



EGF Privatisation Confidential Information Summary



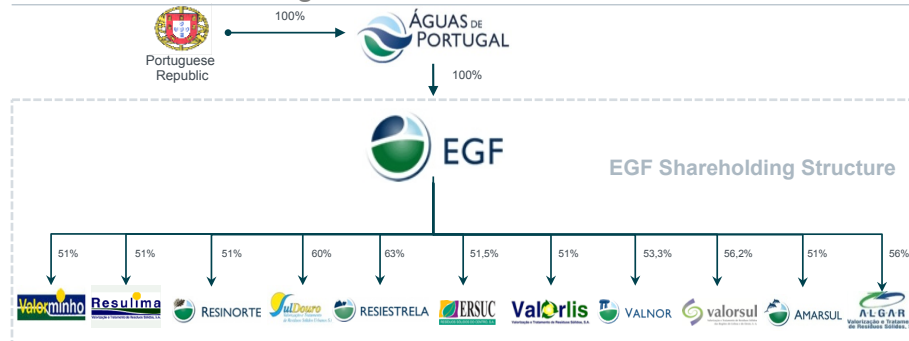
I. Opportunity Overview

EGF is the Portuguese state incumbent for municipal solid waste management and treatment. Given its size and positioning, its sound business model and asset base, and its efficiency improvement and growth potential, EGF reprivatization represents an attractive opportunity in the European waste sector.

Overview

- The Portuguese Republic intends to sell 100% of EGF - Empresa Geral do Fomento, S.A.'s ("EGF" or the "Company") share capital in the coming months
- EGF is a fully owned sub-holding company of 100% state-owned Águas de Portugal SGPS SA ("AdP")
- EGF's waste management activities are carried out by 11 majority-owned subsidiaries (or the "concessionaires"), which manage multi-municipal waste systems and have as minority owners, the respective municipalities served
- Currently, the concessionaires' municipal solid waste management activities are remunerated on a cost plus basis
- A new regulatory framework is being designed which will be based on a revenue cap model, with allowed revenues based on the remuneration of the Regulated Asset Base (RAB x WACC) and Opex and depreciation recovery
- The envisaged model is planned to operate similarly to a single-till structure but should allow for the sharing of efficiency gains in specific activities
- The new regulation should apply from 2016 onwards, with 3-year regulatory periods

Current Shareholding Structure



Source: all company information provided by EGF

Key Investment Highlights

Significant Scale & Market Leadership

- Sizeable business: 2012 revenues of €157m and EBITDA of €60m
- Market leader in upstream waste services in Portugal: covers ~60% of the population and ~65% of municipal waste volumes

Resilient Profile

- Revenues regulated under a RAB framework, with limited non-regulated activities
- Stable and predictable sources for ~65% of revenues
 - Collection & Treatment under long-term concession agreements
 - Energy from Waste under FiT renewables framework

High Asset Quality

- High-quality waste treatment infrastructure: several operating and under construction organic recovery units
- 49MW waste to energy unit and ~36MW of biogas plants
- Sophisticated sorting infrastructure

Scope for Performance Upside

- Room for operational improvement as current cost plus tariff system does not promote efficiencies
- New regulatory model to promote and allow operators to partially capture efficiency gains

Growth Potential

- Room for technological development away from landfilling
- Potential to increase non-regulated activities
- Potential to expand to other Portuguese speaking countries

