CONSOLIDATED MANAGEMENT REPORT & ACCOUNTS

First Half 2007

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Notes:

(i) The Consolidated Financial Information contained in this report as of 30 June 2007 is subject to limited review procedures and has been prepared in accordance with International Financial Reporting Standards ("IAS/IFRS") issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union.

(ii) Enabler was sold on 30 June 2006 and, in order to facilitate comparisons of 1H07 results against the previous year, the 1H06 comparative figures have been restated ($1H06^R$) to exclude Enabler's contribution and associated capital gain to Sonaecom and to the Software and Systems Information Division (SSI) Consolidated Results. All comparisons, when stated, are made on this "like-for-like" basis.

1. Message from Ângelo Paupério, CEO of Sonaecom

I am pleased to be able to report a good set of results for the first half of 2007. These results reflect the continued progress in our search for growth in our telecoms businesses and at SSI, both in organic and non-organic forms. During 1H07, Consolidated Turnover increased by 4.4%, consolidated service revenues increased by 7.2% and customer revenues rose by 10.7%, when compared to 1H06$^{(R)}$. This growth was driven by three broad areas: our new mobile services including wireless internet and our fixed-mobile convergent product; our wireline direct broadband services; and at SSI division by the continued international expansion at WeDo.

In March 2007, and following the blocking of our public tender offer for PT, we sold 11.3 million shares representing just over 1% of its share capital, generating a capital gain of 2.5 million euros. Following this transaction, we no longer have a shareholding in PT.

During the second quarter, in line with our group strategy, our companies completed the following acquisitions: Sonaecom Fixed (subject to formal approval by the Portuguese Competition Authority) completed the acquisition of both Oni's Residential and SOHO customer base and of Tele2's operations in Portugal. These two acquisitions represent important steps towards achieving our growth ambitions. Focus will now be on retaining and servicing these customers and on leveraging the opportunity to up-sell appropriate services. WeDo also completed the acquisition of Tecnológica, a Brazilian company focused on revenue assurance for the Latam region which will be an important complement to WeDo's existing business and will improve our ability to serve its customers in that region.

Our Telco companies performed well during the semester when compared to 1H06, particularly in terms of customer growth and customer revenues. Optimus increased its active subscribers by 12.0% to 2.1 millions in a highly competitive environment with Kanguru and Optimus Home contributing an important share of this growth. Sonaecom Fixed continued to develop its double-play voice and broadband internet service with innovative marketing campaigns for both Clix and Novis offers, growing its direct service subscriber base by 49.6% against 1H06, including its IPTV and Home Video advanced services.

Público completed its restructuring programme, having achieved significant annual costs savings, and in February launched Público's redesigned new-look all colour newspaper. Although initial results have been positive - 2Q07 all revenue streams clearly above the previous quarter, and paid circulation increasing by 9.5% - there are important challenges ahead to grow the top line, namely achieving higher levels of paid circulation and advertising revenues, to achieve a satisfactory level of profitability faced with competition from 'free' formats for circulation and particularly for advertising market share.

SSI continued to deliver solid results, with an improvement in operational profitability generating a record 8.2% EBITDA Margin – 2.3pp above 1H06(R) – with a strong performance at WeDo that achieved a significant level of new orders from international clients and generated a strong 14.5% EBITDA margin in the year's first half.

We will continue to openly push for regulatory and competitive improvements in the Portuguese Telecom sector. In particular we will seek to ensure that the desired measures publicly announced by the Government and regulators during our public tender offer for Portugal Telecom, including the vertical separation of the copper network, open access to content on non-exclusive terms and a 'total' separation of PTM from Portugal Telecom are implemented. In respect of the latter, it will be critical to ensure that the final structure of PTM spin-off is implemented in a truly independent fashion, in the interests of competition and of the Portuguese consumer, with truly independent Boards and management structures. It will also be important to guarantee that the public contest for the sale of the DTT license due to be launched by ANACOM this year, is formulated in a way that will be fair and will stimulate competition with clear benefits for the consumer.

In addition, the three mobile operators agreed with the Government to contribute a total of 24.9 million euros as part of their UMTS licence obligations, to a newly formed Fund to be managed by the state for the purpose of stimulating the development of the information society with wider market access to broadband services. As part of this agreement, Optimus will contribute 8.3 million euros to the Fund.

During the remaining half of the year, management focus will be on achieving customer and customer revenue growth by investing further in our brands and new products, expanding the coverage and capacity of our mobile and wireline networks, by continuously meeting customer needs through innovation and, importantly, improving customer service and customer experience. Focus will also be on retaining and servicing Oni's Residential and SOHO customer base and of Tele2's customers and on leveraging the opportunity to up-sell appropriate services.

Finally, in order to enhance and accelerate our growth ambitions, we will continue to look at acquisition opportunities for both our telecoms and SSI businesses as such opportunities arise.

2. First Half Highlights

During 1H07, Sonaecom was able to sustain the high level of growth in customers and customer revenues achieved in 4Q06 in its telecoms businesses, while maintaining a focus on cost contention, despite the continuous investment in mobile, broadband, fixed-mobile convergence, direct wireline services and expansion of both our 3G and ULL networks.

Operational Highlights

OPERATING KPI's	1H06	1H07	y.o.y
Optimus			
Customers (EOP) ('000)	2,430.3	2,673.9	10.0%
Active Customers (1)	1,906.3	2,134.8	12.0%
Data as % Service Revenues	13.6%	16.5%	2.9pp
MOU (2) (min.)	114.2	115.4	1.1%
Sonaecom Fixed			
Total Services (EOP)	358,224	411,177	14.8%
Direct	225,117	336,789	49.6%
Direct access as % Customer Revenues	60.9%	77.4%	16.5pp
Sonaecom			
Employees	2,265	1,847	-18.5%

(1) Active Customers with Revenues generated during the last 90 days; (2) Minutes of Use per Customer per month.

- Optimus: Customers increased by 10.0% to 2,673.9 million in 1H07, compared to 2,430.3 million at the end of 1H06(R); Data Revenues represented 16.5% of Service Revenues in 1H07, up from 13.6% in 1H06(R).
- Sonaecom Fixed: Direct Access Services increased by 111.7 thousand to 336.8 thousand at the end of 1H07, from 225.1 thousand, at the end of 1H06(R); Direct Access Revenues represented 77.4% of Customer Revenues in 1H07, an increase of 16.5pp when compared to the same contribution in 1H06(R).
- Sonaecom: total employees decreased 18,5% compared to 1H06(R), mainly as a result of the sale of Enabler (308 headcount) in June 2006 and Público's restructuring plan that reduced headcount by 80. Excluding Enabler's 308 employees, Sonaecom headcount would have decreased by 5.9% in 1H07 compared to 1H06, consistent with the pursuit of an integrated structure and productivity gains.

Consolidated Financial Highlights

Million euros

CONSOLIDATED FINANCIAL KPI's	1H06	1H06(R)	1H07	y.o.y
Turnover	409.5	395.9	413.4	4.4%
Service Revenues	365.5	351.9	377.3	7.2%
Customer Revenues	268.5	254.8	282.0	10.7%
Operator Revenues	97.1	97.1	95.3	-1.9%
EBITDA	105.5	78.0	73.2	-6.2%
EBITDA Margin (%)	25.8%	19.7%	17.7%	-2pp
EBIT	39.2	11.9	6.1	-48.6%
EBT	31.5	4.1	-2.1	-
Net Results - Group Share (1)	24.3	-2.4	-4.7	-95.0%
Operating CAPEX (2)	56.3	56.2	56.3	0.0%
Operating CAPEX as % of Turnover	13.7%	14.2%	13.6%	-0.6pp
EBITDA - Operating CAPEX	49.2	21.8	16.9	-22.3%
Total CAPEX	170.9	170.8	69.9	-59.1%
Operating Cash Flow (3)	2.8	-18.2	4.2	-
FCF (4)	-112.8	-133.7	75.0	-

(1) Net Results after Minority Interests; (2) Operating CAPEX excludes Financial Investments and Provisions for sites dismantling and other non operational investments; (3) Operating Cash Flow = EBITDA - Operating CAPEX - Change in WC -Non Cash item & Other; (4) FCF Levered after Financial Expenses but before Capital Flows and Financing related up-front Costs; 2Q06, 2Q06(R),1H06 and 1H06(R) FCF includes cost of acquiring aproximately 11.3 million shares of PT at average price of 9.38 euros; (R) Restated to exclude Enabler's contribution in 2Q06 and 1H06 and the 25.3 million euros capital gain from the sale of Enabler in 2Q06 and 1H06.

- Turnover reached 413.4 million euros, 4.4% above 1H06(R) level, driven by growth of Service revenues to 377.3 million euros – 7.2% higher than in 1H06(R)- notwithstanding the negative impact of lower MTRs and lower roaming in tariffs.
- Consolidated Customer Revenues increased by 10.7% to 282.0 million euros in 1H07, compared to 1H06(R), driven by a 8.1% increase at Optimus and a 22.3% increase at Sonaecom Fixed.
- EBITDA decreased by 6.2% to 73.2 million euros compared to 78.0 million euros in 1H06(R), fully explained by the impact of MTRs and network associated costs as consequence of strong broadband customer growth.

3. Consolidated Results

3.1. Consolidated Income Statement

Million euros

CONSOLIDATED INCOME STATEMENT	1H06	1H06(R)	1H07	y.o.y
Turnover	**409.5**	**395.9**	**413.4**	**4.4%**
Optimus	291.2	291.2	293.5	0.8%
Sonaecom Fixed	93.8	93.8	110.7	18.1%
Público	19.3	19.3	16.7	-13.5%
SSI	46.1	32.5	32.8	1.0%
Other & Eliminations	-40.8	-40.8	-40.2	1.5%
Other Revenues	**28.5**	**1.9**	**2.1**	**9.3%**
Operating Costs	**327.0**	**314.3**	**336.0**	**6.9%**
COGS	46.7	46.7	47.5	1.7%
Network Costs (1)	125.1	125.1	138.5	10.7%
Personnel Costs	52.9	45.2	46.8	3.6%
Marketing & Sales	42.3	42.2	44.0	4.3%
Outsourcing Services (2)	31.4	29.4	30.0	2.1%
General & Administrative Expenses	23.4	20.6	22.7	10.1%
Other Operating Costs	5.2	5.1	6.5	25.7%
Provisions and Impairment Losses	**5.6**	**5.4**	**6.3**	**16.6%**
EBITDA	**105.5**	**78.0**	**73.2**	**-6.2%**
EBITDA Margin (%)	25.8%	19.7%	17.7%	-2pp
Optimus	86.9	86.9	73.7	-15.1%
Sonaecom Fixed	-7.1	-7.1	0.8	-
Público	-2.7	-2.7	-1.9	27.9%
SSI	29.2	1.9	2.7	41.7%
Other & Eliminations	-0.8	-1.0	-2.0	-107.5%
Depreciation & Amortization	66.3	66.1	67.1	1.4%
EBIT	**39.2**	**11.9**	**6.1**	**-48.6%**
Net Financial Results	**-7.7**	**-7.8**	**-8.2**	**-5.8%**
Financial Income	3.2	3.1	11.9	-
Financial Expenses	10.9	10.9	20.1	84.6%
EBT	**31.5**	**4.1**	**-2.1**	**-**
Tax results	1.1	1.4	-2.5	-
Net Results	**32.6**	**5.5**	**-4.6**	**-**
Group Share	24.3	-2.4	-4.7	-95.0%
Attributable to Minority Interests	8.3	7.9	0.1	-98.3%

(1) Network Costs = Interconnection plus Leased Lines plus Content plus Other Network Operating Costs; (2) Outsourcing Services = Customer Services plus Consultants plus Subcontracts; (R) Restated to exclude Enabler's contribution in 2Q06 and 1H06 and the 25.3 million euros capital gain from the sale of Enabler in 2Q06 and 1H06.

Turnover

Consolidated Turnover reached 413.4 million euros in 1H07, up 4.4% on 1H06(R) , notwithstanding the significant negative effect of the declining MTR's that had an impact of 8.4 million euros on Operator Revenues in the semester, lower Roaming In tariffs at Optimus, and the continuing fall of incoming fixed traffic compared to 1H06(R). The main contributions for this positive performance came from: (i) 19.2% higher service revenues at Sonaecom Fixed; (ii) 2.5% increase in Optimus' service revenues, with the growth of customer revenues offsetting the negative impact of lower MTRs on operator revenues; (iii) 5.1% higher service revenues at SSI, mainly driven by the good performance of WeDo; and (iv) notwithstanding the 13.5% decrease of Público's service revenues driven by lower advertising revenues.

Importantly, consolidated customer revenues grew by 10.7% when compared to 1H06(R), driven by strong growth in both Sonaecom Fixed and Optimus customer revenues of 22.3% and 8.1%, respectively.

Operating Costs

Total Operating Costs excluding COGS increased 7.8% to 288.5 million euros in 1H07 compared to 267.6 million euros in 1H06(R). The main drivers of these higher costs were primarily growth related: (i) 10.7% higher network costs when compared to 1H06(R), driven by the 7.7% increase in interconnection despite the lower MTRs due to a significantly higher level of traffic volumes and the larger customer base leading to significantly higher ULL monthly fee related costs; (ii) marketing & sales costs increased by 4,3% driven mainly by Optimus' investment in promoting its brand and innovative products, that have led to visible positive results in customer and customer revenue growth; (iii) general &

administrative costs also showed an increase of 10.1%, mainly explained by the increased post paid customer base at Optimus and larger customer base at Sonaecom Fixed and the consequent billing requirements and related expenses; and (iv) staff costs increased by 3.6% due to the reduction of capitalised staff costs due to the lower level of network development costs eligible to be capitalised.

Provisions and impairment losses increased to 6.3 million euros in 1H07 from 5.4 million euros in 1H06(R), due to provisions for bad debt at Sonaecom Fixed in relation to its wholesale business, despite a strong reduction in provisions for inventories (due to improvements in stock management) and bad debt at Optimus.

EBITDA
Consolidated EBITDA totalled 73,2 million euros in 1H07, generating a margin of 17.7%, compared to an EBITDA of 78.0 million euros and a margin of 19.7% in 1H06(R). The decline in EBITDA was driven by the lower EBITDA contribution from Optimus and notwithstanding the positive EBITDA performances at Sonaecom Fixed and SSI.

Net Profit
The lower level of EBITDA and the higher tax charges compared to 1H06(R), and the marginally higher depreciations and amortizations in the year's half contributed to a significant deterioration of Net results which were 4.6 million euros negative versus a positive 5.5 million euros in 1H06(R). Net results group share were negative 4.7 million euros and reflect the impact on minority interest of the share-for-share exchange agreements with EDP and Parpública, reached during 3Q06.

Due to the formal renewal by ANACOM of the GSM licenses of both TMN and Vodafone for a further 15 years without any additional requirements, we have assumed that similar renewal conditions will be applicable to Optimus at the renewal date for its GSM license in 2012. Accordingly, we have reviewed and extended the depreciation period in respect of sites and other GSM related assets which generated a positive impact of 7.2 million euros in the 1H07. As a result, depreciation and amortization charges increased only marginally, despite the higher asset base resulting from the extension of Optimus' UMTS/HSDPA network and the extension of Sonaecom Fixed access network capillarity.

Net financial charges decreased by 5.8% to 8.2 million euros negative in 1H07, as compared to an also negative mark of 7.8 million euros in 1H06(R). This reflects the higher financial expenses, up by 9.2 million euros to 20.1 million euros due to the higher average cost of debt and the temporarily higher gross debt in the form of shareholder loans granted by Sonae SGPS, totalling 1.2 billion euros, related to the cash funding of the guarantee for the public tender offer for PT that generated net interest expenses of 1.2 million euros, that were not completely offset by higher financial income in 1H07 of 8.8 million euros to 11.9 million euros, due to a higher average level of liquidity and respective higher interest rate in the period.

Compared to 1H06(R), the tax line registered a deterioration of 3.9 million euros caused by an increase of 0.2 million euros in current charges and movements in deferred tax assets that generated a net charge of 2.0 million euros in 1H07 compared to a benefit of 1.7 million euros in 1H06(R).

3.2. Consolidated Balance Sheet

Million euros

CONSOLIDATED BALANCE SHEET	1H06	2006	1H07	y.o.y
Total Net Assets	**1,481.9**	**1,720.2**	**1,693.0**	**14.2%**
Non Current Assets	1,111.7	1,343.6	1,233.0	10.9%
Tangible and Intangible Assets	648.1	661.4	663.9	2.4%
Goodwill	282.0	506.9	507.1	79.9%
Investments	108.8	113.1	1.9	-98.2%
Deferred Tax Assets	67.9	61.8	60.0	-11.7%
Others	5.0	0.3	0.0	-100.0%
Current Assets	370.2	376.6	460.1	24.3%
Trade Debtors	142.5	152.0	138.7	-2.7%
Liquidity	96.0	125.9	198.5	106.8%
Others	131.7	98.7	122.9	-6.6%
Shareholders' Funds	**716.9**	**909.5**	**892.3**	**24.5%**
Group Share	596.6	909.0	891.6	49.5%
Minority Interests	120.3	0.5	0.6	-99.5%
Total Liabilities	**765.0**	**810.7**	**800.8**	**4.7%**
Non Current Liabilities	491.6	486.1	407.3	-17.1%
Bank Loans	458.3	460.6	366.7	-20.0%
Provisions for Other Liabilities and Charges	14.1	20.1	24.3	72.0%
Others	19.2	5.4	16.3	-15.1%
Current Liabilities	273.4	324.6	393.5	43.9%
Bank Loans	0.7	0.1	97.4	-
Trade Creditors	132.1	162.7	121.7	-7.9%
Others	140.6	161.9	174.4	24.0%
Operating CAPEX [(1)]	56.3	134.1	56.3	-0.1%
Operating CAPEX as % of Turnover	13.7%	16.0%	13.6%	-0.1pp
Total CAPEX	170.9	253.5	69.9	-59.1%
EBITDA - Operating CAPEX	49.2	50.3	16.9	-65.6%
Operating Cash Flow [(2)]	2.8	51.3	2.8	0.0%
FCF [(3)]	-112.8	-81.7	75.0	-
Gross Debt	462.8	464.0	482.6	4.3%
Net Debt	366.8	338.1	284.2	-22.5%
Net Debt/ EBITDA last 12 months	2.1 x	1.8 x	1.9 x	-0.2x
EBITDA/Interest Expenses [(4)]	13.2 x	10.6 x	4.3 x	-8.9x
Debt/(Debt + Shareholders' Funds)	39.2%	33.8%	35.1%	-4.1pp

(1) Operating CAPEX excludes Financial Investments, Provisions for sites dismantling and other non operational investments; (2) Operating Cash Flow = EBITDA - Operating CAPEX - Change in WC -Non Cash item & Other; (3) FCF Levered after Financial Expenses but before Capital Flows and Financing related up-front Costs; (4) Interest Cover.

CAPEX

Consolidated CAPEX was 69.9 million euros in 1H07, 59.1% lower than in 1H06. Operating CAPEX was 56,3 million euros, marginally lower than in 1H06, representing 13.6% of Turnover in the year's half.

This marginally lower level of operating CAPEX was mainly driven by significant higher levels of operating CAPEX at Sonaecom Fixed (explained by the recognition of long term backbone lease contracts as financial leases thus affecting CAPEX and Debt), that were marginally offset by lower levels of operating CAPEX at Optimus due to the lower deployment rate of its UMTS network that at the end of 1H07 reached a coverage level of 70% of the Portuguese population, compared to 60% in 1H06.

Consolidated CAPEX does include two important movements: (i) 8.3 million euros related with a contribution to the Information Society due from the UMTS licence; and (ii) 2.4 million euros related with the acquisition of Tecnológica by WeDo, albeit the acquisition did not significantly hurt the semester cash flow (only 0.2 million euros were paid during the semester).

Of total operating Capex, 20.5% was invested in the development of Optimus UMTS/HSDPA network, 19.5% was invested in the development of Optimus GSM network, 8.5% was invested in the ULL/3Play infrastructure, 13.8% of total CAPEX was invested in IT.

FCF

Million euros

LEVERED FREE CASH FLOW	1H06	1H06(R)	1H07	y.o.y
EBITDA-Operating CAPEX	**49.2**	**21.8**	**16.9**	**-22.3%**
Change in WC	-54.7	-49.1	-33.8	31.2%
Non Cash Items & Other	8.3	9.1	21.1	132.3%
Operating Cash Flow	**2.8**	**-18.2**	**4.2**	**-**
Financial Investments	-107.0	-107.0	108.0	-
Own Shares	-	-	-8.9	-
Tender Offer Costs	-2.9	-2.9	-19.5	-
Financial results	-4.9	-5.2	-8.4	-60.1%
Income taxes	-0.7	-0.3	-0.5	-63.1%
FCF	**-112.8**	**-133.7**	**75.0**	**-**

(R) Restated to exclude Enabler's contribution in 2Q06 and 1H06 and the 25.3 million euros capital gain from the sale of Enabler in 2Q06 and 1H06.

Consolidated FCF in 1H07 was positive 75.0 million euros, compared to a negative 133,7 million euros in 1H06(R), the latter included the investment of 105.9 million euros relating to the acquisition of a 1% shareholding in PT. Operating cash flow was positive 4.2 million euros in 1H07, up from negative 18.2 million euros in 1H06(R), mainly due to the positive adjustment related to the long term backbone financial lease contracts which affect Operating CAPEX and Debt levels but which only affect free cash flow in relation to financial expenses. The working capital deterioration of 33.8 million euros reflects the lower credit from fixed assets suppliers at Optimus and the higher payments to trade creditors at Sonaecom Fixed.

The positive performance of the consolidated FCF is due primarily to the proceeds of 108 million euros from the sale of Sonaecom 1% shareholding in PT, at an average price of 9.61 euros per share, compared to the average purchase price of 9.38 euros per share during 2Q06.

Capital Structure

Consolidated gross debt at the end of 1H07 totalled 482.6 million euros, 18.6 million euros above the level at the end 2H06. This increase is the result of two effects: (i) an increase of 16.2 million euros related to long term financial leasing contracts in relation to Sonaecom Fixed backbone network; and (ii) a 3.4 million euros increase in bank loans, mainly as result of the recognition of up-front fees, as required by IAS/IFRS rules.

Consolidated liquidity increased by 72.6 million euros to 198.5 million euros, compared to 125.9 million euros at the end of 2H06, reflecting the FCF generated in the period which includes the sale of our 1% shareholding in PT in 1Q07.

Consolidated Net Debt as at the end of 1H07 stood at 284.2 million euros, a decrease of 53.9 million euros compared to end 2H06, reflecting mainly the FCF generated in the period (75 million euros) and the above mentioned movements in the gross debt.

At the end of 1H07 and compared to end 2H06, net debt to annualised EBITDA deteriorated marginally to 1.9x, explained by the lower annualised EBITDA at the end of 1H07, despite the lower level of net debt. Interest cover deteriorate to 4.3x, from 10.6x in 2H06. And Debt to Equity deteriorated marginally to 35.1% from 33.8%, reflecting the 18.6 million euros increase in the level of the gross debt and the 17.2 million euros decrease in Shareholder's funds, resulting mainly, from the acquisition of own shares in 1Q07, for the purpose of hedging our Medium Term Incentive Plan, totalling 8.9 million euros and the net loss generated in the period.

Net Debt at Sonaecom SGPS stood at 160.1 million euros at the end of 1H07 compared to 142.4 million euros at the end of 2H06, reflecting a total cash position of 75.4 million euros, external debt of 147.1 million euros and treasury applications made by subsidiaries with Sonaecom of 88.3 million euros.

4. Optimus

During the first half, Optimus continued to exploit the increasing importance of mobile data communications, by further developing existing wireless internet solutions and by promoting its fixed-mobile convergent products and maintained its rate of growth of customers (up 10.0% to 2.7 millions in 1H07 vs. 1H06) and active customers (up 12.0% to 2.1 millions in 1H07 compared to 1H06) and reinforced its growth rate of customer revenues (up by 8,1% in 1H07 compared to 1H06), by further investing in the brand mainly to support the growth in the residential segment and by extending coverage of its 3G/HSPDA network.

