



INTEGRATED REPORT 2016

MOBILITY ON THE MOVE

NATURE OF BRISA'S INTEGRATED REPORT



GLOSSARY

In each page a link to the Glossary can be found as a footnote, which has additional information on concepts and / or abbreviations

GRI INDICATORS

Global Report Initiative indicators (GRI) are included as footnotes of the pages they concern



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www.brisa.pt

MOBILITY ON THE MOVE

This is Brisa's first Integrated Report, with the Group's financial and non-financial information and produced according to the IIRC - International Integrated Reporting Council guidelines, for information on strategy, management and the company's main performance drivers.

BACKGROUND

This Integrated Report contains financial and non financial information relating to Brisa Auto-Estradas de Portugal, S.A. (Brisa), concerning 2016. Brisa operates in a global economy aspiring to become increasingly more sustainable, therefore, it must combine long-term strategy and return, whilst taking into account social issues and environmental protection. Against this background, Brisa wants to improve its reporting to address all stakeholders, according to the best international practices.

The 2016 Integrated Report comprises information on the Company's strategy, management and performance of its key business vectors, from a sustainable value creation perspective. The report also evaluates the intrinsic risks of the business and reviews how Brisa incorporates the different capitals (financial, human, intellectual, social and natural) according to the guidelines proposed by the International Integrated Reporting Council (IIRC). Additionally, the Report contains information on the Corporate Governance, its Financial Statements and performance in sustainability terms.

Individual and Consolidated Financial Statements included herein were prepared according to International Financial Reporting Standards (IFRS), as adopted by the European Union. Non financial data were prepared according to the fourth generation of the Global Reporting Initiative directives - G4.

EXTERNAL VERIFICATION

The sustainability information reported – whether resulting from measurements, calculations or estimates – was checked by an external entity (Price Waterhouse Coopers & Associates), in accordance with the report found at the end of this document.

STAKEHOLDERS

This Integrated Report seeks to improve the perception of all stakeholders (employees, investors and shareholders, sector associations, clients, suppliers, partners, funders, media, sustainable development related entities, local communities, among others) in relation to Brisa's business and its performance. The information disclosed herein shows Brisa's commitment to measures that foster value creation and to its goal of becoming an innovating mobility operator, in addition to being a road operator.

CONTACTS

Any clarifications or questions may be addressed to:



IR@brisa.pt or contato@brisa.pt

STATEMENT OF COMPLIANCE

In compliance with legal and statutory provisions, the Board of Directors hereby submits to the consideration of shareholders the condensed financial statements and integrated report relating to 2016,

in the firm belief that, to the best of its knowledge, the information contained therein was prepared in accordance with the relevant accounting standards, providing a true and fair view of the assets and liabilities, the financial situation of the issuer and of the companies included in the consolidation, and that the integrated report contains a faithful account of the information required.



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I. MANAGEMENT REPORT —

MOBILITY ON THE MOVE

BRISA AUTO-ESTRADAS DE PORTUGAL

BRISA HAS CREATED
A CULTURE HEAVILY GEARED
TOWARDS PROMOTING
MOBILITY AND ACCESSIBILITY,
based on the values of Ethics,
Innovation, Excellence and People,
with major economic and social
benefits for the communities
it serves.

The emergence of new trends,
technological developments and
changes in people's behavioural
patterns mark the dawn of a new
era, where the concept of Mobility
takes on a broader significance
and brings new challenges.

MOBILITY ON THE MOVE



BRISA IS ONE OF THE WORLD'S LARGEST
TOLL ROAD OPERATORS,
and the largest private transport
infrastructures company in Portugal.

Road concessions, technological solutions and mobility services are strategic lines of growth and value creation to Brisa, combining the vast experience, the best practices in the industry and a continued commitment to innovative business models that enable a high quality service to its Clients.

01

INTRODUCTION TO BRISA



1.1 FOREWORD FROM THE CHAIRMAN

1.2 BRISA PROFILE

1.3 KEY FIGURES

1.4 AWARDS AND EXTERNAL RECOGNITION

1.5 HIGHLIGHTS AND EVENTS OF THE YEAR



1.1

FOREWORD FROM THE CHAIRMAN

VASCO DE MELLO

Chairman of the Board of Directors

In 2016 we consolidated and continued to foster our road infrastructure operations, whilst taking energetic steps to develop our new business model focused on mobility.



BRISA COMPLIED WITH THE MISSION IT HAD SET FORTH FOR THIS YEAR: IT STRENGTHENED ITS FINANCIAL AND OPERATING SOUNDNESS, AND BOOSTED THE DEVELOPMENT OF A NEW POSITIONING AND OFFER IN THE MOBILITY SECTOR TOTALLY FOCUSED ON PEOPLE

Brisa complied with the mission it had set forth for this year: it strengthened its financial and operating soundness, and boosted the development of a new positioning and offer in the mobility sector totally focused on people.

FINANCIAL AND OPERATING STRENGTH

Traffic evolved in line with the trend of the last few years, growing in all road concessions relative to 2015, to the sustainable levels recorded before the economic adjustment period which Portugal had to undergo.

Growth in traffic drove an improvement in financial results. Net income totalled Euro 256 million, income grew by 5.3% and consolidated operating costs remained stable, with a positive impact on operating results (EBITDA), which rose to Euro 484 million. Our main financial goal was thus achieved, despite our continued investment in improving the network. Cash generation (EBITDA-CAPEX) grew by 6.6%, standing at Euro 426 million.

The continued favourable evolution of this and other indicators, such as the weight of debt (Net Financial Debt/EBITDA fell to 4.2x), on a par with the credit ratings given to Brisa Concessão Rodoviária (BCR) by Fitch Ratings and Moody's, which have kept stable at investment grade level and above Portugal's rating, clearly attest to Brisa's financial soundness.

In non-financial areas, as for instance in the environmental area, Brisa's performance must be highlighted for the stability of consumption indicators, namely electricity (-3.7%), fuel (-1.4%) and water (-11.6%) consumption.

While reinforcing our financial solidity, we continued to strengthen our already mature operations and assets, namely Brisa Operação e Manutenção or the Atlântico Concession, and remaining concessions and sub-concessions. With regard to the latter, it is important to mention the ongoing restructuring processes at Douro Litoral concession and Litoral Centro concession - where arbitration proceedings resulted in significant

FOREWORD FROM THE CHAIRMAN

compensation, and the renegotiation processes of Baixo Tejo and Litoral Oeste concessions, both recording remarkable operating performance.

The year was also marked by the agreement for the disposal of our investment in Northwest Parkway, in the USA, which had a significant and positive impact on Brisa's 2016 results.

DYNAMISM AND TRANSFORMATION OF THE BUSINESS

The digital world, the increasing affirmation of individual choices, the integration of different transport modes, cooperative business models and the sharing economy are Brisa's key drivers in this new era towards individual mobility. Accordingly, we have invested in technology and new mobility services.

Our top priority continues to be our customers. Customer relationship is a crucial element in our value chain. Hence, we undertook an in-depth review of our services, to ensure a stronger and closer relationship. Improving the customer's experience involved the introduction of several innovations, from the creation of Via Verde Contact to new digital channels and the enhancement of selfcare.

Meanwhile, we continued developing an integrated supply of Via Verde products and services, which are increasingly part of the daily life of the Portuguese. The number of Via Verde on-board units has reached 3.3 million in 2016, and the number of subscribers has doubled in relation to 2014. The "Via Verde Leve" product launched in 2016 for non-frequent customers is an example of the work that is being developed. At the same time, the Via Verde Mobilidade project is starting to see the light, with the launching of the Via Verde Estacionar service in several Portuguese cities and the deployment of other urban mobility-related pilot projects. Projects in the field of shared mobility and advanced mobility have also recorded consistent progress and are raising high expectations for 2017.

It is very important to mention the work developed by Brisa Inovação e Tecnologia (BIT), namely a new market positioning, offer and brand focused on technology solutions in the new Mobility-as-a-Service sector.

FOCUS ON PEOPLE

This dynamic is reflected on the Group's relationship with its customers and remaining stakeholders, as attested by the performance of Brisa and Via Verde brands in different reputational and image indicators. We have focused our attention on our customers but did not overlook other groups of people that are very important to us.

Namely, employees play a crucial role in the company's growth and future as they are the ones maintaining the closest relationship with the company. Training and safety conditions at work are among our prime concerns. With regard to the latter, we recorded no fatal accidents again this year and the number of occupational accidents continues to fall.

Major national causes, particularly road safety and social development are also Brisa major causes. Improvement in road safety in the group's concessions is a stated objective. At a time when traffic increased, accident rates with fatalities and serious injuries fell by 37.1% and 30.3% respectively. Local communities are also very important to Brisa. In this field, Brisa increased its civic action, namely through donations, volunteer work and in the specific field of road accident prevention.

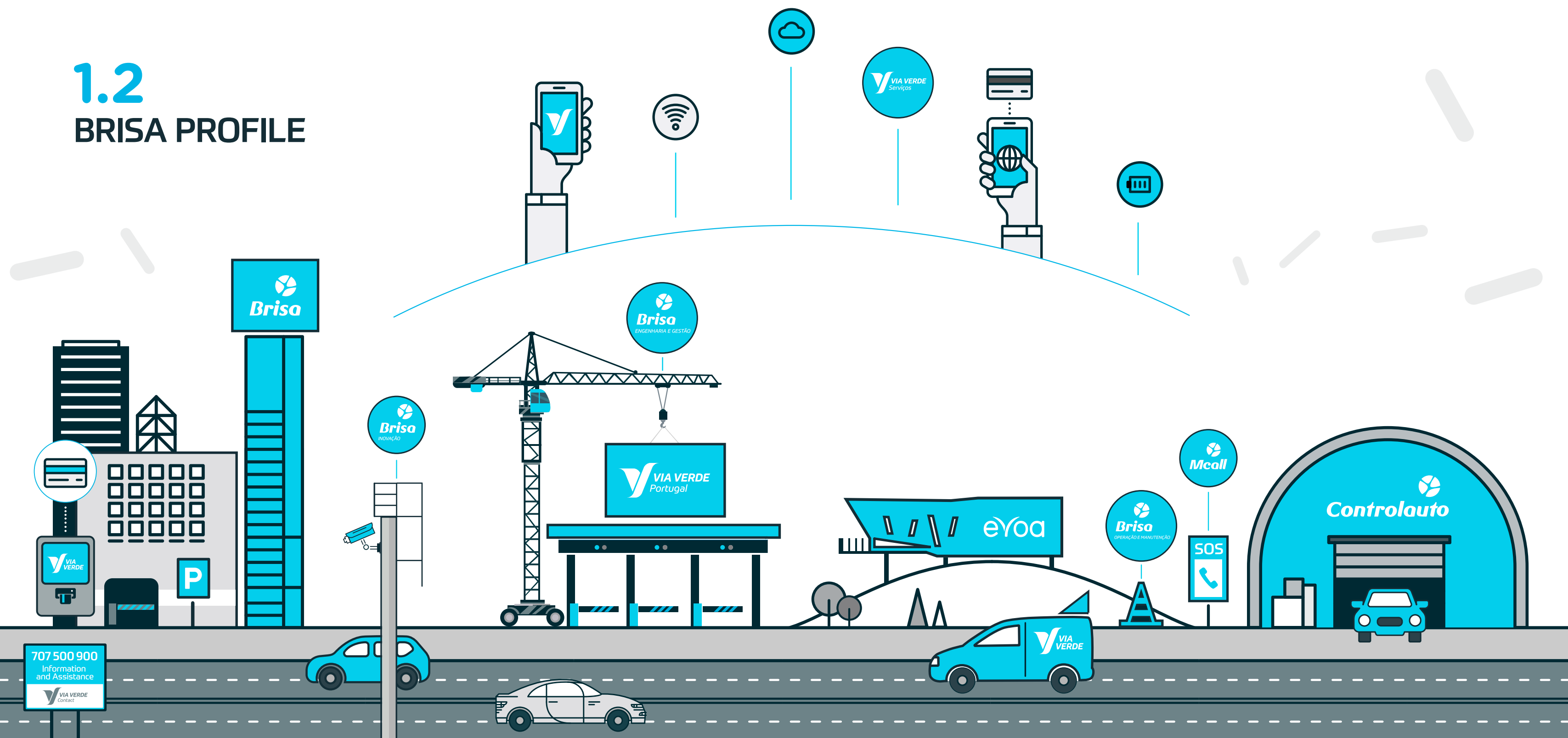
EVOLUTION IN THE REPORTING MODEL

Brisa is publishing this year its first Integrated Report, aligned with the global challenges and commitments of the decade, namely the Sustainable Development Objectives and the principles of the UN Global Compact. This document, which was prepared according to the directives proposed by the International Integrated Reporting Council (IIRC), aims to meet the expectations of our stakeholders in what concerns information on the strategy, management and performance of the company's main business vectors, from the double perspective of risk management and creation of sustainable value.

2016 was a year of progress for Brisa, aligned with the company's values and vision, and we are confident that we will be able to face and fulfil the major challenges of 2017.

1.2

BRISA PROFILE



Road Concessions
(Brisa Concessão Rodoviária and Other Concessions)

Support Services to the Concessions

Vehicle Inspections

Technological Services

Mobility Services

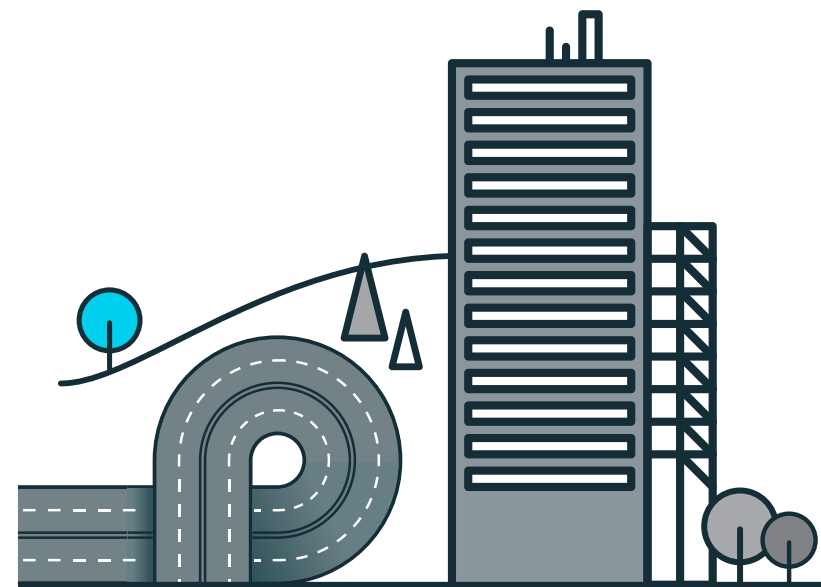
BRISA PROFILE

Brisa Auto-Estradas de Portugal has in its portfolio a broad number of assets, in the following main business areas:



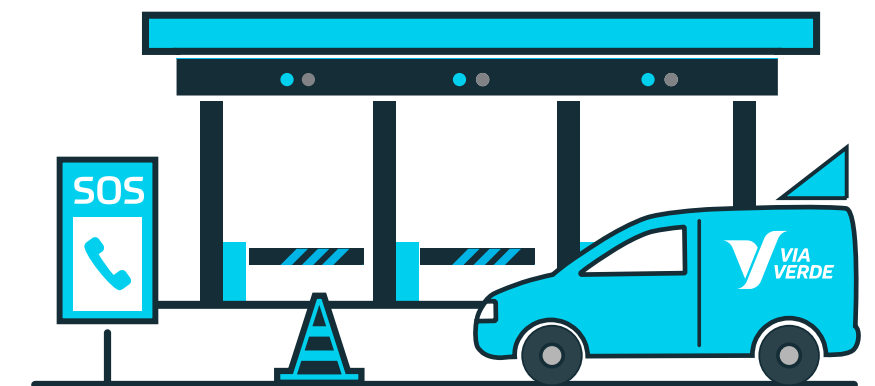
BRISA CONCESSÃO RODOVIÁRIA

70% holding in **Brisa Concessão Rodoviária (BCR)**. BCR has a direct concession for 12 toll road, totaling 1 124 km. This network runs from North to South and East to West. It includes the country's main road axes, such as the coastal corridor and the Lisbon-Madrid link.



OTHER MOTORWAY CONCESSIONS

Stakes in other road concessions, totalling 504 km. Brisa holds stakes in **Atlântico** (50%), **Brisal** (70%), **Douro Litoral** (99.9%), **Baixo Tejo** (30%) and **Litoral Oeste** (15%).



SUPPORT SERVICES TO THE CONCESSIONS

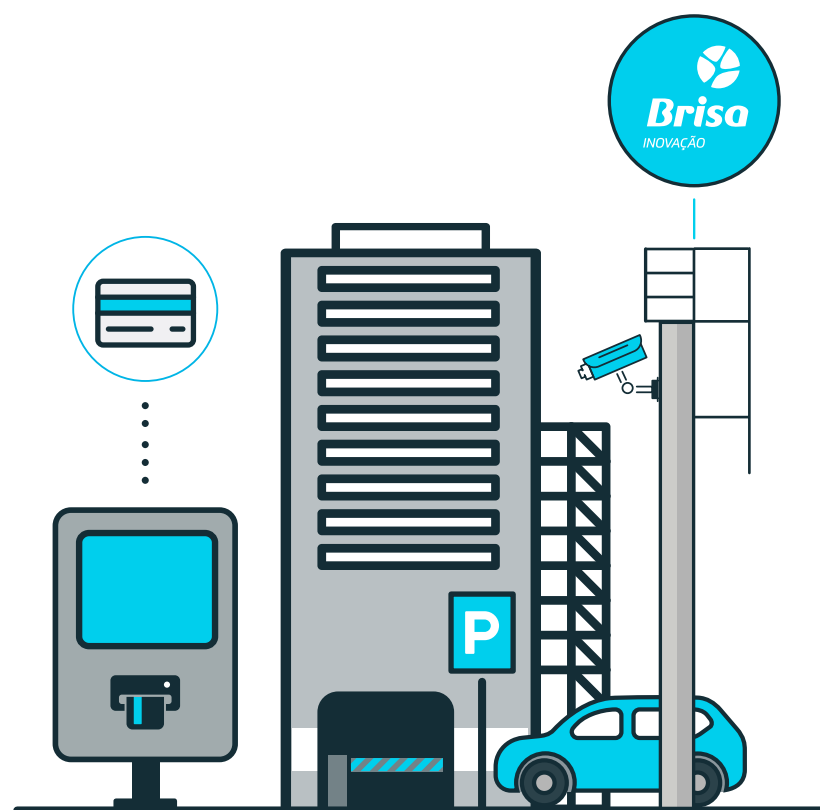
Support services provided to the concessions through **Brisa Operação & Manutenção (Brisa O&M)**, **Brisa Conservação de Infraestruturas (BCI)**, **Via Verde Portugal (VVP)**, **Via Verde Contact (VVC)**, **M Call** and **Brisa Engenharia e Gestão (BEG)**. Focus on the client and on the operation and maintenance of concession roads.

BRISA PROFILE



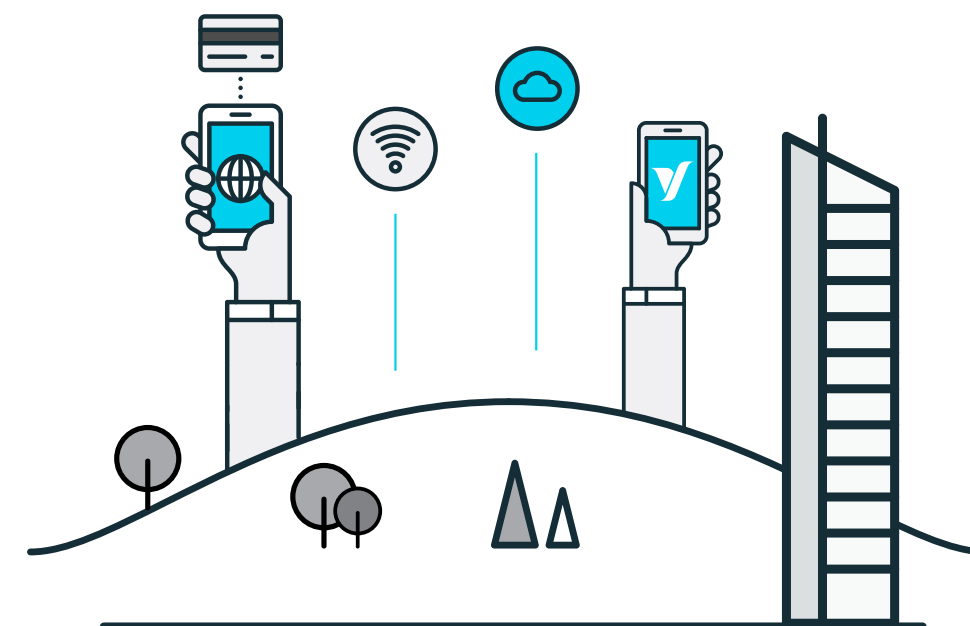
VEHICLE INSPECTIONS

Vehicle inspection services provided by **Controlauto**.



TECHNOLOGY SERVICES

Development and marketing of technology solutions created by **Brisa Inovação e Tecnologia (BIT)**.
Focus on the efficient management of infrastructures and mobility.



MOBILITY SERVICES

Development and participation in innovative projects to offer new mobility solutions.

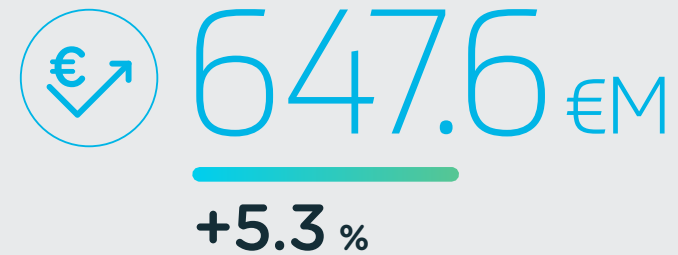
1.3 KEY FIGURES

BRISA'S FIGURES

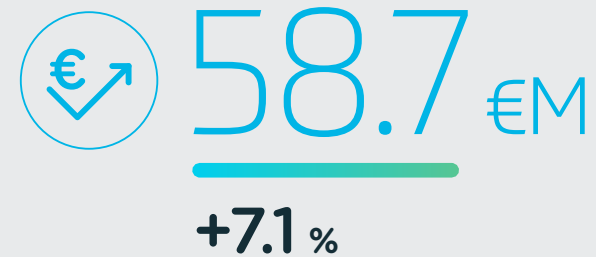
44 YEARS OF EXPERIENCE
IN CONSTRUCTION, OPERATION
AND MAINTENANCE OF ROAD
INFRASTRUCTURES



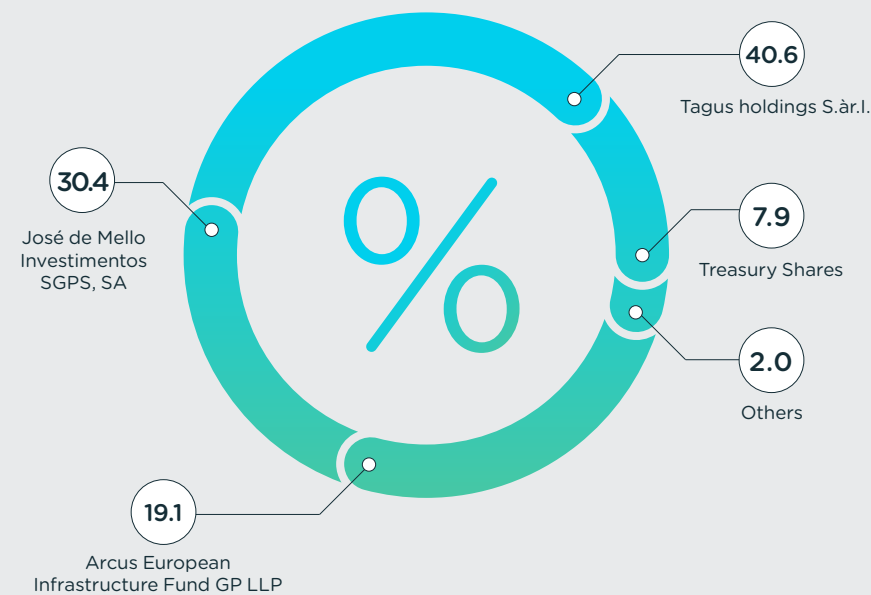
Consolidated operating Income



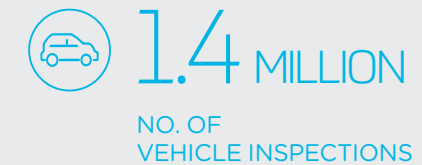
Capital expenditure



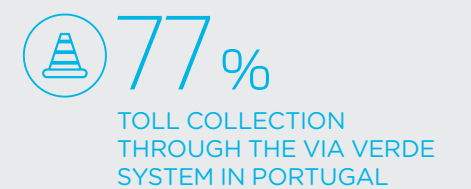
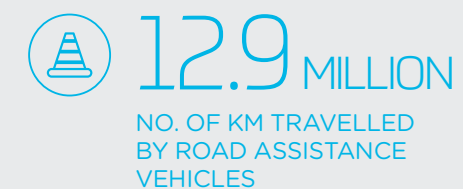
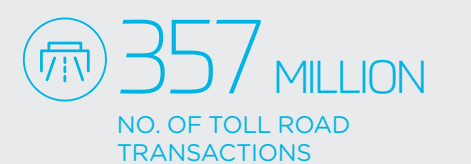
Shareholder Structure



NOTE: Tagus holdings S. à.r.l. is 55% held by José de Mello Investimentos SGPS, SA and 45% held by Arcus European Infrastructure Fund GP LLP.



⁽¹⁾ Source: APCAP 2015. Adjusted for Brisa's holding in each concession.



HELP LINE

707 500 900

Telephone line available
24h/day and 365 days/year

KEY FIGURES



484 M€
EBITDA



4.8 M€
INVESTMENT IN I&D



2.9 M€
ENVIRONMENTAL COST



52 291
NO. OF TRAINING HOURS



128
NO. OF VOLUNTEERS

FINANCIAL CAPITAL (€M)	'14	'15	'16
OPERATING INCOME	576	615	648
EBITDA	413	451	484
NET FINANCIAL DEBT	2 054	2 119	2 042
NET DEBT/EBITDA	5.0X	4.7X	4.2X

INTELLECTUAL CAPITAL	'14	'15	'16
INVESTMENT IN INNOVATION & DEVELOPMENT (€M)			
INNOVATION	0.19	0.14	0.19
DEVELOPMENT	4.36	4.35	4.63

NATURAL CAPITAL	'14	'15	'16
ENVIRONMENTAL COST (€M)			
PREVENTION AND ENVIRONMENTAL MANAGEMENT COSTS	1.1	1.3	1.3
EMISSION AND WASTE TREATMENT COSTS	10.0	6.6	1.6
ENVIRONMENTAL INDICATORS			
ELECTRICITY CONSUMPTION (10³ G.J)	101.9	101.7	98.0
FUEL CONSUMPTION (10³ G.J)	95.0	90.2	88.9
WATER CONSUMPTION (m³)	92.9	92.8	82.0
GHG EMISSIONS (10³tCO₂eq)	14.8	14.5	15.0
WASTE (t)	862	743	1188

HUMAN CAPITAL	'14	'15	'16
HUMAN RESOURCES INDICATORS			
TOTAL NUMBER OF EMPLOYEES	2 393	2 349	2 344
WOMEN	662	656	667
MEN	1 731	1 693	1 677
ENTERED	75	61	65
LEFT	75	105	70
INDICATOR			
NUMBER OF TRAINING HOURS	38 563	42 224	52 291
OCCUPATIONAL SAFETY AND HEALTH INDICATORS			
NUMBER OF ACCIDENTS	100	93	91
ABSENTEEISM RATE (%)	3.55	3.91	3.68

SOCIAL CAPITAL	'14	'15	'16
INVESTMENT IN LOCAL COMMUNITIES (€M)			
DONATIONS	0.47	0.48	0.59
PUBLIC SERVICE	0.11	0.15	0.13
SOCIAL INDICATORS			
NUMBER OF VOLUNTEERS	116	103	128
INDICATORS FOR THE EDUCATIONAL PROGRAMME “BRISA IN SCHOOLS”			
NUMBER OF VISITS BETWEEN SCHOOLS AND BRISA	18 000	20 360	15 156
NUMBER OF STUDENTS	175	293	115

1.4

AWARDS AND EXTERNAL RECOGNITION



IRG AWARDS 2016

The Investor Relations & Governance Awards is an initiative promoted by Deloitte to reward the best in the Portuguese financial market. It honours the best performers and highlights postures and policies of transparency and quality of information produced and relations with investors.

The Lifetime Achievement in Financial Markets Award, was given to **Vasco de Mello**, who evidences an exemplary and successful career, which has been devoted to the promotion of excellence.



EXAME AWARD

Exame magazine selected again the 500 largest and best companies in Portugal. For the second consecutive year **Brisa O&M** was elected the best company of the year and the best company in the services sector.

Exame's 500 largest and best companies award is one of the most important prizes granted in Portugal, rewarding companies with best performance throughout the year.



2016 CANNES LIONS

Brisa's "Impact Class" campaign was rewarded with a **Silver Lion in Public Relations** in the Corporate Citizenship/Responsibility category.



ART DIRECTORS CLUB OF EUROPE

"Impact Class" campaign received a **Bronze medal, in Brand Against Indifference** category, given by Comunidade Vida e Paz.



SOCIALLY DEVOTED

Via Verde's self care was recognised as Socially Devoted by SocialBakers, with a **Facebook response rate of 97%**.

1.5

HIGHLIGHTS AND EVENTS OF THE YEAR

MAIN EVENTS

FITCH
REAFFIRMED BCR'S BBB
STABLE OUTLOOK RATING



2015 BCR RESULTS
7.0% growth in traffic

WAZE
Launching of Via Verde Traffic Alerts
Service in partnership with Waze

NOVA BUSINESS FORUM
Employment Fair

8TH PORTUGUESE
ROAD
CONGRESS



ACTIVATION
Launching of the campaign
Festivals

REFOOD
Visit of Cascais Mayor

BRISA MOBILITY 2016 AWARD
ATTRIBUTED TO BLACK BOX
AT ACREDITA PORTUGAL GALA



BCR EARLY REDEMPTION
Bond in the amount of €M 120 early redeemed.
Issue of new bond in the same amount
and with better financing terms

IMPACT CLASS
Awarded at Cannes

MOBILITY IN PORTUGAL
Brisa sponsors conference at ISCTE



LAUNCHING
OF NEW BRISA SITE
AND LINKEDIN



VIA VERDE
Available in 120 car parks

BCR
Obtains €M 75 financing

BCR
ISSUES BOND IN THE
AMOUNT OF €M 300



IMPACT CLASS
Road Safety Campaign

TRAVELS & ADVANTAGES
PROGRAMME (V&V)
Easter Holidays pastime

BRISA
Student Drive Camp at Leiria

MOODY'S
KEEPS BCR'S Baa3
STABLE OUTLOOK
RATING UNCHANGED



VIA VERDE APP
Reaches 200 thousand downloads

BRISA
Sponsors Junior Achievement

ASECAP DAYS 2016 EVOA
Visit of the Parliament's
Committee on the Environment

HIGHLIGHTS AND EVENTS OF THE YEAR

MAIN EVENTS

VIA VERDE
PRESENT AT THE 78TH
EDITION OF “VOLTA
A PORTUGAL”



INAUGURATION
of electric charging points
on the A2

VIII BRISA TROPHY
LIMITLESS
SAILING PROJECT



BRISA
Participates in WBCSD
annual meeting

PURCHASE AND SALE AGREEMENT
FOR THE SALE
OF HOLDINGS IN
NORTHWEST PARKWAY
AND GO-PASS MOBILITY
SERVICES



BCR
Repays bond in the amount
of €M 407

FITCH
Reaffirms BCR's BBB rating
Stable Outlook

JUL _

AUG _

SEP _

OCT _

NOV _

DEC _

MOBILITY 2.0 PRESENTATION
AT THE PARLIAMENT'S
COMMITTEE ON THE
ENVIRONMENT



BCR's TRAFFIC GREW
BY 7.3%
Release of 1st half
2016 results

BRISA/LIDL
Event at Grândola
Service Station

PRESENTATION OF PILOT PROJECT
VIA VERDE GOES WITH YOU
ON FERTAGUS IN PARTNERSHIP
WITH NOVABASE



BRISA ATTENDS ANNUAL
MEETING IN DENVER
IBTTA | International Bridge, Tunnel
and Turnpike Association

WITH BAGGAGES & LUGGAGE
Travels & Advantages (V&V) leisure

VOLUNTEER'S DAY
José de Mello Group

LAUNCHING OF VIA VERDE APP
FOR STREET
PARKING



EXAME MAGAZINE AWARD
Brisa O&M elected Best Services Company
for the 2nd consecutive year

BCR
Negotiates new funding
line in the amount of €M 50

ACREDITA PORTUGAL
Launching of Brisa Mobilidade 2017 Award

A5 NEW LINK TO BIRRE

VIA VERDE ESTACIONAR
Project lauched in Oporto

BCR
negotiates new €M 50 funding facility

BRISA AND AREAS
launch partnership for Service Areas

#AVISAQUANDOCHEGARES
(LET ME KNOW WHEN YOU ARRIVE)
Road Safety Campaign

02

STRATEGY AND BUSINESS MODEL



2.1 MACROECONOMIC OVERVIEW

2.2 MARKET TRENDS AND CHALLENGES

2.3 VALUES AND MISSION

2.4 BUSINESS MODEL AND STRATEGIC
PRIORITIES

2.5 RISKS

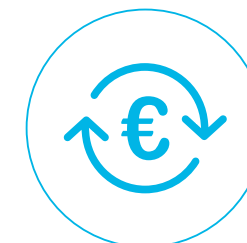
2.6 MATERIALITY ANALYSIS

2.7 MANAGEMENT APPROACH

2.8 DIALOGUE WITH STAKEHOLDERS



VALUES
ETHICS
EXCELLENCE
INNOVATION
PEOPLE



STRATEGIC
POSITIONING
OPERATIONAL EFFICIENCY
CLIENT CENTRIC

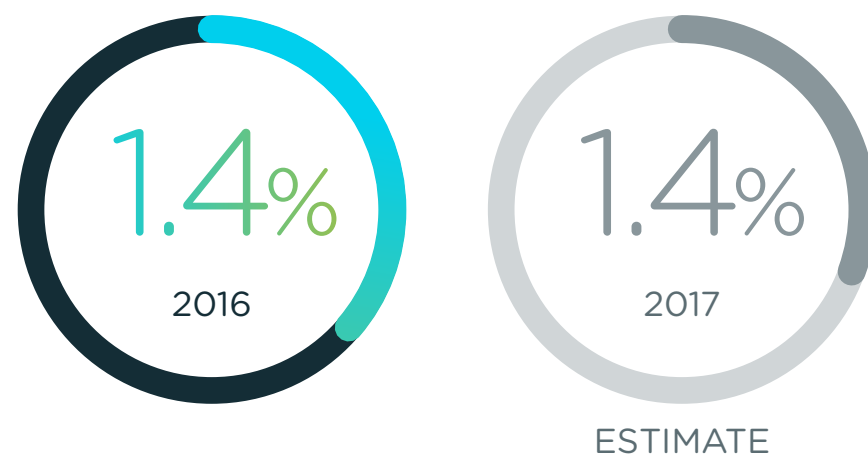
2.1

MACROECONOMIC OVERVIEW



PORTUGUESE GDP GROWTH RATE

PERCENTAGE (%)



ECONOMIC ACTIVITY

In 2016 the pace of global economic growth stepped up, though more markedly in developed economies than in emerging ones. World Gross Domestic Product (GDP) is estimated to have grown 3.4%, i.e. above the 3.1% recorded in 2015. This performance was upheld by buoyant internal demand, particularly in European countries and by improvement in the US labour market and US wages.

In Portugal, macroeconomic variables with largest impact on Brisa's activity (i.e. GDP, private consumption and inflation) all evolved favourably throughout the year. As a matter of fact, the latest indicators point to a GDP growth of 1.4% in 2016, driven by private consumption and a booming tourism sector, particularly in the second half of the year.

Inflation gained momentum throughout the year, countering the recent deflationary background recorded in most Euro countries. However, despite the recent rise, price indexes remained below ECB target: to reach inflation levels close to 2% at the most. In Portugal, the inflation rate stood at 0.6%, marginally above the 0.5% level recorded in 2015. This slight increase, stemming from a rallying economy, was propped up by increasing consumption and vibrant tourism.

According to projections released by both foreign and domestic entities, in 2017 and 2018 Portugal's GDP is expected to evolve in line with the past two years (expected annual growth of 1.4% in 2017 and 1.4% in 2018). An upswing in investment and continuing bustling tourism should offset any slowdown in private consumption.

Private consumption is likely to grow by 1.6% and 1.3% in 2017 and 2018, respectively. A sustained improvement in the labour market should partially offset an expected rise in prices, which may affect household income.

Inflation in Portugal is expected to continue to move upwards, reaching levels close to the Euro area average. For 2017 and 2018 inflation in Portugal is expected to reach 1.2% and 1.3%, respectively. The rise in energy prices should drive inflation in 2017.

GDP EVOLUTION IN PORTUGAL

PERCENTAGE (%)

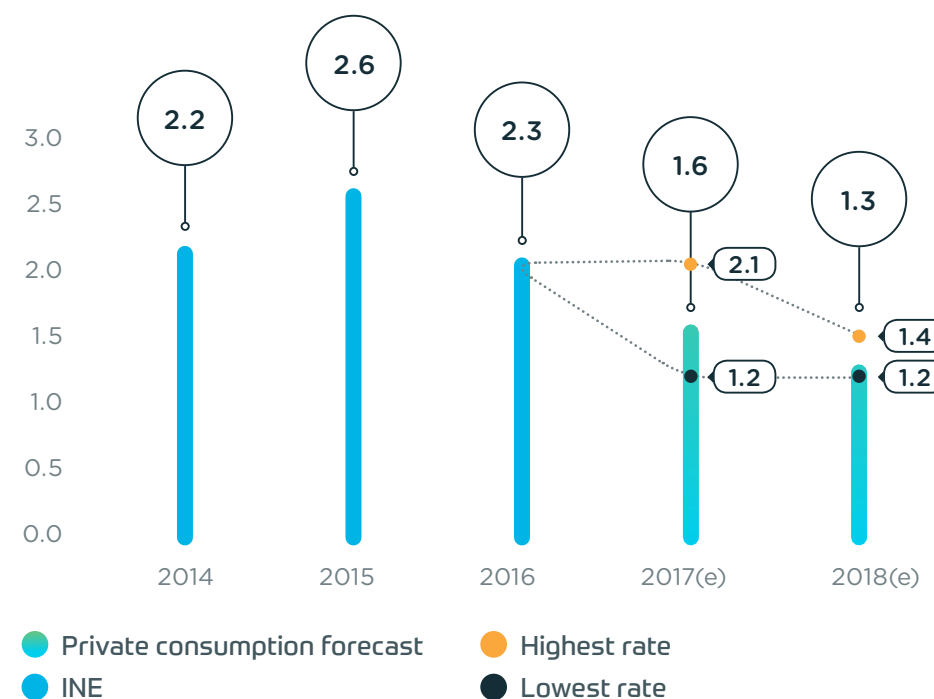


Note: Projections for 2017 and 2018 resulting of the average of estimates by the European Commission, Bank of Portugal, IMF and OECD. The highest projection for 2017 and 2018 came from the Bank of Portugal. The lowest projection was released by the IMF for both 2017 and 2018.

MACROECONOMIC OVERVIEW

EVOLUTION OF PRIVATE CONSUMPTION IN PORTUGAL

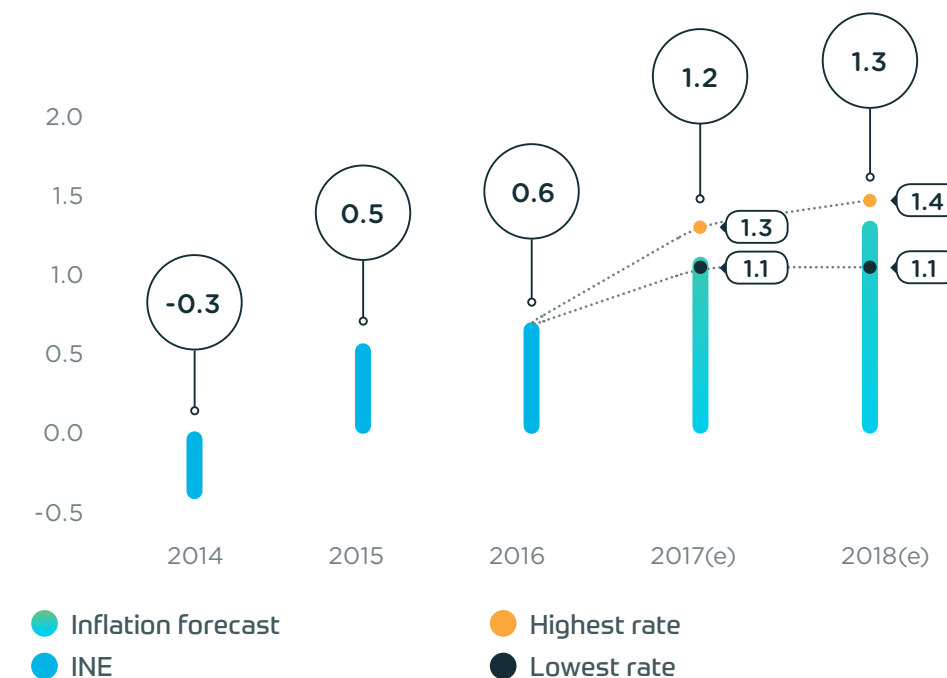
PERCENTAGE (%)



Note: Projections for 2017 and 2018 resulting of the average of estimates by the European Commission, Bank of Portugal, IMF and OECD. The highest projection for Private Consumption for 2017 and 2018 came from the Bank of Portugal. The lowest projection for Private Consumption for 2017 was released by OECD and by OECD and the European Commission for 2018.

EVOLUTION OF INFLATION IN PORTUGAL

PERCENTAGE (%)



Note: Projections for 2017 and 2018 resulting of the average of estimates by the European Commission, Bank of Portugal, IMF and OECD. The highest projection for inflation was released by Bank of Portugal and the European Commission for 2017 and by Banco de Portugal, the European Commission and the IMF for 2018. The lowest projection was released by OECD and the IMF for 2017 and by OECD for 2018.



2.3%

EVOLUTION OF PRIVATE CONSUMPTION IN 2016



0.6%

EVOLUTION OF INFLATION IN 2016



MACROECONOMIC OVERVIEW

BRISA CONCESSÃO RODOVIÁRIA (BCR) BOND SPREAD NARROWED DURING THE YEAR,

as recognition of the company's solidity and the protection that its financial and contractual structure provides to creditors

FINANCIAL MARKETS

The world's political environment witnessed some unexpected events, namely the British people's decision to leave the European Union (known as *Brexit*) and the result of the US presidential elections. The uncertainty surrounding these events led to periods of great instability and volatility in financial markets worldwide.

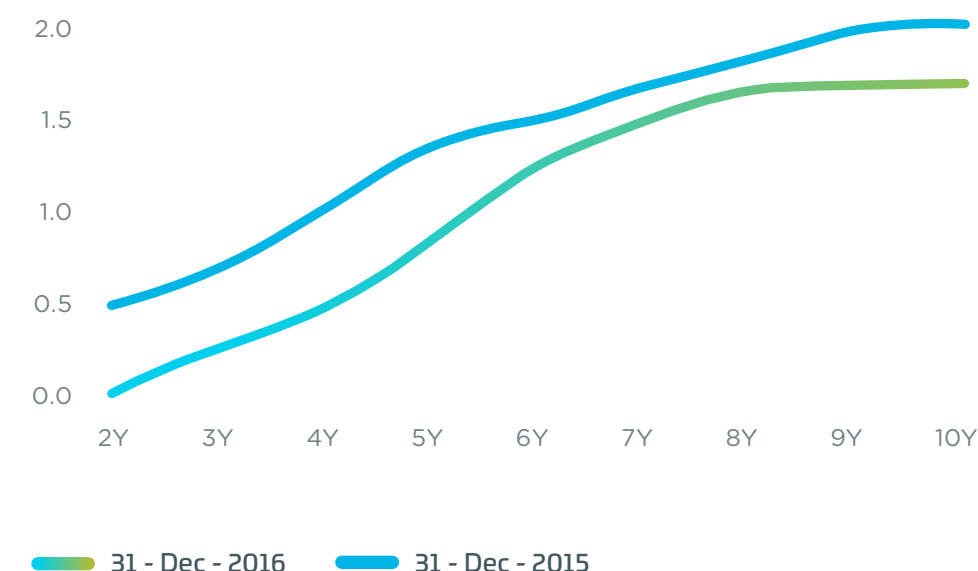
Against such background, the European Central Bank (ECB) kept its monetary stimulus policy, bringing its reference rate down to 0.0%. Moreover, it stretched the term of its bond buying programme and extended it to corporate issuers. Conversely, the US Federal Reserve (FED) raised its "FED Funds" rate to 0.5% -0.75%, and is expected to gradually accelerate the normalisation of its monetary policy during the current year (in March 2017 the FED has already increased its reference rate to the 0.75% - 1% range).

The exchange rate of the Euro against the US dollar closed 2016 at 1.0547, with the Euro weakening against the US Dollar by 3% as compared to the end of 2015. In average terms, the rate remained practically unchanged in relation to the previous year (1.107 and 1.110, respectively).

Meanwhile, fixed income markets continued to experience a decrease in swap rates in Europe (10-year swap rate stood at 0.64% at the end of the year, having dropped by 35 basis points in 2016). Translating an acceleration in the risk premium perceived by investors, the cost of the Portuguese sovereign debt increased throughout the year: 10-year bond yields rose from 2.5% at the end of 2015 to 3.75% at the end of 2016 and 5-year Credit Default Swaps (CDS) widened 112 bps (from 1.71% at the beginning of the year to 2.83% as of December). Conversely, the spread of Brisa Concessão Rodoviária (BCR) bonds narrowed during the year, as recognition of the company's solidity and the protection that its financial and contractual structure provides to creditors.

BCR SPREAD CURVE

PERCENTAGE (%)



Brisa does not have listed securities. However, BCR is one of the largest bond issuers in Portugal. The spread of BCR 2025's bonds narrowed by 23 basis points in 2016, from 1.84% to 1.61%.

FUEL PRICES AT THE PUMP

The annual average fuel price at the pump continued to fall in 2016, a trend ongoing since 2013. The annual average price of gasoline dropped 2.6%, but that of diesel fell even further (-4.8%). At the beginning of 2016 both gasoline and diesel prices at the pump stood close to minimum levels last recorded in 2010.

Fuel prices are strongly influenced by the price of Brent crude, which the main commentators predict to rise in 2017. However, the expected rise in fuel prices at the pump should be minimal, since taxes on fuel

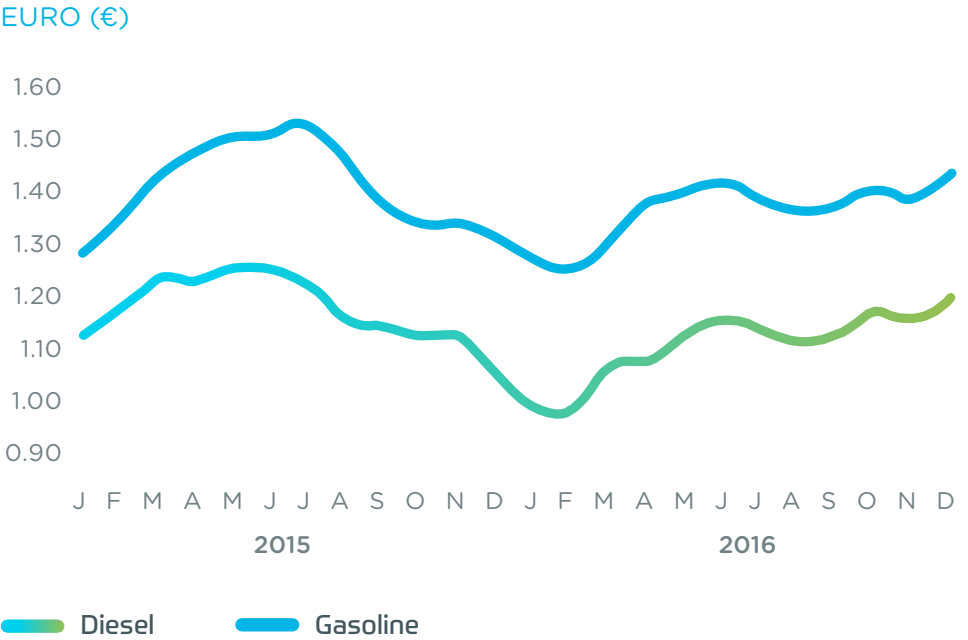
MACROECONOMIC OVERVIEW



DESPITE THE FALL IN FUEL PRICES, the volume of sales (cumulative as of October 2016) remained practically flat

products in Portugal correspond to absolute figures per litre, which do not vary significantly and the weight of which is relevant in the final price.

MONTHLY EVOLUTION OF PORTUGUESE FUEL PRICES AT THE PUMP, 2015-2016



Source: General-Directorate for Energy and Geology.

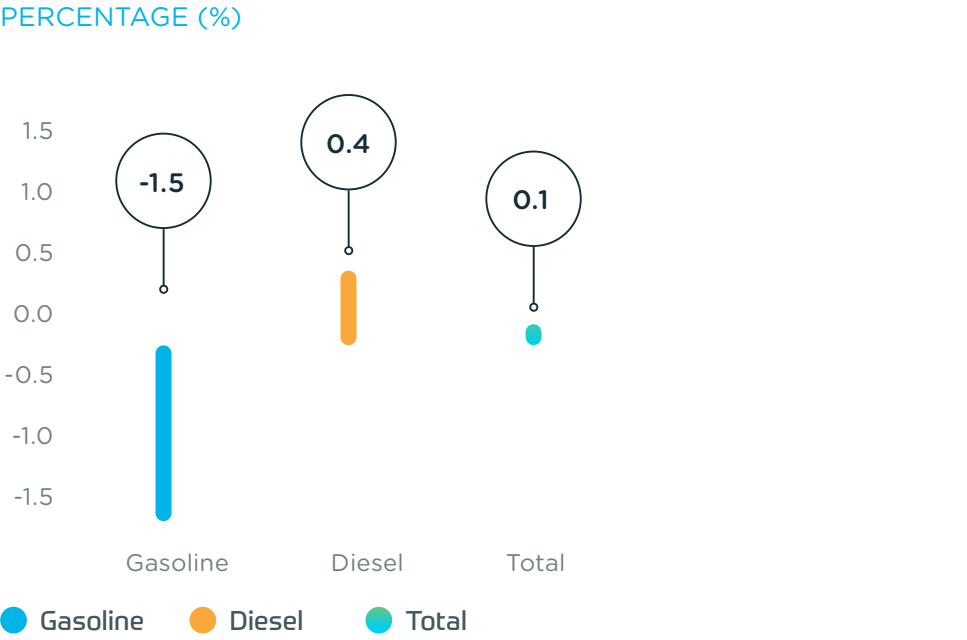
ANNUAL AVERAGE FUEL PRICES AT THE PUMP IN PORTUGAL, 2015-2016

	'15	'16	AGR
GASOLINE	1.45 €	1.42 €	-2.6 %
DIESEL	1.18 €	1.12 €	-4.8 %

AGR: Annual Growth Rate

Despite the fall in fuel prices, sales volumes (cumulative as of October 2016) was practically flat. In fact, total sales of gasoline declined, unlike diesel sales which were responsible for the slight increase in global fuel sales.

ROAD FUEL SALES, PORTUGAL, 2015-2016 (CUMULATIVE AS OF OCTOBER)



Source: General-Directorate for Energy and Geology.

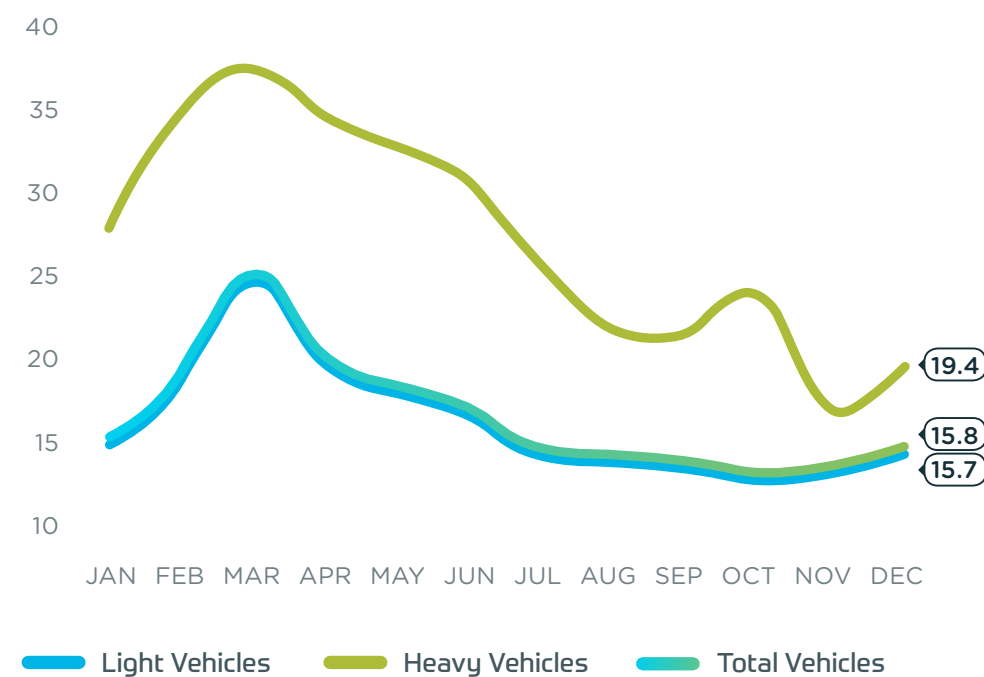
MACROECONOMIC OVERVIEW

THE CAR MARKET

The Portuguese car market continued to recover in 2016, as sales volume increased in relation to 2015. Following a 24% surge in 2015, in 2016 the number of cars sold in Portugal reached almost 250 thousand units, representing an increase in sales of 16%. Sales of heavy vehicles performed slightly better than light vehicle sales (19% vs. 16%).

CUMULATIVE MONTHLY EVOLUTION OF SALES OF NEW CARS IN PORTUGAL, 2015-2016

PERCENTAGE (%)



Source: ACAP, Associação Automóvel de Portugal

Note: The line showing the cumulative sale of light vehicles practically overlaps the line of total vehicles sales, since the number of heavy vehicles sold is comparatively low, almost irrelevant.



2.2

MARKET TRENDS AND CHALLENGES

MARKET TRENDS AND CHALLENGES

The world is constantly evolving, not merely in economic and environmental terms but also in the social area, as people's habits and behaviours keep changing. Technology advancement relating to the research and development of new solutions gives rise to numerous and up until recently, unimaginable innovation. This innovation stimulates changes and challenges the way companies and markets are organised and do business, as well as people's behaviours.

The transport and mobility sector is one of the sectors that has undergone the largest transformation, and many more changes are to come in the next few years. Some of these changes are spurred by new customer needs and they cross multiple areas; this is clear in the

growing use of digital devices and channels, such as the use of mobile devices and Apps, combined with the need to be continuously connected, with access to real-time updates and testing new versions.

Challenges arising from new consumer trends trigger other challenges specific to the transport and mobility sector: connected cars, autonomous vehicles, drones, smart cities, Mobility as a Service (MaaS) and respective integrated mobility platforms, new forms of mobility (carsharing, ridesharing, bikesharing), focus on the supply of mobility services rather than focus on the infrastructure, integration of mobility data using Big, Smart and Open Data, with cars seen as a connected mobile space rather than just an object for transportation purposes.

THE TRANSPORT INFRASTRUCTURES AND MOBILITY SECTOR

is one of the sectors that has undergone the largest transformation. Brisa is responding successfully to the new challenges



2.3 VALUES AND MISSION

The Brisa Group has played a key role in the financing, planning, construction and operation of the network of motorways which forms the backbone of the Portuguese road system. This experience has helped to create a Group culture based on the **values of Ethics, Innovation, Excellence and People**, heavily geared towards promoting mobility and accessibility, with major economic and social benefits for the activities and the communities that it serves.

This is why Brisa sees itself as a “Partner for the Development of Portugal”, a vision which it extends to all geographies where it operates either as road concessionaire and/or as provider of advanced road services.

For more than 40 years Brisa has led the market and has established a structured and internationally recognised operational model for road infrastructures. The emergence of new trends, technological developments and changes in people’s behavioural patterns mark the dawn of a new era, where the concept of Mobility takes on a broader significance and brings new challenges with it. Against this background, Brisa has redesigned its strategy and defined a new vision, where Mobility is central and a necessary premise for growth and development.

This new vision implied redefining Brisa’s values and positioning.

VALUES ON WHICH BRISA’S CULTURE IS BASED



VALUES AND MISSION

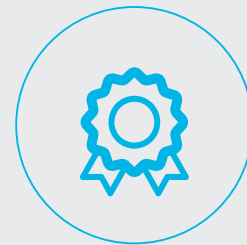


BRISA GROUP'S CULTURE IS STRONGLY GEARED TOWARDS PROMOTION OF MOBILITY AND ACCESSIBILITY, based on values of Ethics, Excellence, Innovation and People



ETHICS

Brisa promotes transparent management practices aligned with the organization's values, standards and principles of ethics. Brisa promotes the use of these practices by all employees in every segment of the Group.



EXCELLENCE

Brisa promotes a culture based on excellence and strictness in practices, procedures and processes. This way of doing things allows it to be recognised at national and international levels.



INNOVATION

Brisa promotes the development of its businesses according to the highest standards in terms of technology and innovation. Innovation is a critical and differentiating factor of success.



PEOPLE

Brisa is focused on people: employees (promoting their access to training and career development, promoting a balance between one's personal and professional life, adequate labour practices, health and safety at work), and clients (putting them at the centre of attentions, according to the company's positioning).

VALUES AND MISSION

The combination of investment / induced demand, from a pure road management point of view gave rise to a new equation with multiple variables – economic, political, demographic, technological and behavioural – which directly influence the business model and create new structural disruptions:

- Changes in of the pattern of urban mobility, new models and options of integrated transports;
- People who are more rational in their choices regarding travel and means of transport, more demanding and better informed, thanks to technological developments and easy access to them;

- Social and environmental awareness, greater attention being paid to topics like sustainability, renewable energies and the rational use of resources, namely infrastructures;
- Sustainable and financially accessible mobility solutions

In order to provide efficient mobility to its clients and financially viable conditions for the company, Brisa should go beyond infrastructures and adapt to respond with efficient solutions that meet the new needs.

A new positioning has emerged from this vision, which is clearly focused on people and efficiency.



BRISA'S MISSION

Provide efficient mobility for people.

BRISA'S NEW POSITIONING AND MISSION

ONGOING OPERATIONAL EFFICIENCY

- Careful and highly efficient management of road infrastructures;
- Increase in productivity by optimising existing resources and commitment to new technologies.



CLIENT CENTRIC

- Focus on the client;
- Innovating, efficient and client-centric mobility and accessibility solutions;
- Response to better informed and more demanding clients, who are more aware of their choices.



A NEW POSITIONING
HAS EMERGED
which is clearly focused
on people and efficiency

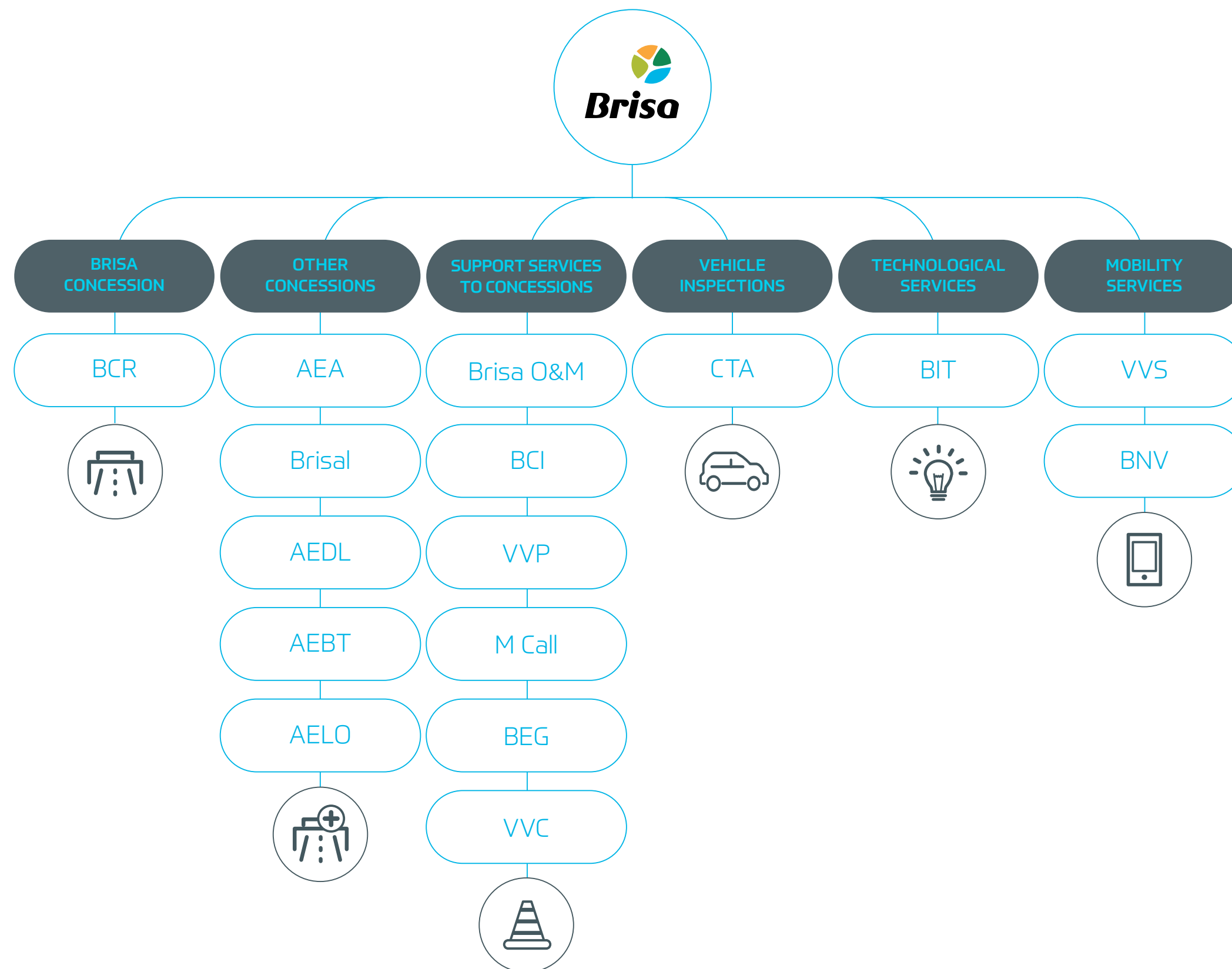
2.4

BUSINESS MODEL AND STRATEGIC PRIORITIES

BRISA'S SIMPLIFIED ORGANISATION CHART

BRISA AUTO-ESTRADAS DE PORTUGAL, WHICH WAS ESTABLISHED IN 1972, IS CURRENTLY THE LARGEST PRIVATE TRANSPORT INFRASTRUCTURES COMPANY IN PORTUGAL

Supported by a strong operational and technological know-how, Brisa is recognised for the efficient management of its road concessions and the development and marketing of new mobility solutions



BUSINESS MODEL

PORTFOLIO MANAGER

Brisa's business model, as a portfolio manager, seeks value creation for the different stakeholders through the optimization of the generated value by each of its businesses, as well as, through investment opportunities and assets' divestment.

To maximize the value creation and the medium and long term performance of its businesses, it's essential for Brisa

a careful asset management and the continuous development of the opportunities they generate. Thus, **Brisa focuses simultaneously on generating value from its assets** – through operational efficiency, rigorous CAPEX management, financial efficiency and optimisation of Capital – **and on new growth opportunities**.

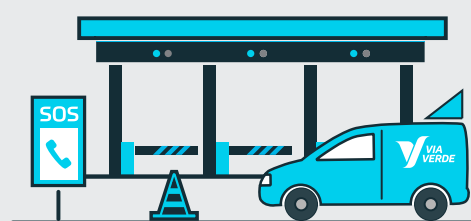
Each business segment has its own business model, which requires different typologies and capitals' intensity used in the activity, that, driven by different operational drivers, create value for the stakeholders.



PORTFOLIO MANAGER Main Business Areas



ROAD CONCESSIONS
Brisa Concessão Rodoviária (BCR)
Other Concessions



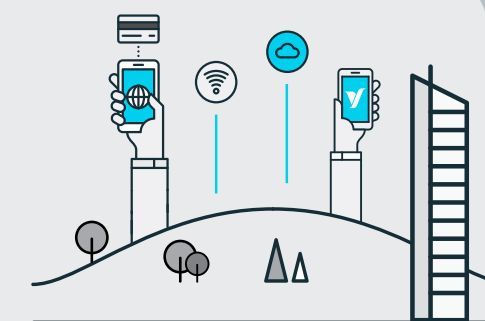
SUPPORT SERVICES TO CONCESSIONS



VEHICLE INSPECTIONS



TECHNOLOGICAL SERVICES



MOBILITY SERVICES

BUSINESS MODEL

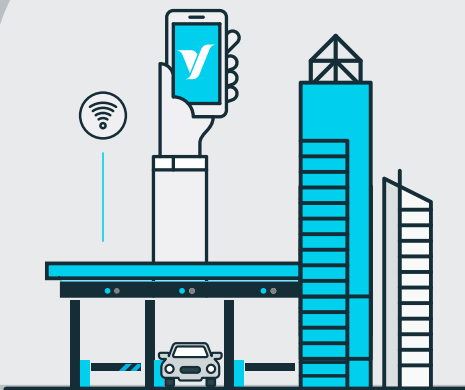
DRIVERS FOR VALUE CREATION

OPTIMISATION OF EXISTING PORTFOLIO

Brisa focuses simultaneously on generating value from its assets...

NEW OPPORTUNITIES

...and on new growth opportunities



OPERATIONAL PERFORMANCE

Maximise cash generation, based on high operational efficiency and a careful management of investments



FINANCIAL MANAGEMENT

Improve Brisa's financial capacity based on a prudent, disciplined and efficient financial management of BCR and remaining concessions



OPTIMISATION OF CAPITAL

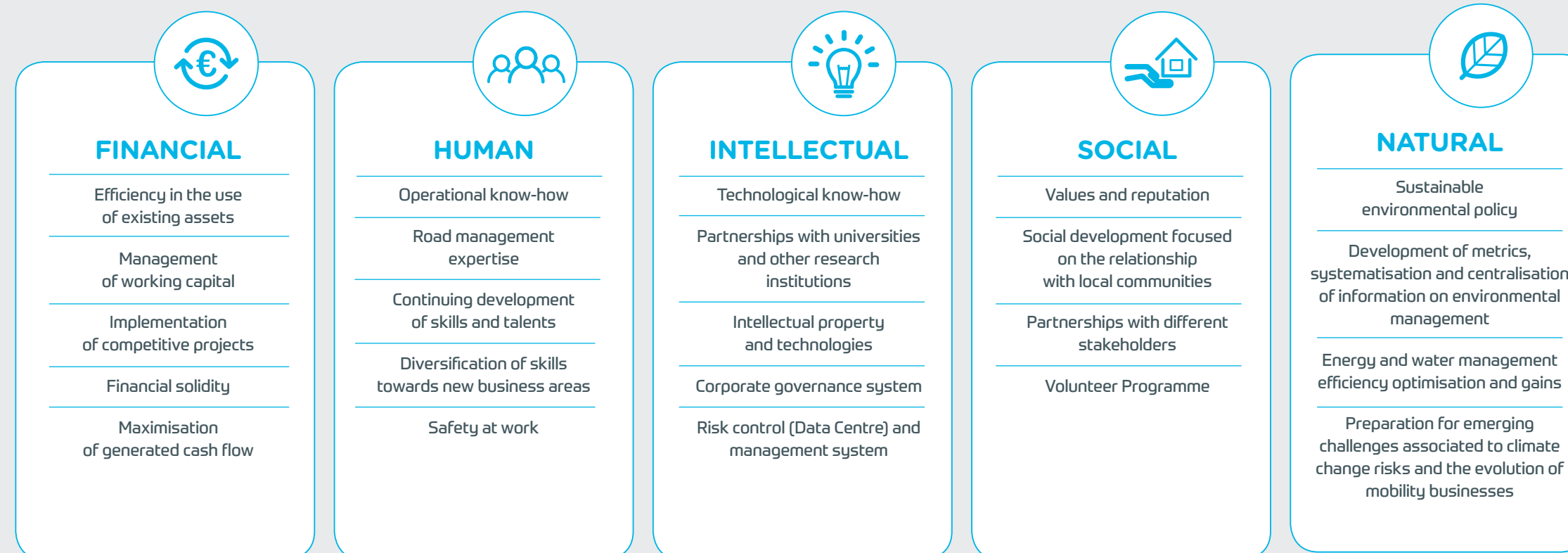
Efficient allocation of the available capital. Minimization of the cost of capital, maximizing the value of the assets



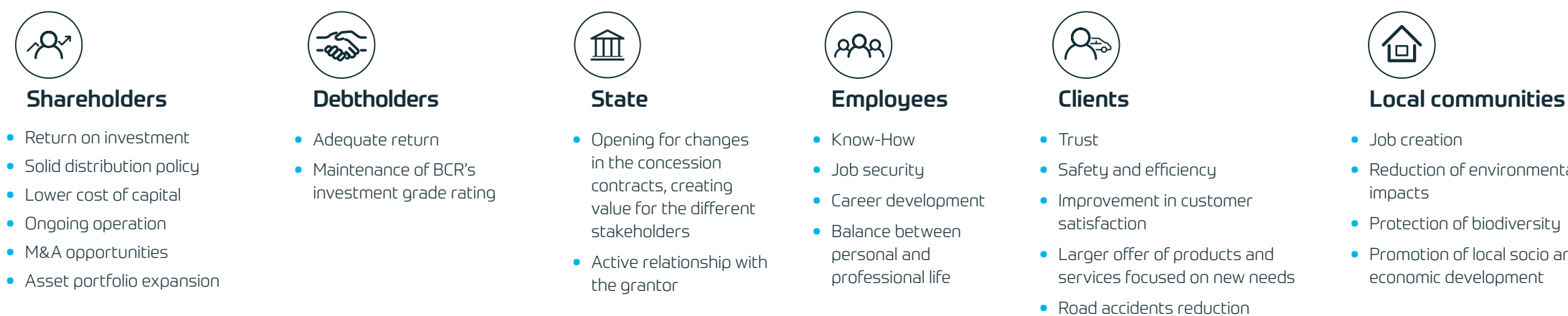
NEW OPPORTUNITIES FOR VALUE CREATION

Generate complementary revenue sources, further expanding existing business units. Development of new products and services as provider of technology and new mobility services, focused on the client's needs

RELATION WITH THE CAPITALS



VALUE CREATION FOR STAKEHOLDERS



STRATEGY AND BUSINESS MODEL

STRATEGIC PILLARS

Brisa's business portfolio management aims at achieving a profitable and sustainable growth, according to strategic priorities based on **3 pillars**, promoting a gradual evolution from the era of infrastructures to the era of mobility.

Based on these 3 strategic pillars Brisa seeks continued market recognition as a road infrastructures company that is capable of providing innovating mobility solutions to its clients.



1. CORE EXPAND AND PROTECT THE CORE BUSINESS

Protect and maximise value creation generated by existing businesses marked as core, achieving operation excellence and financial optimisation.

CAREFUL AND EFFICIENT MANAGEMENT AND OPERATION OF CURRENT ASSETS:

- Road concessions (BCR and Other Concessions)
- Support services to the Concessions (Brisa O&M, BCI, BEG, VVP, VVC, M Call)
- Vehicle Inspections (Controlauto)



2. GROWTH CREATE EMERGING BUSINESSES

Develop capacities and explore opportunities for promising/rising businesses based on a careful selection of opportunities with high potential to become emerging growth drivers.

FOSTER INTERNAL TECHNOLOGICAL KNOW-HOW:

- Traffic Management
- Toll Collection
- Urban Mobility



3. EXPERIMENTATION DEVELOP VIABLE SOLUTIONS THAT ARE STRATEGICALLY ALIGNED

Create a portfolio with diversified options, fostering entrepreneurship, new business creators and promoting adequate incentives.

PROVIDE NEW MOBILITY SOLUTIONS:

- Meet personal mobility needs
- Generate complementary sources of revenue through the Via Verde Ecosystem



STRATEGY AND BUSINESS MODEL

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Brisa's continued commitment to implementing sustainable development in line with respective global, political and corporate initiatives clearly shows that the group recognises the importance and potential of the United Nations Sustainable Development Goals (SDGs), which Portugal has subscribed on September 25, 2015.

Corporations will play a crucial role in addressing this century's economic, environmental and social challenges at global and local levels.

The alignment of Brisa's strategy with the Sustainable Development Goals will be further developed in 2017, namely by analysing the different impacts of the company's business on the 17 SDGs.

Brisa has already identified a first group of SDGs which conform to its corporate activity, namely the following:

SDG 3 - Ensure healthy lives and promote well-being for all at all ages

SDG 9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

SDG 11 - Make cities and human settlements inclusive, safe, resilient and sustainable

SDG 12 - Ensure sustainable consumption and production patterns

SDG 13 - Take urgent action to combat climate change and its impacts

SDG 17 - Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

In 2016, Brisa, jointly with its partners in the Sustainable Mobility Project of the World Business Council for Sustainable Development (WBCSD), endorsed by the European Union and recognised by the United Nations, have analysed the impacts and adherence to this tool in the development of sustainable urban mobility planning.



2.5 RISKS

RISK MANAGEMENT POLICY IS ESTABLISHED IN AN INTEGRATED WAY, AT GROUP LEVEL, directly involving the governing bodies of the various companies of the Brisa Group, as well as all remaining corporate structures

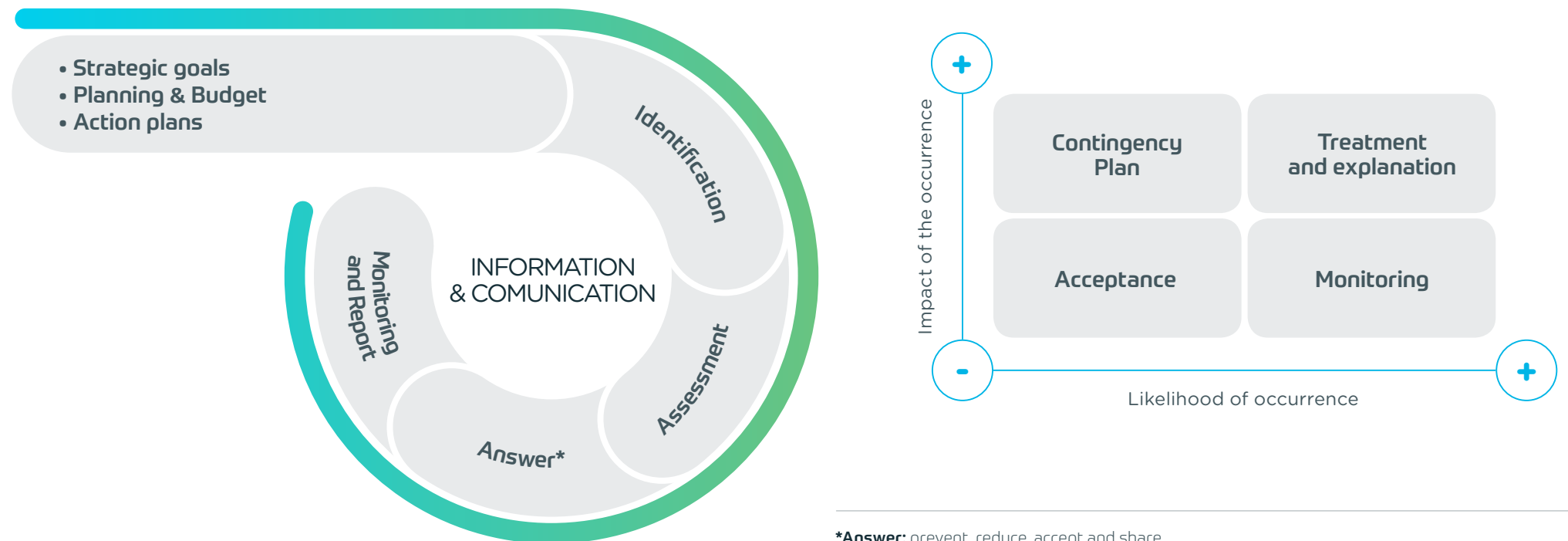
2.5.1 DESCRIPTION OF THE IDENTIFICATION AND RISK MANAGEMENT PROCESS

The aim of Risk Management is to ensure the sustained growth of the businesses and to safeguard the value of the Brisa Group, through the adoption of the best practices, allowing in-house knowledge to be capitalised. The effective management of the risks to which Brisa is exposed takes into account the following 4 risk dimensions:

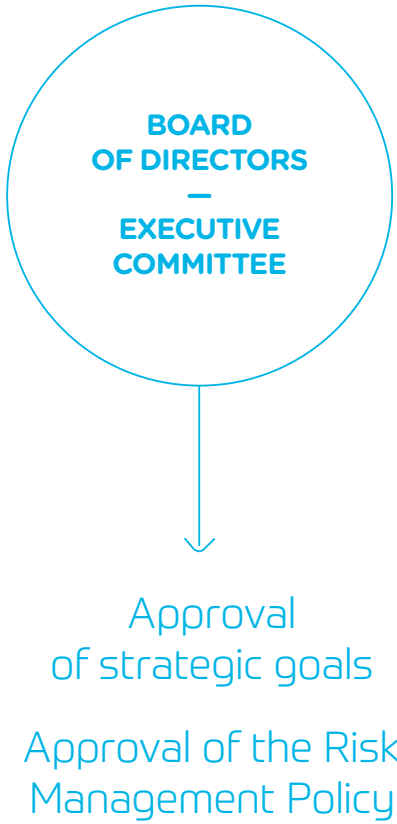
- Strategic risks
- Compliance Risks
- Financial Risks
- Operational Risks

The Risk Management Policy is established in an integrated way, at Group level, directly involving the governing bodies of the various companies of the Brisa Group, as well as all remaining corporate structures. An essential cornerstone of the Corporate Governance, Risk Management is present in Brisa's culture and in its management processes, as employees are expected to mitigate risk factors, minimizing their impact and probability, and identifying whenever possible, opportunities for improvement and/or return.

The Brisa group's risk management system is based on the internationally recognised methodology – COSO (Committee of Sponsorship Organizations of the Treadway Commission) which is developed as follows:



RISKS



The process implemented within the Group, in addition to ensure convergence of risk management with strategic planning, allows updating the identification and assessment of the main risks of Brisa’s business portfolio on a regular and systematic basis. Additionally, it allows to determine the respective control and/or mitigation measures which, in the current context of new business trends - efficient management of infrastructures for the development of new mobility solutions - are particularly important to support the management regarding a strategic perspective of the sustained development of the whole Brisa Group.

The following chart summarises the role of the different players:

Internal Audit, in addition to supporting the implementation of the risk management system, makes an ongoing assessment of established procedures in order to ensure that the risk management system stays aligned with the strategic goals laid down by the Board of Directors and that the identified risks still apply.

The Supervisory Board is responsible for controlling the risk management policy and system, in conjunction with the Board of Directors, promoting an annual assessment of the system and proposing the necessary measures to improve it.

RISK AND CONTROL	FUNCTIONS	RESPONSABILITIES
1 ST LINE OF DEFENCE BUSINESS UNITS	Business and support areas: <ul style="list-style-type: none">Managing DirectorsRisk owners/business process owners	<ul style="list-style-type: none">Identify and assess the risks of business areasImplement the risk management processDefine and implement internal controls
2 ND LINE OF DEFENCE CONTROL FUNCTIONS	<ul style="list-style-type: none">Strategic PlanningFinancial ControlRisk ControlOrganisation and QualityLegal	<ul style="list-style-type: none">Define and implement policies, processes and proceduresEnsure the alignment of risk management with strategic goalsIdentify changes in risk appetiteMonitor the adequacy and efficiency of the risk management process and internal control system
3 RD LINE OF DEFENCE INTERNAL AUDIT	<ul style="list-style-type: none">Internal AuditExternal AuditSupervisory Board	<ul style="list-style-type: none">Perform independent assessmentsIdentify improvement opportunitiesReporting to top management

RISKS

2.5.2 IDENTIFICATION OF RISKS (RISK MATRIX)

OPERATIONAL

Risk associated with operational management stemming from activities likely to have significant impact on ongoing business.

STRATEGIC

Risk associated with the definition and implementation of the strategy and timely responsiveness to internal and external events likely to significantly influence the Group's competitive position.

FINANCIAL

Risk associated with the financial management of the Group, namely liquidity, interest rate and foreign exchange rate or credit risk of main counterparties in financial transactions.

COMPLIANCE

Risk associated with compliance with the law, regulations, internal procedures or contracts.

INTEGRATED RISK MANAGEMENT SYSTEM

OPERATIONAL

- Safety and health at work
- Maintenance of the infrastructure
- IT safety
- Talent management
- Information security
- Fraud/Corruption

STRATEGIC

- Traffic
- Regulation
- Technological evolution
- Competition
- Mobility
- Reputation



FINANCIAL

- Interest rate
- Counterparty
- Exchange rate
- Funding & Liquidity

COMPLIANCE

- Concession Contract
- Environment
- Protection of personal data
- Legal/Contractual
- Financing contracts
- Tax

THE GROUP'S INTEGRATED RISK MANAGEMENT

is based on the internationally recognised COSO methodology (Committee of Sponsorship Organizations of the Treadway Commission)

RISKS

2.5.3 BRISA'S RESPONSE TO IDENTIFIED RISKS

Brisa has plans of action that allow an effective response to all identified risks through the implementation of control and mitigation measurements. Some examples of Brisa's response to the identified risks are as follows:

OPERATING RISKS

RISK	TREATMENT/RISK RESPONSE
SAFETY AND HEALTH AT WORK	<ul style="list-style-type: none">• Internal specialised structure• Occupational safety and health procedures for hazardous activities• Continuous training of employees• Safety audits
MAINTENANCE OF THE INFRASTRUCTURE	<ul style="list-style-type: none">• Identification and monitoring of critical intervention areas• Planning of interventions (priority/criticality)• Performance of improvement works• Renewal of equipment• Alarms and monitoring

STRATEGIC RISKS

RISK	TREATMENT/RISK RESPONSE
TRAFFIC	<ul style="list-style-type: none">• Traffic budget based on macro economic studies by external entities• Preparation of sensitivity scenarios/analyses• Planning of interventions/road network maintenance• Regular monitoring of Average Daily Traffic (ADT)
REGULATION	<ul style="list-style-type: none">• Follow-up of regulatory developments• Benchmarking of international trends• Management and interaction with stakeholders (IMT and Government Bodies)• Active presence in sector associations (APCAP and ASECAP) and institutional organisations (WBCSD, BCSD, ITF, CIP)
TECHNOLOGICAL EVOLUTION	<ul style="list-style-type: none">• Alignment with the best market practices• Policy of partnerships with universities and companies• Investment in new solutions• Permanent contact with R&D funding agencies (national and international)

RISKS



FINANCIAL RISKS

Response to all financial risks:
Follow-up and monitoring of financial markets, particularly as concerns

critical variables for Brisa, such as interest rates, credit spreads, credit ratings of main counterparties or exchange rate.

RISK	TREATMENT/RISK RESPONSE
INTEREST RATE	<ul style="list-style-type: none">Adequacy of the fixed rate/floating rate mix to market conditions and/or contractual requirements of each companyUse of financial instruments for managing interest rate risk (hedging)Sensitivity analyses
COUNTERPARTY	<p>Financial applications:</p> <ul style="list-style-type: none">Investment policy concerning treasury surplus, determining the maximum limit of exposure per financial instrument and bank counterparty. In 2016 a new risk allocation model was implemented, based on country risk, credit risk and concentration risk:<ul style="list-style-type: none">The model is dynamic, adjusting to cash balances at any timeRegular review of each counterparty limit and daily monitoring of trigger events <p>Clients:</p> <ul style="list-style-type: none">Control of the clients current account and credit claims
EXCHANGE RATE	<ul style="list-style-type: none">Regular re-assessment of exposures stemming from investments in foreign currencyUse of financial instruments for managing exchange rate risk (hedging)
FUNDING AND LIQUIDITY	<ul style="list-style-type: none">Conservative funding and liquidity policy:<ul style="list-style-type: none">Ensure timely and efficient refinancing of debt repaymentsKeep a smooth amortisation profileExtend the average maturity of debt to make it more consistent with the long term assetsMake highly-liquid financial applications

RISKS

COMPLIANCE RISKS

RISK	TREATMENT/RISK RESPONSE
CONCESSION CONTRACT	<ul style="list-style-type: none">• All time communication with the Grantor• Compliance with contract provisions• Implementation and monitoring of the Quality Control Plan (QCP)• Implementation of the Maintenance and Operation Manual (MOM)• Monitoring of compliance with information duties
ENVIRONMENT	<ul style="list-style-type: none">• Integration of environmental goals in the company’s strategy• Environmental Policy• Compliance with environmental and social sustainability and governance criteria and the law• Focus on continuous improvement and sustainable performance of the business• Environmental audits• Monitoring of environmental indicators• Environmentally certified companies (ISO 140001)• GRI Reporting
PERSONAL DATA PROTECTION	<ul style="list-style-type: none">• Implementation of specific compliance programmes• Withdrawal and updating of authorisation applications to CNPD• Training of key area users• Revision of profiles and access authorisations (logical and physical)• Revision of rules and procedures



2.6 MATERIALITY ANALYSIS



CONSULT
GRI Table

DIALOGUE WITH STAKEHOLDERS IS A CORNERSTONE OF BRISA'S STRATEGY.

Identify critical subjects and establish a positive relation with stakeholders requires increasingly fine-tuned scrutiny mechanisms

Brisa discloses its financial, social and environmental information according to AA1000 APS (2008) and G4, a tool which aligns the information in this report with expectations of stakeholders and the company's materiality.

Brisa undertook an independent review of financial, social and environmental topics from the point of view of its business strategy. To do so Brisa developed a holistic approach that embraces the vision of its main stakeholders and peer companies, as well as the main trends in the management and topics that affect the company's business risk.

Brisa systematised the approach followed to determine its material topics:

CONSULTATION OF STAKEHOLDERS

Questionnaires were given to internal stakeholders to find out the employees' main expectations.

A materiality review exercise was developed from the perspective of the different external stakeholders, with the objective of assessing the relevance that the topics have in two aspects: for Brisa's business and for stakeholders.

BENCHMARK ANALYSIS

Brisa developed a benchmark analysis of 7 peer companies in the transport infrastructures sector - at national and international levels -

considered as benchmark in the management of financial, social and environmental issues.

SECTOR'S TREND ANALYSIS

A review was made of the main trends, impacts and risks which must be addressed by Brisa in its business and sustainability strategy, from an integrated perspective.

ANALYSIS OF REPUTATIONAL RISK

Analysis of the topics and respective favourable or unfavourable impacts that directly affect the reputation of the Brisa brand.

Based on the methodology presented, 8 topics considered as being material for Brisa's business and simultaneously for the main stakeholders were identified, as shown in the following table.

The eight topics considered to be material served as a basis for the definition of strategic areas of action and for the prioritization of projects, initiatives and actions which were developed during 2016.

After identification of the material topics, Brisa identified the respective GRI version G4 indicators, through which Brisa monitors performance for report to the stakeholders.

For further information see GRI table attached to this report.



MATERIALITY ANALYSIS



THE EIGHT TOPICS DEEMED MATERIAL

are the rationale behind the definition of strategic areas for the development of sustainability initiatives



2.7

MANAGEMENT
APPROACH

DISCLOSURE ON MANAGEMENT APPROACH

MATERIAL TOPICS	MANAGEMENT APPROACH (DMA)
ECONOMIC PERFORMANCE	Brisa considers operational efficiency and economic performance to be one of the cornerstones of its management. It promotes good management practices, in both the financial and non financial fields. Continuous search for improvement in efficiency is a cornerstone of Brisa's strategy
CUSTOMER SATISFACTION	Brisa assumes that customer management and satisfaction are at the core of its business strategy. In this sense, we monitor the satisfaction of our clients and continually improve our services, through the maintenance and/or enhancement of our infrastructures
SERVICE EFFICIENCY	Brisa intends to continually improve service efficiency by investing in quality, road safety and intelligent traffic management.
TRANSPARENCY IN MANAGEMENT PRACTICES	Brisa promotes transparent management practices aligned with its ethics, internal organisation rules and the law.
INNOVATION IN PRODUCTS AND SERVICES	In a continuously changing environment, Brisa promotes the development of its business in accordance with the most demanding technology and innovation standards, as a critical factor of success and business differentiating factor.
ENVIRONMENTAL ACTION AND AWARENESS	The management of environmental aspects throughout the life cycle of the motorways is one of Brisa's priorities, namely the prevention, mitigation and offsetting of impacts, as well as the anticipation of new risks and the continuous search for innovating opportunities and solutions.
RELATIONSHIP WITH AND IMPACT ON LOCAL COMMUNITIES	Brisa values its relationship with the local communities in every stage of its activity and enhances the positive impacts on society, through investment in the recruitment and hiring of local suppliers, the development of operational solutions adjusted to respective realities, cooperation models and support to social and human development.
PROFESSIONAL DEVELOPMENT AND LABOUR PRACTICES	Brisa values its human capital with training and career development, integration programs, promoting work-life balance and health and safety at work.

2.8 DIALOGUE WITH STAKEHOLDERS

Stakeholders have legitimate expectations that define the material issues for Brisa. Identifying the critical topics and building a positive relationship with all stakeholders requires segmented and dedicated scrutiny mechanisms.

BENCHMARK ORGANISATIONS

The most important stakeholders were identified based on two criteria: the stakeholder's impact on Brisa and Brisa's impact on the stakeholder.

A comprehensive identification of each stakeholder's expectations and the respective response are articulated with the materiality analysis referred to in the previous sub chapter and is systematised through AA1000 APS standard.

Brisa is an active member of various organizations, including sector associations and benchmark entities associated with sustainable development.

Except for the United Nations Global Compact, Brisa is present in the management boards of all such organisations.

UNITED NATIONS GLOBAL COMPACT

This is a corporate citizenship initiative launched by the United Nations in 2000 that involves stakeholders based on universally accepted principles: the Universal Declaration of Human Rights, Declaration of the International Labour Organization on the Fundamental Principles and Rights at Work, the Rio Declaration on the Environment and Development.

BRISA IS AN ACTIVE MEMBER OF A SET OF ORGANISATIONS, including sector associations and benchmark entities associated with sustainable development



Association of Portuguese Concession Companies of Toll Motorways or Bridges



World Business Council for Sustainable Development



International Transport Forum



International Bridge, Tunnel & Turnpike Association



Business Council for Sustainable Development



European Association of Operators of Toll Road Infrastructures



Portuguese Road Centre



Fórum para a Competitividade




DIALOGUE WITH STAKEHOLDERS




BRISA IS A SIGNATORY
OF THE UNITED NATIONS
GLOBAL COMPACT
reinforcing its public
commitment to sustainable
development



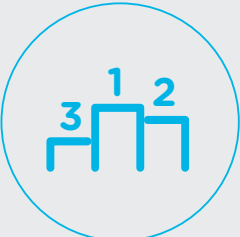
Brisa signed the United Nations Global Compact on 8 October 2007, reinforcing its public commitment to sustainable development. Membership enhances the integration of values of sustainable development in Brisa’s value chain.

PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT		PAG
1	Support and Respect the protection of human rights	191-199
2	Prevent human right abuses	191-199
3	Support freedom of association at work	192
4	Abolish forced labour	198-199
5	Abolish child labour	198-199
6	Eliminate discrimination in respect of employment and occupation	169-170; 196-198
7	Support a precautionary approach to environmental challenges	133
8	Promote environmental responsibility	132-138
9	Encourage environmentally friendly technologies	139-147
10	Combat corruption in all its forms, including extortion and bribery	201-202



STAKEHOLDERS	FORMS OF SCRUTINY (PHASE 1)	EXPECTATIONS (PHASE 2)	RESPONSE (PHASE 3)	MATERIAL TOPICS
 <p>REGULATOR</p>	<ul style="list-style-type: none"> • Active management of the Concession Contract • Prior, formal and informal meetings 	<ul style="list-style-type: none"> • Fulfilment of the Concession Contract 	<ul style="list-style-type: none"> • Creation of events/activities/queries • Strict fulfilment of the Concession Contract • Definition of criteria to improve the provision of services • Optimisation of technical solutions • Development of specific studies 	<ul style="list-style-type: none"> • Fulfilment of the Concession Contract
 <p>EMPLOYEES</p>	<ul style="list-style-type: none"> • Employee website and Quality website • Irregularities Disclosure Channel and Ethical Ombudsman • Regular meetings of the Workers' Commission • Meeting of the Quality and Sustainability Managers • Follow-up of management systems • Training Assessment Questionnaire • Internal Quality Auditing Satisfaction Questionnaires • Active Improvement Opportunities System 	<ul style="list-style-type: none"> • Job stability • Prospects of professional progress • Working conditions 	<ul style="list-style-type: none"> • Employees' management processes, e.g: <ul style="list-style-type: none"> - Performance management - Careers - Remuneration - Training - Communication channels (See channels mentioned in column "Forms of Scrutiny") 	<ul style="list-style-type: none"> • Talent management • Health and Safety • Corporate culture • Professional development and labour practices
 <p>GOVERNMENT</p>	<ul style="list-style-type: none"> • Active management of the follow-up of contractual obligations • Permanent contact 	<ul style="list-style-type: none"> • Fulfilment of the Concession Contract 	<ul style="list-style-type: none"> • Negotiation process, with impact on the Concession Contract • Contract management • Creation of events/activities/queries • Drafting of reports 	<ul style="list-style-type: none"> • Fulfilment of the Concession Contract • Ethics and Transparency

STAKEHOLDERS	FORMS OF SCRUTINY (PHASE 1)	EXPECTATIONS (PHASE 2)	RESPONSE (PHASE 3)	MATERIAL TOPICS
 PARTNERS	<ul style="list-style-type: none"> Proposals of the trade unions and negotiating process Regular meetings (monthly or quarterly) Parity commissions (when necessary) Management of Works Contract 	<ul style="list-style-type: none"> Fulfilment of contracts and protocol in force Creation of opportunities and active collaboration in developed initiatives 	<ul style="list-style-type: none"> Analysis of the proposals, suggestions and complaints Negotiation of the Collective Bargaining Agreement Model of network innovation Development of long term joint ventures Partnership protocols with universities and research institutions Support to the production of scientific literature 	<ul style="list-style-type: none"> Eco-system of innovation Certification Ethics and Transparency
 SHAREHOLDERS	<ul style="list-style-type: none"> Brisa website, email, telephone number 	<ul style="list-style-type: none"> Transparent and accurate information 	<ul style="list-style-type: none"> Regular information via available channels: Integrated Report (Financial and non financial information) Brisa website, email, telephone number Meetings and specific events, such as the General Meeting 	<ul style="list-style-type: none"> Economic performance Ethics and Transparency Eco-efficiency and Operational Management Customer satisfaction
 CLIENTS	<ul style="list-style-type: none"> Customer satisfaction assessment survey Follow-up of the assessment of customer satisfaction with road service, information number, assistance and services at the store Mystery client in widening works, service areas and stores Assessment of food quality and hygiene in service areas Customer surveys Available service channels: websites, ,help line, stores Complaints management system 	<ul style="list-style-type: none"> Traffic safety, comfort and flow Quality of the infrastructure and provided service, perception of received value Accessible and transparent contact 	<p>At operational level:</p> <ul style="list-style-type: none"> New road safety equipment, systems and procedures Management of road pavement and related structures Road patrolling and assistance services <p>In terms of the information provided:</p> <ul style="list-style-type: none"> Complaint management system Multichannel information on traffic in motorways (Via Verde service channels, website, App, radio, press releases, leaflets,...) Network of stores, service stations and information kiosks Assistance and information number, help line to Via Verde clients Assistance and information to the hearing-impaired community via sms Internet websites Via Verde Eco-system 	<ul style="list-style-type: none"> Road safety Active Traffic Management Customer Service

STAKEHOLDERS	FORMS OF SCRUTINY (PHASE 1)	EXPECTATIONS (PHASE 2)	RESPONSE (PHASE 3)	MATERIAL TOPICS
 <p>FINANCIAL MARKETS</p>	<ul style="list-style-type: none"> • Consultation of financial entities • Negotiation process • Daily follow-up, through meetings 	<ul style="list-style-type: none"> • Value creation • Transparent and accurate information 	<ul style="list-style-type: none"> • Taking into consideration of the results of the benchmark analysis in Brisa's decision-making 	<ul style="list-style-type: none"> • Economic performance • Ethics and Transparency • Eco-efficiency and Operational Management
 <p>SUPPLIERS</p>	<ul style="list-style-type: none"> • Contract negotiation process and sessions • Follow-up meetings 	<ul style="list-style-type: none"> • Transparency and strictness 	<ul style="list-style-type: none"> • Compliance with contract terms • Dedicated channel for the management of contracts • Stable and long term relationship • Contract management system and technical support 	<ul style="list-style-type: none"> • Ethics and Transparency
 <p>COMPETITORS</p>	<ul style="list-style-type: none"> • In-depth analysis of competitors during strategic planning process • Economic performance benchmarking analysis 	<ul style="list-style-type: none"> • Transparency and strictness 	<ul style="list-style-type: none"> • Dedicated channel for communication with the Media • Meetings, press conferences, support to media articles, provision of background information 	<ul style="list-style-type: none"> • Ethics and Transparency

STAKEHOLDERS	FORMS OF SCRUTINY (PHASE 1)	EXPECTATIONS (PHASE 2)	RESPONSE (PHASE 3)	MATERIAL TOPICS
<div> LOCAL COMMUNITIES</div>	<ul style="list-style-type: none">• Tender process, for environmental impact assessment• Dedicated channel for communication with the Media	<ul style="list-style-type: none">• Contribution to local development• Mobility and accessibility solutions	<ul style="list-style-type: none">• Contribution towards local development• Mobility and accessibility solutions	<ul style="list-style-type: none">• Involvement of stakeholders• Positive external factors• Employees' contribution
<div> PUBLIC OPINION</div>	<ul style="list-style-type: none">• Implementation of annual surveys• Journalists perception study• Quarterly monitoring and assessment of news	<ul style="list-style-type: none">• Transparency and quality of information	<ul style="list-style-type: none">• Transparency and quality of information	<ul style="list-style-type: none">• Ethics and Transparency• Eco-efficiency and Operational

03 PERFORMANCE

3.1 CONSOLIDATED FINANCIAL ANALYSIS

3.2 ANALYSIS PER SEGMENT

3.2.1 BRISA CONCESSION (BCR)

3.2.2 OTHER CONCESSIONS

3.2.3 SUPPORT SERVICES TO THE CONCESSIONS

3.2.4 VEHICLE INSPECTIONS

3.2.5 TECHNOLOGICAL SERVICES

3.2.6 OTHER

3.3 HUMAN CAPITAL

3.4 INTELLECTUAL CAPITAL

3.5 SOCIAL CAPITAL

3.6 NATURAL CAPITAL



648 €M (+5.3%)
CONSOLIDATED OPERATING INCOME



+58.7 €M (+13.8%)
INVESTMENT

3.1

CONSOLIDATED FINANCIAL REVIEW

THE EVOLUTION OF THE MACROECONOMIC ENVIRONMENT continued to influence favourably Brisa's operating performance

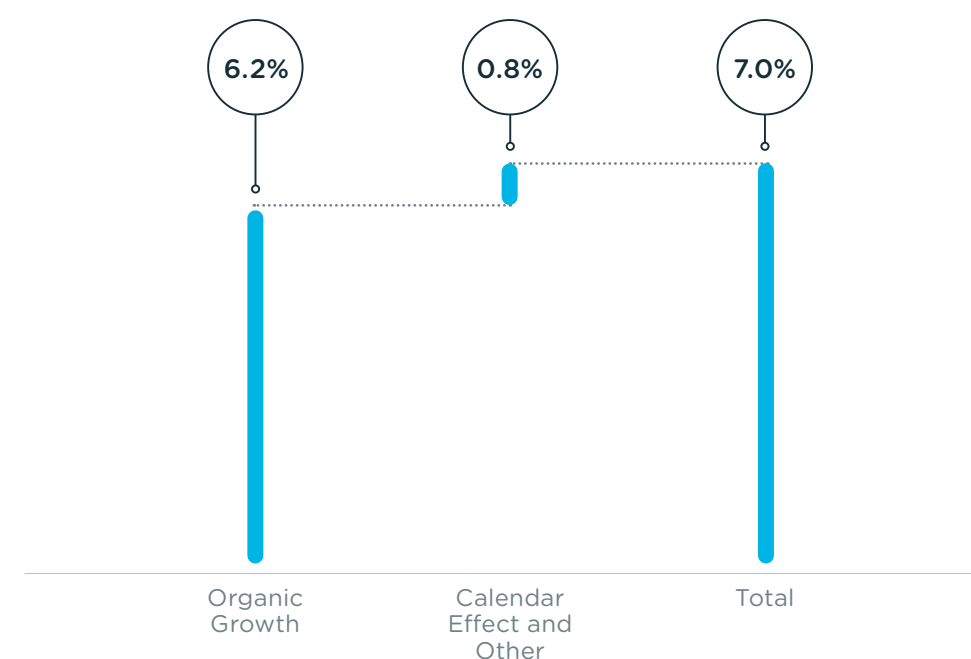
During 2016 the NorthWest Parkway Concession was recognised as asset held for sale. The market value determined as of 31 December 2016 following this recognition permitted the reversal of all impairments recorded during 2015.

