



Rede Ferroviária Nacional – REFER, EPE 2013 Annual Results



April 2014

Disclaimer



Rede Ferroviária Nacional – REFER, E.P.E. (REFER) reports 2013 financial statements, that reflects the operations and its financial position as at December, 31st, 2013.

The financial figures presented herein have been audited by a CMVM registered auditor.

C o n t e n t s

Company Overview

2013 Highlights

Operating Income

Operating Costs

EBITDA

Investment

Financial Debt Evolution & Debt Structure



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Company Overview

COMPANY SNAPSHOT



REFER is the arm of the Portuguese State that is in charge of managing the infrastructure of the National Railway Network and is entrusted with particular responsibilities for infrastructure development and modernisation.

- REFER is 100% state-owned and benefits from a special legal status – “Entidade Pública Empresarial” (“EPE”).
- REFER’s aim is to carry out activities efficiently and effectively, guaranteeing quality, reliability and safety, protecting the environment and contributing to a greater use of the railways by operating in two business areas:
 - ✓ Infrastructure Management (operation, conservation and maintenance of the railway infrastructure)
 - ✓ Investment (activity carried out on behalf of the State and comprises building, renewing and modernisation of the infrastructure)
- Due to the nature of REFER’s activities, providing a strategic and critical public service, the company’s status as an “EPE” is and will remain unchanged and hence state-owned.
- In 2011 REFER was reclassified as State-owned Company (EPR) and integrated in the consolidation perimeter of the General Government whereby REFER budget became included in the State Budget.

Company Overview

SUPPORTIVE LEGAL FRAMEWORK



The activity of an “Entidade Pública Empresarial” (EPE) is developed towards contributing to the economic-financial equilibrium of the public sector and obtaining the adequate levels of satisfaction of collective needs.

- Entidades Públicas Empresariais are entities created by Decree Law (law issued by the Government), and not under the regime applicable to private companies:
 - Its articles of incorporation are defined as law;
 - Statutory capital is entirely held by the State and may not be sold or divided in any form;
 - Due to its status of EPE, REFER is not subject to the insolvency regime applicable to private companies (extinction of REFER may only be carried out by the issue of a Decree Law enacted for such purpose);
 - A privatization of the Company would require an Act of Parliament;
 - Assets managed by REFER (including real estate) are legally defined as public domain (Decree Law 276/2003);
 - It enjoys the highest level of integration with the State permitted under Portuguese Law for an entrepreneurial activity (extensive State control and supervision).

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2013 Highlights



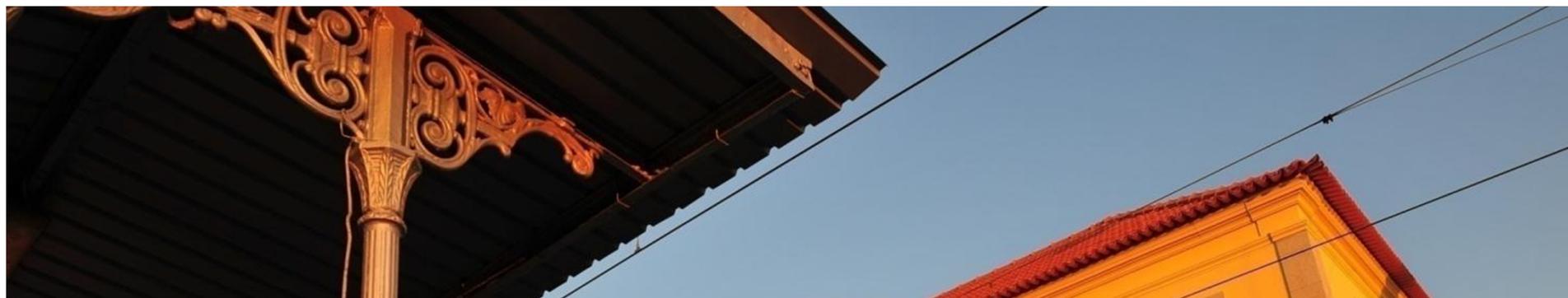
- **EBITDA** amounts to -23,7 M€, reflecting a decrease of 16% against 2012 (excluding Employee Contract Termination Costs the impact on EBITDA represents a reduction of 3%);
- **Operating Revenues** amounts to 169,6 M€ increasing 11% from previous year mainly driven by Non Core Income;
- **Operating Costs** (excluding amortisation, provisions and impairments) amounted to 193,3 M€ increased by 11% mainly due to personnel Costs and External Supplies and Services;
- **Personnel Costs** amounts to 90,6 M€ representing an increase of 16% against 2012 (excluding employee contract termination increased 13%) as consequence of the Constitutional Court compulsory decision to distribute 14 months instead of 12;
- **Global Financial Results⁽¹⁾** improved from -247,5 M€ to -212,7M€ driven by low interest rates on refinancing activity despite the increase on financial debt.
- **Net Income** improved 3% to -89,1M€;
- **Financial Debt** increased 216 M€ to 7.161 M€;

