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Note:
The Consolidated Financial Information contained in this report is unaudited and is based on Financial Statements that have 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.



1. Headlines

Mobile **Customer Revenues** again up by 3.0% y.o.y in 3Q09, reaching €117.5m, a record quarter for our mobile business

Internet & Data reaching almost 28% of Mobile Service Revenues in 9M09, up by 6.2pp against the previous year

EBITDA of €136.5m, 16.8% above 9M08, despite the highly competitive environment and reductions in roaming tariffs

Net Results positive by €3.0m in the 9M09

Consolidated FCF again positive by €20.9m in 3Q09

YTD FCF already positive by €3.2m, reflecting a €74.4m improvement in cash flow generation over 9M08

Net Debt at €302m, with the **Net Debt to EBITDA** again decreasing to circa 1.7x

SSI generating revenues of €116m in the 9M09 (+35%) and increasing EBITDA by 48.8% against last year, on a comparable basis



2. Message from Ângelo Paupério, CEO of Sonaecom

Sonaecom's performance during the first nine months of 2009 was very positive and, in certain respects, exceeded our expectations. We have been able to reach what we consider a consistent top-line performance, with growth in mobile customer revenues and in our Software and System Information (SSI) division. In terms of costs, as a result of several initiatives launched in the second half of last year, we are keeping our structure costs under tight control and rigorously managing our CAPEX spend. These factors have translated into a significantly improved consolidated EBITDA performance, which rose 16.8% compared to last year. Importantly, the same factors also enabled us to generate a positive cumulative free cash flow (FCF) in the first nine months of 2009.

There is clear evidence that our **mobile business** is expanding its presence across several segments of its market. We have seen sustained growth in our core mobile customer base, which now comprises more than 3.3 million subscribers; and in our mobile customer revenues, which rose 2.2% against 9M08 and reached a record level in the third quarter of 2009. Combined with material savings across several cost lines, this upward trend has generated a substantial year-on-year increase of 24% in our mobile business's EBITDA performance.

Our **corporate and SME business** – which now delivers, a fully convergent fixed and mobile business service offer under the Optimus brand – continues to grow its customer base and revenues. This growth fully vindicates our decision to adopt convergent positioning in these segments and demonstrates that our distinctive offer has been well received by our target customers.

Despite severe value destruction in the residential segment, we have been able to register positive profitability at the **wireline business**, which achieved a year-to-date EBITDA of 3.4 million euros and EBITDA growth between 2Q09 and 3Q09. In light of aggressive price promotions in the market, delivering enhanced value and service quality to our existing customers remains at the heart of our value proposition.

We continued to deploy our **FTTH network**, with the stated target of reaching approximately 200 thousand homes passed by year-end. In line with our strategy of pursuing a 'capital light' deployment while seeking alternative ways of further expanding the reach of our fibre offers, during 3Q09 we signed an agreement with DST, a national construction group, to commercially explore the current and future zones passed by that company's fibre project. In parallel, we have agreed to partner with that company through the provision of our fibre offers as part of the public tendering process for deploying next generation networks in more sparsely populated areas of the country.

We are expanding our **SSI** division's footprint as it continues to deliver positive growth and higher profits. In the first nine months of 2009, SSI's turnover grew by more than 35% compared to last year thanks to increased service revenues and equipment sales. Higher contributions – particularly from Bizdirect and Saphety – led to a much improved EBITDA result, which rose 49% against last year on a like-for-like basis.

In a challenging context, our **online and media business** successfully offset a 7.7% drop in turnover during the first nine months of 2009 with additional measures aimed at optimizing its cost structure that led to a 17% reduction in its EBITDA losses. It is also important to note that recent audience indicators demonstrate that our readership levels remain resilient as we continue to seek new ways of leveraging the Público brand and explore new opportunities to strengthen its leading online position.

In a clear demonstration that we remain on the forefront of innovation in our markets, our businesses delivered some notable commercial initiatives during 3Q09. In particular, I would like to highlight the following milestones:

• **Optimus** launched "LifeShare", an innovative content and social aggregator, to become the first operator to offer customers, using any mobile phone, the chance to access alert services, upload photos and update their status on the world's three biggest online social networks;





- Optimus Kanguru once again surprised the market following its launch of the first wireless broadband tariff with unlimited traffic 24 hours a day;
- Clix, aiming to further improve our customers' experience and fulfil their needs, introduced an "RF Overlay" functionality, enabling access to TV services in the entire home without the need for multiple set top boxes;
- **Público** recently revamped its on-line homepage, which now includes additional functionalities and data, as well as faster and easier access to relevant information. In September 2009, "publico.pt" attracted a record number of visitors, a clear sign that our efforts to strengthen our online content were well received by readers;
- At SSI, WeDo expanded its product portfolio with a new dispute management solution. It also closed
 a number of important contracts for its leading revenue assurance product;
- Bizdirect received a Market Growth Achievement award from IBM Europe.

Turning to **regulatory matters**, we note that a number of regulatory decisions have now been implemented across Europe, granting operators clear medium-term guidelines over regulated tariffs. Contrary to what was established by the regulator when taking its previous decision in 2008, the re-analysis of the level of mobile termination rates (MTRs) in Portugal has not yet been completed. We now expect Anacom to finalise this process soon and we hope that it takes into account recent market dynamics when making its decision. The competitive benefits arising from the introduction of asymmetric rates in 2008 are now clear. Underpinned by the launch of innovative products and services – including offers aimed at attacking the "network effect" – they are giving consumers greater choice and improved value.

During 3Q09, the Portuguese Competition Authority (AdC) fined PT and Zon for abuse of dominant position in the broadband wholesale access market between May 2002 and June 2003. These sanctions arose from an investigation process that started after a number of PT Group competitors, including Sonaecom, made several complaints to the regulators. As a result of this investigation, AdC has demonstrated the existence of unfair competitive practices, specifically through "margin squeeze". Despite very long delays in the investigation process, we are pleased that abuses of dominant position in this segment of the telecoms market have been so clearly recognized. It should be noted that other similar processes are still being investigated by the relevant authorities. This has been a longstanding claim by Sonaecom and, for several times, we have raised awareness around the irrecoverable damages these abuses inflicted on the sector dynamics. Following this outcome, Sonaecom will pursue all legal available means to claim back the losses caused by such unfair practices.

Meanwhile, we will be able to meet or, in the case of EBITDA, even exceed the challenging targets we set ourselves at the beginning of the year, amid such high levels of risk and uncertainty. It should also be noted that our focus on cash flow generation is already delivering positive results. This is demonstrated by our positive cumulative FCF performance in the first nine months of 2009, which included the positive impact of a recent payment from the fund created to promote the information society in Portugal, corresponding to approximately 60% of the amount we were owed. We now expect to receive the amount outstanding in the coming months. Our positive cash flow performance has allowed for a further improvement of Sonaecom's capital structure, which we believe is an important achievement in the prevailing macroeconomic environment.

I would like to conclude by noting that, while growing its presence in the market, Sonaecom is achieving increased profitability and cash flow generation. These achievements indicate a strong resilience to the current negative economic environment and a sound execution of our core strategy during 2009. Measured against financial as well as operational criteria, I am pleased with our performance during the first nine months of this year. What's more, I am fully convinced that while delivering value to our customers, our strategy is also the right one when it comes to creating long term value for our shareholders.





3. Quarter Highlights

KEY OPERATING INDICATORS

OPERATING KPI's	3Q08	3Q09	Δ 09/08	2Q09	p.o.p	9M08	9M09	$\Delta09/08$
Mobile Business								
Customers (EOP) ('000)	3,058.3	3,326.9	8.8%	3,268.7	1.8%	3,058.3	3,326.9	8.8%
Data as % Service Revenues	22.7%	28.1%	5,4pp	27.8%	0,3pp	21.5%	27.8%	6,2pp
ARPU ⁽¹⁾ (euros)	17.4	15.2	-12.4%	14.9	2.1%	17.1	15.0	-11.9%
MOU ⁽²⁾ (min.)	134.8	133.8	-0.8%	131.3	1.9%	127.4	130.9	2.8%
Wireline Business								
Total Accesses (EOP)	644,457	513,822	-20.3%	528,467	-2.8%	644,457	513,822	-20.3%
Direct	476,106	426,431	-10.4%	432,886	-1.5%	476,106	426,431	-10.4%
Indirect	168,351	87,391	-48.1%	95,581	-8.6%	168,351	87,391	-48.1%
Average Revenue per Access - Retail (3)	21.6	22.5	4.4%	22.3	1.2%	21.5	22.6	4.8%
Sonaecom								
Total Employees	1,973	2,003	1.5%	2,002	0.0%	1,973	2,003	1.5%
Telecomunications	442	435	-1.6%	436	-0.2%	442	435	-1.6%
SSI	471	511	8.5%	507	0.8%	471	511	8.5%
Media	273	257	-5.9%	259	-0.8%	273	257	-5.9%
Shared Services (4) and Corporate Centre	787	800	1.7%	800	0.0%	787	800	1.7%

⁽¹⁾ Average Monthly Revenue per User; (2) Minutes of Use per Customer per month; (3) Excluding Mass Calling services' revenues; (4) Shared Services includes, among other functions, Customer Service, Technical, IT/IS, Accounting, Legal and Regulation. Corporate Centre staff has been reduced in relation to 9M08.

KEY FINANCIAL INDICATORS

Million euros								
CONSOLIDATED FINANCIAL KPI's	3Q08	3Q09	Δ 09/08	2Q09	p.o.p	9M08	9M09	$\Delta 09/08$
Turnover	251.3	235.0	-6.5%	240.7	-2.4%	726.9	716.6	-1.4%
Service Revenues	221.9	206.8	-6.8%	199.9	3.4%	654.0	608.5	-7.0%
Customer Revenues	165.8	163.1	-1.6%	161.7	0.9%	506.7	486.5	-4.0%
Operator Revenues	56.1	43.6	-22.2%	38.2	14.2%	147.3	122.0	-17.2%
EBITDA	48.2	45.0	-6.6%	46.1	-2.3%	116.9	136.5	16.8%
EBITDA Margin (%)	19.2%	19.2%	0рр	19.2%	0pp	16.1%	19.1%	Зрр
Net Results - Group Share (1)	4.1	1.3	-67.7%	1.2	13.2%	-8.1	2.8	
Operating CAPEX ⁽²⁾	46.7	35.5	-24.0%	30.9	14.8%	114.4	87.8	-23.3%
Operating CAPEX as % of Turnover	18.6%	15.1%	-3,5pp	12.8%	2,3pp	15.7%	12.2%	-3,5pp
EBITDA - Operating CAPEX	1.5	9.6	-	15.2	-37.1%	2.5	48.8	-
FCF ⁽³⁾	-13.4	20.9		28.2	-26.1%	-71.2	3.2	
Net Debt	382.9	302.2	-21.1%	321.3	-5.9%	382.9	302.2	-21.1%
Net Debt/ EBITDA (last 12 months)	2.4 x	1.7 x	-0,7x	1.8 x	-0,1pp	2.4 x	1.7 x	-0,7x

⁽¹⁾ Net Results after Minority Interests; (2) Operating CAPEX excludes Financial Investments, Provisions for sites dismantling and other non operational investments; (3) FCF Levered after Financial Expenses but before Capital Flows and Financing related up-front Costs.

- Customers: (i) Mobile customers increased by 8.8% to 3.33 million at the end of 9M09, with net additions in the period reaching 135.3 thousand. Data revenues represented 27.8% of service revenues in the period, up 6.2 pp against 9M08; (ii) Total wireline direct accesses reached 426.4 thousand, 6.5 thousand less than at the end of the previous quarter, as a result of the competitive pressures in the wireline residential market and the growing use of mobile broadband.
- Personnel: total headcount has increased by 1.5% when compared to the previous year, reaching a total of more than 2 thousand employees at the end of 9M09, mostly due to the headcount growth (i) at SSI, driven by increased activity and by the international expansion of WeDo Technologies; and (ii) at the shared services division, mostly due to the decision to reduce the use of certain outsourcing services. Corporate centre staff has been reduced in relation to 9M08 and represented less than 1.2% of total headcount at the end of 9M09.
- Consolidated Service Revenues decreased by 7.0% against 9M08, as a result of both a 4.0% decrease in customer revenues, fully driven by the negative evolution at the wireline residential business, and a 17.2% reduction in operator revenues, resulting from the negative impacts of reductions in regulated tariffs (roaming pricing and, mainly, the introduction of the new mobile termination rates).
- Consolidated EBITDA was 136.5 million euros, almost 17% higher than in 9M08, mainly as a result of the improved contributions from the Mobile and SSI Businesses. EBITDA margin has improved by 3 pp, from 16.1% in 9M08 to 19.1% in 9M09, mainly due to: (i) a better service margin, which also includes the benefits of the MTR programme, introduced in August 2008; (ii) lower commercial costs, particularly marketing and sales, at our mobile business; and; (iii) a 5.2% reduction in other operating costs, as a result of the cost saving initiatives launched during the 2H08.





4. Consolidated Results

4.1. Consolidated Income Statement

Million euros								
CONSOLIDATED INCOME STATEMENT	3Q08	3Q09	Δ 09/08	2Q09	p.o.p	9M08	9M09	Δ 09/08
Turnover	251.3	235.0	-6.5%	240.7	-2.4%	726.9	716.6	-1.4%
Mobile	165.5	154.5	-6.7%	152.0	1.6%	468.6	453.3	-3.3%
Wireline	72.6	62.2	-14.3%	60.0	3.6%	220.1	186.5	-15.3%
Online & Media	7.1	7.3	2.4%	7.8	-5.8%	24.4	22.5	-7.7%
SSI	31.2	33.4	7.3%	42.2	-20.8%	85.7	115.6	34.9%
Other & Eliminations	-25.1	-22.4	10.5%	-21.3	-5.2%	-71.9	-61.3	14.7%
Other Revenues	1.4	0.8	-45.5%	1.4	-45.7%	5.7	3.1	-46.1%
Operating Costs	197.7	188.0	-4.9%	188.9	-0.5%	601.1	566.8	-5.7%
Personnel Costs	21.8	24.2	11.0%	24.4	-0.8%	70.6	73.4	4.0%
Direct Servicing Costs ⁽¹⁾	76.7	67.8	-11.5%	63.6	6.6%	244.7	201.3	-17.7%
Commercial Costs ⁽²⁾	62.4	59.6	-4.4%	64.6	-7.7%	170.8	183.2	7.3%
Other Operating Costs ⁽³⁾	36.9	36.3	-1.6%	36.3	0.0%	115.0	108.9	-5.2%
EBITDAP	55.0	47.8	-13.1%	53.2	-10.1%	131.6	152.9	16.2%
Provisions and Impairment Losses	6.8	2.8	-59.0%	7.1	-60.5%	14.7	16.3	11.4%
EBITDA	48.2	45.0	-6.6%	46.1	-2.3%	116.9	136.5	16.8%
EBITDA Margin (%)	19.2%	19.2%	Орр	19.2%	0рр	16.1%	19.1%	Зрр
Mobile	43.5	42.5	-2.4%	45.1	-5.9%	105.7	131.4	24.3%
Wireline	4.5	1.7	-60.9%	1.0	68.9%	8.5	3.4	-59.7%
Online & Media	-1.2	-0.6	50.1%	-0.8	19.3%	-2.8	-2.3	17.2%
SSI	1.6	1.9	14.6%	1.9	-1.3%	5.3	5.8	8.9%
Other & Eliminations	-0.2	-0.4	-1.5	-1.2	63.8%	0.2	-1.7	
Depreciation & Amortization	40.4	39.8	-1.7%	39.7	0.3%	118.3	118.8	0.5%
EBIT	7.8	5.3	-32.3%	6.5	-18.5%	-1.4	17.7	-
Net Financial Results	-4.5	-3.6	19.9%	-3.4	-5.7%	-12.4	-10.9	11.8%
Financial Income	1.0	1.2	25.0%	1.4	-10.8%	2.6	4.3	67.1%
Financial Expenses	5.5	4.8	-11.8%	4.8	0.9%	15.0	15.2	1.9%
EBT	3.3	1.7	-49.2%	3.1	-45.2%	-13.7	6.8	-
Tax results	0.9	-0.3		-1.8	85.2%	5.8	-3.8	
Net Results	4.2	1.4	-66.3%	1.2	14.1%	-7.9	3.0	-
Group Share	4.1	1.3	-67.7%	1.2	13.2%	-8.1	2.8	-
Attributable to Minority Interests	0.1	0.1	43.3%	0.1	33.1%	0.2	0.2	15.1%

⁽¹⁾ Direct Servicing Costs = Interconnection and Content + Leased Lines + Other Network Operating Costs; (2) Commercial Costs = COGS + Mktg & Sales Costs; (3) Other Operating Costs = Outsourcing Services + G&A + others.

Turnover

Consolidated turnover totalled 716.6 million euros in 9M09, 1.4% below 9M08, as a result of the combination between lower service revenues (-7.0%), driven mainly by the 17.2% reduction in operator revenues and by lower wireline customer revenues, which were not totally off-set by a significantly higher product and equipment sales (which increased 48.3% when compared to 9M08) and higher mobile customer revenues.

Consolidated service revenues decreased by 7.0% to 608.5 million euros, mainly as a result of lower contributions from our Telco business. The breakdown of this consolidated performance was as follows:

- a) 15.8% lower service revenues at our Wireline Business, mainly driven by reductions in indirect access customer revenues but also by a lower contribution from the direct residential business;
- b) 3.5% decrease in service revenues at our Mobile Business, fully driven by the impact, in operator revenues, of lower roaming tariffs and of the MTR programme. Mobile customer revenues actually increased 2.2% y.o.y, in 9M09, despite the increased competitiveness in certain segments of the market, that led to a decrease in the average revenue per minute;





- c) 4.7% higher service revenues at SSI, driven by the positive performance of WeDo and, particularly, of Saphety and Bizdirect. The latter subsidiary has more than doubled its service revenues;
- d) 1.3% reduction in service revenues at the Online & Media division, as a result of lower advertising sales at Público, determined by the prevailing negative conditions in the general advertising market.

Consolidated customer revenues were down by 4.0% when compared to 9M08, mainly driven by 21.4% lower customer revenues at our Wireline business, not fully compensated by the positive performance of Mobile customer revenues (+2.2%) and 4.7% higher revenues at SSI. Importantly, it should be noted that, in terms of quarterly performance, Mobile customer revenues continued to register a positive evolution, having grown, in 3Q09, y.o.y by 3.0% and by 2.0% against the 2Q09. This growth was possible notwithstanding the significant reductions in average revenue per minute and in the Monthly bill.

Operating costs

Total operating costs reached 566.8 million, 5.7% below the comparable period in 2008, representing 79.1% of 9M09 turnover. In 3Q09, total operating costs were again 0.5% lower than in 2Q09, which represents the third consecutive quarterly reduction. This is a clear sign that the cost control initiatives put in place in the second half of 2008 are delivering results.

The main drivers of the evolution of operating costs in 9M09 were the following:

- a) **personnel costs** were up by 4.0% against 9M08, reaching 73.4 million euros in 9M09, partly driven by the 1.5% increase in total headcount;
- direct servicing costs decreased by 17.7%, when compared to 9M08, driven mainly by a 22.4% decrease in interconnection and content costs, due to the new MTR programme and to lower ULL related costs;
- c) commercial costs increased y.o.y by 7.3%, to 183.2 million euros in 9M09, as a result of the higher level of COGS at SSI, driven by the continuing success of Bizdirect product sales, not fully compensated by lower marketing and sales costs (including handset subsidies) at our Telco Business;
- d) **other operating costs** decreased 5.2% against 9M08, mainly as a consequence of reductions in both general & administrative costs (down 5.9% y.o.y.) and in outsourcing costs (1.7% lower than in 9M08).

Provisions and impairment losses increased y.o.y. in 9M09 by approximately 1.6 million euros as a result of higher provisions for bad debt (driven by growth in the post-paid customer base and by our decision, since 3Q08, to reinforce such provisions due to the combination of higher sustained level of billing and the deteriorating economic environment), higher provisions for stock depreciation at our Telco Business and despite lower provisions for other risks and charges.

EBITDA

As a result of the performance detailed above, in terms of revenues and costs, consolidated EBITDA improved by 16.8% to 136.5 million euros in 9M09 generating a margin of 19.1%, compared to a margin of 16.1% in 9M08. The breakdown of EBITDA performance by business was as follows:

 a) EBITDA at our Mobile Business was of 131.4 million euros, up by 24.3% when compared to 9M08, mainly explained by lower commercial and interconnection costs, which were partly off-set by lower roaming revenues. The Mobile Business achieved an EBITDA margin of 29.0%, significantly above 9M08;





- b) The Wireline Business generated an EBITDA of 3.4 million euros (5.1 million euros below 9M08), as a result of the loss of indirect access revenues, extensive competition in the residential market and the continuation of the operational trends experienced since 2008. Unlike the residential wireline segment, performance at both the Wholesale and at the Corporate & SME segments continues to evolve positively;
- c) EBITDA at SSI increased by 8.9% when compared to 9M08, to 5.8 million euros in 9M09, mainly as a result of a substantially improved EBITDA performance at Bizdirect, which has increased its EBITDA by 0.7 million euros y.o.y, and at Saphety (+0.3 million euros). On a comparable basis, i.e. excluding the 1.4 million euros one-off gain registered in 9M08 related to the acquisition of Tecnológica, SSI's EBITDA would have grown by 49% y.o.y., mainly driven by WeDo;
- d) Online & Media's EBITDA in 1H09 was negative by 2.3 million euros, up by 17.2% against 9M08 and registering a 19.3% improvement between the second and the third quarter of 2009, as a result of the continuing implementation of cost optimization measures.

Net Profit

Net results group share were positive by 2.8 million euros in 9M09, compared to a negative 8.1 million euros result in 9M08, mainly due to the much improved EBITDA performance and to the 11.8% reduction in net financial results, despite the impact of the securitisation transaction.

Depreciation and amortization charges increased by approximately 0.5% when compared to last year, reaching 118.8 million euros in 9M09, driven by the increased asset base resulting from investments made during 2008 in expanding our mobile and fibre access networks. In terms of quarterly evolution, depreciation and amortization charges again remained stable between the second and the third quarter of 2009.

When compared to 9M08, net financial charges decreased by 11.8%, to 10.9 million euros in 9M09, reflecting:

- a) higher financial expenses, up by 0.2 million euros, due to (i) financial costs related to the receivables securitisation; and (ii) the higher average gross debt in 9M09. These factors have been almost fully off-set by the decrease in the average cost of debt (from 5.1% in 9M08 to 2.6% in 9M09), as a reflection of movements in market rates. Excluding the impacts of the securitisation, financial expenses would have been lower than in the comparable period of 2008; and
- b) a 1.7 million increase in financial income, driven by the higher level of average liquidity in 9M09 mainly as a result of the increased liquidity generated by the completion of the receivables securitisation transaction at the end of 2008.

The tax line in 9M09 showed a cost of 3.8 million euros, compared to a benefit of 5.8 million euros in 9M08, driven by the much improved EBT performance (from a negative 13.7 million to a positive 6.8 million euros).





4.2. Consolidated Balance Sheet

Million euros					
CONSOLIDATED BALANCE SHEET	3Q08	3Q09	Δ 09/08	2Q09	p.o.p
Total Net Assets	1,808.3	1,965.5	8.7%	1,957.2	0.4%
Non Current Assets	1,453.1	1,491.1	2.6%	1,481.6	0.6%
Tangible and Intangible Assets	816.8	842.2	3.1%	832.0	1.2%
Goodwill	525.9	526.0	0.0%	525.9	0.0%
Investments	2.0	1.2	-38.5%	1.2	0.0%
Deferred Tax Assets	108.5	121.7	12.2%	122.5	-0.6%
Current Assets	355.2	474.4	33.6%	475.6	-0.3%
Trade Debtors	188.7	160.9	-14.8%	162.2	-0.8%
Liquidity	3.6	109.9	-	121.4	-9.4%
Others	162.9	203.6	25.0%	192.1	6.0%
Shareholders' Funds	920.7	932.9	1.3%	930.8	0.2%
Group Share	919.7	932.5	1.4%	930.5	0.2%
Minority Interests	1.1	0.4	-60.3%	0.3	22.4%
Total Liabilities	887.5	1,032.6	16.3%	1,026.4	0.6%
Non Current Liabilities	484.6	457.5	-5.6%	583.1	-21.5%
Bank Loans	362.3	299.7	-17.3%	411.6	-27.2%
Provisions for Other Liabilities and Charges	33.6	32.7	-2.6%	32.3	1.5%
Others	88.7	125.1	41.0%	139.3	-10.2%
Current Liabilities	402.9	575.1	42.7%	443.4	29.7%
Bank Loans	5.0	89.1	-	8.4	-
Trade Creditors	177.3	185.4	4.5%	190.4	-2.6%
Others	220.6	300.6	36.2%	244.5	22.9%
Operating CAPEX ⁽¹⁾	46.7	35.5	-24.0%	30.9	14.8%
Operating CAPEX as % of Turnover	18.6%	15.1%	-3,5pp	12.8%	2,3pp
Total CAPEX	49.4	50.2	1.5%	31.1	61.5%
EBITDA - Operating CAPEX	1.5	9.6	-	15.2	-37.1%
Operating Cash Flow ⁽²⁾	-4.4	29.3	_	38.9	-24.8%
FCF ⁽³⁾	-13.4	20.9	_	28.2	-26.1%
Gross Debt	386.4	412.2	6.7%	442.7	-6.9%
Net Debt	382.9	302.2	-21.1%	321.3	-5.9%
Net Debt/ EBITDA last 12 months	2.4 x	1.7 x	-0,7x	1.8 x	-0,1x
EBITDA/Interest Expenses ⁽⁴⁾ (last 12 months)	8.5 x	8.9 x	0,4x	8.8 x	0,1x
Debt/Total Funds (Debt + Shareholders' Funds)	29.6%	30.6%	1,1pp	32.2%	-1,6pp
Excluding the Securitisation Transaction:					
Net Debt	382.9	386.5	1.0%	409.9	-5.7%
Net Debt/ EBITDA last 12 months	2.4 x	2.1 x	-0,3x	2.2 x	-0,1x
EBITDA/Interest Expenses (4) (last 12 months)	8.5 x	8.9 x	0,4x	8.8 x	0,1x

(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

During 2008, as part of the announced investment plan for the year, we have extensively invested in the coverage and capacity of our mobile network, with the deployment of new UMTS sites, the upgrade of our 3G network with HSPA and the increase in the backhaul capacity. The substantial investments made during 2008 have placed our mobile network at the forefront of technology, coverage and capacity, allowing Sonaecom to continue to lead in mobile broadband and push for additional growth.

Total consolidated CAPEX during 9M09 was 103.3 million euros while Operating CAPEX reached 87.8 million euros, 23.3% below 9M08, and representing 12.2% of turnover. The level of CAPEX in 2009 is in accordance with the investment plan announced last year, aimed at improving the coverage and capacity of our mobile access network.

It should be noted that the 3Q09 CAPEX figures includes an amount of approximately 14.3 million euros related to the reassessment of the net present value of the obligations assumed under the "e-Initiatives" programme, the governmental initiative which offers laptops and discounts in broadband access to school teachers and students. As disclosed last year, under the terms of the UMTS license granted in 2000, Optimus made certain commitments in relation to the development of the information society in Portugal, during the period of that license (until 2015). In accordance with a contract signed in June 2007 with the





Portuguese State, it was agreed that an amount of 159 million euros would be realised through projects eligible as contributions to the information society and incurred under the normal course of business. This obligation has already been completely fulfilled. It was further agreed that the second component of the commitments (116 million euros) would be accomplished through the "e-Initiatives" programme. Until 3Q09, we have completed an amount of 43.1 million euros in relation to this second component.