PROFIT AND LOSS STATEMENT

OPERATING INCOME

The favourable evolution of the macroeconomic environment in 2016 continued to drive Brisa's operating performance, reflected in a sustained growth in traffic (+7% in Brisa's main concession, BCR), in line with the past few years.

TRAFFIC EVOLUTION IN BCR NETWORK



Driven by traffic growth, operating income increased by 5.3% over the same period of the previous year, with **toll revenues** rising by approximately €M 34.

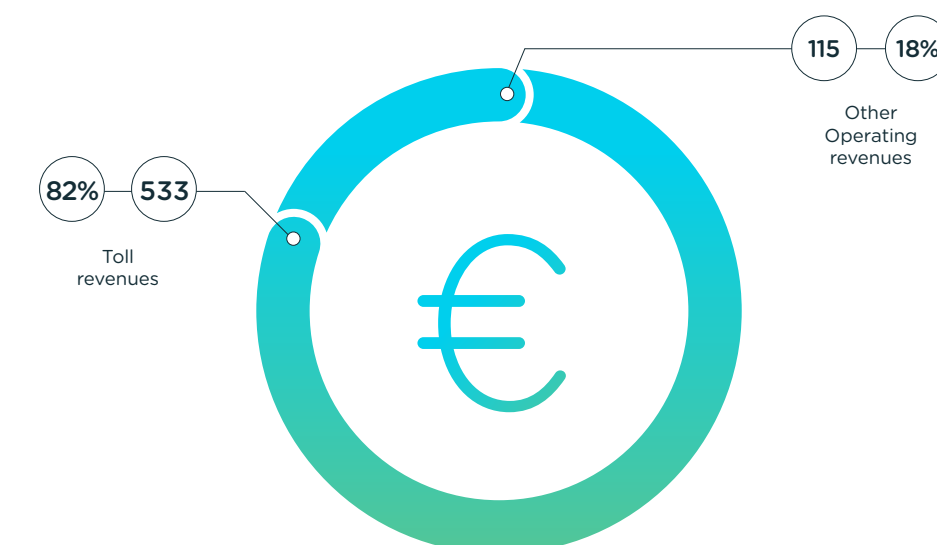
CONSOLIDATED OPERATING INCOME

	'15	'16	CHANGE
EURO MILLION (€M)			
OPERATING INCOME	614.8	647.6	5.3%
TOLL REVENUES	498.5	533.0	6.9%
SERVICE AREAS	9.3	7.8	-15.8%
SERVICES	93.0	95.5	2.7%
OTHER OPERATING INCOME	13.9	11.3	-18.6%

Toll revenues account for around 82% of total operating income of the Brisa Group.

BREAKDOWN OF OPERATING INCOME

EURO MILLION (€M)



CONSOLIDATED FINANCIAL REVIEW



648 €M (+5.3%)
CONSOLIDATED OPERATING INCOME



163 €M (-0.4%)
CONSOLIDATED OPERATING COSTS



484 €M (+7.4%)
EBITDA



74.8 % (+1.4pp)
EBITDA MARGIN

The increase in income from services was particularly noticeable in the “Support services to the Concessions” business segment, resulting from traffic growth and from Via Verde's growth momentum with increasing demand for on-board units lease.

Note the decrease in other operating income, mainly those associated with legal proceedings for the recovery of unpaid tolls.

OPERATING COSTS

Efforts made to optimise and streamline costs and improve operational efficiency allowed to maintain operating costs practically at the same level of the previous year (-0.4%).

Personnel costs were stable in relation to the previous year. Brisa Group has 2 344 employees (2015: 2 349 employees).

CONSOLIDATED OPERATING COSTS

	'15	'16	CHANGE
EURO MILLION (€M)			
OPERATING COSTS	164.0	163.3	-0.4%
SUPPLIES AND SERVICES	70.6	70.9	0.4%
PERSONNEL COSTS	83.0	83.1	0.1%
OTHER OPERATING COSTS	10.3	9.4	-9.2%

OPERATING RESULTS AND MARGINS

Growing operating activity, on a par with consistent concern with efficiency and cost control permitted an increase in EBITDA margin by 1.4 pp. Operating results grew by 7.4% over the same period of the previous year, with consolidated EBITDA reaching €M 484.3.

EBIT totalled €M 389.6, increasing by €M 204.2 year-on-year (110.1%), explained by the reversal of 2015's impairment related to Northwest Parkway concession.

OPERATING MARGINS

	'15	'16	CHANGE
EURO MILLION (€M)			
OPERATING INCOME	614.8	647.6	5.3%
OPERATING COSTS	164.0	163.3	-0.4%
EBITDA	450.8	484.3	7.4%
EBITDA MARGIN	73.3%	74.8%	1.4pp
AMORTISATION AND PROVISIONS	265.4	94.7	-64.3%
EBIT	185.4	389.6	110.1%
EBIT MARGIN	30.2%	60.2%	30.0pp

EBITDA MARGIN EVOLUTION

PERCENTAGE (%)



CONSOLIDATED FINANCIAL REVIEW



256 €M
BRISA'S NET INCOME



58.7 €M (+13.8%)
INVESTMENT



426 €M (+6.6%)
EBITDA - CAPEX

FINANCIAL PERFORMANCE

Financial results fell by €M 12.5 in relation to 2015. This decrease resulted from i) €M 1.8 lower financial income, reflecting the low banking interest rates on deposits during 2016; ii) a €M 2.9 increase in financial expenses, as a result of the one-off costs related to BCR's exercise of the call option related to a €M 120 Bond and to hedging transactions related to the sale of NWP and iii) the €M 7.8 decrease in results relating to investments, reflecting lower results from Brisa's associates.

PROFIT AND LOSS STATEMENT

	'15	'16	CHANGE
EURO MILLION (€M)			
OPERATING INCOME	614.8	647.6	5.3%
OPERATING COSTS	164.0	163.3	-0.4%
EBITDA	450.8	484.3	7.4%
EBITDA MARGIN	73.3%	74.8%	1.4pp
AMORTISATION AND PROVISIONS	265.4	94.7	-64.3%
EBIT	185.4	389.6	110.1%
EBIT MARGIN	30.2%	60.2%	30.0pp
FINANCIAL RESULTS	-95.9	-108.4	-
EBT	89.6	281.2	214.0%
INCOME TAX FOR THE YEAR	68.5	-7.6	-
NON-CONTROLLING INTERESTS	23.1	32.4	40.2%
NET INCOME	-2.1	256.4	-

NET INCOME

Brisa's net income in 2016 totalled €M 256.4, growing by €M 258.4 over the previous year, driven by the recovery of its operating activity and one off events which determined the reversal of significant impairments from previous years.

CAPITAL EXPENDITURE

In 2016 Brisa carried out investments in the amount of €M 58.7 to improve its services. Brisa invested €M 15.9 in road widening works in Brisa Concession and carried out other investments to improve safety and comfort for road users. Additionally, Brisa made investments in the vehicle inspections business segment to comply with new laws and at technological level, fostering continuous innovation to meet new challenges in mobility Services.

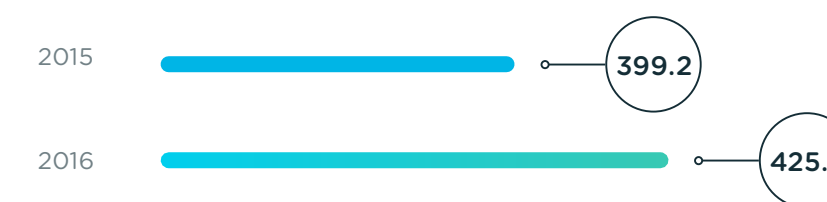
BREAKDOWN OF CAPITAL EXPENDITURE

	'15	'16	CHANGE
EURO MILLION (€M)			
BRISA CONCESSION	42.4	46.3	9.3%
WIDENING WORKS	11.7	15.9	36.5%
MAJOR REPAIRS	23.7	25.0	5.6%
EQUIPMENT	2.0	1.7	-17.0%
OTHER	5.0	3.7	-25.6%
OTHER INVESTMENTS	9.2	12.4	34.1%
TOTAL INVESTMENT	51.6	58.7	13.8%

The cash generation ratio (EBITDA – Capex) thus reached €M 425.6, revealing a very positive operating performance during the year.

EVOLUTION OF CASH FLOW GENERATION (EBITDA – CAPEX)

EURO MILLION (€M)



CONSOLIDATED FINANCIAL REVIEW



4.2x
NET FINANCIAL
DEBT/EBITDA



0.46€
NET EARNINGS
PER SHARE

BALANCE SHEET

Balance sheet total for the year ended at 31 December 2016 was €M 3 473, falling by €M 438 in relation to 31 December 2015. This decrease is explained by the recognition of NorthWest Parkway as held-for-sale asset, and respective de-consolidation as from December 1, 2016.

FINANCIAL INDICATORS

The net financial debt of the Brisa Group decreased following the recognition of Northwest Parkway concession as held-for-sale asset, by €M 78, standing at €M 2 042 as of 31 December 2016.

FINANCIAL INDICATORS

	'15	'16
FINANCIAL INDICATORS		
NET FINANCIAL DEBT (€M)	2 119.4	2 041.5
NET FINANCIAL DEBT/EBITDA	4.7X	4.2X
EBITDA / INTEREST EXPENSES	4.4X	4.7X
SHARE		
NET EARNINGS PER SHARE (EURO CENTS)	-0.0042	0.4639

ASSETS

EURO MILLION (€M)

	'15	'16	CHANGE
NON CURRENT ASSETS			
INTANGIBLE ASSETS	2 963.1	2 511.6	-451.6
TANGIBLE ASSETS	46.8	47.2	0.4
DEFERRED TAX ASSETS	144.2	247.9	103.7
OTHER	211.6	174.5	-37.2
CURRENT ASSETS			
CASH AND CASH EQUIVALENT	401.2	183.2	-217.9
OTHER	144.1	308.3	164.2
TOTAL ASSETS	3 911.0	3 472.6	-438.3

EQUITY AND NON-CONTROLLING INTERESTS

EQUITY	629.9	631.0	1.0
NON-CONTROLLING INTERESTS	176.1	92.6	-83.5
TOTAL EQUITY AND NON-CONTROLLING INTERESTS	806.1	723.6	-82.5

LIABILITIES

NON CURRENT LIABILITIES			
MEDIUM AND LONG TERM DEBT	1 967.0	2 047.4	80.4
OTHER	377.9	321.0	-57.0
CURRENT LIABILITIES			
SHORT TERM DEBT	553.5	177.3	-376.3
OTHER	206.4	203.4	-3.0
TOTAL LIABILITIES	3 104.9	2 749.1	-355.8
TOTAL EQUITY AND LIABILITIES	3 911.0	3 472.6	-438.3

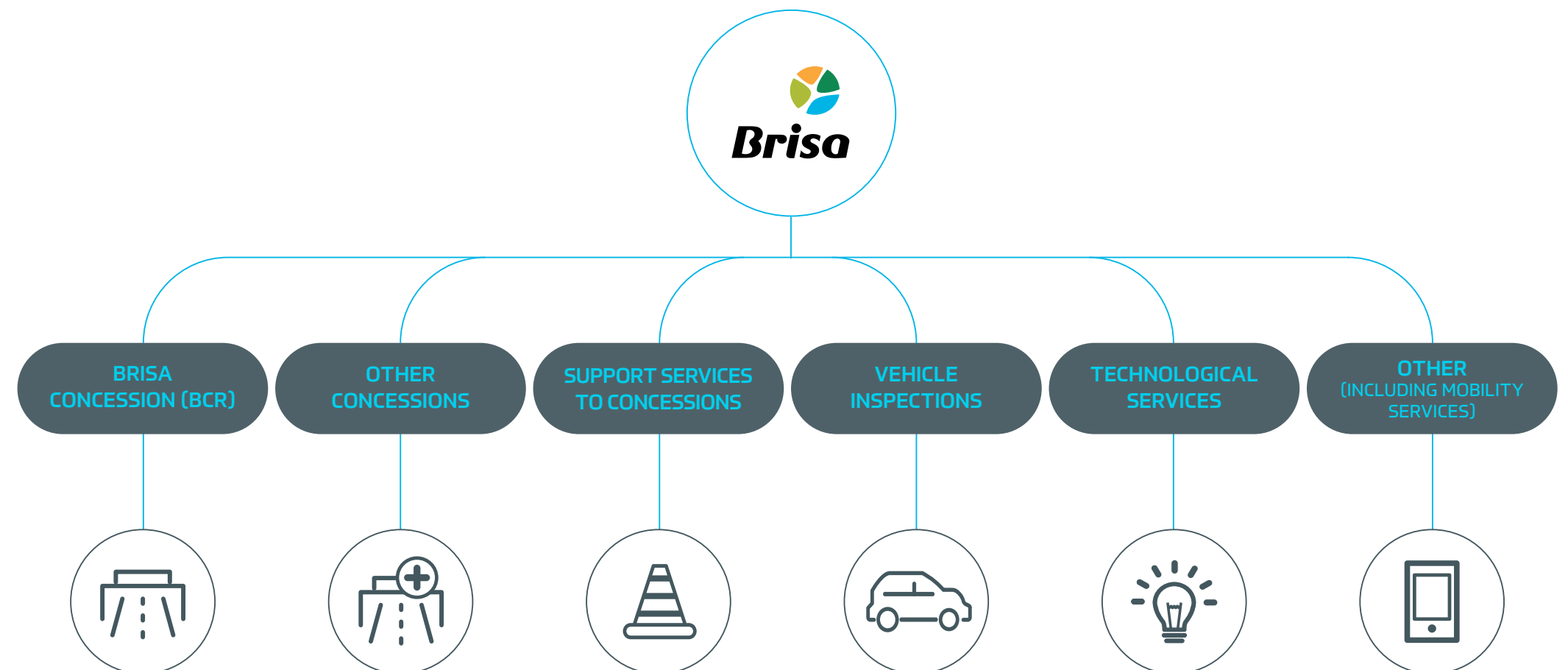
3.2

ANALYSIS PER BUSINESS SEGMENT

Brisa is organized according to the following business segments:

- 1) **Brisa Concession (BCR)**
- 2) **Other concessions**
- 3) **Supporting services to the concessions**
- 4) **Vehicle inspections**
- 5) **Technological services**
- 6) **Other (including mobility services)**

As mentioned before, each segment has its own business model, which requires different typologies and amounts of capital employed in the business. Brisa's business segments were defined according to the management's vision and their positioning within the company's strategy, taking into account size and materiality criteria.



ANALYSIS PER BUSINESS SEGMENT

 **1 124** KM
CONCESSION NETWORK

 **12**
MOTORWAYS

 **+50** %
MARKET SHARE
(Travelled km, APCAP date 2015)

 **402** €M
2016 EBITDA

 **2035** DEC
CONCESSION TERM

3.2.1 BRISA CONCESSION (BCR)

The relevance and size which BCR holds within the Brisa Group, on a par with its contract and financial structure account for its classification as autonomous business segment

BCR was created to operate Brisa Concession following the corporate reorganisation of the Brisa Group. Its corporate object is the construction, maintenance and operation of motorways and respective service areas and the planning and development of public infrastructure, pursuant to a concession contract.

BRISA CONCESSION PROFILE

BCR's concession totals 1 124 km, consisting of 12 motorways, including the future access to the New Lisbon Airport. The network subject to concession is almost entirely built; BCR presently operates 11 motorways, covering a total length of 1 100.1 km, of which 1 014 km are tolled.

The network will be fully completed following the construction of A33, corresponding to the road access to the New Lisbon Airport, which is currently on hold.

The network runs from North to South and East to West. It includes the country's main road axes, such as the coastal corridor or the Lisbon-Madrid link. It further includes important circular roads around the metropolitan areas of Lisbon and Oporto.

Following to the latest contract negotiated with the Portuguese state, the concession will end in December 2035.

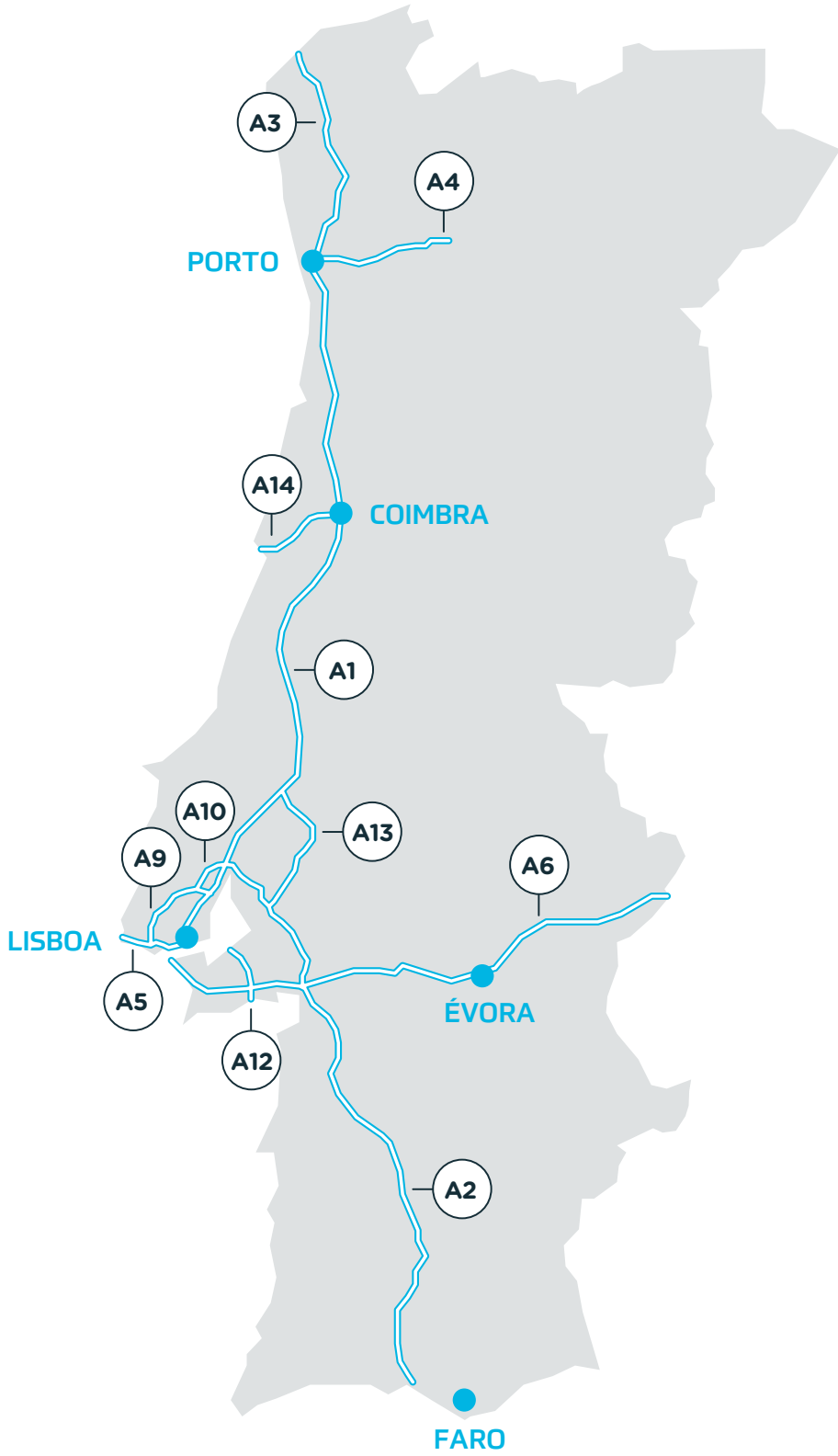


3.2.1

BRISA CONCESSION (BCR)

BRISA CONCESSÃO

RODOVIÁRIA



STRUCTURE OF THE CONCESSION ACCORDING TO MOTORWAY

		LENGTH IN KM		
MOTORWAYS		TOLLED	TOLL-FREE	TOTAL
A1	Autoestrada do Norte	279.0	17.4	296.4
A2	Autoestrada do Sul	225.2	9.6	234.8
A3	Autoestrada Porto - Valença	101.3	11.5	112.8
A4	Autoestrada Porto - Amarante	48.3	3.0	51.3
A5	Autoestrada da Costa do Estoril	16.9	8.1	25.0
A6	Autoestrada Marateca - Elvas	138.8	19.1	157.9
A9	Circular Regional Externa de Lisboa	34.4	0.0	34.4
A10	Autoestrada Bucelas - Carregado - IC3	39.8	0.0	39.8
A12	Autoestrada Setúbal - Montijo	24.8	4.3	29.1
A13	Autoestrada Almeirim - Marateca	78.7	0.0	78.7
A14	Autoestrada Figueira da Foz - Coimbra	26.8	13.1	39.9
Total		1 014.0	86.1	1 100.1

3.2.1 BRISA CONCESSION (BCR)

BRISA CONCESSÃO RODOVIÁRIA

THREE DRIVERS OF VALUE CREATION:

- Improvement in operating margin;
- Controlled evolution of capital expenditure;
- Improvement of financial efficiency backed by a proactive and conservative management

DRIVERS OF VALUE CREATION

BCR's long term strategy is based on the combined and sustainable development of its three value creation drivers:



OPERATING MARGIN

The continued focus on clients and people will define the offer of products and services, meeting demand as close as possible. The maintenance and conservation of infrastructures and equipment will become increasingly integrated, in order to optimise any unavailability and carry out such activities using resources as efficiently as possible. Hence, the country benefits from a high quality and comprehensive motorway network, the use of which provides relevant economic and environmental advantages.



CAPITAL

At investment level, in addition to maintenance and conservation activities, BCR will continue to channel a relevant part of its generated cash flows to the renewal of equipment (collection, information, safety, environmental improvement, etc.) and road infrastructures (pavements, viaducts, signaling, communications). This investment has paved the way for increasing operating efficiency and efficacy, and the development of new solutions to meet customer needs.

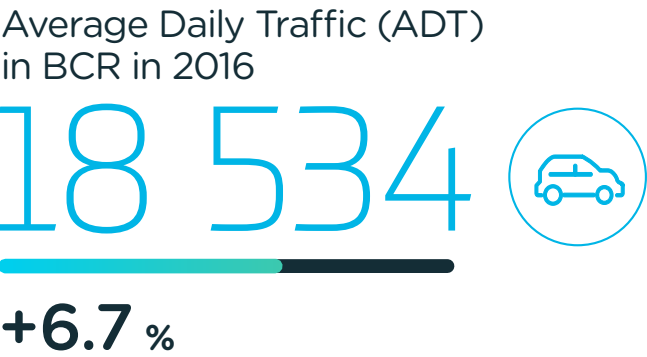


FINANCIAL EFFICIENCY

At financial level, the continued search for the best funding alternatives combined with increasing funds generated by operating activities will drive increasing cash flow generation, allowing for a prudent distribution policy in full compliance with financial ratios contractually set by CTA (*Common Terms Agreement*).

3.2.1
BRISA CONCESSION (BCR)

BRISA CONCESSÃO
RODOVIÁRIA



IN 2016, ALL MOTORWAYS
OF THE CONCESSION
PERFORMED POSITIVELY,
PARTICULARLY THE A9
and more leisure-driven
motorways such as the A2,
A6, A10 and A13

TRAFFIC EVOLUTION

A favourable macroeconomic environment in 2016 led to sustained traffic growth in every motorway of BCR concession. 2016 was the 3rd consecutive year of strong traffic performance: traffic on the network rose by 7% in relation to 2015.

In 2016 Average Daily Traffic (ADT) totalled 18 534 vehicles, corresponding to a 6.7% growth in traffic over the previous year. This increase in ADT was supported by an organic growth of 6.2%. Additionally, a greater propensity of households to leisure travelling combined with holidays falling closer to weekends led to a slight increase in this sort of traffic in 2016, resulting in a positive contribution of the calendar effect to ADT (+0.5%).

Finally, the fact that 2016 was a leap year plus the traffic prompted by the opening of the Marão Tunnel also contributed positively to traffic growth figures (respectively, 0.2% and 0.1%).

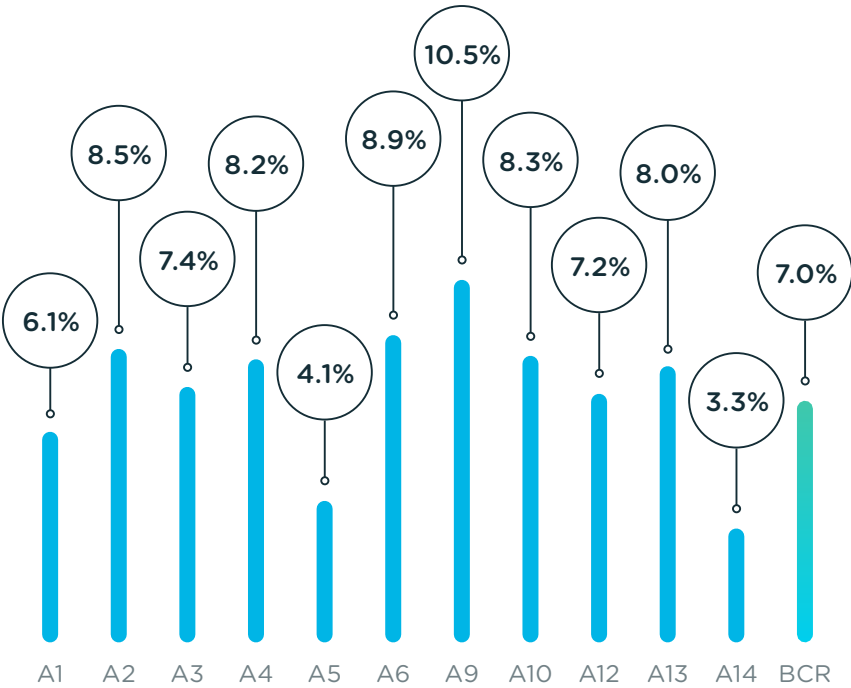
BREAKDOWN OF ANNUAL TRAFFIC VARIATION (VKM)

	'15	'16
PERCENTAGE (%)		
TRAFFIC (VKM)	7.0%	7.0%
BREADOWN OF EFFECTS:		
Organic Growth	7.2%	6.2%
Calendar effects	-0.2%	0.5%
Others (incl. Leap year)	-	0.3%
ADT	17 368	18 534
YoY	7.0%	6.7%

In 2016 all motorways of BCR concession continued to perform quite favourably, particularly the A9 (partly due to the growing saturation of IC17 / CRIL) and more leisure-oriented motorways such as the A2, A6, A10 and A13. As expected, the A5 and A14 motorways were the ones growing the least: the A5 has a more resilient traffic pattern given its sub-urban and commuting nature, whilst on the A14 traffic decreased significantly in April and May due to a traffic disruption.

CHANGE IN ANNUAL TRAFFIC PER MOTORWAY (VKM)

PERCENTAGE (%)



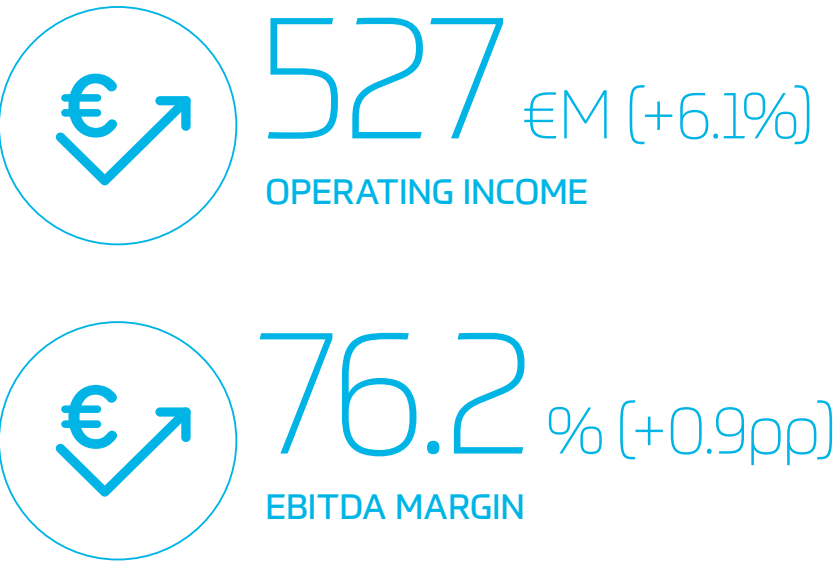
The breakdown of traffic per class of vehicle reveals a positive trend both in light and in heavy vehicles traffic, with heavy vehicles posting higher growth rates as result of the country's economic upturn (respectively, +6.9% and +9.6%).

3.2.1

BRISA CONCESSION (BCR)

BRISA CONCESSÃO

RODOVIÁRIA



ECONOMIC AND FINANCIAL PERFORMANCE

OPERATIONAL PERFORMANCE

	'15	'16	CHANGE
EURO MILLION (€M)			
OPERATING INCOME	497.0	527.4	6.1%
OPERATING COSTS	123.1	125.7	2.1%
EBITDA	373.9	401.7	7.5%
EBITDA MARGIN	75.2%	76.2%	0.9pp

Increase in operating income resulted mainly from the surge in traffic in BCR network (+7.0%). More than 74% of toll revenues were collected through the Via Verde automated toll collection system, confirming the growing usage of this payment method.

Despite the significant increase in activity, in 2016 operating costs only grew by 2.1% over 2015, reaching €M 125.7.

Operating Results (EBITDA) in 2016 totalled €M 401.7, increasing by 7.5% YoY (+€M 27.9). The sharp rise in operating income, combined with strict cost control, led to a significant increase in EBITDA margin, which reached 76.2% (+0.9 pp in year-on-year terms).

Amortization and Provisions totalled €M 168.3 (+4.6% versus 2015), including €M 39.4 of provisions (net of reversals in the amount of €M 3.0) concerning future costs related to replacement of infrastructure and major repairs in the network that BCR will support in the coming years, in accordance with IFRIC 12.

In 2016 Brisa Concession posted financial losses of €M 100.1, improving by €M 3.0 in relation to the previous year.

Net profit attributable to equity holders totalled €M 66.7.




3.2.1

BRISA CONCESSION (BCR)


BRISA CONCESSÃO

RODOVIÁRIA



Baa3

RATING MOODY'S



BBB

RATING FITCH

PROFIT AND LOSS STATEMENT

	'15	'16	CHANGE
EURO MILLION (€M)			
OPERATING INCOME	497.0	527.4	6.1%
OPERATING COSTS	123.1	125.7	2.1%
EBITDA	373.9	401.7	7.5%
EBITDA MARGIN	75.2%	76.2%	0.9pp
AMORTISATION AND PROVISIONS	160.9	168.3	4.6%
EBIT	213	233.4	9.6%
EBIT MARGIN	42.9%	44.3%	1.4pp
NET FINANCIAL RESULTS	-97.1	-100.1	-
EBT	115.9	133.3	15.0%
INCOME TAX FOR THE YEAR	32.4	38.1	17.6%
NON-CONTROLLING INTERESTS	18.2	28.6	57.4%
NET INCOME	65.4	66.7	2.0%

COVENANTS AND RATING

In addition to its financial and contractual structure, BCR maintains a prudent and conservative financial management policy. In fact, the 4 covenants in the form of financial ratios (namely Net Senior Debt / EBITDA, Historic ICR, Forward Looking ICR and CLCR) to which the company is subject to through the Common Terms Agreement (CTA) are, as of 31 December 2016, significantly within the established limits.

BCR's ratings are “BBB” (Stable Outlook) by Fitch Ratings and “Baa3” (Stable Outlook) by Moody's. These ratings and respective Outlooks did not change throughout the year, with both agencies highlighting the strong operating and financial performance posted by the company. Note that at the end of 2016 ratings given to BCR were above Portugal's ratings (by one notch in Moody's case and two notches above in Fitch's case). This fact attests for BCR's financial soundness and creditor protection ensured by the company's contractual structure.

AGENCY	RATING	OUTLOOK
MOODY'S	Baa3	STABLE
FITCH	BBB	STABLE



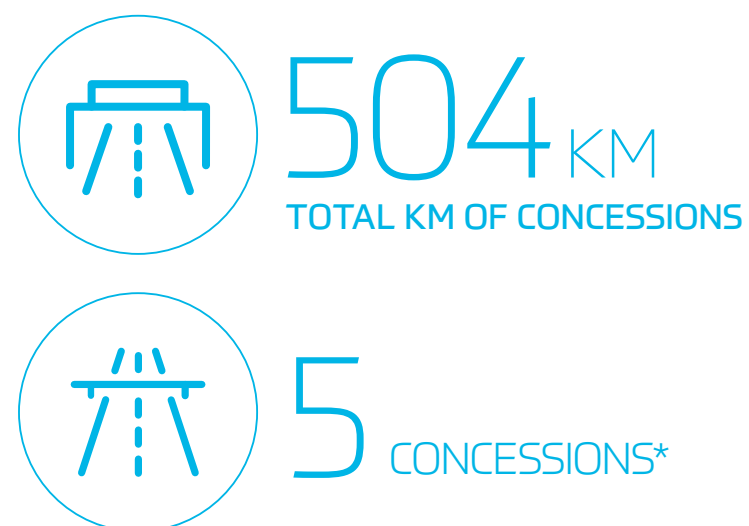
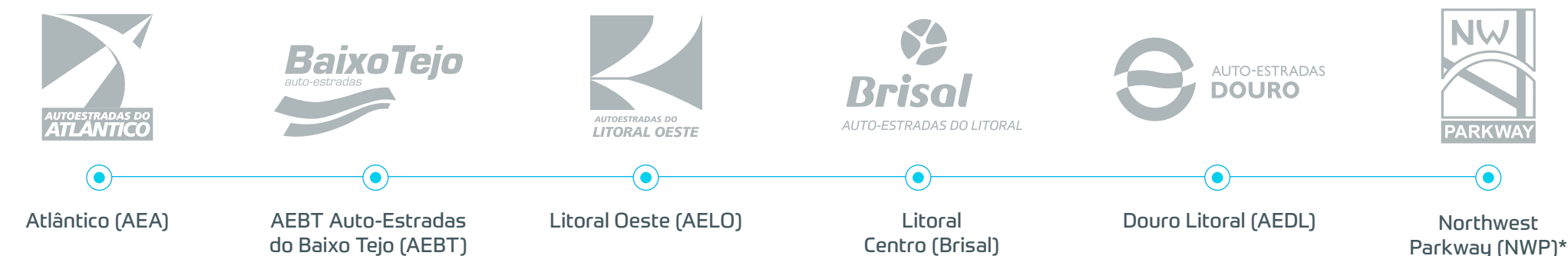
ANALYSIS PER BUSINESS SEGMENT

3.2.2 OTHER CONCESSIONS

Business segment Other Concessions comprises all concessions held by Brisa under a project finance agreement

AEA, AEBT, Brisal and AEDL are consolidated according to the equity method (as described in Note 14 of the notes to the consolidated financial statements). Sub-concession AELO is valued at cost, deducted of

estimated impairment losses (as described in Note 15 of the said Notes). Finally, NWP is consolidated according to the full consolidation method (as described in Note 4 and Note 39).



* Brisa signed in the beginning of December 2016 a PSA (Purchase and Sale Agreement) anticipating the sale of the whole participation on NWP. The sale operation was concluded in March 2017.

3.2.2 OTHER CONCESSIONS

ATLÂNTICO (AEA) CONCESSION



MOTORWAYS

- A8 (Lisboa / Leiria)
- A15 (Caldas da Rainha / Santarém)

TOTAL KM

Total 170 km
(144 km tolled and 26 km toll-free)

LOCATION

This network has a strong urban presence, as it serves the northern outer Lisbon area and neighbouring west region, both enjoying bustling agriculture and tourism activity

BRISA HOLDING

Brisa holds 50% of the concession

CONCESSION PERIOD

This concession was awarded in 1998 for a period of 30 years (ending in 2028)

MOTORWAY NETWORK

CONCESSÃO ATLÂNTICO (AEA)



A8 LISBOA / LEIRIA

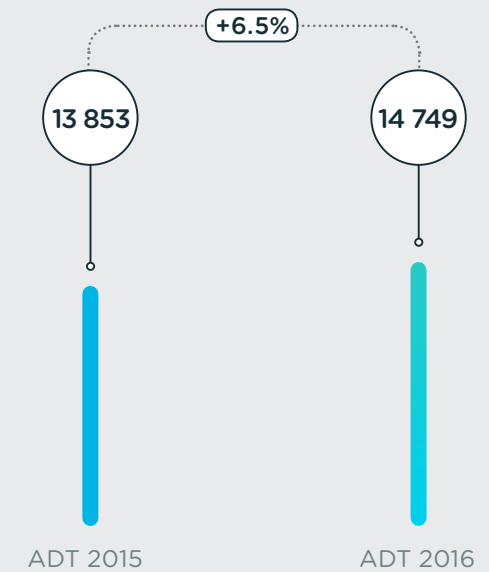
The A8 motorway links the Leiria region to Brisa's A17 (Litoral Centro) and to the IC36 motorway operated by sub-concessionaire AELO (Auto-Estradas do Litoral Oeste). It links southwards to Brisa's A9 (CREL) and to the west with EP's A21 Concession.

A15 CALDAS DA RAINHA / SANTARÉM

The A15 links to the A1 (Auto-estrada do Norte) motorway near Santarém.

AVERAGE DAILY TRAFFIC EVOLUTION (ADT)

PERCENTAGE (%)



In 2016, ADT totalled 14 749 vehicles / day, increasing by 6.5% over the previous year. Traffic as measured by vehicle/km rose 6.8%.

3.2.2 OTHER CONCESSIONS

AEBT AUTO-ESTRADAS DO BAIXO TEJO (AEBT) SUB-CONCESSION



MOTORWAYS

Construction and operation of:

- IC32 – Palhais / Coina
- IC32 – Casas Velhas Palhais (including link to Trafaria and link to Funchalinho)

Operation and Maintenance:

- IC32 – Coina / Montijo (IP1)
- IC3 – Montijo (IP1) / Alcochete
- IC20 – Via Rápida da Caparica
- IC21 – Via Rápida do Barreiro

TOTAL KM

Total of 60.2 km (in operation)

LOCATION

South of the Tagus region

BRISA HOLDING

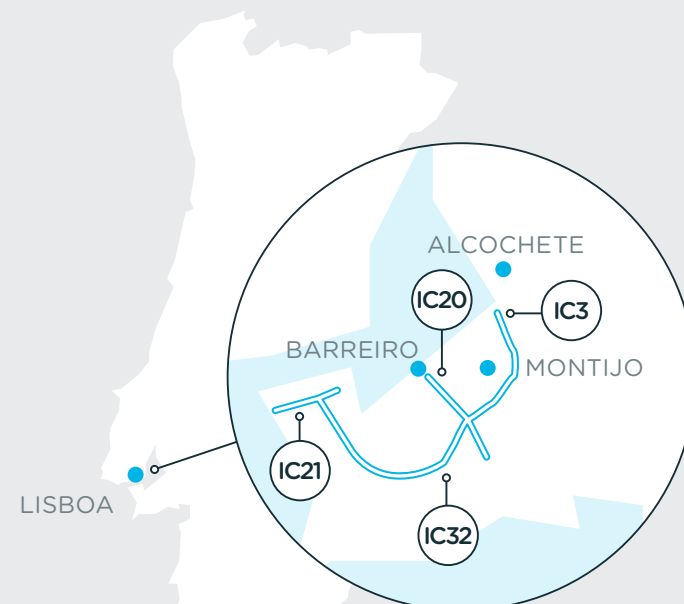
Brisa holds a 30% stake

CONCESSION PERIOD

The Sub-concession was awarded in 2009 for a period of 30 years

MOTORWAY NETWORK

AEBT SUB-CONCESSION



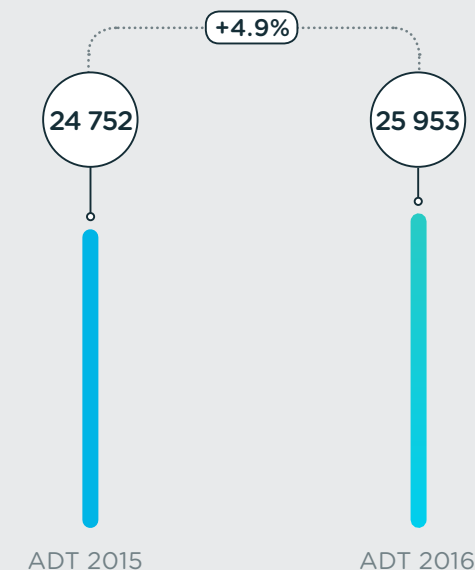
AEBT – AUTO-ESTRADAS DO BAIXO TEJO (AEBT) SUB-CONCESSION

The privileged location of the Baixo Tejo Sub-concession is key for economic development, being fundamental to mobility in the South of the Tagus river, intersecting and complementing other existing infrastructures.

In 2015, UTAP/IP/AEBT entered a Memorandum of Understanding whereby they agreed on a set of intentions and positions concerning the renegotiation of the Sub-Concession contract, viewing the alteration of respective object, confirming the withdrawal of the works relating to the ER377-2/Av.Mar and return to IP of the stretches of the IC21 and links to Funchalinho and Trafaria. The negotiations aiming a consensus regarding

AVERAGE DAILY TRAFFIC EVOLUTION (ADT)

PERCENTAGE (%)



In 2016, ADT totalled 25 953 vehicles / day, increasing by 4.9% over the previous year. Traffic as measured by vehicle/km rose 5.1%.

the new sub-concession contract have been maintained. This process does not alter nor increases the risks to AEBT shareholders.

MODEL OF REMUNERATION

Remuneration according to availability: the price according to availability is laid down in respective contract, corresponding to a fixed and non revisable amount depending exclusively on the availability of each of the roads included in the sub-concession.

Remuneration according to service: the price according to service is also provided in the contract, corresponding to an amount per travelled km (km x traffic), which is revised on an annual basis in line with inflation.

3.2.2 OTHER CONCESSIONS

LITORAL OESTE (AELO) SUB-CONCESSION



MOTORWAYS

- A19 (S. Jorge da Batalha / Leiria)
- East end of A8 (Leiria Sul / Leiria Nascente)
- Itinerário Complementar IC9 (Nazaré / Tomar)

The Sub-concession further comprises two roads serving urban areas:

- Variante da Nazaré
- Via de Penetração em Leiria (VPL)

TOTAL KM

Total 102 km

LOCATION

Leiria, Batalha, Nazaré e Tomar

BRISA HOLDING

Brisa holds 15% of the concession

CONCESSION PERIOD

The Sub-concession was awarded in 2009 for a period of 30 years (until 2039)

MOTORWAY NETWORK

LITORAL OESTE (AELO) SUB-CONCESSION



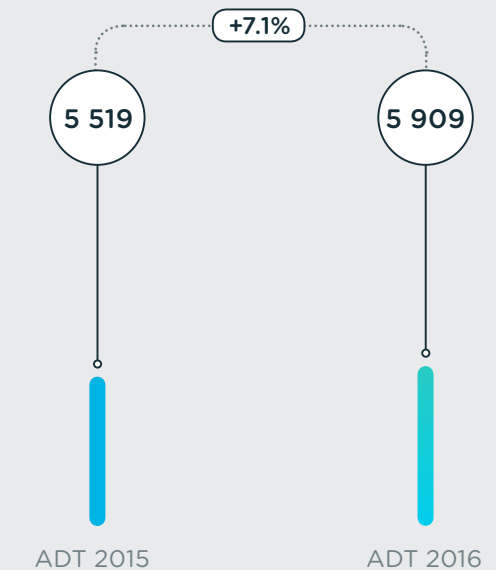
LITORAL OESTE (AELO) SUB-CONCESSION

Under the Memorandum of Understanding (MoU) signed in August 2015 with UTAP and Infraestruturas de Portugal (IP), negotiations regarding changes to the Sub-Concession Agreement are still ongoing.

ADT growth rate was lower than in 2015, due to the expected decrease in the ramp-up effect [the last stretch of the network opened to traffic in May 2012].

AVERAGE DAILY TRAFFIC EVOLUTION (ADT)

PERCENTAGE (%)



In 2016, ADT totalled 5 909 vehicles / day, increasing by 7.1% over the previous year. Traffic as measured by vehicle/km rose 7.4%.

MODEL OF REMUNERATION

Tolled stretches are tolled by means of an electronic collection system.

Toll revenues belong to the grantor, Infraestruturas de Portugal (IP); the sub-concessionaire is paid according to a combination of fixed payments based on road availability and variable payments depending on traffic.

3.2.2 OTHER CONCESSIONS

LITORAL CENTRO (BRISAL) CONCESSION



MOTORWAYS

A17 (Marinha-Grande / Mira)

TOTAL KM

Total 92.7 km

LOCATION

Together with Concessão Atlântico and Concessão Costa de Prata, this concession forms a second motorway link between Lisbon and Oporto

BRISA HOLDING

Brisa holds 70% of the concession

CONCESSION PERIOD

Variable term (22 to 30 years)

MOTORWAY NETWORK

LITORAL CENTRO (BRISAL) CONCESSION

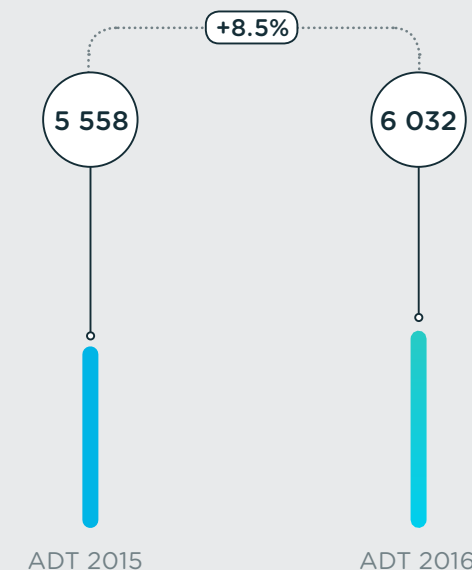


LITORAL CENTRO (BRISAL) CONCESSION

Under the terms of the Final Arbitration Decision dated April 15, 2015 and a Clarification Order dated May of the same year, the Portuguese State was sentenced to compensate the Concessionaire for the loss in traffic caused by the introduction of tolls in the Costa de Prata Concession. The Grantor was further sentenced to return the amounts paid by the concessionaire by way of TRIR (Road infrastructure charge) up to the date of the Court's decision and the amounts paid corresponding to EVIS (Electronic Vehicle Identification System) tariffs already paid by the concessionaire, added of corresponding interest, counted as from the date of the application filed for the setting up of the arbitration court.

AVERAGE DAILY TRAFFIC EVOLUTION (ADT)

PERCENTAGE (%)



In 2016, ADT totalled 6 032 vehicles / day, increasing by 8.5% over the previous year. Traffic as measured by vehicle/km rose 8.8%.

The Portuguese Government initiated a series of proceedings to reverse these decisions, which were not accepted so far.

However, as the said proceedings do not have a suspensive effect, the Grantor is paying the amounts determined by the court.

The concessionaire is presently subject to a standstill agreement entered with the banking syndicate and the European Investment Bank. It also concluded an agreement with funding entities, establishing the financial restructuring principle, which views to render the concession financially viable and ensure its ongoing operation.

3.2.2 OTHER CONCESSIONS

DOURO LITORAL (AEDL) CONCESSION



MOTORWAYS

- A43 (Gondomar / Aguiar de Sousa (IC24))
- A41 (Espinho (IC1) / Nó da Ermida (IC25))
- A32 (Oliveira de Azeméis / IP1 (S. Lourenço))

TOTAL KM

Total 79 km (73.3 km tolled and 6 km toll free, according to O&M contract for the stretch of the A41)

LOCATION

This network intersects and complements existing infrastructures, such as the A1 (Autoestrada do Norte), A3 (Autoestrada Porto/ Valença) and A4 (Autoestrada Porto-Amarante)

BRISA HOLDING

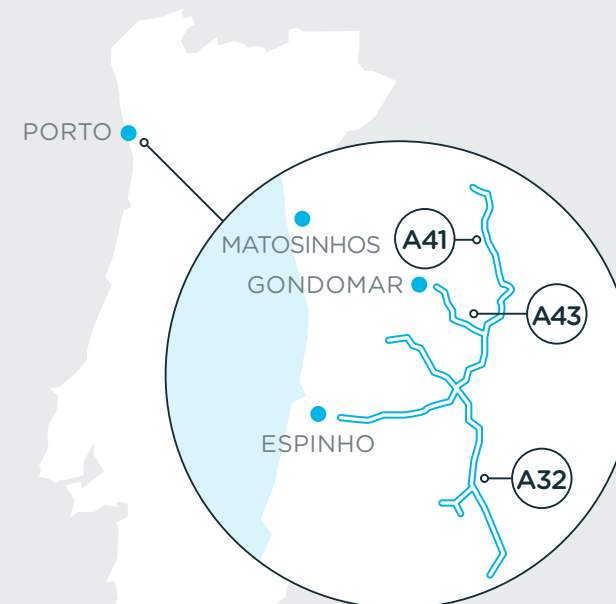
Brisa holds a 99.98% stake in this concession

CONCESSION PERIOD

This concession was awarded in 2007 for a period of 27 years (ending in 2034)

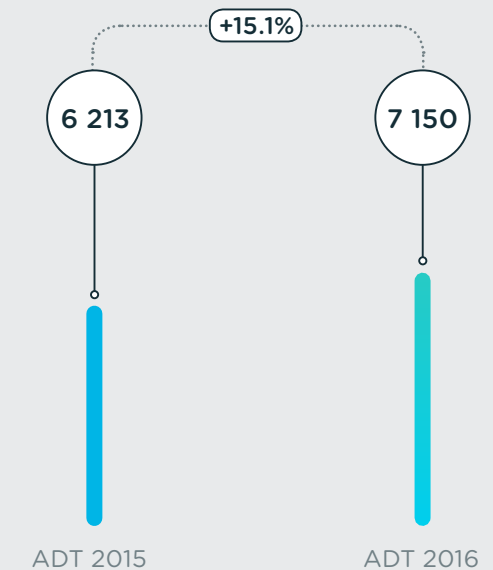
MOTORWAY NETWORK

DOURO LITORAL (AEDL) CONCESSION



AVERAGE DAILY TRAFFIC EVOLUTION (ADT)

PERCENTAGE (%)



In 2016, ADT totalled 7 150 vehicles / day, increasing by 15.1% over the previous year. Traffic as measured by vehicle/km rose 15.4%.

DOURO LITORAL (AEDL) CONCESSION

In January 2013 AEDL entered a claim for the reinstatement of the financial balance of the concession. The arbitral court set up to decide on this claim issued its Final Decision in February 2017, having decided for a financial compensation to be paid to the concessionaire.

Shareholders and creditors were waiting for the court's decision to start negotiations viewing the financial restructuring of the concession. In line with similar proceedings, it is reasonable to admit an agreement to be entered with financing entities, shareholders and the Grantor, viewing to secure the financial viability of the concession and allow its ongoing operation.

Historic growth record were hit in August. These excellent results stem mainly from late ramp-up effects, motivated by improvements in signing, deployed in the concession motorways and adjacent roads from 2013 to 2015 directing to the motorway.

3.2.2 OTHER CONCESSIONS

NORTHWEST PARKWAY (NWP)



MOTORWAYS

Northwest Parkway (NWP)

TOTAL KM

Part of the city's ring road with a total length of 14.2 km

LOCATION

Denver, Colorado, EUA

BRISA HOLDING

Brisa held 100% of the concession

CONCESSION PERIOD

The Concession was awarded in 2007 for 99 years, pursuant to a Contract Lease Agreement entered with the Northwest Parkway Public Highway Authority

MOTORWAY NETWORK

NORTHWEST PARKWAY (NWP)

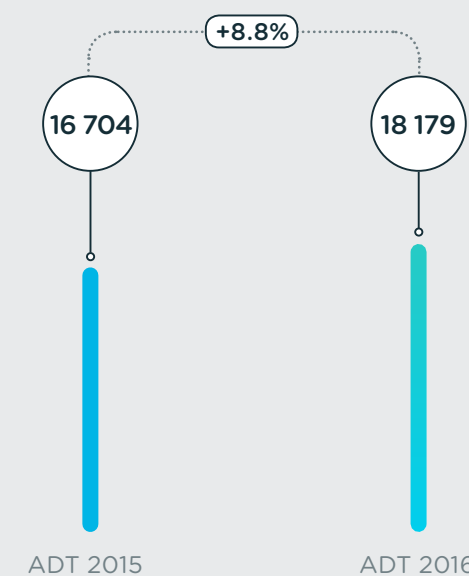


NORTHWEST PARKWAY (NWP)

Brisa held 100% of the concession. At the beginning of December 2016 the parties entered a PSA (Purchase and Sale Agreement) for the disposal by Brisa of 100% of the concession, which occurred in March 2017. Following the agreement, this holding was recognised as asset held for sale, and the non consolidation process was started as of 1 December 2016.

AVERAGE DAILY TRAFFIC EVOLUTION (ADT)

PERCENTAGE (%)



In 2016, ADT totalled 18 179 vehicles/day, increasing by 8.8% over the previous year.

During 2016, NWP was managed in accordance with the best industry standards. It was one of the first motorways in the United States to adopt an exclusively electronic toll collection system. To this end, the company created the Go-Pass brand, based on licence plate recognition developed by Brisa.

3.2.2
OTHER CONCESSIONS

ANALYSIS PER
BUSINESS SEGMENT



Although each concession has its own specific characteristics, Brisa promotes a set of common initiatives allowing to:

- Optimise the operational management of the infrastructure making it as efficient as possible, backed by the services provided by Brisa O&M (Operação e Manutenção);
- Maximise scale synergies existing in the companies of the Brisa Group, namely VVP - Via Verde Portugal, BEG - Brisa Engenharia e Gestão or BIT - Brisa Inovação e Tecnologia;
- Promote a solid and healthy relation with all stakeholders, namely other shareholders and partners, funders, IP - Infraestruturas de Portugal and other government and private entities.

OPERATIONAL AND FINANCIAL PERFORMANCE

In terms of operational activity, this segment includes NWP concession, the only concession which is fully consolidated in Brisa’s consolidated financial statements.

OPERATING PERFORMANCE

	'15	'16	CHANGE
EURO MILLION (€M)			
OPERATING INCOME	17.6	18.0	2.4%
OPERATING COSTS	6.4	6.1	-4.6%
EBITDA	11.2	11.9	6.3%
EBITDA MARGIN	63.6%	66.1%	2.5pp

The increase in operating income fuelled by traffic growth (+8.8%) in NWP concession, permitted to offset the non consolidation of one month of revenues.

The increase in NorthWest Parkway’s activity did not have significant impact on the segment’s operating costs; the change is explained by consultancy expenses incurred by the company in both years.

* Brisa signed in the beginning of December 2016 a PSA (Purchase and Sale Agreement) anticipating the sale of the whole participation on NWP. The sale operation was concluded in March 2017.

ANALYSIS PER BUSINESS SEGMENT



18 OPERATIONAL CENTRES



+12 MILLION

TRAVELLED KM / YEAR
(Road patrolling by road assistance vehicles during the year)



+3 MILLION

VIA VERDE ON BOARD UNITS



56 M€

SEGMENT'S OPERATING RESULTS IN 2016



4 MILLION

CALLS HANDLED BY CONTACT CENTRE (M CALL)

3.2.3

SUPPORT SERVICES TO THE CONCESSIONS

The Support Services segment comprises the Group's companies which provide services to the concessions and to other companies outside of Brisa Group:



3.2.3 SUPPORT SERVICES TO THE CONCESSIONS

BRISA O&M (OPERAÇÃO E MANUTENÇÃO)



Brisa O&M (Operação e Manutenção) provides specialized monitoring, operation, maintenance and customer assistance services to motorway concessionaires and to infrastructures

The company covers 1 600 km of motorways included in the following concessions and sub-concessions:

- Brisa Concessão Rodoviária (BCR)
- Douro Litoral (AEDL)
- Litoral Centro (Brisal)
- Baixo Tejo (AEBT)
- Litoral Oeste (AELO)
- Atlântico (AEA) - exclusively road assistance services.

Brisa O&M is gathering experience for over 38 years. The company derived from Brisa Assistência Rodoviária, S.A., which emerged from the Customer Road Service of Brisa Auto-Estradas de Portugal, S.A. existing since 1977.

Brisa O&M teams work 24h/365d/year to secure the best safety conditions and a comfortable driving experience to users. These high service levels are possible thanks to highly skilled teams, state-of-the-art technology and procedures which are constantly reviewed and improved.

IN 2016 BRISA O&M
PATROLLED AND MONITORED
12 237 360 km AND,
performed 123 577 assistance
interventions, duly coordinated
with the OCC



3.2.3 SUPPORT SERVICES TO THE CONCESSIONS

BRISA O&M (OPERAÇÃO E MANUTENÇÃO)



Brisa O&M's quality management system is certified according to NP EN ISO 9001:2008 since 2010, specifically as concerns "Traffic Control and Road Operation, Monitoring and Maintenance and Assistance".

BRISA O&M (OPERAÇÃO E MANUTENÇÃO) IS ACTIVE IN 3 MAJOR AREAS:



3.2.3

SUPPORT SERVICES TO THE CONCESSIONS

BRISA O&M
(OPERAÇÃO E MANUTENÇÃO)

BRISA CONSERVAÇÃO
DE INFRAESTRUTURAS (BCI)



CURRENT MAINTENANCE
(CIVIL AND ELECTRICAL
WORKS) IS ENSURED
almost entirely by a company
of the Brisa Group, BCI – Brisa
Conservação de Infraestruturas

1. MAINTENANCE (CIVIL WORKS, ELECTRICITY AND ELETRONICS)
Current maintenance (civil and electrical works) is ensured almost entirely
by a company of the Brisa Group, BCI – Brisa Conservação de
Infraestruturas.

The company’s activities cover: pavements, engineering works, tunnels,
drainage, road safety barriers, vertical signing, buildings and landscaping.

Regular inspections comprising all these areas are carried out according
to Quality Control Plans (QCP).

Brisa O&M’s activity also covers environmental monitoring, as provided in
agreements entered with the different concessions and the deployment
of the General Environmental Monitoring Plans (GEMP). Figures for some
of the activities developed can be found in the following table:

DEVELOPED ACTIVITIES

CIVIL CONSTRUCTION AND ELECTRIC MAINTENANCE	QUANTITIES
Sealing of cracks in pavements	104 000 m
Repainting of horizontal signing	320 km, 71 roads junctions
Replacement of vertical signing	1 630 signs and 232 panels in 370 km
Repair of damaged pavement (caused by car fire, spillages)	4 060 m²
Repair of expansion joints	950 m

ELECTRONIC MAINTENANCE ACTIVITIES	QUANTITIES
Number of electronic maintenance interventions	56 734

3.2.3 SUPPORT SERVICES TO THE CONCESSIONS

BRISA O&M (OPERAÇÃO E MANUTENÇÃO)



TRAFFIC MANAGEMENT ACTIVITY COVERS FIVE KEY AREAS:

- Equipment network and sub-systems for data collection;
- Communications network;
- Road Information System;
- Customer information Systems;
- Monitoring and maintenance of equipment and systems.

2. TRAFFIC MANAGEMENT

The Traffic Management and Control System covers five key areas, namely:

- Equipment network and sub-systems for data collection;
- Communications network;
- Road Information System;
- Customer information Systems;
- Monitoring and maintenance of equipment and systems.

Operational Coordination Centre (OCC) and Operation

To provide assistance and ensure safety and comfort to users of the motorways it covers, Brisa O&M offers a wide range of services, from SOS and protection (emergency signing and beaconing, cleaning, clearance and triggering of rescue means), customer assistance (help and information), breakdown assistance (electrical/mechanical interventions, fuel, oil, water and air supply), on a par with surveillance and patrolling (verification of road conditions and traffic fluidity).

Brisa O&M aims to improve comfort and mobility, which are important drivers of regional and social development, capable of bringing significant positive impacts for the regions served by Brisa networks.

The Operational Coordination Centre (OCC) coordinates all means required for an active traffic management:

- 18 Operational Centres;
- Covering the whole motorway network;
- Using state-of-the-art information platform;
- Promoting the coordination of services at national level;
- Maximising the level and quality of each rendered service by minimising response time;
- Raising the level of benchmark service and client satisfaction.



3.2.3

SUPPORT SERVICES TO THE CONCESSIONS

BRISA O&M

(OPERAÇÃO E MANUTENÇÃO)



OPERATING INDICATORS

	'16	CHANGE VS '15
NO. OF EVENTS		
CLIENTS		
HELP LINE CALLS	159 959	28.6%
ROAD ASSISTANCE (EVENTS IN THE NETWORK)		
HELP AND PROTECTION	58 817	6.7%
ASSISTANCE	10 137	1.0%
WORKS	22 646	5.3%

Customer satisfaction surveys are made on a regular basis, in order to implement measures to improve the service provided throughout the different channels. In 2016 overall customer satisfaction average for each reviewed service was 3.7, which in a scale of 1 to 4 is quite positive. In addition, the average response time from the moment the assistance call is received at the OCC to the moment assistance arrives at the scene was, in 2016, of 5.7 minutes.

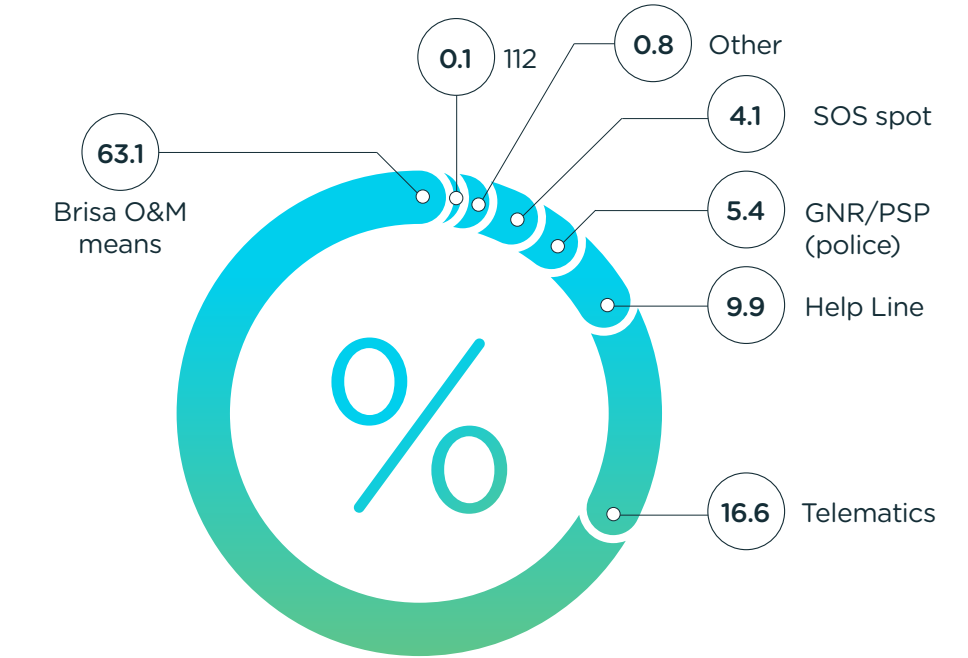
CUSTOMER SATISFACTION

	TOTAL
CUSTOMER SATISFACTION (OVERALL)	
RESULT (1 TO 4)	3.7
CUSTOMER SATISFACTION (HELP LINE)	
RESULT (1 TO 4)	3.3
AVERAGE RESPONSE TIME *	
RESULT (MINUTES)	5.7

* Average time from the moment the assistance call is received at the OCC to the moment assistance arrives at the scene.

OCC OPERATION - EVENTS ORIGIN RECORD

PERCENTAGE (%)



3.2.3 SUPPORT SERVICES TO THE CONCESSIONS

BRISA O&M (OPERAÇÃO E MANUTENÇÃO)



FOR BRISA, SAFETY IN ITS
MOTORWAY NETWORK
IS A PRIME CONCERN
materialised in a strict policy of
active management, maintenance
and conservation of roads and
awareness campaigns

Road safety in 2016

Brisa has a strict and active traffic management policy to ensure safety in its motorways; this includes road maintenance and repair, as well as information and awareness-raising campaigns.

In particular, the company invests in road improvement and reinforcement works. These involve lane widening works, installation of signalling equipment viewing the continued enhancement of traffic conditions.

Although in absolute terms the number of accidents in BCR network increased 2016, severity indicators dropped considerably.

As compared to the previous year, the rate of accidents involving deaths fell by 37.1%, whilst the rate of accidents resulting in severe injury dropped 30.3%. The death toll declined by 24.1%.

These figures show that despite the rise in traffic on the network, prevention measures implemented over the last few years together with the quality of the road infrastructure led to a significant reduction in the fatalities rate. In terms of road safety, most accident indicators concerning BCR network have evolved favourably.

ROAD ACCIDENT INDICATORS (CHANGE COMPARED TO 2015)

+0.5%
ROAD ACCIDENT RATE

+4.0%
ACCIDENT WITH MINOR
INJURIES RATE

-28.4%
FATAL RATE

-37.1%
FATAL ACCIDENTS RATE

-0.2%
ROAD ACCIDENT INDEX

-25.7%
SEVERE INJURIES RATE

-30.3%
ACCIDENTS WITH SERIOUS
INJURIES RATE

-28.3%
SEVERITY INDEX

-4.4%
LIGHT INJURIES RATE

3.2.3 SUPPORT SERVICES TO THE CONCESSIONS

BRISA O&M (OPERAÇÃO E MANUTENÇÃO)



 **207.8** Million
TOTAL TOLL TRANSACTIONS

 **75** %
TOLL COLLECTION
THROUGH VIA VERDE IN THE NETWORK
OPERATED BY BRISA O&M

3. TOLL COLLECTION

Brisa O&M is responsible for the toll collection in the 122 toll plazas which it operates.

Payment systems play a crucial role in customer service efficiency and quality. Tolls can be paid by 3 different means: electronically (Via Verde), toll booth operator and semi-automatic (E-toll equipment, remotely assisted if required), providing easier and increased comfort to users.

Traffic control and revenues

The determination of traffic and revenues generated by the various concessions is a daily task aimed to provide information to the concessionaires and ensure the integrity of the data received and continuous improvement in collection efficiency.

Throughout 2016 the number of transactions recorded on the motorway networks operated by Brisa O&M totalled 207 837 334, growing by 6% over 2015. The breakdown of transactions was as follows:

TRANSACTIONS PER TYPE OF SYSTEM

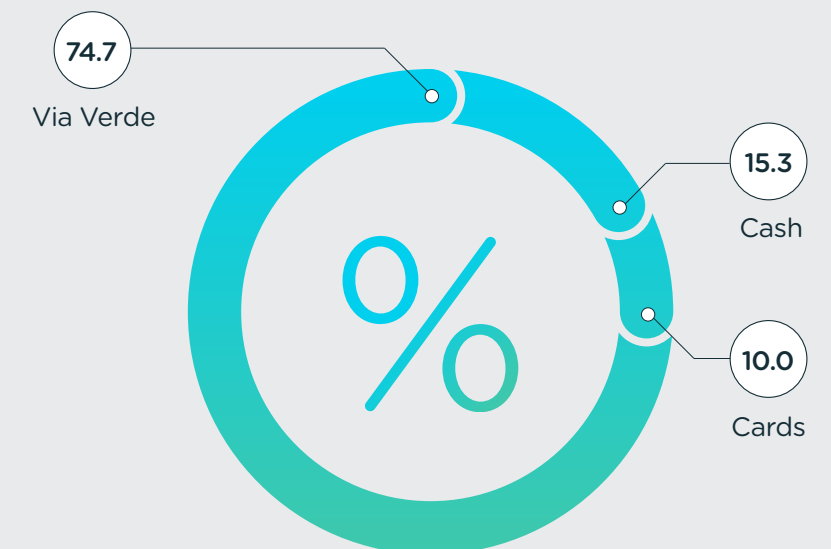
PERCENTAGE (%)



The weight of the Via Verde system reached 74.4%, which compares with 72.5% in 2015.

BREAKDOWN PER TYPE OF PAYMENT MEANS

PERCENTAGE (%)



The breakdown of payment means shows an increase in the share of transactions paid through the Via Verde system, to 74.7% as against 73.2% in 2015.

3.2.3 SUPPORT SERVICES TO THE CONCESSIONS

VIA VERDE PORTUGAL (VVP)



Via Verde Portugal is one of the most emblematic companies of the Brisa Group, thanks to whom Portugal was the 1st country in the world to have an integrated non stop toll network

Via Verde Portugal's business is based on the development and provision of electronic toll collection systems and services in motorways and other road infrastructures. The system is available in all toll collection systems in Portugal, consisting of an integrated network of over 3 000 km.

Via Verde processes around 77% of total toll transactions made in Portugal, and it is 60% held by Brisa.

Via Verde is also available in car parks, Galp pump stations, McDonalds® restaurants, Atlantic Ferries, controlled access to historic neighbourhoods and street parking.

 **3.3** Million
ON-BOARD UNITS

 **+357** Million
TOLL TRANSACTIONS

 **128**
CAR PARKS EQUIPED WITH
VIA VERDE SYSTEM



3.2.3 SUPPORT SERVICES TO THE CONCESSIONS

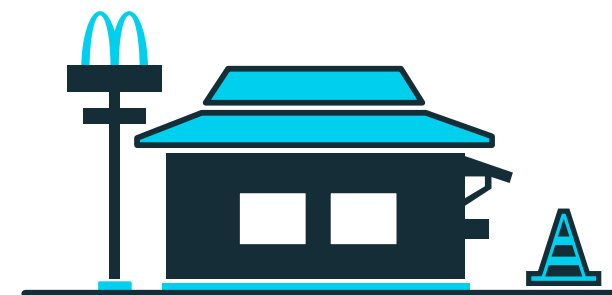
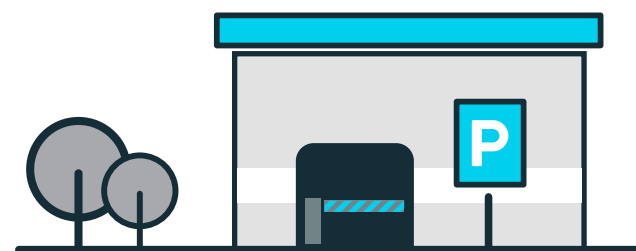
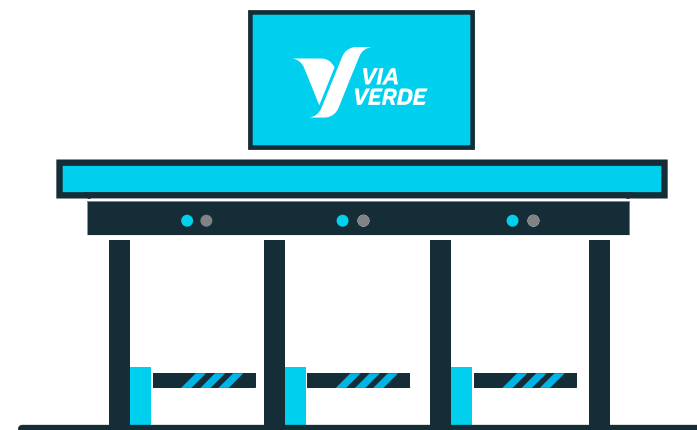
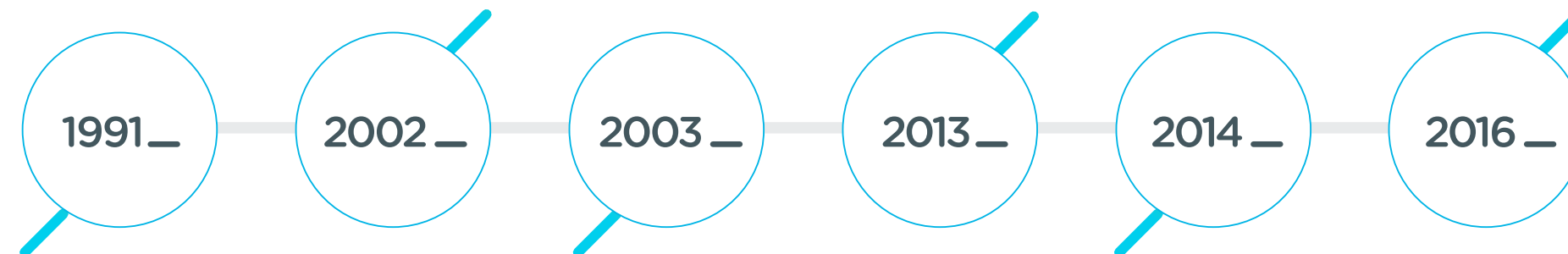
VIA VERDE PORTUGAL (VVP)



SERVICES PORTFOLIO

2016 marked the unfolding of VVP's business model in to a **more global and encompassing strategy** (i.e. mobility focused on people) and the

introduction of new collection services, specifically an App for street parking available in 6 cities.



3.2.3 SUPPORT SERVICES TO THE CONCESSIONS

VIA VERDE PORTUGAL (VVP)



HIGHLIGHTS 2016

VIA VERDE LEVE

VIA VERDE ESTACIONAR

VIA VERDE TRANSPORTES

VIA VERDE Wi-Fi

INTEROPERABILITY

Via Verde Portugal will keep working to continue being a leading and innovating company and a reference to its peers at international level.

From the clients' point of view, the Via Verde solution is the best there is: the most efficient, comfortable, and easiest payment system.

VIA VERDE LEVE

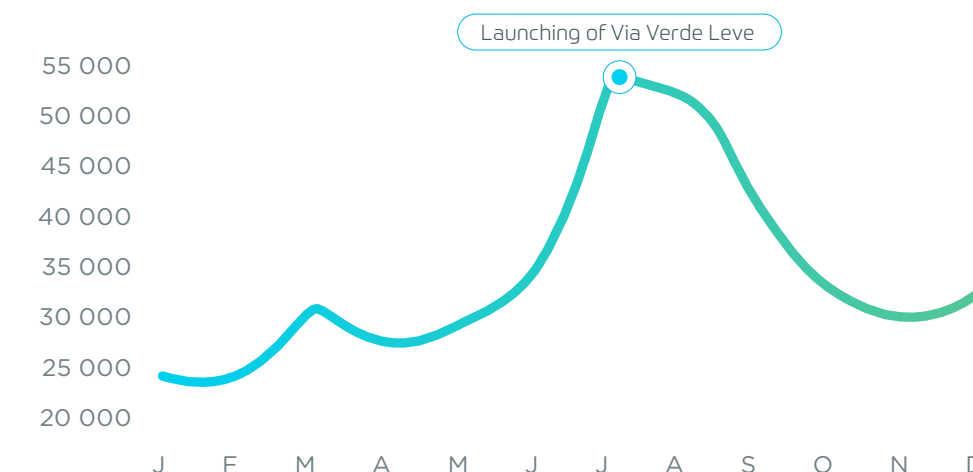
Aimed at growth, in July 2016 the company launched a new form of subscription, which views to meet the needs of occasional motorway users - 'Via Verde Leve'. This launching, which was backed by strong advertising (TV, mupis, digital, radio), was a success all across the board, as Via Verde registered 52 432 subscriptions in the first month of the campaign.

On a par with the launching of this new form of subscription, the company implemented in July the end of the loyalty period for leased on-board units, which gave more flexibility to Via Verde clients and made

this offer more attractive at initial subscription. This resulted in an increase in new subscriptions higher than 30% compared with 2015.

TOTAL VIA VERDE SUBSCRIPTIONS IN 2016

NO. OF SUBSCRIPTIONS



3.2.3 SUPPORT SERVICES TO THE CONCESSIONS

VIA VERDE PORTUGAL (VVP)



DOWNLOAD APP
Via Verde Estacionar

VIA VERDE ESTACIONAR

In the mobility-related area, the company launched ‘Via Verde Estacionar’ - a street parking payment App. The product first underwent a pilot phase, and in December it was officially launched (including an advertising campaign in TV, radio, digital), recording 47 thousand downloads and over 16 thousand payments in 2016. The product was made available in various cities - Amadora, Figueira da Foz, Porto, Portimão and Vila Real - during pilot phase, and was extended to Vila Nova de Gaia when officially launched.

The project aims to improve, facilitate and simplify. The “Via Verde Estacionar” allows payments through a mobile phone application, thus ending with the user’s concern to have coins or make pre-payments, as it is based on the post-payment model of Via Verde, developed in partnership with SIBS. Besides being easier to use, the service also permits relevant savings as only the parking time effectively used is charged. Moreover, the application allows adding more vehicles to the

same account, even if they are not Via Verde subscribers, and pay for more than one car parking at the same time.

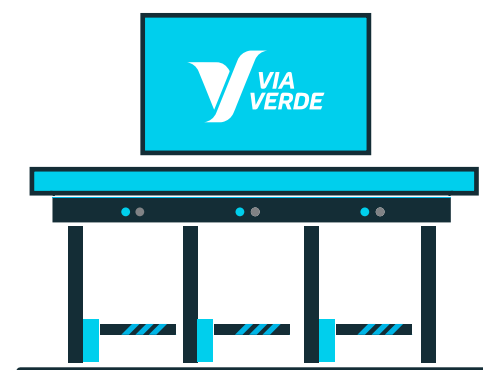
The company wants to extend this privileged form of street parking payment to other cities in the country in 2017.

VIA VERDE TRANSPORTES

Still in the mobility field, the company entered a cooperation protocol with a technology company - Novabase - to start developing the Via Verde Transportes application. This App allows Via Verde subscribers access and payment of public transports based on an intelligent solution, which will also calculate the most advantageous price for a specific travel journey.

The project views to improve the public transport experience, simplifying planning, travel purchase and interaction with the transport operator. At

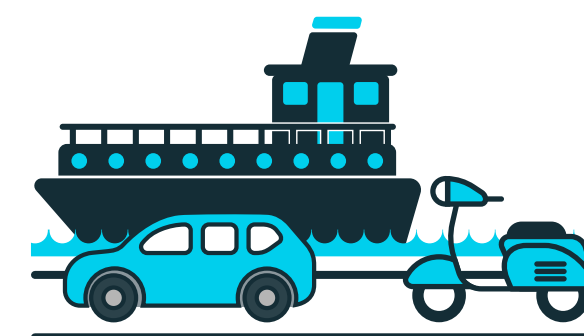
NEW VIA VERDE PRODUCTS IN 2016



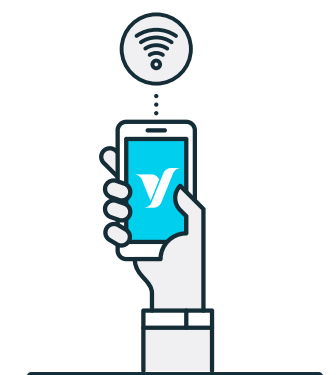
VIA VERDE LEVE



VIA VERDE ESTACIONAR



VIA VERDE TRANSPORTES



VIA VERDE Wi-Fi

3.2.3 SUPPORT SERVICES TO THE CONCESSIONS

VIA VERDE PORTUGAL (VVP)



the same time, the passenger is informed of the most adequate tariff for his/her specific travel need. This product which is still in pilot phase, will be available in 2017.

In the last quarter of 2016, the first negotiations were conducted with Lisbon public transport operators (Carris, Metro and Transtejo) and it was agreed to go forward with a proof-of-concept.

VIA VERDE WI-FI

Mobility and connectivity are presently inseparable concepts. As such, Via Verde launched Via Verde Wi-Fi service, a free Internet access exclusive for Via Verde subscribers. This network will be available on Brisa's service stations and Via Verde stores (Oeiras, Porto, Feira, Leiria, Carregado, Palmela and Saldanha). In 2016 Via Verde Wi-Fi recorded 400 thousand single users and about two thousand daily accesses.

INTEROPERABILITY

Via Verde service became available in several Spanish motorways and it should be extended to all motorways in Spain and France in the near future.

SPANISH MOTORWAYS EQUIPPED WITH THE VIA VERDE SYSTEM



 **+50** THOUSAND
VIA VERDE SUBSCRIPTIONS IN THE
MONTH VIA VERDE LEVE WAS LAUNCHED

 **47** THOUSAND
VIA VERDE ESTACIONAR DOWNLOADS

 **400** THOUSAND
VIA VERDE WI-FI USERS



3.2.3 SUPPORT SERVICES TO THE CONCESSIONS

VIA VERDE CONTACT (VVC)



Via Verde Contact was created in 2015 to manage, in an integrated way, contact services to clients of all Brisa Group companies

Using digital contact platforms (Website and app) or remote contact (in writing or by telephone) aimed to improve the client's experience.

VVC is the preferential point of contact with clients, having as goal to ensure the optimisation of customer service and respective operational efficiency.

Common Model of Service

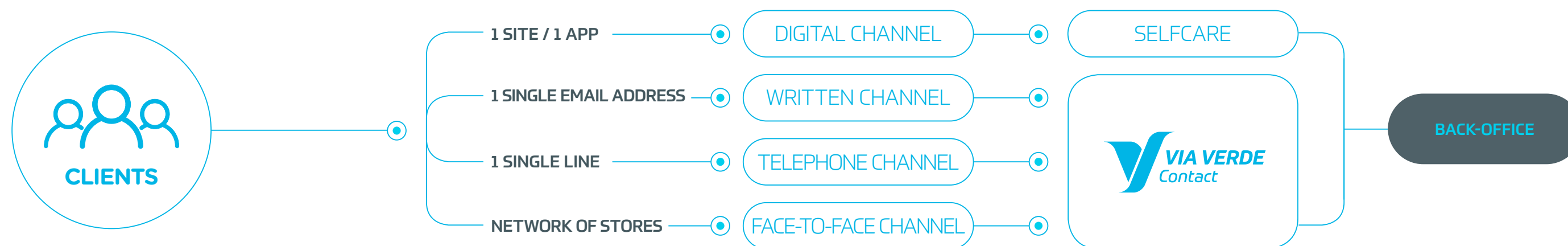
Before the creation of VVC, the Brisa Group had several areas providing customer services, according to the type of customer or subject, with

different procedures, several email contacts, telephone numbers and websites and different styles of communication.

VVC made it possible to offer clients a uniform and integrated experience, through a single contact, centralising different client service channels.

This model allows focusing on the client. On the one hand, it permits an integrated view of the customer's issue, increasing problem solving at first contact, and on the other hand, gaining synergies among channels, through the sharing of information and improving coordination with support areas.

COMMON SERVICE PLATFORM - CSP MODEL



3.2.3 SUPPORT SERVICES TO THE CONCESSIONS

VIA VERDE CONTACT (VVC)



VIA VERDE DIGITAL ECOSYSTEM IS COMPOSED OF A WEBSITE, MOBILE APPS (E.G. VIA VERDE APP OR VIA VERDE ESTACIONAR APP) AND SOCIAL NETWORKS.

Other online services were created, such as Via Verde Wi-Fi, the partnership with Waze and traffic alerts

DIGITAL CHANNEL

In 2015 a new **digital ecosystem** was created, more flexible and user-friendly, consisting of a website, mobile apps and social networks. Through the new digital ecosystem, clients can enjoy new experiences and functionalities seeking to meet their needs.

We highlight the simplification of the Via Verde subscription process, as subscribers can purchase or lease their on-board units online, view their account statements, subscribe traffic warnings or manage their personal information, on their own restricted area "My Via Verde". At the end of 2016 Via Verde had approximately 990 thousand online customers, which is 14% more than in 2015.

The Via Verde recorded 18.2 thousand visits daily. The Via Verde app recorded 352 thousand downloads, and a monthly use rate of 25%.

Social networks also play a relevant role in Brisa Group's communication strategy. Under the Via Verde brand, the Group is present on LinkedIn, Twitter, Facebook, Instagram, Pinterest and Youtube, seeking to leverage on the potential of these networks, whilst interacting with its customers in real time.

WRITTEN CHANNEL AND TELEPHONE CHANNEL

During 2016 VVC handled 147 275 written contacts received from clients (letters, emails and electronic forms). It has a skilled and multidisciplinary team, capable of providing an integrated answer.

At the same time, VVC managed its contact centre single number 707 500 900 having handled 832 343 calls during the year.

These channels process the following customer needs:

- Support to subscriptions
- Contract changes
- Payments
- Debts
- Clarifications and information
- Claims

KEY INDICATORS



990 THOUSAND
VIA VERDE ONLINE CLIENTS



18.2 THOUSAND
DAILY VIA VERDE WEBSITE SESSIONS



352 THOUSAND
VIA VERDE APP DOWNLOADS



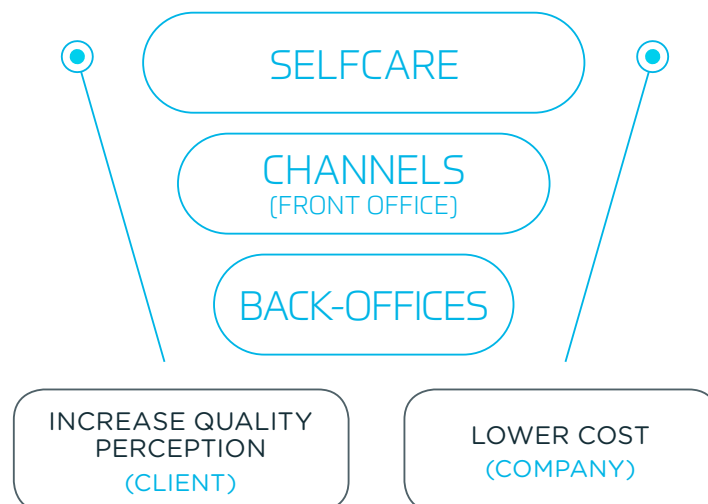
147 THOUSAND
ANSWERS TO CLIENTS THROUGH WRITTEN CONTACTS

3.2.3 SUPPORT SERVICES TO THE CONCESSIONS

VIA VERDE CONTACT (VVC)



PYRAMID - EFFICIENCY GOAL



CUSTOMER EXPERIENCE AND OPERATIONAL EFFICIENCY

One of the main objectives of VVC's mission is to generate operational efficiencies, reducing costs by simplifying processes, providing customers increasing autonomy to solve their issues.

Focused on these goals, the company introduced a wide number of (technical and processing) improvements, which allowed to migrate back-office processes to front-office, and from front-office to selfcare, starting the inversion of the pyramid.

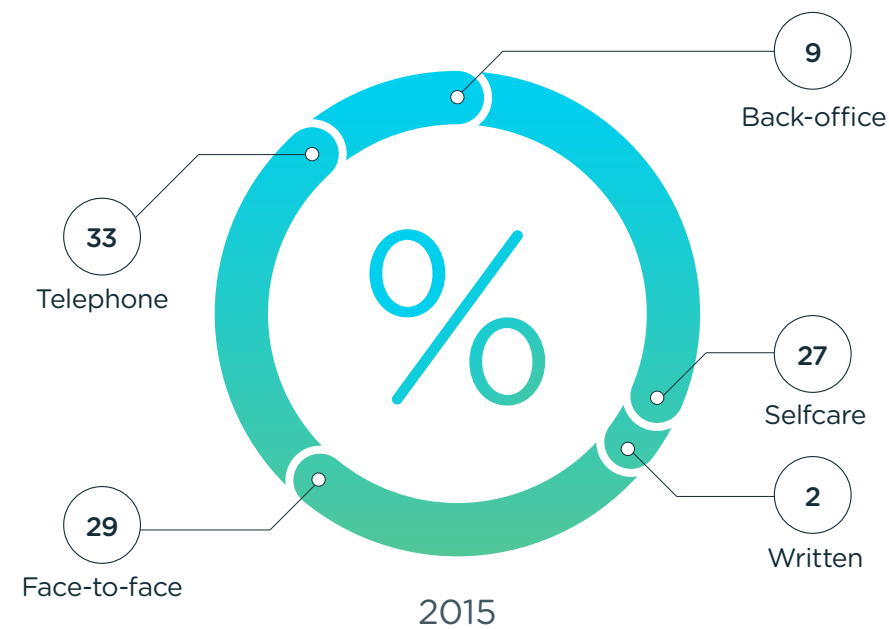
Customers now have available on the Via Verde website a restricted area where they can manage their contract, control their uses, obtain account statements and make additional subscriptions. In 2016 several initiatives were developed to bolster Selfcare, namely a refreshing of the Customer Support page and a communication campaign, which made it possible to achieve a 35% share over traditional channels.

Other projects were carried out in 2016 that improved operational efficiency and customer experience:

- **Camões** – Revision of all written communication, adjusted to the rebranding of Via Verde.
- **CRM Omnicanal** – New functionality of the CRM, providing a full view of the client's issues and permitting to anticipate and solve problems.
- **Facebook** – Launching of new service channel, addressed to a more digital audience.
- **Training** – Various training initiatives, in technical and behaviour areas, which allowed to strengthen expertise and thus offer better customer service.

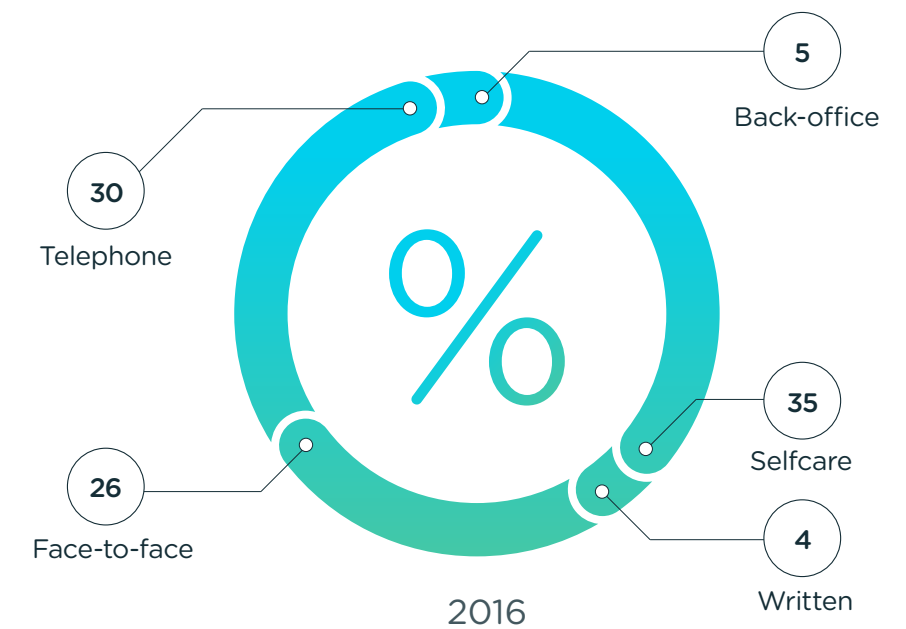
2015 SELF CARE SHARE

PERCENTAGE (%)



2016 SELF CARE SHARE

PERCENTAGE (%)



3.2.3 SUPPORT SERVICES TO THE CONCESSIONS

M CALL



M Call provides an increasingly wider range of contact centre services, with a high level of professionalism and remote multi-channel contact

M Call, a company of the Brisa Group founded in 1992 provides an increasingly wider range of contact centre services, with a high level of professionalism and remote multi-channel contact (telephone, email, Facebook, SMS, Fax and internet)

The range of services has been enhanced to keep up with technological evolution in the sector and changes in people's behaviour, and provide an increasingly diverse and value added range of services to clients.

As a reference company in contact centre services, M Call offers an integrated experience, in a multi-channel high quality environment, capable

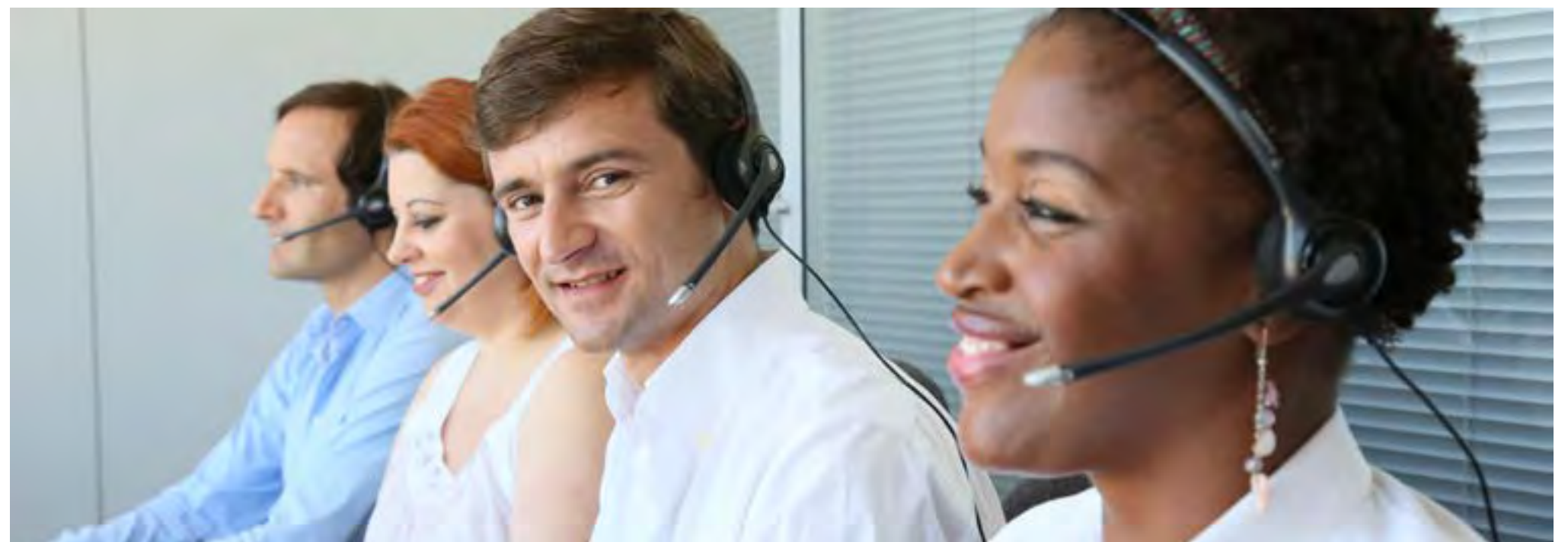
of meeting increasingly demanding and competitive service levels. It seeks to achieve excellence in its field, improving problem solving levels at first contact, thus providing an encompassing and efficient service.

The deployment of the Common Service Platform (CSP) gathered the following customer services:

VIA VERDE SUPPORT LINE CALLS

- Prevention, recovery and collection of VVP
- Several outbound actions (update of client information)

M CALL OFFERS
AN INTEGRATED EXPERIENCE,
in a high quality multichannel
environment, with service excellence
capable of addressing increasingly
demanding and competitive
service levels.



3.2.3 SUPPORT SERVICES TO THE CONCESSIONS

M CALL



 **4 MILLION**
CONTACT CENTRE
INTERACTIONS IN 2016

 **+32 %**
TOTAL CALLS HANDLED
(Outbound calls grew by 92%)

BRISA CUSTOMER LINE (24/7)

- Road emergency
- Travel assistance
- Information on traffic and routes
- Simulation of routes
- Toll rates
- Information about existing service stations and rest areas on Brisa network
- Management of road assistance calls to hearing-impaired users (made via SMS).

SERVICES TO OTHER USERS

In addition to Brisa clients (accounting for 66% of its turnover), M Call also provided services to clients beyond the Brisa Group (approximately 34% of turnover), namely:

- Customer support
- Collections
- Surveys
- Sales
- Telemarketing
- Back-office services

CONTROLAUTO CUSTOMER SUPPORT LINE

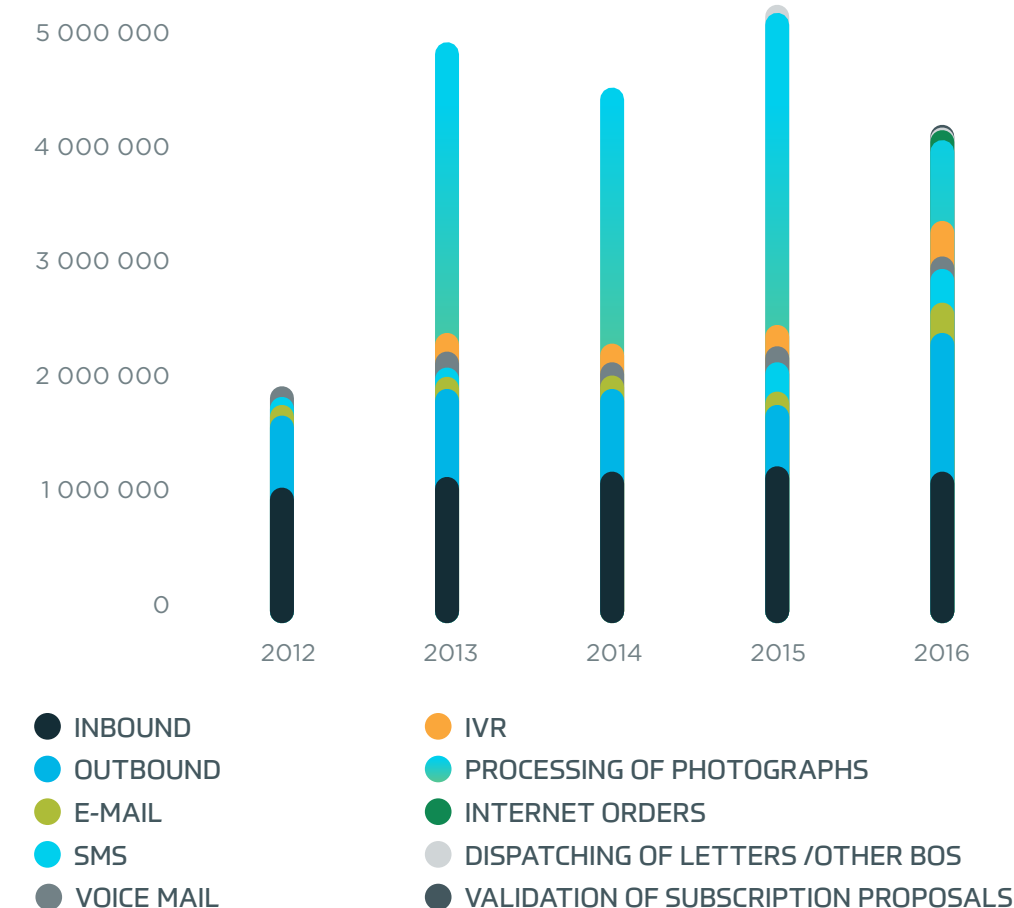
- Scheduling of vehicle inspections for the different inspection centres scattered throughout the country.

EVOLUTION OF THE SERVICES PORTFOLIO

The range of M Call services has been enhanced to keep pace with technological evolution in the sector and people's changes in behaviour, in order to provide its clients increasingly diverse and added value services.

PORTFOLIO

NO. OF INTERACTIONS



3.2.3
SUPPORT SERVICES TO THE CONCESSIONS

M CALL



M Call portfolio has been extended and adapted to the new digital era: in addition to the telephone channel and back-office services, the company handles contacts through the social networks, email, chats, etc., in order to face the increasing number of digital interactions.

MAIN SERVICES	
Inbound	Calls started by the client
Outbound	Calls started by M Call
IVR	Recorded answering
Photograph processing	Service provided by the photograph processing
SMS	Text messages

CERTIFICATIONS
Quality is viewed as a crucial element in the development of the organisation, employees and services. M Call and its tele-operators are thus certified, according to the best market practices, whilst seeking continuous improvement.

- In 2016 the following occurred:
- Follow-up audit of ISO 9001/2008 Quality Certification.
 - Audit for the renewal of tele-operator, supervisor and assistant functions certification.
 - Adequacy to PCI-DSS standard (safety of electronic transactions paid by credit card).
 - Audit in the field of social responsibility - SMETA (Sedex Members Ethical Trade Audit), deserving international recognition in terms of compliance with occupational health and safety laws, environmental commitment and ethics in business.



3.2.3 SUPPORT SERVICES TO THE CONCESSIONS

BRISA ENGENHARIA E GESTÃO (BEG)



IN THE PAST FIVE YEARS
NO FATAL ACCIDENT HAS
OCCURRED
and the severity index
declined considerably

Brisa Engenharia e Gestão (BEG) is focused on the management of studies and projects, land expropriation and construction works

Brisa Engenharia e Gestão (BEG) develops projects for the Brisa Group in the following areas:

- Management and coordination of studies and projects
- Management of land expropriation
- Management of construction contracts
- Supervision and quality control of contract works
- Safety coordination
- Environmental management
- Maintenance of management systems of pavements, slopes and engineering works.

RELEVANT PROJECTS

Preparation and launching of 35 tenders for construction works, including renovation and strengthening of Armco type (corrugated steel) structures. Coordination of over 40 contract works throughout the year, amongst which the design/construction of the new tunnel of Águas

Santas on the Águas Santas / Ermesinde, sub-stretch of the A4 – Porto/ Amarante motorway and the widening of the A1 motorway – Carvalhos/ Sto. Ovídio sub-stretch.

SAFETY AND ACCIDENT INDEX

Safety and accident indexes during construction works continue to improve. In the last 5 years, no fatal accident has occurred and the severity index dropped by 30% over 2011.

The company invested in the acquisition of a mobile lab to follow contract works in the south of the country.

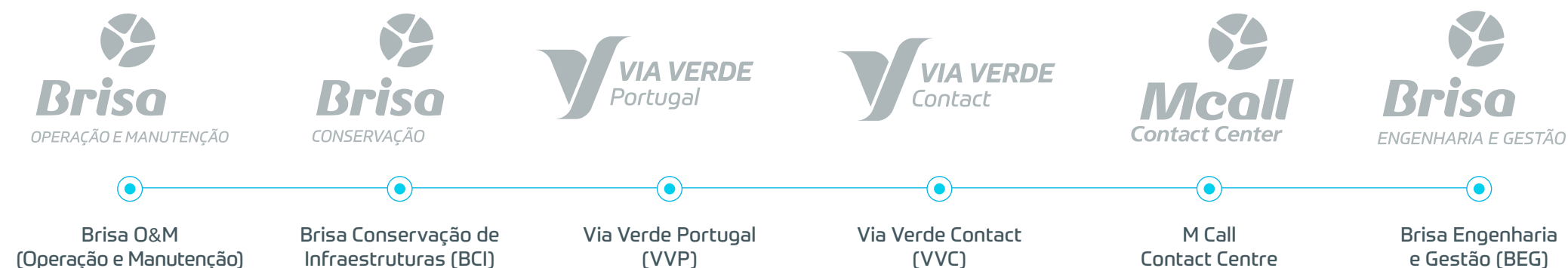
CERTIFICATIONS

In 2016 BEG maintained the certification of its integrated Quality and Environmental Management System according to NP EN ISO 9001:2015 and 14001:2015 standards, and the accreditation of its Test Laboratory according to NP EN ISO 17025:2005.



