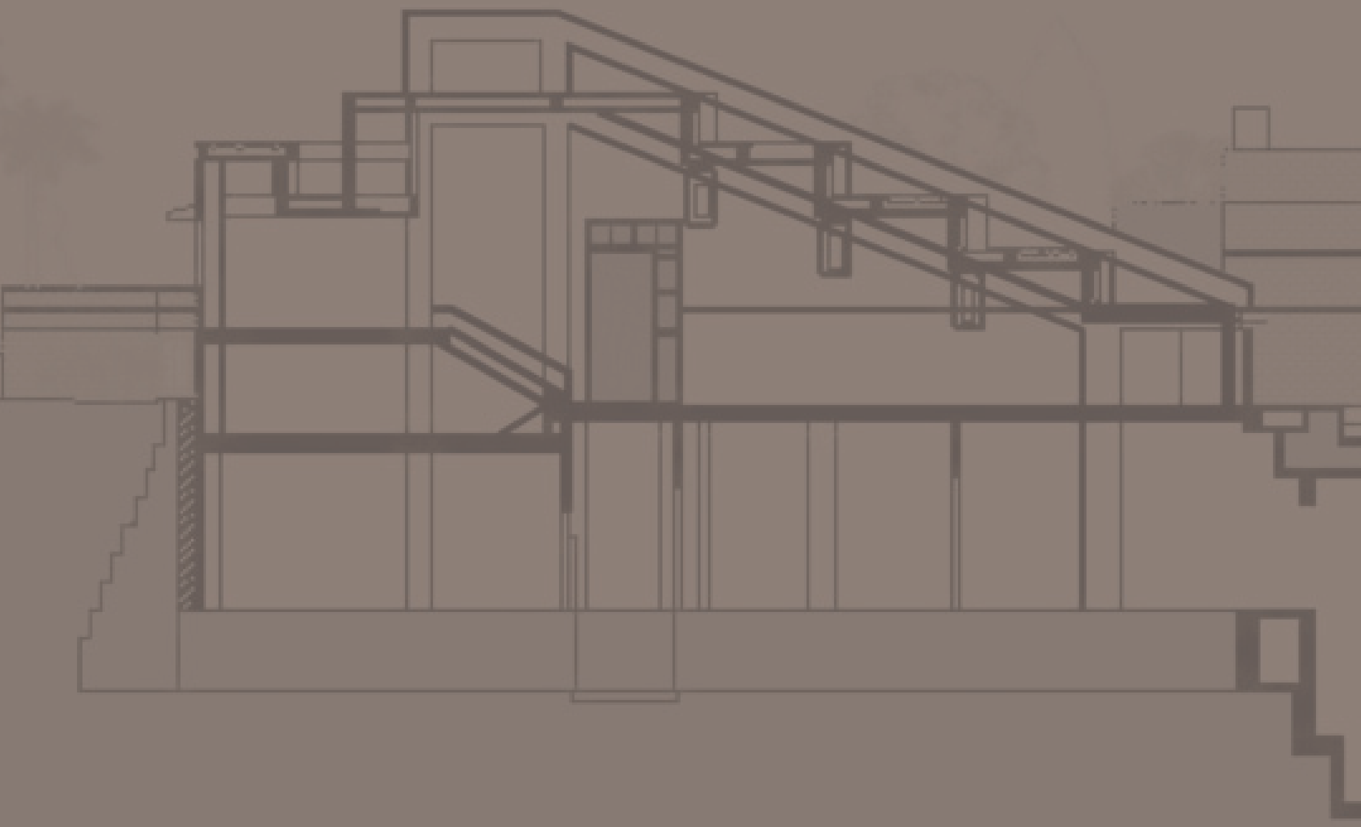
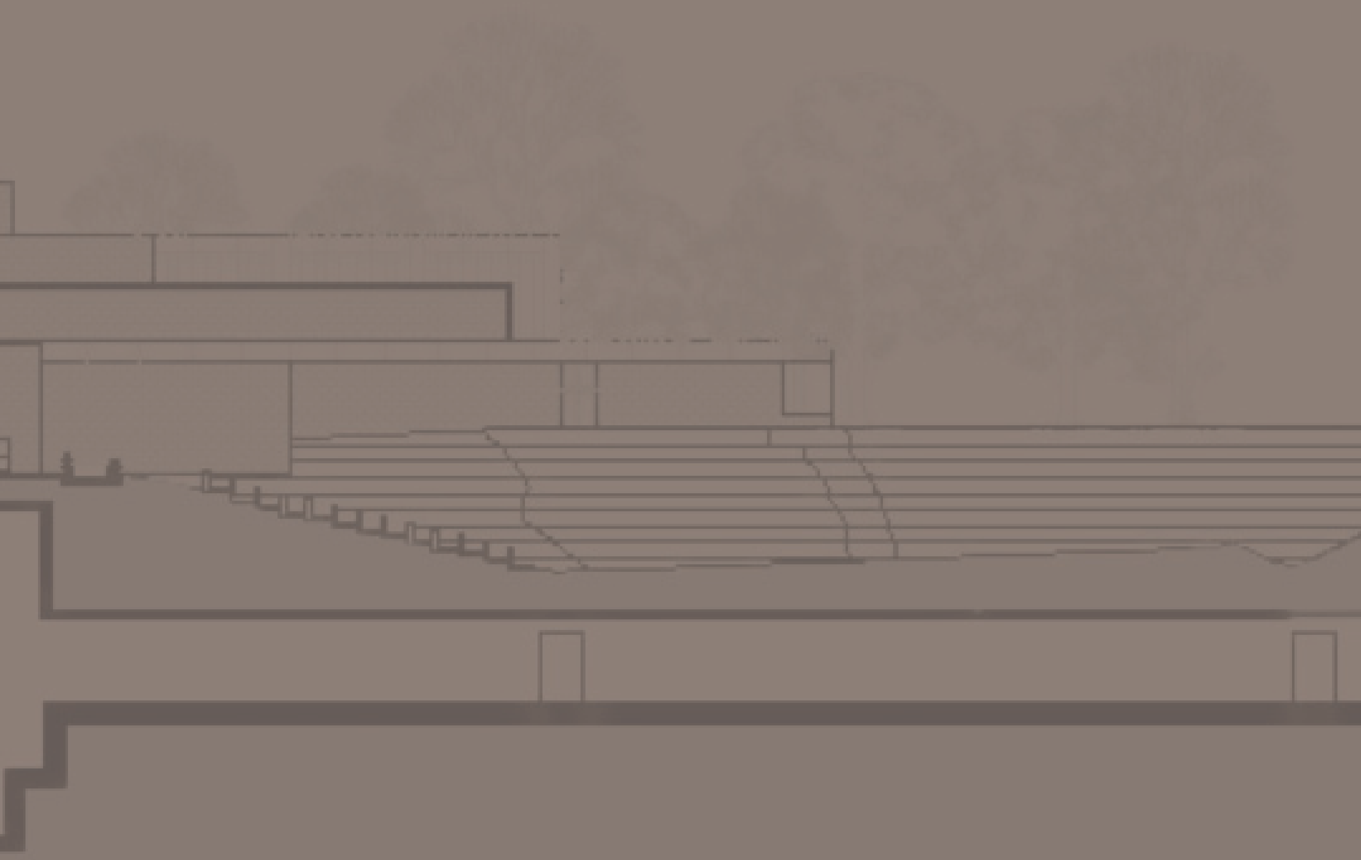


II. Economic and Financial Situation
Financial Statements

This part of the report refers to the Foundation's economic and financial situation and comprises the publication of its respective Balance Sheet and Accounts and the Auditors' Report.



Economic and Financial Situation

Financial situation

The estimated world real economic growth in 2008 was 2.9%, with the advanced economies achieving an average growth rate of 0%. The real rate of change in US GDP was 1.1%, which was lower than in 2007; Asian economies excluding Japan grew by 1.5%; Japanese real GDP fell by 0.6%; Euro Zone growth was 0.9%, which represented a significant fall in comparison with 2007.

Consumer price inflation in the US rose to 3.8% and to 3.3% in the Euro Zone.

The credit crisis, which began in August 2007, spread during 2008, having deepened into a global recession, particularly after the great decline in trust that followed the collapse and bankruptcy of the Lehmann Brothers. Governments have taken strong measures to try to limit the effects of the recession on their economies, but such effects are expected to continue until at least 2010. Inflation, on the contrary, is not expected to be a problem in the near future.

The equity markets fell at the beginning of 2008, recovering in the middle of the year and then falling drastically between September and November. The bear market recorded its worst performance since before the Second World War. All sectors of the equity markets were affected, but the shares of finance companies recorded the worst results. In euros, the MSCI World Index fell by 39.5% in 2008, while the S&P500 Index fell by 35.8%, the DJ Stoxx 50 by 44.4% and the PSI 20 by 51.3%. The EMU Global Government Bond Index rose by 9.4%.

The US central bank reduced short-term interest rates in 2008 from 3.0% at the start of the year to 0.25% in December. The European Central Bank was much less aggressive, reducing the repo rate only from 4.0% to 2.5% at the end of the year. The long-term interest rates of corporate bonds rose dramatically due to the loss of confidence in the payment capacity of creditors in highly turbulent markets.

Investment portfolio

The total return generated by the Foundation's investment portfolio in 2007 was minus 18.5%. Although this return was substantially better than the one that might have been expected, taking all the indices into account, it seriously affected the portfolio's long-term returns. At the start of each year, the Foundation sets a total return target for its managers. This target is calculated (i) to maintain the purchasing power of the investment portfolio over the medium to long term, (ii) to ensure real appreciation of the portfolio in line with economic growth and (iii) to provide the funds required for the Foundation's budget. Calculations are based on economic forecasts, including inflation and the real growth of the major economies.

As in former years, there was a significant difference in returns between the Foundation's various portfolio managers although, generally, each had been given the same target and investment guidelines. Each manager has their own different style and the variations in their returns derive from their capacity to anticipate or react to market change. Two of the managers achieved small positive returns in 2008. However, all the other managers had negative returns, ranging from minus 8% to minus 29%. In turn, some property and private equity investments had positive returns.

The distribution of the portfolio by principal asset classes, as at 31 December 2008, is set out below:

Equities	27 %
Bonds	49 %
Liquidity	16 %
Property and other investments	6 %
Currency hedges	2 %
	100 %

This asset allocation represented a much more defensive approach than at the end of 2007; over the course of 2008, the share of the equity allocation kept falling while the bond allocation kept rising. The liquidity and bonds serve to reduce the volatility and risk of the portfolio.

Oil interests

Brent spot oil prices fell by approximately 55% in 2008, from USD 94 at the start of the year to USD 42 at year end. The average price of USD 97 was, however, higher than that of 2007 (USD 73). The highest price in 2008 of USD 146 was significantly higher than in 2007, as well as being the highest ever recorded price.

There was a 41% increase in the value of the Partex Group's oil and gas sales.

Participations in oil companies were revalued at fair value by an independent investment bank at 31 December 2008, in accordance with international reporting standards. These participations were originally valued at fair value in 2001 and net present values were recalculated at each year end to ensure that they remained reasonable.

The GASCO contract in Abu Dhabi, which ended on 30 September 2008, was renewed for a further twenty years. The terms of this renewal, which is very important for ensuring the flow of Partex products, are, however, less attractive than the previous ones, so that Partex had to make an impairment provision that accompanied the lowest fair value of this participation.

The net consolidated book value of the Partex Oil Gas (Holding) Corporation increased, in USD, by 4.6% over 2008. As a result of the appreciation of the USD against the euro, the increase in euros was only 10.7%.

At the end of 2008, the Group's concessions in Angola, Portugal and Brazil continued to be at an exploration stage, while in Kazakhstan the Dunga full field development plan is currently being implemented.

The Partex Oil Gas (Holding) Corporation will pay the Foundation a dividend of USD 42,500,000 from its 2008 net income (USD 32,400,000 in 2007).

The reinterpretation of some international reporting standards resulted in the adjustment of some of the figures in the 2007 report.

Activities and indicators

The data relating to the implementation of the Foundation's Budget and Activities Plan, during 2008, demonstrate the following:

› Overall the implementation of the budget was in keeping with the initial forecasts, although there were a number of unforeseen costs, namely those associated with the moves to new premises of the branches abroad.
› An extra-budget line of 1 million euros, decided upon by the Board of Trustees when the initial budget was approved, made it possible to cover the costs incurred with four extraordinary activities: the renovation of the shop of the Calouste Gulbenkian Museum, the launch of the Gulbenkian Programme of Education for Culture – *Descobrir*, the initial implementation of the recommendations of the McKinsey study, and preparatory works for the renovation of the Modern Art Centre.
› The level of the Foundation's activity was marked by the strengthening of its distributive activity (grants, scholarships and prizes), which increased by 2%, and by the reduction of its own activities, which fell by 7.5% in comparison with 2007, mainly as a result of the end of the Commemorations of the Foundation's Fiftieth Anniversary.
› Personnel costs remained within the budget and even generated a small positive balance.
In comparison with the previous year, the costs incurred with staff in active employment increased by 2.9% while the costs incurred with retired persons increased by 1.6%, partly as a consequence of the effects of the updating of wage scales by 2%. The number of staff decreased by 16 (with a reduction of nine in the number of permanent employees and a reduction of seven in the number of employees on fixed-term contracts), while there was also a fall of six in the number of retired persons. At 31 December, 2008, the Foundation had 524 active employees and 1,036 retired persons.
› Investment costs fell by roughly 7.8% when compared with 2007, representing a deliberate slowing down of the major works planned for the refurbishment of the Foundation's physical structures, although various modernisation projects continued unaffected, particularly at the level of the information technology systems. However, investment costs did exceed the budgeted amount by roughly 8%, because of the work undertaken in remodelling the understage area, which had not originally been planned for.
› Operating costs showed a downward trend. The 1% drop in relation to the previous year would have been greater, but for the extraordinary expenses that were incurred. It is estimated that the operating costs of a more permanent nature may have fallen quite significantly.
› Income increased, in relation both to 2007 and budget forecasts. External contributions related to scientific research projects continue to be the most significant share of income. The other income-generating activities showed some changes in comparison with the pattern of previous years – most notably the increased importance of ticket sales (concerts, museums and exhibitions) and the fall in the relative share of sales of publications.
› Statutory purposes had a similar distribution structure when compared to the previous year – with

expenditure of 11.8% for Charity; 40.2% for Art; 28.4% for Education; and 19.6% for Science. However, there was a fall of 1.6 percentage points in Art expenditure and 0.7 percentage points in Education. Charity and Science, on the other hand, recorded increases of 0.2 and 2.1 percentage points, respectively.

› There was a significant strengthening of the new forms of intervention launched through the different Gulbenkian Programmes. The "Portuguese Language", "Development Aid" and "Environment" programmes were continued, while four new programmes were created: "Distance and Proximity", "Advanced Medical Training", the "Programme to Combat Failure at School and Early School Leaving" and the "Programme of Education for Culture". The "Gulbenkian Artistic Creativity and Creation Programme", however, reached its end, as planned.

› As far as Transverse and Innovative Projects are concerned, the "Interuniversity Programme for Scientific Capacity Strengthening" was continued, while a new project entitled "Ageing and Health" was created. The "SAUDAR – Health and the Air We Breathe" project reached its end.

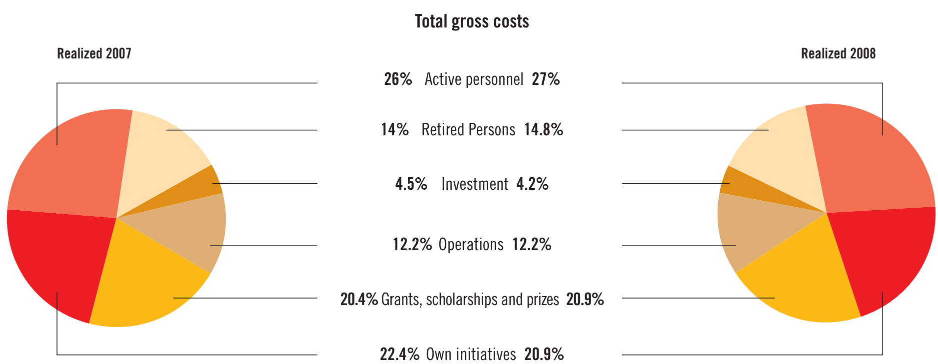
Over the last two years, there have been slight changes in the Foundation's cost and income structure. The comparison between the various types of costs and income is presented in the following table.

