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MANAGEMENTAND USTAINABILITY REPORT







In August of 2012 the recruitment process for STCP's Board Members was completed (STCP, S. A. Sociedade de Transportes Coletivos do Porto), with the appointment of a non-executive Chairman and a non-executive Director, over the triennium 2012-2014. Particularly noteworthy is that these non-executive Members are also the Chairman and executive Director of the Board of the company Metro do Porto, S.A., respectively.

The financial year of 2012 was highlighted by measures taken towards correction of economic and financial imbalances arising from the financial assistance agreement signed with the International Monetary Fund, European Commission and European Central Bank. In STCP attention should be drawn to the decline in demand by 11%, cost constraint, 6,9% less and some social instability.

In terms of results, STCP had EBITDAR positive results of 4,4M€, an Operating Loss of -10,2M€ and a Net Loss of -73,4M€. Thus, coupled with positive results before reintegrations and financial costs, the Company's results continued to highlight financial costs with the historic debt and the effects of the contracts of derivative financial instruments signed in previous years.

In the context of proposals of the Working Group appointed by the Secretary of State for Transport, Public Works and Communications in September of 2011, STCP carried out a supply rationalisation programme in 2012 aiming to terminate operating contracts signed with Private Operators. Some lines operated by STCP have been transferred to Private Transport Providers and the entire remaining supply has been reviewed.

Under the scope of the Strategic Plan for Transport, STCP and Metro do Porto, S.A. started their restructuring process by the middle of the year as well as the operating merger and the definition / improvement of the project model to be adopted for the transfer of full ownership to the private finance initiative.

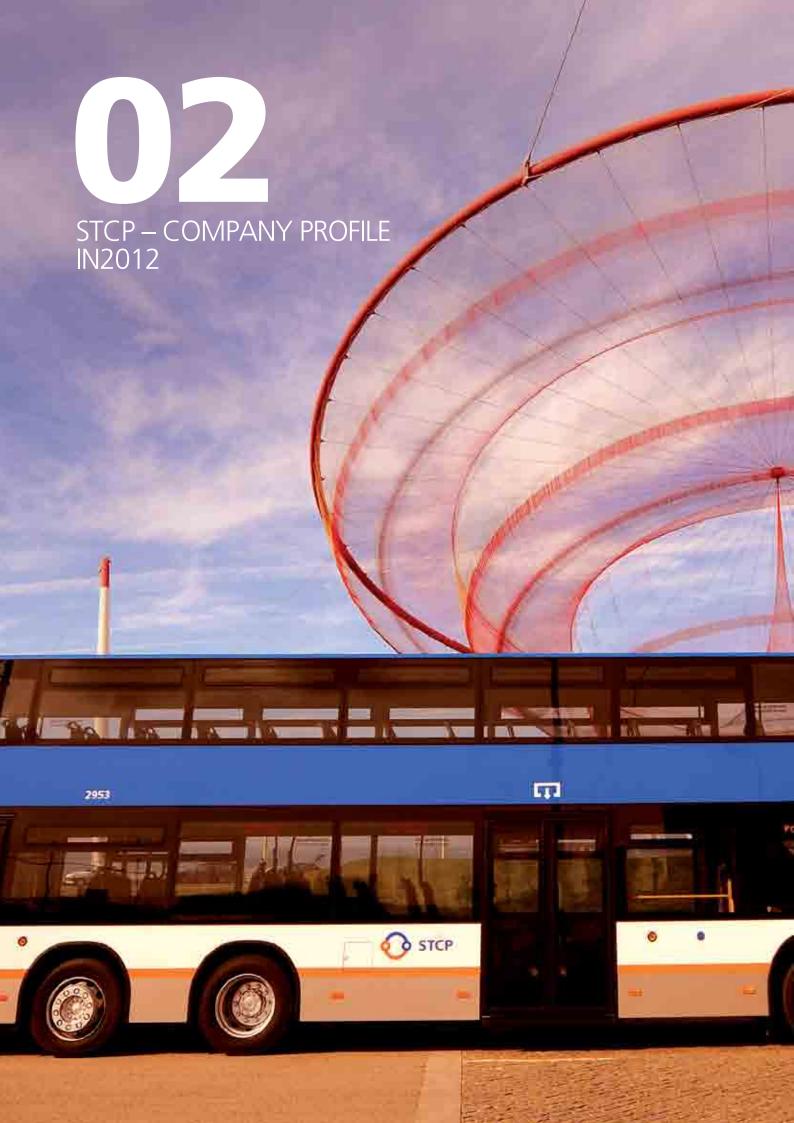
In this way, the year of 2012 represented a turning point, not an end of a cycle, seeing that in this long period of 140 years of history, STCP (after moving from a private concession at the very beginning, to a Municipal Service in the 1960s having become a State-owned public limited company nowadays), has always developed the capacity and skills needed for adaptation to the technological evolution, aiming to meet urban mobility requirements and the growing needs to deliver an efficient and high quality service even under restrictions of different types.

Now that we are facing a major sustainability challenge, special emphasis is given to our ancient and unique cultural heritage with more than 140 years of history built on strong values which represents our support, keeping us together and mobilising us to action.

STCP has proved an extraordinary ability of resilience over the years, helping us to consolidate our position as a benchmark company within the Metropolitan Area in which we operate and building on a successful past, a most favourable and promising future.

April 2013

João Velez Carvalho







2.1 COMPANY PRESENTATION

- → Historical records of STCP date from 1872, celebrating in 2012, 140 years of history
- → It is a 100% State-owned public limited company
- ✓ It serves 51 parishes, with about 900 thousand residents and 6 municipalities - Matosinhos, Maia, Valongo, Gondomar, Vila Nova de Gaia and Porto
- → On 31 December STCP operated:

A Network made up of 73 lines 62 daytime and night lines - 59 Bus lines and 3 Tram lines

11 bus late night Lines

A 485 Km Network Stretch serving 2.458 stops

482 Km Bus Network

9 Km Tram Network

A Fleet of 475 Buses and 6 Trams

With a total number of staff: 1.262 on 31 December, out of which 70% were bus and tram drivers. Average number of staff was 1.287

→ In the financial year of 2012, STCP:

Operated 25,7 million Km

Carried 316 thousand passengers per weekday, on average

Generated a turnover of 53,4 million euros

Invested 2,3 million euros

Had EBITDA¹ positive results totaling 4,4 million euros and an operating loss in the amount of 10,2 million euros

Achieved savings of nearly 20.000 tonnes of CO₂ owing to a significant shift from private car use to public transport.

¹ Results before depreciation charges, financing costs and taxation, provisions, impairments, adjustments, financial component of the operating lease and severance payments arising from employment contract terminations.

2.2 THE YEAR AT A GLANCE – KEY HIGHLIGHTS

DATE	KEY HIGHLIGHTS
9 January	Tram Museum hosted a meeting on a research project about Porto Museums
January	A Passenger Survey was carried out in order to evaluate the impact of WIFI/ Digital TV Project on line 207
23January	The Secretary of State for Transport, Public Works and Communications (SEOTC) unveiled decision about measures to be taken the company for the restructuring process of the public transport network.
28 January	STCP and PSP - Police Services undertook a joint inspection operation on the late night network
1 February	Fare pricing average increase by 5%
11 February	Inspection carried out in close cooperation with the Police Services PSP aiming at safety enhancement
23 February	STCP implemented the first timetable and frequency adjustments set out by decision of the working group established by $Ordin^{\circ}$ 13.371/2011, of 22 September, from SEOPTC
28 February	Presentation/Publication of 2011 Financial Accounts
from February to May	"CIVITAS BUS"- Transport service delivered in association with FEUP, STCP and CMP, under CIVITAS-Elan European Projecto-financed by the European Union
3 and 4 March	STCP set up a partnership with the organisation of Vodafone Festival Mexefest, having carried thousands of passengers
9 March	Presentation of the new Porto Tram City Tour service and official opening of Tram n° 220 after being fully restored to its origin condition.
23 March	STCP's Annual General Meeting
1 April	Celebration of 64 year anniversary of the first STCP's Bus Route
30 April	Implementation of a series of alterations regarding timetables of lines for a better adjustment between demand and supply
5 May	22nd Annual Historic Tram Parade as part of the 140th anniversary celebration of the opening of the first railroad line in Portug
6 to 13 May	Special 2012 Queima das Fitas Festivities Service provided with the active cooperation of Federação Académica do Porto
18 May	Celebration of the International Museums' Day and Night / 20th anniversary of the official opening of Tram Museum to the pub
2 and 3 June	Serralves Events special service provided in association with Serralves Museum
7 to 10 June	Optimus Primavera Sound special service delivered in partnership with the organisation of the festival
11 to 15 June	Annual Internal Auditing Process applied to STCP's Integrated Management System
21 June	Organisational restructuring plan of Casa da Música transport hub developed by Porto City Hall aiming at introducing route a termini alterations on some lines
29 June	Appointment of two Executive Board Members by the sole shareholder
1 July	Private operators - Empresa de Transportes Gondomarense and Auto-Viação Pacense recovered the operating lines 10, 55, 68, and 70 as well as line 64, respectively
1 July	ZH Line started being operated by STCP 's bus service, the stretch of which has been extended to better serve residents of Bonjo
10 August	Appointment of a Non-Executive Chairman and a Non-Executive Board Member by the sole shareholder
1 September	Alterations in eligibility criteria for Andante 4_18 and sub23 season tickets
16 to 22 September	STCP took part in the European Week of Mobility
1 October	Opening of 209 Line replacing ZL Line and extension to Prelada zone
3 November	STCP marks 60th anniversary of Tram n° 373 still in service
12 to 16 November	First follow up audit performed with regard to the second triennium of the Integrated Management System Certification f Quality, Environment and Security and Health at Work
7 December	STCP hosted the visit of the Secretary of State for Transport, Public Works and Communications when the company Metro do Por celebrated its 10 year anniversary, having had talks with the trade unions and workers' committee
14 December	STCP staff honored for 25 years of seniority and Christmas Festivities celebrated together with the company Metro do Porto
17 December	New STCP websites stcp.pt and itinerarium.net were redesigned
19 December	Discontinuation of STCP "Rede Geral" single mode season tickets was suspended by Normative Order no 24-B/2012

2.3 ACTIVITY EVOLUTION

2.3.1 Key Indicators

J. I Key illulcators						
	unit	2009	2010	2011	2012	12/11
DEMAND AND SUPPLY						
Passengers	10^3	108.243	109.220	108.389	93.761	-13,5%
Passengers.km	10^3	410.404	388.666	384.609	348.413	-9,4%
Kilometres operated on average, per passenger	km	3,79	3,56	3,55	3,72	4,7%
Vehicles.km	10^3	28.877	29.848	28.663	25.731	-10,2%
Places.km	10^3	2.517.243	2.607.242	2.538.869	2.305.768	-9,2%
Bus Average Commercial Speed	km/h	16,2	16,1	15,9	15,8	-0,9%
Bus Occupancy Rate	%	16,3%	14,9%	15,1%	15,1%	0,0 pp
OPERATIONAL PERFORMANCE						
Operating Income without compensatory indemnities (CI) [A]	m€	52.828	53.733	55.868	54.184	-3,0%
Compensatory Indemnities (CI)	m€	19.156	18.975	17.871	10.211	-42,9%
Operating Expenditure without amortisations, provisions, impairments, variations of the fair value, financial component of operating lease rents and severance payments arising from employment contract terminations[B]	m€	69.782	71.220	66.404	59.964	-9,7%
Amortisations, provisions, impairments, variations of the fair value, financial component of lease rents and severance payments arising from employment contract terminations	m€	18.105	10.743	13.718	14.602	6,4%
EBITDA = [A] + (IC) - [B]	m€	2.202	1.489	7.335	4.432	-40%
Coverage Rate [A] /[B]	%	75,7%	75,4%	84,1%	90,4%	6,2 pp
Operating Income without CI per passenger	cents	48,8	49,2	51,5	57,8	12,1%
Operating Expenditure [B] per passenger	cents	64,5	65,2	61,3	64,0	4,4%
Operating Income without CI per km	€	1,83	1,80	1,95	2,11	8,0%
Operating Expenditure [B] per Km	€	2,42	2,39	2,32	2,33	0,6%
Operating Income without CI per passenger.km	cents	12,9	13,8	14,5	15,6	7,1%
Operating Expenditure [B] per passenger.km	cents	17,0	18,3	17,3	17,2	-0,3%
Operating Income without CI per place.km	cents	2,10	2,06	2,20	2,35	6,8%
		•	•	•		-0,6%

2.3.2 Demand

In 2012 termination of operating agreements with two private transport providers in the second half of the year, led to a decrease of eight lines on STCP's network. The total net demand evolution is now as follows:

					12/	11
(values 10^3)	2009	2010	2011	2012	abs.	%
Total Passengers	108.243	109.220	108.389	93.761	-14.628	-13%
Nr. of passengers travelling on lines that stopped being operated on 30/jun/2012	6.691	6.856	6.595	3.145	-3.450	-52%
Nr. of passengers - not considering lines that stopped being operated 30/jun/2012	101.553	102.355	101.794	90.616	-11.178	-11%

Thus, demand recorded a 13% decline towards 2011 (14,6 million passengers less). Taking into account the lines that are no longer included in the network in the second half negative variation dropped to 11% (11,2 million passengers less).

This reduction in demand occurred in 2012, -11% in relation to 2011, is due to four main reasons: 7% decline in supply of in-house production, the rise in fare pricing, the unfavourable economic situation in Porto Metropolitan Area and fare evasion or infringements.

· Under the scope of the Strategic Plan for Transport, supply rationalisation started in the second half of 2011 and in 2012, STCP continued its programme of rationalisation by adjusting timetables and frequencies aiming at capitalising the available resources.

- \cdot In February a 5% average rise in fare pricing occurred and a 25% discount entitlement was stipulated to be added to social fares.
- \cdot In 2012, the increase in unemployment in the operated area reduced the need to travel on public transport.
- \cdot The eventual fare evasion growth may also have contributed to the decline in demand.

Information about demand, unless otherwise stated, will exclude from now on lines that stopped being operated by STCP on 30 June 2012.

Evolution of the Distribution of Passengers per Fare Pricing and by Type of Tickets						12	/11	
	(values 10^3)	2009	2010	2011	2012	abs.	%	
	Intermodal Fare Pricing	32.686	37.681	41.728	45.090	3.363	8,1%	
	Single Mode Fare Pricing	68.867	64.674	60.067	45.526	-14.541	-24%	
	Passengers	101.553	102.355	101.794	90.616	-11.178	-11%	
	Season Tickets	81.139	82.351	82.652	72.296	-10.356	-12,5%	
	Occasional Tickets + Daily + Special	16.082	15.468	15.068	15.199	131	0,9%	
	Tickets sold on board	4.332	4.537	4.074	3.121	-953	-23%	
	Passengers	101.553	102.355	101.794	90.616	-11.178	-11%	

Andante intermodal fare pricing was used by 50% of passengers in 2012. Season tickets were used per group of tickets, by nearly 80% of passengers. This was the group that has dropped more sharply in terms of absolute value in 2012, -10,4 million passengers. With reference to the number of season tickets, it should be noted that it includes free season

tickets granted to employees, their relatives as well as to pensioners or retirees representing in 2012 about 2,6% of the total number of passengers.

Tickets which are sold on board, also recorded a 23% decline in 2012 (about 1 million tickets less).

12/11

Passengers by Mode of Transport

(values 10^3)	2009	2010	2011	2012	abs.	%
Total Nr. of passengers traveling by bus	101.254	101.965	101.365	90.255	-11.110	-11%
Total Nr. of passengers traveling by tram	298	390	429	362	-67	-16%
Passengers	101.553	102.355	101.794	90.616	-11.178	-11%

The decrease in the number of passengers travelling by Tram representing in 2012 nearly 0,4% of the total demand, resulted from the alteration in fare pricing policy on this mode of transport having become a leisure-oriented tourist service.

2.3.3 Fare Pricing and Sales Network

Fare Pricing

In February of 2012, usual single mode and intermodal fare pricing increased on average 5% pursuant to Normative Order n°1/2012 and discounts on single mode and intermodal social fares were equally adjusted to 25% (people at senior levels, retirees, pensioners, students, young people aged under 13).

A new level on Passe Social + social fare was laid down by the above Normative Order with a 50% bonus for lower income households. In February there also were alterations in intermodal social fares: 4_18@escola.tp season ticket entitled to a 25% discount and a new bonus of 50% was stipulated for students being granted school support benefiting from level A. From September onwards, 25% discount was allowed to students benefiting from level B of school assistance thus, those being afforded level A of social support could get 60% discount entitlement. As to sub23@superior.tp season ticket, the latter entitled to a 25% discount in February and as from September a new discount of 60% was granted to higher education students eligible for financial assistance.

In this context of major alterations made in fare pricing, fare increase and decrease/ rising discount rates, the average



growth in single mode fare pricing was 9,4% over the previous year of 2012, the rising weighted average number of passengers using single mode and intermodal fare pricing representing 22%.

Pursuant to item 4 of Normative Order n° 24-B/2012, it has been determined the continuation of STCP's single mode season tickets in the category of "Rede Geral". Sale of tickets continued to take place on board STCP's buses, valid for the journey concerned as well as TOUR 1 intermodal ticket (valid across the entire Andante network for a 24 hour period of time).

Sales Network

At the end of the year of 2012 there were 770 points of sale and ticket offices where passengers could add single mode and intermodal tickets to their travelcard. The sale of tickets has been discontinued at the post office – CTT following a strict cost containment programme without changing the sales network area of coverage. Particularly noteworthy is the fact that single mode fare pricing revenue arising from sales made at the post office, represented only 3,8%.

2.3.4 Revenue from Transport Service

Evolution of the total net revenue was as follows:

					12	/11
(values 10^3 euros net of VAT) [1]	2009	2010	2011	2012	abs.	%
Total Revenue	47.542	49.166	50.617	49.892	-725	-1,4%
Revenue from lines that stopped operating on 30/June/2012	3.381	3.398	3.354	1.741	-1.612	-48%
Other Revenue (other than from lines that stopped operating on 30/June/2012)	44.161	45.768	47.264	48.151	887	1,9%

^[1] These values include andante fare compensation

In 2012 revenue recorded an amount of 49,9 M€, i.e. a 1,4% drop towards 2011 (725 thousand euros less) not taking into account lines that were no longer part of the network in the second half of the year, the variation became positive of 1,9% (more 887 thousand euros).

Revenue per Fare	Pricing and	d by type	of Tickets
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Revenue per Fare Pricing and by type of Tickets						11
(values 10^3 euros net of VAT [1]	2009	2010	2011	2012	abs.	%
Intermodal Fare Pricing	13.563	16.725	19.725	22.810	3.359	17%
Single Mode Fare Pricing	30.598	29.043	27.812	25.341	-2.471	-8,9%
Revenue	44.161	45.768	47.264	48.151	887	1,9%
Season Tickets	27.015	28.105	29.356	29.759	403	1,4%
Occasional Tickets + Daily + Special	11.165	11.319	11.789	13.107	1.319	11%
Tickets Sold on Board	5.981	6.344	6.119	5.285	-835	-14%
Revenue	44.161	45.768	47.264	48.151	887	1,9%

^[1] These values include andante fare compensation

Despite a 12,5% decline in demand for season tickets a rise of 1,4% in revenue was recorded (nearly 400 thousand euros).

Intermodal revenue reached 47% of the totality having climbed from 31% in 2009 to this level. Season tickets represented about 62% of the total revenue and the revenue from tickets sold on board dropped 14% (835 thousand euros). These tickets hit nearly 14% of the total revenue amount in 2009, having reached 11% in 2012.

Revenue per Mode of Transport

' '						
(values 10^3 euros net of VAT) [1]	2009	2010	2011	2012	abs.	%
Bus Revenue	44.034	45.601	46.908	47.702	794	1,7%
Tram Revenue	126	167	356	449	93	26%
Revenue	44.161	45.768	47.264	48.151	887	1,9%

^[1] These values include andante fare compensation

Tram revenue evolution remained positive since 2011 now corresponding to 0,9% of the total revenue, due to the operational alterations occurred on this mode of transport having become a leisure-oriented tourist service.

Ticket Inspection

In 2012 journey inspection rate was 4%, thus, recording a 0,2 % rise compared to 2011. Passenger inspection rate climbed slightly from 2011 to 2012, corresponding to 1,4% and 1,5%, respectively. Fare evasion rate has also significantly risen from 0,39% in 2011 to 0,61%.

The total number of infringement notices made out was 9.404, 24,5 % more than in 2011, in comparison with the above mentioned values.



Vehicles.km and Places.km

Overall STCP supply dropped 10,2% (-2,9M of vehicles.km) compared to 2011. External production jointly performed by private operators, decreased 28% (-1,1M Km), having contributed about 39% to the total reduction while inhouse production having recorded a 7,3% drop (-1,8M Km) contributed the remaining 61%.

The major impact on supply occurred as from 1 July arising from operating contract termination regarding lines 10, 55, 68, 69, 70, 1ETG and 22ETG with Empresa de Transportes Gondomarense, and line 64 with Pacense. As far as in house production is concerned, over the course of the year supply rationalisation programme carried on namely, with a more efficient allocation of resources applied to peak times.



In 2012, STCP achieved 25,7 million Km operated (in house production and external production), resulting from the supply restructuring process according to the target set out on the Strategic Plan for Transport taking into account 29,8 million Km travelled in 2010.

As to ridership performance.km, in spite of the average vehicle ridership having slightly improved, a 9,2% drop was recorded as a result of the decline in the number of kilometres travelled.

With reference to another mode of transport, that is, the tram, it represents 0,4% of the total number of Kilometres operated by STCP, having totaled 115 thousand kilometres in 2012 corresponding to an increase in supply of 5,3%.

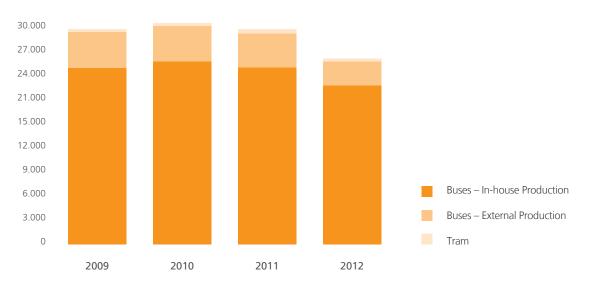
Over the last years vehicle supply.km, places.km and average ridership had the following evolution:

Vehicles.Km (10^3)	2009	2010	2011	2012
Buses - In-house Production	24.770	25.724	24.507	22.711
Buses - External Production (Private Operators)	4.015	4.016	4.046	2.905
Tram	91	108	110	115
Total Vehicles.km	28.877	29.848	28.663	25.731
var.% n/n-1		3.4%	-4,0%	-10,2%

Places.Km (10^3)	2009	2010	2011	2012
Buses - In-house Production	2.206.567	2.296.833	2.225.859	2.075.308
Buses - External Production (Private Operators)	306.863	305.872	308.409	225.614
Tram	3.813	4.538	4.602	4.846
Total Places.km	2.517.243	2.607.242	2.538.869	2.305.768
var.% n/n-1		3,6%	-2,6%	-9,2%

Average Ridership	2009	2010	2011	2012
Buses - In-house Production	89	89	91	91
Buses - External Production (Private Operators)	76	76	76	78
Tram	42	42	42	42
TOTAL	87	87	89	90

Vehicle Evolution.km (10³)



Overall Occupancy Rate

	2009	2010	2011	2012	11/12
Occupancy Rate	16,30%	14,91%	15,15%	15,11%	-0,04 pp

Overall occupancy rate (Passengers.km / Places.km) was 15,11%, slightly equivalent to the one recorded in 2011 the reduction in the number of carried passengers being compensated for the increasing average journey distance travelled per passenger and the decrease recorded in kilometres supplied.

Commercial Speed

STCP bus commercial speed has been declining in the last years due to the impact of works on the road network and also to traffic jams in the downtown areas in 2012 having reached 15,8 km/hour.

Attention is drawn to reduction in supply occurred in 2012 at off-peak times, when commercial speed is higher.

Overall commercial speed (km/h)	2009	2010	2011	2012	11/12
Buses	16,2	16,1	15,9	15,8	-1%
Trams	7,5	7,6	7,1	7,4	5%
STCP network commercial speed	16,1	16,0	15,8	15,7	-1%

Compliance Rate of Journeys of STCP's own Fleet

Service compliance rate (*)	2010	2011	2012
Bus			
Planned journeys	2.310.219	2.204.480	2.075.274
Lost journeys	26.997	16.169	16.937
Journey compliance rate	98,8%	99,3%	99,2%
Tram			
Planned Journeys	44.165	41.785	45.018
Lost Journeys	1.392	1.197	1.382
Journey compliance rate	96,7%	97,1%	96,8%

^(*) Excluding days of strike and/or plenary meetings

Compliance rate of journeys made by bus was 99,2%, recording a 0,1% drop towards 2011. Compliance rate regarding tram journeys is lower than the one concerning bus service having declined 0,3 p.p. in 2012 towards 2011.

More than half of the lost bus journeys was due to traffic congestion and absenteeism. As for travels made by tram, lost journeys were due to road obstructions corresponding to 30% of the total.



2.3.6 Key Highlights

Road Accident Rate

In 2012 a rate of 37 accidents per million kilometres travelled was recorded while in 2011 this rate was 40, representing a reduction by 9% in comparison with the previous year, the overall number of accidents having hit 837

Bus Lanes

The stretch of bus lanes ran nearly 24 km at the end of 2012, representing only 5% of the overall road network coverage operated by STCP mostly located in the city of Porto.

Free Road Operation

Free road operation is performed in close cooperation with Porto City Hall jointly undertaken by Porto Municipal Police Services representing a strategic action in order to make traffic flow easier and more smoothly, keeping the area unobstructed by cutting disruption, thus, contributing to a more efficient and sustainable public transport.

This operation resulted in 210 road closures, 201 tow-away removals and 3.309 penalty charges were issued.



Alterations made to customer service

Following guidelines outlined in the proposals issued by the Working Group created by Order n° 13.371/2011, of 22 September, from SEOPTC targeting rationalisation of road operators' supply within the Metropolitan Area, STCP has taken the following procedures

- \cdot Reduced frequencies with another operator in February 2012 $\,$.
- · Readjusted the supply of the majority of the operated lines aiming at ensuring a better adjustment of supply to demand.
- · Terminated on 30 June, operating contracts signed with Private Operators regarding lines 10, 55, 68, 69 and 70, 1ETG and 22ETG with Empresa de Transportes Gondomarense, in Gondomar, as well as line 64 with Pacense, in Valongo, this transport service having started to be delivered by respective operators.

At the end of the year decisions concerning lines 94 and 61 have been finalised however, not having been possible until then to implement the remaining guidelines, despite STCP's efforts as well as the involvement and commitment of Porto Metropolitan Transport Authority (AMTP).

Alterations and updates made to lines, timetables and bus stops

Even under a strict containment programme, we pride ourselves on a quick and attentive response to situations requiring supply adjustments and enhancements, always having in mind a better allocation of resources for the benefit of customers:

\cdot ZR running Line length extension to be operated by STCP

In order to meet residents' needs of the parish of Campanhã, STCP started operating ZR (Rio Zone) line as from 1 July offering a direct link between Campanhã Church and Pinheiro de Campanhã through Bonjóia Street.

 \cdot Implementation of line 209 and extension to Hospital and Cidade Cooperativa da Prelada, providing a replacement to ZL line

At the request of Hospital da Prelada, Porto City Hall, Parish of Ramalde, residents of Cidade Cooperativa da Prelada and Hospital patients, line 209 Pasteleira-Prelada (via Campo Alegre) opened as from 1 October, thus, providing a replacement to ZL Line (Zone Lordelo), with a length extension up to Prelada zone, this route serving Pólo of Campo Alegre secondary schools and colleges.

· Summer and School Timetables

On 25 June the first lines operating summer timetables came into service. During this season, significant enhancements have been made to the level and quality of service on these lines providing quick beach access.

School timetables regarding 2012/2013 came into effect as from 10 September.

\cdot Organisational redesign plan of Casa da Música transport hub

Following an organisational redesign plan carried out in close cooperation with Porto City Hall, Metro do Porto and AMTP, STCP introduced in June some alterations to lines serving Casa da Música transport hub.

Campaign launched aiming to change to Andante Intermodal Fare Pricing

A programme was developed targeting the discontinuation of single mode fare pricing in spite of not having happened, it caused a significant shift of customers to the intermodal fare pricing.







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New Tram Service Image

This leisure-oriented tourist service provided by the Electric Tram (ET), the fare pricing restructuring process, the adjustment of timetables and frequencies, the presentation of the new service image "Porto Tram City Tour" and the inaugural tram n° 220, fully restored at STCP workshops, gave rise to an increase of 26% in tram revenue in 2012. On the other hand, the number of passengers decreased 16% having hit 362 thousand.

New ways of generating revenue

Searching for extra income, STCP began to sell "naming" of bus stops and line destinations and intensified the use of advertising inside the buses and outside the trams.

The Publicity Contract awarded to Multimédia Outdoors Portugal, SA (MOP), for advertising outside the buses continued in force, Areosa facilities remained rented as Parking Lot to S. João Hospital and S. Roque premises were occasionally rented.

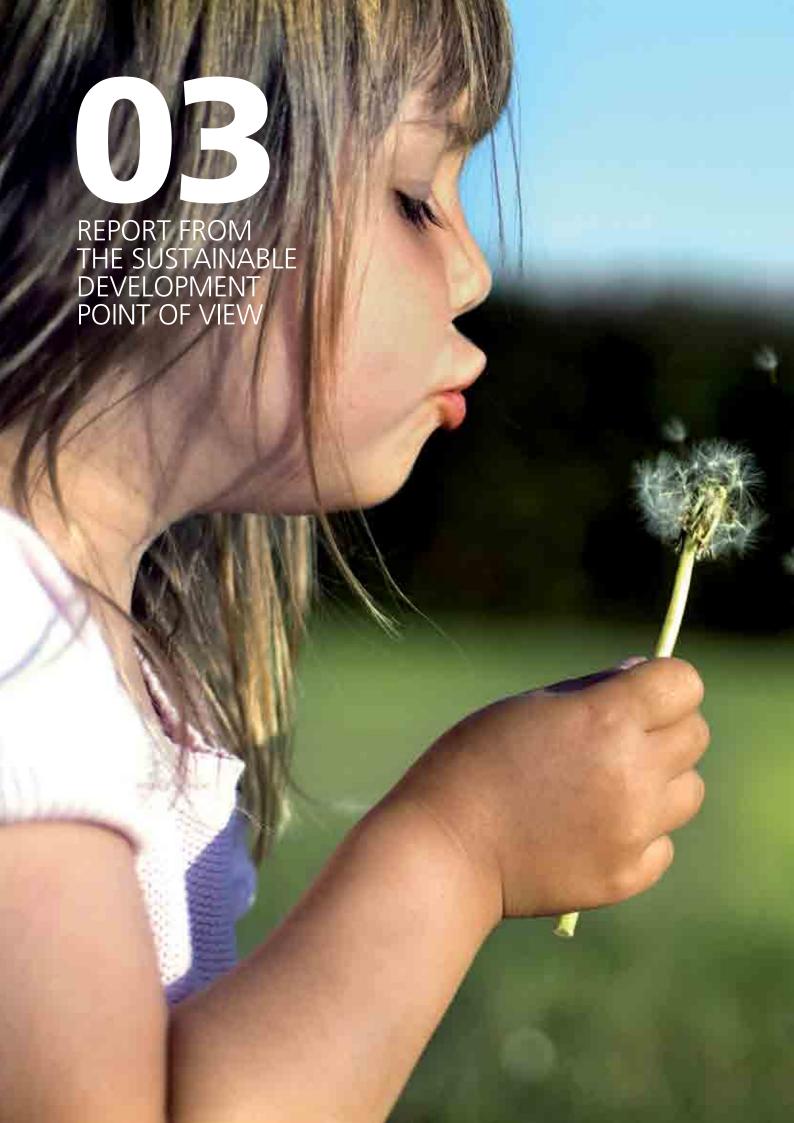
In March of 2012, STCP Serviços ceased its business activity, a contract with CARRISTUR having been signed for the provision of several services.













Sustainability has been a relevant matter for STCP over the years presented in its Annual Report and Accounts. This approach has significant advantages, by allowing that sustainability may be highlighted in the context of entrepreneurial activity reporting, which places particular emphasis on both social and environmental issues.

In September of 2010, STCP qualified as Full UITP Charter Signatory on Sustainable Development (UITP - *Union Internationale des Transports Publics*), a voluntary commitment to monitoring and reporting social, economic and environmental performance.

STCP has committed itself to implementing sustainable development principles within its business activities, and developing a policy focused on the best practices in the public transport sector, and regularly reporting on the implemented practices.

This engagement is referred in the Mission and Quality Policy, Environment, Safety and Health at Work (item 4.1).



3.1 INTEGRATED MANAGEMENT SYSTEM – QUALITY, ENVIRONMENT AND SECURITY AND HEALTH AT WORK

STCP has positioned itself as a socially responsible company, by following a disclosure policy on Quality and Corporate Social Responsilibity, in Economic, Social and Environmental aspects by continuously improving its own Sustainability and promoting sustainable choices in the area where it operates.

Under the circumstances, on 26 December of 2018 STCP became the first road passenger transport operator in Portugal to be simultaneously certified in the following areas:

NP EN ISO 9001:2008 - Quality

NP EN ISO 14001:2004 - Environment

OHSAS 18001:2007 / NP 4397:2008 – Security and Health at Work

All STCP's activities as well as premises and facilities are certified except the Tram Museum, these certifications having afforded the opportunity for the company to be integrated in the IQNet international Network (International Certification Network), and stand out from other transport operators.

In the course of 140 years of business activity, STCP has always been a pioneer public transport operator, continuing nowadays to respond efficiently to the challenges of promoting a safe and environmentally sustainable public passenger transport.

Quality Management System

The year of 2012 was a particular year of consolidation of the new map of the quality management processes implemented last year.

STCP certifications have been maintained by the certification entity, having carried out annual follow up audits.

Externally, STCP has contributed actively and permanently to the preparation of specification standards of public passenger transport with its participation in the Portuguese Technical Committee for Standardisation- CT 148 (Transport, Logistics and Services) which currently chairs.

Environmental Management System

Issues regarding Environmental Management are dealt with in point 3.4.

Security and Health at Work Management System

Issues relating to Security and Health at Work Management are dealt with in point 3.5.2

3.2 RESPONSIBILITY TOWARDS CUSTOMERS

STCP's responsibility towards customers is one of the main commitments of the Quality Policy, Environment and Security and Health at Work, which implies:

- · That STCP stands 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, safe, modern and eco-friendly.
- · STCP's attentive response to meet mobility impaired passengers' needs, through the provision of an adequate far-reaching public transport network, accessibility, timetables and products within the limits allowed by concessions and by rationalisation of human resources and materials.

Responsibility towards customers evaluated by the level of the service quality delivered implies the best adequacy of timetables and frequencies to meet customers' needs, improving compliance of the scheduled service, quality of information to the public, ensuring passengers' physical safety as well the investment in staff training.

In 2012, STCP provided a comprehensive transport network to the public made up of 73 lines of public service, 70 bus lines and 3 tram lines and delivered a daily 24 hour service operating 365 days a year.

STCP NETWORK



3.2.1 Social Service

In spite of in-house production rationalisation being one of the major company's matter of concern, STCP provides a most relevant social service by ensuring mobility to zones at times with no commercial interest.

3.2.2 Customer Satisfaction

Evaluation of Customer Satisfaction

In 2012 customer satisfaction survey was not carried out following STCP's supply restructuring programme.

Customers' Complaints

Last year 1.230 complaints were recorded (103 on average per month) 1,3% less than the previous year and this trend continues since 2009. Information disclosed to the public as well as stops and shelters are issues presenting a larger decline in terms of complaints. This fact resulted from STCP's efforts and major and permanent improvements.

Complaints made through helpline - STCP Blue Line, corresponded to 73%, 10% represented formal written complaints made in the Complaints Book and the remaining ones were made at the Sales Points or at the Post Office.

3.2.3 Communication and Information

Regular Contact with the Customer Call-Center

STCP Helpline – Blue Line goes on playing a key role in clarifying customers' questions and doubts, having answered in 2012 to approx. 50 thousand information requests (+ 40% compared to 2011) almost entirely by phone or e-mail.

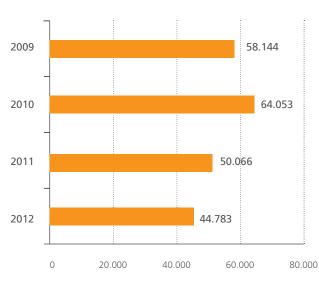
Lost and Found Property

In 2012, the number of lost and found items has substantially risen, i.e. 3.943 (+241% in comparison with 2011). Out of these items, only 1.249 (32%) contained some identification, 1.065 having been directly returned to customers. The remainder has been sent on to the Public Police Services.

SMSBUS

SMSBUS messages totaling 540 thousand recorded a reduction by 10%, towards 2011.

SMSBUS Requests – Monthly Average



Public Information Displays (PIP)

PIP project consists of installing equipment / screens located close to STCP bus stops providing real time live information on waiting times. In 2012, 3 more Information Displays were installed in Porto which were added to 17 already installed in this municipality.

At the end of the year 47 Information Displays were installed in six municipalities operated by STCP: 20 in Porto, 6 in Matosinhos, 6 in Maia, 2 in Gondomar, 2 in Valongo e 11 in Vila Nova de Gaia.

Dynamic Information on Screens – GOBUS

STCP keeps 7 screens in operation which are installed at the 4 main light rail stations: Campanhã, Trindade, S. Bento and Casa da Música. These screens display real time information regarding buses running in close proximity to each station. Information provided is the same as the one shown on Public Information Displays and on SMSBUS service, further showing locations for each stop and respective codes targeting a more detailed guidance.



Social Networks – Facebook

Facebook page is daily monitored and streamlined having become an important means of communication aiming at providing to customers direct and immediate response and clarification.

This social network along with the new website and screen displays on buses have been playing an important role with regard to communication with customers.

Publications on the spotlight

Date	Publications	Global Reach	Type of Publication
23-01-2012	How satisfied are you with the new STCP Facebook page?	1417	Question
17-02-2012	Ana (aged 5): Dino, the Autossaur	1074	Photo
19-03-2012	Service disruptions on 22 March	1391	Photo
03-04-2012	Announcement of Single Mode Fare Pricing discontinuation	1969	Photo
28-05-2012	Until 1 June tell us why your child likes to ride a bus! The first 20 fans doing so will be offered a STCP kit package! Your child should not exceed 12 years of age to be entitled to! After giving your answer send us an e-mail to @stcp.pt with child's name, age and address. Join us now!	2117	Photo
27-06-2012	STCP supports our football team for the football championship until the final game. Good luck!	3206	Photo
27-07-2012	You may have never though of our Tram Museum where you can celebrate your events. Isn't that a good idea?	2024	Photo
27-08-2012	Until wednesday 29, at 00h00 share your comments with us about this picture with a sentence including "STCP", "Nights" and "Ritual". The first 8 highest rated comments will entitle to a double invitation for the Ritual Nights festival, taking place at the Cristal Palace Gardens on 31 August and 1 September. Join us now! Pay attention: In order to participate you have to be a fan of STCP's web page, as well as you should "like" this publication. Only the votes of the fans of STCP's web page will be counted.	2984	Photo
12-09-2012	117 Years ago today	1838	Connection



New STCP websites

At the end of the year, STCP launched new brand websites stcp.pt and itinerarium.net with new features and a range of improvements to make it easier for people to navigate our transport network and also to search features available. The new STCP website affords easy access to personalised information query, bus stop schedule download and several maps, sharing on social networks, comments on news, SMSBUS widget, STCP Newsletter Itinerarium download, online suggestions/complaints, among others. The new intermodal and urban mobility-oriented website itinerarium.net, now more effectively integrated into STCP website, provides suggestions on routes including journey fares and services relating to STCP Andante fare pricing as well as regarding Metro do Porto and CP Porto.

Comments from customers:

1. Carlos Ferreira (on Facebook)

Congratulations STCP for your brand new website. At last, a worthy website corresponding to a leading and historical company. A beautiful and good looking design. The historical overview has to be highlighted, from its predecessor historical company CCFP, to its current name STCP, S.A coupled with transport evolution, since the american car up to its present bus fleet with attention being drawn to the photos of STCP's fleet, the itinerarium magazine download and also the redesigned news section, among other so well designed sections and many other innovations presented on this excellent website which is now more functional, attractive and providing a wider coverage. It was well worth the wait. Once again, my compliments to STCP:

2. Mário Almeida (on Facebook)

Good afternoon, you have made a far greater improvement on this website compared to the previous one. If something is not yet right, it will surely improve with positive feedback, as we are talking about a public service. Thank you so much.

3. Great!! (on website)

Congratulations STCP for your new better designed website, far more functional with more sections. Long wait but was well worth it. It is a valuable asset to all of us who are users and also to STCP itself, delivering greater value to its image. So, my compliments!



Variety of New Communication Methods Infoboard

It is a real time intermodal traffic information jointly provided by STCP and Metro do Porto, the remaining operators giving accurate schedules available and displayed on screens installed at S. João Hospital waiting rooms and Francisco Sá Carneiro Airport, and also showing a schematic representation of operators' services.

Communication at the Airport

STCP maintains its leading position and trusted and well-known brand name at the luggage collection area of Francisco Sá Carneiro Airport, by placing *standups* in the middle of the escalators so that overseas visitors may become acquainted with the trademark and services available, after arrival. In 2012 a *spider map* was introduced and designed to fit in poster slots at the STCP bus shelter next to the arrival area, (this *spider map* being a schematic map of lines running at a certain point/zone) centred on Francisco Sá Carneiro Airport.

STCP cooperated in the development of an innovative application MOVE-ME.mobi

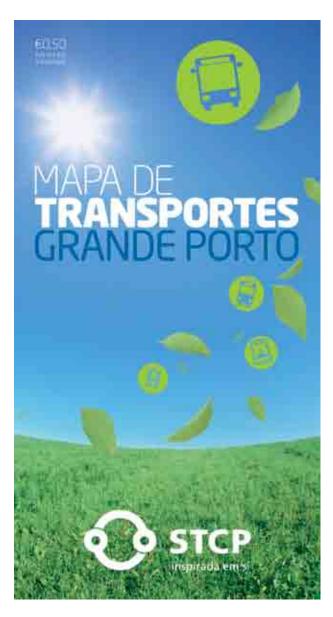
MOVE-ME is a prototype of a mobile application affording access to a wide range of public service information about public transports available in the city of Porto.

This application contains real time intermodal traffic information on public transport providers in the city of Porto, STCP, Metro do Porto and CP Porto and also accurate data about the planned supply of 13 private operators associate members of ANTROP. With this application, users benefit from updated details on next departures from the place inserted, waiting times, location of bus stops and places of interest and are given global reach through their fingertips.

This application, resulting from a project developed by OPT, Optimização e Planeamento de Transportes, S.A. having been awarded the prize for CIVITAS Forum Technological Innovation, allows to build routes and plan journeys from description of crossing points defined by the user.

Transport Network Maps

As from August, the "new Map of Transports of Greater Porto" has been available for 50 cents at STCP sales points including STCP, Metro do Porto and CP Porto operating lines.