3.2.3 SUPPORT SERVICES TO THE CONCESSIONS

ANALYSIS PER BUSINESS SEGMENT



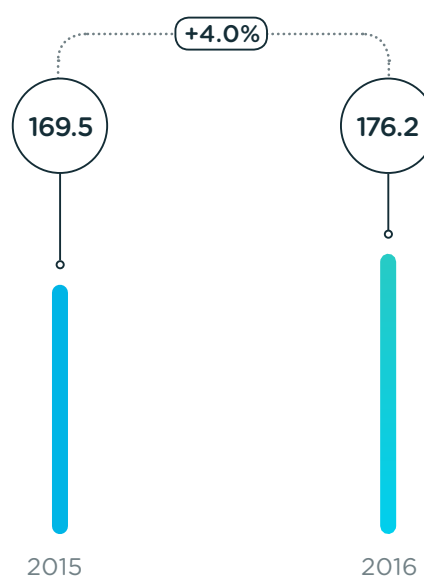
OPERATIONAL AND FINANCIAL PERFORMANCE

During 2016, the support services segment's contribution to revenues totalled €M 176.2 increasing by 4.0% over the previous year, driven mostly by Via Verde Portugal's growth.

Brisa's concern to maintain excellent road quality levels required an increase in operational costs, specifically conservation costs, which rose by 4.3%.

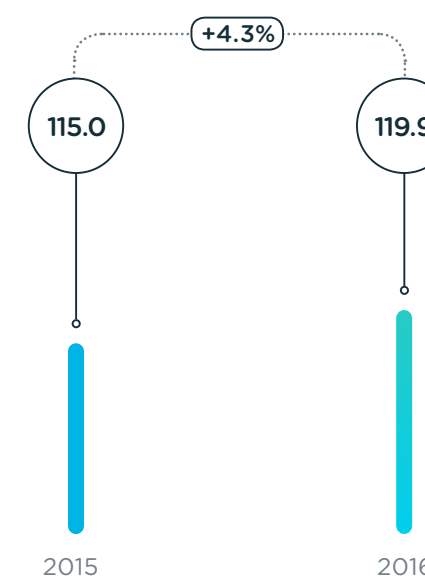
OPERATING INCOME

EURO MILLION (€M)



OPERATING COSTS

EURO MILLION (€M)



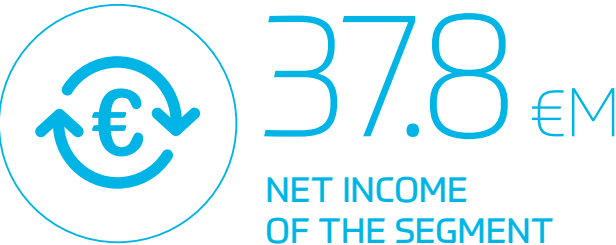
€ 176.2 €M
INCOME FROM THE
SUPPORT SERVICES SEGMENT

€ +4.0%
INCOME GROWTH OF THE
SEGMENT AS COMPARED TO 2015

3.2.3

SUPPORT SERVICES TO THE CONCESSIONS

ANALYSIS PER
BUSINESS SEGMENT



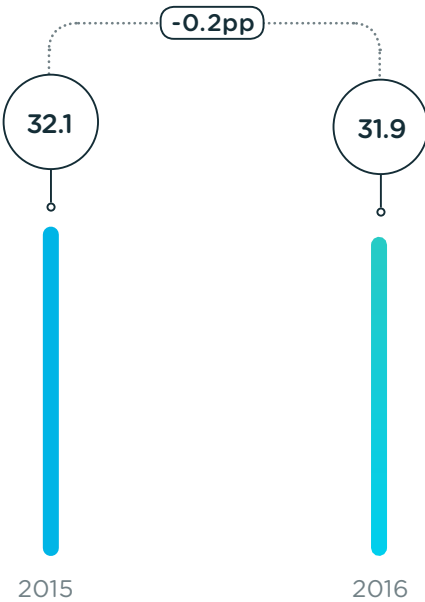
INVESTMENT IN 2016
INCREASED

by 49.3% over the previous
year, totalling nearly €M 4

The increase in income associated with the increase in costs had a slightly negative impact on the EBITDA margin (-0.2 pp).

EBITDA MARGIN

PERCENTAGE (%)



Net income from the support services to concessions segment grew by 20.8%, totalling €M 37.8.

Investment in 2016 increased by 49.3% over the previous year, totalling nearly €M 4.

The balance of amortization and provisions fell sharply by 89.9%, standing close to €M 0.8. This evolution is explained by a significant decrease in captions “provisions” and “amortisation, depreciation, adjustments and provisions”.

PROFIT & LOSS STATEMENT

	'15	'16	CHANGE
EURO MILLION (€M)			
OPERATING INCOME	169.5	176.2	4.0%
OPERATING COSTS	115.0	119.9	4.3%
EBITDA	54.4	56.3	3.4%
EBITDA MARGIN	32.1%	31.9%	-0.2pp
AMORTISATION AND PROVISIONS	7.9	0.8	-89.9%
EBIT	46.5	55.5	19.2%
EBIT MARGIN	27.5%	31.5%	4.0pp
NET INCOME	31.3	37.8	20.8%



ANALYSIS PER BUSINESS SEGMENT



46

INSPECTION CENTRES



90%

MARKET COVERAGE



25%

MARKET SHARE



77%

OVERALL NOTORIETY

3.2.4 VEHICLE INSPECTIONS

Brisa's activity in the segment of vehicle inspections is developed by Controlauto

CONTROLAUTO

Controlauto was set up and started operating in 1993, and is currently a benchmark in its sector. Controlauto is active in vehicle inspections under the terms of Law no. 11/2011 of 26 April, as amended by Decree law No. 26/2013 of 19 February, which establishes the legal framework for access and ongoing activity of technical inspection of motor vehicles and their trailers.

Vehicle inspection activity can only be performed by managing entities pursuant to an administrative management agreement with Instituto da

Mobilidade e dos Transportes (IMT), which establishes a set of actions and procedures for the technical control and safety of motor vehicles and their trailers, according to relevant technical and regulatory provisions.

The concession model suffered changes following the entry into force of Law 11/2011 of 26 April which led to the amendment of the framework legislation for the vehicle inspection activity. Following such changes, business licenses were replaced by a new management contract, entered separately for each centre of Controlauto.



3.2.4 VEHICLE INSPECTIONS

CONTROLAUTO

In 2013 new management contracts were signed that establish all legal, contractual, regulatory and technical provisions applicable to vehicle inspection activities valid for 10 years, which may be renewed by equal periods.

To be able to perform vehicle inspections, companies must be granted accreditation by Instituto Português de Acreditação, IPAC. Conformity assessment is made by IPAC according to the ISO 17.020 standard, for which Controlauto is certified.

Controlauto's strategy develops along two main axes:

1) Client focus: Controlauto considers that in a regulated market in terms of price and activity, focus on the client is how it can stand out from its competitors and face its challenges. Taking into account its leading position in the domestic market and the recent legal changes concerning the sector, resulting in increasing competition, Controlauto believes that securing customer loyalty is the best way to protect its market position.

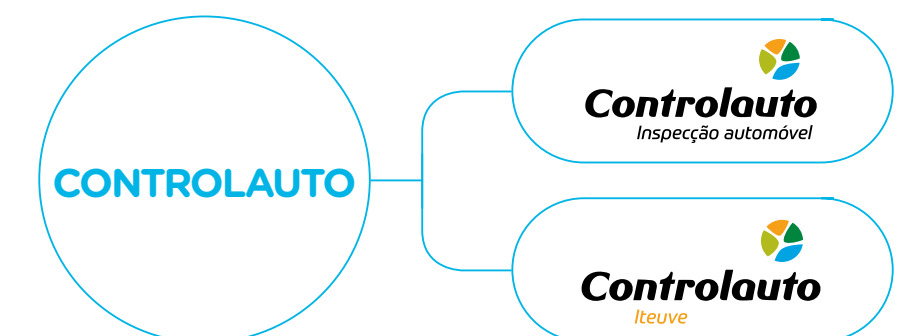
2) Optimisation of resources and efficiency: optimisation of resources and efficiency are key to create value. Management contracts of inspection centres were significantly altered by Ministerial Order 221/2012 of 20 July, 2012, having required modifications in facilities and equipment of inspection centres, and the mandatory recording of the results of the tests carried out during the vehicle inspection process in the information systems.

Controlauto made the investment required to introduce the said adaptations during 2016 in its 46 inspection centres (leading to a 25% increase in investment in relation to the previous year). On the same occasion, Controlauto decided to renew some of its centres so that their customer service would be aligned with the brand's notoriety and respective mission and vision. This improvement of the centres' using conditions is a continuous process.

CONTROLAUTO - MISSION AND VISION

Controlauto's **Mission** is to promote road safety and protect the environment, by carrying out vehicle inspections and raising driver awareness, providing a legally required service, subject to concession, according to strict ethical principles. The experience of customers who trusted in Controlauto must be of highly perceived value.

As its **Vision**, Controlauto seeks to become the privileged partner for vehicle inspections and a national reference operator in terms of ethics, sustainability, personnel development and innovation, with high levels of efficiency and value creation.



3.2.4 VEHICLE INSPECTIONS

CONTROLAUTO



81%

OVERALL SATISFACTION
IN THE FOURTH QUARTER



69%

NET PROMOTER SCORE
IN THE FOURTH QUARTER



73%

SERVICE TIME
(Including a waiting time below
15 minutes)

Optimisation of Resources

Decree law No. 144/2012 establishes that vehicle inspections can only be performed by IMTT, I.P. certified inspectors. The law further provides:

- i. the minimum number of inspectors per inspection centre;
- ii. the minimum number of inspectors per working line;
- iii. that each inspector can only perform up to 32 inspections per day and no more than 4 inspections per hour;
- iv. the technical director can only perform half the inspections carried out by an inspector.

As a result, the productive capacity of inspection centres is restricted, and the monitoring of productivity is crucial to ensure a correct allocation of resources, whilst minimising customer waiting time, something which is highly valued.

Efficiency

Within the scope of IPAC's accreditation of the inspection process, equipment used during the process must be calibrated according to standards to ensure the quality of the tests made.

Taking into account the size of Controlauto and the number of equipments involved (approximately 1 500), maintenance and calibration are performed by an in-house team, included in the Maintenance and Calibration Service, which is also accredited by IPAC for this specific purpose.

Controlauto does not have to rely on external providers and can thus offer a level of service in line with its strategic positioning. Moreover, it can achieve economies of scale with the flexibility and integration of this team with the operation of inspection centres.

MAP OF CONTROLAUTO CENTRES



3.2.4 VEHICLE INSPECTIONS

CONTROLAUTO

IN 2016, THE VEHICLE INSPECTIONS SEGMENT contributed with revenues to the Brisa Group in the amount of €M 33.3

FINANCIAL AND OPERATIONAL PERFORMANCE

The sector is currently adapting to new dynamics in terms of competitors, following government authorisation for the opening of up to 70 new inspection centres (adding to the existing 171). In 2016, 19 new centres opened (in Lisbon, Grândola, Évora, Setúbal, Moimenta da Beira and Santa Maria da Feira), resulting in an increase in competition in these regions.

This had a negative impact of the number of services provided in 2016, which fell by 1.1% over the previous year.

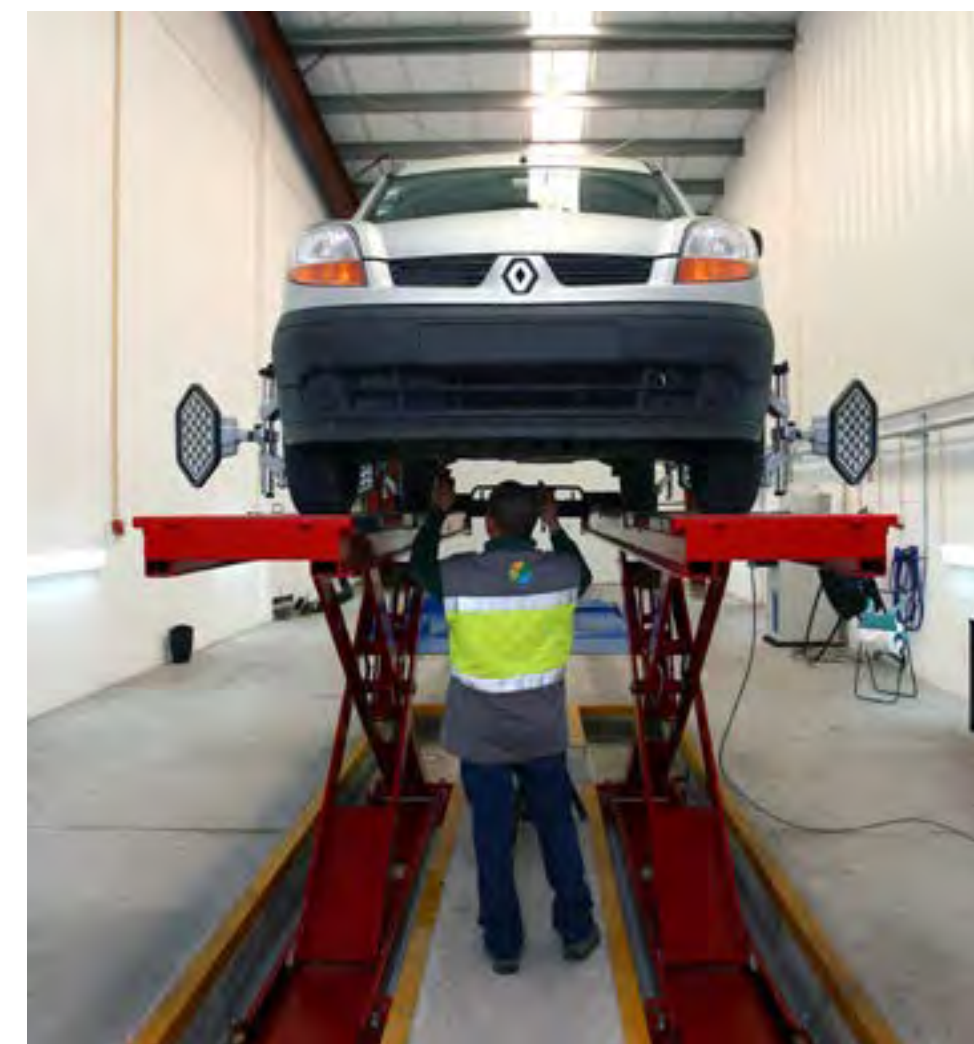
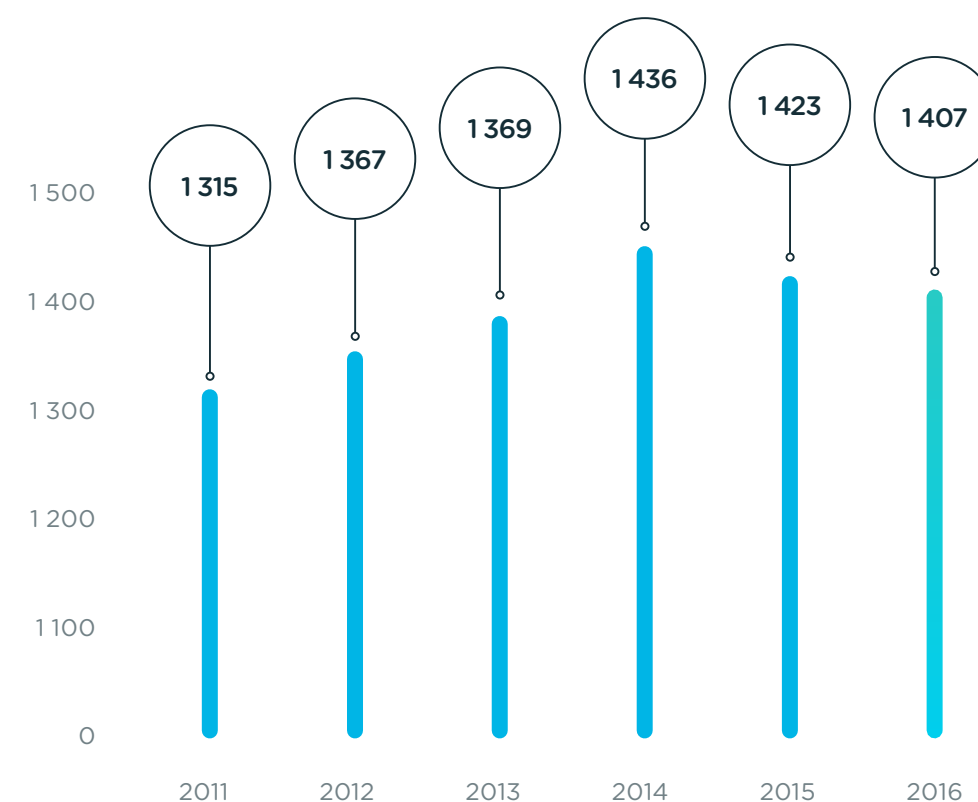
In 2016 the vehicle inspections segment contributed with revenues for the Brisa Group in the amount of €M 33.3, which compares to €M 33.7 in 2015. This

decline resulted from a decrease in the number of services rather than to changes in prices during the year.

Expenses grew by 1.1%, driven by conservation and repair costs and the renovations carried out in inspection centres, as mentioned above.

EVOLUTION OF THE NUMBER OF INSPECTIONS PERFORMED

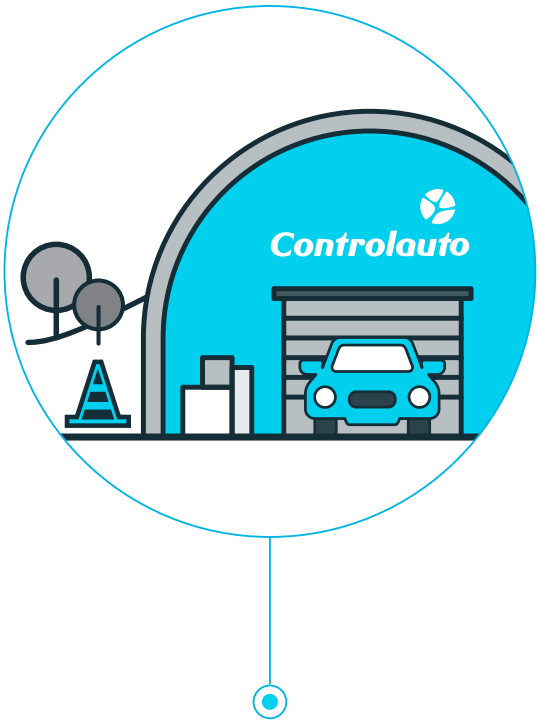
NUMBER OF INSPECTIONS (THOUSANDS)



3.2.4

VEHICLE INSPECTIONS

CONTROLAUTO



FURTHER INFORMATION AT:
WWW.CONTROLAUTO.PT

INCOME

EURO MILLION (€M)



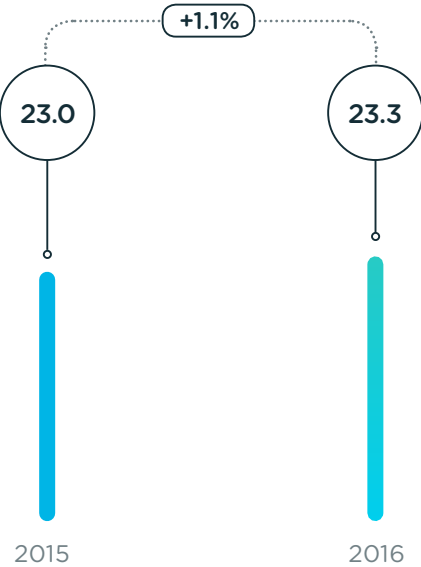
The decrease in income associated with the increase in costs had a negative impact on the EBITDA margin (1.6 pp). Notwithstanding, net income recorded by the vehicle inspection segment grew by 1.0% over 2015.

On the other hand, the significant investment carried out in 2016 affected amortization and provisions (+57.0% year-on-year).

As of December 2016 Controlauto had loans in a total amount of €M 1.7, i.e. 34% less than in the previous year.

OPERATING COSTS

EURO MILLION (€M)



PROFIT AND LOSS STATEMENT

	'15	'16	CHANGE
EURO MILLION (€M)			
OPERATING INCOME	33.7	33.3	-1.1%
OPERATING COSTS	23.0	23.3	1.1%
EBITDA	10.6	10.0	-6.0%
EBITDA MARGIN	31.6%	30.0%	-1.6pp
AMORTISATION AND PROVISIONS	1.9	3.0	57.0%
EBIT	8.7	7.0	-19.7%
EBIT MARGIN	26.0%	21.1%	-4.9pp
NET INCOME	3.8	3.8	1.0%

ANALYSIS PER BUSINESS SEGMENT



4.8 M€
INVESTMENT IN R&D IN 2016



+300 MILLION
DIGITAL TOLL TRANSACTIONS
PROCESSED PER YEAR



+150 MILLION
MANUAL TOLL TRANSACTIONS
PROCESSED PER YEAR



+1 000 MILLION
VEHICLES DETECTED BY ROAD
SENSORS AND DEVICES PER YEAR

3.2.5 TECHNOLOGICAL SERVICES

Brisa Inovação e Tecnologia (BIT) is the Brisa Group company responsible for coordinating innovation activities. The range of products and services of BIT encompasses research and development, supply, implementation and maintenance

The company is responsible for the supply of critical road control systems in over 1 200 toll lanes, 250 motorway lanes and 120 car parks and access controlled areas in Portugal, Holland and the United States, from toll systems to tunnel automation solutions, including bridges, fuel pumps, drive-in payment systems at McDonald's® restaurants and in sea ferries. Every year, customers trust in BIT to process over 300 million digital transactions and 150 million manual toll transactions, over 1 000 million vehicle detections with road sensors and devices, 10 million car park accesses and half a million transactions in pump stations, ferries

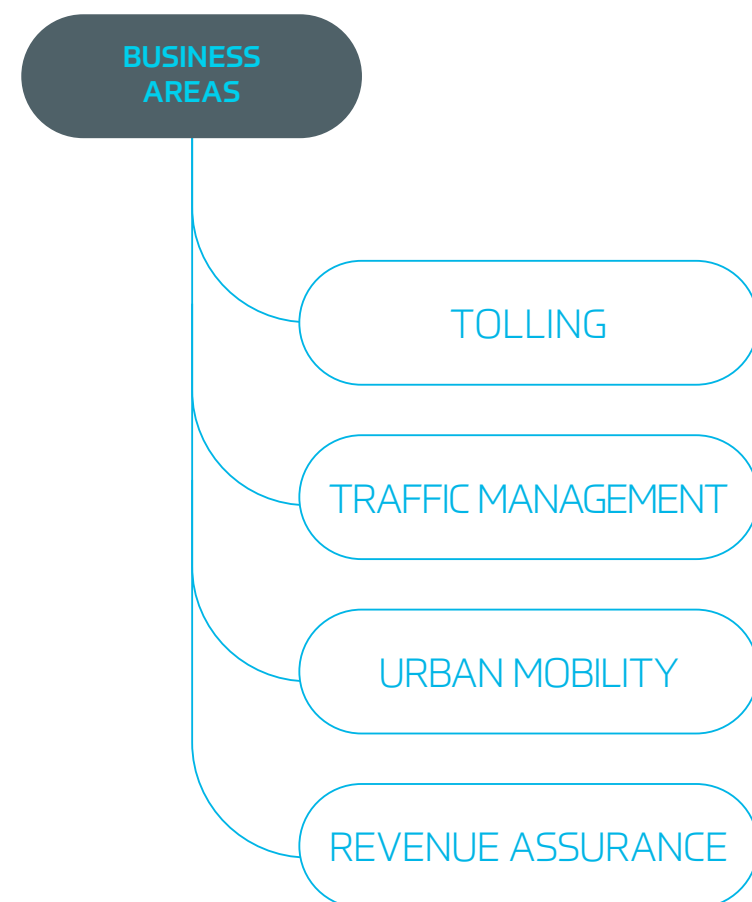
and McDonald's®. BIT solutions can be found in over 3 000 km, 20 different motorways and 150 different clients.

Reflecting an internationalisation strategy - recognising Mobility as one of the most important technology trends and the volume of investment worldwide - BIT analyses the market, and runs for opportunities in the USA, Latin America, Middle East and South Africa, spanning over 3 continents. In 2015 it set up a company in the US - BIT Mobility Solutions, LLC (BMS) — to develop business in this market. In Europe, which is a



3.2.5 TECHNOLOGICAL SERVICES

BRISA INOVAÇÃO E TECNOLOGIA (BIT)



rather mature market with lesser investment prospects in terms of infrastructures, BIT is particularly attentive to possible interoperability opportunities for toll systems and urban mobility.

BUSINESS AREAS

Brisa Inovação technological offer is organised according to four business areas. Although each area is self-reliant, each implementation is improved by natural cross connectivity, improving results.

Tolling

Brisa Inovação designs, develops and provides across-the-board toll solutions, from road-side systems to central systems, covering all toll collection, payment and clearing options.

BIT pricing solutions, adjusted to a broad range of businesses, are focused on mobility and road operators, in concessionaires, toll authorities and agencies, which recognise the intrinsic advantages:

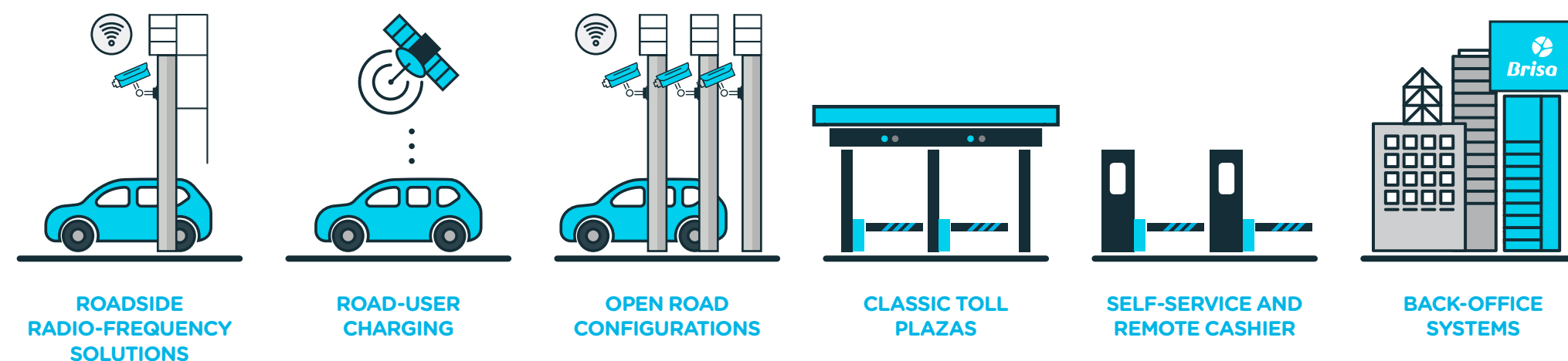
- 1) For an effective use of motorways;
- 2) Easy transition of next generation toll models;
- 3) Capacity to use several technology suppliers;
- 4) Minimise re-investment costs and optimise the life cycle.

Solutions are conceived to meet the customer's key needs:

- 1) By allowing an active control of operating costs;
- 2) Ensuring global presence and ongoing local provision;
- 3) Optimise the reliance on suppliers of solutions and equipment.

The range of toll solutions is extensive, no matter the business model adopted, including virtual tolling (by satellite), road tolling (ORT), electronic toll collection (channelled), video tolling, manual and semi-automatic (with remote operator) tolling, operational and commercial back-office and image review platform.

ILLUSTRATIVE DESCRIPTION OF TOLL SOLUTIONS



3.2.5 TECHNOLOGICAL SERVICES

BRISA INOVAÇÃO E TECNOLOGIA (BIT)

Traffic Management

Traffic management solutions are focused on road operators, concessionaires and authorities, helping them to implement coordination centres and emergency response units in the theatres of infrastructures operations.

The traffic management portfolio includes a platform for the management of complex operation theatres (operational centres), video

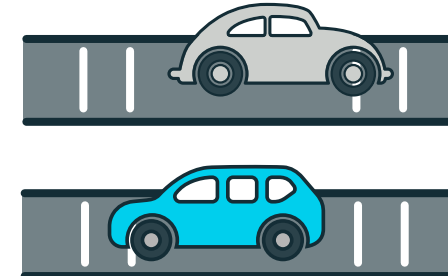
wall and sensor systems to solve key issues which competition has been unable to solve:

- 1) Be aware of what is happening on the road, in a global network;
- 2) Quick, accurate, in real time;
- 3) Cross-integration solutions instead of vertical ones unable to communication with each other.

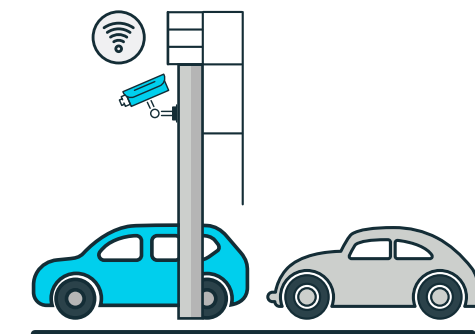
EXAMPLES OF APPLICATIONS FOR TRAFFIC MANAGEMENT SOLUTIONS



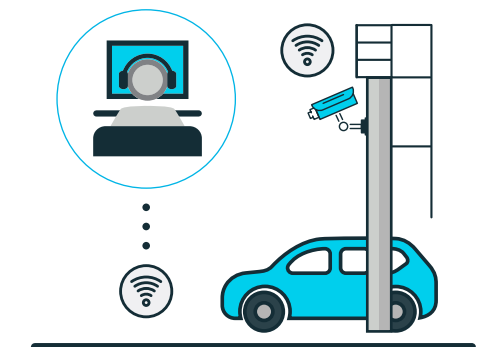
COMPLEX
OPERATIONAL THEATERS



TRAFFIC SENSING



REAL-TIME
MOBILITY DATA



BUSINESS CONTINUITY AND
REVENUE ASSURANCE



3.2.5 TECHNOLOGICAL SERVICES

BRISA INOVAÇÃO E TECNOLOGIA (BIT)

CITIES BECOME MORE EFFICIENT IF THEY IMPLEMENT SPECIFIC TRANSPORT POLICIES, acting on demand and influencing supply with clear options and in real time for citizens

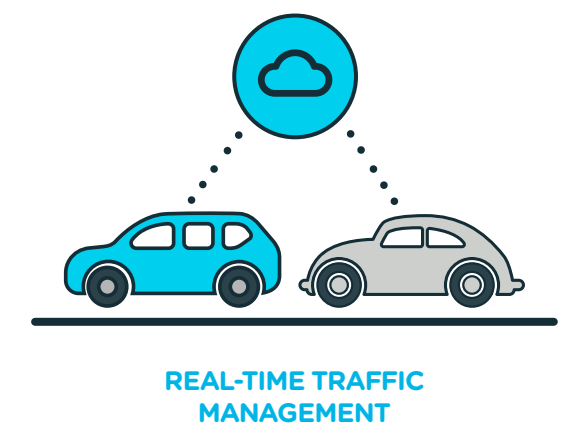
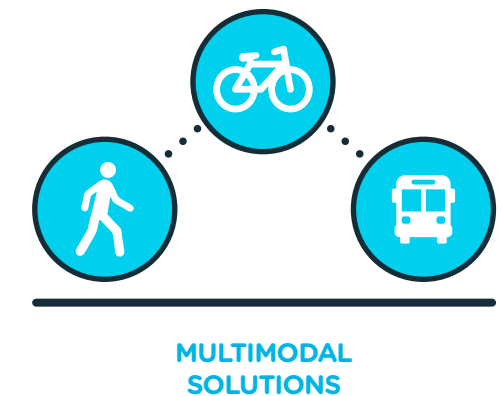
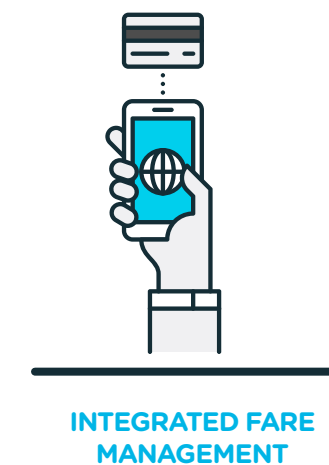
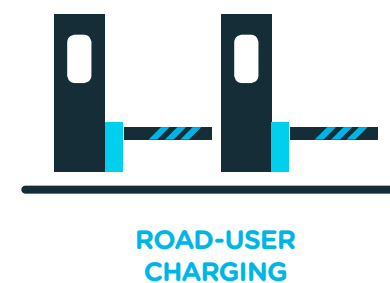
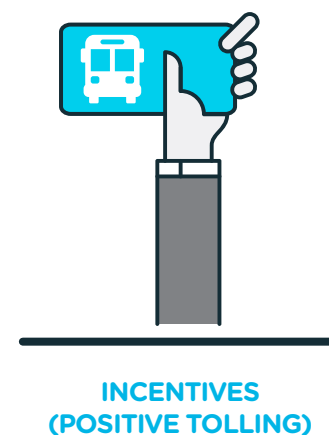
Urban Mobility

The world of Smart Cities is immeasurable. As far as BIT concerns, it means urban mobility, optimisation of existing infrastructure, implementation of transport policies, whilst answering to increasing challenges posed by citizens.

Cities become more efficient if they implement specific transport policies, acting on demand and influencing supply with clear options and in real

time for citizens. BIT solutions in this area cover traffic jam collection, audit and enforcement systems and central systems. Integrated mobility options based on apps are given to citizens, extending payment solutions in vehicles to convenience services - McDrive™, fuel pumps, car parks, ferries - and opening the door to multimodality.

AREAS WHERE OUR URBAN MOBILITY SOLUTION FITS



3.2.5 TECHNOLOGICAL SERVICES

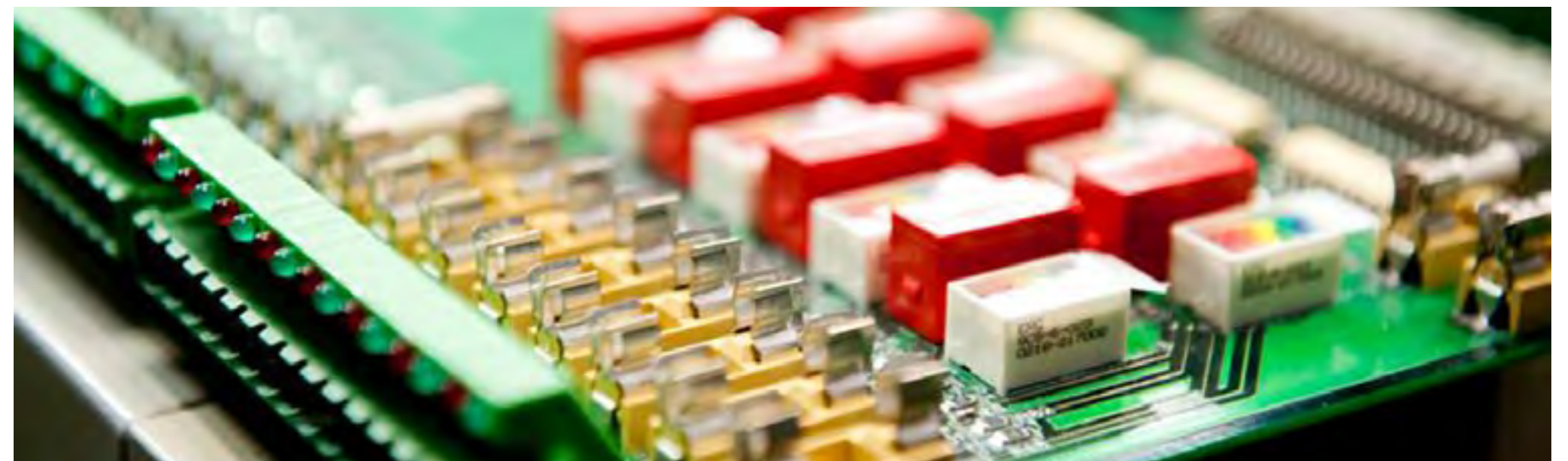
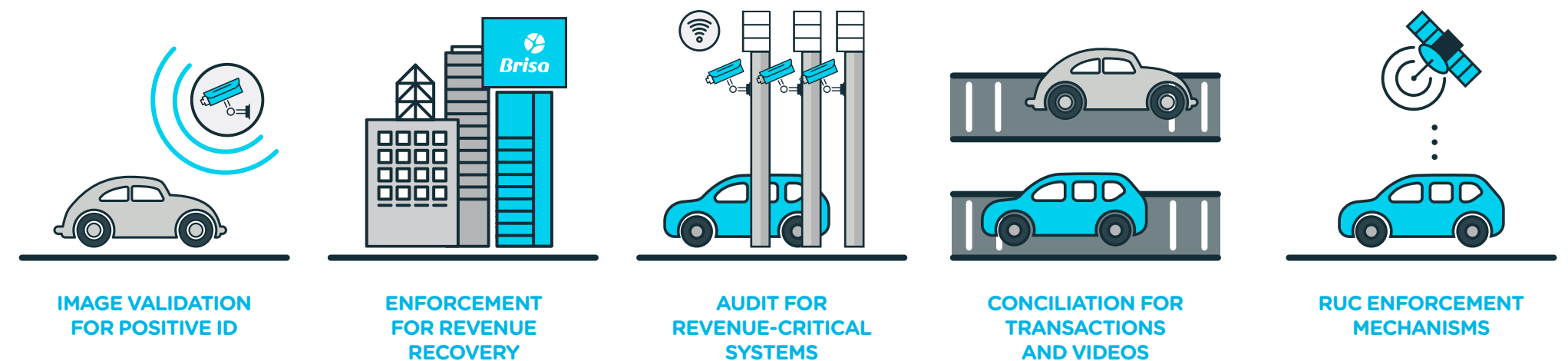
BRISA INOVAÇÃO E TECNOLOGIA (BIT)

Revenue assurance

«Are critical revenue systems working properly?» and «How can we minimise collection losses?», these are some of the questions which solutions in this area answer. In this field, BIT provides audit, image review,

active systems monitoring and video enforcement platforms. All considered, they seek service continuity, availability, active and preventive monitoring of systems and fulfilment of service levels.

FIELDS OF ACTION FOR OUR SOLUTIONS OF REVENUE ASSURANCE



3.2.5 TECHNOLOGICAL SERVICES

BRISA INOVAÇÃO E TECNOLOGIA (BIT)

**BIT APPLIED
FUNDING PROGRAMMS**
submitting several applications
for European projects within
the scope of the Horizon 2020
and Portugal 2020 initiatives

RESEARCH

BIT develops the concepts of its solutions in partnership with Portuguese universities and highly specialised suppliers, investing about 10% of its annual turnover in Research and Development projects. Its most significant projects are focused on computer vision, optical recognition, radio-frequency and V2X communication systems (Vehicle-to-Infrastructure e Vehicle-to-Vehicle). The continued renewal of central systems such as the back-office and manual and automatic tolling equipment and the search for meeting new mobility needs using mobile equipment are also relevant lines of activity.

MAIN RESEARCH, DEVELOPMENT AND INNOVATION (RD&I) ACTIVITIES

In the technological research field, BIT and its scientific and technological partners have developed various research projects, in the areas of computer vision, traffic shaping and management, mobility management and cooperative systems (V2X).

The Company continued to apply to funding programs, having submitted various applications within the scope of the Horizon 2020 and Portugal 2020 initiatives. At European level, January 2016 marked the launching of Project SCOOP@F, Part 2 (Système Coopératif Pilote), for the development of a cooperative transport system in France, testing interoperability among partner countries (including Portugal).

Throughout 2016 BIT continued to work on improving toll operations and collection, seeking efficiency, control of operating costs, fraud detection, control of cash transactions and equipment surveillance.

Taking into account market trends, BIT is developing its MaaS (Mobility-as-a-Service) platform; the first generation of the platform should be ready in 2017.

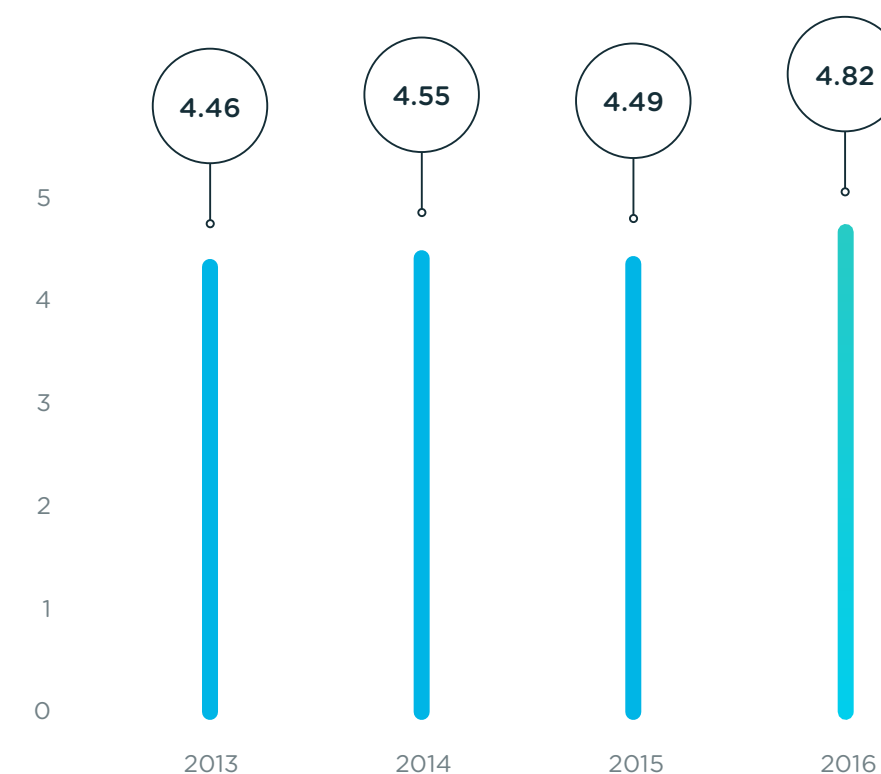
In Holland, BIT continued to work with BNV in the development of innovating projects in mobility-related areas.

The company also worked in the PMS (parking management system) of Parkare and updated S&B0s PMS solution. Towards the end of the year, jointly with Via Verde, BIT started the M_Services project which will allow to expand its services portfolio.

Keeping pace with modern toll trends, BIT answered to various tender specifications for the supply of Road User Charging solutions in the United States.


INVESTMENT IN R&D

EURO MILLION (€M)



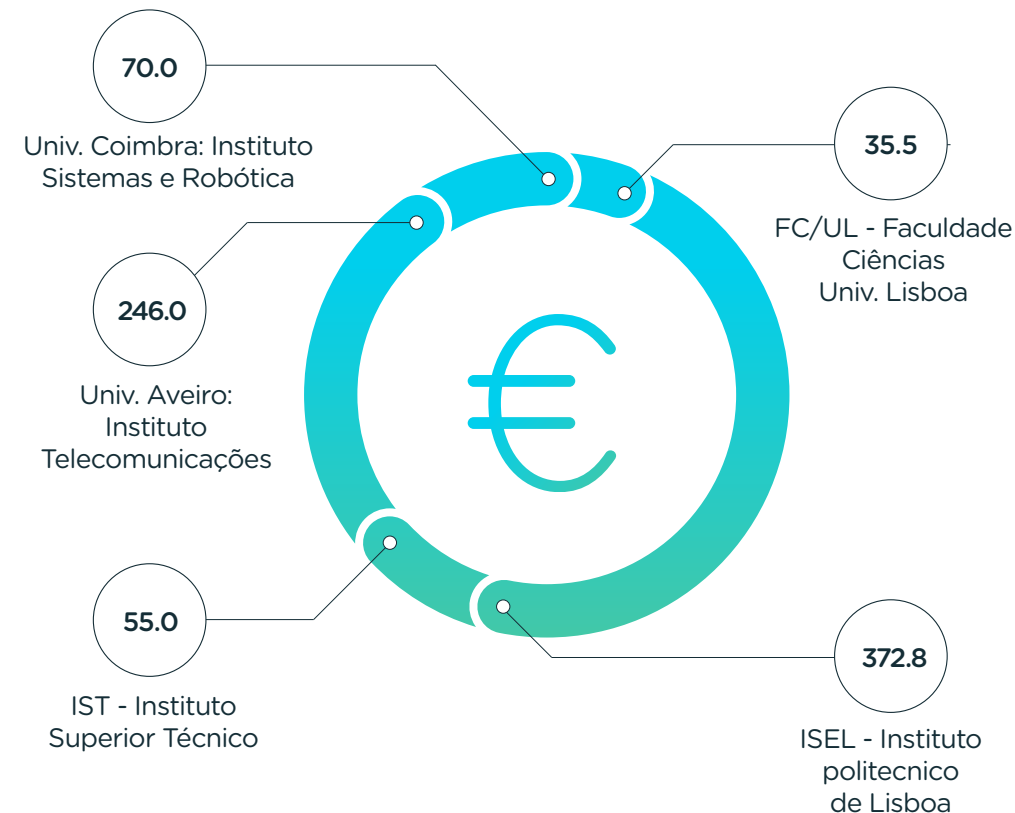
3.2.5 TECHNOLOGICAL SERVICES

BRISA INOVAÇÃO E TECNOLOGIA (BIT)

 **+779** €K
TOTAL INVESTMENT
IN UNIVERSITY PROJECTS

INVESTMENT IN UNIVERSITY PROJECTS

EURO THOUSAND (€K)



MAIN ACTIVITIES OF THE FACILITIES AND MAINTENANCE DEPARTMENT

We highlight ongoing preventive and corrective maintenance activities relating to toll equipment on A21 (IP Concession) and A23 (ScutVias/IP Concession).

Moreover, maintenance was ensured in 128 car parks in control access systems with VV in historical neighbourhoods (Bairro Alto, Bica, Santa Catarina, Castelo and Alfama) pursuant to an agreement with EMEL, and in Vila Nova de Gaia historical centre, pursuant to an agreement entered with this Municipality.

With regard to new solutions, we point out the completion of the installation of licence plates recognition systems in Controlauto and ITEUVE inspection centres, covering 46 centres (136 inspection lines).

The number of car parks equipped with the Via Verde system grew to 128 in 2016, i.e. further 8 systems were introduced by BIT, in partnership with Via Verde Portugal.

In Auto-Estradas do Atlântico (AEA), the process of updating the video surveillance system was continued, with the deployment of 4 additional sites and 15 IP cameras,

3 new ATPMs (Etol), one at Bombarral toll plaza and 2 in Loures, were introduced in AEA. In addition, investment was made in the modernisation of toll equipment.

In BCR, investment for the modernization of the equipments continued to be made.

In addition, 2 new TPMS (Etol) equipment were installed in Vila Franca de Xira toll plaza, which will be part of a broader project in BCR.

INTERNATIONAL ACTIVITY

During 2016 BIT continued to study the European market, expanding its analysis to the Middle East and African markets.

The European market is very mature and stable, with no plans for new major roads, which means that business opportunities will arise from the modernisation of existing equipment and investment in mobility-related areas. The search for better mobility services to citizens is the main challenge which modern European cities face nowadays.

3.2.5

TECHNOLOGICAL SERVICES

BRISA INOVAÇÃO

E TECNOLOGIA (BIT)



A-to-Be video

WWW.A-TO-BE.COM

IN MARCH 2017, A NEW COMMERCIAL BRAND WAS LAUNCHED BY BIT, A-to-Be, in order to project the company to the international markets

During 2016 BIT international activities were developed in Ireland, Poland, Bulgaria, Germany and the Russian Federation. Some of the opportunities identified in 2016 should see the light in 2017.

In the United States, the All Electronic Tolling (AET) prevailed and continued to expand. Infrastructures in this country are to be fully revamped, based on technologies which will allow the efficient and effective transport of people and goods and pave the way for economic growth (“rebuild and build America’s surface transportation infrastructure”).

As a result, expansion in this country was significant not only because of the number of OBUs sold (around 50 million as against 30 million in 2010) but also toll revenues, specially of AET. According to a recent report by IBTTA (International Bridge Tunnel and Turnpike Association), in the last 5 years revenues from AET grew by 76%. Note that in 2015 the US made \$13.8 billion in tolls, considering 36 agencies in 18 States, which account for roughly 80% of national toll revenues.

AET is not restricted to OBU only. It also includes video tolling. Together they pave the way to cutting-edge technology in the fields of mobility, interoperability and integrated payment systems, regardless of geographic barriers.

BIT has been an active participant in this technological revolution, taking part in opportunities for the supply of back-office, traffic management, toll systems and guaranteed revenue equipment. Local partnerships were promoted at various levels, from legal advice to installation, manufacturing, logistics, operation and advisory, leading to the approval by the Board of Directors of the expansion of BIT’s US branch (BMS). In 2017, BMS will have new facilities and larger headcount to allow this Brisa Inovação US business to take part in an increasing number of opportunities, diversify the nature of tenders and achieve return on its investments, considering the important tenders ahead.

In March 2017, a new commercial brand was launched by BIT, A-to-Be, in order to project the company to the international markets.

OPERATIONAL AND FINANCIAL PERFORMANCE

Operating income from this segment grew by 3.4% over 2015, driven by increasing projects for the installation of toll equipment and the development of new solutions in the US and Portugal.

The EBITDA margin worsened as result of i) investment in the US branch; ii) strengthening of the commercial structure and iii) larger investment in marketing.

OPERATIONAL AND FINANCIAL PERFORMANCE

	'15	'16	CHANGE
EURO MILLION (€M)			
OPERATING INCOME	9.2	9.5	3.4%
EBITDA	0.9	-0.5	-
EBITDA MARGIN	9.4%	-5.2%	-14.6 pp
AMORTISATION AND PROVISIONS	0.7	0.7	-0.7%
EBIT	0.2	-1.2	-
EBIT MARGIN	2.0%	-12.3%	-14.3 pp

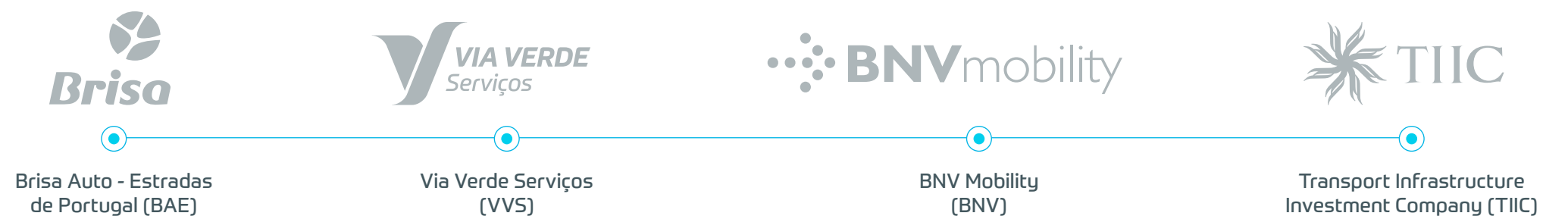
ANALYSIS PER BUSINESS SEGMENT

3.2.6 OTHER

The business segment "Others" includes Brisa Auto-Estradas, the companies providing mobility services and participation in TIIC

This segment includes Brisa Auto-Estradas, which centralises the provision of logistic and administrative services to all the Group companies. It also includes mobility providers, namely Via Verde Serviços - VVS and

BNV Mobility – BNV, which are still not material enough to exist as separate business segment. Finally, this segment includes the holding in Transport Infrastructure Investment Company (TIIC).



3.2.6 OTHER

MOBILITY SERVICES

MOBILITY SERVICES

In recent years the world has seen a rapid technological development, responsible for significant transformation in the daily life of people and cities. Such evolution requires a sharp and sustainable company response to new trends and business models.

Access to the digital world widens the options of customers, who become more demanding and analytical in their personal choices. Sharing economy and collaborative models are the main key drivers for the change from the infrastructures era to the Mobility era.

Mobility, which is one of Brisa's strategic pillars, is seen as a set of solutions, products and services meeting circulation needs, in an integrated way. Mobility services seek to provide differentiated alternatives for each type of travel and allow the client to make his/her choices based on relevant information.

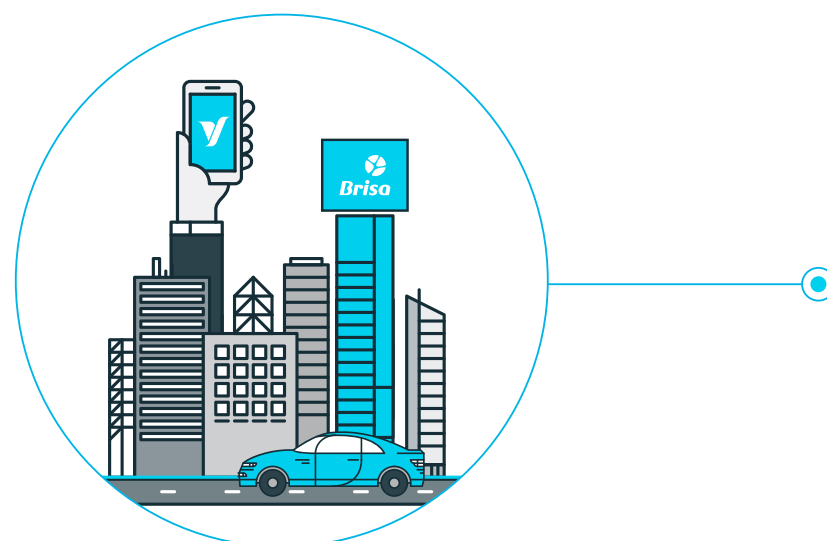
Recent changes in urban Mobility are seen as a new industrial revolution: ways of life and areas of residence will change to become consistent with a multimodal, faster and safer transport network, based on the more suitable and efficient choices.

The success of this recent business model is influenced by the capacity to respond to clients who are permanently connected to digital devices and confronted with increasing offers and information. The growing focus on the Client, which is being developed since 2015 based on an increasingly efficient service and dedicated supply, is crucial for the achievement and expansion of Brisa's strategic goals. The Via Verde brand is associated with fast, simple and safe solutions, which go well beyond toll collection.

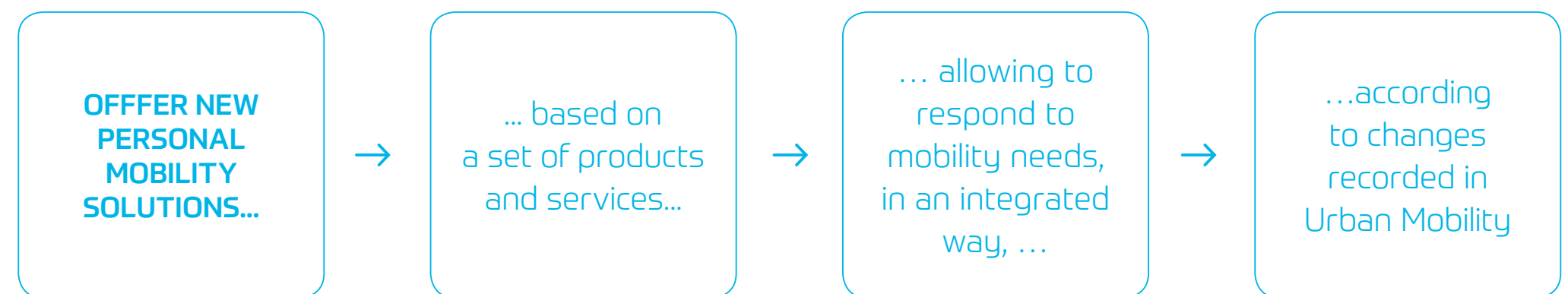
Main actions in 2016

- Stronger positioning in the Mobility area based on increasing efficiency in the traditional business and focus on the Client;
- Identification and coordination of internal skills to sustain this ecosystem.

The rapid pace of change in the Mobility Era is supported by disruptive and fast companies, mostly startups, with a strong technological component and capable of analysing large data, thus flexible enough to meet increasingly demanding needs of users. Established players are



MOBILITY SERVICES



3.2.6 OTHER

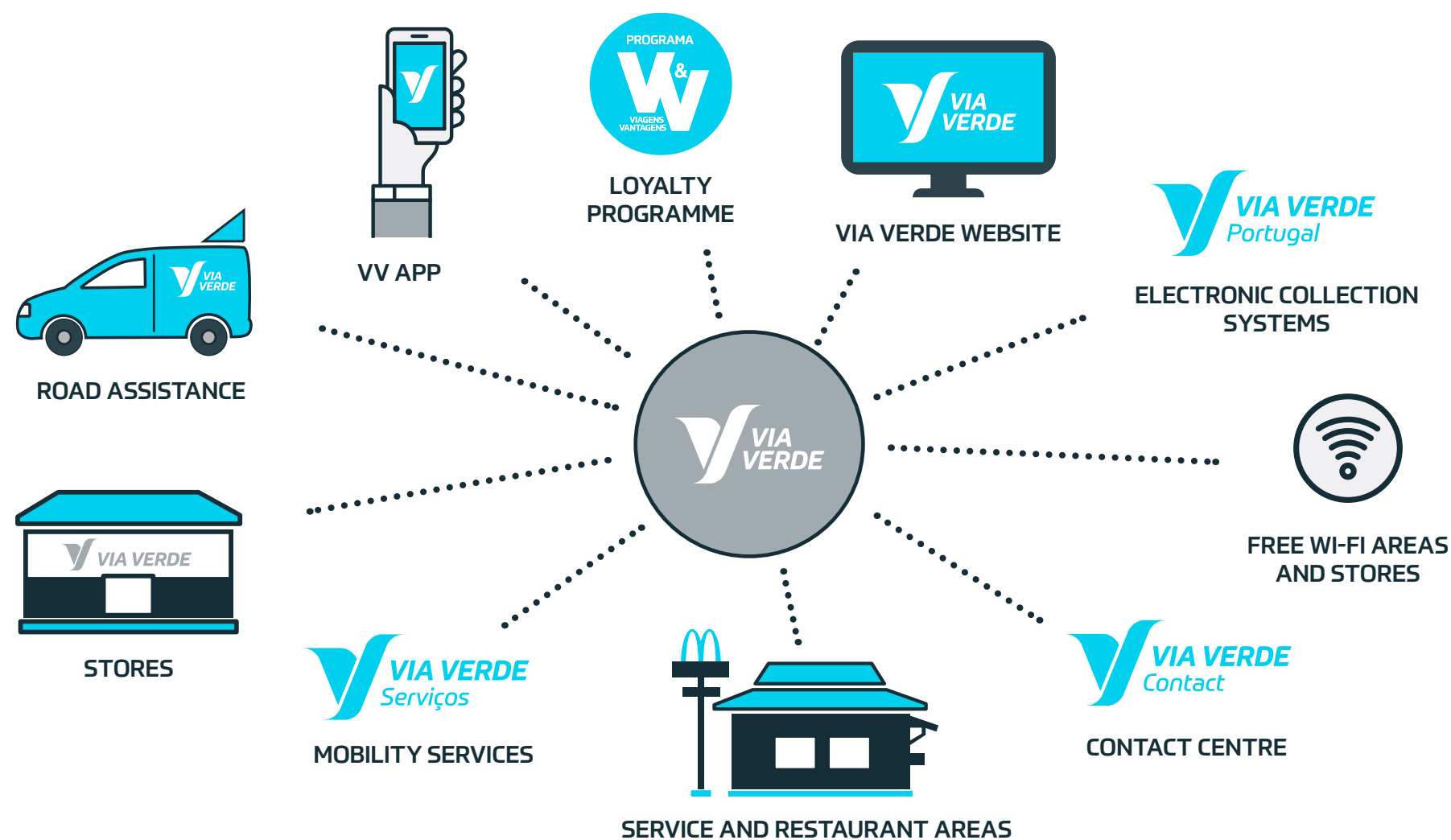
MOBILITY SERVICES

required new ways of thinking, focused on the Client, adapting to the frantic pace of the market.

Collaborative processes play a crucial role in the creation of value in these mobility models. The creation of ecosystems supported by offers allowing to combine several means of transport is advantageous to users, as they provide a joint and simple vision of their options, serving their interests in the most efficient way.

Partnerships are one of the pillars of Brisa's mobility ecosystem. Over the past year, Brisa has studied various companies with complementary skills and possible forms of association that foster business models and a fluid interaction with users participating in such ecosystem.

VIA VERDE ECOSYSTEM



VIA VERDE ECOSYSTEM IS OVER-ARCHING TO THE GROUP

integrating the services comprised in segments “Others” and “Supporting services to the concessions”

3.2.6 OTHER

MOBILITY SERVICES



- Allow for cheaper, more efficient and sustainable travels;
- Increase the daily time of use of each vehicle;
- Reduce the number of parking spaces occupied in cities, returning such space to people;
- Mobility costs decrease;
- Each travel is adjusted according to the needs at the time, thus becoming more sustainable.

Despite the uncertainty as to the speed at which the new forms of Mobility will be adopted, they will be increasingly visible in the next few years. The future is coming not only with driveless cars that travel through smart cities, but also with changes in vehicle ownership: we will soon move from private ownership to shared property, such as carsharing and ridesharing.

Growth of these services represent a business opportunity since the number of options is still small. Given the barriers to the introduction of solutions that bear strong changes to traditional models, Brisa can leverage on its clients trust as competitive advantage.

On a par with evolving to a shared, increasingly efficient and sustainable mobility, the world is recording a significant growth in people's and vehicles' connectivity. Many innovating information gathering and sharing solutions are emerging, ensuring drivers' continued real-time access to information on both the vehicle and driving style. This trend represents an opportunity for Brisa, which can secure continued relationship with its customers, and not only when they drive through a toll plaza or enter a car park.

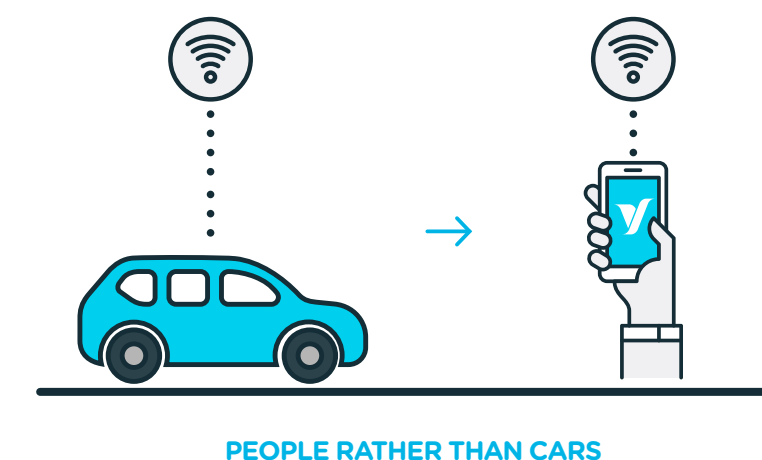
In the future, mobility will be seen as a service, with different players working together to solve urban density problems and simplify the experience of moving from point A to point B.

Mobile apps are key facilitators for the introduction of new transport services, as they allow planning door to door travelling and create customised experiences, according to preferences and needs. The integration of reservation and payment of different transport means will be the natural sequence of events, which will transform apps in mobility markets. That is why Brisa launched the already mentioned apps - Via Verde Estacionar and Via Verde Transportes:

- **Via Verde Estacionar** - Via Verde Estacionar - Via Verde developed an app for smartphones, to pay for street parking in various Portuguese cities;
- **Via Verde Transportes** - Via Verde Transportes - Via Verde launched a pilot app for the purchase of tickets in public transports via smartphone (in partnership with Fertagus). At the same time, it started negotiations with main Lisbon transport operators (Carris, Metro and Transtejo).

These initiatives represent the first step towards the achievement of this new paradigm. The incorporation of such payments in Via Verde account, which until now was associated exclusively to the client's car, shows the importance of people to the detriment of cars, and places the Brisa Group in a relevant position to expand the offer to other means of transport.

A NEW WAY OF LIVING



3.2.6

OTHER

MOBILITY SERVICES



ACTIVE TRAFFIC MANAGEMENT

INTERMODAL INTEGRATION

EFFICIENCY



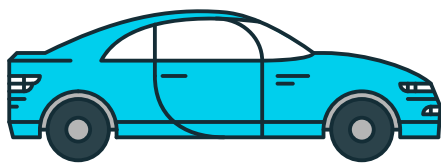
CONNECTIVITY

ACCESSIBILITY

DOOR TO DOOR

SMART CITIES

LOW CARBON

DO THE RIGHT MIX

Road infrastructures are critical to ensure a safe and efficient flow of people and goods. As major motorway operator in Portugal, holder of consolidated and recognised experience, Brisa aims to be increasingly connected to other entities providing similar service and to network users. Dynamic traffic management, based on intelligent systems, on a digital infrastructure that captures value and on a fast, safe and reliable connection, is thus a key vector to achieve this aim. To this end, since the beginning of the 21st century, the Brisa Group is investing in a state-of-the-art road telematics system, based on the Operational Coordination Centre. Additionally, the partnership with Waze started in 2015 has been

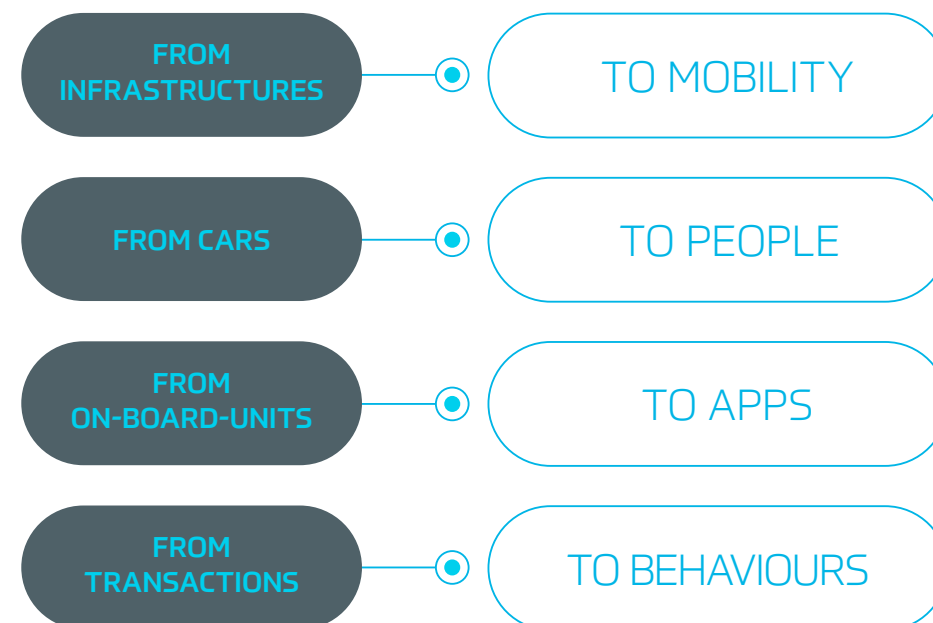
strengthened to provide the best traffic information to customers to allow them to make efficient travel choices.

It is still unclear how mobility will evolve, how ecosystems will work in the long term or when changes will become widespread. We know that we are living in an era where innovation can rapidly transform the ways of doing everyday things. Accordingly, Brisa Group’s investment policy as concerns mobility is strongly focused on innovation, ensuring the existence of growth and value creation opportunities, and the development of new business models in this new Era.



3.2.6 OTHER

VIA VERDE SERVIÇOS (VVS)



Via Verde Serviços (VVS) was created in October 2015 to strengthen Brisa's commitment on mobility, focusing on the design, marketing and management of products and services in mobility-related areas

VIA VERDE SERVIÇOS (VVS)

VVS is responsible for the development and supply of the Travels & Advantages programme.

Products and services in the mobility area

In 2016 VVS developed a set of differentiated projects which will be drivers of growth and will pave the way for new businesses. Focus on the client and the client's mobility needs guide the design and structuring of a consistent and high value supply.

New products and services in the mobility area use technological solutions developed by VVS and several in-group and external partners. An example of this is the Via Verde Eco-system, in which VVS plays a key role in the supply of innovating solutions.



3.2.6 OTHER

VIA VERDE SERVIÇOS (VVS)



Travel & Advantages

The Travel & Advantages programme was prepared and introduced in 2015, and became operational in 2016. Through this 100% digital programme, Via Verde offers a services package that can be customised.

In order to awaken the curiosity to discover Portugal, whilst creating new forms of interaction with the Via Verde brand, the Travel & Advantages Programme developed a sharp editorial component that promotes that

discovery. The programme further includes a gaming component which rewards the achievement of challenges launched to the community, with attractive monthly prizes, such as free tolls and other.

Created to enhance and promote the use of Via Verde services, the programme has around 400 thousand subscribers.

TRAVEL & ADVANTAGES

THE TRAVEL & ADVANTAGES PROGRAMME IS TWOFOLD:



TOURISM AND LEISURE - TRAVELS

with leisure programmes as competitive as others existing in the market, with the innovation of including discounts in tolls and fuel, making the travel cheaper, promoting tourism in Portugal, and mobility at reduced price.

ADVANTAGES

offering price reductions in restaurants in service areas and car-related services at highly competitive prices.

3.2.6 OTHER

BNV MOBILITY (BNV)



BNV Mobility, located in Breda, Holland, stems from the partnership of Brisa (40%), Egis Projects and Sherlock Ventures, acting as innovation lab for business models, and as embryo of a future sustainable mobility operator

BNV MOBILITY

This partnership has been quite active in the Dutch market, specifically in Management of Demand (mainly projects contributing to a decrease in traffic in peak hours) and Innovation / Technology associated with Connected Vehicles, focused on the client and on the future positioning of mobility services.

Project Wild! van de spits (developed in Rotterdam region in 2014, 2015 and 2016) consisted of an incentive scheme to encourage drivers to change their habits, for instance, use different means of transport or change their travel time, thus achieving a significant decrease in traffic in peak periods. BNV developed another project with great visibility, consisting of the creation of the myJini platform, where through a physical device (OBU) with access to geo location and permanent internet connection, information services are provided to drivers, so that they may make rational and intelligent decisions, and at the same time, an integrated range of mobility-related services (such as car insurance or fuel) are accessible to them.

With this initiative, Brisa secured its presence in a market at the heart of Europe that is highly developed in technological and business terms, and where the supply of innovating mobility solutions is a critical factor of

success. This partnership strengthens Brisa's role as front-running player in the road industry, prompting increased value to its asset structure. Its partnership with other relevant players seeks to complement skills, exchange experiences and share risks.



2 PROJECTS:

- Wild! van de spits
- Creation of myJini platform

3.2.6 OTHER

TRANSPORT INFRASTRUCTURE INVESTMENT COMPANY (TIIC)



The objective of TIIC – Transport Infrastructure Investment Company is to invest in transport infrastructures projects, mainly in Europe, focusing on greenfield investments

TRANSPORT INFRASTRUCTURE INVESTMENT COMPANY (TIIC)

The company ended its investment period in 2014, having made 6 investments. From then onwards, it started a new phase consisting of the development and disposal of investments as soon as they reach maturity.

In what concerns the activity of Portuguese associates in the motorway sector, i.e. Auto-Estradas do Baixo Tejo (AEBT) Sub-concession and Auto-Estradas do Litoral Oeste (AELO), negotiations with the grantor have proceeded to reach a new operating model that is stable. The process is not yet completed, though Auto-Estradas do Litoral Oeste was able to distribute dividends to shareholders during the year.

In what concerns associate Albea, concessionaire of the A150 motorway in France, the year was marked by a sharp increase in traffic (20%), corresponding to the ramp-up period. The Spanish associate Autovía Gerediaga Elorrio opened to traffic in August, which means that all TIIC interests are fully operational.

Finally, with respect to Empark, the company posted a favourable performance in 2016, fuelled by economic upturn in Iberia and successful efforts to optimise operations.

TIIC had a stake in GTC - a major motorway concessionaire in Poland, which it sold at the end of the year, generating good results for the Fund. The year was also marked by the first closing of TIIC2, the second Fund which will be managed by TIIC management team, where Brisa occupies

a leading position as operational partner. This is a Fund which invests in transport infrastructures and social infrastructures in Europe, with the purpose of raising €M 300. The first closing achieved €M 135.

During 2016, this strategy materialised through the distribution of dividends to shareholders in an amount corresponding to 12% of invested capital and the disposal of the first interest, i.e the project that TIIC held in Poland.

For further information on the subsidiaries and remaining TIIC investments, please visit the company's website www.tiic.pt.



3.2.6
OTHER

ANALYSIS PER
BUSINESS SEGMENT



OPERATIONAL AND FINANCIAL PERFORMANCE

In 2016 this segment’s operating income grew by 8.8%, underpinned by i) increase in logistic support and administrative and financial management services and ii) the fact that 2016 was the first full year of operation of Via Verde Serviços.

On a par with the rise in profit, costs dropped significantly in relation to 2015, which faced one-off events, namely with regard to consultancy services.

OPERATIONAL AND FINANCIAL PERFORMANCE

	'15	'16	CHANGE
EURO MILLION (€M)			
OPERATING INCOME	31.8	34.6	8.8%
EBITDA	-0.2	4.9	-
EBITDA MARGIN	-0.6%	14.1%	14.7 pp
AMORTISATION AND PROVISIONS	3.0	2.9	-3.3%
EBIT	-3.2	2.0	-
EBIT MARGIN	-9.9%	5.8%	15.7 pp



3.3

HUMAN CAPITAL

People are an essential value of the Brisa Group, deep-seated in company's culture and practices, and to whom we pay most attention

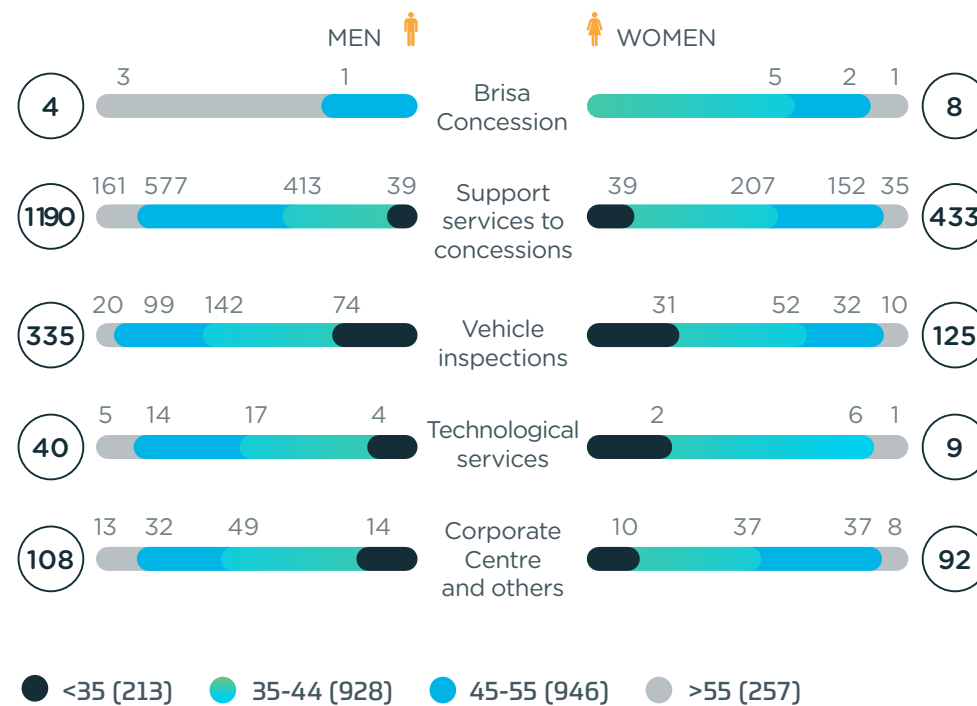
The company reached a mature phase in its life, with a relatively high age average, resulting in the expectation of a stable work force. Against this background, taking into account that recruitment was highly restricted in recent years, and that new mobility offers are about to emerge, Brisa is facing a rejuvenation challenge, in terms of both age and skills. The response to this challenge is being given with the Brisa

Trainee Programme, and extensive training in marketing, client and digital related areas.

Brisa is also mindful of the high risk of road working to which many of its staff is subject, requiring ongoing effort and investment in risk prevention processes, as well as in protection and training.

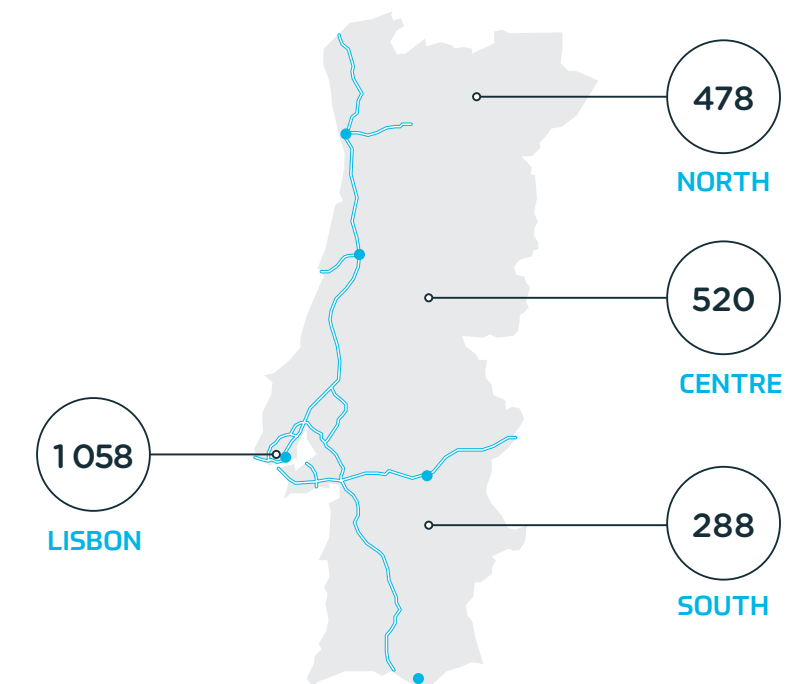
AGE DISTRIBUTION OF MEN AND WOMEN

NO. OF EMPLOYEES



DISTRIBUTION OF EMPLOYEES PER REGION OF PORTUGAL

NO. OF EMPLOYEES



HUMAN CAPITAL



PREPARE THE FUTURE

Future Generations

The Brisa Group is committed to prepare the future and secure the sustainability of the business through the new recruitment.

The Brisa Trainee Programme was developed in 2015 with the purpose of rejuvenating up to 15% of the Senior Staff in a time frame until 2020.

Brisa has recruited highly promising young graduates to become part of the company's staff and develop their technical and management skills.

The programme has an 18-month duration and covers 4 strategic areas:

- Management, Economy and Finance
- Marketing
- Civil Engineering
- Computer Systems Engineering



Leaders' and critical functions' succession

The hunting for talents, planning leadership succession and other critical functions of the organisation are key to ensure an efficient implementation of the strategy.

Brisa ensures the future and quality of the Group's leadership and management based on a succession matrix. This is a good practice implemented at the Group for several years, buttressed on external advisory made by recognised international experts.

We built the succession matrix with development plans for 100% of the identified staff.

New integrated human resources management platform

In 2016 Brisa started implementing a new cloud platform of integrated HR management - SAP Success Factors, viewing to provide increasingly better experience to employees and ensure greater efficiency in human resources processes.

This is a world's leading system integrating good practices of human resources management and ensuring greater ease and reliability in the gathering of information for the different modules of the system.

Brisa implemented the performance assessment model with a coverage rate of 100%. Up to 2018 the company will implement modules on compensation and benefits, management of training, management of careers and recruitment, also covering 100% of the Group's employees.

A total of 3 090 hours of training was provided to users of the new performance assessment application.

RECONCILIATION BETWEEN PROFESSIONAL AND FAMILY LIFE

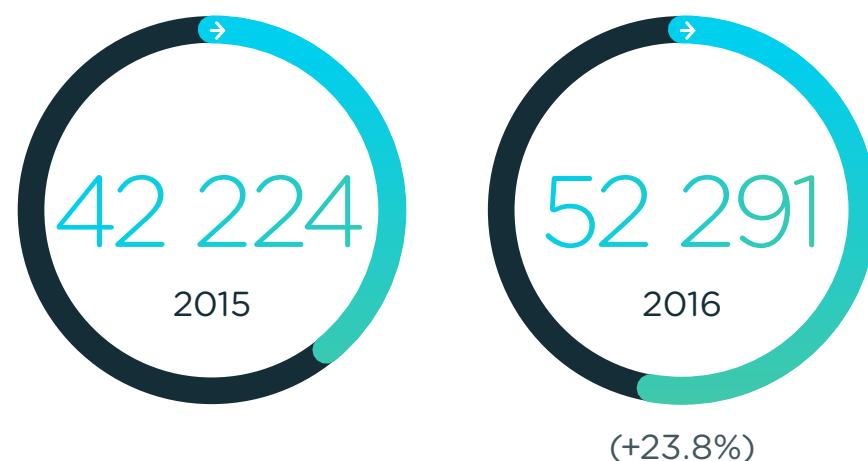
Brisa Group decided to start the certification process as Family Responsible Company. This certification was created by Fundación MásFamilia, with the purpose of involving corporations in the generation

HUMAN CAPITAL



TOTAL NUMBER OF TRAINING HOURS

HOURS (H)



of a new working culture, which aims to secure an efficient balance between professional and family life of employees.

The Brisa Group started the formalisation of processes with the purpose of knowing the opinion of its employees on leadership and management practices. The decision to carry out an organisational climate survey, one of the most known in the country - "Índice de Excelência" - was the logical consequence of this management philosophy. The participation rate was 65.7%, which is remarkable given the characteristics of the staff, a large part of which is geographically scattered, with no easy access to a personal computer. Processed information should be available in 2017.

REPRESENTATIVES OF EMPLOYEES

97% of Brisa's employees are covered by collective labour instruments: Collective Bargaining Agreement (ACT Brisa) and Motor Inspection Collective Convention.

The Collective Bargaining Agreement (ACT Brisa) is negotiated every year since 1989, and is presently subscribed by union forces belonging to the two largest Portuguese trade unions (UGT and CGTP) and covers personnel linked to motorway operation and maintenance and mobility services. Negotiation of the ACT has been reached every year with the agreement of all parties involved.

Brisa also has a Workers' Committee which meets on a regular basis with management teams, and follows the company's activities.

Social peace has been kept over the years and is strongly valued by all parties. While managing the different organisational development processes undertaken over the last few years, it has always been possible to find grounds of common understanding and balance, thanks to the great sense of responsibility of all players, thus contributing to the sustainability of the Group.

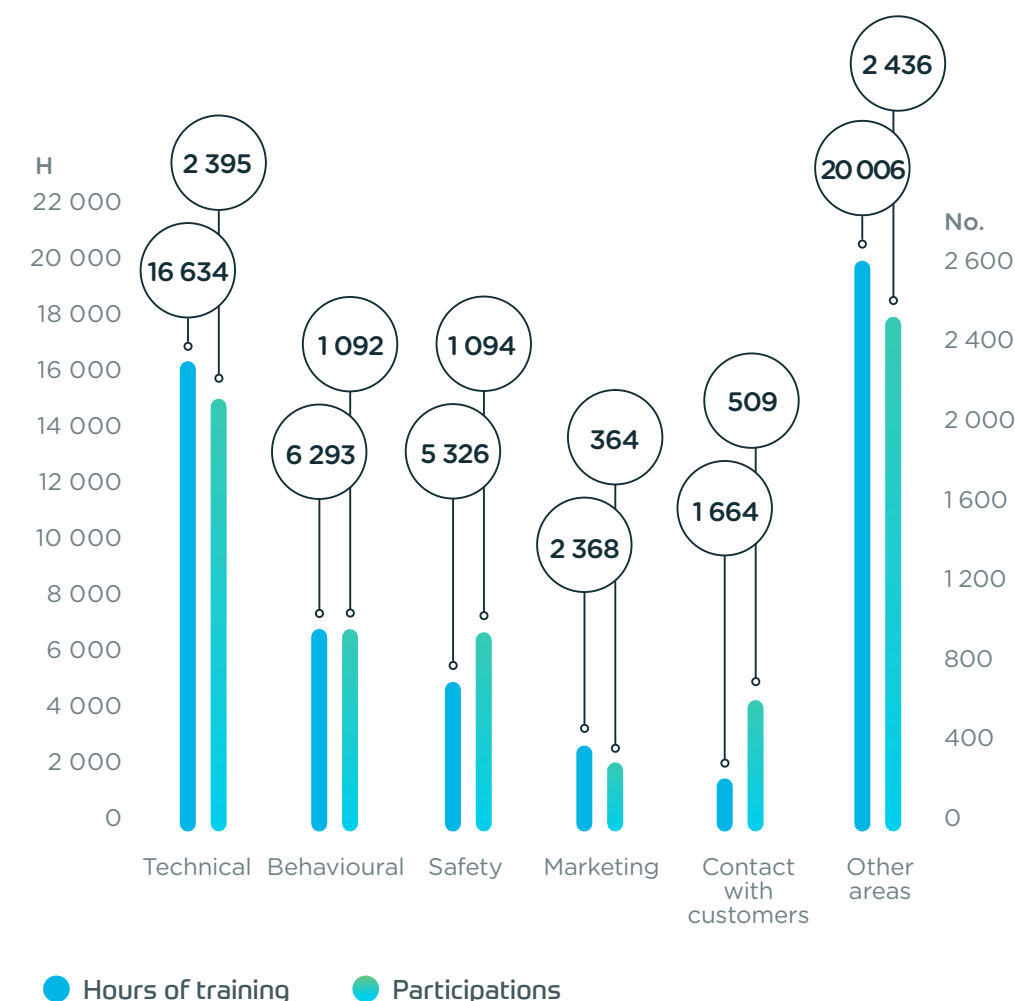
TRAINING

Brisa invests consistently in the development of its personnel, following a strategic and structured approach.

Some of the areas subject to training in 2016 were:

TRAINING AREAS

TOTAL HOURS AND NO. OF PARTICIPATIONS



HUMAN CAPITAL

SEVERAL TRAINING ACTIONS
WERE CARRIED OUT,
FOCUSED ON THE CLIENT,
viewing to consolidate and
develop new customer-oriented
skills within the different teams

Part of the investment in training was directed to differential learning, provided by means of qualifying training and participation in Advanced Programs, namely in marketing and business management, PhDs and Executive Masters with specialisation in leadership.

Some of the training courses provided result of strategic partnerships established with the most prestigious Portuguese universities, namely with UCP – BE, INDEG-ISCTE, Nova SBE, IST, amongst others.

By way of example, UCP's PAGE was a training programme specially designed for the José de Mello Group, which is now in its 14th edition, just as PAM - Advanced Marketing Program provided by ISCTE was a programme conceived for Brisa, which is seeing its 3rd edition.

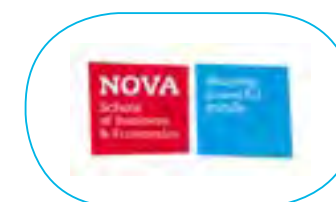
Several training actions were carried out (marketing and customer services areas) viewing to consolidate and develop new customer-oriented skills within the different teams, with the ultimate goal of improving the services provided, namely: through multi-channel - telephone and in writing, replies to letters and online; management of products and segments; mobility-related areas, considering innovating approaches, directed to improving the customer's experience. This investment involved a total of 4032 hours of training.

Training had to be diversified and comprehensive to achieve the goal of improving operational efficiency.

Several teams from the Group companies took part in live training actions so as to promote communication between people of the same company, often geographically scattered and with different working hours.



UNIVERSITIES WITH STRATEGIC PARTNERSHIPS



HUMAN CAPITAL

The intention was to encourage the adaptability of teams to new challenges and functions, following the restructuring of some areas, promoting team work and spirit, aligned with the mission, values and vision of the Brisa Group, offering trainees a different perspective about some of the challenges which organisations face every day, with special focus on key aspects of the company's strategy.

These events involved a total of 5 475 hours of training.

Many of these employees provided internal training to their colleagues, either because they are experts duly certified as trainers or because of their operational proximity, for instance in the areas of company integration and function integration, totalling 7 990 hours of training.

At another level, the company participated in the B2RUN - a sporting event held for the first time in Portugal - as it believes in the relevance of team interaction associated with healthy living practices, thus promoting experiences for employees.



HUMAN CAPITAL

OCCUPATIONAL SAFETY AND HEALTH

The Brisa Group has nearly 1 000 employees - 44% of its population - who work on roads, whether in maintenance works or assistance to road users and in toll plazas. According to international regulations, this environment is considered as of high risk. The risk of being run over led to a significant investment in the last few years, which permitted to restrict road crossing in toll barriers and in Via Verde lanes.

The Group adopted the internal safety service modality in 2009. The existence of an internal service made up of a specific team of technicians allows the integration of occupational safety in the organisational process, ensuring the continued follow-up of the activities of the different companies. In the last few years, the Group defined a safety policy based on continuous risk assessment, implementation of measures and procedures to prevent accidents and occupational diseases, in compliance with the law.

OCCUPATIONAL ACCIDENT RATE

	'15	'16
NUMBER OF ACCIDENTS INVOLVING DEATH	0	0
NUMBER ACCIDENTS	93	91
FREQUENCY INDEX	22.4	22.4
SEVERITY INDEX	977.2	909.5

Note: Index figures do not coincide with those reported in the Sustainability Report for 2015 because the method for calculating the number of worked hours was changed to improve accuracy.

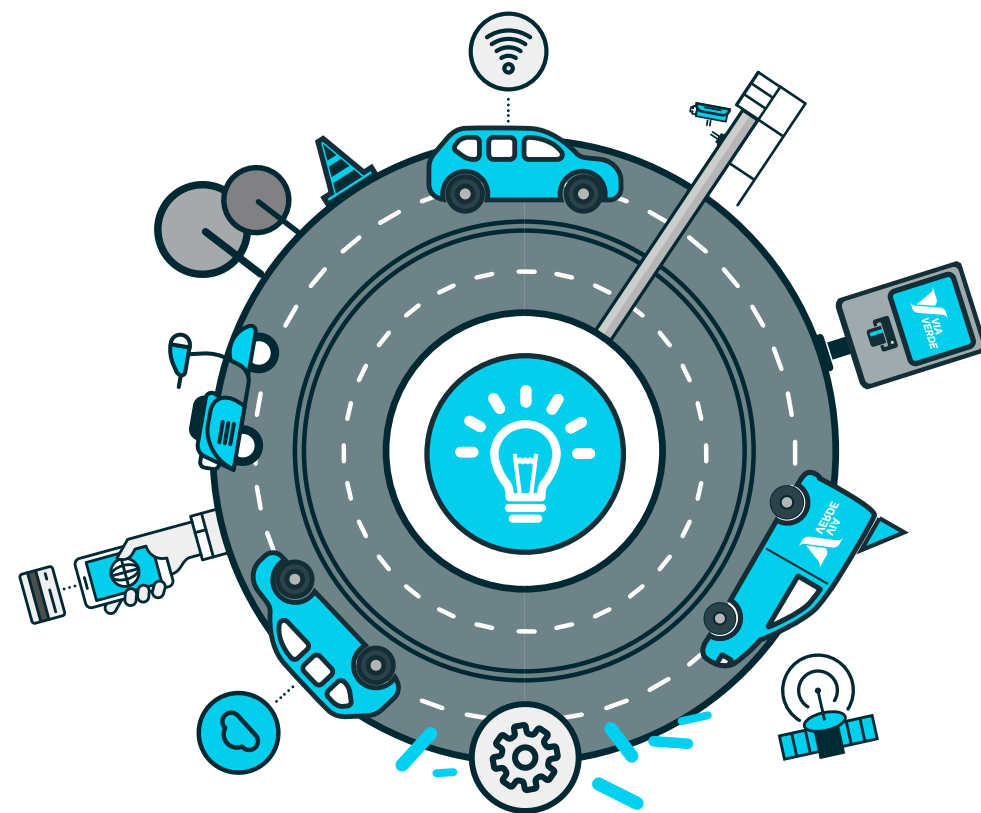
The existence of an internal service allows connecting the OHS function with Group companies and the integration of occupational health and safety in the organisation process, ensuring continued follow up of activities and regular brainwork on improvement opportunities in working processes.

In 2016, Brisa updated risk control procedures relating to risk of being run over at toll barriers, risk assessment and control in vehicle inspection activity and emergency procedures. The identification and control of risks is always complemented with specific training. In 2016 the number of training hours totalled 5 326 involving 1 094 participants.



3.4

INTELLECTUAL CAPITAL



The cornerstones of Brisa's code of values are Ethics, Excellence, Innovation and People

INTELLECTUAL CAPITAL AND VALUE CREATION

Few factors are as important to the sustained consolidation of this cultural mindset and sustained value creation than intellectual capital. As a matter of fact, without an intellectual capital of excellence, used ethically by people, with continued concern for integrated business innovation, it would be hard to create long term value for stakeholders anywhere.

Therefore, though it is difficult to explain and seize at first glance, the virtuous relations and positive externalities which a strong intellectual capital can generate are among the most critical factors of success and creation of perpetuity.

Throughout its history, the Brisa Group has consistently followed a structured approach to strengthen and protect its intellectual capital. From the very first process innovations which marked the beginning of operations in the 70s to the introduction of technology to serve clients, and the recent projects in the new economy field, which characterise business models associated with mobility, Brisa always took great care in continuously improving its intangibility, documenting and legally protecting its intellectual assets, so that they could generate value through differentiating competitive advantages (core skills).

In this chapter, the following initiatives are part of the Group's DNA:

- R&D system in partnership with (engineering, economics/business) universities and other centres of knowledge, where the Group's employees are always those who hold the key to activate and implement solutions;

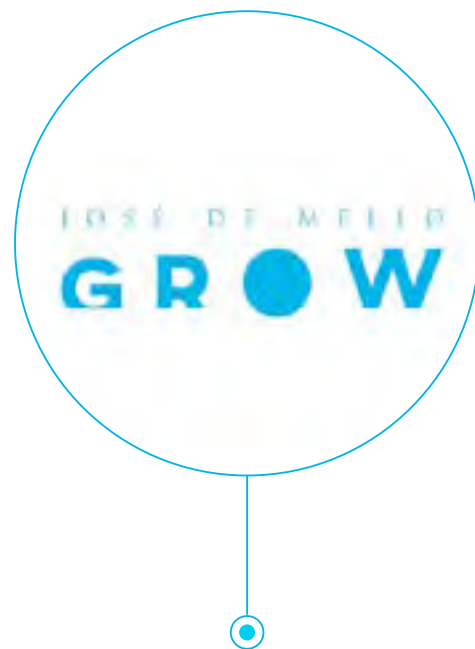
- The protection of intellectual property, through patents at national, European and even world level, in order to allow for a unique operational and technological approach for all its concessions;
- The systematic collection of internal data for knowledge management, using state-of-the-art technological tools, which encourage sharing and boost productivity;
- Additionally, aiming to market solutions beyond the Group's perimeter (e.g. BIT), Brisa deemed crucial to have its source codes and intangible solutions duly registered so that business lines are sufficiently protected by copyrights and thus position itself as a differentiating company with an unrivalled value proposal;
- Finally, through the development of its personnel skills, Brisa has always sought the continued enrichment of its know-how, based on multidisciplinary teams, and significant investment to attract, train and withhold the best professionals in the market.

GROW MOBILITY PROGRAMME

A decade and a half from the beginning of this second millennium, we are clearly at the threshold of what can be described as the biggest and most important change in the area of mobility and transports in over a century. The benefits will be relevant: Reduction of travel costs; decrease in pollution levels; decrease in the accident rate; optimisation of travel times and increase in time available for productivity and leisure.

This future is being drawn at the confluence of three major trends: high and buoyant demand, booming technology and the growing importance

INTELLECTUAL CAPITAL



FURTHER INFORMATION AT:
GROW.JOSEDEMELLO.PT

of urban centres. Each of these trends is important by itself, however, the three combined form an unstoppable driving change.

Safety, reliability, and data/information are key to trigger the potential of mobility as business segment with increasingly widespread borders. The best terms of comparison would be the emergence of electricity at the end of the 19th century, or cars in the 20s, or planes in the 40s - all of which were reliant on the building up of public and regulatory trust in these technologies.

We are thus seeing a “vibrant” eco-system of innovation in Portugal (entrepreneurs, startups, business incubators, major high quality national and international events), which are pooling resources at different levels (talents, private funding, public institutions support, etc.). Even if the practical impact of this ecosystem is still reduced (in terms of percentage of the total economy), it will undoubtedly gain increasing weight in economic growth in the next decades, which will certainly be marked by increasing use of technology in business creation and development.

Accordingly, Brisa’s top management decided in 2016 to foster business innovation through a structured approach to startups, adding this dimension to its development of intellectual capital at the service of the Group, forming new partnerships to create medium/long term value.

The Grow Mobility programme (aligned with the Grow Mobility programme of the José de Mello Group) arises in this context, with various initiatives to support and follow-up startups operating in the field of personal mobility, thrust by the magnetism of the Brisa and Via Verde brands, whilst contributing to the development of the Portuguese economy, and aims to scale-up the best and more innovating ideas and projects at international level.

This value proposal is achieved through an “Acceleration Programme” which will frame Brisa’s action in the Mobility and Technology area and will allow to manage and follow the appointment of mentors, performance of field tests and investment, clearly geared towards results.

Brisa and its largest shareholder, José de Mello, intend to have a relevant presence in this eco-system of startups, honouring the crucial role they play in the Portuguese business landscape, whilst strengthening their values and seizing the potential for value creation which this positive disruption generates to the benefit of their business units. Finally, this structured approach to startups will allow addressing future opportunities with more and better skills, opening a new chapter in the strengthening of intellectual capital and, inevitably, boosting generation and achievement of growth options.



INTELLECTUAL CAPITAL

THE SUSTAINABLE MOBILITY PROJECT 2.0, PROMOTED SINCE 2013, BY BRISA, is one of the most important initiatives for the development of sustainable mobility models, responding to social, economic and environmental risks and opportunities of this century

BUILD UP A PRACTICAL VISION TO PROMOTE SUSTAINABLE URBAN MOBILITY

Sustainable Mobility Project, World Business Council for Sustainable Development

Brisa defines mobility as the system of solutions, products and services enabling, in an integrated and cooperative way, the free movement of people and goods, by offering differentiated solutions that best meet the needs of people and businesses, where users have free choice, based on transparent and efficient information, contributing to economic growth and development, without compromising future generations.

The Sustainable *Mobility Project 2.0*, promoted since 2013 by Brisa jointly with 14 other global corporations within the framework of the World Business Council for Sustainable Development (WBCSD), is one of the key initiatives through which the Group intends to contribute to the development of sustainable mobility models, to face the risks, and social, economic and environmental opportunities of the century.

Following a three-year (2013-2016) work focused on the development of a methodology that materialises in a holistic, integrated and scientific approach to urban mobility challenges, and which allows decision-makers (in cities, metropolitan areas and central government) to prepare sustainable urban mobility plans (SUMP).

The system is described and explained in the project's final report, available at *Integrated Sustainable Mobility in Cities, a practical guide* (<http://wbcsdpublications.org/project/smp2-0-final-report-integrated-sustainable-mobility-in-cities-a-practical-guide/>), and it may be summed up as follows:

- a) Set of 19 indicators, allowing a first diagnosis of the city mobility performance, followed by the outlining of goals, quantified objectives and the decision as to the most adequate solutions to achieve specific goals;

- b) A solution finder tool – distributed by 21 categories and selected among solutions from companies and other entities;
- c) A manual to guide decision-makers with regard to possible and viable funding models for each type of solution.

This methodology was tested in 6 cities - Bangkok, Campinas, Chengdu, Indore, Hamburg and Lisbon, with the cooperation of local authorities, which contributed to the its development and incorporated the results in their decision-making.

In 2016, SMP partners focused on the creation of an automatic tool that incorporates the diagnosis and selection of the solutions; the tool is already available and is being used by four additional cities - Sidney, Manila, Riyadh and Montreal. This tool can be tested at <http://www.wbcsd.org/Projects/Sustainable-Mobility-Project-2.0> and <http://www.wbcsdsmp.org>.

