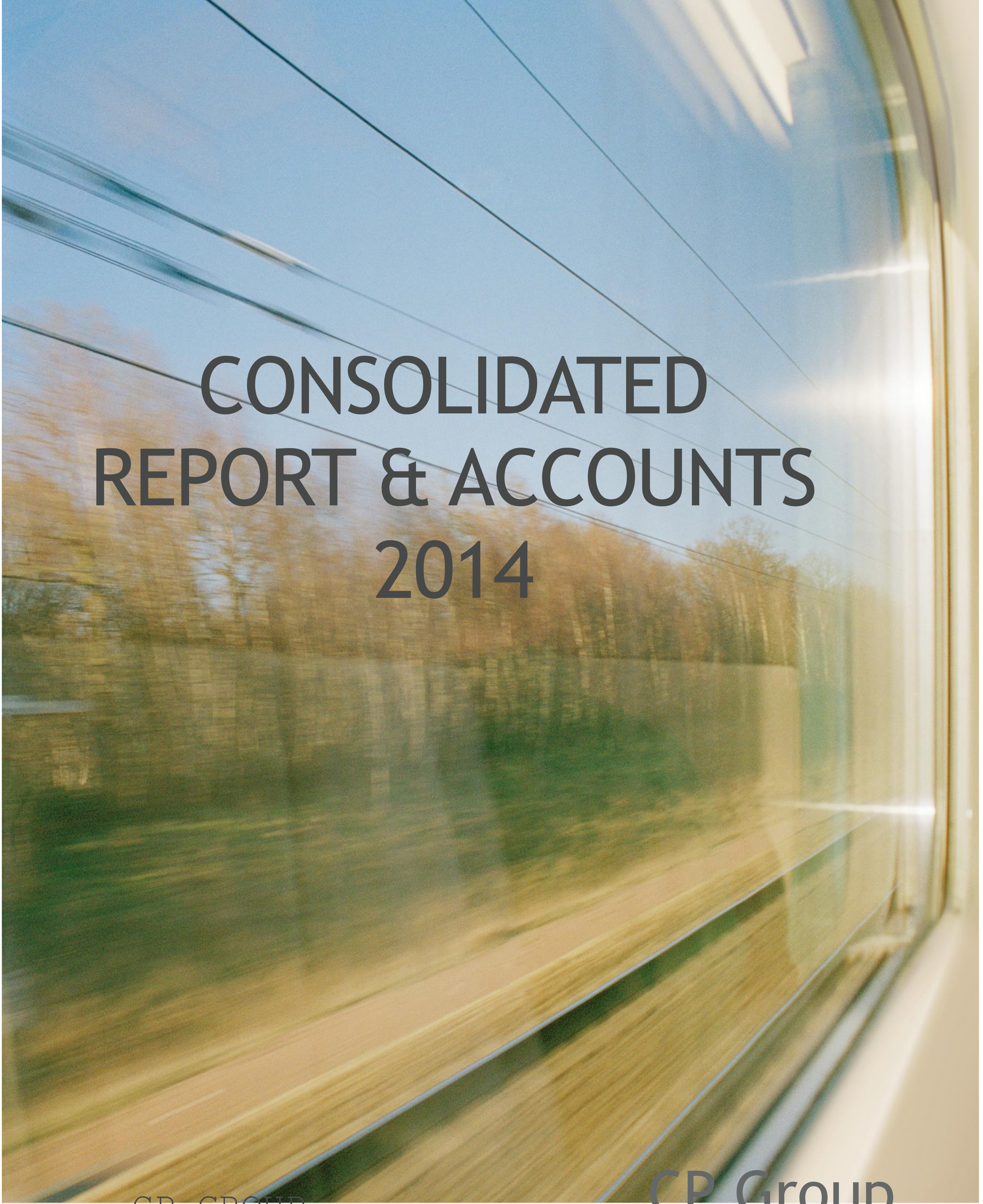


CONSOLIDATED REPORT & ACCOUNTS 2014

CP GROUP

CP Group

Eco Friendly

CONSOLIDATED REPORT & ACCOUNTS 2014

CP GROUP

TECHNICAL INFORMATION

CP – Comboios de Portugal, E.P.E.

Calçada do Duque, nº 20

1249 – 109 Lisbon

Corporate taxpayer number: 500 498 601

Registered in C.R.C. Lisboa no. 109

Statutory Capital € 1,995,317,000

Design and Coordination:

Department of Planning and Activity Control

Financial Management

Contacts: webmaster@cp.pt

[signed]

INDEX

[signed]

[signed]

[signed]

[signed]

CP Group

CP GROUP

Summary of the Year

Operational indicators of the Group	2014	2013	Variation	
			Amount	%
Demand				
Passengers (10^3) (1)	109,785	106,547	3,238	3.0%
Passengers kilometre (10^3)	3,518.813	3,310,668	208,145	6%
Tons (10^3)	9,235	8,288	947	11%
Tons per Km (10^6)	2,114	1,894	220	12%
Offer				
CKs pax (10^3)	28,950	28,567	383	1 %
Cks merc. (10^3)	5,503	4,470	633	13%
Human resources				
Final total Permanent Staff	4,352	4,475	-123	-3%
Fleet – Active Park				
Railcars	234	235	-1	0%
Locomotives	89	90	-1	-1%
Carriages	98	101	-3	-3.0%
Wagons	2,704	2,715	-11	0%

Financial indicators (10^3 €)	2014	2013	Variation	
			Amount	%
Demonstration of results				
Operational outcome	-20,914	-75,349	54,435	72%
Net result	-161,345	-225,615	64,270	28%
EBITDA (2)	36,627	10,693	25,934	243%
Balance				
Asset	974,490	1,070,044	-95,554	-9%
Equity	-3,569,003	-3,406,715	-162,288	-5%
Liability	4,543,493	4,476,760	66,733	1%
Obtained funding	4,188,980	3,912,177	276,803	7%

(1) The value of 2013 concerning passengers has been corrected concerning the R&A 2013 due to statistical alterations.
(2) It does not include terminations, provisions, impairments or fair-value.

[signed]

CP Group

CP is a public railway transport company held 100% by the State. It controls companies in the field of supplies within the sector and it holds minority case-by-case participations.

The core business of the group is the provision of railway transportation services, and it is the largest railway Passengers and Merchandise transport company in the country. It operates throughout the whole national territory offering essential services for the country's development and for its social and territorial cohesion and, also, it operates at an international level.

The Group performs the following activities:

CP – Comboios de Portugal, E.P.E.

CP – Comboios de Portugal, E.P.E. has as main goal the provision of railway transportation of passengers' service.

CP Carga – Logística e Transportes Ferroviários de Mercadorias, S.A.

CP Carga is an operator of transportation of goods, logistic activities and connected operations, using CP locomotives and its own carriages.

EMEF - Empresa de Manutenção de Equipamento Ferroviário, S.A.,

EMEF, built in 1992, has a vast object in the area of railway engineering. It provides the fabrication, rehabilitation, large repair equipment management, railway vehicles, ships and buses, as well as the study of facilities for maintenance.

SIMEF, A.C.E

SIMEF performs the maintenance of locomotives “LE 5600” and “LE 4700”.

[signed]

SAROS – Sociedade de Mediação de Seguros, Lda.

SAROS provides services in the area of mediation with the insurance agents' category in the areas of LIFE and NON-LIFE. SAROS activity is focused in managing the insurance portfolio of the companies from CP Group.

FERNAVE - Formação Técnica, Psicologia Aplicada e Consultoria Em Transportes e Portos, S.A.

FERNAVE performs training and professional technical development, elaboration of studies and projects in the scope of creation, organizations and management of companies, provision of services in de scope of applied psychology and of medical and psychologic evaluation, higher education and scientific investigation concerning transportation, communications or in technological areas around the technologic of the aforementioned.

Ecosaúde - Educação, Investigação e Consultoria em Trabalho, Saúde e Ambiente, S.A.

ECOSAÚDE provides health care, teaching, training and technical and professional development in the areas of working conditions, health and environment. It also performs services in the scope of recruitment, selection and assessment of people, technical assistance, consultancy and audit, namely in subjects such as health, health and safety at work, environment and environmental management. It also performs control actions for drugs and alcohol, ensuring the referral for treating these addictions.

TIP, A.C.E.

TIP is responsible for the implantation and management of a common and exclusive ticketing system of the Grouped (CP, STCP and Metro do Porto) in the Greater Oporto Area, as well as the common and exclusive structure definition of the intermodal tariff for the public means of transport of passengers explored either directly or indirectly by the Grouped entities.

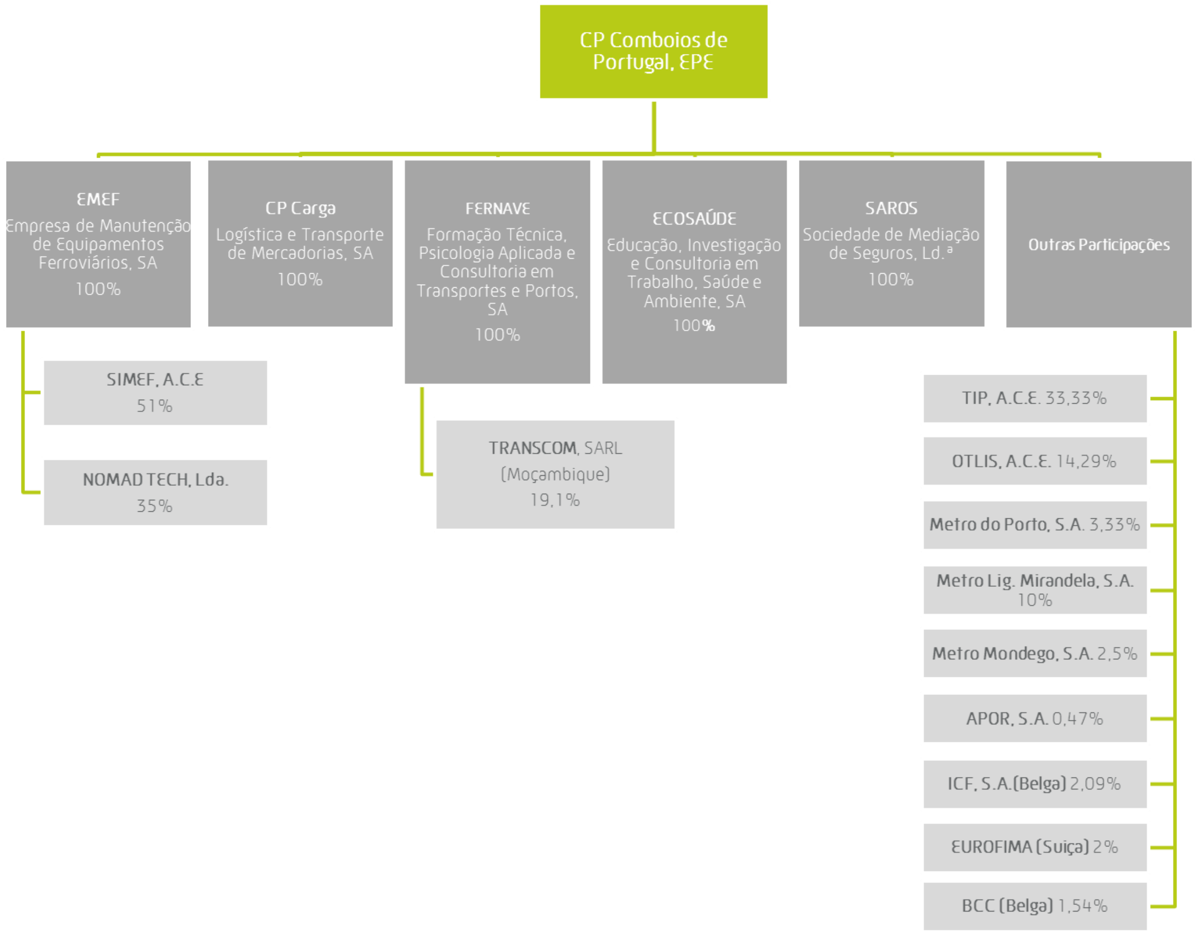
OTLIS, A.C.E.

OTLIS is responsible for the development of the tele ticketing project in the Greater Lisbon Area in association with other international agreement partners with the commitments assumed by the companies comprising the group in the scope of the global proposal of the aforementioned project (OTLIS, A.C.E.).

[signed]

CP also holds a few minority participations in a relation of cooperation with other Operators.

The following scheme presents the financial holdings from CP and its affiliate companies at 31-12-2014:



In 2014 the participation of FERNAVE in TRANSCOM was reduced due to the entrance of a new partner.

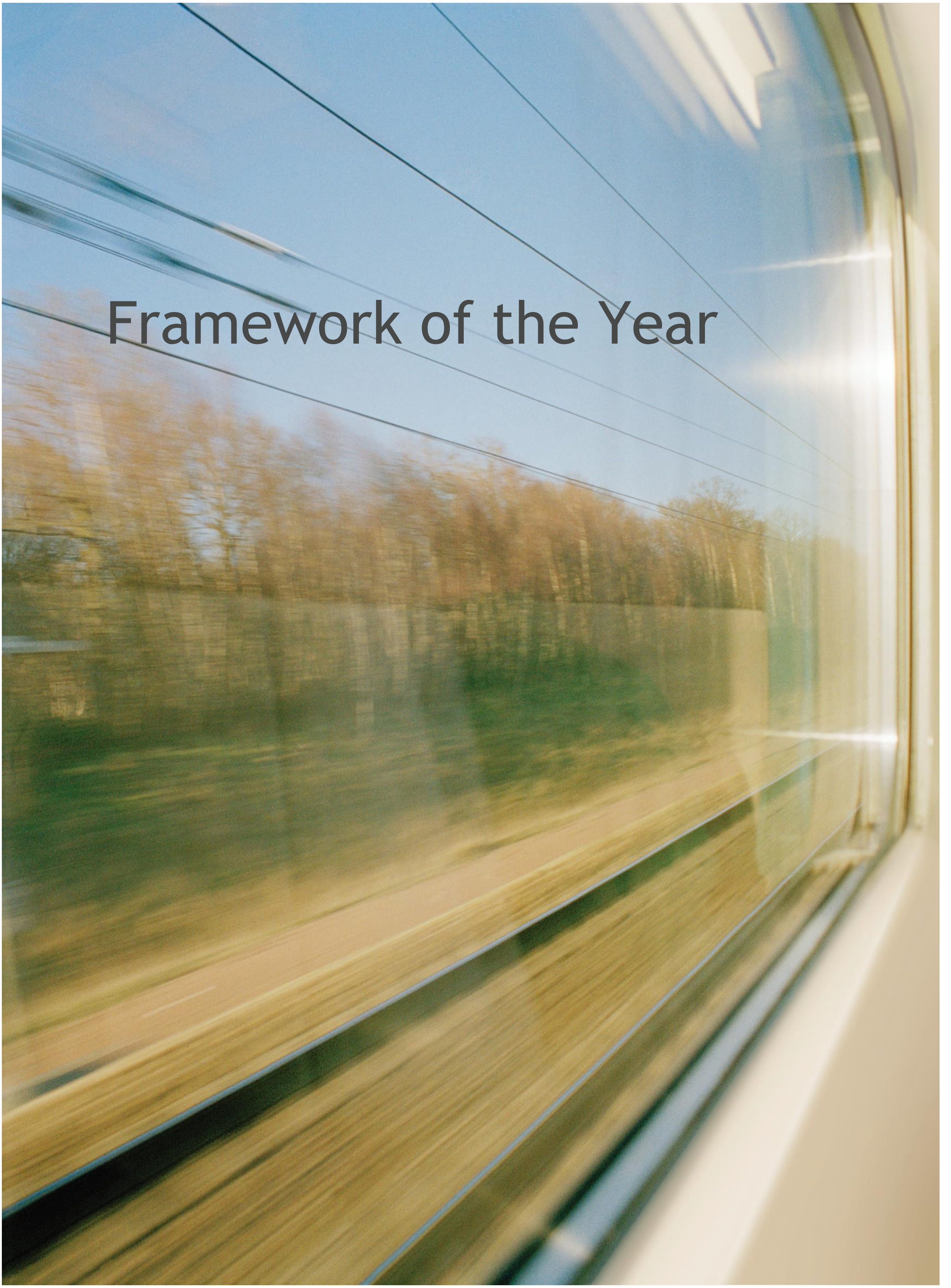
The Board of Directors has established a sustainable group strategy which constitutes the structuring of controlling interests and the development of an efficiency culture and of added value.

[signed]

Intragroup Relations

		Receiver					
		CP	CP Carga	EMEF	Fernave	EcoSaúde	SAROS
CP	Renting of Rolling Stock		[x]				
	Renting of Terminals and Fuelling Diesel Stations		[x]				
	Rental of Office Buildings			[x]			
	Service Providers (accounting, informatics, etc.)		[x]	[x]	[x]	[x]	
	Re-invoicing (Repair of rolling stock, Facility cleaning, Surveillance, Electricity and Traction fuel and Utilities)		[x]	[x]			
CP Carga	Wrecking train	[x]					
EMEF	Services of Maintenance and Repair of Rolling Stock	[x]	[x]				
FERNAVE	Training	[x]	[x]	[x]			[x]
EcoSaúde	Medicine services, hygiene and safety at the workplace, alcohol and drugs tests	[x]	[x]	[x]	[x]		[x]
SAROS	Insurance Mediation	[x]	[x]	[x]	[x]	[x]	

Framework of the Year



FRAMEWORK OF THE YEAR

Context

In accordance with the provisions of article 4 of the Regulation no. 1606/2002 of the European Parliament and of the European Council from July 19, the entities whose values are admitted to negotiating in a regulated market shall elaborate their consolidated accounts in accordance with the international regulations of financial report.

For that reason, CP presents its consolidated financial statements which express its financial position and the outcomes of the group operations as if it were a single entity, aiming to underline the outcomes of the operations the companies of the group made with third parties.

The present consolidation will not have impact at a fiscal level, namely regarding Income Tax, given that there are no expectations for the group to obtain future taxable income which allow using the fiscal accumulated losses.

Framework of the Activity

The Economic and Financial Assistance Programme agreed upon in May 2011 between the Portuguese authorities and the European Commission, the European Central Bank and the International Monetary Fund was completed in 2014.

In the aforementioned period, several structural reforms in different areas of the Portuguese economy were made aiming to correct the macroeconomic imbalances which where affecting it.

In 2014, the evolution of the Portuguese economy remained conditioned by the mentioned process of correction of macroeconomic imbalances but, in contrast with previous years, in 2014 there was a moderate increase of PIB (0.9)[1].

This growth demonstrates the initiation of the process of economic recovery, a conviction reinforced by the growth projections from 1.5% for 2015 and 1.6% for 2016[2]; both growths slightly above the projected average for the Euro Zone, which was the result of an increase of the exportations and internal market demand.

The Consumer Price Index (CPI) had a negative spread in 2014 (-0.1%).

the social peace environment obtained in the group should also be mentioned, which allowed the customers to have a progressively more positive perception of the provided services and of the development of more effective commercial practices.

---

[1] Source: Banco de Portugal – “Projecções para a economia portuguesa: 2014 – 2016”.

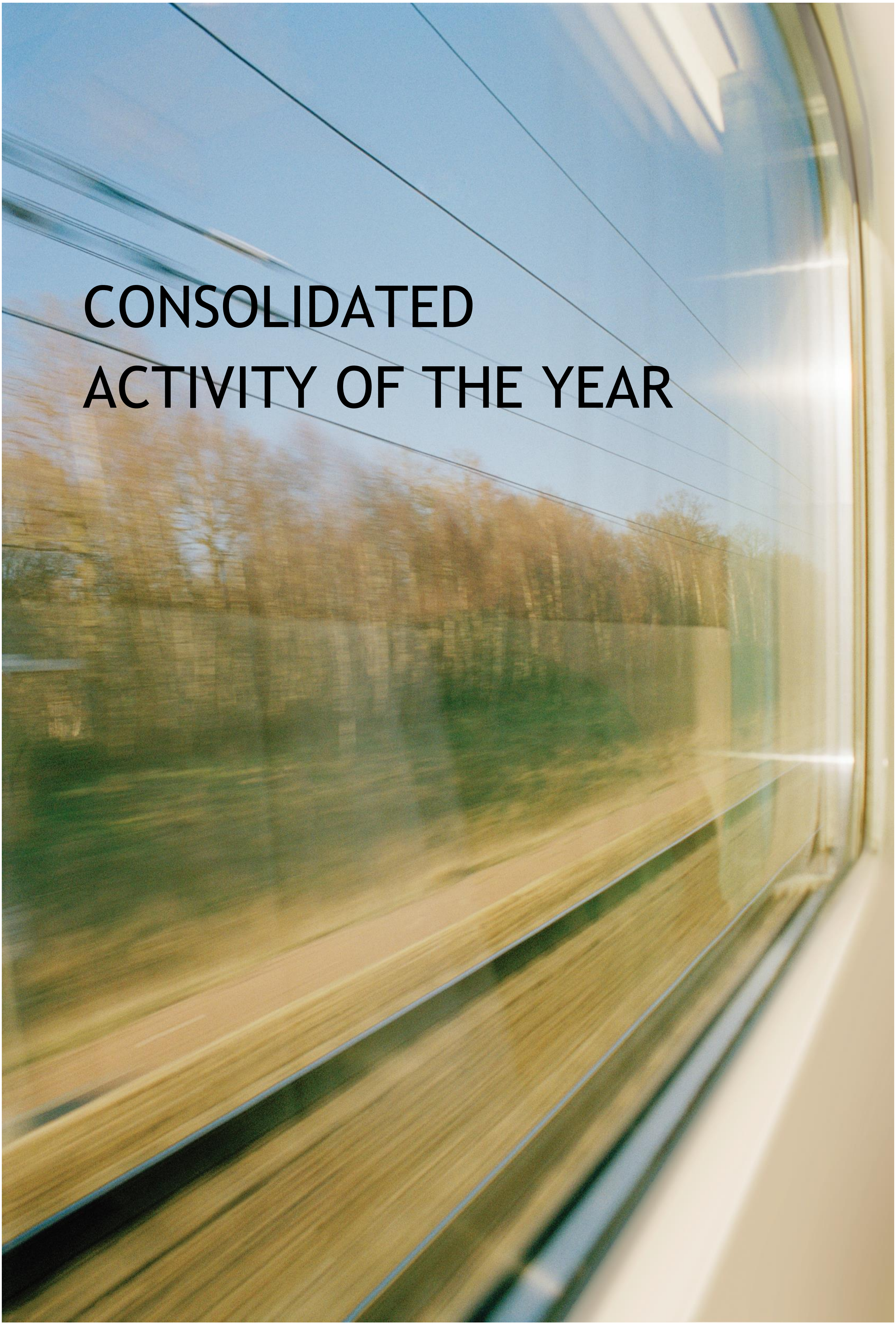
[2] Source: Banco de Portugal – “Projecções para a economia portuguesa: 2014 – 2016”.

[signed]

Still during the year of 2014, in the scope of recasting the basis of Portuguese National Accounts, in compliance with the established principles by the new European System of Accounts from 2010 (SEC 2010), CP E.P.E. became part of the list of entities from the institutional sector of General Governments, as a reclassified state-owned company (EPR), becoming part of the consolidated accounting requirements of the National Budget of 2015.

[signed]

CONSOLIDATED ACTIVITY OF THE YEAR



CONSOLIDATED ACTIVITY OF THE YEAR

CP

Executive Summary

In 2014, CP transported 109.8 million passengers, in all its national services, demonstrating a growth of 3% against 2013. This concrete increase of passengers has not been verified since 2008, and it confirms the sustainable growth the Company has been registering since September 2013. This increase was the result of a set of factors, all made possible through the social appeasement within the company: a more aggressive marketing policy; alterations in management towards operational optimisation and an assumed competition against all other means of transport.

The recurring EBITDA remained positive in an amount of 14.8 million Euros, driven by the revenue of 10.5 million Euros. When compared with 2013, this amount presents a decrease of around 7.2 million Euros as a result, namely, of the impact of the decrease of carry-over payments in an amount of 16 million Euros. If the scenario were to be the same, that is the maintenance of the amount of the carry-over payments attributed to CP in 2013 – around 34 million Euros -, the EBITDA would have presented an improvement of 8.9 million Euros (-226.5 million Euros).

CP closed the financial year of 2014 with a net result of -159.9 million Euros, 66.7 million Euros ahead than the outcomes of 2013 (-226.5 million Euros).

Operation

CP's activity throughout the year was established by the Budget and Business Plan 2014 (PAO 2014) sent to the Sectorial and Financial Custodies in December 12 2013. Promoting the efficiency remained the strategic focus of the Company. From the performed actions, the following are highlighted:

Offer

- An increase of the train stops of the Celta train linking Oporto to Vigo, and a readjustment of the schedules of the Oporto Urban Services in order to improve the connections to this international train;
- Launching two new inter-city connections to Braga (one in each way), which allowed this city to provide twelve railway long distance connections, departing from Lisbon.
- A coordination between CP and RENFE for reinforcement of the offer regarding the international Lusitânia Combio Hotel for the transportation of Atletico de Madrid and Real Madrid fans, which came to Lisbon to watch the final of the UEFA *Champions League*.

[signed]

Fight against fraud

- Intensification of the inspection actions in several train stops and on board of trains, and development of teaching and preventive measures destined to raise customers' awareness for the validation of transport tickets.

Tariff

- Launching of new transport tickets, namely the *Assinatura Jovem* and the *Flexipasse Jovem*, the *Portugal Rail Pass* and the *Bilhete Turístico* in CP Lisboa. The launching of the new promotional tariff should be pointed out, *Train Sharing*, valid for roundtrip travels, destined to groups travelling in the services *Alfa* and Inter-City.

Ticketing/Distribution

- Extension of the network of selling transport tickets of CP Porto into the network PAYSHOP;
- Sell of tickets in the *Lounge* of Oriente's Station.

Innovation

- Installation of Wi-Fi in Inter-city trains in the Norte Line;
- Renovation of CP's website, highlighting sales. The website is adaptable to several mobile devices;
- GOOGLE TRANSIT began to contain also CP's routes and schedules.

Partnerships

- Partnership CP/TAP for launching the product *Rail&Fly*, which allows TAP customers privileged conditions regarding their travel purchases in the network Alfa and Inter-city of CP;
- Partnerships with events generating travels for concerts or sport and cultural events, pointing out the protocol with *Blueticket*.
- CARSHARING - Free subscription to *Carsharing* for CP customers.

Resource Management

Permanent Staff

The company maintained the human resources rationalization, completing the year of 2014 with 2178 employees, which corresponds to an average permanent staff of 2.754.

The total permanent staff of CP has decreased from 2.766 to 2.718, that is, a decrease of 48 employees - 38 due to revocation of employment contract by mutual agreement.

[signed]

The absenteeism rate increased in 5 p.p., from 5.39% to 5.87%. The most contributing factors for the increase of the absenteeism rate are essentially the increase of days not worked due to sick leave and work accidents. These two causes for absenteeism represent about 66% of absences.

The overtime work rate increased from 5.38% into 9.53%. The main causes for the increase of overtime work relate to a great strengthening of the inspection teams for fighting fraud, namely in the urban area of Lisbon; to the increase of demand through the accomplishment of several special trains; to the need of rejuvenation of some professional careers; and to the near inexistence of strikes to overtime hours, the rest days and official holidays cutbacks.

CP maintained its focus in valuation of employees, investing in continuous and adequate professional training for reinforcement, updating and acquiring new skills.

In 2014 there were 349 professional training, mostly through the affiliate Fernave. The respective global values are presented in the table below.

Training indicators	2014
total training hours	62,402
No. trainees	2,728
No. training Sessions	349

Fleet

In 2014, CP maintained the course of optimizing the use of the park of rolling stock and the promotion of studies in the areas of maintenance and repair of systems and equipment, bearing into account the latest technological developments. It has always aimed the promotion of safety, security and economy in the use of rolling stock.

On December 31st 2014, the total of CP's tractive and hauled stock comprised 915 units. From these units, 421 were active yard, 381 units were inoperable equipment and 113 were occasional equipment, such as the Historical Train, the wrecking train, or were under the supervision of the National Railway Museum Foundation of Portugal.

The active yard of the rolling stock, in commercial service in the Units of Business and in CP Carga, SA, had 186 electric railcars, 48 diesel railcars, 52 electric locomotives, 37 diesel locomotives and 98 carriages.

It should be noted that in the active yard there are 17 *diesel* railcars from the series 592, rented to RENFE.

In 2014, 11 *diesel* railcars were scrapped down for accounting purposes and its repercussion in the physical yard will only be verified in 2015.

There were equally established contacts with international and national entities which have expressed an interest in acquiring rolling stock to CP.

[signed]

Market Demand and Offer

In 2014 CP transported 109.8 million passengers, representing an increase of 3% regarding 2013 and, in absolute terms, representing an increase of around 3.2 million transported passengers. This growth of market demand was transversal to all CP services, highlighting the Long-distance Service, which presented an increase of 12.1%.

The reversal of passengers' loss is the result of the maintenance of a working environment in social peace, which allowed the restitution to the customers a reliable and regular service, the adoption of more aggressive marketing policies, the reinforcement of inspection teams – fixed and itinerant – and of the slight improvement of some national economic indicators.

Passengers (*10^3)	2014	2013	2014-2013	2013 /2012
Urban Services Lisbon (1)	74,378	72,497	1,881	2,6%
Urban Services Oporto	19,665	19,060	605	3,2%
Long-Course Services	5,187	4,626	560	12,1%
Regional Services	10,555	10,364	192	1,8%
TOTAL	109,785	106,547	3,238	3,0%

(3) The value of 2013 concerning passengers has been corrected concerning the R&A 2013 due to statistical alterations.

In 2014, the offer of CP, assessed in Trains*Kilometre, was of 28,950 thousand CK, which represents an increase of 1.3% against 2013.

The verified increase is justified by the social peace scenario which was maintained after the agreements with the Employees Representative Structures in March and July 2013, and by performing special services as an answer to the occasional increase of market demand.

Trains Kilometre (*10^3)	2014	2013	2014-2013	2014 /2013
Urban Services Lisbon	6,861	6,786	75	1,1%
Urban Services Oporto	4,568	4,502	66	1,5%
Long-Course Services	8,132	7,939	193	2,4%
Regional Services	9,388	9,340	48	0,5%
TOTAL	28,950	28,567	383	1,3%

Income

The income from traffic stood at 214.5 million Euros, demonstrating an increase over 10.5 million Euros, in the order of 5.2% against the previous year.

[signed]

The income fees followed the growth trend of market demand, being influenced by the heaviest relative weight of occasional tickets and of the Long Distance Service. Also, because the major increases were registered in both of them.

For the income fees has also contributed the daily average tariff update of 1% in all services, except in the ones of Long Distance.

Traffic Income (*10^3)	2014	2013	2014-2013	2013 /2012
Urban Services Lisbon	73,283	70,050	3,232	4,6%
Urban Services Oporto	24,366	23,664	703	3,0%
Long-Course Services	88,601	82,872	5,729	6,9%
Regional Services	28,229	27,361	868	3,2%
TOTAL	214,479	203,948	10,531	5,2%

Investments

The investment decisions in 2014, as in the previous years, were made in the perspective of ensuring the least indispensable interventions in order to guarantee both the safety and operability of the equipment and railway instalments, or for concluding projects which were already in course.

Thus, CP has concluded a total of 14.5 million Euros in investments, 97% destined to rolling stock and 2% to fixed facilities.

In the rolling stock, the most relevant investments were cantered in projects of “Large repairs R2+R3” (8 million Euros) and the process of “Half Life Intervention for *Alfa Pendulares*” begun.

[signed]

Outcomes

For purposes of management analysis, the following table shows the performance of the company.