3.2.4 New Projects

Special Services under CIVITAS Project Bus FEUPBUS started running in Asprela Zone

From February until May, FEUPBUS low energy consumption bus service was launched having started running in Asprela Zone, thus, representing a further measure taken under CIVITAS project. This bus operated by STCP, was designed by the Faculty of Engineering of Porto (FEUP) covered by a partnership between FEUP, Porto City Hall and STCP, built in Portugal whose environmental monitoring was ensured by FEUP students of Mechanical Engineering Course.

DRT Service – Demand Responsive Transport

Under the CIVITAS project a DRT innovative "on demand" public transport service was launched until the end of April. It is mostly a student oriented transport service running between S. João Hospital, Asprela and Porto Downtown, on Thursday, Friday and Saturday nights between 00h30 and 5h30. A major characteristic of this service is the need of booking in advance either by internet or phone coupled with an appropriate decorative bus design.

Internet Project and Digital TV free on board line 207

A trial service of wireless internet and digital TV was launched on board buses operating on line 207 until September, known as SITme involving the Consortium between Xarevision, INESC Tecnologia and Ciência together with Universidade do Porto, cofinanced by QREN covered by the programme - Programa Operacional Regional do Norte through Fundo Europeu de Desenvolvimento Regional (FEDER). This service was well appreciated by 89,4% of STCP customers, notably live news on board.



3.3 RESPONSIBILITY TOWARDS COMMUNITY

One of the commitments of the Quality, Environment and Security and Health at Work Policies, states:

- · Promote ongoing communication and cooperation with external entities notably, central and local institutions, trade associations, local governance authorities and the general public.
- · 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, safe, modern and eco-friendly.

Thus,

3.3.1 Fleet

Fleet Characteristics

At the end of 2012, STCP's fleet comprised 481 vehicles – 475 buses with an average life cycle of 10 years and 6 historic trams with an average life cycle of 75 years, whose evolution runs as follows:



Bus Fleet Composition	2009	2010	2011	2012	Weight 2012
Diesel vehicles	217	234	213	221	47%
Standard	212	209	173	173	36%
Articulated	0	20	20	20	4%
Mini-buses	5	5	5	13	3%
Double-deckers	0	0	15	15	3%
Vehicles running on natural gas	255	255	255	254	53%
Standard	225	225	225	225	47%
Articulated	30	30	30	29	6%
Bus Fleet	472	489	468	475	100%
Tram Fleet	8	5	5	6	
Total Fleet	480	494	473	481	

Bus fleet has grown by a further eight Mini-buses Volkswagen Crafter.

Tram n° 220, which is a prized iconic landmark of the city of Porto, has been fully restored to its original condition now offering more comfort.

Attention should be drawn to the fact that 24% of the fleet whose features are listed below, is integrated in EURO V and EEV standards, the most demanding ones from the environmental point of view, in force in the European Union.

Bus Fleet Features



Immobilisation rate of the bus fleet was 8,9%, +1,5 p.p. towards 2011, 11,3 breakdowns per 10.000 km travelled, having been recorded 2% less compared to the previous year.



3.3.2 Participation in the Community's Life

Children's Day celebrated on Facebook

On 1 June "Children's Day", STCP launched on its facebook a popular pastime "Why does your child like to ride the bus?" intended for parents of children aged to 12, a large number of people having joined this pastime. Winners have been offered STCP Kit packages.



STCP supports Portuguese Football Team

In the afternoon of 27 June when the European Football Championship semi-final was played between Portugal and Spain, electronic messages of encouragement and support were displayed on bus destination signs.

Despite the "journey" of the Portuguese Team having been interrupted at the end of the game, STCP was keen to share the feeling of a very strong sense of national pride with customers and the overall population of the area where it operates.



Effective partnerships set up in 2012

Vodafone Mexefest Festival

Under Vodafone Mexefest Festival, a partnership between STCP and Vodafone was set up for the use of buses and STCP webpage on Facebook with the purpose of disclosing the event. Besides this partnership, a Tram was delivered on hire basis serving as a cultural venue for street animation and performances on 3 and 4 March.



Queima das Fitas Festivities

Once again the agreement between STCP and Federação Académica do Porto (FAP), was renewed, a high level of cooperation having been afforded by Police Services - Polícia de Segurança Pública, so that students could travel for free on transport services during Queima das Fitas Festivities. Nearly 100.000 students were safely carried on further accessible links provided between Trindade / Queimódromo and S. João Hospital / Queimódromo.

Serralves Celebrations

During the weekend when Serralves Celebrations were held, STCP ran a free shuttle service between Casa da Música and Serralves Museum as well as Porto Downtown, the latter having been required by Serralves Museum to be delivered on Sunday between late evening and early morning. STCP played a central part in making this service a success, around 2.000 passengers having been carried. Running lines serving Serralves area recorded a very significant growing demand.



Optimus Primavera Sound Festival

STCP enhanced timetables to meet demand in association with Optimus Primavera Sound Festival organisation during the Festival in the afternoon and provided a special late night service.

STCP offered on-site sales point installation and support services and more than 12.000 passengers were carried over a three-day Festival period.



European Mobility Week

STCP took part in the European Mobility Week, held from 16 to 22 September, by offering a presentation to pupils from EB1 Bom Sucesso (Porto) and EB1 Godinho (Matosinhos) Schools, and delivered a session on topics relating how to ride a bus.

The initiative "Learn how to travel by... bus, train and metro" was set in place this year for the first time targeted at pupils attending the 4th form of Primary Schools having been given a major boost by AdEPorto - Agência de Energia do Porto and Municipalities as well as their Associated Members, along with CP Porto, Metro do Porto and STCP.

Junior University

With reference to transport management for Junior University project representing the largest national programme for young pupils attending primary and secondary schools, whose main purpose is to encourage the taste for knowledge in areas as diverse as Science, Engineering, Arts, Fine-Arts and Sport, attention is drawn to intermodal mobility which has been given a boost following an active cooperation with STCP, Metro do Porto and TIP – Transportes Intermodais do Porto, A.C.E..

Schools Project

STCP continued to support educational school trips and visits which are held within the city of Porto, on regular journeys.

Fresher's Pack

STCP and Metro do Porto redesigned in 2012 the Fresher's Kit containing leaflets and overall information on public transport to freshers attending Porto University, Instituto Politécnico do Porto and several private universities. STCP's late night map was also included and was sponsored by Super Bock.





Passenger Transport at Port of Leixões

APDL has recognised high quality of transport service delivered by STCP thus, having renewed in 2012 cruise passenger transport contract from pier up to the exit gate of the Port of Leixões.

Alternative Services to Light Rail/Metro

STCP went on ensuring the management of alternative services of Metro do Porto according to the agreement made with this operator.

Partnership set up with Antena 1

Partnership with Radio Station Antena 1 remained effective for disclosure purposes regarding bus route alterations during early morning broadcast, from monday to friday between 5h and 7h, targeting special audiences in the overnight and early morning hours.

Tram journeys – on board performance of poetry – Bairro dos Livros Event

On 10 November tram n° 191, belonging to Tram Museum's collection served as cultural venue for Bairro dos Livros project, jointly developed by Associação Cultural Culterprint with bookshops and bookstores selling used books, of the city of Porto targeted at encouraging the taste for reading.

On tram journey with on board performance of poetry, between Praça dos Leões and Batalha, the theatre group from High School of Language and Literature delivered a poetry session under the theme "Reading is a shutlle".







3.3.3 Promoting safety on transport

Partnerships set up with Police Services - PSP

STCP carried out several inspections on board buses aiming at fighting fare evasion thus, enhancing customers' safety.

This kind of operations highlights Police Services commitment to focusing on priority crime prevention and disorder on public transport providing expert advice and support in order to improve rider safety.

Under this partnership STCP assigned temporarily to Police Services a bus that had been written-off targeting rescue staff training and knowledge of rescue operations.

During Christmas STCP launched a new campaign warning riders of potential pickpocket activity on crowded buses, by distributing leaflets and providing advice, thus, encouraging potential targets to check wallets and valuables.

STCP joined the Society for Road Accident and Injury Prevention

STCP joined the Society for Road Accident and Injury Prevention which is run under the high patronage of the President of the Republic and is jointly chaired by Galp Energia, Fundação Galp Energia, Autoridade Nacional da Segurança Rodoviária, Direcção-Geral de Saúde and the consultants Sair da Casca.

The Society aims to mobilise society towards Road Accident and Injury Prevention, by raising awareness about changing behaviour and attitudes regarding effective and substantial accident rate reduction in Portugal.

STCP is a benchmark company in the road passenger public transport sector, the objectives of this Society being in accordance with STCP's concerning safety and social responsibility which justified the company's participation in this working group.

3.3.4 Tram Museum

In 2012 Tram Museum (MCE) celebrated its 20 year anniversary. It was established in 1992 with the objective of preserving and boosting a wide collection of historic trams and other artifacts characterising the history and memories of public transport in the city of Porto. The Tram Museum represented ever since a museological project with unique and differentiated characteristics, attracting a large number of visitors a year.

Over 20 years of activity, the Tram Museum gave a major boost to its collections as well as to the building where it is located – the former Massarelos Thermoelectric Central Plant – aiming at attracting new visitors and develop new business areas that may enable the project sustainability and its increasing complementary role with the historic tram network representing a most iconic landmark in the city of Porto in recent years.





During the year of 2012 the Tram Museum was visited by nearly 36 thousand visitors, corresponding to a 1% rise towards 2011 and 7% compared to 2010. Students on school visits continued to be the most representative public of the Museum. In 2012, the number of students on school visits totaled 14.500, thus, representing a 12% decline in relation to the total number of students on school visits hosted in 2011.

On the other hand, however, the number of individual visitors has risen by 12% in comparison with 2011 as a result from the continued tourism growth in the city. Excluding public from schools, 55% of the total number of people visiting the Tram Museum is composed of foreigners arriving from Spain, France and United Kingdom

The most relevant tourist aspect of the Museum's activity – the provision of historic trams on rental basis

for sightseeing purposes, recorded a significant rise in demand by making 292 rental contracts, corresponding to an increase of 26% compared to 2011. Out of the total number of rental contracts, 35% referred to agreements reached with tourist operators, thus, representing a 132% rise towards the previous year.

Under the project to adapt the engine room of the former Massarelos Thermoelectric Central Plant and converting it into a museum, - a co-financed project covered by QREN/ ON2 – O Novo Norte, extensive preservation and restoration works on the central electric panel of the former "engine room" of Massarelos Thermoelectric Central Plant, have been completed in 2012, as well as the works to remove hazardous materials from equipment and machinery to be preserved, have also been concluded under the same project.









EVENTS IN THE SPOTLIGHT

Annual Parade of Historic Trams marked the 140 year anniversary since the first american railroad line opened and started operating

On 15 May 1872 the first urban public transport line opened for public service and started operating in the city of Porto. On 5 May 2012, in order to celebrate the 140th anniversary, the inaugural journey of the first line of american cars was partially recreated. This historical recreation event began in Rua Nova da Alfândega with

the departure of American car n° 8 heading to Massarelos having joined the parade of historic trams. Nearly 250 passengers travelled on board the trams and could enjoy a unique 2 hour tram tour along the riverside.











International Museum's Day and Night

Tram Museum opened its doors to the public for free, on 18 May 2012, as part of the International Museum's Day and Night celebrations and its 20th anniversary since it first opened to the public having received the visit of around 500 people. On the night of 19 May 2012 it also opened to the public to celebrate Museum's night.





Research project "Museums of the city of Porto – Challenges for the construction of territorial boundaries"

Over the year of 2012, Tram Museum has actively participated in the research project "Museums of the city of Porto – Challenges for the construction of territorial boundaries". It is a project developed by the Faculty of Arts of the University of Porto in association with Porto City Hall aiming at discussing transdisciplinary issues which may look into mediation work with the public.

Photography and Documentary Film

Following a photography and documentary series "Imagens do Real Imaginado", programmed by High School of Music and Performing Arts of Polytechnic Institute of Porto (ESMAE/IPP) at Almeida Garrett Library, the premiere of the Film "Intervenções na Memória – A Central de Massarelos", took place and was held by Nuno Tudela, covered by the project "Musealização da antiga Central Termoelétrica de Massarelos" cofinanced by QREN/ON2.

Between 2010 and 2012 a team from the Arts of Image Department of (DAI) ESMAE/IPP High School, has monitored the restoration and preservation works on the former "Engine Room" of Massarelos Thermoelectric Central Plant, under the coordination of Prof. Dr. Olívia da Silva. This documentary film points out the unique characteristics of the former Massarelos Thermoelectric Central Plant building, by revealing it as a whole, live and still productive despite its history and memories spanning more than 100 years on a journey made into the past and also through the present time, considering the multiple telling narratives provided and stories told therein.



STCP has reaffirmed its major commitment supported through best practice Polices for Quality, Environment and Security and Health at Work to "reducing environmental impact arising from transport operations, by providing facilities and equipment with effective solutions and technological developments, encouraging a progressive reduction of pollution levels and the consumption of natural and energy resources".

As a road public transport operator, STCP plays a vital role in the urban environmental quality of the area where it operates. The commitment of making an outstanding contribution to provide a better quality of life, leads the company to ensure a 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 2012 STCP Environmental Certification was renewed by APCER.

Some Indicators – evolution 2011–2012:

Fleet running on natural gas	• 2012 53,5% • 2011 54,5%
Water supply from public network	• 2012 -36% • 2011 -7%
Produced solid wastes	• 2012 -15% • 2011 -27%
Energy consumption premises	• 2012 -5,5% • 2011 -4,4%

Training and Awareness Raising

In 2012 two training courses were provided on Defensive and Economic Driving, 20 bus drivers having participated. During the accident simulacrum with waste leakage at Via Norte Bus Depot, training has been delivered to all employees of the cleaning services about clear procedures that should be undertaken to handle with wastes generated from the moment a fire breaks out, preventive precautions in dealing with firefighting as well as necessary steps for the treatment, storage and disposal of wastes.

On 22 April, the Earth Day was celebrated aiming at creating awareness and making people aware of problems resulting from high pollution levels, the importance of maintaining the biodiversity and the absolute need for environmental protection of our planet. We took the opportunity to launch an awareness raising campaign in the company targeted mainly at improving the rational and sustainable use of natural resources in the context of "day to day procedures such as keeping the lights on when it is strictly necessary and not wasting water".

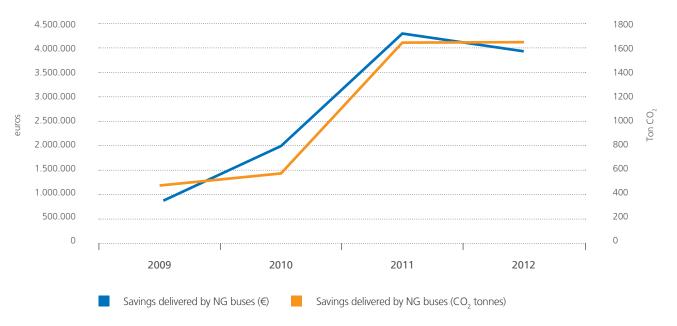
The Fleet

Since 2001, the year when buses running on natural gas came into operation, savings due to energy diversification – gas consumption instead of diesel – were nearly 21,9 million euros, of which about 4 million euros represented a reduction of 1.619 tonnes of CO₂ emissions in 2012.









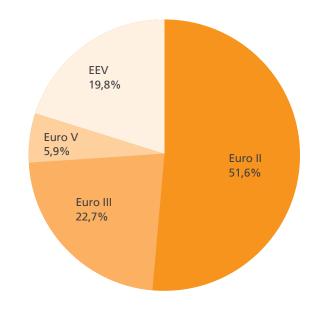
Pollutant Atmospheric Emissions

The total number of $\rm CO_2$ emissions from transport has been reduced owing to a 7% decrease in Kilometres operated in comparison with 2011, however, the number of $\rm CO_2$ emissions per Kilometre travelled having been maintained and being similar to the one of 2011, which stands at 1,38 Kg.

CO ₂ Emissions	2009	2010	2011	2012
Diesel consumption (litres)	5.793.505	6.154.613	5.838.263	5.357.625
Natural gas consumption (m³)	9.875.031	10.184.235	9.844.229	9.183.946
CO ₂ Emissions (t) - diesel	15.225	16.174	15.343	14.080
CO ₂ Emissions (t) - natural gas	19.424	20.032	19.364	18.065
Total number of CO ₂ emissions	34.650	36.207	34.707	32.145
CO ₂ emissions/Km operated (Kg)	1,36	1,37	1,38	1,38

STCP Fleet comprises vehicles complying with EURO II (51,6%), EURO III (22,7%), EURO V (5,9%) and EEV (19,8%) standards. That is to say, around 25% of the fleet is in compliance with the most demanding standards from the environmental point of view on enforcement in the Europen Union. These standards impose limits to nitrous oxide emissions (NOx), unburned hydrocarbons (HC) and fine particles (PT), which are inherent emissions to engine technology. These emissions are measured in g/kWh, thus, being directly linked with engine work and efficient internal combustion.

Distribution of STCP Fleet per EURO standards



Energy

A Rationalisation Plan was approved for STCP Fleet Energy over the triennium 2010/2013 by the Directorate-General for Energy and Geology which has been developed waiting for approval from this entity.

In the last years energy consumption has had the following evolution:

Energy consumption	2009	2010	2011	2012	12/11
Tram electricity					
(kwh)	286.732	297.652	323.693	369.670	14%
Kwh/100km	297	271	288	310	8%
Тео	83	86	94	107	149
Fixed installed electricity					
(kwh)	4.800.421	4.940.201	4.724.391	4.465.817	-5%
Гео	1,392	1.433	1.370	1.295	-59
Diesel					
Litres	5.793.505	6.154.613	5.838.263	5.357.625	-8%
Litres/100km	52,27	52,78	54,90	55,02	0%
Гео	5.055	5.370	5.094	4.675	-89
Natural Gas					
Cubic metres	9.875.031	10.184.235	9.844.229	9.183.946	-79
m³/100km	68,35	68,61	67,66	67,47	0%
Гео	8.098	8.351	8.072	7.531	-79
Total Teo	14.628	15.240	14.631	13.608	-79



In 2012 a drop by 5,47% (-258.574 KW) was recorded in energy consumption at STCP premises compared to 2011, resulting in a more effective energy consumption.

Decrease in oil and natural gas consumption resulted from production decline on one hand (smaller number of kilometres operated) and on the other hand, from awareness raising campaigns among vehicle crew towards achieving the best defensive driving practices.

Energy consumption has recorded a decline with the exception of tram energy consumption having risen nearly 14% resulting from the increasing number of kilometres travelled.

Broadly speaking, a 7% decrease in tonnes equivalent to oil (TEO) was recorded in comparison with 2011.

Water

Overall water consumption has also recorded a 18% decline (-7.057 m³). Water consumption from public network has dropped by 36% (-4.414 m³) corresponding to a significant improvement in terms of good practices that should be pointed out. As to water from underground catchments, respective consumption has been reduced by 9% (-2.643 m³), some water distribution system leaks having been detected and repaired.

Evolution of water consumption in the past few years:

Water	2009	2010	2011	2012	12/11
Water consumption from public network (m³)	9.454	13.042	12.136	7.722	-36%
Water consumption from underground catchments (m³)	29.814	26.532	27.958	25.315	-9%
Total water consumption (m³)	39.268	39.574	40.094	33.037	-18%

Waste Management

One of STCP's major priorities goes to selective waste collection. STCP carries out waste collection and is committed to ensuring an adequate treatment and disposal focusing on waste valorisation, whenever possible.

In 2012, STCP has achieved improvements in waste separation good practices by distributing two new ecopoints at Francos Bus Depot aiming at storing clean plastic used mainly in packaging, towards its valorisation.

At Via Norte parking facilities, cardboard and brake pads are also valorised, thus, representing a positive step forward in terms of good practices of waste separation and respective valorisation.



Most significant wastes (evolution 2009-2012)

Hazardous industrial wastes	2009	2010	2011	2012	12/11
Used oils (litres)	14.500	18.200	17.400	11.837	-32%
Used batteries (un)	238	185	209	160	-23%
Fluorescent lamps (Kg)	287	253	293	251	-14%
Non-hazardous industrial wastes	2009	2010	2011	2012	12/11
Wood (kg)	19.940	9.960	6.360	4.760	-25%
Miscellaneous wastes (kg)	10.520	14.160	13.020	24.060	85%
Metallic wastes (kg)	103.920	202.740	58.780	68.261	16%
Other wastes	2009	2010	2011	2012	12/11
Paper and cardboard (kg)	16.046	12.600	12.105	14.490	20%
Demolition and construction wastes (kg)	77.024	67.580	55.300	1.280	-98%
Hospital wastes Gr. III e IV	72,3	71,8	64,9	61,8	-5%

Particularly noteworthy is the overall reduction in hazardous industrial wastes owing to waste separation good practices, miscellaneous industrial wastes having increased as a result, whose burial in landfills and treatment represent less cost.

Increase in metallic wastes resulted from scrapped equipment, located at STCP Massarelos premises.

Particular procedures followed towards specific wastes

After analysis having been conducted to PCB's collected samples (Polychlorinated Biphenyls) along with mercury from old equipments, oils from equipments belonging to the former Massarelos Thermoelectric Central Plant were duly sent to authorised facility for handling in order to undergoe suitable treatment process.



3.5 SOCIAL RESPONSIBILITY TOWARDS STAFF

The Company is committed to ensuring "healthy staff professional growth and development, namely by promoting the necessary and suitable working conditions and practices targeted at preventing injuries, wounds and potential damage to the health and well-being", in compliance with Quality, Environment and Security and Health at Work policies and procedures.

The Staff (without considering the Board of Directors)

With an average number of employees hitting 1.287, STCP guaranteed in December 31, 1.262 direct jobs, thus, recording a net decrease of 93 workers, towards 1.318 in December 31 of 2011.

During the year of 2012, 93 workers left the company, 36 for retirement reasons, 28 due to employment contract terminations and 14 owing to job extinction. The company hired 26 new employees and 11 returned to service.

					2012/	2011
Permanent Staff as at 31 December	2009	2010	2011	2012	var. abs.	var. %
Total without the Board of Directors [1]	1.490	1.496	1.318	1.262	-56	-4%
Vehicle Crew [2]	984	988	891	886	-5	-2%
% Vehicle Crew [2]/[1]	66%	66%	68%	70%	2,6 pp	3,9%

^[2] bus drivers + tram drivers

Absenteeism Rate					2012/	2011	
Absenteeism Rate	2009	2010	2011	2012	var. abs.	var. %	
Total	8,3%	7,2%	6,8%	7,0%	0,2 pp	2,6%	
Vehicle Crew	9,1%	7,5%	6,9%	7,8%	0,9 pp	13,5%	

Overall absenteeism rate notably regarding the vehicle crew, recorded an increase of 0,2 p.p. and 0,9 p.p. respectively.

In 2012, 34 strike actions occurred of which three, were due to plenary meetings that have taken place.

Supplementary Work

20	1 2	20	111
20	IZI	ZU	

Supplementary Work	2009	2010	2011	2012	var. abs.	var. %
Total (hours)	79.988	79.188	81.189	99.594	18.405	22,7%
Vehicle Crew (hours)	77.542	77.642	80.700	98.109	17.409	21,6%
Total (cost €)	620.217	596.714	583.490	589.436	5.946	1,0%
Vehicle Crew (cost €)	591.559	579.386	579.370	578.971	-399	-0,1%

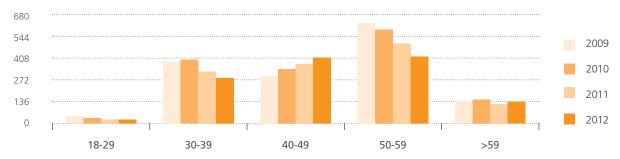
From a payment perspective: work paid over the year

The amount of actual hours worked in excess has risen 23% (+18,4 thousand hours) the overtime having been mainly almost entirely worked by the vehicle crew.

The average seniority of STCP's employees stands at 21,2 years, the average age is 47,5 years, 23,4% corresponding to a group of workers aged under 40.

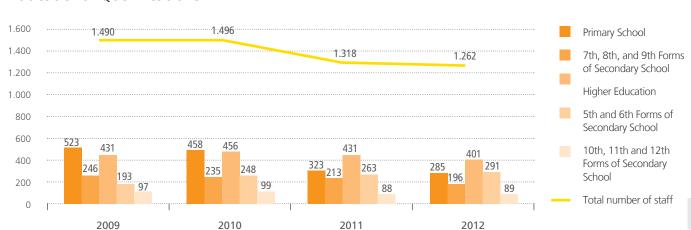
About 89% of the personnel is bound to the company through open-ended contracts.

Age Structure of Staff



Qualification level increased in the past few years. 23% of employees obtained secondary school level qualifications while four years ago, they represented 13%. The number of employees possessing the lowest level of education (the first Forms of Primary School) has fallen thus, representing in 2012, 23% of the total number of workers while four years ago, they corresponded to 35%.

Educational Qualifications



Women represent about 7% of the workforce of which nearly 43% corresponds to vehicle crew. The remaining, hold positions in technical and administrative areas. Noteworthy is the fact that 46% of management positions are held by women.

Distribution of Staff by male and female gender on 31 December of 2012:

	Staff	Men	Women
Board of Directors	4	100%	0%
Senior management positions	13	54%	46%
Technical staff	55	53%	47%
Administrative staff	85	65%	35%
Vehicle crew	886	97%	3%
Other	223	99%	1%
Total	1.266		

Other (include personnel from maintenance and supporting operations centre)

Concerning the Principle of Gender Equality and as set out in paragraph 1 of the Resolution of the Council of Ministers (RCM) N° 19/2012 of 23 February, the company issued a diagnostic report in May of 2012 of the situation of men and women based on Indicators for Equality.

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 its empoyees' well-being.

Regarding male and female employees' pay, respective ratio equals 1 in STCP once, there is no gap by gender under each professional category.

Freedom of association of workers is guaranteed and nearly 82% of the employees have joined trade unions.

Principles and rules of good practices of interpersonal relationship 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 *intranet* to all staff consultation.

Evolution of Productivity Indicators

Productivity	2009	2010	2011	2012
Vehicle.km (10³) / Average Permanent Staff	19,23	19,74	19,93	19,99
Place.km (10 ⁶)/Average Permanent Staff	1,68	1,72	1,77	1,79
Passenger (10³) / Average Permanent Staff	72,07	72,24	75,37	72,85
Passenger.km (10 ⁶)/Average Permanent Staff	0,27	0,26	0,27	0,27

3.5.1 Professional Development

Training

In 2012 a total number of 16.743 hours of training were provided involving 462 employees. Hours of training delivered to vehicle crew corresponded to 86% of the total hours of training thus, representing 14.368 hours (4.228h of initial training and 10.140h of continuous training).

The company went on supporting its staff, by giving conditions for their attendance at the "Novas Oportunidades" Programme. In 2012, 15 employees benefited from these conditions.

Awards

In the year of 2012 no awards were given, following the Law of the State Budget imposing austery measures.

Employee Performance Evaluation

Following the Law of the State Budget imposing austerity measures, no progress was achieved in 2012 based on Performance Evaluation, despite Performance Evaluation has been carried out as stipulated in the company.

Celebration of 25 Years of Seniority in recognition of staff service and engagement to STCP

Every year, 25 years of seniority are celebrated as a result of staff length of service in the company. Employees are honored with a ceremony giving awards as a recognition of their service and engagement to STCP. In 2012, 52 employees were distinguished in a ceremony held on 14 December at the Tram Museum. After this event, Christmas Festivities were jointly celebrated for the first time, by STCP staff and the staff of the company Metro do Porto.

Promotion of Insternships

In 2012, 37 students were taken in, 7 of which under the Professional Insternship Programme, supported by Instituto do Emprego e Formação Profissional - IEFP and 30 curricular internships, regarding several Education levels (secondary, professional and higher education). Noteworthy, is a particular internship resulting from a Protocol agreed with FEUP Social, following the interchange with higher education establishments.

3.5.2 Social Benefits and Employees' Health and Security

Promotion of conciliation between professional and private life

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

STCP ensures medical financial assistance to the staff, corresponding to the amount non-subsidised by Social Security, as well as medical care through the access to STCP's own health care facilities.

The company also offers a canteen service at Francos premises providing meals for the staff at production cost, food and beverage vending machines having been installed across all premises.

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

Pension Fund

Since 1 May of 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 the Social Security plus this supplement does not exceed 650 euros (amount established since 2007).

Costs incurred with pension supplement are covered by a Pensions Fund which has been designed in 1998. This is an unique situation occurring among transport operators of the public sector.

According to the BPI Pension Actuarial Report, fund value estimate on 31 December of 2012 was €2.002.655,00, this value including a rib of €238.288,00 made during the year.



3.5.3 Employee Engagement and Satisfaction Survey

Employee engagement and satisfaction survey held in 2012, with 252 valid answers (19,6%), showed overall satisfaction index of 59.3%.

Workers Health and Security

In November follow-up audits were undertaken by APCER to the management system Certification to evaluate continuing compliance with requirements for health and security at work according to standards NP 4397:2008 / OHSAS 18001:2007, whose objectives were:

- · Assessment of adequacy under the scope of certification
- · Evaluate management system performance as well as if it ensures continuous improvement and compliance with requirements or criteria that the concerned standard impose, including the internal audit planning and execution and also management review, considering the policy and objectives of the company.
- · Assess the effectiveness of the proposed corrective actions to be taken when instances of non-compliance and/or complaints were identified at the time when previous audit work was conducted, having come to the conclusion that the management system for security and health at work shows adequate performance.

Workers Health

STCP's health care facilities located at Francos Bus Depot, maintained a high level of health care services offering 2.746 medical appointments of general practice medicine and 1.558 specialty appointments, besides skilled nursing care also provided at Via Norte nursing unit.

Occupational Medicine provided 2.149 medical appointments. Sensory testing amounting to 2.094 including visual and auditory tests were performed and extended to all staff, having been included in the protocol of periodic follow-up testing as well as for personnel recruitment purposes.



Workers Security

Alcoholic beverage control, as part of Occupational Medicine conducted 5.375 tests, no positive results having been shown in relation to the vehicle crew.

On 11 July a further simulation plan was carried out at Via Norte Bus Depot in order to test STCP's ability to respond in some cases of emergency aimed at improving attitudes and an orderly behaviour of individuals towards evacuation procedures from the building involving rescue training and assistance provided by rescuers. Thus, staff training was delivered and regular testing was made targeting enhancement of measures and procedures in force.





A fire simulation has taken place at Torre das Antas where STCP's head office resides thus, ensuring that testing is carried out in relation to self protection measures previously submitted for approval to National Authority for Self.Protection - Autoridade Nacional de Proteção Civil (ANPC). In spite of some embarassments having occurred, assessment made to testing performance by members of the condominium property management, safety technicians who delivered this project and Fire Crew Members, revealed to be positive.

Work Accident Indicators

With reference to Work Accident Indicators, an improvement was recorded towards the previous year, as listed below:

				2009	2010	2011	2012
Frequency Rate (FR)	=	(N° of work accidents with sick leave / Nr. of actual hours worked) x 1.000.0000	=	52,1	49,8	39,9	34,7
cramy nate (cry		(N° of days lost / Nr. of actual hours worked) x 1.000.000					
		(Total N° of Accidents / Total N° of workers) x 1.000			100,5		

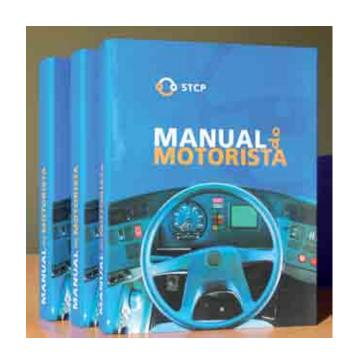
3.5.4 Internal Communication and Relationship with Stakeholders

Intranet is the main tool of STCP's internal communication widely accessible to all staff, providing regular daily news as well as databases query, relevant manuals and features such as holiday planning and payslip view.

In addition, STCP publishes a monthly fact sheet providing a summary of the main events and relevant statistics on the company's activity in the respective month.

Bus Driver Manual

STCP has issued newly updated guidance to bus drivers to help improve journeys. It was distributed in 2012 and made available on the company's portal. Its is a practical guide containing essential guidelines to every facet of being a bus driver.









This chapter contains all relevant information on STCP's Corporate Governance regarding the previous financial year of 2012, compliant with Resolution of the Council of Ministers n° 49/2007, of 28 March, which outlines the Principles of Good Governance (PGG) of the companies of the State Corporate Sector, pursuant to provisions laid down by article 13-A of the Decree-Law n° 300/2007, of 23 August.

In compliance with article 13-B of the same Decree-Law STCP published through Notice no 7443/2012, in Diário da República 2nd series of 29 May 2012, the details contained in subparagraphs a) to h) of no 1, of the above article, concerning the membership of the Board, their Curriculum Vitae including qualifications as well as positions held previously in other companies, total remuneration earned by the Board members in each year with fixed and variable components and also remuneration earned by the remaining governing bodies.

This information which is updated from time to time, was made available on Internet www.stcp.pt and on site www. dgtf.pt – State Corporate Sector.

4.1 CORPORATE MISSION, OVERVIEW AND POLICY

STCP, S.A. - Sociedade de Transportes Colectivos do Porto is a State-owned public limited company, pursuant to Decree-Law n° 202/94, of 23 July, whose main goal is the delivery of urban public passenger transport within the Porto Metropolitan Area and other complementary or subsidiary activities.

STCP, as the leading public transport operator within the Porto Metropolitan Area makes an outstanding contribution to the sustainable development of the area where it operates.

Corporate Mission

STCP's corporate Mission is the "Delivery of safe, reliable urban public passenger transport within the Porto Metropolitan Area" (AMP), keeping the city of Porto moving and making transport accessible for all, in close cooperation with the remaining road, rail and light railway operators thus, representing a major contribution to improving people's mobility. STCP ensures a real alternative to private car use, being committed to delivering social and environmental tangible benefits towards the provision of a range of continuous performance improvements.

Overview

An overview of the company's business demonstrates that STCP is keen to be recognised as a benchmark company among those adopting the best practices in the public passenger transport, at both national and European level.

Policy

Under the scope of the Quality, Environment and Security 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 high quality urban public passenger transport service, as well as safe, modern and eco-friendly.
- · Meet disabled customers' needs by providing a wide access to 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.

- · Encourage ongoing communication and cooperation with external entities namely central and local governance institutions, corporate associations 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 injuries, wounds and potential damage to the health.
- · 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.
- \cdot 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 envolvment 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 OBJECTIVES AND ACHIEVEMENT LEVELS

Guiding principles and strategic guidelines for the term 2012-2014, are listed below in the context of the Strategic Plan for Transport - SPT, guidelines and measures laid down by Order n° 13371/2011 having been added, from SEOPTC office, pursuant to Normative Order n° 1/2012 from the ministries of State and Finance, Economy and Employment in accordance with Social Unanimous Resolutions in writing of 29 June and 10 August of 2012, resulting from the State Budget Proposal for 2013, submitted on 15 October 2012, and Circular Letters from DGTF n° 7986 of 8 October and n° 8116 of 15 October 2012:

- 1. Project for a single Board of Directors to be shared by both companies STCP and Metro do Porto, S.A..
- 2. Reduced staffing levels following an organisational redesign.
- 3. Project to merge STCP and Metro do Porto, S.A..
- 4. Preparation of STCP's Subconcession Agreement.
- 5. Cost Reduction Programme along with organisational redesign and decrease in the number of staff.

that the company consolidates and implements through the Business Plan and Budget for 2013, the Restructuring Plan of 30 October 2012 as well as the Investment and Asset Disposal Plan for 2013, sent to the Supervisory Ministries in their final version on 6 November 2012.

Management Contract Objectives for 2012-2014

In 2012 the Proposal for Management Contract Indicators was sent to the Supervisory Ministries as well as the objectives for the triennium 2012-2014. It should be noted that evaluation of the Management Contract implementation was carried out at the end of the year irrespective of their approval, the effective compliance with the objectives set out having been achieved.

Management Contract Indicators Proposal for 2012-2014			2/	2012		2013		2014	
PTOL	JOSAI 101 2012-2014		20)12		013	2	014	
Inc	licators	Unit	Weigh	t Obj,	Weigh	t Obj,	Weigh	t Obj,	
1	Turnover	10^3 €	10%	54.557	10%	49.649	10%	50.407	
2	Operating Costs	10^3 €	10%	63.605	10%	58.302	10%	56.303	
3	EBITDAR Margin	10^3€	10%	4.945	5%	5.544	5%	7.531	
4	Operating Costs per Passenger. km	€	10%	0,190	5%	0,208	5%	0,201	
5	Cover Ratio	%	10%	86%	5%	85%	5%	90%	
6	Average Payment Period	dias	5%	60	5%	60	5%	60	
7	Occupancy Rate	%	5%	14,3%	5%	13,5%	5%	13,5%	
8	Commercial Speed	km/h	5%	15,26	5%	15,26	5%	15,26	
9	Supply Quality Index	%	5%	98,5%	5%	98,5%	5%	98,5%	
10	Pollutant Emissions	(g CO2/P.Km)	5%	91,0	5%	91,0	5%	91,0	
11	Launch of O&M tender process	%			15%	100%			
12	O&M Contract Signing Protocol	%					15%	100%	
13	Organisational Redesign	%	15%	5%	15%	65%	10%	30%	
14	Merger MP/STCP	%	10%	5%	10%	55%	15%	40%	

Management Contract Monitoring and Control in 2012

and	Control in 2012				2012	
Ind	icators	Unit	Weight	Obj.	Real	comp.
1	Turnover	10^3€	10%	54.557	53.429	97,9%
2	Operating Costs	10^3 €	10%	63.605	63.030	100,9%
3	EBITDAR Margin	10^3 €	10%	4.945	4.432	89,6%
4	Operating Costs per passenger. km	€	10%	0,190	0,181	105,0%
5	Cover Ratio	%	10%	86%	85%	98,8%
6	Average Payment Period	dias	5%	60	46	124,0%
7	Occupancy Rate	%	5%	14,3%	15,1%	105,9%
8	Commercial Speed	km/h	5%	15,26	15,64	102,5%
9	Supply Quality Index	%	5%	98,5%	99,6%	101,2%
10	Pollutant Emissions	(g CO2/P.Km)	5%	91,0	92,3	98,6%
11	Launch of O&M tender process	%				
12	O&M Contract Signing Protocol	%				-
13	Organisational Redesign	%	15%	5%	5%	100%
14	Merger MP/STCP	%	10%	5%	5%	100%
% (Overall Compliance					100,8%

4.3 INTERNAL AND EXTERNAL REGULATIONS

Seeing that STCP is a State-owned public limited company it is ruled by the provisions laid down in its articles of association, approved by Decree-Law n° 202/94, of 23 July, amended by Declaration n° 101/94, complemented and clarified in relation to the lines operated by STCP covering trolley car and or tram mode by Decree-Law n° 379/98, of 27 November and by Companies Code.

As the company's sole shareholder is the State, STCP is subject , where applicable, to the regime established for companies of the State Corporate Sector (SCS), set out in Decree-Law n° 558/99, of 17 December with the amendements made by Decree-Law n° 300/2007, of 23 August and by Law n° 12-A/2010 and Law n° 64-B/2011.

STCP complies with the provisions set out in Order n° 14.277/2008 of 23 May, relative to 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 pluri-annual business plans, the annual budgets, including estimated financial operations with the State, the annual and pluri-annual 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 complies with the provisions laid down by the Resolution of the Council of Ministers (RCM) n° 34/2008, of 14 February (Pay on Time Programme), amended by Order n° 9870/2009 from Ministry, of 6 April; and the Decree-Law n.° 65 -A/2011, of 17 May (Pay on Time Programme – overdue debts report).

In terms of the legislative framework for companies of the State Corporate Sector, particular note should be made to the following legal instruments: Resolution of the Council of Ministers (RCM) n° 49/2007, of 28 March, Principles of Good Governance, the Status of the Board Members of state-owned public companies, republished by Decree-Law n°/2012, of 18 January and the RCM n° 16/2012, of 9 February, stating the criteria for the remuneration of Board Members of the state-owned public companies.

The Resolution of the Council of Ministers - RCM n° 8/2011, of 25 January – spelling reforms – determined the application of the spelling reforms as from 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 n° 37272, of 31 December 1948, Regulation of Vehicle Transport and subsequent amendements.
- · Decree-Law n° 3/2001, of 10 January, Legal system or regime of access to the passenger road transport activity through means of vehicles with over nine seats.
- \cdot Decree-Law n° 114/94, of 3 May, Traffic Regulations and subsequent amendments.
- \cdot Law n° 28/2006, of 4 July, Penalty system or regime applicable to infringements occurred in public passenger transport.
- \cdot Resolution of the Council of Ministers RCM n° 45/2011 approving the Strategic Transport Plan (STP) for the period of 2011-2015.

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

- · Decree-Law n° 18/2008, of 29 January Public Procurement Code, for the acquisition of products, services and contract works 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. Subsidiarily, the rules in the Labour Code, Law n° 7/2009, of 12 February and respective regulations are applicable in these matters.

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.

4.4 INFORMATION ON RELEVANT TRANSACTIONS WITH RELATED ENTITIES

Acquisition of Products and Services to Related Entities

(values in euros including VAT)

Entity / Description	Value
STCP SERVIÇOS – Transportes Urbanos Cons. Part. Unipessoal	56.506,34
Acquisition of assets and materials	33.255,99
Other specialised works	15.006,00
Service provision and several debits	8.244,35
TIP – Transportes Intermodais do Porto, ACE	2.406.168,62
Commission on sales generated from single mode fare pricing at Payshop agents	538.777,95
STCP intermodal fare pricing sales commission	689.069,63
Single mode fare pricing validation fee	828.754,51
Euro, Andante Tour and Andante Gold ticket acquisition	312.754,01
Supply contract for annual season tickets to STCP staff and relatives	34.748,03
Delivery of services and several debits	2.064,49
METRO DO PORTO, SA	44.717,93
Contract for the provision of legal services	41.973,93
Provision of services and several debits	2.744,00
OPT – Optimização e Planeamento de Transportes, S.A.	141.105,62
Software maintenance	90.368,12
Software production and alteration	50.737,50

Sale of products and services to related entities

(values in euros including VAT)

Entity / Description	Value
Metro do Porto, S.A.	248.330,58
Rental of fractions at Torre das Antas	197.622,40
Management of alternative transport line Maia/Trofa	29.520,00
Debit of governing bodies' remuneration	12.241,65
Delivery of services and several debits	8.946,53
TIP- Transportes Intermodais do Porto, ACE	44.989.675,27
STCP single mode fare pricing revenue	21.438.368,06
Intermodal fare pricing revenue	23.047.562,78
Provision of checking services of intermodal fare pricing revenue	166.307,60
Commission on sales generated from fare pricing at STCP sales points	74.303,90
Rental of fractions at Torre das Antas	88.527,12
Co-financing of Logistics and Contact Centre operating costs	39.852,00
Debit of governing bodies' remuneration	61.161,75
Assignment of personnel and costs incurred	34.913,47
Delivery of services and several debits	38.678,59
STCP Serviços - Transportes Urbanos, Consultoria e Partic. Unipessoais, Lda	36.686,37
Maintenance, diesel and cleaning of PORTO VINTAGE circuit buses	27.166,21
Provision of services and several debits	9.520,16

4.5 INFORMATION ON OTHER TRANSACTIONS

4.5.1 Procedures adopted on matters of acquisition of products and services

According to procedures in force in the company, products and services are acquired through the consultation to three suppliers, at least. Exceptionally in the case of specific technical issues, whenever duly founded, there may be direct procurement. 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. This Regulation is an integral part of consultations or tenders launched by STCP.

