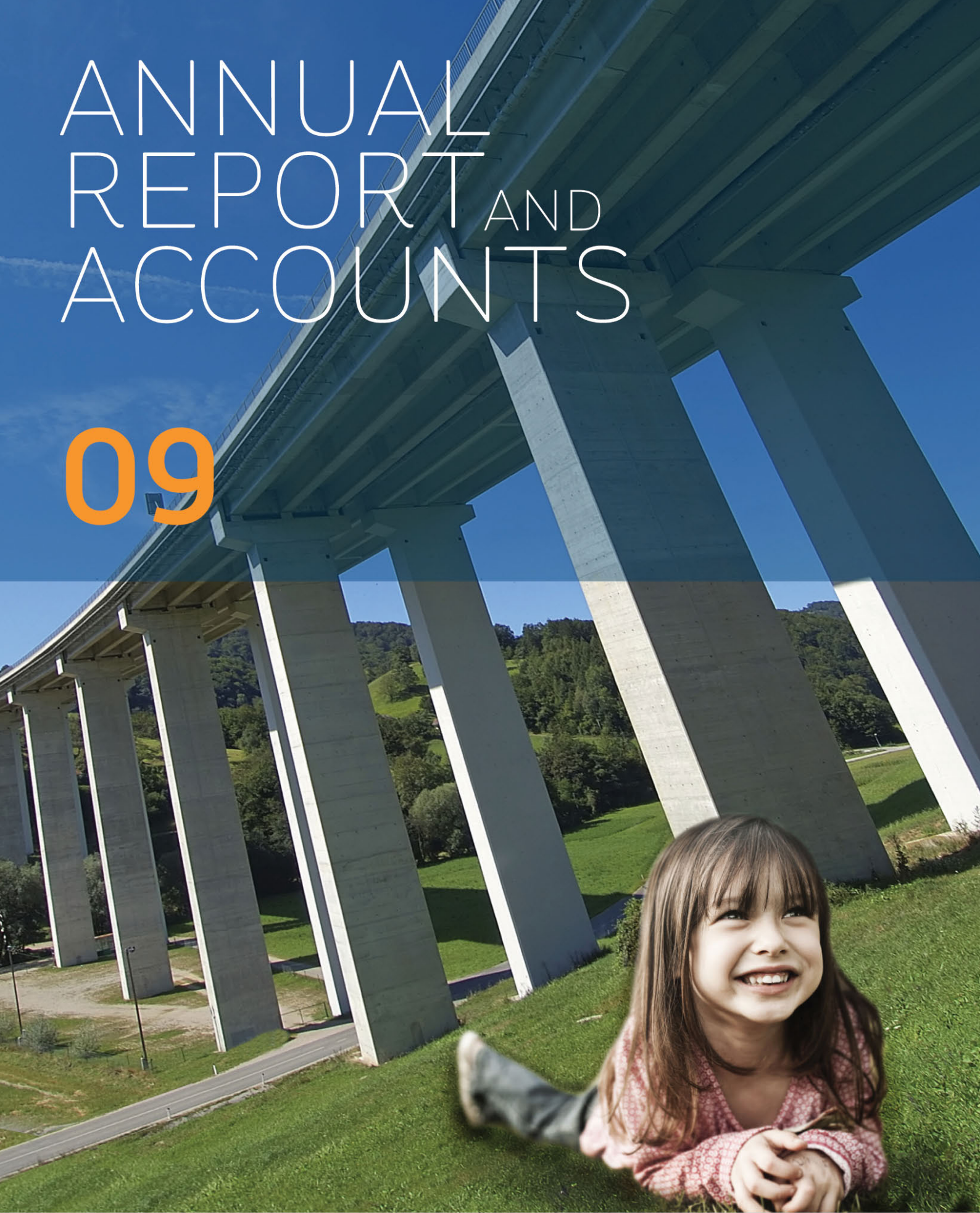


# ANNUAL REPORT AND ACCOUNTS


09



WE CARE ABOUT YOU. YOU MATTER TO US.



Instituto de Infra-Estruturas  
Rodoviárias IP

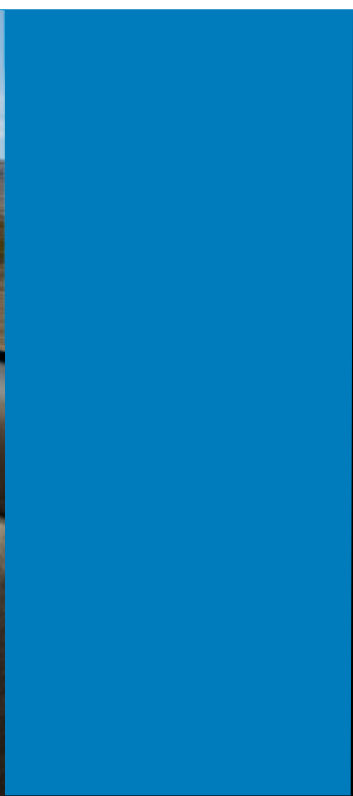


We are the link between you and the roads and highways of Portugal.  
We regulate and supervise the road sector operators' observance of the law to ensure your rights.

Because we care about you. You matter to us!



The mission of the Portuguese Institute for Infrastructure Road Sector regulation (InIR, IP) is to supervise and oversee the management and operation of the road network. InIR, IP monitors compliance with laws, regulations and concession agreements, to ensure the completion of the National Road Plan and the efficiency, equity, quality and safety of road infrastructure, upholding users' rights.



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# MANAGEMENT REPORT

# 01



# 01 MANAGEMENT REPORT

## 1.0 EXECUTIVE BOARD REVIEW

The road sector in Portugal assures its users the availability of a road infrastructure network that plays a crucial role in the country's social and economic development.

As a matter of fact, the availability of a qualified and well planned road network promotes: the fulfilment of mobility, inter-modality, and accessibility needs of people and goods; territorial planning and cohesion, in an environment of national connectivity (focused on reducing regional isolations) as well as international connectivity (with the fulfilment of trans-European axes and connections with main ports, airports and logistics centres) while always taking into account the financial and environmental sustainability of the sector.

This framework has guided Instituto de Infra-estruturas Rodoviárias, IP (InIR) [Institute for Roadway Infrastructure] in fulfilling its mission to supervise the activities aimed at the construction and conservation of the national road network, with high quality and safety indicators that are reflected in the improvement of the service rendered to road users.

The structure of the 2009 Annual Report and Accounts respects the clauses of the Management Contract signed between InIR's Executive Board and the Ministry in March 2008 and includes the institutional framework and external environment, the activity developed by the Institute in the second year of its mandate, human resources and financial management, the institute's strategy for the future and its sustainability, as well as the financial statements, the report of the statutory auditor and the legal certification of accounts.

The present report, which is being published for the first time in a bilingual version - Portuguese and English- has the main goal of responding to the growing international interest towards the road sector, both in what concerns national road network indicators as well as satisfaction indicators in what regards the service rendered to its users.

It should be highlighted that in 2009 InIR began to consolidate its team of collaborators, with the opening of admission tenders, finished setting up its services, and defined procedures. InIR's activity was conducted with the rigorous management of financial resources, a fundamental aspect for achieving operational flexibility and agility, principles of an organisation which presents itself as a regulating entity, without resorting to the State budget and having been granted the status of financial autonomy for the fiscal year 2010.

It also developed a 5-year Strategic Plan that markedly introduced a significant change in terms of methodology, relative to 2008: macro-processes and institutional positioning were defined, and conditions were created to implement a more simplified structure - centred upon strategic and high-priority activities, with the outsourcing of activities that are not InIR's core business - in order to improve efficiency and effectiveness levels.

This document also intends to report on the evolution of some important sector indicators, which may serve to support stakeholders in their policy and business-strategy definition, as well as the evaluation of the service rendered to society.

The Executive Board would like to thank the Ministry, which played a decisive role in establishing the Institute through its permanent support, as well as to all the entities that enabled the completion of the action plan, which are represented in the Advisory Board, namely public partners, business associations, concessionaire entities and entities representing the users' interests.

We would also like to express our appreciation to our collaborators, who faced the adversities arising from the Institute's incorporation with a high level of professionalism and dedication to the public cause, for the sake of regulating a sector which is decisive for the country's economic development.

## 1.1 Key Performance Indicators

Following the strategic guidelines defined for InIR, a model was created to establish the goals for the period 2008-2010, based on a group of indicators that evaluate the fulfilment of specific guidelines. The goals, which are common to all Executive Board members for 2010, are described in Table 1 and are defined as follows:

- **Cost coverage ratio by own revenue** - Ratio between own operational revenue and operational costs, excluding subsidies. Amounts expressed according to the Income Statement.
- **Supervision or inspection jobs** - Number of inspections made to open new circuits to roadway traffic; to verify, on site, the compliance with works execution projects, according to the terms of applicable regulation and other acts regarding works developed in the operating network; and to verify roadway safety and operating conditions of the operating networks.
- **Operational cost per regulatory act** -The Strategic Plan was concluded in 2009 and therefore this indicator was not defined for the year under analysis.
- **Contributions to sector development** - Number of documents published whose purpose is to regulate the design, conservation, management, operation and inspection of the roadway infrastructures sector, as well as the users' rights; or documents that provide evidence of the sector's evolution or that propose measures aimed at improving the quality of performance of the network operator concessionaires.
- **Level of budgetary compliance** - Relationship between the amount of the executed expenditures and the operating budget, as approved for execution. Cost reducing measures were followed according to Government guidelines, whereby a compliance rate below 100% means that the guidelines received were complied with.



- **Implementation of the evaluation system** - Compliance with actual application of the performance evaluation system for Public Administration Services (SIADAP). Constitutes the ratio between the number of workers evaluated and the number of permanent workers subject to evaluation.

Also described below are the pluriannual global indicators for the 2008-2010 period, as set forth in the Management Contract, and which can be measured for 2008/2009 and therefore are already presented for this period, and which are based on the following definitions:

- **Tracking the resolution of user complaints** - The ratio between the number of complaints that are made directly to InIR regarding the national road network under the responsibility of the concessionaires and the number of settled complaints.

The indicators established for InIR were as follows:

Annual Global Objectives	Calculation Formula	Unit.	Pond.	2008		2009	
				Value to attain	Value attained	Value to attain	Value attained
Cost coverage Ratio by Own Revenue Increased	Operational Own Revenue/ Operational Costs	%	20%	60	123	100	127
Supervision/ Inspection Jobs	Includes planned audits, planned and unexpected inspections	n°	16%	30	42	45	55
Operational Cost per Regulatory Act (a)	Operational Cost/No. of Regulatory Acts	€ x 1000	15%	n.a.	n-d.	n.a.	21
Contribution to Sector Development	No. of published Sector Reports (b)	n°	16%	1	2	2	3
Level of Budgetary Compliance	Executed Operation Costs/ Budgeted Operation Costs	%	18%	100	61%	100	73%
Implementation of the Evaluation System	Level of implementation with evaluation system quality	%	15%	100	100	100	100

(a) Defined at the end of 2009 in compliance with the Medium Term Strategic Plan

(b) In 2008: Annual User Claim Report; Annual TMDA Sector Report;

In 2009: Annual User Claim Report, Annual TMDA Sector Report. Report of the User Satisfaction Survey.

Fig.1 . Yearly Management Goals

Annual Global Objectives	Calculation Formula	Unit.	Pond.	2008		2009	
				Value to attain	Value attained	Value to attain	Value attained
Service quality (a)	Average time limit for replies according to the type of doc. calculated based on the no. of regulatory acts.	days	18%	n.d.	n.d.	n.a.	30
Monitoring of User Complaint Resolution	No. of Resolved Complaints / No. of Received Complaints	%	18%	90	100	95	96

(a) The 2009 amount is used as an improvement reference, thus the indicator is not applicable for that year.

Fig.2 . Pluriannual Management Goals

Operational Indicators	2009 M€	2008 M€
Own Funds	5.44	3.50
Operational Revenue	9.69	6.95
Operational Costs	7.76	4.07
Operational Result	1.94	2.88
Net Result	1.94	2.93

Fig.3 . Management Indicators



## 1.2 2009 SUMMARY OF ACTIVITIES

For InIR, 2009 was a period of consolidation of methods and development of actions which, for the first time, were fully inherent to its mission, attributions and competencies.

As for internal organisation, the services were fully set up; the allocation of the facilities was settled and the availability of technological infra-structures became fully assured - computers and communications - although a few shortages remained due to the need to conclude process definition, after which the Strategic Plan for Information Systems will be developed. As for human resources, there are still some shortages in order to complete the Map of Permanent Staff, although this issue is no longer as relevant or have as much weight as it did in 2008.

In order to fully understand the developments attained, one must bear in mind that InIR began its activities formally in the end of 2007, and that it started to become operational and to implement its responsibilities only in 2008, at the same time that it had to provide for and install its physical infrastructures and hire the necessary human resources.

Apart from the activities related to its normal performance as an entity that regulates and supervises the management and operation of roadway infrastructures, some events and facts that took place in 2009 are worth being highlighted, namely:

- Several technical and institutional actions that were undertaken in order to position InIR as an entity of reference in the roadway infrastructure sector, with especial relevance to the conferences "Projects for the Future" on themes such as quality of roadway works in the perspective of the user; Intelligent Transport Systems, and standardisation. There were four conferences in this cycle, which began in April, and had the support of representatives from a significant number of companies and public entities in the sector.
- The organisation in Lisbon, while Portugal is its official representative, of the XIX meeting of Directors of the Iberian Peninsula and Latin American Road networks (DIRCAI-BEA). Representatives from eleven countries attended this event and several issues were discussed related to roadway safety, funding for infrastructure preservation, and the environment. The meeting served to promote the national expertise acquired in the execution and management of large construction works in the roadway infrastructure sector, by carrying out work visits to several reference projects.
- The fostering of contacts with CPLP [Portuguese Speaking] countries in order to re-establish technical and scientific cooperation with those countries within the scope of roadway infrastructures. Thus, a technical visit was held in June 2009 by a branch office of the Mozambique Roadways Administration Authority (Administração de Estradas de Moçambique - ANE) which led to the preparation of a Technical and Scientific Protocol with that entity that is expected to be signed in 2010, within the scope of the scheduled official visit of the Portuguese Prime Minister to Mozambique.

Contacts were also established with the Roadway Administration Authority of Saint Thomas Prince regarding the same subject, and it was expressed that there is interest in signing a cooperation protocol to be developed and concluded in the near future.

- The representation of the National Authority at the European Roads General Directors' Meeting – CEDR, (3 meetings with management bodies and 5 meetings with technical work groups) and at the World Road Association (AIPCR/PIARC) (2 meetings with management bodies and 15 meetings with technical work groups).
- The start up of work related to the preparation of the National Accounts of Roadway Infra-structures, (CNIR), that shall be completed by the first semester of 2010 and shall enable:
  - To determine the structure and levels of usage fee for roadway infrastructures and, in particular, to establish prices and availability fees for the national roadways network, as per the terms of article 6 (8) and article 7 (4) of Decree-Law no. 148/2007 of the 30th of April;
  - To relate implementation/maintenance costs to the price to be paid by users;
  - To reflect European union and national policy goals into the fees' structure, namely by considering all externalities and complying with the principles of marginal social cost;
  - To verify the economic performance indicators to be used to monitor roadway concessionaries and sub-concessionaires' performance.
- Public presentation of the conclusions of the first Highway Users Satisfaction survey that disclosed the opinion of more than 3,000 drivers regarding safety, service stations, petrol stations, travel assistance, information and signalling, safety equipment, pavement quality, management of road lane works and cost/benefit ratio.
- Completion of construction works of the Greater Lisbon Area Concession (awarded in December 2007 to Lusolisboa – Auto-estradas da Grande Lisboa, SA, which belongs to the Ascendi Group), under the supervision of InIR, with the opening of highway A16 between Alcabideche and Colaride. This road enabled the opening of an important radial access to Lisbon (the Pontinha Radial) for incoming traffic from the Western part of the City. This decongested existing roads - the A5, IC19 and EN9 - and contributed towards the conclusion of Lisbon Metropolitan Area's high capacity roads.
- Completion of the construction works of the Costa de Prata SCUT Concession (awarded in May 2000 to Lusoscut – Auto-estradas da Costa de Prata, SA), under the supervision of InIR, with the opening of the last road section of the A29, between Angeja and Estarreja, which enabled the construction of an alternative corridor to the A1, between Lisbon and Porto, along the country's coast.
- The design projects were followed and works began on the Marão Tunnel Concession (awarded in May 2008 to Auto-estrada do Marão, SA), under the supervision of InIR, approximately 30 km long and under a real-toll operation regime. This concession is an alternative to the current IP4 which presently has a poor operation level in relation to its important function.

- The completion of the Strategic Plan that was intended to develop and validate InIR's vision and mission and thoroughly identify functions, tasks and internal macro-processes.
- The holding of the first meeting with the Institute's Advisory Board, during which the Internal Regulation was approved, different opinions from the sector were heard, and suggestions were given, to be incorporated into the activities for 2010. The framework of the actions included in the Institute's Activity Plan was also presented to its members.

## 1.3 ORGANISATIONAL STRUCTURE

Decree-Law no. 148/2007, of the 27th of April defines the following social bodies for InIR: Executive Board, Advisory Board and Statutory Auditor.

The Executive Board is a collegiate body comprised of a chairman, vice- chairman and a voting member and under the terms of the Law it is "*responsible for defining the performance of InIR, I. P., as well as for managing the respective services, in compliance with the law and with governmental guidelines*".

The Advisory Board is the "*body that advises, supports and participates in the definition of the general guidelines for action of InIR, I. P.*". It is comprised of twenty representatives from institutions and public and private entities, with interest or relevance in the strategy and scope of the Institute's activity.

The Statutory Auditor "*has the competency for and is appointed under the terms foreseen in Law no. 3/2004, of the 15th of January*" (namely in clause b) of paragraph 1, of article 17), to control the lawfulness, regularity and proper financial and pecuniary management of the Institute.

The Institute's organisational structure is established by Government Directive no. 546/2007, of the 30th of April, and is comprised of "*level I organisational structures, called directorates and offices, that are hierarchically and functionally subordinated to the executive board; and by level II organisational structures, called departments, that are directly subordinated to level I organisational structures, or to the executive board, as determined.*"

For the purpose of exercising its powers, and according to its Articles of Association, (as approved by the Government Directive no. 546/2007, of the 30th of April), InIR is organised into six Level I organisational units (four directorates and two offices), plus five Level II organisational units (five departments):

- In direct support to the Executive Board:
  - The Office for Budget Control and Information Systems;
  - The Legal Office;
  - The Communication and International Affairs Department
  
- In the core business area:
  - The Regulation and Concession Directorate, with the following departments:
    - The Analysis and Regulation Department;
    - The Concession Contract Management Department
  - The Planning Directorate;
  - The Safety and Quality Directorate, with the following departments:
    - Roadway Safety Department;
    - Technical Standardisation Department;
  
- In the area of support functions:
  - The Administrative, Financial and Human Resources Directorate

Below is a list and description of the responsibilities of Level I Organisational Units or of those that are directly dependent on the Executive Board:

**GCGSI – Gabinete de Controlo de Gestão e Sistemas de Informação (Office for Budget Control and Information Systems)** – This Office is responsible for producing budget control information for internal supervision of the Institute’s financial and qualitative performance. It is also responsible for establishing the dimension of, maintaining, and providing for technological infrastructures, and for the integration of application components deemed necessary by the Executive Board, or by the different Organisational Units, for the purposes of internal and sector information support, as well as for its interoperability with external agents.

**GJR – Gabinete Jurídico (Legal Office)** – Is responsible for providing specialised legal support to the Executive Board and to the different Organisational Units and for attributing a legal format to all InIR’s normative and contractual projects, as well as for managing litigations.

**DCRE – Departamento de Comunicação e Relações Externas (Communication and International Affairs Department)** – This Department provides advisory services to the Executive Board in areas such as public relations, national road sector official representation, promotion of technical information disclosure, and information supply to the Government and to the public regarding supervisory activities and regulation of roadway infrastructures.

**DRC – Direcção de Regulação e Concessão (Regulation and Concession Directorate)** – This Directorate is responsible for monitoring concession Contracts and for establishing formal and priority relationships with Concessionaires, within the scope of powers granted to InIR while representing the State as Grantor. It is also responsible for promoting studies to establish regulation strategies and policies.

**DPL – Direcção de Planeamento (Planning Directorate)** - The Planning Directorate follows up on the execution of the National Roadway Plan and expresses its opinion regarding alterations in respect thereof, while assuring its unity, coherence and sustainability, and establishing a connection with remaining national, regional or local managing and planning instruments. It should also foster studies regarding sector development and ensure the existence of an updated National Roadway Network technical and patrimonial database.

**DSQ – Direcção de Segurança e Qualidade (Safety and Quality Directorate)** - This Directorate is responsible for defining and monitoring road network safety and performance indicators. It is also responsible for preparing national normative documents necessary for the proper execution, preservation, operation and maintenance of roadway infrastructures, and for taking measures to verify the application of legislation in force regarding roadway safety and availability.

**DAFRH – Direcção Administrativa, Financeira e de Recursos Humanos (Administrative, Financial and Human Resource Directorate)** - This Directorate has responsibilities that are transversal to the Institute's different areas and assures the reliability and legality of records and contractual, administrative, and financial procedures as well as management of pecuniary and human resources. In addition, it should also propose solutions to the Executive Board in order to optimise available means.

**InIR ORGANIZATION CHART**

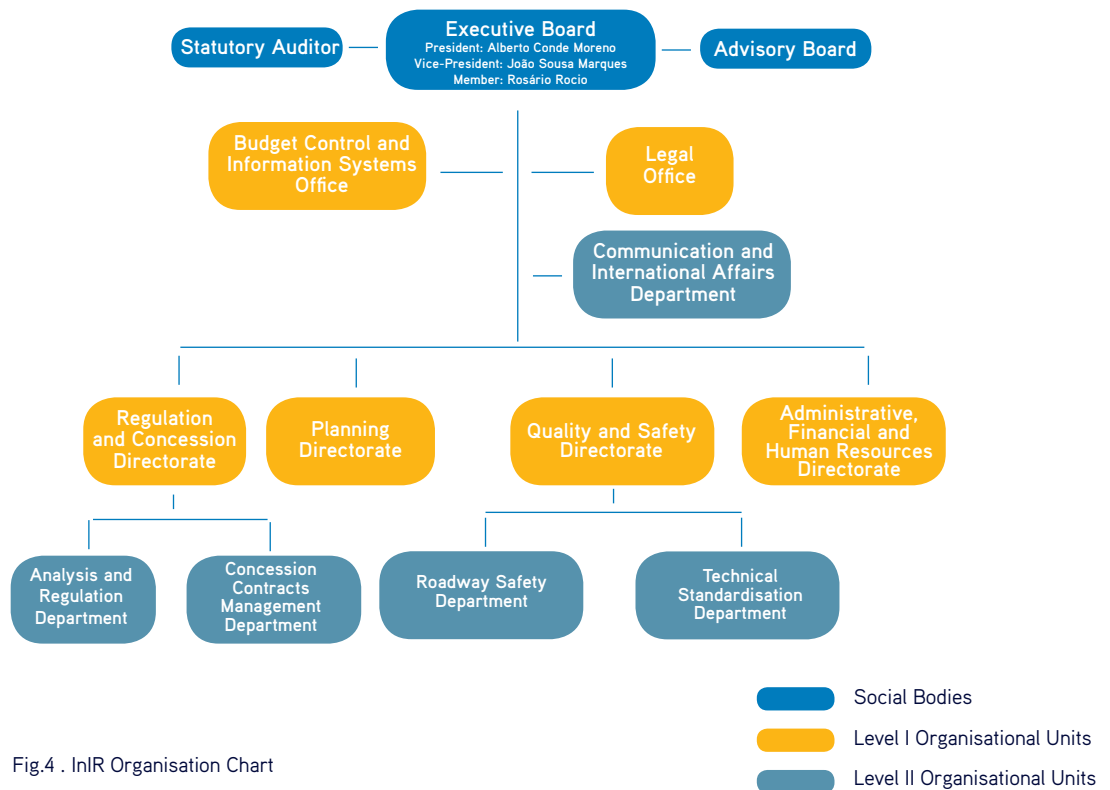


Fig.4 . InIR Organisation Chart

## 1.4 MACROECONOMIC AND REGULATORY FRAMEWORK

### 1.4.1 Macroeconomic Framework

The severity of the financial crisis which started in 2008 had a huge and unprecedented impact upon the global economy in 2009.

