

Sustainability Report

2007



Metro do Porto. Life in motion.

Sustainability Report

2007



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METRO DO PORTO - HISTORY ON TRACK



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|----------------|---|
| SEPTEMBER 1989 | - The study "Collective Transport in its Rightful Place" (TCSP), carried out by the STCP, proposes a light rail system as a solution for transport problems in the Porto Metropolitan Area |
| MARCH 1993 | - The company Metro do Porto, S.A. was established by Decree-Law nº 71/93, which implemented the first judicial regime for the exploitation of a Light Rail System in the Porto Metropolitan Area (SMLAMP) |
| DECEMBER 1994 | - Launch of an International Pre-Qualification Tender Process for the concept, construction, equipment and operation of SMLAMP |
| DECEMBER 1998 | - Approval of the Decree-Law that grants to the corporate society by the name of Metro do Porto, S.A. a statute granting the status of concessionaire of SMLAMP for a period of 50 years |
| DECEMBER 1998 | - Adjudication of the project, construction, equipment and operation of the Light Rail System to the "Agrupamento Complementar de Empresas" (ACE) – Normetro |
| MARCH 1999 | - The first Metro do Porto work front began at Campanhã |
| JANUARY 2000 | - Work gets under way at Ponte do Infante |
| OCTOBER 2000 | - Start of production for the first vehicle of the Metro do Porto fleet |
| MAY 2001 | - Metro do Porto S.A. receives the first vehicle of its fleet: the Eurotram 001 |
| JUNE 2002 | - First regular passenger trip |
| JANUARY 2003 | - Inauguration Trindade - Sr. de Matosinhos |
| MARCH 2003 | - Inauguration of Ponte do Infante |
| FEBRUARY 2004 | - Inauguration of Guindais Funicular |
| JUNE 2004 | - Inauguration Dragão Stadium – Trindade |
| MARCH 2005 | - Inauguration Senhora da Hora - Pedras Rubras |
| JULY 2005 | - Inauguration Fonte do Cuco – Maia Forum |
| SEPTEMBER 2005 | - Inauguration Câmara de Gaia – Pólo Universitário |
| DECEMBER 2005 | - Opening João de Deus - Câmara de Gaia |
| MARCH 2006 | - Inauguration Pedras Rubras - Póvoa de Varzim |
| MARCH 2006 | - Opening Maia Forum – ISMAI |
| MARCH 2006 | - Opening Pólo Universitário - Hospital de São João |
| MAY 2006 | - Inauguration Verdes – Airport |
| MAY 2006 | - Celebration of a contract for the purchase of 30 Tram-Train vehicles |
| MAY 2007 | - Signature of the Memorandum of Understanding between the "Ministério das Obras Públicas, Transportes e Comunicações" and the "Junta Metropolitana do Porto", with regard to the development of the SMLAMP |
| OCTOBER 2007 | - This month saw a record of 23,691,571 passenger kilometres |

SUSTAINABILITY AT METRO DO PORTO CHAIRMAN'S MESSAGE

After a first edition in 2006, this is the second Sustainability Report of Metro do Porto, SA. Therefore, we have decided that the approval and presentation of this document should be made together with the Annual Report for the same period.

Taking Rigor, Demanding Standards and Transparency as the guiding lines of our activities, we feel that the presentation of the accounts of a company which, like Metro do Porto, SA, is the concessionaire of a public service, shall not be limited to the economic and financial areas. On the contrary, as much as possible, our statements should, and indeed already do, include aspects of an environmental, cultural and social nature, and also the consideration of our relationships with our Stakeholders and the society we serve.

Sustainable development is still a strategic priority of Metro do Porto. We feel that steering our activities towards a society which is environmentally more balanced, economically more solid and socially fairer is just as important as offering a service which is reliable, efficient and secure.

In terms of monitoring of environmental performance, we should mention that the operation of the Metro do Porto in 2007 has resulted in a reduction of 411 tonnes of pollutants in the atmosphere, both through the lower number of private vehicles in circulation and through a set of measures as described herein, with a view to reducing energy consumption.

In 2007, we renewed our commitment to corporate sustainability. The policies implemented over the year are, without any doubt, a guarantee of a better future.



Valentim Loureiro





EXECUTIVE SUMMARY

Continuing with the policy of corporate sustainability followed by the Company, mirrored for the first time in a Sustainability Report in 2006, we now present the Second Sustainability Report for Metro do Porto, for the year 2007.

That year can be characterised by the consolidation of several aspects directly related to the Company activities. This was the first year, since the start of operation, in which the demand for the System has not been influenced by inaugurations; however, comparing the demand in 2007 with those for 2006 (after the last inauguration) we observe a growth of 20%. We must also mention the internal effort towards monitoring and control of some performance indicators, especially those of an environmental nature, which are presented in greater detail this year.

Metro do Porto asserts itself once again as a promoter of quality of life, sustainable mobility and environmental improvement within the Porto Metropolitan Area, while also contributing to bring down traffic congestion in the cities and reducing air pollution. Here, we must point out that the Metro do Porto, through its activities in 2007, has managed to bring down total emission of pollutants into the atmosphere by 411 tonnes, this being a conservative estimate. This pollution saving can be broken down thus: 9% carbon monoxide, 6% hydrocarbons, 81% nitric oxides and the remaining 4% referring to particulate matter.

Like the report brought out the previous year, the present Report is subdivided into two large parts, one containing more general information about the Company – its Mission, Strategy, Stakeholders and Governance, and a second part which is more closely linked to the three levels of sustainable development – Environmental, Economic and Social.

This year, special attention is being given to initiatives taken on in the area of energy efficiency and security, explaining how measures are being implemented to reduce the consumption of electricity and also on how to ensure the safe transport of thousands of clients every day.

Metro do Porto. Life in motion. A sustainable motion.

SUSTAINABILITY

The concept of Sustainable Development appeared for the first time in 1980, in the report *"World Conservation Strategy: Living Resource for Sustainable Development"*, published by the International Union for Conservation of Nature, which suggested this concept as a strategic approximation to the integration of preservation and development, well coherent with the objectives of maintaining the ecosystem, preserving genetic diversity, and the sustainable use of resources.

However, it was only in 1987, with the publication of the report written by Gro Harlem Brundtland – *"Our Common Future"*, that a widely accepted definition thereof was reached within the world community: *"Sustainable Development is meeting the needs of the present without compromising the ability of future generations to meet their own needs."* The notion of sustainable development brings an implicit commitment to solidarity with future generations, to make sure there is transmission of assets which can meet their needs. It also means a balanced integration of economic, social, cultural and future environmental systems, as well as institutional aspects concerning the modern concept of "good governance".

On a national scale, through the Council of Ministers Resolution n.º109/2007 (published in the *"Diário da República"* on 20th August 2007), the National Strategy for Sustainable Development, or ENDS 2015, was approved. The ENDS is an instrument providing strategic guidance for the time horizon of which *"seeks to guide the process of development of the Country, within a perspective of sustainability, in coherent articulation with other instruments, plans and programmes for action which are either in effect or under preparation, including those which refer to the application of community funds for the programmed period to 2013, and resorting to the initiative of the citizens and also the range of social and economic agents"*.

One of the weak points in the starting situation in Portugal, as shown clearly in this document, lies in the current mobility model, based essentially on road transport, essentially in individual forms of use, which has a negative impact on the environment and also on the quality of life. It is well known that the transport sector accounts for some 31% of total energy consumption and for some 21% of the emission of greenhouse gases in the European Union, with individual transport being responsible for a significant part of this portion.

As part of the 3rd objective of ENDS 2015 – "A Better Environment and Sustainable Management of Assets", the plan for the implementation of the National Strategy for Sustainable Development (PIENDS) shows that one of the reference measures to reach the targets of the National Programme for Climate Change (PNAC) and, hence, the very targets set by the ENDS, is the expansion of the Metro do Porto network. This measure is part of the policy to tackle climate change, more specifically within the plans to reduce the emissions of greenhouse gases.

According to data of the study *"The role of public transport to reduce Green House Gas emissions and improve energy efficiency"* of the UITP (International Association of Public Transport), it is estimated that the average load factor of public and private transport is similar, something around 25%. However, public transport consumes only one third of the primary energy (producing only a third of the greenhouse gases) when compared to private transport. At peak times, when most of the traffic problems occur in urban areas, public transport has an advantage of 10 to 1 over private transport. This document also shows that, in cities where there has been a rise in the participation of public transport, the consumption of energy and the respective production of pollution have decreased.

Thus, the opening of Metro do Porto, in 2003, came to diversify the supply of public transport in the Porto Metropolitan Area, stepping up the capture of movement away from private transport, thus contributing, in a decisive way, to the provision of a quality public transport system – offering speed, frequency and comfort to both new and traditional users of public transport.



MISSION, VISION AND STRATEGY

MISSION

"The Mission of Metro do Porto, S.A. is the planning, conception, construction, equipment and exploitation of a Light Rail System in the Porto Metropolitan Area, through a concession granted by the State."

The continued compliance with this Company Mission assumes the observance of criteria of environmental, social and economic sustainability. Other factors that help towards the achievement of this ultimate objective are attention to the Clients and their satisfaction, especially in the case of people who have impaired mobility, and the efficient use of resources, as also a constant and growing concern for security and safeguarding of the environment.

VISION

"To promote sustainable mobility throughout the Porto Metropolitan Area."

According to the World Business Council for Sustainable Development, "Sustainable Mobility is the ability to meet the needs of a society to move freely, gain access, communicate, trade and establish relationships without sacrificing other essential human or ecological values, today or in the future".

To ensure sustainable mobility means the moulding of human activities within the scope of urban management and transport, considering the impact on the quality of living of the populations concerned, in economic and environmental development.

Metro do Porto is a revolution within the general picture of transport in the Porto Metropolitan Area (AMP). It allows the rethinking of city planning in the cities and towns involved in this project, qualifying and valorizing the regional municipalities, through a strong component of urban and landscape renovation, associated with the surface light rail systems. Every day, it contributes to the improvement of mobility conditions of all those who live, work or pass through the Porto Metropolitan Area.

SUSTAINABLE STRATEGY

On setting the strategies for Metro do Porto S.A. for the next two decades (2007 – 2027), the following intervention areas have been taken into account:

- Territorial and Urban Planning;
- Urban and Regional Mobility;
- Efficiency in use of Resources;
- Guarantee of economic and environmental sustainability of the System;
- Consistency of the System's financing model.

The strategic aims and objectives for this period have been established so as to generate economic, social and environmental benefits considered as fundamental:

- Together with the partners of the Andante intermodal system, reduce the emission of greenhouse gases and promote energy efficiency on a global scale, by attracting to this system journeys that would otherwise be made by private transport;
- Reduce congestion in traffic and urban parking;
- Provide significant savings of time in journeys made within the Porto Metropolitan Area;
- Reinforce intervention and influence, as a structuring element for the reordering of the transport system, through close connections with other public transport operators and also national and municipal organisations, thereby deepening the complementarity, cohesion and flexibility of the different transport systems, which are essential for the effective and generalised practice of intermodality;
- Ensure a service with both quality and efficiency, based on the highest levels of security and comfort;
- Anticipate and satisfy clients' needs and expectations, seeking to achieve high levels of satisfaction and perceived service quality;
- To achieve these aims within a situation of economic rationality, defined by standard costs of the following size: 20 Euro cents per passenger kilometre; 17 million Euros for the construction of one kilometre of surface double track; 24 million Euros for the construction of one kilometre of underground double track; 30 million Euros for the construction of an underground station.

Strategy and Performance

In line with the strategy of Metro do Porto, and pursuing its mission while abiding by its internal principles, the mobility phenomenon is considered essential, as also the promotion of environmental quality and also economic and social sustainability within the Porto Metropolitan Area. With this in mind, Metro do Porto firmly commits itself to the promotion of a thorough analysis of new investments, to defend those that, in the light of its strategic principles, contribute towards environmental, economic and social sustainability. Within the scope of this strategy, the Company identifies, in a systematic way, its targets and objectives, bringing them into the annual activity plan.

Impact, Risk and Opportunities

The concept of the Light Rail System for the Porto Metropolitan Area (SMLAMP), through its very characteristics, brings a set of opportunities arising from the current situation. The global increase in pollution, both air and sound, together with the pressure from society and the media for the solution of problems of this ilk, translate into empathy towards "environment-friendly" transport systems, and in this category Metro do Porto stands out in a positive sense, from other means of transport. The rise in fuel costs, together with the scarcity and cost of parking and the inevitability of conditions being set on road traffic within the larger cities, are yet another motivating factor encouraging a move away from private transport to public transport, it being that this latter option each day gets more comfortable and efficient. In demographical terms, we can see, in the Porto Metropolitan Area, a population growth together as well as pendulum movements growth which could further boost the demand for public transport. All these factors allow us to believe that the current scenario is favourable to the activities of Metro do Porto.

The risks presented by a Light Rail System are quite small, and essentially include financial and operational risks, these being associated with the exploitation activities. The exposure of Metro do Porto S.A. to financial risks is limited to the interest rate risks, and have been managed through hiring of risk coverage operations. Within the operational activities, all possible operational risks, with their respective corrective actions, have been set out in the Metro do Porto Safety Manual.

The impact of the system is highly positive, especially with regard to the increase of mobility and quality of life of the inhabitants of the Porto Metropolitan Area, of the social and environmental benefits arising from the use of a "clean" vehicle, and the contribution to the addition of value to the urban mesh immediately surrounding the Metro network. Metro do Porto S.A., on offering a 100% accessible system, makes a positive contribution towards the social integration of people with mobility impairment and the universalisation of this means of transport.

ORGANISATIONAL PROFILE



| | |
|--------------------------------|-------|
| Lenght of Network (km) | 59 |
| Stations | 69 |
| Lines | 5 |
| Municipalities Served | 6 |
| Population (Million) | 1.3 |
| Area (km ²) | 814.7 |
| Staff | 125 |
| Validations (Million) | 48 |
| Passenger km (Million) | 245.9 |
| Kilometres Travelled (Million) | 6.97 |
| Load Factor (%) | 16.33 |
| Fleet (Eurotram) | 72 |
| Income from Fares (€ Million) | 26.7 |

Company

Metro do Porto, S.A.

Legal status of the property

Public limited company with exclusively public capital.

Activities

Passenger Public Transport company, concessionaire (for a period of 50 years) of the Light Rail System in the Porto Metropolitan Area, as established in Decree-Law nº 394-A/98.

Capital structure

Junta Metropolitana do Porto and Municipal Councils – 60%
STCP – 25%
Portuguese State – 10%
CP – 5%

PARAMETERS FOR THE REPORT





REPORT PROFILE

This is the second edition of the Sustainability Report and, following the example set in the previous edition, it has been prepared based on guidelines set in the Global Reporting Initiative (GRI), in its most recent version, G3.

The present report refers to the civil year of 2007, but, even so, some data from previous years are disclosed, with a view to establishing comparisons and analysing the evolution of the development of the Company.

Metro do Porto S.A. intends to inform their company by annually issuing Sustainability Reports.

SCOPE AND LIMITS OF THE REPORT

The performance analysis is carried out at the level of Metro do Porto, S.A.

According to Decree-Law 394-A/98, of 15th December, the execution of work and service provisions with regard to the conception and the execution of the Project, to the execution of building work, to the supply and assembly of rolling stock and other equipment which are part of the Metro system, as also the operation of this system for an initial set period, would be governed by a contract to be agreed between Metro do Porto and a selected organisation, within the scope of an international tender process to be held for this effect. The organisation that came out the winner in this tender process was the group of companies (ACE) Normetro, who built the entire system, except for the Ponte do Infante and the Airport Extension, and was made responsible for their operation until March 2009, by the contract celebrated with the Society in December 1998. This ACE, in its workforce, includes, among others, driving agents, station agents, and other personnel directly involved in the operation of the System, but who are not part of the workforce of Metro do Porto.

