during extensive periods when the development of the above-mentioned activities is interrupted.

Any income generated by loans received, related to an advance of a specific investment, are deducted from the financial costs eligible for capitalisation.

### 3.10. Government grants

Government grants are recognised in accordance with their fair value when there is a reasonable guarantee that they will be received and that the company will comply with the conditions required for their attribution.

Any benefit arising from Government financing (or the equivalent) at an interest rate lower than that of the market is treated as a Government grant and is measured as the difference between the value received and the fair value of the loan determined based on market interest rates.

Non-repayable Government grants related to tangible and intangible fixed assets are initially recorded in equity under the heading Other Variations in Equity – Grants and are subsequently charged in a systematic way to profit or loss as income, during the period of the life cycle of the respective assets.

Other Government grants are, in general, recognised as income in a systematic manner during the periods required to balance them with the cost they are supposed to offset. Government grants intended to offset losses that have already been incurred or which do not have associated future costs are recognised as income for the period when they become receivable.

STCP is subject to an administrative price system implying compensatory indemnities to be awarded by the government, not repayable, in order to partially fund its operations for the discharge of public service obligations. The company follows the criteria of recording the compensatory indemnities as operating grants in the year when they are awarded.

### 3.11. Post-employment benefits

The liability related to the payment of supplementary pensions, recognised on the balance sheet date, represents the present value of the liabilities related to defined benefit plans, deducted from the fair value of the net assets of the pension fund, set up for this purpose.

As far as the defined benefit plans are concerned, the amount of liability taken is annually determined on 31 December in accordance with the Projected Unit Credit method, the actuarial assessments being made by BPI PENSÕES.

Costs related to past liabilities are immediately recognised through profit or loss, to the extent that the benefits have already been totally acquired.

### 3.12. Payments based on shares

Not applicable.

### 3.13. Corporation Tax

Corporation tax corresponds to the sum of current tax and deferred tax. However, since the company has no forecasted future profit, it cannot forecast the recovery of the losses which have been accumulated up to date. Therefore, it does not recognise any deferred tax assets or liabilities, since there is no forecast possibility of deduction of future tax profits from the tax losses reported up to date.

### 3.14. Tangible fixed assets

Tangible fixed assets are recorded initially at acquisition cost, including the expenses imputable to the purchase (any costs directly attributable to the activities necessary to place the assets at the location and in the condition required for their operation in the intended manner) and, when applicable, the initial estimate of the costs related to the dismantling and removal of the assets and restoration of the respective places of the locations which are expected to be incurred.

Land and buildings are recorded subsequently based on the revaluation model. According to this model, the tangible fixed asset is presented at its fair value on the revaluation date minus the respective accumulated amortisations and impairment losses. The fair value of the land and buildings was determined based on the assessment made by specialised and independent assessors (CPU Consultores de Avaliação, Lda.) as at 31 December 2015 (the previous assessment referred to 31 December 2012) and will be reviewed periodically or whenever there are indications that its fair value differs significantly from the book value of the assets.

The resulting exchange rate differences are recorded in the equity under the heading Surplus Revaluation of Fixed Assets unless there is a decrease recognised previously through profit or loss. Reductions resulting from revaluation are recorded directly under the heading Surplus Revaluation Up to the Limit of Any Creditor Balance of the Revaluation Surplus of the Same Asset. Any surplus of the reductions relative to this creditor balance is recognised through profit or loss. When the revalued asset is derecognised, the revaluation surplus, included in the equity associated with the asset, is not reclassified through profit or loss.

On an annual basis, the revaluation surplus of tangible and intangible fixed assets is transferred to accumulated net income according to whether it is used, written-off, or disposed. Therefore, the value of the surplus to be transferred will be the difference between the depreciation based on the revalued book value of the asset and the depreciation based on the original cost of the asset.

The rest of the tangible fixed assets are recorded at acquisition or production cost, minus accumulated amortisations and any accumulated impairment losses.

Tangible fixed assets are amortised in accordance with the straight line method, in twelfths, according to the life cycle estimated for each group of assets, as of the time when the asset is in conditions to be used.

The life cycle and method of amortisation of the different goods are reviewed annually. The effect of any alteration to these estimates is recognised in the income/expenditure statement prospectively.



The amortisation rates used to correspond to the following estimated periods of useful life:

(years of useful life)

TANGIBLE FIXED ASSET HEADINGS	Until 1988	1989 and 1990	1991 to 2001	2002 to 2011	2012 to 2015
Buildings and other constructions	8 to 100	10 to 100	10 to 50	10 to 50	10 to 50
Basic equipment	5 to 56	5 to 12	5 to 12	3 to 20	3 to 30
Transport equipment	7 to 25	5 to 12	5 to 12	4 to 12	4 to 12
Administrative equipment	6 to 10	3 to 10	3 to 10	3 to 16	3 to 16
Other tangible fixed assets	–	–	10	4 to 10	4 to 10

Maintenance and repair costs (subsequent expenditure), which are not capable of generating future economic benefits, are recorded as costs for the period in which they are incurred.

The gain (or loss) arising from the disposal or write-off of a tangible fixed asset is determined as the difference between the amount received in the transaction and the book value of the asset, and is recognised through profit or loss in the period when the disposal takes place, being recorded in the income/expenditure statement as Income and Gains from Non-Financial Investments or Costs and Losses from Non-Financial Investments.

### 3.15. Investment property

Investment properties essentially comprise of real estate held to obtain rents or capital appreciation and are not intended for use in the production or supply of goods or services, for administrative purposes, or for sale in normal business activities.

Investment properties are recorded initially at acquisition cost, including all the expenses imputable to the purchase with the subsequent use of the fair value model.

The fair value of the investment properties is determined based on the assessment made by specialised and independent assessors (CPU Consultores de Avaliação, Lda.). Variations in the fair value of the investment properties are recognised directly in the income and expenditure statement for the year under the heading Fair Value Increases/Reductions.

The costs incurred in relation to investment properties in use, namely maintenance, repair, insurance, and property taxes, are recognised as a cost for the year to which they refer. Any improvements which are expected to create future economic benefits are capitalised under the heading Investment property.

### 3.16. Intangible assets

Intangible assets are recognised only if it is likely that future economic benefits will arise thereof to the company and if the company can, reasonably, control their value. Expenditure related to research activities is recorded as costs for the period in which they are incurred.

Intangible assets acquired separately are recorded at acquisition or production cost, minus accumulated amortisation and impairment losses. The amortisation is recognised on a straight-line basis during the estimated life cycle of the intangible assets. The life cycle and method of amortisation of the different assets are reviewed annually. The effect of any alteration to these estimates is recognised in the income/expenditure statement prospectively.

Intangible assets generated internally arising from expenditure on project development are recognised only if all the following conditions are complied with and proved to be met:

- › Technical feasibility to conclude the intangible asset so that it is available for use or sale;
- › The intention to conclude the intangible asset and use or sell it;
- › Capacity to use or sell the intangible asset;
- › The intangible asset is capable of generating future economic benefits;
- › Availability of adequate technical and financial resources to conclude the development of the intangible asset and use or sell it;
- › The possibility of the reliable measurement of the expenditure associated with the intangible asset during the development stage.

The initially recognised value of the intangible asset, generated internally, consists of the sum of the expenditure incurred after the date when the conditions described above are met. When these conditions are not met, the expenditure incurred during the development phase is recorded as costs for the period.

Intangible assets essentially comprise of software and development expenditure, where the criteria for the recognition of the assets are met, expenses related to industrial property, commercial rights, and other rights.

Intangible assets generated internally are recorded at acquisition cost, minus accumulated amortisation and impairment losses. The amortisation is recognised on a straight-line basis during the estimated life cycle of the intangible assets. The life cycle and method of amortisation of the different assets are reviewed annually. The effect of any alteration to these estimates is recognised in the income/expenditure statement prospectively.

Intangible assets (regardless of how they are acquired or generated) with an undefined life cycle are not subject to amortisation, but rather to impairment tests on an annual basis, or else, whenever there is an indication that they might be impaired.

### 3.17. Impairment of tangible and intangible fixed assets excluding goodwill

On each reporting date, a review is made of the book values of the company's tangible and intangible fixed assets with the purpose of determining if there is any indication that they might be impaired. If any indication exists, an estimate is made of the recoverable value of the respective assets, so as to determine the extent of the impairment loss. When it is not possible to determine the recoverable value of an individual asset, an estimate is made of the recoverable value of the unit generating the cash flow to which the asset belongs.

The recoverable value of the asset or unit generating the cash flow to which the asset belongs consists of the highest value between:

- › The fair value minus the costs of its sale, and
- › The value of its use.

In the determination of the value of its use, the estimated future cash flows are discounted using a pre-tax discount rate, which reflects market expectations on the time value of money and the specific risks of the asset or unit generating the cash flow, relative to which the estimated future cash flow has been adjusted.

Whenever the book value of the asset or unit generating the cash is higher than its recoverable value, an impairment loss is recognised. The impairment loss is recorded immediately in the income/expenditure statement, under the heading Impairment Losses unless this loss offsets a revaluation surplus recorded in the equity. In this last case, the loss will be treated as a decrease of revaluation.

A reversal of impairment losses, recognised in previous years, is recorded when there is evidence that the recognised impairment losses no longer exist or have decreased. A reversal of impairment losses is recognised immediately in the income/expenditure statement under the heading Reversal of Impairment Losses. The reversal of the impairment loss is made up of the amount that would have been recognised (net of amortisation) if the impairment loss had not been recorded.

### 3.18. Inventories

Inventories are recorded at the lowest value between the acquisition cost and the net realisable value. The net realisable value represents the estimated sales price minus all the estimated costs required to conclude the inventories and carry out their sale.

Subsidiary raw materials and consumables are stated at acquisition cost, using the average cost as the pricing method.

### 3.19. Provisions

Provisions are recognised only when the company has a present obligation (legal or implicit) arising from a past event. It is likely that in order to settle this obligation there will be an outflow of resources and the amount of the obligation can be estimated reasonably.

The recognised amount of the provisions consists of the present value of the best estimate on the reporting date of the resources required to settle the obligation. This estimate is determined to take into consideration the risks and uncertainties associated with the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the best estimate of its fair value on that date.

Present obligations arising from onerous contracts are recorded and measured as provisions. An onerous contract exists whenever the company is an integral part of the provisions of an agreement contract, whose compliance is associated with costs that cannot be avoided and which exceed the economic benefits derived thereof.

A provision is recognised for restructuring when STCP develops a detailed formal restructuring plan, begins its implementation, and announces its main components to those affected by it. The measurement of the restructuring provision considers only expenditure which arises directly from the implementation of the corresponding plan, and, consequently, is not related to the company's current activities.

Contingent liabilities are not recognised in the financial statements, but are always disclosed whenever the possibility of an outflow of resources, involving economic benefits, is not remote. Contingent assets are not recognised in the financial statements, but are always disclosed whenever it is likely that there will be a future economic inflow of resources.

### 3.20. Financial assets and liabilities

Financial assets and liabilities are recognised in the balance sheet whenever the company becomes part of the corresponding contractual provisions.

Financial assets and liabilities are measured as follows:

- › at cost or amortised cost; or
- › at fair value with the fair value alterations recognised in the income and expenditure statement.

Financial assets and liabilities are measured at amortised cost when they present the following characteristics simultaneously:

- › They are considered slight or have a defined maturity;
- › They are associated with a fixed or determinable return;
- › They are not a derivative financial instrument or do not incorporate a derivative financial instrument.

These financial assets and liabilities are measured at amortised cost minus accumulated impairment losses (in the case of financial assets).

Also classified in the cost or amortised cost category, thus measured at amortised cost minus accumulated impairment losses, are contracts which grant or secure loans that cannot be settled on a liquid basis and that, when executed, meet the conditions described above.

Investments in equity instruments which are not traded publicly and whose fair value cannot be determined reliably, as well as derivative financial instruments related to these equity instruments, are also classified in the cost or amortised cost category, thus being measured at cost minus accumulated impairment losses.

Amortised cost is determined through the effective interest rate method. The effective interest rate is the rate which discounts exactly the estimated future payments or revenue, during the expected life of the financial instrument, based on the net book value of the financial asset or liability.

All financial assets and liabilities not classified in the cost or amortised cost category are classified in the category of fair value with the fair value alterations recognised in the income/expenditure statement.

These financial assets and liabilities are measured at fair value, with their variations being recorded through profit or loss under the headings Fair value reductions and fair value increases.

Impairment of financial assets:

- › Financial assets classified in the cost or amortised cost category are subject to impairment tests on each reporting date. These financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events which have occurred after their initial recognition, their estimated future cash flow is affected. For financial assets measured at amortised cost, the impairment loss to be recognised corresponds to the difference between the book value of the asset and the present value of the new estimated future cash flow, discounted at the respective original effective interest rate.
- › For financial assets measured at cost, the impairment loss to be recognised corresponds to the difference between the book value of the asset and the best estimate of the present value of the asset.
- › Impairment losses are recorded through profit and loss, under the heading Impairment Losses, for the period when they are determined.

- › Subsequently, if the value of the impairment loss decreases and this reduction can be related objectively to an event, which has taken place after the recognition of the loss, it should be reflected in profit or loss. The reversal should be made up to the amount that would be recognised (amortised cost) if the loss had not been recorded initially. The reversal of impairment losses is recorded through profit or loss, under the heading Reversals of Impairment Losses. The reversal of impairment losses recorded for investments in equity instruments (measured at cost) is not permitted.

Derecognition of financial assets and liabilities:

- › The company derecognises financial assets when contractual rights to their cash flows have expired, or when the financial assets and all the significant risks and benefits associated with their possession are transferred to another entity. Transferred financial assets relative to which the company has retained some significant risks and benefits are derecognised, provided that the control over them has been assigned.
- › The company derecognises financial liabilities only when the corresponding obligation is settled, cancelled, or has expired.

Compound instruments:

- › Compound instruments are financial instruments that include a financial liability component and an equity instrument component. These two components are presented in the balance sheet separately, according to the substance of the corresponding contractual provisions.
- › The distinction between financial liability and equity instrument is made according to the substance of the associated contractual provisions.
- › In the initial recognition of a compound instrument, the financial liability component is determined based on the market interest rates for similar non-compound instruments. This component is measured at amortised cost, based on the effective interest rate method. The equity component is determined by the difference between the value received and the value of the financial liability component and is recorded in the equity. The equity component is not measured subsequently.

### 3.21. Derivative financial instruments and hedge accounting

STCP uses derivatives in the management of its financial risks solely as a way to guarantee the hedging of these risks, therefore financial derivative instruments are not used for speculative purposes.

Derivative instruments used by the company concern interest rate swap operations in order to hedge against the risk of interest rate variation of loans received. The value of the loans, due dates for the interest, and maturity of the repayment plans of the loans under-



lying the interest rate hedging instruments are, in substance, identical to the conditions established for the contracted loans. However, the necessary requirements for the qualification of hedge accounting are not met.

Derivative financial instruments are recorded initially at their fair value on the date when they are contracted. On each reporting date, they are measured again at fair value, with the corresponding re-measurement gain or loss being recorded immediately through profit and loss.

A derivative financial instrument with positive fair value is recognised as a financial asset under the heading Other Financial Instruments – Derivatives. A derivative instrument with negative fair value is recognised as a financial liability, under the heading Other Financial Instruments – Derivatives.

A derivative financial instrument is presented as non-current if its remaining maturity is longer than 12 months and its realisation or settlement is not expected within that term limit.

The criteria for the application of the hedge accounting rules are as follows:

- › Adequate documentation of the hedging operation;
- › The risk to be hedged against is one of the risks described in NCRF 27 – Financial instruments;
- › It is expected that the alterations in the fair value or cash flow of the hedged item, attributable to the risk to be hedged against is practically offset by the alterations in the fair value of the hedging instrument.

At the beginning of the hedge, the company documents:

- › The relationship between the hedging instrument and the hedged item;
- › Its risk management objectives and strategy; and
- › Its assessment of the effectiveness of the hedging instrument to offset variations in the fair values and cash flow of the hedged item.

Variations in the fair value of the derivative financial instruments designated as hedging instruments under the hedging against the risk of variability in interest rates, exchange rate risk, merchandise price risk, in the context of a commitment or a highly likely future transaction, and net investment risk in a foreign operation, are recorded in equity, under the heading Other Reserves. These gains or losses recorded under Other Reserves are reclassified to profit or loss in the periods when the hedged item affects profit or loss and are stated in the line allocated to the hedged item.

Hedge accounting is discontinued when the company revokes the hedging relationship when the hedging instrument expires, is sold or exercised, or when the hedging instrument no longer qualifies for hedge accounting. Any amount recorded under Other Reserves is only reclassified to profit or loss when the hedged position affects profit or loss. When the

hedged position consists of a future transaction and it is not expected that it will occur, any amount recorded under Other Reserves is immediately reclassified to profit or loss.

### **3.22. Exploration and assessment of mineral resources**

Not applicable.

### **3.23. Agriculture**

Not applicable.

### **3.24. Critical value judgements and main sources of uncertainty associated to estimates**

The preparation of the attached financial statements included value judgements and estimates, and various assumptions were made which affect the reported values of assets and liabilities, as well as the reported values of income and costs for the period.

The underlying estimates and assumptions were determined based on the best knowledge existing on the date of approval of the financial statements of the events and ongoing transactions, as well as the experience of past and/or current events. However, situations may occur in subsequent periods that, not having been forecast on the date of approval of the financial statements, were not considered in these estimates. Any alterations to the estimates which occur subsequently to the date of the financial statements will be corrected in a prospective manner. For this reason, and in view of the associated degree of uncertainty, the real results of the transactions in question may differ from the corresponding estimates.

The main value judgements and estimates made in the preparation of the attached financial statements were as follows:

- › Life cycle of tangible and intangible assets;
- › Analyses of the impairment of tangible and intangible assets;
- › Recording of the impairment of asset values, namely inventories and debtors;
- › Provisions;
- › Calculation of the liability associated with the pensions funds;
- › Calculation of the fair value of derivative financial instruments;
- › Calculation of the fair value of the investment properties, land, and buildings included in the tangible fixed assets.

### 3.25. Subsequent events

Events occurring after the balance sheet date providing additional information about conditions that existed on the balance sheet date ("adjusting events") are reflected in the financial statements. Events after the balance sheet date providing additional information about conditions that existed on the balance sheet date ("non-adjusting events") are disclosed in the notes to the financial statements when considered materially relevant.

## 4. CASH FLOW

For cash flow statement purposes, the heading Cash and Cash Equivalents include, besides cash, bank deposits repayable on demand and cash investments on the monetary market, bank overdrafts, and other equivalent short-term loans.

Breakdown of cash and cash equivalents on 31 December 2015 and 2014:

	2015	2014
Cash	62,724.25	46,316.89
Bank deposits	11,066,754.58	7,877,949.65
Cash and cash equivalents in the Balance Sheet	11,129,478.83	7,924,266.54
Bank overdrafts		
Cash and cash equivalents in the Cash Flow Statement	11,129,478.83	7,924,266.54

## 5. ACCOUNTING POLICIES, ALTERATIONS TO ACCOUNTING ESTIMATES AND ERRORS

During the financial year, there were no alterations to the accounting policies or corrections of materially relevant errors of previous periods.

In 2014 a review was carried out to estimate the life cycle of buses, which was subsequently changed from 13 to 16 years. In the case of mini buses, their life cycle was changed from 13 to 10 years. The impact of this alteration – the depreciation expenditure of the basic equipment, was lower by 1,066 thousand euros.

