



# Rede Ferroviária Nacional – REFER, EPE 2012 Annual Results



April 2013

# Disclaimer



Rede Ferroviária Nacional – REFER, E.P.E. (REFER) reports 2012 financial statements, that reflects the operations and its financial position as at December, 31st, 2012.

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

**C o n t e n t s**

- Company Overview
- 2012 Highlights
- Operating Income
- Operating Costs
- EBITDA
- Investment
- Financial Debt



# Company Overview

- 2012 Highlights
- Operating Income
- Operating Costs
- EBITDA
- Investment
- Financial Debt



# Company Overview

COMPANY SNAPSHOT



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

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

# Company Overview

SUPPORTIVE LEGAL FRAMEWORK



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

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

Company Overview

## 2012 Highlights

Operating Income

Operating Costs

EBITDA

Investment

Financial Debt



# 2012 Highlights



- **EBITDA** amounted to -19 M€, reflecting an improvement of 76% against 2011 (excluding Employee Contract Termination Costs the impact on EBITDA represented an improvement of 68%);
- **Operational Revenues** amounted to 153,4 M€ declining 15% from previous year mainly driven by deceleration in Investment Activity;
- **Operational Costs** (excluding amortisation, provisions and impairments) continued its downtrend by reducing 34% to 172,4 M€. Main contributions were given by personnel costs and materials;
- **Personnel Costs** declined to 77,8 M€ representing savings of 38% against 2011 (excluding employee contract termination it reduced 22%) as consequence of the reduction on number of employees;
- **Global Financial Results<sup>(1)</sup>** decreased from -251,5 M€ to -249 M€;
- **Global Net Financial Costs<sup>(2)</sup>** associated to debt decreased to -247,7 M€ from -259,6 M€ in 2011 despite the increase in financial debt. This effect resulted from the positive impact of hedging activity together with the downward revision on the interest rate associated to 2011 State Loan;
- **Net Income** improved 43% to -92,1M€;
- **Financial Debt** increased 393,7M€ to 6.945 M€;

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

(2) Global Net Financial Costs = Interest Costs related to debt + Hedging Results (net interest revenues + mark-to-market changes)

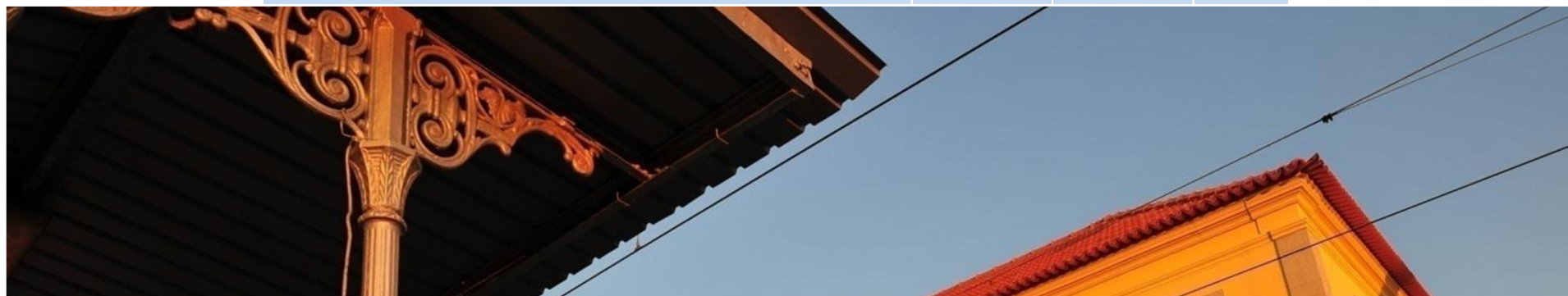


# 2012 Highlights



10<sup>6</sup> euros

Key Figures	2012	2011	Variation
Operational Revenues	153,4	181,4	-15%
Operational Costs	-181,3	-270,8	-33%
Operational Costs (excluding Employee Contract Termination Costs)	-179,7	-244,1	-26%
Depreciation + Provisions + Impairments	-8,9	-8,9	0%
<b>EBITDA</b>	<b>-19,0</b>	<b>-80,5</b>	<b>-76%</b>
<b>Net Financial Results</b>	<b>-63,9</b>	<b>-72,3</b>	<b>-12%</b>
<b>Net Income</b>	<b>-92,1</b>	<b>-162,0</b>	<b>-43%</b>
Global Financial Results	-249,0	-251,5	-1%
Global Net Financial Costs	-247,7	-259,6	-5%
<b>Financial Debt</b>	<b>6.945,0</b>	<b>6.551,3</b>	<b>6%</b>
<b>Statutory Capital</b>	<b>430,2</b>	<b>430,2</b>	<b>0%</b>
<b># Employees</b>	<b>2.752</b>	<b>2.815</b>	<b>-2%</b>