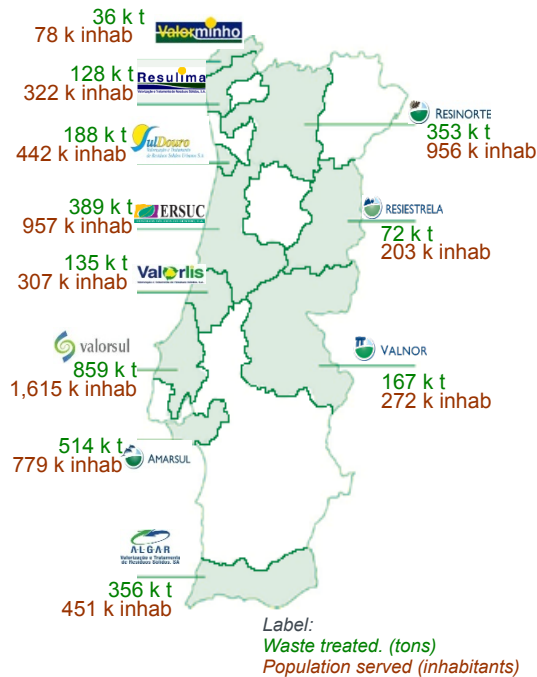
II. EGF Business at a Glance

EGF operates through 11 multi-municipal concessionaires that provide waste management services for more than 50% of the Portuguese area and population, treating around 65% of the solid waste volumes. The 5 biggest concessionaires represent over 70% of EGF's total assets, with Valorsul being the largest concessionaire by assets and by EBITDA.

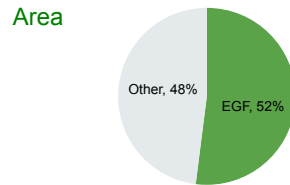
Operational Overview

- EGF is responsible for the solid waste management activities in 174, out of 278 Portuguese municipalities, which cover more than 50% of the national territory. In 2012, EGF:
 - treated 3.2 million tons of solid waste
 - collected 263 million tons of selective waste
 - exported 397 GWh to the grid

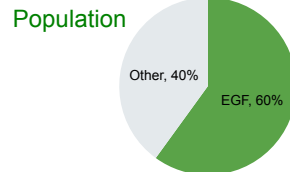
Portfolio Overview



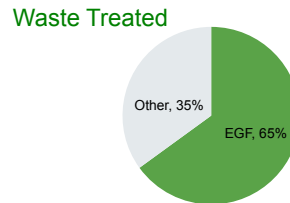
Business Coverage



Total: 96k km²



Total: 10.3 million



Total: 5.6 m ton

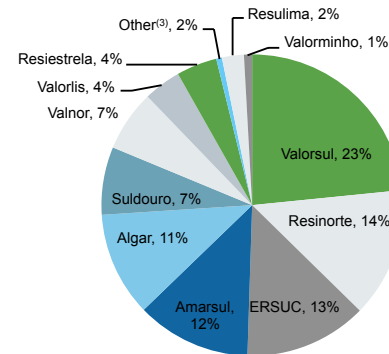
Key Financials⁽¹⁾

€ million	2010	2011	2012
Revenue ⁽²⁾	166	170	157
EBITDA	52	66	60

Total Assets	981	1,032	977
Net Debt	134	183	193
Equity attributable to equity holders	86	93	106
Equity (including non-controlling interests)	145	158	176

- EGF's revenues and EBITDA 2012 performance have been impacted by lower overall activity and waste volumes in Portugal

Total Assets 2012



- Valorsul is EGF's main subsidiary both in terms of assets (23%) and EBITDA contribution (34%)

⁽¹⁾ Pro-forma consolidation as EGF currently does not produce statutory consolidated accounts with the 11 subsidiaries (statutory consolidation is made at AdP SGPS SA level)

⁽²⁾ The company has not fully adopted IFRIC 12, having decided not to recognize, in income statement, the revenues and expenses associated with the construction and upgrading of infrastructures