According to the terms set out in DL 394-A/98, Metro do Porto S.A. shall hire companies, or groups of companies, to proceed with the inspection of the different types of work and service provision as mentioned previously. Currently, the consortium of companies responsible for insertions is made up of the companies Consulgal, Ferconsult and Sener (CFS).

The group of companies TIP (Transportes Intermodais do Porto) is the entity in charge of ticketing. The group of companies by the name of TIP was set up in 2002 by Metro do Porto, STCP (Sociedade de Transportes Colectivos do Porto, S.A.) and CP (Caminhos de Ferro Portugueses, E.P.) with the aim of implementing and managing a common ticketing and fare system within the Porto Metropolitan Area.

Whenever considered relevant, Metro do Porto includes references to these partners and elements granted by them. The issues addressed include the indicators considered essential by the GRI-G3 and those that, considered accessory, Metro do Porto believes to be important for their Stakeholders. The criterion for identification of the indicators is based on the principles of materiality, inclusion of stakeholders and the context of sustainability.

The limitations found within the development of this report are limited to essential aspects; with the applicability of some indicators to the specific case of Metro do Porto and the availability of information.

It is also important to mention that the scope of this report differs from that prepared in 2006, due to the fact that in 2007 the Company has concentrated its efforts on the exploration of the System. In contrast, the report for 2006, being the first of its kind, reported the whole of the prior history of the Company, giving emphasis to the activities of setting up the Company.

GOVERNANCE STRUCTURE



THE GOVERNANCE STRUCTURE OF METRO DO PORTO

Metro do Porto was created, according to Decree-Law nº 394-A/98, as a concessionaire of the Light Rail System of the Porto Metropolitan Area. All principles and governance practices set forth in this document are monitored by several different institutions, in isolation and also through a Follow-up Committee for the Concession of the Metro do Porto System, including members of the "Instituto da Mobilidade e dos Transportes Terrestres" the "Inspeção-Geral de Finanças", "Inspeção-Geral do Trabalho", "Auditoria Ambiental", "Serviço Nacional de Bombeiros e Protecção Civil", the "Direcção-Geral dos Transportes Terrestres", the "Intervenção Operacional de Acessibilidades e Transportes", the "Laboratório Nacional de Engenharia Civil" and the "Comissão de Coordenação e Desenvolvimento Regional do Norte".

The Board of Directors of Metro do Porto consists of 7 members, of which 3 hold executive posts, making up the Executive Board. The composition of this organisation appears in the Company Annual Report for the year of 2007.

RECOMENDATIONS AND ADVICE

To enable the Stakeholders to make recommendations and advice to the highest governance institution, Metro do Porto holds Ordinary and Extraordinary Shareholders Meetings. In the light of the multiplicity of situations where this is required (Concession Bases, Society Statutes and Shareholders Para-social Agreement, among others), recommendations are also made outside the meeting environment, often at the request of the company itself. There are no formal mechanisms for communication between the Employees and the Board of Directors. However, there is a policy of opening and close relationships with the Human Resources area that, in turn, passes all the information on to the management bodies of the Company.

COMMITMENTS TO EXTERNAL INITIATIVES

PARTICIPATION IN ASSOCIATIONS, NATIONAL AND INTERNATIONAL ORGANISATIONS

Metro do Porto plays an active role in several different organisations of public interest, both nationally and internationally. The commitment with external initiatives allows the exchange of experience, with significant advantages for all partners involved, ensuring the accompaniment of the best market practices, enhancing innovation and ensuring positive incidences on several levels of society. These additions of value are motivation factors that are more than enough to justify the support that the Company gives to institutions with relevant roles at the environmental, social and economic levels, allowing Metro do Porto to make their sustainable strategy materialise.

We must also stress the presence of Metro do Porto in the following organisations:

- *Energaia, Agência Municipal de Energia de Gaia*
General Board Member
Tax Council Member
Associate Member
- *AdEPorto, Agência de Energia do Porto*
General Board Member
Associate Member
- *Casa da Música*
Founder Member
- *Fundação de Serralves*
Founder Member
- *UITP, International Association of Public Transport*
Member
- *Alamys, Asociación Latinoamericana de Metros y Subterráneos*
Full Member
General Board Member

STAKEHOLDERS ENGAGEMENT

The involvement with the Stakeholders is an activity which is essential to the performance of Metro do Porto. The identification of the stakeholders was based on:

- Definition, whether explicit or implicit, of the concession bases;
- Establishment based on criteria of dependence, strategic policies, responsibility, relevant impact and proximity.

Well aware of the concerns that have been aired by the stakeholders, Metro do Porto has sought to take up measures to meet their needs, following a policy marked by openness, and meeting expectations. Among the major concerns, we highlight the quality of information provided to the public, operational security, care with the levels of comfort offered in vehicles and stations, and the access to information on the part of organisations that keep track of the company.

CONTACT WITH STAKEHOLDERS

State and respective Ministries

Regular information reporting, especially concerning budget, management reports, accounts, and technical reports for inspection.
Reporting punctual information whenever a relevant event occurs
Response to Requests
Remote access via VPN to documental and management applications

Shareholders

Ordinary and Extraordinary Shareholders Meetings
Guidance and recommendations
Access to varied information
Response to requests

Regulatory Bodies

Regular information reports
Regular meetings
Remote access via VPN to documental and management applications

Strategic Partners

Exchange of information and know-how
Support from studies and projects
Co-operation for the implementation and promotion of intermodality
Co-operation for the guarantee of high standards of security and a rapid response to emergency situations

Clients

Client Satisfaction Studies
Dealing with Complaints
Information to the Client through a range of different channels:
- Website; - Infometro;
- Newsletter; - Flyers, Brochures and Leaflets;
- SMS Metro; - Publication in Newspapers
Metro TV Project

Suppliers

Following up on ventures

Staff

Response to Requests
Internship Protocols

Local Authorities

Permanent Contact
Co-operation regarding urban planning

Media

Regular Contact
Response to Information Requests
Press Releases

Community

Doubt clarification sessions at building sites
Cultural and educational drives
Donations and Sponsorship

Financing Bodies

Regular Contact
Regular information reports
Response to requests for information

Online access, a facility provided to a group of official organisations, to internal information and files of the Company, consists of the possibility of the same having remote access, through VPN (Virtual Private Network) to the applications of Document Management, Accounts and other information which is useful to the regulatory bodies. The making available of this tool shows how concerned the Company is with strictness and transparency in carrying out their activities; by way of example, the "Inspeção-Geral de Finanças" has access to documents supporting decisions, especially the annotations of activities of the management body and appendices thereto.

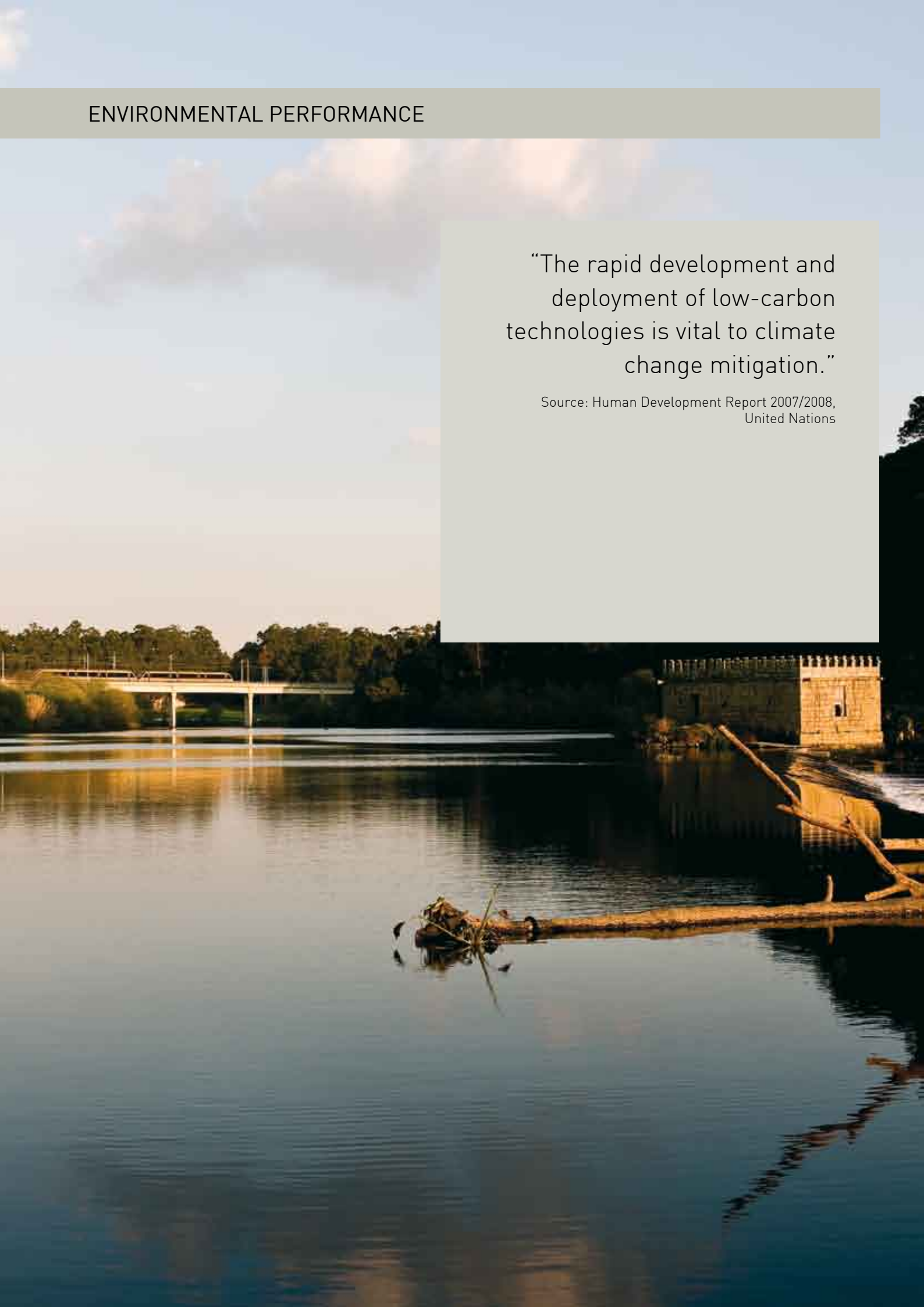
The use of remote access has several advantages, including quicker access to information, a lesser need for travel, as also savings of paper and greater security in the circulation of confidential documents.



ENVIRONMENTAL PERFORMANCE

“The rapid development and deployment of low-carbon technologies is vital to climate change mitigation.”

Source: Human Development Report 2007/2008,
United Nations



SUSTAINABLE MOBILITY AND INTERMODALITY

“Sustainable Mobility is the ability to meet the needs of a society to move freely, gain access, communicate, trade and establish relationships without sacrificing other essential human or ecological value, today or in the future”

Source: World Business Council for Sustainable Development

Over the last few decades, we have seen a significant rise in journeys made, whether for work, study or leisure. The transportation system is now a key factor in establishing economic or social progress. The need to increase and improve the mobility conditions, as also the reduction of the negative impact of transport services, thus preserving the human and ecological values in the future, requires direct action upon such issues as traffic congestion, inadequacy of infrastructure, noise, pollution, security and the preservation of non-renewable resources.

At the level of sustainable mobility, we must stress that Metro do Porto is equipped, both at the level of infrastructure and also of the vehicles themselves, with elements that incorporate social and environmental concerns, namely:

- Standardisation and careful selection of materials used – resistant, self-washable, and, as much as possible, locally available and in as natural a state as possible;
- Guarantee of full accessibility;
- Rational use of energy, through setting adequate artificial lighting levels, giving preference to natural lighting;
- Electric vehicles with technology providing efficiency in terms of sound and energy;
- High levels of comfort and security;
- Full urban integration and redefinition of the landscape, through the promotion of green areas, of the habit of walking, and use of public transport.

Intermodality is a new concept of transport, based on which one travel ticket is valid in a network which includes several means of transport and operators (for example, public transport by road, rail and light rail), with the fare depending exclusively on the route travelled by each Client. It is through a global vision of the several different means of transport, taken as a group rather than individually, that it becomes possible to establish intelligent transport networks, which allow optimum mobility and balanced distribution of traffic, promoting the sustainable use of resources, and favouring the quality of life of the local population.

Intermodality also assigns a central role to the user. In an intermodal system, the passenger does not need to know about the supply of services in detail, nor the prices practiced by each operator, but just some general information about the transport network in operation and the rules for usage thereof. This means that the application of one single fare structure and common zoning system to several different means of transport enables the passengers to make the intended journey using the operators that provide the best service, especially in terms of frequency, travel time and comfort. Indeed, Metro do Porto is an intermodal partner and uses exclusively titles of intermodal transport – Andante.



THE METRO VIEWED FROM THE INSIDE

THE NEW VEHICLE (TRAM-TRAIN)

Technical File of FLEXITY Swift

Size: 37.1 metres (length), 2.65 metres (width), 3.50 metres (height)

Weight: 52.6 tonnes

Maximum Speed: 100 km/h

Capacity: 248 passengers (100 seated)

In May 2006, Metro do Porto signed with the consortium between Bombardier Transportation and Vossloh-Kiepe, a contract for the supply and maintenance of 30 FLEXITY Swift vehicles, for priority use on the Red and Green Lines. This equipment should bring about an increase in the quality of the service and important gains in travelling times. The 30 new FLEXITY Swift units shall join the current fleet of 72 Eurotrams now in circulation, bringing the total fleet of Metro do Porto up to a total of 102 units. In terms of equipment and systems, FLEXITY has the most advanced technological gadgets, ensuring the integration and the development of the capacities of provision of information to the Clients, as already provided by Metro do Porto.

Outside

As this is a vehicle that travels mostly along surface lines, special care was devoted to preserving the aesthetic appearance and design of the Tram Train, through careful selection and combination of colours.

Inside

Making use of materials corresponding to existing security standards (especially the coatings with fire and smoke classification M1F1), and by careful selection and combination of colours, an attractive décor was created, allied to the comfort offered and the facility of cleaning and maintenance.

The internal livery was designed in a way that reduces the effects of graffiti vandalism, allowing easy cleaning of the painted areas, without leading to a degradation of its general appearance.

Intended as a vehicle for longer trips, and thinking of the well-being and comfort of the passengers, this does not only have a larger number of seats, compared with the Eurotram, but also has had an improvement of the passenger benches, which were conceived in a way that supplies a suitable comfort index. The glass used has special features that significantly reduce the transmission of solar radiation to the interior of the vehicles, thereby contributing to greater interior comfort and greater energy efficiency, due to the reduction in the operation of the air conditioning equipment.

In order to preserve the security and the well-being of the passengers, we must point out the installation of video surveillance on board, as also multimedia equipment providing informative and commercial texts and leisure.

Accessibility

The external modules are identical, with a partially lowered floor at the level of the boarding platform. A door-sill, in the access door area, makes client access easier, particularly those clients with mobility impairments, by reducing the gap between the vehicle and the platform and removing any degree or obstacle. FLEXITY has dedicated areas for the mobility-impaired and for the transport of bicycles.

Energetic Efficiency

The energy used in FLEXITY electric traction is partly recovered during braking, with the motors working as generators making use of the vehicle's kinetic energy. This energy is returned to the network, and can thus be used by other vehicles. It is expected that 30% of the total energy consumption may be recovered, bringing significant advantages at the economic and environmental levels.



TICKETING

The responsibility for the management and implementation of the common ticketing system within the Porto Metropolitan Area belongs to the TIP consortium - Transportes Intermodais do Porto.