4.1. Operational Data

OPTIMUS OPERATIONAL KPI's	1H06	1H07	y.o.y
Customers (EOP) ('000)	2,430.3	2,673.9	10.0%
Net Additions ('000)	77.1	72.0	-6.6%
% Pre-paid Customers	80.3%	74.8%	-5.5pp
Active Customers (1)	1,906.3	2,134.8	12.0%
Data as % Service Revenues	13.6%	16.5%	2.9pp
Total #SMS/month/user	50.4	45.0	-10.9%
MOU (2) (min.)	114.2	115.4	1.1%
ARPU (euros)	19.4	17.8	-8.2%
ARPM (3) (euros)	0.17	0.15	-9.1%
CCPU (4) (euros)	14.6	14.2	-2.7%
SAC&SRC (5) ('000 000 euros)	43.5	55.2	26.8%
Employees (6)	1,054	1,029	-2.4%
Shared Services Division	774	765	-1.2%

(1) Active Customers with Revenues generated on last 90 days; (2) Minutes of Use per Customer per month; (3) Average Revenue per Minute; (4) Cash Cost per Customer = Total Operational Costs per Customer less Equipment Sales; (5) Total Acquisition & Retention Costs; (6) Includes Shared Services Division.

Growth Initiatives

During 1H07, Optimus reinforced its wireless broadband leadership and was able to push up data usage through the extension of its Kanguru product range, with the pioneering launch of an updated version of its broadband internet solution, based on HSDPA technology, offering speeds up to 7.2Mbps. Also, new customized services were offered to extract more value from voice and messaging, such as add-on voice and chat plans to the base tariff plans with specific discounted prices, and the reinforcement of the 3G handset range available, supported by promotional campaigns focused on down priced, more appealing and exclusive equipment on offer.

During the year's first half, Optimus became the first Portuguese operator to make mobile TV available in two specific terminals. In line with its strategy of focusing on innovation, Optimus has made available more than 23 TV channels for its Mobile TV offer.

Also important was the pioneering launch in Portugal of a truly Fixed-Mobile offer for the business segment. This offer has included a mobile and a fixed number; when at the office or out of the office, calls are always made at the most economic tariff, either using the fixed or the mobile number. It has also the particularity of making the person always available with its fixed number as it will automatically transfer the call to its mobile number.

Customer Base

Optimus' customer base increased by 10.0% to 2.7 million, at the end of 1H07, compared to 2.4 million at the end of 1H06, with net additions of 72.0 thousand in 1H07 compared to 77.1 thousand in the same period last year. Active customers at the end of 1H07 totalled 2.1 million, as compared to 1.9 million in 1H06, an increase of 12.0%. Net additions of active subscribers reached 94.0 thousand, 2.3 times higher than in 1H06.

For 1H07, Optimus Customers generated an ARPU of 17.8 euros, down from an ARPU of 19.4 euros in 1H06, a decrease of 8.2% mainly explained by due to the phased reductions in MTRs and roaming in tariffs, and to a lesser extent the decrease in ARPM, explained by the higher price pressures on voice tariffs mainly on the SME segment.

Data Usage

Data Revenues represented 16,5% of Service Revenues in 1H07, an improvement of 2.9pp over 1H06, as the result of Optimus' promotional focus on increasing usage of data services and the success of its wireless broadband solutions. In 2Q07 non-SMS data revenues already accounted for more than 51% of total data revenues of the semester.

Traffic

In 1H07, total traffic[1] was 12.9% higher than that recorded in 1H06, with the Minutes of Use per customer remained fairly stable increasing by just 1.1% to 115.4 minutes, compared to 114.2 minutes in 1H06, reflecting the continuous success of Optimus' investment effort to enhance voice usage.

4.2. Financial Data

Million euros

OPTIMUS CONSOLIDATED INCOME STATEMENT	1H06	1H07	y.o.y
Turnover	**291.2**	**293.5**	**0.8%**
Service Revenues	270.5	277.4	2.5%
Customer Revenues	195.3	211.2	8.1%
Operator Revenues	75.2	66.1	-12.0%
Equipment Sales	20.7	16.1	-22.3%
Other Revenues	**18.0**	**17.0**	**-5.5%**
Operating Costs	**217.5**	**233.0**	**7.1%**
COGS	29.0	32.3	11.4%
Interconnection & Contents	63.9	66.1	3.4%
Leased Lines & Other Network Operating Costs	24.8	28.2	13.7%
Personnel Costs	24.7	26.1	5.8%
Marketing & Sales	30.7	33.5	9.4%
Outsourcing Services (1)	25.4	25.5	0.3%
General & Administrative Expenses	14.1	15.5	9.9%
Other Operating Costs	4.9	5.8	18.4%
Provisions and Impairment Losses	**4.9**	**3.8**	**-23.0%**
Service Margin (2)	**206.6**	**211.3**	**2.3%**
Service Margin (%)	76.4%	76.2%	-0.2pp
EBITDA	**86.9**	**73.7**	**-15.1%**
EBITDA Margin (%)	29.8%	25.1%	-4.7pp
Depreciation & Amortization	57.5	56.8	-1.1%
EBIT	**29.4**	**16.9**	**-42.6%**
Net Financial Results	**-6.2**	**-7.1**	**-14.2%**
Financial Income	1.4	2.4	65.7%
Financial Expenses	7.7	9.5	23.9%
EBT	**23.2**	**9.8**	**-57.9%**
Tax results	2.1	-1.5	-
Net Results	**25.2**	**8.3**	**-67.2%**
Operating CAPEX (3)	39.9	30.1	-24.5%
Operating CAPEX as % of Turnover	13.7%	10.3%	-3.4pp
EBITDA - Operating CAPEX	46.9	43.6	-7.2%
Total CAPEX	47.4	40.6	-14.3%
FCF (4)	13.9	19.8	42.2%
Gross Debt	316.1	319.3	1.0%
Net Debt	215.1	209.2	-2.7%
Net Debt/ EBITDA last 12 months	1.3 x	1.3 x	0.1x
EBITDA/Interest Expenses	16.7 x	10.6 x	-6.2x
Debt/(Debt + Shareholders' Funds)	44.5%	47.3%	2.8pp

(1) Outsourcing Services = Customer Services plus Consultants plus Subcontracts; (2) Service Margin = Service Revenues minus Interconnection & Content Costs; (3) Operating CAPEX excludes Financial Investments and Provisions for sites dismantling and other non operational investments; (4) FCF Levered after Financial Expenses but before Capital Flows and Financing related up-front Costs.

Turnover

Service Revenues increased by 2.5% to 277.4 million euros in 1H07, compared to 270.5 million euros in 1H06, driven by the 8.1% growth in customer revenues to 211.2 million euros (from 195.3 million euros in 1H06), that fully compensated for the negative impact of 8.4 million euros due to lower MTRs on operator revenues and despite the decrease of

[1] Total Traffic = total incoming traffic plus total outgoing traffic plus total Roaming out

roaming revenues explained by lower roaming tariffs. Excluding the impact of the MTRs service revenues would have increased by 5.7% as compared to 1H06.

EBITDA

EBITDA in 1H07 reached 73.7 million euros and generated a margin of 25,1%, representing a decrease of 15.1% and 4.7pp, respectively, over 1H06. This decline was primarily the result of higher total operating costs and lower MTRs that led to a reduction of 4.0 million euros in EBITDA compared to 1H06, despite the 2.5% increase in service revenues. Excluding the impact of the MTRs and the one-off discount from an equipment supplier in 1H06 of 3.5 million euros, EBITDA would have decreased by 6.9%, as compared to 1H06, generating an EBITDA margin of 25.7%, 2.9pp below 1H06.

The lower EBITDA result compared to 1H06 was due to higher level of total OPEX that increased by 7.1% to 233.0 million euros and represented 79.4% of Turnover, a deterioration of 4.7pp when compared to 78.4% registered in 1H06 and notwithstanding the higher service margin of 2.3% to 211.3 million euros and a margin of 76.2%, a 0.2pp decrease when compared to the 1H06. The higher operational costs were driven by the following factors: (i) higher leased line & other network operating costs of 13,7%, primarily due to the extension of Optimus' 3G/HSDPA network and resulting higher number of circuits rented, also due to the success of Kanguru product; (ii) an increase in other operating costs of 18.4%, driven by higher license costs resulting from the higher number of customers; (iii) higher general & administrative costs of 9.9% as a result of specific investments made to accelerate the judicial collection of old invoices with the consequent positive impact on the bad debt level; (iv) higher marketing & sales costs and handset subsidies of 9.4%, a reflection of the strong growth in both active customers (+12.0%) and customer revenues (+8.1%); and (v) higher staff costs of 5.8% due to the lower capitalization of staff costs as our network coverage marginal growth rate is reducing.

5. Sonaecom Fixed

Sonaecom Fixed consolidated and strengthened its direct access business during the 1H07 and grew its direct customer base and customer revenues by introducing significant improvements in its broadband offer in terms of speed, price and customer experience that significantly reinforced its ADSL broadband solutions, namely the expansion of its double play offering, the introduction of TV and Home Video in the ADSL basic offer and better customer service.

5.1. Operational Data

SONAECOM FIXED OPERATIONAL KPI's	1H06	1H07	y.o.y
Total Services (EOP) (1)	358,224	411,177	14.8%
Direct	225,117	336,789	49.6%
ULL	202,803	307,316	51.5%
Other	22,314	29,473	32.1%
Indirect	133,107	74,388	-44.1%
Voice	67,770	41,362	-39.0%
Internet Broadband	13,486	11,590	-14.1%
Internet Narrowband	51,851	21,436	-58.7%
Total Accesses (2)	248,116	358,963	44.7%
PSTN/ISDN	133,452	194,759	45.9%
ULL ADSL	101,178	152,614	50.8%
Wholesale ADSL	13,486	11,590	-14.1%
Unbundled Central Offices with transmission	138	150	8.7%
Unbundled Central Offices with ADSL2+	130	142	9.2%
Direct access as % Customer Revenues	60.9%	77.4%	16.5pp
Total Voice Traffic ('000 Min.) (3)	719,827	762,498	5.9%
Total Internet Traffic			
Narrowband ('000 Min.)	139,569	54,074	-61.3%
Broadband ('000 Gigabytes)	4,514	9,881	118.9%
Employees	174	164	-5.7%

(1) Services restated according to a "revenue generator unit" criteria since 1Q07; (2) Reporting criteria according to Anacom standard: ISDN services equivalent to 2 or 30 accesses depending on whether they are basic rate (BRI) or primary rate (PRI); Accesses do not include indirect voice or narrowband services and data and wholesale services; (3) Includes Wholesale and Retail traffic.

Growth initiatives

During 1H07, Sonaecom Fixed upgraded its residential double play product with free calls to 16 top international destinations, increasing the price point, and further strengthening its competitive positioning versus VoIP players.

Also, the company increased the promotion of its double play offering of voice and internet or enhanced with the access to IPTV and Home Video, in order to protect pricing, reduce levels of churn and improve loyalty of its direct access customer base. With no additional price charged, Sonaecom Fixed broadband solutions, with bandwidths up to 12Mbps and 24Mbps, started offering the access to the 4 Portuguese basic free-to-air generalist channels and to 17 other additional international channels, with the possibility of subscribing 3 additional packages of channels with more than 100 TV and Radio channels available and a home video service with an assortment of more than 600 films.

Importantly for business customers, Sonaecom Fixed was the first Portuguese operator to implement an IMS – IP Multimedia System – platform in its network which will be an enabler of: (i) integration, as it contemplates the integration of a series of voice functionalities from different devices such as the PC; (ii) flexibility, as it is perfectly adaptable to different segment activities and size; (iii) mobility as it enhances Fixed-Mobile-Wi-Fi convergence; and (iv) innovation as it opens the door to a completely new and revolutionary set of services.

Customer Base

At the end of 1H07, Sonaecom Fixed Total services amounted to 411.2 thousand, an increase of 14.8% compared to 1H06. The acquisition of direct access services more than compensated for the decline in indirect access customers, with total Direct Services representing 81.9% of Sonaecom Fixed Customer base and 77.4% of Customer Revenues in 1H07, compared to 62.8% and 60.9%, respectively, in 1H06.

Traffic

Sonaecom Fixed voice traffic increased by 5.9% in 1H07 to 762.5 million minutes compared to 719.8 million minutes in 1H06, mainly as a result of the increase retail traffic of 24.7% as wholesale traffic decreased by 3.5%. Retail traffic performance was a result of the increase of direct voice traffic by 62.3%, more than compensating for the decrease of indirect voice traffic of 30.6%.

5.2. Financial Data

Million euros

SONAECOM FIXED INCOME STATEMENT	1H06	1H07	y.o.y
Turnover	**93.8**	**110.7**	**18.1%**
Service Revenues	92.7	110.6	19.2%
Customer Revenues	44.8	54.7	22.3%
Direct Access Revenues	27.2	42.4	55.5%
Indirect Access Revenues	16.9	10.9	-35.6%
Other	0.6	1.5	154.2%
Operator Revenues	48.0	55.8	16.4%
Equipment Sales	1.1	0.2	-82.8%
Other Revenues	**2.5**	**1.8**	**-25.0%**
Operating Costs	**102.9**	**109.4**	**6.3%**
COGS	1.2	0.1	-92.3%
Interconnection	50.7	58.1	14.6%
Leased Lines & Other Network Operating Costs	15.9	17.1	8.1%
Personnel Costs	4.8	4.7	-3.1%
Marketing & Sales	9.9	8.2	-16.5%
Outsourcing Services (1)	15.8	16.0	1.4%
General & Administrative Expenses	4.2	4.4	3.8%
Other Operating Costs	0.4	0.8	88.3%
Provisions and Impairment Losses	**0.4**	**2.4**	**-**
Service Margin (2)	**42.1**	**52.5**	**24.8%**
Service Margin (%)	45.4%	47.5%	2.1pp
EBITDA	**-7.1**	**0.8**	**-**
EBITDA Margin (%)	-7.5%	0.7%	8.2pp
Depreciation & Amortization	7.9	9.7	22.6%
EBIT	**-15.0**	**-8.9**	**40.5%**
Net Financial Results	**-1.3**	**-1.7**	**-30.6%**
Financial Income	0.1	0.1	40.0%
Financial Expenses	1.4	1.8	31.1%
EBT	**-16.3**	**-10.6**	**34.8%**
Tax results	0.0	0.0	12.0%
Net Results	**-16.3**	**-10.6**	**34.8%**
Operating CAPEX (3)	16.1	26.0	61.3%
Operating CAPEX as % of Turnover	17.2%	23.5%	6.3pp
EBITDA - Operating CAPEX	-23.2	-25.2	-8.8%
Total CAPEX	16.1	26.4	64.2%
FCF (4)	-36.1	-16.8	53.6%
Gross Debt	87.1	98.1	12.6%
Net Debt	86.7	97.5	12.5%
Net Debt/ EBITDA last 12 months	-4.9 x	60.9 x	65.8x
EBITDA/Interest Expenses	-5.2 x	0.4 x	5.7x
Debt/(Debt + Shareholders' Funds)	94.4%	89.0%	-5.3pp

(1) Outsourcing Services = Customer Services plus Consultants plus Subcontracts; (2) Service Margin = Service Revenues minus Interconnection Costs; (3) Operating CAPEX excludes Financial Investments and Provisions for sites dismantling and other non operational investments; (4) FCF Levered after Financial Expenses but before Capital Flows and Financing related up-front Costs.

Turnover

Turnover in 1H07 totalled 110.7 million euros, an increase of 18.1% over 1H06, mainly driven by the significant increase in Direct Access Revenues up 55.5% to 42.4 million euros (27.2 million euros in 1H06) and Operator Revenues up 16.4% to 55.8 million euros (48.0 million euros in 1H06), which represented 38.3% and 50.4% of Service Revenues, compared to 29.3% and 51.8% in 1H06, respectively. The increased proportion of Direct Access Revenues within total Turnover reflects the shift in strategy initiated, at end of 2004 and on going in 2005, 2006 and 1H07. Direct Access Revenues accounted for 77.5% of Customer Revenues in the semester (an increase of 16.5pp vs. 1H06).

EBITDA

In 1H07, Sonaecom Fixed posted a positive 0.8 million euros EBITDA an improvement that is primarily due to the increasing size of the ULL customer base that has been generating a positive contribution to profitability since the second half of 2006, and that compares to a negative EBITDA of 7.1 million euros in 1H06.

In the first half, Operating Costs at Sonaecom Fixed increased by 6.3% to 109.4 million euros compared to 102.9 million euros in 1H06. This increase reflects the effort in developing and expanding the direct access broadband business: (i) interconnection costs were up by 14.6%, due to the increased voice traffic, as well as the higher ULL monthly fees, driven by the larger number of direct customers, nevertheless, service margin grew by 24.8% to 52.5 million euros and generated a margin of 47.5%; (ii) leased lines and other network operating costs were up by 8.1%, mainly as a result of a higher demand for circuits and higher maintenance costs related to the increased volume of equipment in unbundled central offices; (iii) personnel costs, notwithstanding the lower level of 3Play capitalised costs, were down 3.1%, explained by the lower number of employees in 1H07 compared to 1H06, consistent with cost contention and integration efforts; (iv) marketing & sales costs decreased by 16.5% as a result of lower advertising costs and commissions related with the lower level of customer acquisitions; and (v) outsourcing services and general administrative expenses were kept relatively stable.

6. Público

Público focused on implementing its announced strategy with the launch, in mid February, of a totally new newspaper and supplements and the introduction of its redesigned new-look all colour newspaper. Efforts continued on the re-dimensioning of the cost base, and initial results are encouraging with post-re-launch newspaper showing increases in paid circulation and inverting the strong negative trend seen during 2H06. However, Público's main challenges going forward are stimulating circulation and increasing advertising revenues, a fundamental revenue stream for a sustainable and profitable media business.

6.1. Operational Data

PÚBLICO OPERATIONAL KPI's	1H06	1H07	y.o.y
Average Paid Circulation (1)	46,112	42,977	-6.8%
Market Share of Advertising (%) (2)	15.5%	13.9%	-1.6pp
Employees	351	260	-25.9%

(1) Estimated value updated in the following quarter; (2) 2Q07 = May YTD.

Público has posted some initial positive results and, in the second quarter of the semester, its average paid circulation increased by 9.5% when compared to the first quarter of the semester, from an average level of 41 thousand units to 42.9 thousand units in 2Q07 and despite the continuous reduction in the size of the paid press market, as well as the competitive pressures particulary from 'free' newspapers.

Público's advertising market share does not yet reflect the positive impact of improved circulation performance, reaching an average of 13.9% at the end of 1H07. By the end of the first half, market readership data followed the same trend as advertising market share with Público's total audience reaching 4.4% of the market readers[2], down by 0.7pp as compared to 1H06.

Público's online website continued to be the leader in unique visitors and visits in Portugal, with the integration of both the online and offline being further accelerated in the quarter. Online advertising, although still a small number, grew by 3.0 times when compared to 1H06, with Público.pt generating a positive EBITDA for the second successive quarter.

[2] Universe: individuals with 15 or more years old, residing in Portugal (8,314,409 readers)

6.2. Financial Data

Million euros

PÚBLICO CONSOLIDATED INCOME STATEMENT	1H06	1H07	y.o.y
Turnover	**19.25**	**16.65**	**-13.5%**
Advertising Sales (1)	7.87	7.13	-9.4%
Newspaper Sales	6.14	6.10	-0.7%
Associated Product Sales	5.25	3.43	-34.7%
Other Revenues	**0.19**	**0.11**	**-41.6%**
Operating Costs	**22.05**	**18.56**	**-15.8%**
COGS	5.97	4.69	-21.4%
Personnel Costs	7.29	5.75	-21.2%
Marketing & Sales	1.45	1.49	2.8%
Outsourcing Services (2)	5.69	5.19	-8.9%
General & Administrative Expenses	1.64	1.45	-11.8%
Other Operating Costs	0.02	0.00	-76.5%
Provisions and Impairment Losses	**0.05**	**0.12**	**137.3%**
EBITDA	**-2.66**	**-1.92**	**27.9%**
EBITDA Margin (%)	-13.8%	-11.5%	2.3pp
Depreciation & Amortization	0.41	0.34	-17.2%
EBIT	**-3.07**	**-2.26**	**26.5%**
Net Financial Results	**-0.12**	**-0.09**	**19.0%**
Financial Income	0.00	0.00	0.0%
Financial Expenses	0.12	0.10	-18.6%
EBT	**-3.19**	**-2.35**	**26.2%**
Tax results	-0.01	-0.01	9.1%
Net Results	**-3.20**	**-2.36**	**26.2%**
Operating CAPEX (3)	0.14	0.42	-
Operating CAPEX as % of Turnover	0.7%	2.5%	1.8pp
EBITDA - Operating CAPEX	-2.80	-2.34	16.3%
Total CAPEX	0.14	0.42	-
FCF (4)	-2.96	-5.06	-71.1%
Gross Debt	6.84	5.87	-14.2%
Net Debt	6.48	5.77	-10.9%
Net Debt/ EBITDA last 12 months	-1.8 x	-0.7 x	1.1x
EBITDA/Interest Expenses	-24.6 x	-21.1 x	3.6x
Debt/(Debt + Shareholders' Funds)	561.0%	192.3%	-368.7pp

(1) Includes Contents; (2) Outsourcing Services = Customer Services plus Consultants plus Subcontracts; (3) Operating CAPEX excludes Financial Investments and Provisions for sites dismantling and other non operational investments; (4) FCF Levered after Financial Expenses but before Capital Flows and Financing related up-front Costs.

During 1H07, Turnover decreased by 13.5% to 16.65 million euros, compared to 19.25 million euros in 1H06, mainly driven by the decrease in Associated Product Sales by 34.7%, and by a decrease in Advertising Sales of 9.4%. However, in line with circulation figures and supported by a different price mix, newspaper sales, supported by an increase of 1.5% in the second quarter, remained almost stagnant in the half, inverting a several consecutive quarter negative trend.

EBITDA, despite the promotional costs incurred to stimulate circulation levels and the advertising costs for the re-launch of the newspaper, showed an important improvement of almost 28% to a negative 1.92 million euros, from a negative 2.66 million euros in 1H06. This strong operational improvement reflects the results of the restructuring plan implemented in the second half of 2006 with significant fixed cost savings reached in personnel costs, down by 21.2% when compared to 1H06, and general & administrative costs, down by 11.8% over 1H06.

7. Software and Systems Integration

SSI division continued to achieve a good set of operational and financial results, by focusing on expanding WeDo's range of clients and projects in implementation through its Revenue Assurance Product (RAID).

7.1. Operational Data

SSI OPERATIONAL KPI's	1H06	1H06(R)	1H07	y.o.y
IT Serv Revenues/Employee('000 euros) (1)	49.9	55.7	55.1	-1.0%
Equipment Sales as % Turnover (2)	28.6%	40.6%	38.2%	-2.4pp
Equipment Sales/Employee (2) ('000 euros)	1,201.2	1,201.2	1,098.4	-8.6%
EBITDA/Employee ('000 euros)	6.0	5.7	7.7	35.4%
Employees	643	331	353	6.6%

(1) Excluding employees dedicated to Equipment Sales; (2) Bizdirect; (R) Restated to exclude Enabler's contribution in 2Q06 and 1H06 and the 25.3 million euros capital gain from the sale of Enabler in 2Q06 and 1H06.

SSI IT Service Revenues per employee totalled 55.1 thousand euros in 1H07, 1.0% below 1H06(R), and Equipment Sales per Employee were down 8.6% totalling 1,098.4 thousand euros per employee in the half. Headcount increased by 6.6% to 353 in 1H07 compared to 331 in 1H06(R), due to both the launch of Saphety, a company carved out of Sonaecom Fixed in December 2006, and the need for additional internal consultants to support the increase in the level of activity.

WeDo continued to invest in building its international footprint, obtaining seven new key accounts during the 2Q07 for implementation of its RAID solution with Mobilink in Pakistan, a mobile operator of the Orascom Group, with DiGi in Malaysia, Djezzy in Algeria and Orange in Netherlands; implementation of a churn and segmentation project with Movistar in Mexico, a mobile operator of the Telefonica Group; execution of a roaming project with STA, a fixed and mobile operator from Andorra; and a Data Warehouse solution with DU in Dubai. This is the confirmation that the new regional structure implemented during 2007, in order to increase and expand WeDo's international footprint, is providing positive results.

During the 1H07 WeDo held its second yearly RAID user group meeting where 46 customers had been presented, due to: (i) promote the knowledge and experience sharing between customers; (ii) strengthen the community spirit; and (iii) announce WeDo's strategy orientation and vision regarding RAID's product road map.