When compared with the previous year, the Foundation's cost structure showed a slight increase in the relative share of costs incurred with staff in active employment (rising from 26% to 27%), while the share of the costs incurred with retired persons remained almost completely stable. As far as activities are concerned, we would like to emphasise that the relative share of grants, scholarships and prizes remained practically the same (20.9%), while the share of own initiatives fell (from 22.4% to 20.9%). Operating costs maintained their share of total costs (12.2%), while the share of investment fell slightly, from 4.5% to 4.2%.

Costs and realised income

Euros

Costs and realised income	Realised 2007	Realised 2008	Change: Absolute Value	Change: %
	1	2	3=2-1	4=2/1
Active personnel costs	30 186 199	31 061 535	875 336	2,9
Structural costs	19 430 843	18 899 623	-531 220	-2,7
› Investments	5 260 513	4 850 017	-410 496	-7,8
› Operations	14 170 330	14 049 606	-120 724	-0,9
Grants, scholarships and prizes	23 583 133	24 054 508	471 375	2,0
Own initiatives	26 028 133	24 083 833	-1 944 300	-7,5
Retired persons	16 786 962	17 058 029	271 067	1,6
Total gross costs	***116 015 270***	***115 157 528***	***-857 742***	***-0,7***
Income (-)	9 842 584	11 781 466	1 938 882	19,7
Total net costs	***106 172 686***	***103 376 062***	***-2 796 624***	***-2,6***



Division of costs between Portugal and overseas

Considering the activity of the Foundation's departments in Portugal and its branches abroad, the division of costs was similar to that of the previous year: 83% in Portugal and 17% overseas.

Distribution of common costs

After closure of the accounts, common costs – shared by the Central Services Department, Accounts Department, Finance and Investment Department, Communication Department and the Budget, Planning and Control Department, as well as the costs incurred with the Board of Trustees – were divided up amongst the other departments and programmes, in order to make it possible to assess the real cost of activities.

As a result of this new distribution, the costs of those departments that had their own direct activities represent 56% of total costs, while the costs of departments with distributive activities represent 33%. After this redistribution, the group of projects and programmes was responsible for 9% of costs.

Personnel and retired persons

Staff movements during the year resulted in an overall decrease of 16 members of staff, corresponding to nine less permanent employees (General and Artistic Staff) and seven less employees working on fixed-term contracts.

As far as retired persons are concerned, there was a reduction of six people from the total number.

Personnel and retired persons	*31.12.2007*	*31.12.2008*	*Change*
Active personnel	***540***	***524***	***-16***
› Permanent	523	514	-9
› Fixed-term contracts	17	10	-7
Retired persons	***1 042***	***1 036***	***-6***
› Pre-retirements	72	68	-4
› Early retirements	249	254	5
› Old age or disability pensions	522	515	-7
› Pensions to windows/windowers	199	199	0
TOTAL	***1 582***	***1 560***	***-22***

Source: HRD.

Foundation's activities during 2008

The importance and variety of the Foundation's activities – which comprise two separate areas: the award of grants, scholarships and prizes and the realisation of own initiatives – and their impact in terms of the number of beneficiaries of these activities, the number of events and financial support are clearly set out in the following tables.

Distributive activities	*Beneficiaries*	*Direct cost*
	No.	*Euros*
Grants	1 604	14 732 073
Scholarships	5 810	8 052 440
Prizes	6	350 000
Associated expenses	–	2 742 620

Initiatives	*Events*	*Direct cost*
	No.	*Euros*
Exhibitions	21	2 548 306
Concerts (No. of sessions)	173	12 401 035
Film shows and other performances (No. of sessions)	23	23 408
Publications	119	2 551 535
Conferences and lectures	271	1 342 626
Educational actiivities	2 829	1 155 279
Training courses	85	814 490
Projects	183	4 444 093
Acquisition of works of art	10	366 481
Other initiatives	–	1 160 306

Permanent activities [Museums, libraries and institutions]	*Visitors / Users*	*Direct Cost*
	No.	**Euros**
Calouste Gulbenkian Museum	169 566	2 617 121
Modern Art Center	66 792	2 043 193
Gulbenkian Institute of Science	–	5 451 880
Art Library	3 901	2 229 977
Library of Paris Cultural Centre	1 214	429 740

Beneficiaries and activities

The impact of the activities developed by the Foundation, measured in terms of physical indicators, generally fell short of what had been achieved in the previous year, because of the high number of events that had taken place as a result of the Fiftieth Anniversary Commemorations.

Audiences benefiting from activities	*2007*	*2008*	*Change*
	No.	**No.**	**%**
Recipients of grants	1 870	1 604	-14
Scholarships	5 959	5 810	-3
Visitors to museums	266 572	236 358	-11
Visitors to temporary exhibitions	403 739	222 568	-45
Attendance at concerts	156 421	128 744	-18
Attendance at films shows and other performances	29 473	4 938	-83
Participants in educational activities	77 071	66 603	-14
Libraries and archives readers / users	5 722	5 115	-11

Activities		*2007*	*2008*	*Change*
		No.	**No.**	**No.**
Temporary exhibitions		37	21	-16
Concerts (No. of sessions)		184	173	-11
Film shows and other performances (No. of sessions)		112	23	-89
Publications*	› Editions	137	119	-18
	› Copies	197 830	119 634	-78 196
Conferences and lectures		160	271	111
Educational activities		3 124	2 829	-295
Training courses		64	85	21
Prizes		9	6	-3
Projects		184	183	-1
Acquisition of works of art		12	10	-2

** Values adjusted in 2007, due to change of criterion for the Newsletter.*

Cost of activities

The evolution of the financial support allocated to the development of the Foundation's various activities over the last two years is shown in the following tables:

Distributive activities	***2007***	***2008***	***Change***
	Euros	**Euros**	**%**
Grants	15 765 869	14 732 073	-7
Scholarships	7 289 264	8 052 440	10
Prizes	528 000	350 000	-34
Associated expenses	2 492 275	2 742 620	10

Initiatives	***2007***	***2008***	***Change***
	Euros	**Euros**	**%**
Exhibitions	3 775 290	2 548 306	-33
Concerts	12 178 802	12 401 035	2
Film shows and other performances	948 322	23 408	-98
Publications	3 082 389	2 551 535	-17
Conferences and lectures	1 531 712	1 342 626	-12
Educational activities	987 170	1 155 279	17
Training courses	752 891	814 490	8
Projects	3 823 585	4 444 093	16
Acquisition of works of art	205 076	366 481	79
Other initiatives	1 441 793	1 160 306	-20

Permanent activities [Museums, libraries and institutions]	***2007***	***2008***	***Change***
	Euros	**Euros**	**%**
Calouste Gulbenkian Museum	2 567 286	2 617 121	2
Modern Art Centre	2 125 845	2 043 193	-4
Gulbenkian Institute of Science	4 970 729	5 451 880	10
Art library	2 114 190	2 229 977	5
Library of Paris Cultural Centre	711 115	429 740	-40

Consolidated Financial Statements

2008 financial year

Preliminary note

These statements have a different appearance from those presented in previous years, due to:

› Alterations imposed by the "International Financial Reporting Standards" (IFRS);
› Corrections made to the 2007 accounts, due to the reinterpretation of some accounting standards, as mentioned in Note 32.

As far as the first question is concerned, in the Statement of Operations, the net financial income is no longer presented with a breakdown of income and costs. Instead, the amounts are presented in net terms, under the heading "Results of assets and liabilities", so that they can be read in accordance with the presentation of the Balance Sheet, with the breakdown in terms of income and costs appearing in the respective Note. In the Balance Sheet, the item "Investments", under both non-current assets and current assets, is now referred to as "Financial assets".

As far as the second question is concerned, the corrections that were made arise, on the one hand, from the participation in the "Mukhaizna Oil Field", which was recorded at fair value, but is now recorded at cost value, and, as such, recorded under tangible fixed assets; and, on the other hand, from the value of the interest-free, long-term advances made to the oil interests in Oman and Abu Dhabi, which were updated at the market interest rate at the time when these advances were made.

Analysis of the Consolidated Financial Statements

In 2008, the net equity represented by the capital fund amounted to € 2,396.4 million, which represents a decrease of € 378.8 million (-13.6%) compared to the previous year.

At 31 December, 2008, the Balance Sheet shows total assets of approximately € 2,737.2 million, which represents a decrease of € 380.7 million (-12.2%) compared to the previous year. The following factors fundamentally contributed to this result:

› The financial investment portfolio – current financial assets and other treasury applications – amounting to € 1,725.5 million, which showed a decrease of roughly € 470.9 million (-21%) compared to 2007. This was the result of the world financial crisis and the consequent sharp fall in the international stock markets.

› The investments made in the energy sector – included in non-current financial assets, tangible and intangible fixed assets, and advances – amounting to € 690.2 million, representing an increase of € 82.0 million (13.5%) over 2007, also helped by the slight appreciation of the USD against the euro.

Liabilities fell from € 342.7 million in 2007 to € 340.7 million in 2008. This was mainly due to the reduction in the amount of provisions by € 14.1 million, in long-term liabilities, which compensated for the increase in short-term liabilities of roughly € 11.1 million.

In the case of the Statement of Operations, the total return fell from € 206.5 million in 2007 to - € 329.2 million in 2008. Of this amount, the financial return represented roughly - € 425.2 million (2007: € 141.3 million), while the return from oil activities amounted to € 95.9 million (2007: € 65.2 million).

Other income amounted to € 21.5 million, which represented an increase of € 10.2 million in comparison with the previous year.

The resources allocated to distribution and direct activities amounted to € 75.6 million, which was € 2.6 million less than in 2007, and administrative and operating costs fell from € 33.9 million in 2007 to € 32.9 million in 2008.

19 May 2009

Financial Statements

Consolidated statement of operations
for the year ended 31 December, 2008 and 2007

(€10³)

	Notes	2008	2007
Oil and gas sales		**1 022 254**	771 933
Cost of sales		**(961 333)**	(728 977)
Other oil and gas income	3	**34 997**	22 245
Net oil and gas income		**95 918**	65 201
Results of current financial assets and liabilities		**(411 815)**	110 016
Results of non-current financial assets and liabilities		**1 555**	9 681
Results of advances		**2 224**	1 668
Other financial results		**(17 115)**	19 899
Net financial income	4	**(425 151)**	141 264
Other income	5	**21 523**	11 301
Distribution and direct activities	6	**(75 551)**	(78 212)
Other administrative and operating costs	7	**(32 818)**	(33 903)
Employee benefits	9	**(3 149)**	(12 950)
Provisions	10	**(346)**	–
Impairment	11	**(6 702)**	(14 570)
Amortizations and depreciations	12	**(8 219)**	(10 498)
Taxes		**(18)**	(16)
Transfer to the Capital Fund		**(434 513)**	67 617

See accompanying notes to the Financial Statements.

Consolidated balance sheet as a 31 December, 2008 and 2007

(€10^3)

	Notes	2008	2007
ASSETS			
Non-current assets			
Intangible assets	13	**85 989**	83 486
Tangible fixed assets	14	**84 974**	61 956
Non- current financial assets	15	**547 310**	484 758
Advances	15	**69 350**	59 560
		787 623	689 760
Current assets			
Current financial assets	17	**1 499 604**	2 074 741
Other treasury applications	18	**225 883**	121 615
Inventories	19	**15 157**	1 697
Debtors	20	**78 968**	125 919
Cash and cash equivalents	21	**129 942**	104 162
		1 949 554	2 428 134
Total assets		**2 737 177**	3 117 894
CAPITAL FUND			
Capital received from the Founder	22	**11 747**	11 747
Reserves	23	**2 819 201**	2 695 864
Transfer to the capital fund		**(434 513)**	67 617
Total capital fund		**2 396 435**	2 775 228
LIABILITIES			
Non-current liabilities			
Provisions	24	**208 423**	222 458
Creditors and other liabilities	25	**1 006**	–
		209 429	222 458
Current liabilities			
Current financial liabilities	17	**25 121**	4 634
Grants and scholarships	26	**7 814**	6 989
Creditors and other liabilities	27	**98 378**	108 585
		131 313	120 208
Total liabilities		**340 742**	342 666
Total capital fund and liabilities		**2 737 177**	3 117 894

See accompanying notes to the Financial Statements.

Consolidated statement of cash flows for the years ended 31 December, 2008 and 2007

(€10³)

	Notes	2008	2007
Operating activities			
Oil and gas income received		**93 403**	64 182
Proceeds/investments in current financial assets		**183 809**	120 751
Distribution and direct activities		**(71 875)**	(76 671)
Pensions paid		**(16 780)**	(16 523)
Other payments relating to operating activities		**(26 783)**	(12 534)
Cash flows arising from operating activities		**161 774**	79 205
Investment activities			
Non-current financial assets		**(43 592)**	(33 571)
Dividends received		**30 477**	22 489
Acquisitions of fixed assets		**(41 978)**	(28 681)
Other receipts/(payments)		**23 367**	(30 156)
Cash flows arising from investment activities		**(31 726)**	(69 919)
Net changes in cash and cash equivalents		**130 048**	9 286
Cashand cash equivalents at the beginning of the year		**225 777**	216 491
Cash and cash equivalents at the end of the year		**355 825**	225 777
Cash and cash equivalents includes:			
Cash	21	**75**	57
Deposits	21	**129 867**	104 105
Other treasury applications	18	**225 883**	121 615
		355 825	225 777

See accompanying notes to the Financial Statements.

Consolidated statement of changes in the capital fund for the years ended 31 December, 2008 and 2007

(€10^3)

	Total capital fund	Capital received from the Founder	Exchange differences	Fair value reserve	Other reserves
Balance at 31 December, 2006	2 704 197	11 747	(17 013)	335 149	2 374 314
Fair value reserve	42 229	–	–	42 229	–
Exchange differences	(38 815)	–	(38 815)	–	–
Transfer to the capital fund	67 617	–	–	–	67 617
Balance at 31 December, 2007	2 775 228	11 747	(55 828)	377 378	2 441 931
Fair value reserve	30 713	–	–	30 713	–
Gift and legacies	36	–	–	–	36
Exchange differences	24 971	–	24 971	–	–
Transfer to the capital fund	(434 513)	–	–	–	(434 513)
Balance at 31 December, 2008	2 396 435	11 747	(30 857)	408 091	2 007 454

See accompanying notes to the Financial Statements.

Individual statement of operations
for the years ended 31 December, 2008 and 2007

(€10³)

	Notes	2008	2007
Results of current financial assets and liabilities		**(411 815)**	110 016
Results of non-current financial assets and liabilities		**31 488**	22 874
Other financial results		**420**	(4 434)
Net financial income	4	**(379 907)**	128 456
Other income	5	**21 523**	11 301
Distribution and direct activities	6	**(75 551)**	(78 212)
Other administrative and operating costs	7	**(20 214)**	(18 328)
Employee benefits	9	**(2 842)**	(12 764)
Amortizations and depreciations	12	**(2 381)**	(2 019)
Taxes		**(18)**	(16)
Transfer to the capital fund		**(459 390)**	28 418

See accompanying notes to the Financial Statements.

Individual balance sheet as at 31 December, 2008 and 2007

(€10³)

	Notes	2008	2007
ASSETS			
Non-current assets			
Tangible fixed assets	14	**20 167**	16 902
Non-current financial assets	15	**77 231**	64 620
Investments in subsidiary companies	16	**766 925**	692 806
		864 323	774 328
Current assets			
Current financial assets	17	**1 499 604**	2 074 741
Other treasury applications	18	**225 883**	121 615
Debtors	20	**55 594**	48 278
Cash and cash equivalents	21	**2 209**	792
		1 783 290	2 245 426
Total assets		**2 647 613**	3 019 754
CAPITAL FUND			
Capital received from the Founder	22	**11 747**	11 747
Reserves	23	**2 844 078**	2 735 063
Transfer to the capital fund		**(459 390)**	28 418
Total capital fund		**2 396 435**	2 775 228
LIABILITIES			
Non-current liabilities			
Provisions	24	**203 946**	218 251
Current liabilities			
Current financial liabilities	17	**25 121**	4 634
Grants and scholarships	26	**7 814**	6 989
Creditors and other liabilities	27	**14 297**	14 652
		47 232	26 275
Total liabilities		**251 178**	244 526
Total capital fund and liabilities		**2 647 613**	3 019 754

See accompanying notes to the Financial Statements.