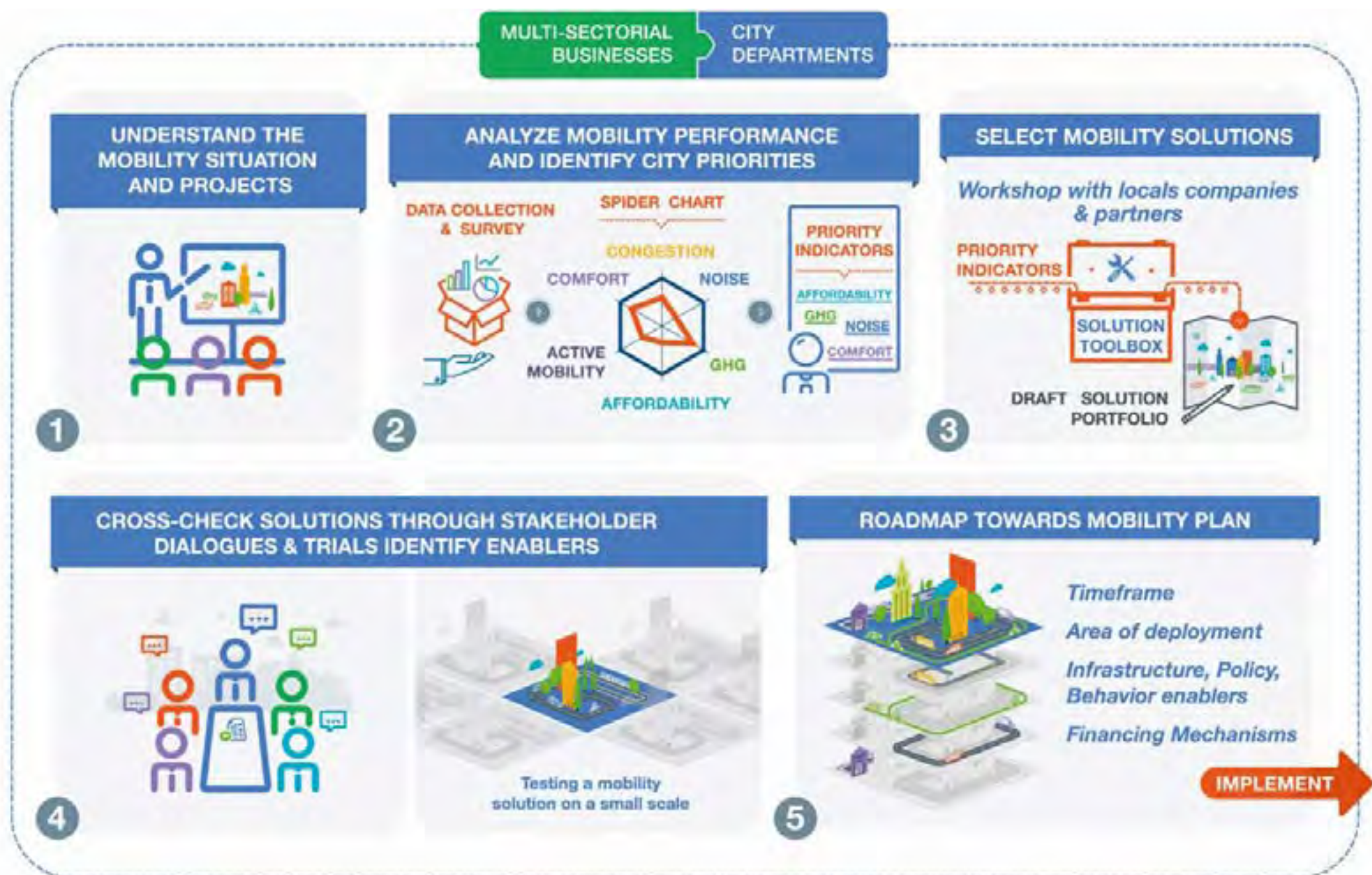
In 2016 the use and validity of the methodology of the *Sustainable Mobility Project 2.0* was recognised, namely through:

- a) endorsement of the set of sustainable urban mobility indicators by the European Commission;
- b) creation by the European Commission fund for the 50 European cities that will adopt the indicators;
- c) awarding at COP 22, in Marrakesh, of the Quickwin no. 3 rating to decision-makers that will start transformation in the transport sector.

In 2017, Brisa and its partners will concentrate on the support to the implementation of the *Sustainable Mobility Project* in the European Union and the rest of the world, and strengthen and update the tool.

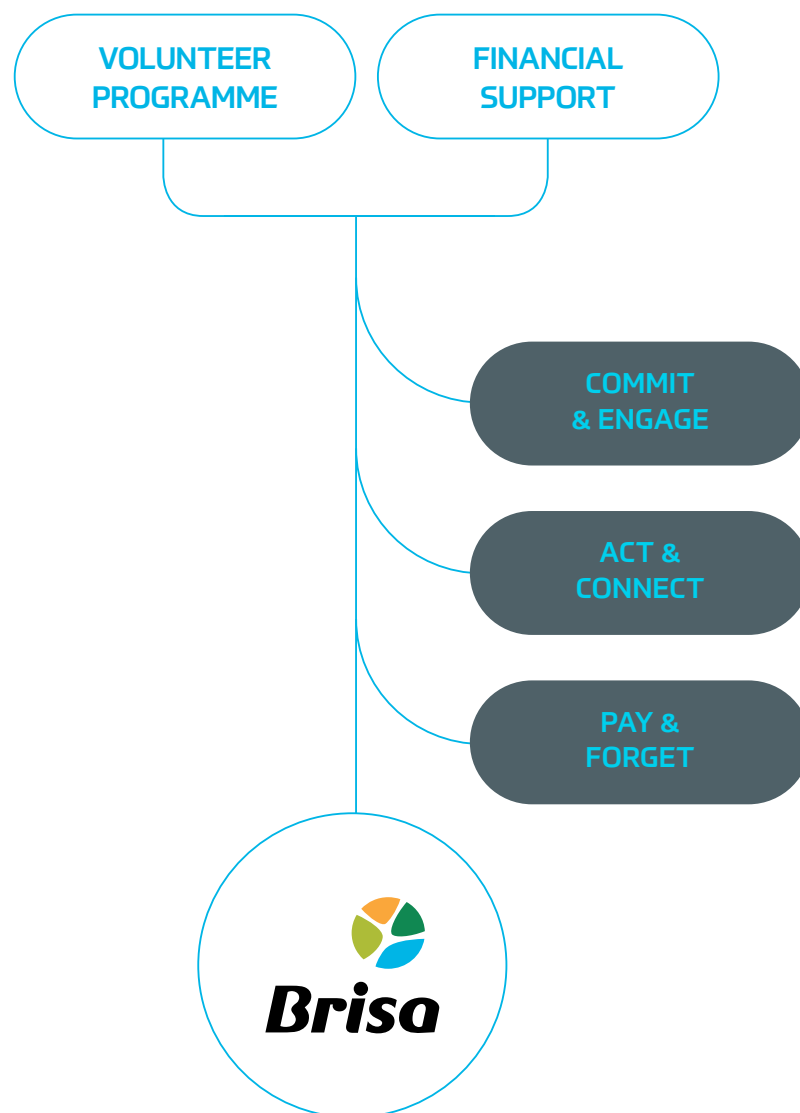
INTELLECTUAL CAPITAL

SUSTAINABLE MOBILITY PROJECT



3.5

SOCIAL CAPITAL



Brisa's path towards social development is based on a relationship with local communities, either through donations or a higher involvement and cooperation, in line with specific goals verifiable along the way

The country's economic and social development is closely linked to the existence of transport infrastructures, benefiting both people and businesses.

This understanding of social responsibility geared towards results reflects the Company's strong will to produce positive impacts on communities, through the institutions with which it forged social partnerships.

With this collaborative model, Brisa does not interfere in the management of the charitable organizations or NGOs with which it becomes involved. There are projects the results of which are intangible and harder to verify and others where the goals and results of our social action are very clear.

In this context, in its actions of social responsibility Brisa follows one of the following three philosophies:

- **1. Commit & Engage** – to assume a medium/long term partnership relationship, through structured and ongoing support, providing material and human resources of the company, and constructing the company's involvement with the institutions and community involved.
- **2. Act & Connect** – making action or a project viable with donations in cash or in kind, based on which a relationship and collaboration with the institution and community involved is developed, through the provision of volunteers, management support or fresh donations.

- **3. Pay & Forget** – making of a donation in cash or in kind, in a one-off act, without other involvement with the institution or with the community involved.

Based on this conceptual framework, Brisa continues to develop intense activity in the social area through simple financial support to to institutions, especially through projects of intervention, in the area of education in topics that are central to its business and in terms of voluntary service, providing field support for social solidarity institutions, as part of the José de Mello Group's Voluntary Service Program.

In 2016, Brisa made donations totalling €k 592, benefiting 72 institutions throughout the country, standing as reference of civil society and strengthening its civic support to communities, at a time when Portugal still endures extreme social conditions.

JOSÉ DE MELLO GROUP VOLUNTEER PROGRAMME

The José de Mello Group, with the support of Amélia de Mello Foundation, decided to implement an encompassing volunteer programme across all its subsidiaries, and directed to the 14 thousand employees of the Group.

This Volunteer Programme is in line with the José de Mello Group's positioning with regard to social responsibility, specifically its

SOCIAL CAPITAL



VOLUNTEER PROGRAMME
JOSÉ DE MELLO GROUP



128

TOTAL NO. OF VOLUNTEERS

commitment to developing a socially responsible business in the present and in the future, and to perpetuate the legacy of the historic CUF Group, which was in its time a pioneering example of good corporate citizenship policies.

In 2016, 128 Brisa volunteers contributed actively to consolidate the Volunteer Programme of the José de Mello Group. This Voluntary Service Program stands out for having a model in which the volunteers contribute to the institutions and projects not only with their time, but also with their know-how in functional areas for which they have specific competences and with which they add significant social value.

The volunteering program provides support to the following charitable organizations: Associação Coração Amarelo, (Lisboa and Oporto), ATL da Galiza, Centro Comunitário da Paróquia de Carcavelos, Obra do Frei Gil, at Oporto, Movimento de Defesa da Vida, and Junior Achievement Portugal.

In these institutions, Brisa volunteers dedicate their time to perform various post profiles as school support, home care for the elderly, legal support, computer training to unemployed people and the elderly, administrative support, assistance in social stores, psychological support to intervention teams and support in the management of social and cultural events and activities.

JOSÉ DE MELLO GROUP VOLUNTEER PROGRAMME



128 VOLUNTEERS



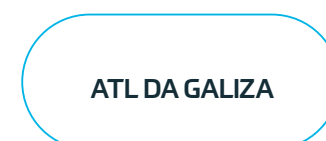
50 VOLUNTEERS



9 VOLUNTEERS



6 VOLUNTEERS



26 VOLUNTEERS



20 VOLUNTEERS



15 VOLUNTEERS



7 VOLUNTEERS



8 VOLUNTEERS



117 VOLUNTEERS

SOCIAL CAPITAL

VOLUNTEER DAY 2016

The Community Centre of Carcavelos Parish welcomed, on the 16th of September, the volunteers of the José de Mello Group who wanted to be part of the Volunteer Day 2016.

For the fifth consecutive year, employees of the various companies of the José de Mello Group, volunteers in the six partner institutions of the Volunteer Program, gathered to share experiences and knowledges and spend a different and joyful day.

The development of a team building activity (wall painting), was one of the highlights of Volunteer Day 2016, which was also marked by an open air lunch, which was followed by a stock of the situation of the Volunteer Programme and the disclosure of the results of the satisfaction surveys made to volunteers and partner institutions.



LEVEL OF SATISFACTION OF THE VOLUNTEERS

PERCENTAGE (%)



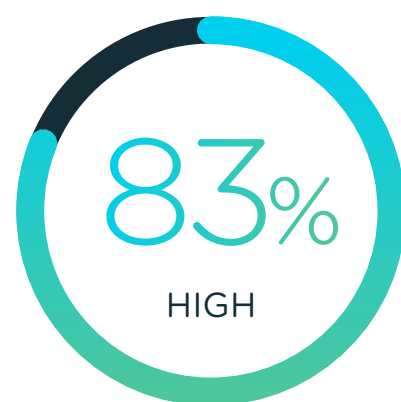
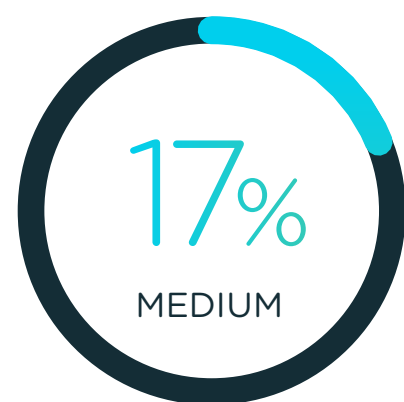
VIDEO OF THE VOLUNTEER DAY
YOUTU.BE/LTQQLXMPBW

SOCIAL CAPITAL



LEVEL OF SATISFACTION OF INSTITUTIONS

PERCENTAGE (%)



WHAT DO THE INSTITUTIONS SAY?

ASSOCIAÇÃO CORAÇÃO AMARELO

“Doctor visits obtained high levels of satisfaction. The Volunteers who visit the elderly are totally dedicated. Advices given about support to bedridden patients were very useful”

ATL DA GALIZA

“We are very happy with the support of your organisation and the visibility given to our community project”

MOVIMENTO DE DEFESA DA VIDA

“Positive impact on the image of the institution / Higher educational achievement”

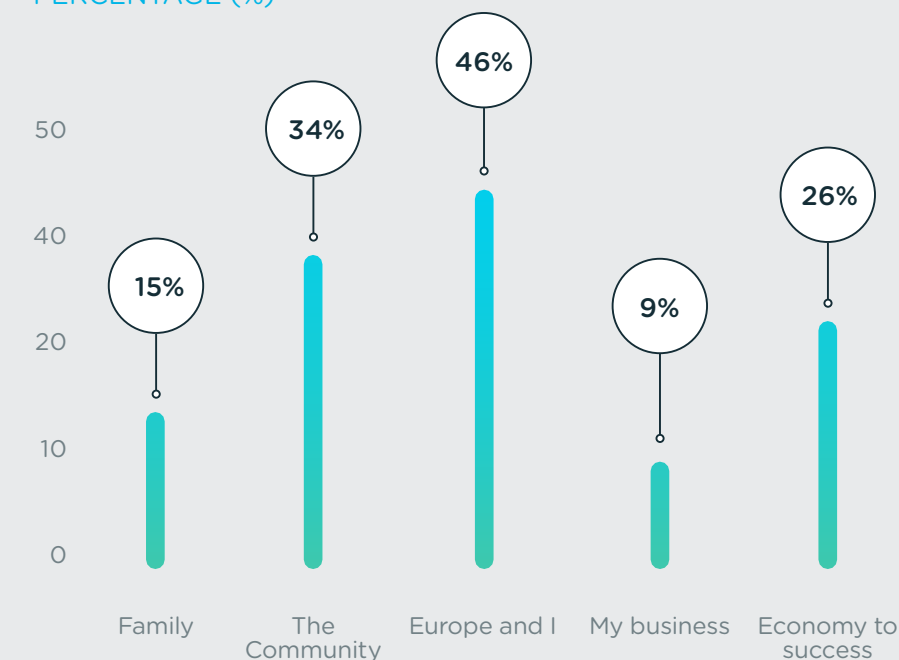
OBRA FREI GIL

“It’s really very important for the children to receive learning support. Without this help, we would not have the success rate that we have achieved in the past few years. THANK YOU!!”

JUNIOR ACHIEVEMENT PORTUGAL

INCREASE IN THE SUCCESS RATE
IN EXAMS IN RELATION TO PREVIOUS YEARS

PERCENTAGE (%)



CENTRO COMUNITÁRIO DA PARÓQUIA DE CARCAVELOS

“For instance, computer classes for unemployed people depends exclusively José de Mello Group volunteers, and most of the school learning support too.”

SOCIAL CAPITAL

REFOOD PROJECT

 **16 400**
MEALS DONATED BY REFOOD'S
CENTRE IN BRISA'S CAMPUS

 **37**
SUPPORTED HOUSEHOLDS

 **122**
BENEFICIARIES

REFOOD PROJECT

Brisa's partnership with ReFood celebrated one year. It was launched in 2015 with the purpose of setting up a new operation centre, to benefit needy households of the parishes of Carcavelos, Parede and São Domingos de Rana.

The REFOOD project is an independent community movement, 100% voluntary, driven by citizens and working as an IPSS (social solidarity institution), with the purpose of recovering food in good condition to feed people in need.

The REFOOD operation takes place in the facilities provided by Brisa located at the company's headquarters in São Domingos de Rana, where the collection, repackaging and distribution of meals to local families covered by the project occur.

In addition to the facilities, Brisa employees also have joined this initiative through volunteer work. The involvement of Brisa in the REFOOD project is thus consistent with the company's policy to support social projects, to



address the needs of neighbouring communities, within a *Commit & Engage philosophy*.

On this date, there are 16 Brisa employees who provide volunteer work in this project, helped by 180 external volunteers, and the number is expected to rise.

ROAD SAFETY AS TOP PRIORITY

Road safety is one of Brisa's pillars. The company's concern to contribute to the highest road safety standards has made Brisa the largest private investor in road safety in Portugal.

Accident rates recorded in 2016 show a decrease by 37.1% in the accident rate involving death and a 30.3% drop in the rate of accidents resulting in severe injury as against 2015.

Brisa will certainly maintain its commitment to road safety and will continue engaged in promoting a road safety culture that can help to save lives.

Educational Programme "Brisa in Schools"

Within the scope of its activity, Brisa carries out several actions addressed to drivers but also to the society in general, with a view to promote road safety in Portugal. In addition to mass media campaigns focused on informing and raising public opinion awareness for the prevention of road accidents.

Brisa has a specific programme targeted to 6 to 10 year old children, called "Programa Educativo Brisa nas Escolas" which unfolds into two programmes:

- Road Safety First, on road safety related issues;
- Environment First, on environment and biodiversity related issues.

The purpose of these programmes is to contribute to the education and training of this young audience, by promoting actions that will allow children to become acquainted with these issues.

SOCIAL CAPITAL



PROGRAMME VIDEO
VIMEO.COM/176446320/4B7BF1D0AB

EDUCATIONAL PROGRAMME “BRISA NAS ESCOLAS”



SAFETY FIRST

The Road Safety First programme consists of school visits to Brisa’s Operational Centres throughout the country or of Brisa’s visit to the schools, where several basic safety notions are transmitted supported by real life objects, e.g. safety belts, traffic road signs, direct contact with the road assistance’s vehicles. The purpose of this programme is to stimulate the children’s interest and commitment to best practices in terms of road safety, based on a playful and educational experience.



ENVIRONMENT FIRST

Environment and Biodiversity are strategic areas in Brisa’s activity, as the company aims to achieve a positive global balance of the impact of its business on biodiversity. One of the project’s initiatives is the organisation of school visits to the EVOA – Bird Observation and Visitation Space, at the Lezíria of Vila Franca de Xira, 35 km from Lisbon. These visits raise awareness to biodiversity and the importance of natural habitats, through bird watching (both real and virtual) in the heart of the Tagus Estuary’s natural reserve. The project is addressed to primary schools, and extends to the student’s families and teachers.

FIGURES OF THE SCHOOL PROGRAMME FOR 2015/2016

	‘15/’16	BREAKDOWN PER REGION	VISITS
NUMBER OF STUDENTS	15 156	ALENTEJO	7
NUMBER OF SESSSIONS	201	ALGARVE	10
NUMBER OF TEACHERS	791	LISBON	81
NUMBER OF LOCATIONS	62	PORTO	79
NUMBER OF SCHOOLS	115	NORTH/CENTRE	24

SOCIAL CAPITAL

CAMPAIGN IMPACT CLASS

 1.6 MILLION
VIEWS

 +3.7 MILLION
PEOPLE REACHED

 46 THOUSAND
SHARES

 20 THOUSAND
LIKES

BRISA STUDENT DRIVE CAMP

In 2016 the city of Leiria welcomed the 3rd edition of Brisa Student Drive Camp. This initiative developed by Brisa in partnership with Fórum Estudante aims to disseminate best practices for road safety and safe driving among secondary and professional schools students, training 50 “ambassadors” selected among students from all over the country.

Brisa Student Drive Camp 2016 included various activities that provided to participants a direct contact with the world of driving and cars.

Brisa Student Drive Camp diversified the activities to be developed annually in the city selected as the Young Capital of Road Safety, which will change every year so as to cover the whole country.

National road safety statistics attest of the importance of promoting discussion on this issue with young people.

Though the accident rate involving young people is decreasing, about 3 in each 10 accidents affects people younger than 25 years old. Accidents in week-ends account for 40% of fatalities and serious injuries in drivers between 18 and 24 years old.



A third of these accidents happen between midnight and 8 in the morning. Half of the total number of people killed or injured at this age happen with cars going off the road.

The city of Oporto welcomed a new edition of the Brisa Student Drive Camp in 2017. Brisa’s presence in Oporto Young Capital of Road Safety enhances the company’s promotion of road safety. The main focus of this prevention strategy is to create a communication channel with future drivers, through a road safety, responsible and better informed driving culture.

IMPACT CLASS CAMPAIGN

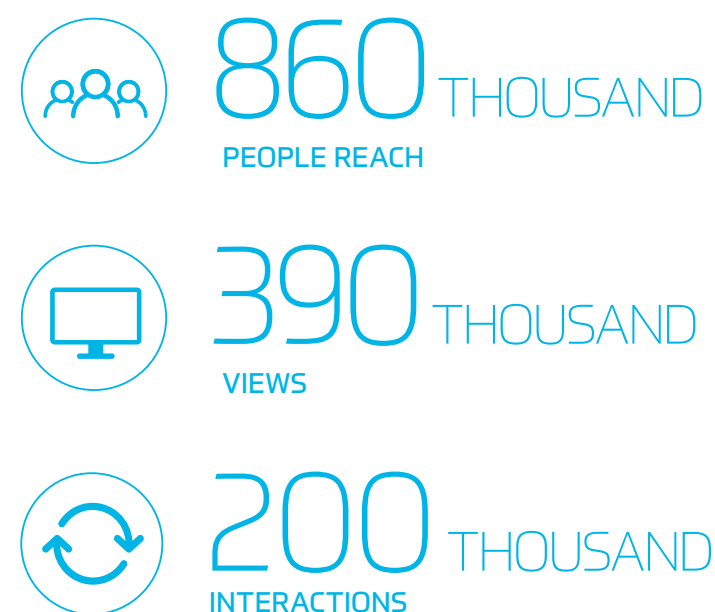
Road accidents are the main cause of death and serious injuries among young people up to 24 years old. It is therefore urgent to raise awareness to this irrefutable and alarming fact with future drivers and drivers of this age group.

In this light, Brisa thus decided to launch a media and awareness campaign in 2016 on safe driving directed to young drivers called “Impact Class”.



SOCIAL CAPITAL

CAMPAIGN BRISA'S CHRISTMAS



The campaign went viral, with over 1.6 million views in the first week, a reach of 3.7 million, 46 thousand shares and over 20 thousand likes.

The “Impact Class” project was awarded a Silver Lion (for Public Relations) at the Cannes Lions festival.

The project attests of Brisa’s engagement towards road safety, adding to the Safety First Programme addressed to primary school children, and Brisa Student Drive Camp, addressed to secondary school students.

BRISA'S CHRISTMAS CAMPAIGN #LETMEKNOWWHENYOUGETHOME

Christmas campaign “Drive safely and let me know when you get home” viewed to raise the awareness of drivers and road users in general to safe driving. The campaign used hashtag #Letmeknowwhenyougethome, and was available for a month, with families and parents discussing their concern when their children are travelling and of not knowing when they get home, and children speaking about this parent concern.

The campaign reached 860 thousand people, had 390 thousand views and 200 thousand interactions. The campaign wanted to explore the emotional

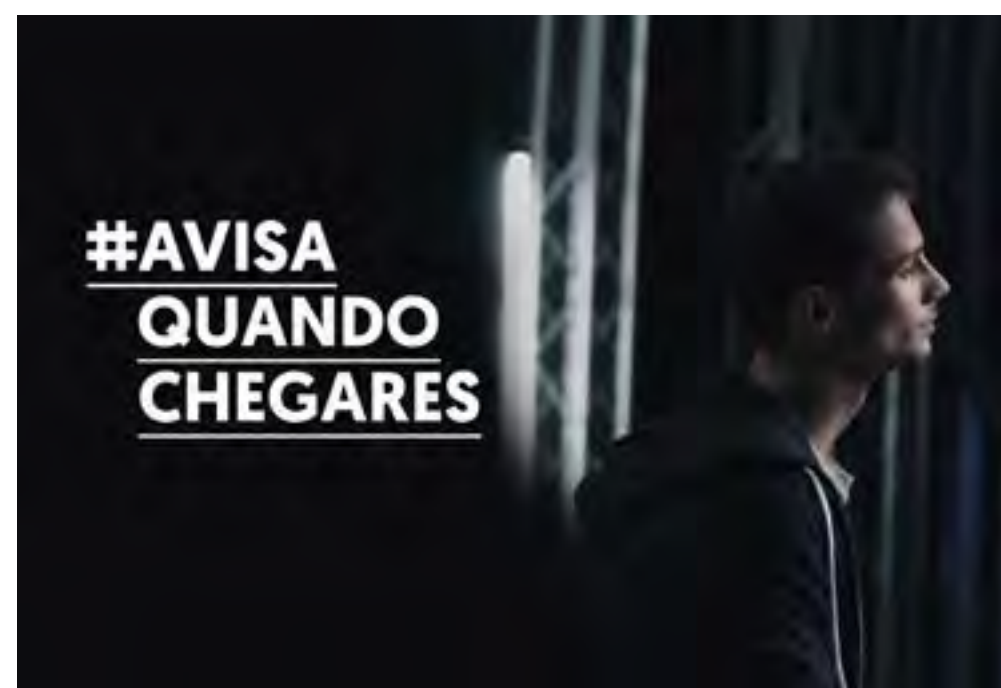
feelings associated with the Christmas season to launch a nation-wide campaign favourable to the adoption of safe and careful driving. The main idea was to convey that what’s important in a trip is to get home safe to be close to our loved ones.

BRISA SPONSORS LIMITLESS SAILING MEETING

Brisa sponsored the 10th Limitless Sailing Meeting for the 8th consecutive year, held during the months of September and October at the Marina of Cascais.

The Limitless Sailing project views to provide a regular nautical sport activity to disabled persons, in 4 complementary dimensions: leisure, sport, therapy and competition.

Participation is free and open to anyone with special needs, regardless of age or disability, provided it is compatible with the practice of Adapted Sailing.



3.6 NATURAL CAPITAL

3.6.1 ENVIRONMENTAL MANAGEMENT SYSTEM

During the cycle known at Brisa as the “large cycle” of construction, the company’s main focus as far as environment is concerned, was the prevention, minimisation and reduction of the impacts associated with the construction of motorways

This phase experienced a decisive turning point in 1988, when Brisa decided by its own will to carry out an environmental impact assessment for the A5 motorway, Auto-estrada da Costa do Estoril.

Over the last decade, the development of metrics and the systematisation and centralisation of key data on the Group’s environmental management formed a strategic lever for the evolution of the company’s sustainability management system. Tools such as the Eco-efficiency index or the Sustainability Management Information System were crucial to promote a new cycle in environmental management, focused on optimisation and efficiency gains, with significant progress in the fields of energy efficiency and water management.

Brisa is now well prepared for the emerging challenges associated with climate change risks and the evolution of mobility businesses. Proof of this progress is Brisa’s direct involvement in the creation of metrics and tools to promote sustainable mobility, such as the *Sustainable Mobility Project 2.0*, of the *World Business Council for Sustainable Development*, which was endorsed by the European Union and the United Nations in 2016.

Brisa has thus moved forward with its Environmental Policy, the next evolution of which will be the incorporation of the environmental management skills gathered in its main activity into the new mobility products and services which it will launch in the near future.



3.6.1 ENVIRONMENTAL MANAGEMENT SYSTEM

NATURAL CAPITAL



ENVIRONMENTAL POLICY OF THE BRISA GROUP

Develop business solutions that address the challenges and opportunities emerging from climate change, namely by developing techniques, services and systems that promote sustainable mobility and, moreover, by supporting scientific research and promoting public opinion awareness raising campaigns

ENVIRONMENTAL POLICY OF THE BRISA GROUP

The Environmental Policy of the Brisa Group views mainly to raise awareness and involve all employees of its corporate bodies/businesses to the adoption of the best environmental management practices, and promote their adherence to environmental management according to goals.

Group seeks to achieve, together with profit growth and social progress, banking on an ongoing improvement in processes and an integrated management of risks and innovation, with the purpose of creating value for all stakeholders.

That way, with the current environmental policy, the Brisa Group commits to incorporate on its operational goals, on its projects and actions, as well as on its procedures and techniques, the following principles and guidelines:

Promote the Group's environmental values, guiding employees to comply with the values and principles laid down in the Code of Ethics, the relevant law regulations, and with the environmental, quality and innovation procedures that the Group has adopted;

Invest in the development and continuous improvement of the Group's capacity in the area of environmental management applied to the operation and maintenance of motorways, and the incorporation of environmental management in any future evolution of the Group's business model and activity, thereby contributing to an environmentally-focused planning and management of the territory.

Adopt eco-efficient management models and techniques that foster the optimisation of the usage of natural resources, and the mitigation and prevention of the environmental impacts resulting from the Group's activity, and that contribute to enhance environmental performance and prevent pollution;

Incorporate the opportunities and risks associated with the environmental dimension of the business in the Group's risk management policies;

Optimise the management of waste produced by the Group's activity, based on the continuous development of a policy focused on reducing, reusing and recycling of said waste.

Embody the protection of ecosystems and biodiversity in the current Group's procedures, along with promoting the valorisation of the ecosystems' services, through partnerships for the promotion and the management of the natural patrimony;

Develop business solutions that address the challenges and opportunities emerging from climate change, namely by developing techniques, services and systems that promote sustainable mobility and, by supporting scientific research and actions that raise public awareness;

Promote the adoption by suppliers, e.g. pursuant to contracts, of the best environmental management practices;

Ensure the external disclosure, by way of a duly audited report, of the evolution of environmental performance of the business, in a three-fold perspective of openness, transparency and accountability before all stakeholders.

NATURAL CAPITAL

3.6.2 PERFORMANCE INDICATORS

ECO-EFFICIENCY INDEX

In the last 10 years, Brisa used the Eco-Efficiency Index to try to measure and represent the progress of the environmental performance on a yearly basis. That index had 5 critical dimensions of the environmental impacts of the company's operations and were as follows: Electricity consumption, Fuel consumption, GHG (Greenhouse Gas) emissions, Water Consumption and Waste production.

Throughout the years, the Index had the utility of measuring the company's progress, objectives wise, however, time has demonstrated

that this initial exercise is no longer the most suitable one in the transformation of Brisa's business model, namely mobility businesses.

Therefore, it was decided to abandon this index to work on the composition of a new formula, for a 2.0 version of the Eco-Efficiency Index, with 2017 as base year. The 2.0 Eco-Efficiency Index will be presented in the end of 2017's first half.



3.6.2 PERFORMANCE INDICATORS

NATURAL CAPITAL

IN 2016, ELECTRICITY CONSUMPTION BY THE BRISA GROUP FELL BY 3.7%, thereby justifying the decision taken, since 2009, to monitor and centralise all environmental information reinforcing the Group's excellent work with regard to energy efficiency initiatives

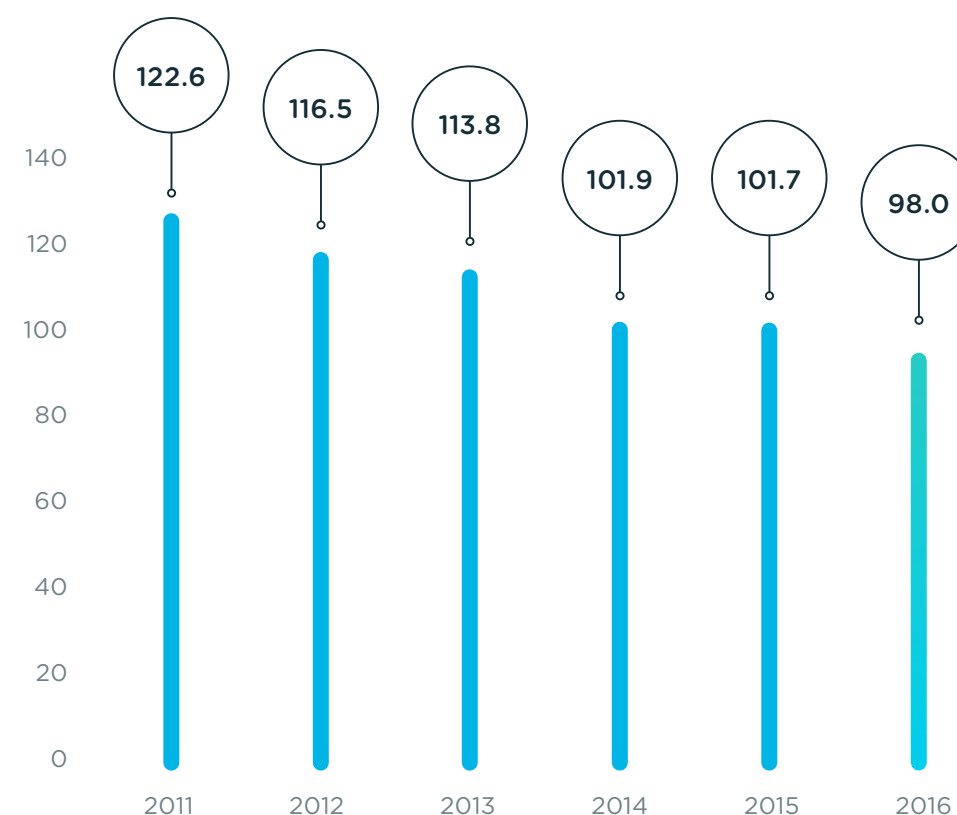
ENVIRONMENTAL INDICATORS

Electricity consumption

In 2016, electricity consumed by the Brisa Group dropped 3.7%, thereby justifying the decision taken, since 2009, to monitor and centralise all environmental information, reinforcing the Group's excellent work with regard to energy efficiency initiatives. This indicator is showing a continuous downward trend over the past few year, thereby encouraging Brisa to continue with its energy efficiency projects.

ELECTRICITY CONSUMPTION

TERAJOULES (TJ)

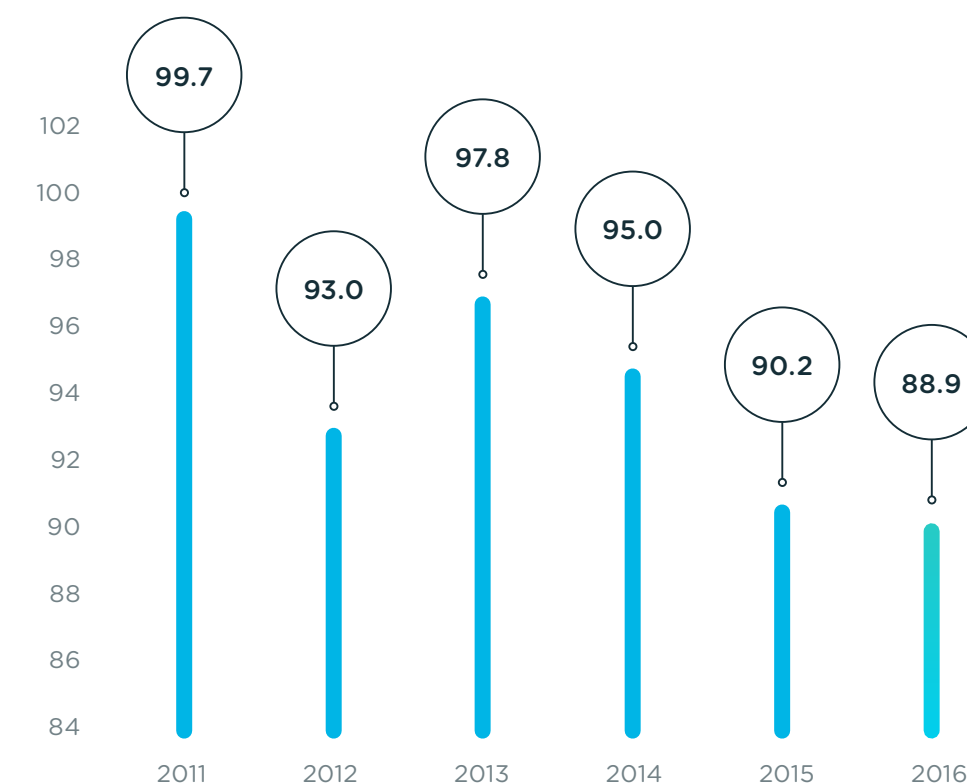


Fuel consumption

The amount of fuel consumed by the fleet fell by 1.4% notwithstanding increase by 160 000 km travelled by Controlauto, in relation to 2015. This improvement in Brisa's fleet performance resulted from efforts to achieve operational efficiency, based on a plan implemented by Brisa Operação & Manutenção.

FUEL CONSUMPTION

TERAJOULES (TJ)



3.6.2

PERFORMANCE INDICATORS

NATURAL CAPITAL



DIRECT EMISSIONS
RESULTING FROM FUEL
CONSUMPTION (tCO₂eq)

CO₂: 6 591.0
CH₄: 5.7
N₂O: 16.5



INDIRECT EMISSIONS 4
RESULTING FROM 2
ELECTRICITY CONSUMPTION (tCO₂eq)

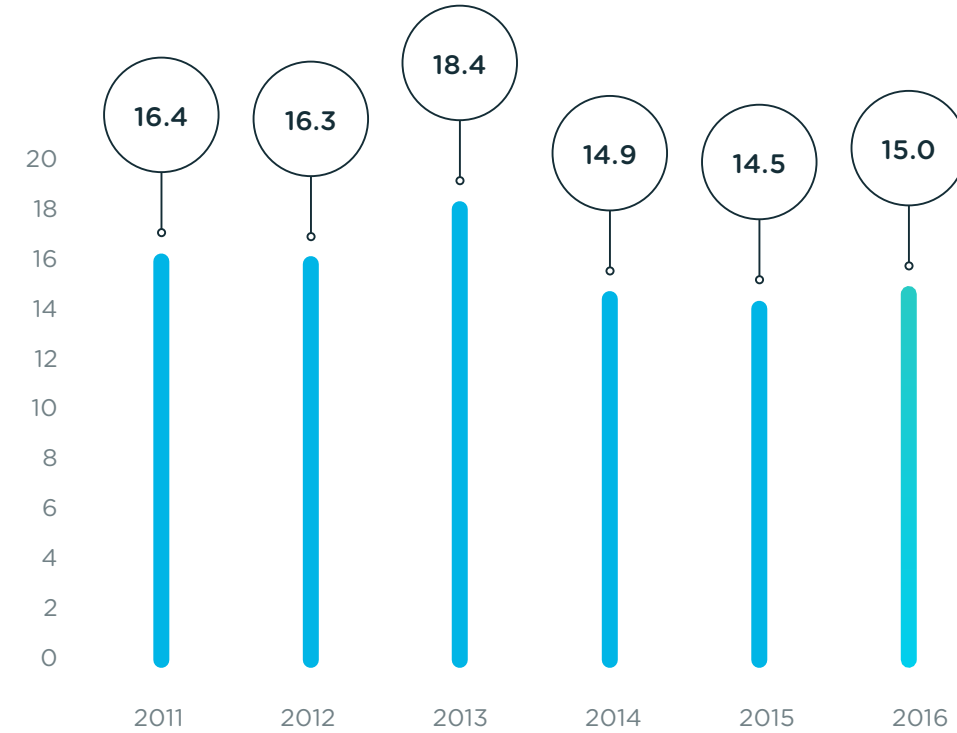
CO₂: 8 410.3
CH₄: 0.0
N₂O: 0.0

GHG (GreenHouse Gas) emissions

In Brisa’s case, greenhouse gas emissions result from the company’s consumption of electricity and the fuel consumed by its car fleet. In 2016 GHG emissions rose by 3.6% despite the decrease in electricity and fuel consumption. The emission factor used to calculate emissions for this year (EDP Comercial Empresas 309 gCO₂/Kwh) is higher than the one used in the previous year, which is why 2016 emissions are higher.

GHG EMISSIONS

THOUSAND TONS OF CO₂ EQUIVALENT (10³tCO₂eq)



Direct emissions of GHG (scope 1)

Gross direct emissions of GHG reported are the emissions produced through the burning of fuel (gasoline and diesel) by the vehicles of the Group. This calculation does not consider any GHG transactions, such as the purchase, sale or transfer of allowances or subsidies.

The calculation of emissions generated by fuel consumption took into account the emission factors disclosed by IPCC in 2006 (Guidelines for National GreenHouse Gas Inventories). They allowed determining carbon dioxide (CO₂), methane (CH₄) and nitrogen oxide (N₂O) emissions.

Conversion of direct emissions (Scope 1) into CO₂ tons equivalent:

DIRECT GHG EMISSIONS (SCOPE 1)

TONS OF CO₂ EQUIVALENT (tCO₂eq)

	'14	'15	'16
DIRECT EMISSIONS RESULTING FROM FUEL CONSUMPTION (t CO ₂ eq)	7 160.2	6 686.5	6 613.2

Direct emissions of gases causing the greenhouse effect (Scope 2)

Indirect gross GHG emissions are the emissions generated from the consumption of electricity supplied by EDP Conversion of direct emissions (Scope 2) into CO₂ tons equivalent:

INDIRECT GHG EMISSIONS (SCOPE 2)

TONS OF CO₂ EQUIVALENT (tCO₂eq)

	'14	'15	'16
INDIRECT EMISSIONS RESULTING FROM ELECTRICITY CONSUMPTION (t CO ₂ eq)	7 728	7 719.3	8 410.3

3.6.2

PERFORMANCE INDICATORS

NATURAL CAPITAL

WATER CONSUMPTION
ASSOCIATED WITH BRISA'S
ACTIVITY FELL BY 11.7% IN 2016

This performance is driven
by the adoption over the years
of new technologies

Water Consumption

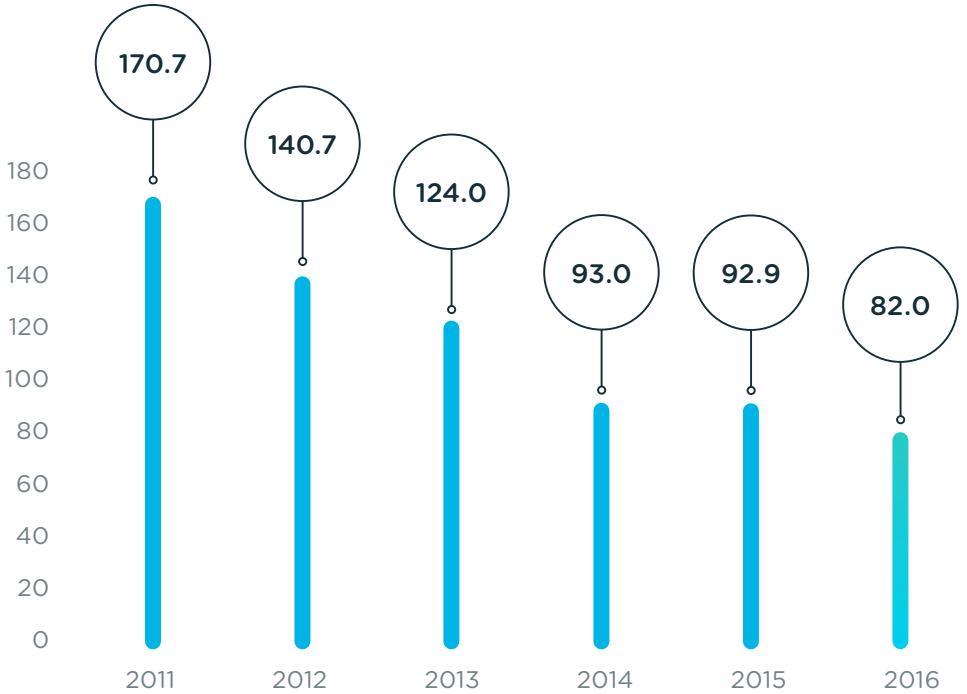
Water consumption associated with Brisa's activity decreased by 11.6% in 2016. The evolution of this indicator over the years is the result of a continued policy seeking the adoption of new technologies - all across the board - for changing behaviours related to the usage of water by the company and also a result of the last few years' favourable weather conditions.

TOTAL WATER ABSTRACTION
SEGMENTED ACCORDING TO SOURCE

SOURCE	QUANTITY
OWN WATER EXTRACTIONS	26,483
PUBLIC SUPPLY	55,535
TOTAL	82,018

WATER CONSUMPTION

THOUSAND CUBIC METERS (10³m³)



3.6.2

PERFORMANCE INDICATORS

NATURAL CAPITAL

Waste production

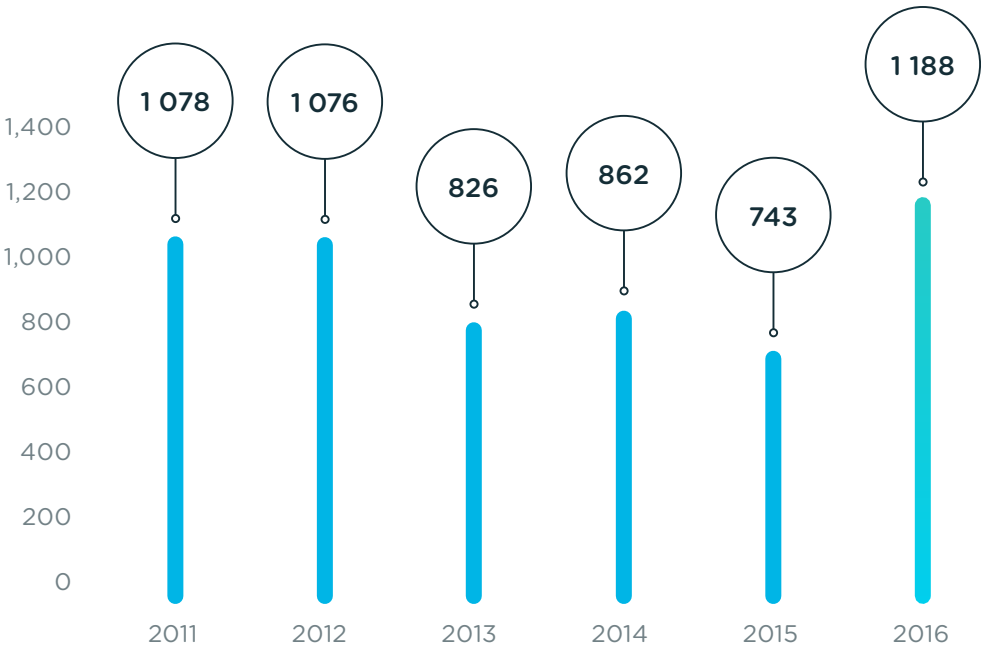
Despite having stabilised in the past three years, the amount of produced waste increased considerably in 2016. This increase was mainly due to the disposal of waste resulting from repairs on the infrastructures which by their nature have a higher weight.

Waste from motorway operation and maintenance is collected and stored in the operational centres scattered throughout the country. Disposal by authorised entities is only requested when the amount of waste gathered justifies it. Therefore, there are years with no records of waste production because it was not disposed of.

Conversely, in other years, figures escalate not because the production of waste increased but because it was disposed of that year.

WASTE PRODUCTION

TONS (t)



TOTAL WASTE PER TYPE AND METHOD OF DISPOSAL

TONS (t)

	HAZARDOUS	NON HAZARDOUS	VALUATION	DISPOSAL
	29	1 160	1 027	161
TOTAL		1 188	1 188	



NATURAL CAPITAL

3.6.3 EFFICIENT MANAGEMENT OF THE CAR FLEET

CHARACTERISATION OF THE FLEET

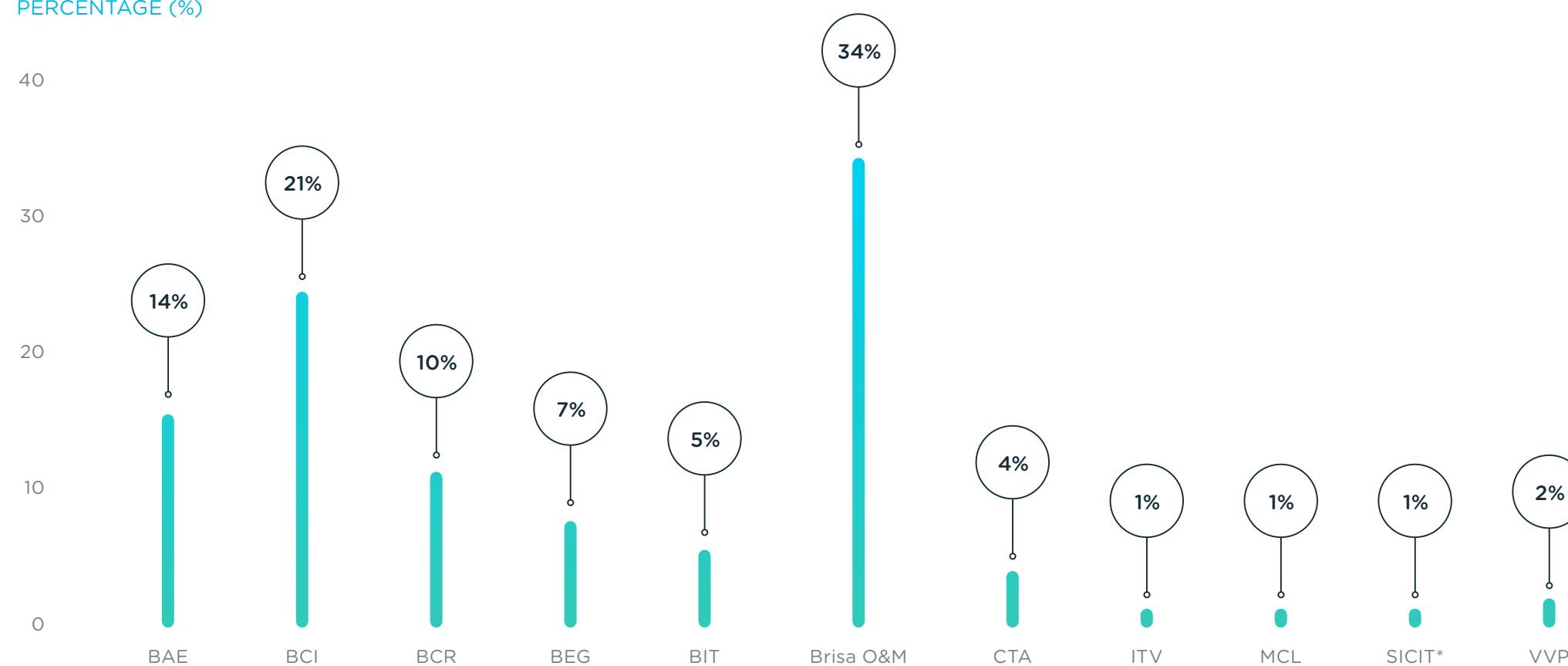
Brisa is aware of the indirect impact of the global issue of climate change on the company's activity, an influence which is most likely to increase in the medium and long term.

Brisa's response has focused on a careful and comprehensive recording of both direct and indirect GHG emissions and on the outlining of quantitative long term goals to limit such emissions.

At 31 December 2016, Brisa's vehicle fleet consisted of more than 620 vehicles, including 14 electric, 2 hybrid-gasoline, 1 hybrid-gasoline-plug in, 9 hybrid-diesel, 1 hybrid-diesel-plug in.

BREAKDOWN OF THE FLEET ACCORDING TO GROUP COMPANIES IN 2016

PERCENTAGE (%)



* SICIT S.A.: Investor Advisor of Transport Infrastructure Investment Company (TIIC)

3.6.3 EFFICIENT MANAGEMENT OF THE CAR FLEET

NATURAL CAPITAL



CORPORATE IMAGE
ECOBRI SA PROJECT

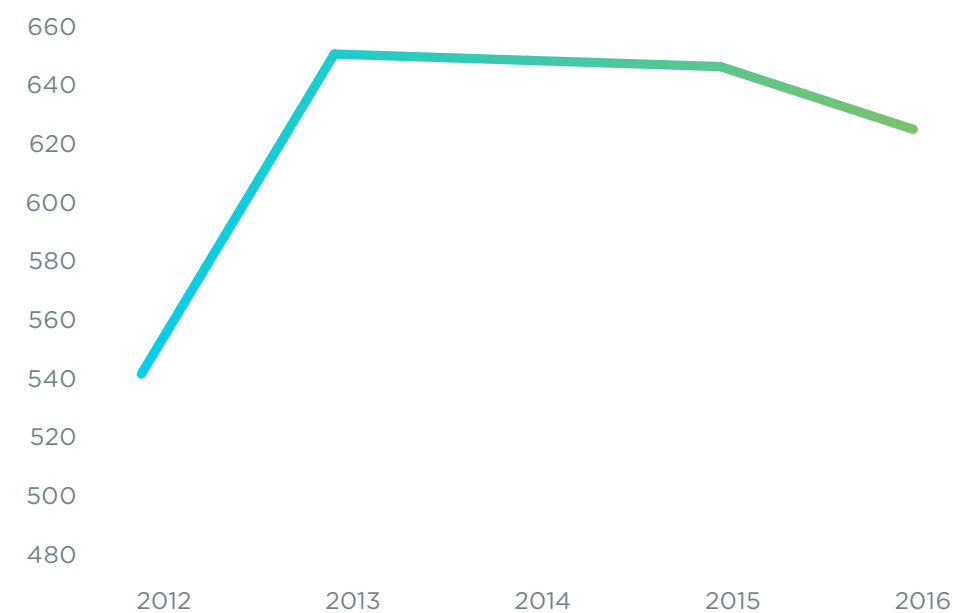
In 2016 Brisa continued to optimise the management of the number of vehicles in the fleet, their age-tiering profile, engine downsizing and power source distribution (fossil fuel engines vs. electric vehicles), investing in training provided by ABC¹ targeted to safety awareness and behavioural changes, participation in the deployment of the Power Consumption Rationalisation Plan (PCRP), to make Brisa more environmentally sustainable.

¹ ABC is a project to develop a culture of economical and defensive driving, as explained hereinbelow.

MEASURES ADOPTED IN THE MANAGEMENT OF THE FLEET

The Group has devised and implemented measures to manage its vehicle fleet that are aligned with its strategy. The balance achieved in the last few years in terms of number of vehicles has kept the fleet stable with an average of 620 vehicles per year.

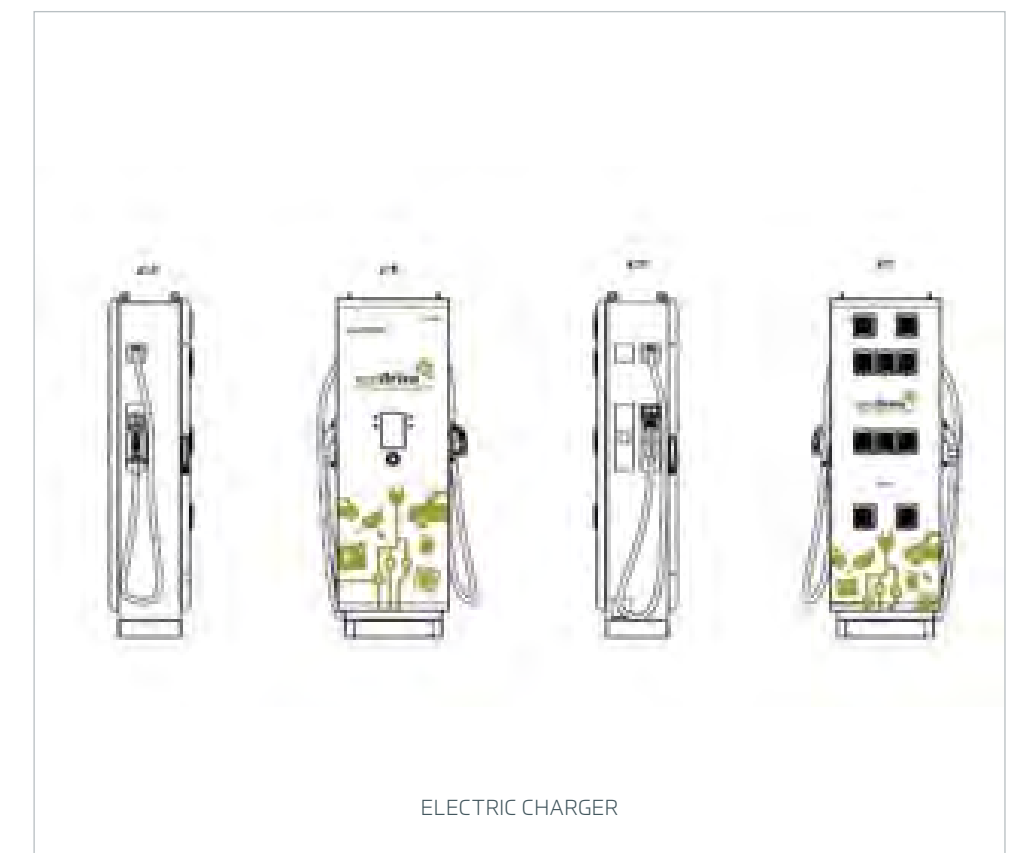
EVOLUTION IN THE NO. OF VEHICLES



During 2016 Brisa's vehicle renewal policy was continued, improving the fleet at engine level and types of engine - with hybrid and plug in hybrid - with a view to adopt the solutions which best suit Brisa's reality, in the face of the staggering evolution of these vehicles.

"BRISA CHARGER NETWORK" PROJECT

At the same time, the charger network project is being deployed. The project encompasses optimising the location of the chargers, and their capacity, according to vehicle type and use. A corporate image was outlined for this network.



ELECTRIC CHARGER

3.6.3 EFFICIENT MANAGEMENT OF THE CAR FLEET

NATURAL CAPITAL

“ADBLUE SUPPLY NETWORK”

Brisa is implementing another project called AdBlue Supply Network, which views to give autonomy to Road Assistance vehicles with Euro 5 and Euro 6 equipped engines.

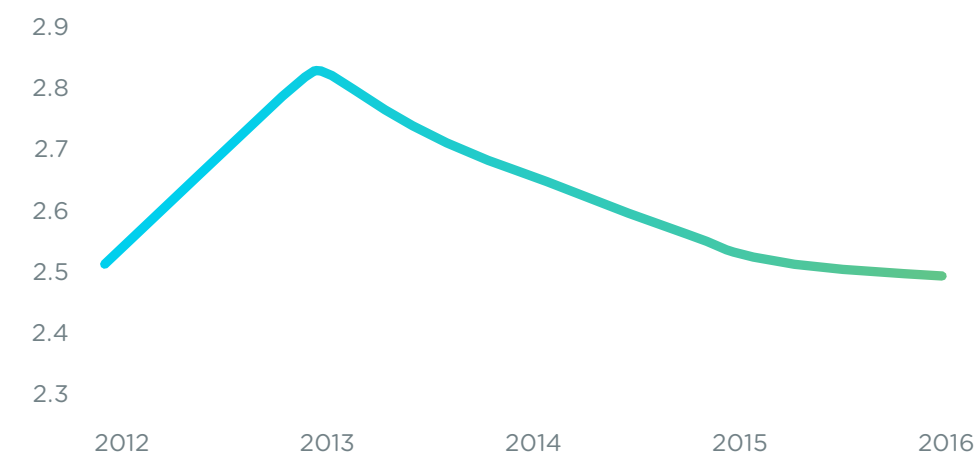


EVOLUTION OF CONSUMPTION

In line with the evolution of the fleet, and thanks to the new vehicles acquisition strategy and policy, combined with energy efficiency measures and the awareness campaigns carried out by Academia Brisa de Condução (ABC), fuel consumption has evolved favourably in the last 4 years. Note that in 2013 BCI was again included in Brisa Group, explaining the increase in consumption recorded that year.

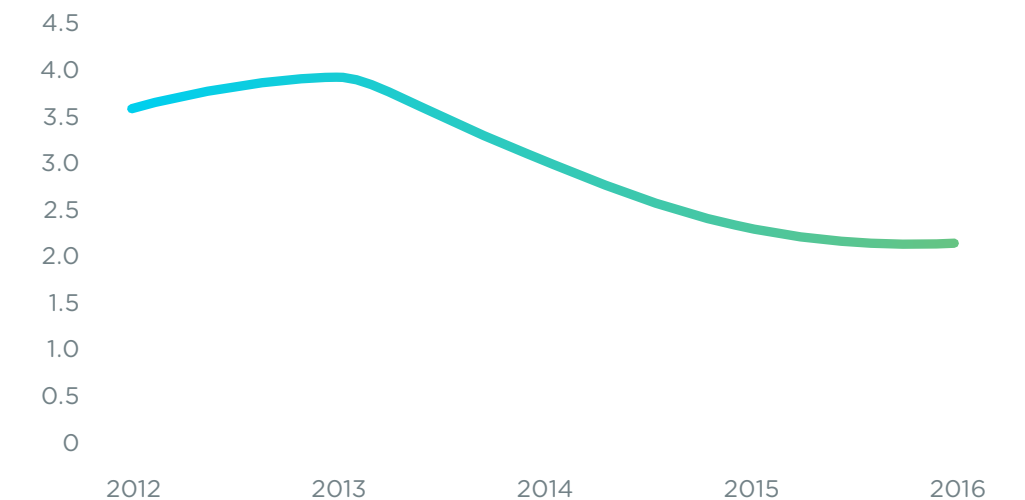
FLEET’S CONSUMPTION IN LITRES

MILLION LITRES



FLEET’S CONSUMPTION IN EURO

MILLION EURO



3.6.3

EFFICIENT MANAGEMENT OF THE CAR FLEET

NATURAL CAPITAL

AVERAGE DIESEL CONSUMPTION L/100 km AT BRISA GROUP IS IMPROVING, thanks to a more efficient use of the vehicles, taking into account an average number of km travelled per year above 34 million

CO₂ EMISSIONS ASSOCIATED WITH THE FLEET

Diesel accounts for 99.5% of all the fuel used at the Brisa Group, therefore, the following analysis concerning travelled kilometres will only take this type of fuel into consideration.

AVERAGE CONSUMPTIONS OF THE BRISA GROUP

	'12	'13	'14	'15	'16
KM TRAVELLED	34 145 847	35 167 002	34 893 604	34 355 385	34 138 448
CHANGE IN THE NO. OF KMs TRAVELLED	-	1 021 156	-273 399	-538 219	-216 937
DIESEL VOLUME IN L (*)	2 490 705	2 791 786	2 617 395	2 497 405	2 460 831
AVERAGE CONSUMPTION OF DIESEL L/100 KMs	7.29	7.94	7.57	7.27	7.21
CHANGE IN CONSUMPTION IN L (YEAR 0 VS YEAR 01)	-195 652	301 081	-174 391	-119 989	-36 574
CO ₂ - (TON)	6 540	7 330	6 872	6 557	6 461
AMOUNT OF FUEL SAVED IN €	273 913	273 624	-743 586	-576 672	-99 097

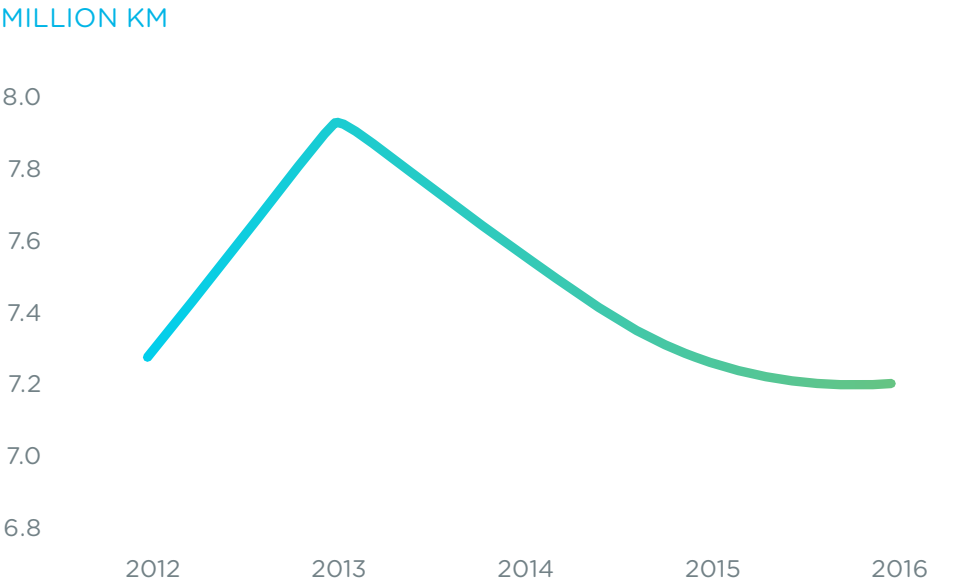
(*) Without Generators
Note: Diesel vehicle litre/kg CO₂ à 1 L = 2,6256 kg CO₂ Source: SunHearth Tools.com

On a par with a stable fleet, both fuel consumption and number of km travelled decreased, without affecting the obligations undertaken pursuant to the concession contracts.

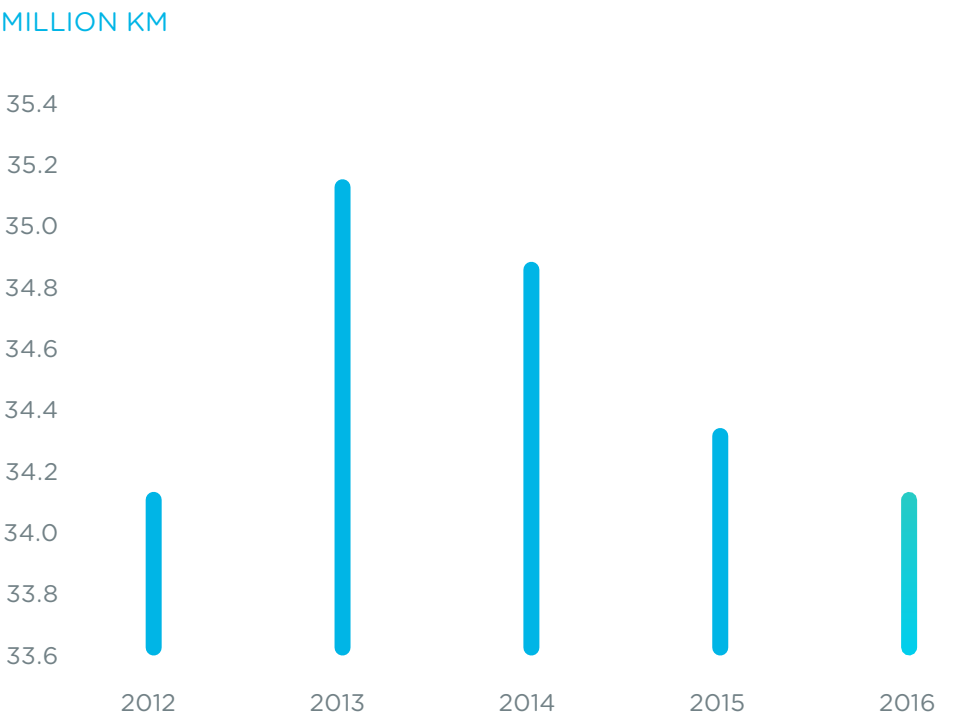
Average diesel consumption L/100 km in the Group is improving thanks to a more efficient use of the vehicles, taking into account an average number of km travelled per year above 34 million.

Actions and measures taken have also allowed for a decrease in CO₂ emissions.

AVERAGE DIESEL CONSUMPTION L/100 KM



KM TRAVELLED BY BRISA GROUP



3.6.3 EFFICIENT MANAGEMENT OF THE CAR FLEET

NATURAL CAPITAL



SUSTAINABLE MOBILITY
BRISA DRIVING ACADEMY

BRISA DRIVING ACADEMY

Brisa Driving Academy is a consolidated project, which has contributed to develop a culture of economical and defensive driving within the Group, which must be continuously promoted.

Brisa Driving Academy takes a stance in the following areas:

- Efficient use of vehicles, based on the understanding of their technology and electronic features;
- Safety at personal and road environment level, based on driving behaviour;
- Environmentally friendly and sustainable driving.

Moreover, by encouraging fuel saving measures, it helps to create value by decreasing the companies' fuel costs.

Likewise, with the consequent decrease in CO₂ emissions, it is helping to mitigate the effects of climate change.

Brisa Driving Academy contribution

For the third consecutive year, Brisa Driving Academy participated in Brisa Student Drive Camp, helping to promote awareness to the best and safest driving practices with young people.

During the year under review, the Academy started a course entitled "Eco Driving with Active Safety Module", the contents of which were specifically outlined for the Road Assistance personnel, taking into account the Energy Savings Plan implemented by this area.



3.6.3

EFFICIENT MANAGEMENT OF THE CAR FLEET

NATURAL CAPITAL

Training work developed at a pace of 432 trainees per year, who are taught the best practices in terms of safe and eco efficient driving.

TRAINING AREAS

BDA	N I	N II	N III	AR	CLIENTS	TOTAL
NUMBER OF SESSIONS	82	38	1	5	21	147
NUMBER OF TRAINEES	1 136	589	13	68	355	2 161
NUMBER OF HOURS OF TRAINING/ TRAINEES	9 088	4 712	104	544	2 840	17 288
NUMBER OF HOURS LECTURED	1 968	912	24	120	504	3 528

Explanation: N I = Eco Driving N II = Defensive Driving N III = Advanced and Reactive Driving
RA = Road Assistance

BDA – The Future

In addition to the ongoing training courses (Eco and Defensive), levels I and II, in the beginning of 2017 we will start the “Eco Driving with Active Safety Module” with Brisa O&M – RA, taking into account the development of the fleet with electric and hybrid vehicles, and we plan to provide Level III - New Paradigms of Efficiency in Road Mobility, focused on the capacities and limitations of these vehicles, their charging, use and driving behaviour. We intend to continue to participate actively in Brisa Student Drive Camp.



3.6.3

EFFICIENT MANAGEMENT OF THE CAR FLEET

NATURAL CAPITAL

FLEET MANAGEMENT MEASURES

The actions and measures concerning the management of the fleet are adjusted between Brisa Operação e Manutenção and Brisa Conservação de Infraestruturas, given their operation and the number of cars they have.

At O&M the energy efficiency measures followed were:

MEASURES	STATUS
Reduction of cylinder power in Road Assistance vehicles From 2 200 cc to 2 000 cc - 18 vehicles	IN PROGRESS
Improvement in deflector aerodynamics of road assistance vehicles	IN PROGRESS
Specific eco driving training directed to Road Assistance employees	IN PROGRESS
New Road Assistance vehicles must be delivered duly certified, following transformation	IN PROGRESS
Replacement of traditional vehicles by electric vehicles in tolling operation - 10 electric vehicles	IN PROGRESS
Replacement of 20 vehicles in DME Group (N-vans) by the Group's benchmark	PLANNED
Installation of tire filling station (nitrogen) at the Central Management group	PLANNED
Use of oil lubricants based on nano technology and other friction reducing components, with the purpose of reducing consumption	PLANNED

At BCI, energy efficiency measures implemented were the following:

MEASURES	STATUS
Eco driving training actions	COMPLETED
Analysis of alternatives (brand/model/engine)	IN PROGRESS
Renewal of the fleet of truck-mounted cranes	IN PROGRESS
Other improvements at technical, technological Control levels Introduction of LEDs replacing Current lamps, in light pick-up vehicles	PLANNED
Other technical, technological and control improvements Introduction diesel demolecularisation filters in pick-up trucks and older vehicles not covered by the replacement plan of Measure M3	PLANNED
Other technical, technological and control Introduction of additives for lubricant oils, based on nano technology, in pick-up trucks and older vehicles not covered by the replacement plan of Measure M3	PLANNED
Improvement in management information systems to control consumptions Communication of the results of the quarterly monitoring of EURP to BCI technical division, for subsequent internal disclosure and awareness raising with fleet users	IN PROGRESS

NATURAL CAPITAL

3.6.4 ENERGY EFFICIENCY IN INFRASTRUCTURES AND FACILITIES

In 2016, according to provisions in Decree law 68 A, we carried out energy audits in our Operational Centres, in line with the requirements established in Annex IV of the said decree law.

These energy audits were subject to the following phases and methodologies:

- Collection of historical information;
- Analysis of invoiced electricity;
- Field work in the facilities, local observation of the energy equipment by the audit team
- Characterisation of electricity consumption in the facilities;



- Identification and quantification of intervention opportunities to streamline energy consumption;
- Preparation of energy audit reports describing the work performed, the results obtained and the recommendations issued, including an executive summary.

Energy efficiency is one of the goals of Brisa's annual action plan. In the last 5 years, the following energy efficiency projects stand out:

1. Use of astronomical clocks. These clocks operate based on geostationary coordinates, allowing for a more efficient management of lighting from dawn to sunset;
2. Reduction of lamp power from 400 W to 250 W, and where appropriate from 250 W to 150 W (this reduction does not affect the quality of the service provided by Brisa);
3. Deployment of the electronic ballast technology, contributing to increase the useful life of lamps, reducing energy consumption and optimising lighting;
4. Gradual replacement of older HVAC equipment by more efficient and environmentally friendly equipment.
5. Contracted power – Although ERSE (Energy Services Regulator) requires contracted power to be equivalent to or higher than 50% of installed power, Brisa O&M has managed to reduce contracted power, which means that for each 1 KW reduced we pay less approximately €0.9. Taking into account that we have nearly 120 power stations, we are able to achieve a considerable decrease in scale.

These projects had a direct impact on the reduction of energy consumptions and consequently, in invoiced amounts.

On the other hand, they had several relevant indirect impacts, for instance, the decrease in CO₂ emissions and a 25% decrease in maintenance costs, with the use of electronic ballasts.

NATURAL CAPITAL

3.6.5 OTHER INITIATIVES

BIODIVERSITY

Brisa's Environmental Policy Statement identifies biodiversity as strategic in terms of environmental management. One of Brisa's goals in this area is to have an overall positive balance of its impacts on biodiversity. To this end, it undertook to:

- (i) Continue developing the capacity to manage biodiversity throughout, from motorway construction phase to operation, and assess the operation's impact on biodiversity, so as to mitigate negative impacts, enhance positive ones and offset those which are inevitable;
- (ii) Foster knowledge on biodiversity and strengthen the cooperation with the scientific sector and academia and the corporate world, developing studies and initiatives applicable to the company's activity;
- (iii) Implement regular and transparent reporting on the Group's performance in terms of biodiversity, verified by independent auditors, and establish internal and external communication channels reflecting the company's effective activity in this regard, in order raise stakeholders awareness to the adoption of the best environmental management practices.

EVOA PROJECT- BIRD WATCHING AND INTERPRETATION CENTRE

EVOA – Bird Watching and Interpretation Centre – started with a protocol in 2007 between Companhia das Lezírias and Brisa – Auto-Estradas de Portugal under Brisa's Biodiversity Programme.

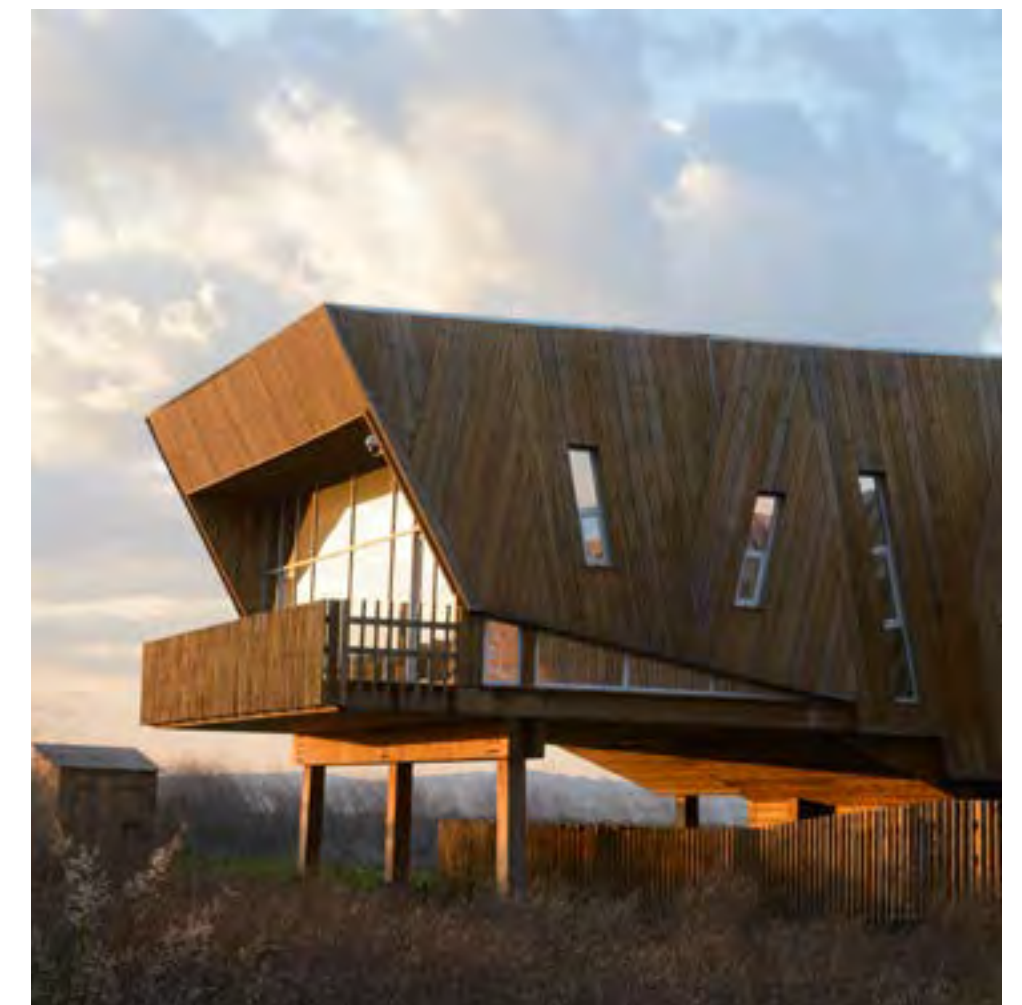
EVOA comprises three areas of wetlands, covering 80 hectares; these wetlands are a refuge and nesting place for over 120 thousand birds every year.

In order to ensure the tranquillity of the birds and maximise the birdwatching experience and comfort, there are three observatories in the

three main lagoons, various camouflaged viewing points and an Interpretation Centre.

The Interpretation Centre, besides being the main visitor reception centre, also houses the permanent exhibition "EVOA, where the world meets the Tagus" and invites one to take part in a variety of activities complementary to bird watching.

The EVOA Project is therefore a fundamental component of Brisa's Biodiversity Programme, through which the company aims to help promote knowledge and the development of collective awareness, as well as to ensure the rallying and engagement of all in the challenges of biodiversity.



04 OUTLOOK



BCR

OTHER CONCESSIONS

SUPPORT SERVICES TO THE CONCESSIONS

VEHICLE INSPECTIONS

TECHNOLOGICAL SERVICES

OTHER



CASH-FLOW
GENERATION



MOBILITY
SOLUTIONS
SUPPLIER'S POSITIONING
MOBILITY AS A SERVICE



SELF CARE
IMPROVE CUSTOMER
AUTONOMY

OUTLOOK

Brisa will continue to manage its different businesses with a clear overarching goal of providing efficient mobility to people

Taking into account the current market and consumer behaviour trends, Brisa intends to maximise its responsiveness to short and medium term challenges, integrating innovations in an adequate time to market, while ensuring the best continuity of its core business and its long term sustainability.

Accordingly, in the next few years, Brisa will be focused on **maximising value creation with regard to its current assets** and **developing new**

business opportunities, as provider of technology and mobility services. Thus and so, Brisa seeks to consolidate the change from the era of infrastructures to the era of mobility, responding to the new trends, strengthening its positioning with the end-customer and continuing to develop the Via Verde eco-system by launching new initiatives to promote an overarching offer of mobility services. Our outlook for the different business segments is presented in the next pages.



OUTLOOK



BCR

BCR will continue to focus on its three value creation drivers: improvement in operational margin, controlled evolution of capital expenditure and improvement of financial efficiency:

- In 2017, BCR will continue to benefit from the recovery in demand levels started three years ago. Toll revenues are expected to grow above 3%, fuelled by traffic recovery through organic growth.
- Operating expenses are expected to increase slightly above inflation, reflecting the surge in activity.
- Capital expenditure, which is expected to remain at 2016's levels, will be directed to the two major widening works ongoing in 2017 and several major repairs in road surfacing and structures to be carried out throughout the network.
- The strong operating performance, driven by increasing operating income and strict cost control, should lead to cash flow generation (measured by EBITDA-CAPEX) above €M 350.
- BCR will maintain a careful financial management, based on a strong liquidity position and lower concentration of debt maturities. It will continue to implement the most efficient funding solutions, seeking to extend average maturity and reduce the cost of debt.



OTHER CONCESSIONS

In its “Other Concessions” business segment, Brisa intends to continue developing a set of initiatives to promote a solid and healthy relationship with all stakeholders. Moreover, it will continue to optimise the operational management of the infrastructure:

- In Sub-Concession AEBT, the ongoing negotiation process should be concluded with the entering of the New Sub-Concession Contract, following the approval of the financial backers and the Audit Court.
- In AELO Sub-Concession, traffic is expected to continue posting positive performance, driven by the development of Leiria’s urban area and tourism in the region of Nazaré. However, in this concession, absolute traffic below initial forecasts should allow postponing the major repairs plan. As in AEBT, the ongoing negotiation process in AELO should be concluded.
- At Brisal, the negotiation process relating to the financial restructuring of the concession ongoing with the different entities involved should be completed soon, so that the revised funding terms and the plan for the reinstatement of the financial balance can be submitted to the Grantor’s approval.
- At AEDL, the negotiation process relating to the financial restructuring of the concession will continue, seeking the approval of the Grantor as to the terms of the finding and the implementation of the restructuring, viewing to ensure its ongoing operation.

OUTLOOK



SUPPORT SERVICES TO THE CONCESSIONS

This segment will continue to play a crucial role in Brisa's strategic positioning, focused on operational efficiency and the client:

- Increasing challenges in Brisa O&M activity trigger a continuous search for more efficient and effective solutions in operation and maintenance works, so as to contain operating costs, while ensuring high customer satisfaction levels.
- Continuity of the strategy to implement the initiative required to allow Via Verde to achieve its goal to be the leading collection means in Portugal in the mobility sector, based on use and ease of access.
- Encourage customer adherence to digital account statements and initiatives allowing to reduce processing costs.
- Bolster the use of the Via Verde service and develop complementary services to improve people's mobility.
- Focus on the client, promoting the development of projects to enhance customer experience and operational efficiency.
- Promote the Selfcare channel to provide greater autonomy to customers and improve the solving rate of complaints.



VEHICLE INSPECTIONS

In the vehicle inspections segment, Controlauto intends to strengthen its market leadership and stand as benchmark in the segment. At the same time, it will deal with:

- Increased competition, following Government authorisation for the opening of new inspection centres and the introduction of mandatory inspection for motorcycles above 249 cc.

- Evolution towards a more pedagogical approach in line with customer expectations, based on the concept that vehicle inspection is crucial for road safety.



TECHNOLOGICAL SERVICES

In the segment of technology services, BIT intends to continue evolving towards an ITS (Intelligent Transportation Systems) company of intangible base, responding to the growing dematerialisation of the road assets business operation and capable of developing technology solutions duly protected by intellectual property rights. BIT will thus cease to work exclusively for the Brisa Group, and will widen its customer base.

- Position itself as a provider of Mobility as a Service (Maas), by developing a business model that will pave the way to new mobility solutions.
- Leverage its new A-to-Be brand, so as to diversify and expand its customer base in markets with average/high technological maturity (such as Europe and the US).



OTHER (INCLUDING MOBILITY SERVICES)

Mobility services will account for an increasing part of Brisa's business; the company will continue investing in this field, seeking growth opportunities and value creation in new business models where innovation will rapidly change day-to-day living fundamentals.

- Develop projects on Traffic Demand, as well as projects based on providing integrated end consumer services.

05

GOVERNANCE AND REMUNERATION



5.1 BRISA'S GOVERNANCE STRUCTURE

5.2 MANAGEMENT MECHANISMS AND POLICIES

5.3 REMUNERATIONS AND REMUNERATION POLICIES



**CORPORATE
GOVERNANCE**
EFFICIENT AND TRANSPARENT
SO AS TO CREATE VALUE
TO THE SHAREHOLDER



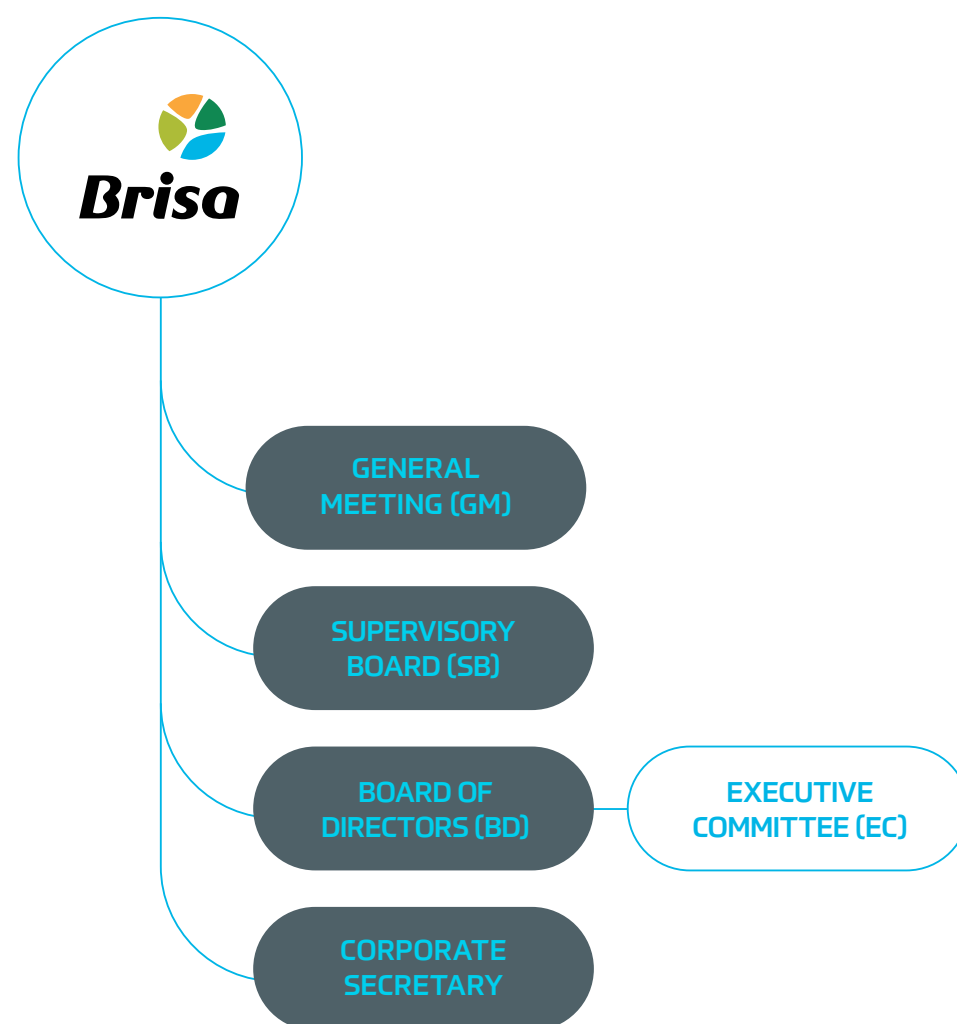
ETHICS CODE
DEFINITION OF RULES
OF ETHICAL AND
MORAL NATURE



**OPERATIONAL
PERFORMANCE**
FIXING OF REMUNERATION
IN A CONSISTENT
AND CONSONANT WAY

5.1

BRISA'S GOVERNANCE STRUCTURE



OVERVIEW OF BRISA'S GOVERNANCE STRUCTURE

The current mandate of all corporate bodies is for the 2014-2016 period.

Brisa's corporate bodies are made up as follows:

CORPORATE BODIES



BOARD OF THE GENERAL MEETING

CHAIRMAN

António Manuel de Carvalho Ferreira Vitorino

VICE-CHAIRMAN

Francisco de Sousa da Câmara

SECRETARY

Tiago Severim de Melo Alves dos Santos



BOARD OF DIRECTORS

CHAIRMAN

Vasco Maria Guimarães José de Mello

MEMBERS

João Pedro Stilwell Rocha e Melo
João Pedro Ribeiro de Azevedo Coutinho
António José Lopes Nunes de Sousa
Daniel Alexandre Miguel Amaral
Rui Alexandre Pires Diniz
Michael Gregory Allen
Luís Eduardo Brito Freixial de Goes
Graham Peter Wilson Marr
Stuart David Gray



SUPERVISORY BOARD

CHAIRMAN

Francisco Xavier Alves

MEMBERS

Tirso Olazábal Cavero
Joaquim Patrício da Silva

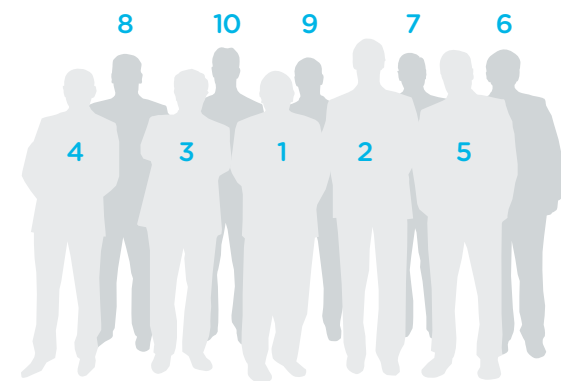
EXTERNAL AUDITOR

Alves da Cunha, A. Dias & Associados, SROC nº 74, represented by José Duarte Assunção Dias

ALTERNATE EXTERNAL AUDITOR

José Luís Areal Alves da Cunha

CORPORATE BODIES



BOARD OF DIRECTORS

1. Vasco Maria Guimarães José de Mello
2. João Pedro Stilwell Rocha e Melo
3. João Pedro Ribeiro Azevedo Coutinho
4. António José Lopes Nunes de Sousa
5. Daniel Alexandre Miguel Amaral
6. Michael Gregory Allen
7. Rui Alexandre Pires Diniz
8. Luis Eduardo Brito Freixial de Goes
9. Graham Peter Wilson Marr
10. Stuart David Gray



CORPORATE BODIES

THE BOARD OF DIRECTORS CONSISTS OF TEN MEMBERS, FIVE OF WHOM MAKE UP THE EXECUTIVE COMMITTEE.

The executive management of the company falls to the Executive Committee

According to a resolution of its shareholders, Brisa's governance model consists of a Board of Directors and a Supervisory Board. Hence, executive and supervisory functions are clearly separated and thus performed by distinct bodies.

Within this framework, at Board of Directors' level, the law sets out a rule of solidarity and mutual responsibility between all members, with no exception. However, notwithstanding the said rule of solidarity, the advantage of having management bodies composed of executive and non members is clear. Non executive directors, as they are not directly involved in daily management, will have a more comprehensive and less compromised view of day-to-day situations. They are in a privileged position to bring positive contributions to the outlining and analysis of strategies and the follow-up of businesses, identifying any deficiency, or suggesting changes and improvements, or even alternative solutions.

In these terms, the Board of Directors makes a positive assessment of this corporate governance structure, as it considers that, in the light of the business developed by the company, its shareholder structure and past experience, this is the most appropriate system to ensure an efficient and transparent governance, capable of creating value to all shareholders.

Besides the Executive Committee set up within the Board of Directors, there are no other committees with managing or supervisory powers.

The Board of Directors consists of ten members, five of whom make up the Executive Committee. Under statutory terms, the Board of Directors

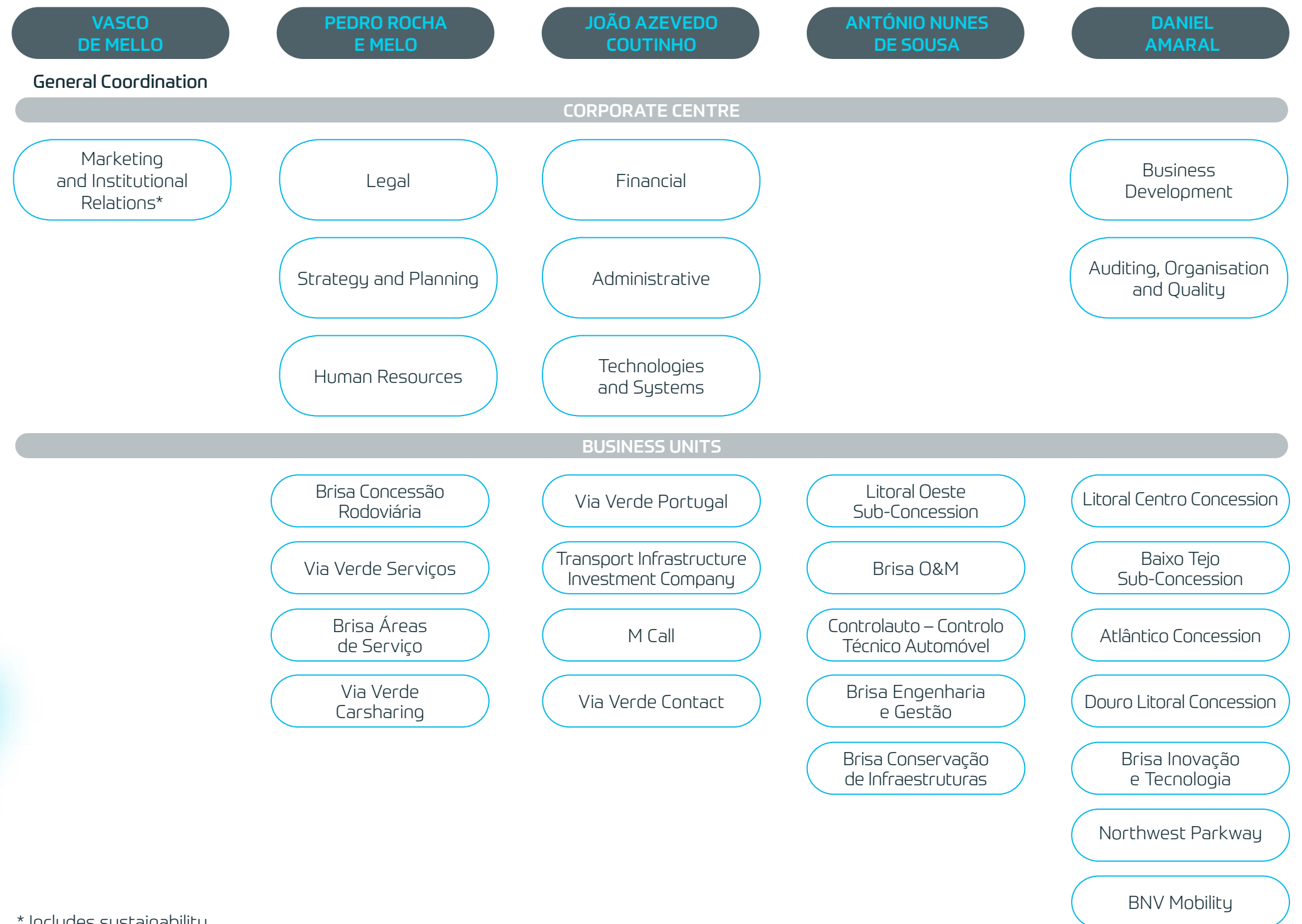
meets at least once a month. The executive management of the company falls to the Executive Committee. Pursuant to the governance model adopted at Brisa, the Chairman of the Board of Directors is also the Chairman of the Executive Committee.

The Executive Committee, within the limitations of the law and the company's bylaws (www.brisa.pt), was invested with the broadest powers, to assure the executive management of the Company, according to the strategic determinations of the Board of Directors.

Non executive directors may request any clarification they deem suitable and will have access to any information they may want, namely minutes and agendas of the meetings of the Executive Committee, either individually or within the scope of any work developed jointly with other directors. Meetings of the Board of Directors are convened and prepared in advance, and the documentation relating to the subjects included on respective agenda will be distributed in advance, in order to ensure that all members of the Board of Directors can exercise their duties in an informed and independent way. During 2016 non executive directors participated actively in the meetings of the Board of Directors.

CORPORATE BODIES

AREAS UNDER THE RESPONSIBILITY OF THE EXECUTIVE COMMITTEE



* Includes sustainability



**VASCO MARIA GUIMARÃES
JOSÉ DE MELLO**

EDUCATION

Education Graduated in Business Administration from the American College of Switzerland, 1978. Attended Citigroup's Training Programme in New York, from 1978 to 1979.

Member of Brisa's Board of Directors since 2000. His current mandate is for the 2014-2016 period.

EXPERIENCE OF THE MEMBERS OF THE BOARD OF DIRECTORS

VASCO MARIA GUIMARÃES JOSÉ DE MELLO

POSITIONS CURRENTLY HELD

José de Mello, SGPS, S.A.

Chairman of the Board of Directors and Executive Committee

Brisa – Auto-Estradas de Portugal, S.A.

Chairman of the Board of Directors and Executive Committee

Brisa Concessão Rodoviária, SGPS, S.A.

Chairman of the Board of Directors

Brisa Concessão Rodoviária, S.A.

Chairman of the Board of Directors

Brisa O&M, S.A.

Chairman of the Board of Directors

Brisa Internacional, SGPS, S.A.

Chairman of the Board of Directors

Via Oeste, SGPS, S.A.

Chairman of the Board of Directors

Sogefi, Sociedade de Gestão e Financiamentos, SGPS, S.A.

Member of the Board of Directors

BCSD Conselho Empresarial para o Desenvolvimento Sustentável

Member of the Board

Fundação Amélia de Mello

Chairman of the Board

COTEC Portugal

Chairman of the General Council

PREVIOUS PROFESSIONAL ACTIVITY

1979 - 1980 Analyst at Banco Crefisul de Investimento Brasil

1980 - 1982 Advisor to the Board of Directors of União Industrial Têxtil e Química

1982 - 1999 Member of the Board of Directors of União Industrial Têxtil e Química

1982 - 1987 Member of the Board of Directors of sociedade Transitec-Lausanne

1985 - 2002 Managing director of CUF Finance, S.A.

1991 - 2000 Chairman of the Board of Directors of Banco Mello de Investimentos, S.A.

1992 - 1999 Member of the Board of Directors of Sociedade Independente de Comunicação

1992 - 1996 Member of the Board of Directors of Companhia de Seguros Império

1995 - 2000 Chairman of the Board of Directors of Banco Mello S.A.

1996 - 2000 Chairman of the Board of Directors of Companhia de Seguros Império

1996 - 2004 Vice-Chairman of José de Mello SGPS, S.A.

2000 - 2007 Vice-Chairman of the High Council of Banco Comercial Português (2000-2007)

2000 - 2002 Member of the Board of Directors of ONI, SGPS, S.A.

2001 - 2004 Chairman of the Board of Directors of União Internacional Financeira, SGPS, S.A.

2003 - 2007 Member of the Board of Directors of Abertis, Barcelona

2005 - 2007 Member of the Supervisory Board of Bank Millennium - Poland



**JOÃO PEDRO STILWELL
ROCHA E MELO**

EDUCATION

Graduated in Mechanical Engineering from Instituto Superior Técnico in 1985.

Post-graduation in Business Administration (MBA) from Universidade Nova de Lisboa in collaboration with Wharton School, of the University of Pennsylvania in 1986.

International Capital Markets Course from Oxford University in 1991.

Completed the management training programme “Leadership for Top Managers” – IMD International in 2002.

Member of Brisa’s Board of Directors since 2002. His current mandate is for the 2014-2016 period.

EXPERIENCE OF THE MEMBERS OF THE BOARD OF DIRECTORS

JOÃO PEDRO STILWELL ROCHA E MELO

POSITIONS CURRENTLY HELD

Brisa Auto –Estradas de Portugal, S.A.

Executive Member of the Board of Directors

Brisa Concessão Rodoviária, SGPS, S.A.

Member of the Board of Directors

Brisa Concessão Rodoviária, S.A.

Member of the Board of Directors

Brisa O&M, S.A.

Member of the Board of Directors

Via Oeste, SGPS, S.A.

Member of the Board of Directors

Brisa Internacional, SGPS, S.A.

Member of the Board of Directors

Via Verde Serviços, S.A.

Chairman of the Board of Directors

Via Verde Carsharing, S.A.

Chairman of the Board of Directors

Brisa Áreas de Serviço, S.A.

Chairman of the Board of Directors

José de Mello – Sociedade Gestora de Participações Sociais, S.A.

Member of the Board of Directors and Executive Committee

Câmara de Comércio e Indústria Portuguesa

Member of the Board

ACEGE – Associação Cristã de Empresários e Gestores

Member of the Board

Associação APOIAR

Member of the Supervisory Board

PREVIOUS PROFESSIONAL ACTIVITY

Director of Mello Valores – Sociedade Financeira de Corretagem and director-general of Banco Mello de Investimentos

1997 - 2000 Chairman of the Executive Committee of Banco Mello de Investimentos, Director of Banco Mello, Director of Companhia de Seguros Império

Vice-chairman of the Board of Directors of BCP Investimento



**JOÃO PEDRO RIBEIRO
AZEVEDO COUTINHO**

EDUCATION

Graduated in Business Administration from Universidade Católica Portuguesa in 1982. Completed Business Training Program “Leadership for Top Managers”, from IMD International in 2002 and “Advanced Management Program” from Harvard in 2013.

Member of Brisa’s Board of Directors since 1999. His current mandate is for the 2014-2016 period.

EXPERIENCE OF THE MEMBERS OF THE BOARD OF DIRECTORS

JOÃO PEDRO RIBEIRO AZEVEDO COUTINHO

POSITIONS CURRENTLY HELD

Brisa Auto –Estradas de Portugal, S.A.

Executive Member of the Board of Directors

Brisa Concessão Rodoviária, SGPS, S.A.

Member of the Board of Directors

Brisa Concessão Rodoviária, S.A.

Member of the Board of Directors

Via Verde Portugal - Gestão de Sistemas Electrónicos de Cobrança, S.A.

Chairman of the Board of Directors

Brisa O&M, S.A.

Member of the Board of Directors

M Call Serviços de Telecomunicações, S.A.

Chairman of the Board of Directors

Via Verde Contact, S.A.

Chairman of the Board of Directors

Brisa Internacional SGPS, S.A.

Member of the Board of Directors

Via Oeste, SGPS, S.A.

Member of the Board of Directors

SICIT – Sociedade de Investimento e Consultoria em Infraestruturas de Transporte S.A.

Member of the Board of Directors

José de Mello, SGPS

Non executive member of the Board of Directors

PREVIOUS PROFESSIONAL ACTIVITY

1982 - Coopers & Lybrand

1990 - 1997 Manager responsible for the Investment Banking Department of Deutsche Bank in Portugal, from 1990 to 1997

1997 - 1999 Chairman of the Executive Committee of Banco Mello de Investimentos

1999 - 2001 Executive member of the Board of Directors of Brisa Auto-Estradas de Portugal, S.A.

2002 - 2007 Member of the Board of Directors of CCR - Companhia de Concessões Rodoviárias, Brazil, and Chairman of the Board of Directors in 2008



**ANTÓNIO JOSÉ LOPES
NUNES DE SOUSA**

EDUCATION

Civil Engineering Degree from Instituto Superior Técnico (IST), 1982.

Post-graduation in Business Administration from Universidade Católica Portuguesa, Lisbon, 1998

Member of Brisa's Board of Directors since 2008. His current mandate is for the 2014-2016 period.

EXPERIENCE OF THE MEMBERS OF THE BOARD OF DIRECTORS

ANTÓNIO JOSÉ LOPES NUNES DE SOUSA

POSITIONS CURRENTLY HELD

Brisa Auto-Estradas de Portugal, S.A.