## 6. RELATED PARTIES

Financial holdings on 31 December 2015 and 2014:

CORPORATE NAME	HEADQUARTERS	% SHARE	ACTIVITY
<b>SUBSIDIARIES</b>			
STCP Serviços – Transportes Urbanos, Consultoria e Participações, Unipessoal Lda.	Porto	100%	Activities of tourist operator and land urban and suburban passenger transport.
<b>ASSOCIATED COMPANIES</b>			
TIP – Transportes Intermodais do Porto, ACE	Porto	33.3%	Transport ticketing management.
Transpublicidade – Publicidade em Transportes, S.A.	Oeiras	20%	Commercialised advertising in vehicles and facilities.
<b>OTHER COMPANIES</b>			
Metro do Porto, S.A.	Porto	16.6%	Urban and local light rail transport.
OPT – Optimização e Planeamento de Transportes, SA	Porto	8.33%	Development of I&D projects in the area of public transport providing advanced computer solutions for the management and optimisation of transport systems.

Remuneration of the Governing Body members during the years ended in 2015 and 2014 is described in item 4.3 of this annual report and accounts.

In the course of the financial years of 2015 and 2014, the following transactions were carried out with the related parties:

DESCRIPTION OF TRANSACTIONS	2015			TOTAL
	SUBSIDIARIES	ASSOCIATED COMPANIES	OTHER RELATED PARTIES	
Obtained services		990,334.43	132,543.39	1,122,877.82
Provided services		32,733,635.79	233,153.16	32,966,788.95

DESCRIPTION OF TRANSACTIONS	2014			TOTAL
	SUBSIDIARIES	ASSOCIATED COMPANIES	OTHER RELATED PARTIES	
Purchase of fixed assets			27,500.00	27,500.00
Obtained services		1,066,751.56	130,032.96	1,196,784.52
Provided services		34,828,995.15	224,665.02	35,053,660.17

Balances with related parties in 2015 and 2014:

BALANCES	2015			TOTAL
	SUBSIDIARIES	ASSOCIATED COMPANIES	OTHER RELATED PARTIES	
Debtors		2,906,799.47	174,065.03	3,080,864.50
Current sundry payables		542,700.81	30,656.58	573,357.39

BALANCES	2014			TOTAL
	SUBSIDIARIES	ASSOCIATED COMPANIES	OTHER RELATED PARTIES	
Debtors	369.31	3,306,725.06	112,459.81	3,419,554.18
Current sundry payables		853,645.21	47,481.50	901,126.71

## 7. INTANGIBLE ASSETS

During the financial years ending on 31 December 2015 and 2014, the movement that occurred in the book value of intangible assets, as well as in the respective accumulated amortisations and impairment losses, was as follows:

INTANGIBLE ASSETS	DEVELOP. PROJECTS	SOFTWARE	INDUSTRIAL PROPERTY	OTHER INTANGIBLE ASSETS	INTANGIBLE ASSETS IN PROGRESS	TOTAL
Net value on 1 Jan. 2015		228,347.06	1,220.90	534,816.55		764,384.51
<b>GROSS ASSETS</b>						
Balance on 1 Jan. 2015	88,749.10	5,203,418.50	98,439.49	1,106,517.00		6,497,124.09
<b>Movements in 2015</b>						
Additions		32,096.20				32,096.20
Balance on 31 Dec. 2015	88,749.10	5,235,514.70	98,439.49	1,106,517.00		6,529,220.29
<b>ACCUMULATED AMORTISATIONS</b>						
Balance on 1 Jan. 2015	-88,749.10	-4,975,071.44	-97,218.59	-571,700.45		-5,732,739.58
<b>Movements in 2015</b>						
Amortisation costs		-94,337.43	-277.54	-221,303.40		-315,918.37
Balance on 31 Dec. 2015	-88,749.10	-5,069,408.87	-97,496.13	-793,003.85		-6,048,657.95
Net value on 31 Dec. 2015		166,105.83	943.36	313,513.15		480,562.34



INTANGIBLE ASSETS	DEVELOP. PROJECTS	SOFTWARE	INDUSTRIAL PROPERTY	OTHER INTANGIBLE ASSETS	INTANGIBLE ASSETS IN PROGRESS	TOTAL
Net value on 1 Jan. 2014		180,394.24	1,498.70	756,119.95	82,500.00	1,020,512.89
<b>GROSS ASSETS</b>						
Balance on 1 Jan. 2014	88,749.10	5,022,563.50	98,439.49	1,106,517.00	82,500.00	6,398,769.09
<b>Movements in 2014</b>						
Additions		98,355.00				98,355.00
Adjustments and transfers		82,500.00			-82,500.00	
Balance on 31 Dec. 2014	88,749.10	5,203,418.50	98,439.49	1,106,517.00		6,497,124.09
<b>ACCUMULATED AMORTISATIONS</b>						
Balance on 1 Jan. 2014	-88,749.10	-4,842,169.26	-96,940.79	-350,397.05		-5,378,256.20
<b>MOVEMENTS IN 2014</b>						
Amortisation costs		-132,902.18	-277.80	-221,303.40		-354,483.38
Balance on 31 Dec. 2014	-88,749.10	-4,975,071.44	-97,218.59	-571,700.45		-5,732,739.58
Net value on 31 Dec. 2014		228,347.06	1,220.90	534,816.55		764,384.51

The company does not capitalise any research costs. Development costs are capitalised only when the recognition criteria set out in NCRF are met.

Following analysis of intangible assets, it was decided that there are no assets with an undefined life cycle. Amortisations were calculated according to the following estimated life cycles:

INTANGIBLE FIXED ASSETS HEADINGS	YEARS OF USEFUL LIFE
Development projects	3
Software	2 to 5
Industrial property	3 to 7
Other intangible assets	5

During 2015, there were no movements regarding intangible assets in progress. Movements occurred during the financial year of 2014 in intangible assets in progress:

	BALANCE ON 1 JAN. 2014	ACQUISITIONS	ADJUSTMENTS AND TRANSFERS	WRITE-OFFS/SALES	BALANCE ON 31 DEC. 2014
Software	82.500,00		-82.500,00		
	82.500,00		-82.500,00		

## 8. TANGIBLE FIXED ASSETS

During the financial years ending on 31 December 2015 and 2014, the movement that occurred in the book value of tangible fixed assets, as well as in the respective accumulated amortisations and impairment losses, was as follows:

TANGIBLE FIXED ASSETS	LAND AND NATURAL RESOURCES	BUILDINGS AND OTHER CONSTRUCTIONS	BASIC EQUIPMENT
Net value on 1 Jan 2015	21,591,561.00	13,574,517.12	21,434,796.53
<b>GROSS ASSETS</b>			
Balance on 1 Jan 2015	21,670,307.78	26,970,967.21	78,922,954.26
Movements in 2015			
Revaluations	-1,676,400.00	6,796,012.73	
Additions		725,799.79	29,275.93
Write-offs/sales			-9,799,685.04
Adjustments and transfers		149,562.10	
Balance on 31 Dec 2015	19,993,907.78	34,642,341.83	69,152,545.15
<b>ACCUMULATED DEPRECIATIONS</b>			
Balance on 1 Jan 2015		-13,264,954.23	-57,488,157.73
Movements in 2015			
Depreciation and amortisation costs		-1,006,281.23	-2,813,428.92
Revaluations		-4,549,427.87	
Write-offs/sales			9,763,419.91
Adjustments and transfers			
Balance on 31 Dec 2015		-18,820,663.33	-50,538,166.74
<b>ACCUMULATED IMPAIRMENT LOSSES</b>			
Balance on 1 Jan 2015	-78,746.78	-131,495.86	
Transfers			
Impairment losses	-158,840.00	-93,010.82	
Reversals			
Balance on 31 Dec 2015	-237,586.78	-224,506.68	
Net value on 31 Dec 2015	19,756,321.00	15,597,171.82	18,614,378.41

Additions row of 2015 includes 51,932,40 euros of in-house works for buildings and other constructions

TRANSPORT EQUIPMENT	ADMINISTRATIVE EQUIPMENT	OTHER TANGIBLE FIXED ASSETS	TANGIBLE ASSETS IN PROGRESS	ADVANCES ON ACCOUNT OF TANGIBLE ASSETS	TOTAL OF TANGIBLE FIXED ASSETS
30,327.94	128,993.84	1,090,752.04	288,900.66		58,139,849.13
1,451,724.13	4,212,239.27	1,845,404.19	288,900.66		135,362,497.50
					5,119,612.73
	246,477.63	14,595.00	276,059.21		1,292,207.56
	-222,277.80				-10,021,962.84
			-149,562.10		
1,451,724.13	4,236,439.10	1,859,999.19	415,397.77		131,752,354.95
-1,421,396.19	-4,083,245.43	-754,652.15			-77,012,405.73
-14,807.13	-53,667.26	-346.75			-3,888,531.29
					-4,549,427.87
	221,679.52				9,985,099.43
-1,436,203.32	-3,915,233.17	-754,998.90			-75,465,265.46
					-210,242.64
					-251,850.82
					-462,093.46
15,520.81	321,205.93	1,105,000.29	415,397.77		55,824,996.03



TANGIBLE FIXED ASSETS	LAND AND NATURAL RESOURCES	BUILDINGS AND OTHER CONSTRUCTIONS	BASIC EQUIPMENT
Net value on 1 Jan. 2014	30,583,461.00	18,517,041.81	23,606,480.93
<b>GROSS ASSETS</b>			
Balance on 1 Jan. 2014	30,687,145.98	32,790,997.54	84,321,806.34
Movements in 2014			
Revaluations			
Additions			653,732.99
Write-offs/sales			-6,052,585.07
Adjustments and transfers	-9,016,838.20	-5,820,030.33	
Balance on 31 Dec. 2014	21,670,307.78	26,970,967.21	78,922,954.26
<b>ACCUMULATED DEPRECIATIONS</b>			
Balance on 1 Jan. 2014		-14,142,459.87	-60,715,325.41
Movements in 2014			
Depreciation and amortisation costs		-1,141,519.61	-2,825,330.03
Revaluations			
Write-offs/sales			6,052,497.71
Adjustments and transfers		2,019,025.25	
Balance on 31 Dec. 2014		-13,264,954.23	-57,488,157.73
<b>ACCUMULATED IMPAIRMENT LOSSES</b>			
Balance on 1 Jan. 2014	-103,684.98	-131,495.86	
Transfers	24,938.20		
Reversals			
Balance on 31 Dec. 2014	-78,746.78	-131,495.86	
Net value on 31 Dec. 2014	21,591,561.00	13,574,517.12	21,434,796.53

On 31 December 2015, the company requested a new independent assessment (CPU Consultores de Avaliação, Lda.) of its lands and buildings (all of them located in the area of Porto) classified as tangible fixed assets and a revaluation was performed.

Revaluation consisted of setting the market value of buildings and land for accounting purposes, meeting accounting standards and financial report no. 7 as well as the terms of reference given by the company. The reference date of assessment is 31 December 2015.

Under the assessment, Fair Value was assessed based on Market Direct Comparison of Costs and Income Criteria – Direct Capitalisation Method taking into account current amounts charged for similar purposes comparable to the use of assessment in compliance with the provisions set out in NCRF 7.

"Fair Value" can be defined as "the amount for which an asset may be exchanged (...), between knowledgeable and willing parties, in a transaction on which there is no relationship between the parties". Fair Value is usually the "Market Value" set by qualified expert assessors.

Under certain circumstances, particularly when due to the specific nature of the property and if it is seldom sold except as an integral part of a "continued business", "Fair Value" can be attributed to using a "Depreciated Replacement Cost" or "income" approach.

Attention should be drawn to the fact that in this evaluation process – for tangible fixed assets considering continued use, the assessment did not take into account any constraints of commercial nature or economic obsolescence of the business or activities to be carried out at the premises and the property was assessed just as it was with its current use.

For the remaining tangible fixed assets, the criteria regarding depreciated construction costs was used, as mentioned previously.

Assumptions for the assessment used in the determination of the fair value were as follows:

Revaluation was based on a visit made to the exterior area of some buildings and a visit to the Massarelos building where there was a change of assumptions and characteristics; For all the buildings, information on the surroundings and local real estate market was updated, a survey had been conducted about market

TRANSPORT EQUIPMENT	ADMINISTRATIVE EQUIPMENT	OTHER TANGIBLE FIXED ASSETS	TANGIBLE ASSETS IN PROGRESS	ADVANCES ON ACCOUNT OF TANGIBLE ASSETS	TOTAL OF TANGIBLE FIXED ASSETS
51,448.46	135,765.96	1,090,926.65	84,624.58		74,069,749.39
1,541,724.05	4,266,045.32	1,845,410.51	84,624.58		155,537,754.32
	44,687.25		204,276.08		902,696.32
-89,999.92	-98,493.30	-6.32			-6,241,084.61
					-14,836,868.53
1,451,724.13	4,212,239.27	1,845,404.19	288,900.66		135,362,497.50
-1,490,275.59	-4,130,279.36	-754,483.86			-81,232,824.09
-21,120.52	-50,520.73	-174.61			-4,038,665.50
89,999.92	97,554.66	6.32			6,240,058.61
					2,019,025.25
-1,421,396.19	-4,083,245.43	-754,652.15			-77,012,405.73
					-235,180.84
					24,938.20
					-210,242.64
30,327.94	128,993.84	1,090,752.04	288,900.66		58,139,849.13

prices currently charged for similar and comparable property or buildings. A report was produced based on the previous property assessment report.

In order to obtain the value of each property, the following main factors were taken into consideration such as location, access, existing size, characteristics, and the current state of conservation.

Current market values relative to properties with similar potential use and similar location were also used as a reference.

Property areas that were taken into account are the same as the ones that have been considered during the previous revaluation through details given by the company which we considered as correct.

It was assumed that all properties are free of charge.

Valuation of the infrastructures allocated to each property – flooring, water supply and distribution networks, waste water and rainwater drainage networks, electricity distribution grids, etc. – were considered and included in the overall valuation of each property.

If the “land and natural resources” and “buildings and other constructions” had been recognised pursuant to the cost model, book value would be respectively:

HEADING	2015	2014
Land and natural resources	1,993,582.84	2,152,422.84
Buildings and other constructions	6,331,807.09	5,891,518.75
	8,325,389.93	8,043,941.59

No disclosures were made of restrictions on the ownership of assets, or of fixed assets given to guarantee liabilities since there are no situations falling under this context. Therefore, sub-paragraph a) of paragraph 73 of the NCRF 7 is not applicable.

Movements occurred during the financial years of 2015 and 2014, in the values of tangible assets in progress:

	BALANCE ON 1 JAN. 2015	ACQUISITIONS	ADJUSTMENTS AND TRANSFERS	WRITE-OFFS /SALES	BALANCE ON 31 DEC. 2015
Buildings and other constructions	149,562.10	3,845.84	-149,562.10		3,845.84
Basic equipment	139,338.56	272,213.37			411,551.93
	<b>288,900.66</b>	<b>276,059.21</b>	<b>-149,562.10</b>		<b>415,397.77</b>

	BALANCE ON 1 JAN. 2014	ACQUISITIONS	ADJUSTMENTS AND TRANSFERS	WRITE-OFFS /SALES	BALANCE ON 31 DEC. 2014
Buildings and other constructions		149,562.10			149,562.10
Basic equipment	84,624.58	54,713.98			139,338.56
	<b>84,624.58</b>	<b>204,276.08</b>			<b>288,900.66</b>

In the financial years of 2015 and 2014, there were no movements in advances for tangible fixed assets.

In 2015, contractual agreements have been made to acquire tangible fixed assets in the amount of 96,104.69 euros (disclosure under the sub-paragraph c) of paragraph 73 of the NCRF 7).

## 9. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATING UNITS

The company has no assets under these conditions.

## 10. LEASES

### 10.1. Financial leases – lessees

During 2015 and 2014, the company paid financial lease instalments in the amount of 5,601,633.92 euros (including 249,820.72 euros of interest) and 5,941,571.99 euros (including 419,085.83 euros of interest), respectively.

On 31 December 2015 and 2014, the company had liabilities as a lessee, concerning instalments of financial leasing contracts totalling 9,367,364.72 euros and 13,969,910.27 euros, respectively (including VAT when it is not deductible), falling due during the following years, as shown in the table below:

YEARS	2015			2014		
	DISCOUNTED VALUE MINIMUM PAYMENTS	INTEREST	TOTAL	DISCOUNTED VALUE MINIMUM PAYMENTS	INTEREST	TOTAL
2015				4,366,959.46	208,131.95	4,575,091.41
2016	2,312,740.39	101,012.22	2,413,752.61	2,309,102.27	110,676.97	2,419,779.24
2017	1,885,546.18	71,879.19	1,957,425.37	1,884,177.45	79,274.55	1,963,452.00
2018	1,908,488.24	48,937.13	1,957,425.37	1,909,447.55	54,004.45	1,963,452.00
2019	1,931,709.45	25,715.92	1,957,425.37	1,935,056.57	28,395.43	1,963,452.00
2020	1,077,006.54	4,329.47	1,081,336.02	1,079,900.74	4,782.87	1,084,683.61
<b>Total</b>	<b>9,115,490.80</b>	<b>251,873.93</b>	<b>9,367,364.72</b>	<b>13,484,644.05</b>	<b>485,266.22</b>	<b>13,969,910.27</b>

As of 31 December 2015 and 2014, the net book value for each category of assets under financial leasing scheme was as follows:

DESCRIPTION	2015			2014		
	ACQUISITION VALUE	ACCUMULATED AMORTISATIONS/IMPAIRMENT LOSSES	NET VALUE	ACQUISITION VALUE	ACCUMULATED AMORTISATIONS/IMPAIRMENT LOSSES	NET VALUE
<b>INVESTMENT PROPERTY</b>						
Land and natural resources	2,391,521.21	1,475,221.21	916,300.00	2,391,521.21	1,423,521.21	968,000.00
<b>TANGIBLE FIXED ASSETS</b>						
Basic equipment	33,858,200.00	17,923,193.42	15,935,006.58	33,858,200.00	16,078,217.30	17,779,982.70
<b>Total</b>	<b>36,249,721.21</b>	<b>19,398,414.63</b>	<b>16,851,306.58</b>	<b>36,249,721.21</b>	<b>17,501,738.51</b>	<b>18,747,982.70</b>

## 10.2. Operational Leasing

During the years of 2015 and 2014, costs of 1,449,676.52 euros and 3,446,871.16 euros respectively, were recognised regarding operational leasing contract instalments.

On 31 December 2015 and 2014, instalments of operating lease contracts showed the following maturity dates:

YEARS	2015	2014
2015		1,635,337.37
<b>Total</b>		<b>1,635,337.37</b>

## 11. COST OF OBTAINED LOANS

Financial costs concerning loans received are usually recognised as costs in accordance with the accrual accounting principle, using their effective interest rate for this purpose.