Statement of cash flows
for the years ended 31 December, 2008 and 2007

($€10^3$)

	Notes	2008	2007
Operating activities			
Proceeds/investments in current financial assets		**168 314**	106 331
Distribution and direct activities		**(71 875)**	(76 671)
Pensions paid		**(16 553)**	(16 284)
Other payments relating to operating activities		**(3 778)**	(16 041)
Cash flows arising from operating activities		**76 108**	(2 665)
Investment activities			
Non-current financial assets		**(6 169)**	(9 429)
Dividends received		**51 968**	44 498
Acquisitions of fixed assets		**(8 983)**	(4 999)
Others proceeds		**(7 239)**	14 299
Cash flows arising from investment activities		**29 577**	44 369
Net changes in cash and cash equivalents		**105 685**	41 704
Cash and cash equivalents at beginning of the year		**122 407**	80 703
Cash and cash equivalents at the end of the year		**228 092**	122 407
Cash and cash equivalents includes:			
Cash	21	**75**	57
Deposits	21	**2 134**	735
Other treasury applications	18	**225 883**	121 615
		228 092	122 407

See accompanying notes to the Financial Statements.

Statement of changes in the capital fund
for the years ended 31 December, 2008 and 2007

(€10^3)

	Total capital fund	Capital received from the Founder	Fair value reserve	Other reserves
Balance at 31 December, 2006	2 704 197	11 747	652 481	2 039 969
Fair value reserve	42 613	–	42 613	–
Transfer to the capital fund	28 418	–	–	28 418
Balance at 31 December, 2007	2 775 228	11 747	695 094	2 068 387
Fair value reserve	80 561	–	80 561	–
Gifts and legacies	36	–	–	36
Transfer to the capital fund	(459 390)	–	–	(459 390)
Balance at 31 December, 2008	2 396 435	11 747	775 655	1 609 033

See accompanying notes to the Financial Statements.

Notes to the Individual and Consolidated Financial Statements
31 December, 2008 and 2007

Note 1
Activities

The Calouste Gulbenkian Foundation (the "Foundation") is a non-profit organisation with its head office in Lisbon, Portugal. The Foundation was created by the will of its founder Calouste Sarkis Gulbenkian, and was granted "public utility status" under Decree Law No. 40690, of 18 July, 1956. The Foundation's mission comprises the award of grants and other distributive activities with the following statutory purposes: Art, Charity, Science and Education.

The activities of its subsidiary companies are related to its oil and gas investments in the Middle East, North Africa, Brazil, Kazakhstan, Angola and Portugal.

Note 2
Accounting policies

a) Basis of presentation

The financial statements now presented were approved by the Foundation's Board of Trustees on 21 May, 2009. They reflect the individual and consolidated results of the operations of the Foundation and its subsidiary companies for the years ended on 31 December, 2008 and 2007.

The Foundation's individual and consolidated financial statements now presented refer to the financial year ended on 31 December, 2008, and were prepared in keeping with the International Financial Reporting Standards (IFRS) in force, as adopted in the European Union until 31 December, 2008. The accounting policies used by the Foundation in the preparation of its individual and consolidated financial statements relating to 31 December, 2008, are consistent with the ones used in the preparation of the individual and consolidated financial statements relating to 31 December, 2007.

The IFRS include accounting standards issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and their respective predecessor bodies.

The individual and consolidated financial statements are expressed in euros, rounded up or down to the nearest thousand and were prepared in accordance with the historical cost convention, except for the assets and liabilities recorded at their fair value, namely derived financial instruments, current and non-current assets and liabilities.

The preparation of individual and consolidated financial statements in accordance with IFRS standards requires the Foundation to make judgements and estimates, and use assumptions that affect the application of the accounting policies and the reported amounts of income, expenses, assets and liabilities.

Any alterations to these assumptions or any differences noted in them in relation to the actual reality may have an impact on the actual estimates and judgements. Matters involving greater judgement or complexity, or where the assumptions and estimates used are considered to be significant in the preparation of the financial statements, are shown in paragraph x) of this note.

b) Basis of consolidation

Reference dates

The consolidated financial statements reflect the assets, liabilities and results of the Foundation and its subsidiaries, as defined in Note 15, for the years ended on 31 December, 2008 and 2007. The accounting policies were applied in a consistent manner by all of the Foundation's companies.

Investments in subsidiaries

Those companies over which the Foundation exercises control are classified as its subsidiaries. Normally control is presumed to exist when the Group has more than half of the voting rights. Additionally, control also exists when the Foundation has the power, directly or indirectly, to manage the financial and operating policies of a certain company in order to obtain benefits from its activities, even if its shareholding is less than 50%.
Subsidiary companies are fully consolidated from the moment when the Group assumes control over their activities until the moment when this control ceases to exist.

When the accumulated losses of a subsidiary company exceed the interest of minorities in the equity of that subsidiary, the excess is attributed to the Group as it is incurred. Profits subsequently obtained by this same subsidiary are recognised as income of the Group until the prior losses previously recognised have been recovered.

Jointly controlled bodies

Jointly controlled bodies, consolidated using the proportional method, are bodies in which the Group has control established by contractual agreement. The consolidated financial statements include, under the respective items of assets, liabilities, expenditure and income, the jointly controlled parts, from the date when joint control began to the date when this ended.

Translation of financial statements in foreign currency

The financial statements of the Foundation's foreign subsidiaries are prepared in their functional currency. The consolidated financial statements are prepared in euros, which is the Foundation's functional currency. The financial statements of the Group's companies that have a different functional currency from the euro are translated into euros according to the following criteria:

› Assets and liabilities are converted at the exchange rate on the date of the balance sheet;
› Income and expenses are converted by applying the exchange rates that are closest to the real rates on the date of the transactions;
› The exchange differences calculated between the value of the conversion into euros of shareholders' equity at the beginning of the year and its value when converted at the exchange rate in force at the date of the balance sheet to which the consolidated accounts refer are recorded as reserves.

In the same way, in the case of the subsidiary and associated companies, the exchange differences arising from the conversion into euros of their results for the year, between the exchange rates used in the financial statements and the exchange rates in force at the date of the balance sheet, are recorded as reserves.
At the date when the company is sold, these differences are recognised in the results as an integral part of the profit or loss resulting from the sale.

Accounting of investments in subsidiaries on an individual basis

On an individual basis, investments in subsidiaries which are not classified as held for sale, or included in a group for disposal, classified as held for sale, are recognised at fair value, the changes are recorded in a fair value reserve, and the value of the asset is periodically subjected to impairment tests.

Balances and transactions eliminated on consolidation

Inter-group balances and transactions, including unrealised profits or losses on such transactions, are eliminated in preparing the consolidated financial statements, except in those cases when the unrealised losses show the existence of impairment that must be recognised in the consolidated accounts.

Unrealised profits resulting from transactions with associated bodies are eliminated in proportion to the Group's share in these. Unrealised losses are also eliminated, but only in those cases when they do not show the existence of impairment.

c) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies, which are recorded at historical cost, are translated into euros at the foreign exchange rates in force at the balance sheet date. The exchange differences arising from this conversion are recognised in the statement of operations. Non-monetary assets and liabilities that are recorded at historical cost in a foreign currency are converted using the exchange rate at the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are converted into euros at the exchange rate in force at the date when the fair value was determined.

When a profit or a loss on a non-monetary item is recognised directly in the capital fund, all exchange components relating to that profit or loss must be recognised directly in the capital fund. On the other hand, when a profit or a loss on a non-monetary item is recognised in the statement of operations, all exchange components relating to that profit or loss must be recognised in the statement of operations. The resulting exchange differences are recognised in the statement of operations, except for those differences relating to shares classified as non-current financial assets, which are recorded as reserves.

d) Intangible assets

The Foundation's intangible assets are recorded at acquisition cost, net of the respective accumulated amortisations and impairment losses.

The acquisition costs of oil and gas exploration rights are amortised at constant shares during the remainder of the concession period, which varies between 17 and 33 years.

Costs incurred in the acquisition of software, whose use can be expected to generate future economic benefits extending beyond one financial year, are recognised as intangible assets. The remaining expenses related with information technology services are recognised as costs when they are incurred.

e) Tangible fixed assets

Tangible fixed assets are recorded at acquisition cost, net of any subsidies received and of the respective accumulated depreciations and impairment losses. Subsequent costs are recognised only when it is probable that future economic benefits will flow to the Foundation, so that repairs and maintenance are charged to the statement of operations during the financial period to which they relate.

Tests to check for potential impairment are carried out whenever events or circumstances suggest that the book value of an asset may exceed its realisable value. The difference between the book value and realisable value, when this exists, is charged to the statement of operations.

Depreciation of buildings and motor vehicles is calculated using the straight-line method. The remaining tangible assets are totally depreciated in the year of acquisition. Depreciation is calculated over the following periods, which correspond to their estimated useful life:

	Number of years
Buildings	50
Motor veihicles	4 to 5
Oil equipment	5 to 10
Other equipment	1 to 5

Works undertaken on buildings are amortised over the remaining periods of their useful life.

f) Art collections

The Foundation's art collection was donated by Mr. Calouste Sarkis Gulbenkian and is shown in the financial statements at a symbolic value.

Works of art acquired subsequently and up to the financial year of 2005 were totally amortised in the year of their acquisition. After 2006, they are recorded at their acquisition value and periodically submitted to impairment tests, in accordance with IAS 36.

g) Leases

The classification of lease operations as finance leases or operating leases, established by IAS 17 – Leases, and applied by the Foundation, depends on the substance of the transaction rather than the form of the contract. A lease is classified as a finance lease if it substantially transfers all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases.

Operating leases

Payments made by the Foundation under the terms of operating lease contracts are recorded as costs in the periods to which they relate.

Finance leases – as lessee

Finance lease contracts are recorded at inception as assets and liabilities, at the acquisition cost of the asset leased, which is equal to the present value of outstanding lease instalments. Such instalments comprise (i) the financial charge, which is recognised in the statement of operations and (ii) the amortisation of principal, which is deducted from liabilities. Financial charges are recognised as costs over the lease period, in order to give a constant rate of interest on the remaining balance of the liability in each period.

h) Other current and non-current financial assets

The Foundation classifies its other financial assets on acquisition, taking account of their underlying purpose, into the following categories:

Current financial assets

This category includes: (i) financial assets held for trading, which are those acquired principally to be sold in the short term, and (ii) financial assets that are designated at the time of their initial recognition as being at fair value with value changes put through the profit or loss account.
On initial recognition, the Foundation designates certain financial assets as being current when:
› such financial assets are generated, valued and analysed internally based on their fair value;
› derivative operations are contractually agreed with the aim of covering these assets economically, thus guaranteeing consistency in the valuation of assets and derivatives (accounting mismatch); or
› such financial assets contain embedded derivatives.

Investments held until maturity

These investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, which the Foundation both intends and has the capacity to hold until maturity and which are not designated, on initial recognition, as being current or non-current financial assets.

Non-current financial assets

Non-current financial assets are non-derivative financial assets that (i) the Foundation intends to hold for an indefinite period of time, (ii) are designated as non-current on initial recognition, or (iii) do not fit into any of the aforementioned categories.

Initial recognition, measurement and derecognition

Purchases and sales of (i) current financial assets, (ii) investments held until maturity and (iii) non-current financial assets, are recognised on trade date, i.e. on the date when the Foundation commits to the purchase or sale of the asset.

Financial assets are initially recognised at fair value plus transaction costs, except in the event of current investments, in which case these transaction costs are directly recognised in the statement of operations.

Financial assets are derecognised when (i) the Foundation's contractual rights to receive their cash flows have expired, (ii) the Foundation has substantially transferred all risks and rewards of ownership, or (iii) although retaining some but not substantially all of the risks and rewards of ownership, the Foundation has transferred control over the assets.

Subsequent measurement

After their initial recognition, current financial assets are valued at fair value, with their changes being recognised in the statement of operations.

Non-current financial assets are also recorded at fair value. However, profits and losses arising from changes in their fair value are recognised in a fair value reserve, until the financial assets are derecognised or impaired, at which time the cumulative potential profits or losses previously recognised in the fair value reserve are transferred to the statement of operations. Foreign exchange differences arising from these investments are also recognised in the reserves in the case of shares and other equity securities, and in the statement of operations in the case of debt instruments. Interest, calculated at the effective interest rate, and dividends are recognised in the statement of operations.

Investments held until maturity are valued at amortised cost, using the effective rate method, and impairment losses are deducted. The fair values of listed financial assets are based on current bid prices. For unlisted securities, the Group estimates fair value by using valuation techniques, such as the use of the prices of similar recent transactions undertaken under market conditions, discounted cash flow analysis and valuation assumptions based on market information.

Financial assets whose fair value cannot be reliably measured are recorded at their acquisition cost.

Reclassifications between categories

In accordance with IAS 39, after initial recognition, the Foundation does not reclassify a financial instrument into or out of the category of current financial assets.

Impairment

The Foundation periodically assesses whether there is objective evidence that a financial asset, or group of financial assets, is impaired. When evidence of impairment is encountered, the value of the asset is determined and any impairment losses are recognised through the statement of operations.

A financial asset, or a group of financial assets, is considered to be impaired whenever there is objective evidence of impairment arising from one or more events that occurred after their initial recognition, such as:

› for listed securities, a significant or prolonged decline in its market value below acquisition cost;

› for unlisted securities, when that event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

As far as investments held until maturity are concerned, impairment losses correspond to the differences between the asset's book value and the current value of estimated future cash flows (taking the recovery period into account), discounted at the original effective interest rate of the financial asset. These assets are presented in the balance sheet, net of impairment. In the case of an asset with a variable interest rate, the discount rate to be used to determine the respective impairment loss is the current effective interest rate, determined according to the rules of each contract. In the case of investments held until maturity, should the amount of the impairment loss fall in a subsequent period, and if such a reduction may be objectively related to an event that happened after the recognition of the impairment, this is recognised in the statement of operations.

When there is evidence that an impairment loss has been incurred on non-current financial assets, the cumulative potential loss shown in the fair value reserve, and measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the statement of operations, is transferred to the statement of operations. If, in a subsequent period, the amount of the impairment loss falls in value, the previously recognised impairment loss is recognised in the reserves.

i) Current financial liabilities

An instrument is classified as a current financial liability when there is a contractual obligation for its settlement to be effected through the delivery of cash or another financial asset, regardless of its legal form.

On initial recognition, the Foundation designates certain current financial liabilities as being at fair value through profit or loss.

The fair value of listed liabilities is that of their listed value. In the case of unlisted liabilities, the Foundation estimates their fair value by using valuation methodologies that take into account assumptions based on market information, including the actual risk of the issuer.

j) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

k) Derivative financial instruments

Derivatives are recorded at fair value on the trade date. Subsequently, derivative financial instruments are re-measured on a regular basis and the resulting profits or losses on revaluation are recognised directly in the statement of operations.

Fair values of derivative financial instruments are obtained from market prices, if available, or are determined by third parties using valuation techniques including discounted cash flow models and options pricing models, as appropriate.

l) Assets transferred under repurchase agreements and security loans

Securities bought with a resale agreement (reverse repos) at a fixed price or for a price that is equal to the purchase price plus the interest that is inherent in the operating period are not recognised in the balance sheet, with the purchase value being recorded as other treasury applications. The difference between the purchase value and the resale value is treated as interest and is deferred during the validity period of the agreement, using the effective rate method.