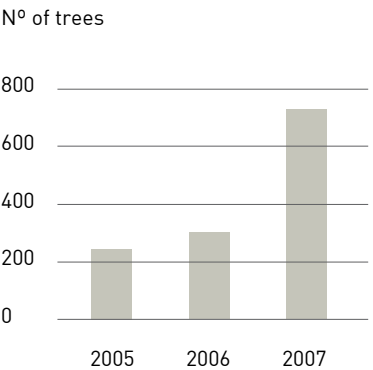
The Andante ticket has several advantages over the traditional travel ticket:

- There is greater speed and ease in validating tickets;
- It allows the use of the same ticket in more than one transport operator;
- It allows the transport tickets to be reused, as they can be easily topped up with credits;
- It allows the significant reduction in the need to use disposable tickets and, hence, the inevitable production of waste;
- It can be used in network car parks (a Park & Ride system), with the benefit of special fares should the Client also make use of the public transport offered by the operators participating in the Intermodal System.

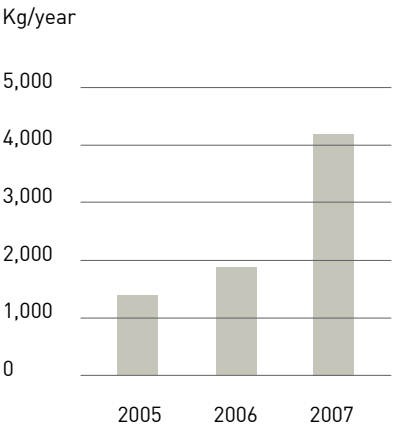
For reckoning the environmental benefits resulting from the use of the Andante ticket in the network of Metro do Porto, the following data have been borne in mind:

- The production of 1 tonne of paper needs about 20 trees, 100 thousand litres of water and 5,000 kWh of energy;
- The production of 1 tonne of recycled paper needs about 1.2 tonnes of old paper, 2,000 litres of water and 2,500 kWh of energy;
- 1 adult tree can absorb 5.902 kg of carbon dioxide (CO₂) per year;
- The Andante Tickets already issued or charged correspond to the number of disposable tickets thus avoided;
- The number of Andante validations on Metro do Porto.

Trees not felled



CO₂ absorbed



In 2007, the use of the Andante Card within the network of Metro do Porto allowed 725 trees to be spared, with a resulting absorption of more than 4 tonnes of CO₂.



THE ENVIRONMENT IN FIGURES

MATERIAL MEANS

Throughout the year of 2007, the Company activities have been centred on the operation of the system. Even so, work was carried out on the Yellow Line extension southwards, and also urban adjustment in several parts of the Network. The materials used for these works are shown in the following table.

| Material means | 2007 |
|---------------------------------|---------|
| Foundations (kg) | 336,434 |
| Concrete (m ³) | 2,365 |
| Land movement (m ³) | 127,279 |
| Betuminous (m ²) | 20,894 |
| Cube (m ²) | 19,784 |

LANDSCAPING

As the Metro do Porto has mostly been built above ground, it is essential to carry out an integration with the landscape in the areas surrounding the Metro channel.

Until 2007, the company was responsible for the creation of some 196 thousand square metres of new green areas, which works out at about the size of 25 football fields. A total of 4,913 trees were planted in the different municipalities served by the Metro, and new cycle paths were opened covering an area of 3,600 square metres.

WASTE MANAGEMENT

Metro do Porto is firmly committed to the management of the residues produced within the scope of their activities. This concern has been taken on right from the reduction at the source, through to the final destination of the waste, applying an entire process that follows the concept of integrated management.

The legal requirements for the management of waste are duly inserted within the tender specifications for the different works:

In the construction phase - there is an Environmental Accompaniment System that mandatorily consists of the preparation and implementation of a Waste Management Programme, according to which all waste produced during the building phase are duly sorted, stored on the site in a location duly identified for this effect and sent on to a duly licensed final destination.

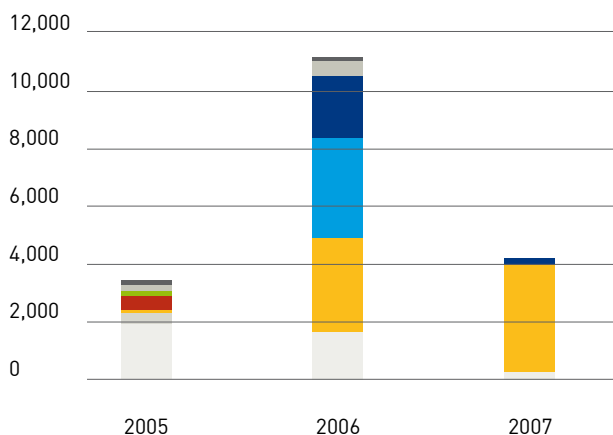
In the operation phase - the waste is collected from all stations by the ISO 14001 certified entity responsible for the system operation, ensuring that it shall be sent on to the licensed final destination.

Solid Waste

The waste from building and demolition work (Code 17 EWL), in 2007, accounted for some 91% of the total of solid waste produced. This kind of waste includes, as the kind of greatest expression, the "mixture of concrete, bricks, tiles, roof tiles and ceramic materials not covered on 17 03 06" with a total weight of 79%.

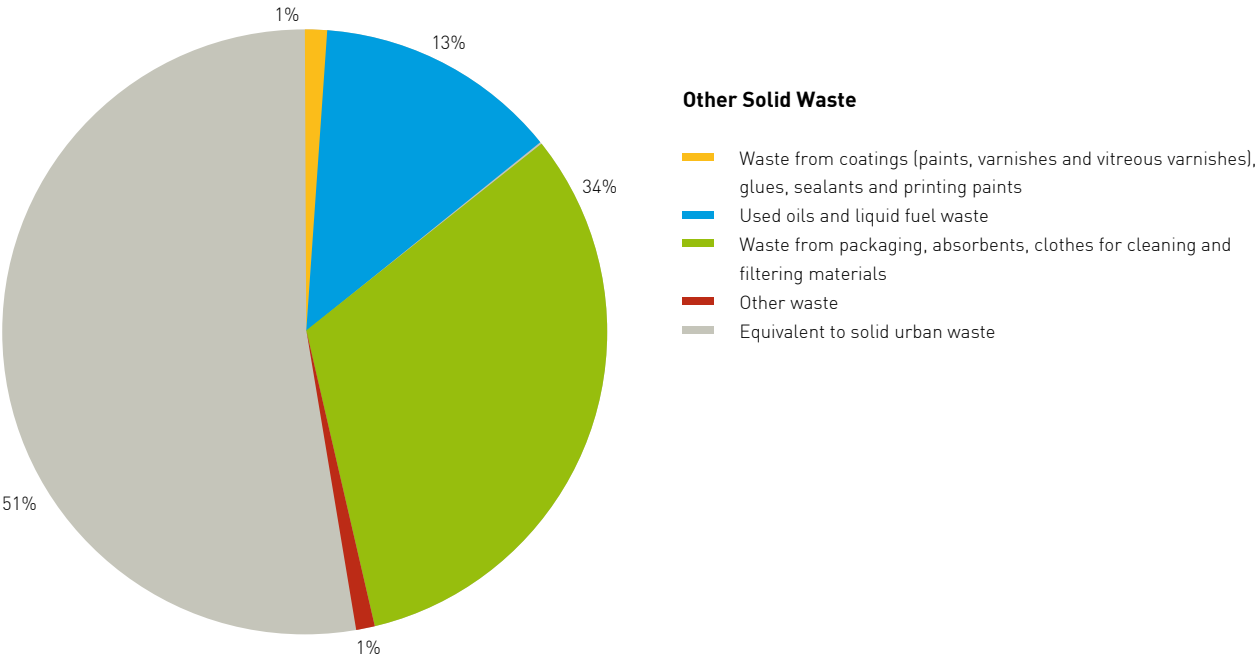
Construction and Demolition Waste

Tonnes

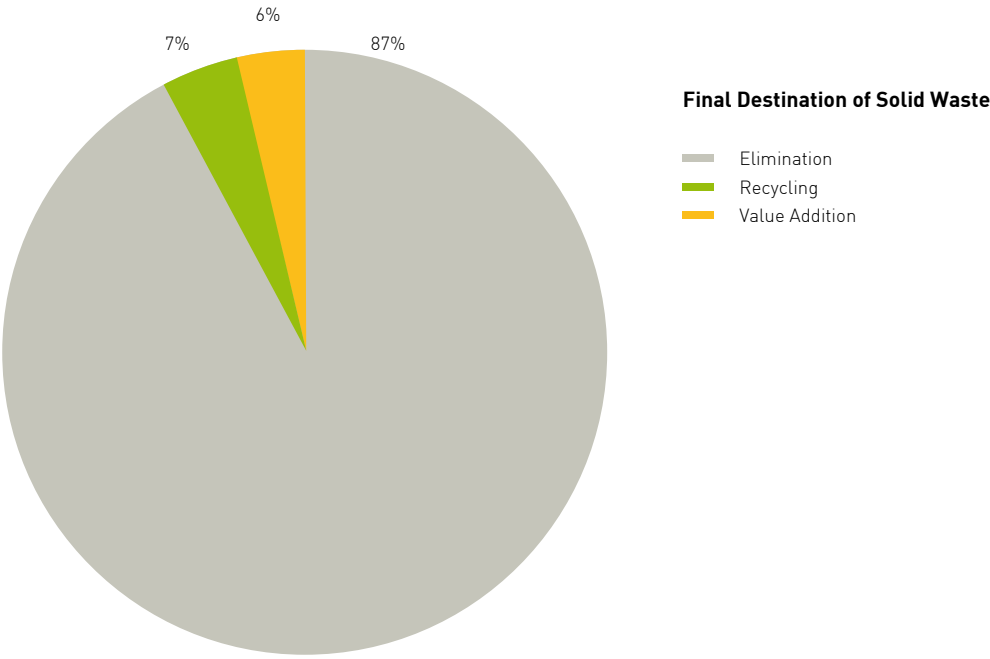


- Mixture of construction and demolition waste not covered on 170901, 170902 and 170903
- Soil and rocks not covered on 170503
- Mixed metals
- Betuminous mixtures not covered on 170301
- Betuminous mixtures containing tar
- Plastic
- Mixture of concrete, bricks, small tiles, roof tiles and ceramic materials not covered on 170106
- Small tiles, roof tiles and ceramic materials
- Concrete

The remaining waste, other than that of construction and demolition, were grouped into five categories according to the European Waste List, and its distribution in 2007 is as follows:



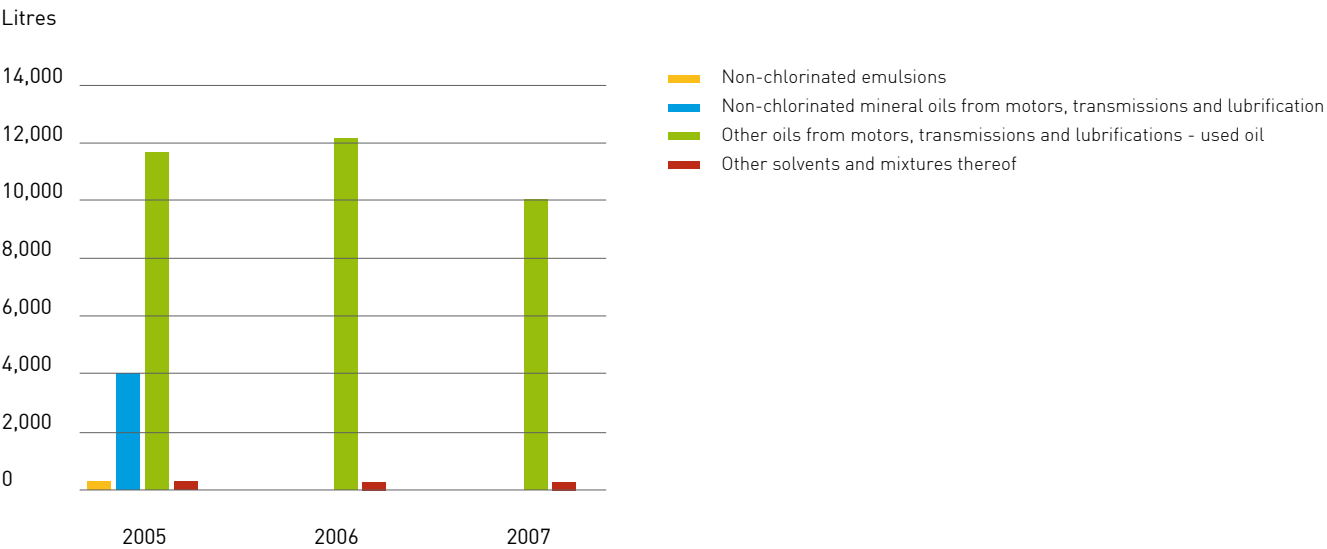
Most of this waste has elimination as its final destination, with some 13% being recycled or having added value.



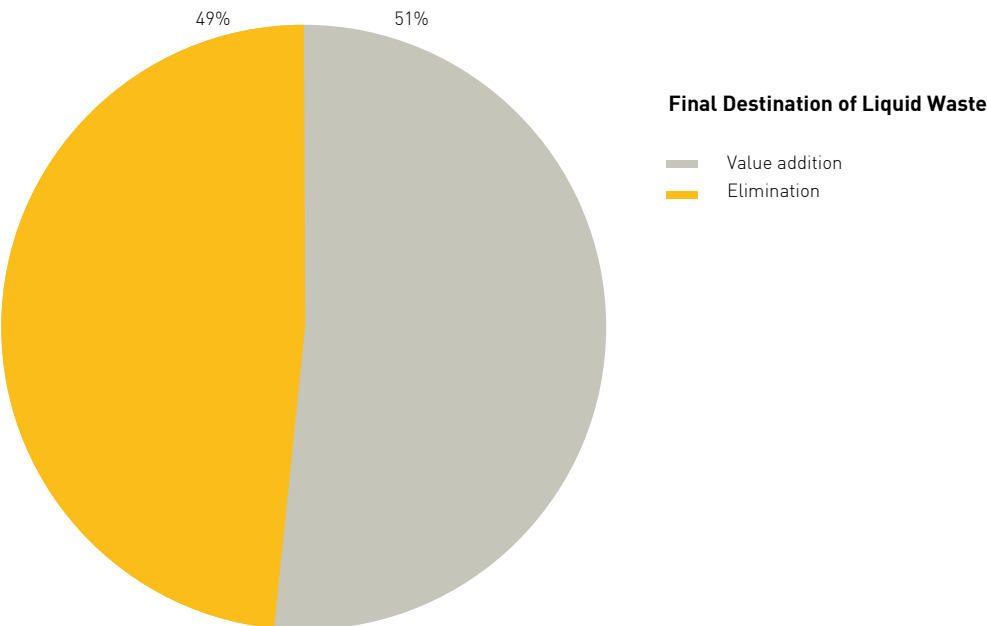
Liquid Waste

For the three years under analysis, the main forms of liquid waste are the oils of motors, transmissions and lubrication, these three corresponding jointly to 98% of the total for this kind of residue. This situation is directly related to the maintenance of equipment used in construction works and of the vehicles used in the Metro operation.

Resíduos Líquidos



In 2007, about half the liquid waste went on for reprocessing.



ENERGY

Protocols with Energy Agencies

There is a protocol for co-operation in place between Metro do Porto and Energaia, with a view to the provision of technical assistance for the eco-efficiency at the facilities of Guifões, promoting the concepts of eco-efficiency in the rehabilitation that the company intends to carry out in the Guifões Depot (PMO), as also in the concept and construction of the new building as currently planned.