INCOMES AND EXPENSES (Amounts in M€)	PERIODS		VARIATION	
	REAL 31-12-2014	REAL 31-12-2013	Amount	%
Provided sales and services	239,759	229,698	10,061	4%
Operating allowances	17,905	34,384	-16,479	-48%
Other Income and Gains	46,291	31,622	14,670	46%
SUB-TOTAL	**303,955**	**295,703**	**8,252**	**3%**
Sold commodities and consumed materials costs	-7,716	-8,478	762	9%
External services and supply	-169,939	-166,757	-3,182	-2%
Personnel Expenses (w/o compensations)	-100,921	-92,866	-8,054	-9%
Other expenses and losses	-10,611	-5,649	-4,961	-88%
SUB-TOTAL	**-289,185**	**-273,751**	**-15,435**	**-6%**
Operational result of transportation activities* (EBITDA)	**14,770**	**21,953**	**-7,183**	**-33%**
Expenses/reversal of depreciations and amortization	-65,063	-69,296	4,233	6%
Impairment of depreciable and amortisable investments (losses/reversals)	-4,707	-2,524	-2,183	-86%
Carry-Over Payments	-2,421	-5,170	2,749	53%
Gains/losses attributed to subsidiaries, associated companies and joint ventures	1,226	-2,956	4,183	141%
Inventory Impairments (losses/reversals)	-117	-122	5	4%
Impairment of receivables (losses/reversals)	1,604	-1,029	2,634	256%
Provisions (increases/decreases)	15,387	-19,169	34,556	180%
Impairment of non-depreciable and non-amortisable investments (losses/reversals)	10,614	-7,409	18,023	243%
Fair-value increases/reductions	64,456	66,022	-566	-1%
Operational Outcome	**-28,708**	**-85,725**	**57,016**	**67%**
Fair-Value Increase/Decrease	645,456	66,022	-566	-1%
Interests and similar income gained	5,188	4,732	456	10%
Payable interest and similar expenses	-204,017	-211,256	7,239	3%
Financial Outcome	**-133,374**	**-140,502**	**7,129**	**5%**
Outcome Before Taxation	**-162,082**	**-226,227**	**66,145**	**28%**
Income tax of the period	2,213	-289	2,502	866%
Net Outcome of the Period	**-159,869**	**-226,517**	**66,647**	**29%**

CP closed the financial year of 2014 with a net result of -159.9 million Euros, 66.7 million Euros more than the outcomes of 2013 (-226.5 million Euros).

This improvement is mainly the result of the increase of sales and provided services in 10.1 million Euros, of the increase of other income and gains in 14.7 million Euros, as a consequence, mainly, of the disposal of the Freight Terminals and of the general improvement of the remaining items of the operational outcome not related with the transportation activity, namely regarding provisions and impairments. The Financial Outcome presented a better result (7.1 million Euros) than the

[signed]

one verified in 2013, as a result of the decrease of the interest rates applied in the renewal of the funds of funding operations.

The recurring EBITDA (Operational Outcome of the activity of Passengers Transportation) was positive in an amount of 14.8 million Euros. Regarding 2013, this indicator has presented a decrease of 7.2 million Euros, justified namely by the reduction of the value of the carry-over payments attributed in 16.1 million Euros, even if partially compensated by the increase of the service provisions (+10.1 million Euros).

The increase of Personnel Expenses (without indemnities) in 8.1 million Euros was mainly the result of adjusting the amounts of expenses regarding occupational injuries' allowances of 11.1 million Euros. It should be noted that this movement was performed with the aim of altering the accounting and fiscal treatment of the benefits of employees regarding occupational injuries' allowances. The aforementioned alteration had, however, a compensation of equal amount in the reduction of the established provisions for the mentioned allowances, thus, speaking in real net terms, those accounting adjustments had no impact in the company's outcomes.

If the mentioned procedural alteration had not been performed, the expenses with the company's personnel would have been reduced in around 3 million Euros against the previous year, as a result of having been accounted in 201, the impact of the restitution of the vacation allowance of 2012 and 2013; and this became a paid allowance as a result of the publication of Law no.39/2013. Still considering the impact in the variation of expenses with personnel, it should be mentioned the reduction of 48 employees from the total Permanent Staff, the increase of overtime work resulting from the fraud fight actions and the application of the salary cuts foreseen in the State's Budget for 2014 in the first five months of the year as well as the decision of the Constitutional Court for the termination of the salary cuts, which affected the payments and allowances paid until 31 may 2014 - and this measure was kept in force until mid-September, henceforth the mentioned salary cuts of 2013 were resumed.

Despite the generalized effort of cost containment, the External Services and Supply registered an increase of 3.2 million Euros against 2013, due mainly to the rate of usage of the infrastructure, which registered an increase of 2.2 million Euros, and the expenses of preservation and repair of rolling stock due to malfunction - which increased in 1.4 million Euros.

The scrapping of 10 UTS's 600 and one ALLAN have contributed to the increase of Other Expenses and Losses in 5 million Euros. In real net terms, the impact of the aforementioned scrapings in the company's accounts was around 1.2 million Euros, having been reflected in 5.6 million Euros in other expenses and losses and 4.4 million euros in income related with impairment reversions and recognition of allowances to investment.

Regarding the remaining items of the Operational Outcome non-related with the transportation activity, it should be pointed out the decrease of provisions in the amount of 34.6 million Euros, due to the previously explained reduction of the provision established for occupational injuries in 11.1 million Euros and the decrease of the established provisions to address the inherent liabilities to the own negative capitals of the companies of the Group, highlighting the contribution for the effect of the improvement of the outcomes of CP Carga and, also, the diminishing of impairments related with non-current assets held for sale and the reversion of the established impairments for rolling stock that has been meanwhile scrapped (10 UTD's 600 and one ALLAN), and/or reallocated to the operational activity of the company.

[signed]

It should also be noted the decrease of the value of the depreciations, in comparison with 2013, in 4.2 million Euros and the decrease of the losses attributed to subsidiaries, associated companies and joint ventures in 4.2 million Euros, highlighting the contribution for the effect of the improvement of the outcomes of EMEF.

[signed]

CP CARGA

Executive Summary

CP Carga reached in 2014 the best outcome ever seen, which consubstantiates a growth of 11,4% in tons and of 12% in revenues concerning the previous year, outcomes which are also significant at an Iberian level, where CP Carga already holds a market share of 26%.
In the activity performed in national territory, alongside the maintenance of trading coal and minerals, containers, cement (essentially from exportation) and the steel products have registered significant growth, the presence remains to increase on an yearly basis in docks, representing 67% of the Company's activity in 2014, pointing out Sines, leading with 34% of the moved goods, followed by Setúbal, with 18% and Aveiro with 8%.

Concerning the international traffic (Iberian Relations), CP Carga remains to reinforce its position of a reference operator, with a growth of 26% in tons and 17% in revenues in 2014.

A relevant fact in CP Carga activity had its place at the end of 2014, concluding the process of transfer into REFER the property and management of the railway merchandise terminals, as a result of a final Government decision. This way, the assessment of the business the Company held in the terminals, conducted by an independent entity, came to be reflected in a positive impact in the accounts of CP Carga, presenting a net outcome a positive amount of 5,3 million Euros.

Operation

In 2014 the operating activity was consolidated based on a block train, reducing manoeuvres during the route, joining the operational means with the service levels offered to the customer, in accordance with the criteria of asset improvement and profitability, aiming to establish the economic efficiency (Tk/Ck).

The consequence of profitability of the offer and of the involved resources, beyond the blocking of traffic and reduction of grouping movements/manoeuvres during the itinerary of the train, it was possible to develop actions bearing into account the following:

- Reinforce the response capacity over the docks, specially Sines, Leixões, Aveiro and Setúbal, accompanied by the understood market demand;
- Reinforce the response capacity in international traffic, long-distance, accommodating the strong constraints imposed by the degradation of the infrastructure;
- Reinforce the capacity of offering trains in the Oeste Line and over Louriçal;
- Allow efficiency gains by using electrical traction (86% of the realized Tk) instead of the diesel traction, jointly with the electrifications of the branches and the movement of the compounds for the cargo transfer lines on account of the yield managers, reducing carbon emissions up to 11.30 gep/Tk, thus giving an answer to the assumed environmental responsibility alongside the cost decrease with traction energy;
- Accommodate the impact of the strike of Support Operators to the performance of the move, which is prolonged in time in an uninterruptable way;

[signed]

- Develop and implement productive schemes capable of answering to new traffics in the modality of block trains and in the several activity axis, both national and international;
- Reform productive schemes in a way to minimize the noise impact in residential areas.

Resources Management

Total Permanent Staff

In 2011, CP Carga begun the process of restructuring based in the integration of activities and functions, reducing the number of management positions and of collaborators. In 2014, being there a stabilization of the total Permanent Staff, there were 5 revocations of work employment agreements by mutual consent, all of them reported to the employees with definitive medical unfitness or the respective positions, having there been a more accentuated decrease in the total Permanent Staff of CP Carga due to the transmission of the Freight Terminals to REFER.

The company begun the year of 2014 with 585 employees and, at the end of the same year, the number of employees was reduced to 552.

The annual average rate of absenteeism was of 6.6%, being related to a total of 8,403 absence days, from which 4,511 were due to illness.

The annual average rate of overtime was of 8.7%, which shows an increase against 2013 - which achieved 4% -, although inferior when compared with 11.2% from 2012 and 18% from 2011.

The vocational training covered 566 trainees and a total of 9,273 hours.

Tractive Stock

CP Carga has at its service 64 locomotives, ready to tow all sort of companies' wagons, which are the object of rental to CP.

The progressive efficiency of the exploration model has created a preferential usage of the 34 electrical locomotives, and the usage of the 15 diesel locomotives is mainly in the sections of the network which are not electrified. The remaining 15 diesel locomotives are allocated for manoeuvres. The electrical courses increased 12% against the previous years and the costs with the respective consumptions increased in 2%, which resulted in a decrease of the average unit cost for km of around 9% due to the impact in the courses in electrical traction.

[signed]

Hauled Stock

The company currently has a yard of 2,704 active wagons, which allow the broad transportation of products, namely swap bodies, coal, minerals, steel products, and palletised products - specially cement, timber, fuel and chemical products, paper pulp, inert and course materials.

The exploration of the wagon yard available for service has registered an increase of 0.9% in 2014 of the realized course per wagon day, gaining 89Km in average, with the maximum value of 460Km.

These equipment have regular interventions of maintenance, complying with all the requisites related with safety of transport, making viable most of its performance in the case of wagons subject to modernizing interventions.

Infrastructures

The work developed in the scope of the infrastructures aimed to answer the internal needs of CP Carga, as well as the external needs of space of the public or private domain - Private Branch Line; public railway lines; docks lines - which was reflected essentially as follows:

- Railway layout development with the aim of eliminating the existing constraints, thus allowing to improve the operating efficiency, pointing out the following: Bobadela railway terminal, Axis of Oporto and Setúbal lines; Vale do Tejo Connection Terminal - from Entroncamento to the Norte line; Electrification of the branch lines of goods in the Minho Line; Petrogal-Sines Branch Line, Reformulation of the Alfarelos Station and enlargement of the Alfarelos Terminal;
- Study and Definition of the railway layouts of new infrastructures in the scope of investments concerning the creation of a forest railway Platform network over the Existing Railway Network.

Procurement/Income

Economically speaking, CP Carga transported 9.2 million tons and obtained 62.8 million Euros of direct traffic income, which represents - against the previous year - a growth of 11.4% in tons and 9.8% in revenues. The 2nd semester of the year was stronger than the 1st in terms of activity, considering that at the beginning of the year there was still labour conflicts reflecting in the activity levels.

It should be noted that the international traffic registered an increase of 35.6% in tons and 16.7% in revenues. In the company's universe, the international traffic represents 10% of the transported tons and 14% of the obtained revenues.

The larger growths occurred in the joint national transport, with a large emphasis for the axis Sines/Setúbal and Sines/Leixões (30%), in the chemical national traffic (143%), in the steel product, potentiated by a new relationship (32%) and in concrete (16%).

[signed]

The high levels of provision of services obtained concerning the docks with 18% of activity increase deserve a special highlight, and these represent 67% of the traffic at a global level, emphasizing Sines, Setúbal and Aveiro.

The following table shows the procurement and income per product in 2014.

Product	Tons (Th. Tons)	Net Revenue (Th. €)
Containers	2,984	19,462
Coal	1,094	12,587
Cement	1,943	8,115
Steel Products	1,023	6,133
Sand	788	3,388
Timber	379	3,123
Minerals	378	3,074
Chemical Products	124	1,662
Fuel	152	1,590
Paper Pulp	150	1,276
Ballast and Gravel	70	938
Others	147	1,501
TOTAL	9,235	62,849

Investments

As an example of the previous years, the investment in 2014 was strongly conditioned by the expenditure restraint measures. The value of investments increased up until 2 million Euros, with an emphasis for the modernization of the wagons, which represent 56% of the total amount of investment.

In the scope of wagons modernization, the following projects from previous years were maintained: Substitution of UIC couplers for UIC couplers of reinforced capacity (1,5 MN) and the replacement of axle-boxes in several series of wagons. These investments increased until 1.1 million Euros and the main goal was to increase the economic productivity of the wagons.

It should also be pointed out the project Electrification of Branch Lines, in the amount of 670.7 thousand Euros. This project started with CP, before the establishment of CP Carga. However, due to reasons related with community funding, it was only in 2014 that there were conditions for the transfer of the immobilized funding to CP Carga.

Another important investment was the acquisition of the Permits 'CP Carga Operator', in the amount of 87.5 thousand Euros. These permits, issued by the IMT, are absolutely necessary for the company to provide services of railway transportation of goods, of both national and European Union scopes.

[signed]

In the scope of the computerization of the commercial processes, it is important to highlight the project JUL (*Janela Única Logística*) with a total amount of 60 thousand Euros of investment in 2014. This commercial nature product has revealed to be strategically important for the activity of containers transportation of CP Carga, with origin/destination in the Terminal XXI in Sines, given that it covers several partners and it allows to gain access to the relevant shared information, thus contributing for the softening and streamlining of the system of transport of goods in containers. Given its relevance, it is expected there is an expansion to other traffics of CP Carga, even if those do not enter nor leave through the Sines Dock.

Outcomes

The Demonstration of Outcomes shows the development of the company at the end of the year:

INCOMES AND EXPENSES (Amounts in M€)	PERIODS		VARIATION	
	31-12-2014	31-12-2013	Amount	%
Provided sales and services	63,944,216	58,132,757	5,811,459	10%
Operating allowances	23,029	0	23,029	100%
Sold commodities and consumed materials costs	-2,689,893	-2,907,656	217,763	7%
External services and supply	-50,607,011	-49,423,590	-1,183,412	-2%
Personnel Expenses	-18,113,391	-20,372,823	2,259,432	11%
Impairment of receivables (losses/reversals)	-151,004	1,632,534	-1,783,538	-109%
Other Income and Gains	25,695,828	2,936,448	22,759,380	775%
Other expenses and losses	-635,572	-1,330,378	694,806	52%
Outcome before depreciations, funding expenses and taxes	**17,466,202**	**-11,332,708**	**28,798,910**	**254%**
Expenses/reversal of depreciations and amortization	-4,385,088	-4,182,225	-202,863	-5%
Operational outcome (before funding expenses and taxes)	**13,081,114**	**-15,514,993**	**28,596,047**	**184%**
Interests and similar income gained	17,494	141,286	-123,792	-88%
Payable interest and similar expenses	-7,216,518	-7,545,128	328,610	4%
Outcome Before Taxation	**5,882,091**	**-22,918,775**	**28,800,866**	**126%**
Income tax of the period	-540,333	-73,301	-467,032	-637
Net Outcome of the Period	**5,341,758**	**-22,922,076**	**28,333,834**	**123%**

For the past few years, CP Carga has been registering a very favourable evolution of its Outcomes, as an outcome of the implemented measures, which allowed to leverage the income growth jointly with the gradual reduction of operating expenses. CP Carga has surpassed from a negative Net Profit of 36.3 million Euros in 2010 (the first year of full activity) to a negative Net Profit of 22.9 million Euros in 2013. In the PAO (Plan of Activities and Budget) the registered amounts of 2014 would be in the order of 15.9 negative million Euros.

However, we point out that in 2014 CP Carga obtained a positive Net Profit of 5.3 million Euros, due to the transfer of title and management of the Railway Freight Terminals onto REFER.

[signed]

In this context, in 2014, the Operational Outcome of CP Carga was of 13.1 positive million Euros, and the Result before taxes was of 5.9 positive million Euros, thus representing improvements of 184.3% and of 125.7%, respectively, against 2013.

The Operational Profits increased until 89.7 million Euros, thus registering an increase of 46.8% against the previous year.

The Operational Expenses in the amount of 76.6 million Euros followed the registered amount of the previous year, with a slight fall. The Personnel Expenses have been reduced in 11% against the previous years and, in 2014, the amount was of 18.1 million Euros. This decrease was the result, as mentioned above, of the termination of employment agreements with employees and of the application of the rules of the State's Budget for 2014. The provision of services from REFER has increased to a total amount of 10.4 million Euros. There were also registered increases of 15.2% in the underlying costs of the usage rate and of 4.1% in the expenses of auxiliary and additional services. The expenses with the preservation and repair of EMEF, in a total amount of 7.1 million Euros, presented a loss of 3.8% against 2013. The expenses with consumption for traction, in the amount of 9 million Euros in 2014, dropped 4,8% against the previous year, despite the increase of 9% of the total courses, which shows the advantages of electrical traction in trains.

It should be pointed out that, even without the impact of the transfer of the railway terminals to REFER, CP Carga obtained the best outcome ever registered, and the amounts of EBITDA, EBIT and Net Profit, were of, respectively, -3.6 million Euros, -8.0 million Euros and -15.3 million Euros.

At last, it should also be pointed out that the financing costs, which were registering very burdensome growth rates, have registered a deceleration in 2014 - showing a decrease of 4.4% against the previous year. The total of financing costs was of 7.4 million Euros in 2013 and of 7,2 million Euros in 2014, which was mostly due to three motives: revision of the conditions of the loans obtained with the stakeholder, settlement of the loan of Santander with the conclusion of an equivalent loan with the IGCP with more convenient conditions and, lastly, to the partial settlement of the loan from Caixa Geral de Depósitos.

[signed]

EMEF

Executive Summary

In 2014 EMEF registered one of the best performances of the past years, and the Net Profit has shown a recovery against 2013 in the amount of 4.3 million Euros - registering now an amount of 909 thousand Euros. For this increase have contributed both the increase of the Total Revenue in the amount of 4 million Euros, as well as the margin improvement of 130 p.p. alongside with a reduction of Operating Expenses in around 1.1 million Euros. These elements allowed to obtain an EBITDA in 2014 of 3.5 million Euros.

It should be pointed out that amongst the several developed initiatives in order to increase the total revenue of the company, the positioning EMEF assumed, leaded and won in the tender process for Maintenance, for 3 months, of the railway rolling stock fleet of Metro do Porto. This achievement has put EMEF in a comfortable threshold in order to win the Contract which resulted from an international public tender for the next 10 years, allowing the provision of maintenance service of the rolling stock for all the fleet of Metro do Porto.

EMEF has managed in rigorous and determined manner the income account, as well as the balance, allowing the continuity of the effort of reducing inventory, with a decrease of 537 thousand Euros, and of the financial debt, which registered a decrease of 4.8 million Euros. This means the financial liability was settled against last year. However, speaking of total Liability, it has been verified an increase of the amount of 1.1 million Euros.

Operation

The services provided by EMEF remain characterized by a full maintenance offer of their Customers' fleets, covering three main segments:

- Repair and modernization of railway vehicles, their components and equipment, segment with dominant characteristics of industrial production;
- Maintenance of the current rolling stock, with response characteristics able of direct support to the railway operation of the operators, with associated service levels for each type of operation, namely availability and reliability;
- Rehabilitation of rolling stock.

Additionally to its main activity, the Company has also ensured:

- The permanent service of prevention of any emergency interventions related with the rolling stock;
- Rescue operations in the line whenever necessary;
- Making tests of calibration in monitoring and measuring equipment, either for internal usage either for external customers;

[signed]

- Makin test of oil, lubricants and insulants, for the characterization of its state and of the equipment it lubricates, whether those used in the maintenance made by EMEF, either for external customers.

In 2014 there was a considerable increase in the Provision of Services by EMEF. The increase of 8% in the total revenue was attained, at the same time a decrease of 5% was registered in the average total Permanent Staff. Consequently, there was a significant increase of work productivity which, if measured by the indicator VAB/Average Total Permanent Staff, it was of 14% against the previous year.

The most marking events of the developed activities in each one of the intervention segments of the company are presented below.

Repair and Modernization

This activity maintains programed repairs in the tractive and hauled stock of passengers (repairs type R), in the hauled stock of goods (safety repairs – RS and RSP) and in equipment (general repairs – RG and intermediate repairs – RI), other repairs due to unforeseen causes, accidents or vandalism on the railway vehicles (repairs due to malfunction - RAV and repairs due to accident - RAC) and, also, repairs/modernizations in the rolling stock in accordance with the specific request of the customers.

The repairs plan agreed with the Customers for 2014 was generically fulfilled.

In this area of activity it should also be pointed out the obtainment of Certification for the function of Wagon Repair, according to the EU Regulation 445/2011.

Regarding the area of wheelset repair, the following interventions are highlighted:

- Wheelset and transmissions for the SBB (Swiss railways);
- Wheelset for Takargo and GMF (company with head office in Spain and with activity in the area of railway maintenance and repair);
- Wheelset for Fertagus.

As a whole, the repair segment allowed the Company to obtain, in 2014, the income of 27,213 million Euros, which corresponded to 49.6% of the amount of global income of the Company and an improvement of 12% against 2013.

Maintenance

The goal of this activity has been centred in the compliance with the constant maintenance programs of specific agreements of the fleet/market segment of each customer: CP, CP Carga, Prometro, and RENFE.

Additionally, the seasonal maintenance service of historic trains remained, being a product of the CP Customer and with a strong impact on its image.

It was also ensured, for the Fundação do Museu Nacional Ferroviário (FMNF), the maintenance and monitoring of the commercial services of the presidential trains which deserved, in the current

[signed]

year, the APOM diploma for the best intervention of conservation and restoration in 2013, construction realized in cooperation between EMEF and FMNF.

As a whole, the repair segment allowed the Company to obtain, in 2014, the income of 27,661 million Euros, which corresponded to 50.4% of the amount of global income of the Company and an improvement of 4% against 2013.

Rehabilitation

In this component, the following initiatives under course shall be pointed out:

- Reconstruction of the boiler of the steam locomotive 0186 and the alteration of coal-fired heating into fuel heating. During 2014 there were developed agreements for the realization of this project abroad, since there is no technical capacity for the project and its making in Portugal;
- Modifications of wagons for Mota Engil;
- Integration of components in the model for the Intrans project.

Engineering, Innovation and Development

Concerning the optimization of processes in operating areas, the following are to be highlighted:

- Insourcing of repair of electronic components of the information system to the passengers in the UME 3400, with the use of resident technical knowledge and specialized work-force, which allowed the reduction of the package abroad (producers);
- Implementation of magnetoscope tests in the technical assessment, research and control of eventual cracks in bogies of CPA trains instead of previously used non-destructive tests, allowing a more reliable control and a significant reduction of work-force hours and materials;
- Development of the continued technical analysis for assessing the possibility of enlarging the frequency of substitution of oil and filters of the commuter system which, regardless the reduction of work-force and environmental impact for the management of residue, will represent an annual saving of expenses through the non-acquisition of materials;
- Based on the daily monitoring to the trains, the application of the maintenance methodology under condition has allowed to enlarge the period of substitution of the brakes for vehicles, which results in work-force savings and cost reduction in acquisition of materials;
- Development of the project conception/execution for substituting the reading/diffusion of videos in the CPA trains, by substituting the DVD player for Media Plyer, which allowed a significant improvement in the reliability of the system and of the service quality provided to the customer. Additionally, it represents a decrease of maintenance/repair expenses;
- Insourcing the repair of some routable equipment, given that it was verified they might be object of intervention in the maintenance due to the usage of skilled labour;
- Adaptation of the tests bench of Diesel motors in order to increase the variety of testing equipment (small capacity motors until 700HP motors) with a consequent reduction of the testing and rolling on the exiting of unities and underlying reduction of fuel consumption and environmental impact.

[signed]

In the Scope of Internationalization

The business development strategy abroad is strongly based in Portuguese-Speaking Africa and in geographically adjacent countries, alongside with the exploration of relationships with the Chinese market. Some of the most relevant actions:

- In Mozambique, taking advantage of the good political relationships between both states, EMEF signed cooperation agreements with CFM (*Portos e Caminhos de Ferro de Moçambique*);
- In Angola, the negotiations with the 3 managing companies of the Caminho de Ferro de Angola, with the Regulator and with the Political Power have been held in strict cooperation, having been already signed agreements with the Company Caminhos de Ferro de Luanda and, also, some exchange of experience materialized in technical interventions performed by EMEF engineers in some locomotives;
- In Tunisia, EMEF established ways of Business development with different customers, having been already an answer to an international tender for the rehabilitation of manoeuvre locomotives;
- In Senegal, EMEF has developed several commercial initiatives with the support of AICEP, taking advantage of the presence in Lisbon of representatives of companies and of the Senegalese political power. There have been visits to the EMEF facilities, and those companies expressed their interest in consulting EMEF for actions to be developed in 2015;
- In the Persian Gulf, EMEF has been invited to actively participate in the definition of a strategy for the development of Railway Networks, either in the component of heavy railway either in the component of light railway, as is the case of surface subways;
- In China, at May 14 2014, EMEF was in Beijing and signed a memorandum of understanding and technical and industrial cooperation with China CNR Corporation Lda, the largest railway company in the world, aiming to guarantee "after sales", namely in Africa and in Latin America.

EMEF still holds industrial and commercial relationships in Spain, France, Switzerland, Germany, Norway and United Kingdom.

Resources Management

Total Permanent Staff

At the end of the financial year of 2014 (December 31st), EMEF had 1030 employees on duty, a reduction of 4% against the end of 2013.

Absenteeism was of 8.86%, an increase of 2.03% against 2013. The main cause for absenteeism in EMEF was still "Illness", and it raised 2% against the past year.

In the scope of developing professional competences, EMEF held and increased in 2014 the guidance for internal training. Thus, the internal training sessions corresponded to 89% of the performed training hours and the external training sessions corresponded to 11%. 1.549 trainees participated in the aforementioned training sessions, and 13.781 training hours were provided.

[signed]

Income

The Total Revenue of EMEF registered in 2014 an increase of around 8% against 2013.

Concerning the evolution of the total revenue per customer, CP, CP Carga and Prometro are the most important customers of the company and they jointly represent 90.3% of the sales and service allowances of the company.

In 2014, the maintenance and repair segments have a practically balanced cost and a favourable evolution of both segments of activity against 2013.

Activity Segment (Amounts in €)	2014	2013	Variation	
			Amount	%
Repair	27,212,795	24,335,106	2,877,689	12%
Maintenance	27,660,608	26,585,333	1,075,275	4%
TOTAL	54,873,403	50,920,439	3,952,964	8%

Investments

Pursuing an investment containment policy, those investments were only on strictly necessary equipment for the pursuance of the company's activity, rising up to around 108 thousand Euros in 2014. Furthermore, those investments were centred in constructions performed in the company's facilities and improvements regarding information systems.

Outcomes

EMEF's Net Profit registered an improvement of 4,3 million Euros against 2013. This Evolution was the result of the joint effect of the improvement of the Operating Outcome and of the diminishing of the financial liability and the related interest rates.

The Operating Outcome had a variation of +3.9 million Euros against the previous year. This improvement is justified by the increase of the operating activity of the company, where the operating expenses registered an increase of 5% - which corresponds to +2.9 million Euros. The increase of income is mainly justified by a larger amount of repair interventions.

In 2014 there was a slight decrease in the operating expenses of the company, in the amount of 1.1 million Euros. The most significant reduction was verified in the items Personnel Expenses (without agreement terminations in the amount of - 3.3 million Euros) and Other Expenses (in the amount of -1.2 million Euros). For the mentioned reduction, the increase of agreement terminations by mutual consent in the amount of 1.7 million Euros has also contributed, alongside with the increase of the sub-contracts in the amount of 1.1 million Euros.

The decrease registered in the item payable interest and similar expenses is essentially due to the reduction of the reference interest rates of the funding agreements in force, to the improvement of the funding conditions with the Stakeholder and the National Banking System and, also, to a lesser use of the credit limits of the bank overdrafts.

[signed]

INCOMES AND EXPENSES (Amounts in M€)	PERIODS		VARIATION	
	31-12-2014	31-12-2013	Amount	%
Provided sales and services	54,993,588	50,935,813	4,057,764	8%
Revenue grants	52,329	150,587	-92,258	-65%
Gains/losses of subsidiaries, affiliates and joint ventures	357,737	285,213	72,524	25%
Variation in the production inventories	2,637	0	2,637	100%
Works for own entity	-13,895,729	-13,564,239	-331,490	-2%
Sold commodities and consumed materials costs	-11,137,705	-9,699,103	-1,538,602	-16%
External services and supply	-28,136,555	-29,821,725	1,685,170	6%
Personnel Expenses	-83,395	-358,283	-441,678	-123%
Impairment of inventories (losses/reversals)	11,100	181,252	-170,152	94%
Impairment of receivables (losses/reversals)	11,446	140,618	-129,172	-94%
Other Income and Gains	1,815,900	1,571,345	44,555	16%
Other expenses and losses	-385,843	-991,996	606,153	61%
Outcome before depreciations, funding expenses and taxes	**3,485,326**	**-396,326**	**3,854,651**	**1044%**
Expenses/reversal of depreciations and amortization	-1,241,271	-1,317,287	76,016	6%
Operational Outcome (before funding expenses and taxes)	**2,244,053**	**-1,686,613**	**-3,930,666**	**233%**
Payable interest and similar expenses	-1,244,552	-1,664,455	-419,903	25%
Outcome Before Taxation	**999,502**	**-3,351,086**	**4,350,570**	**130%**
Income tax of the period	-90,017	-32,217	-50,800	-130%
Net Outcome of the Period	**909,485**	**-3,390,285**	**4,299,770**	**127%**

FERNAVE

Executive Summary

FERNAVE has closed the financial year of 2014 with an improvement in the Net Profit of 13.6% (around + 107 thousand Euros) against the financial year of 2013, holding nonetheless a negative Net Profit of 647,735 Euros.
This improvement was due to a slight increase of the Operating Outcome, which was achieved through the significant decrease of expenses, having been materialized in an adverse environment of the Portuguese economic and financial restriction, and also of the transportation companies which constitute its natural market. The investment in the conception and launching of innovative and Customer oriented products and services, either at a national level or for the foreign market, with special emphasis for the African one (mainly Angola and Mozambique) contributed in a relevant manner for the obtained Outcome.

In 2014, its affiliate TRANSCOM has concluded the entrance of a new Stakeholder - ISCTE, Instituto Universitário de Lisboa with 13.1% of the share capital, which altered the share of Fernave from 22% into 19.1%.

Operation

In 2014, Fernave conducted its activity, both in the internal market and in the foreign market, in the following areas:

Training

It has contributed for the development of competencies and increase of qualification of around 4.248 companies' collaborators, in the scope of the transport sector and its surroundings, providing approximately 11.295 training hours.

It has provided training services not only in its specific areas of intervention at a railway level – traction, railway operation management and fixed facilities - but also in the traffic and dock areas, and in those of behavioural scope (including management), informatics and languages.

Concerning the dock area, it has performed training projects for Private Customers, both national and international, in the scope of the new Dock-Work Law.

It has entered in new training areas, in partnership with a paper pulp industry company, and it begun a Process Operator Course, where it provided training in the basic knowledge areas, aiming a better integration of the students in the company.

It has conquered new markets by providing training in Spain for a Catalan rolling stock maintenance company, where it provided training regarding the basic technological systems of railway rolling stock to maintenance operators already on duty.

It has reinforced its communication and market positioning strategy, promoting several initiatives, namely through knowledge sharing sessions made available in thematic seminars.

[signed]

Consultancy

It has continued the sale/provision of services abroad, in the areas of training and Consultancy, more specifically in Angola and Mozambique.