Securities transferred through loan agreements are not derecognised in the balance sheet, but are classified and accounted for in accordance with the accounting policy outlined in section h) of this Note. Securities received through loan agreements are not recognised in the balance sheet.

m) Debtors

The carrying amounts of debtors are examined annually with the aim of determining if there are any signs of impairment. Should this be the case, the asset's recoverable value is calculated. Impairment losses are recognised in the statement of operations whenever the asset's carrying value exceeds its recoverable value.

An asset's impairment loss recognised in previous years should be readjusted if, and only if, an alteration has been made to the estimates used to determine the recoverable value of the asset since impairment loss was last recognised.

n) Subsidies received

Subsidies received under the Cultural Operating Programme for remodelling infrastructures and facilities are credited to the operating statement, in accordance with the amortisation rates on the respective equipment.

o) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash and deposits with banks.

p) Recognition of costs and income

Costs and income are recognised in the year to which they relate, irrespectively of when they are paid or collected, in accordance with the principles of accrual accounting.

Interest, dividends and other income generated from the Foundation's resources are recognised as income, when it is probable that the economic benefits associated with the transaction will accrue to the Foundation and when such income can be reliably determined. Interest is recognised on an accrual basis unless there are any doubts about its collection. Other income is recognised on an accrual basis in accordance with the substance of the respective agreement.

q) Recognition of income from oil and gas activities

Income generated from oil and gas sales is only recognised when the risks and benefits of ownership have been transferred to the purchaser and the respective costs associated with the transaction have been determined.

r) Capitalisation of oil production costs

(i) Exploration costs

Costs incurred prior to the exploration phase are recognised in the statement of operations at the time when they are incurred. Acquisition costs of properties or concessions, successful exploratory wells, development costs, including interest on finance, equipment and support installations for oil activity are capitalised in tangible or intangible fixed assets, depending on their nature. The costs incurred on unsuccessful wells are recognised as losses.

The Foundation carries out impairment tests whenever events show that the book value of an asset may exceed its recoverable value. The difference between the book value and the recoverable value, if this is found to exist, is charged to the statement of operations. Impairment tests on oil wells are carried out on an individual basis.

(ii) Assets for oil and gas production

The costs incurred in the drilling of development wells when building production facilities are capitalised, together with the costs of finance incurred during the construction phase, as well as the current value of the future costs for the removal of assets.

The amortisation of assets is determined by the unit-of-production method

s) Inventories

Inventories are valued at the lower of their acquisition cost or net realisable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The net realisable value corresponds to the estimated selling price in the ordinary course of business, less the respective costs necessary to make the sale.

The cost of crude is determined using the FIFO (First In/First Out) method. The Foundation's inventories essentially consist of crude that is to be found in pipelines or reservoirs, or is stored by transport companies, in which the ownership rights have not been totally transferred to the client.

The average weighted cost method is used to determine the sales of other inventories.

t) Taxation

The Calouste Gulbenkian Foundation is exempt from corporation taxes by decision of the Minister of Finance dated 18 July 1989.

u) Pension plans

The Foundation has several pension plans, including defined benefit and defined contribution pension plans.

Under a defined benefit pension plan, the Foundation undertook to pay its employees pensions on retirement, pre-retirement or disability, as set out in the "Staff Pension Plan" (1979) and in the "Foundation Pension Plan" (1997). The funding policy of the defined contribution pension plan ("Plano Complementar de Pensões de Contribuição Definida" 2005) is to make contributions to the "Fundo de Pensões Aberto BPI Acções". The employees of the Foundation's United Kingdom branch have their own pension plan.

The pensions relating to the 1979 and 1997 plans are complementary to those paid by the Social Security Services and are based on the employee's length of service. A provision has been set up, which represents an estimate of the capital required to cover the future cost of paying benefits to current pensioners and the future benefits to current employees.

The Foundation has financed its pension liabilities through the creation of a provision which reflects an estimate of the capital required to cover the future cost of paying benefits to current pensioners and the future benefits to current employees.

The Foundation's liabilities with retirement pensions are calculated on an annual basis, at the balance sheet date, by external and independent actuaries.

The calculation is made using the projected unit credit method and following actuarial and financial assumptions, in accordance with the requirements of IAS 19.

Current and past service costs, together with the provision calculated, are charged to the statement of operations.

The Foundation's liability in respect of defined benefit pension plans is calculated by estimating the amount of future benefits that each employee has earned in current and prior periods. The benefit is discounted in order to determine its present value. The discount rate is the yield, at the balance sheet date, on risk-free bonds that have maturity dates similar to the end dates of the plan's obligations.

Actuarial profits and losses are calculated on an annual basis and result from (i) differences between actuarial and financial assumptions used and the values actually recorded, and from (ii) changes introduced in actuarial assumptions. These are recognised as an asset or a liability and their accumulated amount is charged to the statement of operations using the corridor method, in accordance with the requirements of IAS 19.

This method establishes that accumulated actuarial profits and losses at the beginning of the year that are greater than 10% of the liabilities also brought forward at the beginning of the year are to be recognised as a profit or loss to be charged to the costs or income account in the year in which they occur. Accumulated actuarial profits and losses at the beginning of the year that are within the above limit are recognised in the corridor of the pension plan and are not amortised.

Annually, the Foundation recognises as a cost, in the statement of operations, the net amount, which includes (i) current service costs, (ii) interest cost and (iii) a portion of the actuarial profits and losses determined using the aforementioned corridor method.

v) Recognition of dividends

The income from capital instruments (dividends) is recognised when the right to receive its payment is established.

w) Provisions

Provisions are created when: (i) the Foundation has present legal or constructive liability, (ii) it is probable that payment will be required and (iii) a reliable estimate can be made of the amount of the liability.

x) Main estimates and judgements used in preparing the Financial Statements

IFRS standards set out a range of accounting treatments and require the Board of Trustees to apply judgements and make estimates in deciding which treatment is most appropriate. The most significant of these accounting policies are discussed in this section in order to improve understanding of how their application affects the Foundation's reported results and related disclosures.

In many cases, there are several alternatives to the accounting treatment chosen by the Board of Trustees, and the Foundation's reported results would be changed if a different treatment were chosen. The Board of Trustees believes that the choices made are appropriate and that the financial statements present the Foundation's financial position and results fairly in all material respects. The alternative outcomes discussed below are presented solely to assist the reader in understanding the financial statements and are not intended to suggest that other alternatives or estimates would be more appropriate.

Impairment of non-current financial assets

The Foundation determines that non-current financial assets are impaired when there has been a significant or prolonged decline in the fair value below their cost or when there is expected to be an impact on the future cash flows of its assets. This determination of what is significant or prolonged requires judgement, in which the Foundation collates and analyses all the data that are relevant for the formulation of such a decision, namely information relating to the normal volatility of the prices of financial instruments.

The Foundation determines the fair value through a valuation made by independent experts or through mark-to-market prices. The valuation reflects the net present value of future estimated cash flows using market assumptions.

Alternative methodologies and the use of different assumptions and estimates could result in a higher level of impairment losses being recognised, with a consequent impact on the Foundation's statement of operations.

Fair value of financial instruments

Fair values are based on listed market prices when available or are determined either by the use of the prices of similar recent transactions undertaken under market conditions, or by the use of pricing models, based on the net present value of estimated future cash flows, which take account of market conditions, the time effect, the yield curve and volatility factors. These pricing models may require assumptions or judgements in estimating the fair values.

Consequently, the use of a different model or different assumptions or judgements in applying a particular model may have produced financial results that differ from those reported.

Long-term assets impairment

The carrying amounts of tangible fixed assets are reviewed to determine impairment when facts or circumstance suggest that their net book value may not be recoverable.

Considering the uncertainties about the net recoverable value of tangible and intangible fixed assets, which is based on the best information available at the time, the changes to assumptions may impact on the estimate of impairment and consequently profit and loss.

Pension plans

Determining pension liabilities requires the use of assumptions and estimates, including the use of actuarial projections, estimated returns on investment, and other factors that could have an impact on the costs and level of liability of the pension plan.

Changes in these assumptions could materially affect these values.

Note 3
Other oil and gas income

Other oil and gas income is made up as follows:

(€10³)

		Consolidated
	2008	2007
Dividends	30 477	18 410
Services rendered	4 520	3 835
	34 997	**22 245**

Note 4
Net financial income

The policy of the Foundation is to obtain a rate of return on its investment portfolio, net of commissions. This rate is agreed annually with its investment fund managers, within guidelines established by the Foundation.

The net financial income obtained in 2008 and 2007 in the Consolidated Account is made up as follows:

(€10³)

	Income	Costs	Total	Income	Costs	Total
			2008			2007
Current financial assets and liabilities						
Bonds and other fixed-yield securities						
From public issuers	169 641	(147 069)	22 572	33 724	(37 558)	(3 834)
From others issuers	53 231	(69 447)	(16 216)	25 003	(30 675)	(5 672)
Shares						
Other variable-yield securities	119 656	(455 945)	(336 289)	212 745	(178 087)	34 658
Investment funds						
Liquidity	2 869	(46)	2 823	194	(174)	20
Shares	9 309	(56 332)	(47 023)	26 352	(22 057)	4 295
Bonds	19 740	(33 492)	(13 752)	90 684	(103 705)	(13 021)
Others	3 763	(19 742)	(15 979)	7 590	(1 281)	6 309
Derivatives						
Forwards	192 524	(217 526)	(25 002)	128 253	(38 874)	89 379
Futures	29 885	(13 297)	16 588	7 022	(9 097)	(2 075)
Options	3 058	(410)	2 648	498	(541)	(43)
Warrants	555	(2 740)	(2 185)	–	–	–
	604 231	**(1 016 046)**	**(411 815)**	**532 065**	**(422 049)**	**110 016**
Non-current financial assets						
Investment Funds	1 555	–	1 555	9 681	–	9 681
	1 555	**–**	**1 555**	**9 681**	**–**	**9 681**
Advances						
Investments in oil and gas companies	1 978	–	1 978	1 315	–	1 315
Other companies	246	–	246	353	–	353
	2 224	**–**	**2 224**	**1 668**	**–**	**1 668**
Other treasury applications	11 239	(2 037)	9 202	10 727	(2 240)	8 487
Commissions	–	(6 184)	(6 184)	–	(7 367)	(7 367)
Exchange differences	3 677	(23 810)	(20 133)	20 591	(1 812)	18 779
	14 916	**(32 031)**	**(17 115)**	**31 318**	**(11 419)**	**19 899**
	622 926	**(1 048 077)**	**(425 151)**	**574 732**	**(433 468)**	**141 264**

The net financial income obtained in 2008 and 2007 in the Foundation's Account is made up as follows:

(€10³)

	Income	Costs	Total	Income	Costs	Total
			2008			**2007**
Current financial assets and liabilities						
Bond and other fixed-yield securities						
From public issuers	169 641	(147 069)	22 572	33 724	(37 558)	(3 834)
From other issuers	53 231	(69 447)	(16 216)	25 003	(30 675)	(5 672)
Shares						
Other variable-yield securities	119 656	(455 945)	(336 289)	212 745	(178 087)	34 658
Investment funds						
Liquidity	2 869	(46)	2 823	194	(174)	20
Shares	9 309	(56 332)	(47 023)	26 352	(22 057)	4 295
Bonds	19 740	(33 492)	(13 752)	90 684	(103 705)	(13 021)
Others	3 763	(19 742)	(15 979)	7 590	(1 281)	6 309
Derivatives						
Forwards	192 524	(217 526)	(25 002)	128 253	(38 874)	89 379
Futures	29 885	(13 297)	16 588	7 022	(9 097)	(2 075)
Options	3 058	(410)	2 648	498	(541)	(43)
Warrants	555	(2 740)	(2 185)	–	–	–
	604 231	**(1 016 046)**	**(411 815)**	**532 065**	**(422 049)**	**110 016**
Non-current financial assets						
Subsidiary companies	30 538	–	30 538	22 009	–	22 009
Investment Funds	950	–	950	865	–	865
	31 488	**–**	**31 488**	**22 874**	**–**	**22 874**
Other treasury applications	6 166	(1 181)	4 985	5 476	(1 435)	4 041
Commissions	–	(6 184)	(6 184)	–	(7 367)	(7 367)
Exchange differences	3 677	(2 058)	1 619	704	(1 812)	(1 108)
	9 843	**(9 423)**	**420**	**6 180**	**(10 614)**	**(4 434)**
	645 562	**(1 025 469)**	**(379 907)**	**561 119**	**(432 663)**	**128 456**

Note 5
Other income

Other income is made up as follows:

(€10³)

	Consolidated		Foundation	
	2008	2007	2008	2007
Sale of publications	1 053	1 285	1 053	1 285
Sale of tickets	2 137	1 935	2 137	1 935
Contributions from third parties	7 477	5 066	7 477	5 066
Other items	10 856	3 015	10 856	3 015
	21 523	**11 301**	**21 523**	**11 301**

The account "Contributions from third parties" refers to contributions made to scientific research projects and in the area of artistic activities..

As at 31 December, 2008, the account "Other items" includes the amount of € 5,091,000 relating to profits made with the sale of tangible fixed assets.

Note 6
Distributions and direct activities

Expenditure on the Foundation's statutory purposes is divided as follows:

(€10³)

	Consolidated		Foundation	
	2008	2007	2008	2007
Charity	8 735	8 557	8 735	8 557
Art	31 206	34 370	31 206	34 370
Education	21 217	22 362	21 217	22 362
Science	14 393	12 923	14 393	12 923
	75 551	**78 212**	**75 551**	**78 212**

The account "Distributions and direct activities" includes the amount of € 2,851,000 (2007: € 1,805,000) and € 20,763,000 (2007: € 20,806,000) relating to amortisation and depreciation costs and personnel costs, respectively.

Note 7
Other administrative and operating costs

Other administrative and operating costs are made up as follows:

(€10³)

	Consolidated		Foundation	
	2008	2007	2008	2007
Personnel costs	19 888	18 640	10 597	9 597
Specialised works	4 921	4 663	4 288	3 849
Conservation and repair	1 043	696	1 043	696
Other supplies and services	5 229	5 398	4 019	3 841
Outros custos operacionais	1 737	4 506	267	345
	32 818	**33 903**	**20 214**	**18 328**

Note 8
Personnel costs

Personnel costs are made up as follows:

(€10³)

	Consolidated		Foundation	
	2008	2007	2008	2007
Board of Trustees	1 477	1 443	1 144	1 107
Wages and salaries	30 281	29 359	23 117	22 428
Social charges	6 109	6 032	4 975	4 930
Other personnel costs	2 784	2 612	2 124	1 938
	40 651	**39 446**	**31 360**	**30 403**

The number of permanent employees is analysed as follows:

	Consolidated		Foundation	
	2008	2007	2008	2007
Board of Trustees	9	9	9	9
Staff	587	604	515	531
	596	**613**	**524**	**540**

Personnel costs include an amount of € 20,763,000 (2007: € 20,806,000), which is allocated to distributions and direct activities (see Note 6).

Other personnel costs include an amount of € 172,000 (2007: € 168,000) relating to contributions to the defined contribution pension plan of the Foundation's employees.

Note 9
Employee benefits

In the Consolidated Account, employee benefits are analysed as follows:

(€10³)

	Charge for the year	Write-back	Total
			2008
Pensions	2 741	–	2 741
Other benefits	408	–	408
	3 149	**–**	**3 149**
			2007
Pensions	13 990	–	13 990
Other benefits	289	(1 329)	(1 040)
	14 279	**(1 329)**	**12 950**

In the Foundation's Account, employee benefits are analysed as follows:

(€10³)

	Charge for the year	Write-back	Total
			2008
Pensions	2 564	–	2 564
Other benefits	278	–	278
	2 842	**–**	**2 842**
			2007
Pensions	13 811	–	13 811
Other benefits	–	(1 047)	(1 047)
	13 811	**(1 047)**	**12 764**

Note 10
Provisions

The consolidated charge for 2008 and 2007 for provisions, net of reinforcements and annulments, is made up as follows:

(€10³)

	Charge for the year	Write-back	Total
			2008
Provisions	346	–	346
	346	**–**	**346**

Note 11
Impairment

Impairment is made up as follows:

(€10³)

	Consolidated	
	2008	**2007**
Impairment on intangible assets	(3 306)	(14 173)
Impairment on non-current financial assets	(3 396)	(397)
	(6 702)	**(14 570)**

Note 12
Amortisations and depreciations

Amortisations and depreciations are made up as follows:

(€10³)

	Consolidated		*Foundation*	
	2008	**2007**	**2008**	**2007**
Intagible assets				
Exploration rights	1 928	1 343	–	–
Oil and gas exploration	–	1 908	–	–
Software	693	337	680	337
	2 621	**3 588**	**680**	**337**
Tangible fixed assets				
Real estate	1 083	937	1 083	937
Equipment	3 446	2 539	3 349	2 439
Oil and gas prodution	3 594	4 920	–	–
Other assets	326	319	120	111
	8 449	**8 715**	**4 552**	**3 487**
Amortisations and depreciations allocated to				
Distributions and direct activities	(2 851)	(1 805)	(2 851)	(1 805)
	8 219	**10 498**	**2 381**	**2 019**

Amortisations and depreciations for the year include the amount of € 2,851,000, (2007: € 1,805,000), which is allocated to distributions and direct activities, as mentioned in Note 6.