Energy Consumption

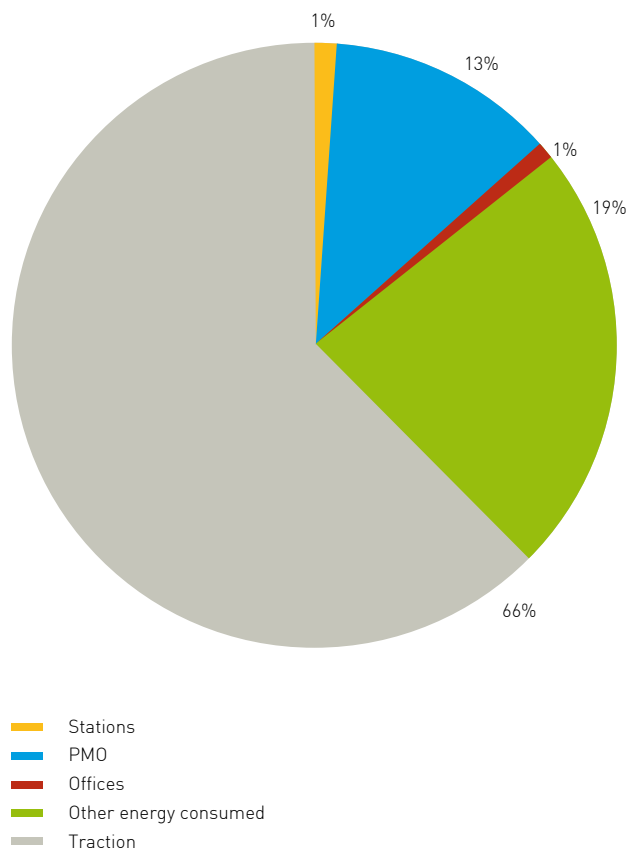
The efficient management of electric energy consumption is an ever-growing concern within the Company routine, and has had concrete results in the adoption of measures to reduce consumption as much as possible, together with the search for innovative solutions within the scope of energy efficiency.

During 2007, some activities were implemented, with the aim of helping to boost the energy efficiency of consumption of the Metro do Porto:

- Non-use of artificial lighting in the stations outside operating hours (between 2 and 5 a.m.) – a new feature was added to the SCADA subsystem allowing the control of lighting of the stations closed to the public, outside operating hours, a control which may be activated individually, by line or on the whole network. The feature implemented allows deactivation by grouped commands of two-thirds of the lighting in selected areas and outside operating hours, with the corresponding energy savings.
- Use of the energy from regenerative braking of the vehicles – Metro do Porto has currently under way a project for comparison of the currently available technologies on the market, which may increase the rate of use of energy from regenerative braking of the vehicles, based on multiple technical and economic factors.

In 2007, painstaking work was carried out, for the control and monitoring of the consumption of electric energy in all premises, from the stations, through tunnels, bridges, cuttings, public lighting and works, through to the offices. The information obtained is presented in the following graph:

Energy Consumed





Reflecting the company's concern with energy efficiency, and according to the figures below, we have seen a positive development in the indicators of energy consumption per passenger kilometre transported.

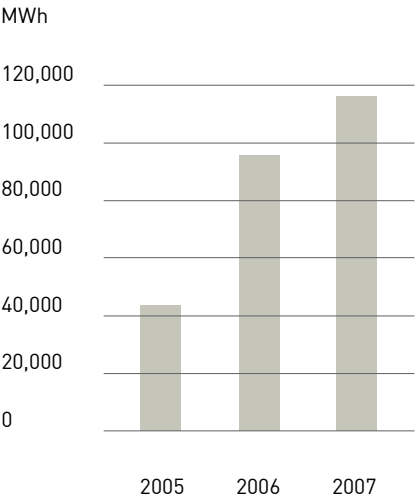
| Energy | 2004 | 2005 | 2006 | 2007 |
|--|-------|-------|-------|-------|
| Consumption of traction energy per passenger kilometre (kwh) | 0.205 | 0.213 | 0.129 | 0.115 |
| Consumption of total energy per passenger kilometre (kwh) | 0.250 | 0.321 | 0.200 | 0.176 |

Saving Energy

The reduction of the number of cars in circulation, resulting from the transfer of their users to the Metro, leads to a saving of energy. The energy used in individual transport (IT) and also in collective transport (CT), both of these by road, leads to the burning of fossil fuels, highly polluting, instead of what happens in the case of the Metro which uses electrical energy, produced in special units which give more and more importance to the use of renewable energy sources.

Based on a study carried out in 2002 by an independent specialised company, assuming that all the passengers transferred to the SMLAMP come from Collective Transport, the energy saving comes to a substantial amount. In 2007 alone this saving came to 9,200 TEP (petrol-equivalent tonnes) or, using an equivalent unit, about 115,000 MWh (megawatts hour).

Energy Saved

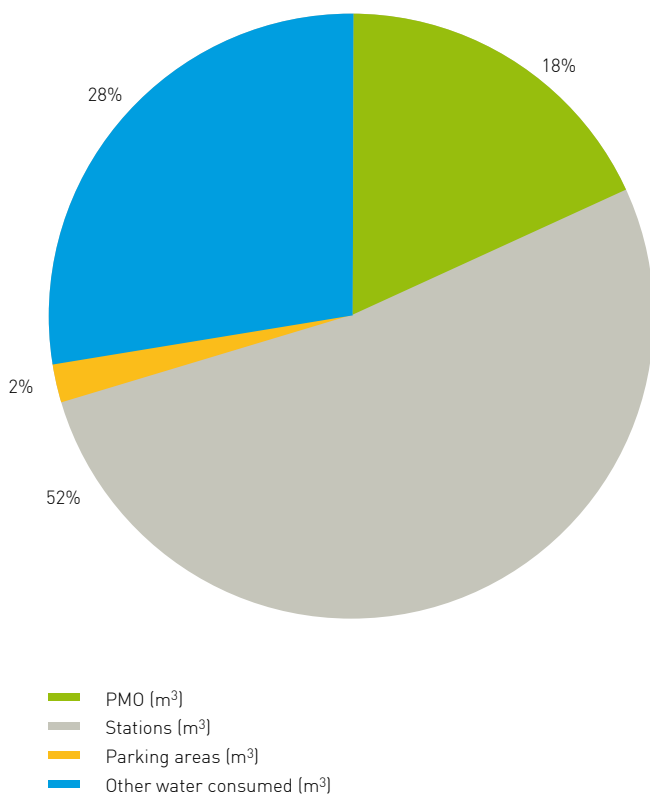


WATER

The management of consumption of rare resources, such as water, comes down to the constant search for high levels of efficiency, both in consumption and recycling.

The internal monitoring effort, put into practice in 2007, has made it possible to present, with a high degree of reliability, the consumption figures for maintenance of vehicles, stations, offices and car parking areas, among other installations. This year, we have seen a consumption of 114 thousand cubic metres of water, which is equivalent to 114 million litres. The breakdown of consumption can be seen in the following graph:

Water Consumed



Here we must stress the recycling rate for water seen in the PMO, a figure that in 2007 reached 43%.

NOISE

On all the work fronts corresponding to urban insertions to lines B, C, D and E, there was the environmental monitoring of the work by the environmental technical team, by means of weekly visits to the work fronts, analysis of the documentation issued by the contracted firms, and inspection and regular meetings with the same.

The level of noise produced has always been a main concern to the Company, and several minimising measures have been put in place, these including:

- The establishment of suitable working hours;
- The need to request a special licence for noise, according to the terms set out in DL 9/2007 of 17th January;
- The conformity of different equipment used in the work, according to the terms set out in DL 221/2006 of 8th November;
- Information for the people about the work, whenever justified.

In 2007, there was the first campaign for the monitoring of noise levels in the Metro do Porto, as was defined in the process of Appraisal of Environmental Impact of the Póvoa and Trofa Lines and in the Process of Connection of the Metro System to the Francisco Sá Carneiro Airport.

PAPER

In 2006, there was the implementation of the generalised use of recycled paper, which contributed significantly to the environmental policy of the company, allowing, in 2007, the saving of 110 trees, more than 500 thousand litres of water and 14 thousand kWh of energy. The trees thus spared shall allow the annual absorption of more than 19 tonnes of CO₂.

We must also stress that in 2007 there was a 36% rise in digitalisations of documents. If, within a conservative outlook, we assume that the non-digitalisation of documents would require the printing of 30% of these same documents to a physical file, this would represent the consumption of 647 litres of water and more than 800 kWh of energy.

EMISSIONS

On 19th December 2007, the European Commission submitted a proposal for a Bill to reduce the emissions of CO₂ (carbon dioxide) in new passenger vehicles, that account for about 12% of the emissions of carbon dioxide within the European Union (EU). The European Commission proposal plans for a reduction of average emissions from 160 grams per kilometre to 130 grams in 2012. This shall mean a reduction of some 19% in total CO₂ emissions of 19% in these vehicles and shall place the European Union among the world leaders with regard to efficiency in the consumption of fuel in cars. This measure is within the scope of the "European Climate Change Programme", a strategic programme to significantly bring down the emissions of carbon dioxide while increasing energy efficiency.

According to the report "Guidelines for National Greenhouse Gas Inventories" prepared in 2006 by the IPCC (Intergovernmental Panel on Climate Change), apart from carbon dioxide, the burning of fossil fuels also results in the production of other pollutants that can bring about the greenhouse effect, such as methane (CH₄), nitrous oxide (N₂O), carbon monoxide (CO), sulphur dioxide (SO₂), nitric oxide (NO_x) and particle matter.

Thus, with the Metro do Porto being a means of transport running exclusively on electricity, the transfer of passengers from private transport to the Metro makes a significant and positive contribution to the quality of the air and to reducing the greenhouse effect. Even so, even the production of electricity itself is not exempt from environmental damage, and here we must mention the unwavering effort made by the European Union to promote and regulate renewable forms of energy. According to the EU, "Renewable energy has an important role to play in reducing carbon dioxide (CO₂) emissions - a major Community objective". Raising the participation of renewable energy, it is possible to achieve a sustainable energy balance and reduce the dependence of the EU on imported sources of energy, which shall, in the medium to long term, bring about a rise in competitiveness of the European Space. In Portugal, the target set by the Government until 2010 is for a rise in the participation of electricity consumed from renewable sources, from 39% to 45%.

METRO DO PORTO AND POLLUTION EMISSIONS

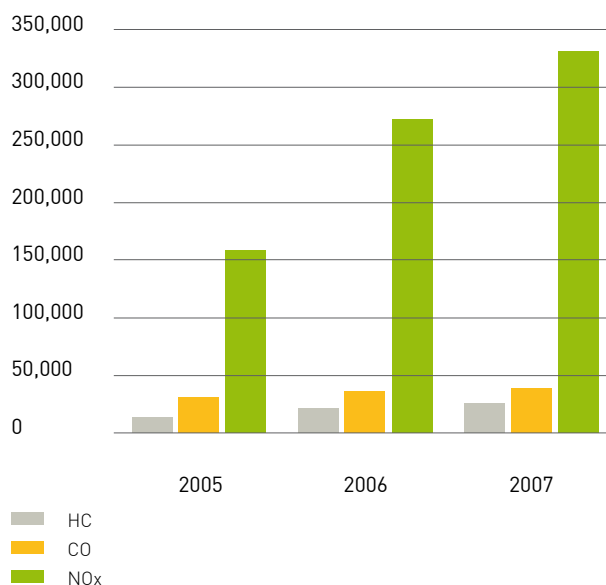
Based on the study mentioned in 2002 by an independent specialised company, based on a conservative estimate, considering that all passengers of the Metro come from collective transport only, it is estimated that, between 2003 and 2007, Metro do Porto would have avoided the emission of (in brackets, the values that could result were 40% of the Metro traffic to come from private transport):

- 128 tonnes of carbon monoxide (307)
- 70 tonnes of hydrocarbons (99)
- 885 tonnes of nitric oxides (610)
- 47 tonnes of particles

The current variation of the volume of saving of emissions of pollutants can be seen in the following graph:

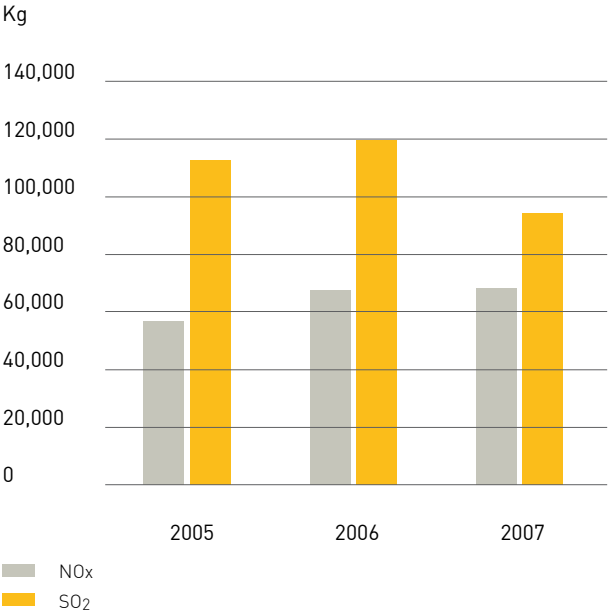
Annual Pollution Saved

Kg



Although the Metro is an eco-friendly form of transport, the Company activities shall not be exempt from negative environmental impact, albeit indirect in form, as they result from use of electricity. The annual emission of pollutants to the atmosphere, based on the actual consumption of electricity and on specific emission factors available on the sustainability reports of EDP, can be seen in the following graph:

Annual Emission of Pollutants



It is estimated that, in 2007, total emissions of pollutants included about 71 tonnes of nitric oxides, 96 tonnes of sulphur dioxide and 23,800 tonnes of carbon dioxide, as well as 4 tonnes of particles.

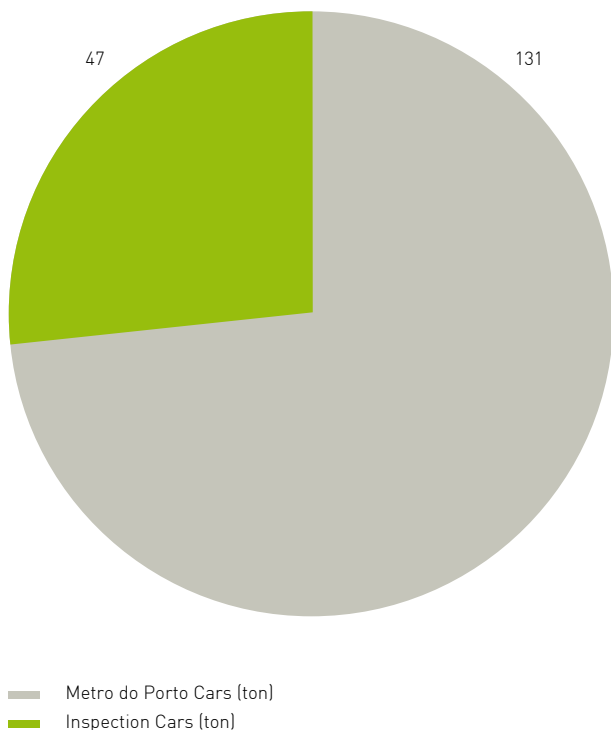


Emissions of the cars of Metro do Porto

In 2007, Metro do Porto had 75 service cars. Out of this total, 35 are for use by the Inspection Company, while the others are for use by the personnel of Metro do Porto and for movement of staff to the work fronts and other activities closely linked to Company activities.

In 2007, the total fuel consumed reached 92 thousand litres (gasoline and diesel). According to the report *"2006 progress report on the car industry's voluntary commitment"* prepared by the *European Federation for Transport and Environment* (published September 2007), the average emission of vehicles purchased in Portugal in 2006 is 144 grams of CO₂ per kilometre travelled. Considering an average consumption of 7.5 litres per 100 km, we estimate that the Company cars produced some 178 tonnes of CO₂ in 2007.

Emissions of CO₂ by the cars at Metro do Porto



ENVIRONMENTAL COSTS

Environmental Accounting is an economic tool of particular importance for the introduction of environmental factors within the global management of Metro do Porto. Among other factors, it provides all Stakeholders with an assessment of the environmental performance of the organisation, through awareness of resource efficiency, quantification of company commitments, risk appraisal, calculation of costs of outside services (that may become internal) and the availability of economic information, factors which are essential to enable correct decision-making.