Executive Member of the Board of Directors

Brisa Concessão Rodoviária, SGPS, S.A.

Member of the Board of Directors

Brisa Concessão Rodoviária, S.A.

Member of the Board of Directors

Brisa O&M, S.A.

Member of the Board of Directors

Brisa Engenharia e Gestão, S.A.

Chairman of the Board of Directors

AEDL – Auto-Estradas do Douro Litoral, S.A.

Member of the Board of Directors

AEBT – Auto-Estradas do Baixo Tejo, S.A.

Member of the Board of Directors

AELO – Auto-Estradas do Litoral Oeste, S.A.

Member of the Board of Directors

Controlauto Controlo Técnico Automóvel, S.A.

Chairman of the Board of Directors

Brisa Conservação de Infraestruturas, S.A.

Chairman of the Board of Directors

Via Oeste, SGPS, S.A.

Member of the Board of Directors

Brisa Internacional, SGPS, S.A.

Member of the Board of Directors

APCAP - Associação Portuguesa das Sociedades Concessionárias de Auto-Estradas ou Pontes com Portagem

Member of the Board of Directors

PREVIOUS PROFESSIONAL ACTIVITY

1983 - 1999 Various managing offices at the Road Authority; appointed Manager of Concession Operations in 1996

1999 - 2002 Brisa Auto-Estradas de Portugal, S.A., Technical General Manager

2002 - 2004 Managing director of Brisa Engenharia e Gestão, S.A.

2004 - 2008 Director General of Brisa Participações e Empreendimentos, Ltda, member of the Board of Directors of Companhia de Concessões Rodoviárias, S.A., in Brazil, and chairman of the Board of Directors of CCR in 2005



**DANIEL ALEXANDRE
MIGUEL AMARAL**

EDUCATION

Business degree from ISEG.

Member of Brisa's Board of Directors since 2011. His current mandate is for the 2014-2016 period.

EXPERIENCE OF THE MEMBERS OF THE BOARD OF DIRECTORS

DANIEL ALEXANDRE MIGUEL AMARAL

POSITIONS CURRENTLY HELD

Brisa Auto-Estradas de Portugal, S.A.

Executive Member of the Board of Directors

Brisal Auto-Estradas do Litoral, S.A.

Chairman of the Board of Directors

AEBT – Auto-Estradas do BAIXO TEJO, S.A.

Chairman of the Board of Directors

AEDL – Auto-Estradas do Douro Litoral, S.A.

Chairman of the Board of Directors

Brisa Inovação e Tecnologia, S.A.

Chairman of the Board of Directors

Via Oeste, SGPS, S.A.

Member of the Board of Directors

Brisa Internacional, SGPS, S.A.

Member of the Board of Directors

Brisa Concessão Rodoviária, SGPS, S.A.

Member of the Board of Directors

Brisa Concessão Rodoviária, S.A.

Member of the Board of Directors

Brisa O&M, S.A.

Member of the Board of Directors

Brisa International B.V.

Member of the Board of Directors

Brisa International Investments B.V.

Member of the Board of Directors

Brisa United States, LLC

Member of the Board of Directors

Brisa North America Inc.

Member of the Board of Directors

Arcus Infrastructure Partners LLP

Partner

Arcus ISH LLP

Partner

Tagus Holdings S. àr.L.

Manager

AEIF Apollo S. àr.L.

Manager

Maintranche, Unipessoal, Lda.

Manager

PREVIOUS PROFESSIONAL ACTIVITY

1996 - Grupo Caixa Geral de Depósitos

2003 - 2008 Manager of Caixa- Banco de Investimento, S.A.

2007 - 2008 Executive Director of CREDIP – Instituição Financeira de Crédito, S.A.

2008 - 2009 Member of the European Infrastructure Team of Babcock & Brown

Since 2009 Partner of Arcus Infrastructure Partners LLP



**MICHAEL
GREGORY ALLEN**

EDUCATION

Corporate Finance Evening Programme,
London Business School.

Bachelor of Laws (LLB) from King's College,
University of London, England

Associate Member of King's College
London, England

Member of Brisa's Board of Directors since
2011. His current mandate is for
the 2014-2016 period.

EXPERIENCE OF THE MEMBERS OF THE BOARD OF DIRECTORS

MICHAEL GREGORY ALLEN

POSITIONS CURRENTLY HELD

Brisa Auto-Estradas de Portugal, S.A.

Member of the Board of Directors

Brisa Concessão Rodoviária, S.A.

Member of the Board of Directors

Brisa Concessão Rodoviária, SGPS, S.A.

Member of the Board of Directors

Arcus Infrastructure Partners LLP

Partner

Arcus ISH LLP

Partner

AEIF Apollo S. àr.L.

Manager

Tagus Holdings, S. àr.L.

Manager

Maintranche, Unipessoal, Lda.

Manager

PREVIOUS PROFESSIONAL ACTIVITY

1991 - 1999 Linklaters

1999 - 2002 Executive Director at Goldman Sachs International.

2003 - 2004 Investment Banking Vice-President at Dresdner Kleinwort
Wasserstein

2004 - 2007 Banking Merrill Lynch International, Director

2007 - 2009 Babcock & Brown Limited, London, Senior Member
of the Infrastructures Team

Since 2009 Arcus Infrastructure Partners LLP, Partner



**RUI ALEXANDRE
PIRES DINIZ**

EDUCATION

Degree in Economics from Universidade Católica Portuguesa, 1996.

Member of Brisa's Board of Directors since 2010. His current mandate is for the 2014-2016 period.

EXPERIENCE OF THE MEMBERS OF THE BOARD OF DIRECTORS

RUI ALEXANDRE PIRES DINIZ

CARGOS QUE ATUALMENTE DESEMPENHA

Brisa Auto -Estradas de Portugal, S.A.

Member of the Board of Directors

ATM – Assistência Total em Manutenção, S.A.

Member of the Board of Directors

GEMP – Empreendimentos Imobiliários, S.A.

Member of the Board of Directors

GEMP Invest, S.A.

Member of the Board of Directors

JMTMG Imobiliária, S.A.

Member of the Board of Directors

José de Mello – Sociedade Gestora de Participações Sociais, S.A.

Member of the Board of Directors

MGI CAPITAL, SGPS, S.A.

Member of the Board of Directors

MGICAPITAL – International Financing, SGPS, S.A.

Member of the Board of Directors

MGICAPITAL – Sistema de Gestão, S.A.

Member of the Board of Directors

MGIGP – Gestão de Activos, S.A.

Member of the Board of Directors

José de Mello Saúde, S.A.

Member of the Board of Directors

Escala Braga – Sociedade Gestora do Estabelecimento, S.A.

Member of the Board of Directors

Hospital CUF Infante Santo, S.A.

Member of the Board of Directors

Hospital CUF Descobertas, S.A

Member of the Board of Directors

Hospital CUF Porto, S.A.

Member of the Board of Directors

JMS – Prestação de Serviços Administrativos e Operacionais, ACE

Member of the Board of Directors

JMS – Prestação de Serviços de Saúde, ACE

Member of the Board of Directors

Loja Saúde CUF – Produtos e Serviços de Saúde e Bem Estar, S.A.

Member of the Board of Directors

PPPS – Consultoria em Saúde, S.A.

Member of the Board of Directors

ACADEMIA CUF, Sociedade Unipessoal Lda.

Member of the Board of Directors

Centro Gamma Knife – Radiocirurgia, S.A.

Chairman of the Board of Directors

Clínica CUF Alvalade S.A.

Member of the Board of Directors

Clínica CUF Belém S.A.

Member of the Board of Directors

Clínica Luís Alvares S.A.

Member of the Board of Directors

RUI ALEXANDRE PIRES DINIZ

(Continuation)

Hospital CUF Viseu, S.A.

Member of the Board of Directors

Hospital CUF Santarém, S.A.

Member of the Board of Directors

Escala Vila Franca – Sociedade Gestora do Estabelecimento, S.A.

Member of the Board of Directors

Hospital CUF Cascais, S.A.

Member of the Board of Directors

Hospital CUF Torres Vedras, S.A.

Member of the Board of Directors

IMO HEALTH - Investimentos Imobiliários, S.A

Member of the Board of Directors

INFRA HEALTH – Gestão de Infraestruturas, S.A

Member of the Board of Directors

JMS –Serviços de Logística, ACE

Member of the Board of Directors

Efacec Power Solutions, SGPS, S.A.

Member of the Board of Directors

Efacec Sistemas Espana, S.L.M.

Chairman of the Board of Directors

Efacec do Brasil, Ltda

Member of the Board of Directors

Sesco - Efacec , Sdn. Bhd.

Member of the Board of Directors

PREVIOUS PROFESSIONAL ACTIVITY

1996 - 2010 Mckinsey & Company (Iberia Office)

1996 - 2002 Consultant at Mckinsey & Company

2002 - 2008 Partner at McKinsey & Company

2007 - 2010 Office Manager Mckinsey & Company Lisbon office

2008 - 2009 Partner at McKinsey & Company

He was responsible in Iberia for the Insurance and Health areas and for the Banking, Insurance and Health teams in Portugal, Spain, Brazil and Angola



**LUIS EDUARDO BRITO
FREIXIAL DE GOES**

EDUCATION

Graduated in Law from Universidade Católica Portuguesa, 1993.

Member of Brisa's Board of Directors since 2012. His current mandate is for the 2014-2016 period.

EXPERIENCE OF THE MEMBERS OF THE BOARD OF DIRECTORS

LUIS EDUARDO BRITO FREIXIAL DE GOES

POSITIONS CURRENTLY HELD

Brisa Auto –Estradas de Portugal, S.A.

Member of the Board of Directors

Brisa Concessão Rodoviária, SGPS, S.A.

Member of the Board of Directors

MGI Capital, SGPS, S.A.

Chairman of the Board of Directors

José de Mello – Sociedade Gestora de Participações Sociais, SA

Member of the Executive Committee

José de Mello Saúde, S.A.

Member of the Board of Directors

José de Mello – Investimentos, SGPS, S.A.

Member of the Board of Directors

José de Mello Energia, S.A.

Member of the Board of Directors

José de Mello Imobiliária, SGPS, S.A.

Member of the Board of Directors

José de Mello Internacional

Member of the Board of Directors

José de Mello Participações II, SGPS, S.A.

Member of the Board of Directors

Tagus Holding S. àr.L.

Member of the Board of Directors

Tecnocapital, SGPS, S.A.

Member of the Board of Directors

IBOMÍLIA – Sociedade Imobiliária, S.A.

Sole Director

SOGEFI – Sociedade de Gestão e Financiamentos, SGPS, S.A.

Vice-Chairman of the Board of the General Meeting

PREVIOUS PROFESSIONAL ACTIVITY

1990 - 1993 Deloitte (Tax Department)

1993 - 1995 Vieira de Almeida e Associados, law trainee

1995 - 2000 Vieira de Almeida e Associados, specialist in Corporate and Financial Areas

2000 - 2004 Manager of the Legal Department of José de Mello SGPS

2005 - 2012 Head Coordinator of the legal areas of José de Mello Group

Desde Abril de 2012 Executive Director of José de Mello- Sociedade Gestora de Participações Sociais, S.A.



**GRAHAM PETER
WILSON MARR**

EDUCATION

BSc (Hons) in Chemistry, Durham University - 1980

Official Auditor (Institute of Chartered Accountants in England & Wales) - 1983

Member of Brisa's Board of Directors since 2012. His current mandate is for the 2014-2016 period.

EXPERIENCE OF THE MEMBERS OF THE BOARD OF DIRECTORS

GRAHAM PETER WILSON MARR

POSITIONS CURRENTLY HELD

Brisa Auto-Estradas de Portugal, S.A.

Member of the Board of Directors

Forth Ports Limited

Member of the Board of Directors

Forth Ports Finance plc

Member of the Board of Directors

PREVIOUS PROFESSIONAL ACTIVITY

1980-1996 Price Waterhouse (tax partner since 1992)

1996-2006 Member (and subsequently responsible for) the leasing and shipping finance team of Babcock & Brown, London

2006-2009 Senior member of European Infrastructure team, Babcock & Brown Limited, London

2009-2016 Arcus ISH LLP - Partner

2009-2016 Partner and Chief Operating Officer (2009-2013) and Co-Managing Partner (2013-2016), Arcus Infrastructure Partners LLP

2010 - 2015 Angel Trains Group Limited – Member of the Board of Directors



STUART DAVID GRAY

EDUCATION

BS in Accounting from Glasgow University
Member of the Institute of Chartered Tax Advisors and the Institute of Chartered Accountants of Scotland.
Member of Brisa's Board of Directors since 2015. His current mandate is for the 2014-2016 period.

EXPERIENCE OF THE MEMBERS OF THE BOARD OF DIRECTORS

STUART DAVID GRAY

POSITIONS CURRENTLY HELD

Brisa Auto- Estradas de Portugal, S.A.

Member of the Board of Directors

Forth Ports Limited

Member of the Board of Directors

AEIF Luxembourg Holdings Sarl

Member of the Board of Directors

PREVIOUS PROFESSIONAL ACTIVITY

1993 - 1996 Deloitte Tax Consultant

1996 - 2002 Andersen, Senior Tax Consultant

2002 - 2007 Sanmina-SCI, director of the European tax and treasury areas

2007 - 2009 Babcock & Brown Limited, member of the Tax Division

Since 2009 Arcus Infrastructure Partners LLP, Partner

2014 - 2016 Shere Group Limited, Director

CORPORATE BODIES

ASSESSMENT OF THE BOARD OF DIRECTORS' PERFORMANCE

The performance of the Board of Directors is assessed by shareholders at every annual general meeting. Performance of the Board of Directors is assessed on an annual basis by the supervisory body, and the external auditor within a more specific perspective, i.e. in terms of risk management policy, compliance with adequate rules concerning accounting records, which must show the effective and actual situation of the company's equity at the end of each year, as well as how results were generated and activity evolved; assessment also covers the

compliance with principles of ethics and transparency which govern the company.

Finally, as result of these appreciations and assessments, the remuneration committee - under the terms of the mandate entrusted upon it by the general meeting - determines the remuneration to be paid to members of the Board of Directors, taking into account the performance of each member, according to the goals and criteria for value creation that were previously set out.

THE PERFORMANCE OF THE
BOARD OF DIRECTORS
is assessed by shareholders
at every annual general meeting



5.2 MANAGEMENT POLICIES AND MECHANISMS

**BRISA'S PRIME CONCERN
ARE THE PEOPLE,**
which is why it defined
as mission offering efficient
mobility solutions for people

Brisa's commitment goes well beyond the strict compliance with the laws and regulations that govern its activity at every level

KEY MANAGEMENT POLICIES

As a matter of fact, the company is indubitably committed to the development of all its affairs and activities in the light of the principles deriving from its mission and values, from a perspective of value creation, which becomes all the more judicious when seen as key instrument for the development of the economy, while respecting the people and the environment.

Brisa's prime concern are the people, which is why it defined as mission offering efficient mobility solutions for people.

The spread of globalisation occurred at the end of the 20th century, spurred by the emergence of new technologies and free trade, introduced particular relevance to ethics, as the set of values that must guide and determine decision-making processes, from a holistic perspective, incorporating economic, social and cultural development and growth of people and organisations, while respecting nature and the environment.

Policies implemented at Brisa translate the deliberate embodiment of the set of ethical and moral values set out for the relationship with the environment and stakeholders., in the continuous search for the best available solutions, according to the said concerns.

In order to epitomize these concerns, the company approved and implemented a code of ethics, where it set out the ethical and moral

rules governing the conduct of all employees within the company itself and in their relationship with third parties.

IRREGULARITIES REPORTING POLICY

In 2009, under a proposal of the Executive Committee, a system was created, whereby all employees can freely and conscientiously expose any situation configuring any intentional, reckless or negligent acts or omissions occurred within the scope of Brisa Group business activity, in the areas of accounting, internal control, audit, fight against corruption and banking and financial crime, violation of ethical and legal nature occurring within the company. This mechanism expresses Brisa's strong commitment to conduct its business in compliance with the law and the principles laid down in its Code of Ethics, while contributing to the early detection of any irregular situation.

Under the terms of the regulations approved, a list of dedicated addresses was created on the Intranet and the company's site, allowing the disclosure of any irregularity, within absolute confidentiality, via e-mail, fax or mail.

The processing of this information and conduct of respective proceedings are the responsibility of an Ombudsman, presently Daniel Pacheco Amaral, to whom all resources required to fulfil his duties effectively and independently are provided, namely access to any service, information and documentation he may deem suitable.

MANAGEMENT POLICIES AND MECHANISMS

No employee can be persecuted, intimidated, discriminated or harmed for having disclosed any irregularity, except in cases of lack of grounds or deceit in the information provided.

Proceedings and recommendations relating to situations which the Ombudsman may deem serious or urgent will be promptly disclosed to the Board of Directors.

According to the assessment made following the results of the inquiries deriving from each case, taking into consideration the Ombudsman

recommendations, the Board of Directors will decide on any change in methods or procedures it will deem more suitable, notify the relevant authorities or take any other measures deemed adequate in each case.

Following the appointment of the Ombudsman, Brisa carried out a wide training programme covering 2 387 Group employees, viewing to explain and clarify any doubts concerning the Ethics Code and its application and the operation of the irregularities disclosure system.

COMPREHENSIVE TRAINING WAS PROVIDED

to 2 387 employees
of the Brisa Group to explain
and clarify any doubts
concerning the Ethics Code
and its application



5.3 REMUNERATION AND REMUNERATION POLICIES

Every year, the remuneration committee submits to the approval of shareholders at a general meeting, a statement explaining the principles, criteria and objectives relating to the definition of the remuneration of members of the Board of Directors.

REMUNERATION POLICY AND KEY CONSTITUENTS

The Annual General Meeting held on May 4, 2016 approved the following statement submitted by the Remuneration Committee:

“The Remuneration Committee of Brisa Auto-Estradas de Portugal, S.A. (the “Company” or “Brisa”) hereby submits to the approval of the General Meeting the following statement on the remuneration policy of respective management and Supervisory Boards:

- The members of the Board of Directors must perform their duties diligently and judiciously, in the best interest of the company’s shareholders, employees and remaining stakeholders.
- It is in the best interest of the company and its shareholders to create adequate conditions and incentives to encourage a sound performance of duties by members of the Board of Directors, in accordance with criteria referred to above.
- In this light, remuneration is a key management tool for framing and encouraging the performance of senior managers.
- The definition and application of the criteria for fixing the remuneration of Directors entrusted upon the Remuneration Committee should thus be rational and consistent: it should take into account the level of

remuneration currently practised in European peer companies, and, on the other hand, the degree of compliance with the strategic goals set forth for the company, the creation of value for shareholders and the economic situation.

- In view of the above, remuneration should consist of a fixed amount that will adequately remunerate, within the framework of respective competences and responsibilities, the effort developed by executive and non executive members of the Board of Directors each year, and a variable amount payable to executive members that will reward, amongst other things, increasing efficiency and productivity and the creation of long term value for the Company and shareholders, and at the same time, align their interests with the company’s long term sustainability interests. This alignment will be ensured namely by calculating the variable amount based on the company’s financial and operational performance each year, the intrinsic quality of (recurrent and extraordinary) results posted, taking into consideration the situation of equity markets, Brisa’s positioning in the markets where it operates, its business outlook in the medium and long term.
- In addition to the above, the payment of the variable amount will also be subject to the assessment of the performance goals set out each year, based on the following indicators: EBITDA, EBIT, NET PROFIT, ROE and

REMUNERATION
AND REMUNERATION
POLICIES

ROA, taking into account the company’s evolution and the remuneration level practised by major national and international peer companies.

- Other exceptional factors may be taken into account in the assessment of the performance of the Executive Committee or any of its members.
- Part of the variable remuneration will be paid following the closure of each financial year and determination of respective results; the other significant part will be deferred for a period of three years, and its payment will depend on the maintenance of Brisa’s positive performance throughout such period, with a view to allow the maximisation of long term performance and the pursuing of strategic and structural goals and disincentive excessive risk-taking.

In what concerns the Supervisory Board, pursuant to provisions in art. 422-A and paragraph 1 of art. 399 of the Companies Code, the remuneration of members of the Supervisory Board must consist of a fixed amount, determined taking into account the complexity and responsibility of the functions performed, the normal practices and remuneration conditions for the performance of similar functions and the economic situation of the company.”

More information on governance can be found in **Annex**.

DISCLOSURE OF THE BOARD OF DIRECTORS’ REMUNERATION

REMUNERATION OF EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS (€)

FIXED REMUNERATION	VARIABLE REMUNERATION	DEFINED BENEFITS	TOTAL
2 292 096	867 500	272 380	3 431 976

REMUNERATION OF NON EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS (€)

FIXED REMUNERATION
438 677

PROPOSAL FOR THE APPROPRIATION OF RESULTS

Considering the net profit for the year 2016, in the amount of € 411 571 448.49, the Board of Directors, taking into account that there are 47 352 614 treasury shares, proposes the following appropriation of results:

- Distribution by way of dividends of € 0.742 per share;
- The remaining, to free reserves.

São Domingos de Rana, 19th April 2017

THE BOARD OF DIRECTORS

— Vasco Maria Guimarães José de Mello

— Rui Alexandre Pires Diniz

— João Pedro Stilwell Rocha e Melo

— Michael Gregory Allen

— João Pedro Ribeiro de Azevedo Coutinho

— Luís Eduardo Brito Freixial de Goes

— António José Lopes Nunes de Sousa

— Graham Peter Wilson Marr

— Daniel Alexandre Miguel Amaral

— Stuart David Gray

II. ANNEXES —

MOBILITY ON THE MOVE

GRI INDEX AND GRI INDICATORS

GENERAL CONTENTS		PAGE	EXTERNAL ASSURANCE
STRATEGY AND ANALYSIS			
G4 1	Statement from the most senior decision maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	8-9	Limited
G4 2	Description of key impacts, risks, and opportunities	24; 32-39; 148-151	Limited
ORGANIZATIONAL PROFILE			
G4 3	Name of the organization.	2	Limited
G4 4	Primary brands, products, and services.	10-12	Limited
G4 5	Location of organization's headquarters.	Back cover	Limited
G4 6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically.	10-12	Limited
G4 7	Nature of ownership and legal form.	2	Limited
G4 8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries.	13-14	Limited
G4 9	Scale of the organization, including: Total number of employees; Total number of operations Total capitalization broken down in terms of debt and equity (for private sector organizations) Quantity of products or services provided	10-14	Limited
G4 10	Total number of employees by employment contact and gender. Total number of permanent employees by employment type and gender. Total workforce by employees and supervised workers and by gender Total workforce by region and gender Whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. Any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries)	191	Reasonable
G4 11	Percentage of total employees covered by collective bargaining agreements	193	Reasonable
G4 12	Organization's supply chain	10-12	Limited
G4 13	Any significant changes during the reporting period regarding the organization's size structure, ownership, or its supply chain, including; Changes in the location of, or changes in, operations, including facility openings, closings, and expansions Changes in the share capital structure and other capital formation, maintenance, and alteration operations	8-9	Limited
G4 14	Whether and how the precautionary approach or principle is addressed by the organization.	34-39	Limited
G4 15	List externally developed economic, environmental and social charters, principles, or other initiatives ot which the organization subscribes or which it endorses	43-44	Limited

GRI INDEX

GENERAL CONTENTS		PAGE	EXTERNAL ASSURANCE
G4 16	List membership of associations	43-44	Limited
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4 17	List all entities included in the organization's consolidated financial statements or equivalent documents Whether any entity included in the organization's consolidated financial statements or equivalent documents is no covered by the report	11-12	Limited
G4 18	Process for defining the report content and the Aspects Boundaries. How the organization has implemented the Reporting Principles for Defining Report Content.	2; 40-42	Limited
G4 19	List all the material Aspects identified in the process for defining report content	41	Limited
G4 20	For each material Aspect, report the Aspect Boundary witin the organizations	41	Limited
G4 21	For each material Aspect, report the Aspect Boundary outside the organization	41	Limited
G4 22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements.	2	Limited
G4 23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	2	Limited
STAKEHOLDER ENGAGEMENT			
G4 24	Basis for identification and selection of stakeholders with whom to engage.	43-48	Limited
G4 25	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	43-48	Limited
G4 26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder groups, and an indication of whether any of the engagements was undertaken specifically as part of the report preparation process	43-48	Limited
G4 27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	40-48	Limited
REPORT PROFILE			
G4 28	Reporting period (such as fiscal or calendar year) for information provided	2	Limited
G4 29	Date of most recent previous report	2	Limited
G4 30	Reporting cycle	2	Limited
G4 31	Contact point for questions regarding the report or its contents	2	Limited
G4 32	GRI Content Index	175-183	Limited
G4 33	Organization's policy and current practice with regard to seeking external assurance for the report	2	Limited

GRI INDEX

GENERAL CONTENTS			PAGE	EXTERNAL ASSURANCE
GOVERNANCE				
G4 34	Governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.		153-156	Limited
G4 35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees		153-156	Limited
G4 36	Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.		155-156	Limited
G4 37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.		43-48	Limited
G4 38	Composition of the highest governance body and its committees		153-167	Limited
G4 39	Whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).		153	Limited
G4 40	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members		168-173	Limited
G4 41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders		153-173	Limited
G4 42	The highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value of mission statements, strategies, policies, and goals related to economic, environmental and social impacts		153-173	Limited
G4 43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics		153-173	Limited
G4 44	Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Whether such evaluation is independent or not, and its frequency. Whether such evaluation is a self-assessment. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice		153-173	Limited
G4 45	The highest governance body's role in the identification and management of economic, environmental and social impacts, risk, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.		153-173	Limited
G4 46	The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.		153-173	Limited
G4 47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities		153-173	Limited

GRI INDEX

GENERAL CONTENTS		PAGE	EXTERNAL ASSURANCE
G4 48	The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	153-173	Limited
G4 49	Process for communicating critical concerns to the highest governance body.	169-170	Limited
G4 50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	169-170	Limited
G4 51	Remuneration policies for the highest governance body and senior executivesHow performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	171-172	Limited
G4 52	Process for determining remuneration. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Any other relation ships which the remuneration consultants have with the organization.	171	Limited
G4 53	How stakeholders' views are sought and taken into account regaring remuneration, including the results of votes on remuneration policies and proposals, if applicable.	171-172	Limited
G4 54	Ratio of the annual total compensation for the oraganization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	171-172	Limited
G4 55	Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country	171-172	Limited
ETHICS AND INTEGRITY			
G4 56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	25-27;169-170	Limited
G4 57	Internal and External mechanisms for seeking advice on ethical and lawful behavior, and matters related to oraganizational integrity, such as helplines or advice lines.	169-170	Limited
G4 58	Internal and external mechanisms for reporting concerns aboutt unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	169-170	Limited
ECONOMIC			
ECONOMIC PERFORMANCE			
G4 DMA		42	
G4 EC1	Direct Economic Value Generated and Distributed	184	Reasonable

GRI INDEX

GENERAL CONTENTS		PAGE	EXTERNAL ASSURANCE
G4 EC2	Financial Implications and other Risks and Opportunities Related with Climate Change	122-123	Limited
G4 EC3	Coverage of the Pension Plan	184	Limited
G4 EC4	Significant Financial Benefits Given by the Government	184	Limited
MARKET PRESENCE			
G4 DMA		42	
G4 EC5	Ratio of Entry Level Wage Compared to the Minium Wage	185	Reasonable
G4 EC6	Percentage of top management in operational units who were recruited in the local community.	185	Limited
PROCUREMENT PRACTICES			
G4 DMA		42	
G4 EC9	Percentage of costs with local suppliers in significant operational units.	185	Reasonable
ENVIRONMENT			
ENERGY			
G4 DMA		42	
G4 EN3	Direct consumption of Energy by Primary Source	135	Reasonable
G4 EN4	Indirect consumption of Energy Outside of the Organization	185	Reasonable
G4 EN5	Energy intensity	185	Reasonable
G4 EN6	Reduction in the consumption of Electricity	139-146	Reasonable
G4 EN7	Redução nas necessidades de energia de produtos e serviços	139-146	Reasonable
WATER			
G4 DMA		42	
G4 EN8	Total Withdrawal of Water segmented by Source	137,186	Reasonable
G4 EN10	Total Volume and Percentage of Water recycled and reused	186	Limited

GRI INDEX

GENERAL CONTENTS		PAGE	EXTERNAL ASSURANCE
BIODIVERSITY			
G4 DMA		42	
G4 EN11	Areas of land in protected areas - operational areas owned, rented or administered, inside or adjacent to protected areas and in areas with a high index of biodiversity outside protected areas	186	Reasonable
G4 EN12	Significant impacts on Biodiversity in protected areas or in areas of high value for Biodiversity	186	Reasonable
G4 EN13	Protected and Restored Habitats	187	Reasonable
G4 EN14	Total number of species on the IUCN Red List and the national conservation list with habitats in areas affected by the operations, broken down by level of risk and extinction	188	Reasonable
EMISSIONS			
G4 DMA		42	
G4 EN15	Direct greenhouse gas emissions (Scope 1)	136	Reasonable
G4 EN16	Emissions indirect of greenhouse gases (Scope 2)	136	Reasonable
G4 EN17	Other relevant indirect emissions of GHG (Scope 3)	189	Limited
G4 EN18	Intensity of GHG emissions	189	Reasonable
G4 EN19	Reduction of GHG emissions	136	Limited
G4 EN20	Emission of ozone-depleting substances (SDG)	189	Limited
G4 EN21	NOx, SOx and other significant atmospheric emissions	189	Limited
EFFLUENTS AND WASTE			
G4 DMA		42	
G4 EN22	Water discharged by quantity and destination	189-190	Limited
G4 EN23	Total waste by type and method of disposal	138	Reasonable
SUPPLIER ENVIRONMENTAL ASSESSMENT			
G4 DMA		42	
G4 EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	190	Reasonable

GRI INDEX

GENERAL CONTENTS		PAGE	EXTERNAL ASSURANCE
G4 EN32	Percentage of new suppliers who were tested in accordance with environmental criteria	190	Limited
G4 EN33	Current and potential significant environmental impacts in the value chain and action taken	190	Limited
LABOUR PRACTICES			
EMPLOYMENT			
G4 DMA		42	
G4 LA1	Total workforce and the new employment rates and rotation of employees by age group, gender and region.	191	Reasonable
G4 LA2	Benefits offered to full-time employees that are not offered to temporary or to part-time employees, by significant operational units	192-193	Limited
G4 LA3	Rate of retention and return after paternity leave by gender	192	Limited
OCCUPATIONAL HEALTH AND SAFETY			
G4 DMA		42	
G4 LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	192-193	Limited
G4 LA6	Type of injury and the rates of injuries, occupational illnesses, days lost, absenteeism and total number of deaths related with the work, by region and by gender	193-194	Reasonable
G4 LA7	Workers with high incidence or high risk of illness related with their occupation	194	Limited
G4 LA8	Health and Safety topics covered by formal agreements with trade unions	195	Limited
TRAINING AND EDUCATION			
G4 DMA		42	
G4 LA9	Average number of hours of training by year, by employee and by category	195	Reasonable
G4 LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in their career management	196	Limited
G4 LA11	Percentage of employees who regularly receive performance and career development analyses, by gender and category	196	Limited

GRI INDEX

GENERAL CONTENTS		PAGE	EXTERNAL ASSURANCE
DIVERSITY AND EQUAL OPPORTUNITY			
G4 DMA		42	
G4 LA12	Composition of groups responsible for corporate governance and discrimination of workers by category, according to gender, age group, minorities and other indicators of diversity	197	Reasonable
EQUAL REMUNERATION FOR WOMEN AND MEN			
G4 DMA		42	
G4 LA13	Ratio of basic salary of men in comparison with that of women by professional category and significant operating units	197-198	Reasonable
SUPPLIER ASSESSMENT FOR LABOR PRACTICES			
G4 DMA		42	
G4 LA14	Percentage of new suppliers who were selected using the criterion of labour practices	198	Limited
G4 LA15	Main real and potential impacts of labour practices on the supply chain and actions taken	198	Limited
SUPPLIER HUMAN RIGHTS ASSESSMENT			
G4 DMA		42	
G4 HR10	Percentage and suppliers and contractors who were subject to verification of Human Rights	199	Limited
G4 HR11	Actual and Potential Significant Negative Impacts of Human rights on the supply chain and actions taken	199	Limited
SOCIETY			
LOCAL COMMUNITIES			
G4 DMA		42	
G4 SO1	Percentage of operations involved with the local community, impact assessments and development programs	199	Limited
G4 SO2	Business activities with significant potential or actually negative impact on local communities	200-201	Limited
ANTI-CORRUPTION			
G4 DMA		42	
G4 SO3	Percentage and total number of business units analyzed for risks related to corruption	201	Limited

GRI INDEX

GENERAL CONTENTS		PAGE	EXTERNAL ASSURANCE
G4 S04	Communication and training in counter-corruption policies and procedures	201	Reasonable
G4 S05	Steps taken in response to the occurrence of situations of corruption	202	Limited
ANTI-COMPETITIVE BEHAVIOR			
G4 DMA		42	
G4 S07	Total number of legal proceedings regarding unfair competition, anti-trust, and monopolistic practices	202	Reasonable
SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY			
G4 DMA		42	
G4 S09	Percentage of new suppliers that were screened using criteria for impacts on society	202	Limited
G4 S010	Significant actual and potential negative impacts on society in the supply chain and actions taken	202-203	Limited
PRODUCT REPONSABILITY			
CUSTOMER HEALTH AND SAFETY			
G4 DMA		42	
G4 PR1	Percentage of categories of significant products and services for which the health and safety impacts are assessed and improved	203-204	Limited
G4 PR2	Total number of incidents of non-fulfilment of the regulations and code in relation to the health and safety impacts of products and services during their life cycle, detailed by type of result	206	Limited
PRODUCT AND SERVICE LABELING			
G4 DMA		42	
G4 PR5	Results of Surveys to measure customer satisfaction	205	Limited
CLIENT PRIVACY			
G4 DMA		42	
G4 PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	208	Limited

GRI INDICATORS

EC1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

	M€
Direct Economic Value Generated	648
Direct Economic Value Distributed:	155
Remunerations	83
Payments to the State	-1
Investment in Local Communities	0.7
Donations	0.6
Public Service	0.1
Operating Costs	72
Retained Economic Value Generated	493

* Includes income tax, payments to local authorities and other taxes

EC2 FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE

The response to this indicator is found in the Intellectual Capital Chapter on page 122-123 of this Report.

EC3 COVERAGE OF THE COMPANY’S DEFINED BENEFIT PLAN OBLIGATIONS

According to the estimate updated to 31 December 2016, of the value of the Pension Fund and its respective liabilities, according to the Benefits Plan currently in force in the company and provided for in the Agreement Establishing the Brisa Pension fund, there is a fund surplus amounting to €727 thousand against its liabilities. This amount is distributed in two pension funds, one of €83 thousand and another of €644 thousand.

The current value of forecast liabilities is €17 029 thousand.

	BAE	VVP	BOM	BIT	BEG	BCI	TOTAL
Number of employees covered	205	135	1120	47	50	175	1732
Total number of employees	211	159	1128	49	83	181	1811
% of employees covered by the pension fund	97%	85%	99%	96%	60%	97%	96%

EC4 SIGNIFICANT FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT

No significant assistance from the Government was received in 2016.

EC5

RATIOS OF STANDARD ENTRY LEVEL WAGE IN THE ORGANISATION COMPARED TO LOCAL MINIMUM WAGE AT SIGNIFICANT LOCATIONS OF OPERATION

At the end of 2016, the lowest wage to be paid in the Organisation was €532. This remuneration is only paid to 1.43% of the population.

If we consider the most representative operational group, which includes the toll station operators, the ratio is 1.44.

EC5	'16
Lowest wage in the organisation	532
National minimum wage	530
Ratio of the lowest wage in the organization compared to the national minimum wage	1.00
Lowest wage of the organisation's most representative group	762
Employees (Toll Sector)	27.8%
Ratio of the lowest wage of the organisation's most representative group	1.44

EC6

PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY AT SIGNIFICANT LOCATIONS OF OPERATION

Brisa does not practice any type of discrimination when recruiting its workers and is prohibited, for legal reasons, from exercising any type of discrimination in the recruitment of new employees within national territory. No hirings at an international level are recorded.

EC9

PROPORTION OF SPENDING ON LOCAL SUPPLIERS AT SIGNIFICANT LOCATIONS OF OPERATION

Brisa does not practice any type of discriminate in the selection of its suppliers; it consults the market and receives bids from both local and international suppliers. Brisa falls under the public contracting regime, obliging it to open tenders in accordance with the Law.

In 2016, the percentage of local suppliers was 95%.

EN3

DIRECT ENERGY CONSUMPTION BY PRIMARY ENERGY SOURCE

The response to this indicator is found in the Natural Capital Chapter on page 135 of this Report.

EN4

INDIRECT ENERGY CONSUMPTION OUTSIDE THE ORGANISATION

Within the scope of this indicator, Brisa only considers indirect energy consumption within the organization, and not outside it, as being its responsibility.

EN5

ENERGY INTENSITY

Within the scope of this indicator, the Brisa Group's fuel and electricity consumption, and the consolidated kilometres of network for this sustainability report, were used to calculate the energy intensity. Based on these facts, Brisa's energy intensity is 164 GJ per kilometre.

EN6

REDUCTION OF ENERGY CONSUMPTION

The response to this indicator is found in the Natural Capital Chapter on page 139-146 of this Report.

EN7

REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES

The response to this indicator is found in the Natural Capital Chapter on page 139-146 of this Report.

EN8

TOTAL WATER WITHDRAWAL BY SOURCE

SOURCE	QUANTITY
Own withdrawals (m³)	26 483
Public supply (m³)	55 535
Total (m³)	82 018

EN10

PERCENTAGE AND TOTAL VOLUME OF WATER RECYCLED AND REUSED

As part of its site supervision activity, Brisa Engenharia e Gestão conducts laboratory tests to ensure the compliance of construction elements and materials. In this sense, it keeps 2 laboratories in operation, specifically those at the Maia site and the mobile laboratory.

The tests aim to control the compliance of construction elements and materials of the sites that they supervise. These tests are conducted on materials such as soils, aggregates, bituminous materials and concrete to determine the characteristics of samples collected at the site.

Water is not involved in determining the vast majority of physical characteristics in question. In effect, waste water from the laboratory mainly comes from the washing the aggregates and the washing of equipment and material used for the tests that are carried out.

From among the equipment used in the laboratories, the solvent recovery equipment, the water distiller and the rotary evaporator were

identified as those that consume a considerable volume of water, due to the operation of the cooling systems. In this sense, it was decided to develop a system to recirculate this water, through its storage and subsequent pumping, making this process a closed cycle and reducing water consumption to zero.

The test carried out using the rotary evaporator consists of the recovery of bitumen from bituminous mixtures. Each test involves the operation of the rotary evaporator for 2 hours. Taking 3 l/min as an estimated flow, a reduction in water consumption of around 360 l has been seen for each test carried out. Based on an analysis of laboratory records, it can be concluded that 7 tests were carried out during 2016 (records in the laboratory's internal document), we can conclude that recirculating the water used to cool the rotary evaporator led to an annual saving of around 2.52 m³.

At Maia, the solvent recovery equipment works (when there are bitumen extraction samples) with 4 samples at a time, 2 hours each, with an estimated flow rate of 3 l/min. Based on an analysis of laboratory records, it can be concluded that 812 bitumen extraction tests were carried out during 2016, and taking into account that the water comes from the reuse system, water savings of around 73 m³/year can be calculated.

In the mobile laboratory, the solvent recovery equipment works (when there are bitumen extraction samples) with 4 samples at a time, 2 hours each, with an estimated flow rate of 3 l/min. As the solvent recovery equipment broke down in 2016, the associated water recirculation equipment did not work and there was no water consumption saving in this laboratory.

The water distiller at the Maia laboratory operated about once a week, year round, The estimated flow rate is 4l/min, operating 8h/day. Taking into account that the reused water comes from the reuse system, we can calculate water consumption savings of around 99.84 m³ per year.

It can be concluded that the recirculation of water used in the solvent recovery equipment, water distiller and rotary evaporator, during 2016, led to water consumption savings of around 175.44 m³ during 2016.

EN11

LAND AREAS IN PROTECTED AREAS - OPERATIONAL SITES OWNED, LEASED, MANAGED IN, OR ADJACENT TO, PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS

This indicator refers to the location and size of the managed area included in the Natura 2000 Network, as it encompasses all protected areas of high biodiversity value.

As regards the year 2016, the managed area included in the Natura 2000 Network totals 3 591 221.11 m², or 359.12 hectares.

The area is identical to the areas reported on in previous years (2009-2015), because in 2016 there was no construction of any new infrastructure / widenings crossing any areas of the Natura 2000 Network.

In relation to this Indicator we should also point put the existence of an area leased for the implementation of measures to compensate for impacts. The area involved, located in Monte Pardieiro, covers 10 000 m² in the Castro Verde Special Protection Area, with the aim of preserving the habitat of the Lesser Kestrel.

EN12

SIGNIFICANT IMPACTS ON BIODIVERSITY IN PROTECTED AREAS OR IN AREAS OF HIGH VALUE FOR BIODIVERSITY

This indicator reports on the occurrence of significant impacts on biodiversity in protected areas or areas of high value for biodiversity, which are considered to be the areas identified in the Natura 2000 Network. This analysis was divided into a Design and Works Phase and an Operating phase to facilitate the explanation of procedures and the reasons behind them.

Procedures-Design and Works Phases

Impacts on biodiversity related to the construction and operation of motorways is first evaluated during the Environmental Impact Assessment process, during the implementation study and design phase, when different routes and designs are analysed. Based on this analysis, measures are outline to minimise or compensate for expected impacts on biodiversity.

Environmental monitoring is carried out during the works phase, and the Environmental Management Plan and monitoring programmes are implemented. The main aim behind this is to ensure the correct collection of information to assess the main environmental impacts resulting from the works phase, as well as to ensure that the design is well executed from an environmental point of view. These practices also allow the timely identification of possible situations that may lead to the need to adapt additional measures to minimise or compensate for impacts.

Rationale-Design and Works Phases

No work was done during 2016 in areas inside the Natura 2000 Network, and therefore there are no environmental impacts to report.

Procedures-Operating Phase

With regard to the operating phase of the motorway, the entire motorway network under concession to Brisa is covered by an animal-vehicle collision monitoring system and all motorways built or undergoing widening work after the entry into force of Decree-Law no. 69/2000 of 3 May (currently repealed by Decree-Law no. 151-B/2013 dated 31 October), are covered by General Environmental Monitoring Plans, with the aim of proceeding to the post-impact assessment.

In the context of biodiversity, the main environmental impacts caused by the operation of motorways are fragmentation and alteration of habitats, fauna roadkill and increased human pressure.

Rationale-Operating Phase

The monitoring of wildlife roadkill in 2016, carried out throughout the entire network for which Brisa is the concession holder, has shown that in the sub-stretches that cross areas included in the Natura 2000 Network, no roadkill was detected of species listed as threatened in Livro Vermelho dos Vertebrados de Portugal (2005) [The Red Book of Portuguese Vertebrates (2005)]

On the Almodôvar/S. Bartolomeu de Messines and S. Bartolomeu de Messines/V.L.A. sub-stretches of the A2 southern motorway, which cross the Caldeirão and Barrocal sites, the impact on biodiversity is also assessed through ecosystem quality monitoring campaigns.

Surface and groundwater quality monitoring has been taken into consideration as part of ecosystem quality monitoring. Monitoring of the A2 has shown that there were no significant impacts consistently attributable to the motorway in question.

Regarding the quality of surface water in 2016, there were no significant impacts originating from the A2. Pollutants whose origin could be directly related to vehicle traffic on the A2 - Copper, Cadmium, Zinc and

Hydrocarbons - were all of low concentrations, always well below legal limits at monitoring sites downstream of the motorway crossing.

No significant impacts originating from the operation of the A2 were found during groundwater quality monitoring in 2016. Only some values above the Maximum Recommended Amount were found, relating to the Chloride parameter (at 5 monitoring sites). However there is no direct relationship between this pollutant and the operation of the motorway, as this pollutant is most commonly associated with sewage and industrial effluents.

EN13

HABITATS PROTECTED OR RESTORED

The restoration and protection of certain habitats is one of the strategies that, as part of the biodiversity policy, is used to prevent or repair negative impacts associated with Brisa's activities. Areas of protected or restored habitats may result from the following actions:

The implementation, at the end of works, of landscape integration and restoration projects;

The implementation of active habitat restoration or protection measures during the road infrastructure operating phase;

Habitat protection and restoration projects resulting from partnerships with other organisations, aimed at areas of habitats different to those referred to above.

In relation to the implementation of landscape integration and recovery projects, hydro-seeding was applied to an area of 37,801 m² (3.78 ha) of slopes of motorways under construction, during 2016.

Regarding the active restoration and protection measures in the operating phase, in connection with the implementation of compensation measures associated with the Aljustrel/Castro Verde sub-stretch of the A2 sub-stretch, a protocol was signed with the ICNF (previously called ICNB) in order to ensure the implementation of management measures of the Lesser Kestrel colony (*Falco naumanni*) that ended in 2013. Under this protocol a lease agreement was signed with the owners of Monte do Pardieiro (nesting ground of the Lesser Kestrel) for an area of 10 000 m² inside the Castro Verde Special Protection Area. This contract was renewed in 2007 and its term extended until the end of 2032.

In addition, vegetation burned by fires was cut and removed in order to facilitate the rapid growth of native vegetation, thus contributing to habitat restoration. The measured resulted in an affected area measuring around 194 830 m² (19.483 hectares) during 2016.

In awareness of the impacts of its activities on biodiversity, Brisa promotes voluntary environmental responsibility actions, related to projects to restore and protect habitats resulting from partnerships with third parties. These actions lead to projects that form part of the Business & Biodiversity Protocol.

Within the context of projects that form part of the Business & Biodiversity protocol described in previous years, the project entitled “Biodiversity for the International Tagus” is still active until the end of 2017. In 2013, Brisa has been playing an active role in protected area promotion and tourism. It launched a programme aimed at promoting visits to these areas, by the general public and on a larger scale. This initiative has been included in Brisa’s educational programme and is called Environment First. It involves an area of about 800 ha, between Poceirão do Cunha and Malhada Alta.

The target areas of this project are the land and structures belonging to Quercus-ANCN, located in the International Tagus Natural Park, part of which are also inside the International Tagus, Erges River and Ponsul Special Bird Protection Zone. Work was done in 2 centres. The first work centre corresponds to an area of approximately 410 ha of Monte Barata, an estate located in the parishes of Malpica do Tejo and Monforte da Beira in the district of Castelo Branco. The second centre corresponds to around 200 ha, distributed in several rural properties located in the parish of Rosmaninhal of the district of Idanha-a-Nova, between the mouth of the Fonte Santa stream to the east and the mouth of the Aravil stream to the west.

With regard to this project, the major work welcoming facilities and visitor infrastructure are finished.

Taking the information supplied above into account, in 2016 the area of protected or restored habitats totalled 1 443.26 hectares.

EN14

TOTAL NUMBER OF IUCN RED LIST SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY OPERATIONS, BY LEVEL OF EXTINCTION RISK

During 2016, there were two animal species (birds) on the IUCN red list and on the national species conservation list, with habitats affected by the operations, by extinction risk level.

BIRDS

MW	SUB-STRETCH	SPECIES	COMMON NAME	STATUS
A1	Carvalhos / Santo Ovídio	<i>Anthus trivialis</i>	petinha-das-árvores	R (rare)
A4	New Túnel de Águas Santas (Águas Santas/ Ermesinde)	<i>Caprimulgus europaeus</i>	Noitibó-cinzento	VU (vulnerable)

In 2016 there were no works supervised by BEG in which plant species with uncommon or rare abundance occurred.

EN15

DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1)

The response to this indicator is found in the Natural Capital Chapter on page 136 of this Report.

EN16

DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2)

The response to this indicator is found in the Natural Capital Chapter on page 136 of this Report.

EN17

OTHER RELEVANT INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 3)

The Indicator is not accounted for, as in-service journeys are normally made in vehicles belonging to the Brisa group fleet. The emissions generated during these journeys are therefore counted as direct emissions.

Taking into account that the company does not transport its staff, the other journeys made, specifically by air carriers, are very marginal and not very significant, and are not shown in this report.

EN18

GREENHOUSE GAS (GHG) EMISSIONS INTENSITY

Within the scope of this indicator, the Brisa Group's emissions, and the consolidated kilometres of network for this sustainability report, were used to calculate the emissions intensity. Based on these facts, Brisa's emissions intensity is 13 tCO₂eq per kilometre.

EN19

REDUCTION OF GREENHOUSE GAS (GHG) EMISSIONS

The response to this indicator is found in the Natural Capital Chapter on page 136 of this Report.

EN20

EMISSIONS OF OZONE-DEPLETING SUBSTANCES (SDG)

This indicator is not considered to apply to the Brisa Group given that the organisation's processes, products and services do not use substances that deplete the ozone layer. Besides this, ozone-depleting substances contained or emitted by products during their use or disposal should not be counted, this being the case of substances contained in air conditioning equipment.

In view of the above and although it does not seem that the scope of this indicator applies to the organisation, it is important to draw up and report the inventory of equipment in existence and the type of refrigerant used, in order to monitor the degree of compliance with legislation that establishes that as from 1 January, 2015 there should be no equipment that uses hydrochlorofluorocarbons, and to show/demonstrate the Group's performance levels in these global issues.

EN21

NO_x, SO_x AND OTHER SIGNIFICANT AIR EMISSIONS

The Brisa group does not carry out any activities that produce significant atmospheric emissions within the scope of this indicator. This is because none of Brisa's activities can be included in the manufacturing industry category.

The Brisa Group's atmospheric emissions to be considered are those generated by the circulation of its vehicle fleet, which cannot be considered as significant as they are emissions of a diffuse type from just 620 active vehicles. Out of these vehicles, 14 are electrical, 2 petrol hybrids, 1 plug-in petrol hybrid, 9 diesel hybrids and 1 plug-in diesel hybrid.

With regard to SO_x emissions generated by burning fuel for vehicle traffic, these are not significant due to the implementation of significant reductions in the sulphur content of fuel.

With regard to other atmospheric emissions, air quality monitoring data, under the scope of General Environmental Monitoring Plans, on motorways with average daily traffic far higher than the number of vehicles in the Brisa Group's fleet (the A3, for example) generally identify low concentrations of atmospheric pollutants. Therefore, the 620 vehicles that drive throughout Portugal cannot be considered significant and are negligible within the framework of this EN20 indicator and this report.

EN22

TOTAL WATER DISCHARGE BY QUALITY AND DESTINATION

As part of the deactivation of the BEG laboratory in Loures, it should be noted that this indicator now only considers information on the effluent produced at the BEG laboratory, in Maia.

The discharge value is calculated based on water consumption values obtained through the EN8 indicator for the BEG site in Maia, considering that the domestic discharge volume produced corresponds to 80% of the water consumption.

The laboratory in Maia is estimated to discharge around 115 m³, according to information on water consumption obtained through the EN8 indicator.

The analysis sheets prove that discharge quality complies with legal requirements.

'16

PREMISES	UNITS	1 ST T	2 ND T	3 RD T	4 TH T	ACCUMULATED	80%
MAIA	(m³)	27	44	40	33	144	115

EN23

TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD

The response to this indicator is found in the Natural Capital Chapter on page 138 of this Report.

EN29

MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

In 2016, there was a fine amounting to €16 000, resulting from the noise levels detected and recorded in the 2009 Environmental Monitoring reports, for the Fogueteiro/Coína sub-stretch of the A2, and from 2008, for the Carcavelos/Estoril/Alcabidehe sub-stretches of the A5, within the context of the post-assessment of the respective widening projects.

From among the different minimisation measures taken during the course of the different phases of the motorways, emphasis should be placed on

noise minimisation measures resulting from traffic driving on motorways, as noise is considered to be the most significant impact of this type of activity.

Designs for noise barriers take into account sites where it is found that noise levels established by law are not complied with. They are designed for the purpose of reducing noise levels to within the legal limits.

In 2016, noise barriers were installed along 1465 linear metres, representing a total area of 6831 m².

As regards the installation of road surfaces with noise absorbing capacity, draining bituminous mixture wearing courses were adopted for the following stretches:

- A3 – Santo Tirso/Famalicão sub-stretch, N/S direction;
- A4 - Ermesinde Interchange;
- A5 – Alcabideche / Alvide / Cascais sub-stretches;
- A14 – EN335/Ançã sub-stretch.

During 2016, road surfaces were installed on a total surface area of 246 085 m², with a wearing course in draining bituminous mixture.

INVESTMENT IN REDUCING NOISE FROM TRAFFIC DRIVING ON MOTORWAYS - 2016

		INVESTMENT (€)
Noise minimisation measures	Noise barriers	534 389.93
	Road surface (with noise absorption characteristics)	749 072.99
Noise studies		69 960.00
Total		1 353 422.92

EN32

PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA

No new entities whose activity is considered strategic were selected during the 2016 financial year. As such, there is no impact at the indicator level. Regarding other entities, however, specifically contractors, whose activity may in some way have an impact on environmental management, the environmental requirements in force in the organisation were safeguarded (within the scope of ISO 14001 certifications) by making it mandatory in contracts to develop Construction and Demolition Waste Management Prevention Plans.

EN33

SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN

Through controls implemented based on the analysis of product documentation, employee training on handling the products and technician and company certifications, as well as by verifying the effectiveness of the actions, we found that the suppliers and the respective supply chain caused no negative impacts.

Despite there being no complaints raised on the issue in question, specifically in terms of using products with a potential risk, the organisation is currently preparing to conduct external audits certified by a qualified partner (Achilles), for an even more assertive validation. Furthermore, the organisation has been replacing products that pose a potential risk to the environment, with other zero risk alternatives.

G4-10

NO. OF EMPLOYEES PER CONTRACT TYPE

CONTRACT TYPE	Nº PEOPLE
Open-ended contracts	2 153
Fixed term contracts	149
Undetermined duration contracts	42
Total	2 344

LA1

TOTAL NUMBER AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION

Staff members are considered as all employees, with the exception of trainees, subcontractors, posted workers and the Board of Directors of Brisa Autoestradas.

	‘14	‘15	‘16
Entrances	75	61	65
Exits	75	105	64
Employees at the end of the period	2 387	2 343	2 344
Average no. of employees	2 393	2 357	2 348
Turnover rate	6.27%	7.05%	5.49%

NEW ADMISSIONS BY REGIONS

REGIONS OF THE COUNTRY	No.
Central Region	7
Lisbon Region	45
Alentejo Region	2
Algarve Region	3
Northern Region	8
Total	65

NEW ADMISSIONS DISTRIBUTED BY GENDER

GENDER	No.
Female	31
Male	34
Total	65

NEW ADMISSIONS BY AGE GROUP

No.				%			
<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL
24	41	0	65	37	63	0	100

TURNOVER RATE BY GENDER

REGIONS OF THE COUNTRY	FEMALE	MALE	TURNOVER RATE
Central Region	0.26%	0.34%	0.60%
Lisbon Region	1.28%	2.38%	3.66%
Alentejo Region	0.17%	0.09%	0.26%
Algarve Region	0.13%	0.00%	0.13%
Northern Region	0.21%	0.64%	0.85%
Total	2.04%	3.45%	5.49%

TURNOVER RATE BY AGE GROUP

	<30	30-50	>50	TOTAL
Total (%)	1.24	3.62	0.64	5.49

LA2

BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES, BY SIGNIFICANT LOCATIONS OF OPERATION

The benefits awarded to part-time employees are the same as those granted to full-time employees.

The benefits for businesses that endorse the **Brisa ACT** are:

- leave and paid absences in accordance with the General Labour Law;
- payment of sickness allowance (in cases of sick leave or accidents in the workplace, subsidised by social security or insurance);
- 23 holiday days;
- Payment of a supplement to the sickness benefit (Clause 72 and 73, ACT published in the BTE nº30, on 15th August 2016);
- special allowance for workers with disabled children (Clause 70, ACT published in the BTE nº30, on 15th August 2016);
- special allowance for workers with disabled children (Clause 70, ACT published in BTE nº30 of August 15, 2016);
- Indelayable and indispensable assistance given to a member of your household (up to 15 days a year, plus one more for each child, adoptee or step-child, in addition to the first);
- Health insurance, life insurance and personal injury insurance;
- Defined contribution pension complement;

- Meal card;
- Meal vouchers and allowances for compensation of family expenses (Clause 87, ACT published in the BTE nº30, on 15th August 2016);

At **Controlauto** and **Iteuve** companies:

- leave and paid absences in accordance with the General Labour Law;
- possibility to enjoy up to 25 holiday days;
- Indelayable and indispensable assistance given to a member of your household (up to 15 days a year, plus one more for each child, adoptee or step-child, in addition to the first);
- Health insurance, life insurance and personal injury insurance;
- Meal card;
- Meal vouchers and allowances for compensation of family expenses

At **M Call**:

- leave and paid absences in accordance with the General Labour Law;
- Indelayable and indispensable assistance given to a member of your household (up to 15 days a year, plus one more for each child, adoptee or step-child, in addition to the first);
- Health insurance;
- Meal card;
- Meal vouchers and allowances for compensation of family expenses

	'16		
	FEMALE	MALE	TOTAL
Nº of accidents	16	75	91

LA3

RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE, BY GENDER

Total no. of employees with the right to parental leave

Pursuant to art. 31, line 4, in conjunction with articles 33 to 46 of SUBSECTION IV Parenthood (arts. 33 to 46), all employees are entitled.

For this purpose, we consider that the same number of employees enjoyed the entitlement, as we are not aware of any employee who had the right and did not avail themselves of it.

PARENTAL LEAVE RETURN RATE

	'14	'15	'16
Employees who took parental leave	87	32	66
No. of employees who returned after taking parental leave	87	32	65
Employees who were still at the company 12 months after taking parental leave*	86	28	32

* This value is calculated for parental leave in 2015

PARENTAL LEAVE RETURN RATE BY GENDER

	'16		RATE	
	FEMALE	MALE	FEMALE	MALE
Employees who took parental leave	23	43	-	-
No. of employees who returned after taking parental leave	23	42	100%	98%
Employees who were still at the company 12 months after taking parental leave*	9	23	100%	100%

* This value is calculated for parental leave in 2015

LA5

PERCENTAGE OF TOTAL WORKFORCE REPRESENTED IN FORMAL JOINT MANAGEMENT-WORKER HEALTH AND SAFETY COMMITTEES THAT HELP MONITOR AND ADVISE ON OCCUPATIONAL HEALTH AND SAFETY PROGRAMS

Since 2006, the Collective Labour Agreement lays down the terms for the formal constitution of a Commission on Health, Safety and Hygiene in the Workplace. This joint committee, which provides for the election of workers’ representatives, whose existence in the form of an election has been formally agreed with the trade union organisations, is made up of a total of seven members, three worker representatives and three representatives of the company.

In 2007, Brisa’s representatives sitting on the Commission of Health, Safety and Hygiene in the workplace, were appointed for the purpose of advising the company in its occupational health and safety systems and processes.

The election of worker representatives is pending. The trade union representatives are exclusively responsible for this.

	'14	'15	'16
Population at 31 December	2 387	2 343	2 344
No. of employees covered by agreements	2 308	2 274	2 271
Percentage of employees covered	96.69%	97.06%	96.89%

Notes:

Total labour - sun of the number of employees with work contracts at the end of the analysis period, and the average number of FTE temporary work during the same period.

FTE (Full Time Equivalent) – equivalent to the no. of full time employees.
Calculation formula: total no. of contracted hours to be divided by work potential [(8h*5d*52s)/12].

Out of the total numbers of group workers, 96.89% are covered by the Collective Work Agreement.
Calculation formula: (no. of workers covered by the ACT / total Brisa Group workers at the end of the analysis period) *100

HEALTH, SAFETY AND HYGIENE IN THE WORKPLACE

Clause 77
General Principles

- The employers are obliged to comply with legislation on Health, Safety and Hygiene in the workplace and to adapt it, with cooperation from the bodies that represent their workers, to the specific characteristics of their activities, through internal regulations and their subsequent transposition into this ACT.
- As there are corporate relations between all of the companies subscribing to this ACT, and as the main activities carried at the facilities is the provision of services to one of them, only one company is deemed to exist for the purposes of Health, Safety and Hygiene in the Workplace, specifically regarding worker representatives.
- Due to the geographic distribution of the companies’ workplaces, worker representatives will be elected by correspondence, observing all formalities provided for by law.
- A joint Commission on Health, Safety and Hygiene in the Workplace (C.H.S.H.W) will be set up as an advisory body, following the election of worker representatives.
 - Three of the seven elected members of the C.H.S.H.W. will be worker representatives, and three members will be appointed by the employer, under the terms of the previous item.
 - Once the C.H.S.H.W. has been set up, it will have the responsibility to propose regulations for its operation, to be subsequently negotiated and agreed upon by the companies and trade union organisations who are signatories to the ACT.

Source: ACT

LA6

TYPE OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND TOTAL NUMBER OF WORK-RELATED FATALITIES, BY REGION AND BY GENDER

During 2016, the Internal Service for Health and Safety in the Workplace (ISHSW) carried out routine activities determined by the legal framework for Health and Safety in the Workplace and by the Brisa Group’s Policy.

- Annual Health and Safety in the Workplace Report (Sole Report, MSST model) of each of the Brisa Group companies - Brisa O&M, BIT, BEG, BCI, CTA, VVP, M Call.
- Annual accident rate reports for each of the Brisa Group companies.
- Monitoring and support for selecting suitable PPE for the individual characteristics of some employees.
- Reports on accidents in the workplace involving time off due to incapacity for work, or that are particularly serious from a safety perspective.

We would like to place emphasis on the following OHS training activities in 2016:

Brisa O&M

- OHS training activities.
- Update of controlling the risk of being run over at the toll barriers.
- C.O. administrators (participating in accidents in the workplace).
- Verification of extinguishers.

BIT

- Assessment of electronic equipment maintenance risk.

BCI

- Control of OHS documentation related to each project; observation and analysis, at the site, of one or more of the activity(s) that are carried out.
- Training actions, in the specific context of each project, on the safety procedures file included in DL 273/2003, for all civil works teams involved.
- Training:
 - Civil Construction Officials/Civil Construction Official Assistants (periodical)
 - Electricians
- Technical Open Days

BEG

- Training activities for new Laboratory Operators.
- Training activities for Temporary Workers.

CTA and ITV

- C and D Inspector risk assessment.
- Risk assessment of the Centre Managers and Receptionists
- Updating of action procedures for emergency situations.
- C and D Inspector risk training

M Call

- Assessment of Risks and Safety Procedures.
- Report/audit of working conditions.
- Training of Call Centre Operators.
- MAP creation (monitoring).
- Training:
 - Evacuation
 - First aid
 - Fire-fighting

In general, ISHSW activities planning for 2016 was achieved.

As regards the evolution of the accident rate of Brisa group companies, in global terms, the absolute number of accidents and their associated lost days have decreased in almost all Brisa group companies.

			'16
	FEMALE	MALE	TOTAL
No. of accidents	16	75	91
Lost days	782	2 905	3 687
Men x hours worked	-	-	4 053 795
Frequency index	3.95	18.5	22.45
Severity index	192.91	716.61	909.52
Incidence index	6.81	31.94	38.76
Duration index	48.88	38.73	40.52
No. of fatalities resulting from accidents	0	0	0

	'14	'15	'16
No. of accidents	100	93	91
Lost days	4 013	4 064	3 687
Men x hours worked	4 631 774	4 564 259	4 053 795
Frequency index	22	20	22.45
Severity index	954	977	909.52
Incidence index	42	40	38.76
Duration index	40	44	40.52
No. of fatalities resulting from accidents	0	0	0

NUMBER OF HOURS OF ABSENTEEISM

MAIN REASONS	'14	'15	'16
Accident in the workplace	24 088	28 185	25 389
Trade union activity	9 305	9 084	9 923
Immediate assistance	8 081	8 040	7 930
Illness	115 260	122 141	118 082
Unjustified absence	758	1 093	626
Absence pending justification	N.A.	N.A.	1 290
Strike	18	8	8.5
Other causes	11 371	9 651	9 929
Total	170 894	178 202	173 178

ABSENTEEISM RATE*

MAIN REASONS	'14	'15	'16
Accident in the workplace	0.50%	0.62%	0.54%
Trade union activity	0.19%	0.20%	0.21%
Immediate assistance	0.17%	0.18%	0.17%
Illness	2.39%	2.68%	2.51%
Unjustified absence	0.02%	0.02%	0.01%
Absence pending justification	N.A.	N.A.	0.03%
Strike	0%	0%	0.00%
Other causes	0.24%	0.21%	0.21%
Total	3.55%	3.91%	3.68%

*Absenteeism = hours of absence / maximum work potential

Note: excluding absences for study/examinations and parenthood.

Occupational Accident Indices:

Incidence index - (no. of accidents in the workplace / average employee)x1000

Frequency index - (no. of accidents in the workplace x 1000000/ no. of hours worked)

Severity index - (no. of lost days x 1000000 / no. of hours worked)

Duration index - (no. of lost days / no. of accidents)

Working days are considered as lost days and the count starts on the day immediately following the day of the accident.

The formulas used for calculating this indicator are the same as for 2014 2015 and 2016 using the basis for calculation agreed in Directive no. 288/2009 of 20 March

- which approves the Annual Report Template for the HSHW Services Activity. None of the other indicators are legally binding but they are used frequently in studies of Health and Safety in the Workplace.

LA7
WORKERS WITH HIGH INCIDENCE OR HIGH RISK OF DISEASES
RELATED TO THEIR OCCUPATION

Brisa contracts the provision of health services in both the fields of Occupational Medicine and Curative Medicine. This service covers all of the workers and allows actions to be taken to prevent, educate and control the risk of diseases considered serious by the Portuguese National Health Service.

Occupational Medicine periodically organises consultations and auxiliary diagnosis examinations aimed at ruling out the occurrence of severe diseases, regardless of whether they are related to working conditions or to the professional activity.

Employees are given medical examinations every two years, followed by a consultation with a doctor. Consultations are still arranged in the year when no examinations are performed. Employees with ages and functions that could potentially involve a greater risk/likelihood of health problems are given annual medical examinations and consultations. Employees under 18 years old and over 50 form part of this group, as well as employees who work shifts.

From another angle, Curative Medicine provides advice and treatment of conditions for all workers who request this service.

Specific examinations such as electrocardiograms and diagnoses of levels of cholesterol and triglyceride are performed for cardiovascular diseases. Glycemia levels are controlled for diabetes, and Gamma GT analyses are performed for liver diseases.

Brisa also works in the area of Alcohol Consumption Prevention and Control. The purpose of this program is to prevent work-related accidents and to detect situations of dependency, which are forwarded to an intervention program, thus promoting the defence of workers’ health.

In this area, programmes aimed at local communities are covered by the National Health Service, as Brisa, due to the nature of its activity, focuses its efforts on raising awareness in this specific population and providing road safety training. Brisa makes available all necessary means and resources for this purpose.

LA8

HEALTH AND SAFETY TOPICS COVERED IN FORMAL AGREEMENTS WITH TRADE UNIONS

Topics related to health and safety, covered in formal agreements with trade unions, are described below.

Clause 10, Item 4 - any individual admitted to the company’s staff will be subject to an appropriate prior medical examination, with the respective costs borne by the employer;

Clause 17, Item 1, Line g) - To adopt, in all aspects relating to health, safety and hygiene in the workplace, any measuring arising, for the company, establishment or activity, from the application of current provisions in the law and in the agreements;

Clause 17, Item 1, Line h) - Provide the worker with suitable information and training for preventing the risks of accidents and illness;

Clause 18, Item 1, line i) - Cooperate, in the company, establishment or service, to improving the health, safety and hygiene system in the workplace, specifically through worker representatives elected for this purpose;

Clause 18, Item 1, line j) - The rules concerning Health, Safety and Hygiene in the workplace, established in the applicable legal provisions

and agreements, as well as orders given by the employer must be complied with;

Clause 21, Item 11 - Workers who work without interruption on equipment with a screen must take 10 minute breaks every 2 hours, which, for all due purposes, will be considered as effective working time;

Clause 77, Item 1 - Employers are obliged to comply with legislation on Health, Safety and Hygiene in the workplace and to adapt it, with cooperation from the bodies that represent their workers, to the specific characteristics of their activities, through internal regulations and their subsequent transposition into this ACT;

Clause 77, Item 2 - As there are corporate relations between all of the companies subscribing to this ACT, and as the main activities carried at the facilities is the provision of services to one of them, only one company is deemed to exist for the purposes of Health, Safety and Hygiene in the Workplace, specifically regarding worker representatives;

Clause 77, Item 3 - Due to the geographic distribution of the companies’ workplaces, worker representatives will be elected by correspondence, observing all formalities provided for by law;

Clause 77, Item 4 - A joint Commission on Health, Safety and Hygiene in the Workplace (C.H.S.H.W) will be set up as an advisory body, following the election of worker representatives;

Clause 77, Item 4.1 - Three of the seven elected members of the C.H.S.H.W. will be worker representatives, and three members will be appointed by the employer, under the terms of the previous item;

This indicator applies only to the following business units: Brisa O&M; Via Verde; BIT; BEG.

LA9

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER, AND BY EMPLOYEE CATEGORY

EMPLOYEE SUB-GROUP	EFFECTIVE ‘16	TRAINING (HOURS)
Administrators	393	6 325
Customer Service	268	6 737
Service Managers	58	4 661
Topographic Designers	5	5
Managers/Directors	69	3 589
Electricians	73	881
Supervisors	52	2 321
Auto Inspectors	347	12 324
M Call Operators	61	1 777
Toll Stations	702	3 929
Construction Prof.	145	1 679
Senior Technicians	171	8 063
Total	2 344	52 291

TRAINING AREAS IN 2016	DURATION IN HOURS	PARTICIPATIONS
Behavioural	6 293	1 092
Customer Contact	1 664	509
Economic - Financial	390	19
Management	4 718	631
Integration in the company/job	7 991	1 317
Team Leadership and Management	1 091	71
Languages	1 881	43
Marketing	2 368	364
Quality and the Environment	805	150
Safety	5 325.50	1 094
Technical	16 634	2 395
Information Technology	3 132	205
Total	52 291	7 890

LA10

PROGRAMS FOR SKILLS MANAGEMENT AND LIFELONG LEARNING THAT SUPPORT THE CONTINUED EMPLOYABILITY OF EMPLOYEES AND ASSIST THEM IN MANAGING CAREER ENDINGS

We have developed 3 types of support programs for the employability of Brisa employees at the end of their careers and transition to retirement, together with a company specializing in the field and that is 100% accessible and optional for this group of employees.

All of these programs include training and personal development components, either by attending regular themed workshops, or by individual accompaniment and coaching sessions, and they also include follow-up sessions to promote their effectiveness.

We offer a Job Search program, which is aimed at end-of-career employees who wish to continue their career outside of the Brisa Group and develop their skills and enhance their employability.

This program is made up of 3 phases – profile and technical skills evaluation, preparation in the approach to the labour market and implementation of the plan, during which the employee is accompanied by specialised consultants and invited to participate in thematic workshops aimed at the development of skills and behavioural competencies – career management, networking, conflict management, personal marketing, negotiation, among others.

For end-of-career employees who wish to start up their own business, we offer the Create your Own Business program, with the main objective of assisting in the definition and structure of the professional’s business. Support is provided for the definition of the business, evaluation of its feasibility, identification of resources and legal aspects.

The training focuses first and foremost on the general aspects of how to create and develop a business, including sales, marketing modules and concludes with the preparation of a Business Plan and applying for eligible IEFP (Professional Job and Training Institute) support to finance the start of the business.

This program can be carried out alongside the Job Search program.

We offer the Transition to Retirement program to employees who opt for specialised support in their journey to retirement.

This program includes advice and support to minimise the negative impact associated with job loss and features a set of modules – transition and change, time management, communication techniques, health, financial planning and real estate, among others.

In 2016, we had 8 employees carrying out these programs, of which 55% opted for the Job Search program and 50% opted for the Create your Own Business program, considering that in one case both programs were carried out simultaneously.

LA11

PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS, BY GENDER AND BY EMPLOYEE CATEGORY

The Performance Management System is one of the most important instruments used to support the establishment of specific objectives to be achieved, and for meeting the requirement of defining the lines of action to be taken by employees and the respective hierarchical levels, to achieve them. The system, with a spiral logic, is based on the annual setting of specific objectives to be achieved by the company, where each employee

recognises the importance of their own individual contribution to the team’s results, and thus to the overall results.

It is also known as a dynamic system in which continuous improvements are introduced, resulting from analysis processes that include elements from several companies. Contributions from employees and their respective managers are also taken into account.

The Performance Management process involves all employees.

Other Considerations:

- All workers are evaluated as part of their respective functional groups under the Senior Staff and Senior Management Performance Management System, provided that they joined the company before 30 June of the year being evaluated.
- All workers are evaluated in their respective roles under the Non-Senior Staff Performance Management System, with the following exceptions:
 - Workers who joined the company after 01 April of the year being evaluated;
 - Workers with absenteeism greater than 6 months (absenteeism from January to December of the year being evaluated);
 - Professionals who have changed roles, with a changed expiry date, after 01 July of the year being evaluated.

	‘14	‘15	‘16
No. of employees assessed	2 287	1 967	2 261
No. of eligible employees*	2 387	2 343	2 344
Total percentage	96%	84%	96%

*Eligible population = Total staff as of 31 December 2015 (year which 2016 avaliations were reported)

LA12

COMPOSITION OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES PER EMPLOYEE CATEGORY ACCORDING TO GENDER, AGE GROUP, MINORITY GROUP MEMBERSHIP, AND OTHER INDICATORS OF DIVERSITY

The most represented functional group carries out functions in the toll sector, making up 30% of the total number of employees, followed by administrative functions, customer services and car inspection as the second most represented areas.

FUNCTIONAL SUB-GROUPS	NO. OF EMPLOYEES	%
Admin./Storage	371	16%
Customer Assistance	268	11%
Clerks	7	0%
Service Managers	58	2%
Designers/Topographers	5	0%
Directors/Managers	69	3%
Electricians	19	1%
Electrical Technicians	54	2%
Supervisors	52	2%
Inspectors	347	15%
M Call Operators	61	3%
Toll Operators	453	19%
Main	249	11%
Civil Construction Professionals	145	6%
Secretaries	15	1%
Senior Technicians	171	7%
Total	2 344	100%

FUNCTIONAL SUB-GROUPS	FEMALE	MALE
Admin./Storage	279	92
Customer Assistance	6	262
Clerks	1	6
Service Managers	17	41
Designers/Topographers	0	5
Directors/Managers	10	59
Electricians	0	19
Electrical Technicians	3	51
Supervisors	2	50
Inspectors	33	314
M Call Operators	46	15
Toll Operators	167	286
Main	8	241
Civil Construction Professionals	1	144
Secretaries	15	0
Senior Technicians	79	92
Total	667	1 677

FUNCTIONAL SUB-GROUPS	<30	30-50	>50
Admin./Storage	4%	79%	17%
Customer Assistance	0%	72%	27%
Clerks	0%	29%	71%
Service Managers	0%	78%	22%
Designers/Topographers	0%	40%	60%
Directors	0%	42%	58%
Electricians	0%	26%	74%
Electrical Technicians	6%	69%	26%
Supervisors	0%	63%	37%
Inspectors	10%	82%	8%
M Call Operators	16%	72%	11%
Toll Operators	0%	72%	28%
Main	0%	63%	37%
Civil Construction Professionals	0%	55%	45%
Secretaries	0%	67%	33%
Senior Technicians	9%	78%	13%
Total	3%	72%	25%

LA13

RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN BY EMPLOYEE CATEGORY, BY SIGNIFICANT LOCATIONS OF OPERATION

The Group does not restrict access by women to any job or category and the remuneration they receive is not different to that of men.

The wage table agreed pursuant to the ACT applies equally to the definition of the basic salary for both men and women, who are covered by the agreement.

The same principle applies to M Call, Controlauto and other group companies in the vehicle inspection business, even though they are not covered by Brisa’s Collective Bargaining Agreement;

Remuneration and recruitment policies followed by the organisation 30 years ago were quite different from those of today. Only in recent years do we find women performing functions that were traditionally reserved for men. On the other hand, employees who have worked at the company for longest may potentially have had more opportunity for progression. Taking these factors into consideration, the ratio of basic salary between Men and Women was calculated in two different ways. The first case only considered a sample of the total labour force, and the second case calculated the ratio for the group’s entire labour force.

**BASIC SALARY RATIO
BY PROFESSIONAL CATEGORY**

POSITIONS	FEMALE	MALE	F/M RATIO
Administrators			
Clerk	857	837	1.02
Administrative Technician	1 263	1 626	0.78
Communications Operators			
Central Communications Operator	1 187	1 192	1.00
Toll Operators			
Toll Station Operators	810	883	0.92
Senior Staff			
Technician	2 225	2 567	0.87
Deputy Technician	1 492	1 918	0.78
Senior Technician	3 341	2 661	1.26

**BASIC SALARY RATIO
BY SIGNIFICANT OPERATIONAL UNIT**

COMPANY	FEMALE	MALE	F/M RATIO
Brisa Auto-Estradas	1 991	2 902	0.69
BEG	1 994	2 676	0.75
BIT	1 961	2 390	0.82
Brisa O&M	1 108	1 232	0.90
VVP	1 196	1 254	0.95

**RATIO OF BASIC
SALARY BY GENDER**

POSITIONS	FEMALE	MALE	F/M RATIO
Administrators			
Clerk	1 126	1 092	1.03
Administrative Technician	1 661	1 917	0.87
Communications Operators			
Central Communications Operator	1 626	1 654	0.98
Toll Operators			
Toll Station Operators	1 272	1 289	0.99
Senior Staff			
Technician	3 102	3 458	0.90
Deputy Technician	2 081	2 573	0.81
Senior Technician	4 466	3 642	1.23

**RATIO OF BASIC
SALARY BY OPERATIONAL UNITS**

COMPANY	FEMALE	MALE	F/M RATIO
Brisa Auto-Estradas	2 826	4 205	0.67
BEG	2 977	4 133	0.72
BIT	2 648	3 307	0.80
Brisa O&M	1 632	1 863	0.88
VVP	1 668	1 706	0.98

ASSUMPTIONS:
Employees of the Companies who signed the ACT in 2016
Only Full-Time Employees are considered
Average ratio value by category was used for calculation
Employees hired over the past 10 years, functional groups in which there are no women were excluded.

**LA14
PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED
USING LABOUR PRACTICES CRITERIA**

No OHSAS 18001 certified suppliers were subject to screening.

However, those screened during previous years, based on the criteria, and who maintain their policies in this area, continue to provide a service to the organisation. Raising awareness among our partners of the importance of implementing policies relating to health and safety in the workplace, is playing an increasingly active and decisive role, despite not being considered an eliminating factor, due to the very low percentage of certified companies in this sector.

**LA15
SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE
IMPACTS FOR LABOUR PRACTICES IN THE SUPPLY CHAIN
AND ACTIONS TAKEN**

No suppliers were identified regarding the actual and potential negative impacts of adhesion to labour practices. We have seen an improvement in actual positive impacts, supported by the on-site implementation of practices resulting from the OHSAS 18001 certification. Particular emphasis should be placed on the monitoring of employees carrying out operational tasks to ensure that they are protected from, or less exposed to risks, due to negligence, during their day-to-day activities.

In 2016 it was seen that the obtaining of OHSAS certificates among Brisa Group suppliers did not evolve as desired due to high implementation costs; it was decided to implemented internal procedures aimed at best practices without the intervention of certification entities.

HR10

PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING HUMAN RIGHTS CRITERIA

All new suppliers are selected by considering compliance with current labour legislation, so 100% are screened. In addition, the employees of contractors and subcontractors are inspected, with a particular focus on illegal labour and child labour.

Brisa adjusted its strategic supplier qualification policy in 2016. The qualification is now carried out by a separate and independent entity, based on the validation of available information, including information related to impacts on society and human rights. This policy also covers the vertical structures to which the supply entities are related.

HR11

SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE HUMAN RIGHTS IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN

All new suppliers are screened by taking into account compliance with current labour legislation. This value currently totals 2 200 suppliers.

No suppliers with significant actual or potential negative human rights impacts were identified.

SO1

PERCENTAGE OF OPERATIONS WITH IMPLEMENTED LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS

ASPECT	DESCRIPTION	% OF OPERATIONS
Social impact assessment	During the construction phase, Brisa ensures that local entities are monitored through the responsible Concessionaire, and runs public consultations as part of Environmental Impact Assessment processes, guaranteed by BEG (see Indicator SO10); During the operation and maintenance stage, Brisa's materiality analysis identifies the subject of Road Safety as the most significant impact on local communities at a social level; the Safety First programme is a nationwide initiative aimed at meeting this need;	100%
Assessment of environmental impacts and continuous monitoring	Environmental monitoring is described in Indicator EN12. 2015 values are maintained. In other words, the environmental monitoring of a stretch of 296.13 km was delayed, as monitoring on the A1 - Carvalhos/Sto. Ovídio contract did not begin in 2016. The AEDL, Brisal, AELO and AEBT concessions are not considered, because they are excluded from the scope of this report. AEA is excluded from this value, as environmental monitoring data is not yet available for this concession;	27%
Public reports on the assessment results	Environmental information is public. The percentage is not considered to be applicable at a social level.	100% / NA
Local community development programmes, based on their needs	Solutions are determined on a case-by-case basis, based on identified needs. E.g. Protocol developed for the A4 - Maia	100%
Involvement plans based on stakeholder mapping	There are very low levels of construction phase activity due to the maturity of the concession network. Therefore, the risk associated with local communities during this phase is not considered to be relevant, and it does not justify a permanent mechanism for stakeholder mapping and involvement. During the operation and maintenance phase, stakeholder involvement is guaranteed by the channels described in the response to the AA1000 standard. There is no permanent mechanism in place for stakeholder mapping and involvement.	100%
Local community consultation	Local community involvement and consultation is critical during the design development phase for new projects and widening. Brisa consults with the local entities described in Indicator SO10, at the level of local government and relevant public institutions, with the aim of ascertaining the expectations of local communities and including them from the design phase onwards. Local community involvement is also guaranteed through the responsible Concessionaire.	100%
Employees' council, health and safety committees	The Brisa Group Employees' Council is active; As regards Formal Health and Safety Committees, the election of worker representatives is pending. The trade union representatives are exclusively responsible for this. See Indicator LA6.	100%
Formal local community grievance processes	The customer support service provides a channel for the reception of grievances, which include local communities. Grievances presented by non-customers are forwarded to the respective concessionaire. See Indicator PR5.	100%

SO2

OPERATIONS WITH SIGNIFICANT ACTUAL OR POTENTIAL
NEGATIVE IMPACTS ON LOCAL COMMUNITIES

CONSTRUCTION PHASE

The main impact on local communities during this phase is mainly related to land planning and to other specific concerns as a consequence of land occupation.

List of works in progress in 2016:

Road Widening:

A1 – Sub-stretch Carvalhos / Sto. Ovídio – Road Widening and Improvement to 2x3 Lanes

A4 – Sub-stretch Águas Santas / Ermesinde – Road Widening to 2x4 lanes – New North Tunnel of Águas Santas

Beneficiação de Pavimentos:

A2 - Road surface improvement/strengthening work on sub-stretches Junction A2/A12/Marateca/Junction A2/A6/A13

A2 - Road surface improvement work on sub-stretch Grândola Sul/ Aljustrel

A2 - Road surface improvement/strengthening work on sub-stretch São Bartolomeu de Messines/Paderne

A3 - Road surface improvement work on sub-stretch Santo Tirso/ Famalicão

A4 - Road surface improvement work at the Ermesinde Junction, on sub-stretch Águas Santas/Ermesinde

A5 - Road surface improvement/strengthening work on sub-stretches Alcabideche/Alvide/Cascais

A6 - Road surface improvement/strengthening work on sub-stretches Borba/Elvas Poente

A10 - Work to repair anomalies in the road surface on sub-stretch Benevente /A10/A13 Junction

A14 - Road surface improvement/strengthening work on sub-stretch EN335/Ançã

Refurbishment and structural reinforcement:

A1 - Sub-stretch Vila Franca de Xira / Carregado, Work for the refurbishment and structural reinforcement: of Stream Crossing 054

A1 - Sub-stretch Leiria / Pombal. Work for the refurbishment and structural reinforcement of Stream Crossings 207 and 209

A1 – Sub-stretch Coimbra South / Coimbra North. Work to strengthen the Deck of Viaduct “E” in Baixa do Mondego

A1 and A14 - Work for the Refurbishment and structural reinforcement: of Stream Crossing 297, in Sub-stretch Coimbra Norte / Mealhada, of the A1, Stream Crossing 11, of the Sub-stretch Vila Verde / Santa Eulália, of the A14

A1, A3 and A14 - Bracing Work on Corrugated Steel Tubular Structures (“Armco”)

A1, A5 and A9 - Bracing Work on Corrugated Steel Tubular Structures (“Armco”)

A2 - Sub-stretch Fogueteiro/Coina. Work to refurbish the Coina Toll Station Roof

A2 - Sub-stretch Almodôvar/S.B. de Messines. Work to refurbish Stream Crossings (Batch 2)

A2 - Sub-stretch Castro Verde/Almodôvar. Refurbishment and structural reinforcement of a Stream Crossing at km 192+009 (PH258)

A3 - Refurbishment and structural reinforcement work on Stream Crossings 123.1, 136.1, in Sub-stretch EN201/Ponte de Lima Sul, and 168.1, in Sub-stretch Ponte de Lima Norte/EN303, of the A3

A3 - Refurbishment and structural reinforcement work on the Stream Crossing at km 106+450 (Branch F of the Valença Junction), in Sub-stretch EN 303 / Valença, of the A3

A4 - Refurbishment and structural reinforcement work on the Stream Crossings at km 57+320 (EN210 Junction) and km 57+320 (Branch A - Branch C+D), of the Castelões sub-stretch (A4 / IP 9 Junction) / Amarante,

A4 - Refurbishment and structural reinforcement work on the Stream Crossings at km 50+675, 51+650 and 57+320 (Branch B), of the Castelões sub-stretch (A4 / IP9 Junction) / Amarante (West)

A4 - Refurbishment and structural reinforcement work on the Stream Crossings at km 42+090, 43+450, 44+450 and 51+850, of the Sub-stretches Penafiel / A4/A11 Junction / Amarante

A5 - Refurbishment and structural reinforcement work on Stream Crossings 031, on the Sub-stretch Oeiras I / Carcavelos, and 036, on the Sub-stretch Carcavelos / Estoril

A5 - Refurbishment and structural reinforcement work on Stream Crossing 018.1 and Stream Crossing 019, on Sub-stretch Estádio Nacional / Oeiras II

A5 - Refurbishment and structural reinforcement work on Stream Crossing 023 and 025, on Sub-stretch Estádio Nacional / Oeiras

A5 and A9 - Refurbishment and structural reinforcement work on Stream Crossings 017, on the Sub-stretch Estádio Nacional / A5/A9 Junction, of the A5, and 000.2, on Sub-stretch A5/A9 Junction / Queluz, of the A9

A6 - Sub-section EN 246 / Elvas (Central). Refurbishment and strengthening work on the Viaduct over the Zável River

A10 - Sub-stretch A1/Benavente. Work to Repair the Drainage Intake on the South Viaduct at Ponte da Lezíria

A14 - Sub-stretch Vila Verde/Santa Eulália. Refurbishment and structural reinforcement work of Stream Crossings 015 (Rio Foja) and 016.1(Vala Real)

A14 - Sub-stretch A14/A17 / Santa Eulália. Refurbishment and reinforcement work of stream crossings km 8+385, km 8+435, km 8+920, km 9+790, km 9+980 and km 10+200

Slope Stabilisation:

A1 – Slope stabilisation work in the cutting at km 19+700 (N/S direction), of Sub-stretch Alverca/Vila Franca de Xira

A1 - Slope stabilisation work in the cutting at km 127+100 (S/N direction) of the 1st phase and the embankment at km 128+650 (N/S direction), of sub-stretch Fátima/Leiria

A1 - Slope stabilisation work in the cutting of branch E of the Carvalhos Junction, at km 293+00 (N/S direction), of sub-stretch Carvalhos/Sto Ovídeo

A2 - Slope stabilisation work in the cutting at km 211+100 (N/S direction), of Sub-stretch Almodôvar/São Bartolomeu de Messines

A9 – Slope stabilisation work in the cutting at the South mouth of the Montemor Tunnel at km 15+690 (Estádio/Alverca direction) of sub-stretch Radial da Pontinha/Radial de Odivelas

A10 – Slope stabilisation work in the cutting at 14+500 (W/E direction), of Sub-stretch Arruda dos Vinhos/Carregado (A1-A10)

A14 - Slope stabilisation work on the embankment at km 14+900 (W/E), of sub-stretch Santa Eulália/Montemor-o-Velho

Construction of Noise Barriers

A1 – Sub-stretch Santa Iria da Azóia / Alverca,. Noise Barrier Design/ Construction Work

A1 - Sub-stretch Carvalhos/Santo Ovídio. Noise Barrier Design/ Construction Work

OPERATION AND MAINTENANCE PHASE

In this phase, the main identified impacts on the local community are related to noise, traffic accidents and biodiversity.

SO3 TOTAL NUMBER AND PERCENTAGE OF OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION

Compliance with disclosed audit directives/regulatory references is a vital part of internal audit work, carried out by the Brisa Group’s Audit, Organization and Quality Department.

The work undertaken in 2016 took the following aspects into consideration:

- a) Assessment of the risks inherent to the activities of the audited areas;
- b) Testing of existing internal control mechanisms;
- c) Verification of the degree of implementation of recommendations made following previous audits.

As corruption is a very sensitive yet important topic in view of the current economic crisis, it implies serious consequences for organisations, with substantial additional costs.

In this regard, the organization has shown concern for developing controls that allow continuous improvement to be introduced into the processes, so as to make them more robust and mitigate the risks associated with the activities that are carried out.

The risks and controls were identified and measured by the Brisa Group’s areas and companies in 2013, and the configuration of the risk management application platform was continued in 2016 with the aim of systematising the information gathered thus far.

Lastly, there is still no systematic quantification of the risk of corruption in the organization.

SO4 COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES

Given the specific nature of this type of training, the percentage of staff members trained in these subjects was calculated in relation to the total number of staff in the departments most directly linked to this activity - the Audit, Organisation and Quality Department (AOQ) and the Financial Department (FID).

In 2016 the coverage rate was 33% in the AOQ and 3% in the FID, with a total of 230 hours of training.

SO5

CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

The Brisa Group is governed by a set of regulations and best practices, the adoption/execution of which include a set of mechanisms aimed at improving internal control. We would like to emphasise the following mechanisms/measures already adopted by the Brisa Group in previous years to address the problem of corruption:

- a) The existence of a Code of Ethics and an Ethics Ombudsman;
- a) A channel for reporting irregularities;
- a) The publication of specific rules on personal data processing and information protection;
- a) The existence of cross-disciplinary policies throughout the Brisa Group, specifically:
 - Risk;
 - Procurement;
 - Environmental
 - IT systems;
 - Information security;
 - Vehicles;
 - Receipts and payments.

As regards the 2016 balance sheet, the following should be noted:

- a) Total number of cases of employees dismissed or punished for corruption: There is no knowledge or record of situations of this nature;
- a) Total number of cases where partner and business contracts were not renewed due to corruption related violations: 0;
- a) Legal actions relating to corruption practices brought against the reporting organization or its employees: 0.

SO7

SO7 TOTAL NUMBER OF LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOUR, ANTI-TRUST, AND MONOPOLY PRACTICES.

In 2016 there were no convictions under this indicator.

SO9

PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING CRITERIA FOR IMPACTS ON SOCIETY

No new suppliers were selected based on society impact criteria. However, in 2016, Brisa strategic supplier qualification policy, through the validation of information by separate and independent entity, including information related to impacts on society and human rights.

SO10

SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON SOCIETY IN THE SUPPLY CHAIN AND ACTIONS TAKEN

Brisa's activity is characterized by significant geographic distribution and a major impact on local communities. In awareness of this fact, Brisa has put several mechanisms in place at different levels, aimed at preventing and mitigating impacts in the communities in which it operates, both to ensure compliance with the Law and, in certain cases, to guarantee a level of performance beyond the minimum legal requirements.

MEASURES TO ENSURE LEGAL COMPLIANCE

- Measures resulting from working alongside local entities, ensured directly by the responsible Concessionaire
- Measures resulting from public consultations carried out as part of Environmental Impact Assessment processes, ensured by Brisa Engenharia e Gestão
- Press Consultancy: press conferences, releases and other relevant actions, ensured by the Marketing, Communication and Sustainability Department
- Customer Support Service
- Installation of noise barriers
- Environmental monitoring

MEASURES TO ENSURE PERFORMANCE BEYOND THAT REQUIRED BY LAW

All the above in specific cases, based on the needs.

The works listed under the SO2 Indicator were in progress in 2016. A relationship of close cooperation with Local Governments and the GNR (National Republican Guard) is maintained. Specific working groups are included, such as the Working Group on Road Safety, run by the Civil Government, including other entities such as the PSP (Public Safety Police) and the INEM (National Medical Emergency Institute).

It is also worth mentioning the public consultations process run as part of the Environmental Impact Assessment Processes, ensured by BEG - Brisa Engenharia e Gestão.

An underlying part of the development of studies and projects is a deep concern for achieving environmentally sustainable technical solutions. In fact, with the aim of increasing the quality and efficiency of projects managed by Brisa, measures are taken to guarantee the quality of the

engineering project, from the preliminary stages to the final phases of the studies and projects. This is specifically done through an effective environmental studies coordination process, which leads to the inclusion of measures to avoid or reduce impacts in the overall designs.

As an inherent part of the Environmental Impact Assessment Process, meetings are held with municipalities involved in the project, as well as with other entities, during which the designs are presented by Brisa, as a developer, and all questions asked by interested parties are answered. Brisa also adopts a pro-active approach during this phase to consult with entities interested in the project, specifically Local Governments and affected services, among other entities. This process of consulting with entities, who have a vast knowledge of the project's implementation area, allows a range of different concerns to be included in the designs, thereby preventing them from arising at a later stage.

This methodology thus contributes to the faster approval of the project by the competent entities, and consequently to the beginning of the project land expropriation and construction phases.

As part of the scope of design coordination, around 55 work meetings were held with interested entities during the course of 2016, for design and construction phases corresponding to projects to be developed on the following motorways:

- A1 – North Motorway
- A2 – South Motorway
- A3 – Porto/Valença Motorway
- A4 – Porto/Amarante Motorway
- A5 – Estoril Coast Motorway
- A9 – Lisbon Regional External Circular (CREL)
- A10 – Bucelas/Carregado/IC3 Motorway
- A12 – Setúbal/Montijo Motorway
- A14 – Figueira da Foz/Coimbra Norte Motorway

Inspection of the Environmental Management of projects was also a pertinent and relevant issue, as construction activities can cause significant impacts on the environment. It is essential to control these, with the aim of minimising negative impacts and this situation is monitored/controlled by Brisa's supervisory body.

Local communities are also monitored by the Communication Department, specifically by the Press Consultancy Service, which ensures that information is transmitted to local communities by making communication channels available to any media outlets that require clarification. During all long-term works, or works with a significant impact on communities, information is made available at the site through press conferences and regular press releases.

162 press releases were prepared during 2016.

24 Press Conferences/Meetings were held with journalists.

The Customer Support Service (VVC) offers several means of communicating with the company to customers of concessions operated by Brisa O&M, specifically by post, fax, email, pre-paid envelopes and forms found in stores and at the site, as well as complaints books.

Pre-paid envelopes can be obtained at any toll gate. Electronically, through the websites operated by concessionaires and sub-concessionaires, or by writing to the email addresses published on the websites.

Process management is centralised in Via Verde Contact which, where necessary, requests the opinion of the area responsible for the subject mentioned by the customer.

The sending of responses is also centralized.

At any time through the Via Verde website or by calling the assistance and information number 707 500 900, available 24 hours a day, 365 days per

year. Store staff are also able to answer customer questions. Access is provided to the grievance/complaint handling platform. Through the same platform, customers make contact with the Customers Department, which is always aware of customer contacts.

In specific cases telephone contact may be made with the customer.

Contributions by customers through the channels described above is very valid and relevant. In some cases, analysing the collected information allows specific improvements to be made at an operational and management level.

PR1 PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES FOR WHICH HEALTH AND SAFETY IMPACTS ARE ASSESSED FOR IMPROVEMENT

This indicator identifies the impacts on health and safety during the course of the organization's 3 phases of activity: Design, Construction and Operation.

DESIGN PHASE

The main objective of Design Safety Coordination (DSC) is to ensure the integration of the General Principles of Prevention into the creation of the project in order to reduce risks during the execution and usage/ maintenance phases once work is complete.

It is determined by statistics that over 50% of the causes of accidents in the construction and public works industry are attributable to the design phase. It is BEG's responsibility to act at this moment to facilitate the construction execution and management process within the scope of Safety in the Workplace.

Taking advantage of BEG’s extensive experience in works execution monitoring, the DSC will be able to draft, or control the drafting of Tender Specifications, the HSP (Health and Safety Plan) and the TC (Technical Compilation) in a more effective way.

Connections between BEG technicians are therefore essential to ensuring that all responsibilities as Safety Coordinator for the design phase are met (DL 273/2003).

CONSTRUCTION PHASE

The main aim of Project Safety Coordination (PSC) is to ensure the continuous improvement of working conditions at sites under the management responsibility of BEG, with an effective reduction in accident rates in relation to the sector of activity in question.

PSC will be exercised by BEG with the utmost rigour, in strict compliance with the legislation and documents originating from the design phase, particularly the HSP.

WARRANTY PERIOD

A Provisional Project Reception Inspection Report is drawn up at the end of the project.

During the warranty period, projects are monitored by Operating Centres that report any anomalies to BAE, which then informs BEG, allowing it to work with the Contractors to repair the anomalies in question.

At the end of the warranty period, a Final Project Reception Inspection Report is drawn up. If everything is compliant after this report, the bank guarantee is returned to the Contractor responsible for the execution of the project in question.

OPERATION PHASE

At the level of the day-to-day conservation of the road infrastructure network, the following elements have been identified and are considered

to be the most relevant and with the greatest impact on health and safety:

- Vertical Signs
- Horizontal Signs (road markings)
- Engineering Structures (structural elements)
- Road surfaces

TECHNICAL DESCRIPTION

Vertical Signs

As part of its vertical signs conservation process, Brisa Concessão Rodoviária is currently replacing the signs, considering the life span of these materials and their quality. From 2005 onwards, the company began to install vertical signs with level 3 “DG” reflective screens, in order to improve retro-reflection quality and to increase the replacement period, which is between 12 and 15 years, in compliance with the stipulations of the Quality Control Plan.

Horizontal Signs (road markings)

Thermoplastic material (spray) or water-based acrylic paint and the spraying of glass beads is used for horizontal signs.

Functional performance measurements are made, such as retro-reflection “RL”, luminance coefficient under diffuse illumination “Qd”, slip resistance “SRT” and thickness.

The life time of the Horizontal Signs paint used by Brisa Concessão Rodoviária depends on its wear. It is repainted when retro-reflection drops to values of 150 mcd.lx-1m-2

“ENGINEERING STRUCTURES”

Verification tests:

a) Inspections of engineering structures - Frequency:

CES (current engineering structures - PS, PI, PA, PP, PE and PH)

- 4 years - current engineering structures on the BCR network;
- 3-5 years - current engineering structures on other networks.

The first inspection is conducted during the project warranty period, and is carried out by the BEG/dep. team. Subsequent inspections are carried out by BCI teams, to which BEG/dep gives specific training to allow them to carry out this specific activity.

SES (special engineering structures - Viaducts, bridges and tunnels)

- 6 years - special engineering structures from all networks;

All inspections are performed by the BEG/dep team.

b) Identification of the required indicators:

- State of Repair of Engineering Structures Indicator (IM);
- Engineering Structures Annual Conservation Indicator (IG).

The description and calculation of the values of these two indicators are detailed in the attached document.

Brisa Group targets for the following indicators:

- State of Repair of Engineering Structures... $IM \leq 2$ **Good**
- Annual Conservation of Engineering Structures ... $IG \geq 80\%$ **Sufficient**

The following values have been calculated for the Indicators for the Brisa Group in 2016:

- State of Repair of Engineering Structures **IM = 1,16**
- It is estimated that the Annual Conservation of Engineering Structures is **IG = 80%**

Note: The calculation of the Annual Conservation of Engineering Structures (IG) indicator depends on information to be provided by Brisa O&M annually, which is not yet available. It is estimated, however, that the value of this indicator, in line with the previous year, will not be less than 80%.

With the approval of the aforementioned indicators by the regulatory body, it is possible to attest to the overall state of state of repair, as well as to the annual conservation status of the engineering structures that form part of the different managed networks.

ROAD SURFACES

a) Frequency of Surveys/Inspections to be conducted on road surfaces:

Surveys/inspections of operational parameters (adhesion and longitudinal regularity) are performed every 4 years; structural parameter surveys/ inspections are conducted at variable frequencies.

b) Identification of the required quality indicator:

The overall condition of road surfaces is characterised by the FUNCTIONAL IPAV performance indicator (IMS indicator). It is the same result as weighting a set of simple performance indicators (ICAT: adhesion, IREG: regularity, ICE: useful life) that are based on technical parameters measured by specific equipment. This activity forms part of the Road Surface survey area.

FUNCTIONAL IPAV	73
ICAT	63
IREG	71
ICE	100

PR2
TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES DURING THEIR LIFE CYCLE, BY TYPE OF OUTCOMES

No incidents under this indicator were recorded in 2016.

PR5
RESULTS OF SURVEYS MEASURING CUSTOMER SATISFACTION

The customer’s experience when making contact with the organisation sets the tone for their relationship with the company.

For this reason, customer experience assessment and monitoring is a constant concern of the Brisa Group.