As for the Euro Zone, the impact of the crisis led to a 4% drop in the GDP (in comparison to a 0.5% increase in 2008). The growth of unemployment was the major cause of concern in 2009, as it went from a 7.6% of the active population in 2008 to 9.4% in 2009. This indicator shows a low level of mobility in European economies, which makes it less permeable to the effects of the recovery. Under these circumstances, it is unlikely that unemployment will drop in the medium term, debilitating the capacity of "private consumption", which traditionally is an important driver, to constitute a strong backbone for economic recovery.

Economic Indicators	2007	2008	2009
GDP, annual var. %			
Euro Zone	2,7	0,5	-4,0
Portugal	1,8	0,0	-2,7
% of active pop. unemployment			
Euro Zone	7,5	7,6	9,4
Portugal	8,0	7,6	10,1
Inflation: % IPC evolution			
Euro Zone	2,3	3,3	0,3
Portugal	2,4	2,6	-0,8
Budget Balance: % of GDP			
Portugal	-2,6	-2,6	-9,3
Priv. consumption Annual var. %			
Portugal	2,1	1,2	-0,6

Source: Banco de Portugal (Portugal Central Bank)

Fig. 5 . Economic Indicators





The consequences of the crisis were more severe in Portugal, considering the susceptibility of its position as an open and small economy, exacerbated by an economic structure that is not very competitive at the European level, and especially in light of competition from emerging economies. For the first time, the Portuguese unemployment rate surpassed the European average (10.1% versus 9.4%). Nonetheless, the drop in the GDP was significantly lower than in the Euro Zone (-2.7% versus -4.0%).

According to the European Central Bank, it is expected that the European economy will recover at a moderate, although irregular and uncertain, pace in 2010.

As for perspectives for the next two years, according to recent studies the International Monetary Fund has revised its global GDP projections for 2010 upwards to 3.9%, and maintained the 4.3% growth previously foreseen for 2011. The global economic recovery will be led by the emerging countries, namely by the Asian economies, with a foreseen growth for 2010 and 2011 of 6.0% and 6.3% respectively.

IMF Forecasts – GDP Evolution %	2009	2010	2011
Global Economy	-0,8	3,9	4,3
Euro Zone	-3,9	1,0	1,6
Emerging economies	2,1	6,0	6,3

Source: Banco de Portugal [Portugal Central Bank]

Fig.6 . IMF Forecasts

As for Portugal, there is a tendency for short-term economic recovery, dependent on demand from its main partners. However, according to several studies, employment growth should be difficult, only to be overcome with the introduction of in-depth structural changes.

## 1.4.2 Regulatory Framework

The main purpose of InIR – Instituto de Infra-Estruturas Rodoviárias, IP, is the regulation and supervision of the roadway infrastructure sector, using an integrated approach for land use planning and economic development.

It was founded as a public legal entity through Decree-Law 201/2006, of October 27th, which approves the Fundamental Law of the Ministry of Public Works, Transportation and Communications, and gives the Institute legal personality and administrative autonomy.

The most relevant normative and legislative documents, which are also the references for the Institute's activities are as follows:

- Decree-Law 148/2007, of April 27th, with the amendments introduced by Decree-Law 132/2008, of July 21st, which establishes InLR's organisational regime, as a regulator and supervisor in the construction, preservation, management and operation of the national road network. This law was subsequently complemented with Decree-Law 132/2008, of July 21st, which clarified the powers established in its fundamental law, defining InLR as an entity representing the "State as the Grantor in concession contracts that may be signed with the latter in the future", as well as exercising "powers or competencies previously granted to Estradas de Portugal, E.P.E. [Portugal Roadways] (or to any entity that had exercised these powers prior thereto), within the scope of the State's concession contracts currently in force";
- Government Directive 546/2007, of April 30th, that publishes the Articles of Association and determines InLR's internal organisation;
- Resolution of the Council of Ministers 89/2007, of June 14th, that defines the new Management and Financial Model for the national road sector and the actions to be adopted for its implementation. It also establishes guidelines for a reform in the relationship with the State;
- Decree-Law 374/2007, of November 7th, which transforms EP-Estradas de Portugal, E.P.E. [Portugal roadways] into a limited liability company with public capital and introduces alterations to its by-laws and scope of activity, turning it into a national road network general concessionaire, all the while transferring specific powers to InLR as the Public Body responsible for the supervision, management, and operation of the national road network;
- Decree-Law 380/2007, of November 13th, approving the basis of the public service roadway general concession established between the State and EP-Estradas de Portugal, S.A., for the design, project, construction, finance, operation, requalification and expansion of the roadways that are included in the National Roadway Plan 2000, for a period of 75 years, under a concession contract;
- Government Order 8216/2008, of March 19th, from the Ministry of Public Works, Transportation and Communications, which defines InLR's strategic guidelines with the purpose of signing a Management Contract with each of the Executive Board members, that translates into detailed and quantified objectives the goals to be reached during their term in office;
- Decree-Law 43/2008, of April 10th, that creates the Roadway Infra-structures Regulation Fee – TRIR, with the purpose of "recovering expenses incurred by InLR while exercising its powers and functions related to the regulation and supervision of roadway infra-structure management and operation";

- Decree-Law 110/2009, of May 18th, that changes the concession basis of the General Concessionaire EP,SA;
- Decree-Law 111/2009, of May 18th, that creates a limited liability company with an exclusively public capital called SIEV - Sistema de Identificação Electrónica de Veículos, SA, for implementing the Electronic Vehicle Identification System ;
- Decree-Law 112/2009, of the May 18th, that establishes the SIEV - Sistema de Identificação Electrónica de Veículos (Electronic Vehicle Identification System) and enables the implementation of a collection system exclusively through electronic equipment;
- Decree-Law 113/2009, of May 18th, that establishes the system of toll collection through License Plate Electronic Devices (Dispositivo Electrónico de Matrícula - DEM), and approves the penalty regimen for infractions relating to lack of toll payment on roadway infra-structures, altering Law 25/2006, of June 30th.

## 1.5 SECTOR EVOLUTION AND DEVELOPMENT

The National Roadway Network (RRN) represents one of the main territory structuring tools.

Its framework is based on the National Roadway Plan (PRN2000) currently in force, approved by Decree-Law 222/98, of July 17th, and its subsequent alterations, which reflects the interest in setting up a structure of roads that ensures accessibility between the country's main cities, to its ports, airports and borders, and which promotes the connection between the coast and the interior.

The National Roadway Plan is a reference plan for the development of the National Roadway Network. It considers the quality of the service to be rendered, safety, traffic volume, mobility of goods and populations, and national interdependency and solidarity. The National Road Network is a public asset valued for the functionality of its services, such as territorial coverage and ranking of roads: Main Itineraries (IP), Complementary Itineraries (IC), National Roads (EN) and Regional Roads (ER).

PRN2000	Extension (km)
National Roadway Plan	15,200
National Roadway Plan in operation*	13,451
Main Itineraries in operation	2,199
Complementary Itineraries in operation	1,524
Highways in operation with user tolls	1,693
Highways in operation without user tolls	1,037

\* Includes Main Itineraries, Complementary Itineraries, National Roads and Regional Roads

Fig.7 . Extension of National Road Network



National Road Network (PRN2000)

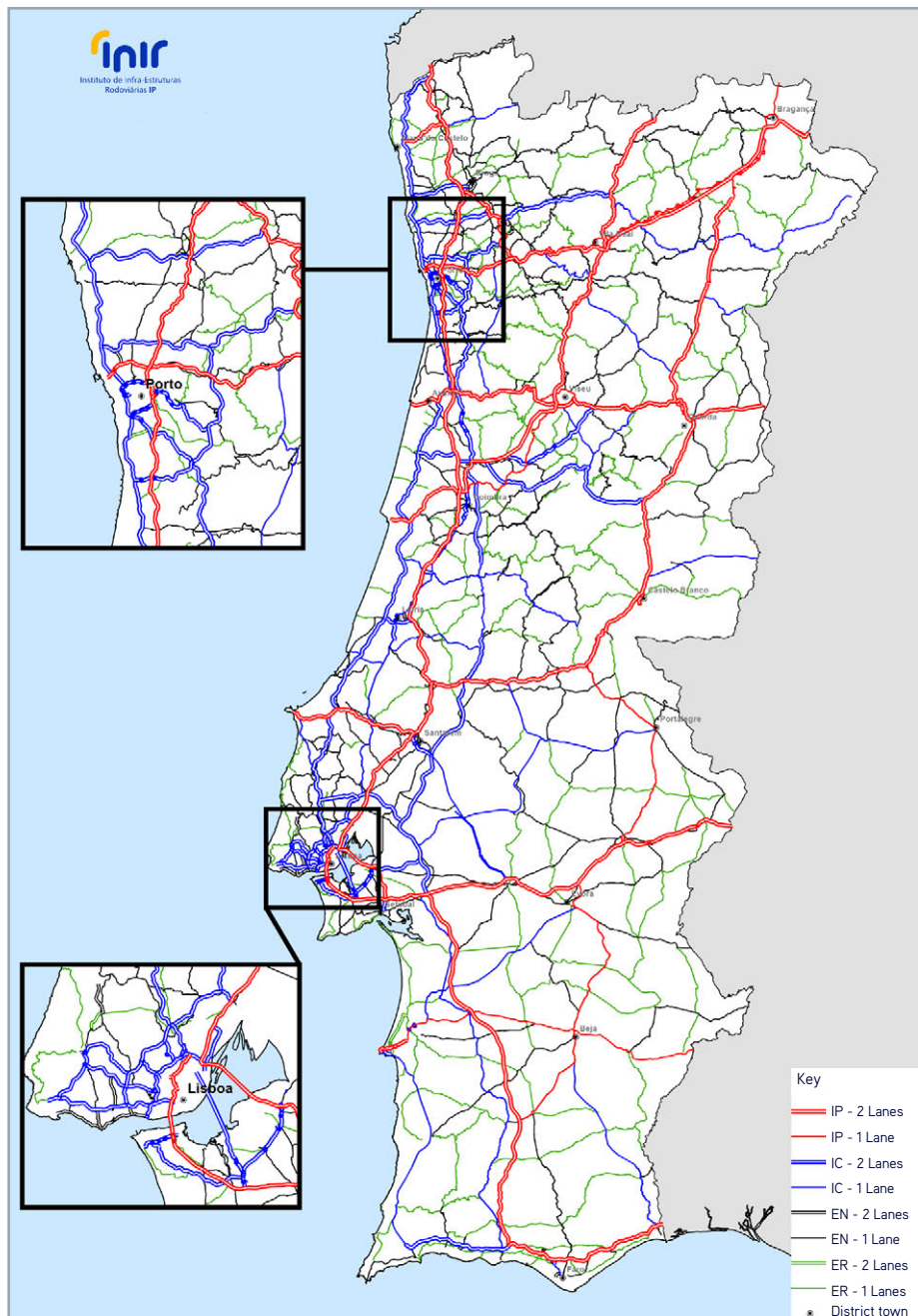


Fig.8 . National Road Network PRN2000

Considered as a dynamic driving force for national development, the Fundamental Network has a planned extension of 2,516 km, of which 2,199 km are in operation, and is materialised into the Main Itineraries, which enable the connection between urban centres with supra-district influence, and between the latter and airports, ports and borders.

Currently, 87% of the of the planned Fundamental Network is already in operation, which includes IP 1 (Valença - Castro Marim), IP 3 (Coimbra - Chaves), IP4 (Porto - Bragança), IP5 (Aveiro - Vilar Formoso), IP6 (Peniche - Castelo Branco), IP7, (Lisboa - Caia) and IP9 (Viana do Castelo - Vila Real), while IP2 and IP8 are still under construction.

Complementary Itineraries (IC), National Roads (EN) and Regional Roads (ER) form a Complementary National Network that ensures the connection between the Fundamental Network and the urban centres with municipal and non-municipal supra-district influence. The ICs, within the context of the PRN, establish the most important regional connections, as well as the connection between main surrounding roads and the access roads to the Lisbon and Porto metropolitan areas. Currently the extension of operating ICs represents approximately 45% of PRN's planned network.

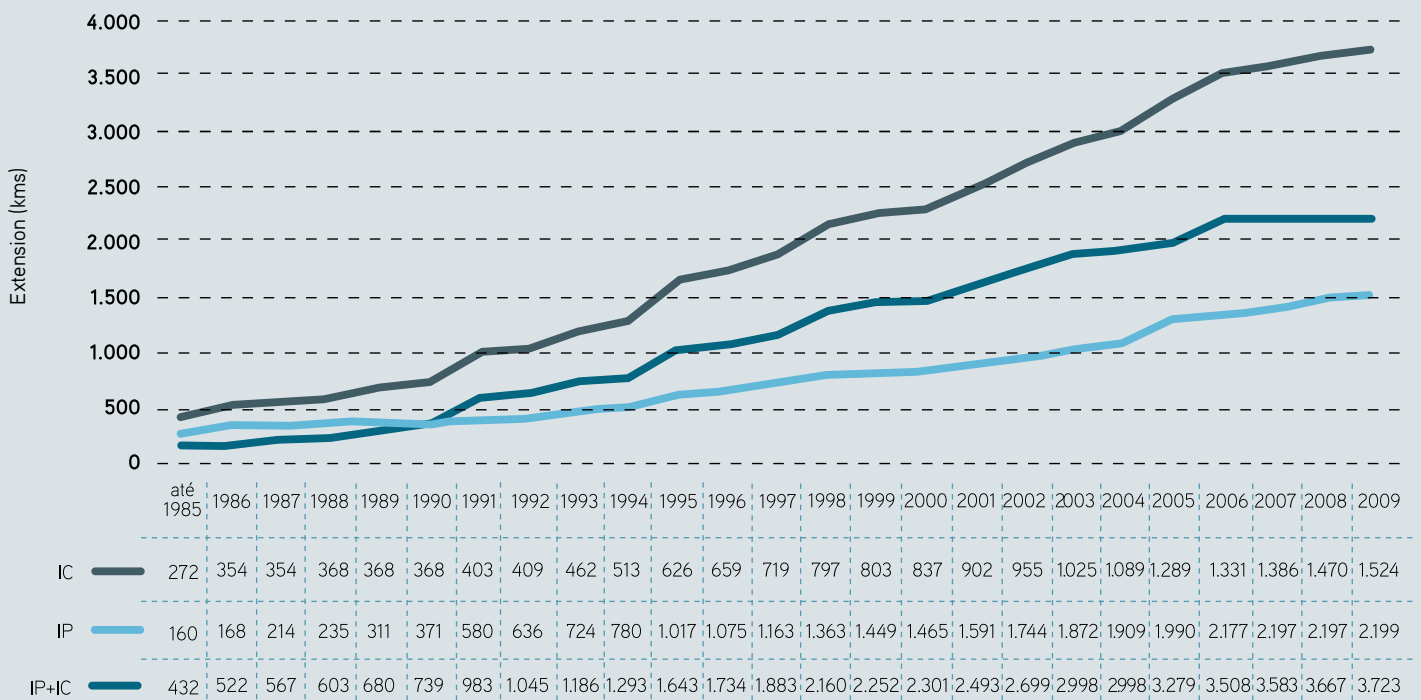
The following ICs have been fully built: the IC1 (Valença - Guia), IC14 (Apúlia - Braga), IC15 (Lisboa - Cascais), IC18 (CREL), IC19 (Sintra Radial Way), IC20 (Caparica Expressway), IC21 (Barreiro Expressway), IC22 (Odivelas Radial Way), IC23 (CRIP), IC25 (Alfena - Lousada), IC30 (Alcabideche- Ranholas).

The completion of the IC1 in 2009, with the construction of a 12km road stretch between Angeja and Estarreja, and within the scope of the Costa da Prata concession, enabled the completion of a second corridor connecting the two main cities of the country (Lisbon and Porto), with an alternative highway profile to the A1, as already mentioned.

Similarly, the completion of the Greater Lisbon Area concession enabled the completion of the IC30 between Ranholas and Alcabideche, and of the IC16 between Belas and Lourel, which represent the majority of the stretch. Only a portion of 800m remains unfinished, between the CRIL and the access road to the 2ª Circular in Lisbon, which should be completed during the year 2010. This project is integrated in a public works contract under the responsibility of EP- Estradas de Portugal, SA, within the scope of which the completion of the IC17 is also foreseen, a stretch measuring approximately 4 km, between Buraca - Pontinha.

With regard to the completion of the network incumbent upon EP SA, the IC6 between Catraia dos Poços and Tábua was completed, as well as the IC9 between Alburitel and Carregueiros, and the IC13 between Alter do Chão and Crato, together with the stretches of the IC1, IC16 and IC30, previously referred to, which allowed for the completion of approximately 55km complementary itineraries and 2km of main itineraries, with Ponte de Quintanilha (IP4) being open to traffic.

The following graph illustrates the network evolution over the past years:



Data source: EP, SA

Fig.9 . Evolution of the IPs and ICs Network

With regard to the completion of the network foreseen in the PRN (see also Fig. 9), the IPs represent a relatively large and balanced coverage of the national territory, while the ICs are more widely represented in the coastal area, reflecting population distribution.

Network of operating IPs and ICs

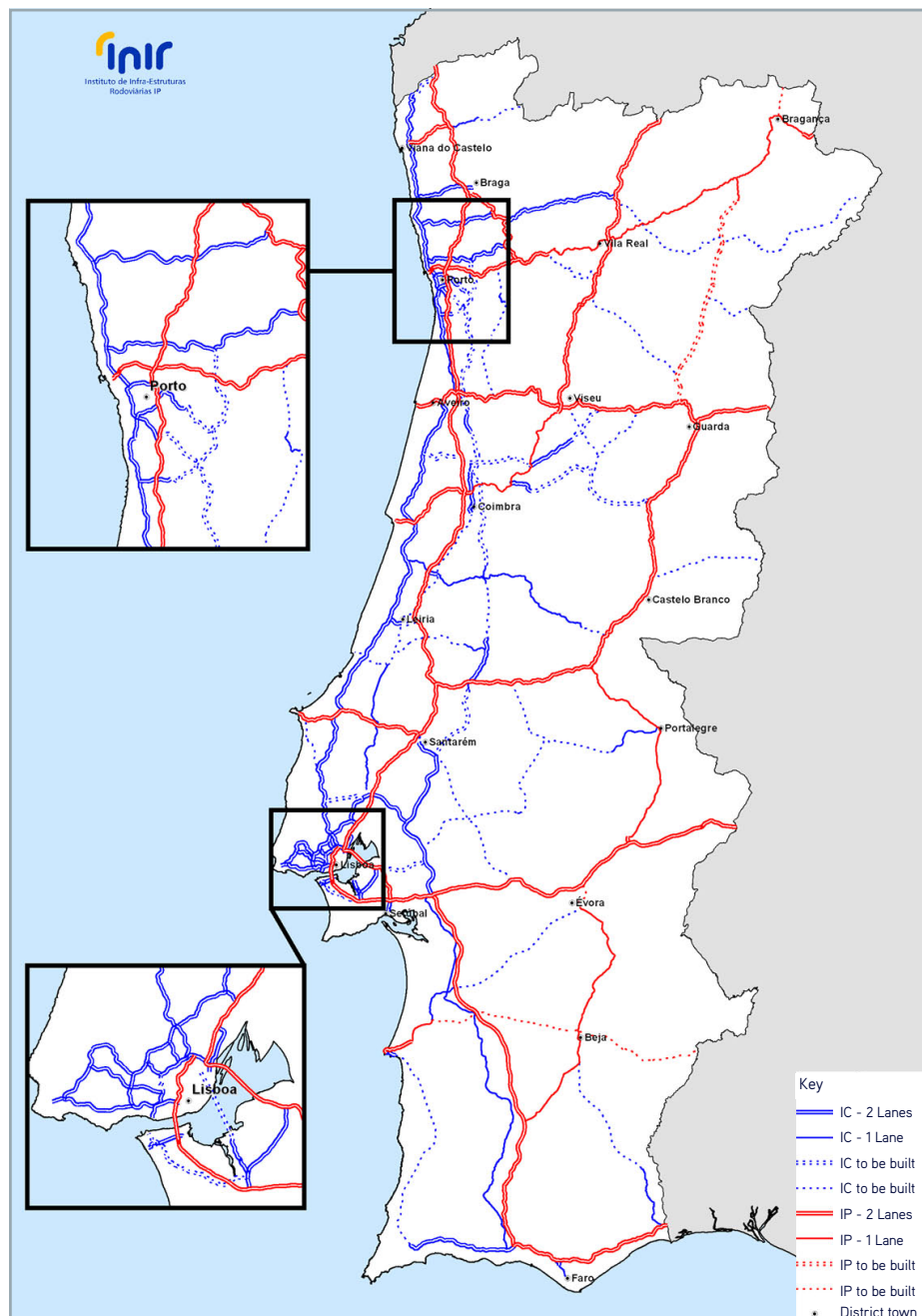
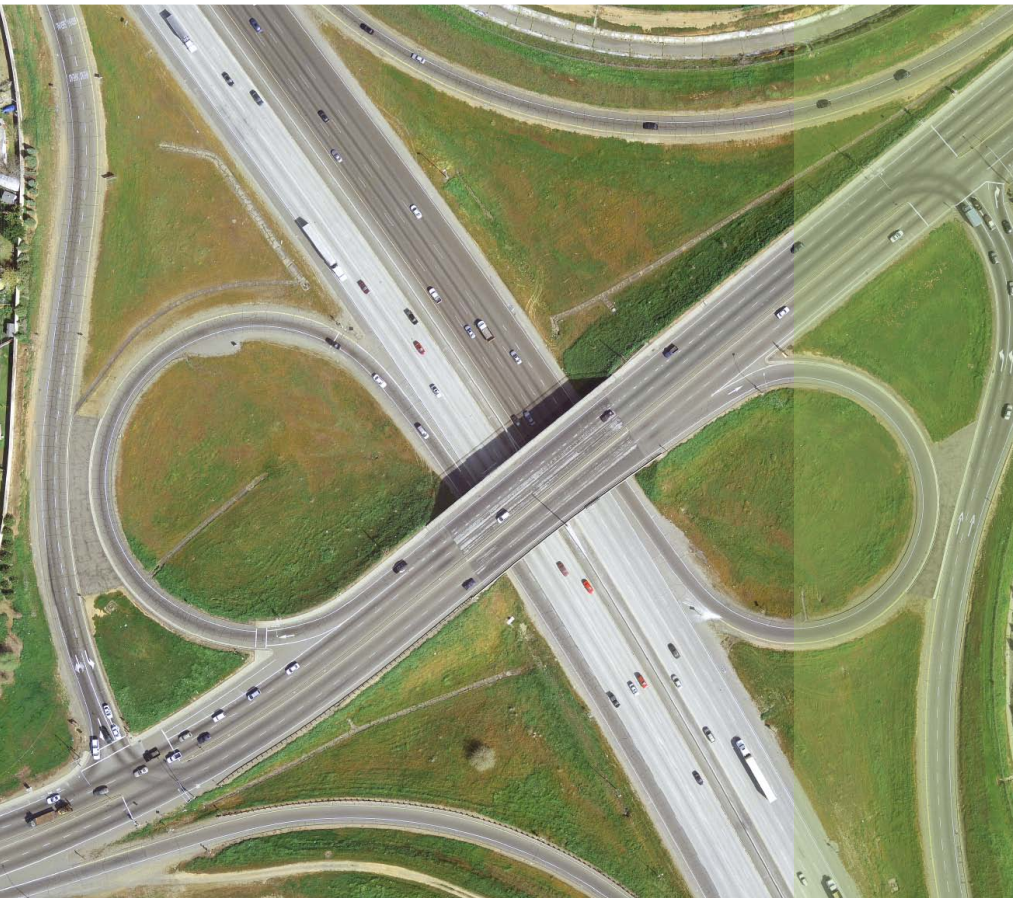


Fig.10 . Network of operating IPs and ICs

It is important to point out that the main land borders are equipped with modern high capacity infrastructures, namely highways such as those in Valença, Chaves, Vilar Formoso, Elvas and Vila Real de Stº António and that the national component of the Trans-European Network has an outturn close to 90%.