Company Overview

2012 Highlights

# Operating Income

Operating Costs

EBITDA

Investment

Financial Debt

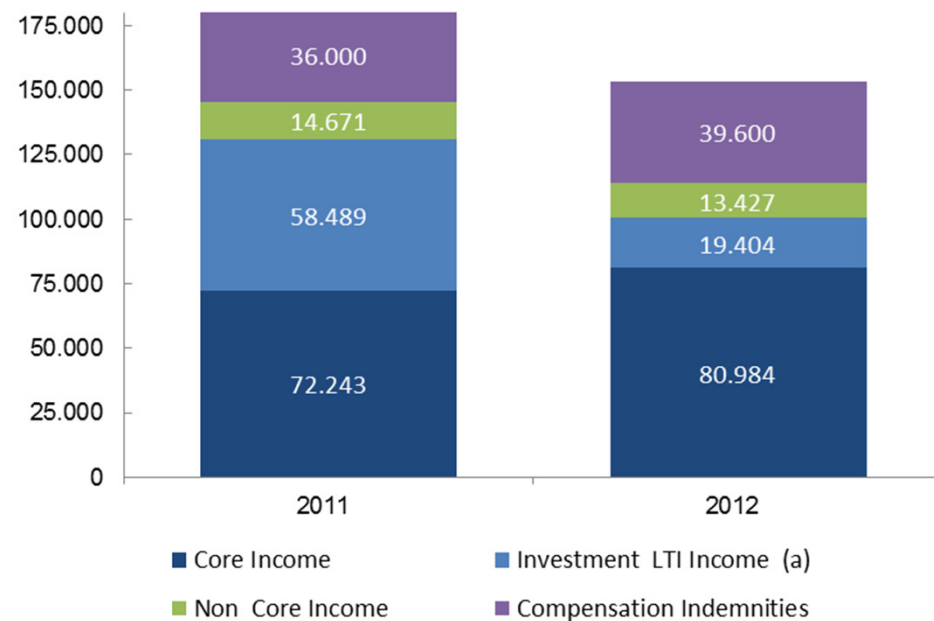


# Operating Income

CORE . INVESTMENT LTI . NON CORE . COMPENSATION INDEMNITIES

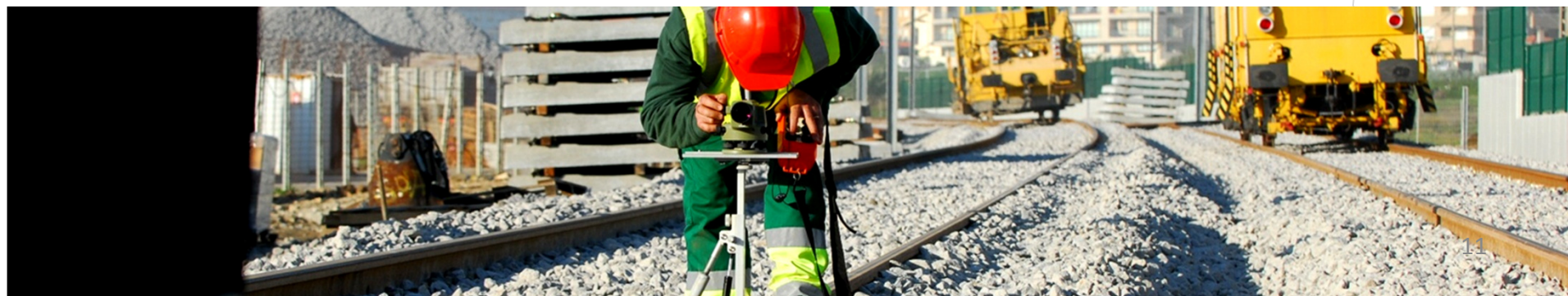


[10<sup>3</sup>]