Metro do Porto has annotated the costs from environmental impact assessment processes. The costs arising from the actual implementation of environmental management measures in the different construction works and the operation of the Metro do Porto are included in the global value of the contracts.

In 2007, an environmental study was carried out for the extension of the Yellow Line, at a cost of 32 thousand Euros.

CONFORMITIES

The lack of non-conformities with laws or environmental regulations is a constant Company concern. Even though in 2007 Metro do Porto was the target of counter ordinance processes, the Company was cleared in one of the cases, with the remaining lawsuits still being analysed by the Courts.

A yellow train is shown in motion, blurred to convey speed. The train is yellow with grey accents. The background shows a green landscape and some buildings in the distance. A semi-transparent grey box contains text and a source attribution.

ECONOMIC PERFORMANCE

“There could be no clearer demonstration than climate that economic wealth creation is not the same thing as human progress.”

Source: Human Development Report 2007/2008,
United Nations

OPERATIONAL PERFORMANCE

The Economic Performance of Metro do Porto, as also detailed indicators and the interpretation thereof, appear in the Company Annual Report. In this report, we shall highlight only the indicators that help with the appraisal of Company performance, concerning the commitments that have been taken on before the Stakeholders.

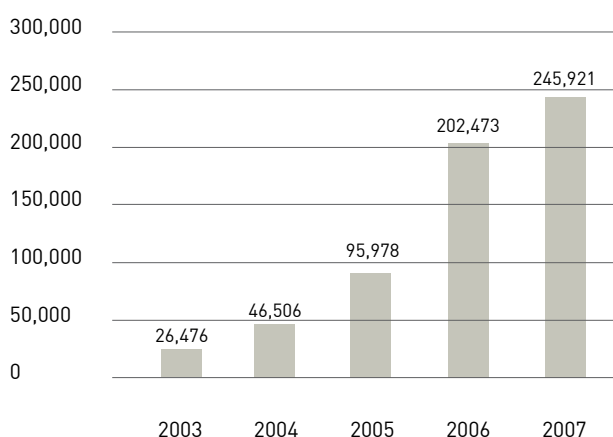
DEMAND

In 2007, there was a total of 245,920,742 passenger kilometres, which was a growth of 21% compared with 2006. There was a total of 48,166,631 validations in 2007, which is more than 9.5 million up on the previous year. This trend reveals the sustained growth in demand and the consolidation of the Metro System as a fundamental means of transport in the Porto Metropolitan Area.

In 2007, the load factor came to 16.33% (2.04pp more than in 2006). The load factor has risen steadily.

Demand

Passenger kms
(thousands)



SUPPLY

On 31st December 2007, the network operated by Metro do Porto had a total length of 58.9 km with 69 stations.

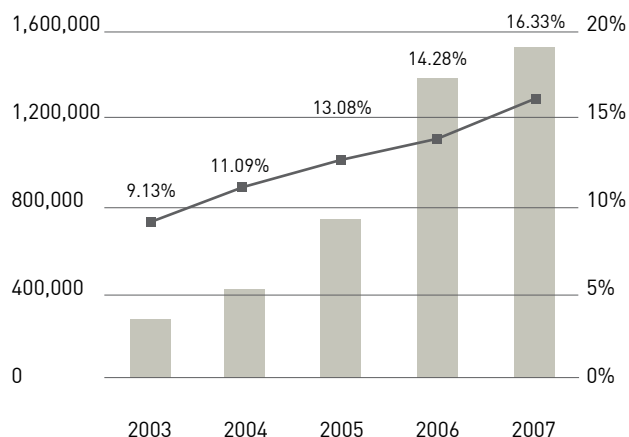
During the year, the Company implemented a thorough management of supply, seeking to increase capacity at peak times (through the use of double vehicles) and make the supply more adequate in punctual situations (by increasing the frequency), according to the needs of the passenger demand. The "Winter" and "Summer" timetables allow adjustments to account for the demand at different times of day and periods of the year, to ensure a greater efficiency in the service provided.

Thus, in 2007, Metro do Porto made available 1,506 million seat kilometres, which is a 6% rise compared with 2006.

Supply

Seat kms
(thousands)

Load
Factor

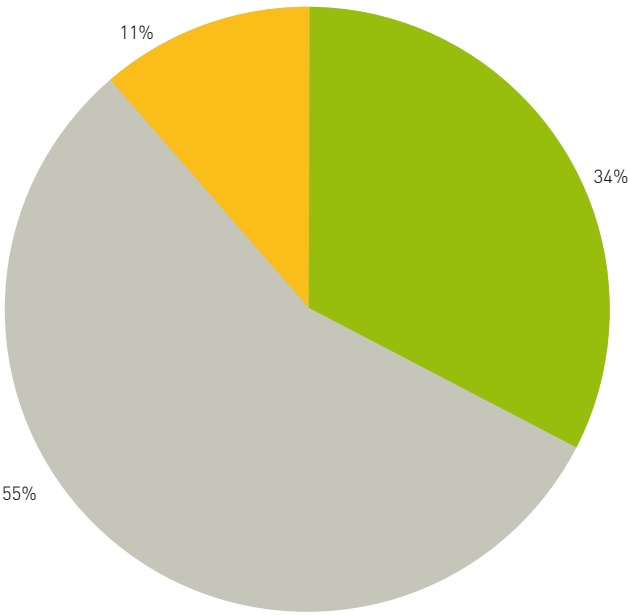




Accidents

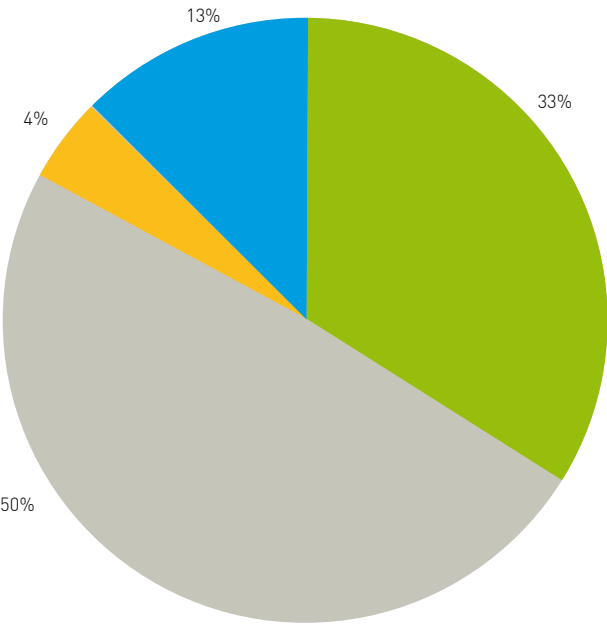
There were 89 accidents in 2007, which works out at 1.3 accidents per 100,000 km travelled (0.9 in 2006). More than half the accidents were with people inside the vehicle. In terms of physical damage, we see that 83% of the accident victims had little or no personal damage.

Causes of Accidents



- Collisions
- Accidents with people inside the vehicle
- People run over

Physical Damage



- No damage
- Slight injuries
- Serious injuries
- Injury unknown

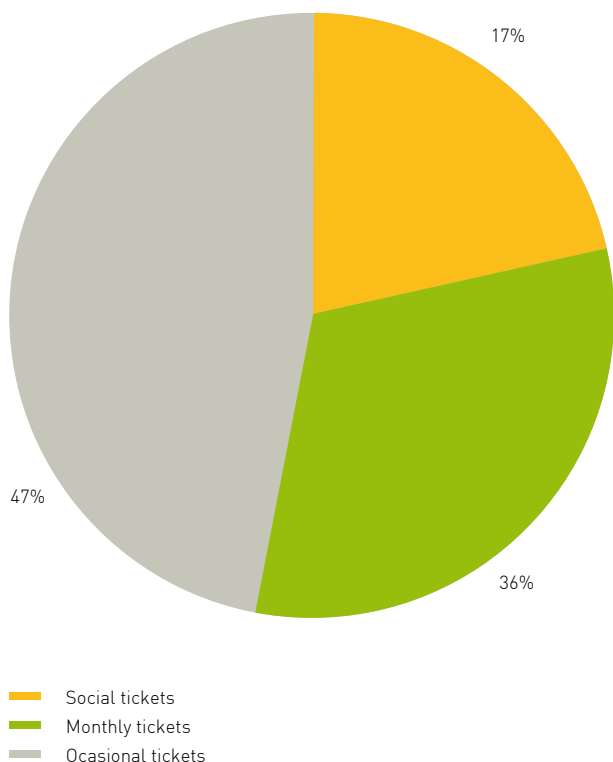


ANDANTE SOCIAL FARES

The Andante intermodal social fare provides social discounts to specific segments of the public. Children and students can enjoy a discount of 25% on the monthly tickets, while senior citizens, retirees and pensioners get 47% off.

The social fare structure effective since 2006 is a social and economic measure with a wide impact on mobility within the Porto Metropolitan Area. The importance of this fare structure is reflected in the number of social tickets that, in 2007, came to 17% of the total of ticket validations. The breakdown of the number of validations in the System by type of ticket can be seen in the following graph:

Type of Ticket

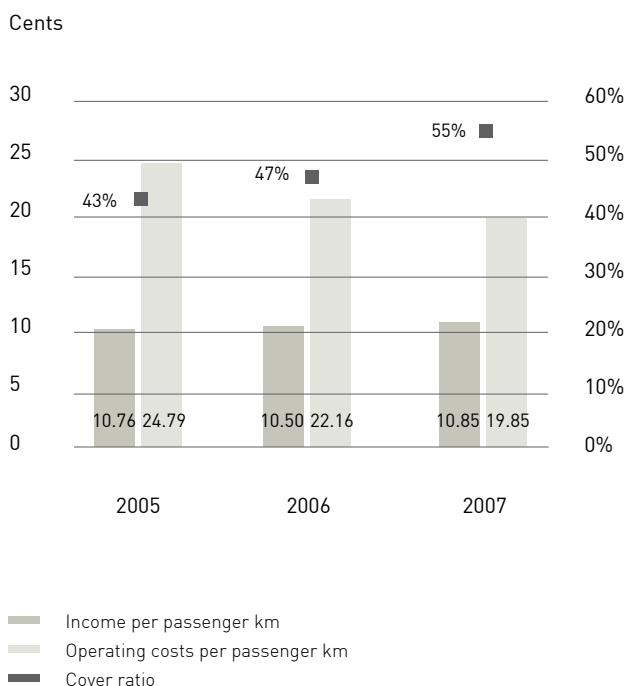


ECONOMIC VALUE GENERATED AND DISTRIBUTED

In 2007, Metro do Porto obtained fare income of 26.7 million Euros, which is 25% more than in the previous year. Operating costs (including inspection and TIP commissions) posted a 9% rise compared with 2006, reaching 48.8 million Euros in 2007.

In 2007, once again we saw a significant improvement in the cover ratio of operating costs by fare income (55% in 2007, compared with 47% in 2006). The rise in the average load factor helped to bring this about.

Income and Operating Costs per Passenger km



In 2007, the System showed an operating cost of 19.85 cents per passenger km, compared with 22.16 cents in 2006, which is a reduction of 10.4%. The income per passenger km has remained somewhat stable since the system entered commercial operation. In 2007 there was a slight increase compared with 2006, rising from 10.50 cents per passenger km to 10.85 cents (a rise of 3.3%).

Throughout 2007, several activities have been implemented to ensure a greater financial sustainability of the System, either through obtaining secondary sources of funding, or through the exploitation of commercial points within Metro spaces. Out of the plethora of such initiatives, we could mention:

- Expansion of the network of mupi boards to underground stations (186 new spaces);
- Installation of the first network of ATMs, in six underground stations;
- Installation of new vending machines and BreakPoint structures;
- Commercialisation of publicity spaces in large and singular formats.

FINANCIAL SUPPORT

The main sources of funding for Metro do Porto are: loans from the European Investment Bank, EU financing grants, allocations from the State budget and private financing.

Grant funds structure for the period 2003-2007:

(values in euros)

| Investment Financing | até 2003 | 2004 | 2005 | 2006 | 2007 |
|-------------------------|--------------------|-------------------|-------------------|-------------------|------------------|
| ERDF | 206,021,380 | 52,567,006 | 46,900,413 | 27,613,555 | 0 |
| Cohesion Fund | 0 | 7,400,909 | 11,603,049 | 23,814,363 | 0 |
| PIDDAC | 87,148,295 | 12,750,000 | 12,252,113 | 9,250,000 | 8,000,000 |
| Called-up Share Capital | 179,033 | 0 | 0 | 0 | 0 |
| Total | 293,348,709 | 72.717,915 | 70.755,575 | 60,677,918 | 8,000,000 |
| Operation Financing | até 2003 | 2004 | 2005 | 2006 | 2007 |
| Operating Subsidies | 0 | 4,730,497 | 2,245,613 | 2,402,806 | 10,358,990 |

The item "Operating Subsidies" (10,358,990 Euros in 2007) is a subsidy granted by the State to compensate for the loss of revenue entailed in the public service operation. It must be mentioned that, despite the total being 4 times more than in 2006, this subsidy to the services does not show itself as important when compared with the sheer size of public service costs and the deficit of exploitation, which came to 39 million Euros in 2007. The total received as a subsidy to the investment came to only 8 million Euros (PIDDAC).

SUPPLIERS

Metro do Porto gives priority to the establishment of strong and professional relationships with suppliers and partners that help the Company in the defence of the company values and the reputation of the company image. In 2007, the payments with regard to the 10 top suppliers of Metro do Porto came to 89% of the total volume of payments.

The 10 main suppliers of Metro do Porto in 2007 are the following:

- Normetro ACE;
- Bombardier Transportation Portugal, S.A.;
- Consulgal - Consultores de Engenharia e Gestão, S.A.;
- Efacec, Engenharia, S.A.;
- ACA Construções - Alberto Couto Alves, S.A.;
- Domingos da Silva Teixeira, S.A.;
- Prosegur - Companhia de Segurança, Lda;
- Vossloh - Electrical Systems;
- Alexandre Barbosa Borges, S.A.;
- OFM - Obras Públicas, Ferroviárias e Marítimas, S.A.

THE NATIONAL MINIMUM WAGE AND METRO DO PORTO

The national minimum wage showed a rise of 4% between 2006 and 2007. Even though the lowest salary practiced in Metro do Porto remained stable throughout 2007 (about 500 Euros), this is still 24% higher than the national minimum wage.

INDIRECT ECONOMIC IMPACTS

The importance that the activities of Metro do Porto have on the national economic scene is not quantifiable just by the jobs and the investment made directly, but also through the economic activity thus generated in other segments. The urban reorganisation and the rise in the value of property in the surroundings of the System are examples of these same indirect impacts on the economy, relevant as they contribute towards the addition of value of the whole region served by the Metro, as also to the improvement of quality of life of the population of the Porto Metropolitan Area.

TRANSPARENCY GUARANTEE

At Metro do Porto, we have selected transparency and honesty as the values that shall guide the development and maintenance of good relationships with our Stakeholders. It is in this light that the Company firmly bets on the appraisal of their results, as also the correctness of the information provided. The company produces information about management indicators every month, with quarterly activity reports, and publishes the Annual Report in a newspaper of national circulation and also on the company website. The site also presents some indicators of Operating Performance, together with the most relevant news and developments and, whenever relevant, documents more technical in nature.