The process of selection, evaluation and qualification of suppliers is set out in internal procedures, according to criteria enabling to objectively assess the fulfillment of the proposed commitments.

Procedures in force in the company regarding acquisition of products and services are regulated in the matrix of procedures integrated in the Manual on Quality, Environment and Security and Health at Work.

4.5.2 Transactions outside market conditions

There are no situations in this context.

4.5.3 List of suppliers representing over 5% of the external supplies and services

5% FSE 2012 = 31.021.265,99 * 5%			1.551.063,30 €
Name	City	Address	Value (*)
MAN TRUCK & BUS PORTUGAL, SOCIEDADE UNIPESSOAL LDA	ALGÉS	ALAMEDA FERNÃO LOPES, 16 9º PISO	7.440.357,17
PETRÓLEOS DE PORTUGAL - PETROGAL, SA	LISBOA	RUA TOMÁS DA FONSECA, TORRE C	7.885.172,92
GALP GÁS NATURAL,S.A.	LISBOA	RUA TOMÁS DA FONSECA, TORRE C	5.406.764,70
BANCO BPI, S.A.	PORTO	RUA TENENTE VALADIM	1.554.319,84
VALPI BUS - ALBERTO PINTO E FILHOS, TRANSP. RODOVIÁRIOS SA.	PAREDES	AV. JOAQUIM RIBEIRO DA MOTA, 256	3.107.004,93
EMPRESA DE TRANSPORTES GONDOMARENSE, LDA	FÂNZERES	RUA MONTEZELO, 815	2.281.187,57
TIP-TRANSPORTES INTERMODAIS PORTO, ACE	PORTO	AVª FERNÃO DE MAGALHÃES 1862-9°	2.406.168,00
TOTAL			30.080.975,13

^(*) Values in euros including VAT

4.5.4 Public Contracting

In 2012 Public Tender N° 1/2012 was launched and awarded – International Public Tender for the Cleaning of Premises and Vehicles except the head office, awarded according to item 7.1 of the minutes n° 34 of the Board of Directors' meeting of 23 August 2012.

There were no contracts or agreements made over 5 M€.

4.5.5 Rationalisation of supply policy

Under the major Options for the Plan for the term of 2012-2015, laid down by Law n° 64-A/2011, of 30 December in respect of:

- · National System of Public Purchases (NSPP) In March 2011, STCP adhered to this System however, during the year of 2012, the company has not launched any award covered by this System.
- · State-owned Vehicle Fleet during the year of 2012, new vehicles were not acquired by STCP, the ownership of one single vehicle having been transferred instead from an associate STCP Serviços to STCP, S.A..

Particularly noteworthy is the fact that during the year the company has written off 10 vehicles from the total light duty vehicles fleet, standing at 56 vehicles on 31 December (-15%) (including truck-cranes, car-towers and vans).

4.5.6 Institutional Publicity

Pursuant to n° 10 of the Deliberation of the Council of Ministers n° 47/2010, published in the 1st series of Diário da República of 25 June, STCP provides a summary information about some institutional publicity initiatives during the year of 2012, according to Appendix 1 of the Order n° 1246/2011 from the Office of the Minister for Parliamentary Affairs, published in the 2nd series of Diário da República of 14 January 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 Admnistration n° 1297/2010, published in the 1st series of Diário da República of 25 June.

Both STCP's Annual Report and Accounts and the in-house Newsletter "Itinerarium" were not included in this scope, in accordance with the definition of institutional publicity included in item 2 of the Deliberation of the Council of Ministers n° 47/2010, of 25 of June.

Summary of institutional publicity initiatives developed in 2012

1- Annual expenditure incurred with Publicity distributed by quarters

(values in euros, without VAT))

1T2012	2T2012	3T2012	4T2012	2012
128	978	2.795	394	4.294

notes:

Considering agreement with FAP, as per 2011, in the amount of 2.500 euros. Considering the value incurred with publications required by law.

- 2 In the year of 2012 there were no initiatives over 15 thousand euros.
- 3 Total annual expenditure incurred with the media

(values in euros, without VAT))

Euronext Quotation Bulletin	102
Newspaper – Jornal de Notícias	1.409
Notarial Register Institute	81
National Press, Printing and Mint House – Casa da Moeda	201
Total per Media	1.794

4.5.7 Evolution of Medium-Term Payments to Suppliers

Evolution of Medium-Term Payments to Suppliers in accordance with RCM n° 34/2008 with alterations introduced by Order n° 9870/2009, ran as follows:

MTP	1st Q 2011	2nd Q 2011	3rd Q 2011	4th Q 2011	1st Q 2012	2nd Q 2012	3rd Q 2012	4th Q 2012
MTP to Suppliers (days)	49	40	43	52	49	47	47	46

4.5.8 Late Payments

Late Payment List as at 17 May pursuant to Decree-Law $n^{\circ}65$ -A/2011:

(values in euros)

Late Payments	0-90 days	90-120 days	120-240 days	240-360 days	> 360 days
Fuel					34
Maintenance and Repair	39.314	1.748	939	300	7.304
Energy	23.976				
Computer Equiment	12.159				
Software licencing	29.362				
Other products and services	117.372	3.291	35.544		9.149
Other specialised works	14.599	3.690			19.196
Paper and Stationery	176				
Preparation of Staff Meals	277				
Rents	1.842				
Insurances	50.464				
Voice-activated services and fixed and mobile communications	24.557		10.094		
Computer services	3.321				
Surveillance and safety	27.946				
Total	345.364	8.728	46.577	300	35.683





4.6 CORPORATE GOVERNANCE MODEL AND MEMBERSHIP

Portuguese State is the sole STCP's shareholder.

The role of the shareholder is played by the Directorate-General to the Treasury and Finance (DGTF).

The power to supervise the Company belongs to the Ministry of Finance (financial supervision) and to the Ministry of Economy and Employment (transports supervision).

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.

Governing Bodies

By unanimous deliberation in writing, of 29 June 2012, taken under the provisions set forth in n° 1 of article 54° of Companies Code, the following STCP's Board Members were elected and appointed:

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

By unanimous deliberation in writing, of 10 August 2012, taken under the provisions laid down in n° 1 of article 54° of the Companies Code, the following STCP's Board Members were elected and appointed:

- · Non Executive Chairman: João Velez Carvalho Master of Science;
- · Non Executive Board Member: Dr. António José Lopes

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

Term 2012/2014

Position	Board of Directors	Election	Term
Non Executive Chairman	João Velez Carvalho	10/08/2012	3 years
Executive Board Member	André da Costa Figueiredo e Silva Sequeira	29/06/2012	3 years
Executive Board Member	Alfredo César Vasconcellos Navio	29/06/2012	3 years
Non Executive Board Member	António José Lopes	10/08/2012	3 years

Three Board Members appointed for the triennium 2009-2011 remained fulfilling their role until 29 June 2012 their resignation having taken effect as from that date onwards. The remaining two Board Members had already resigned, their resignation having come into effect as from 23 March and 30 April 2012, respectively.

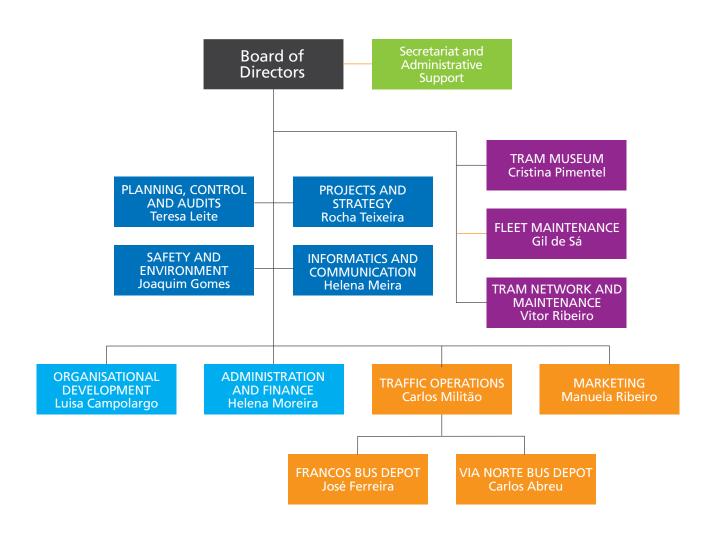
The other Governing Bodies remained fulfilling their roles.

Term 2009/2011

Position	Governing Bodies	Election	Term
	Board of the General Meeting		
Chairman	Rui de Carvalho Araújo Moreira	06/04/2009	3 years
Deputy-Chair	Maria Teresa Vasconcelos Abreu Flor Morais	06/04/2009	3 years
Secretary	Carlos Maria Rocha Pinheiro Torres	06/04/2009	3 years
	Board of Directors		
Chairwoman	Fernanda Pereira Noronha Meneses Mendes Gomes	06/04/2009	3 years
Board Member	Jorge Rui Guimarães Freire de Sousa	06/04/2009	3 years
Board Member	Rui André Albuquerque Neiva da Costa Saraiva	06/04/2009	3 years
Board Member	António Paulo da Costa Moreira de Sá	06/04/2009	3 years
Board Member	Sandra Raquel de Vasconcelos Lameiras	06/04/2009	3 years
	Supervisory Board		
Chairman	Pedro Romano Martinez	06/04/2009	3 years
Permanent Member	Ana Alexandra Filipe Freitas	06/04/2009	3 years
Permanent Member	Maria Manuela Marques Lima	06/04/2009	3 years
Alternate Member	Dino Jorge Ramos Santos	06/04/2009	3 years
	Statutory Auditor		
	António Magalhães & Carlos Santos,	09/09/2009	3 years
	Sociedade de Revisores Oficiais de Contas		
	Represented by Carlos Alberto Freitas dos Santos, Statutory Auditor registered nº 177		

Remuneration Committee is composed of Sara Alexandra Duarte Ambrósio, of DGTF, who chairs and other members, Rita Maria Pereira da Silva, of the General Tax Inspection (GTI) and Cristina Freire, of DGTF.

Macrostructure as at 31 December 2012



- Operational Areas
- "Back Oficce" Areas
- Support/"Staff" Areas
- Complementary Activities or of Specific Nature
- Other Support/"Staff" Areas

4.6.1 Positions and Responsibilities

General Meeting

The duties of the company's General Meeting are defined in Article 8 of the Articles of Association of Sociedade de Transportes Colectivos do Porto, SA:

- 1 The General Meeting deliberates on all matters for which law or present Articles of Association attribute it 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 appro-priation of profit or loss and proceed with the general assessment of the company's management and supervision.
 - b) Elect and exonerate 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 remune¬ration 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 Articles of Association of the Company.

- 1 The Board of Directors is responsible for:
 - a) The management of corporate business and practice of all acts relative to the corporate object that do 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 sub-paragraphs f) and g) of number 2 of article 8°
 - 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 rules;
 - 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:



Non Executive Chairman – João Velez Carvalho – Master of Science

Took up the post of non executive chairman. He is responsible for overseeing and evaluating the company's management carried out by the other Board Members aiming at achieving strategic goals, efficiency of the company's activities and focuses on matters which are relevant to the interests of the shareholder and to the general interest. He is also responsible for strategic decisions regarding Human Resources.



Executive Board Director – Dr. Alfredo César Vasconcellos Navio

Holds executive positions. He is responsible for the direct coordination of the Traffic Operations, Organisational Development, Safety and Environment, Fleet Maintenance, Tram Network as well as the Tram Museum.

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



Executive Board Director – Dr. André da Costa Figueiredo e Silva Sequeira

Holds executive roles. He is responsible for the direct coordination of Secretariat and Administrative Support to the Board of Directors, Marketing, Planning, Control and Audits, Informatics and Communications, Administration and Finance as well as Projects and Strategy.

He acts 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.



Non Executive Board Director – Dr. António José Lopes

Performs non executive roles. He is responsible for overseeing and evaluating the company's management carried out by the other Board Members, targeting to achieve strategic goals efficiency of the company's activities and focuses on matters which are relevant to the interests of the shareholder and to the general interest. He is also responsible for overseeing the Planning and Control Department as well as strategic decisions. He is also the Representative for the Integrated Management System and Quality.

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 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.

4.6.2 Curricula Vitae of the Board Members

Non Executive Chairman – João Velez Carvalho – Master od Science

Date of Birth: 17 April 1947

Education:

1st Degree in Finance, by the High Institute of Economic and Financial Sciences of the Technical University of Lisbon (1970).

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

Master of Business Administration (MBA) by the High Institute of Entrepreneurial Studies of the University of Porto (1994).

Master of Science in Quantitative Methods for Management by the School of Management of the University of Porto (2008)

Ph. D. student, Industrial Management at the University of Aveiro (2008/2012).

Professional Career:

Since July 2012, Chairman of the Board of Directors and Chairman of the Executive Committee for Metro do Porto, S.A. – Porto Light Rail

Since 1975: Assistant Lecturer at the High Institute of Accounting and Administration of Porto Polytechnic Institute (scientific area of Strategic Management). Director of Masters in Logistics of the Northern Association of Polytechnics (2009/2011).

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

2003 – 2006: STCP's Board Director - Sociedade de Transportes Colectivos do Porto, S.A., - Public Transport Company of Porto, holding executive positions being responsible for the coordination of Human Resources, Traffic Operations, Fleet Maintenance and Tram Museum as well;

Member of TIP's Board – Transportes Intermodais do Porto, ACE – Intermodal Transport of Porto (2006).

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

1999–2000: Consultant providing environmental advice, guidance and support (in the domains of water and urban sanitation, solid and industrial wastes) at EURISCO, S.A. (Goupo AEP- 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.

1989-1998: Managing Director of SET — Serviços e Tecnologias, S.A. (Grupo RAR) — Services and Technologies (RAR Group); Executive Board Member of RAR AMBIENTE, SA; Board Member of NUTRIGER, SGPS, S.A.; Board Member of CLIMAESPAÇO — 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.

1975–1989: 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 Director – Dr. André da Costa Figueiredo e Silva Sequeira

Date of Birth: 19 September 1980

Education:

1st Degree in Economics by the Faculty of Economics and Management of the Catholic University of Portugal, Porto Regional Centre (2003).

Advanced Management Programme by Porto Business School - EGP (2010).

Professional Career:

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

From January 2007 to August 2009 – Director at Mota-Engil Central Europe Slovenská Republika, a.s.; Director at Mota-Engil Engineering, a.s.; Manager at M-Invest Slovakia Minerva, s.r.o.; Manager at M-Invest Sovaria 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 – Civil Engineering - Slovakia Branch Office.

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

From July 2004 to December 2005 – Assistant to the Chief Finance Officer at Mota-Engil Engenharia e Construção, SA – Civil Engineering - Angola Branch Office.

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

Executive Board Director – Dr. Alfredo César Vasconcellos Navio

Date of Birth: 15 January 1967

Education:

1st Degree in Informatics and Management by Portucalense University Infante Dom Henrique (1988-1994).

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

Professional Career:

(2011-2012) Chair of the Board of the General Meeting of ESV - Expansión Sin Vello - Estética, SA. - Esthetics

(2010-2012) Chief Commercial and Technical Officer at the Real Estate Unit of EP- Estradas de Portugal, SA. – Portuguese Road Company

(2009-2010) New Businesses Planning and Development Technician at Delegação Regional do Porto da EP- Estradas de Portugal, SA. - Porto Regional Office of Portuguese Road Company

(2007-2010) Chair of the Supervisory Board of the Leisure and Cultural Centre of EP's Staff - EP – Estradas de Portugal, EPE – Portuguese Road Company

(2004-2008) Head of Administration and Finance Division at Direção de Estradas do Porto do IEP – Instituto das Estradas de Portugal - Directorate of Porto Roads of Portuguese Road Institute.

(2002-2004) 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.

(2000-2002) Organisation, administrative and financial control of contract processes and provision of technical support to 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 Operation of Road Network.

(1997-2000) 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.

(1995-1997) Technical Support to 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 to computer users at COMPTA RH — Organização e Gestão de Recursos Humanos, SA. - Organisation and Management of Human Resources.

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Non- Executive Board Director – Dr. António José Lopes

Date of Birth: 23 November 1957

Education:

1st Degree in Economics by the University of Porto, (1982).

Post-graduate Degree in Executive Management, by the Faculty of Economic and Entrepreneurial Sciences of the Catholic University of Portugal (1998/1999).

Professional Career:

Since July of 2012, Board Director and Executive Director at Metro do Porto, SA – Porto Light Rail

Since May 2010 until July 2012 – General Manager of Tablestock, Serviços para Hotelaria e Restauração – Hotel and Restaurant Services.

1998–2010: Director of Central Purchasing & Procurement and Information Systems at Vista Alegre Atlantis S.A.

1997–1998: General Manager at Empresa Continental Importadora, S.A.

1990–1997: Chief Admnistrative and Finance Officer at EC- Material Eléctrico, Grupo General Electric – Electrical Equipment, General Electric Group, from January 2006 onwards having become GE PowerControlsPortugal.

1986–1989: Head of Control and Management at -Empresa Electro-Cerâmica, Grupo Vista Alegre - Electro-Ceramic Materials - Vista Alegre Group.

1985–1986: Held a position in the Finance Department at STCP - Serviços de Transportes Coletivos do Porto

4.7 REMUNERATION OF GOVERNING BODIES' MEMBERS

4.7.1 Remunerative Status

Term 2012/2014 Board of Directors

By unanimous deliberation in writing of 29 June 2012:

Remuneration paid to Board Members is set out according to Bylaws of Board Members of state-owned public companies pursuant to Decree-Law n° 8/2012, of 18 January, of RCM n° 16/2012, of 14 February, and RCM n° 36, of 26 March, running as follows:

Executive Board Members: Gross value: 3.662,56 €, supplemented by 40% for costs incurred with personal 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 law n° 12-A/2010 and article 19°, n°1, subparagraph c) and n° 9, subparagraph c) of law n° 55-A/2010, running as follows:

Executive Board Members: Net value: 3.131,49 €, supplemented by 40% for costs incurred in performing duties of personal representation of the company, amounting to 1.252,60 €.

To this remuneration, other reductions that may legally be determined, will apply.

In compliance with provisions laid down in n° 1 of article 21° and in article 29° of law of State Budget for 2012, during the period in which the Programme for Economic and Financial Assistance – PEFA is in force, neither holidays nor Christmas bonuses will be awarded. Same procedure will apply to variable performance-based awards.

By unanimous deliberation in writing of 10 August 2012:

Remuneration paid to Board Members is set out according to Bylaws of Board Members of state-owned public companies pursuant to Decree-Law n° 8/2012, of 18 January, of RCM n° 16/2012, of 14 February, and RCM n° 36, of 26 March , running as follows:

Non-Executive Chairman: Gross value 1.144,55 €.

Non-Executive Board Member: Gross value 915,64 €.

However, the newly appointed Board Members do not earn any remuneration, once 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 law n° 12-A/2010, of 30 June and article 19°, n°1, subparagraph c) and n° 9, subparagraph q) of law n° 55-A/2010, of 31 December and of law n° 64-B/2011, of 30 December, or any other reductions that may legally be determined.

In compliance with provisions laid down in n° 1 of article 21° and in article 29° of Law n° 64-B/2011, of 30 December, neither holidays nor Christmas bonuses are awarded. The same procedure will apply to variable performance-based awards.

Board Directors also receive the following remunerative benefits:

- a) Social benefits applied to all employees of the Company.
- b) Vehicles: as provided for in article 33° of Board Members Bylaws of state-owned public companies pursuant to DL n° 71/2012, of 27/03, republished by DL n° 8/2012 of 18/01. Under these terms, it was deliberated according to item 2 of the minutes n° 28/2012 of 10 July of the Board of Directors, that vehicles purchased during the term of the previous Board, still existing, may be distributed for personal or service usage, as follows:
- A Lexus car IS model two hundred twenty D BASE two point four FDR registration plate number seventeen dash IN dash seventy seven, was assigned to the Board Member Dr. André da Costa Figueiredo e Silva Sequeira.
- A Mercedes car C-Class C model two hundred twenty CDI BLUEFFICIENCY AVANTGARDE registration plate number thirty three dash IR dash fifty seven, was assigned to the Board Member Dr. Alfredo César Vasconcellos Navio.

According to provisions laid down in number three of article thirty three of Bylaws of Board Members of state-owned public companies, maximum monthly value established for fuel and toll costs corresponds to one fourth of the monthly amount stipulated for costs of personal representation of the company.

Term 2009/2011

Established by minutes n° 1 of 29 June 2009 of the Remuneration Committee of STCP.

In view of the provisions determined in Law 12-A/2010, of 30 June, all the members of the Board of Directors were applied a 5% cut in their remuneration as from the month of June 2010 inclusively and it was maintained during the year of 2011 and 2012. As from January of 2011, a new reduction was applied based on Law 55-A/2010, of 31 December. In 2012 remuneration reduction continued to be applied in compliance with article 20° of Law n° 64-B/2011.

By legislative decision, variable remuneration stipulated by the Management Contract for the term 2009-2011 was not granted in none of the years.

As provided for in n° 1 of article 21° and article 29° of Law n° 64-B/2011, of 30 December, during the period in which the Programme for Economic and Financial Assistance is in force, neither holidays nor Christmas bonuses will be awarded. Same procedure will apply to variable performance-based awards.

By deliberation of the General Meeting n° 51, of 23 March 2012, through the Remuneration Committee, Governing Bodies' remunerations were stipulated in compliance with Decree-Law n° 8/2012, of 18 January and by RCM n° 16/2012 of 14 February applicable as from the month of April.

Procedure laid down in article 32° of Bylaws of Board Members of state-owned public companies, republished by Decree-Law n° 8/2012, of 18 January, shall apply to:

- The use of credit cards and other payment instruments by Board Members of state-owned public companies, covering costs incurred with personal representation of the company, the Board of Directors deliberated, according to minutes n° 4/2012, item 3 of 24 January, "to immediately cancel credit cards issued to each Board Director intended for the sole use of costs coverage for personal representation of the company, these expenses being duly vouched".
- Board Members reimbursement for any expenses incurred in performing their duties of personal representation of the company not applicable in STCP.

Board of the General Meeting

Chair – Attendance voucher in the amount of € 615.98 euros (six hundred fifteen euros and ninety-eight euro cents).

Deputy Chair – Attendance voucher of the value of € 466.56 euros (four hundred sixty-six euros and fifty-six euro cents).

Secretary – Attendance voucher of the value of € 344.14 euros (three hundred forty-four euros and fourteen euro cents).

Board of Directors

Chairman

Fixed Remuneration: gross monthly remuneration of € 6,923.26, paid 14 times a year;

Annual Variable Remuneration: attribution of an annual variable component, established at a maximum of 35% of the respective fixed component of the remuneration, depending on compliance with the annual objectives defined in the Management Contract.

Board Members

Fixed Remuneration: gross monthly remuneration of € 6,028.52, paid 14 times a year;

Annual Variable Remuneration: attribution of an annual variable component, established at a maximum of 35% of the respective fixed component of the remuneration, depending on compliance with the annual objectives defined in the Management Contract.

The Board of Directors is also afforded the following benefits:

- a) Social benefits applied to all employees of the Company;
- b) Vehicles: attribution, for personal use, of a company vehicle up to the lease limit of 1000 euros monthly for the Chairman and 900 euros for the other Board Members. The maximum limit for monthly average fuel costs was established by the Board of Directors at 250 euros, taking into account the needs and procedure in force in the Company; By Board of Directors' decision stated in minutes n° 2/11 of 12 January item 4.3, monthly average fuel expenses have been reduced by 15% for Board Members, since the beginning of 2011.

c) Mobile Telephone: use of a mobile telephone whose maximum limit for monthly average costs was established by the Board of Directors at 150 euros, taking into account the needs and procedure in force in the Company. According to Board of Directors' decision stated in minutes n° 2/11 of 12 January item 4.3, monthly average expenses incurred with mobiles have been reduced by 15% for Board Members, since the beginning of 2011.

Supervisory Board

Chair:

Gross monthly remuneration corresponding to 20% of the gross monthly remuneration granted to the Chairman of the Board of Directors, paid 14 times a year.

Members:

Gross monthly remuneration corresponding to 15% of the gross monthly remuneration granted to the Chairman of the Board of Directors, paid 14 times a year.

For the members of the Supervisory Board, the stipulated gross remuneration has been applied since 21 April 2008, standing at € 5,675.94 euros having been considered the base of incidence until 6 April 2009.

Remuneration of the Supervisory Board Members having begun to take effect in January 2011 and still in force during the year of 2012, has been reduced once it is indexed to the remuneration paid to the Chairman of the Board of Directors.

Statutory Auditor

By unanimous deliberation in writing taken by the shareholder, the Portuguese State, on 9 September 2009, under proposal of the Supervisory Board, Sociedade António Magalhães e Carlos Santos, S.R.O.C., represented by Dr. 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, with the respective contract having been formalised.

In 2011 remuneration reduction has been applied according to the provisions laid down in article 22° of Law n° 55-A/2010 (Law SB/2011) and it has remained during the year of 2012 pursuant to article 20° of Law n° 64-B/2011.

4.7.2 Remunerations and other Benefits

Board of the General Meeting

		2012	Values in €
Board of the General Meeting	CHAIR	DEPUTY-CHAIR	SECRETARY
Tenure I	Rui Carvalho Araújo Moreira	Maria Teresa Vasconcelos Abreu Flor de Morais	Carlos Maria Pinheiro Torres
Attendance Vouchers	0	467	334

TERM II (2012/2014)	NON-EXECUTIVE CHAIRMAN	EXECUTIVE BOARD MEMBER	EXECUTIVE BOARD MEMBER	NON EXECUTIVE BOARD MEMBER
(2012201)		André Costa Figueiredo Silva Sequeira	Alfredo César Vasconcellos Navio	António Jose Lopes
Adapted to Board Members Bylaws (Yes/No)	Yes	Yes	Yes	Yes
Total Remuneration (1.+2.+3.+4.)	0	26.582	26.582	C
Option for remuneration of the original position				
Origin Entity (identify)				
Payor (Origin/Destination)				
1.1. Annual Remuneration	0	25.380	25.380	(
1.2. Representation costs (Annual)	0	8.883	8.883	(
1.3.Attendance Voucher (Annual Value)	0	0	0	(
1.4.Reduction arising from Law 12-A/2010	0	1.399	1.399	(
1.5.Reduction arising from Law 64-B/2011	0	3.109	3.109	(
1.6.Suspension of holidays and Christmas bonuses	0	3.173	3.173	(
1.7.Reductions of previous years		0	0	(
"1. Annual actual net remuneration	0	26.582	26.582	(
(1.1+1.2.+1.3-1.4-1.5-1.6-1.7)"				
2. Variable remuneration	0	0	0	(
3.Additional payment for working hours in excess (IHT)	0	0	0	(
4.Other remunerations	0	0	0	(
Travel allowance	0	0	0	(
Meals allowance	0	1.025	1.025	(
Costs incurred with social benefits				
Social protection system (ADSE/Social Security/Other)	0	5.799	1.938	(
Health insurance	0	0	0	(
Life insurance	0	0	0	(
Personal accident insurance	204	117	117	176
Other (identify in detail)		0	0	(
Accumulated management positions (Yes/No)	Yes	No	No	Ye
Entity (identify)	Metro do Porto. SA			Metro do Porto. SA
Annual remuneration				
Vehicle Fleet				
Mode of use		ALD	ALD	
Reference value of new vehicle				
year - beginning of leasing		2009	2010	
Year - end of leasing		2013	2014	
Number of instalments (if applicable)		48	48	
Residual value				
Lease value/annual instalment of service vehicle		5.227	5.476	
Fuel costs incurred with vehicle [1]		792	1.924	
Annual fuel limit attributed		1.879	1.879	
Other (Repairs / Insurance)		464	363	
Limit stipulated according to Art.º 33 of Board Members B	wlaws (Yes/No)	Yes	Yes	
Other benefits and compensations	,	163	1 €3	
Monthly limit stipulated on costs incurred with mobile of	rommunications [2]	127,50	127,50	
Annual costs incurred with mobile communications	SaminumeauOH3 [Z]	260	584	
Other (identify in detail)	to Didous (VAll)	k.1	h 1	
Limit stipulated according to Art.º 32 of Board Member	s RAISMS (AeR/NO)	No	No	
Costs incurred with travels				
Total annual costs incurred with travels			12	
Annual costs incurred with accomodation			70	

Other expenses (identify in detail)

^{[1] -} The excessive fuel consumption was charged to the Board Member Alfredo César Vasconcellos Navio.
[2] - The limit stipulated for costs incurred with mobile communications remains the same for the term 2009/2011.

(2009/2011) Fe	CHAIRWOMAN ernanda Pereira oronha Meneses Mendes Gomes	EXECUTIVE BOARD MEMBER Jorge Rui Guimarães Freire de Sousa [1]	EXECUTIVE BOARD MEMBER Rui André Albuquerque Neiva da Costa Saraiva	EXECUTIVE BOARD MEMBER António Paulo da Costa Moreira de Sá	EXECUTIV BOAR MEMBE Sandra Raqu de Vasconcele Lameir
Adapted to Board Members Bylaws (Yes/No)	Yes	Yes	Yes	Yes	Y
Total remuneration (1.+2.+3.+4.)	44.910	27.006	21.641	36.587	36.18
Option for remuneration of the original position					
Origin Entity (identify)					
Payor (Origin/Destination)					
1.1.Annual remuneration	45.341	29.678	24.410	38.391	38.3
1.2.Representation costs (Annual)	5.494	1.465	0	4.395	4.3
1.3.Attendance voucher (Annual value)	0	0	0	0	
1.4.Reduction arising from Law 12-A/2010	1.800	1.045	751	1.506	1.5
1.5.Reduction arising from Law 64-B/2011	4.000	2.321	1.668	3.347	3.3
1.6.Suspension of holidays and Christmas bonuses	10.836	7.930	7.732	9.318	9.3
1.7.Reductions of previous years	0	0	0	0	
"1. Annual actual net remuneration	34.199	19.847	14.260	28.615	28.6
(1.1+1.2.+1.3-1.4-1.5-1.6-1.7)"	_	•			
Variable remuneration	0	0	0	0	
3.Additional payment for working hours in excess	0	0	0	0	
4.Other remunerations (holidays paid arising from employment contract te	rmination) 10.711	7.159	7.380	7.971	7.5
Travel allowance	0	0	0	0	
Meals allowanceo	6.974	6.553	5.719	4.905	6.9
Costs incurred with social benefits					
Social protection system (ADSE/Social Security/Other)	6.970	2.118	3.604	6.044	6.0
Health insurance	0	0	0	0	
Life insurance	0	0	0	0	
Personal accident insurance	68	41	19	58	
Other (identify in detail)	0	0	0	0	
Accumulated management positions (Yes/No)	No	No	No	No	
Entity (identify in detail)					
Annual remuneration					
Vehicle Fleet					
Mode of use	ALD	ALD	Acquisition	Acquisition	А
Reference value of new vehicle					
Year - beginning of leasing	2009	2009	2007	2007	20
Year - end of leasing	2013	2013			20
Number of instalments (if applicable)	48	48			
Residual Value					
Lease value/annual instalment of service vehicle	6.126	3.485			5.4
Fuel costs incurred with vehicle [2]	1.206	1.080	624	1.405	1.4
Annual fuel limit attributed	1.812	951	638	1.577	1.5
Other (Tolls / Repairs / Insurances)	346	846	527	2.002	5
Limit stipulated according to Art.º 33 of Board Members Bylaws (Ye	s/No) Yes	Yes	Yes	Yes	Υ
Other benefits and compensations					
Monthly limit stipulated on costs incurred with mobile communicati	ons [3] 127,50	127,50	127,50	127,50	127,
Annual costs incurred with mobile communications	217	188	129	298	4
Other (identify in detail)					
Limit stipulated according to Art.º 32 of Board Members Bylaws (Ye	s/No) No	No	No	No	
Costs incurred with travels					
Total annual costs incurred with travels					
Annual costs incurred with accomodation					
Expenses					

^{[1] -} The amount of 715,92 euros was charged to the Board Member Jorge Rui Guimarães Freire de Sousa. By mistake, remuneration reduction was not applied to the percentage of holidays and holidays paid, pursuant to provisions laid down in art^o 19° Law 55-A/2010 (SB 2011), still in force in 2012 according to Law 64-B/2011 (SB 2012). [2] - Value regarding excessive fuel consumption charged to Board Members: Jorge Rui Guimarães Freire de Sousa; Sandra Raquel de Vasconcelos Lameiras. [3] - Limit attributed to mobile communications refers to the amount established for the term 2009-2011.

Supervisory Board

Values in euros: €

	2011				2012	
Supervisory Board**	CHAIR Pedro Romano Martinez	PERMANENT MEMBER Ana Alexandra Filipe Freitas	PERMANENT MEMBER Maria Manuela Marques Lima	CHAIR Pedro Romano Martinez	PERMANENT MEMBER Ana Alexandra Filipe Freitas	PERMANENT MEMBER Maria Manuela Marques Lima
Annual fixed remuneration	19.385	14.539	14.539	15.696	11.772	11.772
Remuneration reduction*	2.811	2.108	2.108	2.275	1.122	1.122
Annual effective remuneration	16.574	12.431	12.431	13.421	10.650	10.650

^{*} arising from Law 55-A/2010 and from Law 64-B/2011, respectively for the year of 2011 and 2012 ** Supervisory Board's remuneration is indexed to the Chair of the Board of Directors

Statutory Auditor

		Values in euros: €
STATUTORY AUDITOR António Magalhães and Carlos Santos, SROC, represented by Carlos Santos, Auditor nº 177	2011	2012
Annual remuneration received	15.600	15.600
Remuneration reduction*	1.384	1.384
Annual effective remuneration	14.216	14.216

 $^{^{\}star}$ Arising from Law 55-A/2010 and Law 64-B/2011, respectively for the year of 2011 and 2012

Received an additional remuneration of € 4.189 for auditing the consolidated accounts in 2011 and 2012, after Law 55-A/2010 and Law 64-B/2011 having been respectively applied, seeing that neither a supervisory body nor a statutory auditor exist in the other group companies, besides STCP, S.A..

4.8 SUSTAINABILITY ANALYSIS ON THE ECONOMIC, SOCIAL AND ENVIRONMENTAL DOMAINS

Most of the information regarding this issue is detailed in item 2.3 Activity Evolution, in item 3. Report from the Sustainable Development Point of View as well as in item 5. Management Report. These topics will therefore, be addressed briefly or a simple reference will be made to the above matters further to a proposal of the Cicular-Letter no 843 of 30 January 2013 from the Directorate General to the Treasury and Finance.

Adopted strategies and achievement levels regarding goals set out

These issues are addressed particularly in item 4.2 Objectives and Achievement Levels.

Policies pursued aiming at ensuring economic, financial, social and environmental efficiency and safeguarding quality standards

Commitments made by STCP regarding its Quality, Environmental and Security and Health at Work policies are based on the economic analysis of demand patterns on STCP's network trying to meet customers' mobility needs by optimising the use of resources and improve the quality of service.

In recent years a progressive improvement has been recorded demonstrated on STCP's performance indicators thus, enabling to determine and identify sustainability of the measures implemented and adequacy of the guiding principles of its strategic development.

Company's performance is referred in item 3. Report from the Sustainable Development Point of View and item 5. Management Report.

Identification of the main risks for the activity and for the future of the company

Main risks identified:

- · Non-existence of Public Service contracting
- · Increase of the Competitive System
- \cdot Non-existence of a solution for the economic and financial recovery
- \cdot Instability of the financial markets
 - · Aggravation of debt financing costs
 - · Reduction of the available liquidy
- · Instability of Oil Markets

Form of compliance with the principles inherent to appropriate corporate management

Under the scope of *Global Report Initiative (GRI)* STCP's management is guided by principles of Social Responsibility and Public Service Delivery in order to meet citizens' mobility needs within Porto Metropolitan Area, from the point of view of sustainability in the areas of economic rationality of social internal and external responsibility as well as environmental responsibility, following GRI structure guidelines.

Social Responsibility

- · Garanteed promotion of equal opportunities, respect for human rights and non-descrimination: items 3.3 Responsibility towards Community, 3.5 Social Responsibility towards Staff and 4.10 Code of Ethics and Conduct.
- · Suitable management of the company's human capital, promoting the individual valorisation of resources, institution of systems that ensure wellbeing of the staff and giving employee merit award: item 3.5 Social Responsibility towards Staff.
- · Adoption of environmentally correct practices: items 3.3.1 Fleet and 3.4 Environmental Issues.

4.9 ACHIEVEMENT EVALUATION OF GOOD GOVERNANCE PRINCIPLES (PGG)

· Creation of value for the shareholder: items 2.3 Activity Evolution, item 3. Report from the Sustainable Development Point of View and item 5. Management

· Promotion of environmental protection: items 3.3.1 Fleet and 3.4 Environmental Issues.

Sustainable Development

Report.

· Contribution to social inclusion (employability): item 3.5 Social Responsibility towards the staff.

Public service responsive to community's needs and concerns

These issues are particularly addressed in points 2.3 Activity Evolution, in 3.2 Responsibility towards Customers and 3.3 Responsibility towards Community.

Ways in which the company's competitiveness has been safeguarded – research, innovation, development, integration of new technologies in the productive process

Items 2.3 Activity Evolution and 3. Report from the Sustainable Development Point of View.

Action Plans for the future

These issues are particularly addressed in item 6. Outlook for 2013.

STCP developed its activity over the year of 2012, with strict observance for the principles of good governance in compliance with the applicable legislation in force and particularly the provisions laid down in RCM n° 49/2007, as it has been pointed out in the report produced for the Directorate General to the Treasury and Finance through Economic and Financial Information Collection System (SIRIEF) – compliance level with principles of good governance.

STCP was ranked highest as to compliance level of PGG according to the Report "Principles of Good Governance" dated July 2012, from the Directorate General to the Treasury and Finance.

Annual Report of 2012 portrays in a clear and exhaustive way STCP's compliance with its social responsibility, sustainable development and commitment to deliver a reliable public service as well as the company's ongoing efforts towards innovation and development of new technologies to support its activity referred in item 3. Report from the Sustainable Development Point of View.

The most relevant details regarding company's mission accomplishment, objectives and general principles of conduct are addressed in item 4. Governing Bodies.

According to the usual practice of the company, Business Plan and Budget for the financial year together with Investment Plan were developed under the strategic objectives set out, taking into consideration both available resources and financing sources.

4.10 CODE OF ETHICS AND CONDUCT

STCP has issued its own Code of Ethics and Conduct since the end of 2008, which is available both on company's website for the general public as well as on Intranet for the consultation of its staff.

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

4.11 PREVENTION PLAN OF RISKS OF CORRUPTION AND RELATED **INFRINGEMENTS**

STCP is fully aware that corruption is a serious problem to the normal running of institutions activity. In December 2009 the company produced its Prevention Plan of Risks of Corruption and Related Infringements, following the recommendation of the Council for Prevention of Corruption.

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..

Prevention Plan of Risks of Corruption and Related Infringements was reviewed in June 2012.

4.12 CONTROL SYSTEM

Information on the existence of a control system suitable for the size and complexity of the company in order to protect investments and assets covering all relevant risks (Item 19 RCM 49/2007, of 28 March)

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

Risk management is implemented in STCP in a transversal specific way, depending on the type of risk, through its policy of integrated management for Quality, Environment and Security and Health at Work, all employees being responsible for reducing risk factors by minimizing their impact and identifying whenever possible, opportunities for improvements.

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 2011 further to audits carried out by APCER, for Certification renewal purposes.

A Manual of Processes, Procedures and Internal Procedures was produced and widely disclosed

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 and Senior Management.

Reports are made out regularly on objectives implementation and overall and sector budgets.

STCP's governance structure with its several levels of successive inspection ensures effective company's supervision referred in item 16 of the above rules. The existence of an internal structural body proves this. ensuring audit functions reinforced every year by external follow up audits carried out to certification obtained for Quality, Environment and Security and Health at Work.

In June an internal audit was undertaken to the Integrated Management System in order to collect information about eventual non conformances and opportunities for improvement so that measures may be taken by the concerned departments. In November APCER performed the above mentioned external audit.

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

Non Executive Board Directors continually evaluate company's management performed by the remaining Board Members.

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. Inspectorate-General for Finance (IGF) performs monitoring functions and financial control of the company, by decision of the Minister of State and Finance.

4.13 PREVENTION OF CONFLICTS OF INTEREST

Identification of the adopted system aiming at preventing conflicts of interest (Item 22 RCM 49/2007, of 28 March)

At the beginning of the term, Members of the Board of Directors declared to the Court of Auditors and Inspectorate General of Finance that they do not own any equity shares in the company, nor have they any relevant business relationship with suppliers, customers, financial institutions or with any other stakeholders likely to cause conflict of interests.

Governing Bodies' Members abstained from intervening in decisions involving their own interests.