The performed projects in this area may be aggregated in the following specialities: Corporate and Organizing Advisory Service, Management of Human Resources, Competence Development, Organizational Happiness, “RH's logistics" and Railway Accreditation.

Psychological Assessment

It continued the psychological assessment, periodically, of the collaborators of several entities, thus contributing for the control and maintenance of the necessary characteristics for the performance of the duties they were recruited to. It has performed around 805 psychological examinations.

One of the main points was the project executed for CP in the scope of assessing the impacts of the psycho-social risks of the Sales and Inspection Operators (ORV's) of the urban services from Lisbon and Oporto and of the Algarve line.

Resources Management

Total Permanent Staff

The company reduced in 50% its total Permanent Staff since 2010 – year in which there were 58 collaborators.

At the end of the financial year of 2014 (December 31st), Fernave had 28 collaborators on duty.

From the 28 collaborators belonging to the Company's Supervisory Personnel, 7 are in an assignment system, and 6 of them are permanent to CP and 1 to REFER.

In the present financial year, the supplementary total revenue against 2013 was maintained, representing only 0.2% of the potential hours of the year.

The absenteeism rate diminished around 4.7%, being currently at 2.7%.

There were no records of accidents in the financial year of 2014.

Technological and Material Resources

The company, in the scope of its core intervention - training activity - complies with a set of requisites at the level of teaching materials and equipment. Likewise, the recruitment and psychology activity uses specific equipment and software.

Fernave develops its activity in three facilities located in the country: Lisbon, Entroncamento and Oporto.

[signed]

Income

Except for the Unity of Psychological Assessment, in 2014 there was a decrease of the Company's activity (with special impact in the Consultancy activity). Globally speaking, the decrease of the mentioned activity was of 25%.

Income	2014	2013	Variation	
			Amount	%
Training	884,325	1,163,821	-279,496	-24%
Psychology	50,580	33.081	17,499	53%
Consultancy	162.267	271,982	-109,715	-40%
Other Services	988	380	608	160%
TOTAL	**1,098,160**	**1,469,104**	**-371,104**	**-25%**

Outcomes

Despite the fact that in 2014 the company was not able to obtain operational balance, it should be pointed out that the EBIT registered a recovery of 10% in the Net Profit, which, although negative, improved around 14%. The EBITDA, despite remaining negative in around 395 thousand Euros, it presents an improvement of 34 thousand Euros (8%) against 2013. This variation was mainly due to the reduction of Operating Expenses, especially in the item External Services and Supply, which decreased around 29%, and the Personnel Expenses which decreased around 4%. The decrease of External Services and Supply was due mainly to the decrease in expenses with sub-contracts, which accompanied the decrease of income with the provision of training services.

The item "Other Expenses and Losses" presented a decrease of around 62%, as a result of the significant savings in the items of stamp duty and banking charges. These savings resulted in the settlement of the bank loans which were replaced by loans granted by the stakeholder.

The aforementioned substitution of loans justified also the reduction in the financing costs in the amount of 24%.

[signed]

INCOMES AND EXPENSES (Amounts in M€)	PERIODS		VARIATION	
	31-12-2014	31-12-2013	Amount	%
Provided sales and services	1,098,160	1,469,264	-371,104	-25%
External services and supply	-647,115	-908,585	267,470	29%
Personnel Expenses	-945,341	-983,585	38,642	4%
Impairment of receivables (losses/reversals)	2,694	4,082	-1,388	-34%
Impairment of non-depreciable and non-amortisable investments (losses/reversals)	107,170	46,119	61,051	132%
Other Income and Gains	18,467	21,918	-3,451	-16%
Other expenses and losses	-28,694	-77,179	48,485	
Outcome before depreciations, funding expenses and taxes	**-349,659**	**-428,364**	**33,705**	**8%**
Expenses/reversal of depreciations and amortization	-105,399	-129,141	23,742	18%
Operational outcome (before funding expenses and taxes)	**-500,058**	**-557,505**	**57,447**	**10%**
Interests and similar income gained	1,335	1,340	-5	0%
Payable interest and similar expenses	-164,331	-216,637	52,306	24%
Outcome Before Taxation	**-663,054**	**-772,802**	**109,748**	**14%**
Income tax of the period	-11,681	-8,939	-2,742	-31%
Net Outcome of the Period	**-647,735**	**-781,741**	**-107,006**	**14%**

[signed]

ECOSAÚDE

Executive Summary

In 2014 ECOSAÚDE continued its restructuration process and thus continued its reorganization and financial restructuring. The renovation of infrastructures ended with the alteration of facilities in Lisbon and reduced its total staff compliment in 8%. Though these measures encumbered the income account in 2014, they will allow the company to return to financial balance in future years.

Operation

ECOSAÚDE develops its activity in several areas:

Operation Management

The managers have consolidated the development of new models of customer service, materialized in the provision of activity outside the company's facilities and in the offer of integrated services. Regarding optimization of the processes it should be pointed out the entry into production of the new System of Information for Activity Support, amongst others, which allowed the customers the consultation of their processes in an internet portal.

Occupational Health

The prevention measures for health risks of the employees remained to be developed, as well as the mitigation of the occurrence of occupational injuries through surveillance and monitoring by Specialist Doctors, Work Nurses and Health Technicians.

Safety in the Work Place

In 2014 was registered an increase of the activity of the services of consultancy and audit in order to ensure the improvement of working conditions and the prevention of accidents.

Prevention and Control of Addictions

It has as main goals the inhibition of alcohol and drug consumption in the work place and to support the aid to employees affected by excessive consumption. During 2014 there were around 12,410 control interventions.

[signed]

Management of Accidents

In the scope of Medicine of Occupational Accidents there were performed 1,123 medical acts, 29 fewer than in the previous year.

The company also has a scheme of prevention and permanent availability, in the scope of CP's Railway Emergency Plans, an Emergency Department gifted with a set of health and safety professionals which provide aiding and information services to passengers. During 2014 this Department was not activated.

Medical Specialties

In order to complement the activity of health in the work place, the company supports the organizations and its employees through several medical specialities, creating the conditions for prevention, detection and treatment of each situation. In 2014 4.311 speciality consultations and 99 nursing treatments were performed (in 2013 2.628 consultations and 133 nursing treatments were performed).

Training

The training activity in the areas of Safety and Health as a goal the simulation of a culture of safety and the development of working conditions. For that matter, it provides training services inter-companies, in the themes and contents common to all organizations and sectors of activity, and also provides services intra-company, according to the specific needs of each organization.

Summary of the Activity

Area	No. of interventions
Medicine at work	11,602 medical acts and health at the workplace
Safety at work	1,335 interventions of safety at work
Prevention and control of addictions	12,410 control interventions
Accidents Management	The emergency department was not activated in 2014
	1,123 Medicine acts in accidents
Medical specialities	4,311 Specialty consults
	99 nursing treatments
Training	74 training sessions
	758 trainees
	6,883 training hours

[signed]

Resources Management

Total Permanent Staff

The company has 23 permanent collaborators (22 hired in an open-ended employment agreement and 1 hired in a fixed-term agreement) and 55 qualified service providers.

Outcomes

In 2014 the company inverted the trend of the falling Total Revenue (TN), registering a growth of 1.2% (in the previous years it had reduced the TN in 6%). The EBTIDA was negative in the amount of -20 thousand Euros, and the Operational Outcome was of -91 thousand Euros with a Net Income of -12 thousand Euros.

It should, however, be pointed out that during 2014 there were extraordinary and non-recurrent operations which encumbered the Operational Outcome in 130 thousand Euros:

- Decrease of 8% of the total Permanent Staff through termination of agreements by mutual consent;
- Alteration of facilities for *Parque das Nações*, which, besides the investment, implied the recognition of 9 thousand Euros of expenses of extraordinary and non-recurrent nature, originated by the scrapping of benefit constructions performed in previous years in the old facilities, which have not been amortised yet;
- Recognition of non-planned Personnel Expenses in the amount of 49 thousand Euros as a result of the declaration of unconstitutionality by the Constitutional Court of the salaries decrease foreseen in the Law of the State's Budget;
- Recognition of expenses and Income of Extraordinary Nature related with previous years, with impact in the Operational Outcome in the amount of 13 thousand Euros.

These management measures encumbered the income account of 2014, which harmed the outcomes of the financial year, despite clearly benefitting the competitiveness of the company in the future years. It also rationed its costs structure. With these events of extraordinary nature adjusted, the EBITDA would be of +110 thousand Euros, the Operational Outcome would be of +39 thousand years and the Net Outcome of the period would be of +4 thousand Euros.

In terms of treasury, the company was autonomous, with an Operational Cash Flow exceeding the funding needs and debt services.

[signed]

INCOMES AND EXPENSES	PERIODS		VARIATION	
	31-12-2014	31-12-2013	Amount	%
Provided sales and services	2,081,745	2,057,630	24,115	1%
External services and supply	-1,214,315	-1,244,063	29,748	2%
Personnel Expenses	-816,265	-769,406	-46,859	-6%
Impairment of receivables (losses/reversals)	-3,380	70	-3,450	-4929%
Provisions (increases/decreases)	0	26,000	-26,000	-100%
Other Income and Gains	3,842	5,522	-1,680	-30%
Other expenses and losses	-72,057	-79,951	7,894	10%
Outcome before depreciations, funding expenses and taxes	**-20,430**	**-4,198**	**-16,232**	**-387%**
Expenses/reversal of depreciations and amortization	-70,432	-61,302	-9,130	-39%
Expenses/reversal of depreciations and amortization Operational outcome (before funding expenses and taxes)	**-90,862**	**-65,500**	**-25,362**	**40%**
Payable interest and similar expenses	-27,555	-46,267	18,712	-6%
Outcome Before Taxation	**-118,417**	**-111,767**	**-6,650**	**-2%**
Income tax of the financial year	-7,651	-7,468	-183	-6%
Net Outcome of the Period	**-126,068**	**119,235**	**-6,833**	

[signed]

SAROS

Executive Summary

Following what was verified in previous years, SAROS obtained a positive Net Profit of 269,8 thousand Euros. As a result, it was inferior in 5.9% against the previous year, due to the verified decrease namely by the diminishing of the item "Provided Sales and Services". It should be pointed out that in 2013 there was a large receivable commission from the Insurance Company Fidelidade, in the amount of 152,8 Euros, concerning settling commissions of 2012. In this scenario, the management endeavoured in the pursuance of a policy which allowed the minimizing of expenses.

Operation

The insurance Portfolio of SAROS is composed almost fully by companies from the Group CP, which generates incomes (commissions) payed by the Insurance Companies to SAROS.

For each one of the insurance branches, SAROS has a negotiated commission, which is supported by a Mediating Agreement, concluded with each one of the Insurance Companies.

While developing its activity, the company provides advisory, support and counselling to the companies in order to obtain the best combinations amongst the activity's risk hedging and the awards payable.

In October 2014, CP proceeded to nominate SAROS as a mediator of the health policies of the CP Group. These policies might generate annual and expressive commissions for the dimension of SAROS.

Resources Management

Total Permanent Staff

SAROS developed its activity with the current functioning ensured only by Management. Concerning the specificity of SAROS's activity, it is legally mandatory that one of the Managers is the insurance mediators, thus, the Management is constituted by two Managers, a member of the Board of Directors of CP, and by another member, which is responsible by the activity of mediation of services, being skilled as an insurance mediator by the ASF (previous ISP).

[signed]

Income

In 2014, despite verifying an increase of commissions concerning some branches (namely Work Accidents and Multi-Risks), that increase was not enough to attenuate the verified decreases, particularly regarding the Health Branch (less 75.9 thousand Euros against the previous year).

Concerning the Health Branch, the nomination by CP of SAROS as a mediator of health policies in the CP Group, the relevant mediation commissions (an amount of 99.7 thousand Euros) were crucial for SAROS to earn, since October 2014 (date of policy renewal).

The Branch Occupational Injuries was the one presenting the most weight 47.7%, followed by the Health Branch - which represented 29.7%, and the Civil Responsibility with an amount of 13.9%. These 3 branches jointly gathered 91.3 of the obtained commissions.

Branches	2014	2013	Variation	
			Amount	%
Personal accidents	1	8	-7	-87%
Work Accidents	160	129	32	25%
Transported goods	0	3	-3	-100%
Health	100	176	-76	-43%
Multi-risk Companies	19	12	7	57%
Civil Responsibility	44	49	-5	-9%
Others	12	12	0	-3%
TOTAL	336	388	-52	-13%

The Insurance Companies with the most weight in the total of the gained commissions were Mapfre, with 51.05% of the obtained commissions, and Fidelidade, which represented 47.73%. Thus, these two Insurance Companies jointly represented 98.8%.

[signed]

Outcomes

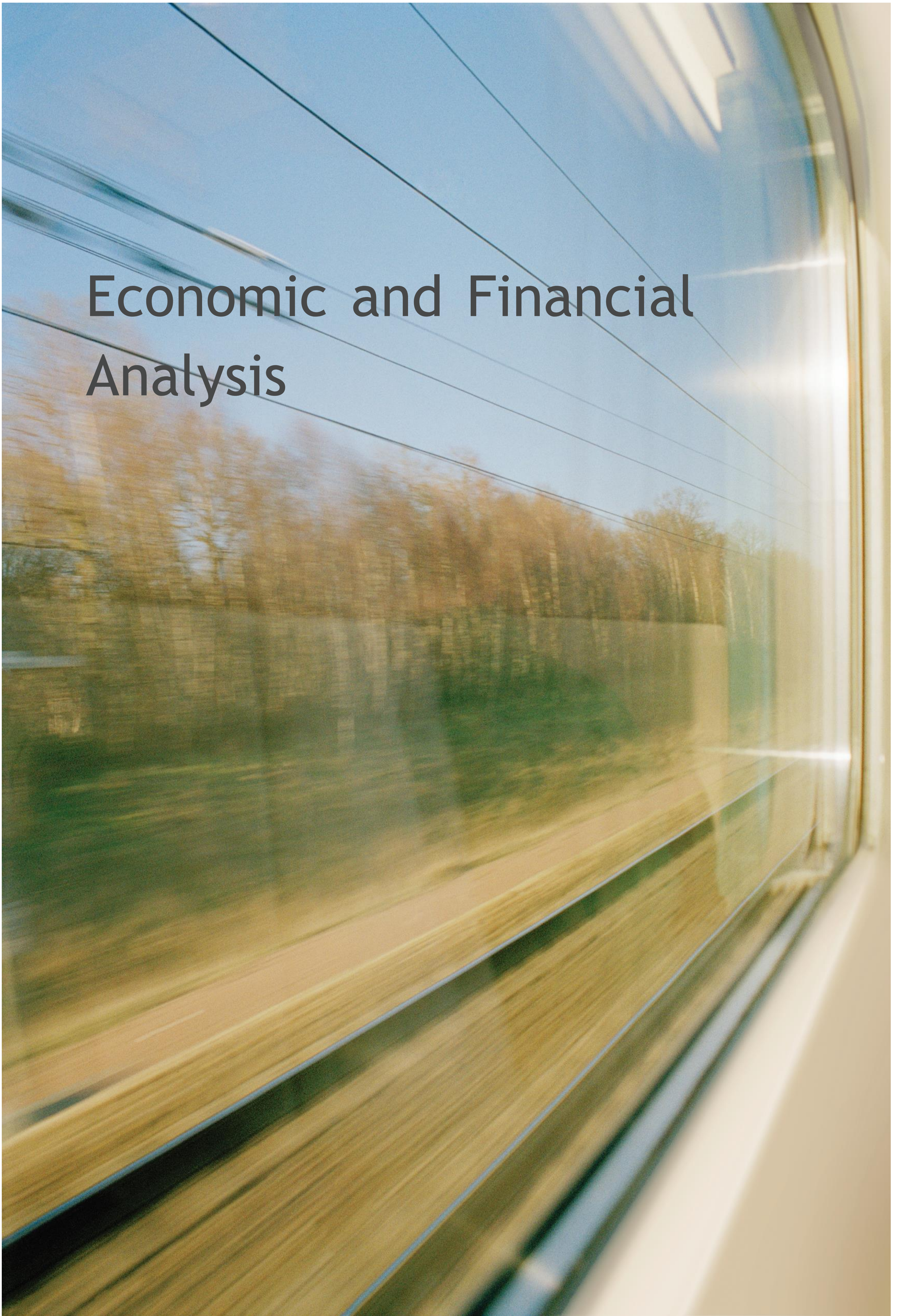
The net Outcomes assessed in 2014 were a total of 269.8% thousand Euros, an amount which revealed to be inferior in 5.9% than the one of the previous year. This decrease was greatly motivated by the verified reduction in the item “Provided Sales and Services”, which had a negative variation of 13.4% against 2013 and by the reasons mentioned in the Executive Summary.

It is important to point out the positive contribution the item “External Services and Supply” had presented in the obtained Outcomes; this item in 2014 achieved a reduction of 82.5% against 2013.

INCOMES AND EXPENSES	PERIODS		VARIATION	
	31-12-2014	31-12-2013	Amount	%
Provided sales and services	335,868	387,756	-51,888	-13%
External services and supply	-7,051	-40,321	33,270	83%
Personnel Expenses	-48,103	-43,499	-4,604	-11%
Other Income and Gains	1,257	1,346	-99	-7%
Other expenses and losses	-8,785	-14,612	5,827	40%
Outcome before depreciations, funding expenses and taxes	**273,186**	**190,681**	**-17,495**	**-6%**
Expenses/reversal of depreciations and amortization	0	0	0	0%
Expenses/reversal of depreciations and amortization Operational outcome (before funding expenses and taxes)	**273,186**	**190,681**	**-17,495**	**-6%**
Payable interest and similar expenses	747	417	330	79%
Outcome Before Taxation	**273,933**	**291,098**	**-17,165**	**-6%**
Income tax of the financial year	-4,105	-4,349	244	6%
Net Outcome of the Period	**269,828**	**286,749**	**-16,921**	**-6%**

[signed]

Economic and Financial Analysis



ECONOMIC AND FINANCIAL ANALYSIS

Trading Account Evolution

The consolidated financial statements of CO Group were prepared in the assumption of continuing the operations, from the accounting registries of the companies included in the consolidated accounting requirements, in accordance with the international regulations of financing report, as adopted by the European Union, issued and in force at December 31st 2014.

INCOMES AND EXPENSES (Amounts in M€)	PERIODS		VARIATION	
	REAL 31-12-2014	REAL 31-12-2013	Amount	%
Provided sales and services	292,837	276,792	16,044	6%
Operating allowances	17,980	34,534	-16,554	-48%
Variation in the inventory production	-120	-15	-105	-682%
Works for the own entity	9,688	10,845	-1,156	-11%
Other Income and Gains	60,502	23,315	37,187	159%
SUB-TOTAL	380,887	345,471	35,416	10%
Sold commodities and consumed materials costs	-24,301	-24,950	648	3%
External services and supply	-164,896	-162,087	-2,809	-2%
Personnel Expenses (w/o compensations)	-143,600	-140,199	-3,401	-2%
Other expenses and losses	-11,464	-7,543	-3,921	52%
SUB-TOTAL	-344,260	-334,778	-9,482	-3%
Operational result of transportation activities* (EBITDA)	36,627	10,693	25,934	243%
Expenses/reversal of depreciations and amortization	-70,866	-74,986	4,120	5%
Impairment of depreciable and amortisable investments (losses/reversals)	-4,707	-2,524	-2,183	-86%
Carry-Over Payments	-5,136	-7,342	2,206	30%
Gains/losses attributed to subsidiaries, associated companies and joint ventures	400	627	-227	-36%
Inventory Impairments (losses/reversals)	-201	236	-437	-185%
Impairment of receivables (losses/reversals)	1,458	789	669	85%
Provisions (increases/decreases)	10,790	4,552	6,267	139%
Impairment of non-depreciable and non-amortisable investments (losses/reversals)	10,721	-7,363	18,084	246%
Operational Outcome	-20,914	-75,349	54,435	72%
Fair-value increases/reductions	64,456	66,022	-566	-1%
Interests and similar income gained	59	238	-179	-75%
Payable interest and similar expenses	-207,505	-216,104	8,599	4%
Financial Outcome	-141,990	-149,844	7,854	5%
Outcome Before Taxation	-162,904	-225,193	62,289	28%
Income tax of the period	1,559	-422	1,981	469%
Net Outcome of the Period	-161,345	-225,615	64,270	28%

OPERATIONAL RESUTL OF THE ACTIVITY OF PASSANGERS TRANSPORTATION (EBITDA)	36,622	10,693	25,934	243%
Carry-Over Payments	-5,136	-7,342	2,206	30%
Application MEP, fair-value, impairment and provisions	23,168	-1,189	24,357	2048%

[signed]

Depreciations	-75,573	-77,511	1,938	3%
OPERATIONAL OUTCOME	-20,914	-75,349	54,435	72%
FINANCIAL OUTCOME	141,990	-149,844	7,854	5%
NET INCOME	-161,345	-225,615	64,270	28%

The Group concluded the financial year of 2014 with a net profit of -163 million Euros, 64.3 million Euros more (+28%) than the one registered in 2013. This variation was mainly motivated by the increase of provided sales and services in 16 million Euros, by the increase of other income and gains in 37.2 million Euros, as result of mainly the disposal of the freight terminals to REFER and, also, by the generalized improvement of the remaining items of the operational outcome non-related with the transport activity, namely regarding provisions and impairments, whose costs have diminished around 22.2 million Euros.

It should also be pointed out that this improvement was obtained in a financial year in which the allowances granted by the State to the exploration of the CP Group presented a strong reduction (-16.6 million Euros, that is, around -48%).

The registered improvement in the financial outcome in the amount of 7.9 million Euros was mainly the result of the decrease of spreads of the interest rates in all the past due loans and for which there was the need of contracting new substitution loans.

The positive EBITDA of 36.6 million Euros presents itself 25.9 million Euros above the amount registered in 2013, due to the aforementioned growth of the provided sales and services and of other income and gains. This indicator was, however, negatively affected by the decrease of revenue grants, also mentioned above, as well as the increase of Personnel Expenses without terminations, of the external services and supply and of other expenses and losses.

It should be pointed out that the verified growth in thee personnel expenses without terminations in the amount of 3.4 million Euros, as a main result of the adjustment of the amount of expenses regarding occupational injuries' allowances in the amount of 11.1 million Euros, which would make necessary in order for the CP Group to have the possibility of a future benefit of tax credit as a result of the application of Law no. 61/2014 from August 26. This movement had, however, a counterpart of equal amount in the reduction of the established provisions for these allowances, given that in accounting terms it had no impact in the outcomes of the Group.

The other expenses and losses present an increase of 3.9 million Euros against 2013, as a result of the scrapping of the rolling stock performed during 2014.

Regarding the remaining items of the operational outcome which do not contribute to the EBITDA of the Group, the impairments of non-depreciation investments in the amount of 18 million Euros are to be pointed out, as a result of the non-constitution of additional impairments of non-current assets held for sale and of the reversal of impairments constituted for rolling stock which in the meantime was scrapped off and/or reassigned to the company's operational activity, as well as the provision constituted for occupational injuries in 11.1 million Euros, as mentioned above.

[signed]

Evolution of the main items of Balance

ITEMS (Amounts in thousands €)	PERIODS		VARIATION 2014/2013	
	31-12-2014	31-12-2013	Amount	%
ASSET				
Non-current Asset	821,756	901,632	-79,876	-9%
Current Asset	152,734	168,412	-15,678	-9%
Total of the Asset	**974,490**	**1,070,044**	**-95,554**	**-9%**
EQUITY AND LIABILITY				
Equity including:	-3,569,003	-3,406,715	-162,288	-5%
Net income of the period	-161,345	-225,615	64,270	28%
Total of the equity	**-3,569,003**	**-3,406,715**	**-162,288**	**-5%**
LIABILITY				
Non-current Liability	3,584,446	1,926,437	1,658,009	86%
Current Liability	959,047	2,550,323	-1,591,275	-62%
Total of the Liability	**4,534,493**	**4,476,760**	**66,734**	**1%**
Total Equity + Liability	**974,490**	**1,070,044**	**-95,554**	**-9%**

Asset

In the period being analysed, the asset of the CP Group has diminished 95.6 million Euros, and the following most significant impacts are to be pointed out as follows:

- Decrease of the fixed tangible assets in 82.7 million Euros as a result of the disposal to REFER of freight terminals and, consequently, the depreciation of these assets was only partially compensated by the performed investment;
- Recognition of deferred tax assets in the amount of 2.5 million Euros as a result of the subscription by CP to the applicable scheme of deferred tax assets (Law no. 61/2014 from August 26), thus making it possible, in this context, the obtaining of tax credits related with the application of the mentioned scheme in the treatment of occupational injuries' allowances;
- Decrease of the balance of customers in 2 million Euros, originating mainly in the regularization of the BCC’s customer balance;
- Decrease of the balance of the State and Other Public Entities in 4 million Euros as a result of the decrease of the VAT value, which is to be regularized in a favourable outcome of the process in the Appeals Office;
- Decrease of other receivables in 2.5 million Euros, as a main result of the regularization of the amounts in arrear to REFER, following the concluded payment agreement;
- Decrease of other financial assets in 16 million Euros as a result of the overdue and usage of the amount of short-term financial assets existing in the ICGP in order to solve the treasury needs of the company;
- Decrease of the amount of impairment in the non-current assets held for sale, in the amount of 4 million Euros, as a result of the scrapped off rolling stock classified in this balance item (10 UTD's 6000 and one ALLAN) and of the reclassification for fixed-assets of material allocated to exploration; and
- Increase of cash flow and bank deposits in 14 million Euros, as a result of the payment to REFER due to the accounts settling concluded on 31/12/2014.

[signed]

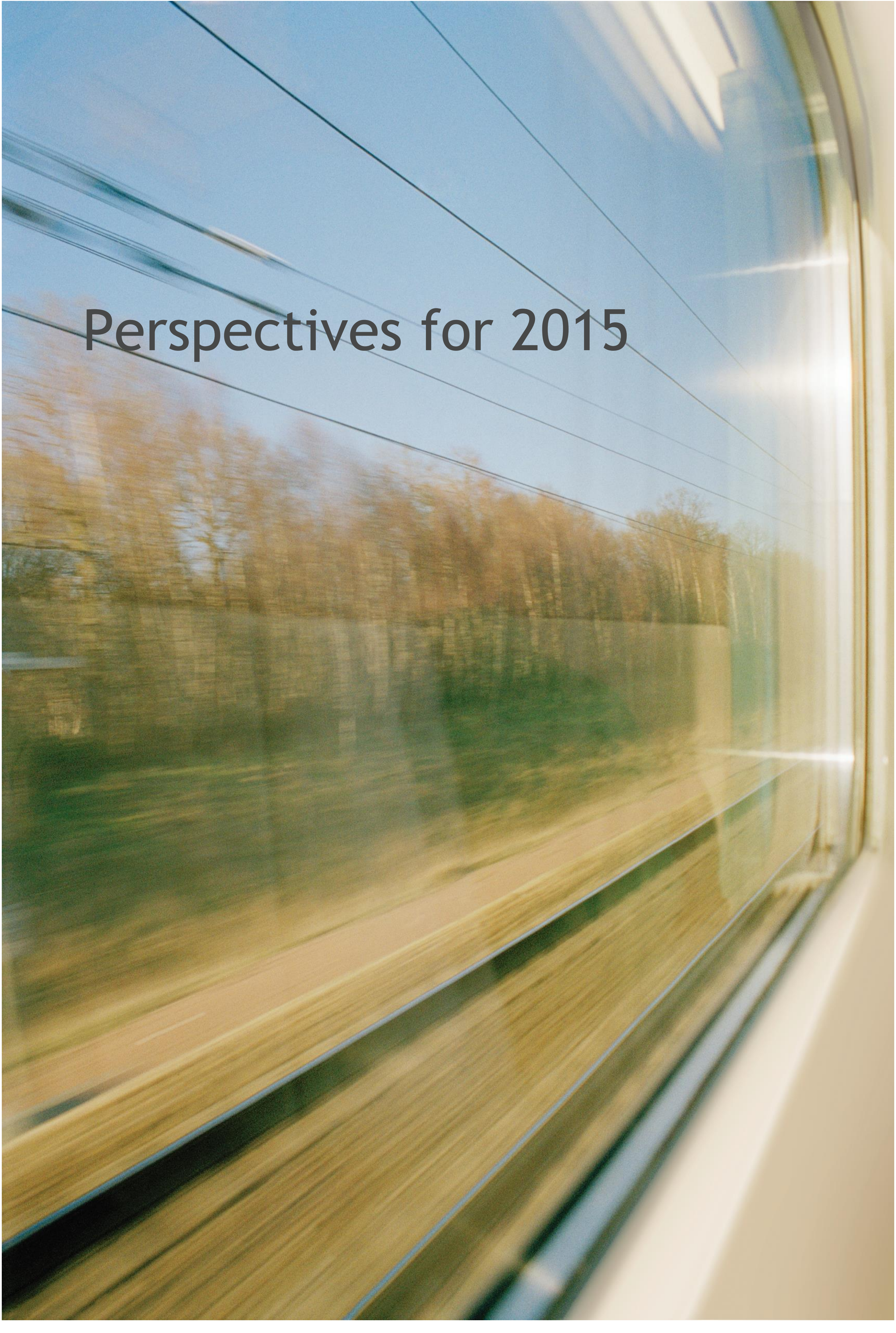
Liability

The amount of CP's liability registered an increase of 66.7 million Euros, in the period being analysed, and the following most significant impacts shall be pointed out:

- Decrease of provisions established in 9 million Euros, as a fundamental result of the annulment of the established provisions in order to face the responsibilities with occupational injuries' allowances, following the alterations of accounting treatment resulting from the application of Law no. 61/2014 from August 26;
- Increase of the obtained funding in the amount of 276.8 million Euros, thus the substitution of the short-term funding for medium and long-term funding. This increase of debt was exclusively due to the necessary amount to ensure the payment of the interests and of the debt to REFER;
- Increase of other accounts payable in the non-current liability in 11.1 million Euros as a result of the alteration of the accounting procedure of the benefits of employees related with occupational injuries' allowances, which was necessary in order for the future benefit of the Group of tax credit resulting from the application of Law no. 61/2014 from August 26;
- Decrease of the debts to suppliers and other accounts payable in short-term in the amount of 138.6 million Euros, which contributed essentially for the payment of the historical debt to REFER;
- Decrease of the deferrals in the amount of 10 million Euros as a result of the diminishing of the income to be recognized and related with investment allowances; and
- Positive variation of potentially unfavourable swaps between 31/12/2013 and 31/12/2014 in 65.5 million Euros.

[signed]

Perspectives for 2015



PERSPECTIVES FOR 2015

The economic recovery signals, the social peace working environment which resulted from the agreements concluded with the Employees Representative Structures and a more effective investment in commercial and communication policies, allowed the alteration of the loss of procurement situation verified in the last few years and, furthermore, they resulted as an incentive for the improvement of the activity levels of CP in 2015.

It is foreseen that, in 2015, the Portuguese economy shall accelerate the economic recovery initiated in 2014, due to the performance related to the maintenance of the increase levels in exportations and to a moderate increase of importations, as well as the controlled restitution of the levels of investment and stabilizing of the private consumption, jointly with a continuing effect of budgetary discipline.

Despite the several conjuncture indicators suggesting a favourable scenario, there still are uncertainties regarding budget and associated risks to the possibility of a less positive performance than the one foreseen for economy in the Euro Zone, which might influence negatively the evolution of the economic growth. Thus, the strategic focus is maintained in the gaining of economic and financial sustainability of the Company and in the viability of CP affiliate companies.