TRANSPARENCY AND CONNECTION TO THE ENVIRONMENT

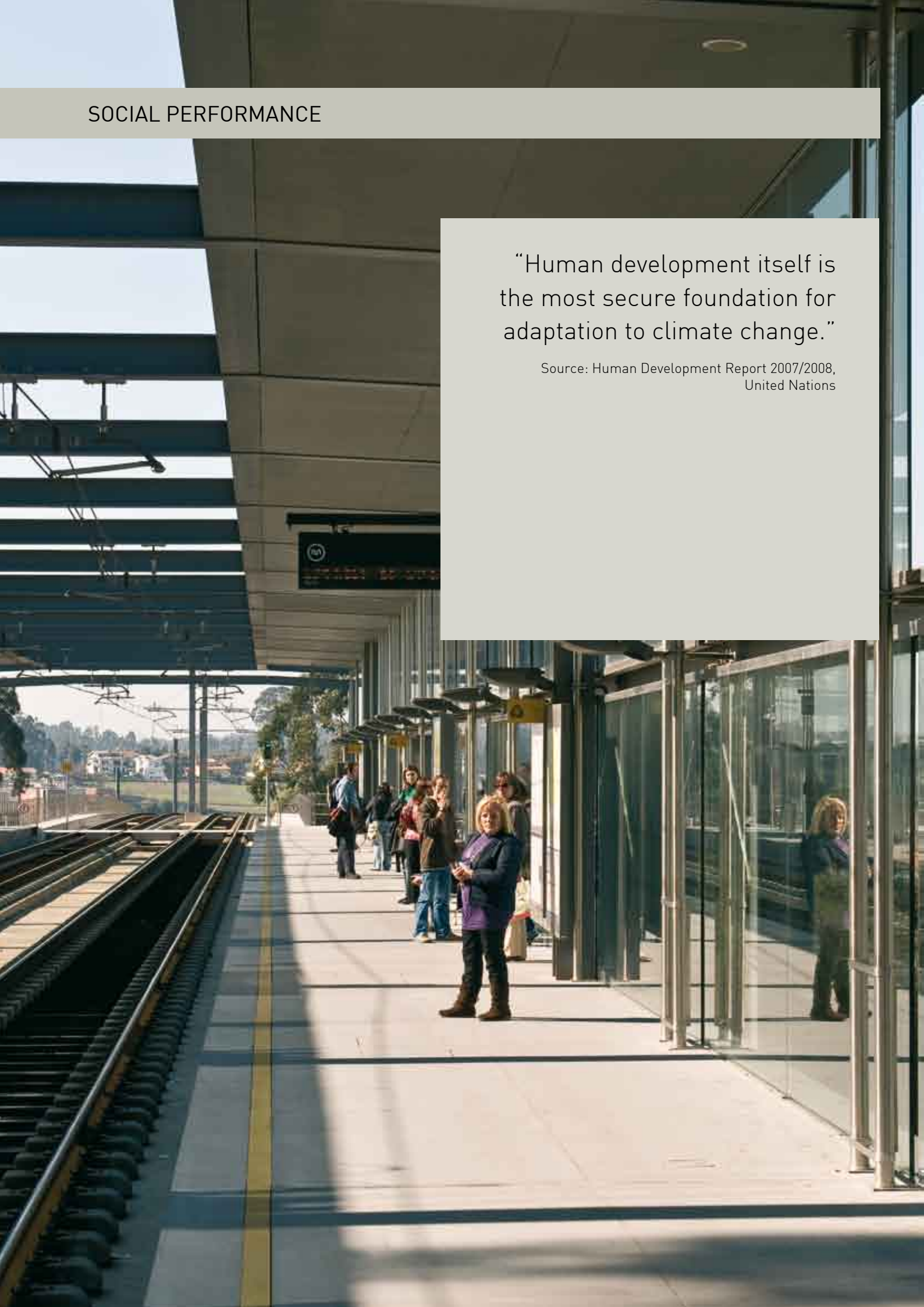
Since 2004, Metro do Porto has provided a link through remote access to Document and Management applications and external organisations that exert regulatory functions with regard to the Company. Even though contact has been made with 7 institutions, only the IGF (Inspeção-Geral de Finanças) showed interest and regularly uses the tool. After the contacts made in 2007 with IGOPTC (Inspeção-Geral das Obras Públicas, Transportes e Comunicações), it is hoped that in 2008 this entity shall also use this facility, saving paper, avoiding the circulation of documents and enhancing the transparency and easy access to information.



SOCIAL PERFORMANCE

“Human development itself is
the most secure foundation for
adaptation to climate change.”

Source: Human Development Report 2007/2008,
United Nations



INTERNAL SOCIAL PRACTICES

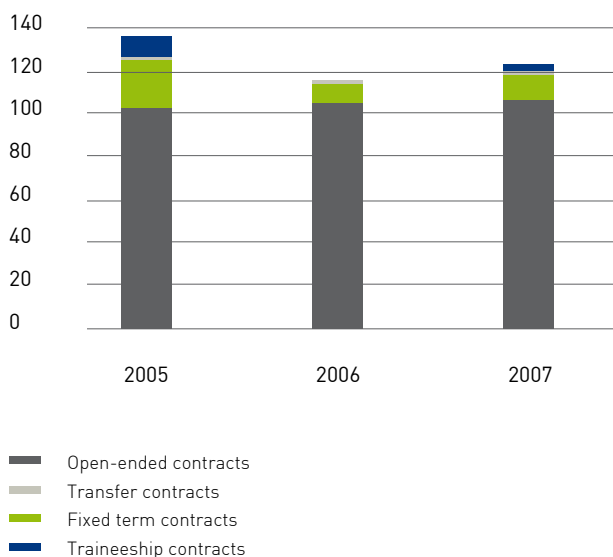
TEAM FEATURES

On 31st December 2007, Metro do Porto had a total of 125 Employees. Compared with previous years, there has been an increase in the total workforce, although the average number of Employees has remained stable.

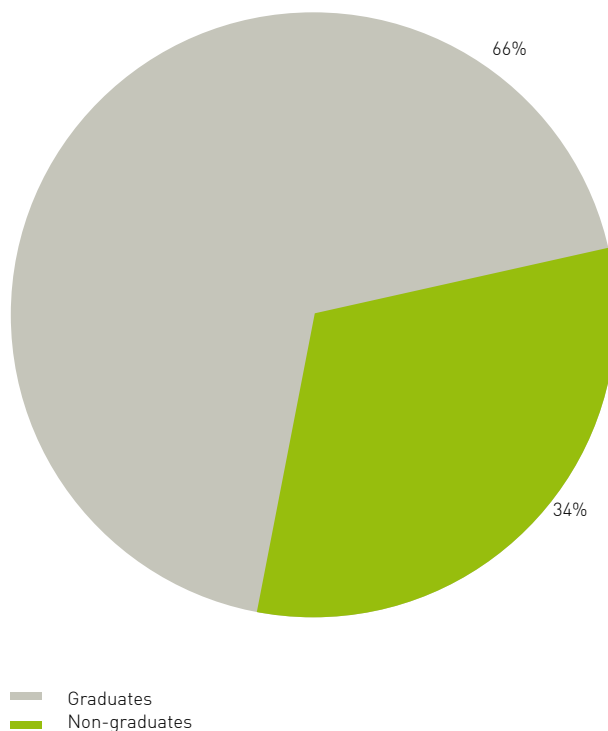
The rise in the number of Employees was basically due to the entry of temporary staff and trainees.

One characteristic of Metro do Porto is its use of highly qualified employees. This is a move in search of excellence in services rendered and also a better adaptation to the requirements of the functions carried out. In 2007, 83 of the 125 Employees were graduates and 5 had post-graduate qualifications.

Staff by Type of Contract



Staff by Qualification



Trainee Protocols

During 2007, 9 different professional trainees worked at Metro do Porto. Some of these came from direct hiring made by the Company, while others came from protocols and agreements established with several Institutions.

Within the co-operation between Metro do Porto and AIESEC, a curricular trainee scheme was given to a Slovak student, within the Operations Department of the Company.

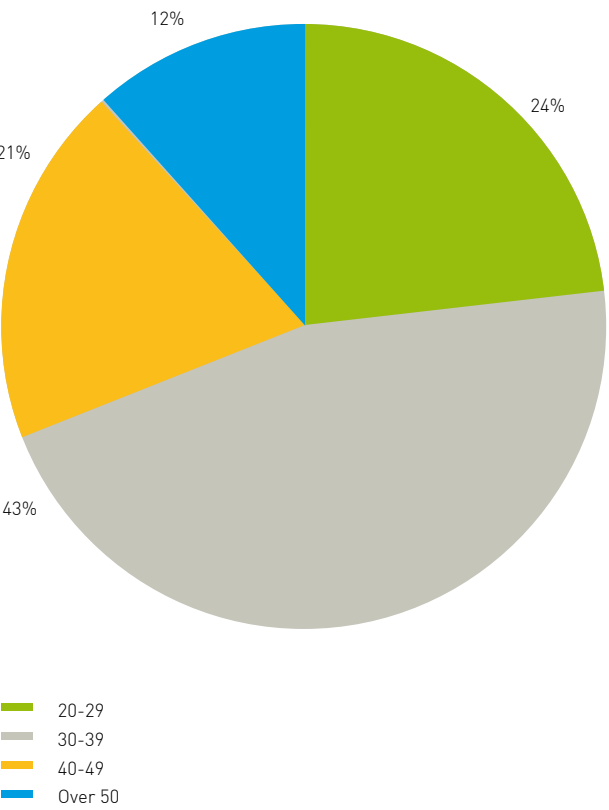
Within the protocol agreed with the "Instituto do emprego e Formação Profissional", a trainee scheme is taking place, with a joint participation, 60% by the company and 40% by this Institute.

Within the protocol established with the "Centro de Reabilitação Profissional de Gaia", the Company took in, within the projects and measurements division, a person with mobility impairment.

DIVERSITY AND EQUAL OPPORTUNITIES

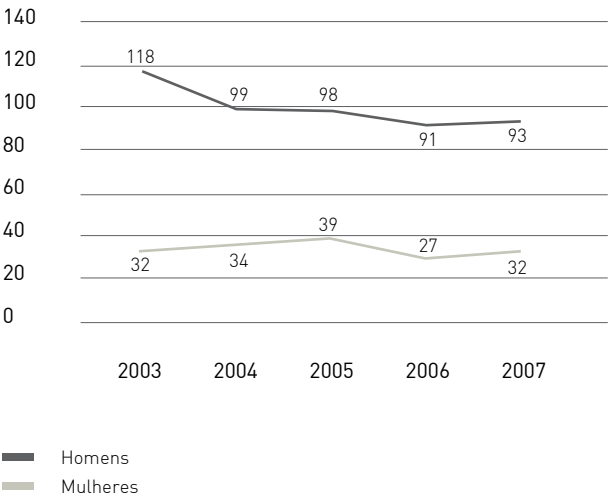
The team at Metro do Porto is a predominantly young team. About 67% of the staff are under 40 years old (not including former CP and REFER employees).

Staff per Age Group



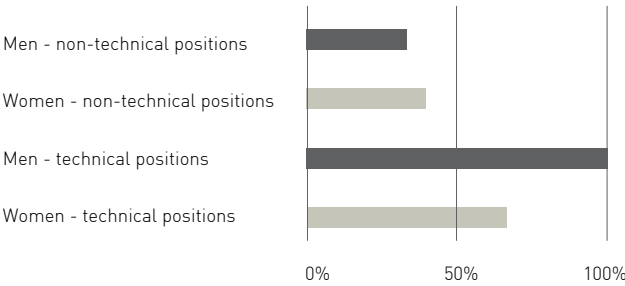
On 31st December 2007, the distribution of workers by sex showed that there was still a predominance of male workers. The graph below shows us that about 74% of the Employees are men, with only 26% of women.

Staff by Gender



In 2007, we see a high discrepancy between levels of responsibility, and hence salaries, of men and women within the technical staff of Metro do Porto (except for management posts). On the other hand, in non-technical jobs, these values show themselves to be much more evenly balanced. In these latter cases, it is the female group of workers that gets higher gross salaries.

Men/Women Salary Portion



COLLECTIVE NEGOTIATION AGREEMENTS

By Decree-Law nº 394-A/98 of 15th December, it was left to Metro do Porto to safeguard the position of the workers which until then had been working on the rail transport and management, for those lines transferred from CP to Metro do Porto (the Póvoa line and also the Guimarães line as far as Trofa).

In the case of those workers who could not be given new posts at CP and REFER, or who were not included in a specific pre-reform plan or other measures to encourage the reform, as established by Law, Metro do Porto guaranteed the maintenance of their current labour conditions or monetary compensation in lieu. The Company has hired 4 employees from CP and REFER, although there are 16 cases still outstanding, having assured the link between these workers and the Alternative Transport service.

BENEFITS

In order to provide better conditions for the Employees, the Company offers some benefits in addition to those required by Law. These benefits represent access to some services of great usefulness and interest.

Andante Pró

A contract was signed between the Company and TIP, for the provision of Andante signature cards to the Company Employees and their families. All staff are entitled to receive an Andante Pró card, covering the zones necessary for travelling between home and work. This travel ticket is also guaranteed for members of the Employees' families, with a maximum of three travel zones. Those employees coming from CP and REFER are excluded, as they already have transport entitlement through an agreement between Metro do Porto and CP/REFER.

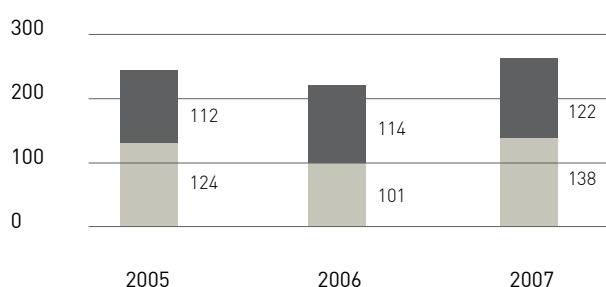
In 2007, a total of 260 Andante Pró cards were given, at a total cost to Metro do Porto of 49,765 Euros.

Health Insurance

The Company provides all staff with health insurance. This insurance covers the costs of hospital treatment, outpatient treatment and medication costs, for the Employees and their families. In 2007, Metro do Porto had a total cost of 74 thousand Euros with health insurance for Employees and direct family members, 18% more than the previous year.

Andante Pró

Nº of cards



■ Andantes Pró for familiar members
■ Andantes Pró for personnel



HEALTH AND SAFETY IN THE WORKPLACE

Work accidents

Safety in the workplace is one of the greatest concerns at Metro do Porto. Our commitment to prevention allows us to confirm that work accidents are not significant either in terms of numbers or seriousness. In 2007 there was only one work accident (five in 2006), and this accident led to a loss of only 7 work days.

Absenteeism

In 2007, the absenteeism rate stood at 2.13%, which is a bit less than the value of the previous year (2.32%).

TRAINING AND EDUCATION

In 2007, some 77 Employees took qualification courses totalling 819 hours. The favourite qualifications are those in engineering, Information Technology and law, as these are considered to be key areas within the Company.

HUMAN RIGHTS

Well aware that human rights reflect acknowledgement of dignity, liberty and equality for all, Metro do Porto guides itself by principles and values that agree with the rights officially given in the Universal Declaration of Human Rights.

SOCIAL PRACTICES WITHIN THE COMPANY

IMPACTS ON THE LABOUR MARKET

The Metro system registered, every working day, some 160 thousand validations. The construction and operation of a System of this size produces significant impact on the labour market, particularly within the Metropolitan Area where it lies. Considering the direct means within the Company workforce, up to the inspection, security, operation and human means involved in the urbanization work and the extension of the Yellow Line, the total impact of Metro do Porto, in 2007, resulted in the creation of 766 jobs.

IMPACTS ON THE COMMUNITY

Concerns during the work

With the consignment and progress of the work on the extension of the Yellow Line to the new D. João II station in Vila Nova de Gaia, an intense public relations drive was carried out, along "Avenida da República" and roads surrounding the venture, building awareness and informing individuals, companies and institutions for the different phases of the work, repercussions regarding changes in circulation of vehicles, and measures taken with a view to the reduction of impact. This work, carried out based on direct contact with all interested parties, resulted in the development of the work in a frankly positive manner, in a process which is practically free of complaints. Even at the end of the year, with the progress of the venture for new phases, a policy of regular and timely information has been followed in relation to the interested parties.