4.14 INFORMATION DISCLOSURE

Laid down in Resolution of the Council of Ministers RCM 49/2007, of 28 March

Information on the State Corporate Sector Website

Information on the State Corporate Sector (SEE) Website	Di	sclosure		Observations
	Υ	N	NA	
Updated Bylaws (PDF)	X			
History, Overview, Mission and Strategy	Χ			
Company Summary File	Χ			
Company Identification				
Mission, Objectives, Policies, Public Service Duties and Financing Model	Х			
Governance Model / Governing Bodies' Membership:				
Governance Model (Governing Bodies' Membership)	Χ			
Fixed Remunerative Status	Χ			
Remuneration received and Other Benefits	Χ			
Regulations and Transactions				
Internal and External Regulations	Χ			
Relevant Transactions with Related Parties	Χ			
Other Transactions	Χ			
Analysis of Economic, Social and Environmental Sustainability	Χ			
Assessment of Compliance with the Principles of Good Governance	Х			
Code of Ethics and Conduct	Х			
Historic and Current Financial Information	Х			
State Financial Effort	Χ			

Information on the Company's Portal

Information on the Company's Website	Di	sclosur	e	Observations
	Υ	N	NA	
Company's Website	X	÷	: :	
History, Overview, Mission and Strategy	Χ			
Organisational Chart	Χ			
Governing Bodies and Governance Model:				
Governing Bodies' Membership	Х			
Identification - Board of Directors' Responsibility Area	Х			
Identification - Company's Committees	Х			Remuneration Committee
Identification - Risk Control Systems	Χ			
Governing Bodies' Remuneration	Χ			
Internal and External Regulations	Χ			
Transactions Outside Market Conditions	Χ			
Relevant Transactions with Related Parties	Х			
Analysis of Economic, Social and Environmental Sustainability	Χ			
Code of Ethics and Conduct	Χ			
Annual Report and Accounts	Χ			
Ombudsman's Office	Х			ended its activity on 31 December 2011

In compliance with legal guidelines, outlined in Circular-Letter n° 82, of 6 January, about instructions for the preparation of Budget and forecast to reduce staffing levels as well as senior management positions, details relating to the years of 2010 to 2012 are listed below:

Values in euros: €

Description	2010	2011	2012
Costs incurred with staff (€) [1]	40.019.746	36.952.003	30.971.933
Costs incurred with Governing Bodies (€) [2]	584.682	504.049	329.330
Reductions arising from legal amendments (€)	12.415	64.420	88.153
Increases arising from legal amendments (€)	0	0	0
Costs incurred with Senior Management without Governing Bodies (€)	1.433.301	1.287.293	784.342
Reductions arising from legal amendments (€)	0	96.035	168.995
Increases arising from legal amendments (€)	0	0	0
Costs incurred with staff without G.B. and without S.M. (€)	37.047.400	32.288.693	28.038.423
Reductions arising from legal amendments (€)	0	221.605	2.228.859
Increases arising from legal amendments (€)	0	0	0
Employment Contract Terminations / Severance Payments (€)	954.363	2.871.968	1.819.838
Description	2010	2011	2012
Total N° of Human Resources (G.B. + S.M. + Personnel)	1.525	1.450	1.298
N° of Governing Bodies (G.B.) (number)	12	12	11
N° of Senior Management without G.B. (number)	19	16	13
$\ensuremath{\text{N}^{\text{o}}}$ of staff without G.B. and without Senior Management (number)	1.494	1.422	1.274

^{[1] -} total account 63 and statutory auditor's remuneration placed to our debit in account 6221 [2] - includes statutory auditor's remuneration placed to our debit in account 6221

Compliance with Legal Guidelines

Management Ob	iertives:
Turnover	jectives.
Operating Costs	
EBITDAR Margin	
	or paccopage. km
Operating Costs pe Cover Ratio	:i passenger. km
Medium-Term Payr	monts.
	TIERIS
Occupancy Rate	
Commercial Speed	
Supply Quality Inde	
Organisational Red	esign Programme
Merger MP/STCP	
Financial Risk Ma Debt Growth Lim	
	lium-Term Payment to Suppliers
Late Payments ("	
Special Information	
	mmendations on Approval of Accounts:
RCM n° 34/2008 o	Directors is advised to meet objectives of Reduction of Medium-Term Payments to Suppliers, according to f 22 February"
Remunerations:	
	Management Performance Bonuses as set forth in art.º 29.º of Law 64-B/2011
	Remuneration Reduction as per provisions laid down in art.º 20.º of Law 64-B/2011
	- 5% Reduction as per article 12° of Law n.° 12-A/2010
Governing Bodies -	Suspension of Holidays and Christmas Bonuses, pursuant to art.º 21º of Law 64-B/2011
	Remuneration Reduction pursuant to art ^o 26° of Law 64-B/2011
	Remuneration Reduction as provided for in art.º 20° of Law 64-B/2011
	suspension of Holidays and Christmas Bonuses, in compliance with art.º 21° of Law 64-B/2011
Article 32° of Boa	ard Members Bylaws
Use of Credit Cards	5
Reimbursement of	Costs incurred with personal representation of the company
Public Contracting	g
Public Contracting	Regulations
Public Contracting	Regulations met by Associates
Contracts subject to	o Court of Auditors' approval
Adherence to Na	tional System of Public Procurement
Vehicle Fleet	
Principle of Gend	er Equality
Cost Reduction Pl	an
Costs incurred with	Staff
External Supplies a	nd Services
Reduction of Staf	fing levels and Director level positions (*)
N° of Staff	
N° of Director level	positions
	ury Unity

Justificatio	Quantification	nce	mpliar	Co
		NA	N	Υ
	400.00/	: :		V :
	100,8%			Χ
54.5	97,9%		Χ	
63.60	100,9%			Χ
4.9	89,6%		Χ	
0,19	105,0%			Χ
86	98,8%		Χ	
	124,0%			Χ
14,3	105,9%			Χ
15,7	102,5%			Χ
98,5	101,2%			Χ
9	98,6%		Χ	
5	100,0%			Χ
5	100,0%			Χ
check item 4.4.				Χ
	5,0%			Χ
check item 3.5	-6 days		Χ	
check item 3.5	91.288€			Χ
	Not applicable	Χ		
check item 9) RCM 34/20	12% reduction achieved.		Χ	
	22.750 9.405 55.998 1.496.443	X		X X X
	901.412			Χ
item 3) minutes nº 4/2012: use of credit cards has been discontinue				Χ
No costs incurred with personal representation of the compar	0€			Χ
	Not applicable	Х		
	Not applicable	Х		
	N° of contracts and total value	Χ		
	0%			Χ
	-10			
				Χ
towards 20				
	Var23% in 2012, compared to 2010			Χ
	Var5% in 2012, compared to 2010			Χ
	Var15% in 2012, towards 2010			Χ
		ļ		
(*) - Assessments made based on the average number of sta	Var32% in 2012, towards 2010			Χ

4.15 MOST RELEVANT BOARD OF DIRECTORS' DECISIONS

As provided for in sub-paragraph i) of article 13°-A of Decree-Law n° 300/2007 of 23 August, the Board of Directors held regular meetings during the year of 2012, over the course of 45 sessions, 27 of which were held during the term of 2009/2011, having continued until 29

June 2012 and 18 throughout the tenure of 2012/2014, having begun from that date onwards.

Most relevant deliberations taken by the Board of Directors in the financial year of 2012:

N° of Minutes of the Board meeting and n° of item	SUBJECT	Brief Description and Contents of Deliberation	Date of Meeting
Minutes 02/12 - item 4.4	TRAM DRIVERS FIXED-TERM EMPLOYMENT CONTRACTS	The Board decided to renew fixed term contracts of two tram drivers for a further year, after respective performance has been evaluated	10.January.2012
Minutes 02/12 - item 7.3	PROTOCOL AGREED BETWEEN STCP AND PORTO CITY HALL FOR THE MANAGEMENT OF TRAM TRACKS MAINTENANCE	Approval of draft of the protocol agreed to be signed by Porto City Hall aiming to set out procedures to be observed in the case of street running sections of tramway	10.January.2012
Minutes 03/12 - item 4	PENSION FUND	The Board, recognising the role of the Actuarial Report of 2011, decided to make an additional contribution towards the Pension Fund, keeping the value covered, the latter being set out by Instituto de Seguros de Portugal - Institute of Insurances of Portugal	17.January.2012
Minutes 04/12 - item 3	BOARD MEMBERS BY LAWS	Further to the publication of Board Members bylaws, the Board decided to immediately suspend and discontinue the use of credit cards designed to each Board Director, intended for the sole use of covering costs incurred in performing their duties. This expenditure is required to be vouched	24.January.2012
Minutes 04/12 - item 6.2	BUS DRIVERS FIXED-TERM EMPLYMENT CONTRACTS	The Board approved fixed term employment contracts renewal of 10 bus drivers for equal length of time	24.January.2012
Minutes 04/12 - item 10.1	STCP'S NETWORK - SUPPLY ALTERATIONS	The Board approved alterations detailed in the Technical Note issued by the Marketing Department having represented a major improvement	24.January.2012
Minutes 05/12 - item 14.5	AUTOLOC – ALUGUER DE AUTOCARROS, ACE – PROCEDURE FOR WINDING UP	The Board approved procedures for winding up, liquidation and asset- sharing of Autoloc, previously approved by the Statutory Auditor	31.January.2012
Minutes 06/12 - item 8.1	CONTRACT FOR THE CONSTRUCTION OF AN ELECTRIC SUBSTATION (ETS) AND FEEDING POST (FP) - TERM EXTENSION	Approval of term extension for completion of the works resulting from project alterations, namely detailed specifications introduced by their author, free of charge: previous building contract awarded to LÚCIOS Engenharia e Construção – Lúcio da Silva Azevedo & Filhos, S.A, until 5 March 2012	07.February.2012
Minutes 07/12 - item 16	SOFTWARE PROGRAMMING SERVICES TO BE IMPLEMENTED BY THE MAINTENANCE UNIT OF VIA NORTE AND FRANCOS BUS DEPOTS	The Board approved the purchase of equipment as well as contract award for software programming services to be provided by Primavera implemented by the Maintenance Unit of both Via Norte and Francos Bus Depots	14.February 2012
Minutes 08/12 - item 4	MANUAL OF SKILLS AND COMPETENCES	The Board approved the Manual of Skills and Competences duly updated	21.February.2012
Minutes 08/12 - item 7	PROPOSAL FOR BUS LANES ENHANCEMENT TO BE IMPLEMENTED IN 2012	The Board approved a proposal for BUS lanes enhancement across the city of Porto, to be sent to Porto City Hall and reported to Porto Metropolitan Authority for Transport and the Supervising Ministry as welll	21.February.2012
Minutes 09/12 - item 12	TRAM MUSEUM - DELIVERY OF PLANNING SERVICES FOR MONITORING PRESERVATION AND RESTORATION WORKS IN MASSARELOS	The Board decided to hire planning services aiming at monitoring preservation and restoration works on equipments to be preserved "in situ" under the application for QREN programme for the conversion of the former Thermoelectric Central Plant into a museum	
Minutes 10/12 - item 6	SIG/QAS CERTIFICATION - INTEGRATED MANAGEMENT SYSTEM REVIEW	The Board conducted the annual review to the Integrated Management System for Quality, Environment and Security and Health at Work, relating to 2011	06.March.2012

N° of Minutes of the Board meeting and n° of item	SUBJECT	Brief Description and Contents of Deliberation	Date of Meeting
Minutes 11/12 - item 4.5	EMPLOYMENT CONTRACT - TERMINATIONS BY MUTUAL AGREEMENT	Further to confirmation received from Social Security for the agreement of eight employment contract terminations, the Board, based on criteria followed until then, approved an internal order – regarding the staff who had been given authorisation to terminate their contracts – as part of the applications that should be processed according to the internal Notice CA AV 00.10 of 5 January, in descending order of age – by mutual agreement contract terminations on 31 March 2012. In April, with the agreement for a package of six new contract terminations, the process by mutual agreement contract terminations was completed	13.March.2012
Minutes 11/12 - item 5.1	STCP'S NETWORK - LATE NIGHT NETWORK - PROPOSAL FOR ADJUSTMENTS	The Board approved Late Night Network adjustments, following analysis to the overall demand evolution, to be made as soon as possible	13.March.2012
Minutes 13/12 - item 9.2	REPART, S.A CONTRACT ASSIGNMENT OF SAE COMMUNICATIONS	Following deliberation to choose GSM/GPRS solution for SAE communication system after reporting to the current supplier, MOBIZAPP asked STCP's permission for contract assignment in whole, to REPART the later having proposed a draft of agreement which was carefully reviewed by the Board, who decided to accept MOBIZAPP's request if agreement to be reached with REPART observes terms and conditions previously set out, unless extension to 6 months, here accepted, is planned, of the term from which any party involved may terminate the agreement by giving the stipulated prior-notice	27.March.2012
Minutes 13/12 - item 10.1	International public Tender for the provision Of Cleaning Services of Premises and Vehicles Except at the Head Office	The Board decided to hire for a 2 year-term as from 1 July 2012, cleaning services to be provided at premises, except at the heaf office located at Antas, as well as vehicles. The procedure adopted for selecting the contractor is the Public Tender with publication in the Official Journal of the European Community, in accordance with provisions laid down in Public Contracting Code. A working group was appointed to design and produce tender documents	27.March.2012
Minutes 14/12 - item 3.1	HUMAN RESOURCES - BUS DRIVERS WITH A FIXED TERM EMPLOYMENT CONTRACT - 1ST GROUP - 2ND PERFORMANCE EVALUATION	The Board decided to renew fixed term employment contracts with these bus drivers for a eighteen month period of time, after having reviewed their performance evaluation, under provisions laid down in Law n° 3/2012, 10 January, as stated in the legal basis	3.April.2012
Minutes 15/12 - item 3	CONTRACTS AND PROTOCOLS - PRIVATE OPERATORS - PROPOSAL FOR DRAFT OF AGREEMENT TERMINATION LETTERS	The Board approved a proposal for the preparation of contract termination letters with Private Operators resulting from a range of measures adopted about working group's conclusions as well as with the Private Operator operating ZR line taking into account minibuses and crew members availability as a result of STCP's supply interruption on 1 July, on somes lines of Matosinhos municipality	10.April.2012
Minutes 16/12 - item 11.1	MASSARELOS - LOW VOLTAGE GENERAL FRAMEWORK SUPPLY (LVGF) AND TEMPORARY CONNECTION OF THE NEW FEEDING POST (FP) WITH THE CURRENT LVGF	Given the delay in launching the second phase of works regarding this project, it was decided to antecipate low voltage general framework (LVGF) supply and installation and temporary connection of the new feeding post with the current LVGF, having been awarded to the best of the three proposals received from the five companies queried and approved by the Board	17.April.2012
Minutes 16/12 - item 16	QUEIMA DAS FITAS SERVICE DELIVERY - AGREEMENT WITH FEDERAÇÃO ACADÉMICA DO PORTO (FAP)	The Board reviewed a proposal for 2012 Queima da Fitas service provision, as well as negotiations with FAP, the latter having awarded a contract to STCP for the delivery of this service. Agreement with FAP expected to be signed	17.April.2012
Minutes 17/12 - item 7.3	FIXED TERM EMPLOYMENT CONTRACTS - FLEET MAINTENANCE UNIT	The Board approved the recruitment of four employees on a fixed term contract for one year's period for the Fleet Maintenance Unit (FMU) under the same remuneration conditions applied to the last similar recruitment processes.	24.April.2012
Minutes 17/12 - item 10	VOICE ACTIVATED AND SAEI DATA SERVICES - REVIEW OF MOBILE NETWORK OPERATORS' PROPOSALS	The Board approved the following: a) Award a contract for voice activated and SAEI data services to VODAFONE; b) Not to award to EFACEC equipment and connection software to the Public Information Displays (PIP) and look for alternative solutions from other eventual suppliers; c) Not to extend the current mobile voice activated service contract with VODAFONE for a further year in order to carry out a market research in 2013, at the end of the current contract	24.April.2012
Minutes 18/12 - item 6.2	TECHNOLOGICAL ALTERATIONS TO GMS/GPRS (EFACEC)	The Board decided to award to EFACEC a contract for the delivery of services to adapt software to communication system alterations and also SIM card parts assembly services. The Board reviewed alterations made to the initial proposal, having been accepted by EFACEC, the latest version of which refers alterations STCP asked for regarding term for development of part of data in communications, thus, reducing payment conditions agreed. SIM card parts assembly is to be made at EFACEC premises intended for on board computers not yet delivered and at STCP premises for the remaining ones	30.April.2012
Minutes 19/12 - item 3.3	FIXED TERM BUS DRIVERS - GROUP TWELVE	The Board approved the renewal of a fixed term contract of two bus drivers for one year's period as from 15 June 2012	08.May.2012

N° of Minutes of the Board meeting and n° of item	ТЕМА	Brief Description and Contents of Deliberation	Date of Meeting
Minutes 21/12 - item 10	PUBLIC TENDERS - PROVISION OF CLEANING SERVICES OF PREMISSES AND VEHICLES IN JULY AND AUGUST 2012	Considering the need to extend the current contract covering a period of two or three months for completing the current tendering process and taking into account the unacceptable terms and conditions submitted by CLIMEX - Controlo de Ambiente, SA, corresponding to a forty per cent rise in price, the Board approved a proposal for an immediate consultation to five companies for temporary delivery of services in the months of July and August 2012, to be eventually further extended to one month. The Board decided to appoint the panel members for evaluation of the submitted proposals	22.May.2012
Minutes 21/12 - item 13	PURCHASE OF "AGENTE ÚNICO" TICKETS	The Board reviewed a proposal for the purchase of five million tickets "Agente Único", to Imprensa Nacional - Casa da Moeda (INCM) National Press, Printing and Mint House and considered the chances of purchase from alternative suppliers, keeping the hologram for safety reasons enabling purchase at unit cost proposed at INCM. For this purpose, the Adminitrative and Finance Department was instructed to carry out a market research reducing the total order of tickets, the model of which had already been approved (with hologram and perforation)	22.May.2012
Minutes 22/12 - item 5.2	BUS DRIVERS ON FIXED TERM CONTRACT - 2ND GROUP	The Board reviewed the Performance Evaluation concerning twelve fixed term bus drivers belonging to the second group hired in 2009, as well as a proposal presenting a brief description about their good level of overall performance with the purpose of ensuring the continuity of employment on fixed term contract. Taking into account that one of the drivers has achieved a higher level of performance, the Board decided to hire him under an open-ended contract, the contract renewal of the remaining eleven, having been approved for a new and equal period of time	29. May 2012
Minutes 24/12 - item 2.3.1	BUS DRIVER TRAINING - GROUP 1	The Board approved the beginning of training to be provided to nine out of ten bus driver applicants, once he had been a former member of STCP staff. The selection and confirmation of a further ten applicants group should be given high speed, that added to those who have just been hired, would complete a recruitment campaign of twenty applicants decided by the Board	12.June.2012
Minutes 25/12 - item 4.2	INITIAL BUS DRIVER TRAINING	Given the urgent need in providing training to bus drivers to be recruited, the Board approved a proposal to award a contract to Antrop, services to be delivered in areas of "customer service", covered by the balance of ANTROP hours of training and "economic and defensive driving", however, pointing out the need that in future actions on these issues, training must be internally delivered. To this purpose, the Organisational Development Department should take the necessary steps accordingly from now on	19.June.2012
Minutes 27/12 - item 2.4	RECRUITMENT OF BUS DRIVERS	The Board approved definitive list of bus drivers belonging to the second group, to be recruited on a fixed term contract following decision for recruitment of twenty new bus drivers, on the conditons previously set out including applicants referred in the list. Training should start as from 2 of July 2012	28.June.2012
Minutes 27/12 - item 12	PROPOSAL PUT FORWARD BY CARRISTUR FOR THE DELIVERY OF STCP'S PUBLIC TRANSPORT SERVICE	The Board reviewed Carristur's proposal so that their bus sightseeing tour customers may use STCP's bus public service network. A counter proposal which has been put forward by STCP, was aproved regarding the amount to be charged as from March of this year. This agreement will come into effect for a two year period and should however, be reviewed in case CARRISTUR operating conditions as well as turnover change substantially	28.June.2012
Minutes 28/12 - item 1	ASSIGNMENT OF FUNCTIONS/POSITIONS	Assignment of positions to be held by the Board Members was set out	10.July.2012
Minutes 29/12 - item 5	INFORMATICS AND COMMUNICATIONS - MICROSOFT LICENSING AGREEMENT	In order to maintain the use of software licensing, Microsoft was directly awarded a contract for technical assistance owing to the need for licenses of operating systems installed on computers and servers to be provided. STCP software is installed on a Microsoft platform	20.July.2012
Minutes 30/12 - item 2	APPOINTMENT OF REPRESENTATIVES IN ASSOCIATES	Executive Board Members appointed STCP's representatives to the Governing Bodies of Associates	25.July 2012
Minutes 31/12 - item 3	TICKET INSPECTION AND CONTROL CONTRACT	Contract extension for the delivery of surveillance, ticket inspection and control services on buses for a further year was authorised, the company Eulen Portugal having been awarded this contract by STCP. As a result, Eulen has not updated prices referred to in the contract clauses	27.July.2012
Minutes 33/12 - item 2.2	MUSEUM MERCHANDISE HAS BEEN "PORTO OFFICIAL PRODUCT" SEAL AWARDED	A contract-signing Protocol agreed between STCP and Porto City Hall was approved for the sale of a range of Tram Museum merchandise at Porto City Hall Tourist Information Centres	10.August.2012
Minutes 34/12 - item 7.1	INTERNATIONAL PUBLIC TENDER FOR THE DELIVERY OF CLEANING SERVICES OF PREMISES AND VEHICLES, EXCEPT AT THE HEAD OFFICE	The Board decided to award a contract for the delivery of cleaning services of premises and vehicles, laundry and public travel information provision on vehicles over the period of two years, to the company Vadeca Ambiente Preservação e Controlo, S.A.	23.August.2012

N° of Minutes of the Board	TEMA	Brief Description and Contents of Deliberation	Date of Meeting
meeting and n° of item			

Minutes 36/12 - item 3.2	BUS DRIVERS ON FIXED TERM EMPLOYMENT CONTRACT	A decision was taken towards fixed term contract renewal of eight bus drivers, under provisions laid down in Law n° 3/2012, of 10 January, stipulating an extraordinary fixed term contract renewal scheme following respective performance evaluation	04.October.2012
Minutes 39/12 - item 3	MERCEDES SPRINTER MINIBUSES	The Board decided to exercise the right of option to purchase three minibuses Mercedes-Benz Sprinter pursuant to provisions set out in the contract	18.October.2012
Minutes 40/12 - single item	PLANO DE ATIVIDADES E ORÇAMENTO PARA O ANO DE 2013	Business Activity Plan and Budget for 2013 were approved by the Board and sent to the Supervising Ministry, Investment Plan and Disposal of Assets for 2013 as well as Organisational Redesign Plan as from 2012 to 2015	31.October.2012
Minutes 41/12 - item 3.1	CHRISTMAS FESTIVITIES CELEBRATED TOGETHER WITH CEREMONY OF 25 YEARS OF SENIORITY	The date of 14 December was set by the Board for Christmas Festivities to be jointly celebrated by the staff of STCP, SA and Metro do Porto, SA, the Ceremony of 25 years of Seniority having been associated with. The usual award-giving ceremony to the honored employees was approved by the Board	08.November.2012
Minutes 42/12 - item 1	Cooperation Contract Termination with Valpi - Lone 94	After meetings having been held with Valpi at the premises of Porto Metropolitan Authority for Transport, the Board proposed a balanced deal for operating Line 94, that was rejected. Seeing that negotiations have failed, termination of cooperation contract regarding Line 94 was announced on 30 November, beginning to take effect as from 1 January 2013	13.December.2012
Minutes 43/12 - item 2	OPERATION OF LINE 94 AND COOPERATION AGREEMENT WITH VALPI TO OPERATE LINE 61	Following Cooperation Contract termination between STCP and VALPI regarding Line 94 beginning to come into force as from 1 January 2013, the Board has decided to restore operation of route 700 Bolhão-Valongo (railway station) from January 2013 onwards. The Board has further decided to terminate the Cooperation Agreement signed with VALPI concerning line 61, on the respective expiry date, i.e. April 2014. This cooperation agreement termination will be reported to Porto Metropolitan Authority for Transport	18.December.2012
Minutes 44/12 - item 3	EVALUATION OF PROPOSALS SUBMITTED TO STCP FOR REAL ESTATE APPRAISAL PROPOSALS	The Board decided to award a contract for the delivery of real estate appraisal services to CPU CONSULTORES seeing that this was the lowest bidder	20.December.2012
Minutes 45/12 - item 3.2	Fare Pricing Increase Proposal	The Board approved proposal for fare pricing increase with effect as from 1 January 2013 based on provisions laid down in Normative Order n° 24-B/2012, of 19 December also approved by Porto Metropolitan Authority for Transport, (AMTP)	27.December.2012
Minutes 45/12 -item 3.3	NEW ADHERENCE TO STCP'S OVERALL NETWORK SINGLE MODE SEASON TICKETS	Further to legal opinion issued by Legal Advice Department, the Board decided to authorise new adherence to STCP's overall bus network single mode season tickets	27.December.2012

4.16 Associations and Partnerships

STCP is a member of UITP – Union Internationale des	
Transports Publics	

And also member of

CT 148 – Portuguese Technical Committee for Transport, Logistics and Services Standardisation

STCP is a member of the following entities:

ADEPORTO – Porto Energy Agency

AEP – Portuguese Trade Association

AMTC – Association for Transport and Communications Museum

APAC – Portuguese Railway Fan Association

ATC Porto Tours – Entrepreneurs Association for Cultural Tourism Development in Porto and surrounding area

Porto Archieves Fan Association

Porto Coliseu Fan Association

Porto Information Provision on Consumption and **Arbitration Centre**

Porto Trade Association

APVGN – Portuguese Association of Vehicles running on Natural Gas

Library of the Faculty of Engineering of Porto University

Serralves Foundation

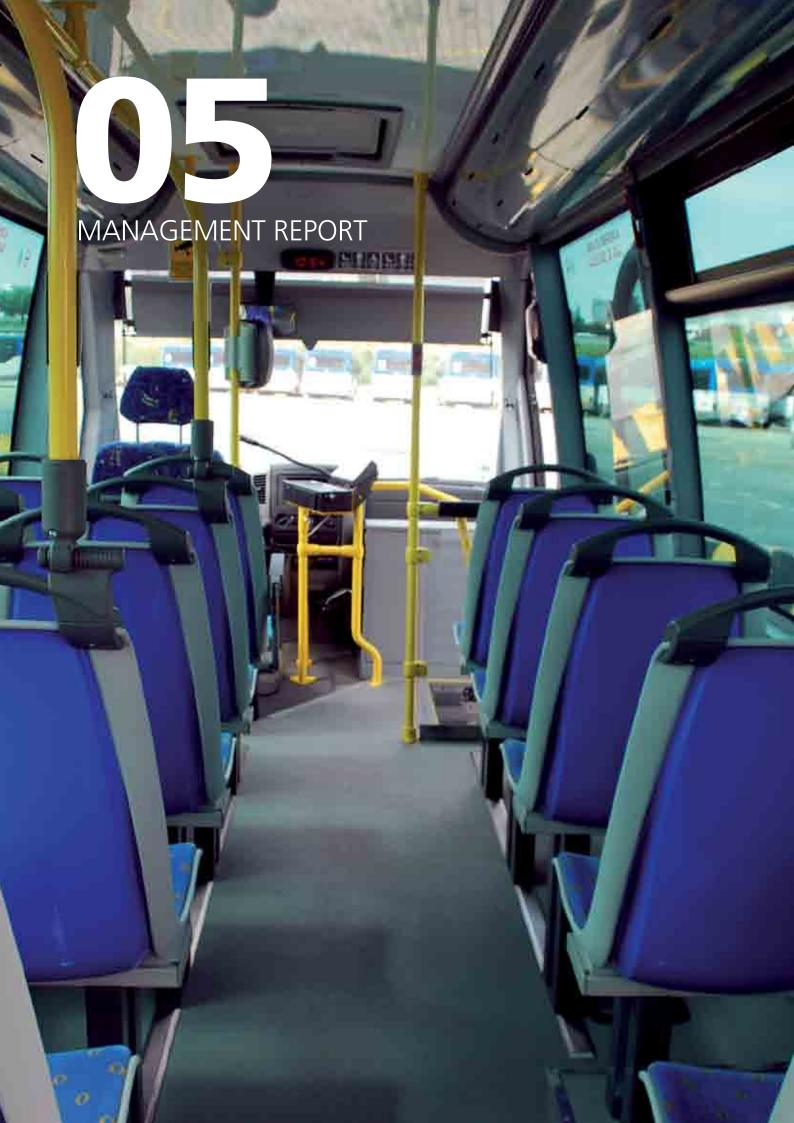
INEGI – Mechanical Engineering and Industrial Management Institute

IEP – Portuguese Electro-Technical Institute

ISQ –Welding and Quality Institute

Codipor – Portuguese Association for Product Identification and Codification





5.1 MACROECONOMIC FRAMEWORK

In 2012 global economic downturn continued to give rise to uncertainty and instability in the financial markets.

Economic activity growth despite of showing some signs of recovery, was moderate. A slowdown coming out of the emerging economies until the middle of the year was recorded, hitting afterwards high growth rates; broadly speaking, most advanced economies showed, however, a decline of Gross Domestic Product.

The year was marked by the sovereign debt crisis in the peripheral countries of the Eurozone, the risk of contagion to other countries, the need for fiscal consolidation and the need for both public and private sector deleveraging. All these factors coupled with fiscal consolidation in the United States contributed to badly affect global economic confidence.

In the European Union, fiscal consolidation efforts continued to have a negative impact on the economic activity and employment.

GDP hit a negative variation in Eurozone and in Portugal of 0,6% and 3,2% respectively.

Unemployment continued to rise reaching a 11,4% rate in the Eurozone, a further 1,2 p.p in comparison with 2011. In Portugal, figures showed a sharper increase from nearly 12,7% in 2011 to 15,7% in 2012. These values were further aggravated in the last quarter, when unemployment rate represented 16,9%.

In Portugal inflation level stood at 2,8%, notably due to the impact of fiscal measures giving rise to an increase in indirect taxes, and also owing to the rise in oil price as well as in food prices.

Throughout 2012 sovereign debt crisis caused great instability deeply affecting development of European financial markets.

However, from the second half onwards, financial market tensions began to calm down, largely due to the intervention of the European Central Bank (ECB). Measures taken by ECB (reduction of interest rates, loans granted to banks, public debt purchase programme in the secondary market) contributed to the Monetary Union stabilisation.

Europe experienced liquidity problems. Several banks faced difficulties in market access and additional difficulties accessing credit were visible and obvious for companies and individuals.

In August annual rate of credit granted reached -1,2% towards same period, bank loans granted to private sector having declined nearly 0,2%.

In early 2013 figures indicated improvements at economic and business level. Ifo Global economic indicator (Ifo World Economic Climate Indicator) demonstrated new signs of economic improvement, which was due to a significant and more positive evaluation of the component "expectations". It is therefore, expected for 2013 a slight recovery of the european economic activity, owing to an improvement in external demand and the favourable and significant impact of the European Central Bank monetary policy.

According to European Central Bank experts, Brent crude oil average price is expected to drop by approx. 4% in 2013 compared to 2012 and USD/EUR exchange rates will decrease nearly 2%.

Portugal is under the Programme for Economic and Financial Assistance, agreed between European Commission, European Central Bank and International Monetary Fund until June 2014, borrowing limits being expected as well as degraded financing conditions. In accordance with a Report issued by the Bank of Portugal, forecasts for Portugal indicate that economic activity will shrink 1,9% in 2013. This evolution implies a 7,4% cumulative reduction of Gross Domestic Product over the period from 2009 to 2013.

Within the context of economic adjustment process, implementation of fiscal consolidation measures included in the State Budget for 2013, will play a key role in internal demand evolution (OE2013) which is expected to record a significant decline in 2013.

5.2 THE YEAR IN REVIEW

Activity Evolution

Despite the introduction of a new mode of transport in the city of Porto in the last decade, STCP goes on being the leading public transport provider within Porto Metropolitan Area, the total number of 93,8 million passengers having been carried in 2012.

The year of 2012 was highlighted by a 13% decline in demand compared to the previous year, though this was partly the result of the transfer of eight STCP's lines to private operators on 1 July 2012. Excluding this decision, a 11% drop in demand was recorded, towards 2011.

Supply stood at 25,7 million km operated, representing a 10,2% reduction in comparison with the previous year. Excluding lines for which private operators became responsible, supply decline stood at 7,3% towards 2011.

Discontinuation of single mode fare pricing, except overall bus network season tickets, gave rise to a significant shift of customers to andante intermodal fare pricing. In December, 72% of season tickets holders used andante intermodal fare pricing.

Revenue coming from the sale of tickets, despite fare pricing increase, recorded a 1,4% drop towards 2011. Excluding lines that are no longer part of the network in the second half, figures indicate a positive variation of 1,9%.

During 2012 in cumulative terms, STCP's andante intermodal and single mode fare pricing were equally used for the same number of passengers. Nevertheless, taking into account only the month of December, the rate of passengers using intermodal fare pricing stood at 59%, versus 41% of single mode passengers, showing the key leading role that intermodality currently plays.

With regard to revenue resulting from sales of tickets, intermodal revenue corresponds to 45% of the cumulative values of the year, but in December intermodal revenue percentage represented 59%.

5.3 INVESTMENT

In 2012 investments made corresponded to 2.341 thousand euros.

Investment containment policy continued to be largely confined to replacement investments, tram restoration, project taken forward for adapting the former Thermoelectric Central Plant of Massarelos for museum use covered by QREN Programme as well as the new Massarelos electric substation.

For the acquisition of the electric component of Massarelos substation and building works, about 1 million euros were invested (42%).

Investment in intangible assets of 1.107 thousand (47% of the total investment), concerns compensation received from contractual penalties as a result of the supply of articulated buses acquired in 2011 (included in heading Other).

Investments (m€)	2009	2010	2011	2012
Rolling Stock	163	11.765	116	18
Infrastructres	381	220	650	1.057
Other	962	270	183	1.266
Total	1.506	12.255	949	2.341

5.4 FINANCING

STCP ended the year of 2012 with a total remunerated debt of 370,7 million euros, corresponding to a rise by 5%, in comparison with 353 million euros on 31 December 2011, that is, within the limit set out by Order of the Secretary of State to the Treasury and Finance n° 510/2010, dated 1 June - 5% for 2012.

5.4.1 Account opened at the Public Credit Management Institute (IGCP)

Further to guidelines provided for in Circular Letter 844 of 3 February 2011, STCP opened an account at the ex Public Credit Management Institute (PCMI), the current Management Agency to the Treasury and Public Debt, in strict compliance with provisions laid down in article 77° of Law n° 55-A/2010, dated 31 December which approved the principle of Unity of Treasury. Given the centralised integrated treasury and public debt management, all reimbursements and other funds from Public Bodies began to be received into this account.

5.4.2 Financing Operations carried out during the year

During the year of 2012, the company carried out only short term operations.

Taking into account restrictions on credit, financing conditions continued to worsen due to increase of *spreads* and bank commissions as well as a decrease of contractual maturities.

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Debt Structure and Evolution in the course of 2012 (thousand euros)



The year of 2012 was marked by an increase in costs associated with financing, mainly in the first 9 months of the year compared with the same period of 2011 as well as a rise in the use of short-term credit lines available aiming to meet treasury needs.

Interests incurred with remunerated liabilities and other financial costs

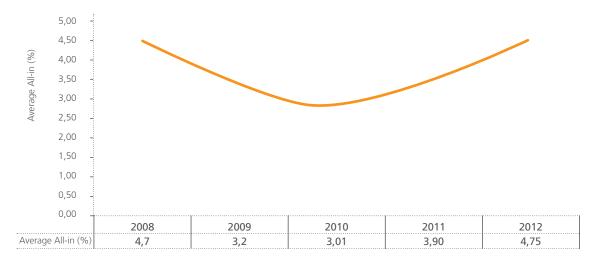
(10^3 €)	2009	2010	2011	2012
Interests paid	8.326	7.486	13.160	19.034
Other Costs	889	832	1.278	1.918

The value of interests paid in 2012 amounted to 19 million euros compared to 13,2 million euros in the same period of the previous year.

In 2012 costs incurred with swap operations accounted for under the heading Interests paid, corresponded to 4 million euros, in 2011 represented 1,6 million euros.

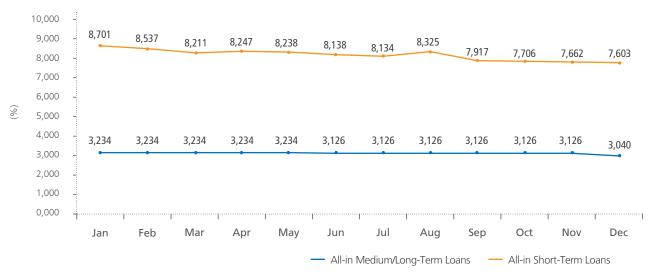
Evolution of the annual average financing rate in the last five years

Average Weighted All-In 2008 - 2012

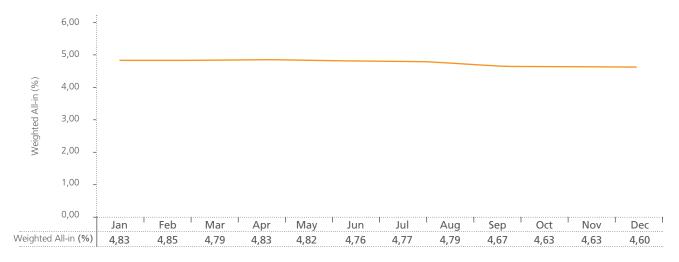


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Monthly Weighted All-in by Use 2012



Monthly Weighted All-in 2012



5.4.3 Financial Risk Management

As provided for in Order n° 101/2009 – Secretary of State to the Treasury and Finance of 30 January

Efficiency Analysis of Financing Policy and the Use of Financial Risk Management Instruments The Company pursues an active policy of credit portfolio management and financial risks to which the company is exposed. Details can be found on the Notes to the Financial Statements n° 28.2.

Financial Risk Management - Order n° 101/09 - Secretary of State of Treasury and Finance, of 30-01

Procedures adopted on risk assessment matters and coverage measures

Diversification of financing instruments

Diversification of available interest rate modalities

Diversification of creditors

Contracting of management instruments of risk hedging in accordance with market conditions

Adoption of an active policy to increase ongoing capital

Consolidation of remunerated liabilities: alteration of short-term liabilities into medium/long-term liabilities under favourable conditions

Operation contracting towards minimising financial cost (all-in cost) of the operation

Minimised provision of real guarantees

Minimised restrictive clauses (covenants)

Measures pursued aiming at optimising company's financial structure

Policy adoption towards minimising allocation of borrowed funds for financial coverage of investments

Option for investments of confirmed social/corporate profitability benefiting from CF and E

Use of self-financing and divestment revenue

Inclusion in Annual Reports

Description of the annual average financing rate evolution in the last 5 years

Interests paid annually with remunerated liabilities and other costs in the last 5 years

Efficiency analysis of the funding policy and use of financial risk management instruments

Impact on Income/Expenditure Statement for 2012 of the effect of fair value variations of swap contracts held in portfolio

Fulfilled			Description				
Υ	N	NA					
:	:	: :					
Х			According to Ministry's guidelines and market proposals, the company chooses the product suited to its financial needs.				
 Χ			The company always decides, whenever possible, on the reference rates to contract				
Х			The company has kept an open dialogue with a range of credible counter-parties, financial partners for many years				
Х			The company hedged 50 million euros of its liabilities regarding interest rate risk.				
	X		The company did not consolidate liabilities towards 2012				
		Χ					
Х			The company tries to minimise guarantees requested, within the context of its capabilities of negotiation				
Χ			The company tries to negotiate stricter contractual clauses				
		Χ	The company invests through the use of borrowed funds				
		Χ	Investment Plan approved by the Shareholder				
		Х	Revenues coming from the delivery of public service are insufficient for the company's activity. Figures showed a marginal divestment during the year				
Χ			Average annual financing rates for the last 5 years are stated in 2012 Annual Report and Accounts				
Χ			Included in 2012 Annual Report and Accounts				
Х			Included in 2012 Annual Report and Accounts				
X	1		Since 2009, Annual Report and Accounts has been issued taking into consideration this accounting policy alteration				

5.5 RESULTS FOR 2012 FINANCIAL YEAR

Net Results

In 2012, Net Results for the Financial Year amounted to -73,4 million euros, corresponding to an aggravation of 18,9 million euros towards the previous year (-35%).

Attention should be drawn to Financial Results of -63,2 million euros, representing 86% of the Net Results for 2012. In comparison with the year before, Net Results aggravation regarding the Financial Year is caused by Financial Results deterioration of 15,1 million euros and Operating Results of 3,8 million euros.

Income/Expenditure (10^3 €)	2009	2010	2011	2012	12/11
Operating Income	71.984	72.709	73.738	64.396	-12,7%
Operating Costs	87.887	81.963	80.122	74.566	-6,9%
Operating Results	-15.903	-9.254	-6.383	-10.170	-59%
Financial Income	2.718	0	341	6	-98%
Financial Costs	10.437	28.383	48.469	63.221	30%
Financial Results	-7.719	-28.383	-48.128	-63.215	-31%
Tax for the year	31	40	34	53	56%
Net Results (NR)	-23.653	-37.677	-54.545	-73.439	-35%
NR before Compensatory Indemnities	-42.809	-56.653	-72.416	-83.650	-16%
NR before Swap Fair Value Variation	-24.625	-17.612	-20.514	-31.169	-52%

Financial Results

In 2012 Financial Results stood at -63,2 million euros, of which -42,3 million euros should be pointed out, representing swap fair value variation.

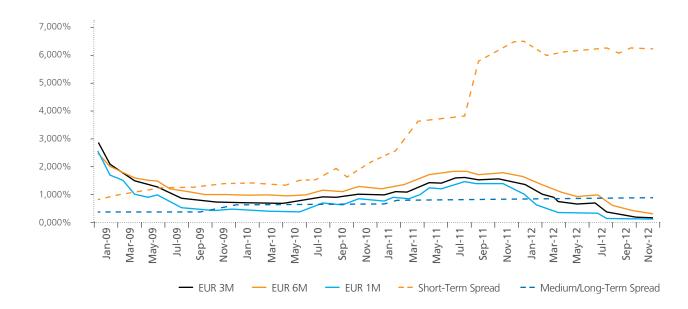
Compared to the year before, Financial Results were negatively affected by the decrease of 0,3 million euros (-98%) in Financial Income and by the increase in Financial Costs of 14,8 million euros (30%). This rise of 8,2 million euros results from losses in swap fair value totaling 6,6 million euros of interests and other costs paid.

Aggravation of interests and other expenditure amounting to 6,5 million euros (+45%), result from the increasing debt by 5%, the associated high costs coupled with expenditure incurred with swap operations.

(10^3 €)	2009	2010	2011	2012	12/11
Interests paid	8.326	7.486	13.160	19.034	44,6%
Other Costs	889	832	1.278	1.918	50,1%
Sub-Total [A]	9.215	8.318	14.438	20.952	45,1%
Swap Fair Value Variation [B]	-973	20.065	34.031	42.269	24,2%
Total [A+B]	8.242	28.383	48.469	63.221	30,4%
Remunerated Debt	309.655	335.403	352.970	370.665	5,0%

	2009	2010	2011	2012	12/11
Bank Financing Average All-In	3.198%	3.012%	3.902%	4.747%	0.85 pp

Evolution of Interest Rates/spreads



Operating Results

Operating Results totaled -10,2 million euros, corresponding to a 59% increase in relation to 2011. Despite a reduction in Operating Costs of 5,6 million euros (-6,9%) towards the same period of the previous year, increase in Operating Results by -3,8 million euros comes from a decrease of 9,3 million euros (-12,7%) in Operating Income, particularly due to a decline of 8,1 million euros in Operating Grants.

Operating Costs

Operating Costs stood at 74,6 million euros (-6,9% compared to 2011).

Particular note should be made to a decline in Costs incurred with Personnel by 6 million (-16,2%) which is due to three factors: impact of legislative measures provided for in State Budget for 2012 (2,5 million euros), staffing levels reduction as well as severance payments decline owing to employment contract terminations.

As to Supplies and External Services, the heading Private Operators has recorded a drop of 1,9 million euros due to operation contracts decrease with two Private Operators.

The heading Costs/reversals - depreciation, amortisation, provisions and impairments recorded a rise of 1,5 million euros (+18,1%).

Expenditure (10^3 €)	2009	2010	2011	2012	12/11
ESS+CGSMC	33.178	34.032	34.167	32.281	-5,5%
Private Operators	5.858	6.316	6.608	4.732	-28,4%
Fuel (gas + diesel)	9.009	10.396	10.164	10.302	1,4%
diesel oil	4.385	5.539	6.373	6.173	-3,1%
gas	4.624	4.856	3.791	4.129	8,9%
Costs incurred with Personnel	40.731	39.999	36.934	30.954	-16,2%
Severance Payments	2.193	954	2.872	1.820	-36,6%
Costs/reversals, depreciation, amortisation, provisions and impairments	8.385	6.531	8.225	9.715	18,1%
Other	5.593	1.400	796	1.616	103,1%
Operating Expenditure	87.887	81.963	80.122	74.566	-6,9%

On 05 April 2013, Judgement n°187/2013 was delivered by the Constitutional Court having ruled as unconstitutional the provisions laid down in article 29° of Law 66-B/2012 of 31 of December.