(1) Global Financial Results = Financial Results – Financial Revenues from State as Grantor. This indicator allows real reading of financial activity performance.

2013 Highlights



Key Figures	10 ⁶ EUR		
	2013	2012	Variation
Operating Revenues	169,6	153,4	11%
Operating Costs	-209,1	-182,8	14%
Operating Costs (excluding Employee Contract Termination Costs)	-204,9	-181,3	13%
Depreciation + Provisions + Impairments	-15,8	-8,9	77%
EBITDA	-23,7	-20,5	-16%
Net Financial Results	-55,9	-62,4	10%
Net Income	-89,1	-92,1	3%
Global Financial Results	-212,7	-247,5	14%
Global Net Financial Costs	-212,8	-247,7	14%
Financial Debt	7.161	6.945	3%
Statutory Capital	451,2	430,2	5%
Employees	2.546	2.766	-8%



Company Overview

2013 Highlights

Operating Revenues

Operating Costs

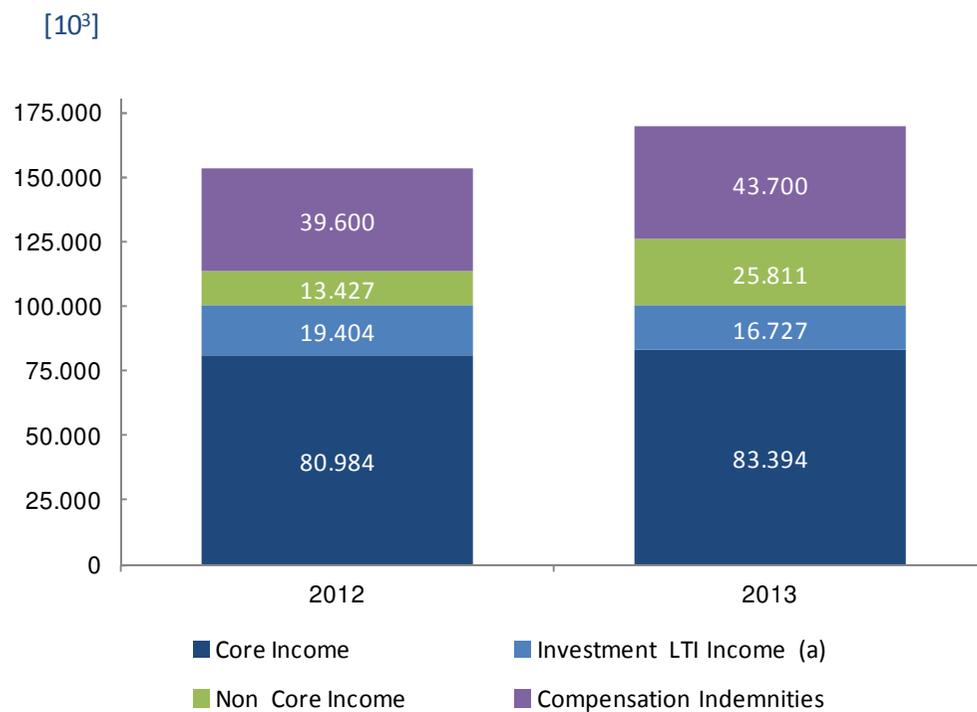
EBITDA

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Operating Revenues



Operating revenues increased by 11% (+16 M€) vs. 2012 mainly driven by non-core income