Similar procedures were followed in the completion of the urban integration at the Northern tip of the Yellow Line, together with the "Instituto de Oncologia do Porto" and the "Escola de Enfermagem da Universidade do Porto", together with an intense activity of information and communication with car drivers, as this is one of the main points of entry to the city. The insertion of communications and public relations in the development of this venture favoured the smooth execution thereof and the limitation of impact to a highly punctual expression.

Heritage

Metro do Porto has a programme in place for safeguarding the architectural and archaeological heritage, which seeks to accompany, manage and solve all situations related to heritage, through the teaming up of efforts between technical teams and the public institutions interested (the "Instituto Português de Arqueologia" (IPA), "Instituto Português do Património Arquitectónico" (IPPAR) and Municipal Councils).

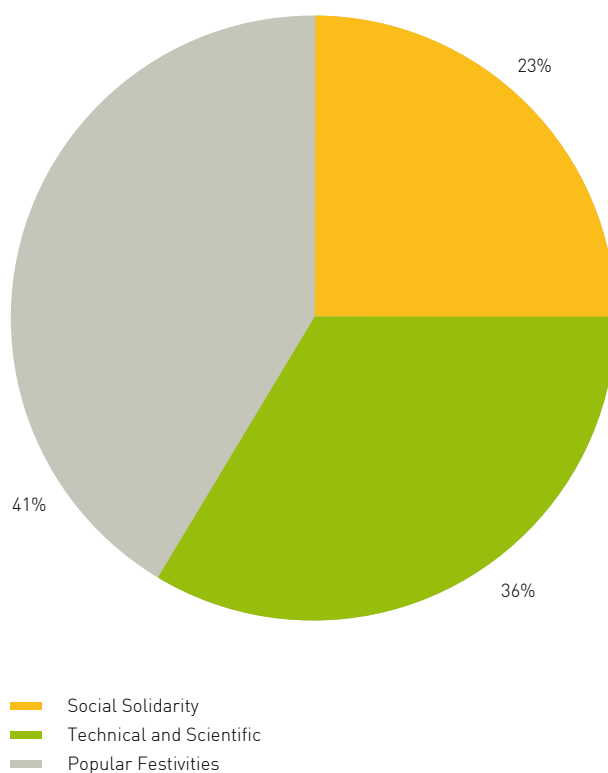
With the end of the first phase of the Light Rail System, with the execution of urban planning work in Vila do Conde, Póvoa de Varzim and Maia, new archaeological campaigns have been run in these municipalities. This is the case of the work carried out during the construction of the Corgo bypass, in Azurara, Vila do Conde, with the unearthing of a pre-historical site from the Bronze Age. The first phase, with some 2,000 m² of digging, was the subject of a further 3,500 m², allowing the documentation of a later occupancy of the site in the late Roman period.

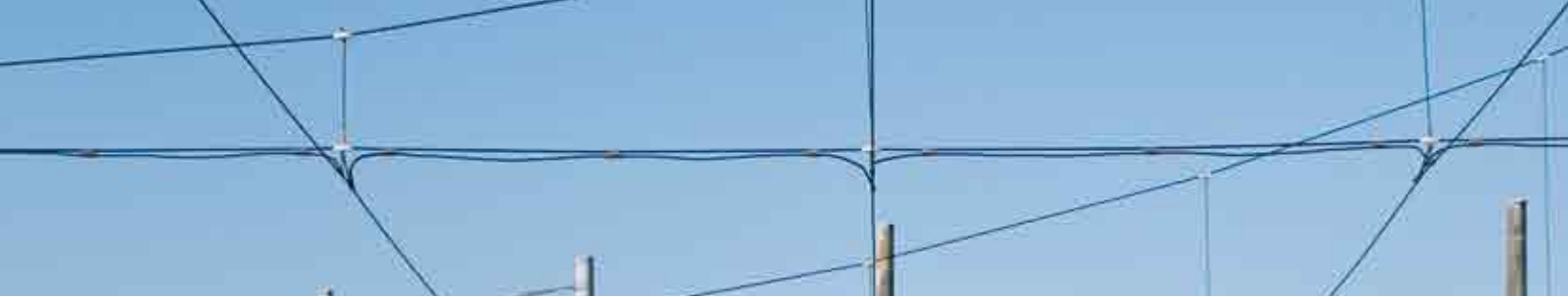
It has also been possible to continue with the completion of some previous processes, with the finalisation of respective administrative work, especially the completion of the final reports on the tasks performed in Corgo, Azurara and S. Bento. In the assumption of compliance with the Heritage Safeguarding Programme, especially concerning the aim of publicity, the production of these reports was accompanied by the preparation of non-technical reports, with a view to later publication.

Sponsorships

During 2007, Metro do Porto has lent its support to a host of activities and events, of technical and cultural nature, at a global value of 85,900 Euros. The support given fits in well with the scope of the current sponsorship policy, promoting events and activities with a high value and high technical and scientific prestige, especially in fields where they have widely acknowledged experience and activities. Concerning the support given to the Festival of Short Films at Vila do Conde, there was the production and presentation, at several national film festivals, of the film "The Little Man" (O Homenzinho), written by Tiago Guedes, Jorge Coelho and Rita Barbosa, a film totally shot inside the Metro do Porto network.

Type of Sponsorship





Events

Throughout the year, agreements and partnerships have been established with a view to the consolidation of public areas within the network of the Metro do Porto in the role of spaces open to art and cultural revelling, adding value to the service provided and, at the same time, as an element of strengthening the attraction of new clients.

More than 50 events were held in the Metro do Porto's stations, in 2007. For their social character, we would like to highlight the following:

- Project XXs – Spaces being constructed between adults and children (Trindade Station): This is a first project dedicated to the public of younger children, presenting a combination of art, fun and entertainment, with the participation of more than 10 thousand children;
- Yoga Classes given by the Porto Yoga Centre (on 7 stations of the Blue and Yellow Lines) – Amid a busy atmosphere, the Metro has provided a first experience of relaxation and meditation to its Client, through a Project appealing to interactivity and participation of the public;
- Metro Book Festival (Trindade Station) – At Christmas time, the clients of the Metro had the opportunity to get to know, and buy, on the network, the latest literary launches, in a welcoming space for reading.

A co-operation agreement was signed with the “Ministério da Cultura”, with a view to disclosing cultural activities of national coverage on the Metro network, in terms identical to those of partnerships that have been established between the Company and Government and private cultural production institutions.

Apart from the support and the activities and events as mentioned before, we must mention the collaboration between Metro do Porto and the “Ordem dos Arquitectos”, through their Northern Section. The joint work as developed had practical effects in the materialisation, in February, of the Accessible Architecture Forum, at the Almeida Garrett Municipal Library, in Porto, where the example of the accessibility of the Metro do Porto network was the subject of debate and discussion in an exclusive panel session, and also at the General Work Exhibition, in April.

In 2007, Metro do Porto received several visits from Portuguesedelegationsandinstitutions,fromGovernments, Municipalities, institutions and companies that have thus sought to get to know the Metro do Porto and obtain, from this experience, the related knowledge and innovations. In particular, we would like to mention the several work visits of the RPA – Railway Procurement Agency, from Ireland, a public organisation responsible for the management of the concept and construction of a metro system in Dublin. During the period analysed, the Metro do Porto received relevant delegations from Algeria, Norway, Hungary, Romania, England and Lithuania.

Metro do Porto has joined the IESFF (Instituto de Estudos Superiores Financeiros e Fiscais), for the execution, on 15th December, of a session of their Advanced Management Programme at Campo 24 de Agosto Station. This session, where there was a debate on the case-study of the Metro do Porto, included a lecture given by the President of the Executive Board of the Company, Prof. Oliveira Marques, having had the participation of around 30 academics and higher personnel of national institutions, both public and private.

SERVICE RESPONSABILITY

ACCESSIBILITY AND COMFORT

The adoption of policies to guarantee the preservation of health, security, comfort and universality of use for a system with the physical, social and economic size of the Light Rail System, is only really efficient when it becomes a cultural point of the developing company. Metro do Porto is a 100% accessible means of transport, thanks to the measures that have been taken within their premises.

Concept of new spaces

In the concept of closed spaces, beyond the countless rules directly related to the assurance of security in the event of fire or other incidents, the Company now has a more exact idea of the contribution of quality of architecture and the environment of spaces, for their better and greater use.

In 2007, the Company was involved in a European study where there was the parameterisation of some architectural features of the stations, and the way in which they have a direct influence on the perception of security and trust in use by the Clients. As well as confirming that some of the aesthetic principles used in the concept of the first stations were correct, it also allows the sustenance of the new options in well-grounded criteria and, as such, to present them to the designers as prerequisites for preparation of the projects, such as:

- Combine the conjugation of natural and artificial lighting;
- Use light colours for coating of side closures and roofs;
- Plan the spaces in a way that allows global reading and easy perception of the routes;
- Carefully introduce all equipment and furniture, in a way that avoids barriers to circulation and the creation of dead zones without visibility;
- Give preference to routes in the open air whenever weather conditions permit.

Activities with Clients

With the clients in mind, several activities have been promoted, working towards offering a better and more adapted service:

- Increase in the number of ticket validation machines;
- It has been allowed to make free newspapers available at the stations;
- Design of a new Client Information Model in the stations, having been piloted and now being prepared for application at the start of 2008;
- Issue of information and entertainment content through the owned station, Metro TV;
- Improvement of information and method of selection of travel ticket, with the immediate placing of reading information for the choice of the correct ticket at the Metro, depending on the intended destination of the Clients;
- Daily monitoring of the availability of Vehicles, MVAs (Automatic Vending Machines), validation, lighting, mechanical staircases, cleanliness of premises and vehicles, signalling, information to the public and mupi boards, thus ensuring an adequate availability of critical services and perception of the quality of the system by the Client;
- Installation of ATMs in 6 below-ground stations - S. Bento, Aliados, Combatentes, Marquês, Bolhão and Heroísmo

Accessibility

The transport of bicycles is permitted on the Metro network, free of charge, subject to the conditions of comfort for the Clients. This is a way of the company promoting sustainable mobility together with a means of transport that is both eco-friendly and healthy.

In terms of accessibility, some characteristics of the stations of the Metro do Porto are worthy of mention:

- Access ramps to the boarding platforms;
- Open ticketing system (without obliterations or automatic doors);
- Lifts for independent access to the platforms;
- Automatic visual information (displays);
- Automatic sound information (speakers);
- Colour coding at the sides of the platforms;
- Technical cupboards and informative equipment built into the walls;
- Signs placed at a minimum height of 2.20m;
- Careful implementation of all furniture, including benches, paper dispensers, vending machines;
- Finishing materials with tactile strips, and colour coded notification of staircases.

Metro do Porto's stations make available:

47 Lifts

131 Escalators

214 Access Ramps



Infometro and Navmetro

Within the field of accessibility, the progressive increase to the client base means that we need to pay special attention to existing and future conditions, developing a posture of self-criticism, to avoid resting on the solutions that are already being adopted.

There are areas where there is a need to reinforce these conditions, both at the physical level as also regarding information. To respond to both situations, the Infometro and Navmetro projects have come about. During the year of 2007, in partnership with the "Faculdade de Engenharia da Universidade do Porto" and ACAPO, and within the "Programa Operacional da Sociedade do Conhecimento" (POS_Conhecimento), a team was set up to be dedicated to the development of the two projects. The main aim of these projects is to provide the Clients with visual impairment with the same level of information and forwarding as available for fully sighted Clients. With this in mind, the aim is to make it possible, through use of a mobile telephone, for such clients to have access to the service that shall provide the information according to the location, inside and outside the stations.

The laboratory development of the several solutions backing up both projects was carried out. Once stabilised, and once the technical feasibility of the system has been confirmed, tests and trials were carried out with the participation of a group of 10 individual volunteers. These trials take place both within a controlled environment (in the laboratories of FEUP), as also in a real location at Trindade Station, having proved efficient for the proposed aims. For 2008, the plan is to install a pilot system at Trindade Station, to assess its shortcomings and later reach the level of efficiency that shall ensure expansion to include all stations of the Metro network.

SAFETY IN OPERATION

Security is an important area for the Company. The very structure of Metro do Porto mentions, in the organisation chart, a specific office for Security Issues, integrating 4 elements. The main aim of Operational Security is to manage the associated risks and implement corrective and preventive measures, such as the following:

- Analysis of regular operation of the System, detecting possible vulnerabilities and proactively adapting the procedures;
- Anticipation of changes to security conditions caused by special events, and implement the necessary reinforcements;
- Detect possible sources of insecurity, and immediately implement mitigating measures;
- Co-ordinate efforts with police authorities, to optimise activities to combat vandalism;
- With the Legal Office, co-ordinate the preparation and accompaniment of crime suits, with regard to crimes committed against the property of Metro do Porto.

Countless activities have been pursued within the scope of operational security, aiming at the boosting of the response capacity of Metro do Porto, in the light of emergency situations, thus ensuring compliance with the precaution principle set out in Article 15th of the "Rio Principles" set at the United Nations Conference on the Environment and Development, in 1992. Among these activities, we highlight:

- Planning and execution of the plans for internal and external emergency lighting on the Metro do Porto;
- Development and approval of the procedure manuals for security and surveillance;
- Holding of a drill and operating exercise on the Guindais Funicular in emergency situations.

Simulation at the Guindais Funicular

In 2007, Metro do Porto carried out a simulation of an emergency situation at the Guindais Funicular, to test the capacity of reaction of the different media for aid in the event of a fault and get these used to the location.

This action involved the following organisations: Metro do Porto, S2M (the company that runs the Guindais Funicular), the "Bombeiros Sapadores do Porto" (BSP), "Instituto Nacional de Emergência Médica" (INEM) and "Protecção Civil". Beyond the internal Company resources and those of the company responsible for the operation and maintenance of the funicular, the people rallied to this location included 12 people from BSP, 12 from PSP and 10 from INEM.

The simulation, which lasted some two hours, consisted of the accidental stoppage, along the route, of two cars with seven passengers (one of which in a wheelchair). Two passengers were injured, not by the stoppage itself but because they fell on to the track on trying to exit the vehicle without the assistance of the rescue teams. The cars stopped on a steep downhill stretch, making the rescue operation more difficult, this being done with the use of stretchers propped up by fire-fighters with mountaineering equipment.

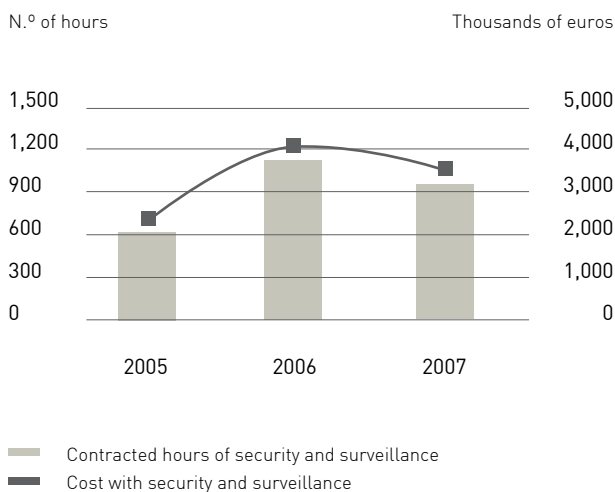
The simulation detected the insufficiency of means for transporting injured victims. Metro do Porto solved this difficulty by offering BSP a special stretcher, and individual protection equipment was purchased for all occupiers of the vehicles.

However, it must be pointed out that ever since the Guindais Funicular entered operation (February 2004) more than 1 million passengers have already been transported, with no accidents involving Clients, workers or subcontracted employees.

In 2007, close monitoring started of the whole security operation at an operational level, thus allowing the substantial reduction in the number of hours executed by PSP and also by private surveillance. Also currently underway is a restructuring of the management process for ticket inspection, seeking to optimise its operation and to make feasible the production of the management reports that are necessary for the perception of the real rate of existing fraud.