**Operating income decreased 15% (-28 M€) vs. 2011**

(a) income related to Long Term Investment in Infrastructure



Company Overview

2012 Highlights

Operating Income

## **Operating Costs**

EBITDA

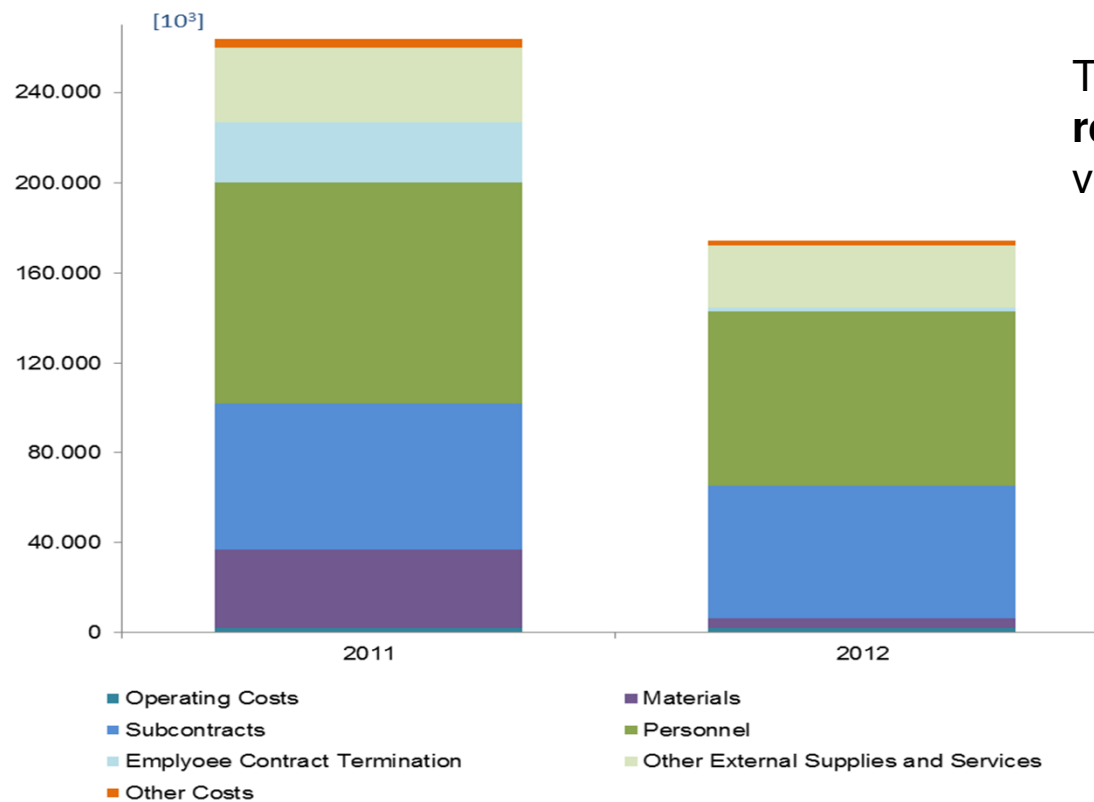
Investment

Financial Debt



# Operating Costs

Excluding depreciation + provisions + impairments



Total operating costs  
**reduced by 34% (-90 M€)**  
vs. 2011