During the half, WeDo has also completed the acquisition of Tecnológica, a Brazilian software company focused on Revenue Assurance with customers in Brazil and Latam region. This company will function as a software factory for the Latam region and will provide WeDo a superior and complementary research & development capabilities with knowledge and presence in a very important and fast growing market such as is the Latam region.

7.2. Financial Data

Million euros

SSI CONSOLIDATED INCOME STATEMENT	1H06	1H06 (R)	1H07	y.o.y
Turnover	**46.13**	**32.46**	**32.79**	**1.0%**
Service Revenues	32.95	19.28	20.26	5.1%
Equipment Sales	13.18	13.18	12.52	-4.9%
Other Revenues	**26.91**	**0.26**	**0.24**	**-7.6%**
Operating Costs	**43.62**	**30.76**	**30.29**	**-1.6%**
COGS	12.70	12.70	12.02	-5.3%
Personnel Costs	16.47	8.72	9.89	13.4%
Marketing & Sales	0.48	0.39	0.58	49.4%
Outsourcing Services (1)	7.96	5.91	4.44	-24.9%
General & Administrative Expenses	5.86	2.95	3.18	8.0%
Other Operating Costs	0.16	0.10	0.18	76.5%
Provisions and Impairment Losses	**0.22**	**0.06**	**0.06**	**-6.3%**
EBITDA	**29.19**	**1.89**	**2.68**	**41.7%**
EBITDA Margin (%)	63.3%	5.8%	8.2%	2.3pp
Depreciation & Amortization	0.84	0.65	0.70	7.7%
EBIT	**28.35**	**1.24**	**1.98**	**59.5%**
Net Financial Results	**0.32**	**0.26**	**0.24**	**-5.8%**
Financial Income	0.44	0.36	0.48	34.4%
Financial Expenses	0.11	0.10	0.23	142.7%
EBT	**28.68**	**1.50**	**2.23**	**48.2%**
Tax results	-0.95	0.69	-0.96	-
Net Results	**27.73**	**0.82**	**1.27**	**55.1%**
Operating CAPEX (2)	0.33	0.27	0.25	-6.0%
Operating CAPEX as % of Turnover	0.7%	0.8%	0.8%	-0.1pp
EBITDA - Operating CAPEX	28.87	1.63	2.43	49.5%
Total CAPEX	0.33	0.27	2.89	-
FCF (3)	21.84	0.93	-0.54	-
Gross Debt	0.15	0.12	0.18	55.2%
Net Debt	-32.02	-28.79	-12.47	56.7%
Net Debt/ EBITDA last 12 months	-1.0 x	-7.3 x	-2.4 x	5x
EBITDA/Interest Expenses	3,243.7 x	210.2 x	383.0 x	-
Debt/(Debt + Shareholders' Funds)	0.3%	0.7%	0.3%	-0.3pp

(1) Outsourcing Services = Customer Services plus Consultants plus Subcontracts; (2) Operating CAPEX excludes Financial Investments and Provisions for sites dismantling and other nor operational investments; (3) FCF Levered after Financial Expenses but before Capital Flows and Financing related up-front Costs; (R) Restated to exclude Enabler's contribution in 2Q06 and 1H06 and the 25.3 million euros capital gain from the sale of Enabler in 2Q06 and 1H06.

SSI Turnover increased 1.0% in 1H07 to 32.79 million euros when compared to 1H06(R), due to: higher Service Revenues, increasing 5.1% to 20.26 million euros, which completely off-set lower IT Equipment Sales by 4.9% to 12.52 million euros. In 1H07, Equipment Sales represented 38.1% of Turnover compared to 40.6% in 1H06(R).

SSI posted an important EBITDA increase of 41%, increasing 0.79 million euros to 2.68 million euros in 1H07, from 1.89 million euros in 1H06(R), posting a record EBITDA Margin of 8.2% (+2.3pp vs. 1H06(R)), mainly explained by a tightly managed cost structure, despite the growth in Service Revenues.

Consistent with its strategic goals, SSI will continue to seek new growth opportunities, both within its current portfolio of businesses and via acquisitions.

8. Other Issues

8.1. Regulatory Developments

The following are some of the more important regulatory developments during the half:

- On 15 February 2007, ANACOM released information on the terms and conditions for the activity of Mobile Virtual Network Operators, namely the direct relation with the final client, the introduction of specific differentiator numbers and the possibility of free negotiation with network operators for the access to their network.
- On 22 March 2007, ANACOM approved a framework whereby PT can launch retail offers that bundle the monthly fee with traffic, at the same time imposing a further 10% decrease of PT's interconnection charges.
- ANACOM issued a draft decision on the revision of PT's interconnection offer. In relation to indirect access, the proposed changes will: (i) further decrease PT's current interconnection prices by 4 % (in addition to the 10% decrease which took place in 1Q07); the 4% reduction, if approved, will be retrospective to 1 January 2007, while the additional 10% decrease which already occurred only took effect as of late March; and (ii) decrease by 47% current pre-selection activation costs.
- In April, Optimus obtained the regulator's approval to provide a fixed voice service very similar to the current Optimus Home from the customer point of view but that in terms of provision conditions does not require intervention from Novis.
- On 30 June 2007, the new EU sponsored regulation on international roaming entered into force, including the setting up of wholesale and retail maximum prices for roaming services. These measures should be implemented during the summer of 2007:

(VAT excluded)	*Retail*		*Wholesale*
Eurocents	**Outgoing**	**Incoming**	
2007	49	24	30
2008	46	22	28
2009	43	19	26

- In March ANACOM launched a public consultation on the 2007 National Frequency Allocation Plan (NFAP). The consultation also included a request for interest in 450 MHz, 900 MHz and 1800 MHz frequencies for the provision of terrestrial mobile service under the technological neutrality principle. In the scope of its response, Sonaecom welcomed the adoption of technological neutrality and expressed its interest in frequencies that could foster the offer of more and better mobile services, in particular, those that promote greater UMTS coverage more efficiently. In the area of Digital Terrestrial Television (DVB-T), the frequency bands (channels) have been indicated in the scope of the NFAP consultation. Moreover, according to public statements by some members of the Government, the model for the contest will be subjected to a public consultation soon and includes the prohibition of the participation of entities that already possess a dominant position in alternative infra-structures.

8.2. Corporate Development

- Between 5 and 6 March 2007, Sonaecom acquired a total of 1.89 million own shares, representing 0.52% of the share capital, at an average price of 4.71 euros per share. These acquisitions were carried out to cover obligations under Sonaecom's Medium Term Incentive Plan attributed to employees;
- On 6 March 2007, Sonaecom sold its 1% shareholding in PT, at an average price of 9.61 euros per share. This compares to an average purchase price of 9.38 euros per share when the shares were originally purchased during 2Q06, generating a capital gain of 2.5 million euros;
- As a result of the management changes proposed by Sonae Group on 20 March 2007, at Sonaecom's Board meeting held on 24 April 2007, Belmiro de Azevedo resigned as Chairman of the Board of Sonaecom and Paulo Azevedo resigned as CEO and was appointed as Chairman of Sonaecom. At the same meeting, Ângelo Paupério was co-opted to the Sonaecom Board and appointed as the new CEO.
- Consistent with its stated growth strategy, Sonaecom completed three acquisitions during 2Q07:
    - Oni's residential and SOHO customer base, for a expected total amount of 25 million euros which implies a bundled multiple of 239.4 euros per customer, with final consideration dependent on the number of customers. This transaction is still subject to approval from the Portuguese Competition Authority;
    - Tele2 operations in Portugal, for a total amount of 16.0 million euros which implies a bundled multiple of 49.7 euros per customer, plus 1.5 million euros for the exclusive use of Tele2 brand in Portugal for the next three years. Final consideration is, again, dependent on the number of customers. This transaction is still subject to approval from the Portuguese Competition Authority;
    - Tecnológica, acquired by WeDo Brazil, a Brazilian company focused on Revenue Assurance with an important customer base in Brazil and Latam region. Total consideration was 2.4 million euros accounted as CAPEX in SSI division, which, to date have had a minor impact on free cash flow. Payments will be split into a fixed amount of 0.5 million euros and the remainder depends on future performance based on the level of orders achieved.

9. Looking Forward

In our telecoms companies, we will continue our investment plan to accelerate growth. At Optimus, by further investing in the brand mainly to support the growth in the residential segment but also to further develop our mobile broadband internet and fixed-mobile substitution products and by extending coverage of our 3G/HSPDA network. At Sonaecom Fixed, by investing in the expansion and development of our direct broadband services, in particular our bundled voice and internet solutions with access to IPTV and Home video services. In addition we will be looking to respond to market demands for convergent fixed-mobile broadband solutions. This will require higher investment in marketing & sales costs and continued investment in the expansion of our 3G / HSDPA and ULL networks. Once regulatory approval is obtained, Sonaecom Fixed will integrate the recently acquired businesses (Oni customer base and Tele2's Portuguese operations) as efficiently and effectively as possible in order to retain customers and achieve up-selling.

At SSI, we will continue to seek opportunities to accelerate the international growth at WeDo both organic and non-organic with the aim of achieving a clear leadership position for the company in its core markets.

At Público, we will address the challenge of growing the top line and improving profitability by increasing circulation on the back of the newly launched redesigned newspaper and by stimulating advertising revenues having re-dimensioned the fixed cost base.

As a Group, we will continue to pursue productivity gains and will be seeking financial and capital structure efficiencies. We will also be targeting improvements in customer service and customer satisfaction in our telecoms businesses and will consider acquisition opportunities for both our telecoms businesses and SSI division.

10. Corporate Governance

A detailed annual Corporate Governance Report is included in Sonaecom's Full Year 2006 Management Report and Accounts available on our recently redesigned website (www.sonae.com). Our website also has a section dedicated to corporate governance.

Highlighted below are the main developments that occurred during 1H07 in relation to corporate governance matters:

Shareholders' General Meeting
At the Shareholders' General Meeting on 2 May 2007, following the resignation of all previous members of the Board of the Shareholders' General Meeting, João Augusto Esmeriz Vieira de Castro (Chairman) and António Agostinho Cardoso da Conceição Guedes (Secretary) were appointed as members of the Board of the Shareholder's General Meeting until the end of the current Board mandate (2004-2007). Both members fulfil the criteria and requirements for independence.

Board of Directors
The composition of the Board of Directors of Sonaecom underwent the following changes:

- On 24 April 2007, following the resignation of Belmiro de Azevedo as Non-Executive Chairman of the Board of Directors of Sonaecom as a result of the management restructuring announced at Sonae Group, Paulo Azevedo was appointed as Non-Executive Chairman of the Board of Directors of Sonaecom, having previously resigned as CEO of Sonaecom.

- Also on 24 April 2007, the Board of Directors approved the co-option of Ângelo Ribeirinho Paupério as Board member as well as his appointment as CEO of Sonaecom for the remainder of the current Board mandate (2004-2007). This co-option was subsequently ratified by shareholders at the Shareholders' General meeting held on 2 May 2007.

The following table presents the current composition of Sonaecom's Board of Directors:

Members	Executive	Non-Executive	
		Independent	Non-Independent
CHAIRMAN			
Duarte Paulo Teixeira de Azevedo			■
DIRECTORS			
António Sampaio e Mello		■	
David Charles Denholm Hobley			■
Gervais Gilles Pellissier			■
Jean-Francois René Pontal		■	
Ângelo Ribeirinho Paupério (CEO)	■		
George Christopher Lawrie (CFO)	■		
Luís Filipe Campos Dias Reis (COO)	■		
Maria Cláudia Teixeira de Azevedo	■		
Miguel Nuno Santos Almeida	■		

Amendments to the governance structure
On 29 March 2006, various amendments were made to the Portuguese Companies Code, aiming to enhance competitiveness of Portuguese companies through the alignment of their governance structures with the most developed European models. Of the three alternative models now available, the Anglo-Saxon, the German and the Strengthened Latin models, Sonaecom adopted the Strengthened Latin Model as it is in line with international best practices and better adapts to reality of Portuguese listed companies. The implementation of this governance structure, proposed and approved at the AGM held on 2 May 2007, led to

the amendment of Sonaecom's Articles of Association and to the election of a new additional, independent governing body, the Fiscal Board.

Amendment to the Articles of Association

At Sonaecom's AGM held on 2 May 2007, the Company's Articles of Association were amended to allow Sonaecom to be compliant with the most recent CMVM recommendations on Corporate Governance and with the rules set out by the amended Portuguese Companies Code, amongst which we highlight: (i) Board meetings and Shareholders' General meetings may be held using any telecommunications systems made available, provided that the authenticity and security of the communications are assured (more options now available); (ii) each share corresponds to one vote (previously, each group of five hundred shares corresponded to one vote); and (iii) an individual shareholder may be represented at a Shareholders' General Meeting by any representative (previous restrictions were removed).

Fiscal Board

At the Annual General Meeting held on 2 May 2007, the appointment of Arlindo Dias Duarte Silva (Chairman), Armando Luís Vieira de Magalhães, Óscar José Alçada da Quinta and Jorge Manuel Felizes Morgado (Substitute) as members of Sonaecom's Fiscal Board until the end of the current Board mandate (2004-2007) was approved. All members fulfil the criteria and requirements for independence.

11. Article 447, 448 and qualified holdings

Appendix in accordance with article 447 of Código das Sociedades Comerciais

Shares held by the Board of Directors and respective transactions during first half 2007

		Additions		Reductions		Balance at 30.06.2007
	Date	Quantity	Medium value €	Quantity	Medium value €	Quantity
BOARD OF DIRECTORS						
Duarte Paulo Teixeira de Azevedo						
Efanor Investimentos, SGPS, SA (1)						1
Imparfin, SGPS, SA (3)						150,000
Migracom, SGPS, SA (4)						49,996
Sonae, SGPS, SA (5)						3,293
Sale	22.05.2007			593,616	2.03	
Shares atributted under the Medium Term Incentive Plan	01.06.2007	147,376	0,00			
Sale	01.06.2007			147,376	2.17	
Sonaecom, SGPS, SA						-
Sale	29.05.2007			387,342	4.95	
Ângelo Gabriel Ribeirinho dos Santos Paupério						
Sonae, SGPS, SA (5)						4,564
Sonaecom, SGPS, SA						60,070
George Christopher Lawrie						
Sonaecom, SGPS, SA						145,000
Sale	10.05.2007			63,000	4.90	
Sonae, SGPS, SA (5)						12,120
Shares atributted under the Medium Term Incentive Plan	01.06.2007	12,120	0,00			
Miguel Nuno Santos Almeida						
Sonae, SGPS, SA (5)						-
Shares atributted under the Medium Term Incentive Plan	01.06.2007	16,252	0,00			
Sale	01.06.2007			16,252	2.19	
Sonaecom, SGPS, SA						90
Sale	15.05.2007			18,813	5.03	
Maria Cláudia Teixeira de Azevedo						
Efanor Investimentos, SGPS, SA (1)						1
Imparfin, SGPS, SA (3)						150,000
Sonae, SGPS, SA (5)						351,293
Shares atributted under the Medium Term Incentive Plan	01.06.2007	9,006	0,00			
Sonaecom, SGPS, SA						25,390
Shares atributted under the Medium Term Incentive Plan	15.03.2007	11,736	0,00			
Exercise of Options atributted under the Medium Term Incentive Plan	21.03.2007	57,426	1.694			
Sale	21.03.2007			57,426	4.75	
Luís Filipe Campos Dias de Castro Reis						
Sonae, SGPS, SA (5)						-
Shares atributted under the Medium Term Incentive Plan	01.06.2007	61,680	0,00			
Sale	01.06.2007			61,680	2.18	

Notes:

		Additions		Reductions		Balance at 30.06.2007
	Date	Quantity	Medium value €	Quantity	Medium value €	Quantity
(1) Efanor Investimentos, SGPS, SA						
Sonae, SGPS, SA (5)						658,804,410
Pareuro, BV (2)						20,000
Sonaecom, SGPS, SA						1,000
(2) Pareuro, BV						
Sonae, SGPS, SA (5)						400,000,000
(3) Imparfin, SGPS, SA						
Sonae, SGPS, SA (5)						4,105,273
(4) Migracom, SGPS, SA						

Appendix in accordance with article 448 of Código das Sociedades Comerciais

	Number of shares as of 30.06.2007
Efanor Investimentos, SGPS, SA	
Sonae, SGPS, SA	658,804,410
Pareuro, BV	20,000
Sonaecom, SGPS, SA	1,000
Pareuro, BV	
Sonae, SGPS, SA	400,000,000
Sonae, SGPS, SA	
Sonaecom, SGPS, SA	23,649
Sontel BV	500
Sontel BV	
Sonaecom, SGPS, SA	183,489,681
Wirefree Services Belgium, S.A.	
Sonaecom, SGPS, SA	70,276,868

QUALIFYING HOLDINGS

In compliance with sub-paragraph e), of nr 1, of the article 8 of the Securities Market Regulation Board (Regulamento da CMVM) nr 04/2004, we declare the Qualifying Holdings as of 30 June 2007:

Shareholder	Number of shares	% of Share Capital	% Voting Rights
Sontel BV	183,489,681	50.10%	50.36%
093X - Telecomunicações Celulares, SA	29,150,000	7.96%	8.00%
Migracom, SGPS, SA	387,342	0.11%	0.11%
Belmiro Mendes de Azevedo [1, 3]	75,537	0.02%	0.02%
Ângelo Gabriel Ribeirinho dos Santos Paupério [1, 2, 4]	60,070	0.02%	0.02%
Maria Cláudia Teixeira de Azevedo [3, 4]	25,390	0.01%	0.01%
Sonae, SGPS, SA	23,649	0.01%	0.01%
Álvaro Carmona e Costa Portela [1]	5,000	0.00%	0.00%
Efanor Investimentos, SGPS, SA	1,000	0.00%	0.00%
Imputable amount	213,217,669	58.22%	58.52%
France Telecom, S.A.			
Wirefree Services Belgium, S.A.	70,276,868	19.19%	19.29%
Imputable amount	70,276,868	19.19%	19.29%
SAC Capital e CR Intrinsic [5]	9,335,664	2.55%	2.56%
Norges Bank [6]	8,362,372	2.28%	2.30%

(1) Member of the Board of Directors of Sonae, SGPS, SA

(2) Member of the Board of Directors of Sonae Investments, BV

(3) Member of the Board of Directors of Efanor Investimentos, SGPS, SA

(4) Member of the Board of Directors of Sonaecom, SGPS, SA

(5) In accordance with information on 22 March 2007

(6) In accordance with information on 15 June 2007

SAFE HARBOUR

This document may contain forward-looking information and statements, based on management's current expectations or beliefs. Forward-looking statements are statements that are not historical facts.

These forward-looking statements are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, including, but not limited to, changes in regulation, the telecommunications industry and economic conditions; and the effects of competition. Forward-looking statements may be identified by words such as "believes," "expects," "anticipates," "projects," "intends," "should," "seeks," "estimates," "future" or similar expressions.

Although these statements reflect our current expectations, which we believe are reasonable, investors and analysts are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. You are cautioned not to put undue reliance on any forward-looking information or statements. We do not undertake any obligation to update any forward-looking information or statements.

Report available in Sonaecom's institutional website
www.sonae.com

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CONSOLIDATED FINANCIAL STATEMENTS

SONAECOM, S.G.P.S., S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS FOR THE SEMESTERS ENDED AT 30 JUNE 2007 AND 2006 AND

FOR THE YEAR ENDED AT 31 DECEMBER 2006

(Amounts expressed in Euro)

ASSETS	Notes	June 2007	June 2006	December 2006
NON CURRENT ASSETS:				
Tangible assets	1.c), 1.h) and 5	499,470,914	479,308,011	494,771,742
Intangible assets	1.d), 1.e) and 6	164,463,463	168,774,112	166,664,974
Goodwill	1.f) and 7	507,110,677	281,953,432	506,902,772
Investments in associated companies	1.b) and 3	735,613	800,850	762,437
Investments available for sale	1.g) and 8	1,207,320	107,800,563	112,317,225
Other non current debtors		-	1,912,582	-
Deferred tax assets	1.p) and 9	59,971,233	67,894,760	61,786,654
Other non current assets	1.r), 1.s), 1.w) and 10	-	3,282,933	348,568
Total non current assets		1,232,959,220	1,111,727,243	1,343,554,372
CURRENT ASSETS:				
Inventories	1.i)	25,980,927	22,115,538	15,138,395
Trade debtors	1.j)	138,659,457	142,541,168	151,981,914
Other current debtors	1.j)	15,766,397	25,936,222	20,060,419
Other current assets	1.r), 1.s) and 1.w)	80,792,957	82,966,160	62,687,227
Investments recorded at fair value through profit or loss	1.g) and 11	405,684	658,128	849,375
Cash and cash equivalents	1.k) and 12	198,463,163	95,954,523	125,917,344
Total current assets		460,068,585	370,171,739	376,634,674
Total assets		**1,693,027,805**	**1,481,898,982**	**1,720,189,046**
SHAREHOLDERS' FUNDS AND LIABILITIES				
SHAREHOLDERS' FUNDS:				
Share capital		366,246,868	296,526,868	366,246,868
Own Shares	13	(8,938,165)	-	-
Reserves	1.t)	539,026,336	275,770,092	556,646,226
Consolidated net income/(loss) for the period		(4,713,324)	24,276,119	(13,883,168)
		891,621,715	596,573,079	909,009,926
Minority interests		634,765	120,347,842	471,382
Total Shareholders' Funds		892,256,480	716,920,921	909,481,308
LIABILITIES:				
NON CURRENT LIABILITIES:				
Medium and long-term loans - net of short-term portion	1.l), 1.m) and 14	366,732,884	458,261,584	460,600,827
Other non current creditors		-	9,596,144	-
Other non current financial liabilities	1.h) and 15	15,848,160	1,803,449	1,614,602
Provisions for other liabilities and charges	1.o), 1.s) and 16	24,284,315	14,115,070	20,078,571
Deferred tax liabilities	1.p)	192,228	-	-
Other non current liabilities	1.r), 1.s), 1.w) and 25	240,736	7,785,528	3,785,049
Total non current liabilities		407,298,323	491,561,775	486,079,049
CURRENT LIABILITIES:				
Short-term loans and other loans	1.l), 1.m) and 14	97,357,681	674,985	74,607
Trade creditors		121,678,688	132,108,646	162,680,112
Other current financial liabilities	1.h) and 17	2,691,070	2,019,581	1,708,922
Other creditors		19,987,810	18,456,507	17,538,711
Other current liabilities	1.r), 1.s), 1.w) and 25	151,757,753	120,156,567	142,626,337
Total current liabilities		393,473,002	273,416,286	324,628,689
Total Shareholders' Funds and liabilities		**1,693,027,805**	**1,481,898,982**	**1,720,189,046**

The notes are an integral part of the consolidated financial statements at 30 June 2007 and 2006

The Chief Accountant

Patrícia Maria Cruz Ribeiro da Silva

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho Paupério

Luís Filipe Campos Dias de Castro Reis

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David Charles Denholm Hobley

Jean-François René Pontal

SONAECOM, S.G.P.S., S.A. AND SUBSIDIARIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT BY NATURE

FOR THE QUARTERS AND THE SEMESTERS ENDED AT 30 JUNE 2007 AND 2006 AND

FOR THE YEAR ENDED AT 31 DECEMBER 2006

(Amounts expressed in Euro)