Interests and similar costs paid and recognised in the financial years of 2015 and 2014 were as follows:

	2015	2014
<b>Interests – obtained loans</b>	<b>5,395,950.92</b>	<b>11,986,861.84</b>
Interests – credit and financial institutions	196,383.76	3,948,403.24
Bank loans		3,501,001.49
Bank overdrafts		113,166.24
Leasing	196,383.76	334,235.51
Financing interests for securities – bonds	107,164.18	3,707,467.12
Financing Interests of equity stakeholders	5,092,402.98	4,330,991.48
<b>Interests of other financial instruments</b>	<b>9,154,925.58</b>	<b>6,682,039.85</b>
<b>Other financing costs and other financing losses – relative to obtained loans</b>	<b>210,506.58</b>	<b>984,229.51</b>
Costs related to discounts on financial issues	4,244.40	28,129.17
Endorsement fee	202,777.78	388,052.56
Commissions and other costs	3,484.40	279,531.44
Stamp duty on use of capital		288,516.34
<b>Interest and similar expenses paid</b>	<b>14,761,383.08</b>	<b>19,653,131.20</b>
<b>Fair value reduction losses – financial instruments</b>		<b>27,323,904.18</b>
<b>Interests and similar costs paid in the income and expenditure statement</b>	<b>14,761,383.08</b>	<b>46,977,035.38</b>



Interest and similar income received recognised in the financial years of 2015 and 2014:

	2015	2014
Interest received – From deposits	0.16	329.67
Interest received – from obtained loans	3,185.00	
Interest received – Other financing income and gains		1,075.91
<b>Actual interests and similar income received</b>	<b>3,185.16</b>	<b>1,405.58</b>
<b>Fair value increase gains – financial instruments</b>	<b>4,293,039.32</b>	
<b>Interest and similar income received in income and expenditure statement</b>	<b>4,296,224.48</b>	<b>1,405.58</b>

The company did not capitalise the costs of assets seeing that it does not have any which qualify as such.

## 12. INVESTMENT PROPERTY

On 31 December 2015 and 31 December 2014, the company applied fair value to investment properties having been determined through the assessment made by a specialised and independent entity of recognised professional qualification (CPU Consultores de Avaliação, Lda.).

Revaluation consisted of setting the market value of buildings and land for accounting purposes, meeting accounting standards, and financial report no. 11 as well as the terms of reference given by the company. The reference date of the assessment was 31 December 2015 and 31 December 2014, respectively for the years of 2015 and 2014.

The market value to be determined for accounting purposes can be compared to the definition stipulated in SNC as “Fair Value”. Under the assessment, Fair Value will be calculated through Market Direct Comparison and Costs, and Income Criteria – Direct Capitalisation Method or “Discounted Cash Flows” Method and taking into account current amounts charged for similar purposes comparable to the use of assessment in compliance with provisions set out in NCRF 11.

Assumptions for the assessment used in the determination of the fair value were as follows:

- › Assessment was based on a visit made to the exterior area of some buildings;
- › For the total number of buildings, updated information on the surroundings and local real estate market was provided, a survey had been conducted about market prices currently charged for similar and comparable property or buildings;
- › In order to obtain the value of each property, the following main factors were taken into consideration such as location, access, existing size, characteristics, and the current state of conservation. Current market values relative to properties with similar potential use and similar location were also used as a reference;

- › Property areas that were taken into account are the same as the ones that have been considered on the previous revaluation through details given by the company which we considered as correct;

- › It was assumed that all properties are free of charge.

Investment properties were assessed in a perspective of alternative use. Their market value was determined and considered free and available – this amount corresponding to its value for an alternative use.

Under the principle of the best alternative use, the market value of the property is based on the analysis of the rate of return of the development project consistent with its best possible use or, if any, in accordance with any other development projects. The best alternative use is defined as the probable and reasonable use that, on the assessment date, generates the highest current value.

In this way, in order to assess the value of the properties, market and income comparison criteria were used in some cases through the direct capitalisation method and, in other cases, the residual value method.

The fair value is defined in NCRF 11, paragraph 38, as “the price at which the property may be exchanged between knowledgeable willing parties, in a transaction where there is no relationship between the parties”.

In this way, requirements established in NCRF 11 for the determination of the market value of properties were met.

Over the financial year ending on 31 December of 2015 and 2014 the movement occurred in the heading investment properties, was as follows:

INVESTMENT PROPERTIES	2015			TOTAL
	LAND AND NATURAL RESOURCES	BUILDINGS AND OTHER CONSTRUCTIONS	ADVANCES ON ACCOUNT INVEST. PROPERTIES INVESTMENT	
Balance on 1 Jan. 2015			24,726.00	17,280,026.00
Fair value variation against the income statement	-59,126.00	-29,513.91		-88,639.91
Fair value variation through revaluation surplus reversal	-443,708.00	-113,852.09		-557,560.09
Balance on 31 Dec. 2015	12,088,640.00	4,520,460.00	24,726.00	16,633,826.00

INVESTMENT PROPERTIES	2014			TOTAL
	LAND AND NATURAL RESOURCES	BUILDINGS AND OTHER CONSTRUCTIONS	ADVANCES ON ACCOUNT INVEST. PROPERTIES INVESTMENT	
Balance on 1 Jan. 2014			24,726.00	5,253,226.00
Fair value variation against the income statement	-301,518.80	-37,590.00		-339,108.80
Fair value variation through revaluation surplus reversal	-308,788.00	-89,379.08		-398,167.08
Transfers	8,991,900.00	3,801,005.08		12,792,905.08
Write-offs/sales	-28,829.20			-28,829.20
Balance on 31 Dec. 2014	12,591,474.00	4,663,826.00	24,726.00	17,280,026.00

In 2013 and 2014, tangible fixed assets were transferred to investment properties, according to a decision of the Board of Directors based on the changes of its use.

The company has not made any contractual commitment in relation to construction, development, repairs, and maintenance of investment properties.

Over the years of 2015 and 2014, income and costs regarding investment properties were as follows:

INVESTMENT PROPERTIES	2015		2014	
	RENTED	FOR APPRECIATION	RENTED	FOR APPRECIATION
<b>INCOME</b>				
Income from rents	247,554.66	20,290.12	249,266.28	14,625.12
<b>COSTS</b>				
Direct costs	-30,532.06	-134,707.19	-30,723.29	-103,550.19
Total	217,022.60	-114,417.07	218,542.99	-88,925.07

### 13. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

STCP is a state-owned public-limited company with exclusively public capital, whose main objective is not profit, but instead the provision of a social service of transport. Without any commercial justification, it should be financially offset by this significant share of service that it must ensure.

In this context, we believe that the historic situation of the creation of successive losses does not reflect an indication of impairment, but rather a deficit in the State's compliance with the duty to fund the social activities it imposes.

When any asset shows indications of impairment, either due to technical or material obsolescence, an analysis of impairment is made and any losses arising thereof are recognised.

Furthermore, attention is drawn to the fact that for the category of buildings and land, market assessments were carried out by independent assessors from 2012 to 2015, as well as for the category of assets classified as investment properties and in the year of 2012 and 2015 for the category of assets classified as tangible fixed assets, whereby in some cases, the corresponding impairment loss was identified and recorded.

In 2014 no movements occurred in impairment losses of tangible fixed assets. In 2015, movements in impairment losses of tangible fixed assets were recorded under the following headings:

TANGIBLE FIXED ASSETS	
<b>INCOME AND EXPENDITURE STATEMENT – IMPAIRMENT LOSSES-TANGIBLE FIXED ASSETS</b>	<b>251,850.82</b>
– Increases	251,850.82
<b>EQUITY – REVALUATION SURPLUSES</b>	<b>1,698,020.12</b>
– Revaluation surplus reversal-impairment losses of tangible fixed assets	1,698,020.12

Accumulated impairment losses of tangible fixed assets on 31 December 2015 and 2014 are detailed in note 8.

## 14. FINANCIAL HOLDINGS VALUED THROUGH EQUITY METHOD

On 31 December 2015 and 2014, financial holdings in subsidiaries and associated companies, all valued through the equity method, were as follows:

YEAR OF 2015	ASSETS	LIABILITY	SHAREHOLDERS' EQUITY	INCOME	NET INCOME	% STAKE
<b>SUBSIDIARIES</b>						
STCP Serviços	53,055.22	5,616.09	47,439.13		-80.00	100.00%
<b>ASSOCIATED COMPANIES</b>						
TIP, ACE	10,614,718.00	12,652,244.00	-2,037,526.00	7,715,452.66	2,608,901.00	33.33%
Transpublicidade, S.A.	926,443.00	233,557.00	692,886.00	566,992.00	29,077.00	20.00%

YEAR OF 2014	ASSETS	LIABILITY	SHAREHOLDERS' EQUITY	INCOME	NET INCOME	% STAKE
<b>SUBSIDIARIES</b>						
STCP Serviços	53,504.53	5,985.40	47,519.13	1,432.40	588.40	100.00%
<b>ASSOCIATED COMPANIES</b>						
TIP, ACE	8,706,867.00	13,268,327.00	-4,561,460.00	6,327,749.01	499,600.00	33.33%
Transpublicidade, S.A.	946,714.00	282,906.00	663,809.00	559,988.00	12,643.00	20.00%

Financial statements of associates and subsidiaries were used as of 31 December of each financial year, albeit being provisional data.

Since the proportion of the company in the negative net results of STCP Serviços and TIP exceeded the book value of the corresponding investment, the application of the equity method was interrupted in previous years.

During 2015 and 2014, the financial shareholdings in subsidiaries and associates in the financial statements of STCP recorded the following movements:

	2015	2014
<b>FINANCIAL HOLDINGS</b>		
Opening balance	131,092.00	125,217.40
Adjustments – Equity method	7,485.20	5,874.60
Other variations		
Closing balance	138,577.20	131,092.00
<b>IMPAIRMENT LOSSES</b>		
Net assets	138,577.20	131,092.00

## 15. FINANCIAL HOLDINGS VALUED THROUGH OTHER METHODS

The financial holdings in other companies are recorded at cost seeing that they are not listed on an active market, and therefore their fair value cannot be measured reliably.

There were no movements in these shareholdings, as shown in the table below, and the book value refers only to the stake in OPT, since the stake in Metro do Porto is null (due to it having been valued through the equity method up to 2007 – the stake up to this date was 25% – showing negative equity):

	2015		2014	
	JUSTO VALOR	AO CUSTO	JUSTO VALOR	AO CUSTO
<b>FINANCIAL HOLDINGS:</b>				
Opening balance		25,000.00		25,000.00
Closing balance		25,000.00		25,000.00
<b>IMPAIRMENT LOSSES:</b>				
Net assets		25,000.00		25,000.00

## 16. BUSINESS COMBINATIONS

Not applicable.

## 17. EXPLORATION AND ASSESSMENT OF MINERAL RESOURCES

Not applicable.

## 18. AGRICULTURE

Not applicable.



## 19. INVENTORIES

Inventories heading on 31 December 2015 and 2014:

	2015			2014		
	GROSS VALUE	IMPAIRMENT LOSSES	NET VALUE	GROSS VALUE	IMPAIRMENT LOSSES	NET VALUE
Raw materials, sub. and consumables	1,334,972.28	-987,220.99	347,751.29	1,629,233.00	-1,192,206.62	437,026.38
	<b>1,334,972.28</b>	<b>-987,220.99</b>	<b>347,751.29</b>	<b>1,629,233.00</b>	<b>-1,192,206.62</b>	<b>437,026.38</b>

Cost of raw materials, subsidiaries, and consumables in the financial years of 2015 and 2014:

	2015	2014
Opening Inventory	1,629,233.00	1,728,566.14
Purchases	807,673.84	969,643.55
Adjustments (*)	-242,554.21	8,880.08
Cost of consumed materials	-859,380.35	-1,077,856.77
Closing inventory	1,334,972.28	1,629,233.00

(\*) In 2015, the amount of 296,565.12 euros concerning the disposing of tickets in storage and that were discontinued. These inventories had impairments presented in previous financial statements.

Variation of products and works in progress in the financial years of 2015 and 2014:

	2015	2014
Opening balance		1,360.87
Variation in production inventories		-1,360.87
Closing balance		

Evolution of accumulated impairment losses of inventories in the financial year of 2015 and 2014:

YEAR OF 2015	OPENING BALANCE	INCREASES	REVERSALS (*)	CLOSING BALANCE
Raw materials, subsidiaries and consumables	1,192,206.62		204,985.63	987,220.99
YEAR OF 2014	OPENING BALANCE	INCREASES	REVERSALS	CLOSING BALANCE
Raw materials, subsidiaries and consumables	1,201,484.38		9,277.76	1,192,206.62

(\*) In 2015, the impairment reversals are due to cutting in outdated inventories.

## 20. CONSTRUCTION CONTRACTS

Not applicable.

## 21. REVENUE

Details of recognised revenue on 31 December 2015 and 2014 entirely realised on national territory:

	2015	2014
<b>PROVIDED SERVICES</b>	<b>42,374,606.42</b>	<b>45,511,137.04</b>
Public passenger transport (*)	42,273,854.97	45,408,952.19
Vehicle lease	101,090.49	105,644.32
Discounts and rebates	-339.04	-3,459.47
<b>SUPPLEMENTARY INCOME</b>	<b>1,000,307.65</b>	<b>1,383,710.13</b>
Equipment lease	4,070.00	1,800.00
Royalties	1,569.11	350.00
Other supplementary income	994,668.54	1,381,560.13
Maintenance services	229,160.58	441,392.73
Publicity	202,104.27	220,181.77
Seconded staff	90,195.83	52,192.26
Rent and assigned facilities	180,708.69	137,459.20
Provision of advisory services and other	96,166.68	215,214.99
Sale of scrap and other items	38,919.05	35,144.29
Museum sales and services	14,649.03	14,953.35
Other	142,764.41	265,021.54
<b>RENTS AND OTHER INCOME FROM INVESTMENT PROPERTIES</b>	<b>267,844.78</b>	<b>263,891.40</b>
<b>INTEREST RECEIVED</b>	<b>3,185.16</b>	<b>1,405.58</b>
	<b>43,645,944.01</b>	<b>47,160,144.15</b>

(\*) Public subsidies are set out in Decree-Law no. 167/2008 of 26 August, which establishes two types of subsidies: compensatory indemnities and other types of grants.

The compensatory indemnities are characterised by payments made with sums from the State Budget to public and private entities, which are intended to offset operating costs arising from the provision of services of general interest (Article 3 of Decree-Law no. 167/2008). The concept of general interest requires, amongst others, duties to provide services of a universal nature and which guarantee accessibility in terms of price to citizens in general (Article 4).

On the other hand, this same Decree-Law admits other types of subsidies through agreements or contracts with the State, but excludes subsidies of a social character granted to natural persons. However, it binds the State to the disclosure of the sums granted under such agreements or contracts made with the entities.

STCP concluded three agreements with the State that do not involve compensatory indemnities since they do not comply with the definition of compensatory indemnity noted above.

The objective of these agreements is the provision of services at the most economic fare prices to natural persons with certain constraints of social order. The State has taken the responsibility of reimbursing STCP for the price discount applied to fares.

The agreement for the implementation of Andante intermodal social fare pricing was signed on 29 June 2006, the agreement for 4\_18@escola.tp fare pricing was reached on 29 January 2009, and the agreement for sub23@superior.tp fare pricing was made on 1 September 2010.

Pursuant to Ordinance 272/2011 of 23 September, besides these three agreements, the "Passe Social+" intermodal card was implemented and intended for low-income households.

In this way, the company recognises these grants, under these contracts with influence on fare prices, under the heading Revenue from Sales and Services Provided – Public Passenger Transport.

On 17 December 2014, an amendment to the agreement was signed to implement in the Andante intermodal social fare pricing, a change of the State contribution from 40% to 60% in the fare pricing that is in force since 1 February 2012. As a result of this amendment, in the financial year of 2014, the revenue heading of the provided services includes 953 million euros regarding the contribution settlement of payments related to the years 2012 and 2013.

## 22. PROVISIONS, CONTINGENT LIABILITIES, AND CONTINGENT ASSETS

The following provisions were constituted:

- › Ongoing lawsuits: according to the costs that the company might be compelled to pay for outstanding lawsuits at the end of each year in Court and corresponding to the forecast total value.
- › Work related injuries and accidents and occupational illness: according to the cost that STCP should pay in the future for pensions in force on 31 December 2015. Until February 1998, the company took on the insurance itself relative to these accidents, although there was also a partial insurance for major risks. As of 1 March 1998, the company transferred the liability arising from occupational injuries and accidents to an insurer, with an exemption of 30 days. As of 1 March 2009, the liability arising from work-related injuries and accidents no longer includes the exemption.
- › Other risks and expenses: according to the cost that STCP may be compelled to pay due to legal claims arising from injuries and accidents of its responsibility, outstanding in 31 December 2015, as well as other expenses resulting from other existing risks on the same date, in particular, to meet undertaken commitments with losses in affiliates and other legal obligations.

Movements which occurred in provisions in 2015 and 2014 were as follows:

	2015			
	OPENING BALANCE	INCREASES	REVERSALS	CLOSING BALANCE
Ongoing lawsuits	6,227,925.31	11,282,091.52		17,510,016.83
Occupational injuries, accidents and illness	463,556.03		12,605.96	450,950.07
Other provisions	3,731,549.12	1,363,075.98	958,873.83	4,135,751.27
	<b>10,423,030.46</b>	<b>12,645,167.50</b>	<b>971,479.79</b>	<b>22,096,718.17</b>
Provisions (increases and reductions)			<b>-11,673,687.71</b>	

	2014			
	OPENING BALANCE	INCREASES	REVERSALS	CLOSING BALANCE
Ongoing lawsuits	5,394,778.14	833,147.17		6,227,925.31
Occupational injuries, accidents and illness	463,885.99		329.96	463,556.03
Other provisions	3,226,311.55	505,237.57		3,731,549.12
	<b>9,084,975.68</b>	<b>1,338,384.74</b>	<b>329.96</b>	<b>10,423,030.46</b>
Provisions (increases and reductions)			<b>-1,338,054.78</b>	

The company has two ongoing lawsuits against itself whose values are materially relevant, but are not provisioned:

- › The lawsuit in which the plaintiff is Porto City Hall, filed also against the Portuguese State, where part of the real estate assets of the company are claimed, when registration of the legal transformation into a publicly-owned limited company in 1994, which was called Serviço de Transportes Colectivos do Porto. On 31 December 2015, a provision of 10,085,808.81 euros was made.
- › The lawsuit, filed by ANTROP against the Portuguese State, in which the counter-interested parties are STCP, S.A. and CARRIS, applying for the annulment of the Ministers Council Resolution no. 52/2003 of 27 March, which attributes these operators determined amounts of Compensatory Indemnities for that year. This case is not provisioned.
- › On May 2013, Banco Santander Totta, S.A. (BST) filed lawsuits with the Commercial Court of London against STCP, and three other companies of public passenger transport. These lawsuits concern nine interest rate swaps celebrated between 2005 and 2009, involving BST and the above-mentioned public companies. From a total of nine contracts, one of them was celebrated with STCP. BST wants the English courts to declare those swaps contracts valid, and to oblige the public companies to assume them. In contrast, the public companies want them to be considered invalid and intend to recover the amounts paid to BST. On 4 March 2016, the Court of London ruled against STCP and other public companies by considering those contracts as valid. This decision shall be subject to an appeal, which

has already been accepted by the Court of London. On 31 December 2015, the provision was enhanced in the amount of 2,246,026.32 in order to cover costs that might occur during this lawsuit, which was not included in the financial statements.