Concerning CP, in order for obtaining budgetary equilibrium, the strategic guidelines established in accordance with the guidelines from the Responsible Ministries of Finance, Transportation and Infrastructures (PETI) for the horizon 2014-2020 are, namely:

- Create/maintain social peace and employees appreciation;
- Further development of the dialogue with the infrastructure manager;
- Definition of the yard and valuation of the rolling stock;
- Fight procurement loss by defining a policy of cost with the aim of promoting procurement and income, and of the use of digital platforms as central elements of the customer proximity strategy;
- Fight against fraud;
- Adaptation of the offer to the procurement;
- Expenses decrease;
- Profitability of non-core assets;

CP Carga will continue the implementation of restructuring measures potentiating the procurement and the profitability of transportation offer and of the resources involved, which are materialized in an adequate preparation of the company for dispute in the market in competitive conditions, with a growing positioning in traffics of strategic interests aligned with what is intended, considering the privatization process- which is foreseen to occur in a near future.

The main goals established for this company for 2015 are:

[signed]

- Sustainable development of the national and international traffic;
- Promotions of inter-modality;
- Promotion of inter-operability across borders;
- Implement the productivity of the material Resources;
- Maximise the profits of the rolling stock fleet and increase the average cargo per train (duplicate the cargo per wagon in timber transportation);
- Increase efficacy in the financial (reduce the medium deadlines of billing and receivables) and in the human resources levels.

EMEF, having made the decision of pursuing the privatization process of the company, foresees the continuity of the efforts in improving quality, as well as efficacy and efficiency of the productive model, establishing and promoting the meritocracy in management, leveraging funding and performing an enlargement of the business to new geographies, thus maintaining the current positions of the company - as a main provider of services and of maintenance of repair of railway rolling stock in Portugal.

In this context, the company has as main goals for 2015:

- Restructuration aiming to optimize resources;
- Efforts in the internationalization and in the creation of strategic partnerships;
- Technological innovation (activities of I&D);
- Introduce a dynamic management by goals, dedicated for obtaining results.

For FERNAVE, in the current status, where great alterations on the sector hope to be seen, it is of the upmost importance to continue the adjusting process established in the Strategic Development Plan 2013-2015. The current intervention focus (corresponding to the railway DNA) shall be enlarged and complemented, beginning to integrate the remaining means of transportation. On the other hand, conquering new markets, such as CPLC, will be fundamental to ensure a volume of activity which agrees with the sustainability of the company.

The main goals for 2015 are:

- Focus on the foreign market; Either in the reinforcement of its activity either in the support of companies' internationalization;
- Reinforcement of the innovation and dynamics of new products;
- Reinforcement of partnerships and of a corporate communication strategy aimed to the market;
- Disposal of assets which do not meet the current needs: Completing the disposal of the surface rights of assets in Mozambique – Maputo and eventual delocalization of the head office of the Lisbon Delegation for facilities closer to the railway universe and with less operating expenses.

Concerning ECOSAÚDE, after the conclusion in 2014 of the renewal of infrastructures, with the alteration of facilities in Lisbon and with the decrease of the total staff compliment – a process to be concluded in 2015 -, the conditions necessary for the return of the company to the financial balance in a sustainable way seem to be gathered.

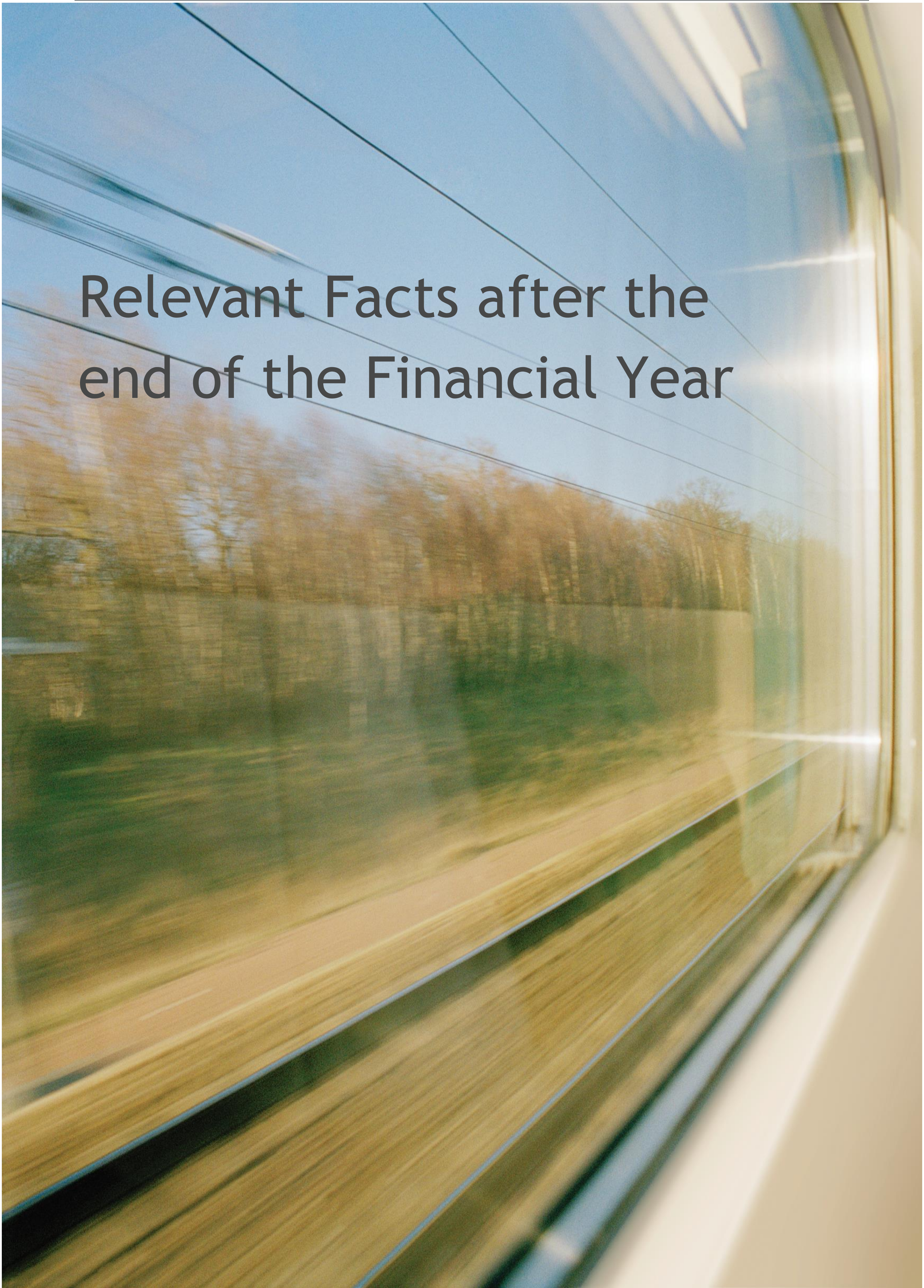
[signed]

The management policy of ECOSAÚDE for 2015 will be focused in two priorities: the growth of the volume of its service provisions and the rationing of the structure of its operational expenses, having as main goals for the year;

- Renegotiation of agreements for service provision to suppliers;
- Commercial Effort in the electronic platforms of public procurement;
- Prospection in high risk activity sectors.

[signed]

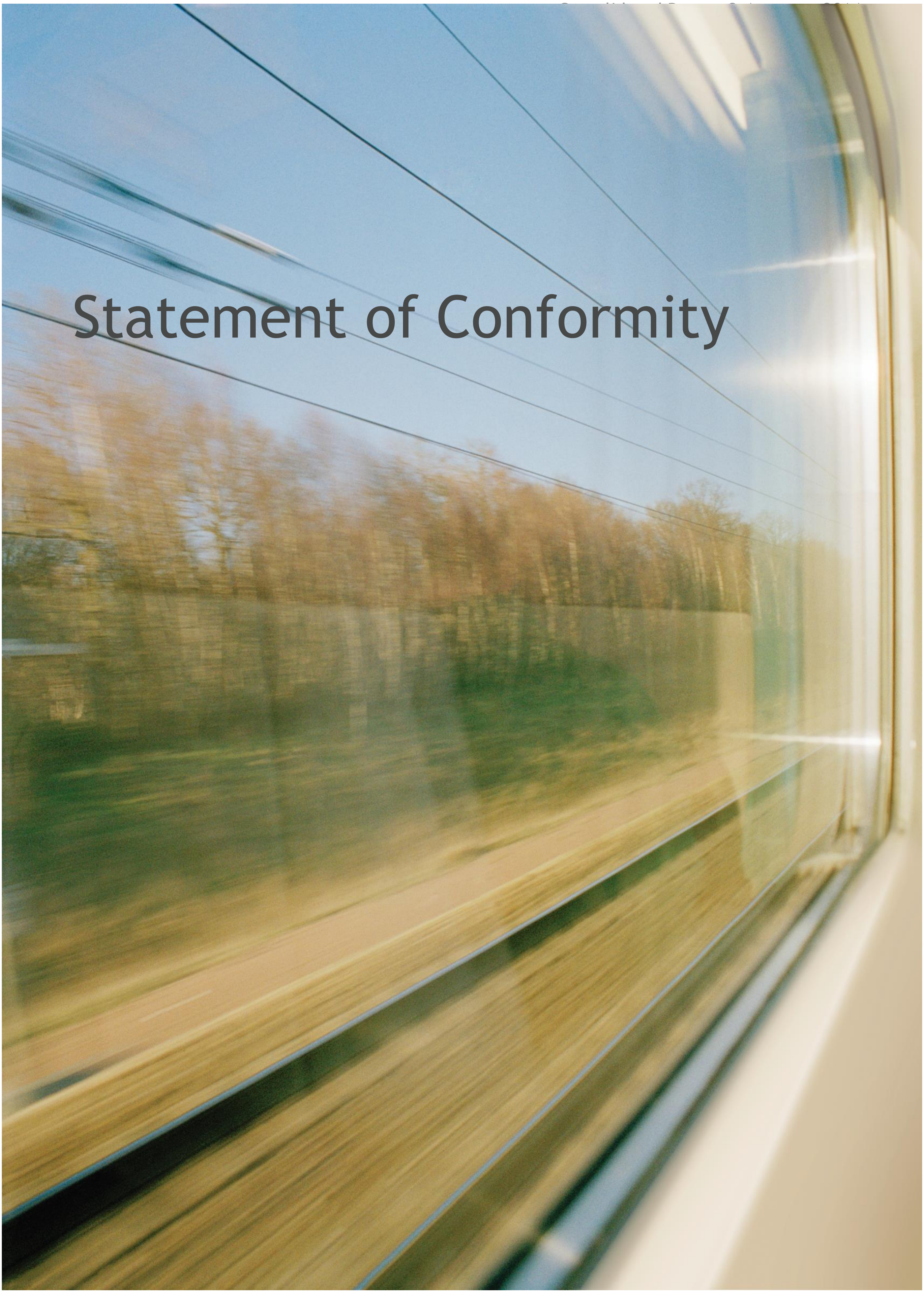
Relevant Facts after the end of the Financial Year



RELEVANT FACTS AFTER THE END OF THE FINANCIAL YEAR

There were no relevant facts which could have had impact in the accounts after the balance date.

[signed]



Statement of Conformity

STATEMENT OF CONFORMITY

(in accordance with section c) of paragraph 1 article 245 of the Securities Code)

As far as we know: The information foreseen in section a) of paragraph 1 article 245 of the Securities Code was established in compliance with the applicable accounting norms, providing a true and appropriate image of the asset and the liability, of the financial situation and of the results of CP - Comboios de Portugal, EPE and of the companies included in the consolidated accounting requirements (CP GROUP), and the management report exhibits accurately the business evolution, the performance and the position of the company and, also, it contains a description of the main risks and uncertainties of the company.

Lisbon, March 5 2015

The Board of Directors

[signed]
Chairman: Eng. Manuel Tomás Cortez Rodrigues Queiró

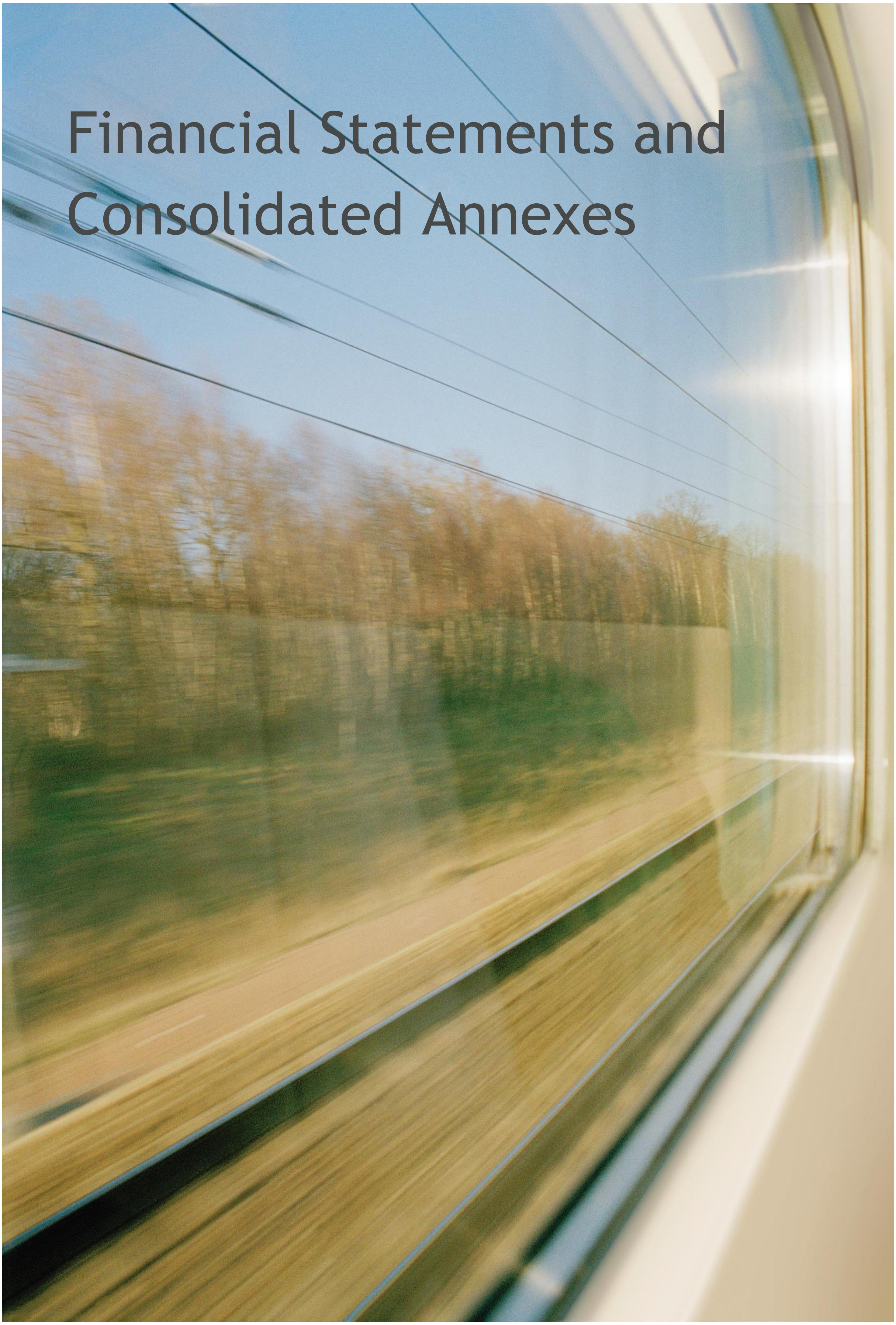
[signed]
Vice-president: Dra. Cristina Maria dos Santos Pinto Dias

[signed]
Voting Member: Dra. Maria Isabel de Jesus da Silva Marques Vicente

[signed]
Voting Member: Dra. Maria João Semedo Carmelo Rosa Calado Lopes

[signed]

Financial Statements and Consolidated Annexes



FINANCIAL STATEMENTS AND CONSOLIDATED ANNEXES

Consolidated Balance at December 31 2014 (Amounts in Euros)

ITEMS	NOTES	PERIODS	
		31-12-2014	31-12-2013
ASSET			
Non-current Asset			
Fixed Tangible Assets	7	790,532,911	873,190,482
Intangible Assets	8	93,589	87,673
Financial Statements - Equity Method	10	567,834	388,530
Financial Statements - Other Methods	11	28,072,568	27,965,397
Deferred Tax Assets	12	2,488,729	
		821,755,631	901,632,082
Current Asset			
Inventories	15	23,163,479	23,419,446
Customers	16	22,406,910	24,430,989
Advancements to Suppliers	17	132,271	157,685
State and Other Public Entities	18	12,524,943	16,564,456
Shareholders/partners	13		141,291
Other receivables	19	16,353,400	18,811,919
Deferrals	20	23,429,154	24,089,511
Financial Assets Held for Negotiation	21	54	54
Other Financial Assets	22		16,000,000
Non-current Assets Held for Sale	23	23,370,359	27,366,763
Cash-flow and bank deposits	4	31,353,777	17,429,987
		152,734,347	168,412,101
Total of the Asset		**974,489,978**	**1,070,044,183**
EQUITY AND LIABILITY			
Equity			
Paid-up Capital			
Legal Reserves	24	1,995,317,000	1,995,317,000
Own shares (quotas)	25		
Other equity instruments	26		
Issuance awards			
Legal reserves			
Other Reserves	27	24,703	24,703
Surplus brought forward	28	1,306,650	1,306,650
Surplus outcomes	29	(5,495,796,519)	(5,269,105,740)
Financial assets adjustments	30	132,640	
Other changes in equity	31	91,357,368	91,357,368
Net Income of the Period		(161,345,168)	(225,615,470)
Minority interests			
Total of Equity		**(3,569,003,326)**	**(3,406,715,489)**
Liability			
Non-Current Liability			
Provisions	32	12,861,416	21,879,368
Obtained Funding	33	3,560,523,531	1,904,557,689
Other accounts payable	34	11,061,019	
		3,584,445,966	1,926,437,057
Current Liability			
Suppliers	35	47,447,420	159,348,184
Advances to Customers	36	780,308	880,328
State and other public Entities	18	8,541,481	6,476,085
Obtained Funding	33	628,456,694	2,007,619,583
Other accounts payable	34	103,332,655	130,048,762

[signed]

Deferrals	20	166,785,214	176.790.475
Financial Liabilities Held for Negotiation	37	3,703,566	69.159.198
		959,047,338	2,550,322,615
Total of the Liability		4,543,493,304	4,476,759,672
Total of Equity and Liability		**974,489,978**	**1,070,044,183**

[signed]
Official Accounts Technician – Dr. Ana Coelho

[signed]
President – Eng. Manuel Tomás Cortez Roriguez Queiró
[signed]
Vice-President – Dr. Cristina Maria dos Santos Pinto Dias
[signed]
Voting Member – Dr. Maria Isabel de Jesus da Silva Marques Vicente
[signed]

[signed]

Voting Member – Dr. Maria João Semedo Carmelo Rosa Calado Lopes

Consolidated Statement of the Outcomes and other full income
Period Ended at December 31 2014

(Amounts in Euros)

INCOME AND EXPENSES	Notes	PERIODS	
		31-12-2014	31-12-2013
Provided sales and services	38	292,836,618	276,792,200
Operating allowances	39	17,980,010	34,534,222
Gains/losses attributed to subsidiaries, associated companies and joint ventures	40	400,430	627,212
Variation in the production inventories	15	(120,173)	(15,374)
Works for own entity	41	9,688,390	10,844,634
Sold commodities value and consumed matters	42	(24,301,132)	(24,949,567)
External services and supply	43	(164,896,043)	(162,087,219)
Personnel expenses	44	(148,735,606)	(147,540,976)
Impairment of inventories (losses/reversions)	15	(200,776)	235,859
Impairment of receivables (losses/reversions)	16,19	1,457,858	788,574
Provisions (increases/reductions)	32	10,789,540	4,522,432
Impairment of non-amortizable nor depreciable investments (losses/reversions)	45	10,721,063	(7,363,249)
Other income and gains	46	60,502,200	23,315,124
Other expenses and losses	47	(11,463,541)	(7,542,519)
Outcomes before depreciations, fair-value, funding expenses and taxes		54,658,838	2,161,353
Expenses/reversal of depreciations and amortization	49	70,865,682)	(74,986,111)
Impairment of depreciable and amortisable investments (losses/reversions)	50	(4,706,977)	(2,524,434)
Operational Outcome (before funding losses and taxes)		(20,913,821)	(75,349,192)
Increase/reduction of fair-value	48	65,455,632	66,022,026
Interests and similar income gained	51	58,788	237,594
Payable interests and similar expenses	52	(207,504,825)	(216,103,554)
Outcome before taxes		(162,904,226)	(225,193,126)
Income tax over the period	14	1,559,058	(422,344)
Net income of the period		(161,345,168)	(225,345,170)

[signed]
Official Accounts Technician – Dr. Ana Coelho

[signed]
President – Eng. Manuel Tomás Cortez Roriguez Queiró
[signed]
Vice-President – Dr. Cristina Maria dos Santos Pinto Dias
[signed]
Voting Member – Dr. Maria Isabel de Jesus da Silva Marques Vicente
[signed]
Voting Member – Dr. Maria João Semedo Carmelo Rosa Calado Lopes

[signed]

Consolidated Demonstration of alterations in Equity
In the period of 2014

(Amounts in Euros)

DESCRIPTION		NOTES	EQUITY ATTRIBUTED TO THE HOLDERS OF THE PARENT COMPANY											TOTAL OF EQUITY
			Paid-up capital	Own Shares (Quotas)	Other equity instruments	Issuance Awards	Legal Reserves	Other Reserves	Surplus brought forward	Adjustments in financial assets	Surplus of revaluation	Other variations in Equity	Net Income of the Period	
Position at the beginning of the period in 2014	1	24 to 31	1,995,317,000	-	-	-	24.703	1,306,650	(5,269,105,740)		-	91,357,368	(225,615,470)	(3,406,715,489)
Alterations in the period			-	-	-	-	-	-	-	-	-	-	-	-
First adoption of the new accounting referential			-	-	-	-	-	-	-	-	-	-	-	-
Alterations of accounting policies		5	-	-	-	-	-	-	-	-	-	-	-	-
Differences of conversion of financial statements			-	-	-	-	-	-	-	-	-	-	-	-
Realization of the surplus of revaluation of tangible and intangible assets			-	-	-	-	-	-	-	-	-	-	-	-
Surplus of revaluation of tangible and intangible assets and respective variations			-	-	-	-	-	-	-	-	-	-	-	-
Adjustment for deferred taxes			-	-	-	-	-	-	-	-	-	-	-	-
Other alterations recognized in equity		30 to 31	-	-	-	-	-	-		132,640	-	(11,413,260)	-	132,640
Net outcome of the period	2		-	-	-	-	-	-		132,640	-	(11,413,260)	(161,345,168)	132,640
	3		-	-	-	-	-	-	-	-	-	-	(161,345,168)	(161,345,168)
Integral result	4=2+3		-	-	-	-	-	-	-	132,640	-	-	-	(161,121,528)
Operations with stakeholders in the period			-	-	-	-	-	-	-	-	-	-	-	-
Realizations of capital			-	-	-	-	-	-	-	-	-	-	-	-
Realization of issuance awards			-	-	-	-	-	-	-	-	-	-	-	-
Distributions			-	-	-	-	-	-	-	-	-	-	-	-
Entries for losses hedging			-	-	-	-	-	-	-	-	-	-	-	-

[signed]

Description		Notes	Paid-up capital	Own Shares (Quotas)	Other equity instruments	Issuance Awards	Legal Reserves	Other Reserves	Surplus brought forward	Adjustments in financial assets	Surplus of revaluation	Other variations in Equity	Net Income of the Period	Total of Equity
Other Operations			-	-	-	-	-	-	(226,690,779)	-	-	-	225,615,470	(1,075,309)
	5		-	-	-	-	-	-	(226,690,779)	-	-	-	225,615,470	(1,075,309)
Position at the end of the period of 2014	6=1+2+3+5		1,995,317,000	-	-	-	24.703	1,306,650	(5,495,796,519)	132,640	-	-	(226,516,513)	(3,569,003,326)

[signed]
Official Accounts Technician – Dr. Ana Coelho

[signed]
President – Eng. Manuel Tomás Cortez Roriguez Queiró

[signed]
Vice-President – Dr. Cristina Maria dos Santos Pinto Dias

[signed]
Voting Member – Dr. Maria Isabel de Jesus da Silva Marques Vicente

[signed]
Voting Member – Dr. Maria João Semedo Carmelo Rosa Calado Lopes

Consolidated Demonstration of alterations in Equity
In the period of 2013

(Amounts in Euros)

DESCRIPTION		NOTES	EQUITY ATTRIBUTED TO THE HOLDERS OF THE PARENT COMPANY											TOTAL OF EQUITY
			Paid-up capital	Own Shares (Quotas)	Other equity instruments	Issuance Awards	Legal Reserves	Other Reserves	Surplus brought forward	Adjustments in financial assets	Surplus of revaluation	Other variations in Equity	Net Income of the Period	
Position at the beginning of the period in 2013	1	24 to 31	1,995,317,000	-	-	-	24.703	1,306,650	(5,043,371,681)		-	91,357,368	(223,547,143)	(3,178,913,103)
Alterations in the period			-	-	-	-	-	-	-	-	-	-	-	-
First adoption of the new accounting referential			-	-	-	-	-	-	-	-	-	-	-	-
Alterations of accounting policies		5	-	-	-	-	-	-	-	-	-	-	-	-
Differences of conversion of financial statements			-	-	-	-	-	-	-	-	-	-	-	-
Realization of the surplus of revaluation of tangible and intangible assets			-	-	-	-	-	-	-	-	-	-	-	-

[signed]

Surplus of revaluation of tangible and intangible assets and respective variations			-	-	-	-	-	-	-	-	-	-	-	-
Adjustment for deferred taxes			-	-	-	-	-	-	-	-	-	-	-	-
Other alterations recognized in equity		30 to 31	-	-	-	-	-	-	-	-	-	-	-	-
Net outcome of the period	2		-	-	-	-	-	-	-	-	-	-	(225,615,470)	(225,615,470)
	3		-	-	-	-	-	-	-	-	-	-	(225,615,470)	(225,615,470)
Integral result	4=2+3		-	-	-	-	-	-	-	-	-	-	-	-
Operations with stakeholders in the period			-	-	-	-	-	-	-	-	-	-	-	-
Realizations of capital			-	-	-	-	-	-	-	-	-	-	-	-
Realization of issuance awards			-	-	-	-	-	-	-	-	-	-	-	-
Distributions			-	-	-	-	-	-	-	-	-	-	-	-
Entries for losses hedging			-	-	-	-	-	-	-	-	-	-	-	-
Other Operations			-	-	-	-	-	-	(225,734,059)	-	-	-	223,547,143	(2,186,916)
	5		-	-	-	-	-	-	(225,734,059)	-	-	-	223,547,143	(2,186,916)
Position at the end of the period of 2013	6=1+2+3+5		1,995,317,000	-	-	-	24.703	1,306,650	(5,269,105,740)	-	-	91,357,368	(225,615,470)	(3,406,715,489)

[signed]
Official Accounts Technician – Dr. Ana Coelho

[signed]
President – Eng. Manuel Tomás Cortez Roriguez Queiró
[signed]
Vice-President – Dr. Cristina Maria dos Santos Pinto Dias
[signed]
Voting Member – Dr. Maria Isabel de Jesus da Silva Marques Vicente
[signed]
Voting Member – Dr. Maria João Semedo Carmelo Rosa Calado Lopes

[signed]

Consolidated Demonstration of Cash-Flows at Dec. 31st 2014
Period Ended at December 31st 2014

(Amounts in Euros)

ITEMS	2014	2013
Cash-flows from operational activities - direct method		
Customers receivables	345,189,681	345,271,710
Payments to suppliers	-363,535,164	-137,155,389
Staff Payments	-133,294,108	-137,180,676
Cash generated by the operations	-151,639,591	61,935,645
Payment/Receiving of income tax	-170,810	-995,357
Other Payments/Receivables	34.860.495	9,564,777
Cash-Flows from operational activities (1)	-116,949,960	77,505,035
Cash-Flows from investing activities		
Payments concerning:	-1,019,970	-24,641,121
Fixed Tangible Assets	-8,829	-5,806
Intangible Assets	0	14,303
Financing Investments	269,403	-22,119
Other Assets	173,500,000	-191,500,000
	1,600,081	1,748,003
Receivables from:	16,341	27,101
Fixed Tangible Assets	67,836	24,644
Intangible Assets	62,565,194	-16,667,276
Financing Investments		
Other Assets		
Funding Allowances	4,432,070,433	407,710,379
Interests and similar income	0	0
Dividends	0	0
	0	0
Payments concerning:	0	38,675
Obtained funds		
Interests and similar expenses		
Dividends	-4,156,196,803	-250,295,442
Capital Reductions and other equity instruments	-208,493,054	-214,499,003
Other funding operations	0	0
Cash-Flows of investing activities (2)	0	0
Cash-Flows of investing activities	0	0
Receivables from:	67,380,576	-57,675,391
Obtained funds	12,995,864	3,162,368
Realizations of capital and other equity instruments	-3,924	-9,813
Loss Hedging	17,020,067	13,867,512
Donations	30,012,007	10,020,067
Other funding operations	345,189,681	345,271,710
	-363,535,164	-137,155,389
Payments concerning:	-133,294,108	-137,180,676
Obtained funds	-151,639,591	61,935,645
Interests and similar expenses	-170,810	-995,357
Dividends	34.860.495	9,564,777
Capital Reductions and other equity instruments	-116,949,960	77,505,035
Other funding operations		
Cash-Flow of the financing activities (3)	-1,019,970	-24,641,121
Cash-Flow and its equivalents variations (1+2+3)	-8,829	-5,806
Effect of exchange rates	0	14,303
Cash and its equivalents at the beginning of the period	269,403	-22,119
Cash and its equivalents at the end of the period	173,500,000	-191,500,000

[signed]

To be read jointly with the notes to the financial statements

[signed]
Official Accounts Technician – Dr. Ana Coelho

[signed]
President – Eng. Manuel Tomás Cortez Roriguez Queiró
[signed]
Vice-President – Dr. Cristina Maria dos Santos Pinto Dias
[signed]
Voting Member – Dr. Maria Isabel de Jesus da Silva Marques Vicente
[signed]
Voting Member – Dr. Maria João Semedo Carmelo Rosa Calado Lopes

[signed]

Identification of Entity and Operability notes (Note 1)

Identification

CP – Comboios de Portugal, E.P.E. is a corporate public entity, a legal body governed by public law, with administrative, financial and asset autonomy, with registered office in Calçada do Duque, no. 20, 1249-109 Lisboa, whose current legal system and Statues were approved by Decree no. 137-A/2009 from July 12.

CP has as main purpose the performance of services of railway transportation of passengers in railway lines, sections of lines and branches which are, or will become, part of the national railway network, as well as the international transportation of passengers.

The transportation of goods was the reason for a demerger in 2009, which in turn began to be performed by its associate CP Carga - Logística e Trasporte Ferroviário de Mercadorias, S.A., whose share capital is held entirely by CP.

Through its subsidiaries and affiliates, the CP Group develops the following activities:

- Railway transportation of goods, logistics activities and related operations (CP Carga, S.A.);
- Fabrication and rehabilitation, large repair and maintenance of equipment, railway vehicles, boats and buses, as well as the study of facilities for maintenance (EMEF, S.A.);
- Mediation of insurances (Saros, Lda.);
- Synergy and optimization of activities regarding the maintenance of locomotives “LE 5600” and “LE 4700” (SIMEF, A.C.E.);
- Training and technical/professional development, preparation of studies and projects in the scope of creation, organization and management of companies, provision of services in the scope of applied psychology and of the medical and psychological assessment, higher education and scientific investigation concerning transportation, communications or in technological areas around the technologic of the aforementioned areas (Fernave, S.A.);
- Health care provision; teaching, training and technical/professional development in the areas of working conditions, health and environment; service provision in the scope of recruitment, selection and people assessment; technical assistance, consultancy and audit, namely in subjects related to health, hygiene and safety in the workplace, environment and environmental management; execution of control actions concerning drugs and alcohol, ensuring the referral for treating these addictions (Ecosaúde, S.A.);

[signed]

- implantation and management of a common and exclusive ticketing system of the Grouped (CP, STCP and Metro do Porto) in the Greater Oporto Area, as well as the common and exclusive structure definition of the intermodal tariff for the public means of transport of passengers exploited either directly or indirectly by the Grouped entities (TIP, A.C.E.);

- Ensure the development of the project tele-ticketing in association with other international partners, in accordance with other commitments assumed by the companies integrating the grouping, in the scope of the global proposal of the mentioned project (OTLIS, A.C.E.).