Capital structure

Consolidated gross debt totalled 412.2 million euros, 25.8 million euros above the level registered at the end of 9M08 and mainly comprised:

- 150 million euros long-term privately placed Bonds, due in June 2013;
- 235 million euros used under the underwritten committed Commercial Paper Programme contracted in 2007 and with final maturity in July 2012;
- 5.2 million euros of short term debt, out of a total of approximately 20 million of short term credit facilities; and
- 23.4 million euros of long term financial leases.

In addition to the above mentioned credit facilities, Sonaecom also has available a 70 million euros underwritten committed Commercial Paper Programme contracted in 2005 and committed for a rolling period of 364 days. This credit facility was fully undrawn as at the end of 3Q09.

With the final maturity in June 2009 of the last Interest Rate Swap negotiated during 2007, all of the outstanding debt is now based on floating rates, allowing the capture of the full benefits arising from lower market rates.

Consolidated net debt at the end of 9M09 stood at 302.2 million euros, a 21.1% reduction when compared to 9M08, mainly reflecting the FCF evolution between the two periods, including the proceeds from the securitisation transaction.

In terms of evolution of the key financial ratios, Net Debt to annualised EBITDA reached 1.7x in 9M09, which reflects a reduction both in relation to the same period in 2008 and to the previous quarter. This positive evolution was determined by both a decrease in net debt and an higher EBITDA level in the preceding 12 month period. The Interest Cover ratio improved from 8.5x in 9M08 to 8.9x at the end of 9M09, as a consequence of the improved EBITDA performance and an approximately stable level of financial expenses. The ratio of Consolidated Debt to Total Funds deteriorated slightly, having reached 30.6% in 9M09 (against 29.6% in 9M08), reflecting the above mentioned movements in gross debt and the 1.3% increase in Shareholder's Funds. The latter resulted mainly from the positive net income generated in the period, which has more than compensated the net effect of the acquisition of own shares, which amounted to approximately 1 million euros between the end of 3Q08 and 3Q09, pursuant to the authorisations granted by shareholders at Sonaecom's Shareholders General Meetings and aimed at covering the obligations arising from the employees' Medium Term Incentive Plan.

Excluding the impact of the receivables securitisation, consolidated net debt at the end of 9M09 stood at 386.5 million euros, 1.0% (or 3.6 million euros) above the level registered at the end of 9M08, reflecting primarily the underlying negative FCF generated between the two dates. Additionally, in relation to the securitisation transaction, it should be noted that during 9M09, a principal amount of 15 million euros was repaid to noteholders.

Consolidated gross debt continues to be mainly contracted by Sonaecom SGPS and efficient internal cash management is being used to allocate cash between our subsidiaries. At the end of 9M09, the sum of cash and non-utilized committed credit lines at the Sonaecom Group stood at approximately 210 million euros and the weighted average maturity of our credit lines was of approximately 2.2 years. As indicated above no amortizations of bank loans are scheduled until mid-2010.



Shareholders' Funds

At the end of 9M09, shareholders' funds totalled 932.9 million euros, compared to 920.7 million euros at the end of 9M08, reflecting mainly the net profits generated in the period, which has more than off-set the net impact of the acquisition of own shares between the two dates, associated with our employee MTIP obligations.

FCF

Million euros								
LEVERED FREE CASH FLOW	3Q08	3Q09	Δ 09/08	2Q09	p.o.p	9M08	9M09	Δ 09/08
EBITDA-Operating CAPEX	1.5	9.6	-	15.2	-37.1%	2.5	48.8	
Change in WC	-8.0	18.8	-	24.9	-24.6%	-60.8	-23.4	61.5%
Non Cash Items & Other	2.0	1.0	-53.2%	-1.2		4.7	7.5	59.2%
Operating Cash Flow	-4.4	29.3	-	38.9	-24.8%	-53.6	32.9	
Financial Investments	0.0	0.0	-	0.0	-	-0.2	0.0	100.0%
Securitisation Transaction	0.0	-5.0	-	-5.0	0.0%	0.0	-15.0	-
Own shares	-4.7	0.0	100.0%	-0.7	100.0%	-6.1	-2.0	67.3%
Public Tender Offer	0.0	0.0	-	0.0	-	-0.1	0.0	100.0%
Financial results	-4.3	-3.4	20.8%	-5.0	31.4%	-11.3	-12.6	-11.9%
Income taxes	0.0	0.0		0.0		0.0	0.0	
FCF	-13.4	20.9	-	28.2	-26.1%	-71.2	3.2	-

Consolidated FCF in 9M09 was positive 3.2 million euros, compared to a negative 71.2 million euros in 9M08. This very positive evolution, in line with the announced increased focus on cash generation during the current year, clearly highlights the flexibility that the organization has in terms of managing its cash flow. FCF in 9M09 comprised the following main elements:

- A positive EBITDA minus Operating CAPEX of 48.8 million euros, 46.3 million euros above the level registered in 9M08;
- A Working Capital deterioration of 23.4 million euros, reflecting mainly a lower level of amounts payable to fixed asset suppliers, a normal evolution during the first part of the year as a result of the payments due in respect of the higher CAPEX level registered in the last quarter of the previous year;
 - It should be noted that working capital in 9M09 included an extraordinary amount, of approximately 11.8 million euros, to be received from "Fundação para a Sociedade de Informação", an institute created to promote the information society in Portugal, in relation to our participation in the "e-Initiatives" programme. A partial payment was made during 3Q09, enabling a reduction of the amount outstanding, when compared to the previous quarter;
- Outflows in the amount of 15 million euros related to receivables allocated to the securitisation transaction:
- Payments related to the acquisition of own shares during 9M09, in the amount of 2 million euros;
- Financial outflows of 12.6 million euros, approximately 1.3 million euros above the level registered in 9M08, mainly driven by net financial expenses associated with the securitisation transaction.



5. Telecommunications

5.1. Mobile Business

2009 continues to be a positive year for our mobile business both in terms of operational and financial indicators. The commercial initiatives implemented in 2008 and in the beginning of the current year and the investments made in supporting the brand, in the coverage and capacity of our network and in improving our distribution capacity and customer service are delivering good results, namely in terms of growth across all mobile segments.

5.1.1. Operational data

MOBILE OPERATIONAL KPI's	3Q08	3Q09	$\Delta09/08$	2Q09	p.o.p	9M08	9M09	$\Delta09/08$
Customers (EOP) ('000)	3,058.3	3,326.9	8.8%	3,268.7	1.8%	3,058.3	3,326.9	8.8%
Net Additions ('000)	76.2	58.2	-23.7%	48.9	18.9%	164.8	135.3	-17.9%
Data as % Service Revenues	22.7%	28.1%	5,4pp	27.8%	0,3pp	21.5%	27.8%	6,2pp
Total #SMS/month/user	54.5	49.1	-10.0%	48.5	1.1%	51.5	48.0	-6.7%
MOU ⁽¹⁾ (min.)	134.8	133.8	-0.8%	131.3	1.9%	127.4	130.9	2.8%
ARPU ⁽²⁾ (euros)	17.4	15.2	-12.4%	14.9	2.1%	17.1	15.0	-11.9%
Customer Monthly Bill	13.1	12.2	-6.8%	12.1	0.8%	13.1	12.1	-7.5%
Interconnection	4.3	3.1	-29.2%	2.8	7.8%	4.0	2.9	-26.5%
ARPM ⁽³⁾ (euros)	0.13	0.11	-11.7%	0.11	0.2%	0.13	0.11	-14.3%

 $^{(1) \, \}text{Minutes of Use per Customer permonth;} \\ (2) \, \text{Average Monthly Revenue per User;} \\ (3) \, \text{Average Revenue per Minutes of Use per Customer permonth;} \\ (4) \, \text{Average Monthly Revenue per User;} \\ (3) \, \text{Average Revenue per Minutes of Use per Customer permonth;} \\ (3) \, \text{Average Revenue per Minutes of Use per Customer permonth;} \\ (4) \, \text{Average Revenue per Minutes of Use per Customer permonth;} \\ (5) \, \text{Average Revenue per Minutes of Use per Customer permonth;} \\ (5) \, \text{Average Revenue per Minutes of Use permonth;} \\ (6) \, \text{Average Revenue per Minutes of Use permonth;} \\ (7) \, \text{Average Revenue per Minutes of Use permonth;} \\ (8) \, \text{Average Revenue per Minutes of Use permonth;} \\ (8) \, \text{Average Revenue per Minutes of Use permonth;} \\ (9) \, \text{Average Revenue per Minutes of Use permonth;} \\ (9) \, \text{Average Revenue permonth;} \\ (9)$

Customer base

Mobile customer base increased by 8.8% to more than 3.3 million customers at the end of 9M09, compared to less than 3.1 million at the end of 9M08, with net additions reaching circa 58 thousand in the 3Q09, approximately 19% above the level registered in the previous quarter. This growth was achieved at all our mobile segments, with a particular emphasis on the continued expansion of our mobile broadband customer base.

Contract customers continue to increase their weight in the total customer base, having reached in 3Q09 approximately 31% of the total mobile base, an increase of 1.3 pp against the end of 9M08.

During 9M09, Mobile customer's ARPU was 15.0 euros, down by approximately 2.1 euros against the comparable period of 2008, due to a combination between lower interconnection revenues and the lower ARPM. ARPU increased by 2.1% between the second and the third quarter of 2009, mainly as a result of higher operator revenues (driven by roaming revenues, a normal outcome in the third quarter).

Of the 9M09 ARPU, 12.1 euros were related to customer monthly bill and 2.9 euros to operator revenues, compared to 13.1 euros and 4.0 euros respectively, in 9M08. It is important to note that the 14.3% decrease in ARPM was partially compensated by a 2.8% increase in MOU, leading to a 7.5% decrease in the Monthly Bill.

Commercial initiatives

At the end of 3Q09, Optimus launched "LifeShare", an innovative content and social aggregator, becoming the first operator to offer, on any mobile phone, the possibility of accessing alert services, upload photos and update status on any one of the 3 main global online social networks. This service is available at no extra cost in the Optimus Zone portal.



Also in 3Q09, our mobile business has launched "Optimus Kids" in the market, a new concept developed with security and child protection in mind. With a simple tariff and no mandatory recharges, this service offers access to a host of services, including location tracking, call blocking, SOS calls and monitoring functionalities. In addition to these services, Optimus has also created the "Zone Kids" portal, in order to allow children to browse the internet safely.

Data Services and Mobile Broadband

We have been able to sustain a material growth of data usage, namely through the promotion of our mobile broadband product "Kanguru", based on HSPA technologies. Optimus was the first operator to introduce a commercial offer of a wireless broadband product based on HSPA+. With download speeds of up to 21.6 Mbps and upload speeds of 5.7 Mbps, the new Kanguru Xpress offer and the new Optimus Kanguru Pen were made available at the end of 1H09.

Since its launch in 2007, the governmental programme ("e-Initiatives"), aimed at the development of the 'Information Society' in Portugal, in which Optimus participates as part of the agreements reached with the Government to fulfil the obligations under the UMTS licenses, has contributed to maintaining mobile broadband market growth at a high pace in Portugal.

During the 3Q09, after leading the most important innovations in the category, Optimus Kanguru has once again surprised the market with the launch of the first wireless broadband tariff with unlimited traffic available 24 hours a day. Moreover, on September 2009, Optimus Kanguru introduced another innovative functionally in the wireless internet market: a wi-fi router which allows simultaneous broadband access by different PCs, with the use of a single equipment and an Optimus Kanguru card.

Data revenues represented 27.8% of service revenues in 9M09, an improvement of 6.2 pp vs. 9M08, as the result of our promotional efforts to increase usage of data services and the success of our wireless broadband solutions. Non-SMS related data services continued to increase their weight in data revenues, accounting for approximately 73% of total data revenues in 9M09, compared to only 63% in 9M08. Importantly, the revenues from non-SMS data services continue to post significant increases, having grown y.o.y. in 9M09 by more than 42%.

5.1.2. Financial data

Million euros MOBILE INCOME STATEMENT	3Q08	3Q09	∆ 09/08	2Q09	p.o.p	9M08	9M09	∆ 09/08
Turnover	165.5	154.5	-6.7%	152.0	1.6%	468.6	453.3	-3.3%
Service Revenues	153.2	146.3	-4.5%	140.5	4.2%	441.4	426.0	-3.5%
Customer Revenues	114.0	117.5	3.0%	115.1	2.0%	337.8	345.4	2.2%
Operator Revenues	39.2	28.8	-26.4%	25.3	13.8%	103.6	80.6	-22.2%
Equipment Sales	12.4	8.2	-33.6%	11.6	-29.0%	27.2	27.3	0.4%
Other Revenues	12.2	7.7	-36.5%	8.7	-11.2%	34.8	25.2	-27.7%
Operating Costs	130.7	118.2	-9.6%	110.7	6.8%	389.3	337.1	-13.4%
Personnel Costs	11.2	13.2	18.6%	12.7	4.1%	37.2	39.9	7.3%
Direct Servicing Costs ⁽¹⁾	47.3	41.6	-12.1%	40.0	3.9%	148.4	124.6	-16.1%
Commercial Costs (2)	42.9	36.7	-14.4%	31.3	17.4%	116.6	92.5	-20.6%
Other Operating Costs ⁽³⁾	29.4	26.7	-9.4%	26.7	0.0%	87.0	80.1	-8.0%
EBITDAP	47.0	44.1	-6.1%	50.1	-11.9%	114.2	141.4	23.8%
Provisions and Impairment Losses	3.4	1.6	-52.6%	4.9	-67.0%	8.5	10.0	17.7%
EBITDA	43.5	42.5	-2.4%	45.1	-5.9%	105.7	131.4	24.3%
EBITDA Margin (%)	26.3%	27.5%	1,2pp	29.7%	-2,2pp	22.5%	29.0%	6,4pp
Operating CAPEX ⁽⁴⁾	35.9	23.2	-35.3%	18.0	29.4%	86.8	54.1	-37.7%
Operating CAPEX as % of Turnover	21.7%	15.0%	-6,6pp	11.8%	3,2pp	18.5%	11.9%	-6,6pp
EBITDA - Operating CAPEX	7.6	19.2	152.0%	27.2	-29.2%	18.8	77.2	-
Total CAPEX	38.6	37.9	-1.7%	18.1	109.4%	184.9	69.7	-62.3%

⁽¹⁾ Direct Servicing Costs = Interconnection and Content + Leased Lines + Other Network Operating Costs; (2) Commercial Costs = COGS + Mktg & Sales Costs; (3) Other Operating Costs = Outsourcing Services + G&A + others; (4) Operating CAPEX excludes Financial Investments, Provisions for sites dismantling and other non operational investments.



5.2. Wireline Business

The trends already experienced in 2008 continue to prevail in the first nine months of 2009, with competitive pressures continuing to be particularly visible in the wireline residential segment, both in terms of voice, broadband and TV. The increased take-up of bundled offers and the discounts offered by operators are also contributing to lowering the value for the segment as a whole. In this market environment, we have focused on improving our customer service and customer experience, protecting the direct access broadband business with particular efforts made to reducing levels of churn, improving loyalty and reinforcing our IPTV and Home Video services.

When analysing our wireline business, it should be noted that residential access represents approximately one third of our wireline revenues and that we continue to leverage our network to provide, under the Optimus brand, convergent services to the corporate and SME markets, a segment where our strategic positioning as an integrated, global player has been particularly appealing to customers.

5.2.1. Operational data

WIRELINE OPERATIONAL KPI's	3Q08	3Q09	$\Delta09/08$	2Q09	q.o.q	9M08	9M09	$\Delta09/08$
Total Acesses	644,457	513,822	-20.3%	528,467	-2.8%	644,457	513,822	-20.3%
Direct Accesses	476,106	426,431	-10.4%	432,886	-1.5%	476,106	426,431	-10.4%
Direct Voice	258,820	227,328	-12.2%	232,258	-2.1%	258,820	227,328	-12.2%
Direct Broadband	197,998	162,893	-17.7%	171,256	-4.9%	197,998	162,893	-17.7%
Other Direct Services	19,288	36,210	87.7%	29,372	23.3%	19,288	36,210	87.7%
Indirect Accesses	168,351	87,391	-48.1%	95,581	-8.6%	168,351	87,391	-48.1%
Unbundled COs with transmission	174	195	12.1%	192	1.6%	174	195	12.1%
Unbundled COs with ADSL2+	166	177	6.6%	175	1.1%	166	177	6.6%
Direct access as % Cust. Revenues	72.6%	75.9%	3,3рр	77.4%	-1,5pp	69.7%	77.0%	7,3pp
Average Revenue per Access - Retail ⁽¹⁾	21.6	22.5	4.4%	22.3	1.2%	21.5	22.6	4.8%

 $⁽¹⁾ Excluding Mass Calling services' revenues; 3Q08 and 9M08 figures were calculated \ based on the restated number of acesses. \\$

Customer base

At the end of 9M09, total accesses reached 513.8 thousand, a decrease of 20.3% compared to the end of 9M08, explained by a 10.4% decrease in direct accesses and, mainly, by a 48.1% reduction in indirect accesses, as a reflection of the expected churn of indirect voice customers. The number of direct accesses represented approximately 83% of the Wireline Business total accesses at the end of the period, compared to 73.9% at the end of 9M08.

Although at a slower pace than in previous quarters, quarterly direct access net additions were again negative in 3Q09, by circa 6.5 thousand accesses, as a result of the market trends evidenced since the second part of 2008: (i) deceleration of the total Portuguese fixed broadband market; (ii) slower expansion of the addressable market for our ULL offers; and (iii) given the predominance of value destructive promotions in the market, the increased focus on quality of service and customer retention.

The average Wireline retail revenue per access increased to 22.6 euros, up by 4.8% against 9M08, driven mainly by the increased weight of the direct access customer base.

It should also be noted that our wireline network plays an important role in the provision of convergent products and services to the SME and Corporate customer segments. In these segments, the number of accesses and customer revenues has evolved positively when compared to the previous year.

Commercial initiatives

During 9M09 we have continued to reinforce our IPTV offer by adding new contents, including several new broadcast channels (including Star Gold, Star Plus, Disney Cinemagic HD, CNN, Cartoon Network, and Arte HD, with a particular focus placed in the high definition content - both in terms of channels and films available in our Home Video offer). Clix TV offering is now comprised of more than 110 channels with digital quality.





Importantly, Clix again demonstrated during 3Q09 its innovative spirit and leading role in the introduction of new services and functionalities in the TV market, always aiming to improve the customer experience: a new EPG (Electronic Program Guide) was introduced, with enlarged information available; a "karaoke" service, with more than 400 songs was launched and; for the first time, Wikipedia contents were made available on TV with the launch of our "Clixopedia" service.

During the 3Q09, Clix celebrated the anniversary of the connection of its first fibre customer, under its pioneer offer in Portugal. As indicated before, the feedback we are receiving from connected customers is extremely positive, in terms of both their broadband and TV experience. This is evidenced by recent customer surveys that indicate that nine out of ten existing customers would recommend our FTTH service and more than 80% consider the level of the service excellent or very good.

Fibre access network

We have continued the implementation of FTTH in certain areas of Porto and Lisbon, in accordance with the stated objective of reaching circa 200 thousand homes passed by the end of the current year. With this deployment Sonaecom is, for the first time, completely in control of the end-to-end quality of service provided to the customer. The take-up of FTTH services in the zones passed is in line with our expectation for this stage of the project. Importantly, more than 80% of our fibre customer have subscribed to triple play packages. We are also pleased with what is the experience so far in terms of up-selling new services to existing customers migrated from ULL onto our FTTH network, one of the economic drivers behind our fibre deployment.

Importantly, with the aim of further improving customer experience and answering the needs of certain market segments, we have introduced an "RF Overlay" functionality in our services, which enables the access to TV services without the need of a set top box installation.

In accordance with our strategy to pursue a "capital light" deployment, we have completed during 3Q09 an agreement with DST Telecom (part of a national construction group) to commercially explore the current and future zones passed by that company's fibre project. In parallel, we have agreed to partner with DST in the current public tender process for the deployment of NGNs in the Alentejo, Algarve, North and Centre regions, providing our retail services under the bid presented by that company.

5.2.2. Financial data

Million euros								
WIRELINE INCOME STATEMENT	3Q08	3Q09	Δ 09/08	2Q09	p.o.p	9M08	9M09	$\Delta09/08$
Turnover	72.6	62.2	-14.3%	60.0	3.6%	220.1	186.5	-15.3%
Service Revenues	72.3	61.8	-14.5%	59.2	4.3%	219.5	184.9	-15.8%
Customer Revenues	40.3	33.4	-17.2%	34.3	-2.8%	133.7	105.0	-21.4%
Direct Access Revenues	29.3	25.3	-13.4%	26.6	-4.7%	93.2	80.9	-13.2%
Indirect Access Revenues	10.3	7.0	-32.2%	7.0	-0.7%	37.7	21.3	-43.4%
Other	0.8	1.1	41.6%	0.7	44.3%	2.8	2.8	0.8%
Operator Revenues	32.0	28.4	-11.2%	24.9	14.3%	85.9	79.9	-7.0%
Equipment Sales	0.3	0.4	54.7%	0.8	-49.9%	0.6	1.6	151.3%
Other Revenues	0.4	0.1	-81.7%	0.5	-83.5%	0.8	0.5	-36.6%
Operating Costs	65.2	59.5	-8.8%	57.4	3.5%	206.6	178.1	-13.8%
Personnel Costs	2.1	0.9	-57.4%	1.2	-26.2%	7.1	3.6	-49.4%
Direct Servicing Costs ⁽¹⁾	46.8	40.8	-12.9%	36.5	11.7%	145.2	117.8	-18.9%
Commercial Costs ⁽²⁾	4.5	5.1	13.9%	6.7	-23.8%	13.6	17.5	28.5%
Other Operating Costs ⁽³⁾	11.8	12.7	7.4%	13.0	-2.6%	40.6	39.2	-3.5%
EBITDAP	7.8	2.8	-63.8%	3.1	-8.8%	14.4	8.9	-38.0%
Provisions and Impairment Losses	3.3	1.1	-67.7%	2.1	-47.9%	5.9	5.5	-6.9%
EBITDA	4.5	1.7	-60.9%	1.0	68.9%	8.5	3.4	-59.7%
EBITDA Margin (%)	6.2%	2.8%	-3,4pp	1.7%	1,1pp	3.9%	1.8%	-2рр
2 (4)								
Operating CAPEX ⁽⁴⁾	10.1	11.7	15.9%	12.0	-2.3%	26.4	31.4	18.9%
Operating CAPEX as % of Turnover	13.9%	18.8%	4,9pp	19.9%	-1,1pp	12.0%	16.8%	4,8pp
EBITDA - Operating CAPEX	-5.6	-9.9	-77.4%	-10.9	9.0%	-17.9	-28.0	-56.1%
Total CAPEX	10.1	11.7	15.9%	12.0	-2.3%	27.3	31.4	15.1%

(1) Direct Servicing Costs = Interconnection and Content + Leased Lines + Other Network Operating Costs; (2) Commercial Costs = COGS + Mktg & Sales Costs; (3) Other Operating Costs = Outsourcing Services + G&A + others; (4) Operating CAPEX excludes Financial Investments, Provisions for sites dismantling and other non operational investments.





6. Software and Systems Information (SSI)









SSI again achieved a good set of operational and financial results, registering significant top line and profitability growth. This evolution continues to be driven by growth and the international expansion of WeDo Technologies, as well as by the increased market penetration of all other operating companies: Mainroad (IT Management, Security and Business Continuity), Bizdirect (value added IT Products) and Saphety (Business process automation, electronic invoicing and security on B2B transactions).

6.1. Operational data

SSI OPERATIONAL KPI's	3Q08	3Q09	Δ 09/08	2Q09	q.o.q	9M08	9M09	Δ 09/08
IT Service Revenues/Employee ⁽¹⁾ ('000 euros)	30.0	30.9	2.9%	34.5	-10.3%	88.0	93.6	6.4%
Equipment Sales as % Turnover	49.8%	53.2%	3,4pp	62.5%	-9,3pp	47.6%	59.4%	11,7pp
Equipment Sales/Employee ⁽²⁾ ('000 euros)	1,125.5	865.1	-23.1%	1,467.1	-41.0%	3,083.8	3,706.9	20.2%
EBITDA/Employee ('000 euros)	3.4	3.6	4.1%	3.6	-1.9%	8.3	11.1	34.3%
Employees	471	511	8.5%	507	0.8%	471	511	8.5%

(1) Excluding employees dedicated to Equipment Sales: (2) Bizdirect: (3) 9M08 EBITDA excluding the EUR 1.4m gain registered in the period, in relation to Tecnológica's purchase process.

IT service revenues per employee reached 93.6 thousand euros in 9M09, 6.4% above the comparable period of 2008, while equipment sales per employee have increased y.o.y by more than 20%. Both indicators clearly demonstrate the continuous efficiency gains achieved by SSI companies. Total headcount at the end of 3Q09 increased to 511, a 8.5% y.o.y growth, mainly due to the need for additional internal consultants to support the increased level of activity at all subsidiaries and to the growing international footprint of WeDo.

WeDo continues to increase its international presence, grow its leading position in the international Revenue Assurance market, while expanding its product portfolio and enlarging its offer beyond its traditional telecoms customer base.

Commercial initiatives

During 3Q09, WeDo's leading revenue assurance solution was selected by Vodafone Hungary, to automate and manage the use of end-to-end processes throughout the business. With this tool, customers are able to monitor any loss in revenues throughout the entire revenue flow.

In line with the objective of expanding the product portfolio, WeDo launched a Dispute Management Solution which will allow customers to streamline the detection and recovery of revenue losses associated with collections and outstanding invoices.

It is also worth highlighting the fact that, during 3Q09, Mainroad was selected by the state radio and television operator in Portugal (RTP), for the provision of security and communications' auditing services, another important contract for the company. Mainroad also continued to enlarge its presence in the Spanish market, having recently opened a local office to explore the large opportunities available in that market. It is also worth highlighting the fact that Mainroad recently received an Iberian "Partner of the Year" award from Computer Associates.

In July 2009, Saphety and the University of Évora established a partnership with the aim of setting up an Interoperability laboratory (which will be known as "LabInterop"). The key objective will be to develop a centre of advanced knowledge in the area of interoperability and information systems integration, knowledge to be used in the provision of services and the carrying out of work and projects by companies and the Government.





In September 2009, Bizdirect was the only Portuguese company to be awarded the "Market Growth Achievement Award" at the European edition of the awards attributed by IBM. The retail store solutions division of IBM Europe distinguished Bizdirect for its contribution to the development of storage solutions tailored to retailers in Portugal, with particular focus placed on the success of Bizdirect's POS retail project.

6.2. Financial data

Million euros								
SSI CONSOLIDATED INCOME STATEMENT	3Q08	3Q09	$\Delta 09/08$	2Q09	p.o.q	9M08	9M09	∆ 09/08
Turnover	31.18	33.45	7.3%	42.21	-20.8%	85.65	115.58	34.9%
Service Revenues	15.66	15.65	-0.1%	15.84	-1.2%	44.85	46.98	4.7%
Equipment Sales	15.52	17.79	14.7%	26.37	-32.5%	40.81	68.60	68.1%
Other Revenues	0.07	0.19	148.5%	0.07	154.3%	1.69	0.50	-70.2%
Operating Costs	29.62	31.74	7.1%	40.43	-21.5%	81.99	110.28	34.5%
Personnel Costs	6.72	7.21	7.2%	7.09	1.6%	20.37	21.32	4.7%
Commercial Costs ⁽¹⁾	15.35	17.63	14.8%	26.36	-33.1%	40.80	68.32	67.4%
Other Operating Costs ⁽²⁾	7.55	6.90	-8.5%	6.98	-1.1%	20.82	20.64	-0.9%
EBITDAP	1.64	1.90	15.8%	1.85	2.5%	5.35	5.81	8.5%
Provisions and Impairment Losses	0.00	0.02		-0.05		0.07	0.05	-27.1%
EBITDA	1.64	1.88	14.6%	1.90	-1.3%	5.29	5.76	8.9%
EBITDA Margin (%)	5.3%	5.6%	0,4pp	4.5%	1,1pp	6.2%	5.0%	-1,2pp
Operating CAPEX ⁽³⁾	0.67	0.36	-46.0%	0.99	-63.4%	1.08	1.80	66.9%
Operating CAPEX as % of Turnover	2.1%	1.1%	-1,1pp	2.3%	-1,3pp	1.3%	1.6%	0,3pp
EBITDA - Operating CAPEX	0.97	1.52	56.3%	0.92	65.5%	4.21	3.95	-6.0%
Total CAPEX	0.70	0.36	-48.5%	0.99	-63.4%	-1.31	1.80	-

⁽¹⁾ Commercial Costs = COGS + Mktg & Sales; (2) Other Operating Costs = Outsourcing Services + G&A + others; (3) Operating CAPEX excludes Financial Investments, Provisions for sites dismantling and other non operational investments.