According to the PRN, IPs should ensure stable traffic flows and should guarantee reasonable freedom of circulation – Service Level B. Roads integrating the complementary national network (ICs and ENs) must ensure relatively stable circulation conditions although with speed and overtaking restrictions - Service Level C. These Service Levels must be maintained in all components of each connection, including areas between crossings, junction branches and at level intersections.

Given the type of roads, approximately 20% of the operating RRN is integrated in the current highway network. Within this network, approximately 1,700Kms correspond to highways with real tolls, and 1,040Kms have virtual tolls or are not tolled, as represented on the map in Fig. 11.







To maintain the Service Level of roads with highway profile, aside from their specific characteristics in terms of design, whenever Average Daily Traffic (TMD) reaches a certain limit at any stretch, the concession contracts foresee and demand an increase in the number of lanes in that stretch.

According to these limits, whenever the TMD of a stretch surpasses 35 000 vehicles, the number of lanes should be increased (from two to three) in both directions. If the TMD surpasses 60 000 vehicles, the number of lanes shall be increased from three to four lanes in each direction.

In this context, works were concluded to enlarge the Condeixa – Coimbra-Sul stretch to 2x3 lanes, on Highway A1 – Northern Highway; and works were begun to enlarge the Estarreja - Feira stretch, as well as the A2 – Southern Highway, to 2x3 lanes, along the stretch Coima - Palmela - A12 Junction; and works have started to enlarge the A8 –Highway of Atlantic, between Lisbon (CRIL) and Malveira, to 2x3 lanes.

Over the last decades the road network has been significantly extended, and there has been a boost in service quality, while the focus has come to rest on promoting the design, construction, maintenance and operation of higher-level roads under public and private partnerships, with operation regimes that depend on road functions and characteristics.

The State decided to set up the EP- Estradas de Portugal, S.A (EP, SA), as a National Road Network General Concessionaire, through Decree-Law no. 374/2007, of the 7th of November. The contract signed between the Portuguese State and the General Concessionaire arose from the Council of Ministers Resolution 174-A/2007, of November 23rd, which grants EP,SA a contract for the finance, design, construction, conservation, requalification and operation of the National Road Network for 75 years, with the following main guidelines:

- To ensure the financial sustainability of the sector within the context of the roadway system's financing model;
- To pursue the objectives that ensure the contracted levels of service, accidents, and environmental sustainability;
- To foster National Road Network expansion, as foreseen in the PRN, by promoting connections to the interior, namely with greater priority for: districts with the lowest PRN completion rate; connections to ports and airports; completion of the fundamental roadway network connecting district capitals and highway network;
- To foster the reduction of journey times from the structuring network to capital towns;
- To pursue efficiency in operational and maintenance costs, in line with best practices; and the expansion of ITS systems to metropolitan areas and to the RTE-T network, while guaranteeing its interoperability.

Aside from the Portugal Roadways (EP,SA) concession, the State has presently fifteen other concessions which explore the National Roadways Network, seven of which are under a real toll regime, two are under construction, and seven others are under a virtual toll regime named No Costs for the User (SCUT), in which the payment of rent is taken up by the EP, SA's budget.

Concession	Concessionaire	Extension (km) Dez/2008	Extension (km) Dez/2009	TMDA** 2008	TMDA 2009	Exploitation Regime
Estradas de Portugal	EP (*)	10.826,0	10.848,6	7.009	7.165	No toll
Brisa	Brisa	1.094,6	1.094,6	22.749	22.717	Real toll
Coastal Douro	AEDL	52,7	52,7	63.824	72.553	Real toll
Greater Lisbon	Lusolisboa	65,0	84,3	71.825	50.770	Real toll
Central Coast region	Brisal	92,7	92,7	6.599	8.205	Real toll
Lusoponte	Lusoponte	24,0	24,0	86.579	86.883	Real toll
North	Aenor	174,5	174,5	9.482	9.914	Real toll
West	AEA	170,0	170	18.718	19.474	Real toll
Algarve	Euroscut	130,2	130,2	18.409	18.154	SCUT
Province Scut Highway	Scutvias	177,5	177,5	10.519	10.545	SCUT
Beiral Litoral and Alta Province	Lusoscut BLA	172,6	172,6	13.364	13.546	SCUT
Silver Coast	Lusoscut CP	92,4	104,5	34.222	36.536	SCUT
Northern Interior	Norscut	156,4	156,4	5.722	6.026	SCUT
North Coast	Euroscut Norte	113,3	113,3	27.798	28.931	SCUT
Greater Porto	Lusoscut GP	54,7	54,7	35.548	38.073	SCUT

Source: Network concessionaires in the scope of the TRIR.

(\*) Includes sub-concessioned network.

\*\* Annual Average Daily Traffic

Fig.12 . Concession Network

Concessioned Network

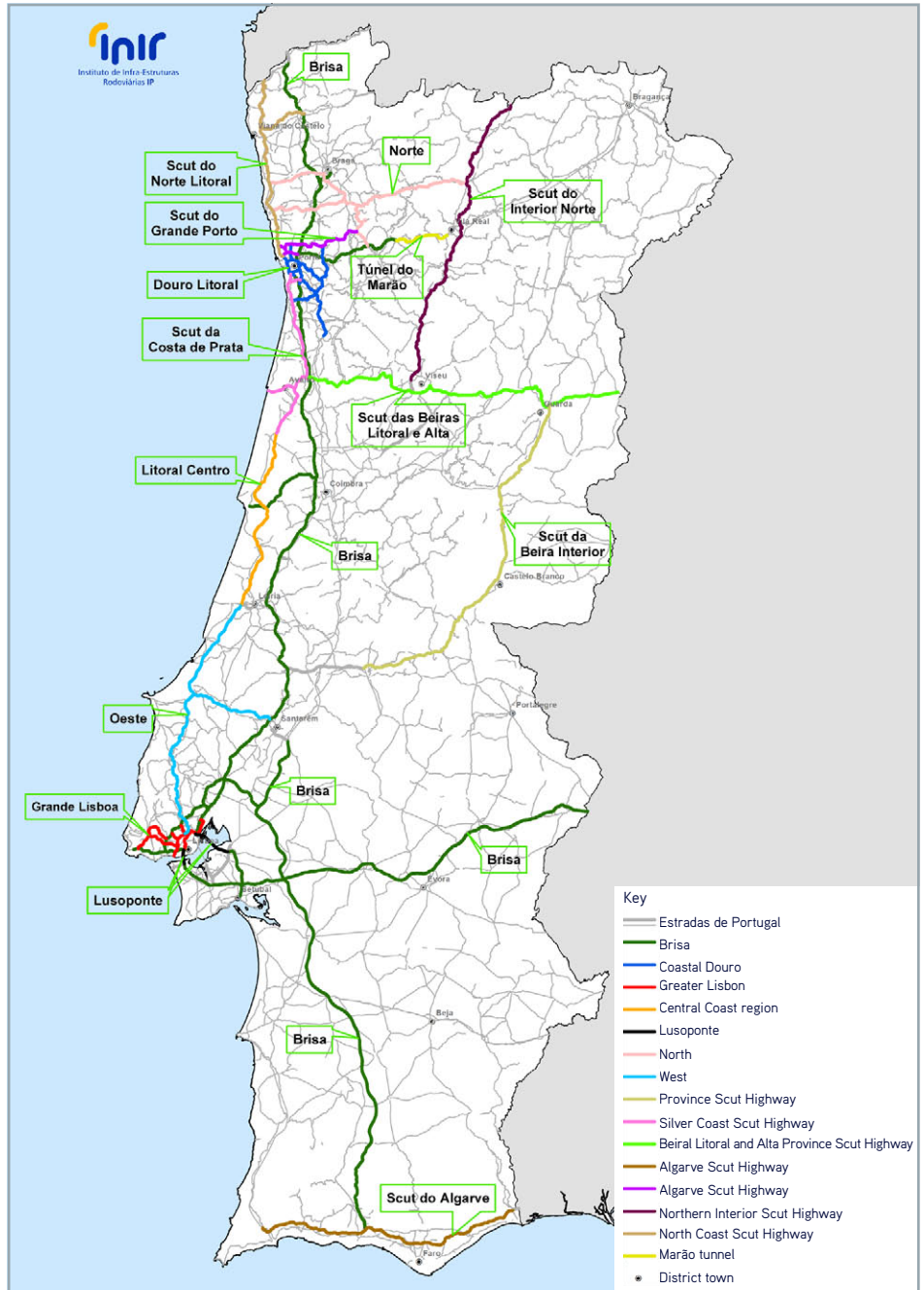


Fig.13 . Concessioned Network

In compliance with the Council of Ministers Resolutions no. 177/2007, of December 10th; no. 181/2007, of December 11th; no. 56/2008, of March 26th; and no. 106/2008, of July 7th, eight new international tenders were open to promote the construction of approximately 1,000kms of new roads, as well as to render to private management the operation and maintenance of approximately 1,150kms of roads, which were previously under the direct management of EP, SA.

Subconcession Network	Extension (kms)						Date	
	Under Exploitation	Under Construction	Total	Tolled	Non-Tolled	Total	Call for Tender	Recruitment
Douro Interior	11	232	243	0	243	243	23-11-2007	25-11-2008
AE Transmontana	56	138	194	14	180	194	26-11-2007	10-12-2008
Baixo Alentejo	220	127	347	68	279	347	03-12-2007	31-01-2009
Baixo Tejo	34	40	74	22	52	74	12-12-2007	23-01-2009
Algarve Litoral	235	35	270	0	270	270	17-03-2008	21-04-2009
Litoral Oeste	30	81	111	19	92	111	24-03-2008	26-02-2009
Pinhal Interior	371	149	520	102	418	520	16-06-2008	
AE do Centro	192	192	384	184	200	384	02-10-2009	
<b>Total</b>	<b>1.149</b>	<b>994</b>	<b>2143</b>	<b>409</b>	<b>1.734</b>	<b>2.143</b>		

Fig.14 . Network of Sub-concessions launched by EP, SA

The evolution of demand in roadway infrastructure service, as measured by the Annual Average Daily Traffic (TMDA) registered in the National Roadways Network, shows that there was a slowing down trend in growth during the last decade of the 20th century (1991-2000), period during which the Annual Average Growth Rate (TMCA) was 6.6%, as opposed to 7.3% in the previous decade (1981-1990). The first decade of this century continues to show a clear slowdown and therefore the maximum growth foreseen for the end of this period is 2.1%.

Network of Sub-concessions launched by EP, SA

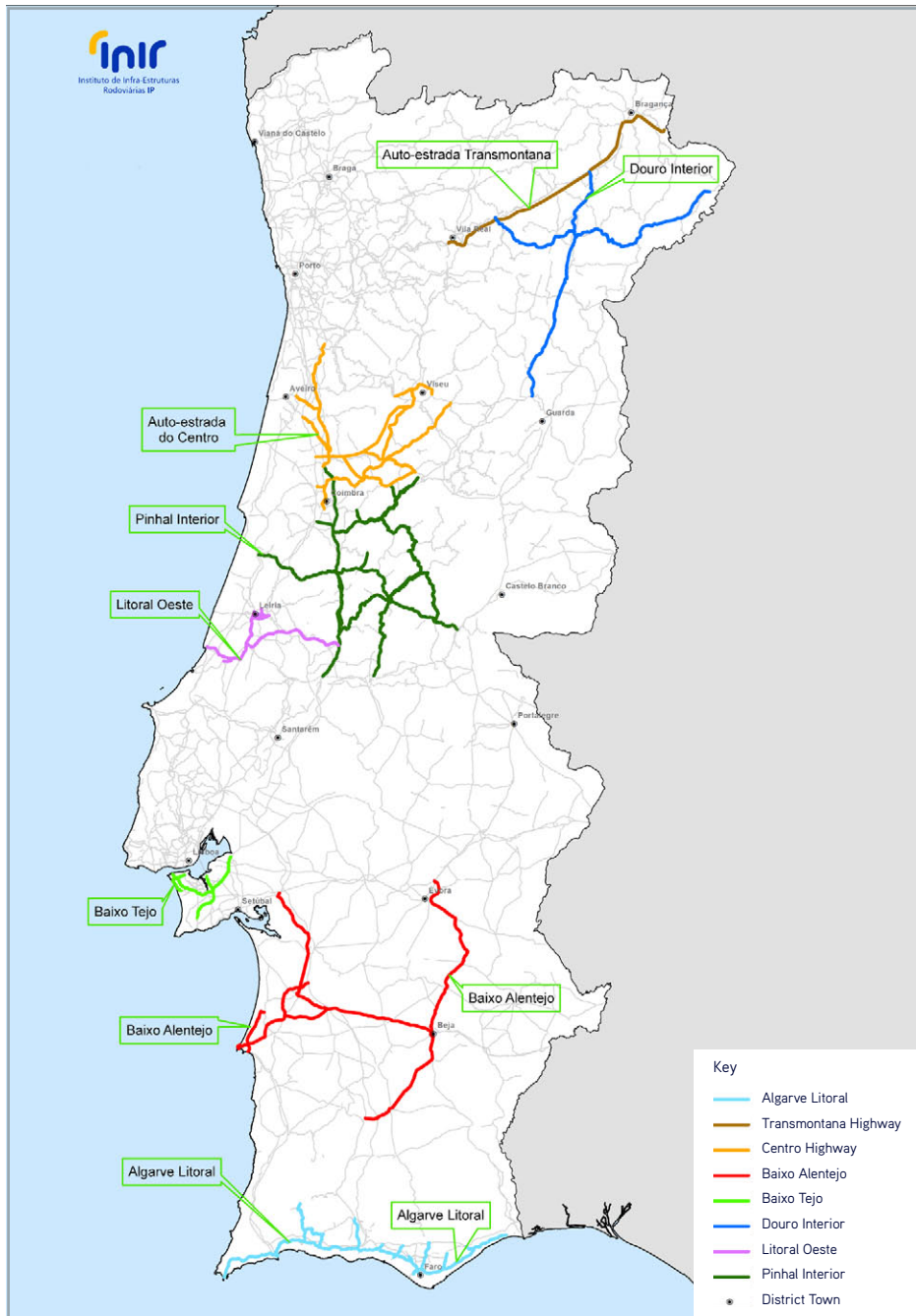


Fig.15 . Network of Sub-concessions launched by EP, SA

## 1.6 STRATEGY OF DEVELOPMENT

### 1.6.1 Future Perspective

The following basic principles were defined, within the scope of the Strategic Plan, to leverage InIR's Vision and Mission:

- The roadway sector's Management and Financial Model (MGF) contemplates the allocation of a concession for the design, project, construction, finance, operation, requalification and expansion of roads contemplated within the PRN2000, to EP, SA (General Concessionaire), for a period of 75 years.
- A regulatory entity, named InIR, was created within the scope of this Model, and its main responsibilities are to regulate, supervise and inspect roadway infrastructure sector.
- The InIR performs duties that are horizontal to the roadway infrastructure sector's value chain and acts as a link between the State and the sector's remaining stakeholders.
- The MGF foresees the signature of contracts for construction and maintenance services after the implementation of this new model, only in the form of EP SA sub-concessions. The State's current concessions shall be turned into sub-concessions of the EP SA (at the latest, by the end of each concession's term).
- InIR plays a crucial role in making the MGF operational, namely by monitoring concession contracts, arbitrating conflicts, defending roadway infrastructure users' rights, and assuring the system's efficiency, equity and quality.
- InIR must predominantly take up the role of the road sector's regulating entity and should not carry out the execution of operational activities that are not deemed as strategic for asserting itself within the sector.
- InIR should be a "repository" of sector knowledge and technical qualification, managing the existing knowledge base and promoting its development and disclosure, as well as scientific research and innovation.
- InIR should actively define policies and procedures that clarify the intervention of the different agents within the horizontal processes in which it is an interested party, promoting the standardisation of practices and information bases.
- The InIR should take on an active role in converging performances of different regulators and authorities with regard to mobility, transportation in general and infrastructures connected to the mobility of persons and goods.

- InlR must be a flexible and dynamic regulating entity, as opposed to existing entities in the transportation and mobility sectors, that have records strongly connected to traditional Public Administration.
- Based on its position and mission, InlR must remedy information and communication gaps amongst the sector's agents, and particularly with the users of the roadway system.

In order to ensure the efficiency and effectiveness of InlR's operating model, it is necessary to:

- Set up a competencies centre and give practical effect to a portfolio of services of high value for the sector;
- Endow the sector with efficient regulation mechanisms in technical, economic and sectoral terms;
- Ensure compliance with standards and other applicable legislation through efficient inspection and monitoring processes;
- Establish an efficient internal operating model (organisation, resources, systems and processes) that is interactive with the sector's agents;
- Implement an efficient communication strategy with stakeholders and with roads users in particular, that is directed towards their value proposals;
- Take up a critical role in the modernisation of the sector through research and through the improvement of existing technological platforms;
- Actively and critically participate in proposals for integrated management of transports and infrastructures;
- Promote the necessary changes in the legal framework in order to ensure its efficient operation as a regulating entity.

These are the strategic vectors to be developed and consolidated during 2010.



## 1.6.2 Institute Performance

### 1.6.2.1 Economic Regulation

Within the scope of the model of regulation by contract imposed by the sector's structure and determined by InIR's mission, several activities were developed, the most important of which are related with concession contract management.

Among the projects developed in 2009, the following should be highlighted:

- Creation of an up-to-date database regarding management of contractual risk between EP SA and its sub-concessions;
- Consolidation of model forms for monitoring the concessions, with emphasis placed on structuring and completing the Concession Forms in conjunction with the DGTF/MFAP;
- Analysis and structuring of the contents and formats of the Prospective Current Financial Information Reports and of the Regulatory Information supplied by EP SA;
- Submission of opinions and follow-up regarding EP SA's sub-concession process.

It was necessary to accompany the beginning of Brisa's revised concession contract term, deriving from the agreement signed with the State in December 2008, as well as the agreements signed between the Portuguese State and the five concessionaires belonging to Aenor Group (currently Ascendi), and between the Portuguese State and the concessionaire Euroscut North. These agreements led to changes in the operation and remuneration regime of these concessions (although the alterations to the respective Concession Bases are still awaiting approval by the Council of Ministers) - revenue from charged tolls shall belong to EP SA, which shall remunerate the concessions through availability and service payments - and in the case of Costa de Prata, Greater Porto and Norte Litoral [Northern Coast] SCUTs (and in the future also Beira Litoral e Alta SCUT), a toll regime shall be implemented upon users, also on EP, SA's account.

During 2009, an analysis was carried out of the request submitted to the Grantor, by the Euroscut North Concession, for the reinstatement of the concession's financial balance, due to the impact caused by the discovery of archaeological findings in the construction of the connection to Caminha. The respective technical report was finalised in 2009. The legal and formal conclusions will be reached and delivered to the Ministry and to the Negotiation Committee in the first quarter of 2010.

In 2009 two arbitration processes were raised, in both of which InIR took on the Grantor State's representation and defence:

- One in February, by Lusoponte, following an inconclusive decision by the Financial Experts Committee, which claimed a right to reinstate the financial balance of the concession due to investment costs, expended on the installation of safety barriers and a central reserve on the road accessing the '25th of April' Bridge from the north, as determined by the State, and

- The other in August, by the Atlantic High Ways Concession, claiming its right to reinstate the financial balance of the concession after being forced to place protective devices for motorcycle riders on the safety guards, and as a result of the legal enforcement of an (annual) fee for roadway infrastructure regulation – the TRIR – in 2008.

Both arbitrations were still underway at the end of 2009, and should be finalized during 2010.

In 2009, two injunctions were lodged against the Tunnel of Marão Concessionaire, to prevent the installation of piezometers to monitor the impact of the construction on water resources, and to suspend the tunnel's construction works. InIR, as the issuer of a favorable opinion towards the works' environment conformity report, conducted all activities in the defense of the State considering the loss that the suspension of these works would represent to the public interest, whereby it contested and lodged an appeal to the higher courts against the preventive injunction and the main proceedings.

Within the scope of Brisa's analysis of tariff proposals to compensate for traffic filtered to the A5 and not charged because of its interconnection with the A16, InIR led a study for reviewing and updating the tariff system enforced for stretches along the A5, between Carcavelos and Cascais, in light of the evolution of average journeys travelled by users, based on official traffic information.

In 2009 the works began on the elaboration of the National Account for Transportation - Roadway Infrastructures [Conta Nacional de Transportes - Infra-Estruturas Rodoviárias - CNIR]. This study, which shall be terminated by the first months of 2010, shall be an instrument of support in decision making regarding Portugal's community obligations in roadway infrastructure fees (Eurovinheta Directive), namely by making an assessment between the level of costs (total and marginal) related to the infra-structure and the level of revenue (total and marginal) charged to users.

This study will also provide InIR, as the entity responsible for supervising Roadway Infrastructure management and for enforcing the rules and obligations applicable thereafter, under the terms of the law and respective concession and sub-concession contracts, with relevant information regarding the economic and financial evolution of the concessions both in terms of time, inter-concession or international benchmarking perspectives.

The purpose of the projects developed during 2009 was to identify, find available information, calculate and analyse the road sector's economic and financial flows. These works, corresponding to phases I and II of the study, included the collection of information from the sector's agents and the carrying out of a benchmarking exercise with several international roadway administrations. Measuring costs of concessionaires' O&M, Public Sector taxes and transfers, roadway system user costs and evaluation of generated external effects were amongst some of the measures taken.

### 1.6.2.2 Technical Regulation

In 2009, InIR provided the Government with the technical assistance required for preparing the **Decree-Law no. 113/2009, of May 18th, that changed the Road Code, as well as Law no. 25/2006, of June 30th.**

The purpose of this law is to upgrade visual vehicle identification to an electronic detection system. Once toll collection is to be made exclusively through an Electronic License Plate Device (DEM), new powers are defined, in that regulation, for the inspection and processing of penalties for non-payment of tolls.

Works were concluded in 2009 regarding the grant to InIR, by the Ministry of Public Works, Transportation and Communications, for the coordination of the Work Group set up to transpose **Directive 2006/38/EC (Eurovinheta Directive)**, of May 17th. That Work group included representatives from the Institute for Mobility and Terrestrial Transportation, from the Planning, Strategy and International Relations Office and from EP, SA.

Directive 2006/38/EC, of May 17th, that changes Directive 1999/62/EC, regarding the application of impositions upon heavy-duty goods vehicles for the use of certain infrastructures, foresees the obligation of transposition to the national legal regimen of each Member State.

Also within the scope of preparation of further legislation, a process was begun for the transposition of European Parliament and Council's **Directive 2008/96/CE**, of November 19th 2008, regarding **Management of Roadway Infrastructure Safety**.

Also in 2009, national representation was assured at the *Regulatory Committee on the Interoperability of Electronic Road Toll Systems in the Community or Electronic Toll Committee*, created by European Parliament and the Council's Directive 2004/52/CE, Article 5(1), of April 29th 2004, regarding the interoperability of electronic road toll systems, with the purpose of assisting the Committee in the implementation of that Directive through the preparation and issuance of decisions regarding the definition of the European electronic toll service.

The finalisation of the Committee's Draft decision that implements European Parliament and the Council's Directive 2004/52/CE, of April 29th 2004, was complete during the first quarter of 2009, whereby the final text resulting from the Committee's work throughout the last years was voted, after which Decision 2009-750 was published in the Official Journal of the Communities, on October 6th 2009.

InIR contributed significantly to the preparation of legislation regarding the **Legal Regimen for Electric Mobility**, which shall be published soon.

InIR was called to issue opinions regarding the use of expropriated sections; licensing of advertising panels; usage and crossing of roadway infrastructures, and other issues related to the thereto. With regard to this last detail and in order to facilitate and standardise proce-

dures, simplification and control instruments were elaborated for procedures related with notifying Municipalities and Regional Development Coordinating Committees of any occurrences detected by the concessionaires. Three **Procedure Guides** were prepared with the purpose of further clarifying, accelerating and harmonising procedures:

- Placing Touristic, Cultural, and Heritage related Signs on Highways;
- Roadway Safety Audits on Roadway Infrastructure Projects;
- Submitting Projects with the Conditions for the Execution of Construction Works.