Both cases involve lawsuits, the responsibility of which lies with the Portuguese State, respectively, due to its capacity as shareholder and entity responsible for the compensation of the provided public service. On 31 December 2015, the status report on these two lawsuits was the following:

- › The lawsuit in which the plaintiff is Porto City Hall filing against the Portuguese State is currently suspended as required by both parties. On 31 July 2015, the Memorandum of Understanding between the Portuguese State, STCP and Porto City Hall was signed. This Memorandum puts an end to the dispute about STCP asset ownership, through judicial procedures and other matters in the framework of the lawsuits that was in the Administrative and Fiscal Court of Porto with case no. 2366/04.4BEPRT. Therefore, Porto City Hall gives up any right concerning the assets in this dispute and recognised them as STCP property or third parties authorised by this company. Additionally, Porto City Hall, at their own cost, will cancel the registration in which it is the holder of the properties and revert them to the State or any entity designated by the latter. In exchange, STCP recognises the debt to Porto City Hall in the amount of 10,085,808.81, which corresponds to the market value of the assets on 30 June 2015. Currently, those assets are the property of the referred company (i.e., property acquired

up to 1949, and also those obtained from 1950 to 1975). Therefore, all parties are waiting for the outcome of this lawsuit in which it is necessary for the Ministry of Finance to indicate which entity will assume this settlement with Porto City Hall, and submit the amount that STCP should pay to the Court of Auditors.

- › Regarding the lawsuit filed by ANTROP against the Portuguese State and against STCP and Carris on the attribution, in 2003, concerning the values of the Compensatory Indemnities to these two companies, the decision of the Supreme Court on 12 January 2012 sought to cancel that resolution. Hence, the return of the compensatory indemnities from STCP could be at stake. STCP did not prepare any provision for this ongoing lawsuit due to a settlement with the Portuguese State, regarding its responsibility in this dispute. According to the above, we may come to the conclusion, that these are contingent liabilities because the probability of any future repayment is less than 50% seeing that it is not possible to estimate the amount of any future eventual reimbursements, nor the time when they will occur. Thus, it is not possible to evaluate their economic impact.

Additionally, on 31 December 2015, the amount of provisions for other risks and costs was enhanced with 1,019,460 euros. This provision enhancement is essentially due to risk-carrying regarding the company's legal responsibilities at the end of 2015 for recent years. These funds for the settlement of the obligation will probably occur in the following financial statements.

## 23. GRANTS

Most relevant movements regarding grants occurred in the financial years of 2015 and 2014:

GRANTS	2015				
	OBTAINED VALUE	RECEIVABLE VALUE	TOTAL OBTAINED VALUE	REVENUE FOR THE PERIOD	ACCUMULATED REVENUE
Grants related to assets	1,977,989.03		7,223,280.79	231,759.84	5,156,093.92
<b>TANGIBLE ASSETS</b>	1,977,989.03		7,102,070.69	231,759.84	5,058,629.17
– Buildings and other constructions	390,796.51		688,186.36	14,982.75	249,152.02
– Basic equipment	1,319,241.64		5,982,491.97	205,318.04	4,706,428.13
– Administrative equipment	267,950.88		218,355.30	11,459.05	47,914.01
– Other tangible fixed assets			55,135.01		55,135.01
– Tangible assets in progress			157,902.05		
<b>INVESTMENT PROPERTIES</b>			48,538.68		24,793.33
– Buildings			48,538.68		24,793.33
<b>INTANGIBLE ASSETS</b>			72,671.42		72,671.42
Software			72,671.42		72,671.42
	1,977,989.03		7,223,280.79	231,759.84	5,156,093.92



GRANTS	2014				
	OBTAINED VALUE	RECEIVABLE VALUE	TOTAL OBTAINED VALUE	REVENUE FOR THE PERIOD	ACCUMULATED REVENUE
Operating subsidy:	2,283,104.97		4,861,805.41	4,861,805.41	
State budget			4,716,981.13	4,716,981.13	
Institute of Financial Management Social Security – PAII	2,283,104.97		144,824.28	144,824.28	
<b>Grants related to assets</b>			<b>6,203,467.41</b>	<b>102,522.72</b>	<b>5,882,509.73</b>
<b>TANGIBLE ASSETS</b>			<b>6,082,257.31</b>	<b>102,522.72</b>	<b>5,785,044.98</b>
– Buildings and other constructions			297,389.85	3,584.40	234,169.27
– Basic equipment			5,601,598.74	98,470.77	5,439,458.50
– Administrative equipment			56,631.66	467.55	56,282.20
– Other tangible fixed assets			55,135.01		55,135.01
– Tangible assets in progress			71,502.05		
<b>INVESTMENT PROPERTIES</b>			<b>48,538.68</b>		<b>24,793.33</b>
– Buildings			48,538.68		24,793.33
<b>INTANGIBLE ASSETS</b>			<b>72,671.42</b>		<b>72,671.42</b>
Software			72,671.42		72,671.42
	2,283,104.97		11,065,272.82	4,964,328.13	5,882,509.73

## 24. ALTERATIONS IN EXCHANGE RATES

In 2015 and 2014 operations in Sterling Pounds were recorded, the amounts of which having been irrelevant.

## 25. EVENTS AFTER THE BALANCE SHEET DATE

On 4 April it was published Decree-Law no. 11/2016 establishes the refund of all pension supplements of state-owned companies for active staff, and retired, pensioner and others pensioners with effect from April 2016.

This regulation requires STCP to restore all benefits with pension supplements provided for in its agreements, which were that have been cut in January 2014.

On 2016, this law enforcement (Decree-Law no. 11/2016) will oblige STCP to especially reinforce the fund in the amount of 548.805 euros, in view of its specific responsibilities regarding the pensioners in the amount of 673.287 euros.

## 26. CORPORATION TAX

The company is subject to the general Corporation Tax scheme (IRC). In view of its situation of the deficit, it has never paid the Corporation Tax. The company only pays costs arising from autonomous taxation and makes special payment on account to which it is bound.

Therefore, it does not recognise any deferred tax assets or liabilities, since there is no forecast possibility of deduction of future tax profits from the tax losses reported up to date.

On 31 December 2015, the reported tax losses amounted to 82,289,330.98 euros, as per details below:

YEARS	TAX LOSSES
2009	19,864,827.20
2011	18,614,042.09
2012	27,068,620.58
2013	7,178,252.27
2014	9,563,588.84
	<b>82,289,330.98</b>

## 27. ENVIRONMENTAL ISSUES

In the years of 2015 and 2014, there is no relevant information.

## 28. FINANCIAL INSTRUMENTS

### 28.1. Identification of financial assets and liabilities

On 31 December 2015 and 2014, categories of financial assets and liabilities were the following:

FINANCIAL ASSETS – YEAR OF 2015	GRANTED LOANS AND DEBTORS	AVAILABLE FOR SALE	NOT COVERED IFRS7	TOTAL
<b>NON-CURRENT ASSETS</b>	<b>48,216.80</b>	<b>25,000.00</b>		<b>73,216.80</b>
Financial holdings through cost method		25,000.00		25,000.00
Others assets	48,216.80			48,216.80
<b>CURRENT ASSETS</b>	<b>15,680,160.26</b>		<b>1,446,990.76</b>	<b>17,127,151.02</b>
Customers	2,681,036.08			2,681,036.08
Advances to suppliers	58,813.08			58,813.08
Other debtors	1,810,832.27		1,446,990.76	3,257,823.03
Cash and bank deposits	11,129,478.83			11,129,478.83
	<b>15,728,377.06</b>	<b>25,000.00</b>	<b>1,446,990.76</b>	<b>17,200,367.82</b>

FINANCIAL LIABILITIES – YEAR OF 2015	FINANCIAL LIABILITIES AT AMORTISED COST	FINANCIAL LIABILITIES VALUE AT FAIR VALUE THROUGH PROFIT OR LOSS	NOT COVERED IFRS7	TOTAL
<b>NON-CURRENT LIABILITIES</b>	<b>363,136,576.72</b>	<b>115,238,955.28</b>	<b>6,802,750.41</b>	<b>485,178,282.41</b>
Obtained Loans	363,136,576.72		6,802,750.41	369,939,327.13
Other financial liabilities		115,238,955.28		115,238,955.28
<b>CURRENT LIABILITIES</b>	<b>56,686,099.08</b>	<b>18,698,494.26</b>	<b>7,488,345.62</b>	<b>82,872,938.96</b>
Suppliers	2,308,575.67			2,308,575.67
Obtained Loans	53,333,827.96		2,314,943.35	55,648,771.31
Sundry payables	1,043,695.45		5,173,402.27	6,217,097.72
Other financial liabilities		18,698,494.26		18,698,494.26
	<b>419,822,675.80</b>	<b>133,937,449.54</b>	<b>14,291,096.03</b>	<b>568,051,221.37</b>

FINANCIAL ASSETS – YEAR OF 2014	GRANTED LOANS AND DEBTORS	AVAILABLE FOR SALE	NOT COVERED IFRS7	TOTAL
<b>NON-CURRENT ASSETS</b>	<b>47,519.13</b>	<b>25,000.00</b>		<b>72,519.13</b>
Financial holdings through cost method		25,000.00		25,000.00
Others assets	47,519.13			47,519.13
<b>CURRENT ASSETS</b>	<b>12,241,764.43</b>		<b>1,857,619.58</b>	<b>14,099,384.01</b>
Customers	2,789,929.79			2,789,929.79
Other debtors	1,527,568.10		1,857,619.58	3,385,187.68
Cash and bank deposits	7,924,266.54			7,924,266.54
	<b>12,289,283.56</b>	<b>25,000.00</b>	<b>1,857,619.58</b>	<b>14,171,903.14</b>

FINANCIAL LIABILITIES – YEAR OF 2014	FINANCIAL LIABILITIES AT AMORTISED COST	FINANCIAL LIABILITIES VALUE AT FAIR VALUE THROUGH PROFIT OR LOSS	NOT COVERED IFRS7	TOTAL
<b>NON-CURRENT LIABILITIES</b>	<b>401,222,829.24</b>	<b>119,531,994.60</b>	<b>9,117,684.55</b>	<b>529,872,508.39</b>
Obtained Loans	401,222,829.24		9,117,684.55	410,340,513.79
Other financial liabilities		119,531,994.60		119,531,994.60
<b>CURRENT LIABILITIES</b>	<b>6,538,708.12</b>	<b>9,543,568.68</b>	<b>10,559,936.82</b>	<b>26,642,213.62</b>
Suppliers	4,735,124.75			4,735,124.75
Obtained Loans	492,032.31		4,375,914.18	4,867,946.49
Sundry payables	1,311,551.06		6,184,022.64	7,495,573.70
Other financial liabilities		9,543,568.68		9,543,568.68
	<b>407,761,537.36</b>	<b>129,075,563.28</b>	<b>19,677,621.37</b>	<b>556,514,722.01</b>

In 2015 and 2014, STCP only had financial assets and liabilities classified as:

- › Granted loans and debtors;
- › Available for sale;
- › Financial liabilities valued at amortised cost;
- › Financial liabilities value at Fair Value through profit or loss.

According to item 29 of IFRS7, sub-paragraph a), when the book value is a reasonable approximation of the fair value, as in financial instruments such as commercial accounts receivable or payable in the short term, it

is not necessary to disclose their fair value. In 2015 and 2014, in this situation was the case of the headings customers, other accounts receivable, cash and bank deposits and other accounts payable.

The heading Financial shareholdings at the cost method is measured at cost and refers to a stake in a company not listed on an active market, therefore, its fair value cannot be measured reliably (exception established in item 29, sub-paragraph b) of IFRS7). Hence, it was not disclosed.

This leaves the derivative financial instruments, included in the heading other financial liabilities, which are stated at fair value.

### 28.1.1. Obtained Loans

On 31 December 2015 and 2014, details of loans were the following:

OBTAINED LOANS – YEAR OF 2015	AMORTISED COST			NOMINAL VALUE		
	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT
Credit and financial institutions	9,122,518.11	2,319,767.70	6,802,750.41	9,120,315.15	2,317,564.74	6,802,750.41
Financial leasing	9,117,693.76	2,314,943.35	6,802,750.41	9,115,490.80	2,312,740.39	6,802,750.41
Credit Card	4,824.35	4,824.35		4,824.35	4,824.35	
Stock Market	100,085,517.32	108,989.54	99,976,527.78	100,000,000.00		100,000,000.00
Non-convertible bonds	100,085,517.32	108,989.54	99,976,527.78	100,000,000.00		100,000,000.00
Bond 07	100,085,517.32	108,989.54	99,976,527.78	100,000,000.00		100,000,000.00
Equity stakeholders	316,380,063.01	53,220,014.07	263,160,048.94	313,368,423.72	50,208,374.78	263,160,048.94
Parent company – Loans and Other	316,380,063.01	53,220,014.07	263,160,048.94	313,368,423.72	50,208,374.78	263,160,048.94
	<b>425,588,098.44</b>	<b>55,648,771.31</b>	<b>369,939,327.13</b>	<b>422,488,738.87</b>	<b>52,525,939.52</b>	<b>369,962,799.35</b>

OBTAINED LOANS – YEAR OF 2014	AMORTISED COST			NOMINAL VALUE		
	TOTAL	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT
Credit and financial institutions	13,493,598.73	4,375,914.18	9,117,684.55	13,484,639.19	4,366,954.64	9,117,684.55
Financial leasing	13,493,598.73	4,375,914.18	9,117,684.55	13,484,639.19	4,366,954.64	9,117,684.55
Stock Market	99,996,000.69	23,420.17	99,972,580.52	100,000,000.00		100,000,000.00
Non-convertible bonds	99,996,000.69	23,420.17	99,972,580.52	100,000,000.00		100,000,000.00
Bond 07	99,996,000.69	23,420.17	99,972,580.52	100,000,000.00		100,000,000.00
Equity stakeholders	301,718,860.86	468,612.14	301,250,248.72	301,250,248.72		301,250,248.72
Parent company – Loans and Other	301,718,860.86	468,612.14	301,250,248.72	301,250,248.72		301,250,248.72
	415,208,460.28	4,867,946.49	410,340,513.79	414,734,887.91	4,366,954.64	410,367,933.27

All loans are in euro.

### 28.1.1.1. Non-current

The non-current financing transactions performed during 2015 in the amount of 12,118.175 euros are exclusively granted by the Portuguese State.

On 31 December 2015, the non-current loans in force are the following:

- › On June 2007, it was issued a bond in the amount of 100 million euros for 15 years. The subscription was private and direct. The interest rate is variable, and it is indexed to a 6-month Euribor. There is a Call-Option, from 5<sup>th</sup> year which is total or partial. The bonds have been admitted to trading in a regulated market at the beginning of 2011. The Portuguese State guarantee. The guarantee contract of the Portuguese State ensures unconditionally and irrevocably the payment of the amounts corresponding to the capital and interest, according to the terms and conditions laid down in the contracts.
- › On October 2014, the Portuguese State granted an intracompany loan in the amount of 301,250,248.72 euros to meet the financing needs of the company in the period between October and December 2014. The loan pays interest semi-annually and will be repaid in 12 equal instalments of capital at monthly intervals, starting in May 2016 and ending on 30 November 2021. The loan was disbursed in three tranches:
  1. 122,166.600 euros on 6 October 2014 with a fixed rate;
  2. 177,083,648.72 euros on 27 November 2014 with a fixed rate;
  3. 2,000.000 euros on 15 December 2014 with a fixed rate.
- › As expressly set forth in Order no. 629/15-SET of 4 May from the Secretary of State to the Treasury, and Secretary of Infrastructures, Transport and Commu-  
 nication of 15 May 2015, it was approved the granting of a medium-term loan amounting to 4,540.000 euros to deal with operational needs regarding the second quarter of 2015. The disbursement was implemented in phases in the following amounts and dates:
  1. 1,875.000 euros on 22 May 2015;
  2. 1,511.000 euros on the same date, 22 May;
  3. 1,154.000 euros on 16 June 2015.
- › As expressly set forth in Order no. 1220/15-SET of 4 August from the Secretary of State to the Treasury, and Secretary of Infrastructures, Transport and Communication of 16 September 2015, it was approved a second granting of a medium-term loan amounting to 3,178.175 euros. In addition, it was also authorised the respective debt to deal with operational needs regarding the third quarter of 2015:
  1. 1,472.710 euros in 30 September 2015;
  2. 1,705.465 euros on the same date, 30 September.
- › With respect to the fourth quarter, as expressly set forth in Order no. 1900/15-SET of 19 November from the Secretary of State to the Treasury, it was granted a third medium-term loan amounting to 4,400.000 euros to deal with operational needs of the company between October and December of 2015. The amount was made available in a single payment on 26 November 2015.

On 31 December 2015, the company does not have any non-compliance situation regarding the obtained loans.



### 28.1.1.2. Current

During the referred year, the company started to use a credit card exclusively for prompt payment of the current expenses from the cash flow.

The Portuguese Treasury and Debt Management Agency – IGCP, E.P.E suggested a solution based on the use of the credit card to replace the ATM card.

On 31 December 2015, the debit balance through this payment method was 4,824.35 euros.

### 28.1.2. Others assets

#### 28.1.2.1. Non-current

The headings of other non-current assets on 31 December 2015 and 2014, concerns essentially the granted loans as supplementary payments to STCP Serviços. The details of this heading on 31 December 2015 and 2014 was the following:

OTHERS ASSETS	2015	2014
Loans granted to subsidiary companies	1,400,000.00	1,400,000.00
Work Compensation Fund	777.67	
Gross value	1,400,777.67	1,400,000.00
Accumulated impairment losses	-1,352,560.87	-1,352,480.87
Book value	48,216.80	47,519.13
Non-depreciable investments/Amortisable impairment (losses/reversals)	-80.00	588.40

This heading became impaired seeing that subsidiary company had a negative equity position.

#### 28.1.2.2. Current

There is no relevant information regarding this issue.

### 28.1.3. Other financial liabilities

On 31 December 2015 and 2014, the fair value of these derivative financial instruments (increased by unpaid interest due) was the following:

HEDGED FINANCING	NOTIONAL VALUE	2015			
		MATURITY	FAIR VALUE (*)	CURRENT	NON-CURRENT
Bond 2007	25,000,000	05-Jun-22	-133,937,449.54	-18,698,494.26	-115,238,955.28
Other financial liabilities			-133,937,449.54	-18,698,494.26	-115,238,955.28

(\*) The fair value increased by unpaid interest due, included in the current heading. Therefore its value without these unpaid interest is -115,961,315.70 euros.

HEDGED FINANCING	NOTIONAL VALUE	2014			
		MATURITY	FAIR VALUE (*)	CURRENT	NON-CURRENT
Bond 2007	25,000,000	05-Jun-22	-129,075,563.28	-9,543,568.68	-119,531,994.60
Other financial liabilities			-129,075,563.28	-9,543,568.68	-119,531,994.60

(\*) The fair value increased by unpaid interest due, included in the current heading. Therefore its value without these unpaid interest is -120,124,380.31 euros.

On 31 December 2015, the company held an interest rate risk hedge operation totalling 25% of the bond nominal value issued in the same year. This operation will fall due in 2022.

With reference to this operation, a lawsuit was filed by the Credit Institution before the English Commercial Court, requiring an appreciation of the validity period of the contract, the company having contested and fought this legal action. Based on legal principles for the contract annulment, STCP has withdrawn from the discharge of obligations arising from it.

During the hiatus of the dispute, STCP informed the Institution that payment of the coupon due on 5 December 2013 has been suspended as well as any other overdue settlement under the same operation contract.

Following that decision, during 2014 and 2015 the payment of the coupon continued to be suspended and its expiration date occurred between 5 June and 5 December. Based on the above considerations on 31 December 2015, it is suspended the amount of 17,976,133.84 euros concerning 5 expired coupons.

Details of fair value variation in 2015 and 2014:

HEDGED FINANCING	NOTIONAL VALUE	MATURITY	2015	2014
Bond 2007	25,000,000	05-Jun-22	4,293,039.32	-27,323,904.18
			<b>4,293,039.32</b>	<b>-27,323,904.18</b>

On 31 December 2015 and 2014, the fair value of the derivative financial instrument was determined by the Portuguese Treasury and Debt Management Agency – IGCP, E.P.E.