(a) income related to Long Term Investment in Infrastructure



Company Overview

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Operating Income

Operating Costs

EBITDA

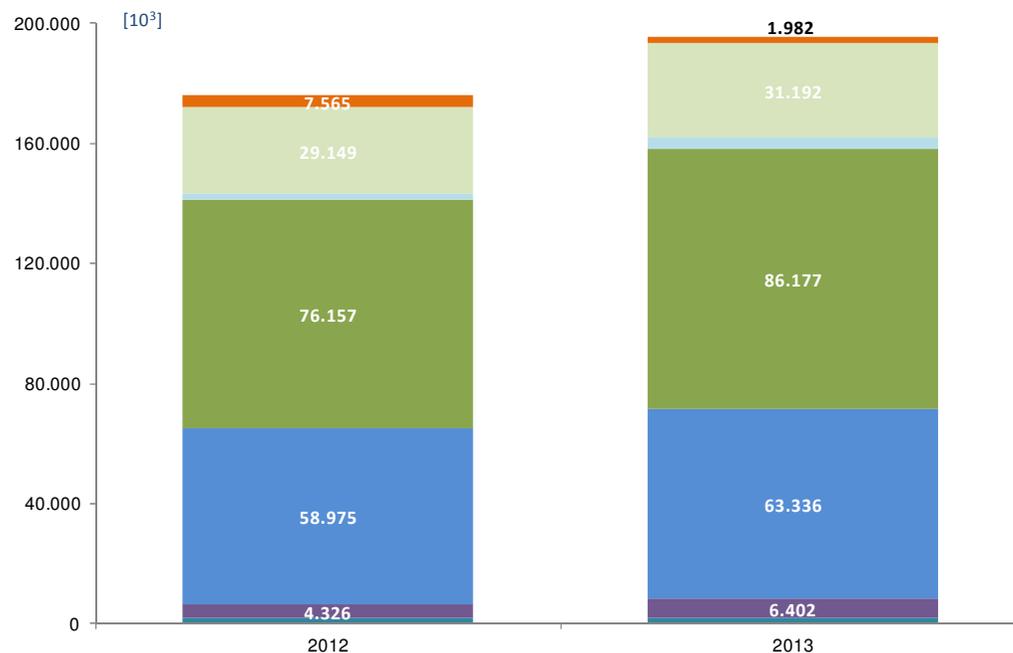
Investment

Financial Debt Evolution & Debt Structure



Operating Costs

Excluding depreciation + provisions + impairments



- Operating Costs
- Personnel
- Other Costs
- Materials
- Employee Contract Termination
- Subcontracts
- Other External Supplies and Services

Personnel Costs (due to Constitutional Court compulsory decision to pay 14 months instead of 12 months) prompted Operating costs to **increase 11%** (+19 M€) versus previous year