This Constitutional Court's decision stipulated the payment of holiday bonuses or any other corresponding benefits by the company with an expected impact on Expenditure incurred with Personnel for 2013 amounting to 1.687 million euros.

Operating Income

Operating Income totaled 64,4 million euros in 2012, recording a decline of 9,3 million euros (-12,7%), mainly due to the decrease of 8,1 million euros in Operating Grants, that is, a 43% reduction in this heading in 2012.

Income/ (10^3 €)	2009	2010	2011	2012	12/11
Delivery of Services	47.732	49.346	50.783	50.072	-1,4%
Operating Grants	20.138	19.930	18.869	10.729	-43,1%
Other Operating Income	4.114	3.432	4.087	3.595	-12,0%
Operating Income	71.984	72.709	73.738	64.396	-12,7%

EBITDA

EBITDA stood at 4,4 million euros, corresponding to a variation of -2,9 million euros towards the previous year (-40%), which reflects a negative trend in Operating Income, notably owing to a 8,1 million euros drop in Operating Grants.

EBITDA (10^3€)	2009	2010	2011	2012	12/11
Operating Results	-15.903	-9.254	-6.383	-10.170	-59%
Amortisations, provisions, impairments and fair value variations	12.495	6.563	7.615	9.541	25%
Leasing Rental Payments (financial component)	3.417	3.226	3.231	3.241	0%
Severance Payments HR	2.193	954	2.872	1.820	-37%
EBITDA	2.202	1.489	7.335	4.432	-40%

5.6 COMPANY'S ASSETS EVOLUTION

Assets recorded a drop of 15,7 million euros (-14,3%) in 2012 in relation to 2011. As a result of a decrease in non current assets of 8,8 million euros, due to a reduction of the heading Tangible Fixed Assets of 8,9 million euros and a drop in current assets having been reduced 6,8 million euros, specially owing to a drop in headings Customers 3,1 million euros, State and Other Public Bodies 2 million euros and Other Accounts Receivable 1 million euros.

Liabilities recorded a rise in 2012 of 61,3 million euros (13,9%) in comparison with 2011. Noteworthy is the rise of 42,3 million euros representing other financial liabilities and 17,7 million euros concerning loans received.

Rising remunerated debt totaled 17,7 million euros (5%) as provided for in Order from the Secretary of State to the Treasury and Finance SSTF n° 510/2010 of 1 June.

In 2012 Equity reached a negative amount of 407,6 million euros.

Balance Sheet Structure (10^3 €)	2009	2010	2011	2012	12/11
Assets	110.950	114.746	109.617	93.958	-14,3%
Non-Current	96.948	102.624	95.881	87.070	-9,2%
Current	14.002	12.122	13.735	6.889	-49,8%
Equity and Liabilities	110.950	114.746	109.617	93.958	-14,3%
Equity	-237.305	-275.747	-330.719	-407.639	-23,3%
Liabilities	348.254	390.493	440.336	501.598	13,9%
	2009	2010	2011	2012	12/11
Remunerated Debt (10^3 €]	309.655	335.403	352.970	370.665	5,0%

There no late debts to the State nor to other public bodies, including the Social Security.

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5.7 PROPOSAL FOR THE ALLOCATION OF RESULTS

The Board of Directors proposes that net results calculated for the financial year in the negative value of 73.438.560,24 euros, should be fully transferred to the Retained Earnings account.

Porto, 24 April 2013

The Board of Directors

Non Executive Chairman:

(João Velez Carvalho)

Executive Board Members:

(André da Costa Figueiredo e Silva Sequeira)

(Alfredo César Vasconcellos Navio)

Non Executive Board Member:

(António José Lopes)

5.8 NOTES TO THE MANAGEMENT REPORT

Shareholders as at 31 December 2012

List referred to in n° 4 of article 448° of the Companies Code.

Shareholder	Number of Shares	% of the Share		
Portuguese State	15 929 800	100%		

Board of Directors

Non Executive Chairman:

(João Velez Carvalho)

Executive Board Members:

(André da Costa Figueiredo e Silva Sequeira)

(Alfredo César Vasconcellos Navio)

Non Executive Board Member:

(António José Lopes)









The year of 2013, opens new perspectives and continued improvements are expected to come from EBITDA and operating results by means of:

- · Elimination of redundant procedures ensuring the delivery of services and a high level of coordination towards the merger of both STCP and Metro do Porto, S.A..
- · Reduction in costs incurred with personnel through staff effective resizing that best suits the needs of an efficient company focused on achieving the highest levels of performance as well as establish upgraded agreements with Trade Unions in accordance with the current economic downturn giving rise to difficulties experienced by the company and the country.
- \cdot Supply adjustment through discontinuation of services to which other more efficient transport alternatives may be offered.
- · Additional revenues raised by income generated by the provision of services other than the main business activity of the company and disposal of assets not assigned to the operation of public transport service.

In 2013 a competitive tender will be launched for subconcession to be granted for the development and operation of STCP's services.

The project model to be adopted for the transfer of full ownership to the private finance initiative will be defined according to the concession model of the public transport service activity with a particular focus on corporate management, a strict cost containment programme and find and acquire new customers.

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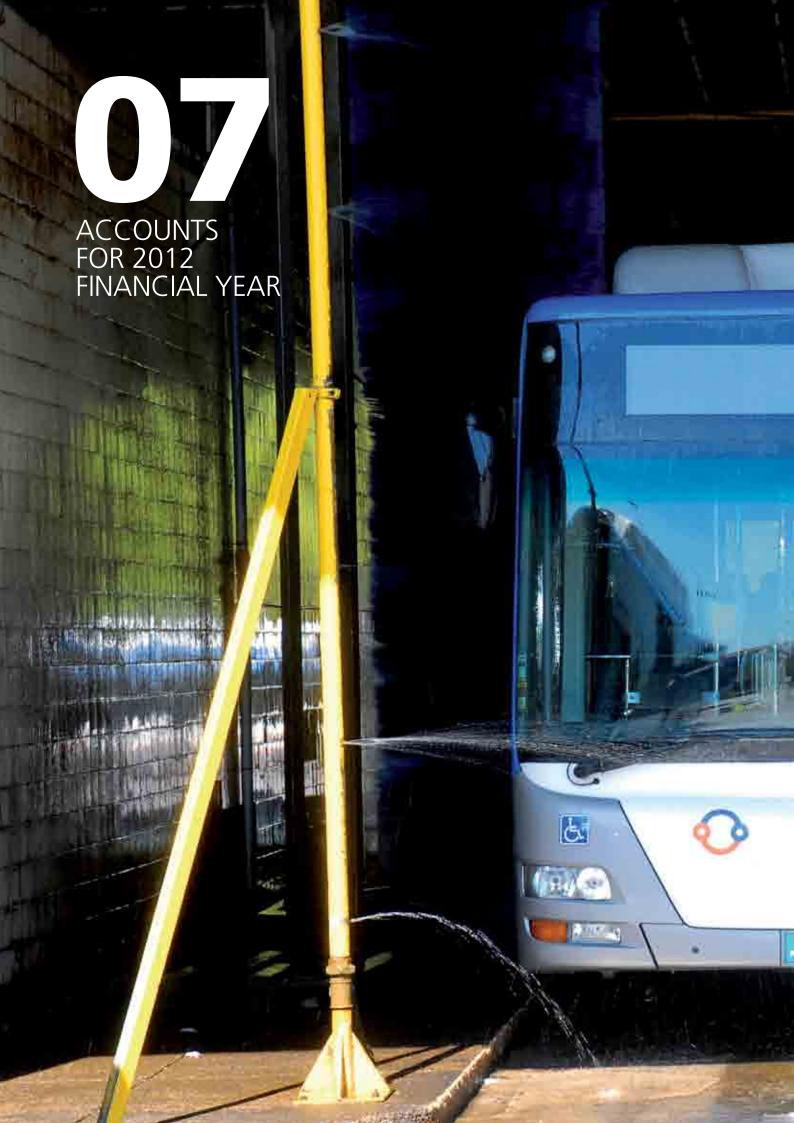
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·AO **304** TRINDADE · STA. LUZIA **305** CORDOARIA · HOSP. S. JOAO **400** S. BENTO · AZEVEDO (CAMPANHA) **401** I A) **502** BOLHÃO · MATOSINHOS (MERCADO) **503** BOAVISTA · GATÕES **504** BOAVISTA · NORTESHOPPING **505 08** BOAVISTA · CABO DO MUNDO **600** ALIADOS · MAIA **601** CORDOARIA · AEROPORTO **602** CORDOARIA · AERO

O **701** BOLHÃO · CODICEIRA **702** BOLHÃO · TRAVAGEM **703** CORDOARIA · SONHOS **704** BOAVISTA · CODICEI A MONTE PENEDO **707** HOSP. S. JOÃO · ERMESINDE (ESTAÇÃO) · VIA ARREGADAS **800** BOLHÃO · GONDOM

ALFENA **805** MARQUÊS · RIO TINTO (ESTAÇÃO) **806** MARQUÊS · AV. DA CARVALHA **900** TRINDADE · STO. OVÍD · MONTE DA VIRGEM **906** TRINDADE · MADALENA **907** ROAVISTA · VILA D'ESTE **61** MATOSINHOS · VALONGO **ZE**





Balance Sheet as at 31 December 2012

(amounts in euros)

Assets	Notas	2012	2011
Non-current Assets		87.069.673,10	95.881.177,68
Tangible fixed assets	8	81.806.758,57	90.689.317,34
Investment properties	12	3.589.026,00	4.534.300,00
Intangible assets	7	1.338.692,95	496.743,23
Financial holdings –equity method	6,14	135.666,00	135.817,11
Financial holdings – other methods	6,15	25.000,00	25.000,00
Other financial assets	28.1.2.1	174.529,58	
Current Assets		6.888.523,78	13.735.348,35
Inventories	19	437.454,56	593.336,16
Customers	28.2.1	1.677.976,56	4.761.308,14
State and other public bodies	32	1.616.858,26	3.572.772,18
Other accounts receivable	33	2.560.695,24	3.538.118,78
Deferrals	34	249.672,25	138.678,85
Cash and bank deposits	4	345.866,91	1.131.134,24
Total Assets		93.958.196,88	109.616.526,03

Certified Accountant n.º 6622

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

Balance as at 31 December 2012

amounts		

Equity and Liabilities	Notes	2012	2011
Equity			
Paid-up capital	28.4.1	79.649.000,00	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 earnings		-455.693.621,83	-401.882.431,67
Adjustments to financial assets	28.4.4	122.236,59	122.236,59
Revaluation surplus	28.4.3	40.808.346,13	44.857.408,98
Other changes in Equity	28.4.5	812.649,32	979.268,60
Net income for the period	28.4.6	-73.438.560,24	-54.545.474,57
Total equity		-407.639.314,81	-330.719.356,85
Liabilities			
Non-current Liabilities		357.850.102,90	317.398.868,05
Provisions	22	6.520.837,69	3.983.602,55
Loans received	28.1.1	237.825.729,23	242.345.808,90
Post-employment benefit liabilities	29	986.916,00	822.229,00
Other financial liabilities	28.1.3	112.516.619,98	70.247.227,60
Current Liabilities		143.747.408,79	122.937.014,83
Suppliers	31	4.301.699,64	4.569.034,23
State and other public bodies	32	769.609,44	891.626,90
Loans received	28.1.1	132.838.862,53	110.624.119,47
Other accounts payable	33	3.877.228,89	5.450.945,51
Deferrals	34	1.546.472,88	1.261.585,77
Other financial liabilities	28.1.3	413.535,41	139.702,95
Total Liabilities		501.597.511,69	440.335.882,88
Total Equity and Liabilities		93.958.196,88	109.616.526,03

Income and Expenditure Statement by Function

Year ended on 31 December 2012

(amounts in euros)

Income and Costs	Notes	2012	2011
Sales and services	21	50.071.866,26	50.782.613,25
Operating grants	23	10.728.612,45	18.868.926,96
Gains/ losses imputed from subsidiaries, associates and joint ventures	14	-151,11	-5.965,24
Variation in production inventories	19	-443,01	-291,30
In-house works	7,8	63.763,23	39.418,10
Cost of goods sold and materials consumed	19	-1.259.898,26	-1.545.248,84
External supplies and services	35	-31.021.265,99	-32.622.194,86
Costs incurred with personnel	36	-30.953.527,57	-36.933.597,63
Impairment of inventories (losses/reversals)	19	-632.639,79	-5.975,69
Impairment of debts receivable (losses / reversals)	28.2.1.5	-10.590,00	
Provisions (increases /reductions)	22	-2.537.235,14	616.160,47
mpairment of investments not subject to depreciations/ amortisations (losses/reversals)	28.1.2.1	174.529,58	-1.510.000,00
Fair value increases/ reductions	12	-309.000,00	
Other income and gains	38	3.356.932,87	3.431.171,37
Other costs and losses	37	-1.615.439,47	-789.362,69
Earnings /Losses before depreciations, interests and taxes	d	-3.944.485,95	325.653,90
Costs/reversals of depreciation and amortisation	7,8	-5.816.806,81	-6.708.971,86
Impairment of assets subject to depreciations / amortisations (losses/reversals)	13	-409.041,43	
Operating Earnings/Losses (before interests and taxes)		-10.170.334,19	-6.383.317,96
Interests and similar income received	11	6.110,40	341.269,95
Interests and similar expenses paid	11	-63.221.088,30	-48.469.348,78
Pre-tax Profit/Loss		-73.385.312,09	-54.511.396,79
Corporation tax of the year	26	-53.248,15	-34.077,78
Net Earnings/Losses for the year	28.4.6	-73.438.560,24	-54.545.474,57

Certified Accountant n.º 6622

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

Income and Expenditure Statement by Function

Year ended on 31 December 2012

(amounts in euros)

Income and Costs	2012	2011
Sales and services	60.800.478,71	69.651.540,21
Cost of sales and services provided	-59.341.109,48	-63.532.016,79
Gross profit	1.459.369,23	6.119.523,42
Other income	3.684.570,06	4.543.565,45
Distribution costs	-2.537.456,15	-4.999.082,49
Administrative costs	-6.359.713,44	-8.370.259,19
Research and development costs		-1.909,67
Other costs	-6.410.995,26	-3.334.008,96
Operating Earnings/Losses (before interests and taxes)	-10.164.225,56	-6.042.171,44
Financing costs (net)	-63.221.086,53	-48.469.225,35
Pre-tax loss	-73.385.312,09	-54.511.396,79
Corporation tax of the year	-53.248,15	-34.077,78
Net Income/Expenditure for the year	-73.438.560,24	-54.545.474,57

Certified Accountant n.º 6622

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



Statement of Changes in Equity as at 31 December 2012

Description		Notes	Paid-up capital	Legal reserves	Other reserves	
POSITION AT THE BEGINNING OF 2012	6		79.649.000,00	74.907,42	25.727,80	
CHANGES IN THE PERIOD						
Realisation of revaluation surplus of tangible and intangiible fixed assets		28.4.3				
Revaluation surplus of tangible and intangible fixed assets and respective changes		28.4.3				
Other recognised alterations in equity						
	7					
NET INCOME FOR THE PERIOD	8					
COMPREHENSIVE NET INCOME	9=7+8					
OPERATIONS WITH SHAREHOLDERS IN THE PERIOD	40					
POSITION AT THE FND OF 2042	10					
POSITION AT THE END OF 2012	6+7+8+10		79.649.000,00	74.907,42	25.727,80	

Certified Accountant n.º 6622

Statement of Changes in Equity as at 31 December 2011

Description		Notes	Paid-up capital	Legal reserves	Other reserves	
POSITION AT THE BEGINNING OF 2012	1		79.649.000,00	74.907,42	25.727,80	
CHANGES IN THE PERIOD						
Realisation of revaluation surplus of tangible and intangible fixed assets		28.4.3				
Revaluation surplus of tangible and intangible fixed assets and respective changes		28.4.3				
Other changes recognised in equity						
	2					
NET INCOME FOR THE PERIOD	3					
COMPREHENSIVE NET INCOME	4=1+3					
OPERATIONS WITH SHAREHOLDERS IN THE PERIOD	_					
	5					
POSITION AT THE END OF 2011	6=1+2+3+5		79.649.000,00	74.907,42	25.727,80	

Certified Accountant n.º 6622

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(amounts in euros)					
TOTAL	Net income for the year	Other changes in equity	Revaluation surplus	Adjustments to financial assets	Retained earnings
-330.719.356,85	-54.545.474,57	979.268,60	44.857.408,98	122.236,59	-401.882.431,67
			-734.284,41		734.284,41
-3.314.778,44			-3.314.778,44		
-166.619,28	54.545.474,57	-166.619,28			-54.545.474,57
-3.481.397,72	54.545.474,57	-166.619,28	-4.049.062,85		-53.811.190,16
-73.438.560,24	-73.438.560,24				
-76.919.957,96	-18.893.085,67				
-407.639.314,81	-73.438.560,24	812.649,32	40.808.346,13	122.236,59	-455.693.621,83
Board of Directors executive Chairman					

Non Executive Chairman
Executive Board Members
Non Executive Board Member

(amounts in euros)

(amounts in caros)					
TOTAL	Net income for the year	Other changes in equity	Revaluation surplus	Adjustments to financial assets	Retained earnings
-275.747.187,80	- 37.677.163,38	1.406.102,91	45.960.129,43	122.096,76	365.307.988,74
			-1.102.720,45		1.102.720,45
-426.694,48	37.677.163,38	-426.834,31		139,83	-37.677.163,38
-426.694,48	37.677.163,38	-426.834,31	-1.102.720,45	139,83	-36.574.442,93
-54.545.474,57	-54.545.474,57				
-54.972.169,05	-16.868.311,19				
-330.719.356,85	-54.545.474,57	979.268,60	44.857.408,98	122.236,59	401.882.431,67
······					

CASH FLOW STATEMENT

Year ended on 31 December 2012

(amounts in euros)

	Notes	2012	2011
Cash flows from operating activities – direct method			
Receipts from customers		58.059.113,76	53.440.484,50
Payments to suppliers		-37.403.015,62	-38.359.111,08
Payments to staff		-25.581.820,54	-32.818.324,54
Cash generated by operations		-4.925.722,40	-17.736.951,12
Payment/receipt of corporation tax		-8.688,10	57.471,05
Other receipts/payments		9.315.632,04	15.554.374,51
Cash flows from operating activities (1)		4.381.221,54	-2.125.105,56
Cash flows from investment activities		4.501.221,54	2.123.103,30
Payments relative to:			
Tangible fixed assets		-1.186.065,83	-1.065.585,84
Intangible assets		-69.946,03	-102.123,91
Financial investments			-800.000,00
Other assets		-377.337,00	-14.731,84
		-1.633.348,86	-1.982.441,59
Receipts derived from:			
Tangible fixed assets		354.901,21	7.366.810,31
Financial investments			292.605,27
Other assets		938,80	
Investment grants		3.560,60	
Similar interests and income		265.618,07	247.562,42
		625.018,68	7.906.978,00
Cash flows from investment activities (2)		-1.008.330,18	5.924.536,41
Cash flows from financing activities			
Receipts derived from:			
Loans received		218.480.342,83	153.516.000,00
		218.480.342,83	153.516.000,00
Payments relative to:			
Loans received		-170.536.342,83	-152.316.000,00
Similar interests and costs		-21.224.663,71	-13.841.005,49
Other financing operations		-5.401.280,63	-4.645.571,56
		-197.162.287,17	-170.802.577,05
Cash flows from financing activities (3)		21.318.055,66	-17.286.577,05
Variation in each and each occurred onto		24.690.947,02	-13.487.146,20
Variation in cash and cash equivalents (1+2+3) Cash and cash equivalents at the beginning of the period		-31.940.028,75	-18.452.882,55
Cash and cash equivalents at the beginning of the period Cash and cash equivalents at the end of the period	4	-7.249.081,73	-31.940.028,75
Cash and Cash equivalents at the end of the period	4	-7.243.001,73	31.3 16.626,73

NOTES TO THE FINANCIAL STATEMENTS

Year ended on 31 December 2012

(Amounts in euros)

1. INTRODUCTORY NOTE

Sociedade de Transportes Colectivos do Porto, S.A. was established by Decree-Law 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 38144, of 30 December 1950 with head office residing in the city of Porto, Fernão de Magalhães Avenue, 1862 - 13th floor.

Sociedade de Transportes Colectivos do Porto, S.A. 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. STCP operates mainly buses and, to a lesser extent, trams.

Early in the second half of 2012 the new Board of Directors was appointed, being composed of two executive members, the remaining two non executive, having joined and taken up their posts from the month of August, i.e. the chairman and a board member, who also integrate the board of the company Metro do Porto, S.A.. This solution found by the shareholder (the State) aims at ensuring the plan for the merger of STCP and Metro is efficiently and guickly conducted as provided for in the Strategic Plan for Transport. In addition, the reduction in the number of executive board members should represent an outstanding contribution to a strict cost containment and rationalisation programme to be pursued in the State Corporate Sector companies. As a result of these appointments, an amendment to the articles of association of the company was made on 10/08/2012 and 6/09/2012, by unanimous deliberation in writing.

In 2012, under the certification achieved in Quality, Environment and Security and Health at Work, the first follow up audit was carried out after certification renewal having taken place in 2011 that confirmed a suitable performance evaluated by efficiency levels reflected in the results of the follow up review as well as the achieved objectives.

The attached financial statements are issued in euros. Operations in foreign currency are included in the financial statements according to policies described in 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 n° 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 adopted 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 and records, kept in accordance with the generally accepted accounting principles.

3.2. Financial Investments

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

Unrealised gains in transactions with subsidiaries, 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 the assets which have been or are to be delivered;
- · Fair value of the liabilities which have been incurred or assumed;
- · Fair value of equity instruments issued by the company in exchange of 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 counting 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, counting from the date of the classification of the non current assets or groups for disposal as available for sale.

When the group 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:

- \cdot 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 to the transaction will flow into the company;
- \cdot 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:

- · The value of the revenue can be measured reliably;
- · It is probable that the future economic benefits associated to the transaction will flow into 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 that it is likely that economic benefits will flow into the company and their value can be measured reliably.

The revenue from interests is recognised using the effective interest rate method, provided that it is likely that economic benefits will flow into 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 in advance to 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 a Government financing (or 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 changes in equity - grants, and are subsequently imputed in a systematic manner to profit or loss as income, during the period of 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, which implies the attribution by the government of compensatory indemnities, which are not repayable, in order to partially fund its operations discharging its public service obligations. STCP follows the criteria of recording the compensatory indemnities as operating grants for the year when they are attributed.

3.11. Post-retirement benefits

As far as the defined benefits plans are concerned, the corresponding cost is determined through the projected unit credit method, where the actuarial assessments are made on each reporting date.

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 benefits plans, adjusted for actuarial gains or losses and the cost of past service that have not been recognised and deducting the fair value of the net assets of the pensions fund, constituted for the effect. The costs related to past liabilities are recognised immediately through profit or loss, to the extent that the benefits have already been totally acquired.

3.12. Payments based on shares

Not applicable.

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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 appraisers (CPU Consultores de Avaliação, Lda.) as at 31 December 2012 (the previous appraisal referred to 31 December 2009) 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 to 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 of. 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 amortizations 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 correspond to the following estimated periods of life cycle:

(years of life cycle)

Tangible fixed asset headings	Until 1988	1989 and 90	1991 to 01	2002 to 11	2012
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 properties

Investments 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 appraisers (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. Intangibles

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:

- Existence of technical viability to conclude the intangible asset so that it is available for use or sale;
- · Existence of the intention to conclude the intangible asset and use or sell it;
- · Existence of capacity to use or sell the intangible asset;

- · The intangible asset is capable of generating future economic benefits;
- · Existence of the availability of adequate technical and financial resources to conclude the development of the intangible asset and use or sell it;
- · Possibility of the reliable measurement of the expenditure associated to the intangible asset during their development phase.

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 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 intangible assets are reviewed annually. The effect of any alteration to these estimates is recognised in the income/expenditure statement prospectively.

Intangible assets (irrespective 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 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 a view to 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 this asset belongs.

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

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- · 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 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 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 to 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 costing 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 taking into consideration the risks and uncertainties associated to the obligation.

Provisions are reviewed on 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 to costs that cannot be avoided and which exceed the economic benefits derived there of.

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, 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 a part in the corresponding contractual provisions.

Financial assets and liabilities are measured as follows:

- \cdot at cost or amortised cost; or
- \cdot 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 sight or have a defined maturity;
- · They are associated to 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 exactly discounts 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 through profit or loss. The reversal should be made up to the amount that would be recognized (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 all the contractual rights to their cash flows have expired, or when the financial assets and all the significant risks and benefits associated to 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 all the corresponding obligation is settled, cancelled or expired.

Compound instruments:

- \cdot 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 underlying 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 remeasured at fair value, with the corresponding re-measurement gain or loss being recorded immediately through profit and loss, unless these instruments are designated hedging instruments.

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:

- \cdot 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 is 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 apllicable.

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 transactions underway, 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 accounts receivable;
- · Provisions:
- · Calculation of the liability associated to 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 after 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 equivalent include cash, bank deposits repayable on demand and cash investments on the monetary market, net of bank overdrafts and other equivalent short term financing.

Breakdown of cash and cash equivalent on 31 December 2012 and 2011:

	2012	2011
Cash	81.361,35	83.252,08
Bank deposits	264.505,56	1.047.882,16
Cash and cash equivalent in the Balance Sheet	345.866,91	1.131.134,24
Bank overdrafts	-7.594.948,64	-33.071.162,99
Cash and cash equivalent in the Cash Flow Statement	-7.249.081,73	-31.940.028,75

AR 2012 | 7. ACCOUNTS FOR THE FINANCIAL YEAR OF 2012

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

6. RELATED PARTIES

Financial holdings as at 31 December 2012 and 2011:

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

In 2012 a review was carried out to the estimate for tram life cycle having been changed from 16 to 30 years. The impact of this alteration on the accounts for 2012 is not materially relevant.

Corporate Name	Head Office	% Share	Activity
Subsidiaries			
STCP Serviços – Transportes Urbanos, Consultoria e Participações, Unipessoal Lda.	Porto	100%	Activities of tourist operator and urban and suburban passenger transport.
Associates			
TIP - Transportes Intermodais do Porto, ACE	Porto	33,3%	Transport ticketing management.
Transpublicidade – Publicidade em Transportes, S.A.	Oeiras	20%	Operation of all and any advertising related to vehicles and facilities.
Other participated companies			
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 company's management staff, during the years ended in 2012 and 2011, is described in item 4.7 (Remuneration of Governing Bodies' Members) of this annual report and accounts.



In the course of the financial years of 2012 and 2011, the following transactions were carried out with related parties:

			2012		
Description of transactions	Subsidiaries	Associates	Management Staff	Other related parties	Total
Purchase of inventories	5.968,25			41.250,00	5.968,25
Purchase of fixed assets	25.349,41			109.895,15	66.599,41
Services received	15.012,20	2.111.760,29		223.287,66	2.236.667,64
Services delivered	30.992,89	42.397.299,29			42.651.579,84
			2011		· ·
Description of transactions	Subsidiaries	Associates	Management Staff	Other related parties	Total
Purchase of fixed assets				36.151,00	36.151,00
Services received	39.443,70	1.265.146,91		84.641,17	1.389.231,78
Services delivered	181.427,83	41.321.163,80		296.273,81	41.798.865,44

Balances with related parties in 2012 and 2011:

			2012		
Balances	Subsidiaries	Associates	Management Staff	Other related parties	Total
Current accounts receivable		1.821.168,81		24.281,96	1.845.450,77
Current accounts payable	8.169,11	341.390,71		68.549,33	418.109,15
			2011		
Balances	Subsidiaries	Associates	Management Staff	Other related parties	Total
Current accounts receivable	147.007,61	4.786.599,79		104.563,46	5.038.170,86
Current accounts payable	22.509,00	1.250.009,21		30.185,89	1.302.704,10

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7. INTANGIBLE ASSETS

During the years ended on 31 December 2012 and 2011, the movement occurred in the book value of intangible assets, as well as in the respective accumulated amortisations and impairment losses was as follows:

Intangible assets	Development projects	Computer programmes	Industrial property	Other intangible assets	Intangible assets in progress	Total
Net value as at 01.01.20	12	445.980,23			50.763,00	496.743,23
Gross assets						
Balance as at 01.01.2012	88.749,10	5.006.024,51	96.639,49		50.763,00	5.242.176,10
Movements in 2012						
Additions		16.538,99	1.800,00	1.106.517,00	41.250,00	1.166.105,99
Write-offs/sales						
Adjustments and transfe	ers				-50.763,00	-50.763,00
Balance as at 31.12.2012	88.749,10	5.022.563,50	98.439,49	1.106.517,00	41.250,00	6.357.519,09
Accumulated amortisation	ons					
Balance as at 01.01.2012	-88.749,10	-4.560.044,28	-96.639,49			-4.745.432,87
Movements in 2012						
Amortisation costs		-144.276,12	-23,50	-129.093,65		-273.393,27
Balance as at 31.12.2012	-88.749,10	-4.704.320,40	-96.662,99	-129.093,65		-5.018.826,14
Net value as at 31.12.20	12	318.243,10	1.776,50	977.423,35	41.250,00	1.338.692,95

Intangible assets	Development projects	Computer programmes	Industrial property	Other intangible assets	Intangible assets in progress	Total
Net value as at 01.01.20	11 1.909,67	79.365,23			584.862,30	666.137,20
Gross assets						
Balance as at 01.01.2011	88.749,10	4.354.063,13	96.639,49		584.862,30	5.124.314,02
Movements in 2011						
Additions		68.584,08			50.763,00	119.347,08
Write-offs/sales						
Adjustments and transf	ers	583.377,30			-584.862,30	-1.485,00
Balance as at 31.12.2011	88.749,10	5.006.024,51	96.639,49		50.763,00	5.242.176,10
Accumulated amortisati	ons					
Balance as at 01.01.2011	-86.839,43	-4.274.697,90	-96.639,49			-4.458.176,82
Movements in 2011						
Amortisation costs	-1.909,67	-285.346,38				-287.256,05
Balance as at 31.12.2011	-88.749,10	-4.560.044,28	-96.639,49			-4.745.432,87
Net value as at 31.12.20	11	445.980,23			50.763,00	496.743,23

The company does not capitalise any research costs and development costs are capitalised only when 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 asset headings	Years of life cycle
Development projects	3
Computer programmes	2 to 5
Industrial property	3 to 7
Other intangible assets	5

Movements occurred during the financial years of 2012 and 2011 in intangible assets in progress:

	Balance 01.01.2012	Aquisitions	IHW(*)	Adjustments and Transfers	Write-offs/ Sales	Balance 31.12.2012
Computer programmes	50.763,00	41.250,00		-50.763,00		41.250,00
	50.763,00	41.250,00		-50.763,00		41.250,00
	Balance 01.01.2011	Aquisitions	IHW(*)	Adjustments and Transfers	Write-offs/ Sales	Balance 31.12.2011
Computer programmes		Aquisitions 50.763,00	IHW(*)			

(*) IHW – In House Works

During 2012, contractual commitments were made for the acquisition of intangible assets totaling 68.750 euros.

8. TANGIBLE FIXED ASSETS

During the years ended on 31 December 2012 and 2011, the movement occurred in the book value of fixed tangible assets, as well as in the respective accumulated amortisations and impairment losses, was the following:

	Land and natural resources	Buildings and other constructions	Basic equipment
Net value as at 01.01.2012	37.125.349,10	18.777.845,14	31.155.222,64
Gross assets			
Balance as at 01.01.2012	39.246.902,95	28.968.601,69	87.851.436,05
Movements in 2012			
Revaluations	-4.155.003,12	3.080.378,57	
Additions		379.847,74	708.876,52
Write-offs/sales			-2.438.961,94
Adjustments and transfers		343.745,46	-427.399,22
Balance as at 31.12.2012	35.091.899,83	32.772.573,46	85.693.951,41
Accumulated depreciations			
Balance as at 01.01.2012		-10.007.517,14	-56.696.213,41
Movements in 2012			
Depreciation and amortisation costs		-1.145.331,12	-4.212.176,42
Revaluations		-1.579.153,89	
Write-offs/sales			2.200.499,38
Adjustments and transfers		-89.900,53	602.427,04
Balance as at 31.12.2012		-12.821.902,68	-58.105.463,41
Accumulated impairment losses			
Balance as at 01.01.2012	-2.121.553,85	-183.239,41	
Increases	-460.784,98		
Reversals		51.743,55	
Balance as at 31.12.2012	-2.582.338,83	-131.495,86	
Net value as at 31.12.2012	32.509.561,00	19.819.174,92	27.588.488,00

Transport equipment	Administrative equipment	Other tangible fixed assets	Tangible assets in progress	Advances on account of tangible assets	Total tangible fixed assets
194.407,65	239.395,68	1.097.072,68	2.075.298,45	24.726,00	90.689.317,34
1.842.987,24	4.305.217,80	1.332.854,01	2.075.298,45	24.726,00	165.648.024,19
					-1.074.624,55
2.063,33	19.673,33		64.539,15		1.175.000,07
-303.296,53	-46.452,04				-2.788.710,51
-29,99		512.556,50	-1.616.045,90	-24.726,00	-1.211.899,15
1.541.724,05	4.278.439,09	1.845.410,51	523.791,70		161.747.790,05
-1.648.579,59	-4.065.822,12	-235.781,33			-72.653.913,59
-92.623,87	-87.402,56	-5.879,57			-5.543.413,54
					-1.579.153,89
303.296,53	45.488,32				2.549.284,23
29,99		-512.556,50			
-1.437.876,94	-4.107.736,36	-754.217,40			-77.227.196,79
					-2.304.793,26
					-460.784,98
					51.743,55
					-2.713.834,69
103.847,11	170.702,73	1.091.193,11	523.791,70		81.806.758,57
103.047,11	1/0./02,/3	1.051.195,11	J2J./ J 1,/ U		01.000.730,37

	Land and natural resources	Buildings and other constructions	Basic equipment	
Net value as at 01.01.2011	36.959.451,90	19.963.522,08	35.716.869,27	
Gross assets				
Balance as at 01.01.2011	39.081.005,75	28.968.601,69	88.835.927,58	
Movements in 2011				
Additions			6.038.219,17	
Write-offs/sales			-7.309.292,06	
Adjustments and transfers	165.897,20		286.581,36	
Balance as at 31.12.2011	39.246.902,95	28.968.601,69	87.851.436,05	
Accumulated depreciations				
Balance as at 01.01.2011		-8.821.840,20	-53.119.058,31	
Movements in 2011				
Depreciation and amortisation costs		-1.185.676,94	-4.961.291,12	
Write-offs /sales			1.384.136,02	
Adjustments and transfers				
Balance as at 31.12.2011		-10.007.517,14	-56.696.213,41	
Accumulated impairment losses				
Balance as at 01.01.2011	-2.121.553,85	-183.239,41		
Balance as at 31.12.2011	-2.121.553,85	-183.239,41		
Net value as at 31.12.2011	37.125.349,10	18.777.845,14	31.155.222,64	

Addition column of 2011 includes 39.418,10 euros of in-house works

Transport equipment	Administrative equipment	Other tangible fixed assets	Tangible assets in progress	Advances on account of tangible assets	Total tangible fixed assets
291.751,25	353.320,77	1.105.020,38	1.839.949,77	24.726,00	96.254.611,42
2.010.495,33	4.377.726,76	1.332.854,01	1.839.949,77	24.726,00	166.471.286,89
25.021,98	5.312,02		687.827,24		6.756.380,41
-192.530,07	-103.018,34				-7.604.840,47
	25.197,36		-452.478,56		25.197,36
1.842.987,24	4.305.217,80	1.332.854,01	2.075.298,45	24.726,00	165.648.024,19
-1.718.744,08	-4.024.405,99	-227.833,63			-67.911.882,21
-122.365,58	-144.434,47	-7.947,70			-6.421.715,81
192.530,07	103.018,34				1.679.684,43
-1.648.579,59	-4.065.822,12	-235.781,33			-72.653.913,59
					-2.304.793,26
					-2.304.793,26
194.407,65	239.395,68	1.097.072,68	2.075.298,45	24.726,00	90.689.317,34

The company requested a new independent appraisal (CPU Consultores de Avaliação, Lda.) of its lands and buildings (all of them located in the area of Greater Porto) classified as tangible fixed assets and a revaluation was set on 31 December 2012.

Revaluation consisted of setting the market value of buildings and land for accounting purposes, meeting accounting standards and financial report n.° 7 as well as the terms of reference given by the company. Reference date of assessment is 31 December 2012.

Under the assessment, Fair Value will be 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 under assessment in compliance with 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 appraisers.

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 using a "Depreciated Replacement Cost" and "income" approach.

Attention should be drawn to the fact that in this evaluation process – for tangible fixed assets considering the 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, property being assessed just as it was with its current use.

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 two buildings (Francos and Massarelos) where there was a change of assumptions; For all the buildings, information on the surroundings and local real estate market was updated, a survey having been conducted about market prices currently charged for similar and comparable property or buildings. A report was produced based on the previous property assessment report (N-5168 of December 2009).

- · 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 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 STCP to CPU appraisers.
- · It was assumed that all properties are free of charge.
- · For properties currently with operational functions considered as tangible fixed assets respective value was determined under continued use.
- · Valuation of the infrastructures allocated to each property flooring, water supply and distribution networks, wastewater and rainwater drainage networks, electricity distribution grids, etc. were considered and included in the overall valuation of each property.
- · For the property which refers to the floors of offices at Torre das Antas under operational use by the company the market and income comparison criteria were used, in a perspective of continued use.
- · Under certain circumstances, namely due to the particular nature of the property and if it is rarely sold except as an integral part of a "continued business", its fair value can be attributed, using a depreciated replacement cost approach.
- · For the rest of the properties of the tangible fixed assets, the criteria of depreciated construction costs were used as mentioned before.

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	2012	2011
Land and natural resources	4.342.392,84	4.803.177,82
Buildings and other Constructions	7.555.953,45	7.279.304,81
	11.898.346,29	12.082.482,63

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.

During the year of 2012, contractual commitments were made for the acquisition of tangible fixed assets, in the amount of 54.760,40 euros (disclosure pursuant to subparagraph c) of paragraph 73 of NCRF 7).

Movements occurred during the financial years of 2012 and 2011, in the values of tangible assets in progress:

	Balance 01.01.2012	Acquisitions	IHW(*)	Adjustments and Transfers	Write-offs/ Balance Sales 31.12.2012
Buildings and other constructions	866.980,68	20.858,97	43 .680,18	-866.980,68	64.539,15
Basic Equipment	1.208.317,77			-749.065,22	459.252,55
	2.075.298,45	20.858,97	43.680,18	-1.616.045,90	523.791,70
	Balance 01.01.2012	Acquisitions	IHW(*)	Adjustments and Transfers	Write-offs/ Balance Sales 31.12.2011
Buildings and other constructions		Acquisitions 645.144,68	IHW(*)		
3	01.01.2012	· · ·	IHW(*) 39.418,10	Transfers	Sales 31.12.2011

Movements occurred in the financial years of 2012 and 2011, in advances for tangible fixed assets.

	Balance 01.01.2012	Acquisitions	IHW(*)	Adjustments and Transfers	Balance 31.12.2012
Land and natural resources	24.726,00			-24.726,00	
	24.726,00			-24.726,00	
	Balance 01.01.2011	Acquisitions	IHW(*)	Adjustments and Transfers	Balance 31.12.2011
Land and natural resources		Acquisitions	IHW(*)		

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 2012 and 2011, the company paid financial lease instalments in the amount of 6.265.775,72 euros (including 864.495,09 euros of interests) and 5.633.017,63 euros (including 987.446,07 euros of interests), respectively.

As at 31 December 2012 and 2011, the company had liabilities as a lessee, concerning instalments of financial leasing contracts totaling 23.484.510,16 euros and 29.564.750,61 euros, respectively (including VAT when it is not deductible), falling due during the following years, as shown in the table below:

		2012			2011	
[Years	Discounted value min.payments	Interests	Total	Discounted value min.payments	Interests	Total
2012				4.123.388,43	821.268,00	4.944.656,43
2013	4.289.582,77	445.448,58	4.735.031,35	4.231.372,70	676.604,44	4.907.977,14
2014	4.393.303,77	336.264,59	4.729.568,36	4.375.798,90	526.715,19	4.902.514,09
2015	4.819.245,92	228.736,88	5.047.982,80	4.835.797,11	376.472,10	5.212.269,21
2016	1.855.769,72	115.022,48	1.970.792,20	1.880.789,15	228.311,62	2.109.100,77
2017	1.883.234,09	87.558,11	1.970.792,20	1.934.209,56	174.891,22	2.109.100,78
After 2017	4.933.959,47	96.383,78	5.030.343,25	5.185.024,86	194.107,33	5.379.132,19
Total	22.175.095,74	1.309.414,42	23.484.510,16	26.566.380,71	2.998.369,90	29.564.750,61

As at 31 December 2012 and 2011, net book value for each category of asset under financial leasing scheme was as follows:

	2012			2011		
Description		Accumulated amortisations	Net value		Accumulated amortisations	Net value
Land and natural resources	2.460.351,85		2.460.351,85	2.460.351,85		2.460.351,85
Basic equipment	34.131.350,78	11.785.206,51	22.346.144,27	34.480.850,78	9.289.922,90	25.190.927,88
Total	36 591 702 63	11 785 206 51	24 806 496 12	36 941 202 63	9 289 922 90	27 651 279 73

10.2 Operational Leasing

During the years of 2012 and 2011, costs of 5.871.113,00 euros and 6.006.767,68 euros, respectively were recognised regarding operational leasing contract instalments.

As at 31 December 2012 and 2011, instalments of operating lease contracts showed the following maturity dates:

Years	2012	2011
2012		5.777.025,19
2013	4.716.724,09	4.797.761,89
2014	3.103.644,93	3.127.122,44
2015	1.620.131,50	1.632.590,38
Total	9.440.500,52	15.334.499,9

11. COSTS OF LOANS RECEIVED

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 2012 and 2011 were as follows:

	2012	2011
Interests - received loans	15.008.082,91	11.605.040,51
Interests - credit and financial institutions	9.418.329,76	5.196.830,66
Bank loans	7.863.595,90	2.927.351,01
Bank overdrafts	861.751,51	1.432.369,23
Loans	692.982,35	837.110,42
Financing interests for securities - bonds	5.589.753,15	5.873.774,35
Interests - other financing		534.435,50
Interest of other financial instruments	4.025.429,67	1.554.461,20
Other financing costs and financing losses - relative to loans received	1.918.183,34	1.278.359,50
Costs related to discounts on financial issues	36.151,28	39.143,74
Endorsement fee	442.725,35	523.138,89
Commissions and other costs	870.880,30	367.355,86
Stamp duty - on use of capital	568.426,41	348.721,01
Actual interests and similar costs paid	20.951.695,92	14.437.861,21
Fair value reductions – financial instruments	42.269.392,38	34.031.487,57
Interests and similar costs paid in the income/expenditure statement	63.221.088,30	48.469.348,78

Interests and similar income received, recognised in the financial years of 2012 and 2011:

	2012	2011
Interests received	0,33	121,65
From deposits	0,33	121,65
Interests received from other granted financing	6.108,63	341.146,52
Other financing income and gains	1,44	1,78
Actual interests and similar income received	6.110,40	341.269,95
Fair value increase gains – financial instruments		
Interests and similar income received in income/expenditure statement	6.110,40	341.269,95

The company did not capitalise the costs of assets seeing that it does not have any which qualify as such.