It should also be mentioned that the constitution of NOMAD Tech, Lda [3] in 2013, with a participation of 35% of EMEF S.A. and of 65% of NOMAD Digital.

CP - as a corporate public entity - is subject to the management guidelines established by the Government, the responsible ministries – sectorial and finance -, the Ministries of Economy and Finance, as well as the financial control of the Court of Auditors and of the Inspectorate General of Finance.

Furthermore, apart from the aforementioned control, it is foreseen in the statutes a dualistic structure of inspection composed by the Supervisory Board and the Certified Public Accountant.

CP is the parent company of a group of subsidiaries and affiliates, acting in different activity segments, whose characterization is presented in detail in note 3, ant these are its consolidated financial statements.

Accounting Framework for Preparation of Financial Statements (Note 2)

Accounting framework

The consolidated financial statements of CP Group were prepared with the assumption of continuing the operations, from the accounting registries of the companies included in the consolidated accounting requirements, in accordance with the international regulations of financing report, as adopted by the European Union, issued and in force at December 31 2014.

The following shall be understood as part of those regulations: the International Regulations of Financial Reporting (IFRS) issued by the International Accounting Standards Board (IASB); the International Accounting Regulations (IAS) issued by the International Accounting Standards Committee (IASC); and the respective interpretations (IFRIC and SIC), issued by the International Financial Reporting Interpretation Committee (IFRIC) and Standing Interpretation Committee

[3] NOMAD Tech was established with the purpose of developing and supplying products and solutions in the area of tele-maintenance, maintenance based in condition (MBC), energetic efficiency and traction convertors, for the railway market at a global level.

[signed]

(SIC). From now on, the set of those regulations and interpretations will be generically designated as IFRS.

These financial statements, issued in Euros, were appreciated by the Board of Directors, in the meeting of April 16th 2015, which decided to submit them to the approval of the Responsible Ministry.

The accounting policies presented in note 3 were used in the consolidated financial statements for the period concluded in December 31 2014 and in the comparative financial statement presented in these financial statements for the period concluded in December 31 2015.

Derogations to the IFRS

There were no derogations to the dispositions of the IFRS.

Comparative values

Not applicable.

Main Accounting Policies (Note 3)

The main accounting policies applied in the elaboration of these consolidated financial statements are described below and have been applied in a consistent way for the presented periods.

Basis of Measurement

The consolidated financial statements were prepared in accordance with the historical cost principle, modified by the application of fair-value for the resulting financial instruments, assets and liabilities held for negotiation with the exception of those for which fair-value is not available. Non-current assets held for sale and groups of assets held for sale are registered to the least between its accounting value and fair-value, deducted from the respective sale costs. The liability over established responsibilities and benefits is recognized to the net current amount of that responsibility of the fund assets.

The preparation of the financial statements, in accordance with the IFRS, requires the formulation of judgments, estimates and assumptions which affect the application of accounting policies and the amount of the assets, liabilities, income and expenses. The estimates and assumptions associated are based in the historical experience and in other factors considered reasonable in accordance with the circumstances and they are the base for the judgment regarding the amount of the assets and liabilities whose valuing is not evident through other sources. The real results might be different than the estimates.

[signed]

The matters requiring a larger index of judgment or complexity, or for those for which the assumptions and estimates are considered significant, are presented in the items "Value judgments", “Main prerequisites regarding the future” and “Main sources for uncertain estimates” present in this note.

Consolidation

Introduction

In accordance with the provisions of article 4 of the Regulation no. 1606/2002 of the European Parliament and of the European Council from July 19, the entities whose values are admitted to negotiation in a regulated market shall elaborate their consolidated accounts in accordance with the international regulations of financial report.

For that reason, CP presents its consolidated financial statements, which express its financial position and the results of the group operations as if it were a single entity, aiming to underline the results of the operations the companies of the group made with third parties.

The Group and the Company

General Considerations

Throughout 2014, CP has maintained as objective the development of a sustainable Group strategy, structuring the existing social holdings and the development of an efficiency culture and of an added value focused in the respective core business.

CP has made autonomous the companies in activity segments, such as the maintenance of railway equipment, technical training and the spilt of railway transportation of goods, seeking to create positive synergies to its activity.

In all of these subsidiary companies, CP holds most of the capital. CP also holds a few minority participations in a cooperation logic with other Operators.

CP

CP - Comboios de Portugal E.P.E. is since July 2009 (Decree no. 137-A/2009 from June 12) a legal person governed by public law, and 100% held by the Portuguese State. It is responsible for the provision of railway transportation services, both national and international, of passengers.

It operates in all the national territory offering essential services for the country's development and for its social and territorial cohesion and, also, it operates at an international level.

[signed]

It serves four important procurement segments, with different travelling motivations:

- Suburban Service – It links the outskirts of the city to the centre of the major Portuguese cities, and It is directed for the transportation of large number of passengers, whose main travelling motivation is centred in "home/work" or “home/school”;
- Regional Service – service of average short distance for travels of systematic character of a local or regional scope, it distributes the customers either by the motivation "house/work or school", as well as “running affairs/business”;
- Long Course – service for medium/long distance, linking the main Portuguese cities, whose customers have mainly a motivation for a business or leisure travel. It is the segment using the least course time and the largest comfort;
- International – due to the peripheral position of the country, links only directly to Spain or to the border between Spain and France. It is a segment under transformation aiming to be more competitive against other means of transportation.

Affiliate Companies

CP financial holdings at December 31 2014 were characterised as follows:

Subsidiaries

CP Carga - Logística e Transportes Ferroviários de Mercadorias, S.A.

CP's Participation – 100%

Share Capital - 5,000,000 Euros

It has as a social object the railway transportation of goods, logistic operations and linked operations.

The society was established by simple demerger, in accordance with article 33 of Decree no. 588/99 from September 17, as amended by Decree no. 300/2007 from August 23, at July 31 2009, under the Decree no. 137-A/2009 from June 12, in compliance with the Strategic Guidelines for the Railway Sector presented by the XVII Constitutional Government, in October 2006, and complying with the commitment of liberalization for the sector as assumed by Portugal to the European Union.

[signed]

EMEF - Empresa de Manutenção de Equipamento Ferroviário, S.A.

CP's Participation – 100%

Share Capital - 8,100,000 Euros

EMEF, SA was established in 1992 and it has as goal the fabrication, rehabilitation, large repair, equipment management, railway vehicles, ships and buses, as well as the study of facilities for maintenance. This company is, thus, of the upmost importance for the national market.

SAROS – Sociedade de Mediação de Seguros, Lda.

CP's Participation – 100%

Share Capital - 5,000 Euros

The society has a goal the activity of insurance mediation.

FERNAVE - Formação Técnica, Psicologia Aplicada e Consultoria Em Transportes e Portos, S.A.

CP's Participation – 100%

Share Capital - 50,000 Euros

Established in 1992, has as goals:

- The training and technical/professional development of the personnel of the stakeholder company, as well as the staff and other companies of the sectors of transportations, communications, docking, and those in its technological surroundings;
- Elaboration of studies and projects in the scope of creation, organization and management of companies of transportation, communication, dicking and those in its technological surroundings;
- Service provision in the scope of applied psychology and medical and psychological assessment to the companies of transportation, communication, docking and those in its technological surroundings;

[signed]

- The higher education and scientific investigation in the context of transportation, communication, dicking and those in its technological surroundings, either directly or through affiliate or associate intuitions.

Ecosaúde - Educação, Investigação e Consultoria em Trabalho, Saúde e Ambiente, S.A.

CP's Participation – 100%

Share Capital - 50,000 Euros

A society established in 1999 with the social goal of provision of health care, the creation and management of health care and working conditions units; the teaching, training and technical and professional development of a superior and average level, namely in the areas of working conditions, health and environment; the service provision in the scope of recruitment, selection and personnel assessment; the technical assistance, consultancy and auditing, namely regarding subjects of health, hygiene and safety in the work place, environment and environmental management; elaboration of studies and diagnostics, having enlarged is activity to prevention and control in the scope of drug addiction, alcoholism and smoking, execution of control actions of drugs and alcohol and, also, referral and treatment of alcohol and drugs addicts.

Jointly Controlled Entities

SIMEF, A.C.E

CP's Participation – 51%

Captial – it has none.

Complementary company grouping established in 2009, which has as social goal the synergy and optimization of activities of the grouped entities regarding maintenance of locomotives "LE 5600" and “LE 4700”, under the agreement between the Grouping and CP – Comboios de Portugal, E.P.E.

TIP, A.C.E. – Transportes Intermodais do Porto

CP's Participation – 33,33%

Share Capital - 30,000 Euros

[signed]

It is a complementary company grouping established in 2002 which has as goal the implantation and management of a common and exclusive ticketing system of the Grouped (CP, STCP and Metro do Porto) in the Greater Oporto Area, as well as the common and exclusive structure definition of the intermodal tariff for the public means of transport of passengers exploited either directly or indirectly by the Grouped entities.

OTLIS, A.C.E. - Operadores de Transportes da Região de Lisboa

CP's Participation – 14,29%

Share Capital - 392,832.02 Euros

It is a complementary grouping of companies established in 1996, aiming to ensure the development of the project tele-ticketing in association with other international partners, in accordance with the assumed commitments by the companies integrating the grouping in the scope of the global proposal of the mentioned project.

Associates

TRANSCOM - Sociedade de Formação, Consultoria e Auditoria em Transportes e Comunicações, S.A.R.L. (Mozambique)

Participation via Fernave - 19.1%

Share Capital – 32.900.000 Metical

The society was established in 1998 and it has as goal providing higher education and scientific investigation, mainly in the technological scope, management, logistics, distribution, transportation, communications and informatics; the education and technical training of future and current middle management, particularly in the technological scopes, management, logistics, distribution, transportation, communications and informatics; the training and technical/professional development of personnel, especially in transport organizations, communications and informatics; consultancy and audit in companies and other organizations, especially those connected to transportation, communications and informatics.

[signed]

NOMAD TECH, Lda

Participation via EMEF—35%

Share Capital - 160,000 Euros

The society was established in 2014, developing its activity in the scope of engineering, innovation and applied technology to the sectors of transportation, repair and maintenance of electronic components and the development of informatics solutions.

Other holdings

CP has still a set of small holdings in companies with activities related with the ones developed by the companies of the Group.

This participations are recognized at the least cost without losses due to impairment, given that the value of these holdings is not publicly negotiated and there is no possibility of obtaining their fair-value in a reliable manner.

Metro do Porto, S.A.

CP's Participation – 3,33%

Share Capital - 7,500,000 Euros

Established in 1993, it has as goal the exploration, in a concession system attributed by the State, of a light metro system in the metropolitan area of Oporto.

Metropolitano Ligeiro de Mirandela, S.A.

CP's Participation – 10%

Share Capital - 125,000 Euros

Society established in 1995 and it has as a goal the exploration on an exclusive basis the transportation of the surface metro in the Municipality of Mirandela, in the section Carvalhais-Cachão.

Metro Mondego, S.A.

CP's Participation – 2,5%

[signed]

Share Capital - 1,075,000 Euros

This society, established in 2002, has a main goal the exploration, in an exclusive basis, of a light surface metropolitan network in the area of the Municipalities of Coimbra, Lousã and Miranda do Corvo.

APOR – Agência para a Modernização do Porto, S.A.

CP's Participation – 0,47%

Share Capital - 1,064,825 Euros

It was established in 1997 and it has as goal the modernization of the economic basis of Oporto, including the urban qualification through the development of actions destined to contribute to the introduction of correction factors of the social, economic and cultural fabric of the city.

ICF - Intercontainer - Interfrigo, S.A. (Belgium)

CP's Participation – 2,09%

Share Capital - 18,300,000 Euros

The society has as its goal the organization and the development of combined transportation and of refrigerated transport at an adequate temperature, comprehending all the operations destined to the obtaining and maintenance of the temperature convenient to several goods, as well as the availability of auxiliary services regarding these transportations.

EUROFIMA - Société Européenne pour le Financement de Matériel Ferroviaire (Switzerland)

CP's Participation – 2%

Share Capital - 2,600,000,000 CHF

It has as a social goal the necessary funding for the renovation and modernization investments of the rolling stock, aiming to ensure a progressive integration of the railways in the European network, performing a very competitive role in the concession of funds to the stakeholders.

[signed]

BCC – Bureau Central de Clearing (Belgium)

CP's Participation – 1,54%

Share Capital – 110,250 Euros

The society has as its goal the provision of services to the associates in the financial area as well as all the remaining necessary commercial activities o that purpose and, particularly, of reducing the number and amount of payments between its associates through the centralization and compensation of their reciprocal debts and credits.

Consolidation Method

The mandatory elaboration of the consolidated accounts occurs so that the parent company who has the control of one or more subsidiaries. In accordance with the provisions in the IFRS, in the consolidation were included, and using the full consolidation method, in all the companies of the Group over which the company has control.

Thus, based on the established in the IFRS 10, the financial holdings were elaborated by grouping - on a line to line basis- identical elements of assets, liabilities, share capitals, income and expenses.

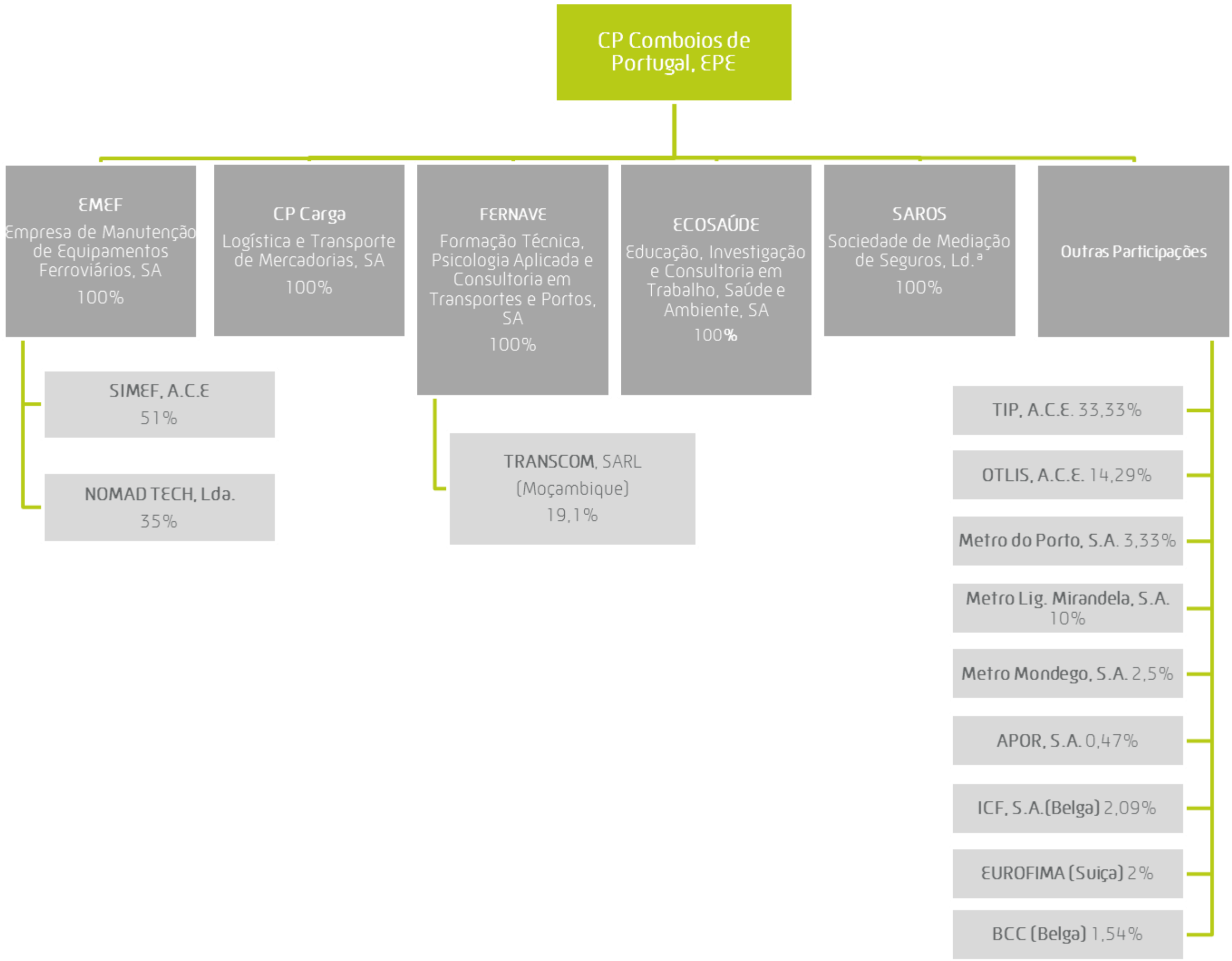
The consolidation procedures involved also the elimination of the investment of the parent company in each subsidiary as a counterpart of the equity and the elimination of balances, transactions, income and gains and expenses and losses intragroup.

Concerning the joint ventures, the equity method began to be applied in substitution of the proportionate consolidated method, since January 2013, in accordance with the provisions in IFRS 11.

According to the foreseen in the regulation regarding the application of the equity method, the investment was initially recognized by the cost and the carried value is increased or decreased in order to recognize the part of the investor in the results of the invested after each date of establishment/acquisition of the joint venture. The received distributions reduce the carried amount of the investment and they may also be made adjustments in the carried value for alterations in the proportionate interest of the investor in the joint venture resulting from alterations in the equity which have not been recognized in the outcomes of the joint venture.

[signed]

Consolidated accounting requirements



Companies included in the consolidation by the full consolidation method

The companies included in the consolidation by the full consolidation method, their head offices and proportion of held capital, directly and indirectly buy the group, at December 31st 2014 are the following:

Company	Head Office	Holders of Capital	% of the held capital
CP CARGA, S.A.	Lisbon	CP, E.P.E.	100%
EMEF, S.A.	Entroncamento	CP, E.P.E.	100%
SAROS, LDA.	Lisbon	CP, E.P.E.	100%
FERNAVE, S.A.	Lisbon	CP, E.P.E.	100%
ECOSAÚDE, S.A.	Lisbon	CP, E.P.E.	100%

[signed]

Associate companies accounted by the equity method

The companies included in the consolidation by the equity method, their head offices and proportion of held capital, directly and indirectly by the group, at December 31st 2014 are the following:

Company	Head Office	Holders of Capital	% of the held capital
TIP, A.C.E.	Oporto	CP, E.P.E.	33,33%
SIMEF, A.C.E.	Entroncamento	EMEF, S.A.	51,00%
OTLIS, A.C.E.	Lisbon	CP, E.P.E.	14,29%
NOMAD TECH, LDA.	Oporto	EMEF, S.A.	35%

Other holdings

The financial holdings in which it is not possible to reliably identify their fair-values are measured by their acquisition cost deducted from whichever loss due to accumulated impairments.

- **Eliminations not conducted given they are materially irrelevant**

In the scope of the consolidation process, with was assumed the inexistence of margins in most of the transactions between companies of the Group, having been considered the annual results of the companies:

Relevant Accounting Policies

- **Fixed Tangible Assets**

Recognition and valuation

The fixed tangible assets from CP are registered by the cost of acquisition deducted of the respective accumulated deprecations and impairment losses.

At the date of transition for the NCRF, CP decided to also consider as cost of fixed tangible assets their revalued amounts, established in accordance with the previous accounting policies, which was comparable in general terms to the measured cost in accordance with the NCRF.

The subsequent costs are recognized as fixed tangible assets only if it is likely that from them there will result future economic benefits for the entity. All the expenses related with maintenance and current repair which do not increase the useful life of the asset, or which do not correspond to replacements in regular intervals (great interventions performed with intervals

[signed]

varying between 2 and 15 years) of items of the asset, are recognized as expense, in accordance with the accruals principle

The fixed tangible assets of CP include assets belonging to the State (assets present in the Joint Order no. 261/99 from March 24) and are allocated to the operational exploration of the company. These assets are registered in the financial assets in order to allow an economic performance appreciation of the company.

The fixed tangible assets related exclusively to the transportation of goods are held by the subsidiary CP Carga, SA and are registered by the cost of acquisition deducted of the respective accumulated mark—downs and impairment losses.

This policy has also been adopted in the recognition and measuring of the fixed tangible assets used by the remaining subsidiaries in the development of the respective activity, namely in the fabrication and maintenance of the equipment and railway vehicles, in the technical and applied psychological training and in the provision services of medicine and hygiene and of safety at the work place.

The cost includes the purchase price, including non-refundable taxes and excluding commercial discounts and tax allowances and, also, the necessary amounts to set the asset in the local and working condition, namely the expenses of transportation and assembling.

The subsequent costs are recognized as fixed tangible assets only if it is likely that from them there will result future economic benefits. All the expenses with maintenance and repair which do not increase the useful life of the asset are recognized as expenses, in accordance with the accruals principle.

Maintenance and Repair Expenses

Rolling stock attributed to the transportation of passengers:

- The expenses with current maintenance incurred during the useful life of the rolling stock are recognized as operational expenses;

- The expenses incurred in great and indispensable pluriannual repairs, in order to assure the continuity of the operation of the asset, are recognized in the fixed tangible assets as specific components of the rolling stock and depreciated by their estimate useful life in a separate section of the main component. When each large repair is made, its cost is recognized in the carrying value of the item of the fixed tangible asset as replacement, given the case the recognition criteria are met. Any remaining carrying value of the cost of the previous large repair is not recognized; and

[signed]

- The expenses incurred at the end of the useful life of the main component, which include the transformation and modernization of it, are recognized as fixed tangible assets and marked-down by the extension of the expected useful life.

Rolling stock attributed to the transportation of goods:

- The expenses with current maintenance incurred during the useful life of the rolling stock are recognized as operational expenses; and

- The expenses incurred in large pluriannual repairs of rolling stock, but which do not increase its useful life are characterized as REV, and are deferred in the period in which they occurred, besides being recognized as expenses with external services and supply and, also, external funding in a pluriannual basis. This programmed interventions happen as a result of the type of exploration, time or travelled kilometres, having as goals the monitoring and/or restitution of life of the organs and safety equipment, ensuring the reliability of functioning demanded, and they are made in intervals of 6 and 8 years.

Building and Fixed Installations:

- The current maintenance and repair expenses (maintenance agreements, technical inspections, etc.) Are recognized as operational expenses;

- The expenses incurred with plans of pluriannual programed maintenance are recognized in fixed tangible assets, through the partial or total replacement of the replaced component.

- The maintenance costs of maintenance and repair are registered in the results of the period in which they are incurred, in accordance with the accruals principle.

Depreciation

The land is not depreciated. The depreciation of the remaining fixed tangible assets is calculated by the straight-line method, in accordance with the following expected useful life periods of the assets.

[signed]

Description of the asset	Years
Buildings and other constructions - State	3 to 50
Buildings and other constructions - CP	3 to 50
Rolling Stock:	
Diesel and electric locomotives:	
- Main component	17 to 35
- Secondary Component	5 to 15
Diesel and electric railcars:	
- Main component	14 to 30
- Secondary Component	2 to 15
Passengers Carriages:	
- Main component	15 to 30
- Secondary Component	2 to 12
Wagons	3 to 35
Transportation Equipment	4 to 12
Administrative equipment and tools	3 to 18
Other Fixed Tangible Assets	5 to 20

The fixed tangible assets belonging to the State (assets present in the Joint Order no. 261/99 from march 24) are being marked-down since 1999 at a rate of 2%, in accordance with the Regulating Decree no. 25/2009 from September 14th, as a result of the period for the concession agreement of the CP Establishment has not yet been defined.

While establishing the depreciated amount there were no residual amounts.

Government Grant

The government grants related with fixed tangible and intangible assets are initially recognized as differed income when there is a guarantee that the grant will be received and that CP will comply with the conditions associated to the assignment of the grant. Later on they are recognized in the demonstration of results, on a systematic basis, in accordance with the useful life of the asset.

The grants compensating CP for gains and losses incurred are recognized as income in the demonstration of the results in a systematic basis and in the same period in which the expenses are recognized.

Capitalization Costs with Loans and Other Directly Attributable Costs

[signed]

The interests of loans directly attributable to the acquisition or construction of assets are capitalised as part of the cost of those assets. An eligible asset for capitalization is an asset needing a substantial period of time in order to be available for use or for sale. The amount of expenses to capitalise is established through the application of a capitalization rate over the value of the made investments. The capitalization of costs with loans begins when the investment begins, that is, there are already incurred interests with loans and the necessary activities for preparing the asset in order for it to be available for use or sale are already in course. The capitalization is concluded when all the necessary activities for the asset to be available for use or sale are substantially concluded.

Impairment of the rolling stock attributed to the transportation of passengers

Considering the nature of the rolling stock attributed to the transportation of passengers and, in particular, to the absence of interoperability with the European network, it is not viable the assessment of an appropriate market value for these assets, due to the lack of an active market were those have been transacted. Thus, this amount is only established when there are proposals of sale of specific material.

Regarding the establishment of the value in use, it must reflect the expected cash-flows, updated to a discount rate appropriate for the business. CP considers that, for the calculus of the expected cash-flows, one must bare into account the features of the provided public service as well as the specificities of the funding structure that has been followed until the current moment.

In the absence of contracting of public service provision, CP understands it is not possible to establish the value in use in accordance with what has been established by the Accounting Normalization System given that there are no specific rules defined for companies providing public service.

However, when specific situations show that an asset may be in impairment, namely when the rolling stock stopped providing services, it is established a recoverable amount and a loss by impairment is recognized whenever the net value of an asset exceeds its recoverable amount. This way, the losses due to impairment are recognized in results. The recoverable amount is established as the highest between its sale price (net current value) and its value in use, which is calculated based on the current value of the estimated cash-flow which is expected to be obtained by the continued use of the asset and of its disposal at the end of its useful life.

Impairment recognition in the remaining assets of the Group

When there is the indication that an asset may be impaired, on accordance with the established in the IAS 36, its recoverable amount is estimate, and a loss due to impairment is recognized whenever the net accounting amount of an asset exceeds its recoverable amount. This way, the

[signed]

losses due to impairment are recognized in results. The recoverable amount is established as the highest between its sale price (net current value) and its value in use, which is calculated based on the current value of the estimated cash-flow which is expected to be obtained by the continued use of the asset and of its disposal at the end of its useful life.

Leases

The companies of the Group classify the lease operations as financial or operating leases depending on their substance and not on their legal form. The operations classified as financial leases are the ones when the inherent risks and advantages to the ownership of an asset are substantially transferred to the tenant. All the remaining lease operations are classified as operational leases.

Operational Leases

The payments of an operational lease are recognized as an expense in a linear base during the period of lease.

Financial Leases

The agreements of financial lease are registered at the date they begin, in assets and in liabilities, by the least between the fair value of the leased property and the current value of the due rents of the lease.

The rents are constituted by the financing cost which is deducted in results and by the reduction of the outstanding liability. The financing costs are recognized as expenses during the period of lease, with the aim of producing a constant periodical interest rate over the remaining balance of the liability in each period.

The rents are established by the financial advantage and by the financial amortization of capital. The recognition of the financial result reflects a rate of periodic comeback presented over the remaining net investment of the lessor.

The acquired assets in financial lease are depreciated in accordance with the established policy by the company for the fixed tangible assets.

Intangible Assets

The intangible assets from the companies of the CP Group are registered by the cost of acquisition deduction of the respective accumulated amortizations and impairment losses.

The companies of CP Group perform impairment tests whenever events or circumstances indicate the accounting value exceeds the recoverable value. If there is a difference, it will be recognized

[signed]

in results. The recoverable amount is established as the highest between its sale price (net current value) and its value in use, which is calculated based on the current value of the estimated cash-flow which is expected to be obtained by the continued use of the asset and of its disposal at the end of its useful life.

The amortizations are calculated by the straight-line method for a period of 3 years.

- **Resulting Financial Instruments and Hedge Accounting**

The resulting financial instruments are recognized in the date of its trade date by their fair-value. Subsequently, the fair value of the resulting financial instruments is reassessed on a regular basis, and the gains or losses resulting from that reassessment are directly registered in the results of that period, except in what regards the cash-flow hedging derivatives. The recognition of the variations of fair-value of the hedging derivatives, in the results of that period, depends on the nature of the hedged risk and the hedging method in use.

The fair-value of the derivative financial instruments matches its market value, when available. If it is not available, it is established by external entities (IMF - Informação de Mercados Financeiros, SA), based on the valuation techniques used in the market.

Hedge Accounting

The designation of a derivative financial instrument as being a hedging instrument obeys to the provisions of the IAS 39. Regarding the derivative financial instruments which, despite contracted with the aim of economic hedging in accordance with the risk managing policies of the Group, if they do not comply with the provisions of IAS 39 regarding the possibility of qualifying as hedging accounting, are classified as financial instruments held for sale and its respective variations in the fair-value are registered in the period in which they occur.

However, despite the financial instruments hired by the Group aim for risk hedging of the interest rate, these instruments do not comply with IAS 39, as mentioned above, in order for them to be classified as financial hedging instruments. For that same reason, those were classified as financial instruments held for negotiation.

At December 31 2014 the CP Group does not classify neither of its derivative financial instruments as hedging financial instruments.

- **Other Financial Assets/Liabilities**

The companies of the CP Group only recognize a financial asset, a financial liability or an instrument of equity when it becomes part of the provisions present in the agreement of the instrument.

[signed]

The CP Group classifies its investments, at is trade date, in accordance with the purpose which triggered its acquisition, in the following categories: Financial assets to the fair-value through the results (held for negotiation and option of fair-value); loans and receivables; assets held until maturity; and financial assets available for sale, in accordance with the established in the IAS 39 - Financial Assets.

Financial assets at fair-value through outcomes

This category includes: (i) the negotiation financial assets acquired with the main goal of being transacted in the short-term, and (ii) financial assets designated at the moment of their initial recognition to the fair-value with variations recognized in outcomes.

After their initial recognitions, the financial assets at fair-value through outcomes are valued at fair-value, and their variations recognized in outcomes.

On this category are also integrated the derivatives not qualified for effects of hedging accounting. The alterations to its fair-value are directly recognized in results of the financial year.

Financial assets held until maturity

These investments are financial assets which do no result from fixed or establish payments and defined maturities, for which there is the intent and the capacity of holding them until maturity.

These investments are measured at the amortised cost, based on the effective interest rate method and are deducted from impairment losses. The losses due to impairment are registered based in the evaluation of the estimate losses, associated to the credits of doubtful debts at the financial statements date.

The losses due to impairment correspond to the difference between the accounting amount of the asset and of the actual amount of the future estimated cash-flows (considering the recovery period) discounted to the original effective interest rate of the financial asset.

These assets are presented in the statement of the financial position, net of the recognized impairment.

Loans and receivables

Correspond to non-derivative financial assets, with fixed or established payment, for which there is not an active quotation centre. They are originated by the natural course of operational activities, in the supply of goods or services, and over those which not have a negotiation intent.

[signed]

The loans and receivables are initially recognized at their fair-value and subsequently valued at amortised cost, based in the effective interest rate method.

The loss due to impairment are registered when there are indicators saying that the company of the CP Group will not receive all the amounts to which it was entitled in accordance with the original terms of the established agreements. For the identification of situations of impairment several indicators are used, such as:

i. Non-compliance analysis;
ii. Non-compliance over 6 months;
iii. Financial difficulties of the debtor;
iv. Bankruptcy possibility of the debtor.

The losses due to impairment correspond to the difference between the accounting amount of the asset and of the actual amount of the future estimated cash-flows (considering the recovery period) discounted at the original effective interest rate of the financial asset.

These assets are presented in the statement of the financial position, net of the recognized impairment.