SSI turnover again increased significantly y.o.y and was up 34.9% in 9M09 to more than 115 million euros, as a result of both higher IT equipment sales, which have grown by circa 68.1%, to 68.6 million euros, and higher service revenues, up by 4.7%, driven by the 20.8% increase in service revenues at Saphety and, mainly, by the more than 113% growth at Bizdirect. It should, nevertheless, be noted that WeDo continues to account for the majority (circa 66% in the 9M09) of SSI's service revenues.

During 9M09, equipment sales represented approximately 60% of turnover, an increase of circa 12 pp over the level registered in the same period of 2008, driven by a positive contribution from the sale of software licenses and computers at Bizdirect, partly explained by the success of laptop sales under the e-schools programme.

SSI EBITDA was positive 5.8 million euros in 9M09, up by 8.9% against last year, with EBITDA margin decreasing by 1.2 pp to 5.0% due to (i) the one-off impact related to the recognition of a 1.4 million euros gain of in 9M08, related to the final closure of Tecnológica's purchase process by WeDo; and (ii) to the increased level of equipment sales, which carry lower margins, and notwithstanding the positive EBITDA evolution of Bizdirect and Saphety. Importantly, on a like-for-like basis, i.e. excluding the 1.4 million euros gain referred to above, SSI's EBITDA and EBITDA margin have grown, in 9M09, by 48.8% and 0.5 pp, respectively.

In relation to EBITDA margin, WeDo achieved a positive 9.3% in 9M09; a significant increase from the 6.4% margin registered in 9M08, again, on a comparable basis (excluding the gain related to the final closure of Tecnológica's purchase process). This growth was driven by a sustained top line performance, by the increased cost efficiency in managing its international presence and by the unlock of synergies generated by the acquisitions carried out at the end of 2007. It is also worth noting the 15.7% EBITDA margin obtained by Saphety in the first nine months of 2009, substantially above the performance achieved in the previous year.



7. Online and Media

During the first half of 2009, our Media division was reorganised in order to incorporate also our other online portals, including the Clix portal and Miau.pt, a leading on-line auctions portal in Portugal, which, together with Público.pt, are now being managed in an integrated manner. This reorganisation was aimed at extracting all possible synergies between the businesses and at exploiting the increasing potential of our leading on-line presence.

7.1. Operational data

PÚBLICO OPERATIONAL KPI'S	3Q08	3Q09	$\Delta09/08$	2Q09	p.o.p	9M08	9M09	$\Delta09/08$
Average Paid Circulation ⁽¹⁾	41,622	36,237	-12.9%	38,544	-6.0%	41,374	38,311	-7.4%
Market Share of Advertising (%)	11.3%	11.0%	-0,3pp	12.3%	-1,3pp	12.3%	11.8%	-0,5pp
Audience ⁽²⁾ (%)	n.a	n.a	-	4.2%	-	4.3%	4.4%	0,1pp
Employees	263	245	-6.8%	248	-1.2%	263	245	-6.8%

(1) Estimated value up dated in the following quarter: (2) As % of advessable population: Source: Bareme Imprensa (data not gathered in the 3rd quarter).

Paid circulation figures decreased by 7.4% when compared to 9M08, with an average of 38.3 thousand newspapers sold in 9M09. As mentioned above, the paid press market continues to face competitive challenges, with an increase in the on-line readership of newspapers and continued competition from 'free' newspapers (which in recent months are, nevertheless, showing a substantial decrease in circulation figures). It is also worth noting that a new daily generalist newspaper entered the Portuguese market in April 2009. Until 2Q09, the latest available information, Público's average market share of paid circulation, among daily press, reached 11.5%, approximately 0.3 pp below the comparable period in 2008¹.

Positively, the most recent available audience indicators continue to indicate a slight increase in the total number of readers, with Público reaching circa 4.4% of the addressable market in the first half of the year (a 0,1 pp increase against the comparable period in 2008) and recovering the third position, in terms of audience, among the daily generalist press. Traditionally, this audience survey is not carried-out in the third quarter.

In relation to advertising, market dynamics deteriorated further in 9M09, with advertising revenues for the daily paid generalist press sector as a whole, YTD until August, decreasing by 11%² compared to the same period of the previous year. As indicated in the past, these numbers refer to advertising space calculated at reference table prices, which underestimates the negative trends as competitive pressures continue to lead to higher discounts. It should be noted that, contrary to the market tendencies during most of 2008, during the current year free newspapers' advertising revenues are estimated to have had an even more negative performance in terms of advertising revenues (a reduction of circa 12.3% y.o.y).

Público's advertising market share reached 11.8% in 9M09, approximately 0.5 pp below the level registered in 9M08. The deteriorating macro-economic environment is leading to further cuts in business spend during 2009, with negative impacts over advertising budgets.

Commercial initiatives

During 3Q09, as part of its strategy of pioneering innovation in the digital context, a new homepage of "publico.pt" was launched. This new edition is more suitable for web reading, enabling readers' comments and integration with their blogues. Additionally, it enables a more efficient search of current and past articles. Público continues to have a leading position in terms of on-line access among Portuguese newspapers, an area where it is showing a positive growth, as evidenced by the recent data released in Marktest Netscope: a record level of accesses was achieved by "publico.pt" in September 2009, reaching 28.9 million pageviews.



¹ Source: APCT

² Source: Marktest/Media Monitor



Público has also enlarged its presence in the *social media*, with the creation of several Twitter and Facebook pages, an area where Público is today a clear leader among media companies.

Throughout 3Q09, Público's readers were able to take advantage of exclusive offers from various entities such as the Calouste Gulbenkian and Serralves foundations or "Pousadas de Portugal". This successful promotion, made available in the daily editions from Monday to Tuesday, was publicised under the heading "Público is worth more than 1€".

7.2. Financial data

Million euros								
ONLINE & MEDIA CONS. INCOME STATEMENT	3Q08	3Q09	∆ 09/08	2Q09	p.o.p	9M08	9M09	∆ 09/08
Turnover	7.14	7.31	2.4%	7.76	-5.8%	24.37	22.48	-7.7%
Advertising Sales ⁽¹⁾	2.75	3.10	12.7%	3.69	-16.1%	10.06	9.93	-1.3%
Newspaper Sales	3.01	3.11	3.3%	2.89	7.6%	9.10	9.06	-0.5%
Associated Product Sales	1.37	1.10	-20.1%	1.17	-6.6%	5.21	3.49	-32.9%
Other Revenues	0.16	0.05	-69.0%	0.05	0.1%	0.26	0.15	-41.5%
Operating Costs	8.49	7.90	-6.9%	8.44	-6.4%	27.27	24.65	-9.6%
Personnel Costs	2.81	2.80	-0.1%	3.13	-10.3%	8.69	8.99	3.3%
Commercial Costs ⁽²⁾	2.64	2.41	-8.9%	2.64	-8.9%	9.36	7.49	-20.0%
Other Operating Costs ⁽³⁾	3.04	2.69	-11.3%	2.67	0.7%	9.21	8.18	-11.2%
EBITDAP	-1.19	-0.55	54.2%	-0.64	14.0%	-2.64	-2.02	23.5%
Provisions and Impairment Losses	0.05	0.07	49.9%	0.13	-44.6%	0.13	0.27	112.2%
EBITDA	-1.24	-0.62	50.1%	-0.77	19.3%	-2.77	-2.29	17.2%
EBITDA Margin (%)	-17.4%	-8.5%	8.9pp	-9.9%	1.4pp	-11.4%	-10.2%	1.2pp
Operating CAPEX ⁽⁴⁾	0.11	0.24	116.5%	0.18	31.0%	0.81	0.58	-29.1%
Operating CAPEX as % of Turnover	1.6%	3.3%	1.7pp	2.4%	0.9pp	3.3%	2.6%	-0.8pp
EBITDA - Operating CAPEX	-1.36	-0.86	36.4%	-0.95	9.6%	-3.58	-2.87	19.9%
Total CAPEX	0.11	0.24	116.5%	0.18	31.0%	0.81	0.58	-29.1%

⁽¹⁾ Includes Content; (2) Commercial Costs = COGS + Mktg & Sales Costs; (3) Other Operating Costs = Outsourcing Services + G&A + others; (4) Operating CAPEX excludes Financial Investments, Provisions for sites dismantling and other non operational investments.

Turnover

During 9M09, the Online and Media turnover decreased by 7.7% to 22.5 million euros, as a reflection of following trends in its revenue lines: (i) an almost stable level newspaper sales at Público (-0.5% y.o.y), despite the cover price increase in 4Q08; (ii) a negative evolution in advertising sales (-1.3%), driven by the negative market trends; and (iii) a 32.9% reduction in associated product sales, partly driven by the different mix of associated products offered in the period. Importantly, in terms of quarterly evolution, positive improvements were achieved in 3Q09, when compared to the same period in 2008, at both the level of advertising revenues, which have grown by more than 12% y.o.y., and at the level of newspaper sales (3.3% above 3Q08). This positive evolution is partially explained by the changes in the perimeter of our Online and Media division.

It should be noted that Público increased its shareholding in Unipress to 50% at the end of 2008. Consequently, this subsidiary, a printing company that carries Público's, as well as other newspapers', printing in the northern part of Portugal, started, from 1 January 2009, to be proportionally consolidated in the accounts of our Online and Media business.

EBITDA

In 9M09, our Online and Media business generated a negative EBITDA of 2.3 million euros, which nevertheless represents a 17.2% improvement over 9M08 as the negative trend at the top line level was more than compensated by savings achieved in most of its cost lines, including a 20.0% reduction in commercial costs and a 11.2% reduction in other operating costs. This performance in terms of costs was achieved notwithstanding the 3.3% increase in personnel costs, driven by the on-going restructuring process.

As indicated before, Público will continue to explore brand extension opportunities, expand the newspaper's on-line presence, seeking to extract complementarities between the on-line and paper versions, and rationalise costs wherever possible.





8. Main Regulatory Developments in 3Q09

Local Loop Unbundling Reference Offer

During 3Q09, Anacom released the draft decision in relation to amendments to the Local Loop Unbundling Reference Offer ("ORALL"). The proposed changes, which had been requested by Sonaecom for a long time, address some of the key concerns raised, including:

- a) Mandatory rendering of extended information, which will have a positive impact over the alternative operators' triple play market reach, as well as over their capacity to access new unbundling points;
- b) Greater visibility over changes to PT's access network, including the introduction of a pre-notice period of 12 to 60 months for the remotisation of central offices and strict conditions for the displacement of local loops already unbundled;
- c) New service levels (SLAs), which will allow for the differentiation of offers in accordance with current market demands:
- d) Reinforcement of the penalties' system, with the objective of further dissuading breach of obligations.

The draft decision foresees the maintenance of current prices for all services rendered under the ORALL.

"Digital Dividend"

Under the public consultation launched by Anacom, the possibility of assigning part of the Digital Dividend (the amount of spectrum that will be freed up in the switchover from analogue to digital terrestrial TV) to the rendering of mobile broadband services – particularly in the 790-862 MHz sub-band – was one of the topics most discussed. A consensus emerged on the need to define, in the near term, the specific conditions for the granting of these frequencies. In this respect, the regulator has highlighted the option, already adopted by several European countries, of making this sub-band available for mobile broadband.

It should also be noted that, on 10 July 2009, the European Commission has launched a public consultation on the issue of the Digital Dividend, where it proposes the adoption of certain measures aimed at harmonising this sub-band, allowing for these frequencies to be made readily available across the several member states.

Amendments to the GSM Directive/ 900MHz Refarming

During 3Q09, the European Council of Ministries has approved certain amendments to the GSM Directive. This Directive had been pointed as an obstacle to the rendering of UMTS services in the 900 MHz band as it foresaw the exclusive use of this frequency for the purpose of GSM services.

The approved changes foresee the possibility of immediate use of UMTS systems in the 900 MHz band, as well as the possible use of other systems in this band, on the condition that the possibility of their co-existence with GSM and UMTS is demonstrated.

The revised Directive is expected to become effective during 4Q09 and is supposed to be transposed into the national legislation within a maximum period of 6 months.

9. Subsequent Events

On 20 October 2009, Sonaecom received a notice from EDP – Energias de Portugal, S.A., informing that, in line with its previously disclosed strategy, (i) OPTEP, SGPS, S.A., a company fully owned by EDP had sold, as of that date, 26,979,748 shares representing 7.4% of the share capital and voting rights of Sonaecom, SGPS, S.A. and (ii) as a consequence thereof, EDP no longer held any shares in the share capital of Sonaecom.

On 23 October 2009, Sonaecom received a notice from Pensõesgere – Sociedade Gestora de Fundos de Pensões S.A., informing that it was the owner of 12,400,000 shares, representing 3.386% of the share capital of Sonaecom. On that same day, Sonaecom also received a notice from Banco Comercial Português S.A. (BCP), in which, as required by Article 16 of the Portuguese Securities Code, it stated that the 12,400,000 shares mentioned above were attributable to BCP. It further informed a total of 12,500,998 shares, corresponding to 3.413% of the total share capital and voting rights of Sonaecom, were attributable to BCP as of that date.



10. Consolidated Financial Statements



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

CONSOLIDATED BALANCE SHEETS FOR THE PERIODS ENDED AT 30 SEPTEMBER 2009 AND 2008

AND FOR THE YEAR ENDED AT 31 DECEMBER 2008

(Amounts expressed in Euro)

ASSETS	Notes	September 2009	September 2008	December 2008
NON CURRENT ASSETS:				
Tangible assets	1.d), 1.i) and 6	568,130,295	542,399,484	585,741,539
Intangible assets	1.e), 1.f) and 7	274,069,430	274,383,446	272,817,888
Goodwill	1.g) and 9	525,981,587	525,872,078	526,030,904
Investments in associated companies	1.b) and 4		757,069	-
Investments available for sale	1.h), 8 and 10	1,207,320	1,207,320	1,207,320
Other non current assets	1.s) and 1.t)	19,168	-	-
Deferred tax assets	1.q) and 11	121,721,140	108,465,057	124,862,171
Total non current assets		1,491,128,940	1,453,084,454	1,510,659,822
CURRENT ASSETS:				
Inventories	1.j)	29,963,948	30,460,998	29,613,696
Trade debtors	1.k) and 8	160,882,700	188,730,631	173,693,076
Other current debtors	1.k) and 8	23,825,246	23,102,565	39,861,834
Other current assets	1.s) and 1.t)	149,809,246	109,304,667	113,893,680
Cash and cash equivalents	1.l), 8 and 12	109,927,945	3,589,193	105,719,328
Total current assets		474,409,085	355,188,054	462,781,614
Total assets		1,965,538,025	1,808,272,508	1,973,441,436
Total assets		1,903,336,023	1,808,272,308	1,973,441,430
SHAREHOLDERS' FUNDS AND LIABILITIES	<u></u>			
SHAREHOLDERS' FUNDS:				
Share capital	13	366,246,868	366,246,868	366,246,868
Own shares	1. v) and 14	(11,703,596)	(10,740,014)	(13,499,750)
Reserves	1.u)	575,230,164	572,266,973	570,756,015
Consolidated net income/(loss) for the period		2,749,974	(8,103,761)	4,998,142
		932,523,410	919,670,066	928,501,275
Minority interests		426,344	1,074,725	452,717
Total Shareholders' Funds		932,949,754	920,744,791	928,953,992
LIABILITIES:				
NON CURRENT LIABILITIES:				
Medium and long-term loans - net of short-term portion	1.m), 1.n), 8 and 15	299,665,173	362,288,201	381,717,412
Other non current financial liabilities	1.i), 8 and 16	21,551,839	17,474,517	17,171,773
Provisions for other liabilities and charges	1.p), 1. t) and 17	32,737,098	33,594,099	32,205,441
Securitization of receivables	8 and 18	64,256,705	-	79,090,793
Deferred tax liabilities	1.q) and 11	-	597,958	605,414
Other non current liabilities	1.s), 1.t) and 1.y)	39,309,000	70,661,853	60,683,153
Total non current liabilities		457,519,815	484,616,628	571,473,986
CURRENT LIABILITIES:				
Short-term loans and other loans	1.m), 1.n), 8 and 15	89,140,917	4,980,085	5,018,044
Trade creditors	8	185,375,688	177,336,450	179,071,782
Other current financial liabilities	1.i), 8 and 19	1,803,270	1,711,919	1,553,506
Securitization of receivables	8 and 18	19,464,308	-	19,478,607
Other creditors	8	65,179,374	13,156,956	30,130,988
Other current liabilities	1.s), 1.t) and 1.y)	214,104,899	205,725,679	237,760,531
Total current liabilities		575,068,456	402,911,089	473,013,458
Total Shareholders' Funds and liabilities		1,965,538,025	1,808,272,508	1,973,441,436
Total Shareholders, Funds and habilities		1,303,330,023	1,000,212,308	1,313,441,436

The notes are an integral part of the consolidated financial statements at 30 September 2009 and 2008.

The Chief Accountant The Board of Directors





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

CONSOLIDATED PROFIT AND LOSS ACCOUNT BY NATURE

FOR THE QUARTERS AND THE PERIODS ENDED AT 30 SEPTEMBER 2009 AND 2008 AND FOR THE YEAR ENDED AT 31 DECEMBER 2008

(Amounts expressed in Euro)

	Notes	September 2009 (Not audited)	July to September 2009 (Not audited)	September 2008 (Not audited)	July to September 2008 (Not audited)	December 2008
Sales		108,055,869	28,239,004	72,850,677	29,401,935	106,556,250
Services rendered		608,533,111	206,769,853	654,049,981	221,920,223	869,663,720
Other operating revenues		3,092,834	767,401	5,742,303	1,407,170	10,493,123
		719,681,814	235,776,258	732,642,961	252,729,328	986,713,093
Cost of sales		(115,305,249)	(31,303,589)	(91,999,103)	(36,004,711)	(132,834,084)
External supplies and services	20	(368,648,666)	(128,984,527)	(427,163,962)	(135,923,761)	(562,645,655)
Staff expenses		(73,429,686)	(24,238,470)	(70,630,025)	(21,827,496)	(94,796,820)
Depreciation and amortisation	1. d), 1. e), 6 and 7	(118,827,989)	(39,772,656)	(118,261,461)	(40,442,687)	(157,575,667)
Provisions and impairment losses	1.p), 1.x) and 17	(16,339,195)	(2,791,675)	(14,672,165)	(6,802,361)	(21,875,618)
Other operating costs		(9,432,733)	(3,423,894)	(11,271,352)	(3,951,488)	(14,175,446)
		(701,983,518)	(230,514,811)	(733,998,068)	(244,952,504)	(983,903,290)
Gains and losses on associated companies	21	-	-	9,456	-	43,525
Other financial expenses	1.n), 1.o), 1.w), 1.x) and 21	(15,244,125)	(4,810,441)	(14,963,350)	(5,455,147)	(21,520,763)
Other financial income	1.o), 1.w) and 21	4,339,957	1,225,536	2,588,471	980,398	3,710,518
Current income/(loss)		6,794,128	1,676,542	(13,720,530)	3,302,075	(14,956,917)
Income taxation	1.q), 11 and 22	(3,795,783)	(270,019)	5,832,612	875,006	20,181,800
Consolidated net income/(loss) Attributed to:		2,998,345	1,406,523	(7,887,918)	4,177,081	5,224,883
Shareholders of parent company Minority interests	26	2,749,974 248,371	1,330,203 76,320	(8,103,761) 215,843	4,123,831 53,250	4,998,142 226,741
Earnings per share Including discontinued operations						
Basic		0.01	0.00	(0.02)	0.01	0.01
Diluted		0.01	0.00	(0.02)	0.01	0.01
Excluding discontinued operations						
Basic		0.01	0.00	(0.02)	0.01	0.01
Diluted		0.01	0.00	(0.02)	0.01	0.01

The notes are an integral part of the consolidated financial statements at 30 September 2009 and 2008.

The Chief Accountant The Board of Directors



SONA ECOM, S.G.P.S., S.A. AND SUBSIDIA RIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIODS ENDED AT 30 SEPTEMBER 2009 AND 2008

(Amounts expressed in Euro)

	Notes	September 2009	September 2008
Consolidated net income/(loss) for the period		2,998,345	(7,887,918)
Components of other consolidated comprehensive income, net of tax:			
Increase/(decrease) in financial hedging instruments' fair value	1.o) and 15	307,068	547,391
Delivery of own shares under the Medium Term Incentive Plans	1.y) and 27	(198,300)	2,113,542
Recognition in equity of the responsibilities associated with the Medium Term Incentive Plans	1.y) and 27	3,279,574	(3,186,678)
Adjustments in foreign currency translation reserves and others	1.w)	(128,289)	(179,040)
Components of other consolidated comprehensive income, net of tax		3,260,053	(704,785)
Consolidated comprehensive income for the period		6,258,398	(8,592,703)
Attributed to:			
Shareholders of parent company		6,010,027	(8,808,546)
Minority interests		248,371	215,843

The notes are an integral part of the consolidated financial statements at 30 September 2009 and 2008.

The Chief Accountant The Board of Directors



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

CONSOLIDATED MOVEMENTS IN SHAREHOLDERS' FUNDS

FOR THE PERIODS ENDED AT 30 SEPTEMBER 2009 AND 2008

(Amounts expressed in Euro)

						2009			
						Reserves			
	Share	Own shares	Legal	Share	Other	Medium Term Incentive Plans	Hedging	Own shares	Total
	capital	(Note 14)	reserves	premium	reserves	reserve	reserve	reserve	reserves
Balance at 31 December 2008	366,246,868	(13,499,750)	1,002,287	775,290,377	(218,729,331)	-	(307,068)	13,499,750	570,756,01
Appropriation of the consolidated result of 2008	-	-	982,894	-	4,015,248	-	-	-	4,998,14
Consolidated comprehensive income for the period ended at 30 September 2009 Acquisition of own shares	-	3,784,047 (1,987,893)	-	-	510,965 (1,987,893)	2,442,021	307,068	(3,784,047) 1,987,893	(523,99
Auquistion of own shales		(1,507,053)			(1,507,053)			1,507,053	
Balance at 30 September 2009	366,246,868	(11,703,596)	1,985,181	775,290,377	(216,191,011)	2,442,021	-	11,703,596	575,230,16
Minority interests									
Balance at 31 December 2008	-	-	-	-	-	-	-	-	-
Minority interests on comprehensive income	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-
Balance at 30 September 2009	-		-	-	-	-	-	-	-
Total	366,246,868	(11,703,596)	1,985,181	775,290,377	(216,191,011)	2,442,021	-	11,703,596	575,230,16
						2008 Reserves			
		Own				Medium Term		Own	
	Share	shares	Legal	Share	Other	Incentive Plans	Hedging	shares	Total
	capital	(Note 14)	reserves	premium	reserves	reserve	reserve	reserve	reserves
Balance at 31 December 2007	366,246,868	(8,938,165)	1,002,287	775,290,377	(248,360,691)	3,186,678	412,910	8,938,165	540,469,72
Appropriation of the consolidated result of 2007	-	-	-	-	36,777,870	-	-	_	36,777,87
Consolidated comprehensive income for the period ended at 30 September 2008	-	4,275,838	-	-	1,934,502	(3,186,678)	547,391	(4,275,838)	(4,980,62
Acquisition of own shares	-	(6,077,687)	-	-	(6,077,687)	-	-	6,077,687	-
Balance at 30 September 2008	366,246,868	(10,740,014)	1,002,287	775,290,377	(215,726,006)	-	960,301	10,740,014	572,266,97
Minority interests									
Balance at 31 December 2007	-	-	-	-	-	-	-	-	-
Minority interests on comprehensive income	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-
Balance at 30 September 2008	-		-	-	-	-	-	-	-
Total	366,246,868	(10,740,014)	1,002,287	775,290,377	(215,726,006)	-	960,301	10,740,014	572,266,97

The notes are an integral part of the consolidated financial statements at 30 September 2009 and 2008.





SONAECOM. S.G.P.S., S.A. AND SUBSIDIARIES CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIODS ENDED AT 30 SEPTEMBER 2009 AND 2008

(Montantes expressos em Euro)

	30 Septe		er 2009 30 Sept		ember 2008	
Operating activities	_	•		•		
Receipts from trade debtors		723,680,945		716,588,883		
Payments to trade creditors		(503,666,414)		(556,490,417)		
Payments to employees	_	(84,190,164)		(80,856,295)		
	Cash flows from operating activities	135,824,367	=	79,242,171		
Payments/receipts relating to income taxes	s, net	(379,930)		(2,588,889)		
Other payments/receipts relating to operat	ting activities, net	27,923,534		(6,591,794)		
	Cash flows from operating activities (1)	163,367,971	163,367,971	70,061,489	70,061,489	
Investing activities						
Receipts from:						
Investments		-		1,496,920		
Tangible assets		863,066		869,502		
Intangible assets		21,500		3,649		
Interest and similar income	_	3,315,949	4,200,515	2,308,912	4,678,983	
Payments for:						
Investments		-		(1,977,195)		
Tangible assets		(99,849,599)		(105,705,963)		
Intangible assets	_	(30,366,164)	(130,215,763)	(17,479,225)	(125,162,383)	
	Cash flows from investing activities (2)		(126,015,248)		(120,483,400)	
Financing activities						
Receipts from:						
Loans obtained	=	4,199,722	4,199,722	<u> </u>	-	
Payments for:						
Leasing		(1,624,533)		(1,475,557)		
Interest and similar expenses		(17,553,373)		(15,122,634)		
Reimbursement of supplementary capital		(800,508)		-		
Own shares		(1,987,893)		(6,077,687)		
Loans obtained	<u>-</u>	(19,897,272)	(41,863,579)	(7,350,001)	(30,025,879)	
	Cash flows from financing activities (3)		(37,663,857)		(30,025,879)	
Net cash Flows (4)=(1)+(2)+(3)			(311,134)		(80,447,790)	
Effect of the foreign exchanges		=	225,592	-	(20,257)	
Cash and cash equivalents at the beginning of	of the period		105,598,556		83,227,155	
Cash and cash equivalents at the beginning of		-	105,513,014	=	2,759,108	
Cash and Cash equivalents at end of the pend	ou .		100,013,014	_	2,739,100	

The notes are an integral part of the consolidated financial statements at 30 September 2009 and 2008.