In spite of these derivative instruments having been contracted under an interest rate risk hedge policy, all the required conditions are not met for the accounting framework of the operations involved as hedge accounting.

Thus, fair value variations occurred in the financial years of 2015 and 2014 were directly recognised through income and expenditure statement under the headings Fair value increase gains in financial instruments/fair value reduction losses in financial instruments (note 11), shown in the income and expenditure statement by nature under the heading Interests and similar income received/obtained.

## 28.2. Risk management

The Group is exposed to financial risks, mainly changes in market interest rates.

### 28.2.1. Risk of Exchange rate

Due to its nature, the company has a reduced exchange rate exposure, as the financial operations are denominated in euros, and the acquisition of goods and services in another currency is moderate.

### 28.2.2. Liquidity risk

The management of liquidity risk is of the utmost importance for a company which is not in a position to generate enough cash flow to ensure self-sufficiency.

In 2015, the STCP financing model was ensured with funds from the State, upon the company application. This was based on estimated financial statements in order to ensure the company's liquidity to properly function.

### 28.2.3. Credit risk

The policy of credit risk management aims to ensure debt collection of credit granted within the scope of its main activity and additional service delivery, to which the company is exposed. Payment of credit in accordance with the agreed conditions is considered necessary and desirable. In order to mitigate this risk the company analyses and monitors the credit portfolio concerning the granted amounts by implementing procedures aiming at reducing default implying a failure to properly perform contractual obligations.

Details of the heading Customers and other receivables, according to their maturity and recoverability, are as follows:

	2015	2014
<b>WITHOUT RECORDED IMPAIRMENT</b>		
Customers current account	2,681,036.08	2,789,929.79
Not due	1,273,209.24	2,725,950.69
Past due	1,407,826.84	63,979.10
<30	1,340,696.20	3,434.74
<60	2,954.85	9,720.25
<90	777.30	1,145.12
<120	2,084.60	192.84
<180	2,578.64	12.80
>=180	58,735.25	49,473.35
<b>WITH RECORDED IMPAIRMENT</b>		
Customers current account	14,489.77	14,348.51
Past due	14,489.77	14,348.51
<120		12.80
>=180	14,489.77	14,335.71

	2015	2014
<b>WITHOUT RECORDED IMPAIRMENT</b>		
Other receivables	1,568,923.16	1,242,076.50
Not due	89,403.57	283,161.90
Past due	1,435,920.88	915,814.69
<30	59,309.46	58,979.90
<60	35,842.55	107,995.28
<90	20,187.29	81,297.78
<120	14,333.24	33,695.44
<180	28,330.98	159,313.72
>=180	1,277,917.36	474,532.57
Deposits and paid securities	43,598.71	43,099.91
<b>WITH RECORDED IMPAIRMENT</b>		
Other receivables	25,081.18	917,647.92
Past due	25,081.18	917,647.92
>=180	25,081.18	917,647.92

The risk analysis of uncollectability was performed in 2015, in which there was a reinforcement of the customer's debt impairments in 141.26 euros, and a reversal of impairment with other receivables in 892,566.74 euros.

Therefore, on 31 December 2015, the customers and other receivables impairments reached 39,570.95 euros, reflecting the uncollectability risk that was assumed.

The most relevant accumulated impairment on 31 December 2014 carried over from previous financial years concerns the 910 thousand euros regarding compensation charged to Porto City Hall regarding

costs paid by STCP incurred with the removal of the tramcar street track between Cidade S. Salvador and Gonçalves Zarco Square.

Thanks to the signature on 31 July 2015 of the Memorandum of Understanding between the Portuguese Government, represented by Secretary of State to the Treasury, Secretary of Infrastructures, Transport and Communications, and Secretary of Territory Planning and Conservation of Nature, and the Porto Municipality, the above-mentioned impairment was reversed.

### 28.2.4. Interest rate risk

As already stated, the obtained loans bear interest at fixed and variable rates.

The contracted derivative financial instruments were used to reduce the exposure to interest rate risk.

The medium or long-term loans obtained by STCP are mainly exposed to 3M Euribor rate variation in financial leasing operations, as well as, to 6M Euribor rate regarding debenture loan.

On 31 December 2015, STCP did not have financing operation in short-term, except the credit card which is not subject to interest rate risk.

### Sensitivity analysis

A sensitivity analysis to an increase of 0.5% of the interest rate, made to the exposure of the bond totalling 100 million euros and to financial leasing operations. It is estimated that costs would represent in 2016, an increase of 423 thousand euros towards the forecast for 31 December 2015.

The responsibilities with the future cash flows regarding non-current loans are the following:

YEARS	INTEREST	REIMBURSEMENT	CASH-FLOW
2016	4,990,000.03	50,208,374.78	55,198,374.81
2017	4,121,706.61	52,228,070.62	56,349,777.23
2018	3,426,832.49	52,228,070.62	55,654,903.11
2019	2,559,675.04	52,228,070.62	54,787,745.66
2020	1,697,750.19	52,228,070.62	53,925,820.81
2021	825,360.13	52,228,070.62	53,053,430.75
2022	93,977.97	102,019,695.84	102,113,673.81

### 28.2.5. Covenants

On contracting financial operations, the company takes the necessary steps in order to limit contractual restrictions with regard to its assets and ownership of its capital. The company follows the policy of negotiating and only accepting contractual clauses corresponding to the market standard, however, limited to its ability to negotiate.

Most of the financing contracts in force have clauses covering a series of usual covenants, establishing situations of default, cross default, negative pledge and pari passu agreed and accepted by the counterparties.

With reference to the Portuguese State, it should be noted that there are clauses of ownership.

The agreed covenants do not have, as a rule, corresponding indicators, with the exception of the clauses of ownership which bind the Portuguese State to the full ownership of the company's share capital, or in other cases, to the majority ownership, that is, to over 50% of the share capital.

### 28.3. Costs, income, losses and gains

Costs and losses, as well as, income and gains relative to loans received and derivative financial instruments, are detailed in Note 11.

### 28.4. Equity instruments

#### 28.4.1. Share capital

On 31 December 2014, the book value of the share capital issued by the company corresponds only to the heading share capital, totalling 79.649 thousand euros which are fully paid-up. The share capital is represented by 15,929.800 shares merely in book value form, with a nominal value of 5 euros each.

On 15 June 2015, the only shareholder, Portuguese Government, through a declared intention by Written Unanimous Social Resolution decided to increase the company share capital in 5,856.125 euros by the issue of 1,171.225 new shares with a value of 5 euros each, to be assumed by shareholder as follows:

- › 3,006,762.30 euros, in cash at the date of subscription;
- › 2,849,362.70 euros by credit conversion in share capital from the State/Directorate General to the Treasury and Finance.

As provided for in Article 28 of the Companies Code, the report was prepared by an independent statutory auditor.

Due to this change in the Share Capital, the company carried out the associated procedures such as changes to the Company's Statutes, entry regarding the new capital in the Commercial Register, notification to Portuguese Securities Market Commission, and disclosure to the market by press-release as the issuer of the marketable securities with duties as regards informing the market.

On 19 October, the representative actions to increase the Share Capital were included in Interbolsa – Central de Valores Mobiliários (Portuguese Securities Market Commission).

#### 28.4.2. Reserves

Heading Reserves on 31 December 2015 and 2014:

RESERVES	2015	2014
Legal reserves	74,907.42	74,907.42
Other reserves	25,727.80	25,727.80
Other reserves – Free reserves	25,256.95	25,256.95
Other reserves – Staff assistance fund	470.85	470.85



### 28.4.3. Revaluation surplus

The movement of revaluation surplus of tangible and intangible fixed assets in 2015 and 2014 showed the following details:

TANGIBLE FIXED ASSETS	
<b>BALANCE ON 1 JAN. 2014</b>	<b>39,867,800.83</b>
Amortisations	-768,470.25
Revaluation reversal (*)	-398,167.08
<b>Balance on 31 Dec. 2014</b>	<b>38,701,163.50</b>
<b>BALANCE ON 1 JAN. 2015</b>	<b>38,701,163.50</b>
Amortisations	-661,775.29
Revaluation reversal (*)	-2,255,580.21
Revaluation increase	2,268,204.98
<b>Balance on 31 Dec. 2015</b>	<b>38,052,012.98</b>

(\*) In 2015, the amount of 557,560.09 euros concerns impairment loss reversal of investment properties having been carried over from tangible fixed assets with constituted revaluation reserve. In 2014, this value totalled 398,167.08 euros.

### 28.4.4. Financial Asset Adjustment

Financial Asset Adjustment on 31 December 2015 and 2014:

	2015	2014
Transition adjustments	-32,560.03	-32,560.03
STCP Serviços	-5,000.00	-5,000.00
Transpublicidade	-27,560.03	-27,560.03
Non-distributed profits	157,325.22	154,796.62
Transpublicidade	157,325.22	154,796.62
<b>Adjustments to financial assets – relative to equity method</b>	<b>124,765.19</b>	<b>122,236.59</b>

### 28.4.5. Other changes in equity

Other changes in equity on 31 December 2015 and 2014:

	2015	2014
<b>Grants related to assets</b>	<b>2,067,186.87</b>	<b>320,957.68</b>
Assets subject to amortisation – Set value	7,223,280.79	6,203,467.41
Assets subject to amortisation – Carried over to profit or loss	-5,156,093.92	-5,882,509.73
<b>Donations</b>	<b>281,048.63</b>	<b>281,048.63</b>
<b>Other changes in shareholders' equity (*)</b>	<b>624,630.00</b>	<b>624,630.00</b>
<b>Other changes in shareholders' equity</b>	<b>2,972,865.50</b>	<b>1,226,636.31</b>

(\*) The movement of 2014 in other shareholders' equity variations is due to the recognition of the basic equipment in the premises, and equipment regarding the natural gas compression and filling stations, located in Francos that were given by the Galp Gás Natural to STCP with zero cost on 30 April 2014.

### 28.4.6. Earnings/Losses per share

Earnings/Losses per share in 2015 and 2014:

	2015	2014
Net results for the period	-31,617,189.85	-54,846,993.72
Weighted average number of shares	16,544,371	15,929,800
<b>Basic result per share</b>	<b>-1.91</b>	<b>-3.44</b>

Since there were no situations leading to dilution, net result per share is the same as the basic result per share.

## 29. Personnel Benefits

The company has a defined benefit plan since 1 May 1975, which determines the payment of supplementary retirement and ill-health pensions to all eligible workers, who are bound to the company through open-ended employment contracts, which is calculated based on a fixed formula, and is paid provided that the sum of the pension paid by Social Security plus this supplement does not exceed 650 euros (value in force since 2007).

Decree-Law no. 83-C/2013 of 31 December, Article 75, sets out new rules which apply to the payment of pension supplements by companies of the state corporate sector showing net negative results in the last three years calculated on 1 January of the current year. These new rules stipulate that retirement pension supplements will go on being settled on the clear understanding that after being added to the pension amount received by the beneficiary (from Social Security or Caixa Geral de Aposentações (Civil Service Pension Scheme) or from any other social security system) they are equal to or lower than 600 euros. The payment of pension supplements will be acceptable only under the circumstances already set out on 31 December 2013.

STCP, as a state-owned public limited company of exclusively public capital, is considered as a public company of the State Corporate Sector as expressly set forth in provisions laid down by Articles 2, 5, and 9 of Decree-Law no. 133/2013 of 3 October. In the past 3 years, it has been showing net negative results. Thus, the scheme provided for in Article 75 of Decree-Law no. 83-C/2013 of 31 December applies to STCP.

On 31 December 2014 was published the Decree-Law no. 82-B/2014 in its Article 78 maintains the regime laid down in Article 75 of the Decree-Law no. 83-C/2013 on 31 December.

For these reasons, on 31 December 2013, the calculation of liabilities taken over by the company concerning the defined benefit plan was adjusted based on the changes imposed by Decree-Law no. 83-C/2013 of 31 December, and Decree-Law no. 82-B/2014 maintaining the adjustment of the pensions plan in the years of 2014 and 2015.

On 31 December 2015 and 2014, according to an actuarial study carried out by BPI PENSÕES, the current value of liabilities taken over with responsibilities for retirement and ill-health supplementary pensions was as follow:

	2015	2014
Past service costs related to former employees	1 776 576.00	1 887 064.00
<b>Liability of the Fund</b>	<b>1 776 576.00</b>	<b>1 887 064.00</b>

Financial and actuarial assumptions used in the actuarial assessment of liabilities. in 2015 and 2014:

MAIN ASSUMPTIONS	2015	2014
<b>FINANCIAL ASSUMPTIONS</b>		
Discount rate in determining the liability	1.00%	1.00%
Expected income return	1.00%	2.50%
Salary growth rate	Not applicable	Not applicable
Social security pension growth rate (*)	1.75%	1.75%
STCP pension growth rate	Same as Social Security pension growth limited by the difference between the ceiling value and Social Security pension	Same as Social Security pension growth limited by the difference between the ceiling value and Social Security pension
Ceiling growth rate (**)	Without growth fixed value of 600.00 euros	Without growth fixed value of 600.00 euros
<b>DEMOGRAPHIC ASSUMPTIONS</b>		
Mortality table	French table TV 73/77	French table TV 73/77
Ill-health table	Not applicable	Not applicable

(\*) Prior to 2001. it was 1%. in the long run.

(\*\*) Prior to 2001. the ceiling was 548.68 euros. From 2001 until 2006 inclusive. it was 598.56 euros. On 31-12-2013. according to Article 75 of Decree-Law no. 83-C/2013. it was 600 euros. This value is still in force due to Article 78 of Decree-Law no. 82-B/2014 of 31-12-2014.

In December 1998. the company transferred its liability to the BPI Open Pension Fund. by signing the Adherence contract. with an initial endowment of 3.042.667 euros. corresponding to 304.158.66 participation units.

Pension Fund movements on 31 December 2015 and 2014:

	2015	2014
Value of the fund assets at the beginning of the year	1,423,032.00	1,586,115.00
Company contributions		103,157.00
Paid pensions	-315,133.00	-345,607.00
Effective income	34,125.00	79,367.00
Value of the fund assets at the end of the year	1,142,024.00	1,423,032.00

On January 2016. there were contributions to the fund in the amount of 209.546 euros. in order to cover the minimum funding level required by ASF on 31 December 2015.

On the closing date of the accounts. it was not possible to reliably estimate the expected value of contributions in 2016. in which the amount will be determined accordance with financing level.

On 31 December 2015 and 2014 alterations occurred in liabilities taken over in relation to supplementary retirement and ill-health pensions were as follows:

	2015	2014
Liabilities at the beginning of the year	1,887,064.00	1,983,302.00
Interest costs	8,619.00	45,105.00
Paid pensions	-315,133.00	-345,607.00
Actuarial Losses and (Gains)	207,499.00	66,687.00
Benefits Losses and (Gains)	-11,473.00	-12,568.00
Losses and (Gains) from changes in discount rates		150,145.00
Liabilities at the end of the year	1,776,576.00	1,887,064.00

During the financial years of 2015 and 2014, the following values were recognised under the heading Staff costs arising from liabilities due to supplementary retirement and ill-health pensions:

	2015	2014
<b>CURRENT SERVICE COSTS</b>		
Interest costs	8,619.00	45,105.00
Projected return	-6,299.00	-35,176.00
<b>Actuarial losses and (Gains):</b>		
Actuarial losses and (Gains)	207,499.00	66,687.00
Benefits Losses and (Gains)	-11,473.00	-12,568.00
Income losses and (Gains)	-27,826.00	-44,191.00
Losses and (Gains) from changes in discount rates		150,145.00
	<b>170,520.00</b>	<b>170,002.00</b>

Evolution of the gains and losses resulting from the experience adjustments:

	2015	2014	2013	2012	2011
<b>PLAN ASSETS</b>					
Income Losses/(Gains)	-27,826.00	-44,191.00	27,692.00	-53,817.00	130,925.00
% Plan assets	-2.4%	-3.1%	1.7%	-2.7%	6.2%
<b>PLAN LIABILITIES</b>					
Experience Losses/(Gains)	207,499.00	66,687.00	166,705.00	124,143.00	84,271.00
% Liabilities per past services	11.7%	3.5%	8.4%	4.2%	2.9%

Effective income rate in the Pensions Funds in the last 5 years:

	2015	2014	2013	2012	2011
Effective income rate	4.00%	5.90%	4.30%	9.06%	-0.71%

Evolution of the current value of the defined benefit liability in the last 5 years in the fair value of the plan assets and plan surplus or deficit:

YEAR	FUND LIABILITIES	VALUE OF FUND ASSETS	FUND DEFICIT/SURPLUS	FUND COVERAGE RATE
2011	2,932,811.00	2,110,582.00	-822,229.00	72%
2012	2,989,571.00	2,002,655.00	-986,916.00	67%
2013	1,983,302.00	1,586,115.00	-397,187.00	80%
2014	1,887,064.00	1,423,032.00	-464,032.00	75%
2015	1,776,576.00	1,142,024.00	-634,552.00	64%



Composition of Open Pension Fund BPI Valuation on 31 December 2015 and 2014:

COMPOSITION	2015		2014	
	VALUE	%	VALUE	%
Shares	331,187	29.0%	455,370	32.0%
Bonds at fixed rate	593,852	52.0%	597,673	42.0%
Bonds at variable rate	79,942	7.0%	71,152	5.0%
Absolute return	79,942	7.0%	85,382	6.0%
Real estate	11,420	1.0%	14,230	1.0%
Liquidity	45,681	4.0%	199,224	14.0%
	<b>1,142,024</b>		<b>1,423,032</b>	

On 31 December 2015 and 2014, the net worth of STCP adherence to Open Pension Fund BPI Valuation was respectively of 1.142.024 euros, and 1.423.032 euros, representing 0.6% and 0.9% of the total value of the Pension Fund.

The composition of Open Pension Fund BPI Valuation has no assets of STCP – Sociedade de Transportes Colectivos do Porto.

### 30. DISCLOSURES REQUIRED BY LEGAL DIPLOMAS

There is nothing relevant to note.

### 31. SUPPLIERS AND OTHER PAYABLES

Debts to suppliers on 31 December 2015 and 2014:

	2015	2014
Suppliers – current accounts	<b>2,308,575.67</b>	<b>4,735,124.75</b>
Not due	1,639,454.23	2,574,556.41
Past due	277,919.13	1,672,411.26
	<30	156,876.08
	<60	24,950.90
	<90	8,531.09
	<120	1,158.01
	<180	12,306.28
	>=180	74,096.77
Reception and checking	<b>391,202.31</b>	<b>488,157.08</b>

	2015	2014
<b>Fixed assets suppliers</b>	<b>318,778.76</b>	<b>265,230.66</b>
Not due	289,972.98	161,061.43
Past due	28,805.78	104,169.23
<30	6,425.09	101,123.20
<60	3,147.00	3,046.03
>=180	19,233.69	

	2015	2014
<b>Other payables</b>	<b>588,767.16</b>	<b>910,061.88</b>
Not due	505,256.29	715,962.75
Past due	43,710.58	191,710.55
<30	3,918.24	172,618.00
<60	187.32	186.65
<90	12,847.45	6.65
<120	12,267.06	2.82
<180	5.64	5.64
>=180	14,484.87	18,890.79
<b>Deposits and received securities</b>	<b>39,800.29</b>	<b>2,388.58</b>

Debts to suppliers and accounts payable were recorded at their nominal value as these items do not earn interests and on the other hand, the effect of their financial discount is not materially relevant, in view of the applicable average period of payment, which is purely commercial: 60 days.