Company Overview

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Operating Income

Operating Costs

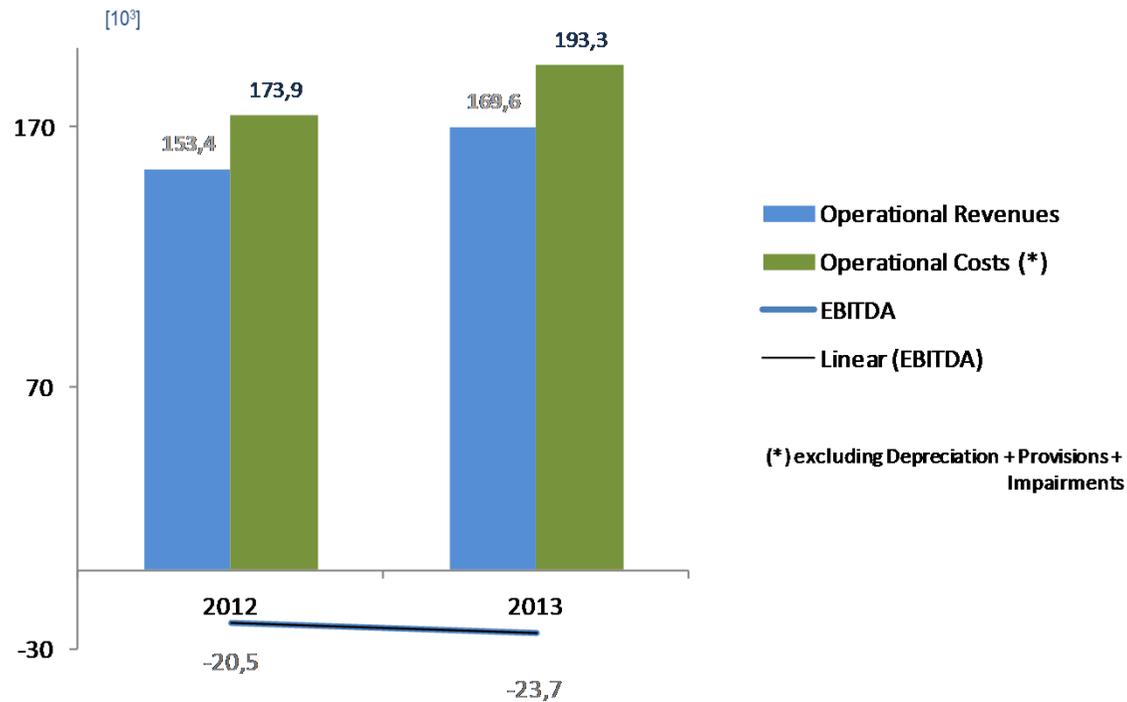
EBITDA

Investment

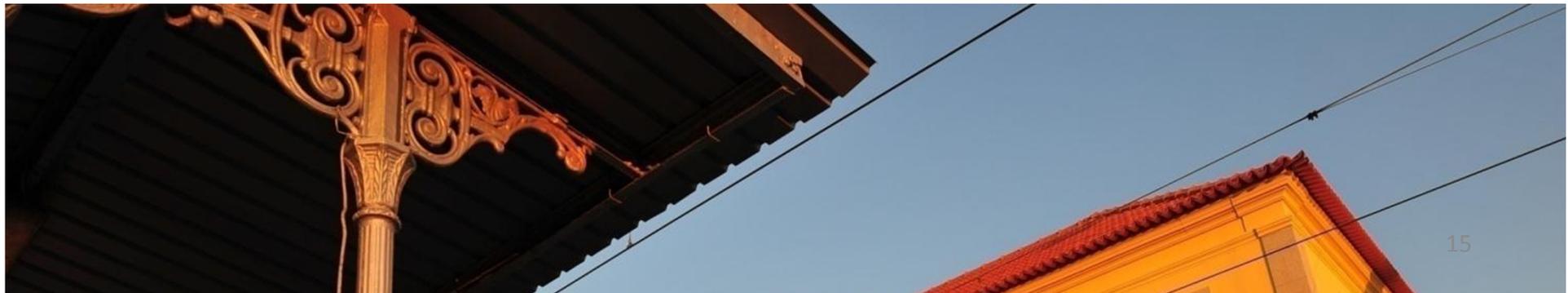
Financial Debt Evolution & Debt Structure



EBITDA



Despite slight deterioration in EBITDA (-16% vs 2012) the trend remains aligned with medium term goal of operational equilibrium