Chief Accountant The Board of Directors





SONAECOM. S.G.P.S., S.A. AND SUBSIDIARIES NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIODS ENDED AT 30 September 2009 AND 2008

(Amounts expressed in Euro)

	(-,	30 September 2009	30 September 2008
1 - Acquisition or sale of subsidiaries or other businesses:				
a) Amounts paid of acquisitions from previous years				
Tecnológica Telecomunicações, Ltda.			-	758,331
Cape Technologies, Limited			•	594,390
Praesidium Holdings Limited			=	624,474
				1,977,195
b) Amount received from acquisitions of previous years (price adjustments)				4 400 000
Telemilénio Telecomunicações - Sociedade Unipessoal, Lda.			-	1,496,920
				1,496,920
2 - Details of cash and cash equivalents:				
Cash in hand			32,862	318,878
Cash at bank			25,391,151	3,023,655
Treasury applications			84,503,932	246,660
Overdrafts			(4,414,931)	(830,085)
Cash and cash equivalents			105,513,014	2,759,108
Overdrafts			4,414,931	830,085
Cash assets			109,927,945	3,589,193
A. B				
Description of non monetary financing activities Bank credit granted and not used			105,591,012	121.684.216
b) Purchase of companies through the issue of shares			Não aplicável	Não aplicável
c) Conversion of loans into shares			Não aplicável	Não aplicável
Conversion of loans into shares			Nao aplicavei	rvao aplicavei
4 - Cash flow breakdown by activity				
	Cash flow	Cash flow	Cash flow	Net
	from operating	from investing	from financing	Cash
Activity	activities	activities	activities	Flows
Telecommunication	217,345,938	(125,723,339)	(23,996,307)	67,626,292
Multimedia	(1,312,349)	(705,179)	98,980	(1,918,548)
Information Systems	(48,580,446)	(1,561,129)	(935,440)	(51,077,014)
Holding	(4,047,769)	1,974,360	(12,831,050)	(14,904,459)
Others	(37,404)	39	(40)	(37,405)
	163,367,971	(126,015,248)	(37,663,857)	(311,134)

The notes are an integral part of the consolidated financial statements at 30 September 2009 and 2008.

Chief Accountant The Board of Directors





11. Notes To The Consolidated Financial Statements

Notes to the consolidated financial statements at 30 September 2009 and 2008

(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, 3 and 4 ("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 in 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, fully 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 in 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.

By decision of the Shareholders General Meeting held on 16 April 2008, bearer shares were converted into registered shares.

The Group's business consists essentially of:

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

The Group operates in Portugal and has subsidiaries (from the information systems consultancy segment) operating in Brazil, United Kingdom, Ireland, Poland, Australia, Mexico, Malaysia, Egypt and the United States of America.

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 financial statements relate to the consolidated financial statements of the Sonaecom Group and have been prepared on a going concern basis, based on the accounting records of the companies included in the consolidation (Notes 2, 3 and 4) in accordance with the International Financial Reporting Standards ("IAS/IFRS") as adopted by the European Union ("EU"). These financial statements were prepared based on the acquisition cost, except for the revaluation of some financial instruments.

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

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

At 1 January 2009 became effective the revised IAS 23 – "Borrowing Costs", issued at 29 March 2007, which in relation to its previous version, eliminated the possibility of immediate recognition in the profit and loss statement of borrowing costs related to assets that require a substantial period of time to be ready for use or sale. Sonaecom had already adopted the procedure of capitalizing 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 Group consolidated financial statements.

At 13 October 2008, as a consequence of the instability in the international financial markets, amendments were made in the financial reporting standards (namely, IAS 39 and IFRS 7) and endorsed by the European Union. These changes relate mainly to the possibility of transferring financial assets to other classes and have immediate effects. Retrospective application from 1 July 2008 was allowed, provided that the reclassifications were recorded until 1 November 2008. Since these changes have no significant impact on the Group's consolidated financial statements the referred option was not applied.





Additionally, the following standards and interpretations were issued, but their application was not mandatory or the endorsement by the European Union has not yet occurred:

- Amendments to IAS 1, 7, 17, 18, 36, 38 and 39, IFRS 2, 5 and 8, and IFRIC 9 and 16 mandatory at different dates, occurred in the date closer at 1 July 2009, but not yet endorsed in the EU;
- Amendments to IFRS 1, mandatory at 1 January 2010;
- Amendments to IFRS 2, mandatory at 1 January 2010;
- Amendments to IFRS 7, mandatory at 1 January 2009, but not yet endorsed in the EU;
- Amendments to IFRIC 9 and IAS 39, mandatory to annual periods ended in, or after, 30 June 2009, but not yet endorsed in the EU;
- Review of IFRS 1 "First-time Adoption of IFRS", mandatory at 1 July 2009;
- IFRIC 17 "Distributions of Non-cash Assets to Owners", mandatory at 1 July 2009, but not yet endorsed in the EU;
- IFRIC 18 "Transfers of Assets from Customers", mandatory at 1 July 2009, but not yet endorsed in the EU.

These standards and interpretations, when applicable, shall have no significant impact on the future Group's consolidated financial statements.

During the period ended 30 September 2009, the Sonaecom adopted the changes contained in IAS 1 – "Presentation of Financial Statements", which resulted, essentiality, in the redenomination of some financial headings and the inclusion of a new statement (Statement of comprehensive income). Similarly, the Group adopted IFRS 8 – "Operating Segments", which have not produced significant effects in the presentation of information by segments.

Finally, in previous periods Sonaecom proceeded to the early adoption of IFRIC 13 – "Customer Loyalty Programmes" which was mandatory at 1 January 2009.

The accounting policies and measurement criteria adopted by the Group at 30 September 2009 are comparable with those used in the preparation of the consolidated financial statements at 31 December 2008.

Main accounting policies

The main accounting policies used in the preparation of the accompanying consolidated financial statements are 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 accompanying consolidated financial statements. Third party participations in the shareholders' equity and net results of those companies are recorded separately in the consolidated balance sheet and in the consolidated profit and loss statement, 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.

In the acquisition of subsidiaries, the purchase method is applied. The results of subsidiaries bought or sold during the year are included in the profit and loss statement 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 the 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 a 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, situation when a provision is recorded under the caption 'Provisions for other liabilities and charges'.

Investments in associated companies are listed in Note 4.

c) Companies jointly controlled

The financial statements of companies jointly controlled have been consolidated in the accompanying financial statements by the proportional method, since their acquisition date. According to this method, assets, liabilities, income and costs of these companies have been included into the accompanying consolidated financial statements, in the proportion attributable to the Group.

The excess of cost in relation to the fair value of identifiable assets and liabilities of the jointly controlled companies at the time of their acquisition was recorded as Goodwill (Note 9). If the difference between cost and the fair value of the net assets and liabilities acquired is negative, it is recognised as income of the period, after reconfirmation of the fair value of the identifiable assets and liabilities.

The transactions, balances and dividends distributed among Group companies and jointly controlled companies are eliminated in the proportion attributable to the Group.

The classification of financial investments as jointly controlled is determined, among other things, on the Shareholders' Agreements that govern the jointly controlled companies.

A description of the companies jointly controlled is disclosed in Note 3.

d) Tangible assets

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

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





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

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
Networks	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 repairment 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 in accordance with the estimated 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 are ready to start operating as intended by the management. Good conditions in terms of network coverage and/or necessary quality and technical reliability to ensure minimum services are examples of conditions evaluated by the management.

e) Intangible assets

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

Intangible assets comprise, essentially, software (excluding the one included in tangible assets – telecommunication sites' software), industrial property, costs incurred with the mobile network operator licenses (GSM and UMTS) and the fixed network operator licenses, as well as the costs incurred with the acquisition of customers' portfolios (value attributed under the purchase price allocation in business combinations).

Amortisations are calculated 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 licenses are amortised over the estimated period for which they were granted. During the third quarter of 2008, the Group's Board of Directors revised, with prospective effects, the estimated useful life of the UMTS license, given the high degree of probability of its renewal and the high degree of probability that such renewal shall be obtained without significant costs. Therefore, after 1 July 2008, the UMTS license is being amortised on a straight-line basis for the period between the commercial launch date and the new





estimated end date of the license (2030). Additional license costs, namely the ones related to the commitments assumed by the Group under the UMTS license, regarding the contributions to the "Information Society", are being amortised up to the estimated useful life of the license above indicated. The amortisation of the customer's portfolios is provided on a straight-line basis over the estimated average retention period of the customers (4 to 6 years).

Expenditures with internally-generated intangible assets, namely research and development expenditures, are recognised in the profit and loss statement when incurred. Development expenditures can only be recognised as an intangible asset if the Group demonstrates the ability to complete the project and is able to put it in use or available for sale.

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

f) 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. When the estimated useful life is undetermined, they are not depreciated but are subject to annual impairment tests.

Sonaecom Group does not hold any brands or patents with undetermined useful life therefore the second half of the above referred paragraph is not applicable.

g) Goodwill

Differences between the cost of investments in subsidiaries and associated companies and the amount attributed to the fair value of the 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 profit and loss statement. Until 1 January 2004, 'Goodwill' was amortised over the estimated period of recovery of the investments, usually ten years, and the annual amortisation was recorded in the profit and loss statement under the caption 'Depreciation and amortisation'. Since 1 January 2004 and in accordance with the IFRS 3 – "Business Combinations", the Group has ceased the amortisation of the 'Goodwill', subjecting them to impairment tests (paragraph x). Impairment losses of Goodwill are recorded in the profit and loss statement 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 acquisition cost of such financial investment and the proportional amount of the shareholders' funds of the acquired company.

h) 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.

i) '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 it has been acquired mainly with the purpose of selling it in the short term or if the adoption of this method allows reducing or eliminating 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 mature within twelve months of the balance sheet date.

ii) '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 carried at amortised cost using the effective interest method, deducted from any impairment losses.

Loans and receivables are recorded as current assets, except when their maturity is greater than twelve months from the balance sheet date, situation in which they are classified as non-current assets. Loans and receivables are included in the captions 'Trade debtors' and 'Other current debtors' in the balance sheet.

iii) 'Held-to-maturity investments'

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

iv) 'Available-for-sale financial assets'

Available-for-sale financial assets are non-derivative investments that are either designated in this category or not classified in any of the other above referred categories. They are included in non-current assets unless management intends to dispose them 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 profit and loss statement. Investments are derecognised when the rights to receive cash flows from the investments have expired or all substantial risks and rewards of their ownership have been transferred.

'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 profit and loss 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 profit and loss statement as gains or losses from investment securities.





The fair value of quoted investments are 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 other valuation techniques. These include the use of recent arm's length transactions, reference to similar instruments, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances. If none of these techniques can be used, the Group values those investments at cost net of any identified impairment losses. The fair value of listed investments is determined 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 case of equity securities classified as available for sale, a significant (above 25%) or prolonged (in two consecutive quarters) 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 losses on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the profit and loss statement.



i) Financial and operational leases

Lease contracts are classified as financial leases, if, in substance, all risks and rewards associated with the detention 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 detention 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 the related liability are recorded in accordance with the contractual financial plan at fair value or, if less, at the present value of payments. In addition, interests included in lease payments and the depreciation of the tangible assets are recognised as expenses in the profit and loss statement for the period 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.

j) Inventories

Inventories are stated at their acquisition cost, net of any impairment losses, which reflects their estimated net realisable value.

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.

k) Trade and other current debtors

Trade and other current debtors are recorded at their net realisable value and do not include interests, since the discount effect is not significant.

These financial investments arise when the Group provides money, supplies goods or provides services directly to a debtor with no intention of trading the receivable.

The amounts of these captions are presented net of any impairment losses. Future reversals of impairment losses are recorded in the profit and loss statement under the caption 'Other operating revenues'.

I) Cash and cash equivalents

Amounts included under the caption 'Cash and cash equivalents' correspond to amounts held in cash and term bank deposits and other treasury applications where the risk of 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 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 flows related to operating activities. Cash flows from investing activities include the acquisition and sale of investments in associated and subsidiary companies, as well as 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.

All amounts included under this caption are likely to be realised in the short term and there are no amounts given or pledged as guarantee.

m) 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 loan, based on the effective interest rate method. The interests incurred but not yet due are added to the loans caption until their payment.

n) 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 related to loans obtained 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 and are interrupted when the assets are ready to operate, at the end of the production or construction phases or when the associated project is suspended.

o) 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 similar 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 a corresponding entry under the caption 'Hedging reserve' in shareholders' funds.

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

p) 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 has already been communicated to the parties involved.

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

q) Income tax

'Income tax' expense represents the sum of the tax currently payable and deferred tax. Income tax is recognised in accordance with IAS 12.





Sonaecom has adopted, since 1 January 2008, the special regime for the taxation of groups of companies, under which, the provision for income tax is determined on the basis of the estimated taxable income of all the companies covered by that regime, in accordance with such rules. The special regime for the taxation of groups of companies covers all subsidiaries on which the Group holds at least 90% of their share capital, with its headquarters located in Portugal and subject to Corporate Income Tax (IRC). The remaining Group companies not covered by the special regime for the taxation of groups of companies are taxed individually based on their respective taxable income, in accordance with the tax rules in force in the location of the headquarters of each 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 shall arise in the future to allow such deferred tax assets to be used. At the end of each period the recorded and unrecorded deferred tax assets are revised and they are reduced whenever their realisation ceases to be probable, or increased if future taxable profits are, likely, enabling the recovery of such assets (Note 11).

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

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

r) Government subsidies

Subsidies awarded to finance personnel training are recognised as income during the period in which 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 are recorded as deferred income and are included in the profit and loss statement under the caption 'Other operating revenues'. If subsidies awarded are used to finance investments in tangible assets, they are recorded in the profit and loss statement during the estimated useful life of the corresponding assets. If the subsidies awarded are used to finance other investments then they are recorded as the investment expenditure is incurred.

s) Accrual basis and revenue recognition

Expenses and income are recorded in the period 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 latter shall be included by the corresponding amounts 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 the ownership of the assets are transferred to the buyer and the amount of the corresponding revenue can be reasonably quantified. Sales are recognised before taxes and net of 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 Sonaecom – Serviços de Comunicações, S.A., are calculated taking into consideration the probability of the redemption of the points, and are recognised, as a deduction to income, at the time the points are granted, by a corresponding entry in the caption 'Other current liabilities'.

The revenues and costs of the consultancy projects developed in the information systems consultancy segment are recognised in each period, according to the percentage of completion method.

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

Dividends are recognised when the shareholders' rights to receive such amounts are appropriately established and communicated.

t) 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 11 and 17).

u) Reserves

Legal reserve

Portuguese commercial legislation requires that at least 5% of the 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 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.

Share premiums

The Share premiums relate to premiums generated in the issuance of capital or in capital increases. According to Portuguese Commercial law, Share premiums follow the same requirements of 'Legal reserves', i.e., they are not distributable, except in case of liquidation, but they can be used to absorb losses, after all the other reserves are exhausted or to increase share capital.

Medium Term Incentive Plans Reserve

According to IFRS 2, the responsibility related with the Medium Term Incentive Plans is registered under the heading of 'Reserves for Medium Term Incentive Plans', which are not distributable and which can not be used to absorb losses.

Hedging reserve

Hedging reserve reflects the changes in fair value of "cash-flow" hedges derivatives that are considered effective (Note 1.o) and it is non distributable nor can it be used to absorb losses.

Own shares reserve

The own shares reserve reflects the acquisition value of the own shares and follows the same requirements of legal reserve.

Under Portuguese law, the amount of distributable reserves is determined in accordance with the individual financial statements of the Company, presented in accordance with IAS/IFRS. Therefore, at 30 September 2009, Sonaecom, SGPS, S.A., had the amount of Euro 272,389 in reserves which by their nature are considered distributable.





v) Own shares

Own shares are recorded as a deduction of shareholders' funds. Gains or losses arisen from the sale of own shares are recorded under the heading "Other reserves".

w) Foreign currency

All assets and liabilities expressed in foreign currency were translated into Euro using the exchange rates in force at 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 of the financial statements of foreign entities are translated into Euro using the exchange rates in force at the balance sheet date, while expenses and income in such financial statements are translated into Euro using the average exchange rate for the period. The resulting exchange differences are recorded in the shareholders' funds caption 'Other reserves'.

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

The following rates were used to translate into Euro the financial statements of foreign subsidiaries:

	200)9	200	08
	30.09.2009	Average	30.09.2008	Average
Pounds Sterling	1.09975	1.12933	1.26534	1.27950
Brazilian Real	0.38388	0.35388	0.36331	0.39085
American Dollar	0.68292	0.73331	0.69915	0.65803
Polish Zloti	0.23643	0.22879	0.29440	0.29209
Australian Dollar	0.60255	0.55053	0.56373	0.59978
Mexican Peso	0.05064	0.05374	-	-
Egyptian Pound	8.05023	7.62935	-	-
Malaysian Ringgit	0.19732	0.20565	-	-

x) 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 profit and loss statement 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 or under the caption 'Provisions and impairment losses', in relation to the other assets. The recoverable amount is the greater of the net selling price and the value in use. Net selling price is the amount obtainable upon the sale of an asset in a transaction within the capability of the parties involved, less the costs directly related to the sale. The value in use is the present value of the estimated future cash flows expected to result from the continued use of the asset and of 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.

Evidence of the existence of impairment in accounts receivables appears when:





- the counterparty presents significant financial difficulties;
- there are significant delays in interest payments and in other leading payments from the counterparty; and
- it is probable that the debtor goes into liquidation or into a financial restructuring.

For certain categories of financial assets for which it is not possible to determine the impairment for each asset individually, the analysis is made for a group of assets. Evidence of an impairment loss in a portfolio of accounts receivable may include past experience in terms of collections, increasing number of delays in collections, as well as changes in national or local economic conditions that are related with the collections capacity.

For Goodwill and Financial investments, the recoverable amount is determined based on the most recent business plans duly approved by the Group's Board of Directors. For Accounts receivables, the Group uses historical and statistical information to estimate the amounts in impairment. For Inventories, the impairment is calculated based on market evidence and several indicators of stock rotation.

y) 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 'Medium Term Incentive Plans Reserve', 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 amount payable to third parties is 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'.

For plans settled in cash, the estimated liability is recorded in the balance sheet captions 'Other non current liabilities' and 'Other current liabilities' by a corresponding entry to the profit and loss statement caption 'Staff expenses', for the cost relating to the vesting period that has "elapsed" up to the respective accounting date. 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, recognition is made in the same way as described above, but with the liability being quantified based on the contractually fixed amount.

Equity-settled plans to be liquidated through the delivery of 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 captions 'Other non current liabilities' and 'Other current liabilities' by a corresponding entry to the profit and loss 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.





During the period ended 30 September 2009, the Board of Directors of Sonaecom decided to convert the settlement of its Medium Term Incentive Plans from cash settled to equity settled.

At 30 September 2009, all Sonaecom share plans were covered through the detention of own shares. The impacts associated to such plans of the Medium Term Incentive Plans are registered, in the balance sheet, under the caption 'Medium Term Incentive Plans Reserve'. The cost is recognised in the profit and loss statement caption 'Staff expenses'.

In relation to plans which will be liquidated through the delivery of shares of the parent company, the Group signed contracts with an external entity, under which the price for the acquisition of those shares was fixed. Therefore the responsibility associated to such plans is recorded based on that fixed price, proportionally to the period of time elapsed since the award date until the date of record, in captions 'Other non current liabilities' and 'Other current liabilities'. The cost is recognised in the profit and loss statement caption 'Staff expenses'.

z) 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.

aa) Judgements and estimates

The most significant accounting estimates reflected in the consolidated financial statements of the periods ended at 30 September 2009 and 2008, are as follows:

- a) Useful lives of tangible and intangible assets:
- b) Impairment analysis of goodwill and of other tangible and intangible assets;
- c) Recognition of impairment losses on assets (Trade debtors and Inventories) and provisions;
- d) Assessment of the responsibilities associated with the customers' loyalty programmes.

Estimates used are based on the best information available during the preparation of the consolidated financial statements and are based on the best knowledge of past and present events. Although future events are neither foreseeable nor controlled by the Group, some could occur and have impact on such estimates. Changes to the estimates used by the management that occur after the approval 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 these consolidated financial statements are disclosed in the corresponding notes.

ab) Financial risk management

Due to its activities, the Group is exposed to a variety of financial risks such as market risk, liquidity risk and credit risk.

These risks arise from the unpredictability of financial markets, which affect the capacity of project cash flows and profits. The Group financial risk management, subject to a long term ongoing perspective, seeks to minimise potential adverse effects that derive from that uncertainty, using, whenever it is possible and advisable, derivative financial instruments to hedge the exposure to such risks (Note 1. o)).

Market risk

a. Foreign exchange risk





The Group operates internationally, having subsidiaries that operate in Brazil, United Kingdom, Poland, United States of America, Mexico, Australia, Egypt and Malaysia (branch) and so it is exposed to foreign exchange rate risk.

Foreign exchange risk management seeks to minimise the volatility of investments and transactions made in foreign currencies and contributes to reduce 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 such a procedure is not possible, the Group adopts derivative financial hedging instruments.

The Group's exposure to foreign exchange rate risk, results essentially from the fact that some of its subsidiaries report in a currency different from Euro, being the risk of operational activity immaterial.

b. Interest rate risk

Sonaecom's total debt is indexed to variable rates, exposing the total cost of debt to a high risk of volatility. The impact of this volatility on the Group results or on its shareholders' funds is mitigated by the effect of the following factors (i) relatively low level of financial leverage; (ii) possibility to use derivative financial instruments that hedge the interest rate risk, as mentioned below; (iii) possible correlation between the level of market interest rates and economic growth having the latter a positive effect in other lines of the Group's consolidated results (particularly operational), and in this way partially offsetting the increase of financial costs ("natural hedge"); and (iv) the existence of stand alone or consolidated liquidity which is also bearing interest at a variable rate.

The Group only uses derivatives or similar transactions to hedge interest rate risks considered significant. Three main principles are followed 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 hedging must equalise the settlement dates defined 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 changes 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 (Note 15) 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 Group 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, being the Group's policy, when contracting such instruments, to give preference to financial institutions that form part of its financing transactions. In order to select the counterparty for occasional operations, Sonaecom requests proposals and indicative prices from a representative number of banks in order to ensure adequate competitiveness of these operations.

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 the derivatives contracted, that are considered as fair value hedges or the ones that are considered not sufficiently effective for cash flow hedge (in accordance with the provisions established in IAS 39), are recognised under borrowings captions and changes in the fair value of such derivatives are recognised directly in the profit and loss statement for the year. The fair value of derivatives of cash flow





hedge, that are considered effective according to IAS 39, are recognised under borrowing captions and changes in the fair value are recognised in equity.

Sonaecom's Board of Directors approves the terms and conditions of the financing with significant impact in the Group, based on the analysis of the debt structure, the risks and the different options in the market, particularly as to the type of interest rate (fixed/variable). Under the policy defined above, the Executive Committee is responsible for the decision on the occasional interest rate hedging contracts, through the monitoring of the conditions and alternatives existing in the market.

c. Liquidity risk

The existence of liquidity in the Group requires the definition of some policies for an efficient and secure management of the liquidity, allowing us to maximise the profitability and to minimise the opportunity costs related to that liquidity.

The liquidity risk management has a threefold objective: (i) Liquidity, i.e., to ensure the permanent access in the most efficient way to obtain sufficient funds to settle current payments within the respective dates of maturity as well as any eventual not forecasted requests for funds, within the deadlines set for this; (ii) Safety, i.e, to minimise the probability of default in any reimbursement of application of funds; and (iii) Financial Efficiency, i.e., to ensure that the Group maximizes the value/minimises the opportunity cost of holding excess liquidity in the short term.

The main underlying policies correspond to the variety of instruments allowed, the maximum acceptable level of risk, the maximum amount of exposure by counterparty and the maximum periods for investments.

The existing liquidity in the Group should be applied to the alternatives and by the order described below:

- i. Amortisation of short term debt after comparing the opportunity cost of amortisation and the opportunity cost related to alternative investments;
- ii. Consolidated management of liquidity the existing liquidity in Group companies, should mainly be applied in Group companies, to reduced the use of bank debt at a consolidated level;
- iii. Applications in the market.

The applications in the market are limited to eligible counterparties, with ratings previously established by the Board and limited to certain maximum amounts by counterparty.

The definition of maximum amounts intends to ensure that the application of liquidity in excess is made in a prudent way and taking into consideration the best practices in terms of bank relationships.

The maturity of applications should equal the forecasted payments (or the applications should be easily convertible, in the case of asset investments, to allow urgent and not estimated payments), considering a threshold for eventual deviations on the estimates. The threshold depends on the accuracy level of treasury estimates and would be determined by the business. The accuracy of the estimates is an important variable to quantify the amounts and the maturity of the applications in the market.

The maturity analysis for the loans obtained is presented in the Note 15.

d. Credit risk

The Group's exposure to credit risk is mainly associated with the accounts receivable related to current operational activities. The credit risk associated to financial operations is mitigated by the fact that the Group, in respect to telecommunications operators, only negotiates with entities with high credit quality.

The management of this risk seeks to guarantee that the amounts owing are effectively collected within the periods negotiated without affecting 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.





The amounts included in the financial statements related to trade debtors and other debtors, net from impairment losses, represent the maximum exposure of the Group to credit risk.



2. Companies included in the consolidation

Group companies included in the consolidation through full consolidation method, their head offices, main activities, shareholders and percentage of share capital held at 30 September 2009 and 2008, are as follows:

				Percentag	e of share capital	held	
				2009	9	200)8
Company (Commercial Brand)	Head Office	M ain activity	Shareholder	Direct	Effective*	Direct	Effective*
Parent company:							
SONAECOM, S.G.P.S., S.A. ("Sonaecom")	Maia	Management of shareholdings.	-	-	-	-	-
Subsidiaries:							
Be Artis - Concepção, Construção e Gestão de Redes de Comunicações, S.A. ("Artis")	M aia	Design, construction, management and exploitation of electronic communications networks and their equipment and infrastructure,management of technologic assets and rendering of related services.	Sonaecom	100%	100%	100%	100%
Be Towering – Gestão de Torres de Telecomunicações, S.A. ("Be Towering")	M aia	Implementation, installation and exploitation of towers and other sites for the instalment of telecommunications equipment.	Sonaecom Serviços de Comunicações	100%	100%	100%	100%
Cape Technologies Americas, Inc ("Cape America")	Miami	Rendering of consultancy services in the area of information systems.	Cape Technologies	100%	100%	100%	100%
Cape Technologies Limited ("Cape Technologies")	Dublin	Rendering of consultancy services in the area of information systems.	We Do	100%	100%	100%	100%
Cape Technologies (UK) Limited ("Cape UK") (a)	Cardiff	Rendering of consultancy services in the area of information systems.	Cape Technologies	Dissol	ved	100%	100%
Digitmarket – Sistemas de Informação , S.A. (" Digitmarket" – usando a marca " 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%
Lugares Virtuais, S.A. ("Lugares Virtuais") (b)	M aia	Organization and management of electronic online portals, content acquisition, management of electronic auctions, acquisition and deployment of products and services electronically and any related activities.	Miauger	100%	100%	100%	100%
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")	M aia	Organisation and management of electronic auctions of products and services on-line.	Sonaecom	100%	100%	100%	100%
* Sonaecom effective partic (a) Company dissolved in A (b) Company established in	ugust 2009.						





					ge of share capital		
				200	9	200	08
Company (Commercial Brand)	Head Office	M ain activity	Shareholder	Direct	Effective*	Direct	Effective*
M3G – Edições Digitais, S.A. (" M3G")	Maia	Digital publishing, electronic publishing and production of Internet contents.	Público	100%	100%	100%	100%
Per-Mar – Sociedade de Construções, S.A. ("Per-Mar")	M aia	Purchase, sale, renting and operation of property and commercial establishments.	Sonaecom Serviços de Comunicações	100%	100%	100%	100%
Praesidium Services Limited ("Praesidium Services")	Berkshire	Rendering of consultancy services in the area of information systems.	We Do UK	100%	100%	100%	100%
Praesidium Technologies Limited ("Praesidium Technologies")	Berkshire	Rendering of consultancy services in the area of information systems.	We Do UK	100%	100%	100%	100%
Público – Comunicação Social, S.A. (" Público")	Oporto	Editing, composition and publication of periodical and non-periodical material.	Sonaetelecom B V	100%	100%	100%	100%
Saphety Level – Trusted Services, S.A. (Saphety)	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	86.995%	86.995%	100%	100%
Sonaecom BV	Amsterdam	Management of shareholdings.	Sonaecom	100%	100%	100%	100%
Sonaecom - Serviços de Comunicações, S.A.	M aia	Implementation, operation, exploitation and offer of networks and rendering	Sonaecom	53.54%	53.54%	53.54%	53.54%
("Novis" e "Optimus")		services of electronic comunications and related resources; offer and commercialisation of products and equipments of electronic	Sonae Telecom	37.94%	37.94%	37.94%	37.94%
		communications.	Sonaecom BV	8.52%	8.52%	8.52%	8.52%
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%
Sonae Telecom, S.G.P.S., S.A. (" Sonae Telecom")	Maia	M anagement of shareholdings in the area of telecommunications.	Sonaecom	100%	100%	100%	100%
* Sonaecom effective participa	pation						



				Percenta	ge of share capital	held	
				200	9	200	08
Company (Commercial Brand)	Head Office	M ain activity	Shareholder	Direct	Effective*	Direct	Effective*
Sonaetelecom BV	Amsterdam	Management of shareholdings.	Sonaecom	100%	100%	100%	100%
Tecnológica Telecomunicações, LTDA . ("Tecnológica")	Rio de Janeiro	Rendering of consultancy and technical assistance in the area of IT systems and telecommunications.	We Do Brasil	99.99%	99.90%	99.99%	99.90%
Telemilénio Telecomunicações - Sociedade Unipessoal, .da. ("Tele2")	Lisbon	Rendering of mobile telecommunications services, including fixed telecommunications and internet service.	Sonaecom	Merg	ed	100%	100%
We Do Consulting – Sistemas de Informação, S.A. ("We Do")	Maia	Rendering of consultancy services in the area of information systems.	Sonae com Sistemas de Informação	100%	100%	100%	1009
Wedo do Brasil Soluções Informáticas, Ltda. ("We Do Brasil")	Rio de Janeiro	Commercialisation of software and hardware; rendering of consultancy and technical assistance related to information technology and data processing.	We Do	99.91%	99.91%	99.91%	99.91%
We Do Poland Sp. Z.o.o. ("Cape Poland")	Poznan	Rendering of consultancy services in the area of information systems.	Cape Technologies	100%	100%	100%	100%
We Do Technologies BV ("We Do BV") (a)	Amsterdam	Management of shareholdings.	We Do	100%	100%	100%	100%
We Do Technologies BV - Sucursal Malásia ("We Do Malaysia") (b)	Kuala Lumpur	Rendering of consultancy services in the area of information systems.	We Do BV	100%	100%	100%	100%
We Do Technologies Mexico, S de R.L.	Cidade do México	Rendering of consultancy services in the area of information systems.	We Do BV	95%	95%	95%	95%
("We Do Mexico") (b)			Sonaecom BV	5%	5%	5%	5%
We Do Technologies Egypt a Limited Liability Company ("We Do Egypt") (b)	Cairo	Rendering of consultancy services in the area of information systems.	We Do BV Sonaecom BV	90% 5%	90% 5%	90% 5%	90% 5%
(we bo Egypt) (b)			Sonaetelecom BV	5%	5%	5%	5%
We Do Technologies (UK) Limited ("We Do UK")	Berkshire	Management of shareholdings.	We Do	100%	100%	100%	100%
We Do Technologies Australia PTY Limited ("Cape Asia")	Sidney	Rendering of consultancy services in the area of information systems.	Cape Technologies	100%	100%	100%	100%
*Sonaecom effective partic (a) Company established in (b) Companies established	June 2008.	8.					