Note 13
Intagible assets

Intangible assets are made up as follows:

(€10^3)

	Consolidated		Foundation	
	2008	**2007**	**2008**	**2007**
Cost:				
Exploration rights	52 878	52 104	–	–
Oil and gas exploration	37 885	37 009	–	–
Software	1 716	955	1 635	955
Other intangible assets	343	338	338	338
	92 822	**90 406**	**1 973**	**1 293**
Accumulated amortization and impairment losses				
Accumulated amortisation	(6 833)	(4 167)	(1 973)	(1 293)
Impairment losses	–	(2 753)	–	–
	(6 833)	**(6 920)**	**(1 973)**	**(1 293)**
	85 989	**83 486**	**–**	**–**

The account "Exploration rights" refers to costs incurred with oil and gas exploration and production rights existing in Brazil, Angola, Oman and Kazakhstan and jointly controlled by the Group, which are amortised during the remaining period of the licence.

The account "Oil and gas exploration" refers to investments made in oil and gas concessions in Brazil, Algeria, and Portugal, which are jointly controlled.

Impairment losses amounted to € 3,306,000 (2007: € 14,173,000), as mentioned in Note 11, and were determined in 2008 based on the success of exploratory wells and the market conditions in the oil and gas concessions of Brazil and Algeria, in accordance with accounting policy 2.x). During 2008, the Group deducted the amount of € 5,886,000 (2007: € 11,420,000) from oil and gas investments in Brazil and Algeria that were affected by impairment loss. At 31 December 2007, the impairment losses recognised under the account of "Intangible assets" had risen to € 2,753,000, arising from the return of the assets to the Algerian authorities.

The additions of Software at the Foundation amounting to € 680,000 (2007: € 337,000) in value were totally amortised during the year, in accordance with accounting policy 2.d).

The movements on consolidated intangible assets during 2008 and 2007 are analysed as follows:

(€10^3)

	Exploration rights	Oil and gas exploration	Software	Other assets	Total
Acquisition cost:					
Balance at 31 December 2006	**–**	**–**	**618**	**338**	**956**
Exchange differences	(4 378)	(1 040)	–	–	(5 418)
Balance at 31 December 2007	**52 104**	**37 009**	**955**	**338**	**90 406**
Accruals	–	12 571	712	–	13 283
Dedutions	–	(5 886)	–	–	(5 886)
Transfers	(58)	58	57	5	62
Exchange differences	832	(5 867)	(8)	–	(5 043)
Balance at 31 December 2008	**52 878**	**37 885**	**1 716**	**343**	**92 822**
AMORTISATIONS					
Balance at 31 December 2006	**–**	**–**	**618**	**338**	**956**
Amortisations for the year	1 343	1 908	337	–	3 588
Dedutions	–	(11 420)	–	–	(11 420)
Exchange differences	(84)	(293)	–	–	(377)
Impairment	–	14 173	–	–	14 173
Balance at 31 December 2007	**1 259**	**4 368**	**955**	**338**	**6 920**
Amortisations for the year	1 928	–	693	–	2 621
Dedutions	–	(5 886)	–	–	(5 886)
Transfers	1 788	(1 788)	27	5	32
Exchange differences	(154)	–	(6)	–	(160)
Impairment	–	3 306	–	–	3 306
Balance at 31 December 2008	**4 821**	**–**	**1 669**	**343**	**6 833**
Net balance at 31 December 2007	**50 845**	**32 641**	**–**	**–**	**83 486**
Net balance at 31 December 2008	**48 057**	**37 885**	**47**	**–**	**85 989**

During 2007, the amount of € 88,346,000 was transferred from tangible fixed assets, arising from the application of IFRS 6 (Exploration for and Evaluation of Mineral Resources).

Note 14
Tangible fixed assets

Tangible fixed assets are made up as follows:

(€10³)

	Consolidated		Foundation	
	2008	2007	2008	2007
Cost:				
Real estate	33 732	30 134	33 732	30 134
Equipment	40 686	39 008	40 178	38 546
Works of art	3 435	3 069	3 435	3 069
Oil and gas prodution	76 540	48 845	–	–
Other assets	3 920	3 766	980	860
	158 313	**124 822**	**78 325**	**72 609**
Accumulated depreciations	(73 339)	(62 866)	(58 158)	(55 707)
	84 974	**61 956**	**20 167**	**16 902**

The account “Oil and gas production” includes investments made under the scope of the “Dunga Oil Field” project where a 20% share is held in partnership with Maersk (the operator) and the Oman Oil Company Ltd., in the amount of € 59,573,000 (2007: € 39,370,000).

This account also includes investments made under the scope of the “Mukhaizna Oil Field” project where a 1% share is held in partnership with other entities, with the operator being the Occidental Petroleum Co., in the amount of € 16,967,000 (2007: € 9,475,000), which was reclassified from non-current financial assets to tangible fixed assets, as mentioned in Note 32.

The movements on consolidated tangible fixed assets during 2008 and 2007 are made up as follows:

(€10³)

	Real estate	Equipment	Works of art	Oil and gas prodution	Other assets	Total
Acquisition cost:						
Balance at 31 December 2006	**28 245**	**36 930**	**2 864**	**129 984**	**3 070**	**201 093**
Accruals	1 889	2 548	205	12 883	281	17 806
Deductions/Sales	–	(502)	–	–	–	(502)
Transfers	–	44	–	(88 858)	468	(88 346)
Exchange differences	–	(12)	–	(5 164)	(53)	(5 229)
Balance at 31 December 2007	**30 134**	**39 008**	**3 069**	**48 845**	**3 766**	**124 822**
Accruals	4 621	3 458	366	20 030	220	28 695
Deductions/Sales	(1 023)	(1 817)	–	–	(23)	(2 863)
Transfers	–	25	–	3 477	(81)	3 421
Exchange differences	–	12	–	4 188	38	4 238
Balance at 31 December 2008	**33 732**	**40 686**	**3 435**	**76 540**	**3 920**	**158 313**
Depreciations						
Balance at 31 December 2006	**14 499**	**36 088**	**1 514**	**322**	**2 579**	**55 002**
Depreciations for the year	937	2 539	–	4 920	319	8 715
Deductions/Sales	–	(473)	–	–	–	(473)
Transfers	–	35	–	(455)	420	–
Exchange differences	–	(11)	–	(315)	(52)	(378)
Balance at 31 December 2007	**15 436**	**38 178**	**1 514**	**4 472**	**3 266**	**62 866**
Depreciations for the year	1 083	3 446	–	3 594	326	8 449
Deductions/Sales	(330)	(1 805)	–	–	(23)	(2 158)
Transfers	–	32	–	3 489	(70)	3 451
Exchange differences	–	13	–	669	49	731
Balance at 31 December 2008	**16 189**	**39 864**	**1 514**	**12 224**	**3 548**	**73 339**
Net balance at 31 December 2007	**14 698**	**830**	**1 555**	**44 373**	**500**	**61 956**
Net balance at 31 December 2008	**17 543**	**822**	**1 921**	**64 316**	**372**	**84 974**

During 2007, the amount of € 88,346,000 was transferred to intangible assets, arising from the application of IFRS 6 (Exploration for and Evaluation of Mineral Resources).

The movements occurring in the Foundation's tangible fixed assets account during 2008 and 2007 are made up as follows:

(€10^3)

	Real estate	Equipment	Oil and gas prodution	Other assets	Total
Acquisition cost:					
Balance at 31 December 2006	**28 245**	**36 553**	**2 864**	**749**	**68 411**
Accruals	1 889	2 445	205	111	4 650
Deductions/Sales	–	(452)	–	–	(452)
Balance at 31 December 2007	**30 134**	**38 546**	**3 069**	**860**	**72 609**
Accruals	4 621	3 403	366	120	8 510
Deductions/Sales	(1 023)	(1 771)	–	–	(2 794)
Balance at 31 December 2008	**33 732**	**40 178**	**3 435**	**980**	**78 325**
Depreciations					
Balance at 31 December 2006	**14 499**	**35 893**	**1 514**	**749**	**52 655**
Depreciations for the year	937	2 439	–	111	3 487
Deductions/Sales	–	(435)	–	–	(435)
Balance at 31 December 2007	**15 436**	**37 897**	**1 514**	**860**	**55 707**
Depreciations for the year	1 083	3 349	–	120	4 552
Deductions/Sales	(330)	(1 771)	–	–	(2 101)
Balance at 31 December 2008	**16 189**	**39 475**	**1 514**	**980**	**58 158**
Net balance at 31 December 2007	**14 698**	**649**	**1 555**	–	**16 902**
Net balance at 31 December 2008	**17 543**	**703**	**1 921**	–	**20 167**

Note 15
Non-current financial assets and advances

Non-current financial assets and advances are made up as follows:

(€10^3)

	Consolidated		*Foundation*	
	2008	**2007**	**2008**	**2007**
Shares				
Investment in oil and gas companies	397 428	382 039	–	–
Other companies	25 724	20 251	–	–
Investment Funds	124 158	82 468	77 231	64 620
	547 310	**484 758**	**77 231**	**64 620**
Advances				
Investment in oil and gas companies	58 984	48 476	–	–
Other companies	10 366	11 084	–	–
	69 350	**59 560**	–	–
	616 660	**544 318**	**77 231**	**64 620**

The difference between the acquisition value and the fair value is recorded in the fair value reserve of the Capital Fund, as mentioned in Note 23.

Shares in investments in oil and gas companies are recorded at fair value, as described in the accounting policy set out in Note 2 h). Valuations are carried out by independent bodies and represent the current net value of estimated future cash flows, based on market assumptions.

At 31 December, 2008 and 2007, the consolidated investment in oil and gas companies, is made up as follows:

(€10³)

	Cost	Fair value reserve	Impairment losses	Book value
				2008
Shares				
ADPC/ADCO	10 355	41 884	–	52 239
PDO/POHOL	1 664	196 295	–	197 959
OLNG	2 261	142 526	–	144 787
Other investments	7 178	–	(4 735)	2 443
	21 458	**380 705**	**(4 735)**	**397 428**
Other companies	14 283	11 441	–	25 724
Investment Funds				
Fund NovEnergia II	39 793	5 480	–	45 273
Office Park Expo	45 000	7 393	–	52 393
Logística & Distribuição	8 214	1 574	–	9 788
Other companies	15 206	1 498	–	16 704
	108 213	**15 945**	–	**124 158**
Advances				
Investments in oil and gas companies	58 984	–	–	58 984
Other companies	10 366	–	–	10 366
	69 350	–	–	**69 350**
Balance at 31 December 2008	**213 304**	**408 091**	**(4 735)**	**616 660**

(€10³)

	Cost	Fair value reserve	Impairment losses	Book value
				2007
Shares				
ADPC/ADCO	9 789	51 280	–	61 069
PDO/POHOL	1 573	186 594	–	188 167
OLNG	2 138	124 960	–	127 098
Other investments	6 922	–	(1 217)	5 705
	20 422	**362 834**	**(1 217)**	**382 039**
Other companies	13 503	6 748	–	20 251
Investment Funds				
Fund NovEnergia II	12 419	2 894	–	15 313
Office Park Expo	45 000	886	–	45 886
Logística & Distribuição	8 214	1 203	–	9 417
Other companies	9 039	2 813	–	11 852
	74 672	**7 796**	–	**82 468**
Advances				
Investments in oil and gas companies	48 476	–	–	48 476
Other companies	11 084	–	–	11 084
	59 560	–	–	**59 560**
Balance at 31 December 2007	**168 157**	**377 378**	**(1 217)**	**544 318**

The movements occurring in the "Impairment losses" account in non-current financial assets are presented as follows:

(€10³)

	Consolidated	
	2008	2007
Balance at 1 January	**1 217**	**945**
Charge of the year	3 396	397
Funds used	(138)	–
Exchange differences	260	(125)
Balance at 31 December	**4 735**	**1 217**

At 31 December 2008 and 2007, impairment losses arise from the impairment existing in investments made in the Middle East.

At 31 December 2008 and 2007, the Foundation's impairment losses are made up as follows:

(€10³)

	Cost	Fair value reserve	Book value
			2008
Investment Funds			
Office Park Expo	45 000	7 393	52 393
Logística & Distribuição	8 214	1 574	9 788
Other funds	15 206	(156)	15 050
Balance at 31 December 2008	**68 420**	**8 811**	**77 231**

(€10³)

	Cost	Fair value reserve	Book value
			2007
Investment Funds			
Office Park Expo	45 000	886	45 886
Logística & Distribuição	8 214	1 203	9 417
Other funds	9 037	280	9 317
Balance at 31 December 2007	**62 251**	**2 369**	**64 620**

The Group has an investment in the closed fund NovEnergia II, in the amount of € 39,793,000 (2007: € 12,419,000), with the fair value of the fund being valued at € 45,273,000 (2007: € 15,313,000).

The aim of this fund is to invest in projects that use renewable energies as an energy source and in companies that are involved in their development.

The Foundation has an investment in the amount of € 45,000,000 in the closed property investment fund Office Park Expo – Fundo de Investimento Imobiliário Fechado. The aim of this fund is to purchase land and buildings, and to rent or sell land and buildings in Parque das Nações in Lisbon.

In the case of both listed and unlisted securities, the consolidated non-current financial assets and advances are made up as follows:

(€10^3)

	Listed	Unlisted	Total
			2008
Shares			
Investments in oil and gas companies	–	397 428	397 428
Other companies	–	25 724	25 724
Investment Funds	72 454	51 704	124 158
Advances			
Investments in oil and gas companies	–	58 984	58 984
Other companies	–	10 366	10 366
	72 454	**544 206**	**616 660**

(€10^3)

	Listed	Unlisted	Total
			2007
Shares			
Investments in oil and gas companies	–	382 039	382 039
Other companies	–	20 251	20 251
Investment Funds	82 468	–	82 468
Advances			
Investments in oil and gas companies	–	48 476	48 476
Other companies	–	11 084	11 084
	82 468	**461 850**	**544 318**

At the Foundation, the unlisted investment funds amount to € 4,777,000 and the listed investment funds amount to € 72,454,000 (2007: € 64,620,000).

At 31 December 2008 and 2007, non-current financial assets had the following periods to maturity:

(€10^3)

	Consolidated		*Foundation*	
	2008	**2007**	**2008**	**2007**
From 3 months to 1 year	1 410	–	–	–
From 1 year to 5 years	6 172	7 671	–	–
Over 5 years	245 747	148 042	77 231	64 620
Indeterminate duration	363 331	388 605	–	–
	616 660	**544 318**	**77 231**	**64 620**

Note 16
Investments in subsidiaries

Investments in subsidiaries are as follows:

(€10^3)

	Foundation	
	2008	**2007**
Partex Oil and Gas (Holdings) Corporation	766 901	692 774
Economic and General Secretariat Limited	24	32
	766 925	**692 806**

The value of these investments was reassessed at 31 December, 2008, increasing the fair value reserve to € 766,844,000 (2007: € 692,725,000).

The difference between the acquisition value and the fair value is recorded in the fair value reserve of the Capital Fund, as mentioned in Note 23.