The group systematically evaluates the services provided to its end customers and its internal customers.

As part of providing services to end customers, the following satisfaction assessment studies are carried out:

- Roadside Assistance Service
- Call centre service through the telephone number 707 500 900, under the “Roadside Assistance and Traffic” option
- Face-to-face service provided by the Via Verde stores

In 2016 these studies were carried out on a monthly basis, and the following results were obtained:

	ANNUAL AVERAGE
Roadside Assistance Service - (scale from 1 to 4)	3.70
Roadside Assistance and Traffic Hotline - (scale from 1 to 4)	3.30
Face-to-face service - Via Verde Stores - (scale from 1 to 10)	
Stores	8.79
Service Efficiency in Stores	9.47
Friendliness of Service in Stores	9.44
Quality of Store Infrastructure	8.28

HALF-YEARLY MONITORING OF THE SATISFACTION OF BRISA O&M CUSTOMERS

Brisa O&M was incorporated at the end of 2009; from 2010 onwards, this company also started to conduct satisfaction assessment studies of the concessionaires to which it provides services:

	AVERAGE
BCR	3.73
BRISAL	3.66
AEDL	3.64
AEBT	3.76
AELO	3.85

Considering the results obtained during the 2nd half of 2015 and the first half of 2016, Brisa O&M obtained customer satisfaction result:

	MÉDIA ANUAL
Overall performance of the company (on a scale of 1-4):	3.73

PR8
TOTAL NUMBER OF SUBSTANTIATED COMPLAINTS REGARDING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA

In 2016, no complaints were recorded regarding breaches of customer privacy and losses of customer data. However, the company is focused on the subject of data privacy and databases, which are increasingly important to its activity, both from the business management and compliance perspectives. This will become even more important from 2018 onwards, when EU Regulation 2016/679 of the European Parliament and of the Council, of 27 April 2016, becomes directly applicable in domestic law.

CORPORATE GOVERNANCE REPORT

Though no longer a listed company, brisa continues to abide by CMVM’s corporate governance code, to the extent of its own specificities

A. SHAREHOLDER STRUCTURE

I. CAPITAL STRUCTURE

- 1 – Brisa is a public limited liability company with a share capital of €6 000 000 (six million Euro), corresponding to 600 000 000 (six hundred million) nominal shares, with the nominal value of one cent per share, not listed in any regulated market.
- 2 – There are no restrictions to the free transmission of shares corresponding to Brisa share capital.
- 3 – The number of treasury shares is 47 352 614, accounting for 7.89% of its share capital.
- 4 – The Company did not enter into, and there are no agreements which would terminate or become effective in the event of change in the Company’s control.
- 5 – There exist no defensive measures in force, namely any limits to the number of votes exercisable by any shareholder.
- 6 – The company is not aware of any shareholder agreement that might restrict the transfer of Brisa securities or voting rights.

II. EQUITY HOLDINGS AND BONDS

7 – Holders of qualifying holdings in the Company’s share capital, according to the attendance list of the General Meeting held on November 7, 2016, are as follows:

SHAREHOLDER STRUCTURE

HOLDER	Nº OF SHARES	% SHARE CAPITAL	% VOTE*
José de Mello Investimentos, SGPS, S.A.	182 683 904	30.45%	33.06%
Arcus European Infrastructure Fund GP LLP	114 557 795	19.09%	20.73%
Tagus Holding S.àr.L.	243 497 061	40.58%	44.06%

* The number of treasury shares is 47 352 614

- 8 – The members of Brisa’s governing bodies do not hold shares nor bonds in the Company.
- 9 – The managing board does not hold special powers, namely in what concerns resolutions on capital increases.
- 10 – There are no relevant business relations between holders of qualifying shares and the Company.

B. CORPORATE BODIES AND COMMITTEES

I. GENERAL MEETING

a) Board of the General Meeting

11 – The Board of the General Meeting is made up of António Manuel de Carvalho Ferreira Vitorino, Chairman, Francisco Sousa da Câmara, vice-chairman and Tiago Severim de Melo Alves dos Santos, Corporate Secretary. The current mandate is for the 2014-2016 period.

b) Exercise of voting rights

12 – There are no special classes of shares nor any statutory rules restricting the exercising of voting rights by any shareholder, regardless of the number of shares the shareholder may hold.

13 – There are no limits to the exercise of voting rights.

14 – According to the articles of association, there are no resolutions requiring to be approved by majorities above those legally set forth.

II. MANAGEMENT AND SUPERVISION

a) Structure

15 – The corporate governance model adopted by Brisa consists of board of directors and supervisory board.

16 – Under the terms provided in the Company Code, the choice and election of the members of the corporate bodies are the strict responsibility of the general meeting.

17 – Under the terms set out in the articles of association, the board of directors is composed of a minimum of ten and maximum of fourteen members, elected for a 3-year mandate. The current mandate is for the 2014-2016 period. The composition and powers of the Board of Directors is as described in www.brisa.pt.

18 – The composition and powers of the executive board is as described in www.brisa.pt.

19 – Qualifications and other curricula information about the members of the board of directors are as described in pages 157-167.

20 – Except for member António José Nunes Lopes de Sousa, who is senior member of the staff, all remaining members of the Board of Directors; are related to reference shareholders of the Company.

21 – The company chart can be seen in page 156.

b) Functioning

22 – Not applicable.

23 – During 2016, the executive board held 48 meetings and the board of directors held 14 meetings; average attendance of members stood above 90%.

24 – The assessment of executive members' performance is carried out by the board of directors, the remuneration committee and the general meeting.

25 – In relation to the performance assessment of the executive board, the 2016 general meeting approved the statement of the remuneration

committee which determines that the variable remuneration payable exclusively to executive members of the board of directors must aim at rewarding respective performance namely in what concerns "...increase in efficiency and productivity and value creation in the long term for the Company and its shareholders, while aligning their interests with the Company's sustainability interests over longer cycles.

This alignment will be ensured namely by calculating the variable amount based on the company's financial and operational performance each year, the intrinsic quality of (recurrent and extraordinary) results posted, taking into consideration the situation of equity markets, Brisa's positioning in the markets where it operates, its business outlook in the medium and long term." Accordingly, payment of the variable component shall further take into consideration "... compliance with performance goals annually established, taking into account the following indicators: EBITDA, EBIT, NET PROFIT, ROE and ROA, taking into account the company's evolution and the remuneration level practised by major national and international peer companies.

- Other exceptional factors may be taken into account in the assessment of the performance of the Executive Committee or any of its members.
- Part of the variable remuneration will be paid following the closure of each financial year and determination of respective results; the other significant part will be deferred for a period of three years, and its payment will depend on the maintenance of Brisa's positive performance throughout such period, with a view to allow the maximisation of long term performance and the pursuing of strategic and structural goals and disincentive excessive risk-taking.

26 – The corporate offices of members of the Board of Directors are as described in pages 157-167.

c) Committees within the board of directors or supervisory board and managing directors

27 – The board of directors set up an executive committee composed of five members of the board of directors; respective regulation is available on the Company’s website.

28 – The executive committee is composed of Vasco Maria Guimarães José de Mello, Chairman, João Pedro Stilwell Rocha e Melo, João Pedro Ribeiro de Azevedo Coutinho, António José Lopes Nunes de Sousa and Daniel Alexandre Miguel Amaral.

29 – Not applicable. There are no further committees in addition to the executive committee.

III. SUPERVISION

a) Structure

30 – The Company’s supervisory body, according to the corporate governance model adopted, is the Supervisory Board.

31 – The Supervisory Board is made up as follows:

CHAIRMAN	— Francisco Xavier Alves
MEMBERS	— Tirso Olazábal Caveró
	— Joaquim Patrício da Silva

Alternate member:
Diogo da Gama Lobo Salema da Costa

External Auditor:
Alves da Cunha, A. Dias & Associados, SROC no. 74, represented by José Duarte Assunção Dias ROC no. 513

Alternate External Auditor:
José Duarte Assunção Dias ROC no. 585, with office at Rua Américo Durão, 6-8º Esqº, 1900 – 064 LISBOA

The mandate of the Supervisory Board is for a period of 3 years; the ongoing mandate is for the 2014-2016 period. The Supervisory Board consists of a chairman, two members and one external auditor. Members of the audit board started their functions in the 2008/2010 mandate.

32 – All members of the Supervisory Board are independent, under the terms of article 414, no. 5 of the Companies Code.

33 – Francisco Xavier Alves is Bachelor of Finance from ISCEF, and is a certified official auditor. His professional experience includes the coordination of financial audits, corporate restructuring and consultancy in the management and organizational fields.

Tirso Olazábal Caveró has a degree in Business Administration. From 1988 to 2002, he was executive director of Constância Editores S.A.. As from 2002 he became partner and director Olazábal & Artola, a consultancy company, and executive director and partner of Agoa Gestão de Resíduos S.A.. and Ociomedia. He is member of the Board of Directors of the Media Capital Group since 2006.

b) Functioning

34 – As Brisa’s securities are not listed, the regulations of the corporate bodies are not available to the public.

35 – During 2016 the Supervisory Board met 8 times, attended by all its members.

36 – The offices performed by the members of the Supervisory Board are as described in point no. 33.

c) Powers and duties

37 – The hiring of additional services to the external auditor is subject to the prior approval of the Supervisory Board. To this end, Brisa’s financial department issues an information note addressed to the chairman of the Supervisory Board identifying the service concerned, the terms of the hiring and the reasons for such hiring.

38 – Not applicable. There is no committee for financial matters.

IV. STATUTORY AUDITOR

39 – The external auditor is Alves da Cunha, A. Dias & Associados, SROC no. 74, represented by José Duarte Assunção Dias ROC no. 513.

40 – The official auditor performs its current functions since 2008.

41 – The official auditor does not provide any other services to the Company.

V. EXTERNAL AUDITOR

42 – The Company’s external auditor is Pricewaterhousecoopers & Associados, SROC, S.A., registered with CMVM under no. 20161485, represented by Rui Jorge dos Anjos Duarte, ROC no. 1532.

43 – The external auditor and respective partner started functions during 2016.

44 – Not applicable. As it does not have listed securities, Brisa is not required to have external auditor.

45 – The assessment of the external auditor is performed by the Supervisory Board on an annual basis.

46 – Identification of non-audit works performed by the external auditor.

Every year the Supervisory Board receives the auditor’s independence statement, which describes the services provided by the latter and other entities belonging to the same network, respective remuneration paid, possible threats to their independence and measures to safeguard such independence. Any identified threat to the auditor’s independence as well as respective safeguarding measures are assessed and discussed with the auditor. It should be added that the weight of the tax advisory bill is related to services regarding expatriates’ personal income tax.

In what concerns this specific aspect, given the importance of the issues concerned and the need for absolute celerity, the hiring of PwC seemed the most adequate in the light of its solid experience and technical know-how in the tax field, on par with its deep knowledge of the issues concerned. Moreover, PwC services in such processes are carried out on an exclusive basis, as they are developed by multi disciplinary teams including independent consultants and experts.

The auditor’s familiarity or trust risk was clearly identified in the Sarbanes-Oxly Act, as worthy of close attention, since the exercising of external audit functions for a company over the years may lead to excessive familiarity between auditor and auditee likely to influence auditor’s free and independent analysis.

This risk may be mitigated by limiting the number of years during which an auditor may audit a company, in line with what happens with the Supervisory Board, which after being re-elected more than twice is no longer considered independent, and may inclusively have to cease functions in such company, for incompatibility reasons.

Total remuneration invoice (in euro) to the External Auditor during 2016 was as follows.

47 – External auditor remuneration.

NATURE	AMOUNT (€)	%
AUDIT SERVICES	166 250	68,8%
OTHER RELIABILITY ENHANCING SERVICES	63 000	26,1%
TAX CONSULTANCY SERVICES	12 305	5,1%
TOTAL	241 555	

C.

INTERNAL ORGANISATION

I. ARTICLES OF ASSOCIATION

48 – Changes in the articles of association of the Company can only be introduced by the general meeting, as provided in the Companies Code.

II. REPORTING OF IRREGULARITIES

49 – On February 3, 2009, Brisa’s executive committee, upon the proposal of the sustainability and corporate governance committee, approved the creation of an internal irregularities reporting system described in pages 169 and 170.

50 – Brisa has an integrated risk management and control system in force, according to the internationally recognised COSO method (Committee of Sponsorship Organizations of the Treadway Commission), as described in pages 34 and 35.

51 – Hierarchical and functional liaisons are as described in table hereinabove.

52 – Functional areas with risk control duties are as described in point no. 50.

53 – The main risks to which the company is exposed while developing its business are as described in pages 34-39.

54 – The process of identification, assessment, follow up, control and management of risks is developed as provided in table pages 34-39.

55 – As pointed out hereinabove, Brisa has an integrated risk management and control system, covering financial risks in particular, as described in page 38. However, since it does not have listed securities, the Company is not subject to the reporting requirements provided in no. 1 sub-paragraph m) of article 245-A of the Securities Code.

III. INVESTOR RELATIONS

56 – Not applicable. Brisa does not have a formal investor relations structure as it does not have listed securities.

57 – Not applicable. Brisa does not have a representative for relations with the market as it does not have listed securities.

58 – Not applicable due to the reasons explained above.

IV. WEBSITE

59 – Brisa website address is www.Brisa.pt.

60 – Brisa is not a public company. However, corporate information as provided in article 171 of the CC is available on its website.

61 – The Company's articles of association are available on its website.

62 – The name and identification of the members of governing bodies are available on the website.

63 – The company's reports and accounts are available on its website.

64 – Minutes of general meetings are published on the company's website. Under the terms of its articles of association, the Company is not required to publish additional preparatory information for general meetings. However, documentation may be consulted by all shareholders at the company's head office, during the 15 days prior to the date of the general meeting concerned.

65 – Not applicable. The company does not publish this type of information as it is not a listed company.

D

REMUNERATION

I. DECISION POWERS

66 – The determination of the remuneration of the members of governing bodies, as provided in the CC, is the exclusive responsibility of shareholders at the general meeting, which entrusted such competence upon a remuneration committee composed exclusively of independent members. Remuneration of the managerial staff and remaining employees is the responsibility of the board of directors.

II. REMUNERATION COMMITTEE

67 – The remuneration committee is composed of Luís Miguel Cortes Martins (Chairman) and members Pedro Norton de Matos and Jaime Amaral Anahory. All members of the Remuneration Committee are independent, from both the Board of Directors or any company consultant; no natural or legal person was engaged to assist the remuneration committee in the performance of its duties that provides or has provided over the past three years, services to any structure subject to the Board of Directors, to the Board of Directors of the company or having any relation with the company consultant.

68 – Pedro Norton de Matos, member of the remuneration committee has knowledge and experience in remuneration policy issues.

III. REMUNERATION STRUCTURE

69 – Brisa is not a public interest company, under the terms and for the purposes of Law 26/2009, of 19 June. However, shareholders at the general meeting held on May 4, 2016 approved the statement submitted by this committee, as provided in pages 171 and 172.

70 – Information on the remuneration structure is provided in the statement referred to in the preceding paragraph.

71 – The remuneration of executive directors includes a significant variable component, which is paid only if pre-established performance criteria are met.

72 – Payment of part of the variable remuneration is deferred by 3 years.

73 – Not applicable, since remuneration does not include shares, bonds or options.

74 – Not applicable, since remuneration does not include shares, bonds or options.

75 – Not applicable, since remuneration does not include shares, bonds or options.

76 – Members of the board of directors are entitled to supplementary pension, under the terms of a general meeting resolution dated March 28, 1989.

IV. DISCLOSURE OF REMUNERATION

77 – Remuneration of the board of directors is as described in page 172.

78 – Members of the board of directors do not receive any type of compensation for exercising functions in any associate or subsidiary of Brisa.

79 – Not applicable, there is no remuneration paid under a profit sharing scheme.

80 – Not applicable, there was no compensation paid.

81 – Not applicable, Brisa is not a public interest company, under the terms and for the purposes of Law 28/2009, of 19 June.

82 – The chairman of the general meeting earns €5000 for his chairmanship in each general meeting. In 2016 two general meetings were held.

V. ARRANGEMENTS IMPLYING PAYMENTS

83 – Not applicable. It is not possible to restrict in advance a compensation which is ultimately decided by the court.

84 – Not applicable, there are no termination agreements for unfair dismissal.

VI. STOCK OPTION PLANS

85 – Not applicable. There are no stock option plans.

86 – Not applicable due to the reasons explained above.

87 – Not applicable due to the reasons explained above.

88 – Not applicable due to the reasons explained in no. 85.

E

TRANSACTIONS WITH RELATED PARTIES

I. CONTROL MECHANISMS AND PROCEDURES

89 – Transactions with related parties above a relevant amount, specifically €1 000 000, are subject to prior favourable opinion of the Supervisory Board.

90 – During 2016 no transactions with related parties have occurred.

91 – Whenever a transaction with related parties occurs involving an amount above that provided in paragraph 89 hereinabove, the Corporate Secretary prepares a memorandum addressed to the Supervisory Board, identifying the parties, the amounts involved and remaining terms of the transaction concerned to allow the Supervisory Board to issue its opinion thereon.

II. ELEMENTS CONCERNING TRANSACTIONS

92 – Financial statements are available on the company's website; there is no information on transactions with related parties according to IAS 24, as this type of transaction did not occur.

PART II – CORPORATE GOVERNANCE ASSESSMENT

Though a unlisted company, Brisa follows CMVM's Corporate Governance Code.

STATEMENTS OF FINANCIAL POSITION

STATEMENTS OF FINANCIAL POSITION

AS OF 31 DECEMBER 2016 AND 2015

(Amounts expressed in thousand Euro)

ASSETS	NOTES	DEC '15	DEC '16
NON-CURRENT:			
Tangible fixed assets	11	13 218	13 004
Intangible assets	12	1 574	2 184
Investments in subsidiaries and associates	13	293 836	421 182
Other investments	13	10 773	9 940
Deferred tax assets	14	2 523	2 097
Other debtors		494	925
Total non-current assets		322 418	449 332
CURRENT:			
Inventories		18	17
Trade and other receivables	15	15 461	15 288
Group companies	13	95 076	96 079
Current tax assets	8	5 240	-
Other current assets	16	16 975	20 162
Cash and cash equivalent	17	109 569	21 992
Total current assets		242 339	153 538
Total assets		564 757	602 870

SHAREHOLDERS' EQUITY

	NOTES	DEC '15	DEC '16
Share capital	18	6 000	6 000
Treasury shares - nominal value	19	(474)	(474)
Treasury shares - discounts and premiums	19	(228 246)	(228 246)
Legal and other reserves	20	276 390	368 554
Net profit for the year		458 477	411 571
Interim dividends	10	(66 318)	-
Total shareholders' equity		445 829	557 405

LIABILITIES

NON-CURRENT:

Pension liabilities	27	226	1 082
Provisions	22	6 194	4 690
Total non-current liabilities		6 420	5 772

CURRENT:

Provisions	22	9 462	485
Suppliers	23	2 278	3 369
Loans	17	25	28
Shareholders		66 529	235
Suppliers of investment	23	2 156	1 619
Current tax liabilities	8	-	2 176
Other current liabilities	24	32 058	31 781
Total current liabilities		112 508	39 693
Total liabilities and equity		564 757	602 870

The accompanying notes form an integral part of the statement of financial position for the period ended 31 December 2016.

THE CERTIFIED ACCOUNTANT NO. 62018

THE BOARD OF DIRECTORS

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED AS OF 31 DECEMBER 2016 AND 2015

(Amounts expressed in thousand Euro)



	NOTES	DEC '15	DEC '16
OPERATING INCOME:			
Rendered Services	3	30 452	31 102
Other operating income	3	1 233	2 976
Reversal of amortisation, depreciation, adjustments and provisions	3	1	25
Total operating income		31 686	34 103
OPERATING EXPENSES:			
External supplies and services	4	(12 741)	(10 917)
Personnel costs	6	(17 396)	(17 337)
Amortisation, depreciation and adjustments	11, 12 and 21	(2 233)	(2 524)
Provisions	22	(751)	(326)
Tax		(1 341)	(287)
Other operating expenses		(253)	(410)
Total operating expenses		(34 715)	(31 801)
Operating Results		(3 029)	2 302

	NOTES	DEC '15	DEC '16
Financial expenses	7	(1 498)	(2 889)
Financial income	7	2 927	2 251
Investment income	7	460 156	411 266
Profit before tax		458 556	412 930
Income tax	8	(79)	(1 359)
Net profit for the year		458 477	411 571
Other income and expenses recognised under Shareholders' Equity which will not be subsequently reclassified in results:			
Pension plan - remeasurements	14 and 27	271	(461)
Income recognised directly in shareholders' equity		271	(461)
Total net profit and loss and other comprehensive income for the year		458 748	411 110
Basic and diluted earnings per share (in Euro)	9	0.83	0.74

The accompanying notes form an integral part of the statement of financial position for the period ended 31 December 2016.

THE CERTIFIED ACCOUNTANT NO. 62018 THE BOARD OF DIRECTORS

STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY

FOR THE YEARS ENDED AS OF 31 DECEMBER 2016 AND 2015

(Amounts expressed in thousand Euro)



	NOTES	SHARE CAPITAL	TREASURY STOCK	LEGAL AND OTHER RESERVES	NET RESULT FOR THE YEAR	INTERIM DIVIDENDS	TOTAL
Balance at 01 January 2015		600 000	(275 599)	475 504	131 098	-	931 003
Net profit for 2015		-	-	-	458 477	-	458 477
Other income and expenses recognised under Shareholders' Equity:							-
Pension plan - remeasurements	14 and 27	-	-	271	-	-	271
Total net profit and loss and other comprehensive income for the year		-	-	271	458 477	-	458 748
Appropriation of net profit for 2014:							
Other reserves	10	-	-	20 568	(20 568)	-	-
Dividends	10	-	-	-	(110 530)	-	(110 530)
Share capital increase	18	216 000	(17 047)	(198 953)	-	-	-
Share capital decrease	18	(810 000)	63 926	-	-	-	(746 074)
Distribution of free reserves	10	-	-	(21 000)	-	-	(21 000)
Interim dividends	10	-	-	-	-	(66 318)	(66 318)
Balance at 31 December 2015		6 000	(228 720)	276 390	458 477	(66 318)	445 829
Balance at 01 January 2016		6 000	(228 720)	276 390	458 477	(66 318)	445 829
Net profit for 2016		-	-	-	411 571	-	411 571
Other income and expenses recognised under Shareholders' Equity:							-
Pension plan - remeasurements	14 and 27	-	-	(461)	-	-	(461)
Total net profit and loss and other comprehensive income for the year		-	-	(461)	411 571	-	411 110
Appropriation of net profit for 2015:							
Other reserves	10	-	-	292 683	(292 683)	-	-
Dividends	10	-	-	-	(165 794)	66 318	(99 476)
Distribution of free reserves	10	-	-	(200 058)	-	-	(200 058)
Balance at 31 December 2016		6 000	(228 720)	368 554	411 571	-	557 405

The accompanying notes form an integral part of the statement of financial position for the period ended 31 December 2016.

THE CERTIFIED ACCOUNTANT NO. 62018 THE BOARD OF DIRECTORS

STATEMENTS OF CASH FLOWS FOR THE YEARS

ENDED AS OF 31 DECEMBER 2016 AND 2015

(Amounts expressed in thousand Euro)



	NOTES	DEC '15	DEC '16
OPERATING ACTIVITIES:			
Cash receipts from clients		30 558	31 211
Cash paid to suppliers		(12 696)	(11 082)
Cash paid to personnel		(16 813)	(17 597)
Flows generated by operations		1 049	2 532
Income tax received/paid		(1 509)	8 256
Other receipts/(payments) relating to operating activities		(2 828)	(725)
Net cash from operating activities (1)		(3 288)	10 063
INVESTMENT ACTIVITIES:			
Cash receipts relating to:			
Investments in subsidiaries, associates and other	13	1 065 829	142 631
Interest and similar income		1 439	252
Dividends	7	36 756	152 275
		1 104 024	295 158
Cash payments relating to:			
Investments in subsidiaries, associates and other	13	(120 682)	(19 584)
Tangible and intangible fixed assets		(3 560)	(3 377)
		(124 242)	(22 961)
Net cash from investing activities (2)		979 782	272 197

	NOTES	DEC '15	DEC '16
FINANCING ACTIVITIES:			
Cash payments relating to:			
Share capital decreases	18	(745 981)	-
Interest and similar costs		(232)	(487)
Dividends	10	(131 513)	(365 807)
Derivative financial instruments	25	-	(3 546)
Net cash from financing activities (3)		(877 726)	(369 840)
FX effect (4)		(8)	-
Variation in cash and cash equivalents (5) = (1) + (2) + (3) + (4)		98 760	(87 580)
Cash and cash equivalents at the beginning of the year	17	10 784	109 544
Cash and cash equivalents at the end of the period	17	109 544	21 964

O anexo faz parte integrante da demonstração dos fluxos de caixa do exercício findo em 31 de dezembro de 2016.

O CONTABILISTA CERTIFICADO Nº 62018 O CONSELHO DE ADMINISTRAÇÃO

NOTES TO THE FINANCIAL STATEMENTS

1

INTRODUCTION

Brisa – Auto-Estradas de Portugal, S.A. (Company or Brisa) was founded in 28 September 1972 having as corporate object the construction, maintenance and operation of motorways and respective service areas under concession, as well as the study and execution of public infrastructures. On 22 December 2010, within the scope of its corporate reorganization, the Company assigned to Brisa – Concessão Rodoviária S.A. (BCR) the latter's position in the concession contract approved by Council of Ministers Resolution no. 198-B/2008, of 31 December (Brisa Concession). This operation included the transfer by Brisa of a number of assets and liabilities allocated to Brisa Concession, carried out in the form of contributions in kind for the realization of a share capital increase at BCR. As result of the reorganization process, the Company's object is now the holding of equity holdings, the management and development of new businesses and the provision of logistics support and financial and administrative management services.

In accordance with International Financial Reporting Standards (IFRS), financial investments were recorded at acquisition cost. Therefore, these financial statements do not include the effect of the consolidation of assets, liabilities, income and expenses, which will be included in the consolidated financial statements to approved and disclosed separately; these financial statements reflect total assets of €3 470 047 thousand, an equity amount of €717 152 thousand and net profit attributable to shareholders in the amount of €251 760 thousand.

2

MAIN ACCOUNTING POLICIES

2.1 BASIS OF PRESENTATION

The accompanying financial statements were prepared on a going concern basis from the Company's books and accounting records, restated to International Financial Reporting Standards, effective for the year beginning 01 January 2016, as adopted in the European Union. Such standards include the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), the International Accounting Standards (IAS) issued by the Accounting Standards Committee (ASC) and respective interpretations – SIC and IFRIC issued by the International Financial Reporting Interpretation Committee (IFRIC) and Standing Interpretation Committee (SIC). These standards and interpretations are hereinafter referred to collectively as "IFRS".

ADOPTION OF NEW STANDARDS AND INTERPRETATIONS, AMENDED OR REVISED

The following standards, interpretations, amendments and revisions applicable to the Company's operations, endorsed by the European Union with mandatory application in financial years starting on or after 01 January 2016, resulting in no relevant an impact on the Group's financial statements are as follows:

ADOPTION OF NEW STANDARDS AND INTERPRETATIONS, AMENDED OR REVISED



STANDARD/ INTERPRETATION	EFFECTIVE DATE (YEARS BEGINNING ON OR AFTER)	
Amendment to IAS 1 – Presentation of Financial Statements - Disclosure Initiative	01-Jan-16	Revision of disclosures within the scope of IASB project – Disclosure Initiative – indications relating to the materiality; order of the notes; subtotals; accounting policies; and disaggregation; and presentation of other comprehensive income items resulting from investments measured by the equity method.
Amendments to IAS 16 – Fixed Tangible Assets and IAS 38 – Intangible Assets - acceptable methods of depreciation	01-Jan-16	This amendment aim to introduce a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate and clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. The presumption established for the depreciation of intangible assets can only be rebutted when the intangible asset is expressed based on the generated revenue or when the use of economic benefits is highly co-related with generated revenue.
Amendment to IAS 19 – Defined benefit plans	01-Feb-15	This amendment appliesto contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service.
Amendment to IAS 27 - Separate financial statements	01-Jan-16	This amendment permits an entity to use the equity method to measure investments in subsidiaries, joint ventures and associates in the separate financial statements of the investor.
Amendment to IFRS 11 - Joint arrangements	01-Jan-16	This amendment provides guidance on accounting for the acquisition of an interest in a joint operation, in circumstances in which the activity of the joint operation constitutes a business as defined in IFRS 3 (a joint operation that is a business).
Improvements in international financial reporting standards (2010-2012 cycle)	01-Feb-15	These improvements involve the clarification of aspects relating to: IFRS 2 – Share-based payments: definition of vesting condition; IFRS 3 – Business combinations: accounting for contingent payments; IFRS 8 – Operating segments: disclosures relating to the judgements made by management in applying the aggregation criteria and clarification on the need to reconcile total assets per segment with to corresponding items in the entity’s financial statements; IAS 16 – Tangible fixed assets and IAS 38 – Intangible assets: need of proportionate restatement of accumulated depreciation under the revaluation method; and IAS 24 – Related parties disclosures: defines that an entity, or any member of a group of which it is a part that provides key management personnel services to the reporting entity or to the parent of the reporting entity is a related party; and IFRS 13 – Fair value: clarifications relating to the measuring of short-term accounts receivable or payable.
Improvements in international financial reporting standards (2012-2014 cycle)	01-Jan-16	These improvements involve the clarification of aspects relating to: IFRS 5 – Non-current assets held for sale and Discontinued Operations: introduces guidelines on how to act in case of changes in the expected realisation method (sale or distribution to shareholders); IFRS 7 – Financial instruments: disclosures: this standard clarifies the impacts of netting arrangements on financial positions and exempts interim financial statements from disclosures required concerning set-off and related arrangements; IAS 19 – Employee benefits: it defines the discount rate used, which is determined by reference to market yields at the end of the reporting period on high quality corporate bonds, or where there is no deep market in such bonds, by reference to market yields on government bonds. Currencies and terms of bond yields used must be consistent with the currency and estimated term of the obligation being discounted;

NON-ADOPTED NEW STANDARDS AND INTERPRETATIONS, AMENDED OR REVISED



NON-ADOPTED NEW STANDARDS AND INTERPRETATIONS, AMENDED OR REVISED		
Until the date of approval of these financial statements the European Union endorsed the following standards, the adoption of which is mandatory in future financial years:		
STANDARD/ INTERPRETATION	EFFECTIVE DATE (YEARS BEGINNING ON OR AFTER)	
IFRS 9 - Financial instruments (2009) and subsequent amendments	01-Jan-18	This standard is included in the revision of IAS 39 and establishes new requirements relating to the classification and measurement of financial assets and liabilities, the methodology to determine impairment losses and the application of hedging accounting rules..
IFRS 15 – Revenue from contracts with customers	01-Jan-18	The objective of this standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer, and it replaces IAS 18 - Revenue, IAS 11 - Construction contracts; IFRIC - Customer Loyalty Programmes and SIC 31 - Revenue - Transactions involving advertising services.

NON-ADOPTED NEW STANDARDS AND INTERPRETATIONS, AMENDED OR REVISED



These standards, although endorsed by the European Union, were not adopted by the Company in the year started at 31 December 2016 as their application is not yet mandatory. No significant impact is likely to occur as result of the adoption of the said standards.

The following standards, interpretations, amendments and revision that could be applicable to the Company’s operations, the adoption of which will be mandatory in future financial years, were not endorsed by the European Union, as of the date of these financial statements:

STANDARD/ INTERPRETATION	EFFECTIVE DATE (YEARS BEGINNING ON OR AFTER)	
IAS 7 – Cash flow Statement	01-Jan-17	Reconciliation of changes in funding liabilities with cash flows of financing activities.
IAS 12 – Income tax	01-Jan-17	Recognition of deferred tax assets measured at fair value, the impact of deductible temporary differences on the estimate of future taxable income and the impact of restrictions on the capacity to recover deferred tax assets.
IFRS 2 – Share-base payment	01-Jan-18	Measurement of share-based payment plans financially settled, recognition of changes, and the classification of share-based payment plans as settled in equity, where the employer is required to withhold tax.
IFRS 15 – Revenue from contracts with customers	01-Jan-18	Identification of performance obligations, time of recognition of revenue from PI licences, revision of indicators for classifying the principal relation versus agent, and new regimes for the simplification of the transition.
IFRS 16 – Leases	01-Jan-19	This standard specifies the principles to recognise, measure, present and disclose leases, replacing IAS 17 - Leases. The standard defines unique principles for accounting leases, applying to all leases except for those with a lease term of 12 months or less or where the underlying asset has low value. Leases will continue to be divided into operating or financial leases; IFRS 16 will not imply relevant changes in relation to those established in IAS 17.
Improvements in international financial reporting standards (2014-2016 cycle)	01-jan-17 / 01-jan-18	These improvements involve the clarification of aspects relating to: IFRS 1 - First adoption of IFRS: eliminates temporary exemptions for IFRS 7, IFRS 10 and IAS 19, as they are no longer applicable; IFRS 12 - Disclosures of interests in other entities: clarifies that its scope includes investments classified within the scope of IFRS 5, and that the only exemption refers to the disclosure of the summary of the financial information of such entities; and IAS 28 - Investments in associates and joint ventures: (i) clarifies that investments in associates or joint ventures held by a venture capital company can be measured at fair value according to IFRS 9, on an individual basis, and (ii) clarifies that an entity which is not an investment entity, but holds investments in associates and joint ventures which are investment entities can keep the measurement at fair value of the associate or joint venture in its own subsidiaries.
IFRIC 22 – Foreign currency transactions and advance consideration	01-Jan-18	Exchange rate to apply where the consideration is reveived or paid in advance.

No relevant effects are estimated for future financial statements from the application of these standards and interpretations, though its impact was not yet determined or quantified.

The financial statements were prepared in accordance with the historical cost convention, except in the case of financial instruments, which were recognised at fair value. The main accounting policies adopted are described below.

2.2. FINANCIAL INVESTMENTS

Investments in subsidiaries, which the Company controls, and associates, where it holds a significant influence, and other investments, are recorded at cost, minus any accumulated impairment losses.

Supplementary capital loans granted by the Company to these companies are recorded at respective nominal value and deducted, where the case may be, of any cumulative impairment losses. These supplementary capital loans are added to the value of the investments due to their permanent nature, and do not accrue interest; according to the commercial law in force, they can only be returned to the Company if those companies’ equity does not fall below the sum of the capital and non-distributable reserves following such return.

These companies’ dividends are recorded as financial income under caption “Results relating to investments”.

Additionally, when the Company assumes the liability for covering the companies’ losses, impairment losses will be affected by that amount; where the investment is reported at null value, a provision will be recorded.

2.3. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as held for sale if the amount is realisable through sale, as opposed to through continued use. This is considered to be the case where: (i) sale is probable and the asset is available for immediate sale in its current condition; (ii) management is committed to a sales plan; and (iii) the sale is expected to take place within a period of 12 months.

Non-current assets classified as held for sale are stated at the lower of book value or fair value less costs to sell.

2.4. INTANGIBLE ASSETS

Intangible assets, which comprise essentially licences and software are stated at cost less accumulated amortisation and impairment losses. Intangible assets are only recognised if it is probable that they will produce future economic benefits for the Company, they are controllable by the Company and their value can be determined reliably.

Internally generated intangible assets, namely current research and development costs, are recognised as costs when incurred.

Internal costs relating to the maintenance and development of software are recorded as expenses in the statement of profit and loss and other comprehensive income when incurred, except where such expenses relate directly to projects which will probably generate future economic benefits for the Company. In such cases these costs are capitalised as intangible assets.

Amortisation of such assets is provided on a straight-line basis as from the date the assets started being used, in accordance with the period the Company expects to use them.

2.5. TANGIBLE FIXED ASSETS

Tangible fixed assets used in rendering services or for administrative use are stated at cost, including expenses incurred with their purchase, less accumulated depreciation and, where applicable, impairment losses.

Depreciation of tangible fixed assets is provided on a straight-line basis over their estimated useful lives, as from when the assets become available for their intended use, in accordance with the following estimated periods of useful life:

	YEARS OF USEFUL LIFE
Buildings and other constructions	10 a 50
Basic equipment	1 a 20
Transport equipment	4 a 6
Administrative equipment	1 a 10
Tools and utensils	1 a 4

2.6. LEASING

Lease contracts are classified as: (i) finance leases, if substantially all the benefits and risks of ownership are transferred under them; and (ii) operating leases, if substantially all the benefits and risks of ownership are not transferred under them.

Leases are classified as finance or operating leases based on the substance rather than the form of the contract.

Fixed assets acquired under finance lease contracts as well as the corresponding liabilities are recorded in accordance with the financial method, where fixed assets, corresponding accumulated depreciation and liabilities are recognised in accordance with the contracted financial plan. In addition, interest included in lease instalments and depreciation of tangible fixed assets are recognised as expenses in the statement of profit and loss and other comprehensive income for the year they concern.

In the case of operating leases, lease instalments are recognised as expenses in the statement of profit and loss and other comprehensive income on a straight-line basis over the period of the lease contract.

2.7. IMPAIRMENT OF NON-CURRENT ASSETS

Impairment assessments are made as of the date of the statement of financial position and whenever an event or change in circumstances is identified that indicates that the book value of an asset may not be recovered. Where such indications exist, the Company will determine the recoverable value of the asset, so as to determine the possible extension of the impairment loss.

In situations in which the individual asset does not generate cash-flows independently of other assets, the estimated recoverable value is determined for the cash generating unit to which the asset belongs.

Whenever the book value of an asset exceeds its recoverable amount, an impairment loss is recognised by charge to the statement of profit and loss and other comprehensive income, under caption “Amortisation, depreciation and adjustments”.

The recoverable amount is the higher of the net selling price (selling price less costs to sell) and the usable value of the asset. Net selling price is the amount that would be obtained from selling the asset in a transaction between knowledgeable independent entities less the costs directly attributable to the sale. Usable value is the present value of the estimated future cash flows resulting from the continued use of the asset and sale thereof at the end of its useful life. Recoverable amounts are estimated for individual assets or, where this is not possible, for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior years are reversed when there are indications that such losses no longer exist or have decreased. The reversal of impairment losses is recognized in the statement of profit

and loss and other comprehensive income as “Reversal of amortisation, depreciation, adjustments and provisions”. However, impairment losses are reversed up to the amount that would have been recognised (net of amortisation) if the impairment loss had not been recorded in prior years.

2.8. FOREIGN CURRENCY ASSETS, LIABILITIES AND TRANSACTIONS

Transactions in currencies other than Euro are recorded at the rates of exchange in force on the dates of the transactions. At each date of the statement of financial position, monetary assets and liabilities denominated in foreign currency are translated to Euro at the rates of exchange in force as of those dates.

Exchange gains and losses resulting from differences between the exchange rates in force on the dates of the transactions and those in force on the dates of collection, payment or the date of the statement of financial position are recognised as income or expenses in the statement of profit and loss and other comprehensive income.

2.9. FINANCING COSTS

Loan expenses are recognised in the statement of profit and loss and other comprehensive income for the period to which they relate.

2.10. INVENTORIES

Merchandise and raw materials are stated at purchase cost, which is lower than their corresponding market value, using the average cost as a costing method.

Impairment losses in inventories are recorded by the amount of the difference between cost and the realisable value of inventories, if this is lower than cost.

2.11. RESULT OF OPERATIONS

Operating results include all operating expenses and income, whether recurring or not, including restructuring expenses, and expenses and income relating to operating assets (tangible fixed assets and intangible assets). Therefore, operating profit excludes net financial expenses, the results of investments and income tax.

2.12. PROVISIONS

Provisions are recognised when, and only when, there is an obligation (legal or implicit) resulting from a past event, under which it is probable that there will exist an outflow of resources to resolve the obligation and the amount of the obligation can be reasonably estimated. At each the date of each statement of financial position, provisions are reviewed and adjusted to reflect the best estimate as of that date.

Provisions for reorganization expenses are recognised whenever there is a formal detailed reorganization plan which has been communicated to the parties involved.

Current obligations deriving from onerous contracts are recognised and measured as provisions. An onerous contract exists whenever the Company is party in a contract in which the unavoidable expenses to meet obligations will exceed the economic benefits expected to be received under it.

2.13. FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual relationship.

CASH AND CASH EQUIVALENT

Amounts included in caption “Cash and cash equivalents” include cash, bank deposits and term deposits which can be immediately withdrawable with insignificant risk of change.

Caption “Cash and cash equivalents” in the cash flows statement also includes bank overdrafts, reflected in the statement of financial position in the caption “Loans”.

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial liabilities and equity instruments are classified in accordance with the substance of the contract, independently of its legal form. Equity instruments are contracts that reflect a residual interest in the Company’s assets after deduction of the liabilities.

Equity instruments issued by the Company are recorded at the amount received net of costs incurred for their issuance.

FINANCIAL ASSETS AND LIABILITIES AT AMORTISED COST

Financial assets and liabilities at amortised costs, deducted in the case of assets, of any accumulated impairment losses include:

- Accounts receivable;
- Loans;
- Accounts payable

The amortised cost is the amount at which a financial asset or liability is measured at initial recognition, less principal repayments, and plus or minus cumulative amortisation, using the effective interest rate method, of any difference between such original amount and the amount at maturity. The effective interest rate is the rate that discounts estimated future payments or receivables to the net amount recognized in the financial asset or liability.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

The Company may contract derivative financial instruments to hedge the financial risks to which it is exposed.

The Group contracts derivative financial instruments are in accordance with internal policies approved by the Board of Directors.

Derivative financial instruments are measured at their fair value. The method for recognising these financial instruments will depend on the nature and purpose of the transaction.

Hedge accounting

Derivative financial instruments are designated as hedging instruments in accordance with provisions of IAS 39, as to their documentation and effectiveness.

Changes in the fair value of derivative instruments designated as fair value hedges are recognised in the income statement for the year, together with changes in the fair value of the asset or liability subject to that risk.

Changes in the fair value of derivative financial instruments designated as cash flow hedging instruments are recorded in caption “Other reserves” as concerns their effective component, and in the income statement as concerns their non-effective component. The amounts recorded under “Other reserves” are transferred to the income statement in the same year in which the effect on the hedged item is reflected in the income statement.

Hedge accounting is discontinued when the hedging instrument matures or is sold or exercised or when the hedging relationship ceases to comply with requirements of IAS 39.

Trading instruments

Changes in the fair value of derivative financial instruments which are contracted for financial hedging purposes, in accordance with the Company’s risk management policies, but do not comply with requirements of IAS 39 to qualify for hedge accounting, are recorded in the statement of profit and loss and other comprehensive income for the year in which they occur.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial assets and liabilities is determined as follows:

- The fair value of standard financial assets and liabilities traded on active markets is determined based on their listed prices (Level 1);
- The fair value of other assets and liabilities (except derivative financial instruments) is determined in accordance with generally accepted valuation models, based on discounted cash flow analyses, considering prices on current market transactions (Level 2);
- The fair value of derivative financial instruments is determined based on listed prices. Where listed prices are not available, fair value is determined based on analyses of discounted cash flow, which include assumptions not supported by prices or market rates (Level 3).

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets carried at amortized cost are assessed for indicators of impairment, where there is evidence that these assets may be impaired. Such financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been negatively affected.

In what concerns financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset’s carrying amount and the present value of the estimated future cash flows, discounted at the financial asset’s original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the fair value of the financial asset.

The impairment losses are recorded in the statement of comprehensive income in the caption "Amortisation, depreciation and adjustments" in the year they are identified.

In the subsequent period, if the amount of the impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the income statement, to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. The reversal of impairment losses is recorded in the statement of profit and loss and other comprehensive income in Caption "Reversal of amortisation, adjustments and provisions".

DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

The Company derecognises financial assets only when the contractual rights to receive the cash flows expire or when the financial assets and the risks and rewards of its ownership are transferred to another entity. The Company derecognises transferred financial assets in relation to which it still retains significant risks and benefits, insofar as their control was transferred.

The Company derecognises financial liabilities when, and only when, the corresponding obligation is either discharged or cancelled or expires.

2.14. SHARE CAPITAL AND TREASURY SHARES

Ordinary shares are classified in equity, as share capital.

Expenses directly attributed to the issuance of new shares or other equity instruments are recorded as deduction, net of tax, at the amount received

resulting from the issue. Expenses directly attributed to the issuance of new shares or options for the purchase of a business are deducted at the value of the issue.

Treasury shares are recorded at cost, as a decrease in shareholders' equity. Income or expenses on the sale of treasury shares are recorded in the caption "Other reserves".

2.15. DIVIDEND DISTRIBUTION

The distribution of dividends to holders of share capital is recognised as liabilities in the Company's financial statements, in the period on which such dividends are approved by shareholders until the date of their financial settlement, or, in case of interim dividends, when approved by the Board of Directors.

2.16. PENSION LIABILITIES

The Company has assumed the commitment to provide its employees with retirement pension supplements under a defined benefits plan, having constituted autonomous pension funds for the purpose.

In order to estimate the amount of its liability for the payment of such supplements, periodic actuarial calculations are made using the Projected Unit Credit Method. Remeasurement resulting (i) from the difference between the assumptions used to determine liabilities with the plan and the actual evolution of actuarial variables, (ii) changes introduced in the assumptions and (iii) the difference between expected return on the fund's assets and actual return are reflected in shareholders' equity and expenses with benefits granted are reflected in the statement of profit and loss and other comprehensive income for the year in which they are incurred.

Pension liabilities recognised as of the date of the statement of financial position correspond to the present value of the liabilities under the defined benefits plans, adjusted for remeasurements, less the fair value of the net assets of the pension funds.

Contributions made by the Company to the defined pension plans are recognised as expense on the dates they are due.

2.17. CONTINGENT ASSETS AND LIABILITIES

Contingent assets are not recognised in the financial statements, but are disclosed in the notes to the financial statements, when a future economic benefit is likely.

Contingent liabilities are not recognised in the financial statements but are disclosed in the notes to the financial statements, unless the possibility of an outflow of funds affecting future economic benefits is remote, in which case they are not subject to disclosure.

2.18. REVENUE

Income from services rendered is recognised in the statement of profit and loss and other comprehensive income as of completion of the services as of the date of the statement of financial position.

2.19. ACCRUAL BASIS

Dividends from investments are recognised as income in the year they are attributed

Interest and financial income are recognised on an accrual basis in accordance with the effective interest rate.

Expenses and income are recognised in the year to which they relate independently of when they are paid or received. Income and expenses for which their real amount is not known are estimated.

Expenses and income attributable to the current period, which will only be paid or received in future periods, as well as the amounts already paid and received in the current period that relate to future periods and will be attributed to each of these periods, are recorded in the captions "Other current assets" and "Other current liabilities".

2.20. INCOME TAX

Tax on income for the year is calculated based on the taxable results and takes into consideration deferred taxation.

Current income tax is determined based on the taxable income for the year. Taxable income differs from accounting results since it excludes several expenses and income which will only be deductible or taxable in subsequent years (timing differences), as well as expenses and income which will never be deductible or taxable under the terms of the tax rules in force (permanent differences).

Deferred taxes refer to temporary differences between the amounts of assets and liabilities for accounting purposes and the corresponding amounts for tax purposes, as well as those resulting from tax benefits obtained and temporary differences between tax and accounting income.

Deferred tax assets and liabilities are calculated and assessed periodically using the tax rates expected to be in force when the timing differences will reverse.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are only recognised when there is reasonable expectation that there will be sufficient future taxable income to utilise them. The temporary differences underlying deferred tax assets are reappraised annually in order to recognise or adjust the deferred tax assets based on the current expectation of their future recovery.

2.21. CRITICAL JUDGEMENTS/ESTIMATES IN APPLYING THE ACCOUNTING

The preparation of financial statements in accordance with the IFRS recognition and measurement principles require the Board of Directors to make judgements, estimates and assumptions that can affect the value of the assets and liabilities presented, especially deferred tax assets, intangible assets, tangible fixed assets, impairment losses and provisions, the disclosure of contingent assets and liabilities as of the date of the financial statements as well as income and costs.

These estimates are based on the best knowledge available at the time and on the actions planned, and they are constantly revised based on the information available. Changes in the facts and circumstances can result in revision of the estimates, and so the actual future results can differ from such estimates.

Significant estimates and assumptions made by the Board of Directors in preparing these financial statements include namely, assumptions used to value liabilities with pensions, deferred taxes, the useful life of intangible and tangible fixed assets, provisions and impairment analyses.

2.22. SUBSEQUENT EVENTS

Events that occur after the date of the statement of financial position that provide additional information on conditions that existed as of the said date are reflected in the financial statements.

Events that occur after the date of the statement of financial position that provide additional information on conditions that existed after the said date are reflected in the notes to the financial statements.

3
OPERATING INCOME

Operating income for the years ended as of 31 December 2016, and 2015 are made up as follows:

	'15	'16
Services rendered:		
Logistic and administrative support	30 410	31 089
Other	42	13
	30 452	31 102
Other operating income:		
Reimbursement of stamp duty by the tax authority	-	948
Corporate offices in other companies	455	709
Gains on tangible fixed assets	-	20
Other	778	1 299
	1 233	2 976
Reversal of amortisation, depreciation, adjustments and provisions:		
Provisions (Note 22)	1	25
	31 686	34 103

In the years ended at 31 December 2016 and 2015 operating income with associates and subsidiaries totalled €33 046 thousand and €31 191 thousand, respectively (Note 13).

4 EXTERNAL SUPPLIES AND SERVICES

The External Supplies and Services Account for the years ended 31 December 2016 and 2015 is made up as follows:

	'15	'16
Maintenance and repair	2 457	3 604
Specialised works		
Technical and administrative assistance	4 025	2 267
Legal and tax advice	1 214	612
Studies and opinions	861	270
Other	737	497
Advertising costs	530	803
Rents and rentals	499	535
Communications	301	251
Other	2 117	2 078
	12 741	10 917

5 OPERATING LEASES

Expenses of €514 thousand and €483 thousand relating to instalments under operating lease contracts were recognised in the years ended 31 December 2016 and 2015, respectively.

Lease instalments payable under operating lease contracts in force as of 31 December 2016, and 2015 are as follows:

YEAR	'15	'16
2016	265	-
2017	221	366
2018	192	328
2019	83	209
2020	-	54
	761	957

6 PERSONNEL COSTS

Personnel costs for the years ended 31 December 2016 and 2015 are made up as follows:

	'15	'16
Remuneration	11 389	11 761
Wage expenses	2 636	2 529
Bonuses	2 269	1 868
Retirement benefits:		
Defined contribution (Note 27)	312	310
Defined benefits (Note 27)	187	222
Other	603	647
	17 396	17 337

In the years ended 31 December 2016 and 2015, the average number of employees was 204 and 190, respectively.

7 NET FINANCIAL RESULTS

Financial expenses and losses for the years ended 31 December 2016 and 2015 are made up as follows:

	'15	'16
Derivative financial instruments (Note 24)	-	1 279
Financial revision of AEDL put option Auto-Estradas do Douro Litoral, S A (AEDL) (Note 22)	-	146
Exchange losses	33	7
Interest expense	-	1
Other	1 465	1 456
	1 498	2 889

Income and gains for the years ended 31 December 2016 and 2015 are made up as follows:

	'15	'16
Interest gained	2 364	2 222
Financial revision of the disposal of shares:		
Brisa Inovação e Tecnologia, S.A. (BIT) ^{a)}	13	23
Via Verde Portugal, Gestão de Sistemas de Cobrança, S.A. (Via Verde) ^{b)}	128	-
Exchange gains	12	6
Financial update of AEDL put option (Note 22)	190	-
Other	220	-
	2 927	2 251

a) This amount corresponds to the financial restatement of accounts receivable from the disposal of 2% and 3% of the stake in BIT, occurred in 2016 and 2015, respectively.

b) This amount corresponds to the financial restatement of a receivable from Ascendi Group, SGPS, S.A., resulting from the disposal in 2010 of 15% of the share capital of Via Verde, which was fully settled on 27 September 2015 (Note 15).

In the years ended at 31 December 2016 and 2015 the company recorded interest earned with group companies, associates and subsidiaries totalling €2 045 thousand and €1 807 thousand, respectively (Note 13).

(a) Income from group companies and associates correspond to dividends received from associates during those years.

(b) This amount represents adjustments to estimated liabilities assumed directly by the Company, under the agreement entered with the company responsible for the construction of AEDL's infrastructure.

Investment income for years ended 31 December 2016 and 2015 is made up as follows:

	'15	'16
Losses on group and associate companies ^{a)} :		
Brisa Concessão Rodoviária, SGPS, S A (BCR SGPS)	-	113 652
Brisa O&M, S A (Brisa O&M)	26 739	25 819
Transport Infrastructure Investment Company SCA (SICAR)	1 334	5 160
Via Verde	2 746	3 419
Controlauto - Controlo Técnico Automóvel, S A (Controlauto)	1 708	2 409
Brisa Conservação de Infra-Estruturas, S A (BCI)	847	1 503
M CALL, S A (M Call)	246	342
SICIT - Sociedade de Investimento e Consultoria em Infra-estruturas de Transportes, S A (SICIT)	88	88
BIT	3 048	-
	36 756	152 392
Gains on the disposal of investments:		
BIT	190	181
BCR SGPS	655 257	-
	655 447	181
Gains on investment liabilities (Note 22):		
AEDL ^{b)}	1 327	80
Reversals of provisions for investments (Note 22):		
AEDL	1 099	-
Impairment reversals/(losses) in investments (Notes 13 and 21):		
Brisa Internacional, SGPS, S A (Brisa Internacional)	(239 145)	257 820
BRISA Engenharia e Gestão, S A (BEG)	-	488
Via Oeste, SGPS, S A (Via Oeste)	5 309	305
	(233 836)	258 613
Losses on investments:		
BIT	(637)	-
	460 156	411 266

8

INCOME TAX

The Company is subject to Corporate Income Tax (IRC) at the normal rate of 21%, which can be increased by a municipal surcharge of up to a maximum rate of 1.5% of the taxable income.

Additionally, the nominal tax rate may vary from 21% to 29.5%, depending on the amount of taxable income (TI) determined, which will be subject to a tax surcharge at the following rates:

- State surtax

3% on TI if €M 1.5 < TI <= €M 7.5;
5% on TI if €M7.5 < TI <= €M35; and
7% on TI > €M35

The Company is taxed for Corporate Income Tax under the Special Regime for the Taxation of Group of Companies (RETGS) included in a group where it is the parent company and which further includes subsidiaries BEG, Brisa O&M, BIT, Brisa Internacional, Via Oeste, Via Verde Serviços, S.A. (VVS), Via Verde Contact, S.A. (VVC), M Call and BCI.

This regime consists of the sum of the taxable results of all the companies included in the tax perimeter, less distributed dividends, to which the relevant Corporate Income Tax rate and municipal Surcharge will be applied.

In accordance with portuguese current legislation, tax returns are subject to review and correction by the tax authorities during a period of four years (five years for social security), except where tax losses exist or tax benefits have been granted or inspections, claims or appeals are in progress, in which case, depending on the circumstances, the period can be extended or suspended. Therefore, the Company's tax returns for the years 2013 to 2016 may still be subject to review and correction.

The Board of Directors believes that any possible corrections resulting from revisions/inspections of these tax returns will not have a significant effect on the financial statements as of 31 December 2016.

The deadline for the deduction of reportable tax losses (RTL) is as follows:

FISCAL YEAR	DEDUCTION PERIOD
2016	12
2015	12
2014	12
2013	5
2012	5

The deduction amount to be made in each of the tax periods is limited to 70% of respective taxable income.

During the regular inspections that were carried out, Tax Authorities requested corrections to the income tax base and tax, in particular as regards the activity carried out under the concession contract. The Board of Directors, based on technical advice from external consultants, believes that such corrections are unfounded. In this context, the Board of Directors has used the instruments at its disposal to defend its views, continuing to believe in the goodness of its arguments and in a favourable outcome of all existing disputes with the Tax Authorities.

The corrections relating to 2008, 2009 and 2010 stemming from the securitisation of future receivables, result from the said Authority concluding as to the inadequacy of the legal and tax framework applied to the securitization of future receivables in the amount of €400 000 thousand, carried out on December 19, 2007; the said authority considers that it does not comply with the legislation for the securitization of receivables established in Decree-law 453/99, of 5 November, as amended by Decree-Law 82/02 of 5 April, and consequently with the tax law provided in Decree-Law 219/2001, of 4 August, as amended by Decree-law 303/2003 of 5 December.

In view of the above, the Tax Authority considers that:

- The amount of €400 000 thousand received pursuant to the said operation was unduly added to the taxable income of 2007;
- Income corresponding to the services giving rise to the assigned future receivables are to be recognized, in both tax and accounting terms, in the tax periods in which they are generated;
- An approximate amount of €100 000 thousand relating to the tax benefit under decree-law 287/99 likely to be used up to 2007, was unduly deducted to the corporate tax income for that year;
- When determining the taxable income relating to 2008 to 2010 (already inspected) an amount of €80 000 thousand was unduly deducted from the taxable income relating to each of the said years.

The Board of Directors of Brisa, based on the opinion of its legal and accounting experts and consultants, deems that the recognition of the said operation is adequately based from the legal point of view, and therefore in accounting and tax terms as well. Consequently, the Board of Directors of Brisa considers that the corrections proposed in the Tax Inspection Reports relating to years 2007 to 2010 are unjustified, as described in the judicial claim (relating to the taxable periods of 2007 and 2010) submitted to the tax authority.

Corrections to the taxable income mentioned above resulted in tax enforcement proceedings, which are suspended until a decision is reached. To obtain the suspension of tax enforcement proceedings relating to the taxable periods of 2008 and 2009 the Company provided bank guarantees in the amount of €64 129 thousand (Note 26).

With respect to the tax periods of 2011 and 2012, the TA made the same correction to taxable income, although on a non-consolidated basis, since the securitisation operation was transferred to BCR, jointly with the assets and liabilities allocated to Brisa Concession.

Within the scope of the RETGS, additional corporate income tax assessment relating to 2012 and 2011 was issued in the name of Brisa (controlling company), but the tax foreclosure was suspended against guarantee provided by BCR, in the amount of €30 948 and €25 736 thousand, respectively.

Income tax recognised in the years ended 31 December 2016 and 2015 was made up as follows:

	'15	'16
Current tax	(237)	482
Deferred taxation (Note 14)	297	599
Taxes on previous years income	19	278
	79	1.359

The reconciliation between profit before income tax and income tax for the year is as follows:

	'15	'16
Profit before tax	458 556	412 930
Expected tax (21% rate)	96 297	86 715
Capital income	(7 719)	(32 002)
Provisions	(715)	(307)
Impairment losses	49 106	(54 309)
Accounting gains	(137 673)	(43)
Pension fund	39	47
Other	171	165
Autonomous taxation	257	196
Municipal surcharge	-	20
Taxes on previous years income	19	278
(Set up)/reversal of deferred taxation (Note 14)	297	599
Income tax	79	1 359

As of 31 December 2016 and 2015, current income tax assets and liabilities were made up as follows:

	'15	'16
Current tax assets:		
Corporate Income Tax (CIT):		
Payment on account	16 526	-
Tax withheld	173	-
Tax estimate ^{a)}	(11 459)	-
	5 240	-
Current tax liabilities:		
Corporate Income Tax (CIT):		
Payment on account	-	9 891
Tax withheld	-	155
Tax estimate ^{a)}	-	(12 222)
	-	(2 176)

a) This amount corresponds to the estimated tax amount determined under the RETGS for its group of companies.

9

EARNINGS PER SHARE

Basic and diluted earnings per share for the years ended 31 December 2016 and 2015 were determined based on the following amounts:

	'15	'16
Result for the purpose of determining the basic and diluted earning per share (net profit for the year)	458 477	411 571
Average number of shares for the purpose of determining the basic and diluted earning per share	552 647 386	552 647 386
Basic and diluted earnings per share (in Euro)	0.83	0.74

At 31 December 2016 and 2015 no diluting effects have occurred; hence, basic and diluted earnings per share are identical.

Capital increases and decreases occurred during the year ended at 31 December 2015 (Note 18) had no impact on basic and diluted earnings per share in the years ended as of the said dates.

10

DIVIDENDS AND APPROPRIATION OF RESULTS

At the General Shareholders Meetings held on 04 May 2016 and 12 May 2015 it was decided to pay dividends of €0.18 per share and €0.20 per share, totalling €99 476 thousand and €110 530 thousand, respectively, concerning the net profit for the years ended 31 December 2015 and 2014. It was further decided to transfer to free reserves the remaining amount of respective net profit for the said years.

At the General Shareholders Meetings held on November 7, 2016 and July 20, 2015 it was decided to pay dividends of €0.362 per share, in the amount of €200 058 thousand and €21 000 thousand corresponding to gross dividends of €0.04 per share, respectively, via the distribution of reserves.

At the General Shareholders Meeting held on 22 December 2015 it was decided to pay interim dividends of €0.12 per share, totalling €66 318 thousand of the net profit for the year ended as of 31 December 2015, which were paid to shareholders on January 25, 2016.

11

TANGIBLE FIXED ASSETS

Changes in other tangible fixed assets and corresponding accumulated depreciation and impairment losses in the years ended 31 December 2016 and 2015 are as follows:

'15

	LAND AND NATURAL RESOURCES	BUILDINGS AND OTHER CONSTRUCTIONS	BASIC EQUIPMENT	TRANSPORT EQUIPMENT	ADMINISTRATIVE EQUIPMENT	TOOLS AND UTENSILS	FIXED ASSETS IN PROGRESS	TOTAL
Gross assets:								
Opening balance	3 064	9 130	8 347	408	18 104	17	2 738	41 808
Increases	-	120	883	4	975	1	12	1 995
Write-downs	-	-	(80)	-	(1)	-	(1 731)	(1 812)
Transfers	-	134	760	-	112	-	(1 006)	-
Closing Balance	3 064	9 384	9 910	412	19 190	18	13	41 991
Cumulative depreciation and Impairment losses:								
Opening balance	-	3 644	6 394	356	16 826	14	1 731	28 965
Increase	-	208	726	17	666	3	-	1 620
Write-downs	-	-	(80)	-	(1)	-	(1 731)	(1 812)
Closing Balance	-	3 852	7 040	373	17 491	17	-	28 773
Net value	3 064	5 532	2 870	39	1 699	1	13	13 218

'16

	LAND AND NATURAL RESOURCES	BUILDINGS AND OTHER CONSTRUCTIONS	BASIC EQUIPMENT	TRANSPORT EQUIPMENT	ADMINISTRATIVE EQUIPMENT	TOOLS AND UTENSILS	FIXED ASSETS IN PROGRESS	TOTAL
Gross assets:								
Opening balance	3 064	9 384	9 910	412	19 190	18	13	41 991
Increases	-	28	924	8	622	2	-	1 584
Disposals	-	-	-	(48)	(16)	-	-	(64)
Write-downs	-	-	(270)	-	(29)	-	-	(299)
Transfers	-	-	12	-	-	-	(12)	-
Closing Balance	3 064	9 412	10 576	372	19 767	20	1	43 212
Cumulative depreciation and Impairment losses:								
Opening balance	-	3 852	7 040	373	17 491	17	-	28 773
Increase	-	219	776	16	773	1	-	1 785
Disposals	-	-	-	(35)	(16)	-	-	(51)
Write-downs	-	-	(270)	-	(29)	-	-	(299)
Closing Balance	-	4 071	7 546	354	18 219	18	-	30 208
Net value	3 064	5 341	3 030	18	1 548	2	1	13 004

12

INTANGIBLE ASSETS

Changes in intangible fixed assets and corresponding accumulated depreciation and impairment losses in the years ended 31 December 2016 and 2015 are as follows:

	'15			'16		
	LICENSES AND SOFTWARE	INTANGIBLE ASSETS IN PROGRESS	TOTAL	LICENSES AND SOFTWARE	INTANGIBLE ASSETS IN PROGRESS	TOTAL
Gross assets:						
Opening balance	4 287	271	4 558	4 283	485	4 768
Increases	839	287	1 126	1 203	142	1 345
Write-downs	(916)	-	(916)	(133)	-	(133)
Transfers	73	(73)	-	219	(219)	-
Closing Balance	4 283	485	4 768	5 572	408	5 980
Cumulative depreciation impairment losses:						
Opening balance	3 497	-	3 497	3 194	-	3 194
Increase	613	-	613	735	-	735
Write-downs	(916)	-	(916)	(133)	-	(133)
Closing Balance	3 194	-	3 194	3 796	-	3 796
Net value	1 089	485	1 574	1 776	408	2 184

13

INVESTMENTS

Investments in subsidiaries, associates and other investments as well as respective changes occurred in the years ended at 31 December 2016 and 2015 are as follows:

								'15				'15
	SHAREHOLDING % HELD	OPENING BALANCE	INCREASES	DECREASE	DISPOSALS	REVERSAL OF/IMPAIRMENT LOSSES (NOTES 7 AND 21)	CLOSING BALANCE	ACQUISI- TION VALUE	CUMULATIVE IMPAIRMENT LOSSES (NOTE 21)	CLOSING BALANCE		
Investments in subsidiaries:												
BCR SGPS ^{(a) (c)}	70%	555 974	-	(289 000)	(111 592)	-	155 382	155 382	-	155 382		
Via Oeste	100%	48 143	-	-	-	5 309	53 452	129 421	(75 969)	53 452		
Controlauto	59 552%	11 007	-	-	-	-	11 007	11 007	-	11 007		
BIT ^{(a) (c)}	81 21%	10 484	-	(918)	(341)	-	9 225	9 225	-	9 225		
BEG	100%	7 149	-	-	-	-	7 149	15 659	(8 510)	7 149		
BCI	100%	3 782	-	-	-	-	3 782	3 782	-	3 782		
BI BV	100%	1 545	-	-	-	-	1 545	1 545	-	1 545		
Brisa Internacional ^(d)	100%	240 023	200	-	-	(239 145)	1 078	258 898	(257 820)	1 078		
M Call	100%	955	-	-	-	-	955	955	-	955		
Via Verde	60%	773	-	-	-	-	773	773	-	773		
Brisa O&M	100%	500	-	-	-	-	500	500	-	500		
VVS	100%	50	-	-	-	-	50	50	-	50		
VVC	100%	50	-	-	-	-	50	50	-	50		
Investments in associates:												
SICAR (Note 26)	35 58%	42 700	-	-	-	-	42 700	42 700	-	42 700		
AEBT	30%	6 160	-	-	-	-	6 160	6 160	-	6 160		
SICIT	35%	18	-	-	-	-	18	18	-	18		
Transport Infrastructure, S. à r.l.	35%	6	-	-	-	-	6	6	-	6		
TIICC	35%	4	-	-	-	-	4	4	-	4		
AEDL ^(f)	45%	-	-	-	-	-	-	256 406	(256 406)	-		
Brisal ^(f)	70%	-	-	-	-	-	-	194 219	(194 219)	-		
		929 323	200	(289 918)	(111 933)	(233 836)	293 836	1 086 760	(792 924)	293 836		
Other Investments:												
AELO ^{e)}	15%	7 215	317	-	-	-	7 532	7 532	-	7 532		
ELOS	16.3%	2 836	-	-	-	-	2 836	2 836	-	2 836		
I-Start	-	228	72	-	-	-	300	300	-	300		
F-Hitec	-	97	-	-	-	-	97	97	-	97		
ELOS - OM	16.3%	8	-	-	-	-	8	8	-	8		
		10 384	389	-	-	-	10 773	10 773	-	10 773		

							'16				'16
	SHAREHOLDING % HELD	OPENING BALANCE	INCREASES	DECREASE	DISPOSALS	REVERSAL OF/IMPAIRMENT LOSSES (NOTES 7 AND 21)	CLOSING BALANCE	ACQUISITION VALUE	CUMULATIVE IMPAIRMENT LOSSES (NOTE 21)	CLOSING BALANCE	
Investments in subsidiaries:											
Brisa Internacional ^{a)}	100%	1 078	-	(100)	-	257 820	258 798	258 798	-	258 798	
Via Oeste ^{a)}	100%	53 452	-	(100)	-	305	53 657	129 321	(75 664)	53 657	
Controlauto ^{b)}	74.002%	11 007	7 250	-	-	-	18 257	18 257	-	18 257	
BCR SGPS ^{a)}	70%	155 382	-	(138 334)	-	-	17 048	17 048	-	17 048	
BIT ^{c)}	79.21%	9 225	-	-	(227)	-	8 998	8 998	-	8 998	
BEG	100%	7 149	-	-	-	488	7 637	15 659	(8 022)	7 637	
BCI	100%	3 782	-	-	-	-	3 782	3 782	-	3 782	
Brisa International. B V (BI BV) ^{d)}	100%	1 545	21	-	-	-	1 566	1 566	-	1 566	
M Call	100%	955	-	-	-	-	955	955	-	955	
Via Verde	60%	773	-	-	-	-	773	773	-	773	
Brisa O&M	100%	500	-	-	-	-	500	500	-	500	
VVS ^{d)}	100%	50	148	-	-	-	198	198	-	198	
VVC ^{d)}	100%	50	50	-	-	-	100	100	-	100	
Brisa Áreas de Serviço. S A (BAS) ^{b) c)}	51%	-	50	-	(25)	-	25	25	-	25	
Investments in associates:											
SICAR (Note 26)	35.58%	42 700	-	-	-	-	42 700	42 700	-	42 700	
AEBT - Auto-Estradas do Baixo Tejo. S A (AEBT)	30%	6 160	-	-	-	-	6 160	6 160	-	6 160	
SICIT	35%	18	-	-	-	-	18	18	-	18	
Transport Infrastructure. S à r l	35%	6	-	-	-	-	6	6	-	6	
TIICC. S à r l (TIICC)	35%	4	-	-	-	-	4	4	-	4	
AEDL ^{f)}	99.92%	-	-	-	-	-	-	265 400	(265 400)	-	
Brisal - Auto-Estradas do Litoral. S A (Brisal) ^{f)}	70%	-	-	-	-	-	-	194 219	(194 219)	-	
		293 836	7 519	(138 534)	(252)	258 613	421 182	964 487	(543 305)	421 182	
Other investments											
AELO - Auto-Estradas do Litoral Oeste. S A (AELO) ^{e)}	15%	7 532	831	(1 673)	-	-	6 690	6 690	-	6 690	
ELOS - Ligações de Alta Velocidade. S A (ELOS)	16.3%	2 836	13	-	-	-	2 849	2 849	-	2 849	
I-Start	-	300	-	(4)	-	-	296	296	-	296	
F-Hitec	-	97	-	-	-	-	97	97	-	97	
ELOS - OM. S A (ELOS - OM)	16.3%	8	-	-	-	-	8	8	-	8	
		10 773	844	(1 677)	-	-	9 940	9 940	-	9 940	

- a) As of 31 December 2016, reductions in equity holding in subsidiary BCR SGPS related to a reduction in share capital and reimbursement of supplementary capital, and the decrease in subsidiaries Via Oeste e Brisa Internacional concerns the reimbursement of accessory contributions. As of 31 December 2015, reductions in equity holding in subsidiary BCR SGPS related to a reduction in share capital and reimbursement of supplementary capital, and the decrease in subsidiary BIT concerns a decrease in share capital.
- b) As of 31 December 2016, the increase in investment in associate Controlauto concerns the acquisition of a stake of 14.45% in this company and the increase in associate BAS stems from its creation.
- c) As of 31 December 2016 the Company sold a 2% stake in the share capital of BIT and 49% of BAS.. As of 31 December 2015 the Company sold a 30% stake in the share capital of BCR SGPS. As of 31 December 2015, associate BIT increased its share capital following the entrance of a new shareholder, which led to a decrease in Brisa's holding to 84.21%. Subsequently, Brisal sold 3% of such holding.
- d) In the year ended at 31 December 2016 increases occurred in investments in associates BI BV, VVS and VVC concern increases in supplementary capital. In the year ended at 31 December 2015 the increase occurred in investments in associates Brisal Internacional concerns a reinforcement in supplementary capital.
- e) Investment in AELO includes: (i) an amount of € 3 633 thousand relating to capital and accessory contributions and (ii) an amount of € 3 057 thousand corresponding to additional construction costs supported directly by the Company.
- f) In the year ended as of 31 December 2016, the Company exercised its call option on 54.92% of AEDL shares.

In view of the expectations as to the evolution of future operations of Litoral Centro (Brisal concession contract) and Douro Litoral (AEDL concession contract) concessions, impairment losses were recognised in the financial statements of previous years, reflecting the non exercising of the entire contractual right deriving from the investment made in the construction of these motorways. Likewise, Brisa recognised in its financial statements the losses corresponding to its exposure as shareholder of the said concessions.

Note that the said projects were structured under project finance, assuming therefore specific characteristics, namely the allocation of risks to the various participants in the projects both as shareholders and funders, ensuring them access to long term debt, repayable according to the cash flows generated by the projects and respective assets, with limited recourse to shareholders.

Within the scope of the concession contracts referred to above, the parties (including financing entities) entered supporting agreements namely, the Agreement for the Subscription of Capital, and in Brisal's specific case, the Shareholders' Support Agreement and the Traffic Support Agreement attached to respective concession contracts forming an integral part thereof, whereby shareholders' supporting obligations were specifically established, namely in what concerns liabilities for capital investments.

Given the continued deterioration of operating conditions within the scope of the said projects, the Board of Directors adopted a position, having informed the market thereon, whereby Brisa, as shareholder of the said projects, will not accept any liability that may translate in an investment or involvement higher than that contractually agreed.

In 2012 the declining trend in traffic worsened considerably as result of the economic crisis combined with the impact of the introduction of tolls in a number of motorways, adversely affecting the said projects. Likewise, the deterioration of the macroeconomic outlook and the fiscal measures imposed to consolidate and straighten up the public accounts led to a downward revision in the second half of 2012 of cash flow estimates for Brisal and Douro Litoral concessions, based on the latest traffic figures.

As result, the Board of Directors of Brisa has considered that:

- Via the contractual mechanisms, the financial institutions exposed to these projects have a step-in right and can establish the timing to exercise such right;
- The management of these concessionaires is now restricted to day-to-day measures and operation, subject to the budget previously agreed with financial institutions, where any decision not covered by this budget requires their prior approval.
- Under the present circumstances, Brisa ceased to be able to control the said companies, and consequently to conduct AEDL and Brisal relevant businesses and is no longer exposed and ceased to be entitled to their variable results, on account of its relationship with these entities, as mention in paragraph 7 of IFRS 10.

As result, the Board of Directors of Brisa, based on its legal advisers opinion, considers that Brisa is not exposed to any variability in the negative cash flows foreseen for the said projects, and does not exercise an effective control over the said subsidiaries.



In the years ended at 31 December 2016 and 2015 payments concerning financial investments were made up as follows:

	'15	'16
Contractual obligations with AEDL investment	1 125	1 663
Investments in subsidiaries and associates:		
AEDL	-	8 994
Controlauto	-	7 250
VVS	-	148
VVC	-	50
BAS	-	50
BIBV	-	21
Brisa Internacional	200	-
Treasury loan to:		
BEG	-	700
BI	300	510
M Call	-	175
VVC	50	-
TIICC	-	2
Partners' loans to AELO	118 901	-
Other investments	106	21
	120 682	19 584

In the years ended at 31 December 2016 and 2015 receivables concerning financial investments were made up as follows:

	'15	'16
Reduction in investments in group companies:		
BCR SGPS	163 000	138 140
BIT	281	-
Repayment of accessory capital in:		
AELO	5 399	1 673
BCR SGPS	126 000	194
Via Oeste	-	100
Brisa Internacional	-	100
BCI	500	-
Repayment of treasury loans to:		
AELO	-	1 535
VVC	-	50
Brisa Internacional	-	810
Disposal of equity holdings:		
BAS	-	25
BCR SGPS	766 849	-
Via Verde (Note 15)	3 750	-
BIT	50	-
Reduction in other investments:		
I-Start	-	4
	1 065 829	142 631

At 31 December 2016 and 2015 balances with group companies and associates were made up as follows:

	CLIENTS (NOTE 15)		SUPPLIERS (NOTE 23)		OTHER DEBTORS (NOTE 15)		OTHER ACCOUNTS PAYABLE (NOTE 24)		GROUP COMPANIES ^(A)		OTHER CURRENT ASSETS (NOTE 16)		OTHER CURRENT LIABILITIES (NOTE 24)		RETGS (NOTES 15 AND 24)	
	'15	'16	'15	'16	'15	'16	'15	'16	'15	'16	'15	'16	'15	'16	'15	'16
Subsidiaries:																
Via Oeste	-	-	-	-	-	13	-	-	79 655	80 913	-	-	-	-	12	(84)
Brisa O&M	830	821	102	190	-	-	4 287	4 140	-	-	-	-	-	4	1 793	1 627
Brisa Internacional	-	-	-	-	-	-	-	-	303	-	-	-	-	-	(1)	(1)
BEG	144	140	8	17	-	-	-	-	-	703	-	-	-	-	341	69
BIT	109	109	2	374	-	-	-	-	-	-	-	100	138	-	(242)	(435)
Via Verde	395	510	2	-	115	-	-	-	-	-	-	-	-	-	-	-
Controlauto	133	139	-	-	-	-	-	-	-	-	15	-	-	-	-	-
BCI	101	113	19	-	-	-	-	-	-	-	-	-	-	-	429	138
M Call	27	27	41	10	-	-	-	-	-	176	-	-	2	6	25	(65)
VVS	-	3	-	49	-	-	-	-	-	-	-	-	100	-	(2)	(32)
BCR SGPS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2)	(2)
VVC	-	168	-	-	-	-	25	-	50	-	-	-	-	-	(18)	30
BI BV	-	-	-	-	-	-	15	15	-	-	-	-	-	-	-	-
Associates:																
AEDL	106	61	-	-	2 207	1 964	-	-	216 900	216 900	-	4	-	-	-	-
Brisal	186	288	-	-	2 080	2 176	-	-	-	-	-	-	-	-	-	-
AEBT	48	48	-	-	-	-	-	-	12 176	12 916	-	-	-	-	-	-
SICIT	20	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TIICC	-	-	-	-	-	-	-	-	4	5	-	-	-	-	-	-
Related parties:																
BCR	4 218	4 242	6	-	-	-	-	-	-	-	-	927	-	-	(176)	(105)
AELO	15	32	-	-	-	-	-	-	2 888	1 366	-	-	-	-	-	-
Auto-Estradas do Atlântico, S A (AEA)	180	726	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Iteuve Portugal, Lda (Iteuve)	28	29	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BNV Mobility, B V	-	-	-	51	150	203	-	-	-	-	-	-	-	-	-	-
Northwest Parkway LLC (NWP)	465	465	3	3	-	-	-	-	-	-	-	-	-	-	-	-
Geira, S A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	7 005	7 929	183	694	4 552	4 356	4 327	4 155	311 976	312 979	15	1 031	240	10	2 159	1 140
Impairment losses on Accounts receivable (Note 21):	-	-	-	-	-	-	-	-	(216 900)	(216 900)	-	-	-	-	-	-
	7 005	7 929	183	694	4 552	4 356	4 327	4 155	95 076	96 079	15	1 031	240	10	2 159	1 140

a) Account receivable from AEDL includes partners' loans in the amount of €216 900 thousand, fully adjusted for impairment, as it is unlikely that they will be repaid (Note 21). Account receivable from Via Oeste concerns partners' loans in the amount of €80 913 thousand, which accrue interest at a rate of 1.5% + EUR12M and for which there is no repayment schedule. Accounts receivable from AELO and AEBT included in this caption concern partners' loans granted, which accrue interest at a rate of EUR6M + 1.5% and EUR6M+6%, respectively.

Additionally, transactions carried out with group companies and associates in the years ended as of 31 December 2016 and 2015 were as follows:

OPERATING INCOME (NOTE 3)			OPERATING EXPENSES		FINANCIAL INCOME (NOTE 7)		ACQUISITION OF TANGIBLE AND INTANGIBLE FIXED ASSETS	
	‘15	‘16	‘15	‘16	‘15	‘16	‘15	‘16
Subsidiaries:								
Brisa O&M ^{a)}	(15 989)	(16 383)	225	20	-	-	14	-
Via Oeste	1	1	-	-	1 442	1 258	-	-
Via Verde	1 897	1 778	(3)	-	-	-	79	-
BEG	705	684	37	40	-	3	8	-
BIT	524	530	155	103	-	-	-	15
Controlauto	663	653	3	3	-	-	-	-
BCI	488	545	39	-	13	-	-	-
M Call	122	123	150	52	-	1	-	-
Brisa Internacional	1	1	-	-	3	14	-	-
VVS	1	28	100	480	-	-	-	-
BCR SGPS	1	1	-	-	-	-	-	-
VVC	1	819	-	-	-	1	-	-
Associates:								
Brisal ^{a)}	11 134	11 633	(9)	-	-	-	-	-
AEDL ^{a)}	10 078	9 963	(20)	-	-	-	-	-
AEBT	135	135	-	-	196	740	-	-
SICIT	31	37	-	-	-	-	-	-
Related parties:								
BCR	20 564	21 616	-	-	-	-	4	-
AEA	354	606	-	-	-	-	-	-
AELO	15	36	-	-	153	28	-	-
Iteuve	136	143	1	-	-	-	-	-
Geira, S A	-	-	-	-	-	-	-	-
BNV Mobility, B V	150	90	-	51	-	-	-	-
Feedback Highways OMT PVT, Ltd	139	-	-	-	-	-	-	-
Movenience, B V	40	7	-	-	-	-	-	-
	31 191	33 046	678	749	1 807	2 045	105	15

a) Brisal and AEDL operation and maintenance services were contracted with the Company. Following the creation of Brisa O&M arising out of the transfer of the company's operation and maintenance into this company, BAE and Brisa O&M concluded contracts whereby services contracted with Brisal and AEDL were to be provided by Brisa O&M, the contractual relationship between the Company and the said concessionaires, however, did not change. The Company did not record any margin out of such transactions, recording the invoices issued to the concessionaires and corresponding invoices from Brisa O&M in its net operating results.

14

DEFERRED TAXES

Deferred tax assets and liabilities at 31 December 2016 and 31 December 2015, by underlying timing difference, are as follows:

	'15	'16
Provisions not considered for tax purposes	1 579	981
Retirement benefits (pensions)	58	227
Other liabilities	886	889
	2 523	2 097

The changes in deferred tax assets and liabilities in the years ended 31 December 2016 and 2015 are as follows:

	'15	'16
Opening balance	2 913	2 523
Effect on results:		
Effect of change in rate:		
Differences between the tax base and book value of:		
Other liabilities		(190)
Change in provisions not accepted for tax purposes	-	(210)
Retirement benefits	-	(60)
	-	(460)
Change for the year:		
Differences between the tax base and book value of:		
Other liabilities	207	193
Change in provisions not accepted for tax purposes	(552)	(388)
Retirement benefits	48	56
	(297)	(139)
Sub-total (Note 8)	(297)	(599)
Effect on equity		
Effect of change in rate:		
Retirement benefits	-	11
Change for the year:		
Retirement benefits	(93)	162
Sub-total	(93)	173
Closing Balance	2 523	2 097

As of 31 December 2016 and 2015 the tax rate used for determining deferred tax assets was 21% and 25.5%, respectively.

15

TRADE AND OTHER RECEIVABLES

As of 31 December 2016 and 2015 this caption was made up as follows:

	'15	'16
Customers:		
Group companies and related parties (Note 13)	7 005	7 929
Other	306	40
Doubtful receivables	33	37
	7 344	8 006
Other debtors:		
Group companies and related parties (Note 13)	4 552	4 356
RETGS (Note 13)	2 600	1 864
Personnel	151	243
Other	847	856
Other doubtful receivables	1	1
	8 151	7 320
	15 495	15 326
Cumulative impairment losses (Note 21)	(34)	(38)
	15 461	15 288

Trade and other receivables result from operating activities and they are net of accumulated impairment losses. These are estimated based on available information and past experience (Note 27).

Given the nature of the Company's operation, there is no significant concentration of credit risk.

16

OTHER CURRENT ASSETS

As of 31 December 2016 and 2015 this caption was made up as follows:

	'15	'16
Government and other public bodies:		
Corporate income tax:		
Recoverable taxes ^(a)	16 338	15 952
Other taxes	1	1
	16 339	15 953
Fair value of derivative instruments (Note 25)	-	2 267
Accrued income:		
Interest receivable	48	7
Group companies and related parties (Note 13)	15	931
	63	938
Deferred costs:		
Insurance	100	112
Other	473	792
Group companies and related parties (Note 13)	-	100
	573	1 004
	16 975	20 162

(a) This amount concerns a tax payment made by the Company in previous years, the refund of which is pending the settlement of the disputes mentioned in Note 8.

17

CASH AND CASH EQUIVALENT

Cash and cash equivalents at 31 December 2016 and 2015 were made up as follows:

	'15	'16
Bank deposits	109 569	21 992
Cash and cash equivalent	109 569	21 992
Bank overdrafts	(25)	(28)
	109 544	21 964

Caption “Cash and cash equivalents” includes cash, demand deposits and term deposits immediately withdrawable, regarding which the risk of any change in value is irrelevant. Caption “Bank overdrafts” includes the credit balances on demand deposit accounts with banks.

As of 31 December 2016 and 2015, Brisa had contracted a short-term line in the overall amount of € 48 000 thousand and € 60 000 thousand, respectively. As of 31 December 2016 and 2015 this credit line was not being used.

18

CAPITAL

The Company’s capital at 31 December 2016 is made up of 600 000 000 fully subscribed and paid up shares with a nominal value of €0.01 each.

Shareholders at the General Meeting held on 20 July 2015 decided to increase the Company’s share capital from €600 000 thousand to €816 000 thousand, fully paid up through the integration of part of the legal reserve in the amount of €134 798 thousand and free reserves in the amount of €81 202 thousand, by increasing the nominal value of shares from €1.00 each to €1.36 each. At the same General Shareholders Meeting it was subsequently decided to reduce the Company’s share capital from €816 000 thousand to €6 000 thousand, by releasing surplus capital and reducing the nominal value of shares from €1.36 each to €0.01 each (Notes 9 and 19).

As of 31 December 2016, the Company shareholders were as follows:

	NUMBER OF SHARES	% SHARE CAPITAL	% VOTE
Tagus Holdings S àr L	243 497 061	40.6%	44.06%
José de Mello Investimentos, SGPS, S A	182 683 904	30.4%	33.06%
Arcus European Infrastructure Fund GP LLP	114 557 795	19.1%	20.73%
Treasury shares (Note 19)	47 352 614	7.9%	N/A
Other shareholders	11 908 626	2.0%	2.15%
	600 000 000	100.0%	100.0%

19

TREASURY STOCK

The following changes took place in treasury stock in the years ended 31 December 2016 and 2015:

	'15	
	NUMBER OF SHARES	THOUSAND EURO
Opening balance	47 352 614	275 599
Redenomination of the nominal value (Note 18):		
Share capital increase	-	17 047
Share capital decrease	-	(63 926)
	-	(46 879)
Closing Balance	47 352 614	228 720

	'16	
	NUMBER OF SHARES	THOUSAND EURO
Opening balance	47 352 614	228 720
Redenomination of the nominal value (Note 18):		
Share capital increase	-	-
Share capital decrease	-	-
	-	-
Closing Balance	47 352 614	228 720

Commercial legislation regarding treasury stock requires companies to maintain a free reserve equal in amount to the cost of their treasury stock. The reserve is not available for distribution while the stock is held, a reserve of €228,720 thousand (Note 20) being maintained for that purpose. In addition, the applicable accounting rules provide that gains and losses on the sale of treasury stock must be recorded in reserves.

20

LEGAL RESERVE AND OTHER RESERVES

As of 31 December 2016 and 2015 this caption was made up as follows:

	'15	'16
Legal reserve	1 200	1 200
Reserve unavailable for distribution (Note 19)	228 720	228 720
Free reserves	46 470	138 634
	276 390	368 554

LEGAL RESERVE
Commercial legislation establishes that at least 5% of annual net profit must be appropriated to a legal reserve until the reserve equals at least 20% of share capital. This reserve is not available for distribution except in the event of liquidation, but it can be used to absorb losses once the other reserves have been exhausted, or to increase capital.

RESERVE UNAVAILABLE FOR DISTRIBUTION
Commercial law requires the setting up of a reserve in equal amount to the value of outstanding treasury shares, to be kept unavailable for distribution as long as such treasury shares are held.

21

CUMULATIVE IMPAIRMENT LOSSES

Changes in cumulative impairment losses in the years ended 31 December 2016 and 2015 are as follows:

'15

	OPENING BALANCE	INCREASE	USE	DECREASE (NOTE 7)	TRANSFERS (NOTE 22)	CLOSING BALANCE
Impairment losses:						
Accounts receivable (Note 15)	52	-	(18)	-	-	34
Partners' loans AEDL (Note 13)	96 900	-	-	-	120 000	216 900
Financial investments (Note 13) ^{a)}	559 088	239 145	-	(5 309)	-	792 924
	656 040	239 145	(18)	(5 309)	120 000	1 009 858

'16

	OPENING BALANCE	INCREASE	USE	DECREASE (NOTE 7)	TRANSFERS (NOTE 22)	CLOSING BALANCE
Impairment losses:						
Accounts receivable (Note 15)	34	4	-	-	-	38
Partners' loans AEDL (Note 13)	216 900	-	-	-	-	216 900
Financial investments (Note 13) ^{a)}	792 924	-	-	(258 613)	8 994	543 305
	1 009 858	4	-	(258 613)	8 994	760 243

a) Impairment losses in financial investments in the years ended at 31 December 2016 and 2015, relating to investments in Brisal, AEDL and Via Oeste, were determined using official tests, based on cash-flows projections until the end of the concession contracts of Litoral Centro, Douro Litoral and Atlântico, taking into account corresponding traffic projections. As result of the said analyses, as of 31 December 2016 and 2015 the Company recognised reversal for impairment losses relating Via Oeste in the amount of €305 thousand and €5 309 thousand, respectively. The discount rates used in all evaluations associated with impairment tests reflect the cost of capital employed and the specific risk of each asset, and were estimated within a range of 5.9% to 12.6%.

Additionally, with regard to evaluations which do not concern road concessions the perpetual growth rates considered in were of 1% to 2%, (nominal) taking into account the prospects of value creation in each business after the period established for the projections.

Discount rates used in project finance for the purposes of impairment tests correspond to the original IRR of the base case, as the financing structure of these companies is defined since the

initial moment of investment and shareholders cannot change it without the approval of financial banks. In what concerns remaining companies, the discount rate takes into account the evolution of the invested capital structure and the specific risk of each asset, as well as the country where the operation is established.

As of 31 December 2016 the Company recognised a full reversal of impairment losses in the amount of €257 820 thousand in investment in associate Brisa Internacional, taking into account the entering into in December 2016 of a contract for the disposal of the latter company's investments in NWP and Go-Pass Mobility Services, LLC (Note 32).

Additionally, as of 31 December 2016, foi the Company recognised a reversal of impairment losses concerning investment in BEG, in the amount of €488 thousand, stemming from improvements in estimated flows in respective business plan.

22

PROVISIONS

Changes in the provisions and accumulated impairment losses in the years ended 31 December 2016 and 2015 were as follows:

'15

HEADINGS	OPENING BALANCE	INCREASE	USE	DECREASE (NOTE 7)	FINANCIAL REVISION (NOTE 7)	TRANSFERS (NOTE 22)	CLOSING BALANCE
Provisions:							
Non current:							
Pending legal proceedings (Note 3)	57	-	-	(1)	-	-	56
Other risks and charges	8 339	251	(1 125)	(1 327)	-	-	6 138
	8 396	251	(1 125)	(1 328)	-	-	6 194
Current:							
Financial investments	129 038	-	-	(1 099)	(190)	(118 901)	8 848
Other risks and charges	530	500	(416)	-	-	-	614
	129 568	500	(416)	(1 099)	(190)	(118 901)	9 462
	137 964	751	(1 541)	(2 427)	(190)	(118 901)	15 656

'16

HEADINGS	OPENING BALANCE	INCREASE	USE	DECREASE (NOTE 7)	FINANCIAL REVISION (NOTE 7)	TRANSFERS (NOTE 22)	CLOSING BALANCE
Provisions:							
Non current:							
Pending legal proceedings (Note 3)	56	-	-	(25)	-	-	31
Other risks and charges	6 138	315	(1 714)	(80)	-	-	4 659
	6 194	4	(1 714)	(150)	-	-	4 690
Current:							
Financial investments	8 848	-	-	-	146	(8 994)	-
Other risks and charges	614	11	(140)	-	-	-	485
	9 462	11	(140)	-	146	(8 994)	485
	15 656	326	(1 854)	(105)	146	(8 994)	5 175

The provision for ongoing lawsuits views to face potential liabilities with lawsuits brought against the company, which were estimated based on information from legal consultants. At 31 December 2016 and 2015 claims against the Company totalled €7 379 thousand and €7 099 thousand, respectively; corresponding provision reflects the Board of Directors’ best estimate of the amount of such liabilities.

As of 31 December 2016, the Company exercised its call option on the remaining shares of AEDL, in the amount of €8 994 thousand, transferring the amount of the provision for financial investments to impairment losses (Note 21).

In the year ended as of 31 December 2015, as agreed in respective Facility Agreement, the Company settled remaining obligations concerning the increase in own funds in AEDL, in the amount of €120 000 thousand.

Provision for other risks and charges as of 31 December 2016 and 2015 includes the amounts of €2 209 thousand and €4 002 thousand respectively, corresponding to the Board of Directors’ current estimate of the amount of the potential losses to be incurred by the Company associated to the Douro Litoral Concession, resulting from commitments assumed under agreements entered into with the consortium responsible for the construction of Douro Litoral motorway (DLACE). In the years ended at 31 December 2016 and 2015 the company partial reversals of the amount provisioned for this obligation in the amounts of €80 thousand and €1 327 thousand, respectively (Note 7).

23 SUPPLIERS AND SUPPLIERS OF CAPITAL GOODS

As of 31 December 2016 and 2015, these captions were made up as follows:

	'15	'16
Suppliers:		
Associates (Note 13)	183	694
Decunify - Soluções de Comunicações, S A	229	353
Korn Ferry, S A	-	195
AMT - Consulting, Lda	3	169
Nova Expressão - Planeamento Media e Publicidade, S A	411	144
Accenture - Consultores de Gestão, S A	-	109
Other related Parties (Note 29)	14	2
Rádio Renascença, Lda	257	-
Other	1 181	1 703
	2 278	3 369
Suppliers of investment:		
Decunify - Soluções de Comunicações, S A	1 531	843
Wingman - Agência Digital	51	116
Other related Parties (Note 29)	8	84
Hewlett-Packard Portugal, Lda	111	21
Other	455	555
	2 156	1 619

24 OTHER CURRENT LIABILITIES

As of 31 December 2016 and 2015 this caption was made up as follows:

	'15	'16
Accrued costs:		
Remuneration payable ^(a)	8 004	7 050
Group companies and related parties (Note 13)	240	10
Other	515	652
	8 759	7 712
Government and other public bodies::		
Corporate Income Tax (CIT)		
Tax payable ^(b)	16 051	16 051
Personal income tax:		
Income tax withheld	290	304
Value added tax	475	480
Payments to Social Security	274	288
Other taxes	697	543
	17 787	17 666
Other receivables:		
Group companies and related parties (Note 13)	4 327	4 155
RETGS (Note 13)	441	724
Other	744	1 524
	5 512	6 403
	32 058	31 781

(a) This caption includes the amount of holiday pay, holiday bonus, performance bonus payable to employees and social expenses.

(b) This amount refers to a sum returned by tax authorities following the tax inspection relating to 2007 (Note 8), which the Company considers as being due.

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DERIVATIVE FINANCIAL INSTRUMENTS

The Company contracted a set of derivative financial instruments with the purpose of minimizing risks of exposure to changes in foreign interest rates within the scope of the disposal of investment in NWP concession (United States), indirectly held by Brisa.

Such instruments are contracted considering the risks that affect its assets and liabilities, after verifying which market instruments available are the most adequate to hedge the risks.

These operations, which are subject to prior approval of the Executive Board, are continuously monitored and are recorded in accordance with the provisions of IAS 39, being measured at their fair value considering mathematical models, such as option pricing models and discounted cash flow models for unlisted instruments (over-the-counter instruments). These models are based essentially on market information.

Such instruments are classified as hedge instruments or instruments held for trading, in accordance with provisions in IAS 39 (Note 2.13).

Hedge accounting is applicable to derivative financial instruments that are efficient as regards the effect of offsetting the variations in the fair value or cash flows of the underlying assets/liabilities. The efficiency of these operations is checked on a quarterly basis. Hedging accounting covers cash flow hedging operations.

Trading instruments are derivative financial instruments which, although contracted under the Company’s risk hedging policies, do not qualify for hedge accounting because they were not formally designated for that purpose or simply because they are not efficient hedges in accordance with the conditions established in IAS 39.

Fair value of the derivative financial instruments was determined based on valuations made by financial entities.

INSTRUMENTS HELD FOR TRADING

As of 31 December 2016, the Company had contracted the following forex derivative financial instruments, which although contracted for exposure purposes, did not comply with provisions in IAS 39, and were therefore classified s held for trade:

				‘16
TYPE OF OPERATION	MATURITY	COUNTERPARTY	PREMIUM PAID (NOTE 7)	FAIR VALUE (NOTES 7, 16 E 28)
EUR Call options (sale of USD)	04 April 2017	BST / Société Générale	3 546	2 267

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CONTINGENT LIABILITIES

At 31 December 2016 and 2015, Brisa has requested several bank guarantees in favour of third parties, namely:

	‘15	‘16
AEA ^{a)}	23 100	23 100
ELOS ^{a)}	17 235	17 235
AEDL ^{a)}	10 683	-
AEBT ^{a)}	707	-
Other guarantees provided to third parties ^{b)}	64 455	64 455
	116 180	104 790

a) This amount corresponds to bank guarantees given by Brisa, to guarantee compliance with the Capital Subscription and Realisation Agreement of each of the mentioned entities.

b) At 31 December 2016 and 2015 this caption included the amount of €64 129 thousand corresponding to bank guarantees provided to the Tax Authorities within the scope of pending proceedings (Note 8).

Within the scope of companies financed through Project Finance (AEDL, AEA, NWP, AEBT and AELO), shareholders’ investments are given as pledge in favour of funders.

Within the scope of the commitments assumed in companies subject to Project Finance (AEDL, AEBT, AELO and ELOS), the Company is responsible for any additional costs that may arise. At AELO, AEBT and ELOS this liability is pro rata to the percentage capital held.

Brisa entered a Subscription Agreement with SICAR, whereby it undertook to invest up to € 50 000 thousand, having already invested € 42 700 thousand as of 31 December 2016 and 2015, in both cases (Note 13).

Viewing to suspend tax enforcement proceedings, the Company provided a bank guarantee of €153 310 thousand, by means of pledge on 24 618 shares of Brisa O&M. As of 31 December 2016, a decision concerning the said proceedings was issued in a way which is partly favourable to the Company, which should translate in the partial cancellation of the pledge.

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PENSION LIABILITIES

DEFINED BENEFIT PLAN

Brisa and some of its subsidiaries have a supplementary retirement, incapacity and survivor pension plan, under which their employees reaching retirement age at the service of the Company and of some of its subsidiaries and that have been at their service for at least ten years, as well as those that have been at their service for at least five years and are in a situation of incapacity, have the right to a retirement pension supplementary to that guaranteed by the Social Security.

The benefit defined in the pension plan corresponds to 7% of the gross remuneration at the date of retirement, plus 0.5% for each year of service after the tenth year. Also, in accordance with the pension plan in force, the retirement pension supplement cannot exceed 17% of the gross remuneration at the date of retirement and the sum of the pension supplement plus that attributed by the Social Security can also not exceed the gross remuneration base.

In the case of death of the beneficiary, the plan also gives, in certain conditions, the surviving spouse, children or equivalent, the right to a supplementary survivor pension, corresponding to 50% of the supplementary retirement pension that the beneficiary was receiving.

The liability resulting from the above-mentioned scheme was transferred to an autonomous pension fund. The liability is determined half yearly based on actuarial studies prepared by independent experts, the last available being as of 31 December 2016.

Actuarial studies as of 31 December 2016 and previous years were prepared using the Projected Unit Credit method and the following assumptions and technical bases:

	'13	'14	'15	'16
Technical interest rate	4.50%	3.85%	3.25%	2.25%
Fund's annual income rate	4.50%	3.85%	3.25%	2.25%
Annual salary growth rate	2.25%	2.25%	2.25%	1.85%
Annual pension growth rate	0%	0%	0%	0%

Changes in actuarial assumptions were mainly due to changes in market conditions.

The change in the technical interest rate and the fund's annual income rate reflects the downward trend in interest rates in the Euro Zone.

The annual wage growth rate reflects the wage policy which is being followed by the Group.

As of 31 December 2016 the impact of a 25 bps reduction in the technical interest rate and the fund's annual income rate used in the actuarial study would correspond to an increase in the present value of projected liabilities by approximately €252 thousand.

In addition, the demographic assumptions considered at 31 December 2016 and previous years were as follows:

	'13	'14	'15	'16
Mortality tables	TV 88/90	TV 88/90	TV 88/90	TV 88/90
Disability table	EKV 80	EKV 80	EKV 80	EKV 80

In accordance with the actuarial studies, the cost of the retirement pension supplements for the years ended 31 December 2016 and previous was as follows:

	'13	'14	'15	'16
Cost of current services (Note 6)	220	204	166	208
Financing cost (Note 6)	224	213	161	134
Remeasurements	(345)	(756)	(364)	634
Income from the fund (Note 6)	(154)	(150)	(140)	(120)
	(55)	(489)	(177)	856

Remeasurements are recorded as income and expenses recognised directly in equity; during the year ended at 31 December 2016 these derived mainly from a change in the technical interest rate.

As mentioned, liabilities for the social benefits referred to above were transferred to an autonomous pension fund to where the company makes contributions on a regular basis to cover such liabilities.

