GES
CONSELHO SUPERIOR
REUNIÃO DE 8 DE FEVEREIRO DE 2006

MEMO

PRESENTES:

A. RICCIARDI
M. MOSQUEIRA DO AMARAL
R. ESPIRITO SANTO SALGADO
J.M. ESPIRITO SANTO
M.F. ESPIRITO SANTO
J.C. CASTELLA

ASSUNTOS TRATADOS	**RESOLUÇÕES / INFORMAÇÕES**

SECTOR FINANCEIRO

ES FINANCIAL	INFORMAÇÃO: RESS informou o ponto de situação actual da Operação Reestruturação de Seguros, fornecendo um documento elaborado pelo JP Morgan, que fica anexo à presente acta. Mais referiu que as perspectivas para a concretização da Operação se continuam a apresentar muito prometedoras.
BES	INFORMAÇÃO: RESS deu conhecimento da nomeação por cooptação de dois novos membros, não executivos, para o Conselho de Administração do BES: Nuno Godinho de Matos e Alberto Oliveira Pinto.

SECTOR NÃO FINANCEIRO

PORTUGÁLIA

INFORMAÇÃO:

RESS alertou para diversas circunstâncias a ter em atenção nas negociações que decorrem entre a TAP e a PGA. Referiu também a possibilidade da Air Gemini poder adquirir os aviões Embraer da PGA, encontrando-se o Hélder Bataglia da ESCOM a analisar a questão.

MFES referiu adicionalmente que, conjuntamente com FFM, terá uma conversa com a TAM na semana de 13.02 no Brasil, ao que RESS contrapôs que haveria muito interesse numa parceria com a TAM na Air Gemini, em que o nosso *apport* se concretizasse pela entrega de aviões para a operação e a TAM contribuísse com o esforço financeiro.

JANUARY 2006

ESPIRITO SANTO FINANCIAL GROUP SA

PROJECT TILES

Discussion Materials

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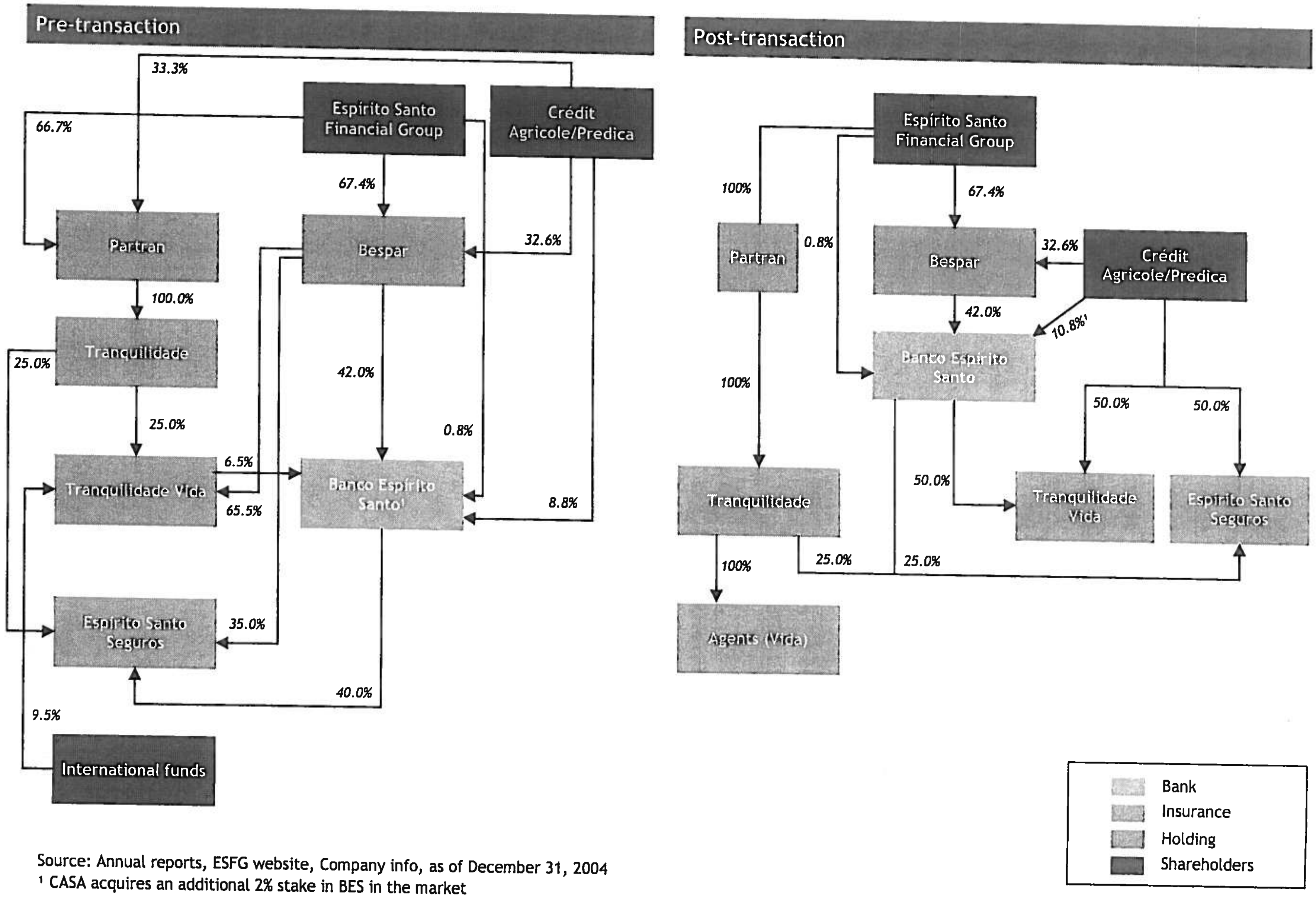