Financial assets held for sale

The financial assets held for sale are non-derivative financial assets which the CP Group has the intention to maintain for an undetermined period of time, they are designated as available for sale at the moment of their initial recognition or do not follow in the categories mentioned above.

The financial assets held for sale are registered at the fair-value and, the respective variations of fair-value are directly recognized in equity in the item reserves of fair-value, until the investments are de-recognized, that is, until a loss due to impairment is recognized - at this moment the accumulated amount of potential gains and losses registered in reserves is transferred to outcomes. In case there is no market value, the assets are held at acquisition cost, being, however, performed impairment tests.

The interests resulting from fixed-income instruments, when classified as assets held for sale and the differences between the acquisition cost and the nominal value (award or discount) are registered in accordance with the effective fixed rate method.

The parts of capital held which are not holdings in subsidiaries, joint ventures or affiliates, are classified as financial assets held for sale.

[signed]

Following measurement of financial assets/liabilities

The financial assets/liabilities are measured at cost or at amortized cost without any loss by impairment or fair-value with the alterations of fair-value to be recognized in the demonstration of results, in accordance with the provisions of IAS 39.

After the initial recognition, the CP Group measures the financial assets, including the derivatives which are assets, by their fair-values without any deduction for transaction costs in which there may incur in sale or in other disposal, except regarding the financial assets:

a. Loans granted and receivables, which are measured by the amortised cost using the effective interest method;
b. Investments held until maturity, which are measured by the amortised cost using the effective interest method; and
c. Investments in equity instruments which are do not have a quoted market price in a public market and whose fair—value cannot be obtained in a reliable manner, as well as agreements linked to such instruments which, if concluded, result in the delivery of such instruments - which shall be measured at the cost without losses due to impairment.

The financial assets designated as hedged items are subject to measuring according with the requisites of the hedging accounting contained in the IAS 39.

All the financial assets, except those measured by fair-value via outcomes, are subject to revision considering impairment, in accordance with IAS 39.

After the initial recognition, the CP Group measures all the financial liabilities by the amortised cost using the effective interest method, except financial assets by the fair-value via outcomes. Such liabilities, including derivatives which are elements of the liability, are measured by the fair-value, except in the case of a derivative liability connected to and must be settled by the delivery of a non-quoted equity instrument, whose fair-value cannot be reliably measured, so it shall be measured by cost.

The financial liabilities designated as hedged items are subject to measuring according with the requirements of the hedging accounting contained in the IAS 39.

In the establishment of fair-value of a financial asset or liability, if there is an active market, the market price is applied. This constitutes level 1 of the hierarchy of the fair-value, as established in the IFRS 7.

Given the case there is no active market, which is the case for some financial assets and liabilities, then valuing techniques generally accepted in the market are used, based in market

[signed]

assumptions. This constitutes level 2 of the hierarchy of the fair-value, as established in the IFRS 7, and used by CP Group.

In this level 2 of the fair-value hierarchy, the CP Group includes non-quoted financial instruments, such as derivatives. The valuation models used more frequently are discounted cash-flow models and assessment models of options incorporating, for instance, the curves of interest rates and the volatility of the market.

For some types of more complex derivatives, there used valuing models used are more advanced and contain assumptions and data which are not directly observed in the market. This constitutes level 3 of the hierarchy of the fair-value, as established in the IFRS 7.

Impairment

In accordance with IAS 36 - Asset impairment, whenever the accounting value of an asset exceeds its recoverable amount, or it value is reduced to the recoverable amount, the impairment loss is recognized in the outcomes of the financial year.

At the date of each financial reporting period, the impairment of assets is assessed and, given the case there is objective evidence of impairment, it is thus recognized as a loss due to impairment in the outcomes.

For the financial assets presenting impairment indicators, the respective recoverable amount is established and the losses due to impairment are registered against outcomes.

- **Inventory**

In the railway transportation components, the inventory of goods and raw-materials, subsidiaries and of consumption, are registered at the acquisition cost, adopting as exit cost method the average weighed cost. When necessary, the impairment is recognized for obsolete inventory, slow rotation and defective, and it is presents as a deduction to the asset.

In the maintenance of the railway material, the inventory (raw-matters and subsidiaries, finished products and intermediate and products and works in course) are found registered at the acquisition cost (in case of raw-matters and subsidiaries) or at the production cost (in case of the finished products and intermediates and products and works in course) or at the net current value, whichever is lower.

The acquisition or production cost includes all the purchase costs, conversion costs and other incurred costs for the placement of inventory at their place and in their usage or selling condition. The net current amount is the estimate sale price in the current course of activity, deducted from the respective selling costs, in accordance with the provisions foreseen by IAS 2 - Inventory

[signed]

The value of inventory is wrote down to its net current value whenever those assets are carried by amounts superior to those which would foreseeably result from their sale ore usage.

In the recognition and measuring of inventories regarding products and works in course and finished products, the CP Group additionally has in consideration the established in IAS 11 - Construction agreements, regarding e associated costs to construction agreements.

Raw-materials, subsidiaries and of consumption

Raw-materials, subsidiaries and of consumption are found measured at the least between its acquisition cost and its net current value. The value inherent to purchase, conversion and other incurred in order to place the inventories in their place and in their condition of usage or sale are considered as expenses.

The raw-materials, subsidiaries and of consumption are adjusted based on the rotation, obsolescence, nature and useful life of the assets. The amount of any adjustment of the inventories or the net current value is recognized as expense in the period in which the loss occurs. Regarding the circumstances which previously resulted in the adjustment of the value of the termination of existence of inventories, when there is an increase in the net current value due to the alteration of economic circumstances, the amount of the adjustments is reversed, and that reversion is limited to the amount of the original adjustment.

The adopted method for exit cost is the average weighed cost.

Products and work in course

The inventories of products and works in course were valued at the least between the cost of production (which includes the cost of incorporated materials and of the sub-contracting of services, direct work-force and general fabrication costs) and the net current value.

The estimate sale price is considered, as a net current value, in the regular course of the corporate activity, subtracting the estimate finishing costs and the estimate necessary costs for selling.

Finished products

This item registers the transferred products from products and works in course, after their conclusion, and they are valued at the production cost or at the net current value, whichever is lower.

[signed]

Cash and Cash Equivalents

This item includes cash, bank deposits and other short-term investments of high liquidity and bank overdrafts. The bank overdrafts are presented in the Balance, in the current liability, in the item Loans obtained.

Loans and Bank Overdrafts

The loans are initially recognized in the liability through the received nominal value, net of expenses related with issuance, which corresponds to the respective fair-value at that date. Afterwards, the loans are measured by the amortized cost method. Any difference between the liability component and the payable nominal amount, at maturity date, is recognized as expenses of interest using the effective interest rate method.

Any amounts in debt of the funding contracts satisfying each ever of the following criteria are classified as current liability:

- If it is expected they are to be liquidated during the regular operational cycle of the entity;
- If they are essentially held with the objective of being negotiated;
- They shall be liquidated in a period not longer than twelve months after the balance date;
- The entity does not hold unconditional right to defer the liquidation of the liability during at least twelve months after the balance date.

All other loans are classified as non-current liability.

This way, in the item Non-Current Liability the following are classified: amount in debt regarding funding agreements whose contractually established collectability is over a year.

Non-Current Assets Held for Sale and Operations being Discontinued

The non-current assets or groups of non-current assets are held for sale (groups of assets jointly with the respective liabilities, which include at least one non-current asset), are classified as held for sale when its costs is recovered namely trough sale, the assets or groups of assets available for immediate sale and selling them is very likely, in accordance with the provisions of IFRS 5.

The companies of the CP Group also classify as non-current assets held for sale the non-current assets or groups of assets acquired only with the aim of a posterior sale, and which are available for immediate sell and selling them is very likely.

Immediately before being classified as held for sale, the measuring of all non-current assets and all the assets and liabilities included in a group of assets for sale, and it proceeds in accordance

[signed]

with the applicable NCRF. After its classification, these assets or groups of assets are measured to the least between its carrying value and its fair-value deducted to the selling costs.

- **Transactions in Foreign Currency**

Functional and Presentation Currency

The elements included in the companies of the CP Group financial statements are measured using the currency of the economic environment in which the entity functions ("the functional currency"). The Financial Statements are presented in Euros, and it is the functional and presentation currency of CP.

Transactions and Balances

The transactions in other currencies different from Euro are converted in functional currency using the exchange rate in force at the date of the transaction.

In each balance date, the monetary assets and liabilities in foreign currency are converted into Euros using the exchange rates in force at that date.

The exchange differences, favourable and unfavourable, created by the differences between the exchange rates in force at the date of transaction and the ones in force at the date of collection/payment or at the balance date are registered as income and expenses in the demonstration of the results of the period.

Non-monetary assets and liabilities registered in accordance with their fair-value named in a foreign currency are transposed into Euros. For that effect, the currency exchange at the date in which the fair-value was established is the one being used.

- **Revenue Recognition**

Passenger Transportation

The revenues created in this segment of activity concern the provision of services of passenger transportation, the sale of goods and other services related with railway transportation, deducting discounts and price deductions. Revenues are recognized at their fair-value.

The services provided are normally concluded between each reporting period. The income resulting from the activity are recognized in the demonstration of results, at the time in which the service is provided, which concerns the date of the beginning of the trip, and when it is likely the

[signed]

amount of revenue and expenses is reliably measured and, also, that the economic benefits will revert to the entity.

The Portuguese Government through legal diploma has considered the railway transportation is a public service explored in a concession agreement scheme. In this sense, annually carry-over payments are attributed for the provision of this public service.

Goods transportation

The revenues generated in this segment of activity concern the provision of railway services of goods transportation, concession of spaces in docking infrastructures and diverse licenses, rental of equipment and other related services with transportation of goods, deducted from discounts and price deductions. Revenues are recognized to their fair-value.

The services provided are normally concluded between each reporting period. The income resulting from the activity of goods transportation are recognized in the demonstration of outcomes, at the time in which the service was provided, which concerns the date of the beginning of the issuance – which refers to the date of arrival at the destination point - and when it is likely that the amount of revenue and expenses is reliably measured and, also, that the economic benefits will revert to the Entity.

Maintenance of rolling stock

In the recognition of revenue of this activity segment it is followed what is established in IAS – 11 – Construction contracts, when it is considered the necessary conditions for the consideration of a transaction outcome reliably estimated are satisfied, there will be the possibility of applying the percentage of completion method.

The percentage of completion method applied to the service provision has in consideration the total estimated costs, amount which is assessed by the operational party, bearing into account the work to be developed and the past experience with similar work.

When the necessary conditions for the consideration of a reliably estimated transaction outcome are not satisfied, it is assessed in which measure the recognized expenses will be recognized. Given the case there are no indicators showing that it will be likely that the incurred costs are recovered, the revenue is not recognized and the incurred costs are recognized as an expense.

Remaining areas of activity

The revenue is measured by the fair-value of the consideration received or receivable. The revenue associated with a service provision is recognized with reference to the finishing phase of

[signed]

the transaction at the date of balance, when the outcome of a transaction may be reliably estimated. The result of a transaction can be reliably estimated when all the following conditions are satisfied:

- Amount of revenue can be reliably measured;
- It is likely the economic benefits associated with the transaction derive to the entity;
- The finishing phase of transaction at the date of balance can be reliably measured;
- The incurred costs with the transaction and the costs for concluding the transaction can be reliably measured.

The revenue comprehends the invoiced net amounts at the sale of products or service provisions from taxes over the added value, depreciations and discounts. When the cash influx or cash equivalents is deferred, the fair-value of the retribution may be lesser than the nominal amount. This difference is known as interests' revenue.

Recognition of Expenses and Income

Expenses and income are registered in the period to which they are concerning, regardless its payment or receiving, in accordance with the underlying assumption of the accrual basis (economic periodization).

The established financial statements inform not only the past transactions involving the payment and the receiving of cash but also the obligations of future payment and resources which represent cash to be received in the future.

The specialization of the financial years is established through the item other receivables and payables and the item deferrals.

Provisions

The provisions are recognized when (i) the company has a present obligation, legal or constructive, from a past event (ii) an outgoing for liquidation of the obligation is probable and (iii) when there may be made a reliable estimate of the amount of that obligation.

The provided value is the amount considered to be necessary against estimated economic losses. When the time effect of the money for material, the provisioned amount is presented by the current value of the expenses expected to be necessary to settle the obligation.

[signed]

Interests and Similar Obtained Income and Payable Interest and Similar Expenses

Interests are recognized in accordance with the accruals principle. The dividends to receive are recognized at the date in which the right to their receiving is established.

Considering they are recognized in expenses and losses of the period, its recognition is established in accordance with the accrual basis an in accordance with the applicable effective interest rate.

Profit Tax

The registered profit tax in outcomes including the effect of current taxes and deferred taxes. Tax is recognized in the statement of results, except when it is linked with items being moved in equity, which implies its recognition in equity.

The differed taxes recognized in share capitals, as a result of the reassessment of financial assets available for sale and cash flow hedging derivatives, are recognized in results at the moment in which the gains and losses which were in their origin are recognized in results.

The current taxes correspond to the expected amount to be paid over the period's taxable income, using the tax rate in force at the date of the balance, and whichever adjustments to taxes of previous periods.

CP is the dominant society of a group of companies which is taxed in accordance with the special scheme of taxation of the consolidated result, as mentioned in note 13.

Contingent Assets and Liabilities

Contingent Assets

A contingent asset is a possible asset resulting from past events and whose existence will only be confirmed by the occurrence, or non-occurrence, of one or more uncertain future events which are not entirely in the control of the entity.

The contingent assets are not recognized in the financial statements, but they are disclosed in the annex when it is likely there will be an inflow or economic benefits.

Contingent Liabilities

A contingent liability occurs when there is:

- A possible obligation resulting from past events and whose existence will only be confirmed by the occurrence, or non-occurrence, of one or more uncertain future events which are not entirely in the control of the entity.

[signed]

- A current obligation of past events but it is not recognized because (i) it is unlikely there is an outflow of resources which gather economic benefits, it will be necessary to settle the obligation; or (ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets are not recognized in the financial statements, though they are disclosed in the annex to the respective statements, unless there is a remote possibility of an outflow of resources gathering the future economic benefits.

- **Subsequent Events**

The presented financial statements reflect the subsequent events occurred until March 16 2015, date in which they were approved by the Decision-making Body in accordance with the provisions in note 2.

The events occurred after the balance date under conditions which already existed at the balance date are considered in the processing of the financial statements. The material events after the balance date which do not lead to adjustments are divulged in note 58.

Value Judgments

The preparation of the financial statements in accordance with the IFRS require that the managers express their judgment in the process of application of the accounting policies of the company.

The value judgement made in the process of application of accounting policies and that may have the most impact in the recognized amounts in the financial statements are the following:

- Provisions - the established provisions are registered by the best estimate of the demanded expense to settle the obligation present at the balance date;

- Recoverability of debtor balances from customers and other debtors - the losses due to impairment regarding debtor balances of customers and other debtors are based in the assessment of the probability of recuperation of the balances of receivables, antiquity of the balances, debt annulment and other factors considered relevant. There are certain circumstances and facts which may alter the estimation of the losses due to impairment of balances or receivables against the considered assumptions. These alterations may result from the economic environment, of the trends in the sector, of the deterioration of the credit status of the main customers and of significant non-compliances. This assessment process is subject to several estimates and judgements. The alterations of these estimates may imply the establishment of different impairment levels, thus resulting in different impacts in the outcomes;

[signed]

- Recognition of revenue – in the recognition of revenue is assessed if the necessary conditions for the consideration of a transaction outcome reliably estimated are satisfied, which allows the application of the percentage of completion method. The percentage of completion method applied to the service provision has in consideration the total estimated costs, amount which is assessed by the operational party, bearing into account the work to be developed and the past experience with similar work. When the necessary conditions for the consideration of a transaction outcome reliably estimated are not satisfied, it is assessed in which measure will be recoverable the recognized expenses. Given the case there are no indicators showing that it will be likely that the incurred costs are recovered, the revenue is not recognized and the incurred costs are recognized as an expense;

- Losses due to impairment – inventories – in the establishment of losses due to impairment of inventories different criteria apply, depending on the state, antiquity and nature/objective of the inventories, considering that such criterion reflect the loss of value of the inventories;

- Income tax – there are diverse transactions and calculus for which the establishment of the final value of the tax to be paid is uncertain during the normal business cycle. Other interpretations and estimates may result in a different level of income tax, current and deferred, recognized in the period. In Portugal, the Tax Authorities have the duty of reviewing the calculus of the made taxable subject, during a period of four years, in case there is reportable tax prejudices. This way, it is possible that there are corrections to the taxable subject, resulting mainly of differences of interpretation of the tax legislation. However, and this is a conviction, there will be no significant correction to income taxes registered in the financial statements;

- The fair-value of the derivatives of financial instruments is established by an external entity using the discounted cash-flows method. All the calculations were made based on the income curves presented by Reuters at the day of reference of the financial statements. The valuations are made bearing into account the discounted cash-flows and the variation of the holding indexing rates since their beginning until the current date. In the operations involving options, it is attributed a delta of 0% or 100% to the fluxes depended on the achievement or not of the barrier in question. The future projection of the barriers in question is established using the current curve of income.

Main Assumptions Concerning the Future

The financial statements were prepared based on the principle of continuity of operations.

[signed]

The Board of Directors understands it is adequate to prepare the financial statements in a basis of continuity, considering the following factors:

- The operational situation of CP and of the Group companies presents sustainability, and it should be pointed out the general improvement of the outcomes of the companies of the group, which indicates that there are factors of future sustainability;
- The State has granted all its support, namely in what concerns the necessary support to the company's funding, with the aim of ensuring the debt service and the needs of exploration and investment;
- It is also important to mention the importance of the service the CP Group provides nowadays to the Portuguese economy, namely in what concerns the transportation of passengers and goods, a factor of vital importance for the functioning of the economic activity, reinforcing the need of the State to ensure, in eventual adverse situations, the necessary support for the continuity of CP.

Main sources for uncertain estimate

The preparation of the financial statements in accordance with the IFRS requires the use of some important accounting estimates.

The estimates are based on the best known knowledge at each time and in the actions planned to me made, which are permanently reviewed based on the available information. Alterations in the facts and circumstances may lead to the revision of the estimates. This may mean the real future results can be different from the mentioned estimates.

The main sources for uncertain estimates at the date of balances, which have a significant risk of provoking a material adjustment to the carrying values of assets and liabilities during the accounting period are:

Useful Life of Fixed Tangible Assets

The useful life of an asset is defined concerning the expected utility of the asset for the entity. The policy of assets management of the entity may involve the disposal of assets after a specific period of time or after the consumption of a specified proportion of the future economic benefits incorporated in the asset. Therefore, the useful life of an asset may be shorter than its economic life. The estimation of the asset's useful life is a matter of value judgment based in the entity's experience with similar assets.

[signed]

Fair-Value of the Financial Instruments

The fair-value is based in market quotations, when available. If there are no quotations, the fair-value is established in accordance with the usage of recent transaction prices, similar and concluded in market conditions or, also, in accordance with assessment methods based on techniques of future cash-flows - which are discounted concerning the market conditions, the temporal value, the yield curve and volatile factors. These methods may require using assumptions or judgments regarding the fair-value estimate.

The fair-value of the derivatives of financial instruments is established by an external entity using the discounted cash-flows method. All the calculations were made based on the income curves presented by *Reuters* at the day of reference of the financial statements. Thus, the moment in which the estimates are made is the main source of uncertainty.

Doubtful Debts

The losses due to impairment concerning credits of doubtful debt are based on the assessment of the likelihood of recuperation of the balances of receivables, old balances, debt annulments and other factors. There are certain circumstances and facts which might alter the estimation of losses due to impairment of balances of receivables against the considered assumptions, including alterations of the economic environment, of the sectorial trends, of the decay of the credit status of the main customers and of significant non-compliances. This assessment process is subject to several estimates and judgements. The alterations of these estimates may imply the establishment of different impairment levels, thus resulting in different impacts in the results.

Provisions

Provisions are assets of an uncertain amount or temporal event. The companies of the CP Group, bearing into account the principle of prudence, have built provisions whenever there is a present obligation (legal or constructive), derived from a past event in which is probable an outgoing of resources for settling the obligation and, thus, a reliable estimate of the mentioned obligation can be made. Concerning the establishment of provisions for legal proceedings, these require the use of judgment, based on the last known information at the time of preparation of the financial statements, namely regarding the probability of losing the legal proceedings and of the estimate value of that loss. The alterations of these estimates may imply impacts on the results.

Non-Current Assets Held for Sale

The non-current assets held for sale must be recognized by the least value between their net accounting value and their fair-value, deducted from the costs to sale, in accordance with IFRS 5. While establishing the fair-value, namely regarding the rolling stock, and considering the absence of an active market, it is considered by the CP Group, as a reference, the amount of recent

[signed]

transactions with similar material, adjusting that value to the technical characteristics of the material and to the existing procurement. Based on the estimate selling amount the existence of an impairment amount to be recognized is established, and the actual impact will only be known at the moment of the effective sale of the assets - which may imply variations of some significance in the results.

Guidelines and interpretations issued by the IASB and endorsed by the European Union

At the level of international reporting, the year of 2014 was marked by the alterations made to the already published guidelines and by publishing new guidelines.

The guidelines and interpretations effective since January 1 2014 are the following:

IAS 27 Separate Financial Holdings

The IAS 27 was reviewed following the issuance of the IFRS 10, and it contains all the requirements of accounting and disclosure for the investments in subsidiaries, joint ventures and associates, when the Entity prepares separate financial holdings.

IAS 28 Investments in associates and joint ventures

IAS 28 was reviewed following the issuance of the IFRS 11 and describes the accounting treatment for investments in associates and joint ventures, defining also the requisites for the application of the equity method. CP begun the application of the equity method also to the joint ventures, similarly to what was already happening with the affiliates in 2013.

IFRS 10 Consolidated financial holdings

The IFRS 10 consolidated financial holdings substitutes all the proceedings and accounting guidelines concerning the control and consolidation included in SIC 12 and in IAS 27, altering the definition of control and the applied criteria for establishing control. The fundamental principle that a consolidated entity presents the parent-company and its subsidiaries as a single entity remains unaltered.

The application of the guideline in the CP Group had no significant impacts in the financial holdings.

IFRS 11 Joint Ventures

The IFRS 11 is centred in the rights and obligations of mutual agreements in detriment of their legal form, for the purposes of classification. The joint ventures may be the joint operations (rights over assets and obligations) or joint ventures (rights over the net assets by the application

[signed]

of the equity method). The proportioned consolidation of joint ventures is no longer allowed, being from now on applied the equity method. CP began the application of this guideline in 2013.

- **IFRS 12 Disclosure of interests in other entities**

The IFRS 12 disclosure of holdings in other entities establishes the minimum level of disclosures regarding subsidiary companies, joint ventures, affiliate companies and other non-consolidated entities.

Thus, this guideline includes all the disclosures mandatory in IAS 27 separated consolidated financial holdings concerning the consolidated accounts, as well as the mandatory disclosures included in the IAS 31 interests in joint ventures and in the IAS 28 investments in associates, besides new additional information.

The application of the guideline in the CP Group had no significant impacts in the financial holdings.

The alterations to the guidelines in force since January 1st 2014 are the following:

- **IAS 32 Financial instruments (compensation of financial assets and financial liabilities)**

The correction clarifies the meaning of "legal right currently executable of compensating" and the application of IAS 32 to the compensation criteria of the compensation systems (such as centralized systems of settlement and compensation) which apply gross settlement mechanisms and which are not simultaneous. It also clarifies that some regulating systems by gross amounts (the clearing houses) may be equivalent to the compensation by net amounts.

Paragraph 42 a) of the IAS 32 requires that "a financial asset and a financial liability must be compensated and the net amount presented in the balance when, and only when, an entity currently has a right of mandatory compliance for compensation of the recognized amounts". This amendment clarifies that the rights of compensating do not only have to be currently and legally executable in the course of the normal activity, but also that they have to be executable in the case of an event of non-compliance and in the case of bankruptcy and insolvency of all the counterparties of the agreement, including the reporting entity. The amendment also clarifies that the compensating rights must not be contingent from future events.

The criterion defined in the IAS 32 for the compensation of financial instruments requires that the reporting entity intends either settling in a net basis, or concluding the asset while it is simultaneously settling the liability. The amendment clarifies that only the settling mechanisms by gross value which eliminate or result in non-significant credit and liquidity risks on which the process of receivables and payables is a single settling process or cycle, and that they might be, indeed, equivalent to a settlement by the net value, complying with effect the net liquidation criterion foreseen in the guideline.

The application of the guideline in the CP Group had no significant impacts in the financial holdings.

- **IAS 36 Asset impairment**

The alteration to IAS 36 correct the disclosure demands regarding the establishment of the recoverable amount of an asset, being applied only when it is established based on the fair-value less estimate selling costs, and the impairment is calculated.

The application of the guideline in the CP Group had no significant impacts in the financial holdings.

- **IAS 39 Financial Holdings (derivatives novation and hedge accounting)**

The alteration to IAS 39 introduces an exemption to the obligation of discontinue the hedging accounting of a derivative financial holding, when it is verified the alteration of the counterparty of the agreement by legal requisite or regulation and as long as certain conditions are fulfilled.

It indents to answer new rules of contracting derivative financial holdings which, in some jurisdictions, become to oblige the negotiation through clearing houses.

The application of the guideline in the CP Group had no significant impacts in the financial holdings.

- **Alterations to IFRS 10, IFRS 12 and to IAS 27 – Investing entities**

The alteration defines the concept of investing Entity (ex.: Venture capital fund) and introduces an exception to the application of consolidation in the scope of IFRS 10 for the entities which qualify as investment entities, whose investments in subsidiaries must be measured at the fair-value through the outcomes of the financial year, by reference to IAS 39. IFRS 12 specifies the demanded disclosures.

The application of the guideline in the CP Group had no significant impacts in the financial holdings.

The interpretations and alterations endorsed by the European Union which are not yet effective are the following:

[signed]

IFRIC 21 Government Rates

The IFRIC 21 is an interpretation of IAS 27 and of the recognition of liabilities, clarifying that the past event results in the obligation of the payment of a rate or tax (different from the income tax - IRC) corresponding to the demanded/regulated in the relevant legislation that obliges that payment.

The date of efficacy of the norm has its beginning in annual periods starting in or after June 14 2014.

There are no significant impacts expected as a result of the adoption of the guideline by the CP Group.

IFRS 1 Adoption for the first time of international regulations of financing reporting

The improvement of IFRS 1 clarifies that who adopts IFRS for the first time may use either the old version or the new one from a regulation which, despite not being mandatory, is available for anticipated adoption.

The date of efficacy of the norm has its beginning in annual periods starting in or after January 1 2015.

The regulation will have no impact in the financial holdings.

IFRS 3 Concentration of corporate activities

The improvement of IFRS 13 clarifies that this regulation is not applicable to the initial accounting of a joint venture, established in the scope of IFRS 11.

The date of efficacy of the norm has its beginning in annual periods starting in or after January 1 2015.

There are no significant impacts expected as a result of the adoption of the guideline by the CP Group.

IFRS 13 Fair-Value - Measuring and Maintenance

The improvement clarifies that the exception to the measuring of fair-value of a portfolio on a net basis is applicable to all types of agreements (including non-financial agreements) in the scope of IAS 39.

The date of efficacy of the norm has its beginning in annual periods starting in or after January 1st 2015.

[signed]

There are no significant impacts expected as a result of the adoption of the guideline by the CP Group.

- **IAS 40 Investment Properties**

The improvement clarifies that it is necessary to recur to IFRS 3 whenever an investment property is acquired, in order to establish whether the acquisition corresponds or not to a concentration of corporate activities.

The date of efficacy of the norm has its beginning in annual periods starting in or after January 1 2015.

There are no significant impacts expected as a result of the adoption of the guideline by the CP Group.

Cash-Flow (Note 4)

The Statement of Cash-Flows is prepared using the direct method, through which gross cash-flow receivables and payments in operational actives, either from investment or from funding.

The Group classifies the paid interests and the received dividends as investment activities and the interests and dividends received as investing activities.

At December 31st 2014 all the cash-flow balances and its equivalents are available for use.

Item cash flow and bank deposits

The Item cash flow and bank deposits is comprised by the following balances:

(amounts in Euros)

Description	31-12-2014	31-12-2013
Cash	321,782	283,482
Bank Deposits	31,031,995	17,146,505
Total	**31,353,777**	**17,429,987**
Bank Overdrafts (a)	(1,341,770)	(409,920)
Total	**30,012,007**	**17,202,067**

Accounting Policies, Estimate Change and mistakes (note 5)

Nothing to mention.

[signed]

Composition of the Outcome by Business Segment (note 6)

The way of segmentation of business used by the CP Group is the nature of the provided services. This is the way how the Board of Directors analyses and controls its business, besides being the way how the information is organized and communicated.

Considering that IFRS 8 defines quantitative thresholds from which the segments must be treated as operational segments to be disclosed, the following services to be disclosed in the scope of the present note were identified:

- Suburban transportation of passengers (it covers the suburban transportation of passengers in the Lisbon and Oporto areas);

- Transportation of long-course passengers (it links the main Portuguese cities, and the customers share mostly a motivation of business or leisure for their travel), international (it transports passengers into Spain or into the border between Spain with France) and regional (medium/short-distance service for travels of systematic character in the regional or local scope, it distributes the passengers either by the motivation house/work or school, as well as running affairs/business);

- Transportation of goods; and

- Maintenance, conservation and construction of rolling stock.

In the performed aggregation of operating segments, it has been intended to ensure the same have similar economic characteristics, in accordance with the provisions of IFRS 8.

The information regarding other business activities and operational segments non-reportable were combined and disclose in a category with the designation «all other segments». In that category are included namely the segments of training, provision of health care and insurance mediation, which are beyond the quantitative thresholds of IFRS 8.