At 31 December 2016 and in previous years, the difference between the present value of liabilities and the market value of the fund's assets was follows:

	'13	'14	'15	'16
Current value of projected liabilities	4 624	4 115	4 003	4 736
Fund's market value	(3 732)	(3 712)	(3 777)	(3 654)
	892	403	226	1 082

The difference between the market value of the fund’s assets and the current value of liabilities is recorded as a non-current asset.

The fund’s assets and return rate at 31 December 2016 and 2015 are as follows:

	RETURN RATE		FAIR VALUE OF ASSETS	
	‘15	‘16	‘15	‘16
Shares and other equity instruments				
Europa shares	13.7%	1.0%	1.004	960
Foreign shares eg. Europe	N/A	N/A	19	35
Bonds and other debt instruments	1.7%	2.3%	2.312	2.119
Real estate funds and Hedge Funds	2.7%	-1.2%	326	362
Liquidity	6.4%	2.7%	116	178
			3 777	3 654

DEFINED CONTRIBUTION PLAN

The management and directors have the benefit of a defined contribution supplementary retirement pension, the Company having assumed the commitment to pay an insurance company 10% of the respective basic annual remuneration. In the years ended 31 December 2016 and 2015, the amount of bonuses recorded under “Personnel Costs” was of € 310 thousand and € 312 thousand, respectively.

28
MANAGEMENT OF FINANCIAL RISKS

GENERAL PRINCIPLES

Like most companies, Brisa is exposed to a number of financial risks stemming from its business activity. The following risks are worth mentioning: foreign exchange rate risk resulting from the disposal of indirect

stake in NWP; counterparty risk stemming from risk hedging operations and financial applications.

All financial risk operations, namely those involving the use of derivative instruments must be approved by the Chief Financial Officer or the Executive Committee.

Following is a more detailed description of the Company’s main financial risks and measures implemented to manage them.

EXCHANGE RATE RISK

Exchange rate risk is related to the disposal of the indirect stake in NWP. Given the impossibility of subsidiary Brisa Internacional contracting, in good time and efficient way, exchange rate risk management operations allowing to mitigate the potential devaluation of the US dollar, it was decided to contract such coverages at company level.

Fair value estimate – financial assets measured at fair value (IAS 39)

The following table shows the Company’s assets measured at fair value at 31 December 2016 according to the following fair value levels:

- **Level 1:** the fair value of financial instruments is based on prices ruling on active, liquid markets at the date of the statement of financial position;
- **Level 2:** the fair value of financial instruments is not determined based on active market prices but according to valuation models;
- **Level 3:** the fair value of financial instruments is not determined based on active market prices but according to valuation models, the main inputs of which are not observable on the market.

‘16

CLASS	ITEM	LEVEL 1	LEVEL 2	LEVEL 3
Financial assets at fair value	Instruments held for trading (Note 25)	-	2 267	-

CREDIT RISK

Credit risk relates to trade and other accounts receivable. Although limited, due to the nature of the Company’s main operations, the risk is monitored on a regular basis with the objective of:

- monitoring evolution of the level of balances receivable;
- reviewing the recoverability of amounts receivable on a regular basis.

Changes in impairment losses of accounts receivable are disclosed in Note 21.

The Board of Directors deems that the estimated impairment losses on accounts receivable as of 31 December 2016 are adequately provided for in the financial statements (Note 15)

Accounts receivable from third parties except for related parties at 31 December 2016 and 2015 included the following overdue balances, for which the Board of Directors has not recognised impairment losses as it believes that they are receivable:

	‘15	‘16
Overdue balances		
Up to 90 days	34	1
From 180 to 360 days	4	4
More than 360 days	2	1
	40	6

COUNTERPARTY RISK

The application of cash surpluses and the majority of operations involving derivative financial instruments expose the Company to the risk of non compliance by the counterparties in these operations. In order to mitigate this risk the Company's Financial Management maintains permanent control of the level of exposure to each counterparty; counterparty credit limits are defined based on their rating levels, amongst other factors.

PROJECT FINANCE

It is a policy of the Brisa Group to tender for new road concessions both at home and abroad, integrated in joint ventures/consortia.

Project Finance is the financing mechanism used in these projects, with the purpose of separating, in operational, financial and legal terms, Brisa's activity resulting from the original concession contract, from the activity relating to these new projects. For each project a company is set up with its own financing structure and no recourse by creditors to Brisa cash flows or assets, (apart from the normal equity stand-by guarantees conceded under the terms of these projects and whose value is known at the very beginning). Therefore, the risk taken on by Brisa is limited to the amount of Equity Capital allocated to the project and to the guarantees mentioned above.

29 OTHER RELATED PARTIES

The main balances as of 31 December 2016 and 2015 concerning other related parties not disclosed in Note 13 are as follows:

CLIENTS

	'15	'16
José de Mello Group	34	34
Efacec Group	-	-
	34	34

OTHER CURRENT ASSETS

	'15	'16
José de Mello Group	-	26
Efacec Group	-	-
	-	26

SUPPLIERS (NOTE 23)

	'15	'16
José de Mello Group	14	2
Efacec Group	-	-
	14	2

INVESTMENT SUPPLIERS (NOTE 23)

	'15	'16
José de Mello Group	8	13
Efacec Group	-	71
	8	84

OPERATING INCOME

	'15	'16
José de Mello Group	28	28
Efacec Group	-	-
	28	28

OPERATING EXPENSES

	'15	'16
José de Mello Group	583	448
Efacec Group	-	-
	583	448

TANGIBLE FIXED ASSETS

	'15	'16
José de Mello Group	42	90
Efacec Group	-	58
	42	148

INTANGIBLE ASSETS

	'15	'16
José de Mello Group	-	16
Efacec Group	-	-
	-	16

Additionally, main transactions carried out with other related entities in the years ended as of 31 December 2016 and 2015 were as follows:

In the years ended 31 December 2016 and 2015, remuneration of the members of Brisa’s corporate bodies was as follows:

	‘15	‘16
Executive directors:		
Fixed remuneration	2 294	2 292
Variable remuneration:	813	868
Defined benefits	274	272
Non-executive directors:		
Fixed remuneration	367	439
Supervisory Board	168	168
	3 916	4 039

Nos exercícios findos em 31 de dezembro de 2016 e 2015, as remunerações das pessoas chave de gestão da Brisa foram como segue:

	‘15	‘16
Key managing personnel		
Fixed remuneration	2 378	2 421
Variable remuneration:	564	641
Defined benefits	40	40
	2 982	3 102

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APPROVAL OF THE FINANCIAL STATEMENTS

Financial statements for the year ended 31 December 2016 were approved by the Board of Directors on 19th April 2017.

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STATUTORY OFFICIAL AUDITOR FEES

In the years ended 31 December 2016 and 2015 the Official auditor’s fees totalled €30 thousand in each of the said years.

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SUBSEQUENT EVENTS

In December 2016, a contract was entered for the disposal of all interests in NWP and Go-Pass Mobility Services, LLC (Note 21), subject to prior approvals, including the grantor of NWP concession. Such approvals were obtained already in 2017. The effects of the disposal materialised on March 9, 2017, for \$334 063 786, which at the exchange rate in force as of the said date corresponded to approximately €316 618 thousand.

São Domingos de Rana, 19th April 2017

THE CERTIFIED ACCOUNTANT NO. 62018
João Rodrigues

THE BOARD OF DIRECTORS

- Vasco Maria Guimarães José de Mello
- João Pedro Stilwell Rocha e Melo
- João Pedro Ribeiro de Azevedo Coutinho
- António José Lopes Nunes de Sousa
- Daniel Alexandre Miguel Amaral
- Rui Alexandre Pires Diniz
- Michael Gregory Allen
- Luís Eduardo Brito Freixial de Goes
- Graham Peter Wilson Marr
- Stuart David Gray

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENTS OF CONSOLIDATED FINANCIAL POSITION

AS OF 31 DECEMBER 2016 AND 2015

(Amounts expressed in thousand Euro)

ASSETS	NOTES	DEC '15	DEC '16
NON-CURRENT:			
Tangible fixed assets	12	46 783	47 179
Intangible assets	13	2 963 136	2 511 559
Investments in associates	14	130 278	133 778
Other investments	15	10 778	9 945
Goodwill	16	26 447	26 447
Other debtors		494	925
Deferred tax assets	17	144 193	247 929
Other non current assets	18	43 630	3 368
Total non-current assets		3 365 739	2 981 130
CURRENT:			
Inventories		3 053	4 534
Trade and other receivables	19	49 628	51 982
Controlled companies	14	68 469	70 300
Other current assets	20	22 920	25 026
Cash and cash equivalent	21	401 152	183 242
		545 222	335 084
Non-current assets held for sale	22	-	156 432
Total current assets		545 222	491 516
Total assets		3 910 961	3 472 646

SHAREHOLDERS' EQUITY

	NOTES	DEC '15	DEC '16
Share capital	23	6 000	6 000
Treasury stock	24	(228 720)	(228 720)
Adjustments of investments in associates		(5 785)	(4 411)
Legal reserve	25	1 200	1 200
Effect of currency translation	25	40 274	48 553
Retained earnings and other reserves	25	885 352	551 966
Consolidated net profit for the year		(2 063)	256 369
Interim dividends	11	(66 318)	-
Equity attributable to equity holders		629 940	630 957
Non controlling interests	26	176 140	92 603
Total shareholders' equity		806 080	723 560

LIABILITIES

NON-CURRENT:

Loans	27	1 967 026	2 047 448
Provisions	29	180 827	180 030
Other non current liabilities	30	119 375	50 655
Deferred tax liabilities	17	77 738	90 295
Total non-current liabilities		2 344 966	2 368 428

CURRENT:

Provisions	29	28 790	26 394
Suppliers		14 287	17 839
Loans	27	553 544	177 250
Other accounts payable		13 885	14 562
Current tax liabilities	9	7 812	13 873
Other current liabilities	31	141 597	130 740
Total current liabilities		759 915	380 658
Total liabilities		3 104 881	2 749 086
Total liabilities and equity		3 910 961	3 472 646

The accompanying notes form an integral part of the consolidated statement of financial position at 31 December 2016.

THE CERTIFIED ACCOUNTANT NO. 62018

THE BOARD OF DIRECTORS

CONSOLIDATED INCOME STATEMENTS

for the years ended as of 31 december 2016 and 2015

(Amounts expressed in thousand Euro)



	NOTES	DEC '15	DEC '16
OPERATING INCOME:			
Rendered Services	5 and 6	600 824	636 291
Other operating income	5 and 6	13 933	11 343
Reversal of amortisation, depreciation, adjustments and provisions	5 and 6	5 943	91 364
Income associated to construction service	5 and 6	17 305	21 401
Total operating income		638 005	760 399
OPERATING EXPENSES:			
Cost of Goods Sold	5	(1 511)	(1 484)
External supplies and services	5	(70 622)	(70 871)
Personnel costs	5	(82 984)	(83 085)
Amortisation, depreciation and adjustments	12, 13 and 28	(232 222)	(144 877)
Provisions	29	(39 077)	(41 140)
Other operating expenses	5	(8 837)	(7 911)
Expenses associated to construction service	5 and 6	(17 305)	(21 401)
Total operating expenses		(452 558)	(370 769)
Operating profit		185 447	389 630

	NOTES	DEC '15	DEC '16
Financial expenses	5 and 8	(121 563)	(124 469)
Financial income	5 and 8	6 769	4 973
Investment income	5 and 8	18 921	11 084
Profit before tax		89 574	281 218
Income tax	5 and 9	(68 500)	7 586
Net profit for the year		21 074	288 804
Attributable to:			
Shareholders	5 and 10	(2 063)	256 369
Non controlling interests	5 and 26	23 137	32 435
Earnings per share (in Euro):			
Basic	10	(0,004)	0,464
Diluted	10	(0,004)	0,464

The accompanying notes form an integral part of the consolidated statement of financial position at 31 December 2016.

THE CERTIFIED ACCOUNTANT NO. 62018 THE BOARD OF DIRECTORS

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

for the years ended as of 31 december 2016 and 2015

(Amounts expressed in thousand Euro)

	NOTES	SHARE CAPITAL	SHARES TREASURY STOCK	TRANSITION ADJUST- MENTS EQUITY HOL- DINGS IN ASSOCIATES	RESERVE LEGAL	ADJUSTMENTS CONVERSION EXCHANGE	RESULTS EARNINGS OTHER RESERVES	RESULT NET CONSOLIDATED FOR THE YEAR	DIVIDENDS INTERIM (NOTE 11)	INTEREST NON CONTROLLING INTERESTS	TOTAL
Balance at 01 January 2015		600 000	(275 599)	(7 250)	135 998	22 318	465 470	55 745	-	16 423	1 013 105
Consolidated net profit for the year		-	-	-	-	-	-	(2 063)	-	23 137	21 074
Other income and expenses recognised under Shareholders' Equity											-
Increase/(decrease) in the fair value of financial instruments net of tax effect	32	-	-	-	-	-	(26 450)	-	-	300	(26 150)
Changes in currency translation reserves		-	-	-	-	17 993	-	-	-	2	17 995
Pension plan - remeasurements	17 and 34	-	-	-	-	-	231	-	-	(71)	160
Effect of the application of the Equity Method		-	-	1 465	-	(37)	-	-	-	-	1 428
Total comprehensive income for the year		-	-	1 465	-	17 956	(26 219)	(2 063)	-	23 368	14 507
Appropriation of consolidated net profit for 2014:											
Distribution of free reserves	11	-	-	-	-	-	(21 000)	-	-	-	(21 000)
Transferred to retained earnings		-	-	-	-	-	55 745	(55 745)	-	-	-
Dividends	11	-	-	-	-	-	(110 529)	-	-	(2 991)	(113 520)
Share capital increase	23	216 000	(17 047)	-	(134 798)	-	(64 155)	-	-	-	-
Share capital decrease	23	(810 000)	63 926	-	-	-	-	-	-	-	(746 074)
Interim dividends		-	-	-	-	-	-	-	(66 318)	-	(66 318)
Changes in the control % of subsidiaries	26	-	-	-	-	-	586 040	-	-	184 340	770 380
Reduction in equity holdings subsidiaries:		-	-	-	-	-	-	-	-	(45 000)	(45 000)
Balance at 31 December 2015		6 000	(228 720)	(5 785)	1 200	40 274	885 352	(2 063)	(66 318)	176 140	806 080
Balance at 01 January 2016		6 000	(228 720)	(5 785)	1 200	40 274	885 352	(2 063)	(66 318)	176 140	806 080
Consolidated net profit for the year		-	-	-	-	-	-	256 369	-	32 435	288 804
Other income and expenses recognised under Shareholders' Equity:											-
Increase/(decrease) in the fair value of financial instruments net of tax effect	32	-	-	-	-	-	37 250	-	-	666	37 916
Changes in currency translation reserves		-	-	-	-	8 279	-	-	-	1	8 280
Pension plan - remeasurements	17 and 34	-	-	-	-	-	(1 338)	-	-	(85)	(1 423)
Effect of the application of the Equity Method		-	-	1 374	-	-	-	-	-	-	1 374
Changes in the control % of subsidiaries		-	-	-	-	-	(1 382)	-	-	-	(1 382)
Total comprehensive income for the year		-	-	1 374	-	8 279	34 530	256 369	-	33 017	333 569
Appropriation of consolidated net profit for 2015:											
Distribution of free reserves	11	-	-	-	-	-	(200 058)	-	-	(59 203)	(259 261)
Transferred to retained earnings		-	-	-	-	-	(68 381)	2 063	66 318	-	-
Dividends	11	-	-	-	-	-	(99 477)	-	-	(51 917)	(151 394)
Changes in the control % of subsidiaries	26	-	-	-	-	-	-	-	-	(5 434)	(5 434)
Balance at 31 December 2016		6 000	(228 720)	(4 411)	1 200	48 553	551 966	256 369	-	92 603	723 560

The accompanying notes form an integral part of the consolidated statement of financial position at 31 December 2016.

THE CERTIFIED ACCOUNTANT NO. 62018

THE BOARD OF DIRECTORS

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

for the years ended as of 31 december 2016 and 2015

(Amounts expressed in thousand Euro)



	NOTES	DEC '15	DEC '16
Consolidated net profit for the year		21 074	288 804
Other income and expenses recognised directly under Shareholders' Equity which may be restated to expenses and income:			
Changes in currency translation reserves		17 995	8 280
Increase/(decrease) in the fair value of financial instruments, net of tax effect	17 and 32	(26 150)	37 916
Income from equity holdings	14	1 428	1 374
Other income and expenses recognised directly under Shareholders' Equity		-	(1 382)
		(6 727)	46 188
Other income and expenses recognised directly under Shareholders' Equity which will be reclassified to results:			
Pension plan - remeasurements	17 and 34	160	(1 423)
Total Other Comprehensive Income		(6 567)	44 765
Total consolidated net profit and loss and other comprehensive income for the year		14 507	333 569
Attributable to:			
Shareholders		(8 861)	300 552
Non controlling interests		23 368	33 017

The accompanying notes form an integral part of the consolidated statement of financial position at 31 December 2016.

THE CERTIFIED ACCOUNTANT NO. 62018 THE BOARD OF DIRECTORS

CONSOLIDATED CASH FLOW STATEMENTS

for the years ended as of 31 december 2016 and 2015

(Amounts expressed in thousand Euro)



	NOTES	DEC '15	DEC '16
OPERATING ACTIVITIES:			
Cash receipts from clients		566 779	607 129
Cash paid to suppliers		(87 598)	(90 888)
Cash paid to personnel		(86 374)	(88 299)
Flows generated by operations		392 807	427 942
Income tax paid		(50 679)	(48 788)
Payments for the replacement of infrastructures		(26 804)	(24 230)
Other receipts relating to operating activities		38 527	20 995
Net cash from operating activities (1)		353 851	375 919
INVESTMENT ACTIVITIES:			
Cash receipts relating to:			
Tangible fixed assets		601	842
Investments in subsidiaries, associates and other	14, 15 and 26	776 048	3 875
Investment subsidies		123	7
Dividends	14	1 588	5 315
Interest and similar income		5 149	1 267
		783 509	11 306
Cash payments relating to:			
Investments in subsidiaries, associates and other	14, 15 and 26	(120 631)	(18 129)
Tangible and intangible fixed assets		(17 079)	(27 765)
		(137 710)	(45 894)
Net cash from investing activities (2)		645 799	(34 588)

	NOTES	DEC '15	DEC '16
FINANCING ACTIVITIES:			
Cash receipts relating to:			
Borrowings		1 254 693	937 418
Capital increases and accessory capital by non controlling interests		3 000	-
		1 257 693	937 418
Cash payments relating to:			
Borrowings		(1 218 535)	(907 075)
Interest and similar costs	11	(107 082)	(84 054)
Dividends		(134 401)	(405 464)
Derivative financial instruments		(16 912)	(13 848)
Capital decreases and accessory capital of non controlling interests	26	(790 981)	(59 286)
		(2 267 911)	(1 469 727)
Net cash from financing activities (3)		(1 010 218)	(532 309)
FX effect (4)		2 244	826
Transfer to asset held for sale (5)		-	(29 195)
Variation in cash and cash equivalents (6) = (1) + (2) + (3) + (4)		(8 324)	(219 347)
Cash and cash equivalents at the beginning of the year	21	409 431	401 107
Cash and cash equivalents at the end of the period	21	401 107	181 760

The accompanying notes form an integral part of the consolidated statement of financial position at 31 December 2016.

THE CERTIFIED ACCOUNTANT NO. 62018 THE BOARD OF DIRECTORS

CONSOLIDATED FINANCIAL STATEMENTS

1

INTRODUCTION

BRISA – Auto-Estradas de Portugal, S.A. has its head office in Cascais and was founded on 28 September 1972. The Brisa Group (the Group) is made up of the subsidiaries and associated companies listed in Notes 4 and 14, including subsidiary Brisa – Concessão Rodoviária, S.A. (BCR), which has securities listed on Bourse de Luxembourg (LuxSE) and Euronext Lisbon. The Group's principal activities are described in Note 5.

respective interpretations – SIC and IFRIC issued by the International Financial Reporting Interpretation Committee (IFRIC) and Standing Interpretation Committee (SIC). These standards and interpretations are hereinafter referred to collectively as “IFRS”.

ADOPTION OF NEW STANDARDS AND INTERPRETATIONS, AMENDED OR REVISED

The following standards, interpretations, amendments and revisions endorsed by the European Union with mandatory application in financial years starting on or after 01 January 2016, are as follows:

2

MAIN ACCOUNTING POLICIES

2.1. BASIS OF PRESENTATION

The accompanying consolidated financial statements were prepared on a going concern basis from the books and accounting records of the companies included in the consolidation (Note 4), restated in the consolidation process to International Financial Reporting Standards, effective for the years beginning 01 January 2016, as adopted in European Union. Such standards include the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), the International Accounting Standards (IAS) issued by the Accounting Standards Committee (IASC) and the

ADOPTION OF NEW STANDARDS AND INTERPRETATIONS, AMENDED OR REVISED



STANDARD/ INTERPRETATION	EFFECTIVE DATE (YEARS BEGINNING ON OR AFTER)	
Amendment to IAS 1 – Presentation of Financial Statements - Disclosure Initiative	01-Jan-16	Revision of disclosures within the scope of IASB project – Disclosure Initiative – indications relating to the materiality; order of the notes; subtotals; accounting policies; and disaggregation; and presentation of other comprehensive income items resulting from investments measured by the equity method.
Amendments to IAS 16 – Fixed Tangible Assets and IAS 38 – Intangible Assets - acceptable methods of depreciation	01-Jan-16	This amendment aim to introduce a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate and clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. The presumption established for the depreciation of intangible assets can only be rebutted when the intangible asset is expressed based on the generated revenue or when the use of economic benefits is highly co-related with generated revenue.
Amendment to IAS 19 – Defined benefit plans	01-Feb-15	This amendment appliesto contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service.
Amendment to IFRS 11 - Joint arrangements	01-Jan-16	This amendment provides guidance on accounting for the acquisition of an interest in a joint operation, in circumstances in which the activity of the joint operation constitutes a business as defined in IFRS 3 (a joint operation that is a business).
Improvements in international financial reporting standards (2010-2012 cycle)	01-Feb-15	These improvements involve the clarification of aspects relating to: IFRS 2 – Share-based payments: definition of vesting condition; IFRS 3 – Business combinations: accounting for contingent payments; IFRS 8 – Operating segments: disclosures relating to the judgements made by management in applying the aggregation criteria and clarification on the need to reconcile total assets per segment with to corresponding items in the entity’s financial statements; IAS 16 – Tangible fixed assets and IAS 38 – Intangible assets: need of proportionate restatement of accumulated depreciation under the revaluation method; and IAS 24 – Related parties disclosures: defines that an entity, or any member of a group of which it is a part that provides key management personnel services to the reporting entity or to the parent of the reporting entity is a related party; and IFRS 13 – Fair value: clarifications relating to the measuring of short-term accounts receivable or payable.
Improvements in international financial reporting standards (2012-2014 cycle)	01-Jan-16	These improvements involve the clarification of aspects relating to: IFRS 5 – Non-current assets held for sale and Discontinued Operations: introduces guidelines on how to act in case of changes in the expected realisation method (sale or distribution to shareholders); IFRS 7 – Financial instruments: disclosures: this standard clarifies the impacts of netting arrangements on financial positions and exempts interim financial statements from disclosures required concerning set-off and related arrangements; IAS 19 – Employee benefits: it defines the discount rate used, which is determined by reference to market yields at the end of the reporting period on high quality corporate bonds. and IAS 34 – Interim Financial Reporting: clarification on the procedures to adopt when information is available in other documents issued jointly with the interim financial statements.

NON ADOPTED NEW STANDARDS AND INTERPRETATIONS, AMENDED OR REVISED

NON ADOPTED NEW STANDARDS AND INTERPRETATIONS, AMENDED OR REVISED

Until the date of approval of these financial statements, the European Union endorsed the following standards the application of which is mandatory in future financial years:

STANDARD/ INTERPRETATION	EFFECTIVE DATE (YEARS BEGINNING ON OR AFTER)	
IFRS 9 - Financial instruments (2009) and subsequent amendments	01-Jan-18	This standard is included in the revision of IAS 39 and establishes new requirements relating to the classification and measurement of financial assets and liabilities, the methodology to determine impairment losses and the application of hedging accounting rules..
IFRS 15 – Revenue from contracts with customers	01-Jan-18	The objective of this standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer, and it replaces IAS 18 - Revenue, IAS 11 - Construction contracts; IFRIC - Customer Loyalty Programmes and SIC 31 - Revenue - Transactions involving advertising services.

NON ADOPTED NEW STANDARDS AND INTERPRETATIONS, AMENDED OR REVISED

These standards, although endorsed by the European Union, were not adopted by the Group in the year started at 31 December 2016 as their application is still not mandatory. Impact stemming from the adoption of these standards are being assessed by Management.

The following standards, interpretations, amendments and revision that could be applicable to the Company’s operations, the adoption of which will be mandatory in future financial years, were not endorsed by the European Union, as of the date of these financial statements:

STANDARD/ INTERPRETATION	EFFECTIVE DATE (YEARS BEGINNING ON OR AFTER)	
IAS 7 – Cash flow Statement	01-Jan-17	Reconciliation of changes in funding liabilities with cash flows of financing activities.
IAS 12 – Income tax	01-Jan-17	Recognition of deferred tax assets measured at fair value, the impact of deductible temporary differences on the estimate of future taxable income and the impact of restrictions on the capacity to recover deferred tax assets.
IFRS 2 – Share-base payment	01-Jan-18	Measurement of share-based payment plans financially settled, recognition of changes, and the classification of share-based payment plans as settled in equity, where the employer is required to withhold tax.
IFRS 15 – Revenue from contracts with customers	01-Jan-18	Identification of performance obligations, time of recognition of revenue from PI licences, revision of indicators for classifying the principal relation versus agent, and new regimes for the simplification of the transition.
IFRS 16 – Leases	01-Jan-19	This standard specifies the principles to recognise, measure, present and disclose leases, replacing IAS 17 - Leases. The standard defines unique principles for accounting leases, applying to all leases except for those with a lease term of 12 months or less or where the underlying asset has low value. Leases will continue to be divided into operating or financial leases; IFRS 16 will not imply relevant changes in relation to those established in IAS 17.
Improvements in international financial reporting standards (2014-2016 cycle)	01-Jan-18	These improvements involve the clarification of aspects relating to: IFRS 1 - First adoption of IFRS: eliminates temporary exemptions for IFRS 7, IFRS 10 and IAS 19, as they are no longer applicable; IFRS 12 - Disclosures of interests in other entities: clarifies that its scope includes investments classified within the scope of IFRS 5, and that the only exemption refers to the disclosure of the summary of the financial information of such entities; and IAS 28 - Investments in associates and joint ventures: (i) clarifies that investments in associates or joint ventures held by a venture capital company can be measured at fair value according to IFRS 9, on an individual basis, and (ii) clarifies that an entity which is not an investment entity, but holds investments in associates and joint ventures which are investment entities can keep the measurement at fair value of the associate or joint venture in its own subsidiaries.
IFRIC 22 – Foreign currency transactions and advance consideration	01-Jan-18	Interest rate to apply where the consideration is received or paid in advance.

No relevant effects are estimated for future financial statements from the application of these standards and interpretations, though its impact was not yet determined or quantified.

The financial statements were prepared in accordance with the historical cost convention, except in the case of financial instruments, which were recognised at fair value. The main accounting policies adopted are described below.

2.2 CONSOLIDATION PRINCIPLES

A) CONTROLLED COMPANIES

Controlled companies have been consolidated in each accounting period using the full consolidation method. Control is considered to exist where the Group is exposed to or is entitled to variable returns stemming from its involvement with affiliates and can determine such returns on account of the power it exerts on these companies. Subsidiaries are consolidated as from the date in which respective control is transferred to the Group, and they are excluded from consolidation as from the date such control ceases to exist.

Third party participation in shareholders' equity and net profit of such companies is presented separately in the consolidated statement of financial position and consolidated income statement, respectively, under the caption "Non-controlling interests" (Note 26).

The results of subsidiaries acquired or sold during the year are included in the separate consolidated income statement from the date of their acquisition to the date of their sale.

Controlled companies as of 31 December 2016 are listed in Note 4. Significant balances and transactions between such companies were eliminated in the consolidation process. Non-realised losses are also eliminated, unless considered as an indicator of impairment for the asset

transferred. Capital gains within the Group on the sale of subsidiary and associated companies are also eliminated.

Whenever necessary, adjustments are made to the financial statements of subsidiary companies to conform to the Group's accounting policies.

B) JOINT VENTURES

Joint arrangements are classified as joint ventures or joint undertakings according to the contractual rights and obligations of each investor.

Joint undertakings are included in the consolidated financial statements according to the equity method. Investments in joint undertakings are initially measured at cost; their book value is subsequently increased or reduced by recognising the share of the Group in total gains or losses recorded by the joint undertaking.

When the share of the losses attributable to the Group is equivalent or exceeds the value of the investment in the joint venture, the Group recognise additional losses if it has taken on obligations or made payments in benefit of the associate to the benefit of the joint ventures.

Unrealised gains and losses on transactions between the Group and its joint ventures are eliminated in the proportion of the Group's interest in the joint venture. Unrealised losses will also be eliminated, unless the transaction provides additional evidence of an impairment over the transferred asset.

Accounting policies of joint ventures are altered, where necessary, in order to ensure that they are applied consistently with those of the Group.

C) CONCENTRATION OF BUSINESS ACTIVITIES

The acquisition of subsidiaries is accounted for according to the purchase method. The acquisition cost is calculated as the sum of the fair values of the assets transferred, liabilities incurred or assumed and the equity instruments issued by the Group in exchange for the control of the acquire, at acquisition date. Acquisition related costs are recognized as cost when incurred. When applicable the acquisition costs also include the fair value of the contingent consideration measured at the acquisition date. Subsequent changes to value of the contingent consideration are recorded in accordance with the accounting of rules applicable to the identified assets and liabilities, except if they qualify as measurement period adjustments. During the provisional measurement period, these subsequent changes affect the purchase value of the concentration of business activities (fair value of net assets purchased), whilst changes occurred following the provisional measurement period affect results or equity, in accordance with respective standards, and the fair value of assets and liabilities for the purposes of measuring the concentration of business activities is no longer altered

If the initial accounting of the business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete and adjusts those provisional amounts during the measurement period (period between the date of acquisition and the date at which the Group obtains the full information about the facts and circumstances that existed at the acquisition date and that cannot exceed one year from the acquisition date), or additional assets and liabilities are recognized, to reflect the facts and circumstances that existed at the financial position date and that, if known, would have been affected the amounts recognized at the acquisition date. Where, as of the date of acquisition of the control, the Group already has a holding previously acquired, the fair value of such holding will be taken into account to determine the goodwill or badwill.

If the above-mentioned differential is negative, it is recognized in the income statement for the period after reassessment of the estimated fair value.

The non-controlling interests of the shareholders that do not have the control of the business combination are identified separately in the equity. Non-controlling interests can be initially measured by its fair value or by the percentage of the fair value of the assets and liabilities of the acquired subsidiary. This option is available each separate transaction. After the initial measurement, the non-controlling interests are determined as the amount initially recognized plus the proportion of the changes in the equity of the subsidiary. The comprehensive income of a subsidiary is attributed to the non-controlling interests even if they are negative.

Changes in the controlling interests over subsidiary companies both in increases and in decreases that do not represent a loss of control are accounted as equity transactions. The controlling interests of the Group and the non-controlling interests are adjusted to reflect the changes of participation. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the acquisition price is recognized as equity and allocated to the controlling interests.

When the Group loses control over a subsidiary, the gain or loss in the sale is calculated as the difference between (i) the aggregated amount of the fair value of the consideration received and the fair value of the interest retained and (ii) the accounting value of the assets (including goodwill) and the liabilities of the subsidiary and of the non-controlling interests; respective gains are recognised in results for the year. The amounts previously recognized as comprehensive income are transferred to the income statement or retained earnings in a similar manner as if the related assets and liabilities had been sold. The fair value of the interests retained corresponds to the fair value of the initial recognition for the purposes of the subsequent accounting in the scope of IAS 39 – Financial instruments or, if applicable, the cost for the purposes of the initial recognition of an investment in an associate or a joint-venture.

D) INVESTMENTS IN ASSOCIATES

An associated company is one in which the Group exercises significant influence, but does not have control or joint control, through participation in decisions relating to its financial and operating policies.

Investments in the majority of associated companies (Note 14) are recorded in accordance with the equity method, except where they are classified as held for sale. Investments are originally recorded at cost which is then increased or decreased by the difference between cost and the proportional value of the equity of such companies as of the date of acquisition or the date the equity method was first used.

Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate (and accounted in the income statement and the other comprehensive income of the Group) and the dividends received.

In the specific case of changes in equity in associated companies, resulting from the capital increase with share premium, causing a dilution of the investment held, the corresponding adjustment in the amount of the investment is made by corresponding entry to income or loss from investments.

Losses in associated companies in excess of the investment in such companies are not recognised, except when the Group has made payments to the benefit of the associates.

Any excess of cost over the fair value of the identifiable net assets acquired as of the acquisition date is recorded as goodwill. Where cost is lower than the fair value of the net assets identified, the difference is recorded as a gain in the consolidated statement of profit and loss for the period in which the acquisition occurs.

In addition, dividends received from these companies are recorded as decreases in the amount of the investments.

A valuation of the investments in associates is performed when there are signs that the asset may be impaired (including goodwill and/or implicit loans/financing), in which case any impairment losses will be recorded as expenses. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, impairment losses are reversed up to the amount that would have been recognised (net of amortisation) if the impairment loss had not been recorded in prior years.

Unrealised gains in transactions with associated companies are eliminated in proportion to the Group's interest in such companies, by corresponding entry to the amount of the related investment. Unrealised losses are also eliminated, but only up to the point in which the loss does not show that the asset transferred is in a situation of impairment.

E) GOODWILL

The differences between the acquisition cost of the investments in group companies and associates, plus, in the case of subsidiaries, of the non-controlling interests and the fair value of identifiable assets and liabilities of those companies at the date of acquisition, if positive, are recorded in goodwill or in investments in associated companies, as applicable. Goodwill on investments in subsidiaries registered abroad as well as the fair value adjustments of the subsidiary's assets and liabilities at the date of acquisition is recorded in the reporting currency of the subsidiary, being translated to the Group's reporting currency (Euro) at the exchange rate in force on the date of the consolidated statement of financial position. Exchange differences arising on such translations are recorded in the caption "Foreign currency translation adjustments".

Goodwill is not amortised but subjected to annual impairment tests. Goodwill is allocated to the cash-generating units to which it belongs for the purposes of performing the impairment tests, which are carried out at least once a year. The recoverable amount is determined based on management business plans or valuation reports performed by independent experts. Any goodwill impairment loss is recorded as a cost in the consolidated income statement for the period under caption “Amortisation, depreciation and adjustments”.

Goodwill impairment losses cannot be reversed, except for goodwill on investments in associates.

When the differences between the acquisition cost of investments in group companies and associates, added, in the case of subsidiaries, of the value of non-controlling interests and the fair value of identifiable assets and liabilities of those companies at the date of acquisition are negative, they are recognized as an income at the date of acquisition, after reassessment of the fair value of the identifiable assets and liabilities.

Goodwill on acquisitions prior to the transition date to IFRS (1 January 2004) was maintained at the former amount in accordance to with generally accepted accounting principles in Portugal, being subject to annual impairment tests.

2.3. SEGMENT REPORTING

An operating segment is a component of an entity:

- (i) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- (ii) whose operating results are regularly reviewed by the entity’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- (iii) for which discrete financial information is available.

Operating segments are reported consistently with the internal management information model provided to the Group’s key decision-makers. Such decision-makers are responsible for allocating resources to the segment and assessing its performance, in addition to strategic decision-making.

2.4. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets (or discontinued operations) are classified as held for sale if the amount is realisable through sale, as opposed to through continued use. This is considered to be the case where: (i) sale is probable and the asset is available for immediate sale in its current condition; (ii) management is committed to a sales plan; and (iii) the sale is expected to take place within a period of 12 months.

Non-current assets (or discontinued operations) classified as held for sale are stated at the lower of book value or fair value less costs to sell. Assets with finite life cease to be amortised/depreciated as from the date they are classified as held for sale until the date of the sale or the transaction becomes unlikely.

Subsidiaries classified as non-current assets held for sale continue to be consolidated until the date of respective sale, and their assets and liabilities are then classified as held for sale and accounted at the lower of

the carrying amount and the fair value less selling costs, whilst the recording of depreciation/amortisation ceases.

Where, due to changes in circumstances of the Brisa Group, non-current assets and/or groups for sale cease to fulfil the conditions to be classified as held for sale, such assets and/or Groups for sale will be reclassified according to the underlying nature of the assets and will be remeasure at the lower of i) the carrying amount before they were classified as held for sale, adjusted for any depreciation/amortisation expense, or revaluation amounts that were recognised, had such assets not been classified as held for sale, and ii) recoverable amounts of the assets as of the date they are reclassified, in accordance with underlying nature. These adjustments will be recognised in results for the year.

2.5. INTANGIBLE ASSETS

Intangible assets acquired separately are measured at acquisition cost, which comprises; i) the purchase price, including intellectual rights and other taxes, after deduction for discounts; and ii) any directly attributable cost of preparing the asset for its intended use.

After the initial accounting, the Group measures its intangible assets according to the cost model.

Intangible assets, which comprise essentially contractual rights and costs incurred on specific projects with future economic value, are stated at cost less accumulated amortisation and impairment losses. Intangible assets are only recognised if it is probable that they will produce future economic benefits for the Group, they are controllable by the Company and their value can be determined reliably.

The Brisa Group follows IFRIC 12 – Service Concession Arrangements in situations where a public entity has assigned the Group with the supply of public services, through public services concession arrangements. The Group follows the intangible asset model for these arrangements, being granted the right to charge users for the public service provided, there existing no guarantee over the revenues to be received by the Grantor during the concession period and the Group assuming the demand risk.

Expenses with concession infrastructures are recognised as intangible assets, and amortised over the period of the concession. These intangible assets are added to the amounts agreed with the Grantor for the construction/acquisition of assets to operate the concession, where these translate in investments in expansion or improvements to infrastructures.

Internally generated intangible assets, namely current research and development costs, are recognised as costs when incurred.

Internal costs relating to the maintenance and development of software are recorded as expenses in the consolidated income statement when incurred, except where such costs relate directly to projects which will probably generate future economic benefits for the Group. In such cases these costs are capitalised as intangible assets.

Amortisation of such assets is provided on a straight-line basis as from the date the assets started being used, in accordance with the period the Company expects to use them.

Whenever there are signs of possible loss of economic value in intangible assets, impairment tests are carried out to estimate the recoverable value of the asset, and where necessary, recognise an impairment loss.

Useful lives of intangible assets are reviewed at the end of each reporting year so that depreciation complies with the asset consumption patterns. Changes to useful lives are treated as a change in an accounting estimate and applied prospectively.

2.6 TANGIBLE FIXED ASSETS

Tangible fixed assets used in production, rendering services or for administrative use are stated at cost, including expenses incurred with their purchase, less accumulated depreciation and, where applicable, impairment losses.

Depreciation of tangible fixed assets is provided on a straight-line basis over their estimated useful lives, as from when the assets become available for their intended use, in accordance with the following estimated periods of useful life:

	YEARS OF USEFUL LIFE
Buildings and other constructions	1 to 50
Basic equipment	1 to 20
Transport equipment	4 to 6
Administrative equipment	1 to 10
Tools and utensils	1 to 10

Tangible fixed assets directly related to concessions that will revert to the grantor at the term of respective contracts are amortized throughout their estimated useful lives up to the end of the concession period.

Whenever there are signs of possible loss of economic value in tangible assets, impairment tests are carried out to estimate the recoverable value of the asset, and where necessary, recognise an impairment loss.

Useful lives of assets are revised at the end of each reporting year so that depreciation complies with the asset consumption patterns. Land is not depreciated. Changes to useful lives are treated as a change in an accounting estimate and applied prospectively

2.7. LEASING

Lease contracts are classified as: (i) finance leases, if substantially all the benefits and risks of ownership are transferred under them; and (ii) operating leases, if substantially all the benefits and risks of ownership are not transferred under them.

Leases are classified as finance or operating leases based on the substance rather than the form of the contract.

Fixed assets acquired under finance lease contracts as well as the corresponding liabilities are recorded in accordance with the financial method, where fixed assets, corresponding accumulated depreciation and liabilities are recognised in accordance with the contracted financial plan under caption “Suppliers of investments”. In addition, the interest included in the lease instalments and depreciation of the tangible fixed assets are recognised as expenses in the consolidated statement of profit and loss for the year to which they relate.

Tangible fixed assets acquired through finance lease contracts are depreciated at the lower of the useful life of the asset and the period of the lease, where the Group does not have a purchase option at the end of the lease or the estimated useful life, where the Group intends to purchase the assets at the end of the lease.

In the case of operating leases, lease instalments are recognised as expenses on a straight-line basis in the consolidated statement of profit and loss over the period of the lease contract.

2.8. IMPAIRMENT OF NON-CURRENT ASSETS, EXCLUDING GOODWILL

Impairment assessments are made as of the date of the statement of financial position and whenever an event or change in circumstances is identified that indicates that the book value of an asset may not be recovered. Where such indications exist, the Group determines the recoverable value of the asset, so as to determine the possible extension of the impairment loss.

In situations in which the individual asset does not generate cash-flows independently of other assets, the estimated recoverable value is determined for the cash generating unit to which the asset belongs.

Whenever the book value of an asset exceeds its recoverable amount, an impairment loss is recognised by charge to the statement of comprehensive income, under caption “Amortisation, depreciation and adjustments”.

Intangible assets which do not have a finite useful life are tested for impairment on a regular basis (at least once a year), regardless of any signs of impairment.

The recoverable amount is the higher of the net selling price (selling price less costs to sell) and the usable value of the asset. Net selling price is the amount that would be obtained from selling the asset in a transaction between knowledgeable independent entities less the costs directly attributable to the sale, or the market price if the asset is traded on an active market, or fair value calculated based on an estimate of future cash flows that any market agent would expect to obtain from the asset. Usable value is the present value of the estimated future cash flows resulting from the continued use of the asset and sale thereof at the end of its useful life. Recoverable amounts are estimated for individual assets or, where this is not possible, for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior years are reversed when there are indications that such losses no longer exist or have decreased. The reversal of impairment losses is recognized in the consolidated statement of profit and loss as “Reversal of provisions, amortisation, depreciation, adjustments and provisions”. However, impairment losses are reversed up to the amount that would have been recognised (net of amortisation) if the impairment loss had not been recorded in prior years.

2.9. FOREIGN CURRENCY ASSETS, LIABILITIES AND TRANSACTIONS

Transactions in currencies other than Euro are recorded at the rates of exchange in force on the dates of the transactions. At each date of the consolidated statement of financial position, monetary assets and liabilities denominated in foreign currency are translated to Euro at the rates of exchange in force as of those dates. Foreign currency non-monetary assets and liabilities recorded at fair value are translated to Euro using the rates of exchange in force on the dates the fair value is determined.

Exchange gains and losses resulting from differences between the exchange rates in force on the dates of the transactions and those in force on the dates of collection, payment or the date of the consolidated statement of financial position are recognised as income or costs in the separate income statement, except for those relating to non-monetary items where the change in fair value is recognised directly in shareholders’ equity (“Translation reserves”):

- Exchange differences resulting from the translation of medium and long term foreign currency intra Group balances, which in practice are extensions of financial investments;
- Exchange differences on financial operations to hedge exchange risk on foreign currency investments as established in IAS 21, provided that they comply with the efficiency criteria established in IAS 39.

The foreign currency financial statements of subsidiary and associated companies are translated as follows: assets and liabilities at the exchange

rates in force on the date of the consolidated statement of financial position; shareholders’ equity captions at the historical exchange rates and separate income statement captions at the average exchange rates.

The effect of such translations is reflected in the shareholders’ equity caption “Translation reserves”, and is transferred to the income statement when the corresponding investments are sold.

In accordance with IAS 21 goodwill and fair value corrections determined on the acquisition of foreign entities are considered in the reporting currency of such entities being translated to Euro at the exchange rates in force on the date of the consolidated statement of financial position. Such exchange differences are reflected under caption “Foreign exchange translation adjustments”.

2.10. FINANCING COSTS

Costs incurred on loans obtained directly to finance the acquisition, construction or production of qualifying tangible and intangible fixed assets, i.e. assets which take more than one year to build, are capitalised and part of the cost of the assets. Such costs are capitalised as from the beginning of the preparation for construction or development of the assets and ends on the date such assets are available for use or when the project in question is suspended. Any financial income generated by loans obtained in advance to finance specific capital expenditure is deducted from the capital expenditure subject to capitalisation.

Loan expenses are recognised in the consolidated income statement for the period to which they relate.

2.11. SUBSIDIES

State subsidies are recognised based on their fair value, when there is reasonable certainty that they will be received and that the Group will comply with the conditions required for them to be granted.

Operating subsidies, namely those for employee training, are recognised in the consolidated income statement for the year in accordance with the expenses incurred.

Investment subsidies relating to the acquisition of tangible fixed assets are deducted from the value of such fixed assets and recognised in the consolidated income statement for the year on a consistent straight-line basis in proportion to depreciation of the subsidised fixed assets.

2.12. INVENTORIES

Merchandise and raw materials are stated at purchase cost, which is lower than their corresponding market value, using the average cost as a costing method.

Finished and semi-finished products, sub-products and work in progress are stated at average production cost, which includes the cost of the raw materials incorporated, labour and production overheads (considering depreciation of production equipment based on normal utilisation levels), which is lower than net realisable value. Net realisable value corresponds to normal selling price less cost to complete production and selling costs.

Impairment losses on inventories are recorded by the difference between the cost and the realisable value of inventories, if this is lower than cost.

2.13. RESULT OF OPERATIONS

Operating results include all operating expenses and income, whether recurring or not, including restructuring expenses, and expenses and

income relating to operating assets (tangible fixed assets and intangible assets). It further includes capital gains and losses on the sale of companies included in the consolidation by the full consolidation method. Therefore, operating profit excludes net financial expenses, the results of associated companies and other investments and income tax.

2.14. PROVISIONS

Provisions are recognised when, and only when, there is an obligation (legal or implicit) resulting from a past event, under which it is probable that there will exist an outflow of resources to resolve the obligation and the amount of the obligation can be reasonably estimated. At each the date of each consolidated statement of financial position provisions are reviewed and adjusted to reflect the best estimate as of that date.

The amount recognised as provisions consists of the present value of the best estimate, as of reporting date, of the resources required to settle the obligation. This estimate is determined taking into account the risks and uncertainties surrounding the obligation.

In particular, the Group recognizes provisions for the reinstatement of obligations associated to the infrastructures operated under the concession agreements that require a specific level of service. These provisions are calculated based on future intervention plans, namely as concerns road resurfacing.

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits to be received from the contract.

Provisions for reorganization expenses are recognised whenever there is a formal detailed reorganization plan which has been communicated to the parties involved.

2.15. FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised when the Group becomes a party to the contractual relationship.

CASH AND CASH EQUIVALENT

Amounts included in caption “Cash and cash equivalents” include cash, bank deposits, term deposits and other treasury applications maturing in less than three months and which can be immediately withdrawable with insignificant risk of change.

For the purposes of the consolidated cash flow statement, caption “Cash and cash equivalents” also includes bank overdrafts included in caption “Loans” in the statement of financial position.

ACCOUNTS RECEIVABLE

Accounts receivable do not have implicit interest and are reflected at their nominal value, less estimated loss on realisation.

HELD TO MATURITY INVESTMENTS

Held-to-maturity investments are classified as non-current assets, except if they mature in less than twelve months from the statement of financial position, including investments with a defined maturity date for which there is no intention or capacity to hold up to that date.

Held-to-maturity investments are recorded at capitalised cost based on the effective interest rate, less repayments of principal and interest income.

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial liabilities and equity instruments are classified in accordance with the substance of the contract, independently of its legal form. Equity instruments are contracts that reflect a residual interest in the Group's assets after deduction of the liabilities.

Equity instruments issued by the Company are recorded at the amount received net of costs incurred for their issuance.

BANK LOANS

Loans are recorded as liabilities at the amount received, net of costs of issuing such loans. Financial costs, calculated in accordance with the effective interest rates, including premiums payable, are recorded on an accruals basis, being added to the book value of the loans if they are not paid during the year.

ACCOUNTS PAYABLE

Accounts payable do not bear interest and are recorded at their nominal value.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

The Group has the policy of contracting derivative financial instruments to hedge the financial risks to which it is exposed as a result of changes in interest rates. The Group does not contract derivative financial instruments for speculation purposes.

Derivative financial instruments are measured at their fair value. The method for recognising these financial instruments will depend on the nature and purpose of the transaction.

The Group contracts derivative financial instruments in accordance with internal policies approved by the Board of Directors.

Hedge accounting

Derivative financial instruments are designated as hedging instruments in accordance with provisions of IAS 39, as to their documentation and effectiveness.

Changes in the fair value of derivative financial instruments designated as cash flow hedging instruments are recorded in caption "Other reserves" as concerns their effective component and in the income statement as concerns their non-effective component. The amounts recorded under "Retained earnings and Other reserves" are transferred to the income statement in the same year in which the effect on the hedged item is reflected in the income statement.

Hedge accounting is discontinued when the hedging instrument matures or is sold or exercised or when the hedging relationship ceases to comply with requirements of IAS 39.

Trading instruments

Changes in the fair value of derivative financial instruments which are contracted for financial hedging purposes in accordance with the Group's risk management policies, but do not comply with the requirements of IAS 39 to qualify for hedge accounting, are recorded in the separate consolidated income statement for the year in which they occur.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial assets and liabilities is determined as follows, according to provisions in IFRS 13:

- The fair value of standard financial assets and liabilities traded on active markets is determined based on their listed prices (Level 1);
- The fair value of other assets and liabilities (except derivative financial instruments) is determined in accordance with generally accepted valuation models, based on discounted cash flow analyses, considering prices on current market transactions (Level 2);

- The fair value of derivative financial instruments is determined based on listed prices. Where listed prices are not available, fair value is determined based on analyses of discounted cash flow, which include assumptions not supported by prices or market rates (Level 3).

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets carried at amortized cost are assessed for indicators of impairment at each reporting period, where there is evidence that these assets may be impaired. Such financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been negatively affected.

In what concerns financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the fair value of the financial asset.

The impairment losses are recorded in the income statement in the year they are identified.

In the subsequent period, if the amount of the impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the income statement, to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. The reversal of impairment losses is recorded in the income statement.

2.16. SHARE CAPITAL AND TREASURY SHARES

Ordinary shares are classified in equity, as share capital.

Expenses directly attributed to the issuance of new shares or other equity instruments are recorded as deduction, net of tax, at the amount received resulting from the issue. Expenses directly attributed to the issuance of new shares or options for the purchase of a business are deducted at the value of the issue.

Treasury shares are accounted for at acquisition cost, if the purchase is made at spot, or at estimated fair value if the purchase is deferred, as a reduction to equity. Income or expenses on the sale of treasury stock are recorded in the caption “Retained earnings and other reserves”.

2.17. DIVIDEND DISTRIBUTION

The distribution of dividends to holders of share capital is recognised as liabilities in the Company’s financial statements, in the period on which such dividends are approved by shareholders until the date of their financial settlement, or, in case of interim dividends, when approved by the Board of Directors.

2.18. PENSION LIABILITIES

The Group has assumed the commitment to provide its employees with retirement pension supplements under a defined benefits plan, having constituted autonomous pension funds for the purpose.

In order to estimate the amount of its liability for the payment of such supplements, periodic actuarial calculations are made using the Projected Unit Credit Method. Remeasurements resulting (i) from the difference between the assumptions used to determine liabilities with the plan and the actual evolution of actuarial variables, (ii) changes introduced in the assumptions and (iii) the difference between the expected return on the

fund’s assets and actual return are recorded in the consolidated statement of profit and loss in the year they occur.

Pension liabilities recognised as of the date of the consolidated statement of financial position correspond to the present value of the liabilities under the defined benefits plans, adjusted for remeasurements, less the fair value of the net assets of the pension funds.

Contributions made by the Group to the defined benefits pension plans are recognised as expense on the dates they are due.

2.19. CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities are not recognised in the financial statements but are disclosed in the notes to the financial statements, unless the possibility of an outflow of funds affecting future economic benefits is remote, in which case they are not subject to disclosure.

Contingent assets are not recognised in the consolidated financial statements, but are disclosed in the notes to the financial statements when it is probable that any associated future economic benefits will occur.

2.20. REVENUE

Income resulting from sales is recognised in the consolidated income statement when the risks and benefits of ownership of assets are transferred to the purchaser and the amount of income can be reasonably quantified. Sales are recognised net of taxes, discounts and other costs incurred to realise them, by the fair value of the amount received or receivable.

For construction contracts where the outcome can be estimated reliably, corresponding expenses and income are recognised by reference to the stage of completion of the contract at the end of the reporting period. The

stage of completion is measured based on the stage of realization of the construction work in the infrastructure. Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized up to the amount of the contract costs incurred which are likely to be recovered. Contract costs are recognized as expenses in the period in which they are incurred. When it is likely that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Income from services rendered is recognised in the consolidated statement of profit and loss for the year as of completion of the services at the date of the consolidated statement of financial position

2.21 ACCRUAL BASIS

Dividends from investments are recognised as income in the year they are attributed.

Interest and financial income are recognised on an accrual basis in accordance with the effective interest rate.

Expenses and income are recognised in the year to which they relate independently of when they are paid or received. Income and expenses for which their real amount is not known are estimated.

Expenses and income attributable to the current year, which will only be paid or received in future years, as well as the amounts paid and received in the current year that relate to future years and will be attributed to each of these years, are recorded in the captions “Other current assets”, “Other non-current assets” and “Other current liabilities” and “Other non-current liabilities”.

2.22. INCOME TAX

Tax on income for the year is calculated based on the taxable results of the companies included in the consolidation and takes into consideration deferred taxation. Income tax for the period comprises current and deferred tax. Income tax is recognised in the statement profit or loss and other comprehensive income, except when it concerns gains or losses recognised directly in equity, in which case it is also recognised directly in equity.

Current income tax is calculated based on the taxable results (which may differ from the accounting results) of the companies included in the consolidation, in accordance with the tax rules applicable to the area in which the head office of each Group company is located.

Deferred taxes refer to temporary differences between the amounts of assets and liabilities for accounting purposes and the corresponding amounts for tax purposes, as well as those resulting from tax benefits obtained and temporary differences between tax and accounting income.

Deferred tax assets and liabilities are calculated and assessed periodically using the tax rates expected to be in force when the timing differences will reverse.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are only recognised when there is reasonable expectation that there will be sufficient future taxable income to utilise them. The temporary differences underlying deferred tax assets are reappraised annually in order to recognise or adjust the deferred tax assets based on the current expectation of their future recovery.

2.23. CRITICAL JUDGEMENTS/ESTIMATES IN APPLYING THE ACCOUNTING STANDARDS

The preparation of financial statements in accordance with the IFRS recognition and measurement principles require the Board of Directors to make judgements, estimates and assumptions that can affect the value of the assets and liabilities, especially of deferred tax assets, intangible assets, tangible fixed assets and provisions, the disclosure of contingent assets and liabilities as of the date of the financial statements as well as income and costs.

These estimates are based on the best knowledge available at the time and on the actions planned, and they are constantly revised based on the information available. Changes in the facts and circumstances can result in revision of the estimates, and so the actual future results can differ from such estimates.

Significant estimates and assumptions made by the Board of Directors in preparing these consolidated financial statements include assumptions used to value pension liabilities, deferred taxes, the useful life of tangible fixed assets, impairment analyses, the fair value of derivative financial instruments and provisions.

2.24. SUBSEQUENT EVENTS

Events that occur after the consolidated statement of financial position date that provide additional information on conditions that existed as of the consolidated statement of financial position date are reflected in the consolidated financial statements.

Events that occur after the consolidated statement of financial position date that provide additional information on conditions that existed after the consolidated statement of financial position date are reflected in the consolidated financial statements.

3

CHANGES IN POLICY, ESTIMATES AND ERRORS

In the year ended 31 December 2016 no changes in accounting policies in relation to those used to prepare the information for the year 2015 have occurred that could affect the consolidated financial situation or the consolidated results of operations, and no significant errors relating to prior years were recorded.

4

COMPANIES INCLUDED IN THE CONSOLIDATION

The companies included in the consolidation, their head offices and the proportion of capital held in them at 31 December 2016 are as follows:

COMPANY	HEAD OFFICE	PERCENTAGE REAL	ACTIVITIES
BRISA - Auto Estradas de Portugal, S.A. (Brisa)	Cascais	Parent company	Supply of logistic support and administrative and financial management services
Brisa - Concessão Rodoviária, SGPS, S.A. (BCR SGPS)	Cascais	70%	Management of investments
BRISA Concessão Rodoviária, S.A. (BCR)	Cascais	70%	Construction, maintenance and operation of motorways
Controlauto - Controlo Técnico Automóvel, S.A. (Controlauto)	Paço de Arcos	74.002%	Vehicle inspection
Iteuve Portugal, Lda. (Iteuve)	Cascais	74.002%	Vehicle inspection
Via Verde Portugal - Gestão de Sistemas Electrónicos de Cobrança, S.A. (Via Verde Portugal)	Cascais	60%	Management of electronic toll systems
BRISA Engenharia e Gestão, S.A. (BEG)	Cascais	100%	Management of engineering projects
BRISA O&M, S.A. (Brisa O&M)	Cascais	100%	Management, operation and maintenance of road infrastructures and mobile assistance
Brisa Inovação e Tecnologia, S.A. (BIT)	Cascais	79.21%	Rendering of services related to new technologies
Brisa Conservação de Infraestruturas, S.A. (BCI)	Cascais	100%	Road maintenance
M Call, S.A. (M Call)	Porto Salvo	100%	Rendering of Services
Via Verde Portugal, S.A. (VVC)	Cascais	100%	Relationship management with clients
Via Verde Portugal, S.A.(VVS)	Cascais	100%	Design, marketing and management of products and services in mobility-related areas
Via Verde Carsharing, S.A. (VVCAR)	Cascais	100%	Rendering of services of carsharing
Brisa - Áreas de Serviço, S.A. (BAS)	Cascais	51%	Management, operation, business development and maintenance of service areas
Via Oeste, SGPS, S.A. (Via Oeste)	Cascais	100%	Management of investments
Brisa Internacional, SGPS, S.A. (Brisa Internacional)	Cascais	100%	Management of investments
Brisa Participações e Empreendimentos, Ltda. (BPE)	São Paulo Brazil	100%	Management of investments
Brisa United States, LLC (BUS)	Atlanta USA	100%	Management of investments
Brisa North America, INC (BNA)	Atlanta USA	100%	Management of investments
Northwest Parkway Holding, LLC (NWP - HOLDING)	Denver USA	100%	Management of investments
Go-Pass Mobility Services, LLC (Go Pass)	Denver USA	100%	Motorway operations
Northwest Parkway LLC (NWP)	Denver USA	100%	Construction, maintenance and operation of motorways
Brisa International, BV (BIBV)	Amsterdam Holland	100%	Management of investments
Brisa International Investments, BV (BIIBV)	Amsterdam Holland	100%	Management of investments
BIT Mobility Solutions, LLC (BMS)	Denver USA	79.21%	Rendering of Services related to new technologies

These companies were included in the consolidation by the full consolidation method.

5 BUSINESS SEGMENTS

The identification of the Group's operating segments is made by the Board of Directors.

As of 31 December 2016, operating segments were revised and comparative information was thus restated.

As result, as of 31 December 2016, the Group was organized according to the following business segments:

- Brisa Concession;
- Other concessions;
- Vehicle inspections;
- Supporting services to the concessions;
- Technological services;
- Other.

Brisa concession (BCR concession contract)

Decree-law 467/72, of 22 November established the bases of Brisa Concession, namely the construction, maintenance and operation of motorways. Since then, the concession bases have been revised on several occasions, following amendments to the concession contract.

Decree-law 294/97 of 24 October, Decree-law 287/99, of 28 July, Decree-law 314 A/2002, of 26 December, and Decree-law 247-C/2008, of 30 December approved the bases of the current concession currently; these bases are as described below, having relevant impact on BCR's financial and economic situation:

- The total length of the motorway network operated under concession covers 1 100 kilometres, which are all open to traffic, except for the access to the new airport the length of which will depend on the location of the airport. The motorways are all tolled except for 86 kilometres.
- The concession period will end on 31 December 2035 and the assets directly related to the concession will revert to the State on such date.
- BCR's minimum share capital is €75 million.
- In the last five years of the concession the State may redeem the contract, under certain conditions ensuring financial stability.
- The supervision of the concession falls to the Ministry of Finance in what concerns financial matters and to the ministry responsible for the road sector as concerns remaining issues.

Other concessions

This segment, in terms of operational activity includes mainly the Northwest Parkway concession.

On 21 November 2007, under a "Contract Lease Agreement" entered into with Northwest Parkway Public Highway Authority, NWP started to operate, on a concession basis for a period of 99 years, a motorway on

an open system, with 14 km (8.7 miles), located in the State of Colorado, in the United States of America. In addition, the contract establishes the possible construction of 2.3 additional miles until 31 December 2018

Vehicle inspections

This segment includes vehicle inspection services, in particular, study, management and operation of the vehicle technical control and any other activities directly related.

Supporting Services to the Concessions

This segment includes operation and maintenance services of motorway infrastructure, management of electronic billing, road assistance and management of engineering projects.

Technological services

This segment includes technological development and services related to new technologies.

Other

This segment includes logistics and financial and administrative services.

The results of each segment (after the elimination of intra segment transactions) in the years ended as of 31 December 2016 and 2015 were as follows:

	BRISA CONCESSION	OTHER CONCESSIONS	VEHICLE INSPECTIONS	SUPPORTING SERVICES TO THE CONCESSIONS	TECHNOLOGICAL SERVICES	OTHER	SEGMENTS TOTAL	ELIMINATIONS	‘15 CONSOLIDATED TOTAL
Operating income:									
Rendered services - external clients	490 331	17 537	33 381	34 874	3 361	21 340	600 824	-	600 824
Rendered services - inter-segment	188	-	30	128 775	4 457	9 213	142 663	(142 663)	-
Other operating income - external clients	6 444	64	44	5 154	993	1 234	13 933	-	13 933
Other operating income - inter-segment	-	-	233	690	366	-	1 289	(1 289)	-
Reversal of amortisation, depreciation, adjustments and provisions	5 424	-	90	402	26	1	5 943	-	5 943
Income associated to construction service	17 305	-	-	-	-	-	17 305	-	17 305
Total operating income	519 692	17 601	33 778	169 895	9 203	31 788	781 957	(143 952)	638 005
Operating expenses:									
Cost of Goods Sold	-	-	-	(1 377)	(134)	-	(1 511)	-	(1 511)
Supplies and services - external suppliers	(4 767)	(5 045)	(5 951)	(38 909)	(3 544)	(12 406)	(70 622)	-	(70 622)
Supplies and services - inter-segment	(115 628)	(480)	(1 309)	(24 135)	(1 820)	(580)	(143 952)	143 952	-
Personnel costs	(1 565)	(874)	(10 527)	(49 814)	(2 808)	(17 396)	(82 984)	-	(82 984)
Amortisation, depreciation and adjustments	(133 787)	(90 621)	(1 983)	(2 910)	(702)	(2 219)	(232 222)	-	(232 222)
Provisions	(32 523)	(383)	(4)	(5 415)	-	(752)	(39 077)	-	(39 077)
Other operating expenses	(1 151)	(12)	(5 260)	(809)	(11)	(1 594)	(8 837)	-	(8 837)
Expenses associated to construction service	(17 305)	-	-	-	-	-	(17 305)	-	(17 305)
Total operating expenses	(306 726)	(97 415)	(25 034)	(123 369)	(9 019)	(34 947)	(596 510)	143 952	(452 558)
Operating profit	212 966	(79 814)	8 744	46 526	184	(3 159)	185 447	-	185 447
Financial expenses - external	(98 536)	(20 793)	(301)	(412)	(18)	(1 503)	(121 563)	-	(121 563)
Financial expenses - inter-segment	-	-	(18)	(14)	(5)	(1 445)	(1 482)	1 482	-
Financial income - external	1 483	2 595	-	120	50	2 521	6 769	-	6 769
Financial income - inter-segment	-	-	18	-	12	1 452	1 482	(1 482)	-
Investment income	-	-	68	-	39	18 814	18 921	-	18 921
	(97 053)	(18 198)	(233)	(306)	78	19 839	(95 873)	-	(95 873)
Profit before tax	115 913	(98 012)	8 511	46 220	262	16 680	89 574	-	89 574
Income tax	(32 372)	3 697	(2 136)	(12 667)	401	(25 423)	(68 500)	-	(68 500)
Non controlling interests	(18 153)	-	(2 578)	(2 282)	(125)	1	(23 137)	-	(23 137)
Consolidated net profit for the year attributable to shareholders	65 388	(94 315)	3 797	31 271	538	(8 742)	(2 063)	-	(2 063)

	BRISA CONCESSION	OTHER CONCESSIONS	VEHICLE INSPECTIONS	SUPPORTING SERVICES TO THE CONCESSIONS	TECHNOLOGICAL SERVICES	OTHER	SEGMENTS TOTAL	ELIMINATIONS	‘16 CONSOLIDATED TOTAL
Operating income:									
Rendered services - external clients	522 967	17 848	32 998	37 086	3 622	21 770	636 291	-	636 291
Rendered services - inter-segment	153	-	29	134 530	4 757	9 851	149 320	(149 320)	-
Other operating income - external clients	4 292	168	33	3 978	1 064	1 808	11 343	-	11 343
Other operating income - inter-segment	1	-	242	616	45	1 168	2 072	(2 072)	-
Reversal of amortisation, depreciation, adjustments and provisions	3 043	85 678	24	2 581	13	25	91 364	-	91 364
Income associated to construction service	21 401	-	-	-	-	-	21 401	-	21 401
Total operating income	551 857	103 694	33 326	178 791	9 501	34 622	911 791	(151 392)	760 399
Operating expenses:									
Cost of Goods Sold	-	-	-	(1 244)	(241)	1	(1 484)	-	(1 484)
Supplies and services - external suppliers	(3 866)	(5 100)	(6 227)	(40 367)	(4 510)	(10 801)	(70 871)	-	(70 871)
Supplies and services - inter-segment	(118 856)	(233)	(1 369)	(28 279)	(1 810)	(837)	(151 384)	151 384	-
Personnel costs	(1 684)	(781)	(10 511)	(49 323)	(3 393)	(17 393)	(83 085)	-	(83 085)
Amortisation, depreciation and adjustments	(131 944)	(4 334)	(2 525)	(2 866)	(684)	(2 524)	(144 877)	-	(144 877)
Provisions	(39 420)	(398)	(478)	(519)	-	(325)	(41 140)	-	(41 140)
Other operating expenses - external	(1 267)	(2)	(5 194)	(723)	(32)	(693)	(7 911)	-	(7 911)
Other operating expenses - inter-segment	-	-	-	(2)	(11)	(16)	(29)	29	-
Expenses associated to construction service	(21 401)	-	-	-	-	-	(21 401)	-	(21 401)
Total operating expenses	(318 438)	(10 848)	(26 304)	(123 323)	(10 681)	(32 588)	(522 182)	151 413	(370 769)
Operating profit	233 419	92 846	7 022	55 468	(1 180)	2 034	389 609	21	389 630
Financial expenses - external	(100 425)	(20 501)	(226)	(418)	(7)	(2 892)	(124 469)	-	(124 469)
Financial expenses - inter-segment	-	-	(7)	(4)	(16)	(1 273)	(1 300)	1 300	-
Financial income - external	329	2 635	1	65	31	1 912	4 973	-	4 973
Financial income - inter-segment	-	-	7	-	38	1 276	1 321	(1 321)	-
Investment income	-	-	138	-	(7)	10 953	11 084	-	11 084
	(100 096)	(17 866)	(87)	(357)	39	9 976	(108 391)	(21)	(108 412)
Profit before tax	133 323	74 980	6 935	55 111	(1 141)	12 010	281 218	-	281 218
Income tax	(38 070)	-	(1 752)	(14 755)	741	61 422	7 586	-	7 586
Non controlling interests	(28 577)	-	(1 347)	(2 597)	83	3	(32 435)	-	(32 435)
Consolidated net profit for the year attributable to shareholders	66 676	74 980	3 836	37 759	(317)	73 435	256 369	-	256 369

The accounting policies in the various segments are consistent with the Group policies described in Note 2.

The assets and liabilities of the segments and the respective reconciliation with the consolidated total assets at 31 December 2016 and 2015 are as follows:

ASSETS	‘15	‘16
Brisa Concession	2 897 841	2 680 460
Other concessions	410 582	156 432
Vehicle inspections	47 636	48 166
Supporting services to the concessions	39 521	38 868
Technological services	10 629	11 559
Other	374 474	403 383
Total assets of segments	3 780 683	3 338 868
Non allocated assets	130 278	133 778
Consolidated Assets	3 910 961	3 472 646

LIABILITIES	‘15	‘16
Brisa Concession	2 453 859	2 502 249
Other concessions	402 719	61 209
Vehicle inspections	9 820	8 534
Supporting services to the concessions	43 411	44 267
Technological services	4 575	4 984
Other	190 497	127 843
Total liabilities	3 104 881	2 749 086

In order to monitor the performance of each segment and the allocation of resources between them:

- All assets are allocated to reportable segments excluding investments in associates and other financial assets;
- Goodwill is allocated to the respective segments and corresponds to €23 203 thousand allocated to the “vehicle inspections” segment, €2 643 thousand allocated to the “Supporting services to the concessions” segment and €601 thousand allocated to the “Technological services” segment (Note 16);
- All liabilities are allocated to reportable segments.

In the years ended 31 December 2016 and 2015, changes in non-current assets of each segment were as follows:

	CHANGES IN NON CURRENT ASSETS	
	‘15	‘16
Brisa Concession	(112 914)	(104 902)
Other concessions	(42 666)	(388 435)
Vehicle inspections	747	696
Supporting services to the concessions	(100)	(1 308)
Technological services	532	1 083
Other	(25 271)	104 757
	(179 672)	(388 109)

6 OPERATING INCOME

Operating income for the years ended as of 31 December 2016 and 2015 are made up as follows:

	‘15	‘16
Services rendered:		
Tolls	498 547	532 969
Vehicle inspections	33 381	32 998
Operation and Maintenance	31 382	31 662
Electronic collection	16 488	17 900
Service areas	9 320	7 847
Other rendered services	7 452	7 831
Management of electronic equipment	2 776	2 895
Lease of on-board units	1 286	1 917
Management of engineering projects	130	210
Vehicle assistance	62	62
	600 824	636 291
Other operating income:		
Sales	3 339	3 621
Compensation for operating losses (Note 30)	1 572	1 572
Indemnities received on works	1 552	634
Equipment rental	462	494
Other	7 008	5 022
	13 933	11 343
Reversal of amortisation, depreciation and adjustments and provisions:		
Amortisation	-	85 678
Accounts receivable (Note 28)	978	151
Provisions (Note 29)	4 965	5 535
	5 943	91 364
Income associated to construction service (a)	17 305	21 401
	638 005	760 399

(a) Within the scope of concession contracts covered by IFRC 12, the construction activity is sub-contracted to external specialised companies. The Group does not have, therefore, any margin in the construction of assets allocated to the concession and the income and expenses associated to the construction of these assets are recorded in equal amount.

7 OPERATING LEASES

Expenses of €3 972 thousand and €3 913 thousand relating to instalments under operating lease contracts were recognised in the years ended 31 December 2016 and 2015, respectively.

Lease instalments payable under operating lease contracts in force as of 31 December 2016 and 2015 are as follows:

YEAR	'15	'16
2016	1 571	-
2017	1 314	1 823
2018	953	1 426
2019	306	752
2020	-	168
	4 144	4 169

8 FINANCIAL RESULTS

Financial expenses and losses for the years ended 31 December 2016 and 2015 are made up as follows:

	'15	'16
Interest expense	(102 703)	(102 864)
Loss on the valuation of derivative financial instruments: (Note 32)	-	(1 279)
FX losses	(49)	(18)
Other a)	(18 811)	(20 308)
	(121 563)	(124 469)

a) This caption includes the sums of €7 576 thousand and €8 172 thousand (Note 29) stemming from the financial updating of provision for the reinstatement of infrastructures carried out in the years ended 31 December 2016 and 2015, respectively, and expenses with banking services and the organising of the loan, which form an integral part of the effective cost of the loans.

Income and gains for the years ended 31 December 2016 and 2015 are made up as follows:

	'15	'16
Interest earned (a)	3 974	2 590
Gains on the valuation of derivative financial instruments: (Note 32)	2 166	2 290
FX gains	35	11
Other	594	82
	6 769	4 973

a) The decrease results mainly from a reduction in cash and cash equivalents.

Investment income for years ended 31 December 2016 and 2015 is made up as follows:

	'15	'16
Gains on associates (Notes 9 and 14)		
Transport Infrastructure Investment Company SCA (SICAR)	7 162	14 328
AEBT - Auto-Estradas do Baixo Tejo, S A (AEBT)	2 282	1 440
Controlauto Açores, Lda (Controlauto Açores)	68	138
SICIT - Sociedade Investimento e Consultoria em Infra-Estruturas de Transportes, S A (SICIT)	169	112
Feedback Brisa Highways OMT PVT LTD (FBH OMT)	142	35
Auto-Estradas do Atlântico - Concessions Rodoviárias de Portugal, S A (AEA)	6 824	-
Movenience, B V (Movenience)	59	-
Street Park - Gestão de Estacionamento, ACE (Street Park)	39	-
	16 745	16 053
Losses on associates (Notes 9 and 14)		
AEA	-	(4 921)
New Mobility Ventures, B V (Mobility, B V)	(218)	(604)
Geira, S A (Geira)	(31)	(10)
Transport Infrastructure Investment S à r l (TIIC)	-	(1)
Transport Infrastructure S à r l (Transport)	(2)	(1)
	(251)	4 973
Gains on liabilities in investments:		
AEDL - Auto-Estradas do Douro Litoral, S A (AEDL) ^{a)}	1 328	80
Reversals of provisions for investments (Note 29):		
AEDL	1 099	-
Other investment income	-	488
	18 921	11 084

a) This amount represents adjustments to estimated liabilities assumed directly by the Company, under the agreement entered with the company responsible for the construction of AEDL's infrastructure.

9

INCOME TAX

Brisa and its subsidiaries with head-office in Portugal are subject to Corporate Income Tax at the normal rate of 21%, which can be increased by a municipal surcharge of up to a maximum rate of 1.5% of taxable income.

Additionally, the nominal tax rate may vary from 21% to 29.5%, depending on the amount of taxable income (TI) determined, which will be subject to a tax surcharge at the following rates:

- State surtax:
- 3% on TI if €M1.5 < TI <= €M7.5;

5% on TI if €M7.5 < TI <= €M35; and

7% on TI > €M35

The Company is taxed for Corporate Income Tax under the Special Regime for the Taxation of Group of Companies (RETGS) together with subsidiaries BEG, Brisa O&M, BIT, Brisa Internacional, Via Oeste, VVS, VVC, M Call and BCI.

This regime consists of the sum of the taxable results of all the companies included in the tax perimeter, less the dividends distributed, to which the applicable Corporate Income Tax rate plus municipal Surcharge is applied.

In accordance with current legislation, tax returns are subject to review and correction by the tax authorities during a period of four years (five years for social security), except where tax losses exist or tax benefits have been granted or inspections, claims or appeals are in progress, in which case, depending on the circumstances, the period can be extended or suspended. Therefore, the Company's tax returns for the years 2013 to 2016 may still be subject to review and correction.

The Board of Directors believes that any possible corrections resulting from revisions/inspections of these tax returns will not have a significant effect on the financial statements as of 31 December 2016.

The deadline for the deduction of reportable tax losses (RTL) is as follows:

FISCAL YEAR	DEDUCTION PERIOD
2016	12
2015	12
2014	12
2013	5
2012	5

The deduction amount to be made in each of the tax periods is limited to 70% of respective taxable income.

During the regular inspections that were carried out, Tax Authorities requested corrections to the income tax base and tax, in particular as regards the activity carried out under the concession contract. The Board of Directors, based on technical advice from external consultants, believes that such corrections are unfounded. In this context, the Board of Directors has used the instruments at its disposal to defend its views, continuing to believe in the goodness of its arguments and in a favourable outcome of all existing disputes with the Tax Authorities.

The corrections relating to 2008, 2009 and 2010 stemming from the securitisation of future receivables, result from the said Authority concluding as to the inadequacy of the legal and tax framework applied to the securitisation of future receivables in the amount of €400 000 thousand, carried out on December 19, 2007; the said authority considers that it does not comply with the legislation for the securitization of receivables established in Decree-law 453/99, of 5 November, as amended

by Decree-Law 82/02 of 5 April, and consequently with the tax law provided in Decree-Law 219/2001, of 4 August, as amended by Decree-law 303/2003 of 5 December.

In view of the above, the Tax Authority considers that:

- The amount of €400 000 thousand received pursuant to the said operation was unduly added to the taxable income of 2007;
- Income corresponding to the services giving rise to the assigned future receivables are to be recognized, in both tax and accounting terms, in the tax periods in which they are generated;
- An approximate amount of €100 000 thousand relating to the tax benefit under decree-law 287/99 likely to be used up to 2007, was unduly deducted to the corporate tax income for that year;
- When determining the taxable income relating to 2008 to 2010 (already inspected) an amount of €80 000 thousand was unduly deducted from the taxable income relating to each of the said years.

The Board of Directors of Brisa, based on the opinion of its legal and accounting experts and consultants, deems that the recognition of the said operation is adequately based from the legal point of view, and therefore in accounting and tax terms as well. Consequently, the Board of Directors of Brisa considers that the corrections proposed in the Tax Inspection Reports relating to years 2007 to 2010 are unjustified, as described in the judicial claim (relating to the taxable periods of 2007 and 2010) submitted to the tax authority.

Corrections to the taxable income mentioned above resulted in tax enforcement proceedings, which are suspended until a decision is reached. To obtain the suspension of tax enforcement proceedings relating to the taxable periods of 2008 and 2009 the Company provided bank guarantees in the amount of €64 129 thousand (Note 33).

With respect to the tax periods of 2011 and 2012, the Tax Authority made the same correction to taxable income (securitisation of future receivables), although on a non-consolidated basis, since the securitisation operation was transferred to BCR, jointly with the assets and liabilities allocated to Brisa Concession.

Within the scope of the RETGS, additional corporate income tax assessments relating to 2011 and were issued in Brisa's name (controlling company), but the tax foreclosure was suspended against guarantee provided by BCR.

The Board of Directors of Brisa, based on the opinion of its legal and accounting experts and consultants, deems that the recognition of the said operation is adequately based from the legal point of view, and therefore in accounting and tax terms as well. Brisa will use all defence instruments which it has available as tax payer, to validate the treatment it has given to these operations from all points of view. In view of the above, as of 31 December 2016, no provision was recorded for this purpose.

Income tax recognised in the years ended 31 December 2016 and 2015 was made up as follows:

	'15	'16
Current tax	50 076	58 403
Deferred tax (Note 17)	19 914	(65 154)
Taxes on previous years income	(1 490)	(835)
	68 500	(7 586)

The reconciliation between profit before income tax and income tax for the year is as follows:

	'15	'16
Profit before tax	89 574	281 218
Expected tax (21% rate)	18 811	59 056
Provisions	1 417	2 625
Amortisation	(5 931)	(23 725)
Impairment losses	(139)	151
Derivative financial instruments	233	(658)
Equity method	(3 464)	(2 209)
Pension fund	114	139
Other	189	181
Accounting gains	(70)	(161)
Differences between individual and consolidated	(1 144)	(786)
Tax losses	26 805	8 380
Autonomous taxation	867	728
Municipal surcharge	2 678	3 082
State surcharge	9 710	11 600
Taxes on previous years income	(1 490)	(835)
(Set up)/reversal of deferred taxation (Note 17)	19 914	(65 154)
Income tax	68 500	(7 586)

As of 31 December 2016 and 2015, current income tax liabilities were made up as follows:

	'15	'16
Current tax liabilities:		
Corporate Income Tax (CIT):		
Payment on account	(39 053)	(41 655)
Tax withheld	(2 913)	(2 594)
Tax estimate	49 778	58 122
	7 812	13 873

10

EARNINGS PER SHARE

Basic and diluted earnings per share for the years ended 31 December 2016 and 2015 were determined based on the following amounts:

	'15	'16
Result for the purpose of determining the basic and diluted earning per share (net profit for the year attributable to shareholders)	(2 063)	256 369
Average number of shares for the purpose of determining the basic and diluted earning per share	552 647 386	552 647 386
Basic and diluted earnings per share (in Euro)	(0.004)	0.464

At 31 December 2016 and 2015 no diluting effects have occurred; hence, basic and diluted earnings per share are identical.

The weighted average number of shares is deducted of the treasury shares held by the Company.

Capital increases and decreases occurred during the year ended at 31 December 2015 (Note 23) had no impact on basic and diluted earnings per share in the years ended as of the said dates.

11

DIVIDENDS AND APPROPRIATION OF RESULTS

At the General Shareholders Meetings held on 04 May 2016 and 12 May 2015 it was decided to pay dividends of €0.18 per share and €0.20 per share, totalling €99 477 thousand and €110 529 thousand, respectively, concerning the net profit for the years ended 31 December 2015 and 2014. It was further decided to transfer to free reserves the remaining amount of respective net profit for the said years.

At the General Shareholders Meetings held on November 7, 2016 and July 20, 2015 it was decided to pay dividends of €0.362 per share, in the amount of €200 058 thousand and €21 000 thousand corresponding to gross dividends of €0.04 per share, respectively, via the distribution of reserves.

At the General Shareholders Meeting held on 22 December 2015 it was decided to pay interim dividends of €0.12 per share, totalling €66 318 thousand of the net profit for the year ended as of 31 December 2015, which were paid to shareholders on 25 January 2016.

12

TANGIBLE FIXED ASSETS

Changes in other tangible fixed assets and corresponding accumulated depreciation and impairment losses in the years ended 31 December 2016 and 2015 are as follows:

	LAND AND NATURAL RESOURCES	BUILDINGS AND OTHER CONSTRUCTIONS	BASIC EQUIPMENT	TRANSPORT EQUIPMENT	ADMINISTRATIVE EQUIPMENT	TOOLS AND UTENSILS	FIXED ASSETS IN PROGRESS	ADVANCES TO BE FORWARDED TO TANGIBLE FIXED ASSETS	'15 TOTAL
Gross assets:									
Opening balance	14 010	35 380	152 046	5 409	31 816	318	2 916	65	241 960
Effect of currency translation	-	-	130	3	5	-	-	-	138
Increases	-	1 494	3 175	922	1 363	1	663	155	7 773
Disposals	-	(15)	(206)	(1 489)	(1)	-	-	-	(1 711)
Write-downs	-	-	(1 806)	-	(111)	(1)	(1 731)	-	(3 649)
Transfers	-	186	1 894	-	112	-	(1 057)	(65)	1 070
Closing Balance	14 010	37 045	155 233	4 845	33 184	318	791	155	245 581
Cumulative depreciation and impairment losses:									
Opening balance	-	20 204	138 116	3 645	30 117	309	1 731	-	194 122
Effect of currency translation	-	-	113	3	5	-	-	-	121
Increase	-	1 420	6 435	681	954	6	-	-	9 496
Disposals	-	(7)	(198)	(1 086)	(1)	-	-	-	(1 292)
Write-downs	-	-	(1 806)	-	(111)	(1)	(1 731)	-	(3 649)
Closing Balance	-	21 617	142 660	3 243	30 964	314	-	-	198 798
Net value	14 010	15 428	12 573	1 602	2 220	4	791	155	46 783

‘16

	LAND AND NATURAL RESOURCES	BUILDINGS AND OTHER CONSTRUCTIONS	BASIC EQUIPMENT	TRANSPORT EQUIPMENT	ADMINISTRATIVE EQUIPMENT	TOOLS AND UTENSILS	FIXED ASSETS IN PROGRESS	ADVANCES TO BE FORWARDED TO TANGIBLE FIXED ASSETS	TOTAL
Gross assets:									
Opening balance	14 010	37 045	155 233	4 845	33 184	318	791	155	245 581
Effect of currency translation	-	-	34	1	2	-	-	-	37
Increases	-	1 767	3 579	1 465	972	2	483	3	8 271
Disposals	-	-	(95)	(1 167)	(40)	-	-	-	(1 302)
Write-downs	-	(23)	(1 349)	-	(137)	(1)	(1)	-	(1 511)
Transfers:									
Non current assets held for sale (Note 22)	-	-	(2 145)	(30)	(56)	-	-	-	(2 231)
Other	-	315	1 998	-	(78)	-	(548)	(155)	1 532
Closing Balance	14 010	39 104	157 255	5 114	33 847	319	725	3	250 377
Cumulative depreciation and and impairment losses:									
Opening balance	-	21 617	142 660	3 243	30 964	314	-	-	198 798
Effect of currency translation	-	-	28	1	2	-	-	-	31
Increase	-	1 635	4 807	636	1 093	3	-	-	8 174
Disposals	-	-	(89)	(739)	(40)	-	-	-	(868)
Write-downs	-	(22)	(1 345)	-	(137)	(1)	-	-	(1 505)
Transfers:									
Non current assets held for sale (Note 22)	-	-	(1 347)	(30)	(55)	-	-	-	(1 432)
Other	-	-	2	-	(2)	-	-	-	-
Closing Balance	-	23 230	144 716	3 111	31 825	316	-	-	203 198
Net value	14 010	15 874	12 539	2 003	2 022	3	725	3	47 179

In the years ended 31 December 2016 and 2015, caption Basic Equipment included the net amounts of €5 305 thousand and €6 428 thousand, respectively, relating to assets directly associated to the concession activity, which will therefore revert to the State at the end of the concession period, without compensation.

13

INTANGIBLE ASSETS

Changes in intangible fixed assets and corresponding accumulated depreciation and impairment losses in the years ended 31 December 2016 and 2015 are as follows:

				'15
	RIGHTS	LICENSES AND SOFTWARE	INTANGIBLE ASSETS IN PROGRESS	TOTAL
Gross assets:				
Opening balance	5 081 263	21 219	13 461	5 115 943
Effect of currency translation	48 738	-	-	48 738
Increases	5 198	1 130	13 763	20 091
Write-downs	(6)	(2 243)	-	(2 249)
Transfers	388	172	(561)	(1)
Capitalized financial costs	-	-	497	497
Closing Balance	5 135 581	20 278	27 160	5 183 019
Cumulative depreciation and impairment losses:	5 135 581	20 278	27 160	5 183 019
Opening balance	1 976 679	18 597	-	1 995 276
Effect of currency translation	3 455	-	-	3 455
Increases ^{a)}	221 926	1 475	-	223 401
Write-downs	(6)	(2 243)	-	(2 249)
Closing Balance	2 202 054	17 829	-	2 219 883
Net value	2 933 527	2 449	27 160	2 963 136

a) As of 31 December 2015 the financing structure of NWP was based on a series of loans with maturity at the end of 2017. Although Brisa, as shareholder of NWP, has endeavoured to obtain its refinancing, this had not been achieved until 31 December 2015, there existing therefore reduced expectations that it would be achieved. Given the failure to ensure the refinancing until that date, in spite of all initiatives carried out by Brisa's Board of Directors to create the conditions to make the refinancing of NWP debt possible, there was a strong likelihood that this could not be achieved and that the Company would lose this concession. Therefore, in the face of expectations that the recoverable value of the net assets allocated to NWP cash-generating unit was null, as of 31 December 2015 the Board of Directors decided to: (i) de-recognise deferred tax assets in the

amount of €52 352 thousand, since it was not possible, in the context described hereinabove, to show the existence of taxable results allowing corresponding relief and, (ii) record impairment losses in the amount of €87 479 thousand on the right attached to the concession contract.

In view of the changes in expectations concerning NWP assets, respective impairment losses were reversed in the year ended at 31 December 2016. In December 2016 the company entered into an agreement to sell off its stakes in NWP and Go Pass, which led to the reclassification of respective assets and liabilities as “non-current assets held for sale” (Notes 22 and 39).

‘16

	RIGHTS	LICENSES AND SOFTWARE	INTANGIBLE ASSETS IN PROGRESS	TOTAL
Gross assets:				
Opening balance	5 135 581	20 278	27 160	5 183 019
Effect of currency translation	11 181	-	-	11 181
Increases	3 597	2 813	18 269	24 679
Disposals	-	(2)	-	(2)
Write-downs	-	(5 557)	-	(5 557)
Transfers:				-
Non current assets held for sale (Note 22)	(483 040)	-	-	(483 040)
Other	40	686	(726)	-
Capitalized financial costs	-	-	1 229	1 229
Closing Balance	4 667 359	18 218	45 932	4 731 509
Cumulative depreciation and impairment losses:				
Opening balance	2 202 054	17 829	-	2 219 883
Effect of currency translation	2 985	-	-	2 985
Increase	134 313	1 666	-	135 979
Decrease	(89 552)	-	-	(89 552)
Write-downs	-	(5 544)	-	(5 544)
Transfers:				(1)
Non current assets held for sale (Note 22)	(43 801)	-	-	(43 801)
Closing Balance	2 205 999	13 951	-	2 219 950
Net value	2 461 360	4 267	45 932	2 511 559

The gross amount of intangible assets at 31 December 2016 includes essentially contractual rights and results from:

- (i) Contractual right for Brisa Concession (Note 5), as consideration for the road construction services associated to this concession, in the amount of €4 195 941 thousand, of which €241 781 thousand relate to the capitalization of financial expenses;
- (ii) Payment by Brisa to the State (the conceding entity) in exchange for the right to collect tolls on the CREL motorway as from 1 January 2003 under the provisions of Decree-Law 314 A/2002 of 26 December, less the amount received earlier when such tolls were abolished, and which at 31 December 2002 had not yet been recognised as income – €236 318 thousand;
- (iii) Amount paid under the Global Agreement entered into between the Company and the State, corresponding to changes in the Bases of the Concession (Decree-Law 247-C/2008 of 30 December) – €158 100 thousand;
- (iv) Costs incurred by Brisa to renegotiate the concession contract in 1991, which resulted in extending the initial concession period – €101 750 thousand;

The concession rights included in intangible assets obtained in consideration for construction services are made up as follows:

BRISA CONCESSION		
	'15	'16
Construction costs		
Opening balance	4 155 510	4 173 311
Increases	17 801	22 630
Closing Balance	4 173 311	4 195 941

Concession rights detailed above include capitalized financial expenses, as follows:

BRISA CONCESSION		
	'15	'16
Financial expenses		
Opening balance	241 077	241 573
Increases	496	1 208
Closing Balance	241 573	242 781

14

INVESTMENTS IN ASSOCIATES

At 31 December 2016 the following associated companies were recorded in accordance with the equity method:

COMPANY	HEAD OFFICE	EFFECTIVE PERCENTAGE OF EQUITY HOLDING	ACTIVITY
Controlauto Açores. Lda. (Controlauto Açores)	Praia da Vitória	29,60%	Vehicle inspection
Geira. S.A. (Geira)	Portugal	50%	Management. operation and maintenance of road infrastructures
SICIT - Sociedade de Investimento e Consultoria em Infra-estruturas de Transportes. S.A. (SICIT)	Portugal	35%	Investment consultancy
Transport Infrastructure Investment Company SCA (SICAR)	Luxembourg	35,59%	Investment fund in Infrastructures
Transport Infrastructure. S. à r.l. (Transport)	Luxembourg	35%	Management of investments
TIICC. S. à r.l. (TIICC)	Luxembourg	35%	Management of investments
AEBT - Auto-Estradas do Baixo Tejo. S.A. (AEBT)	Portugal	30%	Construction. maintenance and operation of motorways
New Mobility Ventures. B.V. (Mobility. B.V.)	Breda Holland	40%	Operation of electronic toll systems
Feedback Brisa Highways OMT PVT LTD (Feedback Highways)	India	40%	Operation of motorways
Brisal - Auto-Estradas do Litoral. S.A. (Brisal) ^{a)}	Cascais	70%	Construction. maintenance and operation of motorways
AEDL - Auto-Estradas do Douro Litoral. S.A. (AEDL) ^{a)}	Castelo de Paiva	99,92%	Construction. maintenance and operation of motorways
Auto-Estradas do Atlântico - Concessões Rodoviárias de Portugal. S.A. (AEA)	Torres Vedras	50%	Construction. maintenance and operation of motorways

a) In view of the expectations as to the evolution of future operations of Litoral Centro (“Brisal concession”) and Douro Litoral (AEDL) concessions, impairment losses were recognised in the financial statements of previous years, reflecting the non-exercising of the entire contractual right deriving from the investment made in the construction of these motorways. Likewise, Brisa did not recognise in its financial statements the losses corresponding to its exposure as shareholder of the said concessions.

Note that the said projects were structured under project finance, assuming therefore specific characteristics, namely the allocation of risks to the various participants in the projects both

as shareholders and funders, ensuring them access to long term debt, repayable according to the cash flows generated by the projects and respective assets, with limited recourse to shareholders.

Within the scope of the concession contracts referred to above, the parties (including financing entities) entered supporting agreements namely, the Agreement for the Subscription of Capital, and in Brisal’s specific case, the Shareholders’ Support Agreement and the Traffic Support Agreement attached to respective concession contracts forming an

integral part thereof, whereby shareholders’ supporting obligations were specifically established, namely in what concerns liabilities for capital investments.

Given the continued deterioration of operating conditions within the scope of the said projects, the Board of Directors adopted a position, having informed the market thereon, whereby Brisa, as shareholder of the said projects, will not accept any liability that may translate in an investment or involvement higher than that contractually agreed.

In 2012 the declining trend in traffic worsened considerably as result of the economic crisis combined with the impact of the introduction of tolls in a number of motorways, adversely affecting the said projects. Likewise, the deterioration of the macroeconomic outlook and the fiscal measures imposed to consolidate and straighten up the public accounts led to a downward revision in the second half of 2012 of cash flow estimates for Brisal and Douro Litoral concessions, based on the latest traffic figures.

As result, the Board of Directors of Brisa has considered that:

- Pursuant to the contractual mechanisms set forth, financial institutions exposed to these projects have a step-in right and can establish the timing to exercise such right;
- The management of these concessionaires is now restricted to day-to-day measures and operation, subject to the budget previously agreed with financial institutions, where any decision not covered by this budget requires their prior approval.
- Under the present circumstances, Brisa ceased to be able to control the said companies - though no change in respective holdings has yet occurred - since the Company no longer can run AEDL and Brisal businesses and is no longer exposed and ceased to be entitled to their variable results, on account of its relationship with these entities, as mention in paragraph 7 of IFRS 10.

As result, the Board of Directors of Brisa, based on its legal advisers opinion, considers that Brisa is not exposed to any variability in the negative cash flows foreseen for the said projects, and does not exercise an effective control over the said subsidiaries.

Changes in investments in associated companies in the years ended 31 December 2016 and 2015 are as follows:

	‘15	‘16
Opening balance	117 621	130 278
Increase ^{a)}	-	3 034
Decrease	-	(267)
Exchange differences	32	5
Dividends	(1 588)	(5 315)
Effect of the application of the Equity Method		
Effect in results (Note 8)	16 494	10 516
Effect on equity ^{b)}	1 465	1 374
Provisions (Note 29)	(3 746)	(5 847)
Closing Balance	130 278	133 778

a) As of 31 December 2016, the increase in caption “Investment in Associates” was made in associate AEDL (Notes 28 and 29).

b) This effect stems from the equity changes occurred in associated companies, corresponding mainly, to the impact of the recognition of cash flow hedging instruments.

Investments in associated companies at 31 December 2016 and 2015 were as follows:

	'15	'16
SICAR	53 960	63 128
AEA	67 236	62 315
AEBT	6 146	6 146
SICIT	787	811
Feedback Highways	680	720
Controlauto Açores	331	401
Mobility B.V.	794	190
Geira	73	63
TIICC	4	4
Movenience	143	-
Street Park	124	-
	130 278	133 778

At 31 December 2016 and 2015, investments in associates considered relevant concern AEA and SICAR; accordingly, relevant financial information and respective reconciliation is as follows:

	AEA		SICAR	
	'15	'16	'15	'16
Operating income	90 835	65 718	13 357	17 649
Operating costs	(41 699)	(50 130)	(2 355)	(1 973)
Operating Results	49 136	15 588	11 002	15 676
Financial revenues	176	63	3 708	4 196
Financial costs	(13 721)	(12 403)	-	-
Financial result	(13 545)	(12 340)	3 708	4 196
Income tax	(9 684)	(919)	(43)	-
Net profit for the year	25 907	2 329	14 667	19 872
Non current assets	268 802	250 968	150 255	168 024
Current assets	66 008	50 645	1 557	10 220
	334 810	301 613	151 812	178 244
Non current liabilities	299 238	298 396	174	846
Current liabilities	59 321	24 637	-	-
	358 559	323 033	174	846
Equity attributable to equity holders	(23 749)	(21 420)	151 638	177 398
Percentage held	50%	50%	35.59%	35.59%
Investment	(11 875)	(10 710)	53 960	63 128
Appropriation of the difference of the purchase price to the fair value of the intangible asset ^{a)}	79 111	73 025	-	-
	67 236	62 315	53 960	63 128

a) The difference between acquisition cost of this interest and the fair value of identifiable net assets was considered as an increase in the right associated to AEA concession contract, subject to annual amortisation until the end of the concession term.

At 31 December 2016 and 2015, balances with associated companies were made up as follows:

	CLIENTS AND OTHER DEBTORS (NOTE 19)		ASSOCIATES		SUPPLIERS		OTHER ACCOUNTS PAYABLE		OTHER CURRENT ASSETS		OTHER CURRENT LIABILITIES	
	'15	'16	'15	'16	'15	'16	'15	'16	'15	'16	'15	'16
AEDL	2 321	2 039	216 900	216 900	5	-	-	-	-	7	20	23
Brisal	4 160	4 469	-	-	4	3	-	-	-	3	8	12
AEA	1 624	2 143	55 789	56 659	59	4	71	-	-	-	292	-
AEBT	1 055	947	12 176	12 916	-	-	1 278	843	-	368	556	556
Mobility B.V.	-	-	500	720	-	-	-	-	-	-	-	-
BNV Mobility B.V.	331	330	-	-	2	54	6	-	-	-	-	-
SICIT	20	8	-	-	-	-	-	-	-	-	-	-
Controlauto Açores	15	4	-	-	-	-	-	-	-	-	-	-
TIICC	-	-	4	5	-	-	-	-	-	-	-	-
Street Park	-	-	-	-	-	-	103	-	-	-	-	-
Geira	13	-	-	-	-	-	-	-	-	-	-	-
	9 539	9 940	285 369	287 200	70	61	1 458	843	-	378	876	591
Impairment losses on accounts receivable (Note 28)	-	-	(216 900)	(216 900)	-	-	-	-	-	-	-	-
	9 539	9 940	68 469	70 300	70	61	1 458	843	-	378	876	591

Additionally, transactions carried out with associated companies in the years ended as of 31 December 2016 and 2015 were as follows:

	SERVICES		OTHER OPERATING INCOME		SUPPLIES AND SERVICES		PERSONNEL EXPENSES		FINANCIAL INCOME		FINANCIAL COSTS	
	'15	'16	'15	'16	'15	'16	'15	'16	'15	'16	'15	'16
Brisal	11 379	11 972	-	1	1	5	-	-	-	-	-	-
AEDL	10 675	10 601	-	-	6	5	-	-	-	-	-	-
AEBT	5 669	6 069	66	66	-	-	-	-	-	-	3	-
AEA	4 390	4 653	354	606	51	49	-	-	39	24	-	-
Street Park	18	-	131	-	-	-	-	-	-	-	-	-
BNV Mobility	530	133	150	90	2	-	-	51	-	-	-	-
FBH OMT	-	-	139	-	-	-	-	-	-	-	-	-
Geira	61	31	-	-	-	-	-	-	-	-	-	-
SICIT	32	39	-	-	-	-	-	-	-	-	-	-
Movenience	8	14	40	7	-	-	-	-	-	-	-	-
Controlauto Açores	-	-	12	12	-	-	-	-	-	-	-	-
	32 762	33 512	892	782	60	59	-	51	39	24	3	-

In the years ended at 31 December 2016 and 2015 payments concerning investments in associates were made up as follows:

	'15	'16
AEDL (a)	120 025	10 656
Mobility B.V.	500	200
TIICC	-	2
	120 525	10 858

(a) In the years ended 31 December 2016 and 2015 this amount included the following: (i) €8 994 thousand and €118 901 thousand, respectively, of additional capital (Note 29) and (ii) €1 662 thousand and €1 125 thousand, respectively, relating to obligations with extra construction costs (Note 29).

As of 31 December 2016, receivables relating to investments in associates in the amount of €638 thousand concerned the sale of investment in Movenience.

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OTHER INVESTMENTS

This caption includes, mainly, investments in entities over which the Group does not have significant influence, which are stated at cost less estimated impairment losses.

At 31 December 2016 and 2015 this caption included investments in the following entities:

	'15	'16
Non current:		
AELO - Auto-Estradas do Litoral Oeste S.A. (a)	7 532	6 689
ELOS	2 843	2 857
Fundo ISTART	300	296
F-Hitec	97	97
Other investments	6	6
	10 778	9 945

(a) Investment in AELO includes: (i) an amount of €3 632 thousand relating to capital and accessory contributions and (ii) an amount of €3 057 thousand corresponding to additional construction costs supported directly by the Brisa.

In the years ended at 31 December 2016 and 2015 payments concerning other investments were made up as follows:

	'15	'16
ELOS	-	13
AELO	34	8
ISTART Fund	72	-
	106	21

In the years ended at 31 December 2016 and 2015 receivables concerning other investments were made up as follows:

	'15	'16
AELO	5 399	3 209
ISTART Fund	-	4
	5 399	3 213

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GOODWILL

At 31 December 2016 and 2015 goodwill was made up as follows:

	'15	'16
Iteuve	14 917	14 917
Controlauto	8 286	8 286
BCI	2 264	2 264
BIT	601	601
M Call	379	379
	26 447	26 447

The allocation of the balance of this caption to respective operating segments is disclosed in Note 5.