12. INVESTMENT PROPERTY

As at 31 December 2012, the company applied fair value to investment properties having been determined through assessment made by a specialised and independent entity of recognised professional qualification (CPU Consultores de Avaliação, Lda.)

Assessment carried out by the appraisal entity consisted of determinating the market value of properties and land, for accounting purposes, in observance of requirements of the accounting standard as well as financial report of n.º 11 and terms of reference indicated by the company. Reference date of the assessment is 31 December 2012.

Market value to be determined for accounting purposes, can be compared to 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 under assessment in compliance with provisions set out in NCRF 11.

Assumptions for the assessment used to determine fair value were as follows:

 \cdot 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 having been conducted about market prices currently charged for similar and comparable property or buildings. A report was produced based on the previous property assessment report (N-5168 of December 2009).
- · 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 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 STCP to CPU appraisers.
- · 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 under 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 fulfilled.

Over the year of 2011 no movements regarding the heading investment properties were recorded. During the year ended on 31 December 2012, the movement concerning the heading investment properties, was as follows:

	2012					
Investment properties	Land and natural resources	Buildings and other constructions	Advances on account investment properties Total			
Balance as at 01.01.2012	3.269.740,00	1.264.560,00	4.534.300,00			
Fair value variation	-254.540,00	-54.460,00	-309.000,00			
Fair value variation reversal - revaluation surplus transferred from tangible fixed assets	-472.990,00	-188.010,00	-661.000,00			
Transfers			24.726,00 24.726,00			
Balance as at 31.12.2012	2.542.210,00	1.022.090,00	24.726,00 3.589.026,00			

The company has not made any contractual commitment in relation to construction, development, repairs and maintenance of investment properties. Over the years of 2012 and 2011, income and costs regarding investment properties were as follows:

	:	2012	2011	
Investment properties	Rented	For appreciation	Rented	For appreciation
Income	252.517,56		283.680,95	
Income from rents				
Costs				
Direct costs	-29.737,57	12.184,90	-11.326,52	-7.708,24
Total	222.779,99	12.184,90	272.354,43	-7.708,24



13. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

STCP is a state-owned public limited company with exclusively public capital, whose main objective is not the profit, but the provision of a social service of transport instead, without any commercial justification, it should be financially offset by this significant share of service that must ensure, and it is hoped that this position will be clarified under the public service contracting process that is currently underway.

In this context, we believe that the historic situation of 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.

Hence, STCP presented contracting proposals at the end of 2009 and beginning of 2010, to the technical supervising ministries - the Secretary of State for Transport and Secretary of State to the Treasury and Finance - for the contracting of the Duties of Public Service and adoption of measures to rebalance the company's economic and financial position.

This will be the path that will enable STCP to rebalance its operations and resolve the historic structural problem of a situation of negative equity.

When any asset shows indications of impairment, whether due to obsolescence or material, an analysis of impairment is made and any losses arising thereof are recognised.

Furthermore, attention is drawn to the fact that during 2012 we obtained market assessments, carried out by independent appraisers, for the category of Buildings and land classified as tangible fixed assets and investment properties, whereby in some cases the corresponding impairment losses were identified and recorded.

Accumulated impairment losses of tangible fixed assets, as at 31 December 2012 and 2011, are detailed in note 8.

As at 31 December 2012, movements concerning impairment losses of tangible fixed assets, were recorded under the following headings:

	2012
	Tangible fixed assets
Income/Expenditure statement – Impairment losses tangible fixed assets	409.041,43
- Increases	460.784,98
- Reversals	-51.743,55
Equity – Revaluation surpluses	4.216.621,53
-Revaluation surplus reversal – impairment losses of tangible fixed assets	4.216.621,53

14. FINANCIAL HOLDINGS VALUED THROUGH EQUITY METHOD

As at 31 December 2012 and 2011, financial holdings in subsidiaries and associates, all valued through equity method, were as follows:

Year of 2012	Assets	Liabilities	Equity	Income	Net Income	% Stake
Subsidiaries	424.268,45	249.738,87	174.529,58	118.343,73	-18.101,34	100,00%
STCP Serviços						
Associates						
TIP - Transportes Intermodais do Porto, ACE	10.444.659,00	14.780.677,00	-4.336.018,00	5.616.754,00	-730.216,00	33,33%
Transpublicidade – Publicidade em Transportes, S.A.	1.026.176,00	347.847,00	678.329,00	471.101,00	-756,00	20,00%

Year of 2011	Assets	Liabilities	Equity	Income	Net Income	% Stake
Subsidiaries						
STCP Serviços	566.401,45	373.770,53	192.630,92	506.986,57	-199.863,17	100,00%
Associates						
TIP - Transportes Intermodais do Porto, ACE	13.759.528,00	16.840.713,00	-3.081.185,00	5.446.806,00	-788.061,00	33,33%
Transpublicidade – Publicidade em Transportes, S.A.	1.070.207,00	391.122,00	679.085,00	634.198,00	-47.308,00	20,00%

Financial statements of associates and subsidiaries were used as at 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. Consequently, during the financial years of 2012 and 2011, the corresponding portion in the losses and gains of these two participated companies were not recognised by the company.

During 2012 and 2011, the financial shareholdings in subsidiaries and associates in the financial statements of STCP recorded the following movements:

	2012	2011
Financial holdings		
Opening balance	135.817,11	434.247,79
Adjustments – Equity method	-151,11	-5.915,41
Other variations		-292.515,27
Closing balance	135.666,00	135.817,11
Impairment losses		
Net assets	135.666,00	135.817,11

15. FINANCIAL HOLDINGS VALUED THROUGH OTHER METHODS

The financial holdings in other companies are recorded at cost because 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):

	2012	2	2011	
	Fair value	At cost	At cost	At cost
Financial holdings				
Opening balance		25.000,00		25.000,00
Closing balance		25.000,00		25.000,00
Impairment losses				
Net assets		25.000,00		25.000,00

16. BUSINESS COMBINATIONS

18. AGRICULTURE

Not applicable.

Not applicable.

17. EXPLORATION AND ASSESSMENT OF MINERAL RESOURCES

19. INVENTORIES

Inventories heading as at 31 December 2012 and 2011:

Not applicable.

		2012			2011	
	Gross value	Impairment losses	Net value	Gross value	Impairment losses	Net value
Raw materials, sub.	1.198.301,83	-761.626,56	436.675,27	721.100,63	-128.986,77	592.113,86
Products and work in progress	779,29		779,29	1.222,30		1.222,30
	1.199.081,12	-761.626,56	437.454,56	722.322,93	-128.986,77	593.336,16

Cost of raw materials, subsidiaries and consumables in the financial years of 2012 and 2011:

	2012	2011
Opening inventory	721.100,63	820.466,02
Purchases	1.170.818,56	1.388.010,35
Adjustments (*)	566.280,90	57.873,10
Cost of materials consumed	-1.259.898,26	-1.545.248,84
Closing inventory	1.198.301,83	721.100,63

^(*) The amount of 528.330,22 euros concerns the transfer of tram rail materials, as well as network materials and tram parts from tangible assets in progress to inventories, as they were no longer required for the works.



Variation of products and works in progress in the financial years of 2012 and 2011:

	2012	2011
Opening balance	1.222,30	1.513,60
Adjustments		
Variation in production inventories	-443,01	-291,30
Closing balance	779,29	1.222,30

Evolution of accumulated impairment losses of inventories in the financial years of 2012 and 2011:

Year of 2012	Opening balance	Increases	Reversals	Closing balance
Raw materials, subsidiaries and consumable	s 128.986,77	632.639,79		761.626,56
Products and works in progress				
Year of 2011	Opening balance	Increases	Reversals	Closing balance
, 5	122.011.00	Increases 5.975,69	Reversals	Closing balance

The increase in inventory impairments is mainly due to discontinuation of occasional contactless single mode fare pricing as from 1 January 2013 as well as network and tram rail materials whose net realisable value is lower than their acquisition cost.

20. CONSTRUCTION CONTRACTS

Not applicable.

21. REVENUE

Details of recognised revenue, as at 31 December 2012 and 2011 all received on national territory:

	2012	2011
Delivery of services	50.071.866,26	50.782.613,25
Public passenger transport (*)	49.941.325,93	50.681.267,18
Vehicle leases	130.540,33	101.346,07
Supplementary revenue	2.054.908,69	2.033.551,62
Equipment leases	7.407,14	9.956,38
Royalties	2.313,82	1.040,66
Performance of social positions in other companies	59.677,56	93.360,24
Other supplementary services	1.985.510,17	1.929.194,34
Maintenance service	560.054,40	489.726,92
Publicity	438.983,37	411.416,71
Assignment of personnel	43.135,61	35.688,88
Rent and assignment of facilities	342.369,43	239.551,70
Provision of advisory services and other	147.614,76	167.267,48
Sale of scrap and other items	32.784,24	96.055,75
Museum sales and services	70.360,81	92.609,59
Other	350.207,55	396.877,31
Rents and other income from investment properties	252.517,56	283.680,95
Interests received	6.108,96	341.268,17
	52.385.401,47	53.441.113,99

^(*) 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 the aforementioned Decree-Law). 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 publicising 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 reimburses STCP for the price discount applied to fares having taken this responsility.

The agreement for the implementation of Andante intermodal social fare pricing was signed on 29/06/2006, the agreement for 4_18@escola.tp fare pricing was reached on 29/01/2009 and the agreement for sub23@ superior.tp fare pricing was made on 01/09/2010.

Pursuant to Ordinance 272/2011 of 23 September, besides these three agreements, "Passe Social+" intermodal card was implemented and intended for low income households.

In this way, the company recognises these subsidies, under these contracts with influence on fare prices, under the heading Revenue from sales and services provided - public passenger transport.

(Increases) and reductions of provisions

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 as at 31 December 2012. 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 2010, 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 as at 31 December 2012 as well as other expenses resulting from other existing risks on the same date.

Movements which occurred in provisions in 2012 and 2011 were as follows:

-2.537.235,14

	2012				
Opening balance	Increases	Reversals	Closing balance		
1.886.497,02	952.054,85		2.838.551,87		
484.691,43		9.397,42	475.294,01		
1.612.414,10	1.617.115,50	22.537,79	3.206.991,81		
3.983.602,55	2.569.170,35	31.935,21	6.520.837,69		
	1.886.497,02 484.691,43 1.612.414,10 3.983.602,55	Opening balance Increases 1.886.497,02 952.054,85 484.691,43 1.612.414,10 1.893.602,55 2.569.170,35	Opening balance Increases Reversals 1.886.497,02 952.054,85 484.691,43 9.397,42 1.612.414,10 1.617.115,50 22.537,79		

^(*) A provision was constituted for the associate TIP - Transportes Intermodais do Porto, ACE, in the amount of 1.445.339 euros, in proportion of the negative equity of the associate as at 31.12.2012.

		2011			
	Opening balance	Increases	Reversals	Closing balance	
Ongoing lawsuits	1.897.786,41		11.289,39	1.886.497,02	
Occupational injuries, accidents and illness	528.091,61		43.400,18	484.691,43	
Other provisions (*)	2.173.885,00	112.414,10	673.885,00	1.612.414,10	
	4.599.763,02	112.414,10	728.574,57	3.983.602,55	
(Increases) and reductions of pro	ovisions		616.160,47		

The company has two ongoing lawsuits against itself whose values are materially relevant, but are not provisioned:

- · Lawsuit where the plaintiff is Porto Municipality, filed also against the Portuguese State, where part of the real estate assets of the company are claimed.
- · Lawsuit, filed by ANTROP against the Portuguese State, where the counter-interested parties are STCP, SA and CARRIS, applying for the annulment of the decision of Council of Ministers number 52/2003, of 27 March, which attributes these operators determined amounts of Compensatory Indemnities for that year.

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 public service delivered.

The fact that STCP has not made any provisioning whatsoever of any values with respect to these lawsuits arises from its opinion on the effective and legitimate ownership of the real estate assets and secondly on the State responsibility on the matters under dispute:

Regarding the lawsuit filed by Porto Municipality against STCP and the Portuguese State on the property of the land and other real estate assets included in the company's equity at the time of its transformation into a public limited company of exclusively public capital in 1994, through the transformation of the then designated Serviço de Transportes Colectivos do Porto - Public Collective Transport Service of Porto, the company is firmly convinced that the outcome of this lawsuit will be the confirmation that the assets in question belong to it and that, should the judgement be otherwise, it is the responsibility of the State and not the company to meet the solution established in the Initial Petition: eventual payment of an indemnity to the

Municipality equivalent to the value to be attributed to any property (properties) that the final sentence might decide belongs (belong) to the latter. This lawsuit is still under assessment as to whether the Court is competent to judge this case, and it is not expected that a definitive outcome will be reached in the next few years.

· Regarding the lawsuit filed by ANTROP against the Portuguese State and against STCP and Carris on the attribution, in 2003, of the values of the Compensatory Indemnities to these two companies, the State already has all the necessary data to confirm that the sum attributed to STCP (the only one concerning us) was not even sufficient to cover the extra costs paid in relation to the social service imposed on it, and carried out during that year. The total value that may possibly be necessary to return to the Portuguese State should be attributed to STCP which could be done, namely, through an increase of share capital, in its capacity of sole shareholder.

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.

23. GRANTS

Most relevant movements regarding grants occurred in the financial years of 2012 and 2011:

			2012		
Grants	Total value	Value received	Value receivable	Revenue for the period	Accumulated revenue
Operating grants:	10.728.612,45	10.211.320,75	517.291,70	10.728.612,45	
State budget	10.211.320,75	10.211.320,75		10.211.320,75	
Institute of Financial Management Social Security PAII	517.291,70		517.291,70	517.291,70	
Grants related to assets	6.925.105,90	3.560,60		170.179,88	6.393.505,21
Tangible assets	6.837.036,96	3.560,60		169.875,92	6.313.754,08
- Buildings and other constructions	330.531,01			4.245,24	243.896,58
- Basic equipment	6.305.516,04	3.560,60		161.607,35	5.942.045,31
- Administrative equipment	74.352,85			1.240,85	72.677,18
- Other tangible fixed assets	55.135,01			2.782,48	55.135,01
- Tangible assets in progress	71.502,05				
Investment properties	15.397,52				7.236,38
- Buildings	15.397,52				7.236,38
Intangible assets	72.671,42			303,96	72.514,75
Computer programs	72.671,42		517.291,70	303,96	72.514,75
	17.653.718,35	10.214.881,35		10.898.792,33	6.393.505,21

			2011		
Grants	Total value	Value received	Value receivable	Revenue for the period	Accumulated revenue
Subsídios à exploração:	18.868.926,96	17.870.608,53	998.318,43	18.868.926,96	
State budget	17.870.608,53	17.870.608,53		17.870.608,53	
Institute of Financial Management	998.318,43		998.318,43	998.318,43	
Social Security PAII	6.957.022,41			426.834,31	6.258.802,44
Grants related to assets	6.868.953,47			426.530,35	6.179.355,27
Tangible assets	330.531,01			4.245,24	239.651,34
- Buildings and other constructions	6.349.101,32			417.396,65	5.844.848,58
- Basic equipment					
- Administrative equipment	73.943,12			1.178,48	71.436,33
- Other tangible fixed assets	26.201,50			3.709,98	23.419,02
- Tangible assets in progress	89.176,52				
Investment properties	15.397,52				7.236,38
- Buildings	15.397,52				7.236,38
Intangible assets	72.671,42			303,96	72.210,79
Computer programs	72.671,42			303,96	72.210,79
	25.825.949,37	17.870.608,53	998.318,43	19.295.761,27	6.258.802,44

STCP is subject to an administrative pricing scheme which implies the attribution of non repayable compensatory indemnities by the Government in order to partially finance its operations with the purpose of discharging public transport service obligations. STCP follows the criteria of recording the compensatory indemnities as operating grants for the year when they are attributed.

24. ALTERATIONS IN EXCHANGE RATES

In the financial years of 2012 and 2011 there were no operations in foreign currency.

25. EVENTS AFTER THE BALANCE SHEET DATE

On 05 April 2013, Judgement n°187/2013 was delivered by the Constitutional Court having ruled as unconstitutional, procedures set forth in article 29° of Law 66-B/2012 of 31 December.

This Constitutional Court's decision stipulated payment by the company, of holiday bonus or any other corresponding benefits, with an expected impact on Income and Expenditure Statements for the period totaling 1.686.506,76 Euros.

26. CORPORATION TAX

The company is subject to the general Corporation Tax scheme (IRC). In view of its situation of 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.

In view of the above, there has been no recognition of any deferred tax assets or liabilities, since deduction cannot be in advance predicted, of future tax profits from the tax losses reported up to date.

As at 31 December 2012, the reported tax losses amounted to 112.370.189,70 euros, were the following:

Years	Tax losses
2006	20.309.815,49
2007	24.714.364,80
2008	22.643.194,03
2009	19.864.827,20
2010	6.223.946,09
2011	18.614.042,09
•••••	

112.370.189,70

27. ENVIRONMENTAL ISSUES

There is no relevant information in the financial years of 2012 and 2011.

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28. FINANCIAL INSTRUMENTS

28.1. Identification of financial assets and liabilities

As at 31 December 2012 and 2011 categories of financial assets and liabilities were as follows:

Financial assets – Year of 2012	Loans granted and Accounts receivable	Available for sale	Not covered IFRS7	Total
Non current Assets	174.529,58	25.000,00		199.529,58
Financial holdings through cost method		25.000,00		25.000,00
Other financial assets	174.529,58			174.529,58
Current assets	3.576.802,56		1.007.736,15	4.584.538,71
Customers	1.677.976,56			1.677.976,56
Other accounts receivable	1.552.959,09		1.007.736,15	2.560.695,24
Cash and bank deposits	345.866,91			345.866,91
	3.751.332,14	25.000,00	1.007.736,15	4.784.068,29

Financial liabilities –Year of 2012	Financial liabilities at amortised cost	Financial liabilities valued at fair value through profit or loss	Not covered IFRS7	Total
Non current liabilities	219.940.216,26	112.516.619,98	17.885.512,97	350.342.349,21
Loans received	219.940.216,26		17.885.512,97	237.825.729,23
Other financial liabilities		112.516.619,98		112.516.619,98
Current liabilities	133.270.224,39	413.535,41	7.747.566,67	141.431.326,47
Supppliers	4.301.699,64			4.301.699,64
Loans received	128.528.361,67		4.310.500,86	132.838.862,53
Other accounts payable	440.163,08		3.437.065,81	3.877.228,89
Other financial liabilities		413.535,41		413.535,41
	353,210,440,65	112.930.155,39	25.633.079.64	491.773.675,68

Financial assets – Year of 2011	Loans granted and Accounts receivable	Available for sale	Not covered IFRS7	Total
Non current Assets		25.000,00		25.000,00
Financial holdings through cost method		25.000,00		25.000,00
Other financial assets	7.100.723,46		2.329.837,70	9.430.561,16
Current assets	4.761.308,14			4.761.308,14
Customers	1.208.281,08		2.329.837,70	3.538.118,78
Other accounts receivable	1.131.134,24			1.131.134,24
Cash and bank deposits	7.100.723,46	25.000,00	2.329.837,70	9.455.561,16

Financial liabilities –Year of 2011	Financial liabilities at amortised cost	Financial liabilities valued at fair value through profit or loss	Not covered IFRS7	Total
Non current liabilities	219.902.816,62	70.247.227,60	22.442.992,28	312.593.036,50
Loans received	219.902.816,62		22.442.992,28	242.345.808,90
Other financial liabilities		70.247.227,60		70.247.227,60
Current liabilities	112.691.502,50	139.702,95	7.952.596,71	120.783.802,16
Supppliers	4.569.034,23			4.569.034,23
Loans received	106.469.953,87		4.154.165,60	110.624.119,47
Other accounts payable	1.652.514,40		3.798.431,11	5.450.945,51
Other financial liabilities		139.702,95		139.702,95
	332.594.319,12	70.386.930,55	30.395.588,99	433.376.838,66

In 2012 and 2011, STCP only had financial assets and liabilities classified as:

- · Loans granted and accounts receivable;
- · Available for sale;
- · Financial liabilities valued at amortised cost;
- \cdot Financial liabilities valued 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 2012 and 2011, 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 established2in 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. Loans received

As at 31 December 2012 and 2011, details of loans were as follows:

-	^	a	
2	U	П	2

Loans received	Total	Amortised cost Current	Non Current	Total	Nominal value Current	Non Current
Credit and financial institutions	149.676.361,11	131.790.848,14	17.885.512,97	149.214.044,38	131.328.531,41	17.885.512,97
Bank loans	119.885.398,64	119.885.398,64		119.444.000,00	119.444.000,00	
Bank overdrafts	7.594.948,64	7.594.948,64		7.594.948,64	7.594.948,64	
Financial leasing	22.196.013,83	4.310.500,86	17.885.512,97	22.175.095,74	4.289.582,77	17.885.512,97
Stock Market	220.988.230,65	1.048.014,39	219.940.216,26	220.000.000,00		220.000.000,00
Non-convertible bonds	220.988.230,65	1.048.014,39	219.940.216,26	220.000.000,00		220.000.000,00
Bond 07	99.999.733,91	35.457,10	99.964.276,81	100.000.000,00		100.000.000,00
Bond 09	120.988.496,74	1.012.557,29	119.975.939,45	120.000.000,00		120.000.000,00
	370 664 591 76	132 838 862 53	237 825 729 23	369 214 044 38	131.328.531.41	237 885 512 97

2011

Loans received	Total	Amortised cost Current	Non Current	Total	Nominal value Current	Non Current
Credit and financial institutions	131.823.112,49	109.380.120,21	22.442.992,28	131.137.543,70	108.694.551,42	22.442.992,28
Bank loans	71.927.052,91	71.927.052,91		71.500.000,00	71.500.000,00	
Bank overdrafts	33.298.901,70	33.298.901,70		33.071.162,99	33.071.162,99	
Financial leasing	26.597.157,88	4.154.165,60	22.442.992,28	26.566.380,71	4.123.388,43	22.442.992,28
Stock Market	221.146.815,88	1.243.999,26	219.902.816,62	220.000.000,00		220.000.000,00
Non-convertible bonds	221.146.815,88	1.243.999,26	219.902.816,62	220.000.000,00		220.000.000,00
Bond 07	100.195.126,68	235.198,28	99.959.928,40	100.000.000,00		100.000.000,00
Bond 09	120.951.689,20	1.008.800,98	119.942.888,22	120.000.000,00		120.000.000,00
•••••	352.969.928,37	110.624.119,47	242.345.808,90	351.137.543,70	108.694.551,42	242.442.992,28



All loans are euro denominated.

On 31 December 2012, so called current loans, i. e. authorised overdrafts were used following a rational financial management, hot money lines and loan contracts having been fully used. There is a total of 15 funding lines for treasury support purposes.

The financing conditions for current bank loans and overdrafts were negotiated within the market contingencies: restrictive limits, deterioration of financial conditions and short maturity dates.

In 2011 and 2012, negotiation established the highest spread at 8%.

On 31 December 2012, 1 month euribor rate continued as the most used with a periodicity of payment of interests.

The group of non current loans, in force as at 31 December 2012, was characterised as follows:

· In June 2007, the company issued a bond totaling 100 million euros, for 15 years. Subscription was private and direct. Rate is variable and indexed to 6 month Euribor. There is a total or partial call-option as from the 5th year. This operation was listed for trading on a regulated market in the beginning of the year of 2011.

- · In October 2009, the company contracted a bond for 5 years amounting to 120 million euros. The loan repayment will be made at the nominal value, at the end of the maturity of the issuance. This loan was listed for trading on a regulated market.
- \cdot These two sources of financing benefit from the personal backing of the Portuguese State.

Through the Guarantee contract, the Portuguese Republic unconditionally and irrevocably guarantees the payment of the values corresponding to the capital and interests payable under the terms and conditions of the contracts.

Most of the financing contracts in force have clauses covering a series of usual covenants, establishing the situations of default, cross default, negative pledge and pari passu that have been agreed and accepted by the counterparties.

It also should be noted that there clauses of ownership of the Portuguese State.

The agreed covenants do not, as a rule, have 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.

In 2012, financing conditions of the loans in force were as follows:

Loan	Maturity date	Interest rate	Periodicity
Non convertible bonds			
Bond 2007	05-Jun-22	Euribor6M+0,0069%	6 monthly
Bond 2009	09-Out-14	3,61%	6 monthly

On 31 December 2012, the company had no situations of default in relation to any of the loans contracted.

28.1.2. Other financial assets

28.1.2.1. Non current

As at 31 December 2012 and 2011 the heading Other non current financial assets, includes loans granted through additional paid-in capital to the subsidiary company STCP Serviços.

Other financial assets	2012	2011
Loans granted to subsidiary companies	1.510.000,00	1.510.000,00
Gross value	1.510.000,00	1.510.000,00
Accumulated impairment losses	-1.335.470,42	-1.510.000,00
Book value	174.529,58	0,00

As at 31 December 2011, taking into consideration the decision made by the sole partner as to the future operation of the subsidiary company STCP SERVIÇOS, the Board of Directors cautiously decided that this asset became impaired, the respective loss amounting to 1,51 million euros having been valued. On 31 December 2012 this impairment was found to be excessive. A reversal of 174.529,58 euros was accounted for, as a result.

28.1.3. Other financial liabilities

Since 2007 the company decide to contract two hedge operations against the risk of interest rate variation, totaling 50% of the bond nominal value issued in the same year. These operations will fall due in the year of 2022.

As at 31 December 2012 and 2011, the fair value of these financial derivative instruments was the following:

28.1.2.2. Current

There is no relevant information regarding this issue.

			2012		
Hedged Financing	Notional Value	Maturity	Fair value	Current	Non current
Bond 2007	25.000.000	05-Jun-22	- 101.433.437,41	-265.425,69	-101.168.011,72
Bond 2007	25.000.000	05-Jun-22	-11.496.717,98	-148.109,72	-11.348.608,26
Other financial liabilities			-112.930.155,39	-413.535,41	-112.516.619,98

			2011		
Hedged Financing	Notional Value	Maturity	Fair value	Current	Non current
Bond 2007	25.000.000	05-Jun-22	-62.230.601,55	-93.016,60	-62.137.584,95
Bond 2007	25.000.000	05-Jun-22	-8.156.329,00	-46.686,35	-8.109.642,65
Other financial liabilities			-70.386.930,55	-139.702,95	-70.247.227,60

Brief Description of Operations and Evolution of its Fair Value (MTM)

a) 14,5 YEARS RANGE ACCRUAL SWAP

This structure is composed of two different stages. On the first stage corresponding to the three first years, STCP paid a fixed rate and received a variable rate. On the second stage, after 2010, STCP started to pay an additional spread on a fixed rate to apply on the percentage of the number of days within the counting period of interests in which CMS10Y swap falls below 2,75% or in alternative, CMS10Y-2Y spread falls lower than -0,25%.

b) 14,5 YEARS CUMULATIVE CAP&FLOOR WITH DIGICOUPON SWAP

At the initial stage – the 3 first years – this structure resembled a *vanilla swap* in which STCP received a variable rate and paid a fixed rate. At the subsequent stage, after 2010, a *spread* is added to the fixed rate, depending on 3 month Euribor rate variations. So that additional *spread* may be null, 3 month Euribor can never fall below 2% or above 6%. In periods when Euribor is outside the range, additional spread corresponds to the difference between the barrier limits and three-month Euribor rate increased by a multiplier. The resulting spread is incorporated into the next coupon owing to the cumulative effects. When Euribor rate is again within the defined range, the hedge structure has a determined digicoupon, which is nothing else than an "accelerator effect" of annulment of the cumulative effects of the previous coupons.

Derivative instruments are accounted for marked-tomarket, its calculation being carried out by the respective counterparties, the financial institutions with which STCP concluded the contract. Its determination is based on Options (*Option Pricing Models*) and Future Cash-Flow Discount (*Discount Cash-Flow Models*) suited to derivative instruments not listed on stock markets (OTC derivative instruments). The valuation of swap interest rate indicates and represents the existing market conditions on the reference date. The swap may incur significant adjustments in the fair value as a result of relatively minor variations in the critical variables (market risk) as well as through the occurrence of abnormal liquidity conditions in the market, (liquidity risk) or due to direct or indirect sensitivity to other type of factors, (risk of diverse nature (credit risk or systemic risk).

By Order n° 1979/2012-SET, published on 30-11-2012 – Operation Management of Derivative Financial Instruments of Public Non Financial Companies, STCP is not allowed to contract, restructure, cancel or transfer its position in financial instruments without prior favorable opinion of the Public Debt and Treasury Management Agency.

Mark-to-market variations occurred in the financial years of 2012 and 2011, were directly recognised through income and expenditure statement, under the headings Fair value reduction losses in financial instruments (Note 11), shown in the income and expenditure statement by nature under the headings Interests and similar income received.

Although these derivative instruments have been contracted under a policy of hedging against the risk of interest rate variation, all the necessary conditions are not met for the accounting of the operations as hedge accounting.

As at 31 December 2012 mark-to-market (MTM) of the two operations was significantly negative totaling 113 million euros. A negative variation of 43 million euros towards 2011 thus, reflects instability of the monetary/ swap market and particularly, expectations that low interest rates continue to fall to their lowest levels.

Details of fair value variations in 2012 and 2011 are as follows:

Hedged financing	Notional value	Maturity	2012	2011
Bond 2007	25.000.000	05-Jun-22	-39.030.426,77	-28.230.602,18
Bond 2007	25.000.000	05-Jun-22	-3.238.965,61	-5.800.885,39
			-42.269.392,38	-34.031.487,57

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28.2. Risk Management

28.2.1. Market risks

28.2.1.1. Interest rate risk

The management policy of interest rate risk aims to control and minimise debt cost within the current contingencies of negotiation and credit concession.

The company's debt to financial institutions is mostly directly exposed to interest rate risk variations. The company holds only one financing operation at a fixed rate concerning medium and long term.

The company holds two hedge structures aiming at reducing exposure to interest rate risk variation.

The company is mainly exposed to 1M and 3M Euribor rate variation in short term operations as well as to 6M Euribor rate variation regarding medium and long term financing. It is also exposed to 2 year and 10 year rate variations as well as to the correlation between these two rates.

Sensitivity analysis

a) Swap operations

With reference to the hedge structure 14,5 YEARS RANGE ACCRUAL SWAP, it is estimated that a variation of a further 1% in forward rates would result in a reduction of 6,3 million euros in its MTM, while a variation of 1% less would give rise to an increase of 6 million euros.

As to the hedge operation 14,5 YEARS CUMULATIVE CAP&FLOOR WITH DIGICOUPON SWAP, a variation of a further 1% in forward rates would result in a reduction of 38,5 million euros in its MTM. For this derivative instrument sensitivity analysis was not made for variations of less 1% once, at the current rate level such a variation would not allow any kind of coherent analysis.

b) Non current operations

A sensitivity analysis made to the exposure of the bond totaling 100 million euros and to medium term financial leasing operations, demonstrated that costs would represent a further increase of 585 thousand euros towards the forecast for 2013, for a variation of a further 1% in interest rate.

Issued bonds amounting to 120 million euros for a 5 year term, have a fixed coupon interest rate not being therefore, exposed to the rate fluctuation risk.

c) Current operations

Current debt is exposed to 1M and 3M Euribor rate variations and also to spread variations within the present context, showing a sharper upward trend, more variable and significant than the reference rates. As already mentioned, it is composed of 15 financing lines whose amount on 31 December 2012 totaled nearly 148 million euros.

In accordance with a sensitivity analysis, a growth by 1% in the interest rate level would result in a rise of 1,3 million euros, in relation to the expected costs for 2013, based on the calculation of the existing debt on 31 December 2012.

28.2.1.2. Risk of increase in credit price

Given the amount of the managed debt, the company is exposed to the behaviour of the market credit price being an eventual new risk as a result of their behaviour in the year of 2011. The risk of ongoing increases and continued high credit price levels, go on giving rise to a very negative impact on the Financial Results.

28.2.1.3. Risk of Exchange rate

The company is not exposed to this risk, by its own nature.

28.2.1.4. Liquidity risk

The management of liquidity risk is of the utmost importance for a company which does not generate enough cash surplus to ensure self-sufficiency.

The financing model is based on debt and the management policy of this risk is guaranteed by the timely fulfilment of the commitments set out with stakeholders – employees, suppliers and the banks..

With the purpose to mitigate this risk, the company:

- 1) Makes a long term treasury planning, reporting monthly to the supervising entities;
- 2) Tries to negotiate a range of financing short term supports applying the best market conditions, trying to hold a comfortable additional amount of liquidity in the event of treasury obstruction and constraint;

- 3) Whenever possible, the company tries to diversify investment sources and also maturity dates with operations of liabilities consolidation under the current market constraints;
- 4) Complies with guidelines set out for the transport sector, trying to antecipate contingencies and reporting to the supervising entities on forecasts and operations in progress;
- 5) And at last, selects trustworthy counterparties for partnership purposes from the continuity perspective.

Liabilities arising from future *cash flows* regarding non current loans, are the following:

Years	Interests	Repayment	Cash-flow
2013	4.686.945,83		4.686.945,83
2014	4.686.945,83	120.000.000,00	124.686.945,83
2015	353.745,83		353.745,83
2016	353.745,83		353.745,83
2017	353.745,83		353.745,83
2018	353.745,83		353.745,83
2019	353.745,83		353.745,83
2020	353.745,83		353.745,83
2021	353.745,83		353.745,83
2022	176.388,33	100.000.000,00	100.176.388,33

Reported as at 31 December 2012, the company used nearly 149 million euros of available current credit lines.

28.2.1.5. 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.

As at 31 December 2012 and 2011, recorded impairment losses, resulting from debts receivable, reflected the reality of non collection risk.

Details of the heading Customers and other receivables, according to their maturity and recoverability, are as follows:

	2012	2011
Without recorded impairment		
Customers current account	1.677.976,56	4.761.308,14
Not due	1.604.253,15	4.663.053,34
Past due	73.723,41	98.254,80
<30	6.065,75	29.735,05
<60	5.321,05	21.439,88
<90	2.842,35	16.194,30
<120	20.839,32	8.792,40
<180	1.333,34	8.013,37
>=180	37.321,60	14.079,80
With recorded impairment		
Customers current account	6.890,00	
Past due	6.890,00	
>=180	6.890,00	

	2012	2011
Without recorded impairment		
Other receivables	1.249.870,59	865.546,81
Not due	179.914,42	337.512,24
Past due	1.069.956,17	528.034,57
<30	235.589,30	76.035,78
<60	95.932,91	62.543,78
<90	102.300,73	105.668,04
<120	133.241,56	62.687,99
<180	268.571,12	62.714,69
>=180	234.320,55	158.384,29
With recorded impairment		
Other receivables	913.342,54	909.642,54
Past due	913.342,54	909.642,54
>=180	913.342,54	909.642,54

Late debts which are more than 90 days overdue are mainly from entities with exclusively public capital. Analyses to the risk of non collection were carried out, additional impairment values having been recorded during the year of 2012, totaling 10.590,00 euros in respect of customers' debts and other receivables. In this way, as at 31 December 2012, customers and other receivables impairments amounted to 920.232,54 euros. Accumulated impairments carried over from previous financial years concern the following debt:

 \cdot 910 thousand euros regarding compensation charged to Porto City Hall regarding costs paid by STCP incurred with the removal of the tram street track between Cidade S. Salvador and Gonçalves Zarco Square.

28.2.2. 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.

28.3. Costs, income, losses and gains

Costs and losses as well as income and gains relative to the loans received and derivative financial instruments are detailed in Note 11.

28.4. Equity instruments

28.4.1. Share capital

In 2011 and 2010, the book value of the share capital issued by the company corresponds only to the heading share capital, totaling 79.649 million which is fully paid-up. Share capital is represented by 15.929.800 shares merely in book value form, with nominal value of 5 euros each.

In the two financial years there were no movements in the share capital, the Portuguese State being the sole shareholder of the 100% share capital.

28.4.2. Reserves

As at 31 December 2012 and 2011 the heading Reserves was detailed as follows:

Reserves	2012	2011
Legal reserves	74.907,42	74.907,42
Other reerves	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

Movement of revaluation surplus of tangible and intangible fixed assets in 2012 and 2011 showed the following datails:

	Tangible fixed assets
Balance as at 01.01.2011	45.960.129,43
Amortisations	-1.102.720,45
Balance as at 31.12.2011	44.857.408,98
Balance as at 01.01.2012	44.857.408,98
Amortisations	-734.284,41
Revaluation reversal (*)	-4.877.621,53
Revaluation increase	1.562.843,09
Balance as at 31.12.2012	40.808.346,13

^(*) The amount of 661.000 euros concerns impairment loss reversal of impairment properties having been carried over in 2010 from tangible fixed assets with constituted revaluation reserve.

28.4.4. Adjustments to financial assets

Adjustments to financial assets as at 31 December 2012 and 2011:

	2012	2011
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 profit	154.796,62	154.796,62
Transpublicidade	154.796,62	154.796,62
Adjustments to financial assets - relative to MEP	122.236,59	122.236,59

28.4.5. Other changes in equity

The heading Other changes in equity, as at 31 December 2012 and 2011 showed the following details:

	2012	2011
Grants relative to assets	531.600,69	698.219,97
Donations	281.048,63	281.048,63
Other changes in equity	812.649,32	979.268,60

28.4.6. Earnings/Losses per share

Earnings/Losses per share in 2012 and 2011:

	2012	2011
Net results for the period	-73.438.560,24	-54.545.474,57
Weighted average number of shares	15.929.800	15.929.800
Basic result per share	-4,61	-3,42

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 establishes the attribution of a supplementary retirement and ill-health pension to all eligible workers who are bound to the company through open ended employment contracts, signed until 2005 inclusive, which is calculated based on a fixed formula, and is paid provided that the sum of the pension attributed by Social Security plus this supplement does not exceed 650 euros (value in force since 2007).

In December 1998, the company transferred its liability to the BPI Open Pension Fund, through the signing of the Adherence contract, with an initial endowment of 3.042.667 euros, corresponding to 304.158.66 participation units.

As at 31 December 2012 and 2011, according to an actuarial study carried out by BPI PENSÕES, the current value of liabilities assumed with responsibilities for retirement and ill-health supplementary pensions was as follows:

	2012	2011
Past service costs related to former employees	2.989.571,00	2.932.811,00
Past service costs related to active employees		
Liability of the fund	2.989.571,00	2.932.811,00

Financial and actuarial assumptions used in the actuarial assessment of liabilities, in 2012 and 2011:

Main assumptions	2012	2011	
Assessment of liabilities			
Discount rate	2,50%	4,75%	
Salary growth rate	Not applicable	Not applicable	
Inflation rate	1,75%	1,75%	
Ceiling growth rate	Without growth, fixed value of 650,00 Euros (
Mortality table	French table TV 73/77	French table TV 73/77	
III-health table	Not applicable	Not applicable	
Assessment of costs			
Discount rate	0,0475	0,0475	
Income rate	5,30%	5,10%	
Salary growth rate	Not applicable	Not applicable	
STCP pension growth rate	Same as Social Security pension growth rate limited by the difference between the ceiling value and Social Security pension		
Social Security pension growth rate (**)	1,75%	1,75%	

^(*) Prior to 2001 ceiling was 548, 68 Euros. From 2001until 2006 inclusive, it became 598,56 Euros.

As at 31 December 2012 and 2011Pension Fund movements were the following:

	2012	2011
Value of the fund assets at the beginning of the year	2.110.582,00	2.338.541,00
Company contributions	238.288,00	338.713,00
Pensions paid	-497.949,00	-540.703,00
Effective income :	151.734,00	-25.969,00
Projected fund return, net of commissions	97.917,00	104.956,00
Income gains / (Losses)	53.817,00	-130.925,00
Value of the fund assets at the end of the year	2.002.655,00	2.110.582,00

^(**) Prior to 2001it was 1%, in the long run.

On the closing date of the accounts it was not possible to reliably estimate the expected value of contributions for 2013, since this value will be determined in accordance with the funding level.

As at 31 December 2012 and 2011 alterations occurred in liabilities assumed in relation to supplementary retirement and ill-health pensions were as follows:

	2012	2011
Liabilities at the beginning of the year	2.932.811,00	3.267.798,00
Current service costs		
Interest costs	126.812,00	141.893,00
Projected pensions	-526.178,00	-561.151,00
Actuarial Losses and (Gains) related to experience	124.143,00	84.271,00
Losses and (Gains) from changes in discount rate	331.983,00	
Liabilities at the end of the year	2.989.571,00	2.932.811,00

During the financial years of 2012 and 2011 the following values were recognised under the heading Staff costs arising from liabilities due to supplementary retirement and ill-health pensions:

	2012	2011
Current service costs		
Interest costs	126.812,00	141.893,00
Projected return	-97.917,00	-104.956,00
Actuarial Losses and/ (Gains):	374.080,00	194.748,00
Actuarial Losses and (Gains) related to experience	124.143,00	84.271,00
Income Losses and (Gains)	-53.817,00	130.925,00
Losses and (Gains) in benefits (pensions)	-28.229,00	-20.448,00
Losses and (Gains) from changes in discount rates	331.983,00	
	402.975,00	231.685,00

Evolution of gains and losses arising from adjustments of experience:

	2012	2011	2010	2009	2008
Plan liabilities					
Gains / (Losses) related to experience	-124.143,00	-130.925,00	139.713,00	-4.462,00	62.774,00
% Liabilities for past services	-4,2%	-6,2%	4,3%	-0,1%	1,6%
Plan assets					
Income Gains / (Losses)	53.817,00	-84.271,00	-63.731,00	56.653,00	-501.369,00
% Plan assets	2,7%	-2,9%	-2,7%	2,2%	-16,5%

Effective rates of return of Pension Fund in the last 5 years:

	2012	2011	2010	2009	2008
Effective rate of return	9,06%	-0,71%	2,8%	8,22%	-8,05%

Paragraph104.A.of IAS19 is not applicable.

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
2008	3.882.068,00	3.045.472,00	-836.596,00	78%
2009	3.491.295,00	2.626.274,00	-865.021,00	75%
2010	3.267.798,00	2.338.541,00	-929.257,00	72%
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%

Composition of Open Pension Fund BPI Valorização as at 31 December 2012 and 2011:

	20	12	2012	
Composition	Value	%	Value	%
Shares	48.902.735	34,8%	34.717.442	27,5%
Real Estate	2.382.429	1,7%	2.836.321	2,2%
Bonds at indexed rate	10.745.070	7,6%	12.880.763	10,2%
Bonds at fixed rate	61.316.692	43,7%	54.113.297	42,9%
Absolute return	737.366	0,5%	4.394.551	3,5%
Liquidity	16.384.165	11,7%	17.299.658	13,7%
	140.468.457		126.242.032	

As at 31 December 2012 and 2011, the net worth of the adherence of STCP to BPI Valorização was respectively of 2.002.655 euros and 2.110.852 euros, representing 1,4% and 1,7% of the total value of the Pension Fund.