Company Overview

2012 Highlights

Operating Income

Operating Costs

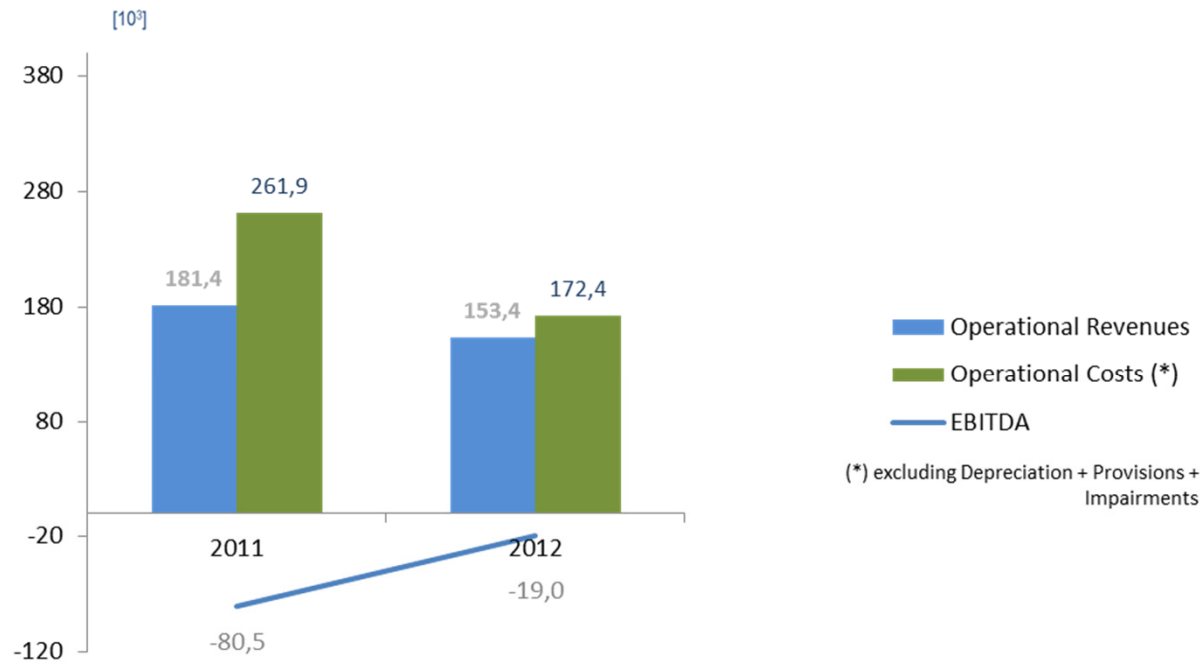
**EBITDA**

Investment

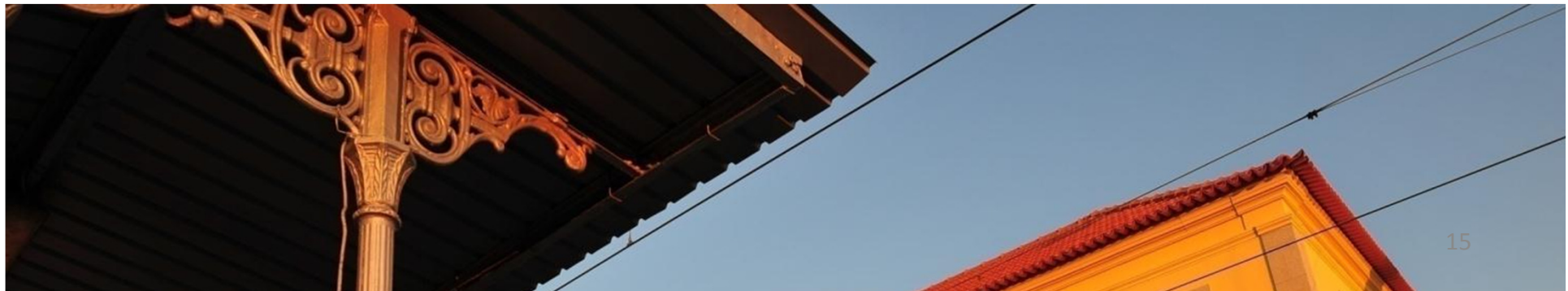
Financial Debt



# EBITDA



Substantial improvement  
in EBITDA: **-80,5M€** in  
2011 vs. **-19M€** in 2012



Company Overview

2012 Highlights

Operating Income

Operating Costs

EBITDA

**Investment**

Financial Debt