By equivalence to the security hours as hired, there were some 122 agents (Prossegur and PSP) working daily for Metro do Porto, at a cost of some 3.6 million Euros, a reduction of 11% compared with 2006.

Surveillance and Security

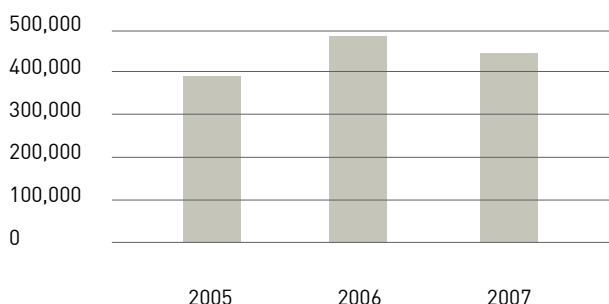


CLIENT INFORMATION

Metro do Porto makes use of several different communication channels for providing information to the Client. Apart from all the information made available on vehicles and in stations, the Company provides useful information through the Internet on "www.metrodoporto.pt", the "Vaivém" Newsletter, the Metro SMS Service, the Olá Metro line and, most recently, through MetroTV.

Visits to the Site

N.º of visits



In 2007, the Metro do Porto website received about half a million visitors, which is 8% down on 2006.

The Metro SMS service has some 2,400 Clients signed up (a growth of 25%), and during 2007 more than 14,000 messages were sent as information to the public.

The Infometro newsletter accompanied the increased concentration of the Company in the operation component of the Metro system, with its content being essentially aimed at this component.

We have seen an increase in communications through other channels – Metro TV, Vaivém and SMS Metro. The exploitation of Metro TV, whose pilot phase ended in 2007, was strengthened with the deepening of the protocol with the "Universidade Fernando Pessoa" – and, hence, there was a rise in the volume of produced content – and by the hosting of curricular internships of students completing their studies in Technology of Audiovisual Communication, of the "Escola Superior de Educação do Instituto Politécnico do Porto", leading to a greater capacity of production of audiovisual content of an informative nature, for Metro TV.

While on the theme of exploitation of Metro TV, the Company linked up with, and supported the disclosure thereof using this communication channel, a wide range of social and cultural activities, especially in partnership with the "Teatro Nacional S. João", the "Fundação Calouste Gulbenkian", the "Universidade Católica do Porto", the "Ministério da Justiça", the "Federação Académica do Porto", the "Coliseu do Porto", the "Teatro Municipal Rivoli", the "Feira do Livro do Porto", the "Fundação de Serralves", the "Casa da Música", the "Festival Porto Cartoon", the "Festival de Curtas-Metragens de Vila do Conde", the "Instituto Politécnico do Porto", the "Associação Espaço T", the "Ministério da Educação" and the "Banco Alimentar contra a Fome".

CLIENT SATISFACTION

Client satisfaction is the core aim of the Company activities. In this regard, the company has sought to become aware of the degree of client satisfaction, using studies and surveys. For 2007, an independent company carried out a "Study of the Profile and Satisfaction of the User of the Metro do Porto". The sample was made up of 1,492 interviews between 23rd and 29th November, with a confidence level of 95%.

According to this study, the typical user of the Metro do Porto is:

- Female (52%);
- Young (40% aged between 15 and 24 years);
- Single (53%);
- Student (31%);
- Qualified (65% finished high school or university);
- Middle, middle-high and high social classes (68%).

With regard to the user profile, more than 78.0% of users consider themselves to be frequent users of the Metro, which shows a high level of loyalty to this means of transport. About 39% have used the Metro since it opened! In answering the question "Has the Metro changed the way you get around in Greater Porto?", 79.2% said yes, and out of these 60.5% mentioned that they used the bus less, while 37.0% made less use of their cars. Here, we should mention that the main reasons for using the Metro are, first, getting to work (38.0%), followed by leisure and study trips.

The main aspects mentioned by the interviewees, with regard to the service provided by the Metro do Porto, are:

- Speed (36.1%);
- Punctuality (14.2%);
- Comfort and Convenience (8.2%).

The general satisfaction index for 2007 came to 75.6, on a scale from 0 to 100. As the methodology used in this study is not the same as used in similar studies of previous years, we have decided not to present the variation therein, as the data is not linearly comparable.

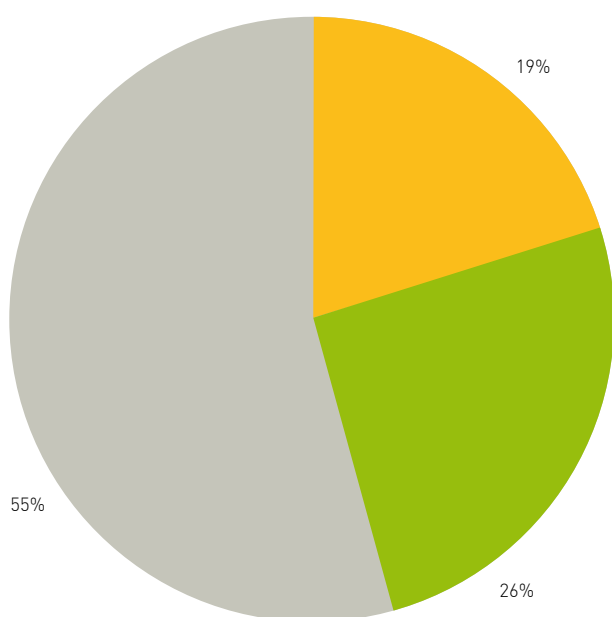
The analysis of the satisfaction by components, on the whole, shows itself to be highly positive, except with regard to "general information about the service" and "security and specific information" which have lower ratings:

- Operation of the Metro – 75.1
- General information about the service – 65.6
- Security and specific information – 67.4
- Assurance and appearance of the agents – 72.4
- Cleanliness and comfort – 73.7

This analysis led to a weighted satisfaction index of 72.7.

With regard to infringements picked up by the inspections carried out by the Metro, it must be stressed that, in 2007, about 55% were due to clients without tickets, 19% to non-validated tickets and 26% to Clients with tickets not valid for the zone concerned.

Type of Infringements



Complaints

Aside from the Red Book, the official medium for filing complaints, Metro do Porto also has several other entrance doors so that complaints may be made – directly at the head office of Metro do Porto, through the site www.metrodoporto.pt, the Andante Line service of TIP and the Olá Metro service of Transdev.

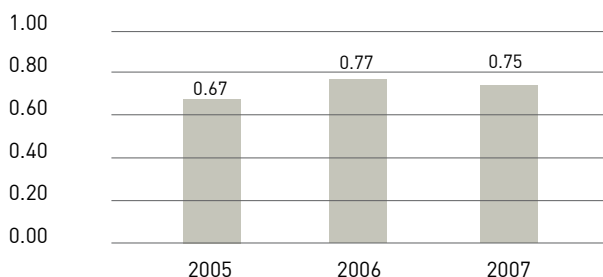
Complaints received by e-mail or telephone are normally handled within 24 to 48 hours. Complaints made through the Red Book are sent to the regulatory body IMTT (Instituto da Mobilidade e Transportes Terrestres) – within a maximum period of 5 days. Whenever possible, it is the company policy to send the reply to the clients at the same time. Depending on the complexity of the complaints, these are solved within a period that can range from 1 day to 1 month.

As set forth in the Sustainability Report of Metro do Porto in 2006, in 2007 there was the implementation of a new system of optimisation of inspection activities, enabling a more efficient handling of complaints and, therefore, significantly reducing response time.

Over the year, some 1,600 complaints were lodged, with the most common reasons being delays in services, condition of the stations and ticketing.

Complaints made through Olá Metro

Nº of complaints per 100.000 validations



- Non-validated ticket
- Ticket used beyond zone limit
- No ticket



Metro do Porto has set a wide range of targets to be achieved in the short term, in the several domains within company sustainability:

Quality

- Bring the operation of the Communications and IT Systems into line with best practices set by ITIL (Information Technology Infrastructure Library).

Environment

- Identification and control of environmental issues related to all the activities developed within the scope of the Project;
- Promote and accompany the preparation of studies and environmental projects to be pursued or currently under way by Metro do Porto;
- Environmental Monitoring of all construction works, seeking to reduce the associated environmental impact;
- Reduce the emission of pollutants;
- Reduce the consumption of water and energy.

Security

- Elimination of level crossings on the Red and Green Lines;
- Preparation of procedure and communication manuals for surveillance by private companies under contract;
- Reinforcement of security through the installation of new video surveillance cameras on the network and centralisation of all security information in an independent centre;
- Develop the information security support system (incorporating 3D information in below-ground areas and 2D in surface areas);
- Installation of video surveillance equipment in the Eurotram units;
- Installation of ATP (Automatic Train Protection) system in the whole fleet of Tram-Train vehicles.

Quality, Environment and Security

- Certification of an Integrated Quality System, according with international standards such as NP EN ISO 9001:2000, NP EN ISO 14001:2004 and OHSAS 18001.

Accessibility and Client Services

- Development of a project for the upgrading of Senhora da Hora Station (increase in capacity and coverage);
- Installation of commercial spaces in the stations;
- Installation of 22 automatic Vending Machines in the Metro network;
- Expansion of the networks of ATMs and MUPI boards which are available;
- Boosting commercial exploitation of Metro TV;
- Launch and execution of the project "Literary Trips on the Metro";
- Introduction of new features to the Metro website – www.metrodoporto.pt.

Staff

- Implement a digital signature for exits and external documents;
- Widen the Wi-Fi coverage;
- Structuring and development of an Intranet/internal portal;
- Preparation of a Welcome Manual.

GRI INDEX - G3

This report was prepared to reflect the performance of Metro do Porto, S.A. with regard to the three types of sustainability, namely environmental, economic and social. For a balanced report, we followed the 2006 guidelines set by GRI, equally addressing other essential issues for Company activity. This year, we have also included a reference to the GRI Supplement for the Rail Transport Sector (pilot version 1.0 of May 2006).

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* The measurement techniques and technical hypotheses of the various indicators are next to them.

GLOSSARY

Andante: This is the only ticket that allows travel on the Metro do Porto. As soon as bought, it should be kept in your possession, as it can be used as many times as necessary, provided it has been duly validated and topped up with credits. There is also a premium ticket, the Andante Gold, for subscriber clients.

Environmental Aspects: Elements of the activities, products or services of a company that could interact with the environment.

Automatic Train Protection: A security system that helps to prevent collision should a train driver not obey the signalling or exceed the recommended speed limit.

Sustainable Development: A concept developed by the Brundtland Committee, within the scope of the report of the World Committee on the Environment and Sustainable Development of the United Nations "Our Common Future": development that meets present needs without jeopardising the possibility of future generations being able to meet theirs. In a broader sense, a strategy of sustainable development seeks to promote harmony between People, Humanity and Nature, ensuring the necessary balance and integration of the three key dimensions for development: economic competitiveness, social stability and environmental protection.

Carbon Dioxide (CO₂): A gas resulting from the complete oxidation of carbon, formed in processes involving combustion, respiration or decomposition of organic matter. It is very important for life on earth, as the greenhouse effect, resulting from its presence in the atmosphere, is the main factor responsible for the current temperature levels.

Sulphur Dioxide (SO₂): An atmospheric pollutant emitted in natural and human processes such as burning of fossil fuels and varied industrial processes. This gas is one of the responsible factors for acid rain.

Elimination: Any operations that intend to give a suitable final destination to waste (storage in a landfill, incineration, biological treatment, physical and chemical treatment...).

Environmental Impact Study (EIA) – A set of documents and technical studies prepared by the proposer of a project. Among other information, it shall include the identification and assessment of possible impact, both positive and negative, that the project could have on the environment, and the measures to be taken avoid, compensate for, or reduce any expected negative impact.

Greenhouse Gases (GEE): These are gases in the atmosphere that absorb and reissue infrared radiation, originating a natural "greenhouse effect" that warms up the surface of the earth. The main substances that have a bearing on the greenhouse effect are water vapour (H₂O), carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and halogen compounds such as HFC's, CFC's and PFC's, given off by natural processes and human activities, combustion processes, transport or industrial processes. Over the last decades the intensification of human activities has brought about the increase in the emissions of these pollutants, leading to a worsening of the greenhouse effect and global warming.

GRI: The Global Reporting Initiative is an international initiative with the participation of companies, NGOs, consultants' offices and Universities, interested in setting up a set of rules for companies concerned with Sustainable Development. The main purpose of the GRI is to set guidelines to help the companies to prepare social responsibility reports that present the economic, social and environmental impact of their activities, products and services.

Hydrocarbons (HC): Chemical compounds made up of carbon and hydrogen atoms.

Environmental Impact: Any alteration to the environment, whether beneficial or harmful, which totally or partly results from the activities, products or services of an organisation.

Seat kilometre: the product of the average transport capacity per vehicle by the number of vehicle kilometres travelled on commercial service.

Carbon Monoxide (CO): an inflammable, odourless gas, highly dangerous due to its high toxicity. It is produced by the burning, where there is little oxygen and/or high temperature, of carbon or other minerals rich in carbon, such as petroleum products.

Nitric Oxide (NO_x): Pollutants of the atmosphere, formed through the oxidation of nitrogen at high temperatures, responsible for phenomena such as photochemical mist and acid rain. Its acidification potential expressed in the unit "equivalents of SO₂" is 0.7, meaning that each tonne of NO_x has the same effect as 0.7 tonnes of SO₂. - PA (NO_x) = 0,7*PA (SO₂).

Particles - Atmospheric pollutants consisting of material in fine suspension in the air.

Passenger kilometre: Total number of kilometres travelled by all passengers of the system, during the period under analysis.

PMO: *Parque de Materiais e Oficinas* (Materials and Workshop Park)

PMR: Mobility Impaired People. This includes all citizens who have some difficulty in getting around, either because they are physically handicapped, or because they are with an infant and pram. Metro do Porto was designed so that these people would not have any problems regarding accessibility. For this reason, in the whole system, there are no barriers or obstacles.

Kioto Protocol: A declaration adopted by all parties to the United Nations Convention on Climate Change, at the Conference in Kyoto, Japan, in December 1997. It sets targets for the reduction of emissions of greenhouse gases for the period between 2008 and 2012.

Recycling: Reprocessing of waste through its biological, physical or chemical transformation within a production process, for the initial purpose or for another purpose, especially as raw materials, excluding addition of energetic value.

Waste: Any substances or objects that the owner disposes of, or intends to dispose of.

Social Responsibility: A concept that refers to the application of the concept of sustainable development at companies and which includes three separate dimensions: economic, social and environmental. The European Commission, in the Green Book written about the issue, defines social responsibility as “a form of behaviour that companies adopt on a voluntary basis, beyond legal requirements, as they feel that this is their interest in the long term”.

Reuse: Reintroduction, for similar use and without any modifications, of substances, objects or products into the production or consumption processes, to avoid the production of waste.

Integrated System of Management, Quality, Environment and Security (SIQAS): A system of inter-related processes that bring the mechanisms for development, implementation, revision and maintenance of an Integrated System Policy, according to international standards NP EN ISO 9001:2000, NP EN ISO 14001:2004 and OHSAS 18001.

SMLAMP: Light Rail System of the Porto Metropolitan Area.

Stakeholders (“Interest Groups”): Individuals, organisations of other groups that either have an effect on, or are affected by, Company activities (Clients, Suppliers, Employees, Shareholders, Local Communities, and Non-Governmental Organisations, among others).

Load Factor: the average level of occupancy of the places available during the period concerned, resulting from the ratio between the number of passengers and the seat kilometres offered.

TC: Collective passenger transport.

TI: Individual transport..

Value Addition: Any operations that intend to reuse waste (including processes such as reuse, recycling, regeneration, energy value addition and fertilisation of soils).

NETWORK







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