## 32. STATE AND OTHER PUBLIC BODIES

Heading State and other public bodies on 31 December 2015 and 2014:

	2015		2014	
	ASSETS	LIABILITY	ASSETS	LIABILITY
Corporation Tax	682,237.10		662,491.84	
CT – payment on account	630,000.00		630,000.00	
CT – receipt	52,237.10		32,491.84	
Income tax withholdings		281,122.40		279,073.20
Value added tax	758,180.97		642,646.95	
Social Security contributions		602,574.14		588,061.38
Other taxation		80,580.00		52,316.00
<b>State and other public bodies</b>	<b>1,440,418.07</b>	<b>964,276.54</b>	<b>1,305,138.79</b>	<b>919,450.58</b>

### 33. OTHER ACCOUNTS PAYABLE AND RECEIVABLE

On 31 December 2015 and 2014, the heading other accounts payable is broken down as follows:

SUNDRY PAYABLES	2015	2014
Fixed assets suppliers – current accounts	318,778.76	265,230.66
Accrued costs payable	5,173,402.27	6,184,022.64
Staff	134,142.25	134,374.24
Customers and other payables – payable customer balances	2,007.28	1,884.28
Miscellaneous payables	588,767.16	910,061.88
	<b>6,217,097.72</b>	<b>7,495,573.70</b>

ACCRUED COSTS PAYABLE	2015	2014
External supplies and services	1,138,921.00	2,623,620.64
Outsourcing	33.02	48,639.27
Specialised work	1,034,859.13	1,966,131.60
Energy and other liquids	15,187.25	19,332.10
Miscellaneous services	88,841.60	589,517.67
Personnel expenses	3,850,125.50	3,383,570.21
Other expenses and losses	175,061.88	157,537.90
Financial costs	9,293.89	19,293.89
	<b>5,173,402.27</b>	<b>6,184,022.64</b>

Information about other debtors on 31 December 2015 and 2014:

OTHER DEBTORS	2015	2014
Accrued income receivable	1,446,990.76	1,857,619.58
Staff	232,443.63	264,669.51
Suppliers and other creditors – receivable balances	9,465.48	20,822.09
Miscellaneous receivables	1,594,004.34	2,159,724.42
<b>Gross value</b>	<b>3,282,904.21</b>	<b>4,302,835.60</b>
Accumulated impairment losses	-25,081.18	-917,647.92
<b>Book value</b>	<b>3,257,823.03</b>	<b>3,385,187.68</b>

ACCRUED INCOME RECEIVABLE	2015	2014
Service provision	525,607.59	374,118.16
Other income and gains – supplementary income	255,843.93	213,542.18
Other income and earnings – Other	122,210.09	1,025,725.65
Interests receivable	543,329.15	244,233.59
	<b>1,446,990.76</b>	<b>1,857,619.58</b>

### 34. DEFERRED INCOME

On 31 December 2015 and 2014 the heading Deferrals in Current Assets and Current Liabilities showed the following details:

DEFERRED INCOME	2015	2014
<b>Assets – Costs to be recognised</b>	<b>163,121.78</b>	<b>336,416.10</b>
External supplies and services	149,229.66	150,694.76
Other expenses and losses	13,892.12	185,721.34
<b>Liabilities – Income to be recognised</b>	<b>2,204,694.97</b>	<b>1,964,232.63</b>
Service provision	250,715.78	273,043.94
Operating subsidy	1,575,651.42	1,016,703.71
Other income and earnings	378,327.77	674,484.98

### 35. SUPPLIES AND SERVICES

In the financial years of 2015 and 2014. the heading supplies and services is broken down as follows:

	2015	2014
Outsourcing		805.66
Specialised services	8,084,325.50	7,022,378.56
Specialised work	1,068,936.65	399,719.29
Advertising and publicity	25,608.86	12,266.70
Surveillance and security	201,009.64	194,183.08
Fees	57,616.54	55,660.00
Commissions	1,727,475.29	1,851,938.48
Maintenance and repair	4,715,643.87	4,125,347.24
Communication and public information	10,490.70	11,681.32
Revenue control	269,732.73	366,159.07
Other	7,811.22	5,423.38
Materials	51,565.05	39,760.01
Energy and liquids	7,764,990.11	9,501,613.71
Electricity	443,017.00	478,309.41
Fuel	7,298,375.83	8,994,202.68
Other	23,597.28	29,101.62
Travel. hotel and transport	1,971.61	1,694.32
Miscellaneous services	3,366,935.45	5,530,141.40
Rental payments and leases	1,520,700.96	3,518,914.18
Communication	104,077.49	160,761.28
Insurance	408,734.15	489,412.68
Royalties	140,546.75	131,664.73
Litigation and notary	12,539.28	13,684.15
Costs incurred with personal representation of the company	4,249.03	2,428.85
Cleaning. hygiene. and comfort	1,031,197.17	1,030,502.61
Other services	144,890.62	182,772.92
External supplies and services	19,269,787.72	22,096,393.66



### 36. PERSONNEL EXPENSES

Personnel expenses on 31 December 2015 and 2014:

	2015	2014
Remuneration of governing bodies	162,034.58	160,552.15
Salaries paid to the staff	22,656,718.24	23,177,853.45
Post-employment benefits	221,411.10	220,578.42
Compensations	917,600.91	1,332,924.30
Remuneration costs	5,134,198.61	5,232,712.61
Work related injuries and accidents and occupational illness	328,370.84	283,038.43
Social service costs	197,168.31	171,266.64
Other personnel expenses	95,992.85	68,240.98
<b>Personnel expenses</b>	<b>29,713,495.44</b>	<b>30,647,166.98</b>

Remuneration containment measures applied to the State Corporate Sector companies since 2011 arising from laws enforcement no. 55-A/2010, 64-B/2011, and 66-B/2012 are being pursued. These laws regulate remuneration reduction applicable to all staff whose monthly gross remuneration exceeds 1.500 euros, aim at freezing career progression as well as reduction of staffing levels. In addition, the Decree-Law no. 83-C/2013 made a remuneration reduction for all works, whose gross monthly salary surpassed 675 euros.

Nevertheless, the remuneration reduction laid down on Decree-Law no. 83-C/2013 only lasted until 30 May 2014 was declared contrary to the Constitution by the Constitutional Court in compliance with judgement no. 413/2014 of 30 May 2014.

On 16 September 2014 pursuant to Decree-Law no. 75/2014, the remuneration reduction were set out to all employees with a gross monthly salary higher than 1.500 euros.

The Decree-Law no. 159-A/2015 of 30 December foresees the gradual cancellation of the remuneration reduction in the public administration during 2016. Therefore, the costs specialisation with vacations and holiday pay regarding the year of 2015 that should be paid in 2016, has already being done taking into account the gradual cancellation of the remuneration reduction.

### 37. OTHER EXPENSES AND LOSSES

On 31 December 2015 and 2014 details concerning other operating costs and losses were the following:

	2015	2014
Other expenses and losses	1,102,153.41	946,241.63
Taxes	163,217.62	214,100.02
Direct taxes	91,619.84	101,230.13
Indirect taxes	18,787.46	32,657.39
Rates	52,810.32	80,212.50
Inventory losses	300,298.80	38,705.73
Costs and losses in non-financial investments	166,860.42	150,356.58
Other expenses and losses	471,776.57	543,079.30
Donations	74,826.93	74,560.00
Levies	25,392.00	21,559.63
Insufficiency of tax estimates	765.18	66.91
Claim for compensations	290,897.89	435,357.43
Other operating costs and losses	79,894.57	11,535.33
Financing gains and losses	12,959.84	18,479.81
Interests paid – other interests	1,146.23	14.55
Exchange loss		243.20
Other financing costs and losses – other	11,813.61	18,222.06
<b>Other operating costs and losses</b>	<b>1,115,113.25</b>	<b>964,721.44</b>

### 38. OTHER INCOME AND EARNINGS

On 31 December 2015 and 2014 details of other operating income were as follows:

	2015	2014
Supplementary income	1,000,307.65	1,383,710.13
Cash discounts	2,974.89	207.32
Inventory gains	57,789.59	60,151.93
Income and gains in non-financial investments	462,059.56	383,371.40
Other income and earnings	981,588.62	788,310.46
Imputation of investment grants	231,759.84	102,522.72
Claims	330,195.17	288,045.71
Other grants	158,726.85	99,869.48
Other non-specified – benefits and contractual penalties	229,421.96	232,219.64
Other non-specified – other	31,484.80	65,652.91
<b>Other income and earnings</b>	<b>2,504,720.31</b>	<b>2,615,751.24</b>





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### 39. LIABILITIES DUE TO GUARANTEES PROVIDED

Liabilities took over for guarantees provided to third parties on 31 December 2015 and 2014:

BENEFICIARY OF THE GUARANTEE	DESCRIPTION	2015	2014
Labour Courts	Work related injury and accident pensions	447,473.97	447,473.97
		<b>447,473.97</b>	<b>447,473.97</b>

### 40. NUMBER OF STAFF

During the years of 2015 and 2014, the average number of employees working for the company was 1.156 and 1.206, respectively.

On 31 December 2015, the number of employees was 1.171 and 1.173 on 31 December 2014.

### 41. NEGATIVE EQUITY

In the financial year of 2015, the company incurred a loss totalling 31.617.189.85 euros once, on this date its total liabilities exceeded its total assets by 501.721.842.52 euros.

Although the company has continuously been showing negative results, STCP plays a vital role in the transport sector delivering a relevant share of social service of a wider general interest that best suits mobility and travel requirements within the Porto Metropolitan Area thus, ensuring the Shareholder's commitment to continuing the performance of its business activity.

Porto, 28 April 2016

Certified Accounting Technician no. 6622

Board of Directors  
Non-Executive Chairman  
Executive Board Members  
Non-Executive Board Member



## CONSOLIDATED ACCOUNTS







## ANTÓNIO MAGALHÃES &amp; CARLOS SANTOS

*Sociedade de Revisores Oficiais de Contas  
Registo na Ordem dos Revisores Oficiais de Contas sob o n.º.53  
Registo na CMVM com o n.º.20161396  
Contribuinte n.º.502 138 394*

## CERTIFICAÇÃO LEGAL DAS CONTAS E RELATÓRIO DE AUDITORIA

## INTRODUÇÃO

1. Nos termos da legislação aplicável, apresentamos a Certificação Legal das Contas e Relatório de Auditoria sobre a informação financeira contida no Relatório de Gestão e nas demonstrações financeiras anexas do exercício findo em 31 de dezembro de 2015, da “**SOCIEDADE DE TRANSPORTES COLECTIVOS DO PORTO, S.A.**” (Empresa), as quais compreendem o Balanço em 31 de dezembro de 2015 (que evidencia um total de 92 230 milhares de euros e um total de capital próprio negativo de 501 722 milhares de euros, incluindo um resultado líquido negativo de 31 617 milhares de euros), as Demonstrações dos resultados por naturezas e por funções, a Demonstração das alterações no capital próprio e a Demonstração dos fluxos de caixa do exercício findo naquela data, e o correspondente Anexo.

## RESPONSABILIDADES

2. É da responsabilidade do Conselho de Administração:

- a) a preparação de demonstrações financeiras que apresentem de forma verdadeira e apropriada a posição financeira da Empresa, o resultado das suas operações, as alterações no capital próprio e os fluxos de caixa;
- b) a informação financeira histórica, que seja preparada de acordo com os princípios contabilísticos geralmente aceites e que seja completa, verdadeira, atual, clara, objetiva e lícita, conforme exigido pelo Código dos Valores Mobiliários;
- c) a adoção de políticas e critérios contabilísticos adequados;
- d) a manutenção de um sistema de controlo interno apropriado;
- e) a informação de qualquer facto relevante que tenha influenciado a sua atividade, posição financeira ou resultados; e
- f) a informação financeira prospetiva, que seja elaborada e apresentada com base em pressupostos e critérios adequados e coerentes e suportada por um sistema de informação apropriado.

3. A nossa responsabilidade consiste em verificar a informação financeira contida nos documentos de prestação de contas acima referidos, designadamente sobre se é completa, verdadeira, atual, clara, objetiva e lícita, conforme exigido pelo Código dos Valores Mobiliários, competindo-nos emitir um relatório profissional e independente baseado no nosso exame.

## ÂMBITO

4. O exame a que procedemos foi efetuado de acordo com as Normas Técnicas e as Diretrizes de Revisão/Auditoria da Ordem dos Revisores Oficiais de Contas, as quais exigem que o mesmo seja planeado e executado com o objetivo de obter um grau de segurança aceitável sobre se as demonstrações financeiras estão isentas de distorções materialmente relevantes. Para tanto o referido exame incluiu:

- a verificação, numa base de amostragem, do suporte das quantias e divulgações constantes das demonstrações financeiras e a avaliação das estimativas, baseadas em juízos e critérios definidos pelo Conselho de Administração, utilizadas na sua preparação;

## ANTÓNIO MAGALHÃES &amp; CARLOS SANTOS

*Sociedade de Revisores Oficiais de Contas  
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Registo na CMVM com o n.º 20161396  
Contribuinte n.º 502 138 394*

- a apreciação sobre se são adequadas as políticas contabilísticas adotadas e a sua divulgação, tendo em conta as circunstâncias;
- a verificação da aplicabilidade do princípio da continuidade;
- a apreciação sobre se é adequada, em termos globais, a apresentação das demonstrações financeiras; e
- a apreciação se a informação financeira é completa, verdadeira, atual, clara, objetiva e lícita.

5. O nosso exame abrangeu também a verificação da concordância da informação financeira constante do relatório de gestão com os restantes documentos de prestação de contas, bem como as verificações previstas nos números 4 e 5 do artigo 451º do Código das Sociedades Comerciais.

6. Entendemos que o exame efetuado proporciona uma base aceitável para a expressão da nossa opinião.

**OPINIÃO**

7. Em nossa opinião, as referidas demonstrações financeiras apresentam de forma verdadeira e apropriada, em todos os aspetos materialmente relevantes, a posição financeira da “**SOCIEDADE DE TRANSPORTES COLECTIVOS DO PORTO, S.A.**” em 31 de dezembro de 2015, o resultado das suas operações, as alterações no capital próprio e os fluxos de caixa no exercício findo naquela data, em conformidade com os princípios contabilísticos geralmente aceites em Portugal e a informação nelas constante é completa, verdadeira, atual, clara, objetiva e lícita.

**ÊNFASES**

8. Sem afetar a opinião expressa no parágrafo n.º 7 acima, chamamos a atenção para as situações seguintes:

8.1 – A Empresa mantém a situação de incumprimento do estipulado no Artigo 35.º do Código das Sociedades Comerciais. O aviso convocatório da próxima Assembleia Geral Anual, preparado pelo Conselho de Administração, propõe, no ponto 5, da Ordem de Trabalhos deliberação sobre este assunto.

8.2 – A Empresa mantém sucessivos resultados negativos de exercício, os quais contribuem para o crescente avolumar da situação de capitais próprios negativos. Entretanto, a Empresa, com suporte em diversas instruções da Tutela Financeira e da Tutela Setorial procedeu à adjudicação da subconcessão do sistema de transporte da STCP e à assinatura do correspondente contrato.

Após varias diligências que não surtiram efeito, foi publicada a Resolução da Assembleia da República n.º 145/2015, no Diário da República 1.ª série, n.º 252, de 28 de dezembro, que recomendou ao Governo a revogação e a reversão da subconcessão do sistema de transporte da STCP, promovendo as medidas necessárias ao restabelecimento das condições legais existentes previamente ao processo de subconcessão.



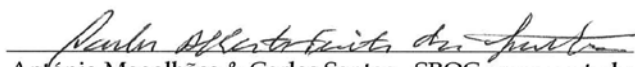
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## RELATO SOBRE OUTROS REQUISITOS LEGAIS

9. É também nossa opinião que a informação constante do Relatório de Gestão é concordante com as demonstrações financeiras do período e o Relatório de Governo Societário inclui os elementos exigíveis à Empresa nos termos do artigo 245º-A do Código dos Valores Mobiliários.

Porto, 12 de maio de 2016

  
António Magalhães & Carlos Santos - SROC, representada  
por Carlos Alberto Freitas dos Santos - R.O.C. n.º 177  
Registo na CMVM n.º. 20160037



## SUPERVISORY BOARD'S REPORT AND OPINION



Ø9

***RELATÓRIO ANUAL DO***

***CONSELHO FISCAL***

***SOBRE***

***O RELATÓRIO E CONTAS DE 2015***

***DA***

***STCP – Sociedade de Transportes Colectivos do Porto, S.A.***

Lisboa, 16 de maio de 2016



## 1. Introdução

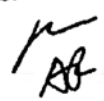
No cumprimento do estabelecido no artigo 14.º dos Estatutos que regem a Sociedade de Transportes Coletivos, S.A. (STCP), conjugado com o n.º 1 do artigo 420.º do Código das Sociedades Comerciais (CSC), e em conformidade com a legislação em vigor e com o mandato que nos foi confiado, vem o Conselho Fiscal emitir o seu Relatório anual, sobre o Relatório de Gestão e Contas de 2015, o qual contempla, igualmente, nos termos do ofício circular da Direcção-Geral do Tesouro e Finanças n.º 712, de 12 de fevereiro de 2016, a aferição:

- i) das orientações legais vigentes para o Setor Empresarial do Estado (SEE), designadamente, as relativas às remunerações vigentes em 2015; e,
- ii) do disposto no n.º 1 do artigo 54.º do Decreto-Lei n.º 133/2013, de 3 de outubro, quanto ao relatório de boas práticas de governo societário.

O Revisor Oficial de Contas Dr. Carlos Alberto Freitas dos Santos, representante da Sociedade de Revisores Oficiais de Contas António Magalhães & Carlos Santos, emitiu a respetiva Certificação Legal das Contas, em 12 de maio de 2016, que se anexa.

O Conselho Fiscal, eleito por Deliberação Social Unânime por Escrito (DUE), datada de 25 de janeiro de 2016, para o mandato 2016/18, durante o exercício em análise efetuou reuniões e acompanhou os aspetos que considerou mais relevantes no âmbito das suas atribuições. Para o efeito obteve toda a cooperação por parte dos membros do Conselho de Administração da Sociedade e dos respetivos colaboradores, a qual foi indispensável à elaboração do presente Relatório.

A Sociedade de Transportes Colectivos do Porto, S.A. é uma sociedade anónima de capitais exclusivamente públicos (detida 100% pelo Estado Português), criada pelo Decreto-Lei n.º 202/94, de 23 de julho, cujo objeto principal é a exploração do transporte público rodoviários coletivo de passageiros na Área Metropolitana do Porto (AMP) e acessoriamente a exploração de atividades complementares ou subsidiárias daquele objeto.





A 26 de outubro de 2015 foi assinado o contrato de subconcessão em modo autocarro, por um período de 10 anos, com a empresa Alsa, submetido ao Tribunal de Contas para obtenção de visto prévio em 30 de outubro.