	Notes	June 2007	April to June 2007 (Not audited)	June 2006	April to June 2006 (Not audited)	December 2006
Sales		36,162,925	20,438,165	44,001,799	26,640,704	89,288,539
Services rendered		377,269,117	194,050,052	365,542,003	186,007,611	746,751,737
Other operating revenues		2,067,532	738,108	28,541,252	27,271,705	32,035,543
		415,499,574	215,226,325	438,085,054	239,920,020	868,075,819
Cost of sales		(47,511,676)	(25,258,274)	(46,719,573)	(30,715,310)	(102,115,774)
External supplies and services	18	(235,178,071)	(121,269,131)	(222,132,082)	(110,489,063)	(457,366,138)
Staff expenses		(46,811,654)	(23,387,854)	(52,943,608)	(25,925,013)	(102,501,059)
Depreciation and amortisation	5 and 6	(67,059,659)	(30,429,053)	(66,297,166)	(33,805,775)	(135,670,907)
Provisions and impairment losses	1.o), 1.v) and 16	(6,348,493)	(2,743,030)	(5,605,475)	(3,740,132)	(10,612,459)
Other operating costs	1.v)	(6,471,002)	(3,375,036)	(5,200,846)	(2,589,843)	(11,142,336)
		(409,380,555)	(206,462,378)	(398,898,750)	(207,265,136)	(819,408,673)
Tender Offer costs		-	-	-	-	(30,906,602)
		(409,380,555)	(206,462,378)	(398,898,750)	(207,265,136)	(850,315,275)
Gains and losses in associated companies	19	(87,573)	-	(34,809)	(63,575)	(162,483)
Gains and losses on investments available for sale	19	2,473,445	-	-	-	-
Other financial expenses	1.m), 1.n), 1.u), 1.v) and 15	(20,017,631)	(6,766,961)	(10,849,861)	(5,431,023)	(23,138,426)
Other financial income	1.n), 1.u) and 19	9,396,252	2,667,642	3,165,769	1,314,184	5,931,577
Current income/(loss)		**(2,116,488)**	**4,664,628**	**31,467,403**	**28,474,470**	**391,212**
Income taxation	1.p), 9 and 20	(2,461,319)	(3,296,411)	1,099,512	(1,111,862)	(5,259,937)
Consolidated net income/(loss)		**(4,577,807)**	**1,368,217**	**32,566,915**	**27,362,608**	**(4,868,725)**
Attributed to:						
Shareholders of parent company	24	**(4,713,324)**	**1,290,926**	**24,276,119**	**24,129,535**	**(13,883,168)**
Minority interests		135,517	77,291	8,290,796	3,233,073	9,014,443
Earnings per share						
Including discontinued operations						
Basic		(0.01)	0.00	0.08	0.08	(0.04)
Diluted		(0.01)	0.00	0.08	0.08	(0.04)
Excluding discontinued operations						
Basic		(0.01)	0.00	0.08	0.08	(0.04)
Diluted		(0.01)	0.00	0.08	0.08	(0.04)

The notes are an integral part of the consolidated financial statements at 30 June 2007 and 2006

The Chief Accountant

Patrícia Maria Cruz Ribeiro da Silva

The Board of Directors

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SONAECOM, S.G.P.S., S.A. AND SUBSIDIARIES

CONSOLIDATED MOVEMENTS IN SHAREHOLDERS' FUNDS

FOR THE SEMESTERS ENDED AT 30 JUNE 2007 AND 2006

(Amounts expressed in Euro)

	2007										
		Reserves									
	Share capital	Legal reserves	Share premium	Own Shares (Note 13)	Other reserves	Reserves Medium Term Incentive Plans	Fair value reserves (Note 8)	Total reserves	Minority Interests	Net income/(loss)	Total
Balance at 31 December 2006	366,246,868	559,078	775,290,377	-	(225,277,495)	952,390	5,121,876	556,646,226	-	(13,883,168)	909,009,926
Appropriation of the consolidated result of 2006	-	443,209	-	-	(14,326,377)	-	-	(13,883,168)	-	13,883,168	-
Consolidated net income/(loss) for the semester ended 30 June 2007	-	-	-	-	-	-	-	-	-	(4,713,324)	(4,713,324)
Acquisition of own shares	-	-	-	(8,938,165)	-	-	-	(8,938,165)	-	-	(8,938,165)
Fair value reserves	-	-	-	-	-	-	(5,121,876)	(5,121,876)	-	-	(5,121,876)
Medium Term Incentive Plans recognition	-	-	-	-	-	1,075,078	-	1,075,078	-	-	1,075,078
Reimbursements of expenses incurred in share capital increases (stamp tax)	-	-	-	-	400,000	-	-	400,000	-	-	400,000
Adjustments in foreign currency translation reserves and others	-	-	-	-	(89,924)	-	-	(89,924)	-	-	(89,924)
Balance at 30 June 2007	366,246,868	1,002,287	775,290,377	(8,938,165)	(239,293,796)	2,027,468	-	530,088,171	-	(4,713,324)	891,621,715
Minority interests											
Balance at 31 December 2006	-	-	-	-	-	-	-	-	471,382	-	471,382
Minority interests on results	-	-	-	-	-	-	-	-	135,517	-	135,517
Other changes	-	-	-	-	-	-	-	-	27,866	-	27,866
Balance at 30 June 2007	-	-	-	-	-	-	-	-	634,765	-	634,765
Total	366,246,868	1,002,287	775,290,377	(8,938,165)	(239,293,796)	2,027,468	-	530,088,171	634,765	(4,713,324)	892,256,480

	2006										
		Reserves									
	Share capital	Legal reserves	Share premium	Own Shares	Other reserves	Reserves Medium Term Incentive Plans	Fair value reserves	Total reserves	Minority Interests	Net income/(loss)	Total
Balance at 31 December 2005	296,526,868	114,360	499,633,160	-	(226,654,302)	-	-	273,093,218	-	2,156,198	571,776,284
Appropriation of the consolidated result of 2005	-	444,718	-	-	1,711,480	-	-	2,156,198	-	(2,156,198)	-
Consolidated net income/(loss) for the semester ended 30 June 2006	-	-	-	-	-	-	-	-	-	24,276,119	24,276,119
Fair value reserves	-	-	-	-	-	-	605,213	605,213	-	-	605,213
Adjustments in foreign currency translation reserves and others	-	-	-	-	(84,537)	-	-	(84,537)	-	-	(84,537)
Balance at 30 June 2006	296,526,868	559,078	499,633,160	-	(225,027,359)	-	605,213	275,770,092	-	24,276,119	596,573,079
Minority interests											
Balance at 31 December 2005	-	-	-	-	-	-	-	-	115,163,114	-	115,163,114
Minority interests on results	-	-	-	-	-	-	-	-	8,290,796	-	8,290,796
Sales of group companies	-	-	-	-	-	-	-	-	(3,035,780)	-	(3,035,780)
Other changes	-	-	-	-	-	-	-	-	(70,288)	-	(70,288)
Balance at 30 June 2006	-	-	-	-	-	-	-	-	120,347,842	-	120,347,842
Total	296,526,868	559,078	499,633,160	-	(225,027,359)	-	605,213	275,770,092	120,347,842	24,276,119	716,920,921

The notes are an integral part of the consolidated financial statements at 30 June 2007 and 2006

SONAECOM, S.G.P.S., S.A. AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT

FOR THE SEMESTERS ENDED AT 30 JUNE 2007 AND 2006

(Amounts expressed in Euro)

	30 June 2007		30 June 2006	
Operating activities				
Receipts from trade debtors	412,258,795		396,893,901	
Payments to trade creditors	(298,476,096)		(279,533,967)	
Payments to employees	(57,513,586)		(64,071,833)	
Cash flows from operating activities	56,269,113		53,288,101	
Payments/receipts relating to income taxes, net	(2,050,775)		(1,292,522)	
Other payments/receipts relating to operating activities, net	2,231,802		(18,179,826)	
Cash flows from operating activities (1)	56,450,140	56,450,140	33,815,753	33,815,753
Investing activities				
Receipts from:				
Loans obtained	-		10	
Investments	108,461,474		26,485,846	
Tangible assets	560,420		2,141,331	
Intangible assets	11,927		7,118	
Interest and similar income	8,850,061	117,883,882	3,710,968	32,345,273
Payments for:				
Investments	(209,747)		(106,702,871)	
Tangible assets	(54,844,525)		(51,208,284)	
Intangible assets	(9,285,421)	(64,339,693)	(7,706,019)	(165,617,174)
Cash flows from investing activities (2)		53,544,189		(133,271,901)
Financing activities				
Payments for:				
Leasing	(2,360,378)		(1,320,594)	
Interest and similar expenses	(26,220,326)		(8,591,417)	
Own shares	(8,938,165)	(37,518,869)	-	(9,912,011)
Cash flows from financing activities (3)		(37,518,869)		(9,912,011)
Net cash Flows (4)=(1)+(2)+(3)		72,475,460		(109,368,159)
Effect of the foreign exchanges		(124,561)		47,903
Cash and cash equivalents at the beginning of the year		(125,842,921)		(204,695,600)
Cash and cash equivalents at the end of the semester		198,442,942		95,279,538

The notes are an integral part of the consolidated financial statements at 30 June 2007 and 2006.

Chief Accountant

Patrícia Maria Cruz Ribeiro da Silva

The Board of Directors

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Ângelo Gabriel Ribeirinho Paupério

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SONAECOM, S.G.P.S., S.A. AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT

FOR THE SEMESTERS ENDED AT 30 JUNE 2007 AND 2006

(Amounts expressed in Euro)

	2007	2006
1 - Acquisition or sale of subsidiaries or other businesses		
a) **Acquisitions**		
Profimetrics - Software Solutions, S.A.	-	150,000
Tecnológica Telecomunicações, Ltda.	2,359,016	-
b) **Amount to pay from the aquisition of financial investments**		
Tecnológica Telecomunicações, Ltda.	2,149,269	-
c) **Amount of other assets and liabilities acquired**		
Acquisition of Sonae Indústria, S.G.P.S., S.A. shares	-	414,842
Increases in Supplementary Capital of Profimetrics - Software Solutions, S.A.	-	150,000
Acquisition of Portugal Telecom, S.G.P.S., S.A. shares	-	105,988,029
	209,747	106,702,871
d) **Sales**		
Retailbox BV	-	33,239,453
Sonae Indústria,S.G.P.S., S.A.shares	-	211,445
Delivery of Sonae SGPS, S.A. shares	-	268,845
Delivery of Sonae Indústria, S.G.P.S., S.A.shares	-	81,725
Portugal Telecom, S.G.P.S., S.A. shares	108,461,474	-
e) **Amount to be paid related to financial investments sold**		
Retailbox BV	-	7,315,622
	108,461,474	26,485,846
f) **Amounts of cash and cash equivalents in the subsidiary sold**		
Retailbox BV	-	247,394
Enabler - Informática, S.A.	-	3,557,879
Enabler Brasil, Lda.	-	116,001
Enabler Retail & Consult, Gmbh	-	17,900
Enabler UK, Limited	-	570,900
Enabler France	-	155,860
g) **Amounts of other assets and liabilities sold**		
Retailbox BV		
Fixed assets	-	611,599
Trade debtors and other current debtors	-	6,625,518
Other current assets	-	2,384,622
Trade creditors and other creditors	-	(2,390,865)
Other current liabilities	-	(4,186,686)
2 - Details of cash and cash equivalents:		
Cash in hand	127,347	31,510
Cash at bank	2,753,082	28,323,530
Treasury applications	195,582,734	67,599,483
Overdrafts	(20,221)	(674,985)
Cash and cash equivalents	198,442,942	95,279,538
Overdrafts	20,221	674,985
Cash assets	198,463,163	95,954,523

The difference between Cash and cash equivalents at 31 December 2006 and Cash and cash equivalents at the beginning of the semester relates to the change of the consolidation perimeter and the detail is as follows:

Cash and cash equivalents at 31 December 2006	125,842,737
Changes on the consolidation perimeter:	
Tecnológica Telecomunicações, Ltda.	184
Cash and cash equivalents at the beginning of the period ended on 30 June 2007	125,842,921

	2007	2006
3 - Description of non monetary financing activities		
a) Bank credit granted and not used	99,899,376	225,411,176
b) Purchase of company through the issue of shares	Not applicable	Not applicable
c) Conversion of loans into shares	Not applicable	Not applicable

4 - Cash flow breakdown by activity

Activity	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Net Cash Flows
Mobile network	64,207,105	(47,623,776)	(8,397,797)	8,185,531
Fixed network and Internet	16,502,126	(11,775,302)	(1,469,980)	3,256,843
Multimedia	(3,529,349)	(413,443)	(9,754)	(3,952,547)
Information Systems	(6,119,733)	(2,625,767)	(177,262)	(8,922,762)
Others	(14,610,009)	115,982,477	(27,464,076)	73,908,395
	56,450,140	53,544,189	(37,518,869)	72,475,460

The notes are an integral part of the consolidated financial statements at 30 June 2007 and 2006.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Notes to the consolidated financial statements at 30 June 2007 and 2006

(Amounts expressed in Euro)

SONAECOM, S.G.P.S., S.A. (hereinafter referred to as "the Company" or "Sonaecom") was established on 6 June 1988 under the name Sonae – Tecnologias de Informação, S.A. and has its head office at Lugar de Espido, Via Norte, Maia – Portugal. It is the parent company of the group of companies listed in Notes 2 and 3 ("the Group").

Pargeste, S.G.P.S., S.A.'s subsidiaries in the communications and information technology area were transferred to the Company through a demerger-merger process, executed by public deed dated 30 September 1997.

On 3 November 1999 the Company's share capital was increased, its articles of association were modified and its name was changed to Sonae.com, S.G.P.S., S.A.. Since then the Company's corporate object has been the management of investments in other companies. Also on 3 November 1999, the company's share capital was re-denominated to Euro, being represented by one hundred and fifty million shares with a nominal value of 1 Euro each.

On 1 June 2000, the company carried out a Combined Share Offer, involving the following:

- A Retail Share Offer of 5,430,000 shares, representing 3.62% of the share capital, made in the domestic market and aimed at: (i) employees of the Sonae Group; (ii) customers of the companies controlled by Sonaecom; and (iii) the general public.

- An Institutional Offering for sale of 26,048,261 shares, representing 17.37% of the share capital, aimed at domestic and foreign institutional investors.

In addition to the Combined Share Offer, the Company's share capital was increased under the terms explained below. The new shares were fully subscribed for and paid up by Sonae, S.G.P.S., S.A. (a shareholder of Sonaecom, hereinafter referred to as Sonae). The capital increase was subscribed for and paid up on the date the price of the Combined Share Offer was determined, and paid up in cash, 31,000,000 new ordinary shares of 1 Euro each being issued. The subscription price for the new shares was the same as that fixed for the sale of shares in the aforementioned Combined Share Offer, which was Euro 10.

In addition, Sonae sold 4,721,739 Sonaecom shares under an option granted to the banks leading the Institutional Offer for Sale and 1,507,865 shares to Sonae Group managers and to the former owners of the companies acquired by Sonaecom.

By decision of the Shareholders' General Meeting held on 17 June 2002, Sonaecom's share capital was increased from Euro 181,000,000 to Euro 226,250,000 by public subscription reserved for the existing shareholders, 45,250,000 new shares of 1 Euro each having been fully subscribed for and paid up at the price of Euro 2.25 per share.

On 30 April 2003 the Company's name was changed, by public deed, to SONAECOM, S.G.P.S., S.A..

By decision of the Shareholders' General Meeting held on 12 September 2005, Sonaecom's share capital was increased by Euro 70,276,868, from Euro 226,250,000 to Euro 296,526,868, by the issuance of 70,276,868 new shares of 1 Euro each and with a share premium of Euro 242,455,195, entirely subscribed by France Telecom. The corresponding public deed was executed on 15 November 2005.

By decision of the Shareholders General Meeting held on 18 September 2006, Sonaecom's share capital was increased by Euro 69,720,000, from Euro 296,526,868 to Euro 366,246,868, by the issuance of 69,720,000 new shares of 1 Euro each and with a share premium of Euro 275,657,217, subscribed by 093X – Telecomunicações Celulares, S.A. (EDP) and Parpública – Participações Públicas, SGPS, S.A.(Parpública). The corresponding public deed was executed on 18 October 2006.

The Group's business consists essentially of:

- Mobile telecommunications operations;
- Fixed telecommunications operations and Internet;
- Multimedia;
- Information systems consultancy.

The Group operates, since 30 June 2006 and after the sale of Retailbox sub-group (that operates in England, Germany, France and Brazil), essentially, in Portugal, with two of its subsidiaries (from the information systems consultancy segment) operating in Brazil.

Since 1 January 2001 all Group companies based in the Euro zone have adopted the Euro as their base currency for processing, systems and accounting.

The consolidated financial statements are also presented in Euro, rounded at unit, and the transactions in foreign currencies are included in accordance with the accounting policies detailed below.

1. Basis of presentation

The accompanying consolidated financial statements have been prepared on a going concern basis, based on the accounting records of the companies included in the consolidation (Notes 2 and 3) in accordance with International Financial Reporting Standards ("IAS/IFRS") as adopted by the European Union ("EU") and following the IAS 34 – "Interim Financial Reporting":

For Sonaecom, there are no differences between IFRS as adopted by European Union and IFRS published by the International Accounting Standards Board.

During the semester ended at 30 June 2007, no changes were made to the accounting policies in relation to those used in the consolidated financial statements reported at 31 December 2006.

Sonaecom adopted "IAS/ IFRS" for the first time according to SIC 8 (First time adoption of IAS) on 1 January 2003.

On 29 March 2007, with mandatory effect as from 1 January 2009, but with early adoption permitted, the IASB issued a revised IAS 23 – "Borrowing Costs", which in relation to the previous version, eliminated the possibility of immediate recognition in the statement of profit and loss of borrowing costs relating to assets that require a substantial period of time to be ready for use or sale. Sonaecom already adopted the procedure of capitalising such costs as part of the cost of the related assets and, consequently, the revision of this standard did not have any impact on the consolidated financial statements of the Group.

Main accounting policies

The main accounting policies used in the preparation of the attached consolidated financial statements were as follows:

a) Investments in Group companies

Investments in companies in which the Group has direct or indirect voting rights at Shareholders' General Meetings, in excess of 50%, or in which it has control over the financial and operating policies (definition of control used by the Group) were fully consolidated in the attached consolidated financial statements. Third party participations in the shareholders' equity and net results of those companies are reflected separately in the consolidated balance sheet and in the consolidated statement of profit and loss, respectively, under the caption 'Minority interests'.

When losses attributable to minority shareholders exceed minority interests in shareholders' funds of the subsidiaries, the Group absorbs the excess together with any additional losses, except when the minority shareholders have the obligation and are able to cover those losses. If subsidiaries subsequently report profits, the Group appropriates all the profits until the amount of the minority interests in the losses absorbed by the Group is recovered.

When acquiring subsidiaries, the purchase method is used. The results of subsidiaries bought or sold during the year are included in the statement of profit and loss as from the date of acquisition (or of control acquisition) or up to the date of sale (or of control cession). Intra Group transactions, balances and dividends are eliminated.

The expenses incurred with the acquisition of investments in Group companies are considered as part of the acquisition cost.

The fully consolidated companies are listed in Note 2.

b) Investments in associated companies

Investments in associated companies (generally investments representing between 20% and 50% of a company's share capital) are recorded using the equity method.

In accordance with the equity method, investments are adjusted annually by an amount corresponding to the Group's share of the net results of associated companies, against a corresponding entry to gain or loss for the year, and by the amount of dividends received, as well as by other changes in the equity of the associated companies, which are recorded by corresponding entry to the caption 'Other reserves'. An assessment of the investments in associated companies is performed annually, with the aim of detecting possible impairment situations.

When the Group's share of accumulated losses of an associated company exceeds the book value of the investment, the investment is recorded at nil value, except when the Group has assumed commitments to the associated company, in which case a provision is recorded for that purpose under the caption 'Provisions for other liabilities and charges'.
Investments in associated companies are listed in Note 3.

c) Tangible assets

Tangible assets are recorded at their acquisition cost less accumulated depreciation and less estimated accumulated impairment losses.

Depreciation is provided on a straight-line monthly basis as from the date the assets are available for use in the condition necessary to operate as intended by management, by corresponding charge to the statement of profit and loss caption 'Depreciation and amortisation'.

Impairment losses detected in the market value of tangible assets are recorded in the year in which they arise, by a corresponding charge to the caption 'Depreciation and amortisation' of the statement of profit and loss.

The annual depreciation rates used correspond to the estimated useful life of the assets, which are as follows:

	Years of useful life
Buildings	50
Other constructions	10 - 20
Network	10 - 20
Other plant and machinery	8
Vehicles	4
Fixtures and fittings	3 - 10
Tools	5 - 8
Other tangible assets	4 - 8

Current maintenance and repair costs of fixed assets are recorded as costs in the year in which they occur. Improvements of significant amount, which increase the estimated useful life of the assets, are capitalised and depreciated in accordance with the remaining estimated useful life of the corresponding assets.

The estimated costs related with the mandatory dismantling and removal of tangible assets, incurred by the Group, are capitalised and amortised according to the useful life of the corresponding assets.

Work in progress corresponds to fixed assets still in the construction/development stage which are recorded at their acquisition cost. These assets are depreciated as from the moment they are in condition to be used and when they operate as intended by management. Good condition in terms of network coverage and/or necessary quality and technical reliability to ensure minimum service are examples of conditions evaluated by management.

During the semester ended at 30 June 2007 the Group reassessed the useful life of certain assets recorded under 'Tangible assets', on a prospective basis (Note 5), based on reports of independent specialised entities.

d) Intangible assets

Intangible assets are recorded at their acquisition cost less accumulated amortisation and less estimated impairment losses. Intangible assets are only recognised if it is likely that they will bring future economic benefit to the Group, if the Group controls them and if their value can be reasonably measured.

Intangible assets correspond, essentially, to software (excluding the one included in tangible assets – telecommunication sites' software), industrial property and costs incurred with the mobile network operator licenses (GSM and UMTS) and the fixed network operator licenses.

Amortisation is provided on a straight-line monthly basis, over the estimated useful life of the assets (three to six years) as from the month in which the corresponding expenses are incurred. Mobile and fixed network operator licences are amortised over the period for which they were granted (15 years). The UMTS license is being amortised for an 11 year period, which corresponds to the period between the commercial launch date and the maturity date of the license. Additional licence costs, namely costs relating to the commitments payable in cash assumed under the UMTS license, regarding contributions to the "Information Society", are amortised from the time they are incurred up to the end of the license.

Internally-generated intangible assets, namely research and development expenditures, are recognised in net income when incurred. Development expenditures can only be recognised initially as an intangible asset if the Group demonstrates the ability to complete the project and put it in use or available for sale.

Amortisation for the year is recorded in the statement of profit and loss under the caption 'Depreciation and amortisation'.

e) Brands and patents

Brands and patents are recorded at their acquisition cost and are amortised on a straight-line basis over their respective estimated useful life.

f) Goodwill

Differences between the cost of investments in subsidiaries and associated companies and the amount attributed to the fair value of their identifiable assets and liabilities at the time of their acquisition, when positive, are recorded under the caption 'Goodwill', and, when negative, after a reapreciation of its calculation, are recorded directly in the statement of profit and loss. Until 1 January 2004, 'Goodwill' was amortised over the estimated period of recovery of the investments, usually ten years, and the amortisation was recorded in the statement of profit and loss under the caption 'Depreciation and amortisation'. Since 1 January 2004 and in accordance with the IFRS 3 – "Business Combinations", the Group has stopped the amortization of the 'Goodwill'. Impairment losses of goodwill are recorded in the statement of profit and loss for the period under the caption 'Depreciation and amortisation'.

In subsequent acquisitions of financial investments already held by the Group, an amount of Goodwill is registered equal to the difference between the cost of acquisition of such financial investment and the proportional amount of the shareholders funds of the acquired company.

g) Investments

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired.

The classification of the investments is determined at the initial recognition and re-evaluated every quarter.

a) 'Financial assets at fair value through profit or loss'
This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if the adoption of this method allows to reduce or eliminate an accounting mismatch. Derivatives are also registered as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months of the balance sheet date.

b) 'Loans and receivables'
Loans and receivables are non-derivative financial assets with fixed or variable payments that are not quoted in an active market. These financial investments arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans and receivables are recorded as current assets, except when its maturity is greater than twelve months from the balance sheet date, situations when they are classified as non-current assets. Loans and receivables are included in the caption 'trade debtors' and 'other current debtors' in the balance sheet.

c) 'Held-to-maturity investments'
Held-to-maturity investments are non-derivative financial assets with fixed or variable payments and fixed maturities that the Group's management has the positive intention and ability to hold till its maturity.

d) 'Available-for-sale financial assets'
Available-for-sale financial assets are non-derivatives investments that are either designated as available for sale or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. The financial assets at fair value through profit or loss are initially recognised at fair value and the transaction costs are recorded in the income statement. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred substantially all the risks and rewards of its ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of financial assets classified at fair value through profit or loss are recognised in the income statement. Realised and unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

The fair value of listed investments is based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances. The fair value of listed investments is calculated based on the closing Euronext share price at the balance sheet date.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

h) Financial and operational leases

The lease contracts are classified as financial leases, if, in substance, all risks and rewards associated with the possession of the leased asset are transferred by the lease contract or as operational leases, if, in substance, there is no transfer of risks and rewards associated with the possession of the leased assets.

The lease contracts are classified as financial or operational in accordance with the substance and not with the form of the respective contracts.