At 31 December 2008, the subsidiary companies consolidated by using the integral consolidation method are as follows:

(€10³)

Subsidiary	Head Office	Capital	Currency	Assets	Liabilities	Equity	Income	Net income	%	Economic activity
Directly held										
Partex Oil and Gas (Holdings) Corporation	Cayman Islands	50 000	USD	889 455	120 146	769 309	1 065 165	57 316	100	c)
Economic and General Secretariat Limited (*)	UK	4 000	GBP	24	–	24	–	–	100	b)
Indirectly held:										
(through Partex Oil and Gas (Holdings) Corporation)										
Participations and Explorations Corporation	Panama	2 800	USD	334 266	221 431	112 835	658 761	6 458	100	a)
Partex (Oman) Corporation	Panama	2 500	USD	641 492	24 038	617 454	355 688	64 695	100	a)
Partex Gas Corporation	Panama	2 000 000	USD	43 719	17 697	26 022	36 510	3 856	100	a)
Partex (Kazakhstan) Corporation	Cayman Islands	5 000	USD	68 836	79 300	(10 464)	6 667	(576)	100	a)
Partex Services Corporation	Panama	2 300 000	USD	4 168	1 926	2 242	9 900	35	100	b)
PMO Services, S.A.	Liechtenstein	500 000	CHF	1 451	44	1 407	1 504	44	100	b)
Partex Brasil Ltda.	Brazil	1 000 000	BRL	39 255	60 440	(21 185)	16 437	(17 964)	100	a)
Partex (Brazil) Corporation	Cayman Islands	50 000	USD	52 750	49 706	3 044	1 408	895	100	c)
Partex (Algeria) Corporation	Cayman Islands	50 000	USD	–	354	(354)	–	(335)	100	a)
Partex (Angola) Corporation	Cayman Islands	50 000	USD	29 375	30 272	(897)	–	(881)	100	a)
Partex Services Brasil Petrolíferos Ltda.	Brazil	1 000 000	BRL	537	105	432	1 090	(22)	100	b)
Partex (Iberia), S.A. (**)	Portugal	50 000	EUR	5 204	5 297	(93)	10	(143)	100	a)
(through Partex Services Corporation)										
Partex Services Portugal – Serviços para a Indústria Petrolífera, S.A.	Portugal	50 000	EUR	1 441	1 078	363	5 998	118	100	b)

a) Companies with interests in oil concessions or contractual operations.

b) Services provider.

c) Financial investment.

(*) This subsidiary is currently dormant.

(**) This subsidiary changed its name from "Hidrexpand, S.A."

During 2008, the only change made in the consolidation perimeter was the formation of the Partex (Angola) Corporation.

Note 17

Current financial assets and liabilities

Current financial assets and liabilities are made up as follows:

(€10³)

	Consolidated		Foundation	
	2008	2007	2008	2007
Bonds and other fixed-yield securities				
From public issuers	517 132	365 211	517 132	365 211
From other issuers	299 736	302 446	299 736	302 446
Shares				
Other variable-yield securities	353 872	863 152	353 872	863 152
Investment funds				
Liquidity	68 270	59 722	68 270	59 722
Shares	71 990	148 530	71 990	148 530
Bonds	64 900	220 450	64 900	220 450
Others	66 727	81 489	66 727	81 489
Derivates Financial instruments with positive fair value				
Forwards	51 041	33 278	51 041	33 278
Futures	463	279	463	279
Options	2 084	184	2 084	184
Warrants	3 389	–	3 389	–
	1 499 604	**2 074 741**	**1 499 604**	**2 074 741**
Derivates Financial instruments with negative fair value				
Forwards	(23 212)	(4 036)	(23 212)	(4 036)
Futures	(1 909)	(290)	(1 909)	(290)
Options	–	(308)	–	(308)
	(25 121)	**(4 634)**	**(25 121)**	**(4 634)**
	1 474 483	**2 070 107**	**1 474 483**	**2 070 107**

At 31 December 2008 and 2007, "Current financial assets and liabilities" had the following periods to maturity:

(€10³)

	Consolidated		Foundation	
	2008	2007	2008	2007
Up to 3 months	115 235	91 137	115 235	91 137
From 3 months to 1 year	103 453	30 287	103 453	30 287
From 1 year to 5 years	385 520	266 362	385 520	266 362
Over 5 years	253 427	226 120	253 427	226 120
Indeterminate duration	616 848	1 456 201	616 848	1 456 201
	1 474 483	**2 070 107**	**1 474 483**	**2 070 107**

At 31 December 2008 and 2007, in the case of listed and unlisted securities, "Current financial assets and liabilities" are made up as follows:

(€10³)

	Listed	Unlisted	Total
			2008
Bonds and other fixed-yield securities			
From public issuers	517 132	–	517 132
From other issuers	268 121	31 615	299 736
Shares			
Other variable-yield securities	353 872	–	353 872
Investment funds			
Liquidity	68 270	–	68 270
Shares	71 990	–	71 990
Bonds	64 900	–	64 900
Others	45 354	21 373	66 727
Derivates			
Forwards	–	27 829	27 829
Futures	(1 446)	–	(1 446)
Options	2 084	–	2 084
Warrants	3 389	–	3 389
	1 393 666	**80 817**	**1 474 483**

(€10³)

	Listed	Unlisted	Total
			2007
Bond and other fixed-yield securities			
From public issuers	365 211	–	365 211
From other issuers	296 634	5 812	302 446
Shares			
Other variable-yield securities	859 789	3 363	863 152
Investment funds			
Liquidity	57 552	2 170	59 722
Shares	148 530	–	148 530
Bonds	126 509	93 941	220 450
Others	66 312	15 177	81 489
Derivates			
Forwards	–	29 242	29 242
Futures	(11)	–	(11)
Options	(124)	–	(124)
	1 920 402	**149 705**	**2 070 107**

At 31 December 2008 and 2007, derivative financial assets and liabilities are made up as follows:

(€10^3)

	Notional	Fair value Assets	Fair value Liabilities
			2008
Foreign exchange contracts			
Forward purchase	1 174 191	51 041	(23 212)
Forward sale	(1 174 191)		
	–	**51 041**	**(23 212)**
Share contracts/indexes			
Futures	2 287	463	(1 909)
Options	1 545	2 084	–
Warrants	6	3 389	–
	3 838	**5 936**	**(1 909)**
	3 838	**56 977**	**(25 121)**

(€10^3)

	Notional	Fair value Assets	Fair value Liabilities
			2007
Foreign exchange contracts			
Forward purchase	1 251 615	33 278	(4 036)
Forward sale	(1 251 615)		
	–	**33 278**	**(4 036)**
Share contracts/indexes			
Futures	2 788	279	(290)
Options	2	184	(308)
	2 790	**463**	**(598)**
	2 790	**33 741**	**(4 634)**

At 31 December 2008 and 2007, derivative financial assets and liabilities had the following periods to maturity:

(€10^3)

	Consolidated		*Foundation*	
	2008	**2007**	**2008**	**2007**
Up to 3 months	14 735	22 285	14 735	22 285
From 3 months to 1 year	16 501	6 822	16 501	6 822
From 1 year to 5 years	620	–	620	–
	31 856	**29 107**	**31 856**	**29 107**

Note 18
Other treasury applications

Other treasury applications, amounting to € 225,883,000 (2007: € 121,615,000), refer to treasury applications with a period to maturity of up to or less than 3 months, which are recorded at their amortised cost.

Note 19
Inventories

Inventories are made up as follows:

(€10^3)

	Consolidated	
	2008	**2007**
Crude oil	12 509	–
Other materials	2 648	1 967
	15 157	**1 967**

Note 20
Debtors

Debtors are made up as follows:

(€10^3)

	Consolidated		*Foundation*	
	2008	**2007**	**2008**	**2007**
Subsidiaries	–	–	30 581	22 960
Debtors (oil and gas companies)	48 047	89 199	–	–
Income receivable	295	251	295	251
Pension plan corridor	21 550	21 822	21 544	21 633
Expenses with deferred costs	1 190	894	1 190	894
Other debtors	8 138	14 005	2 236	2 792
	79 220	**126 171**	**55 846**	**48 530**
Impairment losses	(252)	(252)	(252)	(252)
	78 968	**125 919**	**55 594**	**48 278**

Subsidiaries are made up as follows:

(€10³)

	Foundation	
	2008	2007
Dividends payable	30 538	22 009
Loans	–	90
Advances	43	861
	30 581	**22 960**

At 31 December, 2008, the item "Pension plan corridor", in both the Consolidated and the Foundation's accounts, amounting to € 21,550,000 (2007: €21,822,000) and € 21,544,000 (2007: € 21,633,000) respectively, refers to the amount of the corridor identified in accordance with the accounting policy referred to in Note 2 u).

The item "Other debtors" includes the amount of € 95,000 (2007: € 113,000) relating to an extraordinary contribution to the open pensions fund "Fundo de Pensões Aberto BPI Acções", in accordance with the Complementary Defined Contribution Pensions Plan (PCPCD).

The movements of the impairment losses have the following breakdown:

(€10³)

	Consolidated		Foundation	
	2008	2007	2008	2007
Balance at 1 January	252	271	252	271
Funds used	–	(19)	–	(19)
Balance at 31 December	**252**	**252**	**252**	**252**

Note 21
Cash and cash equivalents

Cash and cash equivalents are made up as follows:

(€10³)

	Consolidated		Foundation	
	2008	2007	2008	2007
Cash	75	57	75	57
Deposits	129 867	104 105	2 134	735
	129 942	**104 162**	**2 209**	**792**

At 31 December 2008, the item "Deposits", in the amount of € 129,867,000, includes the amount of € 12,320,000, which is allocated to bank guarantees provided by financial institutions.

Note 22
Capital received from the Founder

Capital received from the Founder, amounting to € 11,746,690 refers to the amount received from the Founder, Mr. Calouste Sarkis Gulbenkian.

Note 23
Reserves

The fair value reserve represents the gains and losses on the portfolio of non-current financial assets, net of impairment losses recognised in the results of this and/or previous years.

During 2008 and 2007, the movements under these items in the Consolidated accounts were as follows:

(€10³)

	Fair value reserve	Other reserves	Exchange differences	Total
Balance at 31 December 2006	**335 149**	**2 294 507**	**(17 013)**	**2 612 643**
Changes in fair value	42 229	–	–	42 229
Exchange differences	–	–	(38 815)	(38 815)
Formation of reserves	–	79 807	–	79 807
Balance at 31 December 2007	**377 378**	**2 374 314**	**(55 828)**	**2 695 864**
Changes in fair value	30 713	–	–	30 713
Exchange differences	–	–	24 971	24 971
Gifts and legacies	–	36	–	36
Formation of reserves	–	67 617	–	67 617
Balance at 31 December 2008	**408 091**	**2 441 967**	**(30 857)**	**2 819 201**

During 2008 and 2007, the movements under these items in the Foundation's accounts were as follows:

(€10³)

	Fair value reserve			
	Subsidiaries	Non-current financial assets	Other reserves	Total
Balance at 31 December 2006	**650 623**	**1 858**	**1 995 110**	**2 647 591**
Changes in fair value	42 102	511	–	42 613
Formation of reserves	–	–	44 859	44 859
Balance at 31 December 2007	**692 725**	**2 369**	**2 039 969**	**2 735 063**
Changes in fair value	74 119	6 442	–	80 561
Gifts and legacies	–	–	36	36
Formation of reserves	–	–	28 418	28 418
Balance at 31 December 2008	**766 844**	**8 811**	**2 068 423**	**2 844 078**

The fair value reserve in 2008 and 2007, in both the Consolidated and the Foundation's accounts, is explained as follows:

(€10³)

	Consolidated		*Foundation*	
	2008	**2007**	**2008**	**2007**
Subsidiaries	–	–	766 844	692 725
Non-current financial assets	408 091	377 378	8 811	2 369
	408 091	**377 378**	**775 655**	**695 094**

The changes in the fair value reserve in 2008 and 2007 in both the Consolidated and the Foundation's accounts are explained as follows:

(€10³)

	Consolidated		*Foundation*	
	2008	**2007**	**2008**	**2007**
Balance at 1 January	**377 378**	**335 149**	**695 094**	**652 481**
Changes in fair value	31 318	51 045	80 561	42 613
Sales during the year	(605)	(8 816)	–	–
Balance at 31 December	**408 091**	**377 378**	**775 655**	**695 094**

The fair value reserve records at the balance sheet date the accumulated changes in the fair value of non-current financial assets and investments in subsidiaries.

The item "Exchange differences" arising on consolidation shows the effect of changes in the share capital recorded in local currency for each consolidated company.

The exchange rates used in the preparation of the Financial Statements are analysed as follows:

	Exchange rates in 2008		Exchange rates in 2007	
Currency	Year-end exchange rate	Average exchange rate	Year-end exchange rate	Average exchange rate
Dólar – USD	1,3917	1,4726	1,4721	1,3797
Pound sterling – GBP	0,9525	0,8026	0,7334	0,6873
Swiss franc – CHF	1,4850	1,5786	1,6547	1,6459
Brazilian real – BRL	3,2436	2,6774	2,5963	2,6521

Note 24
Provisions

Provisions are made up as follows:

(€10³)

	Consolidated		Foundation	
	2008	2007	2008	2007
Provision for pension plans	203 704	218 031	201 359	215 437
Provision for other employee benefits	4 353	4 427	2 587	2 814
Other provisions	366	–	–	–
	208 423	**222 458**	**203 946**	**218 251**

Provision for pension plans

The Foundation has undertaken the responsibility to pay pensions to employees on their retirement, disability or early retirement, as set out in the "Regulations of the Staff Pension Plan" (1979) and in the "Pensions Plan" (1997).

These pensions are complementary to the pensions awarded by the Social Security and are calculated according to the length of service of each employee. A provision has been created to cover this liability based on an estimate of the capital required to pay the benefits to existing pensioners and future benefits to current employees.

The number of participants in these pension plans is as follows:

	Consolidated		Foundation	
	2008	2007	2008	2007
Active employees	490	502	486	498
Early retirement	68	72	68	72
Pensioners	939	942	934	935
	1 497	**1 516**	**1 488**	**1 505**

The movements in the provision for the pension plans have the following breakdown:

(€10³)

	Consolidated		Foundation	
	2008	2007	2008	2007
Balance at 1 January	**218 031**	**218 851**	**215 437**	**216 326**
Charge for the year	2 741	13 990	2 564	13 811
Provisions used	(16 780)	(16 523)	(16 553)	(16 284)
Exchange differences	(16)	12	–	–
Transfers	(272)	1 701	(89)	1 584
Balance at 31 December	**203 704**	**218 031**	**201 359**	**215 437**

The item "Transfers" refers to the amount of actuarial losses considered under "Debtors", within the corridor limit of the Pensions Plan.

At 31 December 2008 and 2007, the responsibilities for past services related to these pension plans are as follows:

(€10³)

	Consolidated		Foundation	
	2008	2007	2008	2007
Balance at 1 January	**218 031**	**218 851**	**215 437**	**216 326**
Current services expenses	2 344	2 088	2 284	2 037
Interest expenses	10 633	10 129	10 507	10 012
Benefits paid	(16 793)	(16 508)	(16 553)	(16 284)
Actuarial losses/(gains)	(10 511)	3 471	(10 316)	3 346
Balance at 31 December	**203 704**	**218 031**	**201 359**	**215 437**
Responsabilities for future services	**194 878**	**191 774**	**194 204**	**191 016**

The actuarial assumptions used in calculating the pension liabilities were altered at 31 December 2008 following a review of market indicators, especially forecast inflation and longer term interest rates for the Euro Zone, and the age profile of the employees.

The comparative analysis of the actuarial assumptions is as follows:

	2008	2007
Rate of increase in salaries	2.75%	2.75%
Rate of increase in pensions	1.50%	1.50%
Discount rate	5.50%	5.00%
Mortality tables		
Male	TV 73/77(M)	TV 73/77(M)
Female	TV 88/90(W)	TV 88/90(W)
Disability table	EKV 80	EKV 80
Actuarial valuation method	*Project unit credit method*	

The net actuarial gains recorded in the Consolidated and the Foundation's accounts for 2008, in the amounts of € 10,511,000 and € 10,316,000 respectively, are essentially due to the change in the discount rate used in calculating responsibilities. This situation implied actuarial gains in the amounts of € 10,723,000 and € 10,631,000 in the Consolidated and the Foundation's accounts respectively.