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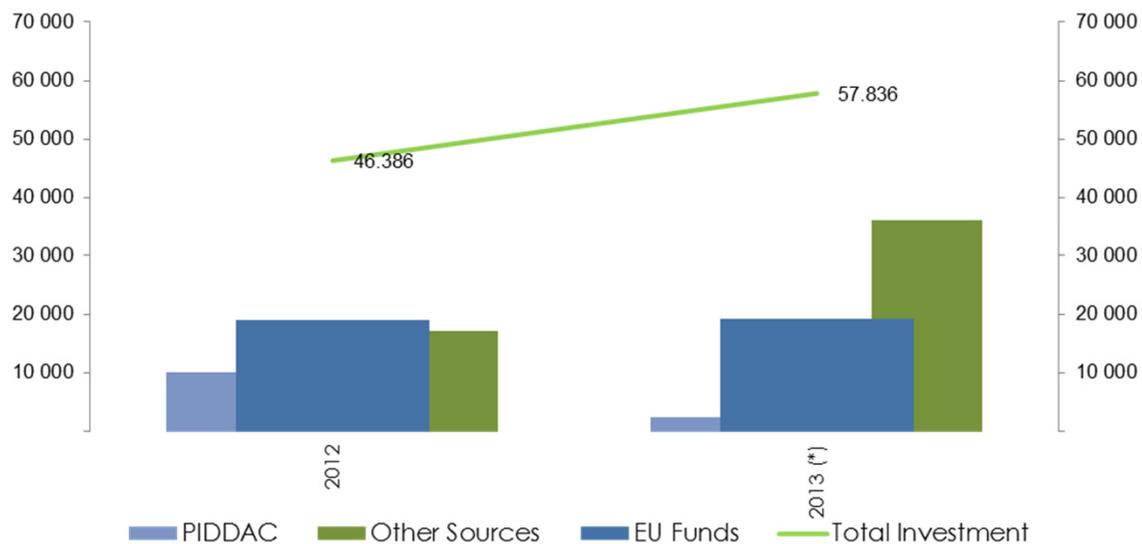
Financial Debt Evolution & Debt Structure



Investment



Investment / Economical Coverage
(Technical Costs)
[10³]



Increase in investment
by **25%** vs. 2012

(*) Excluding 120,5 M€ of assets related to the transfer of assets from RAVE to REFER



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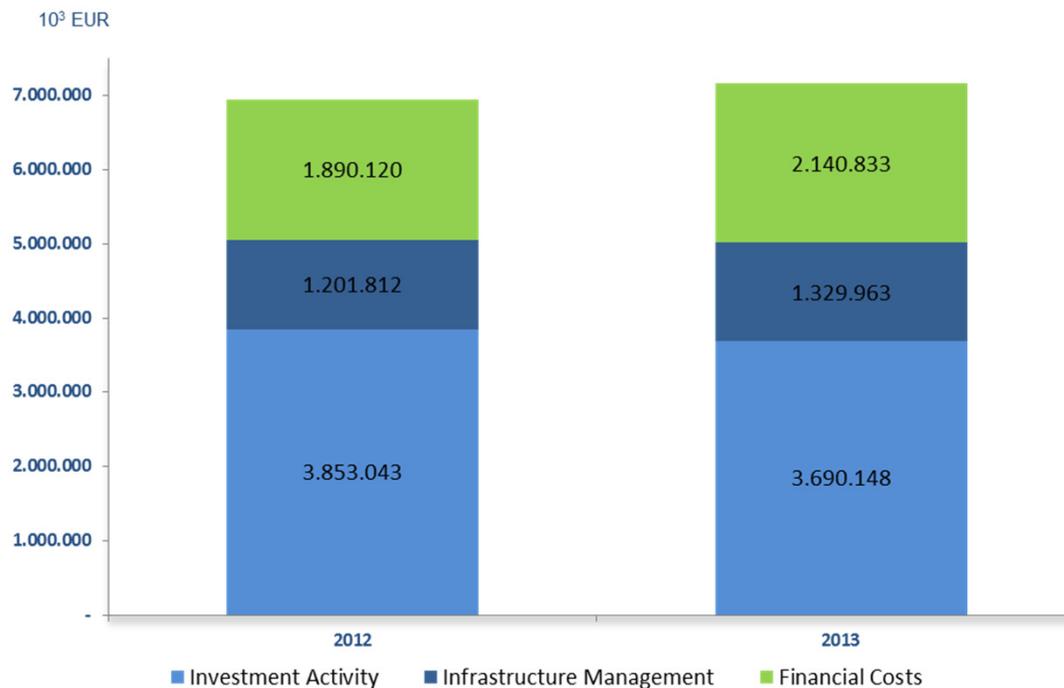
EBITDA