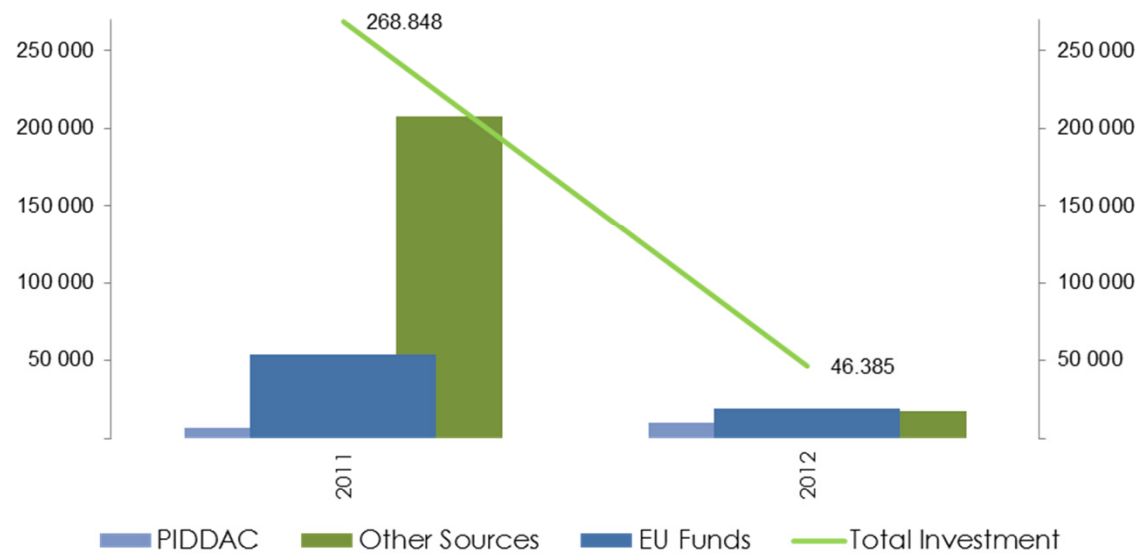




# Investment



Investment / Financial Coverage  
(Technical Costs)  
[10<sup>3</sup>]



Reduction in investment by **83%** vs. 2011



Company Overview

2012 Highlights

Operating Income

Operating Costs

EBITDA

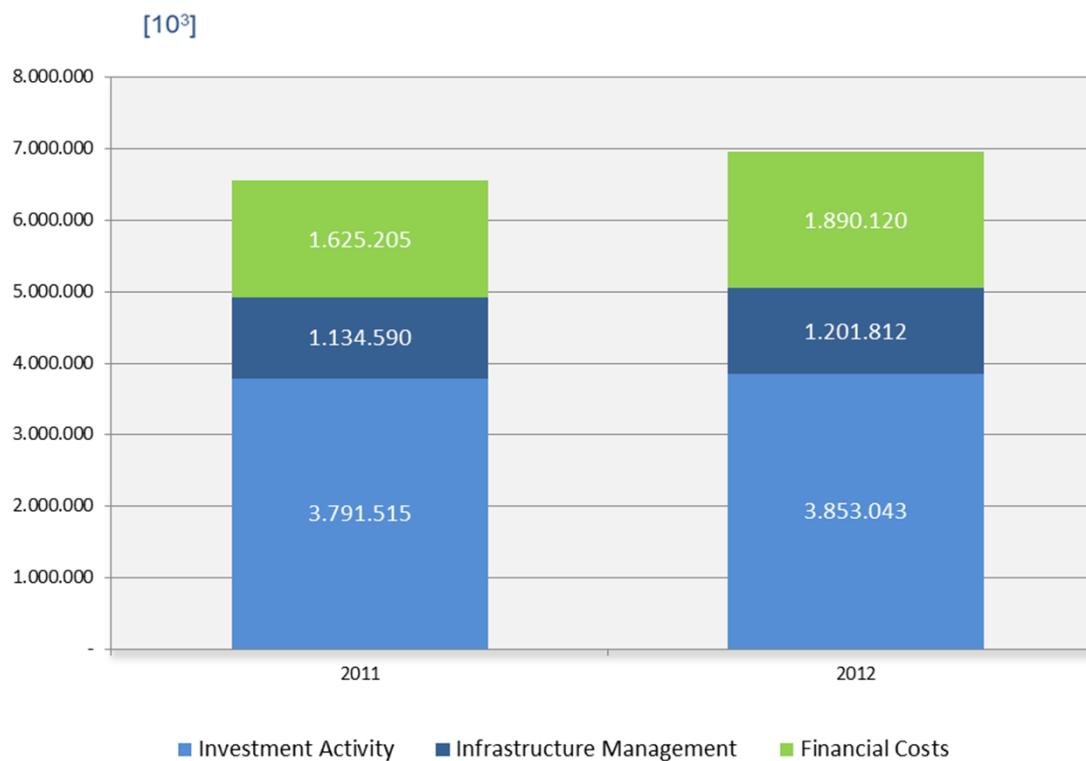
Investment

**Financial Debt**



# Financial Debt

By Use of Funds



[10<sup>3</sup>]