During 2008, the Consolidated and the Foundation's accounts recognised as retirement pension costs the amounts of € 2,741,000 (2007: 13,990,000) and € 2,564,000 (2007: € 13,811,000), respectively.

The movements in the item "Pension plan corridor", relating to pensions for the years 2008 and 2007, are as follows:

(€10³)

	Consolidated		*Foundation*	
	2008	2007	2008	2007
Balance at 1 January	**21 822**	**20 121**	**21 633**	**20 049**
Transfers	(272)	1 701	(89)	1 584
Balance at 31 December	**21 550**	**21 822**	**21 544**	**21 633**

Provision for other employee benefits

The provision for other employee benefits refer to commitments with the Social Security during the period of pre-retirement or early retirement and indemnities for end of service benefits payable to employees on termination of their contracts abroad.

The movements relating to provisions for other employee benefits are as follows:

(€10³)

	Consolidated		*Foundation*	
	2008	2007	2008	2007
Balance at 1 January	**4 427**	**6 176**	**2 814**	**4 365**
Reinforcement of provisions	408	289	278	–
Reduction of provisions	–	(1 329)	–	(1 047)
Use of provisions	(579)	(504)	(505)	(504)
Exchange differences	97	(205)	–	–
Balance at 31 December	**4 353**	**4 427**	**2 587**	**2 814**

Other provisions

The movements in other provisions are analysed as follows:

(€10³)

	Consolidated		*Foundation*	
	2008	2007	2008	2007
Balance at 1 January	–	–	–	–
Reinforcement of provisions	346	–	–	–
Exchange differences	20	–	–	–
Balance at 31 December	**366**	–	–	–

"Other provisions" in the amount of € 366,000 refer to contingencies arising from the requirements demanded by the Kazakhstan authorities.

Note 25
Creditors and other non-current liabilities

The item "Creditors and other non-current liabilities", in the amount of € 1,006,000, refers to social projects to be paid in 2010 under the terms of the oil block concession in Angola.

Note 26
Grants and scholarships

The item “Grants and scholarships”, in the amount of € 7,814,000 (2007: € 6,989,000), refers to grants and scholarships approved by the Board of Trustees but not yet paid, for reasons not attributable to the Foundation.

Note 27
Creditors and other current liabilities

Creditors and other current liabilities are analysed as follows:

(€10^3)

	Consolidated		*Foundation*	
	2008	**2007**	**2008**	**2007**
Creditors (oil and gas companies)	71 412	78 404	–	–
Financial-lease liability	1 104	933	1 104	933
Sundry creditors				
Suppliers	3 402	3 046	3 402	3 046
State	3 850	3 599	952	1 807
Costs pauable	6 821	7 276	5 872	6 208
Deferred income	1 012	966	1 012	966
Other creditors	10 777	14 361	1 955	1 692
	98 378	**108 585**	**14 297**	**14 652**

The item “Financial-lease liability” is analysed by period to maturity, as follows:

(€10^3)

	Total	Less than 1 year	1 year to 5 years
			2008
Capital	1 104	379	725
Interests	103	48	55
Instalments	**1 207**	**427**	**780**

(€10^3)

	Total	Less than 1 year	1 year to 5 years
			2007
Capital	933	363	570
Interests	68	33	35
Instalments	**1 001**	**396**	**605**

Note 28
Transactions with related parties

At 31 December 2008 and 2007, the value of the Foundation’s transactions with related parties, conducted on an individual basis and cancelled in the consolidation, is analysed as follows:

(€10^3)

	Assets	Liabilities	Guarantees	Costs	Income
					2008
Partex Oil and Gas (Holdings) Corporation					
	30 538	–	4 952	–	30 538
Participations and Explorations Corporation					
	43	–	–	–	–
	30 581	–	**4 952**	–	**30 538**

(€10^3)

	Assets	Liabilities	Guarantees	Costs	Income
					2007
Partex Oil and Gas (Holdings) Corporation					
	22 922	–	3 703	–	22 009
Participations and Explorations Corporation					
	38	–	–	–	–
	22 960	–	**3 703**	–	**22 009**

Note 29
Fair value of financial assets and liabilities

At 31 December 2008 and 2007, there were no differences between the book value and the fair value of financial assets and liabilities.

Note 30
Commitments

At 31 December 2008 and 2007, the commitments in the Consolidated and the Foundation's accounts are analysed as follows:

(€10^3)

	Consolidated		*Foundation*	
	2008	**2007**	**2008**	**2007**
Bank guarantees	15 644	16 638	5 172	3 923
Revocable commitments	15 273	40 819	15 273	14 319
	30 917	**57 457**	**20 445**	**18 242**

Bank guarantees include the amount of € 15,424,000 (2007: € 16,418,000) from "performance guarantees" issued by various banks relating to commitments made through concessions in Brazil and Angola.

The Group signed an agreement with the government of the Republic of Kazakhstan in which the Partex (Kazakhstan) Corporation undertakes to fulfil its obligations in relation to the Dunga oil-field concession.

The revocable commitments relate to subscriptions to be made in closed investment funds.

In 2008, the Foundation signed an operating lease contract with SCI, relating to the premises of the Calouste Gulbenkian Cultural Centre in Paris.

The outstanding operating lease instalments are presented as follows:

(€10^3)

	Consolidated	*Foundation*
		2008
From 1 year to 5 years	4 408	4 408
Over 5 years	7 092	7 092
	11 500	**11 500**

Note 31
Management of risk activities

The Foundation has investments in the oil and gas business and in financial instruments. It is therefore exposed to various risks, most notably operational risk, market risk, foreign exchange risk and liquidity risk.

Operational risk

The Group actively participates in oil and gas exploration and production, and therefore runs the risk of its activity being unsuccessful.

Market risk

Market risk represents the possible loss resulting from an adverse change in the prices of crude oil and natural gas, interest rates, exchange rates and share prices. The Foundation's oil and gas interests are mainly concentrated in the Middle East and Brazil. The production of crude oil and natural gas is sold through contracts that are signed each year, making it possible to reduce exposure to short-term fluctuations. The Foundation supervises the management of the risk associated with its financial assets and liabilities.

Foreign exchange risk

Foreign exchange risk occurs when an entity undertakes transactions in a currency that is different from its functional currency. The Foundation's functional currency is the Euro, while most of its subsidiaries have the US dollar as their functional currency.

At 31 December 2008 and 2007, the breakdown of assets and liabilities by currency in the Consolidated account is as follows:

(€10³)

	Book value	Euro	US dollar	Pound sterling	Other currencies
					2008
ASSETS					
Non-current financial assets	547 310	476 313	70 997	–	–
Advances	69 350	10 366	58 984	–	–
Current financial assets	1 499 604	930 151	402 994	93 387	73 072
Other treasury applications	225 883	164 059	56 833	512	4 479
Cash and cash equivalents	129 942	12 640	116 299	1 003	–
	2 472 089	**1 593 529**	**706 107**	**94 902**	**77 551**
LIABILITIES					
Current financial liabilities	**25 121**	**298**	**669**	**1 806**	**22 348**

(€10³)

	Book value	Euro	US dollar	Pound sterling	Other currencies
					2007
ASSETS					
Non-current financial assets	484 758	100 183	384 575	–	–
Advances	59 560	11 084	48 476	–	–
Current financial assets	2 074 741	877 263	964 538	128 396	104 544
Other treasury applications	121 615	110 098	(451)	10 079	1 889
Cash and cash equivalents	104 162	63 895	39 898	369	–
	2 844 836	**1 162 523**	**1 437 036**	**138 844**	**106 433**
LIABILITIES					
Current financial liabilities	**4 634**	**457**	**3 064**	**392**	**721**

At 31 December 2008 and 2007, the breakdown of assets and liabilities by currency in the Foundation's account is as follows:

(€10^3)

	Book value	Euro	US dollar	Pound sterling	Other currencies
					2008
ASSETS					
Investments in subsidiaries	765 346	–	765 322	24	–
Current financial assets	1 499 604	930 151	402 994	93 387	73 072
Other treasury applications	225 883	164 059	56 833	512	4 479
Cash and cash equivalents	2 209	1 231	(25)	1 003	–
	2 493 042	**1 095 441**	**1 225 124**	**94 926**	**77 551**
LIABILITIES					
Current financial liabilities	**25 121**	**298**	**669**	**1 806**	**22 348**

(€10^3)

	Book value	Euro	US dollar	Pound sterling	Other currencies
					2007
ASSETS					
Investments in subsidiaries	692 806	–	692 774	32	–
Current financial assets	2 074 741	877 263	964 538	128 396	104 544
Other treasury applications	121 615	110 098	(451)	10 079	1 889
Cash and cash equivalents	792	401	22	369	–
	2 889 954	**987 762**	**1 656 883**	**138 876**	**106 433**
LIABILITIES					
Current financial liabilities	**4 634**	**457**	**3 064**	**392**	**721**

Liquidity risk

The liquidity risk is reflected in the Foundation's incapacity to obtain the necessary funding for its activities. The Foundation considers that the liquidity risk is low.

At 31 December 2008 and 2007, the assets and liabilities of the Consolidated account had the following periods to maturity:

(€10³)

	Book value	Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Not sensitive
						2008
ASSETS						
Non-current financial assets	547 310	–	–	–	99 166	448 144
Advances	69 350	–	1 410	6 172	61 768	–
Current financial assets	1 499 604	140 071	103 453	385 805	253 427	616 848
Other treasury applications	225 883	225 883	–	–	–	–
Cash and cash equivalents	129 942	129 942	–	–	–	–
	2 472 089	**495 896**	**104 863**	**391 977**	**414 361**	**1 064 992**
LIABILITIES						
Current financial liabilities	**25 121**	**24 836**	–	**285**	–	–

(€10³)

	Book value	Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Not sensitive
						2007
ASSETS						
Non-current financial assets	484 758	–	–	–	82 469	402 289
Advances	59 560	–	–	7 671	51 889	–
Current financial assets	2 074 741	95 129	30 929	266 362	226 120	1 456 201
Other treasury applications	121 615	121 615	–	–	–	–
Cash and cash equivalents	104 162	104 162	–	–	–	–
	2 844 836	**320 906**	**30 929**	**274 033**	**360 478**	**1 858 490**
LIABILITIES						
Current financial liabilities	**4 634**	**3 992**	**642**	–	–	–

At 31 December 2008 and 2007, the assets and liabilities of the Foundation's account had the following periods to maturity:

(€10³)

	Book value	Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Not sensitive
						2008
ASSETS						
Investments in subsidiaries	765 346	–	–	–	–	765 346
Current financial assets	1 499 604	140 071	103 453	385 805	253 427	616 848
Other treasury applications	225 883	225 883	–	–	–	–
Cash and cash equivalents	2 209	2 209	–	–	–	–
	2 493 042	**368 163**	**103 453**	**385 805**	**253 427**	**1 382 194**
LIABILITIES						
Current financial liabilities	**25 121**	**24 836**	–	**285**	–	–

(€10³)

	Book value	Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Not sensitive
						2007
ASSETS						
Investments in subsidiaries	692 806	–	–	–	–	692 806
Current financial assets	2 074 741	95 129	30 929	266 362	226 120	1 456 201
Other treasury applications	121 615	121 615	–	–	–	–
Cash and cash equivalents	792	792	–	–	–	–
	2 889 954	**217 536**	**30 929**	**266 362**	**226 120**	**2 149 007**
LIABILITIES						
Current financial liabilities	**4 634**	**3 992**	**642**	–	–	–

Note 32

Impact resulting from the reinterpretation of accounting standards

During 2008, the Foundation reinterpreted some accounting standards, resulting in the proportional consolidation of the participation in the "Mukhaizna Oil Field", which was previously recorded at fair value in accordance with IAS 39, and the re-expression of the advances made to companies with oil investments, based on the amortised cost method.

The above-mentioned impacts under the scope of the IFRS and the respective notes to the consolidated financial statements may be analysed as follows:

(€10³)

	Consolidated		
	Capital fund	Net result	Capital fund
	07/12/31	**07/12/31**	**07/01/01**
Value previously reported	2 799 431	66 302	2 767 174
Adjustment			
Join operations	(9 631)	–	(45 310)
Advances	(14 572)	1 315	(17 667)
Total	**(24 203)**	**1 315**	**(62 977)**
Corrected values	**2 775 228**	**67 617**	**2 704 197**

At the level of the Foundation's individual financial statements, the above-mentioned adjustment had an impact on the value of the Partex Oil and Gas (Holdings) Corporation, to the amount of € 24,203 million at 31 December 2007.

Note 33

Recently issued pronouncements and interpretations

The new standards and interpretations that have been issued, but are not yet effective, and which the Foundation has not yet applied in the preparation of its financial statements, are as follows:

IFRS 1 (amended) – First time adoption of the International Financial Reporting Standards and IAS 27 – Consolidated and separate financial statements.

The alterations to IFRS 1 – First time adoption of the International Financial Reporting Standards and IAS 27 – Consolidated and separate financial statements will become effective as from 1 January 2009.

These alterations mean that entities which are adopting the IFRS for the first time in the preparation of their individual accounts, adopt the respective fair value on the date of the transition to the IFRS or the balance sheet value based on the previous accounting reference as deemed cost of their investments in subsidiary companies, joint ventures and associated companies.

The Foundation does not expect that this interpretation will have any impact on its financial statements.

IFRS 2 (amended) – Share-based payments: conditions of acquisition

In January 2008, the International Accounting Standards Board (IASB) made a change to IFRS 2, which will become effective as from 1 January 2009.

This change to IFRS 2 (i) has made it possible to clarify that the conditions for the acquisition of the rights inherent in a share-based payments plan are limited to conditions of service or performance, (ii) introduces the concept of "non-vesting conditions" and (iii) determines that any cancellation of such programmes, either by the entity or by third parties, is given the same treatment in the respective accounts.

This standard is not expected to have any impact at the level of the Foundation's financial statements.

IFRS 3 (revised) – Business combinations and IAS 27 (amended) – Consolidated and separate financial statements

In January 2008, the International Accounting Standards Board (IASB) issued IFRS 3 (revised) – Business combinations and made a change to IAS 27 – Consolidated and separate financial statements.

The main impacts of the changes to these standards correspond to: (i) the accounting of partial acquisitions, in which non-controlling interests (formerly called minority interests) may be measured at fair value (which implies the total recognition of goodwill as representing the non-controlling interests) or as the attributable part of the fair value of the net assets acquired (which is the current requirement); (ii) step acquisition, in which, in the calculation of goodwill, the new rules call for the remeasurement, in the statement of operations, of the fair value of any non-controlling interest held prior to the acquisition leading to the obtaining of control; (iii) the recording of the costs directly related with the acquisition of a subsidiary, which are now to be directly imputed to the statement of operations; (iv) contingent prices, where the alteration to their estimate over time is now recorded in the statement of operations and does not affect goodwill; and (v) the alterations of the percentages of the subsidiaries held that do not result from the loss of control, which are now to be recorded as equity movements.

Furthermore, the amendments to IAS 27 also mean that the accumulated losses at a subsidiary will now be attributed to the non-controlling interests (recognition of negative non-controlling interests), and that, when a subsidiary is sold, leading to a loss of control, any non-controlling interest that is retained is measured a fair value determined on the date of the sale.

This revised version of IFRS 3 and the amendment to IAS 27 will become effective for financial years beginning after 1 July 2009.

This standard is not expected to have any impact at the level of the Foundation's financial statements.

IFRS 8 – Operating segments

On 30 November 2006, the International Accounting Standards Board (IASB) issued IFRS 8 – Operating segments, which was adopted for use in the European Union on 21 November 2007.

IFRS 8 defines the presentation of information about operating segments of an entity. This standard specifies how an entity must report its information in its annual financial statements, and, as a consequence, it alters IAS 34 – Interim Financial Reporting, with regard to the information to be selected for interim financial reporting. An entity will also have to make a description of the information provided for each segment, namely of its results and operations, as well as a brief description of how the segments are constructed.

This standard will be mandatory as from 1 January 2009.

