

Brisa appeals from Competition Authority's decision

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BRISA – Auto-Estradas de Portugal,
SA sociedade aberta com sede na
Quinta da Torre da Aguilha –
Edifício Brisa – São Domingos de
Rana, concelho de Cascais, com o
número de contribuinte 500048177,
matriculada na Conservatória do
Registo Comercial de Cascais sob o
nº10583, com o capital social de
Euros 600 000 000

Under the terms of the competition law, Brisa will submit today to the Ministry of Economy its appeal from the negative decision of the Competition Authority on the purchase of over 40% of the share capital of Auto-Estradas do Atlântico.

Brisa considers the decision to be wrong and against the interests of both consumers and the sector, which would directly benefit from the operation. The decision, which falls on 0.1% of Brisa's overall traffic, may have highly negative consequences for both the company and the road sector.

The operation forbidden by the Competition Authority on the past 7th of April would give rise to the joint management of the Auto-estradas do Atlântico concession (which includes the A8 and A15 motorways) by Brisa – Auto-estradas de Portugal and Auto-Estradas do Oeste – Concessões Rodoviárias de Portugal, both holding 50% of the share capital pursuant to an agreement entered in March 2005.

The Competition Authority's decision is wrong because it presupposes competition between the A1 – Auto-estrada do Norte motorway (under Brisa's concession) and the A8 – Auto-estrada do Oeste motorway (under Auto-Estradas do Atlântico's concession).

However, these motorways do not compete with one another instead they complement each other and it is only in the Lisboa-Leiria section that the question of the two motorways working as alternative to each other arises. The market concerned is irrelevant since travels with origin/destination Lisboa-Leiria only account for 0.6% of traffic in the A1 and 0.1% of overall traffic in Brisa's network.

The purchase of the joint management of Auto-estradas do Atlântico will not give rise to a dominant position by Brisa likely jeopardize consumers' interests since both prices and quality are strongly regulated and controlled by the State.

The Competition Authority's decision threatens consumers' interests as it deprives them from the advantages of an integrated motorway network management and prevents consumers from fully benefiting from the skills and technological means which characterize the high quality services provided by Brisa.

The idea that it might exist a decrease in tariffs is non realistic both from the empirical point of view as from the economic point of view.

Brisa has a long record of innovation and voluntary use of new equipment, procedures and systems in terms of road safety, comfort, assistance and information and more recently, in terms of attendance, the direct beneficiaries of which are consumers. It is worth mentioning that in the past six years, Brisa reinvested 72% of its toll revenues in the development and improvement of the motorways under its concession.

This decision contradicts the policy in force for the road sector, questioning its congruity and consistency and consequently, the adequate development of the Portuguese road system. The consolidation of the sector is a given fact, whether under Brisa's or a foreign operator's leadership.