As mentioned in Note 28, the amount recoverable from cash-generating units was determined based on respective value in use, according to cash flow projections for a period of 5 years, considering a perpetual growth rate in line with estimated inflation (1% to 2%), discounted at rates of 5.9% to 12.6%.

Cash flow projections for each cash-generating unit have different key variables, such as the characteristics of the national car fleet, prospects for new car sales and traffic projections.

17 DEFERRED TAXES

Deferred tax assets and liabilities at 31 December 2016 and 2015, by underlying timing difference, are as follows:

	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
	'15	'16	'15	'16
Provisions for the replacement of infrastructures	50 995	57 321	-	-
Provisions not considered for tax purposes	4 183	2 986	-	-
Retirement benefits (pensions)	301	603	1 170	862
Differences between the tax base and book value of:				
Intangible assets ^{a)}	-	-	73 355	85 217
Tangible assets	15	10	23	9
Other assets	-	2 128	-	-
Other liabilities	886	889	-	-
Differences between individual and consolidated income	8 409	6 894	-	-
Tax losses brought forward ^{b)}	76 568	149 958	-	-
Derivative financial instruments	2 836	27 140	3 190	4 207
	144 193	247 929	77 738	90 295

a) Deferred tax liabilities recorded under this caption refer to the timing difference between the amortization of the concession right recorded in NWP accounting books over the concession period (99 years), and the corresponding amortization considered for tax purposes for a lower period (15 years) (Note 9).

b) At 31 December 2016 and 2015 reportable tax losses totalled €149 958 thousand and € 76,568 thousand, respectively, which must be used from 2027 to 2036; they concerned BUS (United States).

Deferred tax assets stemming from reportable tax losses were recorded where they were deemed capable of being used through tax profit according to the business plan of each company, taking into account the rules applicable to their deductibility according to the tax law in force in the countries where associates are established.

Changes in deferred tax assets and liabilities in the years ended 31 December 2016 and 2015 are as follows:

	'15	'16
Opening balance	109 195	66 455
Effect on results:		
Effect of change in rate:		
Differences between the tax base and book value of:		
Other liabilities	-	(191)
Change in other provisions not accepted for tax purposes	(31)	(210)
Pension benefits	(49)	(60)
	(80)	(461)
Change for the year:		
(Use)/increase of reportable tax losses ^{a)}	(9 001)	69 323
Differences between the tax base and book value of:		
Intangible assets	(8 986)	(9 003)
Tangible assets	(4)	9
Other assets	(1 831)	2 036
Other liabilities	-	193
Change in other provisions not accepted for tax purposes	513	(983)
Change in provisions for the replacement of infrastructures	1 948	6 255
Increase / (decrease) of financial instruments	(1 134)	(869)
Retirement benefits	143	169
Differences between individual and consolidated income	(1 482)	(1 515)
	(19 834)	65 615
Sub-total (Note 9)	(19 914)	65 154
Effect on equity		
Effect of change in rate:		
Pension benefits	108	12
Change for the year:		
Pension benefits	(24)	490
Increase / (decrease) of financial instruments	(29 360)	24 301
	(29 384)	24 791
Sub-total	(29 276)	24 803
Effect of currency translation	6 450	1 222
	(42 740)	91 179
Closing Balance	66 455	157 634

a) Changes occurred in the year ended 31 December 2016 and 2015 in deferred tax assets relating to reportable tax losses concern mainly the change in future estimates for taxable results in NWP concession.

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OTHER NON-CURRENT ASSETS

At 31 December 2016 and 2015 this caption was made up as follows:

	'15	'16
Retirement benefits (Note 34)	4 541	3 368
Escrow funds ^{a)}	39 089	-
	43 630	3 368

a) Under the concession contracts entered into between NWP and Northwest Parkway Public Highway Authority (the conceding entity), USD 40 000 thousand were transferred to an independent escrow agent. This amount, referred to as Escrow Funds, plus accrued interest will be transferred to the conceding entity after fulfilment of the engagements assumed by NWP relating to the construction of the extension of the State Highway; otherwise, it will be reimbursed to NWP. As of 31 December 2016, this amount was recorded under caption "Non-current assets held for sale" (Note 22).

a) As of 31 December 2016 and 2015, this balance included the amounts of €3 090 thousand and €3 677 thousand, respectively, receivable from Spanish concessions concerning Brisa motorway tolls paid by users of the Spanish concessions, within the scope of an interoperability agreement.

b) As of 31 December 2016 and 2015, this caption included a balance of €9 940 thousand and €9 539 thousand, respectively, relating to associates (Note 14).

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TRADE AND OTHER RECEIVABLES

As of 31 December 2016 and 2015 this caption was made up as follows:

	'15	'16
Customers:		
Tolls ^{a)}	29 513	24 616
Doubtful receivables	23 303	24 036
	52 816	48 652
Other debtors		
Advances to suppliers	65	533
Personnel	792	910
	857	1 443
Other receivables and debtors ^{b)}		
Related Parties (Note 36)	4 840	3 004
Other	14 429	22 962
	19 269	25 966
	72 942	76 061
Cumulative impairment losses accounts receivable (Note 28)	(23 314)	(24 079)
	49 628	51 982

Accounts receivable from third parties, having the same book value and fair value, stem from operating activity and are deducted of cumulative impairment losses. These are estimated based on available information and past experience (Note 35).

Given the nature of the Company's operation, there is no significant concentration of credit risk.

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OTHER CURRENT ASSETS

As of 31 December 2016 and 2015 this caption was made up as follows:

	'15	'16
Government and other public bodies:		
Income tax ^{a)}	16 338	16 012
Other	95	-
	16 433	16 012
Accrued income:		
Interest receivable	336	34
Other	1 329	1 409
	1 665	1 443
Deferred costs:		
Insurance	3 101	3 632
Other	1 721	1 672
	4 822	5 304
Fair value of derivative instruments (Note 32)	-	2 267
	22 920	25 026

a) This amount concerns a tax payment made by the Company in previous years, the refund of which is pending the settlement of the disputes mentioned above.

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CASH AND CASH EQUIVALENT

Cash and cash equivalents at 31 December 2016 and 2015 are made up as follows:

	'15	'16
Cash	2 091	2 093
Bank deposits payable on demand	23 217	69 363
Term deposits	375 844	111 786
Cash and cash equivalents	401 152	183 242
Bank overdrafts (Note 27)	(45)	(1 482)
	401 107	181 760

Caption “Cash and cash equivalents” includes cash, demand and term deposits and treasury applications immediately withdrawable, the value of which is unlikely to change. Caption “Bank overdrafts” includes the credit balances on demand deposit accounts with banks.

Within the scope of the contractual obligations assumed by BCR, the balance of treasury applications as of 31 December 2016 included the following reserve accounts:

- Reserve account for the repayment of debt, in the amount of, approximately, €103 500 thousand;
- Reserve account for investment purposes in the amount of €8 339 thousand.

Since the companies where the said reserve accounts are set have restrictions as to the activities they may pursue in accordance with their by-laws and concession agreements, which include borrowing and investments, and taking into account that the said reserve accounts may always be used to these purposes, the Group deems total balances in reserve accounts as cash and cash equivalents.

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NON-CURRENT ASSETS HELD FOR SALE

As mentioned in Notes 13 and 39, in December 2016 the company entered an agreement to sell off its stakes in NWP and Go Pass, which led to the reclassification of respective assets and liabilities as “non-current assets held for sale”, made up as follows:

	'16
Tangible fixed assets (Note 12)	799
Intangible assets (Note 13)	439 239
Trade and other receivables	2 530
Other current assets	40 511
Cash and cash equivalent	29 195
	512 274
Loans	350 820
Provisions (Note 29)	3 817
Suppliers	17
Other current liabilities	1 188
	355 842
Non current assets held for sale	156 432

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CAPITAL

The Company’s capital at 31 December 2016 is made up of 600 000 000 fully subscribed and paid up shares with a nominal value of €0.01 each.

Shareholders at the General Meeting held on 20 July 2015 decided to increase the Company’s share capital from €600 000 thousand to €816 000 thousand, fully paid up through the integration of part of the legal reserve in the amount of €134 798 thousand and free reserves in the amount of €81 202 thousand, by increasing the nominal value of shares from €1.00 each to €1.36 each. At the same General Shareholders Meeting it was subsequently decided to reduce the Company’s share capital from €816 000 thousand to €6 000 thousand, by releasing surplus capital and reducing the nominal value of shares from €1.36 each to €0.01 each (Notes 10 and 24).

As of 31 December 2016, the Company shareholders were as follows:

	NUMBER OF SHARES	% SHARE CAPITAL	% VOTE
Tagus Holdings S.àr.L.	243 497 061	40.6%	44.06%
José de Mello Investimentos SGPS S.A.	182 683 904	30.4%	33.06%
Arcus European Infrastructure Fund GP LLP	114 557 795	19.1%	20.73%
Treasury shares (Note 24)	47 352 614	7.9%	N/A
Other shareholders	11 908 626	2.0%	2.15%
	600 000 000	100.0%	100.0%

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TREASURY SHARES

The following changes took place in treasury stock in the years ended 31 December 2016 and 2015:

	'15	
	NUMBER OF SHARES	THOUSAND EURO
Opening balance	47 352 614	275 599
Redenomination of the nominal Value (Note 23):		
Share capital increase	-	17 047
Share capital decrease	-	(63 926)
Closing Balance	47 352 614	228 720

	'16	
	NUMBER OF SHARES	THOUSAND EURO
Opening balance	47 352 614	228 720
Redenomination of the nominal Value (Note 23):		
Share capital increase	-	-
Share capital decrease	-	-
Closing Balance	47 352 614	228 720

Commercial legislation regarding treasury stock requires companies to maintain a free reserve equal in amount to the cost of their treasury stock. The reserve is not available for distribution while the stock is held, a reserve of €228 720 thousand (Note 25) being maintained for that purpose. In addition, the applicable accounting rules provide that gains and losses on the sale of treasury stock must be recorded in reserves.

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LEGAL RESERVE AND OTHER RESERVES

LEGAL RESERVE
Commercial legislation establishes that at least 5% of annual net profit must be appropriated to a legal reserve until the reserve equals at least 20% of share capital. This reserve is not available for distribution except in the event of liquidation, but it can be used to absorb losses once the other reserves have been exhausted, or to increase capital.

OTHER RESERVES
At 31 December 2016 and 2015 the amounts of €138 634 thousand and €46 470 thousand, respectively were available for distribution.

Additionally, at 31 December 2016 and 2015, caption Other Reserves included the amounts of €228 720 thousand (Note 24), concerning treasury stock reserves.

EFFECT OF CURRENCY TRANSLATION
As of 31 December 2016 and 2015 the Group had a currency translation reserve in the amount of €48 553 thousand and €40 274 thousand, respectively, stemming from the conversion of Group operations expressed in foreign currency, namely in USD.

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NON-CONTROLLING INTERESTS

The changes in this caption in the years ended 31 December 2016 and 2015 were as follows:

	'15	'16
Opening balance	16 423	176 140
Changes in equity of associates	(47 760)	(110 538)
Change in position non controlling interests ^{a) b)}	184 340	(5 459)
Increase - Change in perimeter	-	25
Profit for the year attributable to Non controlling interests	23 137	32 435
Closing Balance	176 140	92 603

a) In the year ended as of 31 December 2016, the change occurred in this caption included the recognition of non-controlling interests in the amount of €5 481 thousand, resulting from acquisition of 14.45% of Controlauto for a sum of €7 250 thousand (Note 15).

b) In the year ended as of 31 December 2015, the change occurred in this caption included the recognition of non-controlling interests in the amount of €184 238 thousand, resulting from the disposal of 30% of BCR SGPS, for €766 849 thousand (Note 15). Additionally, as result of this transaction with capital holders, a gain was recorded under “Retained earnings and other reserves” in the amount of €582 611 thousand.

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LOANS

Non-controlling interests as of 31 December 2016 and 2015 were made up as follows:

	'15	'16
BCR SGPS	157 689	78 937
Controlauto	15 343	10 363
Via Verde Portugal	2 900	3 166
BIT	208	112
BAS	-	25
	176 140	92 603

In the years ended 31 December 2016 and 2015 no payments were made concerning investments with impact on non-controlling interests, except for the acquisition of 14.45% of Controlauto mentioned above.

In the years ended at 31 December 2016 and 2015 receivables concerning investments with impact on non-controlling interests were made up as follows:

	'15	'16
BAS	-	24
BCR SGPS	766 849	-
Via Verde	3 750	-
BIT	50	-
	770 649	24

At 31 December 2016 and 2015 loans contracted were as follows:

	'15		'16	
	CURRENT	NON CURRENT	CURRENT	NON CURRENT
Bond loans	437 986	1 092 138	34 976	1 394 144
Bank loans	38 749	874 888	38 565	503 304
Commercial paper	76 757	-	102 221	150 000
Bank overdrafts (Note 21)	45	-	1 482	-
Short Term Lines	7	-	6	-
	553 544	1 967 026	177 250	2 047 448

BOND LOANS

At 31 December 2016 and 2015 (non-convertible) bond loans were made up as follows:

		‘15		‘16			
ISSUE	NOMINAL VALUE OF THE ISSUE	CURRENT	NON CURRENT	CURRENT	NON CURRENT	MATURITY	NOMINAL INTEREST RATE
2006*	407 300	407 330	-	-	-	Dec/16	4.500%
2012	100 000	5 556	93 402	5 556	93 666	Jan/32	6%**
2012	300 000	14 718	299 048	14 725	299 806	Apr/18	6.875%
2013	120 000	-	118 351	-	-	Jun/20	Variable
2014	300 000	8 406	298 459	8 426	298 792	Apr/21	3.875%
2015	300 000	1 976	282 878	1 935	284 735	Apr/25	1.875%
2016	120 000	-	-	32	119 280	Jan/22	Variable
2016	300 000	-	-	4 302	297 865	Mar/23	2.000%
		437 986	1 092 138	34 976	1 394 144		

* In the half-year ended on 31 December 2015 bonds in the amount of €192 700 000 relating to this loan were repaid and cancelled; the loan was initially of €600 000 000.
* * Fixed interest rate of 6% in the first five years and remuneration indexed to the consumer price index except housing as from the sixth year to maturity.

2006-2016 ISSUE

Bond issue in the amount of €600 000 thousand carried out by BAE on 5 December 2006, subsequently replaced by BCR as issuer, as described hereinbelow. This bond loan with a 10-year maturity bears interest at a fixed rate of 4.5%.

This was the first issue made by a private Portuguese company under laws on debt and equity securities, which were introduced by the Portuguese State on 7 November 2005 through Decree-Law 193/2005 with the objective of making it easier for Portuguese companies to obtain funding from non-resident investors.

On 30 April 2015 the Company repurchased and cancelled bonds concerning this issue, in the amount of €192 700 thousand, and replaced them with bond issue described herein below as “2015-2025 issue”; The remaining €407 300 thousand of the bond issue were reimbursed at maturity on December 5, 2016.

2012-2032 ISSUE

The €100 000 thousand bond issue was carried out by BCR on 12 July 2012. This bond loan with a 19.5-year maturity, pays interest at a fixed rate of 6% in the first five years and interest indexed to the consumer price index (except housing) as from the sixth year to maturity. Repayment of principal will be made in one instalment at maturity in 12 January 2032.

2012-2018 ISSUE

The €300 000 thousand bond issue was carried out by BCR on 02 October 2012. This bond loan with a 5.5-year maturity bears interest at a fixed rate of 6.875%. Repayment of principal will be made in one instalment at maturity in 06 April 2018.

2013-2020 ISSUE

The €120 000 thousand bond issue was carried out by BCR on 24 September 2013. This bond loan has a floating interest rate indexed to the 6-month Euribor. It also had a call option allowing BCR to exercise the early repayment of the issue on June 7, 2016. The company exercised this option and the loan was repaid on the said date.

2014-2021 ISSUE

The €300 000 thousand bond issue was carried out by BCR on 01 April 2014. This bond loan with a 7-year maturity bears interest at a fixed rate of 3.875%. Repayment of principal will be made in one instalment at maturity in 01 April 2021.

2015-2025 ISSUE

€300 000 thousand bond issue carried out by BCR on 30 April 2015, replacing part of the 2006-2016 bond issue described above. This bond

loan with a 10-year maturity bears interest at a fixed rate of 1.875%. Repayment of principal will be made in one instalment at maturity in 30 April 2025.

2016-2022 ISSUE

The €120 000 thousand bond issue was carried out by BCR on 07 June 2016. This bond loan has a floating interest rate indexed to the 6-month Euribor. Repayment of principal will be made in one instalment at maturity in 07 January 2022.

2016-2023 ISSUE

The €300 000 thousand bond issue was carried out by BCR on 22 March 2016. This bond loan with a 7-year maturity bears interest at a fixed rate of 2%. Repayment of principal will be made in one instalment at maturity in 22 March 2023.

As of 31 December 2016 and 2015 bond issues concerning which it was possible to obtain a market valuation were the following:

ISSUE	NOMINAL VALUE OF THE ISSUE	'15		'16		MATURITY	INTEREST RATE
		BOOK VALUE	MARKET VALUE	BOOK VALUE	MARKET VALUE		
			(a)		(a)		
2006	407 300	407 330	423 054	-	-	Dec/16	4.500%
2012	300 000	313 766	342 033	314 531	325 929	Apr/18	6.875%
2014	300 000	306 865	332 298	307 218	340 491	Apr/21	3.875%
2015	300 000	284 854	278 298	286 670	295 095	Apr/25	1.875%
2016	300 000	-	-	302 167	307 776	Mar/23	2.000%
		1 312 815	1 375 683	1 210 586	1 269 291		

(a) Source: Bloomberg

The fair value of the bond loans corresponds to their amortised cost, as described in Note 35.

The above-mentioned bond issues are part of a Euro Medium Term Note Programme, which may be extended to a maximum amount of €3 000 000 thousand.

Within the scope of the corporate reorganization of the Brisa Group, on 22 December 2010 Brisa Finance B.V. and BAE were replaced by BCR as issuer of these bonds, as result of which BCR assumed all associated obligations as from that date forward. The replacement was approved on the Bondholders Meetings of 5 November 2010, for the bond issue of Brisa Finance B.V., and of 15 November 2010, for the bond issue of Brisa.

BANK LOANS

Caption “Bank loans” at 31 December 2016 and 2015 was made up as follows:

'15							'16		
COMPANY PARTY	AMOUNT TO BE SETTLED			AMORTIZATION			AMOUNT TO BE SETTLED		
	NOMINAL AMOUNT OF LOAN	CURRENT	NON CURRENT	MATURITY	PERIODICITY	INTEREST RATE	NOMINAL AMOUNT OF LOAN	CURRENT	NON CURRENT
BCR	584 781	38 587	541 753	Dec-30	Half-year	Variable	545 796	38 565	503 304
NWP	228 713	126	226 561	Dec-17	Sole	Variable	-	-	-
NWP	137 779	36	106 574	Dec-17	Sole	Variable	-	-	-
	951 273	38 749	874 888				545 796	38 565	503 304

Within the scope of the corporate reorganization of the Brisa Group, Brisa negotiated with the European Investment Bank (EIB) the transfer to BCR of several loans contracted between Brisa Auto-Estradas de Portugal, S.A. and EIB. The debt transferred as of 22 December 2010

totalled €779 708 thousand. It was also agreed with the EIB the consolidation of 16 existing financing contracts into one sole contract, subject to floating interest rate indexed to the 6-month Euribor with extended term (this loan will be repaid in half-year instalments from June 2011 to December 2030).

As of 31 December 2016 and 2015 bank loans had the following repayment schedule:

	'15	'16
Up to 1 year	38 749	38 565
Up to 2 years	371 586	38 486
Up to 3 years	38 487	38 522
Up to 4 years	38 523	38 559
Up to 5 years	38 559	38 597
More than 5 years	387 733	349 140
	913 637	541 869

COMMERCIAL PAPER AND SHORT TERM LINES

Caption "Other loans obtained" at 31 December 2016 and 2015 is made up as follows:

	FINANCED ENTITY	'15	'16	CURRENCY
Other loans				
Commercial paper	BCR	74 215	251 973	EUR
Commercial paper	Controlauto	2 542	248	EUR
		76 757	252 221	
Short Term Lines				
Short Term Lines	Brisa	7	6	EUR
Bank overdrafts (Note 21)				
Bank overdraft lines	Controlauto	-	1 429	EUR
Bank overdraft lines	Brisa	26	28	EUR
Bank overdraft lines	Via Verde Portugal	19	25	EUR
		45	1 482	
		76 809	253 709	

At 31 December 2016 and 2015 the Group had short term credit lines and commercial paper issues with banks in a total maximum amount of €481 500 thousand and €395 500 thousand, respectively; as of this date, approximately €250 250 thousand and €75 550 thousand, respectively, are placed. Of the total amount placed as of 31 December 2016, €150 000 thousand concern a commercial paper programme with guaranteed subscription for a period beyond one year, thus being classified as of medium and long term.

At 31 December 2016 and 31 December 2015 loans were denominated in the following currencies:

		'15	'16
	AMOUNTS IN THOUSAND OF CURRENCY	AMOUNTS IN THOUSAND EURO	AMOUNTS IN THOUSAND OF EURO
Euros		2 187 273	2 224 698
Doláres (USD)	362 861	333 297	-
		2 520 570	2 224 698

Loans in foreign currencies bear interest at market rates and were translated to Euro at the rates in force on the consolidated statement of financial position date.

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CUMULATIVE IMPAIRMENT LOSSES

Changes in cumulative impairment losses in the years ended 31 December 2016 and 2015 are as follows:

							'15
	OPENING BALANCE	EXCHANGE EFFECT	INCREASE	USED	DECREASED (NOTE 6)	TRANSFERS (NOTE 29)	CLOSING BALANCE
Impairment losses:							
Financial investments:							
Investments in associates	450 625	-	-	-	-	-	450 625
Other investments	13 843	-	-	-	-	-	13 843
Accounts receivable:							
Associates (Note 14)	96 900	-	-	-	-	120 000	216 900
Accounts receivable and other debtors (Note 19)	23 711	-	911	(330)	(978)	-	23 314
Inventories	103	-	-	-	-	-	103
Other	1 921	(499)	86	-	-	-	1 508
	587 103	(499)	997	(330)	(978)	120 000	706 293
							'16
	OPENING BALANCE	EXCHANGE EFFECT	INCREASE	USED	DECREASED (NOTE 6)	TRANSFERS (NOTES 14 AND 29)	CLOSING BALANCE
Impairment losses:							
Financial investments:							
Investments in associates	450 625	-	-	-	-	3 034	453 659
Other investments	13 843	-	-	-	-	-	13 843
Accounts receivable:							
Associates (Note 14)	216 900	-	-	-	-	-	216 900
Accounts receivable and other debtors (Note 19)	23 314	-	1 078	(162)	(151)	-	24 079
Inventories	103	-	-	-	-	-	103
Other	1 508	399	92	-	-	-	1 999
	706 293	399	1 170	(162)	(151)	3 034	710 583

Impairment losses are deducted to the amount of the corresponding assets.

In the specific case of goodwill (Note 16) and of the concessions related rights, impairment tests were carried out in accordance with the discounted cash flow method; the cash flows projections used covered the whole period of concessions under a Project Finance and 5 to 5 years for the remaining businesses of the Group.

The discount rates used in all evaluations associated with impairment tests reflect the cost of capital employed and the specific risk of each asset, and were estimated within a range of 5.9% to 12.6%.

Additionally, with regard to evaluations which do not concern road concessions the perpetual growth rates considered were of 1% to 2%, (nominal) taking into account the prospects of value creation in each business after the period established for the projections.

Discount rates used in project finance for the purposes of impairment tests correspond to the original IRR of the base case, as the financing structure of these companies is defined since the initial moment of investment and shareholders cannot change it without the approval of financial banks. In what concerns remaining companies, the discount rate takes into account the evolution of the invested capital structure and the specific risk of each asset, as well as the country where the operation is established.

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PROVISIONS

Changes in the provisions and accumulated impairment losses in the years ended 31 December 2016 and 2015 were as follows:

									'15
CAPTIONS	OPENING BALANCE	FX EFFECT	INCREASE (NOTE 9)	USED (NOTE 9)	DECREASED (NOTES 6 AND 9)	FINANCIAL REVISION (NOTES 8 AND 9)	TRANSFERS (NOTE 28)	CLOSING BALANCE	
Provisions::									
Non current:									
Pending legal proceedings	2 639	-	28	-	(1 096)	-	-	1 571	
Investments in associates (Note 14)	9 257	-	-	-	(3 746)	-	-	5 511	
Replacement of infrastructures	143 871	305	25 911	(2 525)	(1 462)	6 784	(9 971)	162 913	
Other risks and charges	12 891	-	704	(1126)	(1 637)	-	-	10 832	
	168 658	305	26 643	(3 651)	(7 941)	6 784	(9 971)	180 827	
Current									
Investments in associates (Note 14)	129 038	-	-	-	(1 099)	(190)	(118 901)	8 848	
Replacement of infrastructures	21 266	-	6 933	(24186)	(2 097)	1 388	9 971	13 275	
Other risks and charges	3 760	-	5 501	(2 594)	-	-	-	6 667	
	154 064	-	12 434	(26 780)	(3 196)	1 198	(108 930)	28 790	
	322 722	305	39 077	(30 431)	(11 137)	7 982	(118 901)	209 617	
									'16
CAPTIONS	OPENING BALANCE	NON CURRENT HELD FOR SALE (NOTE 22)	FX EFFECT	INCREASE (NOTE 9)	USED (NOTE 9)	DECREASED (NOTES 6 AND 9)	FINANCIAL REVISION (NOTES 8 AND 9)	TRANSFERS (NOTE 28)	CLOSING BALANCE
Provisions::									
Non current:									
Pending legal proceedings	1 571	-	-	-	-	(138)	-	-	1 433
Investments in associates (Note 14)	5 511	-	-	1	-	(2 814)	-	-	2 698
Replacement of infrastructures	162 913	(3 817)	96	19 453	(1 098)	(918)	5 772	(16 229)	166 172
Other risks and charges	10 833	-	-	854	(1 714)	(246)	-	-	9 727
	180 828	(3 817)	96	20 308	(2 812)	(4 116)	5 772	(16 229)	180 030
Current									
Investments in associates (Note 14)	8 848	-	-	-	(5 960)	-	146	(3 034)	-
Replacement of infrastructures	13 275	-	-	20 358	(26 647)	(1 946)	1 804	16 229	23 073
Other risks and charges	6 666	-	-	475	(1 454)	(2 366)	-	-	3 321
	28 789	-	-	20 833	(34 061)	(4 312)	1 950	13 195	26 394
	209 617	(3 817)	96	41 141	(36 873)	(8 428)	7 722	(3 034)	206 424

The provision for litigation in process is to cover liabilities estimated by the Board of Directors, based on information from the lawyers, resulting from actions brought against the Company relating to motor accidents, losses caused by the construction of motorways and labour claims. At 31 December 2016 and 2015 claims against the Company totalled approximately €49 896 thousand and €49 505 thousand, respectively; respective provision corresponds to the Board of Directors’ best estimate of the amount of such liabilities.

As of 31 December 2016 and 2015, caption Investments in associated companies related to the interests in the negative shareholder’s equity (excluding supplementary capital) of associated companies and liabilities to make additional capital contributions in relation to the investment already incurred. In the year ended as of 31 December 2015, as agreed in respective Facility Agreement, the Company settled remaining obligations concerning the increase in own funds in AEDL, in the amount of €120 000 thousand. On January 28, 2016 the Company settled €8 994 thousand relating to the remaining shares of the said concessionaire (Note 14).

Provisions for reinstatement of infrastructures relate to the responsibilities to replace the wear layer of the flexible pavements and is recognised, at the present value, through the period up to the date in which the intervention takes place. The provision is subject to a financial update at each reporting date calculated at the average interest cost rate of the company and recorded as a financial expense The recorded reversals relate essentially to the reassessment of the estimates for the costs to be incurred and changes in the planned schedule of the interventions in the infrastructure.

Provision for other risks and charges as of 31 December 2016 and 2015 included the amounts of €2 209 thousand and €4 002 thousand respectively, corresponding to the Board of Directors’ current estimate of the amount of the potential losses to be incurred by the Company associated to the Douro Litoral Concession, resulting from commitments

assumed under agreements entered into with the consortium responsible for the construction of Douro Litoral motorway (DLACE).

As of 31 December 2016 and 2015, provision for other risks and charges further included €3 321 thousand and €6 666 thousand, respectively, concerning a restructuring plan.

30 OTHER NON-CURRENT LIABILITIES

As of 31 December 2016 and 2015 this caption was made up as follows:

	‘15	‘16
Compensation for operating losses ^{a)}	29 872	28 300
Global Agreement ^{b)}	11 746	11 746
Fair value of derivative instruments (Note 32)	75 543	6 761
Retirement benefits (Note 34)	1 228	2 641
Suppliers of investment	906	647
Advanced revenues of service areas ^{c)}	80	560
	119 375	50 655

a) This caption includes €73 670 thousand relating to compensation obtained from the State for not charging tolls on some sub-stretches in the metropolitan area of Lisbon and Porto, less €43 798 thousand already transferred to income, of which the amount of €1 572 thousand relating to the year ended at 31 December 2016 were recorded in caption “Other operating income” (Notes 6 and 31).

b) This caption corresponds to the difference between the amount received from the State, under the Global Agreement established with Brisa relating to BCR Concession and the balances pending settlement and recognised in the financial statements as of the date of the agreement. In accordance with agreed terms, an inspection by IGF is still pending viewing validating and confirming the balances, which will result in settlement of the amount thereof.

c) This caption comprises the amounts paid by sub concessionaires of service stations for future rents (Note 31).

31 OTHER CURRENT LIABILITIES

As of 31 December 2016 and 2015 this caption was made up as follows:

	‘15	‘16
Fair value of derivative instruments (Note 32)	-	57 002
Accrued costs:		
Remuneration payable	22 154	19 970
Other accrued expenses	4 085	3 962
	26 239	23 932
Deferred income:		
Compensation for operating losses (Note 30)	1 572	1 572
Advanced revenues of service areas (Note 30)	1 601	561
Financial contributions	-	15
Other	1 107	1 444
	4 280	3 592
Government and other public bodies:		
Value added tax	16 860	18 320
Payments to Social Security	1 510	1 583
Income tax withheld	1 049	1 097
Income tax		
Tax payable ^{a)}	16 051	16 051
Other	681	534
	36 151	37 585
Other receivables:		
Dividends payable to shareholders (Note 11)	66 529	235
Other	8 398	8 394
	74 927	8 629
	141 597	130 740

a) This amount refers to a sum returned by tax authorities following the tax inspection relating to 2007, which the Company considers as being due.

32

DERIVATIVE FINANCIAL INSTRUMENTS

The Group has contracted a series of derivative financial instruments to minimise the risk of exposure to variations in interest and exchange rates.

Such instruments are contracted considering the risks that affect its assets and liabilities, after verifying which market instruments available are the most adequate to hedge the risks.

Such operations, which are contracted with the prior approval by the Chief Financial Officer or the Executive Commission, are permanently monitored through analysis of the various indicators relating to such instruments, especially evolution of their market value and sensitivity of their projected cash flows and of the market itself to changes in the key variables that affect the structures, with the objective assessing their financial effect.

These financial derivative instruments are recorded in accordance with the provisions of IAS 39, being measured at their fair value considering evaluations made by financial institutions based on mathematical models, such as option pricing models and discounted cash flow models for unlisted instruments (over-the-counter instruments). These models are based essentially on market information.

Such instruments are classified as hedging or trading instruments considering the provisions of IAS 39.

Hedge accounting is applicable to derivative financial instruments that are efficient as regards the effect of offsetting the variations in the fair value or cash flows of the underlying assets/liabilities. The efficiency of

these operations is checked on a quarterly basis. Hedging accounting covers cash flow hedging operations.

Trading instruments are derivative financial instruments which, although contracted under the Group’s risk hedging policies, do not qualify for hedge accounting because they were not formally designated for that purpose or simply because they are not efficient hedges in accordance with the conditions established in IAS 39.

CASH FLOW HEDGES

At 31 December 2016 and 31 December 2015 the Group had the following interest rate derivative instruments:

						'15	'16
CONTRACTING COMPANY	TYPE OF OPERATION	MATURITY	COUNTERPARTY	UNDERLYING AMOUNT	FAIR VALUE (NOTES 30, 31 AND 35)		FAIR VALUE (NOTES 30, 31 AND 35)
NWP	Fixed/var. int. rate swap (USD) ^{a)}	21 December 2027	Macquarie, BNP Paribas and BoAML	282 781	(65 593)	295 128	(57 002)
BCR	Fixed/var. int. rate swap	15 June 2019	BBVA and BST	89 559	(5 811)	63 971	(3 299)
BCR	Fixed/var. int. rate swap	15 June 2023	Caixa BI	31 250	(4 139)	27 083	(3 462)
				545 796	403 590	(75 543)	(63 763)

a) The settlement of this derivative instrument will occur in 2017 as result of the sale of the NWP concession (Note 22); hence, respective fair value was recorded under “Other current liabilities” (Note 31).

In the years ended at 31 December 2016 and 2015 the Group recognised losses with these derivative financial instruments in equity, in the amounts of €37 916 thousand and €26 150 thousand, respectively.

INSTRUMENTS HELD FOR TRADING

As of 31 December 2016, the Group had contracted the following forex derivative financial instruments, which although contracted for exposure purposes, did not comply with provisions in IAS 39, and were therefore classified s held for trade:

				'16
TYPE OF OPERATION	MATURITY	COUNTERPARTY	PREMIUM PAID	FAIR VALUE (NOTE 20)
EUR Call options (sale of USD)	04 April 2017	BST / Société Générale	3 546	2 267

As of 31 December 2016 and 2015, the fair value of derivative financial instruments was recorded in captions “Other current assets” (Note 20), “Other non-current liabilities” (Note 30) and “Other current liabilities” (Note 31).

At 31 December 2016 and 2015 the following foreign exchange rates were used to translate into Euro assets and liabilities in foreign currency:

	'15	'16
Brazilian Real	4.3117	3.4305
US Dollar	1.0887	1.0541

At 31 December 2016 and 2015 the following foreign exchange rates were used to translate into Euro expenses and income expressed in foreign currency:

	'15	'16
Brazilian Real	3.7004	3.8561
US Dollar	1.1095	1.1069

33 CONTINGENT ASSETS AND LIABILITIES

At 31 December 2016 and 2015 the companies included in the consolidation had the following bank guarantees given to third parties:

	'15	'16
Portuguese State (Base XX of BCR Concession Contract)	60 770	60 893
AEA ^{a)}	23 100	23 100
ELOS ^{a)}	17 235	17 235
AEDL ^{a)}	10 683	-
AEBT ^{a)}	707	-
Bank guarantees in favour of courts ^{b)}	56	54
Other guarantees provided to third parties ^{c)}	65 941	65 915
	178 492	167 197

a) This amount corresponds to bank guarantees given by Brisa, to guarantee compliance with the Capital Subscription and Realisation Agreement of each of the mentioned entities.

b) This amount corresponds to bank guarantees given by Brisa and BCR to several courts under real estate expropriation proceedings.

c) This caption included the amount of € 64 129 thousand corresponding to bank guarantees provided to the Tax Authorities within the scope of pending proceedings (Note 9).

Within the scope of companies financed through Project Finance (Brisal, AEDL, AEA, NWP, AEBT and AELO), shareholders’ investments are given as pledge in favour of funders.

Within the scope of the commitments assumed in companies subject to Project Finance (AEDL, AEBT, AELO and ELOS), Brisa and remaining shareholders are responsible for any additional costs that may arise. At AELO, AEBT and ELOS this liability is pro rata to the percentage capital held.

Brisa entered a Subscription Agreement with SICAR, whereby it undertook to invest up to €50 000 thousand, having already invested €42 700 thousand up to 31 December 2016 and 2015.

Viewing to suspend tax enforcement proceedings, the Company provided a bank guarantee of €153 310 thousand, by means of pledge on 24 618 shares of Brisa O&M. As of 31 December 2016, a decision concerning the said proceedings was issued in a way which is partly favourable to the Company, which should translate in the partial cancellation of the pledge.

Within the scope of the ring-fencing of subsidiary BCR, a set of guarantees were provided in favour of BCR’s senior creditors, which include, among other, a pledge on shares held by BCR SGPS in the share capital of BCR, and in the balances of BCR’s bank accounts.

Additionally, as result of the tax execution procedures brought against BAE relating to the years ended as of 31 December 2012 and 2011, the Company through BCR provided guarantees to the tax authorities on September 22, 2016 and December 29, 2015 in the amounts €30 948 thousand and €25 551 thousand, respectively, in order to suspend the said proceedings.

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PENSION LIABILITIES

DEFINED BENEFIT PLAN

Brisa and some of its subsidiaries have a supplementary retirement, incapacity and survivor pension plan, under which their employees reaching retirement age at the service of the Company and of some of its subsidiaries and that have been at their service for at least ten years, as well as those that have been at their service for at least five years and are in a situation of incapacity, have the right to a retirement pension supplementary to that guaranteed by the Social Security.

The benefit defined in the pension plan corresponds to 7% of the gross remuneration at the date of retirement, plus 0.5% for each year of service after the tenth year. Also, in accordance with the pension plan in force, the retirement pension supplement cannot exceed 17% of the gross remuneration at the date of retirement and the sum of the pension supplement plus that attributed by the Social Security can also not exceed the gross remuneration base.

In the case of death of the beneficiary, the plan also gives, in certain conditions, the surviving spouse, children or equivalent, the right to a supplementary survivor pension, corresponding to 50% of the supplementary retirement pension that the beneficiary was receiving.

The liability resulting from the above-mentioned scheme was transferred to an autonomous pension fund. The liability is determined half yearly based on actuarial studies prepared by independent experts, the last available being as of 31 December 2016.

The actuarial studies as of 31 December 2016 and previous years were prepared using the Projected Unit Credit method and the following assumptions and technical bases:

	'13	'14	'15	'16
Technical interest rate	4.50%	3.85%	3.25%	2.25%
Fund's annual income rate	4.50%	3.85%	3.25%	2.25%
Annual salary growth rate	2.25%	2.25%	2.25%	1.85%
Annual pension growth rate	0%	0%	0%	0%

Changes in actuarial assumptions were mainly due to changes in market conditions.

The change in the technical interest rate and the fund’s annual income rate reflects the downward trend in interest rates in the Euro Zone.

The annual wage growth rate was adjusted taking into account the wage policy which is being followed by the Group.

As of 31 December 2016 the impact of a 25 bps reduction in the technical interest rate and the fund’s annual income rate used in the actuarial study would correspond to an increase in the present value of projected liabilities by approximately €958 thousand.

In addition, the demographic assumptions considered at 31 December 2015 and previous years were as follows:

	'13	'14	'15	'16
Mortality tables	TV 88/90	TV 88/90	TV 88/90	TV 88/90
Disability table	EKV80	EKV80	EKV80	EKV80

In accordance with the actuarial studies the cost of the retirement pension supplements for the years ended 31 December 2016 is as follows:

	'13	'14	'15	'16
Cost of current services	889	881	663	747
Financing cost	786	774	540	491
Remeasurements	(949)	(4 470)	(75)	1 923
Fund's income	(1 031)	(686)	(662)	(575)
	(305)	(3 501)	466	2 586

Remeasurements are recorded as income and expenses recognised directly in equity; during the year ended at 31 December 2016 these derived mainly from a change in the technical interest rate.

As mentioned, liabilities for the social benefits referred to above were transferred to an autonomous pension fund to where the company makes contributions on a regular basis to cover such liabilities.

At 31 December 2016 and in previous years, the difference between the present value of liabilities and the market value of the fund’s assets was follows:

	'13	'14	'15	'16
Current value of projected liabilities	16 473	13 499	14 473	17 029
Fund's market value	(16 751)	(17 278)	(17 786)	(17 756)
	(278)	(3 779)	(3 313)	(727)

The difference between the market value of the fund’s assets and the current value of liabilities is recorded as a non-current asset or non-current liabilities (Notes 18 and 30).

The fund’s assets and return rate at 31 December 2016 and 2015 are as follows:

	RETURN RATE		FAIR VALUE OF ASSETS	
	‘15	‘16	‘15	‘16
Shares and other equity instruments				
Europa shares	13.7%	1.0%	4 359	4 301
Foreign shares eg. Europe	N/A	N/A	81	157
Bonds and other debt instruments	1.6%	2.1%	10 771	10 205
Real estate funds and Hedge Funds	2.7%	-1.2%	1 414	1 623
Liquidity	2.9%	1.5%	1 161	1 470
			17 786	17 756

DEFINED CONTRIBUTION PLAN

The management and directors have the benefit of a defined contribution supplementary retirement pension, the Company having assumed the commitment to pay an insurance company 10% of the respective basic annual remuneration. In the years ended 31 December 2016 and 2015, the amount of bonuses recorded under personnel costs was of €366 thousand and €371 thousand, respectively.

35
MANAGEMENT OF FINANCIAL RISKS

GENERAL PRINCIPLES

Like most corporate groups, the Brisa Group is exposed to a set of financial risks stemming from its business activity. These involve, in particular, liquidity, refinancing and interest rate risks stemming from financial liabilities, exchange rate risks resulting from investment in Northwest Parkway in the United States, and counterparty risk to which the companies of the Brisa Group are exposed by contracting risk hedging operations and treasury applications.

Brisa’s financial management centralises financing operations, the application of cash surplus, exchange transactions as well as the Group’s counterparty risk, subject to the compliance with any restrictions deriving from the specific financial structure of each company. It is also responsible for the identification, quantification and for the proposal and implementation of measures aimed at the management/mitigation of the financial risks to which the Group is exposed.

All financial risk operations involving the use of derivative instruments must be approved by the Chief Financial Officer or the Executive Committee.

Detailed description of the Group’s main financial risks and measures implemented to manage them is summed up below (additional considerations concerning the Group’s risk management policy can be found in the Management Report).

INTEREST RATE RISK

The objective of interest rate risk management is to minimise the cost of debt by keeping the volatility of financial costs at a low level. At the end of 2016, approximately 69% of financial debt were at fixed interest rate, which ensures that financial costs have low sensitivity to increases in interest rates. The remaining 31% of the loans were indexed to a variable rate, allowing the Group to benefit from the historically low level of short term interest rates throughout 2016.

If market interest rates in the years ended 31 December 2016 and 2015 had been 1% higher, the financial costs for these years would have increased by approximately €6 800 thousand and €7 200 thousand, respectively.

BCR interest rate hedge derivatives at the end of 2016 and 2015 corresponded to the part of the derivative portfolio previously engaged by Brisa Auto-Estradas, which was transferred to BCR at the date of the financial close of the Group’s corporate reorganization, together with hedged loans. Since some of the characteristics of the hedged loans were altered, as a consequence of the transfer process from Brisa to BCR, the terms of the associated swaps were also changed in order to ensure correspondence with the characteristics of the associated hedge loan.

EXCHANGE RATE RISK

Brisa’s exposure to exchange risk results essentially from its investments in NWP in the United States.

The Euro equivalents of the monetary assets and liabilities in foreign currency at 31 December 2016 and 2015 are as follows:

	ASSETS		LIABILITIES	
	‘15	‘16	‘15	‘16
UD Dollars (USD)	25 398	156 481	1 528	57 002
Brazilian Real (BRL)	278	334	2	-
	25 676	156 815	1 530	57 002

Additionally, the Euro equivalents of the non-monetary asset and liabilities in foreign currency at 31 December 2016 and 2015 are as follows:

	ASSETS		LIABILITIES	
	‘15	‘16	‘15	‘16
UD Dollars (USD)	462 096	178 569	478 904	89 434

Exchange risk management is based on permanent quantification and monitoring of the significant financial and accounting exposure. Financial exposure consists of the market value of the investments and dividends receivable by Brisa Internacional, while accounting exposure results from the book value of the investments and their contribution to Group’s consolidated results.

In terms of the exposure to the USD, in view of the sale of the NWP investment (Note 22), and to minimise exposure to the currency, it was decided to contract hedging instruments in the year ended at 31 December 2016.

The following table shows the impact on profit and reserves of a 10% increase in the USD and BRL, resulting from the exposure of the above-mentioned assets and liabilities to these currencies at 31 December 2016 and 2015. The impact of any depreciation would be symmetrical to that of an appreciation.

	USD		BRL	
	‘15	‘16	‘15	‘16
Results	(11 976)	13 765	(3)	(1)
Reserves	5 196	6 017	916	923
	(6 780)	19 782	913	922

The Board of Directors understands that the above sensitivity analysis, based on the dates indicated, may not be representative of the Company’s exposure to exchange risk over the year.

CREDIT RISK

Credit risk relates to trade and other accounts receivable. Although limited, due to the nature of the Company’s main operations (i.e. motorway concessions), the risk in the various businesses is monitored on a regular basis with the objective of:

- monitoring evolution of the level of balances receivable;
- reviewing the recoverability of amounts receivable on a regular basis..

Changes in impairment losses of accounts receivable are disclosed in Note 28.

The Board of Directors deems that the estimated impairment losses on accounts receivable as of 31 December 2016 are adequately provided for in the consolidated financial statements (Note 19).

Accounts receivable at 31 December 2016 and 2015 include the following overdue balances, for which the Board of Directors has not recognised impairment losses as it believes that they will be receivable:

	‘15	‘16
Overdue balances		
Up to 90 days	2 583	2 086
From 90 to 180 days	763	904
From 180 to 360 days	646	1 535
More than 360 days	947	1 264
	4 939	5 789

The quality of the Company’s credit risk and liquidity as of 31 December 2016 and 2015 specifically as concerns financial assets (cash and equivalent) the counterparties of which are financial institutions are as follows:

	‘15	‘16
A+	69 695	85 480
A	94 794	27 028
A-	58 609	53
BBB+	29 765	4 177
BBB	-	2 061
BBB-	2 837	17 763
BB-	27 172	8 262
B+	59 537	30 721
B	51 358	1
CCC+	-	5 336
Norating	5 042	10
Other	252	257
Bank deposits	399 061	181 149
Cash	2 091	2 093
	401 152	183 242

Caption “Other” includes bank deposits with credit institutions in relation to which it was not possible to obtain respective credit ratings as of the reporting dates.

COUNTERPARTY RISK

The application of cash surpluses and the majority of operations involving derivative financial instruments expose the Group to the risk of non-compliance by the counterparties in these operations. In order to mitigate this risk the Company’s Financial Management maintains permanent control of the level of exposure to each counterparty; counterparty credit limits are defined based on their rating levels, amongst other factors.

Note that in the particular case of BCR, the financial risks hedging policy determines that in treasury and hedging operations the counterparties must meet strict rating criteria (Qualifying Banks) or provide a guarantee from an entity that meets the same criteria.

LIQUIDITY RISK

The funding and liquidity risk management policies are based on the following objectives:

- To ensure that debt maturity is scaled over time;
- Maintain short term debt at less than 15% of total indebtedness.
- Continue to extend the average maturity of debt to make it more consistent with the long-term assets held by the Group.

In compliance with these objectives, Brisa follows the evolution of financing markets closely, carefully selecting the most efficient alternatives at any moment.

The management of liquidity risk is of particular importance in what concerns the new road concession projects in which Brisa has been involved over the past few years, for which it contracted financing operations under a

project finance regime, which normally have very long repayment schedules, scaled over time so as to coincide with projected cash flow from respective concessions.

As a result of the corporate reorganization which culminated at the end of 2010 with the transfer of Brisa Concession and all the rights, obligations, assets, liabilities and contractual positions associated thereto to BCR, this company became the Group company with the greater proportion of the Group’s debt (of approximately €2 223 000 thousand by the end of 2016). Moreover, BCR is a company with a dynamic financial structure where the management of liquidity and refinancing risks are of particular relevance.

The setting up at the end of 2010 of an innovating financial and contractual structure common to all senior creditors provided an effective ring-fencing of BCR, reducing creditors exposure to this company alone. The limitation of the financial risk provided by this contractual structure, combined with a low operational risk that results from the nature of BCR’s activity, led to strong ratings at the time (A-Stable by Fitch and Baa1 Stable by Moody’s), placing the company amongst the highest rated companies in Portugal. These ratings were affected by the sharp cut in Portugal’s rating, particularly in 2011, when Moody’s reduced the company’s credit rating to sub-investment grade level. During 2014, as Moody’s recognised the expansion in BCR network and the reduction of its debt (and resulting improvement in financial ratios to levels compatible with an investment grade rating), BCR’s rating was improved to Baa3 with Stable Outlook, remaining unchanged as of 31 December 2016. On February 25, 2015, Fitch revised BCR’s debt Outlook from “Negative” to “Stable”, and kept this outlook on February 11, 2016 and December 13, 2016, with a BBB rating. Note that at the end of 2016 ratings given to BCR were above Portugal’s ratings (by one notch in Moody’s case and two notches above in Fitch’s case). This fact attests for BCR’s financial solidity and creditor protection ensured by the company’s financial and contractual structure.

The financial and contractual structure referred to above includes a set of covenants, which provide added protection to creditors. In addition, BCR’s capacity to increase its leverage is subject to several requirements. One of those requirements is the maintenance of a minimum rating of Baa3/BBB-, which the company benefited at 31 December 2016.

Additionally, four other covenants should be pointed out on account of their action range, namely Net Senior Debt/EBITDA, Historic ICR, Forward Looking ICR and CLCR), which are subject to two thresholds - one in the form of trigger event and the other in the form of event of default - implying different consequences if exceeded. At 31 December 2016 these ratios were all within the stipulated levels, though headroom increased throughout the year, specifically the Net Senior Debt/EBITDA ratio, which fell from 5.30 at the end of 2015 to 5.25 at the end of 2016, i.e. below the 5.75 trigger event ceiling, and the Historic ICR ratio, which moved from 3.84 at the end of 2015 to 4.38 one year later, i.e. above the minimum 2.25 trigger event level.

BCR has a Euro Medium-Term Notes Programme (EMTN) totalling €3 000 000 thousand, of which €1 420 000 thousand were being used at 31 December 2016. During 2016 the Company issued two Bonds under the EMTN program (formerly described as 2016-2023 Issue and 2016-2022 Issue), in an overall amount of €420 000 000, in line with its strategy of extending its debt maturity, namely by partially replacing the bond issue formerly known as “2006-2016 Issue” and “2013-2020 Issue”.

Viewing to ensure its financial flexibility, at the end of 2016, BCR had committed credit lines and commercial paper programmes with the banking sector, in the total amount of €475 000 thousand.

The company also has reserve accounts to cover investment and debt repayment commitments thus mitigating financing risk.

Maturity of financial liabilities at 31 December 2016 and 2015 is as follows:

‘15					
	UP TO 1 YEAR	1 TO 2 YEARS	2 TO 3 YEARS	MORE THAN 3 YEARS	TOTAL
Loans	553 544	367 874	335 232	1 263 920	2 520 570
Derivative financial instruments	-	-	-	75 543	75 543
Suppliers	14 287	-	-	-	14 287
Other accounts payable	13 885	258	262	386	14 791
Current tax liabilities	7 812	-	-	-	7 812
Other liabilities	137 317	-	-	12 974	150 291
	726 845	368 132	335 494	1 352 823	2 783 294

‘16					
	UP TO 1 YEAR	1 TO 2 YEARS	2 TO 3 YEARS	MORE THAN 3 YEARS	TOTAL
Loans	177 250	485 197	35 295	1 526 956	2 224 698
Derivative financial instruments	57 002	-	3 299	3 462	63 763
Suppliers	17 839	-	-	-	17 839
Other accounts payable	14 562	261	265	69	15 157
Current tax liabilities	13 873	-	-	-	13 873
Other liabilities	73 955	-	-	14 387	88 342
	354 481	485 458	38 859	1 544 874	2 423 672

PROJECT FINANCE

It is a policy of the Brisa Group to tender for new road concessions both at home and abroad, integrated in joint ventures/consortia.

Project finance has been used to fund these projects with the clear objective of separating each project in operating, financial and legal terms. The creation of companies with their own financing structures and no recourse to Brisa cash flow or assets (besides the capital commitments the amount of which is known at the very beginning) allows to limit and quantify the risk assumed by Brisa when investing in new concessions. Moreover, Brisa enters in these projects in partnership, normally with minority stakes, thereby mitigating its exposure to each project.

For each project a company is set up with its own financing structure and no recourse by creditors to Brisa cash flows or assets, (apart from the normal equity stand-by guarantees conceded under the terms of these projects and whose value is known at the very beginning). Therefore, the risk taken on by Brisa is limited to the amount of Equity Capital attributed to the project and to the guarantees mentioned above.

FAIR VALUE ESTIMATE - ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

The following table shows the Company’s assets and liabilities measured at fair value at 31 December 2016 according to the following fair value levels:

- Level 1: the fair value of financial instruments is based on prices ruling on active, liquid markets at the date of the statement of financial position;
- Level 2: the fair value of financial instruments is not determined based on active market prices but according to valuation models;
- Level 3: the fair value of financial instruments is not determined based on active market prices but according to valuation models, the main inputs of which are not observable on the market.

CLASS	ITEM	LEVEL 1	LEVEL 2	LEVEL 3
Financial assets at fair value	Derivative financial instruments (Note 32)	-	2 267	-
Financial assets at fair value	Derivative financial instruments (Note 32)	-	63 763	-

As far as bank loans are concerned, most of which are subject to floating interest rate, as mentioned in Note 27, it is considered that their book value (amortised cost) does not differ significantly from corresponding market value.

36 RELATED PARTIES

Balances and transactions between the Group and other related parties are detailed below: The terms and conditions of the transactions between Brisa and these related parties are substantially similar to those contracted, accepted and practised in similar operations with independent entities.

The main balances receivable from and payable to related entities as of 31 December 2016 and 2015 are as follows:

	CLIENTS AND OTHER DEBTORS		SUPPLIERS		OTHER ACCOUNTS PAYABLE	
	‘15	‘16	‘15	‘16	‘15	‘16
AELO	3 941	2 207	-	-	17	-
ELOS	727	727	-	-	-	-
Efacec Group	5	5	-	74	5	5
José de Mello Group	34	49	80	50	27	-
José de Mello Saúde Group	133	6	26	21	-	-
Movenience	-	6	-	-	-	-
Street Park	-	4	-	-	-	-
	4 840	3 004	106	145	49	5

Additionally, main transactions carried out with other related entities in the years ended as of 31 December 2016 and 2015 were as follows:

	ACQUISITION OF									
	TANGIBLE FIXED ASSETS		INTANGIBLE ASSETS		SUPPLIES AND SERVICES		RENDERED SERVICES		OTHER OPERATING INCOME	
	'15	'16	'15	'16	'15	'16	'15	'16	'15	'16
AELO	-	-	-	-	-	-	5 563	5 791	15	36
José de Mello Group	90	221	2	31	832	683	28	28	-	-
José de Mello Saúde Group	-	-	-	-	194	183	626	43	11	11
Efacec Group	-	82	-	-	-	-	4	4	-	-
CAPINV, S A	-	-	-	-	-	-	-	1	-	-
TIICINVEST, Unipessoal, Lda	-	-	-	-	-	-	-	1	-	-
	90	303	2	31	1 026	866	6 221	5 868	26	47

Remuneration of the members of Brisa Group’s corporate boards in the years ended 31 December 2016 and 2015 was as follows:

	‘15	‘16
Executive directors:		
Fixed remuneration	2 294	2 292
Variable remuneration:	813	868
Defined benefits	274	272
Non-executive directors:		
Fixed remuneration	579	649
Supervisory Board	302	303
	4 262	4 384

Remuneration of the members of Brisa Group’s key personnel in the years ended 31 December 2016 and 2015 was as follows:

	‘15	‘16
Key managing personnel		
Fixed remuneration	4 317	4 547
Variable remuneration:	1 016	1 143
Defined benefits	113	113
	5 446	5 803

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APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2016 were approved by the Board of Directors on the 19th of April 2017.

38

STATUTORY OFFICIAL AUDITOR FEES

The remuneration of the Statutory Official Auditor for the year ended 31 December 2016 and 2015 amounted to €30 thousand, in both cases.

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SUBSEQUENT EVENTS

In December 2016, a contract was entered for the disposal of all interests in NWP and Go Pass (Notes 13 and 22), subject to prior approvals, including the grantor of NWP concession. Such approvals were obtained already in 2017. The effects of the disposal materialised on March 9, 2017, for USD 334 063 786, which at the exchange rate in force as of the said date corresponded to approximately €316 618 thousand.

São Domingos de Rana, 19th April 2017

THE CERTIFIED ACCOUNTANT NO. 62018
João Rodrigues

THE BOARD OF DIRECTORS

- Vasco Maria Guimarães José de Mello
- João Pedro Stilwell Rocha e Melo
- João Pedro Ribeiro de Azevedo Coutinho
- António José Lopes Nunes de Sousa
- Daniel Alexandre Miguel Amaral
- Rui Alexandre Pires Diniz
- Michael Gregory Allen
- Luís Eduardo Brito Freixial de Goes
- Graham Peter Wilson Marr
- Stuart David Gray

Report and Opinion of the Supervisory Board
on accounts of the year of 2016

1. In accordance with legal and statutory provisions, the Audit Board issues this Report and Opinion on the Integrated Annual Report and other individual and consolidated accounting documents of Brisa - Auto-Estradas de Portugal, S.A., that have been presented by its Board of Directors for the 2016 financial year.
2. Over the year under review the Audit Board followed the management and evolution of the Company's businesses, having held regular meetings with the CFO, the Corporate Secretary and the Chartered Accountant, entities with whom this Board kept a close collaboration. It was also present in the meeting of the Board of Directors that approved the Integrated Annual Report and had access to the minutes of the meetings of this governing body and to all financial and management accounting documents, either from BRISA as from its affiliates. In the course of its activities the Audit Board did not identified or came to its knowledge any situation violating legal and statutory rules.
3. With the periodicity deemed suitable, the Audit Board performed its duties as laid down in Article 420 of the Companies Code; namely, it assessed the accounting principles and valuation criteria used in the preparation of the financial information, which it deemed adequate and followed the implementation of the risk management system, the development of internal audit actions and the efficiency of the internal control system.
4. The Supervisory Board considers that the Board of Directors' Integrated Annual Report and the individual and consolidated financial statements for the year ended as of 31 December 2016 (statement of financial position, statement of profit and loss and other comprehensive income, statement of changes in equity, cash flow statements, and the notes to the financial statements) provide an adequate view of the Company's equity at the end of the financial year and provide a clear understanding of how profit and losses

originated and how the business evolved. The financial information referred hereinabove is sustained by adequate accounting records and documents and was adequately prepared.

5. The Supervisory Board assessed the legal certification of the individual and consolidated financial statements issued by the Chartered Accountant under the terms of the law, which deserved its agreement; it analyzed the annual audit report issued by the and followed the development of the audit work, which in its opinion, was carried out with full Independence.
6. The Supervisory Board followed and assessed the activity developed by the External Auditor and makes a positive judgement on the way as such activities were performed as well as its report and considers adequate both the adopted methodology and the means used and was informed on the main conclusions of the performed works that were discussed and that globally correspond its own perception on those matters.
7. The Supervisory Board expresses its appreciation for the collaboration received from the Board of Directors, the Chartered Accountant, the External Auditor and the Services in general.

OPINION

In view of the foregoing, the Supervisory Board is of the opinion that the conditions are met for the General Meeting of Brisa - Auto-Estradas de Portugal, SA, to approve:

- a) The Integrated Annual Report and other individual and consolidated accounting documents for the 2016 financial year;
- b) The Proposal for the Allocation of Net Income presented by the Board of Directors in the Integrated Annual Report.

Supervisory Board's Statement

The members of the Supervisory Board hereby warrant that, as far as they are aware, the information contained in the Integrated Annual Report, Balance Sheet and Income individual and consolidated Statements relating to 2016 was drawn up in compliance with the applicable accounting standards and regulations, and that it gives a true and fair view of the Company and its affiliates' assets and liabilities, their financial situation and results and faithfully describes the development of its businesses, the performance and situation of the Company and the main risks and uncertainties that it faces.

São Domingos de Rana, 19 April, 2017

THE SUPERVISORY BOARD

Francisco Xavier Alves (Chairman)

Tirso Olazábal Caverio (Member)

Joaquim Patrício da Silva (Member)



ALVES DA CUNHA, A. DIAS & ASSOCIADOS
SOCIEDADE DE REVISORES OFICIAIS DE CONTAS, Lda.

LEGAL CERTIFICATION OF THE ACCOUNTS

REPORT ON THE AUDIT OF THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the attached individual financial statements of BRISA - Auto-Estradas de Portugal, S.A., (the Entity) and the attached consolidated financial statements of the Brisa Group, composed of the Entity and its subsidiaries (the Group), which comprise the individual and consolidated statements of financial position as of 31 December 2016 (showing a total of Euro 602,870 thousand for the Entity and Euro 3,472,646 thousand for the Group, and a total equity of Euro 557,405 thousand for the Entity and Euro 723,560 thousand for the Group, including a net profit of Euro 411,571 thousand for the Entity and Euro 256,369 thousand for the Group), the individual statement of profit and loss and other comprehensive income, the consolidated statement of profit and loss and other comprehensive income, the statements of changes in individual and consolidated equity and the individual and consolidated cash flow statements for the year ended as of that date, which include a summary of the relevant accounting policies.

In our opinion, the above mentioned individual and consolidated financial statements attached hereto present, in a true and appropriate manner, in all materially relevant respects, the individual and consolidated financial position of Brisa - Auto-Estradas de Portugal, S.A. as of 31/12/2016 and its financial performance and the individual and consolidated cash flows relating to the year ended as of the said date, in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

Bases of the opinion

Our audit was conducted in accordance with the International Standards on Auditing (ISA) and the technical and ethical standards of the Certified Auditors Association (Ordem dos Revisores Oficiais de Contas). Our responsibilities as provided in the said standards are described in section "Auditor's responsibilities for the audit of the individual and consolidated financial statements" herein below. We are independent from the entities which compose the Group, under the terms of the law, and comply with relevant ethical requirements under the terms of the Code of Ethics of the Certified Auditors Association.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the management body and the supervisory body for the individual and consolidated financial statements

The management body is responsible for:

- preparing individual and consolidated financial statements which give a true and appropriate view of the financial position of the Entity and the Group, their individual and consolidated performance and individual and consolidated cash flows, in accordance with the International Financial Reporting Standards (IFRS), as adopted in the European Union;
- preparing a management report according to legal and regulatory terms;
- designing, implementing and maintaining an internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances;
- disclosing any relevant fact that may have affected the operations, financial position or results of the Entity and the Group;

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- assessing the Entity's and the Group's ability to continue as going concern, disclosing, where applicable, any subject that may cast significant doubt upon their ability to continue as a going concern.

The supervisory body is responsible for the supervision of the process of preparation and disclosure of the financial information of the Entity and the Group.

Auditor's responsibility for the audit of the individual and consolidated financial statements

Our responsibility is to obtain reasonable assurance about whether the individual and consolidated financial statements taken as a whole are free of material misstatement, whether caused by fraud or error, and issue a report expressing our opinion. Reasonable assurance is a high level of assurance, however, it is not a guarantee that an audit conducted according to ISAs will always detect a material misstatement if it exists. Misstatements may originate from fraud or error and they are considered material if individually or jointly, they could influence the economic decisions of users of the financial statements.

As part of an audit conducted according to ISAs, we make professional judgements and maintain professional scepticism during the audit and:

- we identify and assess the risks of material misstatement of the individual and consolidated financial statements due to fraud or error, we design and perform audit procedures which respond to such risks, and we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than not detecting one resulting from error, as fraud may involve collusion, forgery, deliberate failure to record transactions, or intentional misrepresentations or overriding of internal control procedures;
- we obtain an understanding of the relevant internal control for the audit with the purpose of designing audit procedures that are appropriate in the circumstances, but not to express an opinion on the efficacy of the internal control of the Entity and the Group;
- we assess the adequacy of the accounting policies used and the reasonability of accounting estimates and respective disclosures made by the management body;
- we conclude as to the appropriate use by the management body of the going concern assumption and, based on the audit evidence obtained, whether any material uncertainty exists relating to events or conditions that may cast significant doubt upon the ability of the Entity and the Group to continue as a going concern. If we conclude that a material uncertainty exists, we must draw attention in our report to related disclosures included in the financial statements or, if such disclosures are not appropriate, we must change our opinion. Our conclusions are based on audit evidence obtained until the date of our report. However, future events or conditions may cause the Entity or the Group to cease to continue as going concern;
- we assess the presentation, structure and overall contents of the individual and consolidated financial statements, and whether such financial statements reflect the underlying transactions and events in order to achieve a fair presentation;
- we obtain sufficient and adequate audit evidence relating to the financial information of the entities or activities within the Group in order to express an opinion on the individual and consolidated financial statements. We are responsible for the guidance, supervision and performance of the Group's audit and we are ultimately responsible for our audit opinion;
- we communicate with those charged with governance, among other subjects, the scope and schedule of the audit, the audit's relevant conclusions, including any relevant internal control deficiency identified during the audit.

Our responsibility also comprises the verification that the information contained in the management report is consistent with the individual and consolidated financial statements.

REPORTING ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the management report



In compliance with provisions in article 451, no. 3, sub-paragraph e) of the Companies Code, it is our opinion that the management report was prepared according to the relevant legal and regulatory requirements in force, and that the information contained therein is consistent with the individual and consolidated financial statements audited, and taking into account our knowledge and assessment of the Group, we did not identify material misstatements.

Lisbon, 19 April 2017

Alves da Cunha, A. Dias & Associados, SRQC, Lda
Represented by José Duarte Assunção Dias ROC nº 513.

Auditors' Report

(Free translation from the original in Portuguese)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Brisa Auto-Estradas de Portugal, S.A. (the Entity), which comprise the statement of financial position as at 31 December 2016 (which shows total assets of Euro 602.870 thousand and total shareholders' equity of Euro 557.405 thousand including a net profit of Euro 411.571 thousand), the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of Brisa Auto-Estradas de Portugal, S.A. as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the financial statements" section below. In accordance with the law we are independent of the Entity and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the financial statements

Management is responsible for:

- a) the preparation of the financial statements, which present fairly the financial position, the financial performance and the cash flows of the Entity in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union;
- b) the preparation of the Directors' Report in accordance with the applicable law and regulations;
- c) the creation and maintenance of an appropriate system of internal control to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- d) the adoption of appropriate accounting policies and criteria;

e) the assessment of the Entity's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Entity's ability to continue its activities.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- e) evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- f) communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

Our responsibility also includes verifying that the information included in the Directors' report is consistent with the financial statements.

Report on other legal and regulatory requirements

Director's report

It is our understanding that the Director's report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the Directors' report is consistent with the audited financial statements and, taking into account the knowledge and assessment about the Entity, no material misstatements were identified.

19 April 2017

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Rui Jorge dos Anjos Duarte, R.O.C.

Auditors’ Report

(Free translation from the original in Portuguese)

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Brisa AutoEstradas de Portugal, S.A. (the Group), which comprise the consolidated statement of financial position as at 31 December 2016 (which shows total assets of Euro 3,472,646 thousand and total shareholders’ equity of Euro 723,560 thousand including a net profit of Euro 256,369 thousand), the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of Brisa AutoEstradas de Portugal, S.A. as at 31 December 2016, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section below. In accordance with the law we are independent of the entities that are included in the Group and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the consolidated financial statements

Management is responsible for:

- a) the preparation of the consolidated financial statements, which present fairly the financial position, the financial performance and the cash flows of the Group in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union;
- b) the preparation of the Directors’ Report in accordance with the applicable law and regulations;
- c) the creation and maintenance of an appropriate system of internal control to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;

- d) the adoption of appropriate accounting policies and criteria;
- e) the assessment of the Group’s ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Group’s ability to continue its activities.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a) identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control;
- c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- d) conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- e) evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion;

- g) communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

Our responsibility also includes verifying that the information included in the Directors’ report is consistent with the consolidated financial statements.

Report on other legal and regulatory requirements

Director’s report

It is our understanding that the Director’s report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the Directors’ report is consistent with the audited consolidated financial statements and, taking into account the knowledge and assessment about the Group, no material misstatements were identified.

19 April 2017

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda,
represented by:

Rui Jorge dos Anjos Duarte, R.O.C.

Independent Assurance Report

*** (Free translation from the original in Portuguese)**

To the Board of Directors

Introduction

1 We were engaged by the Board of Directors of Brisa Auto-estradas de Portugal, S.A. ("Brisa" or "Company") to perform a reasonable assurance engagement on the indicators identified in the paragraph 4 below and a limited assurance engagement on the indicators also mentioned in that paragraph, which integrate the sustainability information included in the Integrated Report 2016 ("Report") of the Company for the year ended in December 31, 2016, prepared by the Company for the purpose of communicating its annual sustainability performance.

Responsibilities

2 It is the responsibility of the Board of Directors to prepare the sustainability information included in the Report, in accordance with the sustainability reporting guidelines "Global Reporting Initiative" version G4 ("GRI G4"), for the option "In accordance – Core"; with the AA1000APS Standard (2008) issued by Accountability, regarding the principles of inclusivity, materiality and responsiveness; and with the instructions and criteria disclosed in the Report, as well as for the maintenance of an appropriate internal control system that enables the adequate preparation of the mentioned information.

3 Our responsibility is to issue an assurance report, which is professional and independent, based on the procedures performed and specified in the paragraph below.

Scope

4 The work performed was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance engagements other than audits or reviews of historical financial information", issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants. This standard requires that we plan and perform the assurance engagement to obtain an assurance level:

4.1 reasonable on whether 2016 sustainability information identified in the Annex "GRI Index" of the Report as "External Assurance – Reasonable", comprising the GRI G4 indicators relative to organizational profile (G4 10 and G4 11), economic performance (G4 EC1), market presence (G4 EC5), procurement practices (G4 EC9), energy (G4 EN3, G4 EN4, G4 EN5, G4 EN6 and G4 EN7), water (G4 EN8), biodiversity (G4 EN11, G4 EN12, G4 EN13 and G4 EN14), emissions (G4 EN15, G4 EN16 and G4 EN18), effluents and waste (G4 EN23), supplier environmental assessment (G4 EN29), employment (G4 LA1), occupational health and safety (G4 LA6), training (G4 LA9), diversity and equal opportunity (G4 LA12), equal remuneration for women and men (G4 LA13), anti-corruption (G4 SO4) and anti-competitive behavior (G4 SO7); and

4.2 limited on whether 2016 sustainability information covering all the indicators identified in the Annex "GRI Index" of the Report as "External Assurance – Limited",

is free from material misstatement.

Our limited assurance engagement also consisted in carrying out procedures with the objective of obtaining a limited level of assurance as to whether the Company applied, in the sustainability information included in the Report, the GRI G4 guidelines and the principles defined in the AA1000APS Standard (2008), in an appropriate manner.

For this purpose the above mentioned work included:

- Inquiries to management and senior officials responsible for areas under analysis, with the purpose of understanding how the information system is structured and their awareness of issues included in the report;
- Identification of the existence of internal management procedures leading to the implementation of economic, environmental and social policies;
- Testing, on a sampling basis, the efficiency of processes and systems in place for collection, consolidation, validation and reporting of the performance information previously mentioned, through calculations and validation of reported data;
- Confirmation that operational units follow the instructions on collection, consolidation, validation and reporting of performance information;
- Execution of substantive procedures, on a sampling basis, in order to collect evidence of the reported information;
- Comparison of financial and economic data included in the sustainability information with the audited by PricewaterhouseCoopers & Associados, SROC, Lda, in the scope of the legal review of Brisa's financial statements for the year ended in December 31, 2016;
- Analysis of the process for defining the materiality of the sustainability issues, based on the materiality principle of GRI G4, according to methodology described by the Company in the Report;
- Assessment of the level of adherence to the principles of inclusivity, materiality and responsiveness set by AA1000APS Standard (2008), in the sustainability information disclosure, through the analysis of the contents of the Report and the internal documents of the Company;
- Verification that the sustainability information included in the Report complies with the requirements of GRI G4 guidelines.

In addition, we performed the following procedures for the purpose of reasonable assurance work:

- Assessment of the risks and controls at Information Technology level, applicable in the sustainability matters;
- Verification, through the performance of analytical and substantive tests, and based on defined materiality criteria, of the adequate application of reporting criteria.

5 In the limited assurance work, the procedures performed were more limited than those used in an engagement to obtain reasonable assurance and, therefore, less assurance was obtained than in a reasonable assurance engagement.

6 We believe that the procedures performed provide an acceptable basis for our conclusion.

Quality control and independence

7 We apply the International Standard on Quality Control 1 (ISQC1) and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

8 We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and of the ethics code of the Institute of Statutory Auditors.

Conclusion on the reasonable assurance work

9 Based on the work performed, it is our opinion that the sustainability information of 2016, with respect to the indicators identified in the Annex "GRI Index" of the Report as "External Assurance – Reasonable", and presented in the paragraph 4.1 above, was prepared, in all material respects, in accordance with GRI G4 guidelines requirements and with the instructions and criteria disclosed in the Report.

Conclusion on the limited assurance work

10 Based on the work performed, nothing has come to our attention that causes us to believe that: the sustainability information of 2016, covering all the indicators identified in the Annex "GRI Index" of the Report as "External Assurance – Limited", as referred in the paragraph 4.2 above, was not prepared, in all material respects, in accordance with GRI G4 guidelines requirements and with the instructions and criteria disclosed in the Report; Brisa has not applied, in the sustainability information included in the Report, the GRI G4 guidelines and the principles defined in the AA1000APS Standard (2008), in an appropriate manner.

Restriction on use

11 This report is issued solely for information and use of the Board of Directors of the Company for the purpose of communicating its annual sustainability performance in the Integrated Report 2016, and should not be used for any other purpose. We will not assume any responsibility to third parties other than Brisa by our work and the conclusions expressed in this report, which will be attached to the Company's Integrated Report 2016.

April 19, 2017

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

António Brochado Correia, R.O.C.

*** (This is a translation, not to be signed)**

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TRAFFIC STATISTICS

BRISA CONCESSÃO



A1/IP1 - AUTO-ESTRADA DO NORTE

SUB-STRETCH	TRAFFIC ^{a)}		ADT		VARIATION	
	'15	'16	'15	'16	TRAFFIC	ADT
Alverca (A1/A9)-V. Franca de Xira II	1.6	1.6	60 949	63 079	3.8%	3.5%
V. Franca de Xira II-V. Franca de Xira I	0.9	0.9	61 935	63 920	3.5%	3.2%
V. Franca de Xira I-Castanheira do Ribatejo	0.7	0.7	50 008	51 909	4.1%	3.8%
Castanheira do Ribatejo-A1/A10	0.2	0.2	49 620	51 421	3.9%	3.6%
A1/A10-Carregado	0.2	0.2	56 255	58 674	4.6%	4.3%
Carregado-Aveiras de Cima	2.3	2.5	41 223	43 321	5.4%	5.1%
Aveiras de Cima-Cartaxo	1.3	1.4	31 357	33 107	5.9%	5.6%
Cartaxo-Santarém	0.9	1.0	31 878	33 616	5.7%	5.5%
Santarém-A1/A15	0.2	0.2	33 911	35 842	6.0%	5.7%
A1/A15-Torres Novas (A1/A23)	3.1	3.3	31 744	33 643	6.3%	6.0%
Torres Novas (A1/A23)-Fátima	1.7	1.8	22 614	23 937	6.1%	5.9%
Fátima-Leiria	1.3	1.4	23 367	24 762	6.3%	6.0%
Leiria-Pombal	2.0	2.1	22 951	24 340	6.3%	6.1%
Pombal-Soure (b)	1.3	1.3	23 009	24 442	6.5%	6.2%
Soure-Condeixa (b)	1.1	1.2	23 126	24 545	6.4%	6.1%
Condeixa-Coimbra Sul	0.7	0.7	24 534	26 231	7.2%	6.9%
Coimbra Sul-Coimbra Norte (A1/A14)	0.7	0.7	22 915	24 491	7.2%	6.9%
Coimbra Norte (A1/A14)-Mealhada	1.0	1.1	24 132	25 841	7.4%	7.1%
Mealhada-Aveiro Sul	2.0	2.2	23 743	25 317	6.9%	6.6%
Aveiro Sul-Albergaria (A1/IP5)	1.2	1.2	21 663	23 082	6.8%	6.6%
Albergaria (A1/IP5)-Estarreja	1.3	1.4	34 655	36 912	6.8%	6.5%
Estarreja-Feira	2.0	2.1	31 887	34 133	7.3%	7.0%
Feira-Espinho (IC24)	1.3	1.4	36 025	38 382	6.8%	6.5%
Espinho (IC24)-Feiteira	1.0	1.1	37 267	39 407	6.0%	5.7%
Castanheira do Ribatejo-PLLN (c)	0.0	0.0	1 481	1 641	11.1%	10.8%
A1	29.9	31.8	29 373	31 093	6.1%	5.9%

a) Traffic em 10⁸ vehicle.km

b) 153 days in operation in 2014

c) PLLN - Plataforma Logística Lisboa Norte

BRISA CONCESSÃO



A2/IP1 - AUTO-ESTRADA DO SUL

SUB-STRETCH	TRAFFIC ^{a)}		ADT		VARIATION	
	'15	'16	'15	'16	TRAFFIC	ADT
Fogueteiro-Coína	1.1	1.1	33 737	34 801	3.4%	3.2%
Coína-Palmela	1.2	1.2	28 293	29 559	4.8%	4.5%
Palmela-A2/A12	0.2	0.2	29 049	30 639	5.8%	5.5%
A2/A12-Marateca	1.3	1.4	20 901	22 590	8.4%	8.1%
Marateca-A2/A6/A13	0.2	0.2	19 459	21 221	9.4%	9.1%
A2/A6/A13-Alcácer do Sal	1.5	1.6	16 060	17 530	9.5%	9.2%
Alcácer do Sal-Grândola Norte	1.2	1.3	14 625	16 234	11.3%	11.0%
Grândola Norte-Grândola Sul	0.6	0.7	10 972	11 968	9.4%	9.1%
Grândola Sul-Aljustrel	1.0	1.1	8 494	9 292	9.7%	9.4%
Aljustrel-Castro Verde	0.8	0.9	8 367	9 152	9.7%	9.4%
Castro Verde-Almodôvar	0.6	0.6	9 051	9 903	9.7%	9.4%
Almodôvar-S.B. Messines	1.1	1.2	9 265	10 142	9.8%	9.5%
S.B. Messines-Paderne (A22)	0.4	0.4	8 850	9 758	10.6%	10.3%
A2	11.1	12.1	13 527	14 634	8.5%	8.2%

a) Traffic em 10⁸ vehicle.km

BRISA CONCESSÃO



A3/IP1 - AUTO-ESTRADA PORTO-VALENÇA

SUB-STRETCH	TRAFFIC ^{a)}		ADT		VARIATION	
	‘15	‘16	‘15	‘16	TRAFFIC	ADT
Maia-Santo Tirso	2.3	2.5	50 291	52 989	5.7%	5.4%
Santo Tirso-Famalicão	0.8	0.9	43 098	45 429	5.7%	5.4%
Famalicão-Cruz	0.7	0.7	21 746	23 238	7.2%	6.9%
Cruz-Braga Sul	0.5	0.6	19 141	20 798	9.0%	8.7%
Braga Sul-Braga Poente	0.1	0.1	8 179	8 860	8.6%	8.3%
Braga Poente-EN 201	0.6	0.6	7 673	8 438	10.3%	10.0%
EN201-Ponte de Lima Sul	0.3	0.3	8 497	9 327	10.1%	9.8%
Ponte de Lima Sul-Ponte de Lima Norte	0.0	0.0	10 906	11 875	9.2%	8.9%
Ponte de Lima Norte-EN 303	0.5	0.6	6 789	7 425	9.7%	9.4%
EN 303-Valença	0.2	0.2	6 562	7 213	10.2%	9.9%
Braga Sul-Celeirós	0.1	0.1	15 207	16 552	9.1%	8.8%
Celeirós-EN14	0.1	0.1	24 600	26 781	9.2%	8.9%
A3	6.3	6.8	17 159	18 373	7.4%	7.1%

A4/IP4 - AUTO-ESTRADA PORTO-AMARANTE

SUB-STRETCH	TRAFFIC ^{a)}		ADT		VARIATION	
	‘15	‘16	‘15	‘16	TRAFFIC	ADT
Ermesinde-Valongo	0.6	0.7	40 550	43 351	7.2%	6.9%
Valongo-Campo	0.7	0.7	37 860	40 447	7.1%	6.8%
Campo-Baltar	0.8	0.9	34 480	37 101	7.9%	7.6%
Baltar-Paredes	0.6	0.7	30 298	32 288	6.9%	6.6%
Paredes-Guilhufe	0.3	0.3	26 609	28 829	8.6%	8.3%
Guilhufe-Penafiel	0.2	0.2	25 498	28 473	12.0%	11.7%
Penafiel-Castelões (A4/IP9)	0.6	0.7	21 822	23 572	8.3%	8.0%
Castelões (A4/IP9)-Amarante Poente	0.8	0.9	15 509	16 989	9.8%	9.5%
A4	4.7	5.0	26 401	28 476	8.2%	7.9%

a) Traffic em 10⁸ vehicle.km

BRISA CONCESSÃO



A5/IC15 - AUTO-ESTRADA DA COSTA DO ESTORIL

SUB-STRETCH	TRAFFIC ^{a)}		ADT		VARIATION	
	‘15	‘16	‘15	‘16	TRAFFIC	ADT
Estádio Nacional-Oeiras	1.4	1.5	112 989	116 280	3.2%	2.9%
Oeiras-Carcavelos	0.9	1.0	73 283	76 576	4.8%	4.5%
Carcavelos-Estoril	0.8	0.9	47 711	50 012	5.1%	4.8%
Estoril-Alcabideche	0.4	0.4	37 102	38 249	3.4%	3.1%
Alcabideche-Alvide	0.1	0.1	37 688	39 823	6.0%	5.7%
Alvide-Cascais	0.2	0.2	30 660	32 055	4.8%	4.6%
A5	3.9	4.0	62 504	64 916	4.1%	3.9%

A6/IP7 - AUTO-ESTRADA MARATECA (A2)-CAIA

SUB-STRETCH	TRAFFIC ^{a)}		ADT		VARIATION	
	‘15	‘16	‘15	‘16	TRAFFIC	ADT
A2/A6/A13-Vendas Novas	0.6	0.6	7 743	8 406	8.9%	8.6%
Vendas Novas-Montemor-o-Novo Poente	0.5	0.5	7 093	7 657	8.2%	7.9%
Montemor-o-Novo Poente-Montemor-o-Novo Nascente	0.1	0.1	6 463	6 979	8.3%	8.0%
Montemor-o-Novo Nascente-Évora Poente	0.3	0.3	5 696	6 143	8.1%	7.8%
Évora Poente-Évora Nascente	0.2	0.2	2 830	3 071	8.8%	8.5%
Évora Nascente-Estremoz	0.4	0.4	3 485	3 809	9.6%	9.3%
Estremoz-Borba	0.1	0.1	2 741	2 993	9.5%	9.2%
Borba-Elvas Poente	0.2	0.2	2 686	2 948	10.1%	9.8%
A6	2.4	2.6	4 662	5 062	8.9%	8.6%

a) Traffic em 10⁸ vehicle.km

BRISA CONCESSÃO



A9/IC18 - CREL - CIRCULAR REGIONAL EXTERIOR DE LISBOA

SUB-STRETCH	TRAFFIC ^{a)}		ADT		VARIATION	
	‘15	‘16	‘15	‘16	TRAFFIC	ADT
Estádio Nacional (A5/A9)-Queluz	0.3	0.3	22 900	24 666	8.0%	7.7%
Queluz-A9/A16	0.2	0.2	19 543	21 226	8.9%	8.6%
A9/A16-Radial Pontinha	0.3	0.3	27 331	30 345	11.3%	11.0%
Radial Pontinha-Radial Odivelas	0.4	0.5	17 427	19 498	12.2%	11.9%
Radial Odivelas-A8/A9	0.2	0.3	18 208	20 216	11.3%	11.0%
A8/A9-Bucelas (Zambujal)	0.2	0.2	17 788	19 628	10.6%	10.3%
Bucelas (Zambujal)-A9/A10	0.3	0.4	10 889	11 996	10.5%	10.2%
A9/A10-Alverca	0.1	0.1	6 577	7 116	8.5%	8.2%
A9	2.1	2.3	16 630	18 328	10.5%	10.2%

A10/IC2 - AUTO-ESTRADA BUCELAS (CREL)-CARREGADO-IC3

SUB-STRETCH	TRAFFIC ^{a)}		ADT		VARIATION	
	‘15	‘16	‘15	‘16	TRAFFIC	ADT
A9/A10-Arruda dos Vinhos	0.2	0.3	9 364	10 063	7.8%	7.5%
Arruda dos Vinhos-Carregado	0.3	0.3	6 267	6 851	9.6%	9.3%
Carregado-Benavente	0.3	0.3	4 903	5 225	6.9%	6.6%
Benavente-A10/A13	0.1	0.1	1 893	2 104	11.5%	11.2%
A10	0.8	0.9	5 494	5 933	8.3%	8.0%

A12/IC3 - AUTO-ESTRADA SETÚBAL-MONTIJO

SUB-STRETCH	TRAFFIC ^{a)}		ADT		VARIATION	
	‘15	‘16	‘15	‘16	TRAFFIC	ADT
Montijo-Pinhal Novo	0.6	0.7	16 333	17 555	7.8%	7.5%
Pinhal Novo-A2/A12	0.5	0.6	15 980	17 196	7.9%	7.6%
A2/A12-Setúbal	0.5	0.5	25 380	26 788	5.8%	5.5%
A12	1.6	1.8	18 096	19 355	7.2%	7.0%

a) Traffic em 10⁸ vehicle.km

BRISA CONCESSÃO



A13/IC3/IC11 - AUTO-ESTRADA ALMEIRIM-MARATECA

SUB-STRETCH	TRAFFIC ^{a)}		ADT		VARIATION	
	‘15	‘16	‘15	‘16	TRAFFIC	ADT
Almeirim-Salvaterra Magos	0.3	0.3	3 220	3 422	6.6%	6.3%
Salvaterra Magos-A13/A10	0.1	0.2	3 225	3 435	6.8%	6.5%
A13/A10-Sto. Estevão	0.2	0.2	4 537	4 924	8.8%	8.5%
Sto. Estevão-Pegões	0.3	0.3	4 332	4 703	8.9%	8.6%
Pegões-Marateca	0.2	0.2	4 306	4 696	9.4%	9.1%
A13	1.1	1.2	3 817	4 111	8.0%	7.7%

A14/IP3 - AUTO-ESTRADA FIGUEIRA DA FOZ-COIMBRA (NORTE)

SUB-STRETCH	TRAFFIC ^{a)}		ADT		VARIATION	
	‘15	‘16	‘15	‘16	TRAFFIC	ADT
Santa Eulália-Montemor-o-Velho	0.1	0.1	3 551	3 523	-0.5%	-0.8%
Montemor-o-Velho-EN335	0.1	0.1	3 665	3 724	1.9%	1.6%
EN335-Ançã	0.1	0.1	3 854	4 016	4.5%	4.2%
Ançã-Coimbra Norte (A14/A1)	0.1	0.1	6 519	6 861	5.5%	5.3%
A14	0.4	0.4	4 181	4 308	3.3%	3.0%

SUB-STRETCH	TRAFFIC ^{a)}		ADT		VARIATION	
	‘15	‘16	‘15	‘16	TRAFFIC	ADT
BCR	64.3	68.8	17 368	18 534	7.0%	6.7%

a) Traffic em 10⁸ vehicle.km

CONCESSÃO ATLÂNTICO (AEA)



A8/IC1 - AUTO-ESTRADA DO OESTE

SUB-STRETCH	TRAFFIC ^{a)}		ADT		VARIATION	
	‘15	‘16	‘15	‘16	TRAFFIC	ADT
Loures - CREL	0.2	0.3	44 155	46 560	5.7%	5.4%
CREL - Lousa	1.4	1.4	48 282	50 839	5.6%	5.3%
Lousa - Malveira	0.4	0.4	44 133	46 455	5.5%	5.3%
Malveira - Enxara	0.7	0.7	24 305	25 735	6.2%	5.9%
Enxara - Torres Vedras Sul	0.8	0.9	23 143	24 462	6.0%	5.7%
Torres Vedras Sul - Torres Vedras Norte	0.4	0.4	17 774	18 790	6.0%	5.7%
Torres Vedras Norte - Ramalhal	0.2	0.2	20 319	21 412	5.7%	5.4%
Ramalhal - Campelos	0.5	0.6	14 817	15 793	6.9%	6.6%
Campelos - Bombarral	0.4	0.4	14 454	15 379	6.7%	6.4%
Zona Industrial - Tornada (Pagante)	0.1	0.1	9 465	10 285	9.0%	8.7%
Tornada - Alfeizerão	0.3	0.3	10 418	11 329	9.0%	8.7%
Alfeizerão - Valado de Frades	0.5	0.5	10 257	11 137	8.9%	8.6%
Valado de Frades - Pataias	0.3	0.3	9 846	10 657	8.5%	8.2%
Pataias - Marinha Grande Sul	0.3	0.4	9 804	10 614	8.6%	8.3%
Marinha Grande Sul - Nó c/ A17 (S)	0.1	0.1	10 207	11 145	9.5%	9.2%
Nó c/ A17 (S) - Nó c/ A17 (N)	0.0	0.0	5 582	6 151	10.5%	10.2%
Nó c/ A17 (N) - Marinha Grande Este	0.0	0.0	6 445	7 090	10.3%	10.0%
Marinha Grande Este - Leiria Sul	0.1	0.1	5 808	6 478	11.9%	11.5%
A8	6.7	7.1	17 631	18 774	6.8%	6.5%

a) Traffic em 10⁸ vehicle.km

CONCESSÃO ATLÂNTICO (AEA)



A15/IP6 - AUTO-ESTRADA CALDAS DA RAINHA-SANTARÉM

SUB-STRETCH	TRAFFIC ^{a)}		ADT		VARIATION	
	‘15	‘16	‘15	‘16	TRAFFIC	ADT
Arnoia - A dos Negros (Pagante)	0.1	0.1	3 488	3 721	7.0%	6.7%
A dos Negros - A dos Francos	0.1	0.1	4 320	4 588	6.5%	6.2%
A dos Francos - Rio Maior Oeste	0.1	0.1	3 484	3 701	6.5%	6.2%
Rio Maior Oeste - Rio Maior Este	0.0	0.0	3 380	3 629	7.7%	7.4%
Rio Maior Este - Malaqueijo	0.1	0.1	4 439	4 708	6.3%	6.1%
Malaqueijo - Nó A1/A15	0.2	0.2	4 480	4 751	6.4%	6.1%
A15	0.6	0.6	4 105	4 361	6.5%	6.3%

SUB-STRETCH	TRAFFIC ^{a)}		ADT		VARIATION	
	‘15	‘16	‘15	‘16	CIRCULAÇÃO	TMDA
Atlântico	7.3	7.8	13 853	14 749	6.8%	6.5%

CONCESSÃO LITORAL CENTRO (BRISAL)



A17/IC1 - AUTO-ESTRADA MARINHA GRANDE (A8) - MIRA

SUB-STRETCH	TRAFFIC ^{a)}		ADT		VARIATION	
	‘15	‘16	‘15	‘16	TRAFFIC	ADT
Nó A8/A17 S - Nó A8/A17 N	0.0	0.0	4 648	4 993	7.7%	7.4%
Marinha Grande - Leiria (Norte)	0.2	0.2	5 516	5 933	7.8%	7.6%
Leiria (Norte) - Monte Real	0.1	0.1	6 524	7 009	7.7%	7.4%
Monte Real - Monte Redondo	0.1	0.1	6 266	6 743	7.9%	7.6%
Monte Redondo - Guia	0.1	0.2	6 168	6 638	7.9%	7.6%
Guia - Louriçal (IC8)	0.1	0.1	5 934	6 399	8.1%	7.8%
Louriçal (IC8) / Marinha das Ondas	0.1	0.1	5 431	5 890	8.8%	8.5%
Marinha das Ondas / A14	0.3	0.3	5 192	5 628	8.7%	8.4%
A14 / Quiaios	0.1	0.2	4 650	5 102	10.0%	9.7%
Quiaios / Tocha	0.3	0.3	5 486	6 029	10.2%	9.9%
Tocha / Mira	0.2	0.2	5 650	6 165	9.4%	9.1%
Mira / Mira PV	0.1	0.1	5 935	6 456	9.1%	8.8%
A17	1.9	2.0	5 558	6 032	8.8%	8.5%

a) Traffic em 10⁸ vehicle.km

CONCESSÃO DOURO LITORAL (AEDL)



A32/IC2 - LANÇO OLIVEIRA DE AZEMÉIS / IP1 (S.LOURENÇO)

SUB-STRETCH	TRAFFIC ^{a)}		ADT		VARIATION	
	‘15	‘16	‘15	‘16	TRAFFIC	ADT
EN 224 - EN 227	0.0	0.0	1 420	1 700	20.1%	19.7%
EN 227 - Feira-Mansores	0.1	0.1	2 759	3 075	11.8%	11.5%
Feira-Mansores - Gião-Louredo	0.1	0.2	7 236	8 046	11.5%	11.2%
Gião-Louredo - Canedo	0.1	0.1	7 530	8 424	12.2%	11.9%
Canedo - A32/A41	0.1	0.1	9 980	11 142	11.9%	11.6%
A32/A41 - Olival	0.1	0.1	7 460	8 459	13.7%	13.4%
Olival - A32/A1	0.2	0.2	8 694	9 976	15.1%	14.7%
A32	0.7	0.8	6 269	7 064	13.0%	12.7%

A41/IC24 - LANÇO PICOTO (IC2) / NÓ DA ERMIDA (IC25)

SUB-STRETCH	TRAFFIC ^{a)}		ADT		VARIATION	
	‘15	‘16	‘15	‘16	TRAFFIC	ADT
Gandra - A4/A41	0.1	0.1	4 587	5 764	26.0%	25.7%
A4/A41 - Z.I.C.	0.0	0.1	7 401	8 710	18.0%	17.7%
Z.I.C. - Aguiar de Sousa	0.1	0.1	7 689	9 022	17.7%	17.3%
Aguiar de Sousa - A41/A43	0.2	0.2	7 645	8 986	17.9%	17.5%
A41/A43 - Medas	0.1	0.1	8 670	9 986	15.5%	15.2%
Medas - A32/A41	0.1	0.2	7 746	8 916	15.4%	15.1%
A32/A41 - Sandim	0.0	0.0	6 535	7 493	15.0%	14.7%
Sandim - Argoncilhe	0.1	0.2	6 718	7 656	14.3%	14.0%
A41	0.8	1.0	6 946	8 136	17.5%	17.1%

a) Traffic em 10⁶ vehicle.km

CONCESSÃO DOURO LITORAL (AEDL)



A43/IC29 - LANÇO GONDOMAR / AGUIAR DE SOUSA (IC24)

	TRAFFIC ^{a)}		ADT		VARIATION	
SUB-STRETCH	'15	'16	'15	'16	TRAFFIC	ADT
Gens - A41/A43	0.1	0.1	2 945	3 413	16.2%	15.9%
A43	0.1	0.1	2 945	3 413	16.2%	15.9%

	TRAFFIC ^{a)}		ADT		VARIATION	
SUB-STRETCH	'15	'16	'15	'16	TRAFFIC	ADT
AEDL	1.7	1.9	6 213	7 150	15.4%	15.1%

NORTHWEST PARKWAY (NWP)



NORTHWEST PARKWAY (NWP)

	ADT		VARIATION
SUB-STRETCH	'15	'16	ADT
Northwest Parkway	16 704	18 179	8.8%

a) Traffic em 10⁸ vehicle.km

GLOSSARY

ABBREVIATIONS

AB

Audit Board

Absenteeism Rate

= Reason for Absence / Theoretical Time

Accident Index (road accident indicator)

= fatal accidents / Vehicle km travelled

Accident Rate

= Total Accidents / Vehicle km travelled

ACT

Collective Bargaining Agreement

ADT

Average Daily Traffic - average daily number of vehicles recorded in the network, per year

APCAP

Association of Portuguese Concession Companies of Toll Motorways or Bridges

ASECAP

European Association of Operators of Toll Road Infrastructures

Asphalt lifespan indicator

Structural indicator which measures the lifespan of asphalt

ATPM

Automated Tolling Payment Machine

BCSD

Business Council for Sustainable Development

BTE

Work and Employment Bulletin

CAPEX (Capital Expenditure)

Capital expenditure or investment in capital goods

CC

Companies Code

cc

Cubic centimetres

CGTP

Confederação Geral dos Trabalhadores Portugueses (Union)

CIP

Portuguese Corporate Confederation

Clients Satisfaction (overall)

Response to surveys carried out to customers of BCR, BRISAL, AEDL and AELO, on a scale of 1 to 4

Clients Satisfaction (Help Line)

Response to surveys carried out to customers calling the Help Line, on a scale of 1 to 4

CMVM

The Portuguese Securities Commission

CNPD

National Data Protection Commission

CO₂

Carbon Dioxide

DMA

Disclosure on Management Approach

DSI

Driving Safety Indicator

EBT

Earnings Before Taxes

EBIT

Earnings Before Interest and Taxes

EBITDA

Earnings Before Interest, Taxes, Depreciations and Amortisations

EURP

Energy Use Rationalisation Plans

EVIS

Electronic Vehicle Identification System

Fatal rate

= Fatalities / Vehicle km travelled

Frequency index (labour accident indicator)

= No. of total accidents x 106/ No. Employee hours worked

GDP

Gross Domestic Product

GHG

Greenhouse Gases

GJ

Gigajoules

GRI

Global Report Initiative

Group

Companies within the consolidation perimeter as described in notes to the financial statements

HHW

Health and Hygiene at Work

HVAC

Heating, ventilation and air conditioning

IAS

International Accounting Standards

ICAT

Functional indicator that characterizes adhesion, that is the safety of the driver

ICE

Structure Indicator that characterizes the load capacity, that is the useful life of the pavement

ICNB

Nature and Biodiversity Conservation Institute

ICNF

Nature and Forest Conservation Institute

IEFP

Instituto de Emprego e Formação Profissional

IFRIC 12

International Financial Reporting Interpretations Committee

IFRS

International Financial Reporting Standards

IIRC

International Integrated Reporting Council

IMF

International Monetary Fund

IMS

Information Management System

IMT

Institute of Mobility and Transports

INE

National Statistics Institute

Injury Accident Rate

= Accidents with injuries / Vehicle km travelled

Injured rate

= Injured / Vehicle km travelled

IP

Infraestruturas de Portugal

IPAC

Instituto Português de Acreditação

IPAV

Structural or functional indicator that characterizes the overall state of the pavement

IPCC

Intergovernmental Panel on Climate Change

IPE

Individual Protection Equipment

IPSS

Instituição Particular de Solidariedade Social

IREG

Functional indicator that characterizes longitudinal regularity, that is driver's comfort and safety

IRR

Internal Rate of Return

ISHSW

Internal Service for Health and Safety in the Workplace

IT

Information Systems/information Technology

ITF

International Transport Forum

IUCN
International Union for Conservation of Nature

km
kilometres

k€
Thousand Euro

Length of the Network
km

M&A
Mergers and acquisitions

Minor injury accident rate
= Accidents with minor injuries / Vehicle km travelled

Minor injuries rate
= Minor injuries / Vehicle km travelled

MSST
Ministério da Segurança Social e do Trabalho

M€
Euro Million

m³
Cubic metres

N.A.
Not Available

NOx
Nitrogen oxides

NP
Net Profit

OBU
On board Unit

OC
Operational Centre

OCC
Operational Coordination Centre

OECD
Organisation for Economic Co-operation and Development

OHS
Occupational Health and Safety

ORT
Open Road Tolling

O&M
Operation and Maintenance

PCRP
Power Consumption Rationalisation Plan

PPE
Personal Protective Equipment

Rate of accidents involving deaths
= Accidents with deaths / Vehicle km travelled

R&D
Research and Development

ROA
Return on Assets

ROE
Return on Equity

RUC
Road User Charging

SDG
Sustainable Development Goals

Severe injury accident rate
= Accidents with severe injuries / Vehicle km travelled

Severe injuries rate
= Severe injuries / Vehicle km travelled

Severity Index (labour accident indicator)
= No. of days lost x 106/ No. employee hours worked

Severity Index (road accident indicator)
= No. fatal accidents / 100 accidents with fatalities

SICAR
Sistema Nacional de Cadastro Ambiental Rural

SICIT
Investor Advisor of Transport Infrastructure Investment Company (TIIC)

SOx
Sulphur Oxides

t
Tonne

tCO₂eq
Tonne of CO₂ equivalent

TPMS
Toll Plaza Management System

Traffic
Number of vehicles per km

TRIR

Total recordable incident rate calculator

UGT

União Geral dos Trabalhadores (Union)

UTAP

Unidade Técnica de Acompanhamento de Projectos
(Technical Assistance Unit)

Vehicle km travelled (10⁸ Vehicle x km)

= ADR X no. days (Year) / 10⁸

VMS

Variable Message Screen

WBCSD

World Business Council for Sustainable Development

CONCESSIONS

BCR

Brisa Concessão Rodoviária

AEA

Concessão do Atlântico

AEBT

Subconcessão do Baixo Tejo

AELO

Subconcessão do Litoral Oeste

Brisal

Concessão Litoral Centro

AEDL

Concessão Douro Litoral

NWP

NorthWest Parkway

OTHER BUSINESS UNITS

Brisa O&M

Brisa Operação e Manutenção

VVP

Via Verde Portugal

VVC

Via Verde Contact

M Call

M Call

BEG

Brisa Engenharia e Gestão

CTA

Controlauto

ITV

Iteuve

BIT

Brisa Inovação e Tecnologia

VVS

Via Verde Serviços

BNV

Brisa Nedmobiel Ventures



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