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).



3. Companies jointly controlled

At 30 September 2009 and 2008, the Group jointly controls and consolidates through the proportional method the following companies:

				Percenta	ige of share capit	al held	
				200)9	200	08
Company (Commercial Brand)	Head Office	M ain activity	Shareholder	Direct	Effective*	Direct	Effective*
Vipu A ce ("Sexta")	Lisbon	Optimization of resources for the activity of editing of contents for periodic publications in paper to digital media, video or TV.	Público	50%	50%	50%	50%
Unipress (a)	Vila Nova de Gaia	Trade and industry of graphic design and publishing.	Público	50%	50%	40%	40%

At 30 September 2009 and 2008, the main impacts arising from the consolidation by the proportional method of the above mentioned entities, are as follows (debit/(credit)):

	2009	2008
Non current assets	3,420,233	12,047
Current assets	398,246	149,188
Non current liabilities	(3,047,784)	-
Current liabilities	(320,772)	(157,542)
Net result	(89,581)	530,940
Total revenues	(1,464,123)	(295,084)
Total costs	1,374,542	826,024

4. Investments in associated companies

At 30 September 2009 and 2008, this caption included investments in associated companies, which head offices, main activities, shareholders, percentage of share capital held and book value were as follows:

					Percentage of sha	are capital held			
				200	9	200	8	Book	value
Company (Commercial brand) Associated companies:	Head Office	M ain activity	Shareholder	Direct	Effective*	Direct	Effective*	2009	2008
Net Mall, S.G.P.S., S.A. ("Net Mall")	M aia	Management of shareholdings.	Sonae Com Sistemas de Informação	(Liquida	ated)	39.51%	39.51%	-	(a)
Sociedade Independente de Radiodifusão Sonora, S.A. (" S.I.R.S." – usando a marca " 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	50%	50%	40%	40%	(b)	757,069
*Sonaecom effective partic (a) Investment recorded at a (b) From 31December 2008	nil book value	onsolidated by the proportional metho	od.				-	÷	757,069



The associated companies were included in the consolidated financial statements in accordance with the equity method, as referred in Note 1. b). It was not necessary to make any adjustments between the accounting policies of the associated companies and the Group accounting policies, since there were no significant differences.

At 30 September 2009 and 2008, the assets, liabilities, total revenues and net results of associated companies were as follows:

	2009			
			Total	
Company	Assets	Liabilities	revenues	Net results
Sociedade Independente de Radiodifusão Sonora, S.A.	617,083	594,264	964,294	59,296
	2008		Total	
Company	Assets	Liabilities	revenues	Net results
Unipress - Centro Gráfico, Lda (1) Sociedade Independente de	9,762,229	7,880,640	3,581,171	53,639
Radiodifusão Sonora, S.A.	548,282	491,068	962,006	101,305
Netmall, S.G.P.S., S.A.	13,141	21,676	177	(2,818)

(1) Values at 31.12.2007

5. Changes in the Group

5. a) Constitutions

During the period ended at 30 September 2008, the Group incorporated the following entities:

2008								
Subsidiary	Subsidiary	Date	Share capital	Current % shareholding				
Miauger	Lugares Virtuais	Jun-08	50.000 EUR	100.00%				
We Do	We Do BV	Jun-08	18.000 EUR	100.00%				
We Do BV e Sonaecom BV	We Do Mexico	Sept-08	3.000 MXN	100.00%				
We Do BV	We Do Malaysia	Sept-08	=	100.00%				

5. b) Others

During the periods ended at 30 September 2009 and 2008 the following changes occurred in the composition of the Group:





At 1 January 2009, the Group proceeded to the merger by incorporation of the subsidiary Telemilénio Telecomunicações, Sociedade Unipessoal, Lda. into the subsidiary Sonaecom - Serviços de Comunicações, S.A., enabling a greater operational efficiency and increased cost control. This transaction was approved by the General Shareholder Meetings of each company, both held on 24 November 2008.

During the period ended at 30 September 2008, the Cape Group's purchase price (acquired at October 2007) was adjusted since the deferred portion of the price, dependent on the fulfilling of a set of pre-established conditions, was not satisfied. Therefore, the purchase price and accordingly the Goodwill decrease in an amount of Euro 2,409,079 (Note 9).

6. Tangible Assets

The movement in tangible assets and in the corresponding accumulated depreciation and impairment losses in the periods ended at 30 September 2009 and 2008 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 31.12.2008	1,391,593	252,295,915	891,297,575	161,116	157,107,115	1,189,329	5,139,704	88,154,502	1,396,736,849
Additions	-	147,029	8,142,223	559,429	9,401,194	54	125,258	54,121,046	72,496,233
Disposals	-	(590,000)	(549,079)	(323,421)	(258,480)	-	(3,018)	9,600	(1,714,398)
Transfers and write-offs	-	13,909,317	45,203,756	-	2,536,411	4,335	39,763	(61,981,982)	(288,400)
Balance at 30.09.2009	1,391,593	265,762,261	944,094,475	397,124	168,786,240	1,193,718	5,301,707	80,303,166	1,467,230,284
ACCUMULATED DEPRECIATIO	ON AND IMPAIRME	NT LOSSES:							
Balance at 31.12.2008	-	130,910,565	545,294,870	125,491	130,529,609	1,131,114	3,003,661	-	810,995,310
Depreciation for the period	-	7,887,467	66,598,390	46,175	13,554,380	16,648	512,088	-	88,615,148
Disposals	-	(172,279)	(134,619)	(78,363)	(130,619)	-	(1,569)	-	(517,448)
Transfers and write-offs	-	(21,766)	30,385	-	(1,638)	(2)	-	-	6,979
Balance at 30.09.2009	-	138,603,987	611,789,026	93,303	143,951,732	1,147,760	3,514,180	-	899,099,988
Net value	1,391,593	127,158,274	332,305,449	303,821	24,834,508	45,958	1,787,527	80,303,166	568,130,295
		Buildings and							
	Land	Buildings and other constructions	Plant and machinery	Vehicles	Fixtures and fittings	Tools	Other tangible assets	Work in progress	Total
GROSS ASSETS	Land	other		Vehicles	Fixtures and fittings	Tools		Work in progress	Total
GROSS ASSETS Balance at 31.12.2007	Land 1,391,593	other		Vehicles 129,546		Tools 1,096,920			Total 1,263,824,413
		other constructions	machinery		fittings		assets	progress	
Balance at 31.12.2007		other constructions 235,216,110	machinery 842,983,026	129,546	fittings 143,432,036		assets 2,728,382	progress 36,846,800	1,263,824,413
Balance at 31.12.2007 Additions		other constructions 235,216,110 2,243,863	842,983,026 5,036,644	129,546 21,029	143,432,036 8,953,380		assets 2,728,382	36,846,800 81,990,968	1,263,824,413 100,380,521
Balance at 31.12.2007 Additions Disposals		other constructions 235,216,110 2,243,863 (68,445)	842,983,026 5,036,644 (162,678)	129,546 21,029	143,432,036 8,953,380 (223,394)	1,096,920 - -	2,728,382 2,134,637	36,846,800 81,990,968 (550,000)	1,263,824,413 100,380,521 (1,029,900)
Balance at 31.12.2007 Additions Disposals Transfers and write-offs	1,391,593	other constructions 235,216,110 2,243,863 (68,445) 7,539,201 244,930,729	842,983,026 5,036,644 (162,678) 41,020,428	129,546 21,029 (25,383)	fittings 143,432,036 8,953,380 (223,394) 4,062,599	1,096,920 - - - 18,027	2,728,382 2,134,637 - 3,581	36,846,800 81,990,968 (550,000) (56,515,039)	1,263,824,413 100,380,521 (1,029,900) (3,871,202)
Balance at 31.12.2007 Additions Disposals Transfers and write-offs Balance at 30.09.2008	1,391,593	other constructions 235,216,110 2,243,863 (68,445) 7,539,201 244,930,729	842,983,026 5,036,644 (162,678) 41,020,428	129,546 21,029 (25,383)	fittings 143,432,036 8,953,380 (223,394) 4,062,599	1,096,920 - - - 18,027	2,728,382 2,134,637 - 3,581	36,846,800 81,990,968 (550,000) (56,515,039)	1,263,824,413 100,380,521 (1,029,900) (3,871,202)
Balance at 31.12.2007 Additions Disposals Transfers and write-offs Balance at 30.09.2008 ACCUMULATED DEPRECIATION	1,391,593	other constructions 235,216,110 2,243,863 (68,445) 7,539,201 244,930,729 ENT LOSSES:	842,983,026 5,036,644 (162,678) 41,020,428 888,877,420	129,546 21,029 (25,383) - 125,193	fittings 143,432,036 8,953,380 (223,394) 4,062,599 156,224,621	1,096,920 - - - 18,027 1,114,947	2,728,382 2,134,637 - 3,581 4,866,600	36,846,800 81,990,968 (550,000) (56,515,039)	1,263,824,413 100,380,521 (1,029,900) (3,871,202) 1,359,303,832
Balance at 31.12.2007 Additions Disposals Transfers and write-offs Balance at 30.09.2008 ACCUMULATED DEPRECIATION Balance at 31.12.2007	1,391,593	other constructions 235,216,110 2,243,863 (68,445) 7,539,201 244,930,729 ENT LOSSES: 118,050,343	842,983,026 5,036,644 (162,678) 41,020,428 888,877,420 492,489,934	129,546 21,029 (25,383) - 125,193	fittings 143,432,036 8,953,380 (223,394) 4,062,599 156,224,621 116,612,257	1,096,920 - - - 18,027 1,114,947	2,728,382 2,134,637 - 3,581 4,866,600 2,371,081	36,846,800 81,990,968 (550,000) (56,515,039)	1,263,824,413 100,380,521 (1,029,900) (3,871,202) 1,359,303,832 730,657,903
Balance at 31.12.2007 Additions Disposals Transfers and write-offs Balance at 30.09.2008 ACCUMULATED DEPRECIATION Balance at 31.12.2007 Depreciation for the period	1,391,593	other constructions 235,216,110 2,243,863 (68,445) 7,539,201 244,930,729 ENT LOSSES: 118,050,343 9,584,238	842,983,026 5,036,644 (162,678) 41,020,428 888,877,420 492,489,934 64,619,141	129,546 21,029 (25,383) - 125,193 94,160 20,268	fittings 143,432,036 8,953,380 (223,394) 4,062,599 156,224,621 116,612,257 12,237,631	1,096,920 - - - 18,027 1,114,947	2,728,382 2,134,637 - 3,581 4,866,600 2,371,081	36,846,800 81,990,968 (550,000) (56,515,039)	1,263,824,413 100,380,521 (1,029,900) (3,871,202) 1,359,303,832 730,657,903 86,887,378
Balance at 31.12.2007 Additions Disposals Transfers and write-offs Balance at 30.09.2008 ACCUMULATED DEPRECIATION Balance at 31.12.2007 Depreciation for the period Disposals	1,391,593	other constructions 235,216,110 2,243,863 (68,445) 7,539,201 244,930,729 ENT LOSSES: 118,050,343 9,584,238 (12,208)	842,983,026 5,036,644 (162,678) 41,020,428 888,877,420 492,489,934 64,619,141 (94,077)	129,546 21,029 (25,383) - 125,193 94,160 20,268	143,432,036 8,953,380 (223,394) 4,062,599 156,224,621 116,612,257 12,237,631 (78,449)	1,096,920 - - - 18,027 1,114,947	2,728,382 2,134,637 - 3,581 4,866,600 2,371,081 410,387	36,846,800 81,990,968 (550,000) (56,515,039)	1,263,824,413 100,380,521 (1,029,900) (3,871,202) 1,359,303,832 730,657,903 86,887,378 (187,436)



The additions that occurred during the period included: 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 and FTTH (Fibre-to-the-Home).

The acquisition cost of Tangible fixed assets held by the Group under finance lease contracts, amounted to Euro 29,018,836 and Euro 26,329,587 as of 30 September 2009 and 2008, and their net book value as of those dates amounted to Euro 19,737,390 and Euro 19,989,349 respectively.

At 30 September 2009, the heading 'Tangible assets' does not include any asset pledged or given as a guarantee for loans obtained, except for the assets acquired under financial lease contracts.

Tangible assets in progress at 30 September 2009 and 2008 were made up as follows:

	2009	2008
Development of mobile network	32,270,504	42,359,808
Development of fixed network	39,171,652	12,150,407
Information systems	3,829,615	3,799,440
Other projects in progress	5,031,395	3,463,074
	80,303,166	61,772,729

At 30 September 2009, the movement occurred in the amounts for the 'Development of fixed network' concern, essentially, to investments related to the development of the fibre network (FTTH).

At 30 September 2009 and 2008, the amounts of commitments to third parties relating to investments to be made were as follows:

	2009	2008
Network	26,004,843	30,206,183
Information systems	3,895,214	5,627,284
	29,900,057	35,833,467





7. Intangible assets

In the periods ended at 30 September 2009 and 2008, the movement in Intangible assets and in the corresponding accumulated amortisation and impairment losses, was as follows:

	Brands and			
	patents and other		Intangible assets	
CDOSS ASSETS.	rights	Software	in progress	Total
GROSS ASSETS:			44.040.000	540.050.040
Balance at 31.12.2008	287,617,028	214,987,219	11,249,369	513,853,616
Additions	16,685,627	1,193,848	12,962,722	30,842,197
Disposals	(27)	(20,820)	(5,250)	(26,097)
Transfers and write-offs	172,079	9,507,920	(8,831,246)	848,753
Balance at 30.09.2009	304,474,707	225,668,167	15,375,595	545,518,469
ACCUMULATED AMORTISATION	AND IMPAIRMENT LOSS	ES:		
Saldo em 31.12.2008	69,111,102	171,924,626	-	241,035,728
Amortisation for the period	13,103,745	17,109,096	-	30,212,841
Disposals	(1)	(4,204)	-	(4,205)
Transfers and write-offs	(34)	204,709	-	204,675
Balance at 30.09.2009	82,214,812	189,234,227	-	271,449,039
Net value	222,259,895	36,433,939	15,375,595	274,069,430
	Brands and			
	patents and other rights	Software	Intangible assets in progress	Total
GROSS ASSETS:	- Igitto	oon ware	iii progress	Total
Balance at 31.12.2007	184,616,429	212,851,390	5,011,298	402,479,117
Additions	98,343,174	2,468,866	12,202,309	113,014,349
Disposals	-	(3,648)	-	(3,648)
Transfers and write-offs	3,751,232	3,496,063	(3,481,557)	3,765,738
Balance at 30.09.2008	286,710,835	218,812,671	13,732,050	519,255,556
ACCUMULATED AMORTISATION	AND IMPAIRMENT LOSS	ES:		
Balance at 31.12.2007	48,060,543	164,981,940	-	213,042,483
Amortisation for the period	14,862,998	16,511,085	-	31,374,083
Disposals	-	(229)	-	(229)
Transfers and write-offs	503,138	(47,365)	-	455,773
Balance at 30.09.2008	63,426,679	181,445,431	-	244,872,110
Net value	223,284,156	37,367,240	13,732,050	274,383,446



At 30 September 2009, the caption 'Brands and patents and other rights' includes the amount of Euro 111,5 million that represent the present value of the estimated responsibilities with the "Initiatives E" project, recorded in June 2008 and updated in September 2009.

Under the agreed terms resulting from the grant of the UMTS License, Sonaecom – Serviços de Comunicações (Optimus at the time) committed to contribute to the promotion and development of an 'Information Society' in Portugal. The total amount of the obligations assumed arose to Euro 274 million which will have to be realised until the end of 2015.

In accordance with the Agreement established on 5 June 2007 with the Ministry of Public Works, Transportation and Communications ("MOPTC"), part of these commitments, up to Euro 159 million, would be realised through own projects eligible as contributions to the 'Information Society' which will be incurred under the normal course of Sonaecom — Serviços de Comunicações, S.A.'s business (investments in network and technology, if not directly related with the accomplishment of other obligations inherent to the attribution of the UMTS License, and activities of research, development and promotion of services, contents and applications). These own projects must be recognised by the MOPTC and by entities created specially for this purpose. At 30 September 2009, the total amount was already incurred and validated by the above referred entities, so, at this date, there are no additional responsibilities related to these commitments. These charges were recorded in the attached financial statements at the moment the projects were carried out and the estimated costs became known.

The remaining commitments, up to Euro 116 million, will be realised, as agreed between Sonaecom - Serviços de Comunicações and MOPTC, through contributions to the 'Initiatives E' project (modem offers, discounts on tariffs, cash contributions, among others, assigned to the widespread use of broadband internet for students and teachers). These contributions are made through the 'Fund for the Information Society', now known as the 'Foundation for Mobile Communications', established by the three mobile operators with businesses in Portugal. The success of this project, initiated in the end of 2007, depended on the beneficiaries' participation to the various initiatives (e-opportunities, e-school and e-teacher) and could have been subject to revision during a period of 12 months, i.e., until June 2008. Due to these facts, it was not possible, at 31 December 2007, to estimate in a reliable way the success of this project, and therefore, at that date it was not possible to produce a secure and reliable estimate of the responsibilities to be recognised.

Taking into consideration the success of the project during the first semester of 2008, Sonaecom considered that conditions to produce a reliable estimate of the total responsibilities associated with 'Initiatives E' project were in place. Therefore, such responsibilities were recorded, at 30 June 2008, as an added cost of the UMTS license, against an entry in the captions 'Other non-current liabilities' and 'Other current liabilities'. Thus, at 30 September 2009, all the responsibilities with such commitments are fully recorded in the attached consolidated financial statements.

During the third quarter of 2008, taking into account important facts occurred in recent months, namely that: incumbent operators were not allowed to take part in the fourth license tendering process; and current national and international practice of extension, without costs, of GSM licenses and the renewal of UMTS licenses; the Group's Board of Directors decided to revise the useful life of the UMTS license, extending the amortisation period from 2015 to 2030, given the high probability of its renewal and the high probability of such renewal being granted without significant costs. In accordance with IAS 8, the impacts of the estimated useful life revision were recorded prospectively.

At 30 September 2009 and 2008, the Group kept recorded under the heading 'Intangible assets' the amounts of Euro 204,496,242 and Euro 199,594,350, respectively, that correspond to the investments net of depreciations made in the development of the UMTS network, including: (i) Euro 63,756,122 (amount of Euro 66,756,410 in 2008) related to the license; (ii) Euro 21,303,258 (amount of Euro 22,305,764 in 2008) related to the agreement signed in 2002 between Oni Way and the other three mobile telecommunication operators with activity in Portugal; (iii) Euro 6,542,874 (Euro 6,850,774 in 2008) related to a contribution to the 'Foundation for Mobile Communications', established in 2007, under an agreement entered with 'MOPCT' and the three mobile telecommunication operators in Portugal; and (iv) Euro 107,446,629 (Euro 98,008,317 in 2008) related with the programme 'Initiatives E', these last two associated to the commitments assumed by the Group in relation to the 'Information Society'.





The assessment of impairment for the main intangible assets, in the mobile and fixed segments, is carried out as described in Note 9 ('Goodwill'), to the extent that such assets are closely related to the overall activity of the segment and consequently cannot be analyzed separately.

The intangible assets in progress, at 30 September 2009 and 2008, 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 September 2009 and 2008, such expenses amounted to Euro 18,148,910 and Euro 15,687,386, respectively. The amount capitalised in the periods ended at 30 September 2009 and 2008 were Euro 1,214,402 and Euro 1,321,626, respectively. An interest capitalisation rate of 2.59% was used in 2009 (5.14% in 2008), which corresponds to the average interest rate supported by the Group.

8. Breakdown of financial instruments

At 30 September 2009 and 2008, the breakdown of financial instruments was as follows:

		200	9				
	Investments recorded at fair value through profit and loss	Loans and receivables	Held-to- maturity investments	Investments available for sale	Subtotal	Others not covered by IFRS 7	Total
Non current Assets							
Investments available for sale (Note 10)			-	1,207,320	1,207,320		1,207,320
				1,207,320	1,207,320		1,207,320
Current Assets							
Trade debtors		160,882,700	_	-	160,882,700	-	160,882,700
Other current debtors	-	17,724,607	-	-	17,724,607	6,100,639	23,825,246
Cash and cash equivalents (Note 12)	-	109,927,945	-	-	109,927,945	-	109,927,945
		288,535,252			288.535.252	6,100,639	294,635,891
		200,333,232		 -	200,000,202	0,100,033	234,033,031
		200	8		200,330,202	0,100,039	294,000,031
	Investments recorded at fair value through profit and loss		Held-to- maturity investments	Investments available for sale	Subtotal	Others not covered by IFRS 7	Total
Non current Assets	recorded at fair value through profit	200a	Held-to- maturity	available for		Others not covered by	
Non current Assets Investments available for sale (Note 10)	recorded at fair value through profit	200a	Held-to- maturity	available for		Others not covered by	
	recorded at fair value through profit	200a	Held-to- maturity	available for sale	Subtotal	Others not covered by	Total
	recorded at fair value through profit	200a	Held-to- maturity	available for sale	Subtotal 1,207,320	Others not covered by	Total 1,207,320
Investments available for sale (Note 10)	recorded at fair value through profit	200a	Held-to- maturity	available for sale	Subtotal 1,207,320	Others not covered by	Total 1,207,320 1,207,320
Investments available for sale (Note 10) Current Assets	recorded at fair value through profit	Loans and receivables	Held-to- maturity	available for sale	Subtotal 1,207,320 1,207,320	Others not covered by	Total 1,207,320 1,207,320 188,730,631
Investments available for sale (Note 10) Current Assets Trade debtors	recorded at fair value through profit	Loans and receivables	Held-to- maturity	available for sale	Subtotal 1,207,320 1,207,320 188,730,631	Others not covered by IFRS 7	Total 1,207,320



		200	9				
	Liabilities recorded at fair value through profit and loss	Derivatives	Liabilities recorded at amortised cost	Other financial liabilities	Subtotal	Others not covered by IFRS 7	Total
Non current liabilities							
Medium and long-term loans - net of short-term portion (Note 15)	-	-	299,665,173	-	299,665,173	-	299,665,173
Other non current financial liabilities (Note 16)	-	-	21,551,839	-	21,551,839	-	21,551,839
Securitization of receivables (Note 18)	-	-	64,256,705	-	64,256,705	-	64,256,705
, ,	-	-	385,473,717	-	385,473,717	-	385,473,717
Current liabilities							
Short-term loans and other loans (Note 15)	-	-	89,140,917	-	89,140,917	-	89,140,917
Trade creditors	-	-	-	185,375,688	185,375,688	-	185,375,688
Other current financial liabilities (Note 19)	-	-	1,803,270	-	1,803,270	-	1,803,270
Securitization of receivables (Note 18)	-	-	19,464,308	-	19,464,308	-	19,464,308
Other creditors				55,732,247	55,732,247	9,447,127	65,179,374
			110,408,495	241,107,935	351,516,430	9,447,127	360,963,557
		200	8				
	Liabilities recorded at fair value through profit and loss	Derivatives	Liabilities recorded at amortised cost	Other financial liabilities	Subtotal	Others not covered by IFRS 7	Total
Non current liabilities							
Medium and long-term loans - net of short-term portion (Note 15)	-	(960,301)	363,248,502	-	362,288,201	-	362,288,201
Other non current financial liabilities (Note 16)	-	-	17,474,517	-	17,474,517	-	17,474,517
		(960,301)	380,723,019		379,762,718		379,762,718
Current liabilities							
	_	_	4,980,085	_	4,980,085	_	4,980,085
Short-term loans and other loans (Note 15)	-	-	4,300,003	-		-	
Trade creditors	-	-	-	177,336,450	177,336,450	-	177,336,450
Other current financial liabilities (Note 19)	-	-	1,711,919	- 4 770 500	1,711,919	- 0.04.007	1,711,919
Other creditors			6,692,004	4,772,589 182,109,039	4,772,589 188,801,043	8,384,367 8,384,367	13,156,956 197,185,410
			0,032,004	102,103,039	100,001,043	0,304,307	191,100,410

Considering the nature of the balances, the amounts to be paid and received from 'State and other public entities' were considered outside the scope of IFRS 7. Also, the captions of 'Other current assets' and 'Other current liabilities' were not included in this note, as the nature of such balances are not within the scope of IFRS 7.

9. Goodwill

For the periods ended at 30 September 2009 and 2008, the movements occurred in goodwill were as follows:

	2009	2008
Opening balance	526,030,904	528,216,604
Others	(49,317)	(2,344,526)
Closing balance	525,981,587	525,872,078

In the period ended at 30 June 2009 the caption "Others" includes, mainly, the exchange rate update of the Praesidium Group's Goodwill.

During the period ended at 30 September 2008, the caption "Others" includes the amount of Euro 2,409,079 related to an update of the Cape Group's purchase price (Note 5) and the remaining amount relates, mainly, to the exchange rate update of the Praesidium Group's Goodwill.