The composition of Open Pension Fund BPI Valorização 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, as at 31 December 2012 and 2011:

	2012	2011
Suppliers – current accounts	4.301.699,64	4.569.034,23
Not due	3.571.012,56	3.418.412,66
Past due	359.408,22	699.295,43
<30	206.637,57	380.745,64
<60	29.245,84	78.479,11
<90	32.236,81	14.118,72
<120	8.728,16	35.063,83
<180	30.769,45	15.019,30
>=180	51.790,39	175.868,83
Reception and checking	371.278,86	451.326,14

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	2012	2011
Fixed assets suppliers	77.244,00	143.746,42
Not due		82.187,83
Past due	77.244,00	61.558,59
<30	77.244,00	17.220,00
<90		38.949,96
<120		971,09
<180		2.094,31
>=180		2.323,23
	2012	2011

	2012	2011
Other payables	238.872,19	1.371.131,51
Not due	110.433,92	86.056,38
Past due	128.438,27	1.285.075,13
<30	648,85	682.632,20
<60	557,97	488.935,60
<90	4,47	262,36
<120	0,64	
<180	1,28	
>=180	127.225,06	113.244,97

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

As at 31 December 2012 and 2011 the heading State and other public entities was detailed as follows:

	20	012	201	12
	Assets	Liabilities	Assets	Liabilities
Corporation tax	490.000,00	5.142,18	512.089,01	
Income tax withholdings		177.484,50		223.229,62
Value added tax	1.126.858,26		3.060.683,17	
Social Security contributions		583.915,56		652.903,48
Other taxation		3.067,20		15.493,80
State and other public bodies	1.616.858,26	769.609,44	3.572.772,18	891.626,90

33. OTHER ACCOUNTS PAYABLE AND RECEIVABLE

As at 31 December 2012 and 2011details of Other accounts payable and receivable were the following:

Other accounts payable	2012	2011
Fixed assets suppliers – current accounts	77.244,00	143.746,42
Accrued costs payable	3.437.065,81	3.798.431,11
Staff	122.068,56	127.965,37
Customers and other payables – payable customer balances	1.978,33	9.671,10
Miscellaneous payables	238.872,19	1.371.131,51
	3.877.228,89	5.450.945,51

Accrued costs payable	2012	2011
External supplies and services	1.311.222,37	1.547.651,55
Outsourcing	36.941,34	41.473,95
Specialised work	798.145,05	1.121.824,71
Materials		
Energy and other liquids	16.320,82	54.264,99
Miscellaneous services	459.815,16	330.087,90
Staff costs	2.033.160,84	2.115.027,11
Other Costs and Losses	88.210,60	135.752,45
Financial costs	4.472,00	
	3.437.065,81	3.798.431,11

Other accounts receivable	2012	2011
Accrued income receivable	1.007.736,15	2.329.837,70
Staff	302.157,59	336.693,87
Suppliers and other creditors – receivable balances	930,91	6.040,40
Miscellaneous receivables	2.163.213,13	1.775.189,35
Gross value	3.474.037,78	4.447.761,32
Accumulated impairment losses	-913.342,54	-909.642,54
Book value	2.560.695,24	3.538.118,78

Accrued income receivables	2012	2011
Service provision	425.430,37	1.255.422,73
Operating grants	517.291,70	998.318,43
Other income and gains - Supplementary income	20.602,89	39.082,56
Other income and gains - Other	43.975,34	36.626,98
Interests receivable	435,85	387,00
	1.007.736,15	2.329.837,70

34. DEFERRALS

As at 31 December 2012 and 2011 the heading Deferrals in Current Assets and Current Liabilities showed the following details:

Deferrals	2012	2011
Assets – Costs to be recognised	249.672,25	138.678,85
External supplies and services	182.281,92	121.828,35
Other costs and losses	67.390,33	16.850,50
Financial costs		
Liabilities – Income to be recognised	1.546.472,88	1.261.585,77
Service provision	322.832,08	908.011,69
Other income and gains	1.223.640,80	353.574,08

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35. EXTERNAL SUPPLIES AND SERVICES

In the financial years of 2012 and 2011 the heading External supplies and services was detailed as follows:

	2012	2011
Outsourcing	4.731.920,57	6.607.526,15
Specialised services	7.038.530,31	6.555.908,12
Specialised work	884.604,84	191.882,99
Advertising and publicity	27.581,70	16.201,99
Surveillance and security	300.533,15	265.225,69
Fees	75.348,54	118.002,36
Commissions	1.990.587,74	2.099.553,03
Maintenance and repair	3.328.314,76	3.424.597,92
Communication and public information	24.272,02	27.572,78
Revenue control	380.160,00	365.692,29
Other	27.127,56	47.179,07
<i>f</i> laterials	67.009,43	66.350,84
nergy and liquids	10.870.143,97	10.702.878,96
Electricity	519.369,55	485.786,44
Fuel	10.323.685,78	10.189.241,98
Other	27.088,64	27.850,54
ravel, hotel and transport	1.941,72	9.343,37
Aiscellaneous services	8.311.719,99	8.680.187,42
Rents	5.943.139,82	6.117.544,08
Communication	360.685,66	425.210,35
Insurance	578.712,28	613.530,00
Royalties	120.406,83	123.112,60
Litigation and notary services	22.786,53	11.974,73
Costs incurred with personal representation of the company	4.903,19	10.321,49
Cleaning, hygiene and comfort	1.105.397,00	1.170.561,50
Other services	175.688,68	207.932,67
External supplies and services	31.021.265,99	32.622.194,86

36. PERSONNEL COSTS

As at 31 December 2012 and 2011 Staff costs were detailed as follows:

	2012	2011
Remuneration of governing bodies	271.331,23	373.132,86
Salaries paid to the staff	22.728.952,22	26.725.414,43
Post-employment benefits	450.514,29	281.058,88
Severance payments	1.819.838,16	2.871.967,63
Remuneration costs	5.038.829,89	5.898.675,50
Work related injuries and accidents and occupational illness	279.232,88	356.415,21
Social service costs	276.419,69	353.280,01
Other staff costs	88.409,21	73.653,11
Staff costs	30.953.527,57	36.933.597,63

Costs incurred with personnel recorded a decline of nearly 5.980.070,06 euros resulting from remuneration containment measures applied to the State Corporate Sector companies as from 2010, by enforcement of Law n° 55-A/2010 and n° 64-B/2011, requiring and regulating remuneration reduction imposed to all employees whose monthly gross remuneration exceeds 1.500 euros, also aiming at freezing career progression, and restrictions on holiday pay as well as on Christmas bonus coupled with a reduction of staffing levels.

€

37. OTHER COSTS AND LOSSES

As at 31 December 2012 and 2011 the details regarding Other costs and losses were the following:

	2012	2011
Other costs and losses	1.594.995,85	771.689,22
Taxes	100.808,29	167.871,84
Direct taxes	58.057,41	88.922,90
Indirect taxes	8.699,88	5.589,07
Rates	34.051,00	73.359,87
Inventory losses	6.448,22	23.354,60
Costs and losses in non financial investments	37.055,02	19.690,80
Other costs and losses	1.450.684,32	560.771,98
Donations	82.616,76	88.282,43
Levies	49.740,75	23.924,35
Insufficiency of tax estimates	32.946,38	
Claim for compensations	886.983,73	439.255,58
Other operating costs and losses	398.396,70	9.309,62
Financing gains and losses	20.443,62	17.673,47
Interests paid – Other interests	13,68	58,78
Unfavourable currency conversion differencies - Others		1,89
Other financing costs and losses - other	20.429,94	17.612,80
Other operating costs and losses	1.615.439,47	789.362,69

38. OTHER INCOME AND GAINS

As at 31 December 2012 and 2011 details of Other Operating Income were as follows:

	2012	2011
Supplementary income	2.054.908,69	2.033.551,62
Cash discounts	11.281,88	13.233,77
Inventory gains	44.398,90	81.227,70
Income and gains in non financial investments	323.950,73	376.231,93
Other income and gains	922.392,67	926.926,35
Surplus estimate of taxes		632,89
Imputation of investment grants	170.179,88	426.834,31
Claims	288.937,20	279.859,49
Other grants	146.457,13	107.608,06
Other non specified – benefits and contractual penalties	240.547,25	18.333,67
Other non specified - other	76.271,21	93.657,93
Other income and gains	3.356.932,87	3.431.171,37

39. LIABILITIES DUE TO GUARANTEES PROVIDED

As at 31 December 2012 and 2011, liabilities taken on for guarantees provided to third parties were as follows:

Beneficiary of the Guarantee	Description	2012	2011
Ministry of internal Administration	Self protection services for activities pursuant to sub-paragraph f) n° 2 of article1 of Decree-Law 276/933		19.000,00
Labour Courts	Work related injury and accident pensions	447.430,41	447.430,41
EDP Serviço Universal	Energy supply		9.168,00
Porto Adm. Fiscal Court	Dispute relative to SAE grant		341.497,02
Gondomar Judicial Court	Dispute with Imgoval		245.564,00
		447.430,41	1.062.659,43

40. NUMBER OF STAFF

During the years of 2012 and 2011 the average number of employees working for the company was 1.287 and 1.438, respectively.

As at 31 December 2012 the number of employees was 1.262 and 1318 on 31 December 2011.

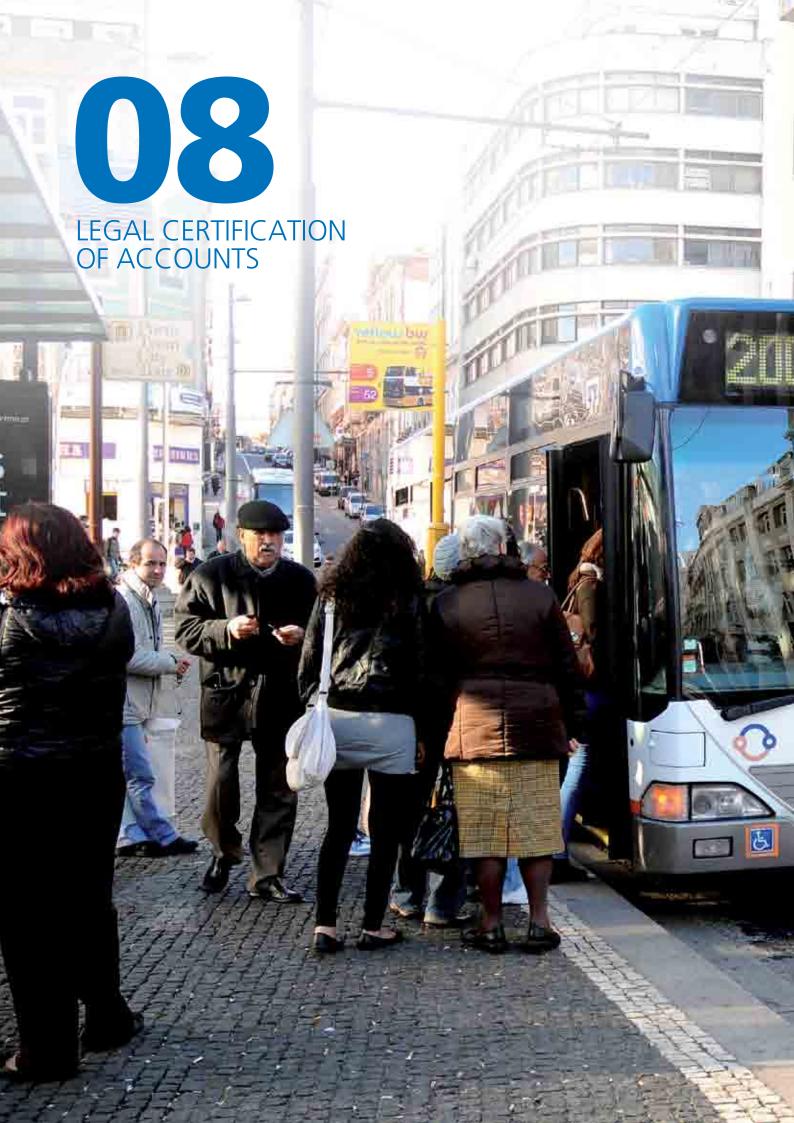
41. NEGATIVE EQUITY

In the financial year of 2012 the company incurred a loss totaling 73.438.560,24 euros once, on that date its total liabilities exceeded its total assets by 407.639.314,81 euros.

Although the company has continuously been showing negative results, STCP plays a key role in the transport sector offering 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 engagement in the continuity of its business activity performance.

Porto, 24 April 2013 Certified Accountant n.º 6622 The Board of Director Non Executive Chairman Executive Board Members Non Executive Board Member







ANTÓNIO MAGALHÃES & CARLOS SANTOS

Sociedade de Revisores Oficiais de Contas Inscrita na Lista dos Revisores Oficiais de Contas sob o nº53 Registada na CMVM com o nº.1975 Contribuinte nº.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 as demonstrações financeiras anexas do exercício findo em 31 de dezembro de 2012, da "SOCIEDADE DE TRANSPORTES COLECTIVOS DO PORTO, S.A." (Empresa), as quais compreendem: o Balanço em 31 de dezembro de 2012 (que evidencia um total de 93.958 milhares de euros e um total de capital próprio negativo de 407.639 milhares de euros, incluindo um resultado líquido negativo de 73.439 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 do relatório de gestão e de demonstrações financeiras que apresentem de forma verdadeira e apropriada a posição financeira da Empresa, o resultado das suas operações 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:
- Ø
- 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;
- a apreciação sobre se são adequadas as políticas contabilísticas adotadas e a sua divulgação, tendo em conta as circunstâncias;

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Sociedade de Revisores Oficiais de Contas Inscrita na Lista dos Revisores Oficiais de Contas sob o nº53 Registada na CMVM com o nº.1975 Contribuinte nº.502 138 394

- 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 ainda a verificação da concordância da informação 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.
- 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 2012, 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.

RELATO SOBRE OUTROS REQUISITOS LEGAIS

8. É também nossa opinião que a informação constante do Relatório de Gestão é concordante com as demonstrações financeiras do exercício e o Relatório do Governo das Sociedades inclui os elementos exigíveis nos termos do artigo 245°-A do Código dos Valores Mobiliários.

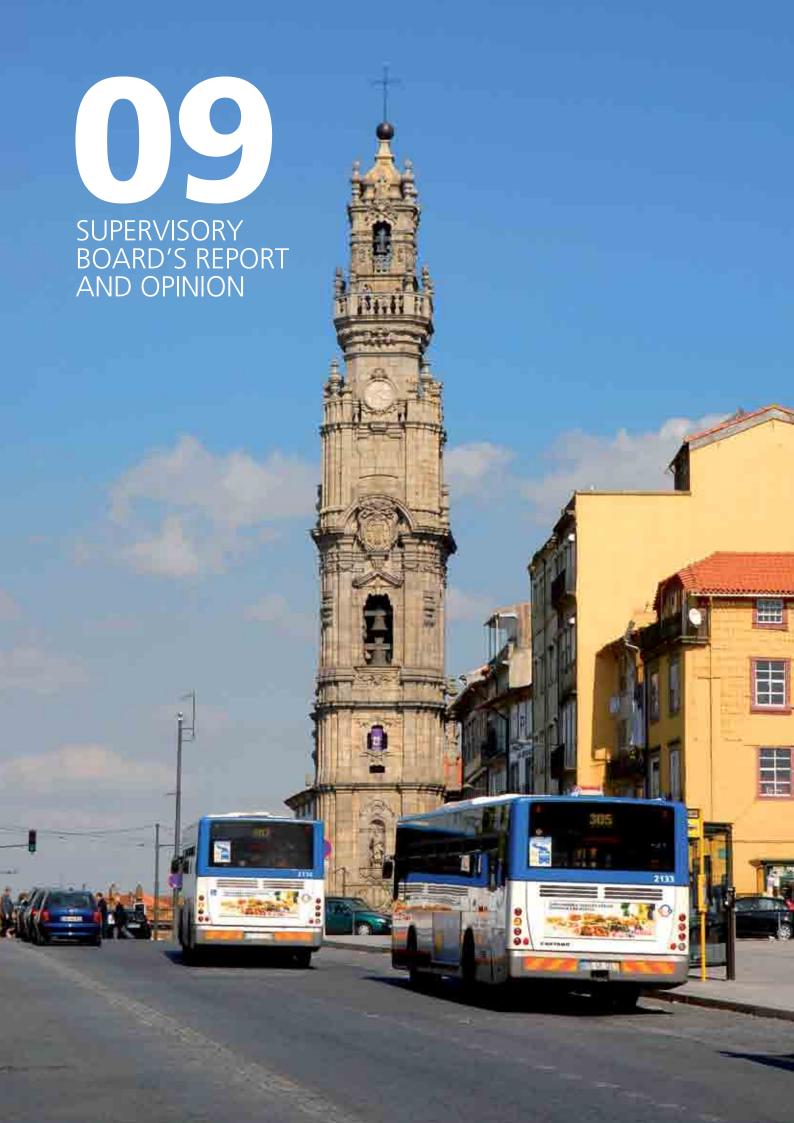
ÊNFASES

- Sem afetar a opinião expressa no parágrafo nº.7 acima, chamamos a atenção para as situações seguintes:
- 9.1 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 8, da Ordem de Trabalhos deliberação sobre este assunto.
- 9.2 A Empresa mantém sucessivos resultados negativos de exercício, os quais contribuem para o crescente avolumar da situação de capitais próprios negativos. Não obstante essa circunstância, em nosso entendimento, a continuidade das operações não está em causa, atendendo ao facto do capital realizado pertencer integralmente ao Estado, a Empresa prestar um serviço público que incorpora uma quota parte de serviço de cariz social significativa e imprescindível e, tal como descrito no ponto 6 do Relatório de Gestão, estarem previstas para 2013 alterações significativas no modelo organizacional da Empresa que permitirão inversão desta situação.

Porto, 24 de Abril de 2013

António Magalhães & Carlos Santos - SROC, representada por Carlos Alberto Freitas dos Santos - R.O.C. nº 177

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RELATÓRIO ANUAL DO

CONSELHO FISCAL

SOBRE O

O RELATÓRIO E CONTAS DE 2012

DA

SOCIEDADE DE TRANSPORTES COLECTIVOS DO PORTO, S.A.

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Sociedade de Transportes Coloctivos do Porto, SA Av. Fernão de Magainães 1862, 13º, 4350-158 Porto Fel. +351 22 507 1000 Fax :+351 22 507 1150 e-mail geral@slcp.pt

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1. introducão

No cumprimento do estabelecido na alínea f) do n.º 1 do artigo 16.º do Decreto-Lei n.º

202/94, de 23 de Julho, que rege a Sociedade de Transportes Colectivos do Porto, S.A.

(STCP) e aprovou os respetivos Estatutos, conjugado com a alínea g) do n.º 1 do artigo 420.º

do Código das Sociedades Comerciais (CSC) e ainda por força do disposto nas alíneas d) e

e) do n.º 1 do artigo 13.º do Decreto-Lei n.º 558/99, de 17 de Dezembro, que aprovou o

Regime Jurídico do Sector Empresarial do Estado, na redação dada pelo Decreto-Lei n.º

300/2007, de 23 de Agosto, vem o Conselho Fiscal emitir o seu Relatório Anual e Parecer

sobre o Relatório e Contas de 2012, elaborado pelo Conselho de Administração da STCP,

S.A.

Por Deliberação Unânime por Escrito, de 29 de junho de 2012, em substituição do

Conselho de Administração da STCP, o qual havia solicitado a renúncia dos seus cargos,

foram nomeados dois novos administradores, com funções de vogais executivos, Dr. André

da Costa Figueiredo e Silva Sequeira e Dr. Alfredo César Vasconcellos Navio.

Posteriormente, por Deliberação Unânime por Escrito, de 10 de agosto de 2012, foram

nomeados dois administradores não executivos, Mestre João Velez de Carvalho, Presidente

Não Executivo, e Dr. António José Lopes, Vogal.

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 24 de abril de 2013, que se anexa.

O Conselho Fiscal efetuou reuniões e contactos com o Conselho de Administração e os

Serviços da Sociedade, dos quais recebeu toda a colaboração e disponibilidade, com vista ao

acompanhamento da atividade e respetiva gestão da Sociedade, tendo-se procedido à

elaboração de três relatórios trimestrais sobre a análise económico-financeira da STCP,

suportado no trabalho desenvolvido pelo ROC, do qual foi dado conhecimento ao Conselho

de Administração e ao Acionista Estado, quer ao nível do Ministério das Finanças quer do

Ministério das Obras Públicas, Transportes e Comunicações.

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Do Relatório e Contas de 2012 parece-nos de salientar o seguinte:

Em termos de atividade constatou-se que o volume de negócios da STCP, em 2012,

correspondeu a cerca de 53,4 milhões de euros, com um nível de cumprimento de 97,9% face

ao valor previsto no Contrato de Gestão para 2012;

Em 2012, com a denúncia dos acordos de exploração com dois operadores privados no

segundo semestre do ano, a rede da STCP diminuiu em oito linhas:

A Procura registou uma quebra em 2012, -11% face a 2011, que poderá ser explicada

por quatro causas principais: a redução da oferta de produção interna de 7% (no âmbito do

Plano Estratégico dos Transportes), o aumento das tarifas (em fevereiro verificou-se um

aumento médio do tarifário de 5% e fixaram-se as taxas de descontos de assinaturas sociais,

monomodais e intermodais - 3ª idade, reformado, pensionista, estudante, menor de 13 anos -

em 25%), a situação económica desfavorável registada na Área Metropolitana do Porto (o

agravamento do desemprego na área servida terá levado à diminuição da necessidade de

deslocações dos cidadãos) e o aumento da fraude;

A oferta global da STCP registou uma redução de 10,2% face ao ano de 2011. A

produção externa, realizada por operadores privados ao serviço da STCP, diminuiu 28%,

tendo contribuído com cerca de 39% para aquela redução total, enquanto a produção interna.

com uma redução de 7,3% contribuiu com os restantes 61%. O maior impacto na oferta

ocorreu a partir de 1 de julho de 2012, com rescisão dos contratos de operação das linhas 10.

55, 68, 69, 70, 1ETG e 22ETG com a Empresa de Transportes Gondomarense, e da linha 64

com a Pacense. No que respeita à produção interna, ao longo do ano foi dada continuidade à

racionalização da oferta, nomeadamente com uma maior alocação de recursos nos horários

de maior procura;

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- A taxa de ocupação global (Passageiros.km / Lugares.km) foi de 15,11%, sensivelmente igual à registada em 2011, compensando a redução dos passageiros transportados com o aumento do percurso médio por passageiro e a redução registada nos quilómetros oferecidos;
- No final de 2012 a frota da STCP era constituída por 481 veículos, 475 autocarros, com uma idade média de 10 anos, e 6 carros elétricos históricos, com 75 anos de idade média. A frota de autocarros foi aumentada de oito Minis Volkswagen Crafter. O carro elétrico n.º 220, um ex-libris da cidade do Porto, foi objeto de um processo de reconstrução integral que permitiu dotá-lo de mais conforto sem perda das suas características históricas;
- Com um efetivo médio de 1.287 trabalhadores, a STCP garantia, em 31 de dezembro de 2012, 1.262 empregos diretos, com uma diminuição líquida de 93 efetivos, face aos 1.318 trabalhadores em 31 de dezembro de 2011. No ano, registaram-se 93 saídas, 36 por reforma, 28 por cessação de contrato e 14 por extinção do posto de trabalho. A empresa contratou 26 trabalhadores e verificaram-se 11 regressos ao serviço;
- Na sequência da publicação do Acórdão do Tribunal Constitucional n.º 187/2013, que declarou a inconstitucionalidade com força obrigatória geral do artigo 29.º da Lei n.º 66-B/2012, de 31 de dezembro Lei do Orçamento do Estado para 2013 respeitante à suspensão do pagamento de subsídio de férias ou equivalente, o Conselho Fiscal entendeu que importava acautelar que, os Relatórios de Gestão e Contas relativos ao exercício de 2012 uma vez que não tinham, ainda, sido objeto de aprovação pelo acionista, incorporassem o efeito decorrente do acórdão supramencionado nas respetivas Demonstrações Financeiras relativas ao exercício em apreço, independentemente de terem sido objeto de aprovação pelo conselho de administração da empresa, devendo as contas ser ajustadas de modo a incorporar o impacto da atribuição do subsídio de férias.

Neste sentido, o Conselho Fiscal comunicou este seu entendimento à empresa e ao ROC. O ROC, na sequência da questão suscitada pelo Conselho Fiscal, informou que o Acórdão do Tribunal Constitucional 187/2013, de 5 de abril, não tinha sido tido em consideração na elaboração das contas da STCP, uma vez que a contabilidade havia sido encerrada, no dia 8 de março, no que dizia respeito aos lançamentos imputáveis exercício de 2012, nomeadamente a estimativa para gastos com subsídios de férias a pagar em 2013, que à data não teriam lugar de acordo com o Orçamento de Estado, não tendo por isso sido

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lançada essa estimativa. Informou, igualmente, que o Conselho de Administração iria proceder à inserção dessa informação e seu impacto no Relatório e Contas, tanto individual como consolidado. Assim, entendeu o ROC que do ponto de vista da Revisão das Contas. atendendo à enorme complexidade que envolveria a reabertura do ano de 2012 e replicação do que já havía sido lançado em 2013, à imaterialidade do valor em causa e ao facto de o mesmo estar divulgado nas contas, considerava correto o procedimento utilizado.

Sublinha-se que o impacto da contabilização dos subsídios de férias nas contas da STCP é de 1,687 milhões de euros:

- Os resultados operacionais foram de -10,2 milhões de euros, representando um agravamento de 59% face a 2011, fruto de uma evolução negativa dos rendimentos e dos gastos operacionais. A receita proveniente da venda de títulos de transporte, apesar do aumento tarifário, registou uma quebra de 1,4%, face a 2011. Retirando as linhas que deixaram de fazer parte da rede no 2.º semestre, a variação seria positiva de 1,9%. Apesar da diminuição nos Gastos Operacionais de 5,6 milhões de euros (-6,9%) em comparação com o período homólogo do ano anterior, o agravamento dos Resultados Operacionais em -3,8 milhões de euros, resulta de uma diminuição de 9,3 milhões de euros (-12,7%) nos Rendimentos Operacionais, explicados essencialmente pela diminuição de 8,1 milhões de euros nos Subsídios à Exploração;
- A diminuição dos Gastos com Pessoal em 6 milhões de euros (-16,2%) é explicada por três fatores: impacto das medidas legislativas previstas no OE 2012 (2,5 milhões de euros), diminuição do efetivo e redução das indemnizações por cessação de contratos de trabalho;
- O EBITDA cifrou-se em 4,4 milhões de euros, representando uma variação face ao ano anterior de -2,9 milhões de euros (-40%), o que reflete a evolução negativa dos Resultados Operacionais nomeadamente pelo efeito da diminuição de 8,1 milhões de euros dos Subsídios à Exploração;
- Mais uma vez se constata que o financiamento da atividade da empresa decorreu essencialmente do recurso a capitais alheios, fixando-se o aumento do endividamento em 5% em relação a 2012. A STCP terminou o ano de 2012 com uma dívida total remunerada de 370,7 milhões de euros, o que equivale a um aumento de 5%, face aos 353 milhões de euros

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na

em 31 de dezembro de 2011, ou seja dentro do limite estabelecido pelo Despacho do Secretário de Estado do Tesouro e das Finanças n.º 510/2010, de 1 de junho;

Durante o ano de 2012, a empresa apenas realizou operações de curto prazo.

Atendendo às restrições ao crédito existentes, continuaram a degradar-se as condições de

financiamento, devido ao aumento de spreads e comissões bancárias, e à diminuição das

maturidades contratuais. O valor de juros suportados em 2012 atingiu os 19 milhões de euros.

que comparam com 13,2 milhões de euros em igual período do ano transato. Em 2012 os

encargos com swaps corresponderam a 4 milhões de euros, em 2011 foram de 1,6 milhões

de euros:

Os Resultados Financeiros (-63,125 milhões de euros) sofreram um agravamento

significativo, ou seja, -31% face a 2012, resultante do agravamento dos juros e outros encargos em 6,5 milhões de euros (+45%), pelo aumento do endividamento em 5%, pelo seu

elevado custo e pelos encargos com o swap (- 42,3 milhões de euros de variação do justo

valor dos swaps). Comparando com o ano anterior, os Resultados Financeiros foram

influenciados negativamente pela diminuição de 0,3 milhões de euros (-98%) dos

Rendimentos Financeiros e pelo aumento dos Gastos Financeiros de 14,8 milhões de euros

(30%). Este aumento dos gastos é justificado em 8,2 milhões por perdas de justo valor dos

swaps e pelo montante de 6,6 milhões de euros de juros e outros encargos suportados;

Relativamente à situação económico-financeira da Sociedade, a STCP obteve, em

2012, um resultado líquido negativo de -73,439 milhões de euros (-35% face ao ano transato),

o que, não considerando o efeito da variação do justo valor das operações de cobertura de

risco de taxa de juro, representa uma evolução negativa de 52% face ao ano anterior.

Salienta-se que os Resultados Financeiros representaram 86% dos Resultados Líquidos

de 2012. O agravamento do Resultado Líquido do Exercício, quando comparado com o ano

anterior, resulta da degradação dos Resultados Financeiros, em 15,1 milhões de euros, e dos

Resultados Operacionais, em 3,8 milhões de euros;

O Ativo sofreu uma redução de 15,7 milhões de euros (-14,3%) em 2012 face a 2011.

Em resultado de uma diminuição do ativo não corrente, de 8,8 milhões de euros, que se

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explica pela diminuição da rúbrica ativos fixos tangíveis, de 8,9 milhões de euros, e de uma diminuição do ativo corrente, que reduziu 6,8 milhões de euros, explicando-se essencialmente pela redução das rúbricas Clientes, 3,1 milhões de euros, Estado e Outros Entes Públicos, 2 milhões de euros, e Outras Contas a Receber, 1 milhão de euros;

- O Passivo registou um aumento de 61,3 milhões de euros (13,9%) em comparação com
 2011, destacando-se os aumentos de 42,3 milhões de euros correspondentes a outros passivos financeiros e 17,7 milhões de euros referentes a financiamentos obtidos;
- O investimento em 2012 foi de 2,341 milhões de euros. Num ano de forte contenção de custos e restrições de financiamento, a política de investimentos foi ainda mais criteriosa, cingindo-se praticamente a investimentos de substituição, recuperação de carros elétricos e primeira fase dos projetos de musealização da antiga estação termoelétrica de Massarelos e requalificação do edifício de Massarelos;
- O Capital Próprio da STCP, S.A. é crescentemente negativo, por via dos sucessivos aumentos da rubrica Resultados Transitados, atingindo em 2012 - 455,693 milhões de euros, verificando-se que o Passivo excede o Ativo em cerca de 407,64 milhões de euros;
- Por fim, reiteramos as ênfases assinaladas na certificação legal das contas e no relatório de auditoria emitida pelo ROC da sociedade, nomeadamente quanto ao incumprimento do disposto no art. 35.º do Código das Sociedades Comerciais.
- Avaliação do cumprimento das instruções emanadas pelo acionista, através do ofício circular n.º 843, de 30 de janeiro de 2013, da Direção-Geral do Tesouro e Finanças
- Enquadrado no âmbito do disposto no artigo 420.º do CSC, declaramos que, tanto quanto é do conhecimento deste Conselho Fiscal, a STCP deu cumprimento às orientações legais vigentes para o SEE, designadamente o cumprimento das reduções remuneratórias previstas na Lei n.º 64-B/2011, de 30 de dezembro, quer ao nível dos órgãos de gestão e fiscalização, quer ao nível dos trabalhadores;

- Relativamente aos objetivos de gestão previstos no artigo 11.º do Decreto-Lei n.º 558/2007, de 17 de dezembro, na sua atual redação, tal como já referimos, os objetivos fixados para 2012 no Contrato de Gestão tiveram uma taxa de cumprimento global de 100,8%;
- Ao nível da gestão do risco financeiro, em conformidade com o disposto no Despacho
 n.º 101/2009 SETF, de 30 de janeiro, salienta-se que a STCP, em 2012, não usou quaisquer instrumentos de gestão de risco financeiro.

Relativamente à gestão do risco financeiro, a empresa procedeu, em novembro de 2007, à contratação de operações de cobertura do risco de taxa de juro. Estas operações foram efetuadas tendo por base o empréstimo obrigacionista emitido no ano. A cobertura incide sobre 50 milhões de euros e foi repartida por duas operações de 25 milhões de euros cada, qualquer uma delas a vigorar até ao final da operação coberta, junho de 2022. São operações de taxa fixa nos três primeiros anos, passando a variáveis pelos restantes onze anos e meio. Estas operações swap de taxa de juro estão relevadas nas contas da empresa pela aplicação do justo valor como critério de mensuração dos instrumentos financeiros;

- Nos termos do disposto no Programa Pagar a Tempo e Horas, aprovado pela RCM n.º 34/2008, de 14 de fevereiro, e atento o Despacho n.º 9870/2009, de 13 de abril, o Prazo Médio de Pagamentos, apresentado pela STCP, em 31 de dezembro de 2012, foi de 46 dias, com uma diminuição de cerca de 6 dias face a 2012 e um grau de cumprimento de 124%, quando comparado com a meta prevista no Contrato de Gestão, de 60 dias, dando assim cumprimento à recomendação do acionista no sentido de continuar a reduzir o prazo médio de pagamentos a fornecedores;
- No que toca à posição a 31 de dezembro de 2012 relativa a atrasos nos pagamentos e nos termos do Decreto-Lei n.º 65-A/2011, de 17 de maio, importa referir que a mesma consta do Relatório e Contas da STCP, concentrando-se a maioria das faturas por pagar entre 0 - 90 dias:
- No que respeita ao cumprimento dos deveres especiais de informação, e relativamente aos documentos acompanhados diretamente pelo Conselho Fiscal, a STCP remeteu à Direção-Geral do Tesouro e Finanças e à Inspeção-Geral de Finanças a informação exigida

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plurianuais, os orçamentos anuais, incluindo estimativa das operações financeiras com o Estado, os planos de investimentos anuais e plurianuais e respetivas fontes de financiamento, os relatórios trimestrais de execução orçamental acompanhados dos relatórios do órgão de fiscalização, e as cópias das atas das Assembleias Gerais (AG); Em matéria de contratação pública e atendendo à orientação constante no Despacho n.º

nos termos do Despacho n.º 14277/2008, de 23 de maio, através dos Sistemas de Recolha de informação Económica e Financeira (SIRIEF), os planos de atividades anuais e

438/10 - SETF, de 10 de maio, a STCP realizou em 2012 o lançamento e adjudicação do concurso público n.º 1/2012 Concurso Público Internacional para a Limpeza de Instalações e Viaturas (exceto sede), adjudicado pelo ponto 7.1 da ata n.º 34 da reunião do Conselho de Administração, de 23 de agosto de 2012. Não ocorreram quaisquer atos ou contratos

celebrados com valor superior a 5 M€;

No que toca à adoção de uma política de racionalização de aprovisionamento de bens e serviços, a STCP aderiu ao Sistema Nacional de Compras Públicas, através da Agência Nacional de Compras Públicas, E.P.E., em março de 2011, no entanto, durante o ano de 2012, não procedeu a qualquer adjudicação ao abrigo deste Sistema. Também relativamente Parque de Veículos do Estado, durante o ano de 2012, a STCP não procedeu à aquisição de veículos novos. Foi apenas efetuada a transferência de propriedade de uma viatura da associada STCP Serviços para a STCP, S.A. De salientar que no ano de 2012 se verificou o abate de 10 veículos ao total da frota ligeira da STCP, situando-se esta em 31 de dezembro em 56 veículos (-15%) (incluindo camiões grua, carro torre e furgões);

No que diz respeito ao Plano de Redução de Custos tendo por base a orientação do acionista protagonizada no oficio circular n.º 82, de 9 de janeiro de 2012, verifica-se,

comparando os valores apurados em 2010 e 2011 com a execução de 2012, uma redução do peso das rubricas de FSE e de Gastos com o Pessoal no Volume de Negócios, dando, assim,

continuidade à trajetória de racionalização da sua estrutura de custos;

Em 2012, a STCP gastou 4.294 euros em publicidade institucional, apresentando, no seu relatório e contas, uma informação sintética sobre as iniciativas de publicidade institucional no ano de 2012, nos termos do n.º 10 da RCM nº 47/2010, publicada na 1ª série

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1246/2011 do Gabinete do Ministro dos Assuntos Parlamentares, publicada na 2ª série do Diário da República de 14 de janeiro, tendo as respetivas normas e especificações técnicas sido definidas através da Portaria da Presidência do Conselho de Ministros e Ministério das Finanças e Administração Pública n.º 1297/2010, publicada na 1.ª série do Diário da República de 25 de junho. O Relatório e Contas da Empresa e a Newsletter Itinerarium não foram incluídos neste âmbito, de acordo com a definição de publicidade institucional incluída no ponto 2 da RCM n.º 47/2010, de 25 de junho. No ano de 2012 não houve nenhuma ação de valor superior a 15 mil euros;

Sublinha-se que, na sequência das orientações recebidas através do Ofício Circular 844, de 3 de fevereiro de 2011, a STCP procedeu em 2011 à abertura de conta junto do exInstituto de Gestão do Crédito Público (IGCP), atual Agência de Gestão da Tesouraria e da Dívida Pública, IGCP, E.P.E., no estrito cumprimento do previsto no artigo 77.º da Lei n.º 55A/2010, de 31 de dezembro, que aprovou o Princípio da Unidade de Tesouraria. Dado o carácter centralizador de gestão integrada de tesouraria e de dívida pública desta Agência, a STCP passou a receber nesta conta as comparticipações e fundos, provenientes de Organismos Públicos.

4. Governo da Sociedade

Deste capítulo consta toda a informação relevante sobre o governo societário da STCP do exercício de 2012, informação elaborada nos termos da RCM n.º 49/2007, de 28 de março, que define os Princípios de Bom Governo (PBG) das empresas do Setor Empresarial do Estado, e do disposto no artigo 13-A do Decreto-Lei n.º 300/2007, de 23 de agosto.

Para cumprimento do artigo 13-8 do mesmo Decreto-Lei, a STCP fez publicar pelo Aviso n.º 7443/2012, no Diário da República 2.ª série, de 29 de maio de 2012, as informações constantes das alíneas a) a h) do n.º 1, do referido artigo, respeitante à estrutura do seu Conselho de Administração, à identidade dos administradores, seus principais elementos curriculares e qualificações e cargos ocupados noutras empresas; as remunerações totais, fixas e variáveis, auferidas por cada um dos administradores em cada ano, bem como as remunerações auferidas pelos restantes órgãos sociais.

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Objetivos e Graus de Cumprimento

Os objetivos estratégicos para o mandato 2012-2014, no contexto do Plano Estratégico dos Transportes - PET, a que se vieram acrescentar as orientações e medidas levadas a cabo pela tutela, estabelecem:

- Integração dos Conselhos de Administração da STCP e da Metro do Porto, S.A.;
- Reestruturação da Empresa, através do redimensionamento do efetivo e da reorganização dos serviços;
- 3. Fusão com a empresa Metro do Porto, S.A.;
- Preparação do contrato de subconcessão da STCP;
- Plano de redução de custos, em paralelo com a reorganização dos serviços e o redimensionamento do efetivo;

que a empresa consubstanciou através do Plano de Atividades e Orçamento 2013, do Plano de Reestruturação, de 30 de outubro de 2012, e Plano de Investimentos e Alienação de Ativos 2013, remetidos às Tutelas, na sua versão final, em 6 de novembro de 2012.

 Os objetivos fixados para 2012 no Contrato de Gestão tiveram uma taxa de execução de 100,8%.

Dos doze indicadores que compõem o referido Contrato de Gestão, apenas quatro não atingiram os objetivos previstos. Os resultados devem-se a:

Volume de Negócios, 97,9%: O ano de 2012 foi marcado por uma quebra na procura de 13% relativamente ao ano anterior, ainda que parte dessa quebra seja consequência da transferência, a 1 de julho de 2012, da operação para os respetivos operadores privados de oito linhas que faziam parte da rede da empresa. Expurgando esta decisão a quebra na procura foi de 11% relativamente a 2011;

EBITDAR, 89,6%: O valor deste indicador reflete a evolução negativa dos Resultados Operacionais;

Taxa de Cobertura, 98,8%: Em 2012, com a denúncia dos acordos de exploração com dois operadores privados no segundo semestre do ano, a rede da STCP diminuiu em oito linhas;

Emissão de Poluentes, 98,6%: Apesar das emissões de C02 por passageiro km terem ficado ligeiramente acima da meta definida, é de registar a diminuição da emissão de cerca de

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20.000 toneladas de CO2 devido à tipologia da frota e às viaturas ligeiras que retira da cidade. Com efeito, o total de emissões de CO2 pela frota STCP reduziu-se devido à diminuição dos quilómetros percorridos de 7%, face a 2011, mantendo-se no entanto a de CO2 por quilómetro percorrido, em valor idêntico ao de 2011, situando-se em 1,38 Kg.

 A STCP está classificada como uma empresa com elevado grau de cumprimento dos PBG no relatório "Princípios de Bom Governo", datado de julho de 2012, da Direção Geral do Tesouro e Finanças.

A STCP tem desde 2012 órgãos não executivos, pelo que, a avaliação do desempenho individual dos membros do Conselho de Administração Executivos é efetuada pelos membros do Conselho de Administração Não Executivos, em cumprimento do ponto 17 da Resolução do Conselho de Ministros n.º 49/2007, publicada no Diário da República, 1.º série, n.º 62, de 28 de Março de 2007, que aprova os Princípios de Bom Governo (PBG).

5. Proposta

Assim, considerando os elementos disponibilizados, o Conselho Fiscal, no âmbito das suas competências, conclui que o Relatório e Contas de 2012 responde às exigências legais aplicáveis, divulgando de forma adequada a evolução da atividade da STCP. Contempla igualmente, em capítulos autónomos, um conjunto vasto de informação em consonância com o disposto no Regime Jurídico do Sector Empresarial do Estado, aprovado pelo Decreto-Lei n.º 558/99, de 17 de dezembro, na sua atual redação, nos Princípios de Bom Governo das Empresas do SEE, anexos à RCM n.º 49/2007, de 1 de fevereiro, bem como, nas demais orientações transmitidas pela Direção-Geral do Tesouro e Finanças, em representação do acionista Estado, pelo que somos de parecer que, sem prejuízo:

- da análise feita pelo Conselho Fiscal, acompanhar a opinião do Revisor Oficial de Contas, e reiterar as énfases constantes da Certificação Legal das Contas e Relatório de Auditoria, nomeadamente, a assinalada no Relatório de Contas quanto ao incumprimento do disposto no artigo 35.º do Código das Sociedades Comerciais; e

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RC 2012 | 9. RELATÓRIO E PARECER DO CONSELHO FISCAL

- de salientarmos, com alguma preocupação, o elevado nível de endividamento da empresa, resultante da utilização sistemática do recurso a capitais alheios, com elevados encargos financeiros, para financiar a sua atividade, nomeadamente o plano de investimentos.