Following the work started in 2008, the Institute prepared a set of **Normative Documents** to technically guide the road sector, a basic version of which has been made available on InIR's external portal for technical consultation by the sector's agents:

- New-Jersey barriers with adjoining ditches – Safety conditions and parameters
- Round-about Dimensioning - Summary Document
- Pavement Construction and Rehabilitation - Bituminous Binders
- Pavement Construction and Rehabilitation - Pavement recycling
- Directives for Pavement Design - Dimensioning Criteria
- Directions Signalling - Information System; Touristic and cultural signs; Round-about Signs; Junction, Intersection and Crossroad Signs

Protocols were also established with the **Civil Engineering National Lab** and with the **Coimbra University** in order to prepare specialised technical studies on roadway safety and to translate some European Standards on pavements, namely:

- Manual for Roadway Safety Inspections
- Safety criteria for the Area Adjacent to Lanes – Manual on the application of retention systems, and Manual on safety aspects when projecting and maintaining Areas Adjacent to Lanes.
- Recommendations to assess the impacts of infrastructure interventions upon safety.
- Individual measures to calm traffic in populated area crossings.
- Inter-laboratorial comparative tests to assess the sensitivity of compacted bituminous mixtures to water.
- Survey of the characteristics of aggregates produced in Portugal.
- Preparation of Portuguese versions of the European Standards regarding:
  - Slurry Surfacing (EN12273)
  - Bituminous Mixtures (EN12697-24, EN12697-26, EN12697-227, EN12697-28)
  - Light Aggregates (EN13055-2)
  - Armour stones (EN13383-2)
  - Mixtures treated with hydraulic binders (EN14227-13).

### 1.6.2.3. RRN's Strategic Planning

In 2009, InIR promoted six **Studies for National Roadway Development and Strategic Environmental Evaluation** based on specific territorial units which included a cost-benefit analysis and a Strategic Environmental Assessment (AAE) under the terms of Decree-Law no. 232/2007, of June 15th:

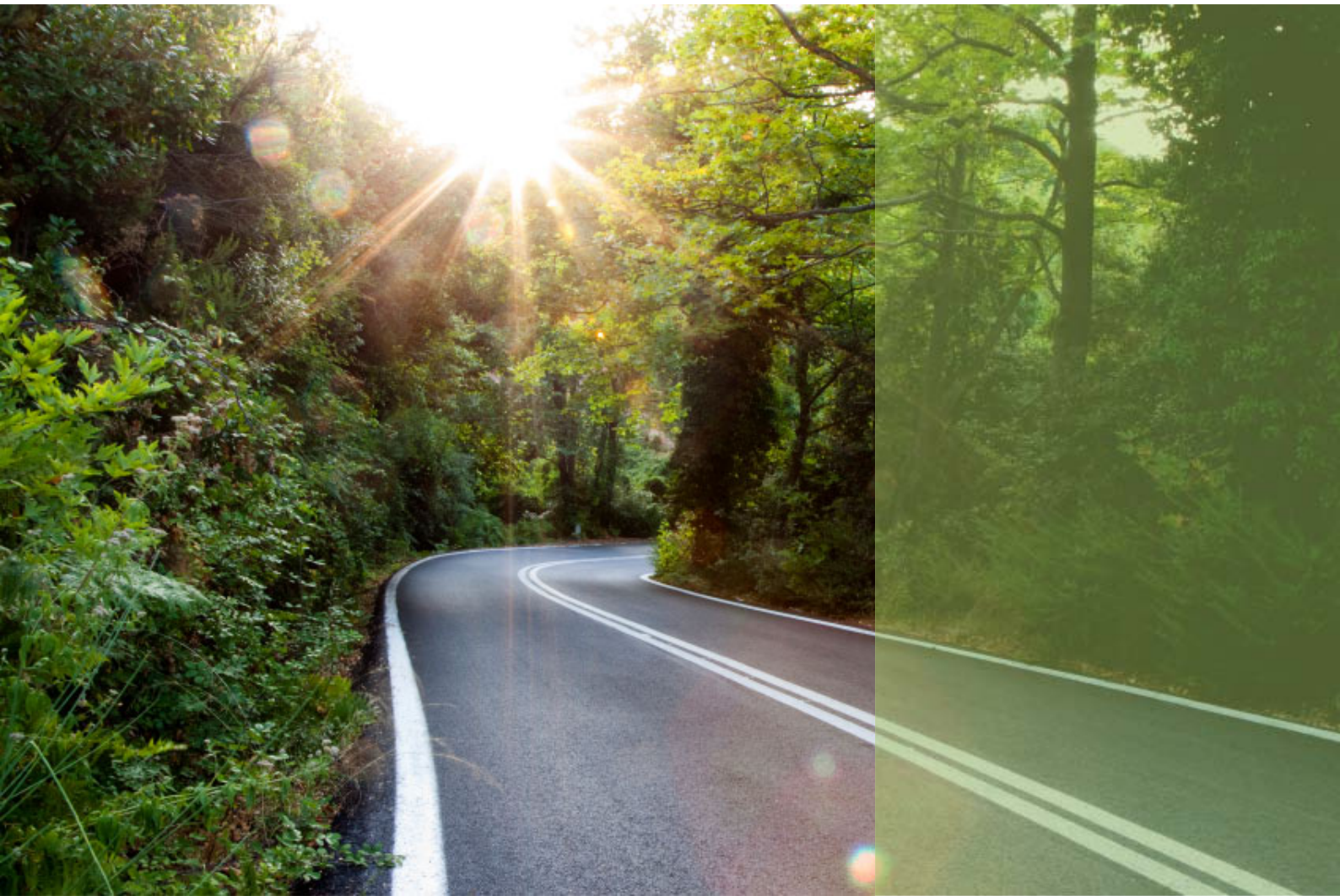
- National Road network Development Study on the Alto Minho-Lima Region (focused on the IC28 and on the National Roads 101 and 202, with plans to include the IC1);
- National Road network Development Study on the Area of Influence of the IC35 (focused on the road section between Vale de Cambra and Sever do Vouga ;
- National Road network Development Study on the Area of Influence of the IC26 (focused on the road section between Lamego and Trancoso);
- National Road network Development Study on the area of influence of the IC10 (focused on the entire IC with plans to include the IC13);
- National Road network Development Study on the Coastal Region of Alentejo and Algarve (focused on the road stretch of the IC4 between Sines and Lagos, on Regional Road 261 and on Regional Road 253);
- National Road network Development Study on the area of influence of the IC12 (focused on the road section between Mira (IC1) and Mealhada (IP1/A1).

The first stage of all National Road Network's Development Studies, with the exception of the one corresponding to the area of influence of the IC12, has been concluded, and the scenario planning stage has already begun. The latter includes the definition of different roadway scenarios, assessment of their sustainability, and the subsequent selection of the most beneficial option based on roadway, environmental, social and economic criteria. This phase will be completed with the preparation of an Environmental Report and a Plan Proposal which are subject to another consultation by the ERAE's and the Public Concerned (Public Consultation).

A project was developed in order to **Revise the Numbering of the Highway Network (AE)**, with the purpose of reducing the existing numbering on the AE network and of changing some of the criteria on which it is currently based which is related to the type of operation and the concessionaire, and not so much to its functional classification.

The purpose of the work undertaken was to analyse options from other countries regarding the numbering model used and to propose scenarios to number the national network and its political, technical, legal and financial implications.

A summary document was prepared and shall serve as a basis for a public consultation to be performed during 2010.



Active collaboration was provided for the **2008-2020 Transports Strategic Plan** promoted by the Ministry of Public Works, Transportation and Communications, that arose from the need to establish an integrated approach in the transport sector.

This plan at a sector level integrates sector options and objectives to be reached, the measures and actions taken in order to reach those objectives, as well as the articulation between the sector level policy and what is enshrined in other territorial management instruments.

Public discussion on the Transports Strategic Plan was concluded on November 3rd 2009 and the final document is being prepared.

InIR joined the Joint Monitoring Committee in the preparation of several **Regional Plans for Territorial Planning (RPTP)**: RPTP for Lisbon and the Tagus Valley; RPTP for the North; RPTP for the Centre, and RPTP for the Lisbon Metropolitan Area, representing the General Secretariat for Public Works and Communications. InIR is responsible for reaching a decision regarding development and evolution strategies for the national road network, for connections with other networks and transportation means, in conjunction with other land planning instruments at national, regional, and municipal levels, while safeguarding the unity of the roadway system and public interest.

In 2009 InIR took part in approximately 57 Monitoring Committees for revising the **Municipal Plans for Territory Planning (PMOT)**, distributed throughout the following regions:

- 13 Municipal Master Plans in the Centre region,
- 11 Municipal Master Plans in the Northern region,
- 25 Municipal Master Plans in the region of Lisbon and Tagus Valley,
- 2 Municipal Master Plans in the Alentejo region,
- 3 Municipal Master Plans in the Algarve region.

InIR followed the preparation of 23 Urbanisation Plans (PU) and Detail Plans (PP) and also participated in service conferences and delivered its respective opinions.

**Viability studies** were analysed and issued for the purpose of licensing large malls or for industrial/commercial projects regarding the following situations connected with the concession network:

- A44/IC23 - Coimbrões (IC2) / Freixo Bridge South (IP1) - Supermarket with the brand LIDL;
- Douro Litoral Concession: Exit road from the A1 to the Santo Ovídio roundabout in Vila Nova de Gaia - Corgas Club (tennis court);
- A9. CREL - Zambujal Stretch / A9 Junction / A10 - Construction of an industrial building;
- IC19- Alto do Forte Junction - Construction of a new STAPLES store.

Viability studies were also analysed and issued for the construction of new highway network junctions or to rework existing junctions in the following situations:

- A1 – Rework the Alverca Junction;
- A1 – Rework the Barrosa Junction;
- New access roads to Fátima on the A1;
- A2 – Canhestros Junction;
- A3 – Rework the Santo Tirso Junction;
- A3 – Maia and Barracão Junction;
- A28 – Freixieiro Junction.

Considering the viability of installing and/or placing new Service Areas on the concession network, InIR analysed and issued studies on several situations, namely:

- IC 17/CRIL – Algés/Buraca Stretch - Installation of a Petrol Station;
- Greater Lisbon Concession on the A16/IC16 - CREL (IC18) / Lourel (IC30) Junction - Alternative Location for the Service Area;
- IC32 - Barreiro /A12 (IP1) Junction - Installation of a Service Area;
- IC 12 - Rojão Grande / Carregal do Sal Road Stretch- Installation of a Service Area;
- IC 17/CRIL – Odivelas – Olival Basto Road Stretch - Installation of a Service Area;
- SCUT Concession of the Beira Litoral and Beira Alta regions A25/IP5 - Viseu/Mangualde - Installation of a petrol station located in the Retail Park commercial centre.

InIR followed the preparation of a Prior Study that complies with the ongoing Environmental Impact Assessment procedure on "**Access Roads to the New Airport of Lisbon**". This study includes the road stretch A33 - A12 (Montijo) / A13 (PTT of 2x3 lanes, with toll), for which BRISA is the tenderer. As well as the stretches connecting the EN4 to the NAL (PTT of 1+1 lane); of the IC13 – A13 subsection/Junction with the Municipal Road 515 (PTT of 2x2 lanes, no toll) and the Rehabilitation of the Municipal Road 533 – between the EN 10 and the roundabout accessing the NAL, whose tenderer is EP, SA.

In 2009, InIR also monitored the protocols to regulate access to the national network of four out of the twelve **logistic platforms**:

- National Urban Platform – PL Poceirão;
- Cross-border platforms – PL Chaves and PL Valença;
- Port platform – PL Lisboa Norte located in Alverca do Ribatejo (Bobadela/Sobralinho).

Considering the interest in making a **Geo-referenced data base of the National Road network** available to users, a set of maps were defined that include spatial and alphanumeric information of the road network from concessionaires and other public entities, supported by the Geographic Information System (GIS), that enable information to be consulted regarding the distribution of IPs and ICs with indication of the stretches, respective extensions, operation regime, identification of head managing entities, kilometer demarcation, road characteristics, respective level of completion and associated traffic.

The programme for the execution of a plan to improve the quality of the air in the region of Lisbon and Porto includes a set of measures, highlighting **High Occupation Lanes (VAOs)** in main access ways to the cities of Lisbon and Porto, as a means to reduce traffic entering urban areas in the short term.



Within the scope of its responsibilities, InIR took up the preparation of a viability study to install those lanes, which may enable the identification of the most appropriate and priority locations and measures for this intervention, as well as define the characteristics of the solutions to be adopted. In this regard, several meetings were held with the Regional Development Coordinating Committees and with the concessionaires to analyse the appropriate methodology in order to reach the goals to be met.

#### 1.6.2.4 Concession Contracts Management and Supervision

This activity includes, as referred above and in a current and continuous manner, a group of quite vast and diverse tasks, including the preparation of formal acts with contractual or legal relevance - such as study and project approvals; expropriation allotment maps; project agreements; sub-concession of activities and financing; document verification; repurchase guarantees and obligations; and relationship and technical dialogue operations; questioning and/or clarification; requests for issuing opinions - resulting from monitoring responsibilities and sanctioning performance and contractual compliance by concessionaires.

Still in 2008, but with an impact in 2009, InIR, as a licensing entity and due to changes in the Environmental Impact Statements signed by the State Secretary for the Environment, was responsible for verifying the levels of compliance of the execution projects regarding the IP4 (Marão tunnel concession) and the A32 (Douro Litoral Concession) with those Environmental Impact Statements, whereby the corresponding compliance studies were issued and compliance with the conditions was verified.

Several Studies and Projects regarding Roadway Concessions were analysed and approved with especial relevance for matters regarding tunnels and special structures, namely: A41/IC24- Picoto/Ermida Junction, Marão Tunnel, safety of the Castro Daire, Gardunha and Portela Tunnels, and emergency plan for the Gardunha and Alpedrinha Tunnels. As well as thirty-seven Projects on the Conditions for the Execution of Construction Works, within the scope of Law no. 24/2007, of the 18th of July, and Regulatory Decree no. 12/2008, of the 9th of June, distributed throughout several concessions.

InIR performed thirty-four inspections as per contractual requirements to open new lanes, as shown in the table below:

Concessionaire	2009 Inspections to open lanes to traffic
Brisa	A1 - Condeixa /Coimbra Sul Sub-section - Extending from 2 x 3 lanes
Brisa	A2 Coima/Palmela extending from 2 x 3 lanes
EP	EENN 205 and 210 - Arco de Baúlhe
EP	EN 337 - Tábua Cut- off - 1st phase
EP	EN 337 - Tábua Cut- off - (1st phase)
EP	EN 337 - Tábua Cut- off (2nd phase)
EP	IC 6 - Catraia dos Poços /Venda de Galizes, Coja junction / Tábua junction
EP	IC 9 - Alburite Sub-section / Carregueiros and Carregueiros / Tomar junction
EP	IC1 (EN109) - Tavadere Cut-off
EP	IC13 - Crato / Portalegre (1st phase)
EP	IC13 - Crato / Portalegre (2nd phase)
EP	IC17/CRIL Buraca - Pontinha
EP	N10 - Quinta do Conde uneven junction
EP	N10-8 Paias do Sado /Mitrena (2nd High Junction of Guerra/Mitrena)
EP	Quintanilha International Bridge
EP	R 230 - Tondela / Carregal do Sal
EP	Cut- off to the EN 103-1 in Esposende
EP	Cut-off to the EN 231 - Seia Circular Road
EP	Cut-off to the EENN 221 and the 266 of Pinhel - Cut-off to Malta
Grande Lisboa	A16/IC16 - Linhó (EN9) - Alcabideche (IC15/A5) Section
Grande Lisboa	A16/IC16 - Lourel (IC16) - Ranholas (IC19) Section
Grande Lisboa	A16/IC16 - A9 - A16 - Lourel (IC30) junction section
Grande Lisboa	A16/IC16 - Ranholas (IC19) - Linhó (EN9) Section
Grande Lisboa	IC30 LOUREL- A16_IC30 Junction and EN 9-23 connection
Interior Norte ( North Interior)	A24 - Viseu Rest stop
Interior Norte ( North Interior)	A24 - Castro Daire Rest stop
Interior Norte ( North Interior)	A24 - Vila Real Rest stop
Interior Norte ( North Interior)	A24 - Junction of the Parque Empresarial de Chaves
Litoral Oeste ( West Coast)	A17 - Figueira da Foz Rest stop
Litoral Oeste ( West Coast)	A17 - Monte Redondo Rest stop
North	Cut-off from the EN 207 - IP9 ( Longra) - Felgueiras
West	A8 - Toll plaza and Venda do Pinheiro Junction
Costa de Prata Scut	A29 /IC1 - Angeja / Estarreja Sub-section - Lot 4
Grande Porto Scut	A41 - Maia Rest stop

Fig. 16 . Inspections for opening for traffic

According to an action plan that was prepared according to previously established criteria, a total of 55 **Inspections** were performed.

The analysis and approval of the **Operation and Maintenance Manuals (MOM) and Quality Control Plans (PCQ)** of the concessions of EP, S.A. and Brisa Auto-Estradas de Portugal, S.A were taken forward, under the terms of the provisions of the respective concession contracts.

The analysis of proposals was initiated to alter the PCQs of the following concessionaires: AEDL – Auto-Estradas do Douro Litoral, S.A., EUROSCUT – Sociedade Concessionária da SCUT do Algarve, S.A. and LUSOS CUT – Auto-Estradas das Beiras Litoral e Alta, S.A..

Special attention was also given to the analysis and preparation of **Roadway Accident Reports** regarding the national road network.

In what regards the report prepared by EP SA, regarding compliance with Environmental Sustainability Reports for 2008, as defined in Decree-Law no. 380/2007 of November 13th, the result of the analysis performed by InIR was analysed and disclosed in 2009 and there was a discussion on the methodology to follow in the presentation of the next report, to be delivered in 2010.

Due to the environmental sensitivity of the area where the Marão Tunnel project is being developed, an **Environmental Monitoring Committee** was created towards the end of 2009 for the Marão Tunnel's execution contract which is coordinated by InIR with representatives from InIR, ICNB; ARH North, CCDR-n, APA, the Concessionaire, and the constructor ACE that, among others, has the powers to:

- Evaluate the Environmental Management System of the Construction Works and monitor its execution,
- Monitor the execution of mitigation and minimisation measures,
- Determine corrective measures deemed necessary,
- Validate periodic reports to be prepared by the promoter, regarding progress in the implementation of environmental measures.

#### 1.6.2.5 Technical Cooperation and Promotion

Regarding cooperation, special importance was given to the **bilateral relationship with Spain** within the scope of roadway infrastructures and in that regard permanent contact was maintained with technical officers and managers of the Dirección General de Carreteras (DGC) [Roadways Authority] and with representatives of some local governments. In 2009, activities of the Restrict Group were resumed for the Study of Conservation and Operation Works in International Bridges.

This cooperation took place on different levels of intervention and was publicly displayed in the following meetings:

- Comissão Mista Luso Espanhola de Pontes - CMLEP [Portuguese-Spanish Bridge Joint Committee] held on the 21st of January 2009. The key point of this meeting was the discussion on projects of common interest (on issues such as planning, project, execution, timing and conservation).
- Technical Joint Committee for the Construction of the Bridge over the Tâmega River, between Vila Verde da Raia and Feces de Abaixo and respective access roads – the meeting was held at the same time as another meeting with the CMLEP and the main purpose was to verify, confirm and accept the measurement documents and the amount due to EP, SA by Portugal.
- Technical Joint Committee for the Construction of a Bridge over the Maçãs river between Quintanilha and San Martín de Pedroso - the meeting was held at the same time as another meeting with the CMLEP and the main purpose was to verify the amounts regarding a new document, as well as to confirm and accept the documents and values verified and approved in a previous meeting (Cáceres, December 2007) and the amount due to EP SA by Portugal.
- Meeting with representatives from InIR, IP, from EP SA and from the Consejería de Fomento da Junta de Extremadura - JEX [Development Ministry of the Regional Government of Extremadura], and subsequent preparation of the Memorandum of Understanding to complete the connection Castelo Branco – Plasência.
- Meeting with representatives from InIR, IP, from EP, SA and from the Consejería de Fomento da Junta de Extremadura - JEX [Development Ministry of the Regional Government of Extremadura] held on the 16th of November with the main purpose of defining the exact connection point of ongoing projects in both countries and the coordination and harmonisation of topographic works.
- Meeting of the Grupo Restrito para o Estudo dos Trabalhos de Conservação e Exploração de Pontes Internacionais - GRCEPI [Restricted Group for the Study of Conservation and Operation Works on International Bridges] held on the 17th of December 2009, with the main purpose of resuming the GRCEPI's activities, started in 2000 and interrupted in 2002, and reviewing issues related to the situation of international bridges and connections in what regards conservation and maintenance.

InIR also carried out other cooperation activities, namely of a technical nature, with other European countries primarily in participation and monitoring works of the **Conference of European Directors of Roads (CEDR)** and of Work Groups operating within the scope of the **World Road Association (AIPCR)**.

- As for the CEDR, the Institute was the national representative at a forum with senior management and Europe's Roadway Authorities in the discussion and analysis of European roadway policies.

- As for the participation in Work Groups (GT) within the scope of the European Union (EU), InIR intervened by supporting and participating in several groups of community experts connected to roadway infra-structures.

As far as the relationship with the **Community of Portuguese Speaking Countries (CPLP)**, following the first evaluation of existing protocols and agreements (performed by Portuguese Roadway Administration bodies), InIR established contacts with counterparts of CPLP countries to change the protocols that had been previously signed.

On behalf of CPLP countries, positive feedback was obtained from S. Thomas and Prince and from Mozambique:

- In what regards cooperation with S. Thomas and Prince, the Executive Director of the National Roads Institute (INAE) showed interested and agreed to amend the previous protocol. Last details are being finalised to tailor the protocol's text to InIR's functions.
- With regard to cooperation with Mozambique, InIR assured the organisational, logistical and technical component of a visit that was carried out at the request of the National Roads Administration (ANE) with the main purpose of acquiring knowledge of the Portuguese system of roadway infrastructure concessions, which led to the preparation of a Technical and Scientific Cooperation Protocol with that entity, to be signed soon.

As for cooperation and collaboration with **Iberian Peninsula and Latin American countries**, InIR assured the organisational, logistical and physical component of the 20th Meeting of the DIRCAIBEA Committee, held from the 24th to the 26th of November, with 23 representatives from 11 countries and of the World Road Association (AIPCR/PIARC). The opening session was chaired by Mr. SEAOPC.

The meeting focused on themes related to roadway safety, financing roadway infrastructure conservation and the environment.

In 2009, InIR proceeded with the translation and **disclosure of documents and technical studies** on subjects of interest within the roadway infrastructure sector. In that regard, the Portuguese version of the following technical reports was disclosed:

- Guide for Roadway Administrations intervening in the Standardisation process (published by the CEDR in 2008, Portuguese version in 2008, disclosed in April 2009; the Portuguese version was also disclosed on CEDR's official site).
- Integrated approach towards roadway tunnel safety (published by AIPCR/PIARC, Portuguese version in 2008, disclosed in April 2009).
- Integration of performance indicators (published by AIPCR/PIARC, Portuguese version in 2008, disclosed in April 2009).

- Survey to European road users (published by CEDR in 2006, Portuguese version in 2008, disclosed in May 2009; this version in Portuguese was also disclosed on CEDR's official site).

InIR also promoted the distribution/disclosure of a special edition of the magazine Routes/Roads, in Portuguese and Spanish, entirely dedicated to **Funding Roadway Conservation in Latin American countries**.

Over the course of 2009, five technical reports developed by CEDR were translated:

- Road pricing
- Road noise
- Durability of structures
- VMS – Variable Message Signs
- Road lighting

The translations are undergoing technical revision at InIR.

Whereas the goal is to maintain information channels open and to exchange best practices, as a work element, InIR established the internal principle to incorporate the obligation, following any study visit or technical meeting, to present an assessment report on the subjects covered, in order to foster exchange of experiences and knowledge and disclose that information on the Intranet. Aside from the aforementioned reports, and in compliance with the same goal, other experiences or information of interest to the sector were also posted on the Intranet. Therefore, in 2009 the following information was disclosed internally:

- 20 reports on participations in international meetings;
- 15 news articles or information on experiences and on the realities of current themes within the scope of infrastructures (news from activities and other events within the EU, ITF, IRF).

In 2009, InIR held a **Cycle of Conferences** under the topic "**InIR – Projects for the Future**".