Fixed assets acquired under finance lease contracts and the related liabilities are recorded in accordance with the financial method. Under this method the tangible assets, the corresponding accumulated depreciation and liabilities are recorded in accordance with the contractual financial plan at fair value or, if less, at the present value of payments until the end of the contract. In addition, interest included in lease payments and depreciation of the tangible assets are recognised as expenses in the statement of profit and loss for the year to which they relate.

Assets under long term rental contracts are recorded in accordance with the operational lease method. In accordance with this method, the rents paid are recognised as an expense, over the rental period.

i) Inventories

Inventories are stated at their acquisition cost net of eventual impairment losses.

Accumulated inventory impairment losses reflect the difference between the acquisition cost and the realisable amount of inventories, as well as the estimated impairment losses due to low turnover, obsolescence and deterioration (Note 16).

j) Trade and other current debtors

Trade debtors and other current debtors are recorded at their nominal value less impairment losses, reflecting their net realisable value.

k) Cash and cash equivalents

Amounts included under the caption 'Cash and cash equivalents' correspond to amounts held in cash, demand and term bank deposits and other treasury applications where the risk of any change in value is insignificant.

The consolidated cash flow statement has been prepared in accordance with IAS 7, using the direct method. The Group classifies, in the caption 'Cash and cash equivalents', investments that mature in less than three months, for which the risk of change in value is insignificant. The caption 'Cash and cash equivalents' in the cash flow statement also includes bank overdrafts, which are reflected in the balance sheet in the caption 'Short-term loans and other loans'.

The cash flow statement is classified by operating, financing and investing activities. Operating activities include collections from customers, payments to suppliers, payments to personnel and other captions relating to operating activities. Cash flows from investing activities include the acquisition and sale of investments in associated and subsidiaries companies and receipts and payments resulting from the purchase and sale of fixed assets.

Cash flows from financing activities include payments and receipts relating to loans obtained and finance lease contracts.

l) Loans

Loans are recorded as liabilities by the "amortised cost". Any expenses incurred in setting up loans are recorded as a deduction to the nominal debt and recognised during the period of the financing, based on the effective interest rate method.

m) Financial expenses relating to loans obtained

Financial expenses relating to loans obtained are generally recognised as expenses at the time they are incurred. Financial expenses relating to loans obtained directly for the acquisition, construction or production of fixed assets are capitalised as part of the cost of the assets. These expenses are capitalised starting from the time of preparation for the construction or development of the asset. The capitalization is interrupted when the assets are operating or at the end of the production or construction phases or when the associated project is suspended.

n) Derivatives

The Group only uses derivatives in the management of its financial risks to hedge against such risks. The Group does not use derivatives for trading purposes.

The cash flow hedges used by the Group are related to interest rate swap operations to hedge against interest rate risks on loans obtained. The amounts, interest payment dates and repayment dates of the underlying interest rate swaps are identical in all respects to the conditions established for the contracted loans. Changes in the fair value of cash flow hedges are recorded in assets or liabilities, against the corresponding entry under the caption 'Fair value reserves' in shareholders' funds.

In the cases where the hedge instrument is not effective, the amounts derived from the adjustments to fair value are recorded directly in the profit and loss statement.

o) Provisions and contingencies

Provisions are recognised when, and only when, the Group has a present obligation (either legal or implicit) resulting from a past event, the resolution of which is likely to involve the disbursement of funds by an amount that can be reasonably estimated. Provisions are reviewed at the balance sheet date and adjusted to reflect the best estimate at that date.

Provisions for restructurings are only registered if the Group has a detailed plan and if that plan was already communicated to the parties involved.

Contingent liabilities are not recognised in the consolidated financial statements but are disclosed in the notes, unless the possibility of a cash outflow affecting future economic benefits is remote.

Contingent assets are not recognised in the consolidated financial statements but are disclosed in the notes when future economic benefits are likely to occur.

p) Income tax

Income tax for the year is determined based on the taxable results of the companies included in the consolidation and takes into consideration deferred taxation.

Current income tax is determined based on the taxable results of the companies included in the consolidation, in accordance with the tax regulations in force in the location of the head office of each Group company.

Deferred taxes are calculated using the liability method and reflect the timing differences between the amount of assets and liabilities for accounting purposes and the respective amounts for tax purposes.

Deferred tax assets are only recognised when there is reasonable expectation that sufficient taxable profits will arise in the future to allow such deferred tax assets to be used. At the end of each year a review is made of the recorded and unrecorded deferred tax assets and they are reduced whenever their realisation ceases to be probable, or recorded if it is probable that taxable profits will be generated in the future to enable them to be recovered (Note 9).

Deferred taxes are calculated with the tax rate that is expected to be in effect at the time the asset or liability is used.

Whenever deferred taxes derive from assets or liabilities directly registered in Shareholders' funds, its recording is also made in Shareholders' funds. In all other situations, deferred taxes are always registered in the profit and loss statement.

q) Government subsidies

Subsidies awarded to finance personnel training are recognised as income during the period where the Group incurs the associated costs and are included in the profit and loss statement as a deduction to such costs.

Subsidies awarded to finance investments in tangible assets are registered as deferred income and are included in the profit and loss statement during the estimated useful life of the corresponding assets.

r) Accrual basis and revenue recognition

Expenses and income are recorded in the year to which they relate, regardless of their date of payment or receipt. Estimated amounts are used when actual amounts are not known.

The captions of 'Other non current assets', 'Other current assets', 'Other non current liabilities' and 'Other current liabilities' include expenses and income relating to the current period, where payment and receipt will occur in future periods, as well as payments and receipts in the current period but which relate to future periods. The latest ones will be included by the corresponding amount in the results of the periods that they relate to.

Revenue from telecommunications services is recognised in the period in which it occurs. Such services are invoiced on a monthly basis. Revenues not yet invoiced, from the last invoicing cycle to the end of the month, are estimated and recorded based on actual traffic. Differences between the estimated and actual amounts, which are usually not material, are recorded in the following period.

Sales revenues are recognised in the consolidated profit and loss statement when the significant risks and rewards associated with ownership of the assets are transferred to the buyer and the amount of the corresponding revenue can be reasonably quantified. Sales are recognised net of taxes and discounts.

The income related to pre-paid cards is recognised whenever the minutes are used. At the end of each period the minutes still to be used are estimated and the amount of income associated with those minutes is deferred.

Costs relating to customer loyalty programmes, under which points are awarded by the subsidiary Optimus, are quantified considering the probability of the points being effectively used, and are recognised, as a deduction to income, at the time the points are generated, by a corresponding entry in the caption 'Other current liabilities'.

Non-current financial assets and liabilities are recorded at fair value and, in each period, the financial actualisation to the fair value is recorded in the statement of profit and loss under the caption 'Financial results'.

Dividends are recognised when the right of the shareholders to receive such amounts is appropriately established and communicated.

s) Balance sheet classification

Assets and liabilities due in more than one year from the date of the balance sheet are classified, respectively, as non-current assets and non-current liabilities.
In addition, considering their nature, the deferred taxes and the provisions for other liabilities and charges, are classified as non current assets and liabilities (Notes 9 and 20).

t) Legal reserve

Portuguese commercial legislation requires that at least 5% of annual net profit must be appropriated to a legal reserve, until such reserve reaches at least 20% of the share capital. This reserve is not distributable, except in the case of liquidation of the company, but may be used to absorb losses, after all the other reserves are exhausted, or to increase the share capital.

u) Foreign currency

All assets and liabilities expressed in foreign currency were translated into Euro using the exchange rates in force on the balance sheet date.

Favourable and unfavourable foreign exchange differences resulting from changes in the rates in force at transaction date and those in force at the date of collection, payment or at the balance sheet date are recorded as income and expenses in the consolidated profit and loss statement of the year, in financial results.

Entities operating abroad with organisational, economic and financial autonomy are treated as foreign entities.

Assets and liabilities in the financial statements of foreign entities are translated into Euro using the rates of exchange in force on the balance sheet date and expenses and income in such financial statements are converted into Euro using the average rates of exchange for the period. The resulting exchange differences are recorded in the shareholders' funds caption 'Other reserves'.

Goodwill and adjustments to fair value generated in acquisitions of foreign entities reporting in a functional currency other than Euro are converted into Euro using the exchange rates prevailing on the balance sheet date.

The following rates were used for the translation into Euro of the accounts of foreign subsidiaries and associated companies:

	2007		2006	
	30.06.07	Average	30.06.06	Average
Pounds Sterling	-	-	1.44488	1.45569
Brazilian Real	0.38426	0.36805	0.35934	0.37180

v) Assets impairment

Impairment tests are performed at the date of each balance sheet and whenever an event or change of circumstances indicates that the recorded amount of an asset may not be recoverable. Whenever the book value of an asset is greater than the amount recoverable, an impairment loss is recognised and recorded in the statement of profit and loss under the caption 'Depreciation and amortisation' in the case of fixed assets and goodwill, under the caption 'Other financial expenses' in the case of financial investments and under the caption 'Provisions and impairment losses', in relation to the other assets. The amount recoverable is the greater of the net selling price and the value of use. Net selling price is the amount obtainable upon the sale of an asset in an arm's length transaction, less the costs directly related to the sale. The value of use is the present value of the estimated future cash flows expected to result from the continued use of the asset and its sale at the end of its useful life. The recoverable amount is estimated for each asset individually or, if this is not possible, for the cash-generating unit to which the asset belongs.

For Goodwill and Financial Investments, the recoverable amount is determined based on business plans duly approved by the Board of Directors of the Group and corroborated by reports prepared by independent entities. For accounts receivables, the Group uses historical and statistic information to estimate the amounts in impairment. For inventories, the impairments are calculated based on market values and several indicators of stock rotation.

w) Medium Term Incentive Plans

The Accounting Treatment of Medium Term Incentive Plans is based on IFRS 2 – "Share-based Payments".

Under IFRS 2, when the settlement of plans established by the Group involves the delivery of Sonaecom's own shares, the estimated responsibility is recorded, as a credit entry, under the caption 'Reserves – Medium Term Incentive Plans', within the heading 'Shareholders' funds' and is charged as an expense under the caption 'Staff expenses' in the profit and loss statement.

The quantification of this responsibility is based on fair value and is recognised over the vesting period of each plan (from the award date of the plan until its vesting or settlement date). The total responsibility, at any point of time, is calculated based on the proportion of the vesting period that has "elapsed" up to the respective accounting date.

When the responsibilities associated with any plan are covered by a hedging contract, i.e., when those responsibilities are replaced by a fixed amount payable to a third party and when Sonaecom is no longer the party that will deliver the Sonaecom shares, at the settlement date of each plan, the above accounting treatment is subject to the following changes:

a) The total gross fixed amounts payable to third parties are recorded in the balance sheet as either 'Other non current liabilities' or 'Other current liabilities';
b) The part of this responsibility that has not yet been recognised in the profit and loss statement (the "unelapsed" proportion of the cost of each plan) is deferred and is recorded, in the balance sheet as either 'Other non current assets' or 'Other current assets';
c) The net effect of the entries in (a) and (b) above eliminate the original entry to 'Shareholders' funds';
d) In the profit and loss statement, the "elapsed" proportion continues to be charged as an expense under the caption 'Staff expenses'.

Equity-settled payments in shares of the parent company are recorded as if they were settled in cash, which means that the estimated liability is recorded in the balance sheet caption 'Other non current liabilities' and 'Other current liabilities' by a corresponding entry to the income statement caption 'Staff expenses', for the cost relating to the deferred period elapsed. The liability is quantified based on the fair value of the shares as of each balance sheet date.

When the liability is covered by a hedging contract, it is recognised in the same way described above, but with the liability being quantified based on the amount fixed in the contract.

In 2003, the Group signed a hedging contract under which, through the establishment of the payment of a fixed amount, it was transferred its liability relating to the Sonaecom share plan to an entity outside the Sonaecom Group. At 30 June 2007 only one of the existing plans was covered by hedging contracts. Therefore, the impacts of the share plans of the Medium Term Incentive Plans are recognised in the balance sheet captions 'Other current assets' and 'Other current liabilities' for the plans covered by hedging contracts, and in the caption 'Reserve - Medium Term Incentive Plans' for the other plans. The cost is recognised in the income statement caption 'Staff expenses'.

x) Subsequent events

Events occurring after the date of the balance sheet which provide additional information about conditions prevailing at the time of the balance sheet (adjusting events) are reflected in the consolidated financial statements. Events occurring after the balance sheet date that provide information on post-balance sheet conditions (non adjusting events), when material, are disclosed in the notes to the consolidated financial statements.

y) Judgements and estimates

The most significant accounting estimates reflected in the consolidated financial statements as at 30 June 2007 and 2006, are as follows:

a) Useful lives of tangible and intangible assets;
b) Impairment analysis of goodwill and of tangible and intangible assets;
c) Recognition of adjustments on assets and provisions;
d) Assessment of responsibilities associated with customers' loyalty programs.

Estimates used are based on the best information available during the preparation of consolidated financial statements and are based on the best knowledge of past and present events. Although future events, are not controlled by the Group neither foreseeable, some could occur and have impact on the estimates. Changes to the estimates used by the management that occur after the date of these consolidated financial statements, will be recognised in net income, in accordance with IAS 8, using a prospective methodology.

The main estimates and assumptions in relation to future events included in the preparation of consolidated financial statements are disclosed in the correspondent notes.

z) Financial risk management

The Group's activities expose it to a variety of financial risks as market risk, liquidity risk and credit risk.

Those risks arise from the unpredictability of financial markets that affect the capacity of project cash flows and profits. The Group financial risk management, subject to a perspective of long term ongoing, seeks to minimize potential adverse effects that derive from that uncertainty, using, every time that is possible and advisable, derivative financial instruments to hedge certain risks exposure (Note 1. n)).

Market risk

a. Foreign exchange risk

The Group operates internationally, having two subsidiaries that operate in Brazil and so it is exposed to exchange rate risk.

Foreign exchange risk management seeks to minimize the volatility of investments and transactions made in foreign currency and contributes reducing the sensitivity of Group results to changes in foreign exchange rates.

Whenever possible, the Group uses natural hedges to manage exposure, by offsetting credits granted and credits received expressed in the same currency. When this is not possible, the Group implements coverage using financial hedging instruments.

b. Price risk

The Group is exposed to the risk of price variations on investments recorded at fair value through profit and loss. This caption is made up of Sonae S.G.P.S., S.A. shares, acquired to cover the Group's liability under the Medium Term Incentive Plans granted to its employees (Note 1. w) and 25), the variation in the price of these shares being compensated by the variation in the liability.

c. Interest rate risk

Sonaecom's total indebtedness is indexed to variable rates, accordingly debt servicing costs are likely to be volatile.

The Group only uses derivatives or similar transactions to hedge those interest rate risks considered as significant. Three main principles are respected in all instruments selected and used to hedge interest rate risk:

- For each derivative or instrument used to hedge a specific loan, the interest payment dates on the loans subject to the hedging must coincide with the settlement dates under the hedging instrument;

- Perfect match between the base rates: the base rate used in the derivative or hedging instrument should be the same as that of the facility / transaction which is being hedged;

- As from the start of the transaction, the maximum cost of the debt, resulting from the hedging operation is known and limited, even in scenarios of extreme change in market interest rates, so that the resulting rates are within the cost of the funds considered in the Group's business plan.

As all Sonaecom's borrowings are at variable rates, interest rate swaps and other derivatives are used to hedge future changes in cash flow relating to interest payments. Interest rate swaps have the financial effect of converting the respective borrowings from floating rates to fixed rates. Under the interest rate swaps, the Company agrees with third parties (banks) to exchange, in pre-determined periods, the difference between the amount of interest calculated at the fixed contract rate and the floating rate at the time of re-fixing, by reference to the respective agreed notional amounts.

The counterparties of the derivative hedging instruments are limited to highly rated financial institutions, the Group's policy when contracting such instruments, being to give preference to financial institutions that form part of its financing transactions.

In determining the fair value of hedging operations, the Group uses certain methods, such as option valuation and discounted future cash flow models, using assumptions based on market interest rates prevailing at the balance sheet date. Comparative financial institution quotes for the specific or similar instruments are used as a benchmark for the valuation.

The fair value of derivatives contracted that do not qualify as such for IAS 39 purposes or that are not sufficiently effective for such coverage (in accordance with the conditions established in that rule), is recognised under borrowings captions. Changes in the fair value of such derivatives are recognised directly in the profit and loss statement for the year.

d. Liquidity risk

The goal of liquidity risk management is to ensure, at all times, that the Group has the financial capacity to fulfill its commitments as they become due.

Given the dynamic nature of its activities, the Group needs a flexible financial structure and, for that, uses a combinations of:
- Short and medium term credit facilities;
- Rigorous financial planning and monthly cash forecasts by company;
- Treasury applications in banks and in group companies;
- Diversification of financing sources.

e. Credit risks

The Goup's exposure to credit risk is mainly associated with the accounts receivable related to current operational activities.

The management of this risk seeks to guarantee an amounts owing are effectively collected within the periods negotiated without impacting the financial health of the Group. The Group uses credit rating agencies and has specific departments responsible for risk control, collections and management of processes in litigation, which all contribute to the mitigation of credit risk.

2. Companies included in the consolidation

Group companies included in the consolidation, their head offices, main activity, shareholders and percentage of share capital held at 30 June 2007 and 2006, are as follows:

Company (Commercial Brand)	Head Office	Main activity	Shareholder	Percentage of share capital held 2007 Direct	2007 Effective*	2006 Direct	2006 Effective*
Parent company:							
SONAECOM, S.G.P.S., S.A. ("Sonaecom")	Maia	Management of shareholdings.	-	-	-	-	-
Subsidiaries:							
Digitmarket – Sistemas de Informação, S.A. ("Digitmarket" – using the brand name "Bizdirect")	Maia	Development of management platforms and commercialisation of products, services and information, with the internet as its main support.	Sonae.com Sistemas de Informação	75.10%	75.10%	75.10%	75.10%
Mainroad – Serviços em Tecnologias de Informação, S.A. ("Mainroad")	Maia	Rendering of consultancy services in IT areas.	Sonae.com Sistemas de Informação	100%	100%	100%	100%
Miauger – Organização e Gestão de Leilões Electrónicos, S.A. ("Miauger")	Maia	Organisation and management of electronic auctions of products and services on-line.	Sonaecom	100%	100%	100%	100%
M3G – Edições Digitais, S.A. ("M3G")	Lisbon	Digital publishing, electronic publishing and production of Internet contents.	Público	100%	99%	100%	99%
Novis Telecom, S.A. ("Novis")	Maia	Installation, maintenance and operation of information processing and telecommunications equipment, network management and supply of value-added information and services.	Sonaecom	58.33%	58.33%	58.33%	58.33%
			Sonae Matrix	41.67%	41.67%	41.67%	41.67%
Optimus – Telecomunicações, S.A. ("Optimus")	Maia	Rendering of mobile telecommunications services and the establishment, management and operation of telecommunications networks.	Sonae Telecom	49.06%	49.06%	49.06%	49.06%
			Sonaecom	50.94%	50.94%	20.18%	20.18%
Per-Mar – Sociedade de Construções, S.A. ("Per-Mar")	Maia	Purchase, sale, renting and operation of property and commercial establishments.	Optimus	100%	100%	100%	69.24%
Público – Comunicação Social, S.A. ("Público")	Oporto	Editing, composition and publication of periodical and non-periodical material.	Sonaetelecom BV	99%	99%	99%	99%
Optimus Towering – Exploração de Torres de Telecomunicações, S.A. ("Optimus Towering")	Maia	Implementation, installation and exploitation of towers and other sites for the instalment of telecommunications equipment.	Optimus	100%	100%	100%	69.24%

* Sonaecom effective participation

Company (Commercial Brand)	Head Office	Main activity	Shareholder	Percentage of share capital held 2007 Direct	2007 Effective*	2006 Direct	2006 Effective*
Saphety Level – Trusted Services, S.A. (Saphety) (a)	Maia	Rendering services, training, consultancy services in the area of communication, process and electronic certification of data; trade, development and representation of software.	Sonae.com Sistemas de Informação	100%	100%	-	-
Sonae Matrix Multimédia, S.G.P.S., S.A. ("Sonae Matrix")	Maia	Management of shareholdings in the area of multimedia trade.	Sonaecom	100%	100%	100%	100%
Sonae Telecom, S.G.P.S., S.A. ("Sonae Telecom")	Maia	Management of shareholdings in the area of mobile telecommunications.	Sonaecom	100%	100%	100%	100%
Sonae.com - Sistemas de Informação, S.G.P.S., S.A. ("Sonae.com Sistemas de Informação")	Maia	Management of shareholdings in the area of corporate ventures and joint ventures.	Sonaecom	100%	100%	100%	100%
Sonaecom BV	Amsterdam	Management of shareholdings.	Sonaecom	100%	100%	100%	100%
Sonaetelecom BV	Amsterdam	Management of shareholdings.	Sonaecom	100%	100%	100%	100%
Tecnológica Telecomunicações, LTDA. ("Tecnológica") (b)	Rio de Janeiro	Rendering of consultancy and technical assistance in the area of IT systems and telecommunications.	We Do Brasil	99.99%	99.22%	-	-
We Do Consulting – Sistemas de Informação, S.A. ("We Do")	Maia	Rendering of consultancy services in the area of software, including systems integration.	Sonae.com Sistemas de Informação	99.32%	99.32%	96.71%	96.71%
Wedo do Brasil Soluções Informáticas, Ltda. ("We Do Brazil")	Rio de Janeiro	Commercialisation of software and hardware. Rendering of consultancy and technical assistance.	We Do	99.91%	99.23%	99.89%	96.60%

* Sonaecom effective participation
(a) Company incorporated in December 2006.
(b) Company acquired in April 2007.

All the above companies were included in the consolidation in accordance with the full consolidation method under the terms of IAS 27 (majority of voting rights, through the ownership of shares in the companies. In July 2006, agreements with EDP and Parpública were celebrated, in the scope of which these companies compromise to exchange their participations in Optimus of 25.72% and 5.04%, respectively, for a participation in Sonaecom. As a result of those agreements Sonaecom controls 100% of the shares of Optimus, and incorporate the totality of Optimus' results since 31 July 2006, as well as reported, at that date,the correspondent goodwill.

3. Investments in associated companies

As at 30 June 2007 and 2006, this caption included investments in associated companies, which head offices, main activities, shareholders, percentage of share capital held and book value was as follows:

Company (Commercial brand)	Head Office	Main activity	Shareholder	Percentage of share capital held 2007 Direct	2007 Effective*	2006 Direct	2006 Effective*	Book value 2007	Book value 2006
Associated companies:									
Net Mall, S.G.P.S., S.A. ("Net Mall")	Maia	Management of shareholdings.	Sonae.Com Sistemas de Informação	39.51%	39.51%	39.51%	39.51%	(a)	(a)
Sociedade Independente de Radiodifusão Sonora, S.A. ("S.I.R.S." – using the brand name " Rádio Nova")	Oporto	Sound broadcasting. Radio station.	Público	45%	45%	45%	45%	(a)	(a)
Unipress – Centro Gráfico, Lda. ("Unipress")	V.N. Gaia	Trade and industry of graphic design and publishing	Público	40%	40%	40%	40%	735,613	714,425
Profimetrics – Software Solutions, S.A. (Profimetrics)	Maia	Development of software solutions to optimize the retail sales	Sonae.com Sistemas de Informação	30%	30%	30%	30%	(a)	86,425
								735,613	800,850

* Sonaecom effective participation
(a) Investment recorded at a nil book value

The associated companies were included in the consolidated financial statements in accordance with the equity method, as explained in Note 1. b).

The amount of assets, liabilities, total revenues and net income of associated companies is as follows:

Company	Assets	Liabilities	Total Revenues	Net Income
Unipress - Centro Gráfico, Lda (1)	5,027,507	3,198,883	2,934,954	52,945
Profimetrics - Software Solutions, S.A.	1,133,656	1,297,891	111,785	(455,131)
Sociedade Independente de Radiodifusão Sonora, S.A.	512,008	499,936	605,425	109,409
Netmall, S.G.P.S., S.A.	6,220	12,685	27	(2,325)

(1) Values at 31.12.2006

4. Changes in the Group

During the semesters ended 30 June 2007 and 2006 the following changes occurred in the composition of the Group:

4. a) Acquisitions

2007				
Purchaser	Subsidiary	Date	% acquired	Current % shareholding
Sonae.com SI	We Do	Jan-07	0.70%	98.36%
Sonae.com SI	We Do	Feb-07	0.66%	99.02%
Sonae.com SI	We Do	Mar-07	0.06%	99.08%
Sonae.com SI	We Do	Apr-07	0.14%	99.22%
We Do Brazil	Tecnológica	Apr-07	99.99%	99.99%
Sonae.com SI	We Do	May-07	0.10%	99.32%

During the semester ended 30 June 2007 and as a result of the above mentioned acquisitions of WeDo, an additional Goodwill of Euro 207,905 was recorded (Note 7).