A Resolução da Assembleia da República nº 145/2015, de 11 de dezembro, recomenda ao Governo a revogação e a reversão das subconcessões dos sistemas de transportes da STCP, S.A. e da Metro do Porto, S.A.. Esta Resolução vem na sequência do Programa do XXI Governo Constitucional que se comprometeu com o reforço das competências das autarquias locais nas áreas dos transportes, implicando a anulação das concessões e privatizações dos transportes coletivos de Lisboa e Porto. Deste modo, o Governo, acionista único da STCP, pretende aumentar a oferta de transporte coletivo, para potenciar o aumento significativo da sua utilização, designadamente através de uma transferência modal do transporte individual, garantindo desta forma padrões de mobilidade sustentável e reduzindo a emissão de gases que provocam o efeito de estufa. O eventual processo de intermunicipalização da gestão da STCP pelas às seis autarquias servidas pela empresa, Porto, Matosinhos, Maia, Valongo, Gondomar, Valongo e Vila Nova de Gaia, mantendo-se nas mãos do Estado a posse da empresa, será analisada ao longo do ano de 2016.

#### **i) Análise Económico-Financeira ao relatório de gestão e contas de 2015**

Do relatório de Gestão e Contas de 2015, parece-nos de salientar o seguinte:

- Em termos da atividade constatou-se que o volume de negócios da STCP, em 2015, correspondeu a cerca de 44,9 milhões de euros, com um decréscimo de 6,6%, face ao ano transato;
- Em 2015, a STCP disponibilizou aos clientes uma rede de transportes com 72 linhas de serviço público, 69 linhas em modo autocarro e 3 linhas em modo carro elétrico, e prestou serviço 24h por dia, nos 365 dias do ano;
- Em 2015 a procura foi de 69,16 milhões de passageiros, menos 5,3 milhões de passageiros (-7,1%) face ao ano anterior.

Como principais justificações para a diminuição da procura em modo autocarro apontam-se:

- (i) os problemas verificados no cumprimento da oferta planeada por défice do efetivo tripulante. A impossibilidade de contratação de pessoal, desde há alguns



anos imposta pelo governo, associada à expectável e natural aposentação de um conjunto significativo de funcionários, acabaram por ditar uma inevitável redução da oferta em mais de um milhão de quilómetros - cerca de 6 %;

- (ii) o aumento de oferta de linhas de outros operadores com tarifário intermodal em concorrência com a rede da STCP;
- (iii) o elevado nível de desemprego na região.

- A receita de serviço de transporte, em 2015, atingiu os 42,3 milhões de euros, o que se traduz numa diminuição de 3,1 milhões de euros (-6,9%), face a 2014, em linha com a redução verificada na procura;
- A oferta total da STCP atingiu em 2015 os 20,57 milhões veículos km, apresentando uma redução de 1,25 milhões de veículos km, face a 2014. A oferta em modo de carro elétrico foi de 111 mil veículos km e representou 0,5% da oferta total;
- A taxa de ocupação global, em 2015, foi de 13,4%, apresentando uma diminuição de 0,2 p.p. face a 2014, em resultado da diminuição de 7,1% do número de passageiros e de 5,2% dos lugares Km;
- No final de 2015 a frota da STCP era constituída por 419 autocarros, com uma idade média de 13 anos e de 6 carros elétricos históricos que efetuam serviço público;
- Em 31 de dezembro de 2015 a STCP contava com 1.183 trabalhadores (incluindo órgãos sociais e trabalhadores requisitados e cedidos), tendo reduzido 2 efetivos (-0,2%), relativamente a igual período de 2014. Durante os exercícios de 2015 e de 2014 o efetivo médio ao serviço da empresa foi de 1.156 e 1.206 trabalhadores, respetivamente. O pessoal tripulante, motoristas de serviço público e guarda-freios, representava no final do ano em análise 72,9% dos trabalhadores;
- O Resultado líquido do exercício obtido em 2015 foi negativo em 31,62 milhões de euros, o que significa um desagravamento de 23,23 milhões de euros face ao ano de 2014 (+42%);
- Os resultados operacionais foram negativos em cerca de 21,14 milhões de euros, representando um agravamento de 13,3 milhões de euros face a 2014 (-169%). De salientar que os gastos operacionais registaram um aumento de 6,3 milhões de euros (+10%), e os rendimentos operacionais uma redução de 7,0 milhões de euros (-13%);
- Os resultados financeiros em 2015 foram negativos em 10,5 milhões de euros, registando uma melhoria, face a 2014, na ordem de 36,5 milhões de euros (+78%). Para

este resultado contribuiu a redução do total dos juros e encargos de financiamento, de 7,4 milhões de euros (-57%), pelas condições financeiras das operações de empréstimo contratadas com o acionista, e ainda os níveis historicamente baixos das taxas Euribor vigentes para o serviço da dívida da banca comercial, relativo às operações de médio e longo prazo. A perda de variação do justo valor de swap reduziu em 31,6 milhões de euros, enquanto os juros respetivos aumentaram 2,5 milhões de euros (+37%);

- A empresa detém desde 2007 uma operação de cobertura de risco de taxa de juro com o Banco Santander Totta, S.A., com maturidade em 2022 e cujo justo valor de acordo com informação da Agência de Gestão da Tesouraria e da Dívida Pública - IGCP, E.P.E. em 31 de dezembro de 2015 era de -115.961.315,70 euros.

Esta operação foi objeto de uma ação judicial interposta pela instituição de crédito através do Tribunal de Comércio de Londres, em 10 de maio de 2013, com o objetivo de pedir o reconhecimento da legalidade do contrato de derivado celebrado com a STCP, S.A. Com base nos fundamentos jurídicos de nulidade do contrato, o Conselho de Administração, com autorização da Tutela, deliberou a desvinculação do cumprimento das obrigações que do contrato decorrem. Assim, na pendência do litígio, a STCP informou a Instituição que suspendeu o pagamento do cupão devido no dia 5 de dezembro de 2013, bem como qualquer outro alegadamente devido ao abrigo do contrato da mesma operação. No seguimento desta decisão, e no que se refere a 2014 e 2015, manteve-se suspensa a liquidação dos cupões semestrais cujo vencimento ocorreu nos meses de 5 de junho e 5 de dezembro. Do exposto, em 31 de dezembro de 2015, encontra-se suspenso o montante de 17.976.133,84 euros relativo a 5 cupões vencidos;

- Os rendimentos operacionais foram de cerca de 46 milhões de euros em 2015, registando uma diminuição no montante de 7 milhões de euros (-13%). De salientar que a prestação de serviços reduziu 3,1 milhões de euros (-6,9%), em linha com a redução da procura e pela não atualização das tarifas;
- Os Gastos Operacionais foram de 67,2 milhões de euros, mais 6,3 milhões de euros que em 2014 (+10%). Destaca-se a diminuição dos fornecimentos e serviços externos e do custo dos materiais vendidos e matérias consumidas, com -3 milhões de euros (-13%). Refira-se que as provisões do ano ascendem a 11,7 milhões de euros e respeitam essencialmente a reforços de valores relativos a provisões para outros riscos e encargos e a dois processos judiciais em curso. A rubrica mais significativa refere-se ao valor de cerca de 10 milhões de euros que a STCP reconhece dever ao Município do Porto;

- Os Gastos com o Pessoal sem indemnizações diminuíram 0,5 milhões de euros (-1,8%) face a 2014. A redução dos gastos com pessoal reflete o impacto da diminuição do número médio de trabalhadores ao serviço da empresa em 2015. Foram consideradas as medidas de contenção e redução remuneratória aplicadas às empresas do SEE, decorrentes da LOE 2015.

O montante das indemnizações por cessação foi de 0,9 milhões de euros, em sequência de cessações de contrato de trabalho por mútuo acordo;

- O EBITDA (de gestão) cifrou-se em cerca de -4,4 milhões de euros, apresentando uma variação negativa de 5,8 milhões de euros, face a 2014;

- À semelhança de anos anteriores, em 2015, deu-se um aumento de endividamento, fixando-se dívida remunerada total em 425,6 milhões de euros. De acordo com as orientações recebidas no anexo I do ofício n.º 712/16 da DGTF, de 12 de fevereiro, o endividamento ajustado foi de 3,9%. O limite de endividamento de 3% estipulado no n.º 5 do artigo 61.º da Lei n.º 84-B/2014, de 31 de dezembro, foi excedido em 0,9 p.p.;

- No âmbito da política de financiamento a partir de dezembro de 2013 e por aplicação do Decreto-Lei n.º 133/2013, de 3 de outubro, sendo a STCP uma empresa pública não financeira do setor empresarial do Estado, que anualmente apresenta capital próprio negativo, só pode aceder a financiamento junto de instituições de crédito com prévia autorização da Direção Geral do Tesouro e Finanças.

Os encargos financeiros em 2015 atingiram o montante de 14,76 milhões de euros, o que corresponde a uma diminuição de -24,9% (-4,9 milhões de euros), face a 2014.

Os encargos com swaps contabilizados na rubrica juros suportados, apresentaram o montante de 9,15 milhões de euros, em 2015;

- O ativo atingiu o montante de 92,23 milhões de euros, registando uma diminuição de 0,3 milhões de euros (-0,4%) face a 2014. O ativo corrente aumentou 2,9 milhões de euros, devido à variação das disponibilidades na conta aberta no IGCP e o ativo não corrente diminuiu cerca de 3,2 milhões de euros, devido à amortização de ativo fixo tangível;

- O passivo no montante de 593,95 milhões de euros registou um aumento de 23,7 milhões de euros (+4,1%) em relação a 31 de dezembro de 2014, explicado principalmente pelo acréscimo das provisões, para processos judiciais em curso, pelo

crescimento do financiamento, em resultado da dívida contraída junto do Estado, e pelo aumento dos outros passivos financeiros;

- O capital próprio da STCP atingiu em 2015 os 501,7 milhões de euros negativos. O agravamento de 24 milhões de euros (-5%) resulta dos resultados transitados negativos apresentado pela empresa. De destacar o aumento do capital social da STCP, S.A. em 5.856.125 euros, através da emissão de 1.171.225 novas ações, no valor de 5 euros cada, a subscrever pelo acionista Estado Português. O aumento de capital social foi realizado a 23 de junho de 2015, tendo o seu registo ocorrido em 2 de julho de 2015. O capital social da STCP, S.A. passou a ser de 85.505.125 euros;
- O montante do investimento realizado em 2015 foi de 1.324 milhares de euros, do qual se destaca a Musealização do edifício da Central Termo Elétrica de Massarelos, com uma verba de aproximadamente 450 mil euros, que foi cofinanciada pelo QREN ON2;
- Por fim, reiteramos as ênfases assinaladas na certificação legal de contas consolidadas, emitidas pelo ROC da sociedade, quanto à situação de incumprimento do estipulado no artigo 35.º do Código das Sociedades Comerciais, bem como, quanto à manutenção de sucessivos resultados negativos do exercício, com consequente avolumar da situação de capitais próprios negativos.

**ii) Aferição das orientações legais vigentes para o SEE, designadamente, as relativas às remunerações vigentes em 2015**

No âmbito do disposto no artigo 420.º do CSC, declaramos que, tanto quanto é do conhecimento deste Conselho Fiscal, a STCP deu cumprimento à generalidade das orientações legais vigentes para o SEE, bem como às disposições constantes na Lei n.º 82-B/2014, de 31 de dezembro, que aprovou o Orçamento do Estado para 2015 (Lei do OE/2015) na sua última versão, bem como na Lei n.º 75/2014, de 12 de setembro, salientam-se as seguintes situações:

- A Lei n.º 82-B/2014, de 31 de dezembro, estabeleceu no n.º 5 do artigo 61.º que o crescimento do endividamento das empresas públicas, considerando o financiamento remunerado corrigido pelo capital social realizado, ficava limitado a 3%. A STCP terminou o ano de 2015 com uma dívida remunerada total de 425,6 milhões de euros. Considerando o endividamento corrigido pelo capital social realizado, registou um aumento de 3,9% face a 31 de dezembro de 2014, pelo que foi excedido em 0,9 p.p. o limite de endividamento de 3% estipulado para o ano de 2015;



- Em 2015, o PMP foi de 65,5 dias, quando em igual período de 2014 era de 68,4 dias, registando-se assim uma diminuição de 2,9 dias, face ao ano anterior;  
O montante das dívidas em atrasos vencidas, de acordo com o Decreto-Lei n.º 65-A/2011, de 17 de maio, ascendem a cerca de 107 mil euros, sendo que cerca de 50 mil euros (47%) respeitam a transações com a TIP, empresa participada da STCP, que é simultaneamente devedora e credora da STCP;
- Foi dado cumprimento ao disposto no artigo 32.º do Estatuto do Gestor Público, republicado pelo Decreto-Lei n.º 8/2012, de 18 de janeiro, consubstanciado no fato de que os membros do Conselho de Administração não têm cartões de crédito, nem foram efetuados reembolsos de quaisquer despesas que caíam no âmbito do conceito de despesas de representação pessoal;
- A empresa não procedeu à divulgação do relatório sobre as remunerações pagas a mulheres e homens, referindo no entanto que no que concerne ao princípio da igualdade do género e conforme o estabelecido no n.º 1 da Resolução do Conselho de Ministros (RCM) n.º 19/2012, de 23 de março, a STCP elaborou, em maio de 2012, um diagnóstico da situação de homens e mulheres, tendo por base Indicadores para a Igualdade. A empresa ainda não adotou o plano para a igualdade determinado pela referida RCM;
- Em 2015 não foi elaborado relatório anual sobre prevenção da corrupção, conforme disposto no n.º 1 do artigo 46.º do Decreto-Lei n.º 133/2013, de 3 de outubro;
- A STCP aderiu ao Sistema Nacional de Compras Públicas, em março de 2011, através da celebração de contrato com a Agência Nacional de Compras Públicas, E.P.E. (ANCP). Em 2015 não se procedeu a qualquer adjudicação ao abrigo do Sistema Nacional de Compras Públicas;
- Parque de Veículos do Estado – Durante o ano de 2015 a STCP não procedeu à aquisição de veículos novos, nem à alienação de viaturas, mantendo inalterada a evolução do parque automóvel;
- No âmbito do cumprimento das medidas de redução de gastos operacionais, conforme ofício-circular n.º 11156, de 02 de dezembro de 2014, conjugado com o disposto na Lei n.º 82-B/2014, de 31 de dezembro, destaca-se:
  - Em 2015 o somatório das rubricas custo das mercadorias vendidas e das matérias consumidas (CMVMC), fornecimentos e serviços externos (FSE) e gastos com



pessoal deduzidos das indemnizações por cessação de contrato de trabalho (ICCT) atingiram o montante de 48,9 milhões de euros, reduzindo em 33%, 24,1 milhões de euros, face a 2010;

- Os gastos com comunicações apresentam uma redução face a 2014. Em sentido contrário, as despesas com deslocações e ajudas de custo aumentaram relativamente a 2014;
- Os gastos com a frota automóvel reduziram 7%, cerca de 12 mil euros, face ao ano anterior;
- O efetivo a 31 de dezembro de 2015 era de 1.171 trabalhadores, registando uma redução líquida de 2 efetivos relativamente ao ano anterior;
- O peso dos Gastos no Volume de Negócios foi reduzido em 0,2 pp, face a 2014 e em 30 pp, face a 2010.

- Nos termos do artigo n.º 125.º da Lei n.º 82-B/2014, de 31 de dezembro toda a movimentação de fundos deve ser efetuada por recurso aos serviços bancários disponibilizados pelo IGCP, E.P.E., salvo disposição legal em contrário, ou nas situações como tal reconhecidas por Despacho do membro do governo responsável pela área das finanças, em casos excecionais e devidamente fundamentados, após parecer prévio do IGCP, E.P.E.

De salientar que pelo Despacho n.º 875/15 da SET, de 5 de junho, e Despacho n.º 1681/15, de 15 de setembro, foi autorizado o regime de exceção à UTE no que respeita a operações de financiamento e garantias bancárias.

**iii) Aferição do cumprimento do disposto no n.º 1 do artigo 54.º do Decreto-Lei n.º 133/2013, de 3 de outubro, quanto ao relatório de boas práticas de governo societário**

A STCP apresentou o relatório de boas práticas de governo societário, previsto no artigo 54.º do Decreto-Lei n.º 133/2013, de 3 de outubro, conforme instruções transmitidas pela Direção-Geral do Tesouro e Finanças sobre o processo de prestação de contas referente a 2015, de acordo com o modelo disponibilizado pela Unidade Técnica de Acompanhamento e Monitorização do Setor Público Empresarial, o qual contempla a informação requerida.



**iv) Proposta**

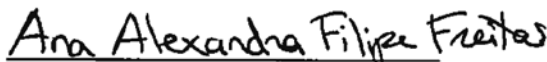
Assim, face ao exposto e considerando os elementos disponibilizados, o Conselho Fiscal no âmbito das suas competências, conclui que o Relatório de Gestão e Contas de 2015 cumpre as exigências legais aplicáveis, revelando a situação da Sociedade, pelo que, somos de parecer que seja:

- Aprovado o Relatório e Contas de 2015 apresentado pelo Conselho de Administração da Sociedade de Transportes Coletivos do Porto, S.A. atentas as ênfases expressas na Certificação Legal de Contas; e,
- Apreciada a proposta de aplicação de resultados apresentada pela Administração, a qual está em conformidade com as disposições legais e estatutárias.

**O Conselho Fiscal,**



Pedro Romano Martinez (*Presidente*)



Ana Alexandra Filipe Freitas (*Vogal*)



Paulo Jorge Rodrigues Matos (*Vogal*)









## ADDITIONAL INFORMATION



## 10

## 10.1. PANEL OF ACTIVITY INDICATORS

## Network

NETWORK	UNIT	2012	2013	2014	2015	15-14
Operating Lines	no.	73	72	72	72	0.0%
Bus	no.	70	69	69	69	0.0%
Tramcar	no.	3	3	3	3	0.0%
Municipalities served	no.	6	6	6	6	0.0%
Parish served [1]	no.	51	33	33	33	0.0%
Bus stops	no.	2.458	2.461	2.454	2.448	-0.2%
Network extent	km	484.7	480.2	480.2	481.4	0.2%
Roads	km	482.1	477.7	477.7	467.4	-2.2%
Tramcar	km	8.9	8.9	8.9	8.9	0.0%
BUS Lanes	km	24.0	23.3	24.2	24.1	-0.2%

[1] 2013: Entry into force of the Decree-Law 11-A/2013, 28 January, regarding the reorganisation of national territory, mainly the parishes.