The purpose of this Cycle of Conferences was to contribute to the disclosure of knowledge and best practices in the road sector, and to foster discussion and technical debate, in a structured and open manner, with this sector's different stakeholders.

Participants in this dynamic, public and notorious initiative included a significant number of individuals interested in the "roadway subject" whom, whether from the public or private sector, felt directly or indirectly involved in the themes proposed for analysis and discussion and contributed to meeting some of the challenges faced by this sector.

The sessions fostered debate on current and relevant road sector themes, as a pretext to exchange knowledge and experiences, as well as to identify and characterise eventual problems arising from both operative and conceptual fields, while seeking the best paths and most adequate solutions to improve the road sector's quality and sustained innovation and development. This cycle of conferences included the following events:

- ITS – Intelligent Transport Systems applied to Roadway Circulation Management
- Highways undergoing Construction Works vs. User Rights - From Theory to Practice
- A Country, a Concessioned Network - Harmonisation of Signs on Itineraries
- Innovation and Standardisation Forum

This cycle of conferences had a quite high turnout: 249 companies, associations from the sector and public bodies were present at the conferences, with a total of 747 participants. During the year, procedure and methodology standardisation guides were concluded and several internal organisation documents are in force, namely:

- InlR's Internal regulation;
- Procedures Manual foreseen in the CCP;
- Tender procedures manual;
- Support guide for members of the jury on tender procedures;
- Guide for preparing information;
- Guide for preparing a contingency plan for swine flu.

In compliance with Recommendation no. 1/2009, of the 1st of July, published in the Official Journal of the Government, 2nd series, no. 140, of the 22nd of June, issued by the Council for the Prevention of Corruption, an independent entity operating at the Court of Auditors, several projects were developed for the preparation of a Corruption Prevention Plan and Related Infractions. Within each area or department, the plan aims at identifying corruption risks and related offences, and all the measures adopted to prevent occurrences shall be mentioned a posteriori, as well as all those responsible for the management of the plan. For follow-up purposes, the Institute shall prepare an annual report on the level of execution of the plan.

#### 1.6.2.6 Road-User Relationship

InlR's responsibilities include "assuring and monitoring the protection of user rights and interests". That responsibility was developed into several lines and courses of action:

The first **Users Satisfaction Survey** was prepared, based on more than three thousand interviews completed between November 2008 and January 2009, at 100 survey posts located at 60 service areas. Drivers of light weight and heavy goods vehicles who use tolled and non- tolled highways were interviewed.

The information was collected in order to obtain a significant sample of the seasonal reaction of users and included the following factors/elements, among others:

- Quality of service areas
- Information and support for drivers
- Roadway safety
- User safety (insecurity factors)
- State of infra-structure conservation
- Reliability of the path
- Circulation conditions namely at locations where enlargement works are taking place
- Complaint handling
- Expectation management

The survey led to a report that concludes that the average Satisfaction index is above the average in terms of the evaluations of activity sectors measured on the ECSI (*European Customer Satisfaction Index*). The document was publicly disclosed and discussed in June 2009 within the scope of InIR's cycle of conferences and posted on InIR's external portal.

Conclusions also indicate that priority must be given to the following issues:

- Paving maintenance and improving the condition of pavement surfaces, namely with regards to regularity and adherence, as well as assuring the quality of horizontal markings;
- Improve pathway reliability taking into account the best recommendations for management of enlargement works.

The implementation of an IT platform was started, which enables a more efficient and effective **supervision of complaints handling**, as far as complaints made by road network users, with standard exchange of information between InIR and the concessionaires.

InIR received a total of 429 comments, of which 87% (374) were complaints, 7% (30) were information requests and approximately 6% (25) were suggestions. The total complaints received are related to the following types of events:





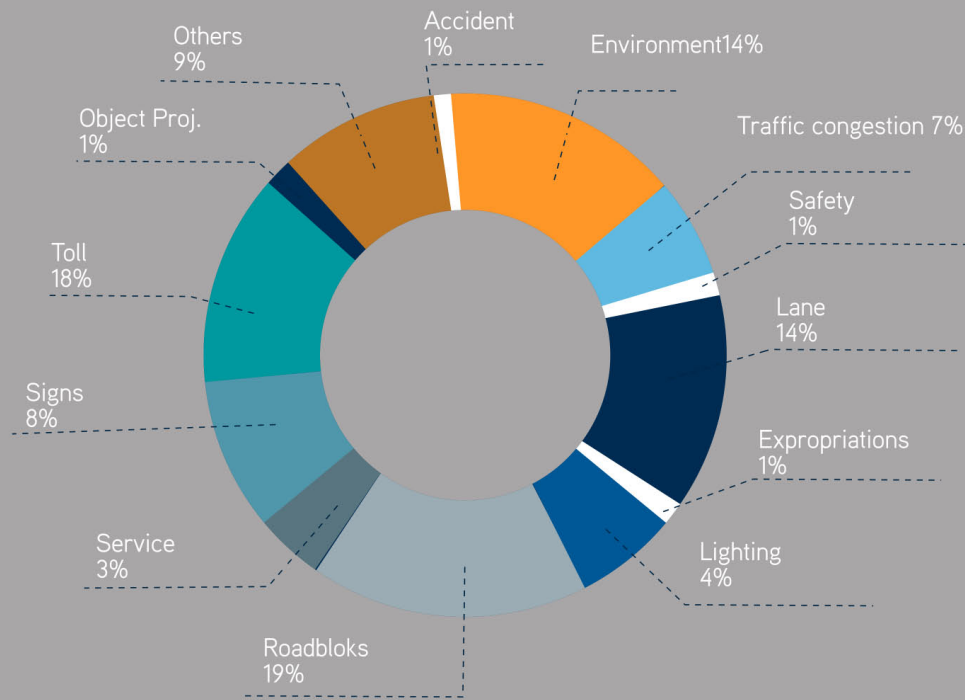


Fig. 17 . Percentage distribution of complaints per event

In the first quarter of 2009 an **Annual Complaints Report** was prepared for the first time, which can be used as a source of information for all stakeholders in the sector, namely users. It also helped to substantiate the recommendations issued to the concessionaires in order to improve the road network's operating conditions and in that way assure a public service with better quality.

In 2009, InIR continued to ensure the initial phase of proceedings against Administrative Offences related to non-payment of tolls on tolled roadway infrastructures through the **Administrative Offences Management System (SGACO)**, whereby the concessionaires submitted over five hundred thousand administrative offences throughout the year. In order to ensure a better match between the matter and the legislation in force, InIR contributed to the drafting of Decree-Law 113/2009, of the 18th of May, that introduced changes to Law no. 25/2006, of the 30th of June. In 2009, in the IT field, the design and programming of a new IT solution was started in order to manage the operation that integrates intervening parties in the process and that substantially improves mechanisms of the system's procedural treatments.



## 1.7 INVESTMENTS

The most significant portion of investment in InIR's tangible and intangible fixed assets was made in 2008, with service installation and structuring. Since InIR takes up regulatory and standardisation functions, and supervises the way road networks are managed and operated, the investments made during an year which its activity goes on in full swing, such as 2009, do not have the same impact as the year before during which installation was taking place.

The following table summarises the investment effort made in 2009, comparing to 2008 and 2007. It is important to point out that investments in 2007 refer to actions taken prior to the installation of Services.

	Un. €		
Annual Investment and Capital Expenditures	2007	2008	2009
Technological infrastructure	60.008	686.488	87.462
Furniture	87.612	116.018	60.824
Other Equipment		9.732	0
Investment Expenses	30.250	0	0
Fixed assets under Construction		25.553	64.447
<b>Total</b>	<b>177.870</b>	<b>837.791</b>	<b>212.732</b>

Fig.18 . Investment and Capital Expenditures Table

Special mention should be made to the consolidation of InIR's technological infrastructure and to the implementation of IT applications to support its activity, which shows the importance given by InIR to Information Systems.

Equipment and goods were purchased within the main groups which are highlighted and described below:

- Technological infrastructure consolidation; exponential growth of information generated at InIR, I.P. from its activity, stored in a Databases and in a File System entailed having to increase storage unit capacity.
- Internal development of IT applications to improve effectiveness and quality of service; developing and implementing an Internal Collaborative Portal and restructuring the External Portal and Extranet through the optimisation of platforms for Sectoral Standardisation and Organisation; implementing an application for opening and conducting

administrative-offence proceedings that enable "in house" management of thousands of proceedings in a more efficient manner; developing a Geographic Information System.

- Administrative equipment (different types of furniture).

## 1.8 HUMAN RESOURCES

### 1.8.1 Permanent Staff, Recruitment and Salary Policies

2009 was a year of progress and stabilisation for human resources, and of consolidation of a culture based on the performance and development of competencies.

However, the progress made was insufficient to make up for the lack of human resources and therefore inter-department cooperation and collaboration was once more vital in the development of several activities in order to reach institutionally programmed objectives.

By the end of 2009, InIR had forty-three employees, thirty-nine of which had permanent contracts, one of which was rendering service at another entity under a public interest concession regime, and four others were under a mobility regime. The following table summarises Staff evolution over the last year:

Human Resources	2009	2008
1.1 - Under a permanent contract	39	33
1.2 - Rendering services at other entities	1	0
2 - Under a mobility regime at InIR	4	5
3 - Human Resources on Duty (1.1 - 1.2 + 2)	43	38

Fig. 19 . On Duty Employees

The evolution in the number of permanent employees resulted from the recruitment of workers through common open tender procedures within the scope of Public Administration.

Recruiting played a relevant role in 2009 given the importance of selecting qualified human resources with competencies that are in line with the Organisation's strategic goals. Thus, seventeen common tender procedures were open and advertised in the Official Journal of the Government, in the Public Job Offers (BEP) and in newspapers with national scope, to recruit twenty-three job positions in response to InLR's needs.

Upon completion of these procedures, which exclusively recruited personnel connected to Public Administration, only five job positions were taken up, which was insufficient to supply the institution with the necessary human resources.

In October 2009, InLR received an order from the Minister of State for Finances that enabled InLR to begin recruiting procedures extended to individuals that are not connected to Public Administration.

Until December 2009, during this second recruitment phase, six tender procedures were launched in order to recruit senior technical staff members and a technical assistant.

As for salary policies, InLR is obliged to comply with the rules foreseen in regulations of the Public Sector Labour Contract Regime (RCTFP) and in the Public Administration Performance Evaluation Integrated System (SIADAP), which define the ways that workers performing public functions can progress in their careers.



InIR must also comply with the annual provisions set out in the State Budget Law and in the Budgetary Execution Decree-Law.

Within this scope and while assuring the proper legal framework, six and five workers were entitled to a change in their salary position as a rule and as an exception, respectively.

### 1.8.2 Increasing the Value of Human Capital

Professional training imparted over the course of 2009, in addition to having grown significantly in terms of the amount of investment made, it also kept betting on a strategy aimed at granting InIR's workers and managers with skills that are directly linked to the functions they perform.

In this regard, training sessions and seminars were attended on Land Use Planning, Regional Land Use Plans and Municipal Master Plans; as well as on materials related to Public Budgetary Management, on the New Public Sector Labour Contract Regimen, and on the Integrated System for Assessment of Performance in Public Administration.

Training Indicators	2009	2008
No. of sessions	14	3
No. of participating trainees	49	40
No. of hours	424	364
Direct costs (Euros)	10.505	3.588

Fig. 20 . Training Sessions

As shown in the previous table, the amount of direct costs with training was multiplied by three comparing with 2008 and there was a significant growth in the number of training sessions.

The evaluation of performance within the scope of SIADAP (Integrated System for Assessment of Performance in Public Administration) 2 and 3 was fully supported and executed through IT means. To this effect, InIR implemented an IT application called SIADAP123, through which all manager and worker evaluation processes are carried out.

Of the forty-three permanent staff members at the end of 2009, only forty one comply with the legal requirements to do so. The 2009 evaluation process covered all workers subject to this procedure, in compliance with the conditions to be assessed.

### 1.8.3 Quantitative and Qualitative Profiles

In general terms and according to the elements shown in the diagram below, there is a balance in terms of gender distribution, as far as staff on duty.

Regarding distribution by professional categories, there is a predominance of Senior Technical Staff, coinciding with real qualification needs required to perform at Institute.

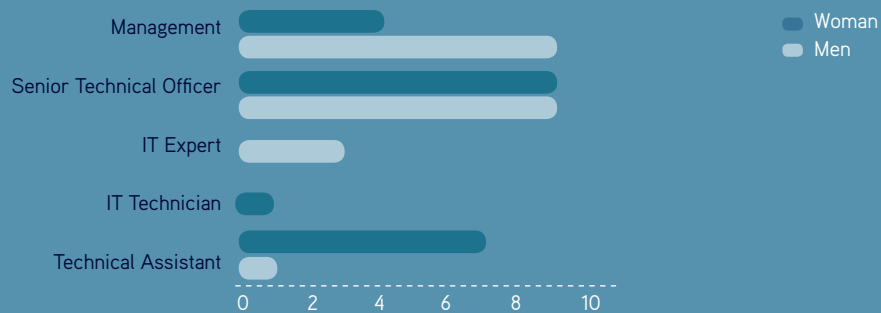


Fig. 21 . Distribution by Professional Category and by Gender

By the end of 2009, the permanent staff working for InIR, I.P. totalled 43 elements, including the Executive Board, 22 of which were men and 21 women. This number proves that there is a clear gender balance.

Regarding age distribution, the diagram shows that there is a prevalence of workers aged between 45 and 49. The two next groups include workers aged 50 to 54 and 55 to 59, with 9 and 7 workers respectively.

We can conclude that 72% of the workers are older than 45, which is justifiable due to the Institute's mission and corresponding responsibilities, which naturally require human resources with proven experience and high levels of expertise.

The level of skills of the existing human resources also reflects an Entity that bets strongly on acquiring highly qualified workers, giving priority, since the beginning of its activity, to the recruitment of highly knowledgeable and skilled personnel, with consolidated competencies in subjects related to the Institute's core business.

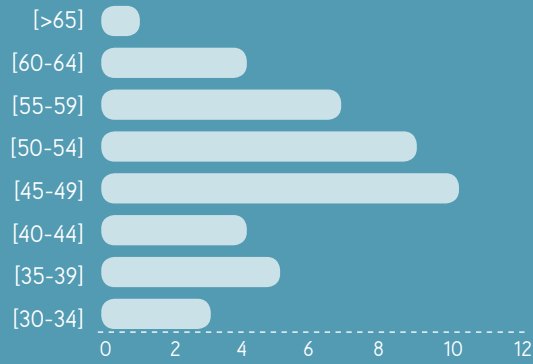


Fig. 22 . Age Structure

When considering the data presented in the diagram above, we can conclude that 77% of the present workers have a higher level of education, of which 15% have a Master's Degree.

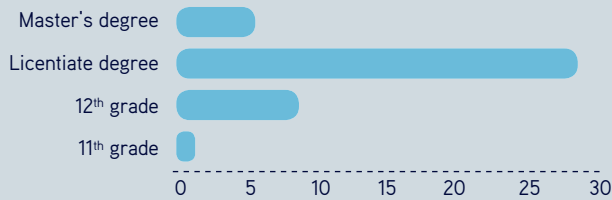


Fig. 23 . Level of Skills





## 1.9 ECONOMIC AND FINANCIAL ANALYSIS

### 1.9.1 Budget Execution

InIR's initial budget for 2009 was M€ 7.25 which changed to M€11.39 due to the balance carried over.

Contrarily to what happened in the previous year, in 2009 InIR did not benefit from any funds from the State Budget, although it did request the integration of the balance carried over from the former year based on the following grounds:

- Budgetary conformity of the pretension, since they are unused own funds, from the previous fiscal year;
- Interest in financing commitments planned for 2008, that were partially carried forward to 2009, with funds from that same programming year.

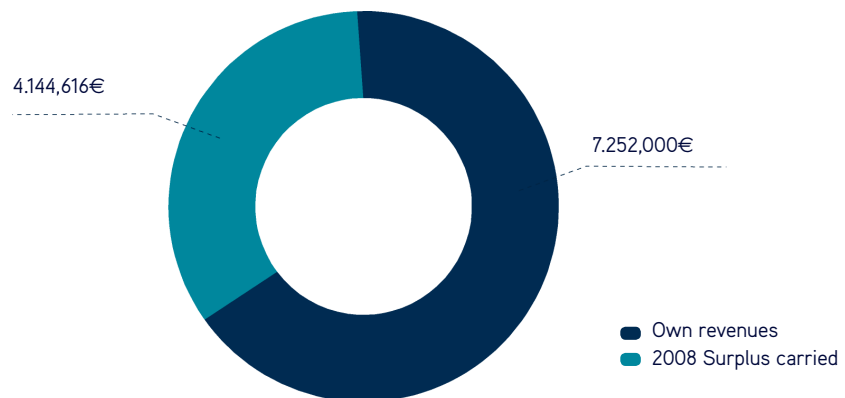


Fig. 24 . Origin of Funds for the 2009 Budget

Regarding budget allocation, M€ 0.85 were frozen as a result of the standards defined for the State Budget which determined the final corrected allocation of M€10.54.

The main components of the budgeted Own Revenue included the Roadway Infrastructure Regulation Fee (TRIR) with M€ 4.80 plus the specific allocation of amounts charged within the scope of the Management System of Administrative-Offences Proceedings (SGACO) for M€2.40.

As for the implementation of revenues, there was a significant deviation in the collection of amounts from the SGACO, a system whose early implementation led to an optimistic forecast as far as budgetary goals.

The total executed Revenue was 24.7% below the budgeted value, which is explained due to poor collection of the component owed to InR, in the amounts of fines applied for administrative offences committed due to non-payment of tolled highways, since there were positive variances in aggregates representing own revenues.

Un.:€

Aggregate	Budget	Execution	Weight	Deviation
TRIR	4.850.000	4.903.463	93%	1,1%
Other Own Revenues	2.000	125.246	2,4%	6162,3%
SGACO	2.400.000	237.426	4,5%	-90,1%
<b>Total</b>	<b>7.252.000</b>	<b>5.266.135</b>	<b>100,0%</b>	<b>27,4%</b>

Fig. 25 . Implementation of Own Revenues in 2009

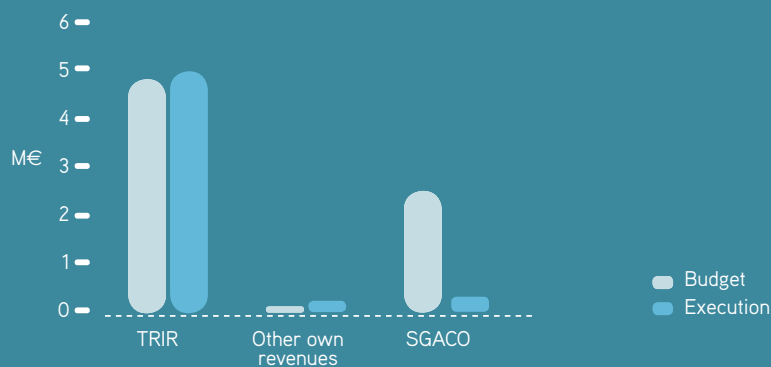


Fig. 26 . Representation of Own Revenues' Implementation

As for the Expense that reached the overall amount of M€7.68, the Staff item with costs of about M€1.95 had a structural weight of 25%, against the budgeted 35%, primarily due to Staff not having been granted the means initially planned.

Overall, of the remaining aggregated headings, amounts spent on Specialised Works (29%) and by the SGACO (35%) were highlighted. In the latter case, the budget's final amount allowed the settlement of charges incurred in 2009, and carried over to the subsequent year, to be integrally recharged in the actual year of 2009.

Total expenditure in respect of the budgeted and available M€10.54 corresponded to a limited and contained execution situated at 73%.

Un.:€

Aggregate	Budget	Execution	Weight	Deviation
Staff	3.717.128	1.952.489	25,4%	-47,5%
Structure	973.684	864.211	11,2%	-11,2%
Projects	2.501.819	2.214.255	28,8%	-11,5%
SGACO	3.351.751	2.646.443	34,5%	-21,0%
<b>Total</b>	<b>10.544.382</b>	<b>7.677.398</b>	<b>100,0%</b>	<b>-27,2%</b>

Fig. 27 . Implementation of Expenditures in 2009

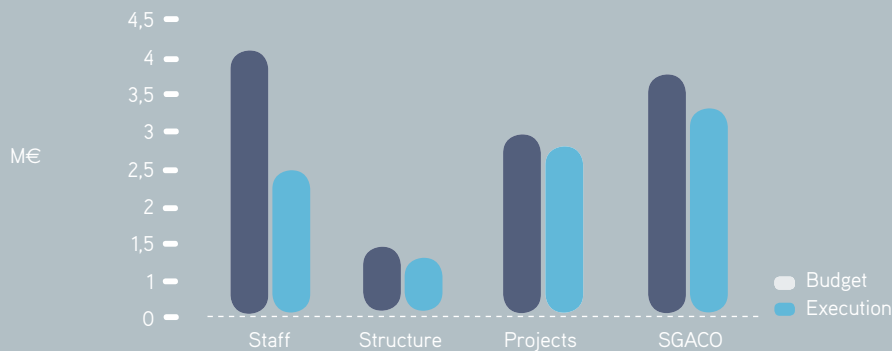


Fig. 28 . Representation of Expenditure Implementation

Since InIR did not have an endowment available at the beginning of 2009 for paying salaries, a request was made to release a credit of 1 million Euros, allocated only to expenditures with staff, carried out through the integration of the management balance from 2008, whereby the budget exceeded what had been initially foreseen.

A Management Balance of M€1.73 was established by the end of 2009:

2008 Management Balance	4,144,616€
2009 Own Revenues	5,266,135€
Expenditures	7,677,396€
Management Balance	1,733,355€

The coverage rate of expenditures by own revenues amounted to 68.7%, therefore InIR continues to comply with the legally established criteria for being bestowed with a Regimen of Financial Independence.

## 1.9.2 Economic and Financial Review

The above presented budget implementation values are built on a public accounts basis and truthfully state the transactions made during the accounting year and are evidence of the cash flows verified, according to their own rules. In addition, that same implementation shows that the financial means allocated were applied according to that which was approved by the budgetary authority.

It is important, in an assets perspective, to cover issues related to the economic and financial reality in a perspective that may complete the budgetary aspects and convey a "real and appropriate image of the financial situation and of the results obtained" (POCP [Charter of Accounts for Public Accounting] – Decree Law 232/97, of September 3rd).

Since the beginning of its activity, InIR opted for a Charter of Accounts for Public Accounting (POCP), as a reference report regarding its economic and financial activity, and the inventory accounting amounts disclosed herein comply with the respective normative principles, namely in what regards consistency of accounting policies that were followed, specialisation of gains and losses, historical costs, prudence, materiality and non-compensation.

Total and detailed information supporting the data below is included in the chapter entitled "Financial Statements".

The assets in InIR's 2009 Balance have three significant characteristics:

- High immediate liquidity translated in cash available that represents more than half of the Assets;
- A small amount of fixed assets;
- Credit assigned to third parties amounting to M€3.0.

The first two characteristics were present in the previous year's assets and liabilities. This year the Asset's structuring novelty is the referred relevance of Credit assigned to third parties which is explained due to the large sum of administrative offences accounted that awaits execution.

Own Funds suffered an increase following the net result of M€1.7 recorded during the year. As for Liabilities, the balance of Third party accounts stands out, justified by amounts to be distributed from collections of administrative- offences and community funds under the EasyWay programme.