2006				
Purchaser	Subsidiary	Date	% acquired	Current % shareholding
Sonae.com SI	We Do	Mar-06	0.99%	96.46%
Sonae.com SI	We Do	Apr-06	0.07%	96.53%
Sonae.com SI	We Do	May-07	0.09%	96.62%
Sonae.com SI	We Do	Jun-06	0.09%	96.71%

During the semester ended 30 June 2006 and as a result of the above mentioned acquisitions, an additional Goodwill of Euro 159,039 was recorded (Note 7).

During June 2007, the Group successfully concluded negociations with Tele2 Europe, S.A. and Oni Telecom – Infocomunicações, S.A.. In the case of Tele 2, an agreement was signed to acquire all the share capital of Telemilénio – Telecomunicações, Sociedade Unipessoal, S.A. for Euro 16 million. In the case of Oni, the Group agreed to acquire the residential and Small Office/ Home Office ("Soho") communications services for Euro 25 million. Both agreeents are subject to the authorisations required by law, none of the amounts due under such operations having been paid to date.

4. b) Incorporations

Year	Shareholder	Subsidiary	Date	Amount	Current % shareholding
2006	Sonaecom	Sonaecom BV	Feb-06	100,000	100%
2006	Sonae.com SI	Profimetrics	Mar-06	500,000	30%

4. c) Sales

Year	Seller	Subsidiary	Date	% Sold	% Shareholding
2006	Net Mall	Global S, SGPS, SA	Jan-06	64.73%	-
2006	Sonaetelecom BV	Retailbox BV	Jun-06	68.47%	-

The sale of Retailbox BV in 2006 generated a gain of Euro 25,341,987, which was recorded in the June 2006 consolidated profit and loss statement under the caption 'Other operating revenues'.

4. d) Liquidated companies

Year	Shareholder	Subsidiary	Date	% Shareholding
2006	Optimus	SESI	Feb-06	9.75%

5. Tangible Assets

The movement in tangible assets and corresponding accumulated depreciation and impairment losses in the semesters ended 30 June 2007 and 2006 was as follows:

	Land	Buildings and other constructions	Plant and machinery	Vehicles	Fixtures and fittings	Tools	Other tangible assets	Work in progress	Total
GROSS ASSETS									
Balance at 31.12.2006	**1,391,593**	**223,133,165**	**744,209,079**	**53,271**	**134,075,541**	**1,087,839**	**2,567,599**	**22,560,357**	**1,129,078,444**
Additions	-	2,770,544	1,656,104	17,241	323,488	-	15,780	47,150,574	51,933,731
Disposals	-	(615,258)	(218,767)	(36,427)	(27,656)	-	-	(9,972)	(908,080)
Transfers and writte-offs	-	1,440,952	41,331,053	19,321	1,652,821	368	61,706	(45,546,527)	(1,040,307)
Balance at 30.06. 2007	**1,391,593**	**226,729,403**	**786,977,469**	**53,406**	**136,024,194**	**1,088,207**	**2,645,085**	**24,154,432**	**1,179,063,788**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES:									
Balance at 31.12. 2006	**-**	**108,987,153**	**418,800,773**	**48,768**	**103,280,214**	**1,021,794**	**2,168,000**	**-**	**634,306,702**
Depreciation for the semester	-	6,728,960	37,432,234	876	6,914,685	9,060	95,639	-	51,181,454
Reversal of impairment losses in the semester	-	(8,863)	(120,207)	-	(79,516)	(228)	(16)	-	(208,830)
Disposals	-	(401,724)	(57,196)	(1,672)	(12,410)	-	-	-	(473,002)
Transfers and writte-offs	-	(4,932,979)	(42,970)	-	(236,039)	(21)	(1,441)	-	(5,213,450)
Balance at 30.06. 2007	**-**	**110,372,547**	**456,012,634**	**47,972**	**109,866,934**	**1,030,605**	**2,262,182**	**-**	**679,592,874**
Net value	**1,391,593**	**116,356,856**	**330,964,835**	**5,434**	**26,157,260**	**57,602**	**382,903**	**24,154,432**	**499,470,914**

	Land	Buildings and other constructions	Plant and machinery	Vehicles	Fixtures and fittings	Tools	Other tangible assets	Work in progress	Total
GROSS ASSETS									
Balance at 31.12.2005	**1,391,593**	**193,802,186**	**669,946,802**	**168,785**	**132,463,176**	**1,046,912**	**2,769,153**	**11,914,444**	**1,013,503,051**
Companies no longer consolidated (Note 4. c))	-	-	(2,414,413)	(89,507)	(546,614)	-	(268,965)	-	(3,319,499)
Additions	-	8,024,689	2,250,616	40,875	1,412,518	1,176	11,880	44,469,786	56,211,540
Disposals	-	(612,577)	(252,961)	(60,357)	(312,282)	(2,933)	(1,763)	(180,317)	(1,423,190)
Transfers and writte-offs	-	7,407,372	34,792,398	6,351	2,448,627	650	8,267	(45,645,517)	(981,852)
Balance at 30.06.2006	**1,391,593**	**208,621,670**	**704,322,442**	**66,147**	**135,465,425**	**1,045,805**	**2,518,572**	**10,558,396**	**1,063,990,050**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES:									
Balance at 31.12.2005	**-**	**89,408,263**	**350,360,883**	**102,913**	**93,059,285**	**1,010,003**	**2,129,329**	**-**	**536,070,676**
Companies no longer consolidated (Note 4. c))	-	-	(2,109,812)	(18,153)	(366,872)	-	(253,855)	-	(2,748,692)
Depreciation for the semester	-	9,462,724	34,474,772	10,844	7,893,439	7,416	224,507	-	52,073,702
Reversal of impairment losses in the semester	-	-	-	-	(11,278)	-	(4,451)	-	(15,729)
Disposals	-	(64,544)	(131,294)	(42,697)	(191,398)	(2,933)	(558)	-	(433,424)
Transfers and writte-offs	-	(44,635)	(103,589)	2,703	(76,736)	(43)	(42,194)	-	(264,494)
Balance at 30.06.2006	**-**	**98,761,808**	**382,490,960**	**55,610**	**100,306,440**	**1,014,443**	**2,052,778**	**-**	**584,682,039**
Net value	**1,391,593**	**109,859,862**	**321,831,482**	**10,537**	**35,158,985**	**31,362**	**465,794**	**10,558,396**	**479,308,011**

The additions to Tangible assets during the semester includes: assets associated with the UMTS operation (Universal Mobile Telecommunications Service); HSDPA (Kanguru Express); ULL assets (unbundling of the local loop); and assets related with the Triple Play project. It also includes an amount of Euro 17,576,085 related to agreements of backbone rental which were classified as financial leasing and therefore recorded , in tangible assets, accordingly.

The acquisition cost of Tangible assets held by the Group under finance lease contracts amounted to Euro 22,172,019 and Euro 12,110,102 as of 30 June 2007 and 2006, respectively and their net book value as of those dates amounted to Euro 19,104,598 and Euro 6,253,457, respectively.

The revision made in the semester ended 30 June 2007 (Note 1.c)), of the useful life of certain assets relating to the telecommunications towers and other GSM related assets, resulted in a decrease of around Euro 7.2 million in depreciation charges in the period, in relation to the amount that would have been recorded if the previous useful lives were used.

The transfers and write-offs of depreciation under the caption 'Buildings and other constructions' corresponds mainly to accelerated depreciation of building improvements, resulting from our move to new installations in Lisbon.

Tangible assets in progress at 30 june 2007 and 2006 were made up as follows:

	2007	2006
Development of mobile network	13,227,827	3,634,582
Development of fixed network	7,686,494	4,425,402
Information systems	2,976,584	2,355,943
Other projects in progress	263,527	142,469
	24,154,432	10,558,396

The development of fixed network includes Euro 7,426,061 related to theTriplePlay project.

As at 30 June 2007 and 2006, the amounts of commitments to third parties relating to investments to be made were as follows:

	2007	2006
Technical investments	20,048,889	32,897,152
Investments in information systems	6,399,925	11,661,328
	26,448,814	44,558,480

6. Intangible assets

The movement in Intangible assets and in the corresponding accumulated amortisation and impairment losses in the semesters ended 30 June 2007 and 2006 was as follows:

	Brands and patents	Software	Intangible assets in progress	Total
GROSS ASSETS:				
Balance at 31.12.2006	**147,400,303**	**190,159,744**	**7,986,808**	**345,546,855**
New companies (Note 4.a))	-	2,358,832	-	2,358,832
Additions	8,328,051	259,793	6,697,139	15,284,983
Disposals	-	(15,034)	(11,420)	(26,454)
Transfers and writte-offs	64,101	5,065,380	(9,159,621)	(4,030,140)
Balance at 30.06.2007	**155,792,455**	**197,828,715**	**5,512,906**	**359,134,076**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES:				
Balance at 31.12.2006	**31,677,199**	**147,204,682**	**-**	**178,881,881**
Depreciation for the semester	7,066,568	8,811,637	-	15,878,205
Reversal of impairment losses in the semester	(236)	(131,636)	-	(131,872)
Disposals	-	(2,880)	-	(2,880)
Transfers and writte-offs	79	45,200	-	45,279
Balance at 30.06.2007	**38,743,610**	**155,927,003**	**-**	**194,670,613**
Net value	**117,048,845**	**41,901,712**	**5,512,906**	**164,463,463**

	Brands and patents	Software	Intangible assets in progress	Total
GROSS ASSETS:				
Balance at 31.12.2005	**147,155,167**	**172,425,905**	**7,085,344**	**326,666,416**
Companies no longer consolidated (Note 4. c))	(32,035)	(386,943)	-	(418,978)
Additions	19,539	100,420	7,512,202	7,632,161
Disposals	(6,853)	(16,480)	(426,892)	(450,225)
Transfers and writte-offs	19,648	5,435,555	(4,783,253)	671,950
Balance at 30.06.2006	**147,155,466**	**177,558,457**	**9,387,401**	**334,101,324**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES:				
Balance at 31.12.2005	**18,483,941**	**132,907,337**	**-**	**151,391,278**
Companies no longer consolidated (Note 4. c))	(22,740)	(355,446)	-	(378,186)
Depreciation for the semester	6,639,893	7,583,571	-	14,223,464
Disposals	(1,725)	(823)	-	(2,548)
Transfers and writte-offs	(15,778)	108,982	-	93,204
Balance at 30.06.2006	**25,083,591**	**140,243,621**	**-**	**165,327,212**
Net value	**122,071,875**	**37,314,836**	**9,387,401**	**168,774,112**

As at 30 June 2007 and 2006, the Group has recorded under the heading 'Intangible assets' the amounts of Euro 116,459,535 and Euro 121,385,508, respectively, that correspond to the investments net of depreciations made in the development of the UMTS network, including: (i) Euro 76,507,347 (amount of Euro 85,508,211 in 2006) related to the license; (ii) Euro 25,563,910 (amount of Euro 28,571,428 in 2006) related to the agreement reached in 2002 between Oni Way and the other three mobile telecommunication operators in Portugal with UMTS licenses; and (iii) Euro 7,851,448 related to a contribution to the Information Society Fund, established in 2007, relating to obligations under the terms of the UMTS licenses, under an agreement entered into between the Ministry of Public Works, Transport and Communications (Ministério das Obras Públicas, Transportes e Comunicações) and the three mobile telecommunication operators in Portugal.

The intangible assets in progress, at 30 June 2007 and 2006, were mainly composed by software development.

Intangible and tangible assets include interest and other financial expenses incurred, directly related to the construction of certain items of work in progress. At 30 June 2007 and 2006 such expenses amounted to Euro 13,583,974 and Euro 12,678,245, respectively. The amount capitalised on the semesters ended 30 June 2007 and 2006 were Euro 487,464 and Euro 224,644, respectively. An interest capitalization rate of 4.65% was used in 2007 (3.363% in 2006), which corresponds to the average interest rate supported by the Group.

7. Goodwill

As at 30 June 2007 and 2006, the movements occurred in goodwill were as follows:

	2007	2006
Opening balance	506,902,772	285,468,452
Increase of participations (Note 4. a))	207,905	159,039
Sale of participations (Note 4. c))	-	(3,674,059)
Closing balance	507,110,677	281,953,432

In accordance with IFRS 3, the Group suspended the amortization of the 'Goodwill' from 1 January 2004.

The goodwill at 30 June 2007 and 2006 was made up as follows:

	2007	2006
Optimus	389,902,620	165,081,139
Novis	95,189,755	95,189,755
Público	20,000,000	20,000,000
WeDo	1,887,516	1,551,752
SIRS	72,820	72,820
Permar	47,253	47,253
Optimus Towering	10,713	10,713
	507,110,677	281,953,432

8. Investments available for sale

As at 30 June 2007 and 2006, this caption included investments classified as available for sale and was made up as follows:

		2007			2006		
	%	Gross amount	Accumulated impairment losses (Note 16)	Net amount	Gross amount	Accumulated impairment losses (Note 16)	Net amount
Portugal Telecom, S.G.P.S., S.A.	1.00%	-	-	-	106,593,243	-	106,593,243
Despegar.com	5.50%	2,539,229	(2,539,229)	-	2,539,229	(2,539,229)	-
Altitude, SGPS, S.A.	11.54%	1,000,000	-	1,000,000	1,000,000	-	1,000,000
Lusa – Agência de Notícias de Portugal, S.A.	1.37%	197,344	-	197,344	197,344	-	197,344
Others	-	9,976	-	9,976	9,976	-	9,976
		3,746,549	(2,539,229)	1,207,320	110,339,792	(2,539,229)	107,800,563

These investments correspond to participations of immaterial amount, the book value of which is a reasonable approximation of their fair value, adjusted where applicable, by the respective impairment losses.

Following is financial information relating to these investments (in thousands of Euro):

	Assets	Shareholders fund's	Gross Debt	Operational results	Turnover	Net Income
Despegar.com	9,828	7,621	-	(425)	4,108	(277)
Altitude, SGPS, S.A.	17,237	6,314	2,329	1,788	22,391	610
Lusa – Agência de Notícias de Portugal, S.A.	23,787	7,311	11,115	1,974	18,348	1,058

Values expressed in millions Euros at 31-12-06 (31-12-05 for Despegar)

During the semester ended 30 June 2007, the movements in investments available for sale were as follows:

	2007	2006
Opening balance	112,317,225	1,207,320
Acquisitions	-	105,988,029
Fair value adjustments recorded under reserves	(5,121,876)	605,214
Sales	(108,461,474)	-
Capital gain recorded under profit and loss statement (Note 19)	2,473,445	-
Closing balance	1,207,320	107,800,563

During the semester ended 30 June 2007, the movements occurred in this caption are related to the sale of 1% of the share capital of Portugal Telecom, S.G.P.S., S.A..

In addition, in accordance with IAS 39 the gains recorded in prior years in equity, relating to fair value adjustments of investments available for sale (Euro 5,121,876), were transferred to the profit and loss statement at the time of the sale.

9. Deferred tax assets

Deferred tax assets at 30 June 2007 and 2006, in the amount of Euro 59,971,233 and Euro 67,894,760, respectively, result mainly from timing differences relating to tax losses carried forward and non tax deductible provisions.

The movements in deferred tax assets in the semesters ended 30 June 2007 and 2006 were as follows:

	2007	2006
Opening balance	61,786,654	66,239,165
Impact on results		
Tax losses carried forward	(2,706,863)	(6,968,915)
Adjustments to the estimated taxable income of prior year	143,501	-
Recognition of deferred taxes, not recorded in previous years as, at that time, the existence of future taxable profits was considered to be uncertain	1,047,498	8,600,000
Movements in provisions not deductible for tax purposes and on tax benefits	136,863	685,695
Temporary differences between the tax and accounting value of fixed assets	(430,448)	(538,293)
Sub-total (Note 20)	(1,809,449)	1,778,487
Others (including Retailbox sub-group sale in 2006)	(5,972)	(122,892)
Closing balance	59,971,233	67,894,760

As at 30 June 2007 and 2006, assessments were made of the deferred taxes to be recognised. Potential deferred tax assets were recorded to the extent that future taxable profits were expected to be generated against which the tax losses and deductible tax differences could be used. These assessments were made based on the business plans of the Group companies involved, periodically reviewed and updated.

The rates used at 30 June 2007 and 2006 to calculate the deferred tax assets relating to tax losses carried forward were 25% and 27.5%, respectively. The rates used at 30 June 2007 and 2006 to calculate deferred tax assets resulting from temporary differences were 26.5% and 27.5%, respectively. The change in the tax rate between 2006 and 2007 was a consequence of the publication of the Local Finances Law in the beginning of 2007, which changed the form of calculation of the Municipal Surcharge.

In accordance with the tax returns and other information prepared by the companies that have registered deferred tax assets, the detail of such deferred tax assets by nature at 30 June 2007 were as follows:

Nature	Optimus	We Do	Público	Digitmarket	Mainroad	Total
Tax losses:						
To be used until 2009	329,104	210,884	-	-	-	539,988
To be used until 2010	-	43,880	-	236,338	16,045	296,263
To be used until 2011	-	161,574	-	210,662	31,676	403,912
To be used until 2012	-	-	1,343,916	-	170,616	1,514,532
To be used until 2013	-	-	-	-	13,663	13,663
	329,104	416,338	1,343,916	447,000	232,000	2,768,358
Provisions not accepted for tax purposes and other temporary differences	7,939,742	543,805	-	-	-	8,483,547
Adjustments in the conversion to IAS/ IFRS	33,979,669	14,935	29,421	-	-	34,024,025
Differences between the tax and accounting value of fixed assets and others	14,695,303	-	-	-	-	14,695,303
Total	56,943,818	975,078	1,373,337	447,000	232,000	59,971,233

As at 30 June 2007 and 2006, the Group has other situations where potential deferred tax assets could result which were not recognised since it was not expected that sufficient taxable profits could be generated in the future to cover those losses:

	2007	2006
Tax losses	90,776,124	102,043,409
Temporary differences (mainly provisions not accepted for tax purposes)	21,269,982	23,145,305
Adjustments in the conversion to IAS/IFRS	2,143,761	2,584,540
	114,189,867	127,773,254

The reconciliation between the earnings before taxes and the taxes recorded in the semesters ended 30 June 2007 and 2006 is as follows:

	2007	2006
Earnings before taxes	(2,116,488)	31,467,403
Income tax rate (25% and 27.5%)	529,122	(8,653,536)
Deferred tax assets not recognised in the individual accounts and/or resulting from consolidation adjustments	(3,350,244)	(6,248,815)
Adjustments to taxable income	(65,019)	7,940,156
Deferred tax assets not recognised in previous years	1,047,498	8,600,000
Record of deferred tax liabilities	(192,228)	-
Movements in the temporary differences between the tax and accounting value of assets	(430,448)	(538,293)
Income taxation recorded in the semester (Note 20)	(2,461,319)	1,099,512

Portuguese Tax Authorities can review the income tax returns of the Company and of its subsidiaries for a period of four years (ten years for Social Security till 31 December 2000 and five years after that date),except when tax losses have been generated, tax benefits have been granted or when any review, claim or impugnation is in course, in which circumstances, the periods are extended or suspended. Consequently, tax returns of each year, since the year 2003 (inclusive) are still subject to such review. The Board of Directors believe that any correction that may arise as a result of such review would not produce a significant impact in the attached financial statements.

10. Other non current assets

As at 30 June 2007 and 2006 this caption was comprised mainly by loans granted to associated companies and was made up as follows:

	2007			2006		
	Gross amount	Accumulated impairment losses (Note 16)	Net amount	Gross amount	Accumulated impairment losses (Note 16)	Net amount
FINANCIAL ASSETS:						
Loans granted to companies recorded under the equity method:						
Profimetrics	-	-	-	150,000	-	150,000
Rádio Nova	-	-	-	118,500	(118,500)	-
	-	-	-	268,500	(118,500)	150,000
NON FINANCIAL ASSETS:						
Medium Term Incentive Plans (Notes 1. w) and 25)	-	-	-	3,132,933	-	3,132,933
	-	-	-	3,132,933	-	3,132,933
	-	-	-	3,401,433	(118,500)	3,282,933

The loans granted are recorded at their nominal value and are subject periodically to impairment tests.

11. Investments recorded at fair value through profit and loss

During the semesters ended 30 June 2007 and 2006, the movements in this heading were as follows:

	2007	2006
Balance at the beginning of the year	849,375	1,321,690
Acquisitions in the semester	-	414,842
Disposals in the semester	(738,634)	(1,237,987)
Increases/ reductions to fair value (Note 19)	294,943	159,583
	405,684	658,128

As at 30 June 2007, 'Investments recorded at fair value through profit and loss' correspond to 193,183 shares of Sonae, S.G.P.S., S.A., acquired to fulfil future obligations under the Medium Term Incentive Plans (562,500 shares in June 2006) and which was recorded based on the closing share price of Euronext at the balance sheet date.

Those shares were classified, at the initial moment, as investments recorded at fair value through profit and loss because they were acquired with the purpose of hedging the responsibilities associated to the Medium Term Incentive Plans .

12. Cash and cash equivalents

As at 30 June 2007 and 2006, the detail of cash and cash equivalents was as follows:

	2007	2006
Cash	127,347	31,510
Bank deposits repayable on demand	2,753,082	28,323,530
Treasury applications	195,582,734	67,599,483
Cash and cash equivalents	198,463,163	95,954,523
Bank overdrafts (Note 14)	(20,221)	(674,985)
	198,442,942	95,279,538

As at 30 June 2007 and 2006, the heading 'Treasury applications' had the following breakdown:

	2007	2006
Funds placed in Sonae:		
Sonaecom	69,420,004	38,323,004
Bank term deposits:		
Sonaecom BV	88,880,000	-
Optimus	35,499,960	25,945,000
WeDoBrasil	1,072,770	2,306,479
Mainroad	710,000	360,000
Optimus Towering	-	225,000
Público	-	100,000
Digitmarket	-	90,000
Novis	-	80,000
WeDo	-	80,000
Sonae Telecom SGPS	-	90,000
	195,582,734	67,599,483

During the semester ended 30 June 2007, the above referred treasury applications bear interests at an average rate of 3.741%.

13. Own shares

During the semester ended 30 June 2007, Sonaecom acquired a total of 1,894,326 own shares, representative of 0.52% of its share capital, at a medium price of Euro 4.72, to hedge the responsibilities associated with Medium Term Incentive Plans.

14. Loans

As at 30 June 2007 and 2006, the heading Loans had the following breakdown:

a) Medium and long-term loans net of short-term portion

Subsidiary	Issue denomination	Limit	Maturity	Type of reimbursement	Amount outstanding 2007	2006
Sonaecom SGPS	"Obrigações Sonaecom SGPS 2005"	-	Jun-13	Final	150,000,000	150,000,000
	Costs associated with setting-up the financing	-	-	-	(3,132,146)	(3,598,880)
	Accrued interests	-	-	-	215,125	-
					147,082,979	146,401,120
Optimus	European Investment Bank (a)	324,458,200	Jun-09	70% - Jun 09	227,120,740	324,458,200
	Costs associated with setting-up the financing	-	-	-	(8,275,409)	(12,852,153)
	Accrued interests	-	-	-	674,874	-
	Fair value of swaps	-	-	-	129,700	254,417
					219,649,905	311,860,464
					366,732,884	458,261,584

(a) As a guarantee of the EIB loans, the banks participating in the Optimus syndicated credit facility have issued a bank guarantee in favour of the EIB.

b) Short-term loans and other loans

Subsidiary	Lender	Type	Amount outstanding 2007	2006
Optimus	European Investment Bank (a)	Limit: 324.458.200 Reimbursement: 30% - June 2008	97,337,460	-
Various	Various	Bank overdrafts	20,221	674,985
			97,357,681	674,985

These loans bear interest at market rates, indexed to the Euribor for the respective terms and were all contracted in Euros. Consequently, it is estimated that their fair value does not differ significantly from their market value.

The spread on the medium and long term loans is between 55 and 87.5 basis points. In the case of the Optimus syndicated loan, the spread is linked to Optimus' financial performance, namely the ratio of Net Debt to EBITDA.