Goodwill at 30 September 2009 and 2008 was made up as follows:

	2009	2008
Sonaecom - Serviços de Comunicações	485,092,375	485,092,375
Público	20,000,000	20,000,000
Cape	17,476,354	17,476,354
WeDo	1,971,668	1,971,668
Praesidium	988,706	1,200,895
Unipress	321,698	-
SIRS	72,820	72,820
Permar	47,253	47,253
Optimus Towering	10,713	10,713
	525,981,587	525,872,078

The evaluation of the existence of impairment losses in Goodwill was based on the most recent business plans duly approved by the Group's Board of Directors, which are prepared attending to cash flow projections for periods of 5 years. The discount rates used were based on the estimated weighted average cost of capital, which depends on the business segment of each subsidiary, as indicated in the table below. In perpetuity, the Group considered a growth rate of circa 3%.

	Discount rate
Telecommunications	9.00%
Multimedia	9.45%
Information Systems	11.22%

10. Investments available for sale

At 30 September 2009 and 2008, this caption included investments classified as available for sale and was made up as follows:

			2009			2008	
			Accumulated impairment			Accumulated impairment	
	%	Gross amount	losses	Net amount	Gross amount	losses	Net amount
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.	1.38%	197,344	-	197,344	197,344	-	197,344
Others	-	9,976	-	9,976	9,976	-	9,976
		1,207,320		1,207,320	1,207,320		1,207,320

At 30 September 2009, these investments correspond to shareholdings of immaterial amount, in unlisted companies, in which the Group has no significant influence, and in which the acquisition cost of such investments is a reasonable estimation of their fair value, adjusted where applicable, by the respective impairment losses.

The assessment of impairment in the investments described above is performed through comparisons with the value of the percentage of share capital detained by the Group and with multiples of sales and EBITDA of companies of the same sector.





The financial information regarding these investments is detailed below (in thousands of Euro):

		Shareholders			Operational		
	Assets	fund's	Gross debt	Turnover	results	Net Income	
Altitude, SGPS, S.A.	18,720	5,530	3,610	27,608	442	826	
Lusa – Agência de Notícias de Portugal, S.A.	18,333	8,191	5,825	18,911	1,513	815	

Amounts expressed in thousands Euros at 31-12-08

During the periods ended at 30 September 2009 and 2008, the heading 'Investments available for sale' did not present any movements.

11. Deferred tax

Deferred tax assets at 30 September 2009 and 2008, amounted to Euro 121,721,140 and Euro 108,465,057, respectively, and arose, mainly, from tax losses carried forward, temporary differences and from differences between the accounting and tax amount of some fixed assets.

The movements in deferred tax assets in the periods ended at 30 September 2009 and 2008 were as follows:

	2009	2008
Opening balance	124,862,171	101,118,096
Impact in results:		
Tax losses carried forward and deferred taxes related to the tax results of the companies included in the tax group during the period	(2,389,971)	1,833,104
Deferred tax assets not recorded in previous years, as its recovery was not expected (Sonaecom - Serviços de Comunicações, Mainroad, Miauger, Cape and Digitmarket in 2008)	-	2,704,600
Movements in provisions not accepted for tax purposes and tax benefits	2,828,464	-
Reversal of defered tax assets related to the securitization of future receivables	(2,415,000)	-
Temporary net differences between the tax and the accounting amount of certain fixed assets	(1,421,567)	2,815,257
Sub-total effect on results (Note 22)	(3,398,074)	7,352,961
Others	257,043	(6,000)
Closing balance	121,721,140	108,465,057

At 31 December 2008, deferred tax assets were recognised in the amount of Euro 16.1 million regards to the securitization of future receivables completed in December 2008 (Note 18). As a result of that operation, and in accordance with the provisions of Decreto-Lei no 219/2001 of 4 August, an amount of Euro 100 million was generated from that operation and it was added for purposes of determining the taxable income for the year 2008, thereby generating a temporary difference between accounting and taxable income result,





which led to the recognition of a deferred tax asset to the extent that its use was, with reasonable safety, probable. In the period ended at 30 September 2009, an amount of Euro 2.4 million was reversed corresponding to the reversal of the above referred temporary difference during the period.

At 30 September 2009 and 2008, assessments of the deferred tax assets to be recognised were made. 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 most recent business plans duly approved by the Board of Directors of the Group companies, which are periodically reviewed and updated.

The main criteria used in those business plans are described in Note 9.

The rate used at 30 September 2009 and 2008 to calculate the deferred tax assets relating to tax losses carried forward was 25%. The rate used to calculate deferred tax assets resulting from temporary differences was 26.5%.

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 September 2009 was as follows:

	Companies		Comp	anies excluded	from the tax gro	oup		Total
	included in the		•		-	We Do		Sonaecom
Nature	tax group	Praesidium	Digitmarket	Saphety	Cape	Brasil	Total	Group
Taxlosses:								
To be used until 2010	230,287	-	49,140	-	-	-	49,140	279,427
To be used until 2011	31,676	-	210,662	-	-	-	210,662	242,338
To be used until 2012	170,616	-	-	-	-	-	-	170,616
To be used until 2013	68,421	-	-	138,000	-	-	138,000	206,421
Unlimited Utilisation		93,645	-	-	134,506	-	228,151	228,151
Tax losses prior to the								
establishment of the tax group	501,000	93,645	259,802	138,000	134,506	-	625,953	1,126,953
Tax losses recorded as a result from the establishment of the tax group	4,046,066	-	-	-	-	-		4,046,066
Tax provisions not accepted and other temporary differences	11,429,072	-	-	-	-	-	-	11,429,072
Tax benefits (SIFIDE)	1,716,399	-	-	-	-	-	-	1,716,399
Adjustments in the conversion to IAS/ IFRS	36,232,727	-	-	-	-	160,438	160,438	36,393,165
Temporary differences arising from the securitization of receivables	13,685,000	-	-	-	-	-	-	13,685,000
Differences between the tax and accounting amount of certain fixed assets and others	53,324,485	-	-		-	-	-	53,324,485
Total	120,934,749	93,645	259,802	138,000	134,506	160,438	786,391	121,721,140



At 30 September 2009 and 2008, the Group has other situations where potential deferred tax assets could be recognised, but since it is not expected that sufficient taxable profits will be generated in the future to cover those losses, such deferred tax assets were not recorded:

	2009	2008
Taxlosses	49,307,062	86,263,942
Temporary differences (mainly provisions not accepted for tax purposes)	34,473,695	22,610,230
Adjustments in the conversion to IAS/IFRS	(246,586)	(34,898)
	83,534,171	108,839,274

At 30 September 2009 and 2008, tax losses for which deferred tax assets were not recognised have the following due dates:

Due date	2009	2008
2008	-	16,382,059
2009	1,245,631	9,913,636
2010	4,219,398	5,300,303
2011	10,029,169	12,549,980
2012	9,040,807	15,414,302
2013	16,001,253	18,554,094
2014	1,326,762	2,218,944
2015	3,185,486	2,280,260
2016	1,204,308	1,204,308
2017	1,771,661	1,604,363
2018	18,740	-
Unlimited	1,263,848	841,692
	49,307,063	86,263,942

The years 2016 and following are applicable to the subsidiaries incorporated in countries in which the reporting period of tax losses is greater than 6 years.

The movements that occurred in deferred tax liabilities in the periods ended at 30 September 2009 and 2008 were as follows:

	2009	2008
Opening balance	(605,414)	(284,402)
Impact on results (Note 22) Consolidation adjustments	605,414	(448,784)
Sub-total	605,414	(448,784)
Others	-	135,228
Closing balance	-	(597,958)





The reconciliation between the earnings before taxes and the taxes recorded for the periods ended at 30 September 2009 and 2008 is as follows:

	2009	2008
Earnings before taxes	6,794,128	(13,720,530)
Income tax rate (25%)	(1,698,532)	3,430,133
Deferred tax assets not recognised in the individual accounts and/or resulting from consolidation adjustments and other adjustments to taxable income	(1,694,562)	(2,668,594)
Deferred tax assets not recognised in previous years	-	2,704,600
Record of deferred tax liabilities	605,414	(448,784)
Movements in provisions not accepted for tax purposes and tax benefits	2,828,464	-
Reversion of defered tax assets related to the securitization of future receivables	(2,415,000)	-
Movements in the temporary differences between the tax and accounting amounts of certain fixed assets	(1,421,567)	2,815,257
Income taxation recorded in the period (Note 22)	(3,795,783)	5,832,612

Portuguese Tax Authorities can review the income tax returns of the Company and of its subsidiaries for a period of four years (five years for Social Security), 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 2005 (inclusive) are still subject to such review. The Board of Directors believes that any correction that may arise as a result of such review would not have a significant impact on the accompanying consolidated financial statements.

Supported by the Company's lawyers and Tax consultants, the Board of Directors believes that there are no liabilities not provisioned in the consolidated financial statements, associated to probable tax contingencies that should have been registered or disclosed in the accompanying financial statements, at 30 September 2009 and 2008.





12. Cash and cash equivalents

At 30 September 2009 and 2008, the detail of cash and cash equivalents was as follows:

	2009	2008
Cash	32,862	318,878
Bank deposits repayable on demand	25,391,151	3,023,655
Treasury applications	84,503,932	246,660
Cash and cash equivalents	109,927,945	3,589,193
Bank overdrafts (Note 15)	(4,414,931)	(830,085)
	105,513,014	2,759,108

At 30 September 2009 and 2008, the 'Treasury applications' had the following breakdown:

	2009	2008
Sonae Investments BV	84,000,000	-
Foreign bank applications	503,932	191,660
National bank applications	-	55,000
	84,503,932	246,660

During the period ended at 30 September 2009, the above mentioned treasury applications bear interests at an average rate of 2.804% (4.287% in 2008).

13. Share capital

At 30 September 2009 and 2008 the share capital of Sonaecom was comprised by 366,246,868 ordinary registered shares of 1 Euro each. At those dates, the shareholder structure was as follows:

	2009		2008	
	Number of shares	%	Number of shares	%
Sontel BV	193,874,470	52.94%	196,208,851	53.57%
Atlas Service Belgium	73,249,374	20.00%	70,276,868	19.19%
Shares traded on the Portuguese				
Stock Exchange ('Free float')	62,569,173	17.08%	66,717,857	18.22%
093X (EDP)	29,150,000	7.96%	29,150,000	7.96%
Own shares	6,564,202	1.79%	3,868,643	1.06%
Sonae	838,649	0.23%	23,649	0.00%
Efanor Investimentos, S.G.P.S., S.A	1,000	0.00%	1,000	0.00%
Wirefree Services Belgium, S.A.	-	0.00%	-	0.00%
	366,246,868	100.00%	366,246,868	100.00%

All shares that comprise the share capital of Sonaecom, are authorised, subscribed and paid. All shares have the same rights and each share corresponds to one vote.

On 20 October 2009, EDP- Energias de Portugal, S.A., announced the sale of all the shares it held on the Company's capital, no longer holding, from this date on, any share in the share capital of Sonaecom, S.G.P.S.,S.A..

Additionally, on 23 October 2009, Banco Comercial Português, S.A. (BCP) announced that, through the acquisition by the BCP's pension fund, Pensõesgere – Sociedade Gestora de Fundos de Pensões, S.A., of 12,400,000 shares, would be attributable to it a qualifying holding of 3.413% in the share capital of Sonaecom, SGPS, SA.





14. Own shares

During the period ended 30 September 2009, Sonaecom delivered to its employees 786,243 own shares under its Medium Term Incentive Plan.

Additionally, during the period, Sonaecom acquired 1,419,802 shares (at an average price of Euro 1.40), holding at 30 September 2009 6,564,202 own shares, representative of 1.79% of its share capital at the average acquisition cost of Euro 1.78.

15. Loans

At 30 September 2009 and 2008, the heading Loans had the following breakdown:

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

				Type of	Amount out	standing
Company	Issue denomination	Limit	Maturity	reimbursement	2009	2008
Sonaecom SGPS	"Obrigações Sonaecom SGPS 2005"	150,000,000	Jun-13	Final	150,000,000	150,000,000
	Costs associated with financing set-up	-	-	-	(2,036,025)	(2,535,192)
	Interests incurred but not yet due	-	-	-	978,017	2,500,833
	Fair value of swaps	-	-	-	-	(525,687)
					148,941,992	149,439,954
Sonaecom SGPS	Commercial paper	150,000,000	Jul-12	-	150,000,000	213,500,000
	Costs associated with financing set-up	-	-		(183,340)	(621,830)
	Interests incurred but not yet due	-	-	-	130,417	404,691
	Fair value of swaps	-	-	-	-	(434,614)
					149,947,077	212,848,247
Unipress	Bank loan	-	-	-	389,305	-
Saphety	Minority shareholder loan's	-	-	-	386,799	-
					299,665,173	362,288,201

b) Short-term loans and other loans:

				Type of	Amount outs	standing
Company	Issue denomination	Limit	Maturity	reimbursement	2009	2008
Sonaecom SGPS	Commercial paper	100,000,000	Jul-10	-	85,000,000	-
		70,000,000	Jan-10	-	-	-
	Costs associated with financing set-up	-	-	-	(347,917)	-
	Interests incurred but not yet due	-	-	-	73,903	-
					84,725,986	-
Sonaecom SGPS	Overdraft facility - CGD	-	-	-	-	4,150,000
Several	Bank overdrafts	-	-	-	4,414,931	830,085
					89,140,917	4,980,085

In July 2007, Sonaecom signed a Commercial Paper Program Issuance with a maximum amount of Euro 250 million with subscription grant and maturity of five years, organised by Banco Santander de Negócios Portugal and by Caixa – Banco de Investimento.





The placing underwriting consortium is composed by the following institutions: Banco Santander Totta, Caixa Geral de Depósitos, Banco BPI, Banco Bilbao Vizcaya Argentaria (Portugal), Banco Comercial Português and BNP Paribas (in Portugal).

With this refinancing, the Group was able to increase the weighted average maturity of contracted debt, extinguish some of the contractual, financial and operational restrictions imposed by the previous Optimus contract and obtain higher efficiency in terms of the consolidated liquidity management.

These loans bear interest at marketable rates, indexed to the Euribor for the respective term, and were all contracted in Euros.

The average interest rate applied to the Bond Loan for the period was 2.324%.

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

At 30 September 2009 and 2008, the repayment schedule of medium and long term loans and of interests (nominal values), for both bonds and commercial paper was as follows (values based on the latest interest rate established for each type of loan):

		2009			
	N+1	N+2	N+3	N+4	N+5
Bond Loan					
Reimbursements	-	-	-	150,000,000	-
Interests	3,486,000	3,486,000	3,495,551	2,511,830	-
Commercial paper					
Reimbursements	85,000,000	-	150,000,000	-	-
Interests	2,045,039	1,552,171	1,292,767	-	-
	90,531,039	5,038,171	154,788,318	152,511,830	-

		2008			
	N+1	N+2	N+3	N+4	N+5
Bond Loan					
Reimbursements	-	-	-	-	150,000,000
Interests	9,003,000	9,003,000	9,003,000	9,027,666	6,511,759
Commercial paper					
Reimbursements	-	63,500,000	-	150,000,000	-
Interests	10,978,810	10,814,285	7,853,800	7,399,099	-
	19,981,810	83,317,285	16,856,800	166,426,765	156,511,759

Although the maturity of commercial paper issuance is of six months, the counterparties assumed the placement and the maintenance of those limits for a period of five years.

Minority shareholder loan's have no maturity defined.





At 30 September 2009 and 2008, the available credit lines of the Group were as follows:

	_	2009			•	•
					Ma	turity
Company	Credit	Limit	Amount outstanding	Amount available		More than 12 months
Sonaecom	Commercial paper	150,000,000	150,000,000	-		х
Sonaecom	Commercial paper	100,000,000	85,000,000	15,000,000	х	
Sonaecom	Commercial paper	70,000,000	-	70,000,000	х	
Sonaecom	Overdraft facilities	16,500,000	-	16,500,000	х	
Sonaecom	Bond Ioan	150,000,000	150,000,000	-		x
Sonaecom	Overdraft facilities	2,500,000	-	2,500,000	х	
Público	Overdraft facilities	1,500,000	-	1,500,000	х	
WeDo Brasil	Overdraft facilities	91,012	-	91,012	х	
		490,591,012	385,000,000	105,591,012		
		2008				
					Ma	turity
Company	Credit	Limit	Amount outstanding	Amount available	• • • • • • • • • • • • • • • • • • • •	More than 12 months
Sonaecom	Commercial paper	250,000,000	213,500,000	36,500,000		х
Sonaecom	Commercial paper	70,000,000	-	70,000,000		х
Sonaecom	Overdraft facilities	15,000,000	4,150,000	10,850,000	х	
Sonaecom	Bond loan	150,000,000	150,000,000	-		х

At 30 September 2009 there are no interest rate hedging instruments outstanding. The interest rate hedging instruments outstanding at 30 September 2008 and their correspondent fair value, calculated through the discounted future cash-flows method, were as follows:

1,496,394

1,500,000

1,246,995

489,334,216

90,827

367,650,000

Overdraft facilities

Overdraft facilities

Overdraft facilities

Authorised overdrafts

Público

Público

Público

WeDo Brasil

			2008			
Company	Hedged loan	Notional amount	Maturity date	Base rate	Fixed rate contracted	Fair value of the derivative instruments
Company	1 loagoa loan	amount	dato	Bassials	oomiaaaaa	modamono
Sonaecom	Commercial paper	110,000,000	Mar-09	Euribor 6m	4.365%	(434,614)
Sonaecom	Bond loan	75,000,000	Jun-09	Euribor 6m	4.565%	(525,687)
		-,,				
						(960,301)

In September 2007, Sonaecom entered into an interest rate swap, with a notional amount of Euro 110 million, for a period of 18 months re-fixed every semester, to hedge the risk associated to the interest rate of one plot of the commercial paper issued in 13 September 2007, for the same amount and the same period. The maturity of this interest rate swap occurred on 13 March 2009.



1,496,394

1,500,000

1,246,995

121,684,216

90,827

Х



In December 2007, Sonaecom entered into an interest rate swap, with a notional amount of Euro 75 million, for a period of 18 months re-fixed every semester, to hedge 50% of the risk associated to the interest rate of the bond loan issued in June 2005, for the amount of Euro 150 million and for the period of eight years with re-fixations every semester. The maturity of this interest rate swap occurred on 21 June 2009.

During the period ended at 30 September 2009, the movements that occurred in the fair value of the swaps, related to the Commercial Paper Programme, in the amount of minus Euro 174,106 and the bonds loans, in the amount of plus Euro 481,174, were recorded in the caption 'Hedging reserve', as the hedging was considered effective, in accordance with IAS 39.

During the period ended at 30 September 2009, the above mentioned derivative financial instruments reached their maturity. Thus, at 30 September 2009 the total gross debt is exposed to changes in market interest rates.

16. Other non current financial liabilities

At 30 September 2009 and 2008, this caption was made up of accounts payable to fixed assets suppliers related to lease contracts which are due in more than one year in the amount of Euro 21,551,839 and Euro 17,474,517, respectively.

At 30 September 2009 and 2008, the payment of these amounts was due as follows:

	200	9	200	8
	Lease payments	Present value of lease payments	Lease payments	Present value of lease payments
Sept-08 a Sept-09	-	-	730,276	501,560
Sept-09 a Sept-10	867,321	585,019	2,437,280	1,532,286
Sept-10 a Sept-11	3,162,828	2,115,664	2,122,595	1,280,017
Sept-11 a Sept-12	2,933,524	1,982,465	1,922,515	1,140,772
Sept-12 a Sept-13	2,929,730	2,069,890	1,940,720	1,215,015
Sept-13 a Sept-14	2,757,633	1,990,156	1,734,697	1,064,749
After Set-14	18,483,689	14,611,915	15,994,816	12,452,037
	31,134,725	23,355,109	26,882,899	19,186,436
Interests	(7,779,615)	-	(7,696,464)	-
	23,355,109	23,355,109	19,186,435	19,186,436
Short term liability				
(Note 19)	-	(1,803,270)	-	(1,711,919)
	23,355,109	21,551,839	19,186,435	17,474,517

The medium and long term agreements made with suppliers of optical fiber 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". These contracts have a 15 to 20 year maturity.





17. Provisions and accumulated impairment losses

The movements in provisions and in accumulated impairment losses in the periods ended at 30 September 2009 and 2008 were as follows:

		200	9			
Heading	Opening balance	Transfers	Increases	Utilisations	Decreases	Closing balance
Accumulated impairment losses on accounts receivables	75,788,067	194,177	13,570,475	(16,847,207)	(120,903)	72,584,609
Accumulated impairment losses on inventories	11,273,207	502,706	2,713,225	(484,126)	(312,929)	13,692,083
Provisions for other liabilities and charges	32,205,441	(194,177)	1,380,625	(196,635)	(458,156)	32,737,098
	119,266,715	502,706	17,664,325	(17,527,968)	(891,988)	119,013,790
		200	8			
	0	200	<u> </u>			Olera in a
Heading	Opening balance	Transfers	Increases	Utilisations	Decreases	Closing balance
Accumulated impairment losses on accounts receivables	66,167,308	(60,715)	10,764,356	(2,885,934)	(226,328)	73,758,687
Accumulated impairment losses on inventories	8,663,703	-	2,162,606	-	-	10,826,309
Provisions for other liabilities and charges	30,885,378	318,715	2,867,469	(210,500)	(266,963)	33,594,099
	105,716,389	258,000	15,794,432	(3,096,434)	(493,291)	118,179,095

The increase of 'Provisions for other liabilities and charges' includes the amount of Euro 1,235,280 associated with the dismantling of sites (Euro 747,940 in 2008), as foreseen in IAS 16 (Note 1.d.)) and the amount of Euro 89,850 registered in the financial statements, under the caption 'Income taxation'. Therefore, the total amount included under increases of provisions and impairment losses, registered against a corresponding entry in the profit and loss statement, corresponds to Euro 16,339,195 (Euro 14,672,165 in 2008).

The heading 'Utilisations' refers, essentially, to the usage of provisions by the subsidiary Sonaecom – Serviços de Comunicações, which were registered against an entry in customers' current accounts.

At 30 September 2009 and 2008, the breakdown of the provisions for other liabilities and charges is as follows:

	2009	2008
Dismantling of sites	21,842,421	19,636,081
Several contingencies	3,845,356	6,979,654
Legal processes in progress	2,218,711	2,207,854
Indemnities	613,356	730,583
Others	4,217,254	4,039,927
	32,737,098	33,594,099

The heading of 'Several contingencies' relates to contingent liabilities arising from transactions carried out in previous years and for which an outflow of funds is probable.





In relation to the provisions recorded in headings 'Legal processes in progress' and 'Others', given the uncertainty of such proceedings, the Board of Directors is unable to estimate, with reliability, the moment when such provisions will be used and therefore no financial actualisation was carried out.

18. Securitization of receivables

On 30 December 2008, the subsidiary Sonaecom - Serviços de Comunicação, S.A., carried out a securitization operation of future receivables amounting to Euro 100 million (Euro 98,569,400, net of initial costs) following which it ceded future credits to be generated under a portfolio of existing "Corporate" customer contracts, under the regime established in the Decreto-Lei no 453/99, of 5 November.

This operation was coordinated by Deutsche Bank, having the future credits been assigned to TAGUS – Sociedade de Titularização de Créditos, S.A. ("TAGUS"), which, for this purpose, issued securitised bonds designated 'Magma No. 1 Securitization Notes', that received from the CMVM (National Securities Market Commission) the legally required alphanumeric code: 200812TGSSONSXXN0031.

Future receivables in the necessary amounts required for TAGUS to perform the quarter interest and principal instalment payments due to bondholders, as well all the other payments due to the other creditors of this transaction, shall be allocated by Sonaecom – Serviços de Comunicação, S.A. throughout calendar years 2009/2013, up to a maximum of Euro 213,840,362. Under the terms of this transaction, the amount to be allocated in the next 12 months (Euro 19,464,308) was registered in current liabilities and the remaining, amounting to Euro 64,256,705, was registered in non-current liabilities.

The transaction did not determine any change in the accounting treatment of the underlying receivables or in the relationship established with the customers.

At 30 September 2009, the amount recorded in 'Securitization of receivables' has the following maturity:

	N+1	N+2	N+3	N+4	N+5	Total
Securitization of receivables	19,464,308	19,596,012	19,751,928	19,910,779	4,997,986	83,721,013

19. Other current financial liabilities

At 30 September 2009, this caption includes the amount of Euro 1,803,270 (Euro 1,711,919 in 2008) related to the short term portion of lease contracts (Note 16).

20. External supplies and services

'External supplies and services' for the semesters ended at 30 September 2009 and 2008 had the following composition:





	2009	2008
Interconnection costs	152,496,676	197,660,819
Specialised works	48,310,834	45,552,808
Commissions	36,002,835	34,817,038
Advertising and promotion	31,874,449	43,950,314
Rents	26,081,379	24,874,530
Other subcontracts	19,007,332	20,632,720
Leased lines	18,497,688	19,500,491
Energy	6,934,347	6,511,472
Communications	4,902,860	5,477,877
Travelling costs	3,651,397	4,093,966
Maintenance and repairs	3,477,763	5,581,454
Fees	2,664,023	2,449,536
Others	14,747,083	16,060,937
	368,648,666	427,163,962

The commitments assumed by the Group at 30 September 2009 related to operational leases are as follows:

Minimum payments of operational leases	2009	2008
2008	-	2,758,842
2009	13,110,424	6,859,750
2010	42,839,456	5,289,764
2011	39,443,088	4,009,183
2012	35,220,265	1,449,871
2013	33,466,179	162,292
2014	27,468,067	905,137
2015	21,813,865	-
Renewable by periods of 1 year	4,034,861	2,265,544
	217,396,205	23,700,383

During the period ended at 30 September 2009, an amount of Euro 40,823,689 was recorded in the heading 'External supplies and services' related with operational leasing rents, divided between the lines "Rents" and "Leased lines".

After 31 December 2008, besides the rental of facilities and 'renting' of vehicles, the commitments assumed with operational leasing rents include the rental of 'Sites' and the leased lines given the nature of such contracts.

The rents associated to the rental of facilities are mainly justified by the lease, established in 2007, of the Sonaecom building in Lisbon which has a 5 year period with the possibility of annual renewal. The actualisation of the rents will occur at the end of the first contract cycle (after the first five years).

21. Financial results

Net financial results for the periods ended at 30 September 2009 and 2008 were made up as follows:





	2009	2008
Financial results related to associated companies		
Gains on associated companies		9,456
	-	9,456
Other financial expenses:		
Interest expenses	(14,622,801)	(14,373,715)
Bank loans	(7,655,568)	(13,545,552)
Securitization interests (Note 18)	(4,107,523)	-
Sw ap interests	(488,408)	-
Leasing	(804,203)	(731,547)
Other interests	(1,567,099)	(96,616)
Foreign exchange losses	(135,284)	(402,548)
Other financial expenses	(486,040)	(187,087)
	(15,244,125)	(14,963,350)
Other financial income:		
Interest income	3,732,844	2,458,143
Foreign exchange gains	607,113	130,328
	4,339,957	2,588,471

During the period ended at 30 September 2009, the caption 'Other financial income: Interest income' includes, mainly, interests earned on treasury applications, interests arising from late collections associated with cases in litigation and interests related with the swaps contracted by Sonaecom. During the period ended at 30 September 2008, the 'Interest income' includes, mainly, interests arising from late collections associated with cases in litigation and interests related with the swaps contracted by Sonaecom.

22. Income taxation

Income taxes recognised during the periods ended at 30 September 2009 and 2008 were made up as follows (costs)/gains:

	2009	2008
Current tax	(1,003,123)	(697,237)
Provision for tax (Note 18)	-	(374,328)
Deferred tax assets (Note 11)	(3,398,074)	7,352,961
Deferred tax liabilities (Note 11)	605,414	(448,784)
	(3,795,783)	5,832,612

23. Related parties

During the periods ended at 30 September 2009 and 2008, the balances and transactions maintained with related parties were mainly associated with the normal operational activity of the Group (providing communications and consultancy services) and to the concession and obtainance of loans.