## Demand (includes subcontracted services)

DEMAND (INCLUDES SUBCONTRACTED SERVICES)	UNIT	2012	2013	2014	2015	%
<b>PER MODE</b>						
Bus	10 <sup>3</sup>	93,399	80,035	74,043	68,700	-7.2%
In-house Production	10 <sup>3</sup>	84,700	78,288	74,043	68,700	-7.2%
Subcontracted services	10 <sup>3</sup>	8,699	1,746	0	0	
Tramcar	10 <sup>3</sup>	362	387	414	457	10%
Passengers	10 <sup>3</sup>	93,761	80,421	74,457	69,157	-7.1%
<b>PER FARE PRICING</b>						
Single mode fare pricing	10 <sup>3</sup>	47,143	14,493	11,837	10,470	-12%
Intermodal fare pricing	10 <sup>3</sup>	46,618	65,928	62,620	58,687	-6.3%
Passengers	10 <sup>3</sup>	93,761	80,421	74,457	69,157	-7.1%
<b>PASSENGERS.KM</b>	10 <sup>3</sup>	348,413	294,081	271,298	252,617	-6.9%

DEMAND (INCLUDES SUBCONTRACTED SERVICES)	UNIT	2012	2013	2014	2015	15-14
<b>FARE PRICING STRUCTURE</b>						
Single mode passengers	%	50.3%	18.0%	15.9%	15.1%	-0.8 pp
Season tickets	%	39.7%	13.7%	11.8%	10.6%	-1.2 pp
Occasional tickets	%	7.0%	0.6%	0.3%	0.4%	0.1 pp
Single + daily tickets	%	3.6%	3.7%	3.8%	4.1%	0.3 pp
Intermodal passengers	%	49.7%	82.0%	84.1%	84.9%	0.8 pp
Season tickets	%	40.1%	65.5%	67.3%	67.9%	0.6 pp
Occasional tickets	%	9.2%	16.1%	16.4%	16.5%	0.1 pp
Single + daily tickets	%	0.4%	0.4%	0.4%	0.4%	0.1 pp

### Revenue (VAT net. Includes fare pricing compensation and subcontracted services)

REVENUE	UNIT	2012	2013	2014	2015	%
<b>PER MODE</b>						
Bus	10 <sup>3</sup> €	49,443	45,632	44,715	41,426	-7.4%
In-house Production	10 <sup>3</sup> €	44,561	44,597	44,715	41,426	-7.4%
Subcontracted services	10 <sup>3</sup> €	4,882	1,036	0	0	
Tramcar	10 <sup>3</sup> €	449	570	690	848	23%
Revenue	10 <sup>3</sup> €	49,892	46,202	45,405	42,274	-6.9%
<b>PER FARE PRICING</b>						
Single mode fare pricing	10 <sup>3</sup> €	26,240	10,154	9,280	8,943	-3.6%
Intermodal fare pricing	10 <sup>3</sup> €	23,652	36,048	36,126	33,331	-7.7%
Revenue	10 <sup>3</sup> €	49,892	46,202	45,405	42,274	-6.9%

### Sales Network

SALE CHANNELS	UNIT	2012	2013	2014	2015	%
Payshop agents	no.	514	527	597	596	-0.2%
STCP Sales Points	no.	2	2	1	0	-100%
Andante Shops and Sales Points	no.	17	17	18	19	5.6%
CP Ticket Offices	no.	5	5	6	6	0.0%
Metro do Porto and CP Ticket Vending Machines	no.	232	232	238	238	0.0%
Total	no.	770	783	860	859	-0.1%



## Customers Complaints

CUSTOMERS COMPLAINTS	UNIT	2012	2013	2014	2015	%
<b>BY ENTRY CHANNEL</b>						
Blue Line - Customer Service Helpline	no.	901	2,103	2,403	3,096	29%
Complaints Book	no.	118	131	95	182	92%
Other channels	no.	211	195	202	386	91%
<b>Total Complaints</b>	<b>no.</b>	<b>1,230</b>	<b>2,429</b>	<b>2,700</b>	<b>3,664</b>	<b>36%</b>
<b>TYPE OF COMPLAINTS</b>						
Network and Routes	no.	30	35	19	28	47%
Timetables	no.	571	1,675	2,155	3,204	49%
Ticketing System	no.	156	132	52	63	21%
Staff Behaviour	no.	323	414	367	312	-15%
Information for the Public	no.	30	33	18	9	-50%
Bus Stops and Shelters	no.	18	19	19	7	-63%
Others	no.	74	81	33	21	-36%
Vehicles	no.	28	40	37	40	8.1%
<b>Total Complaints</b>	<b>no.</b>	<b>1,230</b>	<b>2,429</b>	<b>2,700</b>	<b>3,684</b>	<b>36%</b>



**Supply (includes subcontracted services)**

SUPPLY	UNIT	2012	2013	2014	2015	%
Bus	10 <sup>3</sup>	25,616	23,341	21,713	20,460	-5.8%
Tramcar	10 <sup>3</sup>	115	116	111	111	-0.3%
Vehicles km	10 <sup>3</sup>	25,731	23,457	21,824	20,571	-5.7%
Bus	10 <sup>3</sup>	2,300,922	2,114,507	1,979,573	1,876,416	-5.2%
Tramcar	10 <sup>3</sup>	4,846	4,863	4,669	4,655	-0.3%
Seats km	10 <sup>3</sup>	2,305,768	2,119,370	1,984,242	1,881,072	-5.2%

SUPPLY	UNIT	2012	2013	2014	2015	15-14
<b>OCCUPANCY RATE</b>						
Bus	%	15.1%	13.9%	13.7%	13.4%	-0.2 pp
Tramcar	%	12.0%	12.4%	14.3%	16.0%	1.8 pp

SUPPLY	UNIT	2012	2013	2014	2015	%
<b>AVERAGE SPEED</b>						
Bus	km/h	15.8	15.8	15.7	15.8	0.6%
Tramcar	km/h	7.4	7.3	7.1	7.4	5.0%

<b>BUS FLEET SUPPLY</b>						
Maximum number of vehicles	no.	390	382	384	384	0.0%
Vehicles km	10 <sup>3</sup>	22,711	22,539	21,713	20,460	-5.8%
Seats km	10 <sup>3</sup>	2,075,308	2,049,536	1,979,573	1,876,416	-5.2%
Vehicles hour	10 <sup>3</sup>	1,452	1,430	1,381	1,294	-6.3%
Occupancy rate	%	14.8%	13.9%	13.7%	13.4%	-0.2 pp
Average speed	km/h	15.6	15.8	15.7	15.8	0.6%
Collision accident rate	per 10 <sup>6</sup> vehicles km	37	36	38	54	45%

<b>SUBCONTRACTED SERVICES</b>						
Vehicles km	10 <sup>3</sup>	2,905	802	0	0	
Seats km	10 <sup>3</sup>	225,614	64,971	0	0	
Vehicles hour	10 <sup>3</sup>	172	47	0	0	
Occupancy rate	%	18.1%	14.2%	n.a.	n.a.	
Average speed	km/h	16.9	16.9	n.a.	n.a.	

<b>TRAMCAR</b>						
Maximum number of vehicles	no.	4	4	4	4	0.0%
Vehicles km	10 <sup>3</sup>	115	116	111	111	-0.3%
Seats km	10 <sup>3</sup>	4,846	4,863	4,669	4,655	-0.3%
Vehicles hour	10 <sup>3</sup>	16	16	16	15	-5.1%
Occupancy rate	%	12.0%	12.4%	14.3%	16.0%	1.8 pp
Average speed	km/h	7.4	7.3	7.1	7.4	5.0%

## Human Resources

HUMAN RESOURCES	UNIT	2012	2013	2014	2015	%
<b>PERMANENT STAFF PER GENDER</b>						
Male	no.	1,173	1,144	1,092	1,089	-0.3%
Female	no.	89	87	81	82	1.2%
Permanent staff on 31 December	no.	1,262	1,231	1,173	1,171	-0.2%
<b>AGE STRUCTURE</b>						
18-29 years	no.	12	10	9	10	11%
30-49 years	no.	691	668	629	660	4.9%
>49 years	no.	559	553	535	501	-6.4%
Permanent staff on 31 December	no.	1,262	1,231	1,173	1,171	-0.2%
<b>TRAINING</b>						
Hours	no.	16,743	12,022	5,920	9,424	59%
Vehicle crew	no.	14,368	8,548	3,600	8,385	133%
Continuous training	no.	10,140	8,548	3,600	1,295	-64%
Employees	no.	464	402	318	177	-44%
Vehicle crew	no.	305	237	164	99	-40%
Continuous training	no.	283	237	164	37	-77%

## Fleet

FLEET	UNIT	2012	2013	2014	2015	%
Bus	no.	475	474	474	419	-12%
Tramcar	no.	6	6	6	6	0%
Fleet	no.	481	480	480	425	-11%

FLEET	UNIT	2012	2013	2014	2015	15/14
<b>AVERAGE AGE</b>						
Bus	years	10.0	11.0	12.0	12.6	0.5
Diesel	years	10.7	11.7	12.7	12.7	0.0
Natural gas	years	9.5	10.5	11.5	12.5	1.0
Tramcar	years	74.6	75.6	76.6	77.6	1.0

FLEET	UNIT	2012	2013	2014	2015	15/14
<b>BUS FLEET</b>						
Immobilisation rate [1]	%	8.3%	10.2%	9.1%	10.0%	0.9 pp
Breakdown rate	per 10 <sup>3</sup> vehicle km total	1.13	1.17	1.22	1.22	0.1%

[1] Amended results from 2011 to 2013 (included).

## Financial Data

FINANCIAL DATA	UNIT	2012	2013	2014	2015	15-14
Personnel expenses [1] / operating expenses	%	39%	46%	48%	43%	-5 pp
Revenue / personnel expenses [1]	%	171%	147%	155%	147%	-8 pp
Operating coverage rate [2]	%	86%	91%	87%	69%	-19 pp

[1] Excluding indemnities for contract termination.

[2] Operating income / operation expenses.

	UNIT	2012	2013	2014	2015	%
Capital grants	10 <sup>3</sup> €	0	0	0	5,856	
Compensatory indemnities	10 <sup>3</sup> €	10,211	10,211	4,717	0	-100%
PIDDAC [1]	10 <sup>3</sup> €	0	0	0	1,678	
Social <i>Andante</i> fare pricing compensation [2]	10 <sup>3</sup> €	1,244	3,073	4,852	3,644	-25%
PAII allowance [3]	10 <sup>3</sup> €	517	1,621	145	0	-100%
<b>State financial effort</b>	<b>10<sup>3</sup> €</b>	<b>11,972</b>	<b>14,905</b>	<b>9,714</b>	<b>11,177</b>	<b>15%</b>

[1] 1.587 EUR million for investments and 90.3 thousand euros for other allowances.

[2] VAT net book values.

[3] Social Assistance for Seniors.

## 10.2. GLOBAL REPORTING INITIATIVE INDEX TABLE (GRI)

STCP's sustainability performance, as well as, selection and definition of the main indicators, were based on guidelines outlined in the GRI Reporting Framework (Global Reporting Initiative).

		Pages
<b>1.</b>	<b>Strategy and Analysis</b>	
1.1	Statement of the Chairman of the Board	7 and 9
1.2	Impacts on sustainability, risks, and opportunities stemming from the sustainability trend	21-47
<b>2.</b>	<b>Organisation Profile</b>	
2.1.	Name of the organisation	171
2.2.	Primary products and/or services	49
2.3.	Operational structure of the organisation	50-55
2.4.	Location of organisation's headquarters	171
2.5.	Countries where the organisation operates	49
2.6.	Nature of ownership and legal form	49
2.7.	Markets served	49
2.8.	Scale of the reporting organisation	11, 13, 157-162
2.9.	Significant changes during the reporting period regarding size, structure, or ownership	13, 42, 50-55
2.10.	Awards received in the reporting period	N/A
<b>3.</b>	<b>Report Parameters</b>	
3.1.	Reporting period	1, 11, 88
3.2.	Date of most recent previous report	N.A
3.3.	Reporting cycle	COVER, 10-11,88
3.4.	Contact point for questions regarding the report or its contents	169
3.5.	Process for defining report content	4-5,21
3.6.	Boundary of the report	11, 49
3.7.	State any specific limitations on the scope or boundary of the report	11, 49
3.8.	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations	104-105, 114-115
3.9.	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report	95-139
3.10.	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	95-139



3.11.	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	95-139
3.12.	GRI Content Index	163-169
3.13.	Policy and current practice with regard to seeking external assurance for the report	141-154
<b>4.</b>	<b>Governance, Commitments, and Engagement</b>	
	<b>Governance</b>	
4.1.	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight	50-55, 73
4.2.	Indicate whether the Chair of the highest governance body is also an executive officer	51-52
4.3.	State the number of members of the highest governance body that are independent and/or nonexecutive members	51-52
4.4.	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	54, 72-73
4.5.	Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organisation's performance	57-63, 72-73
4.6.	Processes in place for the highest governance body to ensure conflicts of interest are avoided	68-69, 72-75
4.7.	Process for determining the qualifications and expertise of the members of the highest governance body for overseeing the organisation's management of economic, environmental, and social performance	49-57
4.8.	Statements of mission, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	49-50, 63-64, 72-73
4.9.	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	20-22, 49-50, 72-75
4.10.	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	13-47, 63-75, 77-83
	<b>Commitments with external initiatives</b>	
4.11.	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	49-50, 72-73
4.12.	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	20-47, 49-50, 63-75
4.13.	Memberships in associations and/or national/international advocacy organisations	37
	<b>Stakeholder engagement</b>	
4.14.	List of stakeholder groups engaged by the organisation	20-47, 49-53, 68-71
4.15.	Basis for identification and selection of stakeholders with whom to engage	49-55
4.16.	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	20-47, 72-75
4.17.	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns	20-47, 49-55, 72-75

5. Management Approach and Performance Indicators			
Economic Performance Indicators			
Aspect: Economic Performance			
EC1	E	Direct economic value generated and distributed	77-83, 89-94, 139
EC2	E	Financial implications and other risks and opportunities for the organisation's activities due to climate change	39-41
EC3	E	Coverage of the organisation's defined benefit plan obligations	21-47, 98
EC4	E	Significant financial assistance received from government	13, 78-83, 90, 98, 117, 120, 162
Aspect: Market presence			
EC5	C	Ratio between the lowest and minimum local wages	N.A
EC6	E	Policy, practices, and proportion of spending on locally-based suppliers	68-71
EC7	E	Procedures for local hiring and proportion of senior management hired from the local community	N.A
Aspect: Indirect economic impacts			
EC8	E	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	27-31
EC9	C	Understanding and describing significant indirect economic impacts, including the extent of impacts	7-9, 12, 77-85, 126-128
Environmental Performance Indicators			
Aspect: Materials			
EN1	E	Materials used by weight or volume	39-41
EN2	E	Percentage of materials used that are recycled input materials	N.A
Aspect: Energy			
EN3	E	Direct energy consumption by primary energy source	39-41
EN4	E	Indirect energy consumption by primary source	N.A
EN5	C	Energy saved due to conservation and efficiency improvements	39-41
EN6	C	Initiatives to provide energy efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	39-41
EN7	C	Initiatives to reduce indirect energy consumption and the reductions achieved	39-41
Aspect: Water			
EN8	E	Total water withdrawal by source	41
EN9	C	Water sources significantly affected by withdrawal of water	41
EN10	C	Percentage and total volume of water recycled and reused	N.A
Aspect: Biodiversity			
EN11	E	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A
EN12	E	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	N/A

EN13	C	Habitats protected or restored	N/A
EN14	C	Strategies, current actions, and future plans for managing impacts on biodiversity	N/A
EN15	C	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	N/A
<b>Emissions, effluents and waste</b>			
EN16	E	Total direct and indirect greenhouse gas emissions by weight	39-41
EN17	E	Other relevant indirect greenhouse gas emissions by weight	N/A
EN18	C	Initiatives to reduce greenhouse gas emissions and reductions achieved	39-41
EN19	E	Emissions of ozone-depleting substances by weight	39-41
EN20	E	NOx, SOx, and other significant air emissions by type and weight	N/A
EN21	E	Total water discharge by quality and destination	N/A
EN22	E	Total weight of waste by type and disposal method	41
EN23	E	Total number and volume of significant spills	N/A
EN24	C	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel and percentage of transported waste shipped internationally	N/A
EN25	C	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff	N/A
<b>Aspect: Products and Services</b>			
EN26	E	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	39-41
EN27	E	Percentage of products sold and their packaging materials reclaimed by category	N/A
<b>Aspect: Compliance</b>			
EN28	E	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	N/A
<b>Aspect: Transport</b>			
EN29	C	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce	N/A
<b>Aspect: Overall</b>			
EN30	C	Total environmental protection expenditures and investments by type	N/A
<b>Labor Practices and Decent Work Performance Indicators</b>			
<b>Aspect: Employment</b>			
LA1	E	Total workforce by employment type, employment contract, and region	42-47, 161
LA2	E	Total number and rate of new employee hires and employee turnover by age group, gender, and region	42-47, 161
LA3	C	Benefits provided to full-time employees that are not provided to temporary or part-time employees	N/A
<b>Aspect: Labor/management relations</b>			
LA4	E	Percentage of employees covered by collective bargaining agreements	N/A

LA5	E	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	N.A
<b>Occupational health and safety</b>			
LA6	C	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	42-47
LA7	E	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	42-47
LA8	E	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	42-47
LA9	C	Health and safety topics covered in formal agreements with trade unions	N.A
<b>Training and Education</b>			
LA10	E	Average hours of training per year per employee and by employee category	46
LA11	C	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	42-47
LA12	C	Percentage of employees receiving regular performance and career development reviews	44
<b>Aspect: Diversity and Equal Opportunity</b>			
LA13	E	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	42-43, 51-52
LA14	E	Ratio of basic salary and remuneration of women to men by employee category	43
<b>Social Performance Indicators</b>			
<b>Human rights</b>			
<b>Aspect: Investment and procurement practices</b>			
HR1	E	Percentage and total number of significant investment agreements that include clauses incorporating human rights concerns, or that have undergone human rights screening	N/A
HR2	E	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken	N.A
HR3	C	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	N/A
<b>Aspect: Non-discrimination</b>			
HR4	E	Total number of incidents of discrimination and corrective actions taken	N/A
<b>Aspect: Freedom of association and collective bargaining</b>			
HR5	E	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	N/A
<b>Aspect: Child labor</b>			
HR6	E	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	N/A
<b>Aspect: Forced and compulsory labor</b>			
HR7	E	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	N/A



<b>Aspect: Security practices</b>			
HR8	C	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights relevant to operations	N/A
<b>Aspect: Indigenous rights</b>			
HR9	C	Total number of incidents of violations involving rights of indigenous people and actions taken	N/A
<b>Society</b>			
<b>Aspect: Community</b>			
SO1	E	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	N/A
<b>Aspect: Corruption</b>			
SO2	E	Percentage and total number of business units analysed for risks related to corruption	72-73
SO3	E	Percentage of employees trained in organisation's anti-corruption policies and procedures	N/A
SO4	E	Actions taken in response to incidents of corruption	N/A
<b>Aspect: Public policy</b>			
SO5	E	Public policy positions and participation in public policy development and lobbying	N/A
SO6	C	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	N/A
<b>Aspect: Anti-competitive behavior</b>			
SO7	C	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	118-119
<b>Aspect: Compliance</b>			
SO8	E	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	N/A
<b>Product Responsibility</b>			
<b>Aspect: Customer health and safety</b>			
PR1	E	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	N/A
PR2	C	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	N/A
<b>Aspect: Product and service labelling</b>			
PR3	E	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	N/A
PR4	C	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	N/A
PR5	C	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	24, 159
<b>Aspect: Marketing communications</b>			
PR6	E	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	N/A

PR7	C	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	N/A
Aspect: Customer privacy			
PR8	C	Total number of substantiated complaints regarding breaches of customer privacy	N/A
Aspect: Compliance			
PR9	E	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	N/A

Source: GRI (2006) – “G3: Guidelines for the sustainability reports”

**C** - Complementary indicator

**E** - Key indicator

**N/A** - "Not relevant" or "non applicable"

**N.A** - "Not available" or "only partially available"

**For further information please contact:**

Gabinete de Controlo de Gestão e Auditoria (Management and Audit Office)

Sociedade de Transportes Colectivos do Porto, S.A.

Av. Fernão de Magalhães, 1862-13º

4350-158 Porto

e-mail: geral@stcp.pt



STCP Sociedade de Transportes Colectivos do Porto, S.A.  
Av. Fernão Magalhães 1862, 13º | 4350-158 Porto  
Tel +351 225 071 000 | Fax: +351 225 071 150  
e-mail geral@stcp.pt | [www.stcp.pt](http://www.stcp.pt)

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