Un.:€ 10<sup>3</sup>

Assets			Own Funds and Liabilities		
Name	2009	2008	Name	2009	2008
Fixed assets	864	920	Own Funds N-1	3.503	573
Third parties	112	2	Results	1.686	2.930
Availability	4.178	4.221	Third parties	3.028	1.073
Differed accruals	3.732	20	Adjustments	670	587
<b>Total</b>	<b>8.886</b>	<b>5.163</b>	<b>Total</b>	<b>8.886</b>	<b>5.163</b>

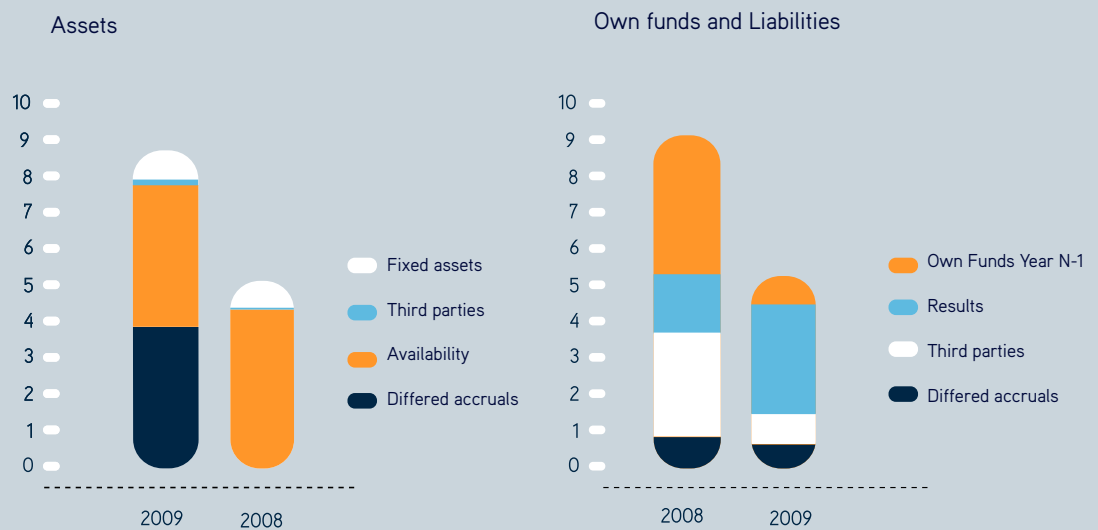


Fig. 29 . 2008-2009 Balance

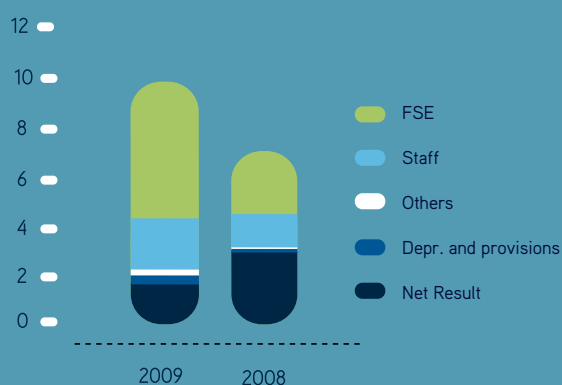
As for the Financial Statements, in 2009 InIR did not receive any revenue from the State, contrarily to the previous year in which M€ 1.9 were received as subsidies. Nonetheless, what is most important is the amount recorded as profits arising from administrative offences (SGACO), which represented an economic value of M€4.2.

### Financial Statements

Un.:€ 10<sup>3</sup>

Costs			Gains		
Name	2009	2008	Name	2009	2008
External Service Provision	5.418	2.499	TRIR	5.043	4.936
Staff	1.991	1.454	SGACO	4.226	70
Others	211	30	Other Revenues	172	0
Depreciations and Provisions	323	39	Current Transfers	3	1.953
Net Result	1.686	2.930	Other gains	185	45

Costs and Results



Gains

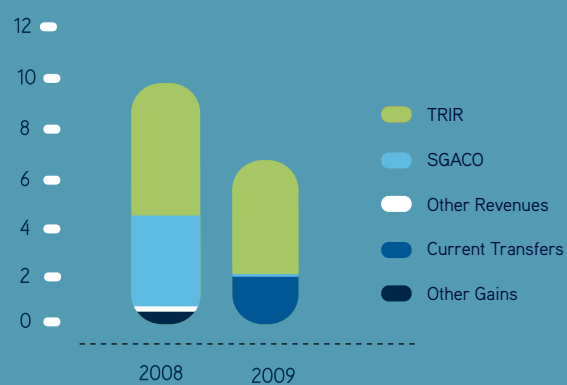


Fig. 30 . 2008-2009 Financial Statements

The Regulatory Fee for Roadway Infrastructures (TRIR) registered a similar amount to that of 2008, corresponding directly to roadway traffic behaviour, which is used as the basis to calculate that fee.

Different classes of costs increased due to the growth of the Institute's structure, in terms of Staff and requirements for preparing Studies and Projects, and also in the allocation of resources to make the SGACO operational.

## 1.10 RESEARCH & DEVELOPMENT

A study was carried out to implement an *Intelligent Transport System (ITS)* solution with the purpose of supervising and monitoring the road network. In the field of the most recent European developments in Intelligent Transport Systems, this study aims at producing a prospective paper that reflects an innovative and integrated approach for InIR's activity, in a regulatory perspective, based on technological consolidation concepts, interoperability and continuity of services, which may guide future decisions related to performance of the Roadway Authority's duties.

InIR represents the Portuguese State in the European project to grant community financial aid to common interest "*EasyWay*" projects- 2007-UE-50010-P - within the field of trans-European transport networks. "EasyWay" is a European project coordinated by the TEN-T Executive Agency that has the support of the greatest number of participating Member States and is focused on the development and implementation of ITS technologies in main trans-European corridors, aiming at sustained mobility.

"EasyWay" promotes an efficient technical and financial programming, coordinated between Member States that is translated in a combined and coordinated application between three main services, namely:

- Information Services for Drivers;
- Traffic Management Services
- Goods Transportation and Logistical Services

This project has been conducted by European Roadway Authorities, in partnership with Concessionaires, with the Automobile Industry, Telecommunications and Public Transport Operators.

Portugal participates through the ARTS group, which includes France, Spain and Portugal. Its main mission is to improve traffic management and continuous information to users on roads connecting the centre of France to Portugal. The main milestones in the development of its activity include creating and implementing a cross-border Integrated Traffic Management Plan, and the creation of a TCC interconnected network, via DATEX.

The investment foreseen for Portugal by tolled Concessionaires and by the EP SA, for the period 2007 and 2009, amount to 13.75 M€, 20% of which is funded by the EU.

All necessary documentation for the application to the next 2010-2011 period has been submitted, which assured maximum funding of 13.44 M€. The replies obtained from the group of partners are evidence that there will be a greater investment in that period, which reflects the consolidation of the national position within the Project.

In November 2009, during the Awards ceremony of the annual EasyWay Forum, that took place in Vienna, Austria, Portuguese participation coordinated by InIR, shared the **Best cross-border Project Award** with other Member States for their involvement in the European Study 4 – *Marenostrum*, dedicated to the harmonisation of messages on Variable Message Panels.

InIR has also actively supported participation in **European Study 5 – Datex II**, since it acknowledges the potential for the harmonisation of protocols, based on the exchange of information between concessionaires, in favour of the user and from a European service perspective.

Within the more specific framework of IT and technological tools that are transversal to the Institute, an evaluation was made to InIR's communications network capacity (VoIP) and an increase is foreseen in internet band width and voice channel availability.

The exponential growth of information produced at InIR, I.P. kept in a File System and stored in Databases made it necessary to increase the capacity of the storage unit by 12 TB.

A survey was carried out in order to align the availability of services rendered by information systems with user needs and in order to perceive their expectations. It concluded that most respondents have a very positive impression of the services and applications available and that they respond to the work needs, although there is an interest in deepening knowledge about some components.

In 2009, technologies were standardised for the implementation of solutions and development of applications, whereby Microsoft's Sharepoint platform was adopted.

While using Sharepoint, an Internal Collaborative Portal was developed and implemented, which started production in June. The goal is to endow InIR with a tool with cooperation functionalities, namely in the creation of work areas and integration with a set of general framework applications such as the Documental Management System or the SIADAP, as well as applications specific to each organisational unit such as applications for recording Support Requests, Room and Equipment Reservations, among others.

Using the same platform, a new version of the information sharing solution supporting InIR's activities as a Sectoral Standardisation Body was developed, facilitating treatment of considerable amount of content, as well as its consultation and research. This version opens new possibilities that enable the collaboration of approximately 300 members from 100 entities and companies spread all over the country.



In 2009, there was a significant increase in accesses to the external portal as illustrated in the diagram below. There was a peak in visits to the site, coinciding with the public presentation of the User Satisfaction Survey.

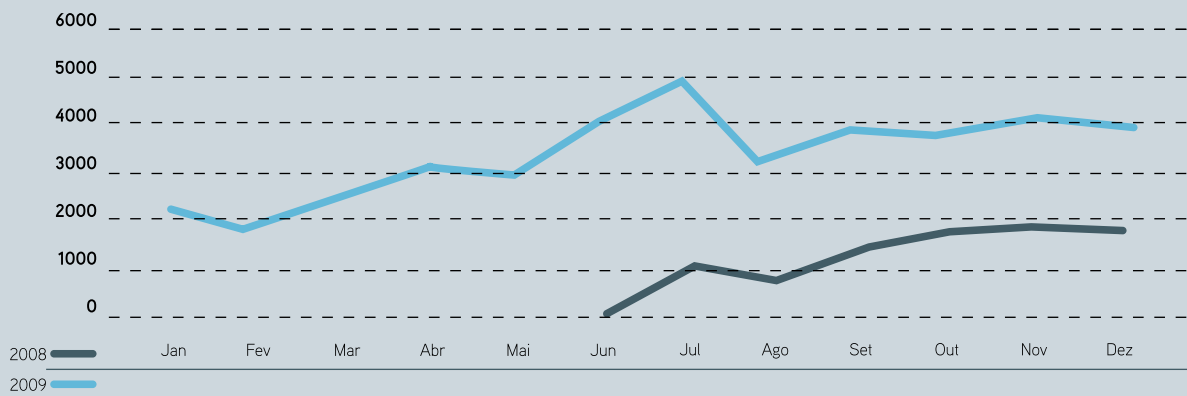


Figure 31 . Visits to InIR's external portal

In order to complement the offer of Portals targeted to InIR's different types of public, an Extranet was also developed that accommodates cooperation areas of specific groups facilitating the implementation of collaborative areas in InIR operations that involve external entities, that are however not targeted to public in general.

In 2009, also with the help of Sharepoint technology, AIPCR's Portuguese National Committee's site was also developed, available at [www.pt-aiPCR.org](http://www.pt-aiPCR.org) which will be disclosed as of 2010.

In 2009 the **Documental Management System (SGD)** came into operation and the migration of Databases from the previous correspondence recording application was promoted as well as its integration into other applications under development at InIR, namely the Complaints Management System (SGR), the Technical Digital Archive (ADT) and the Roadwork Monitoring System (SMOE). The reporting module was also made available, aimed at supplying management reports and indicators regarding its operation and performance of all those intervening in the System.

Road network graphic and alphanumeric data was integrated into the **Geographic Information System (SIG)** from concessionaires and other bodies that produce geographic information. A data model was defined and a National Road Network Geographic Database was created in order to provide users with network information through a Roadway Infrastructure Geographic Analysis (AGIR) application.

A **Roadwork Monitoring System (SMOE)** was developed in 2009, which became operable by the end of the year including user training and SIG integration.

With the implementation of the SGD in 2009 came the need to extend this system with the implementation of a **Technical Digital Archive (ADT)** application. The respective application was developed and will enter into production in 2010.

A **Traffic Census Analysis and Monitoring System (SMART)** was implemented and consisted in standardising elements sent by concessionaires and in the creation of a Database that enabled automatic generation of Traffic Reports published in InIR's external portal. In the last quarter of 2009, a module dedicated to the analysis and report of traffic data was started based on a Business Intelligence system (BI), connected to SIG.

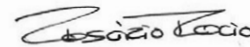
Lisbon, March 15<sup>th</sup> 2010  
The Executive Board



**Alberto Conde Moreno**  
President, InIR IP



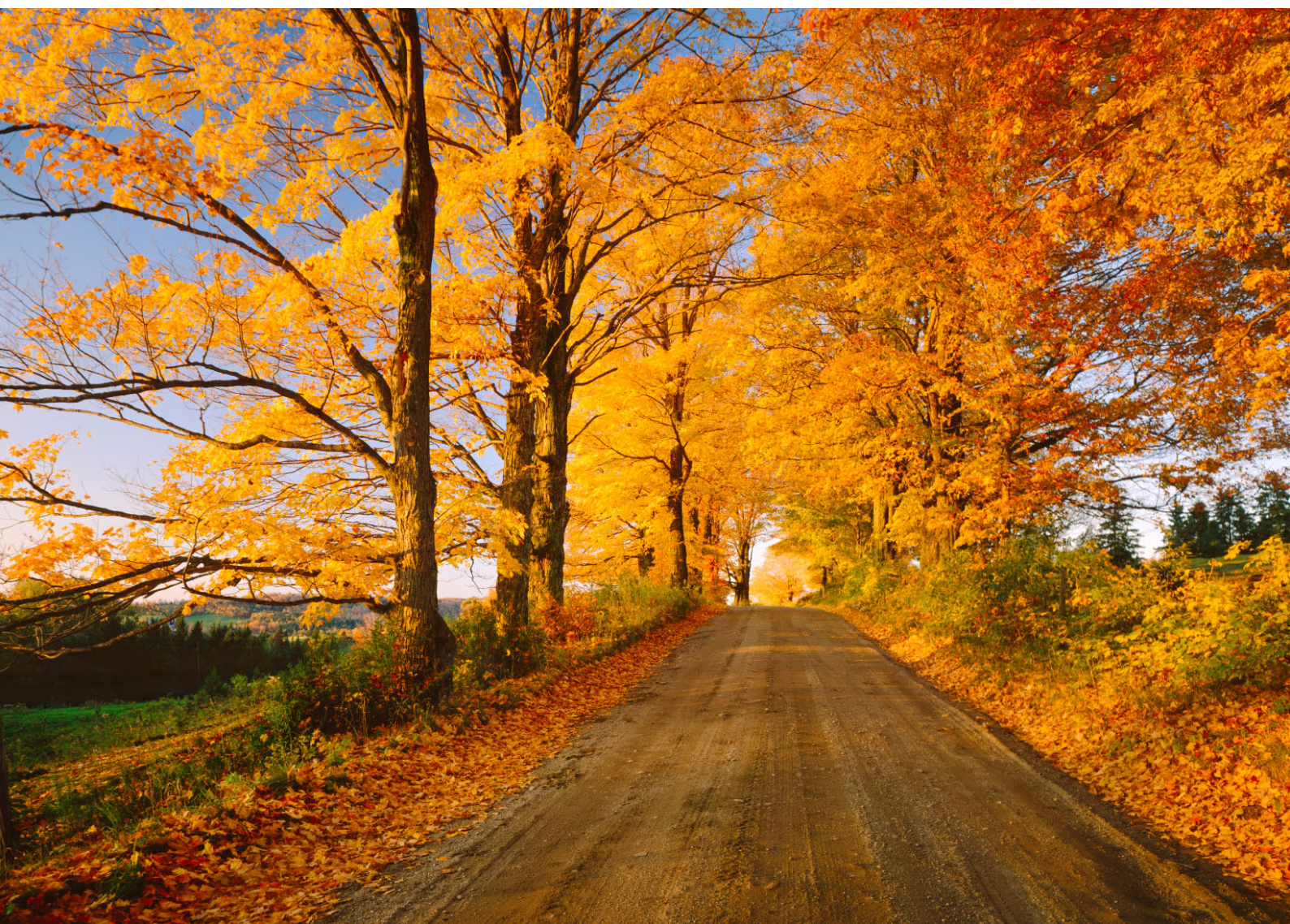
**João Sousa Marques**  
Vice-President, InIR IP



**Rosário Rocio**  
Member, InIR IP

# FINANCIAL STATEMENTS

# 02



## 2.1 BALANCE SHEET

Assets	Gross assets	2009 Dep. and Ajust.	Net assets	2008 Net assets
<b>Fixed Assets</b>				
Intangible assets				
Research and development expenses	30.250	21.007	9.243	19.326
	<b>30.250</b>	<b>21.007</b>	<b>9.243</b>	<b>19.326</b>
<b>Tangible assets</b>				
Administrative equipment	1.108.143	343.162	764.981	874.753
Fixed assets under construction	90.000		90.000	25.553
	<b>1.198.143</b>	<b>343.162</b>	<b>854.981</b>	<b>900.306</b>
<b>Current assets</b>				
Third party debts - short term				
Clients, current account	54.974		54.974	
Advanced payments to suppliers	1.609		1.609	565
Advanced payments to fixed asset suppliers	0		0	97
Other Debtors	55.303		55.303	1.800
	<b>111.885</b>	<b>0</b>	<b>111.885</b>	<b>2.462</b>
<b>Treasury account, deposits in financial institution and cash:</b>				
Treasury account	4.177.804		4.177.804	4.220.629
Deposits in Financial institutions	0		0	0
Cash	0		0	0
	<b>4.177.804</b>	<b>0</b>	<b>4.177.804</b>	<b>4.220.629</b>
<b>Accruals and deferrals</b>				
Income gains	3.706.498		3.706.498	
Differed costs	25.634		25.634	20.268
	<b>3.732.132</b>	<b>0</b>	<b>3.732.132</b>	<b>20.268</b>
		364.169		
		0		
<b>Total assets</b>	<b>9.250.215</b>	<b>364.169</b>	<b>8.886.046</b>	<b>5.162.991</b>

Own funds and Liabilities	2009	2008
<b>Own funds</b>		
Patrimony	673.400	673.400
Results carried over	2.829.197	-100.686
Sub-total	3.502.597	572.714
Net result for the financial year	1.686.044	2.929.883
<b>Total of own funds</b>	<b>5.188.642</b>	<b>3.502.597</b>
<b>Liabilities</b>		
Provisions for risks and expenses	55.298	0
	<b>55.298</b>	<b>0</b>
<b>Debts - short term</b>		
Suppliers, current account	626.009	654.418
Fixed assets suppliers, current account	0	19
State and other public entities	12.503	8
Other creditors	2.389.387	418.751
	3.027.899	1.073.195
<b>Accruals and deferrals</b>		
Cost accruals	375.446	269.443
Differed gains	238.762	317.755
	614.208	587.198
<b>Total liabilities</b>	<b>3.697.404</b>	<b>1.660.394</b>
<b>Total of Own funds and Liabilities</b>	<b>8.886.046</b>	<b>5.162.991</b>

## 2.2 INCOME STATEMENT

	2009		2008	
<b>Costs and losses</b>				
Suppliers and external services		5.418.188		2.498.738
Costs with staff:				
Salaries	1.779.967		1.353.669	
Social security				
Others	210.898	1.990.865	100.223	1.453.892
Tangible and intangible asset depreciations	268.140		93.017	
Provisions	55.298	323.438		93.017
Other operational costs and losses		27.300		27.300
		7.759.790		4.072.947
Financial costs and losses		16.021		2.214
		7.775.812		4.075.162
Extraordinary costs and losses		167.721		40
		7.943.532		4.075.202
Tax on the financial year's gains		0		0
		7.943.532		4.075.202
Net result for the financial year		1.686.044		2.929.883
		9.629.577		7.005.085
<b>Income and Gains</b>				
Fees, Taxes and others	9.435.304		5.006.914	
Other operational gains and income	9.239	9.444.543	1.952.863	6.959.777
		9.444.543		6.959.777
Financial income and gains		3		0
		9.444.545		6.959.777
Extraordinary income and gains		185.031		45.308
		9.629.577		7.005.085
<b>Summary</b>				
Operational results:		1.684.752		2.886.829
Financial results:		-16.018		-2.214
Current results:		1.668.734		2.884.615
Results before taxes:		1.686.044		2.929.883
Net result for the financial year:		1.686.044		2.929.883



## 2.3 BUDGETARY CONTROL

Economic Classification		Corrected appropriations	Captive or frozen	Commitments Already Taken Up	Paid expenses
Code	Description				For the year
(1)	(2)	(3)	(4)	(5)	(6)
01.01.02.00.00	Social Bodies	273.717,00	0,00	192.548,38	186.593,04
01.01.03.A0.00	Staff on duty	817.552,00	0,00	524.426,61	524.426,61
01.01.03.B0.00	Mandatory changes to salary position	8.000,00	0,00	0,00	0,00
01.01.03.C0.00	Optional changes to salary position	3.000,00	1.500,00	0,00	0,00
01.01.03.D0.00	Recruit. of staff for New Job	40.800,00	20.400,00	0,00	0,00
01.01.04.A0.00	Staff on duty	501.395,00	0,00	396.822,99	396.822,99
01.01.04.B0.00	Mandatory changes to salary position	8.000,00	0,00	0,00	0,00
01.01.04.C0.00	Optional changes to salary position	3.544,00	1.772,00	0,00	0,00
01.01.04.D0.00	Recruit. of Staff for New Job positions	163.200,00	81.600,00	0,00	0,00
01.01.06.A0.00	Staff on duty	505.380,00	0,00	18.125,15	18.125,15
01.01.07.A0.00	Staff on duty	1.000,00	0,00	0,00	0,00
01.01.09.A0.00	Staff on duty	393.691,00	0,00	208.650,05	208.650,05
01.01.10.A0.00	Staff on duty	100,00	0,00	0,00	0,00
01.01.11.A0.00	Staff on duty	147.522,00	0,00	93.131,67	93.131,67
01.01.12.A0.00	Staff on duty	43.435,00	0,00	21.224,51	21.224,51
01.01.12.D0.00	Recruit. of Staff for New Job positions	3.500,00	1.750,00	0,00	0,00
01.01.13.A0.00	Staff on duty	87.261,00	0,00	44.022,11	44.022,11
01.01.13.D0.00	Recruit. of Staff for New Job positions	11.000,00	5.500,00	0,00	0,00
01.01.14.A0.00	Staff on duty	272.661,00	0,00	219.158,30	219.158,30
01.01.14.D0.00	Recruit. of Staff for New Job positions	34.000,00	17.000,00	0,00	0,00



Paid expenses		Difference			Budgetary level of execution for expenses (12)=(8)/(3)x100
Budgetary level of execution for expenses	Total	Non-committed Appropriations	Balance	Outstanding Commitments	
(7)	(8)=(6)+(7)	(9)=(3)-(4)-(5)	(10)=(3)-(4)-(8)	(11)=(5)-(8)	
0,00	186.593,04	81.168,62	87.123,96	5.955,34	68,17
0,00	524.426,61	293.125,39	293.125,39	0,00	64,15
0,00	0,00	8.000,00	8.000,00	0,00	0,00
0,00	0,00	1.500,00	1.500,00	0,00	0,00
0,00	0,00	20.400,00	20.400,00	0,00	0,00
0,00	396.822,99	104.572,01	104.572,01	0,00	79,14
0,00	0,00	8.000,00	8.000,00	0,00	0,00
0,00	0,00	1.772,00	1.772,00	0,00	0,00
0,00	0,00	81.600,00	81.600,00	0,00	0,00
0,00	18.125,15	487.254,85	487.254,85	0,00	3,59
0,00	0,00	1.000,00	1.000,00	0,00	0,00
0,00	208.605,05	185.040,95	185.040,95	0,00	53,00
0,00	0,00	100,00	100,00	0,00	0,00
0,00	93.131,67	54.390,33	54.390,33	0,00	63,13
0,00	21.224,51	22.210,49	22.210,49	0,00	48,86
0,00	0,00	1.750,00	1.750,00	0,00	0,00
0,00	44.022,11	43.238,89	43.238,89	0,00	50,45
0,00	0,00	5.500,00	5.500,00	0,00	0,00
0,00	219.158,30	53.502,70	53.502,70	0,00	80,38
0,00	0,00	17.000,00	17.000,00	0,00	0,00