The most significant balances and transactions with related parties during the periods ended at 30 September 2009 and 2008 were as follows:





	Accounts receivable	Accounts payable	Treasury applications	Other assets/ (liabilities)
Sonae	133,320	102,231	-	57,52
Modelo Continente Hipermercados, S.A.	752,985	2,323,704	-	(2,800,053
Worten	4,490,970	-	<u>-</u>	(2,209
Sonae Investments BV	-	700,423	84,000,000	707,60
France Telecom	2,874,495	3,685,959	-	(6,336,589
	8,251,770	6,812,317	84,000,000	(8,373,719
	Balances at 30 Sep	otember 2008		
	Accounts	Accounts	Treasury	Other assets/
	receivable	payable	applications	(liabilities)
Sonae	147,025	41,869	-	31,81
Modelo Continente Hipermercados, S.A.	1,871,615	1,374,051	-	(6,788
Worten	7,649,280	3,615,333	-	(668,74
France Telecom	9,667,921	7,189,734 12,220,987		(9,283,392)
France Telecom	Transactions at 30 S	12,220,987 eptember 2009	- Interset and	
France Telecom	Transactions at 30 S Sales and	12,220,987 eptember 2009 Supplies and	Interest and	(9,927,108
France Telecom	Transactions at 30 S	12,220,987 eptember 2009	Interest and similar income/ (expense)	(9,927,108
	Transactions at 30 S Sales and services	eptember 2009 Supplies and services	similar income/	(9,927,109) Supplementary income
Sonae	Transactions at 30 S Sales and services rendered	eptember 2009 Supplies and services received	similar income/ (expense)	Supplementary income (5,103
Sonae Modelo Continente Hipermercados, S.A.	Transactions at 30 S Sales and services rendered 228,370	eptember 2009 Supplies and services received 1,212,157	similar income/ (expense)	Supplementary income (5,103
Sonae Modelo Continente Hipermercados, S.A. Worten	Transactions at 30 S Sales and services rendered 228,370 7,553,120	eptember 2009 Supplies and services received 1,212,157 1,490,341	similar income/ (expense)	Supplementary income (5,103
Sonae Modelo Continente Hipermercados, S.A. Worten Sonae Investments BV France Telecom	Transactions at 30 S Sales and services rendered 228,370 7,553,120	eptember 2009 Supplies and services received 1,212,157 1,490,341	similar income/ (expense) (2,739)	(9,927,109
Sonae Modelo Continente Hipermercados, S.A. Worten Sonae Investments BV	Transactions at 30 S Sales and services rendered 228,370 7,553,120 7,427,847	12,220,987 eptember 2009 Supplies and services received 1,212,157 1,490,341 1,995,126	similar income/ (expense) (2,739)	Supplementary income (5,103
Sonae Modelo Continente Hipermercados, S.A. Worten Sonae Investments BV	Transactions at 30 S Sales and services rendered 228,370 7,553,120 7,427,847 - 12,671,040 27,880,377	12,220,987 eptember 2009 Supplies and services received 1,212,157 1,490,341 1,995,126 - 10,696,493 15,394,117	similar income/ (expense) (2,739) - - 2,336,497	Supplementary income (5,103 129,96 -
Sonae Modelo Continente Hipermercados, S.A. Worten Sonae Investments BV	Transactions at 30 S Sales and services rendered 228,370 7,553,120 7,427,847 - 12,671,040 27,880,377 Transactions at 30 S	12,220,987 eptember 2009 Supplies and services received 1,212,157 1,490,341 1,995,126 - 10,696,493 15,394,117 eptember 2008	similar income/ (expense) (2,739) - - 2,336,497 - 2,333,758	Supplementary income (5,10: 129,96: -
Sonae Modelo Continente Hipermercados, S.A. Worten Sonae Investments BV	Transactions at 30 S Sales and services rendered 228,370 7,553,120 7,427,847 - 12,671,040 27,880,377 Transactions at 30 S Sales and	12,220,987 eptember 2009 Supplies and services received 1,212,157 1,490,341 1,995,126 - 10,696,493 15,394,117 eptember 2008 Supplies and	similar income/ (expense) (2,739) - - 2,336,497 - 2,333,758	Supplementary income (5,103 129,96 124,86
Sonae Modelo Continente Hipermercados, S.A. Worten Sonae Investments BV	Transactions at 30 S Sales and services rendered 228,370 7,553,120 7,427,847 - 12,671,040 27,880,377 Transactions at 30 S Sales and services	12,220,987 eptember 2009 Supplies and services received 1,212,157 1,490,341 1,995,126 - 10,696,493 15,394,117 eptember 2008 Supplies and services	similar income/ (expense) (2,739) 2,336,497 - 2,333,758 Interest and similar income/	Supplementary income (5,10: 129,96: 124,86: Supplementary
Sonae Modelo Continente Hipermercados, S.A. Worten Sonae Investments BV France Telecom	Transactions at 30 S Sales and services rendered 228,370 7,553,120 7,427,847 - 12,671,040 27,880,377 Transactions at 30 S Sales and	12,220,987 eptember 2009 Supplies and services received 1,212,157 1,490,341 1,995,126 - 10,696,493 15,394,117 eptember 2008 Supplies and	similar income/ (expense) (2,739) - - 2,336,497 - 2,333,758	Supplementary income (5,10; 129,96;
Sonae Modelo Continente Hipermercados, S.A. Worten Sonae Investments BV France Telecom	Transactions at 30 S Sales and services rendered 228,370 7,553,120 7,427,847 - 12,671,040 27,880,377 Transactions at 30 S Sales and services rendered	12,220,987 eptember 2009 Supplies and services received 1,212,157 1,490,341 1,995,126 - 10,696,493 15,394,117 eptember 2008 Supplies and services received	similar income/ (expense) (2,739) - 2,336,497 - 2,333,758 Interest and similar income/ (expense)	Supplementary income (5,10: 129,96: 124,86: Supplementary income 11,28: 124,86: 12
Sonae Modelo Continente Hipermercados, S.A. Worten Sonae Investments BV	Transactions at 30 S Sales and services rendered 228,370 7,553,120 7,427,847 - 12,671,040 27,880,377 Transactions at 30 S Sales and services rendered 296,085	12,220,987 eptember 2009 Supplies and services received 1,212,157 1,490,341 1,995,126 - 10,696,493 15,394,117 eptember 2008 Supplies and services received 119,204	similar income/ (expense) (2,739) - 2,336,497 - 2,333,758 Interest and similar income/ (expense)	Supplementary income (5,10: 129,96: 124,86: Supplementary
Sonae Modelo Continente Hipermercados, S.A. Worten Sonae Investments BV France Telecom Sonae Modelo Continente Hipermercados, S.A.	Transactions at 30 S Sales and services rendered 228,370 7,553,120 7,427,847 - 12,671,040 27,880,377 Transactions at 30 S Sales and services rendered 296,085 7,514,141	eptember 2009 Supplies and services received 1,212,157 1,490,341 1,995,126 - 10,696,493 15,394,117 eptember 2008 Supplies and services received 119,204 1,819,265	similar income/ (expense) (2,739) - 2,336,497 - 2,333,758 Interest and similar income/ (expense)	Supplementary income (5,10: 129,96: 124,86: Supplementary income 11,28: 124,86: 12



The transactions between Group companies were eliminated in consolidation, and therefore are not disclosed in this note.

All the above transactions were made at market prices.

Accounts receivable and payable to related companies will be settled in cash and are not covered by guarantees. During the semesters ended at 30 September 2009 and 2008, no impairment losses referring to related entities were recognised in accounts receivable.

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





24. Guarantees provided to third parties

Guarantees provided to third parties at 30 September 2009 and 2008 were as follows:

Company	Beneficiary	Description	2009	2008
Sonaecom	BBVA – Portugal, ING Belgium Portugal e Millennium BCP	Commercial paper	320,000,000	320,000,000
Sonaecom - Serviços de Comunicações, Público, Be Artis e Sonaecom	Direcção de Contribuições e Impostos (Portuguese tax authorities)	VAT Reimbursements	33,943,883	4,521,100
Sonaecom - Serviços de Comunicações e Be Towering	Direcção de Contribuições e Impostos (Portuguese tax authorities)	IRC - Tax assessment	1,784,323	1,650,000
Sonaecom	Direcção de Contribuições e Impostos (Portuguese tax authorities)	Stamp Tax	754,368	-
Sonaecom - Serviços de Comunicações e Público	Direcção de Contribuições e Impostos (Portuguese tax authorities)	VAT - Impugnation process	598,000	598,000
Sonaecom - Serviços de Comunicações e Tele2	Direcção Geral do Tesouro (Portuguese tax authorities)	IRC – Witholding tax on payments to non-residents	431,954	306,954
Digitmarket, We Do e Saphety	IAPMEI (Institute for the Support of Small and Medium-sized Enterprises)	Guarantte the financial incentive reimbursement under the SIFIDE (System of Incentives to Research and Technological Development)	327,730	-
Sonaecom - Serviços de Comunicações	Câmara Municipal de Coimbra, Lisboa, Braga, Elvas, Caldas da Rainha, Mealhada, Faro, Barcelos e Odivelas	Performance bond - works	305,775	292,766
Sonaecom - Serviços de Comunicações	Governo Civil de Lisboa (Lisbon Civilian Government)	Guarantee the sweepstakes plan complete fulfilment	287,906	335,029
Público	Tribunal de Trabalho de Lisboa (Lisbon Labour Court)	Execution action n. 199A/92	271,511	271,511
We Do	Emirates Telecom. Corp.	Guarantee the fulfilment contract	204,668	-
Sonaecom - Serviços de Comunicações e Digitmarket	Hewlett Packard	Finance lease and services provider contracts	114,609	159,859
Sonaecom - Serviços de Comunicações	Dolce Vita Tejo	Guarantee the fulfilment contract	100,286	-
We Do	API (Portuguese Investment Agency)	Application to PRIME subsidies	-	184,004
Sonaecom - Serviços de Comunicações	Governo Civil de Santarém (Santarém Civilian Government)	Guarantee the fulfilment of legal obligations	-	119,703
Público	Fazenda Pública do Porto (Oporto Public Treasury)	Tax process n. 3190/98	-	209,493
Several	Others		1,048,533	1,301,790
			360,173,545	329,950,210

At 30 September 2009 and 2008, the Board of Directors of the Group believes that the decision of the court proceedings and ongoing tax assessments in progress will not have significant impacts on the consolidated financial statements.





25. Information by business segment

The following business segments were identified for the periods ended at 30 September 2009 and 2008:

- Telecommunications;
- Multimedia;
- Information systems; and
- Holding activities.

During the period ended at 30 September 2009, as a result of the application of the criteria established by IFRS 8 - "Operating Segments", which became effective on 1 January 2009, a new segment denominated "Holding activities" was identified, which includes the operations of the Group companies that have as main activity the management of shareholdings.

Excluding the ones mentioned above, the remaining activities of the Group have been classified as unallocated.

Inter-segment transactions during the periods ended at 30 September 2009 and 2008 were eliminated in the consolidation process. All these transactions were made at market prices.

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

Overall information by business segment at 30 September 2009 and 2008, prepared in accordance with the same accounting policies and measurement criteria adopted in the preparation of the consolidated financial statements, can be summarised as follows:



	Telecomu	unications	M ultin	nedia	Information S	Systems	Holding A	Activities	Ot	her	Sub-	total	Elimina	ations .	То	tal
	September 09	September 08	September 09	September 08	September 09	September 08	September 09	September 08	September 09	September 08	September 09	September 08	September 09	September 08	September 09	September 08
_																
Revenues:																
Sales and services rendered	600,031,789	646,413,611	22,481,726	24,343,189	115,579,679	85,655,033	5,407,216	5,346,955	165,600	989,801	743,666,010	762,748,589	(27,077,030)	(35,847,931)	716,588,980	726,900,658
Other operating revenues	4,746,454	7,608,596	150,543	316,652	504,660	1,690,582	17,482	20,231		16,615	5,419,139	9,652,676	(2,326,305)	(3,910,373)	3,092,834	5,742,303
Total revenues	604,778,243	654,022,207	22,632,269	24,659,841	116,084,339	87,345,615	5,424,698	5,367,186	165,600	1,006,416	749,085,149	772,401,265	(29,403,335)	(39,758,304)	719,681,814	732,642,961
Depreciation and amortisation	(117,394,055)	(117,243,021)	(1,133,045)	(454,983)	(1,386,673)	(1,491,084)	(97,986)	(80,903)	(21,604)	(159,309)	(120,033,363)	(119,429,300)	1,205,374	1,167,839	(118,827,989)	(118,261,461)
Net operating income/(loss) for the segment	17,277,600	(3,111,233)	(3,425,493)	(3,119,530)	4,371,653	3,796,733	(1,161,638)	(772,251)	131,565	62,817	17,193,687	(3,143,464)	504,609	1,788,359	17,698,296	(1,355,107)
Net interests	(8,651,673)	(13,234,145)	(82,895)	(115,488)	(77,320)	(191,147)	(2,055,283)	1,668,386	(23,372)	(43,178)	(10,890,543)	(11,915,572)	586		(10,889,957)	(11,915,572)
Gains and losses in associated companies	(0,00 ,070)	-	(02,000)	(12,100)	(11,020)	- (~,)	-	-	(20,012)	(10,110)	(10,000,010)	-	-	9,456	-	9,456
Other financial results	(260,578)	(89,673)	(17,182)	7,085	328,354	(344,767)	(4,464,764)	29,708,169	(40)	(116)	(4,414,210)	29,280,698	4,399,999	(29,740,005)	(14,211)	(459,307)
Income taxation	(3,200,011)	6.087.579	(197,471)	(90.247)	(2.051.188)	(344,767)	694.079	(152.627)	(28.606)	287.827	(4,783,197)	6,277,500	987,414	(444.888)	(3.795.783)	5.832.612
Consolidated net income/(loss) for the	(3,200,01)	6,067,579	(197,471)	(90,247)	(2,051,100)	144,900	694,079	(102,027)	(20,000)	201,021	(4,763,97)	6,277,500	967,414	(444,000)	(3,795,763)	5,032,012
period	5,165,338	(10,347,472)	(3,723,041)	(3,318,180)	2,571,499	3,405,787	(6,987,606)	30,451,677	79,547	307,350	(2,894,263)	20,499,162	5,892,608	(28,387,078)	2,998,345	(7,887,918)
Attributable to:																
Shareholders of Parent Company	5,165,338	(10,347,472)	(3,723,041)	(3,318,180)	2,328,688	3,194,193	(6,987,606)	30,451,677	79,547	307,350	(3,137,074)	20,287,568	5,887,048	(28,391,327)	2,749,974	(8,103,761)
M ino rity interests	-	-	-	-	242,811	211,594	-	-	-	-	242,811	211,594	5,560	4,249	248,371	215,843
Assets:																
Fixed assets and Goodwill	839,956,292	818,321,934	6,176,017	1,275,771	62,745,617	62,302,818	581,027	619,791	1,581,906	2,766,249	911,040,859	885,286,563	457,140,453	457,368,445	1,368,181,312	1,342,655,008
Inventories	24,118,570	24,651,762	751,231	1,101,512	5,094,147	4,707,724	-	-	-	-	29,963,948	30,460,998	-	-	29,963,948	30,460,998
Financial investments	1,282,025	1,282,025	436,509	1,097,695	907,494	907,494	1,074,304,051	1,092,186,050	-	50,000	1,076,930,079	1,095,523,264	(1,075,722,762)	(1,093,558,877)	1,207,320	1,964,389
Other non current assets	121,644,098	107,401,673	66,436	-	331,037	2,222,562	461,332,963	432,617,994	(27,038)	300,000	583,347,496	542,542,229	(461,607,189)	(434,077,172)	121,740,306	108,465,057
Other current assets of the segment	381,148,867	296,778,157	9,637,947	8,063,783	44,853,322	44,036,705	102,099,141	73,037,678	90,211	1,480,712	537,829,488	423,397,035	(93,384,347)	(98,669,976)	444,445,137	324,727,056
· ·	1,368,149,852	1,248,435,551	17,068,140	11,538,761	113,931,617	114,177,303	1,638,317,182	1,598,461,513	1,645,079	4,596,961	3,139,111,870	2,977,210,089	(1,173,573,845)	(1,168,937,580)	1,965,538,025	1,808,272,508
Liabilities:																
Liabilities of the segment	905,813,217	899,440,288	20,247,377	15,657,512	57,460,508	55,100,031	454,053,540	390,547,066	1,415,650	3,700,268	1,438,990,292	1,364,445,165	(406,402,021)	(476,917,449)	1,032,588,271	887,527,717
	905,813,217	899,440,288	20,247,377	15,657,512	57,460,508	55,100,031	454,053,540	390,547,066	1,415,650	3,700,268	1,438,990,292	1,364,445,165	(406,402,021)	(476,917,449)	1,032,588,271	887,527,717
CAPEX	101,922,240	212,204,400	575,595	812,120	1,804,290	(1,306,512)	112,574	23,281,025		1,317,208	104,414,699	236,308,241	(1,076,270)	(25,301,508)	103,338,429	211,006,733



Despite the merger occurred in 2007 between the mobile and fixed telecommunications businesses, for some headings of the balance sheet and of the profit and loss statement, the Board of Directors of the Group decided to maintain a separate analysis of the business as follows:

	Mobile Network		Fixed Network	k and Internet	Eliminations		Telecomm	unications
	September 09	September 08	September 09	September 08	September 09	September 08	September 09	September 08
Income:					<u> </u>	·		
Services rendered	453,335,602	468,611,162	186,483,143	220,141,417	(39,786,956)	(42,338,968)	600,031,789	646,413,611
Other operating revenues	25,176,746	34,836,124	531,432	838,297	(20,961,724)	(28,065,825)	4,746,454	7,608,596
Total revenues	478,512,348	503,447,286	187,014,575	220,979,714	(60,748,680)	(70,404,793)	604,778,243	654,022,207
Depreciation and amortisation	(87,294,090)	(93,444,125)	(30,060,487)	(23,798,896)	(39,478)	-	(117,394,055)	(117,243,021)
Operational results of the segments	44,059,181	12,211,029	(26,638,048)	(15,313,437)	(143,533)	(8,825)	17,277,600	(3,111,233)
Assets								
Tangible assets and Goodwill	659,139,725	644,469,071	180,816,567	173,852,863	-	-	839,956,292	818,321,934
Inventories	18,474,252	20,248,418	5,644,318	4,403,344	-	-	24,118,570	24,651,762
Financial investments	1,282,025	1,282,025	-	-			1,282,025	1,282,025
CAPEX	69,670,635	184,910,324	32,251,605	27,294,076	-	-	101,922,240	212,204,400

During the periods ended at 30 September 2009 and 2008, the inter-segments sales and services were as follows:

			2009		
			Information		
	Telecommunications	Multimedia	Systems	Holding activities	Others
Telecommunications	-	166,679	19,383,723	5,143,750	165,600
Multimedia	884,975	-	199,631	103,395	-
Information Systems	709,924	60,136	-	156,048	-
Holding activities	50,870	3,183	46,949	-	-
Sonaecom others	1,056	-	-	1,111	-
Others	598,384,964	22,251,728	95,949,376	2,912	-
	600,031,789	22,481,726	115,579,679	5,407,216	165,600

			2008		
			Information		
	Telecommunications	Multimedia	Systems	Holding activities	Others
Telecommunications	-	-	27,846,383	5,110,978	176,100
Multimedia	1,328,057	-	226,752	123,881	291,048
Information Systems	510,263	31,210	-	103,368	-
Holding activities	39,606	-	48,501	-	-
Sonaecom others	11,390	-	8,965	-	-
Others	644,524,295	24,311,979	57,524,432	17,299	522,653
	646,413,611	24,343,189	85,655,033	5,355,526	989,801

26. Earnings per share

Earnings per share, basic and diluted, are calculated by dividing the consolidated net income attributable to the Group (Euro 2,749,974 in 2009 and minus Euro 8,103,761 in 2008) by the average number of shares outstanding during the periods ended at 30 September 2009 and 2008, net of own shares (Euro 360,603,174 in 2009 and Euro 364,076,222 in 2008).

27. 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.





The Sonaecom plans outstanding at 30 September 2009 can be summarised as follows:

	_	Vesting	period	30-S	ep-09
	Share price at award date *	Award date	Vesting date	Aggregate number of participations	Number of options/ shares
Sonaecom shares		·			
2006 Plan	4.697	09-Mar-07	08-Mar-10	385	957,116
2007 Plan	2.447	10-Mar-08	09-Mar-11	397	1,796,668
2008 Plan	1.117	10-Mar-09	09-Mar-12	413	3,830,711
Sonae SGPS shares					
2006 Plan	1.68	09-Mar-07	08-Mar-10	5	131,764
2007 Plan	1.16	10-Mar-08	09-Mar-11	6	242,633
2008 Plan	0.616	10-Mar-09	09-Mar-12	6	503,257

^{*} Average share price in the month prior to the award date for Sonaecom shares and the lower of the average share price for the month prior to the Annual General Meeting and the share price on the day after the Annual General Meeting, for Sonae SGPS shares. However, for the 2006 Plans the share price was: Sonaecom shares - the average share price between 3 March and 5 April 2007; Sonae SGPS shares - the average share price between 13 February and 26 March 2007. This exception was due to the timing of the end of the Portugal Telecom bid and was approved by the Board Nomination and Remuneration Committee.

During the period ended at 30 September 2009, the movements that occurred in the plans can be summarised as follows:

	Sonaecon	n shares	Sonae SGPS shares		
	Aggregate number of participations	Number of shares	Aggregate number of participations	Number of shares	
Outstanding at 31.12.2008					
Exercisable	-	-	-	-	
Unvested	1,146	3,709,121	25	563,816	
Total	1,146	3,709,121	25	563,816	
Movements in the period					
Awarded	415	3,896,332	7	541,655	
Vested (1)	(356) 0	(836,716)	(12)	(147,924)	
Cancelled/Elapsed/ Transferred/Corrected					
(2)	(10) 0	(184,242)	(3)	(79,893)	
Outstanding at 30.09.2009					
Exercisable	-	-	-	-	
Unvested	1,195	6,584,495	17	877,654	
Total	1,195	6,584,495	17	877,654	

⁽¹⁾ For Sonaecom shares, 786,243 shares were delivered to employees, and 50,743 shares were paid in cash instead of the delivery of Sonaecom shares.

During the period ended at 30 September 2009, the Board of Directors of Sonaecom decided to convert the settlement of its Medium Term Incentive Plans from cash settled to equity settled.

⁽²⁾ Corrections are made according to the dividend paid or by changes in the capital.



For Sonaecom's share plans, the total responsibility is calculated taking in consideration the share price at 2 January 2009, date after which the change of settlement of the share plans becomes effective, with the exception of the plan attributed in 2009, which responsibility is calculated based on the corresponding award date. The responsibility for the mentioned plans is Euro 2,442,021 and was recorded under the heading 'Medium Term Incentive Plans Reserve'. For the Sonae SGPS share plans, the Group entered into hedging contracts with external entities and the liabilities are calculated based on the prices agreed in those contracts and recorded under the headings of 'Other current liabilities' and 'Other noncurrent liabilities'.

Share Plan costs are recognised in the accounts over the period between the award and the vesting date of those shares. The costs recognised in previous years and in the period ended at 30 September 2009, were as follows:

	Valor
Costs recognised in previous years	21,246,968
Costs recognised in the period	1,641,943
Costs of plans from subsidiary Exit (no longer consolidated)	(8,882)
Costs of plans vested in previous years	(18,927,624)
Costs of plans vested in the period	(1,108,106)
Total cost of the plans	2,844,299
Recorded in Other current liabilities	199,809
Recorded in Other non current liabilities	202,469
Recorded in Reserves	2,442,021

28. Other matters

(i) At 30 September 2009, accounts receivable from customers and accounts payable to suppliers include Euro 37,139,253 and Euro 29,913,608, respectively, as well the captions 'Other current assets' and 'Other current liabilities' include Euro 411,649 and Euro 6,856,200, respectively, resulting from a dispute between the subsidiary Sonaecom – Serviços de Comunicação, S.A. (formerly Optimus) and, essentially, the operator TMN – Telecomunicações Móveis Nacionais, S.A., in relation to interconnection tariffs, recorded in the year ended 31 December 2001. The Group has considered the most penalising tariffs in their consolidated financial statements. In the lower court, the decision was favourable to Optimus. The 'Tribunal da Relação' (Court of Appeal), on appeal, rejected the intentions of TMN. However, TMN again appealed to the 'Supremo Tribunal de Justiça' (Supreme Court).

(ii) In the Arbitration Court proceeding imposed to resolve the conflict between Maxistar and the other shareholders of Sonaecom – Serviços de Comunicações, S.A. (at the time 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 Sonaecom – Serviços de Comunicações at 70% of its actual value. Maxistar has appealed against the decision of the Arbitration Court but that appeal has already been rejected in the lower courts. In consequence of this rejection, Maxistar appealed to the 'Tribunal da Relação de Lisboa' (Lisbon Court of Appeal).

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 'Tribunal da Relação de Lisboa' rejected Maxistar's appeal, confirming the previous decision.

Maxistar appealed to the 'Supremo Tribunal de Justiça' (Supreme Court), which dismissed the appeal, confirming the sentence. During the period ended at 30 September 2009 the final sentence was issued and no appeal is now applicable.



These consolidated financial statements were approved by the Board of Directors on 30 September 2009.

These financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards (IAS/IFRS) as adopted by the European Union 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.



APPENDIX

At 30 September 2009, the related parties of Sonaecom Group are as follows:

Key management personnel

Álvaro Carmona e Costa Portela

Álvaro Cuervo Garcia

Ângelo Gabriel Ribeirinho dos Santos Paupério António Bernardo Aranha da Gama Lobo Xavier

António de Sampaio e Mello

Belmiro de Azevedo **David Hobley**

Duarte Paulo Teixeira de Azevedo

Franck Emmanuel Dangeard

Gervais Pellissier

Jean François Pontal

Luís Filipe Campos Dias Castro Reis

Luís Filipe Palmeira Lampreia

Maria Cláudia Teixeira de Azevedo

Michel Marie Bon

Miguel Nuno Santos Almeida

Nuno Manuel Moniz Trigoso Jordão

Nuno Miguel Teixeira Azevedo

Pedro Miguel Freitas Ramalho Carlos

Sonae/Efanor Group Companies

3DO Holding GmbH

3DO Shopping Centre GmbH

3shoppings - Holding, SGPS, S.A.

ADD/Avaliações Engenharia de Avaliações e

Perícias Ltda

ADDmakler Administração e Corretagem de

Seguros Ltda

ADDmakler Administradora, Corretora de Seguros

Partic. Ltda Aegean Park,S.A.

Agepan Eiweiler Management GmbH

Agepan Flooring Products, S.A.RL

Agepan Tarket Laminate Park GmbH Co. KG

Agloma Investimentos, Sgps, S.A.

Agloma-Soc.Ind.Madeiras e Aglom.,S.A.

Águas Furtadas - Imobiliária, S.A. Airone - Shopping Center, Srl ALEXA Administration GmbH

ALEXA Holding GmbH

ALEXA Shopping Centre GmbH

Alexa Site GmbH & Co. KG

Algarveshopping- Centro Comercial, S.A.

Alpêssego - Soc. Agrícola, S.A Andar - Sociedade Imobiliária, S.A.

Aqualuz - Turismo e Lazer, Lda Aquapraia - Investimentos Turísticos, S.A.

Arat inmebles, S.A.

Arrábidashopping- Centro Comercial, S.A.

Aserraderos de Cuellar, S.A.

Atlantic Ferries-Tráf.Loc,Flu.e Marít,S.A.

Avenida M-40 B.V.

Avenida M-40.S.A.

Azulino Imobiliária, S.A.

BB Food Service, SA

Beeskow Holzwerkstoffe Bertimóvel - Sociedade Imobiliária, S.A.

Best Offer-Prest. Inf. p/Internet, S.A.

Bikini, Portal de Mulheres,S.A.

Bloco Q-Sociedade Imobiliária, S.A.