This standard is not expected to have any impact at the level of the Foundation's financial statements.

IAS 1 (amended) – Presentation of Financial Statements

In September 2007, the International Accounting Standards Board (IASB) issued IAS 1 (amended) – Presentation of Financial Statements, which will be mandatory as from 1 January 2009.

IAS 1 (amended) requires that financial information is to be aggregated in the preparation of financial statements, according to its basic characteristics, and introduces the demonstration of "comprehensive income".

As a result of the changes imposed by this standard, the users of financial statements will be able to distinguish more easily between changes in an entity's equity arising from transactions with shareholders (e.g. dividends, own share transactions), and transactions with third parties, with these latter transactions being summarised in the statement of "comprehensive income".

Furthermore, whenever the comparative information is rewritten or reclassified, namely following the introduction of new accounting standards, it becomes necessary to include a balance sheet reported as at the start date of the comparative period in the financial statements.

The Foundation is currently evaluating the impact of adopting this standard at the level of its financial statements.

IAS 23 (amended) – Borrowing costs

In March 2007, the International Accounting Standards Board (IASB) issued IAS 23 (amended) – Borrowing costs, which will be mandatory as from 1 January 2009. This standard requires borrowing costs that are directly attributable to the acquisition, construction or production cost of a qualifying asset to be capitalised as part of the acquisition, construction or production cost of that asset. Thus the option of recording such costs directly in the statement of operations is now removed.

Qualifying assets correspond to those assets that necessarily take a substantial period of time to get ready for their intended use or sale.

The Foundation does not expect this change to IAS 23 to have a significant impact on its financial statements.

Amendment to IAS 32 – Financial instruments: presentation – Puttable financial instruments and obligations arising on liquidation

In February 2008, the International Accounting Standards Board (IASB) issued a change to IAS 32 – Financial instruments: presentation – Puttable financial instruments and obligations arising on liquidation, which will be mandatory as from 1 January 2009.

This change affects the classification of puttable financial instruments and obligations arising on liquidation. According to the current requirements of IAS 32, financial instruments that (i) require settlement in cash or another financial asset or (ii) give the holder a right to demand that the issuer reacquires them ("puttable" instruments) are classified as financial liabilities. The change that has now been introduced to this standard implies that some instruments, which are currently classified as financial liabilities will now be recognised as capital instruments if these same instruments present certain characteristics, namely: (i) they represent the last residual interest in an entity's liquid assets, (ii) they are part of a class of instruments that is subordinate to all other classes of financial instruments issued by the entity and (iii) all the instruments of that class have the same terms and conditions.

The IASB has also amended IAS 1 – Presentation of Financial Statements, having introduced additional requirements regarding disclosure of this type of instrument.

This amendment to IAS 32 is not expected to have any impact at the level of the Foundation's financial statements.

Amendment to IAS 39 – Financial instruments: recognition and measurement – eligible hedged items

The International Accounting Standards Board (IASB) issued an amendment to IAS 39 – Financial instruments: recognition and measurement – eligible hedged items, which is mandatory for financial years beginning as from 1 July 2009.

This amendment clarifies the application of the existing principles that determine which risks or cash flows are eligible for inclusion in a hedging operation.

This amendment to IAS 39 is not expected to have any impact at the level of the Foundation's financial statements.

IFRIC 13 – Customer Loyalty Programmes

IFRIC 13 – Customer Loyalty Programmes was issued in July 2007 and comes into force for financial years beginning after 1 July 2008, so that it will only be relevant as from 1 January 2009.

This interpretation applies to customer loyalty programmes in which credits are awarded to customers as an integral part of a sale or rendering of services, which these same customers may then exchange in the future for services or goods either free of charge or with a discount.

This standard is not expected to have any impact at the level of the Foundation's financial statements.

IFRIC 15 – Agreements for the Construction of Real Estate

IFRIC 15 – Agreements for the Construction of Real Estate, comes into force for financial years beginning as from 1 January 2009.

This interpretation provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 18 – Revenue Recognition or IAS 11 – Construction Contracts, with it being expected that IAS 18 is applicable to a wider number of transactions.

The Foundation does not expect this interpretation to have any impact on its financial statements.

IFRIC 16 – Hedges of a Net Investment in a Foreign Operation

IFRIC 16 – Hedges of a Net Investment in a Foreign Operation applies to financial years beginning as from 1 October 2008.

This interpretation seeks to clarify that:
› the hedge of an investment in a foreign operation may only be applied to foreign exchange differences arising from the conversion of the financial statements of the subsidiaries in their functional currency to the functional currency of the parent entity, and only by an amount equal to or less than the subsidiary's net assets;
› the hedging instrument may be issued by any entity within the group, except by the entity that is subject to the hedge; and
› when the subsidiary that is subject to the hedge is sold, the accumulated profit and loss relating to the effective component of the hedge is reclassified for the profit and loss account from equity to profit or loss.

This interpretation makes it possible for an entity using the step-by-step method of consolidation to choose an accounting policy that allows adjustment of the accumulated exchange conversion that is reclassified to profit and loss on the sale of the subsidiary, as it would do if the direct method was the consolidation method adopted. This interpretation will be applied in the future.

The Foundation does not expect the adoption of this standard to have a significant impact on its financial statements.

IFRIC 17 – Distributions of Non-cash Assets to Owners

IFRIC 17 – Distributions of Non-cash Assets to Owners applies to financial years beginning as from 1 July 2009.

This interpretation seeks to clarify how an entity should measure distributions of assets other than cash when it pays dividends to its owners. Thus it establishes that the dividend payable should be measured at the fair value of the net assets to be distributed, and that the difference between the dividend paid and the carrying amount of the net assets distributed should be recognised in profit or loss.

The Foundation does not expect this interpretation to have any impact on its financial statements.

IFRIC 18 – Transfers of Assets from Customers

IFRIC 18 – Transfers of Assets from Customers applies to financial years beginning as from 1 July 2009.

This interpretation seeks to clarify the accounting treatment to be given to agreements in which an entity receives assets from a customer for its own use and with a view to later connecting the customer to a network or to provide the customer with ongoing access to a supply of goods or services.

The interpretation clarifies:
› the circumstances in which the definition of an asset is met;
› the recognition of the asset and its measurement on initial recognition;
› the identification of the separately identifiable services (one or more services in exchange for the transferred asset);
› the recognition of revenue;
› the accounting for transfers of cash from customers.

The Foundation does not expect this interpretation to have any impact on its financial statements.

Annual Improvement Project

In May 2008, the IASB published the Annual Improvement Project, which amended certain standards that were in force at that time.

The main changes arising from the Annual Improvement Project can be summarised as follows:

› Amendment to IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, with effect for periods starting on or after 1 July 2009. This alteration has clarified that all the assets and liabilities of a subsidiary should be classified as non-current assets held for sale under IFRS 5 if there is a plan for partial disposal of the subsidiary resulting in a loss of control.

The introduction of this amendment will have no effect on the Foundation's financial statements.
› Amendment to IAS 1 – Presentation of financial statements, taking effect as from 1 January 2009. The alteration clarifies that only certain financial instruments classified as trading instruments, and not all, are examples of current assets and liabilities.

The Foundation is analysing the effects that this amendment will have on financial statements when it becomes effective.

› Amendment to IAS 16 – Property, plant and equipment, taking effect as from 1 January 2009. The alteration sets rules for classifying (i) revenues from the disposal of assets held for rental and subsequently sold and (ii) the same assets during the time from termination of the lease to the date of disposal.
This amendment to IAS 16 will not have any impact on the Foundation's financial statements.

› Amendment to IAS 19 – Employee benefits, taking effect as from 1 January 2009. The alterations made clarify (i) the concept of the negative past service cost resulting from alteration of the defined benefits plan, (ii) the interaction between the expected return on assets and the plan administration costs, and (iii) the distinction between short and medium and long-term benefits.

The Foundation is analysing the effects that this amendment will have on financial statements when it becomes effective.

› Amendment to IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance, taking effect as from 1 January 2009. This alteration establishes that benefits from the obtaining of government loans at below-market interest should be measured as the difference between the fair value of the liability at the date of contracting, determined under IAS 39 – Financial instruments: recognition and measurement of the value received. This benefit should subsequently be recorded in accordance with IAS 20.
This amendment is not expected to not have any significant impact on the Foundation's financial statements.

› Amendment to IAS 23 – Borrowing Costs, taking effect as from 1 January 2009. The concept of borrowing costs has been altered so as to clarify that these costs should be determined in accordance with the effective rate method prescribed in IAS 39 – Financial instruments: recognition and measurement, thereby eliminating the inconsistency between IAS 23 and IAS 39.
This amendment is not expected to not have any significant impact at the level of the Foundation's financial statements.

› Amendment to IAS 27 – Consolidated and separate financial statements, taking effect as from 1 January 2009. The alteration made to this standard means that in cases where investment in a subsidiary is recorded at fair value in the individual accounts, in accordance with IAS 39 – Financial instruments: recognition and measurement, and this investment qualifies for classification as a non-current asset held for sale in accordance with IFRS 5 – Non-current assets held for sale and discontinued operations, it should continue to be measured under the terms of IAS 39.
This amendment will have no significant impact on the Foundation's financial statements.

› Amendment to IAS 28 – Investments in Associates, taking effect as from 1 January 2009. The alterations made to IAS 28 were designed to clarify that (i) an investment in an associate should be treated as a single asset for the purposes of impairment tests to be carried out under IAS 36 – Impairment of assets, (ii) any impairment loss to be recognised should not be allocated to specific assets, namely to goodwill and, (iii) that reversals of impairment are recorded as an adjustment to the balance sheet value of the associate provided that, and insofar as, the recoverable value of the investment increases.
This amendment will have no significant impact on the Foundation's financial statements.

› Amendment to IAS 38 – Intangible assets, with effect as from 1 January 2009. This alteration has determined that an expense with deferred cost, incurred in the context of promotional or advertising activities, can only be recognised in the balance sheet when an advance payment has been made for goods or services which will be received at a future date. Recognition should occur when the entity has the right of access to the goods and the services are received.
This amendment is not expected to have any impact on the Foundation's accounts.

› Amendment to IAS 39 – Financial instruments: recognition and measurement, with effect as from 1 January 2009. These alterations consisted fundamentally of (i) clarifying that it is possible to reclassify instruments out from and into the category of at fair value through profit or loss in the case of derivatives whenever they start or end a hedging relationship in the form of a hedge for cash flow or net investment in an associate or subsidiary, (ii) alteration of the definition of financial instruments at fair value through profit or loss with regard to the category of trading instruments, laying down that in the case of portfolios of financial instruments managed jointly or for which there is evidence of recent activities with a view to realising short-term gains, these portfolios should be classified as held for trading on first recognition, (iii) alteration of the requirements for documentation and effectiveness testing for hedges established in relation to the operating segments determined through application of IFRS 8 – Operating Segments, and (iv) clarifying that measurement of a financial liability at amortised cost, after interruption of the

respective fair value hedge, should be effected on the basis of the new effective rate calculated at the date of interruption of the hedging relationship.
The Foundation does not currently expect any impact from adoption of this amendment.

› Amendment to IAS 40 – Investment properties, taking effect as from 1 January 2009. As a result of this alteration, properties being built or developed with a view to subsequent use as investment properties will now be included under IAS 40 (having previously fallen under IAS 16 – Property, Plant and Equipment).
Such property under construction may now be recorded at fair value unless this cannot be reliably measured, in which case it is to be recorded at acquisition cost.
The Foundation does not currently expect any impact from adoption of this amendment at the level of its financial statements.

Auditors' Report
Legal certification of the consolidated accounts

Introduction

1. We have examined the consolidated financial statements of the **Calouste Gulbenkian Foundation**, which comprise the consolidated Demonstration of the financial position as at 31 December, 2008 (showing total assets of 2,737,177 thousand euros and a total capital fund of 2,396,435 thousand euros, including a negative transfer to the capital fund of minus 434,513 thousand euros), the consolidated Statement of Operations, the consolidated Statement of Changes in the Capital Fund and the consolidated Statement of Cash Flows for the year then ended, and the corresponding Notes.

Responsibilities

2. The Board of Trustees is responsible for the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, which fairly present the financial position of the group of companies included in the consolidation, the consolidated statement of its operations, the changes in its consolidated capital fund and the consolidated cash flows, as well as the adoption of adequate accounting policies and criteria and the maintenance of an appropriate system of internal control.

3. Our responsibility is to express a professional and independent opinion, based on our examination of the said financial statements.

Scope

4. Our examination was performed in accordance with the Rules and Technical Recommendations of the Portuguese Institute of Chartered Accountants ("Ordem dos Revisores Oficiais de Contas"), which require that we plan and perform the examination to obtain a reasonable degree of assurance as to whether or not the consolidated financial statements are free of material misstatements. Accordingly our examination included:

› verification that the financial statements of the companies included in the consolidated accounts were properly audited, and for the significant cases of companies that were not audited, verification, based on sampling, of information underlying the figures and disclosures contained in the financial statements, and an assessment of the estimates, based on the judgements and criteria defined by the Board of Trustees, used in their preparation;
› verification of the consolidation process;
› assessment of the appropriateness of the accounting policies used, their uniform application and their disclosure, taking into account the circumstances;
› verification of the applicability of the continuity principle; and
› assessment of the appropriateness of the overall presentation of the consolidated financial statements.

5. Our examination also included verification of the fact that the financial information stated in the management report matched that given in the consolidated financial statements.

6. We believe that our audit provides a reasonable basis for the expression of our opinion.

Opinion

7. In our opinion, the consolidated financial statements referred to above present, in all material respects, a true and appropriate picture of the consolidated financial position of the Calouste Gulbenkian Foundation, as at 31 December, 2008, the consolidated result of its operations, the consolidated cash flows and the changes in the consolidated capital fund for the year then ended, in accordance with International Financial Reporting Standards (IFRS), as adopted for use in the European Union.

Lisbon, 22 May, 2009

KPMG & Associados
Sociedade de Revisores Oficiais de Contas, S.A.
represented by
Jean-Éric Gaign
(Official Auditor No. 1013)

Auditors's Report
Legal certification of the accounts

Introduction

1. We have examined the financial statements of the **Calouste Gulbenkian Foundation**, which comprise the Demonstration of the financial position as at 31 December, 2008 (showing total assets of 2,647,613 thousand euros and a total capital fund of 2,396,435 thousand euros, including a negative transfer to the capital fund of minus 459,390 thousand euros), the individual Statement of Operations, the Statement of Changes in the Capital Fund and the Statement of Cash Flows for the year then ended, and the corresponding Notes.

Responsibilities

2. The Board of Trustees is responsible for the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, which fairly present the financial position of the Foundation, the result of its operations, the changes in its capital fund and the cash flows, as well as the adoption of adequate accounting policies and criteria and the maintenance of an appropriate system of internal control.

3. Our responsibility is to express a professional and independent opinion, based on our examination of the said financial statements.

Scope

4. Our examination was performed in accordance with the Rules and Technical Recommendations of the Portuguese Institute of Chartered Accountants ("Ordem dos Revisores Oficiais de Contas"), which require that we plan and perform the examination to obtain a reasonable degree of assurance as to whether or not the financial statements are free of material misstatements. Accordingly our examination included:

› verification, based on sampling, of information underlying the figures and disclosures contained in the financial statements, and an assessment of the estimates, based on the judgements and criteria defined by the Board of Trustees, used in their preparation;
› assessment of the appropriateness of the accounting policies used and of their disclosure, taking into account the circumstances;
› verification of the applicability of the continuity principle; and
› assessment of the appropriateness of the overall presentation of the financial statements.

5. Our examination also included verification of the fact that the financial information stated in the management report matched that given in the financial statements.

6. We believe that our audit provides a reasonable basis for the expression of our opinion.

Opinion

7. In our opinion, the financial statements referred to above present, in all material respects, a true and appropriate picture of the financial position of the **Calouste Gulbenkian Foundation**, as at 31 December, 2008, the result of its operations, the cash flows and the changes in the capital fund for the year then ended, in accordance with International Financial Reporting Standards (IFRS), as adopted for use in the European Union.

Lisbon, 22 May, 2009

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