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Financial Debt evolution



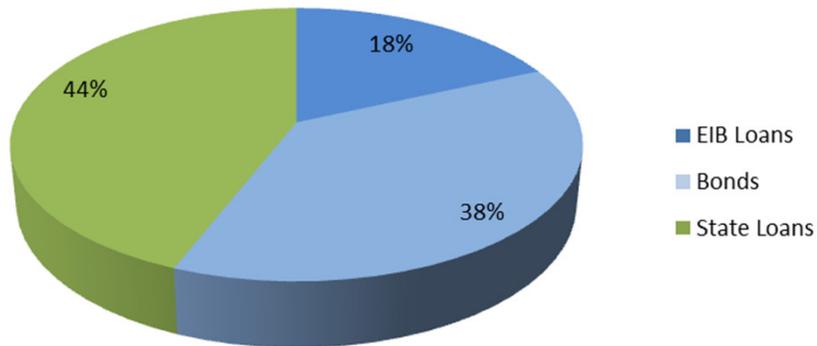
10³ EUR

	2012	2013
Initial Debt	6.551.310	6.944.975
<i>Net Change</i>	<i>393.665</i>	<i>215.968</i>
Final Debt	6.944.975	7.160.944

Debt Structure

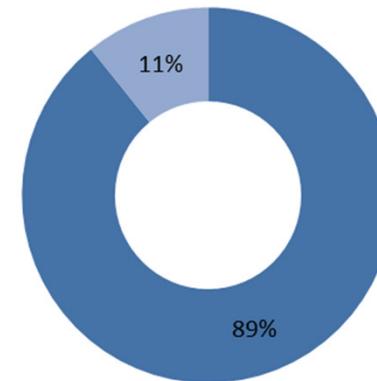


Debt Structure

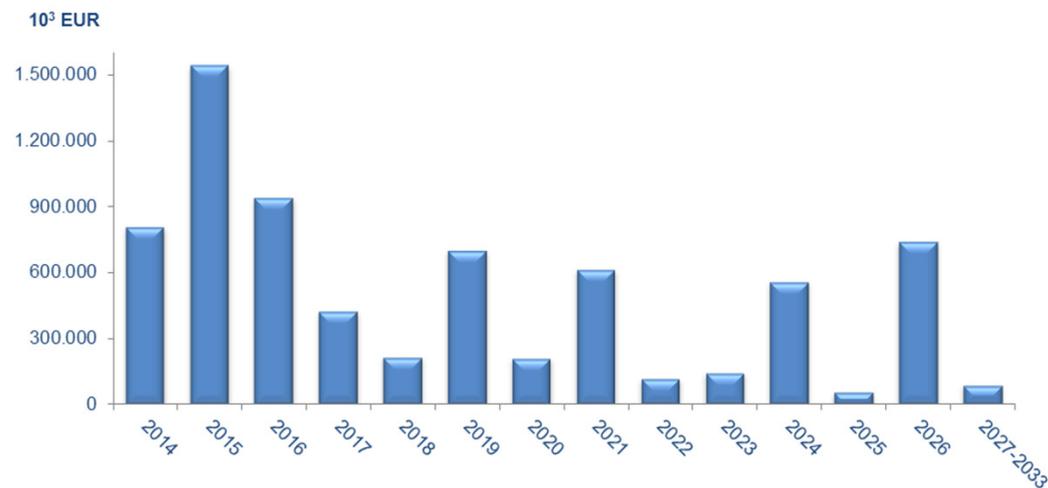


Interest Rate Type

■ Fixed Rate ■ Floating Rate



Debt Maturity Profile



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RAILS FOR THE FUTURE

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