The financial information of the main segments of business of the Group, regarding the periods ending at December 31st 2013 and 2014 is as follows:

[signed]

Operational result by segment of business of the CP Group 2013 **(amounts in Euros)**

	Transport of passengers in suburban trains	Transport of passengers in long-course, international and regional	Transport of goods	Maintenance and conservation of r. stock	Remaining areas	Individual demonstr. of CP Group operat. outc.	Annulments and ajust. intragroup	Consolidated demonstr. of CP Group operat. outc.
Provided sales and services	93,981,788	113,346,885	58,132,756	50,935,813	26,283,892	342,681,134	-65,888,934	276,792,200
*Provided sales and services - annulments intragroup	-37,011	-287,252	-495,056	40,346,153	-105,415,769			
Revenue grants	491,978	-	-	150,587	33,891,658	34,534,222	-	34,534,222
*Revenue grants - annulments intragroup	-	-	-	-	-			
Gains/losses attributed to subsidiaries, associated companies and joint ventures	-	-	-	285,213	-2,956,393	-2,671,181	3,298,393	627,212
*Gains/losses attributed to subsidiaries, associated companies and joint ventures - annulments intragroup	-	-	-	-	3,298,393			
Variation in inventory production	-	-	-	-15,374	-	-15,374	-	-15,374
*Variation in inventory production - annulments intragroup	-	-	-	-	-			
Works for own company	-	-	-	-	-	-	10,844,634	10,844,634
*Works for own company - intragroup annulments	-	-	-	-	10,844,634			
Sold goods and consumed materials cost	-764,293	-6,244,179	-2,907,656	-13,564,239	-1,469,199	-24,949,567	-	-24,949,567
*Sold goods and consumed materials cost - annulment intragroup	-	-	-	-	-			
External services and supply	-57,159,347	-87,764,601	-49,423,588	-9,599,103	-24,026,151	-227,972,790	65,885,570	-162,087,219
*External services and supply - annulments intragroup	3,239,068	4,035,746	34,803,792	-4,602,032	28,408,996			
Personnel expenses	-32,837,097	-39,136,310	-20,372,823	-29,821,725	27,860,316	-150,028,272	2,487,296	-147,540,976
*Personnel expenses - annulments intragroup	283,604	269,289	552,242	-537,784	1,964,945			
Inventory Impairments (losses/reversions)	0	0	0	358,283	-122,424	235,859	-	235,859
*Inventory Impairments (losses/reversions) - annulments intragroup	-	-	-	-	-			
Receivables impairment (losses/reversions)	-896,338	-25,784	1,632,534	181,252	-103,089	788,574	-	788,574

[signed]

*Receivables impairment (losses/reversions) - annulments intragroup	-	-	-	-	-			
Provisions (increase/deductions)	-	-	-	140,618	-19,143,257	-19,002,639	23,525,071	4,522,432
*Provisions (increase/deductions) - annulments intragroup	-	-	-	-	23,525,071			
Non-depr./non-amort. investment impairments	-	-	-	-	-7,363,249	-7,363,249	-	-7,363,249
*Non-depr./non-amort. investment impairments - annulments intragroup	-	-	-	-	-			
Other income and gains	8,488,269	5,927,761	2,936,448	1,571,345	17,234,407	36,158,230	-12,843,107	23,315,124
*Other income and gains - annulments intragroup	-20,639	-79,291	-164,186	315,058	-12,894,048			
Other expenses and losses	-878,715	-1,309,805	-1,330,378	-991,996	-3,632,620	-8,143,514	600,995	-7,542,519
*Other expenses and losses - annulments intragroup	7,021	14,206	248,364	-74,941	406,344			
Outcome before depr., funds expenses, tax	**10,426,246**	**-15,206,034**	**-11,332,708**	**-369,326**	**-9,266,742**	**-25,748,564**	**27,909,918**	**2,161,653**
***Outcome before depr., funds expenses, tax - annulments intragroup**	**3,427,045**	**3,952,698**	**34,945,156**	**35,446,453**	**-49,861,434**			
Expenses/reversions of depr. and amort.	-30,386,871	-24,554,177	-4,182,225	-1,317,287	-14,545,551	-74,986,111	-	-74,986,111
Invest. Impair. depr. and amort (loss/gain)	-	-	-	-	-2,524,434	-2,524,434	-	-2,524,434
Oper. Outc. (before fin. exp. and tax)	**-16,533,581**	**35,807,513**	**19,430,222**	**33,759,840**	**-76,198,161**	**-103,259,110**	**27,909,918**	**-75,349,192**

Operational result by segment of business of the CP Group 2014 **(amounts in Euros)**

	Transport of passengers in suburban trains	Transport of passengers in long-course, international and regional	Transport of goods	Maintenance and conservation of r. stock	Remaining areas	Individual demonstr. of CP Group operat. outc.	Annulments and ajust. intragroup	Consolidated demonstr. of CP Group operat. outc.
Provided sales and services	97,234,626	121,777,726	63,994,999	54,993,577	24,262,298	361,212,443	-69,375,825	292,836,618
*Provided sales and services - annulments intragroup	-1,140	-452,504	-471,566	-45,371,472	-23,079,143			
Revenue grants	0	0	23,029	52,329	17,904,652	17,980,010	0	17,980,010
*Revenue grants - annulments intragroup	0	0	0	0	0			
Gains/losses attributed to subsidiaries, associated companies and joint ventures	0	0	0	357,737	1,226,449	1,584,186	-1,183,756	400,430
*Gains/losses attributed to subsidiaries, associated companies and joint ventures - annulments intragroup	0	0	0	0	-1,183,756			
Variation in inventory production	0	0	0	-120,173	0	-120,173	0	-120,173
*Variation in inventory production - annulments intragroup	0	0	0	0	0			
Works for own company	0	0	0	2,637	0	2,637	9,685,753	9,688,390
*Works for own company - intragroup annulments	0	0	0	9,685,753	0			
Sold goods and consumed materials cost	-227,614	-788,735	-2,689,893	-13,895,729	-6,699,161	-24,301,132	0	-24,301,132
*Sold goods and consumed materials cost - annulment intragroup	0	0	0	0	0			
External services and supply	-8,065,716	-12,460,933	-50,607,011	-11,137,705	-151,280,461	-233,401,783	68,655,783	-164,896,043
*External services and supply - annulments intragroup	3,263,339	293,709	34,891,857	4,451,588	25,755,290			
Personnel expenses	-4,994,189	-6,008,363	-18,113,391	-28,136,555	-94,149,285	-151,401,783	2,666,177	-148,735,606
*Personnel expenses - annulments intragroup	248,841	327,627	673,871	633,712	782,126			
Inventory Impairments (losses/reversions)	0	0	0	-83,395	-117,381	-200,776	0	-200,776
*Inventory Impairments (losses/reversions) - annulments intragroup	0	0	0	0	0			
Receivables impairment (losses/reversions)	73	0	-151,004	11,100	1,603,476	1,463,645	-5,787	1,457,858
*Receivables impairment (losses/reversions) - annulments intragroup	0	0	0	-5,787	0			
Provisions (increase/deductions)	0	0	0	11,446	15,386,586	15,398,032	-4,608,492	10,789,540

[signed]

*Provisions (increase/deductions) - annulments intragroup	0	0	0	0	-4,608,492			
Non-depr./non-amort. investment impairments	0	0	0	0	10,721,063	10,721,063	0	10,721,063
*Non-depr./non-amort. investment impairments - annulments intragroup	0	0	0	0	0			
Other income and gains	1,369,009	564,668	25,695,828	1,815,900	44,381,374	73,826,779	-13,324,579	60,502,200
*Other income and gains - annulments intragroup	-26,227	-110,184	-328,831	-655,727	-12,203,610			
Other expenses and losses	-119,770	-98,820	-635,572	-385,843	-10,501,516	-11,741,521	277,980	-11,463,541
*Other expenses and losses - annulments intragroup	0	0	137,129	94,381	46,470			
Outcome before depr., funds expenses, tax	**85,196,419**	**102,985,543**	**17,466,202**	**3,485,326**	**-147,261,906**	**61,871,584**	**-7,212,746**	**504,658,838**
***Outcome before depr., funds expenses, tax - annulments intragroup**	**3,484,813**	**58,648**	**34,902,460**	**-31,167,552**	**-14,491,115**	**0**	**0**	**0**
Expenses/reversions of depr. and amort.	-4,881,083	**-3,002,877**	**-4,385,088**	**-1,241,271**	**-57,355,363**	**-70,865,682**	**0**	**-70,865,682**
Invest. Impair. depr. and amort (loss/gain)	0	**0**	**0**	**0**	**-4,706,977**	**-4,706,977**	**0**	**-4,706,977**
Oper. Outc. (before fin. exp. and tax)	**83,800,149**	**100,041,314**	**47,983,574**	**-28,923,497**	**-223,815,361**	**-13,701,075**	**-7,212,746**	**-20,913,821**

It is not presented the financial outcome by segment, given that the operating decisions are taken based on the operating results by business segment and it is not possible to split/attribute the existing funding to the totality of the segments.

The asset and liability of these business segments present the following values at December 31 2013 and 2014:

Assets and liabilities of the CP Group at December 31 2013 **(amounts in Euros)**

	Transport of pasg. In suburb, long-course, international and regional	Transportation of goods	Maintenance and conservation of rolling stock	Remaining Areas	Total reported by the segments	Annulments and adjustments intragroup	Total consolidated assets and liabilities 2013
Non-current asset of the reported segments	910,881,655	64,186,780	8,718,819	3,759,339	987,546,593	-85,914,511	901,632,082
Current asset of the reported segments	117,966,320	34,292,786	33,968,043	1,365,414	187,592,563	-19,180,462	168,412,101
Total asset of the reported segments	1,028,847,975	98,479,566	42,686,862	5,1244,753	1,175,139,156	-105,094,973	1,070,044,183
Non-current liability of the reported segments	1,965,272,508	49,533,714	5,139,810	699	2,019,845,731	-93,408,979	1,926,437,057
Current liability of the reported segments	2,300,050,484	137,806,797	31,954,592	6,417,763	2,476,229,636	74,092,979	2,550,322,615
Total liability of the reported segments	4,265,221,922	187,340,511	37,094,402	6,418,462	4,496,075,367	-19,315,695	4,476,759,672

The existing assets and liabilities are also not segregated by segment of business, given the impossibility of obtaining such information for every segment, namely in what concerns the transportation of passengers, in which there are frequent alterations in the attribution of assets between the several segments as well as bearing into account the fact that this information is not presented in a detailed and regular way for purposes of decision for all segments. Actually, regarding assets and liabilities, these are only reported regularly by the company of the Group, for the purposes of decision-making.

[signed]

Fixed Tangible Assets (note 7)

At the end of 2014 the CP Group presented a fixed tangible asset organized by asset class, as presented in the following table:

(amounts in Euros)

	31-12-2014	31-12-2013
Gross Amount:		
Terrains and natural resources	19,131,471	28,759,958
Buildings and other constructions:	81,846,591	108,725,710
Basic Equipment	1,637,784,055	1,660,341,183
Transportation Equipment	3,122,741	3,752,892
Administrative Equipment	22,639,699	22,937,222
Other Fixed Tangible Assets	64,979,757	65,360,361
Investments in course	1,014,164	2,112,920
Advances due to investments	-	-
	1,830,518,478	**1,891,990,246**
Accumulated depreciation and impairment		
Depreciation of the period	69,189,993	74,698,268
Accumulated depreciation of previous periods	963,654,189	940,849,065
Losses due to impairment of the period	4,706,977	2,524,434
Losses due to impairment of previous periods	3,596,034	1,071,600
Annulments of the period	(1,161,626)	(343,603)
	1,039,985,567	1,018,799,764
Current net value	**790,532,911**	**873,190,482**

The movements in the item of fixed tangible assets during 2014 are summarized in the following table:

	Initial Balance	Additions	Revaluations/ Impairments	Alterations	Assets held for sale	Depreciations	Transfers	Other regularizations	Final Balance
Gross Amount:									
Terrains and natural resources	28,759,958	0		-9,628,487	0	0	0	0	19,131,471
Buildings and other constructions:	108,725,710	783,338		-27,939,777	0	-82,369	353,512	6,177	81,846,592
Basic Equipment	1,660,341,183	27,833		-1,937,542	36,774,562	-589,734	11,133,820	-67, 965,867	1,637,784,055
Transportation Equipment	3,752,892	3,581		-585,279	0	-48,453	0	0	3,122,741
Administrative Equipment	22,937,222	293,751		-19,679	0	-620,650	49,055	0	22,639,699
Other Fixed Tangible Assets	65,360,361	454,730		0	0	-835,334	0	0	64,979,757
Investments in course	2,342,757	11,585,302		-943,010	0	0	-11,970,885	0	1,014,164
Advances due to investments	-229,837	3,460,927		0	0	0	-3,963,591	732,501	0
	1,891,990,246	16,609,462		41,053,974	36,774,562	-2,176,540	-4,398,089	-67,227,189,	1,839,518,478
Accumulated depreciation and impairment									
Buildings and other constructions	**41,457,881**	**3,427,556**		**-10,161,980**	**0**	**-73,763**	**0**	**0**	**34,649,694**
Basic equipment	**907,765,094**	**63,665,862**		**-1,366,319**	**27,741,002**	**-589,318**	**0**	**-67,695,868**	**929,250,453**
Transportation equipment	**3,354,782**	**105,806**		**-431,778**	**0**	**-48,116**	**0**	**0**	**2,980,694**
Administrative equipment	**21,234,005**	**906,760**		**-16,685**	**0**	**-619,920**	**0**	**0**	**21,504,160**
Other fixed-tangible assets	**41,391,968**	**2,671,525**		**0**	**0**	**-765,938**	**0**	**0**	**43,297,555**
Fixed T. Assets - Accum. loss imp. - Basic Eq.	**3,596,034**	**4,706,977**		**0**	**0**	**0**	**0**	**0**	**8,303,011**
	1,018,799,764	**75,484,486**		**11,797,762**	**27,741,002**	**-2,097,055**	**0**	**-67,695,868**	**1,039,985,567**
Total	**873,190,482**								**790,532,911**

[signed]

The fixed tangible assets of the CP Group are measured at cost, which are depreciated in a straight-line basis, in accordance with the useful lives specified in note 3.

The most significant investments, concluded in the financial year of 2014, regard essentially to occasional repairs of the type R2 and R3 and intervention in the life environment of the trains of active commuting.

It should also be mentioned the disposal to REFER of the Freight Terminals, as well as the transfers into Fixed Tangible Assets of two sets of material, registered in non-current Asset held for sale, which in the next financial years might enter into service again.

The accumulated depreciations and impairments mentioned in the column additions concern the depreciation of assets, in accordance with their useful life, standing out due to their contribution, the depreciations of rolling stock and the impairments recognized in the rolling stock - as a result of accidents - as well as the disposal of the Freight Terminals and the transfers into Fixed Tangible Asset of the item of non-current assets held for sale.

At December 31 2014 the following fixed tangible assets were considered as loan guarantee obtained by CP from Eurofirma:

(amounts in Euros)

DESCRIPTION	Liability
Engines	178,229,481
Carriages	-
Locomotives	124,584,991
Total	**302,814,472**

Intangible Assets (note 8)

The intangible assets from the CP Group concern essentially the implementation of informatics systems. There is no situation in which the asset has been developed internally. These assets are classified in the item expenses of investigation and development, according to the following table:

(amounts in Euros)

	31-12-2014	31-12-2013
Gross Value		
Expenses of investigation and development	429,193	341,692
Computer programs	1,150,690	1,151,495
Intangible Assets in course	12,693	6,104
Sub-total	1,592,576	1,499,291
Accumulation amortisation and Impairment		

[signed]

Amortization of the period	88,174	120,900
Reversions of the period	(805)	(14,565)
Accumulated amortization of previous periods	1,411,618	1,305.,283
Losses due to impairment of the period	-	-
Losses due to impairment of the previous periods	-	-
	1,498,987	**1,411,618**
Net accounting value	**93,589**	**87,673**

For purposes of amortization, the useful life of these assets is considered to be, as a rule, 3 years: This estimate is, however, annually revised according to the expected use of the asset. The intangible assets are measured at cost and amortized through the straight-line method in twelfths starting at the date of entry into production of the asset.

The movements in the item of intangible assets during the year of 2014 are analysed as follows:

[signed]

(amounts in Euros)

	Initial Balance	Additions	Revaluations/ Impairments	Alterations	Assets held for sale	Depreciatio ns	Transfers	Final Balance
Gross Value								
Expenses of investigation and development	341,692	87,501	-	-	-	-	-	429,193
Computer programs	1,151,495	-	-	-	.	(805)	-	1,150,690
Intangible Assets in course	6,104	6,589	-	-	-	-	-	12,693
Sub-total	**1,499,291**	**94,090**	**-**	**-**	**.**	**(805)**	**-**	**1,592,576**
Accumulation amortisation and Impairment								
Amortization of the period	958,408	88,174	-	-	-	(805)	-	1,072,777
Accumulated amortization of previous periods	426,210	-	-	-	-	-	-	426.210
Losses due to impairment of the period	-	-	-	-	-	-	-	-
Losses due to impairment of the previous periods	-	-	-	-	-	-	-	-
Sub-total	**1,411,210**	**88,174**	**-**	**-**	**-**	**(805)**	**-**	**1,498,987**
Total	**87,673**							**93,589**

[signed]

Leases (note 9)

CP Group holds a set of fixed tangible assets funded by financial leasing contracts, with the detail presented as follows:

(amounts in Euros)

Description	31-12-2014			31-12-2013		
	Gross Amount	Depreciation/ Impairment	Net Value	Gross Amount	Depreciation/ Impairment	Net Value
Basic equipment	38,398,710	(4,034,254)	34,364,456	38,398,710	(2,936,714)	35,461,996
Transportation Equipment	14,700	(14,700)	-	14,700	(13,781)	919
TOTAL	**38,413,410**	**(4,048,054)**	34,364,456	**388,530**	**(2,950,495)**	**35,462,915**

It concerns financial lease agreements, considering that all the risks and advantages inherent to possessing the asset were transferred substantially for the CP Group.

The basic equipment funded by financial lease agreements concerns mainly acquired wagons for allocation to the national and international joint service of goods.

Financial Statements – Equity Method (note 10)

The detail of the financial statements in which the equity method is applied is presented in the following table:

(amounts in Euros)

Description	Type	31-12-2014			31-12-2013		
		Gross Amount	Impairment	Net Value	Gross Amount	Impairment	Net Value
EMEF/SIEMENS, SA	Investment	344,151	-	344,151	285,411	-	285,411
NOMAD TECH, LDA.	Investment	69,586	-	69,586	56,000	-	56,000
OTLIS, ACE	Investment	154,097	-	1554,097	47,119	-	37,119
TOTAL		**567,834**	-	**567,843**	**388,530**	-	**388,530**

In 2014 the following movements in these financial statements were made, as presented in the following table:

(amounts in Euros)

Description	Initial Balance	Regularization	Additions	Disposals	MEP	Other Alterations	Final Balance
Gross Value							
EMEF/SIEMENS, ACE	285,411	-	-	-	344,151	(285,411)	344,1151
NOMAD TECH, Lda.	56,000	-	-	-	13,58	-	69,586

[signed]

OTLIS, ACE	47,119	-	-	-	42,693	64,285	154,097
Sub-total	388,530	-	-	-	400,430	(221,126)	567,834
Impairment		-	-	-	-	-	-
Total	388,530	-	-	-	400,430	(221,126)	567,834

Concerning TIP, it is applied the MEP in the negative equities of this affiliate, considered in note 32 in the item "Occupational injuries and professional illnesses; amongst other provisions".

Financial Statements – Other Methods (note 11)

The CP Group holds small financial holdings in several companies which are recognized at the least cost without losses due to impairment, given that the value of these holdings is not publicly negotiated and there is no possibility of obtaining their fair-value in a reliable manner.

At the date of each period of financial reporting, the possibility of impairment existence in these financial assets is assessed, recognizing a loss due to impairment in the demonstration of the outcomes if there is an objective evidence of the mentioned impairment.

The details of this item are presented in the following table:

(amounts in Euros)

Description	Method	31-12-2014			31-12-2013		
		Gross Amount	Impairment	Net Value	Gross Amount	Impairment	Net Value
MLM, SA	Acquisition Cost	12,721	(12,721)	-	12,721	(12,721)	-
METRO DO PORTO, SA	Acquisition Cost	249,399	(249,399)	-	249,399	(249,399)	-
METRO-MONDEGO, SA	Acquisition Cost	3,595	-	3,595	3,595	-	3,595
ICF	Acquisition Cost	382,269	(382,269)	-	382,269	(382,269)	
EUROFIRMA	Acquisition Cost	27,760,679	-	27,760,679	27,760,679	-	27,760,679
BCC	Acquisition Cost	1,460	-	1,460	1,460	-	1,460
APOR	Acquisition Cost	5,000	-	5,000	5,000	-	5,000
Fundação Museu Nacional Rodiviário	Acquisition Cost	31,944	31,944	-	31,944	(31,944)	-
INEGI	Acquisition Cost	2,500	2,500	-	2,500	(2,500)	-
TRANSCOM, SA	Acquisition Cost	388,280	(87,108)	301,172	288,280	(194,279)	194,001
Obligations CONSOLIDATED 1942	Acquisition Cost	662	-	662	662	-	662
		28,415,784	**(644,389)**	**27,771,396**	**28,465,404**	**(646,889)**	**27,818,515**

[signed]

The movement of these financial holdings in 2014 is analysed in the following table:

(amounts in Euros)

Description	Initial Balance	Additions	Disposals	Fair-Value	Other Changes	Final Balance
Gross Value						
MLM, SA	12,721	-	-	-	-	12,721
METRO DO PORTO, SA	249,399	-	-	-	-	249,399
METRO-MONDEGO, SA	3,595	-	-	-	-	3,595
ICF	382,269	-	-	-	-	382,269
EUROFIRMA	27,760,679	-	-	-	-	27,760,679
BCC	1,460	-	-	-	-	1,460
APOR	5,000	-	-	-	-	5,000
Fundação Museu Nacional Rodiviário	31,944	-	-	-	(31,944)	-
INEGI	2,500	-	-	-	(2,500)	-
TRANSCOM, SA	388,280	-	-	-	-	388,280
	662		-	-	-	662
Obligations CONSOLIDATED 1942	28,838,509	-	-	-		28,804,065
		-	-	-		-
Impairment		-	-	-		-
MLM, SA	(12,721)	-	-	-	-	(12,721)
METRO DO PORTO, SA	(249,399)	-	-	-	-	(249,399)
ICF	(382,269)	-	-	-	-	(382,269)
Fundação Museu Nacional Rodiviário	(31,944)	-	-	-	31,944	-
INEGI	(2,500)	-	-	-	2,500	-
TRANSCOM, SA	(194,279)		-	-	107,171	(87,1081
	(873,112)			-		(731,497)
	27,965,397					**28,072,568**

Deferred Tax Assets (note 12)

The detail of this item is analysed as follows:

(amounts in Euros)

DESCRIPTION	31-12-2014	31-12-2013
Deferred Tax Assets	2,488,729	-
	2,488,729	**-**

As it is mentioned in note 14 concerning Income Tax, resulting from the subscription to Law no. 61/2014 from August 26, which approved the special scheme applicable to the deferred tax assets, the company has been registering in 2014 as deferred tax assets the amount of 2.488.799 Euros.

[signed]

Shareholders/Partners (note 13)

The detail of this item is analysed as follows:

(amounts in Euros)

	31-12-2014	31-12-2013
Current Asset		
Other Operations - Carry-over payments	-	141,291
	-	**141,291**

The decrease of balance of this item is due to the usage of a provision created regarding a contingency.

Income Tax (note 14)

CP is the parent company of a group of companies which is taxed in accordance with the special scheme of taxation of Groups of Companies as foreseen in article 69 of IRC Code which contains, beyond CP, the affiliates EMEF – Empresa de Manutenção de Equipamento Ferroviário, SA; CP Carga - Logística e Transportes Ferroviários de Mercadorias, SA; and SAROS – Sociedade de Mediação de Seguros, Lda..

Concerning income tax, CP subscribed in 2014 to the special scheme applicable to deferred tax assets (Law no. 61/2014 from august 26), in which concerns the reclassification of responsibilities with occupational injuries' allowances, which implied the recognition of a deferred tax asset of 2,488,729.28 Euros, calculated as follows: 11.061.019€ *22,5% (full responsibility with occupational injuries' allowances * Corporate Income Tax rate + overflow).

CP did not account other assets nor deferred tax liabilities related with the reporting of tax loss because there are no expectations that the mentioned group of societies covered by the special taxation scheme ever obtains future taxable profits which allow the usage of the accumulated tax loss of CP.

In accordance with the legislation in force, the tax losses ascertained until 2009 are reportable during a period of six years after they occur and they are also susceptible to deduction to taxable profits created during that period. According to the same provisions, the tax losses created in the financial years of 2010 and 2011 are reportable for a period of four years, the tax losses created in the financial years of 2012 and 2013 are reportable for a period of five years and the tax losses ascertained from 2014 have a reporting deadline of twelve years.

[signed]

Similarly, the deferred tax liabilities related with fixed tangible assets reassessed in previous periods were not accounted, due to the fact that, when compared with the actual market conditions and the social character of business, it is not expectable that the Company has to pay income tax in the following years. For that reason, the Company understands that all the conditions for this situation to be considered as liability are not gathered.

The accounting consolidated outcome was adjusted in a way it reflects the estimate IRC with the autonomous taxation of 2014, the only taxable subject calculated in the period, and which represents a total amount of 1,599,058 Euros, as detailed in the following table:

(amounts in Euros)

DESCRIPTION	Income Tax	
	2014	2013
CP	2,212,845	(289,071)
CP Carga	(540,333)	(73,301)
Fernave	(11,681)	(8,939)
Ecosaúde	(7,651)	(7,467)
Emef	(90,017)	(39,217)
Saros	(4,105)	(4,349)
	1,559,058	**422,344**

* Companies classified in 2014 by MEP

Inventory (note 15)

At December 31 2014 the Group CP presented the following amounts of inventory, detailed by class:

(amounts in Euros)

DESCRIPTION	31-12-2014	31-12-2013
Gross Amount:		
Raw-materials, subsidiaries and of consumption	35,491,668	35,807,776
Finished and intermediate products	1,307,914	1,409,162
Reclassifications and regularization of inventories	-	430,388
	36,799,582	**37,647,326**
Accumulated Impairment		
Losses due to impairment in the period	591,777	235,859
Previous periods losses due to impairments	(14,227,880)	(14,463,739)
	(13,636,103)	(14,227,880)
Net Accounting Amount	**23,163,479**	**23,419,446**

[signed]

The most significant amount of inventories is found in the item of raw-materials, subsidiaries and consumption, which reveals this year a slight decrease, against the previous year, provoked by consumption of materials superior to the purchases made during the period.

During 2014, the group proceeded to the depreciation of material identified as obsolete which had no application in consequence of the deactivation of a respective series of material, of the replacement of the equipment, or motivated by technical degradation (non-conformity for usage).

The recognition of impairments of inventories registered the following variations:

(amounts in Euros)

Description	Initial Balance	Usage	Losses	Reversions	Final Balance
Inventory impairments					
Raw-materials, subsidiaries and of consumption	(13,661,362)	792,553	393,570	182,549	(13,079,830)
Finished and intermediate products	(566,518)	-	16,717	26,962	(556,273)
	(14,227,880)	**792,553**	**410,287**	**209,511**	**(13,636,103)**

The losses due to inventory impairments regarding raw-materials, subsidiaries and of consumption regarding finished products and intermediate have its origin essentially in the area of transportation of passengers (CP) and in the maintenance and repair of rolling stock (EMEF).

For calculating impairment in the inventories allocated to the area of passengers' transportation (CP), it is verified on biannual basis whether the current amount of the inventory is or not inferior to the amount for which these are recognized in the company's accounts. If the amount for which the inventory is recognized is superior to the net current value, it recognizes a loss due to impairment by the difference between those two variables.

Until 2011, the bases criterion for assessing the impairment of these materials was the non-rotation for more than 5 years - and it was applied to all inventory in storage. Since the financial year of 2012, and bearing into account the durability of most of the parts used for repairs of rolling stock, the company opted to assess more thoroughly the impairment of this universe of assets. In order to do that, the depreciations of the storage parts of rolling stock were calculated in accordance with the estimate useful life of the series of material to which they were linked, which allowed the identification of the actual obsolete and without application materials. For the remaining several materials, the criterion of non-rotation for over 5 years was kept.

The total of impairment of inventories recognized in 2014 results also of the contribution of the segment of maintenance and repair, with depreciations of materials identified as obsolete or with no application as a consequence of deactivating the respective series of material, of the substitution of equipment or motivated by the technical degradation (non-conformity for usage).

[signed]

For the calculus of impairment in the sector of maintenance and repair, the following criteria were used:

- Rolling stock and automotive which is in the program of depreciations of and depreciation of electrical locomotives 2500/2550 – 100% impairment;
- Material allocated to the engines UTD 600 and to the diesel MLW 1500 locomotives which were deactivated – 100% impairment;
- Materials whose object class is obsolete – 100% impairment;
- Materials whose stock class is mono EMEF and mono CP, with no consumption for 5 years or more – 100 % impairment and, with some consumption – 50% impairment;
- Materials with no consumption for 5 years or more - 100% impairment; for 4 years - 60% impairment; for 3 years – 50% impairment, allocated to wagons, carriages, generic material to be applied in several equipment series; and
- Materials whose classification of material series/equipment belongs to carriages – 10% impairment.

Regarding the variation of Production Inventories, the CP Group presents the following amounts in 2014 and 2013:

(amounts in Euros)

DESCRIPTION	31-12-2014	31-12-2013
Variation Production Inventories		
Finished and intermediate products	(120,173)	(15,374)
	(120,173)	**(15,374)**

[signed]

Customers (note 16)

At December 31st 2013 the item customers presented the following values:

(amounts in Euros)

DESCRIPTION	31-12-2014	31-12-2013
Gross Amount:		
Customers c/c		
General	22,404,920	24,428,784
Customers - doubtful debt	3,995,616	4,323,204
	26,400,536	**28,751,988**
Accumulated Impairment		
Losses due to impairment in the period	327,373	1,658,828
Previous periods losses due to impairments	(4,320,999)	(5,979,827)
	(3,993,626)	(4,320,999)
Net Accounting Amount	**22,406,910**	**24,430,989**

The diminishing of balance is due mainly to the BCC customer (foreign network manager), namely in what regards Renfe Operadora.

The movements of the losses due to impairment are analysed as follows:

(amounts in Euros)

Description	Initial Balance	Losses	Reversals	Final Balance
Losses due to Impairment				
General Customers	4,320,999	174,439	(501,812)	3,993,626
	4,320,999	**174,439**	**(438,654)**	**3,993,626**

Advances to Suppliers (note 17)

The item advances to suppliers presents the following details:

(amounts in Euros)

DESCRIPTION	31-12-2014	31-12-2013
Gross Amount:		
SISCOG-SISTEMAS COGNITIVOS, LDA	128,391	128,391
REDE FERROV.NACIONAL, E.P.E.	2,120	2,120
Others	1,760	27,174
	132,271	**157,685**
Accumulated Impairment		
Impairment from the period	-	-
Impairments from previous periods	-	-
Net Accounting Amount	**132,271**	**157,685**

[signed]

State and Other Public Entities (note 18)

The item State and other public entities is analysed as follows:

(amounts in Euros)

DESCRIPTION	31-12-2014	31-12-2013
Asset		
Income Tax	**1,206,061**	**1,380,872**
VAT	**11,3118,882**	**15,158,537**
Recoverable VAT	6,510,141	9,985,457
Requested reimbursements VAT	4,808,741	5,173,080
Other taxes	-	489
CNP Social Security Contributions	-	24,558
	12,524,943	**16,564,456**
Liability		
Income Tax	905,286	390,381
Tax retentions over income	1,761,451	1,635,060
Payable VAT	3,069,248	1,760,992
Contribution for Social Security	2,805,496	2,689,652
	8,541,481	**6,476,085**

The main variation registered between 2013 and 2014 is mainly the result of the significant decrease of the VAT receivable in the last two months. The positive variation occurring in 2013 did not occur in 2014 as a result of the favourable outcome - at that date - of a proceeding related with the annulment of invoices in the amount of 4,227,172 Euros.

Other Receivables (note 19)

The item other receivables is analysed as follows:

(amounts in Euros)

DESCRIPTION	31-12-2014	31-12-2013
Gross Amount:		
Suppliers c/c - owing balances	348,285	318,937
D. Diverse - c/c	19,020,549	22,064,290
Debtors for revenue increase	2,011,703	2,592,102
	21,380,537	24,975,329
Accumulated Impairment		
Period Impairment - Oth. Debt 3rd parties	1,136,273	(870,254)
Previous Periods Impairments - O. D. 3rd parties	(6,163,410)	(5,293,156)
Sub-Total	(5,027,137)	(6,163,410)
Net accounting amount	**16,353,400**	**18.811.919**

[signed]

The registered variation, compared with the financial year of 2013, results fundamentally from the settlement of the amounts overdue to REFER, still open in 2013, as a result of the payment agreement concluded between CP and the Operator of the infrastructure in 2014.

Deferrals (note 20)

The item deferrals presents the registered amounts in the following table:

(amounts in Euros)

Description	31-12-2014	31-12-2013
Asset		
Expenses to recognize		
Defer. - Recog. Exp. - Other -Diverse	8,634,172	8,915,289
Defer. - Recog. Exp. - Insurance	182,014	279,955
Defer. - Recog. Exp. - Rents	12,190	22,581
Defer. - Recog. Exp. - Rev's	14,600,778	14,871,686
	23,429,154	24,089,511
Liability		
Income to recognize		
Defer. - Recog. Gains. - Investment funds	161,022,758	170,949,396
Defer. - Recog. Gains. - Inv. f/ acc. Work to Realize	(455,950)	(18,887)
Defer. - Recog. Gains. - CPLX	768,010	881,824
Defer. - Recog. Gains. - POEFDS_PORLVT	-	-
Defer. - Recog. Gains. - Sub. Proj. Exploration	455	455
Defer. - Recog. Gains. - Other Def. - Income to Recog.	5,449,941	4,977,687
	166,785,214	**176,790,475**

The main variations against 2013 are the results of adjustments either in the expenses to be recognizes before third parties, either from income to be recognized in the provision of service to third parties, concerning the current assumed responsibilities and of the provision of services which have not yet been invoiced.