Economic Classification		Corrected appropriations	Captive or frozen	Commitments Already Taken Up	Paid expenses
Code	Description				For the year
(1)	(2)	(3)	(4)	(5)	(6)
01. 01. 15. 00. 00	Remunerations due to Illness and Mat./Pat.	1,000.00	0,00	0.00	0.00
01. 02. 02. 00. 00	Overtime	50,183.00	0,00	25,562.02	25,562.02
01. 02. 04. 00. 00	Subsistence Allowance	33,000.00	0,00	17,180.31	16,436.50
01. 02. 05. 00. 00	Subsidy for Absences	1,000.00	0,00	805.37	805.37
01. 02. 12. 00. 00	Severance Payment	1,000.00	0,00	0.00	0.00
01. 02. 13. A0. 00	Other Supplements	100.00	0,00	0.00	0.00
01. 02. 13. PD. 00	Performance Bonuses	11,454.00	0,00	0.00	0.00
01. 02. 14. 00. 00	Other Subsidies in Cash or in Kind	3,000.00	0,00	1,286.20	1,286.20
01. 03. 03. 00. 00	Family, Children and Youth Subsidy	3,690.00	0,00	2,536.03	2,536.03
01. 03. 04. 00. 00	Other family benefits	1,000.00	0,00	0.00	0.00
01. 03. 05. A0. A0	Caixa geral de aposentações (Retirement)	58,769.00	0,00	49,102.28	49,102.28
01. 03. 05. A0. B0	Social Security	343,252.00	0,00	137,262.39	137,262.39
01. 03. 05. A0. C0	Social Security	7,444.00	0,00	7,343.30	7,343.30
01. 03. 06. 00. 00	Others	2,000.00	0,00	0.00	0.00
01. 03. 08. 00. 00	Work Accidents and Professional Diseases	500.00	0,00	0.00	0.00
01. 03. 09. 00. 00	Other Pensions	10,000.00	0,00	0.00	0.00
01. 03. 10. 00. 00	Insurances	500.00	0,00	0.00	0.00
02. 01. 02. 00. 00	Fuel and Lubricants	15,712.00	0,00	14,115.64	13,233.26
02. 01. 04. 00. 00	Cleaning and Hygiene	2,064.00	0,00	1,261.95	1,261.95
02. 01. 08. 00. 00	Office supplies	53,466.00	0,00	52,867.13	33,848.67

Paid expenses		Difference			Budgetary level of execution for expenses (12)=(8)/(3)x100
Budgetary level of execution for expenses	Total	Non-committed Appropriations	Balance	Outstanding Commitments	
(7)	(8)=(6)+(7)	(9)=(3)-(4)-(5)	(10)=(3)-(4)-(8)	(11)=(5)-(8)	
0,00	0.00	1,000.00	1,000.00	0.00	0.00
0,00	25,562.02	24,620.98	24,620.98	0.00	50.94
0,00	16,436.50	15,819.69	16,563.50	743.81	49.81
0,00	805.37	194.63	194.63	0.00	80.54
0,00	0.00	1,000.00	1,000.00	0.00	0.00
0,00	0.00	100.00	100.00	0.00	0.00
0,00	0.00	11,454.00	11,454.00	0.00	0.00
0,00	1,286.20	1,713.80	1,713.80	0.00	42.87
0,00	2,536.03	1,153.97	1,153.97	0.00	68.73
0,00	0.00	1,000.00	1,000.00	0.00	0.00
0,00	49,102.28	9,666.72	9,666.72	0.00	83.55
0,00	137,262.39	205,989.61	205,989.61	0.00	39.99
0,00	7,343.30	100.70	100.70	0.00	98.65
0,00	0.00	2,000.00	2,000.00	0.00	0.00
0,00	0.00	500.00	500.00	0.00	0.00
0,00	0.00	10,000.00	10,000.00	0.00	0.00
0,00	0.00	500.00	500.00	0.00	0.00
0,00	13,233.26	1,596.36	2,478.74	882.38	84.22
0,00	1,261.95	802.05	802.05	0.00	61.14
0,00	33,848.67	598.87	19,617.33	19,018.46	63.31

Economic Classification		Corrected appropriations	Captive or frozen	Commitments Already Taken Up	Paid expenses
Code	Description				For the year
(1)	(2)	(3)	(4)	(5)	(6)
02. 01. 14. 00. 00	Other Material- Parts	0.00	0,00	0.00	0.00
02. 01. 15. 00. 00	Awards, Decorations and Gifts	175.00	0,00	175.00	175.00
02. 01. 17. 00. 00	Tools and Utensils	2,191.00	0,00	1,654.17	1,654.17
02. 01. 18. 00. 00	Technical Books and Documents	544.00	0,00	251.02	251.02
02. 01. 19. 00. 00	Honorary and Decoration Items	0.00	0,00	0.00	0.00
02. 01. 21. 00. 00	Other Goods	741.00	0,00	438.45	438.45
02. 02. 01. 00. 00	Facility Expenses	104,768.00	0,00	91,074.09	81,458.18
02. 02. 02. 00. 00	Cleaning and Hygiene	11,179.00	0,00	11,178.98	11,178.98
02. 02. 03. A0. 00	Buildings	9,933.00	0,00	8,961.57	5,449.87
02. 02. 03. B0. 00	Others	3,886.00	0,00	3,825.38	3,825.38
02. 02. 04. 00. 00	Building lease	278,033.00	0,00	278,032.45	278,032.45
02. 02. 06. 00. 00	Lease for Transportation Material	58,713.00	0,00	57,421.56	55,574.89
02. 02. 08. 00. 00	Lease for other goods	28,140.00	0,00	20,785.96	20,785.96
02. 02. 09. A0. 00	Fixed Data Communications	2,648.00	0,00	2,647.20	2,647.20
02. 02. 09. B0. 00	Fixed Voice Communications	0.00	0,00	0.00	0.00
02. 02. 09. C0. 00	Mobile Communications	33,900.00	0,00	33,184.53	33,184.53
02. 02. 09. D0. 00	Other Communications Related Services	26,674.00	0,00	26,673.13	26,022.73
02. 02. 09. E0. 00	Communications - Other Services	387.00	0,00	386.32	344.82
02. 02. 09. F0. 00	Communications - Other Services	0.00	0,00	0.00	0.00
02. 02. 09. F0. 01	Other communication services - Current Postal services	5,000.00	0,00	5,000.00	4,793.51

Paid expenses		Difference			Budgetary level of execution for expenses (12)=(8)/(3)x100
Budgetary level of execution for expenses	Total	Non-committed Appropriations	Balance	Outstanding Commitments	
(7)	(8)=(6)+(7)	(9)=(3)-(4)-(5)	(10)=(3)-(4)-(8)	(11)=(5)-(8)	
0,00	0.00	0.00	0.00	0.00	0.00
0,00	175.00	0.00	0.00	0.00	100.00
0,00	1,654.17	536.83	536.83	0.00	75.50
0,00	251.02	292.98	292.98	0.00	46.14
0,00	0.00	0.00	0.00	0.00	0.00
0,00	438.45	302.55	302.55	0.00	59.17
0,00	81,458.18	13,693.91	23,309.82	9,615.91	77.75
0,00	11,178.98	0.02	0.02	0.00	100.00
0,00	5,449.87	971.43	4,483.13	3,511.70	54.87
0,00	3,825.38	60.62	60.62	0.00	98.44
0,00	278,032.45	0.55	0.55	0.00	100.00
0,00	55,574.89	1,291.44	3,138.11	1,846.67	94.66
0,00	20,785.96	7,354.04	7,354.04	0.00	73.87
0,00	2,647.20	0.80	0.80	0.00	99.97
0,00	0.00	0.00	0.00	0.00	0.00
0,00	33,184.53	715.47	715.47	0.00	97.89
0,00	26,022.73	0.87	651.27	650.40	97.56
0,00	344.82	0.68	42.18	41.50	89.10
0,00	0.00	0.00	0.00	0.00	0.00
0,00	4,793.51	0.00	206.49	206.49	0.00

Economic Classification		Corrected appropriations	Captive or frozen	Commitments Already Taken Up	Paid expenses
Code	Description				For the year
(1)	(2)	(3)	(4)	(5)	(6)
02. 02. 10. 00. 00	Transportation	8,325.00	0.00	6,150.14	5,902.14
02. 02. 11. 00. 00	Service Representation	12,108.00	0.00	8,502.99	8,142.99
02. 02. 12. 00. 00	Insurances	478.00	0.00	477.15	0.00
02. 02. 13. 00. 00	Travelling and Accommodation	72,242.00	7,200.00	48,397.14	45,861.53
02. 02. 14. 00. 00	Studies, Partnerships, Projects and Consultancy	1,210,613.00	41,600.00	1,033,187.82	989,411.98
02. 02. 15. 00. 00	Training	13,406.00	0.00	13,405.50	10,505.50
02. 02. 16. 00. 00	Seminars, Exhibitions and Related Events	0.00	0.00	0.00	0.00
02. 02. 17. 00. 00	Advertising	8,044.00	0.00	7,983.41	7,347.81
02. 02. 18. 00. 00	Surveillance and Security	1,984.00	0.00	1,965.42	1,735.02
02. 02. 19. 00. 00	Technical Assistance	18,614.00	0.00	18,313.29	6,613.40
02. 02. 20. A0. 00	Other Specialised Jobs	1,494,806.00	162,000.00	1,284,868.94	1,224,842.62
02. 02. 20. B0. 01	IT Operator	240,000.00	240,000.00	0.00	0.00
02. 02. 20. B0. 02	Logistic Operator	90,552.00	90,552.00	0.00	0.00
02. 02. 24. A0. 00	Administrative-Offences Acts-CTT [Post Office]	1,472,963.00	0.00	1,472,963.00	882,272.09
02. 02. 24. B0. 00	Administrative-Offences Acts - Logics	1,878,788.00	0.00	1,878,786.55	1,764,170.51
02. 02. 25. 00. 00	Other Services	60.00	60.00	0.00	0.00
03. 05. 02. 00. 00	Other Services	0.00	0.00	0.00	0.00
03. 06. 01. A0. 00	Others	55,350.00	0.00	55,340.00	55,340.00
03. 06. 01. B0. 00	Other financial expenses	0.00	0.00	0.00	0.00
04. 07. 01. 00. 00	Others	0.00	0.00	0.00	0.00

Paid expenses		Difference			Budgetary level of execution for expenses (12)=(8)/(3)x100
Budgetary level of execution for expenses	Total	Non-committed Appropriations	Balance	Outstanding Commitments	
(7)	(8)=(6)+(7)	(9)=(3)-(4)-(5)	(10)=(3)-(4)-(8)	(11)=(5)-(8)	
0,00	5,902.14	2,174.86	2,422.86	248.00	70.90
0,00	8,142.99	3,605.01	3,965.01	360.00	67.25
0,00	0.00	0.85	478.00	477.15	0.00
0,00	45,861.53	16,644.86	19,180.47	2,535.61	63.48
0,00	989,411.98	135,825.18	179,601.02	43,775.84	81.73
0,00	10,505.50	0.50	2,900.50	2,900.00	78.36
0,00	0.00	0.00	0.00	0.00	0.00
0,00	7,347.81	60.59	696.19	635.60	91.35
0,00	1,735.02	18.58	248.98	230.40	87.45
0,00	6,613.40	300.71	12,000.60	11,699.89	35.53
0,00	1,224,842.62	47,937.06	107,963.38	60,026.32	81.94
0,00	0.00	0.00	0.00	0.00	0.00
0,00	0.00	0.00	0.00	0.00	0.00
0,00	882,272.09	0.00	590,690.91	590,690.91	0.00
0,00	1,764,170.51	1.45	114,617.49	114,616.04	0.00
0,00	0.00	0.00	0.00	0.00	0.00
0,00	0.00	0.00	0.00	0.00	0.00
0,00	55,340.00	10.00	10.00	0.00	99.98
0,00	0.00	0.00	0.00	0.00	0.00
0,00	0.00	0.00	0.00	0.00	0.00

Economic Classification		Corrected appropriations	Captive or frozen	Commitments Already Taken Up	Paid expenses
Code	Description				For the year
(1)	(2)	(3)	(4)	(5)	(6)
04. 09. 01. 00. 00	Administrative-Offences	27,300.00	0.00	27,300.00	27,300.00
04. 09. 03. 00. 00	Non-profit Institutions	0.00	0.00	0.00	0.00
06. 02. 01. 00. 00	Rest of the World - E. U. - Institutions	306.00	0.00	305.64	305.64
06. 02. 03. A0. 00	Rest of the World - Third Countries and Int. Org.	0.00	0.00	0.00	0.00
06. 02. 03. R0. 00	Reserve	181,300.00	181,300.00	0.00	0.00
07. 01. 04. A0. 00	Central Administration - State	0.00	0.00	0.00	0.00
07. 01. 06. A0. 00	Central Administration - State	0.00	0.00	0.00	0.00
07. 01. 07. A0. A0	Central Administration - State	0.00	0.00	0.00	0.00
07. 01. 07. A0. B0	Central Administration - State	4,250.00	0.00	4,249.46	4,249.34
07. 01. 08. A0. A0	Investments	0.00	0.00	0.00	0.00
07. 01. 08. A0. B0	Communication Hardware	84,822.00	0.00	84,821.47	84,671.83
07. 01. 09. A0. A0	Others	0.00	0.00	0.00	0.00
07. 01. 09. A0. B0	Communication Software	35,271.00	0.00	35,270.58	35,270.58
07. 01. 10. A0. A0	Others	0.00	0.00	0.00	0.00
07. 01. 10. A0. B0	Communication Hardware	0.00	0.00	0.00	0.00
07. 01. 11. A0. 00	Central Administration - State	230.00	0.00	0.00	0.00
07. 01. 15. A0. 00	Central Administration - State	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>11.396.616,00</b>	<b>852.234,00</b>	<b>8.551.410,70</b>	<b>7.680.592,52</b>



Paid expenses		Difference			Budgetary level of execution for expenses (12)=(8)/(3)x100
Budgetary level of execution for expenses	Total	Non-committed Appropriations	Balance	Outstanding Commitments	
(7)	(8)=(6)+(7)	(9)=(3)-(4)-(5)	(10)=(3)-(4)-(8)	(11)=(5)-(8)	
0,00	27,300.00	0.00	0.00	0.00	100.00
0,00	0.00	0.00	0.00	0.00	0.00
0,00	305.64	0.36	0.36	0.00	99.88
0,00	0.00	0.00	0.00	0.00	0.00
0,00	0.00	0.00	0.00	0.00	0.00
0,00	0.00	0.00	0.00	0.00	0.00
0,00	0.00	0.00	0.00	0.00	0.00
0,00	0.00	0.00	0.00	0.00	0.00
0,00	4,249.34	0.54	0.66	0.12	99.98
0,00	0.00	0.00	0.00	0.00	0.00
0,00	84,671.83	0.53	150.17	149.64	99.82
0,00	0.00	0.00	0.00	0.00	0.00
0,00	35,270.58	0.42	0.42	0.00	100.00
0,00	0.00	0.00	0.00	0.00	0.00
0,00	0.00	0.00	0.00	0.00	0.00
0,00	0.00	230.00	230.00	0.00	0.00
0,00	0.00	0.00	0.00	0.00	0.00
<b>0,00</b>	<b>7.680.592,52</b>	<b>1.992.971,30</b>	<b>2.863.789,48</b>	<b>870.818,18</b>	<b>67,39</b>

Classificação económica		Corrected appropriations	Revenues still to be collected by the beginning of the year	Net Revenues	Cancelled payments
Code	Description				
(1)	(2)	(3)	(4)	(5)	(6)
04. 01. 99. 99. 11	Tariffs, Fines and Other penalties - TRIR	4.850.000,00	0,00	4.903.463,35	0,00
04. 02. 04. 99. 11	Fines and Other Penalties	2.400.000,00	0,00	237.425,91	0,00
04. 02. 99. 99. 11	Other Penalties	1.000,00	00,0	1.330,00	0,00
08. 01. 99. 99. 11.	Other Current Revenues	1.000,00	0,00	123.915,70	0,00
16. 01. 05. 01. 11	Prior Management Balance - in the possession of the Treasury - Consigned	4.144.616,00	0,00	4.144.616,00	0,00
	<b>Total</b>	<b>11.396.616,00</b>	<b>0,00</b>	<b>9.410.750,96</b>	<b>0,00</b>



Gross Collected Revenues	Reimbursements and returned amounts		Net Collected Revenues	Revenue to be collected by the end of the year	Budgetary level of execution for revenues
	Issued	Actually paid off			
(7)	(8)	(9)	(10)=(7)-(9)	(11)=(4)+(5)-(6)-(7)	(12)=(10)/(3)x100
4.903.463,35	0,00	0,00	4.903.463,35	0,00	1101,10
237.425,91	0,00	0,00	237.425,91	0,00	9,89
1.330,00	0,00	0,00	1.330,00	0,00	133,00
123.915,70	0,00	0,00	123.915,70	0,00	12.391,57
4.144.616,00	0,00	0,00	4.144.616,00	0,00	100,00
<b>9.410.750,96</b>	<b>0,00</b>	<b>0,00</b>	<b>9.410.750,96</b>	<b>0,00</b>	<b>82,57</b>

## 2.4 CASH FLOW STATEMENT

Code		Recivables	
Chap.	Group		
16	01	Balance from prior management	4.144.616
			-----
		Revenues	5.998.174
04	01	Own revenues	5.266.135
		Current	5.266.135
		Amounts withheld to be handed over to the State or other entities	732.040
		State Revenue	368.770
		Treasury operations	363.270
		Total	10.142.790
			-----

Payments		
	Expenses	7.677.396
		-----
	Budgetary expenses compensated by own revenues and with or without balance transition	7.677.396
	Current	7.553.204
	Capital	124.192
	Delivery to the Treasury in an own revenues account	732.040
	Deductions to remunerations and salaries:	
	State Revenues	365.240
	Treasury operations	363.270
	Amount given to State and other entities:	
	State revenues	3.530
	Treasury operations	
	Balance for next management	1.733.355
		-----
	Total	10.142.790
		-----

## 2.5 ATTACHMENTS TO THE 2009 BALANCE SHEET AND FINANCIAL STATEMENTS

Preliminary Note: The sub-numbering of this chapter complies with the Chart of Accounts for Public Accounting's own numbering.

### NOTES TO THE ACCOUNTS

Financial year ending on December 31<sup>st</sup>, 2009

#### 8.1 CHARACTERISATION OF THE INSTITUTION

##### 8.1.1 Identification

The Instituto de Infra-Estruturas Rodoviárias, I.P., a public institute with headquarters at Rua dos Lusíadas, n.º 9 – 4 frente, 1300-364 Lisbon, under NIPC no. 508 269 776 and NISS no. 20017985118, is under the supervision of the Ministry of Public Works and Communications, enjoying legal personality and administrative independence.

In 2008, InIR, I.P.'s accounts were prepared and presented in view of the Plano Oficial de Contabilidade Pública - POCP (Chart of Accounts for Public Accounting), approved by Decree-Law no. 232/97, of September 3<sup>rd</sup> and of the requirements applicable to entities administratively and financially autonomous. On a continuous basis, accounts from the 2009 financial year were also prepared and these follow the principles and rules of that legal act, therefore the provisions, organisation and presentation model of the accounts fall under an administrative and financial autonomy regime.

##### 8.1.2 Legislation

InIR, I.P. was created by Decree-Law no. 148/2007, of April 27<sup>th</sup>, with the amendments resulting from Decree-Law no. 132/2008, of July 21<sup>st</sup> and its by-laws were approved through Order no. 546/2007, of April 30<sup>th</sup>.

##### 8.1.3 Organisational structure

The institute's organisational chart is presented in the Report and Accounts, Chapter 1.3 - Organisational Structure.

##### 8.1.4 Brief description of the activity

The Institute's main mission is to inspect and supervise the management and operation of the road network, control compliance with laws and regulations and concession and sub-concession contracts in order to assure compliance with the National Roadway Plan and guarantee proper operation of infrastructures as well as user rights.

### 8.1.5 Human Resources

The Institute consists of an Executive Board and Level I and II Organisational Units for which the Senior and Intermediate Managers are respectively responsible, as indicated below:

#### **Executive Board (CD):**

Alberto Conde Moreno – President;  
João Manuel Sousa Marques – Vice-President;  
Maria do Rosário Delícias Ferreira Rocio – Member.

#### **Level I Organisational Units (UO I):**

##### **Office for Management Control and Information Systems (GCGSI)**

Adelaide Feliciano C. Rodrigues Costa – Director;

##### **Legal Office (GJR)**

Luís Eugénio de Lemos da Cunha Matos – Head;

##### **Regulation and Concession Directorate (DRC)**

Rui Jorge Barreto das Neves Soares – Director;

##### **Planning Directorate (DPL)**

Carlos Jorge Reis Leitão – Director;

##### **Safety and Quality Directorate (DSQ)**

Eduardo Manuel Bentubo Guimarães – Director;

##### **Administrative, Financial and Human Resources Directorate (DAFRH)**

Paulo Alexandre Frade Jara – Director.

#### **Level II Organisational Units (UO II):**

##### **Analysis and Regulation Department (DAR)**

Ana Maria Osório de Faria Burnier – Head of Department;

##### **Concession Contract Management Department (DGCC)**

João Manuel Moura Machado – Head of Department;

##### **Road Safety Department (DSR)**

Jorge Manuel César Freire – Head of Department;

##### **Technical Normalisation Department (DNT)**

Pedro Miguel Rosado Barradas – Head of Department;

##### **Communication and International Affairs Department (DCRE)**

Maria Fortunata Pedreira Direitinho Rico S. Dourado – Head of Department.

On December 31st 2009 staff was divided as follows, table I and II:

**Table I – Global per contract bond**

Categories	2009	2008
Executive Board (CD)	3	3
Staff		
Civil Servants		19
Individual Employment Contract		16
Public Service Employment Contract	40	

**Table II – Per organisational units**

Org. Unit (UO)	2009							2009	2008
	Senior Manag.	Interm. manag. UO I	Managment UO II	Senior Tech.	IT Esp.	Inf. Tech.	Tech. Assist.		
CD	3							3	3
CD Support				1			1	2	2
GCGSI		1		1	3	1		6	5
GJR		1		2			1	4	4
DRC		1					2	3	3
DAR			1	1				2	3
DGCC			1	3				4	3
DPL		1		4			1	6	4
DSQ		1					1	2	2
DSR			1	2				3	3
DNT			1					1	1
DAFRH		1		1			2	4	1
DCRE			1	2				3	3
<b>Total</b>	<b>3</b>	<b>6</b>	<b>5</b>	<b>17</b>	<b>3</b>	<b>1</b>	<b>8</b>	<b>43</b>	<b>38</b>

The situation of staff working for InIR, I.P., is described in detail in the Management Report, Chapter 1.8 - Human Resources.

#### 8.1.6 Accounting Organisation

The Institute's accounting is based on the provisions of the legal act which approved the POCP.

All information is recorded in the application made available by the consulting company Gesbanha, S.A., regarding accrual accounting, and in the Sistema de Informação Contabilística - SIC (Accounting Information System) in what regards budgetary accounting.

The Institute's structure does not have decentralised services. Financial Statements are issued on a monthly basis, according to that which has been defined in the internal accounting report.

The 2008 accounts were prepared and structured according to POCP standards and certified by a Statutory Auditor, and authorisation was granted for absolute transition and application of the management balance from 2009.

## 8.2 NOTES TO THE BALANCE AND FINANCIAL STATEMENT

### 8.2.1 EXEMPTIONS TO THE POCP

In all material aspects, the financial year's financial statements were prepared in compliance with POCP provisions.

The accounting notes respect the order established by the legislation referred to and the numbers that are not indicated in this attachment are not applicable or deemed irrelevant.

### 8.2.2 Comparability with the previous financial year

The accounts of the financial statements from the 2009 financial year are directly comparable with those presented in 2008, except in what regards administrative offences.

Considering that in 2008 the operator (Lógica), on the date of closure of the financial year, did not have data confirming all existing processes, its dimension and value, InIR only considered profit obtained and charged as profit for the financial year. In fact, processing of administrative offences related to the non-payment of tolls was only initiated in the second semester of 2008 and therefore the operator faced several limitations throughout the year that compelled InIR to take on a very cautious stance but the only position possible for that purpose.

Since all administrative offences submitted by concessionaires in 2009 were processed and based on the right attributed to InIR (Law no. 25/2006, of June 30th in wording published by Decree-Law no. 113/2009, of May 18th) in what regards distribution, the profit attributed to the financial year took into account a pondered evaluation of amounts effectively due in the scope of distribution both of collections already completed and those that will be processed in due time, while keeping the universe of processed fines in mind.



### 8.2.3 Political principles and accounting and volumetric criteria

The year's financial statements were prepared according to POCP principles, under a historic costs convention, and based on the continuity of operations, in compliance with fundamental prudence, consistency and materiality principles and on an accrual basis.

#### a) Tangible fixed assets

Tangible fixed assets are accounted at acquisition cost with net accumulated depreciation. Depreciation is calculated based on an allocation method, under a twelfth parts regime, according to maximum fiscally permitted rates, according to the provisions of Order no. 671/2000, of April 17th in order to depreciate assets during their estimated useful life.