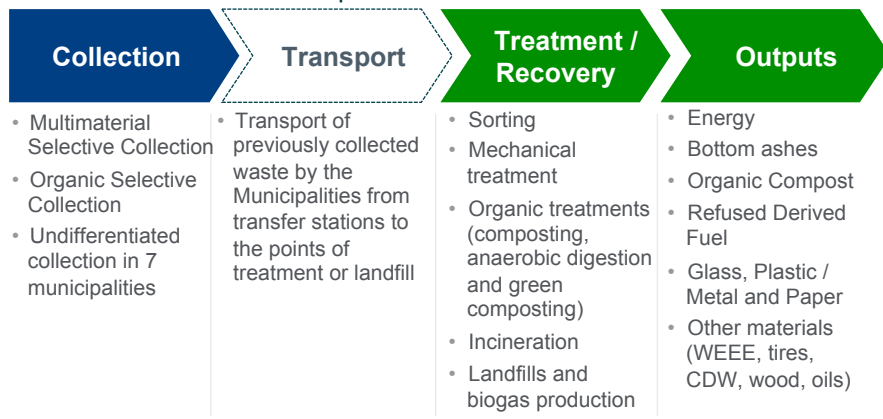
⁽³⁾ EGF Holding and consolidation adjustments

III. Business Model and Assets Overview

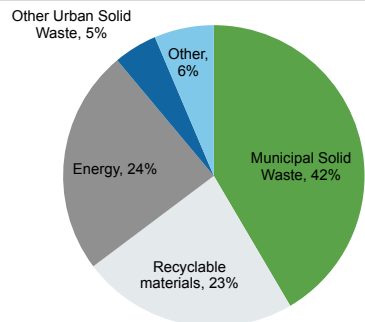
EGF is present across the upstream waste management services value chain. Reflecting general market trends and EU guidelines, EGF is increasingly moving from landfilling into energy-from-waste production and recycling preparation through different state-of-the-art technologies and processes.

Presence Across the Value Chain

- EGF is present in the upstream waste management through treatment, material and energy recovery, landfill of non-recovered waste and separate waste collection. EGF provides complementary activities under market conditions, such as undifferentiated waste collection in some municipalities.



Revenue Breakdown⁽¹⁾ 2012










- Currently, ~40% of EGF's revenues derive from its regulated solid waste management services, with waste to energy and recycling activities contributing with nearly 25% each for EGF's total revenues
- Sale of recyclables and energy from waste with increasing contribution to revenues as EGF's business evolves in line with EU environmental targets




⁽¹⁾ Total revenue does not include revenues associated with the construction and upgrading of infrastructures

Assets Overview

Existing Infrastructure

Organic recovery		<ul style="list-style-type: none"> - 3 Composting MSW⁽²⁾ - 6 Anaerobic Digestion MSW⁽²⁾ / SSOW⁽³⁾ - 3 Green Composting
Waste-to-energy		<ul style="list-style-type: none"> - 1 Incineration Plant (49MW) - 1 Incineration bottom-ash valorisation plant
Landfills		- 20 landfills
Refused-derived fuels (RDF)		- 2 units of RDF
Transfer stations		- 50 stations
Separated collection & MRF⁽⁴⁾		- 17 screening units (11 automated)
Biogas		- 22 electricity production centres (36MW capacity)

Infrastructure under construction

Organic recovery		<ul style="list-style-type: none"> - 2 Anaerobic Digestion MSW⁽²⁾ / SSOW⁽³⁾ - COD⁽⁵⁾ in 2014
Landfills		- 1 landfill (new, COD ⁽⁵⁾ in 2014)
Biogas		- 3 electricity production centres (2.4 MW); COD ⁽⁵⁾ in 2014

Source: all company information provided by EGF

⁽²⁾ Municipal Solid Waste

⁽³⁾ Source separated organic waste

⁽⁴⁾ Material recovery facilities

⁽⁵⁾ Expected Commercial Operation Date

IV. Process and Contacts

As per the informal notice published by Parública SGPS SA on February 5, 2014, Portuguese authorities are considering the possibility of setting up a reprivatisation procedure for the sale of entire share capital of EGF. Further information on the potential process will be disclosed in the coming weeks.

Contact Information

- All communications and enquiries relating to this Confidential Information Summary should be directed to the financial advisors listed below. Under no circumstance should EGF or its shareholder, representatives, employees, suppliers, customers or any party other than the mentioned banks, be contacted directly.

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