All of the above loans are unsecured and the fulfilment of the obligations under these loans is exclusively guaranteed by the underlying activities and the companies respective cash flows.

As at 30 June 2007 and 2006, the repayment schedule of medium and long term loans and bonds was as follows:

Maturity year	2007	2006
2008	-	97,337,460
2009	227,120,740	227,120,740
2013	150,000,000	150,000,000

The following interest rate hedging instruments were outstanding at 30 June 2007 and 2006:

Subsidiary	Hedged loan	Notional amount	Expiry date	Base rate	Fixed rate contracted	Fair value of the derivative transactions	
Optimus	European Investment Bank	55,000,000	Dec-07	Euribor 3m	4,75% (a)	(129,700)	-
					4.10%	-	(254,417)
		55,000,000				(129,700)	(254,417)

(a) This rate corresponds to the cap (maximum rate) contracted and effective after 15 September 2006. The rate effectively paid corresponds to the simple average of the 2 year swap rates verified during the period (4.134% in the last period of exchange).

The change in the fair value of the swap in the semester ended 30 June 2007, in the amount of Euro 22,240, was recorded in the profit and loss statement, as it was not considered to be efficient (Note 19).

The payments of interest on the loan and swap were made simultaneously. The next payments are due on 15 September and 15 December 2007.

15. Other non current financial liabilities

As at 30 June 2007 and 2006, this caption was made up of accounts payable to fixed assets suppliers related to leasing contracts that are due in more than one year in the amount of Euro 15,848,160 and Euro 1,803,449, respectively.

As at 30 June 2007 and 2006, accounts payable to fixed assets suppliers related to leasing contracts are due as follows:

	2007		2006	
	Lease payments	Present value of lease payments	Lease payments	Present value of lease payments
2006	-	-	1,618,942	1,555,377
2007	793,315	748,773	1,015,597	927,214
2008	2,370,875	2,251,984	683,590	635,427
2009	1,912,118	1,114,368	475,657	456,565
2010	1,684,308	930,364	228,719	220,614
2011	1,504,620	794,189	27909	27833
2012 and follows	17,942,365	12,699,552	-	-
	26,207,601	18,539,230	4,050,414	3,823,030
Interests	(7,668,371)	-	(227,384)	-
	18,539,230	18,539,230	3,823,030	3,823,030
Short term liability (Note 17)	-	(2,691,070)	-	(2,019,581)
	18,539,230	15,848,160	3,823,030	1,803,449

As these lease contracts bear interest at market rates, their fair value is estimated not to differ significantly from their book value.

The medium and long term agreements made with the suppliers of the fibre optic network capacity, under which the Group has the right to use that network, which is considered as a specific asset, are recorded as finance leases in accordance with IAS 17 – "Leases" and IFRIC 4 – "Determining whether an arrangement contains a Lease".

16. Provisions and accumulated impairment losses

The movements in provisions and in accumulated impairment losses in the semesters ended 30 June 2007 and 2006 were as follows:

2007							
Heading	Opening balance	Companies no longer consolidated	Transfers	Increases	Utilisations	Decreases	Closing balance
Accumulated impairment losses on accounts receivables	61,060,155	-	(1,088,763)	4,623,418	(3,240,914)	(13,932)	61,339,964
Accumulated impairment losses on inventories	6,122,085	-	-	1,034,000	-	-	7,156,085
Accumulated impairment losses on investments available for sale (Note 8)	2,539,229	-	-	-	-	-	2,539,229
Provisions for other liabilities and charges	20,078,571	-	1,088,763	3,333,475	(137,878)	(78,616)	24,284,315
	89,800,040	-	-	8,990,893	(3,378,792)	(92,548)	95,319,593

2006							
Heading	Opening balance	Companies no longer consolidated	Transfers	Increases	Utilisations	Decreases	Closing balance
Accumulated impairment losses on accounts receivables	64,905,431	(158,854)	-	2,118,274	(4,794,598)	(94,679)	61,975,574
Accumulated impairment losses on inventories	7,134,249	-	-	1,535,000	(1,365,375)	-	7,303,874
Accumulated impairment losses on investments available for sale (Note 8)	2,685,477	-	-	-	(146,248)	-	2,539,229
Accumulated impairment losses on other non current assets and in associated companies investments (Notes 3 and 10)	986,956	-	-	-	(868,456)	-	118,500
Provisions for other liabilities and charges	5,092,476	(339,409)	238,465	9,495,821	(296,183)	(76,100)	14,115,070
	80,804,589	(498,263)	238,465	13,149,095	(7,470,860)	(170,779)	86,052,247

The increase of 'Provisions for other liabilities and charges' includes the amount of Euro 2,642,400 associated with the dismantling of sites (Euro 7,543,620 in 2006), as foreseen in IAS 16 (Note 1.c.)). As such, the total amount included under increase of provisions and of impairment losses, registered against a corresponding entry in the profit and loss statement, corresponds to Euro 6,348,493 (Euro 5,605,475 in 2006).

The heading utilisations refers, essentially, to the use of provisions by the subsidiary Optimus, which were registered against an entry in customers' current accounts.

As at 30 June 2007 and 2006, the breakdown of the provisions for other liabilities and charges were as
follows:

	2007	2006
Dismantling of sites	17,748,220	10,426,920
Legal processes	5,144,820	2,481,835
Indemnities	738,521	833,400
Others	652,754	372,915
	24,284,315	14,115,070

As at 30 June 2007, accounts receivable overdue more than 6 months, net of the amount of VAT that the Group expects to recover, were fully provided for.

Credit risk, which is monitored continuously, is made up as follows:

The amounts receivable from operators are subject to review on an individual basis. The maximum exposure to risk is determined for each operator and the impairment adjustment is calculated based on the age of each balance, the existence of disputes and the financial situation of the operator.

Agents are classified, in terms of risk, based on the regularity of the services rendered by them and their financial situation, the impairment adjustment being calculated by application of an uncollectible percentage, based on historical data.

In the case of regular customers, impairment is calculated by application of an uncollectible percentage based on historical data regarding collections.

In the case of the remaining accounts receivable, impairment losses are determined based on the age of the receivables, net of the amounts payable.

Guarantees and pledges from some operators and agents are not material.

17. Other current financial liabilities

As at 30 June 2007 this caption includes the amount of Euro 2,691,070 (Euro 2,019,581 in 2006) related to the short term portion of lease contracts (Note 15).

18. External supplies and services

'External supplies and services' for the semesters ended 30 June 2007 and 2006 are made up as follows:

	2007	2006
Interconnection costs	108,204,849	98,017,047
Commissions	26,758,606	27,517,216
Specialised works	23,512,143	24,580,627
Advertising and publicity	17,216,197	14,559,508
Rents	14,587,011	15,299,864
Leased lines	11,479,861	10,098,321
Others subcontracts	10,151,959	10,817,300
Energy	4,070,490	3,404,162
Maintenance and repairs	3,290,207	2,562,166
Communications	2,578,101	2,281,573
Fees	2,382,781	1,833,050
Travelling costs	1,922,935	3,260,343
Other supplies and services	9,022,931	7,900,905
	235,178,071	222,132,082

The commitments assumed by the Group in 30 June 2007 related with operational leases are as follows:

Minimum payments of operational leases	
2007	2,027,550
2008	3,460,871
2009	2,072,253
2010	876,034
2011	74,157
	8,510,865

19. Financial results

Net financial results for the semesters ended 30 June 2007 and 2006 are made up as follows:

	2007	2006
Gains and losses on associated companies:		
Losses on associated companies	(87,573)	(63,575)
Gains on associated companies	-	28,766
	(87,573)	(34,809)
Gains and losses on Investments available for sale (Note 8)	2,473,445	-
Other financial expenses:		
Interest expenses		
Bank loans	(10,368,308)	(7,640,798)
Other loans	(6,509,673)	-
Swap interests	(138,359)	(206,424)
Leasing interests	(62,726)	(112,558)
Bank overdrafts and others	(52,371)	(20,513)
	(17,131,437)	(7,980,293)
Foreign exchange losses	(49,081)	(89,956)
Adjustments to fair value on investments recorded at fair value through profit and loss (Note 11)	-	(16,875)
Other financial expenses		
Set up costs (Note 14)	(2,557,280)	(2,441,256)
Swap fair value (Note 14)	(22,240)	(38,004)
Others	(257,593)	(283,477)
	(2,837,113)	(2,762,737)
	(20,017,631)	(10,849,861)
Other financial income:		
Interest income	8,908,752	2,750,475
Foreign exchange gains	192,557	153,844
Adjustments to fair value on investments recorded at fair value through profit and loss (Note 11)	294,943	176,458
Other financial income	-	84,992
	9,396,252	3,165,769

'Interest income' includes, mainly, interest earned on the treasury applications granted to Sonae and on bank deposits (Note 12).

20. Income taxation

Income taxes recognised during the semesters ended 30 June 2007 and 2006 are made up as follows ((costs)/gains):

	2007	2006
Current tax	(459,642)	(678,975)
Deferred tax asset (Note 9)	(1,809,449)	1,778,487
Deferred tax liability	(192,228)	-
	(2,461,319)	1,099,512

21. Related parties

During the semesters ended 30 June 2007 and 2006, the balances and transactions with related parties mainly relate to the normal operational activity of the Group (providing communications and consultancy services) as well granting and obtaining loans.

The most significant balances and transactions with related parties at 30 June 2007 and 2006 were as follows:

	Balances at 30 June 2007				
	Accounts receivable	Accounts payable	Treasury applications	Accruals	Loans obtained
Sonae	34,320	15,987	69,420,004	137,374	-
Modelo Continente Hipermercados, S.A.	349,696	102,941	-	(137,932)	-
Worten	1,708,238	134,193	-	(241,975)	-
France Telecom	1,259,126	4,216,859	-	28,560	-
Sonae Investments BV	-	-	-	(3,495,942)	-
	3,351,380	4,469,980	69,420,004	(3,709,915)	-

	Balances at 30 June 2006				
	Accounts receivable	Accounts payable	Treasury applications	Accruals	Loans obtained
Sonae	31,271	20,715	38,323,004	23,146	-
Modelo Continente Hipermercados, S.A.	2,378,953	286,486	-	(776,376)	-
France Telecom	3,127,725	4,435,743	-	157,382	-
Sonae Investments BV	126,218	-	-	(6,815,657)	-
	5,664,167	4,742,944	38,323,004	(7,411,505)	-

Transactions at 30 June 2007				
	Sales and services rendered	Supplies and services received	Interest and similar income/ (expense)	Supplementary income
Sonae	178,172	75,014	1,295,545	61,793
Modelo Continente Hipermercados, S.A.	1,328,448	1,369,873	-	245,719
Worten	2,670,450	304,356	-	-
France Telecom	1,781,819	47,387	-	-
	5,958,889	1,796,630	1,295,545	307,512

Transactions at 30 June 2006				
	Sales and services rendered	Supplies and services received	Interest and similar income/ (expense)	Supplementary income
Sonae	162,449	265,681	2,004,921	2,621
Modelo Continente Hipermercados, S.A.	7,174,817	909,755	-	-
France Telecom	1,548,992	3,276,361	-	-
	8,886,258	4,451,797	2,004,921	2,621

A complete listing of the Sonaecom Group's related parties is presented in an appendix to this report.

22. Guarantees provided to third parties

Guarantees provided to third parties at 30 June 2007 and 2006 were as follows:

Company	Beneficiary	Description	2007	2006
Optimus	European Investment Bank	Loan	324,458,200	324,458,200
Sonaecom	BBVA – Portugal, ING Belgium Portugal and Millennium BCP	Commercial paper	70,000,000	70,000,000
Novis and Sonaecom	Direcção de Contribuições e Impostos (Portuguese tax authorities)	VAT Reimbursements	2,096,589	108,372
Optimus	Direcção de Contribuições e Impostos (Portuguese tax authorities)	IRC - Tax assessment	1,650,000	-
Optimus and Público	Direcção de Contribuições e Impostos (Portuguese tax authorities)	VAT - Impugnation process	598,000	598,000
Público	Tribunal de Trabalho de Lisboa (Lisbon Labour Court)	Execution action n. 199A/92	271,511	271,511
Público	Fazenda Pública do Porto (Oporto Public Treasury)	Tax process n. 3190/98	209,493	209,493
We Do and Enabler (2006)	API (Portuguese Investment Agency)	Application to PRIME subsidies	184,004	184,004
Optimus and Novis	Direcção Geral do Tesouro (Portuguese tax authorities)	IRC – Witholding tax on payments to non-residents	164,000	164,000
Novis and Digitmarket	Hewlett Packard	Finance lease and services provider contracts	159,859	98,181
Novis	Governo Civil de Santarém (Santarém Government Civil)	Guarantee the fulfilment of legal obligations associated with a public contest launched	119,703	119,703
Novis	Câmara Municipal de Coimbra (Coimbra Municipality)	Performance bond - works	108,333	101,403
Optimus	Governo Civil de Lisboa (Lisbon Government Civil)	Guarantee the fulfilment of legal obligations	98,195	98,195
Novis	Câmara Municipal de Lisboa (Lisbon Municipality)	Performance bond - works	85,652	91,560
Novis	Câmara Municipal de Braga (Braga Municipality)	Performance bond - works	45,416	45,416
Novis	Câmara Municipal de Elvas (Elvas Municipality)	Performance bond - works	28,142	28,142
Novis	Câmara Municipal de Caldas da Rainha (Caldas da Rainha Municipality)	Performance bond - works	19,952	19,952
Optimus	ANACOM	UMTS License	-	2,493,989
Various	Others		669,623	484,371
			400,966,672	399,574,492

23. Information by business segment

The following business segments were identified for the semesters ending 30 June 2007 and 2006:

- Mobile network
- Fixed network and Internet
- Multimedia
- Information systems

The remaining activities of the Group and corporate services have been classified as unallocated.

Inter-segment transactions at 30 June 2007 and 2006 were eliminated in the consolidation process.

Due to the immateriality of the assets and transactions of the Group outside Portugal, segment information by geographical markets is not presented.

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties and are mainly related to interconnection, interest on treasury applications and management fees.

Overall information by business segment at 30 June 2007 and 2006 can be summarised as follows:

	Mobile Network		Fixed Network and Internet		Multimedia		Information Systems *		Other		Sub-total		Eliminations		Total	
	June-2007	June-2006	June-2007	June-2006	June-2007	June-2006	June-2007	June-2006	June-2007	June-2006	June-2007	June-2006	June-2007	June-2006	June-2007	June-2006
Revenues:																
Sales and services rendered	293,476,296	291,227,012	110,734,363	93,775,686	16,650,213	19,250,964	32,785,113	46,223,081	3,407,343	3,686,397	457,053,328	454,163,140	(43,621,286)	(44,619,338)	413,432,042	409,543,802
Other operating revenues	17,006,821	18,001,431	1,840,264	2,451,871	110,806	190,065	242,301	26,909,836	198,759	174,051	19,398,951	47,727,254	(17,331,419)	(19,186,002)	2,067,532	28,541,252
Total revenues	310,483,117	309,228,443	112,574,627	96,227,557	16,761,019	19,441,029	33,027,414	73,132,917	3,606,102	3,860,448	476,452,279	501,890,394	(60,952,705)	(63,805,340)	415,499,574	438,085,054
Depreciation and amortisation	(56,821,053)	(57,458,386)	(9,683,313)	(7,898,500)	(340,844)	(412,148)	(700,413)	(842,178)	(138,331)	(161,159)	(67,683,954)	(66,772,371)	624,295	475,205	(67,059,659)	(66,297,166)
Net operating income/(loss) for the segment	16,875,317	29,392,052	(8,913,725)	(14,972,051)	(2,258,193)	(3,072,812)	1,980,573	28,319,556	(2,188,270)	(441,995)	5,495,702	39,224,750	623,317	(38,446)	6,119,019	39,186,304
Net interests	(4,622,907)	(3,811,574)	(1,678,662)	(1,291,076)	(87,740)	(105,431)	316,361	390,579	(2,087,895)	(381,908)	(8,160,843)	(5,199,410)	(61,842)	(30,408)	(8,222,685)	(5,229,818)
Gains and losses on associated companies	-	-	-	-	-	-	(60,751)	-	-	-	(60,751)	-	(26,822)	(34,809)	(87,573)	(34,809)
Other financial results	(2,502,623)	(2,428,514)	(8,309)	(305)	(6,145)	(10,653)	(11,045)	19,138	11,219,177	(41,967)	8,691,055	(2,462,301)	(8,616,304)	8,027	74,751	(2,454,274)
Income taxation	(1,466,343)	2,086,325	(21,344)	(24,657)	(10,588)	(11,329)	(958,667)	(947,034)	(4,377)	(3,793)	(2,461,319)	1,099,512	-	-	(2,461,319)	1,099,512
Consolidated net income/(loss) for the semester	8,283,444	25,238,289	(10,622,040)	(16,288,089)	(2,362,666)	(3,200,225)	1,266,471	27,782,239	6,938,635	(869,663)	3,503,844	32,662,552	(8,081,651)	(95,636)	(4,577,807)	32,566,915
Attributable to:																
Shareholders of Parent Company	**8,283,444**	**25,238,289**	**(10,622,040)**	**(16,288,089)**	**(2,362,666)**	**(3,200,225)**	**1,127,159**	**27,782,239**	**6,938,636**	**(869,663)**	**3,364,533**	**32,662,551**	**(8,077,857)**	**(8,386,432)**	**(4,713,324)**	**24,276,119**
Minority interests	-	-	-	-	-	-	139,312	-	-	-	139,312	-	(3,795)	8,290,796	135,517	8,290,796
Assets:																
Fixed assets and Goodwill	548,826,171	558,211,442	121,455,286	98,953,838	2,185,293	2,233,666	44,197,945	41,494,873	2,000,086	2,223,677	718,664,781	703,117,496	452,380,273	226,918,059	1,171,045,054	930,035,555
Inventories	22,689,749	19,037,675	1,577,352	2,099,122	1,681,384	959,104	32,442	19,637	-	-	25,980,927	22,115,538	-	-	25,980,927	22,115,538
Financial investments	1,282,025	1,282,025	-	-	1,097,695	979,194	907,495	1,062,485	1,186,671,900	733,798,277	1,189,959,115	737,121,981	(1,188,016,182)	(628,520,568)	1,942,933	108,601,413
Other non current assets	58,587,997	70,765,067	-	533,367	1,373,336	1,724,127	1,654,078	1,503,401	500,298,651	641,754,989	561,914,062	716,280,951	(501,942,829)	(643,190,676)	59,971,233	73,090,275
Other current assets of the segment	305,097,093	290,856,264	81,014,513	79,058,891	8,379,548	9,816,109	33,764,095	52,557,967	208,803,551	95,428,919	637,058,800	527,718,150	(202,971,142)	(179,661,949)	434,087,658	348,056,201
	936,483,035	940,152,473	204,047,151	180,645,218	14,717,256	15,712,200	80,556,055	96,638,363	1,897,774,188	1,473,205,862	3,133,577,685	2,706,354,116	(1,440,549,880)	(1,224,455,134)	1,693,027,805	1,481,898,982
Liabilities:																
Liabilities of the segment	580,499,492	546,165,099	191,980,240	175,431,687	17,532,199	21,332,416	28,422,738	24,026,464	437,494,621	292,281,157	1,255,929,290	1,059,236,823	(455,157,965)	(294,258,762)	800,771,325	764,978,061
	580,499,492	546,165,099	191,980,240	175,431,687	17,532,199	21,332,416	28,422,738	24,026,464	437,494,621	292,281,157	1,255,929,290	1,059,236,823	(455,157,965)	(294,258,762)	800,771,325	764,978,061

(*) Since January 2007, the Information System segment includes the company Sonae.com - Sistemas de Informação, S.G.P.S., S.A.. The comparatives were restated.

24. Earnings per share

Earnings per share, basic and diluted, are calculated by dividing the consolidated net income of the semester attributable to the Group (Euro 4,713,324 negative in 2007 and Euro 24,276,119 in 2006) by the average number of shares outstanding during the semesters ended 30 June 2007 and 2006, net of own shares (364,352,542 in 2007; 296,526,868 in 2006).

25. Medium Term Incentive Plans

In June 2000, Sonaecom Group created a discretionary Medium Term Incentive Plan for more senior employees, based on Sonaecom options and shares and Sonae S.G.P.S., S.A. shares. The vesting occurs three years after the award of each plan, assuming that the employees are still employed in the Group. In some annual plans, beneficiaries can chose between options or shares. Options are valued using the Black Scholes options pricing Model.

The Sonaecom plans outstanding at 30 June 2007 can be summarized as follows:

		Vesting period		Exercise period		30 June 2007	
	Share price at award date *	Award date	Vesting date	From	To	Aggregate number of participants	Number of options/ shares
Sonaecom options							
2002 Plan	1.694	31-Mar-03	10-Mar-06	13-Mar-06	09-Mar-07	-	-
2003 Plan	-	-	-	-	-	-	-
2004 Plan	-	-	-	-	-	-	-
2005 Plan	-	-	-	-	-	-	-
Sonaecom shares							
2003 Plan	3.19	31-Mar-04	09-Mar-07	-	-	348	1,176,640
2004 Plan	3.96	31-Mar-05	10-Mar-08	-	-	362	1,042,151
2005 Plan	4.093	10-Mar-06	09-Mar-09	-	-	388	923,798
2006 Plan	4.697	09-Mar-07	10-Mar-10	-	-	420	1,060,397
Sonae SGPS shares							
2003 Plan	0.93	31-Mar-04	09-Mar-07	-	-	12	369,317
2004 Plan	1,17	31-Mar-05	10-Mar-08	-	-	13	367,741
2005 Plan	1.34	10-Mar-06	09-Mar-09	-	-	13	187,186
2006 Plan	1.69	09-Mar-07	10-Mar-10	-	-	13	272,210

* Average share price in the month prior to the award date, except for Sonae SGPS shares, priced on the award date.

During the semester ended 30 June 2007, 343,571 options were exercised at an average price of Euro 5.67, and 167,062 options of the 2002 Plan were extinguished.

Sonaecom signed agreements to cover the execution and hedging of its Medium Term Incentive Plans and related obligations and acquired Sonae SGPS shares with the same purpose. The agreement means that Sonaecom's liabilities are limited to a maximum of Euro 4,266,645, with the exception of the two plans of 2006 and in 2007. This value is recorded in the caption 'Other non current liabilities' (Euro 240,736).

Sonaecom has entered into mirror agreements with its subsidiaries to transfer the corresponding liabilities to each subsidiary.

For the Sonaecom's share plans attributed in 2006 and in 2007, the Group acquired own shares in order to cover the execution and hedging. The total responsibility calculated with the share price at award date date is Euro 2,027,468 and was recorded in 'Reserves for Medium Term Incentive Plans'.

The costs of the Option and Share Plans are recognised in the accounts over the period between the award and the vesting date of those shares and options. The costs recognised on previous years and in the semester ended at 30 June 2007, are as follows:

	Amount
Costs recognised on previous years	16,537,840
Costs recognised in the semester	2,743,018
Costs of plans from subsidiary Exit (no longer consolidated)	(8,882)
Costs of plans vested on previous years	(9,145,896)
Costs of plans vested in the semester	(4,473,245)
Other non current and current assets (Deferred costs not yet recognised)	873,986
Others	8,028
Total cost of the plans	6,534,849
Other non current and current liabilities	(4,507,381)
Reserves	(2,027,468)

26. Others matters

(i) As of 30 June 2007, accounts receivable from customers and payable to suppliers include Euro 37,139,253 and Euro 29,913,608, respectively, and 'Other current assets' and 'Other current liabilities' include Euro 411,649 and Euro 6,856,200, respectively, resulting from a dispute between the subsidiary Optimus and the operator TMN – Telecomunicações Móveis Nacionais, S.A., in relation to interconnection tariffs, already recorded on the year ended 31 December 2001. The Company has considered the most penalising tariffs in the consolidated financial statements. In the lower court, the decision was favourable to Optimus but the higher courts decided that the case should be tried again.

(ii) In the Arbitration Court proceeding imposed to resolve the conflict between Maxistar and the other shareholders of Optimus - for breach of a clause of the Shareholders' Agreement, Maxistar was condemned to pay an indemnity of Euro 2,344,350 plus legal interest calculated until the date of payment or, alternatively, to subject itself to a purchase option over its participation in Optimus at 70% of its actual value. Maxistar has appealed against the decision of the Arbitration Court but that appeal was already rejected in the lower courts. In consequence of this rejection, Maxistar appeals to the 'Tribunal da Relação de Lisboa'.