Propomos que sejam aprovados:

- O Relatório e Contas de 2012 apresentado pelo Conselho de Administração da Sociedade de Transportes Colectivos do Porto, S.A.; e
- Que seja apreciada a proposta de aplicação integral dos Resultados Líquidos apurados no exercício, no valor de -73.438.560,24 euros, na conta de Resultados Transitados apresentada pela Administração, a qual está em conformidade com as disposições legais e estatutárias.

Porto, 10 de Maio de 2013

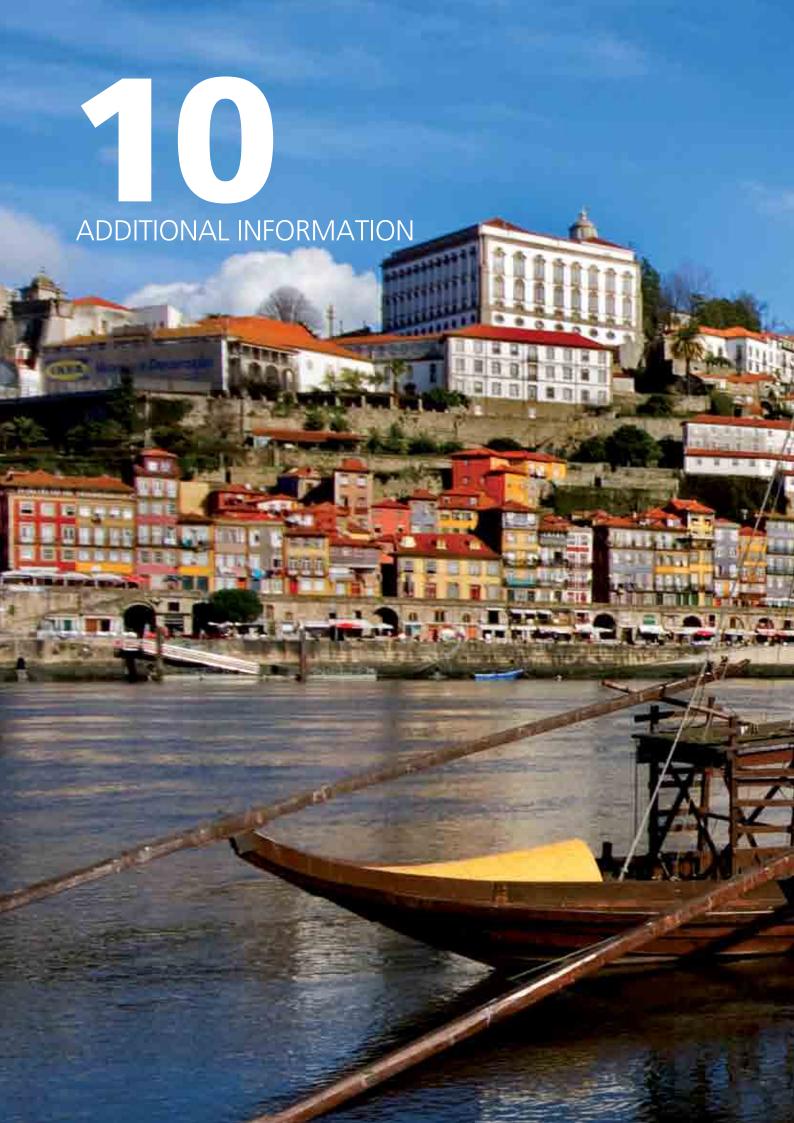
O Presidente do Conselho Fiscal,

Os Vogais do Conselho Fiscal,

Ana Atexandra Fratas

Sele Ment

Saria Camela Hargue Com





10.1 PANEL OF ACTIVITY INDICATORS

NETWORK					
	2009	2010	2011	2012	12/11
Operating Lines	83	85	81	73	-9,9%
Road	80	82	78	70	-10,3%
Tram	3	3	3	3	0,0%
Municipalities served	6	6	6	6	0,0%
Parishes covered	52	53	51	51	0,0%
Bus stops	2.707	2.720	2.651	2.458	-7,3%
Stretch(Km)	541,8	545,6	522,0	484,7	-7,2%
Road	539,4	543,2	519,5	482,1	-7,2%
Trams	8,9	8,9	8,9	8,9	0,0%
BUS lanes	24,6	24,7	23,9	24,0	0,1%
DEMAND				(amc	ounts in thousands)
Passengers	2009	2010	2011	2012	12/11
Buses	107.945	108.830	107.960	93.399	-13,5%
Own production	94.720	95.515	94.978	84.700	-10,8%
Private Operators (PO)	13.225	13.315	12.982	8.699	-33,0%
Trams	298	390	429	362	-15,7%
Passengers	108.243	109.220	108.389	93.761	-13,5%
Passengers.km	410.404	388.666	384.609	348.413	-9,4%
Type of used tickets	2009	2010	2011	2012	12/11
single mode passengers	68,0%	63,2%	59,0%	50,3%	-8,7 pp
- season tickets	54,5%	50,8%	48,0%	39,8%	-8,2 pp
- occasional tickets	9,2%	7,9%	7,0%	7,0%	0,0 pp
- loose + daily tickets	4,3%	4,4%	4,0%	3,5%	-0,6 pp
intermodal passengers	32,0%	36,8%	41,0%	49,7%	8,7 pp
-season tickets	26,1%	29,6%	33,2%	40,1%	7,0 pp
- occasional tickets	5,5%	6,6%	7,3%	9,2%	2,0 pp
- daily tickets	0,46%	0,7%	0,6%	0,4%	-0,2 pp

REVENUE				(amounts i	n thousand euros)
Net revenue by type of fare pricing	2009	2010	2011	2012	12/11
Single mode revenue	32.812	31.121	29.689	26.240	-12%
Andante revenue	14.730	18.045	20.928	23.652	13%
Total	47.542	49.166	50.617	49.892	-1,4%

SALES NETWORK

Sales Channels	2009	2010	2011	2012	12/11
Payshop Agents	487	495	500	514	3%
CTT Post Offices	85	85	67	0	-100%
STCP Sales Points	4	3	2	2	0%
Andante Shops and Sales Points	12	17	17	17	0%
CP Ticket Offices	5	5	5	5	0%
Metro of Porto and CP Ticket Vending Ma	achines 179	179	232	232	0%
Total	772	784	823	770	-6%

CUSTOMERS COMPLAINTS

By Entry Channel	2009	2010	2011	2012	12/11
Ombudsman's office	615	487	445	0	-100%
Blue Line - Customer Service Helpline	1.139	1.011	521	901	73%
Complaints Book	199	210	102	118	16%
Other Channels	632	362	178	211	19%
Total Complaints	2.585	2.070	1.246	1.230	-1%

Type of Complaints	2009	2010	2011	2012	12/11
Network and Resources	81	61	83	30	-64%
Timetables	1.228	932	435	571	31%
Ticketing System	257	213	118	156	32%
Staff Behaviour	349	406	370	323	-13%
Information to the public	201	144	63	30	-52%
Bus stops and shelters	90	64	39	18	-54%
Other	160	183	107	74	-31%
Behaviour with Legal Coverage	178	25	0	0	
Vehicles	41	42	31	28	-10%
Total	2.585	2.070	1.246	1.230	-1,3%

Own Bus Operating Fleet 2009 2010 2011 2012 Average N° of Vehicles (unit) 390 401 390 368 Vehicles.km 24.770 25.724 24.507 22.711 Places.km 2.206.567 2.296.833 2.225.859 2.075.308 Vehicles.hour 1.542 1.613 1.555 1.452 Indicators of Own Bus Fleet Supply 2009 2010 2011 2012 Occupancy Rate % 16% 14,5% 14,8% 14,8% Commercial Speed (km/h) 16,1 15,9 15,8 15,6 Collision Accident Rate (per million Km) 43 39 40 37 Private Transport Providers' Operating Fleet 2009 2010 2011 2012	thousand kms	(amounts in				SUPPLY	
Trams 91 108 110 115 Vehicle.km 28.877 29.848 28.663 25.731 Buses 2.513.430 2.602.705 2.534.268 2.300.922 Trams 3.813 4.538 4.602 4.846 Places.km 2.517.243 2.607.242 2.538.869 2.305.768 Overall Occupancy Rate 2009 2010 2011 2012 Buses 16,3% 14,9% 15,1% 15,1% Trams 16,8% 15,9% 19,2% 12,0% Total Commercial Speed 2009 2010 2011 2012 Buses 16,2 16,1 15,9 15,8 Trams 7,5 7,6 7,1 7,4 Lower age № of Vehicles (unit) 390 401 390 368 Vehicles.km 24.770 25.724 24.507 22.711 Places.km 2.206.567 2.296.833 2.225.859 2.075.308 Vehicles.hour 1.542<	12/11	2012	2011	2010	2009	Total Production	
Vehicle.km 28.877 29.848 28.663 25.731 Buses 2.513.430 2.602.705 2.534.268 2.300.922 Trams 3.813 4.538 4.602 4.846 Places.km 2.517.243 2.607.242 2.538.869 2.305.768 Overall Occupancy Rate 2009 2010 2011 2012 Buses 16,3% 14,9% 15,1% 15,1% Trams 16,8% 15,9% 19,2% 12,0% Total Commercial Speed 2009 2010 2011 2012 Buses 16,2 16,1 15,9 15,8 Trams 7,5 7,6 7,1 7,4 Vehicles Subscription Fleet 2009 2010 2011 2012 Average N° of Vehicles (unit) 390 401 390 368 Vehicles.km 24.770 25.724 24.507 22.711 Places.km 2.206.567 2.296.833 2.225.859 2.075.308 Vehicles.hour	-10%	25.616	28.553	29.740	28.786	Buses	
Buses 2.513.430 2.602.705 2.534.268 2.300.922 Trams 3.813 4.538 4.602 4.846 Places.km 2.517.243 2.607.242 2.538.869 2.305.768 Overall Occupancy Rate 2009 2010 2011 2012 Buses 16,3% 14,9% 15,1% 15,1% Trams 16,8% 15,9% 19,2% 12,0% Total Commercial Speed 2009 2010 2011 2012 Buses 16,2 16,1 15,9 15,8 Trams 7,5 7,6 7,1 7,4 Cown Bus Operating Fleet 2009 2010 2011 2012 Average № of Vehicles (unit) 390 401 390 368 Vehicles.km 24,770 25,724 24,507 22,711 Places.km 2,206,567 2,296,833 2,225,859 2,075,308 Vehicles.hour 1,542 1,613 1,555 1,452 Indi	5,3%	115	110	108	91	Trams	
Trams 3.813 4.538 4.602 4.846 Places.km 2.517.243 2.607.242 2.538.869 2.305.768 Overall Occupancy Rate 2009 2010 2011 2012 Buses 16,3% 14,9% 15,1% 15,1% Trams 16,8% 15,9% 19,2% 12,0% Total Commercial Speed 2009 2010 2011 2012 Buses 16,2 16,1 15,9 15,8 Trams 7,5 7,6 7,1 7,4 Average № of Vehicles (unit) 390 401 390 368 Vehicles,km 24,770 25,724 24,507 22,711 Places,km 2.206,567 2.296,833 2.225,859 2.075,308 Vehicles,hour 1,542 1,613 1,555 1,452 Indicators of Own Bus Fleet Supply 2009 2010 2011 2012 Occupancy Rate % 16% 14,5% 14,8% 14,8% Collision Accident Rate (-10%	25.731	28.663	29.848	28.877	Vehicle.km	
Places.km 2.517.243 2.607.242 2.538.869 2.305.768 Overall Occupancy Rate 2009 2010 2011 2012 Buses 16,3% 14,9% 15,1% 15,1% Trams 16,8% 15,9% 19,2% 12,0% Total Commercial Speed 2009 2010 2011 2012 Buses 16,2 16,1 15,9 15,8 Trams 7,5 7,6 7,1 7,4 Average № of Vehicles (unit) 390 401 390 368 Vehicles.km 24,770 25,724 24,507 22,711 Places.km 2,206,567 2,296,833 2,225,859 2,075,308 Vehicles.hour 1,542 1,613 1,555 1,452 Indicators of Own Bus Fleet Supply 2009 2010 2011 2012 Occupancy Rate % 16% 14,5% 14,8% 14,8% Collision Accident Rate (per million Km) 43 39 40 37 <td co<="" td=""><td>-9%</td><td>2.300.922</td><td>2.534.268</td><td>2.602.705</td><td>2.513.430</td><td>Buses</td></td>	<td>-9%</td> <td>2.300.922</td> <td>2.534.268</td> <td>2.602.705</td> <td>2.513.430</td> <td>Buses</td>	-9%	2.300.922	2.534.268	2.602.705	2.513.430	Buses
Overall Occupancy Rate 2009 2010 2011 2012 Buses 16,3% 14,9% 15,1% 15,1% Trams 16,8% 15,9% 19,2% 12,0% Total Commercial Speed 2009 2010 2011 2012 Buses 16,2 16,1 15,9 15,8 Trams 7,5 7,6 7,1 7,4 Cown Bus Operating Fleet 2009 2010 2011 2012 Average N° of Vehicles (unit) 390 401 390 368 Vehicles.km 24.770 25.724 24.507 22.711 Places.km 2.206.567 2.296.833 2.225.859 2.075.308 Vehicles.hour 1.542 1.613 1.555 1.452 Indicators of Own Bus Fleet Supply 2009 2010 2011 2012 Occupancy Rate % 16% 14,5% 14,8% 14,8% Commercial Speed (km/h) 16,1 15,9 15,8 15,6 Collision Accid	5,3%	4.846	4.602	4.538	3.813	Trams	
Buses 16,3% 14,9% 15,1% 15,1% 12,0% 10,0%	-9,2%	2.305.768	2.538.869	2.607.242	2.517.243	Places.km	
Trams 16,8% 15,9% 19,2% 12,0% Total Commercial Speed 2009 2010 2011 2012 Buses 16,2 16,1 15,9 15,8 Trams 7,5 7,6 7,1 7,4 Cown Bus Operating Fleet 2009 2010 2011 2012 Average N° of Vehicles (unit) 390 401 390 368 Vehicles.km 24.770 25.724 24.507 22.711 Places.km 2.206.567 2.296.833 2.225.859 2.075.308 Vehicles.hour 1.542 1.613 1.555 1.452 Indicators of Own Bus Fleet Supply 2009 2010 2011 2012 Occupancy Rate % 16% 14,5% 14,8% 14,8% Collision Accident Rate (per million Km) 43 39 40 37 Private Transport Providers' Operating Fleet 2009 2010 2011 2012	12/11	2012	2011	2010	2009	Overall Occupancy Rate	
Total Commercial Speed 2009 2010 2011 2012 Buses 16,2 16,1 15,9 15,8 Trams 7,5 7,6 7,1 7,4 Cown Bus Operating Fleet 2009 2010 2011 2012 Average N° of Vehicles (unit) 390 401 390 368 Vehicles.km 24.770 25.724 24.507 22.711 Places.km 2.206.567 2.296.833 2.225.859 2.075.308 Vehicles.hour 1.542 1.613 1.555 1.452 Indicators of Own Bus Fleet Supply 2009 2010 2011 2012 Occupancy Rate % 16% 14,5% 14,8% 14,8% Commercial Speed (km/h) 16,1 15,9 15,8 15,6 Collision Accident Rate (per million Km) 43 39 40 37 (amount Private Transport Providers' Operating Fleet 2009 2010 2011 2012	0,0 pp	15,1%	15,1%	14,9%	16,3%	Buses	
Buses 16,2 16,1 15,9 15,8 Trams 7,5 7,6 7,1 7,4 (amount of the providers' Operating Fleet 2009 2010 2011 2012 Average N° of Vehicles (unit) 390 401 390 368 Vehicles.km 24.770 25.724 24.507 22.711 Places.km 2.206.567 2.296.833 2.225.859 2.075.308 Vehicles.hour 1.542 1.613 1.555 1.452 Indicators of Own Bus Fleet Supply 2009 2010 2011 2012 Occupancy Rate % 16% 14,5% 14,8% 14,8% Commercial Speed (km/h) 16,1 15,9 15,8 15,6 Collision Accident Rate (per million Km) 43 39 40 37 (amount of the providers' Operating Fleet 2009 2010 2011 2012	-7,2 pp	12,0%	19,2%	15,9%	16,8%	Trams	
Trams 7,5 7,6 7,1 7,4 Own Bus Operating Fleet 2009 2010 2011 2012 Average № of Vehicles (unit) 390 401 390 368 Vehicles.km 24.770 25.724 24.507 22.711 Places.km 2.206.567 2.296.833 2.225.859 2.075.308 Vehicles.hour 1.542 1.613 1.555 1.452 Indicators of Own Bus Fleet Supply 2009 2010 2011 2012 Occupancy Rate % 16% 14,5% 14,8% 14,8% Commercial Speed (km/h) 16,1 15,9 15,8 15,6 Collision Accident Rate (per million Km) 43 39 40 37 Private Transport Providers' Operating Fleet 2009 2010 2011 2012	12/11	2012	2011	2010	2009	Total Commercial Speed	
Own Bus Operating Fleet 2009 2010 2011 2012 Average N° of Vehicles (unit) 390 401 390 368 Vehicles.km 24.770 25.724 24.507 22.711 Places.km 2.206.567 2.296.833 2.225.859 2.075.308 Vehicles.hour 1.542 1.613 1.555 1.452 Indicators of Own Bus Fleet Supply 2009 2010 2011 2012 Occupancy Rate % 16% 14,5% 14,8% 14,8% Commercial Speed (km/h) 16,1 15,9 15,8 15,6 Collision Accident Rate (per million Km) 43 39 40 37 Private Transport Providers' Operating Fleet 2009 2010 2011 2012	-1%	15,8	15,9	16,1	16,2	Buses	
Own Bus Operating Fleet 2009 2010 2011 2012 Average N° of Vehicles (unit) 390 401 390 368 Vehicles.km 24.770 25.724 24.507 22.711 Places.km 2.206.567 2.296.833 2.225.859 2.075.308 Vehicles.hour 1.542 1.613 1.555 1.452 Indicators of Own Bus Fleet Supply 2009 2010 2011 2012 Occupancy Rate % 16% 14,5% 14,8% 14,8% Commercial Speed (km/h) 16,1 15,9 15,8 15,6 Collision Accident Rate (per million Km) 43 39 40 37 Private Transport Providers' Operating Fleet 2009 2010 2011 2012	5%	7,4	7,1	7,6	7,5	Trams	
Average N° of Vehicles (unit) 390 401 390 368 Vehicles.km 24.770 25.724 24.507 22.711 Places.km 2.206.567 2.296.833 2.225.859 2.075.308 Vehicles.hour 1.542 1.613 1.555 1.452 Indicators of Own Bus Fleet Supply 2009 2010 2011 2012 Occupancy Rate % 16% 14,5% 14,8% 14,8% Commercial Speed (km/h) 16,1 15,9 15,8 15,6 Collision Accident Rate (per million Km) 43 39 40 37 Private Transport Providers' Operating Fleet 2009 2010 2011 2012	ts in thousands	(amoun					
Vehicles.km 24.770 25.724 24.507 22.711 Places.km 2.206.567 2.296.833 2.225.859 2.075.308 Vehicles.hour 1.542 1.613 1.555 1.452 Indicators of Own Bus Fleet Supply 2009 2010 2011 2012 Occupancy Rate % 16% 14,5% 14,8% 14,8% Commercial Speed (km/h) 16,1 15,9 15,8 15,6 Collision Accident Rate (per million Km) 43 39 40 37 Private Transport Providers' Operating Fleet 2009 2010 2011 2012	12/11	2012	2011	2010	2009	Own Bus Operating Fleet	
Places.km 2.206.567 2.296.833 2.225.859 2.075.308 Vehicles.hour 1.542 1.613 1.555 1.452 Indicators of Own Bus Fleet Supply 2009 2010 2011 2012 Occupancy Rate % 16% 14,5% 14,8% 14,8% Commercial Speed (km/h) 16,1 15,9 15,8 15,6 Collision Accident Rate (per million Km) 43 39 40 37 Private Transport Providers' Operating Fleet 2009 2010 2011 2012	-6%	368	390	401	390	Average N° of Vehicles (unit)	
Vehicles.hour 1.542 1.613 1.555 1.452 Indicators of Own Bus Fleet Supply 2009 2010 2011 2012 Occupancy Rate % 16% 14,5% 14,8% 14,8% Commercial Speed (km/h) 16,1 15,9 15,8 15,6 Collision Accident Rate (per million Km) 43 39 40 37 Private Transport Providers' Operating Fleet 2009 2010 2011 2012	-7%	22.711	24.507	25.724	24.770	Vehicles.km	
Indicators of Own Bus Fleet Supply 2009 2010 2011 2012 Occupancy Rate % 16% 14,5% 14,8% 14,8% Commercial Speed (km/h) 16,1 15,9 15,8 15,6 Collision Accident Rate (per million Km) 43 39 40 37 Private Transport Providers' Operating Fleet 2009 2010 2011 2012	-7%	2.075.308	2.225.859	2.296.833	2.206.567	Places.km	
Occupancy Rate % 16% 14,5% 14,8% 14,8% Commercial Speed (km/h) 16,1 15,9 15,8 15,6 Collision Accident Rate (per million Km) 43 39 40 37 Private Transport Providers' Operating Fleet 2009 2010 2011 2012	-7%	1.452	1.555	1.613	1.542	Vehicles.hour	
Commercial Speed (km/h) 16,1 15,9 15,8 15,6 Collision Accident Rate (per million Km) 43 39 40 37 Private Transport Providers' Operating Fleet 2009 2010 2011 2012	12/11	2012	2011	2010	pply 2009	Indicators of Own Bus Fleet Sup	
Collision Accident Rate (per million Km) 43 39 40 37 (amount Private Transport Providers' Operating Fleet 2009 2010 2011 2012	0,0 pp	14,8%	14,8%	14,5%	16%	Occupancy Rate %	
Private Transport Providers' Operating Fleet 2009 2010 2011 2012	-1%	15,6	15,8	15,9	16,1	Commercial Speed (km/h)	
Private Transport Providers' Operating Fleet 2009 2010 2011 2012	-9%	37	40	39	on Km) 43	Collision Accident Rate (per millio	
	ts in thousands	(amoun					
Vehicles km 4.015 4.016 4.046 2.905	12/11	2012	2011	2010	iting Fleet 2009	Private Transport Providers' Opera	
verifices.ici1 7.010 7.010 2.303	-28%	2.905	4.046	4.016	4.015	Vehicles.km	
Places.km 306.863 305.872 308.409 225.614	-27%	225.614	308.409	305.872	306.863	Places.km	
Vehicles.hour 238 238 239 172	-28%	172	239	238	238	Vehicles.hour	
Indicators of Private Operators' Fleet Supply 2009 2010 2011 2012	12/11	2012	2011	2010	eet Supply 2009	Indicators of Private Operators' Fle	
Occupancy Rate (%) 19,4% 18,2% 17,4% 18,1%							
Commercial Speed (km/h) 16,9 16,9 16,9	0,7 pp	18.1%	17 4%	18.2%	19.4%	Occupancy Rate (%)	

(amounts in thousands)

Operating Tram Fleet	2009	2010	2011	2012	12/11
Average N° of Vehicles (unit)	4	4	4	6	50%
Vehicles.km	91	108	110	115	5%
Places.km	3.813	4.538	4.602	4.846	5%
Vehicles.hour	12	14	15	16	1%
Indicators of Tram supply	2009	2010	2011	2012	12/11
Occupancy rates (%)	16,8%	15,9%	19,2%	12,0%	-7,2 pp
Commercial Speed (km/h)	7,5	7,6	7,1	7,4	5%
Diversion Indicators	2009	2010	2011	2012	12/11
Number of diversions	285	278	291	250	-14%
due to local roadworks	185	187	204	170	-17%
due to street events	100	91	87	80	-8%
Average duration of diversions (days)	19	21	19	16	-14%
HUMAN RESOURCES					
	2009	2010	2011	2012	12/11
Total number of employees as at 31/	12 1.490	1.496	1.318	1.262	-4%
Vehicle Crew as at 31/12	984	988	891	886	-1%
Vehicle Crew (% total)	66,0%	66,7%	67,6%	70,2%	2,6 pp
Average Total of Employees	1.502	1.512	1.438	1.287	-11%
Staff Distribution	2009	2010	2011	2012	12/11
Male Employees	1.415	1.401	1.226	1.173	-4,3%
Female Employees	87	95	92	89	-3,3%
Absenteeism	2009	2010	2011	2012	12/11
Overall Rate as at 31/12 (%)	8,3%	7,2%	6,8%	7,0%	0,2 pp
Vehicle Crew (%)	9,1%	7,5%	6,9%	7,8%	0,9 pp
Other (%)	6,6%	6,6%	6,7%	5,2%	-1,6 pp
Supplementary Work	2009	2010	2011	2012	12/11
Hours	79.988	79.188	81.189	99.594	23%
Vehicle Crew	77.542	77.642	80.700	98.109	22%
Value (thousand euros)	620	597	583	589	1%
Vehicle Crew	592	579	579	579	0%

Age Structure	2009	2010	2011	2012	12/11
18-29	21	16	15	12	-20%
30-49	700	735	694	691	0%
> 49	769	745	609	559	-8%
Total	1.490	1.496	1.318	1.262	-4%
Training	2009	2010	2011	2012	12/11
Hours	15.642	20.518	13.472	16.743	24%
Vehicle Crew	11.169	16.023	8.625	14.368	67%
Continuous Training	6.099	3.175	8.625	10.140	18%
Employees	773	783	526	464	-12%
Vehicle Crew	643	571	263	305	16%
Continuous Training	598	75	263	283	8%
FLEET					
Fleet Composition	2009	2010	2011	2012	12/11
Buses	472	489	468	475	1,5%
Trams	8	5	5	6	20,0%
Total	480	494	473	481	1,7%
Bus Fleet Composition	2009	2010	2011	2012	12/11
Diesel Vehicles	217	234	213	221	3,8%
Standard	212	209	173	173	0,0%
Articulated	0	20	20	20	0,0%
Minibuses	5	5	5	13	160,0%
Double-deckers			15	15	0,0%
Vehicles running on natural gas	255	255	255	254	-0,4%
Standard	225	225	225	225	0,0%
Articulated	30	30	30	29	-3,3%
Bus Fleet	472	489	468	475	1,5%
Fleet Characteristics	2009	2010	2011	2012	12/11
Natural Gas	54,0%	52,1%	54,5%	53,5%	-1,0 pp
Air Conditioned	72,7%	74,2%	80,8%	81,1%	0,3 pp
Low Floor	91,7%	92,6%	100,0%	98,3%	-1,7 pp
Folding Ramp	56,8%	58,9%	64,7%	65,3%	0,5 pp

Average Age	2009	2010	2011	2012	12/11
Trams	71,55	72,55	73,55	74,55	1,0 abs
Buses	8,45	9,04	9,19	10,04	0,8 abs
Diesel	10,74	10,71	10,07	10,69	0,6 abs
Natural Gas	6,46	7,46	8,46	9,47	1,0 abs
Vehicle Consumption					
per Type of Used Fuel	2009	2010	2011	2012	12/11
Diesel (l/100 km)	52,27	52,78	54,90	55,02	0%
Total Costs (m €)	4.232	5.364	6.195	6.085	-2%
Cost per 100 km	38,18	46,00	58,25	62,49	7%
Average Cost (€/per litre)	0,73	0,87	1,06	1,14	7%
Natural Gas (m3/100 km)	68,35	68,61	67,66	67,47	0%
Total Cost (m €)	4.610	4.842	4.199	4.536	8%
Cost per 100 km	31,90	32,62	28,86	33,32	15%
Average Cost (€/m3)	0,47	0,48	0,43	0,49	16%
Traction Energy (Kwh/100 km)	297,10	268,92	287,75	309,96	8%
Total Cost (m €)	36,57	36,61	47,29	55,77	18%
Cost per 100 Km	37,89	33,03	42,04	46,76	11%
Average Cost (€/kw)	0,13	0,12	0,15	0,15	3%
Fleet Operations	2009	2010	2011	2012	12/11
Imobilisation Rate	6,7%	7,9%	7,4%	8,9%	1,5 pp
Breakdown Rate (per thousand km)	1,17	1,19	1,15	1,13	-2,2%

ECONOMIC AND FINANCIAL ACTIVITY (amounts in thousand eur						
Costs	2009	2010	2011	2012	12/11	
ESS+CGSMC	33.178	34.032	34.167	32.281	-5,5%	
Staff Costs	40.731	39.999	36.934	30.954	-16,2%	
Costs/reversals, depreciations, amort. and prov.	8.385	6.531	8.225	9.715	18,1%	
Operating	87.887	81.963	80.122	74.566	-6,9%	
Interests and similar costs paid	10.437	28.383	48.469	63.221	0	
Total Costs	98.355	110.386	128.625	132.024	2,6%	
% Costs incurred with Staff	2009	2010	2011	2012	12/11	
Staff Costs / Operating Costs	46,3%	48,8%	46,1%	41,5%	-4,59 pp	
Staff Costs / Total Costs	41,4%	36,2%	28,7%	23,4%	-5,27 pp	
Ticket Revenue/Staff Costs	1,17	1,23	1,37	1,61	17,6%	

(amounts in thousand euros)

				(2	
Income	2009	2010	2011	2012	12/11
Total Income	74.706	72.709	74.080	64.402	-13,1%
Transport Tickets	47.541	49.166	50.617	49.892	-1,4%
PAII-Integrated Financial Support Programme for Senior Citizens	982	955	998	517	-48,2%
Compensatory Indemnities	19.156	18.975	17.871	10.211	-42,9%
Other Income and Gains	7.026	3.612	4.593	3.781	-18%
				(amounts	in thousand euros)
State Financial Effort	2009	2010	2011	2012	12/11
Compensatory Indemnities - Single Mode Sys	tem19.156	18.975	17.871	10.211	-42,86%
Fare Pricing Compensation - Andante Intermodal S	System 981	1.970	2.162	1.244	-42,48%
PAII	982	955	998	517	-48,18%
Total	21.119	21.900	21.031	11.972	-43,07%
				(amounts	in thousand euros)
Income	2009	2010	2011	2012	12/11
Operating Income	-15.903	-9.254	-6.383	-10.170	-59%
Before Compensatory Indemnities	-35.059	-28.230	-24.254	-20.382	16%
Financial Income	-7.719	-28.383	-48.128	-63.215	-31%
Net Income for the Financial Year	-23.653	-37.677	-54.545	-73.439	-35%
Before Swap Operations	-24.625	-17.612	-20.514	-31.169	-52%
Before Compensatory Indemnities	-42.809	-56.653	-72.416	-83.650	-16%
				(amounts in euro	s per thousand km)
	2009	2010	2011	2012	12/11
Operating Income / Passenger.km	175,40	187,07	192,61	184,84	-4,0%
Before Compensatory Indemnities	128,72	138,25	146,15	155,54	6,4%
Operating Costs / Passenger.km	170,03	183,24	208,32	214,02	2,7%
Before Amortisations	194,59	194,09	190,88	197,32	3,4%
Operating Income / Place.km	28,60	27,89	29,18	27,93	-4,3%
Before Compensatory Indemnities	20,99	20,61	22,14	23,50	6,2%
Operating Costs / Place.km	27,72	27,32	31,56	32,34	2,5%
Before Amortisations	31,73	28,93	28,92	29,82	3,1%
% Operating Costs	2009	2010	2011	2012	12/11
Provision of Services	54,3%	60,2%	63,4%	67,2%	3,8 pp
Operating Grants	22,9%	24,3%	23,6%	14,4%	-9,2 pp
Operating Income	81,9%	88,7%	92,5%	86,4%	-6,1 pp
	•	*	, .	, .	, 11

(amounts in thousand euros)

				(amounts)	in thousand euros)
Activity Indicators	2009	2010	2011	2012	12/11
Production	68.006	69.310	69.691	60.864	-12,7%
Per Average Employee	45,3	45,8	48,5	47,3	-2,4%
Before Compensatory Indemnities	48.850	50.334	51.820	50.652	-2,3%
Gross Value Added	37.327	37.309	38.165	30.324	-20,5%
Per Average Employee	24,9	24,7	26,5	23,6	-11,2%
Before Compensatory Indemnities	18.171	18.333	20.294	20.113	-0,9%
					(amounts in days)
	2009	2010	2011	2012	12/11
Average Payment Term	77,3	54,4	52,2	45,6	-13%
Average Collection Term	58,8	10,6	33,8	12,1	-64%
	2009	2010	2011	2012	12/11
General Liquidity Ratio	27,7%	3,4%	5,4%	3,5%	-1,9 pp
Reduced Liquidity Ratio	25,7%	2,7%	4,9%	3,2%	-1,7 pp
Quick Liquidity Ratio	0,6%	1,0%	0,9%	0,2%	-0,7 pp
Balance Sheet Structure	2009	2010	2011	2012	12/11
Assets	110.950	114.746	109.617	93.958	-14%
Non Current	96.948	102.624	95.881	87.070	-9%
Current	14.002	12.122	13.735	6.889	-50%
Equity and Liabilities	110.950	114.746	109.617	93.958	-14%
Equity	-237.305	-275.747	-330.719	-407.639	-23%
Liabilities	348.254	390.493	440.336	501.598	14%
				(amounts i	in thousand euros)
Financing received	2009	2010	2011	2012	12/11
Non Current	293.914	241.259	242.346	237.826	-1,9%
Current	15.741	94.144	110.624	132.839	20,1%
TOTAL	309.655	335.403	352.970	370.665	5,0%
				(amounts	in thousand euros)

(amounts	in	thousand	euros)
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Investments	2009	2010	2011	2012	12/11
Rolling Stock	163	11.765	116	18	-84%
Infrastructures	381	220	650	1.057	63%
Other	962	270	183	1.266	591%
Total	1.506	12.255	949	2.341	147%

	2009	2010	2011	2012	12/11
Weighted Variation of (Single Mode) Fare Pricing	0,0%	0,8%	11,9%	22,0%	10,1 pp
Annual Inflation Rate	-1,0%	1,4%	3,7%	2,8%	-0,9 pp
Variation of Diesel Unit Average Cost	-21,3%	19,3%	21,7%	7,0%	-14,7 pp
Variation of Natural Gas Unit Average Cost	-9,5%	1,8%	-10,3%	15,8%	26,1 p
Productivity	2009	2010	2011	2012	12/1
Vehicle.km (10^3) / Average Staff	19,2	19,7	19,9	20,0	0,3%
Place.km (10^3) / Average Staff	1.675,9	1.724,4	1.765,6	1.792,2	1,5%
Passenger (10^3) / Average Staff	72,1	72,2	75,4	72,9	-3,3%
Passenger.km (10^3) / Average Staff	273,2	257,1	267,5	270,8	1,3%
Network Stretch (Km) / Average Staff	0,36	0,36	0,36	0,38	3,8%
				(amounts i	n thousand euro
Evolution of Supplementary Pensions	2009	2010	2011	2012	12/1
Supplementary Pensions paid in the year	612	575	540	498	-8%
Average Number of Pensioners	315	307	288	256	-119
Energy Consumption	2009	2010	2011	2012	12/1
Tram Electricity					
(kwh)	286.732	297.652	323.693	369.670	149
(kwh) Kwh/100km	286.732 297	297.652 271	323.693 288	369.670 310	
					89
Kwh/100km	297	271	288	310	89
Kwh/100km Teo Fixed Installed Electricity	297	271	288	310	89 149
Kwh/100km Teo Fixed Installed Electricity (kwh)	297 83	271 86	288 94	310 107	89 149 -59
Kwh/100km Teo Fixed Installed Electricity	297 83 4.800.421	271 86 4.940.201	288 94 4.724.391	310 107 4.465.817	89 149 -59
Kwh/100km Teo Fixed Installed Electricity (kwh) Teo Diesel	297 83 4.800.421	271 86 4.940.201	288 94 4.724.391	310 107 4.465.817	89 149 -59 -59
Kwh/100km Teo Fixed Installed Electricity (kwh) Teo Diesel Litres	297 83 4.800.421 1.392	271 86 4.940.201 1.433	288 94 4.724.391 1.370	310 107 4.465.817 1.295	-5% -5% -6%
Kwh/100km Teo Fixed Installed Electricity (kwh) Teo	297 83 4.800.421 1.392 5.793.505	271 86 4.940.201 1.433 6.154.613	288 94 4.724.391 1.370 5.838.263	310 107 4.465.817 1.295 5.357.625	149 89 149 -59 -59 -89
Kwh/100km Teo Fixed Installed Electricity (kwh) Teo Diesel Litres litres/100km	297 83 4.800.421 1.392 5.793.505 52,27	271 86 4.940.201 1.433 6.154.613 52,78	288 94 4.724.391 1.370 5.838.263 54,90	310 107 4.465.817 1.295 5.357.625 55,02	-5% -5% -6%
Kwh/100km Teo Fixed Installed Electricity (kwh) Teo Diesel Litres litres/100km Teo	297 83 4.800.421 1.392 5.793.505 52,27	271 86 4.940.201 1.433 6.154.613 52,78	288 94 4.724.391 1.370 5.838.263 54,90	310 107 4.465.817 1.295 5.357.625 55,02	-5% -5% -6%
Kwh/100km Teo Fixed Installed Electricity (kwh) Teo Diesel Litres litres/100km Teo Natural Gas	297 83 4.800.421 1.392 5.793.505 52,27 5.055	271 86 4.940.201 1.433 6.154.613 52,78 5.370	288 94 4.724.391 1.370 5.838.263 54,90 5.094	310 107 4.465.817 1.295 5.357.625 55,02 4.675	-59 -59 -89 09
Kwh/100km Teo Fixed Installed Electricity (kwh) Teo Diesel Litres litres/100km Teo Natural Gas Cubic Meters	297 83 4.800.421 1.392 5.793.505 52,27 5.055 9.875.031	271 86 4.940.201 1.433 6.154.613 52,78 5.370	288 94 4.724.391 1.370 5.838.263 54,90 5.094	310 107 4.465.817 1.295 5.357.625 55,02 4.675	-59 -59 -89 09 -89

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).

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EN5	С	Energy saved due to conservation and efficiency improvements	39-4
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EN8	E	Total water withdrawal by source	
EN9	С	Water sources significantly affected by withdrawal of water	2
EN10	С	Percentage and total volume of water recycled and reused	N
		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	1
EN12	Е	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	1
EN13	С	Habitats protected or restored	1
EN14	С	Strategies, current actions, and future plans for managing impacts on biodiversity	1
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	Λ		

		Aspect: Transport	
EN29	С	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	ND
		Aspect: Overall	
EN30	C	Total environmental protection expenditures and investments by type	ND
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LA3	С	Benefits provided to full-time employees that are not provided to temporary or part-time employees	NR
		Aspect: Labour/Management Relations	
LA4	Е	Percentage of employees covered by collective bargaining agreements	ND
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		Aspect: Occupational Health and Safety	
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LA8	E	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	47-48
LA9	С	Health and safety topics covered in formal agreements with trade unions	ND
		Aspect: Training and Education	
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HR1	E	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening	NR
HR2	Е	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions takens	ND
HR3	С	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	NR
		Aspect: Non Discrimination	
HR4	Е	Total number of incidents of discrimination and corrective actions taken	NR
		Aspect: Freedom of Association and Collective Bargaining	
HR5	Е	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	NR
		Aspect: Child Labour	
HR6	E	Operations and significant suppliers identified as having significant risk for incidents of child labour and measures taken to contribute to the effective abolition of child labour	NR
		Aspect: Forced and Compulsory Labour	
HR7	Е	Cases identified as having significant risk for incidents of forced or compulsory labour and measures to contribute to the elimination of all forms of forced or compulsory labour	NR

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		Aspect: Security Practices	
HR8	С	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are not relevant to operations	NR
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HR9	С	Total number of incidents of violations involving rights of indigenous people and actions taken	NR
		Society	
		Aspect: Local Community	
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SO2	E	Percentage and total number of business units analysed for risks related to corruption	78-79
SO3	E	Percentage of employees trained in organisation's anti-corruption policies and procedures	NR
SO4	E	Actions taken in response to incidents of corruption	NR
		Aspect: Public Policies	
SO5	Е	Public policy positions and participation in public policy development and lobbying.	NR
SO6	С	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	NR
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PR8	С	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	NR
		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	NR

Source: GRI (2006) - "G3: Sustainability Reporting Guidelines"

For further information kindly get in touch with:

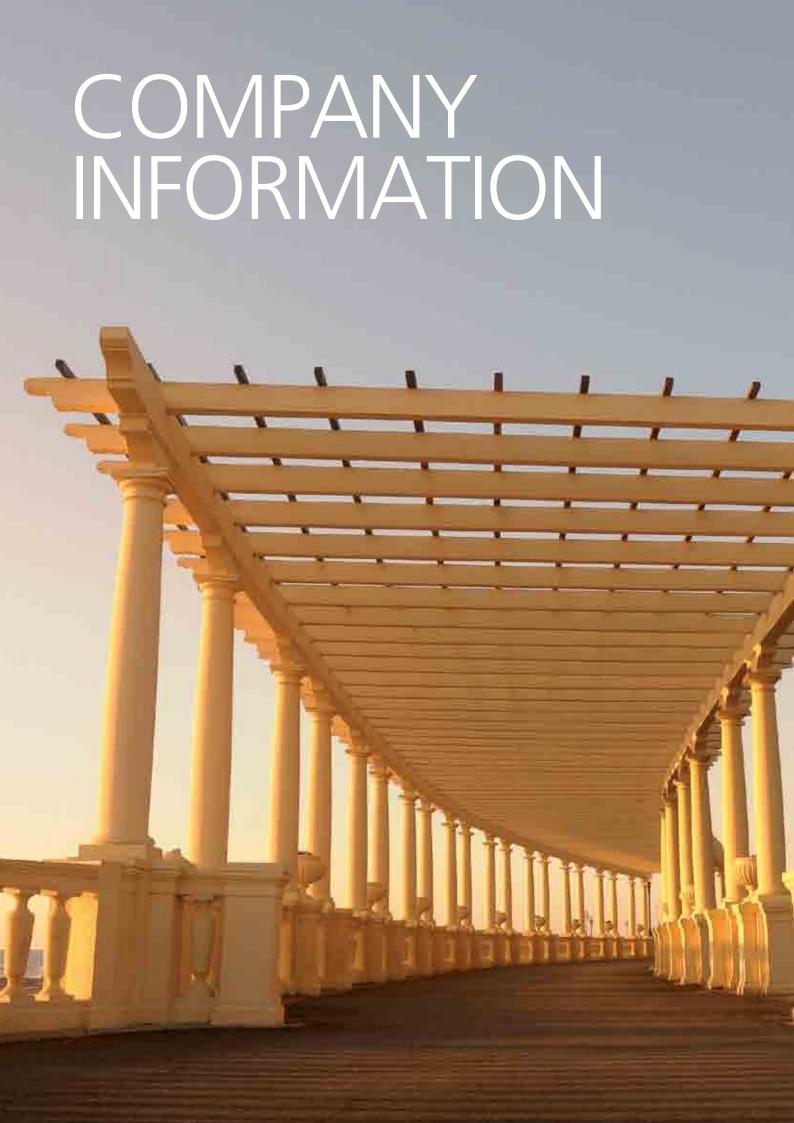
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C - Additional Indicator

Coro Indicator

NR - "Not relevant" or "not applicable" Indicator









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