In the following table the detail of income to be recognized due to investment allowance is presented:

(amounts in Euros)

Description	31-12-2014	31-12-2013
59300001 Allowances Reserves - ILD'S	-	1,755
59300004 Allowances Reserves - Rolling Stock	947,295	1,644,972
59300100 FEDER - Sub Proj 12UQE	6,713,528	7,587,462
59300700 PIDDAC - Sub Proj 12 + 4UQE	4,864,971	5,212,466
59300800 FEDER - Sub Proj 12 + 4UQE	13,296,586	14,246,329
59301001 PIDDAC - Sub Proj 34UQE/UTE	3,492,778	3,810,303
59301002 PIDDAC - Sub Proj 19UDD	535,228	586,096

[signed]

59301003 PIDDAC - Sub Proj 21ALLAN	784,846	871,055
59301004 PIDDAC - Sub Proj 42UQE	462,615	502,519
59301005 PIDDAC - Sub Proj 34UME	20,016,260	21,103,690
59301006 PIDDAC - Sub Proj 57UTE Silicon	16,557,653	17,397,398
59301008 PIDDAC - Sub Proj Convel	-	-
59301009 PIDDAC - Sub Proj 57CORRAIL	660,367	724,228
59301010 PIDDAC - Sub Proj 12Locomotives	390,009	390,009
59301011 PIDDAC - Sub Proj Radio Solo Comb	16,127	16,127
59301012 PIDDAC - Sub Proj Aq 15 Loc 4700	18,964,832	19,615,055
59301013 PIDDAC - Sub Proj Ticket w/o contact	2,667,674	3,541,046
59301014 PIDDAC - Sub Proj Interface Ramal Lousã	246,343	274,231
59301015 PIDDAC - Sub Proj Aq. 10 Locs 4700	2,477,272	2,561,485
59301024 PIDDAC - Sub Proj Alter Max Speed 45 Modernized Carriages	132,704	159,926
59301025PIDDAC - Subs. Rotated Transmission Boxes UDD's 450	496,322	487,605
59301026 PIDDAC - Sub Sist. Press Scales and Material Rotation	4,861	19,445
59301027 PIDDAC - Modernization railcars 3500	1,310,313	1,415,313
59301028 PIDDAC - Large repair R2 - 453	58,075	82,964
59301029 PIDDAC - Large repair R2 - 2334	376,852	404,259
59301030 PIDDAC - Large repair R2 - 2340	372,284	399,691
59301031 PIDDAC - Large repair R2 - 2326	28,731	302,926
59301032 PIDDAC - Large repair R3 - 9635	97,986	119,761
59301033 PIDDAC - Large repair R2 - 464	99,098	137,459
59301034 PIDDAC - Large repair R2 - 2197010	124,924	143,900
59301035 PIDDAC - Large repair R2 - 2403	230,516	-
59301036 PIDDAC - Large repair R2 - 2404	527,691	-
59301037 PIDDAC - Large repair R2 - 360	93,668	-
59301039 PIDDAC - Large repair R2 - 2405	366,234	-
59301040 PIDDAC - Large repair R2 - 468	82,964	-
59301041 PIDDAC - Large repair R2 - 2197025	166,178	-
59301101 FEDER - Sub Proj. 19UDD	1,106,378	1,211,529
59301102 FEDER - Sub Proj. 21ALLAN	1,533,215	1,701,627
59301103 FEDER - Sub Proj. 34UME	35,648,247	37,582,594
59301104 FEDER - Sub Proj. 57UTE Silicon	21,338,724	22,451,393
59301106 FEDER - Sub Proj. Reabil3Aut	116,802	116,803
59301107 FEDER - Sub Proj. 57CORRAIL	1,324,138	1,452,188
59301108 FEDER - Sub Proj. 12Locomotives	903,370	903,370
59301510 Sub Proj. CP/KIDS	-	27,276
59301700 FEDER - Benef Interf. Ramal Lousã	535,512	581,343
59301800 FEDER - Ticketing w/o contact-CPLX	598,587	-
59301900 FEDER - Subs. Ramais Partic Mercad	-	364.765
Total	**161,022,758**	**170,949,396**

[signed]

Financial Assets Held for Negotiation (note 21)

The item financial assets held for negotiation is analysed as follows:

(amounts in Euros)

DESCRIPTION	31-12-2014	31-12-2013
Asset		
Financial Assets	54	54
	54	**54**

At December 31 2014, in accordance with the assessment provided by an external entity (IMG – Inforação de Mercados Financeiros, S.A.), the Company does not have any derivative financial asset (hedging swaps of interest rates) which might be potentially favourable.

The variations in fair-value of these derivative financial assets are registered in accordance with the net amount between gains and losses in the item of Demonstration of Results "Fair-value Increases/Reductions".

At the date of reference for the presentation of these Financial Statements, the Company only has the fair-value of the shares of Millennium BCP acquired from the company Fergráfica, S.A., registered in the item of Financial Assets Held for Negotiation in the scope of settling this company.

Other Financial Assets (note 22)

The item other financial assets is analysed as follows:

(amounts in Euros)

DESCRIPTION	31-12-2014	31-12-2013
Current asset		
Other Financial Assets and Liabilities	-	16,000,000
	-	**16,000,000**

With the publication of Law no. 55-A/2010, revoked and replaced by Decree no. 133 from October 3 2013, CP begun to apply the Scheme of the State’s Treasury, created by Decree no. 191/99 from June 5, with the updated wording of the Law no. 39-A/2005. During the year of 2014 there was an amortization of a financial asset in Portuguese IGCP (Treasury and Debt Management Agency) in the amount of 16 million Euros.

[signed]

Non-Current Assets Held for Sale (note 23)

One of the goals of the Group is to proceed with the disposal of goods not necessary to is activity. These assets concern mainly buildings and rolling stock. In that sense, the top management is committed with the developing of stocks which allow the conclusion of those disposals through the prospection of eventual stakeholders, either in the domestic market or in the foreign market.

Despite some of these assets being classified as fixed assets held for sale over a year, it is understood they must remain in this item of asset, due to the reason of the amount can be recoverable not by usage but through sale and, also, the top management is strongly committed in the developing of efforts in that sense, since the delay, which has been verified in the conclusion of some of the already concluded sale agreements, is due to circumstances beyond the responsibly of the management.

The assets classified as held for sale are valued by the least value between their accounting value and their expected selling value.

It is also understood there is a great uncertainty at the current date regarding the evolution of the markets and economies, thus the expected sell value at the current date was ascertained based on the available information.

The company assess on a semester basis the existence of impairments in these assets and, whenever necessary, it proceeds to adjustments of amounts which have already been recognized. In that scope, in 2014, CP registered a reversion of impairment in the item Basic Equipment in the amount of 11,051,366 Euros, due to the fact that there is rolling stock which, in the material plan until 2021, will be reassigned to the commercial service and, thus, it was transferred for fixed tangible asset in the amount of 9,033,560 Euros. There was also the scrapping of rolling stock in the amount of 5,552,295 Euros against its degradation state, despite the impossibility of disposal.

This decrease of impairment of non-current assets held for sale was followed by an increase of the impairment of the disposable assets, regarding material which was reassignment of the commercial activity, as a result of the need of interventions in order for that reassignment to occur, as well as the recognition of disposals concerning the period in which the material was classified as non-current asset held for sale. Thus, in net terms, this reclassification had no significant impacts in the results of the company.

Regarding buildings, there was a reinforcement of the established impairment in the amount of 94,557 Euros, as a result of recent assessments made to properties, despite the CP Group maintaining its commitment in achieving its disposal in a short period of time.

The following table summarizes, by class of asset, the non-current assets held for sale:

[signed]

(amounts in Euros)

DESCRIPTION	31-12-2014	31-12-2013
Asset		
Land and natural resources	3.295.378	3.295.378
Building and other constructions	12.137.627	12.232.184
Basic Equipment	7.937.354	11.839.201
	23.370.359	**27.366.763**

Paid-up Capital (note 24)

In accordance with article 3 of Decree no. 50/2012 of March 14 which defines CP's Statutes, the statutory capital of the company is of 1,995,317,000 Euros, which are entirely held by the Portuguese State and is meant to answer the company's permanent need. This amount is entirely paid-up at December 31 2014.

Own Shares (Subscriptions) (note 25)

At December 31 2014 there are no own shares no quotas, due to the reason that the parent company is not a joint stock or quotas company.

Other Equity Instruments (note 26)

The Portuguese Sate, sole holder of the capital of the parent company CP, has not granted any support tranche in the name of supplementary or fringe allowances, nor capital subscription during the year of 2014.

Legal Reserves (note 27)

In accordance with article no. 295 of the Portuguese Companies Code and in accordance with the statutes of the parent company (CP), the legal reserve is mandatorily gifted with a minimum of 5% of the annual results until the competition of an amount equivalent at 20% of the equity of the company. This reserve can only be used in the hedging of losses or in the increase of equity.

During the period, there were no reinforcement of the legal reserves nor has there been verified their usage for hedging losses.

Other Reserves (note 28)

In this item is accounted the statutory reserve corresponding to the amount of the Amortization and Renovation Fund of Rolling Stock from December 31 1974.

The Amortization and Renovation Fund of Rolling Stock was meant to the renovation of the rolling stock, according to the foreseen proceedings of article 16 of the Concession Contract of 1951 between the State and the Companhia dos Caminhos de Ferro Portugueses, and it concerned the surplus of revenues from the Fund of investments funded by it.

Surplus brought forward (note 29)

The variation of surplus bought forward concerns mainly to the incorporation of the net income of the previous period. The also contribute, however, for this variation, the movements detailed in the following table:

(amounts in Euros)

Reconciliation of the consolidated surplus outcome		
Surplus outcome of 2014		-5,495,796,519
Surplus outcome of 2013	-5,269,105,740	
+ net income of the period of 2013	-225,615,470	-5,494,721,210
Movements of 2014 directly into surplus outcome:		**-1,075,309**
Identification:		
(i) Reposition of the provision established for financial holdings (TIP), unduly annulled in 2013.		-1,552,262
(ii) Annulment of the amount referring expenses with Aut RAC 365 which have already been considered in outcomes of previous years.		262,842
(iii) Net impact of the several operations in surplus outcomes related with annulment of balances and transactions inter-companies.		214,111
Total adjustment to the Surplus Outcome		**-1,075,309**

Financial assets adjustments (note 30)

The detail of the variations in this item against 2014 are presented in the following table:

(amounts in Euros)

DESCRIPTION	31-12-2014	31-12-2013
Related with equity method:		
Transition adjustments	(132,640)	
Total	**(132,640)**	

The variation is the amount of transition concerning the affiliate OTLIS, which, since 01.01.2014, began to be registered in the accounts by the equity method instead of the cost method.

[signed]

Other Variations in Share Capital (note 31)

The detail of this item is analysed as follows:

(amounts in Euros)

DESCRIPTION	31-12-2014	31-12-2013
Financial Repair	91,357,368	91,357,368
	91,357,368	**91,357,368**

The item financial restructuring reflects the liability assumed by the State in accordance with the Protocol from August 24 1993, concerning the debts to the Tax Authority, to the General Directorate of the Treasury and to the Banking System of 97,975,959 Euros and to the usage in the regulation of the remaining amount in debt by the State of 6,618,591 Euros, as a result of the financial restructuring held in the scope of Decree no. 361/85.

Provisions (note 32)

The movement in the item provisions is analysed as follows:

(amounts in Euros)

Description	Initial Balance	Additions	Usage	Reversions	Final Balance
Legal Action in course	9,410,544	18,777	0	351,225	9,078,096
Railway accidents	1,284,640	81,471	0	0	1,366,111
Work Accidents and Occupational Injuries and other provisions	11,184,184	522,455	-1,771,589	11,061,019	2,417,209
Total	**21,879,368**	**622,703**	**-1,771,589**	**11,412,244**	**12,861,416**

The decrease of the amount of provisions, in the financial year of 2014, is mainly due to the reversion of the provision of occupational injuries (which in December 31 2014 was of at 11,061,019 Euros), and whose responsibility becomes, since 2014 – through the subscription to the special scheme applicable to the assets for deferred taxes -, to be recognized in the item other receivables (non-current liability) and in the item deferred tax assets (non-current asset), as mentioned in detail in note (34).

Despite less expressive amounts, an additional note over the decrease of the responsibilities over legal proceedings, as a result of the conclusion of some legal actions in course.

[signed]

Loans Obtained (note 33)

At the end of period of 2014, the item loans obtained presented the detail shown in the following table:

(amounts in Euros)

Description	31-12-2014	31-12-2013
Non-Current		
Credit Institutions and financial societies		
Bank Loans	224,576,751	489,598,275
Bond Loans	27,862,780	31,059,414
Loan Debentures	700,000,000	700,000,000
Other funders	2,608,084,000	683,900,000
	3,560,523,531	1,904,557,689
Current		
Credit Institutions and financial societies	265,021,556	1,731,521,997
Bank Loans	1,341,770	8,289,245
Bank Overdrafts	3,193,368	3,028,341
Bond Loans	358,900,000	264,780,000
Other funders	628,456,694	2,007,619,583
	4,188,980,225	**3,912,177,272**

The increase of debt of the CP Group was of around 277 million Euros - in 31.12.2013 was 3.912 thousand million Euros and in 31.12.2014 was 4,189 thousand million Euros. This increase of debt was strictly due to the need of ensuring the payment of the debt in arrear to REFER.

With the conversion of almost all the short-term debt into medium-term and long-term debt, the structure of the debt was altered significantly, and the short-term debt ended up having a reduced weight in the total debt, contrasting with the trend of the last years.

The item loans obtained, by maturity, is analysed as follows:

[signed]

(amounts in Euros)

Description	31-12-2014	31-12-2013
Credit Institutions and financial societies		
Bank Loans		
Up to 1 year	265,021,556	1,731,521,997
1 to 5 years	130,550,085	395,571,608
More than 5 years	94,026,666	94,026,667
Bond Loans		
Up to 1 year	3,193,368	3,028,341
1 to 5 years	20,199,325	17,424,721
More than 5 years	7,663,455	13,634,693
Bank Overdrafts		
Up to 1 year	1,341,770	8,289,245
Debenture loans		
1 to 5 years	500,000,000	500,000,000
More than 5 years	200,000,000	200,000,000
Other funders		
Up to 1 year	358,900,000	264,780,000
1 to 5 years	1,597,056,000	433,900,000
More than 5 years	1,011,028,000	250,000,000
	4,188,980,225	**3,912,177,272**

[signed]

Other Payables (note 34)

The item other payables is analysed as follows:

(amounts in Euros)

Description	31-12-2014	31-12-2013
Non-current		
Creditors for increase of expenses	11,061,019	-
	11,061,019	**-**
Current		
Providers of funding	(1,546,865)	2,358,459
Debtors for increase of income	1,607,311	2,071,234
Creditors for non-liberal subscriptions	34,525,341	33,815,129
Other debtors and creditors	4,177,568	8,201,129
Creditors for increase of expenses	64,560,300	83,602,274
	103,332,655	**130,048,762**

In the current asset, the most significant variation against the financial year of 2013 is registered in the item of creditors on expenditure accruals (11.6 million Euros) as a result of the regularization in 2014 of the costs related with the provision of a transportation services internationally recognized in the financial year of 2013.

The item other debtors and creditors also presented a significant decrease (5.6 million Euros) due to the settling of the amounts in arrears to REFER.

Regarding the non-current asset, it was verified a variation of the item creditors on expenditure accruals, concerning the reclassification of the Occupational Injuries' Allowances, in the scope of the subscription to the special scheme applicable to the assets for deferred tax, in accordance with Law no. 61/2014 from August 26.

The responsibilities for occupational injuries and occupational illnesses were calculated based on the actuarial assessment of the responsibilities of the company at December 31st 2014, with occupational injuries' allowances occurred until December 31 1999. This calculation was held by an entity external to CP (CGD PENSÕES). The increases or decreases of responsibilities from alteration of the attributed benefits are recognized as losses or gains in the financial year in which they occur. The methodology and the financial and actuarial assumptions of the valuations of liabilities are the following:

Calculation method: For the valuation of the liabilities regarding retired staff with occupational injuries' allowances, the current value of immediate annuities was calculated.

Rate of return: 3%.

Pension's growth rate: 1,0%.

[signed]

Mortality table: It was used the French table TV 88/90.

Number of payment of the pensions for work injuries: 13 payments per year.

Number of payment of the occupational injuries' allowances: Life annuities.

Date of effect of the calculations: December 31 2014.

Suppliers (note 35)

The item suppliers presents the following details:

(amounts in Euros)

Description	31-12-2014	31-12-2013
Suppliers c/c		
General	46,877,027	159,138,828
Funding suppliers	-	6,040
Invoices pending	570,393	203,316
	47,447,420	**159,348,184**

The variation registered in the item suppliers is mostly due to the liquidation of debts to REFER.

Advances from Customers (note 36)

The item advances from customers has the following detail:

(amounts in Euros)

Description	31-12-2014	31-12-2013
Advancements from customers		
CP Customers		
Minist. Plan. Federal, Inversión Pública, Serv. Gob. Nac. Arg.	295,470	295,470
José C Guilherme E João M Santos	-	249,399
Fernave Customers		
Manuel Maglhães Pereira- Maputo	374,000	190,000
EMEF Customers		
TNO - Nederlands e Organisatie Voor Toegepast Natuurwetnschappe	110,838	76,621
Oporto Universit	-	68,838
Total	**780,308**	**880,328**

[signed]

The amounts presented at the end of 2014, from the segment transportation of passengers, concern mainly to the surplus amount on account of repairs/modernizations made in the rolling stock.

In turn, the advance payments regarding the repair and maintenance segment of the rolling stock concern funds contractually established and received as advances concerning advances to projects funded under the Seventh Framework Programme (FP7), which have not yet been recognized as revenue grants because they did not occurred with the respective expenses.

Financial Liabilities Held for Negotiation (note 37)

The item financial liabilities held for negotiation presents the following amounts:

(amounts in Euros)

Description	31-12-2014	31-12-2013
Potentially unfavourable derivatives	3,703,566	69,159,198
Total	**3,703,566**	**69,159,198**

As stated in the note regarding financial assets held for negotiation, the amount registered in this item results from the evaluation conducted by an external entity (IMF- Informação de Mercados Financeiros, S.A.) to the fair-value of the derivative financial instruments (hedging swaps of interest rate).

During the financial year of 2014 occurred the termination of two swaps agreements and, for that reason, the valuation at 31.12.2014 concerns the only existing swap in portfolio.

The Citigroup swap was terminated at June 26th 2014 and, at the end of November 2014, the option of anticipated termination of the swap BESi/Novo Banco was followed.

This option for termination, negotiated through IGCP, implied the payment of 49,735,000 Euros, an amount below the market value, and included in the item "Payable interest and similar expenses" in the Statament of the results.

Sales and Services Provided (note 38)

Sales and services provided present the following table:

[signed]

(amounts in Euros)

Description	2014	2013
Service Provisions		
Passengers	218,558,708	207,004,411
Goods	63,472,650	57,637,089
Others	10,805,618	12,150,089
Sub-total	**292,836,861**	**276,792,200**
Total	**292,836,861**	**276,792,200**

The verified increase is mainly due to the increase of ticket sales, as recognition of the continuous effort of the Group CP in vary, promote and consolidate its offering and commercial activity.

Revenue Grants (note 39)

In the following table are identified the revenue grants recognized as income in the financial years of 2013 and 2014:

(amounts in Euros)

Description	2014	2013
Carry-over payments	17,789,622	33,856,604
(IEFP Training)	26,771	-
Andante	-	114,717
PAII	71,684	377,261
CP/KIDS	16,575	35,054
European community	1,770	
Instituto de Emprego e Formação Profissional	21, 260	
IEFP Allowances - Measure of Employment Internships	10,477	
IDMEC Allowances (Project Wearwheel)	8,141	-
NV D 2 S International Allowaces (Project l-Rail)	.	918
Thales Allowance (Project Secur-ED)	35,956	22,805
TNO Allowances (Project Cargovibes)	(2,673)	89,756
Oporto University Allowances (Project Maxbe)	427	37,107
	17,980,010	**34,534,222**

It should be pointed out the general and stressed loss of the State's financial aid, through revenue grants, to the activity of the CP Group and, also, it achieved a decrease of approximately 16.5 million Euros against the amounts of 2013.

Gains/losses attributed to subsidiaries, associated companies and joint ventures (note 40)

The gains/losses attributed to subsidiaries, associated companies and joint ventures present the following details:

[signed]

(amounts in Euros)

Description	2014	2013
Losses		
Application of equity method	(3,721)	-
Gains		
Application of equity method	404,151	285,213
Others	-	342,000
Total	**400,430**	**627,212**

The values recognized in 2014 are the result of the application of the equity method to the impact of the SIMEF outcomes (344,151) Euros, from Nomad Tech (13,586 Euros) and from OTILS (42,693 Euros).

Works for the Own Company (note 41)

The item works for the own company registers the works conducted by the maintenance component on the rolling stock of passengers and goods transportation and it is analysed as follows:

(amounts in Euros)

Description	2014	2013
Passenger transportation		
Fixed-Tangible Assets	8,552,731	10,844,634
Goods Transportation		
Fixed-tangible Assets	1,133,022	-
Others	2,637	-
Total	**9,688,390**	**10,844,634**

Sold Commodities and Consumed Materials Costs (note 42)

Sold commodities and consumed materials costs are presented as follows:

(amounts in Euros)

Description	2014	2013
Commodities	-	-
Raw-materials, subsidiaries and of consumption	24,301,132	24,040,567
Total	**24,301,132**	**24,949,567**

The decrease verified in this item was mainly motivated by the decrease of the repair and fabrication activities occurred in 2014.

The expense with fuel consumption, as raw-material for the provision of railway transportation of passengers represents an important part of the item raw-materials, subsidiaries and consumption. The expense with fuel consumption, although the increase of its price, as in the previous year, is still decreasing.

[signed]

External Services and Supply (note 43)

The item external services and supply presents the following detail:

(amounts in Euros)

Account	Description	2014	2013
621	**Sub-contracts**	28,204,605	28,318,723
633/626	Specialized occupations and others	(4,474)	(7,634,223)
	(in which is included the usage rate of the infrastructure)	69,622,390	66,453,984
623	Materials	480,900	508,569
624	Energy and fluids	1,000,566	991,501
		164,896,043	**162,087,219**

In 2014 there was, from CP Group, the continuance of the effort in the search for savings, rationing held expenses and proceeding to the renegotiation of the agreements in force.

Despite the performed efforts, the total amount of this item has increased, though it was slight when compared with previous years, once certain expenses, due to their particular nature and framework, did not followed the trend of the remaining ones, namely the expenses with the usage rate of the infrastructure (+3,157,406 Euros), as a result of the increase of tariffs foreseen in the Network Directorate 2014 which remained in force since September 15th 2013.

This effect was partially compensated by the cost containment with energy and fluids (-1,250,137), essentially electricity and traction fuel.

Personnel Expenses (note 44)

The item personnel expenses has the following details:

(amounts in Euros)

Description	2014	2013
Social bodies remunerations	446,651	510,912
Personnel remunerations	105,281,870	110,581,065
Indemnities	5,136,049	7,342,202
Costs over remunerations	23,409,682	24,679,201
Work accidents and occupational injuries insurance	2,604,196	2,743,201
Social Action expenses	350,691	350,609
Other expenses with personnel	11,488,465	1,333,786
Total	**148,735,606**	**147,540,976**

[signed]

The increase registered in Personnel Expenses is mainly due to the adjustment of the amount of expenses related with occupational injuries' allowances, of 11.1 million Euros, which are life annuities occupational injuries' allowances resulting from accidents occurred until December 31 1999, date until, by force of Decree no. 261/91 from July 25, CP would be obliged to assume these costs.

It should be noted that this movement was held following the subscription of CP to the special scheme applicable to the assets for deferred taxes foreseen in Law no. 61/2014 of August 26. The aforementioned alteration had, however, a compensation of equal amount in the reduction of the established provisions for the mentioned allowances, thus, speaking in real net terms, those accounting adjustments had no impact in the company's outcomes.

If there had not been an alteration to the procedure, the personnel expenses of the company would be 5.8 million Euros below the ones registered in the previous year, as a result of accounting the impact of the restitution of the vacation allowance from 2013 and 2014, which begun to be paid since June 2013, following the publication of Law no. 39/2013.

In 2014 there is an increase of expenses with overtime work, against the registered expenses in 2013, as a result of the decrease of the number of strikes, which lead to an increase fall back upon overtime work.

It should also be noted that the decision of the Constitutional Court for the termination of the salary cuts, which affects salaries and allowances payed after May 31st 2014 until mid-September.

Impairment of Non-Depreciable and Non-Amortisable Investments note 45)

The details of this item are presented in the following table:

(amounts in Euros)

Description	2014	2013
Losses		
Fixed Tangible Assets	(4,474)	(7,634,223)
Reversions		
Fixed Tangible Assets	107,171	46,927
Non-current assets held for sale	11,051,366	224,927
Total	**10,721,063**	**7,363,249**

It is registered, in the period being analysed, a decrease of the impairments related with non-current assets held for sale in the amount of 18 million Euros, as a result of the non-constitution of additional impairments for the non-current assets held for sale and of the reversion of the

[signed]

impairments constituted for rolling stock, disassembled in the meantime (10 UTD's 600 and one ALLAN), and/or the reassignment of the operational activity of the company.

Other Income and Gains (note 46)

The item other income presents the following detail:

The item other income and gains presents a justified increase mainly due to:

- Transfer of freight terminals for REFER (+13 million Euros) in compliance with the order of the Secretary of State of the Treasury and of the Secretary of State of Infrastructures, Transportations and terrestrial communications of April 23 2014,
- Passage of management of terminals to REFER for the amount of 20.65 million Euro, operation which took place at December 2014.
- Regularization of credits referring to previous financial years (+1,6 million Euros) as a result of the agreement plan between CP and the Manager of the Infrastructure.

Other Expenses and Losses (note 47)

The item other expenses and losses presents the following detail:

(amounts in Euros)

Description	2014	2013
Taxes	225,554	381,744
Discounts of prompt payment granted		
Doubtful debt	950,617	149,573
Losses in inventory	172,850	469,522
Non-financial investments	5,693,931	1,843,629
Others	4,423,589	4,698,051
Total	**11,463,541**	**7,542,519**

The item which registered the largest increase, concerning losses in non-financial investments, was due to the scrapping of non-operational rolling stock (3,8 million Euros).

It was also verified a variation of doubtful debt expenses of 800 thousand Euros. However, this operation had a reduced impact in the CP Group's results, once most of the risk of non-recovery was adjusted in previous years and it was reverted.

[signed]

Increases/Reductions of Fair Value (note 48)

The item of increases/reduction of fair-value is analysed as follows:

(amounts in Euros)

Description	2014	2013
Gains		
Financial instruments	65,455,632	66,022,026
Total	**65,455,632**	**66,022,026**

The fair-value of the derivative financial instruments is the result of a valuation of the portfolio of derivatives at December 31st 2014, as well as alterations to its composition when compared to the same period of the previous year. As it was previously mentioned, the assessment of this derivatives is ensured by an external entity.

The variation of valuation of derivatives is presented in the following table:

(amounts in Euros)

	31-12-2014	31-12-2013
Citigroup		-685,521
BES		-62,549,083
RBS/ABN	-3,703,566	-5,924,594
Total	**-3,703,566**	**-69,159,198**

Expenses/Reversal of Depreciations and Amortization (note 49)

The item expenses/reversal of depreciations and amortization presents the following amounts:

(amounts in Euros)

Description	2014	2013
Expenses		
Fixed Tangible Assets	70,794,002	74,865,463
Intangible Assets	88,173	120,900
Reversions	.	
Fixed Tangible Assets	16,493	252
Total	**70,865,682**	**74,986,111**

The registered expenses are the result of depreciations/amortization of the assets in accordance with their established useful lives and its detail is presented in note 3. Annually, the expected useful lives of the assets are reviewed, in order to verify they are adjusted to reality.

In the segment of passengers' transportation, the decrease of the amount of depreciations, against 2013, in around 4 million Euros, having originated in basic equipment and it is almost fully due to an adjustment of the useful lives of the rolling stock which was object of modernization.

[signed]

Impairment of Depreciable and Amortisable Investments (note 50)

The item impairment of depreciable and amortisable investments recognized in the financial year concerns essentially to the item of basic equipment and it is the result of its net value exceeds its recoverable amount, presented in the following amounts:

(amounts in Euros)

Description	2014	2013
Losses		
Fixed Tangible Assets	(5,169,011)	(2,716,034)
Reversions		
Fixed Tangible Assets	462,034	191,600
Total	**(4,706,977)**	**(2,524,434)**

The variation of Impairment is mostly due to the transfer of rolling stock to the item of non-current assets held for sale and to the estimate repair value of damaged rolling stock.

The variation of the item reversions due to impairment is due to the conclusion of repairs of damaged rolling stock.

Interests and Similar Income Gained (note 51)

The item of interests and similar income gained is analysed as follows:

(amounts in Euros)

Description	2014	2013
Obtained Interests	57,181	197,896
Obtained Dividends	-	39,698
Other similar income	1,607	-
	58,788	**237,594**

Payable Interest and Similar Expenses (note 52)

The item payable interest and similar expenses presents the following amounts:

(amounts in Euros)

Description	2014	2013
Supported interests	201,120,738	105,578,935
Other expenses and losses	6,384,087	10,524,619
	207,504,825	**216,103,554**

In the financial year of 2014, the item payable interest and similar expenses registers a total amount of 207,5 million Euros, 8,5 million Euros less than the same period of the previous year.

[signed]

This situation, despite the increase of expenses associated with the hedging operations of interest rate, swaps (in 8 million Euros), is the result of the general decrease of the interest rates applied in the renewal of funding for the CP Group.

Minority Interests (note 53)

Not applicable.

Contingent Liabilities (note 54)

Not applicable.

Contingent Assets (note 55)

EMEF and Metropolitano de Lisboa signed a protocol at May 14 2009, in which EMEF compromises to grant a space in its facilities in Amadora in order for the Metropolitano to install a construction site, aiming to allow the construction of the prolonging of the line Amadora Este/Reboleira, including a new intermodal station in Reboleira.

The same protocol foresees the demolition of the existing buildings in that space and, as a counterparty, the Metropolitano de Lisboa obliges itself to build a new building until the amount of 2,250,000 Euros. As the Metro constructions are suspended by government decision, it is not expectable that the construction occurs in the established deadline.

Guarantees and Sureties (note 56)

Guarantees provided in favour of CP Group:

Guaranties and securities provided to CP by the State	767,456,939€
Guarantees and bank securities provided to CP by bank entities in favour of third parties	1,313,701€

[signed]

Remuneration of the Certified Public Accountant (note 57)

The Sociedade Oliveira, Reis & Associados - SROC, Lda., presents annual fees in the scope of the revision and legal certification of the CP consolidated accounts in the amount of 21,500 Euros plus the VAT at the current legal rate.

The Sociedade Pinto Ribeiro; Lopes Rigueira & Associados - SROC, Lda., presents annual fees in the scope of the audit of the CP consolidated accounts in the amount of 11,750 Euros plus the VAT at the current legal rate.

Relevant Events after the Date of Balance (note 58)

There were no relevant facts which could have had impact in the accounts after the balance date.

[signed]
Official Accounts Technician – Dr. Ana Coelho

[signed]
Chairman - Eng. Manuel Tomás Cortez Rodrigues Queiró
[signed]
Vice-President - Dr. Cristina Maria dos Santos Pinto Dias
[signed]
Voting Member - Dr. Maria Isabel de Jesus da Silva Marques Vicente
[signed]
Voting Member - Dr. Maria João Semedo Carmelo Rosa Calado Lopes

[signed]