As a way to execute the amounts due to be paid by Maxistar, and after having informed Maxistar of their preference for the payment in cash, some shareholders have proposed an execution action. Before the decision of the Arbitration Court, Maxistar paid those shareholders, as a way of avoiding the execution, a total amount of Euro 4,068,048 (capital plus interest), of which Euro 2,183,899 was paid to Sonaecom.

The Sonaecom' s management still does not expect Maxistar's appeal to be upheld.

27. Commitments associated to "Information Society"

At the time Optimus was awarded its UMTS license, it assumed commitments in the area of the promotion and development of the Information Society, totalling around Euro 274 million.

Some of the commitments have already been fulfilled and duly recognised by MOPTC ("Ministério das Obras Públicas, Transportes e Comunicações") and other entities specifically created to assess and validate the projects carried out for that purpose. The remaining commitments will be fulfilled during the remaining license period (up to 2015), under the terms recently agreed between MOPTC and Optimus, through contributions to the Government project "Iniciativas E" and by its own projects, qualifiable as contributions to the Information Society.

Also, by agreement between MOPTC, Optimus and the other mobile operators, the commitment of the three operators relating to the acquisition of the rights to use the UMTS frequencies corresponding to ONIWAY- Infocomunicações, S.A.'s licence were definitively and fully clarified and extinguished, Optimus being responsible to contribute cash of Euro 8,313,298.28 to an Information Society Fund to be created. However, this commitment is guaranteed by Oniway's shareholders as of that date.

28. Subsequent events

On 6 July 2007 Sonaecom signed three contracts with Banco BPI, S.A., to cover its liability relating to the Sonae S.G.P.S, S.A. share plans under the Medium Term Incentive Plans.

These consolidated financial statements were approved and authorized for publication by the Board of Directors on 26 July 2007.

These financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards (IAS/IFRS) and the format and disclosures required by those Standards, some of which may not conform to or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

In accordance with article 250, n. 3 the Securities and Exchange Commission (CMVM) has authorized Sonaecom not to publish the individual accounts. The latter may be viewed, together with all other Company accounts, at the Company's head offices, in accordance with the Commercial Law Code (Código das Sociedades Comerciais).

APPENDIX

As at 30 June 2007, the related parties of Sonaecom Group are as follows:

Key management personnel	
Álvaro Carmona e Costa Portela	Jean François Pontal
Álvaro Cuervo Garcia	Luís Filipe Campos Dias Castro Reis
Angêlo Gabriel Ribeirinho dos Santos Paupério	Luís Filipe Palmeira Lampreia
António Bernardo Aranha da Gama Lobo Xavier	Maria Cláudia Teixeira de Azevedo
António de Sampaio e Mello	Michel Marie Bom
Belmiro de Azevedo	Miguel Nuno Santos Almeida
David Hobley	Nuno Manuel Moniz Trigoso Jordão
Duarte Paulo Teixeira de Azevedo	Nuno Miguel Teixeira Azevedo
George Christopher Lawrie	Paulo Jorge Henriques Pereira
Gervais Pellissier	Pedro Miguel Freitas Ramalho Carlos

Sonae Group Companies	
3DO Holding GmbH	Aserraderos de Cuellar,S.A.
3DO Shopping Centre GmbH	Atlantic Ferries-Tráf.Loc,Flu.e Marít,S.A.
3shoppings - Holding,SGPS, S.A.	Avenida M-40 B.V.
Aegean Park,S.A.	Avenida M-40,S.A.
Agepan Eiweiler Management GmbH	Azulino Imobiliária, S.A.
Agepan Flooring Products, S.A.RL	Bertimóvel - Sociedade Imobiliária, S.A.
Agepan Tarket Laminate Park GmbH Co. KG	Best Offer-Prest. Inf. p/Internet,S.A.
Agloma Investimentos, Sgps, S.A.	Bikini, Portal de Mulheres,S.A.
Agloma-Soc.Ind.Madeiras e Aglom.,S.A.	Bloco Q-Sociedade Imobiliária,S.A.
Águas Furtadas - Imobiliária, S.A.	Bloco W-Sociedade Imobiliária,S.A.
Airone - Shopping Center, Srl	Boavista Shopping Centre BV
ALEXA Administration GmbH	Box Lines Navegação,S.A.
ALEXA Holding GmbH	Cacetinho-Com.Ret.e Expl.C.Comerciais,S.A.
ALEXA Shopping Centre GmbH	Campo Limpo, Lda
Alexa Site GmbH & Co. KG	Canasta-Empreendimentos Imobiliários,S.A.
Algarveshopping- Centro Comercial, S.A.	Carnes do Continente-Ind.Distr.Carnes,S.A.
Andar - Sociedade Imobiliária, S.A.	CarPlus – Comércio de Automóveis, S.A.
Aqualuz - Turismo e Lazer, Lda	CaS.A. Agrícola de Ambrães, S.A.
Aquapraia - Investimentos Turísticos,S.A.	CaS.A. Agrícola João e A. Pombo, S.A.
Arrábidashopping- Centro Comercial, S.A.	CaS.A. da Ribeira - Hotelaria e Turismo,S.A.
Cascaishopping- Centro Comercial, S.A.	Fozmassimo - Sociedade Imobiliária, S.A.
Cascaishopping Holding I, SGPS, S.A.	Freccia Rossa- Shopping Centre S.r.l.
Centro Colombo- Centro Comercial, S.A.	Friengineering International Ltda
Centro Residencial da Maia,Urban.,S.A.	Fundo de Invest. Imobiliário Imosede
Centro Vasco da Gama-Centro Comercial,S.A.	Fundo Invest.Imob.Shopp. Parque D.Pedro
Change, SGPS, S.A.	Gaiashopping I- Centro Comercial, S.A.

Chão Verde-Soc.Gestora Imobiliária,S.A.	Gaiashopping II- Centro Comercial, S.A.
Choice Car - Comércio de Automóveis, S.A.	GHP Gmbh
Choice Car SGPS, S.A.	Gli Orsi - Shopping Centre, Srl
Cia.de Industrias e Negócios,S.A.	Global S-Hipermercado,Lda
Cinclus Imobiliária,S.A.	Glunz AG
Cinclus-Plan. e Gestão de Projectos,S.A.	Glunz Service GmbH
Citorres-Sociedade Imobiliária,S.A.	Glunz UK Holdings Ltd
Clérigoshopping- Gestão do C.Comerc.,S.A.	Glunz Uka Gmbh
Coimbrashopping- Centro Comercial, S.A.	Golf Time-Golfe e Invest. Turísticos, S.A.
Contacto Concessões, SGPS, S.A.	Guerin – Rent a Car (Dois), Lda.
Contacto-SGPS,S.A.	Guimarãeshopping- Centro Comercial, S.A.
Contacto-Sociedade de Construções,S.A.	Hornitex Polska Sp z.o.o
Contibomba-Comérc.Distr.Combustiveis,S.A.	Iberian Assets, S.A.
Contimobe-Imobil.Castelo Paiva,S.A.	IGI-Investimento Imobiliário,S.A.
Contry Club da Maia-Imobiliaria,S.A.	Igimo-Sociedade Imobiliária,S.A.
Cronosaúde - Gestão Hospitalar, S.A.	Iginha-Sociedade Imobiliária,S.A.
Cumulativa - Sociedade Imobiliária, S.A.	Imoareia - Invest. Turísticos, SGPS, S.A.
Darbo S.A.S	Imobiliária da Cacela, S.A.
Developpement & Partenariat Assurances, S.A.	Imoclub-Serviços Imobilários,S.A.
Difusão-Sociedade Imobiliária,S.A.	Imoconti- Soc.Imobiliária,S.A.
Distrifin-Comercio y Prest.Servicios,S.A.	Imodivor - Sociedade Imobiliária, S.A.
DMJB, SGPS, S.A.	Imoestrutura-Soc.Imobiliária,S.A.
Dortmund Tower GmbH	Imoferro-Soc.Imobiliária,S.A.
Dos Mares - Shopping Centre B.V.	Imohotel-Emp.Turist.Imobiliários,S.A.
Dos Mares-Shopping Centre, S.A.	Imomuro-Sociedade Imobiliária,S.A.
Ecociclo - Energia e Ambiente, S.A.	Imopenínsula - Sociedade Imobiliária, S.A.
Ecociclo II - Energias, S.A.	Imoplamac Gestão de Imóveis,S.A.
Efanor Investimentos, SGPS, S.A.	Imoponte-Soc.Imobiliaria,S.A.
Efanor Serviços de Apoio à Gestão, S.A.	Imoresort - Sociedade Imobiliária, S.A.
Efanor-Design e Serviços,S.A.	Imoresultado-Soc.Imobiliaria,S.A.
Efanor-Indústria de Fios,S.A.	Imosedas-Imobiliária e Seviços,S.A.
El RoS.A.I Shopping, S.A.	Imosistema-Sociedade Imobiliária,S.A.
Elmo SGPS, S.A.	Imosonae II
Empreend.Imob.Quinta da Azenha,S.A.	Implantação - Imobiliária, S.A.
Equador & Mendes,Lda	Infofield-Informática,S.A.
Espimaia -Sociedade Imobiliária,S.A.	Inparsa - Gestão Galeria Comercial, S.A.
Estação Oriente-Gest.de Galerias Com.,S.A.	Inparvi SGPS, S.A.
ESPRIT - Esprit du Monde	Insulatroia - Sociedade Imobiliária, S.A.

Estação Viana- Centro Comercial, S.A.	Integrum-Serviços Partilhados,S.A.
Estêvão Neves-Hipermercados Madeira,S.A.	Interclean, S.A.
Etablissement A. Mathe, S.A.	Interlog-SGPS,S.A.
Euro Decorative Boards,Ltd	Inventory-Acessórios de Casa,S.A.
Euromegantic,Lteé	Investalentejo, SGPS, S.A.
Euroresinas-Indústrias Quimicas,S.A.	Invsaude - Gestão Hospitalar, S.A.
Finlog - Aluguer e Comércio de Automóveis, S.A.	Ipaper-Industria Papeis Impregnados,S.A.
Fozimo-Sociedade Imobiliária,S.A.	ISF - Imobiliário, Serviços e Participaç
Isoroy SAS	OSB Deustchland Gmbh
La Farga - Shopping Center, SL	Paracentro - Gest.de Galerias Com., S.A.
Larissa Develop. Of Shopping Centers, S.A.	Parcium Imobiliária, S.A.
Lazam Corretora, Ltda.	Parcomarco, Gest Parq Est Centros Comer
Le Terrazze - Shopping Centre S.r.l.	Pareuro, BV
Leroy Gabon S.A.	Pargeste SGPS, S.A.
Libra Serviços, Lda.	Park Avenue Develop. of Shop. Centers S.A.
Lidergraf - Artes Gráficas, Lda.	Parque Atlântico Shopping - C.C., S.A.
Lima Retail Park, S.A.	Parque D. Pedro 1 B.V.
Loureshopping- Centro Comercial, S.A.	Parque D. Pedro 2 B.V.
Luso Assistência - Gestão de Acidentes, S.A.	Parque de Famalicão - Empr. Imob., S.A.
Luz del Tajo - Centro Comercial S.A.	Parque Principado SL
Luz del Tajo B.V.	Partnergiro - Empreend. Turísticos, Lda
Madeirashopping- Centro Comercial, S.A.	Pátio Boavista Shopping Ltda.
Maiashopping- Centro Comercial, S.A.	Pátio Penha Shopping Ltda.
Maiequipa-Gestão Florestal,S.A.	Pátio São Bernardo Shopping Ltda
Marcas MC, ZRT	Pátio Sertório Shopping Ltda
Marimo -Exploração Hoteleira Imobiliária	Peixes do Continente-Ind.Dist.Peixes,S.A.
Marina de Tróia S.A.	PHARMACONTINENTE - Saúde e Higiene, S.A.
Marinamagic-Expl.Cent.Lúdicos Marít,Lda	PJP - Equipamento de Refrigeração, Lda
Marmagno-Expl.Hoteleira Imob.,S.A.	Placage d'Okoumé du Gabon
Martimope - Sociedade Imobiliária, S.A.	Plaza Eboli B.V.
Marvero-Expl.Hoteleira Imob.,S.A.	Plaza Eboli - Centro Comercial S.A.
Max Office Artigos Serviços p/escrit.,S.A.	Plaza Mayor Holding, SGPS, S.A.
MC Property Management S.A.	Plaza Mayor Parque de Ócio B.V.
MDS Corretor de Seguros, S.A.	Plaza Mayor Parque de Ocio,S.A.
Mediterranean Cosmos Shop. Centre Investments, S.A.	Plaza Mayor Shopping B.V.
Megantic BV	Plaza Mayor Shopping, S.A.

MJLF-Empreendimentos Imobiliários, S.A.	Plysorol SAS
Modalfa-Comércio e Serviços,S.A.	Poliface Brasil, Ltda
Modelo - Dist.de Mat. de Construção,S.A.	Poliface North America
Modelo Continente - Oper.Retalho SGPS,S.A.	Porturbe-Edificios e Urbanizações,S.A.
Modelo Continente Hipermercados,S.A.	Praedium II-Imobiliária,S.A.
Modelo Continente, SGPS,S.A.	Praedium III-Serviços Imobiliários,S.A.
Modelo Hiper Imobiliária,S.A.	Praedium SGPS, S.A.
Modelo,SGPS,S.A.	Predicomercial-Promoção Imobiliária,S.A.
Modelo.com-Vendas p/Correspond.,S.A.	Prédios Privados Imobiliária,S.A.
Modis Distribuição Centralizada,S.A.	Predisedas-Predial das Sedas,S.A.
Monselice Centre Srl	Pridelease Investments, Ltd
Movelpartes-Comp.para Ind.Mobiliária,S.A.	Profimetrics - Software Solutions, S.A.
Mundo Vip - Operadores Turisticos, S.A.	Proj. Sierra Germany 1 - Shop.C. GmbH
NAB, Sociedade Imobiliária,S.A.	Proj. Sierra Germany 4 (four)-Sh.C.GmbH
NA-Comércio de Artigos de Desporto, S.A.	Proj. Sierra Italy 2 - Dev.of Sh.C. Srl
NA-Equipamentos para o Lar, S.A.	Proj.Sierra 1 - Shopping Centre GmbH
Net Mall SGPS, S.A.	Proj.Sierra Germany 2 (two)-Sh.C.GmbH
Norscut - Concessionária de Scut Interior Norte, S.A.	Proj.Sierra Germany 3 (three)-Sh.C.GmbH
Norte Shop. Retail and Leisure Centre BV	Proj.Sierra Hold. Portugal IV,SGPS,S.A.
Norteshopping-Centro Comercial, S.A.	Proj.Sierra Hold. Portugal V, SGPS,S.A.
Nova Equador Internacional,Ag.Viag.T,Ld	Proj.Sierra Italy 1 -Shop.Centre Srl
Novobord (PTY) Ltd.	Proj.Sierra Italy 3 - Shop. Centre Srl
Oeste Retail Park - Gestão G.Comerc., S.A.	Proj.Sierra Portugal I- C.Comerc., S.A.
OK Bazar-Comércio Geral,S.A.	Proj.Sierra Portugal II-C.Comerc.,S.A.
Operscut - Operação e Manutenção de Auto-estradas, S.A.	Proj.Sierra Portugal III-C.Comerc.,S.A.
Proj.Sierra Portugal IV-C.Comerc.,S.A.	Sic Indoor - Gestão de Suportes Publicitários, S.A.
Proj.Sierra Portugal V-C.Comercial,S.A.	Sierra Asset Management-Gest. Activos,S.A.
Proj.Sierra Portugal VI-C.Comercial,S.A.	Sierra Brazil 1 B.V.
Proj.Sierra Portugal VII - C. Comerc.,S.A.	Sierra Charagionis Develop.Sh. Centre S.A.
Proj.Sierra Portugal VIII - C.Comerc.,S.A.	Sierra Charagionis Propert.Management S.A.
Project SC 1 BV	Sierra Corporate Services- Ap.Gestão, S.A.
Project SC 2 BV	Sierra Corporate Services Holland, BV

Project Sierra 1 B.V.	Sierra Develop.Iberia 1, Prom.Imob.,S.A.
Project Sierra 2 B.V.	Sierra Development Greece, S.A.
Project Sierra 3 BV	Sierra Developments Germany GmbH
Project Sierra 4 BV	Sierra Developments Germany Holding B.V.
Project Sierra 5 BV	Sierra Developments Holding B.V.
Project Sierra Brazil 1 B.V.	Sierra Developments Italy S.r.l.
Project Sierra Charagionis 1 S.A.	Sierra Developments Spain-Prom.C.Com.SL
Project Sierra Spain 1 B.V.	Sierra Developments, SGPS, S.A.
Project Sierra Spain 2 B.V.	Sierra Developments-Serv. Prom.Imob., S.A.
Project Sierra Spain 2-Centro Comer. S.A.	Sierra Enplanta Ltda
Project Sierra Spain 3 B.V.	Sierra European R.R.E. Assets Hold. B.V.
Project Sierra Spain 3-Centro Comer. S.A.	Sierra GP Limited
Project Sierra Spain 5 BV	Sierra Investimentos Brasil Ltda
Promessa Sociedade Imobiliária, S.A.	Sierra Investments (Holland) 1 B.V.
Promosedas-Prom.Imobiliária,S.A.	Sierra Investments (Holland) 2 B.V.
Prosa-Produtos e serviços agrícolas,S.A.	Sierra Investments Holding B.V.
Publimeios-Soc.Gestora Part. Finan.,S.A.	Sierra Investments SGPS, S.A.
Quinta da Covilhã-Empr.Imobiliários,S.A.	Sierra Italy Holding B.V.
Racionaliz. y Manufact.Florestales,S.A.	Sierra Man.New Tech.Bus.-Serv.Comu.CC,S.A.
Resoflex-Mob.e Equipamentos Gestão,S.A.	Sierra Management Germany GmbH
Rio Sul - Centro Comercial, S.A.	Sierra Management II-Gestão de C.C. S.A.
RIVERHOLD - Project Sierra Srl	Sierra Management Italy S.r.l.
RIVERPLZ - S. C. Setler Mina Srl	Sierra Management Portugal-Gest. CC,S.A.
Rochester Real Estate,Limited	Sierra Management Spain-Gestión C.Com.S.A.
S.A.úde Atlântica - Gestão Hospitalar, S.A.	Sierra Management, SGPS, S.A.
SC Aegean B.V.	SII - Soberana Invest. Imobiliários, S.A.
SC Insurance Risks Services, SGPS, S.A.	SIRS - Sociedade Independente de Radiodifusão Sonora, S.A.
SC Mediterraneum Cosmos B.V.	Sistavac-Sist.Aquecimento,V.Ar C.,S.A.
SC-Consultadoria,S.A.	SKK-Central de Distr.,S.A.
SC-Eng. e promoção imobiliária,SGPS,S.A.	SKKFOR - Ser. For. e Desen. de Recursos
SCS Beheer,BV	SM Empreendimentos Imobiliários, Ltda
Selfrio,SGPS,S.A.	SMP-Serv. de Manutenção Planeamento
Selfrio-Engenharia do Frio,S.A.	Soc.Inic.Aproveit.Florest.-Energias,S.A.
Selifa-Empreendimentos Imobiliários,S.A.	Sociedade de Construções do Chile, S.A.
Sempre à Mão - Sociedade Imobiliária,S.A.	Sociedade Imobiliária Troia - B3, S.A.
Sempre a Postos - Produtos Alimentares e Utilidades , Lda	Société de Tranchage Isoroy S.A.S.

Serra Shopping - Centro Comercial, S.A.	Sonae Turismo Gestão e Serviços,S.A.
SeS.A.gest-Proj.Gestão Imobiliária,S.A.	Sonae Turismo-SGPS,S.A.
Sete e Meio - Invest. Consultadoria, S.A.	Sonae UK,Ltd.
Sete e Meio Herdades-Inv. Agr. e Tur.,S.A.	Sonaegest-Soc.Gest.Fundos Investimentos
Shopping Centre Colombo Holding, BV	Sondis Imobiliária,S.A.
Shopping Centre Parque Principado B.V.	Sontaria-Empreend.Imobiliários,S.A.
Shopping Penha B.V.	Sontel Bv
Siaf-Soc.Iniciat.Aprov.Florestais,S.A.	Sontur BV
Sol Retail Park - Gestão G.Comerc., S.A.	Sonvecap BV
Solaris Supermercados, S.A.	Sopair, S.A.
Solinca III-Desporto e S.A.úde,S.A.	Sótaqua - Soc. de Empreendimentos Turist
Solinca-Investimentos Turísticos,S.A.	Spanboard Products,Ltd
Solinfitness - Club Malaga, S.L.	Spigur - Mediação de Seguros, Lda
Soltroia-Imob.de Urb.Turismo de Tróia,S.A.	Spinarq,S.A.
Somit Imobiliária,S.A.	Spinveste - Promoção Imobiliária, S.A.
Somit-Soc.Mad.Ind.Transformadas,S.A.	Spinveste-Gestão Imobiliária SGII,S.A.
Sonae Capital Brasil, Lda	Sport Zone-Comércio Art.Desporto,S.A.
Sonae Capital,SGPS,S.A.	SRE-Projectos e Consultadoria,S.A.
Sonae Espanha, S.A.	Société des Essences Fines Isoroy
Sonae Financial Participations BV	Sociéte Industrielle et Financére Isoroy
Sonae Ind., Prod. e Com.Deriv.Madeira,S.A.	Socijofra-Sociedade Imobiliária,S.A.
Sonae Indústria Brasil, Ltda	Sociloures-Soc.Imobiliária,S.A.
Sonae Industria de Revestimentos,S.A.	Soconstrução BV
Sonae Indústria-SGPS,S.A.	SodeS.A., S.A.
Sonae International, Ltd	Soflorin,BV
Sonae Investments,BV	Soira-Soc.Imobiliária de Ramalde,S.A.
Sonae Novobord (PTY) Ltd	SRP-Parque Comercial de Setúbal, S.A.
Sonae RE, S.A.	Star-Viagens e Turismo,S.A.
Sonae Retalho Espana-Servicios Gen.,S.A.	Tableros Tradema,S.L.
Sonae SGPS, S.A.	Tafiber,Tableros de Fibras Ibéricas,SL
Sonae Serviços de Gestão, S.A.	Tafibras Participações, S.A.
Sonae Sierra Brasil Ltda	TafiS.A. Brasil, S.A.
Sonae Sierra Brazil B.V.	TafiS.A. Canadá Societé en Commandite
Sonae Sierra, SGPS, S.A.	TafiS.A. France, S.A.
Sonae Tafibra (UK),Ltd	TafiS.A. UK,Ltd
Sonae Tafibra Benelux, BV	TafiS.A.-Tableros de Fibras, S.A.

Taiber,Tableros Aglomerados Ibéricos,SL	Troiaverde-Expl.Hoteleira Imob.,S.A.
Tarkett Agepan Laminate Flooring SCS	Tulipamar-Expl.Hoteleira Imob.,S.A.
Tavapan,S.A.	Unipress - Centro Gráfico, Lda
Tecmasa Reciclados de Andalucia, SL	Unishopping Administradora Ltda.
Teconologias del Medio Ambiente,S.A.	Unishopping Consultoria Imob. Ltda.
Textil do Marco,S.A.	Urbisedas-Imobiliária das Sedas,S.A.
Tlantic Sistemas de Informação Ltdª	Valecenter Srl
Todos os Dias-Com.Ret.Expl.C.Comer.,S.A.	Vastgoed One - Sociedade Imobiliária, S.A.
Tool Gmbh	Vastgoed Sun - Sociedade Imobiliária, S.A.
Torre Colombo Ocidente-Imobiliária,S.A.	Venda Aluga-Sociedade Imobiliária,S.A.
Torre Colombo Oriente-Imobiliária,S.A.	Via Catarina- Centro Comercial, S.A.
Torre São Gabriel-Imobiliária,S.A.	World Trade Center Porto, S.A.
TP - Sociedade Térmica, S.A.	Worten-Equipamento para o Lar,S.A.
Troiaresort-Investimentos Turísticos, S.A.	Zubiarte Inversiones Inmob,S.A.

FT Group Companies	
France Telecom, S.A.	Wirefree Services Belgium, S.A.

SAFE HARBOUR

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