Assets funded by PIDDAC in 2007 and 2008 are being depreciated on the same basis and at the same rates as InLR's remaining tangible fixed assets and the respective cost compensated in profit and extraordinary income, by the depreciation of contributions registered in the item Accruals and Deferrals – Subsidies for Investments.

#### b) Intangible fixed assets

Intangible fixed assets consist essentially of research and development expenses and are accounted at acquisition cost.

Depreciations are calculated for a 3-year period.

#### c) Services supplied

They correspond to profit generated by the Taxa de Regulação das Infra-Estruturas Rodoviárias - TRIR (Roadway Infra-structure Regulation Fee), according to Decree-Law no. 43/2008, of March 10th, as well as 20% of the total amount generated from fines imposed by InLR, I.P. according to article 17 of Decree-Law no. 25/2006, of June 30th, conjointly with the application of Law no. 67-A/2007, of December 31st and by Decree-Law no. 113/2009, of May 18th. It is important to highlight that the alterations introduced by Decree-Law no. 113/2009, of May 18th, and the conclusion of the protocol with Estradas de Portugal, S.A., define that InLR is granted 40% of the product from the distribution of revenue for fines collected during the period prior to May 18th 2009 and all collections made after May 18th and as defined in no. 2 of article 17 of the law grants InLR 25% of the revenue, plus 20% since it is the collection body.

In the year 2009 there was also revenue from organising the cycle of conferences and from the issuance of authorisation securities under the terms of no. 3 of article 3 of sub-clause e) of Decree-Law no. 148/2007, dated April 27th, amended by Decree-Law no. 132/2008, of July 21st, from the National Roads Act approved by Law no. 2037, of August 19th 1949, of Decree-Law no. 13/71, dated January 23rd, and DL no. 13/94, dated January 15th.

#### d) Income tax and value added tax

As laid down by the appropriate legislation, together with the provisions of the IRC Code, the Institute is exempt from IRC and VAT.

#### e) Deferred charges and costs accruals

In *Deferred Charges*, there is a record of amounts spent in 2009 regarding the financial year of 2010.

In *Cost Accruals*, there is a record of salary amounts to be settled regarding holidays and holiday subsidies as well as other costs incurred during the financial year of 2009.

#### f) Operational gains

This item represents the amounts received from PIDDAC from 2007 and 2008 allocated to investment financing that will be depreciated at the same rates as financed assets.

#### g) Income gains

According to the Offence Case Report regarding the 4th trimester of 2009 that assumed a system collection success rate of around 10%, as well as alterations introduced to revenue distribution, as a result of the provisions set forth in 8.2.2 of the present document, there was a profit of 3.634.373 Euros from the enforcement of a revenue distribution criteria of fines that foresees 20% for InIR in cases registered until May 18th 2009, plus another 20% from the conclusion of the protocol with the Estradas de Portugal, S.A., in which the latter agreed to reverse its right to the revenue from SGACO, as a result of the enforcement of Law no. 25/2006, of June 30th, in the Institute's favour.

Regarding cases registered in the system after May 18th 2009, a distribution rate of 25% for InIR was determined, plus 20% for the body that proceeds with the collection, which, in this case, is the Institute as well.

Legal costs incurred were also considered, which constitute InIR's revenue entirely. Therefore, the following table discriminates recognised income gains:

	Fines until May 18 <sup>th</sup>	Fines after May 18 <sup>th</sup>	Total fines	Costs	Total
Cases to be collected	50.497.951	30.431.803	80.929.754	2.450.243	92.311.917
InIR Revenue	20.199.181	13.694.311	33.893.492	2.450.243	36.343.735
Collection foreseen (10%)	2.019.918	1.369.431	3.389.349	245.024	3.634.373

### 8.2.6 Research and Development Expenses

In account 432 there is a record of transactions regarding expenses during the year 2007 including the definition and implementation of a business architecture.

### 8.2.7 Tangible and Intangible Assets And Work In Progress

Transactions during the period were as follows:

#### Gross Assets

Items	Initial balance	Increases	Transfers and Write downs	Final balance
<b>Intangible fixed assets:</b>				
Installation expenses	30.250	0	0	30.250
Research and development expenses	<b>30.250</b>	<b>0</b>	<b>0</b>	<b>30.250</b>
<b>Tangible fixed assets:</b>				
Basic equipment			25.553	
Administrative equipment	959.857	122.733		1.108.143
Other tangible fixed assets				
Fixed assets under Construction	25.553	90.000	(25.553)	90.000
	<b>985.410</b>	<b>212.733</b>	<b>0</b>	<b>1.198.143</b>

#### Depreciations and Adjustments

Items	Initial balance	Increases	Transfers and Write downs	Final balance
<b>Intangible fixed assets:</b>				
Installation expenses				
Research and development expenses	10.924	10.083	0	21.007
	<b>10.924</b>	<b>10.083</b>	<b>0</b>	<b>21.007</b>
<b>Tangible fixed assets:</b>				
Basic equipment	85.105	258.057	0	343.162
Administrative equipment				
Other tangible fixed assets	<b>85.105</b>	<b>258.057</b>	<b>0</b>	<b>343.162</b>

#### 8.2.8 Reintegration and depreciation map (see note 8.2.3. A)

A map was created discriminating depreciation transactions, attached to the closure of accounts file for 2009.

#### 8.2.7 Tangible fixed assets and under construction

All assets are related to normal InR activity and are located at the institute's facilities.

#### 8.2.29 Guarantees provided

InR, IP did not provide nor had any active guarantees in 2009.

#### 8.2.31 Accumulated provisions

Accounts	Initial balance	Increases	Decreases	Final balance
<b>Provisions</b>				
Arbitration Court	0	55.298	0	55.298
<b>Total</b>	<b>0</b>	<b>55.298</b>	<b>0</b>	<b>55.298</b>

A provision of 55,298 Euros was constituted, following payment of a security to the International Arbitration Court, regarding a lawsuit that is underway filed by Lusoponte against the Portuguese State.

#### 8.2.32 Own funds and liabilities

The assets account's final balance of 673,400 Euros corresponds to the transfer of the State Budget in 2007 according to sub-clause c) of no. 2 of Order no. 26426/2007, dated November 19th, which, in the scope of the extinction process of the Direcção-Geral de Viação - DGV (General Directorate of Traffic), distributed that institution's prior management balances, a part of which was allocated to MOPTC which shall be assigned to the Ministry's services for restructuring purposes.

## a) Own Funds Transactions

Transactions to own fund items were as follows:

Accounts	Initial balance	Transactions		Final balance
		Increases	Decreases	
Assets	673.400	0	0	673.400
Carried-over Results	-100.686	2.929.883	0	2.829.197
Financial year Net Result	2.929.883	1.686.044	2.929.883	1.686.044
<b>Total</b>	<b>3.502.597</b>	<b>4.615.928</b>	<b>2.929.883</b>	<b>5.188.642</b>

## NOTES:

The amount of 2,929,883 Euros, corresponding to the net result for the year 2008, was carried over to 2009.

## 8.2.35 Sales and provision of services per activity and per merchandise:

Account	Provision of services	Financial years	
		2009	2008
7241	Road infra-structure Regulation Taxes	5.042.976	4.936.438
7242	Emission and Licensing Taxes	164.649	201
7243	Offences	4.227.678	70.274
		<b>9.435.304</b>	<b>5.006.913</b>

## NOTES:

The Institute's revenue is broken down as follows:

7241 – Road Infra-structure Regulation Fee as per Decree-Law no. 43/2008, of March 10th;

7242 – Licensing Emission Taxes as per Decree-Law no. 105/98, of April 24th;

72431 – Administrative Offences as per Law no. 25/2006, of June 30th, with the alterations introduced by Law no. 67-A/2007, of December 31st and by Decree-Law no. 113/2009, of May 18th. In what regards this revenue, it is important to point out that the 354,549 Euros that were not registered in 2009 and that were not reflected in the management balance carried over to 2010, were intended to settle the amount of 349,267 Euros registered in excess in the budgetary accounts of 2008 that corrected the transaction that led to the reserve in the certification of accounts of the referred financial year. Therefore, 5,282 Euros shall be registered in the financial year of 2010.

8.2.37 Income statement

Account	Costs and losses	Financial years	
		2009	2008
681	Interest payable	8.461	0
688	Other Financial Costs and Losses	7.560	2.214
		16.021	2.214
<b>Financial results</b>		<b>-16.021</b>	<b>-2.214</b>

Account	Profit and gains	Financial years	
		2009	2008
788	Other Financial Profit and Gains	3	3
		<b>3</b>	<b>3</b>

NOTES:

The financial costs incurred are, for the most part, from commissions charged by the CTT and by SIBs.



## 8.2.38 Income statement on extraordinary profits

Account	Costs and losses	Financial years	
		2009	2008
695	Fines and Penalties	250	
697	Corrections regarding previous financial years	167.422	
698	Other Financial Costs and Losses	49	40
		167.721	40
<b>Extraordinary profits</b>		<b>17.311</b>	<b>45.268</b>

Account	Profit and gains	Financial years	
		2009	2008
797	Corrections regarding previous financial years	106.038	
798	Other Financial Profit and Gains	78.993	45.308
		<b>185.031</b>	<b>45.308</b>

## NOTES:

The extraordinary costs and losses in 2009 were due to costs carried over from 2008 and from a correction of profit from TRIR in 2008.

The amount accounted in account 697 – *Corrections regarding previous years*, concerns an adjustment to TRIR received in 2008, comprised of three distinct amounts: the amount charged to Brisal for 53,328 Euros due to an error in the calculation of the TMDA and 67,956, concerning an adjustment made in the first trimester to Brisal due TRIR charged in 2008. There are also 46,137 Euros regarding costs that were not recognised in 2008.

The amount in account 798 (79832) – *Transfer of the PIDDAC*, concerns the payment of funds registered in account 2745.

### 8.2.39 Other information deemed relevant for a more comprehensive understanding of the financial position and results

#### a) Supplies and external services

Supplies and external services		2009	2008
62.2.11	Electricity	22.811	6.475
62.2.12	Fuels	14.388	10.020
62.2.13	Water	2.184	919
62.2.15	Tools and utensils	1.253	4.821
62.2.16	Technical Books and Documentation	1.462	1.803
62.2.17	Office Supplies	38.193	19.075
62.2.18	Gifts	872	8.826
62.2.19	Hire and Rentals	356.055	190.812
62.2.21	Representation Expenses	8.310	5.251
62.2.22	Communication	1.177.976	294.026
62.2.23	Insurances	510	0
62.2.27	Trips and Accommodation	54.721	33.386
62.2.29	Fees	16.331	34.102
62.2.31	Litigation and Notary Expenses	56	814
62.2.32	Conservation and Repair	2.844	19.575
62.2.33	Advertisement and Propaganda	5.699	36.616
62.2.34	Cleaning, Hygiene and Comfort	11.756	7.997
62.2.35	Surveillance and Security	1.171	4.498
62.2.36	Specialised Works	3.665.743	1.815.329
62.2.98	Other supplies and services	35.853	4.392
<b>Total</b>		<b>5.418.188</b>	<b>2.498.738</b>

#### NOTES:

This account showed a significant difference in costs incurred when compared to the 2008 financial year, from 1,815,329 Euros in 2008 to 3,665,743 Euros in 2009, due to the institute's activity with the allocation of new studies, consultancy services and operations related to the Offence Acts Management System - SGACO as well as other specialised works.

With regard to this account, it is also important to note that major additional costs were verified in amounts registered in sub-account 622221 – Post Office for 1,123,041 Euros, whereas in December of 2008 the amount was 294,026 Euros. This fact was motivated by a considerable increase in the costs related to the operation of the SGACO.



**b) Costs with staff**

Costs with staff		2009	2008
64.1	Salaries of Social Bodies	274.131	255.019
64.2	Wages and Salaries	1.505.835	1.098.650
64.5	Charges upon Salaries	196.355	96.223
64.8	Other costs with staff	14.544	4.000
<b>Total</b>		<b>1.990.865</b>	<b>1.453.892</b>

In 2009 there was also an increase in costs with staff, from 1,453,892 Euros in the previous financial year to 1,990,865 Euros in the present year, due to the recruitment of new workers which led to an increase in the number of regular and permanent salaries and, consequently, in salary-related charges.

**c) Different debtors and creditors**

Different debtors		2009	2008
International Arbitration Court	International Chamber of Commerce	55.298	0
Contract sealing		5	0
<b>Total</b>		<b>55.303</b>	<b>0</b>

Different creditors		2009	2008
EasyWay Community Funds		936.117	
Brisal – Surplus payment	Brisal – Pag. TRIR 2008 surplus	24.873	
<b>Administrative Offences</b>			
State		638.804	140.547
Estradas de Portugal		0	70.274
Concessionaires		176.380	100.860
Non-filed cases *		613.213	107.071
<b>Total - Administrative offences</b>		<b>1.428.397</b>	<b>418.751</b>
<b>Total - Different creditors</b>		<b>2.389.387</b>	<b>0</b>

\*Ongoing cases with a not-yet-determined collection beneficiary.

The balance of this account includes 1,428,397 Euros that correspond to the part of the product on offences applied by InIR, according to the SGACO 2010/03/03 report, amount that was allocated to the parties as identified in the previous table.

In 2009 there was a reversal of the profit from the Offence Acts Management System (SGACO) to be handed over to Estradas de Portugal, S.A. regarding 2008 and 2009, through the signing of a protocol between this company and InIR that produced effects on January 1st 2008.

The remaining funds concern "Easy-Way Project" community funds to be distributed to the concessionaires according to applications submitted and surplus regarding the TRIR amount paid by the concessionaire BRISAL – Litoral Centro in 2008, since the TMDA was lower than the one charged.

#### d) Treasury accounts

InIR, I.P.'s balance in the Treasury's account is of 4,177,804 Euros. This global balance is divided into the following partial balances: 1,495,748 Euros regarding revenue collected through the SGACO, 936,117 Euros regarding Community Funds related with the Easy-Way project in which the Institute is the national managing body, 12,584 from contributions to be handed over to the Caixa Geral de Aposentações regarding the month of December and 1,733,355 Euros corresponding to the balance observed at the end of the financial year of 2009.

#### e) Clients, taxpayers and users

At the end of the 2009 financial year this account had a debit balance of 54,974 Euros, regarding Authorisation securities issued and enrolments in the Cycle of Conferences.

#### f) Transfers and current subsidies obtained

There was a significant decrease from 1,952,833 Euros in 2008 to 3,196 Euros in 2009 in this account due to the fact that the State Budget (Operation and PIDDAC) was transferred in the previous year and, in 2009, the Institute's activity was not granted this type of financing. The amount registered in 2009 results exclusively from restitutions deducted from payments.

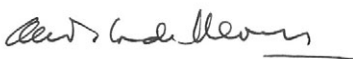
### 8.3.1 Budgetary Changes

As for budgetary changes, there was a special credit of 4,144,615 Euros from the integration of the 2008 management balance in the 2009 budget. Transactions from the different changes are evidenced in proper maps found in attachment I.

### 8.3.3 Public Contracts

Attachment II indicates all contracts granted during the financial year or in previous years and which registered financial transactions in the economic year of 2009, according to the model sent to the Court of Auditors.

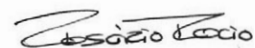
The Executive Board



**Alberto Conde Moreno**  
President, InIR IP



**João Sousa Marques**  
Vice-President, InIR IP



**Rosário Rocio**  
Member, InIR IP

# STATUTORY AUDITOR REPORT

# 03



## Statutory Auditor Report and Opinion

Dear Sirs,

1 In accordance with the law and with the mandate granted to us, we hereby submit the report on the inspection activities we performed, and hereby issue our opinion on the Management Report and Financial Statements submitted by the Executive Board of **InIR - Instituto de Infra-Estruturas Rodoviárias, LP** regarding the financial year ended on the 31<sup>st</sup> December 2009.

2 During the financial year we accompanied the Institute's activity with the frequency and for the length of time we deemed appropriate. We verified bookkeeping regularity and respective documentation. We also monitored compliance with the law and by-laws.

3 As a result of the legal revision work we carried out, we issued the respective Legal Certification of Accounts, found in attachment.

4 Within the scope of our attributions, we verified that:

- i) the Balance Sheet, the Financial Statements and the Budgetary Execution Maps, plus the corresponding Attachment, provide a comprehensive understanding of the Institute's financial situation, as a result of its operations and the budgetary execution report;
- ii) the adopted accounting policies and evaluation criteria are appropriate;
- iii) the Management Report provides sufficient information on the evolution of the entity's activity and situation, thus highlighting the most significant aspects.

**InIR - Instituto de Infra-Estruturas Rodoviárias, I.P.**

5 Therefore, taking into account the information received from the Executive Board and from the different Services, plus the conclusions stated in the Legal Certification of Accounts, we have decided:

- i) to approve the Management Report;
- ii) to approve the Financial Statements.

Maia, July 5<sup>th</sup> 2010

The Statutory Auditor

Esteves, Pinho & Associados, SROC, Lda

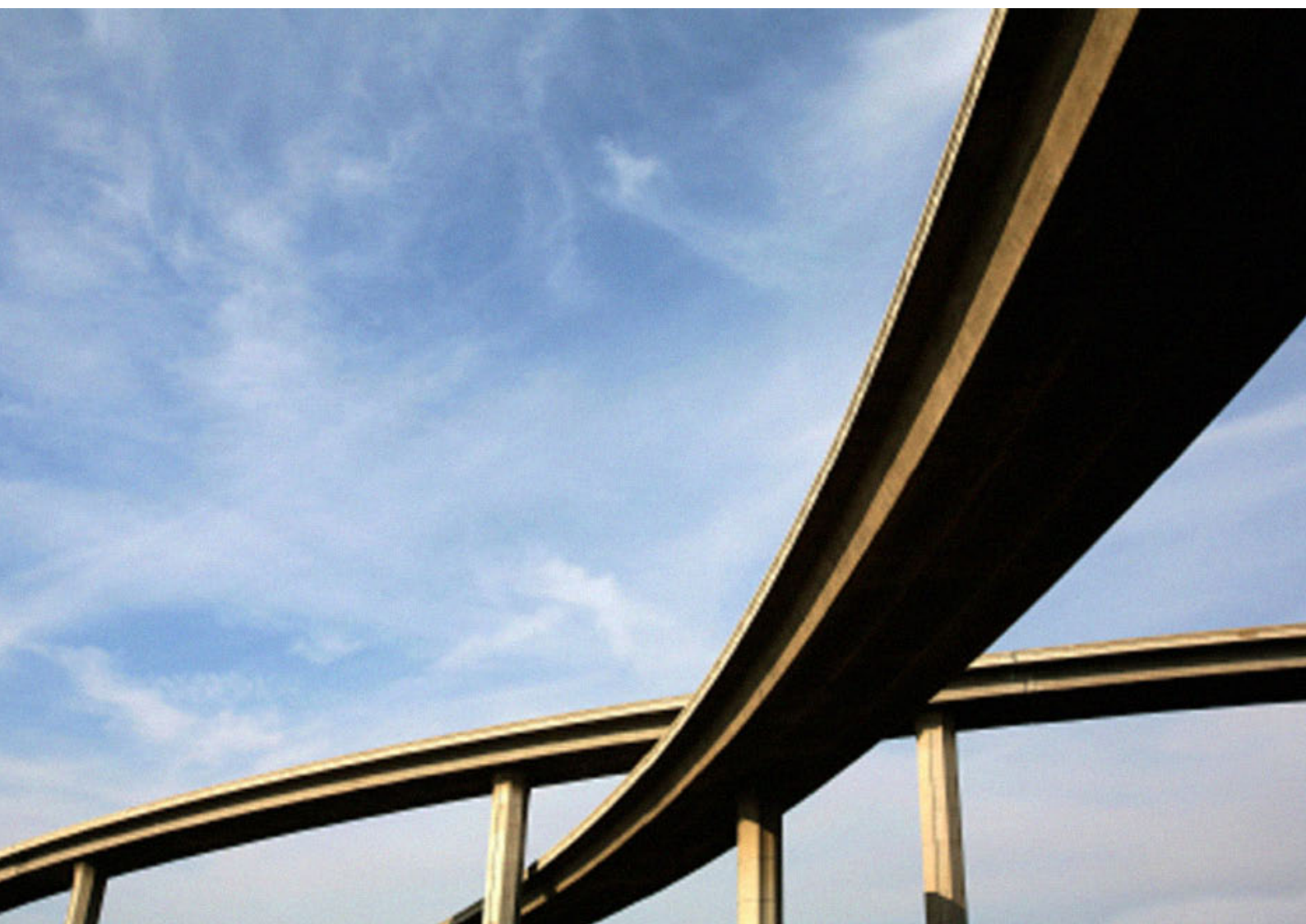
Herein represented by:



Rui Manuel Correia de Pinho, ROC [Chartered Accountant]

LEGAL  
CERTIFICATION  
OF ACCOUNTS

04



## Statutory Auditor's Report

(Free Translation from the original in Portuguese)

### Introduction

1 We have examined the financial statements of **InIR - Instituto de Infra-Estruturas Rodoviárias, I.P.**, which comprise the Balance Sheet as at December 31, 2009 (which shows a total assets of 8.886.046 euros and a total equity of 5.188.642 euros, including a net income of 1.686.044 euros), the statement of income by nature and the statement of budget execution (which shows a total expenditure of 7.680.593 euros and a total revenue of 9.410.751 euros, including the balance from the previous year of 4.144.616 euros) for the year then ended and the corresponding notes to the financial statements.

### Responsibilities

2 It is the responsibility of the Board of Directors to prepare financial statements which present fairly, in all material respects, the financial position of the Institute, the results of its operations and the statement of budget execution, as well as to adopt appropriate accounting and budgeting policies and to maintain an adequate system of internal accounting controls.

3 Our responsibility is to express an independent and professional opinion on these financial statements based on our examination.

### Scope

4 We conducted our examination in accordance with the Standards and Technical Recommendations approved by the Institute of Statutory Auditors, which require that we plan and perform the examination to obtain reasonable assurance about whether the financial statements are free of material misstatement. Accordingly, our examination included: (i) verification, on a test basis, the evidence supporting of the amounts and disclosures included in the financial statements, and assessing the reasonableness of the estimates based on methods and criteria defined by the Board of Directors, used in the preparation of the financial statements; (ii) verification, on a test basis, the legal conformity and the financial regularity of its operations; (iii) an assessment, as to whether the accounting policies and the disclosures adopted are appropriate, given the circumstances; and (iv) overall assessment as to whether the presentation of the financial statements is appropriate.

5 Our examination also covered the verification that the financial information included in the management report is in agreement with the financial statements.

6 We believe that our examination provides a reasonable basis for our opinion.

### Opinion

**InIR - Instituto de Infra-Estruturas Rodoviárias, I.P.**

7 In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of **InIR – Instituto de Infra-Estruturas Rodoviárias, I.P.** as at December 31, 2009 and the results of its operations and budget execution for the year then ended, in conformity with generally accepted public accounting principles in Portugal.

**Emphasis**

8 Notwithstanding the opinion expressed in the previous paragraph, we call attention to the following facts:

8.1 As mentioned in Notes 8.2.2 and 8.2.3 point g) from the Annex to the financial statements, the criterion for the accounting of infraction processes has changed. Thus, the estimated accrual of the Institute relating to existing infraction processes as at 31 December 2009 amounts to 3.634.373 euros. This amount was based on the report of infraction processes, received in final of April, assuming a success rate of recovery of 10%, as well as changes to the distribution of income mentioned in those Notes. The materialization of this accrual will depend on policy and strategic decisions, as well as the organization and operation of an internal control system to this area by the Board of Directors of the Institute.

8.2 The statement of budget execution of 2009, reflects the commitment of 612.000 euros, related to costs recorded in 2008, which rectifies the reserve by disagreement in paragraph 7 of 2008 Statutory Auditor’s Report.

8.3 Likewise, the reserve in paragraph 8 of 2008 Statutory Auditor’s Report was rectified in this year due to the change of the accounting for the infraction processes referred above and to the legislation and underlying agreements application, as well as the values compensation in the scope of adjustments in infraction processes revenues.

Maia, July 5<sup>th</sup>, 2010

Esteves, Pinho & Associados, SROC, Lda.  
Represented by:

Rui Manuel Correia de Pinho, ROC





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