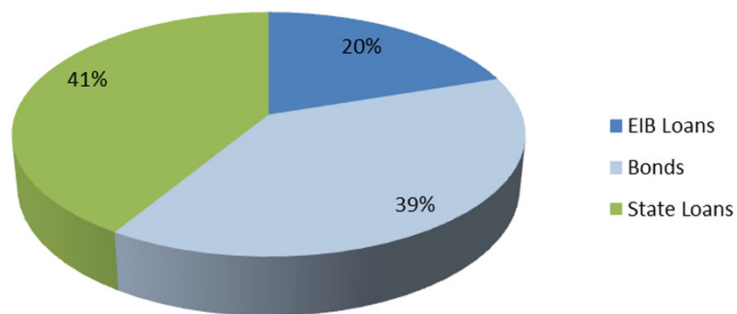
	2011	2012
<b>Initial Debt</b>	6.025.884	6.551.310
<b>Net Change</b>	525.426	393.665
<b>Final Debt</b>	6.551.310	6.944.975

# Financial Debt



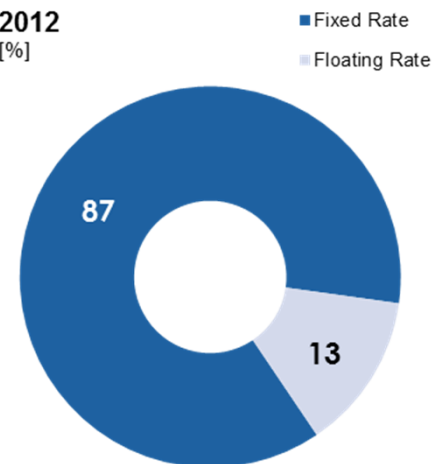
## Debt Structure

2012

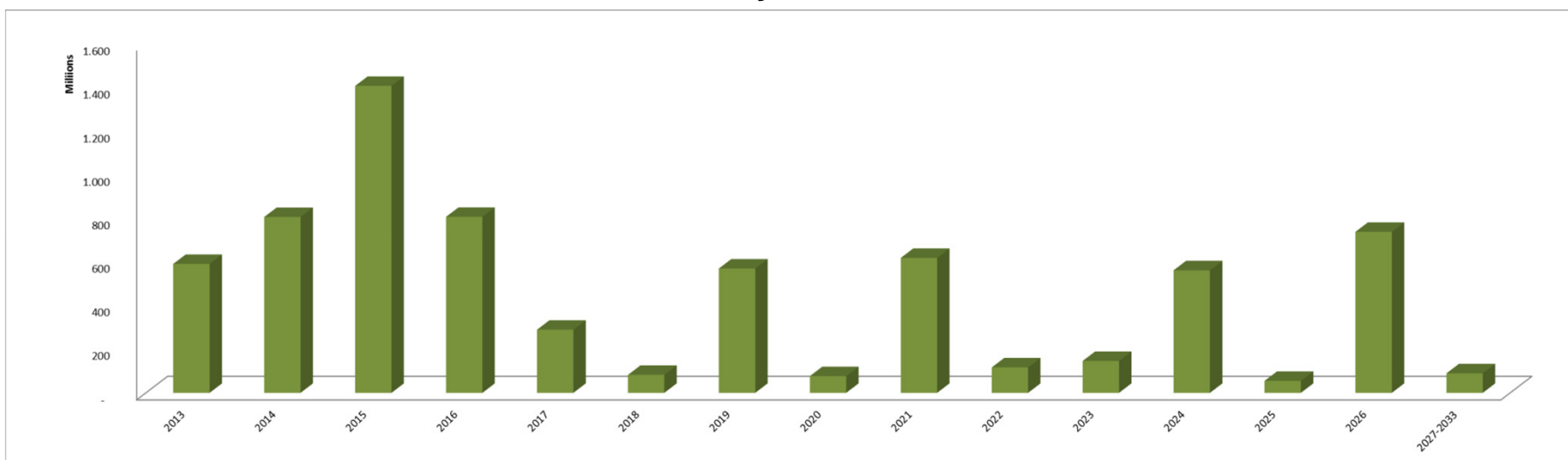


## Interest Rate Type

2012  
[%]



## Debt Maturity Profile



[www.refer.pt](http://www.refer.pt)  
RAILS FOR THE FUTURE

IR Contact:

**Maria do Carmo Duarte Ferreira**

E-mail: [caferreira@refer.pt](mailto:caferreira@refer.pt)

Phone: +351 211 022 821

Visit REFER Website :  
[www.refer.pt](http://www.refer.pt)