Bloco W-Sociedade Imobiliária, S.A.

Boavista Shopping Centre BV

BOM MOMENTO - Comércio Retalhista, SA

Boulanger España, SL

Box Lines Navegação, S.A.

Campo Limpo, Lda

Canasta-Empreendimentos Imobiliários, S.A.

Carnes do Continente-Ind.Distr.Carnes,S.A.

CarPlus - Comércio de Automóveis, S.A.

Casa Agrícola de Ambrães, S.A.

Casa Agrícola João e A. Pombo, S.A.

Casa da Ribeira - Hotelaria e Turismo, S.A.

Cascaishopping-Centro Comercial, S.A.

Cascaishopping Holding I, SGPS, S.A.

Centro Colombo- Centro Comercial, S.A.

Centro Residencial da Maia, Urban., S.A.

Centro Vasco da Gama-Centro Comercial, S.A.

Change, SGPS, S.A.

Chão Verde-Soc.Gestora Imobiliária, S.A.

Choice Car - Comércio de Automóveis, S.A.

Choice Car SGPS, S.A.



Cia.de Industrias e Negócios, S.A. Cinclus Imobiliária, S.A. Citorres-Sociedade Imobiliária, S.A. Clérigoshopping-Gestão do C.Comerc., S.A. Coimbrashopping- Centro Comercial, S.A. Colombo Towers Holding, BV Contacto Concessões, SGPS, S.A. Contibomba-Comérc.Distr.Combustiveis,S.A. Contimobe-Imobil.Castelo Paiva, S.A. Continente Hipermercados, S.A. Contry Club da Maia-Imobiliaria, S.A. Craiova Mall BV Cronosaúde - Gestão Hospitalar, S.A. Cumulativa - Sociedade Imobiliária, S.A. Darbo S.A.S Developpement & Partenariat Assurances, S.A. Difusão-Sociedade Imobiliária, S.A. Distrifin-Comercio y Prest. Servicios, S.A. Dortmund Tower GmbH Dos Mares - Shopping Centre B.V. Dos Mares-Shopping Centre, S.A. Ecociclo - Energia e Ambiente, S.A. Ecociclo II Edições Book.it, S.A. Edificios Saudáveis Consultores, S.A. Efanor Investimentos, SGPS, S.A. Efanor Serviços de Apoio à Gestão, S.A. Efanor-Design e Serviços, S.A. Efanor-Indústria de Fios, S.A. El Rosal Shopping, S.A. Empreend.Imob.Quinta da Azenha,S.A. Equador & Mendes,Lda Espimaia -Sociedade Imobiliária, S.A. Estação Oriente-Gest.de Galerias Com., S.A. Estação Viana- Centro Comercial, S.A. Estêvão Neves-Hipermercados Madeira, S.A. Etablissement A. Mathe, S.A. Euromegantic, Lteé Euroresinas-Indústrias Quimicas, S.A. Farmácia Selecção, SA Finlog - Aluguer e Comércio de Automóveis, S.A. Fontana Corretora de Seguros Ltda

Fozimo-Sociedade Imobiliária, S.A.

Fozmassimo - Sociedade Imobiliária, S.A. Freccia Rossa-Shopping Centre S.r.l. Friengineering International Ltda Fundo de Invest. Imobiliário Imosede Fundo I.I. Parque Dom Pedro Shop.Center Fundo Invest.Imob.Shopp. Parque D.Pedro Gaiashopping I- Centro Comercial, S.A. Gaiashopping II- Centro Comercial, S.A. Geotur- Viagens e Turismo, S.A. GHP Gmbh Gli Orsi Shopping Centre 1 Srl Global S-Hipermercado,Lda Glunz AG Glunz Service GmbH Glunz UK Holdings Ltd Glunz Uka Gmbh Golf Time-Golfe e Invest. Turísticos, S.A. GOOD AND CHEAP - Comércio Retalhista, SA Guerin – Rent a Car (Dois), Lda. Guimarãeshopping- Centro Comercial, S.A. Harvey Dos Iberica, S.L. Herco Consultoria de Riscos e Corretora de Seguros Ltda HIPOTÉTICA - Comércio Retalhista, SA Hornitex Polska Sp z.o.o Iberian Assets, S.A. IGI-Investimento Imobiliário, S.A. Igimo-Sociedade Imobiliária, S.A. Iginha-Sociedade Imobiliária, S.A. Imoareia - Invest. Turísticos, SGPS, S.A. Imobiliária da Cacela, S.A. Imoclub-Serviços Imobilários, S.A. Imoconti- Soc.Imobiliária, S.A. Imodivor - Sociedade Imobiliária, S.A. Imoestrutura-Soc.Imobiliária,S.A. Imoferro-Soc.Imobiliária, S.A. Imohotel-Emp.Turist.Imobiliários,S.A. Imomuro-Sociedade Imobiliária, S.A. Imopenínsula - Sociedade Imobiliária, S.A. Imoplamac Gestão de Imóveis, S.A. Imoponte-Soc.Imobiliaria, S.A. Imoresort - Sociedade Imobiliária, S.A.

Imoresultado-Soc.Imobiliaria,S.A.



Imosedas-Imobiliária e Sevicos, S.A. Imosistema-Sociedade Imobiliária, S.A. Imosonae II Impaper Europe GmbH & Co. KG Implantação - Imobiliária, S.A. Infofield-Informática, S.A. Inparsa - Gestão Galeria Comercial, S.A. Inparvi SGPS, S.A. Insulatroia - Sociedade Imobiliária, S.A. Integrum-Edificios Sustentáveis, SA Integrum-Serviços Partilhados, S.A. Interclean, S.A. Interlog-SGPS,S.A. Inventory-Acessórios de Casa, S.A. Investalentejo, SGPS, S.A. Invsaude - Gestão Hospitalar, S.A. Ipaper-Industria Papeis Impregnados, S.A. ISF - Imobiliário, Serviços e Participaç Isorov SAS JUST SPORT - Comércio Art. Desporto, SA KLC Holdings XII SA La Farga - Shopping Center, SL Larim Corretora de Resseguros Ltda Larissa Develop. Of Shopping Centers, S.A. Lazam Corretora, Ltda. Lazam-MDS Corretora e Administradora de Seauros, SA Le Terrazze - Shopping Centre S.r.l. Lembo Services Ltd (Euro) Libra Serviços, Lda. Lidergraf - Artes Gráficas, Lda. Lima Retail Park, S.A. Loureshopping-Centro Comercial, S.A. Luso Assistência - Gestão de Acidentes, S.A. Luz del Tajo - Centro Comercial S.A. Luz del Tajo B.V. Madeirashopping- Centro Comercial, S.A. Maiashopping-Centro Comercial, S.A. Maieguipa-Gestão Florestal, S.A. Marcas do Mundo-Viag. e Turismo Unip,Lda Marcas MC. ZRT Marimo - Exploração Hoteleira Imobiliária

Marina de Tróia S.A.

Marinamagic-Expl.Cent.Lúdicos Marít,Lda

Marinamagic-Expl.Cent.Lúdicos Marít,Lda Marmagno-Expl.Hoteleira Imob.,S.A. Martimope - Sociedade Imobiliária, S.A. Marvero-Expl.Hoteleira Imob.,S.A. MC Property Management S.A. MC SGPS, SA MDS Consultores, SA MDS Corretor de Seguros, S.A. Mediterranean Cosmos Shop. Centre Investments, S.A. Megantic BV Miral Administração e Corretagem de Seguros Ltda MJLF-Empreendimentos Imobiliários, S.A. Modalfa-Comércio e Serviços, S.A. MODALLOOP - Vestuário e Calçado, SA Modelo - Dist.de Mat. de Construção, S.A. Modelo Cont. Seguros-Soc. De Mediação, Lda Modelo Continente - Oper.Retalho SGPS,S.A. Modelo Continente Hipermercados, S.A. Modelo Continente, SGPS,S.A. Modelo Hiper Imobiliária, S.A. Modelo Hipermergados Trading, S.A. Modelo.com-Vendas p/Correspond.,S.A. Monselice Centre Srl Movelpartes-Comp.para Ind.Mobiliária, S.A. Movimento Viagens-Viag. e Turismo U.Lda Mundo Vip - Operadores Turisticos, S.A. NAB, Sociedade Imobiliária, S.A. NA-Comércio de Artigos de Desporto, S.A. NA-Equipamentos para o Lar, S.A. Norscut - Concessionária de Scut Interior Norte, Norte Shop. Retail and Leisure Centre BV Norteshopping-Centro Comercial, S.A. Nova Equador Internacional, Ag. Viag. T, Ld Nova Equador P.C.O. e Eventos Novobord (PTY) Ltd. Oeste Retail Park - Gestão G.Comerc., S.A. Operscut - Operação e Manutenção de Autoestradas, S.A.

OSB Deustchland Gmbh

Pareuro, BV

Paracentro - Gest.de Galerias Com., S.A.





Park Avenue Develop. of Shop. Centers S.A. Proj.Sierra Italy 1 -Shop.Centre Srl Parque Atlântico Shopping - C.C., S.A. Proj.Sierra Italy 2 -Dev. Of Sh.C.Srl Proj.Sierra Italy 3 - Shop. Centre Srl Parque D. Pedro 1 B.V. Parque D. Pedro 2 B.V. Proj.Sierra Portugal I- C.Comerc., S.A. Parque de Famalicão - Empr. Imob., S.A. Proj.Sierra Portugal II-C.Comerc., S.A. Parque Principado SL Proj.Sierra Portugal III-C.Comerc., S.A. Partnergiro - Empreend. Turísticos, Lda Proj.Sierra Portugal IV-C.Comerc., S.A. Pátio Boavista Shopping Ltda. Proj. Sierra Portugal V-C. Comercial, S.A. Pátio Campinas Shopping Ltda Proj. Sierra Portugal VI-C. Comercial, S.A. Pátio Goiânia Shopping Ltda Proj. Sierra Portugal VII - C. Comerc., S.A. Pátio Londrina Empreend. e Particip. Ltda Proj. Sierra Portugal VIII - C. Comerc., S.A. Pátio Londrina Empreend.e Particip.Ltda Project 4, Srl Pátio Penha Shopping Ltda. Project SC 1 BV Pátio São Bernardo Shopping Ltda Project SC 2 BV Pátio Sertório Shopping Ltda Project Sierra 1 B.V. Peixes do Continente-Ind.Dist.Peixes,S.A. Project Sierra 10 BV PHARMACONTINENTE - Saúde e Higiene, S.A. Project Sierra 2 B.V. PJP - Equipamento de Refrigeração, Lda Project Sierra 3 BV Plaza Eboli B.V. Project Sierra 4 BV Plaza Eboli - Centro Comercial S.A. Project Sierra 5 BV Plaza Mayor Holding, SGPS, S.A. Project Sierra 6 BV Plaza Mayor Parque de Ócio B.V. Project Sierra 7 BV Plaza Mayor Parque de Ocio, S.A. Project Sierra 8 BV Plaza Mayor Shopping B.V. Project Sierra 9 BV Plaza Mayor Shopping, S.A. Project Sierra Brazil 1 B.V. Ploi Mall BV Project Sierra Charagionis 1 S.A. Ploiesti Shopping Center (Euro) Project Sierra Germany Shop. Center 1 BV Poliface Brasil, Ltda Project Sierra Germany Shop. Center 2 BV Poliface North America Project Sierra Italy 5 Srl Porturbe-Edificios e Urbanizações, S.A. Project Sierra One Srl Praedium II-Imobiliária, S.A. Project Sierra Spain 1 B.V. Praedium III-Serviços Imobiliários, S.A. Project Sierra Spain 2 B.V. Praedium SGPS, S.A. Project Sierra Spain 2-Centro Comer. S.A. Predicomercial-Promoção Imobiliária, S.A. Project Sierra Spain 3 B.V. Prédios Privados Imobiliária, S.A. Project Sierra Spain 3-Centro Comer. S.A. Predisedas-Predial das Sedas, S.A. Project Sierra Spain 5 BV Pridelease Investments. Ltd Project Sierra Spain 6 B.V. Proj. Sierra Germany 1 - Shop.C. GmbH Project Sierra Spain 6-Centro Comer. SA Proj. Sierra Germany 4 (four)-Sh.C.GmbH Project Sierra Spain 7 B.V. Proj. Sierra Italy 2 - Dev.of Sh.C. Srl Project Sierra Spain 7-Centro Comer. SA Proj.Sierra 1 - Shopping Centre GmbH Project Sierra Three Srl Proj.Sierra Germany 2 (two)-Sh.C.GmbH Project Sierra Two Srl

Proj.Sierra Germany 3 (three)-Sh.C.GmbH

Promessa Sociedade Imobiliária, S.A.



Publimeios-Soc.Gestora Part. Finan., S.A. Puravida - Viagens e Turismo, SA Racionaliz. y Manufact. Florestales, S.A. RASO, SGPS, SA Resoflex-Mob.e Equipamentos Gestão, S.A. Resolução, SGPS, S.A. Rio Sul - Centro Comercial, S.A. River Plaza Mall, Srl Rochester Real Estate, Limited RSI Corretora de Seguros Ltda S. C. Setler Mina Srl S.C. Microcom Doi Srl Saúde Atlântica - Gestão Hospitalar, S.A. SC Aegean B.V. SC Assets SGPS, SA SC Mediterraneum Cosmos B.V. SC-Consultadoria, S.A. SC-Eng. e promoção imobiliária, SGPS, S.A. SCS Beheer, BV Selfrio, SGPS, S.A. Selfrio-Engenharia do Frio, S.A. Selifa-Empreendimentos Imobiliários, S.A. Sempre à Mão - Sociedade Imobiliária, S.A. Sempre a Postos - Produtos Alimentares e Utilidades, Lda Serra Shopping - Centro Comercial, S.A. Sesagest-Proj. Gestão Imobiliária, S.A. Sete e Meio - Invest. Consultadoria, S.A. Sete e Meio Herdades-Inv. Agr. e Tur., S.A. Shopping Centre Colombo Holding, BV Shopping Centre Parque Principado B.V. Shopping Penha B.V. Siaf-Soc.Iniciat.Aprov.Florestais,S.A. SIAL Participações Ltda Sic Indoor - Gestão de Suportes Publicitários, S.A. Sierra Asset Management Luxemburg, Sarl Sierra Asset Management-Gest. Activos, S.A. Sierra Brazil 1 B.V. Sierra Charagionis Develop.Sh. Centre S.A. Sierra Charagionis Propert. Management S.A. Sierra Corporate Services - Ap. Gestão, S.A. Sierra Corporate Services Holland, BV Sierra Develop.lberia 1, Prom.lmob., S.A. Sierra Development Greece, S.A.

Prosa-Produtos e serviços agrícolas, S.A.

Sierra Developments Germany GmbH Sierra Developments Germany Holding B.V. Sierra Developments Holding B.V. Sierra Developments Italy S.r.l. Sierra Developments Services Srl Sierra Developments Spain-Prom.C.Com.SL Sierra Developments, SGPS, S.A. Sierra Developments-Serv. Prom.lmob., S.A. Sierra Enplanta Ltda Sierra European R.R.E. Assets Hold. B.V. Sierra GP Limited Sierra Investimentos Brasil Ltda Sierra Investments (Holland) 1 B.V. Sierra Investments (Holland) 2 B.V. Sierra Investments Holding B.V. Sierra Investments SGPS, S.A. Sierra Italy Holding B.V. Sierra Man.New Tech.Bus.-Serv.Comu.CC,S.A. Sierra Management Germany GmbH Sierra Management Hellas SA Sierra Management II-Gestão de C.C. S.A. Sierra Management Italy S.r.l. Sierra Management Portugal-Gest. CC,S.A. Sierra Management Spain-Gestión C.Com.S.A. Sierra Management, SGPS, S.A. Sierra Portugal Fund, Sarl Sierra Property Management, Srl SII - Soberana Invest. Imobiliários, S.A. SIRS - Sociedade Independente de Radiodifusão Sonora, S.A. Sistavac-Sist.Aquecimento, V.Ar C., S.A. SKK SRL SKK-Central de Distr., S.A. SKKFOR - Ser. For. e Desen. de Recursos SMP-Serv. de Manutenção Planeamento Soc.Inic.Aproveit.Florest.-Energias, S.A. Sociedade de Construções do Chile, S.A. Sociedade Imobiliária Troia - B3, S.A. Société de Tranchage Isoroy S.A.S. Société des Essences Fines Isoroy Sociéte Industrielle et Financére Isoroy Socijofra-Sociedade Imobiliária, S.A. Sociloures-Soc.Imobiliária,S.A. Soconstrução BV Sodesa, S.A.



Soflorin, BV

Soira-Soc.Imobiliária de Ramalde,S.A. Sol Retail Park - Gestão G.Comerc., S.A.

Solaris Supermercados, S.A.

Solinca III-Desporto e S.A.úde, S.A.

Solinca-Investimentos Turísticos, S.A.

Solinfitness - Club Malaga, S.L.

Soltroia-Imob.de Urb.Turismo de Tróia,S.A.

Somit Imobiliária, S.A.

Sonae Capital Brasil, Lda

Sonae Capital, SGPS, S.A.

Sonae Center Serviçoss, SA

Sonae Financial Participations BV

Sonae Ind., Prod. e Com.Deriv.Madeira,S.A.

Sonae Indústria Brasil, Ltda

Sonae Industria de Revestimentos, S.A.

Sonae Indústria-SGPS,S.A.

Sonae International, Ltd

Sonae Investments,BV

Sonae Novobord (PTY) Ltd

Sonae RE, S.A.

Sonae Retalho Espana-Servicios Gen., S.A.

Sonae Serviços de Gestão, S.A.

Sonae SGPS, S.A.

Sonae Sierra Brasil Ltda

Sonae Sierra Brazil B.V.

Sonae Sierra, SGPS, S.A.

Sonae Tafibra (UK),Ltd

Sonae Tafibra Benelux, BV

Sonae Turismo Gestão e Serviços, S.A.

Sonae Turismo-SGPS,S.A.

Sonae UK,Ltd.

Sonaecenter Serviços, SA

Sonaegest-Soc.Gest.Fundos Investimentos

Sondis Imobiliária, S.A.

Sontaria-Empreend.Imobiliários, S.A.

Sontel Bv Sontur BV Sonvecap BV

Sopair, S.A.

Sótaqua - Soc. de Empreendimentos Turist

Spanboard Products,Ltd

Spinveste - Promoção Imobiliária, S.A. Spinveste-Gestão Imobiliária SGII,S.A. Sport Zone-Comércio Art.Desporto,S.A.

SRP Development, SA

SRP-Parque Comercial de Setúbal, S.A.

Star-Viagens e Turismo,S.A.

Tableros Tradema,S.L.

Tafiber, Tableros de Fibras Ibéricas, SL

Tafibras Participações, S.A.

Tafisa Canadá Societé en Commandite

Tafisa France, S.A.

Tafisa UK,Ltd

Tafisa-Tableros de Fibras, S.A.

Taiber, Tableros Aglomerados Ibéricos, SL

Tarkett Agepan Laminate Flooring SCS

Tavapan,S.A.

Tecmasa Reciclados de Andalucia, SL Teconologias del Medio Ambiente,S.A.

Terra Nossa Corretora de Seguros Ltda

Textil do Marco, S.A.

Tlantic Portugal-Sist. de Informação, SA

Tlantic Sistemas de Informação Ltda

Todos os Dias-Com.Ret.Expl.C.Comer.,S.A.

Tool Gmbh

Torre Colombo Ocidente-Imobiliária, S.A.

Torre Colombo Oriente-Imobiliária, S.A.

Torre São Gabriel-Imobiliária, S.A.

TP - Sociedade Térmica, S.A.

Troia Market, SA

Troia Market-Supermercados, S.A.

Tróia Natura, S.A.

Troiaresort-Investimentos Turísticos, S.A.

Troiaverde-Expl.Hoteleira Imob.,S.A. Tulipamar-Expl.Hoteleira Imob.,S.A.

Unishopping Administradora Ltda. Unishopping Consultoria Imob. Ltda.

Urbisedas-Imobiliária das Sedas,S.A.

Valecenter Srl Valor N, S.A.

Vastgoed One - Sociedade Imobiliária, S.A.

Vastgoed Sun - Sociedade Imobiliária, S.A. Venda Aluga-Sociedade Imobiliária, S.A.

Via Catarina- Centro Comercial, S.A.

Viajens y Turismo de Geotur España, S.L.

Vuelta Omega, S.L.

WELL W - Electrodomésticos e Equip., SA

World Trade Center Porto, S.A.

Worten España, S.A.

Worten-Equipamento para o Lar,S.A. Zubiarte Inversiones Inmob,S.A.

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FT	Graun	Compa	niae

France Telecom, S.A. Atlas Services Belgium, SA.





12. Individual Financial Statements

SONAECOM, S.G.P.S., S.A.

BALANCE SHEETS FOR THE PERIOD ENDED AT 30 SEPTEMBER 2009 AND 2008 AND

FOR THE YEAR ENDED AT 31 DECEMBER 2008

(Amounts expressed in Euro)

ASSETS	September 2009	September 2008	December 2008
NON CURRENT ASSETS:			
Tangible assets	544,652	565,251	582,567
Intangible assets	36,376	54,540	49,674
Investments in group companies	899,555,905	898,096,556	898,096,556
Other non current assets	598,357,223	569,481,005	521,631,372
Deferred tax assets	717,816	-	-
Total non current assets	1,499,211,972	1,468,197,352	1,420,360,169
CURRENT ASSETS:			
Other current debtors	86,338,976	9,198,532	90,091,502
Other current assets	5,529,795	6,053,456	3,178,023
Cash and cash equivalents	6,360,997	58,081,634	50,098,913
Total current assets	98,229,768	73,333,622	143,368,438
Total assets	1,597,441,740	1,541,530,974	1,563,728,607
SHAREHOLDERS' FUNDS AND LIABILITIES			
CHARTHOLDERS FLINDS.			
SHAREHOLDERS' FUNDS: Share capital	366,246,868	366,246,868	366,246,868
Own shares	(11,703,596)	(10,740,014)	(13,499,750)
Reserves	795,701,917	776,844,112	775,693,142
Consolidated net income/(loss) for the period	(6,157,334)	18,166,600	19,657,889
	1,144,087,855	1,150,517,566	1,148,098,149
LIABILITIES:			
NON CURRENT LIABILITIES:			
Medium and long-term loans - net of short-term portion	298,911,992	362,910,031	381,509,261
Provisions for other liabilities and charges	491,634	57,265	57,265
Other non current liabilities	206,755	321,566	326,483
Total non current liabilities	299,610,381	363,288,862	381,893,009
CURRENT LIABILITIES:			
Short-term loans and other loans	151,062,692	24,979,697	30,784,090
Other creditors	1,148,540	772,466	1,043,250
Other current liabilities	1,532,272	1,972,383	1,910,109
Total current liabilities	153,743,504	27,724,546	33,737,449
Total shareholders' funds and liabilities	1,597,441,740	1,541,530,974	1,563,728,607

The Chief Accountant The Board of Directors





SONAECOM, S.G.P.S., S.A.

PROFIT AND LOSS ACCOUNT BY NATURE

FOR THE QUARTERS AND THE PERIODS ENDED AT 30 SEPTEMBER 2009 AND 2008 AND

FOR THE YEAR ENDED AT 31 DECEMBER 2008

(Amounts expressed in Euro)

	September 2009	June to September 2009 (Not audited)	September 2008	June to September 2008 (Not audited)	September 2008
Services rendered	5,424,864	1,824,955	5,355,526	1,785,175	7,031,999
Other operating revenues	17,482	23,000	20,231	93	38,852
	5,442,346	1,847,955	5,375,757	1,785,268	7,070,851
External supplies and services	(2,497,234)	(898,515)	(2,559,053)	(996,821)	(3,588,815)
Staff expenses	(3,400,302)	(1,074,360)	(3,351,195)	(988,177)	(4,392,499)
Depreciation and amortisation	(97,986)	(32,410)	(80,903)	(34,025)	(115,562)
Provisions and impairment losses	(450,014)	-	(3,611)	(958)	(3,701)
Other operating costs	(66,810)	(21,970)	(40,579)	(9,792)	(104,222)
	(6,512,346)	(2,027,255)	(6,035,341)	(2,029,773)	(8,204,799)
Gains and losses on group companies	(4,020,000)	-	11,141,093	(5,700,000)	11,141,093
Other financial expenses	(9,242,053)	(1,922,807)	(14,790,876)	(5,471,963)	(20,616,916)
Other financial income	7,485,349	1,911,579	22,625,192	8,359,941	30,387,026
Current income/(loss)	(6,846,704)	(190,528)	18,315,825	(3,056,527)	19,777,255
Income taxation	689,370	40,261	(149,225)	(142,882)	(119,366)
Net income/(loss)	(6,157,334)	(150,267)	18,166,600	(3,199,409)	19,657,889
Earnings per share Including discontinued operations		(2.22)		45.50	
Basic	(0.02)	(0.00)	0.05	(0.01)	0.05
Diluted	(0.02)	(0.00)	0.05	(0.01)	0.05
Excluding discontinued operations					
Basic	(0.02)	(0.00)	0.05	(0.01)	0.05
Diluted	(0.02)	(0.00)	0.05	(0.01)	0.05

The Chief Accountant The Board of Directors





SONAECOM, S.G.P.S., S.A.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIODS ENDED AT 30 SEPTEMBER 2009 AND 2008

(Amounts expressed in Euro)

	September 2009	September 2008
Net income/(loss) for the period	(6,157,334)	18,166,600
Components of other comprehensive income, net of tax:		
Increase/(decrease) in financial hedging instruments' fair value	307,068	547,391
Delivery of own shares under the Medium Term Incentive Plans	3,564,696	2,073,732
Recognition in equity of the responsibilities associated with the Medium Term Incentive Plans	379,567	(304,296)
Recognition of contracts with share liquidation	(116,398)	-
Components of other comprehensive income, net of tax	4,134,933	2,316,827
Statement comprehensive income for the period	(2,022,401)	20,483,427

The Chief Accountant The Board of Directors





SONAECOM, S.G.P.S., S.A.

MOVEMENTS IN SHAREHOLDERS' FUNDS

FOR THE PERIODS ENDED AT 30 SEPTEMBER 2009 AND 2008

(Amounts expressed in Euro)

			2009 Reserves								
	Share capital	Own Shares (Note 11)	Share premium	Legal reserves	Medium Term Incentive Plans reserve	Own shares reserve	Hedging reserve	Other reserves	Total reserves	Net income/(loss)	Total
Balance at 31 December 2008	366,246,868	(13,499,750)	775,290,377	1,002,287	-	13,499,750	(307,068)	(13,792,203)	775,693,142	19,657,889	1,148,098,149
Appropriation of the consolidated result of 2008 Consolidated comprehensive income for the period ended at 30 September 2009 Acquisition of own shares	- - -	- 3,784,046 (1,987,893)	- - -	982,894 - -	- 293,041 -	- (3,784,046) 1,987,893	- 307,068 -	18,674,995 3,534,824 (1,987,893)	19,657,889 350,887 -	(19,657,889) (6,157,334) -	- (2,022,401) (1,987,893)
Balance at 30 September 2009	366,246,868	(11,703,597)	775,290,377	1,985,181	293,041	11,703,597	-	6,429,723	795,701,918	(6,157,334)	1,144,087,855
			2008 Reserves								
	Share capital	Own Shares (Note 11)	Share premium	Legal reserves	Medium Term Incentive Plans reserve		Hedging reserve	Other reserves	Total reserves	Net income/(loss)	Total
Balance at 31 December 2007		Shares		•	Incentive Plans	Own shares					Total 1,136,111,826
Balance at 31 December 2007 Appropriation of the consolidated result of 2007 Consolidated comprehensive income for the period ended at 30 September 2008 Acquisition of own shares	capital	Shares (Note 11)	premium	reserves	Incentive Plans reserve	Reserves Own shares reserve	reserve	reserves	reserves	income/(loss)	



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, analysts and, generally, the recipients of this document 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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