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DATE: 16 September 2005

TO: **METROPOLITANO DE LISBOA - E.P. (PARTY B)**
Av. Fontes Pereira de Melo, 28
1069-095 Lisboa

FROM: **BANCO SANTANDER TOTTA, S.A. (PARTY A)**
AV. ENG.DUARTE PACHECO, TORRE 1 - PISO 6
AMOREIRAS - LISBOA
FAX 351 213 893 696

REF: Interest Rate Swap Transaction

Our references: 693517 / 693533 / 694696

Dear Sirs,

The purpose of this letter agreement (this "Confirmation") is to confirm the terms and conditions of the Swap Transaction entered into between Banco Santander Totta, S.A. ("Party A") and Metropolitano de Lisboa - E.P. ("Party B") on the Trade Date specified below.

The definitions and provisions contained in the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

This Confirmation evidences a complete and binding agreement between you and us as to the terms of the Swap Transaction to which this Confirmation relates. In addition, you and we agree to use all reasonable efforts promptly to negotiate, execute and deliver an agreement in the form of the ISDA Master Agreement (Multicurrency-Cross Border) (the "ISDA Form"), with such modifications as you and we will in good faith agree. Upon the execution by you and us of such an agreement, this Confirmation will supplement, form a part of and be subject to that agreement. All provisions contained in or incorporated by reference in that agreement upon its execution will govern this Confirmation except as expressly modified below. Until we execute and deliver that agreement, this Confirmation, together with all other documents referring to the ISDA Form (each a "Confirmation") confirming transactions (each a "Transaction") entered into between us (notwithstanding anything to the contrary in a Confirmation), shall supplement, form a part of, and be subject to, an agreement in the form of the ISDA Form as if we had executed an agreement in such form (but without any Schedule except for the election of English law as the governing law and EUR as the Termination Currency) on the Trade Date of the first such Transaction between us. In the event of any inconsistency between the provisions of that agreement and this Confirmation, this Confirmation will prevail for purposes of this Swap Transaction.

1. The terms of the particular Transaction to which this Confirmation relates are as follows:

Notional Amount: See table below





• **PARTY B PAYMENTS**

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Floating Amounts:

Floating Amounts (Article 6 of the ISDA Definitions shall not apply):

Floating Payment Dates:

Quarterly, each September, December, March and June, commencing on December 23, 2005 to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.

Floating Amounts:

For each calculation period, an amount calculated in accordance with the following formula:
 $\text{Notional Amount} \times \text{Coupon}_i \times \text{Day Count Fraction}$

Where:

Notional Amount: For each calculation period of this part of the deal means 89.65% of the Notional Amount as determined in the Table above.

Coupon_i means:

- (i) For the Floating Payment Date falling on December 23, 2005:

Coupon 1 = 0.00%

- (ii) For the following Floating Payment Dates commencing on March 23 2006 to and including September 23, 2022 an amount calculated in accordance with the following formula:

$\text{Previous Coupon} + \text{Max}(1.5\% - \text{USDLibor3M}, 0\%) + \text{Max}(\text{Euribor 3M} - 8\%, 0\%)$

Where:

EURIBOR 3M means the EURIBOR floating rate for deposits in euros with a Designated Maturity of 3 months determined at 11:00 a.m. Brussels Time on the 2nd Business Day preceding the relevant Reset Date with reference to Telerate page 248.

USD-LIBOR 3M means the floating rate for deposits in US Dollars with a Designated Maturity of 3 months determined at 11:00 a.m. London Time on the 2nd Business Day preceding the relevant Reset Date with reference to Telerate page 3750.



Spread: - 0.71%

Floating Rate Day Count Fraction: 30 / 360

Floating Rate Reset Dates: The first day of each Calculation Period.

Business Days: Modified Following Adjusted

2. Additional Definitions and Provisions

Euro. "Euro", "euro", "€" and "EUR" each means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the EC Treaty.

Governing Law. This Transaction will be governed by and construed in accordance with the English law.

Jurisdiction. To the fullest extent permitted by applicable law, with respect to any suit, action or proceedings relating to this Transaction ("Proceedings"), each party irrevocably:

- (i) submits to the jurisdiction of the English courts; and
- (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Waiver of immunities. Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgement) and (v) execution or enforcement of any judgement to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim such immunity in any Proceedings.



4. Offices and address for notices in connection with this swap transaction:

(a) The Office of Party A for the Swap Transaction is

BANCO SANTANDER TOTTA, S.A.
AV. ENG.DUARTE PACHECO, TORRE 1 - PISO 6
AMOREIRAS - LISBOA

(b) The Office of Party B for the Swap Transaction is

METROPOLITANO DE LISBOA - E.P.
Av. Fontes Pereira de Melo, 28

Each party has entered into this Swap Transaction solely in reliance on its own judgement. Neither party has any fiduciary obligation to the other party relating to this Swap Transaction. In addition, neither party has held itself out as advising, or has held out any of its employees or agents as having the authority to advise, the other party as to whether or not the other party should enter into this Swap Transaction, any subsequent actions relating to this Swap Transaction or any other matters relating to this Swap Transaction. Neither party shall have any responsibility or liability whatsoever in respect of any advice given, or views expressed, by it or any of such persons to the other party relating to this Swap Transaction, whether or not such advice is given or such views are expressed at the request of the other party.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us.

Yours sincerely,

BANCO SANTANDER TOTTA, S.A.

By: 

Cristina Melo Antunes

By: 

José António Pais Lopes