Source: Annual reports, ESFG website, Company info, as of December 31, 2004
[1] CASA acquires an additional 2% stake in BES in the market

Overview of transaction steps

Implied valuations

TV bancassurance: €900mm (incl. €100mm earn-out)
TV agents: €50mm
TRQ: €270mm (excl. stakes in TV and ESS)
ESS: €80mm (incl. €10mm earn-out)

Transaction steps

Asset	Scenario description	Value (€mm)
Agent network	Tranquilidade Vida transfers the agent network to Tranquilidade, with the proceeds from the sale remaining in Tranquilidade Vida	(50.0)
Tranquilidade Vida	BES acquires 25% in TV BA to BESPAR	(237.5)
	CASA acquires 40.5% in TV BA to BESPAR[1]	(375.0)
	BES acquires 25% in TV BA to Tranquilidade	(237.5)
	CASA acquires 9.5% in TV BA to SPV for €100mm	(100.0)
Espirito Santo Seguros	CASA acquires 35% in ESS to BESPAR	(28.0)
	CASA acquires 15% in ESS to BES	(12.0)
Partran	ESFG acquires 33.3% in Partran to Predica[2]	(30.1)
BES	TV sells 6.5% in BES to the market	234.0
	CASA acquires a 2.0% stake in BES in the market, in conjunction with the capital increase	(72.0)
Debt repayment	Partran repays 50% of debt to BESPAR at the closing of the transaction (€238.9mm)	(119.5)
	Partran repays €70.1mm debt to BES at maturity (i.e. July 2006)	(0.0)
	Partran keeps debt owed to ESFG (€1.2mm)	0.0
	Partran repays debt outstanding to Predica (€0.6mm)	(0.6)
	BESPAR repays 50% of the debt outstanding to ESFG at the closing of the transaction (69.5mm)	(34.7)
	BESPAR repays 50% of the debt outstanding to Predica at the closing of the transaction (€9.7mm)	(4.9)
	BESPAR repays 50% of the debt outstanding to CASA at the closing of the transaction (€23.9mm)	(11.9)
	BESPAR repays 50% of €203.0mm to the bank syndicate at the closing of the transaction	(101.5)

[1] At a total value equal to the valuation for 100% minus the €100mm paid by CASA to the SPV (both for the agents and the bancassurance part)
[2] Partran equity value = 100% stake in Tranquilidade (valued at €401mm → TRQ (€270mm) + TV stake (€120mm net capital gains; cost of stake as of 2004: €72mm) + ESS stake (€11.3mm net capital gains; cost of stake as of 2004: €4.4mm) - debt (€239mm owed to BESPAR + €70mm owed to BES + €1.2mm owed to ESFG + €0.6mm owed to Predica) = €90.4mm

Itemised cash movements

Implied valuations

TV bancassurance: €900mm (incl. €100mm earn-out)
TV agents: €50mm
TRQ: €270mm (excl. stakes in TV and ESS)
ESS: €80mm (incl. €10mm earn-out)

From \ To	CASA	Predica	ESFG	Partran	TRQ	Bespar	TRQ Vida	BES	SPV	Banks	Market	Total cash flow (€mm)
CASA						€(375)mm/ 40.5% TV BA €(28)mm/ 35% ESS €12mm		€(12)mm/ 15% ESS	€(100)mm/ 9.5% TV BA		€(72)mm/ 2% BES[1]	(575)
Predica			€30mm/ (33.3)% Partran	€1mm		€5mm						36
ESFG		€(30)mm/ 33.3% Partran				3.2% Partran €35mm						5
Partran		€(1)mm				€(120)mm						(120)
TRQ							€(50)mm/ 10% TV agents	€238mm/ (25)% TV BA				188
Bespar	€375mm/ (40.5)% TV BA €28mm/ (35)% ESS €(12)mm	€(5)mm	(3.2)% Partran €(35)mm	€120mm				€238mm/ (25)% TV BA		€(102)mm		607
TRQ Vida					€50mm/ (10)% TV agents						€234mm/ (6.5)% BES[1]	284
BES	€12mm/ (15)% ESS				€(238)mm/ 25% TV BA	€(238)mm/ 25% TV BA						(463)
SPV	€100mm/ (9.5)% TV BA											100
Banks						€102mm						102
Market	€72mm/ (2)% BES[1]						€(234)mm/ 6.5% BES					(162)

[1] The 2.0% stake in BES sold to the market is then acquired by CASA. Implied valuation used for BES is €3.6bn